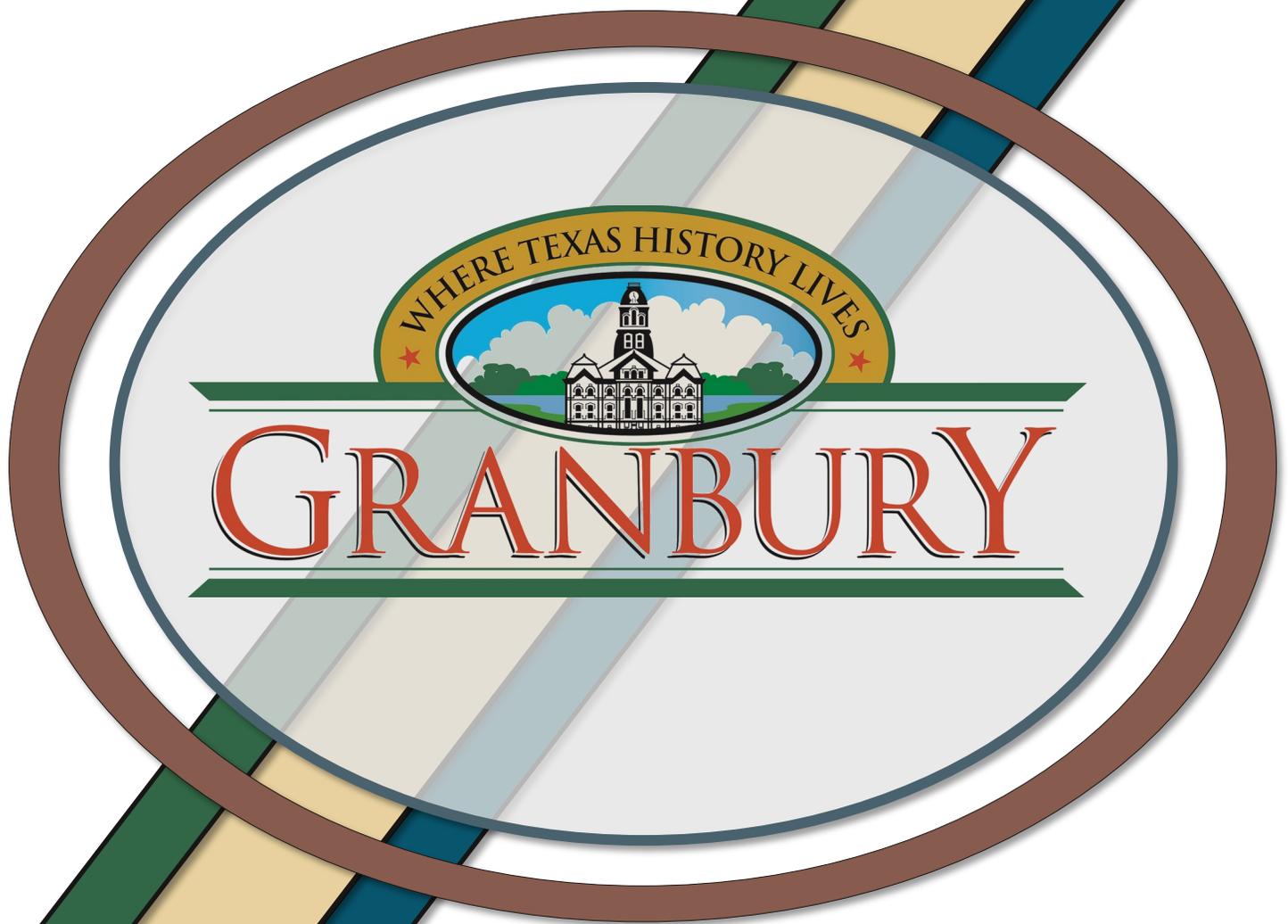
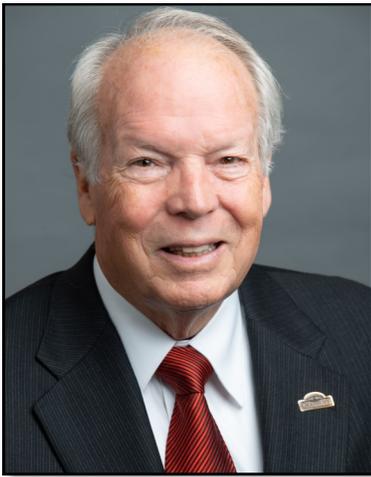


Popular Annual Financial Report

for the fiscal year ending
September 30, 2022



City of Granbury, Texas



Jim Jarratt
Mayor

MEET THE LEADERS

City Council

About City Council

The Granbury City Council consists of the mayor and five council members elected citywide to serve three-year terms. The City Council is responsible for a wide variety of tasks including approving expenditures which exceed the amount stipulated in the Charter and by State law, appointing board and commission members, considering zoning issues, strategic planning, and approving the annual budget. Additionally, four city officers are appointed by the City Council and operate under its guidance: City Manager, City Secretary, City Attorney and Municipal Judge.

City Council Meetings

City Council meetings are held on the first and third Tuesday of each month at 6:00 p.m. in the Council Chambers at City Hall. These meetings are open to the public and citizen input is welcome. To watch the City Council meetings live or to view past recordings go to www.granbury.org/live.



Eddie Rodriguez
Council Member
Place 2



Bruce Wadley
Council Member
Place 3



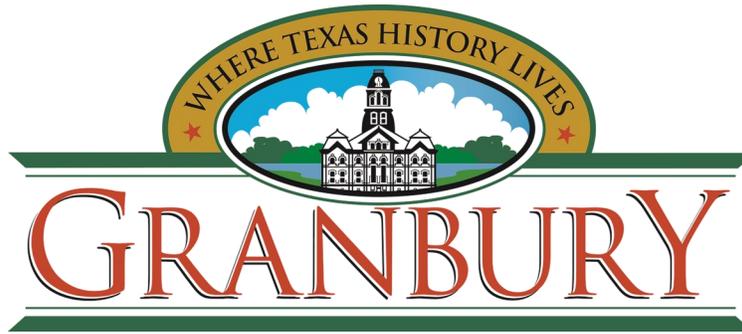
Trish Burwell
Mayor Pro-Tem
Place 4



Steven Vale
Council Member
Place 5



Greg Corrigan
Council Member
Place 6



MISSION STATEMENT

“Providing quality of life through exceptional services with a friendly and responsive staff.”

VISION STATEMENT

“Where Community, Heritage, Culture, and Tourism promote and provide our City with an exceptional quality of life.”

