

# Comprehensive Annual Financial Report

For the Fiscal Year Ending

# FY 2019

September 30, 2019



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**Granbury, Texas**

**CITY OF GRANBURY, TEXAS**

**COMPREHENSIVE ANNUAL  
FINANCIAL REPORT**

**For the Fiscal Year Ended  
September 30, 2019**

**Prepared by the Finance Department**

**CITY OF GRANBURY, TEXAS**  
Annual Financial Report  
For the Year Ended September 30, 2019

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## **INTRODUCTORY SECTION**



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

February 11, 2020

Honorable Mayor and City Council  
City of Granbury, Texas

Dear Mayor and City Council:

The City Manager's Office is pleased to present the Comprehensive Annual Financial Report for the City of Granbury, Texas for the fiscal year ended September 30, 2019.

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 comprehensive annual 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.

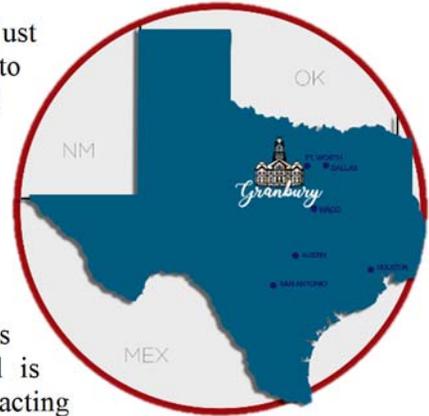
This report is presented in three sections: introductory, financial and statistical. The introductory section includes this transmittal letter, a listing of the City Officials and an organizational chart of the City. The financial section includes the MD&A, Government-wide and Major Fund presentations, 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 10,410 people and serves as the center of commerce and recreation to over 65,960 county residents (North Central Texas Council of Governments). There are currently 16.87 square miles of land within the City's boundaries.



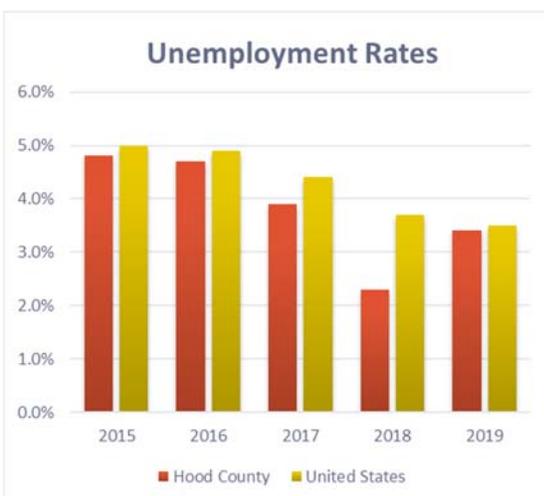
### Government Structure

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; 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.

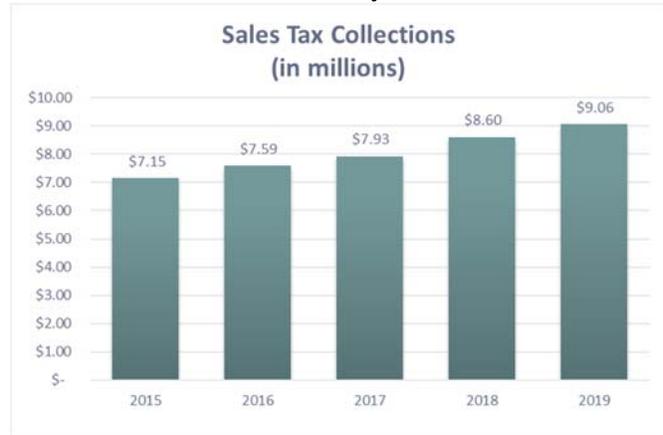
### Regional Economy

Granbury is only 30 miles from the Dallas-Fort Worth Metroplex, which has shown relatively strong economic growth over the past nine 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 30,000 people that live within 5 miles, 40,000 people that live within 10 miles and 130,000 people that live within 20 miles of Granbury. The stability of Walmart, H-E-B, Home Depot, Kroger, 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 2018-2019 were up by 5% compared to the prior year. The sales tax revenue for fiscal year 2019-2020 was conservatively budgeted to remain inline when compared to 2018-2019 collections.

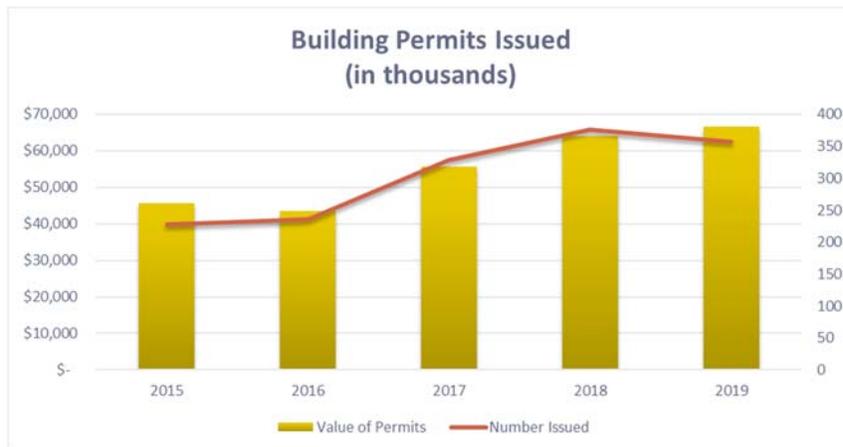


Tourism plays an important role in maintaining the healthy economy of the City. The historical downtown district, with its shopping, bed and breakfasts, and other attractions, also serves the City well by drawing tourists from outside the region. Granbury was designated as the Best Historic Small Town in 2019 by Reader’s Choice USA Today. The City’s 18,000-square-foot Lake Granbury Conference Center, adjacent to the Hilton Garden Hotel, continues to classify Granbury as a destination for meetings and conferences. The conference center supplies a real stimulus to the Granbury economy during the week, as well as on the weekends, by creating hotel occupancy tax and sales tax collections that would not have been realized if the City had not developed and maintained this beautiful facility right on Lake Granbury. The City of Granbury along with Hood County and the Chamber of Commerce has formed a brand-new Economic Development partnership in late 2019. The strategic initiative of the new economic development is to create quality jobs above the county average and increase the visibility of the region. The City’s historical hometown atmosphere combined with an aggressive development attitude is continuing to produce results.



Total assessed property values increased by 5.6% or approximately \$80 million for the 2018 Tax Year to \$1,493 million. The City’s property tax rate of \$.39939 remained the same for Tax Year 2018. Residential development continues in areas such as Brazos Crossing, Abe’s Landing, Harbor Lakes, Josiah Estates and Catalina Bay. Additionally, the recently completed commercial developments of the Granbury Lakeside Center marketplace which consists of Ulta, Home Goods, Tuesday Morning, and Five Below, will assist with maintaining a stable property valuation for the City of Granbury. The value of building permits slightly increased when compared to the

previous year, and Granbury has experienced a continuous growth in both commercial and residential development during the last several years.



## 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 distributed monthly to City departmental management and to others upon request.

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

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

### **Cash Management**

As of February 1, 2017, 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 set to expire on January 31, 2020. The City has the option each year to choose the interest rate calculation for the year from two choices:

- Fixed rate of .70%
- Variable rate equal to the 90-day ask rate of US Treasury Bills, though not to fall below .25% nor to exceed 2.00%

On December 3, 2019, the City exercised the two-year renewal option with First National Bank for continued depository services maintaining the same terms and fee structure. The depository contract was extended through January 31, 2022.

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 2018-2019 was approximately \$78M. The overall portfolio provided \$1.8M 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 shall be documented by a safekeeping or a master repurchase agreement with the collateral pledged clearly listed in the agreement and safekeeping confirmations. Collateral is monitored monthly to ensure that the market value of the pledged securities equals or exceeds the related deposit or investment balance. A Finance Committee consisting of the Finance Director and the Assistant Finance Director 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 Finance Director or the City's independent auditors.

### **Long-Term Financing**

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

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

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

## **OTHER INFORMATION**

### **Independent Audit**

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

It should be noted that the auditors included all funds in their audit, performed their audit in accordance with generally accepted auditing standards, and stated that, in their opinion, the statements herein present fairly, in all material aspects, the financial position of the City at September 30, 2019, 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 comprehensive annual financial report for the fiscal year ended September 30, 2018. This was the eighteenth 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 comprehensive annual 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 comprehensive annual financial report continues to meet the Certificate of Achievement Program's requirements, and we are submitting it to the GFOA to determine its eligibility for another certificate.

## **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,

A handwritten signature in blue ink that reads "Chris Coffman". The signature is fluid and cursive, with the first name "Chris" and the last name "Coffman" clearly legible.

Chris Coffman, CPM  
City Manager

# **CITY OF GRANBURY, TEXAS**

## **MAYOR**

**Nin Hulett**

## **MAYOR PRO-TEM**

**Tony Mobly**

## **COUNCIL MEMBERS**

**Eddie Rodriquez**

**Bruce Wadley**

**Trish Reiner**

**Greg Corrigan**

## **CITY MANAGER**

**Chris Coffman, CPM**

## **DEPUTY CITY MANAGER**

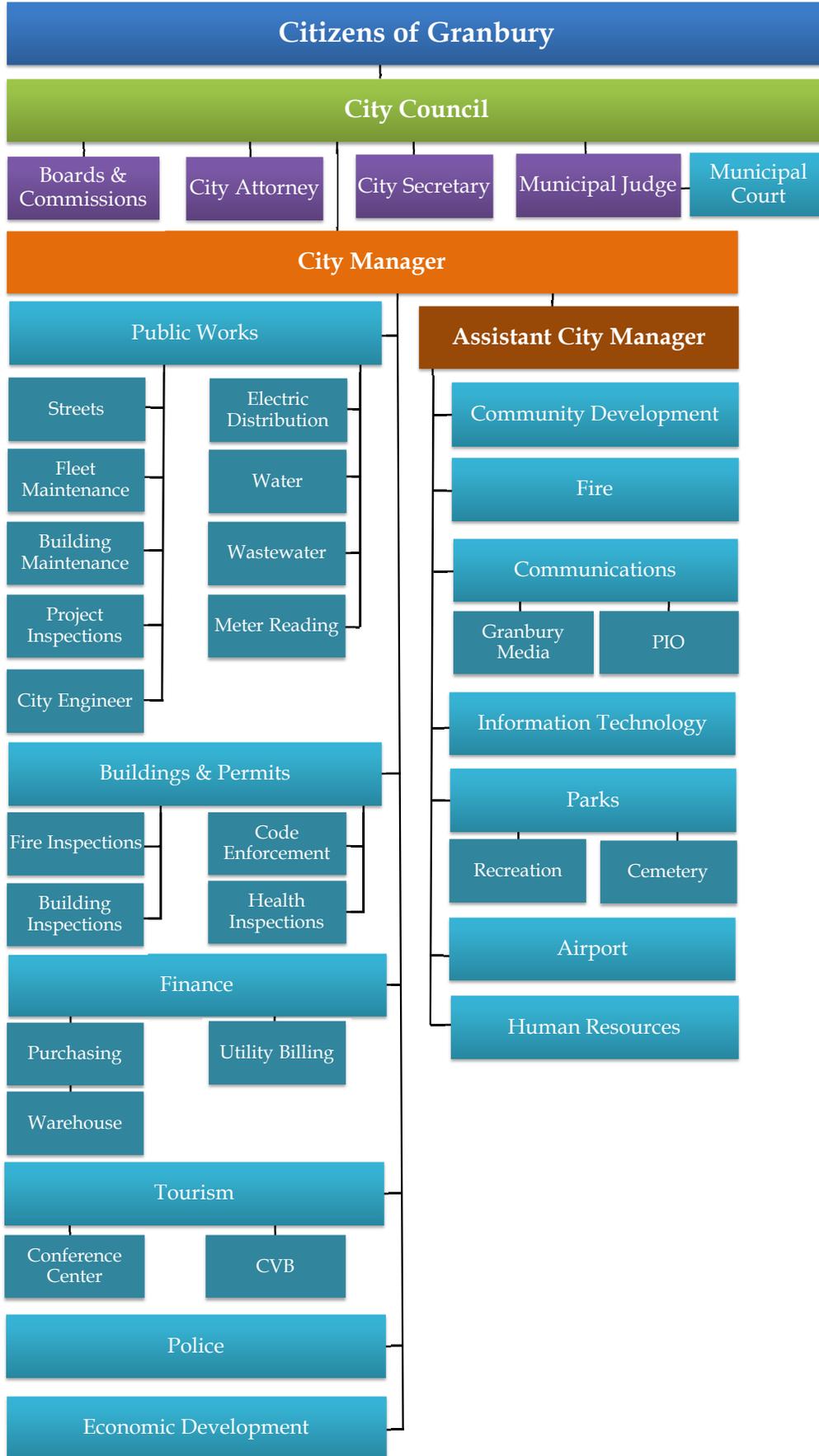
**Michael Ross, CPM**

## **DEPARTMENT DIRECTORS**

**Carla Walker**  
**Eva S Gregory**  
**Rick Crownover**  
**Mitch Galvan**  
**Aaron Mclain**  
**Scott Sopchak**  
**Jim Cook**

**City Secretary**  
**Finance Director**  
**Public Works Director**  
**Police Chief**  
**Parks & Recreation Director**  
**Community Development Director**  
**Building Official**

**CITY OF GRANBURY, TEXAS**  
**Organizational Chart**





Government Finance Officers Association

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

Presented to

**City of Granbury  
Texas**

For its Comprehensive Annual  
Financial Report  
for the Fiscal Year Ended

**September 30, 2018**

*Christopher P. Morrill*

Executive Director/CEO

## **FINANCIAL SECTION**



## **INDEPENDENT AUDITOR'S REPORT**

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

### **Report on the Financial Statements**

We have audited the accompanying financial statements of the governmental activities, business-type activities, each major fund and the aggregate remaining fund information of City of Granbury, Texas (the "City"), as of and for the year ended September 30, 2019, and the related notes to the financial statements, which collectively comprise the City's basic financial statements as listed in the table of contents.

### ***Management's Responsibility for the Financial Statements***

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

### ***Auditor's Responsibility***

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

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

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

### ***Opinions***

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, business-type activities, each major fund, and the aggregate remaining fund information of the City, as of September 30, 2019, and the respective changes in financial position and cash flows, where applicable, thereof for the year then ended in conformity with accounting principles generally accepted in the United States of America.

## ***Other Matters***

### ***Required Supplementary Information***

Accounting principles generally accepted in the United States of America require that management's discussion and analysis on pages 4 – 16 and budgetary comparison schedule – general fund, schedule of changes in net pension liability and related ratios – Texas Municipal Retirement System, schedule of contributions – Texas Municipal Retirement System, schedule of the city's proportionate share of the net pension liability – Texas Emergency Services Retirement System, schedule of contributions – Texas Emergency Services Retirement System, and schedule of changes in total OPEB liability and related ratios on pages 66 - 78 be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

### ***Other Information***

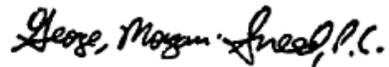
Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the City's basic financial statements. The introductory section, combining nonmajor and individual fund statements, budgetary comparison schedules, and statistical section, are presented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

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

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

**Other Reporting Required by *Government Auditing Standards***

In accordance with *Government Auditing Standards*, we have also issued our report dated February 11, 2020, on our consideration of the City's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the City's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the City's internal control over financial reporting and compliance.



George, Morgan & Sneed, P.C.  
Weatherford, Texas  
February 11, 2020

**CITY OF GRANBURY, TEXAS**  
**Management's Discussion and Analysis**  
**For the Year Ended September 30, 2019**

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, 2019. 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 \$97,249,831 (Net Position). Of this amount \$17,038,406 (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 \$22,393,265. The City's operations increased the governmental activities by \$13,184,444 and increased the business-type activities by \$9,208,821.
- As of the close of the current fiscal year, the City of Granbury's governmental funds reported combined ending fund balances of \$16,809,792.
- At the end of the current fiscal year, unassigned fund balance for the General Fund was \$8,688,187 or 53% of the total General Fund expenditures.
- At the end of the current fiscal year, unrestricted net position for the Utility Fund was \$9,353,506, or 73% of total Utility Fund operating expenses, excluding depreciation expense.

**OVERVIEW OF THE FINANCIAL STATEMENTS**

This discussion and analysis is intended to serve as an introduction to the City's basic financial statements. The City's basic financial statements are comprised of three components: 1) government-wide financial statements, 2) fund financial statements, and 3) notes to the financial statements. This report also contains other supplementary information in addition to the basic financial statements themselves.

**Government-wide financial statements** – The government-wide financial statements are designed to provide readers with a broad overview of the City's finances, in a manner similar to a private-sector business.

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

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

Both of the government-wide financial statements distinguish functions of the City that are principally supported by taxes and intergovernmental revenues (governmental activities) from functions that are intended to recover all or a significant portion of their costs through user fees and charges (business-type activities). The governmental activities of the City include general government and administration, public safety, streets, development services, and support of cultural and recreational services. The business-type activities of the City include public services such as water, sewer, electric and airport operations.

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

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

**Governmental Funds** – Governmental funds are used to account for essentially the same functions reported as governmental activities in the government-wide financial statements. However, unlike the government-wide financial statements, governmental fund financial statements focus on current sources and uses of spendable resources, as well as on balances of spendable resources available at the end of the fiscal year. Such information may be useful in evaluating a government's near-term financing requirements.

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

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

The basic governmental fund financial statements can be found on Exhibits C-1 through C-4 of this report.

**Proprietary Funds** – The City maintains two different types of proprietary funds. Enterprise funds are used to report the same functions presented as business-type activities in the government-wide financial statements. The City uses enterprise funds to account for its Municipal Utility and Airport Operations. The City uses one internal service fund to account for its fleet services. Because this service predominantly benefits governmental rather than business-type functions, it has been included within governmental activities in the government-wide financial statements.

Proprietary funds provide the same type of information as the government-wide financial statements, only in more detail. The proprietary fund financial statements provide separate information for the Municipal Utility and the Airport Operation, both of which are considered to be a major funds of the City.

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

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

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

**Notes to the Financial Statements** - The notes provide additional information that is essential to a full understanding of the data provided in the government-wide and fund financial statements. The notes to the financial statements can be found on pages 30-65 of this report.

## **GOVERNMENTAL-WIDE FINANCIAL ANALYSIS**

As noted earlier, net position may serve, over time, as a useful indicator of a government’s financial position. In the case of the City of Granbury, assets and deferred outflows of resources exceeded liabilities and deferred inflows of resources by \$97,249,831 as of September 30, 2019.

The largest portion of the City’s net position (79%) 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, \$17,038,406, may be used to meet the government’s ongoing obligations to citizens and creditors.

As of September 30, 2019, 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**

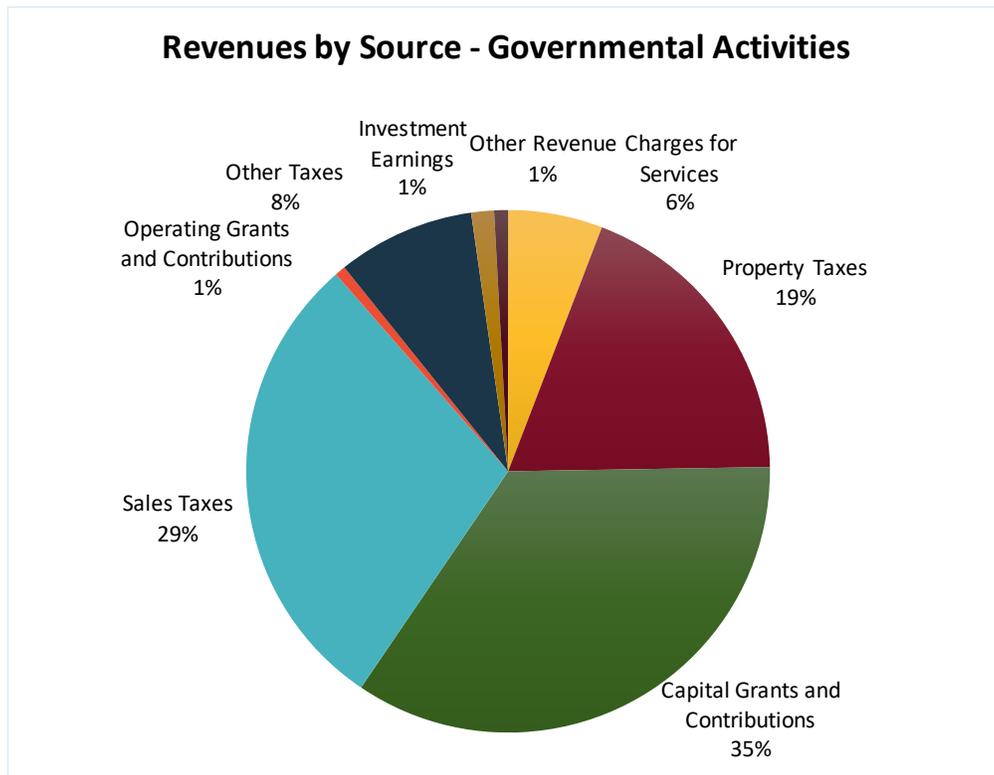
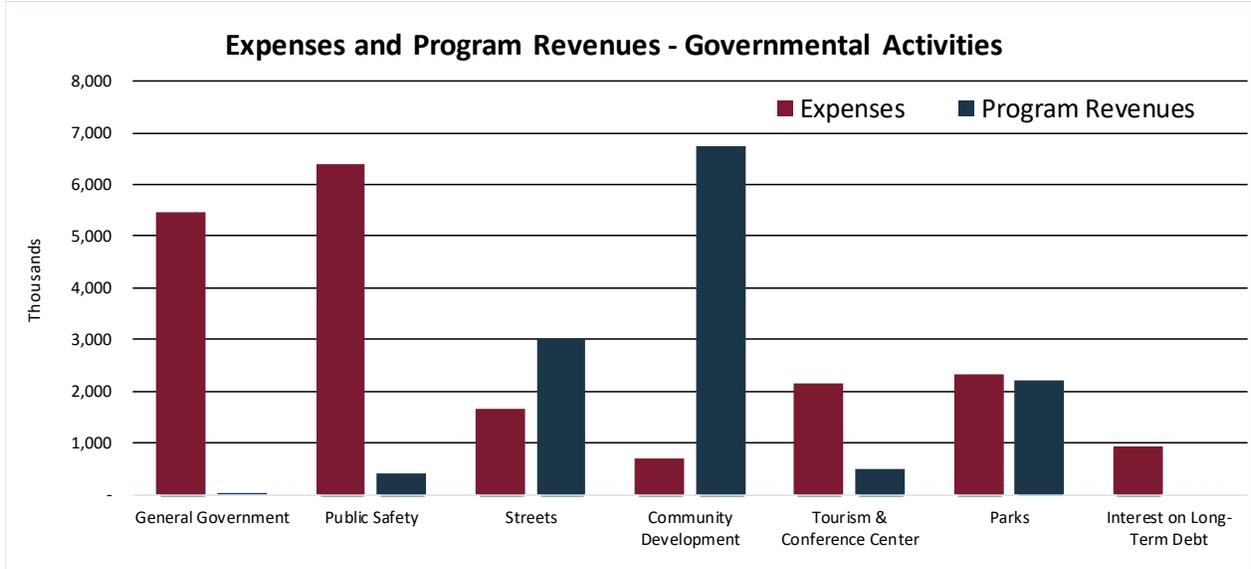
	<b>Governmental Activities</b>		<b>Business-type Activities</b>		<b>Total</b>	
	2019	2018	2019	2018	2019	2018
Current and other assets	\$ 21,419,173	\$ 19,582,336	\$ 62,963,396	\$ 18,361,379	\$ 84,382,569	\$ 37,943,715
Capital assets	56,076,403	45,099,111	94,268,725	82,333,655	150,345,128	127,432,766
<b>Total Assets</b>	<b>77,495,576</b>	<b>64,681,447</b>	<b>157,232,121</b>	<b>100,695,034</b>	<b>234,727,697</b>	<b>165,376,481</b>
Deferred outflows of Resources	3,029,796	1,727,691	850,833	467,178	3,880,629	2,194,869
<b>Total deferred outflows of resources</b>	<b>3,029,796</b>	<b>1,727,691</b>	<b>850,833</b>	<b>467,178</b>	<b>3,880,629</b>	<b>2,194,869</b>
Current liabilities	3,312,506	3,869,425	5,086,639	4,425,185	8,399,145	8,294,610
Long-term liabilities	37,225,061	35,032,244	95,369,313	48,102,693	132,594,374	83,134,937
<b>Total liabilities</b>	<b>40,537,567</b>	<b>38,901,669</b>	<b>100,455,952</b>	<b>52,527,878</b>	<b>140,993,519</b>	<b>91,429,547</b>
Deferred inflows of resources	282,159	986,267	82,817	298,970	364,976	1,285,237
<b>Total deferred inflows of resources</b>	<b>282,159</b>	<b>986,267</b>	<b>82,817</b>	<b>298,970</b>	<b>364,976</b>	<b>1,285,237</b>
<b>Net Position:</b>						
Net investment in capital assets	31,815,661	19,202,230	44,739,831	36,316,597	76,555,492	55,518,827
Restricted	1,709,417	2,265,469	1,946,516	1,775,724	3,655,933	4,041,193
Unrestricted	6,180,568	5,053,503	10,857,838	10,243,043	17,038,406	15,296,546
<b>Total Net Position</b>	<b>\$ 39,705,646</b>	<b>\$ 26,521,202</b>	<b>\$ 57,544,185</b>	<b>\$ 48,335,364</b>	<b>\$ 97,249,831</b>	<b>\$ 74,856,566</b>

**Changes in Net Position**

	<b>Governmental Activities</b>		<b>Business-type Activities</b>		<b>Total</b>	
	<b>2019</b>	<b>2018</b>	<b>2019</b>	<b>2018</b>	<b>2019</b>	<b>2018</b>
<b>Program revenues:</b>						
Charges for services	\$ 1,821,924	\$ 2,289,134	\$ 22,986,922	\$ 22,880,745	\$ 24,808,846	\$ 25,169,879
Operating grants and contributions	206,104	231,094	106,608	28,946	312,712	260,040
Capital grants and contributions	10,866,405	782,295	5,529,654	574,512	16,396,059	1,356,807
<b>General revenues:</b>						
Property taxes	5,915,411	5,611,150	-	-	5,915,411	5,611,150
Sales taxes	9,096,824	8,534,403	-	-	9,096,824	8,534,403
Hotel/Motel Occupancy Taxes	844,772	729,324	-	-	844,772	729,324
Franchise taxes	1,811,861	1,715,566	-	-	1,811,861	1,715,566
Investment earnings	435,829	270,434	1,233,772	254,147	1,669,601	524,581
Other Revenue	269,720	419,209	28,424	9,010	298,144	428,219
<b>Total revenues</b>	<b>31,268,850</b>	<b>20,582,609</b>	<b>29,885,380</b>	<b>23,747,360</b>	<b>61,154,230</b>	<b>44,329,969</b>
<b>Expenses</b>						
City Council	190,935	193,884	-	-	190,935	193,884
Legal	168,843	252,364	-	-	168,843	252,364
Executive	718,826	649,705	-	-	718,826	649,705
Financial Administration	524,405	501,956	-	-	524,405	501,956
Purchasing	160,373	154,643	-	-	160,373	154,643
Social Services	54,000	54,000	-	-	54,000	54,000
Information Technology	856,206	751,871	-	-	856,206	751,871
Economic Development	71,025	62,907	-	100,000	71,025	162,907
Human Resources	199,319	188,466	-	-	199,319	188,466
Warehouse	129,252	151,365	-	-	129,252	151,365
Fleet Maintenance	321,241	310,087	-	-	321,241	310,087
Building Maintenance	759,222	690,902	-	-	759,222	690,902
Granbury Broadcasting Services	144,172	139,179	-	-	144,172	139,179
Other governmental functions	1,158,390	861,000	-	-	1,158,390	861,000
Police	4,820,369	4,321,421	-	-	4,820,369	4,321,421
Fire	697,697	703,005	-	-	697,697	703,005
Municipal Court	205,713	195,582	-	-	205,713	195,582
Streets	1,651,832	1,722,677	-	-	1,651,832	1,722,677
Building & Permits	677,049	584,893	-	-	677,049	584,893
Community Development	636,114	515,406	-	-	636,114	515,406
Clean Air Coalition	80,002	83,030	-	-	80,002	83,030
Airport	-	-	747,801	813,608	747,801	813,608
Cemetery	62,673	77,325	-	-	62,673	77,325
Tourism	1,318,801	1,458,865	-	-	1,318,801	1,458,865
Parks	2,256,384	2,215,200	-	-	2,256,384	2,215,200
Conference Center	846,809	720,418	-	-	846,809	720,418
Interest and fiscal charges	939,641	904,937	-	-	939,641	904,937
Water treatment and distribution	-	-	6,961,673	5,582,087	6,961,673	5,582,087
Wastewater collection and treatment	-	-	3,930,790	2,541,414	3,930,790	2,541,414
Electricity	-	-	7,471,408	8,228,615	7,471,408	8,228,615
<b>Total expenses</b>	<b>19,649,293</b>	<b>18,465,088</b>	<b>19,111,672</b>	<b>17,265,724</b>	<b>38,760,965</b>	<b>35,730,812</b>
Increase (decrease) in net position before transfers	11,619,557	2,117,521	10,773,708	6,481,636	22,393,265	8,599,157
Transfers	1,564,887	1,247,706	(1,564,887)	(1,247,706)	-	-
Increase (decrease) in net position	13,184,444	3,365,227	9,208,821	5,233,930	22,393,265	8,599,157
Net Position October 1	26,521,202	23,454,312	48,335,364	43,191,776	74,856,566	66,646,088
Prior Period Adjustment	-	(298,337)	-	(90,342)	-	(388,679)
<b>Net Position September 30</b>	<b>\$ 39,705,646</b>	<b>\$ 26,521,202</b>	<b>\$ 57,544,185</b>	<b>\$ 48,335,364</b>	<b>\$ 97,249,831</b>	<b>\$ 74,856,566</b>

