



**NOTICE OF AGENDA
GRANITE SHOALS CITY COUNCIL
REGULAR CALLED MEETING**

TUESDAY, JUNE 24, 2025 AT 5:00 PM

City of Granite Shoals City Hall, 2221 N. Phillips Rd., Granite Shoals, TX 78654
Phone (830) 598-2424 Fax (830) 598-6538 • www.graniteshoals.org

AGENDA

Join Zoom Meeting
<https://us02web.zoom.us/j/87568148960>
Meeting ID: 875 6814 8960
Passcode: 664437

1. Budget Workshop - 5:00PM - 6:00PM

1.a.

- Discuss items for the 2025-2026 FY Budget.
- No action will be taken during the workshop.

2. Regular Meeting - Call to Order/ Roll Call/ Welcome - 6:00PM

Invocation

Pledge of Allegiance, Pledge to Texas Flag

3. Citizen Comments

In accordance with the Open Meetings Act, City Council is prohibited from acting or discussing (other than factual responses to specific questions) any items not on the agenda.

4. Items of Community Interest

1. Review of Battle of the Badges
2. Golf Cart Parade - July 4th, 9AM @ the Community Center
3. City Offices Closed on Friday, July 4th
4. New City Web Page Launch ~ July 8th

5. Presentations

- 5.a. Presentation of the FY 24 City Audit by Brooks Watson CPA.

6. Reports

- 6.a. Department Reports for May 2025

7. Consent Agenda

- 7.a. Discuss and consider approval of meeting minutes from June 10, 2025.

8. Action Items

- 8.a. Discuss, consider, and take appropriate action regarding a bid for and construction of a pavilion at Timberhill Park.
- 8.b. Discuss, consider, and take appropriate action regarding Distribution Line Upgrade Bond Project
- 8.c. Discuss, consider, and take appropriate action regarding proposed Ordinance #877- Amending boat launch pass ordinance regarding boat liveries.
- 8.d. Discuss, consider, and take appropriate action regarding review of appointments to the Board of Adjustments and Planning & Zoning Commissions.

9. Executive Session (Closed to the Public)

The City Council reserves the right to adjourn into executive session at any time during the course of this meeting to discuss any matters listed on the agenda, as authorized by Texas Government Code Sections 551.071 (consultation with attorney), 551.072 (deliberations about real property), 551.073 (deliberations about gifts and donations), 551.074 (personnel matters), 551.076 (deliberations about security devices), 551.087 (economic development), and/or 418.183 (homeland security).

10. Future Agenda Items

11. Adjournment

CERTIFICATION

IT IS HEREBY CERTIFIED that the foregoing agenda has been posted on both the indoor bulletin board and outdoor notice board of Granite Shoals City Hall on or before 6:00 PM on the 20th day of June 2025. Requests for accommodations or interpretive services must be made 8 hours prior to this meeting. Please contact the City Secretary at (830) 598-2424 for further information.

Dawn Wright, City Secretary



This Notice and Meeting Agenda, and the Agenda Packet, are posted online at www.graniteshoals.org



Granite Shoals, Texas

Audit Presentation

Fiscal Year Ending September 30, 2024

Presented By: Louis Breedlove, Senior Audit Manager



CERTIFIED PUBLIC ACCOUNTANTS



OVERVIEW OF THE AUDIT PROCESS

Audit Standards: The audit was performed in accordance with Generally Accepted Auditing Standards (GAAS).

City processes and controls are evaluated and examined as part of audit assessment procedures.

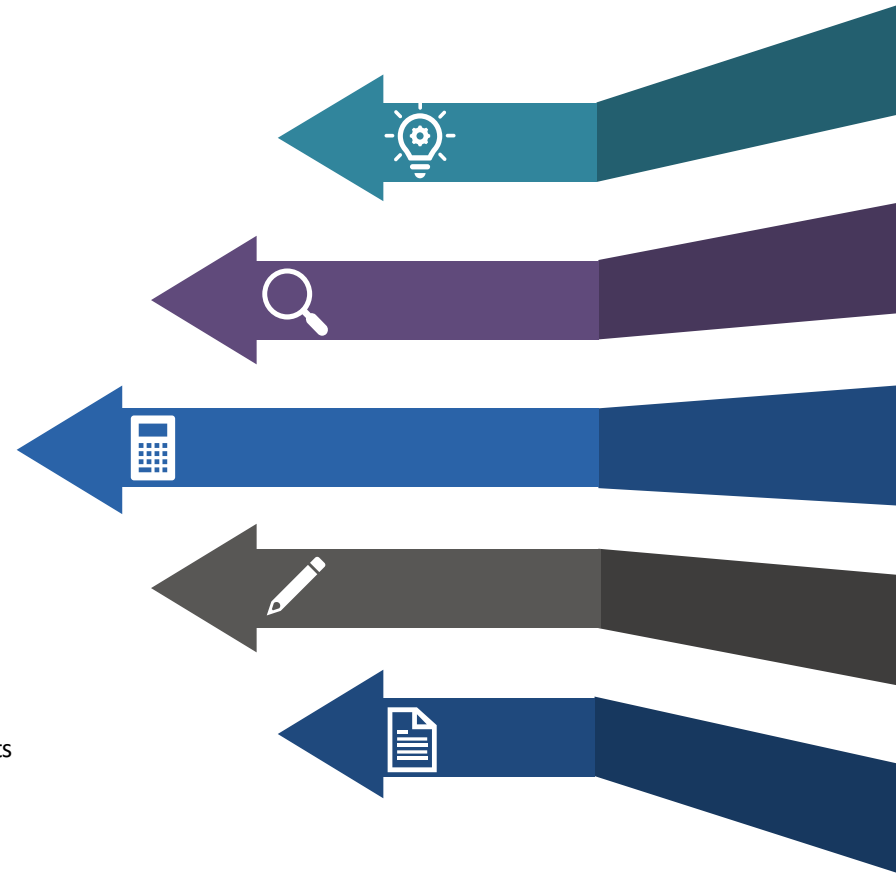
We use a risk-based approach in which we identified potential areas of risk that could lead to material misstatement of the financial statements.

Performed testing over the City's compliance with provisions with laws, regulations, contracts and grant agreements, including items such as compliance with Public Funds Investment Act (PFIA).

Balances are agreed to underlying reports, and testing is performed to assure those balances are materially accurate.

The results of testing procedures are evaluated. The report is prepared, in addition to the required letters of communication.

- Assessment**
Processes and controls are evaluated
- Risk-Based Approach**
Potential areas of risk are identified
- Compliance Testing**
Test compliance with laws and regulations
- Fieldwork**
Test accuracy of financial information
- Conclusion & Reporting**
Evaluation and communication of results



COMPONENTS OF THE ANNUAL FINANCIAL REPORT

- ❖ Auditor's Opinion
- ❖ Management's Discussion and Analysis
- ❖ Basic Financial Statements
 - Government-Wide Statements
 - Fund Level Statements
 - Notes to the Financial Statements
- ❖ Required Supplementary Information
 - Budget to Actual – General Fund
- ❖ Other Supplementary Information

Opinion Types

-  Unmodified
-  Qualified
-  Disclaimed
-  Adverse



Unmodified/Clean
Highest level of assurance



Financial Highlights

Governmental Funds

	9/30/2023	9/30/2024	Change
General Fund	\$ 1,284,324	\$ 1,260,263	\$ (24,061)
Debt Service Fund	\$ 962,896	\$ 1,038,979	\$ 76,083
Street Maintenance Sales Tax	\$ 713,165	\$ 134,719	\$ (578,446)
Nonmajor Governmental	\$ 1,012,996	\$ 1,237,491	\$ 224,495
Total of fund balances	\$ 3,973,381	\$ 3,671,452	\$ (301,929)

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General Fund Budget Results & Fund Balance

- Budget Results: Budget reflected an overall positive budget variance (*page 69*)

	Budget	Actual	Variance
Revenues	\$ 6,002,458	\$ 6,066,868	\$ 64,410
Expenditures	6,406,662	6,114,561	584,739
Other Sources and Uses	1,120,213	23,632	(1,096,581)
Net Change	<u>\$ 716,009</u>	<u>\$ (24,061)</u>	<u>\$ (740,070)</u>
Beginning fund balance		<u>1,284,324</u>	
Ending Fund Balance		<u><u>\$ 1,260,263</u></u>	

- Per the City's Fiscal Policy, the City will maintain a minimum unassigned fund balance of 25% and a maximum of 50% of operating expenditures.
 - Fiscal Year 2024 Unassigned fund balance was 20%



Financial Highlights Proprietary Funds

	9/30/2024	
<u>Water Fund</u>		
Operating Income	\$ 405,999	←
Change in Net Position	\$ 1,506,890	
<u>Solid Waste Fund</u>		
Operating Income	\$ 11,004	←
Change in Net Position	\$ 8,175	
<u>Nonmajor Proprietary Funds</u>		
Operating Income	\$ 29,288	←
Change in Net Position	\$ (7,319)	



Communication Letters

- **Communication with Those Charged with Governance**
 - Audit was conducted in compliance with all ethics requirements regarding independence
 - No difficulties were encountered in dealing with management
 - No uncorrected misstatements were identified

- **Communication Regarding Internal Controls**
 - Recommendations in internal control were identified and reviewed by management.

Questions?

Contact Info:

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Houston, TX 77032

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CERTIFIED PUBLIC ACCOUNTANTS

We know your questions don't end when the audit does.

We remain available throughout the year.

June 20, 2025

To the City Council and Management
City of Granite Shoals, Texas

In planning and performing our audit of the financial statements of the City of Granite Shoals, Texas (the “City”), as of and for the year ended September 30, 2024, in accordance with auditing standards generally accepted in the United States of America, we considered the City’s internal control over financial reporting (internal control) as a basis for designing our auditing procedures for the purpose of expressing our opinion 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 over financial reporting.

Our consideration of internal control was for the limited purpose described in the preceding paragraph and was not designed to identify all deficiencies in internal control that might be significant deficiencies or material weaknesses and therefore there can be no assurance that all such deficiencies have been identified. However, as discussed below, we identified certain deficiencies in internal control that we consider to be material weaknesses and other deficiencies that we consider to be significant deficiencies.

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 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 reasonable possibility exists when the likelihood of an event occurring is either reasonably possible or probable as defined as follows:

Reasonably possible. The chance of the future event or events occurring is more than remote but less than likely.

Probable. The future event or events are likely to occur.

We consider the following deficiencies in the City's internal control to be material weaknesses:

1. GENERAL ACCOUNTING AND ACCOUNTING CLOSE PROCESSES

Finding

Management is responsible for its closing process and assuring the yearend trial balance is consistent with generally accepted accounting principles "GAAP". As a part of our audit we encountered several accounts that required adjustment to be consistent with GAAP. These adjustments are listed in the audit communication letter provided to the Council.

Recommendation

Management should evaluate errors and determine extent of any necessary improvements in processes to implement.

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. We consider the following deficiencies in the entity's internal control to be significant deficiencies:

2. DEFICIT CLAIM ON CASH BALANCES

Finding

Several funds were noted to have negative claims on cash balances.

Recommendation

The City should evaluate fund level cash balances quarterly and make any necessary transfers to ensure that fund level cash is properly reported and remains positive.

3. DUPLICATE PAYMENTS

Finding

An instance was identified where a duplicate check was issued for the same invoice, indicating a lapse in the accounts payable review process. This reflects a weakness in internal controls over disbursements, potentially leading to financial loss through overpayments. The absence of safeguards to detect duplicate payments increases the risk of error and fraud.

Recommendation

The City should establish procedures such as system flags or manual checks to identify and prevent duplicate payments before checks are issued. Ensure all invoices are reviewed for prior payment before processing.

Other matters are any additional noteworthy items that are unrelated to internal control such as compliance with laws and regulations.

4. PERMITS

Finding

During testing of permits, a recalculation of fees based on the established rate structure revealed discrepancies where the amount billed was slightly less than expected. This indicates a weakness in the accuracy and consistency of the fee assessment process. The lack of documented calculation methods contributes to potential underbilling and reduced revenue.

Recommendation

The City should implement and maintain clear documentation outlining the methodology for calculating permit fees to ensure consistent and accurate billing. Regularly review fee calculations for compliance with documented procedures.

In addition, we noted other noteworthy matters for the City's consideration:

1. NEW ACCOUNTING STANDARD – GASB NO. 101 – COMPENSATED ABSENCES

GASB 101, *Compensated Absences*, replaces GASB 16, *Accounting Compensated Absences*. The goal of the standard is to create a more consistent model for accounting for compensated absences that can be applied to all types of compensated absence arrangements. GASB Statement No. 101 is effective for fiscal years beginning after December 15, 2023. For September 30th governments that means on October 1, 2024.

The new guidance introduces three criteria for recording a liability in financial statements prepared using the economic resources measurement focus (often referred to as a "full accrual" basis). A liability should be recognized for leave that has not been used if all of the following are true:

- The leave is attributable to services already rendered.
- The leave accumulates.
- The leave is more likely than not to be used for time off or otherwise paid in cash or settled through noncash means (likelihood of more than 50 percent).

The most significant impact will be the change to sick leave and how it is accounted for. Under GASB 16, governments have two options in accounting for sick leave, both of which only require the government to accrue for sick time that will be paid in the form of a termination payment. Under GASB 101, sick leave will be calculated in the same manner as any other type of compensated absence. Governments will be required to accrue for time that has accumulated and is likely to be used, even if the employee will never be eligible for a termination payment related to unused time. In addition, the threshold for when to recognize a liability related to expected future payment (or use under GASB 101) decreased from "probable" (likely) to "more likely than not" (likelihood of 50% or higher).

Recommendation

The City should begin planning for an increase in their compensated absence liability if Sick Leave has not previously been accrued. In addition, the City should begin assessing the approach and assessment of the likelihood that compensated absences will be utilized and therefore accrued.

2. SINGLE AUDIT THRESHOLD

Approximately every five years, the Office of Management and Budget (OMB) completes a review and proposes changes to the Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards, commonly known as the "Uniform Guidance" or "2 C.F.R. Part 200." The *2024 Compliance Supplement* issued by the Office of Management and Budget ("OMB") is effective for audits of fiscal years beginning after June 30, 2023. This supplement supersedes the *2023 Compliance Supplement* dated May 19, 2023.

The most notable change contained within this supplement is an increase in the Single Audit threshold for non-federal entities from \$750,000 to \$1,000,000 in federal awards expended within a fiscal year. This change is effective for fiscal years beginning on or after October 1, 2024 and will apply to the City's 2024/2025 fiscal year.

Recommendation

The City should continue to monitor federal grant expenditures and apply the new threshold guidance over single audits going forward.

The purpose of this communication, which is an integral part of our audit, is to describe for management and those charged with governance the scope of our testing of internal control over financial reporting and the results of that testing. Accordingly, this communication is not intended to be and should not be used for any other purpose.

Very truly yours,

A handwritten signature in black ink that reads "Brooks Watson & Co." in a cursive, flowing script.

BrooksWatson & Co., PLLC



CITY OF **GRANITE SHOALS, TX**

2221 N. PHILLIPS RANCH ROAD | GRANITE SHOALS, TX 78654
WWW.GRANITESHOALS.ORG | 830.598.2424

2024

ANNUAL FINANCIAL REPORT

FOR FISCAL YEAR ENDED
SEPTEMBER 30, 2024

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ANNUAL FINANCIAL REPORT

of the

City of Granite Shoals, Texas

**For the Year Ended
September 30, 2024**

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City of Granite Shoals, Texas

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September 30, 2024

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INDEPENDENT AUDITOR'S REPORT

To the Honorable Mayor and
Members of the City Council
City of Granite Shoals, Texas:

Report on the Audit of the Financial Statements

Opinions

We have audited the accompanying financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the City of Granite Shoals, Texas (the "City") as of and for the year ended September 30, 2024, and the related notes to the financial statements, which collectively comprise the City's basic financial statements as listed in the table of contents.