FOCUS ELEMENTS

The 2022 Strategic Plan of the City Council established seven key focus elements of the future for Granbury. These elements are crucial for the fulfillment of the Council’s vision; therefore, they became the focal points in establishing the adopted budget.

	Service Delivery	To provide efficient and effective delivery of all City services
	Infrastructure Basics	To upgrade, enhance, expand, and maintain the existing infrastructure of the City and to prepare for future growth
	Community Development	To assure planned quality growth in the City and its extraterritorial jurisdiction
	Tourism Development	To make the City one of the “Top 20 Destinations” in the state by marketing our existing attractions and facilities and developing new ones
	Citizen Involvement	To enhance community awareness, encourage input, and increase community involvement in the decision-making process
	Intergovernmental Relationships	To cooperate with all government agencies to promote community objectives
	Economic Development	To proactively recruit economic development opportunities

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& Stay Informed



Chris Coffman
City Manager

A MESSAGE FROM THE

City Manager

Dear Residents,

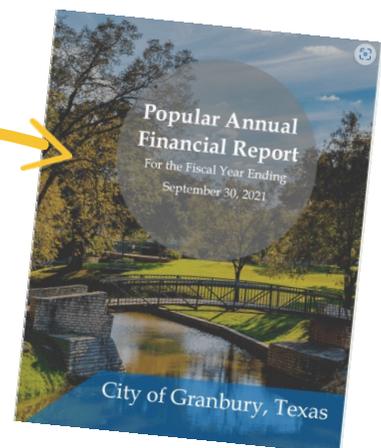
The City of Granbury is pleased to present the City's Popular Annual Financial Report (PAFR) for fiscal year ended September 30, 2022. This report provides a community profile, accomplishments and activities overview, as well as high level, easy-to-read budgetary, financial and trend data.

The purpose of the PAFR is to provide summarized financial data and a snapshot of the City's financial status in a more easily comprehensible format to increase awareness and knowledge of the operations of the City. The financial information contained in this report comes from the City of Granbury's 2022 Annual Comprehensive Financial Report (ACFR), which is prepared in accordance with the Generally Accepted Accounting Principles (GAAP). The ACFR contains additional detailed and extensive information, and it can be viewed at www.granbury.org/ACFR2022.

Last year, the City's PAFR won the Governmental Finance Officer Association (GFOA) Award of Excellence.

Hope you enjoy learning more about our City.

Chris Coffman, CPM
City Manager



Granbury History

Granbury, Texas is the county seat for **Hood County**. The Texas legislature created Hood County in 1866, and by **1871**, residents established Granbury along a bend in the Brazos River. Granbury is located along Highway 377 about 38 miles southwest of Fort Worth. The City encompasses 16.91 sq mi. The City has a 2022 population of **11,852**. The City is the shopping hub for the nearly 65,000 county residents. Granbury Independent School District has 10 campuses with approximately 7,500 students.



Granbury's tagline is "**Where Texas History Lives**". While Granbury has embodied that slogan since 1887, we continue to be the place where Texas history is still alive. This is seen all around town, with award-winning arts and culture inside hidden culinary locations, and walking around Texas' most historic courthouse square.

Located along the Brazos River, **Lake**

Granbury was created in 1969 and serves as a great recreational destination for both locals and tourists. The newly renovated Square also serves as a charming backdrop to an eclectic mix of art galleries, shops, wineries and eateries.



Granbury is the perfect destination for **tranquility**, with several miles of hike and bike trails that meander through the City's park system and through the new Memorial Lane section honoring our heroes.

The City of Granbury operates its own **water** and **wastewater** treatment plants, as well as an **electric** distribution system. In recent years, the City invested in AMI "smart meters" for both utility services the City offers. The City contracts out to a third-party for sanitation collection services.



The City has **police**, volunteer **fire**, and ever expanding **community service** departments. The City also owns and operates a 15,000 sq. ft **Conference Center** along beautiful Lake Granbury. Recently, the City purchased and

restored the **Opera House**, first built in 1886 on the Historic Granbury Square with various entertainment year-round. The Granbury Regional **Airport** (KGDJ) or "The Friendliest Airport in Texas", services citizens and tourists alike with 5,200 ft of runway and 75 T-hangars.



Major Projects

Completed Projects



New Police Station

During FY22, the City completed a stand-alone police station located on Loop 567 valued around \$13M. The new station houses 56 employees and has room for expansion as future needs arise. Previously, the Granbury Police department was located in a small 6,800 sq. ft space in City Hall.



Water Treatment Plant Improvements

Due to TCEQ's requirement, the Water Treatment Plant was expanded from 2.5 million gallons per day (MGD) to 5.0 MGD to meet current and anticipated future growth. The new WTP was completed in 2018 for \$17M and the expansion was completed in 2022 at an additional \$13M. (See Page 18– City Voted Best Tasting Drinking Water in 2022!)



Airport Runway

The City completed a new 5,200 feet long and 75 feet wide airport runway to accommodate larger aircrafts. This accommodation for jets will expand the customer market and promote both commercial and residential economic growth in the surrounding community.

Ongoing Projects



Wastewater System Improvements

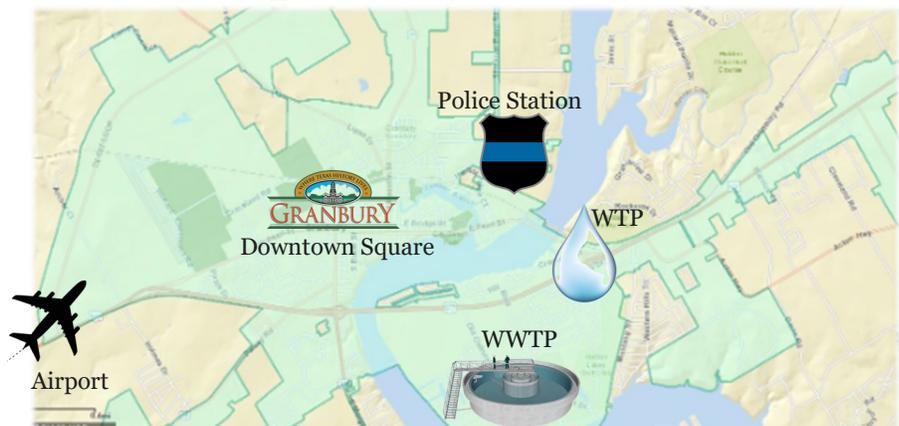
In 2020, 100% of the City's wastewater treatment capacity was accounted for with existing and upcoming permitted developments. To prepare for future growth and to meet TCEQ's requirements, the City must increase its capacity with a second treatment plant. There have been significant construction delays for the new plant. In the meantime, new development permits without "vested rights" are under a "moratorium" until the construction of the new plant is complete.



