

# City of Grand Prairie, Texas Comprehensive Annual Financial Report

Fiscal Year Ended September 30, 2007



Grand Prairie celebrates  
the renovation of its  
Uptown Theater into a  
Performing Arts Venue

# **CITY OF GRAND PRAIRIE, TEXAS**

**COMPREHENSIVE ANNUAL FINANCIAL REPORT**

**FOR THE FISCAL YEAR ENDED**

**SEPTEMBER 30, 2007**

**PREPARED BY THE FINANCE DEPARTMENT**



**Charles England**  
Mayor

**Lawrence Williams**  
Interim Controller

**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, 2007**

**TABLE OF CONTENTS**

<b>I. INTRODUCTORY SECTION (Unaudited)</b>	<b>Page</b>
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
 <b>II. FINANCIAL SECTION</b>	
Independent Auditor's Report	1
<b>A. MANAGEMENT'S DISCUSSION AND ANALYSIS (Unaudited)</b>	<b>3</b>
<b>B. BASIC FINANCIAL STATEMENTS</b>	
<b>Government-Wide Financial Statements</b>	
Statement of Net Assets	15
Statement of Activities	16
<b>Fund Financial Statements</b>	
<b>Governmental Funds Financial Statements</b>	
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
<b>Proprietary Funds Financial Statements</b>	
Statement of Net Assets	26
Statement of Revenue, Expense, and Changes in Fund Net Assets	27
Statement of Cash Flows	29

	<b>Page</b>
<b>Notes to Basic Financial Statements</b>	31
<b>C. REQUIRED SUPPLEMENTARY INFORMATION</b>	
General Fund - Budget to Actual Comparison Schedule	81
Park Venue Fund – Budget to Actual Comparison Schedule	82
Section 8 Fund – Budget to Actual Comparison Schedule	83
Texas Municipal Retirement System – Seven-year Analysis of Funding Progress	84
<b>D. COMBINING AND INDIVIDUAL FUND STATEMENTS AND SCHEDULES</b>	
<b>Nonmajor Governmental Funds</b>	87
Combining Balance Sheet	88
Combining Statement of Revenue, Expenditures, and Changes in Fund Balance	90
Debt Service Fund – Budget to Actual Comparison Schedule	94
Hotel/Motel Tax Fund – Budget to Actual Comparison Schedule	95
Police Seizure Fund – Budget to Actual Comparison Schedule	96
Municipal Court Fund – Budget to Actual Comparison Schedule	97
Cable Operations Fund – Budget to Actual Comparison Schedule	98
<b>Nonmajor Enterprise Funds</b>	100
Statement of Net Assets	101
Statement of Revenue, Expense, and Changes in Fund Net Assets	102
Statement of Cash Flows	103
<b>Internal Service Funds</b>	104
Statement of Net Assets	105
Statement of Revenue, Expense, and Changes in Fund Net Assets	106
Statement of Cash Flows	107

**III. CAPITAL ASSETS USED IN THE OPERATION OF GOVERNMENTAL FUNDS**

Schedule by Source	109
Schedule by Function and Activity	110
Schedule of Changes by Function and Activity	111

**IV. SUPPLEMENTAL SCHEDULES** 113**Park Venue Fund**

Aggregating Balance Sheet	114
Aggregating Schedule of Revenue, Expenditures, and Changes in Fund Balance	115

**Tax Increment Financing Fund**

Aggregating Balance Sheet	116
Aggregating Schedule of Revenue, Expenditures, and Changes in Fund Balance	117

**Water and Wastewater Fund**

Aggregating Schedule of Net Assets	118
Aggregating Schedule of Revenue, Expense, and Changes in Fund Net Assets	120

**Municipal Golf Course Fund**

Aggregating Schedule of Net Assets	122
Aggregating Schedule of Revenue, Expense, and Changes in Fund Net Assets	123

**Solid Waste Fund**

Aggregating Schedule of Net Assets	124
Aggregating Schedule of Revenue, Expense, and Changes in Fund Net Assets	126

**Municipal Airport Fund**

Aggregating Schedule of Net Assets	128
Aggregating Schedule of Revenue, Expense, and Changes in Fund Net Assets	129

	<b>Page</b>
<b>Risk Management Fund</b>	
Aggregating Schedule of Net Assets	130
Aggregating Schedule of Revenue, Expense, and Changes in Fund Balance	131
<b>V. STATISTICAL SECTION (Unaudited)</b>	133
<b>Financial Trends</b>	
Net Assets by Component	135
Changes in Net Assets	136
Fund Balances, Governmental Funds	138
Change in Fund Balances, Governmental Funds	140
<b>Revenue Capacity</b>	
Assessed and Estimated Actual Values of Taxable Property	142
Direct and Overlapping Property Tax Rates	144
Principal Property Tax Payers	146
Property Tax Levies and Collections	147
<b>Debt Capacity</b>	
Ratios of Outstanding Debt by Type	148
Ratios of General Bonded Debt Outstanding	150
Direct and Overlapping Governmental Activities of Debt	151
Legal Debt Margin Information	152
Pledged Revenue Coverage	154
<b>Demographic and Economic Information</b>	
Demographic and Economic Statistics	156
Principal Employers	157
Full-time-equivalent City Government Employees by Function/Program	158
<b>Operating Information</b>	
Capital Assets Statistics by Function/Program	159
Water and Wastewater Contracts	
Components of Payments Made Under Selected Contracts	160
Operating Indicators by Function	162

# INTRODUCTORY SECTION





March 26, 2008

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 for the fiscal year ended September 30, 2007. It was prepared by the City's financial staff and audited by Weaver & Tidwell, L.L.P.

Management assumes full responsibility for the completeness and reliability of the information contained in this report, based upon a comprehensive framework of internal control that it has established for this purpose. Because the cost of internal control should not exceed anticipated benefits, the objective is to provide reasonable, rather than absolute, assurance that the financial statements are free of any material misstatements.

Weaver and Tidwell, L.L.P., a firm of licensed certified public accountants, have issued an unqualified ("clean") opinion on the City of Grand Prairie's financial statements for the year ended September 30, 2007. The Independent Auditor's Report is located at the front of the financial section of this report.

Management's discussion and analysis (MD&A) immediately follows the Independent Auditor's Report and provides a narrative introduction, overview, and analysis of the basic financial statements. The letter of transmittal is designed to complement and should be read in conjunction with the MD&A.

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, 2007. 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 population of approximately 161,550, the City provides a full range of services, including but not limited to police and fire protection; public libraries; the construction and maintenance of streets, and other infrastructure; water and wastewater service; solid waste collection and disposal; storm water utility; a municipal airport; municipal golf courses, and other recreational activities and cultural events. Fifteen Public Improvement Districts and three Tax Increment Financing Districts, none of which are legally separate entities, are included in the City's reporting entity.

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 this 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. Grand Prairie's population surge placed it as the nation's sixth-fastest growing city with more than 100,000 residents, according to the U.S. Census Bureau.

### Local Economy

Grand Prairie's development continued to show sustained growth. The City's permitted new construction jumped 93 % in 2007 to 4.2 million square feet, 2 million square feet more than in 2006. Its related value is estimated to be \$181.2 million, a 76% increase. Jobs related to new construction in 2007 also increased from 2006, 1600 and 1500 respectively.

Lake Prairie Towne Centre (retail power center) added Marshall's, Ross and On the border to its tenant list. They join Super Target, Home Depot, Chili's, Petco and 24-hour Fitness, among others. The nearly 600,000 square foot power center is close to 90 percent complete and occupied.

Absorption of existing space was highlighted by Ashley Furniture and Pepsi/Quaker expansions and by renovation and occupancies by Renaissance Hospital at the former DFW Hospital and by Asia Times Square tenants at the revamped Wal-Mart. In addition, Komplete Packaging, one of the largest contract packaging companies in the south, purchased and occupied a vacant 100,000 square foot warehouse.

Citywide, square feet absorbed in 2007 totaled 2.5 million, compared with 3.3 million in 2006. Jobs added by companies locating here totaled 1900 in 2007 and 2200 in 2006. Interior finish-out value increased in 2007 to \$11 million from \$5.2 million in 2006.

Five new industrial distribution centers with construction under way could add up to 6 million square feet by the end of 2008. All that construction, depending on the appraisal district's recorded year of finish, would surpass the City's biggest year of industrial construction in 1981 when 3.5 million square feet were added.

### **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**

Economic news in 2007 was highlighted by Prime Retail's announcement that it will build 450,000 square feet of high-end retail outlets in Grand Prairie, bringing the City its first regional retail attraction. At SH 360 and I-20, tenants should number up to 120 and employ about 500 people. The mall could attract as many as 3 million people a year. Construction is expected to begin in summer 2008.

A highly successful local election resulted with the voters approving sales tax financing for several high-impact public projects including a professional baseball park, adult/senior activity center and public safety facility. Additionally, Central Park, a 172-acre super park at SH 161 and Warrior, moved forward and will be the site of the new public safety facility and adult/senior activity center.

The City also progressed on the renovation of Uptown Theater with the purchase of two adjacent spaces on Main Street. Restoration activity has begun on the 1950s era theater that will host performing arts and serve as home of the Arts Council. Its debut is scheduled for fall 2008.

Future projects total about 3.5 million square feet, 2000 jobs and \$124 million in value. They include Duke Realty's Grand Lakes, Logistics Crossing II, CB Richard Ellis/Trammell Crow SH 161 Distribution Center, Sowell Properties, and Mira Lagos/Hanover Partners Retail.

## 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 2006. The City believes the 2007 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.

In addition, the City also received the GFOA's Distinguished Budget Presentation Award for its annual budget document dated September 30, 2006. In order to qualify for the distinguished Budget Presentation Award, the City's budget document had to be judged proficient as a policy document, a financial plan, and operations guide, and a communications device.

Finally, the City was recognized by the National Purchasing Institute for earning The Achievement of Excellence in Procurement Award. The program is designed to measure and recognize excellence organizations for innovation, professionalism, e-procurement, productivity, and leadership attributes of the procurement function. This is the 12<sup>th</sup> time that the City has earned this recognition. Moreover, City of Grand Prairie is one of only 29 agencies to win at least eight times.

## 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 Ken Unkart in Parks & Recreation for graphics assistance, as well as, 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 and encouragement 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, 2006

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.



*Oliver S. Cox*

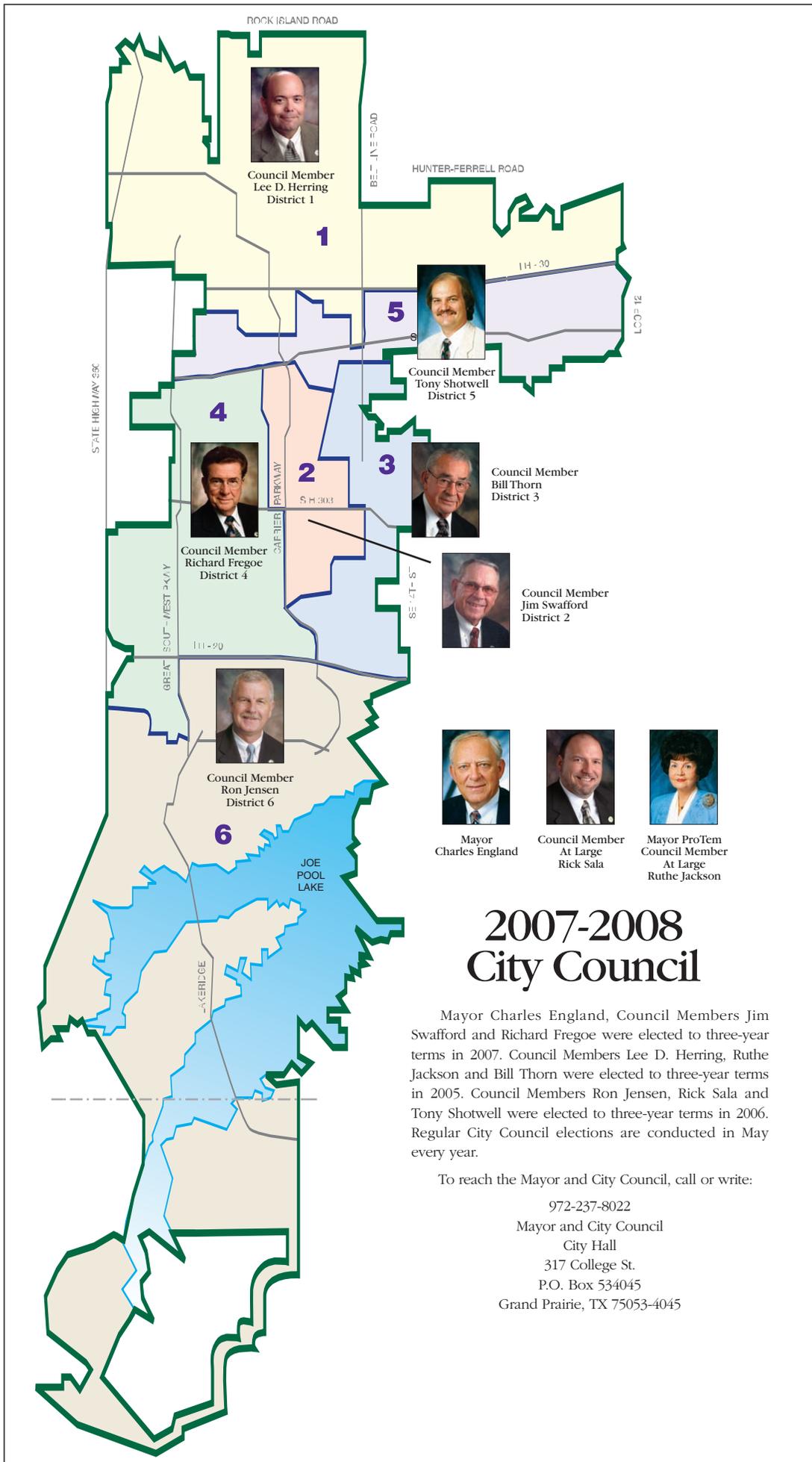
President

*Jeffrey R. Emery*

Executive Director



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## 2007-2008 City Council

Mayor Charles England, Council Members Jim Swafford and Richard Fregoe were elected to three-year terms in 2007. Council Members Lee D. Herring, Ruthe Jackson and Bill Thorn were elected to three-year terms in 2005. Council Members Ron Jensen, Rick Sala and Tony Shotwell were elected to three-year terms in 2006. 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**

**DIRECTOR OF CITY OFFICIALS**

**MAYOR AND CITY COUNCIL**

Charles England	Mayor At Large
Lee D. Herring	District 1
Jim Swafford	District 2
Bill Thorn	District 3
Richard Fregoe	District 4
Tony Shotwell	District 5
Ron Jensen	District 6
Ruthe Jackson	Mayor Pro Tem – At Large – Place 7
Rick Sala	At Large – Place 8

**EXECUTIVE MANAGERS**

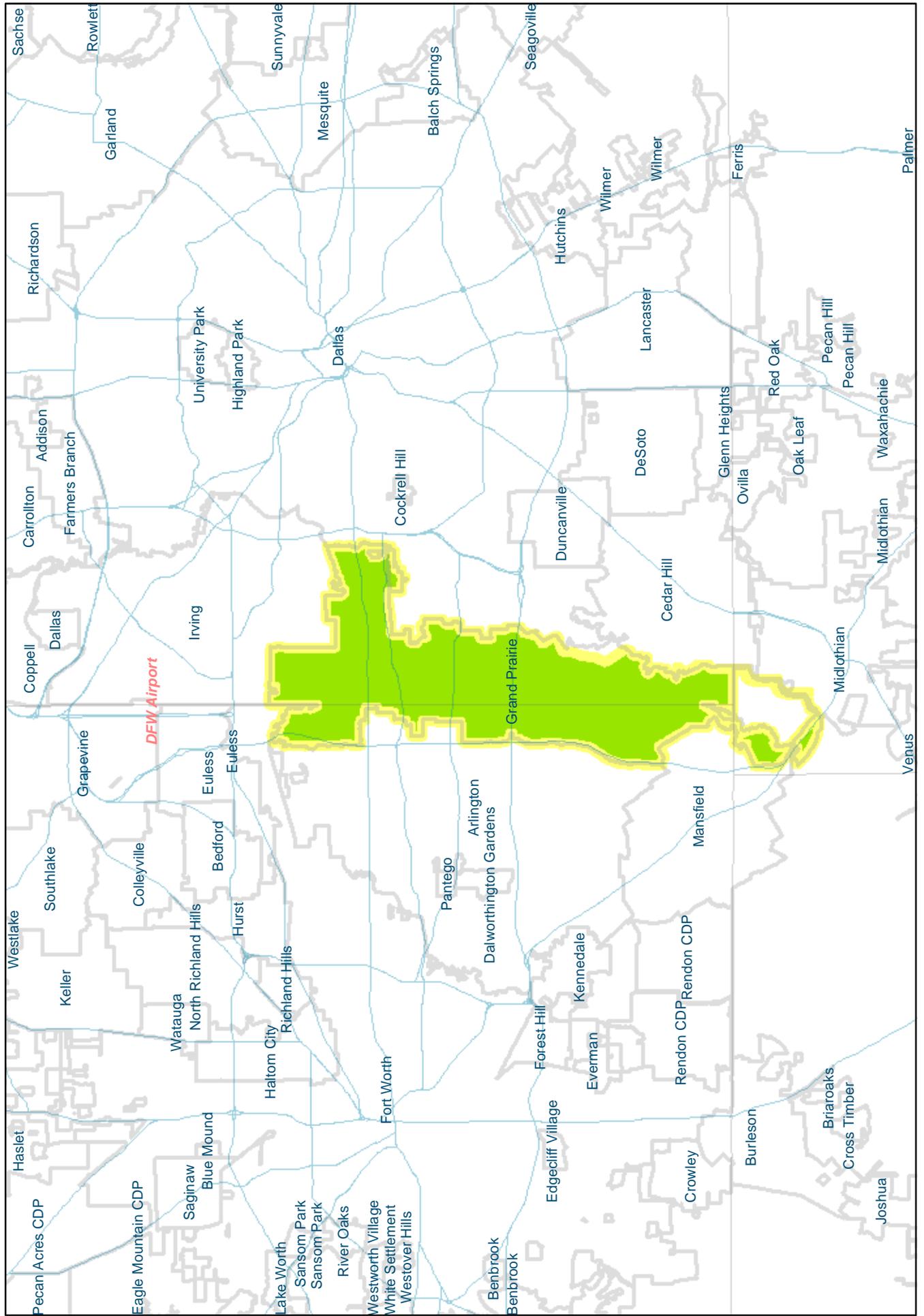
Tom Hart	City Manager
Tom Cox	Deputy City Manager
Anna Doll	Deputy City Manager
Christal Kliewer	Assistant to City Manager
Randy Byers	Airport Director
Steven Cherry	Court Services Director
Kathleen Cook	Budget Director
Bill Crolley	Director of Planning & Development
Jim Cummings	Environmental Services Director
Cathy DiMaggio	City Secretary
Rick Herold	Parks & Recreation Director
Glen Hill	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 Stroub	Management Services Director

# City of Grand Prairie Organizational Chart



# City of Grand Prairie, Texas

Located in the middle of the Dallas-Fort Worth Worth Metroplex





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# FINANCIAL SECTION





WEAVER  
AND  
TIDWELL

L.L.P.

CERTIFIED PUBLIC  
ACCOUNTANTS  
AND CONSULTANTS

## 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 aggregate 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, 2007, 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 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 provides a reasonable basis for our opinions.

In accordance with *Government Auditing Standards*, we have also issued our report dated March 25, 2008 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 aggregate discretely presented component units, each major fund, and the aggregate remaining fund information of the City of Grand Prairie at September 30, 2007, 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.

DALLAS

Three Forest Plaza  
12221 Merit Drive  
Suite 1400  
Dallas, Texas 75251-2280  
972.490.1970  
F 972.702.8321

WWW.WEAVERANDTIDWELL.COM

AN INDEPENDENT MEMBER OF  
BAKER TILLY  
INTERNATIONAL

The accompanying management's discussion and analysis, the budget to actual schedules for the General Fund, Park Venue 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.

City of Grand Prairie, Texas  
Page Two

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 non-major 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 non-major 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.*

**WEAVER AND TIDWELL, L.L.P.**

Dallas, Texas  
March 25, 2008

# MANAGEMENT'S DISCUSSION & ANALYSIS



**CITY OF GRAND PRAIRIE, TEXAS  
MANAGEMENT'S DISCUSSION AND ANALYSIS  
FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2007  
(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, 2007. 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, 2007 by \$539,926,583. Of this amount, \$146,220,020 may be used to meet the government's ongoing obligations to citizens and creditors (*unrestricted net assets*).
- ◆ The City's net assets increased by \$55,555,280 for the fiscal year ended September 30, 2007. Capital contributions from private developers for improvements to the City's infrastructure accounted for \$9,294,966 or 16.7% of the increase in city net assets.
- ◆ The City's governmental funds reported combined ending fund balances of \$122,278,703 at September 30, 2007, an increase of \$35,426,593 in comparison with prior year combined fund balances. Of the governmental funds reported combined fund balances, \$112,290,816 or 91.8% is available for spending within City guidelines (*unreserved fund balance*).
- ◆ The City's unreserved fund balance for the general fund was \$24,474,441 at year end or 31.3% of total general fund expenditures for the reported fiscal year.
- ◆ The City's total long-term liabilities of \$264,508,085 increased by \$18,300,839 or 7.4% during the reported fiscal year. In fiscal year 2007, the City issued general obligation, certificates of obligation, water and wastewater revenue, and TIF-related certificates of obligation bonds totaling a combined \$28,085,000.

**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 City levies and collects a one-half cent sales and use tax to finance the racetrack project.

**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 five major governmental funds: General Fund, Section 8 Fund, Park Venue 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 nonmajor 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 Park Venue 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 three are major enterprise funds: the Water Wastewater Fund, the Municipal Golf Fund, and the Solid Waste 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 nonmajor 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 nonmajor governmental funds, nonmajor 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 \$539,926,583 at year end. The City had total assets at year end of \$828,861,265. The City's pooled cash and investments totaling \$187,154,751 and capital assets (e.g., land, buildings, equipment, infrastructure, and construction in progress), net of accumulated depreciation totaling \$623,070,251 represented 22.6% 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 \$384,697,516 and represented 71.2% of the City's total net assets at year end. The City uses its capital assets to provide services to citizens; consequently, these assets are not available for future spending. Although the City's investment in its capital assets is reported net of related debt, it should be noted that the resources needed to repay this must be provided from other sources, since the capital assets themselves cannot be used to liquidate these liabilities. Table 1 below is a summary of the City's net assets at year end compared to the prior year.

**Table 1**  
**Net Assets**

	Governmental Activities		Business-Type Activities		Total Primary Government	
	9/30/2006	9/30/2007	9/30/2006	9/30/2007	9/30/2006	9/30/2007
Cash & investments	\$ 88,878,475	\$ 131,277,131	\$ 55,320,722	\$ 55,877,620	\$ 144,199,197	\$ 187,154,751
Other assets	12,203,911	12,423,781	5,244,111	6,212,483	17,448,022	18,636,264
Capital assets, net	406,669,889	426,341,023	185,220,693	196,729,228	591,890,582	623,070,251
Total assets	<u>507,752,275</u>	<u>570,041,935</u>	<u>245,785,526</u>	<u>258,819,331</u>	<u>753,537,801</u>	<u>828,861,266</u>
Current liabilities	16,118,593	22,247,674	9,896,573	6,597,928	26,015,166	28,845,602
Long-term bonded debt	173,729,702	185,791,917	59,094,071	62,458,824	232,823,773	248,250,741
Other noncurrent liabilities	7,594,665	6,955,307	2,732,894	4,883,033	10,327,559	11,838,340
Total liabilities	<u>197,442,960</u>	<u>214,994,898</u>	<u>71,723,538</u>	<u>73,939,785</u>	<u>269,166,498</u>	<u>288,934,683</u>
Net assets:						
Invested in capital assets, net of related debt	255,230,188	250,427,112	133,275,493	134,270,404	388,505,681	384,697,516
Restricted	3,034,411	5,260,954	3,671,913	3,748,093	6,706,324	9,009,047
Unrestricted	52,044,716	99,358,971	37,114,582	46,861,049	89,159,298	146,220,020
Total net assets	<u>\$ 310,309,315</u>	<u>\$ 355,047,037</u>	<u>\$ 174,061,988</u>	<u>\$ 184,879,546</u>	<u>\$ 484,371,303</u>	<u>\$ 539,926,583</u>

A portion of the City's net assets totaling \$9,823,817 or 1.8% 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 \$55,555,280 in fiscal year 2007. As previously mentioned, \$9,294,966 or 16.7% 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 2007 compared to fiscal 2006 changes in the City's net assets were as follows:

**Table 2**

**Changes in Net Assets**

	<b>Governmental Activities</b>		<b>Business-Type Activities</b>		<b>Total Primary Government</b>	
	<b>9/30/06</b>	<b>9/30/07</b>	<b>9/30/06</b>	<b>9/30/07</b>	<b>9/30/06</b>	<b>9/30/07</b>
Revenues:						
Program revenues:						
Charges for services	\$ 28,449,951	\$ 25,399,502	\$ 57,886,611	\$ 57,066,591	\$ 86,336,562	\$ 82,466,093
Operating grants and contributions	33,141,279	48,052,791	737,536	1,668,944	33,878,815	49,721,735
Capital grants and contributions	8,409,834	14,027,960	4,172,710	8,109,411	12,582,544	22,137,371
General revenues:						
Property tax	54,462,317	61,443,459	-	-	54,462,317	61,443,459
Sales tax	29,289,416	31,919,487	-	-	29,289,416	31,919,487
Other tax	1,299,365	1,344,762	-	-	1,299,365	1,344,762
Franchise fees	15,658,628	11,375,535	305,907	-	15,964,535	11,375,535
Investment income	4,735,009	7,573,850	1,685,867	2,549,696	6,420,876	10,123,546
Other	71,784	-	-	-	71,784	-
<b>Total revenues</b>	<b>175,517,583</b>	<b>201,137,346</b>	<b>64,788,631</b>	<b>69,394,642</b>	<b>240,306,214</b>	<b>270,531,988</b>
Expenses:						
Support services	16,076,516	22,481,067	-	-	16,076,516	22,481,067
Public safety	57,826,788	70,124,744	-	-	57,826,788	70,124,744
Recreation and leisure	15,606,279	19,168,072	-	-	15,606,279	19,168,072
Development and other services	50,642,965	38,630,596	-	-	50,642,965	38,630,596
Interest on long-term debt	7,659,557	8,421,424	-	-	7,659,557	8,421,424
Water and wastewater	-	-	39,746,718	40,211,646	39,746,718	40,211,646
Municipal golf course	-	-	3,390,562	3,295,065	3,390,562	3,295,065
Solid waste	-	-	7,320,755	9,599,260	7,320,755	9,599,260
Municipal airport	-	-	2,156,251	2,010,376	2,156,251	2,010,376
Storm water utility	-	-	829,867	1,034,458	829,867	1,034,458
<b>Total expenses</b>	<b>147,812,105</b>	<b>158,825,903</b>	<b>53,444,153</b>	<b>56,150,805</b>	<b>201,256,258</b>	<b>214,976,708</b>
Increase in net assets before transfers	27,705,478	42,311,443	11,344,478	13,243,837	39,049,956	55,555,280
Transfers	2,128,239	2,426,279	(2,128,239)	(2,426,279)	-	-
<b>Change in net assets</b>	<b>29,833,717</b>	<b>44,737,722</b>	<b>9,216,239</b>	<b>10,817,558</b>	<b>39,049,956</b>	<b>55,555,280</b>
Net assets - beginning of year	280,475,598	310,309,315	164,845,749	174,061,988	445,321,347	484,371,303
<b>Net assets - end of year</b>	<b>\$ 310,309,315</b>	<b>\$ 355,047,037</b>	<b>\$ 174,061,988</b>	<b>\$ 184,879,546</b>	<b>\$ 484,371,303</b>	<b>\$ 539,926,583</b>

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**

	<u>Fiscal Year 9/30/06</u>	<u>Fiscal Year 9/30/07</u>	<u>Increase (Decrease)</u>
Governmental activities:			
Property taxes	\$ 54,462,317	\$ 61,443,459	\$ 6,981,142
Sales taxes	29,289,416	31,919,487	2,630,071
Other taxes	1,299,365	1,344,762	45,397
Franchise fees	15,658,628	11,375,535	(4,283,093)
Investment income	4,735,009	7,573,850	2,838,841
Other	71,784	-	(71,784)
Total governmental activities	<u>105,516,519</u>	<u>113,657,093</u>	<u>8,140,574</u>
Business-type activities:			
Franchise fees	305,907	-	(305,907)
Investment income	1,685,867	2,549,696	863,829
Total business-type activities	<u>1,991,774</u>	<u>2,549,696</u>	<u>557,922</u>
Total general revenues	<u>\$ 107,508,293</u>	<u>\$ 116,206,789</u>	<u>\$ 8,698,496</u>

The City's \$3,702,670 total increase in investment income from prior year is entirely attributable to the change in market interest earnings rates. The City investment policy is to hold investments until maturity. Property tax revenue increased \$6,981,142 due primarily to a 8.9% increase in net taxable assessed property values. Sales tax revenue increased \$2,630,071 due to a state reallocation of prior years' sales tax payments. Franchise fee revenue decreased \$4,589,000 because of decreased gross revenues of payors. Other revenues decreased \$71,784 due to an accounting reclassification to other operating revenue accounts.

**Governmental activities.** Net assets for governmental activities increased by \$44,737,722, thereby accounting for 80.5% of the total increase in the government's net assets. Of the increase, contributions of infrastructure by private developers to the city represented 11.4%. An increase in governmental general revenues (excludes operating transfers) compared to prior fiscal year represented 18.3% of the total increase in governmental net assets. The remaining increase represents the degree to which program revenues exceeded expenses. The City's operating grants and contributions revenues increased by \$14,911,512 reflecting increases in Section 8 revenue and increases in other operating grants. Increases in charges for services resulted from a high level of development activity and increases in fines and forfeitures due to vigorous collection efforts. The \$5,618,126 increase in capital grants and contributions was primarily due to a change in the method used to estimate developers' contributions.

Expenses for governmental activities also increased. Employee pay raises, rising costs of health insurance and increased interest expense due to debt issuance were the primary factors.

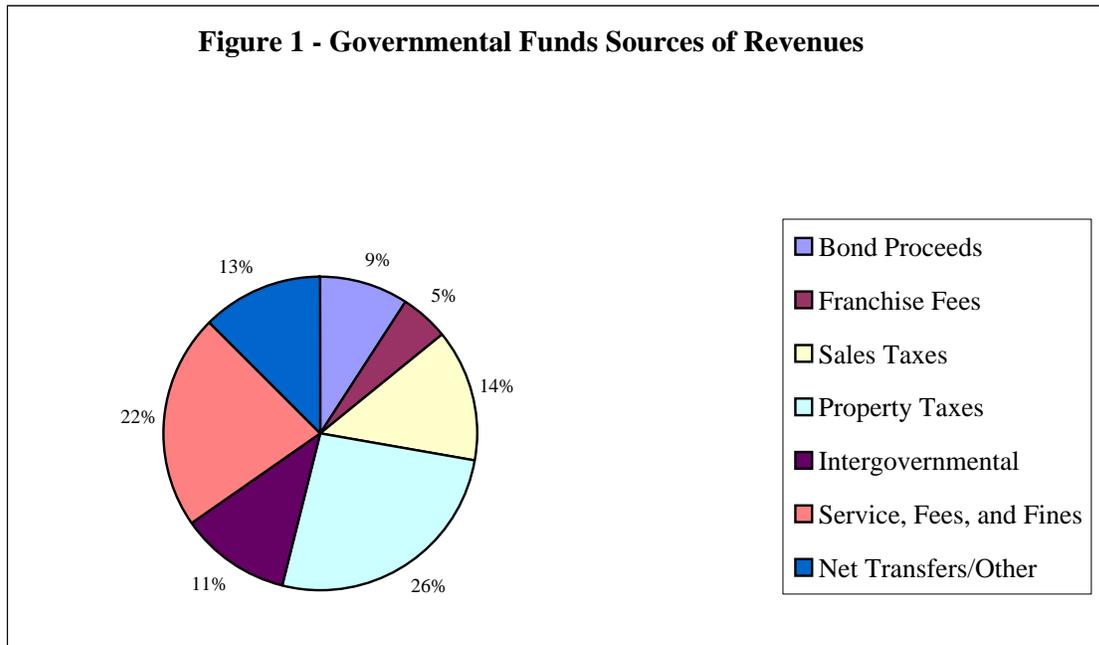
**Business-type activities.** Business-type activities increased the City's net assets by \$10,817,558, accounting for 19.8 percent of the total growth in the primary government's net assets. Of the increase, contributions by private developers to the City's water and wastewater system infrastructure represented \$4,283,801 or 39.6 percent. 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.

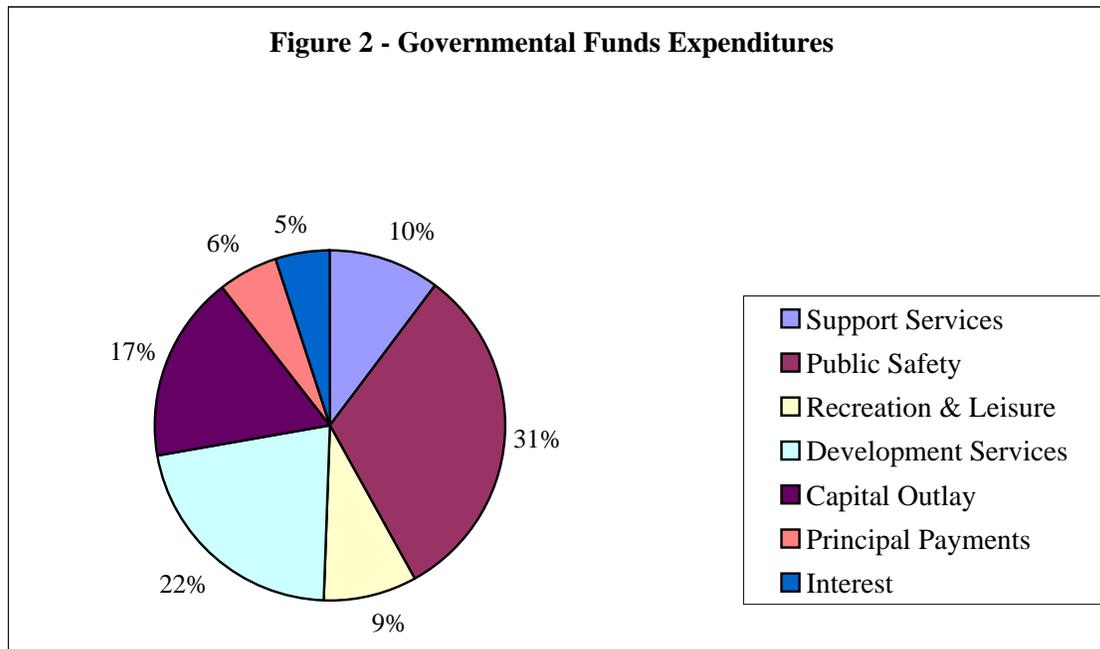
**Governmental funds.** The focus of City's governmental funds is to provide information on near-term inflows, outflows, and balances of spendable resources. Such information is useful in assessing the City's financing requirements. In particular, unreserved fund balance may serve as a useful measure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

For fiscal year 2007, the City's governmental funds (excluding internal service funds) reported combined ending fund balances of \$122,278,703, an increase of \$35,426,593 in comparison with the prior year. The unreserved fund balance portion is 91.8% and is available for spending at the government's discretion. The remainder is reserved to indicate that it is not available for new spending because it has already been committed 1) to liquidate inventories, contracts and purchase orders of the prior period - \$3,912,163, and 2) to pay debt service - \$6,075,724. Figures 1 and 2 that follow show the distribution of governmental funds sources of revenues - \$234,326,733 and expenditures - \$198,900,140 respectively, for fiscal year 2007.



