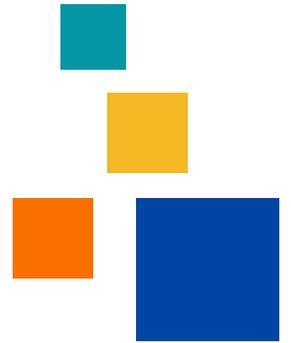


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ANNUAL COMPREHENSIVE FINANCIAL REPORT



FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2024



GRANBURY, TEXAS

CITY OF GRANBURY, TEXAS

ANNUAL COMPREHENSIVE FINANCIAL REPORT

**FOR THE FISCAL YEAR ENDED
SEPTEMBER 30, 2024**

Prepared by:

Department of Finance

CITY OF GRANBURY, TEXAS

ANNUAL COMPREHENSIVE FINANCIAL REPORT

SEPTEMBER 30, 2024

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INTRODUCTORY SECTION

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

March 18, 2025

Honorable Mayor, Citizens, and City Council
City of Granbury, Texas

Dear Mayor, Citizens, 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, 2024.

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

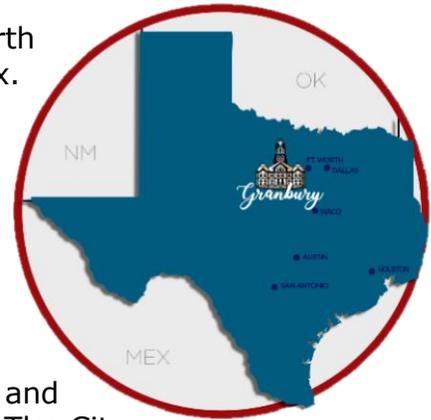
an organizational chart of the City. The financial section includes the MD&A, Government-wide and Major Fund presentations, Required Supplementary Information, Combining and Individual Fund Statements and schedules, as well as the independent auditors' report on the basic financial statements. The statistical 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 13,148 people and serves as the center of commerce and recreation to over 65,209 county residents (North Central Texas Council of Governments). There are currently 18 square miles of land within the City's boundaries.

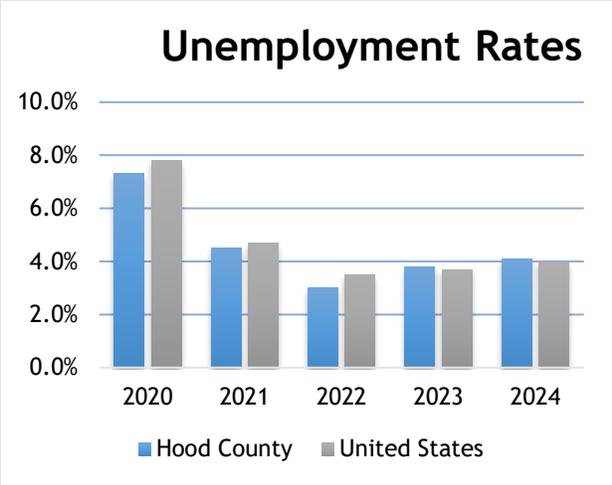


Government Structure

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, tourism promotion, 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.

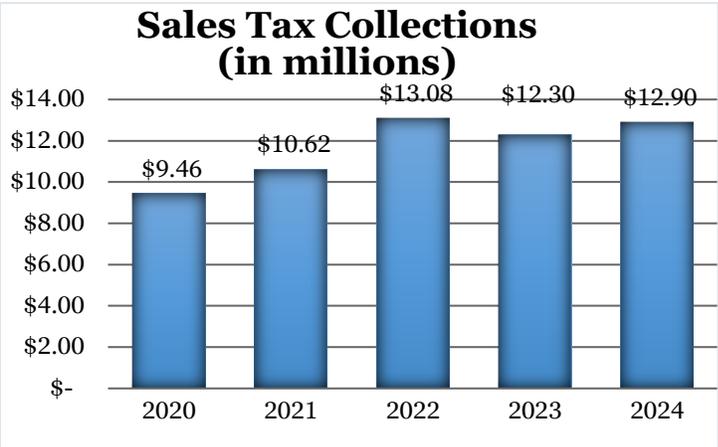
Regional Economy

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

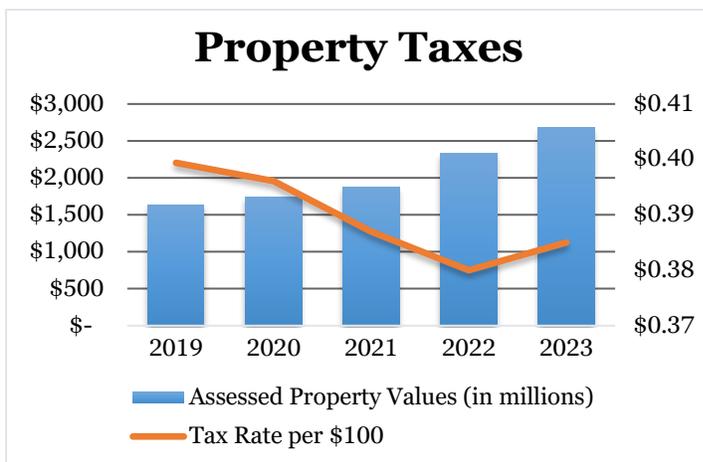
Granbury is the financial hub not only of Hood County but the surrounding area. Customers come from a 30-mile radius to shop in Granbury. The latest census figures show there are almost 43,000 people that live within 5 miles, 65,000 people that live within 10 miles and 136,000 people that live within 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 2023-2024 shows to be up 5% compared to the prior year. However, November collection for September sales was recognized as available resources in FY 2022, as a result, 13 months of sales tax was recorded in FY 2022. The sales tax revenue for fiscal year 2024-2025 was conservatively budgeted when compared to 2023-2024 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. On June 11, 2023, Governor Greg Abbott signed a

joint House/Senate resolution during the 88th Texas Legislature, designating Granbury, TX the official Celebration Capital of Texas; recognizing the wide array of special events, and celebrations both time-honored and new, that add greatly to the city’s distinctive charm and sense of community both residents and visitors have come to enjoy. 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 15% or approximately \$340 million for the 2023 Tax Year to \$2,679 million. The City’s property tax rate remained the same at \$.38500 for Tax Year 2023. 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, and Five Below, will assist with maintaining a stable property valuation for the City of Granbury. The value of building permits slightly decreased when compared to the previous year, but 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 Wastewater Certificate of Convenience and Necessity (CCN) put in place on December 14, 2020, has been extended to October 4, 2025. 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. This moratorium was implemented with the current projects slated to be completed with “vested rights” as required in Chapter 245 of the Local Government Code so the city continues to see development growth of those planned projects. The moratorium prevents new plats to be submitted or approved for new development of raw land that was not already in the development process prior to the moratorium being instituted.

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.

Each governmental and business-type funds are annually appropriated. 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 2023-2024 was approximately \$82.6M. The overall portfolio provided \$4.8M 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 is 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 fee based 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, 2024, 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, 2023. This was the twenty-second 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

PRINCIPAL OFFICIALS

SEPTEMBER 30, 2024

MAYOR
Jim Jarratt

MAYOR PRO-TEM
Bruce Wadley

COUNCIL MEMBERS
Eddie Rodriguez
Skip Overdier
Steven Vale
Greg Corrigan

CITY MANAGER
Chris Coffman, CPM

DEPUTY CITY MANAGER
Michael Ross, CPM

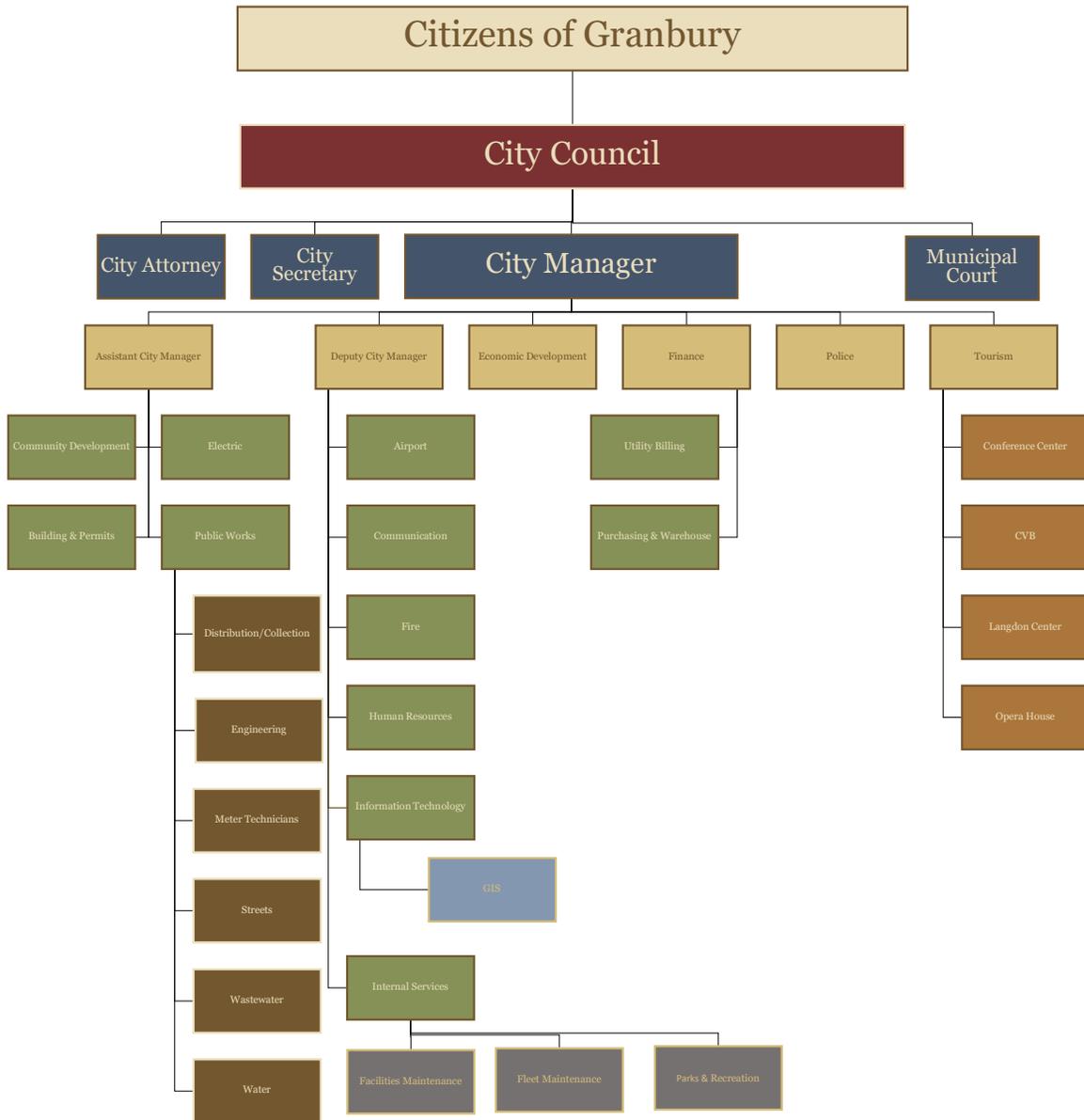
ASSISTANT CITY MANAGER
Rick Crownover, CPM

DEPARTMENT DIRECTORS

Carla Walker
Eva S Gregory
Mitch Galvan
Aaron Mclain
Chester Nolen
Jim Cook
Cody Mathis
Tammy Dooley
Shea Hopkins
Kira Wauwie
Chris Collins
Kenneth Causey

City Secretary
Director of Finance
Chief of Police
Director of Internal Services
Director of Public Works
Chief Building Official
Director of Aviation
Director of Convention & Visitors Bureau
Director of Economic Development
Director of Community Development
Director of Information Technology
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, 2023

Christopher P. Morill

Executive Director/CEO

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FINANCIAL SECTION

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INDEPENDENT AUDITOR'S REPORT

Honorable Mayor
and Members of City Council
City of Granbury, Texas

Report on the Audit of the Financial Statements

Opinions

We have audited 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, as of and for the year ended September 30, 2024, and the related notes to the financial statements, which collectively comprise the City of Granbury, Texas' basic financial statements as listed in the table of contents.

In our opinion, the accompanying financial statements present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the City of Granbury, Texas, as of September 30, 2024, and the respective changes in financial position and, where applicable, cash flows thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinions

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

Responsibilities of Management for the Financial Statements

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

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

OFFICE LOCATIONS

TEXAS | Waco | Temple | Hillsboro | Houston
NEW MEXICO | Albuquerque

Auditor's Responsibility for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinions. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with GAAS and *Government Auditing Standards* will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

In performing an audit in accordance with GAAS and *Government Auditing Standards*, we:

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

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

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis, budgetary comparison information, and pension and OPEB information be presented to supplement the basic financial statements. Such information is the responsibility of management and, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with 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.

Supplementary Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the City of Granbury, Texas' basic financial statements. The combining statements, budgetary comparison schedules and the Schedule of Expenditures of Federal Awards, as required by Title 2 U.S. Code of Federal Regulations (CFR) Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance), are presented for purposes of additional analysis and are not a required part of the basic financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. The information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the combining 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 as a whole.

Other Information Included in the Annual Comprehensive Financial Report

Management is responsible for the other information included in the annual comprehensive financial report (ACFR). The other information comprises the introductory section and statistical section but does not include the financial statements and our auditor's report thereon. Our opinions on the financial statements do not cover the other information, and we do not express an opinion or any form of assurance thereon. In connection with our audit of the financial statements, our responsibility is to read the other information and consider whether a material inconsistency exists between the other information and the financial statements, or the other information otherwise appears to be materially misstated. If, based on the work performed, we conclude that an uncorrected material misstatement of the other information exists, we are required to describe it in our report.

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated March 18, 2025 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 of Granbury, Texas' 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 of Granbury, Texas' internal control over financial reporting and compliance.

Pattillo, Brown & Hill, L.L.P.

Waco, Texas
March 18, 2025

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**MANAGEMENT'S
DISCUSSION AND ANALYSIS**

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City of Granbury, Texas
Management's Discussion and Analysis
For the Year Ended September 30, 2024

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, 2024. 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 \$159,284,569 (Net Position). Of this amount, \$29,098,038 (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 \$10,423,081. The City's operations decreased the governmental activities by (\$15,430,628) and increased the business-type activities by \$25,853,709.
- At the close of the current fiscal year, the City's of Granbury's governmental funds reported combined ending fund balances of \$48,919,478.
- As of the end of the current fiscal year, unassigned fund balance for the General Fund was \$14,589,689 or 62% of the total General Fund expenditures.
- At the end of the current fiscal year, unrestricted net position for the Utility Fund was \$13,888,835, or 74% 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 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 pages 16-19 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 governmental funds is narrower than that of the government-wide financial statements, it is useful to compare the information presented for governmental funds with similar information presented for governmental activities in the government-wide financial statements. By doing so, readers may better understand the long-term impact of the government’s near-term financing decisions. Both the governmental fund balance sheet and the governmental fund statement of revenues, expenditures, and changes in fund balances provide a reconciliation to facilitate this comparison between governmental funds and governmental activities.

The City 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 pages 20–23 and 25-26 of this report.

Proprietary Funds - The City maintains two 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 major funds for the City.

The basic proprietary fund financial statements can be found on page 28-33 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 for proprietary funds.

The basic fiduciary fund financial statements can be found on page 34 and 35 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 begin on pages 36-64 of this report.

GOVERNMENT-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 exceeded liabilities and deferred inflows by \$159,284,569 as of September 30, 2024.

The largest portion of the City’s net position (78%) 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, \$29,098,038, may be used to meet the government’s ongoing obligations to citizens and creditors.

As of September 30, 2024, 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

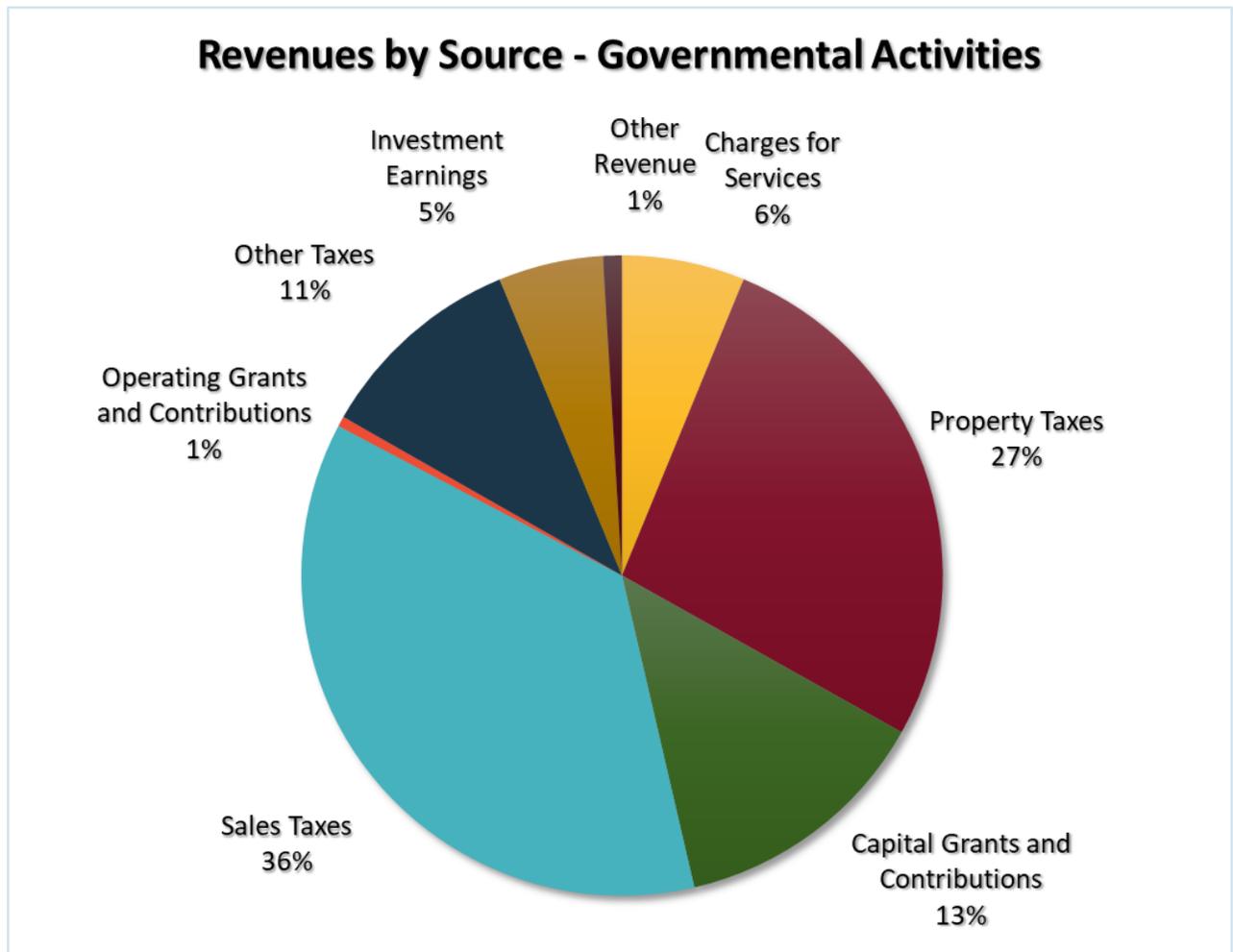
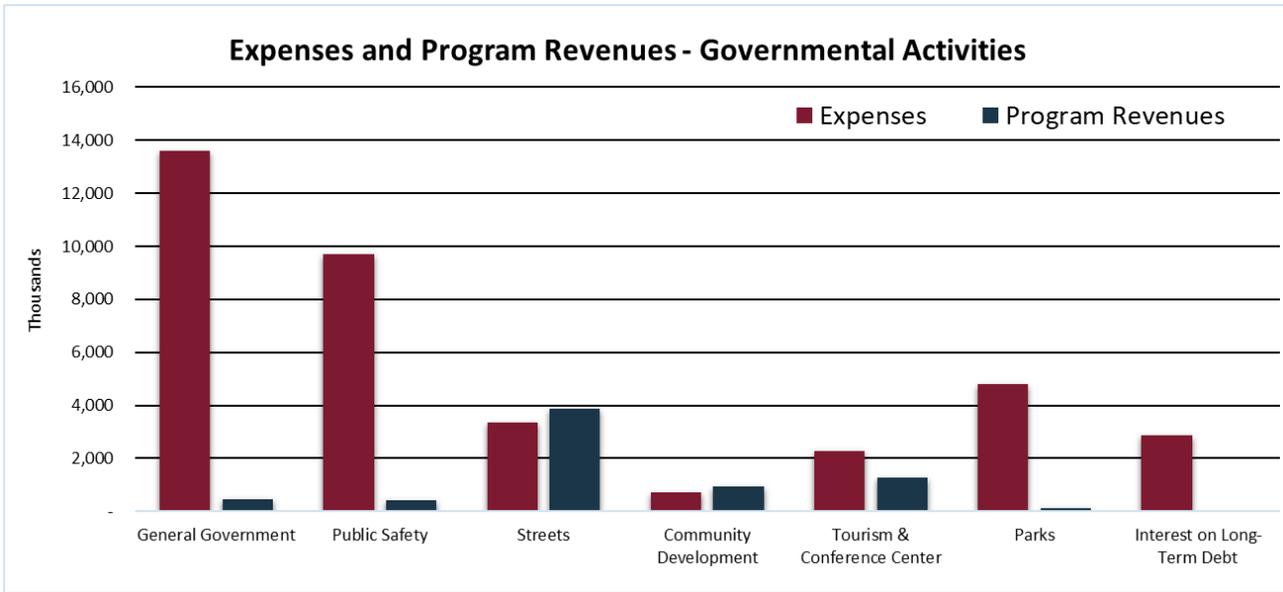
	Governmental Activities		Business-type Activities		Totals	
	2024	2023	2024	2023	2024	2023
Current and other assets	\$ 58,215,469	\$ 75,689,254	\$ 36,448,459	\$ 40,663,426	\$ 94,663,928	\$ 116,352,680
Capital assets	<u>78,793,710</u>	<u>77,527,059</u>	<u>166,156,897</u>	<u>142,068,037</u>	<u>244,950,607</u>	<u>219,595,096</u>
Total assets	<u>137,009,179</u>	<u>153,216,313</u>	<u>202,605,356</u>	<u>182,731,463</u>	<u>339,614,535</u>	<u>335,947,776</u>
Deferred outflows of resources	<u>4,226,882</u>	<u>5,523,284</u>	<u>1,016,203</u>	<u>1,283,577</u>	<u>5,243,085</u>	<u>6,806,861</u>
Current and other liabilities	5,281,317	3,767,309	5,687,377	8,609,378	10,968,694	12,376,687
Long-term liabilities	<u>92,886,053</u>	<u>96,621,349</u>	<u>80,076,820</u>	<u>83,543,767</u>	<u>172,962,873</u>	<u>180,165,116</u>
Total liabilities	<u>98,167,370</u>	<u>100,388,658</u>	<u>85,764,197</u>	<u>92,153,145</u>	<u>183,931,567</u>	<u>192,541,803</u>
Deferred inflows of resources	<u>346,091</u>	<u>197,711</u>	<u>1,295,393</u>	<u>1,153,635</u>	<u>1,641,484</u>	<u>1,351,346</u>
Net position:						
Net investment in capital assets	27,449,553	42,887,572	96,069,566	71,019,468	123,519,119	113,907,040
Restricted	2,262,710	2,275,282	4,404,702	3,930,121	6,667,412	6,205,403
Unrestricted	<u>13,010,337</u>	<u>12,990,374</u>	<u>16,087,701</u>	<u>15,758,671</u>	<u>29,098,038</u>	<u>28,749,045</u>
Total net position	<u>\$ 42,722,600</u>	<u>\$ 58,153,228</u>	<u>\$ 116,561,969</u>	<u>\$ 90,708,260</u>	<u>\$ 159,284,569</u>	<u>\$ 148,861,488</u>

Changes in Net Position

	Governmental Activities		Business-type Activities		Totals	
	2024	2023	2024	2023	2024	2023
Revenues:						
Program revenue:						
Charges for services	\$ 2,199,224	\$ 2,176,673	\$ 29,737,231	\$ 28,971,124	\$ 31,936,455	\$ 31,147,797
Operating grants and contributions	181,543	304,952	2,557,672	94,913	2,739,215	399,865
Capital grants and contributions	4,693,006	1,870,999	3,931,788	11,830,891	8,624,794	13,701,890
General revenues:						
Property taxes	9,556,989	8,521,945	-	-	9,556,989	8,521,945
Sales taxes	12,898,826	12,345,857	-	-	12,898,826	12,345,857
Hotel/motel taxes	1,004,559	1,087,725	-	-	1,004,559	1,087,725
Franchise taxes	2,730,141	2,809,831	-	-	2,730,141	2,809,831
Investment earnings	1,871,149	3,421,509	1,577,858	1,547,557	3,449,007	4,969,066
Other	<u>336,557</u>	<u>365,339</u>	<u>2,539,924</u>	<u>592,481</u>	<u>2,876,481</u>	<u>957,820</u>
Total revenues	<u>35,471,994</u>	<u>32,904,830</u>	<u>40,344,473</u>	<u>43,036,966</u>	<u>75,816,467</u>	<u>75,941,796</u>
Expenses:						
General government	13,593,457	7,695,993	-	-	13,593,457	7,695,993
Public safety	9,703,033	9,193,643	-	-	9,703,033	9,193,643
Highways and streets	3,334,146	3,274,033	-	-	3,334,146	3,274,033
Community development	638,422	628,696	-	-	638,422	628,696
Clean air coalition	71,260	33,155	-	-	71,260	33,155
Culture and recreation	4,813,388	3,043,922	-	-	4,813,388	3,043,922
Tourism	1,647,261	1,715,589	-	-	1,647,261	1,715,589
Conference center	609,985	1,036,030	-	-	609,985	1,036,030
Interest on long-term debt	2,877,463	3,027,915	-	-	2,877,463	3,027,915
Water treatment and distribution	-	-	10,742,982	10,451,443	10,742,982	10,451,443
Wastewater collection and treatment	-	-	4,522,422	3,716,435	4,522,422	3,716,435
Electricity	-	-	10,154,437	9,380,832	10,154,437	9,380,832
Airport	-	-	<u>2,685,130</u>	<u>1,478,281</u>	<u>2,685,130</u>	<u>1,478,281</u>
Total expenses	<u>37,288,415</u>	<u>29,648,976</u>	<u>28,104,971</u>	<u>25,026,991</u>	<u>65,393,386</u>	<u>54,675,967</u>
Increases (decrease) in net position						
before transfers	(1,816,421)	3,255,854	12,239,502	18,009,975	10,423,081	21,265,829
Transfers	<u>(13,614,207)</u>	<u>721,183</u>	<u>13,614,207</u>	<u>(721,183)</u>	-	-
Change in net position	(15,430,628)	3,977,037	25,853,709	17,288,792	10,423,081	21,265,829
Net position, beginning	<u>58,153,228</u>	<u>54,176,191</u>	<u>90,708,260</u>	<u>73,419,468</u>	<u>148,861,488</u>	<u>127,595,659</u>
Net position, ending	<u>\$ 42,722,600</u>	<u>\$ 58,153,228</u>	<u>\$ 116,561,969</u>	<u>\$ 90,708,260</u>	<u>\$ 159,284,569</u>	<u>\$ 148,861,488</u>

