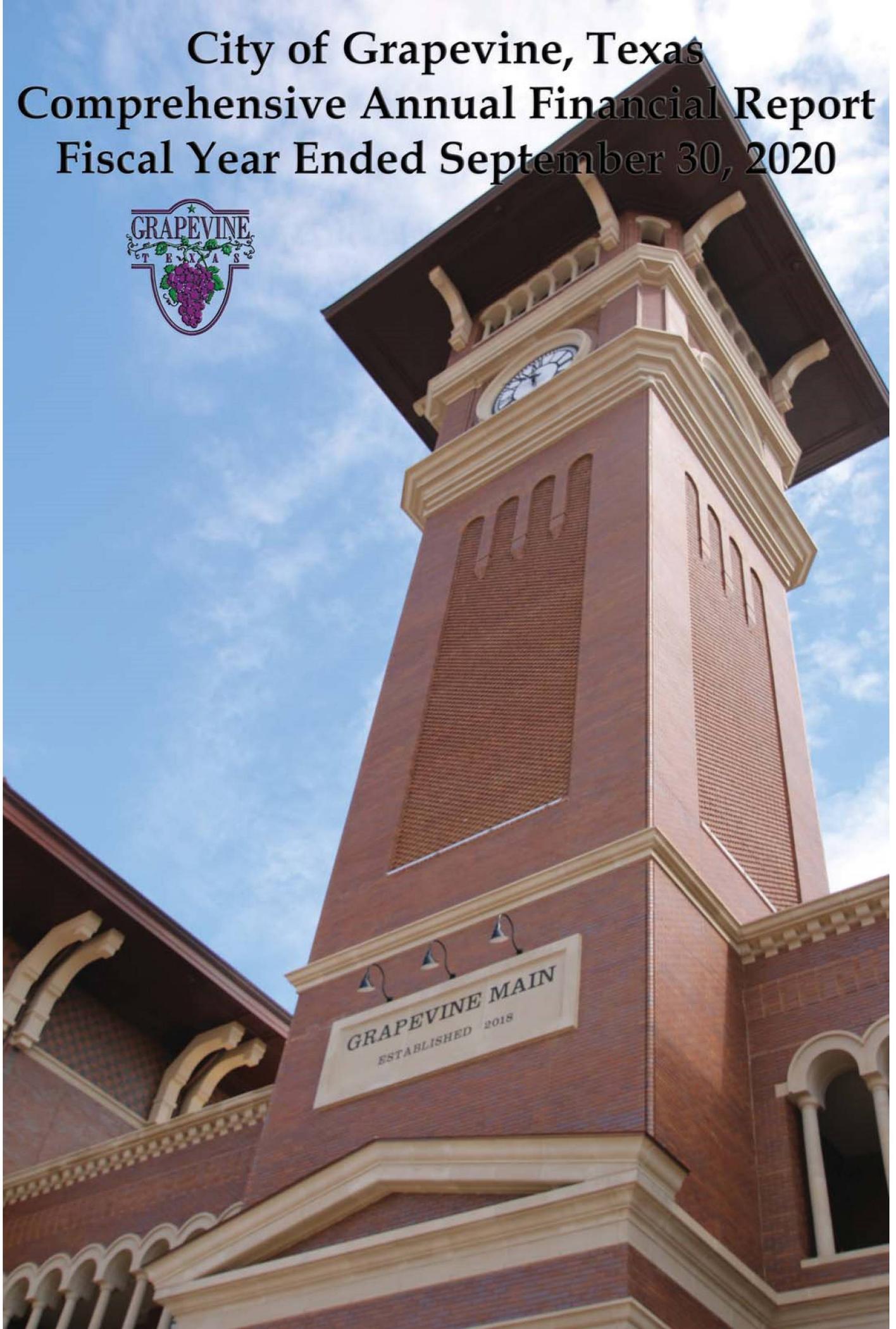


City of Grapevine, Texas Comprehensive Annual Financial Report Fiscal Year Ended September 30, 2020





CITY OF GRAPEVINE, TEXAS

COMPREHENSIVE ANNUAL FINANCIAL REPORT

FISCAL YEAR ENDED SEPTEMBER 30, 2020

Prepared by: Fiscal Services Department

CITY OF GRAPEVINE, TEXAS

COMPREHENSIVE ANNUAL FINANCIAL REPORT

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March 11, 2021

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 Comprehensive Annual 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 enable the reader to gain an 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. Pattillo, Brown & Hill, LLP was selected by the City Council to conduct this year's audit. The independent auditors' 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 file to the State an annual financial statement and audit opinion within 180 days after the last day of the municipality's Fiscal Year (FY).

Pattillo, Brown & Hill, LLP has issued an unmodified ("clean") opinion on the City of Grapevine's financial statements for the year ended September 30, 2020. 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 auditors' 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.



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 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 complex, 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, providing excellent access to Dallas, Fort Worth and the 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 Ft. Worth and Dallas. The City is approximately 35 square miles and serves an approximate population of 54,000.

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. In addition, 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. Internal services including fleet operations and risk management are provided through the General Fund.

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 governing 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.

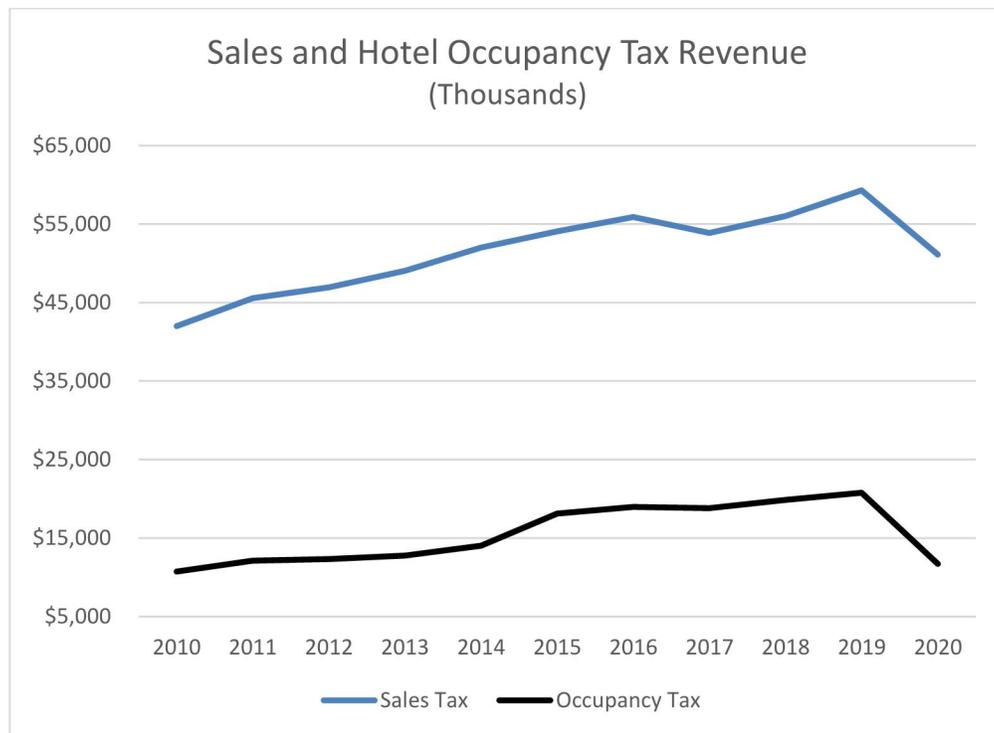
The Heritage Foundation is a legally separate organization that is a discretely presented component unit of the City. The Foundation was organized to promote the preservation, protection and economic development of Grapevine's physical and cultural heritage. Additional information on all six component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

Local Economy

During FY 2020, the onset of the COVID 19 pandemic impacted many cities around the DFW Metroplex and the nation including the City of Grapevine. Tourism and local commerce were disrupted due to reductions in travel and closing of, or limitations to, many businesses in the City. While the City has experienced some improvement in results as the travel industry improves and businesses re-open, the results have not returned to pre pandemic levels. Results are expected to improve throughout the upcoming fiscal year as several new acquisitions begin operations and existing businesses continue to rebound from the effects of the pandemic. The unemployment rate at the end of the fiscal year rose to 6% which is lower than the state's unemployment rate of 8% for the same time.

Sales Tax, the single largest revenue stream for the City, declined 14% from the prior fiscal year resulting from the effects of the pandemic. Restaurants and stores around the City closed due to safety restrictions causing more citizens to take their shopping online. Decreased travel impacted sales from tourism as well as sales from properties located at the airport. Sales tax revenues over the last 10 years are illustrated in the table below and reflect the decline in FY 2020 due to the pandemic.

The City's hotel and occupancy tax receipts have also declined this year. The reduction in travel caused by the pandemic dramatically slowed down past growth in the hospitality and tourism industry. Hotel occupancy tax revenues decreased 44% from FY 2019. As the pandemic and restrictions ease in the future and travel starts to return to normal, expectations are hotel and occupancy tax revenue will rebound and flourish as it has in the past.



Long-term Financial Planning

The City Council establishes long-term financial goals each year as a part of the budgeting process. For FY 2020, 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

While the COVID 19 pandemic had a significant impact to current year results, the City of Grapevine was able to maintain financial stability and strong fiscal management for FY 2020. The General, Debt Service, Utility Enterprise, and Stormwater Drainage funds ended the fiscal year with fund balances that meet or exceed their reserve requirements. The City also maintained existing services and transferred from the General Fund \$3,406,824 to the Crime District Fund, and \$3,279,000 to the Street Maintenance and Capital Replacement Fund.

As part of the commitment to safety the City continued construction of several capital projects including 2 new fire stations and a new Police Animal Shelter. For Fiscal Year 2020, the Police Department responded to 39,006 calls for service while the Fire Department responded to 1,832 calls for service and 4,008 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 has earned a well-deserved reputation as one of the nation's premier destinations by drawing 15 million visitors annually. 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 and close proximity to the world's third-busiest airport, providing ready access to major U.S. and international markets.

Grapevine continues to experience construction growth although values declined from previous years due to COVID 19. In FY 2020, construction values exceeded \$157 million, compared to \$246 million in FY 2019. The largest categories in this fiscal year were \$49 million in New Commercial Property and \$21 million in new government, which accounted for approximately 45% of the construction values. A total of 36 single-family residential homes were permitted in FY 2020 valued at \$12 million which represents a decrease of 8 residences from the previous year.

In FY 2006, the citizens of Grapevine overwhelmingly voted to approve the creation of an economic development fund for the primary purpose of providing commuter rail service to the City. Since that time, the City has worked closely with TEXRail to achieve this goal. On January 10, 2019, TEXRail commuter rail service began in Grapevine. TEXRail is a new 27-mile commuter rail line that extends from downtown Fort Worth, across northeast Tarrant County, through North Richland Hills and Grapevine, and into DFW International Airport's Terminal B. The train station in Grapevine consists of an observation tower, public plaza, parking garage, public meeting spaces, Harvest Hall, and retail spaces. In conjunction with the aforementioned projects, the City has entered into agreements with Vin Hotel to include a 121 room, AAA, four diamond level hotel to this project. The hotel and parking garage began operations in FY 2020. The remaining portions of the project opened in FY 2021.

Southland Holdings, a major civil engineering firm with work across the state and region will be moving their corporate office to Grapevine on 6 acres of land purchased in FY 2020. Work is already underway on construction of an approximately 80,000 sf building which is expected house 75 to 100 full time employees.

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 comprehensive annual financial report for the fiscal year ended September 30, 2019. This was the 33rd 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 annual report. 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 Comprehensive Annual Financial Report 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 preparation of this report would not have been possible without the efficient and dedicated services of the entire Fiscal Services Department. We would also like to express our appreciation to other City department staff that provided information and contributed to the preparation of this report.

We would also like 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:



Greg Jordan
Chief Financial Officer



Jeff Strawn
Managing Director of Financial Services



Nicole Bradshaw, CPA
Director of Internal Audit



Government Finance Officers Association

**Certificate of
Achievement
for Excellence
in Financial
Reporting**

Presented to

**City of Grapevine,
Texas**

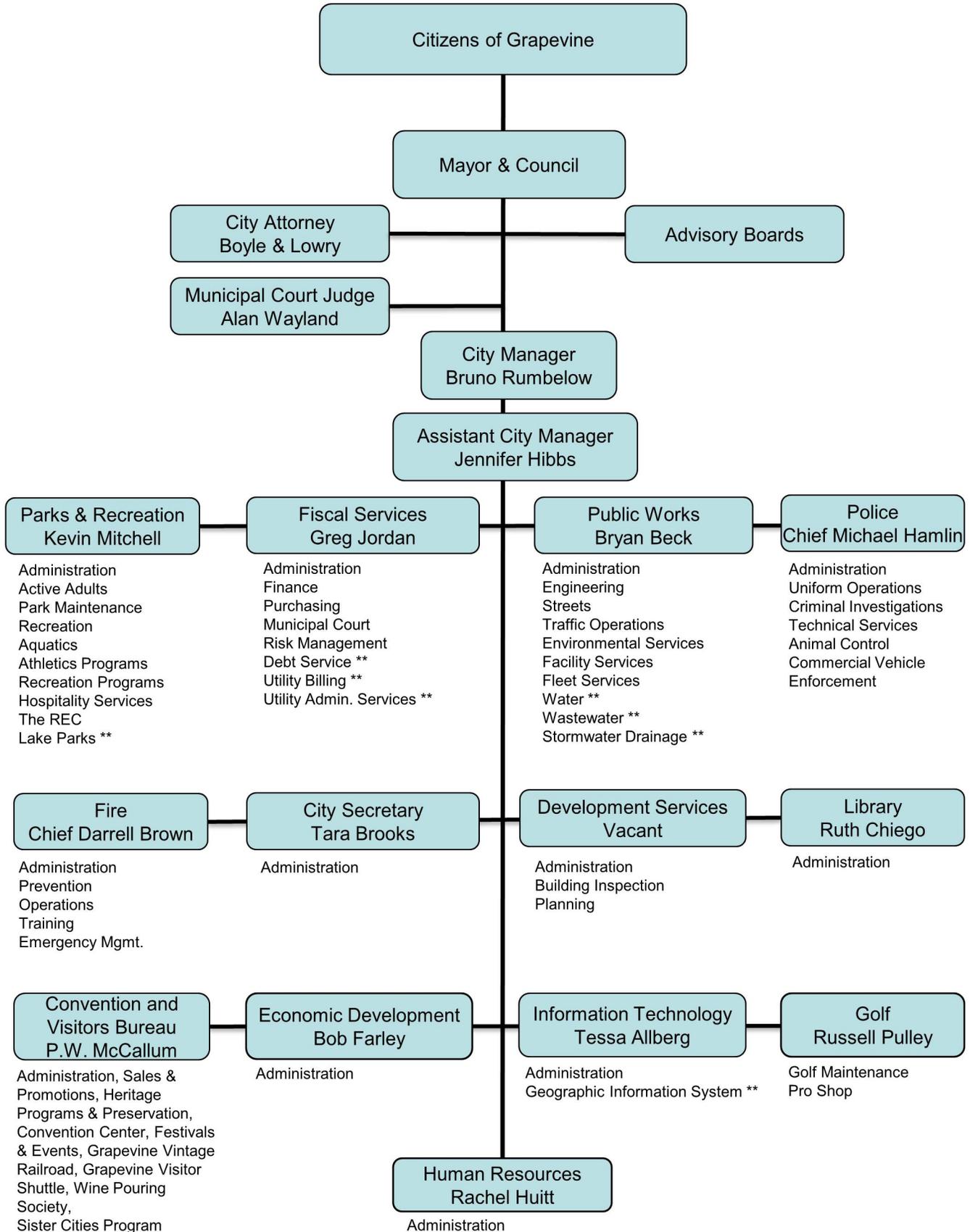
For its Comprehensive Annual
Financial Report
for the Fiscal Year Ended

September 30, 2019

Christopher P. Morill

Executive Director/CEO

City of Grapevine Organization Chart



CITY OF GRAPEVINE, TEXAS

ADMINISTRATIVE OFFICIALS

Bruno Rumbelow
City Manager

Jennifer Hibbs
Assistant City Manager

Matthew Boyle
City Attorney

Greg Jordan
Chief Financial Officer

Vacant
Director of Development Services

Michael Hamlin
Chief of Police

Kevin Mitchell
Director of Parks and Recreation

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

Nicole L. Bradshaw, CPA, CGMA
Internal Audit Director

Jeff Strawn
Managing Director of Financial Services

Gary W. Livingston
Management Services Director

Robert Farley
Director of Economic Development

Tara Brooks
City Secretary

Alan Wayland
Municipal Court Judge

Bryan Beck
Director of Public Works

Darrell Brown
Fire Chief

Ruth Chiego
Library Director

Russell E. Pulley
Director of Golf

Rachel Huitt
Human Resources Director

Tessa Allberg
Chief Technology Officer

Lance Wright
Purchasing Agent

Melanie Hill
Risk Management Director



INDEPENDENT AUDITOR'S REPORT

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

Report on the Financial Statements

We have audited the accompanying financial statements of the governmental activities, the business-type activities, the discretely presented component unit, each major fund, and the aggregate remaining fund information of the City of Grapevine, Texas (the "City"), as of and for the year ended September 30, 2020, and the related notes to the financial statements, which collectively comprise the City's basic financial statements as listed in the table of contents.

Management's Responsibility for the Financial Statements

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

Auditor's Responsibility

Our responsibility is to express opinions on these financial statements based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

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

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

Opinions

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, the discretely presented component unit, each major fund, and the aggregate remaining fund information of the City of Grapevine, Texas, as of September 30, 2020, and the respective changes in financial position, and, where applicable, cash flows thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Other Matters

Required Supplementary Information

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

Other Information

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

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

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

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated March 11, 2021, on our consideration of the City's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the City's internal control over financial reporting and compliance.

Patillo, Brown & Hill, L.L.P.

Waco, Texas
March 11, 2021

**MANAGEMENT'S
DISCUSSION AND ANALYSIS**

Management's Discussion and Analysis

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, 2020. 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 \$414,250,053 (net position).
- The City's total net position decreased by \$1,972,361 from operations. \$2,357,158 of this decrease was attributable to governmental activities and an increase of \$384,797 was due to business-type activities.
- At the close of the current fiscal year, the City's governmental funds reported combined fund balances of \$113,919,209, a decrease of \$42,759,782 from the prior year.
- At the end of the current fiscal year, total fund balance for the General Fund was \$11,574,295 or 20.2% 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 of 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 of the 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).

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 of 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 20 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, Lake Parks 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 11 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.

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 funds are used to account for resources held for the benefit of parties outside the City. Fiduciary funds are not reflected in the government-wide financial statements because the resources of those funds are not available to support the City's own programs. The accounting used for fiduciary funds is similar to the accounting used for proprietary funds.

Agency funds, one type of fiduciary fund, are used to report resources held by the City in a custodial capacity for individuals, private organizations, or other governments. Agency funds are used by the City to account for funds held for the Employee Activity Fund, the Industrial Development Corporation, and the W.D. Tate Scholarship Fund. See Note I 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, Lake Parks 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, 2020, the City's assets and deferred outflows of resources exceeded liabilities and deferred inflows of resources by \$414,250,053.

CITY OF GRAPEVINE'S NET POSITION

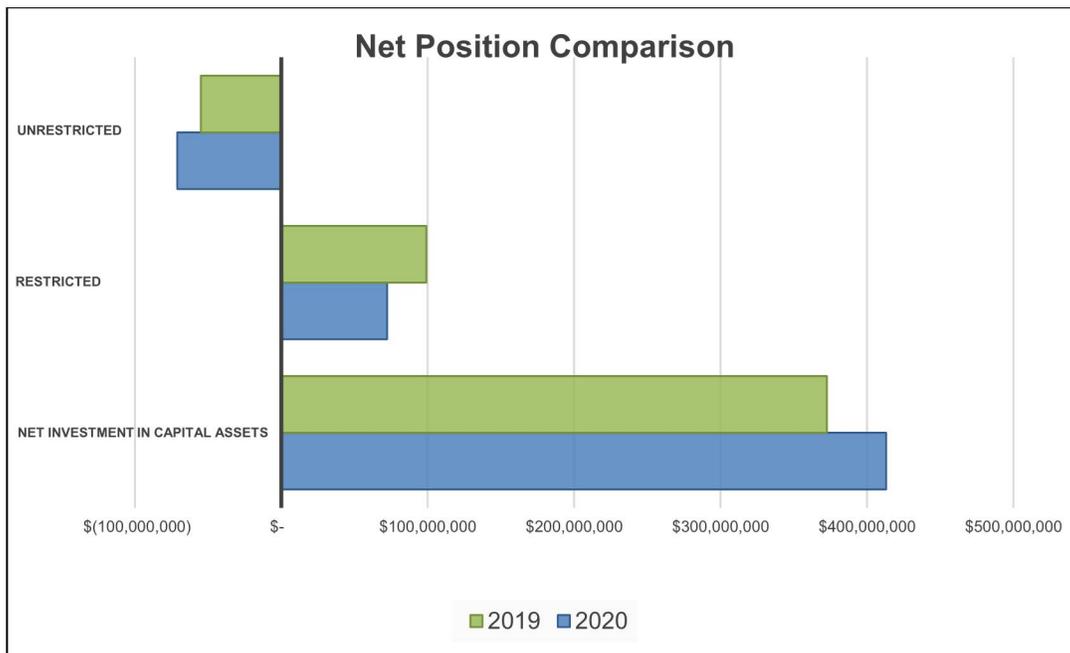
	Governmental Activities		Business-type Activities		Totals	
	2020	2019	2020	2019	2020	2019
Current and other assets	\$ 137,636,759	\$ 203,336,448	\$ 26,612,507	\$ 32,287,782	\$ 164,249,266	\$ 235,624,230
Capital assets	<u>425,901,522</u>	<u>377,806,721</u>	<u>137,872,997</u>	<u>135,600,810</u>	<u>563,774,519</u>	<u>513,407,531</u>
Total assets	<u>563,538,281</u>	<u>581,143,169</u>	<u>164,485,504</u>	<u>167,888,592</u>	<u>728,023,785</u>	<u>749,031,761</u>
Deferred outflows of resources	<u>16,210,158</u>	<u>21,967,086</u>	<u>1,733,305</u>	<u>2,302,431</u>	<u>17,943,463</u>	<u>24,269,517</u>
Long-term liabilities	269,230,027	289,074,649	20,040,171	22,942,098	289,270,198	312,016,747
Other liabilities	<u>22,837,219</u>	<u>29,328,287</u>	<u>2,832,957</u>	<u>4,842,425</u>	<u>25,670,176</u>	<u>34,170,712</u>
Total liabilities	<u>292,067,246</u>	<u>318,402,936</u>	<u>22,873,128</u>	<u>27,784,523</u>	<u>314,940,374</u>	<u>346,187,459</u>
Deferred inflows of resources	<u>15,188,870</u>	<u>9,161,829</u>	<u>1,587,951</u>	<u>1,248,673</u>	<u>16,776,821</u>	<u>10,410,502</u>
Net position:						
Net investment						
in capital assets	279,795,020	241,514,277	133,348,566	131,141,096	413,143,586	372,655,373
Restricted	69,120,093	95,250,803	3,147,224	3,713,745	72,267,317	98,964,548
Unrestricted	(76,422,790)	(61,219,590)	5,261,940	6,302,986	(71,160,850)	(54,916,604)
Total net position	<u>\$ 272,492,323</u>	<u>\$ 275,545,490</u>	<u>\$ 141,757,730</u>	<u>\$ 141,157,827</u>	<u>\$ 414,250,053</u>	<u>\$ 416,703,317</u>

Current and other assets decreased in the governmental and business-type activities by \$71,374,964 from the prior year. The decrease in cash and investments is the largest portion of this decrease (\$53,836,821). This decrease can largely be attributed to ongoing capital projects and the spending down of available bond proceeds for these projects. Additionally, the City had large intergovernmental receivables recorded in FY 2019. These funds were received in FY 2020 and are available for spending on the respective capital projects.

Long-term liabilities for the City consist of bonds, contractual obligations, compensated absences, OPEB and pension liabilities. Debt service payments of almost \$14.5 million were made during the year to pay down the balances of bonds and contractual obligations and to pay off the remaining balances of tax notes. The City's pension liability was decreased by over \$18 million primarily as a result of better than projected investment earnings and the City's OPEB liability increased by over \$10 million as a result of many factors including a change in the discount rate from 3.82% to 2.95%.

The largest portion of the City's net position, \$413,143,586, reflects its investment in capital assets (e.g., land, building, equipment, improvements, construction in progress, and infrastructure), less any debt used to acquire capital assets still outstanding. The City uses these capital assets to provide services to citizens; consequently, these assets are not available for future spending. Although the City's investment in capital 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 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 (\$3,147,224), (2) debt service (\$20,257,532), (3) capital projects (\$37,640,905), (4) court security and technology (\$447,682), (5) public safety (\$810,467), (6) records preservation (\$12,018), (7) economic development (\$9,670,370), (8) transportation (\$22,918), (9) culture and recreation (\$161,635), and (10) tourism (\$96,566).



For fiscal year-end 2020, 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.