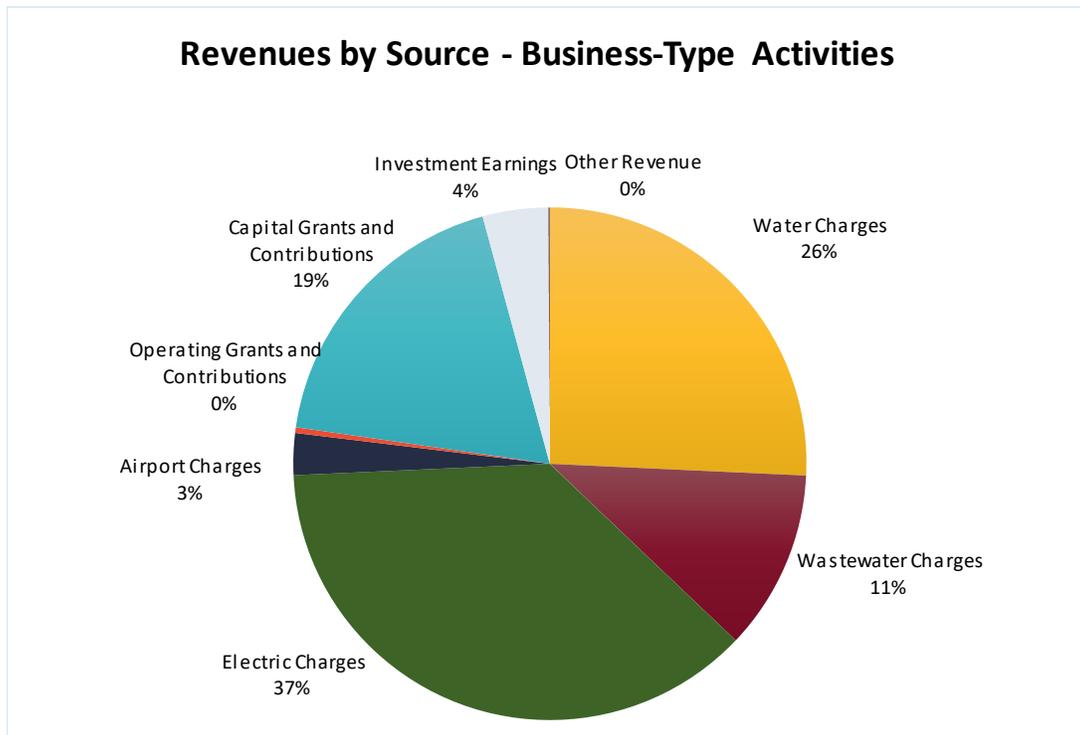
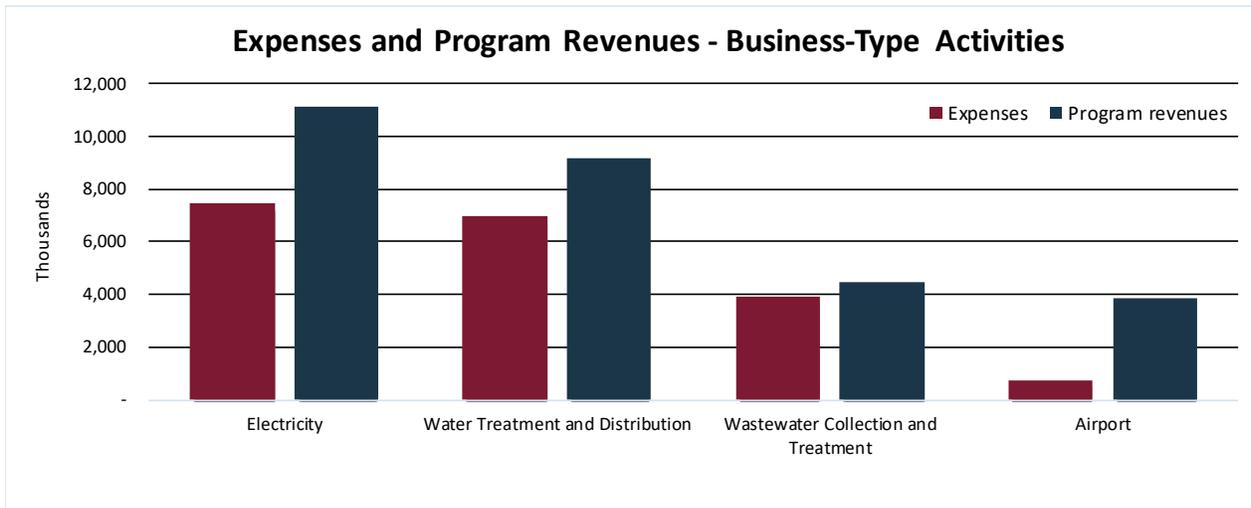
**Governmental Activities.** Governmental activities increased the City’s net position by \$13,184,444 compared with a \$3,365,227 increase during the prior fiscal year. Total revenues from governmental activities revenues increased \$10,686,241 (52%) to \$31,268,850 when compared to the prior fiscal year. The increase is largely the result of a \$7.8 million property donation and developer contributions of \$3 million received by the City in the current fiscal year. Revenue from sales tax grew by \$562,421, indicating a strong growth in commerce in the City. Total governmental activities expenses only increased \$1,184,205 (6%) from the prior year.

Below are two graphs summarizing governmental revenue and expense:



**Business-type activities.** Business-type activities increased the City’s net position by \$9,208,821 in the current fiscal year compared to an increase of \$5,233,930 in the prior fiscal year. The business-type activities total revenues increased overall by \$6,138,020 (26%) to \$29,885,380. The increase in revenues is largely the result of the water and wastewater developer contributions of \$2.5 million and a major airport expansion grant in the amount of \$3 million received in the current fiscal year. Investment earnings also increased \$979,625 as a result of increased interest rates and higher cash and investment balances. Total business-type activities expenses increased \$1,845,948 (11%) to \$19,111,672. The major changes in expenses were an increase in depreciation expense of \$877,345 resulting from putting a water treatment plant and water distribution additions in service during the year and an increase in debt issuance costs of \$720,670.

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 \$16,809,792. \$8,688,187 (52%) 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 \$8,688,187. The fund balance of the general fund increased \$590,931 compared to an increase of \$2,772,297 in the prior year. Key factors contributing to the increase in fund balance between the two fiscal years are highlighted below:

- Revenues increased \$486,820 (3%) primarily due to an increase in sales tax of \$454,724 attributable to the continued growth of the community.
- Expenditures increased \$2,494,333 (18%) with the largest increase attributable to an increase in street expenditures of \$1,786,864 primarily due to street improvement projects during the year and a \$1M investment toward the extension of Harbor Lakes Drive, which created two access points to the Granbury Lakeside Center marketplace.

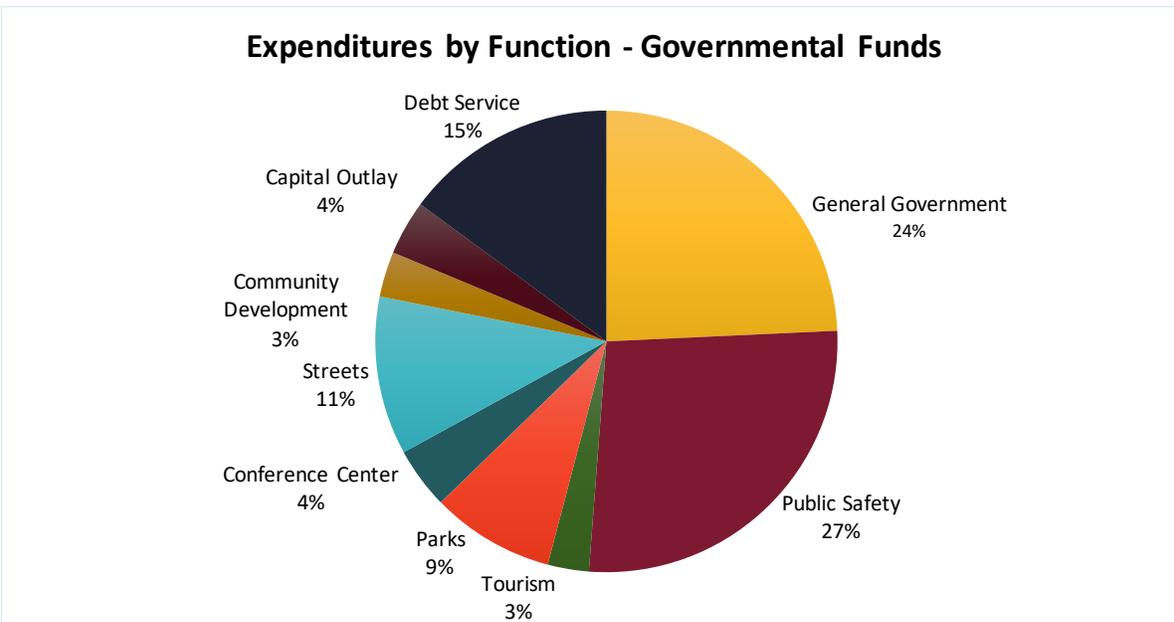
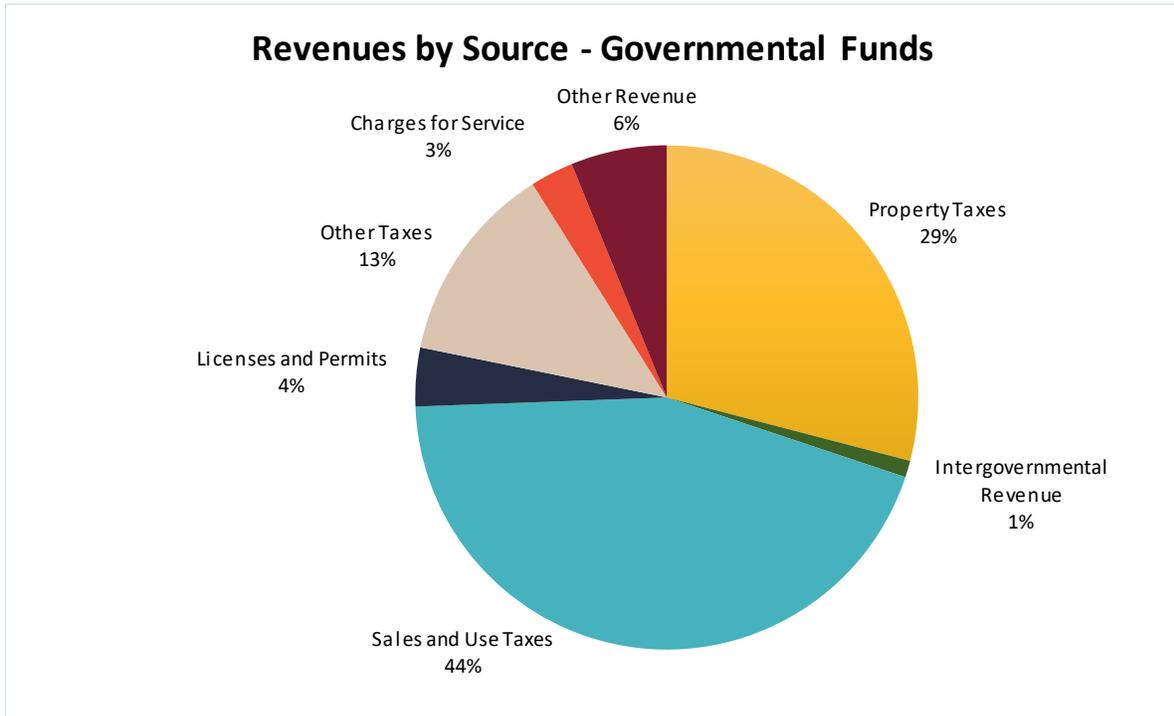
Below is a comparison of the general fund's net change in fund balance for 2019 and 2018.

	2019	2018	Increase (Decrease)	Percent Increase (Decrease)
<b>Revenues:</b>				
<b>Taxes:</b>				
Property	\$ 2,989,294	\$ 2,721,509	\$ 267,785	9.84%
Sales and Use	9,055,290	8,600,566	454,724	5.29%
Franchise	1,784,308	1,714,243	70,065	4.09%
Fines and fees	212,431	176,838	35,593	20.13%
Licenses and permits	768,360	838,574	(70,214)	-8.37%
Charges for service	86,637	355,351	(268,714)	-75.62%
Intergovernmental revenue	219,441	329,654	(110,213)	-33.43%
Park and recreation	241,388	282,889	(41,501)	-14.67%
Interest income	279,389	160,514	118,875	74.06%
Other revenue	344,299	313,879	30,420	9.69%
<b>Total revenues</b>	<b>15,980,837</b>	<b>15,494,017</b>	<b>486,820</b>	<b>3.14%</b>
<b>Expenditures:</b>				
General government	5,331,394	5,065,550	265,844	5.25%
Public Safety	5,200,493	5,046,020	154,473	3.06%
Streets	2,439,635	652,771	1,786,864	273.74%
Building & Permits	716,943	578,544	138,399	23.92%
Community Development	616,337	532,290	84,047	15.79%
Clean Air Coalition	78,316	82,862	(4,546)	-5.49%
Cemetery	74,803	62,928	11,875	18.87%
Parks	1,818,546	1,761,169	57,377	3.26%
<b>Total expenditures</b>	<b>16,276,467</b>	<b>13,782,134</b>	<b>2,494,333</b>	<b>18.10%</b>
<b>Other financing sources (uses):</b>				
Transfers in	1,497,689	1,418,554	79,135	5.58%
Transfers out	(686,760)	(1,038,013)	351,253	-33.84%
Sale of capital assets	-	41,370	(41,370)	-100.00%
Insurance recoveries	75,632	66,372	9,260	13.95%
Issuance of Capital Lease	-	572,131	(572,131)	-100.00%
<b>Net change in fund balances</b>	<b>\$ 590,931</b>	<b>\$ 2,772,297</b>	<b>\$ (2,181,366)</b>	<b>-78.68%</b>

The Debt Service fund has a total fund balance of \$706,388, all of which is restricted for the payment of debt service. Compared to the previous fiscal year, the Debt Service fund balance increased by \$198,273.

The Capital Projects fund has a total fund balance of \$5,104,897. 100% of the fund balance is restricted to be used to fund projects with bond proceeds. Capital Projects fund balance increased in 2019 by \$1,418,963.

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 \$10,842,871 comprised of the Utility Fund net position of \$9,353,506 and the Airport Fund net position of \$1,489,365. The Utility Fund net position increased by \$6,071,167 in the current fiscal year primarily due to an increase in developer contributions

and an increase in investment earnings. The Airport experienced a net position increase of \$3,122,687 primarily due to an airport grant received in the current year in the amount of \$3,000,000.

Unrestricted net position of the fleet internal service fund was \$44,032.

## **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 3% or \$535,161.

General fund actual expenditures budgetary basis were \$718,884 less than budgeted. Other governmental functions expenditures exceeded appropriations by \$241,905 due to light fixture upgrades funded with leases.

## **CAPITAL ASSETS**

The City of Granbury's investment in capital assets for its governmental and business-type activities as of September 30, 2019 amounts to \$150,345,128 (net of accumulated depreciation). This investment in capital assets includes land, buildings, machinery and equipment, improvements other than buildings and construction in progress.

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

### **Governmental Activities:**

- \$7,809,160 of land and buildings was donated to the City.
- \$828,688 of storm drainage improvements and \$2,185,220 of street improvements were contributed by developers to the City.
- A fire truck was purchased for \$790,303.
- \$1,847,166 was spent new road construction and street rehabilitation.

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

- \$1,475,823 of water improvements and \$1,053,831 of wastewater improvements were contributed by developers to the City.
- Current year capital asset events funded with the 2017 Combination Tax and Surplus Revenue Certificates of Obligation include \$796,241 for construction of water distribution improvements, \$58,330 in professional services, and \$5,000 in easements relating to the water system improvements.
- Current year capital asset events funded with the 2018A Combination Tax and Surplus Revenue Certificates of Obligation include \$2,232,240 for construction, \$126,965 in professional services, and \$782,810 of engineering services relating to phase II of the water treatment plant project.
- Current year capital asset events funded with the 2018B Combination Tax and Surplus Revenue Certificates of Obligation include \$169,222 in professional services, \$898,886 in land and easements, and \$953,315 of engineering services relating to the wastewater project.

- \$4,003,330 was spent on the airport expansion project.

	Governmental Activities		Business-type Activities		Total	
	2019	2018	2019	2018	2019	2018
Land	\$ 6,660,750	\$ 5,496,560	\$ 12,611,591	\$ 11,687,705	\$ 19,272,341	\$ 17,184,265
Buildings	18,394,261	12,148,569	1,346,079	141,932	19,740,340	12,290,501
Improvements other than buildings	27,011,923	24,565,349	66,657,240	49,695,573	93,669,163	74,260,922
Machinery and equipment	3,023,142	2,206,977	1,734,838	1,586,791	4,757,980	3,793,768
Construction in progress	986,327	681,656	11,918,977	19,221,654	12,905,304	19,903,310
Total	<u>\$ 56,076,403</u>	<u>\$ 45,099,111</u>	<u>\$ 94,268,725</u>	<u>\$ 82,333,655</u>	<u>\$ 150,345,128</u>	<u>\$ 127,432,766</u>

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

## DEBT ADMINISTRATION

At the end of the current fiscal year, the City of Granbury had total bonded debt, notes payable and capital leases payable of \$122,352,522. Of this amount, \$21,147,795 comprises bonded debt backed by the full faith and credit of the government, \$94,810,419 are certificates of obligation secured by ad valorem taxes and surplus revenues of the utility fund and \$3,333,942 represents bonds secured solely by electric, water and wastewater revenues. The capital leases payable of \$2,775,164 pertains to equipment and new airport hangars being financed by lease/purchase financing. The Texas Capital Fund loan is special assessment debt to be repaid by lease revenues received from companies who lease facilities acquired or rehabilitated with these funds. The notes payable is the amount borrowed by the Granbury Historic Properties Corporation, a blended component unit, to purchase the opera house.

	Governmental Activities		Business-type Activities		Total	
	2019	2018	2019	2018	2019	2018
Capital Leases Payable	\$ 1,247,084	\$ 1,517,060	\$ 1,528,080	\$ 1,796,059	\$ 2,775,164	\$ 3,313,119
Texas Capital Fund Loan	-	-	52,067	60,077	52,067	60,077
Notes Payable	233,135	260,383	-	-	233,135	260,383
Revenue Bonds	-	-	3,333,942	3,550,104	3,333,942	3,550,104
General Obligation	14,543,621	16,205,135	6,604,174	7,773,119	21,147,795	23,978,254
Certificates of Obligation	13,340,419	11,600,115	81,470,000	33,370,000	94,810,419	44,970,115
Total Outstanding Debt	<u>\$ 29,364,259</u>	<u>\$ 29,582,693</u>	<u>\$ 92,988,263</u>	<u>\$ 46,549,359</u>	<u>\$ 122,352,522</u>	<u>\$ 76,132,052</u>

The City's bond ratings are listed below:

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

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

Additional information on the City of Granbury's long-term debt can be found in Notes 8 through 11 to the financial statements.

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

General Fund revenues are budgeted to increase about 8% in fiscal year 2020 compared to the 2018-2019 budget. Sales tax makes up about 48% of the General Fund operating revenues and is budgeted 8% higher when compared to fiscal year 2019 budget. Total Property tax revenue is budgeted to increase about 7% from the 2018-2019 budgeted amounts. Certified assessed property valuations increased approximately \$107 million (7.13%) from the preceding year, and the City adopted a tax rate of .3994 per \$100. The effective tax rate for 2019 for the City is 0.3787. The maintenance and operations portion of the tax rate was decreased from \$0.2013 to \$0.1997 and the debt service rate increased from \$0.1981 to \$0.1997. Due to the continuous increase in property valuations only a slight increase in the debt service rate was necessary to cover the increased debt service obligation for fiscal year 2020. 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 2019, sales tax receipts were up 5.3% when compared to the previous year's actual collections.

General Fund operating expenditures and transfers-out are budgeted to increase 8% compared to 2018-2019 budgeted amounts. Capital expenditures, however, will decrease from \$724,239 in fiscal year 2019 to \$412,150 in fiscal year 2020. This decrease is partly due to the establishment of a new Fleet Replacement Fund. Starting in fiscal year 2020, purchases of fleet and equipment will be funded through the Fleet Replacement Fund. Total budget for the General Fund expenditures is \$18,042,381. 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 slightly increase compared to the operating revenue budgeted in 2018-2019. This is mainly due to a CPI adjustment of 4% to the water and sewer rates. Through the new electric power purchase contract which became effective as of January 2018, the City was able to offer a competitive electric rate to the citizens of Granbury, as well as allow the City to set aside funds for future capital investments. The City has budgeted to use Impact Fees of \$200,000 for water line upgrades in fiscal year 2019-2020.

Total expenses for the Utility Fund in fiscal year 2019-2020 have slightly increased (1%). This is primarily due to the adjustment of franchise fees the Utility Fund pays the General Fund for its use of rights-of-way from 4% to 6%. Budgeted capital expenditures in the Utility Fund have also been reduced due to the implementation of a new Fleet Replacement Fund. Starting in FY 2020, purchases of fleet and equipment will be funded through the Fleet Replacement Fund. The purpose of the Fleet Replacement Fund is to ensure that adequate funds are available to purchase vehicles and equipment, to stabilize budgeting for major purchases, and to provide a systematic, city-wide approach to procurement and disposition of the fleet.

## **REQUEST FOR INFORMATION**

This financial report is designed to provide our citizens, customers, investors and creditors with a general overview of the City's finances. If you have questions about this report or need any additional information, contact the Department of Finance, Attn: Finance Director, at P.O. Box 969, Granbury, Texas 76048, or call (817) 573-1114. A copy of this document is available on the City's website at [www.granbury.org](http://www.granbury.org) : go to Departments/Finance & Admin. Services.

## **BASIC FINANCIAL STATEMENTS**

City of Granbury, Texas  
Statement of Net Position  
September 30, 2019

	Primary Government		
	Governmental Activities	Business-type Activities	Total
<b>ASSETS:</b>			
Cash and cash equivalents	\$ 1,343,260	\$ 592,381	\$ 1,935,641
Investments	10,420,734	7,998,294	18,419,028
Receivables (Net of allowances for uncollectibles)			
Property taxes	83,288	-	83,288
Franchise taxes	416,636	-	416,636
Accounts	-	2,635,809	2,635,809
Due from other governments	1,552,265	-	1,552,265
Fines and fees receivable	122,038	-	122,038
Miscellaneous receivables	123,809	445,298	569,107
Accrued interest	959	2,939	3,898
Internal balances	(94)	94	-
Prepaid items	69,700	6,393	76,093
Inventories	99,896	1,458,387	1,558,283
Restricted assets:			
Cash and cash equivalents	2,916,209	1,537,457	4,453,666
Investments	4,270,473	48,286,344	52,556,817
Capital assets (net of accumulated depreciation):			
Land	6,660,750	12,611,591	19,272,341
Buildings	18,394,261	1,346,079	19,740,340
Improvements other than buildings	27,011,923	66,657,240	93,669,163
Machinery and equipment	3,023,142	1,734,838	4,757,980
Construction in progress	986,327	11,918,977	12,905,304
<b>Total Assets</b>	<u>77,495,576</u>	<u>157,232,121</u>	<u>234,727,697</u>
<b>DEFERRED OUTFLOWS OF RESOURCES:</b>			
Deferred outflows related to pensions	2,262,987	670,054	2,933,041
Deferred outflows related to OPEB	24,342	6,615	30,957
Deferred charges on refunding	742,467	174,164	916,631
<b>Total Deferred Outflows of Resources</b>	<u>3,029,796</u>	<u>850,833</u>	<u>3,880,629</u>
<b>LIABILITIES:</b>			
Accounts payable and accrued liabilities	2,073,958	1,296,293	3,370,251
Unearned revenue	1,115,555	208,700	1,324,255
Current Liabilities Payable from Restricted Assets:			
Accounts payable and accrued liabilities	-	2,589,835	2,589,835
Interest payable	122,293	206,876	329,169
Customer deposits	700	784,935	785,635
Noncurrent liabilities:			
Due Within One Year	2,914,014	2,761,041	5,675,055
Due in More Than One Year	34,311,047	92,608,272	126,919,319
<b>Total Liabilities</b>	<u>40,537,567</u>	<u>100,455,952</u>	<u>140,993,519</u>
<b>DEFERRED INFLOWS OF RESOURCES:</b>			
Deferred inflows related to pensions	260,419	75,978	336,397
Deferred inflows related to OPEB	21,740	6,839	28,579
<b>Total Deferred Inflows of Resources</b>	<u>282,159</u>	<u>82,817</u>	<u>364,976</u>
<b>NET POSITION:</b>			
Net Investment in Capital Assets	31,815,661	44,739,831	76,555,492
Restricted Net Position			
Debt Service (Expendable)	629,669	763,222	1,392,891
Impact fees for capital improvements (Expendable)	-	1,183,294	1,183,294
Public Safety (Expendable)	73,335	-	73,335
Culture and Recreation (Expendable)	875,498	-	875,498
Public, educational, and governmental programming	78,042	-	78,042
Court technology and security (Expendable)	52,873	-	52,873
Unrestricted Net Position	6,180,568	10,857,838	17,038,406
<b>Total Net Position</b>	<u>\$ 39,705,646</u>	<u>\$ 57,544,185</u>	<u>\$ 97,249,831</u>

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

City of Granbury, Texas  
Statement of Activities  
For the Year Ended September 30, 2019

Functions/Programs	Expenses	Program Revenues		
		Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions
<b>Primary Government</b>				
Governmental activities:				
City Council	\$ 190,935	\$ -	\$ -	\$ -
Legal	168,843	-	-	-
Executive	718,826	-	-	-
Financial Administration	524,405	-	-	-
Purchasing	160,373	-	-	-
Social Services	54,000	-	-	-
Information Technology	856,206	-	-	-
Economic Development	71,025	-	-	-
Human Resources	199,319	-	-	-
Warehouse	129,252	-	-	-
Fleet Maintenance	321,241	-	-	-
Building Maintenance	759,222	-	-	-
Granbury Broadcasting Services	144,172	14,600	-	-
Other governmental functions	1,158,390	-	-	-
Police	4,820,369	165,783	63,079	-
Fire	697,697	-	8,050	30,000
Municipal Court	205,713	69,211	-	-
Streets	1,651,832	-	-	3,013,908
Building & Permits	677,049	64,528	-	-
Community Development	636,114	748,866	57,392	5,852,960
Clean Air Coalition	80,002	-	77,583	-
Cemetery	62,673	5,800	-	-
Tourism	1,318,801	90,603	-	-
Parks	2,256,384	243,641	-	1,969,537
Conference Center	846,809	418,892	-	-
Interest and fiscal charges	939,641	-	-	-
<b>Total governmental activities</b>	<b>19,649,293</b>	<b>1,821,924</b>	<b>206,104</b>	<b>10,866,405</b>
Business-type activities:				
Water treatment and distribution	6,961,673	7,690,099	-	1,475,823
Wastewater collection and treatment	3,930,790	3,398,160	30,000	1,053,831
Electricity	7,471,408	11,113,191	-	-
Airport	747,801	785,472	76,608	3,000,000
<b>Total business-type activities</b>	<b>19,111,672</b>	<b>22,986,922</b>	<b>106,608</b>	<b>5,529,654</b>
<b>Total primary government</b>	<b>\$ 38,760,965</b>	<b>\$ 24,808,846</b>	<b>\$ 312,712</b>	<b>\$ 16,396,059</b>

General Revenues:

Taxes:

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

Transfers

Total General Revenues and Transfers

Change in Net Position

Net Position, October 1, 2018

Net Position, September 30, 2019

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

Net (Expense) Revenue and Changes in Net Position		
Primary Government		
Governmental Activities	Business-type Activities	Total
\$ (190,935)	\$ -	\$ (190,935)
(168,843)	-	(168,843)
(718,826)	-	(718,826)
(524,405)	-	(524,405)
(160,373)	-	(160,373)
(54,000)	-	(54,000)
(856,206)	-	(856,206)
(71,025)	-	(71,025)
(199,319)	-	(199,319)
(129,252)	-	(129,252)
(321,241)	-	(321,241)
(759,222)	-	(759,222)
(129,572)	-	(129,572)
(1,158,390)	-	(1,158,390)
(4,591,507)	-	(4,591,507)
(659,647)	-	(659,647)
(136,502)	-	(136,502)
1,362,076	-	1,362,076
(612,521)	-	(612,521)
6,023,104	-	6,023,104
(2,419)	-	(2,419)
(56,873)	-	(56,873)
(1,228,198)	-	(1,228,198)
(43,206)	-	(43,206)
(427,917)	-	(427,917)
(939,641)	-	(939,641)
<u>(6,754,860)</u>	<u>-</u>	<u>(6,754,860)</u>
-	2,204,249	2,204,249
-	551,201	551,201
-	3,641,783	3,641,783
-	3,114,279	3,114,279
-	<u>9,511,512</u>	<u>9,511,512</u>
<u>\$ (6,754,860)</u>	<u>\$ 9,511,512</u>	<u>\$ 2,756,652</u>
\$ 2,981,200	\$ -	\$ 2,981,200
2,934,211	-	2,934,211
9,096,824	-	9,096,824
844,772	-	844,772
1,811,861	-	1,811,861
435,829	1,233,772	1,669,601
(150,210)	28,424	(121,786)
419,930	-	419,930
1,564,887	(1,564,887)	-
<u>19,939,304</u>	<u>(302,691)</u>	<u>19,636,613</u>
13,184,444	9,208,821	22,393,265
<u>26,521,202</u>	<u>48,335,364</u>	<u>74,856,566</u>
<u>\$ 39,705,646</u>	<u>\$ 57,544,185</u>	<u>\$ 97,249,831</u>

City of Granbury, Texas  
Balance Sheet  
Governmental Funds  
September 30, 2019