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

Basis for Opinions

We conducted our audit in accordance with auditing standards generally accepted in the United States of America. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of City of Granite Shoals, Texas and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

Responsibilities of Management for the Financial Statements

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

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about the City's ability to continue as a going concern for one year after the date that the financial statements are issued.

Auditor's Responsibilities for the Audit of the Financial Statements

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

In performing an audit in accordance with GAAS, we:

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

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

Emphasis of Matter

As discussed in Note V.E. to the financial statements, due to changes in financial reporting, corrections and reallocations to fund balances, accrued receivables and liabilities in the prior year, the City restated its beginning net position/fund balance within governmental activities, business-type activities, the general fund, the street maintenance sales tax fund, nonmajor governmental funds, the water fund, the solid waste fund, and the nonmajor proprietary funds. Our opinion is not modified with respect to these matters.

Other Matters

Required Supplementary Information

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

Other Supplementary 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 accompanying supplemental information, such as the combining and individual nonmajor fund financial statements and the schedule of revenues, expenditures, and changes in net position, are presented for purposes of additional analysis and are not a required part of the basic financial statements.

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



Brooks Watson & Co.
Certified Public Accountants
Houston, Texas
June 20, 2025

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***MANAGEMENT'S DISCUSSION
AND ANALYSIS***

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City of Granite Shoals, Texas

MANAGEMENT'S DISCUSSION AND ANALYSIS (MD&A)

September 30, 2024

As management of the City of Granite Shoals, Texas (the "City"), we offer readers of the City's financial statements this narrative overview and analysis of the financial activities of the City for the fiscal year ended September 30, 2024. We encourage readers to consider the information presented here in conjunction with additional information contained in this report.

Financial Highlights

- The City's total combined net position was \$21,123,046 at September 30, 2024. Of this, \$6,571,428 (unrestricted net position) may be used to meet the City's ongoing obligations to its citizens and creditors.
- At the close of the current fiscal year, the City's governmental funds reported combined fund balances of \$3,671,452, a decrease of \$301,929 from the prior fiscal year; this includes a decrease of \$24,061 in the general fund, an increase of \$76,083 in the debt service fund, a decrease of \$578,446 in the street maintenance sales tax fund, and an increase of \$224,495 in nonmajor governmental funds.
- As of the end of the year, the unassigned fund balance of the general fund was \$1,239,031 or 20% of total general fund expenditures.
- The City had an overall increase in net position of \$2,738,749.

Overview of the Financial Statements

The discussion and analysis provided here are intended to serve as an introduction to the City's basic financial statements. The City's basic financial statements consist of three components: 1) government-wide financial statements, 2) fund financial statements, and 3) the notes to financial statements. This report also includes supplementary information intended to furnish additional detail to support the basic financial statements themselves.

Government-Wide 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 and liabilities. The difference between the two is 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. Other non-financial factors, such as the City's property tax base and the condition of the City's infrastructure, need to be considered in order to assess the overall health of the City.

City of Granite Shoals, Texas

MANAGEMENT'S DISCUSSION AND ANALYSIS, *Continued*

September 30, 2024

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

Both of the government-wide financial statements distinguish functions of the City that are principally supported by taxes and intergovernmental revenues (*governmental activities*) from other functions that are intended to recover all or a significant portion of their costs through user fees and charges (*business-type activities*). The governmental activities of the City include general government, public safety, streets and parks, and tourism. The business-type activities of the City include water and solid waste operations.

FUND FINANCIAL STATEMENTS

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

Governmental Funds

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

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

The City maintains thirteen individual governmental funds. Information is presented separately in the governmental fund balance sheet and in the governmental fund statement of revenues, expenditures, and changes in fund balances for the general fund, the debt service fund, and the street maintenance sales tax fund which are considered to be major funds. Data from the other governmental funds are

City of Granite Shoals, Texas

MANAGEMENT'S DISCUSSION AND ANALYSIS, *Continued*

September 30, 2024

combined into a single, aggregated presentation. Individual fund data for each of these nonmajor governmental funds is provided in a separate section of the report.

The City adopts an annual appropriated budget for its general fund. A budgetary comparison statement has been provided for the fund to demonstrate compliance with the respective budget.

Proprietary Funds

The City's proprietary funds are all enterprise funds. *Enterprise funds* are used to report the same functions presented as *business-type activities* in the government-wide financial statements. The City uses an enterprise fund to account for its water operations, solid waste operations, utility equipment reserve, ARPA funds, and the meter reader project. All activities associated with providing such services are accounted for in these funds, including administration, operation, maintenance, debt service, capital improvements, meter maintenance, billing and collection. The City's intent is that costs of providing the services to the general public on a continuing basis is financed through user charges in a manner similar to a private enterprise.

Proprietary financial statements provide the same type of information as the government-wide financial statements, only in more detail. The proprietary fund financial statements provide separate information for the water, solid waste, utility equipment reserve, ARPA fund, and the meter reader project funds, of which only the water and solid waste funds are considered to be major funds of the City.

Notes to Financial Statements

The notes provide additional information that is necessary to acquire a full understanding of the data provided in the government-wide and fund financial statements.

Other Information

In addition to the basic financial statements, MD&A, and accompanying notes, this report also presents certain Required Supplementary Information (RSI). The required RSI includes a budgetary comparison schedule for the general fund, schedule of changes in the net pension liability and related ratios and schedule of employer contributions for the Texas Municipal Retirement System. RSI can be found after the basic financial statements.

GOVERNMENT-WIDE FINANCIAL ANALYSIS

As noted previously, net position may serve over time as a useful indicator of the City's financial position. For the City of Granite Shoals, assets exceed liabilities by \$21,123,046 as of September 30, 2024, in the primary government.

City of Granite Shoals, Texas

MANAGEMENT'S DISCUSSION AND ANALYSIS, *Continued*

September 30, 2024

The largest portion of the City's net position, \$13,002,334, reflects its investments in capital assets (e.g., land, city hall, police station, streets, and drainage systems, as well as the public works facilities), less any debt used to acquire those assets that are 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 assets themselves cannot be used to liquidate these liabilities.

The following table reflects the condensed Statement of Net Position:

	2024			2023		
	Governmental Activities	Business-Type Activities	Total	Governmental Activities	Business-Type Activities	Total
Current and other assets	\$ 4,808,148	\$ 6,823,701	\$ 11,631,849	\$ 4,508,209	\$ 7,078,842	\$ 11,587,051
Long-term assets	10,208,807	15,480,316	25,689,123	9,429,598	14,853,446	24,283,044
Total Assets	15,016,955	22,304,017	37,320,972	13,937,807	21,932,288	35,870,095
Deferred Outflows of Resources	178,202	26,858	205,060	259,062	49,345	308,407
Other liabilities	1,783,772	1,523,201	3,306,973	1,266,366	1,771,490	3,037,856
Long-term liabilities	2,825,629	10,025,234	12,850,863	3,645,708	10,872,894	14,518,602
Total Liabilities	4,609,401	11,548,435	16,157,836	4,912,074	12,644,384	17,556,458
Deferred Inflows of Resources	219,518	25,632	245,150	232,761	30,769	263,530
Net Position:						
Net investment						
in capital assets	5,947,884	7,054,450	13,002,334	5,182,370	5,642,336	10,824,706
Restricted	1,536,022	13,262	1,549,284	1,785,060	630,244	2,415,304
Unrestricted	2,882,332	3,689,096	6,571,428	2,084,604	3,033,900	5,118,504
Total Net Position	\$ 10,366,238	\$ 10,756,808	\$ 21,123,046	\$ 9,052,034	\$ 9,306,480	\$ 18,358,514

City of Granite Shoals, Texas
MANAGEMENT'S DISCUSSION AND ANALYSIS, Continued
September 30, 2024

Statement of Activities:

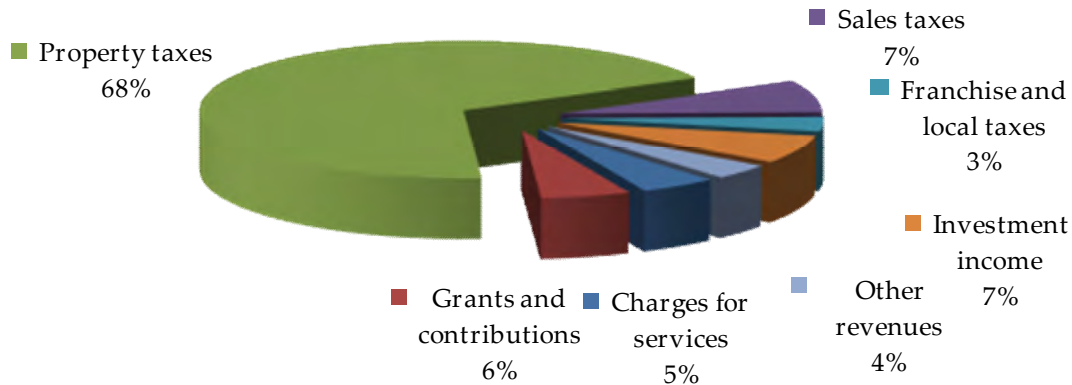
The following table provides a summary of the City's changes in net position:

	For the Year Ended September 30, 2024			For the Year Ended September 30, 2023		
			Total			Total
	Governmental	Business-Type	Primary	Governmental	Business-Type	Primary
	Activities	Activities	Government	Activities	Activities	Government
Revenues						
Program revenues:						
Charges for services	\$ 412,539	\$ 3,313,155	\$ 3,725,694	\$ 392,777	\$ 3,055,748	\$ 3,448,525
Grants and contributions	480,613	163,946	644,559	367,040	-	367,040
General revenues:						
Property taxes	5,972,407	-	5,972,407	5,172,218	-	5,172,218
Sales taxes	643,320	-	643,320	605,629	-	605,629
Franchise and local taxes	298,921	-	298,921	266,251	-	266,251
Investment income	601,105	32,470	633,575	636,473	-	636,473
Other revenues	317,500	43,339	360,839	165,937	114,635	280,572
Total Revenues	8,726,405	3,552,910	12,279,315	7,606,325	3,170,383	10,776,708
Expenses						
General government	1,771,972	-	1,771,972	1,261,819	-	1,261,819
Public safety	3,306,171	-	3,306,171	3,163,285	-	3,163,285
Streets and parks	1,087,169	-	1,087,169	1,066,413	-	1,066,413
Tourism	46,326	-	46,326	137,174	-	137,174
Interest and fiscal charges	114,926	308,003	422,929	134,868	347,056	481,924
Utility	-	2,905,999	2,905,999	-	2,838,409	2,838,409
Total Expenses	6,326,564	3,214,002	9,540,566	5,763,559	3,185,465	8,949,024
Change in Net Position						
Before Transfers	2,399,841	338,908	2,738,749	1,842,766	(15,082)	1,827,684
Transfers	(1,168,838)	1,168,838	-	(194,947)	194,947	-
Total	(1,168,838)	1,168,838	-	(194,947)	194,947	-
Change in Net Position	1,231,003	1,507,746	2,738,749	1,647,819	179,865	1,827,684
Beginning Net Position, as previously reported	9,052,034	9,306,480	18,358,514	7,404,215	9,126,615	16,530,830
Fund reallocations	57,418	(57,418)	-	-	-	-
Error corrections	25,783	-	25,783	-	-	-
Beginning Net Position, as adjusted	9,135,235	9,249,062	18,384,297	7,404,215	9,126,615	16,530,830
Ending Net Position	\$ 10,366,238	\$ 10,756,808	\$ 21,123,046	\$ 9,052,034	\$ 9,306,480	\$ 18,358,514

City of Granite Shoals, Texas
MANAGEMENT'S DISCUSSION AND ANALYSIS, Continued
September 30, 2024

Graphic presentations of selected data from the summary tables are displayed below to assist in the analysis of the City's activities.

Governmental Activities - Revenues

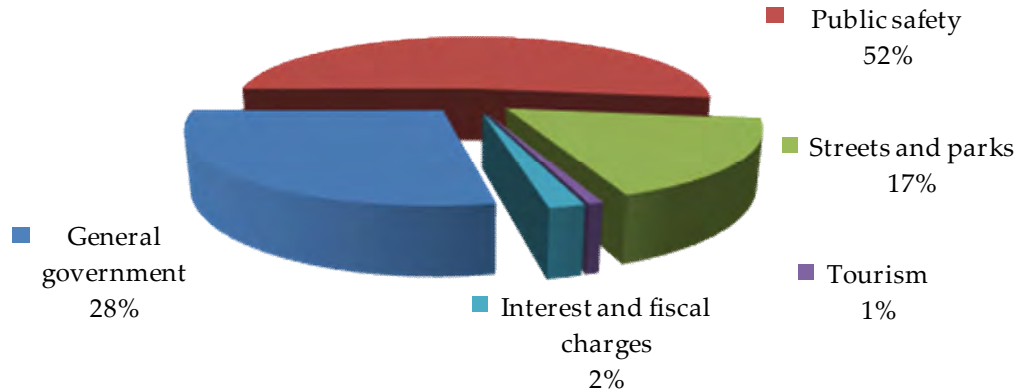


For the year ended September 30, 2024, revenues from governmental activities totaled \$8,726,405. Property tax revenues are the City's largest general revenue sources. Grants and contributions increased \$113,573, or 31% due to an increase in existing fire contract grant fees and the addition of a new fire contract grant in the current year. Property tax increased by \$800,189, or 15%, when compared to due to an increase in overall assessed property values offset by a reduction in the property tax rate. Sales taxes increased by \$37,691, or 6%. This is a result of continued growth in local purchases. Charges for services increased by \$19,762, or 5%, primarily due to greater court fine collections in the current year. Franchise taxes increased \$32,670, or 12%, primarily due to increased activity within the City. Investment income decreased by \$35,368, or 6%, primarily to a reduction in interest-bearing accounts, offset by the realization of greater interest rates in the current year. Other revenues increased \$151,563, or 91%, primarily due to a vehicle insurance claim reimbursement, and nonrecurring proceeds from sale of assets.

City of Granite Shoals, Texas
MANAGEMENT'S DISCUSSION AND ANALYSIS, Continued
September 30, 2024

This graph shows the governmental function expenses of the City:

Governmental Activities - Expenses

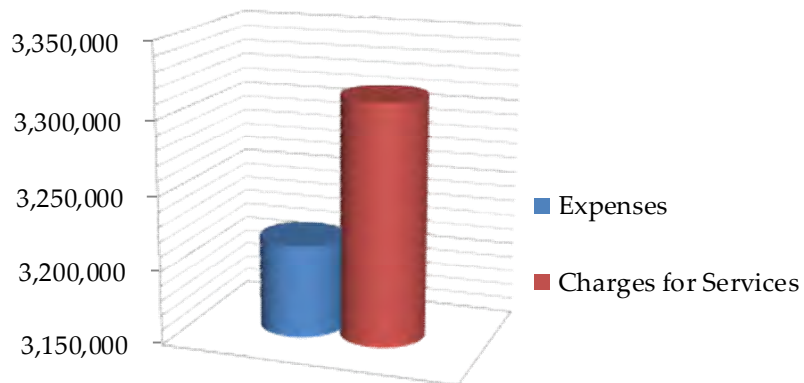


For the year ended September 30, 2024, expenses for governmental activities totaled \$6,326,564. This represents an increase of \$563,005, or 10%, from the prior year. The City's largest functional expense is public safety of \$3,306,171, which increased by \$142,886, or 5%, from the prior year. The increase was primarily related to the increase in personnel costs as a result of new employees. General government increased by \$510,153, or 40%, primarily due to an increase in personnel costs as a result of new employees. Tourism expenses decreased by \$90,848, or 66%, due to nonrecurring cost of new local events hosted in the prior year to draw visitors to the City. Interest and fiscal charges decreased \$19,942, or 15%, primarily due to outstanding long-term debt approaching maturity. All other expenses remained relatively consistent with the previous year.