Analysis of the City's Operations

The following table provides a summary of the City's operations for the year ended September 30, 2020, and 2019:

CITY OF GRAPEVINE'S CHANGES IN NET POSITION

	Governmental Activities		Business-type Activities		Totals	
	2020	2019	2020	2019	2020	2019
Revenues:						
Program revenues:						
Charges for services	\$ 15,420,184	\$ 19,951,339	\$ 30,280,788	\$ 27,601,935	\$ 45,700,972	\$ 47,553,274
Operating grants and contributions	3,576,140	992,824	-	-	3,576,140	992,824
Capital grants and contributions	6,732,982	23,230,376	3,714,288	6,308,642	10,447,270	29,539,018
General revenues:						
Property taxes	33,160,755	30,848,837	-	-	33,160,755	30,848,837
Hotel occupancy taxes	11,721,385	20,767,302	-	-	11,721,385	20,767,302
Sales taxes	51,111,959	59,297,844	-	-	51,111,959	59,297,844
Mixed beverage taxes	1,477,422	2,145,940	-	-	1,477,422	2,145,940
Franchise taxes	6,182,482	6,898,111	-	-	6,182,482	6,898,111
Investment earnings	1,893,007	3,783,555	295,942	650,207	2,188,949	4,433,762
Gain on sale of capital assets	226,500	2,075,942	-	-	226,500	2,075,942
Miscellaneous	864,931	420,084	-	-	864,931	420,084
Total revenues	<u>132,367,747</u>	<u>170,412,154</u>	<u>34,291,018</u>	<u>34,560,784</u>	<u>166,658,765</u>	<u>204,972,938</u>
Expenses:						
General government	21,449,315	18,382,135	-	-	21,449,315	18,382,135
Public safety	41,527,731	38,471,701	-	-	41,527,731	38,471,701
Culture and recreation	22,432,175	21,340,649	-	-	22,432,175	21,340,649
Public works	18,875,598	17,929,564	-	-	18,875,598	17,929,564
Transportation	8,642,110	10,046,960	-	-	8,642,110	10,046,960
Economic development	4,881,449	5,122,449	-	-	4,881,449	5,122,449
Tourism	16,982,374	23,886,464	-	-	16,982,374	23,886,464
Interest on long-term debt	5,822,973	5,311,983	-	-	5,822,973	5,311,983
Water and sewer	-	-	25,227,582	23,901,013	25,227,582	23,901,013
Lake enterprise	-	-	2,789,819	4,159,096	2,789,819	4,159,096
Total expenses	<u>140,613,725</u>	<u>140,491,905</u>	<u>28,017,401</u>	<u>28,060,109</u>	<u>168,631,126</u>	<u>168,552,014</u>
Increases in net position before extraordinary item and transfers	(8,245,978)	29,920,249	6,273,617	6,500,675	(1,972,361)	36,420,924
Transfers	<u>5,888,820</u>	<u>6,950,707</u>	<u>(5,888,820)</u>	<u>(6,950,707)</u>	<u>-</u>	<u>-</u>
Change in net position	(2,357,158)	36,870,956	384,797	(450,032)	(1,972,361)	36,420,924
Net position, beginning	275,545,490	237,943,782	141,157,827	141,607,859	416,703,317	379,551,641
Prior period adjustment	(696,009)	730,752	215,106	-	(480,903)	730,752
Net position, beginning (restated)	<u>274,849,481</u>	<u>238,674,534</u>	<u>141,372,933</u>	<u>141,607,859</u>	<u>416,222,414</u>	<u>380,282,393</u>
Net position, ending	<u>\$ 272,492,323</u>	<u>\$ 275,545,490</u>	<u>\$ 141,757,730</u>	<u>\$ 141,157,827</u>	<u>\$ 414,250,053</u>	<u>\$ 416,703,317</u>

Governmental activities – Governmental activities decreased the City's net position by \$2,357,158 from operations. This decrease can broadly be attributed to a decrease in general revenues such as sales tax, hotel occupancy tax, and mixed beverage tax as well as charges for services. These decreases are directly related to the economic impacts of COVID 19.

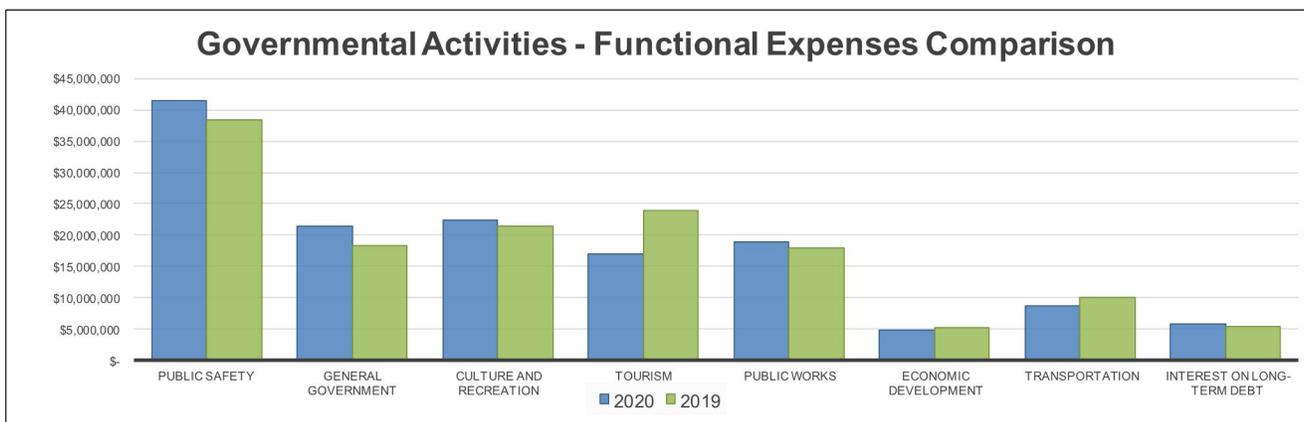
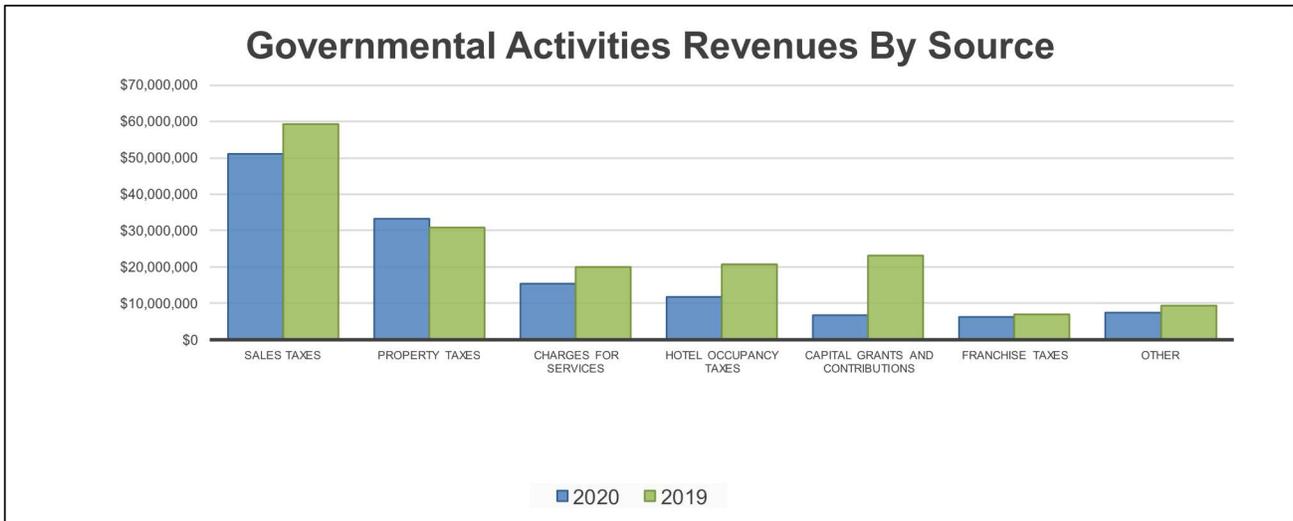
Fewer capital grants and contributions were received in fiscal year 2020 as these types of revenues are largely one-time projects which are not recurring from year-to-year. There was also a decrease in capital asset donations from developers as development slowed with the economy as a result of COVID 19.

The City's operating expenses for 2020 increased by \$121,820 or 0.1%. Some functions such as general government, public safety and culture and recreation saw increases in operating expenses while the transportation and tourism functions saw significant decreases. The net of these increases and decreases resulted in the overall minor increase in expenses for the fiscal year.

All functions that include personnel did see increases in expenses related to the City's OPEB plan. A net of \$5.3 million in expenses related to the City's OPEB plan were allocated across the governmental activities. Additionally, insurance claims and premium cost increases for the fiscal year resulted in increased expenses in the general government function of approximately \$1.9 million.

The City also took advantage of downtime related to COVID 19 shutdowns to perform needed maintenance projects throughout the City which resulted in higher expenses for culture & recreation and public works.

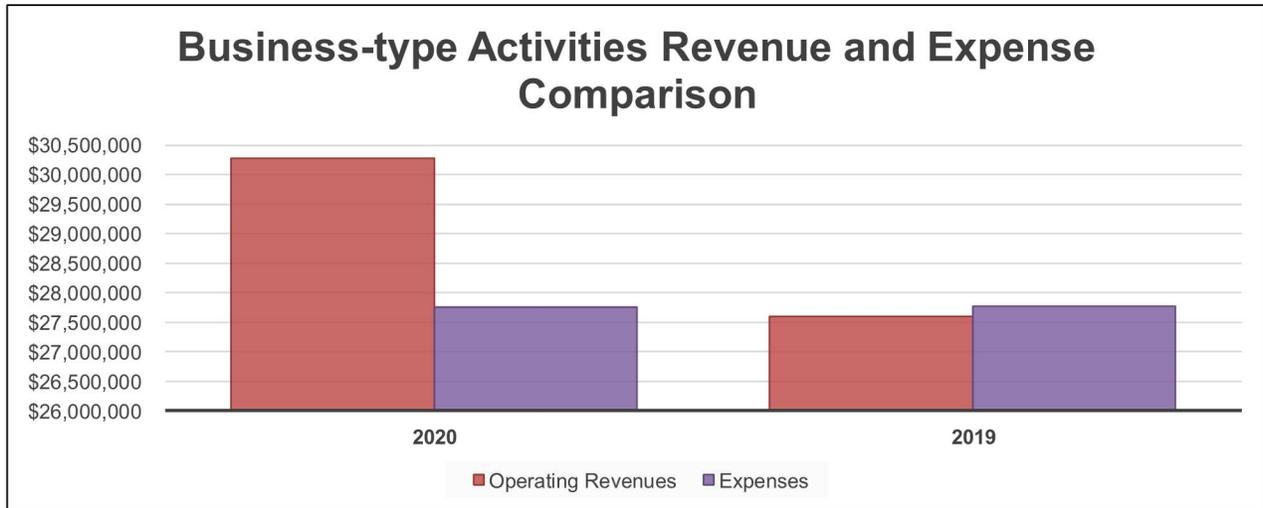
Tourism expenses saw a significant decline of \$6,904,090 or 28.9%. The City was unable to hold its two large festivals during the year because of COVID 19. These festivals typically bring in large numbers of tourist and visitors to the City each year and the operating costs associated with these festivals are usually significant. Additionally, operating cut backs were made as the tourism budget is largely funded by hotel occupancy tax revenues which saw a significant decline because of COVID 19.



Business-type activities – In total, the business-type activities increased the City's net position by \$599,903. Water and Sewer Utilities increased net position by \$442,897 while Lake Enterprise (golf) increased net position by \$157,006.

The change in net position for the business-type activities was impacted by the Water and Sewer Fund in the following ways: (1) The City received a significant amount of rainfall in fiscal year 2019. This rainfall led to a decrease in charges for services and a decrease in operating expenses related to lower than normal demand. Rainfall for fiscal year 2020 was significantly less which increased overall demand for water. This led to higher charges for services and also an increase in operating expenses related to the purchase, storage and treatment of water. (2) Salary and benefit expenses decreased by approximately \$2.2 million as a result of decreased OPEB expense allocations to the fund.

The Lake Enterprise Fund (golf course) was able to keep operating revenues consistent with the prior year even though operations were shut down for several weeks in the spring because of COVID 19. As the golf course reopened, they saw higher than normal activity as citizens and visitors were seeking outdoor activities during the pandemic. The Lake Enterprise Fund also saw a decrease in salary and benefits expenses of approximately \$1 million as a result of decreased OPEB expense allocations to the fund.



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 which 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 \$113,919,209, a decrease of \$42,759,782 compared with the prior year. Unassigned fund balance is \$2,437,991 (2.1%), 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) nonspendable; (\$1,209,459) (2) restricted for debt service, capital projects, court security and technology, public safety, economic development, transportation, tourism, records preservation and culture and recreation programs; (\$73,427,338) (3) committed for stormwater drainage and public arts (\$2,366,295); (4) or assigned for economic development, capital projects, tourism, public safety, culture and recreation programs, and OPEB plan contributions (\$34,478,126).

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 FY 2020, unassigned fund balance of the General Fund was \$10,252,341, while total fund balance equaled \$11,574,295. 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 17.9% of total General Fund expenditures, while the total fund balance represents approximately 20.2% of that same amount.

The fund balance of the General Fund decreased by \$2,720,976 for FY 2020. Revenues decreased in the General Fund from FY 2019 to FY 2020 by \$5,552,078. Property taxes increased in the General Fund by almost \$974,000 for FY 2020. This increase is primarily due to increases in the M&O portion of the tax rate even though the overall property tax rate decreased. COVID 19 had significant impacts on almost every other revenue source for the General Fund. Sales taxes decreased by \$4.1 million or 13.7%, mixed beverage taxes decreased by almost \$669,000 or 31.2%, and licenses and permits decreased by approximately \$624,000 or 31.7%. These revenues are all heavily driven by tourism and economic activity which have all been stunted by the pandemic.

General government expenditures increased by nearly \$1.9 million or 12.7%. As mentioned earlier in the discussion about the governmental activities, general government expenditures increased for FY 2020 primarily as a result of increases in insurance claims and premiums. These increases were offset by an overall decrease in general operating expenditures that were reduced as City facilities were shut down for a time during the pandemic, travel costs were reduced, and telework became more prevalent among nonessential City staff.

Culture and recreation expenditures increased by approximately \$781,000 or 5.9%. Some of this increase can be attributed to increased maintenance being performed in City facilities as they were shut down for COVID 19. There was also an increase in maintenance costs related to additional areas being added for the City to mow and maintain which include the Green Ribbon landscape projects. Additionally, due to higher attendance at City parks and facilities because of COVID 19, added maintenance and cleaning was needed to keep parks clean and safe.

Special Revenue – Hotel Occupancy Tax Fund – Fund balance in the Hotel Occupancy Tax Fund decreased for FY 2020 by \$2,542,432. This decrease can primarily be attributed to a decrease in hotel occupancy taxes received because of COVID 19. Hotel occupancy taxes decreased by \$9 million or 43.6%. Charges for services also decreased by \$4.2 million primarily as a result of the two main festivals for the City being cancelled because of COVID 19.

Expenditures in the Hotel Occupancy Tax Fund decreased from \$23.6 million in FY 2019 to \$15.9 million in FY 2020. This decrease was a result of the festivals being cancelled, limited travel and events, shutdowns, and other reduced operating costs as a result of COVID 19.

Special Revenue – Crime District Fund – Fund balance of the Crime District Fund decreased by \$1,779,581. Sales tax revenues, which are the primary funding source of the Crime District Fund, decreased by approximately \$2 million as a result of COVID 19. Expenditures in the Crime District Fund decreased by over \$400,000 as a result of operating cost reductions and CARES grant funding covering additional overtime costs that resulted from COVID 19.

Special Revenue – Lake Parks Fund – Fund balance in the Lake Parks Fund decreased by \$1,077,695 for FY 2020. Revenues did increase by \$924,000 from FY 2019, however, revenues were under budget due to flooding that occurred at the Lake in FY 2019. Occupancy and attendance at the Lake Parks was up in FY 2020 once facilities and operations were opened up with the pandemic but forced shut downs and social distancing did not allow revenues to meet budgeted targets. Expenditures exceeded budget as additional maintenance and cleaning was necessary to handle the higher level of park attendance with COVID 19.

Special Revenue – 4B – Economic Development – The 4B-Economic Development fund balance increased by \$384,256 over last fiscal year. Sales tax revenues decreased by over \$500,000 during the year due to economic conditions caused by COVID 19. Land was sold for economic development projects during the year. Proceeds from this sale were \$1,326,216. Additionally, the fund paid out distributions during the year related to 380 agreements that the City has entered into. These distributions were approximately \$1.9 million dollars more than the previous fiscal year.

Special Revenue – 4B – Transit – The 4B-Transit fund balance increased by \$5,957 over last fiscal year. Sales tax collected in this fund has been pledged to the Fort Worth Transit Authority (the “T”). Any sales tax collections in this fund, less half of the operating costs of the City’s visitor shuttle service, are distributed to the “T” to help fund commuter rail service in Grapevine. Sales taxes in this fund also decreased for the current period by almost \$1.5 million because of the pandemic, and as the revenues in this fund decrease, so do the corresponding expenditures.

Debt Service Fund – The total fund balance of \$7,289,596 in the Debt Service Fund is restricted for the payment of debt obligations. This balance has declined by \$460,190 and this is attributable to the City paying more in debt service expenditures for the year than was collected in property taxes to repay the debt.

Capital Projects – TIF #1 – The net increase in fund balance for the TIF #1 capital projects fund for FY 2020 was \$201,579. The property taxes and investment earnings collected in this fund for the year was \$330,885. Expenditures for the fund for the current year include \$129,306 in community distributions to GCISD.

Capital Projects – General Facilities and Equipment – The fund balance decreased \$26,221,125 from the prior year. The primary project contributing to the capital outlay of \$44,929,294 in this fund is the Grapevine Main train station. Intergovernmental revenues of \$15,389,465 were received in this fund in FY 2020 to help cover the costs associated with the Grapevine Main train station. Additionally, general obligation bonds were issued in FY 2019 to fund the construction of animal shelter facilities, fire stations, and a multi-use facility and clubhouse at the Grapevine Municipal Golf Course. These projects are all projected to be completed in FY 2021.

Proprietary Funds – The City of Grapevine’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 2020.

Significant budget variances:

All revenues are under budget for FY 2020. This is primarily the result of the economic impact of COVID 19.

Expenditures, in total, were under budget by \$221,502. Unbudgeted capital outlay expenditures and maintenance costs were incurred during the COVID 19 shut down in order to minimize impacts to the citizens of the City and this resulted in budget overages in capital outlay and the culture and recreation function.

Unrestricted funds that had been previously assigned to capital projects funds were transferred to the General Fund in light of the economic impacts of COVID 19. Additionally, funds allocated in the budget for capital projects were not transferred given economic conditions.

CAPITAL ASSETS AND DEBT ADMINISTRATION

Capital assets—The City’s investment in capital assets for its governmental and business-type activities as of September 30, 2020, amounts to \$563,774,519 (net of accumulated depreciation). This investment in capital assets includes land, buildings, improvements, machinery and equipment, infrastructure, intangible assets and construction in progress. The total net increase in the City’s investment in capital assets for the current fiscal year was \$50,366,988 (10%).

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

- Grapevine Main and Harvest Hall construction of \$28,293,398 was added to construction in progress.
- Construction in progress additions of \$12,422,092 were added for the rebuild/remodel of 4 fire stations, along with \$3,916,671 added for the new animal shelter.

- Acquisition of vehicles and equipment totaling \$2,152,590, including \$1,253,417 related to public safety, \$230,537 related to public works, \$226,604 for IT infrastructure, and \$372,738 related to culture and recreation. Of this total amount, \$451,156 remained in CIP at year-end due to delayed delivery of vehicles and related equipment.
- Parks and recreation improvement projects of \$14,094,116 were completed, including \$11,177,947 for Oak Grove Softball renovations, \$1,653,129 for the Bear Creek Dog Park, \$630,596 for the Green Ribbon project, and \$334,951 related to renovations to The REC.
- Street construction of \$5,300,163 was added to construction in progress related to Dallas Road, and Main Street sidewalk improvements of \$268,454 were completed.
- Streets projects of \$1,794,739 were completed and transferred to infrastructure assets, including improvements to S. Dooley, Boyd Drive, and the intersection of Nash and Berry Streets.
- The Water and Sewer Fund completed \$4,793,642 in projects, which extended and improved the City's water and sewer system. Donated water and sewer assets totaled \$3,714,288.

CITY OF GRAPEVINE'S CAPITAL ASSETS AT YEAR-END

	Governmental Activities		Business-type Activities		Totals	
	2020	2019	2020	2019	2020	2019
Land	\$ 34,496,800	\$ 35,136,147	\$ 593,970	\$ 593,970	\$ 35,090,770	\$ 35,730,117
Right-of-way/easements	78,934,989	78,561,656	51,920,788	48,705,515	130,855,777	127,267,171
Construction in progress	112,876,261	71,385,628	2,501,786	5,431,218	115,378,047	76,816,846
Buildings	91,077,520	94,212,671	654,396	661,923	91,731,916	94,874,594
Improvements other than buildings	38,538,976	25,924,027	986,992	1,163,853	39,525,968	27,087,880
Machinery and equipment	14,719,274	16,226,083	1,711,539	2,003,659	16,430,813	18,229,742
Software	93,875	-	70,075	-	163,950	-
Water storage rights	-	-	9,972	27,061	9,972	27,061
Infrastructure	55,163,827	56,360,509	79,423,479	77,013,611	134,587,306	133,374,120
Total	\$ 425,901,522	\$ 377,806,721	\$ 137,872,997	\$ 135,600,810	\$ 563,774,519	\$ 513,407,531

Additional information on the City's capital assets can be found in Note V 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 \$172,224,068.

CITY OF GRAPEVINE'S OUTSTANDING BONDS AND NOTES PAYABLE AT YEAR-END

	Governmental Activities		Business-type Activities		Totals	
	2020	2019	2020	2019	2020	2019
General obligation bonds	\$ 84,490,000	\$ 92,055,000	\$ 455,000	\$ 895,000	\$ 84,945,000	\$ 92,950,000
Certificates of obligation	40,680,000	41,927,553	7,800,000	8,200,000	48,480,000	50,127,553
Revenue bonds	27,445,000	30,015,000	-	-	27,445,000	30,015,000
Contractual obligations	3,983,240	4,755,080	-	-	3,983,240	4,755,080
Tax notes	-	605,000	-	-	-	605,000
Premium on bonds issued	7,018,360	7,844,073	352,468	406,526	7,370,828	8,250,599
	\$ 163,616,600	\$ 177,201,706	\$ 8,607,468	\$ 9,501,526	\$ 172,224,068	\$ 186,703,232

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

ECONOMIC FACTORS AND NEXT YEAR'S BUDGET AND RATES

In the fiscal year 2021 budget, total City revenues are budgeted at \$167.5 million, a decrease of \$12.4 million (6.9%) from the previous year. The City lowered the tax rate to \$0.282601 per \$100 of valuation which is at the 3.5% tax cap. This represents a 0.6% reduction from the FY 2020 rate of \$0.284271 per \$100 of valuation.

General Fund expenditures have been decreased in the FY 2021 budget by 9.2% or \$6.5 million. We have anticipated that we will continue to see an overall impact to revenues as a result of COVID 19. Sales tax budgets have been reduced 17% and the hotel occupancy tax budget has been reduced by 27%.

The economy of the City and the Dallas-Fort Worth Metroplex in general is expected to continue to grow and rebuild as we continue through the pandemic. The City continues to focus on quality of life, economic development and cultural, educational and recreational amenities the community has to offer.

The General Fund reserve requirement is expected to remain at approximately 20% of budgeted expenditures for the fiscal year 2021. This meets the requirement of 20% of budgeted expenditures.

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, 2020

	Primary Government			Component Unit
	Governmental	Business-type	Total	Heritage Foundation
	Activities	Activities		
ASSETS				
Cash and investments	\$ 112,900,514	\$ 15,467,553	\$ 128,368,067	\$ 374,851
Receivables, net:				
Taxes	9,261,065	-	9,261,065	-
Accounts	3,674,602	3,288,493	6,963,095	-
Notes	3,858,000	-	3,858,000	-
Internal balances	93,830	(93,830)	-	-
Due from primary government	-	-	-	9,518
Due from other governments	6,336,883	-	6,336,883	-
Inventory	546,699	72,755	619,454	-
Accrued interest	80,899	34	80,933	-
Prepaid expenses	657,316	581,312	1,238,628	-
Deposits	5,843	-	5,843	-
Restricted assets:				
Cash and investments	-	7,296,190	7,296,190	-
Assets held for sale	221,108	-	221,108	-
Capital assets (net of accumulated depreciation):				
Non-depreciable	226,308,050	55,016,544	281,324,594	450,067
Depreciable	199,593,472	82,856,453	282,449,925	664,950
Total assets	<u>563,538,281</u>	<u>164,485,504</u>	<u>728,023,785</u>	<u>1,499,386</u>
DEFERRED OUTFLOWS OF RESOURCES				
Deferred outflows related to pensions	6,761,426	632,301	7,393,727	-
Deferred outflows related to OPEB	8,899,397	1,056,409	9,955,806	-
Deferred loss on bond refunding	549,335	44,595	593,930	-
Total deferred outflows of resources	<u>16,210,158</u>	<u>1,733,305</u>	<u>17,943,463</u>	<u>-</u>
LIABILITIES				
Accounts payable	8,663,680	1,386,145	10,049,825	84,637
Contracts and retainage payable	4,542,036	110,524	4,652,560	-
Accrued and other liabilities	3,683,731	273,202	3,956,933	-
Developer deposits	1,548,115	-	1,548,115	-
Customer deposits	54,607	-	54,607	-
Interest payable	756,599	34,096	790,695	-
Due to component unit	9,518	-	9,518	-
Due to other governments	135,621	-	135,621	-
Unearned revenue	3,443,312	-	3,443,312	8,454
Customer deposits	-	1,028,990	1,028,990	-
Noncurrent liabilities:				
Due in one year	12,679,044	929,919	13,608,963	-
Due in more than one year	256,550,983	19,110,252	275,661,235	-
Total liabilities	<u>292,067,246</u>	<u>22,873,128</u>	<u>314,940,374</u>	<u>93,091</u>
DEFERRED INFLOWS OF RESOURCES				
Deferred inflows related to pensions	8,537,256	798,367	9,335,623	-
Deferred inflows related to OPEB	6,651,614	789,584	7,441,198	-
Total deferred inflows of resources	<u>15,188,870</u>	<u>1,587,951</u>	<u>16,776,821</u>	<u>-</u>
NET POSITION				
Net investment in capital assets	279,795,020	133,348,566	413,143,586	1,115,017
Restricted for:				
Use of impact fees	-	3,147,224	3,147,224	-
Debt service	20,257,532	-	20,257,532	-
Capital projects	37,640,905	-	37,640,905	-
Court security and technology	447,682	-	447,682	-
Public safety	810,467	-	810,467	-
Records preservation	12,018	-	12,018	-
Economic development	9,670,370	-	9,670,370	-
Transportation	22,918	-	22,918	-
Culture and recreation	161,635	-	161,635	-
Tourism	96,566	-	96,566	-
Unrestricted	(76,422,790)	5,261,940	(71,160,850)	291,278
Total net position	<u>\$ 272,492,323</u>	<u>\$ 141,757,730</u>	<u>\$ 414,250,053</u>	<u>\$ 1,406,295</u>

The accompanying notes are an integral part of these financial statements.

