

FISCAL YEAR 2023



CITY OF GRAPEVINE, TEXAS
ANNUAL COMPREHENSIVE FINANCIAL REPORT
FISCAL YEAR ENDED SEPTEMBER 30, 2023



PREPARED BY: FISCAL SERVICES DEPARTMENT

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Introductory Section

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February 29, 2024

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

The Fiscal Services Department is pleased to submit the Annual Comprehensive Financial Report for the City of Grapevine. The City's Management assumes responsibility for both the accuracy of the data and the completeness and fairness of the presentation, based upon a comprehensive framework of internal control that has been 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. To the best of our knowledge and belief, the enclosed data is accurate in all material respects. The data is reported in a manner designed to present fairly the financial position and results of operations of the various funds of the City government. To provide the reader a clear understanding of the City's financial activities, all necessary disclosures have been included.

The City Charter requires an annual audit of the books of account, financial records, and transactions of all administrative departments of the City. The City Charter specifies that independent accountants selected by the City Council conduct such audits. FORVIS, LLP was selected by the City Council to conduct this year's audit. The independent auditor's report on the basic financial statements is included in the financial section of this report. This report fulfills the requirement of state law which requires the City to file with the State an annual financial statement and audit opinion within 180 days after the last day of the municipality's Fiscal Year (FY).

FORVIS, LLP has issued unmodified ("clean") opinions on the City of Grapevine's financial statements for the year ended September 30, 2023. The independent audit report is located at the front of the financial section of this report.

The Management's Discussion and Analysis (MD&A) is a narrative introduction, overview, and analysis to accompany the basic financial statements. The MD&A can be found immediately following the independent auditor's report. The letter of transmittal is designed to complement and should be read in conjunction with the MD&A. The statistical section includes selected financial and demographic information, generally presented on a multi-year basis.

Fiscal Services • 200 South Main Street • Grapevine, Texas • 76051 • 817-410-3113 • Fax 817-410-3013



Profile of the City of Grapevine

Incorporated in February 1907, Grapevine is a home rule City operating under a Council-Manager form of government. Policymaking and legislative authority are vested in the City Council, which consists of a Mayor and a six-member City Council. The City Manager is appointed by the City Council and is responsible for carrying out policies and for the daily management of the City. Council members serve three-year staggered terms, with two Council members elected each year. The Mayor is elected to serve a three-year term.

The City is located in the center of the Dallas/Fort Worth metropolitan area, 21 miles northwest of downtown Dallas and 19 miles northeast of downtown Fort Worth. Three major freeways, State Hwy 114, State Hwy 121, and Interstate Hwy 635, intersect in the heart of Grapevine. The central location and highway system provide excellent access to area shopping, entertainment, and employment centers. The City is located in Northeast Tarrant County and is home to the Dallas/Fort Worth International Airport. Two-thirds of the airport properties are located within Grapevine city limits, and Grapevine participates in a legislatively mandated revenue share agreement with the cities of Fort Worth and Dallas. The City is approximately 35 square miles and serves an approximate population of 52,000.

The City provides a full range of services, including police and fire protection, emergency ambulance service, planning and zoning, public improvements, water and sewer services, sanitation services, extensive parks and recreation facilities, library services, street and other public infrastructure maintenance and improvements, and general administrative services. Internal services including fleet operations, technology, and risk management are provided through the General Fund. Additionally, the City offers a 27-hole golf course, a very active economic development focus, and an aggressive marketing plan designed to promote the growth and development of industry and tourism within the City.

The City of Grapevine's Home Rule Charter provides for the submission of the budget to the City Council by the City Manager. At least sixty days and no more than ninety days before the beginning of the fiscal year, the City Manager must submit a proposed budget to the City Council. The annual budget serves as the foundation for the City of Grapevine's financial planning and control. The budget is prepared by fund and department, allowing the City Manager to approve the transfer of expenditures within a fund; however, transfers between funds require approval from the City Council. The Grapevine Code of Ordinances establishes a balanced budget provision for the General and Debt Service funds. Total estimated expenditures within these funds shall not exceed the total estimated resources; however, it does provide for disclosure when a deviation from a balanced budget is necessary. The budget may be amended, and appropriations altered in cases of public necessity, upon declaration of the City Council.

Component units are legally separate organizations that a primary government must include as a part of its financial reporting entity. The City has included financial statements for five blended component units due to their fiscal dependency on the primary government. The Tax Reinvestment Zones Numbers One and Two, the Crime Control and Protection District, the Grapevine 4B Economic Development Corporation, and the 4B Transit Fund, which accounts for local sales tax used to fund Grapevine's participation in the commuter rail development project with the Fort Worth Transit Authority. The 4B Economic Development Fund accounts for a portion of the local sales tax, which is used to stimulate the local economy, promote new development, and spur redevelopment of other areas.

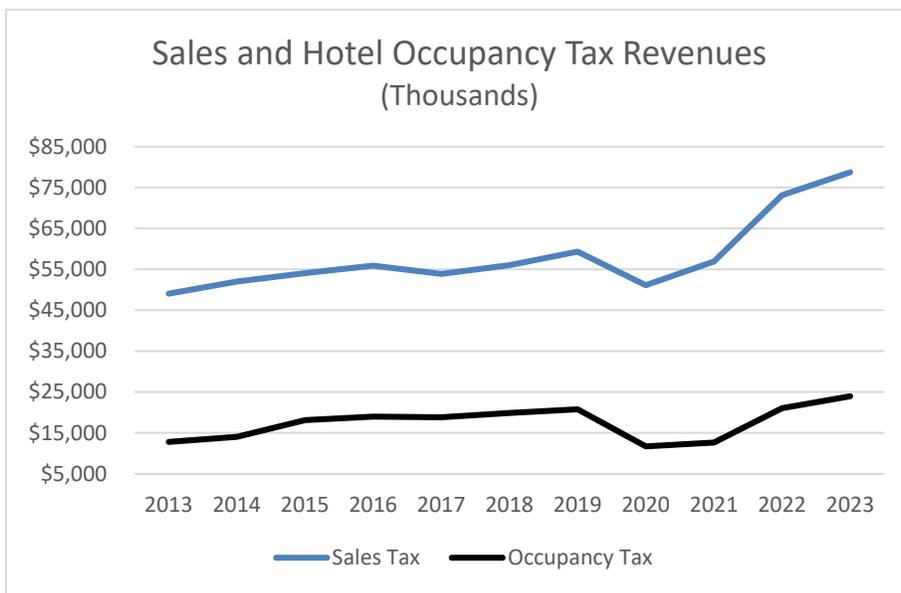
The Heritage Foundation is a legally separate organization that is a discretely presented component unit of the City. The Foundation was organized to promote the preservation, protection, and economic development of Grapevine's physical and cultural heritage. Additional information on all six component units can be found in Note 1 in the notes to the financial statements.

Local Economy

During FY23, Grapevine continued to experience economic growth due to economic development programs and a stable political climate. The 39th Annual Main Street Fest, and the 37th Annual GrapeFest – A Texas Wine Experience were held in May and September, respectively. These family friendly events brought visitors to downtown Grapevine for festival fun with live music and entertainment, shopping at local Main Street boutiques, galleries, and much more. The City’s unemployment rate remained stable at 2.8%, which was lower than the state’s unemployment rate of 4.1% for the same time.

Sales Tax, the single largest revenue stream for the City, increased \$5.6 million or 7.7% from the prior fiscal year. Sales from tourism as well as retail sales and full-service restaurants performed better than the prior fiscal year. Sales tax revenues over the last ten years are illustrated in the table below.

The City’s hotel occupancy tax receipts increased \$2.9 million or 14% from prior fiscal year. This growth was driven by higher occupancy rates for hotels located in the City as well as an increase in the average daily rate of those occupied rooms.



The City supports various Economic Development projects that produce a meaningful impact on the City and its economy and result in the growth of business activity and employment. The most common tool that is used for such projects is the Chapter 380 agreement which offers sales tax rebates. The City currently has nine active Chapter 380 agreements in place.

Long-term Financial Planning

The City Council establishes long term financial goals each year as a part of the budgeting process. For FY23, the Council continued with the following goals:

- (1) Maintain financial stability and strong fiscal management
- (2) Sustain existing programs at high service levels
- (3) Provide a safe and secure community
- (4) Address future transportation needs
- (5) Continue to enhance tourism development
- (6) Invest in “Quality of Life” capital projects

Grapevine continued to maintain financial stability and strong fiscal management for FY23. The General, Debt Service, Utility Enterprise and Stormwater Drainage funds ended the fiscal year with fund balances that meet or exceed their requirement. The City also maintained existing services and transferred from the General Fund \$1,000,000 to the Quality of Life Fund, \$5,300,000 to the Capital Equipment fund and \$1,640,000 to the Permanent Capital Maintenance Fund.

In meeting the goal of providing a safe and secure community, the Police Department responded to 52,891 calls for service while the Fire Department responded to 2,202 calls for service and 5,001 ambulance runs.

Major Economic Initiatives and Community Development

Grapevine is home to many successful businesses as well as numerous wineries, fine dining, nationally ranked festivals, and select attractions and resorts. Its economic development efforts are designed to further increase visitors and tax revenues through projects that emphasize hospitality, entertainment, and retail uses. Grapevine also boasts exceptional commercial and office facilities that capitalize on the City’s central location in one of the top regions in the nation for business. Grapevine’s close proximity to the second busiest airport in the world provides ready access to major U.S. and international markets.

Although construction values declined from FY22, Grapevine continues to experience strong construction growth. Construction values exceeded \$122 million in FY23 and \$145 million in FY22. Among the largest categories in this fiscal year were \$20 million in commercial additions, \$18.9 million in new single-family residences and \$17.6 million in new commercial property. These values accounted for approximately 45% of the construction values.

Trinity Metro’s commuter rail line is expected to expand another 2.1 miles to the Fort Worth Medical District. Grapevine is the most visited station on the line so this expansion will only increase the number of visitors to Grapevine.

The Dallas Area Rapid Transit (DART) Silver Line is a \$1.89 billion project that will add 26 miles of new rail between Plano and DFW International Airport. The Silver Line is expected to be completed in 2024 and will connect with TEXRail in Grapevine at the DFW North Station. The additional connectivity will help to further stimulate the local economy.

In July of 2023, Meow Wolf, an immersive art exhibition, opened its fourth permanent exhibit at Grapevine Mills. Velvet Taco and Son of a Butcher, both fast casual restaurants, opened in 2023 on the former site of Payton-Wright Ford. It is expected that Firebirds Wood Fired Grill, Portillo’s, and Rock & Brews will all open on that same site in 2024.

Awards and Acknowledgements

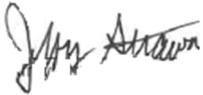
The City's Fiscal Services Department was awarded the Government Finance Officers Association (GFOA) Certificate of Achievement for Excellence in Financial Reporting for its annual comprehensive financial report ("ACFR") for the fiscal year ended September 30, 2022. This was the 36th consecutive year that the City has received this prestigious award. In order to be awarded a Certificate of Achievement, the City published an easily readable and efficiently organized ACFR. This report satisfied both GAAP and applicable legal requirements. A Certificate of Achievement is valid for a period of one year only. We believe that our current ACFR continues to meet the Certificate of Achievement Program's requirements and we are submitting it to the GFOA to determine its eligibility for another certificate.

The City's Fiscal Services Department was also awarded the Government Finance Officers Association (GFOA) Distinguished Budget Presentation Award for its annual budget document for the fiscal year beginning October 1, 2022. 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, an operations guide, and a communications device.

The City's Purchasing Department, which is a part of the Fiscal Services Department, received the 2023 Achievement of Excellence in Procurement Award. This award recognizes organizational excellence in public procurement.

The preparation of this report would not have been possible without the efficient and dedicated services of the entire Fiscal Services Department. The Fiscal Services Department would also like to express our appreciation to other City department staff that provided information and contributed to the preparation of this report and to thank the members of the City Council for their interest and support in planning and conducting the financial operations of the City in a responsible and professional manner.

Respectfully submitted by:



Jeff Strawn
Chief Financial Officer

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Government Finance Officers Association

Certificate of
Achievement
for Excellence
in Financial
Reporting

Presented to

**City of Grapevine
Texas**

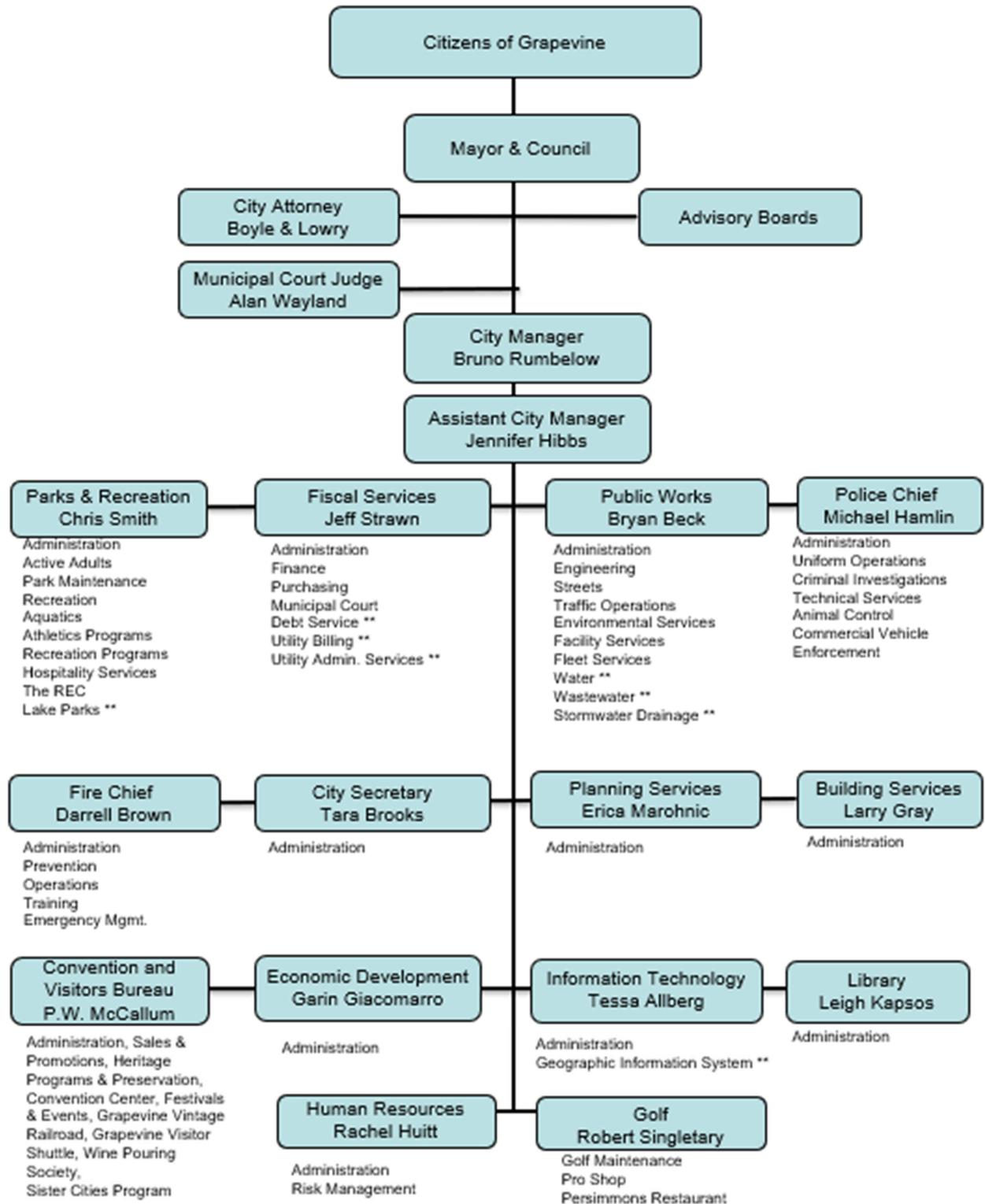
For its Annual Comprehensive
Financial Report
For the Fiscal Year Ended

September 30, 2022

Christopher P. Morill

Executive Director/CEO

City of Grapevine Organization Chart



Bruno Rumbelow
City Manager

Jennifer Hibbs
Assistant City Manager

Matthew Boyle
City Attorney

Jeff Strawn
Chief Financial Officer

Erica Marohnic
Director of Planning Services

Michael Hamlin
Chief of Police

Chris Smith
Director of Parks and Recreation

P. W. McCallum
Executive Director, Convention & Visitors Bureau

Shellie Johnson
Internal Audit Director

Gary W. Livingston
Director of Management Services

Garin Giacomarro
Director of Economic Development

Tara Brooks
City Secretary

Alan Wayland
Municipal Court Judge

Bryan Beck
Director of Public Works

Darrell Brown
Fire Chief

Leigh Kapsos
Library Director

Robert Singletary
Director of Golf

Rachel Huitt
Human Resources Director

Tessa Allberg
Chief Technology Officer

Lance Wright
Purchasing Agent

William D. Tate
MAYOR

CITY COUNCIL

Darlene Freed, Mayor Pro Tem

Chris Coy

Paul Slechta

Sharron Rogers

Leon Leal

Duff O'Dell

Bruno Rumbelow
CITY MANAGER

Jennifer Hibbs
ASSISTANT CITY MANAGER

Jeff Strawn
CHIEF FINANCIAL OFFICER

Financial Section

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14241 Dallas Parkway, Suite 1100 / Dallas, TX 75254

P 972.702.8262 / F 972.702.0673

forvis.com

Independent Auditor's Report

The Honorable Mayor and
Members of the City Council
City of Grapevine, Texas

Opinions

We have audited the financial statements of the governmental activities, the business-type activities, the discretely presented component unit, each major fund, and the aggregate remaining fund information of the City of Grapevine, Texas (City), as of and for the year ended September 30, 2023, and the related notes to the financial statements, which collectively comprise the City's basic financial statements as listed in the table of contents.

In our opinion, the accompanying financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, the discretely presented component unit, each major fund, and the aggregate remaining fund information of the City, as of September 30, 2023, and the respective changes in financial position and, where applicable, cash flows thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinions

We conducted our audit in accordance with auditing standards generally accepted in the United States of America (GAAS). Our responsibilities under those standards are further described in the "Auditor's Responsibilities for the Audit of the Financial Statements" section of our report. We are required to be independent of the City, and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

Responsibilities of Management for the Financial Statements

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

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about the City's ability to continue as a going concern for 12 months beyond the financial statement date, including any currently known information that may raise substantial doubt shortly thereafter.

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinions. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with GAAS will always detect a material misstatement when it exists.

The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

In performing an audit in accordance with GAAS, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the City's internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about the City's ability to continue as a going concern for a reasonable period of time.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit, significant audit findings, and certain internal control-related matters that we identified during the audit.

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis, budgetary comparison schedules, pension, and other postemployment benefit information be presented to supplement the basic financial statements. Such information is the responsibility of management and, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with GAAS, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Supplementary Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the City's basic financial statements. The combining and individual fund financial statements and schedules are presented for purposes of additional analysis and are not a required part of the basic financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. The information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with GAAS. In our opinion, the combining and individual fund financial statements and schedules are fairly stated, in all material respects, in relation to the basic financial statements as a whole.

Other Information

Management is responsible for the other information included in the annual comprehensive financial report. The other information comprises the introductory and statistical sections but does not include the basic financial statements and our auditor's report thereon. Our opinions on the basic financial statements do not cover the other information, and we do not express an opinion or any form of assurance thereon.

In connection with our audit of the basic financial statements, our responsibility is to read the other information and consider whether a material inconsistency exists between the other information and the basic financial statements, or the other information otherwise appears to be materially misstated. If, based on the work performed, we conclude that an uncorrected material misstatement of the other information exists, we are required to describe it in our report.

FORVIS, LLP

**Dallas, Texas
February 29, 2024**

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**City of Grapevine, Texas
Management's Discussion and Analysis (Unaudited)
For the Year Ended September 30, 2023**

As management of the City of Grapevine (the "City"), we offer 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, 2023. We encourage readers to consider the information presented here in conjunction with additional information that we have furnished in our letter of transmittal, which can be found on pages i-v of this report.

FINANCIAL HIGHLIGHTS

- The assets and deferred outflows of resources of the City exceeded its liabilities and deferred inflows of resources at the close of the most recent fiscal year by \$479,497,808 (net position).
- The City's total net position increased by \$17,585,708 from operations. \$19,735,721 of this increase was attributable to governmental activities and a decrease of \$2,150,013 was due to business-type activities.
- At the close of the current fiscal year, the City's governmental funds reported combined fund balances of \$145,685,504, an increase of \$30,510,222 from the prior year.
- At the end of the current fiscal year, unassigned fund balance for the General Fund was \$14,782,606 or 22% of total General Fund expenditures.

OVERVIEW OF THE FINANCIAL STATEMENTS

This discussion and analysis is intended to serve as an introduction to the City's basic financial statements. The City's basic financial statements comprise three components: 1) government-wide financial statements, 2) fund financial statements, and 3) notes to the financial statements. This report also contains supplementary information intended to furnish additional detail to support the basic financial statements themselves.

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 a private-sector business.

The *Statement of Net Position* presents information on all the City's assets, deferred outflows (inflows) of resources, and liabilities, with the difference reported as net position. Over time, increases or decreases in net position may serve as a useful indicator of whether the financial position of the City is improving or deteriorating.

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

Both government-wide financial statements distinguish functions of the City that are principally supported by taxes and intergovernmental revenues (*governmental 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 general government, public safety, culture and recreation, public works, transportation, tourism, and economic development. The business-type activities of the City include water and sewer services and the lake enterprise activities (golf course).

**City of Grapevine, Texas
Management’s Discussion and Analysis (Unaudited)
For the Year Ended September 30, 2023**

The government-wide financial statements include not only the City itself (known as the *primary government*), but also include the Heritage Foundation, which is a legally separate entity for which the City is financially accountable. Financial information for this component unit is reported separately from the financial information presented for the primary government itself. The Tax Increment Reinvestment Zones Numbers One and Two, the Crime Control and Prevention District (Crime District), and the Grapevine 4B Economic Development Corporation, although legally separate, function for all practical purposes as departments of the City, and therefore have been included as an integral part of the primary government.

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 the funds of the City can be divided into three categories: governmental funds, proprietary funds, and fiduciary funds. The fund financial statements for governmental funds, proprietary funds, and fiduciary funds can be found in the financial section of this report.

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 the 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, the reader may better understand the long-term impact of the City’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 maintains 19 individual governmental funds. 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 the General, Hotel Occupancy Tax Fund, Crime District Fund, 4B – Economic Development Fund, 4B – Transit Fund, Debt Service Fund, TIF #1 Capital Projects Fund and General Facilities and Equipment Fund, all of which are considered to be major funds.

Data from the other eleven governmental funds are combined into a single, aggregate presentation. Individual fund data for each of these non-major governmental funds is provided in the form of combining statements in the combining and individual fund statements and schedules section of this report.

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 in the government-wide financial statements. The City uses enterprise funds to account for its Water and Sewer Fund, and Lake Enterprise Fund (golf course). *Internal service funds* are an accounting device used to accumulate and allocate costs internally among the City’s various functions. The City uses an internal service fund to account for its document management services. Because these services predominantly benefit the governmental rather than business-type functions, they have been included within the *governmental activities* in the government-wide financial statements.

**City of Grapevine, Texas
Management's Discussion and Analysis (Unaudited)
For the Year Ended September 30, 2023**

Proprietary funds provide the same type of information as the government-wide financial statements, only in more detail. The proprietary fund financial statements provide separate information for the Water and Sewer Fund and the Lake Enterprise Fund, which are both considered to be major funds.

Fiduciary Funds

Fiduciary fund level financial statements include assets that are held in a trustee or fiduciary capacity and are therefore not available to support City programs; these funds are not included in the government-wide statements. The City has two types of fiduciary funds.

The Other Postemployment Benefit (OPEB) Trust Fund is used to report assets held for beneficiaries to fund future postemployment benefits other than pensions. The Private-purpose Trust Fund is used to report resources held in trust for the W.D. Tate Scholarship Fund. See *Note 1* for additional information pertaining to fiduciary funds.

Notes to the financial statements

The notes provide additional information that is necessary to acquire 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 *required supplementary information*. The required supplementary information section of this report includes budgetary comparison schedules for the General Fund and major special revenue funds with legally adopted budgets, which include the Hotel Occupancy Tax Fund, Crime District Fund, 4B Economic Development Fund, and 4B Transit Fund. This section of the report also includes schedules detailing the City's progress in funding its liabilities related to providing pension and OPEB benefits to its employees.

The combining and individual fund statements and schedules referred to earlier in connection with nonmajor governmental funds are presented immediately following the required supplementary information on the City's pension and OPEB plans.

GOVERNMENT-WIDE OVERALL FINANCIAL ANALYSIS

As noted earlier, net position may serve over time as a useful indicator of a government's financial position. As of September 30, 2023, the City's assets and deferred outflows of resources exceeded liabilities and deferred inflows of resources by \$479,497,808.

City of Grapevine, Texas
Management's Discussion and Analysis (Unaudited)
For the Year Ended September 30, 2023

CITY OF GRAPEVINE'S NET POSITION

	Governmental Activities		Business-type Activities		Totals	
	2023	2022	2023	2022	2023	2022
Current and other assets	\$ 183,971,343	\$ 153,294,829	\$ 30,008,610	\$ 31,633,981	\$ 213,979,953	\$ 184,928,810
Capital, lease, and subscription assets	428,228,357	429,740,580	153,968,171	153,977,973	582,196,528	583,718,553
Total assets	<u>612,199,700</u>	<u>583,035,409</u>	<u>183,976,781</u>	<u>185,611,954</u>	<u>796,176,481</u>	<u>768,647,363</u>
Deferred outflows of resources	44,291,197	25,627,379	4,344,827	2,585,197	48,636,024	28,212,576
Other liabilities	37,941,442	35,507,006	4,390,506	4,164,456	42,331,948	39,671,462
Long-term liabilities	269,817,295	244,421,207	19,732,195	18,077,208	289,549,490	262,498,415
Total liabilities	<u>307,758,737</u>	<u>279,928,213</u>	<u>24,122,701</u>	<u>22,241,664</u>	<u>331,881,438</u>	<u>302,169,877</u>
Deferred inflows of resources	30,515,278	30,253,414	2,917,981	2,524,548	33,433,259	32,777,962
Net position:						
Net investment						
in capital assets	285,260,823	291,800,577	147,282,994	146,685,064	432,543,817	438,485,641
Restricted	62,406,205	50,192,281	3,099,160	2,897,786	65,505,365	53,090,067
Unrestricted	(29,450,146)	(43,511,697)	10,898,772	13,848,089	(18,551,374)	(29,663,608)
Total net position	<u>\$ 318,216,882</u>	<u>\$ 298,481,161</u>	<u>\$ 161,280,926</u>	<u>\$ 163,430,939</u>	<u>\$ 479,497,808</u>	<u>\$ 461,912,100</u>

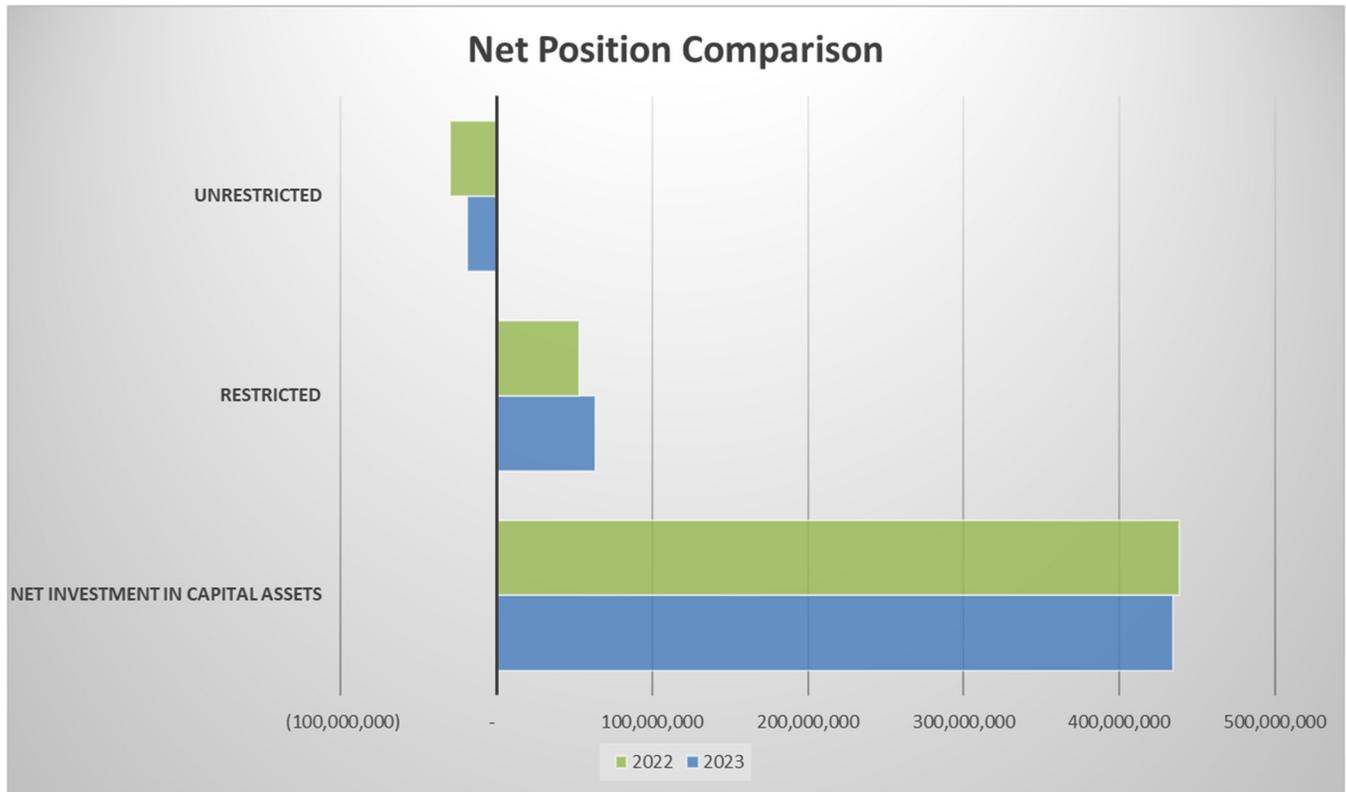
Current and other assets increased in the governmental and business-type activities by \$29,051,143 from the prior year. The increase in Cash and investments of \$21,571,251, is the largest portion of this increase and is largely due to an increase in sales taxes, hotel occupancy taxes, and investment earnings.

Long-term liabilities for the City consist of bonds, contractual obligations, compensated absences, lease liabilities, subscription liabilities, and OPEB and pension liabilities. Debt service payments of almost \$12.8 million were made during the year to pay down the balances of bonds and contractual obligations. The City's pension liability increased by \$47.5 million primarily as a result of net investment income (loss) and the City's OPEB liability decreased by \$20.7 million as a result of many factors including a change in the discount rate from 1.87% to 4.07%.

The largest portion of the City's net position is its investment in capital assets of \$432,543,817 (e.g., land, building, equipment, improvements, construction in progress, infrastructure, lease assets and subscriptions assets), less any debt used to acquire capital, lease, and subscription assets still outstanding. The City uses these capital, lease, and subscription assets to provide services to citizens; consequently, these assets are not available for future spending. Although the City's investment in capital, lease and subscription assets is reported net of related debt, it should be noted that the resources needed to repay this debt must be provided from other sources, since the capital, lease, and subscription assets themselves cannot be used to liquidate these liabilities.

An additional portion of the City's net position represents resources that are subject to external restrictions on how they may be used. Restricted net position includes (1) use of impact fees for construction purposes (\$3,099,160), (2) debt service (\$25,433,990), (3) capital projects (\$5,312,583), (4) court security and technology (\$658,519), (5) public safety (\$8,327,303), (6) records preservation (\$18,633), (7) economic development (\$21,650,955), (8) culture and recreation (\$1,001,395), and (9) transportation (\$2,827).

**City of Grapevine, Texas
 Management's Discussion and Analysis (Unaudited)
 For the Year Ended September 30, 2023**



For fiscal year-end 2023, the City is able to report positive balances in two categories of net position for the City as a whole. Unrestricted net position is a deficit for the governmental activities and in total for the City. This is due in part to the recognition of the net pension liability under the requirements of GASB Statement No. 68, the recognition of the net OPEB liability under GASB Statement No. 75, and also due to the fact that the City has a substantial amount of debt related to TIF #2 which is not capital related.