City of Granite Shoals, Texas
MANAGEMENT'S DISCUSSION AND ANALYSIS, Continued
September 30, 2024

Business-type activities are shown comparing operating costs to revenues generated by related services.

Business-Type Activities - Revenues and Expenses



For the year ended September 30, 2024, charges for services by business-type activities totaled \$3,313,155, an increase of \$257,407, or 8%, from the previous year. This change is primarily due to an increase in water consumption compared to the previous year, and an increase in solid waste rates. Grants and contributions increased \$163,946, or 100%, as a result of Community Development Block Grant (CDBG) reimbursements received in the current year. Other revenue decreased \$71,296, or 62%, due to a reduction in credit card convenience fees and a decline in sale of surplus compared to the previous year.

Total expenses increased by \$28,537 or 1% during the year, which is considered minimal. Interest and fiscal charges decreased by \$39,053, or 11%, primarily due to outstanding long-term debt approaching maturity.

FINANCIAL ANALYSIS OF THE CITY'S FUNDS

As noted earlier, fund accounting is used to demonstrate and ensure compliance with finance-related legal requirements.

Governmental Funds - The focus of the City's governmental funds is to provide information of near-term inflows, outflows and balances of spendable resources. Such information is useful in assessing the City's financing requirements. In particular, unreserved fund balance may serve as a useful measure of the City's net resources available for spending at the end of the year.

City of Granite Shoals, Texas

MANAGEMENT'S DISCUSSION AND ANALYSIS, Continued

September 30, 2024

As of the end of the year the general fund reflected a total fund balance of \$1,260,263, of which \$21,232 is nonspendable and the remaining \$1,239,031 is unassigned. The decrease in fund balance of \$24,061 is primarily a result of transfers in from the water fund in the previous year.

The debt service fund had an ending fund balance of \$1,038,979 at year end, an increase of \$76,083 from the prior year. The increase was due to property tax revenues exceeding debt service payments and other financing uses. In addition to transfers out, total governmental principal and interest payments made during the year were \$732,547 and \$123,303, respectively.

The street maintenance sales tax fund had an ending fund balance of \$134,719 at year end, a decrease of \$578,446 from the prior year. The decrease was due to the utilization of funds for street projects.

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

The Water fund had an ending net position of \$8,706,334, an increase of \$1,506,890. The increase is primarily due to transfers received from the debt service fund and nonrecurring intergovernmental contributions from CDBG grants received from the State of Texas Department of Agriculture during the year.

The Solid Waste fund had an ending net position of \$449,891, an increase of \$8,175. The increase is primarily due to revenues exceeding expenditures during the year.

GENERAL FUND BUDGETARY HIGHLIGHTS

There was a total positive revenue variance of \$64,410, in addition to a positive expenditure variance of \$292,101 for the year. Other financing sources had an overall negative budget variance of \$1,096,581, primarily due to transfers in initially budgeted but ultimately not necessary. There was a total negative net budget variance of \$740,070. General fund expenditures were within appropriations at the legal level of control by \$292,101.

The original general fund budget deficit of \$1,165,111 was amended during the year to a final budgeted surplus of \$716,009. Significant amendments include an increase in property taxes of \$144,589, sales tax revenues of \$75,000, and investment income of \$550,000. These budgeted revenue variances were offset with increases in budgeted expenditures in the amount of \$31,000. In addition, transfers in were increased by \$1,112,000 and transfers out were increased by \$114,827. No other reclassifications and amendments were made.

CAPITAL ASSETS

As of the end of the year, the City's governmental activities funds had invested \$10,096,476 in a variety of capital assets and infrastructure, net of accumulated depreciation. Depreciation is included with the

City of Granite Shoals, Texas

MANAGEMENT'S DISCUSSION AND ANALYSIS, Continued

September 30, 2024

governmental capital assets as required by GASB Statement No. 34. The City's business-type activities funds had invested \$15,467,054 in a variety of capital assets and infrastructure, net of accumulated depreciation.

Major capital asset events during the current year include the following:

- Kings Circle/Hillway project totaling \$811,238.
- Purchase of new police vehicles totaling \$269,291.
- Purchase of new street vehicles and equipment totaling \$136,519.
- Purchase of new parks equipment totaling \$92,902.
- Purchase of (2) park ADA and Handicap restrooms totaling \$31,143.
- Water infrastructure development and improvements totaling \$1,305,264.
- Water department vehicles totaling \$123,618.

More detailed information about the City's capital assets is presented in note IV. C to the financial statements.

LONG-TERM DEBT

At the end of the current year, the City had total long-term debt outstanding of \$14,323,951, consisting of General Obligation Refunding Bonds of \$10,601,000, Certificates of Obligation of \$2,700,000, notes payable of \$542,084, subscription liability of \$20,396, and bond premiums of \$460,471. During the year, the City made governmental and business-type payments on the long-term debt of \$732,547 and \$790,136, respectively. More detailed information about the City's long-term liabilities is presented in note IV. D to the financial statements.

ECONOMIC FACTORS AND NEXT YEAR'S BUDGET

The Mayor and City Council are committed to maintaining and improving the overall wellbeing of the City of Granite Shoals and improving services provided to their public citizens. The City is budgeting to maintain services in the upcoming year and regularly considers local and national economic conditions and how they may have an impact.

CONTACTING THE CITY'S FINANCIAL MANAGEMENT

This financial report is designed to provide a general overview of the City of Granite Shoals' finances for all those with an interest in the City's finances. Questions concerning this report or requests for additional financial information should be directed to the City Finance Director, 2221 N. Phillips Ranch Road, Granite Shoals, Texas 78654.

FINANCIAL STATEMENTS

City of Granite Shoals, Texas
STATEMENT OF NET POSITION (Page 1 of 2)
September 30, 2024

	Primary Government		
	Governmental Activities	Business-Type Activities	Total
<u>Assets</u>			
Current assets:			
Cash and cash equivalents	\$ 4,437,833	\$ 5,613,425	\$ 10,051,258
Investments	110,926	-	110,926
Restricted cash	-	423,759	423,759
Receivables, net	361,308	638,960	1,000,268
Lease receivable - current	24,406	-	24,406
Internal balances	(147,557)	147,557	-
Prepaid items	21,232	-	21,232
Total Current Assets	4,808,148	6,823,701	11,631,849
Noncurrent assets:			
Net pension asset	88,751	13,262	102,013
Capital assets:			
Non-depreciable	2,931,793	578,922	3,510,715
Net depreciable capital assets	7,164,683	14,888,132	22,052,815
Lease receivable - noncurrent	23,580	-	23,580
Total Noncurrent Assets	10,208,807	15,480,316	25,689,123
Total Assets	15,016,955	22,304,017	37,320,972
<u>Deferred Outflows of Resources</u>			
Pension - TMRS	177,146	26,698	203,844
OPEB - TMRS	1,056	160	1,216
Total Deferred Outflows of Resources	178,202	26,858	205,060

City of Granite Shoals, Texas
STATEMENT OF NET POSITION (Page 2 of 2)
September 30, 2024

	Primary Government		
	Governmental	Business-Type	
	Activities	Activities	Total
<u>Liabilities</u>			
Current liabilities:			
Accounts payable and			
accrued liabilities	\$ 863,311	\$ 170,711	\$ 1,034,022
Customer deposits	31,675	423,759	455,434
Accrued interest payable	15,942	94,990	110,932
Long-term debt - current	760,874	804,310	1,565,184
Compensated absences - current	111,970	29,431	141,401
Total Current Liabilities	1,783,772	1,523,201	3,306,973
Noncurrent liabilities:			
Long-term debt - noncurrent	2,746,733	10,012,034	12,758,767
Compensated absences - noncurrent	12,442	3,270	15,712
OPEB liability	66,454	9,930	76,384
Total Noncurrent Liabilities	2,825,629	10,025,234	12,850,863
Total Liabilities	4,609,401	11,548,435	16,157,836
<u>Deferred Inflows of Resources</u>			
Pension - TMRS	152,642	22,809	175,451
OPEB - TMRS	18,890	2,823	21,713
Lease related	47,986	-	47,986
Total Deferred Inflows of Resources	219,518	25,632	245,150
<u>Net Position</u>			
Net investment in capital assets	5,947,884	7,054,450	13,002,334
Restricted for:			
Streets and parks	150,342	-	150,342
Tourism	180,572	-	180,572
Municipal court	58,659	-	58,659
Public safety	18,719	-	18,719
Debt service	1,038,979	-	1,038,979
Pensions	88,751	13,262	102,013
Unrestricted	2,882,332	3,689,096	6,571,428
Total Net Position	\$ 10,366,238	\$ 10,756,808	\$ 21,123,046

See Notes to Financial Statements.

Page 41 of 158

See Notes to Financial Statements.

City of Granite Shoals, Texas

BALANCE SHEET GOVERNMENTAL FUNDS September 30, 2024

	General	Debt Service	Street Maintenance Sales Tax	Nonmajor Governmental Funds	Total Governmental Funds
<u>Assets</u>					
Cash and cash equivalents	\$ 1,387,364	\$ 1,038,293	\$ 804,789	\$ 1,207,387	\$ 4,437,833
Investments	110,926	-	-	-	110,926
Receivables, net	233,967	87,474	55,444	32,409	409,294
Prepays	21,232	-	-	-	21,232
Total Assets	\$ 1,753,489	\$ 1,125,767	\$ 860,233	\$ 1,239,796	\$ 4,979,285
<u>Liabilities</u>					
Accounts payable and accrued liabilities	283,049	-	577,957	2,305	863,311
Customer deposits	31,675	-	-	-	31,675
Due to other funds	-	-	147,557	-	147,557
Total Liabilities	314,724	-	725,514	2,305	1,042,543
<u>Deferred Inflows of Resources</u>					
Unavailable revenue:					
Property tax	130,516	86,788	-	-	217,304
Lease related	47,986	-	-	-	47,986
Total Deferred Inflows of Resources	178,502	86,788	-	-	265,290
<u>Fund Balances</u>					
Nonspendable:					
Prepays	21,232	-	-	-	21,232
Restricted for:					
Streets and parks	-	-	134,719	15,623	150,342
Tourism	-	-	-	180,572	180,572
Capital projects	-	-	-	963,918	963,918
Municipal court	-	-	-	58,659	58,659
Public safety	-	-	-	18,719	18,719
Debt service	-	1,038,979	-	-	1,038,979
Unassigned	1,239,031	-	-	-	1,239,031
Total Fund Balances	1,260,263	1,038,979	134,719	1,237,491	3,671,452
Total Liabilities, Deferred Inflows of Resources and Fund Balances	\$ 1,753,489	\$ 1,125,767	\$ 860,233	\$ 1,239,796	\$ 4,979,285

See Notes to Financial Statements.

City of Granite Shoals, Texas

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

September 30, 2024

Fund Balances - Total Governmental Funds	\$ 3,671,452
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Adjustments for the Statement of Net Position:

Capital assets used in governmental activities are not current financial resources and, therefore, not reported in the governmental funds.

Capital assets - non-depreciable	2,931,793
Capital assets - net depreciable	7,164,683

Other long-term assets are not available to pay for current-period expenditures and, therefore, are deferred in the governmental funds.

Property tax receivable	217,304
Net pension asset	88,751

Deferred outflows (inflows) of resources, represent a consumption (acquisition) of net position that applies to a future period(s) and is not recognized as an outflow (inflow) of resources (expense/ expenditure) (revenue) until then.

Pension contributions	122,744
Pension difference in experience	(133,631)
Pension changes in assumptions	(19,011)
Pension investment returns	54,402
OPEB contributions	1,056
OPEB difference in experience	(8,149)
OPEB changes in assumptions	(10,741)

Some liabilities, including bonds payable and deferred charges, are not reported as liabilities in the governmental funds.

Accrued interest	(15,942)
Compensated absences	(124,412)
Long-term debt	(3,422,283)
Premium on debt	(85,324)
OPEB liability	(66,454)

Net Position of Governmental Activities	\$ 10,366,238
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See Notes to Financial Statements.

City of Granite Shoals, Texas

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

For the Year Ended September 30, 2024

	General	Debt Service	Street Maintenance Sales Tax	Nonmajor Governmental Funds	Total Governmental Funds
Revenues					
Property tax	\$ 3,961,586	\$ 1,977,820	\$ -	\$ -	\$ 5,939,406
Sales tax	321,660	-	321,660	-	643,320
Franchise and local taxes	201,949	-	-	96,972	298,921
Intergovernmental	480,563	-	-	-	480,563
Charges for services	29,489	-	-	22,457	51,946
License and permits	169,479	-	-	-	169,479
Fines and forfeitures	178,539	-	-	12,575	191,114
Investment income	585,357	5,865	4,789	5,094	601,105
Contributions and donations	-	-	-	50	50
Other revenue	138,246	-	-	20,921	159,167
Total Revenues	6,066,868	1,983,685	326,449	158,069	8,535,071
Expenditures					
Current:					
General government	1,720,721	-	-	-	1,720,721
Public safety	3,427,390	-	-	2,057	3,429,447
Streets and parks	905,884	-	-	48,567	954,451
Tourism	-	-	-	38,047	38,047
Debt Service:					
Principal	-	732,547	-	-	732,547
Interest and fiscal charges	-	123,303	-	-	123,303
Capital outlay	60,566	-	787,809	-	848,375
Total Expenditures	6,114,561	855,850	787,809	88,671	7,846,891
Excess (Deficiency) of Revenues Over(Under) Expenditures	(47,693)	1,127,835	(461,360)	69,398	688,180
Other Financing Sources (Uses)					
Transfers in	-	-	-	108,551	108,551
Transfers (out)	(108,551)	(1,051,752)	(117,086)	-	(1,277,389)
SBITA lease issuance	20,396	-	-	-	20,396
Insurance recoveries	46,524	-	-	-	46,524
Sale of general capital assets	65,263	-	-	46,546	111,809
Total Other Financing Sources (Uses)	23,632	(1,051,752)	(117,086)	155,097	(990,109)
Net Change in Fund Balances	(24,061)	76,083	(578,446)	224,495	(301,929)
Beginning fund balances					
(as previously reported)	1,410,971	962,896	-	1,516,313	3,890,180
Change within financial reporting entity (nonmajor to major fund)	-	-	713,165	(713,165)	-
Fund reallocations	(140,349)	-	-	197,767	57,418
Error corrections	13,702	-	-	12,081	25,783
Beginning fund balances (as adjusted/restated)	1,284,324	962,896	713,165	1,012,996	3,973,381
Ending Fund Balances	\$ 1,260,263	\$ 1,038,979	\$ 134,719	\$ 1,237,491	\$ 3,671,452

See Notes to Financial Statements.

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City of Granite Shoals, Texas

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

For the Year Ended September 30, 2024

Amounts reported for governmental activities in the statement of activities are different because:

Net changes in fund balances - total governmental funds	\$	(301,929)
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Governmental funds report capital outlays as expenditures. However, in the statement of activities the cost of those assets is allocated over their estimated useful lives and reported as depreciation expense.

Capital outlay		1,439,281
Depreciation expense		(750,266)

Revenues in the statement of activities that do not provide current financial resources are not reported as revenues in the funds.

Property taxes		33,001
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Some expenses reported in the statement of activities do not require the use of current financial resources and, therefore, are not reported as expenditures in governmental funds.

Compensated absences		20,255
Accrued interest		3,044
Pension expense		76,751
OPEB expense		(6,618)

The issuance of long-term debt (e.g., bonds, leases, certificates of obligation) provides current financial resources to governmental funds, while the repayment of the principal of long-term debt consumes the current financial resources of governmental funds. Neither transaction, however, has any effect on net position. Also, governmental funds report the effect of premiums, discounts, and similar items when they are first issued; whereas, these amounts are deferred and amortized in the statement of activities. This amount is the net effect of these differences in the treatment of long-term debt and related items.