CITY OF GRAPEVINE, TEXAS
STATEMENT OF ACTIVITIES
FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2020

Functions/Programs	Expenses	Program Revenue		
		Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions
Primary government:				
Governmental activities:				
General government	\$ 21,449,315	\$ 1,494,921	\$ 303,221	\$ 506,528
Public safety	41,527,731	2,182,537	2,968,918	-
Culture and recreation	22,432,175	5,257,641	25,005	791,224
Public works	18,875,598	3,078,057	278,996	5,435,230
Transportation	8,642,110	-	-	-
Economic development	4,881,449	-	-	-
Tourism	16,982,374	3,407,028	-	-
Interest on long-term debt	5,822,973	-	-	-
Total governmental activities	<u>140,613,725</u>	<u>15,420,184</u>	<u>3,576,140</u>	<u>6,732,982</u>
Business-type activities:				
Water and sewer	25,227,582	27,223,906	-	3,714,288
Lake Enterprise	2,789,819	3,056,882	-	-
Total business-type activities	<u>28,017,401</u>	<u>30,280,788</u>	<u>-</u>	<u>3,714,288</u>
 Total primary government	 <u>\$ 168,631,126</u>	 <u>\$ 45,700,972</u>	 <u>\$ 3,576,140</u>	 <u>\$ 10,447,270</u>
Component unit:				
Heritage Foundation	\$ <u>410,867</u>	\$ <u>17,570</u>	\$ <u>106,316</u>	\$ <u>440</u>

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
- Prior period adjustment
- Net position - beginning, as restated
- Net position - ending

Net (Expense) Revenue and Changes in Net Position			Component
Primary Government			Unit
Governmental Activities	Business-type Activities	Total	Heritage Foundation
\$(19,144,645)	\$ -	\$(19,144,645)	\$ -
(36,376,276)	-	(36,376,276)	-
(16,358,305)	-	(16,358,305)	-
(10,083,315)	-	(10,083,315)	-
(8,642,110)	-	(8,642,110)	-
(4,881,449)	-	(4,881,449)	-
(13,575,346)	-	(13,575,346)	-
(5,822,973)	-	(5,822,973)	-
(114,884,419)	-	(114,884,419)	-
-	5,710,612	5,710,612	-
-	267,063	267,063	-
-	5,977,675	5,977,675	-
\$(114,884,419)	\$ 5,977,675	\$(108,906,744)	\$ -
			(286,541)
\$ 33,160,755	\$ -	\$ 33,160,755	\$ -
6,182,482	-	6,182,482	-
11,721,385	-	11,721,385	-
51,111,959	-	51,111,959	-
1,477,422	-	1,477,422	-
1,893,007	295,942	2,188,949	4,204
226,500	-	226,500	-
864,931	-	864,931	2,716
5,888,820	(5,888,820)	-	-
112,527,261	(5,592,878)	106,934,383	6,920
(2,357,158)	384,797	(1,972,361)	(279,621)
275,545,490	141,157,827	416,703,317	1,685,916
(696,009)	215,106	(480,903)	-
274,849,481	141,372,933	416,222,414	1,685,916
\$ 272,492,323	\$ 141,757,730	\$ 414,250,053	\$ 1,406,295

CITY OF GRAPEVINE, TEXAS
BALANCE SHEET
GOVERNMENTAL FUNDS
SEPTEMBER 30, 2020

	Special Revenue				
	General	Hotel Occupancy Tax	Crime District	Lake Parks	4B-Economic Development
ASSETS					
Cash and investments	\$ 3,099,997	\$ 17,976,634	\$ -	\$ -	\$ 11,740,031
Receivables (net of allowances for uncollectibles):					
Accounts	1,491,750	53,674	6,346	79	35,768
Taxes	4,444,373	721,632	1,891,535	-	604,576
Accrued interest	224	1,203	-	-	18
Notes	-	-	-	-	-
Inventory	541,635	5,064	-	-	-
Due from other funds	8,099,905	135,760	-	-	-
Due from other governments	184,793	-	8,895	-	-
Prepaid items	346,106	281,109	30,101	-	-
Deposits	5,444	-	-	-	-
Assets held for sale	-	221,108	-	-	-
Total assets	<u>18,214,227</u>	<u>19,396,184</u>	<u>1,936,877</u>	<u>79</u>	<u>12,380,393</u>
LIABILITIES					
Accounts payable	1,426,561	989,982	202,350	174,898	142,843
Accrued liabilities	2,637,972	280,362	688,809	18,129	22,910
Due to other funds	-	-	3,861,747	3,839,891	-
Due to component unit	-	9,518	-	-	-
Due to other governments	135,170	360	-	-	-
Unearned revenue	1,876,029	395,150	8,895	463,604	-
Developer deposits	-	-	-	-	-
Customer deposits	54,607	-	-	-	-
Total liabilities	<u>6,130,339</u>	<u>1,675,372</u>	<u>4,761,801</u>	<u>4,496,522</u>	<u>165,753</u>
DEFERRED INFLOWS OF RESOURCES					
Unavailable revenue	509,593	-	-	-	-
Total deferred inflows of resources	<u>509,593</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
FUND BALANCES (DEFICITS)					
Nonspendable:					
Inventory	541,635	5,064	-	-	-
Prepaid items	346,106	281,109	30,101	-	-
Deposits	5,444	-	-	-	-
Restricted for:					
Debt service	-	-	-	-	1,402,400
Capital projects	-	-	-	-	-
Court security and technology	-	-	-	-	-
Economic development	-	-	-	-	7,161,115
Public safety	-	-	-	-	-
Records preservation	-	-	-	-	-
Tourism	-	96,566	-	-	-
Transportation	-	-	-	-	-
Culture and recreation	-	-	-	-	-
Committed for:					
Stormwater drainage operations	-	-	-	-	-
Public arts	-	-	-	-	-
Assigned for:					
Economic development	-	-	-	-	3,651,125
Capital projects	-	-	-	-	-
Tourism	-	17,338,073	-	-	-
Culture and recreation	-	-	-	-	-
Public safety	-	-	-	-	-
OPEB	428,769	-	-	-	-
Unassigned	10,252,341	-	(2,855,025)	(4,496,443)	-
Total fund balances	<u>11,574,295</u>	<u>17,720,812</u>	<u>(2,824,924)</u>	<u>(4,496,443)</u>	<u>12,214,640</u>
Total liabilities, deferred inflows of resources and fund balances	<u>\$ 18,214,227</u>	<u>\$ 19,396,184</u>	<u>\$ 1,936,877</u>	<u>\$ 79</u>	<u>\$ 12,380,393</u>

The accompanying notes are an integral part of these financial statements.

Special Revenue		Capital Projects			Total Governmental Funds	
4B-Transit	Debt Service	TIF #1	General Facilities and Equipment	Nonmajor Governmental Funds	Total Governmental Funds	
\$ -	\$ 7,292,194	\$ 9,731,542	\$ 34,815,307	\$ 28,030,256	\$ 112,685,961	
-	10	-	1,900	2,085,075	3,674,602	
1,389,700	209,249	-	-	-	9,261,065	
-	15	15	79,367	57	80,899	
-	-	-	3,858,000	-	3,858,000	
-	-	-	-	-	546,699	
-	-	-	-	-	8,235,665	
-	-	-	4,500,000	1,643,195	6,336,883	
-	-	-	-	-	657,316	
-	-	-	-	399	5,843	
-	-	-	-	-	221,108	
<u>1,389,700</u>	<u>7,501,468</u>	<u>9,731,557</u>	<u>43,254,574</u>	<u>31,758,982</u>	<u>145,564,041</u>	
1,256,801	33,451	129,306	3,173,687	1,132,218	8,662,097	
-	-	-	-	35,549	3,683,731	
109,981	-	-	-	330,216	8,141,835	
-	-	-	-	-	9,518	
-	-	-	-	91	135,621	
-	-	-	8,333	691,301	3,443,312	
-	-	-	400,000	1,148,115	1,548,115	
-	-	-	-	-	54,607	
<u>1,366,782</u>	<u>33,451</u>	<u>129,306</u>	<u>3,582,020</u>	<u>3,337,490</u>	<u>25,678,836</u>	
-	178,421	-	4,519,301	758,681	5,965,996	
-	178,421	-	4,519,301	758,681	5,965,996	
-	-	-	-	-	546,699	
-	-	-	-	-	657,316	
-	-	-	-	-	5,444	
-	7,289,596	-	-	12,015,059	20,707,055	
-	-	6,964,341	30,126,698	4,278,933	41,369,972	
-	-	-	-	447,682	447,682	
-	-	2,637,910	-	-	9,799,025	
-	-	-	-	810,467	810,467	
-	-	-	-	12,018	12,018	
-	-	-	-	-	96,566	
22,918	-	-	-	-	22,918	
-	-	-	-	161,635	161,635	
-	-	-	-	1,555,846	1,555,846	
-	-	-	-	810,449	810,449	
-	-	-	-	-	3,651,125	
-	-	-	5,026,555	7,800,453	12,827,008	
-	-	-	-	-	17,338,073	
-	-	-	-	228,981	228,981	
-	-	-	-	4,170	4,170	
-	-	-	-	-	428,769	
-	-	-	-	(462,882)	2,437,991	
<u>22,918</u>	<u>7,289,596</u>	<u>9,602,251</u>	<u>35,153,253</u>	<u>27,662,811</u>	<u>113,919,209</u>	
\$ <u>1,389,700</u>	\$ <u>7,501,468</u>	\$ <u>9,731,557</u>	\$ <u>43,254,574</u>	\$ <u>31,758,982</u>	\$ <u>145,564,041</u>	

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CITY OF GRAPEVINE, TEXAS
RECONCILIATION OF THE BALANCE SHEET OF GOVERNMENTAL FUNDS
TO THE STATEMENT OF NET POSITION
SEPTEMBER 30, 2020

Total fund balances - governmental funds balance sheet	\$	113,919,209
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.		425,901,522
Certain receivables will not be collected soon enough to pay for the current period's expenditures and are, therefore, reported as deferred inflows of resources in the funds:		
Property taxes		136,244
Property tax penalties and interest		223,777
Court fines and fees		153,221
Ambulance billing		51,975
Intergovernmental receivables		5,198,492
Franchise Fees		80,366
Other		121,921
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.		212,970
Accrued bond interest is not due and payable in the current period and, therefore, is not reported in the funds.	(	756,599)
Retainage payable is not due and payable in the current period and, therefore, is not reported in the funds.	(	4,542,036)
Long-term liabilities 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:		
Bonds payable	(	161,543,360)
Compensated absences	(	4,554,556)
Contractual obligations	(	2,073,240)
Deferred outflows of resources:		
Deferred losses on bond refundings		549,335
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 included a deferred outflows of resources in the amount of \$6,761,426, a deferred inflows of resources in the amount of \$8,537,256, and the net pension liability of \$33,474,898.	(	35,250,728)
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 included a deferred outflows of resources in the amount of \$8,899,397, a deferred inflows of resources in the amount of \$6,651,614, and the net OPEB liability of \$67,583,973.	(	65,336,190)
Net position of governmental activities	\$	<u>272,492,323</u>

CITY OF GRAPEVINE, TEXAS
STATEMENT OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCES
GOVERNMENTAL FUNDS
SEPTEMBER 30, 2020

	Special Revenue				
	General	Hotel Occupancy Tax	Crime District	Lake Parks	4B-Economic Development
REVENUES					
Property tax	\$ 12,740,172	\$ -	\$ -	\$ -	\$ -
Hotel occupancy tax	-	11,721,385	-	-	-
Sales tax	25,758,869	-	12,501,687	-	3,872,769
Mixed beverage tax	1,477,422	-	-	-	-
Franchise tax	6,216,566	-	-	-	-
Licenses and permits	1,344,611	-	-	-	-
Intergovernmental	326,563	-	16,671	252	-
Charges for services	5,087,860	3,407,028	-	2,252,448	60
Fines and forfeitures	1,012,037	-	52,800	-	-
Investment income	152,003	261,950	20,682	-	104,318
Contributions	-	-	-	-	-
Miscellaneous	539,990	22,582	4,346	4,888	-
Total revenues	<u>54,656,093</u>	<u>15,412,945</u>	<u>12,596,186</u>	<u>2,257,588</u>	<u>3,977,147</u>
EXPENDITURES					
Current:					
General government	17,399,113	-	178,098	-	-
Public safety	16,358,908	-	17,559,508	-	-
Culture and recreation	14,080,930	-	-	2,587,990	-
Public works	8,686,679	-	-	-	-
Tourism	-	15,649,237	-	-	-
Economic development	-	-	-	-	3,211,713
Transportation	-	-	-	-	-
Capital outlay	734,516	199,652	44,985	57,400	-
Debt service:					
Principal	-	-	-	-	-
Interest	-	-	-	-	-
Fiscal agent charges	3,675	1,816	-	-	-
Total expenditures	<u>57,263,821</u>	<u>15,850,705</u>	<u>17,782,591</u>	<u>2,645,390</u>	<u>3,211,713</u>
EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES	<u>(2,607,728)</u>	<u>(437,760)</u>	<u>(5,186,405)</u>	<u>(387,802)</u>	<u>765,434</u>
OTHER FINANCING SOURCES (USES)					
Transfers in	7,817,342	336,524	3,406,824	-	-
Transfers out	(7,515,828)	(2,441,196)	-	(689,893)	(1,707,394)
Sale of capital assets	132,665	-	-	-	1,326,216
Insurance recoveries	42,374	-	-	-	-
Total other financing sources and uses	<u>476,553</u>	<u>(2,104,672)</u>	<u>3,406,824</u>	<u>(689,893)</u>	<u>(381,178)</u>
NET CHANGE IN FUND BALANCES	<u>(2,131,175)</u>	<u>(2,542,432)</u>	<u>(1,779,581)</u>	<u>(1,077,695)</u>	<u>384,256</u>
FUND BALANCES, BEGINNING	14,295,271	20,263,244	(1,045,343)	(3,418,748)	11,830,384
PRIOR PERIOD ADJUSTMENT	<u>(589,801)</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
FUND BALANCES, BEGINNING, RESTATED	<u>13,705,470</u>	<u>20,263,244</u>	<u>(1,045,343)</u>	<u>(3,418,748)</u>	<u>11,830,384</u>
FUND BALANCES, ENDING	<u>\$ 11,574,295</u>	<u>\$ 17,720,812</u>	<u>\$ (2,824,924)</u>	<u>\$ (4,496,443)</u>	<u>\$ 12,214,640</u>

The accompanying notes are an integral part of these financial statements.

Special Revenue		Capital Projects			Nonmajor Governmental Funds	Total Governmental Funds
4B-Transit	Debt Service	TIF #1	General Facilities and Equipment			
\$ -	\$ 12,865,818	\$ 246,958	\$ -	\$ 7,296,659	\$ 33,149,607	
-	-	-	-	-	11,721,385	
8,978,634	-	-	-	-	51,111,959	
-	-	-	-	-	1,477,422	
-	-	-	-	191,406	6,407,972	
-	-	-	-	-	1,344,611	
-	-	-	15,389,465	6,337,940	22,070,891	
-	-	-	-	1,796,805	12,544,201	
-	-	-	-	60,063	1,124,900	
5,957	118,835	83,927	753,948	406,031	1,907,651	
-	-	-	-	124,312	124,312	
-	-	-	300,613	29,219	901,638	
<u>8,984,591</u>	<u>12,984,653</u>	<u>330,885</u>	<u>16,444,026</u>	<u>16,242,435</u>	<u>143,886,549</u>	
-	-	-	206,576	194,679	17,978,466	
-	-	-	362,235	2,604,147	36,884,798	
-	-	-	-	1,914,166	18,583,086	
-	-	-	1,065,310	2,967,732	12,719,721	
-	-	-	-	-	15,649,237	
-	-	129,306	-	1,510,250	4,851,269	
8,642,110	-	-	-	-	8,642,110	
-	-	-	44,929,294	12,644,253	58,610,100	
-	10,337,553	-	-	2,421,840	12,759,393	
-	5,368,339	-	-	1,182,564	6,550,903	
-	126,015	-	1,092	1,782	134,380	
<u>8,642,110</u>	<u>15,831,907</u>	<u>129,306</u>	<u>46,564,507</u>	<u>25,441,413</u>	<u>193,363,463</u>	
<u>342,481</u>	<u>(2,847,254)</u>	<u>201,579</u>	<u>(30,120,481)</u>	<u>(9,198,978)</u>	<u>(49,476,914)</u>	
-	2,387,064	-	3,892,208	4,222,853	22,062,815	
(336,524)	-	-	-	(3,483,160)	(16,173,995)	
-	-	-	7,148	5,050	1,471,079	
-	-	-	-	10,868	53,242	
<u>(336,524)</u>	<u>2,387,064</u>	<u>-</u>	<u>3,899,356</u>	<u>755,611</u>	<u>7,413,141</u>	
5,957	(460,190)	201,579	(26,221,125)	(8,443,367)	(42,063,773)	
16,961	7,749,786	9,400,672	61,374,378	36,212,386	156,678,991	
-	-	-	-	(106,208)	(696,009)	
<u>16,961</u>	<u>7,749,786</u>	<u>9,400,672</u>	<u>61,374,378</u>	<u>36,106,178</u>	<u>155,982,982</u>	
<u>\$ 22,918</u>	<u>\$ 7,289,596</u>	<u>\$ 9,602,251</u>	<u>\$ 35,153,253</u>	<u>\$ 27,662,811</u>	<u>\$ 113,919,209</u>	

CITY OF GRAPEVINE, TEXAS
RECONCILIATION OF THE STATEMENT OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCES OF GOVERNMENTAL FUNDS
TO THE STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED SEPTEMBER 30, 2020

Net change in fund balances - total governmental funds	\$(42,063,773)
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.	70,682
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.	57,175,697
Governmental funds do not recognize capital assets contributed by other entities. However, in the Statement of Activities, the acquisition cost of those assets is recognized as revenue, then depreciated over their estimated useful lives.	2,436,115
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.	(13,555,263)
The net effect of various miscellaneous transactions involving capital assets (i.e., sales, trade-ins, and donations) is to decrease net position.	(1,378,692)
The issuance of long-term debt (e.g. bonds) provides current financial resources to governmental funds, while the repayment of the principal of long-term debt consumes the current financial resources of governmental funds. Neither transaction, however, has any effect on net 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.	
Repayment of principal of long-term debt	12,759,393
Amortization of:	
Premium on bond issuance	825,713
Loss on refunding	(134,817)
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.	37,034
Current year changes in certain long-term liabilities do not require the use of current financial resources and, therefore, are not reported as expenditures in governmental funds.	
Compensated absences liability	(352,699)
Net OPEB liability	(5,261,614)
Net Pension liability	224,677
Retainage payable	1,695,185
Revenues in the statement of activities that do not provide current financial resources are not reported as revenues in the funds.	(14,834,796)
Change in net position of governmental activities	<u>\$(2,357,158)</u>

CITY OF GRAPEVINE, TEXAS
STATEMENT OF NET POSITION
PROPRIETARY FUNDS
SEPTEMBER 30, 2020

	Business-type Activities - Enterprise Funds			Governmental Activities
	Water and Sewer	Lake Enterprise	Total	Internal Service Fund
ASSETS				
Current assets:				
Cash and cash equivalents	\$ 15,467,553	\$ -	\$ 15,467,553	\$ 214,553
Receivables, net	3,256,973	31,520	3,288,493	-
Accrued interest	34	-	34	-
Prepaid items	581,312	-	581,312	-
Inventory	-	72,755	72,755	-
Due from other funds	396,400	-	396,400	-
Total current assets	<u>19,702,272</u>	<u>104,275</u>	<u>19,806,547</u>	<u>214,553</u>
Noncurrent assets:				
Restricted cash and investments:				
Bond construction	4,148,966	-	4,148,966	-
Impact fees	3,147,224	-	3,147,224	-
Total restricted cash and investments	<u>7,296,190</u>	<u>-</u>	<u>7,296,190</u>	<u>-</u>
Capital assets:				
Land	548,132	45,838	593,970	-
Easements	51,920,788	-	51,920,788	-
Construction in progress	2,478,934	22,852	2,501,786	-
Buildings	485,345	2,105,843	2,591,188	-
Improvements other than buildings	-	8,622,265	8,622,265	-
Infrastructure	134,041,200	-	134,041,200	-
Vehicles, machinery and equipment	4,187,561	1,161,844	5,349,405	97,563
Water storage rights	683,547	-	683,547	-
Computer software	70,102	-	70,102	-
Less accumulated depreciation	<u>(58,399,873)</u>	<u>(10,101,381)</u>	<u>(68,501,254)</u>	<u>(20,754)</u>
Net capital assets	<u>136,015,736</u>	<u>1,857,261</u>	<u>137,872,997</u>	<u>76,809</u>
Total noncurrent assets	<u>143,311,926</u>	<u>1,857,261</u>	<u>145,169,187</u>	<u>76,809</u>
Total assets	<u>163,014,198</u>	<u>1,961,536</u>	<u>164,975,734</u>	<u>291,362</u>
DEFERRED OUTFLOWS OF RESOURCES				
Deferred outflows related to				
pensions	468,710	163,591	632,301	-
Deferred outflows related to OPEB	722,783	333,626	1,056,409	-
Deferred loss on bond refunding	44,595	-	44,595	-
Total deferred outflows of resources	<u>1,236,088</u>	<u>497,217</u>	<u>1,733,305</u>	<u>-</u>

The accompanying notes are an integral part of these financial statements.

CITY OF GRAPEVINE, TEXAS
STATEMENT OF NET POSITION
PROPRIETARY FUNDS
(Continued)
SEPTEMBER 30, 2020

	Business-type Activities - Enterprise Funds			Governmental Activities
	Water and Sewer	Lake Enterprise	Total	Internal Service Fund
LIABILITIES				
Current liabilities:				
Accounts payable	\$ 1,227,032	\$ 159,113	\$ 1,386,145	\$ 1,583
Accrued liabilities	195,062	78,140	273,202	-
Due to other funds	-	490,230	490,230	-
Accrued bond interest payable	34,096	-	34,096	-
Retainage payable	110,524	-	110,524	-
Compensated absences	69,154	765	69,919	-
Bonds payable	860,000	-	860,000	-
Customer deposits	<u>1,028,990</u>	<u>-</u>	<u>1,028,990</u>	<u>-</u>
Total current liabilities	<u>3,524,858</u>	<u>728,248</u>	<u>4,253,106</u>	<u>1,583</u>
Noncurrent liabilities:				
Bonds payable	7,747,468	-	7,747,468	-
Net OPEB liability	5,488,973	2,533,622	8,022,595	-
Net pension liability	2,320,519	809,912	3,130,431	-
Compensated absences	<u>106,693</u>	<u>103,065</u>	<u>209,758</u>	<u>-</u>
Total noncurrent liabilities	<u>15,663,653</u>	<u>3,446,599</u>	<u>19,110,252</u>	<u>-</u>
Total liabilities	<u>19,188,511</u>	<u>4,174,847</u>	<u>23,363,358</u>	<u>1,583</u>
DEFERRED INFLOWS OF RESOURCES				
Deferred inflows related to				
to pensions	591,812	206,555	798,367	-
Deferred inflows related to OPEB	<u>540,225</u>	<u>249,359</u>	<u>789,584</u>	<u>-</u>
Total deferred inflows of resources	<u>1,132,037</u>	<u>455,914</u>	<u>1,587,951</u>	<u>-</u>
NET POSITION				
Net investment in capital assets	131,491,305	1,857,261	133,348,566	76,809
Restricted for:				
Impact fees	3,147,224	-	3,147,224	-
Unrestricted	<u>9,291,209</u>	<u>(4,029,269)</u>	<u>5,261,940</u>	<u>212,970</u>
Total net position	<u>\$ 143,929,738</u>	<u>\$ (2,172,008)</u>	<u>\$ 141,757,730</u>	<u>\$ 289,779</u>

The accompanying notes are an integral part of these financial statements.

CITY OF GRAPEVINE, TEXAS
STATEMENT OF REVENUES, EXPENSES AND CHANGES
IN NET POSITION - PROPRIETARY FUNDS
FOR THE YEAR ENDED SEPTEMBER 30, 2020

	Business-type Activities - Enterprise Funds			Governmental Activities
	Water and Sewer	Lake Enterprise	Total	Internal Service Fund
OPERATING REVENUES				
Charges for services	\$ 26,439,432	\$ 3,036,752	\$ 29,476,184	\$ 127,056
Miscellaneous	784,474	20,130	804,604	-
Total operating revenues	<u>27,223,906</u>	<u>3,056,882</u>	<u>30,280,788</u>	<u>127,056</u>
OPERATING EXPENSES				
Salaries and benefits	2,990,220	1,019,152	4,009,372	-
Water purchases, storage, and treatment	10,503,455	-	10,503,455	-
Refuse collections	2,284,889	-	2,284,889	-
Maintenance, repairs, and supplies	2,332,763	457,032	2,789,795	43,790
General and administrative	3,613,044	824,800	4,437,844	-
Depreciation	3,237,669	488,835	3,726,504	14,251
Total operating expenses	<u>24,962,040</u>	<u>2,789,819</u>	<u>27,751,859</u>	<u>58,041</u>
OPERATING INCOME (LOSS)	<u>2,261,866</u>	<u>267,063</u>	<u>2,528,929</u>	<u>69,015</u>
NONOPERATING REVENUES (EXPENSES)				
Investment income	294,536	1,406	295,942	1,667
Interest and fiscal agent charges	(265,542)	-	(265,542)	-
Total nonoperating revenues (expenses)	<u>28,994</u>	<u>1,406</u>	<u>30,400</u>	<u>1,667</u>
INCOME (LOSS) BEFORE CAPITAL CONTRIBUTIONS AND TRANSFERS	<u>2,290,860</u>	<u>268,469</u>	<u>2,559,329</u>	<u>70,682</u>
Capital contributions	3,714,288	-	3,714,288	-
Transfers out	(5,777,357)	(111,463)	(5,888,820)	-
Total capital contributions and transfers	<u>(2,063,069)</u>	<u>(111,463)</u>	<u>(2,174,532)</u>	<u>-</u>
CHANGE IN NET POSITION	227,791	157,006	384,797	70,682
TOTAL NET POSITION, BEGINNING	<u>143,486,841</u>	<u>(2,329,014)</u>	<u>141,157,827</u>	<u>219,097</u>
PRIOR PERIOD ADJUSTMENT	<u>215,106</u>	<u>-</u>	<u>215,106</u>	<u>-</u>
NET POSITION, BEGINNING, AS RESTATED	<u>143,701,947</u>	<u>(2,329,014)</u>	<u>141,372,933</u>	<u>219,097</u>
TOTAL NET POSITION, ENDING	<u>\$ 143,929,738</u>	<u>\$ (2,172,008)</u>	<u>\$ 141,757,730</u>	<u>\$ 289,779</u>

The accompanying notes are an integral part of these financial statements.

