

# City of Granbury, Texas



## Annual Comprehensive Financial Report

For the Fiscal Year Ending  
September 30, 2021

**CITY OF GRANBURY, TEXAS**

**ANNUAL COMPREHENSIVE  
FINANCIAL REPORT**

**For the Fiscal Year Ended  
September 30, 2021**

**Prepared by the Finance Department**

**CITY OF GRANBURY, TEXAS**  
 Annual Financial Report  
 For the Year Ended September 30, 2021

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## **INTRODUCTORY SECTION**



116 West Bridge Street • Granbury, Texas 76048 • 817-573-1114

March 7, 2022

Honorable Mayor and City Council  
City of Granbury, Texas

Dear Mayor and City Council:

The City Manager's Office is pleased to present the Annual Comprehensive Financial Report for the City of Granbury, Texas for the fiscal year ended September 30, 2021.

This report is published to provide the City Council, citizens, bondholders, City staff and other interested parties with detailed information concerning the financial condition and activities of the City government. Responsibility for both accuracy of the presented data and the completeness and fairness of the presentation, including all disclosures, rests with the City.

To the best of our knowledge and belief, the enclosed data is accurate in all respects and is organized in a manner designed to fairly present the financial position and results of City operations, which are measured by the financial activity of its various funds. We also believe that all disclosures necessary to enable the reader to gain the maximum understanding of the City's financial affairs have been included.

## THE REPORT

The reporting model issued by the Governmental Accounting Standards Board (GASB) requires that management provide a narrative introduction, overview, and analysis to accompany the basic financial statements in the form of a Management's Discussion and Analysis (MD&A). We believe our presentation provides better information to users of the annual comprehensive financial report. This letter of transmittal is designed to complement MD&A and should be read in conjunction with it. The City of Granbury's MD&A can be found immediately following the independent auditor's report.

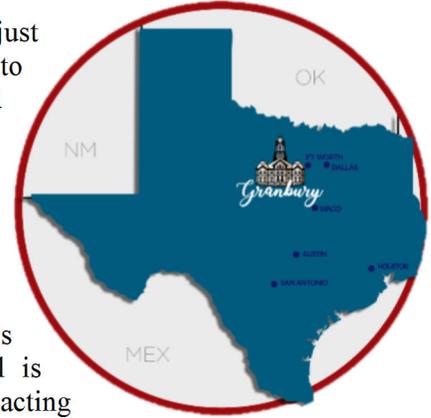
This report is presented in three sections: introductory, financial and statistical. The introductory section includes this transmittal letter, a listing of the City Officials and an organizational chart of the City. The financial section includes the MD&A, Government-wide and Major Fund presentations, Required Supplementary Information, Combining and Individual Fund Statements and schedules, as well as the independent auditors' report on the basic financial statements. The statistical section includes financial and demographic information, usually presented on a multi-year basis that is relevant to the financial statement reader.

The basic Financial Statements of the City include all governmental activities, organizations and functions for which the City is financially accountable as defined by the Governmental Accounting Standards Board (GASB). Based on these criteria no other governmental organizations are included in this report.

## CITY PROFILE

### Location

Granbury is located in Hood County, in the heart of north Texas, just southwest of the Dallas-Fort Worth Metroplex. Granbury is home to approximately 11,490 people and serves as the center of commerce and recreation to over 66,900 county residents (North Central Texas Council of Governments). There are currently 16.91 square miles of land within the City's boundaries.



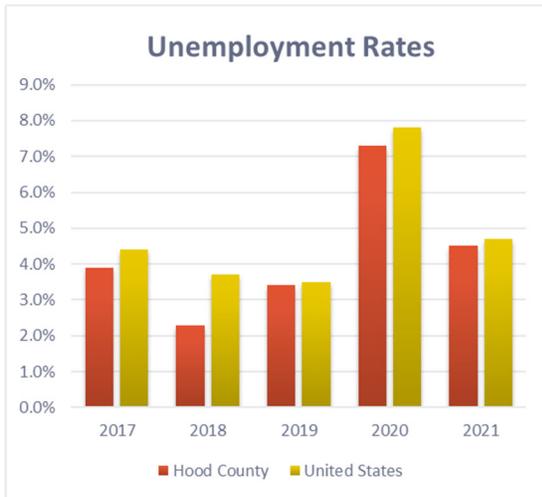
### Government Structure

Founded in 1873, Granbury is a Home Rule Charter City and operates under a Council-Manager form of government. The City Council is comprised of a mayor and five council members and is responsible for enacting ordinances, resolutions, and regulations governing the City, as well as appointing members of various statutory and advisory boards, the City Manager, the City Attorney, the City Secretary and the Municipal Judge. The City Manager is responsible for the enforcement of laws and ordinances, the appointment and supervision of the directors and department heads, and the performance of functions within the municipal organization.

### Services Provided

The City provides a full range of services, which have proven to be necessary and meaningful, at the least possible cost to its citizens. Major services provided under the general government and enterprise functions are: police and fire protection; building and permitting, planning and community development, economic development, electric, water and sewer utility services; airport facilities; park and recreational facilities; street and sidewalk improvements; and administrative services, supported by fleet maintenance, building maintenance operations and information technology.

## ECONOMIC CONDITIONS AND OUTLOOK



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

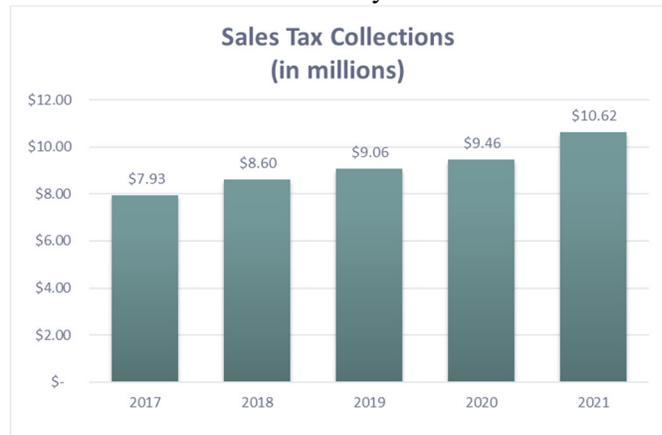
### Regional Economy

Granbury is only 30 miles from the Dallas-Fort Worth Metroplex and has shown relatively strong economic growth over the past ten years. Hood County has also enjoyed a robust economic environment; unemployment rates have remained lower than national averages and sales taxes have increased year-over-year.

### Local Economy

Granbury is the financial hub not only of Hood County but the surrounding area. Customers come from a 30-mile radius to shop in Granbury. The latest census figures show there are almost 35,000 people that live within 5 miles, 60,000 people that live within 10 miles and 150,000 people that live within 20 miles of Granbury. The stability of Walmart, H-E-B, Kroger, Home Depot, Lowe’s Home Improvement Center and several other new commercial developments along Hwy 377 continue to be a catalyst for growth in the regional economy. These establishments, along with other restaurants, banks, supermarkets, hotels and retail stores located along U.S. Highway 377 and in other sections of the City, provide outlets to meet many of the needs of area residents as well as providing a solid retail sales base for the City.

Sales tax collections in Fiscal Year 2020-2021 were up by 12% compared to the prior year. The sales tax revenue for fiscal year 2021-2022 was conservatively budgeted when compared to 2020-2021 collections.

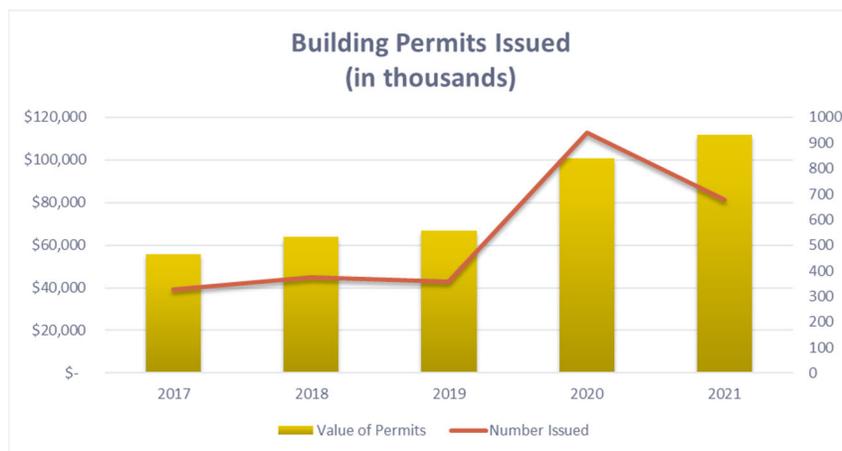


Tourism plays an important role in maintaining the healthy economy of the City. The historical downtown district, with its shopping, bed and breakfasts, and other attractions, also serves the City well by drawing tourists from outside the region. Granbury was designated as the Best Historic Small Town in 2019, 2020, and 2021 by Reader’s Choice USA Today. The City’s 18,000-square-foot Lake Granbury Conference Center, adjacent to the Hilton Garden Hotel, continues to classify Granbury as a destination for meetings and conferences. The conference center supplies a real stimulus to the Granbury economy during the week, as well as on the weekends, by creating hotel occupancy tax and sales tax collections that would not have been realized if the City had not developed and maintained this beautiful facility right on Lake Granbury. In December of 2021, the Granbury City Council voted to create a Tax Increment Reinvestment Zone (TIRZ) to fund infrastructure and attract new investment in the area. The City’s historical hometown atmosphere combined with an aggressive development attitude is continuing to produce results.



Total assessed property values increased by 6.3% or approximately \$103 million for the 2020 Tax Year to \$1,741 million. The City’s property tax rate decreased slightly to \$.39612 for Tax Year 2020. Residential development continues in areas such as Harbor Lakes, Saratoga, Catalina Bay, Highland Park Bay and Josiah Estates. Additionally, commercial developments such as Granbury Lakeside Center marketplace which consists of Ulta, Home Goods, Tuesday Morning, and Five Below, will assist with maintaining a stable property valuation for the City of Granbury. The value of building permits increased when compared to the previous year,

and Granbury has experienced a continuous growth in both commercial and residential development during the last several years. The number of building permits issued has slowed as a building moratorium for the entire City and the extraterritorial jurisdiction within the City’s CCN (Certificate of Convenience and Necessity) put in place on December 14, 2020, has been extended to October 4, 2022. The moratorium was necessary to meet Texas Commission on Environmental Quality (TCEQ) requirements on maintaining wastewater treatment plant capacities as the construction on the planned new East Wastewater Treatment Plant has been delayed by TCEQ.



## FINANCIAL INFORMATION

### Accounting System and Budgetary Control

The City’s accounting records for general governmental operations are maintained on a modified accrual basis. Revenues are recorded when available and measurable and expenditures are recorded when the services or goods are received, and the liabilities incurred. Accounting records for the City’s business-type activities are maintained on the accrual basis.

In developing and maintaining the City’s accounting system, consideration is given to the adequacy of the internal control structure. Internal accounting controls are designed to provide reasonable, but not absolute, assurance regarding: (1) the safeguarding of assets against loss from unauthorized use or disposition; and (2) the reliability of financial records for preparing financial statements and maintaining accountability of

assets. The concept of reasonable assurance recognizes that: (1) the cost of a control should not exceed the benefits likely to be derived; and (2) the evaluation of costs and benefits requires estimates and judgments by management.

All internal control evaluations occur within the above framework. We believe that the City's internal accounting controls adequately safeguard assets and provide reasonable assurance of proper recording of financial transactions.

The City Charter provides that the City Council shall adopt the annual budget prepared by the City Manager. This budget is reviewed by the City Council and is formally adopted by the passage of a budget ordinance. The City Manager is authorized to transfer budgeted amounts between line items within departments; however, any revisions that alter the total expenditures of any fund must be approved by the City Council.

Budgetary control has been established at the individual fund and department level. Financial reports are produced showing budget and actual expenditures by line item and are available monthly to City departmental management and to others upon request.

Individual line items are reviewed and analyzed for budgetary compliance. Personnel expenditures are monitored and controlled at a position level and capital expenditures are monitored and controlled item by item. Revenue budgets are reviewed monthly.

In addition, the City has implemented a five-year strategic plan process that projects full line-item and capital expenditure detail for all departments. The first year of this strategic plan is utilized as a starting basis for the annual budget.

### **Cash Management**

As of February 1, 2022, the City's depository contract is with First National Bank of Granbury. It is a three-year relationship period with two one-year extension options. The City has the option each year to choose the interest rate calculation for the year from two choices:

- Fixed rate of .90%
- Variable rate equal to the 90-day ask rate of US Treasury Bills, though not to fall below .25% nor to exceed 2.00%

The remaining idle cash is invested in government securities and government investment pools as allowed by State of Texas Statutes and by the City's investment policy.

The ending balance of the City's investment portfolio for Fiscal Year 2020-2021 was approximately \$82M. The overall portfolio provided \$202k in investment income, representing interest revenue net of realized gain, unrealized gains and losses and investment expenses.

It is the City's policy that all demand deposits and time deposits will have a collateralization level of not less than 105% of market value of principal and accrued interest, less an amount of \$250,000, which represents insurance by the FDIC or FSLIC on certain types of bank deposits. Evidence of pledged collateral shall be documented by a safekeeping or a master repurchase agreement with the collateral pledged clearly listed in the agreement and safekeeping confirmations. Collateral is monitored monthly to ensure that the market value of the pledged securities equals or exceeds the related deposit or investment balance. A Finance Committee consisting of the Director of Finance and the Assistant Director of Finance meet periodically to determine general investment strategies, monitor results and to review quarterly and annual investment reports.

These reports reflect all investments sorted by asset type and describe the position of the portfolio by comparing book values versus market values and the unrealized gain or loss at the end of the period.

All investments transacted by the City are purchased using the delivery versus payment method. That is, funds are not wired or paid until verification has been made that the correct security has been received by the Custodian. Securities are held in the name of the City or held on behalf of the City. The original copy of the safekeeping statements is delivered to the City.

The City will not accept as depository collateral any security that is not specifically allowed to be held as a direct investment by the City's portfolio, and the maximum maturity of the collateral securities may be no greater than five years. Collateral is held by an independent third party with whom the depository bank has a current custodial agreement. A clearly marked evidence of ownership (safekeeping receipt) is supplied to the City and retained. The safekeeping institution will be the Federal Reserve Bank, Federal Home Loan Bank, or an institution not affiliated with the depository bank or the broker/dealer pledging the security. The safekeeping agreement includes the authorized signatories of the City and the depository bank. All collateral shall be subject to verification and audit by the Director of Finance or the City's independent auditors.

#### **Long-Term Financing**

The City intends that the length of any long-term financing matches the life of assets purchased with the financing. The City will generally use lease-purchase options for purchases of larger pieces of equipment with an expected useful life of at least five years. Certificates of obligation or bonded indebtedness are issued for projects and other significant capital improvements with longer useful lives.

#### **Tax Appraisal/Collection Responsibilities**

Under Texas law enacted in 1979 and subsequent revisions to the State Property Tax Code, the appraised value of taxable property in Granbury is established by the Hood Central Appraisal District. The City of Granbury and the other taxing jurisdictions in Hood County provide a pro-rata share of the budgeted expenditures incurred by the Appraisal District, based upon individual levy. The Appraisal District also provides for tax collection services for the City and the other taxing jurisdictions in Hood County.

### **OTHER INFORMATION**

#### **Independent Audit**

Section 7.13 of the City Charter requires the City Council to direct that an independent annual audit be made of all accounts of the City. This requirement has been complied with, and the independent auditor's report has been included in this report.

It should be noted that the auditors included all funds in their audit, performed their audit in accordance with generally accepted auditing standards, and stated that, in their opinion, the statements herein present fairly, in all material aspects, the financial position of the City at September 30, 2021, and the results of its operations and the cash flows of its proprietary fund type for the year ended in conformity with accounting principles generally accepted in the United States of America.

#### **Certificate of Achievement**

The Government Finance Officers Association of the United States of America and Canada (GFOA) awarded a Certificate of Achievement for Excellence in Financial Reporting to the City of Granbury for its annual comprehensive financial report for the fiscal year ended September 30, 2020. This was the twentieth consecutive year that the government has achieved this prestigious award.

In order to be awarded a Certificate of Achievement, a government must publish an easily readable and efficiently organized annual comprehensive financial report. This report must satisfy both generally accepted accounting principles and applicable legal requirements.

A Certificate of Achievement is valid for a period of one year only. We believe that our current annual comprehensive 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.

### **Acknowledgments**

The preparation of this report on a timely basis could not have been accomplished without the efficient and dedicated services of the entire staff of the Finance Department. My sincere appreciation is expressed to City employees throughout the organization, especially those employees who were instrumental in the successful completion of this report.

The staff would like to thank the members of the City Council for their leadership and their support in planning and oversight of the financial operations of the City in a responsible manner.

Respectfully submitted,

Chris Coffman, CPM  
City Manager

# **CITY OF GRANBURY, TEXAS**

## **MAYOR**

**Jim Jarratt**

## **MAYOR PRO-TEM**

**Trish Reiner**

## **COUNCIL MEMBERS**

**Eddie Rodriguez**

**Bruce Wadley**

**Steven Vale**

**Greg Corrigan**

## **CITY MANAGER**

**Chris Coffman, CPM**

## **DEPUTY CITY MANAGER**

**Michael Ross, CPM**

## **DEPARTMENT DIRECTORS**

**Carla Walker**

**Eva S Gregory**

**Rick Crownover**

**Mitch Galvan**

**Aaron Mclain**

**Jim Cook**

**Pat Stewart**

**Tammy Dooley**

**Kira Wauwie**

**Kenneth Causey**

**City Secretary**

**Director of Finance**

**Public Works Director**

**Police Chief**

**Parks & Recreation Director**

**Building Official**

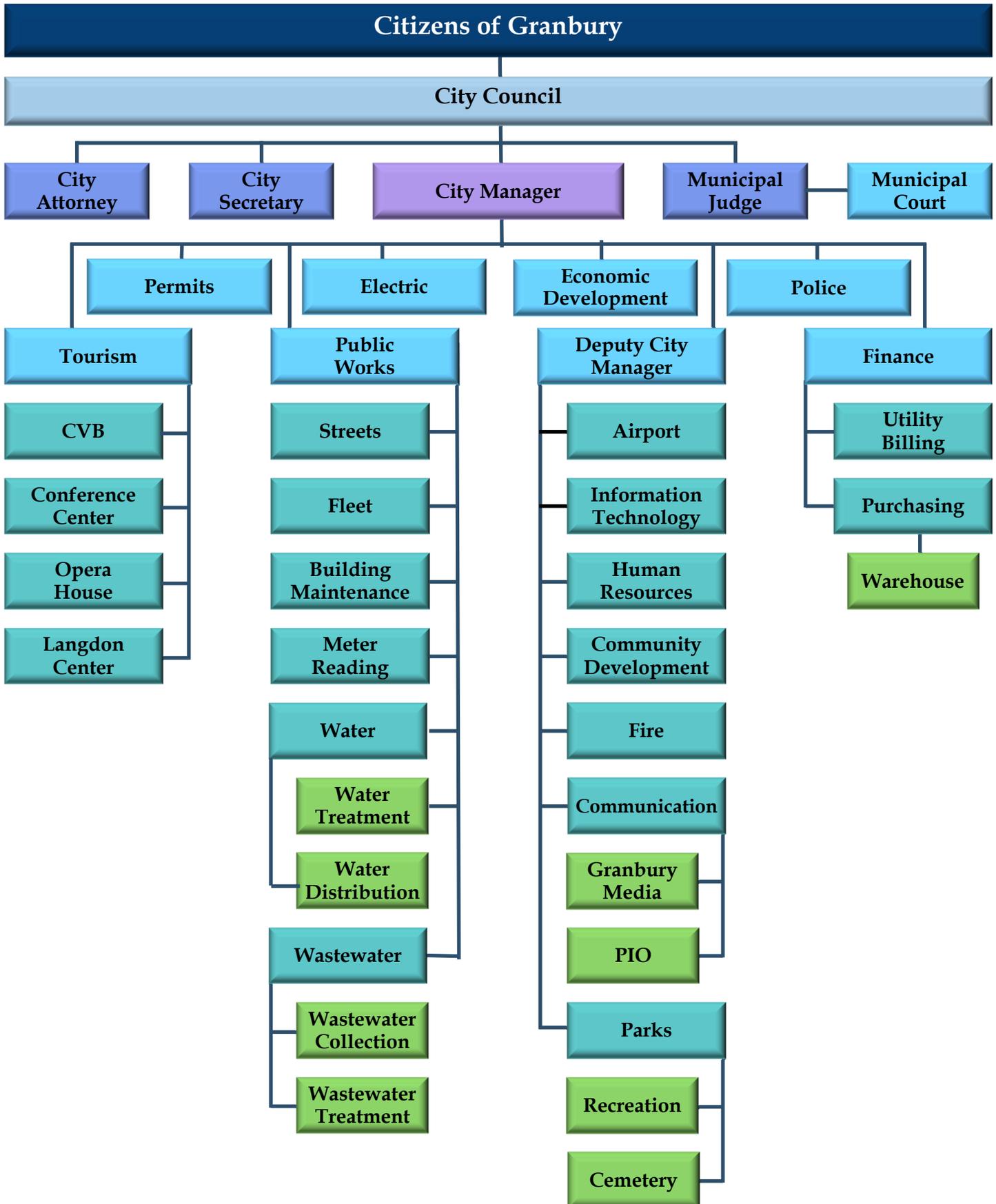
**Director of Aviation**

**Director of Convention & Visitors Bureau**

**Community Development Director**

**Director of Electric Distribution**

# Organizational Chart





Government Finance Officers Association

Certificate of  
Achievement  
for Excellence  
in Financial  
Reporting

Presented to

**City of Granbury  
Texas**

For its Annual Comprehensive  
Financial Report  
For the Fiscal Year Ended

September 30, 2020

*Christopher P. Morill*

Executive Director/CEO

## **FINANCIAL SECTION**



## Independent Auditor's Report

To the Honorable Mayor and City Council  
City of Granbury  
Granbury, Texas

### Report on the Financial Statements

We have audited the accompanying financial statements of the governmental activities, business-type activities, each major fund and the aggregate remaining fund information of City of Granbury, Texas (the "City"), as of and for the year ended September 30, 2021, 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, business-type activities, each major fund, and the aggregate remaining fund information of the City, as of September 30, 2021, and the respective changes in financial position and cash flows, where applicable, thereof for the year then ended in conformity with accounting principles generally accepted in the United States of America.

## ***Other Matters***

### *Required Supplementary Information*

Accounting principles generally accepted in the United States of America require that management's discussion and analysis on pages 4 – 16 and budgetary comparison schedule – general fund, schedule of changes in net pension liability and related ratios – Texas Municipal Retirement System, schedule of contributions – Texas Municipal Retirement System, schedule of the city's proportionate share of the net pension liability – Texas Emergency Services Retirement System, schedule of contributions – Texas Emergency Services Retirement System, and schedule of changes in total OPEB liability and related ratios on pages 65 - 77 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*

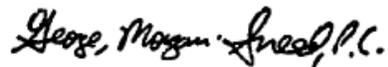
Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the City's basic financial statements. The introductory section, combining nonmajor and individual fund statements, budgetary comparison schedules, and statistical section, are presented for purposes of additional analysis and are not a required part of the basic financial statements. The schedule of expenditures of federal awards is presented for purposes of additional analysis as required by Title 2 U.S. *Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards*, and is also not a required part of the basic financial statements.

The combining nonmajor and individual fund statements, budgetary comparison schedules, and the schedule of expenditures of federal awards 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 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 nonmajor and individual fund statements, budgetary comparison schedules, and the schedule of expenditures of federal awards are fairly stated in all material respects in relation to the basic financial statements taken as a whole.

The introductory section 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 7, 2022, 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 solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the City's 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.



George, Morgan & Sneed, P.C.  
Weatherford, Texas  
March 7, 2022

**CITY OF GRANBURY, TEXAS**  
**Management's Discussion and Analysis**  
**For the Year Ended September 30, 2021**

As management of the City of Granbury, 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, 2021. 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 in the introductory section of this report.

**FINANCIAL HIGHLIGHTS**

- The assets and deferred outflows of resources of the City of Granbury exceeded its liabilities and deferred inflows of resources at the close of the most recent fiscal year by \$114,610,043 (Net Position). Of this amount \$26,390,247 (Unrestricted Net Position) may be used to meet the government's ongoing obligations to citizens and creditors in accordance with the City's fund designation and fiscal policies.
- The City's total net position increased by \$2,945,382. The City's operations increased the governmental activities by \$4,434,563 and decreased the business-type activities by \$1,489,181.
- As of the close of the current fiscal year, the City of Granbury's governmental funds reported combined ending fund balances of \$29,877,778.
- At the end of the current fiscal year, unassigned fund balance for the General Fund was \$11,777,670 or 74% of the total General Fund expenditures.
- At the end of the current fiscal year, unrestricted net position for the Utility Fund was \$12,981,004, or 72% of total Utility Fund operating expenses, excluding depreciation expense.

**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 are comprised of three components: 1) government-wide financial statements, 2) fund financial statements, and 3) notes to the financial statements. This report also contains other supplementary information in addition to 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 of resources and liabilities and deferred inflows of resources, with the difference between the four 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 when 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 the 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 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 and administration, public safety, streets, development services, fleet maintenance, and support of cultural and recreational services. The business-type activities of the City include public services such as water, sewer, electric and airport operations.

The government-wide financial statements can be found on Exhibits A-1 and B-1 of this report.

**Fund financial statements** – A fund is a grouping of related accounts that is used to maintain control over resources that have been segregated for specific activities or objectives. The City, like other state and local governments, uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements. All of the funds of the City can be divided into two categories: governmental funds and proprietary funds.

**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 current sources and uses 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 the governmental funds is narrower than that of the government-wide financial statements, it is useful to compare the information presented for governmental funds with similar information presented for governmental activities in the government-wide financial statements. By doing so, readers may better understand the long-term impact of the government’s near-term financing decisions. Both the governmental fund balance sheet and the governmental fund statements of revenues, expenditures, and changes in fund balances provide a reconciliation to facilitate this comparison between governmental funds and governmental activities.

The City maintains five (5) 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 Fund, Debt Service Fund, and Capital Projects Fund, which are considered to be major funds. Data from the other governmental funds are combined into a single, aggregated presentation. Individual fund data for each of these non-major governmental funds is provided in the form of combining statements elsewhere in this report.

The basic governmental fund financial statements can be found on Exhibits C-1 through C-4 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 Municipal Utility and Airport Operations. The City uses one internal service fund to account for its fleet services. This service benefits both governmental and business-type functions, and it has been split between the governmental and business-type 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 Municipal Utility and the Airport Operation, both of which are considered to be a major funds of the City.

The basic proprietary fund financial statements can be found on Exhibits D-1 through D-3 of this report.

**Fiduciary Funds** – Fiduciary funds are used to account for resources held for the benefit of parties outside the government. 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 much like that used for proprietary funds.

The basic fiduciary fund financial statements can be found on Exhibits E-1 and E-2 of this report.

**Notes to the Financial Statements** - The notes provide additional information that is essential to a full understanding of the data provided in the government-wide and fund financial statements. The notes to the financial statements can be found on pages 30-64 of this report.

## **GOVERNMENTAL-WIDE FINANCIAL ANALYSIS**

As noted earlier, net position may serve, over time, as a useful indicator of a government’s financial position. In the case of the City of Granbury, assets and deferred outflows of resources exceeded liabilities and deferred inflows of resources by \$114,610,043 as of September 30, 2021.

The largest portion of the City’s net position (73%) reflects its investment in capital assets (e.g., land, buildings, equipment, improvements, construction in progress and infrastructure), less any debt used to acquire those assets that is 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 its 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 (4%) represent resources that are subject to external restrictions on how they may be used. The remaining balance of unrestricted net position, \$26,390,247, may be used to meet the government’s ongoing obligations to citizens and creditors.

As of September 30, 2021, the City is able to report positive balances in three categories of net position, for the government as a whole, as well as for its separate categories – governmental and business-type activities.

Below are summaries of the City's Statement of Net Position and Statement of Activities.

**Condensed Statement of Net Position**

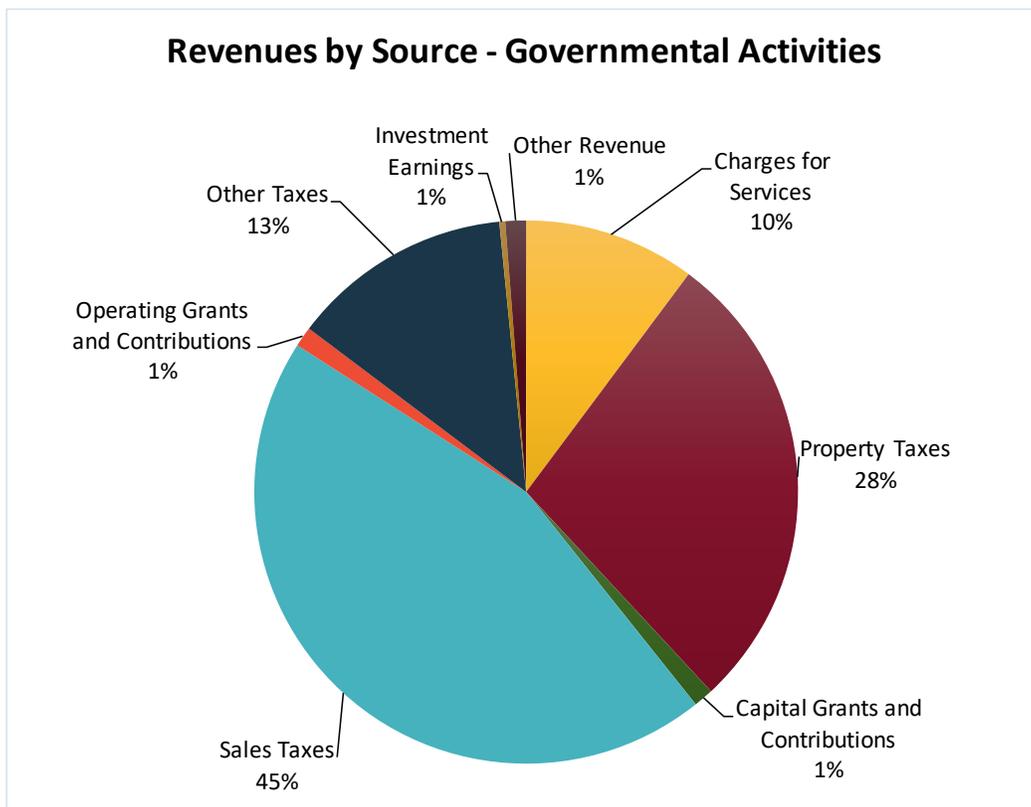
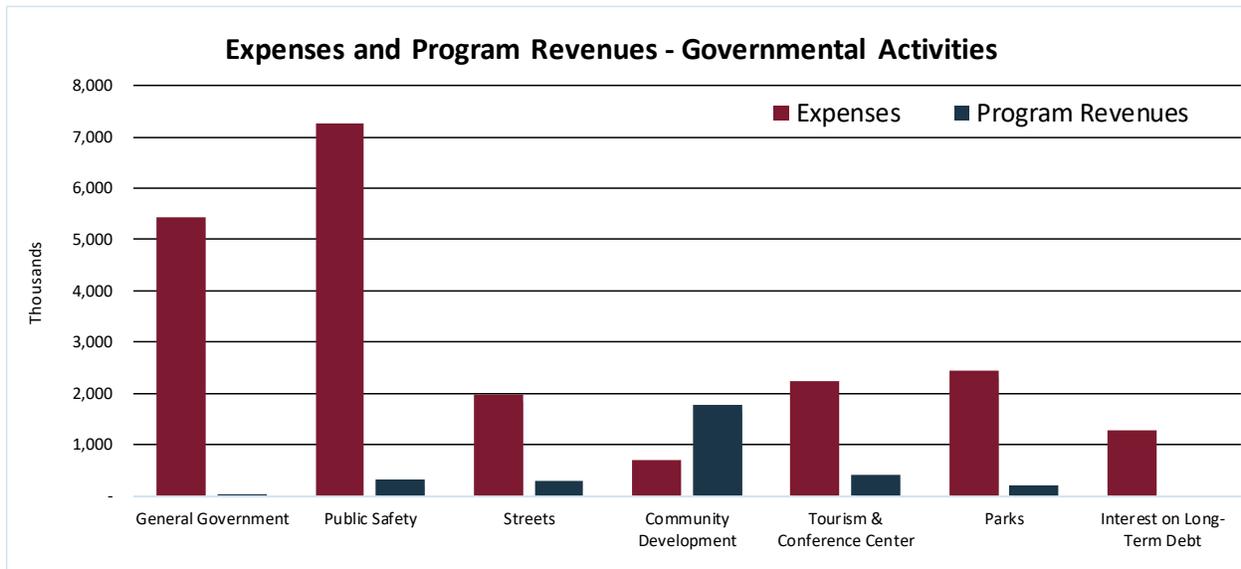
	Governmental Activities		Business-type Activities		Total	
	2021	2020	2021	2020	2021	2020
Current and other assets	\$ 35,293,749	\$ 36,149,730	\$ 53,828,640	\$ 57,574,754	\$ 89,122,389	\$ 93,724,484
Capital assets	64,408,098	60,513,933	111,773,659	107,390,277	176,181,757	167,904,210
Total Assets	<u>99,701,847</u>	<u>96,663,663</u>	<u>165,602,299</u>	<u>164,965,031</u>	<u>265,304,146</u>	<u>261,628,694</u>
Deferred outflows of Resources	2,880,467	2,128,712	728,746	468,764	3,609,213	2,597,476
Total deferred outflows of resources	<u>2,880,467</u>	<u>2,128,712</u>	<u>728,746</u>	<u>468,764</u>	<u>3,609,213</u>	<u>2,597,476</u>
Current liabilities	3,609,134	2,195,295	6,016,848	4,390,771	9,625,982	6,586,066
Long-term liabilities	50,607,476	52,526,347	92,850,052	92,051,492	143,457,528	144,577,839
Total liabilities	<u>54,216,610</u>	<u>54,721,642</u>	<u>98,866,900</u>	<u>96,442,263</u>	<u>153,083,510</u>	<u>151,163,905</u>
Deferred inflows of resources	947,153	1,086,745	272,653	310,859	1,219,806	1,397,604
Total deferred inflows of resources	<u>947,153</u>	<u>1,086,745</u>	<u>272,653</u>	<u>310,859</u>	<u>1,219,806</u>	<u>1,397,604</u>
Net Position:						
Net investment in capital assets	34,421,488	33,781,453	48,728,106	51,307,687	83,149,594	85,089,140
Restricted	1,816,168	1,206,172	3,254,034	2,602,446	5,070,202	3,808,618
Unrestricted	11,180,895	7,996,363	15,209,352	14,770,540	26,390,247	22,766,903
Total Net Position	<u>\$ 47,418,551</u>	<u>\$ 42,983,988</u>	<u>\$ 67,191,492</u>	<u>\$ 68,680,673</u>	<u>\$ 114,610,043</u>	<u>\$ 111,664,661</u>

