

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

Fiscal Year Ended September 30th, 2010



The 150,000-square-foot Public Safety Building at SH 161 and Arkansas Lane opened October 2010 as the new home for the Police Department and Fire Department administration.

CITY OF GRAND PRAIRIE, TEXAS

COMPREHENSIVE ANNUAL FINANCIAL REPORT

FOR THE FISCAL YEAR ENDED

SEPTEMBER 30, 2010

PREPARED BY THE FINANCE DEPARTMENT



**Charles England
Mayor**

**Diana Ortiz, RTA
Chief Financial Officer**

**Tom Hart
City Manager**

**Li Jen Lee, CPA
Controller**

**CITY OF GRAND PRAIRIE, TEXAS
COMPREHENSIVE ANNUAL FINANCIAL REPORT
YEAR ENDED SEPTEMBER 30, 2010**

TABLE OF CONTENTS

I. INTRODUCTORY SECTION (Unaudited)	Page
Letter of Transmittal	v
Certificate of Achievement	x
Mayor and City Council Members	xii
Directory of Officials	xiii
Organizational Chart	xiv
City of Grand Prairie Area Map	xv
 II. FINANCIAL SECTION	
Independent Auditor's Report	1
A. MANAGEMENT'S DISCUSSION AND ANALYSIS (Unaudited)	3
B. BASIC FINANCIAL STATEMENTS	
Government-Wide Financial Statements	
Statement of Net Assets	15
Statement of Activities	16
Fund Financial Statements	
Governmental Funds Financial Statements	
Balance Sheet	18
Reconciliation of the Governmental Funds Balance Sheet to Statement of Net Assets	21
Statement of Revenue, Expenditures, and Changes in Fund Balance	22
Reconciliation of the Statement of Revenue, Expenditures, and Changes in Fund Balance of Governmental Funds to the Statement of Activities	25
Proprietary Funds Financial Statements	
Statement of Net Assets	26
Statement of Revenue, Expense, and Changes in Fund Net Assets	27
Statement of Cash Flows	29

	Page
Notes to Basic Financial Statements	31
C. REQUIRED SUPPLEMENTARY INFORMATION	
Schedule of Revenue, Expenditures and Changes in Fund Balance	
General Fund - Budget to Actual Comparison Schedule	87
Crime Tax Sales Tax Fund – Budget to Actual Comparison Schedule	88
Section 8 Fund – Budget to Actual Comparison Schedule	89
Texas Municipal Retirement System – Eight-year Analysis of Funding Progress	90
D. COMBINING AND INDIVIDUAL FUND STATEMENTS AND SCHEDULES	
Major Fund Other Schedules	
Schedule of Revenue, Expenditures and Changes in Fund Balance	
Debt Service Fund-Budget to Actual Comparison Schedule	93
Combining Financial Statements - Non-major Governmental Funds	95
Combining Balance Sheet	96
Combining Statement of Revenue, Expenditures, and Changes in Fund Balance	100
Individual Fund Schedules - Budget to Actual Schedules	103
Park Venue Fund-Budget to Actual Comparison Schedule	104
Senior Center Sales Tax Fund-Budget to Actual Comparison Schedule	105
Hotel/Motel Tax Fund – Budget to Actual Comparison Schedule	106
Police Seizure Fund – Budget to Actual Comparison Schedule	107
Municipal Court Fund – Budget to Actual Comparison Schedule	108
Cable Operations Fund – Budget to Actual Comparison Schedule	109
Combining Financial Statements - Non-major Enterprise Funds	111
Combining Statement of Net Assets	112
Combining Statement of Revenue, Expense, and Changes in Fund Net Assets	113
Combining Statement of Cash Flows	114
Combining Financial Statements - Internal Service Funds	115
Combining Statement of Net Assets	116
Combining Statement of Revenue, Expense, and Changes in Fund Net Assets	117
Combining Statement of Cash Flows	118

E. CAPITAL ASSETS OF GOVERNMENTAL FUNDS	Page
Schedule by Source	119
Schedule by Function and Activity	120
Schedule of Changes by Function and Activity	121
F. SUPPLEMENTAL SCHEDULES	123
Park Venue Fund	
Aggregating Balance Sheet	124
Aggregating Schedule of Revenue, Expenditures, and Changes in Fund Balance	125
Water and Wastewater Fund	
Aggregating Schedule of Net Assets	126
Aggregating Schedule of Revenue, Expense, and Changes in Fund Net Assets	128
Municipal Airport Fund	
Aggregating Schedule of Net Assets	130
Aggregating Schedule of Revenue, Expense, and Changes in Fund Net Assets	131
Municipal Golf Course Fund	
Aggregating Schedule of Net Assets	132
Aggregating Schedule of Revenue, Expense, and Changes in Fund Net Assets	133
Solid Waste Fund	
Aggregating Schedule of Net Assets	134
Aggregating Schedule of Revenue, Expense, and Changes in Fund Net Assets	136
Risk Management Fund	
Aggregating Schedule of Net Assets	138
Aggregating Schedule of Revenue, Expense, and Changes in Fund Balance	139
III. STATISTICAL SECTION (Unaudited)	141
Financial Trends	
Net Assets by Component – Last Nine Fiscal Years	143
Changes in Net Assets – Last Nine Fiscal Years	144
Fund Balances, Governmental Funds – Last Ten Fiscal Years	146
Change in Fund Balances, Governmental Funds – Last Ten Fiscal Years	148

	Page
Revenue Capacity	
Assessed and Estimated Actual Values of Taxable Property	150
Direct and Overlapping Property Tax Rates	152
Principal Property Tax Payers	154
Property Tax Levies and Collections	155
Debt Capacity	
Ratios of Outstanding Debt by Type	156
Ratios of General Bonded Debt Outstanding	158
Direct and Overlapping Governmental Activities of Debt	159
Legal Debt Margin Information	160
Pledged Revenue Coverage	162
Demographic and Economic Information	
Demographic and Economic Statistics	164
Principal Employers	165
Full-time-equivalent City Government Employees by Function/Program	166
Operating Information	
Capital Assets Statistics by Function/Program	167
Water and Wastewater Contracts	
Components of Payments Made Under Selected Contracts	168
Operating Indicators by Function	170

INTRODUCTORY SECTION





March 25, 2011

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

We are pleased to present the Comprehensive Annual Financial Report (“CAFR”) for the City of Grand Prairie, Texas (“City”) for the fiscal year ended September 30, 2010. This report complies with State law which requires that all local governments publish within six months of the close of each fiscal year a complete set of financial statements presented in conformity with generally accepted accounting principles (“GAAP”) in the United States of America and audited in accordance with generally accepted auditing standards in the United States of America by a firm of licensed certified public accountants.

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

The City’s financial statements have been audited by Weaver, L.L.P., a firm of licensed certified public accountants. The goal of the independent audit is to provide reasonable assurance that the financial statements of the city for the fiscal year ended September 30, 2010, are free of material misstatement. The independent audit involved examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements; assessing the accounting principles used and significant estimates made by management; and evaluating the overall financial statement presentation. The independent auditor issued an unqualified (“clean”) opinion on the City of Grand Prairie’s financial statements for the year ended September 30, 2010. The Independent Auditor’s Report is located at the front of the Financial Section of this report.

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

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

In addition to issuance of the CAFR, the independent auditors have performed a Single Audit and issued auditor reports on the City's federal awards for the fiscal year ended September 30, 2010. The City's Single Audit Report is separately available by contacting the City's Finance Department.

Profile of the City of Grand Prairie, Texas

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

The City of Grand Prairie was incorporated in 1909 and is a Home Rule city operating under a Council/Manager form of government. The Council is comprised of the Mayor and eight Council members who are elected for staggered, three-year terms. The Mayor is elected at large, and, the City Council is elected two at-large and six single-member districts. Duties of the Council include enacting local legislation, adopting annual budgets, setting policies and appointing the Municipal Court Judge and City Manager. The City Manager is the chief administrative officer responsible for carrying out policies and for the daily management of the City.

Serving a census population of 175,396, the City provides a full range of services, including but not limited to police and fire protection; emergency ambulance services; development and code services; public libraries; construction and maintenance of streets, parks and recreational facilities; water and wastewater and storm water utility services; a municipal airport; municipal golf courses and other cultural events. Sixteen Public Improvement Districts and three Tax Increment Financing Districts, none of which are legally separate entities, are included in the City's reporting entity. A private contractor provides solid waste collection and disposal services for the City.

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

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

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

Economic Condition

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

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

Local Economy

Growth rates fell off amid the national mortgage credit crisis and economic recession. New home permits show positive signs of growth. They increased from 333 in 2009 to 390 in 2010, a 17 percent increase. In terms of dollar value, total permits for new construction increased 6% from prior year. Grand Prairie is holding its own and doing better than most cities despite a deep national recession that included Texas and the Dallas/Fort Worth area. Developments completed or under construction in 2010 include the following:

- Poly-America's \$12.5 million, 436,014 square foot industrial expansion;
- International Brotherhood of Electrical Workers (IBEW) credit union and offices, totaling 20,000 square feet;
- A new 29,000 square foot medical offices facility;
- A new La Quinta Hotel, 47,000 square feet (74 rooms);
- Jefferson Retail Center, 24,000 square feet;
- 636,000 square feet of industrial space by Crow Holdings in the Grand Lakes Industrial Park.

Long-term financial planning

The City of Grand Prairie has developed a comprehensive capital improvements document. This process has allowed the City Council to fund several major infrastructure improvements, park enhancements and capital purchases in a systematic manner with full consideration of the impact to the operating budget and tax requirements. Many of these projects have been completed on a

pay-as-you-go basis. Utilizing a disciplined practice of annually budgeting for capital reserves, the City has effectively funded various capital projects thus avoiding additional debt expenditures.

Relevant financial policies

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

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

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

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

Major initiatives

2010 marked significant public sector improvements. They include the City's new 149,000 square-foot Public Safety Headquarters and a new 59,000 square-foot adult activity center, called the Summit, at the 172-acre Central Park. Another city project, Market Square, a farmers market and general event place, opened during the 2010 fiscal year.

- Warrior Trail from Green Vista to Robinson was completed. This accomplished connection of Great Southwest Parkway to Robinson.
- Arkansas Lane was widened to four lanes from Typhon Road to Carrier Parkway to handle additional traffic.
- Great Southwest Parkway intersection improvements from Sara Jane to Bardin Road that added turn lanes and enhanced traffic safety. This will assist the additional traffic upon the opening of the future outlet mall.

- Mayfield Road was reconstructed from State Highway 360 to Great Southwest Parkway (asphalt to concrete) and enhanced with additional turn lanes at each end. This will assist with additional vehicle capacity.
- State Highway 161 progressed with the completion and opening of Phases I, II and III. Phase I includes the main lane interchange at SH 183 and service roads from North Carrier Parkway to Interstate Highway 20. Phase II includes two main lanes in each direction from SH 183 to Egyptian Way. And, Phase III includes the service roads and a third main lane in each direction from Conflans Road to North Carrier Parkway.

Awards

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

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

A Certificate of Achievement is valid for a period of one year only. The City has been awarded the GFOA Certificate of Achievement on its comprehensive annual financial reports each year for fiscal years ending 1985 through 2009. The City believes the 2010 CAFR continues to meet the program's requirements, and, we are submitting it to the GFOA to determine its eligibility for another certificate and prestigious award.

Acknowledgements

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

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

Sincerely,



Tom Hart, City Manager



Diana G. Ortiz, Chief Financial Officer

Certificate of Achievement for Excellence in Financial Reporting

Presented to

City of Grand Prairie
Texas

For its Comprehensive Annual
Financial Report
for the Fiscal Year Ended
September 30, 2009

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

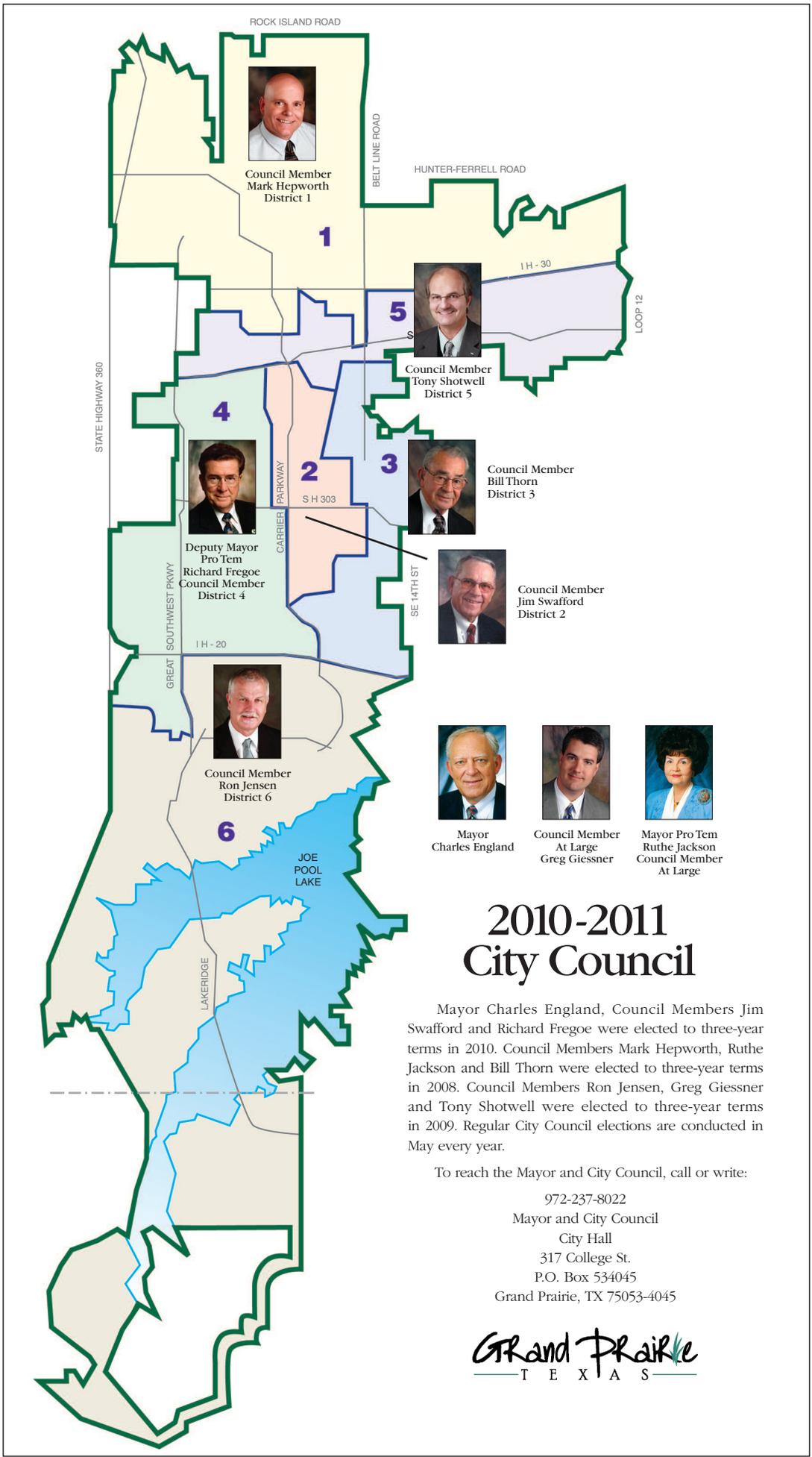


President

Executive Director



THIS PAGE IS INTENTIONALLY LEFT BLANK



Council Member
Mark Hepworth
District 1



Council Member
Tony Shotwell
District 5



Council Member
Bill Thorn
District 3



Council Member
Jim Swafford
District 2



Deputy Mayor
Pro Tem
Richard Fregoe
Council Member
District 4



Council Member
Ron Jensen
District 6



Mayor
Charles England



Council Member
At Large
Greg Giessner



Mayor Pro Tem
Ruthe Jackson
Council Member
At Large

2010-2011 City Council

Mayor Charles England, Council Members Jim Swafford and Richard Fregoe were elected to three-year terms in 2010. Council Members Mark Hepworth, Ruthe Jackson and Bill Thorn were elected to three-year terms in 2008. Council Members Ron Jensen, Greg Giessner and Tony Shotwell were elected to three-year terms in 2009. Regular City Council elections are conducted in May every year.

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

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



CITY OF GRAND PRAIRIE, TEXAS

DIRECTORY OF CITY OFFICIALS

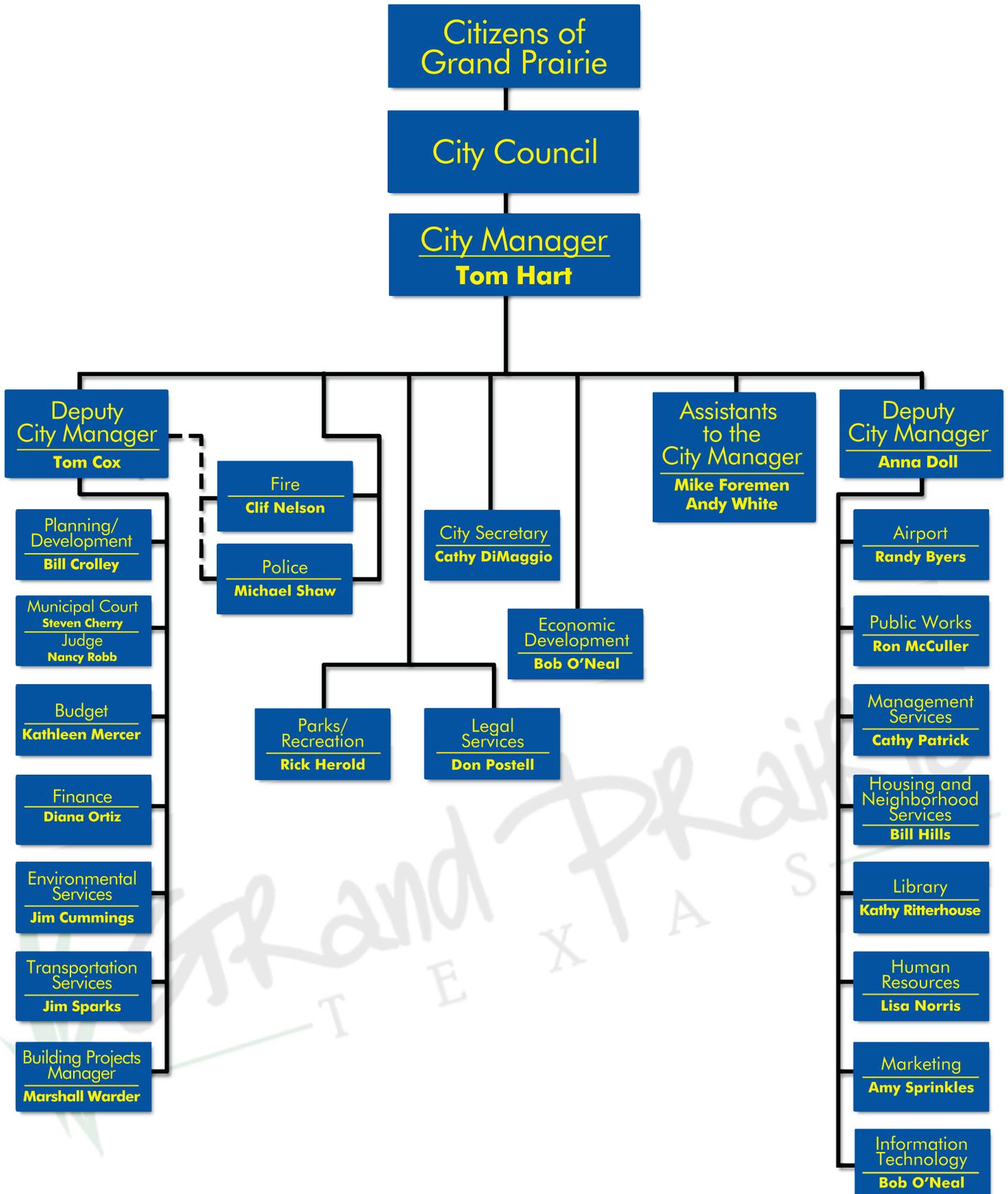
MAYOR AND CITY COUNCIL

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

EXECUTIVE MANAGERS

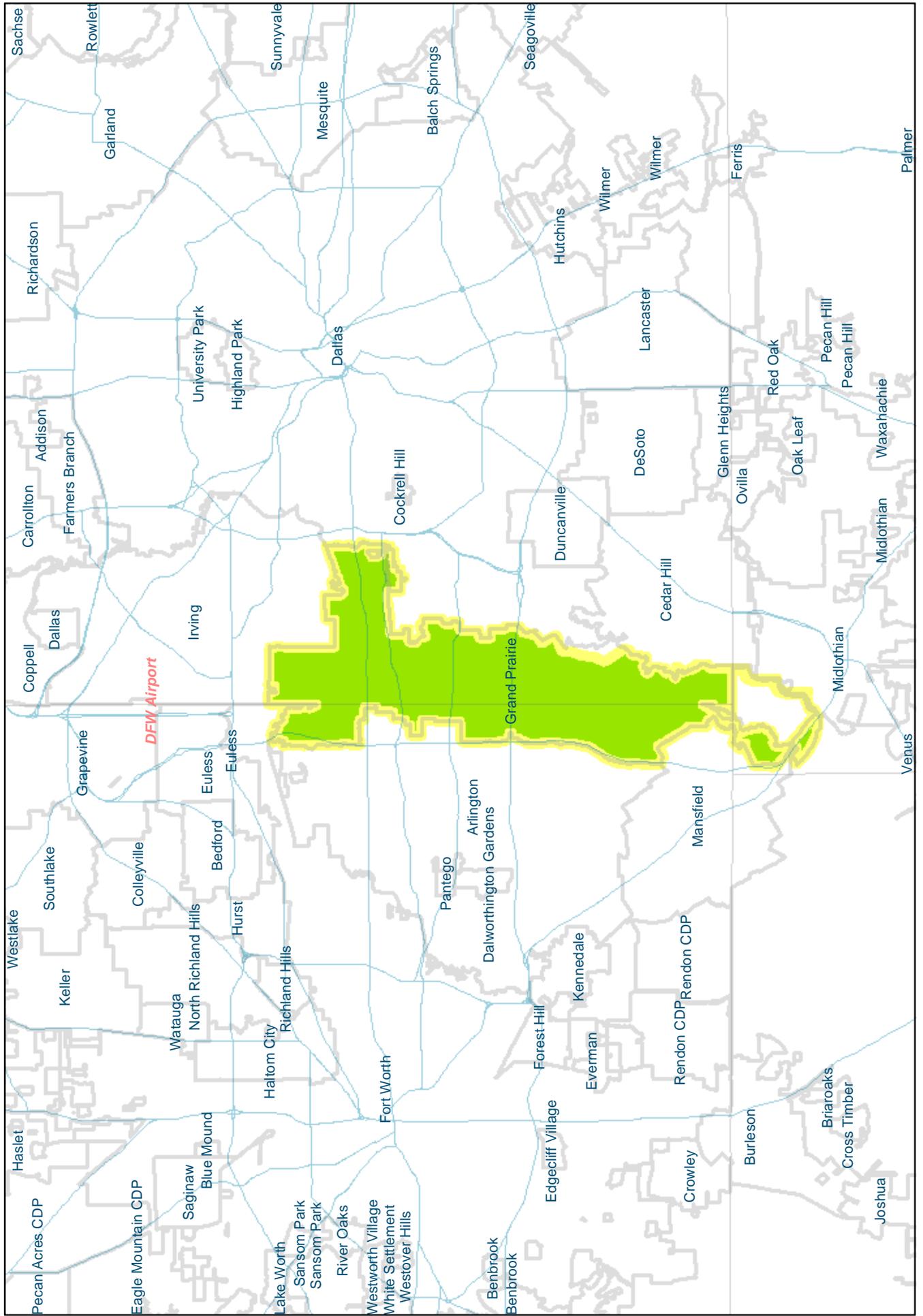
Tom Hart	City Manager
Tom Cox	Deputy City Manager
Anna Doll	Deputy City Manager
Andy White	Assistant to City Manager
Mike Foreman	Assistant to City Manager
Randy Byers	Airport Director
Steven Cherry	Court Services Director
Kathleen Mercer	Budget Director
Bill Crolley	Director of Planning & Development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

City of Grand Prairie Organizational Chart



City of Grand Prairie, Texas

Located in the middle of the Dallas-Fort Worth Metroplex





THIS PAGE IS INTENTIONALLY LEFT BLANK

FINANCIAL SECTION





INDEPENDENT AUDITOR'S REPORT

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

We have audited the accompanying financial statements of the governmental activities, the business-type activities, the discretely presented component units, each major fund and the aggregate remaining fund information of the City of Grand Prairie (the City) as of and for the year ended September 30, 2010, which collectively comprise the City's basic financial statements, as listed in the table of contents. These basic financial statements are the responsibility of the City's management. Our responsibility is to express an opinion on these basic financial statements based on our audit. We did not audit the component unit financial statements for the Grand Prairie Housing Finance Corporation. Those financial statements were audited by other auditors in accordance with auditing standards generally accepted in the United States of America, whose report thereon has been furnished to us, and our opinion, insofar as it relates to the amounts included for the Grand Prairie Housing Finance Corporation is based on the report of other auditors.

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

In accordance with *Government Auditing Standards*, we have also issued our report dated March 25, 2011 on our consideration of the City's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* and should be considered in assessing the results of our audit.

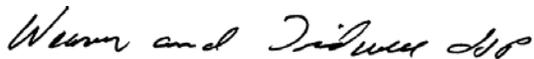
In our opinion the basic financial statements referred to above present fairly, in all material respects, the financial position of the governmental activities, the business-type activities, the discretely presented component units, each major fund, and the aggregate remaining fund information of the City of Grand Prairie at September 30, 2010, and the respective changes in financial position and cash flows, where applicable, thereof, for the year then ended in conformity with accounting principles generally accepted in the United States of America.

City of Grand Prairie, Texas
March 25, 2011

Page 2

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

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



WEAVER AND TIDWELL, L.L.P.

Dallas, Texas
March 25, 2011

MANAGEMENT'S DISCUSSION & ANALYSIS



**CITY OF GRAND PRAIRIE, TEXAS
MANAGEMENT’S DISCUSSION AND ANALYSIS
FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2010
(Unaudited)**

As management of the City of Grand Prairie, Texas (“the City”), we offer to readers of the City’s financial statements this narrative overview and analysis of the financial activities of the City for the fiscal year ended September 30, 2010. We encourage readers to consider the information presented here in conjunction with additional information that we have furnished in our letter of transmittal. Also, unless otherwise indicated, all amounts presented are for the City’s primary government and exclude any component unit.

FINANCIAL HIGHLIGHTS

- The assets of the City exceeded its liabilities (net assets) at September 30, 2010, by \$632,962,206. Of this amount, \$198,297,079 may be used to meet the government’s ongoing obligations to citizens and creditors (unrestricted net assets).
- The City’s net assets increased by \$19,257,710 for the fiscal year ended September 30, 2010. Capital contributions from private developers for improvements to the City’s infrastructure accounted for \$1,809,525 or 9.4% of the increase in city net assets.
- The City’s governmental funds reported combined ending fund balances of \$142,204,155 at September 30, 2010, a decrease of \$46,882,292 in comparison with prior year combined fund balances. Of the governmental funds reported combined fund balances, \$130,113,759 or 91.5% is available for spending within City guidelines (unreserved fund balance).
- The City’s unreserved fund balance for the general fund was \$29,794,717 at year end or 36.1% of total general fund expenditures for the reported fiscal year.
- The City’s total long-term liabilities of \$396,997,715 decreased by \$19,246,481 or 4.6% during the reported fiscal year. In fiscal year 2010, the City issued general obligation, certificates of obligation, water and wastewater revenue, and TIF-related certificates of obligation and Sales Tax Revenue bonds totaling a combined \$25,810,000.

OVERVIEW OF THE FINANCIAL STATEMENTS

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

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

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

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

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

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

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

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

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

Because the focus of governmental funds is narrower than that of the government-wide financial statements, it is useful to compare the information presented for governmental funds with similar

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

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

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

Proprietary funds. The City maintains two different types of proprietary funds. Enterprise funds are used to report the same functions presented as business-type activities of the government-wide financial statements. The City uses enterprise funds to account for its respective water and wastewater system, solid waste sanitary landfill, storm water utility, municipal airport, and municipal golf courses operating, investing, and financing activities. Internal service funds are an accounting device used to accumulate and allocate costs internally among the City's various functions. The City uses internal service funds to account for vehicle and equipment maintenance and the premiums, deductibles, and claims for all insurance programs (e.g. employee health, workers compensation, general liability, etc.). Because these services benefit both governmental and business-type functions, they have been allocated to both activities in the government-wide financial statements in proportion to services received.

Proprietary funds provide the same type of information as the government-wide financial statements, only in more detail. The City has five enterprise funds of which one is a major enterprise fund: the Water Wastewater Fund. Data from the other enterprise funds are combined into a single, aggregated presentation in the proprietary fund financial statements. Individual fund data for each of these non-major enterprise funds is provided in the form of combining statements elsewhere in this report. The City's two internal service funds are combined into a single, aggregated presentation in the proprietary fund financial statements. Individual fund data for the City's internal service funds is provided in the form of combining statements elsewhere in this report.

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 non-major governmental funds, non-major enterprise funds, and internal service funds are presented immediately following the required supplementary information.

GOVERNMENT-WIDE FINANCIAL ANALYSIS

As noted earlier, net assets may serve over time as a useful indicator of a government's financial position. In the case of the City, assets exceeded liabilities by \$632,962,206 at year end. The City had total assets at year end of \$1,054,792,016. The City's pooled cash and investments totaling \$234,716,455 and capital assets (e.g., land, buildings, equipment, infrastructure, and construction in progress), net of accumulated depreciation totaling \$793,359,840 represented 22.3% and 75.2%, respectively, of total government assets.

The City's investment in capital assets, less any related debt used to acquire those assets that is still outstanding, totaled \$420,644,171 and represented 66.5% of the City's total net assets at year end. The City uses its capital assets to provide services to citizens; consequently, these assets are not available for future spending. Although the City's investment in its capital assets is reported net of related debt, it should be noted that the resources needed to repay this must be provided from other sources, since the capital assets themselves cannot be used to liquidate these liabilities. Table 1 below is a summary of the City's net assets at year end compared to the prior year.

Table 1

Net Assets

	Governmental		Business-Type		Total	
	Activities		Activities		Primary Government	
	9/30/2009	9/30/2010	9/30/2009	9/30/2010	9/30/2009	9/30/2010
Cash & investments	\$ 210,680,613	\$ 156,257,723	\$ 75,067,343	\$ 78,458,732	\$ 285,747,956	\$ 234,716,455
Other assets	18,021,087	18,123,329	8,514,414	8,592,392	26,535,501	26,715,721
Capital assets, net	545,271,707	584,505,973	207,958,725	208,853,867	753,230,432	793,359,840
Total assets	<u>773,973,407</u>	<u>758,887,025</u>	<u>291,540,482</u>	<u>295,904,991</u>	<u>1,065,513,889</u>	<u>1,054,792,016</u>
Current liabilities	27,452,769	17,411,068	8,089,000	7,421,027	35,541,769	24,832,095
Long-term bonded debt	322,855,239	301,058,520	75,007,956	75,642,433	397,863,195	376,700,953
Other noncurrent liabilities	13,229,933	14,855,322	5,174,496	5,441,440	18,404,429	20,296,762
Total liabilities	<u>363,537,941</u>	<u>333,324,910</u>	<u>88,271,452</u>	<u>88,504,900</u>	<u>451,809,393</u>	<u>421,829,810</u>
Net assets:						
Invested in capital assets, net of related debt	271,217,903	286,120,135	139,067,912	134,524,036	410,285,815	420,644,171
Restricted	9,471,982	9,792,214	3,673,504	4,228,742	13,145,486	14,020,956
Unrestricted	129,745,581	129,649,766	60,527,614	68,647,313	190,273,195	198,297,079
Total net assets	<u>410,435,466</u>	<u>425,562,115</u>	<u>203,269,030</u>	<u>207,400,091</u>	<u>613,704,496</u>	<u>632,962,206</u>

A portion of the City's net assets totaling \$14,020,956 or 2.3% represents resources that are subject to external restrictions on how they may be used. The remaining balance of unrestricted net assets may be used to meet the government's ongoing obligations to citizen's and creditors.

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

The City's net assets increased by \$19,257,710 in fiscal year 2010. As previously mentioned, \$1,809,525 or 9.4% of the increase is attributable to the revenue recognition of private developer capital contributions for improvements to the City's infrastructure. The remaining increase represents the degree to which revenues have exceeded expenses.

The fiscal year 2010 compared to fiscal 2009 changes in the City's net assets were as follows:

Table 2

Changes in Net Assets

	Governmental Activities		Business-Type Activities		Total Primary Government	
	9/30/2009	9/30/2010	9/30/2009	9/30/2010	9/30/2009	9/30/2010
Revenues:						
Program revenues:						
Charges for services	\$ 35,205,336	\$ 35,277,584	\$ 63,372,257	\$ 65,085,186	\$ 98,577,593	\$ 100,362,770
Operating grants and contributions	28,333,421	31,232,753	468,397	-	28,801,818	31,232,753
Capital grants and contributions	5,795,714	9,112,664	4,745,551	2,444,475	10,541,265	11,557,139
General revenues:						
Property tax	76,687,029	75,091,425	-	-	76,687,029	75,091,425
Sales tax	40,376,226	39,891,881	-	-	40,376,226	39,891,881
Other tax	1,231,899	1,232,928	-	-	1,231,899	1,232,928
Franchise fees	12,531,556	12,060,211	-	-	12,531,556	12,060,211
Investment income	6,688,474	1,844,371	2,063,618	425,937	8,752,092	2,270,308
Total Revenues	<u>206,849,655</u>	<u>205,743,817</u>	<u>70,649,823</u>	<u>67,955,598</u>	<u>277,499,478</u>	<u>273,699,415</u>
Expenses:						
Support services	17,647,031	17,278,851	-	-	17,647,031	17,278,851
Public safety	70,728,042	81,872,640	-	-	70,728,042	81,872,640
Recreation and leisure	24,302,491	21,517,961	-	-	24,302,491	21,517,961
Development and other services	56,491,002	58,153,994	-	-	56,491,002	58,153,994
Interst on long-term debt	12,141,929	10,618,864	-	-	12,141,929	10,618,864
Water and wastewater	-	-	46,025,037	48,888,158	46,025,037	48,888,158
Municipal airport	-	-	1,758,664	1,999,196	1,758,664	1,999,196
Municipal golf course	-	-	3,336,554	3,488,564	3,336,554	3,488,564
Storm water utility	-	-	1,344,716	1,692,009	1,344,716	1,692,009
Solid waste	-	-	8,316,221	8,931,468	8,316,221	8,931,468
Total expenses	<u>181,310,495</u>	<u>189,442,310</u>	<u>60,781,192</u>	<u>64,999,395</u>	<u>242,091,687</u>	<u>254,441,705</u>
Increase in net assets before transfers	25,539,160	16,301,507	9,868,631	2,956,203	35,407,791	19,257,710
Transfers-monetary	(1,112,837)	(1,542,012)	1,112,837	1,542,012	-	-
Transfers-capital assets	-	367,154	-	(367,154)	-	-
Change in net assets	24,426,323	15,126,649	10,981,468	4,131,061	35,407,791	19,257,710
Net assets - beginning of year -as previously stated	<u>386,009,143</u>	<u>410,435,466</u>	<u>192,287,562</u>	<u>203,269,030</u>	<u>578,296,705</u>	<u>613,704,496</u>
Net assets - end of year	<u>\$ 410,435,466</u>	<u>\$ 425,562,115</u>	<u>\$ 203,269,030</u>	<u>\$ 207,400,091</u>	<u>\$ 613,704,496</u>	<u>\$ 632,962,206</u>

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

Table 3

General Revenue Comparison for the Year End			
	Fiscal Year 9/30/2009	Fiscal Year 9/30/2010	Increase (Decrease)
Governmental activities:			
Property taxes	\$ 76,687,029	\$ 75,091,425	\$ (1,595,604)
Sales taxes	40,376,226	39,891,881	(484,345)
Other taxes	1,231,899	1,232,928	1,029
Franchise fees	12,531,556	12,060,211	(471,345)
Investment income	6,688,474	1,844,371	(4,844,103)
Total governmental activities	137,515,184	130,120,816	(7,394,368)
Business-type activities:			
Investment income	2,063,618	425,937	(1,637,681)
Total business-type activities	2,063,618	425,937	(1,637,681)
Total general revenues	\$ 139,578,802	\$ 130,546,753	\$ (9,032,049)

Governmental activities. Governmental activities increased the City's net assets by \$15,126,649 thereby accounting for 79% of the total growth in net assets. Although revenues fell short of projections, sound fiscal management, departmental budget cuts and greater use of operating grants provided for the positive change in net assets before transfers. Total revenue for governmental activities (excluding transfers from business-type activities) decreased from the previous year by \$11,105,838. General Revenue which is primarily made up property taxes, sales taxes, and franchise fees had a net decrease of \$7,394,368. Property tax revenue declined by \$1,595,604 due to a 1.84% drop in net taxable property values. Sales tax collections also declined by \$484,345 due to the continued impact of the recessed economy. Franchise fee revenue decreased \$471,345 as a result of lower gross revenues in the utility industry. In addition, investment income decreased by \$4,844,103 resulting from lower interest rates and a lower portfolio balance.

Net assets of governmental operations account for 67% of total net assets. Of the total increase, contributions of infrastructure by private developers to the city represented 9.4%. Program revenues of the city include operating grants and contributions, and, capital grants and contributions. Both revenue types incurred an increase from prior year by \$2,899,332 and \$3,316,950, respectively. This was achieved by accessing a greater amount of grant funding opportunities.

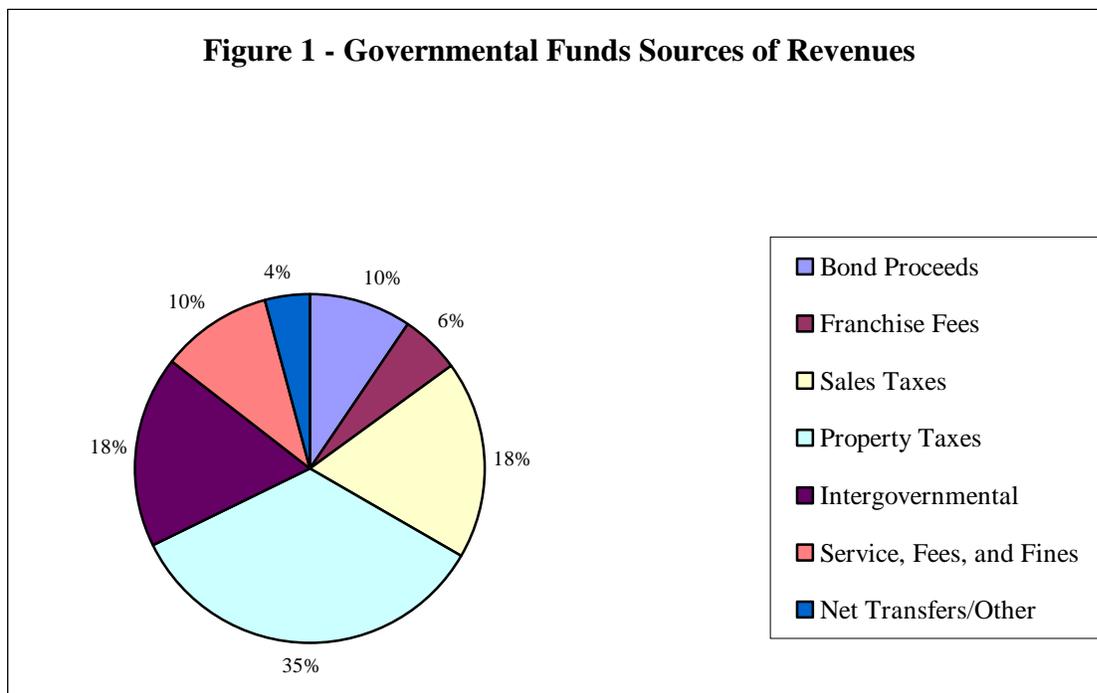
Business-type activities. Business-type activities increased the City's net assets by \$4,131,061, accounting for 21% of the total growth in the primary government's net assets. Although total revenue for the business-type activities decreased from the previous year by \$2,694,224, sound fiscal management, departmental budget cuts and use of grants provided for the positive change in net assets before transfers. Of the increase, impact fees by private developers to the City's water and wastewater system infrastructure represented \$1,174,693 or 6.1%. Net assets for business type activities represent 33% of total net assets. Table 2 summarizes the changes in business-type activities net assets.