**City of Grapevine, Texas
Management's Discussion and Analysis (Unaudited)
For the Year Ended September 30, 2023**

Analysis of the City's Operations

The following table provides a summary of the City's operations for the year ended September 30, 2023, and 2022:

CITY OF GRAPEVINE'S CHANGES IN NET POSITION

	Governmental Activities		Business-type Activities		Totals	
	2023	2022	2023	2022	2023	2022
Revenues:						
Program revenues:						
Charges for services	\$ 30,729,151	\$ 27,749,262	\$ 38,533,615	\$ 35,542,809	\$ 69,262,766	\$ 63,292,071
Operating grants and contributions	5,401,118	3,273,053	-	-	5,401,118	3,273,053
Capital grants and contributions	1,511,952	2,300,358	1,111,730	5,247,493	2,623,682	7,547,851
General revenues:						
Property taxes	34,683,312	33,225,579	-	-	34,683,312	33,225,579
Hotel occupancy taxes	23,042,626	21,030,420	-	-	23,042,626	21,030,420
Sales taxes	78,738,077	73,126,844	-	-	78,738,077	73,126,844
Mixed beverage taxes	2,701,727	2,377,346	-	-	2,701,727	2,377,346
Franchise taxes	7,014,010	6,585,053	-	-	7,014,010	6,585,053
Investment earnings	6,044,639	955,165	1,523,151	223,884	7,567,790	1,179,049
Gain on sale of capital assets	161,604	-	269	6,074	161,873	6,074
Miscellaneous	489,962	1,074,576	-	-	489,962	1,074,576
Total revenues	190,518,178	171,697,656	41,168,765	41,020,260	231,686,943	212,717,916
Expenses:						
General government	26,488,812	32,736,737	-	-	26,488,812	32,736,737
Public safety	49,426,248	37,989,941	-	-	49,426,248	37,989,941
Culture and recreation	26,699,398	21,178,381	-	-	26,699,398	21,178,381
Public works	18,970,373	18,683,597	-	-	18,970,373	18,683,597
Transportation	14,633,655	13,301,311	-	-	14,633,655	13,301,311
Economic development	4,248,190	4,292,737	-	-	4,248,190	4,292,737
Tourism	27,683,555	20,482,143	-	-	27,683,555	20,482,143
Interest on long-term debt	4,346,632	4,131,718	-	-	4,346,632	4,131,718
Water and sewer	-	-	35,132,121	30,061,365	35,132,121	30,061,365
Lake enterprise	-	-	6,472,251	3,675,901	6,472,251	3,675,901
Total expenses	172,496,863	152,796,564	41,604,372	33,737,266	214,101,235	186,533,830
Increases in net position before extraordinary item and transfers	18,021,315	18,901,092	(435,607)	7,282,994	17,585,708	26,184,086
Transfers	1,714,406	(3,323,171)	(1,714,406)	3,323,171	-	-
Change in Net Position	19,735,721	15,577,921	(2,150,013)	10,606,165	17,585,708	26,184,086
Net Position, Beginning	298,481,161	282,903,240	163,430,939	152,824,774	461,912,100	435,728,014
Net Position, Ending	\$ 318,216,882	\$ 298,481,161	\$ 161,280,926	\$ 163,430,939	\$ 479,497,808	\$ 461,912,100

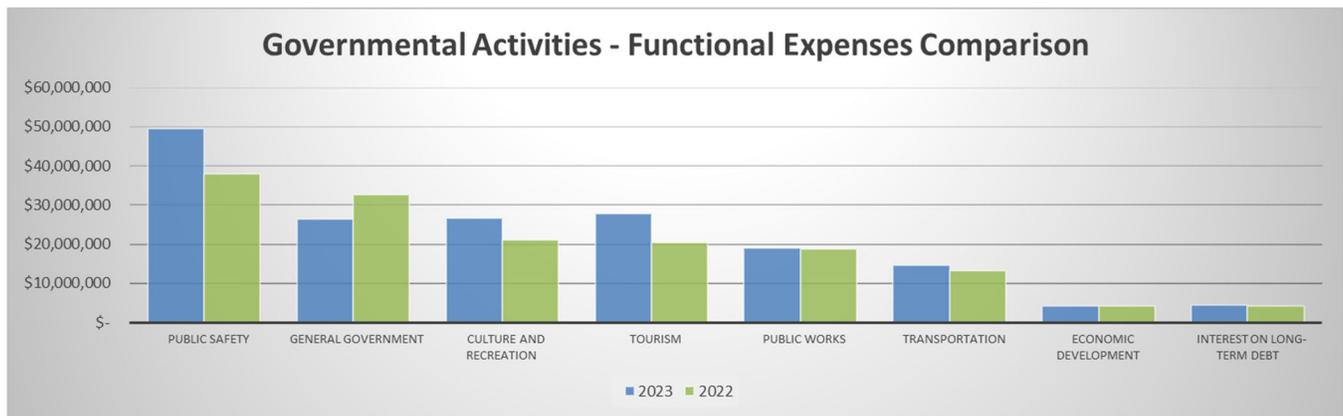
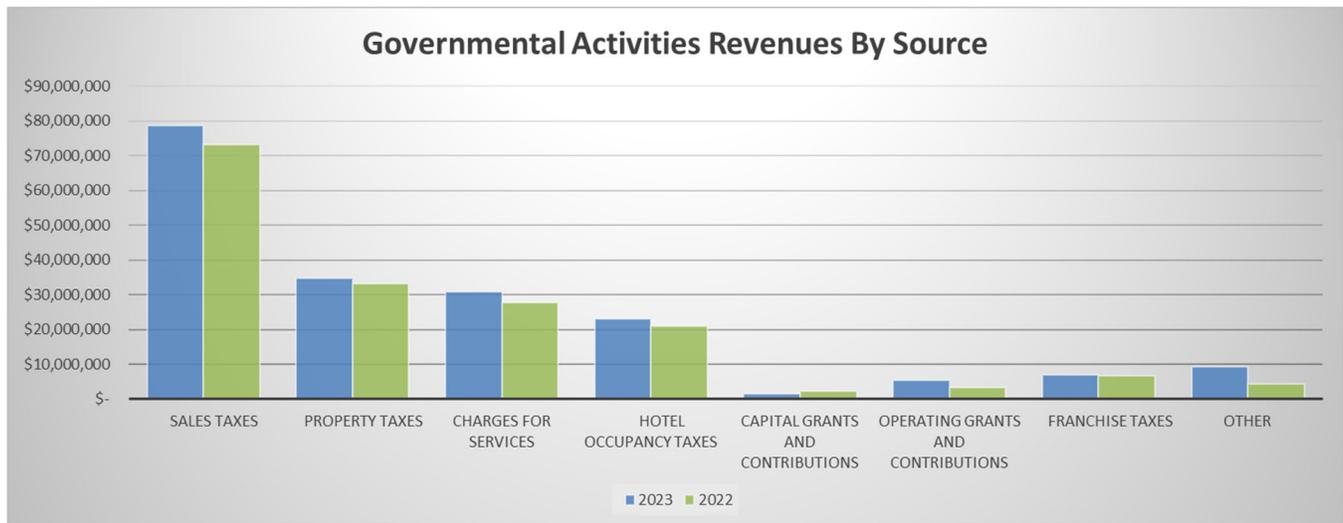
Governmental activities – Governmental activities increased the City's net position by \$19,735,721 from operations. This increase can broadly be attributed to increases in general revenues such as sales taxes, hotel occupancy taxes, mixed beverage taxes as well as charges for services.

In total, revenues for Governmental activities increased by \$18,820,522 or 11% in FY2023. The City experienced increases in several categories of revenue. The largest of these increases was investment earnings which increased by \$5,089,474 due to the surge in interest rates. Another increase came from sales tax, which increased by \$5,611,233 from the previous fiscal year due to the robust economy.

**City of Grapevine, Texas
 Management’s Discussion and Analysis (Unaudited)
 For the Year Ended September 30, 2023**

The City’s operating expenses for FY2023 increased by \$19,700,299 or 13%. Some functions such as public safety, culture and recreation, public works, transportation, and tourism reflect increases in operating expenses which are offset by decreases in general government and economic development. General government expenses were approximately \$6.2 million lower than prior year primarily as a result of \$1.7M repayment of sales tax that occurred in FY2022 that was not required in FY2023 as well as a decrease in 380 agreement payments. Public Safety expenses were up from FY2022 due primarily to increased salaries, benefits, and pension costs. Culture and recreation increased due to higher salaries, benefits, and pension costs as well as increases for landscape and janitorial expenses. Transportation expenses increased due to professional services at Grapevine Main which include landscaping and maintenance.

All functions that include personnel reflect increases in expenses related to the City’s pension and OPEB plan. A net of \$7.0 million in expenses related to the City’s pension and OPEB plan were allocated across the governmental activities.

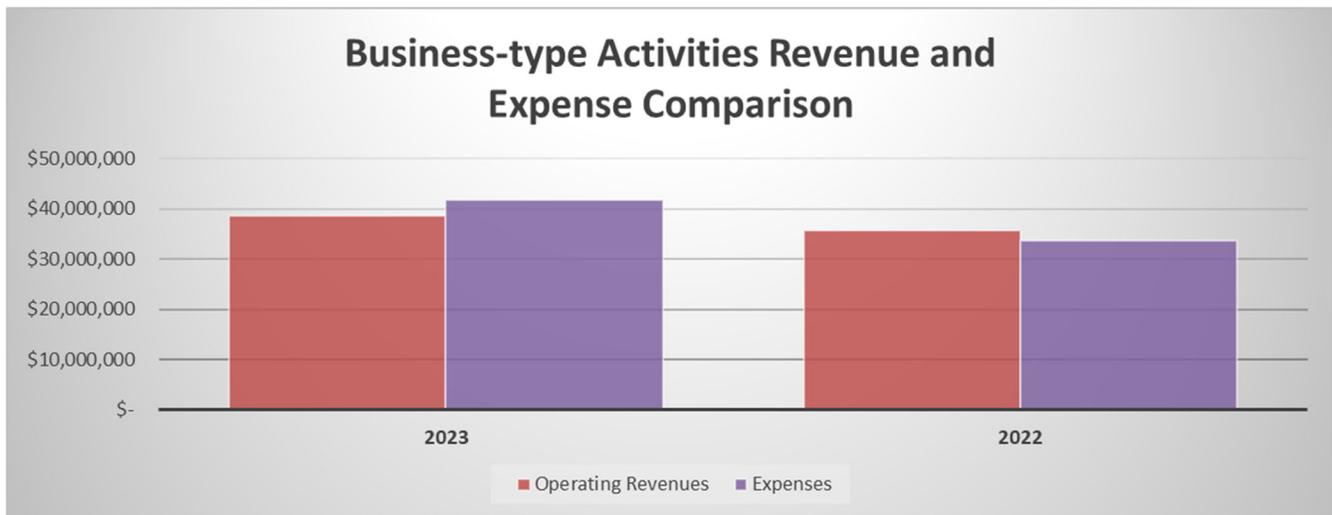


**City of Grapevine, Texas
 Management’s Discussion and Analysis (Unaudited)
 For the Year Ended September 30, 2023**

Business-type activities – In total, the business-type activities decreased the City’s net position by \$2,150,013. Water and Sewer Utilities decreased net position by \$1,430,081 while Lake Enterprise (golf) decreased net position by \$719,932.

The change in net position of the Water and Sewer Fund resulted from increased expenditures due to the cost of providing water and sewer as well as a reduction of transfers (\$5M) into the fund. Water costs increased as a result of decreased rainfall during the summer months. These increases were partially offset by increases of donated assets and a refund from Trinity River Authority for unused project funds.

The Lake Enterprise Fund (golf course) had increased revenues from FY2022 from green fees and cart rentals due to higher participation resulting from improved weather conditions throughout the year.



FINANCIAL ANALYSIS OF THE CITY’S FUNDS

Governmental funds – The focus of the 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, unassigned fund balance may serve as a useful measure of a government’s net resources available for discretionary use as they represent the portion of fund balance that has not yet been limited to use for a particular purpose by either an external party, the City itself, or a group or individual that has been delegated authority to assign resources for use for particular purposes by the City Council.

As of the end of the current fiscal year, the City’s governmental funds reported combined ending fund balances of \$145,685,504, an increase of \$47,009,363 compared with the prior year. Unassigned fund balance is \$13,922,819 (9.6%), which is available for spending at the City’s discretion. The remainder of fund balance is not available for new spending because it is (1) non-spendable (\$6,603,505) (2) restricted for debt service, capital projects, court security and technology, economic development, public safety, records preservation, tourism, transportation, and culture and recreation programs (\$72,378,674) (3) committed for capital projects, stormwater drainage and public arts (\$6,804,088) (4) or assigned for capital projects, tourism, public safety, culture and recreation programs, and OPEB plan contributions (\$45,976,418).

City of Grapevine, Texas
Management's Discussion and Analysis (Unaudited)
For the Year Ended September 30, 2023

Significant changes in fund balances of major funds are as follows:

General Fund – The General Fund is the chief operating fund of the City. At the end of FY2023, unassigned fund balance of the General Fund was \$14,782,606, while total fund balance equaled \$16,076,508. As a measure of the General Fund's liquidity, it may be useful to compare both unassigned fund balance and total fund balance to total General Fund expenditures. Unassigned fund balance represents approximately 22% of total General Fund expenditures, while the total fund balance represents approximately 24% of that same amount.

The fund balance of the General Fund increased by \$1,449,101 for FY2023. Revenues decreased in the General Fund from FY2022 to FY2023 by \$1,381,703. Property taxes increased in the General Fund by \$735,088 for FY2023. This increase is primarily due to increases in property values. Sales tax revenue increased by \$2,811,015 as a result of a robust economy. The decrease of \$3,451,600 in Intergovernmental revenue was primarily due to a payment for the American Rescue Plan Act in 2022 that the City will no longer receive.

General Fund expenditures increased from FY2022 to FY2023 by \$2,131,293. Expenditures for general government decreased by \$3,454,269 for FY2023. This decrease is primarily due to a sales tax audit payment of \$1,690,115 in FY2022 not required in FY2023 and a reduction of Chapter 380 incentive payments. Public safety expenditures increased from FY2022 to FY2023 by \$2,061,785. This increase is primarily due to an increase in personnel expenses. Culture and recreation expenditures increased from FY2022 to FY2023 by \$1,708,188. This increase is primarily due to increased personnel expenses and professional services.

Special Revenue – Hotel Occupancy Tax Fund – Fund balance in the Hotel Occupancy Tax Fund increased for FY2023 by \$6,146,499. Increased revenue can be attributed to an increase of \$2,934,575 for hotel occupancy tax and an increase in investment income of \$943,167 due to the increased interest rates. Charges for services also increased by \$889,882, or 10%, primarily as a result of increased revenue from train excursions and events at the Palace Theater.

Expenditures in the Hotel Occupancy Tax Fund increased from \$19,640,766 in FY2022 to \$26,471,158 in FY2023. This increase was primarily attributed to an increase in marketing and advertising expenses associated with the promotion of tourism as well as increased train expenses.

Special Revenue – Crime District Fund – Fund balance of the Crime District Fund increased by \$3,662,893. Sales tax revenues, which are the primary funding source of the Crime District Fund, increased by \$1,393,935 due to a robust local economy. Expenditures in the Crime District Fund had a minimal increase of \$1,676,387.

Special Revenue – 4B – Economic Development – The 4B-Economic Development fund balance reflects an increase of \$2,274,287 over last fiscal year. Sales tax revenues increased by \$235,785 during the year due to a high performing local economy. Expenditures were down by \$495,353 primarily due to a reduction in distributions during the year related to 380 agreements that the City has entered into. These distributions were approximately \$269,671 less than the previous fiscal year.

Special Revenue – 4B – Transit – Fund balance in the 4B-Transit decreased for FY2023 by \$20,519. Sales tax collected in this fund has been pledged to the Trinity Metro. Any sales tax collections in this fund, less half of the operating costs of the City's visitor shuttle service, are distributed to the Trinity Metro to help fund commuter rail service in Grapevine. Sales taxes in this fund increased for the current period by \$1,170,498 because of a robust local economy, and as the revenues in this fund increase, so do the corresponding expenditures.

Debt Service Fund – The total fund balance of \$6,778,612 in the Debt Service Fund is restricted for the payment of debt obligations. This balance has decreased by \$218,791 as a result of increased debt service requirements resulting in slightly more expenditures than receipts from property taxes.

City of Grapevine, Texas
Management's Discussion and Analysis (Unaudited)
For the Year Ended September 30, 2023

Capital Projects – TIF #1 – The net increase in fund balance for the TIF #1 capital projects fund for fiscal year 2023 was \$2,175,617. The property taxes and investment earnings collected in this fund for the year were \$2,175,617, and there were no expenditures for the fund for the current year.

Capital Projects – General Facilities and Equipment – The fund balance increased \$254,068 from the prior year primarily as a result of proceeds from the issuance of bonds of \$2,387,762 and insurance recoveries of \$2,896,030 related to December 2022 tornado damage. Expenditures also increased due to repairs associated with the tornado offsetting the increase in revenue.

Proprietary Funds – The City's proprietary funds provide the same type of information found in the government-wide financial statements, but in more detail. Factors concerning the finances of the proprietary funds have already been addressed in the discussion of the City's business-type activities.

General Fund Budgetary Highlights

Significant amendment changes:

There were no changes to budgeted revenues or expenditures for the fiscal year 2023.

Significant budget variances:

Revenues exceeded budget by \$10,001,809 as a result of a robust and active economy. More than half of the increase is reflected in increased sales tax revenue.

CAPITAL, LEASE AND SUBSCRIPTION ASSETS AND DEBT ADMINISTRATION

Capital, lease, and subscription assets—The City's investment in capital assets for its governmental and business-type activities as of September 30, 2023, amounted to \$582,196,528 (net of accumulated depreciation). This investment in capital assets includes land, buildings, improvements, machinery and equipment, infrastructure, intangible assets, construction in progress, lease assets and subscription assets. The total net decrease in the City's investment in capital assets for the current fiscal year was \$1,522,025 (less than 1%).

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

- Parks projects of \$1,299,170 were added to construction in progress (primarily related to Green Ribbon Phases VI/VII) and \$373,060 were completed and transferred out of CIP, including the new Jones Branch Park and Meadowmere Park restroom.
- Fiber projects of \$1,793,214 were added to construction in progress.
- The FY2023 acquisition of vehicles and equipment totaling \$5,986,435 includes \$2,065,719 related to public safety, \$1,604,940 related to public works, \$642,470 related to culture and recreation, and \$147,033 related to golf. In addition, the City added IT infrastructure upgrades of \$1,232,116.
- Street improvement projects of \$1,537,487 were added to construction in progress, and \$2,437,915 were completed and transferred out of CIP, including the Worth Street CDBG project, Kimball Road, traffic signal upgrades, and Kubota lighting and signals. In addition, drainage projects completed in FY2023 and transferred from construction in progress to infrastructure totaled \$889,128.
- The Water and Sewer Fund added \$2,253,082 to utility project construction in progress and completed projects totaling \$7,345,811 to extend and improve the City's water and sewer system. Donated water and sewer assets totaled \$1,044,482.

**City of Grapevine, Texas
Management’s Discussion and Analysis (Unaudited)
For the Year Ended September 30, 2023**

CITY OF GRAPEVINE’S CAPITAL, LEASE, AND SUBSCRIPTION ASSETS AT YEAR-END

	Governmental Activities		Business-type Activities		Totals	
	2023	2022 *	2023	2022 *	2023	2022 *
Land	\$ 36,782,765	\$ 36,782,765	\$ 593,970	\$ 593,970	\$ 37,376,735	\$ 37,376,735
Right-of-way/easements	79,562,729	79,540,229	57,555,464	57,555,464	137,118,193	137,095,693
Construction in progress	6,784,291	4,714,522	1,255,607	6,918,365	8,039,898	11,632,887
Buildings	193,918,732	196,456,268	5,073,150	5,234,760	198,991,882	201,691,028
Improvements other than buildings	36,870,397	39,320,685	1,477,735	1,074,440	38,348,132	40,395,125
Machinery and equipment	16,659,147	13,518,202	2,940,827	2,370,184	19,599,974	15,888,386
Software and subscriptions	512,387	137,286	49,427	50,045	561,814	187,331
Infrastructure	57,137,909	59,270,623	85,021,991	80,180,745	142,159,900	139,451,368
Total	\$ 428,228,357	\$ 429,740,580	\$ 153,968,171	\$ 153,977,973	\$ 582,196,528	\$ 583,718,553

* Fiscal year 2022 amounts have not been restated for GASB 96, *Subscription-Based Information Technology Arrangements*

Additional information on the City’s capital assets can be found in *Note 5* of the notes to the financial statements.

Long-term debt—At the end of the current fiscal year, the City had total bonded debt outstanding of \$159,463,033.

CITY OF GRAPEVINE’S OUTSTANDING BONDS, NOTES PAYABLE, LEASE AND SUBSCRIPTION LIABILITIES AT YEAR-END

	Governmental Activities		Business-type Activities		Totals	
	2023	2022 *	2023	2022 *	2023	2022 *
General obligation bonds	\$ 67,695,000	\$ 74,180,000	\$ -	\$ -	\$ 67,695,000	\$ 74,180,000
Certificates of obligation	58,860,000	47,480,000	6,540,000	6,970,000	65,400,000	54,450,000
Revenue bonds	19,045,000	21,965,000	-	-	19,045,000	21,965,000
Contractual obligations	1,584,961	2,373,526	-	-	1,584,961	2,373,526
Premium/discount on bonds issued	5,141,539	5,005,111	208,399	244,353	5,349,938	5,249,464
Lease liability	129,996	166,903	50,555	12,461	180,551	179,364
Subscription liability	207,583	-	-	-	207,583	-
	\$ 152,664,079	\$ 151,170,540	\$ 6,798,954	\$ 7,226,814	\$ 159,463,033	\$ 158,397,354

* Fiscal year 2022 amounts have not been restated for GASB 96, *Subscription-Based Information Technology Arrangements*

Additional information on the City’s long-term debt can be found in *Note 10* of the notes to the financial statements.

ECONOMIC FACTORS AND NEXT YEAR’S BUDGET AND RATES

In the fiscal year 2024 budget, total City revenues are budgeted at \$215 million, an increase of \$20 million (9%) from the previous year. The City also lowered the property tax rate to \$.250560 per \$100 of valuation which represents an 8% reduction from the FY2023 rate of \$0.271775.

The General Fund FY2024 Budget includes increases in sales tax revenue of 12% and hotel occupancy tax of 9% partially offset by an increase of 11% in total expenditures.

The economy of the City of Grapevine and the Dallas-Fort Worth Metroplex continues to outpace state and national growth. The City continues to focus on quality of life, economic development, and cultural, educational, and recreational amenities for the community.

**City of Grapevine, Texas
Management's Discussion and Analysis (Unaudited)
For the Year Ended September 30, 2023**

The General Fund reserve requirement is expected to remain at approximately 20% of budgeted expenditures for the fiscal year 2024. This meets the requirement of 20% of budgeted expenditures required by the City Charter.

CONTACTING THE CITY'S FINANCIAL MANAGEMENT

The financial report is designed to provide our citizens, customers, investors, and creditors with a general overview of the City's finances. If you have questions about this report or need additional information, contact the Finance Division, City of Grapevine, 200 S. Main Street, Grapevine, Texas 76051.

Basic Financial Statements

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City of Grapevine, Texas
Statement of Net Position
September 30, 2023

	Primary Government			Component Unit
	Governmental Activities	Business-type Activities	Total	Heritage Foundation
ASSETS				
Cash and investments	\$ 129,278,489	\$ 21,430,347	\$ 150,708,836	\$ 487,295
Receivables, net:				
Taxes	15,688,357	-	15,688,357	-
Accounts	5,367,146	4,181,241	9,548,387	-
Leases	4,491,907	-	4,491,907	-
Notes receivable	4,808,564	-	4,808,564	-
Due from component unit	15,057	-	15,057	-
Due from other governments	5,474,177	-	5,474,177	-
Inventory	469,656	139,554	609,210	-
Accrued interest	16,437	-	16,437	-
Prepaid expenses	6,053,221	-	6,053,221	-
Deposits	104,969	-	104,969	-
Restricted assets:				
Cash and investments	12,203,363	4,257,468	16,460,831	-
Capital, lease, and subscription assets (net of accumulated depreciation/amortization):				
Non-depreciable	123,129,785	59,405,041	182,534,826	450,067
Depreciable	305,098,572	94,563,130	399,661,702	635,067
Total assets	612,199,700	183,976,781	796,176,481	1,572,429
DEFERRED OUTFLOWS OF RESOURCES				
Deferred outflows related to pensions	30,840,072	2,963,501	33,803,573	-
Deferred outflows related to OPEB	12,339,920	1,381,326	13,721,246	-
Deferred loss on bond refunding	1,111,205	-	1,111,205	-
Total deferred outflows of resources	44,291,197	4,344,827	48,636,024	-
LIABILITIES				
Accounts payable	11,094,056	2,349,792	13,443,848	15,076
Contracts and retainage payable	365,120	-	365,120	-
Claims payable	1,306,336	-	1,306,336	-
Accrued and other liabilities	3,487,272	439,717	3,926,989	-
Developer deposits	1,516,859	-	1,516,859	-
Customer deposits	92,962	1,041,861	1,134,823	-
Interest payable	582,144	28,934	611,078	-
Due to primary government	-	-	-	15,057
Due to other governments	271,626	-	271,626	-
Unearned revenue	5,579,014	-	5,579,014	-
Noncurrent liabilities:				
Due in one year	13,646,053	530,202	14,176,255	-
Due in more than one year	143,810,093	6,555,802	150,365,895	-
Net OPEB liability	67,396,624	7,544,351	74,940,975	-
Net pension liability	58,610,578	5,632,042	64,242,620	-
Total liabilities	307,758,737	24,122,701	331,881,438	30,133
DEFERRED INFLOWS OF RESOURCES				
Deferred inflows related to pensions	424,064	40,748	464,812	-
Deferred inflows related to OPEB	25,703,438	2,877,233	28,580,671	-
Deferred inflows related to leases	4,387,776	-	4,387,776	-
Total deferred inflows of resources	30,515,278	2,917,981	33,433,259	-
NET POSITION				
Net investment in capital assets	285,260,823	147,282,994	432,543,817	1,085,134
Restricted for:				
Use of impact fees	-	3,099,160	3,099,160	-
Debt service	25,433,990	-	25,433,990	-
Capital projects	5,312,583	-	5,312,583	-
Court security and technology	658,519	-	658,519	-
Public safety	8,327,303	-	8,327,303	-
Records preservation	18,633	-	18,633	-
Economic development	21,650,955	-	21,650,955	-
Culture and recreation	1,001,395	-	1,001,395	-
Transportation	2,827	-	2,827	-
Unrestricted	(29,450,146)	10,898,772	(18,551,374)	457,162
Total net position	\$ 318,216,882	\$ 161,280,926	\$ 479,497,808	\$ 1,542,296

City of Grapevine, Texas
Statement of Activities
For the Fiscal Year Ended September 30, 2023

Functions/Programs	Expenses	Charges for Services	Program Revenue Operating Grants and Contributions	Capital Grants and Contributions
Primary government:				
Governmental activities:				
General government	\$ 26,488,812	\$ 7,036,203	\$ 4,252,876	\$ -
Public safety	49,426,248	350,264	1,056,985	-
Culture and recreation	26,699,398	9,985,859	71,047	-
Public works	18,970,373	4,803,058	-	1,511,952
Transportation	14,633,655	22,069	20,210	-
Economic development	4,248,190	-	-	-
Tourism	27,683,555	8,531,698	-	-
Interest on long-term debt	4,346,632	-	-	-
Total governmental activities	<u>172,496,863</u>	<u>30,729,151</u>	<u>5,401,118</u>	<u>1,511,952</u>
Business-type activities:				
Water and sewer	35,132,121	32,636,259	-	1,111,730
Lake Enterprise	6,472,251	5,897,356	-	-
Total business-type activities	<u>41,604,372</u>	<u>38,533,615</u>	<u>-</u>	<u>1,111,730</u>
Total primary government	<u>\$ 214,101,235</u>	<u>\$ 69,262,766</u>	<u>\$ 5,401,118</u>	<u>\$ 2,623,682</u>
Component unit:				
Heritage Foundation	\$ 158,368	\$ 6,293	\$ 159,384	\$ -

General Revenues:

Taxes:
Property
Franchise
Hotel occupancy
Sales
Mixed beverage
Unrestricted investment income
Gain on sale of capital assets
Miscellaneous
Transfers

Total general revenues and transfers

Change in Net Position

Net Position, Beginning of Year

Net Position, End of Year

<u>Net (Expense) Revenue and Changes in Net Position</u>			<u>Component</u>
<u>Primary Government</u>			<u>Unit</u>
<u>Governmental</u>	<u>Business-type</u>		<u>Heritage</u>
<u>Activities</u>	<u>Activities</u>	<u>Total</u>	<u>Foundation</u>
\$ (15,199,733)	\$ -	\$ (15,199,733)	\$ -
(48,018,999)	-	(48,018,999)	-
(16,642,492)	-	(16,642,492)	-
(12,655,363)	-	(12,655,363)	-
(14,591,376)	-	(14,591,376)	-
(4,248,190)	-	(4,248,190)	-
(19,151,857)	-	(19,151,857)	-
(4,346,632)	-	(4,346,632)	-
(134,854,642)	-	(134,854,642)	-
-	(1,384,132)	(1,384,132)	-
-	(574,895)	(574,895)	-
-	(1,959,027)	(1,959,027)	-
<u>\$ (134,854,642)</u>	<u>\$ (1,959,027)</u>	<u>\$ (136,813,669)</u>	<u>\$ -</u>
			7,309
\$ 34,683,312	\$ -	\$ 34,683,312	\$ -
7,014,010	-	7,014,010	-
23,042,626	-	23,042,626	-
78,738,077	-	78,738,077	-
2,701,727	-	2,701,727	-
6,044,639	1,523,151	7,567,790	17,616
161,604	269	161,873	-
489,962	-	489,962	25,310
1,714,406	(1,714,406)	-	-
154,590,363	(190,986)	154,399,377	42,926
19,735,721	(2,150,013)	17,585,708	50,235
298,481,161	163,430,939	461,912,100	1,492,061
<u>\$ 318,216,882</u>	<u>\$ 161,280,926</u>	<u>\$ 479,497,808</u>	<u>\$ 1,542,296</u>

City of Grapevine, Texas
Balance Sheet – Governmental Funds
September 30, 2023

	Special Revenue			
	General	Hotel Occupancy Tax	Crime District	4B-Economic Development
ASSETS				
Cash and investments	\$ 14,532,462	\$ 35,625,121	\$ 4,279,539	\$ 13,333,308
Receivables (net of allowances for uncollectibles):				
Accounts	2,288,864	110,258	-	-
Taxes	7,141,631	1,942,724	3,243,455	974,867
Leases	2,667,170	76,619	-	-
Accrued interest	6,304	2,560	-	-
Notes receivable	-	-	-	-
Inventory	468,140	1,516	-	-
Due from other funds	-	40,449	-	-
Due from other governments	135,056	15,057	4,223	-
Prepaid items	416,483	1,039,511	86,465	31,263
Deposits	4,969	100,000	-	-
Restricted cash	-	-	-	1,516,338
Total assets	\$ 27,661,079	\$ 38,953,815	\$ 7,613,682	\$ 15,855,776
LIABILITIES				
Accounts payable	\$ 2,405,121	\$ 3,911,128	\$ 110,211	\$ 163,649
Contracts and retainage payable	-	-	-	-
Claims payable	1,306,336	-	-	-
Accrued liabilities	2,009,979	404,773	950,963	28,899
Due to other funds	-	-	-	-
Due to other governments	271,626	-	-	-
Unearned revenue	2,224,415	2,551,947	-	-
Developer deposits	-	-	-	-
Customer deposits	92,962	-	-	-
Total liabilities	8,310,439	6,867,848	1,061,174	192,548
DEFERRED INFLOWS OF RESOURCES				
Unavailable revenue	684,981	-	4,223	-
Lease related	2,589,151	75,605	-	-
Total deferred inflows of resources	3,274,132	75,605	4,223	-
FUND BALANCES (DEFICITS)				
Nonspendable:				
Inventory	468,140	1,516	-	-
Prepaid items	416,483	1,039,511	86,465	31,263
Deposits	4,969	100,000	-	-
Restricted for:				
Debt service	-	-	-	1,516,338
Capital projects	-	-	-	-
Court security and technology	-	-	-	-
Economic development	-	-	-	14,115,627
Public safety	-	-	6,461,820	-
Records preservation	-	-	-	-
Tourism	-	-	-	-
Transportation	-	-	-	-
Culture and recreation	-	-	-	-
Committed for:				
Capital projects	-	-	-	-
Stormwater drainage operations	-	-	-	-
Public arts	-	-	-	-
Assigned for:				
Capital projects	-	-	-	-
Tourism	-	30,869,335	-	-
Culture and recreation	-	-	-	-
Public safety	-	-	-	-
OPEB	404,310	-	-	-
Unassigned	14,782,606	-	-	-
Total fund balances	16,076,508	32,010,362	6,548,285	15,663,228
Total liabilities, deferred inflows of resources and fund balances	\$ 27,661,079	\$ 38,953,815	\$ 7,613,682	\$ 15,855,776