CITY OF GRAPEVINE, TEXAS
STATEMENT OF CASH FLOWS
PROPRIETARY FUNDS
FOR THE YEAR ENDED SEPTEMBER 30, 2020

	Business-type Activities - Enterprise Funds			Governmental Activities
	Water and Sewer	Lake Enterprise	Total	Internal Service Fund
CASH FLOWS FROM OPERATING ACTIVITIES				
Cash received from customers	\$ 26,950,421	\$ 3,083,735	\$ 30,034,156	\$ -
Receipts from interfund charges for document management services	-	-	-	127,056
Cash paid to employees	(3,790,758)	(1,388,450)	(5,179,208)	-
Cash paid to suppliers for goods and services	(20,965,931)	(1,478,758)	(22,444,689)	(48,076)
Net cash provided by operating activities	<u>2,193,732</u>	<u>216,527</u>	<u>2,410,259</u>	<u>78,980</u>
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES				
Principal repayment on bonds	(840,000)	-	(840,000)	-
Interest and related fees paid on long-term debt	(287,570)	-	(287,570)	-
Acquisition and construction of capital assets	(2,272,481)	(106,478)	(2,378,959)	(40,825)
Net cash used by capital and related financing activities	<u>(3,400,051)</u>	<u>(106,478)</u>	<u>(3,506,529)</u>	<u>(40,825)</u>
CASH FLOWS FROM INVESTING ACTIVITIES				
Interest received on investments and cash equivalents	<u>296,266</u>	<u>1,414</u>	<u>297,680</u>	<u>1,677</u>
Net cash provided by investing activities	<u>296,266</u>	<u>1,414</u>	<u>297,680</u>	<u>1,677</u>
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES				
Transfer out	(5,777,357)	(111,463)	(5,888,820)	-
Net cash used by noncapital financing activities	<u>(5,777,357)</u>	<u>(111,463)</u>	<u>(5,888,820)</u>	<u>-</u>
NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS	(6,687,410)	-	(6,687,410)	39,832
CASH AND CASH EQUIVALENTS, BEGINNING	<u>29,451,153</u>	<u>-</u>	<u>29,451,153</u>	<u>174,721</u>
CASH AND CASH EQUIVALENTS, ENDING	<u>\$ 22,763,743</u>	<u>\$ -</u>	<u>\$ 22,763,743</u>	<u>\$ 214,553</u>

(Including \$7,296,190 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, 2020

	Business-type Activities - Enterprise Funds			Governmental Activities
	Water and Sewer	Lake Enterprise	Total	Internal Service Fund
RECONCILIATION OF OPERATING INCOME (LOSS) TO NET CASH PROVIDED (USED) BY OPERATING ACTIVITIES				
Operating income	\$ 2,261,866	\$ 267,063	\$ 2,528,929	\$ 69,015
Adjustments to reconcile operating income to net cash provided (used) by operating activities:				
Depreciation	3,237,669	488,835	3,726,504	14,251
(Increase) decrease in assets:				
Customer receivable	90,344	26,853	117,197	-
Prepaid items	(541,056)	-	(541,056)	-
Due from other funds	(396,400)	-	(396,400)	-
Inventories	-	11,592	11,592	-
Increase (decrease) in liabilities:				
Accounts payable	(1,690,724)	(3,312)	(1,694,036)	(4,286)
Accrued liabilities	(242,861)	(6,886)	(249,747)	-
Other liabilities	-	(205,206)	(205,206)	-
Customer deposits	32,571	-	32,571	-
Net OPEB liability	(560,966)	(358,223)	(919,189)	-
Net pension liability	(12,110)	(16,636)	(28,746)	-
Compensated absences	15,399	12,447	27,846	-
Total adjustments	<u>(68,134)</u>	<u>(50,536)</u>	<u>(118,670)</u>	<u>9,965</u>
Net cash provided by operating activities	<u>\$ 2,193,732</u>	<u>\$ 216,527</u>	<u>\$ 2,410,259</u>	<u>\$ 78,980</u>
SCHEDULE OF NON-CASH CAPITAL AND RELATED FINANCING ACTIVITIES				
Contributions of capital assets	\$ 3,714,288	\$ -	\$ 3,714,288	\$ -

The accompanying notes are an integral part of these financial statements.

CITY OF GRAPEVINE, TEXAS
STATEMENT OF FIDUCIARY ASSETS AND LIABILITIES
FIDUCIARY FUNDS
SEPTEMBER 30, 2020

	<u>Agency</u>
ASSETS	
Cash and cash equivalents	\$ <u>182,431</u>
Total assets	<u>182,431</u>
LIABILITIES	
Due to beneficiary	<u>182,431</u>
Total liabilities	\$ <u><u>182,431</u></u>

CITY OF GRAPEVINE, TEXAS

NOTES TO THE FINANCIAL STATEMENTS

SEPTEMBER 30, 2020

I. 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.

A. 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 Fort Worth Transit Authority (the "T"). 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.

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.

B. 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. For the most part, 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.

C. Measurement Focus, Basis of Accounting and Financial Statement Presentation

The government-wide 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.

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. 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 the course of 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. However, interfund services provided and used are not eliminated in the process of consolidation.

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:

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

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.

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 Fort Worth Transit Authority (the "T").

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.

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.

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.

Fiduciary Funds

Agency funds are used by the City to report the assets held in an agency capacity for external individuals or organizations including the Industrial Development Corporation, the Employee Activity Fund, and W.D. Tate Scholarship Fund. The donations and other contributions received by the City that are being held for these organizations do not belong to the City and cannot be spent to further the City's own objectives. Agency funds report only assets and liabilities and, therefore, have no measurement focus.

D. Assets, liabilities, deferred outflows/inflows of resources, and net position/fund balance

1. *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.

2. *Investments*

Investments of the City are reported at fair value, except for the position in investment pools. Investment pools are reported at the net asset value per share (which approximates fair value) even though it is calculated using the amortized cost method.

3. *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 2019 levy was based was approximately \$9,111,845,629. 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, 2020, was \$0.284271 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 2020 are recorded as receivables, net of estimated uncollectibles. The collections during 2020 and those considered "available" at year-end are recognized as revenues in 2020. 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.

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.

4. *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.

5. *Restricted Assets*

Certain proceeds of the City's general obligation bonds and certificates of obligation are classified as restricted assets on the balance sheet because their use is limited by applicable bond restrictions. Also included in restricted assets are impact fees, which are restricted for use in infrastructure projects.

6. *Assets Held for Sale*

Assets held for sale in the Hotel Occupancy Tax Fund consist of properties that are owned by the City which are being held for redevelopment. These assets are valued at estimated realizable value or historical cost, whichever is less.

7. *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 two years. Infrastructure assets are defined by the City as assets costing in excess of \$50,000 that have an estimated useful life in excess of two years. 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:

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

8. *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 position that applies to a future period(s) 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.

- Deferred loss on debt refundings – 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).

In addition to liabilities, the balance sheet will sometimes report a separate section for deferred inflows of resources. This separate financial statement element represents an acquisition of fund balance that applies to a future period(s) and, therefore, will not be recognized as an inflow of resources (revenue) until that time. The City has one type of item that arises only under the modified accrual basis of accounting that qualifies for reporting in this category. Accordingly, the item, unavailable revenue, is reported only in the governmental funds balance sheet.

In addition, the City has deferred inflows of resources that are required to be reported on the Statements of Net Position under the full accrual basis of accounting. Deferred inflows of resources reported in the Statements of Net Position are as follows:

- Differences between expected and actual economic experience for the City's pension and OPEB plans – These effects on the total pension 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 pension and OPEB liabilities – This difference is deferred and recognized over the estimated average remaining lives of all members determined as of the measurement date.
- Difference in projected and actual earnings on pension and OPEB assets – This difference is deferred and amortized over a closed five-year period.

9. *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.

10. *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.

11. *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.

12. *Other Postemployment Benefits (OPEB)*

The City provides eligible employees with certain postemployment health and life insurance benefits that meet the criteria of a defined benefit OPEB plan under Governmental Accounting Standards Board (GASB) Statement No. 75, *Accounting and Financial Reporting for Postemployment Benefits Other Than Pensions*. The City has placed assets in trust to pay the obligations of the plan with the Public Agencies Retirement Services (PARS). Because plan assets are pooled by PARS with those of other plans for investment, the City's plan meets the criteria of an agent multiple-employer plan under GASB Statement No. 75.

The City has not established a formal funding policy and there is no actuarially determined contribution. Therefore, for purposes of measuring the net OPEB liability, OPEB related deferred outflows and inflows of resources, and OPEB expense, benefit payments and refunds are recognized when due and payable in accordance with the benefit terms. Contributions are not required but are measured as payments by the City for benefits due and payable that are not reimbursed by plan assets. Information regarding the City's net OPEB liability is obtained from a report prepared by a consulting actuary, Gabriel Roeder Smith & Company, in compliance with GASB Statement No. 75.

13. *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.

14. *Fund balance 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.

15. *Net position flow assumption*

Sometimes the City will fund outlays for a particular purpose from both restricted (e.g., restricted bond or grant proceeds) and unrestricted resources. 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.

16. *Future financial reporting requirements*

The City has reviewed GASB pronouncements that become effective in future years and notes the following statements are applicable to the City.

Statement No. 84, *Fiduciary Activities* – This statement establishes criteria for identifying fiduciary activities of governments and for identifying fiduciary component units and postemployment benefit arrangements that are fiduciary activities. This statement will become effective for the City in fiscal year 2021.

Statement No. 87, *Leases* – This statement changes the recognition requirements for certain lease assets and liabilities for leases that are currently classified as operating leases. This statement will become effective for the City in fiscal year 2022.

Statement No. 89, *Accounting for Interest Cost Incurred before the End of a Construction Period* – The objectives of this statement are to (1) enhance the relevance and comparability of information about capital assets and the cost of borrowing for a reporting period and (2) to simplify accounting for interest cost incurred before the end of a construction period. This statement will become effective for the City in fiscal year 2022.

Statement No. 90, *Majority Equity Interests* – an amendment of GASB Statements No. 14 and No. 61 – The objective of this statement is to improve the consistency and comparability of reporting a government's majority equity interest in a legally separate organization and to improve the relevance of financial statement information for certain component units. This statement is effective for the City in fiscal year 2021.

Statement No. 91, *Conduit Debt Obligations* - The Statement provides a single method of reporting conduit debt obligation by issuers and eliminate diversity in practice associated with (1) commitments extended by issuers, (2) arrangements associated with conduit debt obligations, and (3) related note disclosures. GASB 91 will be implemented by the City in fiscal year 2023 and the impact has not yet been determined.

Statement No. 92, *Omnibus 2020* – The objectives of this Statement are to enhance comparability in accounting and financial reporting and to improve the consistency of authoritative literature by addressing practice issues that have been identified during implementation and application of certain GASB Statements. GASB 92 will be implemented by the City in fiscal year 2022 and the impact has not yet been determined.

Statement No. 93, *Replacement of Interbank Offered Rates* – Some governments have entered into agreements in which variable payments made or received depend on an interbank offered rate (IBOR)-most notably, the London Interbank Offered Rate (LIBOR). As a result of global reference rate reform, LIBOR is expected to cease to exist in its current form at the end of 2021, prompting governments to amend or replace financial instruments for the purpose of replacing LIBOR with other reference rates, by either changing the reference rate or adding or changing fallback provisions related to the reference rate. GASB 93 will be implemented by the City in fiscal year 2022 and the impact has not yet been determined.

Statement No. 94, *Public-Private and Public-Private Partnerships and Availability Payment Arrangements* – The primary objective of this Statement is to improve financial reporting by addressing issues related to public-private and public-public partnership arrangements (PPPs). GASB 94 will be implemented by the City in fiscal year 2023 and the impact has not yet been determined.

Statement No. 96, *Subscription-Based Technology Arrangements* – this Statement provides guidance on the accounting and financial reporting for subscription-based information technology arrangements (SBITAs) for government end users (governments). To the extent relevant, the standards for SBITAs are based on the standards established in Statement No. 87, *Leases*, as amended. GASB 96 will be implemented by the City in fiscal year 2023 and the impact has not yet been determined.

Statement No. 97, *Certain Component Unit Criteria, and Accounting and Financial Reporting for Internal Revenue Code Section 457 Deferred Compensation Plans – an amendment of GASB Statements No. 14 and No. 84, and a supersession of GASB Statement No. 32.* – The primary objectives of this Statement are to (1) increase consistency and comparability related to the reporting of fiduciary component units in circumstances in which a potential component unit does not have a governing board and the primary government performs the duties that a governing board typically would perform; (2) mitigate costs associated with the reporting of certain defined contribution pension plans, defined contribution other postemployment benefit (OPEB) plans, and employee benefit plans other than pension plans or OPEB plans (other employee benefit plans) as fiduciary component units in fiduciary fund financial statements; and (3) enhance the relevance, consistency, and comparability of the accounting and financial reporting for Internal Revenue Code (IRC) Section 457 deferred compensation plans (Section 457 plans) that meet the definition of a pension plan and for benefits provided through those plans. GASB 97 will be implemented by the City in fiscal year 2022 and the impact has not yet been determined.

II. DEFICIT FUND EQUITY

The Crime District Fund (major special revenue fund) had a deficit fund balance at September 30, 2020, of \$2,824,924. This deficit is primarily the result of declines in sales tax that have occurred with the economic downturn related to COVID 19. This deficit will be eliminated as resources are obtained (e.g., from revenues or transfers in from other funds).

The Lake Park Fund (major special revenue fund) had a deficit fund balance of \$4,496,443 as of September 30, 2020. This deficit is primarily the result of flooding events that have occurred at Grapevine Lake over the last few years. This deficit will be eliminated as resources are obtained (e.g., from revenues or transfers in from other funds).

The Grant Fund (nonmajor capital projects fund) had a deficit fund balance of \$133,041 at fiscal year-end. This deficit is caused by the timing of payments of intergovernmental receivables (not received within 60 days) and will be resolved in the subsequent year as payments are received.

The Street Maintenance and Capital Replacement Fund (nonmajor capital projects fund) had a deficit fund balance at September 30, 2020, of \$329,841. This deficit is the result of the City performing additional maintenance during COVID shutdowns in an effort to minimize impacts to citizens. This deficit will be eliminated through additional transfers from other funds.

The Lake Enterprise Fund (golf course) had a deficit net position of \$2,172,008 at September 30, 2020. Flooding at Grapevine Lake, long-term road closures, and participation in the City's pension and OPEB plans have all had significant impacts on the unrestricted net position of the Lake Enterprise Fund. Completion of a new clubhouse in fiscal year 2021 is expected to increase operations of golf course. The deficit will be eliminated as revenues increase or from transfers from other funds.

III. CASH AND INVESTMENTS

As of September 30, 2020, the City had the following cash and investments:

	9/30/2020	Percent of Total Portfolio	Weighted Average Maturity (Days)
Primary government			
Cash and cash equivalents:			
Cash deposits - City	\$ 9,800,151		
Cash deposits - agency funds	182,431		
Certificates of Deposit	<u>3,973,771</u>	3.26%	146
Total cash and cash equivalents	<u>13,956,353</u>		
Investment pools:			
TexPool	45,427	0.04%	38
TexPool Prime	5,804,583	4.76%	49
LOGIC	116,040,325	95.20%	52
Total investments	<u>121,890,335</u>		
Total cash and investments of the primary government	<u>\$ 135,846,688</u>		
Portfolio weighted average maturity (days)			55
Discretely Presented Component Unit			
Cash deposits	<u>\$ 374,851</u>		
Total cash and investments of the reporting entity	<u>\$ 136,221,539</u>		

Investment pools are not categorized as to investment risk since specific securities relating to the City cannot be identified. Under the TexPool Participation Agreement, administrative and investment services to TexPool and TexPool Prime are provided by Federated Investors, Inc. through an agreement with the State of Texas Comptroller of Public Accountants. The State Comptroller is the sole officer, director, and shareholder of the Texas Treasury Safekeeping Trust Company authorized to operate TexPool and TexPool Prime.

Under the LOGIC Participation Agreement, administrative and investment services to LOGIC are provided by Hilltop Securities, Inc. and JP Morgan Asset Management, Inc. as co-administrators. The administrators settle all trades for LOGIC and secure and value its assets every day. The fair value of the City's position in these pools is the same as the value of the pool shares. As of September 30, 2020, the City's investments in LOGIC, TexPool and TexPool Prime were all rated AAAM by Standard & Poor's.

TexPool, TexPool Prime and LOGIC each have a redemption notice period of one day and may redeem daily. The investment pools' authority may only impose restrictions on redemptions in the event of a general suspension of trading on major securities markets, general banking moratorium or national state of emergency that affects the pool's liquidity.

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

- a. 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.
- b. 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.
- c. Diversifying maturities and staggering purchase dates to minimize the impact of market movements over time.

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:

- a. Limiting investments to the safest types of investments.
- b. Pre-qualifying the financial institutions and broker/dealers with which the City will do business.
- c. 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 at September 30, 2020.

IV. 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:

	Accrued Interest	Taxes	Accounts	Notes	Gross Receivables	Less Allow ance for Uncollectibles	Total
General	\$ 224	\$ 5,642,571	\$ 3,400,741	\$ -	\$ 9,043,536	\$ (3,107,189)	\$ 5,936,347
Hotel Occupancy	1,203	721,632	68,662	-	791,497	(14,988)	776,509
Crime District	-	1,891,535	6,346	-	1,897,881	-	1,897,881
Lake Parks	-	-	79	-	79	-	79
4B - Economic Development	18	604,576	35,768	-	640,362	-	640,362
4B - Transit	-	1,389,700	-	-	1,389,700	-	1,389,700
Debt Service	15	1,387,301	10	-	1,387,326	(1,178,052)	209,274
TIF #1 Capital Projects	15	-	-	-	15	-	15
General Facilities and Equipment	79,367	-	1,900	3,858,000	3,939,267	-	3,939,267
Nonmajor governmental funds	57	-	2,085,075	-	2,085,132	-	2,085,132
Water and Sewer	34	-	3,397,109	-	3,397,143	(140,136)	3,257,007
Lake Enterprise	-	-	31,520	-	31,520	-	31,520
Total	\$ 80,933	\$ 11,637,315	\$ 9,027,210	\$ 3,858,000	\$ 24,603,458	\$ (4,440,365)	\$ 20,163,093

V. CAPITAL ASSETS

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

Primary Government

	Beginning Balance	Transfers and Additions	Transfers and Retirements	Ending Balance
Governmental activities:				
Capital assets, not being depreciated:				
Land	\$ 35,136,147	\$ 469,924	\$(1,109,271)	\$ 34,496,800
Right of way	78,561,656	373,333	-	78,934,989
Construction in progress	71,385,628	58,288,220	(16,797,587)	112,876,261
Total assets not being depreciated	<u>185,083,431</u>	<u>59,131,477</u>	<u>(17,906,858)</u>	<u>226,308,050</u>
Capital assets, being depreciated:				
Buildings	124,834,611	144,525	(5,980)	124,973,156
Improvement other than buildings	45,829,960	15,079,446	(270,429)	60,638,977
Machinery and equipment	42,852,189	1,767,693	(999,845)	43,620,037
Computer software	-	133,207	-	133,207
Infrastructure	136,852,139	3,569,817	-	140,421,956
Total capital assets being depreciated	<u>350,368,899</u>	<u>20,694,688</u>	<u>(1,276,254)</u>	<u>369,787,333</u>
Less accumulated depreciation:				
Buildings	(30,621,940)	(3,279,676)	5,980	(33,895,636)
Improvement other than buildings	(19,905,933)	(2,280,383)	86,315	(22,100,001)
Machinery and equipment	(26,626,106)	(3,236,105)	961,448	(28,900,763)
Computer software	-	(39,332)	-	(39,332)
Infrastructure	(80,491,630)	(4,766,499)	-	(85,258,129)
Total accumulated depreciation	<u>(157,645,609)</u>	<u>(13,601,995)</u>	<u>1,053,743</u>	<u>(170,193,861)</u>
Total capital assets being depreciated, net	<u>192,723,290</u>	<u>7,092,693</u>	<u>(222,511)</u>	<u>199,593,472</u>
Governmental activities capital assets, net	<u>\$ 377,806,721</u>	<u>\$ 66,224,170</u>	<u>\$(18,129,369)</u>	<u>\$ 425,901,522</u>
	Beginning Balance	Transfers and Additions	Transfers and Retirements	Ending Balance
Business-type activities:				
Capital assets, not being depreciated:				
Land	\$ 593,970	\$ -	\$ -	\$ 593,970
Easements	48,705,515	3,215,273	-	51,920,788
Construction in progress	5,431,218	2,070,254	(4,999,686)	2,501,786
Total assets not being depreciated	<u>54,730,703</u>	<u>5,285,527</u>	<u>(4,999,686)</u>	<u>55,016,544</u>
Capital assets, being depreciated:				
Buildings	2,555,238	35,950	-	2,591,188
Improvement other than buildings	8,416,221	206,044	-	8,622,265
Machinery and equipment	5,241,309	108,096	-	5,349,405
Water storage rights	683,547	-	-	683,547
Computer software	-	70,102	-	70,102
Infrastructure	128,748,542	5,292,658	-	134,041,200
Total capital assets being depreciated	<u>145,644,857</u>	<u>5,712,850</u>	<u>-</u>	<u>151,357,707</u>
Less accumulated depreciation:				
Buildings	(1,893,315)	(43,477)	-	(1,936,792)
Improvement other than buildings	(7,252,368)	(382,905)	-	(7,635,273)
Machinery and equipment	(3,237,650)	(400,216)	-	(3,637,866)
Water storage rights	(656,486)	(17,089)	-	(673,575)
Computer software	-	(27)	-	(27)
Infrastructure	(51,734,931)	(2,882,790)	-	(54,617,721)
Total accumulated depreciation	<u>(64,774,750)</u>	<u>(3,726,504)</u>	<u>-</u>	<u>(68,501,254)</u>
Total capital assets being depreciated, net	<u>80,870,107</u>	<u>1,986,346</u>	<u>-</u>	<u>82,856,453</u>
Business-type activities capital assets, net	<u>\$ 135,600,810</u>	<u>\$ 7,271,873</u>	<u>\$(4,999,686)</u>	<u>\$ 137,872,997</u>

Depreciation expense was charged to functions/programs of the primary government as follows:

Governmental activities:	
General government	\$ 1,511,032
Public safety	2,169,464
Public works	5,387,798
Culture and recreation	3,782,942
Tourism	<u>750,759</u>
Total depreciation expense - governmental activities	<u>\$ 13,601,995</u>
Business-type activities:	
Water and sewer	\$ 3,237,669
Lake Enterprise	<u>488,835</u>
Total depreciation expense - business-type activities	<u>\$ 3,726,504</u>

	Beginning Balance	Transfers and Additions	Transfers and Retirements	Ending Balance
Discretely Presented Component Unit:				
Capital assets, not being depreciated:				
Land	\$ 450,067	\$ -	\$ -	\$ 450,067
Total assets not being depreciated	<u>450,067</u>	<u>-</u>	<u>-</u>	<u>450,067</u>
Capital assets, being depreciated:				
Building	1,031,174	-	-	1,031,174
Improvements other than building	945,651	-	-	945,651
Vehicles and equipment	31,275	-	-	31,275
Total capital assets being depreciated	<u>2,008,100</u>	<u>-</u>	<u>-</u>	<u>2,008,100</u>
Less accumulated depreciation:				
Building	(344,406)	(26,492)	-	(370,898)
Improvements other than building	(940,425)	(552)	-	(940,977)
Vehicles and equipment	(31,275)	-	-	(31,275)
Total accumulated depreciation	<u>(1,316,106)</u>	<u>(27,044)</u>	<u>-</u>	<u>(1,343,150)</u>
Total capital assets being depreciated, net	<u>691,994</u>	<u>(27,044)</u>	<u>-</u>	<u>664,950</u>
Discretely presented component unit capital assets, net	<u>\$ 1,142,061</u>	<u>\$(27,044)</u>	<u>\$ -</u>	<u>\$ 1,115,017</u>

Construction Commitments

The City has active construction commitments as of September 30, 2020, totaling \$58,435,811. This includes building projects, street construction and improvements of existing streets, and repair and maintenance of existing water and sewer systems.

Project	Commitment
Streets and drainage projects	\$ 4,875,790
Water and wastewater projects	1,716,870
Fiber optic cable project	1,793,850
Animal Shelter	992,182
Golf Clubhouse	3,313,756
Fire stations	3,726,680
Grapevine Main	13,388,659
Parks projects	<u>92,877</u>
Total	<u>\$ 29,900,664</u>

The commitments for buildings, streets 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.

VI. INTERFUND RECEIVABLES, PAYABLES, AND TRANSFERS

The composition of interfund balances as of September 30, 2020, is as follows:

Due to/from Other Funds

<u>Receivable Fund</u>	<u>Payable Fund</u>	<u>Amount</u>
General Fund	4B Transit	\$ 109,981
	Crime District Fund	3,861,747
	Lake Parks	3,839,891
	Lake Enterprise Fund	<u>288,286</u>
Total General Fund		<u>8,099,905</u>
Hotel Occupancy Tax	Grant Fund	<u>135,760</u>
Water and Sewer	Lake Enterprise Fund	201,944
	Capital Projects - Street Maintenance	<u>194,456</u>
		<u>396,400</u>
	Total	<u>\$ 8,632,065</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. Similar transactions such as this also exist between the primary government and the City's discretely presented component unit. The balances due to and due from component unit and primary government at September 30, 2020 consisted of the following:

<u>Receivable</u>	<u>Payable</u>	<u>Amount</u>
Component unit - Heritage Foundation	Primary Government - Hotel Occupancy Tax Fund	\$ <u>9,518</u>

Interfund Transfers

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

<u>Transfers in</u>	<u>Transfers out</u>	<u>Amount</u>	<u>Total</u>
General Fund	Hotel Occupancy Tax Fund	\$ 1,455,526	
	4-B Economic Development	306,000	
	Lake Parks	689,893	
	Nonmajor governmental funds	3,388,460	
	Water and Sewer Fund	1,866,000	
	Lake Enterprise Fund	<u>111,463</u>	
Total General Fund			\$ 7,817,342
Hotel Occupancy Tax Fund	4B-Transit Fund		336,524
Crime District Fund	General Fund		3,406,824
Debt Service Fund	Hotel Occupancy Tax Fund	985,670	
	4-B Economic Development	<u>1,401,394</u>	
Total Debt Service			2,387,064
General Facilities and Equipment	Water and Sewer Fund		3,892,208
Nonmajor governmental	General Fund	4,109,004	
	Water and Sewer Fund	19,149	
	Nonmajor governmental	<u>94,700</u>	
Total nonmajor governmental			<u>4,222,853</u>
Total			<u>\$ 22,062,815</u>

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

- Budgeted transfers to the General Fund from other funds for operating and administrative allocations.
- Operating transfer from the 4B-Transit Fund to the Hotel Occupancy Tax Fund for visitor shuttle services.
- Transfers to the Debt Service Fund to pay for self-supporting debt service expenditures.
- Transfers to capital projects funds to fund current and future capital projects within the City.
- Transfers to the Crime District Fund from the General Fund is a budgeted transfer to cover additional costs that are in excess of sales tax collections.