FINANCIAL ANALYSIS OF THE GOVERNMENT'S FUNDS

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

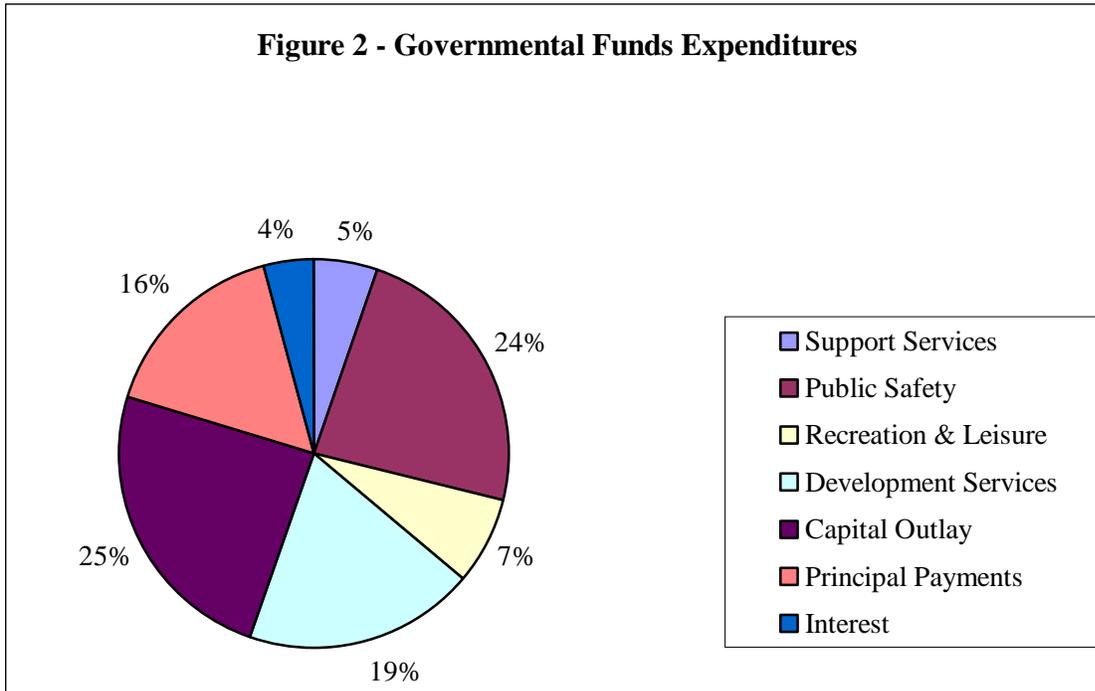
Governmental funds. The focus of City's governmental funds is to provide information on near-term inflows, outflows, and balances of spendable resources. Such information is useful in assessing the City's financing requirements. In particular, unreserved fund balance may serve as a useful measure of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

For fiscal year 2010, the City's governmental funds (excluding internal service funds) reported combined ending fund balances of \$142,204,155, a decrease of \$46,882,292 in comparison with the prior year. The unreserved fund balance portion is 90.4% and is available for spending at the government's discretion. The remainder is reserved to indicate that it is not available for new spending because it has already been committed 1) to liquidate inventories, contracts and purchase orders of the prior period (\$2,503,922), 2) to pay debt service (\$10,544,284), and 3) for prepaid items (\$548,013). Figures 1 and 2 that follow show the distribution of governmental funds' sources of revenues and expenditures, \$280,614,965 and \$327,534,198, respectively, for fiscal year 2010.



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

Figure 2 - Governmental Funds Expenditures



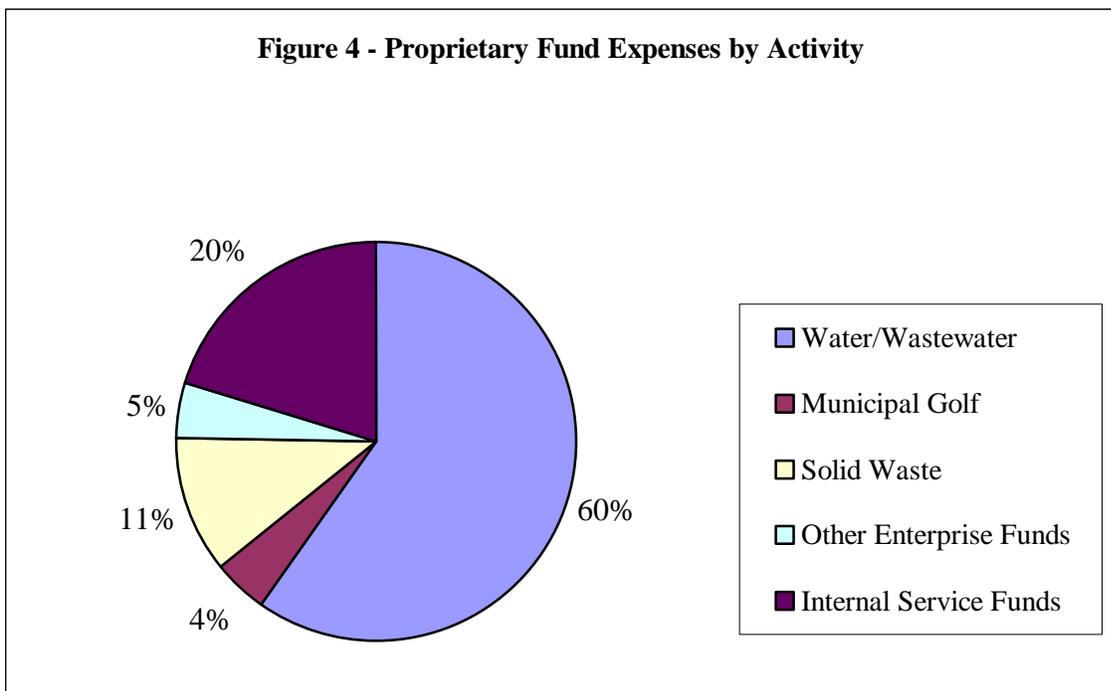
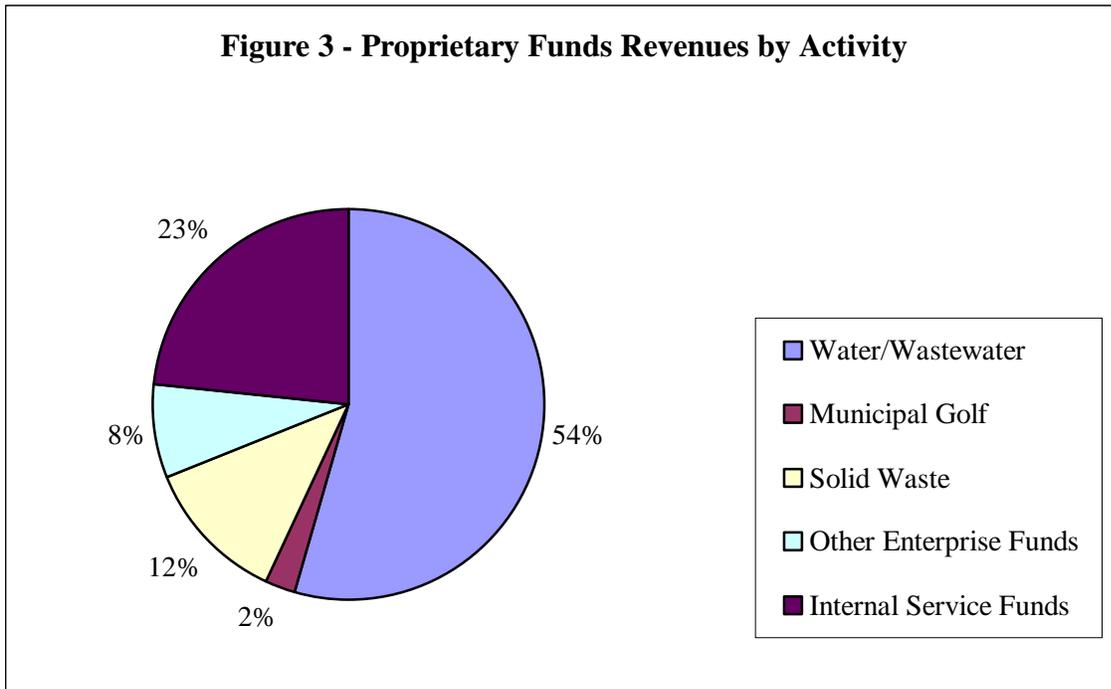
The General Fund is the chief operating fund of the City. At the fiscal year end, unreserved fund balance of the General Fund was \$29,794,717, while total fund balance was \$30,101,515. As a measure of the General Fund's liquidity, it may be useful to compare both unreserved fund balance and total fund balance to total fund expenditures. Unreserved fund balance represents 35.8% of total general fund expenditures, while total fund balance represents 36.5% of that same amount. The City's General Fund balance decreased (planned reduction) by \$244,542 in fiscal year 2010.

Fund balances of several other governmental funds changed significantly. Fund balance in the Street Improvements Fund increased by \$6,512,394 from the receipt of bond sale proceeds. Additionally, Section 8 Fund resulted in an increase of \$1,570,831 to its fund balance due to increased HUD funding, and, the Debt Service Fund increased by \$322,783 due from revenues exceeding disbursements combined with a debt refunding. The fund balance in the non-major governmental funds decreased by \$25,672,045 for capital project expenditures.

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

The net assets of the City's enterprise funds and internal service funds were \$205,023,959 and \$13,693,525, respectively at September 30, 2010. The enterprise funds' amount invested in capital assets, net of related debt represented 66% of total enterprise funds net assets. The internal service funds' amount invested in capital assets, net of related debt represented 6.4% of total internal service funds' net assets. The enterprise funds' unrestricted net assets were 32% of their total net assets, and, internal service funds' unrestricted net assets were 93.6% of their total funds' net assets. The City's enterprise funds reported a small income before contributions and transfers of \$55,939 while the internal service funds reported a gain of \$3,501,873. The gain was primarily attributable to the Risk Management and Employee Insurance funds that managed premiums and claims to a favorable level. Other factors concerning the finances of the proprietary funds have already been addressed in the discussion of the government-wide financial statements and business-type activities. The following Figures 3 and 4 show the

proprietary funds revenues of \$85,857,488 and expenses of \$82,299,676 (excluding transfers and capital contributions) by activity.



General Fund Budgetary Highlights

For the reported fiscal year, revenues fell short of budgetary estimates by \$784,961. Expenditures were under budgetary estimates by \$3,320,598 resulting from a city-wide effort in cost containment and reduction in expenditures as the recessed economy continued. These

measures served the city well as the fund realized a small decrease in fund balance of \$244,542. The City traditionally budgets revenue conservatively and this practice frequently results in positive budgetary variances.

Capital Asset and Debt Administration

Capital assets. The City's investment in capital assets, net of accumulated depreciation, for its governmental and business-type activities at fiscal year end amounted to \$793,359,840. This investment includes land, buildings, improvements other than buildings (includes infrastructure), machinery and equipment, and construction in progress. The City's capital assets increased by \$40,129,408 in fiscal year 2010.

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

- Private developer capital contributions of \$1,809,525 to the City's streets, water, sewer, and drainage infrastructure in connection with various residential and commercial developments.
- Capital outlay totaling \$26,070,279 for equipment, and improvements in the Crime Tax District.
- Capital outlay totaling \$7,395,963 for Street Improvement Fund includes various streets, sidewalks, entryways, pedestrian pathways and intersections in the City.
- Water and wastewater capital improvements totaling \$37,571,886.

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

Table 4

Capital Assets*

	Governmental Activities		Business-Type Activities		Total Primary Government	
	9/30/2009	9/30/2010	9/30/2009	9/30/2010	9/30/2009	9/30/2010
Land	\$ 28,867,864	\$ 32,289,616	\$ 3,352,271	\$ 3,903,835	\$ 32,220,135	\$ 36,193,451
Construction in progress	203,657,688	123,933,812	44,542,771	40,849,790	248,200,459	164,783,602
Depreciable capital assets	523,227,024	664,694,472	286,757,923	302,309,163	809,984,947	967,003,635
Accumulated depreciation	(210,480,869)	(236,411,927)	(126,694,240)	(138,208,921)	(337,175,109)	(374,620,848)
Total capital assets, net	<u>\$ 545,271,707</u>	<u>\$ 584,505,973</u>	<u>\$ 207,958,725</u>	<u>\$ 208,853,867</u>	<u>\$ 753,230,432</u>	<u>\$ 793,359,840</u>

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

Long-term debt. At September 30, 2010, the City had the following long-term liabilities excluding amounts due within one year:

Table 5

Long-Term Debt*

	Governmental Activities		Business-Type Activities		Total Primary Government	
	9/30/2009	9/30/2010	9/30/2009	9/30/2010	9/30/2009	9/30/2010
Bonded debt	\$ 322,855,239	\$ 301,058,520	\$ 75,007,956	\$ 75,642,433	\$ 397,863,195	\$ 376,700,953
Accrued compensated absences	12,455,737	12,828,553	376,092	370,309	12,831,829	13,198,862
Other Post Employment Benefit	544,453	1,814,706	-	-	544,453	1,814,706
Pollution liability	206,315	212,063	-	-	206,315	212,063
Closure and post closure liability	-	-	4,798,404	5,071,131	4,798,404	5,071,131
Total long-term debt	<u>\$ 336,061,744</u>	<u>\$ 315,913,842</u>	<u>\$ 80,182,452</u>	<u>\$ 81,083,873</u>	<u>\$ 416,244,196</u>	<u>\$ 396,997,715</u>
Long-term debt to net assets percentage	82%	74%	39%	39%	68%	63%

Of the total bonded debt, \$255,564,260 or 67.8% is debt backed by the full faith and credit of the government with a property tax pledge.

During the reported fiscal year, the City issued \$25,810,000 in new bonded debt and repaid principal on bonds totaling \$46,487,210. The City's interest expense on its bonded debt was \$13,990,843 for the reported fiscal year.

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

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

Economic Factors and Next Year's Budgets and Rates

The City's elected and appointed officials considered many factors when setting the fiscal year 2011 budget, tax rates and fees that will be charged for the business-type activities. One of the biggest factors has been the national economy. Growth rates fell off amid the national mortgage credit crisis and economic recession. Building and development declined both in the residential and commercial sectors. Although the City is largely built out and mature, there are still several areas available mainly in higher end, residential growth including a 1,000 acre peninsula on Joe Pool Lake. Also, due to the future construction of frontage roads along the interstates and the extension of a toll road through the City, commercial and retail activity is expected to bolster the City for some time. The City has experienced above-average population growth since 2000, which has placed additional demands on the City to maintain or expand services. The City's unemployment rate is currently approximately 8.7% which is below the national unemployment rate of 9.3% for the same period.

These indicators are taken into account when adopting the General Fund budget for fiscal year 2011:

- A decrease in property tax assessed values of 3.02% resulting in less property tax revenues. The lower assessed valuations result in a decrease in budgeted revenues totaling \$1,881,222 as compared to prior fiscal year. The City has maintained a stable property tax rate and did not change it from 0.669998 per \$100 valuation for fiscal year 2010.
- A 6.4% decrease in budgeted sales tax revenues as compared to prior fiscal year budget due to the recessed economy. There is no change in the City's sales tax rate.
- The City's very strong financial position, favorable bond ratings and continued low interest expense rates.

The City expects an overall decrease in other general revenues of governmental activities from the general economic impact to all service sectors. Investment income is expected to decrease from fiscal year 2010 due to lower interest rates earned on new investments of surplus cash compared to the higher rates on maturing securities and the completion of major capital projects.

The City's total approved operating appropriations and reserves for fiscal year 2011 is \$201,597,685, an increase of \$3,090,291 or 1.56% as compared to prior fiscal year original budget. The general fund approved appropriations for fiscal year 2011 is \$97,215,524, a decrease of \$882,402 or .89% from prior year. The remaining change in total budgeted operating appropriations and reserves includes an increase of \$293,066 in the Water Wastewater Fund, \$1,190,611 in various Parks' Funds and \$2,188,743 in Storm Water Utility Fund.

The City's total approved planned capital projects for fiscal year 2011 includes \$35,433,091 in appropriation requests. The fiscal year 2011 planned capital projects includes \$7,075,823 for water and wastewater improvements, \$17,490,831 in street and signal improvements, \$956,100 in parks improvements and \$3,014,500 in storm drainage improvements.

REQUESTS FOR INFORMATION

This financial report is designed to provide a general overview of the City's finances for all those with an interest in the government's finances. Questions concerning any of the information provided in this report or requests for additional financial information should be addressed to the City Controller, City of Grand Prairie, Texas, 317 College Street, P.O. Box 534045, Grand Prairie, Texas, 75053-4045.

BASIC FINANCIAL STATEMENTS



**CITY OF GRAND PRAIRIE, TEXAS
STATEMENT OF NET ASSETS
SEPTEMBER 30, 2010**

ASSETS	Primary Government			GRAND PRAIRIE SPORTS FACILITIES DEVELOPMENT	GRAND PRAIRIE HOUSING FINANCE CORPORATION
	Governmental Activities	Business-Type Activities	Total		
Cash and cash equivalents	\$ 32,649,137	\$ 16,483,901	\$ 49,133,038	\$ 8,461,551	\$ 281,122
Investments	12,147,281	49,826,932	61,974,213	4,512,911	175,000
Receivables (net of allowance for uncollectibles):					
Property tax	2,118,142	-	2,118,142	-	-
Sales tax	4,405,816	-	4,405,816	-	-
Franchise fees	5,053,922	-	5,053,922	-	-
Lease payments receivable	-	-	-	228,966	-
Other receivables	2,987,375	4,812,614	7,799,989	25,368	-
Due from other governments	3,291,836	-	3,291,836	-	-
Internal balances	(2,376,132)	2,376,132	-	-	-
Inventories and supplies	106,916	501,468	608,384	-	-
Prepays	556,729	17,345	574,074	-	33,872
Deferred charges	1,978,725	884,833	2,863,558	-	-
Restricted assets:					
Cash and cash equivalents	59,821,003	5,416,395	65,237,398	-	1,242,301
Investments	51,640,302	6,731,504	58,371,806	-	-
Lease payments receivable	-	-	-	15,361,804	-
Estimated unguaranteed residual value	-	-	-	55,917,419	-
Capital assets:					
Land	32,289,616	3,903,835	36,193,451	-	1,612,851
Buildings	178,854,815	9,527,911	188,382,726	-	20,475,995
Equipment	70,955,698	24,502,857	95,458,555	-	-
Infrastructure	414,883,959	268,278,395	683,162,354	-	-
Construction in progress	123,933,812	40,849,790	164,783,602	-	-
Less accumulated depreciation	(236,411,927)	(138,208,921)	(374,620,848)	-	(5,647,513)
Total capital assets	584,505,973	208,853,867	793,359,840	-	16,441,333
Total assets	758,887,025	295,904,991	1,054,792,016	84,508,019	18,173,628
LIABILITIES					
Current liabilities:					
Accounts payable	4,913,954	2,958,966	7,872,920	596	149,753
Accrued liabilities	10,554,538	1,664,944	12,219,482	-	1,981,312
Customer deposits	27,862	2,563,145	2,591,007	-	42,501
Unearned revenue	1,914,714	233,972	2,148,686	-	-
Noncurrent liabilities:					
Due within one year:					
Accrued compensated absences	4,884,467	360,753	5,245,220	-	-
Current portion of long term debt	19,738,945	4,365,316	24,104,261	-	223,986
Environmental remediation obligation	212,063	-	212,063	-	-
Due in more than one year:					
Accrued compensated absences	7,944,086	9,556	7,953,642	-	-
OPEB liability	1,814,706	-	1,814,706	-	-
Closure and postclosure liability	-	5,071,131	5,071,131	-	-
Long term debt	281,319,575	71,277,117	352,596,692	-	17,129,495
Total liabilities	333,324,910	88,504,900	421,829,810	596	19,527,047
Invested in capital assets (net of related debt)	286,120,135	134,524,036	420,644,171	-	(1,625,871)
Restricted for:					
Debt service	9,792,214	4,228,742	14,020,956	-	-
Facility lease	-	-	-	71,508,189	-
Replacement reserve	-	-	-	-	85,517
Unrestricted	129,649,766	68,647,313	198,297,079	12,999,234	186,935
Total net assets	\$ 425,562,115	\$ 207,400,091	\$ 632,962,206	\$ 84,507,423	\$ (1,353,419)

See accompanying notes to basic financial statements.

**CITY OF GRAND PRAIRIE, TEXAS
STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED SEPTEMBER 30, 2010**

FUNCTIONS/ACTIVITY	Expenses	Program Revenues		
		Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions
Primary government:				
Governmental activities:				
Support services	\$ 17,278,851	\$ 10,929,541	\$ 349	\$ -
Public safety services	81,872,640	12,823,754	2,247,677	-
Recreation and leisure services	21,517,961	7,112,226	328,018	-
Development services and other	58,153,994	4,412,063	28,656,709	9,112,664
Interest on long-term debt	10,618,864	-	-	-
Total governmental activities	<u>189,442,310</u>	<u>35,277,584</u>	<u>31,232,753</u>	<u>9,112,664</u>
Business-type activities:				
Water and wastewater	48,888,158	46,459,483	-	2,303,162
Municipal airport	1,999,196	1,759,319	-	141,313
Golf	3,488,564	2,080,152	-	-
Storm water	1,692,009	4,685,730	-	-
Solid waste	8,931,468	10,100,502	-	-
Total business-type activities	<u>64,999,395</u>	<u>65,085,186</u>	<u>-</u>	<u>2,444,475</u>
Total primary government	<u>\$ 254,441,705</u>	<u>\$ 100,362,770</u>	<u>\$ 31,232,753</u>	<u>\$ 11,557,139</u>
Component units:				
Grand Prairie Sports Facilities Development	3,631,811	1,546,294	31,244	-
Grand Prairie Housing Finance Corporation	5,927,674	5,201,471	-	-
Component units:	<u>\$ 9,559,485</u>	<u>\$ 6,747,765</u>	<u>\$ 31,244</u>	<u>\$ -</u>

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

 Change in net assets
 Net assets-beginning of year
 Net assets - end of year

See accompanying notes to basic financial statements.

Net (Expense) Revenue and Changes in Net Assets Primary Government			GRAND PRAIRIE SPORTS FACILITIES DEVELOPMENT	GRAND PRAIRIE HOUSING FINANCE CORPORATION
Governmental Activities	Business-Type Activities	Total		
\$ (6,348,961)	\$ -	\$ (6,348,961)	\$ -	\$ -
(66,801,209)	-	(66,801,209)	-	-
(14,077,717)	-	(14,077,717)	-	-
(15,972,558)	-	(15,972,558)	-	-
(10,618,864)	-	(10,618,864)	-	-
<u>(113,819,309)</u>	<u>-</u>	<u>(113,819,309)</u>	<u>-</u>	<u>-</u>
-	(125,513)	(125,513)	-	-
-	(98,564)	(98,564)	-	-
-	(1,408,412)	(1,408,412)	-	-
-	2,993,721	2,993,721	-	-
-	1,169,034	1,169,034	-	-
<u>-</u>	<u>2,530,266</u>	<u>2,530,266</u>	<u>-</u>	<u>-</u>
<u>(113,819,309)</u>	<u>2,530,266</u>	<u>(111,289,043)</u>	<u>-</u>	<u>-</u>
			(2,054,273)	
			<u>(2,054,273)</u>	<u>(726,203)</u>
				<u>(726,203)</u>
75,091,425	-	75,091,425	-	-
39,891,881	-	39,891,881	-	-
1,232,928	-	1,232,928	-	-
12,060,211	-	12,060,211	-	-
1,844,371	425,937	2,270,308	100,639	3,790
(1,542,012)	1,542,012	-	-	-
367,154	(367,154)	-	-	-
<u>128,945,958</u>	<u>1,600,795</u>	<u>130,546,753</u>	<u>100,639</u>	<u>3,790</u>
15,126,649	4,131,061	19,257,710	(1,953,634)	(722,413)
410,435,466	203,269,030	613,704,496	86,461,057	(631,006)
<u>\$ 425,562,115</u>	<u>\$ 207,400,091</u>	<u>\$ 632,962,206</u>	<u>\$ 84,507,423</u>	<u>\$ (1,353,419)</u>

**CITY OF GRAND PRAIRIE, TEXAS
BALANCE SHEET
GOVERNMENTAL FUNDS
SEPTEMBER 30, 2010**

	<u>General</u>	<u>Crime Tax</u>	<u>Crime tax Sales Tax</u>	<u>Section 8</u>	<u>Street Improvements</u>
ASSETS					
Cash and cash equivalents	\$ 27,557,453	\$ 923,748	\$ 381,980	\$ 3,197,547	\$ 24,811,968
Investments	1,198,351	-	3,509,991	2,911,396	4,654,076
Property tax receivable	1,520,997	-	-	-	-
Sales tax receivable	3,524,907	-	817,854	-	-
Franchise fees receivable	2,410,242	-	-	-	-
Other receivables	2,061,968	-	-	-	-
Prepays	185,629	-	-	5,701	-
Due from other funds	1,000,000	-	-	-	-
Due from other governments	-	-	-	-	-
Total assets	<u>\$ 39,459,547</u>	<u>\$ 923,748</u>	<u>\$ 4,709,825</u>	<u>\$ 6,114,644</u>	<u>\$ 29,466,044</u>
LIABILITIES AND FUND BALANCE					
Liabilities:					
Accounts payable	\$ 1,810,367	\$ 463,738	\$ -	\$ 42,684	\$ 488,340
Accrued liabilities	4,025,983	-	-	83,715	134,061
Customer deposits	-	-	-	-	-
Due to other funds	-	-	-	-	-
Deferred revenue	3,521,682	-	-	-	347,070
Total liabilities	<u>9,358,032</u>	<u>463,738</u>	<u>-</u>	<u>126,399</u>	<u>969,471</u>
Fund Balance:					
Reserved for:					
Encumbrances	121,169	-	-	-	-
Bond debt service	-	-	-	-	-
Prepays	185,629	-	-	5,701	-
Unreserved, designated for:					
Capital projects	-	460,010	-	-	28,496,573
Unreserved, undesignated in:					
General Fund	29,794,717	-	-	-	-
Special Revenue Funds	-	-	4,709,825	5,982,544	-
Total fund balance	<u>30,101,515</u>	<u>460,010</u>	<u>4,709,825</u>	<u>5,982,245</u>	<u>28,496,573</u>
Total liabilities and fund balance	<u>\$ 39,459,547</u>	<u>\$ 923,748</u>	<u>\$ 4,709,825</u>	<u>\$ 6,114,644</u>	<u>\$ 29,466,044</u>

See accompanying notes to basic financial statements.

Debt Service	Other Governmental Funds	Total Governmental Funds
\$ 7,090,826	\$ 23,212,364	\$ 87,175,886
409,928	40,154,911	52,838,653
597,145	-	2,118,142
-	63,055	4,405,816
-	2,643,680	5,053,922
4,512	920,895	2,987,375
-	356,683	548,013
-	-	1,000,000
-	3,291,836	3,291,836
<u>\$ 8,102,411</u>	<u>\$ 70,643,424</u>	<u>\$ 159,419,643</u>

\$ -	\$ 1,997,833	\$ 4,802,962
-	1,629,450	5,873,209
-	27,862	27,862
-	1,000,000	1,000,000
528,892	1,113,811	5,511,455
<u>528,892</u>	<u>5,768,956</u>	<u>17,215,488</u>

-	876,930	998,099
7,573,519	2,970,765	10,544,284
-	356,683	548,013
-	31,635,028	60,591,611
-	-	29,794,717
-	29,035,062	39,727,431
<u>7,573,519</u>	<u>64,874,468</u>	<u>142,204,155</u>
<u>\$ 8,102,411</u>	<u>\$ 70,643,424</u>	<u>\$ 159,419,643</u>



THIS PAGE IS INTENTIONALLY LEFT BLANK

**CITY OF GRAND PRAIRIE, TEXAS
RECONCILIATION OF THE GOVERNMENTAL FUNDS
BALANCE SHEET TO STATEMENT OF NET ASSETS
SEPTEMBER 30, 2010**

Total fund balance - total governmental funds \$ 142,204,155

Capital assets used in governmental activities are not financial resources and therefore are not reported in the governmental funds balance sheet. This is the amount of governmental capital assets excluding internal service capital assets of \$881,425. 583,624,548

Certain receivables will be collected this year, but are not available soon enough to pay for the current period's expenditures and are, therefore, deferred in the funds. 3,596,741

Interest payable on long-term debt does not require current financial resources. Therefore, interest payable is not reported as a liability in the governmental funds balance sheet. (1,280,961)

Internal service funds are used by management to charge cost of certain activities, such as employee health insurance, risk management insurance, and fleet management, to individual funds. The assets and liabilities of the internal service funds are included in governmental activities in the government-wide statement of net assets (net of amount allocated to business-type activities of \$2,376,132). 11,317,393

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

General obligation bonds	\$ (92,907,260)	
Certificates of obligation	(101,222,541)	
Sales tax revenue bonds	(27,270,000)	
Sales tax venue revenue bonds	(27,240,000)	
Sales tax venue certificates of obligation	(52,670,000)	
Unamortized bond issuance costs	1,978,725	
Unamortized bond premium/discount, net, and loss on refunding	(330,754)	
Unamortized loss of refunding	582,035	
Compensated absences	(12,793,197)	
Other post employment benefits	(1,814,706)	
Environmental remediation obligation	(212,063)	(313,899,761)

Net assets of governmental activities \$ 425,562,115

See accompanying notes to basic financial statements.

**CITY OF GRAND PRAIRIE, TEXAS
STATEMENT OF REVENUE, EXPENDITURES,
AND CHANGES IN FUND BALANCE
GOVERNMENTAL FUNDS
FOR THE YEAR ENDED SEPTEMBER 30, 2010**

	<u>General</u>	<u>Crime Tax</u>	<u>Crime tax Sales Tax</u>	<u>Section 8</u>	<u>Street Improvements</u>
REVENUE					
Property tax	\$ 42,598,742	\$ -	\$ -	\$ -	\$ -
Sales tax	19,844,420	-	4,637,138	-	-
Other taxes	244,522	-	-	-	-
Franchise fees	12,060,211	-	-	-	-
Charges for goods and services	4,688,438	-	-	54,117	-
Licenses and permits	2,228,316	-	-	197,326	-
Fines and forfeitures	5,569,652	-	-	-	-
Intergovernmental revenue	783,901	-	-	24,478,098	-
General and administrative revenue	3,960,074	-	-	-	-
Investment income	248,021	215,018	-	49,481	352,072
Contributions	-	-	-	-	-
Other	407,693	-	-	32,134	22,786
Total revenue	<u>92,633,990</u>	<u>215,018</u>	<u>4,637,138</u>	<u>24,811,156</u>	<u>374,858</u>
EXPENDITURES					
Current operations:					
Support services	9,932,982	-	-	-	-
Public safety services	58,308,024	2,296,783	20,598	-	-
Recreation and leisure services	1,946,463	-	-	-	739,224
Development services and other	11,633,268	-	-	23,150,973	-
Capital outlay	659,078	26,070,279	-	147,514	7,395,963
Debt service:					
Principal retirement	-	-	7,130,000	-	-
Interest charges	-	-	894,270	-	106,319
Total expenditures	<u>82,479,815</u>	<u>28,367,062</u>	<u>8,044,868</u>	<u>23,298,487</u>	<u>8,241,506</u>
Excess (deficiency) of revenue over (under) expenditures	<u>10,154,175</u>	<u>(28,152,044)</u>	<u>(3,407,730)</u>	<u>1,512,669</u>	<u>(7,866,648)</u>
OTHER FINANCING SOURCES (USES)					
Transfers in-monetary	1,652,799	2,149,329	38,732	494,639	8,537,802
Transfers out-monetary	(12,529,436)	-	-	(436,477)	(228,760)
Premium on debt issued	-	-	-	-	-
Bonds issued	-	-	-	-	6,070,000
Refunding bond issued	-	-	-	-	-
Payment for refunded debt	-	-	-	-	-
Sale of capital assets	477,920	-	-	-	-
Sale of assets held for resale	-	-	-	-	-
Total other financing sources (uses)	<u>(10,398,717)</u>	<u>2,149,329</u>	<u>38,732</u>	<u>58,162</u>	<u>14,379,042</u>
Net change in fund balance	(244,542)	(26,002,715)	(3,368,998)	1,570,831	6,512,394
Fund balance - beginning of year	30,346,057	26,462,725	8,078,823	4,417,414	21,984,179
Fund balance - end of the year	<u>\$ 30,101,515</u>	<u>\$ 460,010</u>	<u>\$ 4,709,825</u>	<u>\$ 5,988,245</u>	<u>\$ 28,496,573</u>

See accompanying notes to basic financial statements.

Debt Service Fund	Other Governmental Funds	Total Governmental Funds
\$ 16,262,503	\$ 16,828,663	\$ 75,689,908
-	15,410,323	39,891,881
-	988,406	1,232,928
-	-	12,060,211
-	7,754,623	12,497,178
-	181,209	2,606,851
-	1,742,201	7,311,853
-	13,430,558	38,692,557
-	-	3,960,074
78,470	824,659	1,767,721
-	1,580,532	1,580,532
-	1,704,466	2,167,079
<u>16,340,973</u>	<u>60,445,640</u>	<u>199,458,773</u>
-	3,860,924	13,793,906
-	2,676,403	63,301,808
-	16,400,873	19,086,560
-	15,631,846	50,416,087
-	31,339,195	65,612,029
8,924,291	13,369,000	29,423,291
6,816,299	3,025,000	10,841,888
<u>15,740,590</u>	<u>86,303,241</u>	<u>252,475,569</u>
<u>600,383</u>	<u>(25,857,601)</u>	<u>(53,016,796)</u>
247,240	46,904,408	60,024,949
(636,406)	(47,926,401)	(61,757,480)
22,713	14,227	36,940
-	1,355,000	7,425,000
13,390,000	-	13,390,000
(13,301,147)	-	(13,301,147)
-	27,203	505,123
-	(188,881)	(188,881)
<u>(277,600)</u>	<u>185,556</u>	<u>6,134,504</u>
322,783	(25,672,045)	(46,882,292)
7,250,736	90,546,513	189,086,447
<u>\$ 7,573,519</u>	<u>\$ 64,874,468</u>	<u>\$ 142,204,155</u>



THIS PAGE IS INTENTIONALLY LEFT BLANK

**CITY OF GRAND PRAIRIE, TEXAS
RECONCILIATION OF THE STATEMENT OF REVENUE,
EXPENDITURES, AND CHANGES IN FUND BALANCE OF
GOVERNMENTAL FUNDS TO THE STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED SEPTEMBER 30, 2010**

Net change in fund balances - total governmental funds \$ (46,882,292)

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

Governmental funds report capital outlay as expenditures. However, in the government-wide statement of activities and changes in net assets, the cost of those assets is allocated over their estimated useful lives as depreciation expense. This is the amount of capital assets recorded in the current period. 65,612,028

The net effect of various transactions involving capital assets (ie., sales, trade ins, and contributions) is to decrease net assets. (825,707)

Depreciation expense on capital assets is reported in the government-wide statement of activities and changes in net assets, but they do not require the use of current financial resources. Therefore, depreciation expense is not reported as expenditures in governmental funds. This is the amount of governmental depreciation excluding internal service funds depreciation \$50,204. (26,679,779)

Governmental funds do not report developers' contributions as revenues, whereas these amounts are reported in the statement of activities as contributions not restricted to specific programs. 799,097

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

Bonds issued, net of premium on issuance and issuance costs	(20,149,474)	
Bond principal retirement	42,128,291	
Amortization bond related cost (deferred charge, premium/discount, deferred loss)	(208,144)	21,770,673

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

Change in compensated absences	(372,035)	
Change in accrued interest	116,705	
Change in Other Post Employment Benefit	(1,270,253)	
Change in Pollution Remediation Obligation	(5,748)	(1,531,331)

Some property tax and intergovernmental revenues will not be collected for several months after the city's fiscal year end. These are not considered "available" revenues in the governmental funds until received. Change in amount deferred on fund statements. (598,483)

Internal service funds are used by management to charge the costs of certain activities, such as insurance and fleet maintenance, to individual funds. The net revenue of the internal service funds is reported with governmental activities net of the amount allocated to business-type activities (\$597,102). 3,180,134

Reassignment of the capital asset between governmental and business type activities is reported as a transfer in change in net assets and is not recorded in fund statements 282,310

Change in net assets of governmental activities \$ 15,126,649

See accompanying notes to basic financial statements.

CITY OF GRAND PRAIRIE, TEXAS
STATEMENT OF NET ASSETS
PROPRIETARY FUNDS
SEPTEMBER 30, 2010

	Business-Type Activities			Governmental
	Enterprise Funds			Activities
	Water	Other	Total	Internal
Wastewater	Nonmajor	Service		Funds
ASSETS				
Current assets:				
Cash and cash equivalents	\$ 11,305,517	\$ 5,178,384	\$ 16,483,901	\$ 5,091,684
Investments	37,665,788	12,161,144	49,826,932	10,948,930
Accounts receivable, net	3,962,082	850,532	4,812,614	-
Prepays	10,392	6,953	17,345	8,716
Inventories and supplies	449,746	51,722	501,468	106,916
Deferred charges	867,344	17,489	884,833	-
Current restricted assets:				
Cash and cash equivalents	4,882,477	533,918	5,416,395	202,569
Investments	6,731,504	-	6,731,504	-
Total current assets	<u>65,874,850</u>	<u>18,800,142</u>	<u>84,674,992</u>	<u>16,358,815</u>
Capital assets:				
Land	1,395,750	2,508,085	3,903,835	737,566
Buildings	2,361,045	7,166,866	9,527,911	1,477,875
Equipment	16,738,133	7,764,724	24,502,857	16,672
Infrastructure	238,422,344	29,856,051	268,278,395	2,012,264
Construction in progress	37,571,886	3,277,904	40,849,790	-
Less accumulated depreciation	(117,990,043)	(20,218,878)	(138,208,921)	(3,362,952)
Total capital assets	<u>178,499,115</u>	<u>30,354,752</u>	<u>208,853,867</u>	<u>881,425</u>
Total assets	<u>244,373,965</u>	<u>49,154,894</u>	<u>293,528,859</u>	<u>17,240,240</u>
LIABILITIES				
Current liabilities:				
Accounts payable	2,362,703	596,263	2,958,966	110,992
Accrued liabilities	581,972	452,544	1,034,516	3,400,367
Accrued compensated absences	213,702	147,051	360,753	33,603
Unearned revenue	-	233,972	233,972	-
Current liabilities payable from restricted assets:				
Customer deposits	2,502,762	60,383	2,563,145	-
Accrued liabilities	582,209	48,219	630,428	-
Current portion of long-term debt	3,940,000	425,316	4,365,316	-
Total current liabilities	<u>10,183,348</u>	<u>1,963,748</u>	<u>12,147,096</u>	<u>3,544,962</u>
Noncurrent liabilities:				
Accrued compensated absences	-	9,556	9,556	1,753
Closure and postclosure liability	-	5,071,131	5,071,131	-
Long-term debt	62,931,956	8,345,161	71,277,117	-
Total noncurrent liabilities	<u>62,931,956</u>	<u>13,425,848</u>	<u>76,357,804</u>	<u>1,753</u>
Total liabilities	<u>73,115,304</u>	<u>15,389,596</u>	<u>88,504,900</u>	<u>3,546,715</u>
NET ASSETS				
Invested in capital assets (net of related debt)	112,939,761	21,584,275	134,524,036	881,425
Restricted for debt service	4,228,742	-	4,228,742	-
Unrestricted	<u>54,090,158</u>	<u>12,181,023</u>	<u>66,271,181</u>	<u>12,812,100</u>
Total net assets	<u>\$ 171,258,661</u>	<u>\$ 33,765,298</u>	<u>\$ 205,023,959</u>	<u>\$ 13,693,525</u>
Reconciliation to government-wide Statement of Net Assets:				
Adjustments to reflect the consolidations of internal service funds activities related to enterprise funds			<u>2,376,132</u>	
Net assets of business-type activities			<u>\$ 207,400,091</u>	

See accompanying notes to basic financial statements.

CITY OF GRAND PRAIRIE, TEXAS
STATEMENT OF REVENUE, EXPENSE AND CHANGES IN FUND NET ASSETS
PROPRIETARY FUNDS
FOR THE YEAR ENDED SEPTEMBER 30, 2010

	Business-Type Activities Enterprise Funds			Governmental Activities Internal Service Funds
	Water Wastewater	Other Nonmajor	Total	
OPERATING REVENUE				
Sales to customers	\$ 27,286,204	\$ 18,728,804	\$ 46,015,008	\$ 3,706,810
Wastewater charges to customers	17,212,075	-	17,212,075	-
Water and wastewater fees	779,269	-	779,269	-
Wastewater surcharges	601,095	-	601,095	-
Intergovernmental revenue	-	141,313	141,313	-
Insurance premiums	-	-	-	16,186,046
Miscellaneous	582,008	19,200	601,208	106,762
Total operating revenue	<u>46,460,651</u>	<u>18,889,317</u>	<u>65,349,968</u>	<u>19,999,618</u>
OPERATING EXPENSE				
Salaries and personal benefits	5,924,300	3,816,994	9,741,294	1,205,458
Supplies and miscellaneous purchases	619,631	1,488,030	2,107,661	2,302,395
Purchased services	4,423,934	6,907,370	11,331,304	748,111
Insurance costs	-	-	-	12,129,980
Water purchases	10,209,116	-	10,209,116	-
Wastewater treatment	9,576,287	-	9,576,287	-
Miscellaneous	580,707	642,716	1,223,423	143,562
Depreciation	10,376,554	2,211,646	12,588,200	50,204
Franchise fees	1,770,765	489,292	2,260,057	-
General and administrative costs	2,935,709	437,549	3,373,258	-
Total operating expense	<u>46,417,003</u>	<u>15,993,597</u>	<u>62,410,600</u>	<u>16,579,710</u>
Net operating income	<u>43,648</u>	<u>2,895,720</u>	<u>2,939,368</u>	<u>3,419,908</u>
NONOPERATING REVENUE (EXPENSE)				
Investment income	308,778	117,159	425,937	76,651
Gain (loss) on property disposition	(1,168)	(122,301)	(123,469)	5,314
Interest expense	(2,790,699)	(395,198)	(3,185,897)	-
Total nonoperating revenue (expense)	<u>(2,483,089)</u>	<u>(400,340)</u>	<u>(2,883,429)</u>	<u>81,965</u>
Income before contributions and transfers	(2,439,441)	2,495,380	55,939	3,501,873
Capital contributions-Impact fees	1,174,693	-	1,174,693	-
Capital contributions	1,128,469	-	1,128,469	-
Transfer in-capital assets	9,099	8,201	17,300	84,855
Transfer out-capital assets	(43,810)	(340,644)	(384,454)	(11)
Transfer in-monetary	17,902,197	5,120,964	23,023,161	190,519
Transfer out-monetary	(15,919,496)	(5,561,653)	(21,481,149)	-
Change in net assets	1,811,711	1,722,248	3,533,959	3,777,236
Net assets - beginning of the year	<u>169,446,950</u>	<u>32,043,050</u>	<u>201,490,000</u>	<u>9,916,289</u>
Net assets - end of the year	<u>\$ 171,258,661</u>	<u>\$ 33,765,298</u>	<u>\$ 205,023,959</u>	<u>\$ 13,693,525</u>
Reconciliation to government-wide Statement of Activities:				
Change in net assets of enterprise funds			3,533,959	
Adjustments to reflect the consolidations of internal service funds activities related to enterprise funds			597,102	
Change in net assets of business-type activities			<u>\$ 4,131,061</u>	

See accompanying notes to basic financial statements.