SBITA lease issuance		(20,396)
Principal payments		732,547
Amortization of bond premium		5,333

Change in Net Position of Governmental Activities	\$	1,231,003
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See Notes to Financial Statements.

City of Granite Shoals, Texas
STATEMENT OF NET POSITION (Page 1 of 2)
PROPRIETARY FUNDS
September 30, 2024

	Water	Solid Waste	Nonmajor Proprietary Funds	Total
<u>Assets</u>				
<u>Current Assets</u>				
Cash and cash equivalents	\$ 4,286,748	\$ 704,189	\$ 622,488	\$ 5,613,425
Restricted cash - deposits	423,759	-	-	423,759
Receivables, net	475,805	163,155	-	638,960
Due from other funds	-	-	1,020,844	1,020,844
Total Current Assets	5,186,312	867,344	1,643,332	7,696,988
<u>Noncurrent Assets</u>				
Net pension asset	13,262	-	-	13,262
Capital assets:				
Non-depreciable	578,922	-	-	578,922
Net depreciable capital assets	14,888,132	-	-	14,888,132
Total Noncurrent Assets	15,480,316	-	-	15,480,316
Total Assets	20,666,628	867,344	1,643,332	23,177,304
<u>Deferred Outflows of Resources</u>				
Pension - TMRS	26,698	-	-	26,698
OPEB - TMRS	160	-	-	160
Total Deferred Outflows of Resources	26,858	-	-	26,858

City of Granite Shoals, Texas
STATEMENT OF NET POSITION (Page 2 of 2)
PROPRIETARY FUNDS
September 30, 2024

	Water	Solid Waste	Nonmajor Proprietary Funds	Total
<u>Liabilities</u>				
<u>Current Liabilities</u>				
Accounts payable and accrued liabilities	\$ 86,072	\$ 84,639	\$ -	\$ 170,711
Customer deposits	423,759	-	-	423,759
Accrued interest payable	52,241	-	42,749	94,990
Long-term debt - current	804,310	-	-	804,310
Compensated absences - current	29,431	-	-	29,431
Due to other funds	540,473	332,814	-	873,287
Total Current Liabilities	1,936,286	417,453	42,749	2,396,488
<u>Noncurrent Liabilities</u>				
Long-term debt - noncurrent	10,012,034	-	-	10,012,034
Compensated absences - noncurrent	3,270	-	-	3,270
OPEB liability	9,930	-	-	9,930
Total Liabilities	11,961,520	417,453	42,749	12,421,722
<u>Deferred Inflows of Resources</u>				
Pension - TMRS	22,809	-	-	22,809
OPEB - TMRS	2,823	-	-	2,823
Total Deferred Inflows of	25,632	-	-	25,632
<u>Net Position</u>				
Net investment in capital assets	7,054,450	-	-	7,054,450
Pensions	13,262	-	-	13,262
Unrestricted	1,638,622	449,891	1,600,583	3,689,096
Total Net Position	\$ 8,706,334	\$ 449,891	\$ 1,600,583	\$ 10,756,808

See Notes to Financial Statements.

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City of Granite Shoals, Texas

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

For the Year Ended September 30, 2024

	Water	Solid Waste	Nonmajor Proprietary Funds	Total
<u>Operating Revenues</u>				
Charges for services	\$ 2,333,902	\$ 946,815	\$ 32,438	\$ 3,313,155
Other revenue	39,135	-	-	39,135
Total Operating Revenues	<u>2,373,037</u>	<u>946,815</u>	<u>32,438</u>	<u>3,352,290</u>
<u>Operating Expenses</u>				
Salaries and wages	436,511	-	-	436,511
Employee benefits	125,821	-	-	125,821
Professional services	48,182	935,811	-	983,993
Other operating expenses	306,922	-	3,150	310,072
Supplies	165,102	-	-	165,102
Water purchase	69,226	-	-	69,226
Depreciation	815,274	-	-	815,274
Total Operating Expenses	<u>1,967,038</u>	<u>935,811</u>	<u>3,150</u>	<u>2,905,999</u>
Operating Income (Loss)	<u>405,999</u>	<u>11,004</u>	<u>29,288</u>	<u>446,291</u>
<u>Nonoperating Revenues (Expenses)</u>				
Investment earnings	25,288	4,189	2,993	32,470
Grant revenue	163,946	-	-	163,946
Gain on disposal of property	4,204	-	-	4,204
Interest expense	(308,003)	-	-	(308,003)
Total Nonoperating Revenues (Expenses)	<u>(114,565)</u>	<u>4,189</u>	<u>2,993</u>	<u>(107,383)</u>
Income (Loss) Before Transfers	291,434	15,193	32,281	338,908
Transfers in	1,215,456	-	-	1,215,456
Transfers (out)	<u>-</u>	<u>(7,018)</u>	<u>(39,600)</u>	<u>(46,618)</u>
Change in Net Position	1,506,890	8,175	(7,319)	1,507,746
Beginning net position (as previously reported)	8,278,913	499,134	528,433	9,306,480
Fund reallocations	(1,079,469)	(57,418)	1,079,469	(57,418)
Beginning net position (as adjusted/restated)	7,199,444	441,716	1,607,902	9,249,062
Ending Net Position	<u>\$ 8,706,334</u>	<u>\$ 449,891</u>	<u>\$ 1,600,583</u>	<u>\$ 10,756,808</u>

See Notes to Financial Statements.

City of Granite Shoals, Texas

STATEMENT OF CASH FLOWS PROPRIETARY FUNDS (Page 1 of 2) For the Year Ended September 30, 2024

	Water	Solid Waste	Nonmajor Proprietary Funds	Total
<u>Cash Flows from Operating Activities</u>				
Receipts from customers	\$ 2,245,766	\$ 926,940	\$ 32,438	\$ 3,205,144
Payments to suppliers	(370,063)	(704,293)	(981,245)	(2,055,601)
Payments to employees	(574,732)	-	-	(574,732)
Net Cash Provided (Used) by Operating Activities	1,300,971	222,647	(948,807)	574,811
<u>Cash Flows from Noncapital Financing Activities</u>				
Transfer in	1,215,456	-	-	1,215,456
Transfer (out)	-	(7,018)	(39,600)	(46,618)
Net Cash Provided (Used) by Noncapital Financing Activities	1,215,456	(7,018)	(39,600)	1,168,838
<u>Cash Flows from Capital and Related Financing Activities</u>				
Capital purchases	(1,428,882)	-	-	(1,428,882)
Capital grants	163,946	-	-	163,946
Proceeds from the sale of assets	4,204	-	-	4,204
Principal paid on debt	(790,136)	-	-	(790,136)
Interest paid on debt	(336,216)	-	-	(336,216)
Net Cash Provided (Used) by Capital and Related Financing Activities	(2,387,084)	-	-	(2,387,084)
<u>Cash Flows from Investing Activities</u>				
Interest on investments	25,288	4,189	2,993	32,470
Net Cash Provided by Investing Activities	25,288	4,189	2,993	32,470
Increase (Decrease) in Cash and Cash Equivalents	154,631	219,818	(985,414)	(610,965)
Beginning cash and cash equivalents	4,555,876	484,371	1,607,902	6,648,149
Ending Cash and Cash Equivalents	\$ 4,710,507	\$ 704,189	\$ 622,488	\$ 6,037,184

See Notes to Financial Statements.

City of Granite Shoals, Texas

STATEMENT OF CASH FLOWS

PROPRIETARY FUNDS (Page 2 of 2)

For the Year Ended September 30, 2024

	Water	Solid Waste	Nonmajor Proprietary Funds	Total
<u>Reconciliation of Operating</u>				
<u>Income (Loss) to Net Cash Provided by</u>				
<u>Operating Activities</u>				
Operating Income (Loss)	\$ 405,999	\$ 11,004	\$ 29,288	\$ 446,291
Adjustments to reconcile operating income (loss) to net cash provided:				
Depreciation	815,274	-	-	815,274
Changes in Operating Assets and Liabilities:				
(Increase) Decrease in:				
Accounts receivable	(129,063)	(19,875)	-	(148,938)
Due from other funds	540,473	216,067	(1,020,844)	(264,304)
Deferred Outflows of Resources:				
Pension - TMRS	22,518	-	-	22,518
OPEB - TMRS	(31)	-	-	(31)
Increase (Decrease) in:				
Accounts payable and accrued liabilities	(321,104)	15,451	42,749	(262,904)
Customer deposits	1,792	-	-	1,792
OPEB liability	(168)	-	-	(168)
Deferred Inflows of Resources:				
Pension - TMRS	(3,134)	-	-	(3,134)
OPEB - TMRS	(2,003)	-	-	(2,003)
Net pension liability (asset)	(29,582)	-	-	(29,582)
Net Cash Provided by Operating Activities	\$ 1,300,971	\$ 222,647	\$ (948,807)	\$ 574,811

See Notes to Financial Statements.

City of Granite Shoals, Texas

NOTES TO FINANCIAL STATEMENTS

September 30, 2024

I. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

A. Description of Government-Wide Financial Statements

The government-wide financial statements (i.e., the statement of net position and the statement of activities) report information on all of the nonfiduciary activities of the primary government and its component units. *Governmental activities*, which normally are supported by taxes, intergovernmental revenues, and other nonexchange transactions, are reported separately from *business-type activities*, which rely to a significant extent on fees and charges to external customers for support. Likewise, the *primary government* is reported separately from certain legally separate *component units* for which the primary government is financially accountable.

B. Reporting Entity

The City of Granite Shoals, Texas, was incorporated on May 9, 1966. The City operates under a "Council-Manager" government. Pursuant to its provisions and subject only to its limitations imposed by the State Constitution and by the City's charter, all powers of the City shall be vested in an elective Council composed of six Council Members and a Mayor, collectively known as the City Council. The City Council enacts local legislation, adopts budgets, determines policies, and appoints the City Manager, who in turn is responsible to the City Council for the execution of laws and the administration of the government of the City. The Mayor is the presiding officer of the City Council. The City provides the following services: public safety, highways, streets, sanitation and water, recreation, public improvements, planning and zoning, general administrative, and other services as authorized by its code of ordinances and its citizens.

The City is an independent political subdivision of the State of Texas governed by an elected council and is considered a primary government for financial reporting purposes as its activities are not considered a part of any other governmental or other type of reporting entity. As required by generally accepted accounting principles, these basic financial statements have been prepared based on considerations regarding the potential for inclusion of other entities, organizations, or functions as part of the City's financial reporting entity. Additionally, as the City is considered a primary government for financial reporting purposes, its activities are not considered a part of any other governmental or other type of reporting entity.

Considerations regarding the potential for inclusion of other entities, organizations or functions in the City's financial reporting entity are based on criteria prescribed by generally accepted accounting principles. These same criteria are evaluated in considering whether the City is a part of any other governmental or other type of reporting entity. The overriding elements associated with prescribed criteria considered in determining that the City's financial reporting entity status is that of a primary government are that it has a separately elected governing body; it is legally separate; and is fiscally independent of other state and local governments. Additionally prescribed criteria under generally accepted accounting principles include considerations pertaining to organizations for which the primary government is financially accountable, and considerations

City of Granite Shoals, Texas
NOTES TO FINANCIAL STATEMENTS, Continued
September 30, 2024

pertaining to organizations for which the nature and significance of their relationship with the primary government are such that exclusion would cause the reporting entity's financial statements to be misleading or incomplete.

C. Basis of Presentation – Government-Wide and Fund Financial Statements

While separate government-wide and fund financial statements are presented, they are interrelated. The governmental activities column incorporates data from governmental funds while business-type activities incorporate data from the government's enterprise funds. Separate financial statements are provided for governmental funds and the proprietary funds.

As a general rule, the effect of interfund activity has been eliminated from the government-wide financial statements. Exceptions to this general rule are payments in lieu of taxes where the amounts are reasonably equivalent in value to the interfund services provided and other charges between the government's water function and various other functions of the government. Elimination of these charges would distort the direct costs and program revenues reported for the various functions concerned.

The fund financial statements provide information about the government's funds, including its blended component units. Separate statements for each fund category—governmental and proprietary are presented. The emphasis of fund financial statements is on major governmental and enterprise funds, each displayed in a separate column. All remaining governmental and enterprise funds are aggregated and reported as nonmajor funds. Major individual governmental and enterprise funds are reported as separate columns in the fund financial statements.

The government reports the following major governmental funds:

General Fund

The general fund is the main operating fund of the City and is used to account for all financial transactions not properly includable in other funds. The principal sources of revenues include local property taxes, sales and franchise taxes, licenses and permits, fines and forfeitures, and charges for services. Expenditures include general government, public safety, streets and parks, and tourism.

Debt Service Fund

The debt service fund is used to account for the payment of interest and principal on all general obligation debt and other long-term debt of governmental funds. The primary source of revenue for debt service is local property taxes.

City of Granite Shoals, Texas
NOTES TO FINANCIAL STATEMENTS, Continued
September 30, 2024

Street Maintenance Sales Tax Fund

A street maintenance tax fund accounts for sales tax revenue specifically allocated for the repair and maintenance of existing city streets and sidewalks.

Proprietary Fund Types

Proprietary funds are used to account for activities that are similar to those often found in the private sector. All assets, liabilities, equities, revenues, expenses, and transfers relating to the government's business activities are accounted for through proprietary funds. The measurement focus is on determination of net income, financial position, and cash flows. Proprietary funds distinguish operating revenues and expenses from non-operating items. Operating revenues include charges for services. Operating expenses include costs of materials, contracts, personnel, and depreciation. All revenues and expenses not meeting this definition are reported as non-operating revenues and expenses. Proprietary fund types follow GAAP prescribed by the Governmental Accounting Standards Board (GASB) and all financial Accounting Standards Board's standards issued prior to November 30, 1989. Subsequent to this date, the City accounts for its enterprise funds as presented by GASB. The government reports the following major enterprise fund:

Water Fund

The water fund is used to account for the City's water utility operations. Activities of the fund include administration, operations and maintenance of the water system, and billing and collection activities. The fund also accounts for the accumulation of resources for, and the payment of, long-term debt principal and interest. All costs are financed through charges to utility customers with rates reviewed regularly and adjusted if necessary to ensure integrity of the fund.

Solid Waste Fund

The solid waste fund is used to account for the City's sanitation service operations. Activities of the fund include administration, professional collection and disposal of garbage, and billing and collection activities. All costs are financed through charges to solid waste customers with rates reviewed regularly and adjusted if necessary to ensure fund integrity.

Additionally, the government reports the following fund types:

Special Revenue Funds

The City accounts for resources restricted to, or designated for, specific purposes in special revenue funds. These funds consist of equipment replacement, hotel tax, restricted park, police

City of Granite Shoals, Texas

NOTES TO FINANCIAL STATEMENTS, Continued

September 30, 2024

seizure, law enforcement education, city cleanup, court technology, court security, and court child safety funds..

Capital Projects Fund

The City's capital projects fund accounts for the acquisition and construction of the government's major capital facilities, other than those financed by proprietary funds.

During the course of operations, the government has activity between funds for various purposes. Any residual balances outstanding at year end are reported as due from/to other funds and advances to/from other funds. While these balances are reported in fund financial statements, certain eliminations are made in the preparation of the government-wide financial statements. Balances between the funds included in governmental activities (i.e., the governmental and internal service funds) are eliminated so that only the net amount is included as internal balances in the governmental activities column. Similarly, balances between the funds included in business-type activities (i.e., the enterprise funds) are eliminated so that only the net amount is included as internal balances in the business-type activities column.

Further, certain activity occurs during the year involving transfers of resources between funds. In fund financial statements these amounts are reported at gross amounts as transfers in/out. While reported in fund financial statements, certain eliminations are made in the preparation of the government-wide financial statements. Transfers between the funds included in governmental activities are eliminated so that only the net amount is included as transfers in the governmental activities column. Similarly, balances between the funds included in business-type activities are eliminated so that only the net amount is included as transfers in the business-type activities column.