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**



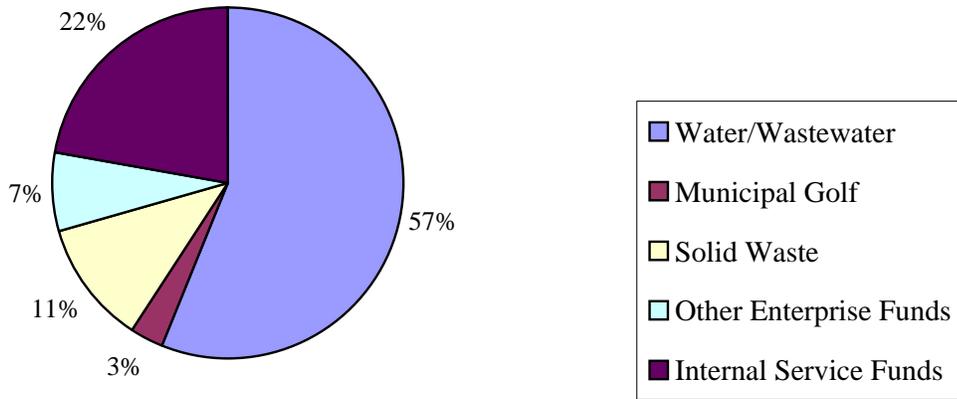
The General Fund is the chief operating fund of the City. At the fiscal year end, unreserved fund balance of the General Fund was \$24,474,441, while total fund balance was \$25,452,473. As a measure of the General Fund’s liquidity, it may be useful to compare both unreserved fund balance and total fund balance to total fund expenditures. Unreserved fund balance represents 31.3% of total general fund expenditures, while total fund balance represents 32.5% of that same amount. The City’s General Fund balance increased by \$452,575 in fiscal year 2007.

Fund balances of several other governmental funds changed significantly. Fund balances of the Park Venue Fund and Street Improvements Fund increased by \$1,616,066 and \$7,458,208, respectively, due to operating transfers. Section 8 Fund saw an increase in fund balance due to increased HUD funding and Debt Service Fund increased by \$1,747,035 due to increased property tax revenue. The fund balance of the nonmajor governmental funds increased by \$24,033,841 because of increased sales tax revenue and unspent proceeds of bonds issued during the year.

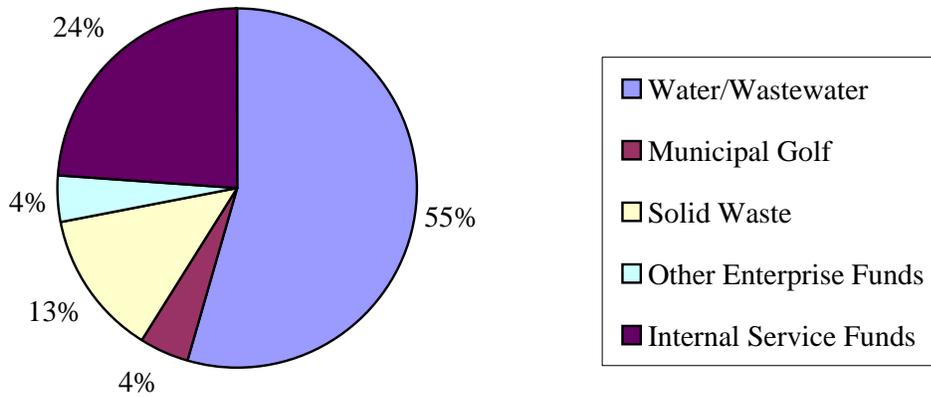
**Proprietary funds.** The City proprietary funds provide the same type of information found in the government-wide financial statements, but in more detail.

The net assets of the City’s enterprise funds and internal service funds were \$184,076,782 and \$4,480,083, respectively at September 30, 2007. The City’s internal service funds reported a gain before transfers and capital contributions of \$1,055,505. The enterprise funds’ amount invested in capital assets, net of related debt represented 72.9% of total enterprise funds net assets. The enterprise funds unrestricted net assets were 25.1% of total enterprise funds net assets. The internal service funds’ amount invested in capital assets, net of related debt represented 21% of total internal service funds’ net assets. The internal service funds unrestricted net assets were 79% of total internal service funds’ net assets. 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 \$83,779,113 and expenses of \$73,763,172 (excluding transfers and capital contributions) by activity.

**Figure 3 - Proprietary Funds Revenues by Activity**



**Figure 4 - Proprietary Fund Expenses by Activity**



**General Fund Budgetary Highlights**

During the year there was a \$340,023 increase in appropriations between the original and final budget. This increase was due primarily to a supplemental appropriation to the public safety departments (police, fire, etc.) for personnel costs, utilities and contract services and in development for street light costs. For the reported fiscal year, revenues exceeded budgetary estimates by \$2,679,921. Expenditures were under budgetary estimates by \$1,162,958. The fund realized an increase in fund balance of \$452,575 due to higher than budgeted revenues for sales tax and franchise fees. The City traditionally budgets revenue conservatively which 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 \$623,070,251. 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 \$31,179,669 in fiscal year 2007.

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

- ◆ Private developer capital contributions of \$4,283,801 to the City's streets, water, sewer, and drainage infrastructure in connection with various residential and commercial developments.
- ◆ Capital outlay totaling \$1,150,087 for improvement of the City's parks and recreation facilities. Improvements were made to park facilities.
- ◆ Capital outlay totaling \$8,650,775 for improvements to various streets, sidewalks, entryways, pedestrian pathways and intersections in the City.
- ◆ Water and wastewater capital improvements totaling \$20,161,706

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	
	9/30/06	9/30/07	9/30/06	9/30/07	9/30/06	9/30/07
Land	\$ 19,929,001	\$ 24,953,662	\$ 3,251,674	\$ 3,251,674	\$ 23,180,675	\$ 28,205,336
Construction in progress	114,506,640	112,131,145	31,925,908	38,757,123	146,432,548	150,888,268
Depreciable capital assets	425,248,787	460,910,356	244,774,628	259,858,455	670,023,415	720,768,811
Accumulated depreciation	(153,014,539)	(171,654,140)	(94,731,517)	(105,138,024)	(247,746,056)	(276,792,164)
Total capital assets, net	<u>\$ 406,669,889</u>	<u>\$ 426,341,023</u>	<u>\$ 185,220,693</u>	<u>\$ 196,729,228</u>	<u>\$ 591,890,582</u>	<u>\$ 623,070,251</u>

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

**Long-term debt.** At September 30, 2007, the City had the following long-term liabilities excluding amounts due within one year:

**Table 5**

**Long-Term Debt\***

	<b>Governmental</b>		<b>Business-Type</b>		<b>Total Primary</b>	
	<b>Activities</b>		<b>Activities</b>		<b>Government</b>	
	<b>9/30/06</b>	<b>9/30/07</b>	<b>9/30/06</b>	<b>9/30/07</b>	<b>9/30/06</b>	<b>9/30/07</b>
Bonded debt	173,729,702	\$ 185,791,917	\$ 59,094,071	\$ 62,458,824	\$ 232,823,773	\$ 248,250,741
Accrued compensated absences	10,433,011	11,340,991	269,617	320,014	10,702,628	11,661,005
Closure and post closure liability	-	-	2,680,845	4,596,339	2,680,845	4,596,339
Total long-term debt	<u>\$ 184,162,713</u>	<u>\$ 197,132,908</u>	<u>\$ 62,044,533</u>	<u>\$ 67,375,177</u>	<u>\$ 246,207,246</u>	<u>\$ 264,508,085</u>
Long-term debt to net assets percentage	59%	56%	36%	36%	51%	49%

Of the total bonded debt, \$166,443,220 or 67% 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 \$28,085,000 in new bonded debt and repaid principal on bonds totaling \$12,921,780. The City's interest expense on its bonded debt was \$11,076,231 for the reported fiscal year.

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

	<u>Moody's</u>	<u>Fitch IBCA</u>
General obligation bonds	Aa3	AA
Sales tax revenue bonds	Aa3	AA
Water and wastewater revenue bonds	A1	AA-

\* See Note 3.b.2 to the financial statements for more detailed information on the City's long-term debt.

**Economic Factors and Next Year's Budgets and Rates**

The City's elected and appointed officials considered many factors when setting the fiscal year 2008 budget, tax rates, and fees that will be charged for the business-type activities. One of those factors is the economy. The population growth experienced by the City has stimulated residential and commercial development activity. The continued growth in population has placed additional demands on the City to maintain or expand services. The City's unemployment rate is currently approximately 4.4% which is typical for cities in the region.

These indicators are taken into account when adopting the General Fund budget for fiscal year 2008:

- ◆ An increase in property tax assessed values for a twelfth consecutive year resulting in additional budgeted property tax revenues of \$6,207,010. The City's net taxable assessed property values increased by 11.2% to \$9,209,069,370 for fiscal 2007 as compared to prior fiscal year. The City did not change the property tax rate of 0.669998 per \$100 taxable value for fiscal year 2007.
- ◆ A 7.3% increase in budgeted sales taxes revenues as compared to prior fiscal year budget due to an expected continued improvement to the economy. There is no change in the City's sales tax rate.
- ◆ The City's favorable bond ratings and continued low interest earnings and expense rates.

The City expects an overall increase in other general revenues of governmental activities from increased activity. Investment income is expected to remain the same as fiscal year 2007 because interest rates on new investments of surplus cash are lower than those on maturing securities.

The City's total approved operating appropriations and reserves for fiscal year 2008 is \$189,890,014 an increase of \$14,143,039 or 7.4% as compared to prior fiscal year original budget. The general fund approved appropriations for fiscal year 2008 is \$95,502,679, an increase of \$6,310,788 or 6.6% from prior year. The remaining change in total budgeted operating appropriations and reserves include increases of \$2,105,715 in the Park Venue Operating Fund, \$368,265 in the Solid Waste Fund, \$2,014,530 in the Water Wastewater Fund and \$89,159 in the Cable Fund. In addition, the City has approved an increase in debt service appropriations of \$1,695,331.

The City's total approved planned capital projects for fiscal year 2008 includes \$60,751,457 in appropriation requests. The fiscal year 2008 planned capital projects includes \$21,610,476 for water and wastewater improvements, \$18,916,992 in street and signal improvements, \$200,000 in parks improvements and \$1,600,000 in storm drainage improvement.

### **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, 2007**

ASSETS	Primary Government			GRAND PRAIRIE SPORTS FACILITIES DEVELOPMENT	GRAND PRAIRIE HOUSING FINANCE CORPORATION
	Governmental Activities	Business-Type Activities	Total		
<b>Current assets:</b>					
Cash and cash equivalents	\$ 9,996,933	\$ 4,227,353	\$ 14,224,286	\$ 10,588,955	\$ 330,997
Investments	21,732,438	45,776,186	67,508,624	-	-
Receivables (net of allowance for uncollectibles):					
Property tax	1,119,326	-	1,119,326	-	-
Franchise fees	2,174,680	-	2,174,680	-	-
Sales tax	5,650,939	-	5,650,939	1,883,647	-
Other receivables	1,951,643	4,384,181	6,335,824	195,353	38,529
Due from other governments	1,047,151	-	1,047,151	-	-
Internal balances	(802,764)	802,764	-	-	-
Inventories and supplies	264,666	425,288	689,954	-	-
<b>Current restricted assets:</b>					
Cash and cash equivalents	22,802,586	38,661	22,841,247	-	1,367,539
Investments	76,745,174	5,835,420	82,580,594	-	-
<b>Total current assets</b>	<b>142,682,772</b>	<b>61,489,853</b>	<b>204,172,624</b>	<b>12,667,955</b>	<b>1,737,065</b>
<b>Noncurrent assets:</b>					
Lease payments receivable	-	-	-	15,998,022	-
Deferred charges	1,018,140	600,250	1,618,390	-	-
Estimated unguaranteed residential value	-	-	-	64,722,630	-
<b>Capital assets:</b>					
Land	24,953,662	3,251,674	28,205,336	-	1,612,851
Buildings	62,313,227	7,375,577	69,688,804	-	21,617,248
Equipment	58,436,464	21,298,666	79,735,130	-	-
Infrastructure	340,160,665	231,184,212	571,344,877	-	-
Construction in progress	112,131,145	38,757,123	150,888,268	-	-
Less accumulated depreciation	(171,654,140)	(105,138,024)	(276,792,164)	-	(5,146,445)
<b>Total noncurrent assets</b>	<b>427,359,163</b>	<b>197,329,478</b>	<b>624,688,641</b>	<b>80,720,652</b>	<b>18,083,654</b>
<b>Total assets</b>	<b>570,041,935</b>	<b>258,819,331</b>	<b>828,861,265</b>	<b>93,388,607</b>	<b>19,820,719</b>
<b>LIABILITIES</b>					
<b>Current liabilities:</b>					
Accounts payable	3,970,584	745,203	4,715,787	5,226	136,638
Accrued liabilities	12,875,926	3,371,928	16,247,854	-	534,488
Unearned revenue	1,015,480	166,619	1,182,099	-	-
Customer deposits	-	2,280,858	2,280,858	-	48,384
<b>Noncurrent liabilities:</b>					
Due within one year:					
Accrued compensated absences	4,385,684	33,320	4,419,004	-	-
Current portion of long term debt	10,093,067	3,448,522	13,541,589	-	217,360
Due in more than one year:					
Accrued compensated absences	6,955,307	286,694	7,242,001	-	-
Closure and postclosure liability	-	4,596,339	4,596,339	-	-
Construction loan payable	-	-	-	-	3,299,095
Long term debt	175,698,850	59,010,302	234,709,152	-	13,730,000
<b>Total liabilities</b>	<b>214,994,898</b>	<b>73,939,785</b>	<b>288,934,683</b>	<b>5,226</b>	<b>17,965,965</b>
Invested in capital assets (net of related debt)	250,427,112	134,270,404	384,697,516	-	1,531,760
<b>Restricted for:</b>					
Debt service	5,260,954	3,748,093	9,009,047	-	90,106
Facility lease	-	-	-	80,901,461	-
<b>Unrestricted</b>	<b>99,358,971</b>	<b>46,861,049</b>	<b>146,220,020</b>	<b>12,481,920</b>	<b>232,888</b>
<b>Total net assets</b>	<b>\$ 355,047,037</b>	<b>\$ 184,879,546</b>	<b>\$ 539,926,583</b>	<b>\$ 93,383,381</b>	<b>\$ 1,854,754</b>

See accompanying notes to basic financial statements.

**CITY OF GRAND PRAIRIE, TEXAS  
STATEMENT OF ACTIVITIES  
FOR THE YEAR ENDED SEPTEMBER 30, 2007**

FUNCTIONS/ACTIVITY	Expenses	Program Revenues		
		Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions
Primary government:				
Governmental activities:				
Support services	\$ 22,481,067	\$ 11,369,944	\$ 1,198,320	\$ -
Public safety services	70,124,744	5,453,931	3,049,540	-
Recreation and leisure services	19,168,072	4,843,898	-	-
Development services and other	38,630,596	3,731,729	43,804,931	14,027,960
Interest on long-term debt	8,421,424	-	-	-
Total governmental activities	<u>158,825,903</u>	<u>25,399,502</u>	<u>48,052,791</u>	<u>14,027,960</u>
Business-type activities:				
Water and wastewater	40,211,646	41,221,192	-	8,109,411
Municipal golf course	3,295,065	2,637,807	-	-
Solid waste	9,599,260	9,023,648	-	-
Municipal airport	2,010,376	1,492,202	1,668,944	-
Storm water	1,034,458	2,691,742	-	-
Total business-type activities	<u>56,150,805</u>	<u>57,066,591</u>	<u>1,668,944</u>	<u>8,109,411</u>
Total primary government	<u>\$ 214,976,708</u>	<u>\$ 82,466,093</u>	<u>\$ 49,721,735</u>	<u>\$ 22,137,371</u>
Component units:				
Grand Prairie Sports Facilities Development	3,974,639	1,683,578	-	(875,193)
Grand Prairie Housing Finance Corporation	5,533,278	3,711,527	-	-
Component units:	<u>\$ 9,507,917</u>	<u>\$ 5,395,105</u>	<u>\$ -</u>	<u>\$ (875,193)</u>

General revenues:  
 Taxes:  
   Property tax  
   Sales tax  
   Hotel/motel tax and other taxes  
   Franchise fees base on gross receipt  
   Investment income  
 Transfers  
 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.

(Continued)

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		
\$ (9,912,803)	\$ -	\$ (9,912,803)	\$ -	\$ -
(61,621,273)	-	(61,621,273)	-	-
(14,324,174)	-	(14,324,174)	-	-
22,934,024	-	22,934,024	-	-
(8,421,424)	-	(8,421,424)	-	-
<u>(71,345,650)</u>	<u>-</u>	<u>(71,345,650)</u>	<u>-</u>	<u>-</u>
-	9,118,957	9,118,957	-	-
-	(657,258)	(657,258)	-	-
-	(575,612)	(575,612)	-	-
-	1,150,770	1,150,770	-	-
-	1,657,284	1,657,284	-	-
-	10,694,141	10,694,141	-	-
<u>(71,345,650)</u>	<u>10,694,141</u>	<u>(60,651,509)</u>	<u>-</u>	<u>-</u>
			(3,166,254)	-
			-	(1,821,751)
			<u>(3,166,254)</u>	<u>(1,821,751)</u>
61,443,459	-	61,443,459	-	-
31,919,487	-	31,919,487	10,953,969	-
1,344,762	-	1,344,762	-	-
11,375,535	-	11,375,535	-	-
7,573,850	2,549,696	10,123,546	537,927	44,570
2,426,279	(2,426,279)	-	-	-
<u>116,083,372</u>	<u>123,417</u>	<u>116,206,789</u>	<u>11,491,896</u>	<u>44,570</u>
44,737,722	10,817,558	55,555,280	8,325,642	(1,777,181)
<u>310,309,315</u>	<u>174,061,988</u>	<u>484,371,303</u>	<u>85,057,739</u>	<u>3,631,935</u>
<u>\$ 355,047,037</u>	<u>\$ 184,879,546</u>	<u>\$ 539,926,583</u>	<u>\$ 93,383,381</u>	<u>\$ 1,854,754</u>

(Concluded)

**CITY OF GRAND PRAIRIE, TEXAS  
BALANCE SHEET  
GOVERNMENTAL FUNDS  
SEPTEMBER 30, 2007**

	<u>General</u>	<u>Park Venue</u>	<u>Section 8</u>	<u>Street Improvements</u>	<u>Debt Service</u>
<b>ASSETS</b>					
Cash and cash equivalents	\$ 5,322,906	\$ 476,443	\$ 2,167,734	\$ 54,437	\$ 1,064,569
Investments	18,829,976	11,296,550	1,976,739	20,890,557	3,956,052
Property tax receivable	814,432	-	-	-	304,894
Sales tax receivable	3,767,293	941,823	-	-	-
Franchise fees receivable	2,174,680	-	-	-	-
Other receivables	5,367	44,802	-	-	-
Due from other governments	-	-	-	-	-
<b>Total assets</b>	<b>\$ 30,914,654</b>	<b>\$ 12,759,618</b>	<b>\$ 4,144,473</b>	<b>\$ 20,944,994</b>	<b>\$ 5,325,515</b>
<b>LIABILITIES AND FUND BALANCE</b>					
Liabilities:					
Accounts payable	\$ 1,434,572	\$ 937,701	\$ 11,445	\$ 318,876	\$ 1,327
Accrued liabilities	3,456,775	323,242	39,981	682,600	498
Deferred revenue	570,834	16,400	876,918	-	237,047
<b>Total liabilities</b>	<b>5,462,181</b>	<b>1,277,343</b>	<b>928,344</b>	<b>1,001,476</b>	<b>238,872</b>
Fund Balance:					
Reserved for:					
Encumbrances	978,032	-	-	-	-
Bond debt service	-	-	-	-	5,086,643
Unreserved, designated for:					
Capital projects	-	-	-	19,943,518	-
Unreserved, undesignated in:					
General Fund	24,474,441	-	-	-	-
Special Revenue Funds	-	11,482,275	3,216,129	-	-
<b>Total fund balance</b>	<b>25,452,473</b>	<b>11,482,275</b>	<b>3,216,129</b>	<b>19,943,518</b>	<b>5,086,643</b>
<b>Total liabilities and fund balance</b>	<b>\$ 30,914,654</b>	<b>\$ 12,759,618</b>	<b>\$ 4,144,473</b>	<b>\$ 20,944,994</b>	<b>\$ 5,325,515</b>

(Continued)

See accompanying notes to basic financial statements.

<b>Other Governmental Funds</b>	<b>Total Governmental Funds</b>
\$ 18,813,403	\$ 27,899,492
38,625,276	95,575,150
-	1,119,326
941,823	5,650,939
-	2,174,680
1,901,474	1,951,643
1,047,151	1,047,151
<b>\$ 61,329,127</b>	<b>\$ 135,418,381</b>

\$ 1,038,630	\$ 3,742,551
3,070,670	7,573,766
122,162	1,823,361
4,231,462	13,139,678

2,934,131	3,912,163
989,081	6,075,724
16,391,350	36,334,868
-	24,474,441
36,783,103	51,481,507
57,097,665	122,278,703
<b>\$ 61,329,127</b>	<b>\$ 135,418,381</b>
	(Concluded)



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**CITY OF GRAND PRAIRIE, TEXAS  
RECONCILIATION OF THE GOVERNMENTAL FUNDS  
BALANCE SHEET TO STATEMENT OF NET ASSETS  
SEPTEMBER 30, 2007**

**Total fund balance - total governmental funds** **\$ 122,278,703**

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 \$927,262. 425,413,763

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. 807,881

Interest payable on long term debt does not require current financial resources. Therefore, interest payable is not reported as a liability in governmental funds balance sheet. (1,051,817)

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 \$802,764). 3,677,419

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	\$ (70,284,620)	
Certificates of obligation	(86,119,781)	
Sales tax revenue bonds	(29,540,000)	
Unamortized bond issuance costs	1,018,140	
Unamortized bond premium/discount, net, and loss on refunding	152,484	
Compensated Absences	(11,305,135)	<u>(196,078,912)</u>

**Net assets of governmental activities** **\$ 355,047,037**

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, 2007**

	<u>General</u>	<u>Park Venue</u>	<u>Section 8</u>	<u>Street Improvements</u>	<u>Debt Service Fund</u>
<b>REVENUE</b>					
Property tax	\$ 37,907,961	\$ -	\$ -	\$ -	\$ 14,866,875
Sales tax	20,965,517	5,476,985	-	-	-
Other taxes	246,717	-	-	-	-
Franchise fees	11,375,535	-	-	-	-
Charges for goods and service	4,520,543	2,122,867	-	-	-
Licenses and permits	2,678,297	-	-	-	-
Fines and forfeitures	5,232,676	-	-	-	-
Special assessments	-	-	-	-	-
Intergovernmental revenue	697,385	-	20,670,636	-	-
General and administrative revenue	2,504,081	-	-	-	-
Investment income	1,268,309	726,985	59,894	847,003	318,901
Contributions	-	14,031	-	-	-
Other	626,950	120	133,111	222,931	-
<b>Total revenue</b>	<b>88,023,971</b>	<b>8,340,988</b>	<b>20,863,641</b>	<b>1,069,934</b>	<b>15,185,776</b>
<b>EXPENDITURES</b>					
Current operations:					
Support services	10,058,549	-	-	-	20,000
Public safety services	52,462,808	-	-	-	-
Recreation and leisure services	1,899,944	10,520,045	-	-	-
Development services and other	13,018,662	-	20,360,270	272,858	-
Capital outlay	764,017	1,150,087	252,317	8,650,775	-
Debt service:					
Principal retirement	-	1,128,175	-	-	7,274,644
Interest charges	-	1,653,594	-	-	5,004,779
<b>Total expenditures</b>	<b>78,203,980</b>	<b>14,451,901</b>	<b>20,612,587</b>	<b>8,923,633</b>	<b>12,299,423</b>
Excess (deficiency) of revenue over (under) expenditures	9,819,991	(6,110,913)	251,054	(7,853,699)	2,886,353
<b>OTHER FINANCING SOURCES (USES)</b>					
Transfers in	1,866,616	7,919,178	34,724	4,689,450	87,062
Transfers out	(11,246,442)	(192,199)	(166,910)	(365,000)	(1,323,793)
Sale of capital assets	12,410	-	-	-	-
Premium on debt issued	-	-	-	-	97,413
Bonds issued	-	-	-	10,987,457	-
<b>Total other financing sources (uses)</b>	<b>(9,367,416)</b>	<b>7,726,979</b>	<b>(132,186)</b>	<b>15,311,907</b>	<b>(1,139,318)</b>
Net change in fund balance	452,575	1,616,066	118,868	7,458,208	1,747,035
Fund balance - beginning of year	24,999,898	9,866,209	3,097,261	12,485,310	3,339,608
Fund balance - end of the year	<b>\$ 25,452,473</b>	<b>\$ 11,482,275</b>	<b>\$ 3,216,129</b>	<b>\$ 19,943,518</b>	<b>\$ 5,086,643</b>

(Continued)

See accompanying notes to basic financial statements.

<b>Other Governmental Funds</b>	<b>Total Governmental Funds</b>
\$ 8,490,264	\$ 61,265,100
5,476,985	31,919,487
1,098,045	1,344,762
-	11,375,535
1,823,554	8,466,964
167,553	2,845,850
574,808	5,807,484
1,379,597	1,379,597
5,230,565	26,598,586
-	2,504,081
4,170,830	7,391,922
4,706,553	4,720,584
16,851,518	17,834,630
<u>49,970,272</u>	<u>183,454,582</u>
7,353,332	17,431,881
1,570,539	54,033,347
2,349,621	14,769,610
3,415,841	37,067,631
18,760,050	29,577,246
1,230,000	9,632,819
1,692,273	8,350,646
<u>36,371,656</u>	<u>170,863,180</u>
<u>13,598,616</u>	<u>12,591,402</u>
14,705,298	29,302,328
(14,742,616)	(28,036,960)
-	12,410
-	97,413
10,472,543	21,460,000
<u>10,435,225</u>	<u>22,835,191</u>
24,033,841	35,426,593
<u>33,063,824</u>	<u>86,852,110</u>
<u>\$ 57,097,665</u>	<u>\$ 122,278,703</u>
	(Concluded)



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**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, 2007**

<b>Net change in fund balances - total governmental funds</b>		35,426,593
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.		29,577,246
The net effect of various transactions involving capital assets (ie., sales, trade ins, and contributions) is to increase net assets.		8,810,313
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 expenditure in governmental funds.		(18,639,601)
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	(21,304,322)
	Bond principal retirement	9,632,819
	Amortization of deferred charges	(192,792)
		<u>(11,864,295)</u>
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.		(896,931)
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.		178,359
Accrued interest expense on long-term debt is reported in the government-wide statement of activities and changes in net assets, but does not require the use of current financial resources; therefore, accrued interest expense is not reported as expenditures in governmental funds. Change in accrued interest.		(70,778)
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 amount allocated to business-type activities and depreciation expense.		2,216,816
<b>Change in net assets of governmental activities</b>		<u><u>\$44,737,722</u></u>

See accompanying notes to basic financial statements.

**CITY OF GRAND PRAIRIE, TEXAS**  
**STATEMENT OF NET ASSETS**  
**PROPRIETARY FUNDS**  
**SEPTEMBER 30, 2007**

	Business-Type Activities					Governmental Activities Internal Service Funds
	Enterprise Funds					
	Water Wastewater	Municipal Golf	Solid Waste	Other Nonmajor	Total	
<b>ASSETS</b>						
Current assets:						
Cash and cash equivalents	\$ 2,591,941	\$ 23,626	\$ 1,104,959	\$ 506,827	\$ 4,227,353	\$ 4,674,027
Investments	33,195,681	868,926	8,366,575	3,345,004	45,776,186	2,902,462
Accounts receivable, net	3,388,640	1,809	666,323	327,409	4,384,181	-
Inventories and supplies	378,071	-	-	47,217	425,288	264,666
Deferred charges	596,773	3,477	-	-	600,250	-
Current restricted assets:						
Cash and cash equivalents	-	-	-	38,661	38,661	226,000
Investments	5,571,909	212,196	-	51,315	5,835,420	-
Total current assets	45,723,015	1,110,034	10,137,857	4,316,433	61,287,339	8,067,155
Capital assets:						
Land	751,089	568,284	1,748,378	183,923	3,251,674	737,566
Buildings	2,361,045	1,854,835	726,069	2,433,628	7,375,577	1,477,875
Equipment	14,176,771	1,109,475	5,478,469	533,951	21,298,666	1,666,557
Infrastructure	206,451,913	8,051,689	7,022,002	9,658,608	231,184,212	16,672
Construction in progress	33,486,986	2,026,287	1,047,515	2,196,335	38,757,123	-
Less accumulated depreciation	(89,178,572)	(4,924,577)	(5,049,902)	(5,984,973)	(105,138,024)	(2,971,408)
Total capital assets	168,049,232	8,685,993	10,972,531	9,021,472	196,729,228	927,262
Total assets	213,772,247	9,796,027	21,110,388	13,337,905	258,016,567	8,994,417
<b>LIABILITIES</b>						
Current liabilities:						
Accounts payable	376,546	117,524	76,683	174,450	745,203	228,035
Accrued liabilities	1,991,161	349,101	281,933	153,037	2,775,232	4,024,343
Accrued compensated absences	-	11,311	-	22,009	33,320	34,588
Unearned revenue	-	-	-	166,619	166,619	-
Current liabilities payable from restricted assets:						
Customer deposits	2,228,737	-	806	51,315	2,280,858	-
Accrued liabilities	540,932	42,439	-	13,325	596,696	226,000
Current portion of long term debt	3,043,600	309,922	-	95,000	3,448,522	-
Total current liabilities	8,180,976	830,297	359,422	675,755	10,046,450	4,512,966
Noncurrent liabilities:						
Accrued compensated absences	184,762	31,478	54,197	16,257	286,694	1,268
Closure and postclosure liability	-	-	4,596,339	-	4,596,339	-
Long term debt	49,405,005	7,385,297	-	2,220,000	59,010,302	-
Total noncurrent liabilities	49,589,767	7,416,775	4,650,536	2,236,257	63,893,335	1,268
Total liabilities	57,770,743	8,247,072	5,009,958	2,912,012	73,939,785	4,514,234
<b>NET ASSETS</b>						
Invested in capital assets (net of related debt)	115,600,627	990,774	10,972,531	6,706,472	134,270,404	927,262
Restricted for debt service	3,343,171	309,922	-	95,000	3,748,093	-
Unrestricted	37,057,706	248,259	5,127,899	3,624,421	46,058,285	3,552,921
Total net assets	\$ 156,001,504	\$ 1,548,955	\$ 16,100,430	\$ 10,425,893	\$ 184,076,782	\$ 4,480,183
Reconciliation to government-wide Statement of Net Assets:						
Adjustments to reflect the consolidations of internal service funds activities related to enterprise funds					802,764	(802,764)
Net assets of business-type activities					\$ 184,879,546	\$ 3,677,419

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, 2007**

	Business-Type Activities				Total	Governmental Activities Internal Service Funds
	Enterprise Funds					
	Water Wastewater	Municipal Golf	Solid Waste	Other Nonmajor		
<b>OPERATING REVENUE</b>						
Sales to customers	\$ 21,870,559	\$ 1,873,731	\$ 9,012,845	\$ 4,183,253	\$ 36,940,388	\$ 3,676,068
Wastewater charges to customers	13,741,142	-	-	-	13,741,142	-
Water and wastewater fees	952,630	-	-	-	952,630	-
Wastewater surcharges	556,724	-	-	-	556,724	-
Intergovernmental revenue	-	-	-	1,668,944	1,668,944	-
Insurance premiums	-	-	-	-	-	14,773,564
Miscellaneous	4,100,137	764,076	10,803	691	4,875,707	1,489
Total operating revenue	41,221,192	2,637,807	9,023,648	5,852,888	58,735,535	18,451,121
<b>OPERATING EXPENSE</b>						
Salaries and personal benefits	5,209,578	1,016,626	1,555,420	545,799	8,327,423	1,071,643
Supplies and miscellaneous purchases	476,176	315,182	465,859	717,878	1,975,095	2,256,508
Purchased services	2,954,982	1,144,644	6,301,088	961,473	11,362,187	1,042,447
Insurance costs	-	-	-	-	-	13,093,476
Water purchases	9,218,766	-	-	-	9,218,766	-
Wastewater treatment	7,524,675	-	-	-	7,524,675	-
Miscellaneous	376,915	2,053	80,570	17,167	476,705	36,247
Depreciation	8,632,799	476,324	841,117	557,793	10,508,033	76,823
Franchise fees	1,411,067	-	206,226	107,660	1,724,953	-
General and administrative costs	2,144,090	-	171,305	27,211	2,342,606	-
Total operating expense	37,949,048	2,954,829	9,621,585	2,934,981	53,460,443	17,577,144
Operating income (loss)	3,272,144	(317,022)	(597,937)	2,917,907	5,275,092	873,977
<b>NONOPERATING REVENUE</b>						
<b>(EXPENSE)</b>						
Impact fees	3,825,610	-	-	-	3,825,610	-
Investment income	1,899,624	65,830	421,949	162,293	2,549,696	181,928
Gain on property disposition	-	-	35,223	-	35,223	-
Interest expense	(2,262,598)	(340,236)	(12,898)	(109,853)	(2,725,585)	-
Total nonoperating revenue (expense)	3,462,636	(274,406)	444,274	52,440	3,684,944	181,928
Income (loss) before contributions and transfers	6,734,780	(591,428)	(153,663)	2,970,347	8,960,036	1,055,905
Transfers in	786,615	647,825	11,369	54,000	1,499,809	1,225,718
Transfers out	(1,436,870)	-	(711,325)	(1,777,893)	(3,926,088)	(64,807)
Capital contributions	4,283,801	-	-	-	4,283,801	-
Change in net assets	10,368,326	56,397	(853,619)	1,246,454	10,817,558	2,216,816
Net assets - beginning of the year	145,633,178	1,492,558	16,954,049	9,179,439	173,259,224	2,263,367
Net assets - end of the year	\$ 156,001,504	\$ 1,548,955	\$ 16,100,430	\$ 10,425,893	\$ 184,076,782	\$ 4,480,183

Reconciliation to government-wide Statement of Activities:

The City no longer allocates internal service funds' change in net assets to business-type activities

See accompanying notes to basic financial statements.