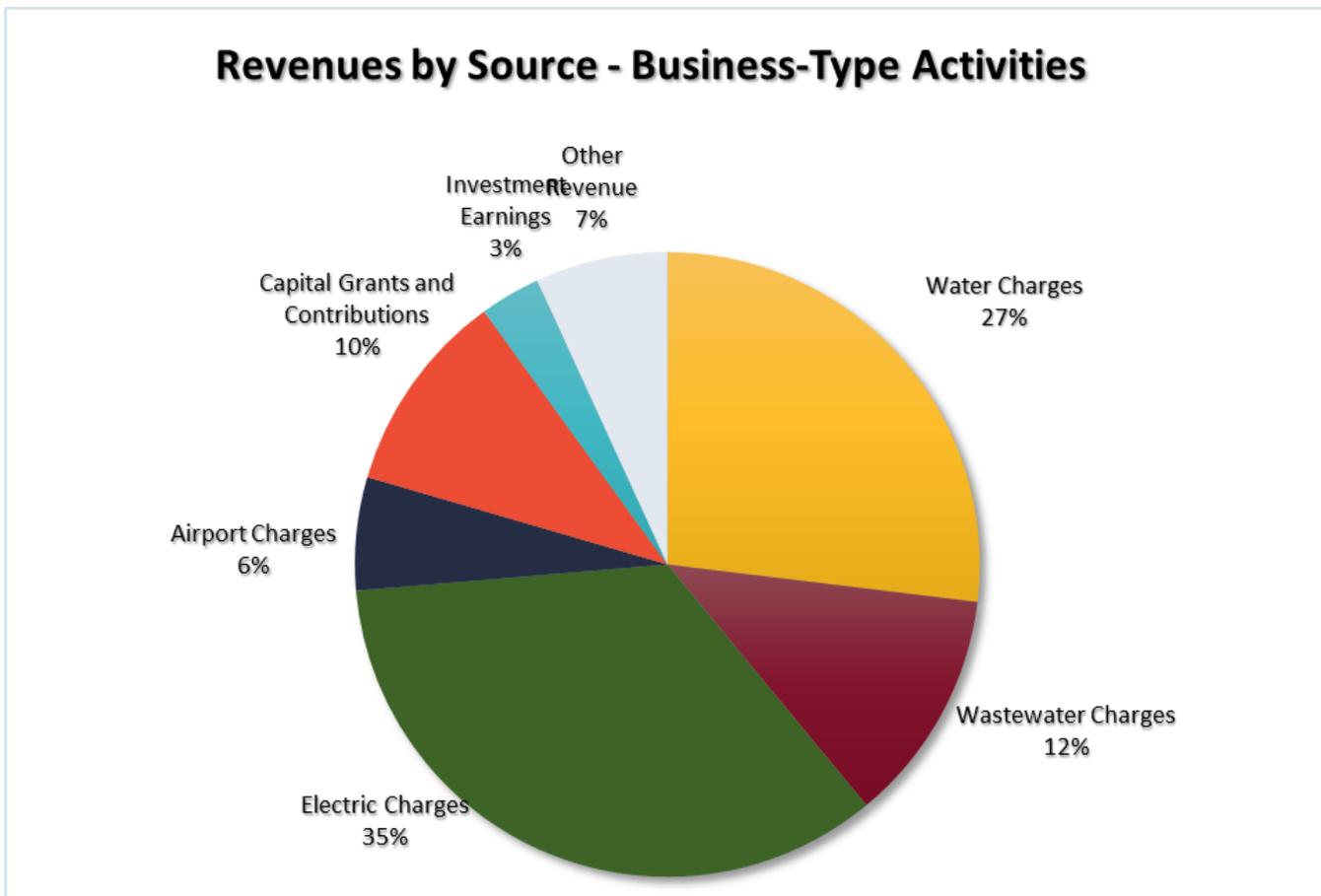
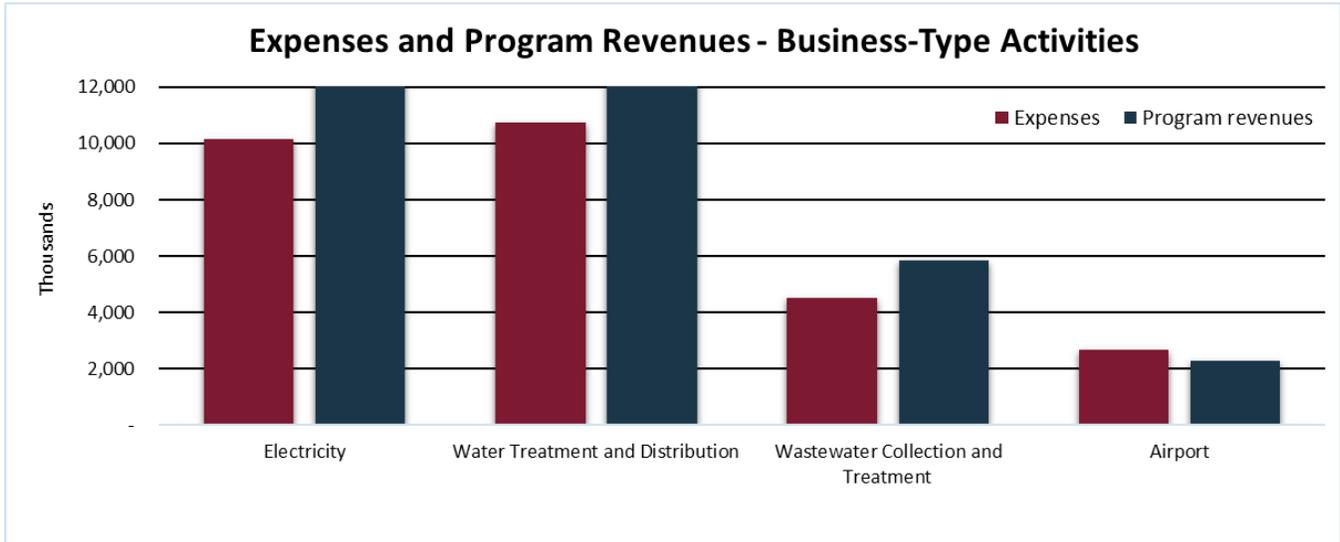
Governmental Activities. Governmental activities decreased the City's net position by (\$15,430,628) compared with a \$3,977,037 increase during the prior fiscal year. Total revenues from governmental activities increased \$2,567,164 (8%) to \$35,471,994 when compared to the prior fiscal year. Revenue from sales tax grew by \$552,969 indicating a strong growth in commerce in the City. Revenue from property taxes grew by \$1,035,0044. The largest revenue deficit \$5,804,322 was caused by a loss in disposal of capital assets in fiscal year 2024. This deficit was caused by the City giving 10 acres of land and buildings back to Granbury ISD. Total governmental activities expenses increased \$7,639,439 (26%) from the prior year. The purchase of the Granbury Square Plaza in the amount of \$2.4M by the Granbury Historic Properties, blended component unit of the City of Granbury, was finalized in fiscal year 2024. The City also purchased the Kings Plaza property, completed the Woods Drainage project and the City Hall renovation which started in fiscal year 2023.

Below are two graphs summarizing governmental revenue and expense:



Business-type Activities. Business-type activities increased the City's net position by \$25,853,709 in the current fiscal year compared to a increased of \$17,288,792 in the prior fiscal year. The business-type activities total revenues decreased overall by (\$2,692,493) (-6%) to \$40,344,473. Revenues for charges and services increased by \$766,107, operating grants increased by \$2,462,759, other revenues increased by \$1,947,443 which includes sale of land and insurance proceeds; however capital contributions by developers decreased by \$7,899,103 compared to prior fiscal year. Investment earnings revenue increased \$30,301 primarily as a result of an increase in interest rates. Total business-type activities expense increased \$3,077,980 (12%) to \$28,104,971. The largest increase in expenses was related to the airport and distribution in the amount of \$1,206,849. The large increase is due to an increase in the purchase of fuel caused by the increased airport usage since the completion of the new runways.

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 \$48,919,478. \$12,515,434 (26%) 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 \$14,589,689. The fund balance of the general fund decreased \$1,925,310 compared to an decrease of (\$74,129) in the prior year. Key factors contributing to the decrease in fund balance between the two fiscal years are highlighted below:

- Revenues increased \$1,745,148 (8%). Property tax increased \$1,130,627 or 32%, sales tax increased \$552,969 or 4%, charges for services increased \$98,899 or 340%, investment earnings increased \$127,564 or 16%.
- Expenditures increased \$2,433,181 (12%) mainly attributable to capital projects including the purchase of Kings Plaza (\$413,000), the Woods Drainage project (\$303,000), City Hall Renovation (\$218,000); investment in IT capital infrastructure, completion of the comprehensive plan, purchase of various equipment for the police department, fire department, street department, and the parks department contributed another million dollars in expenditure for the general fund.
- Transfers out decreased (\$2,319,227) due to the airport Runway Expansion project being completed.

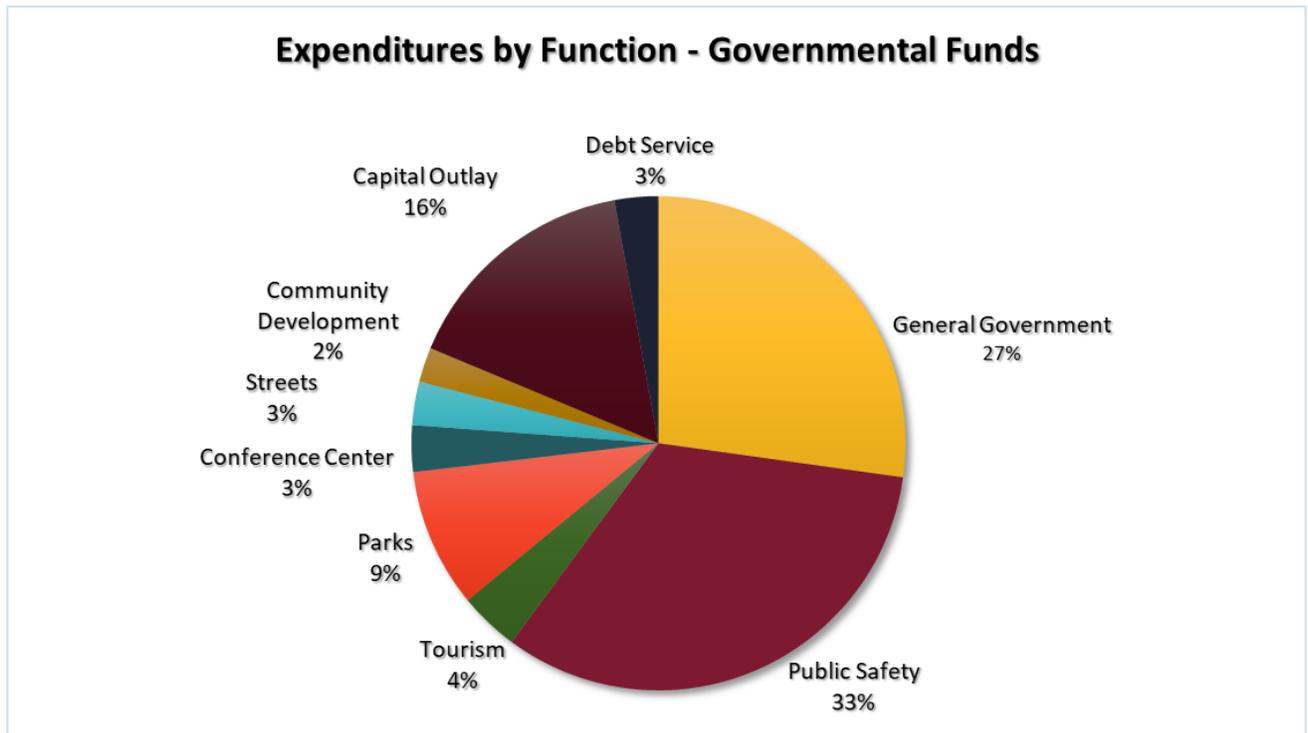
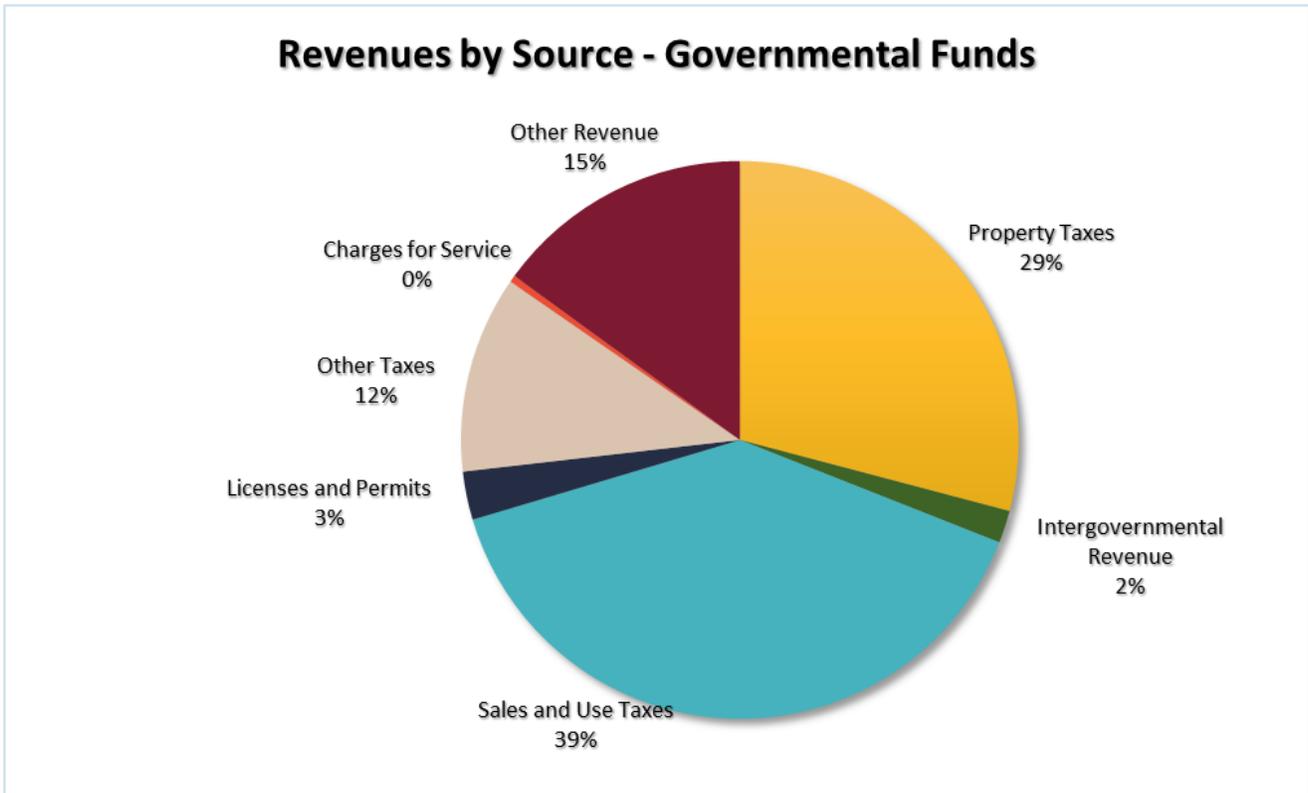
Below is a comparison of the general fund's net change in fund balance for 2024 and 2023.

	2024	2023	Increase (Decrease)	Percent Increase (Decrease)
Revenues:				
Taxes:				
Property	\$ 4,628,425	\$ 3,497,798	\$ 1,130,627	32%
Sales and use taxes	12,898,826	12,345,857	552,969	4%
Franchise	2,736,627	2,747,388	(10,761)	0%
Fines and fees	236,378	183,496	52,882	29%
Licenses and permits	917,108	1,182,973	(265,865)	-22%
Charges for service	127,978	29,079	98,899	340%
Intergovernmental revenue	615,180	434,045	181,135	42%
Park and recreation	116,709	194,127	(77,418)	-40%
Interest income	943,949	816,385	127,564	16%
Other revenue	<u>225,735</u>	<u>270,619</u>	<u>(44,884)</u>	<u>-17%</u>
Total revenues	<u>23,446,915</u>	<u>21,701,767</u>	<u>1,745,148</u>	<u>8%</u>
Expenditures:				
General government	8,272,431	6,822,683	1,449,748	21%
Public safety	8,853,060	8,498,680	354,380	4%
Highways and streets	2,022,582	1,734,579	288,003	17%
Community development	619,302	584,096	35,206	6%
Clean air coalition	69,784	66,931	2,853	4%
Culture and recreation	2,762,810	2,332,842	429,968	18%
Principal	775,867	895,439	(119,572)	-13%
Interest and other charges	<u>31,388</u>	<u>38,793</u>	<u>(7,405)</u>	<u>0%</u>
Total expenditures	<u>23,407,224</u>	<u>20,974,043</u>	<u>2,433,181</u>	<u>12%</u>
Other financing sources (uses):				
SBITA issued	178,618	181,426	(2,808)	-2%
Leases issued	11,153	-	11,153	0%
Transfers in	1,820,534	1,370,400	450,134	33%
Transfers out	(214,588)	(2,533,815)	2,319,227	-92%
Insurance recovery	89,902	162,298	(72,396)	-45%
Sale of general capital assets	<u>-</u>	<u>17,838</u>	<u>(17,838)</u>	<u>-100%</u>
Net change in fund balances	<u>\$ 1,925,310</u>	<u>\$ (74,129)</u>	<u>\$ 1,999,439</u>	<u>-2697%</u>

The Debt Service fund has a total fund balance of \$937,495, all of which is restricted for the payment of debt service. Compared to the previous fiscal year, the Debt Service fund balance increased by \$115,491.

The Capital Projects fund has a total fund balance of \$29,793,492. 100% of the fund balance is restricted to be used to fund projects with bond proceeds. Capital Projects fund balance decreased in 2024 by \$19,505,042 primarily due to the construction of projects.

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 \$16,087,701 comprised of the Utility Fund net position of \$13,888,835 and the Airport Fund net position of \$2,147,181. The Utility Fund net position increased by \$24,172,114 in the current fiscal year primarily due to an increase in water and wastewater sales of \$2,045,548 and a increase of expenses of (\$1,421,399) from the prior year. The Airport experienced a net position increase of \$1,871,434.

Unrestricted net position of the fleet internal service fund was \$890,920. Internal service fund net position increased \$193,506.

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 16%, or \$3,890,939.

General fund actual expenditures budgetary basis were \$3,844,001 less than budgeted. The largest budget variances were \$1,820,327 for City council and \$592,714 for parks.

CAPITAL ASSETS

The City of Granbury's investment in capital assets for its governmental and business-type activities as of September 30, 2024, amounts to \$244,950,607 (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 fiscal year 2024 included the following:

Governmental Activities:

- Developers contributed \$2,375,622 in storm drainage improvements and \$1,048,994 in street improvements to the City.
- The drainage improvements project for the Woods Apartment in the amount of \$694,641 was completed.
- Police equipment and Electronic Ticketing solution in the amount of \$122,013 and the completion of the 2-way Police Radio project in the amount of \$2,551,838 was finalized in Fiscal Year 2024.
- City Hall Renovation project in the amount of \$1,020,318 was completed.
- The City spend \$41,802 for audio and video equipment for the City Council Chambers.
- Park improvement projects in the amount of \$97,247 were completed.
- Various equipment for the street, fire and fleet departments totaling \$59,060 were purchased.
- Vehicles purchased include 4 Tahoes for the police department totaling \$255,261, street equipment for \$55,113, a truck and a Bobcat skid loader for parks totaling \$92,512, and mowers in the amount of \$42,758.
- Improvements at the Lake Granbury Conference Center in the amount of \$103,346 were completed.

Business-Type Activities:

- Developers contributed \$1,449,786 water improvements and \$1,315,686 in sewer improvements to the City.
- The Archer Court water and sewer infrastructure project in the amount of \$142,568 was completed.
- The City invested \$228,627 in water distribution improvements and \$1,3434,159 in sewer related distribution improvements.
- Scout Camp Pump Station Generator project in the amount of \$178,469 was completed.
- The City invested \$152,438 in electric transformers
- The new Airport FBO was completed in the amount of \$5,079,811. This includes the utilization of \$908,752 in bond funds.

- Airport utility infrastructure and RAMP related paving rehab projects were completed in the amount of \$1,211,521.

	Governmental Activities		Business-type Activities		Totals	
	2024	2023	2024	2023	2024	2023
Land	\$ 7,513,530	\$ 6,660,750	\$ 12,851,591	\$ 12,851,591	\$ 20,365,121	\$ 19,512,341
Construction in progress	8,036,378	7,281,463	21,611,204	32,073,783	29,647,582	39,355,246
Buildings	22,831,279	26,961,969	36,550,060	892,904	59,381,339	27,854,873
Right to use - Buildings	104,176	88,119	-	-	104,176	88,119
Improvements other than buildings	33,977,297	32,000,828	97,818,265	94,659,373	131,795,562	126,660,201
Machinery and equipment	5,691,455	3,461,085	(2,698,940)	1,532,532	2,992,515	4,993,617
Right to use - Machinery and equipment	33,981	53,786	7,291	11,525	41,272	65,311
Right to use - SBITA	605,614	1,019,059	17,426	46,329	623,040	1,065,388
Total	<u>\$ 78,793,710</u>	<u>\$ 77,527,059</u>	<u>\$ 166,156,897</u>	<u>\$ 142,068,037</u>	<u>\$ 244,950,607</u>	<u>\$ 219,595,096</u>

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

DEBT ADMINISTRATION

At the end of the current fiscal year, the City of Granbury had total bonded debt, notes payable, financing arrangements and leases of \$151,586,132. Of this amount, \$10,030,000 comprises bonded debt backed by the full faith and credit of the government and \$136,634,000 are certificates of obligation secured by ad valorem taxes and surplus revenues of the utility fund. The financing arrangement of \$971,840 pertain to equipment and an energy retrofit project being finance 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.

	Governmental Activities		Business-type Activities		Totals	
	2024	2023	2024	2023	2024	2023
Certificates of Obligation	\$ 64,584,000	\$ 66,838,000	\$ 72,050,000	\$ 74,655,000	\$ 136,634,000	\$ 141,493,000
General Obligation	6,290,000	7,357,500	3,740,000	4,292,500	10,030,000	11,650,000
Issuance Premiums	8,065,263	8,627,877	506,969	586,011		
Texas Capital Fund Loan	-	-	12,015	20,693	12,015	20,693
Financing Arrangements	298,408	460,015	673,432	832,682	971,840	1,292,697
Leases	167,745	173,486	12,330	19,643	180,075	193,129
SBITA	448,522	939,626	13,018	41,361	461,540	980,987
Arbitrage	1,666,300	-	-	-	1,666,300	-
Compensated Absences	1,212,309	1,211,915	418,053	322,699	1,630,362	1,534,614
Totals	<u>\$ 82,732,547</u>	<u>\$ 85,608,419</u>	<u>\$ 77,425,817</u>	<u>\$ 80,770,589</u>	<u>\$ 151,586,132</u>	<u>\$ 157,165,120</u>

The City's bond ratings are listed below:

	General	Utility
	Obligation	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 H. to M. in the financial statements.

ECONOMIC FACTORS AND NEXT YEAR'S BUDGETS AND RATES

General Fund revenues are budgeted to increase about 1% in fiscal year 2025 compared to the 2023-2024 budget. Sales tax makes up about 47% of the General Fund operating revenues and is budgeted to increase 1% over the fiscal year 2024 budget. Although Granbury continues to outperform previous year actuals in sales tax collections, fiscal year 2025 budget remains on track with fiscal year 2024. The operation and maintenance portion of the property tax revenue is budgeted to increase about 11% (\$500K) compared to the 2023-2024 budgeted amounts, and the debt service portion of the property tax revenue will remain consistent with fiscal year 2024. Certified assessed property valuations increased approximately \$150 million (6%) from the preceding year, and therefore the City was able to adopt a tax rate of \$0.385000 per \$100. The City's no-new-revenue tax rate for tax year 2024 is 0.393736. In Fiscal Year 2025, the maintenance and operations portion of the tax rate increased from \$0.157649 to \$0.186828 and the debt service rate decreased from \$0.222351 to \$0.198172. The steady increase in property valuations allows the City to hold the tax rate steady. The \$0.005 increase in tax rate compared to the tax rate adopted in fiscal year 2023 was necessary to cover the annual cost to purchase two new fire apparatuses. 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 2024, sales tax receipts were up 2.5% when compared to the previous year's actual collections.

General Fund operating expenditures and transfers-out are budgeted to increase 1% compared to 2023-2024 budgeted amounts. Capital expenditures will decrease from \$1,994,500 in fiscal year 2024 to \$734,700 in fiscal year 2025. The capital investment for General Fund related projects include IT infrastructure, a Community Development Market Analysis, SWAT ballistic vest replacement, building improvements, Lambert Branch improvements, and parks equipment. Total budget for the General Fund expenditures is \$25,442,200. 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 decrease 1% compared to the operating revenue budgeted in 2023-2024. This is due to the use of impact fees budgeted in fiscal year 2024. A small CPI rate adjustment was assessed for fiscal year 2025 for both water and sewer rates. Through the current electric power purchase contract which became effective as of January 2018, the City has been able to offer a very competitive electric rate to the citizens of Granbury, as well as allow the City to set aside funds for future capital investments. The City continues to include in the annual operating budget contributions from surplus to capital sinking funds for the replacement of advanced technology membranes at the water and wastewater treatment plants as the membranes all come to end of life around the same time.

Total operating expenditures budgeted for the Utility Fund in fiscal year 2024-2025 have increased 6%. Capital projects for both the General Fund and the Utility Fund are budgeted out of the General and Utility Capital Projects Funds. 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' website at www.granbury.org : go to Departments/ Finance & Administrative Services.

**BASIC
FINANCIAL STATEMENTS**

CITY OF GRANBURY, TEXAS

STATEMENT OF NET POSITION

SEPTEMBER 30, 2024

	Primary Government		
	Governmental Activities	Business-type Activities	Total
ASSETS			
Cash and cash equivalents	\$ 7,160,080	\$ 4,728,596	\$ 11,888,676
Investments	12,586,955	12,398,547	24,985,502
Receivables (net of allowance for uncollectibles):			
Property taxes	114,285	-	114,285
Franchise taxes	469,757	-	469,757
Accounts	-	2,789,703	2,789,703
Leases	2,876,776	1,254,718	4,131,494
Due from other governments	2,186,820	-	2,186,820
Fines and fees receivables	147,234	-	147,234
Miscellaneous receivables	235,838	158,409	394,247
Interest	9,732	41,039	50,771
Internal balances	14,873	(14,873)	-
Prepaid items	86,381	1,003,979	1,090,360
Inventories	112,008	1,681,067	1,793,075
Restricted assets:			
Cash and cash equivalents	347,499	765,805	1,113,304
Investments	31,867,231	11,641,469	43,508,700
Capital assets:			
Nondepreciable	15,549,908	34,462,796	50,012,704
Depreciable, net	<u>63,243,802</u>	<u>131,694,101</u>	<u>194,937,903</u>
Total capital assets	<u>78,793,710</u>	<u>166,156,897</u>	<u>244,950,607</u>
Total assets	<u>137,009,179</u>	<u>202,605,356</u>	<u>339,614,535</u>
DEFERRED OUTFLOWS OF RESOURCES			
Deferred charges on refunding	298,876	-	298,876
Pension plan - TMRS	3,537,523	997,763	4,535,286
Pension plan - TESRS	325,103	-	325,103
OPEB - TMRS supplemental death benefit	<u>65,380</u>	<u>18,440</u>	<u>83,820</u>
Total deferred outflows of resources	<u>4,226,882</u>	<u>1,016,203</u>	<u>5,243,085</u>
LIABILITIES			
Accounts payable	4,107,832	3,402,243	7,510,075
Accrued liabilities	213,973	66,396	280,369
Unearned revenue	552,738	100,642	653,380
Interest payable	404,844	184,730	589,574
Customer deposits	1,930	1,933,366	1,935,296
Noncurrent liabilities:			
Due within one year:			
Long-term debt	4,331,649	3,563,345	7,894,994
Total OPEB liability - TMRS supplemental death benefit	15,096	4,258	19,354
Due in more than one year:			
Long-term debt	78,400,898	73,862,472	152,263,370
Net pension liability - TMRS	8,932,072	2,519,303	11,451,375
Net pension liability - TESRS	754,494	-	754,494
Total OPEB liability - TMRS supplemental death benefit	<u>451,844</u>	<u>127,442</u>	<u>579,286</u>
Total liabilities	<u>98,167,370</u>	<u>85,764,197</u>	<u>183,931,567</u>

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

CITY OF GRANBURY, TEXAS

STATEMENT OF NET POSITION

SEPTEMBER 30, 2024

	Primary Government		
	Governmental Activities	Business-type Activities	Total
DEFERRED INFLOWS OF RESOURCES			
Related to leases	-	1,198,186	1,198,186
Pension plan - TMRS	202,219	57,037	259,256
Pension plan - TESRS	1,455	-	1,455
OPEB - TMRS supplemental death benefit	142,417	40,170	182,587
Total deferred inflows of resources	<u>346,091</u>	<u>1,295,393</u>	<u>1,641,484</u>
NET POSITION			
Net investment in capital assets	27,449,553	96,069,566	123,519,119
Restricted for:			
Debt service	595,795	-	595,795
Impact fees for capital improvements	-	4,404,702	4,404,702
Public safety	265,561	-	265,561
Culture and recreation	1,196,796	-	1,196,796
Public, educational, and governmental programming	52,067	-	52,067
Court technology and security	152,491	-	152,491
Unrestricted	<u>13,010,337</u>	<u>16,087,701</u>	<u>29,098,038</u>
Total net position	<u>\$ 42,722,600</u>	<u>\$116,561,969</u>	<u>\$159,284,569</u>

CITY OF GRANBURY, TEXAS

STATEMENT OF ACTIVITIES

FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2024

Function/Program Activities	Expenses	Program Revenues		
		Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions
Primary government				
Governmental activities:				
General government	\$ 13,593,457	\$ 215,456	\$ 4,381	\$ 226,867
Public safety	9,703,033	240,131	177,162	-
Highways and streets	3,334,146	-	-	3,858,253
Community development	638,422	935,216	-	-
Clean air coalition	71,260	-	-	-
Culture and recreation	4,813,388	130,209	-	-
Tourism	1,647,261	103,476	-	607,886
Conference center	609,985	574,736	-	-
Interest on long-term debt	2,877,463	-	-	-
Total governmental activities	<u>37,288,415</u>	<u>2,199,224</u>	<u>181,543</u>	<u>4,693,006</u>
Business-type activities:				
Water treatment and distribution	10,742,982	10,067,121	2,475,555	2,616,102
Wastewater collection and treatment	4,522,422	4,518,599	-	1,315,686
Electricity	10,154,437	12,964,637	-	-
Airport	2,685,130	2,186,874	82,117	-
Total business-type activities	<u>28,104,971</u>	<u>29,737,231</u>	<u>2,557,672</u>	<u>3,931,788</u>
Total primary government	<u>\$ 65,393,386</u>	<u>\$ 31,936,455</u>	<u>\$ 2,739,215</u>	<u>\$ 8,624,794</u>

General revenues:

Taxes:

 Property taxes, levied for general purposes

 Property taxes, levied for debt service

 Sales taxes

 Hotel/motel taxes

 Franchise taxes

Investment earnings

Gain on sale of capital assets

Miscellaneous

Transfers

 Total general revenues and transfers

Change in net position

Net position, beginning

Net position, ending

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

Net (Expense) Revenues and Changes in Net Position

Primary Government

<u>Governmental Activities</u>	<u>Business-type Activities</u>	<u>Total</u>
\$ (13,146,753)	\$ -	\$ (13,146,753)
(9,285,740)	-	(9,285,740)
524,107	-	524,107
296,794	-	296,794
(71,260)	-	(71,260)
(4,683,179)	-	(4,683,179)
(935,899)	-	(935,899)
(35,249)	-	(35,249)
<u>(2,877,463)</u>	<u>-</u>	<u>(2,877,463)</u>
<u>(30,214,642)</u>	<u>-</u>	<u>(30,214,642)</u>
-	4,415,796	4,415,796
-	1,311,863	1,311,863
-	2,810,200	2,810,200
<u>-</u>	<u>(416,139)</u>	<u>(416,139)</u>
<u>-</u>	<u>8,121,720</u>	<u>8,121,720</u>
<u>(30,214,642)</u>	<u>8,121,720</u>	<u>(22,092,922)</u>
4,638,327	-	4,638,327
4,918,662	-	4,918,662
12,898,826	-	12,898,826
1,004,559	-	1,004,559
2,730,141	-	2,730,141
1,871,149	1,577,858	3,449,007
-	1,173,388	1,173,388
336,557	1,366,536	1,703,093
<u>(13,614,207)</u>	<u>13,614,207</u>	<u>-</u>
<u>14,784,014</u>	<u>17,731,989</u>	<u>32,516,003</u>
(15,430,628)	25,853,709	10,423,081
<u>58,153,228</u>	<u>90,708,260</u>	<u>148,861,488</u>
<u>\$ 42,722,600</u>	<u>\$ 116,561,969</u>	<u>\$ 159,284,569</u>

CITY OF GRANBURY, TEXAS

BALANCE SHEET
GOVERNMENTAL FUNDS

SEPTEMBER 30, 2024

	General Fund	Debt Service
	<u> </u>	<u> </u>
ASSETS		
Cash and cash equivalents	\$ 3,917,365	\$ 587,085
Investments	11,467,810	78,286
Receivables (net of allowance for uncollectibles):		
Property taxes	45,275	69,010
Franchise taxes	469,757	-
Leases	1,898,919	-
Due from other governments	2,186,820	-
Fines and fees receivables	147,234	-
Miscellaneous receivables	129,149	-
Interest	9,732	-
Due from other funds	120,599	114,731
Advances to other funds	2,989,746	-
Inventories	105,100	-
Prepaid items	86,381	-
Restricted assets:		
Cash and cash equivalents	187,079	-
Investments	<u> </u>	<u>153,056</u>
Total assets	<u>23,760,966</u>	<u>1,002,168</u>
LIABILITIES, DEFERRED INFLOWS AND FUND BALANCES		
Liabilities:		
Accounts payable	1,239,951	1,529
Accrued liabilities	201,943	-
Customer deposits	1,130	-
Unearned revenue	511,867	-
Due to other funds	2,901	-
Advances from other funds	<u> </u>	<u> </u>
Total liabilities	<u>1,957,792</u>	<u>1,529</u>
Deferred Inflows of Resources		
Related to leases	1,828,781	-
Unavailable revenues - property taxes	43,016	63,144
Unavailable revenues - franchise taxes	469,757	-
Unavailable revenues - court fines	<u>147,234</u>	<u> </u>
Total deferred inflows of resources	<u>2,488,788</u>	<u>63,144</u>

Capital Projects	Other Governmental Fund	Total Governmental Funds
\$ 631,317	\$ 1,474,494	\$ 6,610,261
-	699,758	12,245,854
-	-	114,285
-	-	469,757
-	977,857	2,876,776
-	-	2,186,820
-	-	147,234
-	106,689	235,838
-	-	9,732
-	-	235,330
-	-	2,989,746
-	6,908	112,008
-	-	86,381
160,420	-	347,499
<u>31,714,175</u>	<u>-</u>	<u>31,867,231</u>
<u>32,505,912</u>	<u>3,265,706</u>	<u>60,534,752</u>
2,712,420	153,932	4,107,832
-	12,030	213,973
-	800	1,930
-	40,871	552,738
-	217,556	220,457
-	<u>2,989,746</u>	<u>2,989,746</u>
<u>2,712,420</u>	<u>3,414,935</u>	<u>8,086,676</u>
-	976,666	2,805,447
-	-	106,160
-	-	469,757
-	-	147,234
<u>-</u>	<u>976,666</u>	<u>3,528,598</u>

CITY OF GRANBURY, TEXAS

BALANCE SHEET
GOVERNMENTAL FUNDS

SEPTEMBER 30, 2024

	<u>General Fund</u>	<u>Debt Service</u>
LIABILITIES, DEFERRED INFLOWS AND FUND BALANCES (continued)		
Fund balances:		
Nonspendable:		
Long-term interfund advances	2,989,746	-
Inventories	105,100	-
Prepaid items	86,381	-
Restricted:		
Debt service	-	937,495
Construction	-	-
Police training, K9 program, and forfeiture funds	265,561	-
Park improvements	339,057	-
Public, educational, and governmental programming	52,067	-
Tourism	-	-
Court technology and security	152,491	-
Committed:		
General government	62,179	-
Police	92,810	-
Information Technology	332,078	-
Streets	9,778	-
Assigned:		
Cemetery gas well	237,449	-
Unassigned	<u>14,589,689</u>	<u>-</u>
Total fund balances	<u>19,314,386</u>	<u>937,495</u>
Total liabilities, Deferred inflows of resources, and fund balances	<u>\$ 23,760,966</u>	<u>\$ 1,002,168</u>

<u>Capital Projects</u>	<u>Other Governmental Fund</u>	<u>Total Governmental Funds</u>
-	-	2,989,746
-	6,908	112,008
-	-	86,381
-	-	937,495
29,793,492	83,713	29,877,205
-	-	265,561
-	-	339,057
-	-	52,067
-	857,739	857,739
-	-	152,491
-	-	62,179
-	-	92,810
-	-	332,078
-	-	9,778
-	-	237,449
-	(2,074,255)	12,515,434
<u>29,793,492</u>	<u>(1,125,895)</u>	<u>48,919,478</u>
<u>\$ 32,505,912</u>	<u>\$ 3,265,706</u>	<u>\$ 60,534,752</u>

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CITY OF GRANBURY, TEXAS

RECONCILIATION OF THE BALANCE SHEET OF GOVERNMENTAL FUNDS
TO THE STATEMENT OF NET POSITION

SEPTEMBER 30, 2024

Total fund balance, governmental funds \$ 48,919,478

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

Capital assets used in governmental activities are not current financial resources and therefore are not reported in this fund financial statement, but are reported in the governmental activities of the Statement of Net Position. 77,637,745

Certain other long-term assets are not available to pay current period expenditures and therefore are not reported in this fund financial statement, but are reported in the governmental activities of the Statement of Net Position.

Related to leases	2,805,447
Unavailable revenue - property taxes	106,160
Unavailable revenue - franchise taxes	469,757
Unavailable revenue - court fines	147,234

The City uses an internal service fund to charge the cost 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. 2,046,885

Long-term liabilities are not due in the current period and, therefore, are not reported as liabilities in the fund financial statements, but are included in the governmental activities of the Statement of Net Position

Bonds payable, at maturity	(70,874,000)
Financing arrangements	(298,408)
Leases	(167,745)
SBITA	(448,522)
Premium/discount on bonds payable	(8,065,263)
Accrued long-term interest	(404,844)
Arbitrage liability	(1,666,300)
Compensated absences	(1,212,309)

Deferred charges for refunding related to governmental activity debt are not financial resources and, therefore, are not reported in the governmental funds. 298,876

Net pension liability and related deferred outflows and inflows of resources do not represent current liabilities and are not reported in the fund financial statements, but are included in the governmental activities of the statement of net position.

Deferred outflows related to pensions - TMRS	3,537,523
Deferred outflows related to pensions - TESRS	325,103
Deferred outflows related to OPEB	65,380
Net Pension Liability - TMRS	(8,932,072)
Net Pension Liability - TESRS	(754,494)
Total OPEB Liability	(466,940)
Deferred inflows related to pensions - TMRS	(202,219)
Deferred inflows related to pensions - TESRS	(1,455)
Deferred inflows related to OPEB	<u>(142,417)</u>

Net position of governmental activities in the statement of net position \$ 42,722,600

CITY OF GRANBURY, TEXAS

STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
GOVERNMENTAL FUNDS

FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2024

	<u>General Fund</u>	<u>Debt Service</u>
REVENUES		
Taxes:		
Property taxes	\$ 4,628,425	\$ 4,900,483
Sales and use taxes	12,898,826	-
Hotel/motel taxes	-	-
Franchise taxes	2,736,627	-
Fines and fees	236,378	-
License and permits	917,108	-
Charges for services	127,978	-
Intergovernmental	615,180	-
Park and recreation	116,709	-
Investment earnings	943,949	163,463
Miscellaneous	225,735	-
Total revenues	<u>23,446,915</u>	<u>5,063,946</u>
EXPENDITURES		
Current:		
General government	8,272,431	-
Public safety	8,853,060	-
Highways and streets	2,022,582	-
Community development	619,302	-
Clean air coalition	69,784	-
Culture and recreation	2,762,810	-
Tourism	-	-
Conference center	-	-
Capital outlay	-	-
Debt service:		
Principal	775,867	3,483,107
Interest and other charges	31,388	3,296,764
Total expenditures	<u>23,407,224</u>	<u>6,779,871</u>
REVENUES OVER (UNDER) EXPENDITURES	<u>39,691</u>	<u>(1,715,925)</u>
OTHER FINANCING SOURCES (USES)		
Issuance of leases	11,153	-
Issuance of SBITA	178,618	-
Transfers in	1,820,534	1,831,416
Transfers out	(214,588)	-
Insurance recovery	89,902	-
Total other financing sources (uses)	<u>1,885,619</u>	<u>1,831,416</u>
NET CHANGE IN FUND BALANCES	1,925,310	115,491
FUND BALANCES, BEGINNING	<u>17,389,076</u>	<u>822,004</u>
FUND BALANCES, ENDING	<u>\$ 19,314,386</u>	<u>\$ 937,495</u>

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

Capital Projects	Nonmajor Governmental Funds	Total Governmental Funds
\$ -	\$ -	\$ 9,528,908
-	-	12,898,826
-	1,004,559	1,004,559
-	-	2,736,627
-	-	236,378
-	-	917,108
-	798,028	926,006
-	-	615,180
-	-	116,709
2,341,257	61,681	3,510,350
-	20,920	246,655
<u>2,341,257</u>	<u>1,885,188</u>	<u>32,737,306</u>
-	2,526,574	10,799,005
-	-	8,853,060
-	-	2,022,582
-	-	619,302
-	-	69,784
-	-	2,762,810
-	1,192,673	1,192,673
-	924,076	924,076
4,819,264	-	4,819,264
-	59,446	4,318,420
-	48,910	3,377,062
<u>4,819,264</u>	<u>4,751,679</u>	<u>39,758,038</u>
<u>(2,478,007)</u>	<u>(2,866,491)</u>	<u>(7,020,732)</u>
-	45,281	56,434
-	103,416	282,034
-	40,000	3,691,950
(17,027,035)	(64,534)	(17,306,157)
-	-	89,902
<u>(17,027,035)</u>	<u>124,163</u>	<u>(13,185,837)</u>
(19,505,042)	(2,742,328)	(20,206,569)
<u>49,298,534</u>	<u>1,616,433</u>	<u>69,126,047</u>
<u>\$ 29,793,492</u>	<u>\$ (1,125,895)</u>	<u>\$ 48,919,478</u>

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CITY OF GRANBURY, TEXAS

**RECONCILIATION OF THE STATEMENT OF REVENUES, EXPENDITURES,
AND CHANGES IN FUND BALANCES OF GOVERNMENTAL FUNDS
TO THE STATEMENT OF ACTIVITIES**

FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2024

Net change in fund balances - total governmental funds: \$ (20,206,569)

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

Governmental funds report outlays for capital assets as expenditures because such outlays use current financial resources. In contrast, the Statement of Activities reports only a portion of the outlay as expense. The capital asset expenditures are allocated over the assets' estimated useful lives as depreciation expense for the period:

Capital outlay	6,388,702
Depreciation expense	(5,159,943)

Governmental funds do not present revenues that are not available to pay current obligations. In contrast, such revenues are reported in the Statement of Activities when earned.

859,371

Governmental fund report repayment of bond principal and capital leases as an expenditure. In contrast, the Statement of Activities treats such repayments as a reduction in long-term liabilities. This is the amount of payments made on long-term debt.

3,979,952

Deferred charges on bond refunding, and other debt charges which are treated as expenditures or other sources/uses in the fund basis financial statements are set up as assets and amortized the Statement of Net Position. The net change for each represents an increase/(decrease) in net position.

Bond premiums/discounts	485,647
-------------------------	---------

Some expenses reported in the statement of activities do not require the use of current financial resources and these are not reported as expenditures in governmental funds:

Changes in accrued interest	13,952
Changes in arbitrage liability	(1,666,300)
Changes in accrued compensated absences	(394)

Pension expense does not represent a use of current resources and is not recognized in the fund financial statements.

(504,471)

OPEB expense does not represent a use of current resources and is not recognized in the fund financial statements.

(3,920)

The net revenue (expense) of certain activities of internal service funds is reported with governmental activities.

383,345

Change in net position of governmental activities \$ (15,430,628)

CITY OF GRANBURY, TEXAS

STATEMENT OF NET POSITION
PROPRIETARY FUNDS

SEPTEMBER 30, 2024

	Business-Type Activities - Enterprise Funds			Governmental Activities
	Utility Fund	Airport Fund	Totals	Internal Service Fund
ASSETS				
Current assets:				
Cash and cash equivalents	\$ 4,423,087	\$ 305,509	\$ 4,728,596	\$ 549,819
Investments	10,251,673	2,146,874	12,398,547	341,101
Receivables (net of allowance for uncollectibles):				
Accounts	2,789,703	-	2,789,703	-
Leases	-	1,254,718	1,254,718	-
Miscellaneous receivables	-	158,409	158,409	-
Interest	41,039	-	41,039	-
Prepaid items	1,003,979	-	1,003,979	-
Inventories	1,633,842	47,225	1,681,067	-
Restricted assets:				
Cash and cash equivalents	765,805	-	765,805	-
Investments	11,641,469	-	11,641,469	-
Total current assets	<u>32,550,597</u>	<u>3,912,735</u>	<u>36,463,332</u>	<u>890,920</u>
Non-current assets:				
Capital assets:				
Land	3,425,413	9,426,178	12,851,591	-
Construction in progress	20,918,864	692,341	21,611,205	-
Buildings	32,338,443	5,170,575	37,509,018	-
Improvement other than buildings	117,536,780	25,750,715	143,287,495	-
Machinery and equipment	4,840,605	306,301	5,146,906	3,538,618
Right to use - machinery and equipment	16,076	3,916	19,992	-
Right to use - SBITA	21,721	17,343	39,064	-
Less accumulated depreciation	<u>(51,220,603)</u>	<u>(3,782,299)</u>	<u>(55,002,902)</u>	<u>(1,688,125)</u>
Total non-current assets	<u>127,877,299</u>	<u>37,585,070</u>	<u>165,462,369</u>	<u>1,850,493</u>
Total assets	<u>160,427,896</u>	<u>41,497,805</u>	<u>201,925,701</u>	<u>2,741,413</u>
DEFERRED OUTFLOWS OF RESOURCES				
Pension plan - TMRS	952,410	45,353	997,763	-
OPEB - TMRS supplemental death benefit	<u>17,602</u>	<u>838</u>	<u>18,440</u>	<u>-</u>
Total deferred outflows of resources	<u>970,012</u>	<u>46,191</u>	<u>1,016,203</u>	<u>-</u>

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

CITY OF GRANBURY, TEXAS

STATEMENT OF NET POSITION
PROPRIETARY FUNDS

SEPTEMBER 30, 2024

	Business-Type Activities - Enterprise Funds			Governmental Activities
	Utility Fund	Airport Fund	Totals	Internal Service Fund
LIABILITIES				
Current liabilities:				
Accounts payable	2,934,559	467,684	3,402,243	-
Accrued liabilities	62,733	3,663	66,396	-
Unearned revenue	100,260	382	100,642	-
Due to other funds	14,873	-	14,873	-
Interest payable	184,730	-	184,730	-
Customer deposits	1,920,166	13,200	1,933,366	-
Current portion of long-term debt:				
Accrued compensated absences	165,737	1,484	167,221	-
Texas capital fund loan	6,007	-	6,007	-
Financing arrangements	128,370	36,369	164,739	-
Leases payable	5,835	1,525	7,360	-
SBITA payable	7,239	5,779	13,018	-
Bonds payable	3,205,000	-	3,205,000	-
Total OPEB liability - TMRS	<u>4,064</u>	<u>194</u>	<u>4,258</u>	<u>-</u>
Total current liabilities	<u>8,739,573</u>	<u>530,280</u>	<u>9,265,595</u>	<u>-</u>
Non-current liabilities:				
Accrued compensated absences	248,605	2,227	250,832	-
Texas capital fund loan	6,008	-	6,008	-
Financing arrangements	412,204	96,489	508,693	-
Leases payable	3,950	1,020	4,970	-
Bonds payable	73,091,969	-	73,091,969	-
Net pension liability - TMRS	2,404,789	114,514	2,519,303	-
Total OPEB liability - TMRS				
supplemental death benefit	<u>121,650</u>	<u>5,792</u>	<u>127,442</u>	<u>-</u>
Total non-current liabilities	<u>76,289,175</u>	<u>220,042</u>	<u>76,509,217</u>	<u>-</u>
Total liabilities	<u>85,028,748</u>	<u>750,322</u>	<u>85,779,070</u>	<u>-</u>
DEFERRED INFLOWS OF RESOURCES				
Related to leases	-	1,198,186	1,198,186	-
Pension plan - TMRS	54,444	2,593	57,037	-
OPEB - TMRS supplemental death benefit	<u>38,344</u>	<u>1,826</u>	<u>40,170</u>	<u>-</u>
Total deferred inflows of resources	<u>92,788</u>	<u>1,202,605</u>	<u>1,295,393</u>	<u>-</u>
NET POSITION				
Net investment in capital assets	57,982,835	37,392,203	95,375,038	1,850,493
Restricted for:				
Impact fees for capital improvements - water	2,306,020	-	2,306,020	-
Impact fees for capital improvements - wastewater	2,098,682	-	2,098,682	-
Unrestricted	<u>13,888,835</u>	<u>2,198,866</u>	<u>16,087,701</u>	<u>890,920</u>
Total net position	<u>\$ 76,276,372</u>	<u>\$ 39,591,069</u>	<u>\$ 115,867,441</u>	<u>\$ 2,741,413</u>

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

CITY OF GRANBURY, TEXAS

STATEMENT OF NET POSITION
 PROPRIETARY FUNDS

SEPTEMBER 30, 2024

	<u>Business-Type Activities - Enterprise Funds</u>			<u>Governmental Activities</u>
	<u>Utility Fund</u>	<u>Airport Fund</u>	<u>Totals</u>	<u>Internal Service Fund</u>
Reconciliation to government-wide Statement of Net Position:				
Total Net Position	\$ 76,276,372	\$ 39,591,069	\$ 115,867,441	
Adjustment to reflect the consolidation of Internal Service Funds activities related to enterprise funds	<u>686,428</u>	<u>8,100</u>	<u>694,528</u>	
	<u>\$ 76,962,800</u>	<u>\$ 39,599,169</u>	<u>\$ 116,561,969</u>	

CITY OF GRANBURY, TEXAS

STATEMENT OF REVENUES, EXPENSES
AND CHANGES IN NET POSITION
PROPRIETARY FUNDS

FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2024

	Business-Type Activities - Enterprise Funds			Governmental
	Utility Fund	Airport Fund	Totals	Activities Internal Service Fund
OPERATING REVENUES				
Charges for services:				
Water and wastewater sales	\$ 13,552,193	\$ -	\$ 13,552,193	\$ -
Electricity sales	12,964,637	-	12,964,637	-
Airport services	-	2,186,874	2,186,874	-
Impact fees	1,033,527	-	1,033,527	-
Miscellaneous	424,999	19,032	444,031	763,100
Total operating revenues	<u>27,975,356</u>	<u>2,205,906</u>	<u>30,181,262</u>	<u>763,100</u>
OPERATING EXPENSES				
Administration	1,882,645	-	1,882,645	-
Airport	-	1,804,152	1,804,152	-
Water treatment and distribution	5,252,739	-	5,252,739	-
Wastewater collection and treatment	2,496,447	-	2,496,447	-
Electricity	7,191,289	-	7,191,289	-
Meter reading	315,528	-	315,528	-
Utility franchise fees	1,578,340	-	1,578,340	-
Depreciation	5,067,003	889,078	5,956,081	596,693
Total operating expenses	<u>23,783,991</u>	<u>2,693,230</u>	<u>26,477,221</u>	<u>596,693</u>
OPERATING INCOME	<u>4,191,365</u>	<u>(487,324)</u>	<u>3,704,041</u>	<u>166,407</u>
NONOPERATING REVENUES (EXPENSES)				
Interest revenue	1,322,183	255,675	1,577,858	27,099
Intergovernmental revenue	2,475,555	82,117	2,557,672	-
Gain (loss) on disposal of capital assets	-	1,173,388	1,173,388	-
Interest expense	<u>(1,423,642)</u>	<u>(14,269)</u>	<u>(1,437,911)</u>	<u>-</u>
Total non-operating revenues (expenses)	<u>2,374,096</u>	<u>1,496,911</u>	<u>3,871,007</u>	<u>27,099</u>
INCOME BEFORE CONTRIBUTIONS AND TRANSFERS	<u>6,565,461</u>	<u>1,009,587</u>	<u>7,575,048</u>	<u>193,506</u>
Capital grants and contributions	3,931,788	-	3,931,788	-
Transfers in	17,017,693	607,342	17,625,035	-
Transfers out	<u>(3,342,828)</u>	<u>(668,000)</u>	<u>(4,010,828)</u>	<u>-</u>
Insurance recovery or proceeds	-	922,505	922,505	-
CHANGE IN NET POSITION	<u>24,172,114</u>	<u>1,871,434</u>	<u>26,043,548</u>	<u>193,506</u>
NET POSITION, BEGINNING	<u>52,104,258</u>	<u>37,719,635</u>	<u>89,823,893</u>	<u>2,547,907</u>
NET POSITION, ENDING	<u>\$ 76,276,372</u>	<u>\$ 39,591,069</u>	<u>\$ 115,867,441</u>	<u>\$ 2,741,413</u>
Reconciliation to government-wide Statement of Activities:				
Change in Net Position	\$ 24,172,114	\$ 1,871,434	\$ 26,043,548	
Adjustment to reflect the consolidation of Internal Service Funds activities related to enterprise funds	<u>(197,939)</u>	<u>8,100</u>	<u>(189,839)</u>	
	<u>\$ 23,974,175</u>	<u>\$ 1,879,534</u>	<u>\$ 25,853,709</u>	

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

CITY OF GRANBURY, TEXAS

STATEMENT OF CASH FLOWS
PROPRIETARY FUNDS

FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2024

	Business-Type Activities - Enterprise Funds			Governmental
	Utility Fund	Airport Fund	Total Enterprise Funds	Internal Service Fund
CASH FLOWS FROM OPERATING ACTIVITIES				
Receipts from customers	\$ 30,164,735	\$ 2,172,692	\$ 32,337,427	\$ -
Receipts from interfund services provided	-	-	-	763,100
Payments to employees	(5,089,246)	(393,394)	(5,482,640)	-
Payments to suppliers	<u>(14,800,268)</u>	<u>(1,231,577)</u>	<u>(16,031,845)</u>	-
Net cash provided (used) by operating activities	<u>10,275,221</u>	<u>547,721</u>	<u>10,822,942</u>	<u>763,100</u>
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES				
Transfers to other funds	(3,342,828)	(668,000)	(4,010,828)	-
Transfers from other funds	17,017,693	607,342	17,625,035	-
Operating grants and contributions	<u>2,475,555</u>	<u>82,117</u>	<u>2,557,672</u>	-
Net cash provided (used) by noncapital financing activities	<u>16,150,420</u>	<u>21,459</u>	<u>16,171,879</u>	-
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES				
Issuance of capital related debt	66,629	(22,785)	43,844	-
Principal paid on long-term debt	(3,448,823)	(35,147)	(3,483,970)	-
Capital grants and contributions	3,931,788	-	3,931,788	-
Insurance proceeds	-	922,505	922,505	-
Acquisition and construction of capital assets	(23,991,937)	(6,242,843)	(30,234,780)	(444,746)
Disposal of capital assets	-	1,173,388	1,173,388	-
Interest paid on capital debt	<u>(1,428,571)</u>	<u>(14,269)</u>	<u>(1,442,840)</u>	-
Net cash used for capital and related financing activities	<u>(24,870,914)</u>	<u>(4,219,151)</u>	<u>(29,090,065)</u>	<u>(444,746)</u>
CASH FLOWS FROM INVESTING ACTIVITIES				
Proceeds from sales and maturities of investments	791,174	-	791,174	(18,180)
Purchase of investments	(319,185)	2,321,338	2,002,153	-
Interest received	<u>1,322,183</u>	<u>255,675</u>	<u>1,577,858</u>	<u>27,099</u>
Net cash provided by investing activities	<u>1,794,172</u>	<u>2,577,013</u>	<u>4,371,185</u>	<u>8,919</u>
NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS	3,348,899	(1,072,958)	2,275,941	327,273
CASH AND CASH EQUIVALENTS, BEGINNING	<u>1,839,993</u>	<u>1,378,467</u>	<u>3,218,460</u>	<u>222,546</u>
CASH AND CASH EQUIVALENTS, ENDING	<u>\$ 5,188,892</u>	<u>\$ 305,509</u>	<u>\$ 5,494,401</u>	<u>\$ 549,819</u>

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

CITY OF GRANBURY, TEXAS

STATEMENT OF CASH FLOWS
PROPRIETARY FUNDS

FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2024

	Business-Type Activities - Enterprise Funds			Governmental
	Total			Activities
	Utility Fund	Airport Fund	Enterprise Funds	Internal Service Fund
RECONCILIATION OF OPERATING INCOME TO NET CASH PROVIDED (USED) BY OPERATING ACTIVITIES				
Operating income (loss)	\$ 4,191,365	\$ (487,324)	\$ 3,704,041	\$ 166,407
Adjustments to reconcile operating income to net cash provided by operating activities:				
Depreciation	5,067,003	889,078	5,956,081	596,693
Decrease (increase) in accounts receivable	4,014,319	-	4,014,319	-
Decrease (increase) in interest receivable	2,133	-	2,133	-
Decrease (increase) in miscellaneous receivables	20,606	(18,513)	2,093	-
Decrease (increase) in lease receivables	-	(112,524)	(112,524)	-
Decrease (increase) in prepaid items	(65,028)	-	(65,028)	-
Decrease (increase) in inventory	(200,200)	56,788	(143,412)	-
Decrease (increase) in deferred outflows of resources relating to pensions	263,622	1,463	265,085	-
Decrease (increase) in deferred outflows of resources relating to OPEB	2,358	(69)	2,289	-
Increase (decrease) in accrued liabilities	1,542	1,090	2,632	-
Increase (decrease) in accounts payable	(1,216,246)	142,821	(1,073,425)	-
Increase (decrease) in customer deposits	618,481	1,400	619,881	-
Increase (decrease) in unearned revenue	(2,466,160)	-	(2,466,160)	-
Increase (decrease) in compensated absences	138,454	(43,100)	95,354	-
Increase (decrease) in net pension liability	(157,000)	15,886	(141,114)	-
Increase (decrease) in total OPEB liability	17,133	1,806	18,939	-
Increase (decrease) in deferred inflows of leases	-	96,423	96,423	-
Increase (decrease) in deferred inflows of resources relating to pensions	54,444	2,593	57,037	-
Increase (decrease) in deferred inflows of resources relating to OPEB	(11,605)	(97)	(11,702)	-
Net cash provided (used) by operating activities	<u>\$ 10,275,221</u>	<u>\$ 547,721</u>	<u>\$ 10,822,942</u>	<u>\$ 763,100</u>

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

CITY OF GRANBURY, TEXAS

STATEMENT OF FIDUCIARY NET POSITION
FIDUCIARY FUND

SEPTEMBER 30, 2024

	<u>Employee Benefits Trust</u>
ASSETS	
Cash and cash equivalents	\$ 476,112
Investments	<u>214,265</u>
Total assets	<u>690,377</u>
LIABILITIES	
Accounts payable	<u>434</u>
Total liabilities	<u>434</u>
NET POSITION	
Restricted for contracting entity	<u>689,943</u>
Total net position	<u>\$ 689,943</u>

CITY OF GRANBURY, TEXAS

STATEMENT OF CHANGES IN FIDUCIARY NET POSITION
FIDUCIARY FUND

FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2024

	<u>Employee Benefits Trust</u>
ADDITIONS	
Contributions:	
Employer	\$ 2,300,302
Employees	346,040
Investment earnings	<u>16,023</u>
Total additions	<u>2,662,365</u>
DEDUCTIONS	
Insurance premiums	<u>2,520,799</u>
Total expenses	<u>2,520,799</u>
CHANGE IN NET POSITION	141,566
NET POSITION, BEGINNING	<u>548,377</u>
NET POSITION, ENDING	<u>\$ 689,943</u>

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CITY OF GRANBURY, TEXAS

NOTES TO THE BASIC FINANCIAL STATEMENTS

SEPTEMBER 30, 2024

I. DETAILED NOTES ON ALL ACTIVITIES AND FUNDS

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 latter 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.