See Notes to the Financial Statements

Special Revenue		Capital Projects				
4B-Transit	Debt Service	TIF #1	General Facilities and Equipment	Nonmajor Governmental Funds	Total Governmental Funds	
\$ 2,827	\$ 6,862,715	\$ 10,274,814	\$ 4,020,373	\$ 40,320,679	\$ 129,251,838	
-	-	-	900,968	2,067,056	5,367,146	
2,349,721	35,959	-	-	-	15,688,357	
-	-	-	1,252,923	495,195	4,491,907	
-	-	-	5,588	1,985	16,437	
-	-	-	4,808,564	-	4,808,564	
-	-	-	-	-	469,656	
-	-	-	597,615	-	638,064	
-	-	-	3,750,000	1,584,898	5,489,234	
-	-	-	-	4,455,158	6,028,880	
-	-	-	-	-	104,969	
-	-	-	5,278,426	5,408,599	12,203,363	
\$ 2,352,548	\$ 6,898,674	\$ 10,274,814	\$ 20,614,457	\$ 54,333,570	\$ 184,558,415	
\$ 2,309,272	\$ 102,013	\$ -	\$ 808,595	\$ 1,281,703	\$ 11,091,692	
-	-	-	237,272	127,848	365,120	
-	-	-	-	-	1,306,336	
-	-	-	-	92,658	3,487,272	
40,449	-	-	-	597,615	638,064	
-	-	-	-	-	271,626	
-	-	-	8,333	794,319	5,579,014	
-	-	-	400,000	1,116,859	1,516,859	
-	-	-	-	-	92,962	
2,349,721	102,013	-	1,454,200	4,011,002	24,348,945	
-	18,049	-	8,558,564	870,373	10,136,190	
-	-	-	1,249,666	473,354	4,387,776	
-	18,049	-	9,808,230	1,343,727	14,523,966	
-	-	-	-	-	469,656	
-	-	-	-	4,455,158	6,028,880	
-	-	-	-	-	104,969	
-	6,778,612	-	-	17,139,040	25,433,990	
-	-	2,739,486	3,435,131	9,110,435	15,285,052	
-	-	-	-	658,519	658,519	
-	-	7,535,328	-	-	21,650,955	
-	-	-	-	1,865,483	8,327,303	
-	-	-	-	18,633	18,633	
-	-	-	-	-	-	
2,827	-	-	-	-	2,827	
-	-	-	-	1,001,395	1,001,395	
-	-	-	-	4,042,854	4,042,854	
-	-	-	-	1,229,725	1,229,725	
-	-	-	-	1,531,509	1,531,509	
-	-	-	5,916,896	8,027,628	13,944,524	
-	-	-	-	-	30,869,335	
-	-	-	-	750,802	750,802	
-	-	-	-	7,447	7,447	
-	-	-	-	-	404,310	
-	-	-	-	(859,787)	13,922,819	
2,827	6,778,612	10,274,814	9,352,027	48,978,841	145,685,504	
\$ 2,352,548	\$ 6,898,674	\$ 10,274,814	\$ 20,614,457	\$ 54,333,570	\$ 184,558,415	

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City of Grapevine, Texas
Reconciliation of the Balance Sheet of Governmental Funds
to the Statement of Net Position
September 30, 2023

Total fund balances – governmental funds balance sheet	\$ 145,685,504
Amounts reported for governmental activities in the Statement of Net Position are different because:	
Capital, lease, and subscription assets, excluding internal service funds, used in governmental activities are not reported in the funds. This amount is net of \$1,500 of prepaid subscription assets already reported in the governmental funds.	428,095,295
Other long-term assets that are not available to pay for current period expenditures and, therefore, are either deferred or not reported in the funds.	10,136,190
An internal service fund is used to charge the cost of document management equipment acquisition and maintenance to individual funds. The assets and liabilities of the internal service fund are included in governmental activities.	181,690
Accrued bond interest is not due and payable in the current period and, therefore, is not reported in the funds.	(582,144)
Long-term liabilities excluding pension and OPEB and deferred losses on bond refundings, reported as deferred outflows of resources, are not due and payable in the current period and, therefore, are not reported in the funds. A summary of these items are as follows:	
Long-term liabilities:	
Due in one year	(13,646,053)
Due in more than one year	(143,810,093)
Deferred outflows of resources:	
Deferred loss on bond refunding	1,111,205
Included in the items related to long-term liabilities is the recognition of the City's net pension liability. The net position related to pensions includes a deferred outflows of resources in the amount of \$30,840,072, deferred inflows of resources in the amount of \$424,064, and the net pension liability of \$58,610,578.	(28,194,570)
Included in the items related to long-term liabilities is the recognition of the City's net OPEB liability. The net position related to OPEB includes a deferred outflows of resources in the amount of \$12,339,920, deferred inflows of resources in the amount of \$25,703,438, and the net OPEB liability of \$67,396,624.	<u>(80,760,142)</u>
Net position of governmental activities	<u>\$ 318,216,882</u>

City of Grapevine, Texas
Statement of Revenues, Expenditures, and Changes in Fund Balances
Governmental Funds
For the Year Ended September 30, 2023

	Special Revenue			
	General	Hotel Occupancy Tax	Crime District	4B-Economic Development
Revenues				
Property taxes	\$ 14,683,291	\$ -	\$ -	\$ -
Hotel occupancy taxes	-	23,964,995	-	-
Sales taxes	39,559,646	-	19,411,625	5,874,104
Mixed beverage taxes	2,701,727	-	-	-
Franchise taxes	6,708,128	-	-	-
Licenses and permits	1,654,907	-	-	-
Intergovernmental	244,108	-	451,846	-
Charges for services	8,137,520	10,011,549	-	-
Fines and forfeitures	1,310,990	-	64,573	-
Investment income	678,823	1,129,273	421,875	489,911
Contributions	43,483	-	-	-
Miscellaneous	243,695	14,843	33,316	64,854
Total revenues	75,966,318	35,120,660	20,383,235	6,428,869
Expenditures				
Current:				
General government	19,976,236	-	-	-
Public safety	20,013,384	-	20,905,116	-
Culture and recreation	15,399,718	-	-	-
Public works	9,938,375	-	-	-
Tourism	-	26,252,139	-	-
Economic development	-	-	-	2,275,837
Transportation	1,045,995	-	-	-
Capital outlay	629,004	66,674	51,189	-
Debt service:				
Principal	322,457	146,614	278,607	-
Interest	5,911	5,731	5,005	-
Bond issuance costs	-	-	-	-
Fiscal agent charges	-	-	-	-
Total expenditures	67,331,080	26,471,158	21,239,917	2,275,837
Excess (Deficiency) of Revenues Over (Under) Expenditures	8,635,238	8,649,502	(856,682)	4,153,032
Other Financing Sources (Uses)				
Transfers in	5,624,881	328,388	4,519,575	-
Transfers out	(13,259,575)	(2,831,391)	-	(1,878,745)
Sale of capital assets	315,053	-	-	-
Bonds issued	-	-	-	-
Premium on issuance of bonds	-	-	-	-
Insurance recoveries	133,504	-	-	-
Total other financing sources and uses	(7,186,137)	(2,503,003)	4,519,575	(1,878,745)
Net Change in Fund Balances	1,449,101	6,146,499	3,662,893	2,274,287
Fund Balances, Beginning of Year	14,627,407	25,863,863	2,885,392	13,388,941
Fund Balances, Ending of Year	\$ 16,076,508	\$ 32,010,362	\$ 6,548,285	\$ 15,663,228

See Notes to the Financial Statements

Special Revenue		Capital Projects			
4B-Transit	Debt Service	TIF #1	General Facilities and Equipment	Nonmajor Governmental Funds	Total Governmental Funds
\$ -	\$ 13,096,408	\$ 1,796,993	\$ -	\$ 5,192,570	\$ 34,769,262
-	-	-	-	-	23,964,995
13,892,702	-	-	-	-	78,738,077
-	-	-	-	-	2,701,727
-	-	-	-	305,882	7,014,010
-	-	-	-	-	1,654,907
-	-	-	250,000	3,890,376	4,836,330
-	-	-	676,085	5,190,884	24,016,038
-	-	-	-	117,938	1,493,501
2,827	342,176	378,624	560,072	2,039,723	6,043,304
-	-	-	-	236,086	279,569
-	7,094	-	110,000	27,781	501,583
13,895,529	13,445,678	2,175,617	1,596,157	17,001,240	186,013,303
-	-	-	1,230,725	473,495	21,680,456
-	-	-	2,800	1,724,859	42,646,159
-	-	-	18,731	4,584,060	20,002,509
-	-	-	20,250	3,719,415	13,678,040
-	-	-	-	43,670	26,295,809
-	-	-	-	1,910,249	4,186,086
13,587,660	-	-	-	-	14,633,655
-	-	-	5,643,113	7,468,146	13,858,126
-	10,090,000	-	-	2,233,566	13,071,244
-	4,114,268	-	-	369,084	4,499,999
-	-	-	23,630	110,069	133,699
-	199,726	-	-	-	199,726
13,587,660	14,403,994	-	6,939,249	22,636,613	174,885,508
307,869	(958,316)	2,175,617	(5,343,092)	(5,635,373)	11,127,795
-	1,401,444	-	177,500	8,740,000	20,791,788
(328,388)	(661,919)	-	-	(117,364)	(19,077,382)
-	-	-	-	6,750	321,803
-	-	-	2,387,762	11,122,238	13,510,000
-	-	-	135,868	632,873	768,741
-	-	-	2,896,030	37,943	3,067,477
(328,388)	739,525	-	5,597,160	20,422,440	19,382,427
(20,519)	(218,791)	2,175,617	254,068	14,787,067	30,510,222
23,346	6,997,403	8,099,197	9,097,959	34,191,774	115,175,282
\$ 2,827	\$ 6,778,612	\$ 10,274,814	\$ 9,352,027	\$ 48,978,841	\$ 145,685,504

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City of Grapevine, Texas
Reconciliation of the Statement of Revenues, Expenditures, and Changes in Fund
Balances of Governmental Funds to the Statement of Activates
For the Year Ended September 30, 2023

Net change in fund balances - total governmental funds \$ 30,510,222

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

The net revenue/(expense) of certain activities of internal service funds are reported with governmental activities. This is the change in net position of the internal service fund. (54,888)

Governmental funds report capital outlays as expenditures. However, in the Statement of Activities the cost of those assets is allocated over their estimated useful lives and reported as depreciation/amortization. This is the amount of capital outlay recorded in the current period. 13,858,126

Governmental funds do not recognize capital, lease, and subscription assets contributed by other entities. However, in the Statement of Activities, the acquisition cost of those assets is recognized as revenue, then depreciated/amortized over their estimated useful lives. 1,511,952

Depreciation/amortization on capital, lease, and subscription assets is reported in the Statement of Activities but does not require the use of current financial resources. Therefore, depreciation/amortization is not reported as expenditures in the governmental funds. This amount excludes \$35,065 of depreciation/amortization in the internal service fund. (17,656,388)

The net effect of various miscellaneous transactions involving capital assets (i.e., sales, trade-ins, and donations) decrease net position. (160,199)

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

Issuance of long-term debt	(13,510,000)
Premium on issuance of long-term debt	(768,741)
Repayment of principal on long-term debt	12,323,565
Repayment of principal on leases	36,907
Repayment of principal on subscription liabilities	710,772
Amortization of:	
Premium/discount on bond issuance	632,313
Loss on refunding	(142,457)

Interest is accrued in the government-wide financial statements but not at the fund level. This represents the change in the accrual during the period. (3,064)

Current year changes in certain long-term liabilities (do)/do not require the use of current financial resources and, therefore, are/(are not) reported as expenditures in governmental funds.

Compensated absences liability	(260,648)
Net OPEB liability and related deferred outflows and inflows of resources	(3,238,460)
Net Pension liability and related deferred outflows and inflows of resources	(3,661,961)

Revenues in the statement of activities that do not provide current financial resources are not reported as revenues in the funds. This is the net change during the year for these revenue sources. (391,330)

Change in net position of governmental activities \$ 19,735,721

City of Grapevine, Texas
Statement of Net Position – Proprietary Funds
September 30, 2023

	Business-type Activities - Enterprise Funds			Governmental
	Water and Sewer	Lake Enterprise	Total	Activities Internal Service Fund
ASSETS				
Current Assets				
Cash and investments	\$ 21,142,235	\$ 288,112	\$ 21,430,347	\$ 26,651
Receivables, net	4,128,565	52,676	4,181,241	-
Prepaid items	-	-	-	25,841
Inventory	-	139,554	139,554	-
Total current assets	25,270,800	480,342	25,751,142	52,492
Noncurrent assets:				
Restricted cash and investments:				
Bond construction	115,375	-	115,375	-
Impact fees	3,099,160	-	3,099,160	-
Customer deposits	1,042,933	-	1,042,933	-
Total restricted cash and investments	4,257,468	-	4,257,468	-
Capital and lease assets:				
Land	548,132	45,838	593,970	-
Easements	57,555,464	-	57,555,464	-
Construction in progress	1,255,607	-	1,255,607	-
Buildings	577,791	6,622,625	7,200,416	-
Improvements other than buildings	309,986	9,454,848	9,764,834	-
Infrastructure	149,136,055	-	149,136,055	-
Vehicles, machinery and equipment	5,733,902	1,985,847	7,719,749	165,157
Water storage rights	683,547	-	683,547	-
Computer software	79,507	-	79,507	60,608
Lease equipment	19,126	55,066	74,192	-
Less accumulated depreciation/amortization	(68,715,433)	(11,379,737)	(80,095,170)	(94,203)
Net capital and lease assets	147,183,684	6,784,487	153,968,171	131,562
Total noncurrent assets	151,441,152	6,784,487	158,225,639	131,562
Total assets	176,711,952	7,264,829	183,976,781	184,054
DEFERRED OUTFLOWS OF RESOURCES				
Deferred outflows related to pension	2,152,303	811,198	2,963,501	-
Deferred outflows related to OPEB	1,099,243	282,083	1,381,326	-
Total deferred outflows of resources	\$ 3,251,546	\$ 1,093,281	\$ 4,344,827	\$ -

See Notes to the Financial Statements

	Business-type Activities - Enterprise Funds			Governmental Activities
	Water and Sewer	Lake Enterprise	Total	Internal Service Fund
LIABILITIES				
Current liabilities:				
Accounts payable	\$ 2,096,916	\$ 252,876	\$ 2,349,792	\$ 2,364
Accrued liabilities	259,212	180,505	439,717	-
Accrued bond interest payable	28,934	-	28,934	-
Compensated absences	42,242	29,521	71,763	-
Bonds payable	440,000	-	440,000	-
Lease liability	4,697	13,742	18,439	-
Customer deposits	1,041,861	-	1,041,861	-
Total current liabilities	3,913,862	476,644	4,390,506	2,364
Noncurrent liabilities:				
Bonds payable	6,308,398	-	6,308,398	-
Lease liability	1,089	31,027	32,116	-
Net OPEB liability	6,003,708	1,540,643	7,544,351	-
Net pension liability	4,090,384	1,541,658	5,632,042	-
Compensated absences	126,725	88,563	215,288	-
Total noncurrent liabilities	16,530,304	3,201,891	19,732,195	-
Total liabilities	20,444,166	3,678,535	24,122,701	2,364
DEFERRED INFLOWS OF RESOURCES				
Deferred inflows related to pension	29,595	11,153	40,748	-
Deferred inflows related to OPEB	2,289,669	587,564	2,877,233	-
Total deferred inflows of resources	2,319,264	598,717	2,917,981	-
NET POSITION				
Net investment in capital assets	140,544,875	6,738,119	147,282,994	131,562
Restricted for:				
Impact fees	3,099,160	-	3,099,160	-
Unrestricted	13,556,033	(2,657,261)	10,898,772	50,128
Total net position	\$ 157,200,068	\$ 4,080,858	\$ 161,280,926	\$ 181,690

City of Grapevine, Texas
Statement of Revenues, Expenditures, and Changes in Net Position – Proprietary Funds
For the Year Ended September 30, 2023

	Business-type Activities - Enterprise Funds			Governmental
	Water and Sewer	Lake Enterprise	Total	Activities Internal Service Fund
Operating Revenues				
Charges for services	\$ 31,357,836	\$ 5,868,270	\$ 37,226,106	\$ 153,837
Miscellaneous	1,278,423	29,086	1,307,509	-
Total operating revenues	32,636,259	5,897,356	38,533,615	153,837
Operating Expenses				
Salaries and benefits	4,577,961	2,883,168	7,461,129	-
Water purchases, storage, and treatment	15,467,664	-	15,467,664	-
Refuse collections	2,572,045	-	2,572,045	-
Maintenance, repairs, and supplies	4,639,599	1,446,852	6,086,451	174,995
General and administrative	4,096,638	1,557,418	5,654,056	-
Depreciation and amortization	3,546,683	584,742	4,131,425	35,065
Total operating expenses	34,900,590	6,472,180	41,372,770	210,060
Operating Loss	(2,264,331)	(574,824)	(2,839,155)	(56,223)
Nonoperating Revenues (Expenses)				
Gain on disposal of property	269	-	269	-
Investment income	1,507,070	16,081	1,523,151	1,335
Interest and fiscal agent charges	(231,531)	(71)	(231,602)	-
Total nonoperating revenues (expenses)	1,275,808	16,010	1,291,818	1,335
Income (Loss) Before Capital Contributions and Transfers	(988,523)	(558,814)	(1,547,337)	(54,888)
Capital contributions	1,111,730	-	1,111,730	-
Transfers in	661,919	-	661,919	-
Transfers out	(2,215,207)	(161,118)	(2,376,325)	-
Total capital contributions and transfers	(441,558)	(161,118)	(602,676)	-
Change in Net Position	(1,430,081)	(719,932)	(2,150,013)	(54,888)
Total Net Position, Beginning of Year	158,630,149	4,800,790	163,430,939	236,578
Total Net Position, Ending of Year	\$ 157,200,068	\$ 4,080,858	\$ 161,280,926	\$ 181,690

City of Grapevine, Texas
Statement of Cash Flows – Proprietary Funds
For the Year Ended September 30, 2023

	Business-type Activities - Enterprise Funds			Governmental
	Water and Sewer	Lake Enterprise	Total	Activities Internal Service Fund
Cash Flows from Operating Activities				
Receipts from customers	\$ 31,703,513	\$ 5,896,240	\$ 37,599,753	\$ -
Receipts from interfund charges for document management services	-	-	-	153,837
Payments to employees for salaries and benefits	(4,028,175)	(2,686,546)	(6,714,721)	-
Payments to suppliers and service providers	(26,015,523)	(2,957,636)	(28,973,159)	(198,724)
Receipts of customer deposits	11,855	-	11,855	-
Net cash provided by (used) for operating activities	1,671,670	252,058	1,923,728	(44,887)
Cash Flows from Noncapital Financing Activities				
Transfer in	661,919	-	661,919	-
Transfer out	(2,215,207)	(161,118)	(2,376,325)	-
Net cash used for noncapital financing activities	(1,553,288)	(161,118)	(1,714,406)	-
Cash Flows from Capital and Related Financing Activities				
Principal paid on leases and certificates of obligation	(436,675)	(10,297)	(446,972)	-
Interest paid on capital debt	(268,859)	(71)	(268,930)	-
Acquisition and construction of capital assets	(3,079,782)	(446,005)	(3,525,787)	(49,496)
Proceeds from the sale of assets	1,199	-	1,199	-
Net cash used for capital and related financing activities	(3,784,117)	(456,373)	(4,240,490)	(49,496)
Cash Flows from Investing Activities				
Interest received on investments and cash equivalents	1,507,070	16,081	1,523,151	1,335
Net cash provided by investing activities	1,507,070	16,081	1,523,151	1,335
Net Decrease in Cash and Cash Equivalents	(2,158,665)	(349,352)	(2,508,017)	(93,048)
Cash and Cash Equivalents, Beginning of Year, including Restricted Cash and Investments	27,558,368	637,464	28,195,832	119,699
Cash and Cash Equivalents, Ending of Year, including Restricted Cash and Investments	\$ 25,399,703	\$ 288,112	\$ 25,687,815	\$ 26,651

(Including \$4,257,468 of restricted cash and cash equivalents in the Water and Sewer Fund)

City of Grapevine, Texas
Statement of Cash Flows – Proprietary Funds (Continued)
For the Year Ended September 30, 2023

	Business-type Activities – Enterprise Funds			Governmental
	Water and Sewer	Lake Enterprise	Total	Activities Internal Service Fund
Reconciliation of Operating Loss to Net Cash Provided (Used) by Operating Activities				
Operating loss	\$ (2,264,331)	\$ (574,824)	\$ (2,839,155)	\$ (56,223)
Adjustments to reconcile operating loss to net cash provided by (used) for operating activities:				
Depreciation and amortization	3,546,683	584,742	4,131,425	35,065
Disposal of construction in progress	570,030	-	570,030	-
(Increase) decrease in assets:				
Customer receivable	(932,746)	(1,116)	(933,862)	-
Prepaid items	52,232	-	52,232	(25,841)
Inventories	-	(1,016)	(1,016)	-
Deferred outflows of resources - pension	(1,521,711)	(573,528)	(2,095,239)	-
Deferred outflows of resources - OPEB	267,074	68,535	335,609	-
Increase (decrease) in liabilities:				
Accounts payable	402,733	113,580	516,313	2,112
Accrued liabilities	(264,572)	(65,930)	(330,502)	-
Customer deposits	11,855	-	11,855	-
Net OPEB liability	(1,662,414)	(426,601)	(2,089,015)	-
Net pension liability	3,028,266	1,141,348	4,169,614	-
Compensated absences	5,736	26,270	32,006	-
Deferred inflows of resources - pension	(1,250,988)	(471,497)	(1,722,485)	-
Deferred inflows of resources - OPEB	1,683,823	432,095	2,115,918	-
Total adjustments	3,936,001	826,882	4,762,883	11,336
Net cash provided (used) by operating activities	\$ 1,671,670	\$ 252,058	\$ 1,923,728	\$ (44,887)
Schedule of Noncash Capital and Related Financing Activities				
Contributions of capital assets	\$ 1,111,730	\$ -	\$ 1,111,730	\$ -
Leases issued	-	55,066	55,066	-
Capital assets included in accounts payable	-	1,599	1,599	-
Amortization of bond premium	35,954	-	35,954	-

City of Grapevine, Texas
Statement of Fiduciary Net Position
September 30, 2023

	OPEB Trust	Private-Purpose Trust Fund
ASSETS		
Cash and cash equivalents	\$ -	\$ 15,158
Investments	2,389,752	-
Total assets	<u>2,389,752</u>	<u>15,158</u>
NET POSITION		
Restricted for other postemployment benefits	2,389,752	-
Restricted for scholarships	-	15,158
Total net position	<u>\$ 2,389,752</u>	<u>\$ 15,158</u>

City of Grapevine, Texas
Statement of Changes in Fiduciary Net Position
For the Year Ended September 30, 2023

	OPEB Trust	Private-Purpose Trust Fund
Additions		
Contributions		
Employer	\$ 2,223,797	\$ -
Net Investment income (loss)	(417,682)	566
	<u>1,806,115</u>	<u>566</u>
Deductions		
Benefit payments	2,223,797	-
Administrative expenses	14,825	-
	<u>2,238,622</u>	<u>-</u>
Net Increase (Decrease) in Fiduciary Net Position	<u>(432,507)</u>	<u>566</u>
Net Position, Beginning of Year	<u>2,822,259</u>	<u>14,592</u>
Net Position, Ending of Year	<u>\$ 2,389,752</u>	<u>\$ 15,158</u>

Notes to the Financial Statements

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Note 1: Summary of Significant Accounting Policies

The City of Grapevine (“City”) is a municipal corporation incorporated under Article XI of the Texas Constitution (Home Rule Amendment). The City operates under a Council-Manager form of government and provides such services as are authorized by its charter to advance the welfare, health, safety, and convenience of its citizens.

The accounting and reporting policies of the City relating to the funds included in the accompanying financial statements conform to generally accepted accounting principles applicable to state and local governments. The following represents the more significant accounting and reporting policies and practices used by the City.

Reporting Entity

The accompanying financial statements present the City and its component units, entities for which the City is considered to be financially accountable. Blended component units, although legally separate entities, are, in substance, part of the City’s operations and are appropriately presented as funds of the primary government. Discretely presented component units, on the other hand, are reported in a separate column in the government-wide financial statements to emphasize they are legally separate from the City.

Based on these criteria, the financial information of the following entities has been blended or discretely presented within the financial statements.

Blended Component Units

Grapevine Tax Increment Financing District Reinvestment Zone Number One and Two (the “TIFs”) were formed to finance and make public improvements under the authority of the Tax Increment Financing Act. The TIFs are governed by two separate boards of directors that are substantively the same as the City Council. The chairman of the board is also designated by the City Council. The City is obligated for the debts of both TIFs.

The Grapevine Crime Control and Prevention District (Crime District) was established to account for the accumulation and use of sales tax proceeds designated for crime reduction programs. One-half (1/2) cent of local sales and use tax within the district funds the Crime District. The Board of Directors of the Crime Control and Prevention District is substantively the same as the City Council. The City is entitled to and can otherwise access all the resources of the Crime District.

The Grapevine 4B Economic Development Corporation consists of two funds. The 4B Transit Fund accounts for funds designated for Grapevine’s participation in the commuter rail development project with the Trinity Metro. The 4B Economic Development Fund accounts for funds used to stimulate the local economy, development, and redevelopment opportunities. One-half (1/2) cent local sales and use tax within the City funds these two blended component units. Three eighths (3/8th) of one cent of the local sales tax is used to fund the 4B Transit Fund. One eighth (1/8th) of one cent of the local sales tax is used to fund the 4B Economic Development Fund. The Board of Directors of the Grapevine 4B Economic Development Corporation include citizens as members but is substantively the same as the City Council. The City is entitled to and can otherwise access all the resources of the Grapevine 4B Economic Development Corporation.

Separate financial statements for the TIF funds, Crime Control and Prevention District, the 4B Transit Fund, and the 4B Economic Development Fund are not prepared.

City of Grapevine, Texas
Notes to the Financial Statements
September 30, 2023

Discretely Presented Component Unit

Grapevine Heritage Foundation (the "Foundation") is a Texas nonprofit corporation governed by a 9-member board of directors appointed by the City Council, which includes a City Council member and the Director of the City's Convention and Visitor's Bureau. The Foundation's operating budget is subject to the approval of the City Council. The City is able to impose its will on the Foundation. The board is not substantively the same as the City Council. The Foundation does not provide services to the City.

Separate financial statements are not prepared for the Heritage Foundation.

Government-wide and Fund Financial Statements

The basic financial statements include both government-wide (based on the City as a whole) and fund financial statements. The government-wide financial statements (i.e., the statement of net position and the statement of activities) report information on all the nonfiduciary activities of the primary government and its component units. The effect of interfund activity has been removed from these statements. Governmental activities, which normally are supported by taxes and intergovernmental revenues, are reported separately from business-type activities, which rely to a significant extent on fees and charges for support. Likewise, the primary government is reported separately from certain legally separate component units for which the primary government is financially accountable.

The government-wide statement of activities demonstrates the degree to which the direct expenses of a functional category (public safety, culture and recreation, tourism, etc.) or segment are offset by program revenues. Direct expenses are those that are clearly identifiable with specific function or segment. 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.

Separate fund based financial statements are provided for governmental funds, proprietary funds, and fiduciary funds, even though the latter are excluded from the government-wide financial statements. Major individual governmental funds and major individual enterprise funds are reported as separate columns in the fund financial statements. The non-major funds are aggregated in a separate column in the fund financial statements. The non-major funds are detailed in the supplementary information section of this report.

The City's fiduciary funds are presented in the fund financial statements by type. Since these assets are being held for the benefit of a third party and cannot be used to address activities or obligations of the City, these funds are not incorporated into the government-wide statements.

The government-wide focus is more on the sustainability of the City as an entity and the change in aggregate financial position resulting from the activities of the fiscal period. The focus of the fund financial statements is on the major individual funds of the governmental and business-type categories, as well as the fiduciary funds (by category). Each presentation provides valuable information that can be analyzed and compared to enhance the usefulness of the information.

Measurement Focus, Basis of Accounting and Financial Statement Presentation

The government-wide and fiduciary fund financial statements are reported using the *economic resources measurement focus* and the *accrual basis of accounting*. Revenues are recorded when earned and expenses are recorded when a liability is incurred, regardless of the timing of related cash flows. Property taxes are recognized as revenue in the year for which they are levied. Grants and similar items are recognized as revenue as soon as all eligibility requirements imposed by the provider have been met.

City of Grapevine, Texas
Notes to the Financial Statements
September 30, 2023

Governmental fund level financial statements are reported using the current financial resources measurement focus and the modified accrual basis of accounting. Revenues are recognized as soon as they are both measurable and available. Revenues are considered to be available when they are collectible within the current period or soon enough thereafter to pay liabilities of the current period. For this purpose, the City considers revenues to be available if they are collected within 60 days of the end of the current fiscal period. Expenditures generally are recorded when a liability is incurred, as under accrual accounting. However, debt service principal and interest expenditures on general long-term debt, including lease and subscription liabilities, as well as expenditures related to compensated absences, claims and judgments, and postemployment benefits are recognized later based on specific accounting rules applicable to each, generally when payment is due. General capital asset acquisitions, including entering into contracts giving the City the right to use lease and subscription assets, are reported as expenditures in governmental funds. Issuance of long-term debt and financing through leases and subscriptions are reported as other financing sources.

In applying the susceptible to accrual concept to intergovernmental revenue, the legal and contractual requirements of the numerous individual programs are used as guidance. Generally, monies must be expended on a specific purpose or project before any amounts will be paid to the City; therefore, revenues are recognized based upon the expenditures recorded. Ad valorem taxes are recognized as revenues in the year for which they are levied. Sales taxes, franchise taxes, hotel occupancy taxes, charges for services and fines are recognized as revenue as earned, when measurable and available. Licenses, permits, and miscellaneous revenues (except earnings on investments) are recorded as revenues when received in cash because they are generally not measurable until received. Investment earnings are recorded as earned since they are measurable and available.

All proprietary funds are accounted for using the economic resources measurement focus and the accrual basis of accounting. With this measurement focus, all assets, deferred outflows of resources, liabilities and deferred inflows of resources associated with the operation of these funds are included on the statement of net position. Proprietary fund-type operating statements present increases (e.g., revenues) and decreases (e.g., expenses) in net position. Proprietary funds distinguish operating revenues and expenses from nonoperating 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 City's water and sewer and municipal golf course are charges to customers for sales and services. Operating expenses for the enterprise 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.

During operations, the City has activity between funds for various purposes. Any residual balances outstanding at year-end are reported as due from/to other funds and advances to/from other funds. While these balances are reported in fund financial statements, certain eliminations are made in the preparation of the government-wide financial statements. Balances between the funds included in governmental activities (i.e., the governmental funds) are eliminated so that only the net amount is included as internal balances in the governmental activities column. Similarly, balances between the funds included in business-type activities (i.e., the enterprise funds) are eliminated so that only the net amount is included as internal balances in the business-type activities column.

Further, certain activity occurs during the year involving transfers of resources between funds. In fund financial statements, these amounts are reported at gross amounts as transfers in/out. While reported in fund financial statements, certain eliminations are made in the preparation of the government-wide financial statements. Transfers between the funds included in governmental activities are eliminated so that only the net amount is included as transfers in the governmental activities' column. Similarly, balances between the funds included in business-type activities are eliminated so that only the net amount is included as transfers in the business-type activities column.

Governmental Funds

The focus of governmental fund measurement (in the fund financial statements) is upon determination of financial position and changes in financial position (sources, uses, and balances of financial resources) rather than upon net income. The following is a description of the major governmental funds of the City:

City of Grapevine, Texas
Notes to the Financial Statements
September 30, 2023

The City reports the following major governmental funds:

The **General Fund** accounts for several of the City's primary services (general administration, police administration, fire, public works, libraries, culture, and recreation, etc.) and is the primary operating fund of the City.

The **Hotel Occupancy Tax Fund** is a special revenue fund that accounts for all hotel occupancy tax revenues that are restricted by state statute and can only be used on expenditures related to tourism activities. Additional local revenues generated through tourism activities are accumulated in this fund and are assigned for use on expenditures related to tourism.

The **Crime District Fund** is a special revenue fund that accounts for the accumulation and use of sales tax restricted for crime reduction programs.

The **4-B Economic Development Fund** accounts for the accumulation of sales tax restricted for economic development projects and local funds assigned by the City to stimulate the local economy, development, and redevelopment. This fund is designated as a major fund.

The **4B Transit Fund** is a special revenue fund that accounts for the accumulation of sales tax restricted to fund the City's participation in the commuter rail development project with the Trinity Metro. This fund is designated as a major fund.

The **Debt Service Fund** is used to account for the accumulation of restricted property tax resources levied for the payment of general long-term debt principal, interest, and related costs of governmental funds. This fund is designated as a major fund.

The **Tax Increment Financing (TIF) #1 Capital Projects Fund** is used to account for capital acquisition and construction, economic incentives, and other expenditures authorized by the TIF #1 Board of Directors. This fund is designated as a major fund.

The **General Facilities and Equipment Fund** is a capital projects fund used to account for the general financing, acquisition, construction and improvements of the City's buildings and capital equipment.

Proprietary Funds

The focus of proprietary fund measurement is upon determination of operating income, changes in net position, financial position, and cash flows, which is similar to businesses. The following is a description of the major proprietary funds of the City:

The **Water and Sewer Fund** accounts for the operation of the City's water and sewer utility activities including administration, operation and maintenance of the water and sewer system, and billing and collection activities. All costs are financed through charges made to utility customers with rates reviewed regularly and adjusted, if necessary, to ensure integrity of the fund.

The **Lake Enterprise Fund** includes the operations of the City's municipal golf course.

The **Internal Service Fund** accounts for revenues and expenses related to document management services provided to parties inside the City on a cost-reimbursement basis. Because the principal users of the internal services are accounted for in the City's governmental activities, this fund is included in the "Governmental Activities" column of the government-wide financial statements.

City of Grapevine, Texas
Notes to the Financial Statements
September 30, 2023

Fiduciary Funds

The **Private-purpose Trust Fund** is used to account for investments and interest for the benefit of the W.D. Tate Scholarship fund. The benefits are dedicated to recipients in accordance with the benefit terms. The donations and other contributions received by the City do not belong to the City and cannot be spent to further the City's own objectives.

The **Other Postemployment Benefit (OPEB) Trust Fund** is used to report assets held for beneficiaries to fund future postemployment benefits other than pensions. The City utilizes a trust to hold required contributions for OPEBs. Plan trustees must act in accordance with the specific purposes and terms of the OPEB plan. The accompanying statement of fiduciary net position and statement of changes in fiduciary net position are presented as of and for the year ended December 31, 2022, the Plan's year-end, in accordance with GASB Statement No. 74, *Financial Reporting for Postemployment Benefit Plans Other Than Pension Plans* (GASB 74).