THIS PAGE IS INTENTIONALLY LEFT BLANK

**CITY OF GRAND PRAIRIE, TEXAS
STATEMENT OF CASH FLOWS
PROPRIETARY FUNDS
FOR THE YEAR ENDED SEPTEMBER 30, 2010**

	Business-Type Activities-Enterprise Funds			Governmental Activities
	Water Wastewater	Other Nonmajor	Total	Internal Service Funds
Cash flows from operating activities:				
Cash received from customers	\$ 45,396,595	\$ 18,754,702	\$ 64,151,297	\$ 20,012,291
Cash received from Intergovernmental	-	84,322	84,322	(619,347)
Cash payments to suppliers for goods and services	(24,985,975)	(8,494,825)	(33,480,800)	(15,171,122)
Cash payments to employees for services	(5,927,248)	(3,819,830)	(9,747,078)	(1,204,679)
Cash payments to other funds for services	(4,706,474)	(684,987)	(5,391,461)	(9,149)
Other operating cash (payments)	1,301	(482,144)	(480,843)	-
Net cash provided by operating activities	9,778,199	5,357,238	15,135,437	3,007,994
Cash flows from noncapital financing activities:				
Transfers from other funds	17,902,197	5,120,964	23,023,161	190,518
Transfers to other funds	(15,919,496)	(5,561,653)	(21,481,149)	-
Net cash provided by (used in) non-capital financing activities	1,982,701	(440,689)	1,542,012	190,518
Cash flows from capital and related financing activities:				
Capital outlays	(10,373,204)	(2,466,866)	(12,840,070)	(11,679)
Proceeds from intergovernmental for capital project	514,223	-	514,223	-
Proceeds from capital assets disposals	(1,168)	(122,301)	(123,469)	5,314
Interest paid on bonds and line of credit	(2,788,775)	(401,118)	(3,189,893)	-
Repayment of principal on bonds	(3,921,249)	(439,274)	(4,360,523)	-
Impact fees received	1,174,693	-	1,174,693	-
Proceeds from issuance of bonds	4,995,000	-	4,995,000	-
Contribution	118,041	-	118,041	-
Net cash (used in) capital and related and related financing activities	(10,282,439)	(3,429,559)	(13,711,998)	(6,365)
Cash flows from investing activities:				
Investment earnings received on cash and investments	597,894	175,746	773,640	104,165
Sale of investments	38,195,639	12,851,085	51,046,724	12,264,681
(Purchase) of investments	(29,265,584)	(13,274,788)	(42,540,372)	(15,814,681)
Net cash provided by (used in) investing activities	9,527,949	(247,957)	9,279,992	(3,445,835)
Net increase (decrease) in cash and equivalents	11,006,410	1,239,033	12,245,443	(253,688)
Cash and cash equivalents - beginning of year	5,181,584	4,473,269	9,654,853	5,547,941
Cash and cash equivalents - end of year	\$ 16,187,994	\$ 5,712,302	\$ 21,900,296	\$ 5,294,253
Reconciliation of income from operations to net cash provided by operating activities:				
Net operating income	\$ 43,648	\$ 2,895,720	\$ 2,939,368	\$ 3,419,908
Adjustments to net operating income to net cash provided (used) by operating activities:				
Depreciation and amortization	10,376,554	2,211,646	12,588,200	50,204
Changes in assets and liabilities:				
(Increase) Decrease in other accounts receivable	32,159	(35,912)	(3,753)	12,674
(Increase) Decrease in inventories and supplies	15,089	(2,437)	12,652	16,884
(Decrease) in accounts payable	(666,679)	(102,288)	(768,967)	(492,457)
Increase (Decrease) in accrued liabilities	(104,974)	284,012	179,038	-
Increase in customer deposits	85,350	4,822	90,172	-
Increase in deferred revenue	-	104,511	104,511	-
Increase (Decrease) in accrued compensated absences	(2,948)	(2,836)	(5,784)	781
Net cash provided by operating activities	\$ 9,778,199	\$ 5,357,238	\$ 15,135,437	\$ 3,007,994
Noncash investing, capital and financing activities:				
Contributions of capital assets from developers	\$ 1,010,428	\$ -	\$ -	\$ -
Transfers-capital assets	\$ (34,711)	\$ (332,443)	\$ (367,154)	\$ 84,844

See accompanying notes to basic financial statements.



THIS PAGE IS INTENTIONALLY LEFT BLANK

NOTES TO BASIC FINANCIAL STATEMENTS



CITY OF GRAND PRAIRIE, TEXAS
NOTES TO BASIC FINANCIAL STATEMENTS
SEPTEMBER 30, 2010

INDEX

	Page
1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES	33
a. Introduction	33
b. Financial Reporting Entity	33
1. Blended Component Unit	34
2. Discretely Presented Component Unit – Sports Corporation	34
3. Discretely Presented Component Unit – Housing Finance Corporation	35
4. Related Autonomous Entities	35
c. Government-Wide Financial Statements and Fund Financial Statements	35
d. Measurement Focus and Basis of Accounting	37
1. Governmental Funds	37
2. Proprietary Funds	38
e. Assets, Liabilities, Fund Balance/Net Assets and Other	40
1. Pooled Cash, Investments and Temporary Deposits	40
2. Inventories	40
3. Capital Assets and Depreciation	40
4. Encumbrances	40
5. Compensated Absences	41
6. Risk Management	41
7. Post Employment Benefits Other than Pension Benefits	43
8. Environmental Obligations	47
9. Depository Contract	48
10. Deferred Revenue	48
f. New Accounting Principles	49
2. STEWARDSHIP, COMPLIANCE AND ACCOUNTABILITY	49
a. Budget Law and Practice	49
b. Budgetary Control	50
c. Budget Amendments	50
d. Deficit Fund Equity	50
3. DETAILED NOTES ON ALL FUNDS	51
a. Assets	51
1. Deposits, Investments and Investment Policies	51
2. Capital Assets	55

CITY OF GRAND PRAIRIE, TEXAS
NOTES TO BASIC FINANCIAL STATEMENTS
SEPTEMBER 30, 2010

	Page
b. Liabilities	57
1. Retirement Plan	57
2. Long-Term Debt	60
a. Governmental Activities Long-Term Debt	61
i. General Obligation Debt	61
ii. Bond Refunding	61
iii. Defeased Debt Outstanding	61
b. Business Type Activities Long-Term Debt	66
i. Water and Wastewater System Debt	68
ii. Municipal Golf Course Long-Term Debt	71
iii. Municipal Airport Long-Term Debt	73
c. Grand Prairie Housing Finance Corporation Long-Term Debt	74
3. Closure and Post Closure Liability	75
c. Fund Equity and Net Assets	76
1. Reserved Fund Balance	76
2. Designated Fund Balance	76
3. Net Assets: Invested in capital assets, net of related debt	76
4. Net Assets: Restricted for Debt Service	76
5. Net Assets: Unrestricted	76
d. Interfund Transactions	76
1. Interfund Receivables	76
2. Interfund Transfers	77
3. Cost Reimbursements	78
4. Franchise Fees	78
5. Payments in Lieu of Property Taxes	79
e. Leases	79
4. CONTRACTS, COMMITMENTS, AND CONTINGENT LIABILITIES	80
a. Federal Grants	80
b. Litigation	81
c. Water Intake Facility Contract	81
d. Water Purchase Contracts	81
e. Wastewater Treatment Contract	81
f. Master and Other Agreements	82
g. Construction Commitments	83
5. SEGMENT INFORMATION FOR ENTERPRISE FUNDS	84
6. SUBSEQUENT EVENTS	85

CITY OF GRAND PRAIRIE, TEXAS
NOTES TO BASIC FINANCIAL STATEMENTS
SEPTEMBER 30, 2010

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

a. Introduction

The City of Grand Prairie (“City”) is one of the Mid-Cities in the Dallas-Fort Worth Metroplex, 12 miles west of downtown Dallas, 18 miles east of downtown Fort Worth and 6 miles south of DFW International Airport. The City was incorporated in 1909, and adopted the Council-Manager form of government in 1948.

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

b. Financial Reporting Entity

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

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

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

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

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

CITY OF GRAND PRAIRIE, TEXAS
NOTES TO BASIC FINANCIAL STATEMENTS
SEPTEMBER 30, 2010

1) Blended Component Unit

Component Unit – Grand Prairie Crime Control and Prevention District

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

2) Discretely Presented Component Unit

Component Unit – Sports Corporation

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

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

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

CITY OF GRAND PRAIRIE, TEXAS
NOTES TO BASIC FINANCIAL STATEMENTS
SEPTEMBER 30, 2010

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

Complete September 30, 2010 financial statements for the Sports Corporation may be obtained at its administrative office.

3) Discretely Presented Component Unit

Component Unit – Housing Finance Corporation

The Grand Prairie Housing Finance Corporation (HFC) was created to issue tax-exempt revenue bonds to supply mortgage financing for low income home buyers and multi-family development. While the entity is legally, financially and administratively autonomous, the governing body of the City of Grand Prairie may, at its sole discretion, and at any time, amend HFC's Articles of Incorporation, and alter or change its structure, programs or activities, or terminate or dissolve it. Additionally, members of the Board of Directors are appointed by and may be removed by the City Council. The city is not financially obligated for any debt of the HFC. Complete separate December 31, 2009 financial statements for HFC may be obtained from the City.

4) Related Autonomous Entities

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

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

c. Government-Wide Financial Statements and Fund Financial Statements

The government-wide financial statements (i.e., the statement of net assets and the statement of changes in net assets) report information on the activities of the primary government and its component unit. Activity for the primary government and its component unit are reported separately in the government-wide financial statements. The effect of interfund activity between governmental activities and business-type activities

CITY OF GRAND PRAIRIE, TEXAS
NOTES TO BASIC FINANCIAL STATEMENTS
SEPTEMBER 30, 2010

has been eliminated in these statements except that business-type activities include charges for administrative overhead services provided by the governmental activities.

Governmental activities are supported in part by property taxes, sales taxes, franchise fees, and grant revenues from the federal government and the State of Texas. Governmental activities are reported separately from *business-type activities*, which rely to a large extent on fees and charges for support. Significant revenues generated from business-type activities include: charges to customers for water and wastewater services, golf course fees, airport user charges, wastewater tap fees and reconnection fees.

The statement of activities reports the change in the City's net assets from October 1, 2009 to September 30, 2010. This statement demonstrates the degree to which the direct expenses of a given function of government are offset by program revenues. Specifically, the City has identified the following functions of government: support services, public safety services, recreation and leisure services, development services, water sales, wastewater services, solid waste services, storm water services, airport operations, and golf course operations. *Direct expenses* are those that are clearly identifiable with a specific function of City government. *Program revenues* include 1) charges to customers or applicants who purchase, use, or directly benefit from goods, services, or privileges provided by a given function or segment and 2) grants and contributions that are restricted to meeting the operational or capital requirements of a particular function or segment. Taxes and other items not properly included among program revenues are reported instead as *general revenues* in the statement of activities.

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

Each fund is accounted for by providing a separate set of self-balancing accounts which constitute its assets, liabilities, fund equity, revenues and expenditures/expenses. Funds are ordered into two distinct categories: governmental and proprietary. Information in the fund financial statements is reported on a major fund basis. The calculation of major funds is conducted by the City each year under the methods outlined in GASB Statement No. 34 or any fund that management considers as major. Major individual governmental funds and major individual proprietary funds are reported as separate columns in the fund financial statements. The major funds at September 30, 2010, are as follows: general fund, crime tax fund, street improvement fund, section 8 fund, a debt service fund, and water/wastewater fund. Non-major funds are reported in the aggregate as "Other Funds." The various funds are summarized by type in the fund financial statements.

CITY OF GRAND PRAIRIE, TEXAS
NOTES TO BASIC FINANCIAL STATEMENTS
SEPTEMBER 30, 2010

Major governmental funds include the following:

General Fund: The General Fund is the primary operating fund of the City. This fund is used to account for all financial resources of the general government, except those required to be accounted for in another fund.

Crime Tax CIP Fund: This fund accounts for the construction of the City's new public safety building.

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

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

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

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

Major enterprise fund includes the following:

Water/Wastewater Fund: This fund accounts for water and wastewater system services provided for residents of the City, including administration, operations, maintenance, debt service, billing and collection. The City has no treatment facilities for water or wastewater. Treated water is purchased from the Dallas Water Utilities ("DWU") and Trinity River Authority ("TRA"), and water is pumped from City-owned wells. The City owns the wastewater collection system and all of the wastewater treatment is provided by the TRA. The contracts with DWU and TRA are discussed elsewhere in the Notes.

d. Measurement Focus and Basis of Accounting

1) Governmental Funds

The City uses the modified accrual basis of accounting and the flow of current financial resources measurement focus for all governmental funds. Under the modified accrual basis of accounting, revenues are recognized when both "measurable and available." Measurable means knowing, or being capable of calculating or estimating the amount to be received. Available means collectible within the current period or soon enough thereafter to pay current liabilities (generally 60 days). Also, under the modified accrual basis of accounting, expenditures (including capital outlay) are recorded in the period when the related fund liability is incurred, except for general obligation bond principal and interest which is recorded when due rather than when incurred.

CITY OF GRAND PRAIRIE, TEXAS
NOTES TO BASIC FINANCIAL STATEMENTS
SEPTEMBER 30, 2010

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

- Sales taxes are collected by the State and remitted to the City monthly in 60 days arrears. The City recognizes sales tax revenues when measurable and available under the modified accrual basis. Additional amounts estimated to be collectible in time to be a resource payment of obligations incurred during the fiscal year and therefore susceptible to accrual in accordance with General Accepted Accounting Principles have been recognized as revenue. The City allocates its sales taxes revenues to the General Fund, Street Maintenance Fund, and Park Venue Fund pursuant to City ordinances. The Sports Corporation receives monthly sales taxes revenues from the State separate from the City.
- Franchise fees are remitted regularly by franchise owners for gas, electric, telephone and cable utilities. Franchise fees are also paid by the City's Water and Wastewater Fund, Solid Waste Fund and Storm Water Utility Fund. The fees are not taxes, but compensate the City for the use of public right-of-way by the utilities. Amounts earned but not collected at fiscal year end are recorded as accounts receivable. Amounts earned at fiscal year end and collected within 60 days are recorded as revenue.
- Property taxes are billed and collected by the Dallas County Tax Assessor based on assessed taxable values each January 1 as determined by the Dallas Central Appraisal District using exemptions approved by the City. Taxes are levied and due on the next October 1 and are past due after February 1 of the following year. Tax liens are automatic on January 1 for each year of tax levy. Property tax receivables are recorded on October 1 when taxes are assessed with a reserve estimate for un-collectibles. Property tax revenues are recorded as the taxes are collected. Delinquent tax payments are recognized as revenue when both measurable and available. Additional amounts estimated to be collectible in time to be a resource payment of obligations incurred during the fiscal year and therefore susceptible to accrual in accordance with General Accepted Accounting Principles have been recognized as revenue.
- Intergovernmental grant revenues are recognized when available and the qualifying expenditures have been incurred and all other grant requirements have been met for expenditure-driven grants.
- Interest revenues are recognized as earned as they are measurable and available.
- Interfund services provided and/or used by other funds are reported as "general and administrative revenue/expenses" and represent direct charges/payments for services provided to one or more other funds. Allocations of indirect costs are included in transfers in/out between funds and not reported as revenues or expenditures.

2) Proprietary Funds

The accrual basis of accounting and flow of economic resources measurement focus are used in all proprietary fund types. Under the accrual basis of accounting, revenues are recognized when earned, and expenses (including depreciation) are

CITY OF GRAND PRAIRIE, TEXAS
NOTES TO BASIC FINANCIAL STATEMENTS
SEPTEMBER 30, 2010

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

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

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

Enterprise Funds

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

Internal Service Funds

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

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

CITY OF GRAND PRAIRIE, TEXAS
NOTES TO BASIC FINANCIAL STATEMENTS
SEPTEMBER 30, 2010

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

1) Pooled Cash, Investments and Temporary Deposits

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

2) Inventories

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

3) Capital Assets and Depreciation

Capital assets (i.e. land, buildings, equipment, improvements other than buildings, which includes the City's infrastructure, and construction in progress) of all the funds are stated at historical cost or estimated historical cost if historical cost is not known. Donated capital assets are recorded at their fair value on the date donated. An item is classified as an asset if the initial, individual cost is \$5,000 or greater. Capital assets of the City are reported in the applicable governmental or business-type activities columns in the government-wide financial statements and in the proprietary fund financial statements. Assets subject to depreciation are depreciated using the straight-line method. The estimated useful lives of all depreciable assets are as follows:

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

4) Encumbrances

Encumbrance accounting is used for the General Fund, Crime Tax Fund, Street Improvement Fund and other governmental funds. Encumbrances are recorded when a purchase order is issued, and encumbrances are not considered expenditures until a liability for payment is incurred. Encumbrances are reported as a reservation of fund balance on the governmental funds' balance sheet, and on October 1, each year are

CITY OF GRAND PRAIRIE, TEXAS
NOTES TO BASIC FINANCIAL STATEMENTS
SEPTEMBER 30, 2010

carried forward, along with the prior year’s related appropriation, and added to the new year’s budget.

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

5) Compensated Absences

Employees are granted vacation benefits in varying amounts, depending on tenure with the City. These benefits accumulate pro rata by pay period. Employees may not use vacation leave before it is earned. Payment for unused vacation will be made at the termination of employment, retirement or death of employees. Fire and police civil service employees who have completed their introductory period are paid up to 90 days sick leave upon separation of employment, excluding indefinite suspensions. The valuation of the civil service sick leave is at current pay rates. Other non-civil service employees hired prior to September 30, 1976 are paid up to 90 days sick leave upon retirement. The valuation of the frozen non-civil service sick leave was at the employees’ wage level on September 30, 1985. The valuation of accrued compensated absences includes salary-related payments such as the City’s share of taxes and contributions to the retirement plan in accordance with GASB 16. Long-term accrued compensated absences and those related amounts to be paid in the next fiscal year are reported in the respective columns in the government-wide financial statements and in the proprietary fund financial statements. A liability for these amounts is reported in governmental funds only if they have matured, for example, as a result of employee resignations and retirements. The General Fund is typically used to liquidate the liability for governmental activities’ compensated absences. Long-term accrued compensated absences are not expected to be liquidated with expendable available financial resources and are not reported in the governmental fund financial statements.

6) Risk Management

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

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

CITY OF GRAND PRAIRIE, TEXAS
NOTES TO BASIC FINANCIAL STATEMENTS
SEPTEMBER 30, 2010

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

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

Liabilities of the Risk Management Fund are reported when it is probable that a loss has occurred and the amount of the loss can be reasonably estimated. Liabilities include an amount for claims that have been incurred but not reported (IBNR). The result of the process to estimate the claims liability is not an exact amount as it depends on many complex factors, such as inflation, timing of filed claims, adjudication of claim benefits, changes in legal doctrines, and damage awards. Accordingly, claims are reevaluated annually to consider the effects of inflation, plan benefit designs, recent claim settlement trends, claim expense, and other economic and social factors. The estimate of the claims liability also includes amounts for incremental claim adjustment expenses related to specific claims and other claim adjustment expenses regardless of whether allocated to specific claims. The total accrued liabilities for the Risk Management Fund based on the recent December 2009 actuarial report, as of September 30, 2010, was \$2,236,466. Below is the change as reported in this most recent report.

The City offers group health coverage to its employees and retirees in plans administered by United Health Care using an escrow account funded by the City with both employee and City contributions. The City allows retired employees under age 65 to continue participating in its group health insurance program after retirement with a portion of premiums paid by the City. The amount of premiums paid by retirees is based on the retirement date, length of service with the City, plan selected and dependents covered at the time of retirement. The City retains risk for up to \$225,000 per member per year, and transfers risk in excess of this amount to a reinsurer. Reported claims are charged to expense in the period the loss is incurred. The total accrued liabilities for health insurance as of September 30, 2010 were \$1,071,212.

	Beginning of Fiscal Year <u>Liability</u>	Claims and Change in <u>Estimates</u>	Claim <u>Payments</u>	End of Fiscal Year <u>Liability</u>
2010	\$3,826,928	\$10,109,522	\$10,628,772	\$3,307,678
2009	3,579,302	8,969,890	8,722,264	3,826,928

CITY OF GRAND PRAIRIE, TEXAS
NOTES TO BASIC FINANCIAL STATEMENTS
SEPTEMBER 30, 2010

7) Post Employment Benefits Other than Pension Benefits

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

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

TMRS Retirement / Plan option may include:

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

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

Benefits

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

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

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

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

Spouse Coverage

Retired before 1/1/2010: 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.

Employees retiring from TMRS effective 12/31/2009 (for a 1/1/10 effective date) or later, and who wish to cover dependents during retirement, must have the dependents covered on their City plan for two full years prior to retirement. (For instance, to cover a spouse effective 1/1/10 for retirement, the spouse must have been covered under your employee plan continuously since 1/1/08).

Child / Dependent Coverage

New dependents gained during retirement (due to marriage or birth) may not be added to the City's plan since they were not eligible at the time of retirement. A retiree may purchase coverage for dependents through COBRA. The rate will depend on the coverage level and the plan they select (i.e., Employee Only, Employee + Spouse, etc.). The rate is determined by the rate structure in place at that time + a 2% administrative fee. The City of Grand Prairie does not contribute to any portion of the COBRA premium.

Medicare

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

Opt-outs / Payment-in-lieu / Reimbursements

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

Types of Coverage Offered

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

CITY OF GRAND PRAIRIE, TEXAS
NOTES TO BASIC FINANCIAL STATEMENTS
SEPTEMBER 30, 2010

Employee / Retiree 2010 Monthly Health Care Premiums (Employee Pays Portion)

Group	Monthly Health Care Premium	
	<u>PRIOR TO</u> <u>12/01/2005</u>	<u>AFTER</u> <u>11/30/2005</u>
Gold (Under Age 65)		
Employee Only	\$531	\$577
Employee plus Spouse	\$1,082	\$1,175
Employee plus Child(ren)	\$850	\$921
Family	\$1,558	\$1,686
Silver (Under Age 65)		
Employee Only	\$455	\$501
Employee plus Spouse	\$908	\$1,001
Employee plus Child(ren)	\$714	\$785
Family	\$1,299	\$1,427
Bronze (Under Age 65)		
Employee Only	\$417	\$463
Employee plus Spouse	\$838	\$931
Employee plus Child(ren)	\$636	\$707
Family	\$1,156	\$1,284
Over 65 Retiree (Grandfathered by Age)		
Employee (10-14 years of service)		\$116
Employee (15-19 years of service)		\$119
Employee (20-24 years of service)		\$99
Employee (25-29 years of service)		\$58
Employee (30+ years of service)		\$37
Employee plus spouse (10-14 years of service)		\$264
Employee plus spouse (15-19 years of service)		\$226
Employee plus spouse (20-24 years of service)		N/A
Employee plus spouse (25-29 years of service)		\$123
Employee plus spouse (30+ years of service)		\$88

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

CITY OF GRAND PRAIRIE, TEXAS
NOTES TO BASIC FINANCIAL STATEMENTS
SEPTEMBER 30, 2010

Funding Policy and Annual OPEB Cost

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

Annual required contribution	\$ 2,128,596
Interest on OPEB obligation	24,500
Adjustment to ARC	<u>(22,699)</u>
Annual OPEB cost (expense) end of year	2,130,397
Net estimated employer contributions	<u>860,144</u>
Increase in net OPEB obligation	1,270,253
Net OPEB obligation as of beginning of the year	<u>544,453</u>
Net OPEB obligation (asset) as of end of the year	<u><u>\$ 1,814,706</u></u>

Funding status and funding progress

The funded status of the City's retiree health care plan, under GASB Statement No. 45, as of December 31, 2009 is as follows:

Actuarial Valuation Date as of December 31, 2009	Actuarial Value of Assets (a)	Actuarial Accrued Liability (AAL) (b)	Unfunded AAL (UAAL) (b-a)	Funded Ratio (a/b)
		\$ 25,220,971	\$ 25,220,971	0%

Under the reporting parameters, the City's retiree health care plan is 0% funded with an estimated actuarial accrued liability exceeding actuarial assets by \$25,220,971 at December 31, 2009.

Actuarial methods and assumptions

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

CITY OF GRAND PRAIRIE, TEXAS
NOTES TO BASIC FINANCIAL STATEMENTS
SEPTEMBER 30, 2010

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

Actuarial Methods and Assumptions

Inflation rate	3.0% per annum
Investment rate of return	4.5%, net of expenses
Actuarial cost method	Projected Unit Credit Cost Method
Amortization method	Level as a percentage of employee payroll
Amortization period	30-year open amortization
Salary Growth	3.0% per annum
Healthcare cost trend rate	Initial rate of 9.0% declining to an ultimate rate of 4.5% after 9 years

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

Fiscal Year Ended	Employer Annual Required Contribution	Employer Amount Contributed	Interest on NOO (9) x 4.5%	ARC Adjustment (9) / (6)	Amortization Factor	OPEB cost (2)+(4)-(5)	Change in NOO (7) - (3)	NOO Balance NOO + (8)
(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)
09/30/08	\$ 1,477,994	\$ 990,121	\$ -	\$ -	23.9854	\$ 1,477,994	\$ 487,873	\$ 487,873
09/30/09	\$ 1,522,334	\$ 1,467,368	\$ 21,954	\$ 20,340	23.9854	\$ 1,523,948	\$ 56,580	\$ 544,453
09/30/10	\$ 2,128,596	\$ 860,144	\$ 24,500	\$ 22,699	23.9854	\$ 2,130,397	\$ 1,270,253	\$ 1,814,706

8) Environmental Remediation Obligations

The City has recorded a liability and an asset related to environmental remediation in the amount of \$212,063, on the Statement of Net Assets and on the Statement of Activities. The estimates of the liabilities are prepared by the Environmental Professional Group and by the City's Environmental Quality Manager and based on a range of expected outlays, net of expected cost recoveries, if any, for the type and amount of pollution contamination detected. The estimates are reviewed and adjusted periodically for price changes, additional contamination and any other changes detected.

CITY OF GRAND PRAIRIE, TEXAS
NOTES TO BASIC FINANCIAL STATEMENTS
SEPTEMBER 30, 2010

- The City of Grand Prairie owns land and is responsible for the asbestos abatement at 121 and 125 East Main Street. The City is expecting the Voluntary Cleanup Program closure in FY2011. The land was acquired for a future parking lot for the Uptown Theater.
- The City of Grand Prairie owns land was responsible for the asbestos abatement at 100 West Church Street. The asbestos abatement completed in FY2010. The City is currently finalizing leak petroleum storage tank closure. The land was acquired for a future county sub-courthouse.
- The City of Grand Prairie owns land and was responsible for the cleanup of heavy metal contamination in the soils and groundwater at Gun Range-Hardrock Road. The cleanup is completed. The land was acquired for a future police department gun range.
- The City of Grand Prairie owns land and is responsible for the asbestos abatement at 801 Conover St. The demolition of the old Police building is to be completed in FY2011.

Environmental remediation liability activity in fiscal year 2010 was as follows:

Property Description	Beginning			Ending	Current
	Balance	Additions	Reductions	Balance	
	10/1/2009			9/30/2010	
121 and 125 East Main Street	\$ 66,315	\$ -	\$ 61,315	\$ 5,000	\$ 5,000
100 Block West Church Street	115,000	-	100,152	14,848	14,848
Gun Range-Hardrock Road	25,000	-	25,000	-	-
Police Station-801 Conover St	-	192,215	-	192,215	192,215
Total	\$ 206,315	\$ 192,215	\$ 186,467	\$ 212,063	\$ 212,063

9) Depository Contract

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

10) Deferred Revenue

At fiscal year-end five funds reported deferred revenue. In the General Fund and Debt Service Fund, deferred revenue is reported for property tax receivables expected to be collected later than 60-days after the end of the fiscal year. These amounts are \$3,067,850 and \$528,892, respectively. Because the total amount of \$3,596,742 represents earned revenue, they are included as property tax revenue at the government-wide level. Also in the General Fund, pipeline lease deposits of \$453,832 are reported as deferred revenue until the agreement is fulfilled. In the Street Improvement Fund, \$347,070 is reported as deferred revenue in consideration of a future paving assessment. Because these two amounts represent unearned revenue, they are each presented at both the fund level and government-wide level. In the Other Special Revenue funds and the Parks Venue special revenue fund, deposits for scheduled rentals and upcoming events are recorded as deferred income until the rental periods or events are completed. These amounts are \$985,538 and \$128,273, respectively. And, because the total amount of \$1,113,811 represents

CITY OF GRAND PRAIRIE, TEXAS
NOTES TO BASIC FINANCIAL STATEMENTS
SEPTEMBER 30, 2010

unearned revenue, these amounts are presented at both the fund level and government-wide level.

f. New Accounting Principles

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

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

The GASB has issued Statement No. 54, "Fund Balance Reporting and Governmental Fund Type Definitions." This Statement establishes new categories for reporting fund balance and revises the definitions for governmental fund types. The requirements of this Statement are effective for financial statements for periods beginning after June 15, 2010.

The GASB has issued Statement No. 58, "Accounting and Financial Reporting for Chapter 9 Bankruptcies." This Statement establishes accounting and financial reporting guidance for governments that have petitioned for protection from creditors by filing for bankruptcy under Chapter 9 of the United States Bankruptcy Code. The requirements of this Statement are effective for financial statements for periods beginning after June 15, 2009.

2. STEWARDSHIP, COMPLIANCE AND ACCOUNTABILITY

a. Budget Law and Practice

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

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

CITY OF GRAND PRAIRIE, TEXAS
NOTES TO BASIC FINANCIAL STATEMENTS
SEPTEMBER 30, 2010

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

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

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

b. Budgetary Control

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

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

c. Budget Amendments

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

d. Deficit Fund Equity

As of September 30, 2010, the City had no funds with deficit fund equity.

CITY OF GRAND PRAIRIE, TEXAS
NOTES TO BASIC FINANCIAL STATEMENTS
SEPTEMBER 30, 2010

3. DETAILED NOTES ON ALL FUNDS

a. Assets

1) Deposits, Investments and Investment Policies

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

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

Authorized investments include obligations of the United States or its agencies and instrumentalities (except for mortgage pass-through securities), repurchase agreements, municipal securities, public funds investment pools, SEC regulated money market mutual funds and collateralized or insured certificates of deposit.

The investment policies require that repurchase agreements be made pursuant to a master agreement, the collateral is a U. S. Treasury bill, note or bond; the security is held in safekeeping by the City’s custodial agent; and the investment is transacted “delivery vs. payment” so that the City’s interest in the underlying security is perfected. The City does not invest in reverse repurchase agreements. No City monies were invested in repurchase agreements at September 30, 2010.

The City’s investments are stated at fair value, using the following methods and assumptions as of September 30, 2010:

- 1) Fair value is based on quoted market prices as of the valuation date.
- 2) The portfolio did not hold investments in any of the following:
 - (a) Items required to be reported at amortized cost, except investments in TexPool,
 - (b) Items in external pools that are not SEC-registered,
 - (c) Items subject to involuntary participation in an external pool,
 - (d) Items associated with a fund other than the fund to which the income is assigned.

CITY OF GRAND PRAIRIE, TEXAS
NOTES TO BASIC FINANCIAL STATEMENTS
SEPTEMBER 30, 2010

- 3) Any unrealized gain/loss resulting from the valuation is recognized in the respective fund that participates in the City's investment pool.
- 4) The gain/loss resulting from valuation is reported within the revenue account "investment income" on the Statement of Revenues, Expenditures and Changes in Fund Balances for the Governmental Funds, and the Statement of Revenues, Expenses and Changes in Net Assets for the Proprietary Funds.

The City invested \$101,824,630 in TexPool as of September 30, 2010. The Texas State of Comptroller of Public Accounts exercises oversight responsibility over TexPool, the Texas Local Government Investment Pool. Oversight includes the ability to significantly influence operations, designation of management and accountability for fiscal matters. Additionally, the State Comptroller has established an advisory board composed of both Participants in TexPool and other persons who do not have a business relationship with TexPool. The Advisory Board members review the investment policy and management fee structure. Finally, TexPool is rated AAA by Standard & Poors. As a requirement to maintain the rating weekly portfolio, information must be submitted to Standard & Poors, as well as the office of the Comptroller of Public Accounts for review.

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

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

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

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

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

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

CITY OF GRAND PRAIRIE, TEXAS
NOTES TO BASIC FINANCIAL STATEMENTS
SEPTEMBER 30, 2010

The asset mix requirements are as follows:

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

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

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

The City's carrying amount of cash, cash equivalents and investments as of September 30, 2010 as reflected in the primary government's financial statements, are:

	<u>Unrestricted</u>	<u>Restricted</u>	<u>Total</u>
Cash	\$ (720,386)	\$ 202,569	\$ (517,817)
Pooled Investments			
Cash and cash equivalents	49,853,424	65,034,829	114,888,253
Investments	<u>61,974,213</u>	<u>58,371,806</u>	<u>120,346,019</u>
Total pooled investments	<u>111,827,637</u>	<u>123,406,635</u>	<u>235,234,272</u>
Total	<u>\$ 111,107,251</u>	<u>\$ 123,609,204</u>	<u>\$ 234,716,455</u>

At year-end, the bank balance of the City's unrestricted cash was \$717,483. The City's deposit was a credit balance primarily consisting of outstanding checks. Of the bank balance, \$250,000 was covered by federal depository insurance and \$467,483 was covered by collateral held by the City's agent in the City's name. Statutes require collateral pledged for deposits to be held in the City's name by the trust department of a bank.

CITY OF GRAND PRAIRIE, TEXAS
NOTES TO BASIC FINANCIAL STATEMENTS
SEPTEMBER 30, 2010

The City's cash equivalents of \$114,888,253 were also covered by collateral held by the City's agent in the City's name.

As of September 30, 2010, the City had the following investments:

	Fair Value	Weighted Average Maturity (Days)	Credit Risk
Federal Farm Credit Bank	\$ 27,208,100	717	AAA
Federal Home Loan Bank	49,317,063	653	AAA
Federal Home Loan Mortgage Corp.	26,787,711	722	AAA
Federal National Mortgage Assoc.	17,033,145	801	AAA
TexPool	101,824,630	1	AAAm
TexStar	12,791,563	1	AAAm
Money market funds	272,060	1	AAAm
Total	<u>\$ 235,234,272</u>	<u>*359</u>	

*Potfolio Weighted Average Maturity

Maturities of the City's investments at September 30, 2010 were as follows:

Cash equivalents	\$ 114,888,253
Under 30 days	-
30 days to 60 days	-
61 days to 90 days	5,024,129
91 days to 1 year	13,264,633
After 1 year	102,057,257
Total	<u>\$ 235,234,272</u>

The City did not invest in any securities different from the categories mentioned above during the 2009-2010 fiscal year.

At September 30, 2010, the carrying amount of the Sports Corporation's deposits included in cash and cash equivalents was \$57,157 while the bank balance of the Sports Corporation's deposits was \$57,531. The bank balance was entirely covered by Federal depository insurance or collateral held by the Sports Corporation's agent in the Sports Corporation's name.

As of September 30, 2010, the Corporation had the following investments:

	Fair Value	Weighted Average Maturity (Days)	Credit Risk
TexPool	\$ 8,404,394	1	AAAm
U.S. Governmental Obligations	4,512,911	892	AAA
Total	<u>\$ 12,917,305</u>	<u>312</u>	

Portfolio Weighted Average Maturity

CITY OF GRAND PRAIRIE, TEXAS
NOTES TO BASIC FINANCIAL STATEMENTS
SEPTEMBER 30, 2010

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, 2010 was \$8,404,394 in the Public Funds Investment Pool (TexPool) and \$4,512,911 in U.S agency instrumentalities.

The bank balance of HFC at December 31, 2009, including restricted cash, totaled \$323,623 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 \$281,122. Restricted cash of \$42,501 "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. The remaining restricted cash amount comprises tenant security deposits.

2) Capital Assets

Capital assets balances and transactions for the year ended September 30, 2010 are summarized below for governmental activities:

	Balance October 1, 2009	Additions/ Completions	Disposals/ Reclasses	Balance September 30, 2010
Non-depreciable capital assets:				
Land	\$ 28,867,864	\$ 3,421,752	\$ -	\$ 32,289,616
Construction in progress	203,657,688	58,669,007	(138,392,883)	123,933,812
Total non-depreciable capital assets	<u>232,525,552</u>	<u>62,090,759</u>	<u>(138,392,883)</u>	<u>156,223,428</u>
Depreciable capital assets:				
Buildings	82,965,963	232,092	95,656,760	178,854,815
Equipment	63,209,790	4,009,379	3,736,529	70,955,698
Infrastructure	377,051,271	805,022	37,027,666	414,883,959
Total depreciable capital assets	<u>523,227,024</u>	<u>5,046,493</u>	<u>136,420,955</u>	<u>664,694,472</u>
Less accumulated depreciation for:				
Buildings	(27,777,361)	(4,718,743)	29,678	(32,466,426)
Equipment	(33,512,803)	(4,346,060)	765,359	(37,093,504)
Infrastructure	(149,190,705)	(17,665,180)	3,888	(166,851,997)
Total accumulated depreciation	<u>(210,480,869)</u>	<u>(26,729,983)</u>	<u>798,925</u>	<u>(236,411,927)</u>
Total depreciable capital assets, net	<u>312,746,155</u>	<u>(21,683,490)</u>	<u>137,219,880</u>	<u>428,282,545</u>
Governmental activities capital assets, net	<u>\$ 545,271,707</u>	<u>\$ 40,407,269</u>	<u>\$ (1,173,003)</u>	<u>\$ 584,505,973</u>

Note: Additions include developers contribution (\$799,097) and transfers (\$710,615).

CITY OF GRAND PRAIRIE, TEXAS
NOTES TO BASIC FINANCIAL STATEMENTS
SEPTEMBER 30, 2010

Capital asset balances for business-type activities for the year ended September 30, 2010 are summarized below:

	Balance October 1, 2009	Additions/ Completions	Disposals/ Reclasses	Balance September 30, 2010
Non-depreciable capital assets				
Land	\$ 3,352,271	\$ 551,564	\$ -	\$ 3,903,835
Construction in progress	44,542,771	11,046,365	(14,739,346)	40,849,790
Total non-depreciable capital assets	<u>47,895,042</u>	<u>11,597,929</u>	<u>(14,739,346)</u>	<u>44,753,625</u>
Depreciable capital assets				
Buildings	9,635,838	8,111	(116,038)	9,527,911
Equipment	24,440,949	1,420,012	(1,358,104)	24,502,857
Infrastructure	252,681,136	1,010,428	14,586,831	268,278,395
Total depreciable capital assets	<u>286,757,923</u>	<u>2,438,551</u>	<u>13,112,689</u>	<u>302,309,163</u>
Less accumulated depreciation for:				
Buildings	(4,508,536)	(343,058)	92,932	(4,758,662)
Equipment	(11,815,397)	(1,561,636)	981,333	(12,395,700)
Infrastructure	(110,370,307)	(10,683,506)	(746)	(121,054,559)
Total accumulated depreciation	<u>(126,694,240)</u>	<u>(12,588,200)</u>	<u>1,073,519</u>	<u>(138,208,921)</u>
Total depreciable capital assets, net	<u>160,063,683</u>	<u>(10,149,649)</u>	<u>14,186,208</u>	<u>164,100,242</u>
Business-type activities' capital assets, net	<u>\$ 207,958,725</u>	<u>\$ 1,448,280</u>	<u>\$ (553,138)</u>	<u>\$ 208,853,867</u>

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

Support Services	\$ 3,245,091	Water and Wastewater	\$ 10,376,554
Public Safety Services	19,048,413		
Recreation and Leisure Services	635,907		
Development Services	3,800,572	Other Business-type	2,211,646
Total governmental	<u>\$ 26,729,983</u>	Total business-type	<u>\$ 12,588,200</u>

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

	Balance October 1, 2009	Additions/ Completions	Disposals/ Reclasses	Balance September 30, 2010
Equipment	\$ 310,078	\$ -	\$ -	\$ 310,078
Less accumulated depreciation	<u>(310,078)</u>	<u>-</u>	<u>-</u>	<u>(310,078)</u>
Total	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

CITY OF GRAND PRAIRIE, TEXAS
NOTES TO BASIC FINANCIAL STATEMENTS
SEPTEMBER 30, 2010

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

	Balance January 1, 2009	Additions/ Completions	Disposals/ Reclasses	Balance December 31, 2009
Non-depreciable capital assets:				
Land	\$ 1,612,851	\$ -	\$ -	\$ 1,612,851
Total non-depreciable capital assets	<u>1,612,851</u>	<u>-</u>	<u>-</u>	<u>1,612,851</u>
Depreciable capital assets:				
Buildings	20,755,383	497,168	(776,556)	20,475,995
Less accumulated depreciation	<u>(5,508,425)</u>	<u>(928,429)</u>	<u>789,341</u>	<u>(5,647,513)</u>
Total depreciable capital assets, net	<u>15,246,958</u>	<u>(431,261)</u>	<u>12,785</u>	<u>14,828,482</u>
Housing Finance Corporation assets, net	<u>\$ 16,859,809</u>	<u>\$ (431,261)</u>	<u>\$ 12,785</u>	<u>\$ 16,441,333</u>

b. Liabilities

1) Retirement Plan

Plan Description - The City provides pension benefits for all of its full-time employees through a non-traditional, joint contributory, hybrid defined benefit plan in the state-wide Texas Municipal Retirement System (TMRS), one of 837 administered by TMRS, an agent multiple-employer public employee retirement system. TMRS issues a publicly-available annual financial report that may be obtained by writing to TMRS, P.O. Box 149153, Austin, Texas 78714-9153.