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

The government-wide financial statements are reported using the economic resources measurement focus and the accrual basis of accounting, 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:

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 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."

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 expected to be collected within sixty days of the fiscal year end 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 (tangible and intangible), which include property, plant and equipment, and infrastructure, and right to use assets, are reported in the applicable governmental activities or business-type activities columns in the government-wide financial statements and in the proprietary fund 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.

Capital assets of the primary government and proprietary funds are depreciated/amortized using the straight-line method over the following estimated useful lives.

<u>Asset</u>	<u>Estimated Useful Lives</u>
Building and infrastructure	20-40 years
Improvements other than buildings	10-50 years
Machinery and equipment	7-20 years
Right to use - buildings	20-40 years
Right to use - machinery and equipment	7-20 years
Right to use - subscriptions	2-4 years

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

7. Leases and Subscription-Based Information Technology Arrangements

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

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

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

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

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

Lease and SBITA assets are reported with other capital assets and lease liabilities are reported with long-term debt on the statement of net position.

The City is a lessor for noncancellable leases and recognizes a lease receivable and a deferred inflow of resources in the government-wide and governmental fund financial statements.

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

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

- The City uses its estimated incremental borrowing rate as the discount rate for leases.
- The lease term includes the noncancellable period of the lease. Lease receipts included in the measurement of the lease receivable are composed of fixed payments from the lessee.

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

8. Deferred Outflows and 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 assets that applies to future periods 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 assets that applies to future periods. 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.

9. 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. The liability for these amounts is reported in the governmental funds only if they have matured, for example, as a result of employee resignations or retirements.

10. 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.

11. 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 refunds are recognized when due and payable in accordance with the benefit terms. Investments are reported at fair value.

12. 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).
- 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.

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.

13. 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.

14. Use of Estimates

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

15. 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.

II. DETAILED NOTES ON ALL ACTIVITIES AND FUNDS

A. 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, 2024, 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, and the Texas Fixed Income Trust (Texas FIT) Investment Pool. These pools have been organized in conformity with the Interlocal Cooperation Act and the Public Funds Investment Act of the Texas Government Code. The Comptroller maintains oversight responsibility and has established an advisory board composed of both participants in the pool and other people who do not have a business relationship with pool. The Advisory Board members review the investment policy and management fee structure.

All the pools state all investments at amortized cost, which generally approximates the fair value of the securities. Both pools submit their information to Standard & Poor's for ratings review. Deposits in this fund are not subject to custodial credit risk. The City does not have any limitations or restrictions on withdrawals from these pools.

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 people 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.

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, 2024, the City’s deposits at all banks were adequately insured.

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, 2024 included the following:

<u>Investment</u>	<u>Credit Rating</u>	<u>Maturities</u>	<u>% of Total Investments</u>	<u>Carrying Value</u>
TexPool	AAAm	26 days	3.92%	\$ 2,425,000
Texas Class	AAAm	36 days	48.01%	29,719,041
Texas Fit	AAAf	19 days	43.12%	26,693,308
TexStar	AAAm	29 days	4.95%	3,065,019
			<u>100.00%</u>	<u>\$ 61,902,368</u>
<u>Reconciliation to financial statements</u>				
Investments of Primary Government				\$ 24,985,502
Investments Restricted of Primary Government				43,508,700
Investments in Fiduciary Funds				214,265
Less: BOK Financial Short-Term Cash				<u>(6,806,099)</u>
				<u>\$ 61,902,368</u>

B. 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	\$ 79,902	\$ -
Police forfeitures	76,091	-
Trust and agency	31,086	-
Construction	<u>160,420</u>	<u>31,867,231</u>
Total	<u>\$ 347,499</u>	<u>\$ 31,867,231</u>
Business-type Activities		
Impact fees restricted for capital improvements	\$ 717,596	\$ 3,687,106
Revenue bond reserve	16,484	890,018
Bond construction fund	<u>31,725</u>	<u>7,064,345</u>
Total	<u>\$ 765,805</u>	<u>\$ 11,641,469</u>

C. 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>Other Governmental Funds</u>	<u>Total Governmental Funds</u>	<u>Total Enterprise Funds</u>
Receivables:					
Property Taxes	\$ 53,090	\$ 78,572	\$ -	\$ 131,662	\$ -
Franchise Taxes	469,757	-	-	469,757	-
Leases	1,898,919	-	977,857	2,876,776	1,254,718
Accounts Receivable	-	-	-	-	1,709,950
Earned income not billed	-	-	-	-	1,243,156
Fines and fees receivable	736,169	-	-	736,169	-
Due from other governments	2,186,820	-	-	2,186,820	-
Miscellaneous	129,149	-	106,689	235,838	158,409
Interest	<u>9,732</u>	<u>-</u>	<u>-</u>	<u>9,732</u>	<u>41,039</u>
Gross receivables	5,483,636	78,572	1,084,546	6,646,754	4,407,272
Less: allowance for uncollectibles	<u>(596,750)</u>	<u>(9,562)</u>	<u>-</u>	<u>(606,312)</u>	<u>(163,403)</u>
Net total receivables	<u>\$ 4,886,886</u>	<u>\$ 69,010</u>	<u>\$ 1,084,546</u>	<u>\$ 6,040,442</u>	<u>\$ 4,243,869</u>

D. Lease Receivables

A summary of lease receivables as of September 30, 2024, are as follows:

Purpose of Lease	Amount of Initial Receivable	Revenue Current Year	Receivable 9/30/2024
Governmental Activities:			
Land Improvements	\$ 192,175	\$ 1,800	\$ 190,375
Infrastructure	954,220	4,899	949,321
Buildings	14,247	1,766	12,481
Buildings (Tourism Fund)	773,798	109,503	664,295
Buildings (Historic Properties)	354,875	41,313	313,562
Land	805,491	58,749	746,742
Total	<u>\$ 3,094,806</u>	<u>\$ 218,030</u>	<u>\$ 2,876,776</u>
Business-Type Activities:			
Buildings	\$ 626,626	\$ 135,644	\$ 490,982
Land	855,731	91,995	763,736
Total	<u>\$ 1,482,357</u>	<u>\$ 227,639</u>	<u>\$ 1,254,718</u>
Total	<u>\$ 4,577,163</u>	<u>\$ 445,669</u>	<u>\$ 4,131,494</u>

As of 09/30/2024, the City had 28 active leases. The leases have receipts that range from \$572 to \$66,000 and interest rates that range from 0.2332% to 3.6040%. The total combined value of the lease receivable is \$4,131,494, the total combined value of the short-term lease receivable is \$416,208, and the combined value of the deferred inflow of resources is \$4,003,633.

The future principal and interest lease receivable payments as of year-end, are as follows:

Year Ending September 30,	Governmental Activities			Business-Type Activities		
	Principal	Interest	Total	Principal	Interest	Total
2025	\$ 349,527	\$ 40,648	\$ 390,175	\$ 66,681	\$ 27,174	\$ 93,855
2026	228,931	33,953	262,884	67,394	26,223	93,617
2027	146,967	31,567	178,534	63,660	25,293	88,953
2028	140,236	30,248	170,484	61,977	24,353	86,330
2029	141,459	29,025	170,484	40,180	23,506	63,686
2030 - 2034	677,261	125,800	803,061	222,795	105,224	328,019
2035 - 2039	236,929	96,873	333,802	267,840	81,056	348,896
2040 - 2044	103,756	85,276	189,032	175,140	55,613	230,753
2045 - 2049	130,952	74,283	205,235	195,282	31,189	226,471
2050 - 2054	162,525	60,533	223,058	93,769	5,795	99,564
2055 - 2059	199,078	43,586	242,664	-	-	-
2060 - 2064	241,287	22,943	264,230	-	-	-
2065 - 2069	55,992	7,085	63,077	-	-	-
2070 - 2074	22,188	4,812	27,000	-	-	-
2075 - 2079	24,375	2,625	27,000	-	-	-
2080 - 2082	15,313	436	15,749	-	-	-
Total	<u>\$ 2,876,776</u>	<u>\$ 689,693</u>	<u>\$ 3,566,469</u>	<u>\$ 1,254,718</u>	<u>\$ 405,426</u>	<u>\$ 1,660,144</u>

E. Interfund Receivable, Payables and Transfers

The composition of interfund balances for the City’s individual major funds and nonmajor funds as of September 30, 2024, is as follows:

Receivable Fund	Payable Fund	Amount	Reason
General Fund	Other Governmental	105,726	Short term loan
General Fund	Utility Fund	14,873	Short term loan
Debt Service	General Fund	2,901	Short term loan
Debt Service	Other Governmental	111,830	Debt Service
		<u>\$ 235,330</u>	

The composition of interfund transfers for the City's individual major funds and nonmajor funds as of September 30, 2024, is as follows:

Transfers In	Transfers Out	Amount	Reason
General Fund	Utility	\$ 1,686,000	Operations and projects
General Fund	Airport	70,000	Operations and projects
General Fund	Tourism	64,534	Operations and projects
Debt Service	General Fund	174,588	Debt Service
Debt Service	Utility	1,656,828	Debt Service
Nonmajor	General Fund	40,000	Operations and projects
Utility	Capital Projects	16,419,693	Operations and projects
Utility	Airport	598,000	Operations and projects
Airport	Capital Projects	607,342	Operations and projects
		<u>\$ 21,316,985</u>	

F. Capital Assets

Capital asset activity for the governmental activities for the year ended September 30, 2024 was as follows:

	Balance 9/30/2023	Additions	Deletions	Transfers	Balance 9/30/2024
Governmental Activities					
Capital assets, not being depreciated:					
Land	\$ 6,660,750	\$ 1,724,000	\$ (871,220)	\$ -	\$ 7,513,530
Construction in progress	<u>7,281,463</u>	<u>5,143,463</u>	<u>-</u>	<u>(4,388,548)</u>	<u>8,036,378</u>
Total capital assets, not being depreciated	<u>13,942,213</u>	<u>6,867,463</u>	<u>(871,220)</u>	<u>(4,388,548)</u>	<u>15,549,908</u>
Capital assets being depreciated:					
Buildings	39,812,671	171,540	(6,889,130)	2,124,009	35,219,090
Right to use - buildings	129,587	45,281	-	-	174,868
Improvements other than buildings	72,463,611	3,424,616	-	694,640	76,582,867
Machinery and equipment	16,313,816	2,928,885	(720,435)	403,583	18,925,849
Right to use - machinery and equipment	89,294	13,625	-	-	102,919
Right to use - SBITA	<u>1,812,055</u>	<u>282,034</u>	<u>(604,669)</u>	<u>-</u>	<u>1,489,420</u>
Total capital assets being depreciated	<u>130,621,034</u>	<u>6,865,981</u>	<u>(8,214,234)</u>	<u>3,222,232</u>	<u>132,495,013</u>
Less accumulated depreciation for:					
Buildings	(12,850,702)	(1,521,919)	1,984,810	-	(12,387,811)
Right to use - buildings	(41,468)	(29,224)	-	-	(70,692)
Improvements other than buildings	(40,462,783)	(2,142,787)	-	-	(42,605,570)
Machinery and equipment	(12,852,731)	(1,102,098)	720,435	-	(13,234,394)
Right to use - machinery and equipment	(35,508)	(33,430)	-	-	(68,938)
Right to use - SBITA	<u>(792,996)</u>	<u>(695,479)</u>	<u>604,669</u>	<u>-</u>	<u>(883,806)</u>
Total accumulated depreciation	<u>(67,036,188)</u>	<u>(5,524,937)</u>	<u>3,309,914</u>	<u>-</u>	<u>(69,251,211)</u>
Total capital assets being depreciated, net	<u>63,584,846</u>	<u>1,341,044</u>	<u>(4,904,320)</u>	<u>3,222,232</u>	<u>63,243,802</u>
Governmental activities capital assets, net	<u>\$ 77,527,059</u>	<u>\$ 8,208,507</u>	<u>\$ (5,775,540)</u>	<u>\$ (1,166,316)</u>	<u>\$ 78,793,710</u>

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

Governmental Activities:	
General government	\$ 1,662,558
Public safety	994,441
Highways and streets	1,670,464
Culture and recreation	596,939
Tourism	<u>600,535</u>
Total depreciation expense - governmental activities	<u>\$ 5,524,937</u>

Capital asset activity for the business-type activities for the year ended September 30, 2024 was as follows:

	Balance 9/30/2023	Additions	Deletions	Transfers	Balance 9/30/2024
Business-Type Activities					
Capital assets, not being depreciated:					
Land	\$ 12,851,591	\$ -	\$ -	\$ -	\$ 12,851,591
Construction in progress	32,073,783	26,944,757	-	(37,407,335)	21,611,205
Total capital assets, not being depreciated	44,925,374	26,944,757	-	(37,407,335)	34,462,796
Capital assets being depreciated:					
Buildings	1,618,450	-	(23,945)	35,914,512	37,509,017
Improvements other than buildings	139,829,331	2,522,358	(1,723,333)	2,659,139	143,287,495
Machinery and equipment	6,497,120	347,488	(345,099)	-	6,499,509
Right to use - machinery and equipment	19,992	-	-	-	19,992
Right to use - SBITA	70,828	-	(31,764)	-	39,064
Total capital assets being depreciated	148,035,721	2,869,846	(2,124,141)	38,573,651	187,355,077
Less accumulated depreciation for:					
Buildings	(725,546)	(244,785)	11,374	-	(958,957)
Improvements other than buildings	(45,169,958)	(5,265,486)	1,031,624	-	(49,403,820)
Machinery and equipment	(4,964,588)	(644,371)	345,099	-	(5,263,860)
Right to use - machinery and equipment	(8,467)	(4,234)	-	-	(12,701)
Right to use - SBITA	(24,499)	(28,903)	31,764	-	(21,638)
Total accumulated depreciation	(50,893,058)	(6,187,779)	1,419,861	-	(55,660,976)
Total capital assets being depreciated, net	97,142,663	(3,317,933)	(704,280)	38,573,651	131,694,101
Business-type activities					
Capital assets, net	\$ 142,068,037	\$ 23,626,824	\$ (704,280)	\$ 1,166,316	\$ 166,156,897

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

Business-Type Activities		
Water treatment and distribution		\$ 3,618,610
Wastewater collection and treatment		1,170,745
Electricity		509,346
Airport		889,078
Total depreciation expense - business-type activities		\$ 6,187,779

G. **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:

Governmental Activities:

Purpose	Date Issued	Maturity Date	Interest Rate	Original Principal	Amount Outstanding
Governmental Refunding	12/1/2014	8/15/2031	2.00-4.00%	\$ 8,130,000	\$ 5,075,000
Governmental Refunding	8/1/2016	8/15/2032	2.00-5.00%	5,075,000	1,215,000
Construction & Improvements	4/15/2015	8/15/2025	2.00-4.00%	2,460,000	245,000
Construction & Improvements	2/15/2016	8/15/2036	2.00-4.00%	9,690,000	7,610,000
Fire Apparatus	6/1/2019	8/15/2029	2.38%	2,210,000	1,174,000
Construction & Improvements	2/15/2020	8/15/2040	2.00-5.00%	16,460,000	14,905,000
Construction & Improvements	8/1/2022	8/15/2042	5.00%	41,945,000	40,650,000
					<u>\$ 70,874,000</u>

General Obligation Bonds, Certificates of Obligation Bonds and Financing Arrangements Payable principal and interest are paid by the debt service fund. The compensated absences balances were earned in the funds as follows: General Fund \$1,143,818 and Tourism Fund \$68,491.

As of September 30, 2024, the City had the following governmental activities long-term liabilities outstanding:

	Beginning Balance	Additions	Retirements	Ending Balance	Due Within One Year
Governmental Activities:					
Publicly Traded:					
Certificates of Obligation	\$ 65,445,000	\$ -	\$ 2,035,000	\$ 63,410,000	\$ 2,530,000
General Obligation Bonds	7,357,500	-	1,067,500	6,290,000	685,000
Issuance Premium	8,627,877	-	562,614	8,065,263	-
Total Publicly Traded	81,430,377	-	3,665,114	77,765,263	3,215,000
Direct Placement:					
Certificates of Obligation	1,393,000	-	219,000	1,174,000	224,000
Total Bonds	82,823,377	-	3,884,114	78,939,263	3,439,000
Arbitrage liability	-	1,666,300	-	1,666,300	-
Financing arrangements	460,015	-	161,607	298,408	106,045
Leases	173,486	56,434	62,175	167,745	65,298
SBITA	939,626	282,034	773,138	448,522	236,382
Compensated Absences	1,211,915	616,385	615,991	1,212,309	484,924
Total Governmental Activities	\$ 85,608,419	\$ 2,621,153	\$ 5,497,025	\$ 82,732,547	\$ 4,331,649

Liabilities for compensated absences are included in governmental activities are expended primarily in the General Fund and Tourism 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 are as follows:

Year Ending September 30,	Certificates of Obligation					
	Publicly Traded			Direct Placement		
	Principal	Interest	Total	Principal	Interest	Total
2025	\$ 2,530,000	\$ 2,880,881	\$ 5,410,881	\$ 224,000	\$ 27,941	\$ 251,941
2026	2,630,000	2,785,231	5,415,231	229,000	22,610	251,610
2027	2,735,000	2,677,731	5,412,731	235,000	17,160	252,160
2028	2,870,000	2,546,581	5,416,581	240,000	11,567	251,567
2029	3,005,000	2,408,931	5,413,931	246,000	5,855	251,855
2030-2034	17,910,000	9,900,756	27,810,756	-	-	-
2035-2039	20,710,000	5,547,613	26,257,613	-	-	-
2040-2044	11,020,000	1,037,051	12,057,051	-	-	-
Total	\$ 63,410,000	\$ 29,784,775	\$ 93,194,775	\$ 1,174,000	\$ 85,133	\$ 1,259,133

Year Ending September 30,	General Obligation Bonds		
	Publicly Traded		
	Principal	Interest	Total
2025	\$ 685,000	\$ 251,600	\$ 936,600
2026	710,000	224,200	934,200
2027	740,000	195,800	935,800
2028	770,000	166,200	936,200
2029	800,000	135,400	935,400
2030-2031	2,585,000	210,000	2,795,000
Total	\$ 6,290,000	\$ 1,183,200	\$ 7,473,200

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.

H. **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, 2024, expenditures for the project totaled \$13,526,865. The funds are held in an escrow account and disbursed to pay for costs of the project.

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, 2024, expenditures for the project totaled \$28,074,192. The funds are held in an escrow account and disbursed to pay for costs of the project. As of September 30, 2024, the balance of the escrow account was \$6,806,099.

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

Business-Type Activities:

Purpose	Date Issued	Maturity Date	Interest Rate	Original Principal	Amount Outstanding
Enterprise Refunding	2/1/2018	8/15/2038	2.00-4.00%	\$ 5,620,000	\$ 1,925,000
Enterprise Refunding	8/15/2020	8/15/2031	2.00-5.00%	2,695,000	1,815,000
Water System Improvements	6/15/2015	8/15/2045	0.00-2.22%	1,643,000	14,585,000
Water System Improvements	6/15/2016	8/15/2027	0.00-1.04%	2,720,000	830,000
Water System Improvements	4/1/2017	8/15/2037	0.00-2.16%	15,000,000	13,140,000
Water System Improvements	12/1/2018	8/15/2048	0.76-2.27%	13,810,000	11,860,000
Wastewater System Improvements	12/1/2018	8/15/2048	0.56-1.97%	34,950,000	31,635,000
Total Business-Type Activities					<u>\$ 75,790,000</u>

As of September 30, 2024, the City had the following business-type activities long-term debt outstanding:

	Beginning Balance	Additions	Retirements	Ending Balance	Due Within One Year
Business-Type Activities:					
Publicly Traded:					
Certificates of Obligation	\$ 74,655,000	\$ -	\$ 2,605,000	\$ 72,050,000	\$ 2,865,000
General Obligation Bonds	4,292,500	-	552,500	3,740,000	340,000
Issuance Premium	<u>586,011</u>	<u>-</u>	<u>79,042</u>	<u>506,969</u>	<u>-</u>
Total Bonds	<u>79,533,511</u>	<u>-</u>	<u>3,236,542</u>	<u>76,296,969</u>	<u>3,205,000</u>
Texas Capital Fund Loan	20,693	-	8,678	12,015	6,007
Financing arrangements	832,682	-	159,250	673,432	164,739
Leases	19,643	-	7,313	12,330	7,360
SBITA	41,361	-	28,343	13,018	13,018
Compensated Absences	<u>322,699</u>	<u>185,585</u>	<u>90,231</u>	<u>418,053</u>	<u>167,221</u>
Total Business-Type Activities	<u>\$ 80,770,589</u>	<u>\$ 185,585</u>	<u>\$ 3,530,357</u>	<u>\$ 77,425,817</u>	<u>\$ 3,563,345</u>

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

Year Ending September 30,	Certificates of Obligation			General Obligation Bonds		
	Publicly Traded			Publicly Traded		
	Principal	Interest	Total	Principal	Interest	Total
2024	\$ 2,865,000	\$ 1,303,666	\$ 4,168,666	\$ 340,000	\$ 142,050	\$ 482,050
2025	2,895,000	1,273,404	4,168,404	355,000	126,100	481,100
2026	2,925,000	1,239,269	4,164,269	365,000	116,800	481,800
2027	2,965,000	1,201,429	4,166,429	375,000	107,200	482,200
2028	3,005,000	1,158,770	4,163,770	395,000	92,200	487,200
2029-2033	16,830,000	5,020,553	21,850,553	1,250,000	251,200	1,501,200
2034-2038	16,480,000	3,381,647	19,861,647	660,000	67,400	727,400
2039-2043	14,460,000	1,895,931	16,355,931	-	-	-
2044-2048	<u>9,625,000</u>	<u>467,907</u>	<u>10,092,907</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total	<u>\$ 72,050,000</u>	<u>\$ 16,942,576</u>	<u>\$ 88,992,576</u>	<u>\$ 3,740,000</u>	<u>\$ 902,950</u>	<u>\$ 4,642,950</u>

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, 2024.

I. 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 is 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.

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

Texas Capital Loan Fund	
Year Ending September 30,	Principal
2025	\$ 6,007
2026	6,008
Total	<u>\$ 12,015</u>

J. Financing Arrangements

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

Purpose	Date Issued	Maturity Date	Interest Rate	Original Principal	Amount Outstanding
Governmental Activities:					
Pumper Truck	2/18/2015	3/1/2025	2.750%	\$ 812,000	\$ 46,139
Heating & Cooling Units	8/15/2018	8/15/2028	3.409%	572,131	252,269
					<u>\$ 298,408</u>
Business-Type Activities:					
Aircraft Maintenance Hangar	2/12/2013	2/13/2028	3.350%	\$ 473,495	\$ 132,859
Heating & Cooling Units	8/15/2018	8/15/2028	3.409%	1,225,994	540,573
					<u>\$ 673,432</u>

The aggregate debt service payments to maturity of the governmental activities and business-type activities are as follows:

Year Ending September 30,	Governmental Activities			Business-Type Activities		
	Principal	Interest	Total	Principal	Interest	Total
2025	\$ 106,045	\$ 8,570	\$ 114,615	\$ 164,739	\$ 21,397	\$ 186,136
2026	61,967	6,034	68,001	170,404	15,733	186,137
2027	64,096	3,904	68,000	176,263	9,874	186,137
2028	66,300	1,700	68,000	162,026	3,899	165,925
Total	<u>\$ 298,408</u>	<u>\$ 20,208</u>	<u>\$ 318,616</u>	<u>\$ 673,432</u>	<u>\$ 50,903</u>	<u>\$ 724,335</u>

K. Leases

The financial statements include the adoption of GASB Statement No. 87, Leases. The primary objective of this statement is to enhance the relevance and consistency of information about governments' leasing activities. This statement establishes a single model for lease accounting based on the principle that leases are financings of the right to use an underlying asset. Under this Statement, a lessee is required to recognize a lease liability and an intangible right-to-use lease asset, and a lessor is required to recognize a lease receivable and a deferred inflow of resources.

Purpose	Date Issued	Terms (Months)	Interest Rate	Original Principal	Amount Outstanding
Canon Original 03-2021	10//1/2021	56	0.632%	\$ 147,718	\$ 53,245
Canon Additions 03-2021	10/1/2021	56	0.632%	2,152	1,480
Canon Additions 04-2021	10/1/2021	57	0.632%	2,415	193
Canon Additions 06-2022	6/20/2022	48	2.093%	22,805	9,717
Granbury Square Plaza - CVB Bldg	10/1/2021	75	0.804%	174,868	107,620
Pitney Bowes City Hall Copy	10/1/2023	48	2.589%	11,153	7,820
					<u>\$ 180,075</u>

During the year, the City entered into an agreements for the right to use equipment in the amount of \$11,153 for postage equipment. The City also added an additional amount for the lease of Grandbury Square Plaza in the amount of \$45,281. The arrangement carries interest rates between 0.8% and 2.589%, respectively, and will both mature in fiscal year 2027.

The aggregate debt service payments to maturity of the governmental activities and business-type activities are as follows:

Year Ending September 30,	Governmental Activities			Business-Type Activities		
	Principal	Interest	Total	Principal	Interest	Total
2025	\$ 65,298	\$ 1,268	\$ 66,566	\$ 7,360	\$ 57	\$ 7,417
2026	58,198	649	58,847	4,970	12	4,982
2027	35,542	227	35,769	-	-	-
2028	8,707	12	8,719	-	-	-
Total	<u>\$ 167,745</u>	<u>\$ 2,156</u>	<u>\$ 169,901</u>	<u>\$ 12,330</u>	<u>\$ 69</u>	<u>\$ 12,399</u>

L. Subscription-Based IT Arrangements

The financial statements include the adoption of GASB Statement No. 96, Subscription-Based Information Technology Arrangements. The primary objective of this statement is to enhance the relevance and consistency of information about governments' subscription activities. This statement establishes a single model for subscription accounting based on the principle that subscriptions are financings of the right to use an underlying asset. Under this Statement, an organization is required to recognize a subscription liability and an intangible right-to-use subscription asset.

Purpose	Date Issued	Terms (Months)	Interest Rate	Original Principal	Amount Outstanding
Governmental Activities:					
Callian Software - Fortinet	10/1/2022	56	3.305%	\$ 405,002	\$ 207,077
Granicus Software	12/27/2022	36	3.238%	23,456	8,053
OpenGov Hosted Software Service	10/1/2022	36	3.238%	19,069	9,686
RSA Software	1/23/2023	36	2.656%	12,870	4,289
Thomson Reuters - CLEAR Proflex	10/28/2022	36	3.238%	581,042	11,897
Cvent Software	10/1/2022	58	3.305%	10,696	5,500
Noregon Software	3/4/2023	36	2.894%	5,830	1,943
Simpleview Software	10/1/2023	36	3.177%	103,416	76,105
OpenGov - Permitting	10/1/2023	36	3.238%	178,618	123,972
					<u>\$ 448,522</u>
Business-Type Activities:					
Bluebeam Software	10/1/2022	36	2.363%	21,721	\$ 7,239
DBT - NADIN DataLink	10/1/2022	36	3.238%	17,343	5,779
					<u>\$ 13,018</u>

During the year, the City entered into a 36-month subscription for the use of Simpleview Software. An initial subscription liability was recorded in the amount of \$103,416. As of 09/30/2024, the value of the subscription liability is \$76,105. The City is required to make quarterly fixed payments of \$9,856. The subscription has an interest rate of 3.1770%.

The City also entered into a 36-month subscription for the use of OpenGov Hosted Software Service-Permitting. An initial subscription liability was recorded in the amount of \$178,618. As of 09/30/2024, the value of the subscription liability is \$123,972. The City is required to make annual fixed payments of \$63,452. The subscription has an interest rate of 3.2380%.

The aggregate debt service payments to maturity of the governmental activities and business-type activities are as follows:

Year Ending September 30,	Governmental Activities			Business-Type Activities		
	Principal	Interest	Total	Principal	Interest	Total
2025	\$ 236,382	\$ 13,670	\$ 250,052	\$ 13,018	\$ 358	\$ 13,376
2026	212,140	6,433	218,573	-	-	-
Total	<u>\$ 448,522</u>	<u>\$ 20,103</u>	<u>\$ 468,625</u>	<u>\$ 13,018</u>	<u>\$ 358</u>	<u>\$ 13,376</u>

M. 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 are 100% covered through third-party insurance policies. There has been no reduction in coverage and the number of settlements during the past three years has not exceeded the insurance coverage.

N. Defined Benefit Pension Plans

Texas Municipal Retirement System (TMRS)

Plan Description

The City participates as one of 919 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, TMRS is not fiscally dependent on the State of Texas. TMRS issues a publicly available Annual Comprehensive Financial Report (Annual Report) that can be obtained at *tmsr.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.

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:

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

At the December 31, 2023 valuation and measurement date, the following employees were covered by the benefit terms:

Inactive employees or beneficiaries currently receiving benefits	126
Inactive employees entitled to but not yet receiving benefits	129
Active employees	<u>193</u>
Total	<u><u>448</u></u>

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 17.01% and 17.32% in calendar years 2023 and 2024, respectively. The City's contributions to TMRS for the year ended September 30, 2024, were \$2,451,167, and were equal to the required contributions.