**Changes in Net Position**

	<b>Governmental Activities</b>		<b>Business-type Activities</b>		<b>Total</b>	
	2021	2020	2021	2020	2021	2020
<b>Program revenues:</b>						
Charges for services	\$ 2,443,143	\$ 1,805,551	\$ 24,387,450	\$ 24,397,466	\$ 26,830,593	\$ 26,203,017
Operating grants and contributions	283,930	776,832	-	43,159	283,930	819,991
Capital grants and contributions	281,067	5,463,020	455,142	3,237,290	736,209	8,700,310
<b>General revenues:</b>						
Property taxes	6,691,693	6,373,269	-	-	6,691,693	6,373,269
Sales taxes	10,739,878	9,568,220	-	-	10,739,878	9,568,220
Hotel/Motel Occupancy Taxes	924,047	653,155	-	-	924,047	653,155
Franchise taxes	2,227,866	2,249,215	-	-	2,227,866	2,249,215
Investment earnings	83,838	304,361	130,330	799,876	214,168	1,104,237
Other Revenue	295,800	222,929	70,916	5,712	366,716	228,641
Total revenues	23,971,262	27,416,552	25,043,838	28,483,503	49,015,100	55,900,055
<b>Expenses</b>						
City Council	158,877	158,787	-	-	158,877	158,787
Legal	195,592	179,680	-	-	195,592	179,680
Executive	751,232	762,182	-	-	751,232	762,182
Financial Administration	467,441	516,142	-	-	467,441	516,142
Purchasing	162,833	163,957	-	-	162,833	163,957
Social Services	98,583	53,990	-	-	98,583	53,990
Information Technology	745,869	756,964	-	-	745,869	756,964
Economic Development	142,218	181,953	-	-	142,218	181,953
Human Resources	210,415	198,958	-	-	210,415	198,958
Warehouse	122,215	131,644	-	-	122,215	131,644
Fleet Maintenance	317,630	311,076	-	-	317,630	311,076
Building Maintenance	853,214	812,104	-	-	853,214	812,104
Granbury Broadcasting Services	150,706	146,208	-	-	150,706	146,208
Other governmental functions	1,052,869	1,310,544	-	-	1,052,869	1,310,544
Police	5,478,813	5,488,157	-	-	5,478,813	5,488,157
Fire	824,093	831,720	-	-	824,093	831,720
Municipal Court	203,753	223,536	-	-	203,753	223,536
Streets	1,981,268	2,147,838	-	-	1,981,268	2,147,838
Building & Permits	768,533	796,435	-	-	768,533	796,435
Community Development	485,474	514,704	-	-	485,474	514,704
Clean Air Coalition	218,969	94,299	-	-	218,969	94,299
Airport	-	-	787,067	710,446	787,067	710,446
Cemetery	64,052	65,250	-	-	64,052	65,250
Tourism	1,690,936	1,454,339	-	-	1,690,936	1,454,339
Parks	2,370,355	2,372,641	-	-	2,370,355	2,372,641
Conference Center	545,491	601,806	-	-	545,491	601,806
Interest and fiscal charges	1,288,860	1,442,092	-	-	1,288,860	1,442,092
Water treatment and distribution	-	-	7,840,537	7,624,460	7,840,537	7,624,460
Wastewater collection and treatment	-	-	3,786,764	3,574,018	3,786,764	3,574,018
Electricity	-	-	12,305,059	7,859,295	12,305,059	7,859,295
Total expenses	21,350,291	21,717,006	24,719,427	19,768,219	46,069,718	41,485,225
Increase (decrease) in net position before transfers	2,620,971	5,699,546	324,411	8,715,284	2,945,382	14,414,830
Transfers	1,813,592	(2,421,204)	(1,813,592)	2,421,204	-	-
Increase (decrease) in net position	4,434,563	3,278,342	(1,489,181)	11,136,488	2,945,382	14,414,830
Net Position October 1	42,983,988	39,705,646	68,680,673	57,544,185	111,664,661	97,249,831
Net Position September 30	\$ 47,418,551	\$ 42,983,988	\$ 67,191,492	\$ 68,680,673	\$ 114,610,043	\$ 111,664,661

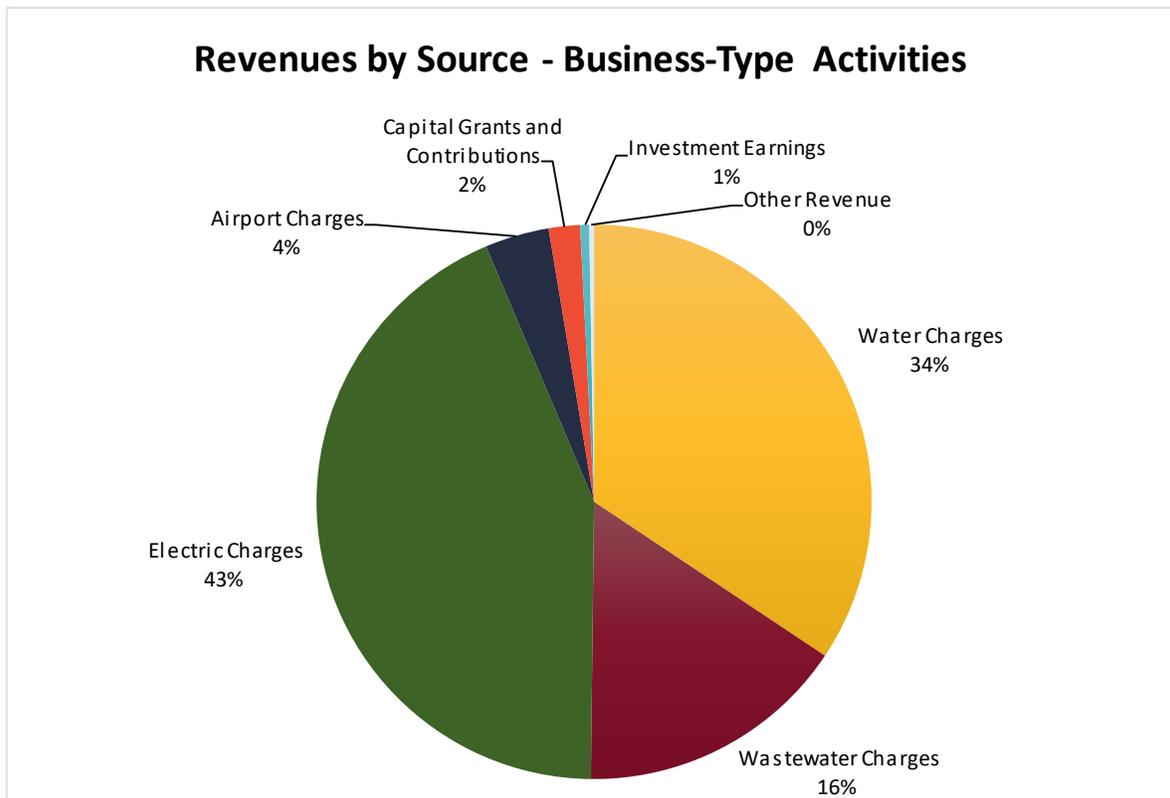
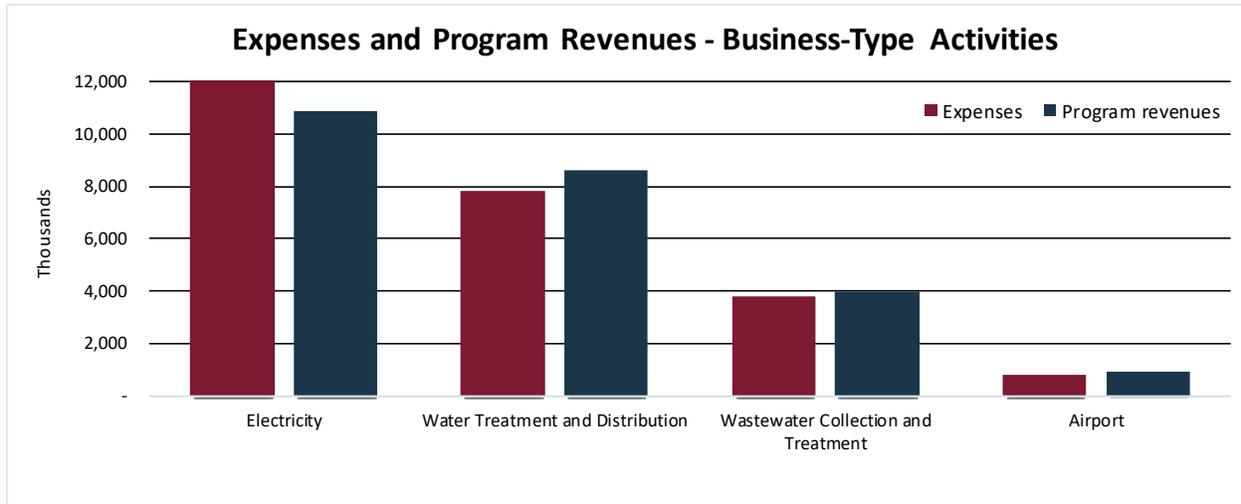
**Governmental Activities.** Governmental activities increased the City’s net position by \$4,434,563 compared with a \$3,278,342 increase during the prior fiscal year. Total revenues from governmental activities decreased \$3,445,290 (13%) to \$23,971,262 when compared to the prior fiscal year. The decrease is largely the result of developer contributions of \$5,398,020 received by the City in the prior fiscal year. Revenue from sales tax grew by \$1,171,658 indicating a strong growth in commerce in the City. Total governmental activities expenses decreased \$366,715 (2%) from the prior year.

Below are two graphs summarizing governmental revenue and expense:



**Business-type activities.** Business-type activities decreased the City’s net position by \$1,489,181 in the current fiscal year compared to an increase of \$11,136,488 in the prior fiscal year. The business-type activities total revenues decreased overall by \$3,439,665 (12%) to \$25,043,838. The decrease in revenues is largely the result of a decrease in developer contributions in the current fiscal year of \$2.6 million compared to the prior fiscal year. Investment earnings revenue decreased \$669,546 primarily as a result of a decrease in interest rates. Total business-type activities expenses increased \$4,951,208 (25%) to \$24,719,427. The largest increase in expenses was an increase in electric expense of \$4,445,764 resulting from purchasing power for resale during the federally declared Winter Storm Uri.

Below are two graphs summarizing business-type activities revenue and expense:



## FINANCIAL ANALYSIS OF THE GOVERNMENT'S FUNDS

**Governmental Funds** – The focus of the City of Granbury'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 spending at the end of the fiscal year.

At the end of the current fiscal year, the City of Granbury's governmental funds reported combined ending fund balances of \$29,877,778. \$11,777,670 (39%) of this amount constitutes unassigned fund balance, which is available for spending at the City's discretion. The remainder is nonspendable, restricted, committed or assigned to indicate that it is not available for new spending.

The general fund is the chief operating fund of the City. At the end of the current fiscal year, unassigned fund balance of the general fund was \$11,777,670. The fund balance of the general fund increased \$3,817,030 compared to an increase of \$980,330 in the prior year. Key factors contributing to the increase in fund balance between the two fiscal years are highlighted below:

- Revenues increased \$1,554,519 (9%) primarily due to an increase in sales tax of \$1,162,242 attributable to the continued growth of the community.
- Expenditures increased \$362,297 (2%) with the largest increase attributable to an increase in public safety expenditures of \$596,173 primarily due to radio equipment purchased in the current fiscal year.
- Transfers out decreased \$1,551,824 due to a \$897,393 transfer to the airport fund and a \$700,000 transfer to the fleet maintenance internal service fund for the purchase of vehicles in the prior fiscal year.

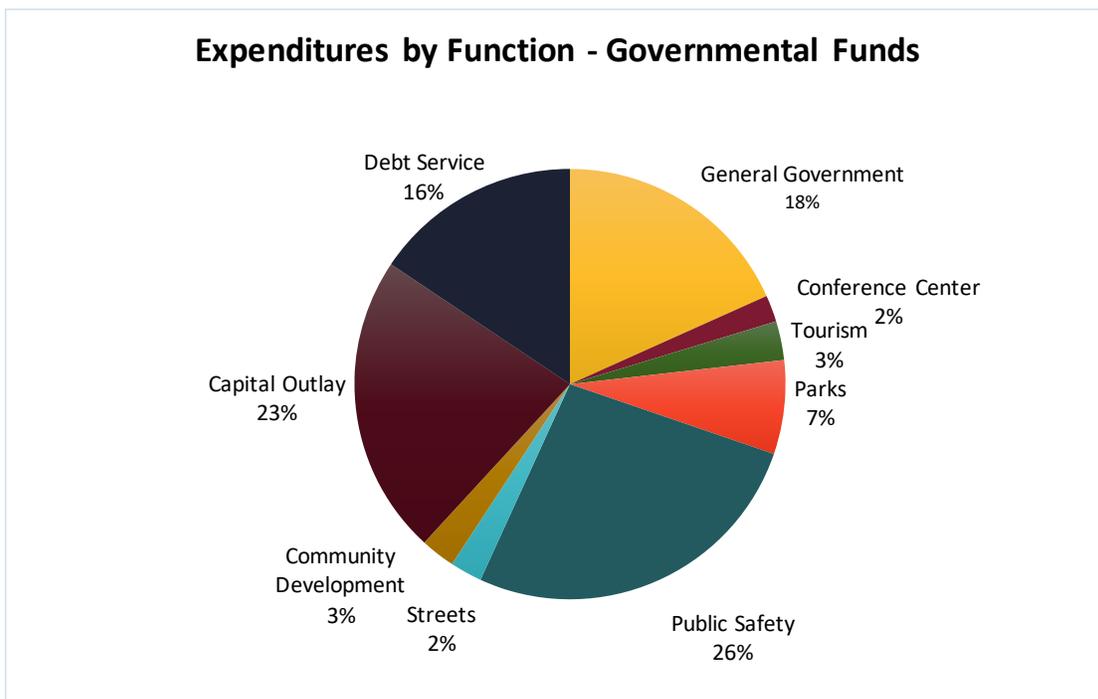
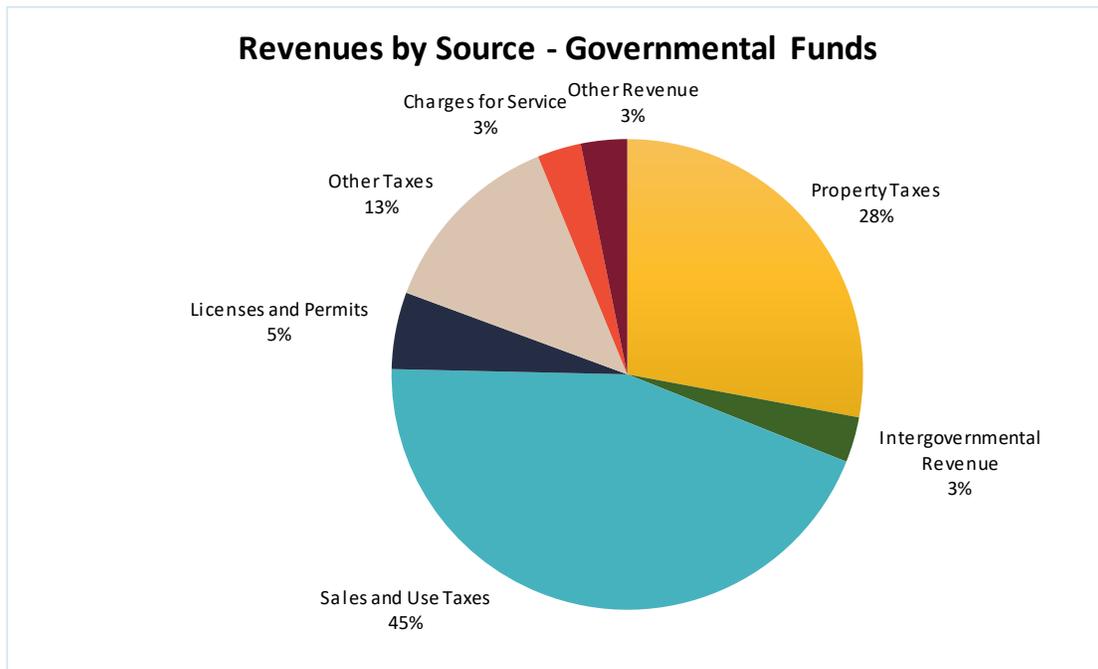
Below is a comparison of the general fund's net change in fund balance for 2021 and 2020.

	2021	2020	Increase (Decrease)	Percent Increase (Decrease)
<b>Revenues:</b>				
<b>Taxes:</b>				
Property	\$ 2,724,557	\$ 3,189,145	\$ (464,588)	-14.57%
Sales and Use	10,619,179	9,456,937	1,162,242	12.29%
Franchise	2,235,727	2,272,673	(36,946)	-1.63%
Fines and fees	251,295	207,695	43,600	20.99%
Licenses and permits	1,264,939	1,056,126	208,813	19.77%
Charges for service	382,802	125,770	257,032	204.37%
Intergovernmental revenue	746,986	378,776	368,210	97.21%
Park and recreation	187,264	103,790	83,474	80.43%
Interest income	29,557	133,389	(103,832)	-77.84%
Other revenue	238,430	201,916	36,514	18.08%
<b>Total revenues</b>	<b>18,680,736</b>	<b>17,126,217</b>	<b>1,554,519</b>	<b>9.08%</b>
<b>Expenditures:</b>				
General government	5,086,089	5,194,870	(108,781)	-2.09%
Public Safety	6,586,789	5,990,616	596,173	9.95%
Streets	670,429	945,685	(275,256)	-29.11%
Building & Permits	796,813	770,135	26,678	3.46%
Community Development	498,945	506,482	(7,537)	-1.49%
Clean Air Coalition	220,225	92,900	127,325	137.06%
Cemetery	64,508	50,989	13,519	26.51%
Parks	1,897,916	1,907,740	(9,824)	-0.51%
<b>Total expenditures</b>	<b>15,821,714</b>	<b>15,459,417</b>	<b>362,297</b>	<b>2.34%</b>
<b>Other financing sources (uses):</b>				
Transfers in	1,589,238	1,494,303	94,935	6.35%
Transfers out	(649,962)	(2,201,786)	1,551,824	-70.48%
Insurance recoveries	18,732	21,013	(2,281)	-10.86%
<b>Net change in fund balances</b>	<b>\$ 3,817,030</b>	<b>\$ 980,330</b>	<b>\$ 2,836,700</b>	<b>289.36%</b>

The Debt Service fund has a total fund balance of \$763,092, all of which is restricted for the payment of debt service. Compared to the previous fiscal year, the Debt Service fund balance decreased by \$38,677.

The Capital Projects fund has a total fund balance of \$13,127,390. 100% of the fund balance is restricted to be used to fund projects with bond proceeds. Capital Projects fund balance decreased in 2021 by \$6,087,228 primary due to capital outlay in the amount of \$6,283,420 in the current year.

Below are two graphs summarizing governmental fund revenue and expenditures.



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

The unrestricted net position of the enterprise funds was \$15,028,536 comprised of the Utility Fund net position of \$12,981,004 and the Airport Fund net position of \$2,047,532. The Utility Fund net position decreased by \$1,553,495 in the current fiscal year primarily due to a decrease in developer contributions

of \$2,590,148, a decrease in interest revenue of \$656,253 because of a decrease in interest rates, and an increase in purchased power of \$4,246,362 for the federally declared Winter Storm Uri in February 2021. The Airport experienced a net position increase of \$28,559.

Unrestricted net position of the fleet internal service fund was \$555,927. Internal service fund net position increased \$287,001.

## **GENERAL FUND BUDGETARY HIGHLIGHTS**

The City made revisions to the general fund original appropriations approved by the City Council. Overall, these changes resulted in an increase in expenditures from the original budget of 18%, or \$3,045,915.

General fund actual expenditures budgetary basis were \$1,972,757 less than budgeted. The largest budget variances were \$601,401 for police primarily due to salaries being less than budgeted because the department is understaffed and \$324,352 for other governmental functions resulting from a \$200,000 budgeted contingency and \$68,000 budgeted capital lease not being spent.

## **CAPITAL ASSETS**

The City of Granbury's investment in capital assets for its governmental and business-type activities as of September 30, 2021 amounts to \$176,181,757 (net of accumulated depreciation). This investment in capital assets includes land, buildings, machinery and equipment, improvements other than buildings and construction in progress.

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

### **Governmental Activities:**

- \$22,655 of storm drainage improvements and \$258,412 of street improvements were contributed by developers to the City.
- Vehicles purchased include a street sweeper in the amount of \$277,389 and four police vehicles totaling \$253,282.
- \$5,249,791 was spent on police station improvements and \$500,422 was spent on police radios.
- \$924,446 was spent on street improvements.

### **Business-Type Activities:**

- \$185,858 of water improvements and \$219,284 of wastewater improvements were contributed by developers to the City.
- Current year capital asset events funded with the 2018A Combination Tax and Surplus Revenue Certificates of Obligation include \$1,710,931 for construction and \$108,548 of engineering services relating to phase II of the water treatment plant project.
- Current year capital asset events funded with the 2018B Combination Tax and Surplus Revenue Certificates of Obligation include \$4,234,184 for construction and \$556,925 of engineering services relating to the wastewater project.

- \$290,282 was spent on the airport expansion project.
- Vehicles purchased include a Freightliner vector truck the amount of \$312,412 and four utility vehicles totaling \$95,961.

	Governmental Activities		Business-type Activities		Total	
	2021	2020	2021	2020	2021	2020
Land	\$ 6,660,750	\$ 6,660,750	\$ 12,851,591	\$ 12,611,591	\$ 19,512,341	\$ 19,272,341
Buildings	16,070,102	17,318,486	1,148,099	1,211,855	17,218,201	18,530,341
Improvements other than buildings	30,915,028	30,558,673	63,613,924	66,478,608	94,528,952	97,037,281
Machinery and equipment	4,181,946	4,230,881	1,960,010	1,778,160	6,141,956	6,009,041
Construction in progress	6,580,272	1,745,143	32,200,035	25,310,063	38,780,307	27,055,206
Total	<u>\$ 64,408,098</u>	<u>\$ 60,513,933</u>	<u>\$ 111,773,659</u>	<u>\$ 107,390,277</u>	<u>\$ 176,181,757</u>	<u>\$ 167,904,210</u>

Additional information on the City of Granbury's capital assets can be found in Note 7 to the financial statements.

## DEBT ADMINISTRATION

At the end of the current fiscal year, the City of Granbury had total bonded debt, notes payable and capital leases payable of \$133,846,659. Of this amount, \$18,074,605 comprises bonded debt backed by the full faith and credit of the government and \$109,879,986 are certificates of obligation secured by ad valorem taxes and surplus revenues of the utility fund. The capital leases payable of \$1,977,628 pertains to equipment and an energy retrofit project being financed by lease/purchase financing. The Texas Capital Fund loan is special assessment debt to be repaid by lease revenues received from companies who lease facilities acquired or rehabilitated with these funds. The notes payable in the governmental activities is the amount borrowed by the Granbury Historic Properties Corporation, a blended component unit, to purchase the opera house. The notes payable in the business-type activities is amount borrowed to purchase power for the federally declared Winter Storm Uri in February 2021.

	Governmental Activities		Business-type Activities		Total	
	2021	2020	2021	2020	2021	2020
Capital Leases Payable	\$ 847,601	\$ 1,033,604	\$ 1,130,027	\$ 1,310,182	\$ 1,977,628	\$ 2,343,786
Texas Capital Fund Loan	-	-	36,046	44,056	36,046	44,056
Notes Payable	178,394	205,864	3,700,000	-	3,878,394	205,864
General Obligation	11,033,008	12,837,758	7,041,597	8,500,820	18,074,605	21,338,578
Certificates of Obligation	31,054,986	31,869,850	78,825,000	80,435,000	109,879,986	112,304,850
Total Outstanding Debt	<u>\$ 43,113,989</u>	<u>\$ 45,947,076</u>	<u>\$ 90,732,670</u>	<u>\$ 90,290,058</u>	<u>\$ 133,846,659</u>	<u>\$ 136,237,134</u>

The City's bond ratings are listed below:

	General Obligation	Utility Revenue
Fitch Ratings	AA	Not rated
Standard & Poor's Corporation	AA	A+

No direct funded debt limitation is imposed on the City under current state law or the City's code. Additional information on the City of Granbury's long-term debt can be found in Notes 8 through 11 to the financial statements.

## **ECONOMIC FACTORS AND NEXT YEAR'S BUDGETS AND RATES**

General Fund revenues are budgeted to increase about 12% in fiscal year 2022 compared to the 2020-2021 budget. Sales tax makes up about 21% of the General Fund operating revenues and is budgeted to increase 14% over the fiscal year 2021 budget. Although Granbury continues to outperform previous year actuals in sales tax collections, fiscal year 2022 budget remains conservative amid the Covid-19 pandemic. While the operation and maintenance portion of the property tax revenue is budgeted to increase about 10% (\$283K) from the 2020-2021 budgeted amounts, the debt service portion of the property tax revenue remained near constant with an increase of 1% (\$31K) in fiscal year 2022. Certified assessed property valuations increased approximately \$149 million (9%) from the preceding year, and the City adopted a tax rate of .386965 per \$100. The no-new-revenue tax rate for 2021 for the City is 0.386965. The maintenance and operations portion of the tax rate was increased from \$0.1611 to \$0.1656 and the debt service rate decreased from \$0.2351 to \$0.2214. Due to the continuous increase in property valuations a decrease in the debt service rate was possible while still covering the increased debt service obligation for fiscal year 2022. Granbury has experienced tremendous growth in sales tax and property tax valuations during the last several years and therefore, continues to maintain its status as a regional retail and tourism hub. In fiscal year 2021, sales tax receipts were up 12.2% when compared to the previous year's actual collections.

General Fund operating expenditures and transfers-out are budgeted to decrease 7.6% compared to 2020-2021 budgeted amounts. Capital expenditures will decrease from \$3,289,620 in fiscal year 2021 to \$347,000 in fiscal year 2022. This decrease is largely due to the \$2.8M two-way radio system purchase in fiscal year 2021. Total budget for the General Fund expenditures is \$18,552,510. While the significant growth in sales tax and property valuation is attributable to the increased commercial and residential activity, the City recognizes its reliance on the economically sensitive sales tax revenue and continues to budget conservatively.

Operating revenue in the Utility Fund is budgeted to increase 3.6% compared to the operating revenue budgeted in 2020-2021. This is mainly due to volume increases and a small CPI rate adjustment. Through the current electric power purchase contract which became effective as of January 2018, the City was able to offer a competitive electric rate to the citizens of Granbury, as well as allow the City to set aside funds for future capital investments. The City has budgeted to use Impact Fees of \$275,000 for lift station upgrades in fiscal year 2021-2022.

Total budgeted expenses for the Utility Fund in fiscal year 2021-2022 have increased (2.7%). Budgeted capital expenditures in the Utility Fund have decreased around 10%. Purchases of fleet and equipment are now funded through the Fleet Replacement Fund decreasing the related capital expenditures from the Utility Fund. The purpose of the Fleet Replacement Fund is to ensure that adequate funds are available to purchase vehicles and equipment, to stabilize budgeting for major purchases, and to provide a systematic, city-wide approach to procurement and disposition of the fleet.

## **REQUEST FOR INFORMATION**

This 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 any additional information, contact the Department of Finance, Attn: Finance Director, at P.O. Box 969, Granbury, Texas 76048, or call (817) 573-1114. A copy of this document is available on the City's website at [www.granbury.org](http://www.granbury.org) : go to Departments/Finance & Administrative Services.

## **BASIC FINANCIAL STATEMENTS**

CITY OF GRANBURY, Texas  
Statement of Net Position  
September 30, 2021

	Primary Government		
	Governmental Activities	Business-type Activities	Total
<b>ASSETS:</b>			
Cash and cash equivalents	\$ 5,786,514	\$ 4,274,957	\$ 10,061,471
Investments	11,313,217	10,166,302	21,479,519
Receivables (Net of allowances for uncollectibles)			
Property taxes	81,743	-	81,743
Franchise taxes	385,317	-	385,317
Accounts	-	2,596,724	2,596,724
Due from other governments	1,869,336	-	1,869,336
Fines and fees receivable	143,155	-	143,155
Miscellaneous receivables	523,012	320,520	843,532
Accrued interest	7	18	25
Internal balances	14,873	(14,873)	-
Prepaid items	53,808	53,051	106,859
Inventories	105,414	1,426,530	1,531,944
Restricted assets:			
Cash and cash equivalents	3,702,398	6,045,504	9,747,902
Investments	11,314,955	28,959,907	40,274,862
Capital assets (net of accumulated depreciation):			
Land	6,660,750	12,851,591	19,512,341
Buildings	16,070,102	1,148,099	17,218,201
Improvements other than buildings	30,915,028	63,613,924	94,528,952
Machinery and equipment	4,181,946	1,960,010	6,141,956
Construction in progress	6,580,272	32,200,035	38,780,307
<b>Total Assets</b>	<b>99,701,847</b>	<b>165,602,299</b>	<b>265,304,146</b>
<b>DEFERRED OUTFLOWS OF RESOURCES:</b>			
Deferred outflows related to pensions	2,192,387	647,680	2,840,067
Deferred outflows related to OPEB	128,925	34,958	163,883
Deferred charges on refunding	559,155	46,108	605,263
<b>Total Deferred Outflows of Resources</b>	<b>2,880,467</b>	<b>728,746</b>	<b>3,609,213</b>
<b>LIABILITIES:</b>			
Accounts payable and accrued liabilities	2,433,970	1,227,337	3,661,307
Unearned revenue	995,600	1,584,217	2,579,817
Current Liabilities Payable from Restricted Assets:			
Accounts payable and accrued liabilities	-	2,036,352	2,036,352
Interest payable	178,864	201,676	380,540
Customer deposits	700	967,266	967,966
Noncurrent liabilities:			
Due Within One Year	3,625,825	7,070,836	10,696,661
Due in More Than One Year	46,981,651	85,779,216	132,760,867
<b>Total Liabilities</b>	<b>54,216,610</b>	<b>98,866,900</b>	<b>153,083,510</b>
<b>DEFERRED INFLOWS OF RESOURCES:</b>			
Deferred inflows related to pensions	926,146	266,470	1,192,616
Deferred inflows related to OPEB	21,007	6,183	27,190
<b>Total Deferred Inflows of Resources</b>	<b>947,153</b>	<b>272,653</b>	<b>1,219,806</b>
<b>NET POSITION:</b>			
Net Investment in Capital Assets	34,421,488	48,728,106	83,149,594
Restricted Net Position			
Debt Service (Expendable)	628,259	704,826	1,333,085
Impact fees for capital improvements (Expendable)	-	2,549,208	2,549,208
Public Safety (Expendable)	82,315	-	82,315
Culture and Recreation (Expendable)	973,546	-	973,546
Public, educational, and governmental programming	37,872	-	37,872
Court technology and security (Expendable)	94,176	-	94,176
Unrestricted Net Position	11,180,895	15,209,352	26,390,247
<b>Total Net Position</b>	<b>\$ 47,418,551</b>	<b>\$ 67,191,492</b>	<b>\$ 114,610,043</b>

The notes to the financial statements are an integral part of this statement.

CITY OF GRANBURY, Texas  
Statement of Activities  
For the Year Ended September 30, 2021

Functions/Programs	Expenses	Program Revenues		
		Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions
<b>Primary Government</b>				
Governmental activities:				
City Council	\$ 158,877	\$ -	\$ -	\$ -
Legal	195,592	-	-	-
Executive	751,232	-	-	-
Financial Administration	467,441	-	-	-
Purchasing	162,833	-	-	-
Social Services	98,583	-	-	-
Information Technology	745,869	-	-	-
Economic Development	142,218	-	-	-
Human Resources	210,415	-	-	-
Warehouse	122,215	-	-	-
Fleet Maintenance	317,630	-	-	-
Building Maintenance	853,214	-	-	-
Granbury Broadcasting Services	150,706	7,500	-	-
Other governmental functions	1,052,869	-	-	-
Police	5,478,813	203,044	19,295	-
Fire	824,093	730	13,835	-
Municipal Court	203,753	90,747	-	-
Streets	1,981,268	-	2,969	281,067
Building & Permits	768,533	-	-	-
Community Development	485,474	1,523,893	70,414	-
Clean Air Coalition	218,969	-	177,417	-
Cemetery	64,052	21,500	-	-
Tourism	1,690,936	148,432	-	-
Parks	2,370,355	189,164	-	-
Conference Center	545,491	258,133	-	-
Interest and fiscal charges	1,288,860	-	-	-
<b>Total governmental activities</b>	<b>21,350,291</b>	<b>2,443,143</b>	<b>283,930</b>	<b>281,067</b>
Business-type activities:				
Water treatment and distribution	7,840,537	8,607,250	-	185,858
Wastewater collection and treatment	3,786,764	3,960,395	-	219,284
Electricity	12,305,059	10,883,526	-	-
Airport	787,067	936,279	-	50,000
<b>Total business-type activities</b>	<b>24,719,427</b>	<b>24,387,450</b>	<b>-</b>	<b>455,142</b>
<b>Total primary government</b>	<b>\$ 46,069,718</b>	<b>\$ 26,830,593</b>	<b>\$ 283,930</b>	<b>\$ 736,209</b>

General Revenues:

Taxes:

- Property Taxes, levied for general purposes
- Property Taxes, levied for debt service
- Sales Taxes
- Hotel/Motel Occupancy Taxes
- Franchise Taxes
- Investment Earnings
- Gain (loss) on sale of capital assets
- Other Revenue

Transfers

Total General Revenues and Transfers

Change in Net Position

Net Position, October 1, 2020

Net Position, September 30, 2021

The notes to the financial statements are an integral part of this statement.

Net (Expense) Revenue and Changes in Net Position		
Primary Government		
Governmental Activities	Business-type Activities	Total
\$ (158,877)	\$ -	\$ (158,877)
(195,592)	-	(195,592)
(751,232)	-	(751,232)
(467,441)	-	(467,441)
(162,833)	-	(162,833)
(98,583)	-	(98,583)
(745,869)	-	(745,869)
(142,218)	-	(142,218)
(210,415)	-	(210,415)
(122,215)	-	(122,215)
(317,630)	-	(317,630)
(853,214)	-	(853,214)
(143,206)	-	(143,206)
(1,052,869)	-	(1,052,869)
(5,256,474)	-	(5,256,474)
(809,528)	-	(809,528)
(113,006)	-	(113,006)
(1,697,232)	-	(1,697,232)
(768,533)	-	(768,533)
1,108,833	-	1,108,833
(41,552)	-	(41,552)
(42,552)	-	(42,552)
(1,542,504)	-	(1,542,504)
(2,181,191)	-	(2,181,191)
(287,358)	-	(287,358)
(1,288,860)	-	(1,288,860)
<u>(18,342,151)</u>	<u>-</u>	<u>(18,342,151)</u>
-	952,571	952,571
-	392,915	392,915
-	(1,421,533)	(1,421,533)
-	199,212	199,212
-	123,165	123,165
<u>\$ (18,342,151)</u>	<u>\$ 123,165</u>	<u>\$ (18,218,986)</u>
\$ 2,724,557	\$ -	\$ 2,724,557
3,967,136	-	3,967,136
10,739,878	-	10,739,878
924,047	-	924,047
2,227,866	-	2,227,866
83,838	130,330	214,168
-	12,817	12,817
295,800	58,099	353,899
1,813,592	(1,813,592)	-
<u>22,776,714</u>	<u>(1,612,346)</u>	<u>21,164,368</u>
4,434,563	(1,489,181)	2,945,382
<u>42,983,988</u>	<u>68,680,673</u>	<u>111,664,661</u>
<u>\$ 47,418,551</u>	<u>\$ 67,191,492</u>	<u>\$ 114,610,043</u>

CITY OF GRANBURY, Texas  
Balance Sheet  
Governmental Funds  
September 30, 2021

	General	Debt Service	Capital Projects	Other Governmental Funds	Total Governmental Funds
<b>ASSETS:</b>					
Assets:					
Cash and cash equivalents	\$ 4,316,254	\$ 567,450	\$ -	\$ 527,699	\$ 5,411,403
Investments	11,115,881	197,336	-	-	11,313,217
Receivables (Net of allowances for uncollectibles)					
Property taxes	37,712	44,031	-	-	81,743
Franchise taxes	385,317	-	-	-	385,317
Due from other governments	1,869,336	-	-	-	1,869,336
Fines and fees receivable	143,155	-	-	-	143,155
Miscellaneous receivables	407,059	-	-	115,953	523,012
Interest	7	-	-	-	7
Due from other funds	15,038	987	-	-	16,025
Inventories	94,424	-	-	10,990	105,414
Prepaid items	36,269	-	-	17,539	53,808
Restricted Assets:					
Cash and cash equivalents	324,428	-	3,377,970	-	3,702,398
Investments	-	-	11,314,955	-	11,314,955
	<u>\$ 18,744,880</u>	<u>\$ 809,804</u>	<u>\$ 14,692,925</u>	<u>\$ 672,181</u>	<u>\$ 34,919,790</u>
<b>LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES:</b>					
Liabilities:					
Accounts payable and accrued expenses	\$ 828,934	\$ 1,529	\$ 1,565,535	\$ 37,972	\$ 2,433,970
Customer deposits payable	-	-	-	700	700
Unearned revenue	980,565	-	-	15,035	995,600
Due to other funds	-	1,152	-	-	1,152
	<u>1,809,499</u>	<u>2,681</u>	<u>1,565,535</u>	<u>53,707</u>	<u>3,431,422</u>
Deferred inflows of resources:					
Deferred revenue	1,566,559	44,031	-	-	1,610,590
	<u>1,566,559</u>	<u>44,031</u>	<u>-</u>	<u>-</u>	<u>1,610,590</u>
Fund Balance:					
Nonspendable	130,693	-	-	28,529	159,222
Restricted	724,271	763,092	13,127,390	463,638	15,078,391
Committed	2,539,162	-	-	126,307	2,665,469
Assigned	197,026	-	-	-	197,026
Unassigned	11,777,670	-	-	-	11,777,670
	<u>15,368,822</u>	<u>763,092</u>	<u>13,127,390</u>	<u>618,474</u>	<u>29,877,778</u>
Total liabilities, deferred inflows of resources, and fund balances	<u>\$ 18,744,880</u>	<u>\$ 809,804</u>	<u>\$ 14,692,925</u>	<u>\$ 672,181</u>	<u>\$ 34,919,790</u>

The notes to the financial statements are an integral part of this statement.