Assets, Liabilities, Deferred Outflows/Inflows of Resources, and Net Position/Fund Balance

Cash and Cash Equivalents

The City's cash and cash equivalents are considered to be cash on hand, demand deposits and short-term investments with original maturities of three months or less from the date of acquisition.

Investments

Investments of the City are reported at fair value, except for the portion in investment pools. The government investment pools, TexPool and LOGIC operate in accordance with state laws and regulations. Investments in external pools are carried at either net asset value or amortized cost, as determined by each pool's individual investment valuation method and whether there is a readily determinable fair value of the pool as of the City's fiscal year end. In instances where pools transact at amortized cost, such as TexPool, no readily determinable fair value is deemed available.

Property Taxes and Other Receivables

The City's property tax is levied each October 1, on the assessed value listed as of the prior January 1 for all real property located in the City. The appraisal of property within the City is the responsibility of the Central Appraisal Districts of Dallas, Denton, and Tarrant Counties as required by legislation passed by the Texas Legislature. The Appraisal Districts are required under such legislation to assess all property within their Appraisal District on the basis of 100% of its appraised value and is prohibited from applying any assessment ratios. The assessed value upon which the completed tax year 2022 levy was based was approximately \$11,063,259,000. The value of property within the Appraisal District must be reviewed every five years; however, the City may, at its own expense, require annual reviews of appraised values. The City may challenge appraised values established by the Appraisal District through various appeals and, if necessary, legal action.

General property taxes are limited by the Texas Constitution to \$2.50 per \$100 of assessed valuation. The combined tax rate to finance maintenance and operations and debt service for the year ended September 30, 2023, was \$0.271775 per \$100 of assessed valuation.

Property taxes attach as an enforceable lien on property as of January 1 following the levy date. Taxes are due by January 31 following the levy date. Property taxes levied for 2023 are recorded as receivables, net of estimated uncollectibles. The collections during 2023 and those considered "available" at year-end are recognized as revenues in 2023. The City considers property taxes available if they are collected within 60 days after year-end. Prior year levies were recorded using these same principles. The remaining receivables are reflected as deferred inflows of resources in the fund financial statements.

City of Grapevine, Texas
Notes to the Financial Statements
September 30, 2023

Property taxes are imposed nonexchange revenues. Assets from imposed nonexchange transactions are recorded when the entity has enforceable legal claim to the asset, or when the entity receives resources, whichever comes first. The enforceable legal claim date for property taxes is the assessment date. The assessment date has been designated in the enabling legislation as October 1.

Inventories and Prepaid Items

Inventories are valued at average cost on a first-in, first-out basis. Inventories in the General Fund are recorded using the consumption method (i.e., recorded as an expenditure when used rather than when purchased).

Prepaid items are payments made by the City in the current year to provide services occurring in the subsequent fiscal year. A corresponding portion of fund balance is shown as nonexpendable in governmental funds to indicate it is not available for other subsequent expenditures. Prepaid items are defined as payments of greater than \$5,000 that benefit future periods. The cost of prepaid items is recorded as expenditures/expenses when consumed rather than when purchased.

Restricted Assets

Certain cash and investments balances are restricted by various legal and contractual obligations. Certain proceeds of the City's general obligation bonds and certificates of obligation, impact fees, and customer deposits are, by law, considered restricted assets.

Due from Other Governments

The amount due from other governments represents balances owed to the City from various governmental agencies for reimbursement of eligible expenditures and balances in relation to a contractual agreement with the Fort Worth Transportation Authority for Grapevine's contribution to the construction of the TEXRail project.

Notes Receivable

The notes receivable represents the balance owed to the City from Hotel Vin for initial construction costs paid for by the City which are to be repaid in accordance with an Economic Development Agreement.

Lease Receivable

The City is a lessor for noncancellable leases related to cellular towers, building space, and billboards. The City recognizes a lease receivable and a deferred inflow of resources in the government-wide and governmental fund financial statements.

At the commencement of a lease, the City initially measures the lease receivable at the present value of payments expected to be received during the lease term. Subsequently, the lease receivable is reduced by the principal portion of lease payments received. The deferred inflow of resources is initially measured as the initial amount of the lease receivable, adjusted for lease payments received at or before the lease commencement date. Subsequently, the deferred inflow of resources is recognized as revenue over the life of the lease term.

Key estimates and judgments include how the City determines (1) the discount rate it uses to discount the expected lease receipts to present value, (2) lease term, and (3) lease receipts.

- The City uses the lessee's rate, or the rate disclosed in the agreement. If the rate is not readily available, the City uses its incremental borrowing rate as the discount rate for leases.
- The lease term includes the noncancellable period of the lease. Lease receipts included in the measurement of the lease receivable is composed of fixed payments from the lessee.

City of Grapevine, Texas
Notes to the Financial Statements
September 30, 2023

The City monitors changes in circumstances that would require a remeasurement of its lease and will remeasure the lease receivable and deferred inflows of resources if certain changes occur that are expected to significantly affect the amount of the lease receivable.

Capital Assets

Capital assets, which include property, plant, equipment, and infrastructure assets (e.g., roads, bridges, sidewalks, and similar items), are reported in the applicable governmental or business-type activities column in the government-wide financial statements. Capital assets, other than infrastructure, are defined by the City as assets with an initial, individual cost of more than \$5,000 and an estimated useful life in excess of one year. Infrastructure assets are defined by the City as assets costing in excess of \$50,000 that have an estimated useful life in excess of one year. Such assets are recorded at historical cost if purchased or constructed. Donated capital assets are recorded at acquisition cost at the date of donation. The costs of normal maintenance and repairs that do not add to the value of the asset or materially extend assets lives are not capitalized.

Depreciation has been provided on a straight-line basis over the estimated useful lives of the assets.

The estimated useful lives are as follows:

Capital Assets Class	Years
Buildings	7 – 40
Water and sewer system	30 – 50
General infrastructure	20 – 30
Improvements other than buildings	10 – 20
Machinery and equipment	3 – 15
Water storage rights	40
Other intangibles	3 – 20
Motor vehicles	3 – 10

Lease Assets

Lease assets are initially recorded at the initial measurement of the lease liability, plus lease payments made at or before the commencement of the lease term, less any lease incentives received from the lessor at or before the commencement of the lease, plus initial direct costs that are ancillary to place the asset into service. Lease assets are amortized on a straight-line basis over the shorter of the lease term or the useful life of the underlying asset.

Subscription Assets

Subscription assets are initially recorded at the initial measurement of the subscription liability, plus subscription payments made at or before the commencement of the subscription-based information technology arrangement (SBITA) term, less any SBITA vendor incentives received from the SBITA vendor at or before the commencement of the SBITA term, plus capitalizable initial implementation costs. Subscription assets are amortized on a straight-line basis over the shorter of the SBITA term or the useful life of the underlying IT asset.

Deferred Inflows and Outflows of Resources

In addition to assets, the statement of net position and/or balance sheet will sometimes report a separate section for deferred outflows of resources. This separate financial statement element, deferred outflows of resources, represents a consumption of net assets that applies to future periods and so will not be recognized as an outflow of resources (expense/expenditure) until then. The City has the following items that qualify for reporting in this category.

City of Grapevine, Texas
Notes to the Financial Statements
September 30, 2023

- Deferred loss on bond refunding – A deferred loss on refunding results from the difference in the carrying value of refunded debt and its reacquisition price. This amount is deferred and amortized over the shorter of the life of the refunded or refunding debt.
- Pension and OPEB contributions after measurement date – These contributions are deferred and recognized in the following fiscal year.
- Changes in actuarial assumptions and other inputs included in determining the pension and OPEB liability – This difference is deferred and recognized over the estimated average remaining lives of all members determined as of the measurement date.
- Differences between expected and actual economic experience for the City's pension and OPEB plan – These effects on the pension and OPEB liability are deferred and amortized over a closed period equal to the average of the expected remaining service lives of all employees that are provided with benefits through the pension plan (active employees and inactive employees).
- Difference in projected and actual earnings on pension and OPEB assets – This difference is deferred and amortized over a closed five-year period.

In addition to liabilities, the statement of net position and/or balance sheet will sometimes report a separate section for deferred inflows of resources. This separate financial statement element represents an acquisition of net assets that applies to future periods and, therefore, will not be recognized as an inflow of resources (revenue) until that time. Deferred inflows of resources reported in the Statements of Net Position and/or balance sheet are as follows:

- Differences between expected and actual economic experience for the City's pension and OPEB plans – These effects on the pension and OPEB liability are deferred and amortized over a closed period equal to the average of the expected remaining service lives of all employees that are provided with benefits through the pension plan (active employees and inactive employees).
- Changes in actuarial assumptions and other inputs included in determining the OPEB liability – This difference is deferred and recognized over the estimated average remaining lives of all members determined as of the measurement date.
- Leases – Represents the initial value of the lease receivable under GASB 87 systematically reduced and recognized as lease revenue over the term of the lease. This deferred inflow is recorded at both the fund level and government-wide financial statements.
- Unavailable revenue – This arises only under a modified accrual basis of accounting. Accordingly, unavailable revenue is reported only in the governmental funds balance sheet. The governmental funds report unavailable revenues from property taxes, court fines and fees, ambulance billing, and intergovernmental revenues.

Compensated Absences

It is the City's policy to permit employees to accumulate earned but unused vacation, compensatory time, and sick pay benefits. Employees are reimbursed upon termination for accumulated vacation and only non-exempt employees are reimbursed for compensatory time. The liabilities for these amounts are accrued as they are incurred in the government-wide and proprietary fund financial statements. Employees are not reimbursed upon termination for accumulated sick leave.

Unearned Revenue

Governmental funds report a liability, unearned revenue, in connection with resources that have been received, but not yet earned, which consists primarily of franchise fees collected in advance for future periods and recreation center fees collected in advance for future reservations and memberships.

Long-term Debt

In the government-wide financial statements, and proprietary funds in the fund financial statements, long-term debt and other long-term obligations are reported as liabilities in the applicable governmental activities, business-type activities, or proprietary fund type statement of net position. Bond premiums and discounts are deferred and amortized over the life of the bonds. Bonds payable are reported net of the applicable bond premium or discount.

In the fund financial statements, governmental funds recognize bond premiums and discounts, as well as bond issuance costs, during the current period. The face amount of debt issued is reported as other financing sources. Premiums received on debt issuances are reported as other financing sources while discounts on debt issuances are reported as other financing uses. Issuance costs, whether or not withheld from the actual debt proceeds, are reported as debt service expenditures.

Lease Liability

The City is a lessee for noncancellable leases of buildings and equipment. The City recognizes a lease liability and an intangible right-to-use lease asset (lease asset) in the government-wide financial statements. The City recognizes lease liabilities with an initial, individual value of \$5,000 or more.

At the commencement of a lease, the City measures the lease liability at the present value of payments expected to be made during the lease term. Subsequently, the lease liability is reduced by the principal portion of lease payments made. The lease asset is initially measured as the initial amount of the lease liability, adjusted for lease payments made at or before the lease commencement date, plus certain initial direct costs. Subsequently, the lease asset is amortized on a straight-line basis over its useful life or lease term, whichever is shorter.

Key estimates and judgments related to leases include how the City determines (1) the discount rate it uses to discount the expected lease payments to present value, (2) lease term, and (3) lease payments.

- The City uses the interest rate charged by the lessor as the discount rate. When the interest rate charged by the lessor is not provided, the City generally uses its estimated incremental borrowing rate as the discount rate for leases.
- The lease term includes the noncancellable period of the lease. Lease payments included in the measurement of the lease liability are composed of fixed payments and purchase option price that the City is reasonably certain to exercise.

The City monitors changes in circumstances that would require a remeasurement of its lease and will remeasure the lease asset and liability if certain changes occur that are expected to significantly affect the amount of the lease liability.

Lease assets are reported with capital, lease, and subscription assets and lease liabilities are reported with long-term liabilities on the statement of net position.

Subscription Liability

The City contracts for noncancellable subscriptions of information technology software. The City recognizes a subscription liability and an intangible subscription asset (subscription asset) in the government-wide financial statements. The City recognizes subscription liabilities with an initial, individual value of \$5,000 or more.

At the commencement of a subscription, the City measures the subscription liability at the present value of payments expected to be made during the subscription term. Subsequently, the subscription liability is reduced by the principal portion of subscription payments made.

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The subscription asset is initially measured as the initial amount of the subscription liability, adjusted for subscription payments made at or before the subscription commencement date, plus certain initial direct costs. Subsequently, the subscription asset is amortized on a straight-line basis over its useful life or subscription term, whichever is shorter.

Key estimates and judgments related to subscriptions include how the City determines (1) the discount rate it uses to discount the expected subscription payments to present value, (2) subscription term, and (3) subscription payments.

- The City uses the interest rate charged by the subscription-based information technology arrangement (SBITA) vendor as the discount rate. When the interest rate charged by the SBITA vendor is not provided, the City generally uses its estimated incremental borrowing rate as the discount rate for subscriptions.
- The subscription term includes the noncancellable period of the subscription. Subscription payments included in the measurement of the subscription liability are composed of fixed payments and purchase option price that the City is reasonably certain to exercise.

The City monitors changes in circumstances that would require a remeasurement of its subscription and will remeasure the subscription asset and liability if certain changes occur that are expected to significantly affect the amount of the subscription liability.

Subscription assets are reported with capital, lease, and subscription assets and subscription liabilities are reported with long-term liabilities on the statement of net position.

Pensions

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

Defined Benefit Other Postemployment Benefit Plan

The City has a single employer defined benefit other postemployment (benefit) OPEB plan (Plan). For purposes of measuring the net OPEB liability, deferred outflows of resources and deferred inflows of resources related to OPEB and OPEB expense, information about the fiduciary net position of the Plan and additions to/deductions from the Plan's fiduciary net position have been determined on the same basis as they are reported by the Plan. For this purpose, the Plan recognizes benefit payments when due and payable in accordance with the benefit terms. Investments are reported at fair value, except for money market investments and participating interest-earning investment contracts that have a maturity at the time of purchase of one year or less, which are reported at amortized cost.

Fund allocation of related balances is determined by individual employee assignment. This assignment is uniform with regard to liquidation of the liability.

Net Position

Net position represents the difference between assets, deferred outflows of resources, liabilities, and deferred inflows of resources of governmental and business-type activities and proprietary funds. The government-wide and proprietary fund financials utilize a net position presentation. Net position is categorized as net investment in capital assets, restricted, and unrestricted.

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Net Investment in Capital Assets – This amount consists of capital, lease and subscription assets, net of accumulated depreciation/amortization and reduced by outstanding balances of bonds, notes, and other debt, that are attributable to the acquisition, construction, or improvement of those assets. Deferred outflows of resources and deferred inflows of resources that are attributable to the acquisition, construction, or improvement of those assets or related debt are included in this component of net position.

Restricted Net Position – This amount is restricted by external parties such as creditors, grantors, contributors, or laws or regulations of other governments and restrictions imposed by law through constitutional provisions or enabling legislation.

Unrestricted Net Position – This amount is the net position that does not meet the definition of “net investment in capital assets” or “restricted net position.”

Fund Balance Classification

The governmental fund financial statements present fund balances based on classifications that comprise a hierarchy that is based primarily on the extent to which the City is bound to honor constraints on the specific purposes for which amounts in the respective governmental funds can be spent. The classifications used in the governmental fund financial statements are as follows:

- **Nonspendable:** This classification includes amounts that cannot be spent because they are either (a) not in spendable form or (b) are legally or contractually required to be maintained intact. Nonspendable items are not expected to be converted to cash or are not expected to be converted to cash within the next year.
- **Restricted:** This classification includes amounts for which constraints have been placed on the use of the resources either (a) externally imposed by creditors, grantors, contributors, or laws or regulations of other governments, or (b) imposed by law through constitutional provisions or enabling legislation.
- **Committed:** This classification includes amounts that can be used only for specific purposes pursuant to constraints imposed by ordinance of the City Council. These amounts cannot be used for any other purpose unless the City Council removes or changes the specified use by taking the same type of action that was employed when the funds were initially committed. This classification also includes contractual obligations to the extent that existing resources have been specifically committed for use in satisfying those contractual requirements.
- **Assigned:** Amounts in the assigned fund balance classification are intended to be used by the City for specific purposes but do not meet the criteria to be classified as committed. The City Council has, by resolution, authorized the City Manager to assign fund balance. The City Council may also assign fund balance as it does when appropriating fund balance to cover the gap between estimated revenue and appropriations in the subsequent year’s budget. Unlike commitments, assignments generally only exist temporarily. In other words, an additional action does not normally have to be taken for the removal of an assignment.
- **Unassigned:** This classification includes the residual fund balance for the General Fund. The unassigned classification also includes negative residual fund balance of any other governmental fund that cannot be eliminated by offsetting of assigned fund balance amounts.

Fund Balance and Net Position Flow Assumptions

When an expenditure is incurred for purposes for which both restricted and unrestricted fund balance is available, the City considers restricted funds to have been spent first. When an expenditure is incurred for which committed, assigned, or unassigned fund balances are available, the City considers amounts to have been spent first out of committed funds, then assigned funds, and finally unassigned funds.

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Sometimes the City will fund outlays for a particular purpose from both restricted (e.g., restricted bond or grant proceeds) and unrestricted resources. In order to calculate the amounts to report as restricted – net position and unrestricted – net position in the government-wide and proprietary fund financial statements, a flow assumption must be made about the order in which the resources are considered to be applied. It is the City’s policy to consider restricted – net position to have been depleted before unrestricted – net position is applied.

Minimum Fund Balance Policy

The Council has adopted a financial policy to maintain a minimum level of unrestricted fund balance (the total of the committed, assigned, and unassigned components of fund balance) in the general fund. The target level is set at 72 days of general fund annual revenues (approximately 20%). This amount is intended to provide fiscal stability when economic downturns and other unexpected events occur. If fund balance falls below the minimum target level because it has been used, essentially as a “revenue” source, as dictated by current circumstances, the policy provides for actions to replenish the amount to the minimum target level. Generally, replenishment is to occur within a three-year period.

Use of Estimates

The preparation of financial statements in conformity with generally accepted accounting principles requires the City’s management to make estimates and assumptions that effect reported amounts of assets, deferred outflows of resources, liabilities, and deferred inflows of resources at the date of the financial statements and the reported changes in net position during the reporting period. Actual results may differ from those estimates.

Adoption of New Accounting Standards

During fiscal year 2023, the City adopted the following GASB standards:

GASB Statement No. 91, *Conduit Debt Obligations*. This standard clarifies the definition of conduit debt and provides a single method of reporting these obligations (disclosure only). This standard provides a single method of reporting conduit debt obligations by issuers and eliminates diversity in practice associated with commitments extended by issuers, arrangements associated with conduit debt obligations, and related note disclosures. The adoption of this standard had no impact on the City.

GASB Statement No. 94, *Public-Private and Public-Public Partnerships and Availability Payment Arrangements*. This standard addresses the gap in current accounting guidance related to public-private and public-public partnerships (both referred to as PPPs) that do not meet the definition of a service concession arrangement. The adoption of this standard had no impact on the City.

GASB Statement No. 96, *Subscription-Based Information Technology Arrangements*. The implementation of this standard establishes a single model for subscription-based information technology arrangements (SBITAs) accounting based on the principle that contracts are financings of the right to use an underlying information technology software asset. The standard requires recognition of certain right-to-use subscription assets and subscription liabilities.

As a result of implementing this standard the City recognized right-to-use subscription assets and liabilities. The adoption of this standard had no impact on beginning net position. The additional disclosures required by this standard are included in *Note 5* and *Note 9*.

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Future Financial Reporting Requirements

The GASB has issued the following potentially significant statements which the City has not yet adopted, and which require adoption subsequent to September 30, 2023. The City will evaluate the potential impact on the City's net position.

Statement No.	Title	Adoption Required
100	<i>Accounting Changes and Error Correction</i>	September 30, 2024
101	<i>Compensated Absences</i>	September 30, 2025
102	<i>Certain Risk Disclosures</i>	September 30, 2025

Note 2: Cash and Investments

As of September 30, 2023, the City had the following cash and investments:

	September 30, 2023	Percent of Total Portfolio	Weighted Average Maturity (Days)
Primary Government			
Cash and cash equivalents:			
Cash Deposits – City	\$ 7,483,080	4%	
Certificates of deposit	4,480,766	3%	146
Total cash and cash equivalents	<u>11,963,846</u>		
Investment Pools:			
TexPool	103,610,535	61%	29
LOGIC	51,595,286	30%	29
Total investment pools	<u>155,205,821</u>		
Total cash and investments of the primary government	<u>\$ 167,169,667</u>		
Portfolio weighted average maturity (days)			59
Discretely Presented Component Unit			
Cash deposits	<u>\$ 487,295</u>		
Fiduciary Funds			
OPEB Trust	\$ 2,389,752		
Private Purpose Trust Fund	<u>15,158</u>		
Total cash and investments of fiduciary funds	<u>\$ 2,404,910</u>		
Total cash and investments of the reporting entity	<u>\$ 170,061,872</u>		

City of Grapevine, Texas
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Reconciliation to the basic financial statements. The cash and investments as of September 30, 2023, are reported in the financial statements as follows:

Government-wide Statement of Net Position:	
Government activities	\$ 141,481,852
Business-type activities	25,687,815
Discretely presented component unit	487,295
Fiduciary Funds Statement of Net Position:	
OPEB Trust	2,389,752
Private Purpose Trust Fund	<u>15,158</u>
Total cash and investments	<u><u>\$ 170,061,872</u></u>

Investment Pools

During the year, the City invested in multiple public fund investment pools, including LOGIC and TexPool.

TexPool was created to invest funds on behalf of Texas political subdivisions. The State Comptroller of Public Accounts exercises responsibility over TexPool. Oversight includes the ability to significantly influence operation, designation of management, and accountability for fiscal matters. Additionally, the State Comptroller has established an advisory board composed of both participants in TexPool and other persons who do not have a business relationship with TexPool. TexPool uses amortized cost rather than the fair value to report net position to compute share prices. TexPool allows for same day or next day redemptions and deposits. As of September 30, 2023, TexPool's portfolio maintained a weighted average maturity of approximately 29 days.

Hilltop Securities, Inc. (HTS) and JPMorgan Investment Management, Inc. (JPMIM) serve as co-administrators for LOGIC under an agreement with its Board of Trustees and Board of Directors, respectively. HTS provides distribution, administrative, participant support and marketing services. JPMIM provides investment management, custody, and fund accounting services. JPMorgan Chase Bank, N.A. serves as custodian for LOGIC.

LOGIC and TexPool are not registered with the Securities and Exchange Commission (SEC) as investment companies. LOGIC and TexPool are investment pools that have been organized in conformity with the Interlocal Cooperation Act, Chapter 791 of the Texas Government Code, and the Public Funds Investment Act, Chapter 2256 of the Texas Government Code.

The government investment pool TexPool is carried at amortized cost. LOGIC is carried at net asset value.

Interest Rate Risk – In accordance with its investment policy, the City minimizes the risk that the interest earnings and the fair value of investments in the portfolio will fall due to changes in general interest rates, by:

- Structuring the investment portfolio so that investments mature to meet cash requirements for ongoing operations, thereby avoiding the need to liquidate investments prior to maturity.
- Investing operating funds primarily in certificates of deposit, shorter-term securities, money market mutual funds, or local government investment pools functioning as money market mutual funds.
- Diversifying maturities and staggering purchase dates to minimize the impact of market movements over time.

City of Grapevine, Texas
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Credit Risk – In accordance with its investment policy, the City minimizes credit risk, the risk of loss due to the failure of the issuer or backer of the investment by:

- Limiting investments to the safest types of investments.
- Pre-qualifying the financial institutions and broker/dealers with which the City will do business.
- Diversifying the investment portfolio so that potential losses on individual issuers will be minimized.

Concentration of Credit Risk – The City's investment policy allows up to 100% to be invested in U. S. Treasury Bills/Notes/Bonds, and U. S. Agencies and Instrumentalities.

Custodial Credit Risk – State statutes require that all City deposits in financial institutions be fully collateralized by U. S. Government obligations or obligations of the State of Texas or its agencies. The City's deposits were fully collateralized by government securities or had a letter of credit issued by the Federal Home Loan Bank as required by State statutes as of September 30, 2023.

OPEB Trust Fund Investments – The City has contracted with Public Agency Retirement Services (PARS) for trust administration and Union Bank serves as the trustee for all investments of the OPEB Trust Fund. PARS provides its participants a range of investment strategies, and the City has selected the PARS Balanced HighMark Plus Portfolio. The goal of the Plan's investment program is to generate adequate long-term returns that, when combined with contributions, will result in sufficient assets to pay present and future obligations to the Plan. The Balanced Portfolio's goal is to provide growth of both principal and income. The Plan's underlying investments are allocated between equity, fixed income securities, and cash. The OPEB Plan does not have a formal policy for custodial credit risk. As of December 31, 2022, all investments are registered in the name of the OPEB Plan's custodian established through a master trust custodial agreement. The OPEB Trust Fund investments are carried at fair value of \$2,389,752 as of December 31, 2022. The investment in master trust is classified in Level 3 of the fair value hierarchy using quoted market prices of the mutual funds owned by the trust, allocated among members. The Trust's funds are invested in a mutual fund that is invested in equity, money market and fixed income mutual funds. The investment strategy of the OPEB Trust Fund is to provide current income with capital appreciation. The credit rating and weighted average maturity is not available for the pool.

Fair Value of Assets – Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. Fair value measurements must maximize the use of observable inputs and minimize the use of unobservable inputs. There is a hierarchy of three levels of inputs that may be used to measure fair value:

- Level 1** Quoted prices in active markets for identical assets or liabilities
- Level 2** Observable inputs other than Level 1 prices, such as quoted prices for similar assets or liabilities; quoted prices in markets that are not active; or other inputs that are observable or can be corroborated by observable market data for substantially the full term of the assets or liabilities
- Level 3** Unobservable inputs supported by little or no market activity and are significant to the fair value of the assets or liabilities

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Recurring Measurements

The following table presents the fair value measurements of assets recognized in the accompanying financial statements measured at fair value on a recurring basis and the level within the fair hierarchy in which the fair value measurements fall at September 30, 2023:

	<u>Fair Value</u>	<u>Quoted Prices in Active Markets for Identical Assets (Level 1)</u>	<u>Significant Observable Inputs (Level 2)</u>	<u>Significant Unobservable Inputs (Level 3)</u>
Investments by Fair Value Level				
Investment in Master Trust	\$ 2,389,752	\$ -	\$ -	\$ 2,389,752
Total investments by fair value level	<u>2,389,752</u>	<u>-</u>	<u>-</u>	<u>2,389,752</u>
Investments Measured at Net Asset Value – LOGIC	51,595,286			
Investments Measured at Amortized Cost – TexPool	103,610,535			
Non-negotiable Certificates of Deposit – Amortized Cost	<u>4,480,766</u>			
Total investments	<u>\$ 162,076,339</u>			

Certain investments that are measured using the net asset value per share (or its equivalent) practical expedient or amortized cost have not been classified in the fair value hierarchy. The fair value amounts included above approximate net asset value for the applicable external investment pool balances. Additionally, the City has investments in an investment pool and certificates of deposit, as listed above, which are recorded at amortized cost and excluded from the fair value hierarchy.

Investments

Where quoted market prices are available in an active market, securities are classified within Level 1 of the valuation hierarchy. If quoted market prices are not available, then fair values are estimated by using quoted prices of securities with similar characteristics or independent asset pricing services and pricing models, the inputs of which are market-based or independently sourced market parameters, including, but not limited to, yield curves, interest rates, volatilities, prepayments, defaults, cumulative loss projections and cash flows. Such securities are classified in Level 2 of the valuation hierarchy. In certain cases where Level 1 or Level 2 inputs are not available, securities are classified within Level 3 of the hierarchy.

Note 3: Receivables

Receivables as of year-end for the City's individual major funds and nonmajor funds in the aggregate, including the applicable allowances for uncollectible accounts, are as follows:

	<u>General Fund</u>	<u>Hotel Occupancy Fund</u>	<u>Crime District Fund</u>	<u>4B - Economic Development Fund</u>	<u>4B - Transit Fund</u>	<u>Debt Service Fund</u>	<u>TIF #1 Fund</u>	<u>General Facilities and Equipment</u>	<u>Non-Major Governmental Funds</u>	<u>Water and Sewer Fund</u>	<u>Lake Enterprise Fund</u>
Receivables:											
Ad velorem	\$ 682,166	\$ -	\$ -	\$ -	\$ -	\$ 868,038	\$ -	\$ -	\$ -	\$ -	\$ -
Sales taxes	7,112,721	-	3,243,455	974,867	2,349,721	444	-	-	-	-	-
Hotel and motel taxes	-	1,942,724	-	-	-	-	-	-	-	-	-
Court fines	639,351	-	-	-	-	-	-	-	-	-	-
Charges for services	1,924,579	-	-	-	-	-	-	-	-	-	-
Leases	2,667,170	76,619	-	-	-	-	1,252,923	495,195	-	-	-
Interest	6,304	2,560	-	-	-	-	5,588	1,985	-	-	-
Other	1,396,671	110,258	-	-	-	-	900,968	2,067,056	-	4,210,711	52,676
Gross receivables	<u>14,428,962</u>	<u>2,132,161</u>	<u>3,243,455</u>	<u>974,867</u>	<u>2,349,721</u>	<u>868,482</u>	<u>-</u>	<u>2,159,479</u>	<u>2,564,236</u>	<u>4,210,711</u>	<u>52,676</u>
Less: allowance for doubtful accounts	<u>(2,324,993)</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>(832,523)</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>(82,146)</u>	<u>-</u>
Net receivables	<u>\$ 12,103,969</u>	<u>\$ 2,132,161</u>	<u>\$ 3,243,455</u>	<u>\$ 974,867</u>	<u>\$ 2,349,721</u>	<u>\$ 35,959</u>	<u>\$ -</u>	<u>\$ 2,159,479</u>	<u>\$ 2,564,236</u>	<u>\$ 4,128,565</u>	<u>\$ 52,676</u>

City of Grapevine, Texas
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Note 4: Lease Receivable

The City leases a portion of its property to various cell phone companies and businesses who use the space to conduct their operations, the terms of which expire 2023 through 2038. The measurement of the lease receivable is based on the present value of lease payments expected to be received during the lease term, such as fixed payments, variable payments that depend on an index or rate, variable payments that are fixed in substance, residual value guarantee payments that are fixed in substance, and any lease incentives payable to the lessee.

The City recognized \$715,196 in lease revenue and \$56,351 in interest revenue during the current fiscal year related to these leases. As of September 30, 2023, the City's receivable for lease payments was \$4,505,784, including lease interest receivable of \$13,877. Also, the City has a deferred inflow of resources associated with these leases that will be recognized as revenue over the lease terms. As of September 30, 2023, the balance of the deferred inflow of resources was \$4,387,776.