Net Pension Liability

The City's Net Pension Liability (NPL) was measured as of December 31, 2023, 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, 2023 actuarial valuation was determined using the following actuarial assumptions:

Inflation	2.50% 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

Salary increases are based on a service-related table. Mortality rates for active members are based on the PUB(10) mortality tables with 110% of the Public Safety table used for males and 100% of the General Employee table used for females. Mortality rates for healthy retirees and beneficiaries are based on the Gender-distinct 2019 Municipal Retirees of Texas mortality tables. Male rates are multiplied by 103% and female rates are multiplied by 105%. The rates for actives, healthy retirees and beneficiaries are projected on a fully generational basis by the most recent Scale MP-2021 to account for future mortality improvements. For disabled annuitants, the same mortality tables for healthy retirees are used with a 4-year set-forward for males and a 3-year set-forward for females. In addition, a 3.5% and 3.0% minimum mortality rate is applied, for males and females respectively, to reflect the impairment for younger members who become disabled. The rates are projected on a fully generational basis by the most recent Scale MP-2021 to account for future mortality improvements subject to the 3% floor.

The actuarial assumptions were developed primarily from the actuarial investigation of the experience of TMRS over the four-year period from December 31, 2018 to December 31, 2022. The assumptions were adopted in 2023 and first used in the December 31, 2023, 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 to satisfy the short-term and long-term funding needs of TMRS.

The long-term expected rate of return on pension plan investments was determined by best estimate ranges of expected returns for each major asset class. The long-term expected rate of return is determined by weighting the expected return for each major asset class by the respective target asset allocation percentage. The target allocation and best estimates of real rates of return for each major asset class in fiscal year 2024 are summarized in the following table:

Asset Class	Target Allocation	Long-Term Expected Real Rate of Return (Arithmetic)
Global Equity	35.0%	6.70%
Core Fixed Income	6.0%	4.70%
Non-Core Fixed Income	20.0%	8.00%
Other Public and Private Markets	12.0%	8.00%
Real Estate	12.0%	7.60%
Hedge Funds	5.0%	6.40%
Private Equity	10.0%	11.60%
Total	100.0%	

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

Changes in the Net Pension Liability

	Increase (Decrease)		
	Total Pension Liability (a)	Plan Fiduciary Net Position (b)	Net Pension Liability (c)
Balance at 12/31/2022	\$ 59,003,492	\$ 46,358,926	\$ 12,644,566
Changes for the year:			
Service cost	2,365,393	-	2,365,393
Interest	3,978,094	-	3,978,094
Difference between expected and actual experience	1,481,530	-	1,481,530
Change in assumptions	(360,528)	-	(360,528)
Contributions - employer	-	2,351,567	(2,351,567)
Contributions - employee	-	967,724	(967,724)
Net investment income	-	5,372,763	(5,372,763)
Benefit payments, including refunds of employee contributions	(2,502,924)	(2,502,924)	-
Administrative expense	-	(34,134)	34,134
Other changes	-	(240)	240
Net changes	4,961,565	6,154,756	(1,193,191)
Balance at 12/31/2023	\$ 63,965,057	\$ 52,513,682	\$ 11,451,375

Sensitivity of the Net Pension Liability

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

	1% Decrease in Discount Rate (5.75%)	Current Discount Rate (6.75%)	1% Increase in Discount Rate (7.75%)
City's net pension liability/(asset)	\$ 20,525,097	\$ 11,451,375	\$ 4,001,438

Pension Plan Fiduciary Net Position

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

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

For the year ended September 30, 2024, the City recognized pension expense of \$3,073,317.

At September 30, 2024, 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 in expected and actual experience	\$ 1,486,450	\$ -
Changes in actuarial assumptions	-	259,256
Differences in projected and actual investment earnings	1,196,641	-
Contributions subsequent to the measurement date	<u>1,852,195</u>	<u>-</u>
Total	<u>\$ 4,535,286</u>	<u>\$ 259,256</u>

The deferred outflows of resources related to pensions resulting from contributions subsequent to the measurement date in the amount of \$1,852,195 will be recognized as a reduction of the NPL for the year ended September 30, 2025, for the City.

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

For the Year Ended September 30,	Pension Expense
2025	\$ 953,467
2026	808,366
2027	1,110,709
2028	(448,707)

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, 2022, there were 239 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 percentage 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.

Covered Membership

On August 31, 2023, the pension system membership consisted of:

Retirees and Beneficiaries Currently Receiving Benefits	3,929
Terminated Members Entitled to but Not Yet Receiving Benefits	1,689
Active Participants	3,343

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, 2022 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.

Ultimately, the contribution policy also depends upon the total return of the System’s assets, which varies from year to year. Investment policy decisions are established and maintained by the board of trustees. For the year ending August 31, 2023, the money-weighted rate of return on pension plan investments was 5.68%. This measurement of the investment performance is net of investment-related expenses, reflecting the effect of the timing of the contributions received and the benefits paid during the year.

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, 2023, total contributions of \$3,736,446 were paid into TESRS by the political subdivisions served by the member volunteer emergency services personnel. The state appropriated \$1,262,763 for the fiscal year ending August 31, 2023. The City’s contributions for the years ended September 30, 2024, 2023 and 2022 were \$88,350, \$83,900 and \$71,820, 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, 2022 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, 2023, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of August 31, 2023.

	System 100.00%	City 1.743%
Total Pension Liability	\$ 170,671,239	\$ 2,974,800
Plan Fiduciary Net Position	127,384,132	2,220,306
Net Pension Liability	<u>\$ 43,287,107</u>	<u>\$ 754,494</u>
Plan Fiduciary Net Position as a Percentage of the Total Pension Liability	74.6%	74.6%

Actuarial Assumptions

The total pension liability in the August 31, 2023 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	7.5%, 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.

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 4.61%) and by adding expected inflation (3.0%). In addition, the final 7.5% 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:

Asset Class	Target Allocation	Long-Term Expected Real Rate of Return (Arithmetic)
Equities		
Large cap domestic	20%	5.83%
Small/ mid cap domestic	10%	5.94%
Developed international	15%	6.17%
Emerging markets	5%	7.36%
Global infrastructure	5%	6.61%
Real estate	10%	4.48%
Multi asset income	5%	3.86%
Fixed income	30%	1.95%
Total	100%	
Weighted average		4.61%

Discount Rate

The discount rate used to measure the total pension liability was 7.5%. No projection of cash flows was used to determine the discount rate because the August 31, 2022 actuarial valuation showed that expected contributions would pay the normal cost and amortize the unfunded actuarial accrued liability (UAAL) in 30 years using the 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 System, calculated using the discount rate of 7.5%, in comparison to what the System's net pension liability would be if it were calculated using a discount rate that is 1 percentage point lower (6.5%) or 1 percentage point higher (8.5%) than the current rate:

	1% Decrease in Discount Rate (6.5%)	Current Discount Rate (7.5%)	1% Increase in Discount Rate (8.5%)
City's Proportional Share of the Net Pension Liability	\$ 1,168,275	\$ 754,494	\$ 418,874

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

At September 30, 2024, the City reported a liability of \$754,495 for its proportionate share of the TERS's net pension liability. This liability reflects the 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	\$ 754,494
State's proportional share that is associated with the City	199,971
Total	\$ 954,465

TESRS's net pension liability was measured as of August 31, 2023 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, 2022 through August 31, 2023.

For the year ended September 30, 2024, the City recognized pension expense of \$178,526.

At September 30, 2024, the City reported deferred inflows of resources related to the pension from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences in expected and actual experience	\$ 11,019	\$ -
Changes in actuarial assumptions	-	1,455
Differences in projected and actual investment earnings	225,734	-
Contributions subsequent to the measurement date	<u>88,350</u>	<u>-</u>
Total	<u>\$ 325,103</u>	<u>\$ 1,455</u>

The deferred outflows of resources related to pensions resulting from contributions subsequent to the measurement date in the amount of \$88,350 will be recognized as a reduction of the NPL for the year ended September 30, 2025 for the City.

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

For the Year Ended September 30,	Pension Expense
2025	\$ 59,185
2026	61,456
2027	106,944
2028	7,713

O. Postemployment Benefits Other Than Pensions (OPEB) - TMRS Supplemental Death Benefits Fund

Plan Description. The City participates in the Texas Municipal Retirement System Supplemental Death Benefit Fund (TMRS SDBF), which is an optional single-employer defined benefit life insurance plan that is administered by TMRS. It provides death benefits to active and, if elected, retired employees of participating employers. Contribution rates are determined annually for each participating municipality as a percentage of that City's covered payroll. The death benefit for retirees is considered an other postemployment benefit (OPEB). The OPEB program is an unfunded trust because the SDBF trust covers both actives and retirees and is not segregated. The Total OPEB Liability of the plan has been determined using the flow of economic resources measurement focus and full accrual basis of accounting. This includes for purposes of measuring the Total OPEB Liability, deferred inflows and outflows of resources, and OPEB expense. Benefit payments are recognized when due and payable in accordance with the benefit terms.

Benefits Provided. The SDBF provides group-term life insurance to City employees who are active members in TMRS, including or not including retirees. The City Commission opted into this program via an ordinance, and may terminate coverage under, and discontinue participation in, the SDBF by adopting an ordinance before November 1 of any year to be effective the following January 1.

Payments from this fund are similar to group-term life insurance benefits and are paid to the designated beneficiaries upon the receipt of an approved application for payment. The death benefit for active employees provides a lump-sum payment approximately equal to the employee's annual salary (calculated based on the employee's actual earnings for the 12-month period preceding the month of death). The death benefit for retirees is considered an other employment benefit and is a fixed amount of \$7,500.

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

Inactive employees or beneficiaries currently receiving benefits	92
Inactive employees entitled to but not yet receiving benefits	33
Active employees	<u>193</u>
Total	<u>318</u>

Contributions. The City contributes to the SDBF at a contractually required rate as determined by an annual actuarial valuation, which was 0.40% for 2024 and 0.39% for 2023, of which 0.14%, respectively, represented the retiree-only portion for each year, as a percentage of annual covered payroll. The rate is equal to the cost of providing one-year term life insurance. 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; the intent is not to prefund retiree term life insurance during employees' entire careers. The City's contributions to the SDBF for the years ended September 30, 2024 and 2023 were \$20,642 and \$17,501, respectively, representing contributions for both active and retiree coverage, which equaled the required contributions each year.

Actuarial Assumptions. The Total OPEB Liability in the December 31, 2023, actuarial valuation was determined using the following actuarial assumptions:

Inflation rate	2.50%
Discount rate	3.77%
Actuarial cost method	Entry age normal actuarial
Projected salary increases	3.60% to 11.85% including inflation

Salary increases were based on a service-related table. Mortality rates for active members, retirees, and beneficiaries were based on the following:

Mortality rates for active members, retirees, and beneficiaries were based on the gender-distinct 2019 Municipal Retirees of Texas mortality tables are used for calculating the actuarial liability and the retirement contribution rates. Male rates are multiplied by 103% and female rates are multiplied by 105%. The rates are projected on a fully generational basis by the Scale MP-2021 to account for future mortality improvements. Administrative expenses for the SDBF are paid through the TMRS Pension Trust Fund and are wholly accounted for under the provisions of GASB Statement No. 68.

These actuarial assumptions used in the calculation of the funding valuation for the Supplemental Death Benefits Fund (SDBF) were developed primarily from the actuarial investigation of the experience of TMRS as of December 31, 2022. They were adopted in 2023 and first used in the December 31, 2023, actuarial valuation.

Discount Rate. The SDBF program is treated as an unfunded OPEB plan because the SDBF trust covers both actives and retirees and the assets are not segregated for these groups. As of December 31, 2023, the discount rate used in the development of the Total OPEB Liability was 3.77% compared to 4.05% as of December 31, 2022. Because the plan is essentially a "pay-as-you-go" plan, the single discount rate is equal to the prevailing municipal bond rate. The source of the municipal bond rate was fixed-income municipal bonds with 20 years to maturity that include only federally tax-exempt municipal bonds as reported in Fidelity Index's "20-year Municipal GO AA Index" as of December 31, 2023.

Discount Rate Sensitivity Analysis. The following schedule shows the impact of the Total OPEB Liability if the discount rate used was 1% less than and 1% greater than the discount rate that was used (3.77%) in measuring the Total OPEB Liability.

	1% Decrease in Discount Rate (2.77%)	Discount Rate (3.77%)	1% Increase in Discount Rate (4.77%)
Total OPEB Liability	\$ 714,017	\$ 598,640	\$ 508,409

OPEB Liabilities, OPEB Expense, and Deferred Outflows of Resources Related to OPEBs. At September 30, 2024, the City reported a liability of \$598,640 for its Total OPEB Liability. The Total OPEB Liability was determined by an actuarial valuation as of December 31, 2023. For the year ended September 30, 2024, the City recognized OPEB expense of \$34,083. There were no changes of benefit terms that affected measurement of the Total OPEB Liability during the measurement period.

Changes in the Total OPEB Liability

	Total OPEB Liability
Balance at 12/31/2022	\$ 535,938
Changes for the year:	
Service cost	29,032
Interest	21,901
Difference between expected and actual experience	2,055
Changes of assumptions	29,068
Benefit payments	(19,354)
Net changes	<u>62,702</u>
Balance at 12/31/2023	<u>\$ 598,640</u>

The total OPEB liability attributable to the governmental activities will be liquidated by the General Fund. The total liability attributable to the business-type activities will be liquidated by the Utility and Airport Fund.

At September 30, 2024, the City reported deferred outflows of resources and deferred inflows of resources related to other post-employment benefits from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences in expected and actual experience	\$ 1,642	\$ 16,131
Changes in actuarial assumptions used	67,206	166,456
Contributions subsequent to the measurement date	<u>14,972</u>	-
Total	<u>\$ 83,820</u>	<u>\$ 182,587</u>

\$14,972 reported as deferred outflows of resources related to OPEB resulting from contributions subsequent to the measurement date will be recognized as a reduction of the Total OPEB Liability for the year ending September 30, 2025. Other amounts of the reported as deferred outflows and inflows of resources related to OPEB will be recognized in OPEB expense as follows:

For the Year Ended September 30,	OPEB Expense
2025	\$ (21,773)
2026	(41,135)
2027	(47,235)
2028	(3,596)

P. Commitments and Contingencies

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.

Q. Litigation and Other Contingencies

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

R. Contracts and Commitments

Wastewater Treatment Plant Phase I

The City entered into an \$25,273,887 construction contract for the wastewater treatment plant phase I. Expenditures as of September 30, 2024 were \$23,923,272.

Knox 1 Ground Storage Tank Improvements

The City entered into an \$1,984,219 construction contract for the improvements of the Knox 1 Ground Storage tank. Expenditures as of September 30, 2024 were \$1,873,370.

McCarthy Creek Road, Drainage and Utilities Project

The City entered into a \$6,000,000 construction contract for the McCarthy Creek Road, Drainage and Utilities project. Expenditures as of September 30, 2024 were \$5,618,630.

Main Lift Station Improvements

The City entered into a \$2,814,913 construction contract for improvements of the Main Lift Station. The project is being funded through the American Rescue Plan Act (ARPA). There were \$2,342,380 in construction expenditures as of September 30, 2024 for this project.

Street Improvement Projects for Calinco Drive and Old Acton Highway

The City entered into a \$1,256,849 construction contract for street improvements to Old Acton Hwy and Calinco Dr. This project is being funded through the 2020 Bond. There were no construction expenditures as of September 30, 2024 for this project.

Archer Road Paving and Utilities Project

The City entered into a \$2,754,684 construction contract for the Archer Road Paving and Utilities project. Expenditures for this project as of September 30, 2024 were \$2,371,835.

East Wastewater Treatment Plant Infrastructure Project

The City entered into a \$34,112,000 construction contract with Gracon Construction, Inc for the East Wastewater Treatment Plant Infrastructure project. Expenditures for this project as of September 30, 2024 were \$13,110,534.

Off-Site Overstreet Blvd. Improvement Project

The City entered into an \$4,000,000 construction contract for the construction of Overstreet by a developer. Expenditures for this project as of September 30, 2024 were \$183,450.

Encumbrances

Amounts totaling \$496,844.94 have been encumbered in the General Fund and are reported as committed fund balance.

S. 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, 2024.

<u>Type of Business</u>	<u>Purpose</u>	<u>Tax Abated</u>	<u>Percent Abated</u>	<u>Amount Abated</u>
Shopping Center	Develop shopping center and construct roadway	Property tax	60%	\$ 27,277
		Sales tax	60% of 1 cent	87,293

T. Future Financial Reporting Requirements

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

GASB Statement No. 101, *Compensated Absences* – The objective of this Statement is to better meet the information needs of financial statement users by updating the recognition and measurement guidance for compensated absences. That objective is achieved by aligning the recognition and measurement guidance under a unified model and by amending certain previously required disclosures. This Statement will become effective for reporting periods beginning after December 15, 2023, and the impact has not yet been determined.

GASB Statement No. 102, *Certain Risk Disclosures* – The objective of this Statement is to provide users of government financial statements with information about risks related to a government’s vulnerabilities due to certain concentrations or constraints that is essential to their analyses for making decisions or assessing accountability. This Statement will become effective for reporting periods beginning after June 15, 2024, and the impact has not yet been determined.

GASB Statement No. 103, *Financial Reporting Model Improvements* – The objective of this Statement is to improve key components of the financial reporting model to enhance its effectiveness in providing information that is essential for decision making and assessing a government’s accountability. This Statement also addresses certain application issues. This Statement will become effective for reporting periods beginning after June 15, 2025, and the impact has not yet been determined.

GASB Statement No. 104, *Disclosure of Certain Capital Assets* – The objective of this Statement is to provide users of government financial statements with essential information about certain types of capital assets. This Statement requires certain types of capital assets to be presented separately in the note disclosures, including right-to-use assets related to leases, Subscription-Based Information Technology Arrangements, and public-private or public-public partnerships. Other intangible assets are also required to be presented separately by major class. Additional disclosures have also been required for capital assets held for sale. This Statement will become effective for reporting periods beginning after June 15, 2025, and the impact has not yet been determined.

**REQUIRED
SUPPLEMENTARY INFORMATION**

CITY OF GRANBURY, TEXAS

SCHEDULE OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCE - BUDGET AND ACTUAL
GENERAL FUND

FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2024

	Budgeted Amounts		Actual Amounts GAAP Basis	Adjustment Budget Basis
	Original	Final		
REVENUES				
Taxes:				
Property taxes	\$ 4,565,900	\$ 4,565,900	\$ 4,628,425	\$ -
Sales and use taxes	12,120,000	12,120,000	12,898,826	-
Franchise taxes	2,680,900	2,680,900	2,736,627	-
Fines and fees	169,600	169,600	236,378	-
Licenses and permits	760,000	760,000	917,108	-
Charges for services	120,600	120,600	127,978	-
Intergovernmental	206,900	658,900	615,180	-
Park and recreation	108,600	108,600	116,709	-
Investment earnings	500,000	500,000	943,949	-
Miscellaneous	80,200	80,200	225,735	-
Total revenues	<u>21,312,700</u>	<u>21,764,700</u>	<u>23,446,915</u>	<u>-</u>
EXPENDITURES				
Current:				
General government:				
City council	2,202,010	2,675,549	855,082	140
Legal	193,500	196,400	196,256	-
Executive	923,510	937,710	921,961	399
Financial administration	660,740	672,840	662,720	73
Purchasing	197,200	200,200	196,733	823
Social services	119,500	119,500	117,000	-
Information technology	1,781,880	1,921,880	1,341,375	58,829
Economic development	409,550	409,550	333,037	410
Human resources	256,290	256,290	246,379	56
Warehouse	173,020	173,020	143,313	90
Fleet maintenance	502,920	502,920	435,955	1,075
Building maintenance	931,910	943,910	926,497	7,594
Granbury broadcasting services	288,195	303,595	283,513	(207)
Other governmental functions	965,000	1,618,800	1,612,610	(315,614)
Total general governments	<u>9,605,225</u>	<u>10,932,164</u>	<u>8,272,431</u>	<u>(246,332)</u>
Public safety:				
Police	8,228,735	8,313,435	8,108,152	(189,012)
Fire	993,280	2,932,580	519,703	1,905,797
Municipal court	232,090	232,090	225,205	47
Total public safety	<u>9,454,105</u>	<u>11,478,105</u>	<u>8,853,060</u>	<u>1,716,832</u>
Highways and streets:				
Streets	933,220	973,220	866,953	(661)
Buildings and permits	1,215,390	1,215,390	1,155,629	279
Total highways and streets	<u>2,148,610</u>	<u>2,188,610</u>	<u>2,022,582</u>	<u>(382)</u>

Actual Amounts Budgetary Basis	Variance with Final Budget Positive (Negative)
\$ 4,628,425	\$ 62,525
12,898,826	778,826
2,736,627	55,727
236,378	66,778
917,108	157,108
127,978	7,378
615,180	(43,720)
116,709	8,109
943,949	443,949
225,735	145,535
<u>23,446,915</u>	<u>1,682,215</u>
855,222	1,820,327
196,256	144
922,360	15,350
662,793	10,047
197,556	2,644
117,000	2,500
1,400,204	521,676
333,447	76,103
246,435	9,855
143,403	29,617
437,030	65,890
934,091	9,819
283,306	20,289
1,296,996	321,804
<u>8,026,099</u>	<u>2,906,065</u>
7,919,140	394,295
2,425,500	507,080
225,252	6,838
<u>10,569,892</u>	<u>908,213</u>
866,292	106,928
1,155,908	59,482
<u>2,022,200</u>	<u>166,410</u>

CITY OF GRANBURY, TEXAS

SCHEDULE OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCES - BUDGET AND ACTUAL
GENERAL FUND

FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2024

	Budgeted Amounts		Actual Amounts GAAP Basis	Adjustment Budget Basis
	Original	Final		
EXPENDITURES (Continued)				
Community development:				
Community development	\$ 683,100	\$ 683,100	\$ 619,302	\$ (92)
Total community development	<u>683,100</u>	<u>683,100</u>	<u>619,302</u>	<u>(92)</u>
Clean air coalition:				
Clean air coalition	72,420	72,420	69,784	-
Total clean air coalition	<u>72,420</u>	<u>72,420</u>	<u>69,784</u>	<u>-</u>
Culture and recreation:				
Cemetery	79,540	79,540	64,712	3,500
Parks	<u>2,668,575</u>	<u>3,168,575</u>	<u>2,698,098</u>	<u>(122,237)</u>
Total culture and recreation	<u>2,748,115</u>	<u>3,248,115</u>	<u>2,762,810</u>	<u>(118,737)</u>
Debt service:				
Principal	-	-	775,867	-
Interest	<u>-</u>	<u>-</u>	<u>31,388</u>	<u>-</u>
Total debt service	<u>-</u>	<u>-</u>	<u>807,255</u>	<u>-</u>
Total expenditures	<u>24,711,575</u>	<u>28,602,514</u>	<u>23,407,224</u>	<u>1,351,289</u>
EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES	<u>(3,398,875)</u>	<u>(6,837,814)</u>	<u>39,691</u>	<u>(1,351,289)</u>
OTHER FINANCING SOURCES (USES)				
Issuance of leases	-	-	11,153	-
Issuance of SBITA	-	-	178,618	-
Transfers in	1,183,034	1,799,934	1,820,534	-
Transfers out	(40,000)	(40,000)	(214,588)	-
Insurance recovery	-	104,339	89,902	-
Sale of general capital assets	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total other financing sources (uses)	<u>1,143,034</u>	<u>1,864,273</u>	<u>1,885,619</u>	<u>-</u>
NET CHANGE IN FUND BALANCE	(2,255,841)	(4,973,541)	1,925,310	(1,351,289)
FUND BALANCE, BEGINNING	<u>17,389,076</u>	<u>17,389,076</u>	<u>17,389,076</u>	<u>-</u>
FUND BALANCE, ENDING	<u>\$ 15,133,235</u>	<u>\$ 12,415,535</u>	<u>\$ 19,314,386</u>	<u>\$ (1,351,289)</u>

Actual Amounts Budgetary Basis	Variance with Final Budget Positive (Negative)
\$ 619,210	\$ 63,890
<u>619,210</u>	<u>63,890</u>
69,784	2,636
<u>69,784</u>	<u>2,636</u>
68,212	11,328
<u>2,575,861</u>	<u>592,714</u>
<u>2,644,073</u>	<u>604,042</u>
775,867	(775,867)
<u>31,388</u>	<u>(31,388)</u>
<u>807,255</u>	<u>(807,255)</u>
<u>24,758,513</u>	<u>3,844,001</u>
<u>(1,311,598)</u>	<u>5,526,216</u>
11,153	11,153
178,618	178,618
1,820,534	20,600
(214,588)	(174,588)
89,902	(14,437)
-	-
<u>1,885,619</u>	<u>21,346</u>
574,021	5,547,562
<u>17,389,076</u>	<u>-</u>
<u>\$ 17,963,097</u>	<u>\$ 5,547,562</u>

CITY OF GRANBURY, TEXAS

SCHEDULE OF CHANGES IN NET PENSION LIABILITY
AND RELATED RATIOS
TEXAS MUNICIPAL RETIREMENT SYSTEM

FOR THE YEAR ENDED SEPTEMBER 30, 2024

Measurement Date December 31,	2014	2015	2016
A. Total pension liability			
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
Difference between expected and actual experience	(235,764)	(65,276)	(7,656)
Changes in assumptions	-	11,679	-
Benefit payments, including refunds of employee contributions	<u>(1,468,382)</u>	<u>(1,343,256)</u>	<u>(1,422,391)</u>
Net change in total pension liability	1,689,194	2,244,687	2,349,886
Total pension liability - beginning	<u>32,261,788</u>	<u>33,950,982</u>	<u>36,195,669</u>
Total pension liability - ending (a)	<u>33,950,982</u>	<u>36,195,669</u>	<u>38,545,555</u>
B. Plan fiduciary net position			
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 Expenses	(15,553)	(24,971)	(21,531)
Other	<u>(1,279)</u>	<u>(1,233)</u>	<u>(1,160)</u>
Net change in plan fiduciary net position	1,743,797	426,158	2,202,925
Plan fiduciary net position - beginning	<u>26,039,928</u>	<u>27,783,725</u>	<u>28,209,883</u>
Plan fiduciary net position - ending (b)	<u>27,783,725</u>	<u>28,209,883</u>	<u>30,412,808</u>
C. Net pension liability - ending (a) - (b)	<u>\$ 6,167,257</u>	<u>\$ 7,985,786</u>	<u>\$ 8,132,747</u>
D. Plan fiduciary net position as a percentage of total pension liability	81.83%	77.94%	78.90%
E. Covered payroll	\$ 7,537,242	\$ 7,762,515	\$ 7,842,632
F. Net position liability as a percentage of covered payroll	81.82%	102.88%	103.70%

	2017	2018	2019	2020	2021	2022	2023
\$	1,343,239	\$ 1,452,692	\$ 1,523,720	\$ 1,719,086	\$ 1,741,438	\$ 1,952,240	\$ 2,365,393
	2,595,907	2,722,499	2,880,002	3,113,819	3,425,228	3,698,646	3,978,094
	(399,213)	(122,510)	466,289	1,704,414	834,017	511,913	1,481,530
	-	-	148,698	-	-	-	(360,528)
	<u>(1,518,579)</u>	<u>(1,919,859)</u>	<u>(1,589,800)</u>	<u>(1,715,059)</u>	<u>(2,155,005)</u>	<u>(1,955,885)</u>	<u>(2,502,924)</u>
	2,021,354	2,132,822	3,428,909	4,822,260	3,845,678	4,206,914	4,961,565
	<u>38,545,555</u>	<u>40,566,909</u>	<u>42,699,731</u>	<u>46,128,640</u>	<u>50,950,900</u>	<u>54,796,578</u>	<u>59,003,492</u>
	<u>40,566,909</u>	<u>42,699,731</u>	<u>46,128,640</u>	<u>50,950,900</u>	<u>54,796,578</u>	<u>59,003,492</u>	<u>63,965,057</u>
	1,251,745	1,377,130	1,447,489	1,690,765	1,676,698	1,902,974	2,351,567
	552,124	597,017	627,783	773,773	742,524	801,977	967,724
	4,216,502	(1,045,637)	5,240,512	3,005,625	5,650,637	(3,594,506)	5,372,763
	(1,518,579)	(1,919,859)	(1,589,800)	(1,715,059)	(2,155,005)	(1,955,885)	(2,502,924)
	(21,845)	(20,200)	(29,595)	(19,438)	(26,124)	(31,077)	(34,134)
	<u>(1,107)</u>	<u>(1,055)</u>	<u>(891)</u>	<u>(757)</u>	<u>179</u>	<u>37,083</u>	<u>(240)</u>
	4,478,840	(1,012,604)	5,695,498	3,734,909	5,888,909	(2,839,434)	6,154,756
	<u>30,412,808</u>	<u>34,891,648</u>	<u>33,879,044</u>	<u>39,574,542</u>	<u>43,309,451</u>	<u>49,198,360</u>	<u>46,358,926</u>
	<u>34,891,648</u>	<u>33,879,044</u>	<u>39,574,542</u>	<u>43,309,451</u>	<u>49,198,360</u>	<u>46,358,926</u>	<u>52,513,682</u>
\$	<u>5,675,261</u>	<u>8,820,687</u>	<u>6,554,098</u>	<u>7,641,449</u>	<u>5,598,218</u>	<u>12,644,566</u>	<u>11,451,375</u>
	86.01%	79.34%	85.79%	85.00%	89.78%	78.57%	82.10%
\$	7,887,489	\$ 8,530,196	\$ 8,968,332	\$ 10,190,197	\$ 10,310,469	\$ 11,456,810	\$ 13,824,622
	71.95%	103.41%	73.08%	74.99%	54.30%	110.37%	82.83%

CITY OF GRANBURY, TEXAS

SCHEDULE OF CONTRIBUTIONS
TEXAS MUNICIPAL RETIREMENT SYSTEM

FOR THE YEAR ENDED SEPTEMBER 30, 2024

Fiscal Year Ended September 30,	<u>2015</u>	<u>2016</u>	<u>2017</u>
Actuarial determined contribution	\$ 1,207,638	\$ 1,239,090	\$ 1,232,864
Contributions in relation to the actuarially determined contribution	<u>\$ 1,207,638</u>	<u>\$ 1,239,090</u>	<u>\$ 1,232,864</u>
Contribution deficiency (excess)	-	-	-
Covered payroll	7,682,345	8,099,664	7,824,858
Contributions as a percentage of covered payroll	15.72%	15.30%	15.76%

NOTES TO SCHEDULE OF CONTRIBUTIONS

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	22 years (longest amortization ladder)
Asset Valuation Method	10 Year smoothed fair value; 12% soft corridor
Inflation	2.50%
Salary Increases	3.60% to 11.85% including inflation
Investment Rate of Return	6.75%
Retirement Age	Experience-based table of rates that are specific to the City's plan of benefits. Last updated for the 2023 valuation pursuant to an experience study of the period ending 2022.