CITY OF GRANBURY, Texas  
 Reconciliation of the Governmental Funds Balance Sheet  
 To the Statement of Net Position  
 September 30, 2021

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Total Fund Balances - Governmental Funds \$ 29,877,778

Capital assets used in governmental activities are not financial resources and therefore are not reported in the governmental funds. The cost of these assets was \$124,978,372 and the accumulated depreciation was \$61,475,229. 63,503,143

Some liabilities are not due and payable in the current period and are not included in the fund financial statements, but are included in the governmental activities of the Statement of Net Position. The details of these differences are as follows:

Interest payable	\$ (178,864)	
General obligation and certificates of obligation bonds	(42,087,994)	
Notes payable	(178,394)	
Capital leases payable	(847,601)	
Compensated absences	(660,375)	(43,953,228)

Deferred charges for refunding related to governmental activity debt are not financial resources and, therefore, are not reported in the governmental funds. 559,155

Included in the items related to noncurrent liabilities is the recognition of the City's net pension liability required by GASB 68 in the amount of \$6,271,980, a deferred resource inflow related to pensions of \$926,146, and a deferred resource outflow related to pensions in the amount of \$2,192,387. This amounted to a decrease in net position of \$5,005,739. (5,005,739)

Included in the items related to noncurrent liabilities is the recognition of the City's total OPEB liability required by GASB 75 in the amount of \$561,132, a deferred resource inflow related to OPEB of \$21,007, and a deferred resource outflow related to OPEB in the amount of \$128,925. This amounted to a decrease in net position of \$453,214. (453,214)

Certain receivables are not available soon enough to pay for the current period's expenditures and therefore are not reported in the fund financial statements, but are reported in the governmental activities of the Statement of Net Position. The details of these differences is as follows:

Property taxes	\$ 79,235	
Franchise taxes	385,317	
Sales tax	1,002,883	
Court fines	143,155	1,610,590

The City uses an internal service fund to charge the costs of fleet to the appropriate functions in other funds. The assets and liabilities of the internal service fund are included in governmental activities in the statement of net position. The net effect of this consolidation is to increase net position. 1,280,066

Net Position of Governmental Activities \$ 47,418,551

CITY OF GRANBURY, Texas  
Statement of Revenues, Expenditures and Changes in Fund Balance  
Governmental Funds  
For the year ended September 30, 2021

	General	Debt Service	Capital Projects	Other Governmental Funds	Total Governmental Funds
<b>Revenues:</b>					
<b>Taxes:</b>					
Property	\$ 2,724,557	\$ 3,967,136	\$ -	\$ -	\$ 6,691,693
Sales and Use	10,619,179	-	-	-	10,619,179
Hotel/Motel Occupancy	-	-	-	924,047	924,047
Franchise	2,235,727	-	-	-	2,235,727
Fines and fees	251,295	-	-	-	251,295
Licenses and permits	1,264,939	-	-	-	1,264,939
Charges for service	382,802	-	-	334,786	717,588
Intergovernmental revenue	746,986	-	-	-	746,986
Park and recreation	187,264	-	-	-	187,264
Interest income	29,557	20,823	29,192	1,789	81,361
Other revenue	238,430	-	-	3,704	242,134
<b>Total revenues</b>	<b>18,680,736</b>	<b>3,987,959</b>	<b>29,192</b>	<b>1,264,326</b>	<b>23,962,213</b>
<b>Expenditures:</b>					
<b>Current</b>					
<b>General Government:</b>					
City Council	158,877	-	-	-	158,877
Legal	195,592	-	-	-	195,592
Executive	751,509	-	-	-	751,509
Financial Administration	471,462	-	-	-	471,462
Purchasing	164,910	-	-	-	164,910
Social Services	98,583	-	-	-	98,583
Information Technology	864,018	-	-	-	864,018
Economic Development	142,218	-	-	-	142,218
Human Resources	211,625	-	-	-	211,625
Warehouse	136,421	-	-	-	136,421
Fleet Maintenance	320,060	-	-	-	320,060
Building Maintenance	778,219	-	-	-	778,219
Granbury Broadcasting Services	153,360	-	-	-	153,360
Other governmental functions	639,235	-	-	-	639,235
<b>Public Safety:</b>					
Police	5,988,791	-	-	-	5,988,791
Fire	393,420	-	-	-	393,420
Municipal Court	204,578	-	-	-	204,578
Streets	670,429	-	-	-	670,429
Building & Permits	796,813	-	-	-	796,813
Community Development	498,945	-	-	-	498,945
Clean Air Coalition	220,225	-	-	-	220,225
Cemetery	64,508	-	-	-	64,508
Tourism	-	-	-	811,477	811,477
Parks	1,897,916	-	-	-	1,897,916
Conference Center	-	-	-	556,744	556,744
Capital Outlay	-	-	6,283,420	-	6,283,420
<b>Debt Service:</b>					
Principal	-	2,495,003	-	27,470	2,522,473
Interest and fiscal charges	-	1,803,644	-	11,259	1,814,903
<b>Total expenditures</b>	<b>15,821,714</b>	<b>4,298,647</b>	<b>6,283,420</b>	<b>1,406,950</b>	<b>27,810,731</b>
<b>Excess (deficiency) of revenue over (under) expenditures</b>	<b>\$ 2,859,022</b>	<b>\$ (310,688)</b>	<b>\$ (6,254,228)</b>	<b>\$ (142,624)</b>	<b>\$ (3,848,518)</b>
<b>Other financing sources (uses):</b>					
Transfers in	1,589,238	272,011	167,000	435,305	2,463,554
Transfers out	(649,962)	-	-	-	(649,962)
Insurance recoveries	18,732	-	-	-	18,732
<b>Total other financing sources (uses)</b>	<b>958,008</b>	<b>272,011</b>	<b>167,000</b>	<b>435,305</b>	<b>1,832,324</b>
<b>Net change in fund balances</b>	<b>3,817,030</b>	<b>(38,677)</b>	<b>(6,087,228)</b>	<b>292,681</b>	<b>(2,016,194)</b>
<b>Fund Balance, October 1, 2020</b>	<b>11,551,792</b>	<b>801,769</b>	<b>19,214,618</b>	<b>325,793</b>	<b>31,893,972</b>
<b>Fund Balance, September 30, 2021</b>	<b>\$ 15,368,822</b>	<b>\$ 763,092</b>	<b>\$ 13,127,390</b>	<b>\$ 618,474</b>	<b>\$ 29,877,778</b>

The notes to the financial statements are an integral part of this statement.

CITY OF GRANBURY, Texas  
 Reconciliation of Statement of Revenues,  
 Expenditures and Changes in Fund Balances of  
 The Governmental Funds to the Statement of Activities  
 For the year ended September 30, 2021

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Total Net Change in Fund Balances - Governmental Funds	\$ (2,016,194)
Current year capital outlays and long-term debt principal payments are expenditures in the fund financial statements, but they should be shown as increases in capital assets and reductions in long-term debt in the government-wide financial statements. The net effect of including \$7,106,870 of capital outlays and \$2,522,473 of debt principal payments is to increase net position.	9,629,343
Capital asset donations are revenues in the government-wide financial statements but are not reported in the governmental fund financial statements.	281,067
The net effect of various miscellaneous transactions involving capital assets (i.e., sales, trade-ins, disposals and transfers between activities) is to decrease net position.	(152,528)
Depreciation is not recognized as an expense in governmental funds since it does not require the use of current financial resources. The net effect of the current year's depreciation is to decrease net position.	(3,821,336)
Current year interest payable and compensated absences of the governmental funds are not due and payable in the current period and, therefore are not reported as liabilities or assets in the funds. The \$307,085 decrease in interest payable, \$462 increase in compensated absences, and \$218,958 amortization of deferred charges, premiums and discounts increase net position.	525,581
Revenues in the government-wide statement of activities that do not provide current financial resources are not reported as revenues in the funds.	(331,865)
GASB required the City to recognize their net pension liability, deferred resource inflow related to pensions, and deferred resource outflow related to pensions. The changes in these balances decreased net position.	121,726
GASB required the City to recognize their total OPEB liability, deferred resource inflow related to OPEB, and deferred resource outflow related to OPEB. The changes in these balances decreased net position.	(52,477)
The City uses an internal service fund to charge the costs of fleet to the appropriate functions in other funds. The adjustment to reflect the consolidation of the internal service fund activities related to governmental activities increased net position.	251,246
Change in Net Position of Governmental Activities	\$ 4,434,563

CITY OF GRANBURY, Texas  
Statement of Net Position  
Proprietary Funds  
September 30, 2021

	Business-type Activities Enterprise Funds			Governmental Activities
	Utility Fund	Airport Fund	Totals	Internal Service Fund
<b>ASSETS:</b>				
Current Assets:				
Cash and cash equivalents	\$ 3,660,482	\$ 433,659	\$ 4,094,141	\$ 555,927
Investments	8,601,108	1,565,194	10,166,302	-
Receivables (Net of allowance for uncollectibles):				
Accounts	2,596,724	-	2,596,724	-
Miscellaneous Receivables	213,745	106,775	320,520	-
Interest	18	-	18	-
Prepaid expenses	53,051	-	53,051	-
Supplies inventory	1,369,235	57,295	1,426,530	-
Restricted Assets:				
Cash and cash equivalents	6,035,804	9,700	6,045,504	-
Investments	28,959,907	-	28,959,907	-
Total current assets	<u>51,490,074</u>	<u>2,172,623</u>	<u>53,662,697</u>	<u>555,927</u>
Capital assets, at cost:				
Land	3,425,413	9,426,178	12,851,591	-
Construction in Progress	21,839,119	10,360,916	32,200,035	-
Buildings	1,513,967	239,540	1,753,507	-
Improvements other than buildings	97,961,869	4,653,603	102,615,472	-
Machinery and Equipment	5,028,489	349,100	5,377,589	1,728,094
Less: accumulated depreciation	<u>(39,678,402)</u>	<u>(3,877,016)</u>	<u>(43,555,418)</u>	<u>(292,256)</u>
Capital assets, net	<u>90,090,455</u>	<u>21,152,321</u>	<u>111,242,776</u>	<u>1,435,838</u>
Total noncurrent assets	<u>90,090,455</u>	<u>21,152,321</u>	<u>111,242,776</u>	<u>1,435,838</u>
Total assets	<u>\$141,580,529</u>	<u>\$ 23,324,944</u>	<u>\$164,905,473</u>	<u>\$ 1,991,765</u>
<b>DEFERRED OUTFLOWS OF RESOURCES:</b>				
Deferred charge on refunding	\$ 46,108	\$ -	\$ 46,108	\$ -
Deferred outflow related to pensions	626,298	21,382	647,680	-
Deferred outflow related to OPEB	33,836	1,122	34,958	-
Total deferred outflows of resources	<u>\$ 706,242</u>	<u>\$ 22,504</u>	<u>\$ 728,746</u>	<u>\$ -</u>

The notes to the financial statements are an integral part of this statement.

	Business-type Activities Enterprise Funds			Governmental Activities
	Utility Fund	Airport Fund	Totals	Internal Service Fund
<b>LIABILITIES:</b>				
Current Liabilities:				
Accounts payable and accrued liabilities	\$ 1,187,105	\$ 40,232	\$ 1,227,337	\$ -
Unearned revenue	1,582,610	1,607	1,584,217	-
Compensated absences payable	75,179	4,754	79,933	-
Due to other funds	14,873	-	14,873	-
Current Liabilities Payable from Restricted Assets:				
Accounts payable and accrued liabilities	2,036,352	-	2,036,352	-
Current portion of long-term debt	6,958,043	32,860	6,990,903	-
Interest payable	201,676	-	201,676	-
Customer deposits payable	957,566	9,700	967,266	-
Total current liabilities	13,013,404	89,153	13,102,557	-
Noncurrent Liabilities:				
Compensated absences payable	113,149	21,341	134,490	-
Net pension liability	1,681,910	55,891	1,737,801	-
Total OPEB liability	159,856	5,302	165,158	-
Texas Capital Fund loan	28,036	-	28,036	-
Capital leases payable	784,788	196,388	981,176	-
Bonds payable	82,732,555	-	82,732,555	-
Total noncurrent liabilities	85,500,294	278,922	85,779,216	-
Total liabilities	\$ 98,513,698	\$ 368,075	\$ 98,881,773	\$ -
<b>DEFERRED INFLOWS OF RESOURCES:</b>				
Deferred Inflows related to pensions	\$ 257,900	\$ 8,570	\$ 266,470	\$ -
Deferred Inflows related to OPEB	5,985	198	6,183	-
Total deferred inflows of resources	\$ 263,885	\$ 8,768	\$ 272,653	\$ -
<b>NET POSITION:</b>				
Net investment in capital assets	\$ 27,274,150	\$ 20,923,073	\$ 48,197,223	\$ 1,435,838
Restricted for debt service (Expendable)	704,826	-	704,826	-
Restricted impact fees for capital improvements - water (Expendable)	1,133,269	-	1,133,269	-
Restricted impact fees for capital improvements - wastewater (Expendable)	1,415,939	-	1,415,939	-
Unrestricted	12,981,004	2,047,532	15,028,536	555,927
Total net position	\$ 43,509,188	\$ 22,970,605	\$ 66,479,793	\$ 1,991,765
Reconciliation to government-wide statement of net position:				
Total Net Position	\$ 43,509,188	\$ 22,970,605	\$ 66,479,793	
Adjustment to reflect the consolidation of internal service fund activities related to enterprise funds	705,655	6,044	711,699	
	\$ 44,214,843	\$ 22,976,649	\$ 67,191,492	

CITY OF GRANBURY, Texas  
Statement of Revenues, Expenses and Changes in Fund Net Position  
Proprietary Funds  
For the year ended September 30, 2021

	Business-type Activities Enterprise Funds			Governmental Activities
	Utility Fund	Airport Fund	Totals	Internal Service Fund
<b>Operating revenues:</b>				
Charges for sales and services:				
Charges for Water and Wastewater Sales	\$ 11,506,645	\$ -	\$ 11,506,645	\$ -
Charges for Electricity Sales	10,664,958	-	10,664,958	-
Charges for Airport Services	-	830,157	830,157	-
Impact fees	825,183	-	825,183	-
Other Revenue	454,385	106,122	560,507	543,938
Total operating revenue	<u>23,451,171</u>	<u>936,279</u>	<u>24,387,450</u>	<u>543,938</u>
<b>Operating expenses:</b>				
Administration	1,127,365	-	1,127,365	-
Airport	-	619,567	619,567	-
Water treatment and distribution	3,304,627	-	3,304,627	-
Wastewater collection and treatment	1,666,768	-	1,666,768	-
Electricity	10,388,401	-	10,388,401	-
Meter Reading	262,919	-	262,919	-
Utility Franchise Fees	1,307,388	-	1,307,388	-
Depreciation	4,305,124	155,732	4,460,856	260,609
Total operating expenses	<u>22,362,592</u>	<u>775,299</u>	<u>23,137,891</u>	<u>260,609</u>
Operating income	<u>1,088,579</u>	<u>160,980</u>	<u>1,249,559</u>	<u>283,329</u>
<b>Nonoperating revenues (expenses):</b>				
Interest revenue	124,676	4,460	129,136	3,672
Intergovernmental revenue	15,099	43,000	58,099	-
Gain (loss) on disposal of capital assets	12,817	-	12,817	-
Interest expense	(1,604,329)	(11,768)	(1,616,097)	-
Total nonoperating revenues (expenses)	<u>(1,451,737)</u>	<u>35,692</u>	<u>(1,416,045)</u>	<u>3,672</u>
Income (loss) before contributions and transfers	<u>(363,158)</u>	<u>196,672</u>	<u>(166,486)</u>	<u>287,001</u>
<b>Capital contributions and transfers:</b>				
Capital grants and contributions	405,142	50,000	455,142	-
Transfers out	(1,595,479)	(218,113)	(1,813,592)	-
Net capital contributions and transfers	<u>(1,190,337)</u>	<u>(168,113)</u>	<u>(1,358,450)</u>	<u>-</u>
Change in Net Position	(1,553,495)	28,559	(1,524,936)	287,001
Net Position, October 1, 2020	<u>45,062,683</u>	<u>22,942,046</u>	<u>68,004,729</u>	<u>1,704,764</u>
Net Position, September 30, 2021	<u>\$ 43,509,188</u>	<u>\$ 22,970,605</u>	<u>\$ 66,479,793</u>	<u>\$ 1,991,765</u>
<b>Reconciliation to government-wide statement of activities:</b>				
Change in Net Position	\$ (1,553,495)	\$ 28,559	\$ (1,524,936)	
Adjustment to reflect the consolidation of internal service fund activities related to enterprise funds	32,715	3,040	35,755	
	<u>\$ (1,520,780)</u>	<u>\$ 31,599</u>	<u>\$ (1,489,181)</u>	

The notes to the financial statements are an integral part of this statement.

CITY OF GRANBURY, Texas  
Statement of Cash Flows  
Proprietary Funds  
For the year ended September 30, 2021

	Business-type Activities Enterprise Funds			Governmental Activities
	Utility	Airport	Totals	Internal Service Fund
	Fund	Fund		
Cash flows from operating activities:				
Cash received from customers	\$ 23,427,147	\$ 935,947	\$ 24,363,094	\$ -
Receipts from interfund services provided	-	-	-	543,938
Payments to suppliers	(15,654,508)	(540,707)	(16,195,215)	-
Cash paid to employees	(2,199,379)	(141,475)	(2,340,854)	-
Net cash provided (used) by operating activities	<u>5,573,260</u>	<u>253,765</u>	<u>5,827,025</u>	<u>543,938</u>
Cash flow from noncapital financing activities:				
Proceeds from note payable	3,700,000	-	3,700,000	-
Transfers out	(1,595,479)	(218,113)	(1,813,592)	-
Operating grants and contributions	-	43,000	43,000	-
Net cash provided (used) by noncapital financing activities	<u>2,104,521</u>	<u>(175,113)</u>	<u>1,929,408</u>	<u>-</u>
Cash flow from capital and related financing activities:				
Principal payments on long-term debt	(3,110,145)	(68,020)	(3,178,165)	-
Insurance proceeds	12,817	-	12,817	-
Capital grants and contributions	1,344,471	50,000	1,394,471	-
Capital outlay	(7,873,122)	(365,729)	(8,238,851)	(1,014,135)
(Increase) decrease in miscellaneous receivables	-	(7,056)	(7,056)	-
Interest paid on long-term debt	(1,666,193)	(11,768)	(1,677,961)	-
Net cash (used) by capital and related financing activities	<u>(11,292,172)</u>	<u>(402,573)</u>	<u>(11,694,745)</u>	<u>(1,014,135)</u>
Cash flow from investing activities:				
Proceeds from sales and maturities of investments	13,591,555	-	13,591,555	-
Purchase of investments	(2,300,786)	(1,552)	(2,302,338)	-
Interest Received	124,847	4,460	129,307	3,672
Net cash provided (used) by investing activities	<u>11,415,616</u>	<u>2,908</u>	<u>11,418,524</u>	<u>3,672</u>
Net increase (decrease) in cash and cash equivalents	7,801,225	(321,013)	7,480,212	(466,525)
Cash and cash equivalents, October 1, 2020	<u>1,895,061</u>	<u>764,372</u>	<u>2,659,433</u>	<u>1,022,452</u>
Cash and cash equivalents, September 30, 2021	<u>\$ 9,696,286</u>	<u>\$ 443,359</u>	<u>\$ 10,139,645</u>	<u>\$ 555,927</u>
<b>Reconciliation of Operating Income to Net Cash Provided (Used) by Operating Activities</b>				
Operating income (loss)	<u>\$ 1,088,579</u>	<u>\$ 160,980</u>	<u>\$ 1,249,559</u>	<u>\$ 283,329</u>
Adjustments to reconcile operating income to net cash provided (used) by operating activities:				
Depreciation expense	4,305,124	155,732	4,460,856	260,609
(Increase) decrease in accounts receivable	(121,648)	-	(121,648)	-
(Increase) decrease in miscellaneous receivables	(151,045)	(2,007)	(153,052)	-
(Increase) decrease in prepaid items	(26,856)	-	(26,856)	-
(Increase) decrease in inventory	35,420	(27,549)	7,871	-
Increase (decrease) in accounts payable	323,066	(45,876)	277,190	-
Increase (decrease) in compensated absences payable	20,318	22,926	43,244	-
Increase (decrease) in unearned revenue	16,120	1,275	17,395	-
Increase (decrease) in customer meter deposits	81,504	400	81,904	-
Increase (decrease) in net pension balances	(18,021)	(12,074)	(30,095)	-
Increase (decrease) in total OPEB balances	20,699	(42)	20,657	-
Total adjustments	<u>4,484,681</u>	<u>92,785</u>	<u>4,577,466</u>	<u>260,609</u>
Net cash provided by operating activities	<u>\$ 5,573,260</u>	<u>\$ 253,765</u>	<u>\$ 5,827,025</u>	<u>\$ 543,938</u>
<b>Noncash Investing, Capital and Financing Activities</b>				
Contribution of capital assets from developers	\$ 405,142	\$ -	\$ 405,142	\$ -

The notes to the financial statements are an integral part of this statement.

CITY OF GRANBURY, Texas  
Statement of Fiduciary Net Position  
Fiduciary Fund  
September 30, 2021

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	Employee Benefits Trust
<b>ASSETS:</b>	
Assets:	
Cash and cash equivalents	<u>\$ 341,208</u>
Total assets	<u>341,208</u>
<b>LIABILITIES</b>	
Liabilities:	
Accounts payable	<u>4,174</u>
Total liabilities	<u>4,174</u>
<b>NET POSITION</b>	
Restricted Net Position	<u><u>\$ 337,034</u></u>

CITY OF GRANBURY, Texas  
Statement of Changes in Fiduciary Net Position  
Fiduciary Fund  
For the year ended September 30, 2021

	Employee Benefits Trust
Additions	
Contributions	
Employer	\$ 1,230,483
Employees	189,603
Miscellaneous income	16,777
Interest Income	1,298
Total additions	1,438,161
Deductions	
Insurance Premiums	1,449,967
Change in net position	(11,806)
Net Position, October 1, 2020	348,840
Net Position, September 30, 2021	\$ 337,034

The notes to the financial statements are an integral part of this statement.

**CITY OF GRANBURY, TEXAS**  
**Notes to Financial Statements**  
**September 30, 2021**

**NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

**A. Reporting Entity**

The City of Granbury is a charter city in which the citizens elect the mayor at large and five council members at large by place. The financial statements of the City of Granbury, Texas ("City") include all governmental activities, organizations, and functions of the City. The criteria considered in determining governmental activities to be reported within the City's financial statements included: the City's accountability for the entity's fiscal matters; the scope of public service of the entity; and the nature of any special financing relationships which may exist between the City and a given governmental entity. Blended component units, although legally separate entities, are, in substance, part of the government's operations and so data from these units are combined with data of the primary government. The City has one blended component unit, which has a September 30 year-end.

*Blended Component Unit.*

June 6, 2006, the City created the Granbury Historic Properties Corporation pursuant to the Texas Transportation Corporation Act, Chapter 431 as amended. All powers of the Corporation are vested with a Board of Directors consisting of three directors, to be determined by the City Council. All appointed members shall be members of the employed staff of the City of Granbury. These members shall serve the length of time as set forth by the City Council, but for a term not longer than six years. At all times the members must be residents of the City. In the event that a member resides outside of the City, the City Council shall replace any member residing outside of the City with a person who resides in the City. The Corporation was created to assist the City in acquisition/control of historical properties deemed important to the growth and development of the City. The Corporation is presented as a blended component unit and reported as a special revenue fund because the City can impose its will on the Corporation by significantly influencing the programs, projects or activities performed by the Corporation and because the Corporation's services are provided exclusively for the benefit of the City.

**B. Government-wide and Fund Financial Statements**

The government-wide financial statements (i.e., the statement of net position and the statement of changes in net position) report information on all of 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.

The statement of activities demonstrates the degree to which the direct expenses of a given function or segment are offset by program revenues. Direct expenses are those that are clearly identifiable with a 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 financial statements are provided for governmental funds, proprietary funds and fiduciary funds, even though the later are excluded from the government-wide financial statements. Major individual funds and individual enterprise funds are reported as separate columns in the fund financial statements.

**CITY OF GRANBURY, TEXAS**  
**Notes to Financial Statements**  
**September 30, 2021**

**NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)**

**C. Measurement Focus, Basis of Accounting and Basis of Presentation**

The government-wide financial statements are reported using the economic resources measurement focus and the accrual basis of accounting, as are the proprietary fund and fiduciary fund financial statements. 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 revenues 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 financial statements are reported using the current financial resources measurement focus and the modified accrual basis of accounting. Under the modified accrual basis of accounting, revenues are recognized as soon as they are 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. The government considers all revenues available if they are collected within 60 days after year-end. Expenditures generally are recorded when the related fund liability is incurred, however, debt service expenditures and expenditures related to compensated absences and claims and judgments, are recognized when payment is due.

Property taxes, sales and use taxes, hotel/motel occupancy taxes, franchise taxes, licenses, and interest associated with the current fiscal period are all considered to be susceptible to accrual and so have been recognized as revenues of the current fiscal period. All other revenue items are considered to be measurable and available only when the government receives payment.

The accounts of the City are organized and operated on the basis of funds. A fund is an independent fiscal and accounting entity with a self-balancing set of accounts. Fund accounting segregates funds according to their intended purpose and is used to aid management in demonstrating compliance with finance-related legal and contractual provisions. The minimum number of funds are maintained consistent with legal and managerial requirements.

The City reports the following major governmental funds:

The *general fund* is the City's primary operating fund. It accounts for all financial resources of the general government, except those required to be accounted for in another fund.

The *debt service fund* is used to account for the resources accumulated and payments made for principal and interest on long-term general obligation debt of governmental funds.

The *capital projects fund* is used to account for financial resources to be used for the acquisition and construction of major capital facilities (other than those financed by proprietary funds).

The City reports the following major proprietary funds:

The *utility fund* is used to account for the operation of the utility systems of the City.

The *airport fund* is an enterprise fund used to account for the operation of the City's municipal airport.

Additionally, the government reports the following fund and fund types:

**CITY OF GRANBURY, TEXAS**  
**Notes to Financial Statements**  
**September 30, 2021**

**NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)**

The *internal service fund* is used to account for fleet costs of the City.

The *tourism fund* is used to account for the financial resources to be used for the expenditures related to tourism, the Conference Center, the Langdon Center, and the Opera House.

The *employee benefits trust* is used to account for employer and employee contributions for health insurance premiums and the payment of those premiums.

As a general rule the effect of interfund activity has been eliminated from the government-wide financial statements. Exceptions to this general rule are charges and transfers between the governmental activities and the business-type activities, which cannot be eliminated.

Amounts reported as program revenues include 1) charges for customers or applicants for goods, services, or privileges provided, 2) operating grants and contributions, and 3) capital grants and contributions, including special assessments. Internally dedicated resources are reported as general revenues rather than as program revenues. Likewise, general revenues include all taxes.

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 enterprise fund are charges to customers for sales and services. The enterprise fund also recognizes as operating revenue the portion of tap fees intended to recover the cost of connecting new customers to the system. Operating expenses for 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 nonoperating revenues and expenses.

When both restricted and unrestricted resources are available for use, it is the City's policy to use restricted resources first, then unrestricted resources as they are needed.

**D. Assets, Liabilities and Net Position or Equity**

**1. *Deposits and Investments***

The City's cash and cash equivalents are considered to be cash on hand, demand deposits and all highly liquid investments, including restricted assets, with a maturity of three months or less when purchased. Amounts invested in Tex-Pool, TexStar, Texas FIT, Texas Range and Texas Class public investment pools and US Treasuries are not considered cash and cash equivalents. Assets reported as cash and cash equivalents are considered cash and cash equivalents for the statement of cash flows.

**2. *Receivables and Payables***

Transactions between funds that are representative of lending/borrowing arrangements outstanding at the end of the fiscal year are referred to as "due to/from other funds". Any residual balances outstanding between the governmental activities and the business-type activities are reported in the government-wide financial statements as "internal balances."

**CITY OF GRANBURY, TEXAS**  
**Notes to Financial Statements**  
**September 30, 2021**

**NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)**

***3. Property Tax***

Ad valorem property taxes are levied each October 1, in conformity with Subtitle E, Texas Property Tax Code. The taxes are levied from valuations assessed as of the prior January 1. Taxes are due on October 1 immediately following the levy date and are delinquent after the following January 31. Tax liens are automatic on January 1 each year. Property tax revenues are recognized as revenue beginning on the date of levy, October 1, when they become available. "Available" means collected within the current period or expected to be collected soon thereafter to be used to pay current liabilities. Taxes not expected to be collected within sixty days of the fiscal year ending are recorded as deferred revenue and are recognized when they become available. Taxes collected prior to the levy date to which they apply are recorded as deferred revenue and recognized as revenue of the period to which they apply.

***4. Inventory***

All inventories are valued at cost using an average cost method. Inventories of governmental funds are recorded as expenditures when consumed rather than when purchased.

***5. Prepaid Items***

Payments made to vendors for services that will benefit periods beyond September 30 are recorded as prepaid items in both the government-wide and fund financial statements. Prepaid expenses in the governmental funds are accounted for using the purchases method.

***6. Capital Assets***

Capital assets, which include property, plant and equipment, and infrastructure assets, are reported in the applicable governmental activities or business-type activities columns in the government-wide financial statements and in the proprietary funds financial statements. The City defines capital assets as assets with an initial, individual cost of more than \$5,000 and an estimated useful life of two years or more. Such assets are recorded at cost or estimated historical cost if purchased or constructed. Donated capital assets, donated works of art and similar items, and capital assets received in a service concession arrangement are reported at acquisition value.

The cost of normal maintenance and repairs that do not add to the value of the asset or materially extend assets lives are not capitalized.

Property, plant and equipment of the primary government and proprietary funds are depreciated using the straight-line method over the following estimated useful lives.

Building and infrastructure	20 - 40 years
Improvements other than buildings	10 - 50 years
Machinery and equipment	7 - 20 years

The City has reported infrastructure capital assets acquired prior to the implementation of GASB Statement No. 34 at estimated historical cost and are reported with improvements other than buildings.

**CITY OF GRANBURY, TEXAS**  
**Notes to Financial Statements**  
**September 30, 2021**

**NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)**

**7. *Compensated Absences***

It is the City's policy to permit employees to accumulate a limited amount of earned but unused vacation and sick pay benefits. When an employee leaves City employment, the employee is paid for earned but unused vacation time. This payout is limited to an amount equal to their annual vacation allowance based on years of service. Accumulated vacation time less than or equal to the employee's annual vacation allowance is accrued in the government-wide and proprietary fund financial statements. Accumulated sick time is accrued in the government-wide and proprietary fund financial statements for employees who are over sixty years old and have at least five years of service to the City or employees who have served the City for twenty years, regardless of age. A liability for these amounts are reported in the governmental funds only if they have matured, for example, as a result of employee resignations or retirements.

**8. *Long-term Obligations***

In the government-wide financial statements, and proprietary fund types 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 statements of net position. Bond premiums and discounts are deferred and amortized over the life of the bonds using the straight-line method. Bonds payable are reported net of the applicable bond premium or discount. Bond issuance costs are expenses as incurred. Deferred refunding charges are reported as deferred outflows of resources and are amortized over the life of the bonds.

In the fund financial statements, governmental fund types 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. Issuances cost, whether or not withheld from the actual debt proceeds received, are reported as debt service expenditures.

Pensions

For purposes of measuring the net pension liability, deferred outflows of resources and deferred inflows of resources related to pensions, and pension expense, information about the Fiduciary Net Position of 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 refund are recognized when due and payable in accordance with the benefit terms. Investments are reported at fair value.

**9. *Fund Balance – Governmental Funds***

In accordance with GASB No. 54, the City classified fund balances in the governmental funds as follows:

Nonspendable – includes amounts that cannot be spent because they are either not spendable in form (such as prepaids or inventory) or are legally or contractually required to be maintained intact (such as endowment funds).

**CITY OF GRANBURY, TEXAS**  
**Notes to Financial Statements**  
**September 30, 2021**

**NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)**

Restricted – includes amounts restricted by external sources (creditors, laws of other governments, etc.) or by constitutional provision or enabling legislation.

Committed – includes amounts constrained to specific purposes by a government itself, using its highest decision-making authority; to be reported as committed, amounts cannot be used for any other purpose unless the government takes the same highest-level action to remove or change the constraint (City Council ordinance).

Assigned – includes amounts a government intends to use for a specific purpose; intent can be expressed by the governing body or by an official or body to which the governing body delegates the authority. Action is required by the City Council to designate, remove or change the constraints on an item in this category.

Unassigned – All amounts not included in other spendable classifications. The general fund is the only fund that reports a positive fund balance amount. In other governmental funds, it is not appropriate to report a positive unassigned fund balance amount. However, in governmental funds other than the general fund, if expenditures incurred for specific purposes exceed the amounts that are restricted, committed, or assigned to those purposes, it may be necessary to report a negative unassigned fund balance in that fund.

The details of the fund balances of the governmental funds are as follows:

	General Fund	Debt Service Fund	Capital Projects Fund	Other Governmental Funds	Total Governmental Funds
<u>Nonspendable:</u>					
Prepays and inventory	\$ 130,693	\$ -	\$ -	\$ 28,529	\$ 159,222
<u>Restricted:</u>					
Debt Service	-	763,092	-	-	763,092
Construction	-	-	13,127,390	-	13,127,390
Police training, K9 program and forfeiture funds	82,315	-	-	-	82,315
Park improvements	509,908	-	-	-	509,908
Public, educational and governmental programming	37,872	-	-	-	37,872
Tourism	-	-	-	463,638	463,638
Court Technology & Security	94,176	-	-	-	94,176
<u>Committed:</u>					
Culture and Recreation	-	-	-	126,307	126,307
General Government	149,978	-	-	-	149,978
Clean Air Coalition	67,020	-	-	-	67,020
Police	2,016,352	-	-	-	2,016,352
Fire	8,777	-	-	-	8,777
Streets	26,019	-	-	-	26,019
Parks	270,516	-	-	-	270,516
Cemetery	500	-	-	-	500
<u>Assigned:</u>					
Cemetery Gas Well	197,026	-	-	-	197,026
<u>Unassigned:</u>					
	11,777,670	-	-	-	11,777,670
	<u>\$ 15,368,822</u>	<u>\$ 763,092</u>	<u>\$ 13,127,390</u>	<u>\$ 618,474</u>	<u>\$ 29,877,778</u>

**CITY OF GRANBURY, TEXAS**  
**Notes to Financial Statements**  
**September 30, 2021**

**NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)**

When an expenditure is incurred for purposes for which both restricted and unrestricted fund balance is available, the City considers restricted fund balance 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 first spent out of committed funds, then assigned, and finally unassigned as needed.

The City Council adopted a minimum fund balance policy for the General Fund. The policy requires the City to strive to maintain an unassigned fund balance of not less than 25% of the General Fund budgeted expenditures.

**10. *Net Position***

Net position represents the difference between assets, deferred outflows of resources and liabilities and deferred inflows of resources. Net assets invested in capital assets, net of related debt consists of capital assets, net of accumulated depreciation, reduced by the outstanding balances of any borrowing used for the acquisition, construction or improvements of those assets, and adding back unspent proceeds. Net position is reported as restricted when there are limitations imposed on their use either through the enabling legislations adopted by the City or through external restrictions imposed by creditors, grantors or laws or regulations of other governments.