Airport Terminal

In the upcoming FY, the City will continue the expansion at the airport with the construction of a new terminal building (FBO), utility infrastructure upgrades and street infrastructure.

Map of Major Projects





City of Granbury FUND STRUCTURE

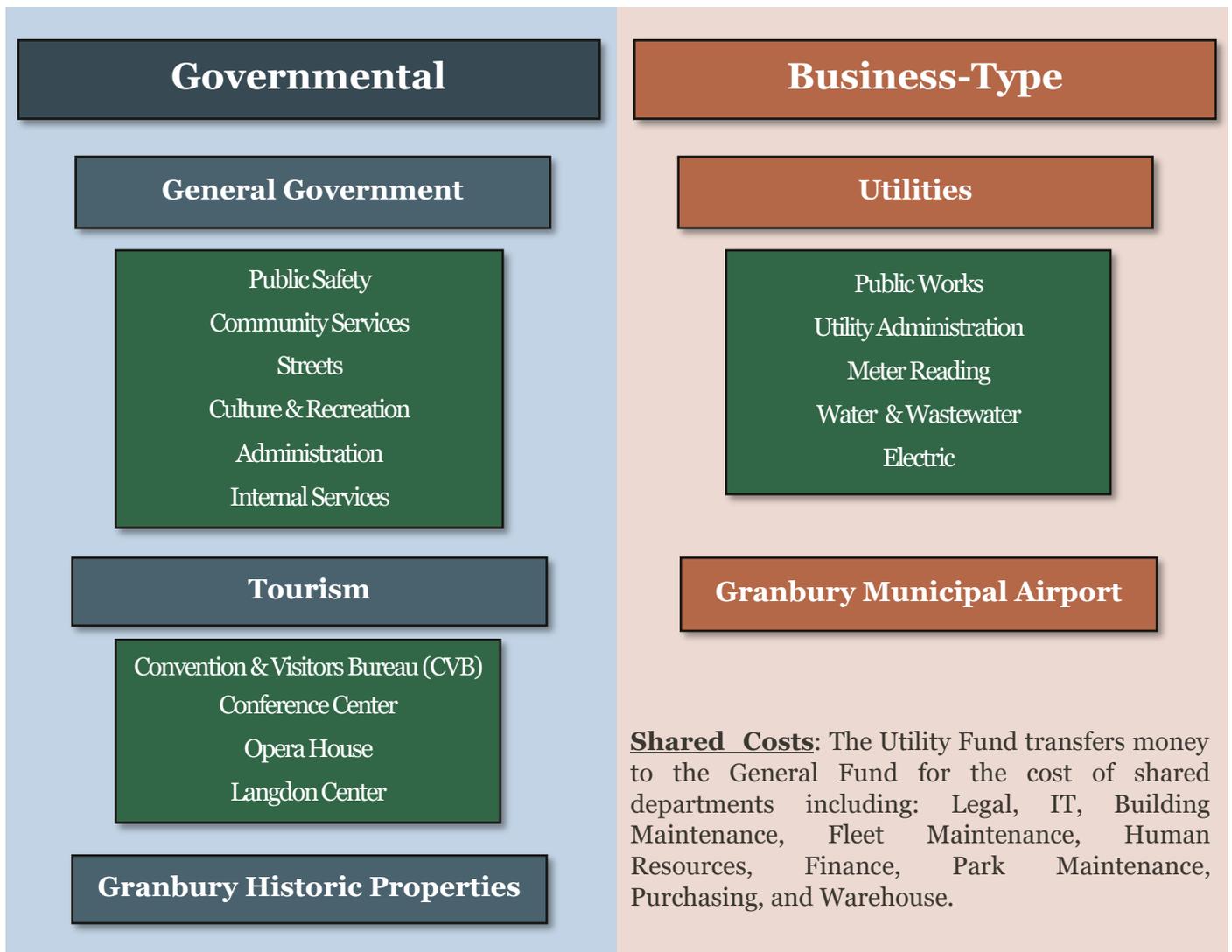
Primary Financial Funds



The City government maintains two major financial funds.

Governmental Funds represent the core services and activities of a city government and are mostly tax-supported. (i.e. Property & Sales Tax)

Business-Type Funds are the business-like activities of a city government primarily self-supported by user fees and charges. (i.e. charges for Water, Sewer & Electric services, Hangar fees and Airport Fuel sales)



Statement of Activities

The Statement of Activities accounts for the revenues and expenses of each of the major financial operations of the City during Fiscal Year 2022. **Governmental** activities combine all general government, including public safety, streets, culture, tourism and historic properties, even if accounted for in separate funds. **Business-Type** activities combine all municipal utilities and the regional airport.

The amount of which revenues exceeds (or is less than) expenses, contributes to the City's overall change in Net Position (*see Page 9*)