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

CITY OF GRAND PRAIRIE, TEXAS
NOTES TO BASIC FINANCIAL STATEMENTS
SEPTEMBER 30, 2010

The plan provisions are adopted by the governing body of the City, within the options available in the state statutes governing TMRS and within the actuarial constraints also in the statutes.

Plan provisions for the City were as follows (as of 4/19/07*):

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

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

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

Since the City needs to know its contribution rate in advance for budgetary purposes, there is a one-year delay between the actuarial valuation that serves as the basis for the rate and the calendar year when the rate goes into effect (i.e., December 31, 2009, valuation is effective for rates beginning January 2011).

Actuarial Valuation Date	December 31, 2009	December 31, 2008	December 31, 2007
Actuarial Value of Assets	\$ 195,807,917	\$ 184,115,536	\$ 174,692,032
Actuarial Accrued Liability	283,654,428	270,661,623	252,870,914
Percentage Funded	69.0%	68.0%	69.1%
Unfunded (over-funded) Actuarial Accrued Liability (UAAL)	\$ 87,846,511	\$ 86,546,087	\$ 78,178,882
Annual Covered Payroll	66,030,734	67,018,137	61,880,950
UAAL as a percentage of Covered Payroll	133.0%	129.1%	126.3%
Net Pension Obligation (NPO) at the Beginning of the period	\$ -	\$ -	\$ -
Annual Pension Cost:			
Annual Required Contribution (ARC)	\$ 9,792,823	\$ 8,955,152	\$ 8,203,635
Contribution Made	9,792,823	8,955,152	8,203,635
NPO at the End of the Period	\$ -	\$ -	\$ -

* To ensure the most accurate future rates are determined for the City, TMRS adopted new actuarial cost method and assumptions at their December 2007 meeting, to be effective for the December 31, 2009 valuation.

CITY OF GRAND PRAIRIE, TEXAS
NOTES TO BASIC FINANCIAL STATEMENTS
SEPTEMBER 30, 2010

Actuarial Assumptions – The City also uses the following assumptions:

Actuarial Valuation Date	December 31, 2009	December 31, 2008	December 31, 2007
Actuarial Cost Method	Projected Unit Credit	Projected Unit Credit	Projected Unit Credit
Amortization Method	Level of Percent of Payroll	Level of Percent of Payroll	Level of Percent of Payroll
Remaining Amortization Period	28 Years/Closed	29 Years/Closed	30 Years/Closed
Amortization Period for new Gains/Losses	30 Years	30 Years	30 Years
Asset Valuation Method	10-year Smoothed Market	Amortized Cost	Amortized Cost
Investment Rate of Return	7.5%	7.5%	7.0%
Projected Salary Increases	Service	Service	Service
Inflation	3.0%	3.0%	3.0%
Cost-of-Living Adjustments	2.1% (3.0% CPI)	2.1% (3.0% CPI)	2.1% (3.0% CPI)

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

The City of Grand Prairie is one of 837 municipalities having their benefit plan administered by TMRS. Each of the 837 municipalities has an annual actuarial valuation performed. All assumptions for the December 31, 2009 valuations are contained in the 2009 TMRS Comprehensive Annual Financial Report, a copy of which may be obtained by writing to P.O. Box 149153, Austin, Texas 78714-9153.

CITY OF GRAND PRAIRIE, TEXAS
NOTES TO BASIC FINANCIAL STATEMENTS
SEPTEMBER 30, 2010

2) Long-Term Debt

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

	Balance October 1, 2009	Borrowings or Increase	Payments or Decrease	Balance September 30, 2010	Due Within One Year
<u>Governmental Activities</u>					
General obligation bonds	\$ 93,109,470	\$ 5,480,000	\$ (5,682,210)	\$ 92,907,260	\$ 6,113,861
Certificates of obligation bonds	107,703,622	1,945,000	(8,426,081)	101,222,541	8,615,084
Sales tax revenue bonds	27,620,000	13,390,000	(13,740,000)	27,270,000	970,000
Sales tax venue revenue bonds	34,390,000	-	(7,150,000)	27,240,000	1,960,000
Sales tax venue certificates of obligation	59,800,000	-	(7,130,000)	52,670,000	2,080,000
Issuance premiums/discounts, net	351,344	36,940	(57,530)	330,754	-
Deferred loss on refunding	(119,197)	(596,147)	133,309	(582,035)	-
Compensated absences	12,455,737	5,189,471	(4,816,655)	12,828,553	4,884,467
Other post employment benefits	544,453	1,270,253	-	1,814,706	-
Environmental remediation liability	206,315	192,215	(186,467)	212,063	212,063
Total governmental activities	<u>336,061,744</u>	<u>26,907,732</u>	<u>(47,055,634)</u>	<u>315,913,842</u>	<u>24,835,475</u>
<u>Business-Type Activities</u>					
General obligation bonds	5,407,000	-	(180,000)	5,227,000	290,399
Certificates of obligation bonds	3,796,378	-	(258,921)	3,537,457	134,917
Water and wastewater revenue bonds	65,800,000	4,995,000	(3,920,000)	66,875,000	3,940,000
Issuance premiums/discounts, net	4,578	-	(1,602)	2,976	-
Closure and post closure liability	4,798,404	272,727	-	5,071,131	-
Compensated absences	376,092	440,894	(446,677)	370,309	360,753
Total business-type activities	<u>80,182,452</u>	<u>5,708,621</u>	<u>(4,807,200)</u>	<u>81,083,873</u>	<u>4,726,069</u>
Total primary government	<u>\$ 416,244,196</u>	<u>\$ 32,616,353</u>	<u>\$ (51,862,834)</u>	<u>\$ 396,997,715</u>	<u>\$ 29,561,544</u>
<u>Component Unit Activities</u>					
Housing Finance Corporation:					
Notes payable	3,414,546	41,760	(66,131)	3,390,175	70,680
Revenue bonds	13,810,000	-	-	13,810,000	-
Total component units	<u>\$ 17,224,546</u>	<u>\$ 41,760</u>	<u>\$ (66,131)</u>	<u>\$ 17,200,175</u>	<u>\$ 70,680</u>

CITY OF GRAND PRAIRIE, TEXAS
NOTES TO BASIC FINANCIAL STATEMENTS
SEPTEMBER 30, 2010

In 2007, the City renewed its \$7.5 million line of credit; \$5 million general obligation line of credit and \$2.5 million water and wastewater system line of credit with Bank of America, Texas for a three-year term. As of September 30, 2010, there were no outstanding draws on the line of credits.

a) Governmental Activities Long-Term Debt

Long-term debt in the governmental type activities column of the government-wide financial statements consists of general obligation bonds, including refunding, sales tax revenue bonds, certificates of obligation bonds, a line of credit, and accrued compensated absence. The certificates of obligation bonds include bonds issued in 2010 for Tax Increment Financing Zones No. 2 project.

(i) General Obligation Debt

On February 2, 2010 the City issued \$5,480,000 in General Obligation Improvement Bonds, Series 2010 for infrastructure improvement and, \$1,945,000 in Combination Tax and Revenue Certificates of Obligation, Series 2010 for infrastructure and TIF projects.

(ii) Bond Refunding

Early in fiscal year 2010 the City executed an advance refunding of \$12,705,000 of Sales Tax Revenue Bonds. The bonds were refunded with a single issue of \$13,390,000 Sales Tax Subordinate Lien Revenue Bonds, Series 2009. The proceeds of the refunding bonds provided resources to purchase U.S. government securities that were placed in an irrevocable trust for the purpose of generating resources for all future debt service payments of the refunded debt. As a result, the refunded bonds are considered to be defeased and the liability was removed from the City's financial records in fiscal year 2010. The reacquisition price exceeded the net carrying amount of the old debt by \$596,147. This amount is being netted against the new debt and amortized over the remaining life of the refunding debt. This advanced refunding was undertaken to reduce total debt service payments over the next eighteen years by approximately \$966,566 and to obtain an economic gain of \$897,136.

(iii) Defeased Debt Outstanding

At September 30, 2010, certain outstanding debt of the city is considered to be defeased. The following table details such outstanding defeased debt:

<u>Type of Obligation</u>	<u>Defeased Debt Outstanding</u>
Sales Tax Revenue Bonds	\$ 5,920,000
General Obligation Bonds	2,585,000
Certificates of Obligation	2,790,000
General Obligation Refunding Bonds	50,740
	<u>\$ 11,345,740</u>

CITY OF GRAND PRAIRIE, TEXAS
NOTES TO BASIC FINANCIAL STATEMENTS
SEPTEMBER 30, 2010

Governmental type long-term debt is summarized as follows:

	Interest Rate %	Year of Issue	Year of Maturity	Original Amount	Amount Outstanding
General obligation bonds:					
Series 1998-A	4.0-5.0	1998	2019	\$ 16,179,364	\$ -
Series 1999	5.5	1998	2011	12,096,630	379,260
Series 2000	5.25-7.25	2000	2020	4,435,000	215,000
Series 2001	4.5-5.5	2001	2021	5,000,000	730,000
Series 2002	4.5-5.0	2002	2022	6,550,000	4,655,000
Series 2002-A	3.9-4.875	2002	2022	9,900,000	6,925,000
Series 2003	2.0-4.60	2003	2023	11,025,000	6,635,000
Series 2003-A	2.0-4.30	2003	2014	5,875,000	365,000
Series 2004	2.0-4.50	2004	2024	4,855,000	3,730,000
Series 2004-A	2.0-4.75	2004	2024	6,170,000	4,255,000
Series 2005 Refunding	2.75-4.50	2005	2025	14,260,000	11,280,000
Series 2005-A	3.75-4.25	2005	2025	2,215,000	1,805,000
Series 2006	3.9-5.0	2006	2026	3,300,000	2,870,000
Series 2006-A	4.125-4.375	2006	2027	4,000,000	3,610,000
Series 2007	4.0-4.50	2007	2027	33,098,000	31,263,000
Series 2008	4.0-5.50	2009	2029	8,985,000	8,710,000
Series 2010	2.0-4.25	2010	2030	5,480,000	5,480,000
Total general obligation bonds					<u>92,907,260</u>
Certificates of obligation bonds:					
Tax and revenue bonds:					
Series 1998-A	3.60-5.00	1998	2019	7,270,000	-
Series 2000	4.9-6.9	2000	2020	2,760,000	70,000
Series 2000-A	5.0-5.5	2000	2020	3,800,000	185,000
Series 2001	4.5-5.0	2001	2021	5,900,000	790,000
Series 2002-C	3.85-4.75	2002	2022	2,650,000	1,315,000
Series 2003-A	2.0-5.0	2003	2028	4,960,000	3,965,000
Series 2004	2.5-4.45	2004	2024	2,894,000	1,844,612
Series 2004-B	2.0-4.75	2004	2024	8,280,000	5,745,000
Series 2005	2.75-4.50	2005	2025	2,935,000	2,005,000
Series 2006	4.0-5.50	2006	2026	8,291,250	6,760,000
Series 2006-A	4.125-4.375	2006	2027	11,947,500	10,902,000
Series 2007	4.0-4.50	2007	2027	6,610,000	5,655,000
Series 2008A	4.0-5.50	2009	2029	13,185,000	12,560,000
Series 2010	2.0-4.25	2010	2030	590,000	590,000
Total tax and revenue bonds					<u>52,386,612</u>
Tax and tax increment bonds					
Series 2001	3 month LIBOR +.31%	2000	2022	17,900,000	13,800,000
Series 2002B	4.5-5.0	2001	2020	2,800,000	1,850,000
Series 2003B	2.0-5.0	2003	2020	1,030,000	690,000
Series 2003C	2.0-5.0	2003	2020	4,340,000	2,895,000
Series 2004B	2.0-4.75	2004	2024	1,170,000	805,000
Series 2005A	2.75-4.50	2005	2020	710,000	515,000
Series 2006	4.0-5.50	2006	2020	1,575,000	1,260,000
Series 2006-A	4.125-4.375	2006	2020	2,498,470	2,028,000
Series 2006-A	4.125-4.375	2006	2020	1,468,000	1,205,000
Series 2006-A	4.125-4.375	2006	2020	1,546,030	1,260,000
Series 2007	4.0-4.50	2007	2011	1,200,000	315,000
Series 2007	4.0-4.50	2007	2011	8,075,000	2,375,000
Series 2007	4.0-4.50	2007	2017	1,235,000	910,000
Series 2008A	4.0-5.50	2008	2021	10,550,000	9,865,000
Series 2008A	4.0-5.50	2008	2019	1,500,000	1,375,000
Series 2010	2.0-4.25	2010	2020	1,355,000	1,355,000
Total tax and tax increment bonds					<u>42,503,000</u>
Parks & recreation bonds					
Series 2004	2.5-4.45	2004	2024	484,000	372,929
Series 2004B	2.0-4.75	2004	2024	5,915,000	4,580,000
Series 2008A	4.0-5.50	2008	2029	1,425,000	1,380,000
Total parks & recreation					<u>6,332,929</u>
Sales Tax Venue CO's					
Series 2007A Crime Control	12 month LIBOR * 62.075 + .75	2007	2017	5,000,000	5,000,000
Series 2008 Crime Control	6 month LIBOR * 62.075 + 1.07	2008	2024	54,800,000	47,670,000
Total sales tax venue bonds					<u>52,670,000</u>
Total certificate of obligation bonds					<u>153,892,541</u>
Sales tax revenue bonds:					
Series 2000	5.4-7.4	2000	2025	3,670,000	-
Series 2000A	5.0-5.5	2000	2026	5,200,000	155,000
Series 2001	4.125-5.125	2001	2027	11,055,000	2,535,000
Series 2001A	4.125-5.0	2001	2027	8,500,000	760,000
Series 2002	4.0-5.0	2002	2027	5,000,000	3,975,000
Series 2005	3.5-4.25	2005	2026	6,705,000	6,455,000
Series 2009	3.77	2009	2027	13,390,000	13,390,000
Total sales tax revenue bonds					<u>27,270,000</u>
Sales Tax Venue Bonds					
Series 2007 Taxable Baseball	12 month LIBOR +.61%	2007	2019	16,850,000	12,355,000
Series 2007 Senior Center	12 month LIBOR * 62.075 + .75	2007	2019	3,000,000	3,000,000
Series 2008 Senior Center	6 month LIBOR * 62.075 + 1.28	2008	2024	16,850,000	11,885,000
Total sales tax venue bonds					<u>27,240,000</u>
Premiums/discounts, net	N/A	N/A	N/A	N/A	330,754
Deferred loss on refunding	N/A	N/A	N/A	N/A	(582,035)
Compensated absences	N/A	N/A	N/A	N/A	12,828,553
Other Post Employment Benefit	N/A	N/A	N/A	N/A	1,814,706
Environmental remediation liability	N/A	N/A	N/A	N/A	212,063
Total governmental long-term debt					<u>\$ 315,913,842</u>

(Does not include unamortized premiums, discounts, or deferred loss on refunding)

CITY OF GRAND PRAIRIE, TEXAS
NOTES TO BASIC FINANCIAL STATEMENTS
SEPTEMBER 30, 2010

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

	Balance October 1, 2009	Borrowings or Increase	Payments or Decrease	Balance September 30, 2010	Due Within One Year
General obligation bonds:					
Series 1998-A	\$ 510,000	\$ -	\$ (510,000)	\$ -	\$ -
Series 1999	736,470	-	(357,210)	379,260	379,260
Series 2000	415,000	-	(200,000)	215,000	215,000
Series 2001	950,000	-	(220,000)	730,000	230,000
Series 2002	4,935,000	-	(280,000)	4,655,000	295,000
Series 2002-A	7,355,000	-	(430,000)	6,925,000	450,000
Series 2003	7,310,000	-	(675,000)	6,635,000	705,000
Series 2003-A	875,000	-	(510,000)	365,000	145,000
Series 2004	3,930,000	-	(200,000)	3,730,000	205,000
Series 2004-A	4,600,000	-	(345,000)	4,255,000	355,000
Series 2005 Refunding	11,995,000	-	(715,000)	11,280,000	750,000
Series 2005-A	1,890,000	-	(85,000)	1,805,000	90,000
Series 2006	2,985,000	-	(115,000)	2,870,000	120,000
Series 2006-A	3,745,000	-	(135,000)	3,610,000	140,000
Series 2007	31,893,000	-	(630,000)	31,263,000	1,539,601
Series 2008	8,985,000	-	(275,000)	8,710,000	290,000
Series 2010	-	5,480,000	-	5,480,000	205,000
Total general obligation bonds	93,109,470	5,480,000	(5,682,210)	92,907,260	6,113,861
Certificates of obligation bonds:					
Tax and revenue bonds:					
Series 1998-A	310,000	-	(310,000)	-	-
Series 2000	135,000	-	(65,000)	70,000	70,000
Series 2000-A	360,000	-	(175,000)	185,000	185,000
Series 2001	1,030,000	-	(240,000)	790,000	250,000
Series 2002-C	1,400,000	-	(85,000)	1,315,000	85,000
Series 2003-A	4,120,000	-	(155,000)	3,965,000	160,000
Series 2004	1,941,171	-	(96,559)	1,844,612	99,889
Series 2004-B	6,200,000	-	(455,000)	5,745,000	470,000
Series 2005	2,095,000	-	(90,000)	2,005,000	100,000
Series 2006	7,035,000	-	(275,000)	6,760,000	295,000
Series 2006-A	11,273,000	-	(371,000)	10,902,000	391,000
Series 2007	5,655,000	-	-	5,655,000	-
Series 2008A	13,185,000	-	(625,000)	12,560,000	645,000
Series 2010	-	590,000	-	590,000	20,000
	54,739,171	590,000	(2,942,559)	52,386,612	2,770,889
Tax and tax increment bonds:					
Series 2001	14,515,000	-	(715,000)	13,800,000	765,000
Series 2002-B	1,990,000	-	(140,000)	1,850,000	145,000
Series 2003-B	745,000	-	(55,000)	690,000	55,000
Series 2003-C	3,120,000	-	(225,000)	2,895,000	235,000
Series 2004B	870,000	-	(65,000)	805,000	65,000
Series 2005-A	555,000	-	(40,000)	515,000	45,000
Series 2006	1,345,000	-	(85,000)	1,260,000	90,000
Series 2006-A	2,192,000	-	(164,000)	2,028,000	169,000
Series 2006-A	1,295,000	-	(90,000)	1,205,000	95,000
Series 2006-A	1,355,000	-	(95,000)	1,260,000	100,000
Series 2007	620,000	-	(305,000)	315,000	315,000
Series 2007	4,660,000	-	(2,285,000)	2,375,000	2,375,000
Series 2007	1,020,000	-	(110,000)	910,000	115,000
Series 2008A	10,550,000	-	(685,000)	9,865,000	715,000
Series 2008A	1,500,000	-	(125,000)	1,375,000	130,000
Series 2010	-	1,355,000	-	1,355,000	120,000
	46,332,000	1,355,000	(5,184,000)	42,503,000	5,534,000
Parks & recreation bonds:					
Series 2004	392,451	-	(19,522)	372,929	20,195
Series 2004B	4,815,000	-	(235,000)	4,580,000	245,000
Series 2008A	1,425,000	-	(45,000)	1,380,000	45,000
	6,632,451	-	(299,522)	6,332,929	310,195
Total certificate of obligation bonds	107,703,622	1,945,000	(8,426,081)	101,222,541	8,615,084
Sales tax revenue bonds:					
Series 2000	355,000	-	(355,000)	-	-
Series 2000-A	820,000	-	(665,000)	155,000	155,000
Series 2001	8,795,000	-	(6,260,000)	2,535,000	355,000
Series 2001-A	7,020,000	-	(6,260,000)	760,000	250,000
Series 2002	4,125,000	-	(150,000)	3,975,000	155,000
Series 2005	6,505,000	-	(50,000)	6,455,000	55,000
Series 2009	-	13,390,000	-	13,390,000	-
Total sales tax revenue bonds	27,620,000	13,390,000	(13,740,000)	27,270,000	970,000
Sales tax venue revenue bonds:					
Series 2007	14,540,000	-	(2,185,000)	12,355,000	1,485,000
Series 2007	3,000,000	-	-	3,000,000	180,000
Series 2007A certificate of obligation bonds	5,000,000	-	-	5,000,000	635,000
Series 2008	16,850,000	-	(4,965,000)	11,885,000	295,000
Series 2008 certificate of obligation bonds	54,800,000	-	(7,130,000)	47,670,000	1,445,000
Total sales tax venue bonds	94,190,000	-	(14,280,000)	79,910,000	4,040,000
Premiums/discounts, net	351,344	36,940	(57,530)	330,754	-
Deferred loss on refunding	(119,197)	(596,147)	133,309	(582,035)	-
Compensated absences:	12,455,737	5,189,471	(4,816,655)	12,828,553	4,884,467
Other post employment benefits	544,453	1,270,253	-	1,814,706	-
Environmental remediation liability	206,315	192,215	(186,467)	212,063	212,063
Total	\$ 336,061,744	\$ 26,907,732	\$ (47,055,634)	\$ 315,913,842	\$ 24,835,475

CITY OF GRAND PRAIRIE, TEXAS
NOTES TO BASIC FINANCIAL STATEMENTS
SEPTEMBER 30, 2010

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

Fiscal Year	General Obligation Bonds			Certificates of Obligation Bonds			TIF Certificates of Obligation Bonds		
	Principal	Interest	Total	Principal	Interest	Total	Principal	Interest	Total
2011	\$ 6,113,861	\$ 3,834,709	\$ 9,948,570	\$ 2,655,889	\$ 2,138,117	\$ 4,794,006	\$ 5,534,000	\$ 3,161,859	\$ 8,695,859
2012	6,247,942	3,584,529	9,832,471	2,759,218	2,028,216	4,787,434	2,994,000	2,905,666	5,899,666
2013	6,402,175	3,328,502	9,730,677	2,690,878	1,915,993	4,606,871	3,134,000	2,689,958	5,823,958
2014	6,515,848	3,065,064	9,580,912	2,524,207	1,804,900	4,329,107	3,294,000	2,458,813	5,752,813
2015	6,703,800	2,797,976	9,501,776	2,412,537	1,700,860	4,113,397	3,464,000	2,211,559	5,675,559
2016	6,771,752	2,522,377	9,294,129	2,509,196	1,597,700	4,106,896	3,644,000	1,947,509	5,591,509
2017	7,023,743	2,237,529	9,261,272	2,507,526	1,490,632	3,998,158	3,839,000	1,664,364	5,503,364
2018	6,865,734	1,945,357	8,811,091	2,629,185	1,379,340	4,008,525	3,899,000	1,363,606	5,262,606
2019	6,852,405	1,658,615	8,511,020	2,762,515	1,260,580	4,023,095	4,114,000	1,044,701	5,158,701
2020	5,850,000	1,389,669	7,239,669	2,886,174	1,134,846	4,021,020	4,157,000	708,724	4,865,724
2021	5,315,000	1,142,268	6,457,268	3,289,833	996,571	4,286,404	2,795,000	391,394	3,186,394
2022	4,830,000	913,703	5,743,703	3,411,492	845,397	4,256,889	1,635,000	122,625	1,757,625
2023	3,755,000	719,233	4,474,233	3,193,152	694,833	3,887,985	-	-	-
2024	3,370,000	558,494	3,928,494	3,264,810	545,907	3,810,717	-	-	-
2025	2,850,000	416,899	3,266,899	2,765,000	405,274	3,170,274	-	-	-
2026	2,565,000	292,225	2,857,225	2,725,000	276,178	3,001,178	-	-	-
2027	2,415,000	176,648	2,591,648	2,265,000	158,098	2,423,098	-	-	-
2028	1,015,000	95,198	1,110,198	930,000	79,464	1,009,464	-	-	-
2029	1,065,000	43,065	1,108,065	980,000	28,208	1,008,208	-	-	-
2030	380,000	8,075	388,075	40,000	850	40,850	-	-	-
	<u>\$ 92,907,260</u>	<u>\$ 30,730,135</u>	<u>\$ 123,637,395</u>	<u>\$ 49,201,612</u>	<u>\$ 20,481,964</u>	<u>\$ 69,683,576</u>	<u>\$ 42,503,000</u>	<u>\$ 20,670,778</u>	<u>\$ 63,173,778</u>

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

Certificates of Obligation Bonds	\$ 49,201,612
Parks/Cemetery Certificates of Obligation Bonds	9,517,929
	<u>\$ 58,719,541</u>

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

Certificates of Obligation Bonds	\$ 52,386,612
Parks and Recreation Certificates of Obligation Bonds	6,332,929
	<u>\$ 58,719,541</u>

CITY OF GRAND PRAIRIE, TEXAS
NOTES TO BASIC FINANCIAL STATEMENTS
SEPTEMBER 30, 2010

Parks/Cemetery Certificates of Obligation			Venue Sales Tax Revenue Bonds			Park Venue Sales Tax Revenue Bonds			Total		
Principal	Interest	Total	Principal	Interest	Total	Principal (1)	Interest	Total	Principal	Interest	Total
\$ 425,195	\$ 428,019	\$ 853,214	\$ 4,040,000	\$ 2,850,201	\$ 6,890,201	\$ 970,000	\$ 1,092,554	\$ 2,062,554	\$ 19,738,945	\$ 13,505,459	\$ 33,244,404
445,868	411,671	857,539	4,475,000	2,693,260	7,168,260	1,010,000	1,049,612	2,059,612	17,932,028	12,672,954	30,604,982
462,214	393,780	855,994	4,950,000	2,502,155	7,452,155	1,235,000	1,004,216	2,239,216	18,874,267	11,834,604	30,708,871
482,887	374,576	857,463	5,465,000	2,303,007	7,768,007	1,360,000	951,644	2,311,644	19,641,942	10,958,004	30,599,946
503,561	354,189	857,750	6,020,000	2,085,315	8,105,315	1,425,000	894,948	2,319,948	20,528,898	10,044,847	30,573,745
529,907	331,795	861,702	6,625,000	1,854,138	8,479,138	1,480,000	837,357	2,317,357	21,559,855	9,090,876	30,650,731
550,580	307,390	857,970	7,250,000	1,586,651	8,836,651	1,550,000	778,976	2,328,976	22,720,849	8,065,542	30,786,391
581,926	281,576	863,502	5,730,000	1,306,233	7,036,233	1,615,000	716,984	2,331,984	21,320,845	6,993,096	28,313,941
602,599	254,461	857,060	6,350,000	1,122,165	7,472,165	1,680,000	652,218	2,332,218	22,361,519	5,992,740	28,354,259
633,946	225,823	859,769	6,805,000	921,585	7,726,585	1,745,000	584,659	2,329,659	22,077,120	4,965,306	27,042,426
665,292	195,506	860,798	7,465,000	701,698	8,166,698	1,830,000	509,995	2,339,995	21,360,125	3,937,432	25,297,557
696,638	163,671	860,309	8,170,000	464,354	8,634,354	1,920,000	431,074	2,351,074	20,663,130	2,940,824	23,603,954
722,985	130,025	853,010	6,565,000	204,533	6,769,533	2,005,000	351,518	2,356,518	16,241,137	2,100,142	18,341,279
764,331	94,066	858,397	-	-	-	2,100,000	264,804	2,364,804	9,499,141	1,463,271	10,962,412
315,000	67,383	382,383	-	-	-	2,195,000	174,203	2,369,203	8,125,000	1,063,759	9,188,759
330,000	50,888	380,888	-	-	-	2,215,000	84,435	2,299,435	7,835,000	703,726	8,538,726
340,000	33,637	373,637	-	-	-	935,000	19,685	954,685	5,955,000	388,068	6,343,068
360,000	15,491	375,491	-	-	-	-	-	-	2,305,000	190,153	2,495,153
105,000	3,080	108,080	-	-	-	-	-	-	2,150,000	74,353	2,224,353
-	-	-	-	-	-	-	-	-	420,000	8,925	428,925
<u>\$ 9,517,929</u>	<u>\$ 4,117,027</u>	<u>\$ 13,634,956</u>	<u>\$ 79,910,000</u>	<u>\$ 20,595,295</u>	<u>\$ 100,505,295</u>	<u>\$ 27,270,000</u>	<u>\$ 10,398,882</u>	<u>\$ 37,668,882</u>	<u>\$ 301,309,801</u>	<u>\$ 106,994,081</u>	<u>\$ 408,303,882</u>

CITY OF GRAND PRAIRIE, TEXAS
NOTES TO BASIC FINANCIAL STATEMENTS
SEPTEMBER 30, 2010

b) Business Type Activities long-Term Debt

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

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

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

	<u>Interest Rate %</u>	<u>Year of Issue</u>	<u>Year of Maturity</u>	<u>Original Amount</u>	<u>Amount Outstanding</u>
Water and wastewater					
Revenue bonds:					
Series 1998	4.3-5.0	1998	2019	3,575,000	\$ 2,090,000
Series 2002	4.5-5.0	2002	2022	4,100,000	2,915,000
Series 2002-A	4.0-4.5	2002	2022	2,650,000	1,830,000
Series 2003	2.0-4.6	2003	2023	12,610,000	3,925,000
Series 2004	2.5-4.45	2004	2024	7,110,000	4,670,000
Series 2004-A	2.0-4.75	2004	2024	5,615,000	4,330,000
Series 2005	2.75-4.50	2005	2025	5,725,000	4,690,000
Series 2005-A	3.5-4.25	2005	2025	10,230,000	8,295,000
Series 2006	4.0-5.5	2006	2026	4,840,000	4,285,000
Series 2006-A	4.25-4.375	2006	2027	6,625,000	5,980,000
Series 2007	4.0-4.50	2007	2027	15,845,000	14,085,000
Series 2008	3.5-5.50	2009	2029	4,940,000	4,785,000
Series 2010	0.0-2.587	2010	2030	4,995,000	4,995,000
Total revenue bonds					66,875,000
Premiums/discounts, net					(3,043)
Compensated absences					213,702
Total water and wastewater long-term debt					67,085,659
Solid waste					
Closure and post closure liability	N/A	N/A	N/A	N/A	5,071,131
Compensated absences	N/A	N/A	N/A	N/A	77,297
Total solid waste long-term debt					5,148,428
Municipal airport					
General obligation bonds:					
Series 1998B	3.25-4.9	1998	2012	1,238,648	120,000
Certificates of obligation bonds:					
Series 2004A	2.25-5.0	2004	2024	2,120,000	1,905,000
Compensated absences	N/A	N/A	N/A	N/A	26,673
Total municipal airport long-term debt					2,051,673
Municipal golf					
General obligation bonds:					
Series 2002	4.5-5.0	2002	2022	835,000	835,000
Series 2004A	2.0-4.75	2004	2024	3,510,000	2,790,000
Series 2007	4.0-4.50	2007	2019	1,482,000	1,482,000
Total general obligation bonds					5,107,000
Certificate of obligation bonds:					
Series 1998B	3.6-5.0	1998	2019	2,600,000	-
Series 2004	2.50-4.45	2004	2024	717,000	552,457
Series 2004B	2.0-4.75	2004	2024	1,215,000	940,000
Series 2006	4.0-5.50	2006	2026	153,750	140,000
Total certificate of obligation bonds					1,632,457
Premiums/discounts, net	N/A	N/A	N/A	N/A	6,019
Compensated absences	N/A	N/A	N/A	N/A	38,174
Total municipal golf long-term debt					6,783,650
Allocation from internal service funds					
Compensated absences					35,356
Storm Water					
Compensated absences					14,463
Total business-type activities' long-term debt					\$ 81,083,873

(Does not include unamortized premiums, discounts, or deferred loss on refunding)

CITY OF GRAND PRAIRIE, TEXAS
NOTES TO BASIC FINANCIAL STATEMENTS
SEPTEMBER 30, 2010

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

	Balance October 1, 2009	Borrowings or Increase	Payments or Decrease	Balance September 30, 2010	Due Within One Year
Water and wastewater					
Revenue bonds:					
Series 1998	\$ 2,270,000	\$ -	\$ (180,000)	\$ 2,090,000	\$ 190,000
Series 2002	3,090,000	-	(175,000)	2,915,000	185,000
Series 2002-A	1,940,000	-	(110,000)	1,830,000	120,000
Series 2003	4,975,000	-	(1,050,000)	3,925,000	765,000
Series 2004	5,110,000	-	(440,000)	4,670,000	455,000
Series 2004-A	4,555,000	-	(225,000)	4,330,000	235,000
Series 2005	4,910,000	-	(220,000)	4,690,000	230,000
Series 2005-A	8,700,000	-	(405,000)	8,295,000	415,000
Series 2006	4,455,000	-	(170,000)	4,285,000	180,000
Series 2006-A	6,205,000	-	(225,000)	5,980,000	235,000
Series 2007	14,650,000	-	(565,000)	14,085,000	585,000
Series 2008	4,940,000	-	(155,000)	4,785,000	160,000
Series 2010	-	4,995,000	-	4,995,000	185,000
Total revenue bonds	65,800,000	4,995,000	(3,920,000)	66,875,000	3,940,000
Premiums/discount, net	(1,795)	-	(1,248)	(3,043)	-
Compensated absences	216,650	256,141	(259,089)	213,702	213,702
Total water and wastewater long-term debt	66,014,855	5,251,141	(4,180,337)	67,085,659	4,153,702
Solid waste					
Closure and post closure liability	4,798,404	272,727	-	5,071,131	-
Compensated absences	65,649	96,104	(84,456)	77,297	77,297
Total solid waste long-term debt	4,864,053	368,831	(84,456)	5,148,428	77,297
Municipal airport					
General obligation bonds:					
Series 1998-B	170,000	-	(50,000)	120,000	55,000
Certificates of Obligation					
Series 2004A	1,955,000	-	(50,000)	1,905,000	50,000
Compensated absences	31,049	14,807	(19,183)	26,673	17,117
Total municipal airport long-term debt	2,156,049	14,807	(119,183)	2,051,673	122,117
Municipal golf					
General obligation bonds:					
Series 2002	835,000	-	-	835,000	-
Series 2004A	2,920,000	-	(130,000)	2,790,000	130,000
Series 2007	1,482,000	-	-	1,482,000	105,399
Total general obligation bonds	5,237,000	-	(130,000)	5,107,000	235,399
Certificate of obligation bonds:					
Series 1998-A	125,000	-	(125,000)	-	-
Series 2004	581,378	-	(28,921)	552,457	29,917
Series 2004B	990,000	-	(50,000)	940,000	50,000
Series 2006	145,000	-	(5,000)	140,000	5,000
Total certificate of obligation bonds	1,841,378	-	(208,921)	1,632,457	84,917
Premiums/discount, net	6,373	-	(354)	6,019	-
Compensated absences	50,129	50,758	(62,713)	38,174	38,174
Total municipal golf long-term debt	7,134,880	50,758	(401,988)	6,783,650	358,490
Storm water					
Compensated absences	12,615	23,084	(21,236)	14,463	14,463
Total business-type activities' long-term debt	\$ 80,182,452	\$ 5,708,621	\$ (4,807,200)	\$ 81,083,873	\$ 4,726,069

(Does not include unamortized premiums, discounts, or deferred loss on refunding)

CITY OF GRAND PRAIRIE, TEXAS
NOTES TO BASIC FINANCIAL STATEMENTS
SEPTEMBER 30, 2010

(i) Water and Wastewater System Debt

In July 2010 the City issued \$4,995,000 in Water Wastewater System Revenue Bonds, Series 2010. The proceeds of the bonds were used to provide \$4,995,000 of capital funds, and to pay the cost of issuance.

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

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

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

- Net revenues (defined as gross revenues less expenses of operation and maintenance) are pledged for the payment of bond principal and interest.
- Additional water and wastewater system revenue bonds cannot be issued unless the “net earnings” (defined as gross revenues after deducting the expenses of operation and maintenance, excluding depreciation and certain other items specified in the ordinances) of the system for 12 consecutive months out of the 15 months prior to the date of such bonds is equal to at least 1.25 times the average annual requirements for the payment of principal and interest on the then outstanding bonds and any additional bonds then proposed to be issued.
- All revenues derived from the operations must be kept separate from other funds of the City.
- The amount required to meet interest and principal payments falling due on or before the next maturity dates of the bonds is to be paid into the water and wastewater system interest and redemption account during each year.

At September 30, 2010, the City was in compliance with these covenants.

CITY OF GRAND PRAIRIE, TEXAS
NOTES TO BASIC FINANCIAL STATEMENTS
SEPTEMBER 30, 2010

Debt service to maturity on the City's outstanding water and wastewater system bond debt is summarized as follows:

Water and Wastewater System Revenue Bonds:

<u>Fiscal Year</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2011	\$ 3,940,000	\$ 2,662,858	\$ 6,602,858
2012	3,860,000	2,522,211	6,382,211
2013	4,010,000	2,373,164	6,383,164
2014	3,850,000	2,223,847	6,073,847
2015	3,920,000	2,073,650	5,993,650
2016	3,720,000	1,923,099	5,643,099
2017	3,870,000	1,769,899	5,639,899
2018	4,050,000	1,606,724	5,656,724
2019	4,230,000	1,433,866	5,663,866
2020	4,130,000	1,258,276	5,388,276
2021	4,315,000	1,079,405	5,394,405
2022	4,510,000	889,719	5,399,719
2023	4,180,000	701,901	4,881,901
2024	4,130,000	522,234	4,652,234
2025	3,590,000	355,160	3,945,160
2026	2,575,000	221,466	2,796,466
2027	2,290,000	115,580	2,405,580
2028	675,000	51,795	726,795
2029	705,000	23,134	728,134
2030	325,000	4,204	329,204
Total	<u>\$ 66,875,000</u>	<u>\$ 23,812,192</u>	<u>\$ 90,687,192</u>

CITY OF GRAND PRAIRIE, TEXAS
NOTES TO BASIC FINANCIAL STATEMENTS
SEPTEMBER 30, 2010

According to the terms of the ordinance which authorized the sale of Water and Wastewater Revenue Bonds, the Water and Wastewater system will produce net revenues each year in an amount reasonably estimated to be not less than 1.25 times the average annual principal and interest requirements of the outstanding bonds. At September 30, 2010, compliance with this requirement can be demonstrated as follows:

Revenue (1)	\$ 47,944,122
Operating expense (excluding depreciation):	
Water purchased	10,209,116
Sewage disposal contract	9,576,287
Other	<u>16,255,046</u>
Total expense (2)	36,040,449
Available for debt service	\$ 11,903,673
Average annual principal and interest requirements, all water and wastewater revenue bonds at September 30, 2010	\$ 4,534,360
Coverage of average annual requirements based on September 30, 2010 revenue available for debt service	2.63

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

(2) Excludes depreciation expense.