The following is a schedule by year of minimum payments to be received under the City's leases that are included in the measurement of the lease receivable as of September 30, 2023:

<u>Year Ending September 30,</u>	Governmental Activities		
	<u>Principal</u>	<u>Interest</u>	<u>Total Receipts</u>
2024	\$ 620,792	\$ 56,351	\$ 677,143
2025	493,706	50,432	544,138
2026	484,844	44,626	529,470
2027	496,178	38,705	534,883
2028	394,989	32,655	427,644
2029 - 2033	1,561,460	88,513	1,649,973
2034 - 2038	439,938	11,269	451,207
Total	<u>\$ 4,491,907</u>	<u>\$ 322,551</u>	<u>\$ 4,814,458</u>

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Note 5: Capital, Lease, and Subscription Assets

Capital, lease, and subscription asset activity for the year ended September 30, 2023, was as follows:

Primary Government	Beginning Balance	Additions	Retirements	Transfers	Ending Balance
Governmental Activities					
Capital assets not being depreciated:					
Land	\$ 36,782,765	\$ -	\$ -	\$ -	\$ 36,782,765
Right of way	79,540,229	22,500	-	-	79,562,729
Construction in progress	4,714,522	6,945,339	-	(4,875,570)	6,784,291
Total capital assets not being depreciated	121,037,516	6,967,839	-	(4,875,570)	123,129,785
Capital, lease, and subscription assets being depreciated/amortized:					
Buildings	236,549,360	2,430,953	-	1,056,405	240,036,718
Improvements other than buildings	67,550,737	415,723	(284,498)	654,334	68,336,296
Machinery and equipment	46,239,640	4,945,455	(1,235,602)	800,379	50,749,872
Computer software	232,320	-	-	-	232,320
Infrastructure	154,022,123	659,603	-	2,364,452	157,046,178
Lease building	170,611	-	-	-	170,611
Lease equipment	17,197	-	-	-	17,197
Subscription assets	919,855	-	-	-	919,855
Totals capital, lease, and subscription assets being depreciated/amortized	505,701,843	8,451,734	(1,520,100)	4,875,570	517,509,047
Less accumulated depreciation/amortization for:					
Buildings	(40,246,642)	(5,990,772)	-	-	(46,237,414)
Improvements other than buildings	(28,230,052)	(3,349,763)	113,916	-	(31,465,899)
Machinery and equipment	(32,733,631)	(2,610,260)	1,245,986	-	(34,097,905)
Computer software	(95,034)	(36,508)	-	-	(131,542)
Infrastructure	(94,751,500)	(5,156,769)	-	-	(99,908,269)
Lease building	(17,061)	(34,122)	-	-	(51,183)
Lease equipment	(5,004)	(5,013)	-	-	(10,017)
Subscription assets	-	(508,246)	-	-	(508,246)
Total accumulated depreciation/amortization	(196,078,924)	(17,691,453)	1,359,902	-	(212,410,475)
Total capital, lease, and subscription assets, being depreciated/amortized, net	309,622,919	(9,239,719)	(160,198)	4,875,570	305,098,572
Governmental activities capital, lease, and subscription assets, net	\$ 430,660,435	\$ (2,271,880)	\$ (160,198)	\$ -	\$ 428,228,357

* Beginning Balance amounts have been restated for GASB 96, *Subscription-Based Information Technology Arrangements*

Business-type Activities	Beginning Balance	Additions	Retirements	Transfers	Ending Balance
Capital assets not being depreciated:					
Land	\$ 593,970	\$ -	\$ -	\$ -	\$ 593,970
Easements	57,555,464	-	-	-	57,555,464
Construction in progress	6,918,365	2,253,082	(570,029)	(7,345,811)	1,255,607
Total capital assets not being depreciated	65,067,799	2,253,082	(570,029)	(7,345,811)	59,405,041
Capital and lease assets being depreciated/amortized:					
Buildings	7,200,416	-	-	-	7,200,416
Improvements other than buildings	9,176,093	298,973	-	289,768	9,764,834
Machinery and equipment	6,745,591	1,040,980	(66,822)	-	7,719,749
Water storage rights	683,547	-	-	-	683,547
Computer software	70,102	-	-	9,405	79,507
Infrastructure	141,044,935	1,044,482	-	7,046,638	149,136,055
Lease equipment	19,126	55,066	-	-	74,192
Totals capital and lease assets being depreciated/amortized	164,939,810	2,439,501	(66,822)	7,345,811	174,658,300
Less accumulated depreciation/amortization for:					
Buildings	(1,965,656)	(161,610)	-	-	(2,127,266)
Improvements other than buildings	(8,101,653)	(185,446)	-	-	(8,287,099)
Machinery and equipment	(4,387,849)	(507,472)	65,891	-	(4,829,430)
Water storage rights	(683,547)	-	-	-	(683,547)
Computer software	(20,057)	(10,023)	-	-	(30,080)
Infrastructure	(60,864,190)	(3,249,874)	-	-	(64,114,064)
Lease assets	(6,684)	(17,000)	-	-	(23,684)
Total accumulated depreciation/amortization	(76,029,636)	(4,131,425)	65,891	-	(80,095,170)
Total capital and lease assets, being depreciated/amortized, net	88,910,174	(1,691,924)	(931)	7,345,811	94,563,130
Business-type activities capital and lease assets, net	\$ 153,977,973	\$ 561,158	\$ (570,960)	\$ -	\$ 153,968,171

City of Grapevine, Texas
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Depreciation and amortization expense was charged to functions/programs of the primary government as follows:

Governmental activities:

General government	\$ 3,551,563
Public safety	2,853,749
Public works	5,958,544
Culture and recreation	4,574,689
Tourism	752,908
	<u>752,908</u>

Total depreciation and amortization expense – governmental activities \$ 17,691,453

Business-type activities:

Water and sewer	3,546,683
Lake Enterprise	584,742
	<u>584,742</u>

Total depreciation and amortization expense – business-type activities \$ 4,131,425

	<u>Beginning Balance</u>	<u>Additions</u>	<u>Retirements</u>	<u>Transfers</u>	<u>Ending Balance</u>
Discretely Presented Component Unit					
Capital assets not being depreciated:					
Land	\$ 450,067	\$ -	\$ -	\$ -	\$ 450,067
Total capital assets not being depreciated	<u>450,067</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>450,067</u>
Capital assets being depreciated:					
Buildings	1,031,174	-	-	-	1,031,174
Improvements other than buildings	990,027	8,875	-	-	998,902
Vehicles and equipment	31,275	-	-	-	31,275
Total capital assets being depreciated	<u>2,052,476</u>	<u>8,875</u>	<u>-</u>	<u>-</u>	<u>2,061,351</u>
Less accumulated depreciation:					
Building	(423,737)	(26,419)	-	-	(450,156)
Improvements other than buildings	(942,083)	(2,770)	-	-	(944,853)
Vehicles and equipment	(31,275)	-	-	-	(31,275)
Total accumulated depreciation	<u>(1,397,095)</u>	<u>(29,189)</u>	<u>-</u>	<u>-</u>	<u>(1,426,284)</u>
Total capital assets being depreciated, net	<u>655,381</u>	<u>(20,314)</u>	<u>-</u>	<u>-</u>	<u>635,067</u>
Discretely presented component unit capital assets,	<u>\$ 1,105,448</u>	<u>\$ (20,314)</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 1,085,134</u>

City of Grapevine, Texas
Notes to the Financial Statements
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Construction Commitments

The City has active construction commitments as of September 30, 2023, totaling \$3,122,609. This includes street construction and improvements of existing streets, and repair and maintenance of existing water and sewer systems.

<u>Project</u>	<u>Commitment</u>
Streets and drainage projects	\$ 778,898
Water and waste water projects	1,516,094
Fiber optic cable project	158,701
Parks projects	668,916
Total	<u>\$ 3,122,609</u>

The commitments for streets, parks and drainage construction will be funded from unexpended general obligation and certificates of obligation bond proceeds. Water and wastewater projects will be funded from unexpended certificates of obligation and revenue bond proceeds and operations.

Note 6: Interfund Receivables, Payables and Transfers

The composition of interfund balances as of September 30, 2023, is as follows:

Due to/from Other Funds

<u>Receivable Fund</u>	<u>Payable Fund</u>	<u>Amount</u>
General Facilities and Equipment Fund	Grant Fund (Non-major)	\$ 597,615
Hotel Occupancy Tax Fund	4B-Transit Fund	40,449
		<u>\$ 638,064</u>
<u>Receivable Fund</u>	<u>Payable Fund</u>	<u>Amount</u>
Primary Government:	Discretely Presented Component Unit:	
Hotel Occupancy Tax	Heritage Foundation	<u>\$ 15,057</u>

Interfund balances for all the funds are created by short-term deficiencies in cash position in the individual fund. It is anticipated that the balances will be repaid in one year or less.

City of Grapevine, Texas
Notes to the Financial Statements
September 30, 2023

Interfund Transfers

A summary of interfund transfers by fund type is as follows:

Transfers out	Transfers in							Total Transfers Out
	General Fund	Hotel Occupancy Fund	Crime District Fund	Debt Service Fund	General Facilities and Equipment Fund	Non-Major Governmental Funds	Water and Sewer Fund	
General Fund	\$ -	\$ -	\$ 4,519,575	\$ -	\$ -	\$ 8,740,000	\$ -	\$ 13,259,575
Hotel Occupancy Fund	2,653,891	-	-	-	177,500	-	-	2,831,391
Debt Service Fund	-	-	-	-	-	-	661,919	661,919
4B - Economic Development Fund	477,301	-	-	1,401,444	-	-	-	1,878,745
4B - Transit Fund	-	328,388	-	-	-	-	-	328,388
Nonmajor Governmental	117,364	-	-	-	-	-	-	117,364
Water and Sewer Fund	2,215,207	-	-	-	-	-	-	2,215,207
Lake Enterprise	161,118	-	-	-	-	-	-	161,118
Total transfers in	\$ 5,624,881	\$ 328,388	\$ 4,519,575	\$ 1,401,444	\$ 177,500	\$ 8,740,000	\$ 661,919	\$ 21,453,707

Interfund transfers are primarily made by the City for the following reasons:

- Transfers to the General Fund from other funds consist of operating and administrative allocations.
- Transfers to the CCPD Fund represent amounts estimated to be required to cover the variance between CCPD requirements and CCPD sales tax collections.
- Transfers to the Debt Service Fund were required to pay for self-supporting debt associated with the 4B Fund and the CVB Fund.
- Transfers to the General Facilities and Equipment Fund represent amounts required to cover excess costs associated with Convention & Visitors Bureau capital improvements.
- Non-major Governmental Funds transfers in consist of amounts for fleet replacement, IT infrastructure, Quality of Life projects, and Parks, Facilities, and Street maintenance requirements.
- Transfers to the Water and Sewer Fund were a reimbursement for debt service payments.

Note 7: Deferred Inflows of Resources

As of September 30, 2023, deferred inflows of resources reported in the governmental funds for unavailable revenues are as follows:

	General Fund	Hotel Occupancy Tax Fund	Crime District Fund	Debt Service Fund	General Facilities and Equipment Fund	Nonmajor Governmental Funds	Total
Property taxes	\$ 8,620	\$ -	\$ -	\$ 18,049	\$ -	\$ -	\$ 26,669
Court fines and fees	159,838	-	-	-	-	-	159,838
Ambulance billing	439,408	-	-	-	-	-	439,408
Intergovernmental	75,697	-	-	-	8,558,564	507,683	9,141,944
Leases	2,589,151	75,605	-	-	1,249,666	473,354	4,387,776
Other	1,418	-	4,223	-	-	362,690	368,331
Total	\$ 3,274,132	\$ 75,605	\$ 4,223	\$ 18,049	\$ 9,808,230	\$ 1,343,727	\$ 14,523,966

City of Grapevine, Texas
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Note 8: Lease Liabilities

The City leases property and equipment from various third parties to conduct its operations, the terms of which expire 2024 through 2027. The measurement of the lease payables is based on the present value of lease payments expected to be paid during the lease term, such as fixed payments, variable payments that depend on an index or rate, variable payments that are fixed in substance, residual value guarantee payments that are fixed in substance, and any lease incentives payable to the lessee.

As of September 30, 2023, the value of the lease liabilities was \$180,551. Incremental borrowing rates of 0.2130 percent to 2.157 percent were used to measure lease liabilities. The value of the right-to-use assets as of the end of the current fiscal year was \$262,000 and had accumulated amortization of \$84,884.

The future principal and interest payments for lease liabilities as of September 30, 2023, are as follows:

<u>Year Ending September 30,</u>	<u>Principal</u>	<u>Governmental Activities</u>		<u>Total Requirements</u>
		<u>Interest</u>		
2024	\$ 36,868	\$ 2,275		\$ 39,143
2025	36,854	1,614		38,468
2026	37,521	837		38,358
2027	18,753	118		18,871
Total	<u>\$ 129,996</u>	<u>\$ 4,844</u>		<u>\$ 134,840</u>

<u>Year Ending September 30,</u>	<u>Principal</u>	<u>Business-type Activities</u>		<u>Total Requirements</u>
		<u>Interest</u>		
2024	\$ 18,439	\$ 94		\$ 18,533
2025	14,476	56		14,532
2026	14,155	23		14,178
2027	3,485	1		3,486
Total	<u>\$ 50,555</u>	<u>\$ 174</u>		<u>\$ 50,729</u>

Note 9: Subscription Liabilities

The City has subscription IT arrangements to conduct its operations, the terms of which expire 2024 through 2026. The measurement of the subscription liabilities is based on the present value of subscription payments expected to be paid during the subscription term, such as fixed payments, variable payments that depend on an index or rate, variable payments that are fixed in substance, residual value guarantee payments that are fixed in substance, and any subscription incentives payable.

An initial subscription liability was recorded in the amount of \$918,355 during fiscal year 2023. As of September 30, 2023, the value of the subscription liabilities was \$207,583. An incremental borrowing rate of 3.1440 percent to 3.2380 percent was used to measure subscription liabilities. The value of the right-to-use subscription assets as of September 30, 2023, was \$919,855 and had accumulated amortization of \$508,246.

City of Grapevine, Texas
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The future principal and interest payments for subscription liabilities as of September 30, 2023, are as follows:

<u>Year Ending September 30,</u>	<u>Principal</u>	<u>Governmental Activities</u>	
		<u>Interest</u>	<u>Total Requirements</u>
2024	\$ 162,983	\$ 5,958	\$ 168,941
2025	41,390	1,789	43,179
2026	3,210	106	3,316
Total	<u>\$ 207,583</u>	<u>\$ 7,853</u>	<u>\$ 215,436</u>

Note 10: Long-Term Liabilities

General Obligation Bonds

The City issues general obligation bonds to provide funds for the acquisition and construction of major capital facilities. General obligation bonds have been issued for both governmental and business-type activities.

General obligation bonds are direct obligations and pledge the full faith and credit of the City. These bonds generally are issued as 20-year serial bonds with principal maturing each year.

A summary of the terms of general obligation bonds outstanding and their corresponding allocations to the governmental and business-type activities as of September 30, 2023, follows:

General Obligation Bonds	<u>Sale Date</u>	<u>Original Borrowing</u>	<u>Interest Rates to Maturity</u>	<u>Final Maturity</u>	<u>Outstanding</u>
Governmental activities:					
2015 General Obligation Refunding Bonds	02/26/2015	\$ 14,695,000	3.000%	02/15/2026	\$ 780,000
2017 General Obligation Refunding Bonds	02/21/2017	1,365,000	2.000% - 3.000%	02/15/2027	590,000
2019 General Obligation Refunding and Improvement Bonds	07/09/2019	28,860,000	3.000% - 4.000%	02/15/2039	22,645,000
2021 General Obligation Refunding Bonds	09/02/2021	44,945,000	1.000% - 2.000%	02/15/2033	43,680,000
Total general obligation bonds outstanding					<u>\$ 67,695,000</u>

Annual debt service requirements for general obligation bonds are as follows:

<u>Year Ending September 30,</u>	<u>Principal</u>	<u>Governmental Activities</u>	
		<u>Publicly Sold</u>	<u>Total Requirements</u>
		<u>Interest</u>	
2024	\$ 5,710,000	\$ 1,389,543	\$ 7,099,543
2025	5,895,000	1,241,168	7,136,168
2026	6,080,000	1,103,986	7,183,986
2027	5,955,000	987,355	6,942,355
2028	5,955,000	877,026	6,832,026
2029 - 2033	29,655,000	2,663,551	32,318,551
2034 - 2038	6,935,000	759,075	7,694,075
2039	1,510,000	22,650	1,532,650
Total	<u>\$ 67,695,000</u>	<u>\$ 9,044,354</u>	<u>\$ 76,739,354</u>

City of Grapevine, Texas
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Certificates of Obligation

The City also issues certificates of obligation to finance the acquisition and construction of capital assets including certain capital improvement projects, municipal facilities, and machinery and equipment.

The City had the following certificates of obligation outstanding as of September 30, 2023:

Certificates of Obligation	Sale Date	Original Borrowing	Interest Rates to Maturity	Final Maturity	Outstanding
Governmental Activities:					
2015 Combination Tax and Revenue Certificates of Obligation	02/26/2015	\$ 2,000,000	3.000% - 4.500%	02/15/2035	\$ 895,000
2017 Combination Tax and Revenue Certificates of Obligation	02/21/2017	9,535,000	3.000% - 5.000%	02/15/2037	6,705,000
2018 Combination Tax and Revenue Certificates of Obligation	05/15/2018	32,310,000	3.000% - 5.000%	02/15/2038	28,280,000
2021 Combination Tax and Revenue Certificates of Obligation	09/02/2021	10,220,000	2.000% - 4.000%	02/15/2041	9,470,000
2022 Combination Tax and Revenue Certificates of Obligation	12/21/2022	13,510,000	4.000% - 5.000%	02/15/2042	13,510,000
					<u>\$ 58,860,000</u>
Business-type Activities:					
2015 Combination Tax and Revenue Certificates of Obligation	02/26/2015	\$ 9,720,000	3.000% - 4.500%	02/15/2035	\$ 6,540,000
					<u>\$ 65,400,000</u>
				Total certificates of obligation outstanding	<u>\$ 65,400,000</u>

Annual debt service requirements to maturity for certificates of obligation of the primary government are as follows:

Year Ending September 30,	Governmental Activities			Business-type Activities		
	Principal	Interest	Total Requirements	Principal	Interest	Total Requirements
2024	\$ 3,165,000	\$ 2,104,263	\$ 5,269,263	\$ 440,000	\$ 219,944	\$ 659,944
2025	3,120,000	1,961,513	5,081,513	460,000	206,444	666,444
2026	3,290,000	1,815,175	5,105,175	460,000	191,494	651,494
2027	3,440,000	1,661,013	5,101,013	460,000	174,244	634,244
2028	3,585,000	1,501,888	5,086,888	500,000	155,044	655,044
2029 - 2033	18,995,000	5,457,416	24,452,416	2,975,000	442,275	3,417,275
2034 - 2038	19,405,000	2,115,216	21,520,216	1,245,000	38,984	1,283,984
2039 - 2042	3,860,000	218,300	4,078,300	-	-	-
Total	<u>\$ 58,860,000</u>	<u>\$ 16,834,784</u>	<u>\$ 75,694,784</u>	<u>\$ 6,540,000</u>	<u>\$ 1,428,429</u>	<u>\$ 7,968,429</u>

City of Grapevine, Texas
Notes to the Financial Statements
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Contractual Obligations

The City has issued contractual obligations to finance the acquisition of certain capital equipment. These obligations are issued pursuant to the Constitution of the State of Texas, including particularly Subchapter A of Chapter 271, Texas Local Government Code (the Public Property Finance Act), and constitute direct obligations of the City of Grapevine, Texas, payable from a continuing ad valorem tax levied on all taxable property within the City.

The City had the following Public Property Finance (“PPF”) contractual obligations outstanding as of September 30, 2023:

Contractual Obligations	Sale Date	Original Borrowing	Interest Rates to Maturity	Final Maturity	Outstanding
Governmental activities:					
2015 Public Property Finance Contractual Obligations	12/30/2015	\$ 3,070,000	4.000%	2/15/2026	\$ 215,000
2018 Public Property Finance Contractual Obligations	3/6/2018	2,500,000	3.950%	3/01/2028	1,369,961
Total contractual obligations outstanding					<u>\$ 1,584,961</u>

Contractual obligation debt service requirements to maturity are as follows:

Year Ending September 30,	Governmental Activities			Governmental Activities		
	Principal	Publicly Sold Interest	Total Requirements	Principal	Private Placement Interest	Total Requirements
2024	\$ 70,000	\$ 7,200	\$ 77,200	\$ 253,185	\$ 54,113	\$ 307,298
2025	70,000	4,400	74,400	263,186	44,113	307,299
2026	75,000	1,500	76,500	273,582	33,717	307,299
2026	-	-	-	284,388	22,910	307,298
2028	-	-	-	295,620	11,677	307,297
Total	<u>\$ 215,000</u>	<u>\$ 13,100</u>	<u>\$ 228,100</u>	<u>\$ 1,369,961</u>	<u>\$ 166,530</u>	<u>\$ 1,536,491</u>

Revenue Bonds

On May 15, 2018, the City issued Sales Tax Revenue Refunding Bonds, Series 2018, to refund the existing Sales Tax Revenue Bonds, Series 2014. The Sales Tax Revenue Refunding Bonds, Series 2018, were issued by the Grapevine 4B Economic Development Corporation, a blended component unit of the City, pursuant to Chapters 501, 502, and 505, Texas Local Government Code. These bonds are special obligations of the City, payable from a secured lien on and pledge of certain pledged revenues which include the proceeds of ¼ of the ½ cent sales and use tax levied within the City for the benefit of the Grapevine 4B Economic Development Corporation.

As of September 30, 2023, the remaining balances for principal and interest on the debt are \$12,555,000 and \$2,825,253, respectively. Annual debt service requirements through February 15, 2034, do not exceed \$1,500,000 per year. Sales tax revenue collections in the 4B-Economic Development Fund were \$5,874,104.

The following is a summary of pledged revenues of the 4B-Economic Development Fund for the year ended September 30, 2023:

Revenue Pledged	Total Pledged Revenue	Current Year Debt Service Payments	Percentage Portion of Pledged Revenue Stream	Remaining Principal and Interest	Period Revenue will not be Available for Other Purposes
.25% Sales and Use Tax	\$ 5,874,104	\$ 1,401,444	24%	\$ 12,555,000	Until 2034

City of Grapevine, Texas
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A reserve fund is required to be maintained as security for the payment of the sales tax revenue refunding bonds. The reserve fund is required to be funded in an amount equal to the maximum annual principal and interest required for the bonds. The reserve is currently funded at \$1,516,338, which meets the reserve requirements.

On June 6, 2000, the City issued Combination Tax and Tax Increment Revenue Certificates of Obligation, Series 2000. These bonds were subsequently refunded with Combination Tax and Tax Increment Reinvestment Zone Revenue Refunding Bonds, Series 2005A, and with Combination Tax and Tax Increment Reinvestment Zone Revenue Refunding Bonds, Series 2015A.

The Combination Tax and Tax Increment Reinvestment Zone #2 Revenue Refunding Bonds, Series 2015A, were issued pursuant to the Constitution and the general laws of the State of Texas, including particularly, Chapter 1207, Texas Government Code and Section 9.26 of the City's Home Rule Charter, and are direct obligations of the City, payable from a combination of the levy and collection of a continuing ad valorem tax levied on all taxable property within the City and a subordinate lien on an pledge of the tax increments deposited in the tax increment fund established for TIF #2.

As of September 30, 2023, the remaining principal and interest on the bonds was \$6,490,000 and \$426,900, respectively. Principal and interest payments for the fiscal year were \$1,990,000 and \$305,350. Tax increment revenues for TIF #2 for the current year were \$5,192,570. The outstanding revenue bonds have a final maturity of August 15, 2026.

A summary of the terms of the revenue bonds outstanding for the governmental activities as of September 30, 2023, is as follows:

Certificates of Obligation	Sale Date	Original Borrowing	Interest Rates to Maturity	Final Maturity	Outstanding
Governmental activities:					
2015 A Combination Tax and TIRZ #2 Revenue Refunding Bonds	02/26/2015	\$ 20,565,000	3.000% - 3.500%	08/15/2026	\$ 6,490,000
2018 Sales Tax Revenue Refunding Bonds	05/15/2018	16,930,000	3.000% - 4.000%	02/15/2034	12,555,000
				Total revenue bonds outstanding	<u>\$ 19,045,000</u>

Annual debt service requirements for the revenue bonds are as follows:

Year Ending September 30,	Governmental Activities		Total Requirements
	Publicly Sold		
	Principal	Interest	
2024	\$ 3,050,000	\$ 649,019	\$ 3,699,019
2025	3,150,000	556,453	3,706,453
2026	3,245,000	459,619	3,704,619
2027	1,050,000	348,013	1,398,013
2028	1,085,000	311,963	1,396,963
2029 - 2033	6,095,000	899,688	6,994,688
2034	1,370,000	27,400	1,397,400
Total	<u>\$ 19,045,000</u>	<u>\$ 3,252,155</u>	<u>\$ 22,297,155</u>

City of Grapevine, Texas
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The following is a summary of long-term liability transactions, excluding net pension liabilities and other postemployment benefit obligations, of the City for the year ended September 30, 2023:

	<u>Beginning Balance *</u>	<u>Increases</u>	<u>Reductions</u>	<u>Ending Balance</u>	<u>Due Within One Year</u>
Governmental Activities					
General obligation bonds	\$ 74,180,000	\$ -	\$ (6,485,000)	\$ 67,695,000	\$ 5,710,000
Certificates of obligation	47,480,000	13,510,000	(2,130,000)	58,860,000	3,165,000
Contractual obligations	760,000	-	(545,000)	215,000	70,000
Contractual obligations – private placement	1,613,526	-	(243,565)	1,369,961	253,185
Revenue bonds	21,965,000	-	(2,920,000)	19,045,000	3,050,000
Premium on bond issues	5,032,067	768,741	(634,763)	5,166,045	-
Discount on bond issues	(26,956)	-	2,450	(24,506)	-
Lease liabilities	166,903	-	(36,907)	129,996	36,868
Subscription liabilities	918,355	-	(710,772)	207,583	162,983
Total bonds, notes payable, lease and subscription liabilities	<u>152,088,895</u>	<u>14,278,741</u>	<u>(13,703,557)</u>	<u>152,664,079</u>	<u>12,448,036</u>
Compensated absences	4,531,419	3,241,909	(2,981,261)	4,792,067	1,198,017
Total governmental activities long-term liabilities	<u>\$ 156,620,314</u>	<u>\$ 17,520,650</u>	<u>\$ (16,684,818)</u>	<u>\$ 157,456,146</u>	<u>\$ 13,646,053</u>

* Beginning Balance amounts have been restated for GASB 96, *Subscription-Based Information Technology Arrangements*

The liability for compensated absences and the pension and OPEB-related liabilities are paid from the General Fund, Crime District Fund, and enterprise funds based on the assignment of an employee at termination.

	<u>Beginning Balance</u>	<u>Increases</u>	<u>Reductions</u>	<u>Ending Balance</u>	<u>Due Within One Year</u>
Business-type Activities:					
Water and sewer obligations:					
Certificates of obligation	\$ 6,970,000	\$ -	\$ (430,000)	\$ 6,540,000	\$ 440,000
Premium on bond issues	244,353	-	(35,954)	208,399	-
Lease liabilities	12,461	55,066	(16,972)	50,555	18,439
Total bonds payable and lease liabilities	<u>7,226,814</u>	<u>55,066</u>	<u>(482,926)</u>	<u>6,798,954</u>	<u>458,439</u>
Compensated absences	255,045	209,241	(177,235)	287,051	71,763
Total business-type activities long-term liabilities	<u>\$ 7,481,859</u>	<u>\$ 264,307</u>	<u>\$ (660,161)</u>	<u>\$ 7,086,005</u>	<u>\$ 530,202</u>

Note 11: Defined Benefit Pension Plan

Plan Description

The City of Grapevine participates as one of over 920 plans in the defined benefit cash-balance plan administered by the Texas Municipal Retirement System (TMRS). TMRS is a statewide public retirement plan created by the State of Texas and administered in accordance with the TMRS Act, Subtitle G, Title 8, Texas Government Code (the TMRS Act) as an agent multiple-employer retirement system for employees of Texas participating cities. The TMRS Act places the general administration and management of TMRS with a six-member, Governor-appointed Board of Trustees; however, TMRS is not fiscally dependent on the State of Texas. TMRS issues a publicly available Annual Comprehensive Financial Report (Annual Report) that can be obtained at tmrs.com.

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

Benefits Provided

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

At retirement, the benefit is calculated based on the sum of the Member’s contributions, with interest, and the City-financed monetary credits with interest. The retiring Member may select one of seven monthly benefit payment options. Members may also choose to receive a portion of their benefit as a lump sum distribution in an amount equal to 12, 24, or 36 monthly payments, which cannot exceed 75% of the total Member contributions and interest.

Starting in 2005, the City of Grapevine granted an annually repeating (automatic) basis monetary credit referred to as an updated service credit (USC) which is a theoretical amount which considers salary increases or plan improvements. If at any time during their career an employee earns a USC, this amount remains in their account earning interest until retirement. At retirement, the benefit is calculated as if the sum of the employee’s accumulated contributions with interest and the employer match plus employer-financed monetary credits, such as USC, with interest were used to purchase an annuity. Additionally, initiated in 1998, the City of Grapevine provided on an annually repeating (automatic) basis cost of living adjustments (COLA) for retirees equal to a percentage of the change in the consumer price index (CPI).

The plan provisions are adopted by the governing body of the City, within the options available in the state statutes governing TMRS. Plan provisions for the City were as follows:

Employee deposit rate	7%
Matching ratio (City to employee)	2 to 1
Years required for vesting	5
Service retirement eligibility	20 years to any age, or 5 years at age 60 and above
Updated service credit	100% repeating, transfers
Annuity increase to retirees	70% of CPI, repeating

City of Grapevine, Texas
Notes to the Financial Statements
September 30, 2023

Employees Covered by Benefit Terms

At the December 31, 2022, valuation and measurement date, the following employees were covered by the benefit terms:

Inactive employees or beneficiaries currently receiving benefits	505
Inactive employees entitled to but not yet receiving benefits	347
Active employees	<u>582</u>
 Total	 <u><u>1,434</u></u>

Contributions

Member contribution rates in TMRS are either 5%, 6%, or 7% of the Member's total compensation, and the City matching percentages are either 100%, 150%, or 200%, both as adopted by the governing body of the City. Under the state law governing TMRS, the contributions rate for each City is determined annually by the actuary, using the Entry Age Normal (EAN) actuarial cost method. The City's contribution rate is based on the liabilities created from the benefit plan options selected by the City and any changes in benefits or actual experience over time.

Employees for the City of Grapevine were required to contribute 7% of their annual gross earnings during the fiscal year. The contribution rate for the City of Grapevine were 18.98% and 18.54% in calendar years 2023 and 2022, respectively. The City's contributions to TMRS for the year ended September 30, 2023, were \$10,061,230 and were equal to the required contributions.

Net Pension Liability

The City's Net Pension Liability (NPL) was measured as of December 31, 2022, and the Total Pension Liability (TPL) used to calculate the Net Pension Liability was determined by an actuarial valuation as of that date.

Actuarial Assumptions:

The total pension liability in the December 31, 2022, actuarial valuation was determined using the following actuarial assumptions:

Inflation	2.50% per year
Overall payroll growth	2.75% per year
Investment Rate of Return	6.75%, net of pension plan investment expense, including inflation

City of Grapevine, Texas
Notes to the Financial Statements
September 30, 2023

Salary increases were based on a service-related table. Mortality rates for active members are based on the PUB(10) mortality tables with the Public Safety table used for males and the General Employee table used for females. Mortality rates for healthy retirees and beneficiaries are based on the Gender-distinct 2019 Municipal Retirees of Texas mortality tables. The rates for actives, healthy retirees and beneficiaries are projected on a fully generational basis by Scale UMP to account for future mortality improvements. For disabled annuitants, the same mortality tables for healthy retirees are used with a 4-year set forward for males and a 3-year set-forward for females. In addition, a 3.5% and 3.0% minimum mortality rate is applied, for males and females respectively, to reflect the impairment for younger members who become disabled. The rates are projected on a fully generational basis by Scale UMP to account for future mortality improvements subject to the floor.

The actuarial assumptions were developed primarily from the actuarial investigation of the experience of TMRS over the four-year period from December 31, 2014, to December 31, 2018. They were adopted in 2019 and first used in the December 31, 2019, actuarial valuation. The post-retirement mortality assumption for Annuity Purchase Rate (APRs) is based on the Mortality Experience Investigation Study covering 2009 through 2011 and dated December 31, 2013. Plan assets are managed on a total return basis with an emphasis on both capital appreciation as well as the production of income to satisfy the short-term and long-term funding needs of TMRS.

The long-term expected rate of return on pension plan investments was determined using a building-block method in which best estimate ranges of expected future real rates of return (expected returns, net of pension plan investment expenses and inflation) are developed for each major asset class. These ranges are combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and by adding expected inflation. The target allocation and best estimates of real rates return for each major asset class in fiscal year 2023 are summarized in the following table:

Asset Class	Target Allocation	Long-Term Expected Real Rate of Return (Arithmetic)
Global Equity	35%	7.70%
Core Fixed Income	6%	4.90%
Non-Core Fixed Income	20%	8.70%
Other Public and Private Markets	12%	8.10%
Real Estate	12%	5.80%
Hedge Funds	5%	6.90%
Private Equity	10%	11.80%
Total	<u>100%</u>	

Discount Rate

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

City of Grapevine, Texas
Notes to the Financial Statements
September 30, 2023

Changes in the Net Pension Liability

	Increase (Decrease)		
	Total Pension Liability (a)	Plan Fiduciary Net Position (b)	Net Pension Liability (a) – (b)
Balance at October 1, 2022	\$ 338,987,364	\$ 322,305,979	\$ 16,681,385
Changes for the year:			
Service cost	9,423,807	-	9,423,807
Interest	22,689,707	-	22,689,707
Difference between expected and actual experience	4,715,818	-	4,715,818
Contributions - employer	-	9,263,911	(9,263,911)
Contributions - employee	-	3,497,669	(3,497,669)
Net investment income	-	(23,532,837)	23,532,837
Benefit payments, including refunds of employee contributions	(15,110,921)	(15,110,921)	-
Administrative expense	-	(203,590)	203,590
Other changes	-	242,944	(242,944)
Net changes	21,718,411	(25,842,824)	47,561,235
Balance at September 30, 2023	\$ 360,705,775	\$ 296,463,155	\$ 64,242,620

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

	1% Decrease in Discount Rate (5.75%)	Current Single Discount Rate Assumption (6.75%)	1% Increase in Discount Rate (7.75%)
City's net pension liability	113,293,430	64,242,620	23,802,745

Pension Plan Fiduciary Net Position

Detailed information about the pension plan's Fiduciary Net Position is available in the Schedule of Changes in Fiduciary Net Position, by Participating City. That report may be obtained at tmrs.com.

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

For the year ended September 30, 2023, the City recognized pension expense of \$14,075,081, which is allocated to the governmental and business-type activities in the amounts of \$12,841,142 and \$1,233,939, respectively on the basis of covered payroll.

City of Grapevine, Texas
Notes to the Financial Statements
September 30, 2023

As of September 30, 2023, the City reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>
Differences between expected and actual economic experience	\$ 5,737,758	\$ 464,812
Changes in actuarial assumptions	26,725	-
Difference between projected and actual investment earnings	20,489,608	-
Contributions subsequent to the measurement date	<u>7,549,482</u>	<u>-</u>
Total	<u>\$ 33,803,573</u>	<u>\$ 464,812</u>

\$7,549,482 reported as deferred outflows of resources related to pensions resulting from contributions subsequent to the measurement date will be recognized as a reduction of the Net Pension Liability for the year ending September 30, 2024. Other amounts reported as deferred outflows and inflows of resources related to pensions will be recognized in pension expense as follows:

2024	\$ 2,714,549
2025	6,738,110
2026	6,970,412
2027	<u>9,366,208</u>
Total	<u>\$ 25,789,279</u>

Note 12: Other Postemployment Benefit (OPEB) Plan

Plan Description

The City offers retired employees and their dependents the option to retain health and dental insurance coverage under the City’s plan through a single employer defined benefit OPEB plan administered by the City of Grapevine Post-Retirement Health Care Plan Trust. Public Agency Retirement Services (PARS) is the Trust Administrator. The governing body of the Trust is composed of a coalition of member public agencies. Each member public agency appoints its individual plan administrator to serve as a member of the governing body. Certain provisions of the Trust may be changed by a two-thirds vote of the members of the governing body. A more detailed description of the plan is as follows:

Eligibility

The benefit is available to retirees and their spouses.