Total Revenue

\$58.8M

Total Expenses

\$45.8M

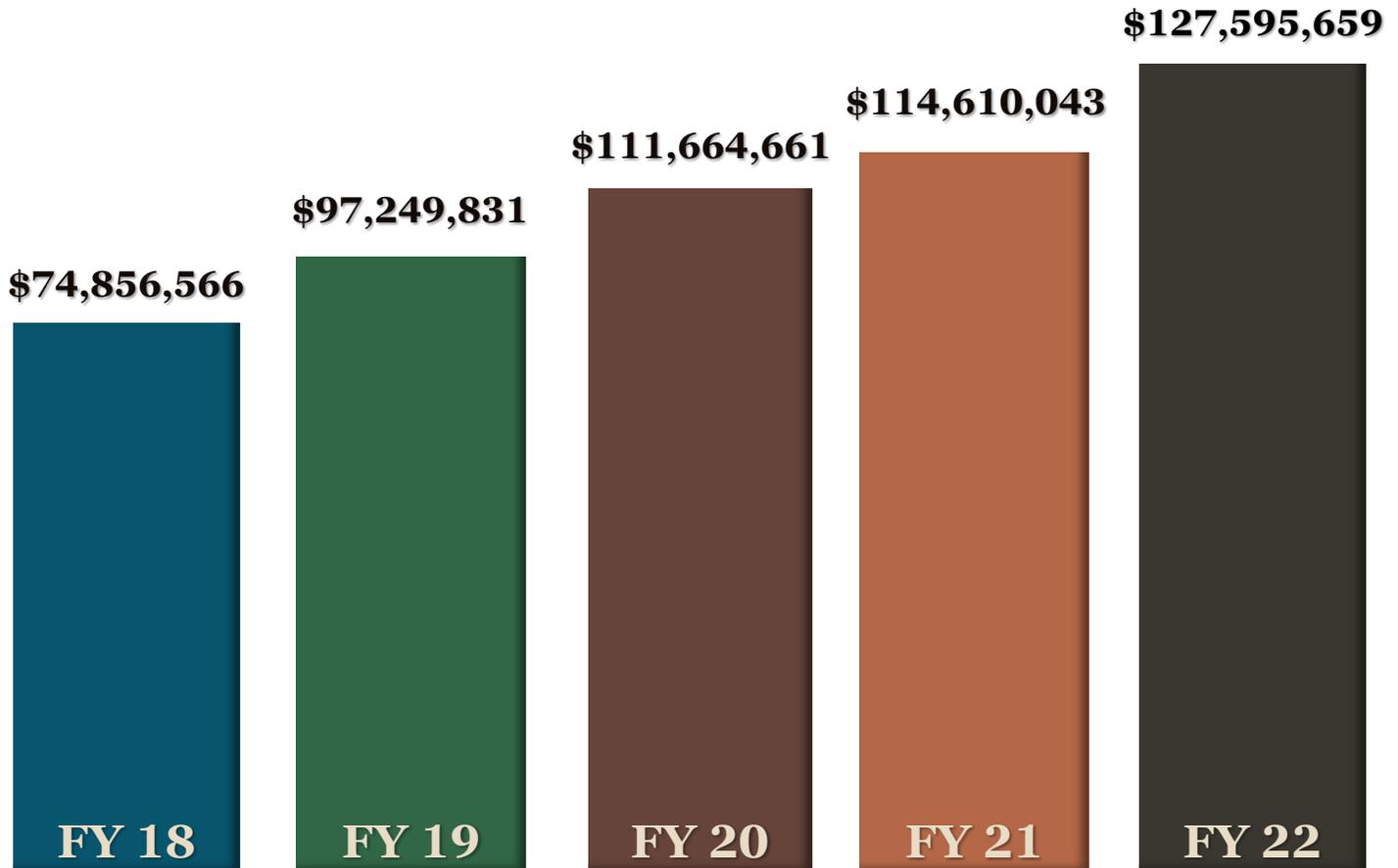
Total Net Position

\$127.6M

Statement of Activities	Governmental	Business-Type	Total
Program Revenues			
Charges For Services	3,876,968	27,039,619	30,916,587
Operating Grants & Contributions	91,460	-	91,460
Capital Grants & Contributions	1,909,693	1,420,387	3,330,080
General Revenues			
Property Taxes	7,016,003	-	7,016,003
Sales Taxes	12,079,455	-	12,079,455
Hotel Occupancy Taxes	1,132,517	-	1,132,517
Franchise Taxes	2,491,629	-	2,491,629
Investment Earnings	485,130	161,105	646,235
Other Revenue	920,837	175,725	1,096,562
Total Revenue	30,003,692	28,796,836	58,800,528
Governmental Activities			
General Government	5,357,582	-	5,357,582
Public Safety	6,785,090	-	6,785,090
Community Development	539,961	-	539,961
Streets	3,122,827	-	3,122,827
Building & Permits	853,825	-	853,825
Parks & Recreation	2,585,383	-	2,585,383
Tourism	2,343,192	-	2,343,192
Interest & Fiscal Charges	1,984,290	-	1,984,290
Business-Type Activities			
Airport	-	1,127,664	1,127,664
Water Treatment & Distribution	-	8,452,821	8,452,821
Wastewater Collection & Treatment	-	4,098,532	4,098,532
Electricity	-	8,563,745	8,563,745
Total Expenses	23,572,150	22,242,762	45,814,912
Transfers	326,098	(326,098)	-
Beginning Net Position	47,418,551	67,191,492	114,610,043
Net Position	54,176,191	73,419,468	127,595,659

Net Position

The Statement of Net Position reflects the overall financial position of the organization at a given moment in time. As demonstrated by the increasing net position in the graph below, the City of Granbury has set itself up effectively to meet the needs of its citizens while also being prepared for unforeseen future expenditures.



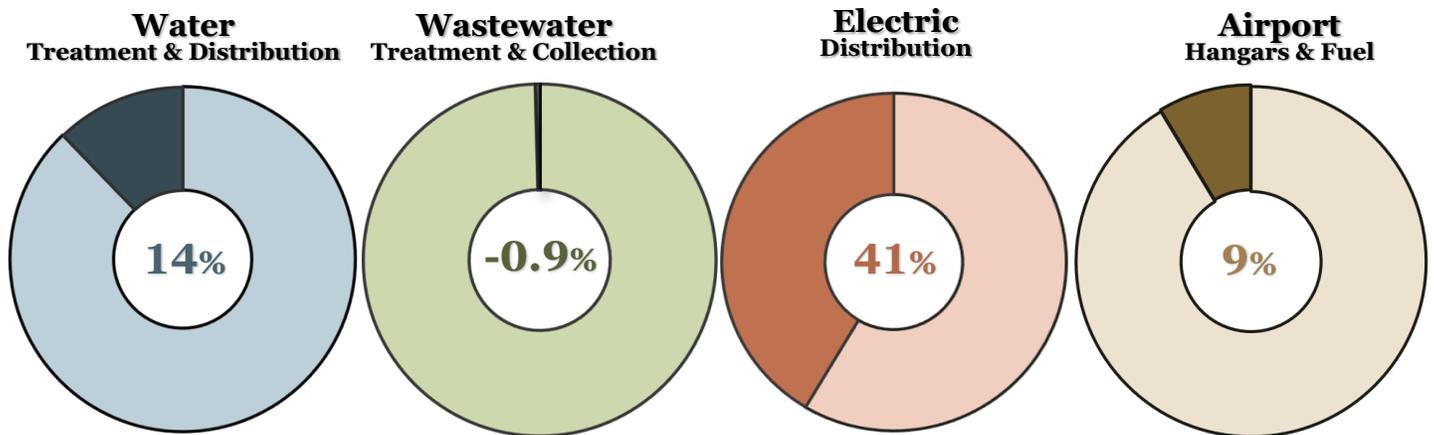
Net Position	Governmental	Business-type	Total
Current and other assets	77,524,391	46,177,288	123,701,679
Capital assets	73,211,756	123,913,241	197,124,997
Total Assets	150,736,147	170,090,529	320,826,676
Deferred outflows of resources	2,872,345	733,201	3,605,546
Current Liabilities	3,753,921	10,108,688	13,862,609
Long-term Liabilities	93,254,765	85,442,526	178,697,291
Total Liabilities	97,008,686	95,551,214	192,559,900
Deferred inflow of resources	2,423,615	1,853,048	4,276,663
Net Position	54,176,191	73,419,468	127,595,659

Revenues

Business-Type Service Charges

The majority of the City's business-type revenues come from providing utility services to the citizens of Granbury. You can view the City's current utility rates at www.granbury.org/rates.