	General	Debt Service	Capital Projects	Other Governmental Funds	Total Governmental Funds
<b>ASSETS:</b>					
Assets:					
Cash and cash equivalents	\$ 151,609	\$ 708,561	\$ -	\$ 439,058	\$ 1,299,228
Investments	10,420,734	-	-	-	10,420,734
Receivables (Net of allowances for uncollectibles)					
Property taxes	37,714	45,574	-	-	83,288
Franchise taxes	416,636	-	-	-	416,636
Due from other governments	1,552,265	-	-	-	1,552,265
Fines and fees receivable	122,038	-	-	-	122,038
Miscellaneous receivables	49,374	-	-	74,435	123,809
Interest	959	-	-	-	959
Due from other funds	15,516	909	-	-	16,425
Inventories	96,675	-	-	3,221	99,896
Prepaid items	55,579	-	-	14,121	69,700
Restricted Assets:					
Cash and cash equivalents	1,928,848	-	987,361	-	2,916,209
Investments	-	-	4,270,473	-	4,270,473
	<u>\$ 14,847,947</u>	<u>\$ 755,044</u>	<u>\$ 5,257,834</u>	<u>\$ 530,835</u>	<u>\$ 21,391,660</u>
<b>LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES:</b>					
Liabilities:					
Accounts payable and accrued expenses	\$ 1,856,439	\$ 1,530	\$ 152,937	\$ 63,052	\$ 2,073,958
Customer deposits payable	-	-	-	700	700
Unearned revenue	1,075,517	-	-	40,038	1,115,555
Due to other funds	-	1,552	-	-	1,552
	<u>2,931,956</u>	<u>3,082</u>	<u>152,937</u>	<u>103,790</u>	<u>3,191,765</u>
Deferred inflows of resources:					
Deferred revenue	1,344,529	45,574	-	-	1,390,103
	<u>1,344,529</u>	<u>45,574</u>	<u>-</u>	<u>-</u>	<u>1,390,103</u>
Fund Balance:					
Nonspendable	152,253	-	-	17,342	169,595
Restricted	793,336	706,388	5,104,897	286,412	6,891,033
Committed	775,084	-	-	123,291	898,375
Assigned	162,602	-	-	-	162,602
Unassigned	8,688,187	-	-	-	8,688,187
	<u>10,571,462</u>	<u>706,388</u>	<u>5,104,897</u>	<u>427,045</u>	<u>16,809,792</u>
Total liabilities, deferred inflows of resources, and fund balances	<u>\$ 14,847,947</u>	<u>\$ 755,044</u>	<u>\$ 5,257,834</u>	<u>\$ 530,835</u>	<u>\$ 21,391,660</u>

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

City of Granbury, Texas  
 Reconciliation of the Governmental Funds Balance Sheet  
 To the Statement of Net Position  
 September 30, 2019

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Total Fund Balances - Governmental Funds \$ 16,809,792

Capital assets used in governmental activities are not financial resources and therefore are not reported in the governmental funds. The cost of these assets was \$109,987,932 and the accumulated depreciation was \$53,911,529. 56,076,403

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

Interest payable	(122,293)	
General obligation and certificates of obligation bonds	(27,884,040)	
Notes payable	(233,135)	
Capital leases payable	(1,247,084)	
Compensated absences	(529,676)	(30,016,228)

Deferred charges for refunding related to governmental activity debt are not financial resources and, therefore, are not reported in the governmental funds. 742,467

Included in the items related to noncurrent liabilities is the recognition of the City's net pension liability required by GASB 68 in the amount of \$6,976,242, a deferred resource inflow related to pensions of \$260,419, and a deferred resource outflow related to pensions in the amount of \$2,262,987. This amounted to a decrease in net position of \$4,973,674. (4,973,674)

Included in the items related to noncurrent liabilities is the recognition of the City's total OPEB liability required by GASB 75 in the amount of \$354,884, a deferred resource inflow related to OPEB of \$21,740, and a deferred resource outflow related to OPEB in the amount of \$24,342. This amounted to a decrease in net position of \$352,282. (352,282)

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

Property taxes	80,528	
Franchise taxes	416,636	
Sales tax	770,901	
Court fines	122,038	1,390,103

The City uses an internal service fund to charge the costs of fleet to the appropriate functions in other funds. The assets and liabilities of the internal service fund are included in governmental activities in the statement of net position. The net effect of this consolidation is to increase net position. 29,065

Net Position of Governmental Activities \$ 39,705,646

City of Granbury, Texas  
Statement of Revenues, Expenditures and Changes in Fund Balance  
Governmental Funds  
For the year ended September 30, 2019

	General	Debt Service	Capital Projects	Other Governmental Funds	Total Governmental Funds
<b>Revenues:</b>					
<b>Taxes:</b>					
Property	\$ 2,989,294	\$ 2,947,643	\$ -	\$ -	\$ 5,936,937
Sales and Use	9,055,290	-	-	-	9,055,290
Hotel/Motel Occupancy	-	-	-	844,772	844,772
Franchise	1,784,308	-	-	-	1,784,308
Fines and fees	212,431	-	-	-	212,431
Licenses and permits	768,360	-	-	-	768,360
Charges for service	86,637	-	-	482,775	569,412
Intergovernmental revenue	219,441	-	-	-	219,441
Park and recreation	241,388	-	-	-	241,388
Interest income	279,390	55,953	99,633	773	435,749
Other revenue	344,298	-	-	26,720	371,018
<b>Total revenues</b>	<b>15,980,837</b>	<b>3,003,596</b>	<b>99,633</b>	<b>1,355,040</b>	<b>20,439,106</b>
<b>Expenditures:</b>					
<b>Current</b>					
<b>General Government:</b>					
City Council	196,435	-	-	-	196,435
Legal	168,843	-	-	-	168,843
Executive	702,214	-	-	-	702,214
Financial Administration	510,564	-	-	-	510,564
Purchasing	155,961	-	-	-	155,961
Social Services	54,000	-	-	-	54,000
Information Technology	817,379	-	-	-	817,379
Economic Development	71,025	-	-	-	71,025
Human Resources	196,448	-	-	-	196,448
Warehouse	142,656	-	-	-	142,656
Fleet Maintenance	309,622	-	-	-	309,622
Building Maintenance	788,660	-	-	-	788,660
Granbury Broadcasting Services	124,117	-	-	-	124,117
Other governmental functions	1,093,470	-	-	-	1,093,470
<b>Public Safety:</b>					
Police	4,555,915	-	-	-	4,555,915
Fire	450,062	-	-	-	450,062
Municipal Court	194,516	-	-	-	194,516
Streets	2,439,635	-	-	-	2,439,635
Building & Permits	716,943	-	-	-	716,943
Community Development	616,337	-	-	-	616,337
Clean Air Coalition	78,316	-	-	-	78,316
Cemetery	74,803	-	-	-	74,803
Tourism	-	-	-	635,345	635,345
Parks	1,818,546	-	-	-	1,818,546
Conference Center	-	-	-	947,207	947,207
Capital Outlay	-	-	840,670	-	840,670
<b>Debt Service:</b>					
Principal	-	2,229,973	-	27,249	2,257,222
Interest and fiscal charges	-	952,778	-	10,286	963,064
Debt issuance costs	-	-	50,000	-	50,000
<b>Total expenditures</b>	<b>16,276,467</b>	<b>3,182,751</b>	<b>890,670</b>	<b>1,620,087</b>	<b>21,969,975</b>
Excess (deficiency) of revenue over (under) expenditures	\$ (295,630)	\$ (179,155)	\$ (791,037)	\$ (265,047)	\$ (1,530,869)
<b>Other financing sources (uses):</b>					
Transfers in	1,497,689	377,428	-	376,530	2,251,647
Transfers out	(686,760)	-	-	-	(686,760)
Certificates of Obligation issued	-	-	2,210,000	-	2,210,000
Insurance recoveries	75,632	-	-	-	75,632
<b>Total other financing sources (uses)</b>	<b>886,561</b>	<b>377,428</b>	<b>2,210,000</b>	<b>376,530</b>	<b>3,850,519</b>
Net change in fund balances	590,931	198,273	1,418,963	111,483	2,319,650
Fund Balance, October 1, 2018	9,980,531	508,115	3,685,934	315,562	14,490,142
Fund Balance, September 30, 2019	\$ 10,571,462	\$ 706,388	\$ 5,104,897	\$ 427,045	\$ 16,809,792

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

City of Granbury, Texas  
 Reconciliation of Statement of Revenues,  
 Expenditures and Changes in Fund Balances of  
 The Governmental Funds to the Statement of Activities  
 For the year ended September 30, 2019

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Total Net Change in Fund Balances - Governmental Funds	\$ 2,319,650
Current year capital outlays and long-term debt principal payments are expenditures in the fund financial statements, but they should be shown as increases in capital assets and reductions in long-term debt in the government-wide financial statements. The net effect of including \$3,913,156 of capital outlays and \$2,257,222 of debt principal payments is to increase net position.	6,170,378
Capital asset donations are revenues in the government-wide financial statements but are not reported in the governmental fund financial statements.	10,853,068
The net effect of various miscellaneous transactions involving capital assets (i.e., sales, trade-ins, disposals and transfers between activities) is to decrease net position.	(179,195)
Depreciation is not recognized as an expense in governmental funds since it does not require the use of current financial resources. The net effect of the current year's depreciation is to decrease net position.	(3,609,737)
Current year proceeds from the sale of bonds are other financing sources in the fund financial statements. The net effect of the increase in certificates of obligation is a decrease in net position.	(2,210,000)
Current year interest payable and compensated absences of the governmental funds are not due and payable in the current period and, therefore are not reported as liabilities or assets in the funds. The \$6,133 increase in interest payable, \$101,502 increase in compensated absences, and \$79,556 amortization of deferred charges, premiums and discounts decrease net position.	(28,079)
Revenues in the government-wide statement of activities that do not provide current financial resources are not reported as revenues in the funds.	51,174
GASB required the City to recognize their net pension liability, deferred resource inflow related to pensions, and deferred resource outflow related to pensions. The changes in these balances decreased net position.	(188,487)
GASB required the City to recognize their total OPEB liability, deferred resource inflow related to OPEB, and deferred resource outflow related to OPEB. The changes in these balances decreased net position.	(23,393)
The City uses an internal service fund to charge the costs of fleet to the appropriate functions in other funds. The adjustment to reflect the consolidation of the internal service fund activities related to governmental activities increased net position.	29,065
Change in Net Position of Governmental Activities	\$ 13,184,444

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

City of Granbury, Texas  
Statement of Net Position  
Proprietary Funds  
September 30, 2019

	Business-type Activities Enterprise Funds			Governmental Activities
	Utility Fund	Airport Fund	Totals	Internal Service Fund
<b>ASSETS:</b>				
Current Assets:				
Cash and cash equivalents	\$ 483,925	\$ 108,456	\$ 592,381	\$ 44,032
Investments	6,798,376	1,199,918	7,998,294	-
Receivables (Net of allowance for uncollectibles):				
Accounts	2,635,809	-	2,635,809	-
Miscellaneous Receivables	74,644	370,654	445,298	-
Interest	2,939	-	2,939	-
Prepaid expenses	6,393	-	6,393	-
Supplies inventory	1,431,827	26,560	1,458,387	-
Restricted Assets:				
Cash and cash equivalents	1,537,457	-	1,537,457	-
Investments	48,286,344	-	48,286,344	-
Total current assets	<u>61,257,714</u>	<u>1,705,588</u>	<u>62,963,302</u>	<u>44,032</u>
Capital assets, at cost:				
Land	3,185,413	9,426,178	12,611,591	-
Construction in Progress	5,062,001	6,856,976	11,918,977	-
Buildings	1,513,967	168,474	1,682,441	-
Improvements other than buildings	93,505,444	4,611,887	98,117,331	-
Machinery and Equipment	4,457,766	290,436	4,748,202	-
Less: accumulated depreciation	<u>(31,314,534)</u>	<u>(3,495,283)</u>	<u>(34,809,817)</u>	<u>-</u>
Capital assets, net	<u>76,410,057</u>	<u>17,858,668</u>	<u>94,268,725</u>	<u>-</u>
Total noncurrent assets	<u>76,410,057</u>	<u>17,858,668</u>	<u>94,268,725</u>	<u>-</u>
Total assets	<u>\$137,667,771</u>	<u>\$ 19,564,256</u>	<u>\$157,232,027</u>	<u>\$ 44,032</u>
<b>DEFERRED OUTFLOWS OF RESOURCES:</b>				
Deferred charge on refunding	\$ 174,164	\$ -	\$ 174,164	\$ -
Deferred outflow related to pensions	635,865	34,189	670,054	-
Deferred outflow related to OPEB	6,209	406	6,615	-
Total deferred outflows of resources	<u>\$ 816,238</u>	<u>\$ 34,595</u>	<u>\$ 850,833</u>	<u>\$ -</u>

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

	Business-type Activities Enterprise Funds			Governmental Activities
	Utility Fund	Airport Fund	Totals	Internal Service Fund
<b>LIABILITIES:</b>				
Current Liabilities:				
Accounts payable and accrued liabilities	\$ 1,196,387	\$ 99,906	\$ 1,296,293	\$ -
Unearned revenue	208,700	-	208,700	-
Compensated absences payable	72,900	2,472	75,372	-
Due to other funds	14,873	-	14,873	-
Current Liabilities Payable from Restricted Assets:				
Accounts payable and accrued liabilities	2,589,835	-	2,589,835	-
Current portion of long-term debt	2,579,287	106,382	2,685,669	-
Interest payable	206,876	-	206,876	-
Customer deposits payable	778,210	6,725	784,935	-
Total current liabilities	7,647,068	215,485	7,862,553	-
Noncurrent Liabilities:				
Compensated absences payable	83,077	-	83,077	-
Net pension liability	1,981,196	129,766	2,110,962	-
Total OPEB liability	104,781	6,858	111,639	-
Texas Capital Fund loan	44,057	-	44,057	-
Capital leases payable	1,012,726	297,803	1,310,529	-
Bonds payable	88,948,008	-	88,948,008	-
Total noncurrent liabilities	92,173,845	434,427	92,608,272	-
Total liabilities	\$ 99,820,913	\$ 649,912	\$ 100,470,825	\$ -
<b>DEFERRED INFLOWS OF RESOURCES:</b>				
Deferred Inflows related to pensions	\$ 71,307	\$ 4,671	\$ 75,978	\$ -
Deferred Inflows related to OPEB	6,419	420	6,839	-
Total deferred inflows of resources	\$ 77,726	\$ 5,091	\$ 82,817	\$ -
<b>NET POSITION:</b>				
Net investment in capital assets	\$ 27,285,348	\$ 17,454,483	\$ 44,739,831	\$ -
Restricted for debt service (Expendable)	763,222	-	763,222	-
Restricted impact fees for capital improvements - water (Expendable)	323,646	-	323,646	-
Restricted impact fees for capital improvements - wastewater (Expendable)	859,648	-	859,648	-
Unrestricted	9,353,506	1,489,365	10,842,871	44,032
Total net position	\$ 38,585,370	\$ 18,943,848	\$ 57,529,218	\$ 44,032
Reconciliation to government-wide statement of net position:				
Total Net Position	\$ 38,585,370	\$ 18,943,848	\$ 57,529,218	
Adjustment to reflect the consolidation of internal service fund activities related to enterprise funds	14,967	-	14,967	
	\$ 38,600,337	\$ 18,943,848	\$ 57,544,185	

City of Granbury, Texas  
Statement of Revenues, Expenses and Changes in Fund Net Position  
Proprietary Funds  
For the year ended September 30, 2019

	Business-type Activities Enterprise Funds			Governmental Activities
	Utility Fund	Airport Fund	Totals	Internal Service Fund
Operating revenues:				
Charges for sales and services:				
Charges for Water and Wastewater Sales	\$ 10,473,837	\$ -	\$ 10,473,837	\$ -
Charges for Electricity Sales	10,786,134	-	10,786,134	-
Charges for Airport Services	-	755,261	755,261	-
Impact fees	296,835	-	296,835	-
Other Revenue	644,644	30,211	674,855	43,952
Total operating revenue	<u>22,201,450</u>	<u>785,472</u>	<u>22,986,922</u>	<u>43,952</u>
Operating expenses:				
Administration	811,056	-	811,056	-
Airport	-	569,331	569,331	-
Water treatment and distribution	3,158,100	-	3,158,100	-
Wastewater collection and treatment	1,573,614	-	1,573,614	-
Electricity	6,109,392	-	6,109,392	-
Meter Reading	254,722	-	254,722	-
Utility Franchise Fees	843,855	-	843,855	-
Depreciation	3,141,351	162,905	3,304,256	-
Total operating expenses	<u>15,892,090</u>	<u>732,236</u>	<u>16,624,326</u>	<u>-</u>
Operating income	<u>6,309,360</u>	<u>53,236</u>	<u>6,362,596</u>	<u>43,952</u>
Nonoperating revenues (expenses):				
Interest revenue	1,173,838	59,934	1,233,772	80
Intergovernmental revenue	30,000	76,608	106,608	-
Gain (loss) on disposal of capital assets	13,680	(223)	13,457	-
Interest expense	(1,580,009)	(15,565)	(1,595,574)	-
Debt issuance costs	(891,772)	-	(891,772)	-
Total nonoperating revenues (expenses)	<u>(1,254,263)</u>	<u>120,754</u>	<u>(1,133,509)</u>	<u>80</u>
Income (loss) before contributions and transfers	<u>5,055,097</u>	<u>173,990</u>	<u>5,229,087</u>	<u>44,032</u>
Capital contributions and transfers:				
Capital grants and contributions	2,529,654	3,000,000	5,529,654	-
Transfers out	(1,513,584)	(51,303)	(1,564,887)	-
Net capital contributions and transfers	<u>1,016,070</u>	<u>2,948,697</u>	<u>3,964,767</u>	<u>-</u>
Change in Net Position	6,071,167	3,122,687	9,193,854	44,032
Net Position, October 1, 2018	<u>32,514,203</u>	<u>15,821,161</u>	<u>48,335,364</u>	<u>-</u>
Net Position, September 30, 2019	<u>\$ 38,585,370</u>	<u>\$ 18,943,848</u>	<u>\$ 57,529,218</u>	<u>\$ 44,032</u>
Reconciliation to government-wide statement of activities:				
Change in Net Position	\$ 6,071,167	\$ 3,122,687	\$ 9,193,854	
Adjustment to reflect the consolidation of internal service fund activities related to enterprise funds	14,967	-	14,967	
	<u>\$ 6,086,134</u>	<u>\$ 3,122,687</u>	<u>\$ 9,208,821</u>	

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

City of Granbury, Texas  
Statement of Cash Flows  
Proprietary Funds  
For the year ended September 30, 2019

	Business-type Activities Enterprise Funds			Governmental Activities
	Utility Fund	Airport Fund	Totals	Internal Service Fund
Cash flows from operating activities:				
Cash received from customers	\$ 21,995,465	\$ 800,486	\$ 22,795,951	\$ -
Receipts from interfund services provided	-	-	-	43,952
Payments to suppliers	(10,445,679)	(359,855)	(10,805,534)	-
Cash paid to employees	(1,781,523)	(115,833)	(1,897,356)	-
Net cash provided (used) by operating activities	<u>9,768,263</u>	<u>324,798</u>	<u>10,093,061</u>	<u>43,952</u>
Cash flow from noncapital financing activities:				
Transfers out	(1,513,584)	(51,303)	(1,564,887)	-
Net cash provided (used) by noncapital financing activities	<u>(1,513,584)</u>	<u>(51,303)</u>	<u>(1,564,887)</u>	<u>-</u>
Cash flow from capital and related financing activities:				
Principal payments on long-term debt	(2,156,730)	(109,202)	(2,265,932)	-
Proceeds from issuance of bonds	47,868,228	-	47,868,228	-
Insurance proceeds	13,680	-	13,680	-
Capital grants and contributions	30,000	3,076,608	3,106,608	-
Capital outlay	(7,711,738)	(5,008,405)	(12,720,143)	-
(Increase) decrease in miscellaneous receivables	735,227	(277,812)	457,415	-
Interest paid on long-term debt	(1,505,246)	(15,565)	(1,520,811)	-
Net cash (used) by capital and related financing activities	<u>37,273,421</u>	<u>(2,334,376)</u>	<u>34,939,045</u>	<u>-</u>
Cash flow from investing activities:				
Proceeds from sales and maturities of investments	-	1,843,747	1,843,747	-
Purchase of investments	(49,943,533)	-	(49,943,533)	-
Interest Received	1,177,318	59,934	1,237,252	80
Net cash provided (used) by investing activities	<u>(48,766,215)</u>	<u>1,903,681</u>	<u>(46,862,534)</u>	<u>80</u>
Net increase (decrease) in cash and cash equivalents	(3,238,115)	(157,200)	(3,395,315)	44,032
Cash and cash equivalents, October 1, 2018	5,259,497	265,656	5,525,153	-
Cash and cash equivalents, September 30, 2019	<u>\$ 2,021,382</u>	<u>\$ 108,456</u>	<u>\$ 2,129,838</u>	<u>\$ 44,032</u>
<b>Reconciliation of Operating Income to</b>				
<b>Net Cash Provided (Used) by Operating Activities</b>				
Operating income (loss)	<u>\$ 6,309,360</u>	<u>\$ 53,236</u>	<u>\$ 6,362,596</u>	<u>\$ 43,952</u>
Adjustments to reconcile operating income to				
net cash provided (used) by operating activities:				
Depreciation expense	3,141,351	162,905	3,304,256	-
Loss on disposal of capital assets	88,479	-	88,479	-
(Increase) decrease in accounts receivable	(373,752)	-	(373,752)	-
(Increase) decrease in miscellaneous receivables	5,957	15,959	21,916	-
(Increase) decrease in prepaid items	(4,429)	6,342	1,913	-
(Increase) decrease in inventory	6,770	(321)	6,449	-
Increase (decrease) in accounts payable	241,795	75,382	317,177	-
Increase (decrease) in compensated absences payable	31,907	72	31,979	-
Increase (decrease) in unearned revenue	55,735	-	55,735	-
Increase (decrease) in customer meter deposits	112,032	(945)	111,087	-
Increase (decrease) in net pension balances	141,115	11,840	152,955	-
Increase (decrease) in total OPEB balances	11,943	328	12,271	-
Total adjustments	<u>3,458,903</u>	<u>271,562</u>	<u>3,730,465</u>	<u>-</u>
Net cash provided by operating activities	<u>\$ 9,768,263</u>	<u>\$ 324,798</u>	<u>\$ 10,093,061</u>	<u>\$ 43,952</u>
<b>Noncash Investing, Capital and Financing Activities</b>				
Contribution of capital assets from developers	<u>\$ 2,529,654</u>	<u>\$ -</u>	<u>\$ 2,529,654</u>	<u>\$ -</u>

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

City of Granbury, Texas  
Statement of Fiduciary Net Position  
Fiduciary Fund  
September 30, 2019

	Future Construction Escrow Agency Fund	Employee Benefits Trust
<b>ASSETS:</b>		
Assets:		
Cash and cash equivalents	\$ 36,032	\$ 381,136
Total assets	<u>\$ 36,032</u>	<u>\$ 381,136</u>
<b>LIABILITIES</b>		
Liabilities:		
Escrow liability	\$ 36,032	\$ -
Total liabilities	<u>\$ 36,032</u>	<u>\$ -</u>
<b>NET POSITION</b>		
Restricted Net Position		<u>\$ 381,136</u>

City of Granbury, Texas  
Statement of Changes in Fiduciary Net Position  
Fiduciary Fund  
For the year ended September 30, 2019

	<u>Employee Benefits Trust</u>
Additions	
Contributions	
Employer	\$ 1,040,130
Employees	283,237
Interest Income	<u>5,202</u>
Total additions	<u>1,328,569</u>
Deductions	
Insurance Premiums	<u>1,235,933</u>
Change in net position	92,636
Net Position, October 1, 2018	<u>288,500</u>
Net Position, September 30, 2019	<u><u>\$ 381,136</u></u>

**CITY OF GRANBURY, TEXAS**  
**Notes to Financial Statements**  
**September 30, 2019**

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

**A. Reporting Entity**

The City of Granbury is a charter city in which the citizens elect the mayor at large and five council members by wards. 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, each of whom shall be a resident of the City and are determined as follows: the mayor of the city, city manager and either the chief financial officer of the City or a member of the city council as determined by the city council. The Corporation was created to assist the City in acquisition/control of historical properties deemed important to the growth and development of the City. The Corporation is presented as a blended component unit and reported as a special revenue fund because the City can impose its will on the Corporation by significantly influencing the programs, projects or activities performed by the Corporation and because the Corporation's services are provided exclusively for the benefit of the City.

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

The government-wide financial statements (i.e., the statement of net position and the statement of changes in net position) report information on all of the nonfiduciary activities of the primary government and its component units. For the most part, the effect of interfund activity has been removed from these statements. Governmental activities, which normally are supported by taxes and intergovernmental revenues, are reported separately from business-type activities, which rely to a significant extent on fees and charges for support.

The statement of activities demonstrates the degree to which the direct expenses of a given function or segment are offset by program revenues. Direct expenses are those that are clearly identifiable with a specific function or segment. Program revenues include 1) charges to customers or applicants who purchase, use or directly benefit from goods, services or privileges provided by a given function or segment and 2) grants and contributions that are restricted to meeting the operational or capital requirements of a particular function or segment. Taxes and other items not properly included among program revenues are reported instead as general revenues.

Separate financial statements are provided for governmental funds, proprietary funds and fiduciary funds, even though the later are excluded from the government-wide financial statements. Major individual funds and individual enterprise funds are reported as separate columns in the fund financial statements.

**CITY OF GRANBURY, TEXAS**  
**Notes to Financial Statements**  
**September 30, 2019**

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

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

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

Governmental fund financial statements are reported using the current financial resources measurement focus and the modified accrual basis of accounting. Under the modified accrual basis of accounting, revenues are recognized as soon as they are measurable and available. Revenues are considered to be available when they are collectible within the current period or soon enough thereafter to pay liabilities of the current period. The government considers all revenues available if they are collected within 60 days after year-end. Expenditures generally are recorded when the related fund liability is incurred, however, debt service expenditures and expenditures related to compensated absences and claims and judgments, are recognized when payment is due.

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

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

The City reports the following major governmental funds:

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

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

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

The City reports the following major proprietary funds:

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

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

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

**CITY OF GRANBURY, TEXAS**  
**Notes to Financial Statements**  
**September 30, 2019**

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

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

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

The *future construction escrow agency fund* is used to account for resources held in a purely custodial capacity for individuals and organizations outside the reporting government.

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 Term and Texas Class public investment pools and US Treasuries are not considered cash and cash equivalents. Assets reported as cash and cash equivalents are considered cash and cash equivalents for the statement of cash flows.

**2. Receivables and Payables**

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

**CITY OF GRANBURY, TEXAS**  
**Notes to Financial Statements**  
**September 30, 2019**

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

**3. *Property Tax***

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

**4. *Inventory***

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

**5. *Prepaid Items***

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

**6. *Capital Assets***

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

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

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

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

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

**CITY OF GRANBURY, TEXAS**  
**Notes to Financial Statements**  
**September 30, 2019**

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

***7. Compensated Absences***

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

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

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

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

**Pensions**

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

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

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

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

**CITY OF GRANBURY, TEXAS**  
**Notes to Financial Statements**  
**September 30, 2019**

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

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

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

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

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

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

	General Fund	Debt Service Fund	Capital Projects Fund	Other Governmental Funds	Total Governmental Funds
<u>Nonspendable:</u>					
Prepays and inventory	\$ 152,253	\$ -	\$ -	\$ 17,342	\$ 169,595
<u>Restricted:</u>					
Debt Service	-	706,388	-	-	706,388
Construction	-	-	5,104,897	-	5,104,897
Police training, K9 program and forfeiture funds	73,335	-	-	-	73,335
Park improvements	589,086	-	-	-	589,086
Public, educational and governmental programming	78,042	-	-	-	78,042
Tourism	-	-	-	286,412	286,412
Court Technology & Security	52,873	-	-	-	52,873
<u>Committed:</u>					
Culture and Recreation	-	-	-	123,291	123,291
Encumbrances	775,084	-	-	-	775,084
<u>Assigned:</u>					
Cemetery Gas Well	162,602	-	-	-	162,602
<u>Unassigned:</u>					
	8,688,187	-	-	-	8,688,187
	<u>\$ 10,571,462</u>	<u>\$ 706,388</u>	<u>\$ 5,104,897</u>	<u>\$ 427,045</u>	<u>\$ 16,809,792</u>

**CITY OF GRANBURY, TEXAS**  
**Notes to Financial Statements**  
**September 30, 2019**

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

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

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

**10. *Net Position***

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

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

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

Restricted Fund Balance (Exhibit C-1)	\$ 6,891,033
Adjustments	
Unspent proceeds from bonds reclassified to net investment in capital assets	(5,104,897)
Accrued interest payable restricted for debt service	(122,293)
Deferred property tax revenue restricted for debt service	45,574
Total adjustments	(5,181,616)
Restricted Net Position (Exhibit A-1)	\$ 1,709,417

**11. *Use of Estimates***

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

**12. *Comparative Data***

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

**CITY OF GRANBURY, TEXAS**  
**Notes to Financial Statements**  
**September 30, 2019**

**NOTE 2:      DEPOSITS AND INVESTMENTS**

The Texas Public Funds Investment Act authorizes the government to invest in obligations of the U.S. Treasury, obligations of states, agencies, counties, cities and other political subdivisions, secured certificates of deposit, repurchase agreements, bankers' acceptance, commercial paper, mutual funds, guaranteed investment contracts and investment pools. Investments are stated at fair value except for short-term highly liquid investments which are stated at cost or amortized cost. During the year ended September 30, 2019, 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 TERM Local Investment Pool. The City's investment pools are local government investment pools organized under the authority of the Interlocal Cooperation Act Chapter 791, Texas Government Code, and the Public Funds Investment Act, Chapter 2256, Texas Government Code. All investments of the Pools are stated at amortized cost, which in most cases approximates the market value of the securities. The objective of the Pools is to maintain a stable \$1.00 net asset value; however, the \$1.00 net asset value is not guaranteed or insured by the State of Texas.

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

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

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

Texas TERM 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 TERM and other persons who do not have a business relationship with Texas TERM 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, 2019, the City's deposits at all banks were adequately insured.

**CITY OF GRANBURY, TEXAS**  
**Notes to Financial Statements**  
**September 30, 2019**

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

\$46,695,987 of the City's cash balance is held in an escrow account and collateralized in the name of the financial institution, not the City.