An employee must resign and satisfy the requirements for service retirement under TMRS with 20 years of full-time service with the City or 5 years of service with the City for age 60 and above. City Council members that serve three terms will be classified as retired employees when they leave office.

Retirees pay premiums for coverage in the OPEB programs. There is not a maximum employer paid premium amount (capped benefit). Active employees do not contribute to the retiree health care plan. Retirees are eligible for benefits immediately upon retirement. If the employee returns to work for an employer that offers health coverage, they become ineligible for the City’s plan and cannot rejoin the City’s health plan at a later date.

Benefits Provided

Retirees are eligible for medical, dental, vision, and prescription insurance until they become Medicare eligible. Retirees are also eligible for a \$20,000 life insurance policy. Once Medicare eligible, retirees are eligible for dental, vision, and life insurance only. At that time, the City medical plan will no longer be available. The City supplements 70% of the premium to all retirees who either (1) retire after the age of 65 or (2) are covered pre-Medicare in the retiree medical program. Spouses of retirees will receive the City supplement if they have been on the plan for one year prior to retirement.

If an active employee passes away, the spouse and dependents will become eligible for retiree coverage if (1) the employee was eligible for retirement as defined by the Texas Municipal Retirement System; and (2) the employee had dependent coverage at the time of death. Coverage will continue under the plan if monthly retiree premiums are paid by the specified due date, until dependents are no longer considered eligible dependents as defined by the plan, until the covered dependent becomes Medicare eligible, or until a surviving spouse remarries.

For the fiscal year ended September 30, 2023, the City’s contributions to the plan were \$2,223,797, which was equal to benefit payments.

The number of employees currently covered by the benefit terms is as follows:

Inactive employees or beneficiaries currently receiving benefits	267
Active members	584
Total	851

Actuarial Methods and Assumptions

Significant methods and assumptions were as follows:

Actuarial Valuation Date	12/31/2022
Actuarial Cost Method	Individual Entry Age Normal
Discount Rate	4.07% as of December 31, 2022 (1.87% in prior year)
Inflation Rate	2.50%
Salary Increases	3.50% to 11.50%, including inflation
Demographic Assumptions	Based on the experience study covering the four-year period ending December 31, 2018 as conducted for the Texas Municipal Retirement System (TMRS)
Mortality	For healthy retirees, the gender-distinct 2019 Municipal Retirees of Texas mortality tables are used. The rates are projected on a fully generational basis using the ultimate mortality improvement rates in the MP tables to account for future mortality improvements.
Participation Rates	For health care coverage: 85% for retirees who are at least 50 years old at retirement and 65% for retirees who are younger than 50 years old at retirement; For life insurance: 85% regardless of age at retirement
Health care cost trend rates	Pre-65 Medical: Initial rate of 7.00% declining to an ultimate rate of 4.25% after 15 years; Post-65 Medical Subsidy: Increases with inflation; Dental: 4.00%; Vision: 3.00%
Notes:	The Single Discount Rate changed from 1.87% as of December 31, 2021 to 4.07% as of December 31, 2022. The healthcare trend assumption was updated based on the plan's anticipated experience.

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

There is no separately issued audited benefit plan report available for the City's OPEB plan.

Discount Rate

A single discount rate of 4.07% was used to measure the total OPEB liability. This single discount rate was based on the municipal bond rates (4.05%) as of the measurement date. The source of the municipal bond rate was fixed-income municipal bonds with 20 years to maturity that include only federally tax-exempt municipal bonds as reported in Fidelity Index's "20-year Municipal GO AA Index" based on the daily rate closest to but not later than the measurement date, along with the expected rate of return on OPEB plan investments of 6.25% resulting in the single discount rate of 4.07%.

For the purpose of this valuation, the expected rate of return on OPEB plan investments is 6.25%.

City of Grapevine, Texas
Notes to the Financial Statements
September 30, 2023

Discount Rate Sensitivity Analysis

The following schedule shows the impact of the net OPEB liability if the discount rate used was 1% less than and 1% greater than the discount rate that was used (4.07%) in measuring the net OPEB liability.

	<u>1% Decrease in Discount Rate (3.07%)</u>	<u>Discount Rate (4.07%)</u>	<u>1% Increase in Discount Rate (5.07%)</u>
City's net OPEB liability	\$ 85,049,069	\$ 74,940,975	\$ 66,474,041

Healthcare Cost Trend Rate Sensitivity Analysis

The following schedule shows the impact of the net OPEB liability if the Healthcare Cost Trend Rate used was 1% less than and 1% greater than what was used in measuring the Net OPEB liability.

	<u>1% Decrease</u>	<u>Current Healthcare Cost Trend Rate Assumption</u>	<u>1% Increase</u>
City's net OPEB liability	\$ 65,205,485	\$ 74,940,975	\$ 87,043,821

OPEB Liabilities, OPEB Expense, and Deferred Outflows and Inflows of Resources Related to OPEBs

As of September 30, 2023, the City reported a liability of \$74,940,975 for its net OPEB liability. The net OPEB liability was determined by an actuarial valuation as of December 31, 2022, and a measurement date of December 31, 2022. For the year ended September 30, 2023, the City recognized OPEB expense of \$5,548,084, which is allocated to governmental and business-type activities in the amounts of \$4,989,555 and \$558,529, respectively on the basis of covered payroll. There were no changes of benefit terms that affected measurement of the net OPEB liability during the measurement period.

	<u>Total OPEB Liability (a)</u>	<u>Increase (Decrease)</u>	
		<u>Plan Fiduciary Net Position (b)</u>	<u>Net OPEB Liability (a) - (b)</u>
Balance at October 1, 2022	\$ 98,514,235	\$ 2,822,259	\$ 95,691,976
Changes for the year:			
Service cost	6,237,623	-	6,237,623
Interest	1,879,745	-	1,879,745
Difference between expected and actual experience	(4,896,186)	-	(4,896,186)
Changes of assumptions	(22,180,893)	-	(22,180,893)
Contributions – employer	-	2,223,797	(2,223,797)
Net investment income	-	(417,682)	417,682
Benefit payments	(2,223,797)	(2,223,797)	-
Administrative expense	-	(14,825)	14,825
Net changes	<u>(21,183,508)</u>	<u>(432,507)</u>	<u>(20,751,001)</u>
Balance at September 30, 2023	<u>\$ 77,330,727</u>	<u>\$ 2,389,752</u>	<u>\$ 74,940,975</u>

City of Grapevine, Texas
Notes to the Financial Statements
September 30, 2023

Changes in assumptions and other inputs reflect a change in the discount rate from 1.87% to 4.07%. As of September 30, 2023, the City reported deferred outflows of resources and deferred inflows of resources related to OPEB from the following sources:

	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>
Differences between expected and actual economic experience	\$ 37,034	\$ 6,985,467
Changes in actuarial assumptions	11,545,334	21,595,204
Difference between projected and actual investment earnings	297,230	-
Contributions subsequent to the measurement date	<u>1,841,648</u>	<u>-</u>
Total	<u>\$ 13,721,246</u>	<u>\$ 28,580,671</u>

\$1,841,648 reported as deferred outflows of resources related to OPEB resulting from contributions subsequent to the measurement date are due to benefit payments the City paid with its own assets and will be recognized as a reduction of the net OPEB liability for the year ending September 30, 2024.

Other amounts of the reported as deferred outflows and inflows of resources related to OPEB will be recognized in OPEB expense as follows:

2024	\$ (2,441,606)
2025	(2,885,385)
2026	(2,027,803)
2027	(2,325,589)
2028	(3,459,221)
Thereafter	<u>(3,561,469)</u>
Total	<u>\$ (16,701,073)</u>

Note 13: 457(b) Retirement Plans

The City offers all employees an opportunity to participate in two deferred compensation plans that have been established in accordance with Internal Revenue Code Section 457. These plans are 457(b) plans, and one is administered by Mission Square, and one is administered by Nationwide. The Plans provisions and contribution requirements are established and may be amended by plan administrator. Vantage Trust Company is the trustee of the Mission Square plan and Nationwide is the trustee of its plan. Employees may enroll in the plans and/or change their contribution amounts at any time. The City does not contribute to either plan.

Note 14: Commitments and Contingencies

The City is a defendant in several pending lawsuits. City management estimates, based on the advice of legal counsel, that the potential claims against the City, in excess of insurance coverage, would not materially affect the basic financial statements of the City.

The City participates in several federal and state grant programs. These programs are subject to program compliance audits by the grantors or their representatives. Any liability that may arise as the result of these audits is not believed to be estimable or probable.

Note 15: Tax Abatements

The City enters into economic development agreements designed to promote development and redevelopment within the City, spur economic improvement, stimulate commercial activity, generate additional sales tax, and enhance the property tax base and economic vitality of the City. The City's economic development agreements are authorized under Chapter 380 of the Texas Local Government Code, Chapter 311 (Tax Increment Financing Act) and Chapter 312 (Property Redevelopment and Tax Abatement) of the Texas Tax Code. The economic development agreements are designed to support the creation of new businesses, the expansion and retention of existing businesses within the City, and the attraction of companies that offer high impact jobs and share the community's values. Recipients may be eligible to receive economic assistance based on the employment, economic or community impact of the project requesting assistance. Recipients generally commit to building or remodeling real property and related infrastructure, redeveloping properties, expanding operations, or bringing targeted business to the City. Agreements generally contain recapture provisions which may require repayment or termination if recipients do not meet the required provisions of the economic incentives.

The City has the following categories of economic development agreements:

General Economic Development

The City enters into various agreements under Chapter 380 of the Texas Local Government Code to stimulate economic development. Agreements may rebate a flat amount, or a percentage of hotel occupancy taxes or sales taxes received by the City, may result in fee reductions such as utility charges or building inspection or permit fees, or make lump sum payments to offset moving expenses, tenant finish-outs, demolition costs, infrastructure reimbursements, redevelopment costs, or other expenses. For fiscal year 2023, the City rebated \$6,172,811 in taxes and made incentive payments of \$1,033,170 under these agreements.

Tax Increment Financing

The City has adopted two Tax Increment Financing zones ("TIFs") under Chapter 311 of the Texas Tax Code. The City enters into economic development and infrastructure reimbursement agreements which earmark TIF revenues for payment to developers and represent obligations over the life of the TIF or until the terms of the agreements have been met. Additionally, the City enters into general economic development agreements under Chapter 380 of the Texas Local Government Code, which are funded with TIF resources. The City made \$1,910,249 in payments for TIF obligations.

Note 16: Risk Management

The City purchases a fully insured program for property and casualty insurance coverage through Travelers Insurance and workers' compensation coverage through Texas Municipal League. The City is insured at the following limits:

Policy	Limits	Deductible
General liability	1,000,000 per occurrence/\$2,000,000 aggregate	\$10,000
Automobile liability	1,000,000 per occurrence	-
Automobile physical damage	Actual cash value	\$5,000
Excess liability	10,000,000 per occurrence/\$10,000,000 aggregate	\$10,000
Property	\$254,812,303	varies by peril
Workers' compensation	Statutory/employers' liability	\$1,000,000

Risk Management oversees the City's self-insured employee health plan and retiree health plans. UMR is the third-party administrator for the employee and pre-65 retiree health plans. Claims and other plan administration services are performed by UMR. All participating funds make payments to the General Fund for their portion of property and casualty and health plan cost.

Financial responsibility in a self-insured funding arrangement is on the City, the risk of losses exceeding an affordable threshold is transferred to an insurance company through the purchase of stop-loss insurance with Stealth Partner Group. Stop-loss insurance protects the City from plan claims costs exceeding a specified deductible during the plan year.

There were no reductions in insurance coverage from the prior year. Settlements have not exceeded insurance coverage during any of the past three fiscal years.

Specific Excess Loss Insurance

The City has specific excess loss insurance to cover specific claims incurred by plan participants. The City has a \$250,000 specific deductible for each medical plan member. The specific benefit period reimbursement maximum under this coverage is unlimited per covered person.

Aggregate Excess Loss Insurance

The City also has coverage for aggregate claims incurred under the self-insured health plan. Under this coverage, aggregate claims in excess of an estimate annual aggregate attachment point of \$11,625,146 would be covered up to an aggregate benefit period reimbursement maximum of \$1,000,000.

City of Grapevine, Texas
Notes to the Financial Statements
September 30, 2023

The City establishes the insurance claim liability based on estimates of the ultimate cost of claims reported but unsettled and of claims incurred but not reported. Any claims incurred and not reported are not believed to be significant to the City's financial statements. Activity for the last two years is as follows:

	<u>2023</u>	<u>2022</u>
Claims payable, beginning of year	\$ 943,954	\$ 700,263
Current year claims and changes in estimates	10,055,893	9,504,179
Payments on claims	<u>(9,693,511)</u>	<u>(9,260,488)</u>
Claims payable at end of year	<u>\$ 1,306,336</u>	<u>\$ 943,954</u>

Note 17: Impact Fees

The City records impact fees received in excess of the cost of physical connection to the water and sewer system as revenues. Corresponding cash is recorded as a restricted asset for future expansion of the water and sewer system.

Note 18: Water and Sewer Contracts

The City has separate contracts with the Trinity River Authority of Texas ("TRA") for the purchase of treated water and for the transportation, treatment, and disposal of wastewater. The contracts require the City to pay varying amounts based on the costs associated with water purchased and wastewater transported and/or treated and disposed. The costs include the City's proportionate share of TRA's operating and maintenance expenses, related debt service costs, plus certain other miscellaneous charges. The City also purchases water from the City of Dallas-Water Utilities and Dallas County Park Cities Municipal Utilities District. Payments during 2023 for the purchase of treated water were \$12,471,209 and payments made for the transportation, treatment, and disposal of wastewater by TRA were \$2,996,455.

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Required Supplementary Information

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City of Grapevine, Texas
General Fund Budgetary Comparison Schedule
For the Year Ended September 30, 2023

	<u>Budgeted Amounts</u>			Variance with Final Budget - Increase (Decrease)
	<u>Original</u>	<u>Final</u>	<u>Actual</u>	
Revenues				
Property taxes	\$ 14,630,519	\$ 14,630,519	\$ 14,683,291	\$ 52,772
Sales taxes	33,400,000	33,400,000	39,559,646	6,159,646
Mixed beverage taxes	2,157,000	2,157,000	2,701,727	544,727
Franchise taxes	6,025,000	6,025,000	6,708,128	683,128
Licenses and permits	1,609,746	1,609,746	1,654,907	45,161
Intergovernmental	344,094	344,094	244,108	(99,986)
Charges for services	6,585,250	6,585,250	8,137,520	1,552,270
Fines and forfeitures	1,018,300	1,018,300	1,310,990	292,690
Investment income	-	-	678,823	678,823
Contributions	-	-	43,483	43,483
Miscellaneous	194,600	194,600	243,695	49,095
Total revenues	<u>65,964,509</u>	<u>65,964,509</u>	<u>75,966,318</u>	<u>10,001,809</u>
Current:				
Current:				
General government	26,318,098	26,318,098	19,976,236	6,341,862
Public safety	18,888,644	18,888,644	20,013,384	(1,124,740)
Culture and recreation	12,947,228	12,947,228	15,399,718	(2,452,490)
Public works	10,314,904	10,314,904	9,938,375	376,529
Transportation	1,596,359	-	1,045,995	(1,045,995)
Capital outlay	149,500	-	629,004	(629,004)
Debt service:				
Principal	-	-	322,457	(322,457)
Interest	-	-	5,911	(5,911)
Total expenditures	<u>70,214,733</u>	<u>68,468,874</u>	<u>67,331,080</u>	<u>1,137,794</u>
Excess (Deficiency) of Revenue Over (Under) Expenditures	<u>(4,250,224)</u>	<u>(2,504,365)</u>	<u>8,635,238</u>	<u>11,139,603</u>
Other Financing Sources (Uses)				
Transfers in	3,870,724	3,870,724	5,624,881	1,754,157
Transfers out	(6,159,575)	(6,159,575)	(13,259,575)	(7,100,000)
Sale of capital assets	100,000	100,000	315,053	215,053
Insurance recoveries	130,000	130,000	133,504	3,504
Total other financing sources (uses)	<u>(2,058,851)</u>	<u>(2,058,851)</u>	<u>(7,186,137)</u>	<u>(5,127,286)</u>
Net Change in Fund Balances	<u>(6,309,075)</u>	<u>(4,563,216)</u>	<u>1,449,101</u>	<u>6,012,317</u>
Fund Balances, Beginning of Year	<u>14,627,407</u>	<u>14,627,407</u>	<u>14,627,407</u>	<u>-</u>
Fund Balances, Ending of Year	<u>\$ 8,318,332</u>	<u>\$ 10,064,191</u>	<u>\$ 16,076,508</u>	<u>\$ 6,012,317</u>

City of Grapevine, Texas
Hotel Occupancy Tax Fund Budgetary Comparison Schedule
For the Year Ended September 30, 2023

	<u>Budgeted Amounts</u>			Variance with Final Budget - Increase (Decrease)
	Original	Final	Actual	
Revenues				
Taxes	\$ 17,986,001	\$ 17,986,001	\$ 23,964,995	\$ 5,978,994
Charges for services	7,974,000	7,974,000	10,011,549	2,037,549
Investment income	14,000	14,000	1,129,273	1,115,273
Miscellaneous	389,086	389,086	14,843	(374,243)
Total revenues	<u>26,363,087</u>	<u>26,363,087</u>	<u>35,120,660</u>	<u>8,757,573</u>
Expenditures				
Current:				
Tourism	24,568,626	24,568,626	26,252,139	(1,683,513)
Capital outlay	-	-	66,674	(66,674)
Debt Service:				
Principal	-	-	146,614	(146,614)
Interest	-	-	5,731	(5,731)
Total expenditures	<u>24,568,626</u>	<u>24,568,626</u>	<u>26,471,158</u>	<u>(1,902,532)</u>
Excess of Revenue Over Expenditures	<u>1,794,461</u>	<u>1,794,461</u>	<u>8,649,502</u>	<u>6,855,041</u>
Other Financing Sources (Uses)				
Transfers in	464,762	464,762	328,388	(136,374)
Transfers out	(2,259,223)	(2,259,223)	(2,831,391)	(572,168)
Total other financing sources (uses)	<u>(1,794,461)</u>	<u>(1,794,461)</u>	<u>(2,503,003)</u>	<u>(708,542)</u>
Net Change in Fund Balances	-	-	6,146,499	6,146,499
Fund Balances, Beginning of Year	<u>25,863,863</u>	<u>25,863,863</u>	<u>25,863,863</u>	<u>-</u>
Fund Balances, Ending of Year	<u>\$ 25,863,863</u>	<u>\$ 25,863,863</u>	<u>\$ 32,010,362</u>	<u>\$ 6,146,499</u>

City of Grapevine, Texas
Crime District Fund Budgetary Comparison Schedule
For the Year Ended September 30, 2023

	<u>Budgeted Amounts</u>			Variance with Final Budget - Increase (Decrease)
	Original	Final	Actual	
Revenues				
Taxes	\$ 16,700,000	\$ 16,700,000	\$ 19,411,625	\$ 2,711,625
Intergovernmental	-	-	451,846	451,846
Fines and forfeitures	107,000	107,000	64,573	(42,427)
Investment income	35,000	35,000	421,875	386,875
Miscellaneous	11,400	11,400	33,316	21,916
Total revenues	16,853,400	16,853,400	20,383,235	3,529,835
Expenditures				
Current:				
Public safety	21,372,972	21,372,972	20,905,116	467,856
Capital outlay	-	-	51,189	(51,189)
Debt Service:				
Principal	-	-	278,607	(278,607)
Interest	-	-	5,005	(5,005)
Total expenditures	21,372,972	21,372,972	21,239,917	133,055
Excess (Deficiency) of Revenue Over (Under) Expenditures	(4,519,572)	(4,519,572)	(856,682)	3,662,890
Other Financing Sources (Uses)				
Transfers in	4,519,575	4,519,575	4,519,575	-
Total other financing sources (uses)	4,519,575	4,519,575	4,519,575	-
Net Change in Fund Balances	3	3	3,662,893	3,662,890
Fund Balances, Beginning of Year	2,885,392	2,885,392	2,885,392	-
Fund Balances, Ending of Year	\$ 2,885,395	\$ 2,885,395	\$ 6,548,285	\$ 3,662,890

City of Grapevine, Texas
4B Economic Development Fund Budgetary Comparison Schedule
For the Year Ended September 30, 2023

	<u>Budgeted Amounts</u>			Variance with Final Budget - Increase (Decrease)
	Original	Final	Actual	
Revenues				
Taxes	\$ 4,175,000	\$ 4,175,000	\$ 5,874,104	\$ 1,699,104
Investment income	10,000	10,000	489,911	479,911
Miscellaneous	-	-	64,854	64,854
Total revenues	4,185,000	4,185,000	6,428,869	2,243,869
Expenditures				
Current:				
Economic development	2,469,681	2,469,681	2,275,837	193,844
Total expenditures	2,469,681	2,469,681	2,275,837	193,844
Excess (Deficiency) of Revenue Other Financing Sources (Uses)	1,715,319	1,715,319	4,153,032	2,437,713
Other Financing Sources (Uses)				
Transfers out	(1,715,319)	(1,715,319)	(1,878,745)	(163,426)
Total other financing sources (uses)	(1,715,319)	(1,715,319)	(1,878,745)	(163,426)
Net Change in Fund Balances	-	-	2,274,287	2,274,287
Fund Balances, Beginning of Year	13,388,941	13,388,941	13,388,941	-
Fund Balances, Ending of Year	\$ 13,388,941	\$ 13,388,941	\$ 15,663,228	\$ 2,274,287

City of Grapevine, Texas
4B Transit Fund Budgetary Comparison Schedule
For the Year Ended September 30, 2023

	<u>Budgeted Amounts</u>			Variance with Final Budget - Increase (Decrease)
	<u>Original</u>	<u>Final</u>	<u>Actual</u>	
Revenues				
Sales taxes	\$ 12,525,000	\$ 12,525,000	\$ 13,892,702	\$ 1,367,702
Investment income	10,000	10,000	2,827	(7,173)
Total revenues	<u>12,535,000</u>	<u>12,535,000</u>	<u>13,895,529</u>	<u>1,360,529</u>
Expenditures				
Current:				
Transportation	<u>12,060,238</u>	<u>12,060,238</u>	<u>13,587,660</u>	<u>(1,527,422)</u>
Total expenditures	<u>12,060,238</u>	<u>12,060,238</u>	<u>13,587,660</u>	<u>(1,527,422)</u>
Excess (Deficiency) of Revenue Over (Under) Expenditures	<u>474,762</u>	<u>474,762</u>	<u>307,869</u>	<u>(166,893)</u>
Other Financing Sources (Uses)				
Transfers out	<u>(464,762)</u>	<u>(464,762)</u>	<u>(328,388)</u>	<u>136,374</u>
Total other financing sources (uses)	<u>(464,762)</u>	<u>(464,762)</u>	<u>(328,388)</u>	<u>136,374</u>
Net Change in Fund Balances	10,000	10,000	(20,519)	(30,519)
Fund Balances, Beginning of Year	<u>23,346</u>	<u>23,346</u>	<u>23,346</u>	<u>-</u>
Fund Balances, Ending of Year	<u>\$ 33,346</u>	<u>\$ 33,346</u>	<u>\$ 2,827</u>	<u>\$ (30,519)</u>

City of Grapevine, Texas
Schedule of Changes in Net Pension Liability and Related Ratios – TMRS (Unaudited)
September 30, 2023

Plan Year	2014	2015	2016	2017	2018	2019	2020	2021	2022
A. Total pension liability									
Service Cost	\$ 6,509,572	\$ 7,082,668	\$ 7,293,298	\$ 7,724,236	\$ 8,129,774	\$ 8,579,543	\$ 8,865,558	\$ 8,933,723	\$ 9,423,807
Interest (on the total pension liability)	15,338,396	16,144,617	16,410,412	17,301,746	18,265,311	19,238,959	20,359,202	21,349,425	22,689,707
Actuarial determined contribution	-	-	-	-	-	-	-	-	-
Difference between expected and actual experience	(1,847,827)	(1,393,602)	(1,109,085)	(772,200)	(1,201,653)	659,154	(1,320,295)	3,663,777	4,715,818
Changes of assumptions	-	(77,299)	-	-	-	207,921	-	-	-
Benefit payments, including refunds of employee contributions	(8,121,165)	(9,417,307)	(9,346,450)	(9,863,833)	(10,499,198)	(11,488,595)	(12,976,187)	(13,560,965)	(15,110,921)
Net change in total pension liability	11,878,976	12,339,077	13,248,175	14,389,949	14,694,234	17,196,982	14,928,278	20,385,960	21,718,411
Total pension liability - beginning	219,925,733	231,804,709	244,143,786	257,391,961	271,781,910	286,476,144	303,673,126	318,601,404	338,987,364
Total pension liability - ending (a)	\$ 231,804,709	\$ 244,143,786	\$ 257,391,961	\$ 271,781,910	\$ 286,476,144	\$ 303,673,126	\$ 318,601,404	\$ 338,987,364	\$ 360,705,775
B. Plan fiduciary net position									
Contributions - employer	\$ 6,975,288	\$ 7,547,081	\$ 7,526,300	\$ 7,958,051	\$ 8,375,515	\$ 8,626,976	\$ 8,775,571	\$ 9,012,183	\$ 9,263,911
Contributions - employee	2,683,406	2,769,765	2,764,119	2,922,684	3,093,341	3,250,584	3,315,113	3,355,499	3,497,669
Net investment income	10,365,590	284,606	13,104,905	28,801,972	(7,113,672)	35,749,292	20,280,650	37,344,139	(23,532,837)
Benefit payments, including refunds of employee contributions	(8,121,165)	(9,417,307)	(9,346,450)	(9,863,833)	(10,499,198)	(11,488,595)	(12,976,187)	(13,560,965)	(15,110,921)
Administrative expense	(108,213)	(173,344)	(147,973)	(149,230)	(137,452)	(201,910)	(131,176)	(172,710)	(203,590)
Other	(8,897)	(8,562)	(7,972)	(7,564)	(7,184)	(6,064)	(5,118)	1,183	242,944
Net change in plan fiduciary net position	11,686,009	1,002,239	13,892,929	29,662,080	(6,288,650)	35,930,283	19,258,853	35,979,329	(25,842,824)
Plan fiduciary net position - beginning	181,182,907	192,868,916	193,871,155	207,764,084	237,426,164	231,137,514	267,067,797	286,326,650	322,305,979
Plan fiduciary net position - ending (b)	192,868,916	193,871,155	207,764,084	237,426,164	231,137,514	267,067,797	286,326,650	322,305,979	296,463,155
C. Net pension liability - ending (a) - (b)	\$ 38,935,793	\$ 50,272,631	\$ 49,627,877	\$ 34,355,746	\$ 55,338,630	\$ 36,605,329	\$ 32,274,754	\$ 16,681,385	\$ 64,242,620
D. Plan fiduciary net position as a percentage of total pension	83.20%	79.41%	80.72%	87.36%	80.68%	87.95%	89.87%	95.08%	82.19%
E. Covered payroll	\$ 36,690,944	\$ 39,260,910	\$ 39,444,551	\$ 41,752,627	\$ 44,087,711	\$ 46,426,097	\$ 47,358,751	\$ 47,722,880	\$ 49,967,164
F. Net pension liability as a percentage of covered payroll	106.12%	128.05%	125.82%	82.28%	125.52%	78.85%	68.15%	34.95%	128.57%

Note: GASB Statement No. 68 requires 10 years of data to be provided in this schedule. As of December 31, 2022 (measurement date), only 9 years are included and additional years will be added in the future as the information becomes available.

**City of Grapevine, Texas
Schedule of Contributions - TMRS (Unaudited)
September 30, 2023**

Fiscal Year	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023
Actuarial determined contribution	\$ 6,911,778	\$ 7,193,830	\$ 7,395,291	\$ 7,815,149	\$ 8,334,727	\$ 8,735,515	\$ 8,848,797	\$ 8,857,579	\$ 9,350,889	\$ 10,061,230
Contributions in relation to the actuarially determined contribution	<u>6,911,778</u>	<u>7,193,830</u>	<u>7,395,291</u>	<u>7,815,149</u>	<u>8,334,727</u>	<u>8,735,515</u>	<u>8,848,797</u>	<u>8,857,579</u>	<u>9,350,889</u>	<u>10,061,230</u>
Contribution deficiency (excess)	-	-	-	-	-	-	-	-	-	-
Covered payroll	36,595,511	37,658,091	38,748,515	41,002,879	43,861,106	45,272,727	47,716,819	47,270,943	50,227,753	53,323,702
Contributions as a percentage of covered payroll	18.89%	19.10%	19.09%	19.06%	19.00%	19.30%	18.54%	18.74%	18.62%	18.87%

Notes to Schedule of Contributions

Valuation Date:

Actuarially determined contribution rates are calculated as of December 31st and become effective in January 13 months later.

Methods and Assumptions Used to Determine Contribution Rates:

Actuarial Cost Method	Entry Age Normal
Amortization Method	Level Percentage of Payroll, Closed
Remaining Amortization Period	23 years (longest amortization ladder)
Asset Valuation Method	10 Year smoothed market; 12% soft corridor
Inflation	2.50%
Salary Increases	3.50% to 11.50% including inflation
Investment Rate of Return	6.75%
Retirement Age	Experience-based table of rates that are specific to the City's plan of benefits. Last updated for the 2019 valuation pursuant to an experience study of the period 2014 - 2018
Mortality	Post-retirement: 2019 Municipal Retirees of Texas Mortality Tables. The rates are projected on a fully generational basis with scale UMP. Pre-retirement: PUB(10) mortality tables, with the Public Safety table used for males and the General Employee table used for females. The rates are projected on a fully generational basis with scale UMP.
Other Information	There were no benefit changes during the year.

Note: GASB Statement No. 68 requires 10 years of data to be provided in this schedule.

City of Grapevine, Texas
Schedule of Changes in Net OPEB Liability and Related Ratios
Health Care Benefit Plan (Unaudited)
September 30, 2023

Plan Year	2017	2018	2019	2020	2021	2022
A. Total OPEB liability						
Service Cost	\$ 2,883,770	\$ 3,547,117	\$ 3,955,532	\$ 4,841,226	\$ 6,003,761	\$ 6,237,623
Interest (on the total OPEB liability)	2,452,440	2,423,640	2,606,795	2,339,946	1,892,029	1,879,745
Difference between expected and actual experience	209,342	(1,065,868)	(528,026)	(3,113,851)	(577,180)	(4,896,186)
Changes of assumptions	4,730,475	(8,510,968)	6,316,707	10,638,856	2,333,350	(22,180,893)
Benefit payments	(1,821,839)	(1,687,035)	(1,471,310)	(1,957,430)	(1,764,776)	(2,223,797)
Net change in total OPEB liability	8,454,188	(5,293,114)	10,879,698	12,748,747	7,887,184	(21,183,508)
Total OPEB liability - beginning	<u>63,837,532</u>	<u>72,291,720</u>	<u>66,998,606</u>	<u>77,878,304</u>	<u>90,627,051</u>	<u>98,514,235</u>
Total OPEB liability - ending (a)	<u>\$ 72,291,720</u>	<u>\$ 66,998,606</u>	<u>\$ 77,878,304</u>	<u>\$ 90,627,051</u>	<u>\$ 98,514,235</u>	<u>\$ 77,330,727</u>
B. Plan fiduciary net position						
Employer Contributions	\$ 2,821,839	\$ 2,187,035	\$ 1,971,310	\$ 1,957,430	\$ 1,764,776	\$ 2,223,797
Net investment income	63,643	(77,518)	304,042	261,069	318,383	(417,682)
Benefit payments	(1,821,839)	(1,687,035)	(1,471,310)	(1,957,430)	(1,764,776)	(2,223,797)
Administrative expense	(2,315)	(6,401)	(9,715)	(13,083)	(15,846)	(14,825)
Net change in plan fiduciary net position	1,061,328	416,081	794,327	247,986	302,537	(432,507)
Plan fiduciary net position - beginning	<u>-</u>	<u>1,061,328</u>	<u>1,477,409</u>	<u>2,271,736</u>	<u>2,519,722</u>	<u>2,822,259</u>
Plan fiduciary net position - ending (b)	<u>1,061,328</u>	<u>1,477,409</u>	<u>2,271,736</u>	<u>2,519,722</u>	<u>2,822,259</u>	<u>2,389,752</u>
C. Net OPEB liability - ending (a) - (b)	<u>\$ 71,230,392</u>	<u>\$ 65,521,197</u>	<u>\$ 75,606,568</u>	<u>\$ 88,107,329</u>	<u>\$ 95,691,976</u>	<u>\$ 74,940,975</u>
D. Plan fiduciary net position as a percentage of total OPEB liability	1.47%	2.21%	2.92%	2.78%	2.86%	3.09%
E. Covered-employee payroll	\$ 41,752,627	\$ 44,087,895	\$ 46,426,087	\$ 47,352,845	\$ 50,766,918	\$ 53,427,699
F. Net OPEB liability as a percentage of Covered-employee payroll	170.60%	148.61%	162.85%	186.07%	188.49%	140.27%

Notes to Schedule:

GASB Statement No. 75 requires 10 years of data to be provided in this schedule. As of December 30, 2022 (Plan Year), only 6 years are included. Additional years will be added in the future as the information becomes available.