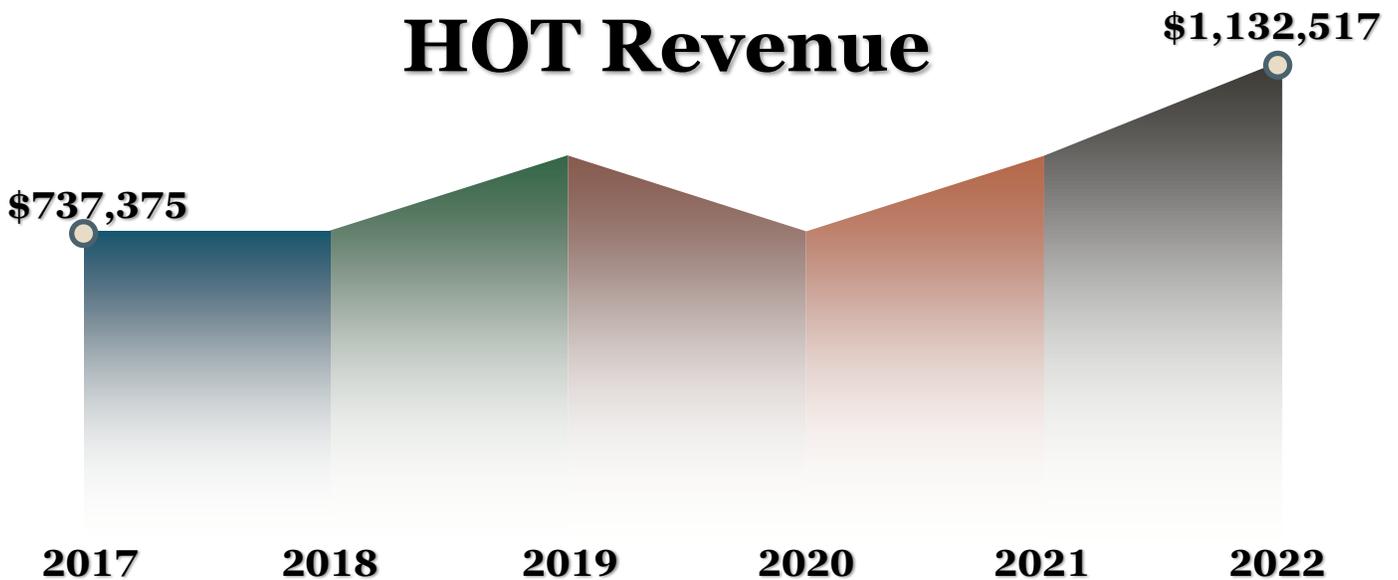
Revenues Exceed Expenditures by...



Tourism Hotel/Motel Taxes (HOT)

Hotel Occupancy Tax Revenue is remitted to the City after being collected by all room rental establishments as a % of the room rate. This revenue is legally restricted for the use of expenditures related to promoting local tourism in the City of Granbury.

HOT rates are 7% for the City and 6% for the State totaling 13%.



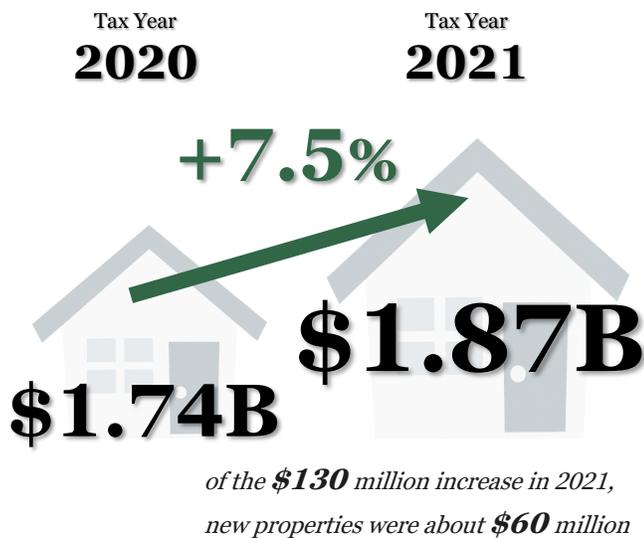
Revenues

Property Tax Revenue



The City's property tax rate was reduced to **\$0.38697** per \$100 valuation in FY 2022. On average, Granbury homeowners paid a total of \$3,792 in property taxes on a \$200,000 home in 2022. The City of Granbury only received **\$774**, (or less than **21%**) of the total property tax amount paid by homeowners.

Total Assessed Values



Property Tax Uses

43%
O&M

43% of the total Property Tax collected was applied toward the General Fund's Operations & Maintenance Expenditures

57%
I&S

the other 57% of the total Property Tax collected was applied toward the City's debt obligations or interest and sinking (I&S) funds.

Property Tax Revenue for **O&M** in FY2022:

\$ 3,002,553

Public Safety Expenditures:

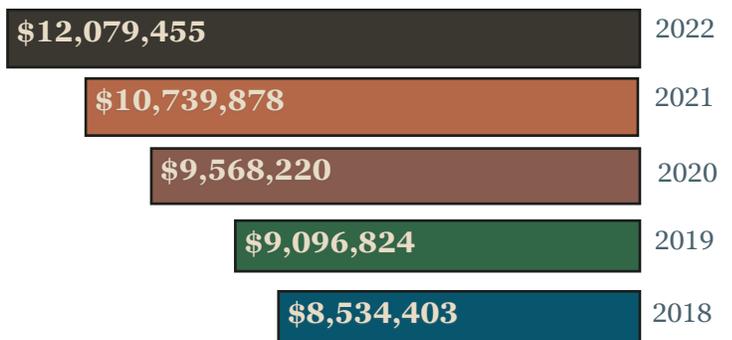
\$ 6,785,090

The amount collected in property taxes for operations & maintenance, funds **less than** 50% of public safety's average annual expenditures. Governmental operations are primarily funded with City sales tax revenue.

Sales Tax Revenue

Granbury's sales tax rate is 8.25%. This revenue is divided between three different taxing entities. The State of Texas receives 6.25%, Hood County receives 0.50% and the City of Granbury receives **1.5%**.