CITY OF GRAND PRAIRIE, TEXAS
NOTES TO BASIC FINANCIAL STATEMENTS
SEPTEMBER 30, 2010

(ii) Municipal Golf Course Long-Term Debt

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

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

General Obligation Bonds:

<u>Fiscal Year</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2011	\$ 235,399	\$ 217,493	\$ 452,892
2012	257,058	209,568	466,626
2013	267,825	200,702	468,527
2014	314,152	190,586	504,738
2015	331,200	179,356	510,556
2016	343,248	167,481	510,729
2017	356,257	154,976	511,233
2018	374,266	141,622	515,888
2019	397,595	118,426	516,021
2020	405,000	93,044	498,044
2021	425,000	74,369	499,369
2022	445,000	54,794	499,794
2023	465,000	34,028	499,028
2024	490,000	11,637	501,637
Total	<u>\$ 5,107,000</u>	<u>\$ 1,848,082</u>	<u>\$ 6,955,082</u>

CITY OF GRAND PRAIRIE, TEXAS
NOTES TO BASIC FINANCIAL STATEMENTS
SEPTEMBER 30, 2010

Certificate of Obligation Bonds:

<u>Fiscal Year</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2011	\$ 84,916	\$ 68,017	\$ 152,933
2012	90,914	64,844	155,758
2013	92,908	61,198	154,106
2014	93,905	57,387	151,292
2015	99,904	53,473	153,377
2016	106,897	49,187	156,084
2017	112,894	44,479	157,373
2018	114,889	39,592	154,481
2019	120,886	34,520	155,406
2020	127,880	29,136	157,016
2021	129,875	23,515	153,390
2022	136,869	17,646	154,515
2023	143,864	11,360	155,224
2024	150,858	4,613	155,471
2025	10,000	900	10,900
2026	15,000	338	15,338
Total	<u>\$ 1,632,459</u>	<u>\$ 560,205</u>	<u>\$ 2,192,664</u>

CITY OF GRAND PRAIRIE, TEXAS
NOTES TO BASIC FINANCIAL STATEMENTS
SEPTEMBER 30, 2010

(iii) Municipal Airport Long-Term Debt

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

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

General Obligation Bonds:

<u>Fiscal Year</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2011	\$ 55,000	\$ 5,825	\$ 60,825
2012	65,000	3,185	68,185
Total	<u>\$ 120,000</u>	<u>\$ 9,010</u>	<u>\$ 129,010</u>

Certificate of Obligation Bonds:

<u>Fiscal Year</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2011	\$ 50,000	\$ 88,248	\$ 138,248
2012	45,000	86,291	131,291
2013	115,000	83,035	198,035
2014	120,000	78,260	198,260
2015	125,000	72,972	197,972
2016	130,000	67,072	197,072
2017	140,000	60,660	200,660
2018	145,000	53,891	198,891
2019	150,000	46,979	196,979
2020	160,000	39,710	199,710
2021	170,000	31,830	201,830
2022	175,000	23,375	198,375
2023	185,000	14,375	199,375
2024	195,000	4,875	199,875
Total	<u>\$ 1,905,000</u>	<u>\$ 751,573</u>	<u>\$ 2,656,573</u>

CITY OF GRAND PRAIRIE, TEXAS
NOTES TO BASIC FINANCIAL STATEMENTS
SEPTEMBER 30, 2010

(c) Grand Prairie Housing Finance Corporation Long-Term Debt

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

In December, 2003, the HFC issued Independent Senior Living Center Revenue Bonds for \$13,890,000 to finance the construction and operations of its planned Senior Living Center facility. The bonds bear interest rates from 7.5% to 7.75% and are payable semi-annually with interest only through July 1, 2008. The bonds are non-recourse liabilities collateralized solely by the land and construction in progress, less the accrued interest.

A summary of long-term debt activity during the fiscal year ended December 31, 2009 follows:

	Beginning Balance	Additions	Deletions	Adjustments	Ending Balance
Note payable	\$ 2,410,402	\$ -	\$ (64,131)	\$ (2,000)	\$ 2,344,271
Line of Credit	-	153,306	-	-	153,306
Revenue bonds	13,810,000	-	-	-	13,810,000
Developer loan	1,004,144	41,760	-	-	1,045,904
Total	<u>\$ 17,224,546</u>	<u>\$ 195,066</u>	<u>\$ (64,131)</u>	<u>\$ (2,000)</u>	<u>\$ 17,353,481</u>

Future maturities of the debt are as follows:

Fiscal Year Ending December 31	Note Payable		Revenue Bonds	
	Principal	Interest	Principal	Interest
2010	\$ 70,680	\$ 161,879	\$ -	\$ -
2011	75,791	156,769	215,000	1,011,788
2012	80,824	151,736	230,000	995,288
2013	87,133	145,427	245,000	977,850
2014	93,431	139,129	265,000	959,100
2015-2019	578,778	584,022	1,665,000	4,457,853
2020-2024	820,491	342,309	2,425,000	3,697,806
2025-2029	537,143	63,542	3,560,000	2,574,744
2030-2034	-	-	4,575,000	930,969
Total	<u>\$ 2,344,271</u>	<u>\$ 1,744,813</u>	<u>\$ 13,180,000</u>	<u>\$ 15,605,398</u>

The above schedule does not agree with the financial statements as it does not include the \$630,000 in principal forgiven as discussed in the following subsequent event.

CITY OF GRAND PRAIRIE, TEXAS
NOTES TO BASIC FINANCIAL STATEMENTS
SEPTEMBER 30, 2010

Subsequent event to HFC:

In July of 2010, the Organization successfully completed a reissuance of the 2003 Independent Senior Living Center Revenue Bonds curing the default that existed related to the bonds. The effect of the reissuance is that a gain will be recognized in the financial statements in 2010 of approximately \$2,080,000 related to forgiven principal and interest.

Conduit Debt – Mortgage Revenue Bonds

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

At December 31, 2009, outstanding conduit debt was as follows:

<u>Bond Series</u>	<u>Original Issue Amount</u>	<u>Outstanding Amount</u>
2001 Single-Family Mortgage Revenue Bonds	\$ 14,160,000	\$ 1,861,222
2003 Senior Living Center	13,810,000	13,810,000
2004B Single-Family Mortgage Revenue & Refunding Bonds	7,500,000	3,851,557
Total		<u>\$ 19,522,779</u>

3) Closure and Post Closure Liability

State and federal laws and regulations require the City to place a final cover on its landfill site when it stops accepting waste and to perform certain maintenance and monitoring functions at the site for 30 years after closure. Although closure and post closure care costs will be paid only near or after the date that the landfills stop accepting waste, the City reports a portion of these closure and post closure care costs as an operating expense in each period based on landfill capacity used as of each balance sheet date. The City follows the provisions of GASB Statement No. 18 Accounting for Municipal Solid Waste Landfill Closure and Post closure Care Costs. Accordingly, the City has recorded a closure and post closure care liability of \$5,071,131 in the Solid Waste Fund. The total liability represents the cumulative amount reported to date based on the use of 34.69% of the estimated capacity of the landfill.

The City will recognize the remaining estimated cost of closure and post closure care of \$9,693,166 as the remaining estimated capacity is filled. The City expects to close the landfill in year 2064. Actual cost may be higher or lower due to inflation, changes in technology or changes in regulations.

CITY OF GRAND PRAIRIE, TEXAS
NOTES TO BASIC FINANCIAL STATEMENTS
SEPTEMBER 30, 2010

c. Fund Equity and Net Assets

1) Reserved Fund Balance

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

2) Designated Fund Balance

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

3) Net Assets: Invested in Capital Assets, Net of Related Debt

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

4) Net Assets: Restricted for Debt Service

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

5) Net Assets: Unrestricted

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

d. Interfund Transactions

The composition of interfund balances as of September 30, 2010, is as follows:

1) Interfund Receivables/Payables

Outstanding balances between funds result mainly from the time lag between the dates that (1) interfund goods and services are provided or reimbursable expenditures occur, (2) transactions are recorded in the accounting system, and (3) payments between funds are made.

CITY OF GRAND PRAIRIE, TEXAS
NOTES TO BASIC FINANCIAL STATEMENTS
SEPTEMBER 30, 2010

	Due from Other Funds	Due to Other Funds
General Fund	\$ 1,000,000.00	\$ -
Other Special Revenue Funds	-	1,000,000.00
	<u>\$ 1,000,000.00</u>	<u>\$ 1,000,000.00</u>

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

2) Interfund Transfers

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

	Transfers In						Nonmajor Governmental Funds
	General Fund	Crime Tax	Section 8	Street Improvements	Debt Service	Storm Water Utility	
<u>Transfers out:</u>							
General Fund	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 12,529,436
Crime Tax	-	-	-	-	-	-	-
Section 8	-	-	-	-	50,000	-	386,477
Street Improvements	-	-	-	-	-	-	228,760
Debt Service	-	-	-	-	-	-	-
Nonmajor							
Governmental Funds	1,652,799	2,188,061	494,639	8,537,802	197,240	31,416	30,159,791
Internal Service Funds	-	-	-	-	-	-	-
Water/wastewater	-	-	-	-	-	-	1,322,885
Solid Waste	-	-	-	-	-	-	377,059
Nonmajor							
Enterprise Funds	-	-	-	-	-	-	1,900,000
Total	<u>\$ 1,652,799</u>	<u>\$ 2,188,061</u>	<u>\$ 494,639</u>	<u>\$ 8,537,802</u>	<u>\$ 247,240</u>	<u>\$ 31,416</u>	<u>\$ 46,904,408</u>

	Transfers In					
	Water Wastewater	Municipal Golf	Internal Service Funds	Solid Waste	Municipal Airport	Total
<u>Transfers out:</u>						
General Fund	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 12,529,436
Crime Tax	-	-	-	-	-	-
Section 8	-	-	-	-	-	436,477
Street Improvements	-	-	-	-	-	228,760
Debt Service	-	636,406	-	-	-	636,406
Nonmajor						
Governmental Funds	3,305,586	671,899	190,519	218,655	277,994	47,926,401
Internal Service Funds	-	-	-	-	-	-
Water/wastewater	14,596,611	-	-	-	-	15,919,496
Solid Waste	-	-	-	1,834,023	-	2,211,082
Nonmajor						
Enterprise Funds	-	-	-	-	1,450,571	3,350,571
Total	<u>\$ 17,902,197</u>	<u>\$ 1,308,305</u>	<u>\$ 190,519</u>	<u>\$ 2,052,678</u>	<u>\$ 1,728,565</u>	<u>\$ 83,238,629</u>

CITY OF GRAND PRAIRIE, TEXAS
NOTES TO BASIC FINANCIAL STATEMENTS
SEPTEMBER 30, 2010

Transfers are used to (1) move revenues from the fund with collection authorization to the debt service fund as debt service principal and interest payments become due, (2) move restricted amounts from borrowings to the debt service fund to establish mandatory reserve accounts, (3) move unrestricted revenues to finance various programs that the government must account for in other funds in accordance with budgetary authorizations, including amounts provided as subsidies or matching funds for various grant programs, and (4) move capital assets from one fund to another.

3) Cost Reimbursements

The cost of the City’s central general and administrative services is allocated to the designated special revenue and enterprise funds. These costs are reported as interfund services provided and used rather than interfund transactions, and are treated as revenue in the General Fund and expense in the other funds. Interfund services provided and used are “arms-length” transactions between departments or funds that would be treated as revenues, expenditures or expenses if they were with an external organization. The distinguishing aspect of interfund services provided and used are that each department or fund both gives and receives consideration.

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

<u>Fund</u>	<u>Amount</u>
Water and Wastewater Funds	\$ 2,935,709
Solid Waste Funds	310,301
Section 8 Housing Grant Fund	172,103
Storm Water Funds	69,820
Other Nonmajor Governmental Funds	186,454
Total to General Fund	<u>\$ 3,674,387</u>

4) Franchise Fees

The City’s enterprises which use the public right-of-way funds pay franchise fees to the General Fund as if they were organizations separate from the City. These fees are not taxes, but are compensation to the City for the use of the City’s water lines, sewer lines, etc. These payments, 4% of gross revenues, are reported as interfund services provided and used rather than interfund transactions, and are treated as revenue (reported as franchise fees) in the General Fund and expense in the enterprise funds. Such fees paid during the year were:

<u>Fund</u>	<u>Amount</u>
Water and Wastewater Funds	\$ 1,770,765
Solid Waste Funds	301,868
Storm Water Funds	187,424
Total	<u>\$ 2,260,057</u>

CITY OF GRAND PRAIRIE, TEXAS
NOTES TO BASIC FINANCIAL STATEMENTS
SEPTEMBER 30, 2010

5) Payments in Lieu of Property Taxes

Two of the City’s enterprise funds, the Water and Wastewater Fund and Solid Waste Fund, make payments in lieu of property taxes to the Street Maintenance Fund, which is included in “Other Governmental Funds”, to provide funding for street repairs. The payments are calculated by applying the City’s property tax rate to the net book value of the enterprise funds’ fixed assets. Since the calculation methodology is not the same as that applied to similar activities in the private sector in several respects, the payments are recorded as transfers out rather than as an operating expense. Payments made during the year were as follows:

<u>Fund</u>	<u>Amount</u>
Water and Wastewater Funds	\$ 1,161,400
Solid Waste Funds	77,059
	<hr/>
Total	\$ 1,238,459
	<hr/> <hr/>

e. Leases

On September 15, 1995, the Sports Corporation and LSJC entered into a lease agreement. On October 23, 2002, Lone Star, LSJC, and MEC Lone Star, L.P. (“MEC”) entered into an asset purchase agreement whereby MEC agreed to purchase substantially all of the racing assets of Lone Star and LSJC. The Master Agreement between the Sports Corporation, Lone Star, and LSJC was terminated. Lone Star and LSJC assigned to MEC all of their rights and obligations under the lease and certain ancillary agreements with the Sports Corporation. The agreement states that upon completion of the project, MEC will lease the facility for a period of 30 years. The lease became effective April 1997 and meets the requirements for accounting as a direct financing lease. The future base rent payments under the lease are as follows:

<u>Year</u>	<u>Amount</u>
2011	\$ 1,452,000
2012	1,560,900
2013	1,597,200
2014	1,597,200
2015	1,597,200
Thereafter	21,152,784
	<hr/>
	28,957,284
Less interest	13,366,514
Net present value	\$ 15,590,770
	<hr/> <hr/>

CITY OF GRAND PRAIRIE, TEXAS
NOTES TO BASIC FINANCIAL STATEMENTS
SEPTEMBER 30, 2010

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

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

The lease has been accounted for as a capital lease. However, only the base rent payments are determinable and are included in the lease payments receivable at the net present value of future rent payments. The remaining portion of the Facility is recorded as estimated unguaranteed residual value of the lease. Its fair value is estimated to be approximately equal to the differences between the original cost plus capitalized improvements of the Facility, net of what accumulated depreciation would be, and the fixed lease payments receivable. Therefore, this amount is being amortized over the life of the lease (30 years). Amortization for the year ended September 30, 2010 was \$3,395,444. Additional contingent rentals are recorded as revenue when received. During the year ended September 30, 2010, the Corporation incurred additional costs for improvements to the leased facilities of \$31,244 and received contribution revenue of \$31,244, for a total addition to the cost of the facility of \$62,488. This amount increased the unguaranteed residual value of the lease.

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

The capital lease is being amortized using the interest method over the 30-year life of the lease. The Corporation has recorded lease rental and interest for the year ended September 30, 2010 as follows:

Nominal interest on the lease	<u>2010</u> \$ 1,454,400
Amortization of the lease	(211,635)
Net interest	<u>1,242,765</u>
Contingent rentals received (includes rent for simulcast facility prior to completion of project)	252,254
Total lease rental and interest	<u><u>\$ 1,495,019</u></u>

4. CONTRACTS, COMMITMENTS AND CONTINGENT LIABILITIES

a. Federal Grants

The City participates in a number of state and federally assisted grant programs. These programs are subject to program compliance audits by the grantors or their representatives.

CITY OF GRAND PRAIRIE, TEXAS
NOTES TO BASIC FINANCIAL STATEMENTS
SEPTEMBER 30, 2010

Any liability for reimbursement which may arise as the result of these audits is not believed to be material.

b. Litigation

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

c. Water Intake Facility Contract

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

d. Water Purchase Contracts

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

A contract with the City of Fort Worth, effective until the year 2031, permits the City to purchase up to 2.5 million gallons of treated water daily.

The City has a 30-year contract with the City of Dallas, which expires in 2012, for the purchase of water. Grand Prairie currently takes up to 33.8 million gallons a day, and pays a fixed demand charge plus a volume charge. The demand charge is based on current maximum demand or the highest demand established during the five preceding years whichever is greater. Thus, even if the City were to stop purchasing water from Dallas, its obligation to pay the demand charge (\$187,263 per million gallons per day) would extend for five years. The maximum may be increased in future years as needed. Grand Prairie has two intake points for City of Dallas water with a contractual right obligating the City of Dallas to meet Grand Prairie’s needs. Existing pipelines will provide up to 55 million gallons per day.

e. Wastewater Treatment Contract

The City has a 50 year contract with TRA, which will expire in 2023, for wastewater treatment. The City is billed for its prorated share of total wastewater costs, which was 11.26% during fiscal year 2010. The City must pay its prorated share of the debt service

CITY OF GRAND PRAIRIE, TEXAS
NOTES TO BASIC FINANCIAL STATEMENTS
SEPTEMBER 30, 2010

related to wastewater treatment facilities until the debt matures whether it contributes to flow or not.

f. Master and Other Agreements

The Sports Corporation, Lone Star and Lone Star Jockey Club Development Corp. (“LSJC”) entered into an agreement (the “Master Agreement”) to design and develop a pari-mutuel horse racetrack (the “Facility”). On October 23, 2002, Lone Star, LSJC, and MEC Lone Star, L.P. (“MEC”) entered into an asset purchase agreement whereby MEC agreed to purchase substantially all of the racing assets of Lone Star and LSJC. The Master Agreement between the Sports Corporation, Lone Star, and LSJC was terminated. Lone Star and LSJC assigned to MEC all of their rights and obligations under the lease and certain ancillary agreements with the Sports Corporation. MEC Lone Star currently holds the license to operate the “Class 1” racetrack.

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

On October 23, 2009, an auction for Lone Star was conducted with Global Gaming LSP, LLC (a wholly owned subsidiary of the Chickasaw Nation) winning the auction for \$47 million. Global Gaming is in the process of obtaining a license from the Texas Racing Commission. Once the licensing process is completed, the sale of MEC Lone Star will be completed.

Under the terms of the purchase agreement Global Gaming has agreed to assume the lease agreement between Lone Star and the Corporation. Until then MEC Lone Star will operate under the Chapter 11 bankruptcy protection with DIP financing provided by MEC, Inc. The licensing process is not expected to be completed until sometime in mid 2011.

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

Baseball Stadium Agreements - The Citizens of Grand Prairie approved a 1/8 cent sales tax to build a minor league professional baseball stadium. The City of Grand Prairie (City) and

CITY OF GRAND PRAIRIE, TEXAS
NOTES TO BASIC FINANCIAL STATEMENTS
SEPTEMBER 30, 2010

Grand Prairie Professional Baseball, LP (GPPB) entered into an agreement on June 26, 2007 to develop, construct and operate a minor league professional baseball stadium. This was accomplished through the use of development, lease and sublease agreements. Construction began in July, 2007 and was completed in May of 2008.

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

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

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

g. Construction Commitments

The City has several approved outstanding major capital projects as of September 30, 2010. The City's total committed but unexpended expenditures for such authorized capital projects at year-end approximates \$42,956,835. Funding for these contracts will be received through various capital projects funds and enterprise funds.

CITY OF GRAND PRAIRIE, TEXAS
NOTES TO BASIC FINANCIAL STATEMENTS
SEPTEMBER 30, 2010

5. SEGMENT INFORMATION FOR ENTERPRISE FUNDS

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

	<u>Municipal Airport</u>
<u>Condensed statement of net assets:</u>	
Current assets	\$ 2,180,555
Capital assets	9,108,134
Total assets	<u>11,288,689</u>
Current liabilities	452,820
Long-term liabilities	1,929,556
Total liabilities	<u>2,382,376</u>
Net assets invested in capital assets, net of related debt	7,083,134
Unrestricted net assets	1,823,179
Total net assets	<u>\$ 8,906,313</u>
<u>Condensed statement of revenue, expense and changes in net assets:</u>	
Sales to customers	\$ 1,773,061
Other revenue	142,120
Total operating revenue	<u>1,915,181</u>
Depreciation	422,127
Other operating expenses	1,491,410
Total operating expenses	<u>1,913,537</u>
Investment income	17,034
Sale of capital assets	(14,549)
Interest expense	(98,734)
Total nonoperating revenue (expense)	<u>(96,249)</u>
Income (loss) before transfers	(94,605)
Transfers in	1,728,565
Transfers out	(1,450,571)
Change in net assets	183,389
Net assets at the beginning of the year	8,722,924
Net assets at the end of the year	<u>\$ 8,906,313</u>
<u>Condensed statement of cash flows:</u>	
Net cash provided (used) by:	
Operating activities	\$ 425,592
Noncapital financing activities	277,994
Capital and related financing activities	(1,978,778)
Investing activities	1,532,512
Beginning cash and cash equivalent balances	1,118,927
Ending cash and cash equivalent balances	<u>\$ 1,376,247</u>

CITY OF GRAND PRAIRIE, TEXAS
NOTES TO BASIC FINANCIAL STATEMENTS
SEPTEMBER 30, 2010

6. SUBSEQUENT EVENTS

On January 18, 2011, the City Council issued:

- \$14,930,000 General Obligation Refunding & Improvement Bonds, Series 2011. The proceeds are to be used to fund \$695,000 of fire and street improvements, and to refund \$14,290,000 General Obligation and Certificate of Obligation Bonds.
- \$6,305,000 Combination Tax & Revenue Certificate of Obligation Bonds, Series 2011. The proceeds are to be used to fund fire and street improvements.
- \$8,940,000 Water & Wastewater System Revenue Refunding Bonds, Series 2011. The proceeds are to be used to refund \$9,500,000 Water & Wastewater System Revenue Bonds.



THIS PAGE IS INTENTIONALLY LEFT BLANK

REQUIRED SUPPLEMENTARY INFORMATION



**CITY OF GRAND PRAIRIE, TEXAS
REQUIRED SUPPLEMENTARY INFORMATION
SCHEDULE OF REVENUE, EXPENDITURES AND CHANGES IN FUND BALANCE
GENERAL FUND - BUDGET TO ACTUAL COMPARISON SCHEDULE
FOR THE YEAR ENDED SEPTEMBER 30, 2010**

	<u>Budget</u>		<u>Actual</u>	Variance
	<u>Original</u>	<u>Final</u>	<u>GAAP</u> <u>Basis</u>	with Final Budget - Positive (Negative)
REVENUE				
Property tax	\$ 41,820,081	\$ 41,820,081	\$ 42,598,742	\$ 778,661
Sales tax	20,438,498	20,438,498	19,844,420	(594,078)
Other taxes	248,970	248,970	244,522	(4,448)
Franchise fees	11,947,566	11,947,566	12,060,211	112,645
Charges for goods and services	4,262,320	4,262,320	4,688,438	426,118
Licenses and permits	1,780,350	1,780,350	2,228,316	447,966
Fines and forfeitures	5,411,280	5,411,280	5,569,652	158,372
Intergovernmental revenue	816,910	816,910	783,901	(33,009)
General and administrative costs	3,858,292	3,858,292	3,960,074	101,782
Investment income	1,023,422	1,023,422	248,021	(775,401)
Other	241,340	241,340	407,693	166,353
Total revenue	<u>91,849,029</u>	<u>91,849,029</u>	<u>92,633,990</u>	<u>784,961</u>
EXPENDITURES				
Current operations:				
Support services	12,427,957	12,280,928	9,932,982	2,347,946
Public safety services	57,637,043	58,572,635	58,308,024	264,611
Recreation and leisure services	2,012,574	2,025,148	1,946,463	78,685
Development services and other services	12,178,553	12,232,035	11,633,268	598,767
Capital outlay	<u>668,000</u>	<u>689,667</u>	<u>659,078</u>	<u>30,589</u>
Total expenditures	<u>84,924,127</u>	<u>85,800,413</u>	<u>82,479,815</u>	<u>3,320,598</u>
Excess of revenue over expenditures	<u>6,924,902</u>	<u>6,048,616</u>	<u>10,154,175</u>	<u>4,105,559</u>
OTHER FINANCING SOURCES (USES)				
Transfers in-monetary	999,131	999,131	1,652,799	653,668
Transfers out-monetary	(9,291,889)	(12,741,889)	(12,529,436)	212,453
Sale of capital assets	625,000	625,000	477,920	(147,080)
Total other financing sources (uses)	<u>(7,667,758)</u>	<u>(11,117,758)</u>	<u>(10,398,717)</u>	<u>719,041</u>
Net change in fund balance	<u>\$ (742,856)</u>	<u>\$ (5,069,142)</u>	<u>\$ (244,542)</u>	<u>\$ 4,824,600</u>

**CITY OF GRAND PRAIRIE, TEXAS
REQUIRED SUPPLEMENTARY INFORMATION
SCHEDULE OF REVENUE, EXPENDITURES AND CHANGES IN FUND BALANCE
CRIME TAX SALES TAX FUND - BUDGET TO ACTUAL COMPARISON SCHEDULE
FOR THE YEAR ENDED SEPTEMBER 30, 2010**

	<u>Budget</u>		<u>Actual</u>	<u>Variance with</u>
	<u>Original</u>	<u>Final</u>	<u>GAAP</u> <u>Basis</u>	<u>Final Budget- Positive (Negative)</u>
REVENUE				
Sales tax	\$ 4,430,976	\$ 4,430,976	\$ 4,637,138	\$ 206,162
Investment income	59,909	59,909	-	(59,909)
Total revenue	<u>4,490,885</u>	<u>4,490,885</u>	<u>4,637,138</u>	<u>146,253</u>
EXPENDITURES				
Current operations:				
Public safety services	-	-	20,598	(20,598)
Debt service:				
Principal retirement	1,898,686	7,130,000	7,130,000	-
Interest expense	-	893,835	894,270	(435)
Total expenditures	<u>1,898,686</u>	<u>8,023,835</u>	<u>8,044,868</u>	<u>(21,033)</u>
Excess (deficiency) of revenues over (under) expenditures	<u>2,592,199</u>	<u>(3,532,950)</u>	<u>(3,407,730)</u>	<u>125,220</u>
OTHER FINANCING SOURCES (USES)				
Transfers in-monetary	-	-	38,732	38,732
Total other financing sources	<u>-</u>	<u>-</u>	<u>38,732</u>	<u>38,732</u>
Net change in fund balance	<u>\$ 2,592,199</u>	<u>\$ (3,532,950)</u>	<u>\$ (3,368,998)</u>	<u>\$ 163,952</u>

**CITY OF GRAND PRAIRIE, TEXAS
REQUIRED SUPPLEMENTARY INFORMATION
SCHEDULE OF REVENUE, EXPENDITURES AND CHANGES IN FUND BALANCE
SECTION 8 FUND - BUDGET TO ACTUAL COMPARISON SCHEDULE
FOR THE YEAR ENDED SEPTEMBER 30, 2010**

	<u>Budget</u>		<u>Actual</u>	<u>Variance with</u>
	<u>Original</u>	<u>Final</u>	<u>GAAP</u> <u>Basis</u>	<u>Final Budget- Positive (Negative)</u>
REVENUE				
Charges for goods and service	\$ 53,948	\$ 53,948	\$ 54,117	\$ 169
Licenses and permits	226,404	226,404	197,326	(29,078)
Intergovernmental revenue	20,935,007	20,935,007	24,478,098	3,543,091
Investment income	94,836	94,836	49,481	(45,355)
Other	52,159	52,159	32,134	(20,025)
Total revenue	<u>21,362,354</u>	<u>21,362,354</u>	<u>24,811,156</u>	<u>3,448,802</u>
EXPENDITURES				
Current operations:				
Development services	21,221,350	21,221,350	\$ 23,150,973	(1,929,623)
Capital outlay	-	-	147,514	(147,514)
Total expenditures	<u>21,221,350</u>	<u>21,221,350</u>	<u>23,298,487</u>	<u>(2,077,137)</u>
Excess of revenues over expenditures	<u>141,004</u>	<u>141,004</u>	<u>1,512,669</u>	<u>1,371,665</u>
OTHER FINANCING SOURCES (USES)				
Transfers in-monetary	-	-	494,639	494,639
Transfers out-monetary	(141,004)	(141,004)	(436,477)	(295,473)
Total other financing sources (uses)	<u>(141,004)</u>	<u>(141,004)</u>	<u>58,162</u>	<u>199,166</u>
Net change in fund balance	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 1,570,831</u>	<u>\$ 1,570,831</u>

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

Fiscal Year	Actuarial Valuation Date	(1) Actuarial Value of Assets	(2) Actuarial Accrued Liability (AAL)	(3) Percentage Funded (1)/(2)	(4) Unfunded Actuarial Accrued Liability (AAL) (2) - (1)	(5) Covered Payroll
2003	12/31/2003	\$ 131,709,701	\$ 161,002,282	81.81%	\$ 29,292,581	\$ 48,080,684
2004	12/31/2004	142,198,405	177,576,317	80.08%	35,377,912	49,764,580
2005	12/31/2005	152,470,087	187,718,712	81.22%	35,248,625	52,997,624
2006	12/31/2006	157,030,678	194,053,949	80.92%	37,023,271	53,849,572
2007	12/31/2007	167,101,197	208,328,802	80.21%	41,227,605	56,817,617
2008	12/31/2008	174,692,032	252,870,914	69.08%	78,178,882	61,880,950
2009	12/31/2009	184,115,536	270,661,623	68.02%	86,546,087	67,018,137
2010	12/31/2010	195,807,917	283,654,428	69.03%	87,846,511	66,030,734

Eight year historical trend information designed to provide information about the fund's progress made in accumulating sufficient assets to pay benefits when due is available for plan years 2003 through 2010. This information can be referred to in separately issued financial reports of the pension fund.

(6) Unfunded Actuarial Accrued Liability (AAL) as a Percentage of Covered Payroll (4)/(5)	Annual Required Contributions	Actual Contributions
60.92%	\$ 6,542,656	\$ 6,542,656
71.09%	6,590,869	6,590,869
66.51%	7,222,849	7,222,849
68.75%	7,715,790	7,715,790
72.56%	7,577,405	7,577,405
126.34%	8,203,635	8,203,635
129.14%	8,955,152	8,955,152
133.04%	9,792,823	9,792,823



THIS PAGE IS INTENTIONALLY LEFT BLANK

COMBINING AND INDIVIDUAL FUND STATEMENTS AND SCHEDULES



**CITY OF GRAND PRAIRIE, TEXAS
MAJOR FUND OTHER SCHEDULES
SCHEDULE OF REVENUE, EXPENDITURES AND CHANGES IN FUND BALANCE
DEBT SERVICE FUND - BUDGET TO ACTUAL COMPARISON
FOR THE YEAR ENDED SEPTEMBER 30, 2010**

	Budget		Actual	Variance with
	Original	Final	GAAP Basis	Final Budget- Positive (Negative)
REVENUE				
Property tax	\$ 15,927,262	\$ 15,927,262	\$ 16,262,503	\$ 335,241
Investment income	305,081	305,081	78,470	(226,611)
Total revenue	<u>16,232,343</u>	<u>16,232,343</u>	<u>16,340,973</u>	<u>108,630</u>
EXPENDITURES				
Current operations:				
Support services	-	-	-	-
Debt service:				
Principal retirement	9,303,408	8,924,291	8,924,291	-
Interest	7,002,455	6,775,003	6,816,299	(41,296)
Total expenditures	<u>16,305,863</u>	<u>15,699,294</u>	<u>15,740,590</u>	<u>(41,296)</u>
Excess (deficiency) of revenue over (under) expenditures	<u>(73,520)</u>	<u>533,049</u>	<u>600,383</u>	<u>67,334</u>
OTHER FINANCING SOURCES (USES)				
Transfers in-monetary	50,000	50,000	247,240	197,240
Transfers out-monetary	-	(636,406)	(636,406)	-
Premium on debt issued	-	-	22,713	22,713
Refunding bond issued	-	-	13,390,000	13,390,000
Payments for refunded debt	-	-	(13,301,147)	(13,301,147)
Total other financing sources (uses)	<u>50,000</u>	<u>(586,406)</u>	<u>(277,600)</u>	<u>308,806</u>
Net change in fund balance	<u>\$ (23,520)</u>	<u>\$ (53,357)</u>	<u>\$ 322,783</u>	<u>\$ 376,140</u>

Note: Variances between GAAP-basis actual and final budget amounts are due to the bond refunding/reissuing transaction that was approved after the final budget in order to reduce the interest rate. The net variance related to this transaction including the cost of bond issuance and interest is positive.



THIS PAGE IS INTENTIONALLY LEFT BLANK

COMBINING FINANCIAL STATEMENTS NON-MAJOR GOVERNMENTAL FUNDS

Special Revenue Funds

Special Revenue Funds are used by the City to account for revenues derived from specific taxes, fees, donations, and grants which are designated to finance particular functions or activities of the city.

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

Capital Projects Funds

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

- ◆ Senior Center Fund – accounts for the construction of the Active Adult Center for the citizens of Grand Prairie.
- ◆ Fire Capital Fund – accounts for the construction/improvement of fire related facilities and capital purchase of fire related equipment for the safety of the citizens and businesses in the City.
- ◆ Municipal Facilities Fund – accounts for the construction and capital improvements of the City's facilities.
- ◆ Street Maintenance Fund – accounts for the one quarter cent sales tax to maintain existing streets and alleys that was effective April 1, 2002.
- ◆ Other Capital Projects funds - includes Police Station Fund, Storm Drainage Fund, Library Improvements Fund, Capital Reserve Fund, Street Projects Fund, Equipment Acquisition Fund, and Certificates of Obligation Fund.

**CITY OF GRAND PRAIRIE, TEXAS
COMBINING BALANCE SHEET
NONMAJOR GOVERNMENTAL FUNDS
SEPTEMBER 30, 2010**

	Special Revenue Funds					
	Other Special Revenue Funds	Park Venue	Senior Center Sales tax	Hotel Motel	Police Seizure	Municipal Court
ASSETS						
Cash and cash equivalents	\$ 5,169,183	\$ 4,755,542	\$ 40,994	\$ 610,501	\$ 927,796	\$ 249,820
Investments	1,909,647	2,229,691	1,504,282	30,086	50,143	-
Sales tax receivable	-	881,227	440,613	-	-	-
Franchise fees receivable	-	-	-	-	-	-
Other receivables	736,142	44,614	-	135,971	4,168	-
Due from other governments	3,291,836	-	-	-	-	-
Prepaid expenditures	345,649	9,222	-	208	-	1
Total assets	<u>\$ 11,452,457</u>	<u>\$ 7,920,296</u>	<u>\$ 1,985,889</u>	<u>\$ 776,766</u>	<u>\$ 982,107</u>	<u>\$ 249,821</u>
LIABILITIES AND FUND BALANCE						
Liabilities:						
Accounts payable	\$ 692,346	\$ 335,430	\$ -	\$ 8,246	\$ 3,275	\$ 1,238
Accrued liabilities	659,112	288,812	-	11,461	89,486	3,880
Due to funds	1,000,000	-	-	-	-	-
Customer deposits	-	27,862	-	-	-	-
Deferred revenue	985,538	124,273	-	-	-	-
Total liabilities	<u>3,336,996</u>	<u>776,377</u>	<u>-</u>	<u>19,707</u>	<u>92,761</u>	<u>5,118</u>
Fund balance:						
Reserved for:						
Encumbrances	-	128,362	-	14,261	-	16,639
Bond debt service	-	-	-	-	-	-
Prepays	345,649	9,222	-	208	-	1
Unreserved, undesignated in:						
Special revenue funds	7,769,812	7,006,335	1,985,889	742,590	889,346	228,063
Total fund balance	<u>8,115,461</u>	<u>7,143,919</u>	<u>1,985,889</u>	<u>757,059</u>	<u>889,346</u>	<u>244,703</u>
Total liabilities and fund balance	<u>\$ 11,452,457</u>	<u>\$ 7,920,296</u>	<u>\$ 1,985,889</u>	<u>\$ 776,766</u>	<u>\$ 982,107</u>	<u>\$ 249,821</u>

Special Revenue Funds

Cable Operations	Tax Increment Financing Districts	Lake Parks	Gas Well Revenue	Baseball Stadium	Total Special Revenue Funds
\$ 173,144	\$ 5,454,850	\$ 925,480	\$ -	\$ 144,757	\$ 18,452,067
100,285	-	4,404,836	-	1,805,138	12,034,108
-	-	-	-	440,613	1,762,453
63,055	-	-	-	-	63,055
-	-	-	-	-	920,895
-	-	-	-	-	3,291,836
1	-	1,602	-	-	356,683
<u>\$ 336,485</u>	<u>\$ 5,454,850</u>	<u>\$ 5,331,918</u>	<u>\$ -</u>	<u>\$ 2,390,508</u>	<u>\$ 36,881,097</u>
\$ 8,872	\$ -	\$ 42,329	\$ -	\$ -	\$ 1,091,736
3,668	-	58,071	-	-	1,114,490
-	-	-	-	-	1,000,000
-	-	-	-	-	27,862
-	-	4,000	-	-	1,113,811
<u>12,540</u>	<u>-</u>	<u>104,400</u>	<u>-</u>	<u>-</u>	<u>4,347,899</u>
-	-	11,426	-	-	170,688
-	2,970,765	-	-	-	2,970,765
1	-	1,602	-	-	356,683
323,944	2,484,085	5,214,490	-	2,390,508	29,035,062
<u>323,945</u>	<u>5,454,850</u>	<u>5,227,518</u>	<u>-</u>	<u>2,390,508</u>	<u>32,533,198</u>
<u>\$ 336,485</u>	<u>\$ 5,454,850</u>	<u>\$ 5,331,918</u>	<u>\$ -</u>	<u>\$ 2,390,508</u>	<u>\$ 36,881,097</u>



THIS PAGE IS INTENTIONALLY LEFT BLANK

CITY OF GRAND PRAIRIE, TEXAS
 COMBINING BALANCE SHEET
 NONMAJOR GOVERNMENTAL FUNDS
 SEPTEMBER 30, 2010

	Capital Projects Funds						
	Senior Center	Fire Capital	Municipal Facilities MFAC	Street Maintenance	Other Capital Projects Funds	Total Capital Projects Funds	Nonmajor Governmental Funds
ASSETS							
Cash and cash equivalents	\$ 469,743	\$ 45,412	\$ 166,122	\$ 2,096,719	\$ 1,982,301	\$ 4,760,297	\$ 23,212,364
Investments	-	3,468,801	6,797,550	-	17,854,452	28,120,803	40,154,911
Sales tax receivable	-	-	-	881,227	-	881,227	2,643,680
Franchise tax receivable	-	-	-	-	-	-	63,055
Other receivables	-	-	-	-	-	-	920,895
Due from other governments	-	-	-	-	-	-	3,291,836
Prepaid expenditures	-	-	-	-	-	-	356,683
Total assets	<u>\$ 469,743</u>	<u>\$ 3,514,213</u>	<u>\$ 6,963,672</u>	<u>\$ 2,977,946</u>	<u>\$ 19,836,753</u>	<u>\$ 33,762,327</u>	<u>\$ 70,643,424</u>
LIABILITIES AND FUND BALANCE							
Liabilities:							
Accounts payable	\$ 56,428	\$ 113,071	\$ 15,469	\$ 503,112	\$ 218,017	906,097	\$ 1,997,833
Accrued liabilities	10,000	291,161	-	19,575	194,224	514,960	1,629,450
Due to funds	-	-	-	-	-	-	1,000,000
Customer deposits	-	-	-	-	-	-	27,862
Deferred revenue	-	-	-	-	-	-	1,113,811
Total liabilities	<u>66,428</u>	<u>404,232</u>	<u>15,469</u>	<u>522,687</u>	<u>412,241</u>	<u>1,421,057</u>	<u>5,768,956</u>
Fund balance:							
Reserved for:							
Encumbrances	-	-	-	576,459	129,783	706,242	876,930
Bond debt service	-	-	-	-	-	-	2,970,765
Prepays	-	-	-	-	-	-	356,683
Unreserved, designated for:							
Capital projects	403,315	3,109,981	6,948,203	1,878,800	19,294,729	31,635,028	31,635,028
Unreserved, undesignated in:							
Special revenue funds	-	-	-	-	-	-	29,035,062
Total fund balance	<u>403,315</u>	<u>3,109,981</u>	<u>6,948,203</u>	<u>2,455,259</u>	<u>19,424,512</u>	<u>32,341,270</u>	<u>64,874,468</u>
Total liabilities and fund balance	<u>\$ 469,743</u>	<u>\$ 3,514,213</u>	<u>\$ 6,963,672</u>	<u>\$ 2,977,946</u>	<u>\$ 19,836,753</u>	<u>\$ 33,762,327</u>	<u>\$ 70,643,424</u>

CITY OF GRAND PRAIRIE, TEXAS
COMBINING STATEMENT OF REVENUE, EXPENDITURES,
AND CHANGES IN FUND BALANCE
NONMAJOR GOVERNMENTAL FUNDS
FOR THE YEAR ENDED SEPTEMBER 30, 2010