The long-term expected investment return assumption was changed from 6.75% to 6.25% in plan year 2020.

The demographic assumptions were updated to reflect the 2019 TMRS Experience Study and the health care trend rates

Included in the changes of assumptions was a change in the discount rate from 1.87% to 4.07% in plan year 2022.

The healthcare trend assumption was modified in plan year 2022.

City of Grapevine, Texas
Schedule of Investment Returns
Health Care Benefit Plan (Unaudited)
September 30, 2023

Plan Year	Annual Money-Weighted Rate of Return
2017	15.64 %
2018	(4.66) %
2019	19.90 %
2020	13.48 %
2021	12.66 %
2022	(14.82) %

*The information in this schedule has been determined as of the measurement date (December 31) of the City's net OPEB liability and is intended to show information for 10 years. However, until a full 10-year trend is compiled in accordance with the provision, only periods for which such information is available are presented.

1. Summary of Significant Accounting Policies

A. Budgets

The City follows these procedures in establishing budgetary data reflected in the financial statements:

- (1) Prior to August 1, the City Manager submits to the City Council a proposed operating budget for the fiscal year commencing the following October 1. The operating budget includes proposed expenditures and the means of financing them.
- (2) Public hearings are conducted to obtain taxpayer comments.
- (3) Prior to September 15, the budget is legally enacted through passage of an ordinance.
- (4) The City Manager is authorized to transfer budgeted amounts between departments within any fund; however, any revisions that alter the total expenditures of any fund must be approved by the City Council, after public hearings. Total expenditures may not exceed appropriations at the individual fund level.
- (5) Budgets are legally adopted for the General Fund, Hotel Occupancy Tax Fund, the Crime District Fund, the 4B – Economic Development Fund, the 4B – Transit Fund, the Debt Service Fund and Enterprise Funds. Budgetary control is maintained at the fund level.
- (6) Budgets for the General, Hotel Occupancy Tax, Crime District, 4-B Economic Development Fund, 4B–Transit Fund, and Debt Service Fund are adopted in accordance with generally accepted accounting principles. Budget amounts are as amended by the City Council and adjusted for transfers of budgeted amounts between departments within any fund, authorized by the City Manager.
- (7) Budgetary comparison schedules are presented as required supplementary information for the General Fund and for each major special revenue fund. Capital Projects Funds have not been presented as such funds are budgeted over the life of the respective project and not on an annual basis. Accordingly, formal budgetary integration of these funds is not employed and comparison of actual results of operations to budgetary data for such funds is not presented.
- (8) The budgetary comparison schedules included in the required supplementary information present a comparison of budgetary data to actual results of operations for the General Fund, Hotel Occupancy Tax Fund, Crime District Fund, 4-B Economic Development Fund, and 4B–Transit Fund. A comparison of budgetary data to actual results of operations for the Debt Service Fund is presented as supplementary information.

2. Excess of Expenditures Over Appropriations

For the year ended September 30, 2023, expenditures exceeded appropriations in the following funds by the following amounts:

Hotel Occupancy Tax Fund - \$1,902,532
4B–Transit Fund – \$1,527,422
Debt Service Fund – \$562,944

The overages were covered by excess revenue or available fund balance.

Combining and Individual Statements and Schedules

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NONMAJOR GOVERNMENTAL FUNDS

SPECIAL REVENUE FUNDS

Special Revenue Funds are used to account for revenues that are restricted in nature for a special purpose limited by state law and management intentions for expenditures.

Special Revenue Fund – to account for revenues that are restricted in name for a special purpose limited by state law and management intentions for expenditures. These funds include monies for state and federal forfeitures, library and parks programs and police in-service training.

Storm Drainage Fund – to account for revenues from a special fee that is restricted to finance the maintenance, repair, and construction of drainage facilities.

Lake Parks Fund – is a special revenue fund that accounts for the operations of the City's Parks and Recreation Department at Grapevine Lake.

DEBT SERVICE FUND

Debt Service Funds are used to account for the accumulation of resources that are restricted, committed, or assigned for the payment of principal and interest on long-term obligations of governmental funds.

Tax Increment Financing (TIF) #2 Fund – to account for the accumulation of resources that are restricted, committed, or assigned for the payment of principal and interest on long-term obligations of TIF #2.

CAPITAL PROJECTS FUNDS

Capital Projects Funds – used to account for the acquisition and construction of major capital facilities other than those financed by proprietary funds and trust funds.

Grant Fund – accounts for capital grants awarded to the City that are used for the acquisition and construction of major capital facilities.

Parks Open Space and Recreation Fund – used to account for the financing, acquisition, construction and improvement of parks and public recreation facilities.

Tax Increment Financing (TIF) #2 Fund – established for the financing, acquisition and construction of the infrastructure surrounding Gaylord Texas Resort and Convention Center.

Streets Fund – is used to account for the construction of improvements to various streets, drainage, and sidewalk projects.

Street Maintenance and Capital Replacement Fund – to account for resources provided and expended on street maintenance and capital replacements.

Capital Acquisition Fund – to account for financial resources for the replacement and acquisition of capital assets.

Quality of Life Fund – to account for capital projects as designated by the City Council.

City of Grapevine, Texas
Combining Balance Sheet
September 30, 2023

	Special Revenue			Debt Service
	Special Revenue	Storm Drainage	Lake Parks	TIF #2
ASSETS				
Cash	\$ 4,398,450	\$ 1,440,341	\$ 1,694,360	\$ 15,425,541
Receivables, net:				
Accounts	29,309	150,620	4,641	1,713,500
Leases	495,195	-	-	-
Accrued interest	1,985	-	-	-
Due from other governments	-	-	-	-
Restricted cash	836,063	-	-	-
Prepaid items	-	-	-	-
Total assets	5,761,002	1,590,961	1,699,001	17,139,041
LIABILITIES				
Liabilities:				
Accounts payable	5,324	102,513	157,558	-
Contracts and retainage payable	-	-	-	-
Accrued liabilities	20,918	32,711	36,706	1
Due to other funds	-	-	-	-
Unearned revenue	62,199	-	725,905	-
Developer deposits	-	-	-	-
Total liabilities	88,441	135,224	920,169	1
DEFERRED INFLOWS OF RESOURCES				
Unavailable revenue	-	-	-	-
Lease related	473,354	-	-	-
Total deferred inflows of resources	473,354	-	-	-
FUND BALANCES (DEFICITS)				
Nonspendable:				
Prepaid items	-	-	-	-
Restricted:				
Capital projects	368,686	226,012	-	-
Court security and technology	658,519	-	-	-
Public safety	1,865,483	-	-	-
Records preservation	18,633	-	-	-
Debt service	-	-	-	17,139,040
Culture and recreation	222,563	-	778,832	-
Committed for:				
Capital projects	-	-	-	-
Stormwater drainage operations	-	1,229,725	-	-
Public arts	1,531,509	-	-	-
Assigned for:				
Capital projects	-	-	-	-
Culture and recreation	526,367	-	-	-
Public safety	7,447	-	-	-
Unassigned	-	-	-	-
Total fund balances (deficits)	5,199,207	1,455,737	778,832	17,139,040
Total liabilities, deferred inflows of resources and fund balances	\$ 5,761,002	\$ 1,590,961	\$ 1,699,001	\$ 17,139,041

Capital Projects							
Grant	Parks Open Space and Recreation	TIF #2	Streets	Street Maintenance and Capital Replacement	Capital Acquisition	Quality of Life	Total Other Governmental Funds
\$ -	\$ 286,348	\$ 2,426,146	\$ 2,252,211	\$ 2,214,547	\$ 6,116,686	\$ 4,066,049	\$ 40,320,679
-	-	-	134,122	-	-	34,864	2,067,056
-	-	-	-	-	-	-	495,195
-	-	-	-	-	-	-	1,985
849,248	-	-	630,333	105,317	-	-	1,584,898
-	-	-	1,940,877	-	2,631,659	-	5,408,599
-	-	-	-	-	4,455,158	-	4,455,158
849,248	286,348	2,426,146	4,957,543	2,319,864	13,203,503	4,100,913	54,333,570
538,578	-	-	127,794	326,741	-	23,195	1,281,703
56,622	-	-	71,226	-	-	-	127,848
2,322	-	-	-	-	-	-	92,658
597,615	-	-	-	-	-	-	597,615
6,215	-	-	-	-	-	-	794,319
-	61,913	-	1,054,946	-	-	-	1,116,859
1,201,352	61,913	-	1,253,966	326,741	-	23,195	4,011,002
507,683	-	-	322,283	5,543	-	34,864	870,373
-	-	-	-	-	-	-	473,354
507,683	-	-	322,283	5,543	-	34,864	1,343,727
-	-	-	-	-	4,455,158	-	4,455,158
-	-	2,426,146	3,381,294	1,987,580	720,717	-	9,110,435
-	-	-	-	-	-	-	658,519
-	-	-	-	-	-	-	1,865,483
-	-	-	-	-	-	-	18,633
-	-	-	-	-	-	-	17,139,040
-	-	-	-	-	-	-	1,001,395
-	-	-	-	-	-	4,042,854	4,042,854
-	-	-	-	-	-	-	1,229,725
-	-	-	-	-	-	-	1,531,509
-	-	-	-	-	8,027,628	-	8,027,628
-	224,435	-	-	-	-	-	750,802
-	-	-	-	-	-	-	7,447
(859,787)	-	-	-	-	-	-	(859,787)
(859,787)	224,435	2,426,146	3,381,294	1,987,580	13,203,503	4,042,854	48,978,841
\$ 849,248	\$ 286,348	\$ 2,426,146	\$ 4,957,543	\$ 2,319,864	\$ 13,203,503	\$ 4,100,913	\$ 54,333,570

City of Grapevine, Texas
Combining Statement of Revenues, Expenditures, and Changes in Fund Balances
For the Year Ended September 30, 2023

	Special Revenue			Debt Service
	Special Revenue	Storm Drainage	Lake Parks	TIF #2
Revenues				
Property taxes	\$ -	\$ -	\$ -	\$ 5,192,570
Franchise taxes	305,882	-	-	-
Charges for services	163,845	1,520,316	3,496,958	-
Fines and forfeitures	117,938	-	-	-
Intergovernmental	59,232	-	-	-
Contributions	231,153	-	-	-
Investment income	156,842	55,077	59,546	661,228
Miscellaneous	6,873	-	9,287	-
Total revenues	1,041,765	1,575,393	3,565,791	5,853,798
Expenditures				
Current:				
General government	62,728	-	-	-
Public safety	51,624	-	-	-
Culture and recreation	92,060	-	2,957,434	-
Public works	-	1,215,496	-	-
Tourism	-	-	-	-
Economic development	-	-	-	1,910,249
Capital outlay	70,714	239,893	108,803	-
Debt service:				
Principal	-	-	-	1,990,000
Interest	-	-	-	305,350
Bond issuance costs	-	-	-	-
Total expenditures	277,126	1,455,389	3,066,237	4,205,599
Excess (Deficiency) of Revenue Over (Under) Expenditures	764,639	120,004	499,554	1,648,199
Other Financing Sources (Uses)				
Transfers in	800,000	-	-	-
Transfers out	-	(117,364)	-	-
Sale of capital assets	-	-	-	-
Bonds issued	-	-	-	-
Premium on issuance of bonds	-	-	-	-
Insurance recoveries	-	-	-	-
Total other financing sources (uses)	800,000	(117,364)	-	-
Net Change in Fund Balances	1,564,639	2,640	499,554	1,648,199
Fund Balances, Beginning of Year	3,634,568	1,453,097	279,278	15,490,841
Fund Balances, Ending of Year	\$ 5,199,207	\$ 1,455,737	\$ 778,832	\$ 17,139,040

Capital Projects

Grant	Parks Open Space and Recreation	TIF #2	Streets	Street Maintenance and Capital Replacement	Capital Acquisition	Quality of Life	Total Other Governmental Funds
\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 5,192,570
-	-	-	-	-	-	-	305,882
-	-	-	9,765	-	-	-	5,190,884
-	-	-	-	-	-	-	117,938
2,323,557	-	-	1,407,813	99,774	-	-	3,890,376
-	-	-	4,933	-	-	-	236,086
7,377	10,345	113,142	336,387	155,558	371,815	112,406	2,039,723
-	-	-	-	-	-	11,621	27,781
<u>2,330,934</u>	<u>10,345</u>	<u>113,142</u>	<u>1,758,898</u>	<u>255,332</u>	<u>371,815</u>	<u>124,027</u>	<u>17,001,240</u>
-	-	-	-	410,767	-	-	473,495
1,208,355	-	-	-	265,389	199,491	-	1,724,859
-	-	-	-	1,363,168	-	171,398	4,584,060
95,053	-	-	607,388	1,801,478	-	-	3,719,415
43,670	-	-	-	-	-	-	43,670
-	-	-	-	-	-	-	1,910,249
1,504,986	-	-	2,905,887	396,910	2,199,538	41,415	7,468,146
-	-	-	-	-	-	243,566	2,233,566
-	-	-	-	-	-	63,734	369,084
-	-	-	46,315	-	63,754	-	110,069
<u>2,852,064</u>	<u>-</u>	<u>-</u>	<u>3,559,590</u>	<u>4,237,712</u>	<u>2,462,783</u>	<u>520,113</u>	<u>22,636,613</u>
<u>(521,130)</u>	<u>10,345</u>	<u>113,142</u>	<u>(1,800,692)</u>	<u>(3,982,380)</u>	<u>(2,090,968)</u>	<u>(396,086)</u>	<u>(5,635,373)</u>
-	-	-	-	1,640,000	5,300,000	1,000,000	8,740,000
-	-	-	-	-	-	-	(117,364)
-	-	-	-	-	6,750	-	6,750
-	-	-	4,680,015	-	6,442,223	-	11,122,238
-	-	-	266,300	-	366,573	-	632,873
-	-	-	-	-	37,943	-	37,943
<u>-</u>	<u>-</u>	<u>-</u>	<u>4,946,315</u>	<u>1,640,000</u>	<u>12,153,489</u>	<u>1,000,000</u>	<u>20,422,440</u>
<u>(521,130)</u>	<u>10,345</u>	<u>113,142</u>	<u>3,145,623</u>	<u>(2,342,380)</u>	<u>10,062,521</u>	<u>603,914</u>	<u>14,787,067</u>
<u>(338,657)</u>	<u>214,090</u>	<u>2,313,004</u>	<u>235,671</u>	<u>4,329,960</u>	<u>3,140,982</u>	<u>3,438,940</u>	<u>34,191,774</u>
<u>\$ (859,787)</u>	<u>\$ 224,435</u>	<u>\$ 2,426,146</u>	<u>\$ 3,381,294</u>	<u>\$ 1,987,580</u>	<u>\$ 13,203,503</u>	<u>\$ 4,042,854</u>	<u>\$ 48,978,841</u>

City of Grapevine, Texas
Debt Service Fund Budgetary Comparison Schedule
For the Year Ended September 30, 2023

	<u>Budgeted Amounts</u>			Variance with Final Budget - Increase (Decrease)
	<u>Original</u>	<u>Final</u>	<u>Actual</u>	
Revenues				
Taxes	\$ 13,171,524	\$ 13,171,524	\$ 13,096,408	\$ (75,116)
Investment income	150,000	150,000	342,176	192,176
Miscellaneous	-	-	7,094	7,094
Total revenues	<u>13,321,524</u>	<u>13,321,524</u>	<u>13,445,678</u>	<u>124,154</u>
Expenditures				
Debt service:				
Principal	11,774,063	11,774,063	10,090,000	1,684,063
Interest	2,066,987	2,066,987	4,114,268	(2,047,281)
Fiscal agent charges	-	-	199,726	(199,726)
Total expenditures	<u>13,841,050</u>	<u>13,841,050</u>	<u>14,403,994</u>	<u>(562,944)</u>
Excess (Deficiency) of Revenue Over (Under) Expenditures	<u>(519,526)</u>	<u>(519,526)</u>	<u>(958,316)</u>	<u>(438,790)</u>
Other Financing Sources (Uses)				
Transfers in	2,060,869	2,060,869	1,401,444	(659,425)
Transfers out	(661,919)	(661,919)	(661,919)	-
Total other financing sources (uses)	<u>1,398,950</u>	<u>1,398,950</u>	<u>739,525</u>	<u>(659,425)</u>
Net Change in Fund Balances	879,424	879,424	(218,791)	(1,098,215)
Fund Balances, Beginning of Year	<u>6,997,403</u>	<u>6,997,403</u>	<u>6,997,403</u>	<u>-</u>
Fund Balances, Ending of Year	<u><u>7,876,827</u></u>	<u><u>7,876,827</u></u>	<u><u>6,778,612</u></u>	<u><u>(1,098,215)</u></u>

City of Grapevine, Texas
Balance Sheet - Discretely Presented Component Unit
Heritage Foundation
September 30, 2023

ASSETS

Cash and investments \$ 487,295

Total assets 487,295

LIABILITIES

Accounts payable 15,076

Due to primary government 15,057

Total liabilities 30,133

FUND BALANCES

Unassigned 457,162

Total fund balances 457,162

Total liabilities and fund balances \$ 487,295

City of Grapevine, Texas
Reconciliation of the Balance Sheet of Governmental Funds
to the Statement of Net Position - Discretely Presented Component Unit
Heritage Foundation
September 30, 2023

Total fund balances - governmental funds balance sheet \$ 457,162

Amounts reported for governmental activities in the Statement of
Net Position are different because:

Capital assets used in governmental activities are not reported in
the funds.

1,085,134

Net position of governmental activities

\$ 1,542,296

City of Grapevine, Texas
Statement of Revenues, Expenditures, and Changes in Fund Balance - Discretely Presented
Component Unit
Heritage Foundation
For the Year Ended September 30, 2023

Revenues	
Charges for services	\$ 6,293
Investment income	17,616
Contributions	159,384
Miscellaneous	<u>25,310</u>
Total revenues	<u>208,603</u>
Expenditures	
Economic development	129,179
Capital outlay	<u>8,875</u>
Total expenditures	<u>138,054</u>
Net Change in Fund Balances	70,549
Fund Balances, Beginning of Year	<u>386,613</u>
Fund Balances, Ending of Year	<u><u>\$ 457,162</u></u>

City of Grapevine, Texas
Reconciliation of the Statement of Revenues, Expenditures, and Changes in Fund
Balance to the Statement of Activities – Discretely Presented Component Unit
Heritage Foundation
For the Year Ended September 30, 2023

Net change in fund balances – total governmental funds	\$ 70,549
Amounts reported for governmental activities in the Statement of Activities are different because:	
Governmental funds report capital outlays as expenditures. However, in the Statement of Activities the cost of those assets is allocated over their estimated useful lives and reported as depreciation. This is the amount of capital outlay recorded in the current period.	8,875
Depreciation on capital assets is reported in the Statement of Activities but does not require the use of current financial resources. Therefore, depreciation is not reported as expenditures in the governmental funds.	<u>(29,189)</u>
Change in net position of governmental activities	<u>\$ 50,235</u>

Statistical Section

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STATISTICAL SECTION

This part of the City of Grapevine, Texas' annual comprehensive financial report presents detailed information as a context for understanding what the information in the financial statements, note disclosures, and required supplementary information says about the City's overall financial health.

Contents	<u>Page</u>
Financial Trends These schedules contain trend information to help the reader understand how the City's financial performance and well-being have changed over time.	84 - 88
Revenue Capacity These schedules contain information to help the reader assess the City's most significant local revenue sources. Sales tax is the City's most significant revenue source. Sales tax revenue information available to the City is in Tables 5 and 6. Information about principal sales tax revenue payers is confidential under Texas statutes and is not provided. Additionally, information about the City's second most significant local revenue source, property taxes, is provided.	89 - 94
Debt Capacity These schedules present information to help the reader assess the affordability of the City's current levels of outstanding debt and the City's ability to issue additional debt in the future.	95 - 100
Demographic and Economic Information These schedules offer demographic and economic indicators to help the reader understand the environment within which the City's financial activities take place.	101 - 103
Operating Information These schedules contain service and infrastructure data to help the reader understand how the information in the City's financial report relates to the services the City provides and the activities it performs.	104 - 105

Sources: Unless otherwise noted, the information in these schedules is derived from the annual financial comprehensive reports for the relevant year.

City of Grapevine, Texas
Net Position by Component Last Ten Years
(Unaudited) (Amounts Expressed in Thousands)
September 30, 2023

	Fiscal Year			
	2014	2015	2016	2017
Governmental activities:				
Net investment in capital assets	\$ 139,392	\$ 176,133	\$ 176,591	\$ 214,481
Restricted	74,312	71,932	78,219	73,872
Unrestricted	(10,147)	(21,047)	(14,043)	(26,090)
Total governmental activities net position	<u>\$ 203,557</u>	<u>\$ 227,018</u>	<u>\$ 240,767</u>	<u>\$ 262,263</u>
Business-type activities:				
Net investment in capital assets	\$ 77,872	\$ 104,296	\$ 126,510	\$ 122,775
Restricted	2,612	2,649	3,205	3,467
Unrestricted	11,590	8,094	8,507	10,548
Total business-type activities net position	<u>\$ 92,074</u>	<u>\$ 115,039</u>	<u>\$ 138,222</u>	<u>\$ 136,790</u>
Primary government:				
Net investment in capital assets	\$ 217,264	\$ 280,429	\$ 303,101	\$ 337,256
Restricted	76,924	74,581	81,424	77,339
Unrestricted	1,443	(12,953)	(5,536)	(15,542)
Total primary government net position	<u>\$ 295,631</u>	<u>\$ 342,057</u>	<u>\$ 378,989</u>	<u>\$ 399,053</u>

TABLE 1

Fiscal Year					
2018	2019	2020	2021	2022	2023
\$ 226,572	\$ 241,514	\$ 279,795	\$ 292,357	\$ 291,801	\$ 285,261
80,078	95,251	69,120	55,449	50,192	62,406
(68,706)	(61,220)	(76,423)	(64,903)	(43,512)	(29,450)
<u>\$ 237,944</u>	<u>\$ 275,545</u>	<u>\$ 272,492</u>	<u>\$ 282,903</u>	<u>\$ 298,481</u>	<u>\$ 318,217</u>
\$ 125,604	\$ 131,141	\$ 133,349	\$ 141,819	\$ 146,685	\$ 147,283
4,187	3,714	3,147	2,871	2,898	3,099
11,817	6,303	5,262	8,135	13,848	10,899
<u>\$ 141,608</u>	<u>\$ 141,158</u>	<u>\$ 141,758</u>	<u>\$ 152,825</u>	<u>\$ 163,431</u>	<u>\$ 161,281</u>
\$ 352,175	\$ 372,654	\$ 413,144	\$ 434,176	\$ 438,486	\$ 432,544
84,265	98,965	72,267	58,320	53,090	65,505
(56,889)	(54,917)	(71,161)	(56,768)	(29,664)	(18,551)
<u>\$ 379,551</u>	<u>\$ 416,702</u>	<u>\$ 414,250</u>	<u>\$ 435,728</u>	<u>\$ 461,912</u>	<u>\$ 479,498</u>

City of Grapevine, Texas
Changes in Net Position Last Ten Years
(Unaudited) (Amounts Expressed in Thousands)
September 30, 2023

	Fiscal Year			
	2014	2015	2016	2017
Expenses				
Governmental activities:				
General government	\$ 16,348	\$ 18,944	\$ 21,301	\$ 20,417
Public safety	30,039	31,305	31,686	35,651
Culture and recreation	31,549	15,617	18,354	21,087
Public works	13,689	12,817	13,590	16,585
Transportation	11,275	9,223	9,600	9,078
Economic development	1,405	10,036	15,976	9,757
Tourism	-	16,966	18,526	20,507
Interest on long-term debt	6,029	6,013	5,480	5,332
Total governmental activities expenses	<u>110,334</u>	<u>120,921</u>	<u>134,513</u>	<u>138,414</u>
Business-type activities:				
Water and sewer	19,763	19,691	20,498	20,926
Lake Enterprise	2,764	2,850	3,256	3,242
Total business-type activities expenses	<u>22,527</u>	<u>22,541</u>	<u>23,754</u>	<u>24,168</u>
Total primary government expenses	<u>\$ 132,861</u>	<u>\$ 143,462</u>	<u>\$ 158,267</u>	<u>\$ 162,582</u>
Program Revenues				
Governmental activities:				
Fees, fines, and charges for services:				
General government	\$ 1,992	\$ 1,723	\$ 2,735	\$ 2,155
Public safety	4,109	3,705	3,789	2,198
Culture and recreation	10,531	4,322	4,526	6,003
Public works	1,504	1,448	1,495	3,367
Transportation	-	-	-	-
Tourism	-	7,327	7,721	7,840
Operating grants and contributions	275	1,381	383	1,079
Capital grants and contributions	203	1,609	9,549	8,171
Total governmental activities program revenues	<u>18,614</u>	<u>21,515</u>	<u>30,198</u>	<u>30,813</u>
Business-type activities:				
Charges for services:				
Water and sewer	23,667	22,434	23,824	24,663
Lake Enterprise	3,017	2,214	2,816	3,174
Capital grants and contributions	-	4,896	17,981	1,803
Total business-type activities program revenues	<u>26,684</u>	<u>29,544</u>	<u>44,621</u>	<u>29,640</u>
Total primary government program revenues	<u>\$ 45,298</u>	<u>\$ 51,059</u>	<u>\$ 74,819</u>	<u>\$ 60,453</u>

TABLE 2

Fiscal Year					
2018	2019	2020	2021	2022	2023
\$ 19,231	\$ 18,382	\$ 21,449	\$ 20,934	\$ 32,737	\$ 26,489
35,954	38,472	41,528	38,778	37,900	49,426
19,597	21,341	22,432	22,802	21,178	26,699
16,826	17,930	18,876	15,787	18,684	18,970
9,467	10,047	8,642	9,367	13,301	14,634
14,954	5,122	4,881	8,713	4,292	4,248
21,561	23,886	16,982	17,560	20,482	27,684
5,174	5,312	5,823	5,289	4,132	4,347
<u>142,764</u>	<u>140,493</u>	<u>140,613</u>	<u>139,230</u>	<u>152,706</u>	<u>172,497</u>
22,411	23,901	25,228	27,564	30,061	35,132
3,217	4,159	2,790	2,414	3,676	6,472
<u>25,628</u>	<u>28,060</u>	<u>28,018</u>	<u>29,978</u>	<u>33,737</u>	<u>41,604</u>
<u>\$ 168,392</u>	<u>\$ 168,553</u>	<u>\$ 168,631</u>	<u>\$ 169,208</u>	<u>\$ 186,443</u>	<u>\$ 214,101</u>
\$ 1,962	\$ 2,050	\$ 1,495	\$ 2,066	\$ 3,574	\$ 7,036
1,663	2,200	2,183	2,228	3,155	350
6,340	4,394	5,258	6,351	8,993	9,986
3,449	3,674	3,078	3,055	4,325	4,803
-	-	-	14	20	22
7,882	7,635	3,407	5,426	7,683	8,532
2,200	993	3,576	8,888	3,273	5,401
5,007	23,230	6,733	12,214	2,300	1,512
<u>28,503</u>	<u>44,176</u>	<u>25,730</u>	<u>40,242</u>	<u>33,322</u>	<u>37,642</u>
28,267	28,267	27,224	29,309	31,286	32,636
3,131	3,131	3,057	3,842	4,256	5,897
4,984	4,984	3,714	8,128	5,247	1,112
<u>36,382</u>	<u>36,382</u>	<u>33,995</u>	<u>41,279</u>	<u>40,789</u>	<u>39,645</u>
<u>\$ 64,885</u>	<u>\$ 80,558</u>	<u>\$ 59,725</u>	<u>\$ 81,521</u>	<u>\$ 74,111</u>	<u>\$ 77,288</u>

City of Grapevine, Texas
Changes in Net Position Last Ten Years (Continued)
(Unaudited) (Amounts Expressed in Thousands)
September 30, 2023

	Fiscal Year			
	2014	2015	2016	2017
Net (Expense) Revenues				
Governmental activities	\$ (91,720)	\$ (99,406)	\$ (104,316)	\$ (107,602)
Business-type activities	4,158	7,003	20,868	5,472
Total primary government net expense	<u>(87,562)</u>	<u>(92,403)</u>	<u>(83,448)</u>	<u>(102,130)</u>
General Revenues and Other				
Changes in Net Position				
Governmental activities:				
Taxes:				
Property	30,917	30,903	31,617	26,027
Franchise	6,785	6,824	6,818	6,602
Hotel occupancy	14,025	18,103	18,965	18,801
Sales	52,020	54,060	55,884	53,854
Mixed beverage	1,567	1,648	1,710	1,733
Investment earnings	120	266	887	1,523
Gain on sale of capital assets	262	1,490	4,144	1,605
Miscellaneous	23	11	204	579
Transfers	1,661	1,424	(2,164)	3,199
Total governmental activities	<u>107,380</u>	<u>114,729</u>	<u>118,065</u>	<u>113,923</u>
Business-type activities:				
Investment earnings	20	43	148	306
Gain on sale of capital assets	-	-	-	-
Transfers	(1,661)	(1,424)	2,164	(3,199)
Total business-type activities	<u>(1,641)</u>	<u>(1,381)</u>	<u>2,312</u>	<u>(2,893)</u>
Total primary government	<u>105,739</u>	<u>113,348</u>	<u>120,377</u>	<u>111,030</u>
Change in Net Position				
Governmental activities	15,658	15,323	13,748	6,323
Business-type activities	2,517	5,629	23,182	2,578
Total primary government	<u>\$ 18,175</u>	<u>\$ 20,952</u>	<u>\$ 36,930</u>	<u>\$ 8,901</u>

TABLE 2

Fiscal Year					
2018	2019	2020	2021	2022	2023
\$ (114,261)	\$ (96,317)	\$ (114,883)	\$ (98,989)	\$ (119,475)	\$ (134,855)
10,754	5,850	5,977	11,212	7,052	(1,959)
<u>(103,507)</u>	<u>(90,467)</u>	<u>(108,906)</u>	<u>(87,777)</u>	<u>(112,423)</u>	<u>(136,814)</u>
28,561	30,849	33,161	34,037	33,226	34,683
7,145	6,898	6,182	5,978	6,585	7,014
19,875	20,767	11,721	12,626	21,030	23,043
56,029	59,298	51,112	56,914	73,127	78,738
1,793	2,146	1,477	1,793	2,377	2,702
2,737	3,784	1,893	26	955	6,044
262	2,076	227	711	-	162
331	420	865	264	1,075	490
3,020	6,951	5,889	407	(3,323)	1,714
<u>119,753</u>	<u>133,189</u>	<u>112,527</u>	<u>112,756</u>	<u>135,052</u>	<u>154,590</u>
580	650	296	25	224	1,523
-	-	-	237	6	-
<u>(3,020)</u>	<u>(6,951)</u>	<u>(5,889)</u>	<u>(407)</u>	<u>3,323</u>	<u>(1,714)</u>
<u>(2,440)</u>	<u>(6,301)</u>	<u>(5,593)</u>	<u>(145)</u>	<u>3,553</u>	<u>(191)</u>
<u>117,313</u>	<u>126,888</u>	<u>106,934</u>	<u>112,611</u>	<u>138,606</u>	<u>154,399</u>
5,492	36,872	(2,356)	13,768	15,577	19,736
8,314	(451)	384	11,067	10,606	(2,150)
<u>\$ 13,806</u>	<u>\$ 36,421</u>	<u>\$ (1,972)</u>	<u>\$ 24,835</u>	<u>\$ 26,183</u>	<u>\$ 17,586</u>

City of Grapevine, Texas
Fund Balances Governmental Funds Last Ten Fiscal Years
(Unaudited) (Amounts Expressed in Thousands)
September 30, 2023

	Fiscal Year			
	2014	2015	2016	2017
General fund:				
Nonspendable*	\$ 600	\$ 553	\$ 779	\$ 943
Assigned	-	-	-	-
Unassigned	12,318	13,402	12,753	11,452
Total general fund	<u>\$ 12,918</u>	<u>\$ 13,955</u>	<u>\$ 13,532</u>	<u>\$ 12,395</u>
All other governmental funds:				
Nonspendable	\$ 38	\$ 145	\$ 322	\$ 1,153
Restricted	144,841	123,249	99,110	93,285
Committed	1,831	1,567	2,007	2,242
Assigned	15,831	31,129	48,712	42,036
Unassigned	(1,123)	(1,477)	(3,769)	(5,076)
Total all other governmental funds	<u>\$ 161,418</u>	<u>\$ 154,613</u>	<u>\$ 146,382</u>	<u>\$ 133,640</u>

Note:

* Includes inventory, advances to other funds, and prepaid items.