Credit Risk– Investments

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

Interest Rate Risk – Investments

In accordance with its investment policy, the City manages interest rate risk by avoiding over-concentration of assets in a specific maturity sector, a specific issuer or a specific class of securities. Portfolio maturities are staggered in a way that protects interest income from volatility and concentrations in a specific maturity sector. The maximum dollar weighted average maturity will be limited to two years. The City's investments at September 30, 2019 included the following:

<u>Investment</u>	<u>Credit Rating</u>	<u>Maturities</u>	<u>% of Total Investments</u>	<u>Cost</u>	<u>Fair Value</u>
Tex-Pool	AAAm	34 days	0.60%	\$ 425,000	\$ 425,000
Texas CLASS Pool	AAAm	50 days	28.28%	19,955,643	19,955,643
Texas TERM Pool	AAAf	32 days	2.95%	2,084,197	2,084,197
TexStar Pool	AAAm	22 days	2.57%	1,815,018	1,815,018
BOK Financial US Treasuries		15 - 230 days	65.59%	46,282,912	46,695,987
			100.00%	<u>\$ 70,562,770</u>	<u>\$ 70,975,845</u>

**NOTE 3: RESTRICTED ASSETS**

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

	<u>Cash</u>	<u>Investments</u>
Governmental Activities		
PEG Fees	\$ 78,042	\$ -
Police forfeitures	70,409	-
Trust and agency	760,732	-
Construction	2,007,026	4,270,473
Total	<u>\$ 2,916,209</u>	<u>\$ 4,270,473</u>
Business-type Activities		
Customer deposits	\$ 778,210	\$ -
Impact fees restricted for capital improvements	483,833	700,339
Interest and sinking funds	55,131	-
Revenue bond reserve	24,949	890,018
Bond construction fund	195,334	46,695,987
Total	<u>\$ 1,537,457</u>	<u>\$ 48,286,344</u>

**CITY OF GRANBURY, TEXAS**  
**Notes to Financial Statements**  
**September 30, 2019**

**NOTE 4: RECEIVABLES**

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

	General	Debt Service	Tourism	Total Governmental Funds	Total Enterprise Funds
Receivables:					
Property taxes	\$ 44,010	\$ 53,615	\$ -	\$ 97,625	\$ -
Franchise taxes	416,636	-	-	416,636	-
Accounts receivable	-	-	-	-	1,521,020
Earned income not billed	-	-	-	-	1,129,601
Fines and fees receivable	610,188	-	-	610,188	-
Due from other governments	1,552,265	-	-	1,552,265	-
Miscellaneous	49,374	-	74,435	123,809	445,298
Interest	959	-	-	959	2,939
Gross Receivables	2,673,432	53,615	74,435	2,801,482	3,098,858
Less: Allowance for Uncollectibles	(494,446)	(8,041)	-	(502,487)	(14,812)
Net Total Receivables	<u>\$2,178,986</u>	<u>\$ 45,574</u>	<u>\$ 74,435</u>	<u>\$2,298,995</u>	<u>\$3,084,046</u>

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

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

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

**CITY OF GRANBURY, TEXAS**  
**Notes to Financial Statements**  
**September 30, 2019**

**NOTE 5: DEFERRED OUTFLOWS/INFLOWS OF RESOURCES (Continued)**

**Deferred inflows of resources - governmental funds**

Deferred property taxes receivable (general fund)	\$ 34,954
Deferred property taxes receivable (debt service fund)	45,574
Deferred sales tax receivable (general fund)	770,901
Deferred franchise tax receivable (general fund)	416,636
Deferred fines and fees receivable (general fund)	122,038
Total deferred inflows for governmental funds	\$ 1,390,103

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

The composition of interfund balances for the City's individual major funds and nonmajor funds as of September 30, 2019, is as follows:

Receivable Fund	Payable Fund	Amount	Purpose
General	Utility Fund	\$ 14,873	Warehouse inventory
	Debt Service	643	Debt Service
Debt Service	General Fund	909	Debt service
Total Governmental Funds		\$ 16,425	

The composition of interfund transfers for the City's individual major funds and nonmajor funds as of September 30, 2019, is as follows:

Transfer In	Transfer Out	Amount	Purpose
General	Airport	\$ 51,303	Allocation of shared expenses
	Enterprise	1,446,386	Unrestricted revenues of utility fund used to finance various general fund programs
Debt Service	General	310,230	Debt service
	Utility	67,198	Debt service
Nonmajor	General	336,530	Tourism
	General	40,000	Historic Properties
Total Governmental Funds Transfers In		\$ 2,251,647	

**CITY OF GRANBURY, TEXAS**  
**Notes to Financial Statements**  
**September 30, 2019**

**NOTE 7: CAPITAL ASSETS**

Capital asset activity for the year ended September 30, 2019 was as follows:

Governmental activities:	Beginning Balance	Increases	Decreases	Transfers & Adjustments	Ending Balance
<b>Non - Depreciable Assets:</b>					
Land	\$ 5,496,560	\$ 1,164,190	\$ -	\$ -	\$ 6,660,750
Construction in Progress	681,656	2,338,622	-	(2,033,951)	986,327
Total non-depreciable assets	<u>6,178,216</u>	<u>3,502,812</u>	<u>-</u>	<u>(2,033,951)</u>	<u>7,647,077</u>
<b>Depreciable Assets:</b>					
Buildings	20,498,779	6,677,112	(299,411)	736,116	27,612,596
Improvements other than buildings	57,848,435	4,099,727	(17,448)	161,956	62,092,670
Machinery and equipment	11,296,297	486,573	(283,160)	1,135,879	12,635,589
Total capital assets being depreciated	<u>89,643,511</u>	<u>11,263,412</u>	<u>(600,019)</u>	<u>2,033,951</u>	<u>102,340,855</u>
<b>Accumulated Depreciation:</b>					
Buildings	(8,350,210)	(988,687)	120,562	-	(9,218,335)
Improvements other than buildings	(33,283,086)	(1,815,109)	17,448	-	(35,080,747)
Machinery and equipment	(9,089,320)	(805,941)	282,814	-	(9,612,447)
Total accumulated depreciation	<u>(50,722,616)</u>	<u>(3,609,737)</u>	<u>420,824</u>	<u>-</u>	<u>(53,911,529)</u>
Governmental activities capital assets, net	<u>\$ 45,099,111</u>	<u>\$ 11,156,487</u>	<u>\$ (179,195)</u>	<u>\$ -</u>	<u>\$ 56,076,403</u>

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

<b>Governmental activities:</b>	
Information technology	\$ 81,687
Fleet	5,643
Warehouse	9,365
Building maintenance	38,801
Granbury broadcasting services	19,738
Other governmental functions	435,340
Police	211,964
Fire	300,026
Municipal Court	4,836
Streets	1,224,022
Cemetery	13,246
Tourism	691,868
Parks	573,201
Total depreciation expense - governmental activities	<u>\$ 3,609,737</u>

**CITY OF GRANBURY, TEXAS**  
**Notes to Financial Statements**  
**September 30, 2019**

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

Business-type activities:	Beginning Balance	Increases	Decreases	Transfers & Adjustments	Ending Balance
<b>Non - Depreciable Assets:</b>					
Land	\$11,687,705	\$ -	\$ -	\$ 923,886	\$ 12,611,591
Construction in Progress	19,221,654	12,044,849	-	(19,347,526)	11,918,977
Total non-depreciable assets	<u>30,909,359</u>	<u>12,044,849</u>	<u>-</u>	<u>(18,423,640)</u>	<u>24,530,568</u>
<b>Depreciable Assets:</b>					
Buildings	456,447	-	-	1,225,994	1,682,441
Improvements other than buildings	78,371,033	2,556,756	(8,104)	17,197,646	98,117,331
Machinery and equipment	4,240,677	726,426	(218,901)	-	4,748,202
Total capital assets being depreciated	<u>83,068,157</u>	<u>3,283,182</u>	<u>(227,005)</u>	<u>18,423,640</u>	<u>104,547,974</u>
<b>Accumulated Depreciation:</b>					
Buildings	(314,515)	(21,847)	-	-	(336,362)
Improvements other than buildings	(28,675,460)	(2,791,031)	6,400	-	(31,460,091)
Machinery and equipment	(2,653,886)	(491,378)	131,900	-	(3,013,364)
Total accumulated depreciation	<u>(31,643,861)</u>	<u>(3,304,256)</u>	<u>138,300</u>	<u>-</u>	<u>(34,809,817)</u>
Business-type activities capital assets, net	<u>\$ 82,333,655</u>	<u>\$ 12,023,775</u>	<u>\$ (88,705)</u>	<u>\$ -</u>	<u>\$ 94,268,725</u>

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

<b>Business-type activities:</b>	
Water treatment and distribution	\$ 2,203,796
Wastewater collection and treatment	715,746
Electricity	221,809
Airport	162,905
Total depreciation expense - business-type activities	<u>\$ 3,304,256</u>

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

General Obligation Bonds, Certificates of Obligation Bonds and Capital Leases Payable principal and interest are paid by the debt service fund. The Note Payable to First Financial Bank is paid by the Granbury Historic Properties Corporation. The compensated absences balances were earned in the funds as follows: general fund \$527,413 and tourism fund \$2,263.

**CITY OF GRANBURY, TEXAS**  
**Notes to Financial Statements**  
**September 30, 2019**

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

As of September 30, 2019 the City had the following governmental activities long-term debt outstanding:

	9/30/2018	Additions	Retirements	9/30/2019	Due Within One Year
<b>General Obligation Bonds</b>					
<b>Not Direct Placements</b>					
\$4,980,000; General Obligation Refunding Bonds Series 2013 due in semi-annual installments from 8/15/2013; 2.00% to 3.00% until 8/15/2024.	\$ 2,580,000	\$ -	\$ 505,000	2,075,000	\$ 510,000
Series 2013 unamortized bond premium	185,565	-	30,927	154,638	30,927
\$2,270,000; General Obligation Refunding Bonds Series 2008 due in semi-annual installments from 8/15/2008, 3.50% to 4.00% until 8/15/2024.	172,500	-	25,000	147,500	25,000
Series 2008 unamortized bond premium	2,878	-	1,765	1,113	1,113
\$5,845,000; General Obligation Refunding Bonds Series 2011 due in annual installments beginning from 8/15/2011, 2.00% to 4.00% until 8/15/2022.	365,000	-	310,000	55,000	15,000
Series 2011 unamortized bond premium	53,068	-	16,175	36,893	16,175
\$8,130,000; General Obligation Refunding Bonds Series 2014 due in annual installments beginning from 8/15/2015, 2.00% to 4.00% until 8/15/2031.	7,780,000	-	65,000	7,715,000	70,000
Series 2014 unamortized bond premium	657,901	-	50,607	607,294	50,608
\$5,075,000; General Obligation Refunding Bonds Series 2016 due in annual installments beginning from 8/15/2017, 2.00% to 5.00% until 8/15/2032.	3,965,000	-	625,000	3,340,000	955,000
Series 2016 unamortized bond premium	443,223	-	32,040	411,183	32,040
Total General Obligation Bonds	<u>\$ 16,205,135</u>	<u>\$ -</u>	<u>\$ 1,661,514</u>	<u>\$ 14,543,621</u>	<u>\$ 1,705,863</u>
<b>Certificates of Obligation</b>					
<b>Not Direct Placements</b>					
\$2,460,000; Combination Tax and Revenue Certificates of Obligation Series 2015 due in semi-annual installments at 2.00% to 4.00% until 8/15/2025.	1,585,000	-	210,000	1,375,000	215,000
Series 2015 unamortized bond premium	78,922	-	13,153	65,769	13,153
\$9,690,000; Combination Tax and Revenue Certificates of Obligation Series 2016A due in semi-annual installments at 2.00% to 4.00% until 8/15/2036.	9,475,000	-	220,000	9,255,000	220,000
Series 2016 unamortized bond premium	461,193	-	26,543	434,650	26,543
Total Not Direct Placement	<u>11,600,115</u>	<u>-</u>	<u>469,696</u>	<u>11,130,419</u>	<u>474,696</u>
<b>Direct Placements</b>					
\$2,210,000; Combination Tax and Revenue Certificates of Obligation Series 2019 due in semi-annual installments at 2.38% until 8/15/2029.	-	2,210,000	-	2,210,000	191,000
Total Certificates of Obligation	<u>\$ 11,600,115</u>	<u>\$ 2,210,000</u>	<u>\$ 469,696</u>	<u>\$ 13,340,419</u>	<u>\$ 665,696</u>

**CITY OF GRANBURY, TEXAS**  
**Notes to Financial Statements**  
**September 30, 2019**

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

	<u>9/30/2018</u>	<u>Additions</u>	<u>Retirements</u>	<u>9/30/2019</u>	<u>Due Within One Year</u>
<b>Notes Payable</b>					
<b>Direct Placements</b>					
\$483,450; Promissory Note to First Financial Bank payable in 12 monthly installments of \$2,949.90 including interest at 3.25%. Note is secured by the opera house and related properties.	\$ 260,383	\$ -	\$ 27,248	\$ 233,135	\$ 28,140
Total Notes Payable	<u>\$ 260,383</u>	<u>\$ -</u>	<u>\$ 27,248</u>	<u>\$ 233,135</u>	<u>\$ 28,140</u>
\$273,846 Lease payable to BB&T in quarterly payments of \$37,978.41, including interest at 1.5% until January 2019. Secured by multiple equipment purchases.	29,934	-	29,934	-	-
\$812,000 Lease payable to First Financial Bank NA in quarterly payments of \$23,307.86, including interest at 2.750% until March 2025. Secured by 2014 Pumper Truck.	553,197	-	78,827	474,370	81,017
\$309,210 Lease payable to First Financial Bank NA in quarterly payments of \$19,652.43, including interest at 2.178% until March 2020. Secured by vehicles and equipment.	96,380	-	63,902	32,478	32,478
\$347,802 Lease payable to Clayton Holdings LLC in quarterly payments of \$13,356.56, including interest at 2.030% until December 2023. Secured by Freightliner rescue vehicle.	265,418	-	48,404	217,014	49,394
\$572,131; Lease payable to Honeywell International Inc in semi-annual payments of \$33,999.81, including interest at 3.409% until August 2028. Secured by heating and cooling units and lighting at 17 locations.	572,131	-	48,909	523,222	50,591
Total Capital Leases	<u>\$ 1,517,060</u>	<u>\$ -</u>	<u>\$ 269,976</u>	<u>\$ 1,247,084</u>	<u>\$ 213,480</u>
Compensated Absences Payable	<u>\$ 428,174</u>	<u>\$ 529,676</u>	<u>\$ 428,174</u>	<u>\$ 529,676</u>	<u>\$ 300,835</u>
Net Pension Liability	<u>\$ 4,669,034</u>	<u>\$ 2,307,208</u>	<u>\$ -</u>	<u>\$ 6,976,242</u>	<u>\$ -</u>
Total OPEB Liability	<u>\$ 352,343</u>	<u>\$ 2,541</u>	<u>\$ -</u>	<u>\$ 354,884</u>	<u>\$ -</u>
Total Governmental Activities	<u>\$35,032,244</u>	<u>\$ 5,049,425</u>	<u>\$ 2,856,608</u>	<u>\$37,225,061</u>	<u>\$ 2,914,014</u>

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

**CITY OF GRANBURY, TEXAS**  
**Notes to Financial Statements**  
**September 30, 2019**

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

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

	General Obligation Bonds			Certificates of Obligation		
	Principal	Interest	Total	Principal	Interest	Total
2020	\$ 1,575,000	\$ 505,475	\$ 2,080,475	\$ 435,000	\$ 346,831	\$ 781,831
2021	1,675,000	438,725	2,113,725	430,000	333,781	763,781
2022	1,700,000	383,625	2,083,625	460,000	320,881	780,881
2023	1,025,000	327,225	1,352,225	710,000	307,081	1,017,081
2024	1,067,500	291,800	1,359,300	740,000	280,982	1,020,982
2025-2029	3,705,000	973,200	4,678,200	3,060,000	1,045,106	4,105,106
2030-2034	2,585,000	210,000	2,795,000	3,325,000	530,406	3,855,406
2035-2039	-	-	-	1,470,000	68,313	1,538,313
Debt Service Requirements	13,332,500	3,130,050	16,462,550	10,630,000	3,233,381	13,863,381
Add: Unamortized Premium	1,211,121		1,211,121	500,419		500,419
	<u>\$ 14,543,621</u>	<u>\$ 3,130,050</u>	<u>\$ 17,673,671</u>	<u>\$ 11,130,419</u>	<u>\$ 3,233,381</u>	<u>\$ 14,363,800</u>

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

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

	Certificates of Obligation		
	Principal	Interest	Total
2020	\$ 191,000	\$ 60,926	\$ 251,926
2021	204,000	48,052	252,052
2022	209,000	43,197	252,197
2023	213,000	38,223	251,223
2024	219,000	33,153	252,153
2025-2029	1,174,000	85,133	1,259,133
	<u>2,210,000</u>	<u>308,684</u>	<u>2,518,684</u>

**CITY OF GRANBURY, TEXAS**  
**Notes to Financial Statements**  
**September 30, 2019**

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

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

	Notes Payable		
	Principal	Interest	Total
2020	\$ 28,140	\$ 7,262	\$ 35,402
2021	29,101	6,300	35,401
2022	30,323	5,079	35,402
2023	31,337	4,064	35,401
2024	32,376	3,026	35,402
2025-2029	81,858	4,192	86,050
	\$ 233,135	\$ 29,923	\$ 263,058

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

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

In December 2018, the City issued \$13,810,000 in Combination Tax and Surplus Revenue Certificates of Obligation from the Texas Water Development Board's Drinking Water State Revolving Fund for the construction of improvements and extension's to the City's water system. As of September 30, 2019, expenditures for the project totaled \$3,598,231. The funds are held in an escrow account and disbursed to pay for costs of the project. As of September 30, 2019, the balance of the escrow account was \$12,824,338.

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 extension's to the City's wastewater system. As of September 30, 2019, expenditures for the project totaled \$2,691,569. The funds are held in an escrow account and disbursed to pay for costs of the project. As of September 30, 2019, the balance of the escrow account was \$33,871,649.

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

	9/30/2018	Additions	Retirements	9/30/2019	Due Within One Year
<b>Revenue Bonds</b>					
\$4,700,000; Utility System Revenue Refunding Bonds Series 2012 due in annual installments at 3.00% to 4.00% to 9/15/2031. Paid by net revenues of the utility fund.	3,405,000	-	205,000	3,200,000	215,000
Series 2012 unamortized bond premium	145,104	-	11,162	133,942	11,162
Total Revenue Bonds	\$ 3,550,104	\$ -	\$ 216,162	\$ 3,333,942	\$ 226,162

**CITY OF GRANBURY, TEXAS**  
**Notes to Financial Statements**  
**September 30, 2019**

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

	9/30/2018	Additions	Retirements	9/30/2019	Due Within One Year
<b>General Obligation Bonds</b>					
\$3,190,000; General Obligation Refunding Bonds Series 2013 due in semi-annual installments from 8/15/2013 at 2.00% to 3.00% until 8/15/2024	\$ 1,495,000	\$ -	\$ 325,000	\$ 1,170,000	\$ 335,000
Series 2013 unamortized bond premium	118,889	-	19,815	99,074	19,815
\$2,270,000; General Obligation Refunding Bonds Series 2008 due in semi-annual installments from 8/15/2008 at 3.50% to 4.00% until 8/15/2024.	172,500	-	25,000	147,500	25,000
Series 2008 unamortized bond discount	3,661	-	1,740	1,921	1,740
\$815,000; General Obligation Refunding Bonds Series 2016 due in annual installments beginning from 8/15/2017, 2.00% to 5.00% until 8/15/2032.	710,000	-	105,000	605,000	110,000
Series 2016 unamortized bond premium	112,762	-	8,150	104,612	8,151
\$5,620,000; General Obligation Refunding Bonds Series 2018 due in semi-annual installments from 2/15/18 at 4.50% until 8/15/18	4,885,000	-	670,000	4,215,000	685,000
Series 2018 unamortized bond premium	275,307	-	14,240	261,067	14,240
<b>Total General Obligation Bonds</b>	<b>\$ 7,773,119</b>	<b>\$ -</b>	<b>\$ 1,168,945</b>	<b>\$ 6,604,174</b>	<b>\$ 1,198,946</b>
<b>Certificates of Obligation</b>					
\$16,430,000; Combination Tax and Surplus Revenue Certificates of Obligation Series 2015A due in annual installments at 0.00% to 2.22% until 8/15/2045.	\$16,000,000	\$ -	\$ 225,000	\$15,775,000	\$ 220,000
\$2,720,000; Combination Tax and Surplus Revenue Certificates of Obligation Series 2016B due in annual installments at 0.00% to 1.04% until 8/15/2027.	2,450,000	-	270,000	2,180,000	270,000
\$15,000,000; Combination Tax and Surplus Revenue Certificates of Obligation Series 2017 due in annual installments at 0.00% to 2.16% until 8/15/2037.	14,920,000	-	165,000	14,755,000	160,000
\$13,810,000; Combination Tax and Surplus Revenue Certificates of Obligation Series 2018A due in annual installments at 0.76% to 2.27% until 8/15/2048.	-	13,810,000	-	13,810,000	385,000
\$34,950,000; Combination Tax and Surplus Revenue Certificates of Obligation Series 2018B due in annual installments at 0.56% to 1.97% until 8/15/2048.	-	34,950,000	-	34,950,000	-
<b>Total Certificates of Obligation</b>	<b>\$33,370,000</b>	<b>\$48,760,000</b>	<b>\$ 660,000</b>	<b>\$81,470,000</b>	<b>\$ 1,035,000</b>
<b>Texas Capital Fund Loan</b>					
\$80,103 Texas Capital Fund loan payable to the Texas Department of Agriculture in monthly payments of \$667.53 at 0% interest until June 2026.	\$ 60,077	\$ -	\$ 8,010	\$ 52,067	\$ 8,010

**CITY OF GRANBURY, TEXAS**  
**Notes to Financial Statements**  
**September 30, 2019**

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

	<u>9/30/2018</u>	<u>Additions</u>	<u>Retirements</u>	<u>9/30/2019</u>	<u>Due Within One Year</u>
<b>Capital Leases Payable</b>					
\$574,094.46 Lease payable to Northstar Bank in 32 quarterly payments of \$17,940 plus interest at 3.0% until February 2021 and secured by the airport hangar.	\$ 179,127	\$ -	\$ 71,762	\$ 107,365	\$ 71,762
\$188,705; Lease payable to First National Bank Granbury for an aircraft maintenance hangar payable in 60 quarterly payments of \$4,028, including interest at 3.35% through February 2028.	128,553	-	11,833	116,720	12,229
\$284,790; Lease payable to First National Bank Granbury for an aircraft storage hangar payable in 60 quarterly payments of \$6,078, including interest at 3.35% through February 2028.	194,023	-	17,858	176,165	18,456
\$485,573; Lease payable to BB&T in quarterly payments of \$37,978.41, including interest at 1.5% until January 2019. Secured by various equipment purchases.	48,855	-	48,855	-	-
\$24,499; Lease payable to First Financial Bank NA in quarterly payments of \$19,652.43, including interest at 2.178% until March 2020. Secured by vehicles and equipment.	7,824	-	5,063	2,761	2,761
\$37,491; Lease payable to First Financial Bank NA in quarterly payments of \$19,652.43, including interest at 2.178% until March 2020. Secured by vehicles and equipment.	11,683	-	7,748	3,935	3,935
\$1,225,994; Lease payable to Honeywell International Inc in semi-annual payments of \$72,856.74, including interest at 3.409% until August 2028. Secured by heating and cooling units and lighting at 17 locations.	1,225,994	-	104,860	1,121,134	108,408
<b>Total Capital Leases</b>	<u>\$ 1,796,059</u>	<u>\$ -</u>	<u>\$ 267,979</u>	<u>\$ 1,528,080</u>	<u>\$ 217,551</u>
<b>Compensated Absences Payable</b>	<u>\$ 126,470</u>	<u>\$ 158,449</u>	<u>\$ 126,470</u>	<u>\$ 158,449</u>	<u>\$ 75,372</u>
<b>Net Pension Liability</b>	<u>\$ 1,320,169</u>	<u>\$ 790,793</u>	<u>\$ -</u>	<u>\$ 2,110,962</u>	<u>\$ -</u>
<b>Total OPEB Liability</b>	<u>\$ 106,695</u>	<u>\$ 4,944</u>	<u>\$ -</u>	<u>\$ 111,639</u>	<u>\$ -</u>
<b>Total Business-type Activities</b>	<u>\$48,102,693</u>	<u>\$49,714,186</u>	<u>\$ 2,447,566</u>	<u>\$95,369,313</u>	<u>\$ 2,761,041</u>

**CITY OF GRANBURY, TEXAS**  
**Notes to Financial Statements**  
**September 30, 2019**

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

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

	Revenue Bonds			General Obligation and Certificates of Obligation		
	Principal	Interest	Total	Principal	Interest	Total
2020	\$ 215,000	\$ 128,000	\$ 343,000	\$ 2,190,000	\$ 1,577,293	\$ 3,767,293
2021	220,000	119,400	339,400	2,785,000	1,543,046	4,328,046
2022	230,000	110,600	340,600	2,835,000	1,497,583	4,332,583
2023	240,000	101,400	341,400	2,895,000	1,447,763	4,342,763
2024	250,000	91,800	341,800	2,927,500	1,415,739	4,343,239
2025-2029	1,405,000	301,000	1,706,000	15,230,000	6,517,540	21,747,540
2030-2034	640,000	38,600	678,600	17,520,000	5,237,956	22,757,956
2035-2039	-	-	-	17,140,000	3,449,050	20,589,050
2040-2044	-	-	-	14,460,000	1,895,931	16,355,931
2045-2049	-	-	-	9,625,000	467,897	10,092,897
Debt Service Requirements	3,200,000	890,800	4,090,800	87,607,500	25,049,798	112,657,298
Add: Unamortized Premium	133,942		133,942	466,674		466,674
	<u>\$ 3,333,942</u>	<u>\$ 890,800</u>	<u>\$ 4,224,742</u>	<u>\$ 88,074,174</u>	<u>\$ 25,049,798</u>	<u>\$ 113,123,972</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, 2019.

**NOTE 10: TEXAS CAPITAL LOAN FUND**

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

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

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

**CITY OF GRANBURY, TEXAS**  
**Notes to Financial Statements**  
**September 30, 2019**

**NOTE 10: TEXAS CAPITAL LOAN FUND (Continued)**

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

	Principal
2020	\$ 8,010
2021	8,010
2022	8,010
2023	8,010
2024	8,010
2025-2029	12,017
Total	\$ 52,067

**NOTE 11: CAPITAL LEASES PAYABLE**

The City has committed under various noncancelable lease/purchase agreements, primarily for equipment and airport hangers. Future minimum lease/purchase commitments are as follows:

	Governmental Activities	Business-type Activities	Total
2020	\$ 247,400	\$ 267,113	\$ 514,513
2021	214,657	222,155	436,812
2022	214,657	186,137	400,794
2023	214,657	186,137	400,794
2024	174,588	186,137	360,725
2025-2029	318,615	719,914	1,038,529
Total debt service requirements	1,384,574	1,767,593	3,152,167
Less: Interest Portion	137,490	239,513	377,003
Debt Principal	\$ 1,247,084	\$ 1,528,080	\$ 2,775,164

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

Assets under lease and related accumulated depreciation are as follows:

	Governmental Activities	Business-type Activities	Total
Improvements other than buildings	\$ 572,131	\$ 2,685,021	\$ 3,257,152
Machinery and equipment	1,465,273	47,762	1,513,035
Less: Accumulated Depreciation	(735,147)	(805,075)	(1,540,222)
Net	\$ 1,302,257	\$ 1,927,708	\$ 3,229,965

**CITY OF GRANBURY, TEXAS**  
**Notes to Financial Statements**  
**September 30, 2019**

**NOTE 12: RISK MANAGEMENT**

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

**NOTE 13: DEFINED BENEFIT PENSION PLANS**

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

Plan Description

The City participates as one of 887 plans in the nontraditional, joint contributory, hybrid defined benefit pension plan administered by the Texas Municipal Retirement System (TMRS). TMRS is an agency created by the State of Texas and administered in accordance with the TMRS Act, Subtitle G, Title 8, Texas Government Code (the TMRS Act) as an agent multiple-employer retirement system for municipal employees in the State of Texas. The TMRS Act places the general administration and management of the System with a six-member Board of Trustees. Although the Governor, with the advice and consent of the Senate, appoints the Board, TMRS is not fiscally dependent on the State of Texas. TMRS's defined benefit pension plan is a tax-qualified plan under Section 401 (a) of the Internal Revenue Code. TMRS issues a publicly available comprehensive annual financial report (CAFR) that can be obtained at [www.tmrs.com](http://www.tmrs.com).

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

Benefits Provided

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

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

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:

	<u>Plan Year 2019</u>
Employee deposit rate	7%
Matching ratio (city to employee)	2 to 1
Years required for vesting	5
Service retirement eligibility (expressed as age/years of service)	60/5, 0/20
Updated Service Credit	100% Repeating, Transfers
Annuity Increase (to retirees)	70% of CPI

**CITY OF GRANBURY, TEXAS**  
**Notes to Financial Statements**  
**September 30, 2019**

**NOTE 13: DEFINED BENEFIT PENSION PLANS (Continued)**

At the December 31, 2018 valuation and measurement date, the following employees were covered by the benefit terms:

Inactive employees or beneficiaries currently receiving benefits	107
Inactive employees entitled to but not yet receiving benefits	92
Active employees	165
	364

**Contributions**

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

Employees for the City were required to contribute 7% of their annual gross earnings during the fiscal year. The contribution rates for the City were 16.14% and 15.97% in calendar years 2018 and 2019, respectively. The city's contributions to TMRS for the year ended September 30, 2019, were \$1,411,069, and were equal to the required contributions.

**Net Pension Liability**

The city's Net Pension Liability (NPL) was measured as of December 31, 2018, 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, 2018 actuarial valuation was determined using the following actuarial assumptions:

Inflation	2.5% per year
Overall payroll growth	3.0% per year
Investment Rate of Return	6.75%, net of pension plan investment expense, including inflation

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

**CITY OF GRANBURY, TEXAS**  
**Notes to Financial Statements**  
**September 30, 2019**

**NOTE 13: DEFINED BENEFIT PENSION PLANS (Continued)**

The actuarial assumptions were developed primarily from the actuarial investigation of experience of TMRS over the four year period from December 31, 2010 through December 31, 2014. They were adopted in 2015 and first used in the December 15, 2015 actuarial valuation. The post-retirement mortality assumption for healthy annuitants and Annuity Purchase Rate (APRs) are based on the Mortality Experience Investigation Study covering 2009 through 2011 and dated December 31, 2013. In conjunction with these changes first used in the December 31, 2013 valuation, the System adopted the Entry Age Normal actuarial cost method and a one-time change to the amortization policy. Plan assets are managed on a total return basis with an emphasis on both capital appreciation as well as the protection of income, in order to satisfy the short-term and long-term funding needs of TMRS.