D. Measurement Focus and Basis of Accounting

The accounting and financial reporting treatment applied to a fund is determined by its measurement focus. Measurement focus refers to what is being measured and basis of accounting refers to when transactions are recorded in the financial records and reported on the financial statements and relates to the timing of the measurement made, regardless of the measurement focus applied.

The government-wide statements and fund financial statements for proprietary funds are reported using the economic resources measurement focus and the accrual basis of accounting.

The economic resources measurement focus means all assets and liabilities (whether current or non-current) are included on the statement of net position and the operating statements present increases (revenues) and decreases (expenses) in total net position. Under the accrual basis of accounting, revenues are recognized in the accounting period in which they are earned and become measurable, and expenses in the accounting period in which they are incurred and

City of Granite Shoals, Texas
NOTES TO FINANCIAL STATEMENTS, Continued
September 30, 2024

become measurable. Proprietary fund equity consists of net position. Proprietary fund-type operating statements present increases (i.e., revenues) and decreases (i.e., expenses) in net total position.

All governmental funds and component units are reported using the current financial resources measurement focus and are accounted for using the modified accrual basis of accounting. Under the modified accrual basis of accounting, revenues are recognized in the accounting period when they are susceptible to accrual (i.e., when they are measurable and available). Measurable means the amount of the transaction can be determined and available means collectible within the current period or soon enough thereafter to pay liabilities of the current period. For this purpose, the City considers revenues available if they are collected within 60 days of the end of the current period. Property taxes, sales taxes, franchise taxes, and interest associated with the current period are all considered to be susceptible to accrual and so have been recognized as revenues of the current period. Other receipts and other taxes become measurable and available when cash is received by the government and are recognized as revenue at that time.

Generally, the effect of interfund activity has been eliminated from the government-wide financial statements.

E. Estimates

The preparation of financial statements, in conformity with generally accepted accounting principles, requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenditures/expenses during the reporting period. Actual results could differ from those estimates.

F. Assets, Liabilities, Deferred Inflows/Outflows, and Net Position/Fund Balance

1. Deposits and Investments

The City's cash and cash equivalents are considered to be cash on hand, demand deposits and short-term investments with original maturities of three months or less from the date of acquisition. For the purpose of the statement of cash flows, the proprietary fund types consider temporary investments with maturity of three months or less when purchased to be cash equivalents.

In accordance with GASB Statement No. 31, *Accounting and Reporting for Certain Investments and External Investment Pools*, the City reports all investments at fair value, except for "money market investments" and "2a7-like pools." Money market investments, which are short-term highly liquid debt instruments that may include U.S. Treasury and agency obligations, are reported at amortized costs. Investment positions in external investment pools that are

City of Granite Shoals, Texas

NOTES TO FINANCIAL STATEMENTS, Continued

September 30, 2024

operated in a manner consistent with the SEC's Rule 2a7 of the Investment Company Act of 1940, such as TexSTAR, are reported using the pools' share price.

The City has adopted a written investment policy regarding the investment of its funds as defined in the Public Funds Investment Act, Chapter 2256, of the Texas Governmental Code. In summary, the City is authorized to invest in the following:

- Direct obligations of the U.S. Government
- Fully collateralized certificates of deposit and money market accounts
- No-load money market funds registered with and regulated by the Securities and Exchange Commission
- Statewide investment pools
- Federal Deposit Insurance Corporation (FDIC) insured or collateralized interest bearing money market accounts from any FDIC insured bank in Texas

2. Fair Value Measurement

The City has applied Governmental Accounting Standards Board ("GASB") Statement No. 72, Fair Value Measurement and Application. GASB Statement No. 72 provides guidance for determining a fair value measurement for reporting purposes and applying fair value to certain investments and disclosures related to all fair value measurements.

3. Receivables and Interfund Transactions

Transactions between funds that are representative of lending/borrowing arrangements outstanding at the end of the year are referred to as either "interfund receivables/payables" (i.e., the current portion of interfund loans) or "advances to/from other funds" (i.e., the non-current portion of interfund loans). All other outstanding balances between funds are reported as "due to/from other funds" in the fund financial statements. If the transactions are between the primary government and its component unit, these receivables and payables are classified as "due to/from component unit/primary government." Any residual balances outstanding between the governmental activities and business-type activities are reported in the government-wide financial statements as "internal balances."

Advances between funds are offset by a fund balance reserve account in the applicable governmental fund to indicate they are not available for appropriation and are not expendable available financial resources.

All trade receivables are shown net of any allowance for uncollectible amounts.

City of Granite Shoals, Texas
NOTES TO FINANCIAL STATEMENTS, Continued
September 30, 2024

4. Property Taxes

Property taxes are levied by October 1 on the assessed value listed as of the prior January 1 for all real and business personal property in conformity with Subtitle E, Texas Property Tax Code. Taxes are due on receipt of the tax bill and are delinquent if not paid before February 1 of the year following the year in which imposed. Penalties are calculated after February 1 up to the date collected by the government at the rate of 6% for the first month and increased 1% per month up to a total of 12%. Interest is calculated after February 1 at the rate of 1% per month up to the date collected by the government. Under state law, property taxes levied on real property constitute a lien on the real property which cannot be forgiven without specific approval of the State Legislature. The lien expires at the end of twenty years. Taxes levied on personal property can be deemed uncollectible by the City.

5. Inventories and Prepaid Items

The costs of governmental fund type inventories are recorded as expenditures when the related liability is incurred, (i.e., the purchase method). The inventories are valued at the lower of cost or market using the first-in/first-out method. Certain payments to vendors reflect costs applicable to future accounting periods (prepaid expenditures) are recognized as expenditures when utilized.

6. Capital Assets

Capital assets, which include property, plant, equipment, and infrastructure assets (e.g., roads, bridges, sidewalks, and similar items) are reported in the applicable governmental or business-type activities columns in the government-wide financial statements. Capital assets are defined by the government, as assets with an initial individual cost of more than \$5,000 and an estimated useful life in excess of one year. Such assets are recorded at historical cost or estimated historical cost if purchased or constructed. Donated capital assets are recorded at estimated fair market value at the date of donation. Major outlays for capital assets and improvements are capitalized as projects are constructed.

Interest costs incurred in connection with construction of enterprise fund capital assets are capitalized when the effects of capitalization materially impact the financial statements.

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

City of Granite Shoals, Texas

NOTES TO FINANCIAL STATEMENTS, *Continued*

September 30, 2024

Property, plant, and equipment of the primary government, as well as the component units, are depreciated using the straight-line method over the following estimated useful years.

<u>Asset Description</u>	<u>Estimated Useful Life</u>
Vehicles	5 years
Machinery and equipment	5 to 7 years
Water system	20 to 40 years
Buildings and improvements	30 years
Infrastructure	20 to 40 years

7. Deferred Outflows/Inflows of Resources

In addition to assets, the statement of net 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 that applies to a future period(s) and so will not be recognized as an outflow of resources (expense/ expenditure) until then.

An example is a deferred charge on refunding reported in the government-wide statement of net position. A deferred charge on refunding results from the difference in the carrying value of refunded debt and its reacquisition price. This amount is deferred and amortized over the shorter of the life of the refunded or refunding debt.

In addition to liabilities, the statement of financial position 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 that applies to a future period(s) and so will not be recognized as an inflow of resources (revenue) until that time. The government has only one type of item, which arises only under a modified accrual basis of accounting that qualifies for reporting in this category. Accordingly, the item, *unavailable revenue*, is reported only in the governmental funds balance sheet. The governmental funds report unavailable revenues from property taxes and fines and forfeitures. These amounts are deferred and recognized as an inflow of resources in the period that the amounts become available. Deferred inflows of resources can also occur at the government wide level due to differences between investment gains and losses realized on pension investments compared to assumption used within the pension actuarial valuation model.

8. Net Position Flow Assumption

Sometimes the government will fund outlays for a particular purpose from both restricted (e.g., restricted bond or grant proceeds) and unrestricted resources. In order to calculate the amounts to report as restricted – net position and unrestricted – net position in the government-wide statements, a flow assumption must be made about the order in which the resources are considered to be applied.

City of Granite Shoals, Texas
NOTES TO FINANCIAL STATEMENTS, Continued
September 30, 2024

It is the government's policy to consider restricted – net position to have been depleted before unrestricted – net position is applied.

9. Fund Balance Flow Assumptions

Sometimes the government will fund outlays for a particular purpose from both restricted and unrestricted resources (the total of committed, assigned, and unassigned fund balance). In order to calculate the amounts to report as restricted, committed, assigned, and unassigned fund balance in the governmental fund financial statements a flow assumption must be made about the order in which the resources are considered to be applied. It is the government's policy to consider restricted fund balance to have been depleted before using any of the components of unrestricted fund balance. Further, when the components of unrestricted fund balance can be used for the same purpose, committed fund balance is depleted first, followed by assigned fund balance. Unassigned fund balance is applied last.

10. Fund Balance Policies

Fund balance of governmental funds is reported in various categories based on the nature of any limitations requiring the use of resources for specific purposes. The government itself can establish limitations on the use of resources through either a commitment (committed fund balance) or an assignment (assigned fund balance).

The committed fund balance classification includes amounts that can be used only for the specific purposes determined by a formal action of the government's highest level of decision-making authority. The governing council is the highest level of decision-making authority for the government that can, by adoption of an ordinance prior to the end of the fiscal year, commit fund balance. Once adopted, the limitation imposed by the ordinance remains in place until a similar action is taken (the adoption of another ordinance) to remove or revise the limitation.

Amounts in the assigned fund balance classification are intended to be used by the government for specific purposes but do not meet the criteria to be classified as committed. The governing body (council) has by resolution authorized the finance director to assign fund balance. The council may also assign fund balance as it does when appropriating fund balance to cover a gap between estimated revenue and appropriations in the subsequent year's appropriated budget. Unlike commitments, assignments generally only exist temporarily. In other words, an additional action does not normally have to be taken for the removal of an assignment. Conversely, as discussed above, an additional action is essential to either remove or revise a commitment.

City of Granite Shoals, Texas
NOTES TO FINANCIAL STATEMENTS, Continued
September 30, 2024

11. Compensated Absences

The City maintains formal programs for vacation and sick leave. Eligible employees are granted vacation pay benefits in varying amounts to specified maximums depending on tenure with the City. The City's personnel policy permits its eligible employees to accumulate earned but unused vacation pay benefits.

Upon separation from the City, employees will be paid for their accrued and unused vacation pay benefits earned in the year.

Sick leave accrues to eligible employees to specified maximums, including the maximum number of hours that can be carried over from the previous year. Unused sick leave will be canceled upon termination of employment, and the employee will not be compensated for it.

The estimated amount of accrued vacation benefits that is expected to be liquidated with expendable available financial resources is reported as an expenditure and a fund liability of the governmental fund that will pay it upon maturity. Amounts of accrued vacation pay benefits that are not expected to be liquidated with expendable available financial resources are maintained separately and represent a reconciling item between the fund and government-wide presentations.

12. Long-Term Obligations

In the government-wide financial statements, long-term debt and other long-term obligations are reported as liabilities in the applicable governmental activities statement of net position. The long-term debt consists primarily of bonds payable, leases, and accrued compensated absences.

Long-term debt for governmental funds is not reported as liabilities in the fund financial statements until due. The debt proceeds are reported as other financing sources, net of the applicable premium or discount and payments of principal and interest reported as expenditures. In the governmental fund types, issuance costs, even if withheld from the actual net proceeds received, are reported as debt service expenditures. However, claims and judgments paid from governmental funds are reported as a liability in the fund financial statements only for the portion expected to be financed from expendable available financial resources.

Long-term debt and other obligations, financed by proprietary funds, are reported as liabilities in the appropriate funds. For proprietary fund types, bond premiums, discounts and issuance costs are deferred and amortized over the life of the bonds using the effective interest method, if material. Bonds payable are reported net of the applicable bond premium or discount.

City of Granite Shoals, Texas
NOTES TO FINANCIAL STATEMENTS, Continued
September 30, 2024

Assets acquired under the terms of leases are recorded as liabilities and capitalized in the government-wide financial statements at the present value of net minimum lease payments at inception of the lease. In the year of acquisition, lease transactions are recorded as other financing sources and as capital outlay expenditures in the general fund. Lease payments representing both principal and interest are recorded as expenditures in the general fund upon payment with an appropriate reduction of principal recorded in the government-wide financial statements.

13. Pensions

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

14. Other Postemployment Benefits ("OPEB")

The City has implemented GASB Statement No. 75, Accounting and Financial Reporting for Postemployment Benefits Other Than Pensions. This statement applies to the individual employers (TMRS cities) in the TMRS Supplemental Death Benefits (SDB) plan, with retiree coverage. The TMRS SDBF covers both active and retiree benefits with no segregation of assets, and therefore doesn't meet the definition of a trust under GASB No. 75 (i.e., no assets are accumulated for OPEB) as such the SDBF is considered to be an unfunded OPEB plan. For purposes of reporting under GASB 75, the retiree portion of the SDBF is not considered a cost sharing plan and is instead considered a single employer, defined benefit OPEB plan. 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 on which TMRS deposits are made, for the 12-month period preceding the month of death. The death benefit amount for retirees is \$7,500. GASB No. 75 requires the liability of employers and nonemployer contributing entities to employees for defined benefit OPEB (net OPEB liability) to be measured as the portion of the present value of projected benefit payments to be provided to current active and inactive employees that is attributed to those employees' past periods of service (total OPEB liability), less the amount of the OPEB plan's fiduciary net position.

City of Granite Shoals, Texas
NOTES TO FINANCIAL STATEMENTS, Continued
September 30, 2024

15. Leases

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

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

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

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

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

16. Subscription Based Information Technology Arrangements ("SBITA")

The City has adopted the provision of Governmental Accounting Standard Board (GASB) Statement No. 96, entitled Subscription-Based Information Technology Arrangements ("SBITA"). The City has noncancellable contracts with SBITA vendors for the right to use information technology (IT) software, alone or in combination with tangible capital assets (the underlying IT assets). The City recognizes a subscription liability, reported with long-term debt, and a right-to-use subscription asset (an intangible asset), reported with other capital assets, in the government-wide financial statements. The City recognizes subscription liabilities with an initial, individual value of \$5,000 or more.

G. Revenues and Expenditures/Expenses

1. Program Revenues

Amounts reported as *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 (including special assessments) that are

City of Granite Shoals, Texas
NOTES TO FINANCIAL STATEMENTS, Continued
September 30, 2024

restricted to meeting the operational or capital requirements of a particular function or segment. All taxes, including those dedicated for specific purposes, and other internally dedicated resources are reported as general revenues rather than as program revenues.

2. Proprietary Funds Operating and Nonoperating Revenues and Expenses

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 water fund are charges to customers for sales and services. The water fund also recognizes as operating revenue the portion of tap fees intended to recover the cost of connecting new customers to the system. All revenues and expenses not meeting this definition are reported as nonoperating revenues and expenses.

II. RECONCILIATION OF GOVERNMENT-WIDE AND FUND FINANCIAL STATEMENTS

A. Explanation of certain differences between the governmental fund balance sheet and the government-wide statement of net position.

The governmental fund balance sheet includes reconciliation between *fund balance-total governmental funds* and *net position-governmental activities* as reported in the government-wide statement of net position. One element of that reconciliation explains that long-term liabilities, including bonds, are not due and payable in the current period and, therefore, are not reported in the funds. Reconciling items have been presented on the balance sheet of governmental funds in the basic financial statements.

B. Explanation of certain differences between the governmental fund statement of revenues, expenditures, and changes in fund balances and the government-wide statement of activities.

The governmental fund statement of revenues, expenditures, and changes in fund balances includes a reconciliation between net changes in fund balances – total governmental funds and changes in net position of governmental states that, “the issuance of long-term debt (e.g., bonds) provides current financial resources to governmental funds, while the repayment of the principal of long-term debt consumes the current financial resources of governmental funds. Also, governmental funds report the effect of premiums, discounts, and similar items when debt is first issued, whereas these amounts are deferred and amortized in the statement of activities.” A reconciliation has been presented in the basic financial statements.