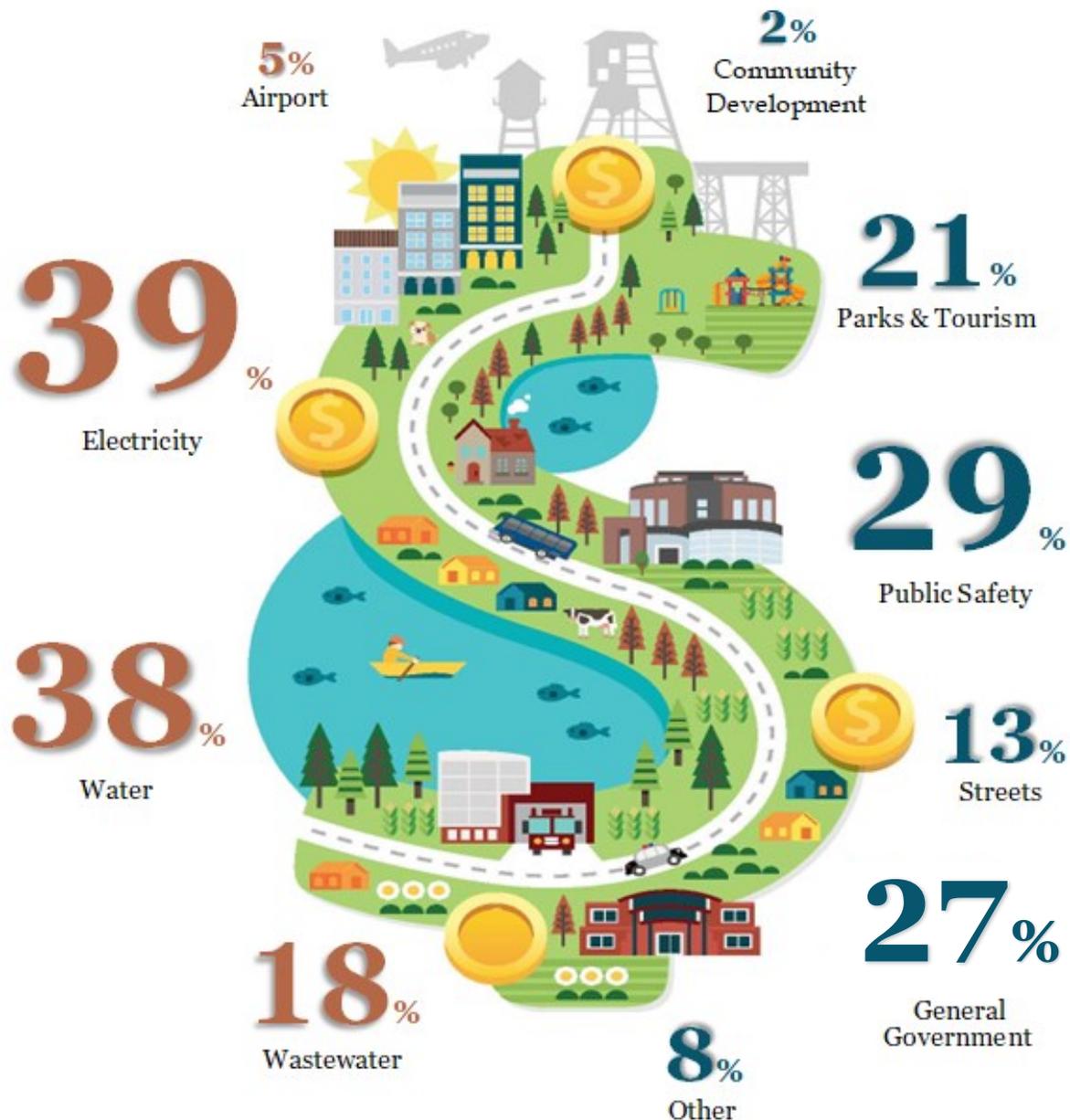
Of the City's 1.5% of sales tax, 1% is for General Fund operations and 0.5% is for property tax relief. The City has benefited from steady growth in sales tax revenues for more than ten years. In fiscal year 2022, sales tax receipts were up **12.5%** compared to the previous year.



Expenses

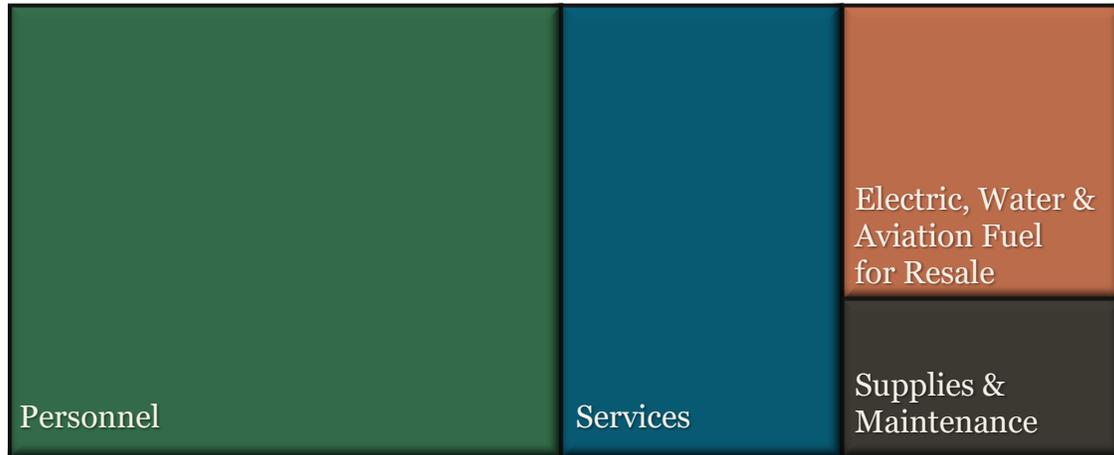
The largest spending category for **GOVERNMENTAL** expenses is public safety, accounting for **29%** of the City's total expenses. Public safety includes police, court, building inspections and supporting Granbury's volunteer fire department. **GOVERNMENTAL** services are funded primarily with property and sales tax.

The City's **BUSINESS-TYPE** expenses include: electric service, delivery and treatment of water, collection and treatment of wastewater, and the regional airport. **BUSINESS-TYPE** activities are primarily funded with user fees and charges.



Expenses

City-Wide Operating Expense Types



Personnel is the largest expenditure, but greatest asset for the City.

Services support daily operations like utilities, police dispatch, IT support, software & internet services and engineering.

Supplies & Maintenance includes City equipment fuel, maintenance, building maintenance & janitorial, non-capital items and wearing apparel.

Electric, Water & Aviation Fuel for Resale is a large expenditure for commodities that are sold through the City's business-type funds to generate revenue to both offset their cost and some of the costs in other categories.

Reserve Requirements

The City of Granbury has a policy to maintain budgeted minimum reserves in the working capital/fund balances to provide a secure, healthy financial base for the City in the event of a natural disaster or other emergency. This also allows stability of City operations, should revenues fall short of budgeted projections and provides available resources to implement budgeted expenditures without regard to actual timing of cash flows into the City.