	Special Revenue Funds					
	Other Special Revenue Funds	Park Venue	Senior Center Sales Tax	Hotel Motel	Police Seizure	Municipal Court
REVENUE						
Property tax	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Sales tax	-	5,136,774	2,568,387	-	-	-
Other taxes	-	-	-	988,406	-	-
Franchise fees	-	-	-	-	-	-
Charges for goods and services	3,799,356	2,227,032	-	13,435	-	-
Licenses and permits	4,493	-	-	-	-	-
Fines and forfeitures	1,511,375	-	-	-	-	230,826
Intergovernmental revenue	12,840,082	-	-	-	590,476	-
Investment income	69,688	106,702	-	10,820	-	2,678
Contributions	802,773	82,683	-	-	-	-
Other	536,348	565,602	-	-	3,740	-
Total revenue	<u>19,564,115</u>	<u>8,118,793</u>	<u>2,568,387</u>	<u>1,012,661</u>	<u>594,216</u>	<u>233,504</u>
EXPENDITURES						
Current operations:						
Support services	999,886	-	-	931,623	-	-
Public safety services	2,329,672	-	-	-	70,547	181,031
Recreation and leisure services	1,436,209	11,956,347	11,554	-	-	-
Development services and other	6,072,976	-	-	-	-	-
Capital outlay	15,965,531	900,613	-	-	102,151	56,194
Debt service:						
Principal retirement	950,000	1,035,000	4,965,000	-	-	-
Interest charges	196,115	953,227	335,121	-	-	-
Total expenditures	<u>27,950,389</u>	<u>14,845,187</u>	<u>5,311,675</u>	<u>931,623</u>	<u>172,698</u>	<u>237,225</u>
Excess (deficiency) of revenue over (under) expenditures	<u>(8,386,274)</u>	<u>(6,726,394)</u>	<u>(2,743,288)</u>	<u>81,038</u>	<u>421,518</u>	<u>(3,721)</u>
OTHER FINANCING SOURCES (USES):						
Transfers in-monetary	2,127,586	8,754,222	22,143	20,069	7,831	4,898
Transfers out-monetary	(6,632,608)	(1,905,959)	-	(153,400)	-	-
Premium on debt issued	-	-	-	-	-	-
Bonds issued	-	-	-	-	-	-
Sale of capital assets	27,203	-	-	-	-	-
Total other financing sources (uses)	<u>(4,477,819)</u>	<u>6,848,263</u>	<u>22,143</u>	<u>(133,331)</u>	<u>7,831</u>	<u>4,898</u>
Net change in fund balance	(12,864,093)	121,869	(2,721,145)	(52,293)	429,349	1,177
Fund balance - beginning of year	20,979,554	7,022,050	4,707,034	809,352	459,997	243,526
Fund balance - end of year	<u>\$ 8,115,461</u>	<u>\$ 7,143,919</u>	<u>\$ 1,985,889</u>	<u>\$ 757,059</u>	<u>\$ 889,346</u>	<u>\$ 244,703</u>

Special Revenue Funds

Cable Operations	Tax Increment Financing Districts	Lake Parks	Gas Well Revenue	Baseball Stadium	Total Special Revenue Funds
\$ -	\$ 16,828,663	\$ -	\$ -	\$ -	\$ 16,828,663
-	-	-	-	2,568,388	10,273,549
-	-	-	-	-	988,406
-	-	-	-	-	-
-	-	1,714,800	-	-	7,754,623
-	-	176,716	-	-	181,209
-	-	-	-	-	1,742,201
-	-	-	-	-	13,430,558
2,148	57,823	30,250	145,916	72,651	498,676
-	-	695,076	-	-	1,580,532
252,076	-	31,485	-	-	1,389,251
<u>254,224</u>	<u>16,886,486</u>	<u>2,648,327</u>	<u>145,916</u>	<u>2,641,039</u>	<u>54,667,668</u>
155,953	1,773,462	-	-	-	3,860,924
-	-	-	-	-	2,581,250
-	-	2,477,884	-	-	15,881,994
-	-	-	-	-	6,072,976
4,866	-	225,513	-	-	17,254,868
-	4,234,000	-	-	2,185,000	13,369,000
-	1,240,252	-	-	300,285	3,025,000
<u>160,819</u>	<u>7,247,714</u>	<u>2,703,397</u>	<u>-</u>	<u>2,485,285</u>	<u>62,046,012</u>
93,405	9,638,772	(55,070)	145,916	155,754	(7,378,344)
3,408	6,720,108	364,677	269,288	163,049	18,457,279
-	(17,926,251)	(235,000)	(14,725,002)	-	(41,578,220)
-	14,227	-	-	-	14,227
-	1,355,000	-	-	-	1,355,000
-	-	-	-	-	27,203
<u>3,408</u>	<u>(9,836,916)</u>	<u>129,677</u>	<u>(14,455,714)</u>	<u>163,049</u>	<u>(21,724,511)</u>
96,813	(198,144)	74,607	(14,309,798)	318,803	(29,102,855)
227,132	5,652,994	5,152,911	14,309,798	2,071,705	61,636,053
<u>\$ 323,945</u>	<u>\$ 5,454,850</u>	<u>\$ 5,227,518</u>	<u>\$ -</u>	<u>\$ 2,390,508</u>	<u>\$ 32,533,198</u>

**CITY OF GRAND PRAIRIE, TEXAS
COMBINING STATEMENT OF REVENUE, EXPENDITURES,
AND CHANGES IN FUND BALANCE
NONMAJOR GOVERNMENTAL FUNDS
FOR THE YEAR ENDED SEPTEMBER 30, 2010**

	Capital Project Funds					Total Capital Projects Funds	Total Nonmajor Governmental Funds
	Senior Center	Fire Capital	Municipal Facilities MFAC	Street Maintenance	Other Capital Projects Funds		
REVENUE							
Property tax	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 16,828,663
Sales tax	-	-	-	5,136,774	-	5,136,774	15,410,323
Other taxes	-	-	-	-	-	-	988,406
Charges for goods and services	-	-	-	-	-	-	7,754,623
Licenses and permits	-	-	-	-	-	-	181,209
Fines and forfeitures	-	-	-	-	-	-	1,742,201
Intergovernmental revenue	-	-	-	-	-	-	13,430,558
Investment income	91,530	31,328	59,548	43,180	100,397	325,983	824,659
Contributions	-	-	-	-	-	-	1,580,532
Other	-	36	360	-	314,819	315,215	1,704,466
Total revenue	<u>91,530</u>	<u>31,364</u>	<u>59,908</u>	<u>5,179,954</u>	<u>415,216</u>	<u>5,777,972</u>	<u>60,445,640</u>
EXPENDITURES							
Current operations:							
Support services	-	-	-	-	-	-	3,860,924
Public safety services	-	95,153	-	-	-	95,153	2,676,403
Recreation and leisure services	518,879	-	-	-	-	518,879	16,400,873
Development services and other	-	-	305,028	7,807,056	1,446,786	9,558,870	15,631,846
Capital outlay	7,112,326	4,896,916	124,036	215,542	1,735,507	14,084,327	31,339,195
Debt service:							
Principal retirement	-	-	-	-	-	-	13,369,000
Interest charges	-	-	-	-	-	-	3,025,000
Total expenditures	<u>7,631,205</u>	<u>4,992,069</u>	<u>429,064</u>	<u>8,022,598</u>	<u>3,182,293</u>	<u>24,257,229</u>	<u>86,303,241</u>
Excess (deficiency) of revenue over (under) expenditures	<u>(7,539,675)</u>	<u>(4,960,705)</u>	<u>(369,156)</u>	<u>(2,842,644)</u>	<u>(2,767,077)</u>	<u>(18,479,257)</u>	<u>(25,857,601)</u>
OTHER FINANCING SOURCES (USES):							
Transfers in-monetary	574,457	1,095,053	6,366,907	1,517,436	18,893,276	28,447,129	46,904,408
Transfers out-monetary	(331,331)	-	(1,488,000)	-	(4,528,850)	(6,348,181)	(47,926,401)
Premium on debt issued	-	-	-	-	-	-	14,227
Bonds issued	-	-	-	-	-	-	1,355,000
Sale of capital assets	-	-	-	-	-	-	27,203
Sale of assets held for resale	-	-	(188,881)	-	-	(188,881)	(188,881)
Total other financing sources (uses)	<u>243,126</u>	<u>1,095,053</u>	<u>4,690,026</u>	<u>1,517,436</u>	<u>14,364,426</u>	<u>21,910,067</u>	<u>185,556</u>
Net change in fund balance	<u>(7,296,549)</u>	<u>(3,865,652)</u>	<u>4,320,870</u>	<u>(1,325,208)</u>	<u>11,597,349</u>	<u>3,430,810</u>	<u>(25,672,045)</u>
Fund balance - beginning of year	<u>7,699,864</u>	<u>6,975,633</u>	<u>2,627,333</u>	<u>3,780,467</u>	<u>7,827,163</u>	<u>28,910,460</u>	<u>90,546,513</u>
Fund balance - end of year	<u>\$ 403,315</u>	<u>\$ 3,109,981</u>	<u>\$ 6,948,203</u>	<u>\$ 2,455,259</u>	<u>\$ 19,424,512</u>	<u>\$ 32,341,270</u>	<u>\$ 64,874,468</u>

INDIVIDUAL FUND SCHEDULES

BUDGET TO ACTUAL SCHEDULES

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

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

CITY OF GRAND PRAIRIE, TEXAS
SCHEDULE OF REVENUE, EXPENDITURES AND CHANGES IN FUND BALANCE
PARK VENUE FUND - BUDGET TO ACTUAL COMPARISON SCHEDULE
FOR THE YEAR ENDED SEPTEMBER 30, 2010

	<u>Budget</u>		<u>Actual</u>	<u>Variance with</u>
	<u>Original</u>	<u>Final</u>	<u>GAAP</u>	<u>Final Budget-Positive</u>
			<u>Basis</u>	<u>(Negative)</u>
REVENUE				
Sales tax	\$ 5,109,625	\$ 5,109,625	\$ 5,136,774	\$ 27,149
Charges for goods and services	2,021,975	2,021,975	2,227,032	205,057
Investment income	406,952	406,952	106,702	(300,250)
Contributions	94,000	94,000	82,683	(11,317)
Other	584,000	584,000	565,602	(18,398)
Total revenue	<u>8,216,552</u>	<u>8,216,552</u>	<u>8,118,793</u>	<u>(97,759)</u>
EXPENDITURES				
Current operations:				
Recreation and leisure services	12,435,150	12,725,864	11,956,347	769,517
Capital outlay	72,000	197,000	900,613	(703,613)
Debt service:				
Principal retirement	1,035,000	1,035,000	1,035,000	-
Interest expense	1,275,710	1,275,710	953,227	322,483
Total expenditures	<u>14,817,860</u>	<u>15,233,574</u>	<u>14,845,187</u>	<u>388,387</u>
Excess (deficiency) of revenues over (under) expenditures	<u>(6,601,308)</u>	<u>(7,017,022)</u>	<u>(6,726,394)</u>	<u>290,628</u>
OTHER FINANCING SOURCES (USES)				
Transfer in-monetary	8,775,723	8,775,723	8,754,222	(21,501)
Transfer out-monetary	<u>(1,040,422)</u>	<u>(1,040,422)</u>	<u>(1,905,959)</u>	<u>(865,537)</u>
Total other financing sources (uses)	<u>7,735,301</u>	<u>7,735,301</u>	<u>6,848,263</u>	<u>(887,038)</u>
Net change in fund balance	<u>\$ 1,133,993</u>	<u>\$ 718,279</u>	<u>\$ 121,869</u>	<u>\$ (596,410)</u>

**CITY OF GRAND PRAIRIE, TEXAS
SCHEDULE OF REVENUE, EXPENDITURES AND CHANGES IN FUND BALANCE
SENIOR CENTER SALES TAX FUND - BUDGET TO ACTUAL COMPARISON SCHEDULE
FOR THE YEAR ENDED SEPTEMBER 30, 2010**

	Budget		Actual	Variance with Final Budget - Positive (Negative)
	Original	Final	GAAP Basis	
REVENUE				
Sales tax	\$ 2,554,812	\$ 2,554,812	\$ 2,568,387	\$ 13,575
Investment income	34,249	34,249	-	(34,249)
Total revenue	2,589,061	2,589,061	2,568,387	(20,674)
EXPENDITURES				
Current operations:				
Recreation and leisure	-	-	11,554	(11,554)
Debt service:				
Principal retirement	-	4,965,000	4,965,000	-
Interest expense	674,187	334,987	335,121	(134)
Total expenditures	674,187	5,299,987	5,311,675	(11,688)
Excess (deficiency) of revenues over (under) expenditures	1,914,874	(2,710,926)	(2,743,288)	(32,362)
OTHER FINANCING SOURCES (USES)				
Transfer in-monetary	-	-	22,143	22,143
Total other financing sources (uses)	-	-	22,143	22,143
Net change in fund balance	\$ 1,914,874	\$ (2,710,926)	\$ (2,721,145)	\$ (10,219)

CITY OF GRAND PRAIRIE, TEXAS
SCHEDULE OF REVENUE, EXPENDITURES AND CHANGES IN FUND BALANCE
HOTEL/MOTEL TAX FUND - BUDGET TO ACTUAL COMPARISON SCHEDULE
FOR THE YEAR ENDED SEPTEMBER 30, 2010

	<u>Budget</u>		<u>Actual</u>	<u>Variance with</u>
	<u>Original</u>	<u>Final</u>	<u>GAAP</u>	<u>Final Budget-</u>
			<u>Basis</u>	<u>Positive</u>
				<u>(Negative)</u>
REVENUE				
Other taxes	\$ 1,125,609	\$ 1,125,609	\$ 988,406	\$ (137,203)
Charges for goods and services	18,000	18,000	13,435	(4,565)
Investment income	31,042	31,042	10,820	(20,222)
Total revenues	<u>1,174,651</u>	<u>1,174,651</u>	<u>1,012,661</u>	<u>(161,990)</u>
EXPENDITURES				
Current operations:				
Support services	<u>1,153,277</u>	<u>1,153,277</u>	<u>931,623</u>	<u>221,654</u>
Total expenditures	<u>1,153,277</u>	<u>1,153,277</u>	<u>931,623</u>	<u>221,654</u>
Excess (deficiency) of revenues over (under) expenditures	<u>21,374</u>	<u>21,374</u>	<u>81,038</u>	<u>59,664</u>
OTHER FINANCING SOURCES (USES)				
Transfer in-monetary	125,000	125,000	20,069	(104,931)
Transfer out-monetary	<u>(165,000)</u>	<u>(165,000)</u>	<u>(153,400)</u>	<u>11,600</u>
Total other financing sources (uses)	<u>(40,000)</u>	<u>(40,000)</u>	<u>(133,331)</u>	<u>(93,331)</u>
Net changes in fund balance	<u>\$ (18,626)</u>	<u>\$ (18,626)</u>	<u>\$ (52,293)</u>	<u>\$ (33,667)</u>

**CITY OF GRAND PRAIRIE, TEXAS
SCHEDULE OF REVENUE, EXPENDITURES AND CHANGES IN FUND BALANCE
POLICE SEIZURE FUND - BUDGET TO ACTUAL COMPARISON SCHEDULE
FOR THE YEAR ENDED SEPTEMBER 30, 2010**

	<u>Budget</u>		<u>Actual</u>	Variance
	<u>Original</u>	<u>Final</u>	<u>GAAP</u> <u>Basis</u>	with Final Budget - Positive (Negative)
REVENUE				
Intergovernmental revenue	\$ 128,000	\$ 128,000	\$ 590,476	\$ 462,476
Investment income	6,377	12,112	-	(12,112)
Other	4,000	4,000	3,740	(260)
Total revenue	<u>138,377</u>	<u>144,112</u>	<u>594,216</u>	<u>450,104</u>
EXPENDITURES				
Current operations:				
Public safety services	83,585	83,585	70,547	13,038
Capital outlay	-	89,700	102,151	(12,451)
Total expenditures	<u>83,585</u>	<u>173,285</u>	<u>172,698</u>	<u>587</u>
Excess (deficiency) of revenues over (under) expenditures	<u>54,792</u>	<u>(29,173)</u>	<u>421,518</u>	<u>450,691</u>
OTHER FINANCING SOURCES (USES)				
Transfer in-monetary	-	-	7,831	7,831
Total other financing sources (uses)	<u>-</u>	<u>-</u>	<u>7,831</u>	<u>7,831</u>
Net change in fund balance	<u>\$ 54,792</u>	<u>\$ (29,173)</u>	<u>\$ 429,349</u>	<u>\$ 458,522</u>

**CITY OF GRAND PRAIRIE, TEXAS
SCHEDULE OF REVENUE, EXPENDITURES AND CHANGES IN FUND BALANCE
MUNICIPAL COURT FUND - BUDGET TO ACTUAL COMPARISON SCHEDULE
FOR THE YEAR ENDED SEPTEMBER 30, 2010**

	<u>Budget</u>		<u>Actual</u>	<u>Variance with</u>
	<u>Original</u>	<u>Final</u>	<u>GAAP</u> <u>Basis</u>	<u>Final Budget- Positive (Negative)</u>
REVENUE				
Fines and forfeitures	\$ 237,500	\$ 237,500	\$ 230,826	\$ (6,674)
Investment income	7,576	7,576	2,678	(4,898)
Total revenues	<u>245,076</u>	<u>245,076</u>	<u>233,504</u>	<u>(11,572)</u>
EXPENDITURES				
Current operations:				
Public safety	187,586	187,586	181,031	6,555
Capital outlay	-	103,359	56,194	47,165
Total expenditures	<u>187,586</u>	<u>290,945</u>	<u>237,225</u>	<u>53,720</u>
Excess (deficiency) of revenues over (under) expenditures	57,490	(45,869)	(3,721)	42,148
OTHER FINANCING SOURCES (USES)				
Transfer in-monetary	-	-	4,898	4,898
Total other financing sources (uses)	<u>-</u>	<u>-</u>	<u>4,898</u>	<u>4,898</u>
Net change in fund balance	<u>\$ 57,490</u>	<u>\$ (45,869)</u>	<u>\$ 1,177</u>	<u>\$ 47,046</u>

**CITY OF GRAND PRAIRIE, TEXAS
SCHEDULE OF REVENUE, EXPENDITURES AND CHANGES IN FUND BALANCES
CABLE OPERATIONS FUND - BUDGET TO ACTUAL COMPARISON SCHEDULE
FOR THE YEAR ENDED SEPTEMBER 30, 2010**

	Budget		Actual	Variance with
	Original	Final	GAAP Basis	Final Budget- Positive (Negative)
REVENUE				
Investment income	\$ 5,271	\$ 5,271	\$ 2,148	\$ (3,123)
Other	160,000	160,000	252,076	92,076
Total revenue	<u>165,271</u>	<u>165,271</u>	<u>254,224</u>	<u>88,953</u>
EXPENDITURES				
Current operations:				
Support services	160,825	160,825	155,953	4,872
Capital outlay	-	-	4,866	(4,866)
Total expenditures	<u>160,825</u>	<u>160,825</u>	<u>160,819</u>	<u>6</u>
Excess (deficiency) of revenue over (under) expenditures	<u>4,446</u>	<u>4,446</u>	<u>93,405</u>	<u>88,959</u>
OTHER FINANCING SOURCES (USES)				
Transfer in-monetary	-	-	3,408	3,408
Total other financing sources (uses)	<u>-</u>	<u>-</u>	<u>3,408</u>	<u>3,408</u>
Net change in fund balance	<u>\$ 4,446</u>	<u>\$ 4,446</u>	<u>\$ 96,813</u>	<u>\$ 92,367</u>



THIS PAGE IS INTENTIONALLY LEFT BLANK

COMBINING FINANCIAL STATEMENTS

NON-MAJOR ENTERPRISE FUNDS

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

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

**CITY OF GRAND PRAIRIE, TEXAS
COMBINING STATEMENT OF NET ASSETS
NONMAJOR ENTERPRISE FUNDS
SEPTEMBER 30, 2010**

	Municipal Airport	Municipal Golf	Storm Water Utility	Solid Waste	Total Nonmajor Enterprise Funds
ASSETS					
Current assets:					
Cash and cash equivalents	\$ 1,199,786	\$ 7,227	\$ 149,286	\$ 3,822,085	\$ 5,178,384
Investments	693,623	142,305	2,610,798	8,714,418	12,161,144
Accounts receivables	57,966	-	322,924	469,642	850,532
Prepaid	997	2,529	314	3,113	6,953
Inventories and supplies	51,722	-	-	-	51,722
Deferred charges	-	17,489	-	-	17,489
Current restricted assets:					
Cash and cash equivalents	176,461	356,651	-	806	533,918
Total current assets	<u>2,180,555</u>	<u>526,201</u>	<u>3,083,322</u>	<u>13,010,064</u>	<u>18,800,142</u>
Capital assets:					
Land	183,923	568,284	7,500	1,748,378	2,508,085
Buildings	4,100,068	1,854,835	-	1,211,963	7,166,866
Equipment	573,425	1,255,001	12,590	5,923,708	7,764,724
Infrastructure	7,472,517	9,927,481	4,376,349	8,079,704	29,856,051
Construction in progress	1,971,336	152,344	5,600	1,148,624	3,277,904
Less accumulated depreciation	(5,193,135)	(6,554,654)	(2,375,619)	(6,095,470)	(20,218,878)
Total capital assets	<u>9,108,134</u>	<u>7,203,291</u>	<u>2,026,420</u>	<u>12,016,907</u>	<u>30,354,752</u>
Total assets	<u>11,288,689</u>	<u>7,729,492</u>	<u>5,109,742</u>	<u>25,026,971</u>	<u>49,154,894</u>
LIABILITIES					
Current liabilities:					
Accounts payable	9,492	57,291	120,888	408,592	596,263
Accrued liabilities	15,778	48,027	18,200	370,539	452,544
Accrued compensated absences	17,117	38,174	14,463	77,297	147,051
Unearned revenue	233,972	-	-	-	233,972
Current liabilities payable from restricted assets					
Customer deposits	59,577	-	-	806	60,383
Accrued liabilities	11,884	36,335	-	-	48,219
Current portion of long term debt	105,000	320,316	-	-	425,316
Total current liabilities	<u>452,820</u>	<u>500,143</u>	<u>153,551</u>	<u>857,234</u>	<u>1,963,748</u>
Noncurrent liabilities:					
Accrued compensated absences	9,556	-	-	-	9,556
Closure and post closure liability	-	-	-	5,071,131	5,071,131
Long term debt	1,920,000	6,425,161	-	-	8,345,161
Total noncurrent liabilities	<u>1,929,556</u>	<u>6,425,161</u>	<u>-</u>	<u>5,071,131</u>	<u>13,425,848</u>
Total liabilities	<u>2,382,376</u>	<u>6,925,304</u>	<u>153,551</u>	<u>5,928,365</u>	<u>15,389,596</u>
NET ASSETS					
Invested in capital assets (net of related debt)	7,083,134	457,814	2,026,420	12,016,907	21,584,275
Unrestricted	1,823,179	346,374	2,929,771	7,081,699	12,181,023
Total net assets	<u>\$ 8,906,313</u>	<u>\$ 804,188</u>	<u>\$ 4,956,191</u>	<u>\$ 19,098,606</u>	<u>\$ 33,765,298</u>

**CITY OF GRAND PRAIRIE, TEXAS
COMBINING STATEMENT OF REVENUE, EXPENSE, AND
CHANGES IN FUND NET ASSETS
NONMAJOR ENTERPRISE FUNDS
FOR THE YEAR ENDED SEPTEMBER 30, 2010**

	<u>Municipal Airport</u>	<u>Municipal Golf</u>	<u>Storm Water Utility</u>	<u>Solid Waste</u>	<u>Total Nonmajor Enterprise Funds</u>
OPERATING REVENUE					
Sales to customers	\$ 1,773,061	\$ 2,069,556	\$ 4,685,730	\$ 10,200,457	\$ 18,728,804
Intergovernmental revenue	141,313	-	-	-	141,313
Miscellaneous	807	10,131	-	8,262	19,200
Total operating revenue	<u>1,915,181</u>	<u>2,079,687</u>	<u>4,685,730</u>	<u>10,208,719</u>	<u>18,889,317</u>
OPERATING EXPENSE					
Personal services	344,830	1,047,544	394,184	2,030,436	3,816,994
Supplies	815,335	249,717	21,328	401,650	1,488,030
Purchased services	259,839	1,202,819	596,745	4,847,967	6,907,370
Miscellaneous	13,991	-	228,841	399,884	642,716
Depreciation	422,127	741,808	211,277	836,434	2,211,646
Franchise fee	-	-	187,424	301,868	489,292
General and administrative costs	57,415	13	69,820	310,301	437,549
Total operating expense	<u>1,913,537</u>	<u>3,241,901</u>	<u>1,709,619</u>	<u>9,128,540</u>	<u>15,993,597</u>
Operating income (loss)	<u>1,644</u>	<u>(1,162,214)</u>	<u>2,976,111</u>	<u>1,080,179</u>	<u>2,895,720</u>
NONOPERATING REVENUE (EXPENSE)					
Investment income	17,034	5,173	15,820	79,132	117,159
Gain (loss) on sale of capital assets	(14,549)	465	-	(108,217)	(122,301)
Interest expense	(98,734)	(296,464)	-	-	(395,198)
Total nonoperating revenue (expense)	<u>(96,249)</u>	<u>(290,826)</u>	<u>15,820</u>	<u>(29,085)</u>	<u>(400,340)</u>
Income (loss) before transfers	(94,605)	(1,453,040)	2,991,931	1,051,094	2,495,380
Transfer in-capital assets	-	8,201	-	-	8,201
Transfer out-capital assets	-	(7,236)	-	(333,408)	(340,644)
Transfer in-monetary	1,728,565	1,308,305	31,416	2,052,678	5,120,964
Transfer out-monetary	(1,450,571)	-	(1,900,000)	(2,211,082)	(5,561,653)
Change in net assets	183,389	(143,770)	1,123,347	559,282	1,722,248
Net assets - beginning of year	<u>8,722,924</u>	<u>947,958</u>	<u>3,832,844</u>	<u>18,539,324</u>	<u>32,043,050</u>
Net assets - end of year	<u>\$ 8,906,313</u>	<u>\$ 804,188</u>	<u>\$ 4,956,191</u>	<u>\$ 19,098,606</u>	<u>\$ 33,765,298</u>

**CITY OF GRAND PRAIRIE, TEXAS
COMBINING STATEMENT OF CASH FLOWS
NONMAJOR ENTERPRISE FUNDS
FOR THE YEAR ENDED SEPTEMBER 30, 2010**

	Municipal Airport	Municipal Golf	Storm Water Utility	Solid Waste	Total Nonmajor Enterprise Funds
Cash flows from operating activities:					
Cash received from customers	\$ 1,804,178	\$ 2,093,916	\$ 4,585,550	\$ 10,271,058	\$ 18,754,702
Cash received from intergovernmental	84,322	-	-	-	84,322
Cash payments to suppliers for goods and services	(1,188,804)	(1,406,853)	(603,034)	(5,296,134)	(8,494,825)
Cash payments to employees for services	(349,206)	(1,059,499)	(392,336)	(2,018,789)	(3,819,830)
Cash payments to other funds for services	(30,217)	(40,417)	(187,424)	(426,929)	(684,987)
Other operating cash receipts (payments)	105,319	10,129	(228,841)	(368,751)	(482,144)
Net cash provided by (used in) operating activities	<u>425,592</u>	<u>(402,724)</u>	<u>3,173,915</u>	<u>2,160,455</u>	<u>5,357,238</u>
Cash flows from non-capital financing activities:					
Transfers from other funds	1,728,565	1,308,305	31,416	2,052,678	5,120,964
Transfers to other funds	(1,450,571)	-	(1,900,000)	(2,211,082)	(5,561,653)
Net cash provided by (used in) noncapital financing activities	<u>277,994</u>	<u>1,308,305</u>	<u>(1,868,584)</u>	<u>(158,404)</u>	<u>(440,689)</u>
Cash flows from capital and related financing activities:					
Capital outlays	(1,764,497)	(18,055)	(13,100)	(671,214)	(2,466,866)
Proceeds from capital assets disposals	(14,549)	465	-	(108,217)	(122,301)
Interest paid on bonds and line of credit	(99,732)	(297,959)	(314)	(3,113)	(401,118)
Repayment of principal on bonds	(100,000)	(339,274)	-	-	(439,274)
Net cash (used in) capital and related financing activities	<u>(1,978,778)</u>	<u>(654,823)</u>	<u>(13,414)</u>	<u>(782,544)</u>	<u>(3,429,559)</u>
Cash flows from investing activities:					
Investment earnings received on cash and investments	32,514	6,506	17,176	119,550	175,746
Sale of investments	6,310,779	324,060	4,757,337	1,458,909	12,851,085
(Purchase) of investments	(4,810,781)	(247,762)	(6,257,337)	(1,958,908)	(13,274,788)
Net cash provided by (used in) investing activities	<u>1,532,512</u>	<u>82,804</u>	<u>(1,482,824)</u>	<u>(380,449)</u>	<u>(247,957)</u>
Net increase (decrease) in cash and cash equivalents	257,320	333,562	(190,907)	839,058	1,239,033
Cash and cash equivalents - beginning of year	1,118,927	30,316	340,193	2,983,833	4,473,269
Cash and cash equivalents - end of year	<u>\$ 1,376,247</u>	<u>\$ 363,878</u>	<u>\$ 149,286</u>	<u>\$ 3,822,891</u>	<u>\$ 5,712,302</u>
Reconciliation of income from operations to net cash provided by operating activities:					
Net operating income	\$ 1,644	\$ (1,162,214)	\$ 2,976,111	\$ 1,080,179	2,895,720
Adjustments to net operating income (loss) to net cash provided (used) by operating activities:					
Depreciation and amortization	422,127	741,808	211,277	836,434	2,211,646
(Increase) decrease in other accounts receivable	(30,695)	24,361	(100,180)	70,601	(35,913)
(Increase) in inventories and supplies	(2,436)	-	-	-	(2,436)
Increase (decrease) in accounts payable	(65,974)	10,150	83,147	(129,611)	(102,288)
Increase (decrease) in other accrued liabilities	(4,031)	(4,874)	1,712	291,205	284,012
Increase in customer deposits	4,822	-	-	-	4,822
Increase in deferred revenue	104,511	-	-	-	104,511
Increase (decrease) in accrued compensated absences	(4,376)	(11,955)	1,848	11,647	(2,836)
Net cash provided by (used in) operating activities	<u>\$ 425,592</u>	<u>\$ (402,724)</u>	<u>\$ 3,173,915</u>	<u>\$ 2,160,455</u>	<u>\$ 5,357,238</u>
Noncash investing, capital, and financing activities:					
Transfers-capital assets	\$ -	\$ 965	\$ -	\$ (333,408)	\$ (332,443)

COMBINING FINANCIAL STATEMENTS

INTERNAL SERVICE FUNDS

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

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

**CITY OF GRAND PRAIRIE, TEXAS
COMBINING STATEMENT OF NET ASSETS
INTERNAL SERVICE FUNDS
SEPTEMBER 30, 2010**

	<u>Equipment Services</u>	<u>Risk Management</u>	<u>Total Internal Service Funds</u>
ASSETS			
Current assets:			
Cash and cash equivalents	\$ 217,554	\$ 4,874,130	\$ 5,091,684
Investments	321,130	10,627,800	10,948,930
Prepays	1,899	6,817	8,716
Inventories and supplies	106,916	-	106,916
Current restricted assets:			
Cash and cash equivalents	-	202,569	202,569
Total current assets	<u>647,499</u>	<u>15,711,316</u>	<u>16,358,815</u>
Capital assets:			
Land	737,566	-	737,566
Buildings	1,477,875	-	1,477,875
Equipment	16,672	-	16,672
Infrastructure	2,012,264	-	2,012,264
Less accumulated depreciation	<u>(3,362,952)</u>	<u>-</u>	<u>(3,362,952)</u>
Total noncurrent assets	<u>881,425</u>	<u>-</u>	<u>881,425</u>
Total assets	<u>1,528,924</u>	<u>15,711,316</u>	<u>17,240,240</u>
LIABILITIES			
Current liabilities:			
Accounts payable	31,561	79,431	110,992
Other accrued liabilities	45,104	3,355,263	3,400,367
Accrued compensated absences	24,807	8,796	33,603
Total current liabilities	<u>101,472</u>	<u>3,443,490</u>	<u>3,544,962</u>
Noncurrent liabilities:			
Accrued compensated absences	<u>-</u>	<u>1,753</u>	<u>1,753</u>
Total noncurrent liabilities	<u>-</u>	<u>1,753</u>	<u>1,753</u>
Total liabilities	<u>101,472</u>	<u>3,445,243</u>	<u>3,546,715</u>
NET ASSETS			
Invested in capital assets (net of related debt)	881,425	-	881,425
Unrestricted	<u>546,027</u>	<u>12,266,073</u>	<u>12,812,100</u>
Total net assets	<u>\$ 1,427,452</u>	<u>\$ 12,266,073</u>	<u>\$ 13,693,525</u>

**CITY OF GRAND PRAIRIE, TEXAS
COMBINING STATEMENT OF REVENUE, EXPENSE, AND
CHANGES IN FUND NET ASSETS
INTERNAL SERVICE FUNDS
FOR THE YEAR ENDED SEPTEMBER 30, 2010**

	Equipment Services	Risk Management	Total Internal Service Funds
OPERATING REVENUE			
Sales to customers	\$ 3,706,810	\$ -	\$ 3,706,810
Insurance premiums	-	16,186,046	16,186,046
Miscellaneous	-	106,762	106,762
Total operating revenue	<u>3,706,810</u>	<u>16,292,808</u>	<u>19,999,618</u>
OPERATING EXPENSE			
Personnel services	977,181	228,277	1,205,458
Supplies	2,299,030	3,365	2,302,395
Purchased services	383,660	364,451	748,111
Insurance costs	-	12,129,980	12,129,980
Miscellaneous	33,511	110,051	143,562
Depreciation	50,204	-	50,204
Total operating expense	<u>3,743,586</u>	<u>12,836,124</u>	<u>16,579,710</u>
Operating income (loss)	<u>(36,776)</u>	<u>3,456,684</u>	<u>3,419,908</u>
NONOPERATING REVENUE (EXPENSE)			
Investment income	11,839	64,812	76,651
Gain on sale of capital assets	5,314	-	5,314
Total nonoperating revenue	<u>17,153</u>	<u>64,812</u>	<u>81,965</u>
Income (loss) before contributions and transfers	(19,623)	3,521,496	3,501,873
Transfer in-monetary	28,290	162,229	190,519
Transfer in-capital assets	84,855	-	84,855
Transfer out-capital assets	(11)	-	(11)
Change in net assets	<u>93,511</u>	<u>3,683,725</u>	<u>3,777,236</u>
Net assets at beginning of the year	1,333,941	8,582,348	9,916,289
Net assets at the end of the year	<u>\$ 1,427,452</u>	<u>\$ 12,266,073</u>	<u>\$ 13,693,525</u>

**CITY OF GRAND PRAIRIE, TEXAS
COMBINING STATEMENT OF CASH FLOWS
INTERNAL SERVICE FUNDS
FOR THE YEAR ENDED SEPTEMBER 30, 2010**

	<u>Equipment Services</u>	<u>Risk Management</u>	<u>Internal Service Funds</u>
Cash flows from operating activities:			
Cash received from customers	\$ 3,726,299	\$ 16,285,992	\$ 20,012,291
Cash paid to other funds for services	(18,212)	(601,135)	(619,347)
Cash payments to suppliers for goods and services	(2,688,944)	(12,482,178)	(15,171,122)
Cash payments to employees for services	(977,290)	(227,389)	(1,204,679)
Other operating cash (payments)	(9,149)	-	(9,149)
Net cash provided by operating activities	<u>32,704</u>	<u>2,975,290</u>	<u>3,007,994</u>
Cash flows from non-capital financing activities:			
Transfers from other funds	28,289	162,229	190,518
Net cash provided by noncapital financing activities	<u>28,289</u>	<u>162,229</u>	<u>190,518</u>
Cash flows from capital and related financing activities:			
Capital outlays	(11,679)	-	(11,679)
Proceeds from capital assets disposals	5,314	-	5,314
Net cash (used in) capital and related financing activities	<u>(6,365)</u>	<u>-</u>	<u>(6,365)</u>
Cash flows from investing activities			
Investment earnings received on cash and investments	15,467	88,698	104,165
Sale of investments	627,072	11,637,609	12,264,681
(Purchase) of investments	(479,613)	(15,335,068)	(15,814,681)
Net cash provided by (used in) investing activities	<u>162,926</u>	<u>(3,608,761)</u>	<u>(3,445,835)</u>
Net increase (decrease) in cash and cash equivalents	217,554	(471,242)	(253,688)
Cash and cash equivalents - beginning of year	-	5,547,941	5,547,941
Cash and cash equivalents - end of year	<u>\$ 217,554</u>	<u>\$ 5,076,699</u>	<u>\$ 5,294,253</u>
Reconciliation of income (loss) from operations to net cash provided (used) by operating activities:			
Net operating income (loss)	\$ (36,776)	\$ 3,456,684	\$ 3,419,908
Adjustments to net operating income (loss) to net cash provided (used) by operating activities:			
Depreciation and amortization	50,204	-	50,204
Change in assets and liabilities:			
Other accounts receivable	19,491	(6,817)	12,674
Inventories and supplies	16,884	-	16,884
Accounts payable	(16,990)	(475,467)	(492,457)
Accrued compensated absences	(109)	890	781
Net cash provided by operating activities	<u>\$ 32,704</u>	<u>\$ 2,975,290</u>	<u>\$ 3,007,994</u>
Noncash investing, capital, and financing activities:			
Transfers-capital assets	<u>\$ 84,844</u>	<u>\$ -</u>	<u>\$ 84,844</u>

CAPITAL ASSETS OF GOVERNMENTAL FUNDS



**CITY OF GRAND PRAIRIE, TEXAS
 CAPITAL ASSETS USED IN THE OPERATION OF GOVERNMENTAL FUNDS
 SCHEDULE BY SOURCE (SEE NOTE BELOW)
 AS OF SEPTEMBER 30, 2010**

Governmental funds capital assets:

Land	\$ 31,552,050
Buildings	177,376,940
Equipment	68,943,434
Infrastructure	414,867,287
Construction in progress	<u>123,933,812</u>
Total governmental funds capital assets	<u><u>\$ 816,673,523</u></u>

Investment in governmental funds capital assets by source:

Capital projects funds	\$ 123,933,812
General fund	655,046,457
Special revenue funds	5,865,669
Private and other	<u>31,827,585</u>
Total investment	<u><u>\$ 816,673,523</u></u>

Note:

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

CITY OF GRAND PRAIRIE, TEXAS
CAPITAL ASSETS USED IN THE OPERATIONS OF GOVERNMENTAL FUNDS
SCHEDULE BY FUNCTION AND ACTIVITY (SEE NOTE BELOW)
AS OF SEPTEMBER 30, 2010

Function and Activity	Land	Building	Equipment	Infrastructure	Total
Support Services:					
City council	\$ -	\$ 10,000	\$ -	\$ -	\$ 10,000
City manager	388,520	1,051,558	537,644	154,048	2,131,770
Budget	-	39,949	10,000	-	49,949
City secretary	-	-	83,944	-	83,944
City attorney	-	14,449	138,936	-	153,385
Human resources	-	-	598,345	-	598,345
Information systems	-	-	3,627,525	643,869	4,271,394
Finance	154,695	-	231,187	16,951,352	17,337,234
Total support services	<u>543,215</u>	<u>1,115,956</u>	<u>5,227,581</u>	<u>17,749,269</u>	<u>24,636,021</u>
Public Safety:					
Fire	883,320	10,888,968	14,175,123	1,255,558	27,202,969
Police	725,971	56,933,456	21,713,818	948,282	80,321,527
Environmental health	132,862	3,322,126	722,466	185,310	4,362,764
Municipal court	186,003	2,261,062	517,195	143,016	3,107,276
Total public safety	<u>1,928,156</u>	<u>73,405,612</u>	<u>37,128,602</u>	<u>2,532,166</u>	<u>114,994,536</u>
Recreation and Leisure:					
Parks and recreation	15,679,480	68,957,914	9,008,151	48,381,581	142,027,126
Library	49,904	5,198,670	4,159,945	432,969	9,841,488
Total recreation and leisure	<u>15,729,384</u>	<u>74,156,584</u>	<u>13,168,096</u>	<u>48,814,550</u>	<u>151,868,614</u>
Development Services:					
Planning	-	143,332	52,500	67,940	263,772
Building inspections	-	-	76,950	-	76,950
Economic development	-	20,000	-	461,589	481,589
Housing & community development	671,937	260,232	666,056	1,044,571	2,642,796
Public works	11,430,458	707,970	817,837	174,382,777	187,339,042
Transportation	110,733	18,134	5,523,991	5,182,762	10,835,620
Streets	-	-	6,281,821	164,631,663	170,913,484
Contingency	1,138,167	27,549,120	-	-	28,687,287
Total development services	<u>13,351,295</u>	<u>28,698,788</u>	<u>13,419,155</u>	<u>345,771,302</u>	<u>401,240,540</u>
Total	<u>\$ 31,552,050</u>	<u>\$ 177,376,940</u>	<u>\$ 68,943,434</u>	<u>\$ 414,867,287</u>	<u>\$ 692,739,711</u>
Construction in progress					<u>123,933,812</u>
Total governmental funds capital assets					<u>\$ 816,673,523</u>

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

CITY OF GRAND PRAIRIE, TEXAS
SCHEDULE OF CHANGES IN CAPITAL ASSETS USED IN THE OPERATION OF
GOVERNMENTAL FUNDS BY FUNCTION AND ACTIVITY (SEE NOTE BELOW)
FOR YEAR ENDED SEPTEMBER 30, 2010