Mortality Post-retirement: 2019 Municipal Retirees of Texas Mortality Tables. Male rates are multiplied by 103% and female rates are multiplied by 105%. The rates are projected on a fully generational basis by the most recent Scale MP-2021 (with immediate convergence).
Pre-retirement: PUB(10) mortality tables, with the 110% of the Public Safety table used for males and the 100% of the General Employee table used for females. The rates are projected on a fully generational basis by the most recent Scale MP-2021 (with immediate convergence).

Other Information:

Notes There were no benefit changes during the year.

2018	2019	2020	2021	2022	2023	2024
<u>\$ 1,358,868</u>	<u>\$ 1,399,802</u>	<u>\$ 1,519,196</u>	<u>\$ 1,606,012</u>	<u>\$ 1,868,132</u>	<u>\$ 2,190,818</u>	<u>\$ 2,541,167</u>
<u>\$ 1,358,868</u>	<u>\$ 1,411,069</u>	<u>\$ 1,558,992</u>	<u>\$ 1,633,907</u>	<u>\$ 1,868,132</u>	<u>\$ 2,190,818</u>	<u>\$ 2,541,167</u>
-	(11,267)	(39,796)	(27,895)	-	-	-
8,427,131	8,742,684	9,650,118	10,133,254	11,339,077	12,954,266	14,744,361
16.12%	16.14%	16.16%	16.12%	16.48%	16.91%	17.23%

CITY OF GRANBURY, TEXAS

**SCHEDULE OF THE CITY'S PROPORTIONATE SHARE OF THE NET PENSION LIABILITY
TEXAS EMERGENCY SERVICES RETIREMENT SYSTEM**

FOR THE YEAR ENDED SEPTEMBER 30, 2024

	<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 the 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%

2017	2018	2019	2020	2021	2022	2023
0.01308	0.01231	0.01277	0.01461	0.01607	0.01476	0.01743
\$ 313,942	\$ 266,517	\$ 361,973	\$ 368,331	\$ 172,176	\$ 605,604	\$ 754,494
<u>152,898</u>	<u>102,409</u>	<u>152,666</u>	<u>146,838</u>	<u>146,838</u>	<u>172,176</u>	<u>199,971</u>
<u>\$ 466,840</u>	<u>\$ 368,926</u>	<u>\$ 514,639</u>	<u>\$ 515,169</u>	<u>\$ 319,014</u>	<u>\$ 777,780</u>	<u>\$ 954,465</u>
81.41%	84.26%	80.25%	83.24%	93.10%	75.20%	74.60%

CITY OF GRANBURY, TEXAS

SCHEDULE OF CONTRIBUTIONS
TEXAS EMERGENCY SERVICES RETIREMENT SYSTEM

FOR THE YEAR ENDED SEPTEMBER 30, 2024

	<u>2015</u>	<u>2016</u>	<u>2017</u>
Contractually Required Contribution	\$ 53,760	\$ 54,180	\$ 63,280
Contributions in relation to the contractually required contribution	<u>53,760</u>	<u>54,180</u>	<u>63,280</u>
Contribution deficiency/ (excess)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

2018	2019	2020	2021	2022	2023	2024
\$ 57,820	\$ 58,380	\$ 68,110	\$ 77,140	\$ 71,820	\$ 83,980	\$ 88,350
<u>57,820</u>	<u>58,380</u>	<u>68,110</u>	<u>77,140</u>	<u>71,820</u>	<u>83,980</u>	<u>88,350</u>
<u>\$ -</u>						

CITY OF GRANBURY, TEXAS

SCHEDULE OF CHANGES IN TOTAL OPEB LIABILITY
AND RELATED RATIOS
TEXAS MUNICIPAL RETIREMENT SYSTEM - SUPPLEMENTAL DEATH BENEFITS FUND
FOR THE YEAR ENDED SEPTEMBER 30, 2024

Measurement Date December 31,	<u>2017</u>	<u>2018</u>	<u>2019</u>	<u>2020</u>
A. Total OPEB liability				
Service Cost	\$ 21,296	\$ 25,591	\$ 21,524	\$ 33,628
Interest (on the Total OPEB Liability)	15,035	15,561	17,624	16,715
Difference between expected and actual experience	-	4,522	(3,485)	(10,813)
Changes of assumptions	37,184	(34,777)	95,840	98,313
Benefit payments, including refunds of employee contributions	<u>(3,155)</u>	<u>(3,412)</u>	<u>(4,484)</u>	<u>(5,095)</u>
Net change in Total OPEB liability	70,360	7,485	127,019	132,748
Total OPEB liability - beginning	<u>388,678</u>	<u>459,038</u>	<u>466,523</u>	<u>593,542</u>
Total OPEB liability - ending (a)	<u>\$ 459,038</u>	<u>\$ 466,523</u>	<u>\$ 593,542</u>	<u>\$ 726,290</u>
B. Covered-employee payroll	\$ 7,887,489	\$ 8,530,196	\$ 8,968,332	\$ 10,190,197
C. Total OPEB liability as a percentage of covered-employee payroll	5.82%	5.47%	6.62%	7.13%

Notes to Schedule:

- No assets are accumulated in a trust for the SDB plan to pay related benefits that meets the criteria in paragraph 4 of GASB Statement No. 75, Accounting and Financial Reporting for Postemployment Benefits Other Than Pensions.
- This schedule is required to have 10 years of information, but the information prior to 2017 is not available.

<u>2021</u>	<u>2022</u>	<u>2023</u>
\$ 37,118	\$ 45,827	\$ 29,032
14,753	14,421	21,901
(20,066)	(7,149)	2,055
24,072	(271,145)	29,068
<u>(14,435)</u>	<u>(13,748)</u>	<u>(19,354)</u>
41,442	(231,794)	62,702
<u>726,290</u>	<u>767,732</u>	<u>535,938</u>
<u>\$ 767,732</u>	<u>\$ 535,938</u>	<u>\$ 598,640</u>
\$ 10,310,469	\$ 11,456,810	\$ 13,824,622
7.45%	4.68%	4.33%

CITY OF GRANBURY, TEXAS

NOTES TO REQUIRED SUPPLEMENTARY BUDGET INFORMATION

FOR THE YEAR ENDED SEPTEMBER 30, 2024

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.

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.

Excess of Expenditures over Appropriations

In the General Fund, expenditures exceed appropriation in the following categories: lease principal related to GASB 87 in the amount of \$775,867 and lease interest \$31,388. Appropriation for lease expenses were budgeted at individual department level.

In the Tourism Fund, expenditures exceeded appropriations in the lease principal category by \$59,446, lease interest category by \$3,378, and tourism category by \$4,435.

**COMBINING AND INDIVIDUAL
FUND STATEMENTS AND SCHEDULES**

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NONMAJOR GOVERNMENTAL FUNDS

SPECIAL REVENUE FUNDS

Special Revenue Funds are 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.

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.

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.

CAPITAL PROJECTS FUNDS

Capital Project Funds are 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).

TIRZ Fund – To account for the financial resources and uses related to the Tax Increment Reinvestment Zones created for public improvements.

CITY OF GRANBURY, TEXAS

COMBINING BALANCE SHEET
NONMAJOR GOVERNMENTAL FUNDS

SEPTEMBER 30, 2024

	Special Revenue Funds		Capital Projects	Total
	Tourism	Granbury Historic Properties	TIRZ	Nonmajor Governmental Funds
ASSETS				
Cash and equivalents	\$ 179,308	\$ 994,094	\$ 301,092	\$ 1,474,494
Investments	699,758	-	-	699,758
Leases	664,295	313,562	-	977,857
Miscellaneous receivables, net	106,689	-	-	106,689
Inventories	6,908	-	-	6,908
Total assets	<u>1,656,958</u>	<u>1,307,656</u>	<u>301,092</u>	<u>3,265,706</u>
LIABILITIES				
Accounts payable	76,950	76,982	-	153,932
Accrued liabilities	12,030	-	-	12,030
Customer deposits	800	-	-	800
Unearned revenue	38,686	2,185	-	40,871
Due to other funds	-	177	217,379	217,556
Advances from other funds	-	2,989,746	-	2,989,746
Total liabilities	<u>128,466</u>	<u>3,069,090</u>	<u>217,379</u>	<u>3,414,935</u>
DEFERRED INFLOWS				
Related to leases	663,845	312,821	-	976,666
Total deferred inflows	<u>663,845</u>	<u>312,821</u>	<u>-</u>	<u>976,666</u>
FUND BALANCES				
Nonspendable:				
Inventories	6,908	-	-	6,908
Restricted:				
Construction	-	-	83,713	83,713
Tourism	857,739	-	-	857,739
Unassigned	-	(2,074,255)	-	(2,074,255)
Total fund balances	<u>864,647</u>	<u>(2,074,255)</u>	<u>83,713</u>	<u>(1,125,895)</u>
Total liabilities, deferred inflows and fund balances	<u>\$ 1,656,958</u>	<u>\$ 1,307,656</u>	<u>\$ 301,092</u>	<u>\$ 3,265,706</u>

CITY OF GRANBURY, TEXAS

COMBINING STATEMENT OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCES
NONMAJOR GOVERNMENTAL FUNDS

FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2024

	Special Revenue Funds		Capital Projects	Total
	Tourism	Granbury Historic Properties	TIRZ	Nonmajor Governmental Funds
REVENUES				
Hotel/motel taxes	\$ 1,004,559	\$ -	\$ -	\$ 1,004,559
Charges for services	678,212	119,816	-	798,028
Investment earnings	49,648	10,571	1,462	61,681
Miscellaneous	15,565	5,355	-	20,920
Total revenues	<u>1,747,984</u>	<u>135,742</u>	<u>1,462</u>	<u>1,885,188</u>
EXPENDITURES				
Current:				
General government	-	2,526,185	389	2,526,574
Tourism	1,192,673	-	-	1,192,673
Conference center	924,076	-	-	924,076
Debt service:				
Principal	59,446	-	-	59,446
Interest and fiscal charges	3,378	45,532	-	48,910
Total expenditures	<u>2,179,573</u>	<u>2,571,717</u>	<u>389</u>	<u>4,751,679</u>
Excess (Deficiency) of Revenue Over Expenditures	<u>(431,589)</u>	<u>(2,435,975)</u>	<u>1,073</u>	<u>(2,866,491)</u>
OTHER FINANCING SOURCES (USES)				
Issuance of leases	45,281	-	-	45,281
Issuance of SBITA	103,416	-	-	103,416
Transfer in	-	40,000	-	40,000
Transfer out	(64,534)	-	-	(64,534)
Total other financing sources (uses)	<u>84,163</u>	<u>40,000</u>	<u>-</u>	<u>124,163</u>
NET CHANGE IN FUND BALANCES	<u>(347,426)</u>	<u>(2,395,975)</u>	<u>1,073</u>	<u>(2,742,328)</u>
FUND BALANCES, BEGINNING	<u>1,212,073</u>	<u>321,720</u>	<u>82,640</u>	<u>1,616,433</u>
FUND BALANCES, ENDING	<u>\$ 864,647</u>	<u>\$ (2,074,255)</u>	<u>\$ 83,713</u>	<u>\$ (1,125,895)</u>

CITY OF GRANBURY, TEXAS

SCHEDULE OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCE - BUDGET AND ACTUAL
TOURISM FUND

FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2024

	Budgeted Amounts		Actual Amounts GAAP Basis
	Original	Final	
REVENUES			
Hotel/ Motel Occupancy Tax	\$ 1,000,000	\$ 1,000,000	\$ 1,004,559
Charges for services	626,900	604,600	678,212
Investment earnings	-	-	49,648
Miscellaneous	-	14,000	15,565
Total revenues	1,626,900	1,618,600	1,747,984
EXPENDITURES			
Current:			
Tourism	1,196,284	1,197,684	1,192,673
Conference Center	960,092	996,392	924,076
Debt service:			
Principal	-	-	59,446
Interest	-	-	3,378
Total expenditures	2,156,376	2,194,076	2,179,573
EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES	(529,476)	(575,476)	(431,589)
OTHER FINANCING SOURCES			
Issuance of leases	-	-	45,281
Issuance of SBITA	-	-	103,416
Transfers out	404,076	(64,524)	(64,534)
Total other financing sources	404,076	(64,524)	84,163
NET CHANGE IN FUND BALANCE	(125,400)	(640,000)	(347,426)
FUND BALANCE, BEGINNING	1,212,073	1,212,073	1,212,073
FUND BALANCE, ENDING	\$ 1,086,673	\$ 572,073	\$ 864,647

Adjustment Budget Basis	Actual Amounts Budgetary Basis	Variance with Final Budget Positive (Negative)
\$ -	\$ 1,004,559	\$ 4,559
-	678,212	73,612
-	49,648	49,648
-	15,565	1,565
<u>-</u>	<u>1,747,984</u>	<u>129,384</u>
9,446	1,202,119	(4,435)
(74)	924,002	72,390
-	59,446	(59,446)
-	3,378	(3,378)
<u>9,372</u>	<u>2,188,945</u>	<u>5,131</u>
<u>(9,372)</u>	<u>(440,961)</u>	<u>134,515</u>
-	45,281	45,281
-	103,416	103,416
-	(10)	64,514
<u>-</u>	<u>148,687</u>	<u>213,211</u>
(9,372)	(292,274)	347,726
<u>-</u>	<u>1,212,073</u>	<u>-</u>
<u>\$ (9,372)</u>	<u>\$ 919,799</u>	<u>\$ 347,726</u>

CITY OF GRANBURY, TEXAS

SCHEDULE OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCE - BUDGET AND ACTUAL
GRANDBURY HISTORIC PROPERTIES

FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2024

	Budgeted Amounts		Actual Amounts GAAP Basis
	Original	Final	
REVENUES			
Charges for services	\$ -	\$ 111,600	\$ 119,816
Investment earnings	-	-	10,571
Miscellaneous	-	-	5,355
Total revenues	<u>-</u>	<u>111,600</u>	<u>135,742</u>
EXPENDITURES			
Current:			
General government	<u>40,000</u>	<u>2,556,800</u>	<u>2,526,185</u>
Total expenditures	<u>40,000</u>	<u>2,612,600</u>	<u>2,571,717</u>
EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES	<u>(40,000)</u>	<u>(2,501,000)</u>	<u>(2,435,975)</u>
OTHER FINANCING SOURCES			
Transfers in	<u>40,000</u>	<u>40,000</u>	<u>40,000</u>
Total other financing sources	<u>40,000</u>	<u>40,000</u>	<u>40,000</u>
NET CHANGE IN FUND BALANCE	-	(2,461,000)	(2,395,975)
FUND BALANCE, BEGINNING	<u>321,720</u>	<u>321,720</u>	<u>321,720</u>
FUND BALANCE, ENDING	<u>\$ 321,720</u>	<u>\$ (2,139,280)</u>	<u>\$ (2,074,255)</u>

Adjustment Budget Basis	Actual Amounts Budgetary Basis	Variance with Final Budget Positive (Negative)
\$ -	\$ 119,816	\$ 8,216
-	10,571	10,571
<u>-</u>	<u>5,355</u>	<u>5,355</u>
<u>-</u>	<u>135,742</u>	<u>24,142</u>
-	2,526,185	30,615
<u>-</u>	<u>2,571,717</u>	<u>40,883</u>
-	(2,435,975)	65,025
<u>-</u>	<u>40,000</u>	<u>-</u>
<u>-</u>	<u>40,000</u>	<u>-</u>
-	(2,395,975)	65,025
<u>-</u>	<u>321,720</u>	<u>-</u>
<u>\$ -</u>	<u>\$ (2,074,255)</u>	<u>\$ 65,025</u>

CITY OF GRANBURY, TEXAS

SCHEDULE OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCE - BUDGET AND ACTUAL
DEBT SERVICE

FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2024

	Budgeted Amounts		Actual Amounts GAAP Basis
	Original	Final	
REVENUES			
Taxes:			
Property taxes	\$ 4,800,600	\$ 4,800,600	\$ 4,900,483
Investment earnings	-	-	163,463
Total revenues	<u>4,800,600</u>	<u>4,800,600</u>	<u>5,063,946</u>
EXPENDITURES			
Debt service:			
Principal	4,754,000	4,754,000	3,483,107
Interest and other charges	<u>6,496,600</u>	<u>6,496,600</u>	<u>3,296,764</u>
Total expenditures	<u>11,250,600</u>	<u>11,250,600</u>	<u>6,779,871</u>
EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES	<u>(6,450,000)</u>	<u>(6,450,000)</u>	<u>(1,715,925)</u>
OTHER FINANCING SOURCES			
Transfers in	<u>6,300,000</u>	<u>6,300,000</u>	<u>1,831,416</u>
Total other financing sources	<u>6,300,000</u>	<u>6,300,000</u>	<u>1,831,416</u>
NET CHANGE IN FUND BALANCE	(150,000)	(150,000)	115,491
FUND BALANCE, BEGINNING	<u>822,004</u>	<u>822,004</u>	<u>822,004</u>
FUND BALANCE, ENDING	<u>\$ 672,004</u>	<u>\$ 672,004</u>	<u>\$ 937,495</u>

Adjustment Budget Basis	Actual Amounts Budgetary Basis	Variance with Final Budget Positive (Negative)
\$ -	\$ 4,900,483	\$ 99,883
<u>-</u>	<u>163,463</u>	<u>163,463</u>
<u>-</u>	<u>5,063,946</u>	<u>263,346</u>
-	3,483,107	1,270,893
<u>-</u>	<u>3,296,764</u>	<u>3,199,836</u>
<u>-</u>	<u>6,779,871</u>	<u>4,470,729</u>
<u>-</u>	<u>(1,715,925)</u>	<u>4,734,075</u>
<u>-</u>	<u>1,831,416</u>	<u>(4,468,584)</u>
<u>-</u>	<u>1,831,416</u>	<u>(4,468,584)</u>
-	115,491	265,491
<u>-</u>	<u>822,004</u>	<u>-</u>
<u>\$ -</u>	<u>\$ 937,495</u>	<u>\$ 265,491</u>

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STATISTICAL SECTION

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**STATISTICAL SECTION
(UNAUDITED)**

This part of the City'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.

	<u>Page Number</u>
Financial Trends	
These schedules contain trend information to help the reader understand how the City's financial performance and well-being have changed over time.	
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These schedules contain information to help the reader assess the City's most significant local revenue sources	
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These schedules present information to help the reader assess the affordability of the City's current levels of outstanding debt and the City's ability to issue additional debt in the future.	
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These schedules offer demographic and economic indicators to help the reader understand the environment within which the City's financial activities take place.	
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Operating Information	
These schedules contain service and infrastructure data to help the reader understand how the information in the City's financial report relates to the services the City provides and the activities it performs.	
City Employees by Job Type	124
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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.

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FINANCIAL TRENDS

CITY OF GRANBURY, TEXAS

NET POSITION BY COMPONENT
(UNAUDITED)

LAST TEN FISCAL YEARS
(accrual basis of accounting)

	Fiscal Year			
	2015	2016	2017	2018
Governmental activities:				
Net investment in capital assets	\$ 21,537,158	\$ 15,439,007	\$ 18,930,751	\$ 19,202,230
Restricted	683,036	518,032	741,433	2,265,469
Unrestricted	<u>2,151,316</u>	<u>2,916,432</u>	<u>3,782,128</u>	<u>5,053,503</u>
Total governmental activities net position	<u>\$ 24,371,510</u>	<u>\$ 18,873,471</u>	<u>\$ 23,454,312</u>	<u>\$ 26,521,202</u>
Business-type activities:				
Net investment in capital assets	\$ 24,172,309	\$ 31,227,763	\$ 32,950,860	\$ 36,316,597
Restricted	2,302,058	2,152,889	1,916,636	1,775,724
Unrestricted	<u>4,035,059</u>	<u>3,273,513</u>	<u>8,324,280</u>	<u>10,243,043</u>
Total business-type activities net position	<u>\$ 30,509,426</u>	<u>\$ 36,654,165</u>	<u>\$ 43,191,776</u>	<u>\$ 48,335,364</u>
Primary government:				
Net investment in capital assets	\$ 45,709,467	\$ 46,666,770	\$ 51,881,611	\$ 55,518,827
Restricted	2,985,094	2,670,921	2,658,069	4,041,193
Unrestricted	<u>6,186,375</u>	<u>6,189,945</u>	<u>12,106,408</u>	<u>15,296,546</u>
Total primary government net position	<u>\$ 54,880,936</u>	<u>\$ 55,527,636</u>	<u>\$ 66,646,088</u>	<u>\$ 74,856,566</u>

TABLE 1

Fiscal Year					
2019	2020	2021	2022	2023	2024
\$ 31,815,661	\$ 33,781,453	\$ 34,421,488	\$ 37,720,563	\$ 42,887,572	\$ 27,449,553
1,709,417	1,206,172	1,816,168	1,995,503	2,275,282	2,262,710
<u>6,180,568</u>	<u>7,996,363</u>	<u>11,180,895</u>	<u>14,460,125</u>	<u>12,990,374</u>	<u>13,010,337</u>
<u>\$ 39,705,646</u>	<u>\$ 42,983,988</u>	<u>\$ 47,418,551</u>	<u>\$ 54,176,191</u>	<u>\$ 58,153,228</u>	<u>\$ 42,722,600</u>
\$ 44,739,831	\$ 51,307,687	\$ 48,728,106	\$ 55,444,541	\$ 71,019,468	\$ 96,069,566
1,946,516	2,602,446	3,254,034	3,508,305	3,930,121	4,404,702
<u>10,857,838</u>	<u>14,770,540</u>	<u>15,209,352</u>	<u>14,466,622</u>	<u>15,758,671</u>	<u>16,087,701</u>
<u>\$ 57,544,185</u>	<u>\$ 68,680,673</u>	<u>\$ 67,191,492</u>	<u>\$ 73,419,468</u>	<u>\$ 90,708,260</u>	<u>\$ 116,561,969</u>
\$ 76,555,492	\$ 85,089,140	\$ 83,149,594	\$ 93,165,104	\$ 113,907,040	\$ 123,519,119
3,655,933	3,808,618	5,070,202	5,053,808	6,205,403	6,667,412
<u>17,038,406</u>	<u>22,766,903</u>	<u>26,390,247</u>	<u>28,926,747</u>	<u>28,749,045</u>	<u>29,098,038</u>
<u>\$ 97,249,831</u>	<u>\$ 111,664,661</u>	<u>\$ 114,610,043</u>	<u>\$ 127,145,659</u>	<u>\$ 148,861,488</u>	<u>\$ 159,284,569</u>

CITY OF GRANBURY, TEXAS

CHANGES IN NET POSITION
(UNAUDITED)

LAST TEN FISCAL YEARS
(accrual basis of accounting)

	Fiscal Year			
	2015	2016	2017	2018
EXPENSES				
Governmental activities				
General government and administration	\$ 4,952,657	\$ 5,157,740	\$ 5,277,053	\$ 4,962,329
Community development	436,091	576,517	570,259	515,406
Clean air coalition	147,426	107,164	191,163	83,030
Public safety	4,181,858	4,568,792	4,861,240	5,220,008
Highways and streets	1,991,264	1,974,197	2,071,754	2,307,570
Culture and recreation	2,048,587	2,134,237	2,111,405	2,292,525
Tourism	1,413,290	1,470,289	1,516,439	1,458,865
Conference Center	635,391	797,778	747,513	720,418
Interest on long-term debt	992,957	1,208,731	962,776	904,937
Total governmental activities expenses	<u>16,799,521</u>	<u>17,995,445</u>	<u>18,309,602</u>	<u>18,465,088</u>
Business-type activities:				
Airport	1,011,149	928,078	816,103	813,608
Economic Development	-	-	-	100,000
Municipal utilities	<u>18,705,520</u>	<u>19,187,348</u>	<u>18,997,394</u>	<u>16,352,116</u>
Total business-type activities expenses	<u>19,716,669</u>	<u>20,115,426</u>	<u>19,813,497</u>	<u>17,265,724</u>
Total primary government expenses	<u>\$ 36,516,190</u>	<u>\$ 38,110,871</u>	<u>\$ 38,123,099</u>	<u>\$ 35,730,812</u>
PROGRAM REVENUES				
Governmental activities				
Charges for services				
General government	\$ 93,531	\$ 95,124	\$ 87,600	\$ 83,343
Community development	659,348	636,114	725,408	1,048,631
Public safety	158,452	250,188	229,807	198,202
Culture and recreation	139,163	162,674	177,062	330,589
Tourism	134,441	119,338	129,803	132,234
Conference Center	373,481	475,866	486,511	496,135
Operating grants and contributions	476,781	414,078	349,489	231,094
Capital grants and contributions	<u>503,633</u>	<u>173,761</u>	<u>3,719,258</u>	<u>782,295</u>
Total governmental activities program revenues	<u>2,538,830</u>	<u>2,327,143</u>	<u>5,904,938</u>	<u>3,302,523</u>
Business-type activities				
Charges for services				
Water and Wastewater	8,390,222	8,760,445	9,549,632	10,599,523
Electric	11,329,466	11,012,050	11,426,686	11,500,530
Airport	779,968	706,142	783,772	780,692
Operating grants and contributions	12,250	390,151	265,558	28,946
Capital grants and contributions	<u>732,847</u>	<u>334,048</u>	<u>4,659,668</u>	<u>574,512</u>
Total business-type activities program revenues	<u>21,244,753</u>	<u>21,202,836</u>	<u>26,685,316</u>	<u>23,484,203</u>
Total primary government program revenues	<u>\$ 23,783,583</u>	<u>\$ 23,529,979</u>	<u>\$ 32,590,254</u>	<u>\$ 26,786,726</u>

TABLE 2

Fiscal Year					
2019	2020	2021	2022	2023	2024
\$ 5,456,209	\$ 5,684,189	\$ 5,429,694	\$ 6,081,245	\$ 7,695,993	\$ 13,593,457
636,114	514,704	485,474	539,961	628,696	638,422
80,002	94,299	218,969	130,162	33,155	71,260
5,723,779	6,543,413	6,506,659	6,785,090	9,193,643	9,703,033
2,328,881	2,944,273	2,749,801	3,122,827	3,274,033	3,334,146
2,319,057	2,437,891	2,434,407	2,585,383	3,043,922	4,813,388
1,318,801	1,454,339	1,690,936	1,549,990	1,715,589	1,647,261
846,809	601,806	545,491	793,202	1,036,030	609,985
<u>939,641</u>	<u>1,442,092</u>	<u>1,288,860</u>	<u>1,984,290</u>	<u>3,027,915</u>	<u>2,877,463</u>
<u>19,649,293</u>	<u>21,717,006</u>	<u>21,350,291</u>	<u>23,572,150</u>	<u>29,648,976</u>	<u>37,288,415</u>
747,801	710,446	787,067	1,127,664	1,478,281	2,685,130
-	-	-	-	-	-
<u>18,363,871</u>	<u>19,057,773</u>	<u>23,932,360</u>	<u>21,115,098</u>	<u>23,548,710</u>	<u>25,419,841</u>
<u>19,111,672</u>	<u>19,768,219</u>	<u>24,719,427</u>	<u>22,242,762</u>	<u>25,026,991</u>	<u>28,104,971</u>
<u>\$ 38,760,965</u>	<u>\$ 41,485,225</u>	<u>\$ 46,069,718</u>	<u>\$ 45,814,912</u>	<u>\$ 54,675,967</u>	<u>\$ 65,393,386</u>
\$ 79,128	\$ 71,409	\$ 7,500	\$ 2,054,372	\$ -	\$ 215,456
748,866	1,077,338	1,523,893	799,464	1,203,152	935,216
234,994	230,208	294,521	211,106	180,540	240,131
249,441	117,190	210,664	210,834	203,027	130,209
90,603	68,746	148,432	182,509	40,422	103,476
418,892	240,660	258,133	418,683	549,532	574,736
206,104	776,832	283,930	91,460	304,952	181,543
<u>10,866,405</u>	<u>5,463,020</u>	<u>281,067</u>	<u>1,909,693</u>	<u>1,870,999</u>	<u>4,693,006</u>
<u>12,894,433</u>	<u>8,045,403</u>	<u>3,008,140</u>	<u>5,878,121</u>	<u>4,352,624</u>	<u>7,073,773</u>
11,088,259	12,779,481	12,567,645	13,702,324	14,215,367	14,585,720
11,113,191	10,836,338	10,883,526	12,103,336	13,156,581	12,964,637
785,472	781,647	936,279	1,233,959	1,599,176	2,186,874
106,608	43,159	-	-	94,913	2,557,672
<u>5,529,654</u>	<u>3,237,290</u>	<u>455,142</u>	<u>1,420,387</u>	<u>11,830,891</u>	<u>3,931,788</u>
<u>28,623,184</u>	<u>27,677,915</u>	<u>24,842,592</u>	<u>28,460,006</u>	<u>40,896,928</u>	<u>36,226,691</u>
<u>\$ 41,517,617</u>	<u>\$ 35,723,318</u>	<u>\$ 27,850,732</u>	<u>\$ 34,338,127</u>	<u>\$ 45,249,552</u>	<u>\$ 43,300,464</u>

CITY OF GRANBURY, TEXAS

CHANGES IN NET POSITION
(Continued)

LAST TEN FISCAL YEARS
(UNAUDITED)
(accrual basis of accounting)

	Fiscal Year			
	2015	2016	2017	2018
NET (EXPENSE) REVENUES				
Governmental activities	\$ (14,260,691)	\$ (15,668,302)	\$ (12,404,664)	\$ (15,162,565)
Business-type activities	<u>1,528,084</u>	<u>1,087,410</u>	<u>6,871,819</u>	<u>6,218,479</u>
Total primary government net expense	<u>\$ (12,732,607)</u>	<u>\$ (14,580,892)</u>	<u>\$ (5,532,845)</u>	<u>\$ (8,944,086)</u>
GENERAL REVENUES AND OTHER CHANGES IN NET POSITION				
Governmental activities:				
Taxes				
Property	\$ 4,574,859	\$ 4,933,982	\$ 5,421,753	\$ 5,611,150
Sales	7,232,245	7,593,985	8,083,300	8,534,403
Other	2,295,658	2,287,719	2,442,810	2,444,890
Miscellaneous	359,722	318,904	457,809	419,209
Investment earnings	31,670	47,046	112,960	270,434
Gain on sale of capital assets	-	-	-	-
Transfers	<u>(2,781,257)</u>	<u>(5,011,373)</u>	<u>466,873</u>	<u>1,247,706</u>
Total governmental activities	<u>11,712,897</u>	<u>10,170,263</u>	<u>16,985,505</u>	<u>18,527,792</u>
Business-type activities:				
Investment earnings	15,367	45,956	121,918	254,147
Gain on sale of capital assets	-	-	-	-
Miscellaneous	-	-	10,747	9,010
Extraordinary item	499,448	-	-	-
Transfers	<u>2,781,257</u>	<u>5,011,373</u>	<u>(466,873)</u>	<u>(1,247,706)</u>
Total business-type activities	<u>3,296,072</u>	<u>5,057,329</u>	<u>(334,208)</u>	<u>(984,549)</u>
Total primary government	<u>\$ 15,008,969</u>	<u>\$ 15,227,592</u>	<u>\$ 16,651,297</u>	<u>\$ 17,543,243</u>
CHANGE IN NET POSITION				
Governmental activities	\$(2,547,794)	\$(5,498,039)	\$ 4,580,841	\$ 3,365,227
Business-type activities	<u>4,824,156</u>	<u>6,144,739</u>	<u>6,537,611</u>	<u>5,233,930</u>
Total primary government	<u>\$ 2,276,362</u>	<u>\$ 646,700</u>	<u>\$ 11,118,452</u>	<u>\$ 8,599,157</u>

Prior to 2006, governmental activities charges for services revenue is not available by function.