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

<u>Asset Class</u>	<u>Target Allocation</u>	<u>Long-Term Expected Rate of Return (Arithmetic)</u>
Domestic Equity	17.5%	4.30%
International Equity	17.5%	6.10%
Core Fixed Income	10.0%	1.00%
Non-Core Fixed Income	20.0%	3.39%
Real Return	10.0%	3.78%
Real Estate	10.0%	4.44%
Absolute Return	10.0%	3.56%
Private Equity	5.0%	7.75%
Total	100.0%	

*Discount Rate*

The discount rate used to measure the Total Pension Liability was 6.75%. The projection of cash flows used to determine the discount rate assumed that employee and employer contributions will be made at the rates specified in 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.

**CITY OF GRANBURY, TEXAS**  
**Notes to Financial Statements**  
**September 30, 2019**

**NOTE 13: DEFINED BENEFIT PENSION PLANS (Continued)**

*Changes in the Net Pension Liability*

	Increase (Decrease)		
	Total Pension Liability (a)	Plan Fiduciary Net Position (b)	Net Pension Liability (a) - (b)
Balance at 12/31/2017	\$ 40,566,909	\$ 34,891,648	\$ 5,675,261
Changes for the year:			
Service cost	1,452,692	-	1,452,692
Interest	2,722,499	-	2,722,499
Change of benefit terms	-	-	-
Difference between expected and actual experience	(122,510)	-	(122,510)
Changes of assumptions	-	-	-
Contributions - employer	-	1,377,130	(1,377,130)
Contributions - employee	-	597,017	(597,017)
Net investment income	-	(1,045,637)	1,045,637
Benefit payments, including refunds of employee contributions	(1,919,859)	(1,919,859)	-
Administrative expense	-	(20,200)	20,200
Other changes	-	(1,055)	1,055
Net changes	2,132,822	(1,012,604)	3,145,426
Balance at 12/31/2018	<u>\$ 42,699,731</u>	<u>\$ 33,879,044</u>	<u>\$ 8,820,687</u>

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

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

	1% Decrease in Discount Rate (5.75%)	Discount Rate (6.75%)	1% Increase in Discount Rate (7.75%)
City's Net Pension Liability	\$ 15,144,759	\$ 8,820,687	\$ 3,679,014

*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](http://www.tMrs.com).

**CITY OF GRANBURY, TEXAS**  
**Notes to Financial Statements**  
**September 30, 2019**

**NOTE 13: DEFINED BENEFIT PENSION PLANS (Continued)**

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

Plan Description

The Texas Emergency Services Retirement System (TESRS) administers a cost-sharing multiple employer pension system (the System) established and administered by the State of Texas to provide pension benefits for emergency services personnel who serve without significant monetary remuneration. Direct financial activity for the System is classified in the financial statements as pension trust funds. The System issues a stand-alone financial report that is available to the public at [www.tesrs.org](http://www.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, 2018, there were 238 contributing fire and/or emergency services department members participating in TESRS. Eligible participants include volunteer emergency services personnel who are members in good standing of a member department.

Benefits Provided

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

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

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

Covered Membership

On August 31, 2018, the pension system membership consisted of:

Retirees and Beneficiaries Currently Receiving Benefits	3,533
Terminated Members Entitled to Benefits but Not Yet Receiving Them	1,927
Active Participants (Vested and Nonvested)	3,927

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

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 effective July 27, 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 actuarial valuation as of August 31, 2016, the Part Two contributions were established by the board to be 2% of the Part One contributions beginning September 1, 2017. Based on the August 31, 2018 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 ten 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.

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, 2018, total contributions of \$4,098,835 were paid into TESRS by the political subdivisions served by the member volunteer emergency services personnel. The state appropriated \$1,329,224 for the fiscal year ending August 31, 2018. The City’s contributions for the years ended September 30, 2019, 2018 and 2017 were \$58,380, \$57,820 and \$63,280, 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.

**CITY OF GRANBURY, TEXAS**  
**Notes to Financial Statements**  
**September 30, 2019**

**NOTE 13: DEFINED BENEFIT PENSION PLANS (Continued)**

The most recently completed biennial actuarial valuation as of August 31, 2018 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 \$725,000 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, 2018, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of August 31, 2018.

	System 100.00%	City 1.23%
Total Pension Liability	\$ 137,514,345	\$ 1,692,802
Plan Fiduciary Net Position	115,863,894	1,426,285
Net Pension Liability	\$ 21,650,451	\$ 266,517
Plan Fiduciary Net Position as a Percentage of the Total Pension Liability	84.3%	84.3%

*Actuarial Assumptions*

The total pension liability in the August 31, 2018 actuarial valuation was determined using the following actuarial assumptions, applied to all periods included in the measurement:

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

Mortality rates were based on the RP-2000 Combined Healthy Lives Mortality Tables for males and for females projected to 2024 by scale AA.

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 5.01%) and by adding expected inflation (3.00%). In addition, the final 7.75% assumption was selected by "rounding down" and thereby reflects a reduction of 0.26% for adverse deviation. The target allocation and expected arithmetic real rates of return for each major asset class are summarized in the following table:

**CITY OF GRANBURY, TEXAS**  
**Notes to Financial Statements**  
**September 30, 2019**

**NOTE 13: DEFINED BENEFIT PENSION PLANS (Continued)**

<u>Asset Class</u>	<u>Target Allocation</u>	<u>Long-Term Expected Rate of Return (Arithmetic)</u>
Equities		
Large cap domestic	32.0%	5.81%
Small cap domestic	15.0%	5.92%
Developed international	15.0%	6.21%
Emerging markets	5.0%	7.18%
Master limited partnership	5.0%	7.61%
Real Estate	5.0%	4.46%
Fixed Income	23.0%	1.61%
Cash	0.0%	0.00%
Total	100.0%	
Weighted average		5.01%

*Discount Rate*

The discount rate used to measure the total pension liability was 7.75%. No projection of cash flows was used to determine the discount rate because the August 31, 2018 actuarial valuation showed that expected contributions would pay the normal cost and amortize the unfunded actuarial accrued liability (UAAL) in 30 years using the conservative level dollar amortization method. Because of the 30-year amortization period with the conservative amortization method, the pension plan's fiduciary net position is expected to be available to make all projected future benefit payments of current active and inactive members. Therefore, the long-term expected rate of return on pension plan investments was applied to all periods of projected benefit payments to determine the total pension liability.

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

The following presents the net pension liability of the City, calculated using the discount rate of 7.75%, 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 (6.75%) or 1-percentage-point higher (8.75%) than the current rate:

	<u>1% Decrease in Discount Rate (6.75%)</u>	<u>Discount Rate (7.75%)</u>	<u>1% Increase in Discount Rate (8.75%)</u>
City's Proportional Share of the Net Pension Liability	\$ 529,651	\$ 266,517	\$ 89,041

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

At September 30, 2019, the City reported a liability of \$266,517 for its proportionate share of the TESRS's net pension liability. This liability reflects a 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 OF GRANBURY, TEXAS**  
**Notes to Financial Statements**  
**September 30, 2019**

**NOTE 13: DEFINED BENEFIT PENSION PLANS (Continued)**

	City
City's proportional share of the collective net pension liability	\$ 266,517
State's proportionate share that is associated with the City	102,409
	\$ 368,926

TESRS's net pension liability was measured as of August 31, 2018 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, 2017 through August 31, 2018.

For the year ended September 30, 2019, the City recognized pension expense of \$1,853,054. \$1,755,226 of this expense was for TMRS and \$97,828 was for TESRS.

At September 30, 2019, the City reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual economic experience	\$ -	\$ 317,475
Changes in actuarial assumptions	1,411	-
Difference between projected and actual investment earnings	1,802,135	
Contributions subsequent to the measurement date	1,070,090	-
Total TMRS	\$ 2,873,636	\$ 317,475
Differences between expected and actual economic experience	\$ 69	\$ 754
Changes in actuarial assumptions	956	-
Difference between projected and actual investment earnings	-	18,168
Contributions subsequent to the measurement date	58,380	-
Total TESRS	\$ 59,405	\$ 18,922
Total	\$ 2,933,041	\$ 336,397

\$1,128,470 reported as deferred outflows of resources related to pensions resulting from contributions subsequent to the measurement date will be recognized as a reduction to the net pension liability for the year ending September 30, 2019. Other amounts reported as deferred outflows and inflows of resources related to pensions will be recognized in pension expense as follows:

**CITY OF GRANBURY, TEXAS**  
**Notes to Financial Statements**  
**September 30, 2019**

**NOTE 13: DEFINED BENEFIT PENSION PLANS (Continued)**

	TMRS	TESRS	Total
Year Ended September 30:			
2019	\$ 495,109	\$ 14,614	\$ 509,723
2020	123,004	(10,129)	112,875
2021	191,656	(14,396)	177,260
2022	676,302	(7,986)	668,316
2023	-	-	-
Thereafter	-	-	-
Total	\$ 1,486,071	\$ (17,897)	\$ 1,468,174

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

Plan Description

TMRS administers a defined benefit group-term life insurance plan known as the Supplemental Death Benefits Fund (SDBF). This is a voluntary program in which participating member cities may elect, by ordinance, to provide group-term life insurance coverage for their active members, including or not including retirees. 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 postemployment benefit (OPEB) and is a fixed amount of \$7,500. As the SDBF covers both active and retiree participants, with no segregation of assets, the SDBF is considered to be an unfunded OPEB plan (i.e. no assets are accumulated).

The member city contributes to the SDBF at a contractually required rate as determined by an annual actuarial valuation. 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 pre-fund retiree term life insurance during employees' entire careers.

Benefits Provided

At the December 31, 2018 valuation and measurement date, the following employees were covered by the benefit terms:

Inactive employees or beneficiaries currently receiving benefits	75
Inactive employees entitled to but not yet receiving benefits	27
Active employees	165
	267

Total OPEB Liability

The City's total OPEB liability was measured as of December 31, 2018, and was determined by an actuarial valuation as of that date.

**CITY OF GRANBURY, TEXAS**  
**Notes to Financial Statements**  
**September 30, 2019**

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

*Actuarial Assumptions*

The total OPEB liability in the December 31, 2018 actuarial valuation was determined using the following actuarial assumptions:

Inflation	2.5% per year
Overall payroll growth	3.50% to 10.50% including inflation
Retirees' share of benefit related costs	\$0

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

Mortality rates for service retirees were based on the gender distinct RP 2000 Combined Mortality Table with Blue Collar Adjustments with male rates multiplied by 109% and female rates multiplied by 103% and projected on a fully generational basis with scale BB.

Mortality rates for disabled retirees were based on the gender distinct RP 2000 Combined Mortality Table with Blue Collar Adjustments with male rates multiplied by 109% and female rates multiplied by 103% with a 3 year set-forward for both males and females. The rates are projected on a fully generational basis with scale BB to account for future mortality improvements subject to the 3% floor.

The actuarial assumptions used in the December 31, 2018 valuation were based on the results of an actuarial experience study for the period December 31, 2010 to December 31, 2014.

*Discount Rate*

The discount rate used to measure the Total OPEB Liability was 3.71%. The discount rate was based on Fidelity Index's "20-Year Municipal GO AA Index" rate as of December 31, 2018.

*Changes in the OPEB Liability*

	Total OPEB Liability
Balance at 12/31/2017	\$ 459,038
Changes for the year:	
Service cost	25,591
Interest	15,561
Change of benefit terms	-
Difference between expected and actual experience	4,522
Changes of assumptions	(34,777)
Benefit payments	(3,412)
Net changes	<u>7,485</u>
Balance at 12/31/2018	<u><u>\$ 466,523</u></u>

**CITY OF GRANBURY, TEXAS**  
**Notes to Financial Statements**  
**September 30, 2019**

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

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

The following represents the total OPEB liability of the City, calculated using the discount rate of 3.71% as well as what the City's total OPEB liability would be if it were calculated using a discount rate that is 1-percentage-point lower (2.71%) or 1-percentage-point higher (4.71%) than the current rate:

	1% Decrease in Discount Rate (2.71%)	Discount Rate (3.71%)	1% Increase in Discount Rate (4.71%)
City's Total OPEB Liability	\$ 560,440	\$ 466,523	\$ 393,933

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

For the year ended September 30, 2019, the City reported deferred outflows of resources and deferred inflows of resources related to OPEB for the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual economic experience	\$ -	\$ -
Changes in assumptions and other inputs	27,643	-
Difference between projected and actual investment earnings		28,579
Contributions subsequent to the measurement date	3,314	-
Total	\$ 30,957	\$ 28,579

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

Year Ended September 30:	
2019	\$ 1,235
2020	1,235
2021	1,235
2022	(1,349)
2023	(3,292)
Thereafter	-
Total	\$ (936)

**CITY OF GRANBURY, TEXAS**  
**Notes to Financial Statements**  
**September 30, 2019**

**NOTE 15: CONTINGENT LIABILITIES**

**A. Federal and State Programs**

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

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

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

**B. Litigation**

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

**NOTE 16: CONTRACTS AND COMMITMENTS**

**A. Purchased Power for Resale**

In December 2015, The City entered into an agreement with Exelon Generation Company, LLC ("Constellation") effective January 1, 2018 through December 31, 2020 for the purchase of its power and energy to serve its retail customers. The total cost incurred under this agreement for the year ended September 30, 2019 was \$4,810,542.

**B. Water Capacity**

The City has an annual agreement with the Brazos River Authority for 10,800 acre feet of water. The cost is adjusted annually by the Brazos River Authority. The amount paid to the Brazos River Authority under this agreement for the year ended September 30, 2019 was \$840,671.

**C. Airport Expansion**

The City and Texas Department of Transportation have agreed to a joint project to expand the Granbury Regional Airport. The City has acquired all the land for the airport expansion project. Phase II of the project is currently underway, and it consists of the relocation of the power distribution lines and the construction of a new electric substation. The City received \$3,600,000 reimbursement in 2017 and \$3,000,000 reimbursement in 2019 for part of the land cost. These funds were deposited into the Airport Fund and must be used for the airport expansion project. Current year expenditures for utility line relocation were \$4,003,330. The Texas Department of Transportation will oversee the construction phase of the project.

**CITY OF GRANBURY, TEXAS**  
**Notes to Financial Statements**  
**September 30, 2019**

**NOTE 17: ECONOMIC DEVELOPMENT AGREEMENT**

**Property Lease**

August 15, 2006 the City entered into an economic development agreement with Babe’s-Granbury, LLC (“Babe’s”). Under the terms of the agreement the City would fund up to \$200,000 for improvements to real property the City purchased June 2006 for \$531,264. Babe’s agreed to lease the property for an initial term of ten years with an option to extend the terms of the agreement for two additional ten year periods. From September 1, 2007 to the end of the term of this agreement and any extensions thereof, the base rent shall be the greater of \$5,500 per month or the amount which equals the interest accruing on the sum of money actually expended by the City to acquire, build out/remodel and maintain the premises through March 1, 2007 at the rate of 6% per annum. In addition, the City shall receive percentage rent which is 2% of annual gross sales exceeding the breakpoint of \$4,000,000 per annum. During the year ended September 30, 2019 the City received \$66,000 in rents under this agreement.

**NOTE 18: TAX ABATEMENTS**

The City is authorized to provide assistance for economic development under Chapter 380 of the Texas Local Government Code. The economic development must serve the purpose of promoting state or local economic development by stimulating business or commercial activity within the City. The assistance may be in the form of loans, grants, tax rebates and use of City personnel and services. The City has entered into Chapter 380 Economic Development Program Agreements with companies and has agreed to provide grants and rebates of real and personal property tax or sales tax. Below is a table of tax abatements for the year ended September 30, 2019.

<u>Type of Business</u>	<u>Purpose</u>	<u>Tax Abated</u>	<u>Percent Abated</u>	<u>Amount Abated</u>
Grocery Store	Construct new facility and operate grocery store	Property Tax	50%	\$ 37,946
		Sales Tax	50% of 1 cent	\$ 78,345

**NOTE 19: SUBSEQUENT EVENTS**

On February 6, 2020, City Council approved the issuance of the Combination Tax and Revenue Certificates of Obligation, Series 2020 in the amount of \$16,460,000. The bond proceeds will be used for (i) constructing, improving and equipping public safety facilities, (ii) constructing, improving and equipping park and recreation facilities, (iii) constructing street improvements, including drainage, landscaping, curbs, gutters, sidewalks, signage and traffic signalization incidental thereto and the acquisition of land and rights-of-way therefor and (iv) professional services rendered in connection therewith.

Subsequent events were evaluated through February 11, 2020, which is the date the financial statements were available to be issued.

**CITY OF GRANBURY, TEXAS**  
**Notes to Financial Statements**  
**September 30, 2019**

**NOTE 20: NEW ACCOUNTING PRONOUNCEMENTS**

The City Implemented GASB Statement No. 88, *Certain Disclosures Related to Debt, Including Direct Borrowings and Direct Placements*. The primary objective of this statement is to improve the information that is disclosed in the notes to government financial statements related to debt, including direct borrowings and direct placements. It also clarifies which liabilities governments should include when disclosing information related to debt. This Statement requires that additional essential information related to debt be disclosed in notes to financial statements, including unused lines of credit; assets pledged as collateral for the debt; and terms specified in debt agreements related to significant events of default with finance-related consequences, significant termination events with finance-related consequences, and significant subjective acceleration clauses. For notes to financial statements related to debt, this Statement also requires that existing and additional information be provided for direct borrowings and direct placements of debt separately from other debt.

**NOTE 21: FUTURE ACCOUNTING PRONOUNCEMENTS**

GASB Statement No. 84, *Fiduciary Activities*. The objective of this Statement is to improve guidance regarding the identification of fiduciary activities for accounting and financial reporting purposes and how those activities should be reported. This Statement is effective for reporting periods beginning after December 15, 2018. The City has not yet determined the effect this Statement will have on its financial reporting.

GASB Statement No. 87, *Leases*. The objective of this Statement is to better meet the information needs of financial statement users by improving accounting and financial reporting for leases. This Statement is effective for reporting periods beginning after December 15, 2019. The City has not yet determined the effect this Statement will have on its financial reporting.

**REQUIRED SUPPLEMENTARY INFORMATION**

City of Granbury, Texas  
General Fund  
Schedule of Revenues, Expenditures and Changes in Fund Balance - Budget and Actual  
For the year ended September 30, 2019

	Budgeted Amounts		Actual	Budget to	Actual	Variance with
	Original	Final	Amounts	Budget to	Amounts	Final Budget
			GAAP	GAAP	Budgetary	Positive
			Basis	Differences	Basis	(Negative)
<b>REVENUES:</b>						
Taxes:						
General property	\$ 2,950,148	\$ 2,965,648	\$ 2,989,294	\$ -	\$ 2,989,294	\$ 23,646
Sales and use	8,095,000	8,105,000	9,055,290	-	9,055,290	950,290
Franchise	1,656,563	1,656,563	1,784,308	-	1,784,308	127,745
Fines and fees	154,000	154,000	212,431	-	212,431	58,431
Licenses and permits	673,050	673,050	768,360	-	768,360	95,310
Charges for service	101,700	102,800	86,637	-	86,637	(16,163)
Intergovernmental revenue	253,325	257,725	219,441	-	219,441	(38,284)
Park and recreation	154,000	154,000	241,388	-	241,388	87,388
Interest income	80,000	80,000	279,389	-	279,389	199,389
Other revenue	1,026,650	1,305,132	344,299	-	344,299	(960,833)
Total revenues	<u>15,144,436</u>	<u>15,453,918</u>	<u>15,980,837</u>	<u>-</u>	<u>15,980,837</u>	<u>526,919</u>
<b>EXPENDITURES:</b>						
Current						
General Government:						
City Council	201,903	201,903	196,435	(10,325)	186,110	15,793
Legal	130,500	172,100	168,843	-	168,843	3,257
Executive	697,499	716,499	702,214	-	702,214	14,285
Financial Administration	543,988	543,988	510,564	(647)	509,917	34,071
Purchasing	159,549	159,549	155,961	-	155,961	3,588
Social Services	54,000	54,000	54,000	-	54,000	-
Information Technology	864,483	1,019,935	817,379	164,594	981,973	37,962
Economic Development	89,800	89,800	71,025	(3,500)	67,525	22,275
Human Resources	205,976	205,976	196,448	(6,800)	189,648	16,328
Warehouse	157,417	157,417	142,656	-	142,656	14,761
Fleet Maintenance	317,285	317,285	309,622	1,000	310,622	6,663
Building Maintenance	726,373	738,564	788,660	(53,049)	735,611	2,953
Granbury Broadcasting Services	152,038	152,038	124,117	-	124,117	27,921
Other governmental functions	716,832	857,892	1,093,470	6,327	1,099,797	(241,905)
Public Safety:						
Police	4,522,390	4,578,007	4,555,915	(17,509)	4,538,406	39,601
Fire	778,012	692,612	450,062	13,858	463,920	228,692
Municipal Court	199,920	199,920	194,516	-	194,516	5,404
Streets	1,836,570	1,837,670	2,439,635	(701,038)	1,738,597	99,073
Building & Permits	767,063	767,063	716,943	-	716,943	50,120
Community Development	670,943	670,943	616,337	(41,608)	574,729	96,214
Clean Air Coalition	107,056	107,056	78,316	-	78,316	28,740
Cemetery	61,128	86,128	74,803	(2,850)	71,953	14,175
Parks	1,852,130	2,021,671	1,818,546	4,212	1,822,758	198,913
Total expenditures	<u>15,812,855</u>	<u>16,348,016</u>	<u>16,276,467</u>	<u>(647,335)</u>	<u>15,629,132</u>	<u>718,884</u>
Excess (deficiency) of revenue over (under) expenditures	<u>(668,419)</u>	<u>(894,098.0)</u>	<u>(295,630)</u>	<u>647,335</u>	<u>351,705</u>	<u>1,245,803</u>
Other financing sources (uses):						
Transfers in	1,363,882	1,363,882	1,497,689	-	1,497,689	133,807
Transfers out	(530,380)	(376,530)	(686,760)	-	(686,760)	(310,230)
Insurance recoveries	-	71,829	75,632	-	75,632	3,803
Total other financing sources (uses)	<u>833,502</u>	<u>1,059,181</u>	<u>886,561</u>	<u>-</u>	<u>886,561</u>	<u>(172,620)</u>
Net change in fund balance	165,083	165,083	590,931	647,335	1,238,266	1,073,183
Fund Balance, October 1, 2018	<u>9,980,531</u>	<u>9,980,531</u>	<u>9,980,531</u>	<u>-</u>	<u>9,980,531</u>	<u>-</u>
Fund Balance, September 30, 2019	<u>\$ 10,145,614</u>	<u>\$ 10,145,614</u>	<u>\$ 10,571,462</u>	<u>\$ 647,335</u>	<u>\$ 11,218,797</u>	<u>\$ 1,073,183</u>

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

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

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

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

Exhibit F-2

2017	2018
\$ 1,343,239	\$ 1,452,692
2,595,907	2,722,499
-	-
(399,213)	(122,510)
-	-
(1,518,579)	(1,919,859)
2,021,354	2,132,822
38,545,555	40,566,909
\$ 40,566,909	\$ 42,699,731
\$ 1,251,745	\$ 1,377,130
552,124	597,017
4,216,502	(1,045,637)
(1,518,579)	(1,919,859)
(21,845)	(20,200)
(1,107)	(1,055)
4,478,840	(1,012,604)
30,412,808	34,891,648
\$ 34,891,648	\$ 33,879,044
\$ 5,675,261	\$ 8,820,687
86.01%	79.34%
\$ 7,887,489	\$ 8,530,196
71.95%	103.41%

City of Granbury, Texas  
 Schedule of Contributions  
 Texas Municipal Retirement System  
 Last 10 Fiscal Years (will ultimately be displayed)

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

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

Exhibit F-3

2017	2018	2019
\$ 1,232,864	\$ 1,358,868	\$ 1,411,069
\$ 1,232,864	\$ 1,358,868	\$ 1,411,069
\$ -	\$ -	\$ -
\$ 7,824,858	\$ 8,427,131	\$ 8,742,684
15.76%	16.12%	16.14%

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

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

Exhibit F-4

<u>2017</u>	<u>2018</u>
0.01308	0.01231
\$ 313,942	\$ 266,517
<u>152,898</u>	<u>102,409</u>
<u>\$ 466,840</u>	<u>\$ 368,926</u>
81.41%	84.26%

City of Granbury, Texas  
 Schedule of Contributions  
 Texas Emergency Services Retirement System  
 Last 10 Fiscal Years (will ultimately be displayed)

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

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

Exhibit F-5

<u>2017</u>	<u>2018</u>	<u>2019</u>
\$ 63,280	\$ 57,820	\$ 58,380
<u>\$ 63,280</u>	<u>\$ 57,820</u>	<u>\$ 58,380</u>
<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

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

	2017	2018
<b>Total OPEB Liability</b>		
Service Cost	\$ 21,296	\$ 25,591
Interest (on the Total OPEB Liability)	15,035	15,561
Changes of benefit terms	-	-
Difference between expected and actual experience	-	4,522
Change of assumptions	37,184	(34,777)
Benefit payments	(3,155)	(3,412)
Net Change in Total OPEB Liability	70,360	7,485
Total OPEB Liability - Beginning	388,678	459,038
Total OPEB Liability - Ending	<u>\$ 459,038</u>	<u>\$ 466,523</u>
Covered Payroll	\$ 7,887,489	\$ 8,530,196
Total OPEB Liability as a Percentage of Covered Payroll	5.82%	5.47%

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

**City of Granbury, Texas**  
**Notes to Required Supplementary Information**  
**September 30, 2019**

**1. Budgetary Information**

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

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

**2. Budget to GAAP Differences**

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

**3. Excess of Expenditures over Appropriations**

Total expenditures were \$718,884 less than budgeted. However, within the general fund, other governmental functions expenditures exceeded appropriations by \$241,905.