III. STEWARDSHIP, COMPLIANCE, AND ACCOUNTABILITY

Annual budgets are adopted on a basis consistent with generally accepted accounting principles (GAAP) for the general, debt service, water, and special revenue funds. The City has only presented the general fund budget for reporting purposes. The original budget is adopted by the

City of Granite Shoals, Texas

NOTES TO FINANCIAL STATEMENTS, *Continued*

September 30, 2024

City Council prior to the beginning of the year. The legal level of control as defined by the City Charter is the fund level. No funds can be transferred or added to a budgeted fund without Council approval. Appropriations lapse at the end of the year. There were several supplemental budget appropriations made during the year.

IV. DETAILED NOTES ON ALL FUNDS

A. Deposits and Investments

As of September 30, 2024, the primary government had the following investments:

Investment Type	Carrying Value	Weighted Average Maturity (Years)
External investment pools	\$ 9,823,072	0.10
Certificates of deposit	110,926	0.18
Total fair value	\$ 9,933,998	
Portfolio weighted average maturity		0.10

Interest rate risk In accordance with its investment policy, the City manages its exposure to declines in fair values by limiting the weighted average of maturity not to exceed six months; structuring the investment portfolio so that securities mature to meet cash requirements for ongoing operations; monitoring credit ratings of portfolio position to assure compliance with rating requirements imposed by the Public Funds Investment Act; and invest operating funds primarily in short-term securities or similar government investment pools.

Credit risk The City's investment policy limits investments to obligations of the United States, State of Texas, or their agencies and instrumentalities with an investment quality rating of not less than "A" or its equivalent, by a nationally recognized investment rating firm. Other obligations must be unconditionally guaranteed (either express or implied) by the full faith and credit of the United States Government or the issuing U.S. agency and investment pools with an investment quality not less than AAA or AAAm, or equivalent, by at least one nationally recognized rating service.

Custodial credit risk – deposits In the case of deposits, this is the risk that in the event of a bank failure, the City's deposits may not be returned to it. State statutes require that all deposits in financial institutions be insured or fully collateralized by U.S. government obligations or its agencies and instrumentalities or direct obligations of Texas or its agencies and instrumentalities that have a market value of not less than the principal amount of the deposits. The City's investment policy requires funds on bank deposits at the depository bank to be collateralized by securities with a collective market value (market value of the principal and accrued interest) of at least 102%. As of September 30, 2024, the market values of pledged securities and FDIC exceeded bank balances.

City of Granite Shoals, Texas

NOTES TO FINANCIAL STATEMENTS, *Continued*

September 30, 2024

Custodial credit risk – investments For an investment, this is the risk that, in the event of the failure of the counterparty, the City will not be able to recover the value of its investments or collateral securities that are in the possession of an outside party. The City's investment policy requires that it will seek safekeeping securities at financial institutions, avoiding physical possession. Further, all trades, where applicable, are executed by delivery versus payment to ensure that securities are deposited in the City's safekeeping account prior to the release of funds.

TexPool

TexPool was established as a trust company with the Treasurer of the State of Texas as trustee, segregated from all other trustees, investments, and activities of the trust company. The State Comptroller of Public Accounts exercises oversight responsibility 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. Finally, Standard & Poor's rate TexPool AAAM. As a requirement to maintain the rating, weekly portfolio information must be submitted to Standard & Poor's, as well as to the office of the Comptroller of Public Accounts for review. At September 30, 2024, the fair value of the position in TexPool approximates fair value of the shares. There are no limitations or restrictions on withdrawals.

B. Receivables

The following comprise receivable balances of the primary government at year end:

			Street Maintenance Sales Tax	Other Nonmajor Funds	Total Governmental Funds
	General	Debt Service			
Property taxes	\$ 124,015	\$ 87,474	\$ -	\$ -	\$ 211,489
Sales and other taxes	61,966	-	55,444	30,419	147,829
Accounts	-	-	-	1,990	1,990
Lease	47,986	-	-	-	47,986
	<u>\$ 233,967</u>	<u>\$ 87,474</u>	<u>\$ 55,444</u>	<u>\$ 32,409</u>	<u>\$ 409,294</u>
			Total Proprietary Funds		
	Water	Solid Waste			
Accounts	\$ 478,802	\$ 164,474	\$ 643,276		
Allowance	(2,997)	(1,319)	(4,316)		
	<u>\$ 475,805</u>	<u>\$ 163,155</u>	<u>\$ 638,960</u>		

City of Granite Shoals, Texas
NOTES TO FINANCIAL STATEMENTS, Continued
September 30, 2024

The annual requirements to recognize lease receivables at year ending were as follows:

Governmental Activities		
Year ending September 30,	Lease Receivable	
	Principal	Interest
2025	\$ 24,406	\$ 2,399
2026	23,580	1,179
Total	\$ 47,986	\$ 3,578

C. Capital Assets

A summary of changes in governmental activities capital assets for the year end was as follows:

	Beginning Balances	Increases	Decreases/ Reclassifications	Ending Balances
Capital assets, not being depreciated:				
Land	\$ 1,725,805	\$ -	\$ -	\$ 1,725,805
Construction in progress	-	811,238	-	811,238
Mineral rights	394,750	-	-	394,750
Total capital assets not being	2,120,555	811,238	-	2,931,793
Capital assets, being depreciated:				
Buildings and improvements	4,480,029	-	-	4,480,029
Improvements & infrastructure	4,211,829	23,350	-	4,235,179
Machinery & equipment	3,840,255	584,297	-	4,424,552
Right of Use - SBITA	-	20,396	-	20,396
Total capital assets being depreciated	12,532,113	628,043	-	13,160,156
Less accumulated depreciation				
Buildings and improvements	1,628,759	105,937		1,734,696
Improvements & infrastructure	1,140,960	212,571		1,353,531
Machinery & equipment	2,475,488	431,758		2,907,246
Total accumulated depreciation	5,245,207	750,266	-	5,995,473
Net capital assets being depreciated	7,286,906	(122,223)	-	7,164,683
Total Net Capital Assets	\$ 9,407,461	\$ 689,015	\$ -	\$ 10,096,476

Depreciation was charged to governmental functions as follows:

General government	\$ 105,145
Public safety	251,279
Streets and parks	385,563
Animal control	8,279
Total Governmental Activities Depreciation Expense	\$ 750,266

City of Granite Shoals, Texas
NOTES TO FINANCIAL STATEMENTS, Continued
September 30, 2024

A summary of changes in business-type activities capital assets for the year end was as follows:

	Beginning Balances	Increases	Decreases/ Reclassifications	Ending Balances
Capital assets, not being depreciated:				
Land	\$ 19,802	\$ -	\$ -	\$ 19,802
Construction in progress	2,966,761	1,219,206	(3,626,847)	559,120
Total capital assets not being depreciated	<u>2,986,563</u>	<u>1,219,206</u>	<u>(3,626,847)</u>	<u>578,922</u>
Capital assets, being depreciated:				
Buildings	19,589	-	-	19,589
Improvements and infrastructure	16,061,426	86,058	3,626,847	19,774,331
Machinery and equipment	1,920,775	123,618	-	2,044,393
Total capital assets being depreciated	<u>18,001,790</u>	<u>209,676</u>	<u>3,626,847</u>	<u>21,838,313</u>
Less accumulated depreciation				
Buildings	19,140	109	-	19,249
Improvements and infrastructure	5,437,778	605,304	-	6,043,082
Machinery and equipment	677,989	209,861	-	887,850
Total accumulated depreciation	<u>6,134,907</u>	<u>815,274</u>	<u>-</u>	<u>6,950,181</u>
Net capital assets being depreciated	<u>11,866,883</u>	<u>(605,598)</u>	<u>3,626,847</u>	<u>14,888,132</u>
Total capital assets	<u><u>\$ 14,853,446</u></u>	<u><u>\$ 613,608</u></u>	<u><u>\$ -</u></u>	<u><u>\$ 15,467,054</u></u>

Depreciation was charged to business-type functions as follows:

Water fund	<u>\$ 815,274</u>
Total Business-type Activities Depreciation Expense	<u><u>\$ 815,274</u></u>

City of Granite Shoals, Texas
NOTES TO FINANCIAL STATEMENTS, Continued
September 30, 2024

D. Long-term Debt

The following is a summary of changes in the City's total long-term liabilities for the year ended. In general, the City uses the debt service fund to liquidate certain governmental long-term liabilities.

	Beginning			Ending			Due within
	Balance	Additions	Reductions	Balance		One Year	
Governmental Activities:							
Bonds, notes and other payables:							
Certification of Obligation	\$ 1,495,000	\$ -	\$ (350,000)	\$ 1,145,000	\$ 365,000		
General Obligation Refunding Bonds	1,914,434	-	(127,547)	1,786,887	128,774		
Premium	90,657	-	(5,333)	85,324	-		
Total Bonds Payable	3,500,091	-	(482,880)	3,017,211	493,774		
Other liabilities:							
Subscription liability	-	20,396	-	20,396	7,100		
Notes payable	725,000	-	(255,000)	470,000	260,000		
Total Governmental Activities	\$ 4,225,091	\$ 20,396	\$ (737,880)	\$ 3,507,607	\$ 760,874		
Long-term liabilities due in more than one year				\$ 2,746,733			
Business-Type Activities:							
General Obligation Refunding Bonds	\$ 9,483,566	\$ -	\$ (669,453)	\$ 8,814,113	\$ 682,226		
Certification of Obligation	1,605,000	-	(50,000)	1,555,000	50,000		
Premium	400,218	-	(25,071)	375,147	-		
Total Bonds Payable	11,488,784	-	(744,524)	10,744,260	732,226		
Other liabilities:							
Notes payable	142,767	-	(70,683)	72,084	72,084		
Total Business-Type Activities	\$ 11,631,551	\$ -	\$ (815,207)	\$ 10,816,344	\$ 804,310		
Long-term liabilities due in more than one year				\$ 10,012,034			

Long-term liabilities applicable to the City's governmental activities are not due and payable in the current period and accordingly, are not reported as fund liabilities in the governmental funds. Interest on long-term debt is not accrued in governmental funds, but rather is recognized as an expenditure when due.

City of Granite Shoals, Texas
NOTES TO FINANCIAL STATEMENTS, Continued
September 30, 2024

Long-term debt at year end was comprised of the following debt issues:

	Governmental Activities	Business - Type Activities	Total
General Obligation Refunding Bonds:			
\$5,725,000 General Obligation Refunding Bonds, Series 2014, due in installments through 2034, interest at 3.25%	\$ -	\$ 3,316,000	\$ 3,316,000
\$3,000,000 General Obligation Refunding Bonds, Series 2018, due in annual installments through 2027, interest at 2.80%	1,786,887	5,498,113	7,285,000
Total General Obligation Refunding Bonds	\$ 1,786,887	\$ 8,814,113	\$ 10,601,000
Certificates of Obligation:			
\$5,000,000 Certificates of Obligation, Series 2008, due in annual installments through 2027, interest at 4.49%	\$ 1,145,000	\$ -	\$ 1,145,000
\$1,650,000 Certificates of Obligation, Series 2022, due in annual installments through 2037, interest from 3% to 5%	-	1,555,000	1,555,000
Total Certificates of Obligation	\$ 1,145,000	\$ 1,555,000	\$ 2,700,000
Notes Payable			
\$629,690 Note Payable, Spirit of Texas Bank, due in installments through 2025, interest at 2.81%	\$ -	\$ 72,084	\$ 72,084
\$1,030,000 Note Payable, BB&T Governmental Finance, due in installments through 2026, interest at 1.03%	420,000	-	420,000
\$280,000 Note Payable, BB&T Governmental Finance, due in installments through 2025, interest at 2.15%	50,000	-	50,000
Total Notes Payable	\$ 470,000	\$ 72,084	\$ 542,084
Subscription Liability			
\$20,396 SBITA Liability, iWorQ, due in installments through 2027, interest at 4.50%	\$ 20,396	\$ -	\$ 20,396
Total SBITA Liability	\$ 20,396	\$ -	\$ 20,396
Less Deferred Amounts:			
Premiums	\$ 85,324	\$ 375,147	\$ 460,471
Total Debt	\$ 3,507,607	\$ 10,816,344	\$ 14,323,951

City of Granite Shoals, Texas
NOTES TO FINANCIAL STATEMENTS, Continued
September 30, 2024

The annual requirements to amortize debt issues outstanding at year ending were as follows:

Governmental Activities				
Year ending September 30,	General Obligation Bonds		Certificates of Obligation	
	Principal	Interest	Principal	Interest
2025	\$ 128,774	\$ 44,241	\$ 365,000	\$ 51,411
2026	133,679	41,666	380,000	35,022
2027	134,906	38,992	400,000	17,960
2028	90,755	33,596	-	-
2029	93,208	29,966	-	-
2030	96,887	26,237	-	-
2031	100,566	23,331	-	-
2032	103,019	20,314	-	-
2033	105,472	18,253	-	-
2034	107,925	16,144	-	-
2035	109,151	13,986	-	-
2036	111,604	11,803	-	-
2037	114,057	9,570	-	-
2038	116,509	7,289	-	-
2039	118,962	4,959	-	-
2040	121,413	2,580	-	-
Total	\$ 1,786,887	\$ 342,927	\$ 1,145,000	\$ 104,393

Governmental Activities		
Year ending September 30,	Notes Payable	
	Principal	Interest
2025	\$ 260,000	\$ 5,401
2026	210,000	2,163
Total	\$ 470,000	\$ 7,564

Governmental Activities		
Year ending September 30,	SBITA Liability	
	Principal	Interest
2025	\$ 7,100	\$ -
2026	6,502	598
2027	6,794	306
Total	\$ 20,396	\$ 904

City of Granite Shoals, Texas
NOTES TO FINANCIAL STATEMENTS, Continued
September 30, 2024

Business-Type Activities				
Year ending September 30,	General Obligation Bonds		Certificates of Obligation	
	Principal	Interest	Principal	Interest
2025	\$ 682,226	\$ 243,897	\$ 50,000	\$ 69,550
2026	706,321	226,677	50,000	67,550
2027	720,094	208,864	110,000	66,050
2028	594,245	182,347	110,000	62,750
2029	611,792	160,940	115,000	59,450
2030	634,113	138,906	115,000	56,000
2031	655,434	119,042	125,000	50,250
2032	674,981	98,514	130,000	44,000
2033	693,528	80,540	135,000	37,500
2034	713,075	62,057	145,000	30,750
2035	335,849	43,032	150,000	23,500
2036	343,396	36,315	155,000	16,000
2037	350,943	29,448	165,000	8,250
2038	358,491	22,429	-	-
2039	366,038	15,259	-	-
2040	373,587	7,938	-	-
Total	\$ 8,814,113	\$ 1,676,205	\$ 1,555,000	\$ 591,600

Business-Type Activities		
Year ending September 30,	Notes Payable	
	Principal	Interest
2025	\$ 72,084	\$ 2,403
Total	\$ 72,084	\$ 2,403

City of Granite Shoals, Texas
NOTES TO FINANCIAL STATEMENTS, Continued
September 30, 2024

E. Compensated Absences

The following summarizes the changes in the compensated absences balances of the primary government during the year. In general, the City uses the general and utility funds to liquidate governmental and business-type activities compensated absences, respectively.