The following is the reconciliation of restricted fund balance reported in the governmental fund financial statements the restricted net position of the governmental activities reported in the government-wide financial statements.

Restricted Fund Balance (Exhibit C-1)	\$ 15,078,391
Adjustments	
Unspent proceeds from bonds reclassified to net investment in capital assets	(13,127,390)
Accrued interest payable restricted for debt service	(178,864)
Deferred property tax revenue restricted for debt service	44,031
Total adjustments	(13,262,223)
Restricted Net Position (Exhibit A-1)	\$ 1,816,168

**11. *Use of Estimates***

The preparation of financial statements in conformity with Generally Accepted Accounting Principles requires the use of management's estimates.

**12. *Comparative Data***

Comparative total data for the prior year has been presented only for individual funds in the fund financial statements in order to provide an understanding of the changes in the financial position and operations of these funds. Also, certain amounts presented in the prior year have been reclassified in order to be consistent with the current year's presentation.

**CITY OF GRANBURY, TEXAS**  
**Notes to Financial Statements**  
**September 30, 2021**

**NOTE 2:      DEPOSITS AND INVESTMENTS**

The Texas Public Funds Investment Act authorizes the government to invest in obligations of the U.S. Treasury, obligations of states, agencies, counties, cities and other political subdivisions, secured certificates of deposit, repurchase agreements, bankers' acceptance, commercial paper, mutual funds, guaranteed investment contracts and investment pools. Investments are stated at fair value except for short-term highly liquid investments which are stated at cost or amortized cost. During the year ended September 30, 2021, the City did not own any types of securities other than those permitted by statute.

The City invests idle funds in the Texas Local Government Investment Pool (TexPool), TexSTAR investment pool, the Texas Cooperative Liquid Assets Securities System (Texas CLASS) investment pool, Texas Fixed Income Trust (Texas FIT), and the Texas Range Local Investment Pool. The City's investment pools are local government investment pools organized under the authority of the Interlocal Cooperation Act Chapter 791, Texas Government Code, and the Public Funds Investment Act, Chapter 2256, Texas Government Code. All investments of the Pools are stated at amortized cost, which in most cases approximates the market value of the securities. The objective of the Pools is to maintain a stable \$1.00 net asset value; however, the \$1.00 net asset value is not guaranteed or insured by the State of Texas.

The State Comptroller of Public Accounts exercises oversight responsibilities over TexPool. Oversight includes the ability to significantly influence operations, designation of management and accountability for fiscal matters. Additionally, the State Comptroller has established an advisory board composed of both participants in TexPool and other persons who do not have a business relationship with TexPool. The advisory board members review the investment policy and management fee structure. As a requirement to maintain its rating, weekly portfolio information must be submitted to Standards and Poor's, as well as the office of the Comptroller of Public Accounts for review.

TexSTAR has been organized in conformity with the Interlocal Cooperation Act, Chapter 791 of the Texas Government Code, and the Public Funds Investment Act, Chapter 2256 of the Texas Government Code. An advisory board composed of participants in TexSTAR and other persons who do not have a business relationship with TexSTAR has been established and maintained.

Texas CLASS has been organized in conformity with the Interlocal Cooperation Act, Chapter 791 of the Texas Government Code, and the Public Funds Investment Act, Chapter 2256 of the Texas Government Code. An advisory board composed of participants in Texas CLASS and other persons who do not have a business relationship with Texas CLASS has been established and maintained.

Texas FIT has been organized in conformity with the Interlocal Cooperation Act, Chapter 791 of the Texas Government Code, and the Public Funds Investment Act, Chapter 2256 of the Texas Government Code. An advisory board composed of participants in Texas FIT and other persons who do not have a business relationship with Texas FIT has been established and maintained.

Texas Range has been organized in conformity with the Interlocal Cooperation Act, Chapter 791 of the Texas Government Code, and the Public Funds Investment Act, Chapter 2256 of the Texas Government Code. An advisory board composed of participants in Texas Range and other persons who do not have a business relationship with Texas Range has been established and maintained.

**CITY OF GRANBURY, TEXAS**  
**Notes to Financial Statements**  
**September 30, 2021**

**NOTE 2: DEPOSITS AND INVESTMENTS (Continued)**

Custodial Credit Risk – Deposits

Custodial credit risk is the risk that in the event of a bank failure, the government’s deposits may not be returned to it. The City’s funds are required to be deposited and invested under the terms of a depository contract. The City’s deposits are required to be collateralized with securities held by the pledging institution’s trust department or agent in the City’s name at a level of not less than 102% of fair value. At September 30, 2021, the City’s deposits at all banks were adequately insured.

\$24,558,395 of the City’s cash balance is held in an escrow account and collateralized in the name of the financial institution, not the City.

Credit Risk– Investments

The City controls credit risk by limiting its investments to those instruments allowed by the State Public Funds Investment Act described above.

Interest Rate Risk – Investments

In accordance with its investment policy, the City manages interest rate risk by avoiding over-concentration of assets in a specific maturity sector, a specific issuer or a specific class of securities. Portfolio maturities are staggered in a way that protects interest income from volatility and concentrations in a specific maturity sector. The maximum dollar weighted average maturity will be limited to two years. The City’s investments at September 30, 2021 included the following:

<u>Investment</u>	<u>Credit Rating</u>	<u>Maturities</u>	<u>% of Total Investments</u>	<u>Cost</u>	<u>Fair Value</u>
Tex-Pool	AAAm	37 days	1.14%	\$ 425,000	\$ 425,000
Texas CLASS Pool	AAAm	53 days	48.21%	17,933,683	17,933,683
Texas FIT	AAAf	93 days	40.10%	14,916,432	14,916,432
Texas Range Pool	AAAm	32 days	5.66%	2,105,852	2,105,852
TexStar Pool	AAAm	43 days	4.88%	1,815,018	1,815,018
			100.00%	<u>\$ 37,195,985</u>	<u>\$ 37,195,985</u>

Reconciliation to financial statements

Investments from Exhibit A-1	\$ 61,754,381
Less: BOK Financial Short-Term Cash	<u>(24,558,396)</u>
	<u>\$ 37,195,985</u>

**CITY OF GRANBURY, TEXAS**  
**Notes to Financial Statements**  
**September 30, 2021**

**NOTE 3: RESTRICTED ASSETS**

The following cash and investments in the government-wide statement of net position are restricted for the following purposes:

	<u>Cash</u>	<u>Investments</u>
Governmental Activities		
PEG Fees	\$ 37,872	\$ -
Police forfeitures	71,429	-
Trust and agency	215,127	-
Construction	3,377,970	11,314,955
Total	<u>\$ 3,702,398</u>	<u>\$11,314,955</u>
Business-type Activities		
Customer deposits	\$ 967,266	\$ -
Impact fees restricted for capital improvements	1,339,377	1,210,708
Revenue bond reserve	16,484	890,018
Bond construction fund	3,722,377	26,859,181
Total	<u>\$ 6,045,504</u>	<u>\$28,959,907</u>

**NOTE 4: RECEIVABLES**

All trade and property tax receivables are shown net of an allowance for uncollectibles. The property tax receivable allowance is based upon historical experience and is equal to 15% of outstanding delinquent property taxes at September 30. In the governmental activities the fines and fees receivable is reported net of an allowance which is 80% of the outstanding receivable. Trade accounts receivable in the enterprise fund that are inactive at year-end comprise the trade accounts receivable allowance for uncollectible accounts. Receivables as of year-end for the governmental funds and enterprise fund, including the applicable allowances for uncollectible accounts are as follows:

	<u>General</u>	<u>Debt Service</u>	<u>Tourism</u>	<u>Total Governmental Funds</u>	<u>Total Enterprise Funds</u>
Receivables:					
Property taxes	\$ 44,052	\$ 51,801	\$ -	\$ 95,853	\$ -
Franchise taxes	385,317	-	-	385,317	-
Accounts receivable	-	-	-	-	1,536,520
Earned income not billed	-	-	-	-	1,130,570
Fines and fees receivable	715,776	-	-	715,776	-
Due from other governments	1,869,336	-	-	1,869,336	-
Miscellaneous	407,059	-	115,953	523,012	320,520
Interest	7	-	-	7	18
Gross Receivables	<u>3,421,547</u>	<u>51,801</u>	<u>115,953</u>	<u>3,589,301</u>	<u>2,987,628</u>
Less: Allowance					
for Uncollectibles	(578,961)	(7,770)	-	(586,731)	(70,366)
Net Total Receivables	<u>\$2,842,586</u>	<u>\$ 44,031</u>	<u>\$ 115,953</u>	<u>\$3,002,570</u>	<u>\$2,917,262</u>

**CITY OF GRANBURY, TEXAS**  
**Notes to Financial Statements**  
**September 30, 2021**

**NOTE 5: DEFERRED OUTFLOWS/INFLOWS OF RESOURCES**

In addition to assets, the statement of financial position 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 or fund balance that applies to a future period(s) and thus, will not be recognized as an outflow of resources (expense/expenditure) until then. The City has three items that qualify in this category, deferred charges on refunding bonds, deferred outflows related to pensions, and deferred outflows relating to OPEB reported in the government-wide statement of net position and proprietary funds statement of net position. A deferred charge on refunding results from the difference in the carrying value of the refunded debt and its reacquisition price. The amount is deferred and amortized over the shorter of the life of the refunded or refunding debt.

In addition to liabilities, the statement of financial position and governmental funds balance sheet will sometimes report a separate section for deferred inflows of resources. This separate financial statement element, deferred inflows of resources, represents an acquisition of net position or fund balance that applies to a future period(s) and so will not be recognized as an inflow of resource (revenue) until that time. The City has three types of items in this category, unavailable revenues for governmental funds, deferred inflows related to pensions, and deferred inflows relating to OPEB in the government-wide statement of net position and proprietary funds statements. At the end of the fiscal year, the components of deferred inflows in the governmental funds were as follows:

**Deferred inflows of resources - governmental funds**

Deferred property taxes receivable (general fund)	\$ 35,204
Deferred property taxes receivable (debt service fund)	44,031
Deferred sales tax receivable (general fund)	1,002,883
Deferred franchise tax receivable (general fund)	385,317
Deferred fines and fees receivable (general fund)	143,155
Total deferred inflows for governmental funds	\$ 1,610,590

**NOTE 6: INTERFUND RECEIVABLE, PAYABLES AND TRANSFERS**

The composition of interfund balances for the City's individual major funds and nonmajor funds as of September 30, 2021, is as follows:

Receivable Fund	Payable Fund	Amount	Purpose
General	Utility Fund	\$ 14,873	Warehouse inventory
	Debt Service	165	Debt Service
Debt Service	General Fund	987	Debt service
Total Governmental Funds		\$ 16,025	

**CITY OF GRANBURY, TEXAS**  
**Notes to Financial Statements**  
**September 30, 2021**

**NOTE 6: INTERFUND RECEIVABLE, PAYABLES AND TRANSFERS (Continued)**

The composition of interfund transfers for the City's individual major funds and nonmajor funds as of September 30, 2021, is as follows:

<u>Transfer In</u>	<u>Transfer Out</u>	<u>Amount</u>	<u>Purpose</u>
General	Airport	\$ 51,113	Unrestricted revenues of airport fund used to finance various general fund programs
	Utility	1,538,125	Unrestricted revenues of utility fund used to finance various general fund programs
Debt Service	General	214,657	Debt service
	Utility	57,354	Debt service
Capital Projects	Airport	167,000	Capital Outlay
Nonmajor	General	395,305	Tourism
	General	<u>40,000</u>	Historic Properties
Total Governmental Funds Transfers In		<u><u>\$ 2,463,554</u></u>	

**CITY OF GRANBURY, TEXAS**  
**Notes to Financial Statements**  
**September 30, 2021**

**NOTE 7: CAPITAL ASSETS**

Capital asset activity for the governmental activities for the year ended September 30, 2021 was as follows:

Governmental activities:	Beginning Balance	Increases	Decreases	Transfers & Adjustments	Ending Balance
<b>Non - Depreciable Assets:</b>					
Land	\$ 6,660,750	\$ -	\$ -	\$ -	\$ 6,660,750
Construction in Progress	1,745,143	7,106,876	-	(2,271,747)	6,580,272
Total non-depreciable assets	<u>8,405,893</u>	<u>7,106,876</u>	<u>-</u>	<u>(2,271,747)</u>	<u>13,241,022</u>
<b>Depreciable Assets:</b>					
Buildings	27,642,509	-	(305,055)	-	27,337,454
Improvements other than buildings	67,563,382	281,067	-	1,957,495	69,801,944
Machinery and equipment	14,804,577	605,755	(73,238)	314,252	15,651,346
Total capital assets being depreciated	<u>110,010,468</u>	<u>886,822</u>	<u>(378,293)</u>	<u>2,271,747</u>	<u>112,790,744</u>
<b>Accumulated Depreciation:</b>					
Buildings	(10,324,023)	(1,095,856)	152,527	-	(11,267,352)
Improvements other than buildings	(37,004,709)	(1,882,207)	-	-	(38,886,916)
Machinery and equipment	(10,573,696)	(968,942)	73,238	-	(11,469,400)
Total accumulated depreciation	<u>(57,902,428)</u>	<u>(3,947,005)</u>	<u>225,765</u>	<u>-</u>	<u>(61,623,668)</u>
Governmental activities capital assets, net	<u>\$ 60,513,933</u>	<u>\$ 4,046,693</u>	<u>\$ (152,528)</u>	<u>\$ -</u>	<u>\$ 64,408,098</u>

Depreciation expense was charged as a direct expense to programs of the governmental activities as follows:

<b>Governmental activities:</b>	
Information technology	\$ 66,101
Fleet	5,643
Warehouse	5,006
Building maintenance	95,696
Granbury broadcasting services	27,767
Other governmental functions	413,634
Police	229,397
Fire	408,760
Municipal Court	1,209
Streets	1,345,551
Cemetery	14,373
Tourism	724,080
Parks	609,788
Total depreciation expense - governmental activities	<u>\$ 3,947,005</u>

**CITY OF GRANBURY, TEXAS**  
**Notes to Financial Statements**  
**September 30, 2021**

**NOTE 7: CAPITAL ASSETS (Continued)**

Capital asset activity for the business-type activities for the year ended September 30, 2021 was as follows:

Business-type activities:	Beginning Balance	Increases	Decreases	Transfers & Adjustments	Ending Balance
<b>Non - Depreciable Assets:</b>					
Land	\$ 12,611,591	\$ -	\$ -	\$ 240,000	\$ 12,851,591
Construction in Progress	25,310,063	8,165,660	-	(1,275,688)	32,200,035
Total non-depreciable assets	<u>37,921,654</u>	<u>8,165,660</u>	<u>-</u>	<u>(1,035,688)</u>	<u>45,051,626</u>
<b>Depreciable Assets:</b>					
Buildings	1,682,441	-	-	71,066	1,753,507
Improvements other than buildings	101,646,288	405,142	-	564,042	102,615,472
Machinery and equipment	5,301,905	408,374	(58,570)	400,580	6,052,289
Total capital assets being depreciated	<u>108,630,634</u>	<u>813,516</u>	<u>(58,570)</u>	<u>1,035,688</u>	<u>110,421,268</u>
<b>Accumulated Depreciation:</b>					
Buildings	(470,586)	(134,822)	-	-	(605,408)
Improvements other than buildings	(35,167,680)	(3,833,868)	-	-	(39,001,548)
Machinery and equipment	(3,523,745)	(627,104)	58,570	-	(4,092,279)
Total accumulated depreciation	<u>(39,162,011)</u>	<u>(4,595,794)</u>	<u>58,570</u>	<u>-</u>	<u>(43,699,235)</u>
Business-type activities capital assets, net	<u>\$ 107,390,277</u>	<u>\$ 4,383,382</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 111,773,659</u>

Depreciation expense was charged to functions/programs of the business-type activities as follows:

<b>Business-type activities:</b>	
Water treatment and distribution	\$ 3,122,987
Wastewater collection and treatment	1,070,836
Electricity	246,239
Airport	155,732
Total depreciation expense - business-type activities	<u>\$ 4,595,794</u>

**CITY OF GRANBURY, TEXAS**  
**Notes to Financial Statements**  
**September 30, 2021**

**NOTE 8: GOVERNMENTAL ACTIVITIES LONG-TERM DEBT**

The City issues General Obligation Bonds to provide funds for the acquisition and construction of major capital facilities. General Obligation Bonds are direct obligations and pledge the full faith and credit of the government. General Obligation Bonds and Certificates of Obligation outstanding for governmental activities are as follows:

Purpose	Date Issued	Maturity Date	Interest Rate	Original Principal	Amount Outstanding
Governmental Refunding	05/01/13	08/15/24	2.00% - 3.00%	\$ 4,980,000	\$ 1,035,000
Governmental Refunding	03/01/08	08/15/24	3.50% - 4.00%	2,270,000	97,500
Governmental Refunding	06/01/11	08/15/22	2.00% - 4.00%	5,845,000	20,000
Governmental Refunding	12/01/14	08/15/31	2.00% - 4.00%	8,130,000	6,985,000
Governmental Refunding	08/01/16	08/15/32	2.00% - 5.00%	5,075,000	1,945,000
Construction & Improvements	04/15/15	08/15/25	2.00% - 4.00%	2,460,000	940,000
Construction & Improvements	02/15/16	08/15/36	2.00% - 4.00%	9,690,000	8,825,000
Fire Apparatus	06/01/19	08/15/29	2.38%	2,210,000	1,815,000
Construction & Improvements	02/15/20	08/15/40	2.00% - 5.00%	16,460,000	16,460,000

General Obligation Bonds, Certificates of Obligation Bonds and Capital Leases Payable principal and interest are paid by the debt service fund. The Note Payable to First Financial Bank is paid by the Granbury Historic Properties Corporation. The compensated absences balances were earned in the funds as follows: general fund \$649,856 and tourism fund \$10,519.

As of September 30, 2021, the City had the following governmental activities long-term debt outstanding:

	Beginning Balance	Additions	Retirements	Ending Balance	Due Within One Year
Governmental Activities:					
Not Direct Placement					
Certificates of Obligation	\$ 26,655,000	\$ -	\$ 430,000	\$ 26,225,000	\$ 850,000
General Obligation Bonds	11,757,500	-	1,675,000	10,082,500	1,700,000
Issuance Premium	4,276,108	-	310,614	3,965,494	310,614
	<u>42,688,608</u>	<u>-</u>	<u>2,415,614</u>	<u>40,272,994</u>	<u>2,860,614</u>
Direct Placement					
Certificates of Obligation	2,019,000	-	204,000	1,815,000	209,000
Total Bonds	<u>44,707,608</u>	<u>-</u>	<u>2,619,614</u>	<u>42,087,994</u>	<u>3,069,614</u>
Notes Payable	205,864	-	27,470	178,394	30,323
Capital Leases	1,033,604	-	186,003	847,601	191,147
Compensated Absences	659,913	660,375	659,913	660,375	334,741
Net Pension Liability	5,457,879	814,101	-	6,271,980	-
Total OPEB Liability	461,479	99,653	-	561,132	-
Total Governmental Activities	<u>\$ 52,526,347</u>	<u>\$ 1,574,129</u>	<u>\$ 3,493,000</u>	<u>\$ 50,607,476</u>	<u>\$ 3,625,825</u>

**CITY OF GRANBURY, TEXAS**  
**Notes to Financial Statements**  
**September 30, 2021**

**NOTE 8: GOVERNMENTAL ACTIVITIES LONG-TERM DEBT (Continued)**

Liabilities for compensated absences, net pension liability, and other post-employment benefits that are included in governmental activities are expended primarily in the General Fund as benefits are used by the employees.

The aggregate debt service payments to maturity of the governmental activities general obligation bonds, certificates of obligation that are not direct placement are as follows:

	General Obligation Bonds			Certificates of Obligation		
	Principal	Interest	Total	Principal	Interest	Total
2022	\$ 1,700,000	\$ 383,625	\$ 2,083,625	\$ 850,000	\$ 972,981	\$ 1,822,981
2023	1,025,000	327,225	1,352,225	1,280,000	939,681	2,219,681
2024	1,067,500	291,800	1,359,300	1,335,000	885,082	2,220,082
2025	685,000	251,600	936,600	1,375,000	848,381	2,223,381
2026	710,000	224,200	934,200	1,160,000	810,481	1,970,481
2027-2031	3,980,000	670,800	4,650,800	6,490,000	3,357,407	9,847,407
2032-2036	915,000	36,600	951,600	8,655,000	1,999,756	10,654,756
2037-2041	-	-	-	5,080,000	518,000	5,598,000
Debt Service Requirements	10,082,500	2,185,850	12,268,350	26,225,000	10,331,769	36,556,769
Add: Unamortized Premium	950,508		950,508	3,014,986		3,014,986
	<u>\$ 11,033,008</u>	<u>\$ 2,185,850</u>	<u>\$ 13,218,858</u>	<u>\$ 29,239,986</u>	<u>\$ 10,331,769</u>	<u>\$ 39,571,755</u>

Governmental bonds from direct placements include a provision that in the event the City defaults on the payments or performance of covenants, conditions, or obligations, the holders of the bonds shall be entitled to seek a writ of mandamus issued by a court of proper jurisdiction compelling and requiring the governing body of the City to observe and perform the covenant, a condition and obligation prescribed by bond ordinance.

Payments to maturity on the direct placement bonds include the following:

	Certificates of Obligation		
	Principal	Interest	Total
2022	\$ 209,000	\$ 43,197	\$ 252,197
2023	213,000	38,223	251,223
2024	219,000	33,153	252,153
2025	224,000	27,941	251,941
2026	229,000	22,610	251,610
2027-2031	721,000	34,582	755,582
	<u>1,815,000</u>	<u>199,706</u>	<u>2,014,706</u>

**CITY OF GRANBURY, TEXAS**  
**Notes to Financial Statements**  
**September 30, 2021**

**NOTE 8: GOVERNMENTAL ACTIVITIES LONG-TERM DEBT (Continued)**

Payments to maturity on direct placement notes payable include the following:

	Notes Payable		
	Principal	Interest	Total
2022	\$ 30,323	\$ 5,079	\$ 35,402
2023	31,337	4,064	35,401
2024	32,376	3,026	35,402
2025	33,469	1,933	35,402
2026	34,589	1,446	36,035
2027-2031	16,300	813	17,113
	\$ 178,394	\$ 16,361	\$ 194,755

**NOTE 9: BUSINESS-TYPE ACTIVITIES LONG-TERM DEBT**

Three debt issues of the City are allocated between the governmental activities and business-type activities. The General Obligation Refunding Bonds, Series 2008 were allocated \$2,270,000 governmental activities and \$2,270,000 business-type activities. The General Obligation Refunding Bonds, Series 2013 were allocated \$4,980,000 governmental activities and \$3,190,000 business-type activities. The General Obligation Refunding Bonds, Series 2016 were allocated \$5,075,000 governmental activities and \$815,000 business-type activities.

In December 2018, the City issued \$13,810,000 in Combination Tax and Surplus Revenue Certificates of Obligation from the Texas Water Development Board's Drinking Water State Revolving Fund for the construction of improvements and extensions to the City's water system. As of September 30, 2021, expenditures for the project totaled \$13,452,023. The funds are held in an escrow account and disbursed to pay for costs of the project. As of September 30, 2021, the balance of the escrow account was \$1,373,780.

In December 2018, the City issued \$34,950,000 in Combination Tax and Surplus Revenue Certificates of Obligation from the Texas Water Development Board's Clean Water State Revolving Fund for the construction of improvements and extensions to the City's wastewater system. As of September 30, 2021, expenditures for the project totaled \$9,342,168. The funds are held in an escrow account and disbursed to pay for costs of the project. As of September 30, 2021, the balance of the escrow account was \$23,184,615.

**CITY OF GRANBURY, TEXAS**  
**Notes to Financial Statements**  
**September 30, 2021**

**NOTE 9: BUSINESS-TYPE ACTIVITIES LONG-TERM DEBT (Continued)**

General Obligation Bonds and Certificates of Obligation outstanding for business-type activities are as follows:

Purpose	Date Issued	Maturity Date	Interest Rate	Original Principal	Amount Outstanding
Enterprise Refunding	05/01/13	08/15/24	2.00% - 3.00%	\$ 3,190,000	\$ 490,000
Enterprise Refunding	03/01/08	08/15/24	3.50% - 4.00%	2,270,000	97,500
Enterprise Refunding	08/01/16	08/15/24	2.00% - 5.00%	815,000	385,000
Enterprise Refunding	02/01/18	08/15/38	2.00% - 4.00%	5,620,000	2,835,000
Enterprise Refunding	08/15/20	08/15/31	2.00% - 5.00%	2,695,000	2,490,000
Water System Improvements	06/15/15	08/15/45	0.00% - 2.22%	1,643,000	15,330,000
Water System Improvements	06/15/16	08/15/27	0.00% - 1.04%	2,720,000	1,640,000
Water System Improvements	04/01/17	08/15/37	0.00% - 2.16%	15,000,000	14,425,000
Water System Improvements	12/01/18	08/15/48	0.76% - 2.27%	13,810,000	13,040,000
Wastewater System Improvements	12/01/18	08/15/48	0.56% - 1.97%	34,950,000	34,390,000

In June 2021, the City took out a \$3,700,000 loan for the purpose of paying the invoice for purchased power during the February 2021 winter storm. The loan has term of 364 days with an interest rate of 2.3% due in quarterly installments of \$475,066 with a balloon payment due at the maturity date of June 20, 2022 in the amount of \$2,346,091. The City has the option to request a renewal date for another year under the same terms ninety days prior to the maturity of the original loan. The lender will have thirty days to accept or deny the requested renewal.

As of September 30, 2021, the City had the following business-type activities long-term debt outstanding:

	Beginning Balance	Additions	Retirements	Ending Balance	Due Within One Year
<b>Business-Type Activities:</b>					
Not Direct Placement					
Certificates of Obligation	\$ 80,435,000	\$ -	\$ 1,610,000	\$ 78,825,000	\$ 1,590,000
General Obligation Bonds	7,677,500	-	1,380,000	6,297,500	1,465,000
Issuance Premium	823,320	-	79,223	744,097	79,042
Total Bonds	88,935,820	-	3,069,223	85,866,597	3,134,042
Texas Capital Fund Loan	44,056	-	8,010	36,046	8,010
Notes Payable	-	3,700,000	-	3,700,000	3,700,000
Capital Leases	1,310,182	-	180,155	1,130,027	148,851
Compensated Absences	171,179	214,423	171,179	214,423	79,933
Net Pension Liability	1,458,192	279,609	-	1,737,801	-
Total OPEB Liability	132,063	33,095	-	165,158	-
Total Business-Type Activities	\$ 92,051,492	\$ 4,227,127	\$ 3,428,567	\$ 92,850,052	\$ 7,070,836

**CITY OF GRANBURY, TEXAS**  
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**NOTE 9: BUSINESS-TYPE ACTIVITIES LONG-TERM DEBT (Continued)**

The aggregate debt service payments to maturity of the business-type activities general obligation bonds and certificates of obligation are as follows:

	General Obligation and Certificates of Obligation		
	Principal	Interest	Total
2022	\$ 3,055,000	\$ 1,578,333	\$ 4,633,333
2023	3,120,000	1,521,913	4,641,913
2024	3,157,500	1,485,389	4,642,889
2025	3,205,000	1,445,716	4,650,716
2026	3,250,000	1,399,506	4,649,506
2027-2031	17,005,000	6,228,680	23,233,680
2032-2036	18,870,000	4,569,723	23,439,723
2037-2041	14,985,000	2,771,575	17,756,575
2042-2046	14,065,000	1,294,623	15,359,623
2047-2051	4,410,000	136,041	4,546,041
Debt Service Requirements	85,122,500	22,431,499	107,553,999
Add: Unamortized Premium	744,097		744,097
	\$ 85,866,597	\$ 22,431,499	\$ 108,298,096

The various bond ordinances contain a number of limitations and restrictions. Management believes the City is in compliance with all significant limitations and restrictions at September 30, 2021.

**NOTE 10: TEXAS CAPITAL LOAN FUND**

The City has obtained a loan in the form of a grant from the Texas Capital Fund administered by the Texas Department of Agriculture through the Office of Rural Community Affairs. The purpose of the grants are for capital acquisition and/or rehabilitation of facilities needed for new manufacturing entities who relocated to Granbury or existing manufacturing or service companies who expand operations in Granbury. The loans will be repaid to the State by the City from lease revenues received from the companies who lease the facilities from the City.

The term of the lease coincides with the loan which is amortized over 10 years at 0.00% interest payable in monthly installments. The City is obligated in some manner to the State for the repayment of the loans; however, should the business default on its obligation to the City, the State shall suspend the repayment terms until another occupant for the facility can be found. Due to the nature of the loan, the City has accounted for the loans in the business-type activities column of the statement of net assets.

The tenants of the facilities have options to purchase the facilities at any time after the expiration of five years from the date the State contract is closed-out. The purchase price is the original amount of the loan less the sum of (a) the full amount of all fixed rental payments actually received by the City; and (b) any and all amounts actually paid by the tenant to the City under the project agreement as a result of recoupment of Texas Capital Fund grant by the Texas Department of Agriculture.

**CITY OF GRANBURY, TEXAS**  
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**NOTE 10: TEXAS CAPITAL LOAN FUND (Continued)**

The annual debt service requirements to maturity for the special assessment debt are as follows:

	<u>Principal</u>
2022	\$ 8,010
2023	8,010
2024	8,010
2025	8,010
2026	4,006
Total	<u>\$ 36,046</u>

**NOTE 11: CAPITAL LEASES PAYABLE**

The City has committed under various noncancelable lease/purchase agreements, primarily for equipment and airport hangers.

<u>Purpose</u>	<u>Date Issued</u>	<u>Maturity Date</u>	<u>Interest Rate</u>	<u>Original Principal</u>	<u>Amount Outstanding</u>
<b>Governmental Activities:</b>					
Pumper Truck	02/18/15	03/01/25	2.750%	\$ 812,000	\$ 310,085
Freightliner Rescue Vehicle	12/13/16	12/16/23	2.030%	347,802	117,215
Heating & Cooling Units	08/15/18	08/15/28	3.409%	572,131	420,301
<b>Business-type Activities:</b>					
Aircraft Maintenance Hangar	02/12/13	02/13/28	3.350%	188,705	91,830
Aircraft Storage Hangar	02/12/13	02/13/28	3.350%	284,790	137,418
Heating & Cooling Units	08/15/18	08/15/28	3.409%	1,225,994	900,779

Future minimum lease/purchase commitments are as follows:

	<u>Governmental Activities</u>	<u>Business-type Activities</u>	<u>Total</u>
2022	\$ 215,689	\$ 186,137	\$ 401,826
2023	215,710	186,137	401,847
2024	175,458	186,137	361,595
2025	114,684	186,138	300,822
2026	68,000	186,137	254,137
2027-2031	<u>135,996</u>	<u>346,587</u>	<u>482,583</u>
Total debt service requirements	925,537	1,277,273	2,202,810
Less: Interest Portion	<u>77,936</u>	<u>147,246</u>	<u>225,182</u>
Debt Principal	<u>\$ 847,601</u>	<u>\$ 1,130,027</u>	<u>\$ 1,977,628</u>

**CITY OF GRANBURY, TEXAS**  
**Notes to Financial Statements**  
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**NOTE 11: CAPITAL LEASES PAYABLE (Continued)**

The City rents the airport T-hangers to individuals on a monthly basis. The above lease commitment will be offset by approximately \$325,000 rental income annually.

Assets under lease and related accumulated depreciation are as follows:

	Governmental Activities	Business-type Activities	Total
Improvements other than buildings	\$ 572,131	\$ 2,685,021	\$ 3,257,152
Machinery and equipment	1,159,277	-	1,159,277
Less: Accumulated Depreciation	<u>(814,757)</u>	<u>(1,122,078)</u>	<u>(1,936,835)</u>
Net	<u>\$ 916,651</u>	<u>\$ 1,562,943</u>	<u>\$ 2,479,594</u>

**NOTE 12: RISK MANAGEMENT**

The City is exposed to various risks of loss related to torts; theft of, damage to and destruction of assets; errors and omissions; injuries to employees; and natural disasters. The City is a member of the Texas Municipal League and participates in the Intergovernmental Risk Pool insurance coverage and are 100% covered through third-party insurance policies. There has been no reduction in coverage and the amount of settlements during the past three years has not exceeded the insurance coverage.

**NOTE 13: DEFINED BENEFIT PENSION PLANS**

**A. Texas Municipal Retirement System (TMRS)**

Plan Description

The City participates as one of 895 plans in defined benefit cash-balance plan administered by the Texas Municipal Retirement System (TMRS). TMRS is a statewide public retirement plan created by the State of Texas and administered in accordance with the TMRS Act, Subtitle G, Title 8, Texas Government Code (the TMRS Act) as an agent multiple-employer retirement system for employees of Texas participating cities. The TMRS Act places the general administration and management of TMRS with a six-member, Governor-appointed Board of Trustees; however, TRMS is not fiscally dependent on the State of Texas. TMRS issues a publicly available Comprehensive Annual Financial Report (Annual Report) that can be obtained at *tmrs.com*.

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

Benefits Provided

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

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

**CITY OF GRANBURY, TEXAS**  
**Notes to Financial Statements**  
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**NOTE 13: DEFINED BENEFIT PENSION PLANS (Continued)**

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

	Plan Year 2020
Employee deposit rate	7%
Matching ratio (city to employee)	2 to 1
Years required for vesting	5
Service retirement eligibility (expressed as age/years of service)	60/5, 0/20
Updated Service Credit	100% Repeating, Transfers
Annuity Increase (to retirees)	70% of CPI

At the December 31, 2020 valuation and measurement date, the following employees were covered by the benefit terms:

Inactive employees or beneficiaries currently receiving benefits	116
Inactive employees entitled to but not yet receiving benefits	106
Active employees	178
	400

Contributions

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

Employees for the City were required to contribute 7% of their annual compensation during the fiscal year. The contribution rates for the City were 16.16% and 16.11% in calendar years 2020 and 2021, respectively. The city's contributions to TMRS for the year ended September 30, 2021, were \$1,633,907, and were \$27,895 greater than the required contributions of \$1,606,012.

Net Pension Liability

The city's Net Pension Liability (NPL) was measured as of December 31, 2020, 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, 2020 actuarial valuation was determined using the following actuarial assumptions:

Inflation	2.5% per year
Overall payroll growth	2.75% per year, adjusted down for population declines, if any
Investment Rate of Return	6.75%, net of pension plan investment expense, including inflation

**CITY OF GRANBURY, TEXAS**  
**Notes to Financial Statements**  
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**NOTE 13: DEFINED BENEFIT PENSION PLANS (Continued)**

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

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

The long-term expected rate of return on pension plan investments was determined using a building-block method in which best estimate ranges of expected future real rates of return (expected returns, net of pension plan investment expense and inflation) are developed for each major asset class. These ranges are combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and by adding expected inflation. In determining their best estimate of a recommended investment return assumption under the various alternate asset allocation portfolios, GRS focused on the area between (1) arithmetic mean (aggressive) without an adjustment for time (conservative) and (2) the geometric mean (conservative) with an adjustment for time (aggressive). The target allocation and best estimates of real rates of return for each major asset class in fiscal year 2021 are summarized in the following table:

<u>Asset Class</u>	<u>Target Allocation</u>	<u>Long-Term Expected Rate of Return (Arithmetic)</u>
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%
Abo	10.0%	3.48%
Private Equity	10.0%	7.75%
Total	100.0%	

**CITY OF GRANBURY, TEXAS**  
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**NOTE 13: DEFINED BENEFIT PENSION PLANS (Continued)**

*Discount Rate*

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

*Changes in the Net Pension Liability*

	Increase (Decrease)		
	Total Pension Liability (a)	Plan Fiduciary Net Position (b)	Net Pension Liability (a) - (b)
Balance at 12/31/2019	\$ 46,128,640	\$ 39,574,542	\$ 6,554,098
Changes for the year:			
Service cost	1,719,086	-	1,719,086
Interest	3,113,819	-	3,113,819
Change of benefit terms	-	-	-
Difference between expected and actual experience	1,704,414	-	1,704,414
Changes of assumptions	-	-	-
Contributions - employer	-	1,690,765	(1,690,765)
Contributions - employee	-	773,773	(773,773)
Net investment income	-	3,005,625	(3,005,625)
Benefit payments, including refunds of employee contributions	(1,715,059)	(1,715,059)	-
Administrative expense	-	(19,438)	19,438
Other changes	-	(757)	757
Net changes	4,822,260	3,734,909	1,087,351
Balance at 12/31/2020	<u>\$ 50,950,900</u>	<u>\$ 43,309,451</u>	<u>\$ 7,641,449</u>

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

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

	1% Decrease in Discount Rate (5.75%)	Discount Rate (6.75%)	1% Increase in Discount Rate (7.75%)
City's Net Pension Liability	\$ 15,158,012	\$ 7,641,449	\$ 1,509,651

**CITY OF GRANBURY, TEXAS**  
**Notes to Financial Statements**  
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**NOTE 13: DEFINED BENEFIT PENSION PLANS (Continued)**

*Pension Plan Fiduciary Net Position*

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

**B. Texas Emergency Services Retirement System (TESRS)**

Plan Description

The Texas Emergency Services Retirement System (TESRS) administers a cost-sharing multiple employer pension system (the System) established and administered by the State of Texas to provide pension benefits for emergency services personnel who serve without significant monetary remuneration. Direct financial activity for the System is classified in the financial statements as pension trust funds. The System issues a stand-alone financial report that is available to the public at *tesrs.org*.