The unobligated fund balance in the General and Utility Funds should equal 25% of annual budgeted expenditures.

As of Sept. 30, 2022, the City's : **General Fund** had a reserve rate of **81%**

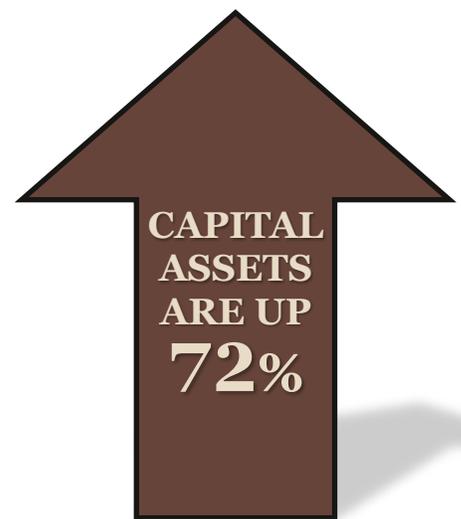
Utility Fund had a reserve rate of **77%**

Capital Asset

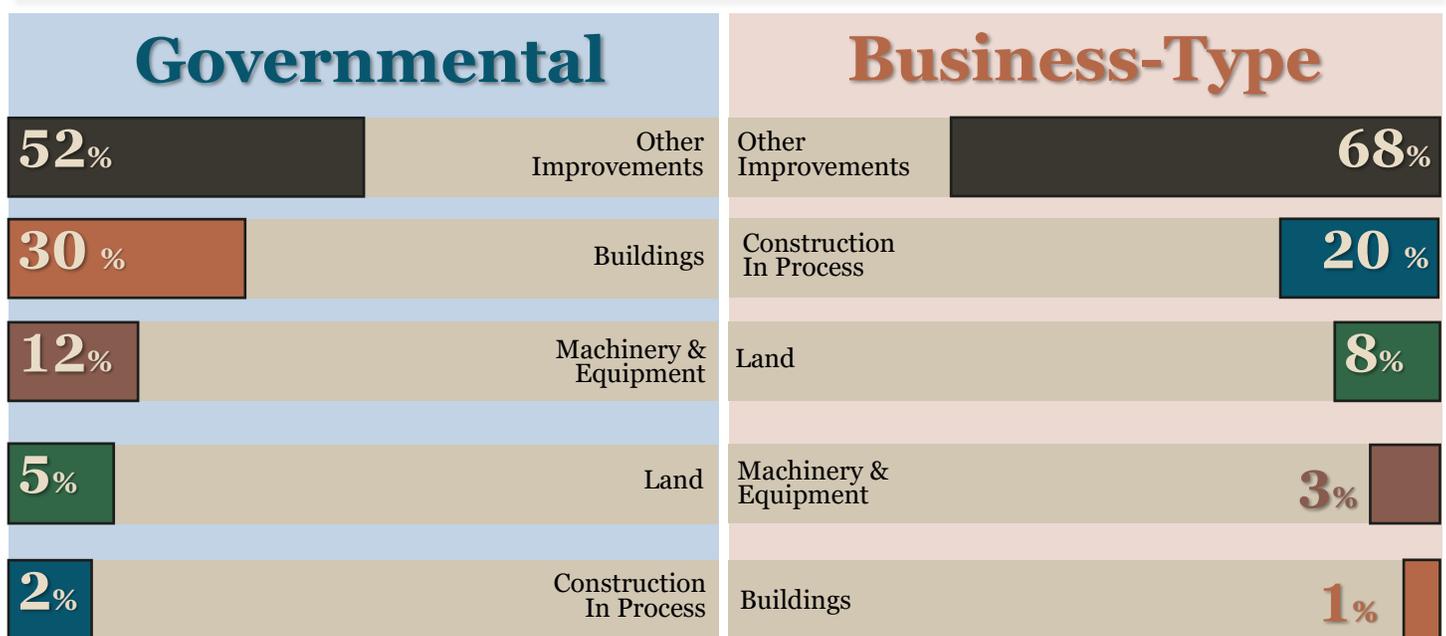
Increases to City-Wide Capital Assets

Capital assets are the items the City owns that hold value. As shown below, the total amount of capital assets increased 72% in the last year. The majority of this change was due to the increase of construction in progress as the City continues to invest in the community through numerous capital improvement projects such as, the airport expansion, completion of the new police station and water and wastewater treatment plant expansions. As these projects are completed, a large amount of construction in progress will be reclassified to land, buildings, equipment, or other improvements.

City-Wide Capital Asset Values	2022	2021
Land	\$ 19,512,341	\$ 19,512,341
Buildings	\$ 41,482,341	\$ 17,218,201
Other Improvements	\$ 185,659,806	\$ 94,528,952
Machinery & Equipment	\$ 21,252,248	\$ 6,141,956
Construction in Progress	\$ 35,890,125	\$ 38,780,307
Total	\$ 303,796,861	\$ 176,181,757