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**CITY OF GRAND PRAIRIE, TEXAS  
STATEMENT OF CASH FLOWS  
PROPRIETARY FUNDS  
FOR THE YEAR ENDED SEPTEMBER 30, 2007**

	Business-Type Activities--Enterprise Funds					Governmental
	Water Wastewater	Municipal Golf Course	Solid Waste	Other Nonmajor	Total	Activities Internal Service Funds
<b>Cash flows from operating activities:</b>						
Cash received from customers	\$ 36,857,616	\$ 1,871,922	\$ 8,662,028	\$ 5,879,101	\$ 53,270,667	\$ 3,676,068
Cash received from other funds for services	-	-	-	33,254	33,254	14,773,564
Cash payments to suppliers for goods and services	(21,958,181)	(1,342,302)	(4,946,075)	(1,514,187)	(29,760,745)	(16,058,676)
Cash payments to employees for services	(5,179,849)	(1,013,757)	(1,556,900)	(526,520)	(8,277,026)	(1,060,594)
Cash payments to other funds for services	(1,411,067)	-	(206,226)	(107,660)	(1,724,953)	-
Other operating cash receipts (payments)	(269,880)	962,501	(273,574)	(214,050)	204,997	862,437
Net cash provided (used) by operating activities	8,038,639	478,364	1,679,253	3,549,938	13,746,194	2,192,799
<b>Cash flows from noncapital financing activities:</b>						
Transfers from other funds	786,615	647,825	11,369	54,000	1,499,809	1,225,718
Transfers to other funds	(1,436,870)	-	(711,325)	(1,777,893)	(3,926,088)	(64,807)
Net cash provided (used) by noncapital financing activities	(650,255)	647,825	(699,956)	(1,723,893)	(2,426,279)	1,160,911
<b>Cash flows from capital and related financing activities:</b>						
Capital outlays	(20,161,706)	(768,410)	(802,676)	(283,776)	(22,016,568)	-
Impact fees received	3,825,610	-	-	-	3,825,610	-
Contributions	4,283,801	-	-	-	4,283,801	-
Proceeds from disposal of capital assets	-	-	35,223	-	35,223	-
Interest paid on bonds and line of credit	(2,262,598)	(340,236)	(12,898)	(109,853)	(2,725,585)	-
Repayment of principal on bonds	(2,642,639)	(303,675)	(257,830)	(90,000)	(3,294,144)	-
Proceeds from issuance of bonds	6,658,897	-	-	-	6,658,897	-
Net cash used by capital and related financing activities	(10,298,635)	(1,412,321)	(1,038,181)	(483,629)	(13,232,766)	-
<b>Cash flows from investing activities:</b>						
Investment earnings received on cash and investments	1,899,624	65,830	421,949	162,293	2,549,696	181,928
Purchase of investments	(345,662)	(11,607)	(303,750)	(1,484,543)	(2,145,562)	(9,152)
Sale of investments	1,361,349	-	-	-	1,361,349	730,080
Net cash provided (used) by investing activities	2,915,311	54,223	118,199	(1,322,250)	1,765,483	902,856
Net increase (decrease) in cash and cash equivalents	5,060	(231,909)	59,315	20,166	(147,368)	4,256,566
Cash and cash equivalents - beginning of year	2,586,881	255,535	1,045,644	525,322	4,413,382	643,461
Cash and cash equivalents - end of year	\$ 2,591,941	\$ 23,626	\$ 1,104,959	\$ 545,488	\$ 4,266,014	\$ 4,900,027
<b>Reconciliation of income (loss) from operations to net cash provided (used) by operating activities:</b>						
Net operating income (loss)	\$ 3,272,144	(317,022)	\$ (597,937)	\$ 2,917,907	5,275,092	\$ 873,977
Adjustments to net operating income (loss) to net cash provided (used) by operating activities:						
Depreciation and amortization	8,632,799	476,324	841,117	557,793	10,508,033	76,823
Change in assets and liabilities:						
(Increase) in customer accounts receivable	(449,263)	(1,809)	(350,817)	-	(801,889)	-
(Increase) in other accounts receivable	-	-	-	(111,331)	(111,331)	-
Decrease in inventories and supplies	6,342	-	-	18,453	24,795	105,720
Increase in accounts payable	354,166	117,524	76,683	173,922	722,295	228,035
Increase (Decrease) in other accrued liabilities	(3,993,102)	200,478	(203,807)	(30,955)	(4,027,386)	977,650
Increase in interfund liabilities	-	-	-	-	-	(80,455)
Increase in customer deposits	185,824	-	-	4,870	190,694	-
Increase (Decrease) in accrued compensated abs	29,729	2,869	(1,480)	19,279	50,397	11,049
Increase in closure and post closure payable	-	-	1,915,494	-	1,915,494	-
Net cash provided (used) by operating activities	\$ 8,038,639	478,364	\$ 1,679,253	\$ 3,549,938	\$ 13,746,194	\$ 2,192,799

**Noncash investing, capital, and financing activities:**

The Water and Wastewater Fund received \$4,283,801 in noncash contributions from private developers consisting of water and wastewater infrastructure improvements. The change in fair value of investments for Water Wastewater, Municipal Golf, and Solid Waste was \$338,100, \$9,143, and \$71,505, respectively. The change in fair value of investments was \$6,760 for other enterprise funds and \$12,812 for internal service funds.

See accompanying notes to basic financial statements.



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# NOTES TO BASIC FINANCIAL STATEMENTS



**CITY OF GRAND PRAIRIE, TEXAS**

**NOTES TO BASIC FINANCIAL STATEMENTS  
SEPTEMBER 30, 2007**

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**INDEX**

	<b>Page</b>
1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES	33
a. Introduction	33
b. Financial Reporting Entity	33
1. Component Unit – Sports Corporation	34
2. Component Unit – Housing Finance Corporation	34
3. 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. Depository Contract	43
8. Deferred Revenue	43
f. New Accounting Principles	43
2. STEWARDSHIP, COMPLIANCE AND ACCOUNTABILITY	44
a. Budget Law and Practice	44
b. Budgetary Control	45
c. Budget Amendments	45
d. Deficit Fund Equity	45
3. DETAILED NOTES ON ALL FUNDS	45
a. Assets	45
1. Deposits, Investments and Investment Policies	45
2. Capital Assets	49

**CITY OF GRAND PRAIRIE, TEXAS**

**NOTES TO BASIC FINANCIAL STATEMENTS  
SEPTEMBER 30, 2007**

---

	<b>Page</b>
b. Liabilities	51
1. Retirement Plan	51
2. Long-Term Debt	53
a. Governmental Activities Long-Term Debt	54
i. General Obligation Debt	54
ii. Sales Tax Debt	54
b. Business Type Activities Long-Term Debt	60
i. Water and Wastewater System Debt	62
ii. Municipal Golf Course Long-Term Debt	64
iii. Solid Waste Long-Term Debt	66
iv. Municipal Airport Long-Term Debt	67
c. Grand Prairie Sports Facility Development Corporation Long-Term Debt	69
d. Grand Prairie Housing Finance Corporation Long-Term Debt	70
3. Closure and Post Closure Liability	70
c. Fund Equity and Net Assets	71
1. Reserved Fund Balance	71
2. Designated Fund Balance	71
3. Net Assets: Invested in capital assets, net of related debt	71
4. Net Assets: Restricted for Debt Service	71
5. Net Assets: Unrestricted	71
d. Interfund Transactions	71
1. Interfund Receivables/Payables	71
2. Interfund Transfers	72
3. Cost Reimbursements	73
4. Franchise Fees	73
5. Payments in Lieu of Property Taxes	74
e. Leases	74
4. CONTRACTS, COMMITMENTS, AND CONTINGENT LIABILITIES	75
a. Federal Grants	75
b. Litigation	76
c. Water Intake Facility Contract	76
d. Water Purchase Contracts	76
e. Wastewater Treatment Contract	76
f. Master and Other Agreements	77
g. Construction Commitments	77
5. SEGMENT INFORMATION FOR ENTERPRISE FUNDS	78
6. CONDENSED INFORMATION FOR COMPONENT UNITS	79
7. SUBSEQUENT EVENTS	80

**CITY OF GRAND PRAIRIE, TEXAS**

**NOTES TO BASIC FINANCIAL STATEMENTS  
SEPTEMBER 30, 2007**

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**1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

**a. Introduction**

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

The services provided by the City are diverse. The financial position, results of operations and budgets (where legally adopted) of these multi-faceted services are all included in the City’s financial “reporting entity,” as more fully described in the immediately subsequent section of this Note.

The City reports in accordance with accounting principles generally accepted in the United States of America (“GAAP”) as established by the Governmental Accounting Standards Board (“GASB”) and the Financial Accounting Standards Board (“FASB”). The accounting and reporting framework and the more significant accounting principles and practices are discussed in subsequent sections of this Note. The remainder of the Notes are organized to provide concise explanation, including required disclosures of budgetary matters, assets, liabilities, fund equity, revenues, expenditures/expenses, and other information considered important to gaining a clear picture of the City’s financial position and results of operations as of and for the fiscal year ended September 30, 2007.

**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, provide 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, 2007**

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1) Component Unit – Sports Corporation

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

Sales and use tax received from the City prior to issuance of the Sports Corporation’s permanent financing, limited to \$2,750,000, was used to fund capitalized costs.

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, 2007 financial statements for the Sports Corporation may be obtained at its administrative office.

2) 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

## CITY OF GRAND PRAIRIE, TEXAS

### NOTES TO BASIC FINANCIAL STATEMENTS SEPTEMBER 30, 2007

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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, 2006 financial statements for HFC may be obtained from the City.

#### 3) Related Autonomous Entities

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

- Grand Prairie Health Facilities Development Authority – created to issue tax-exempt revenue bonds to finance medical facilities. The Authority's bonds have been defeased, and the Authority only exists to make decisions from time to time regarding the defeased bonds. The City exercises no control over the Authority or its budget.
- Grand Prairie Industrial Development Authority – created to issue tax-exempt industrial revenue bonds to assist in the City's economic development and to 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 all of the non-fiduciary activities of the primary government and its component unit. Activity for the primary government and its component unit are reported separately in the government-wide financial statements. The effect of interfund activity between governmental activities and business-type activities has been eliminated in these statements except that business-type activities include charges for administrative overhead services provided by the governmental activities.

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

The statement of activities reports the change in the City's net assets from October 1, 2006 to September 30, 2007. 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

CITY OF GRAND PRAIRIE, TEXAS

NOTES TO BASIC FINANCIAL STATEMENTS  
SEPTEMBER 30, 2007

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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 are 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. 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, 2007, are as follows: general fund, park venue fund, street improvement fund, section 8 fund, a debt service fund, water/wastewater fund, municipal golf course fund, and solid waste fund. Non-major funds are reported in the aggregate as "Other Funds." The various funds are summarized by type in the fund financial statements.

Major governmental funds include the following:

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

**Park Venue Fund:** This 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. Transfers of the General Fund in the amount of the base period expenditures and approved increases are made to the Park Venue Fund annually.

**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.

**CITY OF GRAND PRAIRIE, TEXAS**

**NOTES TO BASIC FINANCIAL STATEMENTS  
SEPTEMBER 30, 2007**

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**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 funds include the following:

**Water/Wastewater Fund:** This fund accounts for water and wastewater system services provided for residents of the City, including administration, operations, maintenance, debt service, billing and collection. The City 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 wastewater treatment is provided by the TRA. The contracts with DWU and TRA are discussed elsewhere in the Notes.

**Municipal Golf Course Fund:** accounts for the operations and maintenance of the Prairie Lakes Golf Course and the Tangle Ridge Golf Course. Revenues are generated through fees charged to users. The Prairie Lakes Course land was purchased from Texas Utilities in September 2000. The Tangle Ridge Golf Course, located in South Grand Prairie, opened in October 1995. Revenues are generated through user fees for debt service and operations.

**Solid Waste Fund:** This fund accounts for the operations of the City’s refuse collection and disposal services. Revenues are generated through user charges. Refuse collection services are provided by the City through a private contractor; however, the City owns and operates the sanitary landfill. The City accrues for landfill closure and post closure care costs (see Note 3.b.3).

**d. Measurement Focus and Basis of Accounting**

1) Governmental Funds

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

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

- Sales taxes are collected by the State and remitted to the City monthly in 60 days arrears. The City recognizes sales taxes revenues when collected from the State.

**CITY OF GRAND PRAIRIE, TEXAS**

**NOTES TO BASIC FINANCIAL STATEMENTS  
SEPTEMBER 30, 2007**

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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 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

## CITY OF GRAND PRAIRIE, TEXAS

### NOTES TO BASIC FINANCIAL STATEMENTS SEPTEMBER 30, 2007

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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 *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, 2007**

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**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	20-50 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, Park Venue 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

**CITY OF GRAND PRAIRIE, TEXAS**

**NOTES TO BASIC FINANCIAL STATEMENTS  
SEPTEMBER 30, 2007**

---

balance on the governmental funds' balance sheet, and on October 1, each year are 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. The employee's right to use accumulated vacation and to receive an accumulated vacation payment upon termination vests after six months of employment. Fire and police civil service employees and other employees hired prior to 1976 are paid up to 90 days sick leave upon retirement. The valuation of the frozen civil service sick leave is at current pay rates, while the valuation of the frozen noncivil service sick leave was at 1985 wage levels. 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 administers a self-insured retention program for workers' compensation, general liability, property, law enforcement, and employee health care claims. All such claims are accounted for within the Risk Management Fund, an internal service fund. The City's workers' compensation liability coverage is up to \$200,000 per occurrence subject to an annual aggregate retention of \$850,000 in fiscal year 2006. All liability coverages (i.e. general, automobile, law enforcement, errors and omissions, and aviation) have a \$50,000 self-insured retention and are generally subject to the following limits of liability:

General liability: \$1,000,000/\$2,000,000 each occurrence/annual aggregate

Law enforcement liability: \$3,000,000/\$6,000,000 each occurrence/annual aggregate

Errors & omissions: \$3,000,000/\$6,000,000 each occurrence/annual aggregate

Automobile liability: \$3,000,000 each occurrence

Airport general liability: \$10,000,000/\$10,000,000 each occurrence/annual aggregate

**CITY OF GRAND PRAIRIE, TEXAS**

**NOTES TO BASIC FINANCIAL STATEMENTS  
SEPTEMBER 30, 2007**

---

The City has its workers' compensation, liability, property, and airport insurance coverages with the Texas Municipal League Intergovernmental Risk Pool (the "TML Risk Pool"), a public entity risk pool currently operating as a common risk management and insurance program for more than 2,000 members. The City pays annual premiums to the TML Risk Pool for such insurance coverage. The TML Risk Pool is self-sustaining through annual member premiums and stop loss reinsurance coverage through various commercial insurers for excess claims.

The City offers group health coverage to its employees and retirees in a managed care plan administered by United Health Care using an escrow account funded by the City with both employee and City contributions. The City allows retired employees 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 length of service with the City at the time of retirement. The City retains risk for up to \$150,000 per covered enrollee 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 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 interfund 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 periodically to consider the effects of inflation, plan benefit designs, recent claim settlement trends (including frequency and amount of pay-outs), 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 accrued liabilities estimate including the IBNR claims liability estimate for the Risk Management Fund as of September 30, 2007 was \$3,920,507. Settled claims resulting from these risks have not exceeded insurance coverage in any of the past three fiscal years. The changes in the fund's IBNR claims and other minor accrued liability amount in each of the last two fiscal years was:

	<u>Beginning of Fiscal Year Liability</u>	<u>Claims and Change in Estimates</u>	<u>Claim Payments</u>	<u>End of Fiscal Year Liability</u>
2007	\$ 2,698,976	\$ 13,224,710	\$ 12,003,179	\$ 3,920,507
2006	2,768,768	12,521,165	12,590,957	2,698,976

**CITY OF GRAND PRAIRIE, TEXAS**

**NOTES TO BASIC FINANCIAL STATEMENTS  
SEPTEMBER 30, 2007**

---

7) Depository Contract

The City operates under a depository contract in accordance with State law. All of the City's demand deposit accounts are interest bearing.

8) Deferred Revenue

At fiscal year-end four 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 \$570,834 and \$237,047, respectively. Because the total amount of \$807,881 represents unavailable revenue, they are included as property tax revenue at the 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 \$122,162 and \$16,400, respectively. Because the total amount of \$138,562 represents unearned revenue, these amounts are presented at both the fund level and government-wide level. In the Section 8 special revenue fund, deferred revenue is reported for a new program that begins in November 2007. Because the total amount of \$876,918 represents unearned revenue, these amounts are presented at both the fund level and government-wide level.

**f. New Accounting Principles**

The GASB issued Statement No. 48, *Sales and Pledges of Receivables and Future Revenues and Intra-Entity Transfers of Assets and Future Revenues*, to establish criteria governments should use to determine whether certain transactions should be reported as a sale or a collateralized borrowing. Such transactions are likely to comprise the sale of delinquent taxes, certain mortgages, student loans, or future revenues such as those arising from tobacco settlement agreements. There has been considerable diversity in practice in the manner that such transactions have been reported. The requirements of this Statement are incorporated in this report.

The GASB issued Statement No. 49, which addresses accounting and financial reporting standards for pollution (including contamination) remediation obligations, which are obligations to address the current or potential detrimental effects of existing pollution by participating in pollution remediation activities such as site assessments and cleanups. The scope of the document excludes pollution prevention or control obligations with respect to current operations, and future pollution remediation activities that are required upon retirement of an asset, such as landfill closure and postclosure care and nuclear power plant decommissioning. As of September 30, 2007, the City plans to implement the provisions of the Statement in fiscal year 2009.

The GASB issued Statement No. 50, which more closely aligns the financial reporting requirements for pensions with those for other postemployment benefits (OPEB) and, in doing so, enhances information disclosed in notes to financial statements or presented as required supplementary information (RSI) by pension plans and by employers that

**CITY OF GRAND PRAIRIE, TEXAS**

**NOTES TO BASIC FINANCIAL STATEMENTS  
SEPTEMBER 30, 2007**

---

provide pension benefits. The reporting changes required by this Statement amend applicable note disclosure and RSI requirements of Statements No. 25, Financial Reporting for Defined Benefit Pension Plans and Note Disclosures for Defined Contribution Plans, and No. 27, Accounting for Pensions by State and Local Governmental Employers, to conform with requirements of Statements No. 43, Financial Reporting for Postemployment Benefit Plans Other Than Pension Plans, and No. 45, Accounting and Financial Reporting by Employers for Postemployment Benefits Other Than Pensions.

As of September 30, 2007, the City plans to implement the provisions of the Statement in fiscal year 2008.

**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, Park Venue 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.

All budgets are prepared on the cash and encumbrances financial flow basis. That is, revenues are budgeted in the year receipt is expected, 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

**CITY OF GRAND PRAIRIE, TEXAS**

**NOTES TO BASIC FINANCIAL STATEMENTS  
SEPTEMBER 30, 2007**

---

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.

The differences between the City's budget-basis and GAAP-basis actual revenues and expenditures are due to accruals recorded in GAAP-basis, while encumbrances are reported in the budget-basis, and differences in classification.

**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, Park Venue, and Section 8 Funds. The council made several budgetary appropriations throughout the year. Significant budgetary appropriations made in the general fund include: \$1,778,622 in public safety for increases in personnel costs, utilities and motor fuel; and, \$366,217 in development services for street lights.

**d. Deficit Fund Equity**

As of September 30, 2007 the City had no funds with deficit fund equities.

**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.

**CITY OF GRAND PRAIRIE, TEXAS**

**NOTES TO BASIC FINANCIAL STATEMENTS  
SEPTEMBER 30, 2007**

---

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, 2007.

The City’s investments are stated at fair value, using the following methods and assumptions as of September 30, 2007:

- 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 (see below),
  - (b) Items in external pools that are not SEC-registered,
  - (c) Items subject to involuntary participation in an external pool.
  - (d) Items associated with a fund other than the fund to which the income is assigned;
- 3) Any unrealized gain/loss resulting from the valuation is recognized in respective funds 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 \$21,996,728 in TexPool as of September 30, 2007. 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

**CITY OF GRAND PRAIRIE, TEXAS**

**NOTES TO BASIC FINANCIAL STATEMENTS  
SEPTEMBER 30, 2007**

---

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 market 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 market values equal or exceed cost.

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

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

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

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

	<u>% Maximum</u>
1. U.S. Treasury Bills and Notes	100
2. U.S. Agency or Instrumentality Obligations (each type)	20 (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	20 (b)
8. Public Funds Investment Pool	20

- (a) Total agency investments limited to no more than 70% 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 20% to reduce risk.

In addition, the City may invest in callable securities but shall limit the total amount to no more than 25% of the portfolio.

**CITY OF GRAND PRAIRIE, TEXAS**  
**NOTES TO BASIC FINANCIAL STATEMENTS**  
**SEPTEMBER 30, 2007**

The City's carrying amount of cash, cash equivalents and investments as of September 30, 2007 as reflected in the primary government's financial statements, are:

	Unrestricted	Restricted	Total
Cash	\$ 5,736,616	\$ 226,000	\$ 5,962,616
Pooled investments:			
Cash equivalents	8,487,670	22,615,247	31,102,917
Investments	67,508,624	82,580,594	150,089,218
Total pooled investments	75,996,294	105,195,841	181,192,135
Total	<u>\$ 81,732,910</u>	<u>\$ 105,421,841</u>	<u>\$ 187,154,751</u>

At year-end, the bank balance of the City's unrestricted cash was \$811,233. Of the bank balance, \$200,000 was covered by federal depository insurance and \$611,233 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.

The City's cash equivalents of \$31,102,917 were also covered by collateral held by the City's agent in the City's name.

As of September 30, 2007, the City had the following investments:

	Fair Value	Weighted Average Maturity (Days)	Credit Risk
Federal Farm Credit Bank	\$ 26,045,938	439	AAA
Federal Home Loan Bank	33,065,000	505	AAA
Freddie Mac	25,048,918	575	AAA
Federal National Mortgage Assoc.	22,924,062	490	AAA
U. S. Treasury Notes	42,953,983	261	
TexPool	21,996,728	1	AAAm
Money market funds	9,157,506	1	AAAm
Total	<u>\$ 181,192,135</u>	<u>325</u>	

Portfolio weighted average maturity

Maturities of the City's investments at September 30, 2007 were as follows:

Cash equivalents	\$ 31,154,234
Under 30 days	1,998,750
30 days to 60 days	5,980,290
61 days to 90 days	5,995,545
91 days to 1 year	55,867,725
After 1 year	80,195,591
Total	<u>\$ 181,192,135</u>

**CITY OF GRAND PRAIRIE, TEXAS**  
**NOTES TO BASIC FINANCIAL STATEMENTS**  
**SEPTEMBER 30, 2007**

The City did not invest in any securities different from the categories mentioned above during the 2006-2007 fiscal year.

At September 30, 2007, the carrying amount of the Sports Corporation's deposits included in cash and cash equivalents was \$70,909 while the bank balance of the Sports Corporation's deposits was \$71,059. 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.

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, 2007 was \$10,518,046 in money market funds. These amounts are not categorized in accordance with GASB Statement No. 3 because they are not evidenced by securities that exist in physical or book entry form.

The bank balance of HFC at December 31, 2006, including restricted cash, totaled \$387,965 all of which was covered by FDIC insurance and collateral held by the depository institution in HFC's name. Restricted cash of \$56,968 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, 2007 are summarized below for governmental activities:

	Balance October 1, 2006	Additions/ Completions	Disposals/ Reclasses	Balance September 30, 2007
Non-depreciable capital assets:				
Land	\$ 19,929,001	\$ 5,304,492	\$ (279,831)	\$ 24,953,662
Construction in progress	114,506,640	23,459,749	(25,835,244)	112,131,145
Total non-depreciable capital assets	<u>134,435,641</u>	<u>28,764,241</u>	<u>(26,115,075)</u>	<u>137,084,807</u>
Depreciable capital assets:				
Buildings	62,021,682	291,545	-	62,313,227
Equipment	53,335,431	5,691,316	(590,283)	58,436,464
Infrastructure	309,891,674	30,545,841	(276,850)	340,160,665
Total depreciable capital assets	<u>425,248,787</u>	<u>36,528,702</u>	<u>(867,133)</u>	<u>460,910,356</u>
Less accumulated depreciation for				
Buildings	(21,779,021)	(1,961,369)	-	(23,740,390)
Equipment	(27,695,572)	(2,611,444)	-	(30,307,016)
Infrastructure	(103,539,946)	(14,066,788)	-	(117,606,734)
Total accumulated depreciation	<u>(153,014,539)</u>	<u>(18,639,601)</u>	<u>-</u>	<u>(171,654,140)</u>
Total depreciable capital assets, net	<u>272,234,248</u>	<u>17,889,101</u>	<u>(867,133)</u>	<u>289,256,216</u>
Governmental activities capital assets, net	<u>\$ 406,669,889</u>	<u>\$ 46,653,342</u>	<u>\$ (26,982,208)</u>	<u>\$ 426,341,023</u>

**CITY OF GRAND PRAIRIE, TEXAS**  
**NOTES TO BASIC FINANCIAL STATEMENTS**  
**SEPTEMBER 30, 2007**

Capital asset balances for business-type activities for the year ended September 30, 2007 are summarized below:

	Balance October 1, 2006	Additions/ Completions	Disposals/ Reclasses	Balance September 30, 2007
Non-depreciable capital assets				
Land	\$ 3,251,674	\$ -	\$ -	\$ 3,251,674
Construction in progress	31,925,908	16,035,298	(9,204,083)	38,757,123
Total non-depreciable capital assets	<u>35,177,582</u>	<u>16,035,298</u>	<u>(9,204,083)</u>	<u>42,008,797</u>
Depreciable capital assets				
Buildings	7,301,177	74,400	-	7,375,577
Equipment	19,503,627	1,840,927	(45,888)	21,298,666
Infrastructure	217,969,824	13,214,388	-	231,184,212
Total depreciable capital assets	<u>244,774,628</u>	<u>15,129,715</u>	<u>(45,888)</u>	<u>259,858,455</u>
Less accumulated depreciation for				
Buildings	(3,719,227)	(249,464)	-	(3,968,691)
Equipment	(8,286,615)	(1,529,154)	101,527	(9,714,242)
Infrastructure	(82,725,675)	(8,729,415)	-	(91,455,090)
Total accumulated depreciation	<u>(94,731,517)</u>	<u>(10,508,033)</u>	<u>101,527</u>	<u>(105,138,023)</u>
Total depreciable capital assets, net	<u>150,043,111</u>	<u>4,621,682</u>	<u>55,639</u>	<u>154,720,432</u>
Business-type activities' capital assets, net	<u>\$ 185,220,693</u>	<u>\$ 20,656,980</u>	<u>\$ (9,148,444)</u>	<u>\$ 196,729,229</u>

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

Support Services	\$ 2,619,079	Water and Wastewater	\$ 8,632,799
Public Safety Services	8,176,420	Municipal Golf	476,324
Recreation and Leisure Services	2,234,963	Solid Waste	841,117
Development Services	5,609,139	Other Business-type	557,793
Total governmental	<u>\$ 18,639,601</u>	Total business-type	<u>\$ 10,508,033</u>

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

	Balance October 1, 2006	Additions/ Completions	Disposals/ Reclasses	Balance September 30, 2007
Equipment	\$ 310,078	\$ -	\$ -	\$ 310,078
Less accumulated depreciation	(310,078)	-	-	(310,078)
Total	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

See Note b.8. for further description of the Sports Corporation's debt structure and operations.

**CITY OF GRAND PRAIRIE, TEXAS**  
**NOTES TO BASIC FINANCIAL STATEMENTS**  
**SEPTEMBER 30, 2007**

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

	Balance January 1, 2006	Additions/ Completions	Disposals/ Reclasses	Balance December 31, 2006
Non-depreciable capital assets:				
Land	\$ 1,612,851	\$ -	\$ -	\$ 1,612,851
Total non-depreciable capital assets	1,612,851	-	-	1,612,851
Depreciable capital assets:				
Buildings	21,239,620	377,628	-	21,617,248
Less accumulated depreciation	(4,104,807)	(1,041,638)	-	(5,146,445)
Total depreciable capital assets, net	17,134,813	(664,010)	-	16,470,803
Housing Finance Corporation capital asset, net	\$ 18,747,664	\$ (664,010)	\$ -	\$ 18,083,654

**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 811 administered by TMRS, an agent multiple-employer public employee retirement system.

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 with interest and the employer-financed monetary credits with interest were used to purchase an annuity.

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

**CITY OF GRAND PRAIRIE, TEXAS**  
**NOTES TO BASIC FINANCIAL STATEMENTS**  
**SEPTEMBER 30, 2007**

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. This rate consists of the normal cost contribution rate and the prior service contribution rate, both of which are calculated to be a level percent of payroll from year to year. The normal cost contribution rate finances the currently accruing monetary credits due to the City matching percent, which are the obligation of the City as of an employee's retirement date, not at the time the employee's contributions are made. The normal cost contribution rate is the actuarially determined percent of payroll necessary to satisfy the obligation of the City to each employee at the time his/her retirement becomes effective. The prior service contribution rate amortizes the unfunded (overfunded) actuarial liability (asset) over the remainder of the plan's 25-year amortization period. The unit credit actuarial cost 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, 2006 valuation is effective for rates beginning January 2008).

Actuarial Valuation Date	December 31, 2006	December 31, 2005	December 31, 2004
Actuarial Value of Assets	\$ 167,101,197	\$ 157,030,678	\$ 152,470,087
Actuarial Accrued Liability	208,328,802	194,053,949	187,718,712
Percentage Funded	80.2%	80.9%	81.2%
Unfunded (over-funded) Actuarial Accrued Liability (UAAL)	\$ 41,227,605	\$ 37,023,271	\$ 35,248,625
Annual Covered Payroll	56,817,617	53,849,572	52,997,624
UAAL as a Percentage of Covered Payroll	72.6%	68.8%	66.5%
Net Pension Obligation (NPO) at the Beginning of Period	\$ -	\$ -	\$ -
Annual Pension Cost:			
Annual Required Contribution (ARC)	\$ 7,577,405	\$ 7,715,790	\$ 7,222,849
Contribution Made	7,577,405	7,715,790	7,222,849
NPO at the End of the Period	\$ -	\$ -	\$ -

(\* To ensure the most accurate future rates are determined for the City, TMRS provided plan provisions as of 5/04/07 to the actuary in calculating the 12/31/06 valuation.)

**CITY OF GRAND PRAIRIE**  
**NOTES TO BASIC FINANCIAL STATEMENTS**  
**SEPTEMBER 30, 2007**

Actuarial Assumptions - The City also uses the following assumptions

Actuarial Valuation Date	December 31, 2006	December 31, 2005	December 31, 2004
Actuarial Cost Method	Unit Credit	Unit Credit	Unit Credit
Amortization Method	Level of Percent of Payroll	Level of Percent of Payroll	Level of Percent of Payroll
Remaining Amortization Period	25 Years/Open	25 Years/Open	25 Years/Open
Asset Valuation Method	Amortized Cost	Amortized Cost	Amortized Cost
Investment Rate of Return	7%	7%	7%
Projected Salary Increases	None	None	None
Includes Inflation At	3.5%	3.5%	3.5%
Cost-of-Living Adjustments	None	None	None

The City of Grand Prairie is one of 811 municipalities having their benefit plan administered by TMRS. Each of the 811 municipalities have an annual actuarial valuation performed. All assumptions for the 12/31/06 valuations are contained in the 2006 TMRS Comprehensive Annual Financial Report, a copy of which may be obtained by writing to P.O. Box 149153, Austin, Texas 78714-9153.

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, 2006	Borrowings or Increase	Payments or Decrease	Balance September 30, 2007	Due Within One Year
<u>Governmental Activities</u>					
General obligation bonds	\$ 71,436,114	\$ 4,000,000	\$ (5,151,494)	\$ 70,284,620	\$ 5,017,990
Certificates of obligation bonds	72,251,106	17,460,000	(3,591,325)	86,119,781	4,140,077
Sale tax revenue bonds	30,430,000	-	(890,000)	29,540,000	935,000
Issuance premiums/discounts, net	195,385	97,413	(45,356)	247,442	-
Deferred loss on refunding	(582,903)	-	182,977	(399,926)	-
Compensated absences	10,433,011	5,305,408	(4,397,428)	11,340,991	4,385,684
Total governmental activities	<u>184,162,713</u>	<u>26,862,821</u>	<u>(13,892,626)</u>	<u>197,132,908</u>	<u>14,478,751</u>
<u>Business-Type Activities</u>					
General obligation bonds	4,758,886	-	(455,286)	4,303,600	198,600
Certificates of obligation bonds	5,958,894	-	(223,675)	5,735,219	234,922
Water and wastewater revenue bonds	48,300,000	6,625,000	(2,610,000)	52,315,000	3,015,000
Issuance premiums/discounts, net	77,525	33,896	(6,416)	105,005	-
Deferred loss on refunding	(1,234)	-	1,234	-	-
Closure and post closure liability	2,680,845	1,915,494	-	4,596,339	-
Compensated absences	269,617	51,875	(1,478)	320,014	33,220
Total business-type activities	<u>62,044,533</u>	<u>8,626,265</u>	<u>(3,295,621)</u>	<u>67,375,177</u>	<u>3,481,742</u>
Total primary government	<u>\$ 246,207,246</u>	<u>\$ 35,489,086</u>	<u>\$ (17,188,247)</u>	<u>\$ 264,508,085</u>	<u>\$ 17,960,493</u>
<u>Component Unit Activities</u>					
Sports Corporation:					
Taxable sales tax bonds	\$ 7,215,000	\$ -	\$ (7,215,000)	\$ -	\$ -
Deferred loss on refunding/discount	(48,123)	-	48,123	-	-
Housing Finance Corporation:					
Notes payable	3,134,948	275,000	(53,493)	3,356,455	57,360
Revenue bonds	13,890,000	-	-	13,890,000	160,000
Total component unit:	<u>\$ 24,191,825</u>	<u>\$ 275,000</u>	<u>\$ (7,220,370)</u>	<u>\$ 17,246,455</u>	<u>\$ 217,360</u>

**CITY OF GRAND PRAIRIE**  
**NOTES TO BASIC FINANCIAL STATEMENTS**  
**SEPTEMBER 30, 2007**

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In 2004, the City renewed its \$7.5 million lines of credit; \$5 million general obligation line of credit and \$2.5 water and wastewater system line of credit with Bank of America, Texas for a three-year term. As of September 30, 2007, 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 refundings, sales tax revenue bonds, certificates of obligation bonds, a line of credit, and accrued compensated absence. The certificates of obligation bonds includes bonds issued in 2007 for Tax Increment Financing Zones No. 1,2 and 3 projects.