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

Valuation Date

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

Methods and Assumptions Used to Determine Contribution Rates

Actuarial Cost Method	Entry Age Normal
Amortization Method	Level Percentage of Payroll, Closed
Remaining Amortization Period	27 years
Asset Valuation Method	10 Year smoothed market; 15% soft corridor



**City of Granbury, Texas**  
**Notes to Required Supplementary Information**  
**September 30, 2019**

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

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

## **COMBINING FINANCIAL STATEMENTS**

### **NONMAJOR GOVERNMENTAL FUNDS**

#### **SPECIAL REVENUE FUND**

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

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

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

City of Granbury, Texas  
Nonmajor Funds  
Combining Balance Sheet  
September 30, 2019

	Special Revenue			Total Nonmajor Funds
	Tourism	Granbury Historic Properties	Total Special Revenue Funds	
<b>Assets:</b>				
Cash	\$ 315,767	\$ 123,291	\$ 439,058	\$ 439,058
Receivables (Net of allowances for uncollectibles)				
Miscellaneous receivables	74,435	-	74,435	74,435
Inventories	3,221	-	3,221	3,221
Prepaid items	14,121	-	14,121	14,121
<b>Total assets</b>	<b>\$ 407,544</b>	<b>\$ 123,291</b>	<b>\$ 530,835</b>	<b>\$ 530,835</b>
<b>Liabilities and fund balance:</b>				
<b>Liabilities:</b>				
Accounts payable	\$ 63,052	\$ -	\$ 63,052	\$ 63,052
Customer deposits payable	700	-	700	700
Unearned revenue	40,038	-	40,038	40,038
<b>Total liabilities</b>	<b>103,790</b>	<b>-</b>	<b>103,790</b>	<b>103,790</b>
<b>Fund Balance:</b>				
Nonspendable Fund Balance	17,342	-	17,342	17,342
Restricted Fund Balance	286,412	-	286,412	286,412
Committed Fund Balance	-	123,291	123,291	123,291
<b>Total fund balances</b>	<b>303,754</b>	<b>123,291</b>	<b>427,045</b>	<b>427,045</b>
<b>Total liabilities, deferred inflows and fund balances</b>	<b>\$ 407,544</b>	<b>\$ 123,291</b>	<b>\$ 530,835</b>	<b>\$ 530,835</b>

City of Granbury, Texas  
Nonmajor Funds  
Combining Statement of Revenues, Expenditures and Changes in Fund Balance  
For the year ended September 30, 2019

	Special Revenue			Total Nonmajor Funds
	Tourism	Granbury Historic Properties	Total Special Revenue Funds	
Revenues:				
Hotel/Motel Occupancy Tax	\$ 844,772	\$ -	\$ 844,772	\$ 844,772
Charges for service	482,775	-	482,775	482,775
Interest	-	773	773	773
Other Revenue	26,720	-	26,720	26,720
Total revenue	<u>1,354,267</u>	<u>773</u>	<u>1,355,040</u>	<u>1,355,040</u>
Expenditures:				
Current:				
Tourism	635,345	-	635,345	635,345
Conference Center	947,207	-	947,207	947,207
Debt Service:				
Principal	-	27,249	27,249	27,249
Interest and fiscal charges	-	10,286	10,286	10,286
Total expenditures	<u>1,582,552</u>	<u>37,535</u>	<u>1,620,087</u>	<u>1,620,087</u>
Excess (deficiency) of revenues over (under) expenditures	<u>(228,285)</u>	<u>(36,762)</u>	<u>(265,047)</u>	<u>(265,047)</u>
Other financing sources (uses):				
Transfers in	<u>336,530</u>	<u>40,000</u>	<u>376,530</u>	<u>376,530</u>
Total other financing sources (uses):	<u>336,530</u>	<u>40,000</u>	<u>376,530</u>	<u>376,530</u>
Net change in fund balances	108,245	3,238	111,483	111,483
Fund Balance, October 1, 2018	<u>195,509</u>	<u>120,053</u>	<u>315,562</u>	<u>315,562</u>
Fund Balance, September 30, 2019	<u>\$ 303,754</u>	<u>\$ 123,291</u>	<u>\$ 427,045</u>	<u>\$ 427,045</u>

## **INDIVIDUAL FUND SCHEDULES**

City of Granbury, Texas  
 General Fund  
 Schedule of Revenues, Expenditures and Changes in Fund Balance - Budget and Actual  
 For the year ended September 30, 2019  
 (With comparative totals for September 30, 2018)

	Budgeted Amounts		Actual	Variance with	Prior Year
	Original	Final	Amounts	Final Budget	Actual
			Budgetary	Positive	Budgetary
			Basis	(Negative)	Basis
<b>REVENUES:</b>					
Taxes:					
General property	\$ 2,950,148	\$ 2,965,648	\$ 2,989,294	\$ 23,646	\$ 2,721,509
Sales and use	8,095,000	8,105,000	9,055,290	950,290	8,600,566
Franchise	1,656,563	1,656,563	1,784,308	127,745	1,714,243
Fines and fees	154,000	154,000	212,431	58,431	176,838
Licenses and permits	673,050	673,050	768,360	95,310	838,574
Charges for service	101,700	102,800	86,637	(16,163)	355,351
Intergovernmental revenue	253,325	257,725	219,441	(38,284)	329,654
Park and recreation	154,000	154,000	241,388	87,388	282,889
Interest income	80,000	80,000	279,389	199,389	160,515
Other revenue	1,026,650	1,305,132	344,299	(960,833)	313,879
Total revenues	<u>15,144,436</u>	<u>15,453,918</u>	<u>15,980,837</u>	<u>526,919</u>	<u>15,494,017</u>
<b>EXPENDITURES:</b>					
Current					
General government					
City Council	201,903	201,903	186,110	15,793	176,441
Legal	130,500	172,100	168,843	3,257	252,364
Executive	697,499	716,499	702,214	14,285	650,053
Financial Administration	543,988	543,988	509,917	34,071	487,438
Purchasing	159,549	159,549	155,961	3,588	154,606
Social Services	54,000	54,000	54,000	-	54,000
Information Technology	864,483	1,019,935	981,973	37,962	712,701
Economic Development	89,800	89,800	67,525	22,275	66,407
Human Resources	205,976	205,976	189,648	16,328	194,897
Warehouse	157,417	157,417	142,656	14,761	142,587
Fleet Maintenance	317,285	317,285	310,622	6,663	309,114
Building Maintenance	726,373	738,564	735,611	2,953	808,403
Granbury Broadcasting Services	152,038	152,038	124,117	27,921	118,833
Other governmental functions	716,832	857,892	1,099,797	(241,905)	708,537
Public Safety:					
Police	4,522,390	4,578,007	4,538,406	39,601	4,432,729
Fire	778,012	692,612	463,920	228,692	410,378
Municipal Court	199,920	199,920	194,516	5,404	188,350
Streets	1,836,570	1,837,670	2,738,597	(900,927)	778,071
Building & Permits	767,063	767,063	716,943	50,120	578,544
Community Development	670,943	670,943	574,729	96,214	616,557
Clean Air Coalition	107,056	107,056	78,316	28,740	82,862
Cemetery	61,128	86,128	71,953	14,175	42,903
Parks	1,852,130	2,021,671	1,822,758	198,913	1,766,401
Total expenditures	<u>15,812,855</u>	<u>16,348,016</u>	<u>16,629,132</u>	<u>(281,116)</u>	<u>13,733,176</u>
Excess (deficiency) of revenue over (under) expenditures	<u>(668,419)</u>	<u>(894,098)</u>	<u>(648,295)</u>	<u>245,803</u>	<u>1,760,841</u>
Other financing sources (uses):					
Transfers in	1,363,882	1,363,882	1,497,689	133,807	1,418,554
Transfers out	(530,380)	(376,530)	(686,760)	(310,230)	(1,038,013)
Proceeds from sale of general capital assets	-	-	-	-	41,370
Insurance recoveries	-	71,829	75,632	3,803	66,372
Total other financing sources (uses)	<u>833,502</u>	<u>1,059,181</u>	<u>886,561</u>	<u>(172,620)</u>	<u>488,283</u>
Net change in fund balance	165,083	165,083	238,266	73,183	2,249,124
Fund Balance, October 1, 2018	<u>9,980,531</u>	<u>9,980,531</u>	<u>9,980,531</u>	<u>-</u>	<u>7,208,234</u>
Fund Balance, September 30, 2019	<u>\$ 10,145,614</u>	<u>\$ 10,145,614</u>	<u>\$ 10,218,797</u>	<u>\$ 73,183</u>	<u>\$ 9,457,358</u>

City of Granbury, Texas  
Tourism Fund - Special Revenue Fund  
Schedule of Revenues, Expenditures and  
Changes in Fund Balance - Budget and Actual  
For the year ended September 30, 2019  
(With comparative totals for September 30, 2018)

	Budgeted Amounts		Actual	Variance with	Prior Year
	Original	Final	Amounts GAAP Basis	Final Budget Positive (Negative)	Actual GAAP Basis
Revenues:					
Hotel/Motel Occupancy Tax	\$ 730,000	\$ 807,000	\$ 844,772	\$ 37,772	\$ 729,324
Charges for Service	516,100	523,208	482,775	(40,433)	580,500
Other Revenue	46,300	18,520	26,720	8,200	47,869
Total revenues	1,292,400	1,348,728	1,354,267	5,539	1,357,693
Expenditures:					
Current:					
Tourism	789,000	690,110	635,345	54,765	755,242
Conference Center	793,780	995,148	947,207	47,941	1,005,600
Total expenditures	1,582,780	1,685,258	1,582,552	102,706	1,760,842
Excess (deficiency) of revenues over (under) expenditures	(290,380)	(336,530)	(228,285)	108,245	(403,149)
Other financing sources (uses):					
Transfers in	290,380	336,530	336,530	-	612,530
Proceeds from sale of general capital as	-	-	-	-	50
Total other financing sources (uses):	290,380	336,530	336,530	-	612,580
Net change in fund balance	-	-	108,245	108,245	209,431
Fund Balance, October 1, 2018	195,509	195,509	195,509	-	(13,922)
Fund Balance, September 30, 2019	\$ 195,509	\$ 195,509	\$ 303,754	\$ 108,245	\$ 195,509

City of Granbury, Texas  
 Granbury Historic Properties - Special Revenue Fund  
 Schedule of Revenues, Expenditures and  
 Changes in Fund Balance - Budget and Actual  
 For the year ended September 30, 2019  
 (With comparative totals for September 30, 2018)

	Budgeted Amounts		Actual Amounts GAAP Basis	Variance with Final Budget Positive (Negative)	Prior Year Actual GAAP Basis
	Original	Final			
Revenues:					
Interest	\$ -	\$ -	\$ 773	\$ 773	\$ 338
Total revenues	<u>-</u>	<u>-</u>	<u>773</u>	<u>773</u>	<u>338</u>
Expenditures:					
Debt Service:					
Principal	27,249	27,249	27,249	-	26,367
Interest and fiscal charges	<u>12,751</u>	<u>12,751</u>	<u>10,286</u>	<u>2,465</u>	<u>9,497</u>
Total expenditures	<u>40,000</u>	<u>40,000</u>	<u>37,535</u>	<u>2,465</u>	<u>35,864</u>
Excess (deficiency) of revenues over (under) expenditures	<u>(40,000)</u>	<u>(40,000)</u>	<u>(36,762)</u>	<u>3,238</u>	<u>(35,526)</u>
Other financing sources (uses):					
Transfers in	<u>40,000</u>	<u>40,000</u>	<u>40,000</u>	<u>-</u>	<u>40,000</u>
Total other financing sources (uses):	<u>40,000</u>	<u>40,000</u>	<u>40,000</u>	<u>-</u>	<u>40,000</u>
Net change in fund balance	-	-	3,238	3,238	4,474
Fund Balance, October 1, 2018	<u>120,053</u>	<u>120,053</u>	<u>120,053</u>	<u>-</u>	<u>115,579</u>
Fund Balance, September 30, 2019	<u>\$ 120,053</u>	<u>\$ 120,053</u>	<u>\$ 123,291</u>	<u>\$ 3,238</u>	<u>\$ 120,053</u>

City of Granbury, Texas  
Debt Service Fund  
Schedule of Revenues, Expenditures and  
Changes in Fund Balance - Budget and Actual  
For the year ended September 30, 2019  
(With comparative totals for September 30, 2018)

	Budgeted Amounts		Actual Amounts GAAP Basis	Variance with Final Budget Positive (Negative)	Prior Year Actual GAAP Basis
	Original	Final			
Revenues:					
Property tax revenue	\$ 2,874,081	\$ 2,874,081	\$ 2,947,643	\$ 73,562	\$ 2,898,011
Interest income	-	-	55,953	55,953	43,338
Total revenues	<u>2,874,081</u>	<u>2,874,081</u>	<u>3,003,596</u>	<u>129,515</u>	<u>2,941,349</u>
Expenditures:					
Debt Service					
Principal	3,745,000	3,745,000	2,229,973	1,515,027	2,172,376
Interest and fiscal charges	<u>1,712,491</u>	<u>1,712,491</u>	<u>952,778</u>	<u>759,713</u>	<u>1,196,212</u>
Total expenditures	<u>5,457,491</u>	<u>5,457,491</u>	<u>3,182,751</u>	<u>2,274,740</u>	<u>3,368,588</u>
Excess (deficiency) of revenues over (under) expenditures	<u>(2,583,410)</u>	<u>(2,583,410)</u>	<u>(179,155)</u>	<u>2,404,255</u>	<u>(427,239)</u>
Other financing sources (uses):					
Transfers in	<u>3,222,759</u>	<u>3,222,759</u>	<u>377,428</u>	<u>(2,845,331)</u>	<u>337,738</u>
Total other financing sources (uses)	<u>3,222,759</u>	<u>3,222,759</u>	<u>377,428</u>	<u>(2,845,331)</u>	<u>337,738</u>
Net change in fund balance	639,349	639,349	198,273	(441,076)	(89,501)
Fund Balance, October 1, 2018	<u>508,115</u>	<u>508,115</u>	<u>508,115</u>	<u>-</u>	<u>333,176</u>
Fund Balance, September 30, 2019	<u>\$ 1,147,464</u>	<u>\$ 1,147,464</u>	<u>\$ 706,388</u>	<u>\$ (441,076)</u>	<u>\$ 243,675</u>

City of Granbury, Texas  
 Utility - Enterprise Fund  
 Schedule of Revenues, Expenses, and Changes in  
 Fund Net Position - Budget and Actual  
 For the year ended September 30, 2019  
 (With comparative totals for September 30, 2018)

	Budgeted Amounts		Actual Amounts Budgetary Basis	Variance with Final Budget Positive (Negative)	Prior Year Amounts Budgetary Basis
	Original	Final			
Operating revenues:					
Charges for sales and services:					
Charges for Water and Sewer Sales	\$ 9,474,000	9,599,160	\$ 10,473,837	\$ 874,677	\$ 10,036,524
Charges for Electricity Sales	10,739,000	10,739,000	10,786,134	47,134	11,217,517
Impact fees	200,000	200,000	296,835	96,835	309,782
Other Revenue	439,000	488,136	644,644	156,508	536,230
Total operating revenue	<u>20,852,000</u>	<u>21,026,296</u>	<u>22,201,450</u>	<u>1,175,154</u>	<u>22,100,053</u>
Operating expenses:					
Administration	933,310	917,200	811,055	106,145	1,899,838
Water treatment and distribution	4,189,613	4,267,496	3,268,150	999,346	3,231,653
Wastewater collection and treatment	2,058,775	2,528,321	1,719,230	809,091	1,584,483
Electricity	7,178,285	7,211,971	6,384,032	827,939	6,880,680
Meter Reading	462,655	463,905	477,943	(14,038)	313,753
Utility Franchise Fees	808,200	808,200	843,855	(35,655)	944,219
Total operating expenses	<u>15,630,838</u>	<u>16,197,093</u>	<u>13,504,265</u>	<u>2,692,828</u>	<u>14,854,626</u>
Operating income	<u>5,221,162</u>	<u>4,829,203</u>	<u>8,697,185</u>	<u>3,867,982</u>	<u>7,245,427</u>
Nonoperating revenues (expenses):					
Interest revenue	50,000	50,000	1,173,838	1,123,838	199,190
Intergovernmental	-	379,000	30,000	(349,000)	11,561
Gain (loss) on disposal of capital assets	-	12,959	29,861	16,902	6,302
Debt Service					
Principal	(2,306,730)	(2,306,730)	(2,156,730)	150,000	(2,072,062)
Interest expense	(1,406,179)	(1,406,179)	(1,580,009)	(173,830)	(872,791)
Contribution to Economic Development Corp	-	-	-	-	(100,000)
Total nonoperating revenues (expenses)	<u>(3,662,909)</u>	<u>(3,270,950)</u>	<u>(2,503,040)</u>	<u>767,910</u>	<u>(2,827,800)</u>
Income before contributions and transfers	<u>1,558,253</u>	<u>1,558,253</u>	<u>6,194,145</u>	<u>4,635,892</u>	<u>4,417,627</u>
Transfers (to) from other funds:					
Transfers out	<u>(1,316,882)</u>	<u>(1,316,882)</u>	<u>(1,529,765)</u>	<u>(212,883)</u>	<u>(1,474,451)</u>
Change in Net Position	241,371	241,371	4,664,380	4,423,009	2,943,176
Prior Period Adjustment					(84,405)
Net Position, October 1, 2018	<u>32,514,202</u>	<u>32,514,202</u>	<u>32,514,202</u>	-	<u>27,633,558</u>
Net Position, September 30, 2019	<u>\$ 32,755,573</u>	<u>\$ 32,755,573</u>	<u>\$ 37,178,582</u>	<u>\$ 4,423,009</u>	<u>\$ 30,492,329</u>
Reconciliation from budgetary basis to GAAP Basis					
Principal payments on long-term debt			2,156,730		2,072,062
Capitalized expenses			753,527		1,810,265
Noncash capital contributions			2,529,654		574,512
Bond issuance costs			(891,772)		(171,102)
Depreciation expense			<u>(3,141,351)</u>		<u>(2,263,863)</u>
Net Position, September 30, 2019 (GAAP Basis)			<u>\$ 38,585,370</u>		<u>\$ 32,514,203</u>

City of Granbury, Texas  
 Airport - Enterprise Fund  
 Schedule of Revenues, Expenses, and Changes in  
 Fund Net Position - Budget and Actual  
 For the year ended September 30, 2019  
 (With comparative totals for September 30, 2018)

	Budgeted Amounts		Actual	Variance with	Prior Year
	Original	Final	Amounts Budgetary Basis	Final Budget Positive (Negative)	Amounts Budgetary Basis
Operating revenues:					
Charges for sales and services:					
Charges for Airport Services	\$ 724,500	757,500	\$ 755,261	\$ (2,239)	\$ 755,565
Other Revenue	27,100	27,100	30,211	3,111	25,127
Total operating revenue	751,600	784,600	785,472	872	780,692
Operating expenses:					
Airport	3,649,456	3,692,833	4,742,556	(1,049,723)	639,850
Total operating expenses	3,649,456	3,692,833	4,742,556	(1,049,723)	639,850
Operating income	(2,897,856)	(2,908,233)	(3,957,084)	(1,048,851)	140,842
Nonoperating revenues (expenses):					
Interest revenue	30,000	30,000	59,934	29,934	54,957
Intergovernmental	50,000	50,000	76,608	26,608	17,385
Gain (loss) on disposal of capital assets	-	-	(223)	223	-
Debt Services:					
Principal	(109,201)	(109,201)	(109,201)	-	(108,047)
Interest expense	(15,566)	(15,566)	(15,565)	1	(18,909)
Total nonoperating revenues (expenses)	(44,767)	(44,767)	11,553	56,766	(54,614)
Income before contributions and transfers	(2,942,623)	(2,953,000)	(3,945,531)	(992,085)	86,228
Capital contributions and transfers:					
Capital grants and contributions	3,000,000	3,000,000	3,000,000	-	-
Transfers in	-	-	-	-	276,152
Transfers out	(47,000)	(47,000)	(51,303)	(4,303)	(46,699)
Change in Net Position	10,377	-	(996,834)	(996,388)	315,681
Prior Period Adjustment	-	-	-	-	(5,937)
Net Position, October 1, 2018	15,821,161	15,821,161	15,821,161	-	15,558,218
Net Position, September 30, 2019	\$ 15,831,538	\$ 15,821,161	\$ 14,824,327	\$ (996,388)	\$ 15,867,962
Reconciliation from budgetary basis to GAAP Basis					
Principal payments on long-term debt			109,201		108,047
Capitalized expenses			4,173,225		8,200
Depreciation expense			(162,905)		(163,048)
Net Position, September 30, 2019 (GAAP Basis)			\$ 18,943,848		\$ 15,821,161

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

## STATISTICAL SECTION (Unaudited)

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

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

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

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

	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>
Governmental activities				
Net investment in capital assets	\$ 31,815,661	\$ 19,202,230	\$ 18,930,751	\$ 15,439,007
Restricted	1,709,417	2,265,469	741,433	518,032
Unrestricted	<u>6,180,568</u>	<u>5,053,503</u>	<u>3,782,128</u>	<u>2,916,432</u>
Total governmental activities net position	<u>\$ 39,705,646</u>	<u>\$ 26,521,202</u>	<u>\$ 23,454,312</u>	<u>\$ 18,873,471</u>
Business-type activities				
Net investment in capital assets	\$ 44,739,831	\$ 36,316,597	\$ 32,950,860	\$ 31,227,763
Restricted	1,946,516	1,775,724	1,916,636	2,152,889
Unrestricted	<u>10,857,838</u>	<u>10,243,043</u>	<u>8,324,280</u>	<u>3,273,513</u>
Total business-type activities net position	<u>\$ 57,544,185</u>	<u>\$ 48,335,364</u>	<u>\$ 43,191,776</u>	<u>\$ 36,654,165</u>
Primary government				
Net investment in capital assets	\$ 76,555,492	\$ 55,518,827	\$ 51,881,611	\$ 46,666,770
Restricted	3,655,933	4,041,193	2,658,069	2,670,921
Unrestricted	<u>17,038,406</u>	<u>15,296,546</u>	<u>12,106,408</u>	<u>6,189,945</u>
Total primary government net position	<u>\$ 97,249,831</u>	<u>\$ 74,856,566</u>	<u>\$ 66,646,088</u>	<u>\$ 55,527,636</u>

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

<u>2015</u>	<u>2014</u>	<u>2013</u>	<u>2012</u>	<u>2011</u>	<u>2010</u>
\$ 21,537,158	\$ 26,045,119	\$ 23,852,148	\$ 24,079,825	\$ 23,554,937	\$ 24,835,034
683,036	682,251	433,837	373,215	196,278	124,151
2,151,316	4,551,589	5,920,347	6,669,570	6,476,435	5,482,138
<u>\$ 24,371,510</u>	<u>\$ 31,278,959</u>	<u>\$ 30,206,332</u>	<u>\$ 31,122,610</u>	<u>\$ 30,227,650</u>	<u>\$ 30,441,323</u>
\$ 24,172,309	\$ 19,645,350	\$ 18,832,307	\$ 18,713,942	\$ 19,309,403	\$ 18,342,485
2,302,058	2,135,756	2,228,897	2,055,300	1,942,666	1,885,682
4,035,059	5,133,124	4,803,939	5,153,971	4,466,538	2,933,897
<u>\$ 30,509,426</u>	<u>\$ 26,914,230</u>	<u>\$ 25,865,143</u>	<u>\$ 25,923,213</u>	<u>\$ 25,718,607</u>	<u>\$ 23,162,064</u>
\$ 45,709,467	\$ 45,690,469	\$ 42,684,455	\$ 42,793,767	\$ 42,864,340	\$ 43,177,519
2,985,094	2,818,007	2,662,734	2,428,515	2,138,944	2,009,833
6,186,375	9,684,713	10,724,286	11,823,541	10,942,973	8,416,035
<u>\$ 54,880,936</u>	<u>\$ 58,193,189</u>	<u>\$ 56,071,475</u>	<u>\$ 57,045,823</u>	<u>\$ 55,946,257</u>	<u>\$ 53,603,387</u>

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

	2019	2018	2017	2016	2015
<b>Expenses</b>					
<b>Governmental activities</b>					
General government and administration	\$ 5,456,209	\$ 4,962,329	\$ 5,277,053	\$ 5,157,740	\$ 4,952,657
Community development & neighborhood services	636,114	515,406	570,259	576,517	436,091
Clean air coalition	80,002	83,030	191,163	107,164	147,426
Public safety	5,723,779	5,220,008	4,861,240	4,568,792	4,181,858
Highways and streets	2,328,881	2,307,570	2,071,754	1,974,197	1,991,264
Culture and recreation	2,319,057	2,292,525	2,111,405	2,134,237	2,048,587
Airport	-	-	-	-	-
Tourism	1,318,801	1,458,865	1,516,439	1,470,289	1,413,290
Conference Center	846,809	720,418	747,513	797,778	635,391
Interest on long-term debt	939,641	904,937	962,776	1,208,731	992,957
<b>Total governmental activities expenses</b>	<b>19,649,293</b>	<b>18,465,088</b>	<b>18,309,602</b>	<b>17,995,445</b>	<b>16,799,521</b>
<b>Business-type activities</b>					
Airport	747,801	813,608	816,103	928,078	1,011,149
Economic Development	-	100,000	-	-	-
Municipal utilities	18,363,871	16,352,116	18,997,394	19,187,348	18,705,520
<b>Total business-type activities expenses</b>	<b>19,111,672</b>	<b>17,265,724</b>	<b>19,813,497</b>	<b>20,115,426</b>	<b>19,716,669</b>
<b>Total primary government expenses</b>	<b>\$ 38,760,965</b>	<b>\$ 35,730,812</b>	<b>\$ 38,123,099</b>	<b>\$ 38,110,871</b>	<b>\$ 36,516,190</b>
<b>Program Revenues</b>					
<b>Governmental activities</b>					
<b>Charges for services</b>					
General government and administration	\$ 79,128	\$ 83,343	\$ 87,600	\$ 95,124	\$ 93,531
Community development & neighborhood services	748,866	1,048,631	725,408	636,114	659,348
Public safety	234,994	198,202	229,807	250,188	158,452
Culture and recreation	249,441	330,589	177,062	162,674	139,163
Airport	-	-	-	-	-
Tourism	90,603	132,234	129,803	119,338	134,441
Conference Center	418,892	496,135	486,511	475,866	373,481
Operating grants and contributions	206,104	231,094	349,489	414,078	476,781
Capital grants and contributions	10,866,405	782,295	3,719,258	173,761	503,633
<b>Total governmental activities program revenues</b>	<b>12,894,433</b>	<b>3,302,523</b>	<b>5,904,938</b>	<b>2,327,143</b>	<b>2,538,830</b>
<b>Business-type activities</b>					
<b>Charges for services</b>					
Water and Wastewater	\$ 11,088,259	\$ 10,599,523	\$ 9,549,632	\$ 8,760,445	\$ 8,390,222
Electric	11,113,191	11,500,530	11,426,686	11,012,050	11,329,466
Airport	785,472	780,692	783,772	706,142	779,968
Operating grants and contributions	106,608	28,946	265,558	390,151	12,250
Capital grants and contributions	5,529,654	574,512	4,659,668	334,048	732,847
<b>Total business-type activities program revenues</b>	<b>28,623,184</b>	<b>23,484,203</b>	<b>26,685,316</b>	<b>21,202,836</b>	<b>21,244,753</b>
<b>Total primary government program revenues</b>	<b>\$ 41,517,617</b>	<b>\$ 26,786,726</b>	<b>\$ 32,590,254</b>	<b>\$ 23,529,979</b>	<b>\$ 23,783,583</b>
<b>Net (Expense) Revenue</b>					
Governmental activities	\$ (6,754,860)	\$ (15,162,565)	\$ (12,404,664)	\$ (15,668,302)	\$ (14,260,691)
Business-type activities	9,511,512	6,218,479	6,871,819	1,087,410	1,528,084
<b>Total primary government net expense</b>	<b>\$ 2,756,652</b>	<b>\$ (8,944,086)</b>	<b>\$ (5,532,845)</b>	<b>\$ (14,580,892)</b>	<b>\$ (12,732,607)</b>
<b>General Revenues and Other Changes in Net Position</b>					
<b>Governmental activities</b>					
<b>Taxes</b>					
Property	\$ 5,915,411	\$ 5,611,150	\$ 5,421,753	\$ 4,933,982	\$ 4,574,859
Sales	9,096,824	8,534,403	8,083,300	7,593,985	7,232,245
Other	2,656,633	2,444,890	2,442,810	2,287,719	2,295,658
Miscellaneous	269,720	419,209	457,809	318,904	359,722
Investment earnings	435,829	270,434	112,960	47,046	31,670
Transfers	1,564,887	1,247,706	466,873	(5,011,373)	(2,781,257)
<b>Total governmental activities</b>	<b>19,939,304</b>	<b>18,527,792</b>	<b>16,985,505</b>	<b>10,170,263</b>	<b>11,712,897</b>
<b>Business-type activities</b>					
Investment earnings	1,233,772	254,147	121,918	45,956	15,367
Miscellaneous	28,424	9,010	10,747	-	-
Extraordinary item	-	-	-	-	499,448
Transfers	(1,564,887)	(1,247,706)	(466,873)	5,011,373	2,781,257
<b>Total business-type activities</b>	<b>(302,691)</b>	<b>(984,549)</b>	<b>(334,208)</b>	<b>5,057,329</b>	<b>3,296,072</b>
<b>Total primary government</b>	<b>\$ 19,636,613</b>	<b>\$ 17,543,243</b>	<b>\$ 16,651,297</b>	<b>\$ 15,227,592</b>	<b>\$ 15,008,969</b>
<b>Change in Net Position</b>					
Governmental activities	\$ 13,184,444	\$ 3,365,227	\$ 4,580,841	\$ (5,498,039)	\$ (2,547,794)
Business-type activities	9,208,821	5,233,930	6,537,611	6,144,739	4,824,156
<b>Total primary government</b>	<b>\$ 22,393,265</b>	<b>\$ 8,599,157</b>	<b>\$ 11,118,452</b>	<b>\$ 646,700</b>	<b>\$ 2,276,362</b>

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

2014	2013	2012	2011	2010
\$ 4,105,938	\$ 3,910,972	\$ 3,359,741	\$ 3,207,553	\$ 3,111,790
431,114	638,669	553,995	618,122	750,951
-	-	-	-	-
4,167,610	4,029,148	3,798,529	3,802,080	3,708,098
2,123,431	2,003,812	2,566,437	2,176,533	2,062,831
2,274,039	2,000,810	1,892,504	1,987,545	2,000,545
-	-	-	-	533,592
990,605	1,281,171	1,012,067	943,788	200,396
667,948	689,392	734,102	776,819	1,480,106
885,592	1,071,451	1,136,676	1,256,281	1,367,112
<u>15,646,277</u>	<u>15,625,425</u>	<u>15,054,051</u>	<u>14,768,721</u>	<u>15,215,421</u>
1,121,761	1,029,054	814,026	660,769	-
86,000	86,000	50,000	-	-
<u>18,828,482</u>	<u>17,920,361</u>	<u>17,307,598</u>	<u>17,421,382</u>	<u>17,286,113</u>
<u>20,036,243</u>	<u>19,035,415</u>	<u>18,171,624</u>	<u>18,082,151</u>	<u>17,286,113</u>
<u>\$ 35,682,520</u>	<u>\$ 34,660,840</u>	<u>\$ 33,225,675</u>	<u>\$ 32,850,872</u>	<u>\$ 32,501,534</u>
\$ 129,325	\$ 86,567	\$ 112,348	\$ 185,624	\$ 172,760
552,552	587,879	531,760	663,553	414,984
159,187	204,638	214,834	250,230	186,143
165,724	133,211	111,934	205,935	188,393
-	-	-	-	508,336
131,428	60,550	23,505	38,528	40,766
296,814	368,850	387,354	419,184	430,178
772,777	197,729	225,524	148,656	158,834
821,184	12,916	1,378,236	933,906	3,283,441
<u>3,028,991</u>	<u>1,652,340</u>	<u>2,985,495</u>	<u>2,845,616</u>	<u>5,383,835</u>
\$ 8,179,989	\$ 7,245,760	\$ 6,081,786	\$ 6,915,407	\$ 5,334,199
11,371,262	11,368,958	11,639,851	11,790,282	11,619,113
854,860	801,785	707,628	596,505	-
-	-	-	550	-
806,241	525,911	242,725	824,842	1,592,694
<u>21,212,352</u>	<u>19,942,414</u>	<u>18,671,990</u>	<u>20,127,586</u>	<u>18,546,006</u>
<u>\$ 24,241,343</u>	<u>\$ 21,594,754</u>	<u>\$ 21,657,485</u>	<u>\$ 22,973,202</u>	<u>\$ 23,929,841</u>
\$ (12,617,286)	\$ (13,973,085)	\$ (12,068,556)	\$ (11,923,105)	\$ (9,831,586)
1,176,109	906,999	500,366	2,045,435	1,259,893
<u>\$ (11,441,177)</u>	<u>\$ (13,066,086)</u>	<u>\$ (11,568,190)</u>	<u>\$ (9,877,670)</u>	<u>\$ (8,571,693)</u>
\$ 4,404,767	\$ 4,305,186	\$ 4,170,353	\$ 4,196,466	\$ 4,206,922
6,632,629	6,463,449	6,290,017	5,821,793	5,316,603
2,160,645	2,046,009	1,950,326	2,035,545	1,693,299
317,355	435,688	173,681	115,286	158,579
27,754	58,025	50,927	42,066	24,870
146,763	275,804	328,212	373,830	351,076
<u>13,689,913</u>	<u>13,584,161</u>	<u>12,963,516</u>	<u>12,584,986</u>	<u>11,751,349</u>
20,942	32,891	32,452	9,384	5,493
-	-	-	-	-
<u>(147,964)</u>	<u>(275,804)</u>	<u>(328,212)</u>	<u>(373,830)</u>	<u>(423,823)</u>
<u>(127,022)</u>	<u>(242,913)</u>	<u>(295,760)</u>	<u>(364,446)</u>	<u>(418,330)</u>
<u>\$ 13,562,891</u>	<u>\$ 13,341,248</u>	<u>\$ 12,667,756</u>	<u>\$ 12,220,540</u>	<u>\$ 11,333,019</u>
\$ 1,072,627	\$ (388,924)	\$ 894,960	\$ 661,881	\$ 1,919,763
1,049,087	664,086	204,606	1,680,989	841,563
<u>\$ 2,121,714</u>	<u>\$ 275,162</u>	<u>\$ 1,099,566</u>	<u>\$ 2,342,870</u>	<u>\$ 2,761,326</u>

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

	2019	2018	2017	2016
<b>General Fund</b>				
Reserved	\$ -	\$ -	\$ -	\$ -
Unreserved, Designated	-	-	-	-
Unreserved, Undesignated	-	-	-	-
Nonspendable	152,253	161,818	159,055	511,494
Restricted	793,336	1,636,077	472,999	471,552
Committed	775,084	422,419	301,256	231,344
Assigned	162,602	101,501	51,026	43,938
Unassigned	8,688,187	7,658,716	6,223,898	4,785,111
<b>Total general fund</b>	<b>\$ 10,571,462</b>	<b>\$ 9,980,531</b>	<b>\$ 7,208,234</b>	<b>\$ 6,043,439</b>
<b>All Other Governmental Funds</b>				
Reserved	\$ -	\$ -	\$ -	\$ -
Unreserved, reported in				
Special revenue funds	-	-	-	-
Capital projects funds	-	-	-	-
Debt service funds	-	-	-	-
Nonspendable	17,342	17,078	5,040	5,800
Restricted	6,097,697	4,372,480	4,191,174	5,663,282
Committed	123,291	120,053	115,579	111,495
Unassigned	-	-	(18,962)	(103,786)
<b>Total all other governmental funds</b>	<b>\$ 6,238,330</b>	<b>\$ 4,509,611</b>	<b>\$ 4,292,831</b>	<b>\$ 5,676,791</b>

Notes:

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

Reserved - Amounts that are not available for appropriation or are legally restricted by an outside party for a specific use.