Function and Activity	Balance October 1, 2009	Additions/ Completions	Disposals/ Reclassifications	Balance September 30, 2010
Support Services:				
City council	\$ 39,151	\$ -	\$ (29,151)	\$ 10,000
City manager	10,008,818	-	(7,877,048)	2,131,770
Budget	49,949	-	-	49,949
City secretary	44,138	39,806	-	83,944
City attorney	153,385	-	-	153,385
Human resources	846,639	-	(248,294)	598,345
Information systems	3,734,289	537,105	-	4,271,394
Finance	47,951,497	-	(30,614,263)	17,337,234
Total support services	<u>62,827,866</u>	<u>576,911</u>	<u>(38,768,756)</u>	<u>24,636,021</u>
Public Safety:				
Fire	21,217,497	5,985,472	-	27,202,969
Police	28,041,018	52,280,509	-	80,321,527
Environmental health	1,239,772	3,122,992	-	4,362,764
Municipal court	3,027,002	80,274	-	3,107,276
Total public safety	<u>53,525,289</u>	<u>61,469,247</u>	<u>-</u>	<u>114,994,536</u>
Recreation and Leisure:				
Parks and recreation	62,133,689	79,893,437	-	142,027,126
Library	10,661,643	-	(820,155)	9,841,488
Total recreation and leisure	<u>72,795,332</u>	<u>79,893,437</u>	<u>(820,155)</u>	<u>151,868,614</u>
Development Services:				
Planning	263,772	-	-	263,772
Building inspection	102,600	-	(25,650)	76,950
Economic development	481,589	-	-	481,589
Housing & community development	2,152,742	490,054	-	2,642,796
Public works	177,332,114	10,006,928	-	187,339,042
Transportation	15,249,850	-	(4,414,230)	10,835,620
Streets	162,351,275	8,562,209	-	170,913,484
Contingency	1,138,167	27,549,120	-	28,687,287
Total development services	<u>359,072,109</u>	<u>46,608,311</u>	<u>(4,439,880)</u>	<u>401,240,540</u>
Construction in progress	<u>203,657,688</u>	<u>64,577,743</u>	<u>(144,301,619)</u>	<u>123,933,812</u>
Total governmental funds capital assets	<u>\$ 751,878,284</u>	<u>\$ 253,125,649</u>	<u>\$ (188,330,410)</u>	<u>\$ 816,673,523</u>

Note:

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



THIS PAGE IS INTENTIONALLY LEFT BLANK

SUPPLEMENTAL SCHEDULES



SUPPLEMENTAL SCHEDULES

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

**CITY OF GRAND PRAIRIE, TEXAS
 AGGREGATING BALANCE SHEET
 PARK VENUE FUND
 SEPTEMBER 30, 2010**

	<u>Operating</u>	<u>Capital Projects</u>	<u>Rainy Day</u>	<u>Total Park Venue</u>
ASSETS				
Cash and cash equivalents	\$ 4,613,748	\$ 124,403	\$ 17,391	\$ 4,755,542
Investment	-	2,229,691	-	2,229,691
Other receivables	44,614	-	-	44,614
Sales tax receivable	881,227	-	-	881,227
Prepaid expenditures	9,222	-	-	9,222
Total assets	<u>5,548,811</u>	<u>2,354,094</u>	<u>17,391</u>	<u>7,920,296</u>
LIABILITIES AND FUND BALANCE				
Liabilities :				
Accounts payable	326,448	8,982	-	335,430
Accrued liabilities	274,156	14,656	-	288,812
Customer deposits	27,862	-	-	27,862
Deferred revenue	124,273	-	-	124,273
Total liabilities	<u>752,739</u>	<u>23,638</u>	<u>-</u>	<u>776,377</u>
Fund Balance:				
Reserved for:				
Encumbrances	128,362	-	-	128,362
Prepays	9,222	-	-	9,222
Unreserved, undesignated in:				
Special revenue fund	4,658,488	2,330,456	17,391	7,006,335
Total fund balance	<u>4,796,072</u>	<u>2,330,456</u>	<u>17,391</u>	<u>7,143,919</u>
Total liabilities and fund balance	<u>\$ 5,548,811</u>	<u>\$ 2,354,094</u>	<u>\$ 17,391</u>	<u>\$ 7,920,296</u>

**CITY OF GRAND PRAIRIE, TEXAS
AGGREGATING SCHEDULE OF REVENUE, EXPENDITURES AND
CHANGES IN FUND BALANCE
PARK VENUE FUND
FOR THE YEAR ENDED SEPTEMBER 30, 2010**

	<u>Operating</u>	<u>Capital Projects</u>	<u>Rainy Day</u>	<u>Total Park Venue</u>
REVENUE				
Sales tax	\$ 5,136,774	\$ -	\$ -	\$ 5,136,774
Charges for goods and services	2,227,032	-	-	2,227,032
Investment income	59,885	46,817	-	106,702
Contributions	82,683	-	-	82,683
Miscellaneous	525,601	40,001	-	565,602
Total revenue	<u>8,031,975</u>	<u>86,818</u>	<u>-</u>	<u>8,118,793</u>
EXPENDITURES				
Current operations:				
Recreation and leisure services	11,881,722	74,625	-	11,956,347
Capital outlay	126,103	774,510	-	900,613
Debt service:				
Principal retirement	1,035,000	-	-	1,035,000
Interest expense	953,227	-	-	953,227
Total expenditures	<u>13,996,052</u>	<u>849,135</u>	<u>-</u>	<u>14,845,187</u>
(Deficiency) of revenue (under) expenditures	<u>(5,964,077)</u>	<u>(762,317)</u>	<u>-</u>	<u>(6,726,394)</u>
OTHER FINANCING SOURCES (USES)				
Transfers in-monetary	7,844,904	909,318	-	8,754,222
Transfers out-monetary	(1,624,303)	(281,656)	-	(1,905,959)
Total other financing sources	<u>6,220,601</u>	<u>627,662</u>	<u>-</u>	<u>6,848,263</u>
Change in fund balance	256,524	(134,655)	-	121,869
Fund balance - beginning of year	<u>4,539,548</u>	<u>2,465,111</u>	<u>17,391</u>	<u>7,022,050</u>
Fund balance - end of year	<u>\$ 4,796,072</u>	<u>\$ 2,330,456</u>	<u>\$ 17,391</u>	<u>\$ 7,143,919</u>

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

CITY OF GRAND PRAIRIE, TEXAS
AGGREGATING SCHEDULE OF NET ASSETS
WATER AND WASTEWATER FUND
SEPTEMBER 30, 2010

	<u>Operating</u>	<u>Debt Service</u>	<u>Water Capital Projects</u>	<u>Rate Stabilization</u>
ASSETS				
Current assets:				
Cash and cash equivalents	\$ 1,570,398	\$ 122,748	\$ 292,777	\$ 159,976
Investments	13,263,993	633,829	14,953,584	2,876,620
Accounts receivable	3,962,082	-	-	-
Inventories and supplies	449,746	-	-	-
Prepaid	10,392	-	-	-
Deferred charges	867,344	-	-	-
Current restricted assets:				
Cash and cash equivalents	-	-	4,882,477	-
Investments	2,502,762	4,228,742	-	-
Total current assets	<u>22,626,717</u>	<u>4,985,319</u>	<u>20,128,838</u>	<u>3,036,596</u>
Capital assets:				
Land	1,395,750	-	-	-
Buildings	2,361,045	-	-	-
Equipment	16,738,133	-	-	-
Improvements other than buildings	238,422,344	-	-	-
Construction in progress	37,571,886	-	-	-
Less: accumulated depreciation	<u>(117,990,043)</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total capital assets	<u>178,499,115</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total assets	<u>201,125,832</u>	<u>4,985,319</u>	<u>20,128,838</u>	<u>3,036,596</u>
LIABILITIES				
Current liabilities:				
Accounts payable	1,289,316	-	535,391	-
Accrued liabilities	334,213	-	90,756	-
Accrued compensated absences	213,702	-	-	-
Current liabilities payable from restricted assets:				
Customer deposits	2,502,762	-	-	-
Accrued liabilities	-	582,209	-	-
Current portion of long term debt	<u>3,940,000</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total current liabilities	<u>8,279,993</u>	<u>582,209</u>	<u>626,147</u>	<u>-</u>
Noncurrent liabilities				
Long term debt	<u>62,931,956</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total noncurrent liabilities	<u>62,931,956</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total liabilities	<u>71,211,949</u>	<u>582,209</u>	<u>626,147</u>	<u>-</u>
NET ASSETS				
Invested in capital assets (net of related debt)	112,939,761	-	-	-
Restricted for debt service	-	4,228,742	-	-
Unrestricted	<u>16,974,122</u>	<u>174,368</u>	<u>19,502,691</u>	<u>3,036,596</u>
Total net assets	<u>\$ 129,913,883</u>	<u>\$ 4,403,110</u>	<u>\$ 19,502,691</u>	<u>\$ 3,036,596</u>

Wastewater Capital Projects	Water/ Wastewater Projects	Water/ Wastewater Capital Reserve	Total Water Wastewater
\$ 9,103,634	\$ 53,174	\$ 2,810	\$ 11,305,517
5,864,523	-	73,239	37,665,788
-	-	-	3,962,082
-	-	-	449,746
-	-	-	10,392
-	-	-	867,344
-	-	-	4,882,477
-	-	-	6,731,504
<u>14,968,157</u>	<u>53,174</u>	<u>76,049</u>	<u>65,874,850</u>
-	-	-	1,395,750
-	-	-	2,361,045
-	-	-	16,738,133
-	-	-	238,422,344
-	-	-	37,571,886
-	-	-	(117,990,043)
<u>-</u>	<u>-</u>	<u>-</u>	<u>178,499,115</u>
<u>14,968,157</u>	<u>53,174</u>	<u>76,049</u>	<u>244,373,965</u>
537,996	-	-	2,362,703
157,003	-	-	581,972
-	-	-	213,702
-	-	-	2,502,762
-	-	-	582,209
-	-	-	3,940,000
<u>694,999</u>	<u>-</u>	<u>-</u>	<u>10,183,348</u>
-	-	-	62,931,956
-	-	-	62,931,956
<u>694,999</u>	<u>-</u>	<u>-</u>	<u>73,115,304</u>
-	-	-	112,939,761
-	-	-	4,228,742
<u>14,273,158</u>	<u>53,174</u>	<u>76,049</u>	<u>54,090,158</u>
<u>\$ 14,273,158</u>	<u>\$ 53,174</u>	<u>\$ 76,049</u>	<u>\$ 171,258,661</u>

**CITY OF GRAND PRAIRIE, TEXAS
AGGREGATING SCHEDULE OF REVENUE, EXPENSE AND
CHANGES IN FUND NET ASSETS
WATER AND WASTEWATER FUND
FOR THE YEAR ENDED SEPTEMBER 30, 2010**

	<u>Operating</u>	<u>Debt Service</u>	<u>Water Capital Projects</u>	<u>Rate Stabilization</u>
OPERATING REVENUE				
Sales to customers	27,286,204	\$ -	\$ -	\$ -
Wastewater charges to customers	17,212,075	-	-	-
Water and wastewater fees	779,269	-	-	-
Wastewater surcharges	601,095	-	-	-
Miscellaneous	580,736	-	-	-
Total operating revenue	<u>46,459,379</u>	<u>-</u>	<u>-</u>	<u>-</u>
OPERATING EXPENSE				
Personal services	5,924,300	-	-	-
Supplies	614,627	-	3,130	-
Purchased services	3,924,558	-	482,176	-
Capital outlay	(9,554,568)	-	5,405,901	-
Water purchases	10,209,116	-	-	-
Wastewater treatment	9,576,287	-	-	-
Miscellaneous	580,707	-	-	-
Depreciation	10,376,554	-	-	-
Franchise fees	1,770,765	-	-	-
General and administrative costs	2,935,709	-	-	-
Principal payment on bonds	(3,920,000)	3,920,000	-	-
Total operating expense	<u>32,438,055</u>	<u>3,920,000</u>	<u>5,891,207</u>	<u>-</u>
Operating income (loss)	<u>14,021,324</u>	<u>(3,920,000)</u>	<u>(5,891,207)</u>	<u>-</u>
NONOPERATING REVENUE (EXPENSES)				
Investment income (expense)	83,325	20,410	142,464	19,321
Loss on sale of capital assets	(1,168)	-	-	-
Interest expense	(53,194)	(2,737,505)	-	-
Total nonoperating revenue (expenses)	<u>28,963</u>	<u>(2,717,095)</u>	<u>142,464</u>	<u>19,321</u>
Income (loss) before transfers and contributions	14,050,287	(6,637,095)	(5,748,743)	19,321
Capital contributions-Impact fees	-	-	-	-
Capital contributions	1,017,074	-	111,395	-
Transfer in-capital assets	9,099	-	-	-
Transfer out-capital assets	(43,810)	-	-	-
Transfer in-monetary	296,510	6,478,002	8,375,853	554,862
Transfer out-monetary	(13,206,400)	-	(53,611)	-
Change in net assets	2,122,760	(159,093)	2,684,894	574,183
Net assets - beginning of the year	<u>127,791,123</u>	<u>4,562,203</u>	<u>16,817,797</u>	<u>2,462,413</u>
Net assets - end of the year	<u>\$ 129,913,883</u>	<u>\$ 4,403,110</u>	<u>\$ 19,502,691</u>	<u>\$ 3,036,596</u>

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

Wastewater Capital Projects	Water/ Wastewater Projects	Water Wastewater Capital Reserve	Total Water Wastewater
\$ -	\$ -	\$ -	\$ 27,286,204
-	-	-	17,212,075
-	-	-	779,269
-	-	-	601,095
1,272	-	-	582,008
<u>1,272</u>	<u>-</u>	<u>-</u>	<u>46,460,651</u>
-	-	-	5,924,300
1,874	-	-	619,631
17,200	-	-	4,423,934
4,148,667	-	-	-
-	-	-	10,209,116
-	-	-	9,576,287
-	-	-	580,707
-	-	-	10,376,554
-	-	-	1,770,765
-	-	-	2,935,709
-	-	-	-
<u>4,167,741</u>	<u>-</u>	<u>-</u>	<u>46,417,003</u>
<u>(4,166,469)</u>	<u>-</u>	<u>-</u>	<u>43,648</u>
51,401	(7,769)	(374)	308,778
-	-	-	(1,168)
-	-	-	(2,790,699)
<u>51,401</u>	<u>(7,769)</u>	<u>(374)</u>	<u>(2,483,089)</u>
(4,115,068)	(7,769)	(374)	(2,439,441)
-	1,174,693	-	1,174,693
-	-	-	1,128,469
-	-	-	9,099
-	-	-	(43,810)
2,196,970	-	-	17,902,197
-	(2,659,485)	-	(15,919,496)
<u>(1,918,098)</u>	<u>(1,492,561)</u>	<u>(374)</u>	<u>1,811,711</u>
<u>16,191,256</u>	<u>1,545,735</u>	<u>76,423</u>	<u>169,446,950</u>
<u>\$ 14,273,158</u>	<u>\$ 53,174</u>	<u>\$ 76,049</u>	<u>\$ 171,258,661</u>

**CITY OF GRAND PRAIRIE, TEXAS
AGGREGATING SCHEDULE OF NET ASSETS
MUNICIPAL AIRPORT FUND
SEPTEMBER 30, 2010**

ASSETS	Operating	Capital Projects	Grant	Total Municipal Airport
Current assets:				
Cash and cash equivalents	\$ 705,393	\$ 246,604	\$ 247,789	\$ 1,199,786
Investments	-	693,623	-	693,623
Accounts receivable	975	-	56,991	57,966
Inventory and supplies	51,722	-	-	51,722
Prepaid	997	-	-	997
Current restricted assets:				
Cash and cash equivalents	176,461	-	-	176,461
Total current assets	<u>935,548</u>	<u>940,227</u>	<u>304,780</u>	<u>2,180,555</u>
Capital assets:				
Land	183,923	-	-	183,923
Buildings	4,100,068	-	-	4,100,068
Equipment	573,425	-	-	573,425
Infrastructure	5,472,517	-	2,000,000	7,472,517
Construction in progress	698,618	-	1,272,718	1,971,336
Less: accumulated depreciation	(5,109,802)	-	(83,333)	(5,193,135)
Total capital assets	<u>5,918,749</u>	<u>-</u>	<u>3,189,385</u>	<u>9,108,134</u>
Total assets	<u>6,854,297</u>	<u>940,227</u>	<u>3,494,165</u>	<u>11,288,689</u>
LIABILITIES				
Current liabilities:				
Accounts payable	9,492	-	-	9,492
Accrued liabilities	15,778	-	-	15,778
Accrued compensated absences	17,117	-	-	17,117
Unearned revenue	233,972	-	-	233,972
Current liabilities payable from restricted assets:				
Customer deposits	59,577	-	-	59,577
Accrued liabilities	11,884	-	-	11,884
Current portion of long-term debt	105,000	-	-	105,000
Total current liabilities	<u>452,820</u>	<u>-</u>	<u>-</u>	<u>452,820</u>
Noncurrent liabilities:				
Accrued compensated absences	9,556	-	-	9,556
Long-term debt less the current portion	1,920,000	-	-	1,920,000
Total noncurrent liabilities	<u>1,929,556</u>	<u>-</u>	<u>-</u>	<u>1,929,556</u>
Total liabilities	<u>2,382,376</u>	<u>-</u>	<u>-</u>	<u>2,382,376</u>
NET ASSETS				
Investment in capital assets, net of related debt	3,893,749	-	3,189,385	7,083,134
Unrestricted	<u>578,172</u>	<u>940,227</u>	<u>304,780</u>	<u>1,823,179</u>
Total net assets	<u>\$ 4,471,921</u>	<u>\$ 940,227</u>	<u>\$ 3,494,165</u>	<u>\$ 8,906,313</u>

**CITY OF GRAND PRAIRIE, TEXAS
AGGREGATING SCHEDULE OF REVENUE, EXPENSE AND
CHANGES IN FUND NET ASSETS
MUNICIPAL AIRPORT FUND
FOR THE YEAR ENDED SEPTEMBER 30, 2010**

	<u>Operating</u>	<u>Capital Projects</u>	<u>Grant</u>	<u>Total Municipal Airport</u>
OPERATING REVENUE				
Sales to customers	\$ 1,773,061	\$ -	\$ -	\$ 1,773,061
Intergovernmental revenue	-	-	141,313	141,313
Miscellaneous	34	-	773	807
Total operating revenue	<u>1,773,095</u>	<u>-</u>	<u>142,086</u>	<u>1,915,181</u>
OPERATING EXPENSE				
Personal services	344,830	-	-	344,830
Supplies	815,335	-	-	815,335
Purchased services	103,183	-	156,656	259,839
Miscellaneous	13,991	-	-	13,991
Capital outlay	(119,962)	119,962	-	-
Depreciation	338,794	-	83,333	422,127
General and administrative costs	57,415	-	-	57,415
Total operating expense	<u>1,553,586</u>	<u>119,962</u>	<u>239,989</u>	<u>1,913,537</u>
Operating income (loss)	<u>219,509</u>	<u>(119,962)</u>	<u>(97,903)</u>	<u>1,644</u>
NONOPERATING REVENUE (EXPENSE)				
Investment income	4,415	12,619	-	17,034
Loss on sale of sale of capital assests	(14,549)	-	-	(14,549)
Interest expense	(98,734)	-	-	(98,734)
Total nonoperating revenue (expense)	<u>(108,868)</u>	<u>12,619</u>	<u>-</u>	<u>(96,249)</u>
Income (loss) before transfers	110,641	(107,343)	(97,903)	(94,605)
Transfer in-monetary	8,076	201,392	1,519,097	1,728,565
Transfer out-monetary	(150,000)	(1,300,571)	-	(1,450,571)
Change in net assets	(31,283)	(1,206,522)	1,421,194	183,389
Net assets - beginning of the year	<u>4,503,204</u>	<u>2,146,749</u>	<u>2,072,971</u>	<u>8,722,924</u>
Net assets - end of the year	<u>\$ 4,471,921</u>	<u>\$ 940,227</u>	<u>\$ 3,494,165</u>	<u>\$ 8,906,313</u>

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

**CITY OF GRAND PRAIRIE, TEXAS
AGGREGATING SCHEDULE OF NET ASSETS
MUNICIPAL GOLF COURSE FUND
SEPTEMBER 30, 2010**

	<u>Operating</u>	<u>Capital Projects</u>	<u>Total Municipal Golf</u>
ASSETS			
Current assets:			
Cash and cash equivalents	\$ (61,318)	\$ 68,545	\$ 7,227
Investments	142,305	-	142,305
Prepaid	2,529	-	2,529
Deferred charges	17,489	-	17,489
Current restricted assets:			
Cash and cash equivalents	356,651	-	356,651
Total current assets	<u>457,656</u>	<u>68,545</u>	<u>526,201</u>
Capital assets:			
Land	568,284	-	568,284
Buildings	1,854,835	-	1,854,835
Equipment	1,255,001	-	1,255,001
Improvements other than buildings	9,927,481	-	9,927,481
Construction in progress	152,344	-	152,344
Less: accumulated depreciation	<u>(6,554,654)</u>	<u>-</u>	<u>(6,554,654)</u>
Total capital assets	<u>7,203,291</u>	<u>-</u>	<u>7,203,291</u>
Total assets	<u>7,660,947</u>	<u>68,545</u>	<u>7,729,492</u>
LIABILITIES			
Current liabilities:			
Accounts payable	57,291	-	57,291
Accrued liabilities	48,027	-	48,027
Accrued compensated absences	38,174	-	38,174
Current liabilities payable from restricted assets:			
Accrued liabilities	36,335	-	36,335
Current portion of long term debt	<u>320,316</u>	<u>-</u>	<u>320,316</u>
Total current liabilities	<u>500,143</u>	<u>-</u>	<u>500,143</u>
Noncurrent liabilities			
Long term debt	<u>6,425,161</u>	<u>-</u>	<u>6,425,161</u>
Total noncurrent liabilities	<u>6,425,161</u>	<u>-</u>	<u>6,425,161</u>
Total liabilities	<u>6,925,304</u>	<u>-</u>	<u>6,925,304</u>
NET ASSETS			
Invested in capital assets (net of related debt)	457,814	-	457,814
Unrestricted	<u>277,829</u>	<u>68,545</u>	<u>346,374</u>
Total net assets	<u>\$ 735,643</u>	<u>\$ 68,545</u>	<u>\$ 804,188</u>

**CITY OF GRAND PRAIRIE, TEXAS
 AGGREGATING SCHEDULE OF REVENUE, EXPENSE, AND
 CHANGES IN FUND NET ASSETS
 MUNICIPAL GOLF COURSE FUND
 FOR THE YEAR ENDED SEPTEMBER 30, 2010**

	<u>Operating</u>	<u>Capital Projects</u>	<u>Total Municipal Golf</u>
OPERATING REVENUE			
Sales to customers	\$ 2,069,556	\$ -	\$ 2,069,556
Miscellaneous	10,131	-	10,131
Total operating revenue	<u>2,079,687</u>	<u>-</u>	<u>2,079,687</u>
OPERATING EXPENSE			
Personal services	1,047,544	-	1,047,544
Supplies	249,717	-	249,717
Purchased services	1,202,819	-	1,202,819
Capital outlay	(18,056)	18,056	-
Depreciation	741,808	-	741,808
General and administrative costs	13	-	13
Total operating expense	<u>3,223,845</u>	<u>18,056</u>	<u>3,241,901</u>
Operating loss	<u>(1,144,158)</u>	<u>(18,056)</u>	<u>(1,162,214)</u>
NONOPERATING REVENUE (EXPENSE)			
Investment income	4,343	830	5,173
Gain on sale of capital assets	465	-	465
Interest expense	(296,464)	-	(296,464)
Total nonoperating revenue (expense)	<u>(291,656)</u>	<u>830</u>	<u>(290,826)</u>
Loss before transfers	(1,435,814)	(17,226)	(1,453,040)
Transfer in-capital assets	8,201	-	8,201
Transfer out-capital assets	(7,236)	-	(7,236)
Transfer in-monetary	1,305,675	2,630	1,308,305
Change in net assets	<u>(129,174)</u>	<u>(14,596)</u>	<u>(143,770)</u>
Net assets - beginning of year	<u>864,817</u>	<u>83,141</u>	<u>947,958</u>
Net assets - end of year	<u>\$ 735,643</u>	<u>\$ 68,545</u>	<u>\$ 804,188</u>

CITY OF GRAND PRAIRIE, TEXAS
AGGREGATING SCHEDULE OF NET ASSETS
SOLID WASTE FUND
SEPTEMBER 30, 2010

	<u>Operating</u>	<u>Capital Projects</u>	<u>Closure Liability</u>	<u>Equipment Acquisition</u>
ASSETS				
Current assets:				
Cash and cash equivalents	\$ 1,146,587	\$ 925,088	\$ 440,821	\$ 434,405
Investment	1,367,388	2,581,326	1,992,347	-
Accounts receivable	469,642	-	-	-
Prepaid	3,113	-	-	-
Total current assets	<u>2,986,730</u>	<u>3,506,414</u>	<u>2,433,168</u>	<u>434,405</u>
Capital assets:				
Land	1,748,378	-	-	-
Buildings	1,211,963	-	-	-
Equipment	5,923,708	-	-	-
Improvements other than buildings	8,079,704	-	-	-
Construction in progress	1,148,624	-	-	-
Less accumulated depreciation	(6,095,470)	-	-	-
Total capital assets	<u>12,016,907</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total assets	<u>15,003,637</u>	<u>3,506,414</u>	<u>2,433,168</u>	<u>434,405</u>
LIABILITIES				
Current liabilities:				
Accounts payable	363,389	45,203	-	-
Accrued liabilities	370,539	-	-	-
Accrued compensated absences	77,297	-	-	-
Current liabilities payable from restricted assets:				
Customer deposits	806	-	-	-
Total current liabilities	<u>812,031</u>	<u>45,203</u>	<u>-</u>	<u>-</u>
Noncurrent liabilities:				
Closure and post closure liability	5,071,131	-	-	-
Total noncurrent liabilities	<u>5,071,131</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total liabilities	<u>5,883,162</u>	<u>45,203</u>	<u>-</u>	<u>-</u>
NET ASSETS				
Invested in capital assets (net of related debt)	12,016,907	-	-	-
Unrestricted	(2,896,432)	3,461,211	2,433,168	434,405
Total net assets	<u>\$ 9,120,475</u>	<u>\$ 3,461,211</u>	<u>\$ 2,433,168</u>	<u>\$ 434,405</u>

<u>Landfill Replacement</u>	<u>Liner Reserve</u>	<u>Total Solid Waste</u>
\$ 400,798	\$ 475,192	\$ 3,822,891
2,180,743	592,614	8,714,418
-	-	469,642
-	-	3,113
<u>2,581,541</u>	<u>1,067,806</u>	<u>13,010,064</u>
-	-	1,748,378
-	-	1,211,963
-	-	5,923,708
-	-	8,079,704
-	-	1,148,624
-	-	(6,095,470)
<u>-</u>	<u>-</u>	<u>12,016,907</u>
<u>2,581,541</u>	<u>1,067,806</u>	<u>25,026,971</u>
-	-	408,592
-	-	370,539
-	-	77,297
-	-	806
<u>-</u>	<u>-</u>	<u>857,234</u>
-	-	5,071,131
-	-	5,071,131
-	-	5,928,365
-	-	12,016,907
<u>2,581,541</u>	<u>1,067,806</u>	<u>7,081,699</u>
<u>\$ 2,581,541</u>	<u>\$ 1,067,806</u>	<u>\$ 19,098,606</u>

**CITY OF GRAND PRAIRIE, TEXAS
AGGREGATING SCHEDULE OF REVENUE, EXPENSE, AND
CHANGES IN FUND NET ASSETS
SOLID WASTE FUND
FOR THE YEAR ENDED SEPTEMBER 30, 2010**

	<u>Operating</u>	<u>Capital Projects</u>	<u>Closure Liability</u>	<u>Equipment Acquisition</u>
OPERATING REVENUE				
Sales to customers	\$ 10,200,457	\$ -	\$ -	\$ -
Miscellaneous	8,262	-	-	-
Total operating revenue	<u>10,208,719</u>	<u>-</u>	<u>-</u>	<u>-</u>
OPERATING EXPENSE				
Personal services	2,030,436	-	-	-
Supplies	401,251	399	-	-
Purchased services	4,548,504	299,463	-	-
Miscellaneous	399,884	-	-	-
Capital outlay	(797,916)	237,068	-	560,848
Depreciation	836,434	-	-	-
Franchise fee	301,868	-	-	-
General and administrative costs	310,301	-	-	-
Total operating expense	<u>8,030,762</u>	<u>536,930</u>	<u>-</u>	<u>560,848</u>
Operating income	<u>2,177,957</u>	<u>(536,930)</u>	<u>-</u>	<u>(560,848)</u>
NONOPERATING REVENUE (EXPENSE)				
Investment income (loss)	15,663	87,750	(10,151)	-
Gain (loss) on sale of capital assets	(165,505)	-	-	57,288
Total nonoperating revenue (expense)	<u>(149,842)</u>	<u>87,750</u>	<u>(10,151)</u>	<u>57,288</u>
Income (loss) before contributions and transfers	2,028,115	(449,180)	(10,151)	(503,560)
Transfer out-capital assets	(333,408)	-	-	-
Transfer in-monetary	34,104	859,551	175,000	734,023
Transfer out-monetary	(2,211,082)	-	-	-
Change in net assets	<u>(482,271)</u>	<u>410,371</u>	<u>164,849</u>	<u>230,463</u>
Net assets - beginning of the year	<u>9,602,746</u>	<u>3,050,840</u>	<u>2,268,319</u>	<u>203,942</u>
Net assets - end of the year	<u>\$ 9,120,475</u>	<u>\$ 3,461,211</u>	<u>\$ 2,433,168</u>	<u>\$ 434,405</u>

Landfill Replacement	Liner Reserve	Total Solid Waste
\$ -	\$ -	\$ 10,200,457
-	-	8,262
-	-	10,208,719
-	-	2,030,436
-	-	401,650
-	-	4,847,967
-	-	399,884
-	-	-
-	-	836,434
-	-	301,868
-	-	310,301
-	-	9,128,540
-	-	1,080,179
(11,111)	(3,019)	79,132
-	-	(108,217)
(11,111)	(3,019)	(29,085)
(11,111)	(3,019)	1,051,094
-	-	(333,408)
100,000	150,000	2,052,678
-	-	(2,211,082)
88,889	146,981	559,282
2,492,652	920,825	18,539,324
<u>\$ 2,581,541</u>	<u>\$ 1,067,806</u>	<u>\$ 19,098,606</u>

**CITY OF GRAND PRAIRIE, TEXAS
 AGGREGATING SCHEDULE OF NET ASSETS
 RISK MANAGEMENT FUND
 SEPTEMBER 30, 2010**

	<u>Risk Management</u>	<u>Employee Insurance</u>	<u>Total Risk Management</u>
ASSETS			
Current assets:			
Cash and cash equivalents	\$ 274,483	\$ 4,599,646	\$ 4,874,130
Investments	3,808,389	6,819,411	10,627,800
Prepaid	846	5,971	6,817
Current restricted assets:			
Cash and cash equivalents	-	202,569	202,569
Total current assets	<u>4,083,718</u>	<u>11,627,597</u>	<u>15,711,316</u>
LIABILITIES			
Current liabilities:			
Accounts payable	52,325	27,106	79,431
Accrued liabilities	2,240,413	1,114,850	3,355,263
Accrued compensated absences	2,833	5,963	8,796
Total current liabilities	<u>2,295,571</u>	<u>1,147,919</u>	<u>3,443,490</u>
Noncurrent liabilities:			
Accrued compensated absences	<u>1,753</u>	<u>-</u>	<u>1,753</u>
Total liabilities	<u>2,297,324</u>	<u>1,147,919</u>	<u>3,445,243</u>
NET ASSETS			
Unrestricted	<u>1,786,394</u>	<u>10,479,678</u>	<u>12,266,073</u>
Total net assets	<u>\$ 1,786,394</u>	<u>\$ 10,479,678</u>	<u>\$ 12,266,073</u>

**CITY OF GRAND PRAIRIE, TEXAS
AGGREGATING SCHEDULE OF REVENUE, EXPENSE, AND
CHANGES IN FUND NET ASSETS
RISK MANAGEMENT FUND
FOR THE YEAR ENDED SEPTEMBER 30, 2010**

	<u>Risk Management</u>	<u>Employee Insurance</u>	<u>Total Risk Management</u>
OPERATING REVENUE			
Insurance premiums	\$ 3,277,555	\$ 12,908,491	\$ 16,186,046
Miscellaneous	106,742	20	106,762
Total operating revenue	<u>3,384,297</u>	<u>12,908,511</u>	<u>16,292,808</u>
OPERATING EXPENSE			
Personal services	82,362	145,915	228,277
Supplies	180	3,185	3,365
Purchased services	200,863	163,588	364,451
Insurance claims	1,503,444	10,626,536	12,129,980
Miscellaneous	54,169	55,882	110,051
Total operating expense	<u>1,841,018</u>	<u>10,995,106</u>	<u>12,836,124</u>
Operating income	<u>1,543,279</u>	<u>1,913,405</u>	<u>3,456,684</u>
NONOPERATING REVENUE			
Investment income	<u>5,472</u>	<u>59,340</u>	<u>64,812</u>
Total nonoperating revenue	<u>5,472</u>	<u>59,340</u>	<u>64,812</u>
Income before transfers	<u>1,548,751</u>	<u>1,972,745</u>	<u>3,521,496</u>
Transfer in-monetary	<u>30,935</u>	<u>131,294</u>	<u>162,229</u>
Change in net assets	<u>1,579,686</u>	<u>2,104,039</u>	<u>3,683,725</u>
Net assets - beginning of the year	<u>206,709</u>	<u>8,375,639</u>	<u>8,582,348</u>
Net assets - end of the year	<u>\$ 1,786,395</u>	<u>\$ 10,479,678</u>	<u>\$ 12,266,073</u>



THIS PAGE IS INTENTIONALLY LEFT BLANK

STATISTICAL SECTION



CITY OF GRAND PRAIRIE, TEXAS
COMPREHENSIVE ANNUAL FINANCIAL REPORT
FOR THE YEAR ENDED SEPTEMBER 30, 2010
STATISTICAL SECTION INDEX

(Unaudited)

<u>Contents</u>	<u>Page</u>
Financial Trends	
<i>These schedules contain trend information regarding how the City's financial performance and well-being have changed over time.</i>	
<i>Net Assets by Component</i>	143
<i>Changes in Net Assets</i>	144
<i>Fund Balances, Governmental Funds</i>	146
<i>Change in Fund Balances, Governmental Funds</i>	148
Revenue Capacity	
<i>These schedules contain information regarding the City's most significant local revenue source, the property tax.</i>	
<i>Assessed and Estimated Actual Values of Taxable Property</i>	150
<i>Direct and Overlapping Property Tax Rates</i>	152
<i>Principal Property Tax Payers</i>	154
<i>Property Tax Levies and Collections</i>	155
Debt Capacity	
<i>These schedules present information regarding the affordability of the City's current levels of outstanding debt and the City's ability to issue additional debt in the future.</i>	
<i>Ratios of Outstanding Debt by Type</i>	156
<i>Ratios of General Bonded Debt Outstanding</i>	158
<i>Direct and Overlapping Governmental Activities of Debt</i>	159
<i>Legal Debt Margin Information</i>	160
<i>Pledged Revenue Coverage</i>	162
Demographic and Economic Information	
<i>These schedules offer demographic and economic indicators regarding the environment within which the City's financial activities take place.</i>	
<i>Demographic and Economic Statistics</i>	164
<i>Principal Employers</i>	165
<i>Full-time-equivalent City Government Employees by Function/Program</i>	166
Operating Information	
<i>These schedules contain service and infrastructure data regarding how the information in the City's financial report relates to the services the government provides and the activities it performs.</i>	
<i>Capital Assets Statistics by Function/Program</i>	167
<i>Water and Wastewater Contracts</i>	168
<i>Components of Payments Made Under Selected Contracts</i>	
<i>Operating Indicators by Function</i>	170



THIS PAGE IS INTENTIONALLY LEFT BLANK

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

	<u>2002</u>	<u>2003</u>	<u>2004</u>	<u>2005</u>	<u>2006</u>	<u>2007</u>	<u>2008</u>	<u>2009</u>	<u>2010</u>
GOVERNMENTAL ACTIVITIES									
Invested in capital assets									
net of related debt	\$ 121,332,136	\$ 148,513,124	\$ 174,584,254	\$ 237,535,813	\$ 255,230,188	\$ 250,427,112	\$ 265,961,757	\$ 271,217,903	\$ 286,120,135
Restricted	5,042,851	5,475,006	3,167,064	1,768,257	3,034,411	5,260,954	5,491,185	9,302,232	9,792,214
Unrestricted	45,841,403	51,355,387	65,238,004	41,171,528	52,044,716	99,358,971	114,556,201	129,915,331	129,649,766
Total governmental activities net assets	<u>\$ 172,216,390</u>	<u>\$ 205,343,517</u>	<u>\$ 242,989,322</u>	<u>\$ 280,475,598</u>	<u>\$ 310,309,315</u>	<u>\$ 355,047,037</u>	<u>\$ 386,009,143</u>	<u>\$ 410,435,466</u>	<u>\$ 425,562,115</u>
BUSINESS-TYPE ACTIVITIES									
Invested in capital assets									
net of related debt	\$ 119,326,515	\$ 112,136,902	\$ 110,683,391	\$ 130,998,728	\$ 133,275,493	\$ 134,270,404	\$ 129,219,761	\$ 139,067,912	\$ 134,524,036
Restricted	3,953,911	3,953,911	3,548,426	3,699,150	3,671,913	3,748,093	6,089,188	3,673,504	4,228,742
Unrestricted	10,834,075	27,853,395	40,273,290	30,147,871	37,114,582	46,861,049	56,978,613	60,527,614	68,647,313
Total business-type activities net assets	<u>\$ 134,114,501</u>	<u>\$ 143,944,208</u>	<u>\$ 154,505,107</u>	<u>\$ 164,845,749</u>	<u>\$ 174,061,988</u>	<u>\$ 184,879,546</u>	<u>\$ 192,287,562</u>	<u>\$ 203,269,030</u>	<u>\$ 207,400,091</u>
PRIMARY GOVERNMENT									
Invested in capital assets									
net of related debt	\$ 240,658,651	\$ 260,650,026	\$ 285,267,645	\$ 368,534,541	\$ 388,505,681	\$ 384,697,516	\$ 395,181,518	\$ 410,285,815	\$ 420,644,171
Restricted	8,996,762	9,428,917	6,715,490	5,467,407	6,706,324	9,009,047	11,580,373	12,975,736	14,020,956
Unrestricted	56,675,478	79,208,782	105,511,294	71,319,399	89,159,298	146,220,020	171,534,814	190,442,945	198,297,079
Total primary government net assets	<u>\$ 306,330,891</u>	<u>\$ 349,287,725</u>	<u>\$ 397,494,429</u>	<u>\$ 445,321,347</u>	<u>\$ 484,371,303</u>	<u>\$ 539,926,583</u>	<u>\$ 578,296,705</u>	<u>\$ 613,704,496</u>	<u>\$ 632,962,206</u>

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

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

	<u>2002</u>	<u>2003</u>	<u>2004</u>	<u>2005</u>	<u>2006</u>	<u>2007</u>	<u>2008</u>	<u>2009</u>	<u>2010</u>
EXPENSES									
Governmental activities:									
Support services	\$ 20,991,474	\$ 12,898,644	\$ 13,014,368	\$ 13,933,988	\$ 16,076,516	\$ 22,481,067	\$ 19,829,891	\$ 17,647,031	\$ 17,278,851
Public safety services	37,944,230	50,916,655	49,831,335	53,811,047	57,826,788	70,124,744	76,192,160	70,728,042	81,872,640
Recreation and leisure services	9,303,477	10,741,472	13,276,399	14,491,018	15,606,279	19,168,072	20,548,092	24,302,491	21,517,961
Development services and other	34,779,148	37,605,023	39,071,130	40,009,351	50,642,965	38,630,596	51,061,087	56,491,002	58,153,994
Interest on long-term debt	5,387,551	5,754,130	6,305,446	7,482,003	7,659,557	8,421,424	10,329,775	12,141,929	10,618,864
Total governmental activities expenses	\$ 108,405,880	\$ 117,915,924	\$ 121,498,678	\$ 129,727,407	\$ 147,812,105	\$ 158,825,903	\$ 177,961,005	\$ 181,310,495	\$ 189,442,310
Business-type activities:									
Water and wastewater	\$ 26,245,172	\$ 30,016,378	\$ 31,405,404	\$ 36,537,343	\$ 39,746,718	\$ 40,211,646	\$ 43,521,711	\$ 46,025,037	\$ 48,888,158
Municipal airport	1,610,437	1,621,636	1,739,208	6,422,295	2,156,251	2,010,376	2,274,829	1,758,664	1,999,196
Municipal golf course	3,178,483	3,197,612	3,234,336	3,451,846	3,390,562	3,295,065	3,388,253	3,336,554	3,488,564
Storm water	395,860	801,473	673,302	1,833,787	829,867	1,034,458	1,076,876	1,344,716	1,692,009
Solid waste	6,813,103	5,499,602	7,326,711	6,422,295	7,320,755	9,599,260	8,147,843	8,316,221	8,931,468
Total business-type activities expenses	38,243,055	41,136,701	44,378,961	54,667,566	53,444,153	56,150,805	58,409,512	60,781,192	64,999,395
Total primary government expenses	\$ 146,648,935	\$ 159,052,625	\$ 165,877,639	\$ 184,394,973	\$ 201,256,258	\$ 214,976,708	\$ 236,370,517	\$ 242,091,687	\$ 254,441,705
PROGRAM REVENUES									
Governmental activities:									
Charges for services:									
Support services	\$ 4,340,965	\$ 3,413,628	\$ 5,365,705	\$ 6,462,531	\$ 9,856,362	\$ 11,369,944	\$ 12,976,068	\$ 13,272,240	\$ 10,929,541
Public safety services	7,563,754	7,331,038	8,040,487	8,567,505	8,982,681	5,453,931	5,827,320	11,030,095	12,823,754
Recreation and leisure services	3,155,122	2,775,590	2,505,920	2,947,751	3,502,325	4,843,898	6,894,465	5,815,486	7,112,226
Development services and other	1,976,957	2,426,826	4,091,489	3,826,062	6,108,583	3,731,729	2,947,454	5,087,515	4,412,063
Operating grants and contributions	19,437,597	25,635,211	27,628,031	28,456,869	33,141,279	48,052,791	36,873,575	28,333,421	31,232,753
Capital grants and contributions	2,528,385	3,140,512	26,900,978	25,867,397	8,409,834	14,027,960	11,432,768	5,795,714	9,112,664
Total governmental activities program revenues	\$ 39,002,780	\$ 44,722,805	\$ 74,532,610	\$ 76,128,115	\$ 70,001,064	\$ 87,480,253	\$ 76,951,650	\$ 69,334,471	\$ 75,623,001
Business-type activities:									
Charges for services:									
Water and wastewater	\$ 30,761,023	\$ 32,970,209	\$ 31,377,178	\$ 34,084,321	\$ 42,564,693	\$ 41,221,192	\$ 43,493,084	\$ 46,898,346	\$ 46,459,483
Municipal airport	1,079,182	1,219,517	1,314,710	1,654,152	1,496,579	1,492,202	2,330,000	1,703,398	1,759,319
Municipal golf course	2,689,782	2,406,774	2,053,784	2,397,915	2,587,757	2,637,807	2,232,189	2,409,475	2,080,152
Storm water	1,447,147	1,786,048	1,870,778	1,917,720	2,470,183	2,691,742	2,974,336	3,073,155	4,685,730
Solid waste	8,040,556	6,934,548	7,544,969	8,061,725	8,767,399	9,023,648	9,103,212	10,290,559	10,100,502
Operating grants and contributions	301,378	335,737	2,140,958	386,900	737,536	1,668,944	270,729	468,397	-
Capital grants and contributions	386,078	2,287,819	10,169,562	10,979,777	4,172,710	8,109,411	5,519,297	3,742,875	2,444,475
Total business-type activities	44,705,146	47,940,652	56,471,939	59,482,510	62,796,857	66,844,946	65,922,847	68,586,205	67,529,661
Total primary government	\$ 83,707,926	\$ 92,663,457	\$ 131,004,549	\$ 135,610,625	\$ 132,797,921	\$ 154,325,199	\$ 142,874,497	\$ 137,920,676	\$ 143,152,662