TABLE 2

Fiscal Year					
2019	2020	2021	2022	2023	2024
\$ (6,754,860)	\$ (13,671,603)	\$ (18,342,151)	\$ (17,694,029)	\$ (25,296,352)	\$ (30,214,642)
<u>9,511,512</u>	<u>7,909,696</u>	<u>123,165</u>	<u>6,217,244</u>	<u>15,869,937</u>	<u>8,121,720</u>
<u>\$ 2,756,652</u>	<u>\$ (5,761,907)</u>	<u>\$ (18,218,986)</u>	<u>\$ (11,476,785)</u>	<u>\$ (9,426,415)</u>	<u>\$ (22,092,922)</u>
\$ 5,915,411	\$ 6,373,269	\$ 6,691,693	\$ 7,016,003	\$ 8,521,945	\$ 9,556,989
9,096,824	9,568,220	10,739,878	12,079,455	12,345,857	12,898,826
2,656,633	2,902,370	3,151,913	3,624,146	3,897,556	3,734,700
269,720	222,929	295,800	848,471	347,501	336,557
435,829	304,361	83,838	485,130	3,421,509	1,871,149
-	-	-	72,366	17,838	-
<u>1,564,887</u>	<u>(2,421,204)</u>	<u>1,813,592</u>	<u>326,098</u>	<u>721,183</u>	<u>(13,614,207)</u>
<u>19,939,304</u>	<u>16,949,945</u>	<u>22,776,714</u>	<u>24,451,669</u>	<u>29,273,389</u>	<u>14,784,014</u>
1,233,772	799,876	130,330	161,105	1,547,557	1,577,858
-	-	-	4,841	-	1,173,388
28,424	5,712	70,916	170,884	592,481	1,366,536
-	-	-	-	-	-
<u>(1,564,887)</u>	<u>2,421,204</u>	<u>(1,813,592)</u>	<u>(326,098)</u>	<u>(721,183)</u>	<u>13,614,207</u>
<u>(302,691)</u>	<u>3,226,792</u>	<u>(1,612,346)</u>	<u>10,732</u>	<u>1,418,855</u>	<u>17,731,989</u>
<u>\$ 19,636,613</u>	<u>\$ 20,176,737</u>	<u>\$ 21,164,368</u>	<u>\$ 24,462,401</u>	<u>\$ 30,692,244</u>	<u>\$ 32,516,003</u>
\$ 13,184,444	\$ 3,278,342	\$ 4,434,563	\$ 6,757,640	\$ 3,977,037	\$ (15,430,628)
<u>9,208,821</u>	<u>11,136,488</u>	<u>(1,489,181)</u>	<u>6,227,976</u>	<u>17,288,792</u>	<u>25,853,709</u>
<u>\$ 22,393,265</u>	<u>\$ 14,414,830</u>	<u>\$ 2,945,382</u>	<u>\$ 12,985,616</u>	<u>\$ 21,265,829</u>	<u>\$ 10,423,081</u>

CITY OF GRANBURY, TEXAS

FUND BALANCES
GOVERNMENTAL FUNDS
(UNAUDITED)

LAST TEN FISCAL YEARS
(modified accrual basis of accounting)

	Fiscal Year			
	2015	2016	2017	2018
General fund				
Nonspendable	\$ 619,482	\$ 511,494	\$ 159,055	\$ 161,818
Restricted	497,395	471,552	472,999	1,636,077
Committed	270,982	231,344	301,256	422,419
Assigned	44,238	43,938	51,026	101,501
Unassigned	<u>3,798,559</u>	<u>4,785,111</u>	<u>6,223,898</u>	<u>7,658,716</u>
Total general fund	<u>\$ 5,230,656</u>	<u>\$ 6,043,439</u>	<u>\$ 7,208,234</u>	<u>\$ 9,980,531</u>
All other governmental funds				
Nonspendable	\$ -	\$ 5,800	\$ 5,040	\$ 17,078
Restricted	1,774,344	5,663,282	4,191,174	4,372,480
Committed	107,088	111,495	115,579	120,053
Unassigned	<u>(217,378)</u>	<u>(103,786)</u>	<u>(18,962)</u>	<u>-</u>
Total all other governmental funds	<u>\$ 1,664,054</u>	<u>\$ 5,676,791</u>	<u>\$ 4,292,831</u>	<u>\$ 4,509,611</u>

TABLE 3

Fiscal Year					
2019	2020	2021	2022	2023	2024
\$ 152,253	\$ 149,861	\$ 130,693	\$ 170,064	\$ 203,234	\$ 3,181,227
793,336	664,323	724,271	786,107	647,321	809,176
775,084	684,500	2,539,162	1,527,338	1,096,643	496,845
162,602	174,637	197,026	212,471	224,467	237,449
<u>8,688,187</u>	<u>9,878,471</u>	<u>11,777,670</u>	<u>14,767,225</u>	<u>15,217,411</u>	<u>14,589,689</u>
<u>\$ 10,571,462</u>	<u>\$ 11,551,792</u>	<u>\$ 15,368,822</u>	<u>\$ 17,463,205</u>	<u>\$ 17,389,076</u>	<u>\$ 19,314,386</u>
\$ 17,342	\$ 18,934	\$ 28,529	\$ 34,362	\$ 31,211	\$ 6,908
6,097,697	20,198,385	14,354,120	53,017,111	51,384,040	31,672,439
123,291	124,861	126,307	353,278	321,720	-
<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>(2,074,255)</u>
<u>\$ 6,238,330</u>	<u>\$ 20,342,180</u>	<u>\$ 14,508,956</u>	<u>\$ 53,404,751</u>	<u>\$ 51,736,971</u>	<u>\$ 29,605,092</u>

CITY OF GRANBURY, TEXAS

CHANGES IN FUND BALANCES
GOVERNMENTAL FUNDS
(UNAUDITED)

LAST TEN FISCAL YEARS
(modified accrual basis of accounting)

	Fiscal Year			
	2015	2016	2017	2018
REVENUES				
Taxes	\$ 13,994,697	\$ 14,872,298	\$ 15,733,847	\$ 16,663,653
Licenses and permits	703,918	613,565	737,790	838,574
Fines and fees	190,154	225,259	200,801	176,838
Charges for services	496,838	672,307	651,070	935,851
Intergovernmental	858,629	582,339	1,891,996	329,654
Park and recreation	-	-	-	-
Investment earnings	31,670	47,046	112,960	270,434
Other revenues	541,213	494,225	625,945	644,637
Total revenues	<u>16,817,119</u>	<u>17,507,039</u>	<u>19,954,409</u>	<u>19,859,641</u>
EXPENDITURES				
General government	4,745,797	4,905,160	5,353,951	5,065,550
Police	3,867,902	3,896,217	3,832,502	4,617,414
Fire	1,255,424	404,201	853,293	428,606
Streets	534,995	528,257	2,447,429	652,771
Building and permits	578,796	447,070	548,658	578,544
Parks recreation	2,114,803	1,795,998	1,744,042	1,761,169
Tourism	797,357	780,866	807,756	755,242
Conference Center	644,068	835,599	732,905	1,005,600
Capital projects	1,107,772	861,287	871,689	56,176
Other	672,887	891,118	773,205	678,080
Debt service:				
Principal	2,350,470	2,220,965	1,978,750	2,198,742
Interest	712,289	713,451	1,207,002	997,590
Bond issuance costs	297,604	373,502	-	-
Total expenditures	<u>19,680,164</u>	<u>18,653,691</u>	<u>21,151,182</u>	<u>18,795,484</u>
EXCESS OF REVENUES OVER (UNDER) EXPENDITURES	<u>(2,863,045)</u>	<u>(1,146,652)</u>	<u>(1,196,773)</u>	<u>1,064,157</u>
OTHER FINANCING SOURCES (USES)				
Proceeds from borrowing	3,919,383	10,250,850	347,802	572,131
Other resources	72,944	38,692	162,933	107,792
Leases/SBITA issued	-	-	-	-
Transfers in	2,420,229	2,012,029	1,918,857	2,465,142
Transfers out	<u>(5,201,486)</u>	<u>(6,329,399)</u>	<u>(1,451,984)</u>	<u>(1,220,145)</u>
Total other financing sources (uses)	<u>1,211,070</u>	<u>5,972,172</u>	<u>977,608</u>	<u>1,924,920</u>
NET CHANGE IN FUND BALANCES	<u>\$ (1,651,975)</u>	<u>\$ 4,825,520</u>	<u>\$ (219,165)</u>	<u>\$ 2,989,077</u>
DEBT SERVICE AS A PERCENTAGE OF NONCAPITAL EXPENDITURES	<u>18.6%</u>	<u>17.4%</u>	<u>18.7%</u>	<u>18.1%</u>

TABLE 4

Fiscal Year					
2019	2020	2021	2022	2023	2024
\$ 17,621,307	\$ 18,757,327	\$ 20,470,646	\$ 23,722,174	\$ 24,704,384	\$ 26,168,920
768,360	1,056,126	1,264,939	698,362	1,182,973	917,108
212,431	207,695	251,295	206,727	183,496	236,378
569,412	426,179	717,588	640,235	663,800	926,006
219,441	378,776	746,986	177,411	434,045	615,180
-	-	-	197,734	194,127	116,709
435,749	303,631	81,361	480,695	3,394,787	3,510,350
612,406	314,703	429,398	832,107	271,157	246,655
<u>20,439,106</u>	<u>21,444,437</u>	<u>23,962,213</u>	<u>26,955,445</u>	<u>31,028,769</u>	<u>32,737,306</u>
5,331,394	5,194,870	5,086,089	5,370,498	6,899,622	10,799,005
4,750,431	5,560,778	6,193,369	8,323,914	8,498,680	8,853,060
450,062	429,838	393,420	704,462	772,567	866,953
2,439,635	945,685	670,429	545,853	584,096	619,302
716,943	770,135	796,813	853,825	962,012	1,155,629
1,818,546	1,907,740	1,897,916	2,344,977	2,332,842	2,762,810
635,345	733,934	811,477	959,878	1,050,523	1,192,673
947,207	650,584	556,744	801,855	984,999	924,076
840,670	2,027,048	6,283,420	8,695,610	3,928,907	4,819,264
769,456	650,371	783,678	131,582	66,931	69,784
2,257,222	962,212	2,522,473	3,179,386	4,226,697	4,318,420
963,064	2,441,751	1,814,903	1,922,848	3,545,547	3,377,062
50,000	283,357	-	-	-	-
<u>21,969,975</u>	<u>22,558,303</u>	<u>27,810,731</u>	<u>33,834,688</u>	<u>33,853,423</u>	<u>39,758,038</u>
<u>(1,530,869)</u>	<u>(1,113,866)</u>	<u>(3,848,518)</u>	<u>(6,879,243)</u>	<u>(2,824,654)</u>	<u>(7,020,732)</u>
2,210,000	19,283,357	-	41,945,000	-	-
75,632	21,013	18,732	5,575,518	180,136	89,902
-	-	-	22,805	181,426	338,468
2,251,647	2,114,498	2,463,554	2,492,713	3,911,226	3,691,950
<u>(686,760)</u>	<u>(5,220,822)</u>	<u>(649,962)</u>	<u>(2,166,615)</u>	<u>(3,190,043)</u>	<u>(17,306,157)</u>
<u>3,850,519</u>	<u>16,198,046</u>	<u>1,832,324</u>	<u>47,869,421</u>	<u>1,082,745</u>	<u>(13,185,837)</u>
<u>\$ 2,319,650</u>	<u>\$ 15,084,180</u>	<u>\$ (2,016,194)</u>	<u>\$ 40,990,178</u>	<u>\$ (1,741,909)</u>	<u>\$ (20,206,569)</u>
<u>17.8%</u>	<u>17.1%</u>	<u>20.9%</u>	<u>23.7%</u>	<u>29.8%</u>	<u>23.1%</u>

CITY OF GRANBURY, TEXAS

PRINCIPAL SOURCE OF REVENUE

LAST TEN FISCAL YEARS
(modified accrual basis of accounting)

	Fiscal Year			
	2015	2016	2017	2018
Principal General Government Revenue Sources				
Sales and Use Tax	\$ 7,151,484	\$ 7,624,373	\$ 7,926,229	\$ 8,600,566
Ad Valorem Tax	4,577,167	4,945,177	5,394,768	5,619,520
Franchise Taxes	790,557	747,865	777,796	770,024
Utility Fund Franchise Tax	849,286	857,990	897,679	944,219
Hotel Occupancy Tax	626,203	696,893	737,375	729,324
All Other Sources	<u>2,822,422</u>	<u>2,634,741</u>	<u>4,220,562</u>	<u>3,195,988</u>
Total General Government Revenue	<u>\$ 16,817,119</u>	<u>\$ 17,507,039</u>	<u>\$ 19,954,409</u>	<u>\$ 19,859,641</u>

Current and comparative ad valorem tax rates are shown on page 96.

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	\$ 10,993,672	\$ 10,638,496	\$ 11,138,774	\$ 11,217,517
Water Sales	5,472,711	5,756,374	6,180,897	7,044,556
Wastewater Revenue	2,440,580	2,512,036	2,775,382	2,991,968
All Other	<u>1,583,938</u>	<u>1,448,509</u>	<u>1,665,037</u>	<u>1,626,704</u>
Total Utility Fund Revenue	<u>\$ 20,490,901</u>	<u>\$ 20,355,415</u>	<u>\$ 21,760,090</u>	<u>\$ 22,880,745</u>

TABLE 5

		Fiscal Year					
		2019	2020	2021	2022	2023	2024
\$	9,055,290	\$ 9,456,937	\$ 10,619,179	\$ 12,079,455	\$ 12,345,857	\$ 12,898,826	
	5,936,937	6,374,562	6,691,693	7,016,003	8,521,945	9,556,989	
	940,453	942,341	928,339	1,010,887	1,195,949	1,116,259	
	843,855	1,330,332	1,307,388	1,480,742	1,613,882	1,613,882	
	844,772	653,155	924,047	1,132,517	1,087,725	1,004,559	
	<u>2,817,799</u>	<u>2,687,110</u>	<u>3,491,567</u>	<u>1,405,967</u>	<u>3,786,848</u>	<u>2,207,706</u>	
\$	<u>20,439,106</u>	<u>\$ 21,444,437</u>	<u>\$ 23,962,213</u>	<u>\$ 24,125,571</u>	<u>\$ 28,552,206</u>	<u>\$ 28,398,221</u>	
\$	10,786,134	\$ 10,606,264	\$ 10,664,958	\$ 12,103,336	\$ 13,156,581	\$ 12,964,637	
	7,323,070	8,402,021	7,985,129	9,641,675	9,910,577	10,067,121	
	3,150,767	3,405,181	3,521,516	4,060,649	4,304,790	4,518,599	
	<u>1,726,951</u>	<u>1,984,000</u>	<u>2,215,847</u>	<u>1,233,959</u>	<u>1,599,176</u>	<u>2,186,874</u>	
\$	<u>22,986,922</u>	<u>\$ 24,397,466</u>	<u>\$ 24,387,450</u>	<u>\$ 27,039,619</u>	<u>\$ 28,971,124</u>	<u>\$ 29,737,231</u>	

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REVENUE CAPACITY

CITY OF GRANBURY

TABLE 6

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>
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
2021	2021-2022	1,867,152,326	4,900,170	1,872,052,496	0.38697
2022	2022-2023	2,333,109,265	5,221,430	2,338,330,695	0.38000
2023	2023-2024	2,675,490,329	3,251,650	2,678,741,979	0.38500

Source: Hood Central 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

TABLE 7

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		
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
2021	2021-2022	0.16556	0.22140	0.38697	0.420345	1.08880
2022	2022-2023	0.15765	0.22235	0.38000	0.331129	0.99960
2023	2023-2024	0.18683	0.19817	0.38500	0.282622	0.93420

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
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%
2021	2021-2022	6,971,640	(40,047)	6,931,594	6,905,432	99.6226%
2022	2022-2023	8,490,613	(58,470)	8,432,144	8,401,467	99.6362%
2023	2023-2024	9,723,012	(144,983)	9,578,029	9,521,680	0.0000%

Source: Hood Central Appraisal District

TABLE 8

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		
29,213	4,510,163	99.9161%	3,788	0.0839%
27,305	4,897,586	99.9198%	3,931	0.0802%
54,116	5,399,252	99.9252%	4,044	0.0748%
43,073	5,559,934	99.9670%	1,837	0.0330%
23,583	5,844,477	100.0248%	(1,451)	-0.0248%
24,401	6,333,970	99.8619%	8,757	0.1381%
18,780	6,625,174	99.9434%	3,749	0.0566%
13,776	6,919,208	99.8213%	12,385	0.1787%
-	8,401,467	99.6362%	30,676	0.3638%
-	9,521,680	99.4117%	56,349	0.5883%

CITY OF GRANBURY

CLASSIFICATION OF ASSESSED VALUATION

LAST TEN YEARS
(Unaudited)

<u>Fiscal Year Ending</u>	<u>9/30/2024</u>	<u>9/30/2023</u>	<u>9/30/2022</u>	<u>9/30/2021</u>
<u>Tax Year</u>	<u>2023</u>	<u>2022</u>	<u>2021</u>	<u>2020</u>
<i>Property use category</i>				
Real, Residential, Single family	\$ 1,704,360,772	\$ 1,442,116,251	\$ 1,025,779,903	\$ 906,891,557
Real, Residential, Multi-family	148,376,915	122,663,110	87,602,941	83,138,767
Real, Vacant Lots/Tracts	89,260,960	70,897,230	54,529,780	56,729,762
Real, Qualified Open-space Land	86,920,280	54,216,110	46,014,590	41,222,120
Real, Rural Land	31,794,993	23,915,760	18,987,160	9,297,130
Real, Commercial	765,448,880	687,089,247	549,439,121	545,753,570
Real, Industrial	2,605,410	2,479,820	2,563,620	2,723,230
Tangible Personal Property	4,443,790	5,495,160	5,710,590	4,871,310
Real/Tangible Personal, Utilities	26,543,210	24,647,540	23,528,030	22,234,860
Tangible Personal, Commercial	117,886,100	115,926,340	111,257,660	119,364,036
Tangible Personal, Industrial	2,824,160	5,076,780	4,694,130	7,712,560
Tangible Personal, Mobile Homes	427,490	144,650	206,040	227,280
Real Property, Inventory	15,252,560	12,527,800	16,429,560	10,760,620
Special Inventory	49,185,770	38,304,160	29,306,440	21,866,580
Real Minerals/Oil & Gas	11,369,270	8,917,330	3,076,760	3,931,490
Mixed PTD	<u>(720)</u>	<u>-</u>	<u>6,670</u>	<u>675,563</u>
Total Appraised Value	<u>\$ 3,056,699,840</u>	<u>\$ 2,614,417,288</u>	<u>\$ 1,979,132,995</u>	<u>\$ 1,837,400,435</u>
Less: Exemptions or Deductions:				
Optional>65 Res. Homestead	\$ 30,748,434	\$ 30,087,245	\$ 27,071,926	\$ 25,296,415
Disabled/Deceased Veterans	38,350,665	31,426,206	17,645,780	15,052,819
Agriculture & Unheard Protests	85,765,530	54,221,360	45,624,310	40,666,520
Residential, Capped Value Loss	218,475,618	154,407,761	11,987,249	9,113,423
Other	<u>4,617,614</u>	<u>5,944,021</u>	<u>4,751,234</u>	<u>5,803,619</u>
Total Exemptions	<u>\$ 377,957,861</u>	<u>\$ 276,086,593</u>	<u>\$ 107,080,499</u>	<u>\$ 95,932,796</u>
Net Assessed Valuation	<u>\$ 2,678,741,979</u>	<u>\$ 2,338,330,695</u>	<u>\$ 1,872,052,496</u>	<u>\$ 1,741,467,639</u>
Percent of Fair Market Value	100%	100%	100%	100%

Source: Hood Central Appraisal District

TABLE 9

9/30/2020	9/30/2019	9/30/2018	9/30/2017	9/30/2016	9/30/2015
2019	2018	2017	2016	2015	2014
\$ 820,251,664	\$ 716,225,506	\$ 626,908,890	\$ 564,533,270	\$ 527,546,060	\$ 501,976,240
80,784,467	55,947,220	57,507,490	51,110,960	47,024,980	44,482,770
58,665,970	63,181,070	62,954,700	68,636,150	60,718,140	58,541,910
43,636,830	44,317,190	44,373,730	47,088,100	44,881,390	46,750,000
9,300,540	7,734,330	7,450,720	7,249,500	7,584,980	7,213,810
520,693,810	496,522,065	507,380,480	507,984,820	434,696,240	392,331,310
3,000,130	2,807,450	2,852,840	2,622,570	2,147,740	2,116,560
5,108,170	5,132,400	3,604,400	3,474,740	1,004,350	965,040
22,145,260	20,508,560	20,807,760	19,935,130	17,323,730	12,524,180
116,067,470	121,337,510	115,199,910	121,399,950	115,944,620	102,257,650
5,757,840	1,574,100	9,035,070	22,037,920	15,707,560	9,050,770
289,770	337,030	341,190	378,440	370,420	345,590
17,896,380	7,934,600	7,903,750	8,939,530	9,021,500	9,036,230
21,197,180	21,864,380	19,880,940	20,134,780	19,063,260	18,107,580
7,862,890	7,287,580	3,910,240	4,337,100	11,736,060	12,353,800
<u>(23,083)</u>	<u>(144,300)</u>	<u>(23,500)</u>	<u>(4,980)</u>	<u>(88,546)</u>	<u>(6,070)</u>
<u>\$ 1,732,635,288</u>	<u>\$ 1,572,566,691</u>	<u>\$ 1,490,088,610</u>	<u>\$ 1,449,857,980</u>	<u>\$ 1,314,682,484</u>	<u>\$ 1,218,047,370</u>
\$ 24,085,379	\$ 21,874,370	\$ 20,464,770	\$ 19,261,650	\$ 17,924,460	\$ 16,231,640
11,999,630	9,602,019	7,069,829	5,207,004	5,321,866	4,593,900
43,075,280	43,971,470	44,052,720	46,764,630	44,541,430	46,408,000
11,689,567	3,954,032	2,831,037	2,353,530	753,550	1,076,290
<u>2,976,688</u>	<u>(215,145)</u>	<u>2,149,169</u>	<u>2,851,838</u>	<u>3,710,212</u>	<u>5,396,259</u>
<u>\$ 93,826,544</u>	<u>\$ 79,186,746</u>	<u>\$ 76,567,525</u>	<u>\$ 76,438,652</u>	<u>\$ 72,251,518</u>	<u>\$ 73,706,089</u>
<u>\$ 1,638,808,744</u>	<u>\$ 1,493,379,945</u>	<u>\$ 1,413,521,085</u>	<u>\$ 1,373,419,328</u>	<u>\$ 1,242,430,966</u>	<u>\$ 1,144,341,281</u>
100%	100%	100%	100%	100%	100%

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CITY OF GRANBURY

TABLE 10

TOP TEN AD VALOREM TAXPAYERS
CURRENT YEAR AND TEN YEARS AGO
(Unaudited)

Taxpayer	Tax Year 2023			Tax Year 2013		
	Rank	Taxable Assessed Valuation	Percent of Total Assessed Valuation	Rank	Taxable Assessed Valuation	Percent of Total Assessed Valuation
Lake Villas Apartment LLC	1	\$ 37,800,000	1.62%			
Lakehouse Apartment LLC	2	30,150,000	1.29%			
Welltower TCG Ridea Land	3	27,060,680	1.16%			
Granbury Brazos Crossing	4	23,000,000	0.98%			
Hood County Hospital	5	18,387,790	0.79%			
Kroger Texas LP	6	16,805,960	0.72%			
Rolling Terrace Circle	7	16,719,080	0.72%			
Shottenkirk	8	16,213,490	0.69%			
Welltower TCG NNN Land	9	12,101,000	0.52%			
Luton Ranch SC LP	10	14,100,000	0.60%			
Health Care Reit Inc				1	\$ 21,097,320	1.94%
Hood General Hospital				2	12,776,400	1.18%
HEB Grocery Company LP				3	9,936,960	0.91%
Wal-Mart Real Estate Business				4	9,139,050	0.84%
Pacific Lake Granbury LP				5	9,000,000	0.83%
HCRI Texas Properties LTD				6	7,627,630	0.70%
Quicksilver Resources-Minerals				7	7,381,250	0.68%
1909 Partners, LP				8	7,120,150	0.66%
Lowes Home Centers Inc				9	7,034,200	0.65%
HD Development Properties				10	6,990,080	0.64%
		<u>\$ 212,338,000</u>	9.09%		<u>\$ 98,103,040</u>	9.03%

Source: Hood Central Appraisal District

CITY OF GRANBURY

SALES TAX REVENUE BY BUSINESS TYPE
(Unaudited)

SEPTEMBER 30, 2024

Fiscal Year	Fiscal Year			
	2024	2023	2022	2021
<i>Sales Tax Category</i>				
Retail:				
Building Materials	\$ 1,803,600	\$ 457,212	\$ 2,229,261	\$ 1,839,785
All Other Retail	1,705,897	361,093	1,553,811	1,331,718
General Merchandise	1,389,981	1,114,294	1,530,537	1,296,851
Food Retail	1,185,645	1,983,798	995,946	959,732
Apparel Stores	417,692	412,660	457,597	376,270
Motor Vehicle & Parts	727,292	1,373,237	441,660	377,814
Furniture & Home Furnishings	365,496	1,685,348	397,086	352,032
Total Retail	<u>7,595,603</u>	<u>7,387,642</u>	<u>7,605,898</u>	<u>6,534,202</u>
Agriculture/Manufacturing/Mining	1,331,516	576,075	2,224,530	1,604,319
Services	1,761,604	1,929,535	1,637,023	1,380,614
Wholesalers	576,722	467,809	662,576	463,753
Food & Accommodation	490,287	1,709,199	571,702	426,763
All Other	<u>1,143,094</u>	<u>275,595</u>	<u>380,608</u>	<u>209,528</u>
Total Sales Tax Received	<u>\$ 12,898,826</u>	<u>\$ 12,345,855</u>	<u>\$ 13,082,337</u>	<u>\$ 10,619,179</u>
City Sales Tax Rate	1.50%	1.50%	1.50%	1.50%

Source: ZacTax Sales Tax Analysis and Reporting Service

TABLE 11

Fiscal Year					
2020	2019	2018	2017	2016	2015
\$ 1,628,937	\$ 1,410,398	\$ 1,334,958	\$ 1,371,254	\$ 1,132,022	\$ 1,038,175
1,198,229	985,934	943,132	830,798	406,431	352,429
1,268,068	1,269,391	1,263,430	1,191,687	1,184,226	1,164,962
846,844	807,247	758,695	716,197	664,547	625,422
277,872	268,114	262,122	220,794	231,035	191,794
365,063	366,567	405,353	370,879	313,972	357,382
279,944	225,199	196,754	169,716	172,403	165,189
<u>5,864,957</u>	<u>5,332,850</u>	<u>5,164,444</u>	<u>4,871,325</u>	<u>4,104,636</u>	<u>3,895,353</u>
1,512,592	1,672,092	1,459,290	1,276,362	1,210,484	713,673
1,196,458	1,182,787	1,152,846	1,051,885	947,192	888,846
450,276	416,720	413,600	354,932	352,589	291,357
355,171	390,026	384,946	340,329	565,717	557,188
<u>77,483</u>	<u>60,816</u>	<u>25,440</u>	<u>31,399</u>	<u>443,754</u>	<u>805,067</u>
<u>\$ 9,456,937</u>	<u>\$ 9,055,291</u>	<u>\$ 8,600,566</u>	<u>\$ 7,926,232</u>	<u>\$ 7,624,372</u>	<u>\$ 7,151,484</u>
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	2024	2023	2022	2021	2020
Residential	\$ 4,400,411	\$ 4,462,546	\$ 4,101,578	\$ 3,693,725	\$ 3,702,701
Commercial	7,405,933	7,523,117	6,596,715	5,027,037	5,187,784
Other	<u>1,056,065</u>	<u>1,066,660</u>	<u>992,536</u>	<u>1,754,624</u>	<u>1,715,779</u>
Total	<u>\$ 12,862,409</u>	<u>\$ 13,052,323</u>	<u>\$ 11,690,829</u>	<u>\$ 10,475,386</u>	<u>\$10,606,264</u>

WATER SALES

Type of Customer	2024	2023	2022	2021	2020
Residential	\$ 4,510,244	\$ 4,853,235	\$ 5,023,034	\$ 4,462,754	\$ 4,387,350
Commercial	4,577,132	4,621,483	3,972,167	2,984,840	3,629,901
Other	<u>174,488</u>	<u>182,783</u>	<u>182,828</u>	<u>369,543</u>	<u>384,770</u>
Total	<u>\$ 9,261,864</u>	<u>\$ 9,657,501</u>	<u>\$ 9,178,029</u>	<u>\$ 7,817,137</u>	<u>\$ 8,402,021</u>

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.