Of the nine-member state board of trustees, at least five trustees must be active members of the pension system, one of whom must represent emergency medical services personnel. One trustee may be a retiree of the pension system, and three trustees must be persons who have experience in the fields of finance, securities investment, or pension administration. At August 31, 2020, there were 238 contributing fire and/or emergency services department members participating in TESRS. Eligible participants include volunteer emergency services personnel who are members in good standing of a member department.

Benefits Provided

Senate Bill 411, 65th Legislature, Regular Session (1977), created TESRS and established the applicable benefit provisions. The 79th Legislature, Regular Session (2005), re-codified the provisions and gave the TESRS Board of Trustees authority to establish vesting requirements, contribution levels, benefit formulas, and eligibility requirements by board rule. The benefit provisions include retirement benefits as well as death and disability benefits. Members are 50% vested after the tenth year of service, with the vesting percent increasing 10% for each of the next five years of service so that a member becomes 100% vested with 15 years of service.

Upon reaching age 55, each vested member may retire and receive a monthly pension equal to his vested percent multiplied by six times the governing body's average monthly contribution over the member's years of qualified service. For years of service in excess of 15 years, this monthly benefit is increased at the rate of 6.2% compounded annually. There is no provision for automatic postretirement benefit increases.

On and off-duty death benefits and on-duty disability benefits are dependent on whether or not the member was engaged in the performance of duties at the time of death or disability. Death benefits include a lump sum amount or continuing monthly payments to a member's surviving spouse and dependent children.

**CITY OF GRANBURY, TEXAS**  
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**NOTE 13: DEFINED BENEFIT PENSION PLANS (Continued)**

Covered Membership

On August 31, 2020, the pension system membership consisted of:

Retirees and Beneficiaries Currently Receiving Benefits	3,837
Terminated Members Entitled to but Not Yet Receiving Benefits	1,787
Active Participants	3,634

Funding Policy

Contributions are made by governing bodies for the participating departments. No contributions are required from the individuals who are members of the System, nor are they allowed. The governing bodies of each participating department are required to make contributions for each month a member performs emergency services for a department (this minimum contribution is \$36 per member and the department may make a higher monthly contribution for its members). This is referred to as a Part One contribution, which is the legacy portion of the System contribution that directly impacts future retiree annuities.

According to the state law governing the System, the state is required to contribute an amount necessary to make the System “actuarially sound” each year, which may not exceed one-third of the total of all contributions made by participating governing bodies in a particular year.

The board rule defining contributions was amended in 2014 to add the potential for actuarially determined Part Two contributions that would be required only if the expected future annual contributions from the state are not enough with the Part One contributions to provide an adequate contribution arrangement as determined by the most recent actuarial valuation. This Part Two portion, which is actuarially determined as a percent of the Part One portion (not to exceed 15%), is to be actuarially adjusted every two years based on the most recent actuarial valuation. Based on the August 31, 2020 actuarial valuation, the Part Two contributions are not required for an adequate contribution arrangement.

Additional contributions may be made by governing bodies within two years of joining the System, to grant up to 15 years of credit for service per member. Prior service purchased must have occurred before the department began participation in the System.

A small subset of participating departments have a different contribution arrangement which is being phased out over time. In this arrangement, contributions made in addition to the monthly contributions for active members, are made by local governing bodies on a pay-as-you-go basis for members who were pensioners when their respective departments merged into the System. There is no actuarial impact associated with this arrangement as the pay-as-you-go contributions made by these governing bodies are always equal to benefit payments paid by the System.

**CITY OF GRANBURY, TEXAS**  
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**NOTE 13: DEFINED BENEFIT PENSION PLANS (Continued)**

Contributions Required and Contributions Made

The contribution requirement per active emergency services personnel member per month is not actuarially determined. Rather, the minimum contribution provisions are set by board rule, and there is no maximum contribution rate. For the fiscal year ending August 31, 2020, total contributions of \$3,755,240 were paid into TESRS by the political subdivisions served by the member volunteer emergency services personnel. The state appropriated \$1,329,224 for the fiscal year ending August 31, 2020. The City's contributions for the years ended September 30, 2021, 2020 and 2019 were \$77,140, \$68,110 and \$58,380, respectively.

The purpose of the biennial actuarial valuation is to determine if the contribution arrangement is adequate to pay the benefits that are promised. Actuarial assumptions are disclosed below.

The most recently completed biennial actuarial valuation as of August 31, 2020 stated that TESRS has an adequate contribution arrangement for the benefit provisions recognized in the valuation based on the expected total contributions, including the expected contributions both from the governing body of each participating department and from the state. The expected contributions from the state are state appropriations equal to (1) the maximum annual contribution (one-third of all contributions to TESRS by governing bodies of participating departments in a year) as needed in accordance with state law governing TESRS and (2) approximately \$675,000 each year to pay for part of the System's administrative expenses.

Net Pension Liability

The System's net pension liability was measured as of August 31, 2020, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of August 31, 2020.

	System 100.00%	City 1.46%
Total Pension Liability	\$ 150,440,543	\$ 2,197,936
Plan Fiduciary Net Position	125,229,661	1,829,605
Net Pension Liability	\$ 25,210,882	\$ 368,331
Plan Fiduciary Net Position as a Percentage of the Total Pension Liability	83.2%	83.2%

*Actuarial Assumptions*

The total pension liability in the August 31, 2020 actuarial valuation was determined using the following actuarial assumptions, applied to all periods included in the measurement:

Inflation	3.00%	
Salary increases	N/A	
Investment rate of return	7.75%	net of pension plan investment expense, including inflation

Mortality rates were based on the PubS-2010 (public safety) below-median income mortality tables for employees and retirees, projected for mortality improvement generationally using projection scale MP-2019.

**CITY OF GRANBURY, TEXAS**  
**Notes to Financial Statements**  
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**NOTE 13: DEFINED BENEFIT PENSION PLANS (Continued)**

The long-term expected rate of return on pension plan investments was determined using a building-block method in which expected future net real rates of return (expected returns, net of pension plan investment expense and inflation) are developed for each major asset class. These components 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 (currently 4.60%) and by adding expected inflation (3.00%). In addition, the final 7.50% assumption was selected by rounding down. The target allocation and expected arithmetic real rates of return for each major asset class are summarized in the following table:

<u>Asset Class</u>	<u>Target Allocation</u>	<u>Long-Term Expected Rate of Return (Arithmetic)</u>
Equities		
Large cap domestic	20.0%	5.83%
Small cap domestic	10.0%	5.94%
Developed international	15.0%	6.15%
Emerging markets	5.0%	7.25%
Global Infrastructure	5.0%	6.41%
Real Estate	10.0%	4.48%
Multi Asset Income	5.0%	3.84%
Fixed Income	30.0%	1.99%
Cash	0.0%	0.00%
Total	<u>100.0%</u>	
Weighted average		4.60%

*Discount Rate*

The discount rate used to measure the total pension liability was 7.50%. No projection of cash flows was used to determine the discount rate because the August 31, 2020 actuarial valuation showed that expected contributions would pay the normal cost and amortize the unfunded actuarial accrued liability (UAAL) in 30 years using the conservative level dollar amortization method. Because of the 30-year amortization period with the amortization method, the pension plan's fiduciary net position is expected to be available to make all projected future benefit payments of current active and inactive members. Therefore, the long-term expected rate of return on pension plan investments was applied to all periods of projected benefit payments to determine the total pension liability.

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

The following presents the net pension liability of the City, calculated using the discount rate of 7.50%, 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 (6.50%) or 1-percentage-point higher (8.50%) than the current rate:

	<u>1% Decrease in Discount Rate (6.50%)</u>	<u>Discount Rate (7.50%)</u>	<u>1% Increase in Discount Rate (8.50%)</u>
City's Proportional Share of the Net Pension Liability	\$ 709,653	\$ 368,331	\$ 131,183

**CITY OF GRANBURY, TEXAS**  
**Notes to Financial Statements**  
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**NOTE 13: DEFINED BENEFIT PENSION PLANS (Continued)**

**C. Pension Liabilities, Pension Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions**

At September 30, 2021, the City reported a liability of \$368,331 for its proportionate share of the TESRS's net pension liability. This liability reflects are reduction for State pension support provided to the City. The amounts recognized by the City as its proportionate share of the net pension liability, the related State support, and the total pension liability that was associated with the City were as follows:

	City
City's proportional share of the collective net pension liability	\$ 368,331
State's proportionate share that is associated with the City	146,838
	\$ 515,169

TESRS's net pension liability was measured as of August 31, 2020 and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of that date. The City's portion of the net pension liability was based on the City's contributions to the pension plan relative to the contribution of all entities to the plan for the period September 1, 2019 through August 31, 2020.

For the year ended September 30, 2021, the City recognized pension expense of \$1,586,968. \$1,464,952 of this expense was for TMRS and \$122,016 was for TESRS.

At September 30, 2021, 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	\$ 1,500,585	\$ 59,638
Changes in actuarial assumptions	75,086	-
Difference between projected and actual investment earnings	-	1,112,083
Contributions subsequent to the measurement date	1,187,256	-
Total TMRS	\$ 2,762,927	\$ 1,171,721
Differences between expected and actual economic experience	\$ -	\$ 17,488
Changes in actuarial assumptions	-	602
Difference between projected and actual investment earnings	-	2,805
Contributions subsequent to the measurement date	77,140	-
Total TESRS	\$ 77,140	\$ 20,895
Total	\$ 2,840,067	\$ 1,192,616

**CITY OF GRANBURY, TEXAS**  
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**NOTE 13: DEFINED BENEFIT PENSION PLANS (Continued)**

\$1,264,396 reported as deferred outflows of resources related to pensions resulting from contributions subsequent to the measurement date will be recognized as a reduction to the net pension liability for the year ending September 30, 2022. Other amounts reported as deferred outflows and inflows of resources related to pensions will be recognized in pension expense as follows:

	TMRS	TESRS	Total
Year Ended September 30:			
2021	\$ 125,558	\$ (16,222)	\$ 109,336
2022	610,207	(4,572)	605,635
2023	(264,947)	9,819	(255,128)
2024	(66,868)	(9,920)	(76,788)
2025	-	-	-
Thereafter	-	-	-
Total	\$ 403,950	\$ (20,895)	\$ 383,055

**NOTE 14: POST EMPLOYMENT BENEFITS OTHER THAN PENSIONS (OPEB)**

Plan Description

TMRS administers an optional death benefit plan, the Supplemental Death Benefits Fund (SDBF), which operates like a group-term life insurance plan. This is a voluntary program in which participating member cities may elect, by ordinance, to provide supplemental death benefits for their active Members with optional coverage for their retirees. The death benefit for active Members provides a lump-sum payment approximately equal to the Member's annual salary (calculated based on the Member's actual earnings, for the 12-month period preceding the month of death). The death benefit for retirees is considered an other postemployment benefit (OPEB) and is a fixed amount of \$7,500. As the SDBF covers both active and retiree participants, with no segregation of assets, the SDBF is considered to be an unfunded OPEB plan (i.e. no assets are accumulated).

The participating city contributes to the SDBF at a contractually required rate as determined by an annual actuarial valuation. The rate is based on the mortality and service experience of all employees covered by the SDBF and the demographics specific to the workforce of the city. The funding policy for the SDBF program is to assure that adequate resources are available to meet all death benefit payments for the upcoming year. As such, contributions fund the covered active Member and retiree deaths on a pay-as-you-go basis.

Benefits Provided

At the December 31, 2020 valuation and measurement date, the following employees were covered by the benefit terms:

Inactive employees or beneficiaries currently receiving benefits	83
Inactive employees entitled to but not yet receiving benefits	28
Active employees	178
	289

**CITY OF GRANBURY, TEXAS**  
**Notes to Financial Statements**  
**September 30, 2021**

**NOTE 14: POST EMPLOYMENT BENEFITS OTHER THAN PENSIONS (OPEB) (Continued)**

Total OPEB Liability

The City's total OPEB liability was measured as of December 31, 2020 and was determined by an actuarial valuation as of that date.

*Actuarial Assumptions*

The total OPEB liability in the December 31, 2020 actuarial valuation was determined using the following actuarial assumptions:

Inflation	2.50% per year
Overall payroll growth	3.50% to 11.50% including inflation
Retirees' share of benefit related costs	\$0

All administrative expenses are paid through the Pension Trust and accounted for under reporting requirements under GASB Statement No. 68.

Mortality rates for service retirees were based on the 2019 Municipal Retirees of Texas Mortality Tables. The rates are projected on a fully generational basis with scale UMP.

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

The actuarial assumptions used in the December 31, 2020 valuation were based on the results of an actuarial experience study for the period December 31, 2014 to December 31, 2018.

*Discount Rate*

The discount rate used to measure the Total OPEB Liability was 2.00%. The discount rate was based on Fidelity Index's "20-Year Municipal GO AA Index" rate as of December 31, 2020.

*Changes in the OPEB Liability*

	Total OPEB Liability
Balance at 12/31/2019	\$ 593,542
Changes for the year:	
Service cost	33,628
Interest	16,715
Change of benefit terms	-
Difference between expected and actual experience	(10,813)
Changes of assumptions	98,313
Benefit payments	(5,095)
Net changes	<u>132,748</u>
Balance at 12/31/2020	<u><u>\$ 726,290</u></u>

**CITY OF GRANBURY, TEXAS**  
**Notes to Financial Statements**  
**September 30, 2021**

**NOTE 14: POST EMPLOYMENT BENEFITS OTHER THAN PENSIONS (OPEB) (Continued)**

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

The following represents the total OPEB liability of the City, calculated using the discount rate of 2.20% as well as what the City's total OPEB liability would be if it were calculated using a discount rate that is 1-percentage-point lower (1.00%) or 1-percentage-point higher (3.00%) than the current rate:

	1% Decrease in Discount Rate (1.00%)	Discount Rate (2.00%)	1% Increase in Discount Rate (3.00%)
City's Total OPEB Liability	\$ 892,015	\$ 726,290	\$ 599,424

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

For the year ended September 30, 2021, the City recognized OPEB expense of \$84,726.

For the year ended September 30, 2021, the City reported deferred outflows of resources and deferred inflows of resources related to OPEB for the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual economic experience	\$ 2,104	\$ 11,009
Changes in assumptions and other inputs	151,626	16,180
Difference between projected and actual investment earnings	-	-
Contributions subsequent to the measurement date	10,153	-
Total	\$ 163,883	\$ 27,189

\$10,153 reported as deferred outflows of resources related to OPEB resulting from contributions subsequent to the measurement date will be recognized as a reduction to the total OPEB liability for the year ending September 30, 2022. Other amounts reported as deferred outflows and inflows of resources related to OPEB will be recognized in OPEB expense as follows:

Year Ended September 30:	
2021	\$ 34,383
2022	31,799
2023	29,858
2024	24,931
2025	5,570
Thereafter	-
Total	\$ 126,541

**CITY OF GRANBURY, TEXAS**  
**Notes to Financial Statements**  
**September 30, 2021**

**NOTE 15: CONTINGENT LIABILITIES**

**A. Federal and State Programs**

Federal and state funding received related to various grant programs are based upon periodic reports detailing reimbursable expenditures made, in compliance with program guidelines, to the grantor agency.

These programs are governed by various statutory rules and regulations of the grantors. Amounts received and receivable under these various funding programs are subject to periodic audit and adjustment by the funding agencies. To the extent, if any, the City has not complied with all the rules and regulations with respect to performance, financial or otherwise, adjustment to or return of fund monies may be required.

As it pertains to other matters of compliance, in the opinion of the City's administration, there are no significant contingent liabilities relating to matters of compliance and accordingly, no provision has been made in the accompanying financial statements for such contingencies.

**B. Litigation**

The City is the defendant in two lawsuits. Upon resolution of the referenced lawsuits, the City does not expect to have a material adverse effect on its financial condition.

**NOTE 16: CONTRACTS AND COMMITMENTS**

**A. Purchased Power for Resale**

In December 2015, The City entered into an agreement with Exelon Generation Company, LLC ("Constellation") effective January 1, 2018 through December 31, 2020 for the purchase of its power and energy to serve its retail customers. In September 2018, the agreement was renewed for another five years effective January 1, 2021 through December 31, 2025. The total cost incurred under this agreement for the year ended September 30, 2021 was \$9,087,301.

**B. Water Capacity**

The City has an annual agreement with the Brazos River Authority for 10,800 acre feet of water. The cost is adjusted annually by the Brazos River Authority. The amount paid to the Brazos River Authority under this agreement for the year ended September 30, 2021 was \$876,996.

**C. Airport Expansion**

The City and Texas Department of Transportation have agreed to a joint project to expand the Granbury Regional Airport. The City has acquired all the land for the airport expansion project. Phase II of the project is currently underway, and it consists of the relocation of the power distribution lines and the construction of a new electric substation. The City received \$3,600,000 reimbursement in 2017 and \$3,000,000 reimbursement in 2019 for part of the land cost. These funds were deposited into the Airport Fund and must be used for the airport expansion project. Current year expenditures for airport expansion project were \$290,282. The Texas Department of Transportation will oversee the construction phase of the project.

**CITY OF GRANBURY, TEXAS**  
**Notes to Financial Statements**  
**September 30, 2021**

**NOTE 16: CONTRACTS AND COMMITMENTS (Continued)**

**D. Water Treatment Plant Phase II**

The City entered into an \$11,825,160 construction contract for the water treatment plant phase II. Expenditures as of September 30, 2021 were \$11,717,244.

**E. Wastewater Treatment Plant Phase I**

The City entered into an \$27,000,000 construction contract for the wastewater treatment plant phase I. Expenditures as of September 30, 2021 were \$4,234,184.

**F. Encumbrances**

Amounts totaling \$2,539,162 have been encumbered in the general fund and are reported as committed fund balance.

**NOTE 17: ECONOMIC DEVELOPMENT AGREEMENT**

**Property Lease**

August 15, 2006 the City entered into an economic development agreement with Babe’s-Granbury, LLC (“Babe’s”). Under the terms of the agreement the City would fund up to \$200,000 for improvements to real property the City purchased June 2006 for \$531,264. Babe’s agreed to lease the property for an initial term of ten years with an option to extend the terms of the agreement for two additional ten year periods. From September 1, 2007 to the end of the term of this agreement and any extensions thereof, the base rent shall be the greater of \$5,500 per month or the amount which equals the interest accruing on the sum of money actually expended by the City to acquire, build out/remodel and maintain the premises through March 1, 2007 at the rate of 6% per annum. In addition, the City shall receive percentage rent which is 2% of annual gross sales exceeding the breakpoint of \$4,000,000 per annum. During the year ended September 30, 2021 the City received \$66,000 in rents under this agreement.

**NOTE 18: TAX ABATEMENTS**

The City is authorized to provide assistance for economic development under Chapter 380 of the Texas Local Government Code. The economic development must serve the purpose of promoting state or local economic development by stimulating business or commercial activity within the City. The assistance may be in the form of loans, grants, tax rebates and use of City personnel and services. The City has entered into Chapter 380 Economic Development Program Agreements with companies and has agreed to provide grants and rebates of real and personal property tax or sales tax. Below is a table of tax abatements for the year ended September 30, 2021.

Type of Business	Purpose	Tax Abated	Percent Abated	Amount Abated
Grocery Store	Construct new facility	Property Tax	50%	\$ 50,684
	and operate grocery store	Sales Tax	50% of 1 cent	\$ 149,087

**CITY OF GRANBURY, TEXAS**  
**Notes to Financial Statements**  
**September 30, 2021**

**NOTE 19: CORONAVIRUS LOCAL FISCAL RECOVERY FUND**

Under the American Rescue Plan Act of 2021, the Coronavirus Local Fiscal Recovery Fund (CLFRF) provides emergency funding for eligible local governments. The U.S. Treasury manages the distribution of these funds to Texas counties and cities with populations above 50,000. Cities, villages, towns, and townships serving populations of less than 50,000 are classified as non-entitlement units of local government (NEUs) and will receive funding distributed by TDEM. \$1,329,372, or 50%, of the total award amount of \$2,658,743 was received during the year ended September 30, 2021. The funds have not been spent yet and are reported as unearned revenue.

**NOTE 20: SUBSEQUENT EVENTS**

The COVID-19 outbreak in the United States has caused business disruption through mandated and voluntary closings of businesses. While the disruption is currently expected to be temporary, there is considerable uncertainty around the duration of the closings. However, the related financial impact on the City and the duration cannot be estimated at this time.

Subsequent events were evaluated through March 7, 2022, which is the date the financial statements were available to be issued.

**NOTE 21: FUTURE ACCOUNTING PRONOUNCEMENTS**

GASB Statement No. 87, *Leases*. The objective of this Statement is to better meet the information needs of financial statement users by improving accounting and financial reporting for leases. This Statement is effective for reporting periods beginning after June 15, 2021. The City has not yet determined the effect this Statement will have on its financial reporting.

**REQUIRED SUPPLEMENTARY INFORMATION**

CITY OF GRANBURY, Texas  
General Fund  
Schedule of Revenues, Expenditures and Changes in Fund Balance - Budget and Actual  
For the year ended September 30, 2021

	Budgeted Amounts		Actual	Budget to	Actual	Variance with
	Original	Final	Amounts	Budget to	Amounts	Final Budget
			GAAP	GAAP	Budgetary	Positive
			Basis	Differences	Basis	(Negative)
<b>REVENUES:</b>						
Taxes:						
General property	\$ 2,710,836	\$ 2,710,836	\$ 2,724,557	\$ -	\$ 2,724,557	\$ 13,721
Sales and use	8,750,000	8,750,000	10,619,179	-	10,619,179	1,869,179
Franchise	2,209,003	2,209,003	2,235,727	-	2,235,727	26,724
Fines and fees	151,100	151,100	251,295	-	251,295	100,195
Licenses and permits	639,000	639,000	1,264,939	-	1,264,939	625,939
Charges for service	121,500	121,500	382,802	-	382,802	261,302
Intergovernmental revenue	178,311	178,311	746,986	-	746,986	568,675
Park and recreation	151,000	151,000	187,264	-	187,264	36,264
Interest income	100,000	100,000	29,557	-	29,557	(70,443)
Other revenue	776,438	3,822,353	238,430	-	238,430	(3,583,923)
Total revenues	<u>15,787,188</u>	<u>18,833,103</u>	<u>18,680,736</u>	<u>-</u>	<u>18,680,736</u>	<u>(152,367)</u>
<b>EXPENDITURES:</b>						
Current						
General Government:						
City Council	197,181	197,181	158,877	-	158,877	38,304
Legal	182,400	182,400	195,592	-	195,592	(13,192)
Executive	765,323	765,323	751,509	-	751,509	13,814
Financial Administration	560,948	560,948	471,462	-	471,462	89,486
Purchasing	168,614	168,614	164,910	-	164,910	3,704
Social Services	116,000	116,000	98,583	-	98,583	17,417
Information Technology	821,400	821,400	864,018	(142,548)	721,470	99,930
Economic Development	208,200	208,200	142,218	-	142,218	65,982
Human Resources	217,120	217,120	211,625	-	211,625	5,495
Warehouse	143,363	143,363	136,421	-	136,421	6,942
Fleet Maintenance	338,093	338,093	320,060	-	320,060	18,033
Building Maintenance	813,081	813,081	778,219	(7,532)	770,687	42,394
Granbury Broadcasting Services	158,116	218,116	153,360	-	153,360	64,756
Other governmental functions	949,500	949,500	639,235	(14,087)	625,148	324,352
Public Safety:						
Police	5,851,514	8,601,514	5,988,791	2,011,322	8,000,113	601,401
Fire	613,019	613,019	393,420	8,777	402,197	210,822
Municipal Court	211,148	211,148	204,578	-	204,578	6,570
Streets	763,491	763,491	670,429	(73,971)	596,458	167,033
Building & Permits	806,937	806,937	796,813	-	796,813	10,124
Community Development	552,108	552,108	498,945	-	498,945	53,163
Clean Air Coalition	108,025	108,025	220,225	(160,215)	60,010	48,015
Cemetery	56,557	56,557	64,508	(13,536)	50,972	5,585
Parks	2,001,079	2,236,994	1,897,916	246,451	2,144,367	92,627
Total expenditures	<u>16,603,217</u>	<u>19,649,132</u>	<u>15,821,714</u>	<u>1,854,661</u>	<u>17,676,375</u>	<u>1,972,757</u>
Excess (deficiency) of revenue over (under) expenditures	<u>(816,029)</u>	<u>(816,029)</u>	<u>2,859,022</u>	<u>(1,854,661)</u>	<u>1,004,361</u>	<u>1,820,390</u>
Other financing sources (uses):						
Transfers in	1,425,061	1,425,061	1,589,238	-	1,589,238	164,177
Transfers out	(435,305)	(435,305)	(649,962)	-	(649,962)	(214,657)
Insurance recoveries	-	-	18,732	-	18,732	18,732
Total other financing sources (uses)	<u>989,756</u>	<u>989,756</u>	<u>958,008</u>	<u>-</u>	<u>958,008</u>	<u>(31,748)</u>
Net change in fund balance	173,727	173,727	3,817,030	(1,854,661)	1,962,369	1,788,642
Fund Balance, October 1, 2020	<u>11,551,792</u>	<u>11,551,792</u>	<u>11,551,792</u>	<u>-</u>	<u>11,551,792</u>	<u>-</u>
Fund Balance, September 30, 2021	<u>\$ 11,725,519</u>	<u>\$ 11,725,519</u>	<u>\$ 15,368,822</u>	<u>\$ (1,854,661)</u>	<u>\$ 13,514,161</u>	<u>\$ 1,788,642</u>

The notes to the required supplementary information are an integral part of this schedule.

CITY OF GRANBURY, Texas  
Schedule of Changes in Net Pension Liability and Related Ratios  
Texas Municipal Retirement System  
Last 10 Years (will ultimately be displayed)

	2014	2015	2016
<b>Total Pension Liability</b>			
Service Cost	\$ 1,146,288	\$ 1,267,619	\$ 1,339,522
Interest (on the Total Pension Liability)	2,247,052	2,373,921	2,440,411
Changes of benefit terms (TMRS Plan Participation)	-	-	-
Difference between expected and actual experience	(235,764)	(65,276)	(7,656)
Change of assumptions	-	11,679	-
Benefit payments, including refunds of employee contributions	(1,468,382)	(1,343,256)	(1,422,391)
Net Change in Total Pension Liability	1,689,194	2,244,687	2,349,886
Total Pension Liability - Beginning	32,261,788	33,950,982	36,195,669
Total Pension Liability - Ending	<u>\$ 33,950,982</u>	<u>\$ 36,195,669</u>	<u>\$ 38,545,555</u>
<b>Plan Fiduciary Net Position</b>			
Contributions - Employer	\$ 1,210,021	\$ 1,211,241	\$ 1,192,079
Contributions - Employee	529,121	543,376	548,984
Net Investment Income	1,489,869	41,001	1,906,944
Benefit payments, including refunds of employee contributions	(1,468,382)	(1,343,256)	(1,422,391)
Administrative Expense	(15,553)	(24,971)	(21,531)
Other	(1,279)	(1,233)	(1,160)
Net Change in Plan Fiduciary Net Position	1,743,797	426,158	2,202,925
Plan Fiduciary Net Position - Beginning	26,039,928	27,783,725	28,209,883
Plan Fiduciary Net Position - Ending	<u>\$ 27,783,725</u>	<u>\$ 28,209,883</u>	<u>\$ 30,412,808</u>
<b>Net Pension Liability Ending</b>	<u>\$ 6,167,257</u>	<u>\$ 7,985,786</u>	<u>\$ 8,132,747</u>
Plan Fiduciary Net Position as a Percentage of Total Pension Liability	81.83%	77.94%	78.90%
Covered Payroll	\$ 7,537,242	\$ 7,762,515	\$ 7,842,632
Net Pension Liability as a Percentage of Covered Payroll	81.82%	102.88%	103.70%

The notes to the required supplementary information are an integral part of this schedule.

2017	2018	2019	2020
\$ 1,343,239	\$ 1,452,692	\$ 1,523,720	\$ 1,719,086
2,595,907	2,722,499	2,880,002	3,113,819
-	-	-	-
(399,213)	(122,510)	466,289	1,704,414
-	-	148,698	-
(1,518,579)	(1,919,859)	(1,589,800)	(1,715,059)
2,021,354	2,132,822	3,428,909	4,822,260
38,545,555	40,566,909	42,699,731	46,128,640
<u>\$ 40,566,909</u>	<u>\$ 42,699,731</u>	<u>\$ 46,128,640</u>	<u>\$ 50,950,900</u>
\$ 1,251,745	\$ 1,377,130	\$ 1,447,489	\$ 1,690,765
552,124	597,017	627,783	773,773
4,216,502	(1,045,637)	5,240,512	3,005,625
(1,518,579)	(1,919,859)	(1,589,800)	(1,715,059)
(21,845)	(20,200)	(29,595)	(19,438)
(1,107)	(1,055)	(891)	(757)
4,478,840	(1,012,604)	5,695,498	3,734,909
30,412,808	34,891,648	33,879,044	39,574,542
<u>\$ 34,891,648</u>	<u>\$ 33,879,044</u>	<u>\$ 39,574,542</u>	<u>\$ 43,309,451</u>
<u>\$ 5,675,261</u>	<u>\$ 8,820,687</u>	<u>\$ 6,554,098</u>	<u>\$ 7,641,449</u>
86.01%	79.34%	85.79%	85.00%
\$ 7,887,489	\$ 8,530,196	\$ 8,968,332	\$ 10,190,197
71.95%	103.41%	73.08%	74.99%

CITY OF GRANBURY, Texas  
 Schedule of Contributions  
 Texas Municipal Retirement System  
 Last 10 Fiscal Years (will ultimately be displayed)

	<u>2014</u>	<u>2015</u>	<u>2016</u>
Actuarially Determined Contribution	\$ 1,205,557	\$ 1,207,638	\$ 1,239,090
Contributions in relation to the actuarially determined contribution	<u>\$ 1,205,557</u>	<u>\$ 1,207,638</u>	<u>\$ 1,239,090</u>
Contribution deficiency (excess)	\$ -	\$ -	\$ -
Covered employee payroll	\$ 7,503,874	\$ 7,682,345	\$ 8,099,664
Contributions as a percentage of covered payroll	16.07%	15.72%	15.30%

The notes to the required supplementary information are an integral part of this schedule.

2017	2018	2019	2020	2021
\$ 1,232,864	\$ 1,358,868	\$ 1,399,802	\$ 1,519,196	\$ 1,606,012
\$ 1,232,864	\$ 1,358,868	\$ 1,411,069	\$ 1,558,992	\$ 1,633,907
\$ -	\$ -	\$ (11,267)	\$ (39,796)	\$ (27,895)
\$ 7,824,858	\$ 8,427,131	\$ 8,742,684	\$ 9,650,118	\$ 10,133,254
15.76%	16.12%	16.14%	16.16%	16.12%

CITY OF GRANBURY, Texas  
Schedule of the City's Proportionate Share of the Net Pension Liability  
Texas Emergency Services Retirement System  
Last 10 Years (will ultimately be displayed)

	<u>2014</u>	<u>2015</u>	<u>2016</u>
Proportion of the Net Pension Liability (Asset)	0.01120	0.01138	0.01183
Proportionate Share of Net Pension Liability (Asset)	\$ 203,522	\$ 303,761	\$ 344,585
State's Proportionate Share of the Net Pension Liability (Asset) Associated with the City	<u>103,860</u>	<u>161,172</u>	<u>182,011</u>
Total	<u>\$ 307,382</u>	<u>\$ 464,933</u>	<u>\$ 526,596</u>
Plan Fiduciary Net Position as a Percentage of the Total Pension Liability	83.46%	76.89%	76.34%

Exhibit F-4

<u>2017</u>	<u>2018</u>	<u>2019</u>	<u>2020</u>
0.01308	0.01231	0.01277	0.01461
\$ 313,942	\$ 266,517	\$ 361,973	\$ 368,331
<u>152,898</u>	<u>102,409</u>	<u>152,666</u>	<u>146,838</u>
<u>\$ 466,840</u>	<u>\$ 368,926</u>	<u>\$ 514,639</u>	<u>\$ 515,169</u>
81.41%	84.26%	80.25%	83.24%

CITY OF GRANBURY, Texas  
 Schedule of Contributions  
 Texas Emergency Services Retirement System  
 Last 10 Fiscal Years (will ultimately be displayed)

	<u>2014</u>	<u>2015</u>	<u>2016</u>
Contractually Required Contribution	\$ 50,715	\$ 53,760	\$ 54,180
Contributions in relation to the contractually required contribution	<u>\$ 50,715</u>	<u>\$ 53,760</u>	<u>\$ 54,180</u>
Contribution deficiency (excess)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

The notes to the required supplementary information are an integral part of this schedule.

<u>2017</u>	<u>2018</u>	<u>2019</u>	<u>2020</u>	<u>2021</u>
\$ 63,280	\$ 57,820	\$ 58,380	\$ 68,110	\$ 77,140
<u>\$ 63,280</u>	<u>\$ 57,820</u>	<u>\$ 58,380</u>	<u>\$ 68,110</u>	<u>\$ 77,140</u>
<u>\$ -</u>				

CITY OF GRANBURY, Texas  
 Schedule of Changes in Total OPEB Liability and Related Ratios  
 Texas Municipal Retirement System  
 Last 10 Years (will ultimately be displayed)

	2017	2018	2019	2020
<b>Total OPEB Liability</b>				
Service Cost	\$ 21,296	\$ 25,591	\$ 21,524	\$ 33,628
Interest (on the Total OPEB Liability)	15,035	15,561	17,624	16,715
Changes of benefit terms	-	-	-	-
Difference between expected and actual experience	-	4,522	(3,485)	(10,813)
Change of assumptions	37,184	(34,777)	95,840	98,313
Benefit payments	(3,155)	(3,412)	(4,484)	(5,095)
Net Change in Total OPEB Liability	70,360	7,485	127,019	132,748
Total OPEB Liability - Beginning	388,678	459,038	466,523	593,542
Total OPEB Liability - Ending	<u>\$ 459,038</u>	<u>\$ 466,523</u>	<u>\$ 593,542</u>	<u>\$ 726,290</u>
Covered-Employee Payroll	\$ 7,887,489	\$ 8,530,196	\$ 8,968,332	\$ 10,190,197
Total OPEB Liability as a Percentage of Covered-Employee Payroll	5.82%	5.47%	6.62%	7.13%

The notes to the required supplementary information are an integral part of this schedule.