VII. DEFERRED INFLOWS OF RESOURCES

At September 30, 2020, deferred inflows of resources reported in the governmental funds for unavailable revenues are as follows:

	General	Debt Service	General Facilities and Equipment	Nonmajor Governmental	Total
Property taxes	\$ 66,006	\$ 70,238	\$ -	\$ -	\$ 136,244
Property tax penalties and interest	115,594	108,183	-	-	223,777
Court fines and fees	153,221	-	-	-	153,221
Ambulance billing	51,975	-	-	-	51,975
Franchise fees	66,952	-	-	13,413	80,365
Intergovernmental	1,006	-	4,519,301	679,191	5,199,498
Other	54,839	-	-	66,077	120,916
Total	<u>\$ 509,593</u>	<u>\$ 178,421</u>	<u>\$ 4,519,301</u>	<u>\$ 758,681</u>	<u>\$ 5,965,996</u>

VIII. LEASES

Operating Leases

Lake Parks

The City entered into a 25-year lease agreement with the United States Corps of Engineers to operate and maintain approximately 770 acres of property at Lake Grapevine. The City is required to pay the cost to maintain and operate the property with revenues generated from park operations. The term of the operating lease is from October 2004 through September 2029. The agreement covers the park areas of Meadowmere Park, Oak Grove Park and Silver Lake Park (“Vineyards”).

The City entered into another 25-year lease agreement with the United State Corps of Engineers to operate and maintain an additional 44.5 acres at Lake Grapevine referred to as Rockledge Park. The term of this operating lease is from March 2009 through March 2034.

Gaylord Texan Resort and Convention Center

The City leased property from the United States Corps of Engineers and subsequently entered into a sublease agreement with the Gaylord Texan Resort and Convention Center (Gaylord) on March 18, 1994, for a portion of the leased property. The contract is for 49 years and rent payment is \$1 per year. The project opened on April 4, 2004 with 1,511 room convention hotel and over 400,000 square feet of convention, meeting, exhibit and related amenities and support facilities. In subsequent years, The City and Gaylord entered into various addendums pertaining to the United States Corps of Engineers leased property. Gaylord completed and opened its \$120 million Vineyard Tower expansion in summer of 2018.

This project increased the number of rooms by 303 and provided 86,000 square feet of additional meeting space. This ranks Gaylord as the nation's second-largest non-gaming convention hotel when measured by total self-contained exhibit and meeting space.

Cowboys Golf Course

The City entered into a 50-year sublease agreement with the Cowboys Golf Course in 1999. The Cowboys Golf course management company's lease fee is 3% of Cowboys' gross revenues from operations.

IX. 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 at September 30, 2020, follows:

General Obligation Bonds	Sale Date	Original Borrowing	Interest Rates to Maturity	Final Maturity	Outstanding
Governmental activities:					
2010 GO Refunding Bonds	07/08/2010	\$ 6,560,000	2.0% - 4.0%	2022	\$ 1,280,000
2012 GO Refunding Bonds	12/04/2012	7,665,000	2.0% - 2.1%	2027	1,825,000
2013 GO	06/27/2013	65,805,000	2.0% - 5.0%	2033	51,175,000
2015 GO Refunding Bonds	01/23/2015	12,125,000	2.0% - 5.0%	2026	2,600,000
2017 GO Refunding Bonds	01/17/2017	1,365,000	2.0% - 3.0%	2027	990,000
2019 GO Refunding Bonds	07/09/2019	28,860,000	3.0% - 4.0%	2039	26,620,000
					<u>84,490,000</u>
Business-type activities:					
2010 GO Refunding Bonds	07/8/2010	\$ 3,915,000	2.0% - 4.0%	2022	\$ 455,000
Total general obligation bonds outstanding					<u>\$ 84,945,000</u>

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

Year Ending September 30,	Governmental Activities		Business-type Activities	
	Principal	Interest	Principal	Interest
2021	\$ 6,935,000	\$ 3,265,982	\$ 455,000	\$ 9,100
2022	5,580,000	2,990,089	-	-
2023	5,315,000	2,753,370	-	-
2024	5,235,000	2,536,020	-	-
2025	5,485,000	2,328,245	-	-
2026-2030	28,905,000	8,281,775	-	-
2031-2035	21,240,000	2,483,510	-	-
2036-2040	5,795,000	353,925	-	-
Total	<u>\$ 84,490,000</u>	<u>\$ 24,992,916</u>	<u>\$ 455,000</u>	<u>\$ 9,100</u>

Certificates of Obligation

The City also issued 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, 2020:

<u>Certificates of Obligation</u>	<u>Sale Date</u>	<u>Original Borrowing</u>	<u>Interest Rates to Maturity</u>	<u>Final Maturity</u>	<u>Outstanding</u>
Governmental activities:					
2015 CO	01/23/2015	\$ 2,000,000	2.0% - 4.5%	2035	\$ 1,145,000
2017 CO	01/17/2017	9,535,000	2.0% - 5.0%	2037	8,180,000
2018 CO	04/17/2018	32,310,000	3.0% - 5.0%	2038	31,355,000
					<u>40,680,000</u>
Business-type activities:					
2015 CO	01/23/2015	\$ 9,720,000	2.0% - 4.5%	2035	<u>7,800,000</u>
Total certificates of obligation outstanding					<u>\$ 48,480,000</u>

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

<u>Year Ending September 30,</u>	<u>Governmental Activities</u>		<u>Business-type Activities</u>	
	<u>Principal</u>	<u>Interest</u>	<u>Principal</u>	<u>Interest</u>
2021	\$ 1,130,000	\$ 1,529,162	\$ 405,000	\$ 250,519
2022	1,915,000	1,468,906	425,000	241,688
2023	1,755,000	1,386,887	430,000	231,531
2024	1,835,000	1,300,800	440,000	219,556
2025	1,935,000	1,208,350	460,000	206,056
2026-2030	11,155,000	4,540,856	2,585,000	752,882
2031-2035	12,895,000	2,432,759	3,055,000	242,510
2036-2040	<u>8,060,000</u>	<u>401,116</u>	<u>-</u>	<u>-</u>
Total	<u>\$ 40,680,000</u>	<u>\$ 14,268,836</u>	<u>\$ 7,800,000</u>	<u>\$ 2,144,742</u>

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, 2020:

<u>Contractual Obligations</u>	<u>Sale Date</u>	<u>Original Borrowing</u>	<u>Interest Rates to Maturity</u>	<u>Final Maturity</u>	<u>Outstanding</u>
Governmental activities:					
2012 PPF Contractual Obligation	12/04/2012	\$ 1,225,000	1.2%	2027	\$ 655,000
2015 PPF Contractual Obligation	01/01/2015	3,070,000	2.0% - 4.0%	2026	1,255,000
2018 PPF Contractual Obligation (Private Placement)	03/06/2018	2,500,000	3.9%	2028	<u>2,073,240</u>
Total contractual obligations outstanding					<u>\$ 3,983,240</u>

Contractual obligation debt service requirements to maturity are as follows:

Year Ending September 30,	Governmental Activities	
	Principal	Interest
2021	\$ 565,000	\$ 48,588
2022	585,000	32,575
2023	155,000	19,688
2024	165,000	14,906
2025	165,000	9,969
2026-2030	<u>275,000</u>	<u>6,000</u>
Total	<u>\$ 1,910,000</u>	<u>\$ 131,726</u>

Private placement contractual obligation debt service requirements to maturity are as follows:

Year Ending September 30,	Governmental Activities	
	Private Placement	
	Principal	Interest
2021	\$ 225,405	\$ 81,893
2022	234,309	72,989
2023	243,564	63,734
2024	253,185	54,113
2025	263,186	44,113
2026-2030	<u>853,591</u>	<u>68,304</u>
Total	<u>\$ 2,073,240</u>	<u>\$ 385,146</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 $\frac{1}{4}$ of the $\frac{1}{2}$ cent sales and use tax levied within the City for the benefit of the Grapevine 4B Economic Development Corporation.

At September 30, 2020, the remaining balances for principal and interest on the debt are \$15,260,000 and \$4,321,109, 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 \$3,872,769.

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 \$1,402,400, 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.

At September 30, 2020, the remaining principal and interest on the bonds was \$12,185,000 and \$1,622,950, respectively. Principal and interest payments for the fiscal year were \$1,720,000 and \$576,600. Tax increment revenues for TIF #2 for the current year were \$6,296,153. 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, 2020, is as follows:

Revenue Bonds	Sale Date	Original Borrowing	Interest Rates to Maturity	Final Maturity	Outstanding
Governmental activities:					
2015A TIF#2 Revenue Refunding Bonds	01/23/2015	\$ 20,565,000	2.0% - 5.0%	2026	\$ 12,185,000
2018 Sales Tax Revenue Refunding	04/17/2018	169,300,000	3.0% - 4.0%	2034	15,260,000
Total revenue bonds outstanding					<u>\$ 27,445,000</u>

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

Year Ending September 30,	Governmental Activities	
	Principal	Interest
2021	\$ 2,685,000	\$ 1,016,119
2022	2,795,000	898,994
2023	2,920,000	776,794
2024	3,050,000	649,019
2025	3,150,000	556,453
2026-2030	7,675,000	1,623,081
2031-2035	5,170,000	423,600
Total	<u>\$ 27,445,000</u>	<u>\$ 5,944,060</u>

The following is a summary of long-term liability transactions of the City for the year ended September 30, 2020:

	Balance 9/30/2019	Increases	Reductions	Balance 9/30/2020	Due Within One Year
Governmental activities:					
General obligation bonds	\$ 92,055,000	\$ -	\$(7,565,000)	\$ 84,490,000	\$ 6,935,000
Certificates of obligation	41,927,553	-	(1,247,553)	40,680,000	1,130,000
Contractual obligations	2,465,000	-	(555,000)	1,910,000	565,000
Contractual obligations-private placement	2,290,080	-	(216,840)	2,073,240	225,405
Revenue bonds	30,015,000	-	(2,570,000)	27,445,000	2,685,000
Tax notes	605,000	-	(605,000)	-	-
Premium on bond issues	7,844,073	-	(825,713)	7,018,360	-
Total bonds and notes payable	<u>177,201,706</u>	<u>-</u>	<u>(13,585,106)</u>	<u>163,616,600</u>	<u>11,540,405</u>
Net OPEB liability	57,075,017	13,014,868	(2,505,912)	67,583,973	-
Net pension liability	50,596,069	26,435,710	(43,556,881)	33,474,898	-
Compensated absences	4,201,857	2,511,393	(2,158,694)	4,554,556	1,138,639
Total governmental activities long-term liabilities	<u>\$ 289,074,649</u>	<u>\$ 41,961,971</u>	<u>\$(61,806,593)</u>	<u>\$ 269,230,027</u>	<u>\$ 12,679,044</u>

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.

	Balance 9/30/2019	Increases	Reductions	Balance 9/30/2020	Due Within One Year
Business-type activities:					
Water and sewer obligations:					
General obligation bonds	\$ 895,000	\$ -	\$(440,000)	\$ 455,000	\$ 455,000
Certificates of obligation	8,200,000	-	(400,000)	7,800,000	405,000
Premium on bond issues	406,526	-	(54,058)	352,468	-
Total water and sewer bonds payable	<u>9,501,526</u>	<u>-</u>	<u>(894,058)</u>	<u>8,607,468</u>	<u>860,000</u>
Net OPEB liability	8,446,180	1,367,622	(1,791,207)	8,022,595	-
Net pension liability	4,742,559	2,470,930	(4,083,058)	3,130,431	-
Compensated absences	<u>251,831</u>	<u>174,982</u>	<u>(147,136)</u>	<u>279,677</u>	<u>69,919</u>
Total business-type activities long-term liabilities	<u>\$ 22,942,096</u>	<u>\$ 4,013,534</u>	<u>\$(6,915,459)</u>	<u>\$ 20,040,171</u>	<u>\$ 929,919</u>

X. DEFINED BENEFIT PENSION PLAN

Plan Description. The City participates as one of 888 plans in the nontraditional, joint contributory, hybrid defined benefit pension plan administered by the Texas Municipal Retirement System (TMRS). TMRS is an agency created by the State of Texas and administered in accordance with the TMRS Act, Subtitle G, Title 8, Texas Government Code (the TMRS Act) as an agency multiple-employer retirement system for municipal employees in the State of Texas. The TMRS Act places the general administration and management of the System with a six-member Board of Trustees. Although the Governor, with the advice and consent of the Senate, appoints the Board, TMRS is not fiscally dependent on the State of Texas.

TMRS's defined benefit pension plan is a tax-qualified plan under Sections 401(a) of the Internal Revenue Code. TMRS issues a publicly available comprehensive annual financial report that can be obtained at www.tmrs.com.

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

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

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

Starting in 2005, the City 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 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

Employees covered by benefit terms

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

Inactive employees or beneficiaries currently receiving benefits	420
Inactive employees entitled to but not yet receiving benefits	282
Active employees	<u>590</u>
Total	<u><u>1,292</u></u>

Contributions. The contribution rates for employees in TMRS are either 5%, 6%, or 7% of employee gross earnings, and the City matching percentages are with 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 actuarially determined rate is the estimated amount necessary to finance the cost of benefits earned by employees during the year, with an additional amount to finance any unfunded accrued liability.

Employees for the City were required to contribute 7% of their annual gross earnings during the fiscal year. The contribution rate for the City was 18.53% and 18.58% in calendar years 2020 and 2019, respectively. The City’s contributions to TMRS for the year ended September 30, 2020, were \$8,848,797 and were equal to the required contributions.

Net Pension Liability. The City’s net pension liability (NPL) was measured as of December 31, 2019, and the total pension liability (TPL) used to calculate the net pension liability was determined by an actuarial valuation as of that date.

Actuarial assumptions:

The total pension liability in the December 31, 2019 actuarial valuation was determined using the following actuarial assumptions:

Inflation	2.5% per year
Overall payroll growth	3.50% to 11.5% including inflation
Investment Rate of Return	6.75%

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

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 healthy annuitants and Annuity Purchase Rate (APRs) are based on the Mortality Experience Investigation Study covering 2009 through 2011 and dated December 31, 2013. In conjunction with these changes first used in the December 31, 2013 valuation, the System adopted the Entry Age Normal actuarial cost method and a one-time change to the amortization policy. Plan assets are managed on a total return basis with an emphasis on both capital appreciation as well as the production of income, 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. In determining their best estimate of a recommended investment return assumption under the various alternative asset allocation portfolios, GRS focused on the area between (1) arithmetic mean (aggressive) without an adjustment for time (conservative) and (2) the geometric mean (conservative) with an adjustment for time (aggressive). The target allocation and best estimates of arithmetic real rates return for each major asset class in fiscal year 2020 are summarized in the following table:

Asset Class	Target Allocation	Long-Term Expected Real Rate of Return (Arithmetic)
Global Equity	30.0%	5.30%
Core Fixed Income	10.0%	1.25%
Non-Core Fixed Income	20.0%	4.14%
Real Return	10.0%	3.85%
Real Estate	10.0%	4.00%
Absolute Return	10.0%	3.48%
Private Equity	10.0%	7.75%
Total	100.0%	

Discount Rate

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

Changes in the Net Pension Liability

	Increase (Decrease)		
	Total Pension Liability	Plan Fiduciary Net Position	Net Pension Liability
	(a)	(b)	(a) - (b)
Balance at 12/31/2018	\$ 286,476,144	\$ 231,137,516	\$ 55,338,628
Changes for the year:			
Service cost	8,579,543	-	8,579,543
Interest	19,238,959	-	19,238,959
Difference between expected and actual experience	659,154	-	659,154
Changes of assumptions	207,921	-	207,921
Contributions - employer	-	8,626,976	(8,626,976)
Contributions - employee	-	3,250,584	(3,250,584)
Net investment income	-	35,749,292	(35,749,292)
Benefit payments, including refunds of employee contributions	(11,488,595)	(11,488,595)	-
Administrative expense	-	(201,910)	201,910
Other changes	-	(6,066)	6,066
Net changes	<u>17,196,982</u>	<u>35,930,281</u>	<u>(18,733,299)</u>
Balance at 12/31/2019	<u>\$ 303,673,126</u>	<u>\$ 267,067,797</u>	<u>\$ 36,605,329</u>

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 or 1-percentage-point higher 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	\$ 79,124,576	\$ 36,605,329	\$ 1,595,856

Pension Plan Fiduciary Net Position

Detailed information about the pension plan's Fiduciary Net Position is available in a separately issued TMRS financial report. The report may be obtained at www.tmrs.com.

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

For the year ended September 30, 2020, the City recognized pension expense of \$8,672,341.

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

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual economic experience	\$ 515,547	\$ 1,186,700
Changes in actuarial assumptions	162,622	-
Difference between projected and actual investment earnings	-	8,148,923
Contributions subsequent to the measurement date	<u>6,715,558</u>	<u>-</u>
Total	<u>\$ 7,393,727</u>	<u>\$ 9,335,623</u>

\$6,715,558 reported as deferred outflows of resources related to pension resulting from contributions subsequent to the measurement date will be recognized as a reduction of the net pension liability for the year ending September 30, 2021. Other amounts reported as deferred outflows and inflows of resources related to pensions will be recognized in pension expense as follows:

	For the Year Ended September 30,	
2021		\$(2,809,234)
2022		(2,551,818)
2023		621,646
2024		(3,918,048)
Total		<u>\$(8,657,454)</u>

XI. OTHER POSTEMPLOYMENT BENEFITS

Post-retirement Health Care Benefits

Plan Description.

The City provides certain health care and life insurance benefits through an agent, multiple-employer, defined benefit OPEB plan, under City ordinance, for all full and part-time employees that meet eligibility requirements. Eligible individuals include retired employees who have satisfied the requirement as defined by the Texas Municipal Retirement System and their dependents that were covered prior to retirement. The requirement as defined by the Texas Municipal Retirement System is any age with 20 years of service or 5 years of service 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, 2020, the City’s contributions to the plan were \$2,464,368 which exceeded benefit payments of \$1,964,368.

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

Inactive employees or beneficiaries currently receiving benefits	211
Active members	<u>591</u>
Total	<u>802</u>

Actuarial Methods and Assumptions

Significant methods and assumptions were as follows:

Actuarial Valuation Date	12/31/2018
Actuarial Cost Method	Individual Entry Age Normal Cost Method
Discount Rate	2.95% as of December 31, 2019
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 7.20% declining to an ultimate rate of 4.25% after 15 years; Post-65 Medical Subsidy: Increases with inflation; Dental: 4.00%; Vision: 3.00%
Note:	The Single Discount Rate changed from 3.82% as of December 31, 2018 to 2.95% as of December 31, 2019. Additionally, the demographic assumptions were updated to reflect the 2019 TMRS Experience Study and the health care trend rates were updated to reflect the repeal of the excise tax on high-cost employer health plans.

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 2.95% was used to measure the total OPEB liability. This single discount rate was based on the municipal bond rates 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.

For the purpose of this valuation, the expected rate of return on OPEB plan investments is 6.75%.

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 (2.95%) in measuring the net OPEB liability.

	1% Decrease in Discount Rate (1.95%)	Discount Rate (2.95%)	1% Increase in Discount Rate (3.95%)
City's net OPEB liability	\$ 87,199,810	\$ 75,606,568	\$ 66,103,297

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.

	1% Decrease	Current Healthcare Cost Trend Rate Assumption	1% Increase
City's net OPEB liability	\$ 64,283,249	\$ 75,606,568	\$ 90,028,079

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

At September 30, 2020, the City reported a liability of \$75,606,568 for its net OPEB liability. The net OPEB liability was determined by an actuarial valuation as of December 31, 2018. For the year ended September 30, 2020, the City recognized OPEB expense of \$6,598,832. There were no changes of benefit terms that affected measurement of the net OPEB liability during the measurement period.

	Increase (Decrease)		
	Total OPEB Liability (a)	Plan Fiduciary Net Position (b)	Net OPEB Liability (a) - (b)
Balance at 12/31/2018	\$ 66,998,606	\$ 1,477,409	65,521,197
Changes for the year:			
Service cost	3,955,532	-	3,955,532
Interest	2,606,795	-	2,606,795
Difference between expected and actual experience	(528,026)	-	(528,026)
Changes of assumptions	6,316,707	-	6,316,707
Contributions - employer	-	1,971,310	(1,971,310)
Net investment income	-	304,042	(304,042)
Benefit payments	(1,471,310)	(1,471,310)	-
Administrative expense	-	(9,715)	9,715
Net changes	<u>10,879,698</u>	<u>794,327</u>	<u>10,085,371</u>
Balance at 12/31/2019	<u>\$ 77,878,304</u>	<u>\$ 2,271,736</u>	<u>\$ 75,606,568</u>

Changes in assumptions and other inputs reflect a change in the discount rate from 3.82% to 2.95%. At September 30, 2020, the City reported deferred outflows of resources and deferred inflows of resources related to OPEB from the following sources:

	Deferred Outflow s of Resources	Deferred Inflow s of Resources
Differences between expected and actual economic experience	\$ 123,189	\$ 1,225,588
Changes in actuarial assumptions	8,225,708	6,153,882
Difference between projected and actual investment earnings	-	61,728
Contributions subsequent to the measurement date	<u>1,606,909</u>	<u>-</u>
Total	<u>\$ 9,955,806</u>	<u>\$ 7,441,198</u>

\$1,606,909 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 own assets and will be recognized as a reduction of the net OPEB liability for the year ending September 30, 2021.

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

For the Year Ended September 30,	
2021	\$ 143,061
2022	143,061
2023	148,955
2024	115,530
2025	(328,246)
Thereafter	<u>685,338</u>
Total	<u>\$ 907,699</u>

XII. 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.

XIII. 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 2020, the City rebated \$6,090,033 in taxes and made incentive payments of \$186,707 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 \$1,639,555 in payments for TIF obligations.

XIV. 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	\$0
Automobile physical damage	Actual cash value	\$1,000
Excess liability	\$10,000,000 per occurrence/\$10,000,000 aggregate	\$0
Property	\$2,492,908	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.

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 \$9,505,503 would be covered up to an aggregate benefit period reimbursement maximum of \$1,000,000.

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>2020</u>	<u>2019</u>
Claims payable, beginning of year	\$ 694,451	\$ 650,081
Current year claims and changes in estimates	10,190,154	3,966,014
Payments on claims	(10,096,533)	(3,921,644)
Claims payable at end of year	<u>\$ 788,072</u>	<u>\$ 694,451</u>

XV. WATER STORAGE RIGHTS

Water storage rights of \$683,547 (net of accumulated amortization of \$673,574) represent rights in the Federal Reservoir at Lake Grapevine purchased through a long-term contract with the federal government and are recorded at cost, with amortization being recorded using the straight-line method over the initial term of the contract of 40 years. Approximately 2 years remain on the contract.

XVI. 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.

XVII. 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 2020 for the purchase of treated water were \$8,721,135 and payments made for the transportation, treatment, and disposal of wastewater by TRA were \$1,782,320. If the City were unable to fulfill its obligations under the contracts, the only liability for future payment would be its proportionate share of debt service requirements. In addition, the City does not retain an ongoing financial interest in TRA and has no representation on the TRA Board; therefore, the TRA contracts are not considered to be joint venture agreements.

XVIII. PRIOR PERIOD ADJUSTMENT

In the fund financial statements, an adjustment to unearned revenues resulted in a decrease in the beginning fund balance of the General Fund of \$589,801. An adjustment was made for sanitation billings that increased net position in the Utility Fund for \$215,106. An adjustment was made for developer deposits that decreased fund balance in the Streets Fund for \$106,208.

**REQUIRED
SUPPLEMENTARY INFORMATION**

CITY OF GRAPEVINE, TEXAS
GENERAL FUND
BUDGETARY COMPARISON SCHEDULE
FOR THE YEAR ENDED SEPTEMBER 30, 2020

	<u>Budgeted Amounts</u>			Variance with Final Budget - Positive (Negative)
	<u>Original</u>	<u>Final</u>	<u>Actual</u>	
REVENUES				
Property tax	\$ 13,043,001	\$ 13,043,001	\$ 12,740,172	\$(302,829)
Sales tax	29,616,580	29,616,580	25,758,869	(3,857,711)
Mixed beverage tax	2,057,000	2,057,000	1,477,422	(579,578)
Franchise tax	6,906,950	6,906,950	6,216,566	(690,384)
Licenses and permits	1,908,312	1,908,312	1,344,611	(563,701)
Intergovernmental	692,687	692,687	326,563	(366,124)
Charges for services	6,527,100	6,527,100	5,087,860	(1,439,240)
Fines and forfeitures	1,701,712	1,682,512	1,012,037	(670,475)
Investment income	255,500	255,500	152,003	(103,497)
Miscellaneous	692,500	692,500	539,990	(152,510)
Total revenues	<u>63,401,342</u>	<u>63,382,142</u>	<u>54,656,093</u>	<u>(8,726,049)</u>
EXPENDITURES				
Current:				
General government	17,890,462	17,787,247	17,399,113	388,134
Public safety	16,375,386	16,368,189	16,358,908	9,281
Culture and recreation	14,000,289	14,000,289	14,080,930	(80,641)
Public works	9,114,186	9,114,186	8,686,679	427,507
Capital outlay	105,000	215,412	734,516	(519,104)
Debt service:				
Fiscal agent charges	-	-	3,675	(3,675)
Total expenditures	<u>57,485,323</u>	<u>57,485,323</u>	<u>57,263,821</u>	<u>221,502</u>
EXCESS (DEFICIENCY) OF REVENUE OVER (UNDER) EXPENDITURES	<u>5,916,019</u>	<u>5,896,819</u>	<u>(2,607,728)</u>	<u>(8,504,547)</u>
OTHER FINANCING SOURCES (USES)				
Transfers in	4,536,419	4,536,419	7,817,342	3,280,923
Transfers out	(10,515,828)	(10,515,828)	(7,515,828)	3,000,000
Sale of capital assets	25,700	25,700	132,665	106,965
Insurance recoveries	-	130,000	42,374	(87,626)
Total other financing sources (uses)	<u>(5,953,709)</u>	<u>(5,823,709)</u>	<u>476,553</u>	<u>6,300,262</u>
NET CHANGE IN FUND BALANCES	<u>(37,690)</u>	<u>73,110</u>	<u>(2,131,175)</u>	<u>(2,204,285)</u>
FUND BALANCES, BEGINNING	<u>14,295,271</u>	<u>14,295,271</u>	<u>14,295,271</u>	<u>-</u>
PRIOR PERIOD ADJUSTMENT	-	-	(589,801)	(589,801)
FUND BALANCES, BEGINNING RESTATED	<u>14,295,271</u>	<u>14,295,271</u>	<u>13,705,470</u>	<u>(589,801)</u>
FUND BALANCES, ENDING	<u>\$ 14,257,581</u>	<u>\$ 14,368,381</u>	<u>\$ 11,574,295</u>	<u>\$(2,794,086)</u>

The accompanying notes are an integral part of this schedule.