	Beginning Balance	Additions	Reductions	Ending Balance	Amounts Due within One Year
Governmental Activities:					
Compensated absences	\$ 144,667	\$ 97,038	\$ (117,293)	\$ 124,412	\$ 111,970
Total Governmental Activities	<u>\$ 144,667</u>	<u>\$ 97,038</u>	<u>\$ (117,293)</u>	<u>\$ 124,412</u>	<u>\$ 111,970</u>
Other long-term liabilities due in more than one year				<u>\$ 12,442</u>	
Business-Type Activities:					
Compensated absences	\$ 32,701	\$ 18,081	\$ (18,081)	\$ 32,701	\$ 29,431
Total Business-Type Activities	<u>\$ 32,701</u>	<u>\$ 18,081</u>	<u>\$ (18,081)</u>	<u>\$ 32,701</u>	<u>\$ 29,431</u>
Other long-term liabilities due in more than one year				<u>\$ 3,270</u>	

F. Customer Deposits

The City had customer deposits of \$423,759 in the water fund as of year end. The City requires a refundable deposit for all new utility customers. This amount will be returned to the customer when utility service is discontinued and all outstanding utility expenses are paid. The City also had customer deposits of \$31,675 in the general fund as of year end. These deposits were related to building permit fees and park services.

G. Interfund Transactions

Interfund balances resulted from the timing difference between the dates that (1) interfund goods and services are provided or reimbursable expenditures occur, (2) transactions are recorded in the accounting system, and (3) payments between funds are made. All balances are expected to be paid in the subsequent year.

City of Granite Shoals, Texas
NOTES TO FINANCIAL STATEMENTS, Continued
September 30, 2024

Transfers between the primary government funds during the 2024 year were as follows:

Transfers In:	Transfers Out:					Total
	General	Debt Service	Street Maintenance Sales Tax	Solid Waste	Nonmajor Proprietary	
Water	\$ -	\$ 1,051,752	\$ 117,086	\$ 7,018	\$ 39,600	\$ 1,215,456
Nonmajor Governmental	108,551	-	-	-	-	108,551
Total	\$ 108,551	\$ 1,051,752	\$ 117,086	\$ 7,018	\$ 39,600	\$ 1,324,007

Amounts transferred between funds relate to amounts collected by the governmental and enterprise funds for various capital expenditures, administrative costs, and principal and interest payments.

The compositions of interfund balances as of the year ended September 30, 2024 were as follows:

Due from:	Due to:			Total
	Water	Solid Waste	Street Maintenance Sales Tax	
Nonmajor proprietary	\$ 540,473	\$ 332,814	\$ 147,557	\$ 1,020,844
Total	\$ 540,473	\$ 332,814	\$ 147,557	\$ 1,020,844

H. Fund Equity

The City records fund balance restrictions at the fund level to indicate that a portion of the fund balance is legally restricted for a specific future use or to indicate that a portion of the fund balance is not available for expenditures.

The following is a list of restricted fund balances:

	Restricted
Streets and parks	\$ 150,342
Tourism	180,572
Capital projects	963,918
Municipal court	58,659 *
Public safety	18,719
Debt service	1,038,979
Total	\$ 2,411,189

*Restricted by enabling legislation

City of Granite Shoals, Texas
NOTES TO FINANCIAL STATEMENTS, Continued
September 30, 2024

V. OTHER INFORMATION

A. 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; and natural disasters for which the City participates along with more than 2,700 other entities in the Texas Municipal League Intergovernmental Risk Pools. The Pool was designed and created to provide insurance coverage that meets the needs of local governments at group rates for participants in the Pool. The City has no additional risk or responsibility to the Pool outside of the payment of insurance premiums.

The City has not significantly reduced insurance coverage or had settlements which exceeded coverage amounts for the past three years.

The City uses a number of approaches to decrease risks and protect against losses to the City, including internal practices, employee training, and a code of ethics, which all employees are required to acknowledge.

The City owns and operates motor vehicles and may provide such vehicle to employees for business use during the course and scope of their employment. The City is insured as to its own property losses, and the liability of loss to others.

B. Contingent Liabilities

Amounts received or receivable from granting agencies are subject to audit and adjustment by grantor agencies, principally the federal government. Any disallowed claims, including amounts already collected, may constitute a liability of the applicable funds. The amounts of expenditures which may be disallowed by the grantor cannot be determined at this time although the City expects such amounts, if any, to be immaterial.

Liabilities are reported when it is probable that a loss has occurred and the amount of the loss can be reasonably estimated. Liabilities include an amount for claims that have been incurred but not reported. Claim liabilities are calculated considering the effects of inflation, recent claim settlement trends, including frequency and amount of payouts, and other economic and social factors.

The City participates in grant programs which are governed by various rules and regulations of the grantor agencies. Costs charged to the respective grant programs are subject to audit and adjustment by the grantor agencies; therefore, to the extent that the City had not complied with the rules and regulations governing the grants, refunds of any money received may be required and the collectability of any related receivable may be impaired. In the opinion of the City, there are no significant contingent liabilities relating to compliance with the rules and regulations governing the respective grants; therefore, no provision has been recorded in the accompanying basic financial statements for such contingencies.

City of Granite Shoals, Texas
NOTES TO FINANCIAL STATEMENTS, Continued
September 30, 2024

C. Arbitrage

The Tax Reform Act of 1986 instituted certain arbitrage consisting of complex regulations with respect to issuance of tax-exempt bonds after August 31, 1986. Arbitrage regulations deal with the investment of tax-exempt bond proceeds at an interest yield greater than the interest yield paid to bondholders. Generally, all interest paid to bondholders can be retroactively rendered taxable if applicable rebates are not reported and paid to the Internal Revenue Service at least every five years for applicable bond issues. Accordingly, there is the risk that if such calculations are not performed correctly, a substantial liability to the City could result. The City does not anticipate that it will have an arbitrage liability and reviews the estimate for this potential liability annually. The City will also engage an arbitrage consultant to perform the calculations in accordance with Internal Revenue Service's rules and regulations if indicated.

D. Defined Benefit Pension Plans

Texas Municipal Retirement System

1. Plan Description

The City of Granite Shoals, Texas participates as one of 934 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 annual comprehensive financial report (ACFR) that can be obtained at www.tmrs.com.

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

2. 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 three payment 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.

City of Granite Shoals, Texas

NOTES TO FINANCIAL STATEMENTS, *Continued*

September 30, 2024

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

	<u>Plan Year 2023</u>	<u>Plan Year 2022</u>
Employee deposit rate	7%	5%
Matching ratio (city to employee)	2 to 1	2 to 1
Years required for vesting	5	5
Service retirement eligibility (expressed as age / years of service)	60/5, 0/20	60/5, 0/20
Updated service credit	0%	0%
Annuity increase (to retirees)	0% of CPI	0% of CPI

Employees covered by benefit terms

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

Inactive employees or beneficiaries currently receiving benefits	16
Inactive employees entitled to but not yet receiving benefits	44
Active employees	<u>49</u>
Total	<u>109</u>

3. 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 of Granite Shoals, Texas were required to contribute 7% of their annual gross earnings during the fiscal year. The contribution rates for the City of Granite Shoals, Texas were 5.81% and 6.26% in calendar years 2024 and 2023, respectively. The City's contributions to TMRS for the year ended September 30, 2024, were \$194,674, and were equal to the required contributions.

City of Granite Shoals, Texas

NOTES TO FINANCIAL STATEMENTS, Continued

September 30, 2024

4. Net Pension Liability (Asset)

The City's Net Pension Liability (Asset) was measured as of December 31, 2023, and the Total Pension Liability (TPL) used to calculate the Net Pension Liability (Asset) was determined by an actuarial valuation as of that date.

Actuarial assumptions

The Total Pension Liability in the December 31, 2023 actuarial valuation was determined using the following actuarial assumptions:

Inflation	2.50% per year
Overall payroll growth	2.75% per year
Investment Rate of Return	6.75% net of pension plan investment expense

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

The actuarial assumptions were developed primarily from the actuarial investigation of the experience of TMRS as of December 31, 2022. They were adopted in 2023 and first used in the December 31, 2023 actuarial valuation. The post-retirement mortality assumption for Annuity Purchase Rates (APRs) is based on the Mortality Experience Investigation Study covering 2009 through 2011 and dated December 31, 2013. Plan assets are managed on a total return basis with an emphasis on both capital appreciation as well as the production of income 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 alternative asset allocation portfolios, Gabriel Roeder Smith & Company (GRS) focused on the area between (1) arithmetic mean (aggressive) without an

City of Granite Shoals, Texas
NOTES TO FINANCIAL STATEMENTS, Continued
September 30, 2024

adjustment for time (conservative) and (2) the geometric mean (conservative) with an adjustment for time (aggressive). The target allocation and best estimates of real rates of return for each major asset class in fiscal year 2024 are summarized in the following table:

Asset Class	Target Allocation	Long-Term Expected Real Rate of Return (Arithmetic)
Global Equity	35.0%	7.70%
Core Fixed Income	6.0%	4.90%
Non-Core Fixed Income	20.0%	8.70%
Real Return	12.0%	8.10%
Real Estate	12.0%	5.80%
Absolute Return	5.0%	6.90%
Private Equity	10.0%	11.80%
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.

Sensitivity of the Net Pension Liability (Asset) 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 (asset) 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	Current Single Rate	1% Increase
5.75%	Assumption 6.75%	7.75%
\$ 356,815	\$ (102,013)	\$ (477,819)

City of Granite Shoals, Texas
NOTES TO FINANCIAL STATEMENTS, Continued
September 30, 2024

Changes in the Net Pension Liability (Asset)

	Total Pension Liability (a)	Plan Fiduciary Net Position (b)	Net Pension Liability (Asset) (a) – (b)
Balance at 12/31/2022	\$ 2,740,268	\$ 2,638,265	\$ 102,003
Changes for the year:			
Service cost	370,196	-	370,196
Interest	195,024	-	195,024
Difference between expected and actual experience	(54,191)	-	(54,191)
Changes of assumptions	(29,520)	-	(29,520)
Contributions – employer	-	179,785	(179,785)
Contributions – employee	-	201,038	(201,038)
Net investment income	-	306,658	(306,658)
Benefit payments, including refunds of emp. contributions	(72,253)	(72,253)	-
Administrative expense	-	(1,943)	1,943
Other changes	-	(14)	14
Net changes	409,256	613,272	(204,016)
Balance at 12/31/2023	\$ 3,149,524	\$ 3,251,537	\$ (102,013)

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.tmr.com.

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

For the year ended September 30, 2024, the City recognized pension expense of \$107,952.

City of Granite Shoals, Texas
NOTES TO FINANCIAL STATEMENTS, Continued
September 30, 2024

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

	Deferred Outflows of Resources	Deferred Inflows of Resources
Contributions subsequent to the measurement date	\$ 141,313	\$ -
Difference in experience	-	(153,599)
Changes in actuarial assumptions	-	(21,852)
Pension investment returns	62,531	-
Total	\$ 203,844	\$ (175,451)

The City reported \$141,313 as deferred outflows of resources related to pensions resulting from contributions subsequent to the measurement date that will be recognized as a reduction of the net pension liability for the year ending September 30, 2025. Other amounts reported as deferred outflows and inflows of resources related to pensions will be recognized in pension expense as follows:

Plan Year	
2024	\$ (48,481)
2025	(46,320)
2026	7,600
2027	(25,719)
2028	-
Total	\$ (112,920)

Other Postemployment Benefits

The City also participates in the cost sharing multiple-employer defined benefit group-term life insurance plan operated by the Texas Municipal Retirement System (TMRS) known as the Supplemental Death Benefits Fund (SDBF). The City elected, by ordinance, to provide group-term life insurance coverage to both current and retired employees. The City may terminate coverage under and discontinue participation in the SDBF by adopting an ordinance before November 1 of any year to be effective the following January 1.

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); retired employees are insured for \$7,500; this coverage is an "other postemployment benefit," or OPEB.

City of Granite Shoals, Texas
NOTES TO FINANCIAL STATEMENTS, Continued
September 30, 2024

The 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.

Employees covered by benefit terms

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

Inactive employees or beneficiaries currently receiving benefits	9
Inactive employees entitled to but not yet receiving benefits	8
Active employees	49
Total	66

The City's contributions to the TMRS SDBF for the years ended 2024, 2023 and 2022 were \$1,572, \$1,737, and \$3,602, respectively, which equaled the required contributions each year.

Three-Year Contribution Information

Plan/ Calendar Year	Annual Required Contribution (Rate)	Actual Contribution Made (Rate)	Percentage of ARC Contributed
2022	0.14%	0.14%	100.0%
2023	0.04%	0.04%	100.0%
2024	0.05%	0.05%	100.0%

Total OPEB Liability

The City's Postemployment Benefits Other Than Pensions Liability (OPEB) was measured as of December 31, 2023, and the Total OPEB Liability was determined by an actuarial valuation as of that date.

City of Granite Shoals, Texas

NOTES TO FINANCIAL STATEMENTS, *Continued*

September 30, 2024

Actuarial assumptions:

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

Inflation	2.50% per year
Overall payroll growth	3.60% to 11.85%, including inflation per year
Discount rate	3.77%
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

Salary increases were based on a service-related table. Mortality rates for active members, retirees, and beneficiaries were based on the 2019 Municipal Retirees of Texas Mortality Tables. The rates are projected on a fully generational basis by the most recent Scale MP-2021 (with immediate convergence) to account for future mortality improvements. For disabled annuitants, the 2019 Municipal Retirees of Texas Mortality Tables with a 4 year set-forward for males and a 3 year set-forward for females. In addition, a 3.5% and 3% minimum mortality rate will be applied to reflect the impairment for younger members who become disabled for males and females, respectively. The rates are projected on a fully generational basis by the most recent Scale MP-2021 (with immediate convergence) to account for future mortality improvements subject to the 3.5% and 3% floor.

Discount Rate:

The discount rate used to measure the Total OPEB Liability was 3.77%. The discount rate was based on the Fidelity Index's "20-Year Municipal GO AA Index" rate as of December 31, 2023.

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

The following presents the total OPEB liability of the City, calculated using the discount rate of 3.77%, 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 (2.77%) or 1-percentage-point higher (4.77%) than the current rate:

1% Decrease 2.77%	Current Single Rate Assumption 3.77%	1% Increase 4.77%
\$ 92,909	\$ 76,384	\$ 63,804

City of Granite Shoals, Texas
NOTES TO FINANCIAL STATEMENTS, Continued
September 30, 2024

Changes in the Total OPEB Liability:

	Total OPEB Liability
Balance at 12/31/2022	\$ 63,111
Changes for the year:	
Service Cost	6,893
Interest	2,672
Difference between expected and actual experience	470
Changes of assumptions	4,387
Benefit payments	(1,149)
Net changes	13,273
Balance at 12/31/2023	\$ 76,384

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

For the year ended September 30, 2024, the City recognized OPEB expense of \$5,975.

At September 30, 2024, the City reported deferred outflows of resources and deferred inflows of resources related to the OPEB liability from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Contributions subsequent to the measurement date	\$ 1,216	\$ -
Difference in experience	-	(9,367)
Changes in actuarial assumptions	-	(12,346)
Total	\$ 1,216	\$ (21,713)

The City reported \$1,216 as deferred outflows of resources related to OPEB resulting from contributions subsequent to the measurement date that will be recognized as a reduction of the OPEB liability for the year ending September 30, 2025.