**City of Granbury, Texas**  
**Notes to Required Supplementary Information**  
**September 30, 2021**

**1. Budgetary Information**

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

- a. Formal budgetary integration is employed as a management control device during the year for the general, special revenue, debt service and enterprise funds.
- b. Budgetary data for the capital projects fund has not been presented in the accompanying financial statements because such funds are budgeted over the life of the respective projects and not on an annual basis.
- c. Unencumbered appropriations for annually budgeted funds lapse at year end.
- d. Prior to August 1 of each year, the City Manager submits the proposed budget for the following fiscal year to the City Council. From the date of its submission the budget is public record. The City Council shall hold public hearings on the proposed budget. Notices of the public hearings are published at least ten days before the date of the hearings. After the public hearings the Council may make any changes they feel appropriate and shall adopt the budget at least twenty days prior to the beginning of the next fiscal year. Should the Council take no action on or prior to such day, the budget, as submitted, shall be deemed to have been adopted by the Council.
- e. The budget is prepared by fund, function, department and class. The City's department heads are authorized to make budget transfers of \$5,000 or less with the approval of the Director of Finance. Transfers of greater than \$5,000 must be authorized by the City Manager. The legal level of budgetary control (i.e., the level at which expenditures may not legally exceed appropriations) is the fund level.

**2. Budget to GAAP Differences**

Encumbrances for equipment and supplies ordered but not received are reported in the year the orders are placed for budgetary purposes, but are reported in the year the equipment and supplies are received for GAAP purposes.

**3. Excess of Expenditures over Appropriations**

Legal expenditures exceed appropriations by \$13,192, however, total expenditures were \$1,972,757 less than budgeted.

**4. Schedule of Contributions – Texas Municipal Retirement System**

Valuation Date

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

Methods and Assumptions Used to Determine Contribution Rates

Actuarial Cost Method	Entry Age Normal
Amortization Method	Level Percentage of Payroll, Closed
Remaining Amortization Period	25 years
Asset Valuation Method	10 Year smoothed market; 12% soft corridor



**City of Granbury, Texas**  
**Notes to Required Supplementary Information**  
**September 30, 2021**

**6. Schedule of Changes in OPEB Liability**

No assets are accumulated in a trust that meets the criteria in paragraph 4 of GASB Statement No. 75 to pay related benefits.

## **COMBINING FINANCIAL STATEMENTS**

### **NONMAJOR GOVERNMENTAL FUNDS**

#### **SPECIAL REVENUE FUND**

The Special Revenue Fund is used to account for the proceeds from specific revenue sources (other than major capital projects or Proprietary Funds) that are legally restricted to expenditures for specified purposes.

**Granbury Historic Properties Corporation** – A blended component unit created to assist the City in acquisition/control of historical properties deemed important to the growth and development of the City.

**Tourism Fund** – To account for financial resources to be used for the expenditures related to Tourism, the Conference Center, Langdon Center, and the Opera House.

CITY OF GRANBURY, Texas  
 Nonmajor Funds  
 Combining Balance Sheet  
 September 30, 2021

	Special Revenue			Total Nonmajor Funds
	Tourism	Granbury Historic Properties	Total Special Revenue Funds	
<b>Assets:</b>				
Cash	\$ 401,392	\$ 126,307	\$ 527,699	\$ 527,699
Receivables (Net of allowances for uncollectibles)				
Miscellaneous receivables	115,953	-	115,953	115,953
Inventories	10,990	-	10,990	10,990
Prepaid items	17,539	-	17,539	17,539
<b>Total assets</b>	<b>\$ 545,874</b>	<b>\$ 126,307</b>	<b>\$ 672,181</b>	<b>\$ 672,181</b>
<b>Liabilities and fund balance:</b>				
<b>Liabilities:</b>				
Accounts payable	\$ 37,972	\$ -	\$ 37,972	\$ 37,972
Customer deposits payable	700	-	700	700
Unearned revenue	15,035	-	15,035	15,035
<b>Total liabilities</b>	<b>53,707</b>	<b>-</b>	<b>53,707</b>	<b>53,707</b>
<b>Fund Balance:</b>				
Nonspendable Fund Balance	28,529	-	28,529	28,529
Restricted Fund Balance	463,638	-	463,638	463,638
Committed Fund Balance	-	126,307	126,307	126,307
<b>Total fund balances</b>	<b>492,167</b>	<b>126,307</b>	<b>618,474</b>	<b>618,474</b>
<b>Total liabilities, deferred inflows and fund balances</b>	<b>\$ 545,874</b>	<b>\$ 126,307</b>	<b>\$ 672,181</b>	<b>\$ 672,181</b>

CITY OF GRANBURY, Texas  
Nonmajor Funds  
Combining Statement of Revenues, Expenditures and Changes in Fund Balance  
For the year ended September 30, 2021

	Special Revenue			Total Nonmajor Funds
	Tourism	Granbury Historic Properties	Total Special Revenue Funds	
Revenues:				
Hotel/Motel Occupancy Tax	\$ 924,047	\$ -	\$ 924,047	\$ 924,047
Charges for service	334,786	-	334,786	334,786
Interest	1,614	175	1,789	1,789
Other Revenue	3,704	-	3,704	3,704
Total revenue	<u>1,264,151</u>	<u>175</u>	<u>1,264,326</u>	<u>1,264,326</u>
Expenditures:				
Current:				
Tourism	811,477	-	811,477	811,477
Conference Center	556,744	-	556,744	556,744
Debt Service:				
Principal	-	27,470	27,470	27,470
Interest and fiscal charges	-	11,259	11,259	11,259
Total expenditures	<u>1,368,221</u>	<u>38,729</u>	<u>1,406,950</u>	<u>1,406,950</u>
Excess (deficiency) of revenues over (under) expenditures	<u>(104,070)</u>	<u>(38,554)</u>	<u>(142,624)</u>	<u>(142,624)</u>
Other financing sources (uses):				
Transfers in	<u>395,305</u>	<u>40,000</u>	<u>435,305</u>	<u>435,305</u>
Total other financing sources (uses):	<u>395,305</u>	<u>40,000</u>	<u>435,305</u>	<u>435,305</u>
Net change in fund balances	291,235	1,446	292,681	292,681
Fund Balance, October 1, 2020	<u>200,932</u>	<u>124,861</u>	<u>325,793</u>	<u>325,793</u>
Fund Balance, September 30, 2021	<u>\$ 492,167</u>	<u>\$ 126,307</u>	<u>\$ 618,474</u>	<u>\$ 618,474</u>

## **INDIVIDUAL FUND SCHEDULES**

CITY OF GRANBURY, Texas  
 General Fund  
 Schedule of Revenues, Expenditures and Changes in Fund Balance - Budget and Actual  
 For the year ended September 30, 2021  
 (With comparative totals for September 30, 2020)

	Budgeted Amounts		Actual	Variance with	Prior Year
	Original	Final	Amounts Budgetary Basis	Final Budget Positive (Negative)	Actual Budgetary Basis
<b>REVENUES:</b>					
Taxes:					
General property	\$ 2,710,836	\$ 2,710,836	\$ 2,724,557	\$ 13,721	\$ 3,189,145
Sales and use	8,750,000	8,750,000	10,619,179	1,869,179	9,456,937
Franchise	2,209,003	2,209,003	2,235,727	26,724	2,272,673
Fines and fees	151,100	151,100	251,295	100,195	207,695
Licenses and permits	639,000	639,000	1,264,939	625,939	1,056,126
Charges for service	121,500	121,500	382,802	261,302	125,770
Intergovernmental revenue	178,311	178,311	746,986	568,675	378,776
Park and recreation	151,000	151,000	187,264	36,264	103,790
Interest income	100,000	100,000	29,557	(70,443)	133,389
Other revenue	776,438	3,822,353	238,430	(3,583,923)	201,916
Total revenues	<u>15,787,188</u>	<u>18,833,103</u>	<u>18,680,736</u>	<u>(152,367)</u>	<u>17,126,217</u>
<b>EXPENDITURES:</b>					
Current					
General government					
City Council	197,181	197,181	158,877	38,304	158,787
Legal	182,400	182,400	195,592	(13,192)	179,680
Executive	765,323	765,323	751,509	13,814	715,449
Financial Administration	560,948	560,948	471,462	89,486	521,010
Purchasing	168,614	168,614	164,910	3,704	159,886
Social Services	116,000	116,000	98,583	17,417	53,990
Information Technology	821,400	821,400	721,470	99,930	878,880
Economic Development	208,200	208,200	142,218	65,982	181,953
Human Resources	217,120	217,120	211,625	5,495	196,400
Warehouse	143,363	143,363	136,421	6,942	137,812
Fleet Maintenance	338,093	338,093	320,060	18,033	303,275
Building Maintenance	813,081	813,081	770,687	42,394	718,568
Granbury Broadcasting Services	158,116	218,116	153,360	64,756	192,283
Other governmental functions	949,500	949,500	625,148	324,352	915,329
Public Safety:					
Police	5,851,514	8,601,514	8,000,113	601,401	5,300,246
Fire	613,019	613,019	402,197	210,822	407,344
Municipal Court	211,148	211,148	204,578	6,570	200,859
Streets	763,491	763,491	596,458	167,033	612,914
Building & Permits	806,937	806,937	796,813	10,124	770,135
Community Development	552,108	552,108	498,945	53,163	457,412
Clean Air Coalition	108,025	108,025	60,010	48,015	320,135
Cemetery	56,557	56,557	50,972	5,585	65,025
Parks	2,001,079	2,236,994	2,144,367	92,627	1,921,462
Total expenditures	<u>16,603,217</u>	<u>19,649,132</u>	<u>17,676,375</u>	<u>1,972,757</u>	<u>15,368,834</u>
Excess (deficiency) of revenue over (under) expenditures	<u>(816,029)</u>	<u>(816,029)</u>	<u>1,004,361</u>	<u>1,820,390</u>	<u>1,757,383</u>
Other financing sources (uses):					
Transfers in	1,425,061	1,425,061	1,589,238	164,177	1,494,303
Transfers out	(435,305)	(435,305)	(649,962)	(214,657)	(2,201,786)
Insurance recoveries	-	-	18,732	18,732	21,013
Total other financing sources (uses)	<u>989,756</u>	<u>989,756</u>	<u>958,008</u>	<u>(31,748)</u>	<u>(686,470)</u>
Net change in fund balance	173,727	173,727	1,962,369	1,788,642	1,070,913
Fund Balance, October 1, 2020	<u>11,551,792</u>	<u>11,551,792</u>	<u>11,551,792</u>	<u>-</u>	<u>10,571,462</u>
Fund Balance, September 30, 2021	<u>\$ 11,725,519</u>	<u>\$ 11,725,519</u>	<u>\$ 13,514,161</u>	<u>\$ 1,788,642</u>	<u>\$ 11,642,375</u>

CITY OF GRANBURY, Texas  
Tourism Fund - Special Revenue Fund  
Schedule of Revenues, Expenditures and  
Changes in Fund Balance - Budget and Actual  
For the year ended September 30, 2021  
(With comparative totals for September 30, 2020)

	Budgeted Amounts		Actual	Variance with	Prior Year
	Original	Final	Amounts GAAP Basis	Final Budget Positive (Negative)	Actual GAAP Basis
Revenues:					
Hotel/Motel Occupancy Tax	\$ 700,000	\$ 700,000	\$ 924,047	\$ 224,047	\$ 653,155
Charges for Service	397,000	427,000	334,786	(92,214)	300,409
Interest	-	-	1,614	1,614	2,153
Other Revenue	5,000	5,000	3,704	(1,296)	8,997
Total revenues	1,102,000	1,132,000	1,264,151	132,151	964,714
Expenditures:					
Current:					
Tourism	846,552	876,552	811,477	65,075	733,934
Conference Center	667,411	667,411	556,744	110,667	650,584
Total expenditures	1,513,963	1,543,963	1,368,221	175,742	1,384,518
Excess (deficiency) of revenues over (under) expenditures	(411,963)	(411,963)	(104,070)	307,893	(419,804)
Other financing sources (uses):					
Transfers in	395,305	395,305	395,305	-	316,982
Total other financing sources (uses):	395,305	395,305	395,305	-	316,982
Net change in fund balance	(16,658)	(16,658)	291,235	307,893	(102,822)
Fund Balance, October 1, 2020	200,932	200,932	200,932	-	303,754
Fund Balance, September 30, 2021	\$ 184,274	\$ 184,274	\$ 492,167	\$ 307,893	\$ 200,932

CITY OF GRANBURY, Texas  
 Granbury Historic Properties - Special Revenue Fund  
 Schedule of Revenues, Expenditures and  
 Changes in Fund Balance - Budget and Actual  
 For the year ended September 30, 2021  
 (With comparative totals for September 30, 2020)

	Budgeted Amounts		Actual Amounts GAAP Basis	Variance with Final Budget Positive (Negative)	Prior Year Actual GAAP Basis
	Original	Final			
Revenues:					
Interest	\$ -	\$ -	\$ 175	\$ 175	\$ 299
Total revenues	-	-	175	175	299
Expenditures:					
Debt Service:					
Principal	27,470	27,470	27,470	-	27,271
Interest and fiscal charges	12,530	12,530	11,259	1,271	11,458
Total expenditures	40,000	40,000	38,729	1,271	38,729
Excess (deficiency) of revenues over (under) expenditures	(40,000)	(40,000)	(38,554)	1,446	(38,430)
Other financing sources (uses):					
Transfers in	40,000	40,000	40,000	-	40,000
Total other financing sources (uses):	40,000	40,000	40,000	-	40,000
Net change in fund balance	-	-	1,446	1,446	1,570
Fund Balance, October 1, 2020	124,861	124,861	124,861	-	123,291
Fund Balance, September 30, 2021	\$ 124,861	\$ 124,861	\$ 126,307	\$ 1,446	\$ 124,861

CITY OF GRANBURY, Texas  
Debt Service Fund  
Schedule of Revenues, Expenditures and  
Changes in Fund Balance - Budget and Actual  
For the year ended September 30, 2021  
(With comparative totals for September 30, 2020)

	Budgeted Amounts		Actual Amounts GAAP Basis	Variance with Final Budget Positive (Negative)	Prior Year Actual GAAP Basis
	Original	Final			
Revenues:					
Property tax revenue	\$ 3,932,708	\$ 3,932,708	\$ 3,967,136	\$ 34,428	\$ 3,185,417
Interest income	-	-	20,823	20,823	26,865
Total revenues	<u>3,932,708</u>	<u>3,932,708</u>	<u>3,987,959</u>	<u>55,251</u>	<u>3,212,282</u>
Expenditures:					
Debt Service					
Principal	5,299,000	5,299,000	2,495,003	2,803,997	2,414,480
Interest and fiscal charges	<u>3,433,655</u>	<u>3,433,655</u>	<u>1,803,644</u>	<u>1,630,011</u>	<u>950,754</u>
Total expenditures	<u>8,732,655</u>	<u>8,732,655</u>	<u>4,298,647</u>	<u>4,434,008</u>	<u>3,365,234</u>
Excess (deficiency) of revenues over (under) expenditures	<u>(4,799,947)</u>	<u>(4,799,947)</u>	<u>(310,688)</u>	<u>4,489,259</u>	<u>(152,952)</u>
Other financing sources (uses):					
Transfers in	<u>4,799,945</u>	<u>4,799,945</u>	<u>272,011</u>	<u>(4,527,934)</u>	<u>248,333</u>
Total other financing sources (uses)	<u>4,799,945</u>	<u>4,799,945</u>	<u>272,011</u>	<u>(4,527,934)</u>	<u>248,333</u>
Net change in fund balance	(2)	(2)	(38,677)	(38,675)	95,381
Fund Balance, October 1, 2020	<u>801,769</u>	<u>801,769</u>	<u>801,769</u>	-	<u>706,388</u>
Fund Balance, September 30, 2021	<u>\$ 801,767</u>	<u>\$ 801,767</u>	<u>\$ 763,092</u>	<u>\$ (38,675)</u>	<u>\$ 801,769</u>

CITY OF GRANBURY, Texas  
 Utility - Enterprise Fund  
 Schedule of Revenues, Expenses, and Changes in  
 Fund Net Position - Budget and Actual  
 For the year ended September 30, 2021  
 (With comparative totals for September 30, 2020)

	Budgeted Amounts		Actual	Variance with	Prior Year
	Original	Final	Amounts Budgetary Basis	Final Budget Positive (Negative)	Amounts Budgetary Basis
Operating revenues:					
Charges for sales and services:					
Charges for Water and Sewer Sales	\$ 10,910,000	10,910,000	\$ 11,506,645	\$ 596,645	\$ 11,807,202
Charges for Electricity Sales	10,953,000	11,035,450	10,664,958	(370,492)	10,606,264
Impact fees	275,000	354,881	825,183	470,302	716,154
Other Revenue	520,034	800,034	454,385	(345,649)	486,199
Total operating revenue	22,658,034	23,100,365	23,451,171	350,806	23,615,819
Operating expenses:					
Administration	1,297,806	1,577,806	1,367,365	210,441	949,373
Water treatment and distribution	3,990,946	4,070,827	3,772,774	298,053	3,116,668
Wastewater collection and treatment	2,446,132	2,446,132	1,729,919	716,213	1,973,526
Electricity	6,808,165	6,808,165	10,464,566	(3,656,401)	6,170,421
Meter Reading	527,067	609,517	620,079	(10,562)	489,449
Utility Franchise Fees	1,304,640	1,304,640	1,307,388	(2,748)	1,330,332
Total operating expenses	16,374,756	16,817,087	19,262,091	(2,445,004)	14,029,769
Operating income	6,283,278	6,283,278	4,189,080	(2,094,198)	9,586,050
Nonoperating revenues (expenses):					
Interest revenue	98,000	98,000	124,676	26,676	780,929
Intergovernmental	-	-	15,099	15,099	242,000
Gain (loss) on disposal of capital assets	-	-	12,817	12,817	5,712
Debt Service					
Principal	(3,033,600)	(3,033,600)	(3,110,145)	(76,545)	(2,523,992)
Interest expense	(1,741,300)	(1,741,300)	(1,604,329)	136,971	(1,668,161)
Total nonoperating revenues (expenses)	(4,676,900)	(4,676,900)	(4,561,882)	115,018	(3,163,512)
Income before contributions and transfers	1,606,378	1,606,378	(372,802)	(1,979,180)	6,422,538
Transfers (to) from other funds:					
Transfers out	(1,378,061)	(1,378,061)	(1,595,479)	(217,418)	(1,944,192)
Change in Net Position	228,317	228,317	(1,968,281)	(2,196,598)	4,478,346
Net Position, October 1, 2020	45,062,683	45,062,683	45,062,683	-	38,585,370
Net Position, September 30, 2021	\$ 45,291,000	\$ 45,291,000	\$ 43,094,402	\$ (2,196,598)	\$ 43,063,716
Reconciliation from budgetary basis to GAAP Basis					
Principal payments on long-term debt			3,110,145		2,523,992
Capitalized expenses			1,204,623		742,229
Noncash capital contributions			405,142		2,995,290
Bond issuance costs			-		(123,663)
Depreciation expense			(4,305,124)		(4,138,881)
Net Position, September 30, 2021 (GAAP Basis)			\$ 43,509,188		\$ 45,062,683

CITY OF GRANBURY, Texas  
 Airport - Enterprise Fund  
 Schedule of Revenues, Expenses, and Changes in  
 Fund Net Position - Budget and Actual  
 For the year ended September 30, 2021  
 (With comparative totals for September 30, 2020)

	Budgeted Amounts		Actual	Variance with	Prior Year
	Original	Final	Amounts Budgetary Basis	Final Budget Positive (Negative)	Amounts Budgetary Basis
Operating revenues:					
Charges for sales and services:					
Charges for Airport Services	\$ 680,900	\$ 762,900	\$ 830,157	\$ 67,257	\$ 736,266
Other Revenue	33,800	108,800	106,122	(2,678)	45,381
Total operating revenue	714,700	871,700	936,279	64,579	781,647
Operating expenses:					
Airport	775,197	932,197	985,296	(53,099)	3,779,396
Total operating expenses	775,197	932,197	985,296	(53,099)	3,779,396
Operating income	(60,497)	(60,497)	(49,017)	11,480	(2,997,749)
Nonoperating revenues (expenses):					
Interest revenue	7,341	7,341	4,460	(2,881)	18,442
Intergovernmental	-	-	43,000	43,000	43,159
Debt Services:					
Principal	(65,097)	(65,097)	(68,020)	2,923	(106,917)
Interest expense	(14,703)	(14,703)	(11,768)	2,935	(14,706)
Total nonoperating revenues (expenses)	(72,459)	(72,459)	(32,328)	45,977	(60,022)
Income before contributions and transfers	(132,956)	(132,956)	(81,345)	57,457	(3,057,771)
Capital contributions and transfers:					
Capital grants and contributions	50,000	50,000	50,000	-	-
Transfers in	-	-	-	-	3,916,429
Transfers out	(47,000)	(47,000)	(218,113)	(171,113)	(51,033)
Change in Net Position	(129,956)	(129,956)	(249,458)	(113,656)	807,625
Net Position, October 1, 2020	22,942,046	22,942,046	22,942,046	-	18,943,848
Net Position, September 30, 2021	\$ 22,812,090	\$ 22,812,090	\$ 22,692,588	\$ (113,656)	\$ 19,751,473
Reconciliation from budgetary basis to GAAP Basis					
Principal payments on long-term debt			68,020		106,917
Capitalized expenses			365,729		3,270,489
Depreciation expense			(155,732)		(186,833)
Net Position, September 30, 2021 (GAAP Basis)			\$ 22,970,605		\$ 22,942,046

**STATISTICAL SECTION**  
**(Unaudited)**

## STATISTICAL SECTION (Unaudited)

This part of the City of Granbury's Annual Comprehensive Financial Report presents detailed information as a context for understanding what the information in the financial statements, note disclosures, and required supplementary information says about the City's overall financial health.

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#### **Financial Trends**

These schedules contain trend information to help the reader understand how the City's financial performance and well-being have changed over time.

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Sources: Unless otherwise noted, the information in these schedules is derived from the Annual Comprehensive Financial Reports for the relevant year. The City implemented GASB Statement 34 in Fiscal Year 2003; schedules presenting government-wide information include information beginning in that year.

**CITY OF GRANBURY**  
**Government-wide Net Position by Component**  
**Last Ten Fiscal Years**  
**(Unaudited)**

	<u>2021</u>	<u>2020</u>	<u>2019</u>	<u>2018</u>
Governmental activities				
Net investment in capital assets	\$ 34,421,488	\$ 33,781,453	\$ 31,815,661	\$ 19,202,230
Restricted	1,816,168	1,206,172	1,709,417	2,265,469
Unrestricted	<u>11,180,895</u>	<u>7,996,363</u>	<u>6,180,568</u>	<u>5,053,503</u>
Total governmental activities net position	<u>\$ 47,418,551</u>	<u>\$ 42,983,988</u>	<u>\$ 39,705,646</u>	<u>\$ 26,521,202</u>
Business-type activities				
Net investment in capital assets	\$ 48,728,106	\$ 51,307,687	\$ 44,739,831	\$ 36,316,597
Restricted	3,254,034	2,602,446	1,946,516	1,775,724
Unrestricted	<u>15,209,352</u>	<u>14,770,540</u>	<u>10,857,838</u>	<u>10,243,043</u>
Total business-type activities net position	<u>\$ 67,191,492</u>	<u>\$ 68,680,673</u>	<u>\$ 57,544,185</u>	<u>\$ 48,335,364</u>
Primary government				
Net investment in capital assets	\$ 83,149,594	\$ 85,089,140	\$ 76,555,492	\$ 55,518,827
Restricted	5,070,202	3,808,618	3,655,933	4,041,193
Unrestricted	<u>26,390,247</u>	<u>22,766,903</u>	<u>17,038,406</u>	<u>15,296,546</u>
Total primary government net position	<u>\$ 114,610,043</u>	<u>\$ 111,664,661</u>	<u>\$ 97,249,831</u>	<u>\$ 74,856,566</u>

**CITY OF GRANBURY**  
**Government-wide Net Position by Component**  
**Last Ten Fiscal Years**  
**(Unaudited)**

<u>2017</u>	<u>2016</u>	<u>2015</u>	<u>2014</u>	<u>2013</u>	<u>2012</u>
\$ 18,930,751	\$ 15,439,007	\$ 21,537,158	\$ 26,045,119	\$ 23,852,148	\$ 24,079,825
741,433	518,032	683,036	682,251	433,837	373,215
3,782,128	2,916,432	2,151,316	4,551,589	5,920,347	6,669,570
<u>\$ 23,454,312</u>	<u>\$ 18,873,471</u>	<u>\$ 24,371,510</u>	<u>\$ 31,278,959</u>	<u>\$ 30,206,332</u>	<u>\$ 31,122,610</u>
\$ 32,950,860	\$ 31,227,763	\$ 24,172,309	\$ 19,645,350	\$ 18,832,307	\$ 18,713,942
1,916,636	2,152,889	2,302,058	2,135,756	2,228,897	2,055,300
8,324,280	3,273,513	4,035,059	5,133,124	4,803,939	5,153,971
<u>\$ 43,191,776</u>	<u>\$ 36,654,165</u>	<u>\$ 30,509,426</u>	<u>\$ 26,914,230</u>	<u>\$ 25,865,143</u>	<u>\$ 25,923,213</u>
\$ 51,881,611	\$ 46,666,770	\$ 45,709,467	\$ 45,690,469	\$ 42,684,455	\$ 42,793,767
2,658,069	2,670,921	2,985,094	2,818,007	2,662,734	2,428,515
12,106,408	6,189,945	6,186,375	9,684,713	10,724,286	11,823,541
<u>\$ 66,646,088</u>	<u>\$ 55,527,636</u>	<u>\$ 54,880,936</u>	<u>\$ 58,193,189</u>	<u>\$ 56,071,475</u>	<u>\$ 57,045,823</u>

**CITY OF GRANBURY**  
**Government-wide Changes in Net Position**  
**Last Ten Fiscal Years**  
**(Unaudited)**

	2021	2020	2019	2018	2017
<b>Expenses</b>					
<b>Governmental activities</b>					
General government and administration	\$ 5,429,694	\$ 5,684,189	\$ 5,456,209	\$ 4,962,329	\$ 5,277,053
Community development & neighborhood services	485,474	514,704	636,114	515,406	570,259
Clean air coalition	218,969	94,299	80,002	83,030	191,163
Public safety	6,506,659	6,543,413	5,723,779	5,220,008	4,861,240
Highways and streets	2,749,801	2,944,273	2,328,881	2,307,570	2,071,754
Culture and recreation	2,434,407	2,437,891	2,319,057	2,292,525	2,111,405
Tourism	1,690,936	1,454,339	1,318,801	1,458,865	1,516,439
Conference Center	545,491	601,806	846,809	720,418	747,513
Interest on long-term debt	1,288,860	1,442,092	939,641	904,937	962,776
<b>Total governmental activities expenses</b>	<b>21,350,291</b>	<b>21,717,006</b>	<b>19,649,293</b>	<b>18,465,088</b>	<b>18,309,602</b>
<b>Business-type activities</b>					
Airport	787,067	710,446	747,801	813,608	816,103
Economic Development	-	-	-	100,000	-
Municipal utilities	23,932,360	19,057,773	18,363,871	16,352,116	18,997,394
<b>Total business-type activities expenses</b>	<b>24,719,427</b>	<b>19,768,219</b>	<b>19,111,672</b>	<b>17,265,724</b>	<b>19,813,497</b>
<b>Total primary government expenses</b>	<b>\$ 46,069,718</b>	<b>\$ 41,485,225</b>	<b>\$ 38,760,965</b>	<b>\$ 35,730,812</b>	<b>\$ 38,123,099</b>
<b>Program Revenues</b>					
<b>Governmental activities</b>					
<b>Charges for services</b>					
General government and administration	\$ 7,500	\$ 71,409	\$ 79,128	\$ 83,343	\$ 87,600
Community development & neighborhood services	1,523,893	1,077,338	748,866	1,048,631	725,408
Public safety	294,521	230,208	234,994	198,202	229,807
Culture and recreation	210,664	117,190	249,441	330,589	177,062
Tourism	148,432	68,746	90,603	132,234	129,803
Conference Center	258,133	240,660	418,892	496,135	486,511
Operating grants and contributions	283,930	776,832	206,104	231,094	349,489
Capital grants and contributions	281,067	5,463,020	10,866,405	782,295	3,719,258
<b>Total governmental activities program revenues</b>	<b>3,008,140</b>	<b>8,045,403</b>	<b>12,894,433</b>	<b>3,302,523</b>	<b>5,904,938</b>
<b>Business-type activities</b>					
<b>Charges for services</b>					
Water and Wastewater	\$ 12,567,645	\$ 12,779,481	\$ 11,088,259	\$ 10,599,523	\$ 9,549,632
Electric	10,883,526	10,836,338	11,113,191	11,500,530	11,426,686
Airport	936,279	781,647	785,472	780,692	783,772
Operating grants and contributions	-	43,159	106,608	28,946	265,558
Capital grants and contributions	455,142	3,237,290	5,529,654	574,512	4,659,668
<b>Total business-type activities program revenues</b>	<b>24,842,592</b>	<b>27,677,915</b>	<b>28,623,184</b>	<b>23,484,203</b>	<b>26,685,316</b>
<b>Total primary government program revenues</b>	<b>\$ 27,850,732</b>	<b>\$ 35,723,318</b>	<b>\$ 41,517,617</b>	<b>\$ 26,786,726</b>	<b>\$ 32,590,254</b>
<b>Net (Expense) Revenue</b>					
Governmental activities	\$ (18,342,151)	\$ (13,671,603)	\$ (6,754,860)	\$ (15,162,565)	\$ (12,404,664)
Business-type activities	123,165	7,909,696	9,511,512	6,218,479	6,871,819
<b>Total primary government net expense</b>	<b>\$ (18,218,986)</b>	<b>\$ (5,761,907)</b>	<b>\$ 2,756,652</b>	<b>\$ (8,944,086)</b>	<b>\$ (5,532,845)</b>
<b>General Revenues and Other Changes in Net Position</b>					
<b>Governmental activities</b>					
<b>Taxes</b>					
Property	\$ 6,691,693	\$ 6,373,269	\$ 5,915,411	\$ 5,611,150	\$ 5,421,753
Sales	10,739,878	9,568,220	9,096,824	8,534,403	8,083,300
Other	3,151,913	2,902,370	2,656,633	2,444,890	2,442,810
Miscellaneous	295,800	222,929	269,720	419,209	457,809
Investment earnings	83,838	304,361	435,829	270,434	112,960
Transfers	1,813,592	(2,421,204)	1,564,887	1,247,706	466,873
<b>Total governmental activities</b>	<b>22,776,714</b>	<b>16,949,945</b>	<b>19,939,304</b>	<b>18,527,792</b>	<b>16,985,505</b>
<b>Business-type activities</b>					
Investment earnings	130,330	799,876	1,233,772	254,147	121,918
Miscellaneous	70,916	5,712	28,424	9,010	10,747
Extraordinary item	-	-	-	-	-
Transfers	(1,813,592)	2,421,204	(1,564,887)	(1,247,706)	(466,873)
<b>Total business-type activities</b>	<b>(1,612,346)</b>	<b>3,226,792</b>	<b>(302,691)</b>	<b>(984,549)</b>	<b>(334,208)</b>
<b>Total primary government</b>	<b>\$ 21,164,368</b>	<b>\$ 20,176,737</b>	<b>\$ 19,636,613</b>	<b>\$ 17,543,243</b>	<b>\$ 16,651,297</b>
<b>Change in Net Position</b>					
Governmental activities	\$ 4,434,563	\$ 3,278,342	\$ 13,184,444	\$ 3,365,227	\$ 4,580,841
Business-type activities	(1,489,181)	11,136,488	9,208,821	5,233,930	6,537,611
<b>Total primary government</b>	<b>\$ 2,945,382</b>	<b>\$ 14,414,830</b>	<b>\$ 22,393,265</b>	<b>\$ 8,599,157</b>	<b>\$ 11,118,452</b>

**CITY OF GRANBURY**  
**Government-wide Changes in Net Position**  
**Last Ten Fiscal Years**  
**(Unaudited)**

2016	2015	2014	2013	2012
\$ 5,157,740	\$ 4,952,657	\$ 4,105,938	\$ 3,910,972	\$ 3,359,741
576,517	436,091	431,114	638,669	553,995
107,164	147,426	-	-	-
4,568,792	4,181,858	4,167,610	4,029,148	3,798,529
1,974,197	1,991,264	2,123,431	2,003,812	2,566,437
2,134,237	2,048,587	2,274,039	2,000,810	1,892,504
1,470,289	1,413,290	990,605	1,281,171	1,012,067
797,778	635,391	667,948	689,392	734,102
1,208,731	992,957	885,592	1,071,451	1,136,676
17,995,445	16,799,521	15,646,277	15,625,425	15,054,051
928,078	1,011,149	1,121,761	1,029,054	814,026
-	-	86,000	86,000	50,000
19,187,348	18,705,520	18,828,482	17,920,361	17,307,598
20,115,426	19,716,669	20,036,243	19,035,415	18,171,624
<u>\$ 38,110,871</u>	<u>\$ 36,516,190</u>	<u>\$ 35,682,520</u>	<u>\$ 34,660,840</u>	<u>\$ 33,225,675</u>
\$ 95,124	\$ 93,531	\$ 129,325	\$ 86,567	\$ 112,348
636,114	659,348	552,552	587,879	531,760
250,188	158,452	159,187	204,638	214,834
162,674	139,163	165,724	133,211	111,934
119,338	134,441	131,428	60,550	23,505
475,866	373,481	296,814	368,850	387,354
414,078	476,781	772,777	197,729	225,524
173,761	503,633	821,184	12,916	1,378,236
2,327,143	2,538,830	3,028,991	1,652,340	2,985,495
\$ 8,760,445	\$ 8,390,222	\$ 8,179,989	\$ 7,245,760	\$ 6,081,786
11,012,050	11,329,466	11,371,262	11,368,958	11,639,851
706,142	779,968	854,860	801,785	707,628
390,151	12,250	-	-	-
334,048	732,847	806,241	525,911	242,725
21,202,836	21,244,753	21,212,352	19,942,414	18,671,990
<u>\$ 23,529,979</u>	<u>\$ 23,783,583</u>	<u>\$ 24,241,343</u>	<u>\$ 21,594,754</u>	<u>\$ 21,657,485</u>
\$ (15,668,302)	\$ (14,260,691)	\$ (12,617,286)	\$ (13,973,085)	\$ (12,068,556)
1,087,410	1,528,084	1,176,109	906,999	500,366
<u>\$ (14,580,892)</u>	<u>\$ (12,732,607)</u>	<u>\$ (11,441,177)</u>	<u>\$ (13,066,086)</u>	<u>\$ (11,568,190)</u>
\$ 4,933,982	\$ 4,574,859	\$ 4,404,767	\$ 4,305,186	\$ 4,170,353
7,593,985	7,232,245	6,632,629	6,463,449	6,290,017
2,287,719	2,295,658	2,160,645	2,046,009	1,950,326
318,904	359,722	317,355	435,688	173,681
47,046	31,670	27,754	58,025	50,927
(5,011,373)	(2,781,257)	146,763	275,804	328,212
10,170,263	11,712,897	13,689,913	13,584,161	12,963,516
45,956	15,367	20,942	32,891	32,452
-	-	-	-	-
-	499,448	-	-	-
5,011,373	2,781,257	(147,964)	(275,804)	(328,212)
5,057,329	3,296,072	(127,022)	(242,913)	(295,760)
<u>\$ 15,227,592</u>	<u>\$ 15,008,969</u>	<u>\$ 13,562,891</u>	<u>\$ 13,341,248</u>	<u>\$ 12,667,756</u>
\$ (5,498,039)	\$ (2,547,794)	\$ 1,072,627	\$ (388,924)	\$ 894,960
6,144,739	4,824,156	1,049,087	664,086	204,606
<u>\$ 646,700</u>	<u>\$ 2,276,362</u>	<u>\$ 2,121,714</u>	<u>\$ 275,162</u>	<u>\$ 1,099,566</u>

**CITY OF GRANBURY**  
**Fund Balances, Governmental Fund**  
**Last Ten Fiscal Years**  
**(Unaudited)**

	2021	2020	2019	2018
<b>General Fund</b>				
Nonspendable	\$ 130,693	\$ 149,861	\$ 152,253	\$ 161,818
Restricted	724,271	664,323	793,336	1,636,077
Committed	2,539,162	684,500	775,084	422,419
Assigned	197,026	174,637	162,602	101,501
Unassigned	11,777,670	9,878,471	8,688,187	7,658,716
<b>Total general fund</b>	<b>\$ 15,368,822</b>	<b>\$ 11,551,792</b>	<b>\$ 10,571,462</b>	<b>\$ 9,980,531</b>
<b>All Other Governmental Funds</b>				
Nonspendable	\$ 28,529	\$ 18,934	\$ 17,342	\$ 17,078
Restricted	14,354,120	20,198,385	6,097,697	4,372,480
Committed	126,307	124,861	123,291	120,053
Unassigned	-	-	-	-
<b>Total all other governmental funds</b>	<b>\$ 14,508,956</b>	<b>\$ 20,342,180</b>	<b>\$ 6,238,330</b>	<b>\$ 4,509,611</b>

**Notes:**

The City implemented GASB 54, *Fund Balance Reporting and Governmental Fund Type Definitions* in fiscal year 2011. Definitions of GASB 54 fund balance categories can be found on pages 34-35 of the notes to the financial statements.