CITY OF GRAPEVINE, TEXAS
HOTEL OCCUPANCY TAX
BUDGETARY COMPARISON SCHEDULE
FOR THE YEAR ENDED SEPTEMBER 30, 2020

	<u>Budgeted Amounts</u>			Variance with Final Budget - Positive (Negative)
	<u>Original</u>	<u>Final</u>	<u>Actual</u>	
REVENUES				
Taxes	\$ 19,704,006	\$ 19,704,006	\$ 11,721,385	\$(7,982,621)
Charges for services	7,564,973	7,589,973	3,407,028	(4,182,945)
Investment income	258,550	258,550	261,950	3,400
Miscellaneous	45,000	20,000	22,582	2,582
Total revenues	<u>27,572,529</u>	<u>27,572,529</u>	<u>15,412,945</u>	<u>(12,159,584)</u>
EXPENDITURES				
Current:				
Tourism	25,057,727	25,070,324	15,649,237	9,421,087
Capital outlay	31,000	53,710	199,652	(145,942)
Debt Service:				
Fiscal agent charges	-	-	1,816	(1,816)
Total expenditures	<u>25,088,727</u>	<u>25,124,034</u>	<u>15,850,705</u>	<u>9,273,329</u>
EXCESS (DEFICIENCY) OF REVENUE OVER (UNDER) EXPENDITURES	<u>2,483,802</u>	<u>2,448,495</u>	<u>(437,760)</u>	<u>(2,886,255)</u>
OTHER FINANCING SOURCES (USES)				
Transfers in	483,486	464,486	336,524	(127,962)
Transfers out	(2,463,906)	(2,441,196)	(2,441,196)	-
Total other financing sources (uses)	<u>(1,980,420)</u>	<u>(1,976,710)</u>	<u>(2,104,672)</u>	<u>(127,962)</u>
NET CHANGE IN FUND BALANCES	503,382	471,785	(2,542,432)	(3,014,217)
FUND BALANCES, BEGINNING	<u>20,263,244</u>	<u>20,263,244</u>	<u>20,263,244</u>	<u>-</u>
FUND BALANCES, ENDING	<u>\$ 20,766,626</u>	<u>\$ 20,735,029</u>	<u>\$ 17,720,812</u>	<u>\$(3,014,217)</u>

The accompanying notes are an integral part of this schedule.

CITY OF GRAPEVINE, TEXAS
CRIME DISTRICT
BUDGETARY COMPARISON SCHEDULE
FOR THE YEAR ENDED SEPTEMBER 30, 2020

	<u>Budgeted Amounts</u>			Variance with Final Budget - Positive (Negative)
	<u>Original</u>	<u>Final</u>	<u>Actual</u>	
REVENUES				
Taxes	\$ 14,808,290	\$ 14,808,290	\$ 12,501,687	\$(2,306,603)
Intergovernmental	-	-	16,671	16,671
Fines and forfeitures	107,000	116,600	52,800	(63,800)
Investment income	100,000	100,000	20,682	(79,318)
Miscellaneous	6,500	6,500	4,346	(2,154)
Total revenues	<u>15,021,790</u>	<u>15,031,390</u>	<u>12,596,186</u>	<u>(2,435,204)</u>
EXPENDITURES				
Current:				
General government	189,513	189,513	178,098	11,415
Public safety	18,219,101	18,165,271	17,559,508	605,763
Capital outlay	-	53,830	44,985	8,845
Total expenditures	<u>18,408,614</u>	<u>18,408,614</u>	<u>17,782,591</u>	<u>626,023</u>
EXCESS (DEFICIENCY) OF REVENUE OVER (UNDER) EXPENDITURES	<u>(3,386,824)</u>	<u>(3,377,224)</u>	<u>(5,186,405)</u>	<u>(1,809,181)</u>
OTHER FINANCING SOURCES (USES)				
Transfers in	3,406,824	3,406,824	3,406,824	-
Transfers out	-	(20,000)	-	20,000
Total other financing sources (uses)	<u>3,406,824</u>	<u>3,386,824</u>	<u>3,406,824</u>	<u>20,000</u>
NET CHANGE IN FUND BALANCES	20,000	9,600	(1,779,581)	(1,789,181)
FUND BALANCES, BEGINNING	<u>(1,045,343)</u>	<u>(1,045,343)</u>	<u>(1,045,343)</u>	<u>-</u>
FUND BALANCES, ENDING	<u>\$(1,025,343)</u>	<u>\$(1,035,743)</u>	<u>\$(2,824,924)</u>	<u>\$(1,789,181)</u>

The accompanying notes are an integral part of this schedule.

CITY OF GRAPEVINE, TEXAS
LAKE PARKS FUND
BUDGETARY COMPARISON SCHEDULE
FOR THE YEAR ENDED SEPTEMBER 30, 2020

	Budgeted Amounts			Variance with Final Budget - Positive (Negative)
	Original	Final	Actual	
REVENUES				
Charges for services	\$ 2,944,800	\$ 2,944,800	\$ 2,252,448	\$(692,352)
Intergovernmental	-	-	252	252
Miscellaneous	25,000	25,000	4,888	(20,112)
Total revenues	2,969,800	2,969,800	2,257,588	(712,212)
EXPENDITURES				
Current:				
Culture and recreation	2,075,447	2,075,447	2,587,990	(512,543)
Capital outlay	156,000	156,000	57,400	98,600
Total expenditures	2,231,447	2,231,447	2,645,390	(413,943)
EXCESS (DEFICIENCY) OF REVENUE OVER (UNDER) EXPENDITURES	738,353	738,353	(387,802)	(1,126,155)
OTHER FINANCING SOURCES (USES)				
Transfers out	(689,893)	(689,893)	(689,893)	-
Total other financing sources (uses)	(689,893)	(689,893)	(689,893)	-
NET CHANGE IN FUND BALANCE	48,460	48,460	(1,077,695)	(1,126,155)
FUND BALANCE, BEGINNING	(3,418,748)	(3,418,748)	(3,418,748)	-
FUND BALANCE, ENDING	\$(3,370,288)	\$(3,370,288)	\$(4,496,443)	\$(1,126,155)

The accompanying notes are an integral part of this schedule.

CITY OF GRAPEVINE, TEXAS
4B - ECONOMIC DEVELOPMENT
BUDGETARY COMPARISON SCHEDULE
FOR THE YEAR ENDED SEPTEMBER 30, 2020

	<u>Budgeted Amounts</u>			Variance with Final Budget - Positive (Negative)
	<u>Original</u>	<u>Final</u>	<u>Actual</u>	
REVENUES				
Taxes	\$ 4,402,073	\$ 4,402,073	\$ 3,872,769	\$(529,304)
Charges for services	-	-	60	60
Investment income	<u>125,000</u>	<u>125,000</u>	<u>104,318</u>	<u>(20,682)</u>
Total revenues	<u>4,527,073</u>	<u>4,527,073</u>	<u>3,977,147</u>	<u>(549,926)</u>
EXPENDITURES				
Current:				
Economic development	<u>2,819,679</u>	<u>2,819,679</u>	<u>3,211,713</u>	<u>(392,034)</u>
Total expenditures	<u>2,819,679</u>	<u>2,819,679</u>	<u>3,211,713</u>	<u>(392,034)</u>
EXCESS (DEFICIENCY) OF REVENUE OVER (UNDER) EXPENDITURES	<u>1,707,394</u>	<u>1,707,394</u>	<u>765,434</u>	<u>(941,960)</u>
OTHER FINANCING SOURCES (USES)				
Transfers out	(1,707,394)	(1,707,394)	(1,707,394)	-
Sale of capital assets	<u>-</u>	<u>-</u>	<u>1,326,216</u>	<u>1,326,216</u>
Total other financing sources (uses)	<u>(1,707,394)</u>	<u>(1,707,394)</u>	<u>(381,178)</u>	<u>1,326,216</u>
NET CHANGE IN FUND BALANCES	-	-	384,256	384,256
FUND BALANCES, BEGINNING	<u>11,830,384</u>	<u>11,830,384</u>	<u>11,830,384</u>	<u>-</u>
FUND BALANCES, ENDING	<u>\$ 11,830,384</u>	<u>\$ 11,830,384</u>	<u>\$ 12,214,640</u>	<u>\$ 384,256</u>

The accompanying notes are an integral part of this schedule.

CITY OF GRAPEVINE, TEXAS
4B - TRANSIT
BUDGETARY COMPARISON SCHEDULE
FOR THE YEAR ENDED SEPTEMBER 30, 2020

	Budgeted Amounts			Variance with Final Budget - Positive (Negative)
	Original	Final	Actual	
REVENUES				
Sales taxes	\$ 11,106,218	\$ 11,106,218	\$ 8,978,634	\$(2,127,584)
Investment income	10,000	10,000	5,957	(4,043)
Total revenues	11,116,218	11,116,218	8,984,591	(2,131,627)
EXPENDITURES				
Current:				
Transportation	10,641,732	10,641,732	8,642,110	1,999,622
Total expenditures	10,641,732	10,641,732	8,642,110	1,999,622
EXCESS (DEFICIENCY) OF REVENUE OVER (UNDER) EXPENDITURES	474,486	474,486	342,481	(132,005)
OTHER FINANCING SOURCES (USES)				
Transfers out	(464,486)	(464,486)	(336,524)	127,962
Total other financing sources (uses)	(464,486)	(464,486)	(336,524)	127,962
NET CHANGE IN FUND BALANCE	10,000	10,000	5,957	(4,043)
FUND BALANCE, BEGINNING	16,961	16,961	16,961	-
FUND BALANCE, ENDING	\$ 26,961	\$ 26,961	\$ 22,918	\$(4,043)

The accompanying notes are an integral part of this schedule.

CITY OF GRAPEVINE, TEXAS
SCHEDULE OF CHANGES IN NET PENSION LIABILITY
AND RELATED RATIOS - TEXAS MUNICIPAL RETIREMENT SYSTEM
FOR THE YEAR ENDED SEPTEMBER 30, 2020

Plan Year	<u>2014</u>	<u>2015</u>
A. Total pension liability		
Service Cost	\$ 6,509,572	\$ 7,082,668
Interest (on the total pension liability)	15,338,396	16,144,617
Difference between expected and actual experience	(1,847,827)	(1,393,602)
Changes of assumptions	-	(77,299)
Benefit payments, including refunds of employee contributions	<u>(8,121,165)</u>	<u>(9,417,307)</u>
Net change in total pension liability	11,878,976	12,339,077
Total pension liability - beginning	<u>219,925,733</u>	<u>231,804,709</u>
Total pension liability - ending (a)	<u>\$ 231,804,709</u>	<u>\$ 244,143,786</u>
B. Plan fiduciary net position		
Contributions - employer	\$ 6,975,288	\$ 7,547,081
Contributions - employee	2,583,406	2,769,765
Net investment income	10,365,590	284,606
Benefit payments, including refunds of employee contributions	(8,121,165)	(9,417,307)
Administrative expense	(108,213)	(173,344)
Other	<u>(8,897)</u>	<u>(8,562)</u>
Net change in plan fiduciary net position	11,686,009	1,002,239
Plan fiduciary net position - beginning	<u>181,182,907</u>	<u>192,868,916</u>
Plan fiduciary net position - ending (b)	<u>192,868,916</u>	<u>193,871,155</u>
C. Net pension liability - ending (a) - (b)	<u>\$ 38,935,793</u>	<u>\$ 50,272,631</u>
D. Plan fiduciary net position as a percentage of total pension liability	83.20%	79.41%
E. Covered payroll	\$ 36,690,944	\$ 39,260,910
F. Net pension liability as a percentage of covered payroll	106.12%	128.05%

Note: GASB Statement No. 68 requires 10 years of data to be provided in this schedule. As of September 30, 2020, only 6 years are included and additional years will be added in the future as the information becomes available.

<u>2016</u>	<u>2017</u>	<u>2018</u>	<u>2019</u>
\$ 7,293,298	\$ 7,724,236	\$ 8,129,774	\$ 8,579,543
16,410,412	17,301,746	18,265,311	19,238,959
(1,109,085)	(772,200)	(1,201,653)	659,154
-	-	-	207,921
<u>(9,346,450)</u>	<u>(9,863,833)</u>	<u>(10,499,198)</u>	<u>(11,488,595)</u>
13,248,175	14,389,949	14,694,234	17,196,982
<u>244,143,786</u>	<u>257,391,961</u>	<u>271,781,910</u>	<u>286,476,144</u>
<u>\$ 257,391,961</u>	<u>\$ 271,781,910</u>	<u>\$ 286,476,144</u>	<u>\$ 303,673,126</u>
\$ 7,526,300	\$ 7,958,051	\$ 8,375,515	\$ 8,626,976
2,764,119	2,922,684	3,093,341	3,250,584
13,104,905	28,801,972	(7,113,672)	35,749,292
(9,346,450)	(9,863,833)	(10,499,198)	(11,488,595)
(147,973)	(149,230)	(137,452)	(201,910)
<u>(7,972)</u>	<u>(7,564)</u>	<u>(7,184)</u>	<u>(6,064)</u>
13,892,929	29,662,080	(6,288,650)	35,930,283
<u>193,871,155</u>	<u>207,764,084</u>	<u>237,426,164</u>	<u>231,137,514</u>
<u>207,764,084</u>	<u>237,426,164</u>	<u>231,137,514</u>	<u>267,067,797</u>
<u>\$ 49,627,877</u>	<u>\$ 34,355,746</u>	<u>\$ 55,338,630</u>	<u>\$ 36,605,329</u>
80.72%	87.36%	80.68%	87.95%
\$ 39,444,551	\$ 41,752,627	\$ 44,087,711	\$ 46,426,097
125.82%	82.28%	125.52%	78.85%

CITY OF GRAPEVINE, TEXAS
SCHEDULE OF PENSION CONTRIBUTIONS
TEXAS MUNICIPAL RETIREMENT SYSTEM
FOR THE YEAR ENDED SEPTEMBER 30, 2020

Fiscal Year	<u>2014</u>	<u>2015</u>	<u>2016</u>
Actuarial determined contribution	\$ 6,911,778	\$ 7,193,830	\$ 7,395,291
Contributions in relation to the actuarially determined contribution	<u>6,911,778</u>	<u>7,193,830</u>	<u>7,395,291</u>
Contribution deficiency (excess)	-	-	-
Covered payroll	36,595,511	37,658,091	38,748,515
Contributions as a percentage of covered payroll	18.89%	19.10%	19.09%

Notes to Schedule of Contributions

Valuation Date:

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

Methods and Assumptions Used to Determine Contribution Rates:

Actuarial Cost Method	Entry Age Normal
Amortization Method	Level Percentage of Payroll, Closed
Remaining Amortization Period	26 years
Asset Valuation Method	10 Year smoothed market; 12% soft corridor
Inflation	2.5%
Salary Increases	3.50% to 11.50% including inflation
Investment Rate of Return	6.75%
Retirement Age	Experience-based table of rates that are specific to the City's plan of benefits. Last updated for the 2019 valuation pursuant to an experience study of the period 2014 - 2018
Mortality	Post-retirement: 2019 Municipal Retirees of Texas Mortality Tables. The rates are projected on a fully generational basis with scale UMP. Pre-retirement: PUB(10) mortality tables, with the Public Safety table used for males and the General Employee table used for females. The rates are projected on a fully generational basis with scale UMP.
Other Information	There were no benefit changes during the year.

Note: GASB Statement No. 68 requires 10 years of data to be provided in this schedule. As of September 30, 2020, only 7 years are included and additional years will be added in the future as the information becomes available.

	<u>2017</u>	<u>2018</u>	<u>2019</u>	<u>2020</u>
\$	7,815,149	\$ 8,334,727	\$ 8,735,515	\$ 8,848,797
	<u>7,815,149</u>	<u>8,334,727</u>	<u>8,735,515</u>	<u>8,848,797</u>
	-	-	-	-
	41,002,879	43,861,106	45,272,727	47,716,819
	19.06%	19.00%	18.64%	18.54%

CITY OF GRAPEVINE, TEXAS
SCHEDULE OF CHANGES IN NET OPEB LIABILITY
AND RELATED RATIOS
POST-RETIREMENT HEALTH CARE BENEFIT PLAN
FOR THE YEAR ENDED SEPTEMBER 30, 2020

Plan Year	<u>2017</u>	<u>2018</u>	<u>2019</u>
A. Total OPEB liability			
Service Cost	\$ 2,883,770	\$ 3,547,117	\$ 3,955,532
Interest (on the total OPEB liability)	2,452,440	2,423,640	2,606,795
Difference between expected and actual experience	209,342	(1,065,868)	(528,026)
Changes of assumptions	4,730,475	(8,510,968)	6,316,707
Benefit payments	<u>(1,821,839)</u>	<u>(1,687,035)</u>	<u>(1,471,310)</u>
Net change in total OPEB liability	8,454,188	(5,293,114)	10,879,698
Total OPEB liability - beginning	<u>63,837,532</u>	<u>72,291,720</u>	<u>66,998,606</u>
Total OPEB liability - ending (a)	<u>\$ 72,291,720</u>	<u>\$ 66,998,606</u>	<u>\$ 77,878,304</u>
B. Plan fiduciary net position			
Employer Contributions	\$ 2,821,839	\$ 2,187,035	\$ 1,971,310
Net investment income	63,643	(77,518)	304,042
Benefit payments	(1,821,839)	(1,687,035)	(1,471,310)
Administrative expense	(2,315)	(6,401)	(9,715)
Net change in plan fiduciary net position	1,061,328	416,081	794,327
Plan fiduciary net position - beginning	<u>-</u>	<u>1,061,328</u>	<u>1,477,409</u>
Plan fiduciary net position - ending (b)	<u>1,061,328</u>	<u>1,477,409</u>	<u>2,271,736</u>
C. Net OPEB liability - ending (a) - (b)	<u>\$ 71,230,392</u>	<u>\$ 65,521,197</u>	<u>\$ 75,606,568</u>
D. Plan fiduciary net position as a percentage of total OPEB liability	1.47%	2.21%	2.92%
E. Covered payroll	\$ 41,752,627	\$ 44,087,895	\$ 46,426,087
F. Net OPEB liability as a percentage of Covered-employee payroll	170.60%	148.61%	162.85%

Notes to Schedule:

GASB Statement No. 75 requires 10 years of data to be provided in this schedule. As of September 30, 2020, only 3 years are included. Additional years will be added in the future as the information becomes available.

The demographic assumptions were updated to reflect the 2019 TMRS Experience Study and the health care trend rates were updated to reflect the repeal of the excise tax on high-cost employer health plans.

Included in the changes of assumptions was a change in the discount rate from 3.82% to 2.95%.

CITY OF GRAPEVINE, TEXAS

NOTES TO REQUIRED SUPPLEMENTARY INFORMATION

SEPTEMBER 30, 2020

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 Lake Parks 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, the Lake Parks 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, Lake Parks 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

At September 30, 2020, expenditures exceeded appropriations in the Lake Parks Fund by \$413,934, the 4B – Economic Development Fund by \$392,034, and the Debt Service Fund by \$126,022.

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**COMBINING AND INDIVIDUAL
STATEMENTS AND SCHEDULES**

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.

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) #1 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 #1.

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 the funds received from external sources as they relate to grants awarded to the City.

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
NONMAJOR GOVERNMENTAL FUNDS
SEPTEMBER 30, 2020

	Special Revenue		Debt Service		Capital Projects
	Special Revenue	Storm Drainage	TIF #1	TIF #2	Grant
ASSETS					
Cash	\$ 2,882,958	\$ 1,674,241	\$ -	\$ 10,176,050	\$ 96,659
Receivables:					
Accounts, net	14,179	159,505	-	1,838,994	-
Accrued interest	4	2	-	16	5
Due from other governments	-	-	-	-	904,239
Prepaid items	-	-	-	-	399
Total assets	2,897,141	1,833,748	-	12,015,060	1,001,302
LIABILITIES					
Liabilities:					
Accounts payable	47,996	31,024	-	-	60,802
Accrued and other liabilities	703	33,349	-	1	1,496
Due to other funds	-	-	-	-	135,760
Due to other governments	91	-	-	-	-
Unearned revenue	63,397	-	-	-	627,904
Developer deposits	-	-	-	-	-
Total liabilities	112,187	64,373	-	1	825,962
DEFERRED INFLOWS OF RESOURCES					
Unavailable revenue	13,413	-	-	-	308,381
Total deferred inflows of resources	13,413	-	-	-	308,381
FUND BALANCES (DEFICITS)					
Restricted:					
Capital projects	264,287	213,529	-	-	-
Court security and technology	447,682	-	-	-	-
Public safety	810,467	-	-	-	-
Records preservation	12,018	-	-	-	-
Debt service	-	-	-	12,015,059	-
Culture and recreation	158,786	-	-	-	-
Committed for:					
Stormwater drainage operations	-	1,555,846	-	-	-
Public arts	810,449	-	-	-	-
Assigned for:					
Capital projects	244,055	-	-	-	-
Culture and recreation	19,627	-	-	-	-
Public safety	4,170	-	-	-	-
Unassigned	-	-	-	-	(133,041)
Total fund balances (deficits)	2,771,541	1,769,375	-	12,015,059	(133,041)
Total liabilities, deferred inflows of resources and fund balances	\$ 2,897,141	\$ 1,833,748	\$ -	\$ 12,015,060	\$ 1,001,302

Capital Projects

Parks Open Space and Recreation	TIF #2	Streets	Street Maintenance and Capital Replacement	Capital Acquisition	Quality of Life	Total Other Governmental Funds
\$ 279,730	\$ 2,292,552	\$ 2,712,766	\$ -	\$ 4,358,547	\$ 3,556,753	\$ 28,030,256
-	-	-	2,320	-	70,077	2,085,075
-	-	5	4	11	10	57
-	-	716,784	22,172	-	-	1,643,195
-	-	-	-	-	-	399
<u>279,730</u>	<u>2,292,552</u>	<u>3,429,555</u>	<u>24,496</u>	<u>4,358,558</u>	<u>3,626,840</u>	<u>31,758,982</u>
-	-	670,366	154,338	123,391	44,301	1,132,218
-	-	-	-	-	-	35,549
-	-	-	194,456	-	-	330,216
-	-	-	-	-	-	91
-	-	-	-	-	-	691,301
<u>67,527</u>	<u>-</u>	<u>1,080,588</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>1,148,115</u>
<u>67,527</u>	<u>-</u>	<u>1,750,954</u>	<u>348,794</u>	<u>123,391</u>	<u>44,301</u>	<u>3,337,490</u>
-	-	365,267	5,543	-	66,077	758,681
-	-	365,267	5,543	-	66,077	758,681
-	2,292,552	1,247,208	-	226,761	34,596	4,278,933
-	-	-	-	-	-	447,682
-	-	-	-	-	-	810,467
-	-	-	-	-	-	12,018
-	-	-	-	-	-	12,015,059
2,849	-	-	-	-	-	161,635
-	-	-	-	-	-	1,555,846
-	-	-	-	-	-	810,449
-	-	66,126	-	4,008,406	3,481,866	7,800,453
209,354	-	-	-	-	-	228,981
-	-	-	-	-	-	4,170
-	-	-	(329,841)	-	-	(462,882)
<u>212,203</u>	<u>2,292,552</u>	<u>1,313,334</u>	<u>(329,841)</u>	<u>4,235,167</u>	<u>3,516,462</u>	<u>27,662,811</u>
<u>\$ 279,730</u>	<u>\$ 2,292,552</u>	<u>\$ 3,429,555</u>	<u>\$ 24,496</u>	<u>\$ 4,358,558</u>	<u>\$ 3,626,840</u>	<u>\$ 31,758,982</u>

CITY OF GRAPEVINE, TEXAS
COMBINING STATEMENT OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCES
NONMAJOR GOVERNMENTAL FUNDS
FOR THE YEAR ENDED SEPTEMBER 30, 2020

	Special Revenue		Debt Service		Capital Projects
	Special Revenue	Storm Drainage	TIF #1	TIF #2	Grant
REVENUES					
Property tax	\$ -	\$ -	\$ 1,000,506	\$ 6,296,153	\$ -
Franchise tax	191,406	-	-	-	-
Charges for services	141,629	1,491,696	-	-	-
Fines and forfeitures	60,063	-	-	-	-
Intergovernmental	18,483	37,389	-	-	3,281,157
Contributions	124,312	-	-	-	-
Investment income	24,897	18,472	-	87,199	4,784
Miscellaneous	5,669	-	-	-	-
Total revenues	<u>566,459</u>	<u>1,547,557</u>	<u>1,000,506</u>	<u>6,383,352</u>	<u>3,285,941</u>
EXPENDITURES					
Current:					
General government	21,793	-	-	-	-
Public safety	44,303	-	-	-	2,451,845
Culture and recreation	129,685	-	-	-	13,042
Public works	-	1,078,454	-	-	241,607
Economic development	-	-	-	1,510,250	-
Capital outlay	406,136	576,801	-	-	1,061,703
Debt service:					
Principal	-	-	485,000	1,720,000	-
Interest	-	-	515,506	576,600	-
Fiscal agent charges	-	-	-	750	-
Total expenditures	<u>601,917</u>	<u>1,655,255</u>	<u>1,000,506</u>	<u>3,807,600</u>	<u>3,768,197</u>
EXCESS (DEFICIENCY)					
OF REVENUE OVER					
(UNDER) EXPENDITURES	(35,458)	(107,698)	-	2,575,752	(482,256)
OTHER FINANCING					
SOURCES (USES)					
Transfers in	-	-	-	-	94,700
Transfers out	(27,374)	(112,000)	-	-	-
Sale of capital assets	-	-	-	-	-
Insurance recoveries	-	-	-	-	-
Total other financing sources (uses)	<u>(27,374)</u>	<u>(112,000)</u>	<u>-</u>	<u>-</u>	<u>94,700</u>
NET CHANGE IN FUND BALANCES	(62,832)	(219,698)	-	2,575,752	(387,556)
FUND BALANCES, BEGINNING	2,834,373	1,989,073	-	9,439,307	254,515
PRIOR PERIOD ADJUSTMENT	-	-	-	-	-
FUND BALANCES, BEGINNING, RESTATED	<u>2,834,373</u>	<u>1,989,073</u>	<u>-</u>	<u>9,439,307</u>	<u>254,515</u>
FUND BALANCES, ENDING	<u>\$ 2,771,541</u>	<u>\$ 1,769,375</u>	<u>\$ -</u>	<u>\$ 12,015,059</u>	<u>\$ (133,041)</u>