(i) General Obligation Debt

In September 2006 the City issued \$4,000,000 in General Obligation Bonds Series 2006A. The proceeds of the bonds were used to provide \$4,000,000 of capital funds, and to pay the cost of issuance.

In September 2006 the City issued \$11,947,500 in Certificates of Obligation Bonds Series 2006A. The proceeds of the bonds were used to provide capital funds for governmental activities improvements and to pay the cost of issuance.

In September 2006 the City issued \$5,512,500 in Certificates of Certificates of Obligation Bonds Series 2006A. The proceeds were used for Tax Increment Financing Zones No. 1,2 and 3 projects.

At September 30, 2007, general obligation bonds authorized and unissued amounted to \$39,198,000. When issued, the proceeds will be allocated to various specified improvements.

(ii) Sales Tax Debt

Sales Tax Revenue Bonds were issued in prior years to finance improvements to the City's municipal parks and recreation system. The bonds are secured by a ¼ cent sales tax approved by the voters in November 1999 and effective in April 2000.

**CITY OF GRAND PRAIRIE, TEXAS**  
**NOTES TO BASIC FINANCIAL STATEMENTS**  
**SEPTEMBER 30, 2007**

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 1997-A	4.4-6.4	1997	2018	\$ 2,710,000	\$ -
Series 1998-A	4.0-5.0	1998	2019	16,179,364	7,781,400
Series 1999	5.5	1998	2011	12,096,630	1,508,220
Series 2000	5.25-7.25	2000	2020	4,435,000	785,000
Series 2001	4.5-5.5	2001	2021	5,000,000	3,950,000
Series 2002	4.5-5.0	2002	2022	6,550,000	5,455,000
Series 2002-A	3.9-4.875	2002	2022	9,900,000	8,155,000
Series 2003	2.0-4.60	2003	2023	11,025,000	8,630,000
Series 2003-A	2.0-4.30	2003	2014	5,875,000	1,845,000
Series 2004	2.0-4.50	2004	2024	4,855,000	4,315,000
Series 2004-A	2.0-4.75	2004	2024	6,170,000	5,250,000
Series 2005 Refunding	2.75-4.50	2005	2025	14,260,000	13,355,000
Series 2005-A	3.75-4.25	2005	2025	2,215,000	2,055,000
Series 2006	3.9-5.0	2006	2026	3,300,000	3,200,000
Series 2006-A	4.125-4.375	2006	2027	4,000,000	4,000,000
Total general obligation bonds					<u>70,284,620</u>
Certificates of obligation bonds:					
Tax and revenue bonds:					
Series 1997-A	4.60-5.75	1997	2018	1,515,000	-
Series 1998-A	3.60-5.00	1998	2019	7,270,000	4,480,000
Series 2000	4.9-6.9	2000	2020	2,760,000	250,000
Series 2000-A	5.0-5.5	2000	2020	3,800,000	2,955,000
Series 2001	4.5-5.5	2001	2021	5,900,000	4,270,000
Series 2002-C	3.85-4.75	2002	2022	2,650,000	1,555,000
Series 2003-A	2.0-5.0	2003	2028	4,960,000	4,415,000
Series 2004	2.5-4.45	2004	2024	2,894,000	2,130,960
Series 2004-B	2.0-4.75	2004	2024	8,280,000	7,060,000
Series 2005	2.75-4.50	2005	2025	2,935,000	2,375,000
Series 2006	4.0-5.50	2006	2026	8,291,250	7,893,000
Series 2006-A	4.125-4.375	2006	2027	11,947,500	11,947,500
Total tax and revenue bonds					<u>49,331,460</u>
Tax and tax increment bonds					
Series 2001	LIBOR + .55% *	2000	2022	17,900,000	15,800,000
Series 2002B	4.5-5.0	2001	2020	2,800,000	2,250,000
Series 2003B	2.0-5.0	2003	2020	1,030,000	845,000
Series 2003C	2.0-5.0	2003	2020	4,340,000	3,550,000
Series 2004B	2.0-4.75	2004	2024	1,170,000	995,000
Series 2005A	2.75-4.50	2005	2020	710,000	635,000
Series 2006	4.0-5.50	2006	2020	1,575,000	1,500,000
Series 2006-A	4.125-4.375	2006	2020	2,498,470	2,498,470
Series 2006-A	4.125-4.375	2006	2020	1,468,000	1,468,000
Series 2006-A	4.125-4.375	2006	2020	1,546,030	1,546,030
Total tax and tax increment bonds					<u>31,087,500</u>
Parks & recreation bonds					
Series 2004	2.5-4.45	2004	2024	484,000	430,821
Series 2004B	2.0-4.75	2004	2024	5,915,000	5,270,000
Total parks & recreation					<u>5,700,821</u>
Total certificate of obligation bonds					<u>86,119,781</u>
Sales tax revenue bonds:					
Series 2000	5.4-7.4	2000	2025	3,670,000	560,000
Series 2000A	5.0-5.5	2000	2026	5,200,000	1,090,000
Series 2001	4.125-5.125	2001	2027	11,055,000	9,430,000
Series 2001A	4.125-5.0	2001	2027	8,500,000	7,450,000
Series 2002	4.0-5.0	2002	2027	5,000,000	4,405,000
Series 2005	3.5-4.25	2005	2026	6,705,000	6,605,000
Total sales tax revenue bonds					<u>29,540,000</u>
Premiums/discounts, net	N/A	N/A	N/A	N/A	247,442
Deferred loss on refunding	N/A	N/A	N/A	N/A	(399,926)
Compensated absences	N/A	N/A	N/A	N/A	11,340,991
Total governmental long-term debt					<u>\$ 197,132,908</u>

\* Debt service rate was 5.8675% at September 30, 2007.

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

**CITY OF GRAND PRAIRIE, TEXAS**  
**NOTES TO BASIC FINANCIAL STATEMENTS**  
**SEPTEMBER 30, 2007**

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

	Balance October 1, 2006	Borrowings or Increase	Payments or Decrease	Balance September 30, 2007	Due Within One Year
<b>General obligation bonds:</b>					
Series 1997-A	\$ 120,000	\$ -	\$ (120,000)	\$ -	\$ -
Series 1998-A	8,678,944	-	(897,544)	7,781,400	936,400
Series 1999	1,927,170	-	(418,950)	1,508,220	436,590
Series 2000	955,000	-	(170,000)	785,000	180,000
Series 2001	4,145,000	-	(195,000)	3,950,000	205,000
Series 2002	5,695,000	-	(240,000)	5,455,000	255,000
Series 2002-A	8,530,000	-	(375,000)	8,155,000	390,000
Series 2003	9,250,000	-	(620,000)	8,630,000	645,000
Series 2003-A	2,810,000	-	(965,000)	1,845,000	480,000
Series 2004	4,500,000	-	(185,000)	4,315,000	190,000
Series 2004-A	5,560,000	-	(310,000)	5,250,000	320,000
Series 2005 Refunding	13,830,000	-	(475,000)	13,355,000	670,000
Series 2005-A	2,135,000	-	(80,000)	2,055,000	80,000
Series 2006	3,300,000	-	(100,000)	3,200,000	105,000
Series 2007-A	-	4,000,000	-	4,000,000	125,000
Total general obligation bonds	<u>71,436,114</u>	<u>4,000,000</u>	<u>(5,151,494)</u>	<u>70,284,620</u>	<u>5,017,990</u>
<b>Certificates of obligation bonds:</b>					
Tax and revenue bonds:					
Series 1997-A	45,000	-	(45,000)	-	-
Series 1998-A	4,755,000	-	(275,000)	4,480,000	285,000
Series 2000	305,000	-	(55,000)	250,000	55,000
Series 2000-A	3,100,000	-	(145,000)	2,955,000	155,000
Series 2001	4,480,000	-	(210,000)	4,270,000	220,000
Series 2002-C	1,630,000	-	(75,000)	1,555,000	75,000
Series 2003-A	4,555,000	-	(140,000)	4,415,000	145,000
Series 2004	2,320,860	-	(189,900)	2,130,960	93,229
Series 2004-B	7,470,000	-	(410,000)	7,060,000	425,000
Series 2005	2,655,000	-	(280,000)	2,375,000	190,000
Series 2006	8,291,250	-	(398,250)	7,893,000	418,000
Series 2006-A	-	11,947,500	-	11,947,500	323,500
	<u>39,607,110</u>	<u>11,947,500</u>	<u>(2,223,150)</u>	<u>49,331,460</u>	<u>2,384,729</u>
Tax and tax increment bonds:					
Series 2001	16,380,000	-	(580,000)	15,800,000	620,000
Series 2002-B	2,370,000	-	(120,000)	2,250,000	125,000
Series 2003-B	895,000	-	(50,000)	845,000	50,000
Series 2003-C	3,755,000	-	(205,000)	3,550,000	210,000
Series 2004B	1,055,000	-	(60,000)	995,000	60,000
Series 2005-A	675,000	-	(40,000)	635,000	40,000
Series 2006	1,575,000	-	(75,000)	1,500,000	75,000
Series 2006-A	-	2,498,470	-	2,498,470	147,470
Series 2006-A	-	1,468,000	-	1,468,000	83,000
Series 2006-A	-	1,546,030	-	1,546,030	101,030
	<u>26,705,000</u>	<u>5,512,500</u>	<u>(1,130,000)</u>	<u>31,087,500</u>	<u>1,511,500</u>
Parks & recreation bonds:					
Series 2004	448,996	-	(18,175)	430,821	18,848
Series 2004B	5,490,000	-	(220,000)	5,270,000	225,000
	<u>5,938,996</u>	<u>-</u>	<u>(238,175)</u>	<u>5,700,821</u>	<u>243,848</u>
Total certificate of obligation bonds	<u>72,251,106</u>	<u>17,460,000</u>	<u>(3,591,325)</u>	<u>86,119,781</u>	<u>4,140,077</u>
<b>Sales tax revenue bonds:</b>					
Series 2000	655,000	-	(95,000)	560,000	100,000
Series 2000-A	1,210,000	-	(120,000)	1,090,000	130,000
Series 2001	9,730,000	-	(300,000)	9,430,000	310,000
Series 2001-A	7,650,000	-	(200,000)	7,450,000	210,000
Series 2002	4,535,000	-	(130,000)	4,405,000	135,000
Series 2005	6,650,000	-	(45,000)	6,605,000	50,000
Total sales tax revenue bonds	<u>30,430,000</u>	<u>-</u>	<u>(890,000)</u>	<u>29,540,000</u>	<u>935,000</u>
<b>Premiums/discounts, net</b>	195,385	97,413	(45,356)	247,442	-
<b>Deferred loss on refunding</b>	(582,903)	-	182,977	(399,926)	-
<b>Compensated absences:</b>	10,433,011	5,305,408	(4,397,428)	11,340,991	4,385,684
<b>Total</b>	<u>\$ 184,162,713</u>	<u>\$ 26,862,821</u>	<u>\$ (13,892,626)</u>	<u>\$ 197,132,908</u>	<u>\$ 14,478,751</u>

\* Debt service rate was 5.8675% at September 30, 2007.  
(Does not include unamortized premiums, discounts, or deferred loss on refunding)



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**CITY OF GRAND PRAIRIE, TEXAS**  
**NOTES TO BASIC FINANCIAL STATEMENTS**  
**SEPTEMBER 30, 2007**

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
2008	5,017,990	2,918,800	7,936,790	2,279,729	1,972,603	4,252,332	1,511,500	2,963,789	4,475,289
2009	4,600,160	2,730,323	7,330,483	2,287,559	1,883,531	4,171,090	1,594,000	2,833,142	4,427,142
2010	4,777,210	2,541,121	7,318,331	2,207,559	1,793,012	4,000,571	1,674,000	2,692,158	4,366,158
2011	4,609,260	2,344,801	6,954,061	2,315,889	1,698,949	4,014,838	1,764,000	2,541,353	4,305,353
2012	4,510,000	2,156,261	6,666,261	2,344,218	1,600,522	3,944,740	1,869,000	2,380,609	4,249,609
2013	4,590,000	1,969,987	6,559,987	2,455,878	1,496,071	3,951,949	1,969,000	2,208,202	4,177,202
2014	4,390,000	1,782,146	6,172,146	2,569,207	1,382,511	3,951,718	2,084,000	2,023,194	4,107,194
2015	4,495,000	1,594,756	6,089,756	2,462,537	1,269,641	3,732,178	2,204,000	1,825,956	4,029,956
2016	4,480,000	1,403,161	5,883,161	2,579,196	1,156,863	3,736,059	2,334,000	1,615,694	3,949,694
2017	4,640,000	1,205,142	5,845,142	2,707,526	1,036,715	3,744,241	2,469,000	1,391,176	3,860,176
2018	4,400,000	1,003,204	5,403,204	2,849,185	909,178	3,758,363	2,609,000	1,151,453	3,760,453
2019	4,285,000	803,924	5,088,924	3,002,515	773,465	3,775,980	2,769,000	895,220	3,664,220
2020	3,665,000	621,370	4,286,370	2,646,174	642,522	3,288,696	2,932,000	621,499	3,553,499
2021	3,375,000	459,499	3,834,499	2,699,833	521,064	3,220,897	1,670,000	362,706	2,032,706
2022	3,150,000	308,757	3,458,757	2,356,492	408,872	2,765,364	1,635,000	122,625	1,757,625
2023	1,995,000	191,379	2,186,379	2,083,152	311,096	2,394,248	-	-	-
2024	1,530,000	112,402	1,642,402	2,099,811	218,110	2,317,921	-	-	-
2025	925,000	57,827	982,827	1,540,000	137,006	1,677,006	-	-	-
2026	545,000	25,425	570,425	1,430,000	71,231	1,501,231	-	-	-
2027	305,000	6,672	311,672	905,000	19,797	924,797	-	-	-
2028	-	-	-	-	-	-	-	-	-
<b>Total</b>	<b>\$ 70,284,620</b>	<b>\$ 24,236,957</b>	<b>\$ 94,521,577</b>	<b>\$ 45,821,460</b>	<b>\$ 19,302,759</b>	<b>\$ 65,124,219</b>	<b>\$ 31,087,500</b>	<b>\$ 25,628,776</b>	<b>\$ 56,716,276</b>

(continued)

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

Certificates of Obligation Bonds	\$ 45,821,460
Parks/Cemetery Certificates of Obligation Bonds	9,210,821
	<u>\$ 55,032,281</u>

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

Certificates of Obligation Bonds	\$ 49,331,460
Parks and Recreation Certificates of Obligation Bonds	5,700,821
	<u>\$ 55,032,281</u>

**CITY OF GRAND PRAIRIE, TEXAS**  
**NOTES TO BASIC FINANCIAL STATEMENTS**  
**SEPTEMBER 30, 2007**

Parks/Cemetery Certificates of Obligation			Park Venue Sales Tax Revenue Bonds			Total		
Principal	Interest	Total	Principal (1)	Interest	Total	Principal	Interest	Total
348,848	395,400	744,248	935,000	1,367,547	2,302,547	10,093,067	9,618,139	19,711,206
359,522	385,062	744,584	985,000	1,321,434	2,306,434	9,826,241	9,153,492	18,979,733
364,522	373,083	737,605	1,035,000	1,273,710	2,308,710	10,058,291	8,673,084	18,731,375
380,195	359,881	740,076	1,090,000	1,223,509	2,313,509	10,159,344	8,168,493	18,327,837
395,868	345,392	741,260	1,140,000	1,171,039	2,311,039	10,259,086	7,653,823	17,912,909
412,214	329,454	741,668	1,200,000	1,117,167	2,317,167	10,627,092	7,120,881	17,747,973
427,887	312,365	740,252	1,255,000	1,061,418	2,316,418	10,726,094	6,561,634	17,287,728
448,561	294,291	742,852	1,325,000	1,003,519	2,328,519	10,935,098	5,988,163	16,923,261
469,907	274,385	744,292	1,380,000	943,306	2,323,306	11,243,103	5,393,409	16,636,512
490,580	252,679	743,259	1,455,000	879,119	2,334,119	11,762,106	4,764,831	16,526,937
516,926	229,790	746,716	1,525,000	810,549	2,335,549	11,900,111	4,104,174	16,004,285
537,599	205,794	743,393	1,600,000	738,071	2,338,071	12,194,114	3,416,474	15,610,588
563,946	180,493	744,439	1,675,000	661,839	2,336,839	11,482,120	2,727,723	14,209,843
590,292	153,726	744,018	1,765,000	581,172	2,346,172	10,100,125	2,078,167	12,178,292
616,638	125,697	742,335	1,860,000	495,381	2,355,381	9,618,130	1,461,332	11,079,462
642,985	96,159	739,144	1,955,000	404,400	2,359,400	6,676,137	1,003,034	7,679,171
679,331	64,601	743,932	2,060,000	307,856	2,367,856	6,369,142	702,969	7,072,111
225,000	42,625	267,625	2,165,000	205,800	2,370,800	4,855,000	443,258	5,298,258
235,000	31,125	266,125	2,200,000	100,122	2,300,122	4,410,000	227,903	4,637,903
245,000	19,125	264,125	935,000	23,375	958,375	2,390,000	68,969	2,458,969
260,000	6,500	266,500	-	-	-	260,000	6,500	266,500
<u>\$ 9,210,821</u>	<u>\$ 4,477,627</u>	<u>\$ 13,688,448</u>	<u>\$ 29,540,000</u>	<u>\$ 15,690,333</u>	<u>\$ 45,230,333</u>	<u>\$ 185,944,401</u>	<u>\$ 89,336,452</u>	<u>\$ 275,280,853</u>

(concluded)

**CITY OF GRAND PRAIRIE, TEXAS**  
**NOTES TO BASIC FINANCIAL STATEMENTS**  
**SEPTEMBER 30, 2007**

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 and

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

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

	<u>Interest Rate</u>	<u>Year of Issue</u>	<u>Year of Maturity</u>	<u>Original Amount</u>	<u>Amount Outstanding</u>
<b>Water and wastewater</b>					
General obligation bonds:					
Series 1998A	4.0-5.0%	1998	2019	\$ 340,757	\$ 28,600
Total general obligation bonds					<u>28,600</u>
Revenue bonds:					
Series 1998	4.3-5.0	1998	2019	3,575,000	2,605,000
Series 2002	4.5-5.0	2002	2022	4,100,000	3,415,000
Series 2002-A	4.0-4.5	2002	2022	2,650,000	2,150,000
Series 2003	2.0-4.6	2003	2023	12,610,000	7,025,000
Series 2004	2.5-4.45	2004	2024	7,110,000	5,945,000
Series 2004-A	2.0-4.75	2004	2024	5,615,000	4,985,000
Series 2005	2.75-4.50	2005	2025	5,725,000	5,330,000
Series 2005-A	3.5-4.25	2005	2025	10,230,000	9,465,000
Series 2006	4.0-5.5	2006	2026	4,840,000	4,770,000
Series 2006-A	4.25-4.375	2006	2027	6,625,000	6,625,000
Total revenue bonds					<u>52,315,000</u>
Premiums/discounts, net	N/A	N/A	N/A	N/A	105,005
Compensated absences	N/A	N/A	N/A	N/A	184,762
Total water and wastewater long-term debt					<u>52,633,367</u>
<b>Solid waste</b>					
General obligation bonds:					
Series 1999	5.5	1998	2011	1,618,370	-
Closure and post closure liability	N/A	N/A	N/A	N/A	4,596,339
Compensated absences	N/A	N/A	N/A	N/A	54,197
Total solid waste long-term debt					<u>4,650,536</u>
<b>Municipal airport</b>					
General obligation bonds:					
Series 1998B	3.25-4.9	1998	2012	1,238,648	275,000
Certificates of obligation bonds:					
Series 2004A	2.25-5.0	2004	2024	2,120,000	2,040,000
Compensated absences	N/A	N/A	N/A	N/A	24,811
Total municipal airport long-term debt					<u>2,339,811</u>
<b>Municipal golf</b>					
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	3,165,000
Total general obligation bonds					<u>4,000,000</u>
Certificate of obligation bonds:					
Series 1998B	3.6-5.0	1998	2019	2,600,000	1,825,000
Series 2004	2.50-4.45	2004	2024	717,000	638,219
Series 2004B	2.0-4.75	2004	2024	1,215,000	1,080,000
Series 2006	4.0-5.50	2006	2026	153,750	152,000
Total certificate of obligation bonds					<u>3,695,219</u>
Compensated absences	N/A	N/A	N/A	N/A	42,789
Total municipal golf long-term debt					<u>7,738,008</u>
<b>Storm Water</b>					
Compensated absences	N/A	N/A	N/A	N/A	13,455
Total business-type activities' long-term debt					<u>\$ 67,375,177</u>

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

**CITY OF GRAND PRAIRIE, TEXAS**  
**NOTES TO BASIC FINANCIAL STATEMENTS**  
**SEPTEMBER 30, 2007**

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

	<b>Balance October 1, 2006</b>	<b>Borrowings or Increases</b>	<b>Payments or Decreases</b>	<b>Balance September 30, 2007</b>	<b>Due Within One Year</b>
<b>Water and wastewater</b>					
General obligation bonds:					
Series 1998-A	\$ 56,056	\$ -	\$ (27,456)	\$ 28,600	\$ 28,600
Revenue bonds:					
Series 1998	2,765,000	-	(160,000)	2,605,000	165,000
Series 2002	3,565,000	-	(150,000)	3,415,000	160,000
Series 2002-A	2,250,000	-	(100,000)	2,150,000	105,000
Series 2003	7,980,000	-	(955,000)	7,025,000	1,025,000
Series 2004	6,345,000	-	(400,000)	5,945,000	410,000
Series 2004-A	5,195,000	-	(210,000)	4,985,000	210,000
Series 2005	5,530,000	-	(200,000)	5,330,000	205,000
Series 2005-A	9,830,000	-	(365,000)	9,465,000	375,000
Series 2006	4,840,000	-	(70,000)	4,770,000	155,000
Series 2006-A	-	6,625,000	-	6,625,000	205,000
Total revenue bonds	<u>48,300,000</u>	<u>6,625,000</u>	<u>(2,610,000)</u>	<u>52,315,000</u>	<u>3,015,000</u>
Compensated absences	155,033	226,122	(196,393)	184,762	196,393
Total water and wastewater long-term debt	<u>48,511,089</u>	<u>6,851,122</u>	<u>(2,833,849)</u>	<u>52,528,362</u>	<u>3,239,993</u>
<b>Solid waste</b>					
General obligation bonds:					
Series 1999	257,830	-	(257,830)	-	-
Closure and post closure liability	2,680,845	1,915,494	-	4,596,339	-
Compensated absences	55,677	65,638	(67,118)	54,197	67,118
Total solid waste long-term debt	<u>2,994,352</u>	<u>1,981,132</u>	<u>(324,948)</u>	<u>4,650,536</u>	<u>67,118</u>
<b>Municipal airport</b>					
General obligation bonds:					
Series 1998-B	325,000	-	(50,000)	275,000	50,000
Certificates of Obligation					
Series 2004A	2,080,000	-	(40,000)	2,040,000	45,000
Compensated absences	16,099	16,433	(7,721)	24,811	7,721
Total municipal airport long-term debt	<u>2,421,099</u>	<u>16,433</u>	<u>(97,721)</u>	<u>2,339,811</u>	<u>102,721</u>
<b>Municipal golf</b>					
General obligation bonds:					
Series 2002	835,000	-	-	835,000	-
Series 2004A	3,285,000	-	(120,000)	3,165,000	120,000
Total general obligation bonds	<u>4,120,000</u>	<u>-</u>	<u>(120,000)</u>	<u>4,000,000</u>	<u>120,000</u>
Certificate of obligation bonds:					
Series 1998-A	1,935,000	-	(110,000)	1,825,000	115,000
Series 2004	665,144	-	(26,925)	638,219	27,922
Series 2004B	1,125,000	-	(45,000)	1,080,000	45,000
Series 2006	153,750	-	(1,750)	152,000	2,000
Total certificate of obligation bonds	<u>3,878,894</u>	<u>-</u>	<u>(183,675)</u>	<u>3,695,219</u>	<u>189,922</u>
Compensated absences	39,920	34,347	(31,478)	42,789	31,478
Total municipal golf long-term debt	<u>8,038,814</u>	<u>34,347</u>	<u>(335,153)</u>	<u>7,738,008</u>	<u>341,400</u>
<b>Storm water</b>					
Compensated absences	2,888	19,103	(8,536)	13,455	8,536
Total business-type activities' long-term debt	<u>\$ 61,968,242</u>	<u>\$ 8,902,137</u>	<u>\$ (3,600,207)</u>	<u>\$ 67,270,172</u>	<u>\$ 3,759,768</u>

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

**CITY OF GRAND PRAIRIE, TEXAS**  
**NOTES TO BASIC FINANCIAL STATEMENTS**  
**SEPTEMBER 30, 2007**

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(i) Water and Wastewater System Debt

In September 2006 the City issued \$6,625,000 in Water Wastewater System Revenue Bonds, Series 2006A. The proceeds of the bonds were used to provide \$6,625,000 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, 2007, the City was in compliance with these covenants.

**CITY OF GRAND PRAIRIE, TEXAS**  
**NOTES TO BASIC FINANCIAL STATEMENTS**  
**SEPTEMBER 30, 2007**

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

General Obligation Bonds:

<u>Fiscal Year</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2008	28,600	629	29,229
Total	<u>\$ 28,600</u>	<u>\$ 629</u>	<u>\$ 29,229</u>

Water and Wastewater System Revenue Bonds:

<u>Fiscal Year</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2008	\$ 3,015,000	\$ 2,110,443	\$ 5,125,443
2009	3,090,000	2,001,588	5,091,588
2010	3,200,000	1,885,471	5,085,471
2011	3,010,000	1,767,474	4,777,474
2012	2,895,000	1,651,475	4,546,475
2013	3,005,000	1,534,129	4,539,129
2014	2,805,000	1,418,058	4,223,058
2015	2,835,000	1,303,293	4,138,293
2016	2,590,000	1,190,762	3,780,762
2017	2,700,000	1,078,014	3,778,014
2018	2,830,000	957,852	3,787,852
2019	2,960,000	831,097	3,791,097
2020	2,810,000	704,962	3,514,962
2021	2,940,000	578,914	3,518,914
2022	3,075,000	445,594	3,520,594
2023	2,680,000	317,887	2,997,887
2024	2,560,000	201,932	2,761,932
2025	1,955,000	102,592	2,057,592
2026	860,000	40,925	900,925
2027	500,000	10,937	510,937
Total	<u>\$ 52,315,000</u>	<u>\$ 20,133,399</u>	<u>\$ 72,448,399</u>

**CITY OF GRAND PRAIRIE, TEXAS**  
**NOTES TO BASIC FINANCIAL STATEMENTS**  
**SEPTEMBER 30, 2007**

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Water and Wastewater System Debt Service Coverage

According to the terms of the ordinance which authorized the sale of Water and Wastewater Revenue Bonds, the Water and Wastewater system will produce net revenues each year in an amount reasonably estimated to be not less than 1.25 times the average annual principal and interest requirements of the outstanding bonds. At September 30, 2007, compliance with this requirement can be demonstrated as follows:

Revenue <sup>(1)</sup>	<u>\$ 46,946,426</u>
Operating expense (excluding depreciation)	
Water purchased	9,218,766
Sewage disposal contract	7,524,675
Other	<u>12,572,808</u>
Total expense <sup>(2)</sup>	<u>29,316,249</u>
Available for debt service	<u><u>\$ 17,630,177</u></u>
Average annual principal and interest requirements, all water and wastewater revenue bonds at September 30, 2007	<u><u>\$ 3,622,420</u></u>
Coverage of average annual requirements based on September 30, 2007 revenue available for debt service	<u>4.87</u>

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

(2) Excludes depreciation expense

The City's Debt Management Policies prescribe that the coverage ratio is at 1.50 for all outstanding debt. Total debt service on a cash basis in 2007 was \$4,900,054 for a coverage of 3.94.

(ii) Municipal Golf Course Long-Term Debt

Municipal Golf Course Long-Term Debt consists of general obligation refunding bonds issued in 2004, certificates of obligation bonds issued in 1993, 1998 and 2004 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 General Fund and the Debt Service Fund.

**CITY OF GRAND PRAIRIE, TEXAS**  
**NOTES TO BASIC FINANCIAL STATEMENTS**  
**SEPTEMBER 30, 2007**

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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>
2008	\$ 120,000	173,389	\$ 293,389
2009	125,000	170,014	295,014
2010	130,000	166,026	296,026
2011	130,000	161,639	291,639
2012	135,000	156,832	291,832
2013	140,000	151,501	291,501
2014	145,000	145,489	290,489
2015	155,000	138,786	293,786
2016	160,000	131,624	291,624
2017	165,000	124,028	289,028
2018	175,000	115,794	290,794
2019	190,000	106,819	296,819
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>\$ 4,000,000</u>	<u>\$ 2,009,813</u>	<u>\$ 6,009,813</u>

**CITY OF GRAND PRAIRIE, TEXAS**  
**NOTES TO BASIC FINANCIAL STATEMENTS**  
**SEPTEMBER 30, 2007**

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Certificate of Obligation Bonds:

<u>Fiscal Year</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2008	\$ 189,922	\$ 161,006	\$ 350,928
2009	198,919	153,486	352,405
2010	208,919	145,417	354,336
2011	219,917	136,714	356,631
2012	230,914	127,095	358,009
2013	237,908	116,589	354,497
2014	248,905	105,465	354,370
2015	259,903	93,874	353,777
2016	276,897	81,436	358,333
2017	292,894	67,979	360,873
2018	299,889	53,969	353,858
2019	315,886	39,395	355,281
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>\$ 3,695,219</u>	<u>\$ 1,369,933</u>	<u>\$ 5,065,152</u>

(iii) Solid Waste Long-Term Debt

Solid Waste Fund debt consists of general obligation refunding bonds issued in 1992 and 1999 and accrued compensated absences. Although the bonds carry a tax pledge, they were repaid solely from solid waste revenue. The remaining outstanding bonds were defeased on December 12, 2006.

**CITY OF GRAND PRAIRIE, TEXAS**  
**NOTES TO BASIC FINANCIAL STATEMENTS**  
**SEPTEMBER 30, 2007**

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(iv) 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>
2008	\$ 50,000	\$ 12,955	\$ 62,955
2009	55,000	10,705	65,705
2010	50,000	8,175	58,175
2011	55,000	5,825	60,825
2012	65,000	3,185	68,185
Total	<u>\$ 275,000</u>	<u>\$ 40,845</u>	<u>\$ 315,845</u>

Certificate of Obligation Bonds:

<u>Fiscal Year</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2008	\$ 45,000	\$ 92,973	\$ 137,973
2009	40,000	91,648	131,648
2010	50,000	90,123	140,123
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	46,978	196,978
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>\$ 2,040,000</u>	<u>\$ 1,026,316</u>	<u>\$ 3,066,316</u>

**CITY OF GRAND PRAIRIE, TEXAS**  
**NOTES TO BASIC FINANCIAL STATEMENTS**  
**SEPTEMBER 30, 2007**

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c) Grand Prairie Sports Facility Development Corporation Long-Term Debt

The Sports Corporation debt originally consisted of \$40.9 million Sales Tax Revenue Bonds, Series 1995 and \$14.1 million Subordinated Lien Sales Tax Revenue Notes, Series 1995A. The proceeds from the sale of the bonds and notes were used for the construction of the Lone Star Park at Grand Prairie horse track facility. In March 1999, the 1995 and 1995A Bonds and Notes were refunded with \$38.4 million Sales Tax Taxable Refunding Bonds, Series 1999A and \$15.3 million Sales Tax Exempt Refunding Bonds, Series 1999B. In September 2003 a portion of the 1999A and all of the 1999B were refunded with the \$15.92 million 2003A Sales Tax Taxable Refunding Bonds and \$10.04 million Series 2003B Sales Tax Exempt Refunding Bonds.

The changes in the Sports Corporation long-term debt is summarized as follows:

	Balance October 1, 2006	Borrowings or Increase	Payments or Decrease	Balance September 30, 2007
Sales Tax Taxable Refunding Bonds				
Series 1999A	\$ 1,340,000	\$ -	\$ (1,340,000)	\$ -
Sales Tax Taxable Refunding Bonds				
Series 2003A	5,875,000	-	(5,875,000)	-
Deferred loss on refunding	(48,123)	-	48,123	-
Total	<u>\$ 7,166,877</u>	<u>\$ -</u>	<u>\$ (7,166,877)</u>	<u>\$ -</u>

During 2007, in addition to the scheduled principal payments of \$3,500,000, the Corporation paid an additional \$3,715,000 in principal payments to reduce the total outstanding principal. In addition \$48,123 deferred loss on refunding was amortized during the year.

As of September 30, 2007, there is no principal outstanding on any defeased sales tax bonds.