Designated - Represents management's tentative plans that are subject to change.

Unreserved, undesignated - Fund balance that is not reserved or designated.

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

2015	2014	2013	2012	2011	2010
\$ -	\$ -	\$ -	\$ -	\$ -	\$ 120,985
-	-	-	-	-	244,500
-	-	-	-	-	3,832,279
619,482	947,407	908,067	908,569	881,547	-
497,395	556,739	209,188	159,923	102,630	-
270,982	15,746	249,475	91,736	290,148	-
44,238	55,131	140,163	119,263	98,977	-
3,798,559	2,860,905	4,005,826	4,284,392	3,830,560	-
<u>\$ 5,230,656</u>	<u>\$ 4,435,928</u>	<u>\$ 5,512,719</u>	<u>\$ 5,563,883</u>	<u>\$ 5,203,862</u>	<u>\$ 4,197,764</u>
\$ -	\$ -	\$ -	\$ -	\$ -	\$ 8,904,460
-	-	-	-	-	(159,594)
-	-	-	-	-	-
-	-	-	-	-	-
1,774,344	4,446,333	5,272,778	7,674,816	8,020,303	-
107,088	111,500	214,379	190,057	264,462	-
(217,378)	(447,076)	(544,810)	(431,292)	(481,509)	-
<u>\$ 1,664,054</u>	<u>\$ 4,110,757</u>	<u>\$ 4,942,347</u>	<u>\$ 7,433,581</u>	<u>\$ 7,803,256</u>	<u>\$ 8,744,866</u>

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

	2019	2018	2017	2016
<b>Revenues</b>				
Taxes	\$ 17,621,307	\$ 16,663,653	\$ 15,733,847	\$ 14,872,298
Licenses, fees, permits	768,360	838,574	737,790	613,565
Fines and penalties	212,431	176,838	200,801	225,259
Charges for services	569,412	935,851	651,070	672,307
Intergovernmental	219,441	329,654	1,891,996	582,339
Investment earnings	435,749	270,434	112,960	47,046
Other revenues	612,406	644,637	625,945	494,225
Total revenues	<u>\$ 20,439,106</u>	<u>\$ 19,859,641</u>	<u>\$ 19,954,409</u>	<u>\$ 17,507,039</u>
<b>Expenditures</b>				
General government	\$ 5,331,394	\$ 5,065,550	\$ 5,353,951	\$ 4,905,160
Police	4,750,431	4,617,414	3,832,502	3,896,217
Fire	450,062	428,606	853,293	404,201
Streets	2,439,635	652,771	2,447,429	528,257
Building & permits	716,943	578,544	548,658	447,070
Parks and recreation	1,818,546	1,761,169	1,744,042	1,795,998
Tourism	635,345	755,242	807,756	780,866
Conference Center	947,207	1,005,600	732,905	835,599
Capital projects	840,670	56,176	871,689	861,287
Other	769,456	678,080	773,205	891,118
Debt service:				
Interest	963,064	997,590	1,207,002	713,451
Principal	2,257,222	2,198,742	1,978,750	2,220,965
Bond issuance costs	50,000	-	-	373,502
Total expenditures	<u>\$ 21,969,975</u>	<u>\$ 18,795,484</u>	<u>\$ 21,151,182</u>	<u>\$ 18,653,691</u>
Excess of revenues over (under) expenditures	<u>\$ (1,530,869)</u>	<u>\$ 1,064,157</u>	<u>\$ (1,196,773)</u>	<u>\$ (1,146,652)</u>
<b>Other Financing Sources (Uses)</b>				
Proceeds from borrowing	\$ 2,210,000	\$ 572,131	\$ 347,802	\$ 10,250,850
Other resources	75,632	107,792	162,933	38,692
Transfers in	2,251,647	2,465,142	1,918,857	2,012,029
Transfers out	(686,760)	(1,220,145)	(1,451,984)	(6,329,399)
Total other financing sources (uses)	<u>\$ 3,850,519</u>	<u>\$ 1,924,920</u>	<u>\$ 977,608</u>	<u>\$ 5,972,172</u>
Net change in fund balances	<u>\$ 2,319,650</u>	<u>\$ 2,989,077</u>	<u>\$ (219,165)</u>	<u>\$ 4,825,520</u>
Debt service as a percentage of noncapital expenditures	17.8%	18.1%	18.7%	17.4%

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

2015	2014	2013	2012	2011	2010
\$ 13,994,697	\$ 13,146,849	\$ 12,792,390	\$ 12,380,367	\$ 11,999,657	\$ 11,276,922
703,918	595,351	561,786	521,189	586,854	413,456
190,154	149,611	184,388	201,206	225,678	204,284
496,838	406,679	464,000	471,172	574,503	988,147
858,629	267,614	197,729	204,720	148,656	408,834
31,670	27,732	58,025	50,927	42,066	24,870
541,213	1,127,908	666,348	382,653	480,697	527,445
<u>\$ 16,817,119</u>	<u>\$ 15,721,744</u>	<u>\$ 14,924,666</u>	<u>\$ 14,212,234</u>	<u>\$ 14,058,111</u>	<u>\$ 13,843,958</u>
\$ 4,745,797	\$ 3,840,821	\$ 3,636,842	\$ 3,339,088	\$ 2,959,350	\$ 2,963,528
3,867,902	3,731,731	3,847,599	3,364,569	3,158,866	3,123,521
1,255,424	354,000	384,889	332,775	268,848	243,174
534,995	562,719	421,448	587,464	425,147	431,840
578,796	547,800	408,090	381,797	257,252	350,734
2,114,803	1,762,250	1,479,716	1,337,862	1,561,616	1,430,571
797,357	2,507,455	953,968	899,502	610,847	157,248
644,068	682,689	677,325	620,234	695,673	1,125,080
1,107,772	811,717	2,410,505	458,364	889,421	1,949,390
672,887	486,545	740,144	607,289	645,256	1,210,061
712,289	912,346	1,011,534	1,092,050	1,213,773	1,313,553
2,350,470	2,030,855	1,985,029	1,621,880	1,739,187	1,644,804
297,604	-	119,333	-	156,173	-
<u>\$ 19,680,164</u>	<u>\$ 18,230,928</u>	<u>\$ 18,076,422</u>	<u>\$ 14,642,874</u>	<u>\$ 14,581,409</u>	<u>\$ 15,943,504</u>
<u>\$ (2,863,045)</u>	<u>\$ (2,509,184)</u>	<u>\$ (3,151,756)</u>	<u>\$ (430,640)</u>	<u>\$ (523,298)</u>	<u>\$ (2,099,546)</u>
\$ 3,919,383	\$ 452,839	\$ 214,208	\$ 92,774	\$ 247,504	\$ -
72,944	-	119,346	-	-	-
2,420,229	2,806,721	1,183,018	1,093,266	812,863	1,043,059
(5,201,486)	(2,658,757)	(907,214)	(765,054)	(439,033)	(691,983)
<u>\$ 1,211,070</u>	<u>\$ 600,803</u>	<u>\$ 609,358</u>	<u>\$ 420,986</u>	<u>\$ 621,334</u>	<u>\$ 351,076</u>
<u>\$ (1,651,975)</u>	<u>\$ (1,908,381)</u>	<u>\$ (2,542,398)</u>	<u>\$ (9,654)</u>	<u>\$ 98,036</u>	<u>\$ (1,748,470)</u>
18.6%	19.6%	20.4%	20.6%	22.1%	21.9%

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

Revenue Source	2019	2018	2017	2016	2015
<b>Principal General Government Revenue Sources</b>					
Sales and Use Tax	\$ 9,055,290	\$ 8,600,566	\$ 7,926,229	\$ 7,624,373	\$ 7,151,484
Ad Valorem Tax	5,936,937	5,619,520	5,394,768	4,945,177	4,577,167
Franchise Taxes	940,453	770,024	777,796	747,865	790,557
Utility Fund Franchise Tax	843,855	944,219	897,679	857,990	849,286
Hotel Occupancy Tax	844,772	729,324	737,375	696,893	626,203
All Other Sources	2,817,799	3,195,988	4,220,562	2,634,741	2,822,422
<b>Total General Government Revenue</b>	<b><u>\$ 20,439,106</u></b>	<b><u>\$ 19,859,641</u></b>	<b><u>\$ 19,954,409</u></b>	<b><u>\$ 17,507,039</u></b>	<b><u>\$ 16,817,119</u></b>

Current and comparative ad valorem tax rates are shown on page 95.

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	\$ 10,786,134	\$ 11,217,517	\$ 11,138,774	\$ 10,638,496	\$ 10,993,672
Water Sales	7,323,070	7,044,556	6,180,897	5,756,374	5,472,711
Wastewater Revenue	3,150,767	2,991,968	2,775,382	2,512,036	2,440,580
All Other	1,726,951	1,626,704	1,665,037	1,448,509	1,583,938
<b>Total Utility Fund Revenue</b>	<b><u>\$ 22,986,922</u></b>	<b><u>\$ 22,880,745</u></b>	<b><u>\$ 21,760,090</u></b>	<b><u>\$ 20,355,415</u></b>	<b><u>\$ 20,490,901</u></b>

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

2014	Fiscal Year		2012	2011	2010	Change: 2010-2019
	2013					
\$ 6,599,573	\$ 6,440,471	\$ 6,282,851	\$ 5,810,019	\$ 5,314,801	70.4%	
4,415,081	4,305,910	4,147,190	4,204,828	4,198,621	41.4%	
731,411	692,784	747,381	738,682	645,413	45.7%	
843,618	812,300	686,206	724,326	647,648	30.3%	
557,166	540,925	516,739	521,802	470,439	79.6%	
2,574,895	2,232,276	1,831,867	2,058,454	2,567,036	9.8%	
<u>\$ 15,721,744</u>	<u>\$ 15,024,666</u>	<u>\$ 14,212,234</u>	<u>\$ 14,058,111</u>	<u>\$ 13,843,958</u>	<u>47.6%</u>	
\$ 11,056,172	\$ 11,145,165	\$ 11,394,217	\$ 11,524,273	\$ 11,367,715	-5.1%	
5,314,357	4,778,739	3,999,322	4,810,721	3,448,982	112.3%	
2,394,387	2,048,432	1,774,092	1,719,432	1,645,412	91.5%	
1,641,195	1,444,167	1,261,634	1,248,318	496,696	247.7%	
<u>\$ 20,406,111</u>	<u>\$ 19,416,503</u>	<u>\$ 18,429,265</u>	<u>\$ 19,302,744</u>	<u>\$ 16,958,805</u>	<u>35.5%</u>	

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

<u>Tax Year</u>	<u>Fiscal Year</u>	<u>Real Property Assessed Value</u>	<u>Personal Property Assessed Value</u>	<u>Total Assessed Value</u>	<u>Tax Rate per \$100 Valuation</u>
2009	2009-2010	\$ 946,949,874	\$ 109,656,260	\$ 1,056,606,134	0.40390
2010	2010-2011	\$ 962,289,440	\$ 88,763,600	\$ 1,051,053,040	0.40390
2011	2011-2012	\$ 943,563,119	\$ 96,971,860	\$ 1,040,534,979	0.40390
2012	2012-2013	\$ 1,079,701,929	\$ 7,336,330	\$ 1,087,038,259	0.39926
2013	2013-2014	\$ 1,112,336,147	\$ 1,130,170	\$ 1,113,466,317	0.39459
2014	2014-2015	\$ 1,134,944,921	\$ 9,396,360	\$ 1,144,341,281	0.39758
2015	2015-2016	\$ 1,226,352,986	\$ 16,077,980	\$ 1,242,430,966	0.39758
2016	2016-2017	\$ 1,351,002,968	\$ 22,416,360	\$ 1,373,419,328	0.39758
2017	2017-2018	\$ 1,404,144,825	\$ 9,376,260	\$ 1,413,521,085	0.39939
2018	2018-2019	\$ 1,488,205,565	\$ 5,174,380	\$ 1,493,379,945	0.39939

Source: Hood County Appraisal District

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

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

Tax Year	Fiscal Year	City of Granbury Tax Rate			Hood County	Granbury Independent School District
		Operations	Debt Repayment	City Total		
2009	2009-2010	0.11980	0.28410	0.40390	0.331091	1.15500
2010	2010-2011	0.14368	0.26022	0.40390	0.343888	1.14000
2011	2011-2012	0.14510	0.25880	0.40390	0.348888	1.15000
2012	2012-2013	0.14294	0.25632	0.39926	0.343908	1.14500
2013	2013-2014	0.15738	0.23721	0.39459	0.383908	1.14500
2014	2014-2015	0.15291	0.24468	0.39758	0.391697	1.26500
2015	2015-2016	0.18017	0.21741	0.39758	0.430882	1.26500
2016	2016-2017	0.18795	0.20963	0.39758	0.422230	1.25000
2017	2017-2018	0.19345	0.20593	0.39939	0.415744	1.21000
2018	2018-2019	0.20128	0.19811	0.39939	0.428018	1.19500

**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
2009	2009-2010	\$ 4,199,011	\$ (34,926)	\$ 4,164,085	\$ 4,118,410	98.9031%
2010	2010-2011	\$ 4,168,290	\$ (8,225)	\$ 4,160,065	\$ 4,121,545	99.0740%
2011	2011-2012	\$ 4,141,351	\$ (11,127)	\$ 4,130,225	\$ 4,067,391	98.4787%
2012	2012-2013	\$ 4,294,424	\$ (41,732)	\$ 4,252,692	\$ 4,194,524	98.6322%
2013	2013-2014	\$ 4,361,775	\$ (12,868)	\$ 4,348,907	\$ 4,315,859	99.2401%
2014	2014-2015	\$ 4,518,300	\$ (4,316)	\$ 4,513,984	\$ 4,480,950	99.2682%
2015	2015-2016	\$ 4,906,608	\$ (5,031)	\$ 4,901,577	\$ 4,870,281	99.3615%
2016	2016-2017	\$ 5,417,381	\$ (13,918)	\$ 5,403,463	\$ 5,345,137	98.9206%
2017	2017-2018	\$ 5,576,464	\$ (10,477)	\$ 5,565,987	\$ 5,516,861	99.1174%
2018	2018-2019	\$ 5,853,856	\$ (4,990)	\$ 5,848,866	\$ 5,820,894	99.5217%

Source: Hood County Appraisal District

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

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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		
\$ 41,190	\$ 4,159,600	99.8923%	\$ 4,485	0.1077%
\$ 35,578	\$ 4,157,123	99.9293%	\$ 2,942	0.0707%
\$ 59,258	\$ 4,126,649	99.9134%	\$ 3,576	0.0866%
\$ 54,030	\$ 4,248,554	99.9027%	\$ 4,137	0.0973%
\$ 28,242	\$ 4,344,101	99.8895%	\$ 4,806	0.1105%
\$ 28,389	\$ 4,509,339	99.8971%	\$ 4,645	0.1029%
\$ 26,224	\$ 4,896,505	99.8965%	\$ 5,071	0.1035%
\$ 51,678	\$ 5,396,815	99.8770%	\$ 6,649	0.1230%
\$ 33,216	\$ 5,550,077	99.7142%	\$ 15,909	0.2858%
\$ -	\$ 5,820,894	99.5217%	\$ 27,972	0.4783%

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

Fiscal Year Ending	9/30/2019	9/30/2018	9/30/2017	9/30/2016
Tax Year	2018	2017	2016	2015
<i>Property use category</i>				
Real, Residential, Single family	\$ 716,225,506	\$ 626,908,890	\$ 564,533,270	\$ 527,546,060
Real, Residential, Multi-family	\$ 55,947,220	\$ 57,507,490	\$ 51,110,960	\$ 47,024,980
Real, Vacant Lots/Tracts	\$ 63,181,070	\$ 62,954,700	\$ 68,636,150	\$ 60,718,140
Real, Qualified Open-space Land	\$ 44,317,190	\$ 44,373,730	\$ 47,088,100	\$ 44,881,390
Real, Rural Land	\$ 7,734,330	\$ 7,450,720	\$ 7,249,500	\$ 7,584,980
Real, Commercial	\$ 496,522,065	\$ 507,380,480	\$ 507,984,820	\$ 434,696,240
Real, Industrial	\$ 2,807,450	\$ 2,852,840	\$ 2,622,570	\$ 2,147,740
Tangible Personal Property	\$ 5,132,400	\$ 3,604,400	\$ 3,474,740	\$ 1,004,350
Real/Tangible Personal, Utilities	\$ 20,508,560	\$ 20,807,760	\$ 19,935,130	\$ 17,323,730
Tangible Personal, Commercial	\$ 121,337,510	\$ 115,199,910	\$ 121,399,950	\$ 115,944,620
Tangible Personal, Industrial	\$ 1,574,100	\$ 9,035,070	\$ 22,037,920	\$ 15,707,560
Tangible Personal, Mobile Homes	\$ 337,030	\$ 341,190	\$ 378,440	\$ 370,420
Real Property, Inventory	\$ 7,934,600	\$ 7,903,750	\$ 8,939,530	\$ 9,021,500
Special Inventory	\$ 21,864,380	\$ 19,880,940	\$ 20,134,780	\$ 19,063,260
Real Minerals/Oil & Gas	\$ 7,287,580	\$ 3,910,240	\$ 4,337,100	\$ 11,736,060
Mixed PTD	\$ (144,300)	\$ (23,500)	\$ (4,980)	\$ (88,546)
<b>Total Appraised Value</b>	<b>\$ 1,572,566,691</b>	<b>\$ 1,490,088,610</b>	<b>\$ 1,449,857,980</b>	<b>\$ 1,314,682,484</b>
Less: Exemptions or Deductions:				
Optional > 65 Res. Homestead	\$ 21,874,370	\$ 20,464,770	\$ 19,261,650	\$ 17,924,460
Disabled or Deceased Veterans	\$ 9,602,019	\$ 7,069,829	\$ 5,207,004	\$ 5,321,866
Agriculture & Unheard Protests	\$ 43,971,470	\$ 44,052,720	\$ 46,764,630	\$ 44,541,430
Residential, Capped Value Loss	\$ 3,954,032	\$ 2,831,037	\$ 2,353,530	\$ 753,550
Other	\$ (215,145)	\$ 2,149,169	\$ 2,851,838	\$ 3,710,212
<b>Total Exemptions</b>	<b>\$ 79,186,746</b>	<b>\$ 76,567,525</b>	<b>\$ 76,438,652</b>	<b>\$ 72,251,518</b>
<b>Net Assessed Valuation</b>	<b>\$ 1,493,379,945</b>	<b>\$ 1,413,521,085</b>	<b>\$ 1,373,419,328</b>	<b>\$ 1,242,430,966</b>
Percent of Fair Market Value	100%	100%	100%	100%

Source: Hood County Appraisal District

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

9/30/2015	9/30/2014	9/30/2013	9/30/2012	9/30/2011	9/30/2010
2014	2013	2012	2011	2010	2009
\$ 501,976,240	\$ 477,935,220	\$ 464,702,920	\$ 446,958,430	\$ 448,837,500	\$ 448,927,360
\$ 44,482,770	\$ 41,923,330	\$ 39,576,630	\$ 39,046,300	\$ 39,659,200	\$ 34,153,200
\$ 58,541,910	\$ 50,644,930	\$ 42,005,010	\$ 43,122,120	\$ 37,047,630	\$ 39,898,620
\$ 46,750,000	\$ 47,921,880	\$ 67,637,360	\$ 64,708,830	\$ 68,820,080	\$ 66,823,820
\$ 7,213,810	\$ 17,152,810	\$ 5,422,210	\$ 8,006,060	\$ 9,466,970	\$ 10,339,670
\$ 392,331,310	\$ 396,789,380	\$ 380,787,530	\$ 357,495,960	\$ 382,230,510	\$ 368,468,070
\$ 2,116,560	\$ 2,462,190	\$ 2,194,980	\$ 2,216,760	\$ 2,677,270	\$ 2,716,820
\$ 965,040	\$ 10,219,060	\$ -	\$ -	\$ -	\$ -
\$ 12,524,180	\$ 11,821,370	\$ 10,552,930	\$ 10,506,340	\$ 10,595,480	\$ 10,024,860
\$ 102,257,650	\$ 91,154,860	\$ 100,114,430	\$ 91,924,550	\$ 84,237,070	\$ 104,027,420
\$ 9,050,770	\$ 773,190	\$ 7,006,700	\$ 4,679,350	\$ 4,078,990	\$ 5,120,590
\$ 345,590	\$ 356,980	\$ 329,630	\$ 367,960	\$ 447,540	\$ 508,250
\$ 9,036,230	\$ 8,522,040	\$ 14,195,140	\$ 18,153,540	\$ 15,108,480	\$ 19,470,310
\$ 18,107,580	\$ 17,292,880	\$ 14,375,950	\$ 13,204,650	\$ 9,700,620	\$ 12,958,760
\$ 12,353,800	\$ 12,538,690	\$ 14,141,160	\$ 10,769,990	\$ 10,105,180	\$ 12,328,890
\$ (6,070)	\$ (6,730)	\$ (190,886)	\$ (44,472)	\$ (10,800)	\$ (10,090)
<u>\$ 1,218,047,370</u>	<u>\$ 1,187,502,080</u>	<u>\$ 1,162,851,694</u>	<u>\$ 1,111,116,368</u>	<u>\$ 1,123,001,720</u>	<u>\$ 1,135,756,550</u>
\$ 16,231,640	\$ 14,880,720	\$ 13,909,120	\$ 13,421,820	\$ 13,051,760	\$ 12,975,610
\$ 4,593,900	\$ 4,479,249	\$ 3,917,120	\$ 3,800,520	\$ 2,963,560	\$ 2,517,800
\$ 46,408,000	\$ 47,574,150	\$ 48,722,370	\$ 43,821,370	\$ 44,396,600	\$ 42,124,640
\$ 1,076,290	\$ 1,502,480	\$ 2,895,780	\$ 4,606,300	\$ 6,934,390	\$ 16,631,700
\$ 5,396,259	\$ 5,599,164	\$ 6,369,045	\$ 4,931,379	\$ 4,602,370	\$ 4,900,666
<u>\$ 73,706,089</u>	<u>\$ 74,035,763</u>	<u>\$ 75,813,435</u>	<u>\$ 70,581,389</u>	<u>\$ 71,948,680</u>	<u>\$ 79,150,416</u>
<u>\$ 1,144,341,281</u>	<u>\$ 1,113,466,317</u>	<u>\$ 1,087,038,259</u>	<u>\$ 1,040,534,979</u>	<u>\$ 1,051,053,040</u>	<u>\$ 1,056,606,134</u>
100%	100%	100%	100%	100%	100%

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

Taxpayer	Tax Year 2018			Tax Year 2008		
	Rank	Taxable Assessed Valuation	Percent of Total Assessed Valuation	Rank	Taxable Assessed Valuation	Percent of Total Assessed Valuation
Welltower TCG Ridea	1	\$ 22,586,060	1.51%			
Hood General Hospital	2	\$ 13,081,270	0.88%	6	\$ 7,501,650	0.79%
Kroger Texas LP	3	\$ 12,803,710	0.86%			
Luton Ranch SC LP	4	\$ 11,446,850	0.77%			
ARI	5	\$ 10,165,940	0.68%			
Lakehouse Equity Fund	6	\$ 10,100,000	0.68%			
Welltower TCG Ridea	7	\$ 9,890,110	0.66%			
Lake Granbury Medical	8	\$ 9,045,450	0.61%			
HEB Grocery Company	9	\$ 9,052,590	0.61%			
Wal-Mart Real Estate	10	\$ 8,100,000	0.54%	2	\$ 9,146,080	0.96%
Tapestry Group Granbury LLC				1	\$ 9,400,000	0.98%
Wal-Mart Properties				3	\$ 8,522,770	0.89%
Lowe's Home Centers Inc				4	\$ 8,228,260	0.86%
The Shops of Granbury, Ltd				5	\$ 7,579,770	0.79%
HD Development Properties LP				7	\$ 7,336,840	0.77%
1909 Partners, LP				8	\$ 6,540,190	0.69%
Leonard Scout Property Inc				9	\$ 6,419,470	0.67%
Forestar Real Estate Group				10	\$ 6,373,520	0.67%
		<b>\$ 116,271,980</b>	<b>7.79%</b>		<b>\$ 77,048,550</b>	<b>8.07%</b>

Source: Hood County Appraisal District

**CITY OF GRANBURY**  
Sales Tax Revenue by Business Type  
(Unaudited)  
September 30, 2019

Fiscal Year	2019	2018	2017	2016
<i>Sales Tax Category</i>				
Retail:				
Motor Vehicle & Parts	\$ 366,567	\$ 405,353	\$ 370,879	\$ 313,972
Furniture & Home Furnishings	\$ 225,199	\$ 196,754	\$ 169,716	\$ 172,403
Electronics & Appliance	\$ 115,573	\$ 136,153	\$ 108,577	\$ 50,686
Building Materials	\$ 1,410,398	\$ 1,334,958	\$ 1,371,254	\$ 1,132,022
Apparel Stores	\$ 268,114	\$ 262,122	\$ 220,794	\$ 231,035
General Merchandise	\$ 1,269,391	\$ 1,263,430	\$ 1,191,687	\$ 1,184,226
All Other Retail	\$ 1,677,608	\$ 1,565,674	\$ 1,438,418	\$ 1,020,292
<b>Total Retail</b>	<b>\$ 5,332,850</b>	<b>\$ 5,164,444</b>	<b>\$ 4,871,323</b>	<b>\$ 4,104,636</b>
Agriculture/Manufacturing/Mining	\$ 416,720	\$ 413,600	\$ 354,932	\$ 352,589
Services	\$ 1,672,092	\$ 1,459,290	\$ 1,276,362	\$ 1,210,484
Wholesalers	\$ 390,026	\$ 384,946	\$ 340,329	\$ 565,717
Food & Accommodation	\$ 1,182,787	\$ 1,152,846	\$ 1,051,885	\$ 947,192
All Other	\$ 60,816	\$ 25,440	\$ 31,399	\$ 443,754
<b>Total Sales Tax Received</b>	<b>\$ 9,055,290</b>	<b>\$ 8,600,566</b>	<b>\$ 7,926,229</b>	<b>\$ 7,624,373</b>
City Sales Tax Rate	1.50%	1.50%	1.50%	1.50%

Source: ZacTax Sales Tax Analysis and Reporting Service

**CITY OF GRANBURY**  
Sales Tax Revenue by Business Type  
(Unaudited)  
September 30, 2019

2015	2014	2013	2012	2011	2010
\$ 357,382	\$ 280,756	\$ 243,210	\$ 252,640	\$ 235,380	\$ 219,686
\$ 165,189	\$ 182,908	\$ 162,761	\$ 171,575	\$ 156,146	\$ 149,699
\$ 53,284	\$ 93,884	\$ 80,488	\$ 90,322	\$ 81,059	\$ 67,424
\$ 1,038,175	\$ 955,273	\$ 990,088	\$ 878,580	\$ 833,216	\$ 789,676
\$ 191,794	\$ 136,370	\$ 122,338	\$ 114,634	\$ 101,695	\$ 86,380
\$ 1,164,962	\$ 1,010,511	\$ 1,011,228	\$ 992,909	\$ 1,012,588	\$ 1,041,561
\$ 924,567	\$ 1,083,006	\$ 1,153,924	\$ 1,290,870	\$ 831,478	\$ 779,754
<b>\$ 3,895,353</b>	<b>\$ 3,742,708</b>	<b>\$ 3,764,038</b>	<b>\$ 3,791,531</b>	<b>\$ 3,251,562</b>	<b>\$ 3,134,180</b>
\$ 291,357	\$ 413,761	\$ 385,708	\$ 390,398	\$ 481,475	\$ 270,795
\$ 713,673	\$ 788,306	\$ 697,989	\$ 660,682	\$ 557,085	\$ 490,330
\$ 557,188	\$ 438,871	\$ 320,307	\$ 267,459	\$ 247,725	\$ 224,838
\$ 888,846	\$ 829,682	\$ 783,573	\$ 739,506	\$ 662,558	\$ 591,855
\$ 805,067	\$ 386,245	\$ 511,835	\$ 440,440	\$ 609,614	\$ 602,803
<b>\$ 7,151,484</b>	<b>\$ 6,599,573</b>	<b>\$ 6,463,449</b>	<b>\$ 6,290,017</b>	<b>\$ 5,810,019</b>	<b>\$ 5,314,801</b>
1.50%	1.50%	1.50%	1.50%	1.50%	1.50%

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

**ELECTRICITY SALES**

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

**WATER SALES**

Type of Customer	2019	2018	2017	2016	2015
Residential	\$ 3,729,829	\$ 3,815,847	\$ 2,747,226	\$ 2,558,538	\$ 2,614,942
Commercial	\$ 3,178,201	\$ 2,843,730	\$ 3,280,440	\$ 3,055,130	\$ 2,889,001
Other	\$ 415,038	\$ 384,979	\$ 153,230	\$ 142,706	\$ 34,250
<b>Total</b>	<b>\$ 7,323,069</b>	<b>\$ 7,044,556</b>	<b>\$ 6,180,897</b>	<b>\$ 5,756,374</b>	<b>\$ 5,538,193</b>

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

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

**ELECTRICITY SALES**

2014	2013	2012	2011	2010
\$ 3,510,579	\$ 3,395,007	\$ 3,594,577	\$ 3,830,305	\$ 3,662,399
\$ 6,746,776	\$ 7,131,527	\$ 7,383,818	\$ 7,305,734	\$ 7,063,527
\$ 864,285	\$ 538,887	\$ 464,866	\$ 458,904	\$ 468,572
<u>\$ 11,121,641</u>	<u>\$ 11,065,421</u>	<u>\$ 11,443,261</u>	<u>\$ 11,594,943</u>	<u>\$ 11,194,499</u>

**WATER SALES**

2014	2013	2012	2011	2010
\$ 2,547,695	\$ 2,331,133	\$ 2,185,014	\$ 2,281,391	\$ 1,802,050
\$ 2,661,313	\$ 2,438,937	\$ 1,850,843	\$ 1,884,012	\$ 1,440,659
\$ 120,286	\$ 90,312	\$ 86,303	\$ 42,497	\$ 40,958
<u>\$ 5,329,295</u>	<u>\$ 4,860,382</u>	<u>\$ 4,122,160</u>	<u>\$ 4,207,899</u>	<u>\$ 3,283,666</u>

**CITY OF GRANBURY**  
 Top Ten Utility Rate Payers  
 by Rate Type  
 Compared to Five Years Ago  
 (Unaudited)  
 September 30, 2019

**Ten Largest Electric Customers**

Customers	Annual Kwh Consumed (in thousands of Kwh)			
	2019		2014	
	Rank	Consumption	Rank	Consumption
City of Granbury	1	7,053	3	4,767
GISD	2	6,586	2	5,297
Lake Granbury Medical Center	3	5,792	1	5,539
Brookshire Grocery Co.	4	2,596	7	2,824
Waterview Point Retirement	5	1,894	4	3,339
Hood County	6	1,889	8	2,490
Lowe's Home Center	7	1,677	6	2,890
Medproperties Granbury, LLC	8	1,517		
Waterview Cove	9	1,254		
Hilton Garden Inn	10	1,054	10	1,007
Kroger			5	3,017
AT&T			9	1,151

**Ten Largest Water Customers**

Customers	Annual Gallons Consumed (in hundreds of gallons)			
	2019		2014	
	Rank	Consumption	Rank	Consumption
Monarch Utilities	1	241,114		
City Of Granbury	2	156,585	2	94,841
Creative Solutions	3	121,575	8	29,206
Lake Granbury Medical Center	4	91,200	1	109,817
Hood County	5	88,643	4	59,357
GISD	6	84,834		
Lakehouse Equity Fund	7	52,888		
Shottenkirk Toyota Granbury	8	42,331		
Waterview Point Retirement	9	41,769	3	69,497
HEB Grocery Co	10	40,423	9	29,014
Jerry Durant Toyota			5	54,443
Wash My Ride			6	51,228
Harborlakes Plaza Nursing			7	35,508
Bella Firma Dev.			10	26,409

**CITY OF GRANBURY**  
 Utility Service Rates  
 Electric, Water and Sewer  
 September 30, 2019  
 (Unaudited)

**Electric Rate Structure**

**Residential Rate Structure**

<i>Electric</i>	<i>Inside City Limits</i>	<i>Outside City Limits</i>
Minimum charge	13.75	25.00
Energy Charge per/kWh	0.0459	0.0459

**Commercial/ Multi Unit Rate Structure**

<i>Electric</i>	<i>Inside City Limits</i>	<i>Outside City Limits</i>
Minimum- Small Commercial	35.00	45.00
Minimum- Large Commercial	72.00	85.00
Minimum- Multi Unit	13.75	25.00
Energy Charge per/kWh	0.0459	0.0459

**Power Cost Adjustment Factor** - In addition to the appropriate base rates, each customer's monthly charges shall be increased by an amount equal to the total power cost incurred in providing service.