Capital Projects

Parks Open Space and Recreation	TIF #2	Streets	Street Maintenance and Capital Replacement	Capital Acquisition	Quality of Life	Total Other Governmental Funds
\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 7,296,659
-	-	-	-	-	-	191,406
135,236	-	28,244	-	-	-	1,796,805
-	-	-	-	-	-	60,063
-	-	2,934,395	66,516	-	-	6,337,940
-	-	-	-	-	-	124,312
2,637	26,468	44,101	40,289	67,271	89,913	406,031
-	-	3,450	8,479	-	11,621	29,219
<u>137,873</u>	<u>26,468</u>	<u>3,010,190</u>	<u>115,284</u>	<u>67,271</u>	<u>101,534</u>	<u>16,242,435</u>
-	-	-	167,544	5,342	-	194,679
-	-	-	45,072	62,927	-	2,604,147
-	-	-	1,711,203	846	59,390	1,914,166
-	-	6,340	1,641,331	-	-	2,967,732
-	-	-	-	-	-	1,510,250
135,236	-	5,671,418	947,011	1,519,608	2,326,340	12,644,253
-	-	-	-	-	216,840	2,421,840
-	-	-	-	-	90,458	1,182,564
-	724	-	-	308	-	1,782
<u>135,236</u>	<u>724</u>	<u>5,677,758</u>	<u>4,512,161</u>	<u>1,589,031</u>	<u>2,693,028</u>	<u>25,441,413</u>
<u>2,637</u>	<u>25,744</u>	<u>(2,667,568)</u>	<u>(4,396,877)</u>	<u>(1,521,760)</u>	<u>(2,591,494)</u>	<u>(9,198,978)</u>
-	-	-	3,298,149	830,004	-	4,222,853
-	-	(149,086)	-	(3,100,000)	(94,700)	(3,483,160)
-	-	-	1,500	3,550	-	5,050
-	-	-	1,984	8,884	-	10,868
-	-	(149,086)	3,301,633	(2,257,562)	(94,700)	755,611
2,637	25,744	(2,816,654)	(1,095,244)	(3,779,322)	(2,686,194)	(8,443,367)
209,566	2,266,808	4,236,196	765,403	8,014,489	6,202,656	36,212,386
-	-	(106,208)	-	-	-	(106,208)
<u>209,566</u>	<u>2,266,808</u>	<u>4,129,988</u>	<u>765,403</u>	<u>8,014,489</u>	<u>6,202,656</u>	<u>36,106,178</u>
<u>\$ 212,203</u>	<u>\$ 2,292,552</u>	<u>\$ 1,313,334</u>	<u>\$ (329,841)</u>	<u>\$ 4,235,167</u>	<u>\$ 3,516,462</u>	<u>\$ 27,662,811</u>

CITY OF GRAPEVINE, TEXAS
DEBT SERVICE FUND
BUDGETARY COMPARISON SCHEDULE
FOR THE YEAR ENDED SEPTEMBER 30, 2020

	<u>Budgeted Amounts</u>			Variance with Final Budget - Positive (Negative)
	<u>Original</u>	<u>Final</u>	<u>Actual</u>	
REVENUES				
Taxes	\$ 13,071,947	\$ 13,071,947	\$ 12,865,818	\$(206,129)
Investment income	150,000	150,000	118,835	(31,165)
Total revenues	<u>13,221,947</u>	<u>13,221,947</u>	<u>12,984,653</u>	<u>(237,294)</u>
EXPENDITURES				
Debt service:				
Principal	10,337,553	10,337,553	10,337,553	-
Interest	5,368,332	5,368,332	5,368,339	(7)
Fiscal agent charges	-	-	126,015	(126,015)
Total expenditures	<u>15,705,885</u>	<u>15,705,885</u>	<u>15,831,907</u>	<u>(126,022)</u>
EXCESS (DEFICIENCY) OF REVENUE OVER (UNDER) EXPENDITURES	<u>(2,483,938)</u>	<u>(2,483,938)</u>	<u>(2,847,254)</u>	<u>(363,316)</u>
OTHER FINANCING SOURCES (USES)				
Transfers in	2,387,064	2,387,064	2,387,064	-
Total other financing sources (uses)	<u>2,387,064</u>	<u>2,387,064</u>	<u>2,387,064</u>	<u>-</u>
NET CHANGE IN FUND BALANCE	(96,874)	(96,874)	(460,190)	(363,316)
FUND BALANCE, BEGINNING	<u>7,749,786</u>	<u>7,749,786</u>	<u>7,749,786</u>	<u>-</u>
FUND BALANCE, ENDING	<u>\$ 7,652,912</u>	<u>\$ 7,652,912</u>	<u>\$ 7,289,596</u>	<u>\$(363,316)</u>

CITY OF GRAPEVINE, TEXAS
COMBINING STATEMENT OF CHANGES IN
ASSETS AND LIABILITIES
AGENCY FUNDS
FOR THE YEAR ENDED SEPTEMBER 30, 2020

Employee Activity Fund				
	Balance 9/30/2019	Additions	Deletions	Balance 9/30/2020
Cash and cash equivalents	\$ 18,607	\$ 39,595	\$ 29,507	\$ 28,695
Total assets	<u>\$ 18,607</u>	<u>\$ 39,595</u>	<u>\$ 29,507</u>	<u>\$ 28,695</u>
Due to beneficiary	\$ 18,607	\$ 39,595	\$ 29,507	\$ 28,695
Total liabilities	<u>\$ 18,607</u>	<u>\$ 39,595</u>	<u>\$ 29,507</u>	<u>\$ 28,695</u>
Industrial Development Corporation				
	Balance 9/30/2019	Additions	Deletions	Balance 9/30/2020
Cash and cash equivalents	\$ 137,706	\$ 1,549	\$ -	\$ 139,255
Total assets	<u>\$ 137,706</u>	<u>\$ 1,549</u>	<u>\$ -</u>	<u>\$ 139,255</u>
Due to beneficiary	\$ 137,706	\$ 1,549	\$ -	\$ 139,255
Total liabilities	<u>\$ 137,706</u>	<u>\$ 1,549</u>	<u>\$ -</u>	<u>\$ 139,255</u>
W.D. Tate Scholarship				
	Balance 9/30/2019	Additions	Deletions	Balance 9/30/2020
Cash and cash equivalents	\$ 14,353	\$ 128	\$ -	\$ 14,481
Total assets	<u>\$ 14,353</u>	<u>\$ 128</u>	<u>\$ -</u>	<u>\$ 14,481</u>
Due to beneficiary	\$ 14,353	\$ 128	\$ -	\$ 14,481
Total liabilities	<u>\$ 14,353</u>	<u>\$ 128</u>	<u>\$ -</u>	<u>\$ 14,481</u>
Total Agency Funds				
	Balance 9/30/2019	Additions	Deletions	Balance 9/30/2020
Cash and cash equivalents	\$ 170,666	\$ 41,272	\$ 29,507	\$ 182,431
Total assets	<u>\$ 170,666</u>	<u>\$ 41,272</u>	<u>\$ 29,507</u>	<u>\$ 182,431</u>
Due to beneficiary	\$ 170,666	\$ 41,272	\$ 29,507	\$ 182,431
Total liabilities	<u>\$ 170,666</u>	<u>\$ 41,272</u>	<u>\$ 29,507</u>	<u>\$ 182,431</u>

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STATISTICAL SECTION

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STATISTICAL SECTION

This part of the City of Grapevine, Texas' comprehensive annual 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

	Page
Financial Trends	77 – 86
These schedules contain trend information to help the reader understand how the City's financial performance and well-being have changed over time.	
Revenue Capacity	87 – 94
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. Beginning in FY 2010, sales tax revenue information became available to the City and 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, the property tax, is provided.	
Debt Capacity	95 – 102
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.	
Demographic and Economic Information	103 – 106
These schedules offer demographic and economic indicators to help the reader understand the environment within which the City's financial activities take place.	
Operating Information	107 – 112
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.	

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

CITY OF GRAPEVINE, TEXAS
NET POSITION BY COMPONENT
LAST TEN FISCAL YEARS
(Unaudited) (Amounts Expressed in Thousands)
(accrual basis of accounting)

	Fiscal Year			
	2011	2012	2013	2014
Governmental activities:				
Net investment in capital assets	\$ 84,069	\$ 88,342	\$ 114,212	\$ 139,392
Restricted	61,712	71,909	78,377	74,312
Unrestricted	<u>10,421</u>	<u>14,469</u>	<u>(3,570)</u>	<u>(10,147)</u>
Total governmental activities net position	<u>\$ 156,202</u>	<u>\$ 174,720</u>	<u>\$ 189,019</u>	<u>\$ 203,557</u>
Business-type activities:				
Net investment in capital assets	\$ 70,771	\$ 70,171	\$ 74,750	\$ 77,872
Restricted	7,133	8,969	8,032	2,612
Unrestricted	<u>11,240</u>	<u>10,530</u>	<u>6,912</u>	<u>11,590</u>
Total business-type activities net position	<u>\$ 89,144</u>	<u>\$ 89,670</u>	<u>\$ 89,694</u>	<u>\$ 92,074</u>
Primary government:				
Net investment in capital assets	\$ 154,840	\$ 158,513	\$ 172,921	\$ 217,264
Restricted	68,845	80,878	86,409	76,924
Unrestricted	<u>21,661</u>	<u>24,999</u>	<u>19,382</u>	<u>1,443</u>
Total primary government net position	<u>\$ 245,346</u>	<u>\$ 264,390</u>	<u>\$ 278,712</u>	<u>\$ 295,631</u>

Source: Comprehensive Annual Financial Reports

TABLE 1

Fiscal Year					
2015	2016	2017	2018	2019	2020
\$ 176,133	\$ 176,591	\$ 214,481	\$ 226,572	\$ 241,514	\$ 279,795
71,932	78,219	73,872	80,078	95,251	69,120
(21,047)	(14,043)	(26,090)	(68,706)	(61,220)	(76,423)
<u>\$ 227,018</u>	<u>\$ 240,767</u>	<u>\$ 262,263</u>	<u>\$ 237,943</u>	<u>\$ 275,544</u>	<u>\$ 272,491</u>
\$ 104,296	\$ 126,510	\$ 122,775	\$ 125,604	\$ 131,141	\$ 133,349
2,649	3,205	3,467	4,187	3,714	3,147
<u>8,094</u>	<u>8,507</u>	<u>10,548</u>	<u>11,817</u>	<u>6,303</u>	<u>5,262</u>
<u>\$ 115,039</u>	<u>\$ 138,222</u>	<u>\$ 136,790</u>	<u>\$ 141,608</u>	<u>\$ 141,158</u>	<u>\$ 141,758</u>
\$ 280,429	\$ 303,101	\$ 337,256	\$ 352,175	\$ 372,654	\$ 413,144
74,581	81,424	77,339	84,265	98,965	72,267
(12,953)	(5,536)	(15,542)	(56,889)	(54,917)	(71,161)
<u>\$ 342,057</u>	<u>\$ 378,989</u>	<u>\$ 399,053</u>	<u>\$ 379,551</u>	<u>\$ 416,702</u>	<u>\$ 414,250</u>

CITY OF GRAPEVINE, TEXAS
CHANGES IN NET POSITION
LAST TEN FISCAL YEARS
(Unaudited) (Amounts Expressed in Thousands)
(accrual basis of accounting)

	Fiscal Year			
	2011	2012	2013	2014
EXPENSES				
Governmental activities:				
General government	\$ 22,526	\$ 18,370	\$ 18,602	\$ 16,348
Public safety	27,588	28,264	28,309	30,039
Culture and recreation	26,673	27,954	29,578	31,549
Public works	10,563	11,056	12,216	13,689
Transportation	7,901	7,789	8,620	11,275
Economic development	3,394	4,040	3,609	1,405
Tourism	-	-	-	-
Interest on long-term debt	5,140	4,590	4,095	6,029
Total governmental activities expenses	<u>103,785</u>	<u>102,063</u>	<u>105,029</u>	<u>110,334</u>
Business-type activities:				
Water and sewer	18,972	18,372	18,807	19,763
Lake Enterprise	3,062	3,053	3,156	2,764
Total business-type activities expenses	<u>22,034</u>	<u>21,425</u>	<u>21,963</u>	<u>22,527</u>
Total primary government expenses	<u>\$ 125,819</u>	<u>\$ 123,488</u>	<u>\$ 126,992</u>	<u>\$ 132,861</u>
PROGRAM REVENUES				
Governmental activities:				
Fees, fines, and charges for services:				
General government	\$ 4,250	\$ 2,547	\$ 2,013	\$ 1,992
Public safety	3,346	3,736	3,971	4,109
Culture and recreation	9,198	10,099	10,012	10,531
Public works	1,378	1,418	1,486	1,504
Tourism	-	-	-	-
Operating grants and contributions	1,212	1,124	526	275
Capital grants and contributions	1,302	810	108	203
Total governmental activities program revenues	<u>20,686</u>	<u>19,734</u>	<u>18,116</u>	<u>18,614</u>
Business-type activities:				
Charges for services:				
Water and sewer	21,168	20,481	20,185	23,667
Lake Enterprise	2,862	3,079	3,120	3,017
Capital grants and contributions	26,685	-	-	-
Total business-type activities program revenues	<u>50,715</u>	<u>23,560</u>	<u>23,305</u>	<u>26,684</u>
Total primary government program revenues	<u>\$ 71,401</u>	<u>\$ 43,294</u>	<u>\$ 41,421</u>	<u>\$ 45,298</u>

TABLE 2

Fiscal Year						
2015	2016	2017	2018	2019	2020	
\$ 18,944	\$ 21,301	\$ 20,417	\$ 19,231	\$ 18,382	\$ 21,449	
31,305	31,686	35,651	35,954	38,472	41,528	
15,617	18,354	21,087	19,597	21,341	22,432	
12,817	13,590	16,585	16,826	17,930	18,876	
9,223	9,600	9,078	9,467	10,047	8,642	
10,036	15,976	9,757	14,954	5,122	4,881	
16,966	18,526	20,507	21,561	23,886	16,982	
6,013	5,480	5,332	5,174	5,312	5,823	
<u>120,921</u>	<u>134,513</u>	<u>138,414</u>	<u>142,764</u>	<u>140,493</u>	<u>140,613</u>	
19,691	20,498	20,926	22,411	23,901	25,228	
2,850	3,256	3,242	3,217	4,159	2,790	
<u>22,541</u>	<u>23,754</u>	<u>24,168</u>	<u>25,628</u>	<u>28,060</u>	<u>28,018</u>	
\$ <u>143,462</u>	\$ <u>158,267</u>	\$ <u>162,582</u>	\$ <u>168,392</u>	\$ <u>168,553</u>	\$ <u>168,631</u>	
\$ 1,723	\$ 2,735	\$ 2,155	\$ 1,962	\$ 2,050	\$ 1,495	
3,705	3,789	2,198	1,663	2,200	2,183	
4,322	4,526	6,003	6,340	4,394	5,258	
1,448	1,495	3,367	3,449	3,674	3,078	
7,327	7,721	7,840	7,882	7,635	3,407	
1,381	383	1,079	2,200	993	3,576	
1,609	9,549	8,171	5,007	23,230	6,733	
<u>21,515</u>	<u>30,198</u>	<u>30,813</u>	<u>28,503</u>	<u>44,176</u>	<u>25,730</u>	
22,434	23,824	24,663	28,267	28,267	27,224	
2,214	2,816	3,174	3,131	3,131	3,057	
4,896	17,981	1,803	4,984	4,984	3,714	
<u>29,544</u>	<u>44,621</u>	<u>29,640</u>	<u>36,382</u>	<u>36,382</u>	<u>33,995</u>	
\$ <u>51,059</u>	\$ <u>74,819</u>	\$ <u>60,453</u>	\$ <u>64,885</u>	\$ <u>80,558</u>	\$ <u>59,725</u>	

CITY OF GRAPEVINE, TEXAS
CHANGES IN NET POSITION
(continued)
LAST TEN FISCAL YEARS
(Unaudited) (Amounts Expressed in Thousands)
(accrual basis of accounting)

	Fiscal Year			
	2011	2012	2013	2014
NET (EXPENSE) REVENUES				
Governmental activities	\$(83,099)	\$(82,329)	\$(86,913)	\$(91,720)
Business-type activities	1,996	2,135	1,342	4,158
Total primary government net expense	<u>(81,103)</u>	<u>(80,194)</u>	<u>(85,571)</u>	<u>(87,562)</u>
GENERAL REVENUES AND OTHER CHANGES IN NET POSITION				
Governmental activities:				
Taxes				
Property	29,559	32,048	29,979	30,917
Franchise	6,401	6,356	6,618	6,785
Hotel occupancy	12,105	12,327	12,772	14,025
Sales	45,572	46,932	49,047	52,020
Mixed beverage	1,223	1,051	1,159	1,567
Investment earnings	338	286	159	120
Gain on sale of capital assets	33	-	-	262
Miscellaneous	-	170	6	23
Transfers	1,638	1,677	1,471	1,661
Total governmental activities	<u>96,869</u>	<u>100,847</u>	<u>101,211</u>	<u>107,380</u>
Business-type activities:				
Investment earnings	75	68	152	20
Miscellaneous	170	-	-	-
Transfers	(1,638)	(1,677)	(1,471)	(1,661)
Total business-type activities	<u>(1,393)</u>	<u>(1,609)</u>	<u>(1,319)</u>	<u>(1,641)</u>
Total primary government	<u>95,476</u>	<u>99,238</u>	<u>99,892</u>	<u>105,739</u>
CHANGE IN NET POSITION				
Governmental activities	13,770	18,518	14,298	15,658
Business-type activities	432	526	23	2,517
Total primary government	<u>\$ 14,202</u>	<u>\$ 19,044</u>	<u>\$ 14,321</u>	<u>\$ 18,175</u>

Source: Comprehensive Annual Financial Reports

TABLE 2

Fiscal Year					
2015	2016	2017	2018	2019	2020
\$(99,406)	\$(104,316)	\$(107,602)	\$(114,261)	\$(114,261)	\$(114,883)
7,003	20,868	5,472	10,754	10,754	5,977
<u>(92,403)</u>	<u>(83,448)</u>	<u>(102,130)</u>	<u>(103,507)</u>	<u>(103,507)</u>	<u>(108,906)</u>
30,903	31,617	26,027	28,561	28,561	33,161
6,824	6,818	6,602	7,145	7,145	6,182
18,103	18,965	18,801	19,875	19,875	11,721
54,060	55,884	53,854	56,029	56,029	51,112
1,648	1,710	1,733	1,793	1,793	1,477
266	887	1,523	2,737	2,737	1,893
1,490	4,144	1,605	262	262	227
11	204	579	331	331	865
1,424	(2,164)	3,199	3,020	3,020	5,889
<u>114,729</u>	<u>118,065</u>	<u>113,923</u>	<u>119,753</u>	<u>119,753</u>	<u>112,527</u>
43	148	306	580	580	296
-	-	-	-	-	-
<u>(1,424)</u>	<u>2,164</u>	<u>(3,199)</u>	<u>(3,020)</u>	<u>(3,020)</u>	<u>(5,889)</u>
<u>(1,381)</u>	<u>2,315</u>	<u>(2,893)</u>	<u>(2,440)</u>	<u>(2,440)</u>	<u>(5,593)</u>
<u>113,348</u>	<u>120,380</u>	<u>111,030</u>	<u>117,313</u>	<u>117,313</u>	<u>106,934</u>
15,323	13,748	6,323	5,492	5,492	(2,356)
5,629	23,182	2,578	8,314	8,314	384
<u>\$ 20,952</u>	<u>\$ 36,930</u>	<u>\$ 8,901</u>	<u>\$ 13,806</u>	<u>\$ 13,806</u>	<u>\$ (1,972)</u>

CITY OF GRAPEVINE, TEXAS
FUND BALANCES
GOVERNMENTAL FUNDS
LAST TEN FISCAL YEARS
(Unaudited) (Amounts Expressed in Thousands)
(modified accrual basis of accounting)

	Fiscal Year			
	2011	2012	2013	2014
General fund:				
Nonspendable*	\$ 657	\$ 653	\$ 659	\$ 600
Assigned	-	-	-	-
Unassigned	<u>8,938</u>	<u>11,742</u>	<u>11,303</u>	<u>12,318</u>
Total general fund	<u>\$ 9,595</u>	<u>\$ 12,395</u>	<u>\$ 11,962</u>	<u>\$ 12,918</u>
All other governmental funds:				
Reserved for:				
Nonspendable:				
Inventories	\$ 15	\$ 18	\$ 18	\$ 15
Prepaid items	42	14	4	23
Notes receivable	-	-	-	-
Property held for sale	-	-	-	-
Restricted for:				
Debt service	26,713	28,858	29,051	28,234
Capital projects	19,863	17,655	90,741	68,131
Court security and technology	-	-	-	-
Economic development	28,985	35,493	41,198	40,137
Public safety	836	1,078	1,088	1,288
Records preservation	-	-	-	-
Tourism	4,605	5,954	5,268	6,544
Transportation	345	369	412	459
Culture and recreation	264	152	41	48
Committed for:				
Stormwater drainage operations	3,005	3,179	2,024	990
Public arts	453	600	697	841
Assigned for:				
Economic development	-	-	-	1,717
Capital projects	9,322	10,627	8,043	13,382
Tourism	841	635	677	732
Culture and recreation	-	-	-	-
Public safety	-	-	-	-
Unassigned	<u>(1,822)</u>	<u>(1,777)</u>	<u>(841)</u>	<u>(1,123)</u>
Total all other governmental funds	<u>\$ 89,452</u>	<u>\$ 93,467</u>	<u>\$ 102,855</u>	<u>\$ 178,421</u>

Note:

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

Source: Comprehensive Annual Financial Reports

TABLE 3

Fiscal Year					
2015	2016	2017	2018	2019	2020
\$ 553	\$ 779	\$ 943	\$ 1,303	\$ 1,209	\$ 893
-	-	-	1,401	901	429
<u>13,402</u>	<u>12,753</u>	<u>11,452</u>	<u>12,852</u>	<u>12,186</u>	<u>10,252</u>
<u>\$ 13,955</u>	<u>\$ 13,532</u>	<u>\$ 12,395</u>	<u>\$ 15,556</u>	<u>\$ 14,296</u>	<u>\$ 11,574</u>
\$ 23	\$ 17	\$ 482	\$ 8	\$ 9	\$ 5
122	305	171	412	146	311
-	-	500	-	-	-
-	-	-	146	-	-
25,720	18,682	10,923	10,321	18,591	20,707
48,216	22,143	55,024	78,573	66,724	41,370
-	-	305	357	404	448
46,996	56,461	15,604	8,517	3,633	9,800
1,818	1,310	473	602	747	810
-	-	19	7	10	12
-	-	10,777	13,123	13,688	97
461	465	-	9	17	23
38	49	160	219	193	162
613	923	1,196	1,516	1,778	1,556
954	1,084	1,046	1,116	992	810
1,384	3,269	9,806	4,696	9,164	3,651
16,034	25,033	19,313	19,188	24,107	12,827
910	1,270	1	542	220	229
12,801	19,140	12,914	3,597	6,448	17,338
-	-	2	3	4	4
<u>(1,477)</u>	<u>(3,769)</u>	<u>(5,076)</u>	<u>(3,106)</u>	<u>(4,491)</u>	<u>(7,815)</u>
<u>\$ 161,418</u>	<u>\$ 154,613</u>	<u>\$ 146,382</u>	<u>\$ 133,640</u>	<u>\$ 142,384</u>	<u>\$ 102,345</u>

CITY OF GRAPEVINE, TEXAS
CHANGES IN FUND BALANCES - GOVERNMENTAL FUNDS
LAST TEN FISCAL YEARS
(Unaudited) (Amounts Expressed in Thousands)
(modified accrual basis of accounting)

	Fiscal Year			
	2011	2012	2013	2014
REVENUES				
Taxes:				
Property	\$ 29,930	\$ 32,147	\$ 28,326	\$ 33,470
Hotel occupancy	12,105	12,326	12,772	14,025
Sales	45,572	46,932	49,047	52,020
Mixed beverage	1,223	1,051	1,159	1,567
Franchise	6,401	6,356	6,618	6,785
Licenses and permits	1,044	1,542	1,248	1,337
Intergovernmental	1,505	1,012	1,175	430
Charges for services	14,582	13,572	13,286	13,755
Fines and forfeitures	1,712	2,017	2,258	2,413
Contributions	73	194	162	169
Interest and miscellaneous	1,741	1,192	731	872
Total revenues	<u>115,888</u>	<u>118,341</u>	<u>116,782</u>	<u>126,843</u>
EXPENDITURES				
General government	17,681	13,979	13,714	15,611
Public safety	24,297	25,539	25,674	27,215
Culture and recreation	23,495	24,832	26,202	27,707
Public works	5,821	6,061	7,037	8,335
Transportation	7,901	7,789	8,620	11,275
Economic development	3,405	4,543	3,609	1,405
Tourism	-	-	-	-
Capital outlay	13,076	9,446	17,011	53,121
Debt service:				
Principal	12,328	11,164	11,462	12,664
Interest and fiscal charges	5,029	4,564	3,864	6,695
Payment to refunded bond escrow agent	-	-	-	-
Bond issuance costs	-	-	-	-
Other	30	25	394	269
Total expenditures	<u>113,063</u>	<u>107,942</u>	<u>117,587</u>	<u>164,297</u>
EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES	<u>\$ 2,825</u>	<u>\$ 10,399</u>	<u>\$ (805)</u>	<u>\$ (37,454)</u>
OTHER FINANCING SOURCES (USES)				
Issuance of debt	809	-	78,640	19,500
Premium on issuance of debt	-	-	3,455	-
Payment to refunded bond escrow agent	-	-	(7,834)	-
Sale of capital assets	155	112	204	250
Insurance recoveries	-	-	-	-
Transfers in	17,593	15,244	19,768	18,507
Transfers out	(15,955)	(13,568)	(18,297)	(16,846)
Total other financing sources (uses)	<u>2,602</u>	<u>1,788</u>	<u>75,936</u>	<u>21,411</u>
NET CHANGE IN FUND BALANCES	<u>\$ 5,427</u>	<u>\$ 12,187</u>	<u>\$ 75,131</u>	<u>\$ (16,043)</u>
DEBT SERVICE AS A PERCENTAGE OF NONCAPITAL EXPENDITURES	<u>16.8%</u>	<u>15.7%</u>	<u>14.7%</u>	<u>17.5%</u>