(continued)

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

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

	<u>2002</u>	<u>2003</u>	<u>2004</u>	<u>2005</u>	<u>2006</u>	<u>2007</u>	<u>2008</u>	<u>2009</u>	<u>2010</u>
NET (EXPENSES)/REVENUE									
Governmental activities	\$ (69,403,100)	\$ (73,193,119)	\$ (46,966,068)	\$ (53,599,292)	\$ (77,811,041)	\$ (71,345,650)	\$ (101,009,355)	\$ (111,976,024)	\$ (113,819,309)
Business-type activities	6,462,091	6,803,951	12,092,978	10,402,908	9,352,704	10,694,141	7,513,335	7,805,013	2,530,266
Total primary government net expense	<u>\$ (62,941,009)</u>	<u>\$ (66,389,168)</u>	<u>\$ (34,873,090)</u>	<u>\$ (43,196,384)</u>	<u>\$ (68,458,337)</u>	<u>\$ (60,651,509)</u>	<u>\$ (93,496,020)</u>	<u>\$ (104,171,011)</u>	<u>\$ (111,289,043)</u>
GENERAL REVENUES AND OTHER CHANGES IN NET ASSETS									
Governmental activities:									
Taxes									
Property taxes	\$ 41,553,955	\$ 43,194,279	\$ 46,952,102	\$ 50,217,892	\$ 54,462,317	\$ 61,443,459	\$ 69,813,294	\$ 76,687,029	\$ 75,091,425
Sales taxes	21,203,525	22,560,923	23,970,012	24,833,472	29,289,416	31,919,487	39,665,104	40,376,226	39,891,881
Hotel/motel tax and other taxes	1,596,337	1,316,910	1,054,409	1,803,169	1,299,365	1,344,762	1,414,822	1,231,899	1,232,928
Franchise fees	7,972,998	9,400,450	6,294,469	9,870,488	15,658,628	11,375,535	11,847,401	12,531,556	12,060,211
Investment income	3,666,447	1,328,820	1,804,705	2,820,035	4,735,009	7,573,850	7,444,199	6,688,474	1,844,371
Miscellaneous	3,707,524	1,605,576	2,811,908	3,014,011	71,784	-	-	-	-
Contributions	24,477,021	23,973,681	-	-	-	-	2,553,427	-	-
Transfers-monetary	8,317,016	2,962,060	1,724,267	350,310	2,128,239	2,426,279	-	(1,112,837)	(1,542,012)
Transfers-capital assets	-	-	-	-	-	-	-	-	367,154
Total government activities	<u>\$ 112,494,823</u>	<u>\$ 106,342,699</u>	<u>\$ 84,611,872</u>	<u>\$ 92,909,377</u>	<u>\$ 107,644,758</u>	<u>\$ 116,083,372</u>	<u>\$ 132,738,247</u>	<u>\$ 136,402,347</u>	<u>\$ 128,945,958</u>
Business-type activities:									
Franchise fees	\$ -	\$ -	\$ -	\$ -	\$ 305,907	\$ -	\$ -	\$ -	\$ -
Investment income	1,331,174	1,231,038	192,188	288,044	1,685,867	2,549,696	2,448,108	2,063,618	425,937
Miscellaneous	79,018	-	-	-	-	-	-	-	-
Contributions	6,485,360	4,756,779	-	-	-	-	-	-	-
Transfers-monetary	(6,817,016)	(2,962,060)	(1,724,267)	(350,310)	(2,128,239)	(2,426,279)	(2,553,427)	1,112,837	1,542,012
Transfers-capital assets	-	-	-	-	-	-	-	-	(367,154)
Total business-type activities	<u>1,078,536</u>	<u>3,025,757</u>	<u>(1,532,079)</u>	<u>(62,266)</u>	<u>(136,465)</u>	<u>123,417</u>	<u>(105,319)</u>	<u>3,176,455</u>	<u>1,600,795</u>
Total primary government	<u>\$ 113,573,359</u>	<u>\$ 109,368,456</u>	<u>\$ 83,079,793</u>	<u>\$ 92,847,111</u>	<u>\$ 107,508,293</u>	<u>\$ 116,206,789</u>	<u>\$ 132,632,928</u>	<u>\$ 139,578,802</u>	<u>\$ 130,546,753</u>
CHANGE IN NET ASSETS									
Governmental activities	\$ 43,091,723	\$ 33,149,580	\$ 37,645,805	\$ 39,310,085	\$ 29,833,717	\$ 44,737,722	\$ 31,728,892	\$ 24,426,323	\$ 15,126,649
Business-type activities	7,540,627	9,829,708	10,560,899	10,340,642	9,216,239	10,817,558	7,408,016	10,981,468	4,131,061
Total primary government	<u>\$ 50,632,350</u>	<u>\$ 42,979,288</u>	<u>\$ 48,206,704</u>	<u>\$ 49,650,727</u>	<u>\$ 39,049,956</u>	<u>\$ 55,555,280</u>	<u>\$ 39,136,908</u>	<u>\$ 35,407,791</u>	<u>\$ 19,257,710</u>

(concluded)

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

	Fiscal Year				
	<u>2001</u>	<u>2002</u>	<u>2003</u>	<u>2004</u>	<u>2005</u>
GENERAL FUND					
Reserved	\$ 302,996	\$ 436,845	\$ 360,916	\$ 836,805	\$ 1,245,756
Unreserved	<u>15,278,877</u>	<u>15,463,442</u>	<u>15,667,085</u>	<u>18,301,467</u>	<u>16,467,282</u>
Total general fund	<u><u>\$ 15,581,873</u></u>	<u><u>\$ 15,900,287</u></u>	<u><u>\$ 16,028,001</u></u>	<u><u>\$ 19,138,272</u></u>	<u><u>\$ 17,713,038</u></u>
ALL OTHER GOVERNMENTAL FUNDS					
Reserved	\$ 27,746,778	\$ 25,660,997	\$ 30,102,504	\$ 11,156,665	\$ 21,832,554
Unreserved, reported in:					
Special revenue funds	14,388,561	13,084,153	16,588,446	32,888,043	29,473,920
Capital projects funds	<u>17,812,263</u>	<u>37,584,468</u>	<u>24,209,669</u>	<u>30,843,788</u>	<u>14,339,856</u>
Total all other governmental funds	<u><u>\$ 59,947,602</u></u>	<u><u>\$ 76,329,618</u></u>	<u><u>\$ 70,900,619</u></u>	<u><u>\$ 74,888,496</u></u>	<u><u>\$ 65,646,330</u></u>

Fiscal Year				
<u>2006</u>	<u>2007</u>	<u>2008</u>	<u>2009</u>	<u>2010</u>
\$ 1,202,824	\$ 978,032	\$ 769,535	\$ 576,286	\$ 306,798
<u>23,797,074</u>	<u>24,474,441</u>	<u>23,517,200</u>	<u>29,769,771</u>	<u>29,794,717</u>
<u>\$ 24,999,898</u>	<u>\$ 25,452,473</u>	<u>\$ 24,286,735</u>	<u>\$ 30,346,057</u>	<u>\$ 30,101,515</u>
\$ 20,495,695	\$ 9,009,855	\$ 9,713,094	\$ 13,783,052	\$ 11,783,598
23,834,504	51,481,507	152,319,219	69,553,793	39,727,431
<u>17,522,013</u>	<u>36,334,868</u>	<u>36,672,982</u>	<u>75,403,545</u>	<u>60,591,611</u>
<u>\$ 61,852,212</u>	<u>\$ 96,826,230</u>	<u>\$ 198,705,295</u>	<u>\$ 158,740,390</u>	<u>\$ 112,102,640</u>

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

	Fiscal Year				
	<u>2001</u>	<u>2002</u>	<u>2003</u>	<u>2004</u>	<u>2005</u>
REVENUE					
Taxes	\$ 58,647,973	\$ 63,671,664	\$ 68,044,675	\$ 72,588,819	\$ 76,112,349
Licenses, fees, and permits	10,251,428	10,088,745	10,903,573	12,396,830	12,650,409
Fines and penalties	3,741,634	4,443,912	4,469,958	5,059,013	5,462,053
Charges for services	3,591,063	5,894,731	6,370,072	6,739,443	7,209,753
Special assessments	-	-	-	642,734	742,184
Intergovernmental	14,689,886	19,530,698	27,139,404	27,302,184	25,146,652
Investment income	4,288,072	3,413,448	1,357,707	1,766,526	2,805,479
Other revenues	3,416,977	9,068,303	5,332,343	6,884,470	14,506,025
Total revenues	<u>98,627,033</u>	<u>116,111,501</u>	<u>123,617,732</u>	<u>133,380,019</u>	<u>144,634,904</u>
EXPENDITURES					
Current Operations:					
Support services	8,835,077	10,366,935	10,659,348	10,780,154	11,346,466
Public safety services	37,745,355	40,249,161	43,792,760	43,621,824	46,304,166
Recreation and leisure services	6,549,849	9,063,565	9,439,447	11,617,974	12,457,293
Development services and other	22,573,437	29,138,777	32,024,258	33,628,488	33,607,969
Capital Outlay	23,946,525	55,333,121	38,664,168	40,099,574	41,489,772
Debt service:					
Principal retirement	8,138,784	8,565,663	8,756,308	10,403,516	10,998,736
Interest	4,226,636	5,271,595	5,728,431	6,215,621	8,123,692
Total expenditures	<u>112,015,663</u>	<u>157,988,817</u>	<u>149,064,720</u>	<u>156,367,151</u>	<u>164,328,094</u>
Excess of revenues over (under) expenditures	<u>(13,388,630)</u>	<u>(41,877,316)</u>	<u>(25,446,988)</u>	<u>(22,987,132)</u>	<u>(19,693,190)</u>
OTHER FINANCING SOURCES (USES)					
Transfers in-monetary	17,002,611	44,935,245	29,491,511	22,343,056	21,490,429
Transfers out-monetary	(12,081,428)	(34,971,010)	(26,972,478)	(20,434,112)	(21,037,549)
Sale of capital assets	-	357,569	9,011,672	361,067	47,967
Premium (discount) on debt issued	-	-	-	-	(96,248)
Bonds issued	5,000,000	-	18,260,000	27,812,500	9,285,000
Refunding bonds issued	-	-	-	1,955,000	17,540,000
Payment for refunded debt	-	-	(9,645,000)	(1,952,232)	(16,380,000)
Sale of assets held for resale	-	-	-	-	-
Other sources (uses)	25,421,123	45,300,000	-	-	-
Total other financing sources (uses)	<u>35,342,306</u>	<u>55,621,804</u>	<u>20,145,705</u>	<u>30,085,279</u>	<u>10,849,599</u>
Net change in fund balance	<u>\$ 21,953,676</u>	<u>\$ 13,744,488</u>	<u>\$ (5,301,283)</u>	<u>\$ 7,098,147</u>	<u>\$ (8,843,591)</u>
Debt service as a percentage of noncapital expenditures	14.0%	13.5%	13.1%	14.3%	15.6%

See accompanying notes to basic financial statements.

Fiscal Year

	<u>2006</u>	<u>2007</u>	<u>2008</u>	<u>2009</u>	<u>2010</u>
\$	85,051,098	\$ 94,529,349	\$ 109,658,169	\$ 116,142,863	\$ 116,814,717
	18,962,716	14,221,385	14,300,656	14,767,427	14,667,062
	5,537,867	5,807,484	5,615,462	6,342,727	7,311,853
	7,537,479	8,466,964	11,648,865	11,488,375	12,497,178
	980,999	1,379,597	-	-	-
	31,315,423	26,598,586	30,132,609	26,343,441	38,692,557
	4,620,911	7,391,922	7,239,258	6,472,181	1,767,720
	9,195,418	25,059,295	15,655,620	10,735,637	7,707,687
	<u>163,201,911</u>	<u>183,454,582</u>	<u>194,250,639</u>	<u>192,292,651</u>	<u>199,458,774</u>
	12,875,349	17,431,881	14,740,779	14,778,861	13,793,906
	49,046,924	54,033,347	59,110,908	59,391,711	63,301,812
	13,194,080	14,769,610	17,039,606	20,392,873	19,086,560
	40,658,989	37,067,631	48,283,183	47,383,981	50,416,087
	43,035,692	29,577,246	62,450,315	92,227,467	65,612,028
	9,079,928	9,632,819	13,268,068	15,331,241	29,423,291
	7,333,210	8,350,646	10,693,686	12,635,091	10,841,888
	<u>175,224,172</u>	<u>170,863,180</u>	<u>225,586,545</u>	<u>262,141,225</u>	<u>252,475,571</u>
	<u>(12,022,261)</u>	<u>12,591,402</u>	<u>(31,335,906)</u>	<u>(69,848,574)</u>	<u>(53,016,797)</u>
	21,651,931	29,302,328	51,850,485	63,865,188	60,024,949
	(19,402,662)	(28,036,960)	(49,205,367)	(64,214,176)	(61,757,480)
	71,784	12,410	-	500,660	505,123
	27,700	97,413	61,992	146,319	36,940
	13,166,250	21,460,000	129,440,000	35,645,000	7,425,000
	-	-	17,278,000	-	13,390,000
	-	-	(17,161,031)	-	(13,301,147)
	-	-	-	-	(188,881)
	-	-	-	-	-
	<u>15,515,003</u>	<u>22,835,191</u>	<u>132,264,079</u>	<u>35,942,991</u>	<u>6,134,505</u>
\$	<u>3,492,742</u>	<u>\$ 35,426,593</u>	<u>\$ 100,928,173</u>	<u>\$ (33,905,583)</u>	<u>\$ (46,882,292)</u>
	12.4%	12.7%	14.7%	16.5%	21.5%

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

Fiscal Year	Residential Property	Commercial Property	Less: Tax-Exempt Property	Total Taxable Assessed Value	Total Direct Tax Rate	Estimated Actual Taxable Value	Taxable Assessed Value as a Percentage of Actual Taxable Value
2001	\$2,488,966,095	\$3,845,366,055	\$ 709,946,637	\$5,624,385,513	0.669998	\$5,624,385,513	100.0%
2002	3,042,298,390	3,807,725,309	709,946,637	6,140,077,062	0.669998	6,140,929,228	100.0%
2003	3,365,348,440	4,118,990,011	861,464,334	6,622,874,117	0.669998	6,622,874,117	100.0%
2004	3,719,467,190	3,974,213,570	896,269,064	6,797,411,696	0.669998	6,797,411,696	100.0%
2005	4,031,666,200	4,092,614,293	1,024,567,945	7,099,712,548	0.669998	7,099,712,548	100.0%
2006	4,361,834,090	4,320,530,688	1,105,005,542	7,577,359,236	0.669998	7,577,359,236	100.0%
2007	4,906,586,580	4,449,710,692	1,073,650,128	8,282,647,144	0.669998	8,282,647,144	100.0%
2008	5,469,305,770	5,178,753,981	1,438,990,381	9,209,069,370	0.669998	9,209,069,370	100.0%
2009	5,767,998,141	5,526,633,389	1,537,051,835	9,757,579,695	0.669998	9,757,579,695	100.0%
2010	5,603,083,057	5,828,420,792	1,853,784,284	9,577,719,565	0.669998	9,577,719,565	100.0%

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



THIS PAGE IS INTENTIONALLY LEFT BLANK

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

	FISCAL YEAR				
	<u>2001</u>	<u>2002</u>	<u>2003</u>	<u>2004</u>	<u>2005</u>
OVERLAPPING RATES					
City of Grand Prairie	0.669998	0.669998	0.669998	0.669998	0.669998
Grand Prairie School District	1.667100	1.667100	1.727100	1.751100	1.758600
Arlington School District	1.654400	1.740500	1.735000	1.755000	1.745460
Cedar Hill School District	1.630000	1.680000	1.701600	1.741300	1.848430
Irving School District	1.695000	1.770600	1.815000	1.837000	1.814000
Mansfield School District	1.671400	1.682000	1.682000	1.717000	1.772000
Midlothian School District	1.720000	1.720000	1.720000	1.764500	1.787500
Dallas County	0.196000	0.196000	0.203900	0.203900	0.213900
Dallas County Community College District	0.060000	0.060000	0.778000	0.080300	0.081600
Dallas County Hospital District	0.254000	0.254000	0.254000	0.254000	0.254000
Dallas County Flood Control District	3.284940	3.284940	2.080000	2.060000	2.060000
Grand Prairie Met Utl & Reclam Dist.	3.130000	3.710000	3.870000	2.450000	2.550000
Ellis County	0.302018	0.310170	0.310200	0.315993	0.273090
Johnson County	0.447350	0.455000	0.357300	0.382088	0.382088
Tarrant County	0.274785	0.272500	0.272500	0.272500	0.272500
Tarrant County Hospital District	0.234070	0.232400	0.235400	0.235397	0.235397
Tarrant County Junior College District	0.106410	0.139380	0.139400	0.139380	0.139380
CITY DIRECT RATES					
Operations & Maintenance	0.474711	0.474711	0.474711	0.474711	0.474711
Interest & Sinking	0.195287	0.195287	0.195287	0.195287	0.195287
Total Direct Rates	0.669998	0.669998	0.669998	0.669998	0.669998

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

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

<u>2006</u>	<u>2007</u>	<u>2008</u>	<u>2009</u>	<u>2010</u>
0.669998	0.669998	0.669998	0.669998	0.669998
1.629700	1.465000	1.465000	1.465000	1.465000
1.610000	1.278000	1.272000	1.272000	1.335000
1.743300	1.400000	1.500000	1.400000	1.440000
1.644000	1.348500	1.391000	1.425000	1.465000
1.687500	1.450000	1.750000	1.450000	1.496000
1.697500	1.367500	1.407500	1.397500	1.397500
0.213900	0.228100	0.228100	0.228100	0.243100
0.081000	0.080400	0.089400	0.094900	0.992300
0.254000	0.254000	0.254000	0.274000	0.271000
2.835540	2.835540	2.835540	2.835540	2.835540
2.050000	2.050000	2.140000	2.180000	2.120000
0.349500	0.364598	0.360091	0.360091	0.360091
0.369004	0.356962	0.306708	0.300590	0.327500
0.271500	0.266500	0.264000	0.264000	0.264000
0.235397	0.230397	0.227897	0.227897	0.227897
0.139380	0.139380	0.137960	0.137670	0.137640
0.474711	0.481500	0.484892	0.484892	0.484892
0.195287	0.188498	0.185106	0.185106	0.185106
0.669998	0.669998	0.669998	0.669998	0.669998

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

<u>Taxpayer</u>	<u>2010</u>			<u>2000</u>		
	<u>Taxable Assessed Value</u>	<u>Rank</u>	<u>Percentage of Total Taxable Assessed Value</u>	<u>Taxable Assessed Value</u>	<u>Rank</u>	<u>Percentage of Total Taxable Assessed Value</u>
Bell Helicopter	\$ 106,701,845	1	1.15%	\$ 74,698,730	1	1.33%
Oncor Electric/Texas Utilities	77,272,951	2	0.83%	-		-
Vought Aircraft	72,534,769	3	0.78%	74,530,290	2	1.33%
Republic Beverage	67,659,432	4	0.73%	26,017,000	10	0.46%
Prologis MacQarie, TX LP	67,379,630	5	0.73%	-		-
Lockheed Martin	51,763,421	6	0.56%	37,135,740	4	0.66%
Duke Realty Ltd. PS	48,760,294	7	0.52%	-		-
AT&T Communications	37,232,025	8	0.40%	-		-
Cardinal Health 200 Inc.	35,455,746	9	0.38%	-		-
CCDA Waters LLC	34,675,250	10	0.37%	-		-
Southwestern Bell	-		-	26,641,790	9	0.47%
Texas Utilities Electric	-		-	49,829,522	3	0.89%
Security Capital Industrial	-		-	33,891,450	5	0.60%
Amerisource Corporation	-		-	32,697,760	6	0.58%
General Electric Company	-		-	32,147,420	7	0.57%
OTR	-		-	31,600,020	8	0.56%
Total	\$ 599,435,363		6.45%	\$ 419,189,722		7.45%

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

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

Fiscal Year Ended 9/30	Taxes Levied for the Fiscal Year	Collected within the Fiscal Year of the Levy		Collections from Subsequent Years	Total Collections to Date	
		Amount	Percentage of Levy		Amount	Percentage of Levy
2001	\$ 37,683,270	\$ 36,942,345	98.03%	\$ 483,911	\$ 37,426,256	99.32%
2002	41,144,103	39,869,884	96.90%	455,763	40,325,647	98.01%
2003	44,368,289	42,884,922	96.66%	452,343	43,337,265	97.68%
2004	45,542,522	44,702,813	98.16%	700,297	45,403,110	99.69%
2005	47,526,939	46,083,028	96.96%	556,050	46,639,078	98.13%
2006	50,768,155	48,635,892	95.80%	1,167,668	49,803,560	98.10%
2007	55,193,470	54,491,806	98.73%	398,100	54,889,906	99.45%
2008	60,505,696	58,990,868	97.50%	1,088,164	60,079,032	99.29%
2009	65,518,513	64,007,684	97.69%	1,201,266	65,208,950	99.53%
2010	64,170,530	63,984,435	99.71%	-	63,984,435	99.71%

Above amounts exclude property tax revenue.

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

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

Fiscal Year	Governmental Activities			Business-type Activities		
	General Obligation	Sales Tax Revenue	Certificates of Obligation	Water Revenue	General Obligation	Certificates of Obligation
	Bonds	Bonds		Bonds	Bonds	Obligation
2001	\$ 55,766,853	\$ 28,280,000	\$ 22,140,000	\$ 22,780,610	\$ 2,485,597	\$ 6,650,000
2002	65,806,621	32,735,000	44,770,000	25,770,000	2,827,847	5,760,000
2003	67,197,982	32,045,000	53,750,000	25,965,000	2,376,929	5,665,000
2004	69,613,825	31,325,000	69,758,000	32,759,612	5,500,185	6,192,000
2005	73,234,687	31,285,000	65,728,928	46,116,347	4,998,030	6,021,072
2006	71,436,114	30,430,000	72,251,106	48,300,000	4,758,886	5,958,894
2007	70,284,620	29,540,000	86,119,781	52,315,000	4,303,600	5,735,219
2008	89,329,630	65,305,000	147,674,703	64,490,000	5,587,000	4,035,227
2009	93,109,470	62,010,000	167,503,622	65,800,000	5,407,000	3,796,378
2010	92,907,260	33,990,000	160,432,541	66,875,000	5,227,000	3,537,459

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

(1) Household Effective Buying Income used until 2005.
FY 2010 average household income figure provided by City of Grand Prairie
Department of Economic Development

	Total Primary Government	Percentage of Average Household Income¹	Per Capita
\$	138,103,060	0.04%	1,046
	177,669,468	0.03%	1,321
	186,999,911	0.02%	1,356
	215,148,622	0.02%	1,521
	227,384,064	0.02%	1,562
	233,135,000	0.03%	1,494
	248,298,220	0.02%	1,537
	376,421,560	0.01%	2,259
	397,626,470	0.01%	2,360
	362,969,260	0.02%	2,069

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

Year	General Bonded Debt Outstanding			Percentage of Actual Taxable Value of Property	Per Capita
	General Obligation Bonds	Certificates of Obligation	Total		
2001	\$ 55,766,853	\$ 22,140,000	\$ 77,906,853	1.39%	838
2002	65,806,621	44,770,000	110,576,621	1.80%	900
2003	67,197,982	53,750,000	120,947,982	1.83%	1,011
2004	69,613,825	69,758,000	139,371,825	2.05%	856
2005	73,234,687	65,728,928	138,963,615	1.96%	987
2006	71,436,114	72,251,106	143,687,220	1.90%	921
2007	70,284,620	86,119,781	156,404,401	1.89%	968
2008	89,329,630	147,674,703	237,004,333	2.57%	1,422
2009	93,109,470	167,503,622	260,613,092	2.67%	1,547
2010	92,907,260	160,432,541	253,339,801	2.65%	1,444

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

**CITY OF GRAND PRAIRIE
DIRECT AND OVERLAPPING
GOVERNMENTAL ACTIVITIES OF DEBT (Unaudited)
AS OF SEPTEMBER 30, 2010**

<u>Governmental Unit</u>	<u>Debt Outstanding</u>	<u>Estimated Percentage Applicable</u>	<u>Estimated Share of Direct and Overlapping Debt</u>
Debt repaid with property taxes			
Arlington Independent School District	\$ 450,540,000	17.68%	\$ 79,655,472
Cedar Hill Independent School District	103,001,638	3.74%	3,852,261
Dallas County	121,176,552	2.76%	3,344,473
Dallas County Community College District	416,040,000	2.76%	11,482,704
Dallas County Flood Control District #1	30,620,100	2.76%	845,115
Dallas County Hospital District	705,000,000	2.76%	19,458,000
Ellis County	62,646,262	0.15%	93,969
Grand Prairie Independent School District	452,188,968	89.86%	406,337,007
Grand Prairie Metro Utility & Reclamation District	5,425,000	100.00%	5,425,000
Irving Independent School District	550,310,810	0.76%	4,182,362
Mansfield Independent School District	716,029,944	8.69%	62,223,002
Midlothian Independent School District	164,596,802	0.47%	773,605
Tarrant County	371,070,000	3.67%	13,618,269
Tarrant County Community College District	36,495,000	3.67%	1,339,367
Tarrant County Hospital District	28,000,000	3.67%	1,027,600
Subtotal, overlapping debt			<u>613,658,206</u>
City direct debt	158,366,260	100.00%	<u>158,366,260</u>
Total direct and overlapping debt			<u>\$ 772,024,466</u>

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

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

	<u>Fiscal Year</u>			
	<u>2001</u>	<u>2002</u>	<u>2003</u>	<u>2004</u>
Debt limit	\$ 140,609,638	\$ 153,523,231	\$ 165,571,853	\$ 169,935,292
Total net debt applicable to limit	<u>76,626,068</u>	<u>84,833,770</u>	<u>89,502,976</u>	<u>118,296,761</u>
Legal debt margin	<u>\$ 63,983,570</u>	<u>\$ 68,689,461</u>	<u>\$ 76,068,877</u>	<u>\$ 51,638,531</u>
Total net debt applicable to the limit as a percentage of debt limit	54.50%	55.26%	54.06%	69.61%

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

Fiscal Year					
<u>2005</u>	<u>2006</u>	<u>2007</u>	<u>2008</u>	<u>2009</u>	<u>2010</u>
\$ 177,492,814	\$ 189,433,981	\$ 207,066,179	\$ 230,226,734	\$ 243,939,492	\$ 239,442,989
119,206,430	118,410,646	124,781,713	140,806,849	154,308,664	150,792,741
\$ 58,286,384	\$ 71,023,335	\$ 82,284,466	\$ 89,419,885	\$ 89,630,828	\$ 88,650,248
67.16%	62.51%	60.26%	61.16%	63.26%	62.98%

Legal Debt Margin Calculation for Fiscal Year 2010

Assessed value	\$ 9,577,719,565
Debt limit (2.5% of assessed value)	239,442,989
Debt applicable to limit:	
General obligation bonds	158,366,260
Less: Amount set aside for repayment of general obligation debt	<u>(7,573,519)</u>
Total net debt applicable to limit	<u>150,792,741</u>
Legal debt margin	<u>\$ 88,650,248</u>

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

Fiscal Year	Water Revenue Bonds						Coverage ⁴
	Utility Service Charges ¹	Less: Operating Expenses ²	Net Available Revenue	Debt Service			
				Principal	Interest		
2001	\$ 34,224,480	\$ 21,124,415	\$ 13,100,065	\$ 3,299,666	\$ 1,252,427	2.88	
2002	31,950,014	19,738,275	12,211,739	3,789,539	1,116,228	2.49	
2003	34,561,157	21,804,379	12,756,778	2,862,022	1,075,100	3.24	
2004	34,493,334	23,310,775	11,182,559	2,937,217	894,036	2.92	
2005	35,760,835	26,859,732	8,901,103	2,609,596	1,462,684	2.19	
2006	45,853,437	30,419,541	15,433,896	2,540,000	1,718,216	3.62	
2007	46,946,426	29,316,250	17,630,176	2,610,000	2,208,853	3.66	
2008	47,636,804	31,954,392	15,682,412	3,670,000	2,534,846	2.53	
2009	48,534,900	33,756,808	14,778,092	3,630,000	2,630,012	2.36	
2010	47,944,122	36,040,449	11,903,673	3,920,000	2,737,505	1.79	

- (1) Revenues include operating revenues plus impact fees and investment income.
- (2) Expenses exclude depreciation expense.
- (3) In 2002, franchise fees were excluded from operating expenses.
 If they had been included, the coverage ratio would have been 2.24.
 In all other years, franchise fees are included in operating expense.
- (4) Bond covenants require coverage of no less than 1.25.
 The City financial policy coverage goal is 2.00.
- (5) The City's initial Park Venue Sales Tax Revenue Bonds were issued in fiscal year 2000.
- (6) Bond covenants require a coverage of no less than 1.25. The City financial policies require a coverage of no less than 1.50.

Sales Tax Revenue Bonds⁵

	Sales Tax Increment		Maximum Annual Debt Service⁶	Coverage
\$	3,945,644	\$	2,053,888	1.92
	3,846,684		2,399,263	1.60
	3,760,154		2,399,263	1.57
	3,995,002		2,399,263	1.67
	4,151,075		2,370,800	1.75
	4,906,292		2,370,800	2.07
	5,476,985		2,370,800	2.31
	5,488,686		2,370,800	2.32
	5,193,338		2,370,800	2.19
	5,136,774		2,369,203	2.17

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

Calendar Year	Population	Median (1) Household Income <i>(thousands of dollars)</i>	Median Age	Public School Enrollment	Unemployment Rate
2001	132,000	50,019	*	20,926	4.0%
2002	134,450	51,786	*	21,391	6.1%
2003	137,872	43,100	*	21,904	7.0%
2004	141,450	42,571	*	22,496	6.4%
2005	145,600	43,616	31	23,733	5.4%
2006	156,050	53,006	32	24,396	5.1%
2007	161,550	52,176	32	25,182	4.4%
2008	166,650	50,919	32	26,025	5.0%
2009	168,500	58,765	32	26,212	8.1%
2010	175,396	64,148	32	26,594	8.9%

Sources of Information:

Estimated Population:
 City of Grand Prairie Department of Planning
 North Texas Council of Governments
 Household Effective Buying Income:
 Sales and Marketing Management Magazine
 Median Household Income
 ESRI
 Median Age
 ESRI
 Public School Enrollment:
 Grand Prairie Independent School District 2010
 Unemployment Rate:
 Texas Workforce Commission

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

* Not available.

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

<u>Employer</u>	<u>2010</u>			<u>2000</u>		
	<u>Employees</u>	<u>Rank</u>	<u>Percentage of Total City Employment</u>	<u>Employees</u>	<u>Rank</u>	<u>Percentage of Total City Employment</u>
Grand Prairie Independent School District	3,300	1	2.14%	2,500	2	2.26%
Lockheed Martin Missiles and Fire Control	3,000	2	1.94%	2,600	1	2.35%
Poly-America Inc.	1,800	3	1.17%	1,800	3	1.63%
Bell Helicopter-Textron	1,300	4	0.84%	1,000	6	0.91%
Lone Star Park at Grand Prairie	1,200	5	0.78%	1,400	4	1.27%
City of Grand Prairie	1,100	6	0.71%	1,200	5	1.09%
Vought Aircraft Industries	700	7	0.45%	700	7	-
American Eurocopter	500	8	0.32%	-	-	-
Republic National Distributing	500	9	0.32%	-	-	-
Siemens Energy & Automation, Inc.	500	10	0.32%	500	9	-
Walmart	-	-	-	600	8	-
Southwest Airlines	-	-	-	500	10	0.45%
Total	<u>13,900</u>		<u>8.57%</u>	<u>12,800</u>		<u>11.46%</u>

Source of Information: North Central Texas Council of Governments

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

Full-time-Equivalent Employees as of September 30										
<u>Function/Program</u>	<u>2001</u>	<u>2002</u>	<u>2003</u>	<u>2004</u>	<u>2005</u>	<u>2006</u>	<u>2007</u>	<u>2008</u>	<u>2009</u>	<u>2010</u>
General Government and Administration										
City Manager's Office	8	6	8	8	8	8	8	10	10	9
Budget and Research	4	4	4	4	3	3	3	3	3	3
Management Services	4	4	4	4	3	3	3	3	3	3
Marketing	4	4	4	4	4	4	6	7	10	7
Economic Development	5	3	3	3	3	-	-	-	-	-
Legal Services	6	6	4	4	4	4	4	5	5	5
Municipal Court	26	26	26	26	27	28	28	29	27	25
Judiciary	2	3	3	3	3	4	4	5	5	5
Human Resources	10	10	10	10	9	9	9	11	11	10
Finance	17	17	17	17	17	17	17	19	19	17
Information Technology	20	24	24	24	23	26	26	26	26	24
Planning and Development	39	37	37	61	61	61	61	60	59	52
Housing and Neighborhood	6	6	6	5	5	5	5	5	0	
Public Works	25	24	24	67	66	66	66	67	66	61
Transportation	77	75	75	8	8	8	8	8	9	8
Fire	189	189	189	189	194	198	209	327	352	343
Police	294	281	284	287	296	302	316	209	215	203
Building and Construction Management	12	11	11	1	1	1	1	1	1	1
Environmental Services	19	18	18	18	18	18	19	21	21	20
Library	29	28	28	28	28	31	31	32	38	36
Parks and Recreation	83	103	106	120	116	121	121	123	174	164
Grants	38	51	52	64	50	43	39	37	46	45
Enterprise Operations and Administrations										
Water/Wastewater	86	88	91	92	92	94	96	100	101	104
Solid Waste	20	21	25	25	25	28	30	32	34	33
Airport	5	5	5	5	5	5	5	5	5	5
Golf	25	25	25	25	20	20	20	20	25	21
Storm Water	-	-	-	-	-	2	6	6	6	6
Internal Service Operations										
Equipment Services	17	17	17	17	17	17	17	17	17	15
Risk Management	2	2	2	2	2	2	2	1	1	1
Total	<u>1,072</u>	<u>1,088</u>	<u>1,102</u>	<u>1,121</u>	<u>1,108</u>	<u>1,128</u>	<u>1,160</u>	<u>1,189</u>	<u>1,289</u>	<u>1,226</u>

Source of Information: City Budget Office.

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

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

<u>Function/Program</u>	<u>Fiscal Year</u>									
	<u>2001</u>	<u>2002</u>	<u>2003</u>	<u>2004</u>	<u>2005</u>	<u>2006</u>	<u>2007</u>	<u>2008</u>	<u>2009</u>	<u>2010</u>
Police										
Stations	1	1	1	1	1	1	1	1	1	1
Public safety training complex	-	1	1	1	1	1	1	1	1	1
Storefronts	3	3	3	3	3	3	3	3	3	3
Fire stations	9	9	9	9	9	9	9	9	9	9
Other public works										
Streets (miles)	485	485	485	504	555	589	589	600	600	622
Acreage	52,096	52,096	52,096	52,096	52,096	52,096	52,096	52,096	51,108	51,105
Public parks	47	52	52	53	53	54	57	57	57	57
Baseball/softball diamonds	24	24	24	24	24	24	25	25	25	25
Soccer/football fields	20	21	21	18	18	18	21	21	21	21
Community/recreations centers	4	4	4	5	5	5	5	5	5	8
Public golf courses	2	2	2	2	2	2	2	2	2	2
Public swimming pools	3	4	4	5	5	5	4	4	4	4
Libraries	2	2	2	2	3	3	3	3	3	3
Cemeteries	-	-	-	1	1	1	1	1	1	1
Water										
Water connections	48,919	50,739	51,839	53,178	55,375	58,286	60,187	61,365	62,190	62,077
Daily consumption (millions of gallons)	19	19	20	21	25	27	24	26	26	34
Wastewater										
Daily flow (millions of gallons)	14	14	14	19	17	15	16	14	14	15
Airports	1	1	1	1	1	1	1	1	1	1
Transit—minibuses	11	11	11	11	11	12	15	12	12	12

Source of Information: various departments.

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

FISCAL YEAR	DALLAS WATER UTILITIES WATER PURCHASES			TRINITY RIVER AUTHORITY WASTEWATER TREATMENT		
	VOLUME	DEMAND	TOTAL	O&M	DEBT SERVICE	TOTAL
2001	2,208,970	3,247,573	5,456,543	2,234,410	3,403,837	5,638,247
2002	2,271,851	3,178,301	5,450,152	2,350,719	2,993,555	5,344,274
2003	1,993,884	3,382,202	5,376,086	2,325,760	2,989,560	5,315,320
2004	2,291,253	3,926,081	6,217,334	2,676,536	3,480,936	6,157,472
2005	2,563,201	4,223,143	6,786,344	3,737,732	3,961,277	7,699,009
2006	2,840,265	5,173,555	8,013,820	3,221,410	4,177,739	7,399,149
2007	2,407,021	5,681,405	8,088,426	3,150,985	4,214,287	7,365,272
2008	2,785,551	5,458,801	8,244,352	3,628,734	4,009,898	7,638,632
2009	3,119,852	5,893,558	9,013,410	3,687,602	4,849,504	8,537,106
2010	2,883,426	6,083,691	8,967,118	3,803,188	5,678,184	9,481,372

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

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

TRINITY RIVER AUTHORITY

JOE POOL LAKE INTAKE	JOE POOL LAKE CORP OF ENGINEERS	WATER STORAGE FACILITY ¹
162,124	384,304	266,235
163,768	380,965	259,665
166,413	390,546	369,260
160,163	349,084	-
185,136	416,034	-
44,249	380,806	-
13,782	271,575	-
6,810	366,430	-
6,450	370,440	-
24,000	395,860	-

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

Function	Fiscal Years					
	2005	2006	2007	2008	2009	2010
Police						
911 calls received *	146,265	152,348	148,089	156,822	151,981	142,342
Non-emergency calls *	166,840	160,846	149,361	157,132	138,225	141,120
Calls for service *	135,623	133,232	136,435	130,532	127,776	144,256
Jail Arrests *	6,624	6,493	6,611	7,059	10,204	7,152
Fire						
Total Fire and EMS calls *	17,749	15,060	15,904	15,678	15,589	15,589
Fire response calls for structure fires *	379	384	263	249	217	217
Street						
Number of miles of overlay streets	9	26	17	8	5	6
Number of lane miles crack sealed	20	11	38	49	44	-
Number of street defects repaired	6,312	6,802	22,513	14,502	24,112	31,973
Number of linear ft of sidewalk repaired	28,164	17,706	9,645	40,499	12,135	25,158
Solid Waste						
Landfill refuse collected (tons)	161,597	177,929	187,349	180,855	168,387	163,080
Recyclables collected (tons)	5,230	6,058	6,228	6,081	6,288	5,145
Water						
Average Daily consumption (thousands of gallons)	25,048	27,042	24,265	25,417	25,451	22,912
Wastewater						
Average daily sewage treatment (thousands of gallons)	17,056	15,418	15,787	14,038	14,353	15,184

Source of Information: City Departments

* In calendar year