**CITY OF GRANBURY**  
**Fund Balances, Governmental Fund**  
**Last Ten Fiscal Years**  
**(Unaudited)**

2017	2016	2015	2014	2013	2012
\$ 159,055	\$ 511,494	\$ 619,482	\$ 947,407	\$ 908,067	\$ 908,569
472,999	471,552	497,395	556,739	209,188	159,923
301,256	231,344	270,982	15,746	249,475	91,736
51,026	43,938	44,238	55,131	140,163	119,263
6,223,898	4,785,111	3,798,559	2,860,905	4,005,826	4,284,392
<u>\$ 7,208,234</u>	<u>\$ 6,043,439</u>	<u>\$ 5,230,656</u>	<u>\$ 4,435,928</u>	<u>\$ 5,512,719</u>	<u>\$ 5,563,883</u>
\$ 5,040	\$ 5,800	\$ -	\$ -	\$ -	\$ -
4,191,174	5,663,282	1,774,344	4,446,333	5,272,778	7,674,816
115,579	111,495	107,088	111,500	214,379	190,057
(18,962)	(103,786)	(217,378)	(447,076)	(544,810)	(431,292)
<u>\$ 4,292,831</u>	<u>\$ 5,676,791</u>	<u>\$ 1,664,054</u>	<u>\$ 4,110,757</u>	<u>\$ 4,942,347</u>	<u>\$ 7,433,581</u>

**CITY OF GRANBURY**  
**Changes in Fund Balances, Governmental Funds**  
**Last Ten Fiscal Years**  
**(Unaudited)**

	2021	2020	2019	2018
<b>Revenues</b>				
Taxes	\$ 20,470,646	\$ 18,757,327	\$ 17,621,307	\$ 16,663,653
Licenses, fees, permits	1,264,939	1,056,126	768,360	838,574
Fines and penalties	251,295	207,695	212,431	176,838
Charges for services	717,588	426,179	569,412	935,851
Intergovernmental	746,986	378,776	219,441	329,654
Investment earnings	81,361	303,631	435,749	270,434
Other revenues	429,398	314,703	612,406	644,637
Total revenues	<u>\$ 23,962,213</u>	<u>\$ 21,444,437</u>	<u>\$ 20,439,106</u>	<u>\$ 19,859,641</u>
<b>Expenditures</b>				
General government	\$ 5,086,089	\$ 5,194,870	\$ 5,331,394	\$ 5,065,550
Police	6,193,369	5,560,778	4,750,431	4,617,414
Fire	393,420	429,838	450,062	428,606
Streets	670,429	945,685	2,439,635	652,771
Building & permits	796,813	770,135	716,943	578,544
Parks and recreation	1,897,916	1,907,740	1,818,546	1,761,169
Tourism	811,477	733,934	635,345	755,242
Conference Center	556,744	650,584	947,207	1,005,600
Capital projects	6,283,420	2,027,048	840,670	56,176
Other	783,678	650,371	769,456	678,080
Debt service:				
Interest	1,814,903	2,441,751	963,064	997,590
Principal	2,522,473	962,212	2,257,222	2,198,742
Bond issuance costs	-	283,357	50,000	-
Total expenditures	<u>\$ 27,810,731</u>	<u>\$ 22,558,303</u>	<u>\$ 21,969,975</u>	<u>\$ 18,795,484</u>
Excess of revenues over (under) expenditures	<u>\$ (3,848,518)</u>	<u>\$ (1,113,866)</u>	<u>\$ (1,530,869)</u>	<u>\$ 1,064,157</u>
<b>Other Financing Sources (Uses)</b>				
Proceeds from borrowing	\$ -	\$ 19,283,357	\$ 2,210,000	\$ 572,131
Other resources	18,732	21,013	75,632	107,792
Transfers in	2,463,554	2,114,498	2,251,647	2,465,142
Transfers out	(649,962)	(5,220,822)	(686,760)	(1,220,145)
Total other financing sources (uses)	<u>\$ 1,832,324</u>	<u>\$ 16,198,046</u>	<u>\$ 3,850,519</u>	<u>\$ 1,924,920</u>
Net change in fund balances	<u>\$ (2,016,194)</u>	<u>\$ 15,084,180</u>	<u>\$ 2,319,650</u>	<u>\$ 2,989,077</u>
Debt service as a percentage of noncapital expenditures	20.9%	17.1%	17.8%	18.1%

**CITY OF GRANBURY**  
**Changes in Fund Balances, Governmental Funds**  
**Last Ten Fiscal Years**  
**(Unaudited)**

2017	2016	2015	2014	2013	2012
\$ 15,733,847	\$ 14,872,298	\$ 13,994,697	\$ 13,146,849	\$ 12,792,390	\$ 12,380,367
737,790	613,565	703,918	595,351	561,786	521,189
200,801	225,259	190,154	149,611	184,388	201,206
651,070	672,307	496,838	406,679	464,000	471,172
1,891,996	582,339	858,629	267,614	197,729	204,720
112,960	47,046	31,670	27,732	58,025	50,927
625,945	494,225	541,213	1,127,908	666,348	382,653
<u>\$ 19,954,409</u>	<u>\$ 17,507,039</u>	<u>\$ 16,817,119</u>	<u>\$ 15,721,744</u>	<u>\$ 14,924,666</u>	<u>\$ 14,212,234</u>
\$ 5,353,951	\$ 4,905,160	\$ 4,745,797	\$ 3,840,821	\$ 3,636,842	\$ 3,339,088
3,832,502	3,896,217	3,867,902	3,731,731	3,847,599	3,364,569
853,293	404,201	1,255,424	354,000	384,889	332,775
2,447,429	528,257	534,995	562,719	421,448	587,464
548,658	447,070	578,796	547,800	408,090	381,797
1,744,042	1,795,998	2,114,803	1,762,250	1,479,716	1,337,862
807,756	780,866	797,357	2,507,455	953,968	899,502
732,905	835,599	644,068	682,689	677,325	620,234
871,689	861,287	1,107,772	811,717	2,410,505	458,364
773,205	891,118	672,887	486,545	740,144	607,289
1,207,002	713,451	712,289	912,346	1,011,534	1,092,050
1,978,750	2,220,965	2,350,470	2,030,855	1,985,029	1,621,880
-	373,502	297,604	-	119,333	-
<u>\$ 21,151,182</u>	<u>\$ 18,653,691</u>	<u>\$ 19,680,164</u>	<u>\$ 18,230,928</u>	<u>\$ 18,076,422</u>	<u>\$ 14,642,874</u>
<u>\$ (1,196,773)</u>	<u>\$ (1,146,652)</u>	<u>\$ (2,863,045)</u>	<u>\$ (2,509,184)</u>	<u>\$ (3,151,756)</u>	<u>\$ (430,640)</u>
\$ 347,802	\$ 10,250,850	\$ 3,919,383	\$ 452,839	\$ 214,208	\$ 92,774
162,933	38,692	72,944	-	119,346	-
1,918,857	2,012,029	2,420,229	2,806,721	1,183,018	1,093,266
(1,451,984)	(6,329,399)	(5,201,486)	(2,658,757)	(907,214)	(765,054)
<u>\$ 977,608</u>	<u>\$ 5,972,172</u>	<u>\$ 1,211,070</u>	<u>\$ 600,803</u>	<u>\$ 609,358</u>	<u>\$ 420,986</u>
<u>\$ (219,165)</u>	<u>\$ 4,825,520</u>	<u>\$ (1,651,975)</u>	<u>\$ (1,908,381)</u>	<u>\$ (2,542,398)</u>	<u>\$ (9,654)</u>
18.7%	17.4%	18.6%	19.6%	20.4%	20.6%

**CITY OF GRANBURY**  
Principal Sources of Revenue  
Government-Wide  
Last Ten Years  
(Unaudited)

Revenue Source	2021	2020	2019	2018	2017
<b>Principal General Government Revenue Sources</b>					
Sales and Use Tax	\$ 10,619,179	\$ 9,456,937	\$ 9,055,290	\$ 8,600,566	\$ 7,926,229
Ad Valorem Tax	6,691,693	6,374,562	5,936,937	5,619,520	5,394,768
Franchise Taxes	928,339	942,341	940,453	770,024	777,796
Utility Fund Franchise Tax	1,307,388	1,330,332	843,855	944,219	897,679
Hotel Occupancy Tax	924,047	653,155	844,772	729,324	737,375
All Other Sources	3,491,567	2,687,110	2,817,799	3,195,988	4,220,562
<b>Total General Government Revenue</b>	<b><u>\$ 23,962,213</u></b>	<b><u>\$ 21,444,437</u></b>	<b><u>\$ 20,439,106</u></b>	<b><u>\$ 19,859,641</u></b>	<b><u>\$ 19,954,409</u></b>

Current and comparative ad valorem tax rates are shown on page 97.

Sales Tax is collected at point of purchase in the City of Granbury at a total rate of 8.25%. Of that total, 6.25% is State tax, .50% is County tax, and 1.5% is City tax.

Hotel Occupancy Tax is collected at a rate of 13%. Of that total, 6% is State tax and 7% is City tax.

Franchise Taxes are charged for business conducted in the City but for which no location is available for ad valorem tax. The tax as a percentage of revenue is set by contractual agreements.

**Principal Enterprise Funds Revenue Sources**

Electric Sales	\$ 10,664,958	\$ 10,606,264	\$ 10,786,134	\$ 11,217,517	\$ 11,138,774
Water Sales	7,985,129	8,402,021	7,323,070	7,044,556	6,180,897
Wastewater Revenue	3,521,516	3,405,181	3,150,767	2,991,968	2,775,382
All Other	2,215,847	1,984,000	1,726,951	1,626,704	1,665,037
<b>Total Utility Fund Revenue</b>	<b><u>\$ 24,387,450</u></b>	<b><u>\$ 24,397,466</u></b>	<b><u>\$ 22,986,922</u></b>	<b><u>\$ 22,880,745</u></b>	<b><u>\$ 21,760,090</u></b>

**CITY OF GRANBURY**  
**Principal Sources of Revenue**  
**Government-Wide**  
**Last Ten Years**  
**(Unaudited)**

2016	2015	2014	2013	2012	Change: 2012-2021
\$ 7,624,373	\$ 7,151,484	\$ 6,599,573	\$ 6,440,471	\$ 6,282,851	69.0%
4,945,177	4,577,167	4,415,081	4,305,910	4,147,190	61.4%
747,865	790,557	731,411	692,784	747,381	24.2%
857,990	849,286	843,618	812,300	686,206	90.5%
696,893	626,203	557,166	540,925	516,739	78.8%
2,634,741	2,822,422	2,574,895	2,232,276	1,831,867	90.6%
<u>\$ 17,507,039</u>	<u>\$ 16,817,119</u>	<u>\$ 15,721,744</u>	<u>\$ 15,024,666</u>	<u>\$ 14,212,234</u>	<u>68.6%</u>
\$ 10,638,496	\$ 10,993,672	\$ 11,056,172	\$ 11,145,165	\$ 11,394,217	-6.4%
5,756,374	5,472,711	5,314,357	4,778,739	3,999,322	99.7%
2,512,036	2,440,580	2,394,387	2,048,432	1,774,092	98.5%
1,448,509	1,583,938	1,641,195	1,444,167	1,261,634	75.6%
<u>\$ 20,355,415</u>	<u>\$ 20,490,901</u>	<u>\$ 20,406,111</u>	<u>\$ 19,416,503</u>	<u>\$ 18,429,265</u>	<u>32.3%</u>

**CITY OF GRANBURY**  
Assessed Value of  
Taxable Property  
Last Ten Years  
(Unaudited)

<u>Tax Year</u>	<u>Fiscal Year</u>	<u>Real Property Assessed Value</u>	<u>Personal Property Assessed Value</u>	<u>Total Assessed Value</u>	<u>Tax Rate per \$100 Valuation</u>
2011	2011-2012	\$ 943,563,119	\$ 96,971,860	\$ 1,040,534,979	0.40390
2012	2012-2013	\$ 1,079,701,929	\$ 7,336,330	\$ 1,087,038,259	0.39926
2013	2013-2014	\$ 1,112,336,147	\$ 1,130,170	\$ 1,113,466,317	0.39459
2014	2014-2015	\$ 1,134,944,921	\$ 9,396,360	\$ 1,144,341,281	0.39758
2015	2015-2016	\$ 1,226,352,986	\$ 16,077,980	\$ 1,242,430,966	0.39758
2016	2016-2017	\$ 1,351,002,968	\$ 22,416,360	\$ 1,373,419,328	0.39758
2017	2017-2018	\$ 1,404,144,825	\$ 9,376,260	\$ 1,413,521,085	0.39939
2018	2018-2019	\$ 1,488,205,565	\$ 5,174,380	\$ 1,493,379,945	0.39939
2019	2019-2020	\$ 1,632,761,134	\$ 6,047,610	\$ 1,638,808,744	0.39939
2020	2020-2021	\$ 1,733,527,799	\$ 7,939,840	\$ 1,741,467,639	0.39612

Source: Hood County Appraisal District

Note: Property in the City is reassessed every other year. Property is assessed at actual value; therefore the assessed values are equal to actual values. Tax rates are per \$100 of assessed valuation.

**CITY OF GRANBURY**  
Property Tax Rates  
Direct and Overlapping Governments  
(Per \$100 of Assessed Value)  
Last Ten Years  
(Unaudited)

Tax Year	Fiscal Year	City of Granbury Tax Rate			Hood County	Granbury Independent School District
		Operations	Debt Repayment	City Total		
2011	2011-2012	0.14510	0.25880	0.40390	0.348888	1.15000
2012	2012-2013	0.14294	0.25632	0.39926	0.343908	1.14500
2013	2013-2014	0.15738	0.23721	0.39459	0.383908	1.14500
2014	2014-2015	0.15291	0.24468	0.39758	0.391697	1.26500
2015	2015-2016	0.18017	0.21741	0.39758	0.430882	1.26500
2016	2016-2017	0.18795	0.20963	0.39758	0.422230	1.25000
2017	2017-2018	0.19345	0.20593	0.39939	0.415744	1.21000
2018	2018-2019	0.20128	0.19811	0.39939	0.428018	1.19500
2019	2019-2020	0.19967	0.19972	0.39939	0.428018	1.12500
2020	2020-2021	0.16106	0.23506	0.39612	0.423777	1.11400

**CITY OF GRANBURY**  
Property Tax Levies and Collections  
Last Ten Years  
(Unaudited)

Tax Year	Fiscal Year	Original Levy	Subsequent Adjustments	Total Levy	Collected within the Fiscal Year of Levy	
					Current Tax Collections	Percent of Total Levy Collected
2011	2011-2012	\$ 4,141,351	\$ (11,127)	\$ 4,130,225	\$ 4,067,391	98.4787%
2012	2012-2013	\$ 4,294,424	\$ (41,732)	\$ 4,252,692	\$ 4,194,524	98.6322%
2013	2013-2014	\$ 4,361,775	\$ (12,868)	\$ 4,348,907	\$ 4,315,859	99.2401%
2014	2014-2015	\$ 4,518,300	\$ (4,350)	\$ 4,513,951	\$ 4,480,950	99.2689%
2015	2015-2016	\$ 4,906,608	\$ (5,091)	\$ 4,901,517	\$ 4,870,281	99.3627%
2016	2016-2017	\$ 5,417,381	\$ (14,085)	\$ 5,403,296	\$ 5,345,137	98.9236%
2017	2017-2018	\$ 5,576,464	\$ (14,693)	\$ 5,561,771	\$ 5,516,861	99.1925%
2018	2018-2019	\$ 5,853,856	\$ (10,829)	\$ 5,843,026	\$ 5,820,894	99.6212%
2019	2019-2020	\$ 6,375,855	\$ (33,128)	\$ 6,342,727	\$ 6,309,569	99.4772%
2020	2020-2021	\$ 6,684,541	\$ (55,618)	\$ 6,628,923	\$ 6,606,395	99.6601%

Source: Hood County Appraisal District

**CITY OF GRANBURY**  
Property Tax Levies and Collections  
Last Ten Years  
(Unaudited)

Delinquent Tax Collections	Total Collections to Date		Outstanding Delinquent Taxes	Ratio of Delinquent Taxes to Total Levy
	Total Tax Collections	Total Collections as a Percent of Total Levy		
\$ 59,563	\$ 4,126,954	99.9208%	\$ 3,271	0.0792%
\$ 54,039	\$ 4,248,563	99.9029%	\$ 4,129	0.0971%
\$ 28,669	\$ 4,344,528	99.8993%	\$ 4,378	0.1007%
\$ 28,956	\$ 4,509,906	99.9104%	\$ 4,045	0.0896%
\$ 27,021	\$ 4,897,302	99.9140%	\$ 4,215	0.0860%
\$ 53,660	\$ 5,398,796	99.9167%	\$ 4,500	0.0833%
\$ 42,481	\$ 5,559,343	99.9563%	\$ 2,429	0.0437%
\$ 20,595	\$ 5,841,489	99.9737%	\$ 1,537	0.0263%
\$ 13,120	\$ 6,322,689	99.6841%	\$ 20,038	0.3159%
\$ -	\$ 6,606,395	99.6601%	\$ 22,529	0.3399%

**CITY OF GRANBURY**  
 Classification of Assessed Valuation  
 Last Ten Years  
 (Unaudited)

Fiscal Year Ending	9/30/2021	9/30/2020	9/30/2019	9/30/2018
Tax Year	2020	2019	2018	2017
<i>Property use category</i>				
Real, Residential, Single family	\$ 906,891,557	\$ 820,251,664	\$ 716,225,506	\$ 626,908,890
Real, Residential, Multi-family	\$ 83,138,767	\$ 80,784,467	\$ 55,947,220	\$ 57,507,490
Real, Vacant Lots/Tracts	\$ 56,729,762	\$ 58,665,970	\$ 63,181,070	\$ 62,954,700
Real, Qualified Open-space Land	\$ 41,222,120	\$ 43,636,830	\$ 44,317,190	\$ 44,373,730
Real, Rural Land	\$ 9,297,130	\$ 9,300,540	\$ 7,734,330	\$ 7,450,720
Real, Commercial	\$ 545,753,570	\$ 520,693,810	\$ 496,522,065	\$ 507,380,480
Real, Industrial	\$ 2,723,230	\$ 3,000,130	\$ 2,807,450	\$ 2,852,840
Tangible Personal Property	\$ 4,871,310	\$ 5,108,170	\$ 5,132,400	\$ 3,604,400
Real/Tangible Personal, Utilities	\$ 22,234,860	\$ 22,145,260	\$ 20,508,560	\$ 20,807,760
Tangible Personal, Commercial	\$ 119,364,036	\$ 116,067,470	\$ 121,337,510	\$ 115,199,910
Tangible Personal, Industrial	\$ 7,712,560	\$ 5,757,840	\$ 1,574,100	\$ 9,035,070
Tangible Personal, Mobile Homes	\$ 227,280	\$ 289,770	\$ 337,030	\$ 341,190
Real Property, Inventory	\$ 10,760,620	\$ 17,896,380	\$ 7,934,600	\$ 7,903,750
Special Inventory	\$ 21,866,580	\$ 21,197,180	\$ 21,864,380	\$ 19,880,940
Real Minerals/Oil & Gas	\$ 3,931,490	\$ 7,862,890	\$ 7,287,580	\$ 3,910,240
Mixed PTD	\$ 675,563	\$ (23,083)	\$ (144,300)	\$ (23,500)
<b>Total Appraised Value</b>	<b>\$ 1,837,400,435</b>	<b>\$ 1,732,635,288</b>	<b>\$ 1,572,566,691</b>	<b>\$ 1,490,088,610</b>
Less: Exemptions or Deductions:				
Optional > 65 Res. Homestead	\$ 25,296,415	\$ 24,085,379	\$ 21,874,370	\$ 20,464,770
Disabled or Deceased Veterans	\$ 15,052,819	\$ 11,999,630	\$ 9,602,019	\$ 7,069,829
Agriculture & Unheard Protests	\$ 40,666,520	\$ 43,075,280	\$ 43,971,470	\$ 44,052,720
Residential, Capped Value Loss	\$ 9,113,423	\$ 11,689,567	\$ 3,954,032	\$ 2,831,037
Other	\$ 5,803,619	\$ 2,976,688	\$ (215,145)	\$ 2,149,169
<b>Total Exemptions</b>	<b>\$ 95,932,796</b>	<b>\$ 93,826,544</b>	<b>\$ 79,186,746</b>	<b>\$ 76,567,525</b>
<b>Net Assessed Valuation</b>	<b>\$ 1,741,467,639</b>	<b>\$ 1,638,808,744</b>	<b>\$ 1,493,379,945</b>	<b>\$ 1,413,521,085</b>
Percent of Fair Market Value	100%	100%	100%	100%

Source: Hood County Appraisal District

**CITY OF GRANBURY**  
 Classification of Assessed Valuation  
 Last Ten Years  
 (Unaudited)

<u>9/30/2017</u>	<u>9/30/2016</u>	<u>9/30/2015</u>	<u>9/30/2014</u>	<u>9/30/2013</u>	<u>9/30/2012</u>
<u>2016</u>	<u>2015</u>	<u>2014</u>	<u>2013</u>	<u>2012</u>	<u>2011</u>
\$ 564,533,270	\$ 527,546,060	\$ 501,976,240	\$ 477,935,220	\$ 464,702,920	\$ 446,958,430
\$ 51,110,960	\$ 47,024,980	\$ 44,482,770	\$ 41,923,330	\$ 39,576,630	\$ 39,046,300
\$ 68,636,150	\$ 60,718,140	\$ 58,541,910	\$ 50,644,930	\$ 42,005,010	\$ 43,122,120
\$ 47,088,100	\$ 44,881,390	\$ 46,750,000	\$ 47,921,880	\$ 67,637,360	\$ 64,708,830
\$ 7,249,500	\$ 7,584,980	\$ 7,213,810	\$ 17,152,810	\$ 5,422,210	\$ 8,006,060
\$ 507,984,820	\$ 434,696,240	\$ 392,331,310	\$ 396,789,380	\$ 380,787,530	\$ 357,495,960
\$ 2,622,570	\$ 2,147,740	\$ 2,116,560	\$ 2,462,190	\$ 2,194,980	\$ 2,216,760
\$ 3,474,740	\$ 1,004,350	\$ 965,040	\$ 10,219,060	\$ -	\$ -
\$ 19,935,130	\$ 17,323,730	\$ 12,524,180	\$ 11,821,370	\$ 10,552,930	\$ 10,506,340
\$ 121,399,950	\$ 115,944,620	\$ 102,257,650	\$ 91,154,860	\$ 100,114,430	\$ 91,924,550
\$ 22,037,920	\$ 15,707,560	\$ 9,050,770	\$ 773,190	\$ 7,006,700	\$ 4,679,350
\$ 378,440	\$ 370,420	\$ 345,590	\$ 356,980	\$ 329,630	\$ 367,960
\$ 8,939,530	\$ 9,021,500	\$ 9,036,230	\$ 8,522,040	\$ 14,195,140	\$ 18,153,540
\$ 20,134,780	\$ 19,063,260	\$ 18,107,580	\$ 17,292,880	\$ 14,375,950	\$ 13,204,650
\$ 4,337,100	\$ 11,736,060	\$ 12,353,800	\$ 12,538,690	\$ 14,141,160	\$ 10,769,990
\$ (4,980)	\$ (88,546)	\$ (6,070)	\$ (6,730)	\$ (190,886)	\$ (44,472)
<u>\$ 1,449,857,980</u>	<u>\$ 1,314,682,484</u>	<u>\$ 1,218,047,370</u>	<u>\$ 1,187,502,080</u>	<u>\$ 1,162,851,694</u>	<u>\$ 1,111,116,368</u>
\$ 19,261,650	\$ 17,924,460	\$ 16,231,640	\$ 14,880,720	\$ 13,909,120	\$ 13,421,820
\$ 5,207,004	\$ 5,321,866	\$ 4,593,900	\$ 4,479,249	\$ 3,917,120	\$ 3,800,520
\$ 46,764,630	\$ 44,541,430	\$ 46,408,000	\$ 47,574,150	\$ 48,722,370	\$ 43,821,370
\$ 2,353,530	\$ 753,550	\$ 1,076,290	\$ 1,502,480	\$ 2,895,780	\$ 4,606,300
\$ 2,851,838	\$ 3,710,212	\$ 5,396,259	\$ 5,599,164	\$ 6,369,045	\$ 4,931,379
<u>\$ 76,438,652</u>	<u>\$ 72,251,518</u>	<u>\$ 73,706,089</u>	<u>\$ 74,035,763</u>	<u>\$ 75,813,435</u>	<u>\$ 70,581,389</u>
<u>\$ 1,373,419,328</u>	<u>\$ 1,242,430,966</u>	<u>\$ 1,144,341,281</u>	<u>\$ 1,113,466,317</u>	<u>\$ 1,087,038,259</u>	<u>\$ 1,040,534,979</u>
100%	100%	100%	100%	100%	100%

**CITY OF GRANBURY**  
**Top Ten Ad Valorem Taxpayers**  
**Current Year and Ten Years Ago**  
**(Unaudited)**

Taxpayer	Tax Year 2020			Tax Year 2010		
	Rank	Taxable Assessed Valuation	Percent of Total Assessed Valuation	Rank	Taxable Assessed Valuation	Percent of Total Assessed Valuation
Welltower TCG Ridea	1	\$ 23,285,050	1.34%			
CRV Investments LLC	2	\$ 15,289,450	0.88%			
Granbury Brazos Crossing	3	\$ 15,184,350	0.87%			
Hood County Hospital District	4	\$ 13,547,070	0.78%			
Luton Ranch SC LP	5	\$ 12,379,750	0.71%			
Lakehouse Equity Fund LLC	6	\$ 12,100,000	0.69%			
Welltower TCG NNN Land	7	\$ 11,234,370	0.65%			
Kroger Texas LP	8	\$ 11,103,910	0.64%			
ARI	9	\$ 10,521,230	0.60%			
Granbury Marina Hotel, LP	10	9,738,370	0.56%			
TCG Granbury Cottages, LLC				1	\$ 27,660,040	2.63%
Hood General Hospital				2	\$ 13,486,560	1.28%
Wal-Mart Real Estate Business				3	\$ 9,064,450	0.86%
Lowe's Home Centers Inc				4	\$ 7,893,910	0.75%
Quicksilver Resources				5	\$ 7,339,740	0.70%
Tapestry Group Lake Granbury				6	\$ 7,300,000	0.69%
HD Development Properties				7	\$ 7,100,000	0.68%
The Shops of Granbury LTD				8	\$ 7,000,000	0.67%
Lake Granbury Medical Center				9	\$ 6,567,330	0.62%
1909 Partners, LP				10	\$ 6,445,630	0.61%
		<b>\$ 134,383,550</b>	<b>7.72%</b>		<b>\$ 99,857,660</b>	<b>9.50%</b>

Source: Hood County Appraisal District

**CITY OF GRANBURY**  
Sales Tax Revenue by Business Type  
(Unaudited)  
September 30, 2021

Fiscal Year	2021	2020	2019	2018
<i>Sales Tax Category</i>				
Retail:				
Motor Vehicle & Parts	\$ 377,814	\$ 365,063	\$ 366,567	\$ 405,353
Furniture & Home Furnishings	\$ 352,032	\$ 279,944	\$ 225,199	\$ 196,754
Electronics & Appliance	\$ 48,292	\$ 37,981	\$ 115,573	\$ 136,153
Building Materials	\$ 1,839,785	\$ 1,628,937	\$ 1,410,398	\$ 1,334,958
Apparel Stores	\$ 376,270	\$ 277,872	\$ 268,114	\$ 262,122
General Merchandise	\$ 1,296,851	\$ 1,268,068	\$ 1,269,391	\$ 1,263,430
All Other Retail	\$ 2,243,158	\$ 2,007,092	\$ 1,677,608	\$ 1,565,674
<b>Total Retail</b>	<b>\$ 6,534,202</b>	<b>\$ 5,864,956</b>	<b>\$ 5,332,850</b>	<b>\$ 5,164,444</b>
Agriculture/Manufacturing/Mining	\$ 463,753	\$ 450,276	\$ 416,720	\$ 413,600
Services	\$ 1,604,319	\$ 1,512,592	\$ 1,672,092	\$ 1,459,290
Wholesalers	\$ 426,763	\$ 355,171	\$ 390,026	\$ 384,946
Food & Accommodation	\$ 1,380,614	\$ 1,196,458	\$ 1,182,787	\$ 1,152,846
All Other	\$ 209,528	\$ 77,483	\$ 60,816	\$ 25,440
<b>Total Sales Tax Received</b>	<b>\$ 10,619,179</b>	<b>\$ 9,456,937</b>	<b>\$ 9,055,290</b>	<b>\$ 8,600,566</b>
City Sales Tax Rate	1.50%	1.50%	1.50%	1.50%

Source: ZacTax Sales Tax Analysis and Reporting Service

**CITY OF GRANBURY**  
Sales Tax Revenue by Business Type  
(Unaudited)  
September 30, 2021

2017	2016	2015	2014	2013	2012
\$ 370,879	\$ 313,972	\$ 357,382	\$ 280,756	\$ 243,210	\$ 252,640
\$ 169,716	\$ 172,403	\$ 165,189	\$ 182,908	\$ 162,761	\$ 171,575
\$ 108,577	\$ 50,686	\$ 53,284	\$ 93,884	\$ 80,488	\$ 90,322
\$ 1,371,254	\$ 1,132,022	\$ 1,038,175	\$ 955,273	\$ 990,088	\$ 878,580
\$ 220,794	\$ 231,035	\$ 191,794	\$ 136,370	\$ 122,338	\$ 114,634
\$ 1,191,687	\$ 1,184,226	\$ 1,164,962	\$ 1,010,511	\$ 1,011,228	\$ 992,909
\$ 1,438,418	\$ 1,020,292	\$ 924,567	\$ 1,083,006	\$ 1,153,924	\$ 1,290,870
<b>\$ 4,871,323</b>	<b>\$ 4,104,636</b>	<b>\$ 3,895,353</b>	<b>\$ 3,742,708</b>	<b>\$ 3,764,038</b>	<b>\$ 3,791,531</b>
\$ 354,932	\$ 352,589	\$ 291,357	\$ 413,761	\$ 385,708	\$ 390,398
\$ 1,276,362	\$ 1,210,484	\$ 713,673	\$ 788,306	\$ 697,989	\$ 660,682
\$ 340,329	\$ 565,717	\$ 557,188	\$ 438,871	\$ 320,307	\$ 267,459
\$ 1,051,885	\$ 947,192	\$ 888,846	\$ 829,682	\$ 783,573	\$ 739,506
\$ 31,399	\$ 443,754	\$ 805,067	\$ 386,245	\$ 511,835	\$ 440,440
<b>\$ 7,926,229</b>	<b>\$ 7,624,373</b>	<b>\$ 7,151,484</b>	<b>\$ 6,599,573</b>	<b>\$ 6,463,449</b>	<b>\$ 6,290,017</b>
1.50%	1.50%	1.50%	1.50%	1.50%	1.50%

**CITY OF GRANBURY**  
Electricity and Water Sales  
By Type of Customer  
Last Ten Years

**ELECTRICITY SALES**

Type of Customer	2021	2020	2019	2018	2017
Residential	\$ 3,693,725	\$ 3,702,701	\$ 3,622,407	\$ 3,792,144	\$ 3,580,932
Commercial	\$ 5,027,037	\$ 5,187,784	\$ 5,375,791	\$ 5,504,278	\$ 6,959,122
Other	\$ 1,754,624	\$ 1,715,779	\$ 1,787,936	\$ 1,921,095	\$ 598,720
<b>Total</b>	<b>\$ 10,475,387</b>	<b>\$ 10,606,264</b>	<b>\$ 10,786,134</b>	<b>\$ 11,217,517</b>	<b>\$ 11,138,774</b>

**WATER SALES**

Type of Customer	2021	2020	2019	2018	2017
Residential	\$ 4,462,754	\$ 4,387,350	\$ 3,729,829	\$ 3,815,847	\$ 2,747,226
Commercial	\$ 2,984,840	\$ 3,629,901	\$ 3,178,201	\$ 2,843,730	\$ 3,280,440
Other	\$ 369,543	\$ 384,770	\$ 415,038	\$ 384,979	\$ 153,230
<b>Total</b>	<b>\$ 7,817,138</b>	<b>\$ 8,402,021</b>	<b>\$ 7,323,069</b>	<b>\$ 7,044,556</b>	<b>\$ 6,180,897</b>

NOTE: This data is taken from billing registers and does not include billing adjustments. However we believe it fairly represents the trend of growth and proportion of revenue from customer types. Starting in 2016- totals include all billing and year-end adjustments.