Source: Comprehensive Annual Financial Reports

TABLE 4

		Fiscal Year									
		2015	2016	2017	2018	2019	2020				
\$	30,931	\$	31,650	\$	25,991	\$	28,350	\$	30,883	\$	33,150
	18,103		18,965		18,801		19,875		20,767		11,721
	54,060		55,884		53,854		56,029		59,298		51,112
	1,648		1,710		1,733		1,793		2,146		1,477
	6,824		6,662		6,602		7,064		6,618		6,408
	1,527		1,745		1,883		1,604		1,969		1,345
	974		1,356		1,939		2,270		1,736		22,071
	14,681		15,568		17,308		17,973		16,152		12,544
	2,100		1,967		1,968		1,736		1,662		1,125
	304		253		370		318		233		124
	872		2,861		2,630		4,429		4,726		2,810
	<u>132,024</u>		<u>138,621</u>		<u>133,079</u>		<u>141,441</u>		<u>146,190</u>		<u>143,887</u>
	17,878		19,768		18,543		17,018		16,010		17,979
	28,672		27,803		30,441		32,240		34,490		36,886
	12,931		14,731		16,686		18,451		17,173		18,583
	8,077		7,938		10,526		11,367		11,600		12,720
	9,223		9,600		9,078		9,467		10,047		8,642
	10,036		15,976		9,757		16,639		5,109		4,851
	16,179		17,702		19,735		20,335		22,414		15,649
	24,476		33,576		32,596		30,029		45,994		58,610
	14,477		16,099		13,018		12,059		12,564		12,759
	6,405		6,234		5,850		5,974		6,001		6,550
	22,812		1		-		17,025		6,077		-
	358		73		127		392		171		-
	21		10		120		47		141		135
	<u>171,545</u>		<u>169,511</u>		<u>166,477</u>		<u>191,043</u>		<u>187,791</u>		<u>193,364</u>
\$	<u>(39,521)</u>	\$	<u>(30,890)</u>	\$	<u>(33,398)</u>	\$	<u>(49,602)</u>	\$	<u>(41,601)</u>	\$	<u>(49,477)</u>
	35,065		3,070		10,900		51,740		5,395		-
	3,757		192		590		1,265		1,973		-
(	13,643)		-	(	1,391)		-		-		-
	6,110		13,856		5,406		311		4,439		1,471
	800		540		649		66		63		53
	17,248		21,735		56,144		46,963		24,310		22,063
(	15,585)	(	17,764)	(	52,781)	(	43,943)	(	17,357)	(	16,174)
	<u>33,752</u>		<u>21,629</u>		<u>19,517</u>		<u>56,402</u>		<u>18,823</u>		<u>7,413</u>
\$	<u>(5,769)</u>	\$	<u>(9,261)</u>	\$	<u>(13,881)</u>	\$	<u>6,800</u>	\$	<u>(22,778)</u>	\$	<u>(42,064)</u>
	<u>30.2%</u>		<u>16.5%</u>		<u>14.1%</u>		<u>11.5%</u>		<u>13.0%</u>		<u>14.2%</u>

CITY OF GRAPEVINE, TEXAS
TAXABLE SALES BY CATEGORY
LAST TEN FISCAL YEARS
(Amounts Expressed in Thousands)

Function/Program	Fiscal Year			
	2011	2012	2013	2014
Agriculture/forestry/fishing/hunting	\$ -	\$ -	\$ -	\$ 414
Construction	23,201	32,162	38,720	46,112
Manufacturing	149,783	157,519	157,403	164,251
Wholesale trade	236,878	245,838	266,052	276,437
Retail trade	816,452	849,825	897,364	930,931
Transportation/warehousing	13,817	11,810	13,751	12,539
Information	36,209	42,137	49,559	58,753
Finance/insurance	1,049	993	804	808
Professional/scientific/technical	15,485	18,966	20,321	28,112
Real estate/rental/leasing	37,831	36,597	46,875	52,312
Management of companies/enterprises	1	-	-	-
Admin/support/waste mgmt/remediation svcs	54,218	47,264	47,117	60,296
Educational services	531	2,762	1,931	1,079
Health care/social assistance	2,465	2,999	2,961	2,028
Arts/entertainment/recreation	25,657	24,811	24,592	27,313
Accomodation/food service	453,507	477,342	472,830	522,296
Other services (except public administration)	24,868	24,250	33,721	38,588
Unclassified	17,457	-	-	-
Total	\$ 1,909,409	\$ 1,975,275	\$ 2,073,999	\$ 2,222,269
City direct sales tax rate	2.0%	2.0%	2.0%	2.0%

Source: Texas Comptroller

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

TABLE 5

Fiscal Year					
2015	2016	2017	2018	2019	2020 (1)
\$ 514	\$ 91	\$ 253	\$ -	\$ -	\$ 149
49,895	53,763	44,852	65,213	75,647	50,937
164,726	161,142	160,782	166,863	196,104	130,123
285,962	299,679	300,261	322,482	327,975	240,939
921,231	931,679	939,436	945,789	944,368	636,022
13,467	12,455	12,587	9,951	10,423	8,670
68,853	68,143	42,752	40,091	35,698	18,455
808	885	1,190	1,691	887	655
26,370	31,957	31,074	35,317	33,102	29,819
61,550	63,637	66,687	67,963	63,727	42,249
-	-	-	2,719	3,029	2,057
76,038	55,143	54,579	49,130	42,620	35,490
645	634	383	364	436	458
1,735	1,784	1,574	1,494	1,554	975
16,310	22,103	26,622	28,611	28,966	16,428
572,882	586,562	593,030	625,298	675,407	372,302
47,645	49,898	38,372	37,280	38,357	24,225
8	-	-	-	-	-
<u>\$ 2,308,639</u>	<u>\$ 2,339,555</u>	<u>\$ 2,314,434</u>	<u>\$ 2,400,256</u>	<u>\$ 2,478,300</u>	<u>\$ 1,609,953</u>
2.0%	2.0%	2.0%	2.0%	2.0%	2.0%

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CITY OF GRAPEVINE, TEXAS
DIRECT AND OVERLAPPING SALES TAX RATES
LAST TEN FISCAL YEARS

TABLE 6

<u>Fiscal Year</u>	<u>City Direct Rate</u>	<u>State of Texas</u>
2011	\$ 2.00%	\$ 6.25%
2012	2.00%	6.25%
2013	2.00%	6.25%
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%

Source: City Budget Office and Texas Comptroller

CITY OF GRAPEVINE, TEXAS
ASSESSED VALUE AND ESTIMATED ACTUAL VALUE OF TAXABLE PROPERTY
LAST TEN FISCAL YEARS
(Unaudited) (Amounts Expressed in Thousands)

TABLE 7

Fiscal Year	Estimated Market Value		Less: Tax-Exempt Property	Total Taxable Assessed Value	Total Direct Tax Rate
	Real Property Property	Personal Property			
2011	\$ 7,320,478	\$ 2,309,223	\$ 3,765,059	\$ 5,864,642	\$ 0.3500
2012	7,111,827	2,005,549	3,205,119	5,912,257	0.3480
2013	7,373,725	2,169,614	3,311,568	6,231,772	0.3457
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

Source: Grapevine/Colleyville ISD Tax Assessor

CITY OF GRAPEVINE, TEXAS
PROPERTY TAX RATES - DIRECT AND OVERLAPPING GOVERNMENTS
LAST TEN FISCAL YEARS
(Unaudited)

TABLE 8

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	
2011	\$ 0.1346	\$ 0.2154	\$ 0.3500	\$ 0.1380	\$ 1.2900	\$ 0.2280	\$ 0.2640	\$ 2.2700
2012	0.1423	0.2057	0.3480	0.1490	1.3100	0.2280	0.2640	2.2990
2013	0.1357	0.2100	0.3457	0.1490	1.3201	0.2279	0.2640	2.3067
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

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)

Taxpayer	FY 2020	
	Taxable Assessed Value	Percentage of Total City Taxable Assessed Value
American Airlines Inc/Envoy Air Inc	\$ 637,590	6.12%
Opryland Hotel	379,753	3.65%
Grapevine Mills Mall LP	244,976	2.35%
Great Wolf Lodge Grapevine LLC	184,531	1.77%
Fund Riverwalk LLC	109,700	1.05%
Amazon.com Services Inc	91,050	0.87%
WMCI Dallas IX LLC	89,910	0.86%
Oncor Electric Delivery Co., Llc.	89,157	0.86%
Silver Oaks LP	79,810	0.77%
Spirit Airlines Inc	76,174	0.73%
Total	<u>\$ 1,982,651</u>	<u>19.03%</u>

Source: Grapevine/Colleyville ISD Tax Assessor

TABLE 9

Taxpayer	FY 2011	
	Taxable Assessed Value	Percentage of Total City Taxable Assessed Value
American Airlines Inc	\$ 292,447	4.99%
Gaylord Texan Resort and Convention Center	247,782	4.23%
Grapevine Mills, Ltd. Partnership	205,000	3.50%
CAE Simuflite/Simuflite Training Unit	130,794	2.23%
Great Wolf Lodge	128,745	2.20%
Rackspace US, Inc.	87,500	1.49%
A & B Properties, Inc., etal	53,615	0.91%
Chesapeake Operating	51,340	0.88%
Oncor Electric Delivery Co., LLC.	51,102	0.87%
Verde Riverwalk Apts II, LP	46,540	0.79%
Total	\$ <u>1,294,865</u>	<u>22.09%</u>

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CITY OF GRAPEVINE, TEXAS
PROPERTY TAX LEVIES AND COLLECTIONS
LAST TEN FISCAL YEARS
(Unaudited) (Amounts Expressed in Thousands)

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
2011	\$ 20,953	\$ 161	\$ 21,114	\$ 20,954	99.24%	\$ 135	\$ 21,089	99.88%
2012	21,325	(4)	21,321	21,211	99.48%	93	21,304	99.92%
2013	21,543	(75)	21,468	21,364	99.52%	89	21,453	99.93%
2014	21,739	108	21,847	21,804	99.80%	33	21,836	99.95%
2015	22,249	(232)	22,017	21,952	99.70%	53	22,004	99.94%
2016	21,506	1,064	22,570	22,498	99.68%	51	22,549	99.91%
2017	21,669	301	21,970	21,905	99.70%	41	21,946	99.89%
2018	23,387	779	24,166	24,023	99.41%	109	24,132	99.86%
2019	25,711	370	26,081	25,946	99.48%	14	25,960	99.54%
2020	27,136	660	27,796	27,532	99.05%	-	27,532	99.05%

Source: Grapevine/Colleyville ISD Tax Assessor

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)

Fiscal Year	Governmental Activities				
	General Obligation Bonds	Certificates of Obligation	Contractual Obligations	Revenue Bonds	Tax Notes
2011	\$ 45,335	\$ 55,473	\$ -	\$ -	\$ 4,852
2012	40,355	49,569	1,225	-	3,605
2013	102,690	44,459	1,200	-	6,297
2014	100,952	41,325	1,130	19,500	4,514
2015	93,376	13,618	4,317	39,030	3,107
2016	88,200	14,065	4,224	36,855	2,529
2017	80,718	21,286	3,692	34,630	1,934
2018	73,200	51,470	5,645	34,153	1,209
2019	96,587	43,645	4,878	31,480	612
2020	88,523	42,303	4,088	28,703	-

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.

TABLE 11

Business-type Activities			Total Primary Government Debt	Percentage of Personal Income	Per Capita*
Water and Sewer Obligations	General Obligation Bonds	Certificates of Obligation			
\$ 1,035	\$ 14,042	\$ -	\$ 120,737	7.14%	\$ 2,569
790	9,923	-	105,467	6.16%	2,197
-	10,962	-	165,608	8.89%	3,380
-	9,556	-	176,977	9.26%	3,612
-	7,579	10,097	171,124	8.32%	3,492
-	2,551	8,902	157,326	7.16%	3,147
-	2,388	8,902	153,550	6.83%	3,011
-	1,892	8,901	176,470	7.85%	3,394
-	1,025	8,476	186,703	8.11%	3,523
-	556	8,051	172,224	6.85%	3,191

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)

Fiscal Year	Governmental Activities					Business-type Activities	
	General Obligation Bonds	Certificates of Obligation	Contractual Obligations	Tax Notes	Total	General Obligation Bonds	Certificates of Obligation
2011	\$ 45,335	\$ 55,473	\$ -	\$ -	\$ 100,808	\$ 15,135	\$ -
2012	40,355	49,569	1,225	-	91,149	9,895	-
2013	102,690	44,459	1,200	4,015	152,364	10,845	-
2014	100,952	41,325	1,130	3,488	146,895	9,556	-
2015	93,376	13,618	4,317	2,935	114,246	7,579	10,097
2016	88,200	14,065	4,224	2,373	108,862	2,551	8,902
2017	80,718	21,286	3,692	1,796	107,492	2,388	8,902
2018	73,200	51,470	5,645	1,209	131,524	1,892	8,901
2019	96,587	43,645	4,878	612	145,722	1,025	8,476
2020	88,523	42,303	4,088	-	134,914	556	8,051

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.

TABLE 12

Resources Restricted For Debt Service	Net Bonded Debt	Percentage of Actual Taxable Value of Property ^a	Per Capita ^b
\$ 26,713	\$ 89,230	1.52%	\$ 1,899
28,858	72,186	1.22%	1,504
29,051	134,158	2.15%	2,738
20,985	135,466	2.10%	2,765
19,603	112,319	1.70%	2,292
17,938	102,377	1.49%	2,048
16,087	102,695	1.35%	2,014
9,829	132,488	1.59%	2,548
18,050	137,173	1.52%	2,588
20,258	123,263	1.26%	2,284

CITY OF GRAPEVINE, TEXAS
DIRECT AND OVERLAPPING GOVERNMENTAL ACTIVITIES DEBT
AS OF SEPTEMBER 30, 2020
(Unaudited)

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	\$ 346,705,000	5.50%	\$ 19,068,775
Coppell Independent School District	367,610,981	2.02%	7,425,742
Dallas County	130,445,000	0.10%	130,445
Dallas County Community College District	135,375,000	0.10%	135,375
Dallas County Hospital District	622,000,000	0.10%	622,000
Dallas County Schools	27,204,352	0.10%	27,204
Denton County	611,835,000	less than .01%	-
Grapevine-Colleyville Independent School District	399,400,437	55.51%	221,707,183
Northwest Independent School District	1,065,295,272	0.06%	639,177
Tarrant County	240,445,000	5.32%	12,791,674
Tarrant County College District	264,175,000	5.32%	14,054,110
Tarrant County Hospital District	16,135,000	5.32%	<u>858,382</u>
Subtotal overlapping debt			277,460,067
Total direct - City of Grapevine	\$ 163,616,600	100.00%	<u>163,616,600</u>
Direct and Overlapping Debt			<u>\$ 441,076,667</u>
Total Direct and Overlapping Debt % of A.V.:		4.51%	
Total Direct and Overlapping Debt per Capita:		<u>\$ 8,171</u>	

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)

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

TABLE 15

(Unaudited) (Amounts Expressed in Thousands, except for Coverage)

4B Economic Development Fund					
Fiscal Year	Total Revenues ^a	Less: Operating Expenses ^b	Net Available Revenue	Principal and Interest Payments	Coverage
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

Notes: ^a Includes tax revenues only

^b Includes operating transfers out.

Debt was issued in FY 2014, so prior year data is not available.

Source: Comprehensive Annual Financial Statement

CITY OF GRAPEVINE, TEXAS
PLEDGED REVENUE COVERAGE
LAST TEN FISCAL YEARS

TABLE 16

(Unaudited) (Amounts Expressed in Thousands, except for Coverage)

Tax Increment Financing District Reinvestment Zone Number Two					
Fiscal Year	Total Revenues ^a	Less: Operating Expenses ^b	Net Available Revenue	Principal and Interest Payments	Coverage
2011	\$ 4,291	\$ 731	\$ 3,560	\$ 2,664	1.34
2012	5,736	1,548	4,188	2,672	1.57
2013	3,637	2,283	1,354	2,679	0.51
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

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)

TABLE 17

Calendar Year	(1) Estimated Population	(1) Personal Income	(1) Personal Income Per Capita	(1) Median Age	(2) School Enrollment	(3) Unemployment Rate
2011	47	\$ 1,692	\$ 36	35	14	6.3%
2012	48	1,711	36	35	14	5.6%
2013	49	1,862	38	38	14	5.1%
2014	49	1,911	39	38	14	4.7%
2015	49	2,058	42	39	14	3.3%
2016	50	2,197	42	39	14	3.6%
2017	51	2,252	44	39	14	3.4%
2018	52	2,249	44	39	14	3.3%
2019	53	2,303	45	39	14	3.0%
2020	54	2,515	47	38	14	6.3%

Sources: (1) Estimate from City Economic Development Dept staff; Neilsen/Clarita's Report
(2) Grapevine/Colleyville ISD
(3) ESRI

CITY OF GRAPEVINE, TEXAS
PRINCIPAL EMPLOYERS
CURRENT YEAR AND NINE YEARS AGO
(Unaudited) (Amounts Expressed in Thousands except for
Percentage of Total City Employment)

TABLE 18

2020			2011		
Employer	Employees	Percentage of of Total City Employment (1)	Employer	Employees	Percentage of of Total City Employment
DFW International Airport	14.3	26.58%	DFW International Airport	16.0	39.15%
Gaylord Texan Resort and Convention Center	2.0	3.72%	Gaylord Texan Resort and Convention Center	2.0	4.89%
Grapevine/Colleyville ISD	1.9	3.53%	Grapevine/Colleyville ISD	1.6	3.92%
City of Grapevine	0.7	1.30%	United Parcel Service	1.0	2.45%
Great Wolf Lodge	0.6	1.12%	Baylor Medical Center	1.0	2.46%
Kubota Tractor Corp	0.5	0.93%	Game Stop	1.0	2.45%
Pavestone Co	0.4	0.74%	City of Grapevine	0.5	1.22%
American Warranty Svc	0.3	0.56%	Great Wolf Lodge	0.5	1.22%
Bfvt Motors Inc	0.3	0.56%	Hilton DFW	0.3	0.73%
Classic Chevrolet Grapevine	<u>0.3</u>	<u>0.56%</u>	Wal-Mart/Sams (250-500)	<u>0.3</u>	<u>0.73%</u>
	<u>21.3</u>	<u>39.58%</u>		<u>24.2</u>	<u>59.22%</u>

Total Employees 2020: 53,809

Sources: City of Grapevine Economic Development Department, Infogroup, Inc

CITY OF GRAPEVINE, TEXAS
FULLTIME EQUIVALENT CITY GOVERNMENT EMPLOYEES
BY FUNCTION/PROGRAM
LAST TEN FISCAL YEARS
(Unaudited) (Amounts Expressed in Whole Numbers)

Function/Program	2011	2012	2013	2014	2015	2016	2017
General government and administration	56	54	55	55	60	60	60
Public safety	234	234	237	238	240	240	252
Development services	15	15	15	15	15	15	15
Culture and recreational	105	106	111	114	126	132	135
Water and sewer	59	59	59	60	59	59	59
Golf course	19	19	19	19	20	19	19
Public works	<u>60</u>	<u>60</u>	<u>61</u>	<u>61</u>	<u>61</u>	<u>61</u>	<u>62</u>
Total	<u>547</u>	<u>546</u>	<u>556</u>	<u>562</u>	<u>581</u>	<u>586</u>	<u>602</u>

Source: Human Resources Department

TABLE 19

<u>2018</u>	<u>2019</u>	<u>2020</u>
59	58	58
253	252	253
15	15	15
135	136	141
59	59	59
19	19	19
<u>62</u>	<u>62</u>	<u>62</u>
<u>602</u>	<u>601</u>	<u>607</u>

CITY OF GRAPEVINE, TEXAS
OPERATING INDICATORS BY FUNCTION/PROGRAM
LAST TEN FISCAL YEARS
(Unaudited) (Amounts Expressed in Whole Numbers)

Function/Program	Fiscal Year				
	2011	2012	2013	2014	2015
General Government					
City Secretary					
Ordinances prepared	67	68	61	74	72
Resolutions prepared	70	97	114	89	92
Fiscal Services					
Invoices processed	21,605	18,567	18,719	17,410	17,556
Ratio of ACH/checks	0.02	1.06	27.48	47.50	49.60
Public safety					
Police					
Calls for service	66,686	67,634	58,680	44,266	53,372
Traffic citations	18,995	23,817	21,447	24,441	19,138
Criminal offenses	3,346	1,366	3,219	2,948	2,743
Fire					
Fire runs	5,079	5,135	5,156	5,101	5,588
Ambulance runs	3,343	3,026	3,541	3,614	3,715
Municipal Court					
Cases filed	21,828	25,860	23,855	24,298	19,012
Cultural and recreational					
Parks & Recreation					
Recreation center membership-family	4,937	4,658	4,677	2,731	9,856
Recreation center membership-individual	2,923	2,861	2,852	2,502	5,227
Athletic league registrants- youth	4,750	7,014	6,126	6,250	5,324
Athletic league registrants- adult	9,500	10,536	9,588	9,248	7,720
Public swim attendance	31,744	38,274	48,680	46,120	75,245
% Campground occupancy rate	57.00	61.00	63.00	61.00	53.00
Total acres maintained	1,662	1,662	1,662	1,662	1,677
Library					
Volumes	205,194	186,817	197,377	204,206	252,227
Annual circulation	330,975	316,236	303,622	293,434	301,522

Note:

¹ Starting in FY 20, all memberships are individual memberships.

Source: City Departments

TABLE 20

Fiscal Year				
2016	2017	2018	2019	2020
90	84	88	87	70
106	106	100	35	21
19,098	18,944	17,075	16,690	16,586
53.60	58.80	57.10	55.73	53.30
52,613	47,751	43,402	41,059	39,006
14,566	13,269	11,705	13,574	6,736
2,812	2,740	2,570	2,664	4,658
5,905	6,161	6,026	6,192	1,832
4,893	4,432	4,047	4,291	4,008
16,398	15,578	14,088	13,574	8,275
11,512	12,126	12,273	9,969	N/A ¹
4,660	5,687	4,748	4,046	12,869 ¹
6,860	1,450	1,500	3,472	3,200
7,370	5,746	5,092	1,863	1,900
101,774	106,359	98,192	92,436	92,436
13.83	70.99	71.65	41.81	56.20
1,677	1,677	1,740	1,556	2,635
259,203	234,546	230,284	274,810	279,817
307,662	345,429	342,303	355,594	343,714

CITY OF GRAPEVINE, TEXAS
OPERATING INDICATORS BY FUNCTION/PROGRAM
LAST TEN FISCAL YEARS
(Unaudited) (Amounts Expressed in Whole Numbers)

Function/Program	Fiscal Year				
	2011	2012	2013	2014	2015
Public works					
Development services					
Permits issued	4,121	3,982	3,877	4,500	4,139
Streets					
Square yard of overlay completed	99,000	92,604	53,167	75,555	82,202
Linear feet of gutter wedge milled	17,500	15,123	72,713	45,792	43,359
Linear feet of curb and gutter replaced	1,600	4,015	3,969	944	300
Number of blocks crack sealed	210	205	257	174	133
Square feet of concrete rehab	4,000	39,002	47,813	96,068	15,706
Tourism					
Convention and visitor bureau					
Nash farm attendance	-	7,158	8,468	13,500	14,588
Main street days attendance	160,990	150,292	139,770	148,260	154,032
Grapefest attendance	243,180	262,322	262,910	266,170	263,832
Water and sewer					
Number of water connections	14,384	14,460	14,517	14,476	14,564
Average daily consumption MG (water)	11.98	10.74	10.40	9.35	9.40
System capacity - MG (Water)	27	27	27	27	27
Number of sewer connections	13,081	13,103	13,315	13,387	13,452
Number of refuse customers	11,895	11,911	11,964	12,110	12,175
Sewer system capacity (MGD)	8	8	8	8	8
Lake Enterprise					
Numbers of golfers, annually	65,052	67,555	71,706	68,368	48,689

Note:

² The COVID-19 pandemic forced the cancellation of these events.

Source: City Departments

TABLE 20

Fiscal Year				
2016	2017	2018	2019	2020
4,340	4,369	4,501	4,410	4,306
98,693	79,238	66,432	61,957	62,200
50,034	48,404	37,540	27,972	37,564
3,926	1,605	3,812	4,187	7,602
179	149	174	117	175
28,735	49,069	27,112	47,708	70,523
11,566	14,868	11,759	15,085	11,210
178,672	169,560	168,480	141,570	- ²
260,151	268,180	260,001	261,000	- ²
14,665	14,732	14,788	14,869	14,887
9.30	9.21	9.45	7.75	8.55
27	27	27	27	27
13,570	13,632	13,696	13,766	13,797
12,272	12,318	12,394	12,416	12,446
8	8	8	8	8
55,913	64,424	64,382	62,510	63,815

CITY OF GRAPEVINE, TEXAS
CAPITAL ASSET STATISTICS BY FUNCTION/PROGRAM
LAST TEN FISCAL YEARS
(Unaudited) (Amounts Expressed in Whole Numbers)

Function/Program	Fiscal Year					
	2011	2012	2013	2014	2015	2016
Police						
Stations	2	2	2	2	2	2
Patrol units	32	32	35	35	35	35
Motorcycle Units	10	8	8	8	8	8
Fire						
Stations	5	5	5	5	5	5
Fire engines/trucks	9	9	10	10	10	10
EMS trucks	4	4	5	5	5	5
Public works						
Streets - paved (miles)	208	208	208	208	208	208
Traffic signals	75	75	75	75	75	75
Parks and recreation						
Acreage*	1,662	1,662	1,662	1,522	1,677	1,677
Playgrounds	35	35	36	37	37	37
Swimming pools	2	2	2	2	3	3
Splash parks	-	2	2	2	2	2
Tennis courts	8	8	8	8	8	8
Recreation centers	1	1	1	1	1	1
Senior centers	1	1	1	1	1	1
Libraries	1	1	1	1	1	1
Golf Courses	1	1	1	1	1	1
Water						
Water mains (miles)	280	280	290	292	293	295
Wastewater						
Sanitary sewers (miles)	221	221	224	225	226	228

Source: City departments

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

TABLE 21

Fiscal Year			
2017	2018	2019	2020
2	2	2	2
35	35	37	34
8	8	8	8
5	5	5	5
10	10	10	11
5	5	5	5
208	211	211	212
75	76	76	78
1,677	1,556	1,556	2,635
37	32	36	36
3	3	3	3
2	3	3	3
8	8	8	12
1	1	1	1
1	1	1	1
1	1	1	1
1	1	1	1
295	300	305	306
228	226	227	228