TABLE 12**ELECTRICITY SALES**

2019	2018	2017	2016	2015
\$ 3,622,407	\$ 3,792,144	\$ 3,580,932	\$ 3,420,101	\$ 3,505,676
5,375,791	5,504,278	6,959,122	6,646,565	6,632,906
<u>1,787,936</u>	<u>1,921,095</u>	<u>598,720</u>	<u>571,830</u>	<u>851,383</u>
<u>\$10,786,134</u>	<u>\$11,217,517</u>	<u>\$11,138,774</u>	<u>\$10,638,496</u>	<u>\$10,989,965</u>

WATER SALES

2019	2018	2017	2016	2015
\$ 3,729,829	\$ 3,815,847	\$ 2,747,226	\$ 2,558,538	\$ 2,614,942
3,178,201	2,843,730	3,280,440	3,055,130	2,889,001
<u>415,038</u>	<u>384,979</u>	<u>153,230</u>	<u>142,706</u>	<u>34,250</u>
<u>\$ 7,323,068</u>	<u>\$ 7,044,556</u>	<u>\$ 6,180,896</u>	<u>\$ 5,756,374</u>	<u>\$ 5,538,193</u>

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TOP TEN UTILITY RATE PAYERS BY RATE TYPE
 COMPARED TO FIVE YEARS AGO
 (Unaudited)

SEPTEMBER 30, 2023

Ten Largest Electric Customers

Customers	Annual Kwh Consumed (in thousands of Kwh)			
	2024		2019	
	Rank	Consumption	Rank	Consumption
Lake Granbury Medical Center	1	8,411	3	5,792
City of Granbury	2	7,875	1	7,053
GISD	3	7,180	2	6,586
Hood County	4	3,118	6	1,889
Brookshire Grocery Co.	5	2,464	4	2,596
Waterview Point Retirement	6	1,680	5	1,894
Lowe's Home Center	7	1,541	7	1,677
Waterview Cove	8	1,040	9	1,254
Hilton Garden Inn	9	959	10	1,054
AT&T	10	914		
Medproperties Granbury, LLC			8	1,517

Ten Largest Water Customers

Customers	Annual Gallons Consumed (in hundreds of gallons)			
	2024		2019	
	Rank	Consumption	Rank	Consumption
Lake Granbury Medical Center	1	156,885	4	91,200
Home Depot	2	131,702		
Creative Solutions	3	110,711	3	121,575
Lakehouse Equity Fund	4	99,659	7	52,888
City Of Granbury	5	92,209	2	156,585
Hood County	6	86,236	5	88,643
Waterview Point Retirement	7	78,645	9	41,769
HEB Grocery Co	8	61,932	10	40,423
GISD	9	59,882	6	84,834
Goldcreek Homes	10	55,212		
Shottenkirk Toyota Granbury		23,986	8	42,331
Monarch Utilities		19,042	1	241,114

CITY OF GRANBURY

UTILITY SERVICE RATES
ELECTRIC, WATER AND SEWER
(Unaudited)

SEPTEMBER 30, 2024

Electric Rate Structure		
Residential Rate Structure		
<i>Electric</i>	<i>Inside City Limits</i>	<i>Outside City Limits</i>
Minimum charge	16	25.00
Energy Charge per/kWh	0.0539	0.0539
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
Energy Charge per/kWh	0.0539	0.0539
Power Cost Adjustment Factor - 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	19.20	29.53
Rate per 1,000 gallons:		
0-2,000 gallons	6.00	9.01
2,000- 10,000 gallons	8.10	12.14
10,001-20,000 gallons	9.31	13.96
over 20,000 gallons	9.60	14.41
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	21.60	30.00
1" Meters	44.40	62.41
2" Meters	208.82	292.83
3" and 4" Meters	417.64	585.65
6" Meters	693.15	971.48
Rate per 1,000 gallons:		
0-2,000 gallons	6.00	9.01
2,000- 10,000 gallons	8.10	12.14
10,001-20,000 gallons	9.31	13.96
over 20,000 gallons	9.60	14.41

CITY OF GRANBURY

TABLE 14

UTILITY SERVICE RATES
ELECTRIC, WATER AND SEWER
(Unaudited)

SEPTEMBER 30, 2024

Sewer Rate Structure		
Residential Rate Structure		
Sewer	Inside City Limits	Outside City Limits
Minimum Charge	28.66	40.61
Rate per 1,000 gallons	4.18	6.28
Commercial/ Multi Unit Rate Structure		
Sewer	Inside City Limits	Outside City Limits
Minimum- Small Commercial	43.59	53.15
Minimum- Large Commercial	70.62	86.10
Minimum- Multi Unit	10.15	15.23
Rate per 1,000 gallons	4.18	6.28
Garbage Rate Structure		
Garbage	Inside City Limits	Outside City Limits
Residential Customer	17.36	n/a
Commercial Customer	*varies	n/a
* rates will be set by type, amount, and frequency of service		
All Customers	Inside City Limits	Outside City Limits
Residential Sales Tax	8.25%	n/a
Commercial Sales Tax	8.25%	n/a

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DEBT CAPACITY

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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
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	1,333,085	16,741,520
2022	1,872,052,496	14,700,808	1,054,512	13,646,296
2023	2,338,330,695	12,927,016	1,151,925	11,775,091
2024	2,678,741,979	11,142,208	595,795	10,546,413

Year Ended September 30	Ratio Net General Bonded Debt to Assessed Value	Estimated Population	Net General Bonded Debt Per Capita
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	0.96%	11,490	1,457
2022	0.73%	11,852	1,151
2023	0.50%	12,391	950
2024	0.39%	13,148	802

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, 2024

Fiscal Year	Governmental Activities			Business-type Activities		
	General Obligation Bonds	Combined Tax & Revenue Certificates of Obligation	Notes/ Financing/ Leases/ SBITA	Utility Revenue Bonds	General Obligation Bonds	Combined Tax & Revenue Certificates of Obligation
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
2022	9,203,255	77,024,843	881,494	-	5,497,553	77,235,000
2023	8,048,505	74,774,872	460,015	-	4,878,511	74,655,000
2024	6,895,239	72,044,024	914,675	-	4,246,969	72,050,000

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

TABLE 16

Business-type		Total Government-wide Indebtedness				
Activities						
Notes/ Financing/ Leases/ SBITA		Total Government-wide Indebtedness	Estimated Population	Total Debt per Capita	Per Capita Income	Debt as Percent of Personal Income
\$ 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%
2,411,555		172,253,700	11,852	14,534	39,715	36.60%
853,375		163,670,278	12,391	13,209	45,579	28.98%
710,795		156,861,702	13,148	11,930	44,436	26.85%

ESTIMATED DIRECT AND OVERLAPPING AD VALOREM
SUPPORTED GROSS DEBT STATEMENT

AS OF SEPTEMBER 30, 2024
(Unaudited)

<u>Governmental Subdivision</u>	<u>Gross Debt</u>	<u>Estimated Percent Applicable (1)</u>	<u>Direct and Estimated Overlapping Bonded Debt</u>
<u>Direct:</u>			
• City of Granbury	\$ 79,853,938	100.00%	<u>\$ 79,853,938</u>
Total Direct Debt			<u>79,853,938</u>
<u>Overlapping:</u>			
• Granbury Independent School District	67,345,000	22.95%	15,455,678
• Hood County	6,342,000	21.93%	<u>1,390,801</u>
Total Overlapping Debt			<u>16,846,479</u>
<u>Total Direct and Overlapping Consolidated Gross Debt Outstanding</u>			<u>\$ 96,700,417</u>
Direct and Overlapping Gross Debt Per Capita		A.	\$ 7,355
Ratio of Direct and Overlapping Gross Debt to 2023 Net Assessed Valuation		B.	3.61%

A. Based on population estimate of 13,148 as of 9/30/2024.

B. Based on the assessed valuation of \$2,678,741,979 for tax year 2023.

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 Central Appraisal District.

CITY OF GRANBURY

TABLE 18

COMPUTATION OF LEGAL DEBT MARGIN

SEPTEMBER 30, 2024
(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>0.385</u>
Available Tax Rate	<u>\$ 2.115</u>

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

<u>Tax Year</u>	<u>Fiscal Year</u>	<u>Assessed Value (Adjusted)</u>	<u>Maximum Allowable Taxable Amount</u>	<u>Actual Tax Levy</u>	<u>Margin</u>
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
2021	2021-2022	1,872,052,496	46,801,312	6,971,640	39,829,672
2022	2022-2023	2,338,330,695	58,458,267	8,490,613	49,967,654
2023	2023-2024	2,678,741,979	66,968,549	8,490,613	58,477,936

CITY OF GRANBURY
MUNICIPAL UTILITY REVENUE BOND COVERAGE

TABLE 19

LAST TEN YEARS
(Unaudited)

Fiscal Year	Total Revenues	Direct Operating Expenses	Net Available for Debt Service	Annual Requirement	Times Coverage
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 *
2022	25,689,528	15,112,177	10,577,351	-	N/A *
2023	27,585,358	16,635,331	10,950,027	-	N/A *
2024	27,676,109	18,716,988	8,959,121	-	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.

CITY OF GRANBURY

TABLE 20

RATIO OF ANNUAL DEBT SERVICE
FOR GENERAL BONDED DEBT TO
TOTAL GENERAL EXPENDITURES

Last Ten Years
(Unaudited)

<u>Fiscal Year</u>	<u>Principal</u>	<u>Interest and Charges</u>	<u>Total Debt Service</u>	<u>Total General Expenditures</u>	<u>Ratio of Debt Service to Total General Expenditures</u>
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%
2022	2,759,000	1,399,803	4,158,803	18,275,429	22.7563%
2023	2,903,287	2,042,311	4,945,598	20,974,043	23.5796%
2024	2,903,287	2,042,311	4,945,598	23,407,224	21.1285%

CITY OF GRANBURY

TABLE 21

PROPERTY VALUE AND CONSTRUCTION

LAST TEN YEARS
(Unaudited)

<u>Year Ended September 30</u>	<u>Assessed Value (Adjusted)</u>	<u>Building Permits Issued</u>	<u>Percent Change</u>	<u>Estimated Value of Construction All Permits</u>	<u>Percent Change</u>
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%
2022	1,872,052,496	471	31.93%	45,633,467	-31.50%
2023	2,338,330,695	65	*	13,575,356	*
2024	2,678,741,979	89	*	23,448,029	*

* Due to a security breach in July 2023, all systems were taken offline and not fully restored by time of publication, therefore the building permit data for 2023 & 2024, represent only the Residential New Construction data submitted to the Census & Billing Statistics Reports.

DEMOGRAPHIC AND ECONOMIC INFORMATION

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CITY OF GRANBURY**TABLE 22**

DEMOGRAPHIC STATISTICS

LAST TEN YEARS
(Unaudited)

<u>Year Ended September 30</u>	<u>Estimated Population</u>	<u>Unemployment Rate for Hood County</u>	<u>School Enrollment</u>	<u>Per Capita Income</u>
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 *
2022	11,852	3.0%	7,806	39,715
2023	12,391	3.1%	7,954	45,579
2024	13,148	3.7%	7,933	44,436

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) and/or National Center for Education Statistics (nces.ed.gov)

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

CITY OF GRANBURY

EMPLOYERS AND SELECTED STATISTICS

(Unaudited)

MAJOR EMPLOYERS

Employer	Line of Business	2024		
		Employees	Rank	% of Total Employed
Granbury ISD	School District	1,469	1	4.8%
Lake Granbury Medical	Medical Services	700	2	2.3%
Walmart Supercenter	Retail	450	4	1.5%
Hood County	County Government	364	3	1.2%
H - E - B	Retail	363	4	1.2%
City of Granbury	Municipal Government	202	5	0.7%
Integrity Biochem	Manufacturing-Chemicals	190	6	0.6%
First National Bank of Granbury	Banking & Finance	163	7	0.5%
Lowe's	Home Improvement	160	8	0.5%
Kroger	Retail	153	9	0.5%
Home Depot	Home Improvement	153	10	0.5%
Granbury Care Center	Nursing Home	135		0.4%
Culberson Construction	Hombuilders	100		0.3%
United Cooperative Svc	Utility Services	50		0.2%
	Total	4,652		15.2%

SELECTED BUSINESS STATISTICS

	2024	2023	2022
Total Number Employed, Hood County	30,415	30,038	28,490
Number of Business Establishments, Hood County	1,697	1,694	1,683
Number of Households, Granbury	5,640	5,165	4,883

*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: ESRI 2022; Texas Workforce Solutions, Granbury Economic Development;

United Census Bureau (http://factfinder.census.gov/faces/nav/jsf/pages/community_facts.xhtml);

TABLE 23

2014		
Employees	Rank	% of Total Employed
1,000	1	3.4%
438	2	1.5%
417	3	1.4%
350	4	1.2%
216	6	0.7%
180	8	0.6%
139	10	0.5%
180	7	0.6%
325	5	1.1%
153	9	0.5%
<u>3,398</u>		<u>11.5%</u>

2021	2020	2019	2018
27,297	25,641	26,820	29,075
1,602	1,557	1,515	1,626
4,091*	4,091	3,996	4,104

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OPERATING INFORMATION

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CITY OF GRANBURY

TABLE 24

CITY EMPLOYEES BY JOB TYPE

LAST TEN FISCAL YEARS
(Unaudited)

Job Classification	Count of Employees by Year									
	2024	2023	2022	2021	2020	2019	2018	2017	2016	2015
Building Inspectors	12	12	12	10	8	10	9	8	9	10
Computer Install, Inspec	5	4	4	2	1	2	3	3	3	3
Street & Road Repair	7	7	7	7	7	7	7	7	7	7
Drivers	3	3	3	2	3	3	3	3	3	3
Airport Operations	5	4	4	4	6	6	6	6	6	6
Waterworkers	25	25	25	24	24	20	19	19	16	14
Electric Distribution	8	8	8	7	7	7	7	8	7	7
Sewage Treatment	16	16	16	15	15	14	9	9	9	9
TV or Radio	2	2	2	1	1	1	1	1	1	1
Firefighters-Volunteer	68	65	54	54	58	49	58	62	35	47
Police Officers	48	47	46	45	46	44	39	36	34	34
Warehouse Operation	2	2	2	2	2	2	2	2	2	2
Automobile Repair	4	4	4	3	3	3	3	3	3	3
Promotional/Development	2	2	1	-	4	5	2	2	2	2
Clerical-Office	48	47	47	39	46	44	36	36	36	37
Animal Control	1	1	1	1	1	1	1	1	1	1
Building Maintenance	14	14	15	13	13	12	13	13	13	12
Restaurants	7	7	7	8	5	5	6	6	6	6
Parks & Recreation	<u>25</u>	<u>25</u>	<u>25</u>	<u>43</u>	<u>30</u>	<u>25</u>	<u>26</u>	<u>26</u>	<u>26</u>	<u>26</u>
Total	<u>302</u>	<u>295</u>	<u>282</u>	<u>277</u>	<u>280</u>	<u>260</u>	<u>250</u>	<u>251</u>	<u>219</u>	<u>230</u>

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	2024	2023	2022	2021
City-Owned Equipment				
Vehicles	151	143	135	128
Mobile Equipment	119	112	108	105
Street Department				
Roadway (<i>in miles</i>)	64	64	64	64
City Parks				
Maintained Public Parks (<i>in acres</i>)	130	126	126	126
Athletic Fields:				
Soccer Fields	8	8	8	8
Ball Fields	9	9	9	9
Basketball Court	1.5	1.5	1.5	1.5
Volleyball Pit	2	2	2	2
Playgrounds	6	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	2.93
Splash Park	1	1	1	1
Airport				
Enclosed Hangars	75	75	75	75
Open T-Hangars	9	9	9	9
Commercial Hangars	9	9	8	8
Water Department				
Water lines (<i>in miles</i>)	158.5	157.5	156.8	155.7
Wells	15	18	18	18
Water Plant	1	1	1	1
Sewer Department				
Lift Stations	45	43	43	43
Sewer lines (<i>in miles</i>)	52.4	52.3	50.8	50.5
Electric Department				
Overhead Line (<i>in miles</i>)	87	87	87	87
Underground Line (<i>in miles</i>)	27	26	25	24

Source: City of Granbury records

TABLE 25

2020	2019	2018	2017	2016	2015
123	145	146	137	132	142
104	89	88	114	119	117
62.4	62.4	57	55	54	53
126	110	110	110	110	110
8	8	8	8	8	8
9	9	9	9	9	9
1.5	1.5	1	1	1	2
2	2	2	2	2	2
4	4	4	4	4	4
2	2	2	2	2	2
1	1	1	1	1	1
2.93	2.93	2.75	2.75	2.75	2.5
1	1	1	1	1	1
75	75	75	75	75	75
9	9	9	9	9	7
8	8	8	8	8	5
155.4	151.5	150.0	135.0	135.0	121.5
18	36	36	36	36	33
1	1	1	1	1	1
44	43	42	42	42	43
50.2	46.4	44.9	44.9	44.9	44.4
87	87	87	87	87	87
23	23	17	13	11	11

CITY OF GRANBURY

OPERATING INDICATORS

LAST TEN FISCAL YEARS
(Unaudited)

<u>Fiscal Year</u>	<u>2024</u>	<u>2023</u>	<u>2022</u>	<u>2021</u>
Municipal Court				
Citations Processed	2,167	1,662	2,053	2,409
Police Department				
Calls for Service	24,882	27,085	30,816	28,483
Arrests	673	645	764	791
Accidents	1,065	1,103	1,217	1,085
Fire Department				
Calls for Service: Fire/Rescue	1,164	1,185	1,104	944
Calls for Service: EMS	370	391	369	421
Community Services				
Building Permits Issued	167	*	471	679
Building Permits Value (\$)	*	*	45,633,467	111,739,613
	*	*	-59%	11%
Utility Department				
Electric Connections	3,879	3,887	3,577	3,470
Water Connections	6,640	6,600	6,550	6,257
Sewer Connections	5,560	5,565	5,528	5,088
Electric Department				
KWH Sold	92,542,118	95,642,747	96,727,254	88,712,480
Water Department				
Well Production (<i>in gallons, 000</i>)	78,034	141,927	141,327	262,492
Water Plant Production (<i>in gallons, 000</i>)	826,217	832,832	887,831	580,816
Water purchased (<i>in gallons, 000</i>)	-	-	-	-
Wastewater Department				
Discharge Flow (<i>in gallons, 000</i>)	482,586	482,616	455,494	487,816

Source: City of Granbury records from departments.

* Due to a security breach in July 2023, all systems were taken offline and not fully restored by time of publication, therefore the building permit data is currently not available.

TABLE 26

2020	2019	2018	2017	2016	2015
2,002	2,004	1,898	1,480	1,715	1,480
26,541	20,920	21,762	21,326	21,453	19,620
669	693	757	661	606	655
953	881	952	959	736	948
925	916	946	921	817	753
365	251	260	269	731	740
939	357	376	328	235	228
100,944,108	66,617,919	63,941,951	55,733,558	43,439,911	45,685,267
52%	4%	15%	28%	-5%	-14%
3,439	3,376	3,341	3,313	3,317	3,304
6,067	5,776	5,659	5,393	5,366	5,314
4,927	4,797	4,798	4,415	4,156	3,977
89,652,143	90,564,811	93,003,141	88,061,026	89,408,844	93,693,230
302,000	300,990	290,294	510,595	531,715	511,391
509,701	432,200	378,813	45,380	48,311	69,448
-	-	13,600	110,856	98,670	85,706
468,239	515,495	473,960	464,185	509,657	500,186

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COMPLIANCE SECTION

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**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**

Honorable Mayor
and Members of the City Commission
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, 2024, 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 18, 2025.

Report on Internal Control Over Financial Reporting

In planning and performing our audit of the financial statements, we considered the City Granbury, Texas' internal control over financial reporting (internal control) as a basis for designing 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 internal control 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.

Report on Compliance and Other Matters

As part of obtaining reasonable assurance about whether the City of Granbury, Texas' financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have 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 City of Granbury, Texas' internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

Pattillo, Brown & Hill, L.L.P.

Waco, Texas
March 18, 2025

**INDEPENDENT AUDITOR’S REPORT ON COMPLIANCE FOR EACH MAJOR
FEDERAL PROGRAM AND REPORT ON INTERNAL CONTROL OVER
COMPLIANCE IN ACCORDANCE WITH THE UNIFORM GUIDANCE**

Honorable Mayor
and Members of the City Commission
City of Granbury, Texas

Report on Compliance for Each Major Federal Program

Opinion on Each Major Federal Program

We have audited the City of Granbury, Texas’ (the “City”) compliance with the types of compliance requirements identified as subject to audit in the OMB *Compliance Supplement* that could have a direct and material effect on each of the City of Granbury, Texas’s major federal programs for the year ended September 30, 2024. The City of Granbury, Texas’s major federal programs are identified in the summary of auditor’s results section of the accompanying schedule of findings and questioned costs.

In our opinion, the City of Granbury, Texas complied, in all material respects, with the 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, 2024.

Basis for Opinion on Each Major Federal Program

We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America (GAAS); the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States (*Government Auditing Standards*); 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). Our responsibilities under those standards and the Uniform Guidance are further described in the Auditor’s Responsibilities for the Audit of Compliance section of our report.

We are required to be independent of the City of Granbury, Texas and to meet our other ethical responsibilities, in accordance with relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion on compliance for each major federal program. Our audit does not provide a legal determination of the City of Granbury, Texas’s compliance with the compliance requirements referred to above.

Responsibilities of Management for Compliance

Management is responsible for compliance with the requirements referred to above and for the design, implementation, and maintenance of effective internal control over compliance with the requirements of laws, statutes, regulations, rules and provisions of contracts or grant agreements applicable to the City of Granbury, Texas’s federal programs.

Auditor's Responsibilities for the Audit of Compliance

Our objectives are to obtain reasonable assurance about whether material noncompliance with the compliance requirements referred to above occurred, whether due to fraud or error, and express an opinion on the City of Granbury, Texas's compliance based on our audit. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with GAAS, *Government Auditing Standards*, and the Uniform Guidance will always detect material noncompliance when it exists. The risk of not detecting material noncompliance resulting from fraud is higher than that resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Noncompliance with the compliance requirements referred to above is considered material, if there is a substantial likelihood that, individually or in the aggregate, it would influence the judgment made by a reasonable user of the report on compliance about the City of Granbury, Texas's compliance with the requirements of each major federal program as a whole.

In performing an audit in accordance with GAAS, *Government Auditing Standards*, and the Uniform Guidance, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material noncompliance, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the City of Granbury, Texas's compliance with the compliance requirements referred to above and performing such other procedures as we considered necessary in the circumstances.
- Obtain an understanding of the City of Granbury, Texas's internal control over compliance relevant to the audit in order to design audit procedures that are appropriate in the circumstances 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 the City of Granbury, Texas's internal control over compliance. Accordingly, no such opinion is expressed.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and any significant deficiencies and material weaknesses in internal control over compliance that we identified during the audit.

Report on Internal Control 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 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 Auditor's Responsibilities for the Audit of Compliance above and was not designed to identify all deficiencies in internal control over compliance that might be material weaknesses or significant deficiencies in internal control over compliance. Given these limitations, during our audit we did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses, as defined above. However, material weaknesses or significant deficiencies in internal control over compliance may exist that were not identified.

Our audit was not designed for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, no such opinion is expressed.

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.

Pattillo, Brown & Hill, L.L.P.

Waco, Texas
March 18, 2025

CITY OF GRANBURY, TEXAS

SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS

FOR THE YEAR ENDED SEPTEMBER 30, 2024

Federal Grantor/Pass-through Grantor/ Program Title	Assistance Listing Number	Pass-through Grantor's Number	Expenditures
<u>U. S. Department of Housing and Urban Development</u>			
Passed through Texas Department of Agriculture: Community Development Block Grant	14.228	CDV21-0085	\$ 302,500
Total Passed through Texas Department of Agriculture			<u>302,500</u>
Subtotal assistance listing number 14.228			<u>302,500</u>
Total U. S. Department of Housing and Urban Development			<u>302,500</u>
<u>Office of the Governor</u>			
Passed through North Central Texas Council of Government: Emergency Response Equipment	16.738	4850301	<u>56,208</u>
Total Passed through North Central Texas Council of Governments			<u>56,208</u>
Subtotal assistance listing number 16.738			<u>56,208</u>
Total Office of the Governor			<u>56,208</u>
<u>U. S. Department of Treasury</u>			
Passed through Texas Department of Emergency Management: American Rescue Plan Fiscal Recovery Funds (COVID-19)	21.027	2021CLFRF	<u>2,475,555</u>
Total Passed through Texas Department of Emergency Management			<u>2,475,555</u>
Subtotal assistance listing number 21.027			<u>2,475,555</u>
Total U. S. Department of Treasury			<u>2,475,555</u>
<u>U. S. Environmental Protection Agency</u>			
Passed through from Texas Water Development Board : Capitalization Grants for Drinking Water State Revolving Funds	66.458	L1000980	<u>2,416,022</u>
Total Passed through from Texas Water Development Board			<u>2,416,022</u>
Clean Water State Revolving Fund Cluster 66.458			<u>2,416,022</u>
Total U. S. Environmental Protection Agency			<u>2,416,022</u>
 Total Expenditures of Federal Awards			 <u>\$ 5,250,285</u>

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, 2024

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 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.

CITY OF GRANBURY, TEXAS

SCHEDULE OF FINDINGS AND QUESTIONED COSTS

FOR THE YEAR ENDED SEPTEMBER 30, 2024

Summary of Auditor's Results

Financial Statements:

Type of auditor's report issued Unmodified

Internal control over financial reporting:

Material weakness(es) identified? No

Significant deficiency(ies) identified that are not considered a material weakness? None reported

Noncompliance material to financial statements noted? None

Federal Awards:

Internal control over major programs:

Material weakness(es) identified? No

Significant deficiency(ies) identified that are not considered a material weakness? 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 2 CFR 100.516(a) None

Identification of major programs:

Assistance Listing Number(s): Name of Program or Cluster:
21.027 Coronavirus State and Local Fiscal Recovery Funds - (COVID-19)

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

Auditee qualified as low-risk auditee for federal single audit? Yes

Findings Relating to the Financial Statements Which are Required to be Reported in Accordance With Generally Accepted Government Auditing Standards

None

Findings and Questioned Costs for Federal Awards

None

CITY OF GRANBURY, TEXAS

SUMMARY SCHEDULE OF PRIOR AUDIT FINDINGS

FOR THE YEAR ENDED SEPTEMBER 30, 2024

None.

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