**CITY OF GRANBURY**  
 Electricity and Water Sales  
 By Type of Customer  
 Last Ten Years

**ELECTRICITY SALES**

<u>2016</u>	<u>2015</u>	<u>2014</u>	<u>2013</u>	<u>2012</u>
\$ 3,420,101	\$ 3,505,676	\$ 3,510,579	\$ 3,395,007	\$ 3,594,577
\$ 6,646,565	\$ 6,632,906	\$ 6,746,776	\$ 7,131,527	\$ 7,383,818
\$ 571,830	\$ 851,383	\$ 864,285	\$ 538,887	\$ 464,866
<u>\$ 10,638,496</u>	<u>\$ 10,989,965</u>	<u>\$ 11,121,641</u>	<u>\$ 11,065,421</u>	<u>\$ 11,443,261</u>

**WATER SALES**

<u>2016</u>	<u>2015</u>	<u>2014</u>	<u>2013</u>	<u>2012</u>
\$ 2,558,538	\$ 2,614,942	\$ 2,547,695	\$ 2,331,133	\$ 2,185,014
\$ 3,055,130	\$ 2,889,001	\$ 2,661,313	\$ 2,438,937	\$ 1,850,843
\$ 142,706	\$ 34,250	\$ 120,286	\$ 90,312	\$ 86,303
<u>\$ 5,756,374</u>	<u>\$ 5,538,193</u>	<u>\$ 5,329,295</u>	<u>\$ 4,860,382</u>	<u>\$ 4,122,160</u>

**CITY OF GRANBURY**  
Top Ten Utility Rate Payers  
by Rate Type  
Compared to Five Years Ago  
(Unaudited)  
September 30, 2021

**Ten Largest Electric Customers**

Customers	Annual Kwh Consumed (in thousands of Kwh)			
	2021		2016	
	Rank	Consumption	Rank	Consumption
City of Granbury	1	7,417	2	6,207
GISD	2	6,476	1	670
Lake Granbury Medical Center	3	5,441	3	5,951
Brookshire Grocery Co.	4	2,469		
Hood County	5	1,707	4	3,833
Lowe's Home Center	6	1,563	6	2,907
Waterview Point Retirement	7	1,542	5	3,074
Medproperties Granbury, LLC	8	1,371		
AT&T	9	1,042	7	1,128
Waterview Cove	10	1,032		
Hilton Garden Inn			8	1,031
Creative Solutions			9	963
Harborlakes Plaza Nursing			10	795

**Ten Largest Water Customers**

Customers	Annual Gallons Consumed (in hundreds of gallons)			
	2021		2016	
	Rank	Consumption	Rank	Consumption
City Of Granbury	1	245,988	2	96,880
Harbor Lakes Partners, LLC	2	127,248		
Creative Solutions	3	122,709	8	52,095
Hood County	4	84,978	1	101,518
Lake Granbury Medical Center	5	71,180	9	45,821
Lakehouse Equity Fund	6	65,928		
Waterview Point Retirement	7	64,803	4	79,957
GISD	8	62,713		
Granbury SNF	9	62,436		
Parkdale Enterprises	10	54,000		
Wash My Ride			5	75,158
Jerry Durant Toyota			3	92,078
Pacific Lake Granbury, LP			6	68,244
HEB			7	52,458
NEC US 377 & Meander Rd, LP			10	37,508

**CITY OF GRANBURY**  
 Utility Service Rates  
 Electric, Water and Sewer  
 September 30, 2021  
 (Unaudited)

**Electric Rate Structure**

Residential Rate Structure		
<i>Electric</i>	<i>Inside City Limits</i>	<i>Outside City Limits</i>
Minimum charge	13.75	25.00
Energy Charge per/kWh	0.0459	0.0459
Commercial/ Multi Unit Rate Structure		
<i>Electric</i>	<i>Inside City Limits</i>	<i>Outside City Limits</i>
Minimum- Small Commercial	35.00	45.00
Minimum- Large Commercial	72.00	85.00
Minimum- Multi Unit	13.75	25.00
Energy Charge per/kWh	0.0459	0.0459
<b>Power Cost Adjustment Factor</b> - In addition to the appropriate base and energy rates, each customer's monthly bill shall include an applicable per kilowatt hour Power Cost Adjustment (PCA) charge.		
<i>All Customers</i>	<i>Inside City Limits</i>	<i>Outside City Limits</i>
Residential Sales Tax	1.50%	n/a
Commercial Sales Tax	8.25%	6.00%

**Water Rate Structure**

Residential Rate Structure		
<i>Water</i>	<i>Inside City Limits</i>	<i>Outside City Limits</i>
Minimum Charge	18.46	28.38
Rate per 1,000 gallons:		
0-2,000 gallons	5.77	8.66
2,000- 10,000 gallons	7.79	11.67
10,001-20,000 gallons	8.95	13.42
over 20,000 gallons	9.23	13.85
Commercial/ Multi Unit Rate Structure		
<i>Water</i>	<i>Inside City Limits</i>	<i>Outside City Limits</i>
Minimum Per Meter Size:		
3/4" Meters	20.76	28.84
1" Meters	42.68	59.98
2" Meters	200.72	281.46
3" and 4" Meters	401.43	562.93
6" Meters	666.25	933.78
Rate per 1,000 gallons:		
0-2,000 gallons	5.77	8.66
2,000- 10,000 gallons	7.79	11.67
10,001-20,000 gallons	8.95	13.42
over 20,000 gallons	9.23	13.85

**CITY OF GRANBURY**  
 Utility Service Rates  
 Electric, Water and Sewer  
 September 30, 2021  
 (Unaudited)

**Sewer Rate Structure**

**Residential Rate Structure**

<i>Sewer</i>	<i>Inside City Limits</i>	<i>Outside City Limits</i>
Minimum Charge	27.55	39.03
Rate per 1,000 gallons	4.02	6.03

**Commercial/ Multi Unit Rate Structure**

<i>Sewer</i>	<i>Inside City Limits</i>	<i>Outside City Limits</i>
Minimum- Small Commercial	41.90	51.08
Minimum- Large Commercial	41.90	51.08
Minimum- Multi Unit	7.46	11.48
Rate per 1,000 gallons	4.02	6.03

**Garbage Rate Structure**

<i>Garbage</i>	<i>Inside City Limits</i>	<i>Outside City Limits</i>
Residential Customer	15.07	n/a
Commercial Customer	*varies	n/a

\* rates will be set by type, amount, and frequency of service

<i>All Customers</i>	<i>Inside City Limits</i>	<i>Outside City Limits</i>
Residential Sales Tax	8.25%	n/a
Commercial Sales Tax	8.25%	n/a

**CITY OF GRANBURY**  
Ratio Of Net General Bonded Debt To Assessed Value  
And Net Bonded Debt Per Capita  
Last Ten Years  
(Unaudited)

Year Ended September 30	Assessed Value (Adjusted)	Gross Bonded Debt	Less: Debt Service Fund Balance	Net Bonded Debt
2012	\$ 1,040,534,979	\$ 25,319,875	\$ 273,016	\$ 25,046,859
2013	\$ 1,087,038,259	\$ 23,385,375	\$ 266,352	\$ 23,119,023
2014	\$ 1,113,466,317	\$ 21,525,000	\$ 171,352	\$ 21,353,648
2015	\$ 1,144,341,281	\$ 20,776,684	\$ 260,791	\$ 20,515,893
2016	\$ 1,242,430,966	\$ 22,965,392	\$ 289,887	\$ 22,675,505
2017	\$ 1,373,419,328	\$ 20,919,169	\$ 333,176	\$ 20,585,993
2018	\$ 1,413,521,085	\$ 23,978,254	\$ 508,115	\$ 23,470,139
2019	\$ 1,493,379,945	\$ 21,147,795	\$ 706,388	\$ 20,441,407
2020	\$ 1,638,808,744	\$ 21,338,578	\$ 801,769	\$ 20,536,809
2021	\$ 1,741,467,639	\$ 18,074,605	\$ 763,092	\$ 17,311,513

Year Ended September 30	Ratio Net General Bonded Debt to Assessed Value	Estimated Population	Net General Bonded Debt Per Capita
2012	2.41%	8,648	\$ 2,896
2013	2.13%	8,290	\$ 2,789
2014	1.92%	8,779	\$ 2,432
2015	1.79%	8,940	\$ 2,295
2016	1.83%	9,140	\$ 2,481
2017	1.50%	9,310	\$ 2,211
2018	1.66%	9,520	\$ 2,465
2019	1.37%	10,410	\$ 1,964
2020	1.25%	10,730	\$ 1,914
2021	0.99%	11,490	\$ 1,507

Gross bonded debt includes general obligation bonds for both governmental activities and business-type activities.

**CITY OF GRANBURY**  
 Government-wide Outstanding Debt  
 Last Ten Years  
 September 30, 2021

Fiscal Year	Governmental Activities			Business-type Activities		
	General Obligation Bonds	Combined Tax & Revenue Certificates of Obligation	Notes and Lease/Purchases	Utility Revenue Bonds	General Obligation Bonds	Combined Tax & Revenue Certificates of Obligation
2012	\$ 9,097,146	\$ 16,384,646	\$ 631,070	\$ 13,674,187	\$ 4,183,891	\$ 865,125
2013	\$ 10,726,491	\$ 13,141,407	\$ 692,875	\$ 12,903,214	\$ 4,739,125	\$ 59,625
2014	\$ 9,509,707	\$ 12,447,293	\$ 975,234	\$ 12,114,241	\$ 4,376,581	\$ -
2015	\$ 15,542,500	\$ 6,380,000	\$ 1,472,079	\$ 11,302,268	\$ 3,936,536	\$ 16,430,000
2016	\$ 19,410,667	\$ 12,289,507	\$ 1,482,502	\$ 10,467,295	\$ 3,554,724	\$ 19,150,000
2017	\$ 13,231,650	\$ 29,253,811	\$ 1,320,400	\$ 170,321	\$ 8,765,839	\$ 80,435,000
2018	\$ 16,205,135	\$ 11,600,115	\$ 1,777,443	\$ 3,550,104	\$ 7,773,119	\$ 33,370,000
2019	\$ 14,543,621	\$ 13,340,419	\$ 1,480,219	\$ 3,333,942	\$ 6,604,174	\$ 81,470,000
2020	\$ 12,837,758	\$ 31,869,850	\$ 1,239,468	\$ -	\$ 8,500,820	\$ 80,435,000
2021	\$ 11,033,008	\$ 31,054,986	\$ 1,025,995	\$ -	\$ 7,041,597	\$ 78,825,000

\*Per capita income data was not released in 2021 due to disruptions from COVID

**CITY OF GRANBURY**  
 Government-wide Outstanding Debt  
 Last Ten Years  
 September 30, 2021

<u><b>Total Government-wide Indebtedness</b></u>						
<u>Notes and Lease/ Purchases</u>	<u>Total Government-wide Indebtedness</u>	<u>Estimated Population</u>	<u>Total Debt per Capita</u>	<u>Per Capita Income</u>	<u>Debt as Percent of Personal Income</u>	
\$ 655,564	\$ 45,491,629	8,648	\$ 5,260	\$ 26,688	19.71%	
\$ 1,114,621	\$ 43,377,358	8,290	\$ 5,232	\$ 27,967	18.71%	
\$ 1,407,137	\$ 40,830,193	8,779	\$ 4,651	\$ 29,105	15.98%	
\$ 1,257,178	\$ 56,320,561	8,940	\$ 6,300	\$ 26,864	23.45%	
\$ 1,016,407	\$ 67,371,102	9,140	\$ 7,371	\$ 30,478	24.18%	
\$ 1,310,182	\$ 134,487,203	9,310	\$ 14,445	\$ 31,508	45.85%	
\$ 1,796,059	\$ 76,071,975	9,520	\$ 7,991	\$ 33,913	23.56%	
\$ 1,528,080	\$ 122,300,455	10,410	\$ 11,748	\$ 33,462	35.11%	
\$ 1,310,182	\$ 136,193,078	10,730	\$ 12,693	\$ 35,997	35.26%	
\$ 4,830,027	\$ 133,810,613	11,490	\$ 11,646	\$ 35,997 *	32.35%	

**CITY OF GRANBURY**  
 Estimated Direct and Overlapping Ad Valorem Tax  
 Supported Gross Debt Statement  
 as of September 30, 2021  
 (Unaudited)

Governmental Subdivision	Gross Debt	Estimated Percent Applicable (1)	Direct and Estimated Overlapping Bonded Debt
<u>Direct:</u>			
• City of Granbury	\$ 43,113,989	100.00%	\$ 43,113,989
Total Direct Debt			<u>\$ 43,113,989</u>
<u>Overlapping:</u>			
• Granbury Independent School District	\$ 93,015,000	23.18%	\$ 21,560,877
• Hood County	\$ 8,970,000	23.27%	\$ 2,087,319
Total Overlapping Debt			<u>\$ 23,648,196</u>
<u>Total Direct and Overlapping Consolidated</u>			
<b>Gross Debt Outstanding</b>			<b><u>\$ 66,762,185</u></b>

Direct and Overlapping Gross Debt Per Capita	A. \$	5,810
Ratio of Direct and Overlapping Gross Debt to 2019 Net Assessed Valuation	B.	3.83%

A. Based on population estimate of 11,490 as of 9/30/2021.

B. Based on the assessed valuation of \$1,741,467,639 for tax year 2020.

Note 1: The "Estimated Percentage Overlapping" is determined by dividing the City's certified taxable value by the County and related other County entities certified taxable values. The share of market values for Granbury Independent School District and Hood County is calculated by the Hood County Appraisal District.

**CITY OF GRANBURY**  
 Computation of Legal Debt Margin  
 September 30, 2021  
 (Unaudited)

The City Charter of the City of Granbury, Texas does not provide for a debt limit. Under provisions of state law, the maximum tax rate is limited to \$2.50 for every \$100 of assessed valuation.

Tax Rate Limit	\$ 2.500
Current Tax Rate	<u>0.39612</u>
Available Tax Rate	<u>\$ 2.104</u>

No direct bond debt limitation is imposed on the City under current state law or the City's Charter.

Tax Year	Fiscal Year	Assessed Value (Adjusted)	Maximum Allowable Taxable Amount	Actual Tax Levy	Margin
2011	2011-2012	\$ 1,040,534,979	\$ 26,013,374	\$ 4,141,351	\$ 21,872,023
2012	2012-2013	\$ 1,087,038,259	\$ 27,175,956	\$ 4,294,424	\$ 22,881,532
2013	2013-2014	\$ 1,113,466,317	\$ 27,836,658	\$ 4,361,858	\$ 23,474,800
2014	2014-2015	\$ 1,144,341,281	\$ 28,608,532	\$ 4,518,300	\$ 24,090,232
2015	2015-2016	\$ 1,242,430,966	\$ 31,060,774	\$ 4,906,608	\$ 26,154,166
2016	2016-2017	\$ 1,373,419,328	\$ 34,335,483	\$ 5,417,381	\$ 28,918,102
2017	2017-2018	\$ 1,413,521,085	\$ 35,338,027	\$ 5,576,464	\$ 29,761,563
2018	2018-2019	\$ 1,493,379,945	\$ 37,334,499	\$ 5,853,856	\$ 31,480,643
2019	2019-2020	\$ 1,638,808,744	\$ 40,970,219	\$ 6,375,855	\$ 34,594,363
2020	2020-2021	\$ 1,741,467,639	\$ 43,536,691	\$ 6,684,541	\$ 36,852,150

**CITY OF GRANBURY**  
Municipal Utility  
Revenue Bond Coverage  
Last Ten Years  
(Unaudited)

Fiscal Year	Total Revenues	Direct Operating Expenses	Net Available for Debt Service	Annual Requirement	Times Coverage
2012	\$ 17,570,178	\$ 14,554,481	\$ 3,015,697	\$ 901,728	3.34
2013	\$ 18,366,107	\$ 15,333,091	\$ 3,033,016	\$ 1,247,523	2.43
2014	\$ 19,320,635	\$ 16,272,444	\$ 3,048,191	\$ 1,244,623	2.45
2015	\$ 19,478,823	\$ 15,659,883	\$ 3,818,940	\$ 1,244,168	3.07
2016	\$ 19,493,524	\$ 16,284,099	\$ 3,209,425	\$ 1,242,318	2.58
2017	\$ 20,736,380	\$ 15,876,509	\$ 4,859,871	\$ 1,244,624	3.90
2018	\$ 21,989,461	\$ 13,351,108	\$ 8,638,353	\$ 345,300	25.02
2019	\$ 23,078,453	\$ 12,750,739	\$ 10,327,714	\$ 339,150	30.45
2020	\$ 23,680,594	\$ 13,287,540	\$ 10,393,054	\$ 343,000	30.30
2021	\$ 22,750,664	\$ 18,057,468	\$ 4,693,196	-	N/A *

The City Charter of the City of Granbury, Texas, provides that all sources of Utility Fund revenues are cross-pledged to cover all sources of Utility Fund debt.

\* There is no annual requirement because all revenue bonds were refunded and paid off in FY 2020.

**CITY OF GRANBURY**  
Ratio of Annual Debt Service  
For General Bonded Debt to  
Total General Expenditures  
Last Ten Years  
(Unaudited)

Fiscal Year	Principal	Interest and Charges	Total Debt Service	Total General Expenditures	Ratio of Debt Service to Total General Expenditures
2012	\$ 1,499,875	\$ 1,065,362	\$ 2,565,237	\$ 9,950,844	25.7791%
2013	\$ 1,832,625	\$ 979,932	\$ 2,812,557	\$ 11,018,728	25.5252%
2014	\$ 1,860,375	\$ 891,125	\$ 2,751,500	\$ 11,285,866	24.3801%
2015	\$ 2,062,500	\$ 676,312	\$ 2,738,812	\$ 13,770,604	19.8888%
2016	\$ 1,895,000	\$ 798,663	\$ 2,693,663	\$ 12,868,021	20.9330%
2017	\$ 1,645,000	\$ 1,167,281	\$ 2,812,281	\$ 15,553,080	18.0818%
2018	\$ 1,907,500	\$ 958,556	\$ 2,866,056	\$ 13,782,134	20.7954%
2019	\$ 1,960,000	\$ 909,081	\$ 2,869,081	\$ 16,276,467	17.6272%
2020	\$ 2,201,000	\$ 913,232	\$ 3,114,232	\$ 15,459,417	20.1446%
2021	\$ 2,309,000	\$ 1,798,708	\$ 4,107,708	\$ 15,821,714	25.9625%

**CITY OF GRANBURY**  
Property Value And Construction  
Last Ten Years  
(Unaudited)

Year Ended September 30	Assessed Value (Adjusted)	Building Permits Issued	Percent Change	Estimated Value of Construction All Permits	Percent Change
2012	\$ 1,040,534,979	237	12.32%	\$ 31,518,255	-35.55%
2013	\$ 1,087,038,259	284	19.83%	\$ 41,544,776	31.81%
2014	\$ 1,113,466,317	249	-12.32%	\$ 53,181,956	28.01%
2015	\$ 1,144,341,281	228	-8.43%	\$ 45,685,267	-14.10%
2016	\$ 1,242,430,966	235	3.07%	\$ 43,439,911	-4.91%
2017	\$ 1,373,419,328	328	39.57%	\$ 55,733,558	28.30%
2018	\$ 1,413,521,085	376	14.63%	\$ 63,941,951	14.73%
2019	\$ 1,493,379,945	357	8.84%	\$ 66,617,919	19.53%
2020	\$ 1,638,808,744	939	163.03%	\$ 100,944,108	51.53%
2021	\$ 1,741,467,639	679	-27.69%	\$ 111,739,613	10.69%

**CITY OF GRANBURY**  
Demographic Statistics  
Last Ten Years  
(Unaudited)

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Year Ended September 30	Estimated Population	Unemployment Rate for Hood County	School Enrollment	Per Capita Income
2012	8,648	5.4%	6,590	\$ 26,688
2013	8,290	4.9%	6,510	\$ 27,967
2014	8,779	3.8%	6,621	\$ 29,105
2015	8,940	4.8%	6,658	\$ 26,864
2016	9,140	4.7%	6,869	\$ 30,478
2017	9,310	3.9%	6,869	\$ 31,508
2018	9,520	2.3%	6,991	\$ 33,913
2019	10,410	3.4%	7,143	\$ 33,462
2020	10,730	7.3%	7,346	\$ 35,997
2021	11,490	4.5%	7,540	\$ 35,997 *

Sources:

Population and Per capita income\* from <https://www.census.gov/quickfacts/fact/table/granburycitytexas>  
and from <https://www.worldpopulationreview.com/us-cities/granbury-tx-population>

Unemployment rates from Texas Labor Market web site (<https://texaslmi.com/LMIbyCategory/LAUS>)

School enrollment from Texas Education Agency ([tea.texas.gov](http://tea.texas.gov)) and/or National Center for Education  
Statistics ([nces.ed.gov](http://nces.ed.gov))

\*Per capita income data was not released in 2021 due to disruptions from COVID

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**CITY OF GRANBURY**  
Employers and Selected Statistics  
(Unaudited)

**MAJOR EMPLOYERS**

Employer	Line of Business	2021			2011		
		Employees	Rank	% of Total Employed	Employees	Rank	% of Total Employed
Granbury ISD	School District	1,060	1	3.9%	1,035	1	4.2%
Lake Granbury Medical	Medical Services	750	2	2.7%	400	3	1.6%
Hood County	County Government	364	3	1.3%	331	4	1.4%
Walmart Supercenter	Retail	350	4	1.3%	420	2	1.7%
H - E - B	Retail	320	5	1.2%			
City of Granbury	Municipal Government	200	6	0.7%	165	7	0.7%
Home Depot	Home Improvement	170	7	0.6%			
Kroger	Retail	151	8	0.6%			
Lowe's	Home Improvement	150	9	0.5%			
Granbury Care Center	Nursing Home	141	10	0.5%	150	10	0.6%
Culberson Construction	Hombuilders				320	5	1.3%
Texas Transco	Oil and Gas				300	6	1.2%
United Cooperative Svc	Utility Services				154	8	0.6%
Neighbors Well Service	Well Services				150	9	0.6%
	<b>Total</b>	<b>3,656</b>		<b>13.4%</b>	<b>3,425</b>		<b>14.0%</b>

**SELECTED BUSINESS STATISTICS**

	2021	2020	2019	2018	2017	2016	2011
Total Number Employed, Hood County	27,297	25,641	26,820	26,127	25,065	24,113	24,454
Number of Business Establishments, Hood County	1,602	1,557	1,515	1,444	1,401	1,359	818
Number of Households, Granbury	4,091*	4,091	3,996	3,744	3,667	3,671	3,296

\*Number of Households data was not released in 2021 due to disruptions from COVID

Prior year data restated where current source provided updated figures.

Sources: The Nielsen Company via Granbury-Hood County Economic Development Corp.; Texas Workforce Solutions, Granbury office; United Census Bureau ([http://factfinder.census.gov/faces/nav/jsf/pages/community\\_facts.xhtml](http://factfinder.census.gov/faces/nav/jsf/pages/community_facts.xhtml)); Business self-reported data

**CITY OF GRANBURY**  
City Employees by Job Type  
Last Ten Fiscal Years  
(Unaudited)

**Count of Employees by Year**

Job Classification	2021	2020	2019	2018	2017	2016	2015	2014	2013	2012
Building Inspectors	10	8	10	9	8	9	10	9	9	9
Computer Install, Inspec	2	1	2	3	3	3	3	3	0	0
Street & Road Repair	7	7	7	7	7	7	7	7	6	5
Drivers	2	3	3	3	3	3	3	3	3	2
Airport Operations	4	6	6	6	6	6	6	6	5	3
Waterworkers	24	24	20	19	19	16	14	15	14	13
Electric Distribution	7	7	7	7	8	7	7	7	7	7
Sewage Treatment	15	15	14	9	9	9	9	9	9	8
TV or Radio	1	1	1	1	1	1	1	2	0	0
Firefighters-Paid	0	0	0	0	0	0	0	0	0	0
Firefighters-Volunteer	54	58	49	58	62	35	47	35	43	42
Police Officers	45	46	44	39	36	34	34	33	32	29
Warehouse Operation	2	2	2	2	2	2	2	2	2	2
Automobile Repair	3	3	3	3	3	3	3	3	3	2
Promotional/Development	0	4	5	2	2	2	2	6	13	9
Clerical-Office	39	46	44	36	36	36	37	39	41	39
Animal Control	1	1	1	1	1	1	1	1	1	1
Building Maintenance	13	13	12	13	13	13	12	14	14	13
Restaurants	8	5	5	6	6	6	6	5	0	0
Parks & Recreation	43	30	25	26	26	26	26	26	26	31
<b>Total</b>	<b>277</b>	<b>280</b>	<b>260</b>	<b>250</b>	<b>251</b>	<b>219</b>	<b>230</b>	<b>225</b>	<b>228</b>	<b>213</b>

Source: Texas Municipal League Workers Compensation audit figures and current year approved, budgeted positions.

**CITY OF GRANBURY**  
 Capital Assets Information  
 Last Ten Fiscal Years  
 (Unaudited)

Fiscal Year	2021	2020	2019	2018
<b>City-Owned Equipment</b>				
Vehicles	128	123	145	146
Mobile Equipment	105	104	89	88
<b>Street Department</b>				
Roadway ( <i>in miles</i> )	64	62.4	62.4	57
<b>City Parks</b>				
Maintained Public Parks ( <i>in acres</i> )	126	126	110	110
Athletic Fields:				
Soccer Fields	8	8	8	8
Ball Fields	9	9	9	9
Basketball Court	1.5	1.5	1.5	1
Volleyball Pit	2	2	2	2
Playgrounds	4	4	4	4
Boat Ramps	2	2	2	2
Swimming Pool	1	1	1	1
Hike & Bike Trail ( <i>in miles</i> )	2.93	2.93	2.93	2.75
Splash Park	1	1	1	1
<b>Airport</b>				
Enclosed Hangars	75	75	75	75
Open T-Hangars	9	9	9	9
Commercial Hangars	8	8	8	8
<b>Water Department</b>				
Water lines ( <i>in miles</i> )	155.7	155.4	151.5	150.0
Wells	18	18	36	36
Water Plant	1	1	1	1
<b>Sewer Department</b>				
Lift Stations	43	44	43	42
Sewer lines ( <i>in miles</i> )	50.5	50.2	46.4	44.9
<b>Electric Department</b>				
Overhead Line ( <i>in miles</i> )	87	87	87	87
Underground Line ( <i>in miles</i> )	24	23	23	17

Source: City of Granbury records

**CITY OF GRANBURY**  
 Capital Assets Information  
 Last Ten Fiscal Years  
 (Unaudited)

2017	2016	2015	2014	2013	2012
137	132	142	152	151	151
114	119	117	123	120	120
55	54	53	51.5	51.5	51.5
110	110	110	110	110	110
8	8	8	8	8	8
9	9	9	9	9	9
1	1	2	2	1	1
2	2	2	2	2	2
4	4	4	4	3	3
2	2	2	2	2	2
1	1	1	1	1	1
2.75	2.75	2.5	2.5	2.5	2.5
1	1	1	1	1	1
75	75	75	75	75	75
9	9	7	7	7	9
8	8	5	5	5	3
135.0	135.0	121.5	109.4	98.4	88.6
36	36	33	30	33	29
1	1	1	1	1	1
42	42	43	40	43	43
44.9	44.9	44.4	43.0	43.0	41.8
87	87	87	87	82	82
13	11	11	11	11	11

**CITY OF GRANBURY**  
 Operating Indicators  
 Last Ten Fiscal Years  
 (Unaudited)

Fiscal Year	2021	2020	2019	2018
Municipal Court				
Citations Processed	2,409	2,002	2,004	1,898
Police Department				
Calls for Service	28,483	26,541	20,920	21,762
Arrests	791	669	693	757
Accidents	1,085	953	881	952
Fire Department				
Calls for Service: Fire/Rescue	944	925	916	946
Calls for Service: EMS	421	365	251	260
Community Services				
Building Permits Issued	679	939	357	376
Building Permits Value (\$)	111,739,613	100,944,108	66,617,919	63,941,951
	11%	52%	4%	15%
Utility Department				
Electric Connections	3,470	3,439	3,376	3,341
Water Connections	6,257	6,067	5,776	5,659
Sewer Connections	5,088	4,927	4,797	4,798
Electric Department				
KWH Sold	88,712,480	89,652,143	90,564,811	93,003,141
Water Department				
Well Production ( <i>in gallons, 000</i> )	262,492	302,000	300,990	290,294
Water Plant Production ( <i>in gallons, 000</i> )	580,816	509,701	432,200	378,813
Water purchased ( <i>in gallons, 000</i> )	-	-	-	13,600
Wastewater Department				
Discharge Flow ( <i>in gallons, 000</i> )	487,816	468,239	515,495	473,960

Source: City of Granbury records from departments.

**CITY OF GRANBURY**  
 Operating Indicators  
 Last Ten Fiscal Years  
 (Unaudited)

2017	2016	2015	2014	2013	2012
1,480	1,715	1,480	1,617	1,846	2,296
21,326	21,453	19,620	22,129	21,456	22,022
661	606	655	714	731	790
959	736	948	872	794	738
921	817	753	770	736	766
269	731	740	138	182	181
328	235	228	249	284	237
55,733,558	43,439,911	45,685,267	53,181,956	41,544,776	31,518,255
28%	-5%	-14%	28%	32%	13%
3,313	3,317	3,304	3,286	3,242	3,223
5,393	5,366	5,314	5,209	5,008	4,615
4,415	4,156	3,977	3,891	3,782	3,672
88,061,026	89,408,844	93,693,230	94,826,877	91,016,235	91,762,161
510,595	531,715	511,391	524,689	427,516	493,386
45,380	48,311	69,448	81,505	103,975	73,957
110,856	98,670	85,706	59,696	144,395	108,965
464,185	509,657	500,186	345,939	360,775	361,060

**OVERALL COMPLIANCE AND INTERNAL CONTROL  
SECTION**

**INDEPENDENT AUDITOR'S REPORT ON INTERNAL CONTROL OVER FINANCIAL REPORTING AND ON COMPLIANCE AND OTHER MATTERS BASED ON AN AUDIT OF FINANCIAL STATEMENTS PERFORMED IN ACCORDANCE WITH *GOVERNMENT AUDITING STANDARDS***

To the Honorable Mayor and City Council  
City of Granbury, Texas

We have audited, in accordance with the 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, the financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the City of Granbury, Texas (the "City") as of and for the year ended September 30, 2021, and the related notes to the financial statements, which collectively comprise the City's basic financial statements, and have issued our report thereon dated March 7, 2022.

**Internal Control over Financial Reporting**

In planning and performing our audit of the financial statements, we considered the City's internal control over financial reporting (internal control) to determine the audit procedures that are appropriate in the circumstances for the purpose of expressing our opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the City's internal control. Accordingly, we do not express an opinion on the effectiveness of the City's internal control.

*A deficiency in internal control* exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, misstatements on a timely basis. A *material weakness* is a deficiency, or a combination of deficiencies, in internal control, such that there is a reasonable possibility that a material misstatement of the entity's financial statements will not be prevented, or detected and corrected on a timely basis. A *significant deficiency* is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

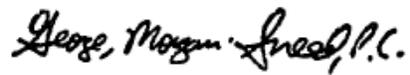
Our consideration of the internal control over financial reporting was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or, significant deficiencies. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

**Compliance and Other Matters**

As part of obtaining reasonable assurance about whether the City's financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the financial statements. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

## **Purpose of this Report**

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the entity's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the entity's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.



George, Morgan & Sneed, P.C.

Weatherford, Texas

March 7, 2022

# **SINGLE AUDIT REPORT**

**INDEPENDENT AUDITOR'S REPORT ON COMPLIANCE FOR EACH MAJOR  
PROGRAM AND ON INTERNAL CONTROL OVER COMPLIANCE REQUIRED BY  
THE UNIFORM GUIDANCE**

To the Honorable Mayor and City Council  
City of Granbury, Texas

**Report on Compliance for Each Major Federal Program**

We have audited the City of Granbury, Texas's (the "City") compliance with the types of compliance requirements described in the *OMB Compliance Supplement* that could have a direct and material effect on each of the City's major federal programs for the year ended September 30, 2021. The City's major federal programs are identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs.

***Management's Responsibility***

Management is responsible for compliance with federal statutes, regulations, and the terms and conditions of its federal awards applicable to its federal programs.

***Auditor's Responsibility***

Our responsibility is to express an opinion on compliance for each of the City's major federal programs based on our audit of the types of compliance requirements referred to above. We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; and the audit requirements of Title 2 U.S. *Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance). Those standards and the Uniform Guidance require that we plan and perform the audit to obtain reasonable assurance about whether noncompliance with the types of compliance requirements referred to above that could have a direct and material effect on a major federal program occurred. An audit includes examining, on a test basis, evidence about the City's compliance with those requirements and performing such other procedures as we considered necessary in the circumstances.

We believe that our audit provides a reasonable basis for our opinion on compliance for each major federal program. However, our audit does not provide a legal determination of the City's compliance.

***Opinion on Each Major Federal Program***

In our opinion, the City complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on each of its major federal programs for the year ended September 30, 2021.

## Report on Internal Control over Compliance

Management of the City is responsible for establishing and maintaining effective internal control over compliance with the types of compliance requirements referred to above. In planning and performing our audit of compliance, we considered the City's internal control over compliance with the types of requirements that could have a direct and material effect on each major federal program to determine the auditing procedures that are appropriate in the circumstances for the purpose of expressing an opinion on compliance for each major federal program and to test and report on internal control over compliance in accordance with the Uniform Guidance, but not for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, we do not express an opinion on the effectiveness of the City's internal controls over compliance.

*A deficiency in internal control over compliance* exists when the design or operation of a control over compliance does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, noncompliance with a type of compliance requirement of a federal program on a timely basis. *A material weakness in internal control over compliance* is a deficiency, or combination of deficiencies, in internal control over compliance, such that there is a reasonable possibility that a material noncompliance with a type of compliance requirement of a federal program will not be prevented, or detected and corrected on a timely basis. *A significant deficiency in internal control over compliance* is a deficiency, or a combination of deficiencies, in internal control over compliance with a type of compliance requirement of a federal program that is less severe than a material weakness in internal control over compliance, yet important enough to merit attention by those charged with governance.

Our consideration of internal control over compliance was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control over compliance that might be material weaknesses or significant deficiencies. We did not identify any deficiencies in internal control over compliance that we considered to be a material weaknesses. However, material weaknesses may exist that have not been identified.

The purpose of this report on internal control over compliance is solely to describe the scope of our testing of internal control over compliance and the results of that testing based on the requirements of the Uniform Guidance. Accordingly, this report is not suitable for any other purpose.

*George Morgan Sneed, P.C.*

Weatherford, Texas

March 7, 2022

**CITY OF GRANBURY, TEXAS**  
**SCHEDULE OF FINDINGS AND QUESTIONED COSTS**  
**FOR THE YEAR ENDED SEPTEMBER 30, 2021**

A. Summary of Auditor's Results

1. Financial Statements

Type of auditor's report issued: Unmodified

Internal control over financial reporting:

Material weakness identified?        Yes   X   No

Significant deficiency identified that are not considered to be material weaknesses?        Yes   X   None Reported

Noncompliance material to financial statements noted        Yes   X   No

2. Federal Awards

Internal control over major programs:

Material weakness(es) identified?        Yes   X   No

Significant deficiency(s) identified that are not considered to be material weaknesses?        Yes   X   None Reported

Type of auditor's report issued on compliance for major programs: Unmodified

Any audit findings disclosed that are required to be reported in accordance with the Uniform Guidance?        Yes   X   No

Identification of major programs:

<u>CFDA Number(s)</u>	<u>Name of Federal Program or Cluster</u>
66.458	Capitalization Grants for Clean Water State Revolving Funds

Dollar threshold used to distinguish between type A and type B programs: \$750,000

Auditee qualified as low-risk auditee?   X   Yes        No

B. Financial Statement Findings

None

C. Federal Award Findings and Questioned Costs

None

**CITY OF GRANBURY, TEXAS**  
SUMMARY SCHEDULE OF PRIOR AUDIT FINDINGS  
FOR THE YEAR ENDED SEPTEMBER 30, 2021

None.

**CITY OF GRANBURY, TEXAS**  
**CORRECTIVE ACTION PLAN**  
**FOR THE YEAR ENDED SEPTEMBER 30, 2021**

Contact for Corrective Action Plan:

Chris Coffman  
City Manager

Financial Statement Findings

None.

Federal Award Findings and Questioned Costs

None.

**CITY OF GRANBURY, TEXAS**  
**SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS**  
**FOR THE YEAR ENDED SEPTEMBER 30, 2021**

Federal Grantor/Pass-through Grantor/Program or Cluster Title	Federal CFDA Number	Pass-through Entity Identifying Number	Passed Through to Subrecipients	Federal Expenditures
<u>U.S. Department of Housing and Urban Development:</u>				
Pass-through from Texas Department of Agriculture:				
Community Development Block Grant	14.228	7218171	\$ -	\$ 3,000
Total U.S. Department of Housing and Urban Development			-	3,000
<u>U.S. Department of Transportation</u>				
Pass-through Texas Department of Transportation				
Airport Improvement Program and COVID-19 Airports Programs	20.106	20CRGRNBY	-	30,000
Airport Improvement Program and COVID-19 Airports Programs	20.106	21CRGRNBY	-	13,000
Total U.S. Department of Transportation			-	43,000
<u>U.S. Department of Homeland Security</u>				
Disaster Grants - Public Assistance (Presidentially Declared Disasters)	97.036		-	15,129
Total U.S. Department of Homeland Security			-	15,129
<u>U.S. Environmental Protection Agency</u>				
Pass-through from Texas Water Development Board				
Capitalization Grants for Clean Water State Revolving Funds	66.458	L1000891	-	4,579,400
Capitalization Grants for Drinking Water State Revolving Funds	66.468	L1000980	-	1,733,933
Total U.S. Environmental Protection Agency			-	6,313,333
<b>TOTAL EXPENDITURES OF FEDERAL AWARDS</b>			<b>\$ -</b>	<b>\$ 6,374,462</b>

The accompanying notes are an integral part of this schedule.

**CITY OF GRANBURY, TEXAS**  
NOTES TO THE SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS  
FOR THE YEAR ENDED SEPTEMBER 30, 2021

Reporting Entity

The City of Granbury is a charter city in which the citizens elect the mayor at large and five council members at large by place. The financial statements of the City of Granbury, Texas ("City") include all governmental activities, organizations, and functions of the City.

Basis of Presentation

The accompanying schedule of expenditures of federal awards includes the federal program activity of the City of Granbury, Texas and is presented on the accrual basis of accounting. The information in this schedule is presented in accordance with the requirements of Title 2 U.S. Code of Federal Regulations Part 200, Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards (Uniform Guidance). Because the Schedule presents only a selected portion of the City, it is not intended to and does not present the financial position, changes in net position, or cash flows of the City.

Indirect Cost Rate

The City has elected not to use the 10-percent de minimus indirect cost rate allowed under the Uniform guidance.

Texas Water Development Board Loans

The City issued bonds that were purchased by the Texas Water Development Board with Drinking Water State Revolving Funds and Clean Water State Revolving Funds. The amounts of federal awards reported in the Schedule of Expenditures of Federal Awards are the amount of bond funds spent during the period.