**CITY OF GRAND PRAIRIE, TEXAS**  
**NOTES TO BASIC FINANCIAL STATEMENTS**  
**SEPTEMBER 30, 2007**

d) 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, 2006. The bonds are nonrecourse 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, 2006 follows:

	Beginning Balance	Additions	Deletions	Ending Balance	Due Within One Year
Note payable	\$ 2,582,825	\$ -	\$ (53,493)	\$ 2,529,332	\$ 57,360
Revenue bonds	13,890,000	-	-	13,890,000	160,000
Developer loan	552,123	275,000	-	827,123	-
Total	<u>\$ 17,024,948</u>	<u>\$ 275,000</u>	<u>\$ (53,493)</u>	<u>\$ 17,246,455</u>	<u>\$ 217,360</u>

Future maturities of the debt are as follows:

Fiscal Year Ending December 31	Note Payable		Revenue Bonds	
	Principal	Interest	Principal	Interest
2007	\$ 57,360	\$ 175,200	\$ 160,000	\$ 1,059,975
2008	61,004	171,556	170,000	1,047,413
2009	65,916	166,644	185,000	1,033,912
2010	70,681	161,879	195,000	1,019,475
2011	75,780	156,780	215,000	1,011,788
2012-2016	469,435	693,365	1,330,000	4,426,458
2017-2021	665,483	497,317	1,940,000	4,189,967
2022-2026	943,406	219,394	2,825,000	3,299,369
2027-2031	120,267	4,836	4,140,000	1,990,587
2031-2034	-	-	2,730,000	179,365
Total	<u>\$ 2,529,332</u>	<u>\$ 2,246,971</u>	<u>\$ 13,890,000</u>	<u>\$ 19,258,309</u>

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.

**CITY OF GRAND PRAIRIE, TEXAS**  
**NOTES TO BASIC FINANCIAL STATEMENTS**  
**SEPTEMBER 30, 2007**

At December 31, 2006, outstanding conduit debt was as follows:

<u>Bond Series</u>	<u>Original Issue Amount</u>	<u>Outstanding Amount</u>
1993 Multi-Family Mortgage Revenue Refunding Bonds (Windridge Grand Prairie Associated, Ltd.)	\$ 9,000,000	\$ 9,000,000
1993 Multi-Family Mortgage Revenue Refunding Bonds (Lincoln Property Company No. 2188)	13,500,000	13,500,000
1995A Multi-Family Mortgage Revenue Bonds (Windsor Housing Foundation)	5,415,000	4,555,000
1995B Multi-Family Mortgage Revenue Bonds (Windsor Housing Foundation)	374,000	322,000
1997 Single-Family Mortgage Revenue Bonds	365,500	157,174
1998A Single-Family Mortgage Revenue & Refunding Bonds	17,419,000	1,808,463
1998B-1 Single-Family Mortgage Revenue Refunding Bonds	6,365,000	458,132
1998B-2 Single-Family Mortgage Revenue Bonds	1,575,000	113,365
2000A Multi-Family Mortgage Revenue Bonds (Landings of Carrier Parkway)	15,235,000	15,145,000
2001 Single-Family Mortgage Revenue Bonds	14,160,000	2,693,019
2004A Single-Family Mortgage Revenue & Refunding Bonds	7,837,500	6,101,372
	Total	<u>\$ 53,853,525</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 \$4,596,339 in the Solid Waste Fund. The total liability represents the cumulative amount reported to date based on the use of 48.02% of the estimated capacity of the landfill.

The City will recognize the remaining estimated cost of closure and post closure care of \$4,975,084 as the remaining estimated capacity is filled. The City expects to close the landfill in year 2018. 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, 2007**

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**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 government 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 deb

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**

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, 2007**

**1) 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	Park Venue	Section 8	Street Improvements	Debt Service	
<u>Transfers out:</u>						
General fund	\$ -	\$ 7,273,237	\$ 34,724	\$ -	\$ -	\$ 2,645,378
Park venue	59,664	-	-	-	-	132,535
Section 8	116,910	-	-	-	50,000	-
Street improvements	-	-	-	-	-	365,000
Debt service	-	514,225	-	-	-	162,124
Nonmajor						
governmental funds	1,200,246	131,716	-	4,689,450	37,062	7,899,162
Internal service funds	64,807	-	-	-	-	-
Water/wastewater	294,642	-	-	-	-	1,142,228
Solid waste	102,454	-	-	-	-	608,871
Nonmajor						
enterprise funds	27,893	-	-	-	-	1,750,000
Total	<u>\$ 1,866,616</u>	<u>\$ 7,919,178</u>	<u>\$ 34,724</u>	<u>\$ 4,689,450</u>	<u>\$ 87,062</u>	<u>\$ 14,705,298</u>

	Transfers in					Total
	Internal Service Funds	Water Wastewater	Municipal Golf	Solid Waste	Municipal Airport	
<u>Transfers out:</u>						
General fund	\$ 1,200,000	\$ 57,734	\$ -	\$ 11,369	\$ 24,000	\$ 11,246,442
Park venue	-	-	-	-	-	192,199
Section 8	-	-	-	-	-	166,910
Street improvements	-	-	-	-	-	365,000
Debt service	-	-	647,444	-	-	1,323,793
Nonmajor						
governmental funds	25,718	728,881	381	-	30,000	14,742,616
Internal service funds	-	-	-	-	-	64,807
Water/wastewater	-	-	-	-	-	1,436,870
Solid waste	-	-	-	-	-	711,325
Nonmajor						
enterprise funds	-	-	-	-	-	1,777,893
Total	<u>\$ 1,225,718</u>	<u>\$ 786,615</u>	<u>\$ 647,825</u>	<u>\$ 11,369</u>	<u>\$ 54,000</u>	<u>\$ 32,027,855</u>

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

**CITY OF GRAND PRAIRIE, TEXAS**  
**NOTES TO BASIC FINANCIAL STATEMENTS**  
**SEPTEMBER 30, 2007**

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**3) Cost Reimbursements**

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

Significant cost reimbursements made during the year were as follows:

Fund	Amount
Water and Wastewater Funds	\$ 2,144,090
Solid Waste Funds	171,305
Section 8 Housing Grant Fund	124,409
CDBG Funds	35,521
Storm Water Funds	27,211
Grant Fund	1,545
Total to General Fund	\$ 2,504,081

**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:

Fund	Amount
Water and Wastewater Fund	\$ 1,411,067
Solid Waste Fund	503,399
Storm Water Fund	107,660
Total	\$ 2,022,126

**CITY OF GRAND PRAIRIE, TEXAS**  
**NOTES TO BASIC FINANCIAL STATEMENTS**  
**SEPTEMBER 30, 2007**

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**5) Payments in Lieu of Property Taxes**

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

<u>Fund</u>	<u>Amount</u>
Water and Wastewater Fund	\$ 956,147
Solid Waste Fund	<u>72,790</u>
Total	<u><u>\$ 1,028,937</u></u>

**e. Leases**

On September 15, 1995, the Sports Corporation and LSJC entered into a lease agreement. On October 23, 2002, Lone Star, LSJC, and MEC Lone Star, L.P. (“MEC”) entered into an asset purchase agreement whereby MEC agreed to purchase substantially all of the racing assets of Lone Star and LSJC. The Master Agreement between the Sports Corporation, Lone Star, and LSJC was terminated. Lone Star and LSJC assigned to MEC all of their rights and obligations under the lease and certain ancillary agreements with the Sports Corporation. 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>
2008	\$ 1,452,000
2009	1,452,000
2010	1,452,000
2011	1,452,000
Thereafter	<u>27,505,284</u>
	33,313,284
Less interest	<u>(17,134,453)</u>
Net present value	<u><u>\$ 16,178,831</u></u>

**CITY OF GRAND PRAIRIE, TEXAS**  
**NOTES TO BASIC FINANCIAL STATEMENTS**  
**SEPTEMBER 30, 2007**

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

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

The lease has been accounted for as a capital lease. However, only the base rent payments are determinable and are included in the lease payments receivable at the net present value of future rent payments. The remaining portion of the 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, 2007 was \$3,236,131. Additional contingent rentals are recorded as revenue when received. During the year ended September 30, 2007, the Corporation incurred additional costs for improvements to the leased facilities of \$233,625 and received contribution revenue of \$233,625, for a total addition to the cost of the facility of \$467,250. 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, as follows:

	<u>2007</u>
Nominal interest on the lease	\$ 1,421,400
Amortization of the lease	<u>(134,553)</u>
Net interest	1,286,847
Contingent rentals received (includes rent for simulcast facility prior to completion of project)	<u>396,731</u>
Total lease rental and interest	<u><u>\$ 1,683,578</u></u>

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

**a. Federal Grants**

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

**CITY OF GRAND PRAIRIE, TEXAS**  
**NOTES TO BASIC FINANCIAL STATEMENTS**  
**SEPTEMBER 30, 2007**

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**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 2010, 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 27.8 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 (\$136,614 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 9.9% in the first eleven months of 2006-2007. The City must pay its prorated share of the debt service related to wastewater treatment facilities until the debt matures whether it contributes to flow or not.

**CITY OF GRAND PRAIRIE, TEXAS**  
**NOTES TO BASIC FINANCIAL STATEMENTS**  
**SEPTEMBER 30, 2007**

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**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.

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.

**g. Construction Commitments**

The City has several approved outstanding major capital projects as of September 30, 2007. The City’s total committed but unexpended expenditures for such authorized capital projects at year-end approximates \$45,220,547. 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, 2007**

**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	\$ 2,941,914
Capital assets	6,387,988
Total assets	<u>9,329,902</u>
Current liabilities	594,166
Long term liabilities	<u>2,227,721</u>
Total liabilities	<u>2,821,887</u>
Net assets invested in capital assets, net of related debt	4,072,988
Net assets restricted for debt service	95,000
Unrestricted net assets	<u>2,340,027</u>
Total net assets	<u><u>\$ 6,508,015</u></u>
<u>Condensed statement of revenue, expense and changes in net assets</u>	
Sales to customers	\$ 1,491,511
Other revenue	<u>1,669,635</u>
Total operating revenue	<u>3,161,146</u>
Depreciation	347,775
Other operating expense	<u>1,552,748</u>
Total operating expense	<u>1,900,523</u>
Investment income	117,008
Interest expense	<u>(109,853)</u>
Total nonoperating revenue (expense)	<u>7,155</u>
Income (loss) before transfers	1,267,778
Transfers in	54,000
Transfers out	<u>(3,330)</u>
Change in net assets	<u>1,318,448</u>
Net assets at the beginning of the year	<u>5,189,567</u>
Net assets at the end of the year	<u><u>\$ 6,508,015</u></u>
<u>Condensed statement of cash flows</u>	
Net cash provided (used) by:	
Operating activities	\$ 1,736,407
Noncapital financing activities	50,670
Capital and related financing activities	(483,629)
Investing activities	(1,057,036)
Beginning cash and cash equivalent balances	<u>271,258</u>
Ending cash and cash equivalent balances	<u><u>\$ 517,670</u></u>

**CITY OF GRAND PRAIRIE, TEXAS**  
**NOTES TO BASIC FINANCIAL STATEMENTS**  
**SEPTEMBER 30, 2007**

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**6. CONDENSED INFORMATION FOR COMPONENT UNITS**

A condensed Statement of Net Assets and condensed Statement of Revenues, Expenses, and Changes in Net Assets for the Grand Prairie Sports Facilities Development Corporation, Inc follows (in thousands):

	<u>2007</u>
Assets	
Current assets	\$ 12,668
Lease payments receivable	15,998
Estimated unguaranteed residual value	<u>64,722</u>
Total assets	<u>93,388</u>
Liabilities	
Current liabilities	<u>5</u>
Total Liabilities	<u>5</u>
Net assets	
Unrestricted	<u>93,383</u>
Total net assets	<u>\$ 93,383</u>
Operating revenues	\$ 1,683
Operating expenses	<u>3,352</u>
Operating loss	(1,669)
Non-operating revenues	10,869
Contributions to City of Grand Prairie	(1,109)
Contributions	<u>234</u>
Net income	8,325
Beginning net assets	<u>85,058</u>
Ending net assets	<u>\$ 93,383</u>

**CITY OF GRAND PRAIRIE, TEXAS**  
**NOTES TO BASIC FINANCIAL STATEMENTS**  
**SEPTEMBER 30, 2007**

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A condensed Statement of Net Assets and condensed Statement of Revenues, Expenses, and Changes in Net Assets for the Grand Prairie Housing Finance Corporation follows:

Assets	2006
Current assets	\$ 369,526
Restricted assets	1,367,539
Capital assets	18,083,654
Total assets	<u>19,820,719</u>
Liabilities	
Current liabilities	936,870
Long-term liabilities	17,029,095
Total liabilities	<u>17,965,965</u>
Net assets	
Invested in capital assets	1,531,760
Restricted assets	90,106
Unrestricted assets	232,888
Total net assets	<u>\$ 1,854,754</u>
Operating revenues	\$ 3,711,527
Operating expenses	4,260,236
Operating loss	(548,709)
Non-operating income	(1,228,472)
Net income	(1,777,181)
Beginning net assets	3,631,935
Ending net assets	<u>\$ 1,854,754</u>

**7. SUBSEQUENT EVENTS**

On October 16, 2007 the City issued:

- ♦ \$34,580,000 in General Obligation Refunding and Improvement Bonds, Series 2007 for facility and infrastructure improvements and to refund \$18,550,000 of previously issued debt.
- ♦ \$17,120,000 in Combination Tax and Revenue Certificates of Obligation, Series 2007 for equipment, facility, infrastructure improvements and TIF projects.
- ♦ \$15,845,000 in Water and Wastewater System Revenue Bonds, Series 2007 for water and wastewater system improvements.

# 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, 2007**

	Budget		Actual			Variance with Final Budget - Positive (Negative)
	Original	Final	GAAP	Adjustments	Budgetary	
			Basis		Basis	
<b>REVENUE</b>						
Property tax	\$ 37,721,001	\$ 37,721,001	\$ 37,907,961	\$ (28,151)	\$ 37,879,810	\$ 158,809
Sales tax	18,822,850	18,822,850	20,965,517	(384,349)	20,581,168	1,758,318
Other taxes	252,520	252,520	246,717	-	246,717	(5,803)
Franchise fees	10,939,887	10,939,887	11,375,535	56,812	11,432,347	492,460
Charges for goods and services	4,346,688	4,346,688	4,520,543	-	4,520,543	173,855
Licenses and permits	2,731,031	2,731,031	2,678,297	-	2,678,297	(52,734)
Fines and forfeitures	5,391,085	5,391,085	5,232,676	-	5,232,676	(158,409)
Intergovernmental revenue	683,047	683,047	697,385	-	697,385	14,338
General and administrative costs	2,534,169	2,534,169	2,504,081	-	2,504,081	(30,088)
Investment income	774,190	774,190	1,268,309	(164,944)	1,103,365	329,175
Other	437,860	437,860	626,950	(20,048)	606,902	169,042
Total revenue	84,634,328	84,634,328	88,023,971	(540,680)	87,483,291	2,848,963
<b>EXPENDITURES</b>						
Current operations:						
Support services	12,633,083	10,755,427	10,058,549	47,992	10,106,541	648,886
Public safety services	50,855,704	52,634,326	52,462,808	(114,532)	52,348,276	286,050
Recreation and leisure services	2,031,201	2,037,239	1,899,944	(3,380)	1,896,564	140,675
Development services and other services	12,689,024	13,055,241	13,018,662	(21,715)	12,996,947	58,294
Capital outlay	837,055	903,857	764,017	110,787	874,804	29,053
Total expenditures	79,046,067	79,386,090	78,203,980	19,152	78,223,132	1,162,958
Excess (deficiency) of revenue over (under) expenditures	5,588,261	5,248,238	9,819,991	(559,832)	9,260,159	4,011,921
<b>OTHER FINANCING SOURCES (USES)</b>						
Transfers in	1,854,349	1,866,616	1,866,616	-	1,866,616	-
Transfers out	(11,242,431)	(11,246,442)	(11,246,442)	-	(11,246,442)	-
Sale of capital assets	-	12,410	12,410	-	12,410	-
Total other financing sources (uses)	(9,388,082)	(9,367,416)	(9,367,416)	-	(9,367,416)	-
Net change in fund balance	\$ (3,799,821)	\$ (4,119,178)	\$ 452,575	\$ (559,832)	\$ (107,257)	\$ 4,011,921

Note: Differences between GAAP-basis actual and budget-basis actual are due to accruals which are treated as revenues/expenditures in GAAP-basis statements but not in Budget basis statements, while encumbrances are reported in the budget-basis, and differences in classification.

Sales tax revenue was greater than budgeted due to a state reallocation that was not included in budget calculations. Support services expenditures were significantly less than budgeted due to lower than anticipated utility charges.

**CITY OF GRAND PRAIRIE, TEXAS**  
**REQUIRED SUPPLEMENTARY INFORMATION**  
**SCHEDULE OF REVENUE, EXPENDITURES AND CHANGES IN FUND BALANCE**  
**PARK VENUE FUND - BUDGET TO ACTUAL COMPARISON SCHEDULE**  
**FOR THE YEAR ENDED SEPTEMBER 30, 2007**

	Budget		Actual			Variance with Final Budget- Positive (Negative)
	Original	Final	GAAP Basis	Adjustments	Budgetary Basis	
<b>REVENUE</b>						
Sales tax	\$ 4,707,713	\$ 4,705,713	\$ 5,476,985	\$ (96,087)	\$ 5,380,898	\$ 675,185
Charges for goods and services	2,135,557	2,137,557	2,122,867	-	2,122,867	(14,690)
Investment Income	433,396	433,396	726,985	(109,387)	617,598	184,202
Contributions	35,300	35,300	14,031	-	14,031	(21,269)
Other	-	-	120	1,728	1,848	1,848
Total revenue	7,311,966	7,311,966	8,340,988	(203,746)	8,137,242	825,276
<b>EXPENDITURES</b>						
Current operations:						
Recreation and leisure services	10,996,083	11,009,421	10,520,045	9,558	10,529,603	479,818
Capital outlay	38,000	46,482	1,150,087	(1,106,857)	43,230	3,252
Debt service:						
Principal retirement	1,110,000	1,128,175	1,128,175	-	1,128,175	-
Interest expense	1,651,981	1,653,594	1,653,594	-	1,653,594	-
Total expenditures	13,796,064	13,837,672	14,451,901	(1,097,299)	13,354,602	483,070
Excess (deficiency) of revenues over (under) expenditures	(6,484,098)	(6,525,706)	(6,110,913)	893,553	(5,217,360)	1,308,346
<b>OTHER FINANCING SOURCES (USES)</b>						
Transfers in	7,874,178	7,919,178	7,919,178	-	7,919,178	-
Transfers out	(185,295)	(192,199)	(192,199)	-	(192,199)	-
Total other financing sources (uses)	7,688,883	7,726,979	7,726,979	-	7,726,979	-
Net change in fund balance	\$ 1,204,785	\$ 1,201,273	\$ 1,616,066	\$ 893,553	\$ 2,509,619	\$ 1,308,346

Note: Differences between GAAP-basis actual and budget-basis actual are due to accruals which are treated as revenues/expenditures in GAAP basis statements but not in Budget basis statements, while encumbrances are reported in the budget-basis and differences in classification. GAAP basis for capital outlay included \$1,106,857 expended from a capital project fund. Capital project fund capital outlay is not included in the operating budget. Charges for goods and services are slightly below budgeted amounts due to lower than anticipated attendance. Sales tax revenue was greater than budgeted due to a state reallocation that was not included in budget calculations.

**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, 2007**

			Actual		Budgetary Basis	Variance with Final Budget- Positive (Negative)
	Original	Final	GAAP Basis	Adjustments		
<b>REVENUE</b>						
Intergovernmental revenue	\$ 20,166,401	\$ 20,670,636	\$ 20,670,636	\$ -	\$ 20,670,636	\$ -
Investment income	-	40,001	59,894	(19,893)	40,001	-
Other	16,000	16,000	133,111	-	133,111	117,111
Total revenue	<u>20,182,401</u>	<u>20,726,637</u>	<u>20,863,641</u>	<u>(19,893)</u>	<u>20,843,748</u>	<u>117,111</u>
<b>EXPENDITURES</b>						
Current operations:						
Development services	20,217,125	20,610,024	20,360,270	(2,563)	20,357,707	252,317
Capital outlay	-	-	252,317	-	252,317	(252,317)
Total expenditures	<u>20,217,125</u>	<u>20,610,024</u>	<u>20,612,587</u>	<u>(2,563)</u>	<u>20,610,024</u>	<u>-</u>
Excess (deficiency) of revenues over (under) expenditures	<u>(34,724)</u>	<u>116,613</u>	<u>251,054</u>	<u>(17,330)</u>	<u>233,724</u>	<u>117,111</u>
<b>OTHER FINANCING SOURCES (USES)</b>						
Transfers in	34,724	34,724	34,724	-	34,724	-
Transfers out	(166,910)	(166,910)	(166,910)	-	(166,910)	-
Total other financing sources (uses)	<u>(132,186)</u>	<u>(132,186)</u>	<u>(132,186)</u>	<u>-</u>	<u>(132,186)</u>	<u>-</u>
Net change in fund balance	<u>\$ (166,910)</u>	<u>\$ (15,573)</u>	<u>\$ 118,868</u>	<u>\$ (17,330)</u>	<u>\$ 101,538</u>	<u>\$ 117,111</u>

Note: Differences between GAAP-basis actual and budget-basis actual are due to accruals which are treated as revenues/expenditures in GAAP basis statements but not in Budget basis statements, while encumbrances are reported in the budget-basis, and differences in classification. Original budget was increased for additional amounts awarded by HUD.

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

<b>Fiscal Year</b>	<b>Actuarial Valuation Date</b>	<b>(1) Actuarial Value of Assets</b>	<b>(2) Actuarial Accrued Liability (AAL)</b>	<b>(3) Percentage Funded (1)/(2)</b>	<b>(4) Unfunded Actuarial Accrued Liability (AAL) (2) - (1)</b>	<b>(5) Covered Payroll</b>
2001	12/31/2000	\$ 103,018,151	\$ 127,180,662	81.00%	\$ 24,162,511	\$ 40,426,975
2002	12/31/2001	116,891,035	142,819,377	81.85%	25,928,342	45,368,136
2003	12/31/2002	131,709,701	161,002,282	81.81%	29,292,581	48,080,684
2004	12/31/2003	142,198,405	177,576,317	80.08%	35,377,912	49,764,580
2005	12/31/2004	152,470,087	187,718,712	81.20%	35,248,625	52,997,624
2006	12/31/2005	157,030,678	194,053,949	80.92%	37,023,271	53,849,572
2007	12/31/2006	167,101,197	208,328,802	80.21%	41,227,605	56,817,617

Seven 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 2001 through 2007. 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
59.77%	\$ 6,513,806	\$ 6,513,806
57.15%	5,930,448	5,930,448
60.92%	6,542,656	6,542,656
71.09%	6,590,869	6,590,869
66.50%	7,222,849	7,222,849
68.75%	7,715,790	7,715,790
72.56%	7,577,405	7,577,405



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# COMBINING AND INDIVIDUAL FUND STATEMENTS AND SCHEDULES

Combining and Individual Fund  
Statements and Schedules



## 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. The city has seventeen non-major special revenue funds which include:

- ◆ 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. In addition, other separately funded projects are included. 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 now included under this heading. These funds were reported separately in prior years.
- ◆ Community Development Block Grant (CDBG) – accounts for monies allocated from the federal government for the rehabilitation and improvement of low-to-moderate-income neighborhoods within the city.
- ◆ 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.
- ◆ 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.
- ◆ Municipal Court Fund – accounts for fees collected to maintain security for municipal court buildings, judicial efficiency, and municipal court technology.
- ◆ Street Maintenance Fund – accounts for the quarter cent sales tax to maintain existing streets and alleys that was effective April 1, 2002.
- ◆ 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.

#### Other Capital Projects

Other Capital Projects is used to account for capital improvements which are financed by the city’s general obligation bond issues and other designated resources. The Fire Station Fund, Police Station Fund, Storm Drainage Fund, Library Improvements Fund, Capital Reserve Fund, Street Projects Fund, Equipment Acquisition Fund, Certificates of Obligation Fund, and Municipal Facilities Fund are now included under this heading. These funds were reported separately in prior years.

**CITY OF GRAND PRAIRIE, TEXAS  
COMBINING BALANCE SHEET  
NONMAJOR GOVERNMENTAL FUNDS  
SEPTEMBER 30, 2007**

	Special Revenue Funds						
	Other Special Revenue Funds	Community Development Block Grants	Hotel Motel Tax Fund	Police Seizure	Cable Operations	Municipal Court	Street Maintenance
<b>ASSETS</b>							
Cash and cash equivalents	\$ 5,569,245	\$ -	\$ 976,254	\$ 235,026	\$ 196,510	\$ 272,449	\$ 3,574,522
Investments	3,166,173	-	-	-	-	-	-
Sales tax receivable	-	-	-	-	-	-	941,823
Other receivables	1,745,221	-	156,253	-	-	-	-
Due from other governments	831,129	216,022	-	-	-	-	-
<b>Total assets</b>	<b>\$ 11,311,768</b>	<b>\$ 216,022</b>	<b>\$ 1,132,507</b>	<b>\$ 235,026</b>	<b>\$ 196,510</b>	<b>\$ 272,449</b>	<b>\$ 4,516,345</b>
<b>LIABILITIES AND FUND BALANCE</b>							
Liabilities :							
Accounts payable	\$ 388,221	\$ 74,973	\$ 38,063	\$ -	\$ 620	\$ 3,010	\$ 406,538
Accrued liabilities	1,074,918	141,049	8,902	-	2,373	4,660	545,844
Deferred revenue	122,162	-	-	-	-	-	-
<b>Total liabilities</b>	<b>1,585,301</b>	<b>216,022</b>	<b>46,965</b>	<b>-</b>	<b>2,993</b>	<b>7,670</b>	<b>952,382</b>
Fund balance:							
Reserved for:							
Encumbrances	-	-	200,000	-	1,500	-	2,586,617
Bond debt service	-	-	-	-	-	-	-
Unreserved, designated for:							
Capital projects	-	-	-	-	-	-	-
Unreserved, undesignated in:							
Special revenue funds	9,726,467	-	885,542	235,026	192,017	264,779	977,346
<b>Total fund balance</b>	<b>9,726,467</b>	<b>-</b>	<b>1,085,542</b>	<b>235,026</b>	<b>193,517</b>	<b>264,779</b>	<b>3,563,963</b>
<b>Total liabilities and fund balance</b>	<b>\$ 11,311,768</b>	<b>\$ 216,022</b>	<b>\$ 1,132,507</b>	<b>\$ 235,026</b>	<b>\$ 196,510</b>	<b>\$ 272,449</b>	<b>\$ 4,516,345</b>

(Continued)

**Special Revenue Funds**

<b>Tax Increment Financing Districts</b>	<b>Lake Parks</b>	<b>Gas Well Revenue</b>	<b>Baseball Stadium</b>	<b>Total Special Revenue Funds</b>	<b>Other Capital Projects Funds</b>	<b>Total Nonmajor Governmental Funds</b>
\$ 5,680,377	\$ 712,195	\$ 15,672	\$ 172,970	\$ 17,405,220	\$ 1,408,183	\$ 18,813,403
-	3,989,995	10,038,418	5,566,543	22,761,129	15,864,147	38,625,276
-	-	-	-	941,823	-	941,823
-	-	-	-	1,901,474	-	1,901,474
-	-	-	-	1,047,151	-	1,047,151
<u>\$ 5,680,377</u>	<u>\$ 4,702,190</u>	<u>\$ 10,054,090</u>	<u>\$ 5,739,513</u>	<u>\$ 44,056,797</u>	<u>\$ 17,272,330</u>	<u>\$ 61,329,127</u>
\$ -	\$ 48,503	\$ -	\$ -	\$ 959,928	\$ 78,702	\$ 1,038,630
-	59,874	-	576,786	2,414,406	656,264	3,070,670
-	-	-	-	122,162	-	122,162
-	108,377	-	576,786	3,496,496	734,966	4,231,462
-	-	-	-	2,788,117	146,014	2,934,131
989,081	-	-	-	989,081	-	989,081
-	-	-	-	-	16,391,350	16,391,350
4,691,296	4,593,813	10,054,090	5,162,727	36,783,103	-	36,783,103
5,680,377	4,593,813	10,054,090	5,162,727	40,560,301	16,537,364	57,097,665
<u>\$ 5,680,377</u>	<u>\$ 4,702,190</u>	<u>\$ 10,054,090</u>	<u>\$ 5,739,513</u>	<u>\$ 44,056,797</u>	<u>\$ 17,272,330</u>	<u>\$ 61,329,127</u>

(Concluded)

**CITY OF GRAND PRAIRIE, TEXAS  
COMBINING STATEMENT OF REVENUE, EXPENDITURES,  
AND CHANGES IN FUND BALANCE  
NONMAJOR GOVERNMENTAL FUNDS  
FOR THE YEAR ENDED SEPTEMBER 30, 2007**

	<b>Special Revenue Funds</b>						
	<b>Other Special Revenue Funds</b>	<b>Community Development Block Grants</b>	<b>Hotel Motel Tax Fund</b>	<b>Police Seizure</b>	<b>Cable Operations</b>	<b>Municipal Court</b>	<b>Street Maintenance</b>
<b>REVENUE</b>							
Property tax	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Sales tax	-	-	-	-	-	-	5,476,985
Other taxes	-	-	1,098,045	-	-	-	-
Charges for goods and service	749,197	-	10,691	-	-	-	-
Licenses and permits	-	-	-	-	-	-	-
Fines and forfeitures	353,553	-	-	-	-	221,255	-
Special assessments	1,330,029	-	-	-	-	-	-
Intergovernmental revenue	2,786,453	2,300,262	-	143,850	-	-	-
Investment income	2,685,079	-	21,248	16,923	9,017	11,619	125,112
Contributions	257,887	-	-	3,532	-	-	-
Other	1,962,261	-	-	-	104,861	-	-
Total revenue	<u>10,124,459</u>	<u>2,300,262</u>	<u>1,129,984</u>	<u>164,305</u>	<u>113,878</u>	<u>232,874</u>	<u>5,602,097</u>
<b>EXPENDITURES</b>							
Current operations:							
Support services	2,169,505	-	723,417	-	113,113	-	2,249,802
Public safety services	1,304,225	-	-	140,936	-	125,378	-
Recreation and leisure services	607,105	-	-	-	-	-	-
Development services and other	1,283,701	2,018,602	-	-	-	-	-
Capital outlay	3,060,114	73,334	-	6,077	7,215	202	3,724,803
Debt service:							
Principal retirement	680,000	-	-	-	-	-	-
Interest charges	1,079,649	-	-	-	-	-	-
Total expenditures	<u>10,184,299</u>	<u>2,091,936</u>	<u>723,417</u>	<u>147,013</u>	<u>120,328</u>	<u>125,580</u>	<u>5,974,605</u>
Excess (deficiency) of revenue over (under) expenditures	<u>(59,840)</u>	<u>208,326</u>	<u>406,567</u>	<u>17,292</u>	<u>(6,450)</u>	<u>107,294</u>	<u>(372,508)</u>
<b>OTHER FINANCING SOURCES (USES):</b>							
Transfers in	1,346,177	10,000	13,290	-	-	-	1,428,937
Transfers out	(216,413)	(125,872)	(235,455)	-	-	(61,321)	(839,061)
Bonds issued	-	-	-	-	-	-	-
Total other financing sources (uses)	<u>1,129,764</u>	<u>(115,872)</u>	<u>(222,165)</u>	<u>-</u>	<u>-</u>	<u>(61,321)</u>	<u>589,876</u>
Net change in fund balance	1,069,924	92,454	184,402	17,292	(6,450)	45,973	217,368
Fund balance - beginning of year	8,656,543	(92,454)	901,140	217,734	199,967	218,806	3,346,595
Fund balance - end of year	<u>\$ 9,726,467</u>	<u>\$ -</u>	<u>\$ 1,085,542</u>	<u>\$ 235,026</u>	<u>\$ 193,517</u>	<u>\$ 264,779</u>	<u>\$ 3,563,963</u>

(Continued)

**Special Revenue Funds**

<b>Tax Increment Financing Districts</b>	<b>Lake Parks</b>	<b>Gas Well Revenue</b>	<b>Baseball Stadium</b>	<b>Total Special Revenue Funds</b>	<b>Other Capital Projects Funds</b>	<b>Total Nonmajor Governmental Funds</b>
\$ 8,490,264	\$ -	\$ -	\$ -	\$ 8,490,264	\$ -	\$ 8,490,264
-	-	-	-	5,476,985	-	5,476,985
-	-	-	-	1,098,045	-	1,098,045
-	1,063,666	-	-	1,823,554	-	1,823,554
-	167,553	-	-	167,553	-	167,553
-	-	-	-	574,808	-	574,808
-	-	-	-	1,330,029	49,568	1,379,597
-	-	-	-	5,230,565	-	5,230,565
138,830	239,240	298,800	-	3,545,868	624,962	4,170,830
-	677,622	-	2,100,000	3,039,041	1,667,512	4,706,553
-	22,221	14,755,290	-	16,844,633	6,885	16,851,518
<u>8,629,094</u>	<u>2,170,302</u>	<u>15,054,090</u>	<u>2,100,000</u>	<u>47,621,345</u>	<u>2,348,927</u>	<u>49,970,272</u>
1,069,228	-	-	-	6,325,065	1,028,267	7,353,332
-	-	-	-	1,570,539	-	1,570,539
-	1,742,516	-	-	2,349,621	-	2,349,621
-	-	-	-	3,302,303	113,538	3,415,841
705,141	1,232,667	-	1,937,273	10,746,826	8,013,224	18,760,050
550,000	-	-	-	1,230,000	-	1,230,000
612,624	-	-	-	1,692,273	-	1,692,273
<u>2,936,993</u>	<u>2,975,183</u>	<u>-</u>	<u>1,937,273</u>	<u>27,216,627</u>	<u>9,155,029</u>	<u>36,371,656</u>
5,692,101	(804,881)	15,054,090	162,727	20,404,718	(6,806,102)	13,598,616
-	-	-	5,000,000	7,798,404	6,906,894	14,705,298
-	(103,320)	(5,000,000)	-	(6,581,442)	(1,221,787)	(7,803,229)
5,512,500	-	-	-	5,512,500	4,960,043	10,472,543
5,512,500	(103,320)	(5,000,000)	5,000,000	6,729,462	10,645,150	17,374,612
11,204,601	(908,201)	10,054,090	5,162,727	27,134,180	3,839,048	30,973,228
1,415,163	5,502,014	-	-	20,365,508	12,698,316	33,063,824
<u>\$ 12,619,764</u>	<u>\$ 4,593,813</u>	<u>\$ 10,054,090</u>	<u>\$ 5,162,727</u>	<u>\$ 47,499,688</u>	<u>\$ 16,537,364</u>	<u>\$ 64,037,052</u>

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## 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:

- ◆ Debt Service Fund - accounts for the payment of principal and interest on the city's property tax supported debt.
- ◆ 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**  
**DEBT SERVICE FUND - BUDGET TO ACTUAL COMPARISON SCHEDULE**  
**FOR THE YEAR ENDED SEPTEMBER 30, 2007**

	Budget		Actual		Variance with Final Budget- Positive (Negative)	
	Original	Final	GAAP Basis	Adjustments		Budgetary Basis
<b>REVENUE</b>						
Property tax	\$ 14,188,404	\$ 14,188,404	\$ 14,866,875	\$ (11,928)	\$ 14,854,947	\$ 666,543
Investment income	196,152	196,152	318,901	(39,380)	279,521	83,369
Total revenue	14,384,556	14,384,556	15,185,776	(51,308)	15,134,468	749,912
<b>EXPENDITURES</b>						
Current operations:						
Support services	40,000	40,000	20,000	-	20,000	20,000
Debt service:						
Principal retirement	7,276,394	7,276,394	7,274,644	-	7,274,644	1,750
Interest	6,051,747	6,106,799	5,004,779	-	5,004,779	1,102,020
Total expenditures	13,368,141	13,423,193	12,299,423	-	12,299,423	1,123,770
Excess (deficiency) of revenue over (under) expenditures	1,016,415	961,363	2,886,353	(51,308)	2,835,045	1,873,682
<b>OTHER FINANCING SOURCES (USES)</b>						
Transfers in	87,062	87,062	87,062	-	87,062	-
Transfers out	(1,338,845)	(1,323,793)	(1,323,793)	-	(1,323,793)	-
Premium on debt issued	-	-	97,413	-	97,413	97,413
Total other financing sources (uses)	(1,251,783)	(1,236,731)	(1,139,318)	-	(1,139,318)	97,413
Net change in fund balance	(235,368)	(275,368)	1,747,035	(51,308)	1,695,727	1,971,095

Note:  
An amendment to the original budget was made due to bonds being issued after the original budget was adopted. Interest expenditures were lower than budgeted due to lower interest paid on refunding. Property tax revenue from delinquent taxes was higher than anticipated. Debt service interest expenditures were under budget due to the delay until next fiscal year of an anticipated bond sale.