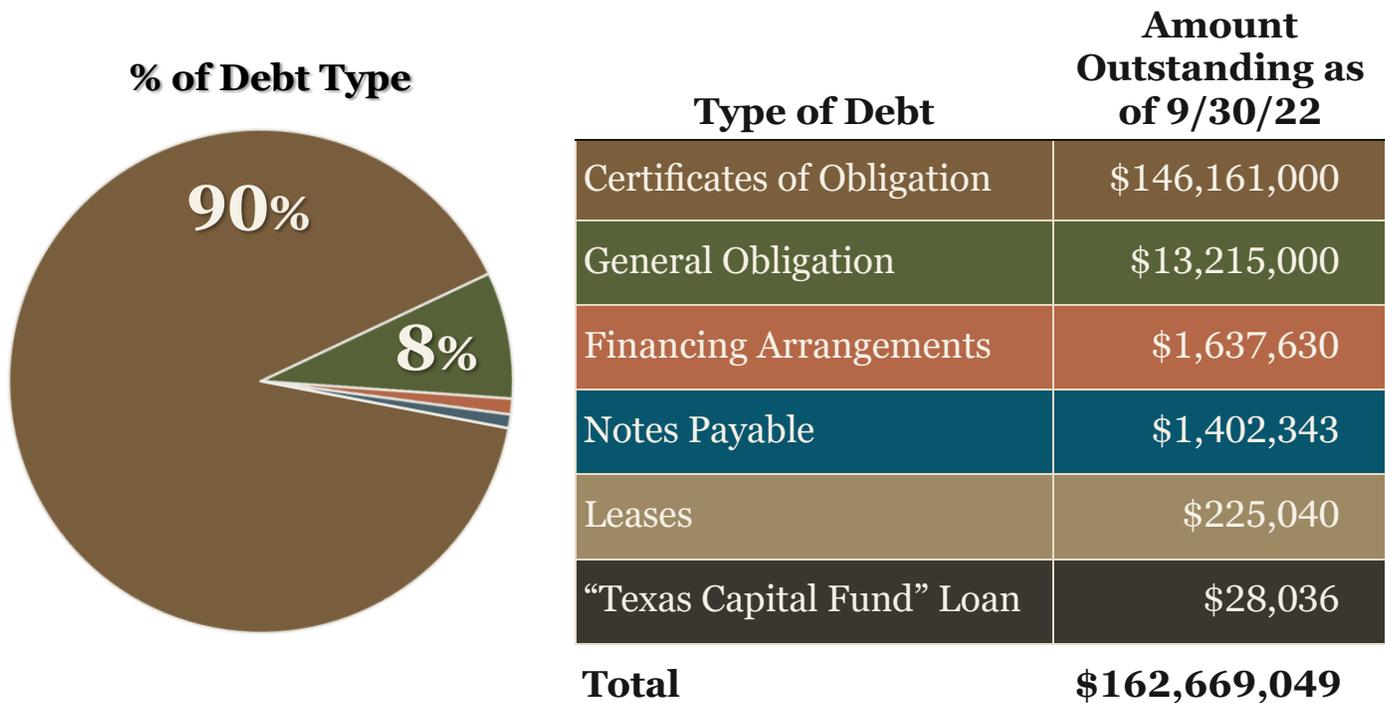


Types of Capital Assets



Debt

The City of Granbury had a total bonded debt, notes payable and capital leases payable in the amount of **\$162,669,049**. The City's **AA** bond rating is one of the highest ratings a city can receive from Fitch Ratings and Standard & Poor's rating agencies. The higher rating saves the taxpayers money by securing a more favorable interest rate on debt for the City when borrowing funds for major projects.



Certificates of Obligation (CO's) are debts secured by ad valorem taxes and surplus utility revenues. CO's are the most common debt type for the City of Granbury due to their lower interest rates and double-backed revenue sources. This debt is used to pay for large capital infrastructure.

General Obligation (GO's) bonded debt is backed by the full faith and credit of the government.

Financing Arrangements pertains to an energy retrofit project and associated equipment being financed as a lease/purchase.

Notes Payable the amount borrowed to purchase power for the federally declared Winter Storm Uri in February 2021.

Leases refers to the value of the City's "right to use" an underlying asset like a multi-year copier lease with a third party.

"Texas Capital Fund" Loan is a special assessment debt to be repaid by lease revenues received from companies who lease facilities acquired or rehabilitated with these funds.

By the Numbers

Operations

228

City
Employees

46

Police Officers

54

Volunteer
Firefighters

3

Fire Stations

112

Miles
Electric Lines

18

Water Wells

7.5

Millions of Gallons/Day
Water Treatment Plant Capacity

43

Wastewater
Lift Stations

2.9

Miles
Hike & Bike Trail

8

Soccer Fields

2

Volleyball Pits
Boat Ramps

9

Baseball Fields

4

Playgrounds

92

Airplane Hangars

5,200

Feet
of Airport Runway

1

Municipal Pool
Skate Park
Dog Park
Beach
Disc Golf Course

By the Numbers

Services

1,104



Fire Calls
for Service

11,852



Granbury
Population

30,816



Police Calls
for Service

471



Building
Permits Issued

5,528



Wastewater
connections



3,577

Electric
connections

126

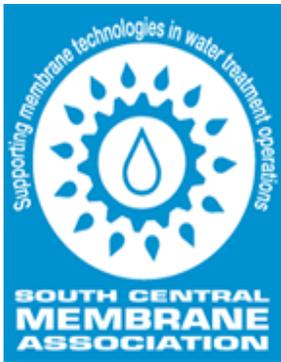
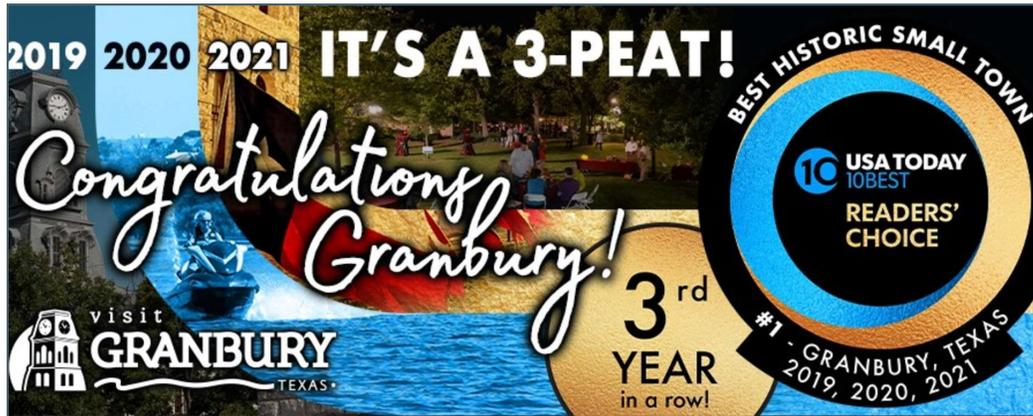
Public Park Acres



6,550

Water
connections

City of Granbury Accomplishments



The City's 7.5 MGD Water Treatment Plant was voted by the South Central Membrane Association as the **2022- Best Tasting Drinking Water** in a 5-State Competition



- ◆ Certificate of Achievement for Excellence in Financial Reporting (21)
- ◆ Distinguished Budget Presentation Award (19)
- ◆ Popular Annual Financial Reporting Award Program (2)

(Years Award was Achieved)



Stay Informed

Social Media

 [.com/cityofgranbury](https://twitter.com/cityofgranbury)

 [YouTube.com/GranburyTv](https://www.youtube.com/GranburyTv)

 [facebook.com/cityofgranbury](https://www.facebook.com/cityofgranbury)

 [facebook.com/GranburyMedia](https://www.facebook.com/GranburyMedia)

City Website

[Granbury.org](https://www.granbury.org)



Online Payments
Court/Utility



Employment
View Openings



Agendas/Minutes
Stay Informed



Notify Me®
Sign Up & View



Inspection Portal
Code Enforcement



Report it
Submit Issue/Concern



Play
Explore Attractions

Granbury Annual Events



Goosebump Jump



Granbury Founder's Day Celebration!



Granbury Wine Walk



Memorial Day Weekend



Hood County Stampede Rodeo



Lone Star Street Rod Association State Run



4th of July Weekend



Labor Day Weekend



Lake Granbury Lakefest



Oktoberfest



Harvest Moon Festival of the Arts



Christmas in Granbury