TABLE 3

Fiscal Year					
2018	2019	2020	2021	2022	2023
\$ 1,303	\$ 1,209	\$ 893	\$ 1,061	\$ 1,122	\$ 890
1,401	901	429	429	395	404
<u>12,852</u>	<u>12,186</u>	<u>10,252</u>	<u>10,093</u>	<u>13,110</u>	<u>14,783</u>
<u>\$ 15,556</u>	<u>\$ 14,296</u>	<u>\$ 11,574</u>	<u>\$ 11,583</u>	<u>\$ 14,627</u>	<u>\$ 16,077</u>
\$ 566	\$ 155	\$ 316	\$ 264	\$ 331	\$ 5,714
111,728	104,007	73,429	50,853	62,169	72,379
2,632	2,770	2,366	2,311	6,001	6,804
28,026	39,943	34,049	33,954	32,387	45,572
<u>(3,106)</u>	<u>(4,491)</u>	<u>(7,815)</u>	<u>(289)</u>	<u>(338)</u>	<u>(860)</u>
<u>\$ 139,846</u>	<u>\$ 142,384</u>	<u>\$ 102,345</u>	<u>\$ 87,093</u>	<u>\$ 100,548</u>	<u>\$ 129,609</u>

City of Grapevine, Texas
Changes in Fund Balances – Governmental Funds Last Ten Fiscal Years
(Unaudited) (Amounts Expressed in Thousands)
September 30, 2023

	Fiscal Year			
	2014	2015	2016	2017
Revenues				
Taxes:				
Property	\$ 33,470	\$ 30,931	\$ 31,650	\$ 25,991
Hotel occupancy	14,025	18,103	18,965	18,801
Sales	52,020	54,060	55,884	53,854
Mixed beverage	1,567	1,648	1,710	1,733
Franchise	6,785	6,824	6,662	6,602
Licenses and permits	1,337	1,527	1,745	1,883
Intergovernmental	430	974	1,356	1,939
Charges for services	13,755	14,681	15,568	17,308
Fines and forfeitures	2,413	2,100	1,967	1,968
Contributions	169	304	253	370
Interest and miscellaneous	872	872	2,861	2,630
	<u>126,843</u>	<u>132,024</u>	<u>138,621</u>	<u>133,079</u>
Expenditures				
General government	15,611	17,878	19,768	18,543
Public safety	27,215	28,672	27,803	30,441
Culture and recreation	27,707	12,931	14,731	16,686
Public works	8,335	8,077	7,938	10,526
Tourism	-	16,179	17,702	19,735
Economic development	1,405	10,036	15,976	9,757
Transportation	11,275	9,223	9,600	9,078
Capital outlay	53,121	24,476	33,576	32,596
Debt service:				
Principal	12,664	14,477	16,099	13,018
Interest and fiscal charges	6,695	6,405	6,234	5,850
Bond issuance costs	-	358	73	127
Payment to refunded bond escrow agent	-	22,812	1	-
Other	269	21	10	120
	<u>164,297</u>	<u>171,545</u>	<u>169,511</u>	<u>166,477</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	<u>(37,454)</u>	<u>(39,521)</u>	<u>(30,890)</u>	<u>(33,398)</u>
Other Financing Sources (Uses)				
Issuance of debt	19,500	35,065	3,070	10,900
Premium(discount) on issuance of debt	-	3,757	192	590
Payment to refunded bond escrow agent	-	(13,643)	-	(1,391)
Issuance of lease	-	-	-	-
Sale of capital assets	250	6,110	13,856	5,406
Insurance recoveries	-	800	540	649
Transfers in	18,507	17,248	21,735	56,144
Transfers out	(16,846)	(15,585)	(17,764)	(52,781)
	<u>21,411</u>	<u>33,752</u>	<u>21,629</u>	<u>19,517</u>
Net Change in Fund Balances	<u>\$ (16,043)</u>	<u>\$ (5,769)</u>	<u>\$ (9,261)</u>	<u>\$ (13,881)</u>
Debt Service As A Percentage of Noncapital Expenditures	<u>17.5%</u>	<u>30.2%</u>	<u>16.5%</u>	<u>14.1%</u>

TABLE 4

Fiscal Year						
2018	2019	2020	2021	2022	2023	
\$ 28,350	\$ 30,883	\$ 33,150	\$ 34,088	\$ 33,314	\$ 34,769	
19,875	20,767	11,721	12,626	21,030	23,965	
56,029	59,298	51,112	56,914	73,127	78,738	
1,793	2,146	1,477	1,793	2,377	2,702	
7,064	6,618	6,408	6,059	6,585	7,014	
1,604	1,969	1,345	1,460	1,374	1,655	
2,270	1,736	22,071	7,448	5,219	4,836	
17,973	16,152	12,544	15,995	24,413	24,016	
1,736	1,662	1,125	1,055	1,173	1,494	
318	233	124	130	1,776	280	
4,429	4,726	2,810	835	2,029	6,545	
<u>141,441</u>	<u>146,190</u>	<u>143,887</u>	<u>138,403</u>	<u>172,417</u>	<u>186,013</u>	
17,018	16,010	17,979	18,489	24,367	21,680	
32,240	34,490	36,886	35,687	38,804	42,646	
18,451	17,173	18,583	18,060	17,394	20,003	
11,367	11,600	12,720	10,906	14,048	13,678	
20,335	22,414	15,649	17,177	13,301	26,296	
16,639	5,109	4,851	8,699	4,352	4,186	
9,467	10,047	8,642	9,367	19,561	14,634	
30,029	45,994	58,610	27,244	5,125	13,858	
12,059	12,564	12,759	11,540	12,124	13,071	
5,974	6,001	6,550	5,941	4,560	4,500	
392	171	-	-	-	133	
17,025	6,077	-	302	-	-	
47	141	135	125	137	200	
<u>191,043</u>	<u>187,791</u>	<u>193,364</u>	<u>163,537</u>	<u>153,773</u>	<u>174,886</u>	
<u>(49,602)</u>	<u>(41,601)</u>	<u>(49,477)</u>	<u>(25,134)</u>	<u>18,644</u>	<u>11,127</u>	
51,740	5,395	-	55,165	-	13,510	
1,265	1,973	-	832	-	769	
-	-	-	(44,715)	-	-	
-	-	-	-	171	-	
311	4,439	1,471	648	361	322	
66	63	53	488	649	3,067	
46,963	24,310	22,063	20,500	20,845	20,792	
<u>(43,943)</u>	<u>(17,357)</u>	<u>(16,174)</u>	<u>(19,667)</u>	<u>(24,169)</u>	<u>(19,077)</u>	
<u>56,402</u>	<u>18,823</u>	<u>7,413</u>	<u>13,251</u>	<u>(2,143)</u>	<u>19,382</u>	
<u>\$ 6,800</u>	<u>\$ (22,778)</u>	<u>\$ (42,064)</u>	<u>\$ (11,883)</u>	<u>\$ 16,501</u>	<u>\$ 30,510</u>	
<u>11.5%</u>	<u>13.0%</u>	<u>14.2%</u>	<u>13.2%</u>	<u>11.2%</u>	<u>13.9%</u>	

City of Grapevine, Texas
Taxable Sales by Category Last Ten Fiscal Years
(Unaudited) (Amounts Expressed in Thousands)
September 30, 2023

Function/Program	Fiscal Year			
	2014	2015	2016	2017
Agriculture/forestry/fishing/hunting	\$ 252	\$ 147	\$ 91	\$ 253
Utilities	-	-	-	-
Construction	46,112	49,895	53,763	59,903
Manufacturing	164,330	164,065	161,142	160,911
Wholesale trade	276,361	285,962	299,678	300,792
Retail trade	924,761	921,960	931,680	938,782
Transportation/warehousing	11,277	13,434	12,455	12,587
Information	58,898	68,852	68,142	39,913
Finance/insurance	807	808	885	1,190
Professional/scientific/technical	28,089	26,370	31,969	31,014
Real estate/rental/leasing	52,057	61,551	63,638	66,688
Management of companies/enterprises	-	-	-	-
Admin/support/waste mgmt/remediation svcs	60,275	76,037	55,143	54,605
Educational services	2,489	645	634	383
Health care/social assistance	2,027	1,736	1,784	1,589
Arts/entertainment/recreation	27,169	16,309	22,104	26,622
Accommodation/food service	523,373	574,198	586,563	595,409
Other services (except public administration)	38,111	47,645	49,898	38,372
Unclassified	-	-	8	-
Total	\$ 2,216,388	\$ 2,309,614	\$ 2,339,577	\$ 2,329,013
City direct sales tax rate	2.0%	2.0%	2.0%	2.0%

Source: Texas Comptroller

(1) Only two quarters of information were available for the fiscal year.

TABLE 5

Fiscal Year					
2018	2019	2020	2021	2022	2023 (1)
\$ -	\$ -	\$ 149	\$ -	\$ -	\$ 39
120	505	243	724	516	280
65,214	75,647	61,898	77,933	96,399	58,941
166,837	196,578	167,081	157,886	181,987	91,568
323,073	331,027	333,059	432,066	450,011	230,587
945,177	925,983	821,887	1,060,896	1,183,005	596,426
9,951	10,423	10,437	11,343	18,954	8,372
40,091	35,698	21,076	23,562	134,971	85,331
1,691	887	826	1,113	1,736	1,071
35,322	32,907	37,018	45,680	75,494	31,037
67,963	66,390	58,714	60,236	94,460	44,828
2,719	3,029	2,071	2,325	2,349	1,189
49,130	42,620	43,711	47,408	60,706	31,915
364	436	534	345	334	454
1,494	1,554	1,192	1,661	1,783	1,042
28,611	28,966	20,554	26,951	30,917	16,787
625,298	677,604	440,309	490,396	715,886	435,295
37,280	55,413	40,032	55,608	54,295	24,132
-	-	-	-	-	-
<u>\$ 2,400,335</u>	<u>\$ 2,485,667</u>	<u>\$ 2,060,791</u>	<u>\$ 2,496,133</u>	<u>\$ 3,103,803</u>	<u>\$ 1,659,294</u>
2.0%	2.0%	2.0%	2.0%	2.0%	2.0%

**City of Grapevine, Texas
Direct and Overlapping Sales Tax Rates Last Ten Years (Unaudited)
September 30, 2023**

TABLE 6

<u>Fiscal Year</u>	<u>City Direct Rate</u>	<u>State of Texas</u>
2014	2.00%	6.25%
2015	2.00%	6.25%
2016	2.00%	6.25%
2017	2.00%	6.25%
2018	2.00%	6.25%
2019	2.00%	6.25%
2020	2.00%	6.25%
2021	2.00%	6.25%
2022	2.00%	6.25%
2023	2.00%	6.25%

Source: City Budget Office and Texas Comptroller

**Assessed Value and Estimated Actual Value of Taxable Property Last Ten Fiscal Years
(Unaudited) (Amounts Expressed in Thousands)
September 30, 2023**

Fiscal Year	Estimated Market Value		Less: Tax-Exempt Property	Total Taxable Assessed Value	Total Direct Tax Rate
	Real Property	Personal Property			
2014	\$ 7,744,617	\$ 2,141,161	\$ 3,421,500	\$ 6,464,278	0.3425
2015	7,972,445	2,437,129	3,816,444	6,593,130	0.3324
2016	8,127,156	2,620,115	3,874,106	6,873,165	0.3284
2017	9,369,452	2,705,089	4,462,148	7,612,393	0.2893
2018	9,911,677	3,033,390	4,586,943	8,358,123	0.2893
2019	10,450,709	3,316,173	4,760,485	9,006,397	0.2893
2020	11,430,947	3,416,886	5,069,749	9,778,084	0.2843
2021	11,592,137	3,915,491	5,281,076	10,226,552	0.2826
2022	11,731,849	3,361,359	4,381,740	10,711,468	0.2718
2023	12,820,834	3,883,206	5,640,781	11,063,259	0.2718

Source: Grapevine/Colleyville ISD Tax Assessor

Fiscal Year	City Direct Rates			Overlapping Rates				Total Direct and Overlapping Rates
	Operating/ General Rate	Debt Service	Total Direct Rate	Junior College	School District	Hospital District	County	
2014	0.1314	0.2111	0.3425	0.1490	1.3201	0.2279	0.2640	2.3035
2015	0.1274	0.2050	0.3324	0.1495	1.3201	0.2279	0.2640	2.2939
2016	0.1421	0.1863	0.3284	0.1495	1.3201	0.2279	0.2640	2.2899
2017	0.1265	0.1628	0.2893	0.1447	1.3967	0.2279	0.2540	2.3126
2018	0.1347	0.1545	0.2893	0.1401	1.3967	0.2244	0.2440	2.2945
2019	0.1306	0.1587	0.2893	0.1361	1.3967	0.2244	0.2340	2.2805
2020	0.1416	0.1427	0.2843	0.1302	1.3267	0.2244	0.2340	2.1995
2021	0.1435	0.1391	0.2826	0.1302	1.3031	0.2244	0.2340	2.1743
2022	0.1404	0.1314	0.2718	0.1302	1.2751	0.2244	0.2290	2.1305
2023	0.1437	0.1281	0.2718	0.1302	1.1308	0.2244	0.2240	1.9812

Source: Tarrant County Appraisal District

Note: Tax rate limitations imposed by the Home Rules Section of the Texas Constitution, Article II, Section 5, provide that a maximum tax rate of \$2.50 per \$100 valuation may be imposed in any one year. No provisions are made limiting the amount of this \$2.50 tax rate that can be used for debt service.

**City of Grapevine, Texas
Principal Property Taxpayers Current Year and Nine Years Ago
(Unaudited) (Amounts Expressed in Thousands)
September 30, 2023**

TABLE 9

Taxpayer	FY 2023		Taxpayer	FY 2014	
	Taxable Assessed Value	Percentage of Total City Taxable Assessed Value		Taxable Assessed Value	Percentage of Total City Taxable Assessed Value
American Airlines Inc/Envoy Air Inc	\$ 548,449	4.96%	Gaylord Texan Resort and Convention Center	\$ 278,139	4.30%
Gaylord Texan Resort and Convention Center	405,203	3.66%	American Airlines, Inc.	255,238	3.95%
Grapevine Mills Mall LP	242,712	2.19%	Grapevine Mills, Ltd. Partnership	230,100	3.56%
Fund Riverwalk LLC	150,000	1.36%	Great Wolf Lodge	122,985	1.90%
Great Wolf Lodge	143,369	1.30%	CAE Simuffite/Simuffie Training Un	97,078	1.50%
WMCI Dallas IX LLC	114,124	1.03%	Fund Riverwalk LLC	66,000	1.02%
Silver Oaks LP	114,000	1.03%	Rackspace US Inc.	54,326	0.84%
GGIF Grapevine LLP	108,600	0.98%	Silver Oaks, LP	53,969	0.83%
JDFW II (Silverlake) LLC	100,600	0.91%	Oncor Electric Delivery Co., LLC	49,554	0.77%
GVWB Land LTD	95,000	0.86%	A & B Properties	49,320	0.76%
Total	\$ 2,022,057	18.28%	Total	\$ 1,256,709	19.43%
		\$ 0.1828			
Source: Grapevine/Colleyville ISD Tax Assessor Grapevine ACFR 2014		\$ 11,063,259	Total taxable assessed value from Table 7		

City of Grapevine, Texas
Property Tax Levies and Collections Last Ten Fiscal Years
(Unaudited) (Amounts Expressed in Thousands)
September 30, 2023

TABLE 10

Fiscal Year Ended	Taxes Levied for the Fiscal Year			Collections Within the Fiscal Year of the Levy		Collections in Subsequent Years	Total Collections to Date	
	Original Levy*	Adjustments	Adjusted Levy	Amount	Percentage of Levy Collected		Amount	Percentage of Levy
2014	\$ 21,739	\$ 108	\$ 21,847	\$ 21,804	99.80%	32	\$ 21,836	99.95%
2015	22,249	(232)	22,017	21,952	99.70%	52	22,004	99.94%
2016	21,506	1,064	22,570	22,498	99.68%	50	22,548	99.90%
2017	21,669	290	21,959	21,905	99.75%	32	21,937	99.90%
2018	23,387	769	24,156	24,023	99.45%	113	24,136	99.92%
2019	25,711	284	25,995	25,946	99.81%	29	25,975	99.92%
2020	27,136	333	27,469	27,532	100.23%	(92)	27,440	99.89%
2021	27,568	1,057	28,625	28,674	100.17%	(89)	28,585	99.86%
2022	28,638	477	29,115	29,004	99.62%	-	29,004	99.62%
2023	28,630	1,437	30,067	30,048	99.94%	-	30,048	99.94%

Source: Grapevine/Colleyville ISD Tax Assessor

*Excludes property tax contributions from Grapevine/Colleyville ISD related to TIF#2

City of Grapevine, Texas
Ratios of Outstanding Debt by Type Last Ten Fiscal Years
(Unaudited) (Amounts Expressed in Thousands, excluding
Percentage of Personal Income and Per Capita)
September 30, 2023

TABLE 11

Fiscal Year	Governmental Activities							Business-type Activities				Total Primary Government Debt	Percentage of Personal Income	Per Capita*
	General Obligation Bonds	Certificates of Obligation	Contractual Obligations	Revenue Bonds	Leases	Subscriptions	Tax Notes	Water and Sewer Obligations	General Obligation Bonds	Certificates of Obligation	Leases			
2014	100,952	41,325	1,130	19,500	-	-	4,514	-	9,556	-	-	176,977	9.26%	3,612
2015	93,376	13,618	4,317	39,030	-	-	3,107	-	7,579	10,097	-	171,124	8.32%	3,492
2016	88,200	14,065	4,224	36,855	-	-	2,529	-	2,551	8,902	-	157,326	7.16%	3,147
2017	80,718	21,286	3,692	34,630	-	-	1,934	-	2,388	8,902	-	153,550	6.82%	3,011
2018	73,200	51,470	5,645	34,153	-	-	1,209	-	1,892	8,901	-	176,470	7.85%	3,394
2019	96,587	43,645	4,878	31,480	-	-	612	-	1,025	8,476	-	186,703	8.11%	3,523
2020	88,523	42,303	4,088	28,703	-	-	-	-	556	8,051	-	172,224	6.85%	3,189
2021	82,543	52,121	3,280	25,810	-	-	-	-	72	7,621	-	171,448	6.45%	3,176
2022	76,084	49,695	2,418	22,808	166	-	-	-	43	7,171	12	158,397	5.97%	3,106
2023	69,339	61,670	1,637	19,680	130	208	-	-	-	6,748	50	159,463	6.24%	3,555

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

* See Table 17 for personal income and population data.

City of Grapevine, Texas
Ratios of General Bonded Debt Outstanding Last Ten Fiscal Years
(Unaudited) (Amounts Expressed in Thousands except
Percentage of Actual Taxable Value of Property and Per Capita)
September 30, 2023

TABLE 12

Fiscal Year	Governmental Activities							Business-type Activities			Resources Restricted For Debt Service	Net Bonded Debt	Percentage of Actual Taxable Value of Property ^a Per Capita ^b	
	General Obligation Bonds	Certificates of Obligation	Contractual Obligations	Tax Notes	Lease	Subscriptions	Total	General Obligation Bonds	Certificates of Obligation	Lease			of Property	Capita
2014	100,952	41,325	1,130	3,488	-	-	146,895	9,556	-	-	20,985	135,466	2.10%	2,765
2015	93,376	13,618	4,317	2,935	-	-	114,246	7,579	10,097	-	19,603	112,319	1.70%	2,292
2016	88,200	14,065	4,224	2,373	-	-	108,862	2,551	8,902	-	17,938	102,377	1.49%	2,048
2017	80,718	21,286	3,692	1,796	-	-	107,492	2,388	8,902	-	16,087	102,695	1.35%	2,014
2018	73,200	51,470	5,645	1,209	-	-	131,524	1,892	8,901	-	9,829	132,488	1.59%	2,548
2019	96,587	43,645	4,878	612	-	-	145,722	1,025	8,476	-	18,050	137,173	1.52%	2,588
2020	88,523	42,303	4,088	-	-	-	134,914	556	8,051	-	20,258	123,263	1.26%	2,283
2021	82,543	52,121	3,280	-	-	-	137,944	72	7,621	-	23,270	122,368	1.20%	2,267
2022	76,084	49,695	2,418	-	166	-	128,363	43	7,171	50	23,890	111,737	1.04%	2,191
2023	67,695	58,860	1,585	-	130	208	128,270	-	6,450	50	23,890	138,663	1.25%	2,667

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

^a See Table 7 for property value data.

^b See Table 17 for population data.

City of Grapevine, Texas
Direct and Overlapping Governmental Activities Debt (Unaudited)
September 30, 2023

TABLE 13

Government Unit	Debt Outstanding	Estimated Percentage Applicable	Estimated Share of Direct and Overlapping Debt
Debt Repaid with Property Taxes:			
Carroll Independent School District	\$ 288,580,000	5.55%	\$ 16,016,190
Coppell Independent School District	390,765,035	2.42%	9,456,514
Dallas County	217,675,000	0.11%	239,443
Dallas County Community College District	375,515,000	0.11%	413,067
Dallas County Hospital District	543,495,000	0.11%	597,845
Denton County	624,655,000	less than .01%	-
Grapevine-Colleyville Independent School District	289,240,590	52.85%	152,863,652
Lewisville ISD	1,032,290,000	less than .01%	-
Northwest Independent School District	1,807,155,334	less than .01%	-
Tarrant County	376,120,000	4.68%	17,602,416
Tarrant County College District	591,230,000	4.68%	27,669,564
Tarrant County Hospital District	448,410,000	4.68%	20,985,588
Subtotal overlapping debt			245,844,279
Total direct – City of Grapevine	\$ 152,664,079	100.00%	152,664,079
Direct and Overlapping Debt			<u>\$ 398,508,358</u>
Total Direct and Overlapping Debt % of A.V.:		3.49%	
Total Direct and Overlapping Debt per Capita:		\$ 7,424	

The percentage of overlapping debt applicable is estimated using taxable assessed property values.

Source: Municipal Advisory Council of Texas

City of Grapevine, Texas
Legal Debt Margin Information Last Ten Fiscal Years (Unaudited)
September 30, 2023

TABLE 14

Tax rate limitations imposed by the Home Rules Section of the Texas Constitution, Article II, Section 5, provide that a maximum tax rate of \$2.50 per \$100 valuation may be imposed in any one year.

City of Grapevine, Texas
Pledged Revenue Coverage Last Ten Fiscal Years
(Unaudited) (Amounts Expressed in Thousands, except Coverage)
September 30, 2023

TABLE 15

Fiscal Year	4B Economic Development Fund				Coverage
	Total Revenues ^a	Less: Operating Expenses ^b	Net Available Revenue	Principal and Interest Payments	
2014	\$ 3,772	\$ 492	\$ 3,280	\$ 443	7.40
2015	3,983	1,430	2,553	1,594	1.60
2016	4,170	3,224	946	1,595	0.59
2017	4,062	2,167	1,895	1,593	1.19
2018	4,256	1,918	2,338	1,593	1.47
2019	4,394	1,642	2,752	1,396	1.97
2020	3,873	3,518	355	1,401	0.25
2021	4,699	3,262	1,437	1,401	1.03
2022	5,638	4,599	1,039	1,399	0.74
2023	5,874	4,155	1,719	1,401	1.23

Notes: ^a Includes tax revenues only
^b Includes operating transfers out.

Source: Annual Comprehensive Financial Report

City of Grapevine, Texas
Pledged Revenue Coverage Last Ten Fiscal Years
(Unaudited) (Amounts Expressed in Thousands, except Coverage)
September 30, 2023

TABLE 16

Fiscal Year	Tax Increment Financing District Reinvestment Zone Number Two				
	Total Revenues ^a	Less: Operating Expenses ^b	Net Available Revenue	Principal and Interest Payments	Coverage
2014	\$ 5,878	\$ 2,446	\$ 3,432	\$ 2,681	1.28
2015	4,246	2,678	1,568	2,683	0.58
2016	4,416	2,714	1,702	2,273	0.75
2017	4,697	1,410	3,287	2,282	1.44
2018	4,818	1,410	3,408	2,281	1.49
2019	5,806	1,430	4,376	2,287	1.91
2020	6,296	1,510	4,786	2,296	2.08
2021	6,253	1,510	4,743	2,301	2.06
2022	4,726	1,510	3,216	2,295	1.40
2023	5,192	1,910	3,282	2,295	1.43

Notes: ^a Includes tax revenues only
^b Includes operating transfers out.

Source: Grapevine Tax Increment Financing District Reinvestment Zone Number Two Basic Financial Statements

**City of Grapevine, Texas
Demographic And Economic Statistics Last Ten Calendar Years
(Unaudited) (Amounts Expressed in Thousands except for
Median Age and Unemployment Rate)
September 30, 2023**

TABLE 17

<u>Calendar Year</u>	<u>(1) Estimated Population</u>	<u>(1) Personal Income</u>	<u>(1) Personal Income Per Capita</u>	<u>(1) Median Age</u>	<u>(2) School Enrollment</u>	<u>(3) Unemployment Rate</u>
2014	49	\$ 1,911	\$ 39	38	14	4.1%
2015	49	2,058	42	39	14	3.3%
2016	50	2,197	42	39	14	3.7%
2017	51	2,252	44	39	14	3.1%
2018	52	2,249	44	39	14	3.0%
2019	53	2,303	45	39	14	2.8%
2020	54	2,515	47	38	14	6.1%
2021	54	2,659	49	39	14	3.5%
2022	51	2,652	52	39	14	2.7%
2023	52	2,964	57	38	14	2.8%

Sources: (1) Estimate from City Economic Development Dept staff
(2) Grapevine/Colleyville ISD
(3) Bureau of Labor Statistics

**City of Grapevine, Texas
Principal Employers Current Year And Nine Years Ago
(Unaudited) (Amounts Expressed in Thousands except for
Percentage of Total City Employment)
September 30, 2023**

TABLE 18

2023			2014		
Employer	Employees	Percentage of Total City Employment (1)	Employer	Employees	Percentage of Total City Employment (2)
Gaylord Texan	2.00	3.96%	Game Stop Corporation	2.40	7.12%
DFW International Airport	1.97	3.90% (3)	United Parcel Service	2.00	5.93%
Grapevine/Colleyville ISD	1.87	3.70%	Grapevine/Colleyville ISD	1.80	5.34%
Paycom	0.99	1.96%	Gaylord Texan Resort	1.80	5.34%
Baylor Medical	0.66	1.31%	DFW International Airport	1.76	5.22% (3)
Great Wolf Lodge	0.60	1.19%	Baylor Medical Center	1.10	3.26%
City of Grapevine	0.59	1.17%	Great Wolf Lodge	0.60	1.78%
Boeing Distribution	0.50	0.99%	City of Grapevine	0.60	1.78%
Hyatt Regency DFW	0.50	0.99%	Pavestone Mfg	0.40	1.19%
Kubota	0.45	0.89%	Hilton DFW Lakes	0.40	1.19%
	<u>10.1</u>	<u>20.06%</u>		<u>12.9</u>	<u>38.15%</u>
Total Employees 2023	51				

Sources: (1) City of Grapevine Economic Development Department, ESRI
(2) 2014 ACFR
(3) 2023 and 2014 number of employees employed by DFW airport was adjusted to include airport employees only and not surrounding businesses

City of Grapevine, Texas
Full Time Equivalent City Government Employees By
Function/Program Last Ten Fiscal Years
(Unaudited) (Amounts Expressed in Whole Numbers)
September 30, 2023

TABLE 19

Function/Program	Fiscal Year									
	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023
General government and administration	55	60	60	60	59	58	58	58	58	57
Public safety	238	240	240	252	253	252	253	253	253	253
Development services	15	15	15	15	15	15	15	15	15	15
Culture and recreational	114	126	132	135	135	136	141	141	141	141
Water and sewer	60	59	59	59	59	59	59	59	59	59
Golf course	19	20	19	19	19	19	19	19	19	25
Public works	<u>61</u>	<u>61</u>	<u>61</u>	<u>62</u>	<u>62</u>	<u>62</u>	<u>62</u>	<u>62</u>	<u>62</u>	<u>63</u>
Total	<u>562</u>	<u>581</u>	<u>586</u>	<u>602</u>	<u>602</u>	<u>601</u>	<u>607</u>	<u>607</u>	<u>607</u>	<u>613</u>

Source: Human Resources Department - City of Grapevine

City of Grapevine, Texas
Operating Indicators by Function/Program Last Ten Fiscal Years
(Unaudited) (Amounts Expressed in Whole Numbers)
September 30, 2023

Function/Program	Fiscal Year			
	2014	2015	2016	2017
General Government				
City Secretary				
Ordinances prepared	74	72	90	84
Resolutions prepared	89	92	106	106
Fiscal Services				
Invoices processed	17,410	17,556	19,098	18,944
Ratio of ACH/checks	47.50	49.60	53.60	58.80
Public safety				
Police				
Calls for service	44,266	53,372	52,613	47,751
Traffic citations	24,441	19,138	14,566	13,269
Criminal offenses	2,948	2,743	2,812	2,740
Fire				
Fire runs	5,101	5,588	5,905	6,161
Ambulance runs	3,614	3,715	4,893	4,432
Municipal Court				
Cases filed	24,298	19,012	16,398	15,578
Cultural and recreational				
Parks & Recreation				
Recreation center membership-family	2,731	9,856	11,512	12,126
Recreation center membership-individual	2,502	5,227	4,660	5,687
Athletic league registrants- youth	6,250	5,324	6,860	1,450
Athletic league registrants- adult	9,248	7,720	7,370	5,746
Public swim attendance	46,120	75,245	101,774	106,359
% Campground occupancy rate	61.00	53.00	13.83	70.99
Total acres maintained	1,662	1,677	1,677	1,677
Library				
Volumes	204,206	252,227	259,203	234,546
Annual circulation	293,434	301,522	307,662	345,429
Public works				
Development services				
Permits issued	4,500	4,139	4,340	4,369
Streets				
Square yard of overlay completed	75,555	82,202	98,693	79,238
Linear feet of gutter w edge milled	45,792	43,359	50,034	48,404
Linear feet of curb and gutter replaced	944	300	3,926	1,605
Number of blocks crack sealed	174	133	179	149
Square feet of concrete rehab	96,068	15,706	28,735	49,069
Tourism				
Convention and visitor bureau				
Nash farm attendance	13,500	14,588	11,566	14,868
Main street days attendance	148,260	154,032	178,672	169,560
Grapefest attendance	266,170	263,832	260,151	268,180
Water and sewer				
Number of water connections	14,476	14,564	14,665	14,732
Average daily consumption MG (water)	9.35	9.40	9.30	9.21
System capacity - MG (Water)	27	27	27	27
Number of sewer connections	13,387	13,452	13,570	13,632
Number of refuse customers	12,110	12,175	12,272	12,318
Sewer system capacity (MGD)	8	8	8	8
Lake Enterprise				
Numbers of golfers, annually	68,368	48,689	55,913	64,424

TABLE 20

Fiscal Year					
2018	2019	2020	2021	2022	2023
88	87	70	55	81	98
100	35	21	18	22	24
17,075	16,690	16,586	14,803	17,084	21,713
57.10	55.73	53.30	59.20	59.10	60.00
43,402	41,059	39,006	38,903	46,010	52,891
11,705	13,574	6,736	5,002	4,828	7,339
2,570	2,664	4,658	4,468	4,665	5,562
6,026	6,192	1,832	2,432	2,282	2,202
4,047	4,291	4,008	4,264	4,632	5,001
14,088	13,574	8,275	6,784	8,355	11,637
12,273	9,969	N/A	N/A	N/A	N/A
4,748	4,046	12,869	13,676	20,300	20,574
1,500	3,472	3,200	4,344	4,730	2,198
5,092	1,863	1,900	4,075	3,652	6,393
98,192	92,436	92,436	93,706	97,121	94,341
71.65	41.81	56.20	70.43	82.00	79.00
1,740	1,556	2,635	2,960	2,960	2,960
230,284	274,810	279,817	281,161	331,018	335,425
342,303	355,594	343,714	313,712	346,602	398,299
4,501	4,410	4,306	4,034	3,843	2,979
66,432	61,957	62,200	78,638	102,000	105,350
37,540	27,972	37,564	21,578	39,491	74,964
3,812	4,187	7,602	3,297	1,800	5,782
174	117	175	260	180	215
27,112	47,708	70,523	42,763	52,000	57,215
11,759	15,085	11,210	17,283	36,110	32,468
168,480	141,570	-	20,000	96,000	131,350
260,001	261,000	-	100,000	201,000	220,900
14,788	14,869	14,887	14,954	14,967	15,051
9.45	7.75	8.55	8.60	10.05	12.66
27	27	27	27	27	27
13,696	13,766	13,797	13,853	13,840	13,883
12,394	12,416	12,446	12,489	12,498	12,521
8	8	8	8	8	8
64,382	62,510	63,815	80,479	83,004	79,382

City of Grapevine, Texas
Capital Asset Statistics by Function/Program Last Ten Fiscal Years
(Unaudited) (Amounts Expressed in Whole Numbers)
September 30, 2023

TABLE 21

Function/Program	Fiscal Year									
	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023
Police										
Stations	2	2	2	2	2	2	2	2	2	2
Patrol units	35	35	35	35	35	37	34	31	31	28
Motorcycle Units	8	8	8	8	8	8	8	8	8	8
Fire										
Stations	5	5	5	5	5	5	5	5	5	5
Fire engines/trucks	10	10	10	10	10	10	11	11	11	11
EMS trucks	5	5	5	5	5	5	5	5	6	5
Public works										
Streets – paved (miles)	208	208	208	208	211	211	212	197	197	197
Traffic signals	75	75	75	75	76	76	78	78	78	78
Parks and recreation										
Acreage*	1,522	1,677	1,677	1,677	1,556	1,556	2,635	2,960	2,960	2,960
Playgrounds	37	37	37	37	32	36	36	36	47	37
Swimming pools	2	3	3	3	3	3	3	3	3	3
Splash parks	2	2	2	2	3	3	3	5	5	5
Tennis courts	8	8	8	8	8	8	12	12	10	12
Recreation centers	1	1	1	1	1	1	1	1	1	1
Senior centers	1	1	1	1	1	1	1	1	1	1
Libraries	1	1	1	1	1	1	1	1	1	1
Golf Courses	1	1	1	1	1	1	1	1	1	1
Water										
Water mains (miles)	292	293	295	295	300	305	306	324	325	327
Wastewater										
Sanitary sewers (miles)	225	226	228	228	226	227	228	251	252	254

Source: City departments

*Golf course included and land leased from Corp. of Engineers