**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, 2007**

	<b>Budget</b>		<b>Actual</b>		<b>Variance with Final Budget- Positive (Negative)</b>	
	<b>Original</b>	<b>Final</b>	<b>GAAP Basis</b>	<b>Adjustments</b>		<b>Budgetary Basis</b>
<b>REVENUE</b>						
Other taxes	\$ 1,088,000	\$ 1,088,000	\$ 1,098,045	\$ 21,310	\$ 1,119,355	\$ 31,355
Charges for goods and services	8,500	8,500	10,691	23	10,714	2,214
Investment income	16,149	16,149	21,248	1,764	23,012	6,863
Total revenues	<u>1,112,649</u>	<u>1,112,649</u>	<u>1,129,984</u>	<u>23,097</u>	<u>1,153,081</u>	<u>40,432</u>
<b>EXPENDITURES</b>						
Current operations:						
Support services	884,646	914,054	723,417	9,515	732,932	181,122
Capital outlay	200,000	-	-	-	-	-
Total expenditures	<u>1,084,646</u>	<u>914,054</u>	<u>723,417</u>	<u>9,515</u>	<u>732,932</u>	<u>181,122</u>
Excess (deficiency) of revenues over (under) expenditures	<u>28,003</u>	<u>198,595</u>	<u>406,567</u>	<u>13,582</u>	<u>420,149</u>	<u>221,554</u>
<b>OTHER FINANCING SOURCES (USES)</b>						
Transfers in	13,290	13,290	13,290	-	13,290	-
Transfers out	(130,455)	(235,455)	(235,455)	-	(235,455)	-
Total other financing sources (uses)	<u>(117,165)</u>	<u>(222,165)</u>	<u>(222,165)</u>	<u>-</u>	<u>(222,165)</u>	<u>-</u>
Net changes in fund balance	<u>(89,162)</u>	<u>(23,570)</u>	<u>184,402</u>	<u>13,582</u>	<u>197,984</u>	<u>221,554</u>

Note: Support services were less than budgeted due to decreased spending for City promotion and advertising during the year

**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, 2007**

	<b>Budget</b>		<b>Actual</b>		<b>Variance with Final Budget- Positive (Negative)</b>	
	<b>Original</b>	<b>Final</b>	<b>GAAP Basis</b>	<b>Adjustments</b>		<b>Budgetary Basis</b>
<b>REVENUE</b>						
Intergovernmental revenue	\$ 31,200	\$ 31,200	\$ 143,850	\$ -	\$ 143,850	\$ 112,650
Investment income	11,097	11,097	16,923	-	16,923	5,826
Contributions	3,500	3,500	3,532	-	3,532	32
Total revenue	<u>45,797</u>	<u>45,797</u>	<u>164,305</u>	<u>-</u>	<u>164,305</u>	<u>118,508</u>
<b>EXPENDITURES</b>						
Current operations:						
Public safety services	64,300	126,276	140,936	(14,660)	126,276	-
Capital outlay	-	23,614	6,077	14,660	20,737	2,877
Total expenditures	<u>64,300</u>	<u>149,890</u>	<u>147,013</u>	<u>-</u>	<u>147,013</u>	<u>2,877</u>
Net change in fund balance	<u>(18,503)</u>	<u>(104,093)</u>	<u>17,292</u>	<u>-</u>	<u>17,292</u>	<u>121,385</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, 2007**

	<u>Budget</u>		<u>Actual</u>		<u>Variance with Final Budget- Positive (Negative)</u>	
	<u>Original</u>	<u>Final</u>	<u>GAAP Basis</u>	<u>Budgetary Basis</u>		
<b>REVENUE</b>						
Fines and forfeitures	\$ 244,375	\$ 244,375	\$ 221,255	\$ -	\$ 221,255	\$ (23,120)
Investment income	8,709	8,709	11,619	792	12,411	3,702
Total revenues	<u>253,084</u>	<u>253,084</u>	<u>232,874</u>	<u>792</u>	<u>233,666</u>	<u>(19,418)</u>
<b>EXPENDITURES</b>						
Current operations:						
Public safety	130,116	130,116	125,378	(7,293)	118,085	12,031
Capital Outlay	-	54,764	202	7,542	7,744	47,020
Total expenditures	<u>130,116</u>	<u>184,880</u>	<u>125,580</u>	<u>249</u>	<u>125,829</u>	<u>59,051</u>
Excess (deficiency) of revenues over (under) expenditures	122,968	68,204	107,294	543	107,837	39,633
<b>OTHER FINANCING SOURCES (USES)</b>						
Transfers out	<u>61,321</u>	<u>61,321</u>	<u>(61,321)</u>	<u>-</u>	<u>(61,321)</u>	<u>(122,642)</u>
Total other financing sources (uses)	<u>61,321</u>	<u>61,321</u>	<u>(61,321)</u>	<u>-</u>	<u>(61,321)</u>	<u>(122,642)</u>
Net change in fund balance	<u>184,289</u>	<u>129,525</u>	<u>45,973</u>	<u>543</u>	<u>46,516</u>	<u>(83,009)</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, 2007**

	<u>Budget</u>		<u>Actual</u>		<u>Variance with Final Budget- Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>	<u>GAAP Basis</u>	<u>Budgetary Basis</u>	
<b>REVENUE</b>					
Investment income	\$ 6,827	\$ 6,827	\$ 9,017	\$ 713	\$ 2,903
Other	89,000	89,000	104,861	-	15,861
Total revenue	<u>95,827</u>	<u>95,827</u>	<u>113,878</u>	<u>713</u>	<u>18,764</u>
<b>EXPENDITURES</b>					
Current operations:					
Support services	111,957	118,831	113,113	(1,497)	7,215
Capital Outlay	11,000	9,511	7,215	1,401	895
Total expenditures	<u>122,957</u>	<u>128,342</u>	<u>120,328</u>	<u>(96)</u>	<u>8,110</u>
Excess (deficiency) of revenue over (under) expenditures	<u>(27,130)</u>	<u>(32,515)</u>	<u>(6,450)</u>	<u>809</u>	<u>26,874</u>
Net change in fund balance	<u>(27,130)</u>	<u>(32,515)</u>	<u>(6,450)</u>	<u>809</u>	<u>26,874</u>



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## 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.
- ♦ Storm Water Utility Fund – accounts for the receipt of storm water utility fees for construction, operations, and maintenance of the city's storm water drainage system.

**CITY OF GRAND PRAIRIE, TEXAS  
COMBINING STATEMENT OF NET ASSETS  
NONMAJOR ENTERPRISE FUNDS  
SEPTEMBER 30, 2007**

	<b>Municipal Airport</b>	<b>Storm Water Utility</b>	<b>Total Nonmajor Enterprise Funds</b>
<b>ASSETS</b>			
Current assets:			
Cash and cash equivalents	\$ 479,009	\$ 27,818	\$ 506,827
Investments	2,228,287	1,116,717	3,345,004
Accounts receivables	97,425	229,984	327,409
Inventories and supplies	47,217	-	47,217
Current restricted assets:			
Cash and cash equivalents	38,661	-	38,661
Investments	51,315	-	51,315
Total current assets	<u>2,941,914</u>	<u>1,374,519</u>	<u>4,316,433</u>
Capital assets:			
Land	183,923	-	183,923
Buildings	2,433,628	-	2,433,628
Equipment	533,951	-	533,951
Infrastructure	5,282,259	4,376,349	9,658,608
Construction in progress	2,196,335	-	2,196,335
Less accumulated depreciation	<u>(4,242,108)</u>	<u>(1,742,865)</u>	<u>(5,984,973)</u>
Total capital assets	<u>6,387,988</u>	<u>2,633,484</u>	<u>9,021,472</u>
Total assets	<u>9,329,902</u>	<u>4,008,003</u>	<u>13,337,905</u>
<b>LIABILITIES</b>			
Current liabilities:			
Accounts payable	163,541	10,909	174,450
Accrued liabilities	87,276	65,761	153,037
Accrued compensated absences	17,090	4,919	22,009
Unearned revenue	166,619	-	166,619
Current liabilities payable from restricted assets:			
Accrued liabilities	13,325	-	13,325
Customer deposits	51,315	-	51,315
Current portion of long term debt	<u>95,000</u>	<u>-</u>	<u>95,000</u>
Total current liabilities	<u>594,166</u>	<u>81,589</u>	<u>675,755</u>
Noncurrent liabilities:			
Accrued compensated absences	7,721	8,536	16,257
Long term debt	<u>2,220,000</u>	<u>-</u>	<u>2,220,000</u>
Total noncurrent liabilities	<u>2,227,721</u>	<u>8,536</u>	<u>2,236,257</u>
Total liabilities	<u>2,821,887</u>	<u>90,125</u>	<u>2,912,012</u>
<b>NET ASSETS</b>			
Invested in capital assets (net of related debt)	4,072,988	2,633,484	6,706,472
Restricted for debt service	95,000	-	95,000
Unrestricted	<u>2,340,027</u>	<u>1,284,394</u>	<u>3,624,421</u>
Total net assets	<u>\$ 6,508,015</u>	<u>\$ 3,917,878</u>	<u>\$ 10,425,893</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, 2007**

	<u>Municipal Airport</u>	<u>Storm Water Utility</u>	<u>Total Nonmajor Enterprise Funds</u>
<b>OPERATING REVENUE</b>			
Sales to customers	\$ 1,491,511	\$ 2,691,742	\$ 4,183,253
Intergovernmental revenue	1,668,944	-	1,668,944
Miscellaneous	691	-	691
Total operating revenue	<u>3,161,146</u>	<u>2,691,742</u>	<u>5,852,888</u>
<b>OPERATING EXPENSE</b>			
Personal services	327,250	218,549	545,799
Supplies	711,680	6,198	717,878
Purchased services	503,551	457,922	961,473
Miscellaneous	10,267	6,900	17,167
Depreciation	347,775	210,018	557,793
Franchise fee	-	107,660	107,660
General and administrative costs	-	27,211	27,211
Total operating expense	<u>1,900,523</u>	<u>1,034,458</u>	<u>2,934,981</u>
Operating income (loss)	<u>1,260,623</u>	<u>1,657,284</u>	<u>2,917,907</u>
<b>NONOPERATING REVENUE (EXPENSE)</b>			
Investment income	117,008	45,285	162,293
Interest expense	(109,853)	-	(109,853)
Total nonoperating revenue (expense)	<u>7,155</u>	<u>45,285</u>	<u>52,440</u>
Income (loss) before transfers	1,267,778	1,702,569	2,970,347
Transfers in	54,000	-	54,000
Transfers out	(3,330)	(1,774,563)	(1,777,893)
Change in net assets	1,318,448	(71,994)	1,246,454
Net assets - beginning of year	<u>5,189,567</u>	<u>3,989,872</u>	<u>9,179,439</u>
Net assets - end of year	<u>\$ 6,508,015</u>	<u>\$ 3,917,878</u>	<u>\$ 10,425,893</u>

**CITY OF GRAND PRAIRIE, TEXAS  
STATEMENT OF CASH FLOWS  
NONMAJOR ENTERPRISE FUNDS  
FOR THE YEAR ENDED SEPTEMBER 30, 2007**

	<u>Municipal Airport</u>	<u>Storm Water Utility</u>	<u>Total Nonmajor Enterprise Funds</u>
<b>Cash flows from operating activities:</b>			
Cash received from customers	\$ 3,254,613	\$ 2,624,488	\$ 5,879,101
Cash received from other funds for services	33,254	-	33,254
Cash payments to suppliers for goods and services	(1,033,765)	(480,422)	(1,514,187)
Cash payments to employees for services	(318,538)	(207,982)	(526,520)
Cash payments to other funds for services	-	(107,660)	(107,660)
Other operating cash receipts (payments)	(199,157)	(14,893)	(214,050)
Net cash provided by operating activities	<u>1,736,407</u>	<u>1,813,531</u>	<u>3,549,938</u>
<b>Cash flows from non-capital financing activities:</b>			
Transfers from other funds	54,000		54,000
Transfers to other funds	(3,330)	(1,774,563)	(1,777,893)
Net cash (used) by noncapital financing activities	<u>50,670</u>	<u>(1,774,563)</u>	<u>(1,723,893)</u>
<b>Cash flows from capital and related financing activities:</b>			
Capital outlays	(283,776)	-	(283,776)
Interest paid on bonds and line of credit	(109,853)	-	(109,853)
Repayment of principal on bonds	(90,000)	-	(90,000)
Net cash used by capital and related financing activities	<u>(483,629)</u>	<u>-</u>	<u>(483,629)</u>
<b>Cash flows from investing activities:</b>			
Investment earnings received on cash and investments	117,008	45,285	162,293
Purchase of investments	(1,174,044)	(310,499)	(1,484,543)
Net cash (used) by investing activities	<u>(1,057,036)</u>	<u>(265,214)</u>	<u>(1,322,250)</u>
Net (decrease) in cash and cash equivalents	246,412	(226,246)	20,166
Cash and cash equivalents - beginning of year	271,258	254,064	525,322
Cash and cash equivalents - end of year	<u>\$ 517,670</u>	<u>\$ 27,818</u>	<u>\$ 545,488</u>
<b>Reconciliation of income (loss) from operations to net cash provided (used) by operating activities:</b>			
Net operating income	\$ 1,260,623	\$ 1,657,284	\$ 2,917,907
Adjustments to net operating income (loss) to net cash provided (used) by operating activities:			
Depreciation and amortization	347,775	210,018	557,793
Increase in other accounts receivable	(44,077)	(67,254)	(111,331)
Decrease in inventories and supplies	18,453	-	18,453
Increase in accounts payable	163,013	10,909	173,922
Increase in other accrued liabilities	(22,962)	(7,993)	(30,955)
Increase in customer deposits	4,870	-	4,870
Increase in accrued compensated absences	8,712	10,567	19,279
Net cash provided (used) by operating activities	<u>\$ 1,736,407</u>	<u>\$ 1,813,531</u>	<u>\$ 3,549,938</u>

## COMBINING FINANCIAL STATEMENTS

### INTERNAL SERVICE FUNDS

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

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

**CITY OF GRAND PRAIRIE, TEXAS  
COMBINING STATEMENT OF NET ASSETS  
INTERNAL SERVICE FUNDS  
SEPTEMBER 30, 2007**

	<u>Equipment Services</u>	<u>Risk Management</u>	<u>Total Internal Service Funds</u>
<b>ASSETS</b>			
Current assets:			
Cash and cash equivalents	59,484	\$ 4,614,543	\$ 4,674,027
Investments	1,083,165	1,819,297	2,902,462
Inventories and supplies	264,666	-	264,666
Current restricted assets:			
Cash and cash equivalents	-	226,000	226,000
Total current assets	<u>1,407,315</u>	<u>6,659,840</u>	<u>8,067,155</u>
Capital assets:			
Land	737,566	-	737,566
Buildings	1,477,875	-	1,477,875
Equipment	1,666,557	-	1,666,557
Infrastructure	16,672	-	16,672
Less accumulated depreciation	(2,971,408)	-	(2,971,408)
Total noncurrent assets	<u>927,262</u>	<u>-</u>	<u>927,262</u>
Total assets	<u>2,334,577</u>	<u>6,659,840</u>	<u>8,994,417</u>
<b>LIABILITIES</b>			
Current liabilities:			
Accounts Payable	23,693	204,342	228,035
Other accrued liabilities	30,581	3,993,762	4,024,343
Accrued compensated absences	29,063	5,525	34,588
Current liabilities payable from restricted assets:			
Accrued liabilities	-	226,000	226,000
Total current liabilities	<u>83,337</u>	<u>4,429,629</u>	<u>4,512,966</u>
Noncurrent liabilities:			
Accrued compensated absences	-	1,268	1,268
Total noncurrent liabilities	<u>-</u>	<u>1,268</u>	<u>1,268</u>
Total liabilities	<u>83,337</u>	<u>4,430,897</u>	<u>4,514,234</u>
<b>NET ASSETS</b>			
Invested in capital assets (net of related debt)	927,262	-	927,262
Unrestricted	1,323,978	2,228,943	3,552,921
Total net assets (liabilities)	<u>2,251,240</u>	<u>\$ 2,228,943</u>	<u>\$ 4,480,183</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, 2007**

	<u>Equipment Services</u>	<u>Risk Management</u>	<u>Total Internal Service Funds</u>
<b>OPERATING REVENUE</b>			
Sales to customers	\$ 3,676,068	\$ -	\$ 3,676,068
Insurance premiums	-	14,773,564	14,773,564
Miscellaneous	1,489	-	1,489
Total operating revenue	<u>3,677,557</u>	<u>14,773,564</u>	<u>18,451,121</u>
<b>OPERATING EXPENSE</b>			
Personnel services	928,430	143,213	1,071,643
Supplies	2,250,713	5,795	2,256,508
Purchased services	472,026	570,421	1,042,447
Insurance costs	-	13,093,476	13,093,476
Miscellaneous	21,908	14,339	36,247
Depreciation	76,823	-	76,823
Total operating expense	<u>3,749,900</u>	<u>13,827,244</u>	<u>17,577,144</u>
Operating income (loss)	<u>(72,343)</u>	<u>946,320</u>	<u>873,977</u>
<b>NONOPERATING REVENUE (EXPENSE)</b>			
Investment income	50,814	131,114	181,928
Total nonoperating revenue	<u>50,814</u>	<u>131,114</u>	<u>181,928</u>
Income (loss) before contributions and transfers	<u>(21,529)</u>	<u>1,077,434</u>	<u>1,055,905</u>
Transfers in	-	1,225,718	1,225,718
Transfers out	(19,060)	(45,747)	(64,807)
Change in net assets	<u>(40,589)</u>	<u>2,257,405</u>	<u>2,216,816</u>
Net assets at beginning of the year	<u>2,291,829</u>	<u>(28,462)</u>	<u>2,263,367</u>
Net assets at the end of the year	<u>\$ 2,251,240</u>	<u>\$ 2,228,943</u>	<u>\$ 4,480,183</u>

**CITY OF GRAND PRAIRIE, TEXAS  
STATEMENT OF CASH FLOWS  
INTERNAL SERVICE FUNDS  
FOR THE YEAR ENDED SEPTEMBER 30, 2007**

	<b>Equipment Services</b>	<b>Risk Management</b>	<b>Total Internal Service Funds</b>
<b>Cash flows from operating activities:</b>			
Cash received from customers	\$ 3,676,068	\$ -	\$ 3,676,068
Cash received from other funds for services	-	14,773,564	14,773,564
Cash payments to suppliers for goods and services	(2,593,326)	(13,465,350)	(16,058,676)
Cash payments to employees for services	(918,786)	(141,808)	(1,060,594)
Other operating cash receipts (payments)	(127,074)	989,511	862,437
Net cash provided (used) by operating activities	<u>36,882</u>	<u>2,155,917</u>	<u>2,192,799</u>
<b>Cash flows from non-capital financing activities:</b>			
Transfers from other funds	-	1,225,718	1,225,718
Transfers to other funds	(19,060)	(45,747)	(64,807)
Net cash provided (used) by noncapital financing activities	<u>(19,060)</u>	<u>1,179,971</u>	<u>1,160,911</u>
<b>Cash flows from investing activities</b>			
Investment earnings received on cash and investments	50,814	131,114	181,928
Purchase of investments	(9,151)	-	(9,151)
Sale of investments	-	730,080	730,080
Net cash provided by investing activities	<u>41,663</u>	<u>861,194</u>	<u>902,857</u>
Net increase in cash and cash equivalents	59,484	4,197,082	4,256,566
Cash and cash equivalents - beginning of year	-	643,461	643,461
Cash and cash equivalents - end of year	<u>\$ 59,484</u>	<u>\$ 4,840,543</u>	<u>\$ 4,900,027</u>

**Reconciliation of income (loss) from operations to net cash provided (used) by operating activities:**

Net operating income (loss)	\$ (72,343)	\$ 946,320	\$ 873,977
Adjustments to net operating income (loss) to net cash provided (used) by operating activities:			
Depreciation and amortization	76,823	-	76,823
Change in assets and liabilities:			
Decrease in inventories and supplies	105,720	-	105,720
Increase in accounts payable	23,693	204,342	228,035
(Increase) decrease in other accrued liabilities	(26,200)	1,003,850	977,650
Increase in interfund liabilities	(80,455)	-	(80,455)
Increase in accrued compensated absences	9,644	1,405	11,049
Net cash provided by operating activities	<u>\$ 36,882</u>	<u>\$ 2,155,917</u>	<u>\$ 2,192,799</u>



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# 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, 2007**

**Governmental funds capital assets:**

Land	\$ 24,216,096
Buildings	60,835,352
Equipment	56,769,907
Infrastructure	340,143,993
Construction in progress	112,131,145
Total governmental funds capital assets	<u>\$ 594,096,493</u>

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

Capital projects funds	\$ 112,131,145
General Fund	448,860,768
Special revenue funds	889,854
Private and other	32,214,726
Total investment	<u>\$ 594,096,493</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, 2007**

<u>Function and Activity</u>	<u>Land</u>	<u>Building</u>	<u>Equipment</u>	<u>Infrastructure</u>	<u>Total</u>
<b>Support Services:</b>					
City Council	\$ -	\$ 8,000	\$ -	\$ 21,151	\$ 29,151
City Manager	5,893,758	3,161,356	453,033	132,897	9,641,044
Budget	-	39,949	10,000	-	49,949
Internal Audit					
City Secretary					
City Attorney	-	6,545	138,936	-	145,481
Human Resources	-	248,294	575,655	-	823,949
Information Systems	-	6,750	2,015,094	643,868	2,665,712
Finance	1,276,612	27,616,736	1,423,399	4,122,340	34,439,087
Total support services	<u>7,170,370</u>	<u>31,087,630</u>	<u>4,616,117</u>	<u>4,920,256</u>	<u>47,794,373</u>
<b>Public Safety:</b>					
Fire	536,269	4,016,585	13,151,081	1,161,114	18,865,049
Police	725,971	7,155,090	18,193,463	835,974	26,910,498
Environmental Health	132,862	423,881	327,309	185,310	1,069,362
Municipal Court	186,003	2,261,062	370,465	143,016	2,960,546
Total public safety	<u>1,581,105</u>	<u>13,856,618</u>	<u>32,042,318</u>	<u>2,325,414</u>	<u>49,805,455</u>
<b>Recreation and Leisure:</b>					
Parks and Recreation	10,052,462	9,019,304	5,116,859	14,577,274	38,765,899
Library	49,904	6,141,668	3,124,359	432,971	9,748,902
Total recreation and leisure	<u>10,102,366</u>	<u>15,160,972</u>	<u>8,241,218</u>	<u>15,010,245</u>	<u>48,514,801</u>
<b>Development Services:</b>					
Planning	-	143,332	52,500	37,940	233,772
Building inspections	-	-	102,600	-	102,600
Economic Development	-	20,000	-	461,589	481,589
Housing & Community Development	318,817	236,555	523,768	654,770	1,733,910
Public Works	4,867,831	273,935	264,250	158,248,441	163,654,457
Transportation	110,733	18,132	6,743,461	8,671,202	15,543,528
Streets	64,874	38,178	4,183,675	149,814,136	154,100,863
Total development services	<u>5,362,255</u>	<u>730,132</u>	<u>11,870,254</u>	<u>317,888,078</u>	<u>335,850,719</u>
Total	<u>\$ 24,216,096</u>	<u>\$ 60,835,352</u>	<u>\$ 56,769,907</u>	<u>\$ 340,143,993</u>	<u>\$ 481,965,348</u>
<b>Construction in Progress</b>					<u>112,131,145</u>
<b>Total governmental funds capital assets</b>					<u>\$ 594,096,493</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 CHANGE IN CAPITAL ASSETS USED IN THE OPERATION OF**  
**GOVERNMENTAL FUNDS BY FUNCTION AND ACTIVITY (SEE NOTE BELOW)**  
**FOR YEAR ENDED SEPTEMBER 30, 2007**

<b>Function and Activity</b>	<b>Balance October 1, 2006</b>	<b>Additions/ Completions</b>	<b>Disposals/ Reclassifications</b>	<b>Balance September 30, 2007</b>
<b>Support Services:</b>				
City Council	\$ 29,151	\$ -	\$ -	\$ 29,151
City Manager	5,656,134	3,984,910	-	9,641,044
Budget	49,949	-	-	49,949
City Attorney	138,936	6,545	-	145,481
Human Resources	823,949	-	-	823,949
Information Systems	2,414,240	251,472	-	2,665,712
Finance	33,300,920	1,138,167	-	34,439,087
<b>Total support services</b>	<b>42,413,279</b>	<b>5,381,094</b>	<b>-</b>	<b>47,794,373</b>
<b>Public Safety:</b>				
Fire	15,856,889	3,008,160	-	18,865,049
Police	25,723,500	1,186,998	-	26,910,498
Environmental Health	1,069,362	-	-	1,069,362
Municipal Court	2,920,846	39,700	-	2,960,546
<b>Total public safety</b>	<b>45,570,597</b>	<b>4,234,858</b>	<b>-</b>	<b>49,805,455</b>
<b>Recreation and Leisure:</b>				
Parks and Recreation	37,824,790	1,217,959	(276,850)	38,765,899
Library	9,292,858	456,044	-	9,748,902
<b>Total recreation and leisure</b>	<b>47,117,648</b>	<b>1,674,003</b>	<b>(276,850)</b>	<b>48,514,801</b>
<b>Development Services:</b>				
Planning	90,440	143,332	-	233,772
Building Inspection	102,600	-	-	102,600
Economic Development	481,589	-	-	481,589
Housing & Community Development	1,481,593	252,317	-	1,733,910
Public Works	146,669,376	17,282,149	(297,068)	163,654,457
Transportation	15,491,790	51,738	-	15,543,528
Streets	142,012,296	12,232,810	(144,243)	154,100,863
<b>Total development services</b>	<b>306,329,684</b>	<b>29,962,346</b>	<b>(441,311)</b>	<b>335,850,719</b>
Construction in progress	114,506,640	23,459,749	(25,835,244)	112,131,145
<b>Total governmental funds capital assets</b>	<b>\$ 555,937,848</b>	<b>\$ 64,712,050</b>	<b>\$ (26,553,405)</b>	<b>\$ 594,096,493</b>

**Note:**

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



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# 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 the several funds which exist internally in the city's accounting system into the the Park Venue Fund, the Tax Increment Financing (TIF) Fund, Water and Wastewater Fund, the Municipal Golf Course Fund, the Solid Waste Fund, the Airport Fund, and the Risk Management Fund .

**CITY OF GRAND PRAIRIE, TEXAS  
 AGGREGATING BALANCE SHEET  
 PARK VENUE FUND  
 SEPTEMBER 30, 2007**

	<u>Operating</u>	<u>Debt Service</u>	<u>Capital Projects</u>	<u>Rainy Day Fund</u>	<u>Total Park Venue</u>
<b>ASSETS</b>					
Cash and cash equivalents	\$ 360,350	\$ -	\$ 116,093	\$ -	\$ 476,443
Investment	6,819,689	-	4,476,861	-	11,296,550
Other Receivables	44,802	-	-	-	44,802
Sales Tax	941,823	-	-	-	941,823
Total assets	<u>\$ 8,166,664</u>	<u>\$ -</u>	<u>\$ 4,592,954</u>	<u>\$ -</u>	<u>\$ 12,759,618</u>
<b>LIABILITIES AND FUND BALANCE</b>					
Liabilities :					
Accounts payable	\$ 908,252	\$ -	\$ 29,449	\$ -	\$ 937,701
Accrued liabilities	221,008	-	102,234	-	323,242
Deferred revenue	16,400	-	-	-	16,400
Total liabilities	<u>1,145,660</u>	<u>-</u>	<u>131,683</u>	<u>-</u>	<u>1,277,343</u>
Fund Balance:					
Unreserved, undesignated in:					
Special revenue fund	<u>7,021,004</u>	<u>-</u>	<u>4,461,271</u>	<u>-</u>	<u>11,482,275</u>
Total fund balance	<u>7,021,004</u>	<u>-</u>	<u>4,461,271</u>	<u>-</u>	<u>11,482,275</u>
Total liabilities and fund balance	<u>\$ 8,166,664</u>	<u>\$ -</u>	<u>\$ 4,592,954</u>	<u>\$ -</u>	<u>\$ 12,759,618</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, 2007**

	<u>Operating</u>	<u>Debt Service</u>	<u>Capital Projects</u>	<u>Rainy Day Fund</u>	<u>Total Park Venue</u>
<b>REVENUE</b>					
Sales tax	\$ 5,476,985	\$ -	\$ -	\$ -	\$ 5,476,985
Charges for goods and services	2,122,867	-	-	-	2,122,867
Investment income	178,859	116,302	391,777	40,047	726,985
Contributions	14,031	-	-	-	14,031
Other	120	-	-	-	120
Total revenue	<u>7,792,862</u>	<u>116,302</u>	<u>391,777</u>	<u>40,047</u>	<u>8,340,988</u>
<b>EXPENDITURES</b>					
Current operations:					
Recreation and leisure services	10,497,414	-	22,631	-	10,520,045
Capital outlay	43,230	-	1,106,857	-	1,150,087
Debt service:					
Principal retirement	-	1,128,175	-	-	1,128,175
Interest expense	-	1,653,594	-	-	1,653,594
Total expenditures	<u>10,540,644</u>	<u>2,781,769</u>	<u>1,129,488</u>	<u>-</u>	<u>14,451,901</u>
Excess (deficiency) of revenue over (under) expenditures	<u>(2,747,782)</u>	<u>(2,665,467)</u>	<u>(737,711)</u>	<u>40,047</u>	<u>(6,110,913)</u>
<b>OTHER FINANCING SOURCES (USES)</b>					
Transfers in	10,471,097	2,781,583	2,234,340	89,412	15,576,432
Transfers out	(4,144,680)	(2,515,433)	-	(1,189,340)	(7,849,453)
Total other financing sources (uses)	<u>6,326,417</u>	<u>266,150</u>	<u>2,234,340</u>	<u>(1,099,928)</u>	<u>7,726,979</u>
Change in fund balance	3,578,635	(2,399,317)	1,496,629	(1,059,881)	1,616,066
Fund balance - beginning of year	<u>3,442,369</u>	<u>2,399,317</u>	<u>2,964,642</u>	<u>1,059,881</u>	<u>9,866,209</u>
Fund balance - end of year	<u>\$ 7,021,004</u>	<u>\$ -</u>	<u>\$ 4,461,271</u>	<u>\$ -</u>	<u>\$ 11,482,275</u>

Interfund transfers in/out between the Operating fund, Debt Service fund, Capital Project fund, and Rainy Day fund (\$7,657,254) are eliminated on the Statement of Revenue, Expenditures, and Change in Fund Balance.