<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	17.31	26.62
Rate per 1,000 gallons:		
0-2,000 gallons	5.41	8.12
2,000- 10,000 gallons	7.30	10.95
10,001-20,000 gallons	8.39	12.59
over 20,000 gallons	8.66	12.99

**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	19.48	27.05
1" Meters	40.04	56.27
2" Meters	188.29	264.04
3" and 4" Meters	376.58	528.07
Rate per 1,000 gallons:		
0-2,000 gallons	5.41	8.12
2,000- 10,000 gallons	7.30	10.95
10,001-20,000 gallons	8.39	12.59
over 20,000 gallons	8.66	12.99

**CITY OF GRANBURY**  
 Utility Service Rates  
 Electric, Water and Sewer  
 September 30, 2019  
 (Unaudited)

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**Sewer Rate Structure**

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**Residential Rate Structure**

<i><b>Sewer</b></i>	<i><b>Inside City Limits</b></i>	<i><b>Outside City Limits</b></i>
Minimum Charge	25.84	36.61
Rate per 1,000 gallons	3.77	5.66

**Commercial/ Multi Unit Rate Structure**

<i><b>Sewer</b></i>	<i><b>Inside City Limits</b></i>	<i><b>Outside City Limits</b></i>
Minimum- Small Commercial	39.31	47.92
Minimum- Large Commercial	39.31	47.92
Minimum- Multi Unit	7.00	10.77
Rate per 1,000 gallons	3.77	5.65

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**Garbage Rate Structure**

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<i><b>Garbage</b></i>	<i><b>Inside City Limits</b></i>	<i><b>Outside City Limits</b></i>
Residential Customer	14.86	n/a
Commercial Customer	*varies	n/a

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

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

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

Year Ended September 30	Assessed Value (Adjusted)	Gross Bonded Debt	Less: Debt Service Fund Balance	Net Bonded Debt
2010	\$ 1,056,606,134	\$ 28,494,375	\$ 182,969	\$ 28,311,406
2011	\$ 1,051,053,040	\$ 26,819,750	\$ 175,130	\$ 26,644,620
2012	\$ 1,040,534,979	\$ 25,319,875	\$ 273,016	\$ 25,046,859
2013	\$ 1,087,038,259	\$ 23,385,375	\$ 266,352	\$ 23,119,023
2014	\$ 1,113,466,317	\$ 21,525,000	\$ 171,352	\$ 21,353,648
2015	\$ 1,144,341,281	\$ 20,776,684	\$ 260,791	\$ 20,515,893
2016	\$ 1,242,430,966	\$ 22,965,392	\$ 289,887	\$ 22,675,505
2017	\$ 1,373,419,328	\$ 20,919,169	\$ 333,176	\$ 20,585,993
2018	\$ 1,413,521,085	\$ 23,978,254	\$ 508,115	\$ 23,470,139
2019	\$ 1,493,379,945	\$ 21,147,795	\$ 706,388	\$ 20,441,407

Year Ended September 30	Ratio Net General Bonded Debt to Assessed Value	Estimated Population	Net General Bonded Debt Per Capita
2010	2.68%	8,200	\$ 3,453
2011	2.54%	8,030	\$ 3,318
2012	2.41%	8,648	\$ 2,896
2013	2.13%	8,290	\$ 2,789
2014	1.92%	8,779	\$ 2,432
2015	1.79%	8,940	\$ 2,295
2016	1.83%	9,140	\$ 2,481
2017	1.50%	9,310	\$ 2,211
2018	1.66%	9,520	\$ 2,465
2019	1.37%	10,410	\$ 1,964

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, 2019

Fiscal Year	Governmental Activities			Business-type Activities		
	General Obligation Bonds	Combined Tax & Revenue Certificates of Obligation	Notes and Lease/Purchases	Utility Revenue Bonds	General Obligation Bonds	Combined Tax & Revenue Certificates of Obligation
2010	\$ 5,007,500	\$ 23,486,875	\$ 993,370	\$ 9,990,000	\$ 4,692,500	\$ 973,125
2011	\$ 9,665,000	\$ 17,154,750	\$ 660,301	\$ 9,444,000	\$ 4,425,000	\$ 920,250
2012	\$ 9,097,146	\$ 16,384,646	\$ 631,070	\$ 13,674,187	\$ 4,183,891	\$ 865,125
2013	\$ 10,726,491	\$ 13,141,407	\$ 692,875	\$ 12,903,214	\$ 4,739,125	\$ 59,625
2014	\$ 9,509,707	\$ 12,447,293	\$ 975,234	\$ 12,114,241	\$ 4,376,581	\$ -
2015	\$ 15,542,500	\$ 6,380,000	\$ 1,472,079	\$ 11,302,268	\$ 3,936,536	\$ 16,430,000
2016	\$ 19,410,667	\$ 12,289,507	\$ 1,482,502	\$ 10,467,295	\$ 3,554,724	\$ 19,150,000
2017	\$ 17,829,150	\$ 12,054,811	\$ 1,496,555	\$ 9,604,321	\$ 3,090,019	\$ 33,935,000
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

**CITY OF GRANBURY**  
 Government-wide Outstanding Debt  
 Last Ten Years  
 September 30, 2019

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<u><b>Total Government-wide Indebtedness</b></u>					
<u>Lease/ Purchases</u>	<u>Total Government-wide Indebtedness</u>	<u>Estimated Population</u>	<u>Total Debt per Capita</u>	<u>Per Capita Income</u>	<u>Debt as Percent of Personal Income</u>
\$ 265,563	\$ 45,408,933	8,200	\$ 5,538	\$ 29,618	18.70%
\$ 769,380	\$ 43,038,681	8,030	\$ 5,360	\$ 25,669	20.88%
\$ 655,564	\$ 45,491,629	8,648	\$ 5,260	\$ 26,688	19.71%
\$ 1,114,621	\$ 43,377,358	8,290	\$ 5,232	\$ 27,967	18.71%
\$ 1,407,137	\$ 40,830,193	8,779	\$ 4,651	\$ 29,105	15.98%
\$ 1,257,178	\$ 56,320,561	8,940	\$ 6,300	\$ 26,864	23.45%
\$ 1,016,407	\$ 67,371,102	9,140	\$ 7,371	\$ 30,478	24.18%
\$ 789,666	\$ 78,799,522	9,310	\$ 8,464	\$ 31,508	26.86%
\$ 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%

**CITY OF GRANBURY**  
 Estimated Direct and Overlapping Ad Valorem Tax  
 Supported Gross Debt Statement  
 as of September 30, 2019  
 (Unaudited)

Governmental Subdivision	Gross Debt	Estimated Percent Applicable (1)	Direct and Estimated Overlapping Bonded Debt
<u>Direct:</u>			
• City of Granbury	\$ 29,364,259	100.00%	\$ 29,364,259
Total Direct Debt			<u>\$ 29,364,259</u>
<u>Overlapping:</u>			
• Granbury Independent School District	\$ 106,967,250	31.30%	\$ 33,480,749
• Hood County	\$ 15,756,000	23.17%	\$ 3,650,665
Total Overlapping Debt			<u>\$ 37,131,414</u>
<u>Total Direct and Overlapping Consolidated</u>			
<b>Gross Debt Outstanding</b>			<b><u>\$ 66,495,673</u></b>
Direct and Overlapping Gross Debt Per Capita			A. \$ 6,388
Ratio of Direct and Overlapping Gross Debt to 2018 Net Assessed Valuation			B. 4.45%

A. Based on population estimate of 10,410 as of 9/30/2019.

B. Based on the assessed valuation of \$1,493,379,945 for tax year 2018.

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

**CITY OF GRANBURY**  
 Computation of Legal Debt Margin  
 September 30, 2019  
 (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>0.39939</u>
Available Tax Rate	<u><u>\$ 2.101</u></u>

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

Tax Year	Fiscal Year	Assessed Value (Adjusted)	Maximum Allowable Taxable Amount	Actual Tax Levy	Margin
2009	2009-2010	\$ 1,056,606,134	\$ 26,415,153	\$ 4,199,011	\$ 22,216,142
2010	2010-2011	\$ 1,051,053,040	\$ 26,276,326	\$ 4,168,290	\$ 22,108,036
2011	2011-2012	\$ 1,040,534,979	\$ 26,013,374	\$ 4,141,351	\$ 21,872,023
2012	2012-2013	\$ 1,087,038,259	\$ 27,175,956	\$ 4,294,424	\$ 22,881,532
2013	2013-2014	\$ 1,113,466,317	\$ 27,836,658	\$ 4,361,858	\$ 23,474,800
2014	2014-2015	\$ 1,144,341,281	\$ 28,608,532	\$ 4,518,300	\$ 24,090,232
2015	2015-2016	\$ 1,242,430,966	\$ 31,060,774	\$ 4,906,608	\$ 26,154,166
2016	2016-2017	\$ 1,373,419,328	\$ 34,335,483	\$ 5,417,381	\$ 28,918,102
2017	2017-2018	\$ 1,413,521,085	\$ 35,338,027	\$ 5,576,464	\$ 29,761,563
2018	2018-2019	\$ 1,493,379,945	\$ 37,334,499	\$ 5,853,856	\$ 31,480,643

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

Fiscal Year	Total Revenues	Direct Operating Expenses	Net Available for Debt Service	Annual Requirement	Times Coverage
2010	\$ 16,831,663	\$ 14,606,975	\$ 2,224,688	\$ 1,564,747	1.42
2011	\$ 18,480,550	\$ 14,791,791	\$ 3,688,759	\$ 896,608	4.11
2012	\$ 17,570,178	\$ 14,554,481	\$ 3,015,697	\$ 901,728	3.34
2013	\$ 18,366,107	\$ 15,333,091	\$ 3,033,016	\$ 1,247,523	2.43
2014	\$ 19,320,635	\$ 16,272,444	\$ 3,048,191	\$ 1,244,623	2.45
2015	\$ 19,478,823	\$ 15,659,883	\$ 3,818,940	\$ 1,244,168	3.07
2016	\$ 19,493,524	\$ 16,284,099	\$ 3,209,425	\$ 1,242,318	2.58
2017	\$ 20,736,380	\$ 15,876,509	\$ 4,859,871	\$ 1,244,624	3.90
2018	\$ 21,989,461	\$ 13,351,108	\$ 8,638,353	\$ 345,300	25.02
2019	\$ 23,078,453	\$ 12,750,739	\$ 10,327,714	\$ 339,150	30.45

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

Fiscal Year	Principal	Interest and Charges	Total Debt Service	Total General Expenditures	Ratio of Debt Service to Total General Expenditures
2010	\$ 1,491,875	\$ 1,229,837	\$ 2,721,712	\$ 9,451,642	28.7962%
2011	\$ 1,634,625	\$ 1,183,844	\$ 2,818,469	\$ 9,276,335	30.3834%
2012	\$ 1,499,875	\$ 1,065,362	\$ 2,565,237	\$ 9,950,844	25.7791%
2013	\$ 1,832,625	\$ 979,932	\$ 2,812,557	\$ 11,018,728	25.5252%
2014	\$ 1,860,375	\$ 891,125	\$ 2,751,500	\$ 11,285,866	24.3801%
2015	\$ 2,062,500	\$ 676,312	\$ 2,738,812	\$ 13,770,604	19.8888%
2016	\$ 1,895,000	\$ 798,663	\$ 2,693,663	\$ 12,868,021	20.9330%
2017	\$ 1,645,000	\$ 1,167,281	\$ 2,812,281	\$ 15,553,080	18.0818%
2018	\$ 1,907,500	\$ 958,556	\$ 2,866,056	\$ 13,782,134	20.7954%
2019	\$ 1,960,000	\$ 909,081	\$ 2,869,081	\$ 16,276,467	17.6272%

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

Year Ended September 30	Assessed Value (Adjusted)	Building Permits Issued	Percent Change	Estimated Value of Construction All Permits	Percent Change
2010	\$ 1,056,606,134	221	41.67%	\$ 27,939,407	-10.93%
2011	\$ 1,051,053,040	211	-4.52%	\$ 48,901,275	75.03%
2012	\$ 1,040,534,979	237	12.32%	\$ 31,518,255	-35.55%
2013	\$ 1,087,038,259	284	19.83%	\$ 41,544,776	31.81%
2014	\$ 1,113,466,317	249	-12.32%	\$ 53,181,956	28.01%
2015	\$ 1,144,341,281	228	-8.43%	\$ 45,685,267	-14.10%
2016	\$ 1,242,430,966	235	3.07%	\$ 43,439,911	-4.91%
2017	\$ 1,373,419,328	328	39.57%	\$ 55,733,558	28.30%
2018	\$ 1,413,521,085	376	14.63%	\$ 63,941,951	14.73%
2019	\$ 1,493,379,945	357	-5.05%	\$ 66,617,919	4.18%

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

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Year Ended September 30	Estimated Population	Unemployment Rate for Hood County	School Enrollment	Per Capita Income
2010	8,200	6.9%	6,615	\$ 29,618
2011	8,030	6.4%	6,514	\$ 25,669
2012	8,648	5.4%	6,590	\$ 26,688
2013	8,290	4.9%	6,510	\$ 27,967
2014	8,779	3.8%	6,621	\$ 29,105
2015	8,940	4.8%	6,658	\$ 26,864
2016	9,140	4.7%	6,869	\$ 30,478
2017	9,310	3.9%	6,869	\$ 31,508
2018	9,520	2.3%	6,991	\$ 33,913
2019	10,410	3.3%	7,143	\$ 33,462

Sources:

Population and Per capita income from <https://www.census.gov/quickfacts/fact/table/granburycitytexas>

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

School enrollment from National Center for Education Statistics (<nces.ed.gov>)

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

**MAJOR EMPLOYERS**

Employer	Line of Business	2019			2009		
		Employees	Rank	% of Total Employed	Employees	Rank	% of Total Employed
Granbury ISD	School District	892	1	3.9%	1,050	1	4.0%
Lake Granbury Medical	Medical Services	700	2	3.1%	395	3	1.5%
Walmart Supercenter	Retail	450	3	2.0%	475	2	1.8%
H - E - B	Retail	363	5	1.6%			
Hood County	County Government	352	4	1.5%	330	4	1.3%
City of Granbury	Municipal Government	203	6	0.9%	221	5	0.8%
Kroger	Retail	162	7	0.7%	115	10	0.4%
Lowe's	Home Improvement	160	8	0.7%	125	6	0.5%
Home Depot	Home Improvement	140	9	0.6%	100	8	0.4%
Granbury Care Center	Nursing Home	139	10	0.6%	150	7	0.6%
Equibrand Corp	Rope Manufacturer				170	9	0.7%
	<b>Total</b>	<b>3,561</b>		<b>15.5%</b>	<b>3,131</b>		<b>12.0%</b>

**SELECTED BUSINESS STATISTICS**

	2019	2017	2016	2015	2014	2013	2009*
Total Number Employed, Hood County	22,905	23,291	23,685	23,214	29,075	27,511	26,039
Number of Business Establishments, Granbury	1,551	1,551	1,358	1,686	1,626	1,438	707
Number of Households, Granbury	3,744	3,667	3,671	3,721	4,104	3,806	3,573

\* Past reporting was done based on City employment and is now reported based on Hood County figures

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

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

**Count of Employees by Year**

Job Classification	2019	2018	2017	2016	2015	2014	2013	2012	2011	2010
Building Inspectors	10	9	8	9	10	9	9	9	9	9
Computer Install, Inspec	2	3	3	3	3	3	0	0	0	0
Street & Road Repair	7	7	7	7	7	7	6	4.5	4	7
Drivers	3	3	3	3	3	3	3	1.5	1	2
Airport Operations	6	6	6	6	6	6	5	3	3	3
Waterworkers	20	19	19	16	14	15	14	13	11	12.5
Electric Distribution	7	7	8	7	7	7	7	7	6	6
Sewage Treatment	14	9	9	9	9	9	9	8	7	7
TV or Radio	1	1	1	1	1	2	0	0	0	0
Firefighters-Paid	0	0	0	0	0	0	0	0	0	0
Firefighters-Volunteer	49	58	62	35	47	35	43	42	43	43
Police Officers	44	39	36	34	34	33	32	29	32	33
Warehouse Operation	2	2	2	2	2	2	2	2	2	2
Automobile Repair	3	3	3	3	3	3	3	2	3	3
Promotional/Development	5	2	2	2	2	6	13	8.5	5	3
Clerical-Office	44	36	36	36	37	39	41	39.25	38	38.5
Animal Control	1	1	1	1	1	1	1	1	1	1
Building Maintenance	12	13	13	13	12	14	14	12.5	11	12
Restaurants	5	6	6	6	6	5	0	0	0	0
Parks & Recreation	25	26	26	26	26	26	26	31	27	24
<b>Total</b>	<b>260</b>	<b>250</b>	<b>251</b>	<b>219</b>	<b>230</b>	<b>225</b>	<b>228</b>	<b>213.25</b>	<b>203</b>	<b>206</b>

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

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

Fiscal Year	2019	2018	2017	2016
<b>City-Owned Equipment</b>				
Vehicles	145	146	137	132
Mobile Equipment	89	88	114	119
<b>Street Department</b>				
Roadway ( <i>in miles</i> )	62.4	57	55	54
<b>City Parks</b>				
Maintained Public Parks ( <i>in acres</i> )	110	110	110	110
Athletic Fields:				
Soccer Fields	8	8	8	8
Ball Fields	9	9	9	9
Basketball Court	1.5	1	1	1
Volleyball Pit	2	2	2	2
Playgrounds	4	4	4	4
Boat Ramps	2	2	2	2
Swimming Pool	1	1	1	1
Hike & Bike Trail ( <i>in miles</i> )	2.93	2.75	2.75	2.75
Splash Park	1	1	1	1
<b>Airport</b>				
Enclosed Hangars	75	75	75	75
Open T-Hangars	9	9	9	9
Commercial Hangars	8	8	8	8
<b>Water Department</b>				
Water lines ( <i>in miles</i> )	151.5	150	135	135
Wells	36	36	36	36
Water Plant	1	1	1	1
<b>Sewer Department</b>				
Lift Stations	43	42	42	42
Sewer lines ( <i>in miles</i> )	46.4	44.9	44.9	44.9
<b>Electric Department</b>				
Overhead Line ( <i>in miles</i> )	92	87	87	87
Underground Line ( <i>in miles</i> )	30	23	17	13

Source: City of Granbury records

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

2015	2014	2013	2012	2011	2010
142	152	151	151	147	147
117	123	120	120	105	105
53	51.5	51.5	51.5	51.5	51.3
110	110	110	110	57	57
8	8	8	8	8	8
9	9	9	9	9	9
2	2	1	1	1	1
2	2	2	2	2	2
4	4	3	3	3	3
2	2	2	2	3	3
1	1	1	1	1	1
2.5	2.5	2.5	2.5	2.5	2.5
1	1	1	1	1	1
75	75	75	75	78	78
7	7	7	9	10	10
5	5	5	3	3	3
121.5	109.4	98.4	88.6	79.7	71.7
33	30	33	29	23	22
1	1	1	1	1	1
43	40	43	43	43	40
44.4	43	43	41.8	41.7	41.5
87	87	87	82	82	82
11	11	11	11	11	11

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

Fiscal Year	2019	2018	2017	2016
Municipal Court				
Citations Processed	2,004	1,898	1,480	1,715
Police Department				
Calls for Service	20,920	21,762	21,326	21,453
Arrests	693	757	661	606
Accidents	881	952	959	736
Fire Department				
Calls for Service: Fire/Rescue	916	946	921	817
Calls for Service: EMS	251	260	269	731
Community Services				
Building Permits Issued	357	376	328	235
Building Permits Value (\$)	66,617,919	63,941,951	55,733,558	43,439,911
	4%	15%	28%	-5%
Utility Department				
Electric Connections	3,376	3,341	3,313	3,317
Water Connections	5,776	5,659	5,393	5,366
Sewer Connections	4,797	4,798	4,415	4,156
Electric Department				
KWH Sold	90,564,811	93,003,141	88,061,026	89,408,844
Water Department				
Well Production ( <i>in gallons, 000</i> )	300,990	290,294	510,595	531,715
Water Plant Production ( <i>in gallons, 000</i> )	432,200	378,813	45,380	48,311
Water purchased ( <i>in gallons, 000</i> )	0	13,600	110,856	98,670
Wastewater Department				
Discharge Flow ( <i>in gallons, 000</i> )	515,495	473,960	464,185	509,657

Source: City of Granbury records from departments.

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

2015	2014	2013	2012	2011	2010
1,480	1,617	1,846	2,296	2,680	2,220
19,620	22,129	21,456	22,022	20,524	18,387
655	714	731	790	733	721
948	872	794	738	822	838
753	770	736	766	879	659
740	138	182	181	221	531
228	249	284	237	211	221
45,685,267	53,181,956	41,544,776	31,518,255	48,901,275	27,939,407
-14%	28%	32%	-36%	75%	
3,304	3,286	3,242	3,223	3,186	3,197
5,314	5,209	5,008	4,615	4,563	4,406
3,977	3,891	3,782	3,672	3,499	3,365
93,693,230	94,826,877	91,016,235	91,762,161	93,583,876	89,806,103
511,391	524,689	427,516	493,386	499,348	477,466
69,448	81,505	103,975	73,957	77,505	68,439
85,706	59,696	144,395	108,965	163,325	50,779
500,186	345,939	360,775	361,060	346,509	378,880

**OVERALL COMPLIANCE AND INTERNAL CONTROL  
SECTION**

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

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

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the City of Granbury, Texas (the “City”) as of and for the year ended September 30, 2019, and the related notes to the financial statements, which collectively comprise the City’s basic financial statements, and have issued our report thereon dated February 11, 2020.

**Internal Control over Financial Reporting**

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

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

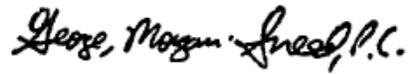
Our consideration of the internal control over financial reporting was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or, significant deficiencies. Given these limitations,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

**Compliance and Other Matters**

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

## **Purpose of this Report**

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



George, Morgan & Sneed, P.C.  
Weatherford, Texas  
February 11, 2020

# **SINGLE AUDIT REPORT**



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

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

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

We have audited the City of Granbury, Texas's (the "City") compliance with the types of compliance requirements described in the *OMB Compliance Supplement* that could have a direct and material effect on each of the City's major federal programs for the year ended September 30, 2019. The City's major federal programs are identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs.

#### ***Management's Responsibility***

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

#### ***Auditor's Responsibility***

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

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

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

In our opinion, the City complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on each of its major federal programs for the year ended September 30, 2019.

## Report on Internal Control over Compliance

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

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

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

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

*George Morgan Sneed, P.C.*

Weatherford, Texas  
February 11, 2020

**CITY OF GRANBURY, TEXAS**  
**SCHEDULE OF FINDINGS AND QUESTIONED COSTS**  
**FOR THE YEAR ENDED SEPTEMBER 30, 2019**

A. Summary of Auditor's Results

1. Financial Statements

Type of auditor's report issued: Unmodified

Internal control over financial reporting:

Material weakness identified?  Yes  No

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

Noncompliance material to financial statements noted  Yes  No

2. Federal Awards

Internal control over major programs:

Material weakness(es) identified?  Yes  No

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

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

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

Identification of major programs:

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

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

Auditee qualified as low-risk auditee?  Yes  No

B. Financial Statement Findings

None

C. Federal Award Findings and Questioned Costs

None

**CITY OF GRANBURY, TEXAS**  
**SUMMARY SCHEDULE OF PRIOR AUDIT FINDINGS**  
**FOR THE YEAR ENDED SEPTEMBER 30, 2019**

None.

**CITY OF GRANBURY, TEXAS**  
**CORRECTIVE ACTION PLAN**  
**FOR THE YEAR ENDED SEPTEMBER 30, 2019**

Contact for Corrective Action Plan:

Chris Coffman  
City Manager

Financial Statement Findings

None.

Federal Award Findings and Questioned Costs

None.

**CITY OF GRANBURY, TEXAS**  
**SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS**  
**FOR THE YEAR ENDED SEPTEMBER 30, 2019**

Federal Grantor/Pass-through Grantor/Program or Cluster Title	Federal CFDA Number	Pass-through Entity Identifying Number	Passed Through to Subrecipients	Federal Expenditures
<u>U.S. Department of Housing and Urban Development:</u>				
Pass-through from Texas Department of Agriculture:				
Community Development Block Grant	14.228	7218171	\$ -	\$ 30,000
Total U.S. Department of Housing and Urban Development			-	30,000
<u>U.S. Department of Justice</u>				
Bulletproof Vest Partnership Program	16.607	201233	\$ -	\$ 4,400
Total U.S. Department of Justice			-	4,400
<u>U.S. Department of Transportation</u>				
Pass-through Texas Department of Transportation				
Airport Improvement Program	20.106	1902GRNBY	-	3,000,000
Pass-through North Central Texas Council of Governments				
Highway Planning and Construction	20.205	TRN4886	-	77,411
Total U.S. Department of Transportation			-	3,077,411
<u>U.S. Environmental Protection Agency</u>				
Pass-through from Texas Water Development Board				
Capitalization Grants for Clean Water State Revolving Funds	66.458	73813	-	2,691,569
Capitalization Grants for Drinking Water State Revolving Funds	66.468	62673	-	332,738
Capitalization Grants for Drinking Water State Revolving Funds	66.468	62694	-	336,151
Capitalization Grants for Drinking Water State Revolving Funds	66.468	62814	-	3,486,619
Total Capitalization Grants for Drinking Water State Revolving Funds			-	4,155,508
Total U.S. Environmental Protection Agency			-	6,847,077
<b>TOTAL EXPENDITURES OF FEDERAL AWARDS</b>			<b>\$ -</b>	<b>\$ 9,958,888</b>

The accompanying notes are an integral part of this schedule.

**CITY OF GRANBURY, TEXAS**  
NOTES TO THE SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS  
FOR THE YEAR ENDED SEPTEMBER 30, 2019

Reporting Entity

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

Basis of Presentation

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

Indirect Cost Rate

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

Texas Water Development Board Loans

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