**CITY OF GRAND PRAIRIE, TEXAS  
 AGGREGATING BALANCE SHEET  
 TAX INCREMENT FINANCING FUND (TIF)  
 SEPTEMBER 30, 2007**

	<u>TIF 1</u>	<u>TIF 2</u>	<u>TIF 3</u>	<u>Total TIF</u>
<b>ASSETS</b>				
Cash and cash equivalents	\$ 668,878	\$ 3,081,518	\$ 1,929,981	\$ 5,680,377
Total assets	<u>\$ 668,878</u>	<u>\$ 3,081,518</u>	<u>\$ 1,929,981</u>	<u>\$ 5,680,377</u>
<b>Fund Balance:</b>				
Reserved for:				
Bond debt service	124,856	735,196	129,029	989,081
Unreserved, undesignated in:				
Special revenue fund	544,022	2,346,322	1,800,952	4,691,296
Total fund balance	<u>668,878</u>	<u>3,081,518</u>	<u>1,929,981</u>	<u>5,680,377</u>
<b>Total liabilities and fund balance</b>	<u>\$ 668,878</u>	<u>\$ 3,081,518</u>	<u>\$ 1,929,981</u>	<u>\$ 5,680,377</u>

**CITY OF GRAND PRAIRIE, TEXAS  
 AGGREGATING SCHEDULE OF REVENUE, EXPENDITURES, AND  
 CHANGES IN FUND BALANCE  
 TAX INCREMENT FINANCING FUND (TIF)  
 FOR THE YEAR ENDED SEPTEMBER 30, 2007**

	<u>TIF 1</u>	<u>TIF 2</u>	<u>TIF 3</u>	<u>Total TIF</u>
<b>REVENUE</b>				
Property tax	\$ 568,797	\$ 4,743,578	\$ 3,177,889	\$ 8,490,264
Investment income	13,481	79,909	45,440	138,830
Total revenue	<u>582,278</u>	<u>4,823,487</u>	<u>3,223,329</u>	<u>8,629,094</u>
<b>EXPENDITURES</b>				
Current operations:				
Support services	124,341	925,257	19,630	1,069,228
Capital outlay	-	-	705,141	705,141
Debt service:				
Principal retirement	50,000	440,000	60,000	550,000
Interest expense	124,340	410,062	78,222	612,624
Total expenditures	<u>298,681</u>	<u>1,775,319</u>	<u>862,993</u>	<u>2,936,993</u>
Excess (deficiency) of revenue over (under) expenditures	<u>283,597</u>	<u>3,048,168</u>	<u>2,360,336</u>	<u>5,692,101</u>
<b>OTHER FINANCING SOURCES (USES)</b>				
Transfers out	(2,445,000)	(2,534,756)	(1,959,631)	(6,939,387)
Bonds issued	2,498,470	1,468,000	1,546,030	5,512,500
Total other financing sources (uses)	<u>53,470</u>	<u>(1,066,756)</u>	<u>(413,601)</u>	<u>(1,426,887)</u>
Change in fund balance	337,067	1,981,412	1,946,735	4,265,214
Fund balance - beginning of year	331,811	1,100,106	(16,754)	1,415,163
Fund balance - end of year	<u>\$ 668,878</u>	<u>\$ 3,081,518</u>	<u>\$ 1,929,981</u>	<u>\$ 5,680,377</u>

**CITY OF GRAND PRAIRIE, TEXAS  
AGGREGATING SCHEDULE OF NET ASSETS  
WATER AND WASTEWATER FUND  
SEPTEMBER 30, 2007**

	<u>Operating</u>	<u>Debt Service</u>	<u>Water Capital Projects</u>	<u>Rate Stabilization</u>
<b>ASSETS</b>				
Current assets:				
Cash and cash equivalents	\$ 1,578,403	\$ 400,776	\$ 184,530	\$ 75,119
Investments	8,345,521	229,752	10,840,610	2,397,087
Accounts receivable	3,388,640	-	-	-
Inventories and supplies	378,071	-	-	-
Deferred charges	596,773	-	-	-
Current restricted assets:				
Investments	2,228,738	3,343,171	-	-
Total current assets	<u>16,516,146</u>	<u>3,973,699</u>	<u>11,025,140</u>	<u>2,472,206</u>
Capital assets:				
Land	751,089	-	-	-
Buildings	2,361,045	-	-	-
Equipment	14,176,771	-	-	-
Improvements other than buildings	206,451,913	-	-	-
Construction in progress	33,486,986	-	-	-
Less: Accumulated depreciation	<u>(89,178,572)</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total capital assets	<u>168,049,232</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total assets	<u>184,565,378</u>	<u>3,973,699</u>	<u>11,025,140</u>	<u>2,472,206</u>
<b>LIABILITIES</b>				
Current liabilities:				
Accounts payable	198,566	650	177,330	-
Accrued liabilities	1,521,377	-	396,342	-
Current liabilities payable from restricted assets:				
Customer deposits	2,228,737	-	-	-
Accrued liabilities	-	540,932	-	-
Current portion of long term debt	3,043,600	-	-	-
Total current liabilities	<u>6,992,280</u>	<u>541,582</u>	<u>573,672</u>	<u>-</u>
Noncurrent liabilities				
Long term debt	49,405,005	-	-	-
Total noncurrent liabilities	<u>49,589,767</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total liabilities	<u>56,582,047</u>	<u>541,582</u>	<u>573,672</u>	<u>-</u>
<b>NET ASSETS</b>				
Invested in capital assets (net of related debt)	115,600,627	-	-	-
Restricted for debt service	-	3,343,171	-	-
Unrestricted	12,382,704	88,946	10,451,468	2,472,206
Total net assets	<u>\$ 127,983,331</u>	<u>\$ 3,432,117</u>	<u>\$ 10,451,468</u>	<u>\$ 2,472,206</u>

<u>Wastewater Capital Projects</u>	<u>Water/ Wastewater Projects</u>	<u>Water/ Wastewater Capital Reserve</u>	<u>Total Water Wastewater</u>
\$ 274,957	\$ 75,346	\$ 2,810	\$ 2,591,941
6,273,230	5,035,566	73,915	33,195,681
-	-	-	3,388,640
-	-	-	378,071
-	-	-	596,773
-	-	-	5,571,909
<u>6,548,187</u>	<u>5,110,912</u>	<u>76,725</u>	<u>45,723,015</u>
-	-	-	751,089
-	-	-	2,361,045
-	-	-	14,176,771
-	-	-	206,451,913
-	-	-	33,486,986
-	-	-	(89,178,572)
-	-	-	168,049,232
<u>6,548,187</u>	<u>5,110,912</u>	<u>76,725</u>	<u>213,772,247</u>
-	-	-	376,546
73,442	-	-	1,991,161
-	-	-	2,228,737
-	-	-	540,932
-	-	-	3,043,600
<u>73,442</u>	<u>-</u>	<u>-</u>	<u>8,180,976</u>
-	-	-	49,405,005
-	-	-	49,589,767
<u>73,442</u>	<u>-</u>	<u>-</u>	<u>57,770,743</u>
-	-	-	115,600,627
-	-	-	3,343,171
<u>6,474,745</u>	<u>5,110,912</u>	<u>76,725</u>	<u>37,057,706</u>
<u>\$ 6,474,745</u>	<u>\$ 5,110,912</u>	<u>\$ 76,725</u>	<u>\$ 156,001,504</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, 2007**

	<u>Operating</u>	<u>Debt Service</u>	<u>Water Capital Projects</u>	<u>Rate Stabilization</u>
<b>OPERATING REVENUE</b>				
Sales to customers	\$ 21,870,559	\$ -	\$ -	\$ -
Wastewater charges to customers	13,741,142	-	-	-
Water and wastewater fees	952,630	-	-	-
Wastewater surcharges	556,724	-	-	-
Miscellaneous	268,019	-	2,308,445	-
Total operating revenue	<u>37,389,074</u>	<u>-</u>	<u>2,308,445</u>	<u>-</u>
<b>OPERATING EXPENSE</b>				
Personal Services	5,209,578	-	-	-
Supplies	476,176	-	-	-
Purchased Services	2,954,982	-	-	-
Capital outlay	(15,430,828)	-	9,828,280	-
Water purchases	9,218,766	-	-	-
Wastewater treatment	7,524,675	-	-	-
Miscellaneous	376,915	-	-	-
Depreciation	8,632,799	-	-	-
Franchise fees	1,411,067	-	-	-
General and administrative costs	2,144,090	-	-	-
Principal payment on bonds	(2,637,456)	2,637,456	-	-
Total operating expense	<u>19,880,764</u>	<u>2,637,456</u>	<u>9,828,280</u>	<u>-</u>
Operating income (loss)	<u>17,508,310</u>	<u>(2,637,456)</u>	<u>(7,519,835)</u>	<u>-</u>
<b>NONOPERATING REVENUE (EXPENSES)</b>				
Impact fees	-	-	-	-
Investment income	492,857	288,191	636,579	20,251
Interest expense	(51,896)	(2,210,702)	-	-
Total nonoperating revenue (expenses)	<u>440,961</u>	<u>(1,922,511)</u>	<u>636,579</u>	<u>20,251</u>
Income (loss) before transfers and contributions	17,949,271	(4,559,967)	(6,883,256)	20,251
Transfers in	2,856,072	5,067,877	7,595,979	-
Transfers out	(16,162,027)	(2,609,596)	(106,700)	-
Capital contributions	4,283,801	-	-	-
Change in net assets	8,927,117	(2,101,686)	606,023	20,251
Net assets - beginning of the year	<u>119,056,214</u>	<u>5,533,803</u>	<u>9,845,445</u>	<u>2,451,955</u>
Net assets - end of the year	<u>\$ 127,983,331</u>	<u>\$ 3,432,117</u>	<u>\$ 10,451,468</u>	<u>\$ 2,472,206</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 (\$19,023,495) are eliminated on the Statement of Revenue, Expenses, and Change in Fund Net Assets, Proprietary Funds.

<b>Wastewater Capital Projects</b>	<b>Water/ Wastewater Projects</b>	<b>Water Wastewater Capital Reserve</b>	<b>Total Water Wastewater</b>
\$ -	\$ -	\$ -	\$ 21,870,559
-	-	-	13,741,142
-	-	-	952,630
-	-	-	556,724
<u>1,523,673</u>	<u>-</u>	<u>-</u>	<u>4,100,137</u>
<u>1,523,673</u>	<u>-</u>	<u>-</u>	<u>41,221,192</u>
-	-	-	5,209,578
-	-	-	476,176
-	-	-	2,954,982
<u>5,602,548</u>	<u>-</u>	<u>-</u>	<u>-</u>
-	-	-	9,218,766
-	-	-	7,524,675
-	-	-	376,915
-	-	-	8,632,799
-	-	-	1,411,067
-	-	-	2,144,090
<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<u>5,602,548</u>	<u>-</u>	<u>-</u>	<u>37,949,048</u>
<u>(4,078,875)</u>	<u>-</u>	<u>-</u>	<u>3,272,144</u>
-	3,825,610	-	3,825,610
410,331	50,790	625	1,899,624
-	-	-	(2,262,598)
<u>410,331</u>	<u>3,876,400</u>	<u>625</u>	<u>3,462,636</u>
(3,668,544)	3,876,400	625	6,734,780
4,290,182	-	-	19,810,110
(82,042)	(1,500,000)	-	(20,460,365)
<u>-</u>	<u>-</u>	<u>-</u>	<u>4,283,801</u>
539,596	2,376,400	625	10,368,326
<u>5,935,149</u>	<u>2,734,512</u>	<u>76,100</u>	<u>145,633,178</u>
<u>\$ 6,474,745</u>	<u>\$ 5,110,912</u>	<u>\$ 76,725</u>	<u>\$ 156,001,504</u>

**CITY OF GRAND PRAIRIE, TEXAS  
AGGREGATING SCHEDULE OF NET ASSETS  
MUNICIPAL GOLF COURSE FUND  
SEPTEMBER 30, 2007**

	<u>Operating</u>	<u>Debt Service</u>	<u>Capital Projects</u>	<u>Total Municipal Golf</u>
<b>ASSETS</b>				
Current assets:				
Cash and cash equivalents	\$ 8,740	\$ -	\$ 14,886	\$ 23,626
Investments	589,286	-	279,640	868,926
Accounts receivable	1,809	-	-	1,809
Current restricted assets:				
Deferred charges	3,477	-	-	3,477
Investments	212,196	-	-	212,196
Total current assets	<u>815,508</u>	<u>-</u>	<u>294,526</u>	<u>1,110,034</u>
Capital assets:				
Land	568,284	-	-	568,284
Buildings	1,854,835	-	-	1,854,835
Equipment	1,109,475	-	-	1,109,475
Improvements other than buildings	8,051,689	-	-	8,051,689
Construction in progress	2,026,287	-	-	2,026,287
Less: Accumulated depreciation	<u>(4,924,577)</u>	<u>-</u>	<u>-</u>	<u>(4,924,577)</u>
Total capital assets	<u>8,685,993</u>	<u>-</u>	<u>-</u>	<u>8,685,993</u>
Total assets	<u>9,501,501</u>	<u>-</u>	<u>294,526</u>	<u>9,796,027</u>
<b>LIABILITIES</b>				
Current liabilities:				
Accounts payable	117,524	-	-	117,524
Accrued liabilities	53,063	-	296,038	349,101
Accrued compensated absences	11,311	-	-	11,311
Current liabilities payable from restricted assets:				
Accrued liabilities	42,439	-	-	42,439
Current portion of long term debt	309,922	-	-	309,922
Total current liabilities	<u>534,259</u>	<u>-</u>	<u>296,038</u>	<u>830,297</u>
Noncurrent liabilities				
Accrued compensated absences	31,478	-	-	31,478
Long term debt	7,385,297	-	-	7,385,297
Total noncurrent liabilities	<u>7,416,775</u>	<u>-</u>	<u>-</u>	<u>7,416,775</u>
Total liabilities	<u>7,951,034</u>	<u>-</u>	<u>296,038</u>	<u>8,247,072</u>
<b>NET ASSETS</b>				
Invested in capital assets (net of related debt)	990,774	-	-	990,774
Restricted for debt service	309,922	-	-	309,922
Unrestricted	249,771	-	(1,512)	248,259
Total net assets	<u>\$ 1,550,467</u>	<u>\$ -</u>	<u>\$ (1,512)</u>	<u>\$ 1,548,955</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, 2007**

	<u>Operating</u>	<u>Debt Service</u>	<u>Capital Projects</u>	<u>Total Municipal Golf</u>
<b>OPERATING REVENUE</b>				
Sales to customers	\$ 1,873,731	\$ -	\$ -	\$ 1,873,731
Miscellaneous	764,076	-	-	764,076
Total operating revenue	<u>2,637,807</u>	<u>-</u>	<u>-</u>	<u>2,637,807</u>
<b>OPERATING EXPENSE</b>				
Personal services	1,016,626	-	-	1,016,626
Supplies	315,182	-	-	315,182
Purchased services	1,144,644	-	-	1,144,644
Capital outlay	(445,633)	-	445,633	-
Miscellaneous	2,053	-	-	2,053
Depreciation	476,324	-	-	476,324
Principal payment on bonds	(303,675)	303,675	-	-
Total operating expense	<u>2,205,521</u>	<u>303,675</u>	<u>445,633</u>	<u>2,954,829</u>
Operating income (loss)	<u>432,286</u>	<u>(303,675)</u>	<u>(445,633)</u>	<u>(317,022)</u>
<b>NONOPERATING REVENUE (EXPENSE)</b>				
Investment income	27,688	15,518	22,624	65,830
Interest expense	(42,618)	(297,618)	-	(340,236)
Total nonoperating revenue (expense)	<u>(14,930)</u>	<u>(282,100)</u>	<u>22,624</u>	<u>(274,406)</u>
Income (loss) before transfers	<u>417,356</u>	<u>(585,775)</u>	<u>(423,009)</u>	<u>(591,428)</u>
Transfers in	1,036,525	647,444	-	1,683,969
Transfers out	(647,444)	(388,700)	-	(1,036,144)
Change in net assets	806,437	(327,031)	(423,009)	56,397
Net assets - beginning of year	744,030	327,031	421,497	1,492,558
Net assets - end of year	<u>\$ 1,550,467</u>	<u>\$ -</u>	<u>\$ (1,512)</u>	<u>\$ 1,548,955</u>

Interfund transfers in/out between the Operating fund, and Debt Service fund, (\$1,036,144) are eliminated on the Statement of Revenue, Expenses, and Change in Fund Net Assets, Proprietary Funds.

**CITY OF GRAND PRAIRIE, TEXAS  
AGGREGATING SCHEDULE OF NET ASSETS  
SOLID WASTE FUND  
SEPTEMBER 30, 2007**

	<u>Operating</u>	<u>Debt Service</u>	<u>Capital Projects</u>	<u>Closure Liability</u>
<b>ASSETS</b>				
Current assets:				
Cash and cash equivalents	\$ 554,885	\$ -	\$ 138,528	\$ 15,821
Investment	873,944	-	2,099,071	2,010,712
Accounts receivable	666,323	-	-	-
Total current assets	<u>2,095,152</u>	<u>-</u>	<u>2,237,599</u>	<u>2,026,533</u>
Capital assets:				
Land	1,748,378	-	-	-
Buildings	726,069	-	-	-
Equipment	5,478,469	-	-	-
Improvements other than buildings	7,022,002	-	-	-
Construction in progress	1,047,515	-	-	-
Less accumulated depreciation	(5,049,902)	-	-	-
Total capital assets	<u>10,972,531</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total assets	<u>13,067,683</u>	<u>-</u>	<u>2,237,599</u>	<u>2,026,533</u>
<b>LIABILITIES</b>				
Current liabilities:				
Accounts payable	65,506	-	6,225	-
Accrued liabilities	244,808	-	37,125	-
Current liabilities payable from restricted assets:				
Customer deposits	806	-	-	-
Total current liabilities	<u>311,120</u>	<u>-</u>	<u>43,350</u>	<u>-</u>
Noncurrent liabilities:				
Accrued compensated absences	54,197	-	-	-
Closure and post closure liability	4,596,339	-	-	-
Total noncurrent liabilities	<u>4,650,536</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total liabilities	<u>4,961,656</u>	<u>-</u>	<u>43,350</u>	<u>-</u>
<b>NET ASSETS</b>				
Invested in capital assets (net of related debt)	10,972,531	-	-	-
Unrestricted	(2,866,504)	-	2,194,249	2,026,533
Total net assets	<u>\$ 8,106,027</u>	<u>\$ -</u>	<u>\$ 2,194,249</u>	<u>\$ 2,026,533</u>

<u>Equipment Acquisition</u>	<u>Landfill Replacement</u>	<u>Liner Reserve</u>	<u>Total Solid Waste</u>
\$ 94,735	\$ 175,798	\$ 125,192	\$ 1,104,959
583,926	2,200,846	598,076	8,366,575
-	-	-	666,323
<u>678,661</u>	<u>2,376,644</u>	<u>723,268</u>	<u>10,137,857</u>
-	-	-	1,748,378
-	-	-	726,069
-	-	-	5,478,469
-	-	-	7,022,002
-	-	-	1,047,515
-	-	-	(5,049,902)
-	-	-	<u>10,972,531</u>
<u>678,661</u>	<u>2,376,644</u>	<u>723,268</u>	<u>21,110,388</u>
4,952	-	-	76,683
-	-	-	281,933
-	-	-	806
<u>4,952</u>	<u>-</u>	<u>-</u>	<u>359,422</u>
-	-	-	54,197
-	-	-	<u>4,596,339</u>
-	-	-	<u>4,650,536</u>
<u>4,952</u>	<u>-</u>	<u>-</u>	<u>5,009,958</u>
-	-	-	10,972,531
<u>673,709</u>	<u>2,376,644</u>	<u>723,268</u>	<u>5,127,899</u>
<u>\$ 673,709</u>	<u>\$ 2,376,644</u>	<u>\$ 723,268</u>	<u>\$ 16,100,430</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, 2007**

	<u>Operating</u>	<u>Debt Service</u>	<u>Capital Projects</u>	<u>Closure Liability</u>
<b>OPERATING REVENUE</b>				
Sales to customers	\$ 9,012,845	\$ -	\$ -	\$ -
Miscellaneous	10,803	-	-	-
Total operating revenue	<u>9,023,648</u>	<u>-</u>	<u>-</u>	<u>-</u>
<b>OPERATING EXPENSE</b>				
Personal Services	1,555,420	-	-	-
Supplies	451,093	-	-	-
Purchased Services	6,293,917	-	-	-
Miscellaneous	80,570	-	-	-
Capital outlay	(726,763)	-	111,900	-
Depreciation	841,117	-	-	-
Franchise fee	206,226	-	-	-
General and administrative costs	171,305	-	-	-
Principal payment on debt	(257,830)	257,830	-	-
Total operating expense	<u>8,615,055</u>	<u>257,830</u>	<u>111,900</u>	<u>-</u>
Operating income	<u>408,593</u>	<u>(257,830)</u>	<u>(111,900)</u>	<u>-</u>
<b>NONOPERATING REVENUE (EXPENSE)</b>				
Investment income	75,687	15,943	286,351	17,696
Gain on sale of capital assets	35,223	-	-	-
Interest expense	-	(12,898)	-	-
Total nonoperating revenue (expense)	<u>110,910</u>	<u>3,045</u>	<u>286,351</u>	<u>17,696</u>
Income (loss) before contributions and transfers	519,503	(254,785)	174,451	17,696
Transfers in	208,098	48,905	800,000	175,000
Transfers out	(2,505,229)	(196,730)	-	-
Change in net assets	<u>(1,777,628)</u>	<u>(402,610)</u>	<u>974,451</u>	<u>192,696</u>
Net assets - beginning of the year	<u>9,883,655</u>	<u>402,610</u>	<u>1,219,798</u>	<u>1,833,837</u>
Net assets - end of the year	<u>\$ 8,106,027</u>	<u>\$ -</u>	<u>\$ 2,194,249</u>	<u>\$ 2,026,533</u>

Interfund transfers in/out between the Operating fund, Debt Service fund, Capital Projects fund, Closure Liability fund, Equipment Acquisition fund, Landfill Replacement fund, and Liner Reserve fund (\$1,990,634) are eliminated on the Statement of Revenue, Expenses, and Change in Fund Net Assets, Proprietary Funds.

<u>Equipment Acquisition</u>	<u>Landfill Replacement</u>	<u>Liner Reserve</u>	<u>Total Solid Waste</u>
\$ -	\$ -	\$ -	\$ 9,012,845
-	-	-	10,803
-	-	-	9,023,648
-	-	-	1,555,420
14,766	-	-	465,859
7,171	-	-	6,301,088
-	-	-	80,570
614,863	-	-	-
-	-	-	841,117
-	-	-	206,226
-	-	-	171,305
-	-	-	-
636,800	-	-	9,621,585
(636,800)	-	-	(597,937)
2,272	18,948	5,052	421,949
-	-	-	35,223
-	-	-	(12,898)
2,272	18,948	5,052	444,274
(634,528)	18,948	5,052	(153,663)
625,000	95,000	50,000	2,002,003
-	-	-	(2,701,959)
(9,528)	113,948	55,052	(853,619)
683,237	2,262,696	668,216	16,954,049
<u>\$ 673,709</u>	<u>\$ 2,376,644</u>	<u>\$ 723,268</u>	<u>\$ 16,100,430</u>

**CITY OF GRAND PRAIRIE, TEXAS**  
**AGGREGATING SCHEDULE OF NET ASSETS**  
**MUNICIPAL AIRPORT FUND**  
**SEPTEMBER 30, 2007**

	<b>Operating</b>	<b>Debt Service</b>	<b>Capital Projects</b>	<b>Grant</b>	<b>Total Municipal Airport</b>
<b>ASSETS</b>					
Current assets:					
Cash and cash equivalents	\$ 155,232	\$ -	\$ 76,405	\$ 247,372	\$ 479,009
Investments	-	-	2,228,287	-	2,228,287
Accounts receivable	37,693	-	-	59,732	97,425
Inventory and supplies	47,217	-	-	-	47,217
Current restricted assets:					
Cash and cash equivalents	38,661	-	-	-	38,661
Investments	51,315	-	-	-	51,315
Total current assets	<u>330,118</u>	<u>-</u>	<u>2,304,692</u>	<u>307,104</u>	<u>2,941,914</u>
Capital assets:					
Land	183,923	-	-	-	183,923
Buildings	2,433,628	-	-	-	2,433,628
Equipment	533,951	-	-	-	533,951
Infrastructure	5,282,259	-	-	-	5,282,259
Construction In Progress	2,196,335	-	-	-	2,196,335
Less: accumulated depreciation	(4,242,108)	-	-	-	(4,242,108)
Total capital assets	<u>6,387,988</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>6,387,988</u>
Total assets	<u>6,718,106</u>	<u>-</u>	<u>2,304,692</u>	<u>307,104</u>	<u>9,329,902</u>
<b>LIABILITIES</b>					
Current liabilities:					
Accounts payable	23,056	-	-	140,485	163,541
Accrued liabilities	11,276	-	76,000	-	87,276
Accrued compensated absences	17,090	-	-	-	17,090
Unearned revenue	-	-	-	166,619	166,619
Current liabilities payable from restricted assets:					
Accrued liabilities	13,325	-	-	-	13,325
Customer deposits	51,315	-	-	-	51,315
Current portion of long-term debt	95,000	-	-	-	95,000
Total current liabilities	<u>211,062</u>	<u>-</u>	<u>76,000</u>	<u>307,104</u>	<u>594,166</u>
Noncurrent liabilities:					
Accrued compensated absences	7,721	-	-	-	7,721
Long-term debt less the current portion	2,220,000	-	-	-	2,220,000
Total noncurrent liabilities	<u>2,227,721</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>2,227,721</u>
Total liabilities	<u>2,438,783</u>	<u>-</u>	<u>76,000</u>	<u>307,104</u>	<u>2,821,887</u>
<b>NET ASSETS</b>					
Investment in capital assets, net of related debt	4,072,988	-	-	-	4,072,988
Restricted for debt service	95,000	-	-	-	95,000
Unrestricted	111,335	-	2,228,692	-	2,340,027
Total net assets	<u>\$ 4,279,323</u>	<u>\$ -</u>	<u>\$ 2,228,692</u>	<u>\$ -</u>	<u>\$ 6,508,015</u>

**CITY OF GRAND PRAIRIE, TEXAS  
MUNICIPAL AIRPORT FUND  
AGGREGATING SCHEDULE OF REVENUE, EXPENSE AND  
CHANGES IN FUND NET ASSETS  
FOR THE YEAR ENDED SEPTEMBER 30, 2007**

	<u>Operating</u>	<u>Debt Service</u>	<u>Capital Projects</u>	<u>Grant</u>	<u>Total Municipal Airport</u>
<b>OPERATING REVENUE</b>					
Sales to customers	\$ 1,491,511	\$ -	\$ -	\$ -	\$ 1,491,511
Intergovernmental revenue	-	-	1,327,178	341,766	1,668,944
Miscellaneous	691	-	-	-	691
Total operating revenue	<u>1,492,202</u>	<u>-</u>	<u>1,327,178</u>	<u>341,766</u>	<u>3,161,146</u>
<b>OPERATING EXPENSE</b>					
Personal services	327,250	-	-	-	327,250
Supplies	711,680	-	-	-	711,680
Purchased services	117,585	-	-	385,966	503,551
Miscellaneous	10,267	-	-	-	10,267
Capital outlay	(196,767)	-	190,967	5,800	-
Depreciation	347,775	-	-	-	347,775
Total operating expense	<u>1,317,790</u>	<u>-</u>	<u>190,967</u>	<u>391,766</u>	<u>1,900,523</u>
Operating income (loss)	<u>174,412</u>	<u>-</u>	<u>1,136,211</u>	<u>(50,000)</u>	<u>1,260,623</u>
<b>NONOPERATING REVENUE (EXPENSE)</b>					
Investment income	9,606	7,320	100,082	-	117,008
Interest expense	(13,975)	(95,878)	-	-	(109,853)
Principal payment on bonds	90,000	(90,000)	-	-	-
Total nonoperating revenue (expense)	<u>85,631</u>	<u>(178,558)</u>	<u>100,082</u>	<u>-</u>	<u>7,155</u>
Income (loss) before transfers	<u>260,043</u>	<u>(178,558)</u>	<u>1,236,293</u>	<u>(50,000)</u>	<u>1,267,778</u>
Transfers in	185,781	240,372	180,000	50,000	656,153
Transfers out	<u>(393,702)</u>	<u>(161,781)</u>	<u>(50,000)</u>	<u>-</u>	<u>(605,483)</u>
Change in net assets	52,122	(99,967)	1,366,293	-	1,318,448
Net assets - beginning of the year	<u>4,227,201</u>	<u>99,967</u>	<u>862,399</u>	<u>-</u>	<u>5,189,567</u>
Net assets - end of the year	<u>\$ 4,279,323</u>	<u>\$ -</u>	<u>\$ 2,228,692</u>	<u>\$ -</u>	<u>\$ 6,508,015</u>

Transfers in/out between the Airport's Operating fund, Debt Service fund, Capital Projects fund, and Grant fund (\$602,153) 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  
 RISK MANAGEMENT FUND  
 SEPTEMBER 30, 2007**

	<u>Risk Management</u>	<u>Employee Insurance</u>	<u>Total Risk Management</u>
<b>ASSETS</b>			
Current assets:			
Cash and cash equivalents	\$ 17,913	\$ 4,596,630	\$ 4,614,543
Investments	1,819,297	-	1,819,297
Current restricted assets:			
Cash and cash equivalents	-	226,000	226,000
Total current assets	<u>1,837,210</u>	<u>4,822,630</u>	<u>6,659,840</u>
Total assets	<u>1,837,210</u>	<u>4,822,630</u>	<u>6,659,840</u>
<b>LIABILITIES</b>			
Current liabilities:			
Accounts payable	196,333	8,009	204,342
Accrued liabilities	2,427,841	1,565,921	3,993,762
Accrued compensated absences	2,439	3,086	5,525
Current liabilities payable from restricted assets:			
Accrued liabilities	-	226,000	226,000
Total current liabilities	<u>2,626,613</u>	<u>1,803,016</u>	<u>4,429,629</u>
Noncurrent liabilities:			
Accrued compensated absences	<u>1,268</u>	-	<u>1,268</u>
Total noncurrent liabilities	<u>1,268</u>	-	<u>1,268</u>
Total liabilities	<u>2,627,881</u>	<u>1,803,016</u>	<u>4,430,897</u>
<b>NET ASSETS</b>			
Unrestricted	<u>(790,671)</u>	<u>3,019,614</u>	<u>2,228,943</u>
Total net assets	<u>\$ (790,671)</u>	<u>\$ 3,019,614</u>	<u>\$ 2,228,943</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, 2007**

	<b>Risk Management</b>	<b>Employee Insurance</b>	<b>Total Risk Management</b>
<b>OPERATING REVENUE</b>			
Insurance premiums	\$ 2,827,141	\$ 11,946,423	\$ 14,773,564
Total operating revenue	<u>2,827,141</u>	<u>11,946,423</u>	<u>14,773,564</u>
<b>OPERATING EXPENSE</b>			
Personal services	74,543	68,670	143,213
Supplies	5,214	581	5,795
Purchased services	495,617	74,804	570,421
Insurance claims	3,301,688	9,791,788	13,093,476
Miscellaneous	10,599	3,740	14,339
Total operating expense	<u>3,887,661</u>	<u>9,939,583</u>	<u>13,827,244</u>
Operating income (loss)	<u>(1,060,520)</u>	<u>2,006,840</u>	<u>946,320</u>
<b>NONOPERATING REVENUE</b>			
Investment income	82,141	48,973	131,114
Total nonoperating revenue	<u>82,141</u>	<u>48,973</u>	<u>131,114</u>
Income (loss) before transfers	<u>(978,379)</u>	<u>2,055,813</u>	<u>1,077,434</u>
Transfers in	-	1,225,718	1,225,718
Transfers out	<u>(45,747)</u>	<u>-</u>	<u>(45,747)</u>
Change in net assets	(1,024,126)	3,281,531	2,257,405
Net assets - beginning of the year	<u>233,455</u>	<u>(261,917)</u>	<u>(28,462)</u>
Net assets - end of the year	<u>\$ (790,671)</u>	<u>\$ 3,019,614</u>	<u>\$ 2,228,943</u>



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# STATISTICAL SECTION



**CITY OF GRAND PRAIRIE, TEXAS  
 COMPREHENSIVE ANNUAL FINANCIAL REPORT  
 FOR THE YEAR ENDED SEPTEMBER 30, 2007  
 STATISTICAL SECTION INDEX**

**(Unaudited)**

<b><u>Contents</u></b>	<b><u>Page</u></b>
<b>Financial Trends</b>	
<i>Net Assets by Component</i>	135
<i>Changes in Net Assets</i>	136
<i>Fund Balances, Governmental Funds</i>	138
<i>Change in Fund Balances, Governmental Funds</i>	140
<b>Revenue Capacity</b>	
<i>Assessed and Estimated Actual Values of Taxable Property</i>	142
<i>Direct and Overlapping Property Tax Rates</i>	144
<i>Principal Property Tax Payers</i>	146
<i>Property Tax Levies and Collections</i>	147
<b>Debt Capacity</b>	
<i>Ratios of Outstanding Debt by Type</i>	148
<i>Ratios of General Bonded Debt Outstanding</i>	150
<i>Direct and Overlapping Governmental Activities of Debt</i>	151
<i>Legal Debt Margin Information</i>	152
<i>Pledged Revenue Coverage</i>	154
<b>Demographic and Economic Information</b>	
<i>Demographic and Economic Statistics</i>	156
<i>Principal Employers</i>	157
<i>Full-time-equivalent City Government Employees by Function/Program</i>	158
<b>Operating Information</b>	
<i>Capital Assets Statistics by Function/Program</i>	159
<i>Water and Wastewater Contracts</i>	
<i>Components of Payments Made Under Selected Contracts</i>	160
<i>Operating Indicators by Function</i>	162



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

	Fiscal Year				Fiscal Year	
	<u>2002</u>	<u>2003</u>	<u>2004</u>	<u>2005</u>	<u>2006</u>	<u>2007</u>
<b>GOVERNMENTAL ACTIVITIES</b>						
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
Restricted	5,042,851	5,475,006	3,167,064	1,768,257	3,034,411	5,260,954
Unrestricted	45,841,403	51,355,387	65,238,004	41,171,528	52,044,716	99,358,971
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>
<b>BUSINESS-TYPE ACTIVITIES</b>						
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
Restricted	3,953,911	3,953,911	3,548,426	3,699,150	3,671,913	3,748,093
Unrestricted	10,834,075	27,853,395	40,273,290	30,147,871	37,114,582	46,861,049
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>
<b>PRIMARY GOVERNMENT</b>						
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
Restricted	8,996,762	9,428,917	6,715,490	5,467,407	6,706,324	9,009,047
Unrestricted	56,675,478	79,208,782	105,511,294	71,319,399	89,159,298	146,220,020
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>

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 SIX FISCAL YEARS**

	Fiscal Year					
	<u>2002</u>	<u>2003</u>	<u>2004</u>	<u>2005</u>	<u>2006</u>	<u>2007</u>
<b>EXPENSES</b>						
Governmental activities:						
Support services	\$ 20,991,474	\$ 12,898,644	\$ 13,014,368	\$ 13,933,988	\$ 16,076,516	\$ 22,481,067
Public safety services	37,944,230	50,916,655	49,831,335	53,811,047	57,826,788	70,124,744
Recreation and leisure services	9,303,477	10,741,472	13,276,399	14,491,018	15,606,279	19,168,072
Development services and other	34,779,148	37,605,023	39,071,130	40,009,351	50,642,965	38,630,596
Interest on long-term debt	5,387,551	5,754,130	6,305,446	7,482,003	7,659,557	8,421,424
Total governmental activities expenses	<u>108,405,880</u>	<u>117,915,924</u>	<u>121,498,678</u>	<u>129,727,407</u>	<u>147,812,105</u>	<u>158,825,903</u>
Business-type activities:						
Water and wastewater	\$ 26,245,172	\$ 30,016,378	\$ 31,405,404	\$ 36,537,343	\$ 39,746,718	\$ 40,211,646
Municipal golf course	3,178,483	3,197,612	3,234,336	3,451,846	3,390,562	3,295,065
Solid Waste	6,813,103	5,499,602	7,326,711	6,422,295	7,320,755	9,599,260
Municipal airport	1,610,437	1,621,636	1,739,208	6,422,295	2,156,251	2,010,376
Storm water	395,860	801,473	673,302	1,833,787	829,867	1,034,458
Total business-type activities expenses	<u>38,243,055</u>	<u>41,136,701</u>	<u>44,378,961</u>	<u>54,667,566</u>	<u>53,444,153</u>	<u>56,150,805</u>
Total primary government expenses	<u>\$146,648,935</u>	<u>\$159,052,625</u>	<u>\$165,877,639</u>	<u>\$184,394,973</u>	<u>\$201,256,258</u>	<u>\$214,976,708</u>
<b>PROGRAM REVENUES</b>						
Governmental activities:						
Charges for services:						
Support services	\$ 4,340,965	\$ 3,413,628	\$ 5,365,705	\$ 6,462,531	\$ 9,856,362	\$ 11,369,944
Public safety services	7,563,754	7,331,038	8,040,487	8,567,505	8,982,681	5,453,931
Recreation and leisure services	3,155,122	2,775,590	2,505,920	2,947,751	3,502,325	4,843,898
Development services and other	1,976,957	2,426,826	4,091,489	3,826,062	6,108,583	3,731,729
Operating grants and contributions	19,437,597	25,635,211	27,628,031	28,456,869	33,141,279	48,052,791
Capital grants and contributions	2,528,385	3,140,512	26,900,978	25,867,397	8,409,834	14,027,960
Total governmental activities program revenues	<u>39,002,780</u>	<u>44,722,805</u>	<u>74,532,610</u>	<u>76,128,115</u>	<u>70,001,064</u>	<u>87,480,253</u>
Business-type activities:						
Charges for services:						
Water and wastewater	\$ 30,761,023	\$ 32,970,209	\$ 31,377,178	\$ 34,084,321	\$ 42,564,693	\$ 41,221,192
Municipal golf course	2,689,782	2,406,774	2,053,784	2,397,915	2,587,757	2,637,807
Solid waste	8,040,556	6,934,548	7,544,969	8,061,725	8,767,399	9,023,648
Municipal airport	1,079,182	1,219,517	1,314,710	1,654,152	1,496,579	1,492,202
Storm water	1,447,147	1,786,048	1,870,778	1,917,720	2,470,183	2,691,742
Operating grants and contributions	301,378	335,737	2,140,958	386,900	737,536	1,668,944
Capital grants and contributions	386,078	2,287,819	10,169,562	10,979,777	4,172,710	8,109,411
Total business-type activities	<u>44,705,146</u>	<u>47,940,652</u>	<u>56,471,939</u>	<u>59,482,510</u>	<u>62,796,857</u>	<u>66,844,946</u>
Total primary government	<u>\$ 83,707,926</u>	<u>\$ 92,663,457</u>	<u>\$131,004,549</u>	<u>\$135,610,625</u>	<u>\$132,797,921</u>	<u>\$154,325,199</u>

(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 SIX FISCAL YEARS**

	Fiscal Year					
	<u>2002</u>	<u>2003</u>	<u>2004</u>	<u>2005</u>	<u>2006</u>	<u>2007</u>
<b>NET (EXPENSES)/REVENUE</b>						
Governmental activities	\$(69,403,100)	\$(73,193,119)	\$(46,966,068)	\$(53,599,292)	\$(77,811,041)	\$(71,345,650)
Business-type activities	6,462,091	6,803,951	12,092,978	10,402,908	9,352,704	10,694,141
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>
<b>GENERAL REVENUES AND OTHER CHANGES IN NET ASSETS</b>						
Governmental activities:						
Taxes						
Property taxes	\$ 41,553,955	\$ 43,194,279	\$ 46,952,102	\$ 50,217,892	\$ 54,462,317	\$ 61,443,459
Sales taxes	21,203,525	22,560,923	23,970,012	24,833,472	29,289,416	31,919,487
Hotel/motel tax and other taxes	1,596,337	1,316,910	1,054,409	1,803,169	1,299,365	1,344,762
Franchise fees	7,972,998	9,400,450	6,294,469	9,870,488	15,658,628	11,375,535
Investment income	3,666,447	1,328,820	1,804,705	2,820,035	4,735,009	7,573,850
Miscellaneous	3,707,524	1,605,576	2,811,908	3,014,011	71,784	-
Contributions	24,477,021	23,973,681	-	-	-	-
Transfers	8,317,016	2,962,060	1,724,267	350,310	2,128,239	2,426,279
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>
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
Miscellaneous	79,018	-	-	-	-	-
Contributions	6,485,360	4,756,779	-	-	-	-
Transfers	(6,817,016)	(2,962,060)	(1,724,267)	(350,310)	(2,128,239)	(2,426,279)
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>
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>
<b>CHANGE IN NET ASSETS</b>						
Governmental activities	\$ 43,091,723	\$ 33,149,580	\$ 37,645,805	\$ 39,310,085	\$ 29,833,717	\$ 44,737,722
Business-type activities	7,540,627	9,829,708	10,560,899	10,340,642	9,216,239	10,817,558
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>

(concluded)

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

	<b>Fiscal Year</b>				
	<u>1998</u>	<u>1999</u>	<u>2000</u>	<u>2001</u>	<u>2002</u>
<b>GENERAL FUND</b>					
Reserved	\$ 800,488	\$ 803,079	\$ 579,831	\$ 302,996	\$ 436,845
Unreserved	15,010,271	14,143,382	14,584,676	15,278,877	15,463,442
Total general fund	<u>\$15,810,759</u>	<u>\$ 14,946,461</u>	<u>\$ 15,164,507</u>	<u>\$ 15,581,873</u>	<u>\$ 15,900,287</u>
<b>ALL OTHER GOVERNMENTAL FUNDS</b>					
Reserved	\$ 6,375,738	\$ 5,974,275	\$ 9,110,022	\$ 27,746,778	\$ 25,660,997
Unreserved, reported in:					
Special revenue funds	1,431,591	1,606,741	7,680,800	14,388,561	13,084,153
Capital projects funds	7,989,367	21,044,248	21,620,470	17,812,263	37,584,468
Total all other governmental funds	<u>\$15,796,696</u>	<u>\$ 28,625,264</u>	<u>\$ 38,411,292</u>	<u>\$ 59,947,602</u>	<u>\$ 76,329,618</u>

(continued)

**Fiscal Year**

<u>2003</u>	<u>2004</u>	<u>2005</u>	<u>2006</u>	<u>2007</u>
\$ 360,916	\$ 836,805	\$ 1,245,756	\$ 1,202,824	\$ 978,032
15,667,085	18,301,467	16,467,282	23,797,074	24,474,441
<u>\$ 16,028,001</u>	<u>\$ 19,138,272</u>	<u>\$ 17,713,038</u>	<u>\$ 24,999,898</u>	<u>\$ 25,452,473</u>
\$ 30,102,504	\$ 11,156,665	\$ 21,832,554	\$ 20,495,695	\$ 9,009,855
16,588,446	32,888,043	29,473,920	23,834,504	51,481,507
24,209,669	30,843,788	14,339,856	17,522,013	36,334,868
<u>\$ 70,900,619</u>	<u>\$ 74,888,496</u>	<u>\$ 65,646,330</u>	<u>\$ 61,852,212</u>	<u>\$ 96,826,230</u>

(concluded)

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

	<b>Fiscal Year</b>				
	<b>1998</b>	<b>1999</b>	<b>2000</b>	<b>2001</b>	<b>2002</b>
<b>REVENUE</b>					
Taxes	\$ 44,578,389	\$ 47,859,677	\$ 53,342,991	\$ 58,647,973	\$ 63,671,664
Licenses, fees, and permits	9,228,245	9,809,807	9,888,653	10,251,428	10,088,745
Fines and penalties	2,810,629	3,158,246	3,223,742	3,741,634	4,443,912
Charges for services	2,528,115	2,480,327	2,611,006	3,591,063	5,894,731
Special assessments	-	-	-	-	-
Intergovernmental	9,861,001	10,685,707	11,947,950	14,689,886	19,530,698
Investment income	2,169,494	1,640,409	2,951,193	4,288,072	3,413,448
Other revenues	3,131,525	2,649,447	3,385,903	3,416,977	9,068,303
<b>Total revenues</b>	<b>74,307,398</b>	<b>78,283,620</b>	<b>87,351,438</b>	<b>98,627,033</b>	<b>116,111,501</b>
<b>EXPENDITURES</b>					
Current Operations:					
Support services	6,688,932	8,158,823	8,568,829	8,835,077	10,366,935
Public safety services	27,241,706	30,716,976	34,833,262	37,745,355	40,249,161
Recreation and leisure services	5,058,065	5,481,809	5,656,485	6,549,849	9,063,565
Development services and other	16,836,407	17,669,229	19,589,061	22,573,437	29,138,777
Capital Outlay	10,308,490	15,913,803	24,119,457	23,946,525	55,333,121
Debt service:					
Principal retirement	5,988,327	5,696,580	7,291,072	8,138,784	8,565,663
Interest	3,148,483	3,216,859	3,306,518	4,226,636	5,271,595
<b>Total expenditures</b>	<b>75,270,410</b>	<b>86,854,079</b>	<b>103,364,684</b>	<b>112,015,663</b>	<b>157,988,817</b>
Excess of revenues over (under) expenditures	(963,012)	(8,570,459)	(16,013,246)	(13,388,630)	(41,877,316)
<b>OTHER FINANCING SOURCES (USES)</b>					
Transfers in	5,475,267	7,763,421	13,700,793	17,002,611	44,935,245
Transfers out	(3,469,650)	(5,415,010)	(8,653,776)	(12,081,428)	(34,971,010)
Sale of capital assets	-	-	-	-	357,569
Premium (discount) on debt issued	-	-	-	-	-
Bonds issued	2,710,000	10,400,000	4,435,000	5,000,000	-
Refunding bonds issued	-	-	-	-	-
Payment for refunded debt	-	-	-	-	-
Other sources (uses)	1,515,000	7,786,318	16,535,303	25,421,123	45,300,000
<b>Total other financing sources (uses)</b>	<b>6,230,617</b>	<b>20,534,729</b>	<b>26,017,320</b>	<b>35,342,306</b>	<b>55,621,804</b>
<b>Net change in fund balance</b>	<b>\$ 5,267,605</b>	<b>\$ 11,964,270</b>	<b>\$ 10,004,074</b>	<b>\$ 21,953,676</b>	<b>\$ 13,744,488</b>
Debt service as a percentage of noncapital expenditures	14.1%	12.6%	13.4%	14.0%	13.5%

(continued)

See accompanying notes to basic financial statements.

**Fiscal Year**

<u>2003</u>	<u>2004</u>	<u>2005</u>	<u>2006</u>	<u>2007</u>
\$ 68,044,675	\$ 72,588,819	\$ 76,112,349	\$ 85,051,098	\$ 94,529,349
10,903,573	12,396,830	12,650,409	18,962,716	14,221,385
4,469,958	5,059,013	5,462,053	5,537,867	5,807,484
6,370,072	6,739,443	7,209,753	7,537,479	8,466,964
-	642,734	742,184	980,999	1,379,597
27,139,404	27,302,184	25,146,652	31,315,423	26,598,586
1,357,707	1,766,526	2,805,479	4,620,911	7,391,922
5,332,343	6,884,470	14,506,025	9,195,418	25,059,295
<u>123,617,732</u>	<u>133,380,019</u>	<u>144,634,904</u>	<u>163,201,911</u>	<u>183,454,582</u>
10,659,348	10,780,154	11,346,466	12,875,349	17,431,881
43,792,760	43,621,824	46,304,166	49,046,924	54,033,347
9,439,447	11,617,974	12,457,293	13,194,080	14,769,610
32,024,258	33,628,488	33,607,969	40,658,989	37,067,631
38,664,168	40,099,574	41,489,772	43,035,692	29,577,246
8,756,308	10,403,516	10,998,736	9,079,928	9,632,819
5,728,431	6,215,621	8,123,692	7,333,210	8,350,646
<u>149,064,720</u>	<u>156,367,151</u>	<u>164,328,094</u>	<u>175,224,172</u>	<u>170,863,180</u>
<u>(25,446,988)</u>	<u>(22,987,132)</u>	<u>(19,693,190)</u>	<u>(12,022,261)</u>	<u>12,591,402</u>
29,491,511	22,343,056	21,490,429	21,651,931	29,302,328
(26,972,478)	(20,434,112)	(21,037,549)	(19,402,662)	(28,036,960)
9,011,672	361,067	47,967	71,784	12,410
-	-	(96,248.00)	27,700	97,413
18,260,000	27,812,500	9,285,000	13,166,250	21,460,000
-	1,955,000	17,540,000	-	-
(9,645,000)	(1,952,232)	(16,380,000)	-	-
-	-	-	-	-
<u>20,145,705</u>	<u>30,085,279</u>	<u>10,849,599</u>	<u>15,515,003</u>	<u>22,835,191</u>
<u>\$ (5,301,283)</u>	<u>\$ 7,098,147</u>	<u>\$ (8,843,591)</u>	<u>\$ 3,492,742</u>	<u>\$ 35,426,593</u>

13.1%

14.3%

15.6%

12.4%

12.7%

(concluded)

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

<b>Fiscal Year</b>	<b>Residential Property</b>	<b>Commercial Property</b>	<b>Less: Tax-Exempt Property</b>	<b>Total Taxable Assessed Value</b>	<b>Total Direct Tax Rate</b>	<b>Estimated Actual Taxable Value</b>	<b>Taxable Assessed Value as a Percentage of Actual Taxable Value</b>
1998	1,958,227,426	3,058,941,599	600,593,146	4,416,575,879	0.679998	4,416,575,879	100.0%
1999	2,080,427,937	3,363,366,506	638,247,507	4,805,546,936	0.679998	4,805,547,636	100.0%
2000	2,203,704,922	3,643,452,792	695,812,138	5,151,345,576	0.674998	5,151,345,576	100.0%
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%

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



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

	<b>FISCAL YEAR</b>				
	<u>1998</u>	<u>1999</u>	<u>2000</u>	<u>2001</u>	<u>2002</u>
<b>OVERLAPPING RATES</b>					
City of Grand Prairie	0.679998	0.679998	0.674998	0.669998	0.669998
Grand Prairie School District	1.507800	1.507700	1.608100	1.667100	1.667100
Arlington School District	1.496200	1.593500	1.624400	1.654400	1.740500
Cedar Hill School District	1.750000	1.779000	1.600000	1.630000	1.680000
Irving School District	1.678400	1.678400	1.695000	1.695000	1.770600
Mansfield School District	1.722000	1.712000	1.687000	1.671400	1.682000
Midlothian School District	1.640000	1.659900	1.709701	1.720000	1.720000
Dallas County	0.197200	0.201000	0.196000	0.196000	0.196000
Dallas County Community College District	0.050000	0.050000	0.050000	0.060000	0.060000
Dallas County Hospital District	0.179900	0.196000	0.254000	0.254000	0.254000
Dallas County Flood Control District	1.963400	1.918800	2.874876	3.284940	3.284940
Grand Prairie Met Utl & Reclam Dist.	0.600000	2.080000	1.520000	3.130000	3.710000
Ellis County	1.640000	0.253100	0.365194	0.302018	0.310170
Johnson County	0.441900	0.337500	0.341310	0.447350	0.455000
Tarrant County	0.264800	0.264800	0.274785	0.274785	0.272500
Tarrant County Hospital District	0.234100	0.234100	0.234070	0.234070	0.232400
Tarrant County Junior College District	0.106400	0.106400	0.106410	0.106410	0.139380
<b>CITY DIRECT RATES</b>					
Operations & Maintenance	0.472620	0.481514	0.479381	0.474381	0.474711
Interest & Sinking	0.207378	0.198484	0.195617	0.195617	0.195287
Total Direct Rates	0.679998	0.679998	0.674998	0.669998	0.669998

(continued)

**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.

**FISCAL YEAR**

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<u>2003</u>	<u>2004</u>	<u>2005</u>	<u>2006</u>	<u>2007</u>
0.669998	0.669998	0.669998	0.669998	0.669998
1.727100	1.751100	1.758600	1.629700	1.465000
1.735000	1.755000	1.745460	1.610000	1.278000
1.701600	1.741300	1.848430	1.743300	1.400000
1.815000	1.837000	1.814000	1.644000	1.348500
1.682000	1.717000	1.772000	1.687500	1.450000
1.720000	1.764500	1.787500	1.697500	1.367500
0.203900	0.203900	0.213900	0.213900	0.228100
0.778000	0.080300	0.081600	0.081000	0.080400
0.254000	0.254000	0.254000	0.254000	0.254000
2.080000	2.060000	2.060000	2.835540	2.835540
3.870000	2.450000	2.550000	2.050000	2.050000
0.310200	0.315993	0.273090	0.349500	0.364598
0.357300	0.382088	0.382088	0.369004	0.356962
0.272500	0.272500	0.272500	0.271500	0.266500
0.235400	0.235397	0.235397	0.235397	0.230397
0.139400	0.139380	0.139380	0.139380	0.139380
0.474711	0.474711	0.474711	0.481500	0.484892
0.195287	0.195287	0.195287	0.188498	0.185106
0.669998	0.669998	0.669998	0.669998	0.669998

(concluded)

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

<u>Taxpayer</u>	<u>2007</u>			<u>1998</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>
Allegiance Healthcare	\$ -			\$ 34,934,570	7	0.73%
Amerisource Corp.	-			35,574,620	5	0.74%
Bell Helicopter	125,754,130	1	1.52%	74,318,700	2	1.55%
CP Regency Business Park	-			27,111,360	10	0.56%
Hanson Pipe & Products	31,800,200	9	0.38%	-		
Isuzu Motors of America	-			35,483,830	6	0.74%
Lockheed Martin	38,461,810	7	0.46%	41,935,410	4	0.87%
Northrop Grumman	-			162,915,490	1	3.39%
Office Depot	-			33,709,390	8	0.70%
PASSCO Town Riverside	31,017,940	10	0.37%			
Poly America/MARS Partners	35,512,880	8	0.43%	-		
Prologis	122,925,950	2	1.48%	-		
Republic Beverage	52,513,090	4	0.63%	-		
Southwestern Bell/Cingular	48,141,330	5	0.58%	52,765,490	3	1.10%
Texas Utilities Electric Co.	82,528,390	3	1.00%	33,085,210	9	0.69%
Vought Aircraft Industries	41,590,660	6	0.50%	-		
<b>Total</b>	<b>\$ 610,246,380</b>		<b>7.37%</b>	<b>\$ 531,834,070</b>		<b>11.07%</b>

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**

<b>Fiscal Year Ended 9/30</b>	<b>Taxes Levied for the Fiscal Year</b>	<b>Collected within the Fiscal Year of the Levy</b>		<b>Collections from Subsequent Years</b>	<b>Total Collections to Date</b>	
		<b>Amount</b>	<b>Percentage of Levy</b>		<b>Amount</b>	<b>Percentage of Levy</b>
1998	\$ 30,032,628	\$ 29,523,625	98.31%	\$ 405,477	\$ 29,929,102	99.66%
1999	32,677,613	32,002,909	97.93%	452,220	32,455,129	99.32%
2000	34,771,480	33,923,383	97.56%	507,905	34,431,288	99.02%
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	55,153,870	54,491,806	98.80%	1,407,676	55,899,482	101.35%

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 Bonds	Sales Tax Revenue Bonds	Certificates of Obligation	Water Revenue Bonds	General Obligation Bonds	Certificates of Obligation
1998	\$ 50,972,386	\$ -	\$ 5,495,000	\$ 28,462,624	\$ 2,791,737	\$ 6,055,000
1999	56,852,028	-	12,150,000	28,490,000	2,469,053	8,385,000
2000	56,908,146	8,870,000	17,725,000	25,615,000	3,040,426	6,990,000
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	86,120,031	52,315,000	4,303,600	5,735,219

(continued)

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 2007 average household income figure provided by City of Grand Prairie  
Department of Economic Development

<b>Total Primary Government</b>	<b>Percentage of Average Household Income<sup>1</sup></b>	<b>Per Capita</b>
93,776,747	0.05%	\$ 825
108,346,081	0.04%	941
119,148,572	0.04%	935
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
248,298,470	0.02%	1,537

(concluded)

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

<b>Year</b>	<b>General Bonded Debt Outstanding</b>			<b>Percentage of Actual Taxable Value of Property</b>	<b>Per Capita</b>
	<b>General Obligation Bonds</b>	<b>Certificates of Obligation</b>	<b>Total</b>		
1998	\$ 56,852,028	\$ 12,150,000	\$ 69,002,028	1.56%	\$ 607
1999	56,908,146	17,725,000	74,633,146	1.55%	648
2000	55,766,853	22,140,000	77,906,853	1.51%	611
2001	65,806,621	44,770,000	110,576,621	1.97%	838
2002	67,197,982	53,750,000	120,947,982	1.97%	900
2003	69,613,825	69,758,000	139,371,825	2.10%	1,011
2004	73,234,687	47,820,928	121,055,615	1.78%	856
2005	71,436,114	72,251,106	143,687,220	2.02%	987
2006	71,436,114	72,251,106	143,687,220	1.90%	921
2007	70,284,620	86,120,031	156,404,651	1.89%	968

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, 2007**

<u>Governmental Unit</u>	<u>Debt Outstanding</u>	<u>Estimated Percentage Applicable</u>	<u>Estimated Share of Direct and Overlapping Debt</u>
<b>Debt repaid with property taxes</b>			
Dallas County	\$110,603,073	2.99%	\$ 3,307,032
Ellis County	72,576,262	5.25%	3,810,254
Tarrant County	288,715,000	2.39%	6,900,289
Dallas County Flood Control District#1	31,500,100	10.60%	3,339,011
Grand Prairie Metropolitan URD	10,139,815	100.00%	10,139,815
Arlington ISD	460,451,719	22.86%	105,259,263
Cedar Hill ISD	120,959,867	5.71%	6,906,808
Grand Prairie ISD	422,786,379	50.00%	211,393,190
Irving ISD	406,068,582	4.29%	17,420,342
Mansfield ISD	643,313,723	11.43%	73,530,759
Midlothian ISD	170,549,334	5.71%	9,738,367
Dallas County CCD	100,380,000	2.99%	3,001,362
Tarrant County Hospital District	30,330,000	2.39%	724,887
Tarrant County Jr. College District	60,625,000	2.39%	1,448,938
Subtotal, overlapping debt			456,920,315
<b>City direct debt</b>	131,352,181	100.00%	131,352,181
<b>Total direct and overlapping debt</b>			<u>\$ 588,272,496</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**

	<b>Fiscal Year</b>				
	<u>1998</u>	<u>1999</u>	<u>2000</u>	<u>2001</u>	<u>2002</u>
Debt limit	\$110,414,397	\$120,138,691	\$128,783,639	\$140,609,638	\$153,523,231
Total net debt applicable to limit	<u>55,758,933</u>	<u>68,398,265</u>	<u>73,476,493</u>	<u>76,626,068</u>	<u>84,833,770</u>
Legal debt margin	<u>\$ 54,655,464</u>	<u>\$ 51,740,426</u>	<u>\$ 55,307,146</u>	<u>\$ 63,983,570</u>	<u>\$ 68,689,461</u>
Total net debt applicable to the limit as a percentage of debt limit	50.50%	56.93%	57.05%	54.50%	55.26%

(continued)

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

<b>Fiscal Year</b>				
<u>2003</u>	<u>2004</u>	<u>2005</u>	<u>2006</u>	<u>2007</u>
\$165,571,853	\$169,935,292	\$ 177,492,814	\$ 189,433,981	\$ 207,066,179
<u>89,502,976</u>	<u>118,296,761</u>	<u>119,206,430</u>	<u>118,410,646</u>	<u>124,781,713</u>
<u>\$ 76,068,877</u>	<u>\$ 51,638,531</u>	<u>\$ 58,286,384</u>	<u>\$ 71,023,335</u>	<u>\$ 82,284,466</u>
54.06%	69.61%	67.16%	62.51%	60.26%

(concluded)

**Legal Debt Margin Calculation for Fiscal Year 2007**

Assessed value	\$8,282,647,144
Debt limit (2.5% of assessed value)	207,066,179
Debt applicable to limit:	
General obligation bonds	131,352,181
Less: Amount set aside for repayment of general obligation debt	<u>(6,570,468)</u>
Total net debt applicable to limit	<u>124,781,713</u>
Legal debt margin	<u>\$ 82,284,466</u>

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

Fiscal Year	Water Revenue Bonds					
	Utility Service Charges <sup>1</sup>	Less: Operating Expenses <sup>2</sup>	Net Available Revenue	Debt Service		Coverage <sup>4</sup>
				Principal	Interest	
1998	\$ 30,340,371	\$ 18,953,868	\$ 11,386,503	\$ 2,985,278	\$ 1,405,858	2.59
1999	30,932,103	19,523,937	11,408,166	2,973,286	1,402,830	2.61
2000	33,453,515	20,397,571	13,055,944	2,758,226	1,311,421	3.21
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	12,166,739	3,789,539	1,116,228	2.48
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

(continued)

- (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 policies require coverage of no less than 1.50.
- (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 Bonds <sup>5</sup>**

<b>Sales Tax Increment</b>	<b>Maximum Annual Debt Service <sup>6</sup></b>	<b>Coverage</b>
\$ -	\$ -	-
-	-	-
1,920,188	670,119	2.87
3,945,644	2,053,888	1.92
3,846,684	2,399,263	1.6
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

(concluded)

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

<b>Calendar Year</b>	<b>Population</b>	<b>Median Household Income<sup>1</sup> (thousands of dollars)</b>	<b>Median Age</b>	<b>Public School Enrollment</b>	<b>Unemployment Rate</b>
1998	113,646	\$ 43,686	*	19,205	2.8%
1999	115,150	44,753	*	19,524	3.3%
2000	127,427	47,084	31	20,246	3.5%
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	62,974	33	24,396	5.1%
2007	161,550	59,456	31.8	25,182	4.4%

**Sources of Information:**

Estimated Population:

City of Grand Prairie Department of Economic Development/  
 U.S. Census Bureau

Household Effective Buying Income:

Sales and Marketing Management Magazine

Public School Enrollment:

Grand Prairie Independent School District

Unemployment Rate:

Texas Employment Commission

(1) Household Effective Buying Income used until 2005.

FY 2006 median household income figure provided by City of Grand Prairie  
 Department of Economic Development

\* Not available.

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

<u>Employer</u>	<u>2007</u>			<u>1998</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	2,900	1	1.88%	—	—	—
Lockheed Martin Missles and Fire Control	2,600	2	1.68%	3,000	1	2.72%
Lone Star Park at Grand Prairie	1,400	3	0.91%	1,500	2	1.36%
Poly-America Inc.	1,300	4	0.84%	1,100	5	1.00%
City of Grand Prairie	1,160	5	0.75%	—	—	—
Bell Helicopter-Textron	1,100	6	0.71%	1,100	4	1.00%
Renaissance Hospital of Grand Prairie	600	7	0.39%	—	—	—
Siemens Energy & Automation Inc.	600	7	0.39%	500	10	0.45%
Vought Aircraft Industries	500	8	0.32%	—	—	—
Hanson Pipe & Products Inc.	500	8	0.32%	—	—	—
Wal-Mart	500	8	0.32%	—	—	—
American Eurocopter	500	8	0.32%	—	—	—
Pollock Paper Distributors	500	8	0.32%	—	—	—
Arnold Transportation	500	8	0.32%	—	—	—
SAIA Motor Freight Line Inc.	500	8	0.32%	—	—	—
Office Depot Sales & Distribution Center	400	9	0.26%	—	—	—
VIP Printing Inc.	400	9	0.26%	—	—	—
Turbomeca Engine Corp.	400	9	0.26%	—	—	—
Vecta Contract	300	10	0.19%	—	—	—
Cardinal Health 200, Inc.	300	10	0.19%	—	—	—
Northrop Grumman	—	—	—	1,200	3	1.09%
Southwest Airlines	—	—	—	750	6	0.68%
Trinity Contractors, Isnc.	—	—	—	700	7	0.63%
Gifford-Hill American, Inc.	—	—	—	500	9	0.45%
D-FW Medical Center	—	—	—	600	8	0.54%
<b>Total</b>	<b>16,960</b>		<b>10.98%</b>	<b>10,950</b>		<b>9.91%</b>

**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**

<u>Function/Program</u>	<u>Full-time-Equivalent Employees as of September 30</u>									
	<u>1998</u>	<u>1999</u>	<u>2000</u>	<u>2001</u>	<u>2002</u>	<u>2003</u>	<u>2004</u>	<u>2005</u>	<u>2006</u>	<u>2007</u>
<b>General Government and Administration</b>										
City Manager's Office	6	8	8	8	6	8	8	8	8	8
Budget and Research	4	4	4	4	4	4	4	3	3	3
Management Services	3	4	4	4	4	4	4	3	3	3
Marketing	3	3	4	4	4	4	4	4	4	6
Economic Development	3	3	4	5	3	3	3	3	-	-
Legal Services	5	6	6	6	6	4	4	4	4	4
Municipal Court	26	29	28	26	26	26	26	27	28	28
Judiciary	-	-	-	2	3	3	3	3	4	4
Human Resources	8	9	10	10	10	10	10	9	9	9
Finance	26	26	27	17	17	17	17	17	17	17
Information Technology	13	16	16	20	24	24	24	23	26	26
Planning and Development	19	21	39	39	37	37	61	61	61	61
Housing and Neighborhood	13	13	4	6	6	6	5	5	5	5
Public Works	74	79	81	25	24	24	67	66	66	66
Transportation	20	21	22	77	75	75	8	8	8	8
Fire	141	145	188	189	189	189	189	194	198	209
Police	263	275	284	294	281	284	287	296	302	316
Building and Construction Management	-	-	-	12	11	11	1	1	1	1
Environmental Services	15	17	19	19	18	18	18	18	18	19
Library	18	19	21	29	28	28	28	28	31	31
Parks and Recreation	66	73	75	83	103	106	120	116	121	121
Grants	38	37	38	38	51	52	64	50	43	39
<b>Enterprise Operations and Administrations</b>										
Water/Wastewater	83	83	84	86	88	91	92	92	94	96
Solid Waste	17	19	20	20	21	25	25	25	28	30
Airport	5	5	5	5	5	5	5	5	5	5
Golf	20	22	25	25	25	25	25	20	20	20
Storm Water	-	-	-	-	-	-	-	-	2	6
<b>Internal Service Operations</b>										
Equipment Services	16	16	16	17	17	17	17	17	17	17
Risk Management	2	3	2	2	2	2	2	2	2	2
<b>Total</b>	<u>907</u>	<u>956</u>	<u>1,034</u>	<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>

**Source of Information:** City Budget Office.

A full-time employee is scheduled to work 2,088 hours per year (including vacation and sick leave).  
 Full-time-equivalent employment is calculated by dividing total labor hours by 2,080.

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

<u>Function/Program</u>	<u>Fiscal Year</u>									
	<u>1998</u>	<u>1999</u>	<u>2000</u>	<u>2001</u>	<u>2002</u>	<u>2003</u>	<u>2004</u>	<u>2005</u>	<u>2006</u>	<u>2007</u>
<b>Police</b>										
Stations	1	1	1	1	1	1	2	2	2	2
Public safety training complex	-	-	-	-	1	1	1	1	1	1
Storefronts	4	4	5	3	3	3	3	3	3	3
Fire stations	8	8	8	9	9	9	9	9	9	9
<b>Other public works</b>										
Streets (miles)	450.0	450.0	485.2	485.2	485.2	485.2	504.0	555.0	589.0	589.0
Acreage	1,645	1,642	1,642	4,731	4,912	4,912	4,984	4,984	4,985	4,985
Public parks	42	41	41	47	52	52	53	53	54	57
Baseball/softball diamonds	26	25	25	24	24	24	24	24	24	25
Soccer/football fields	20	20	20	20	21	21	18	18	18	21
Community/recreations centers	4	4	4	4	4	4	5	5	5	5
Public golf courses	2	2	2	2	2	2	2	2	2	2
Public swimming pools	4	4	4	3	4	4	5	5	5	4
Libraries	1	1	1	2	2	2	2	3	3	3
Cemeteries	-	-	-	-	-	-	1	1	1	1
<b>Water</b>										
Water connections	44,539	46,857	47,907	48,919	50,739	51,839	53,178	55,375	58,286	60,187
Daily consumption (millions of gallons)	18.1	20.7	19.4	19.2	19.3	20.4	21.0	25.1	27.0	24.3
<b>Wastewater</b>										
Daily flow (millions of gallons)	14.6	15.3	16.1	14.3	14.3	13.6	18.9	17.1	15.4	15.8
Airports	1	1	1	1	1	1	1	1	1	1
Transit—minibuses	11	11	11	11	11	11	11	11	12	15

**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
1998	\$ 2,007,719	\$ 2,775,207	\$ 4,782,926	\$ 2,183,603	\$ 3,825,645	\$ 6,009,248
1999	1,869,023	2,970,373	4,839,396	1,806,972	3,809,336	5,616,308
2000	2,321,406	2,853,922	5,175,328	1,965,923	4,018,144	5,984,067
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

(continued)

(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.

O & M means Operations and Maintenance.

**TRINITY RIVER AUTHORITY**

<b>JOE POOL LAKE INTAKE</b>	<b>JOE POOL LAKE CORP OF ENGINEERS</b>	<b>WATER STORAGE FACILITY <sup>1</sup></b>
\$ 161,769	\$ 419,105	\$ 252,548
166,106	419,593	266,485
172,285	418,141	254,485
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	-

(concluded)

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

<u>Function</u>	<u>Fiscal Years</u>		
	<u>2005</u>	<u>2006</u>	<u>2007</u>
<b>Police</b>			
911 calls received	146,265	152,348	148,089
Non-emergency calls	166,840	160,846	149,361
Calls for service	135,623	133,232	136,435
Jail Arrests	6,624	6,493	6,611
<b>Fire</b>			
Total Fire and EMS calls *	17,749	15,060	15,904
Fire response calls for structure fires *	379	384	263
<b>Street</b>			
Number of miles of overlay streets	9	26	17
Number of lane miles crack sealed	20	11	38
Number of street defects repaired	6,312	6,802	22,513
Number of linear ft of sidewalk repaired	28,164	17,706	9,645
<b>Solid Waste</b>			
Landfill refuse collected (tons)	161,597	177,929	187,349
Recyclables collected (tons)	5,230	6,058	6,228
<b>Water</b>			
Average Daily consumption (thousands of gallons)	25,048	27,042	24,265
<b>Wastewater</b>			
Average daily sewage treatment (thousands of gallons)	17,056	15,418	15,787

**Source of Information: City Departments**

Note: Data is only available for FY 2005, 2006 and 2007

\* In calendar year