City of Granite Shoals, Texas
NOTES TO FINANCIAL STATEMENTS, Continued
September 30, 2024

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

Year ended December 31:		
2024	\$	(4,090)
2025		(3,462)
2026		(4,780)
2027		(5,524)
2028		(3,985)
Thereafter		128
	\$	<u>(21,713)</u>

E. Restatement

The City restated beginning fund balance/net position for governmental activities, business-type activities, the general fund, the street maintenance sales tax fund, nonmajor governmental funds, the water fund, the solid waste fund, and the nonmajor proprietary funds due to change in financial reporting/corrections/reallocations to fund balances, accrued receivables and liabilities. The restatements are summarized below:

	Governmental Activities	General Fund	Street Maintenance Sales Tax Fund	Nonmajor Funds
Prior year ending net position/fund balance, as reported	\$ 9,052,034	\$ 1,410,971	\$ -	\$ 1,516,313
Change within financial reporting entity (nonmajor to major fund)	-	-	713,165 *	(713,165)
To correct fund allocation	57,418	(140,349)	-	197,767
To correct accrued liabilities	13,702	13,702	-	-
To correct accrued receivables	12,081	-	-	12,081
Restated beginning net position/fund balance	<u>\$ 9,135,235</u>	<u>\$ 1,284,324</u>	<u>\$ 713,165</u>	<u>\$ 1,012,996</u>
	Business-type Activities	Water Fund	Solid Waste Fund	Nonmajor Funds
Prior year ending net position/fund balance, as reported	\$ 9,306,480	\$ 8,278,913	\$ 499,134	\$ 528,433
To correct fund allocation	(57,418)	(1,079,469)	(57,418)	1,079,469
Restated beginning net position/fund balance	<u>\$ 9,249,062</u>	<u>\$ 7,199,444</u>	<u>\$ 441,716</u>	<u>\$ 1,607,902</u>

*Formally nonmajor fund

City of Granite Shoals, Texas
NOTES TO FINANCIAL STATEMENTS, Continued
September 30, 2024

F. Subsequent Events

There were no material subsequent events through June 20, 2025, the date the financial statements were issued.

G. New Accounting Pronouncements

The City has adopted the provision of Governmental Accounting Standard Board (GASB) Statement No. 100, entitled Accounting Changes and Error Calculations. The requirements of this statement are displayed within the government-wide and fund financial statements, where applicable.

REQUIRED SUPPLEMENTARY INFORMATION

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City of Granite Shoals, Texas
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES
IN FUND BALANCE - BUDGET AND ACTUAL
GENERAL FUND

For the Year Ended September 30, 2024

	Original Budget	Final Budget	Actual	Variance with Final Budget Positive (Negative)
<u>Revenues</u>				
Property tax	\$ 3,804,756	\$ 3,949,345	\$ 3,961,586	\$ 12,241
Sales tax	275,000	350,000	321,660	(28,340)
Franchise and local taxes	160,150	182,150	201,949	19,799
Intergovernmental	445,500	496,027	480,563	(15,464)
Charges for services	29,500	7,725	29,489	21,764
License and permits	196,800	164,097	169,479	5,382
Fines and forfeitures	95,845	150,025	178,539	28,514
Investment income	15,000	565,000	585,357	20,357
Other revenue	100,000	138,089	138,246	157
Total Revenues	5,122,551	6,002,458	6,066,868	64,410
<u>Expenditures</u>				
Current:				
Municipal court	127,173	127,173	116,359	10,814
Finance and administration	1,478,440	1,631,385	1,604,362	27,023
Police	2,296,085	2,266,085	2,266,254	(169)
Fire protection	1,229,698	1,137,753	1,161,136	(23,383)
Streets and parks	1,075,766	1,075,766	905,884	169,882
Capital outlay	168,500	168,500	60,566	107,934
Total Expenditures	6,375,662	6,406,662	6,114,561	292,101
Revenues Over (Under)	(1,253,111)	(404,204)	(47,693)	356,511
<u>Other Financing Sources (Uses)</u>				
Transfers in	88,000	1,200,000	-	(1,200,000)
Transfers (out)	-	(114,827)	(108,551)	6,276
SBITA lease issuance	-	-	20,396	20,396
Insurance recoveries	-	-	46,524	46,524
Sale of general capital assets	-	35,040	65,263	30,223
Total Other Financing Sources (Uses)	88,000	1,120,213	23,632	(1,096,581)
Net Change in Fund Balance	\$ (1,165,111)	\$ 716,009	(24,061)	\$ (740,070)
Beginning fund balance			1,284,324	
Ending Fund Balance			\$ 1,260,263	

Notes to Required Supplementary Information

1. Annual budgets are adopted on a basis consistent with generally accepted accounting principles (GAAP).

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City of Granite Shoals, Texas

SCHEDULE OF CHANGES IN NET PENSION LIABILITY/(ASSETS) AND RELATED RATIOS

Years Ended:

	12/31/2023	12/31/2022	12/31/2021	12/31/2020	12/31/2019	12/31/2018	12/31/2017	12/31/2016	12/31/2015	12/31/2014
Total pension liability										
Service cost	\$ 370,196	\$ 330,452	\$ 221,634	\$ 219,408	\$ 168,001	\$ 162,310	\$ 164,908	\$ 158,085	\$ 150,157	\$ 128,541
Interest	195,024	177,051	147,847	127,572	117,822	111,795	98,809	87,437	73,811	62,140
Changes in benefit terms	-	88,579	-	-	-	-	-	-	-	-
Differences between expected and actual experience	(54,191)	(194,129)	(15,943)	12,588	(83,588)	(81,355)	(9,971)	(37,382)	13,012	2,977
Changes of assumptions	(29,520)	-	-	-	5,973	-	-	-	42,993	-
Benefit payments, including refunds of participant contributions	(72,253)	(61,705)	(66,068)	(54,527)	(124,405)	(88,217)	(31,902)	(54,256)	(31,792)	(43,675)
Net change in total pension liability	409,256	340,248	287,470	305,041	83,803	104,533	221,844	153,884	248,181	149,983
Total pension liability - beginning	2,740,268	2,400,020	2,112,550	1,807,509	1,723,706	1,619,173	1,397,329	1,243,445	995,264	845,281
Total pension liability - ending (a)	3,149,524	2,740,268	2,400,020	2,112,550	1,807,509	1,723,706	1,619,173	1,397,329	1,243,445	995,264
Plan fiduciary net position										
Contributions - employer	179,785	108,143	102,283	112,617	87,178	84,723	86,053	73,817	69,291	47,394
Contributions - members	201,038	125,456	118,142	117,310	87,047	84,360	85,711	82,941	81,519	75,836
Net investment income	306,658	(194,822)	289,776	144,413	248,208	(47,088)	174,306	73,175	1,420	47,807
Benefit payments, including refunds of participant contributions	(72,253)	(61,705)	(66,068)	(54,527)	(124,405)	(88,217)	(31,902)	(54,256)	(31,792)	(43,675)
Administrative expenses	(1,943)	(1,681)	(1,338)	(933)	(1,400)	(909)	(903)	(826)	(865)	(499)
Other	(13)	2,005	10	(36)	(42)	(47)	(45)	(43)	(43)	(41)
Net change in plan fiduciary net position	613,272	(22,604)	442,805	318,844	296,586	32,822	313,220	174,808	119,530	126,822
Plan fiduciary net position - beginning	2,638,265	2,660,869	2,218,064	1,899,220	1,602,634	1,569,812	1,256,592	1,081,784	962,254	835,432
Plan fiduciary net position - ending (b)	\$ 3,251,537	\$ 2,638,265	\$ 2,660,869	\$ 2,218,064	\$ 1,899,220	\$ 1,602,634	\$ 1,569,812	\$ 1,256,592	\$ 1,081,784	\$ 962,254
Fund's net pension liability (asset) - ending (a) - (b)	\$ (102,013)	\$ 102,003	\$ (260,849)	\$ (105,514)	\$ (91,711)	\$ 121,072	\$ 49,361	\$ 140,737	\$ 161,661	\$ 33,010
Plan fiduciary net position as a percentage of the total pension liability	103%	96%	111%	105%	105%	93%	97%	90%	87%	97%
Covered payroll	\$ 2,871,966	\$ 2,509,123	\$ 2,362,834	\$ 2,329,168	\$ 1,740,944	\$ 1,687,210	\$ 1,714,218	\$ 1,658,811	\$ 1,630,373	\$ 1,516,714
Fund's net pension liability as a percentage of covered payroll	-3.55%	4.07%	-11.04%	-4.53%	-5.27%	7.18%	2.88%	8.48%	9.92%	2%

City of Granite Shoals, Texas

SCHEDULE OF EMPLOYER CONTRIBUTIONS TO PENSION PLAN

Years Ended:

	9/30/2024	9/30/2023	9/30/2022	9/30/2021	9/30/2020	9/30/2019	9/30/2018	9/30/2017	9/30/2016	9/30/2015
Actuarially determined employer contributions	\$ 194,674	\$ 154,853	\$ 108,990	\$ 105,100	\$ 102,936	\$ 86,255	\$ 84,917	\$ 83,121	\$ 75,179	\$ 63,558
actuarially determined contribution	194,674	154,853	108,990	105,100	102,936	86,255	84,917	83,121	75,179	63,558
Contribution deficiency (excess)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Annual covered payroll	\$ 3,284,375	\$ 2,680,796	\$ 2,525,689	\$ 2,356,001	\$ 2,125,749	\$ 1,687,210	\$ 1,689,020	\$ 1,700,764	\$ 1,709,498	\$ 1,608,453
Employer contributions as a percentage of covered payroll	5.93%	5.78%	4.32%	4.46%	4.84%	5.11%	5.03%	4.89%	4.40%	3.95%

NOTES TO SCHEDULE OF EMPLOYER CONTRIBUTIONS TO PENSION PLAN

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	N/A
Asset Valuation Method	10 Year smoothed market; 12% soft corridor
Inflation	2.50%
Salary Increases	3.60% to 11.85% including inflation
Investment Rate of Return	6.75%
Retirement Age	Experience-based table of rates that are specific to the City's plan of benefits. Last updated for the 2023 valuation pursuant to an experience study of the period 2022.
Mortality	Post-retirement: 2019 Municipal Retirees of Texas Mortality Tables. Male rates are multiplied by 103% and female rates are multiplied by 105%. The rates are projected on a fully generational basis by the most recent Scale MP-2021 (with immediate convergence). Pre-retirement: PUB(10) mortality tables, with 110% of the Public Safety table used for males and 100% of the General Employee table used for females. The rates are projected on a fully generational basis by the most recent Scale MP-2021 (with immediate convergence).

Other Information:

Notes

There were no benefit changes during the year.

City of Granite Shoals, Texas

SCHEDULE OF CHANGES IN POSTEMPLOYMENT BENEFITS OTHER THAN PENSIONS (OPEB) LIABILITY AND RELATED RATIOS TEXAS MUNICIPAL RETIREMENT SYSTEM SUPPLEMENTAL DEATH BENEFITS PLAN Years Ended:

	12/31/2023	12/31/2022	12/31/2021	12/31/2020	12/31/2019	12/31/2018	12/31/2017 ¹
Total OPEB liability							
Service cost	\$ 6,893	\$ 10,789	\$ 9,688	\$ 7,686	\$ 5,049	\$ 5,230	\$ 4,628
Interest	2,672	1,735	1,876	2,065	2,200	2,065	1,951
Changes in benefit terms	-	-	-	-	-	-	-
Differences between expected and actual experience	470	(1,114)	(10,844)	(1,335)	(5,588)	(5,268)	-
Changes of assumptions	4,387	(35,464)	2,764	11,671	13,819	(4,244)	4,564
Benefit payments, including refunds of participant contributions	(1,149)	(3,513)	(3,544)	(1,165)	(870)	(675)	(686)
Net change in total OPEB liability	13,273	(27,567)	(60)	18,922	14,610	(2,892)	10,457
Total OPEB liability - beginning	63,111	90,678	90,738	71,816	57,206	60,098	49,641
Total OPEB liability - ending	\$ 76,384	\$ 63,111	\$ 90,678	\$ 90,738	\$ 71,816	\$ 57,206	\$ 60,098
Covered payroll	\$ 2,871,966	\$ 2,509,123	\$ 2,362,834	\$ 2,329,168	\$ 1,740,944	\$ 1,687,210	\$ 1,714,218
City's total OPEB liability as a % of covered payroll	2.66%	2.52%	3.84%	3.90%	4.13%	3.39%	3.51%

Notes to schedule:

- 1) This schedule is presented to illustrate the requirement to show information for ten years. However, until a full ten-year trend is compiled, only available information is shown.
- 2) No assets are accumulated in a trust that meets the criteria in paragraph 4 of GASB statement No. 75 to pay related benefits.

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***COMBINING STATEMENTS AND
INDIVIDUAL FUND SCHEDULES***

City of Granite Shoals, Texas

COMBINING BALANCE SHEET

NONMAJOR GOVERNMENTAL FUNDS

September 30, 2024

	Capital Projects	Equipment Replacement	Hotel Tax Fund	Restricted Park	Police Seizure
<u>Assets</u>					
Cash and cash equivalents	\$ 733,821	\$ 230,097	\$ 109,389	\$ 40,932	\$ 9,766
Receivables, net	-	-	30,419	-	-
Total Assets	\$ 733,821	\$ 230,097	\$ 139,808	\$ 40,932	\$ 9,766
<u>Liabilities</u>					
Accounts payable	\$ -	\$ -	\$ 168	\$ -	\$ 2,101
Total Liabilities	-	-	168	-	2,101
<u>Fund Balances</u>					
Restricted for:					
Streets and parks	-	-	-	-	-
Tourism	-	-	139,640	40,932	-
Capital projects	733,821	230,097	-	-	-
Municipal court	-	-	-	-	7,665
Public Safety	-	-	-	-	-
Total Fund Balances (Deficits)	733,821	230,097	139,640	40,932	7,665
Total Liabilities and Fund Balances	\$ 733,821	\$ 230,097	\$ 139,808	\$ 40,932	\$ 9,766

Law Enforcement Education	City Cleanup	Court Technology	Court Security	Court Child Safety	Street Maintenance Sales Tax	Total
\$ 18,719	\$ 13,669	\$ 5,267	\$ 12,970	\$ 32,757	\$ -	\$ 1,207,387
-	1,990	-	-	-	-	32,409
<u>\$ 18,719</u>	<u>\$ 15,659</u>	<u>\$ 5,267</u>	<u>\$ 12,970</u>	<u>\$ 32,757</u>	<u>\$ -</u>	<u>\$ 1,239,796</u>
\$ -	\$ 36	\$ -	\$ -	\$ -	\$ -	\$ 2,305
-	36	-	-	-	-	2,305
-	15,623	-	-	-	-	15,623
-	-	-	-	-	-	180,572
-	-	-	-	-	-	963,918
-	-	5,267	12,970	32,757	-	58,659
<u>18,719</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>18,719</u>
<u>18,719</u>	<u>15,623</u>	<u>5,267</u>	<u>12,970</u>	<u>32,757</u>	<u>-</u>	<u>1,237,491</u>
<u>\$ 18,719</u>	<u>\$ 15,659</u>	<u>\$ 5,267</u>	<u>\$ 12,970</u>	<u>\$ 32,757</u>	<u>\$ -</u>	<u>\$ 1,239,796</u>

City of Granite Shoals, Texas

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

For the Year Ended September 30, 2024

	Capital Projects	Equipment Replacement	Hotel Tax Fund	Restricted Park	Police Seizure
<u>Revenues</u>					
Hotel occupancy tax	\$ -	\$ -	\$ 96,972	\$ -	\$ -
Charges for services	-	-	-	-	-
Fines and forfeitures	-	-	-	-	-
Investment income	3,181	1,347	435	-	-
Contributions	-	-	-	-	-
Other revenue	-	15,750	4,927	-	-
Total Revenues	3,181	17,097	102,334	-	-
<u>Expenditures</u>					
Streets and parks	-	-	-	26,165	-
Tourism	-	-	38,047	-	-
Public safety	-	-	-	-	2,587
Total Expenditures	-	-	38,047	26,165	2,587
Revenues Over (Under) Expenditures	3,181	17,097	64,287	(26,165)	(2,587)
<u>Other Financing Sources (Uses)</u>					
Transfers in	-	88,000	-	20,551	-
Sale of general capital assets	-	-	-	46,546	-
Total Other Financing (Uses)	-	88,000	-	67,097	-
Net Change in Fund Balances	3,181	105,097	64,287	40,932	(2,587)
Beginning fund balances (as previously reported)	730,640	-	63,272	(36,491)	10,252
Change within financial reporting entity (nonmajor to major fund)	-	-	-	-	-
Fund reallocations	-	125,000	-	36,491	-
Error corrections	-	-	12,081	-	-
Beginning fund balances (as adjusted/restated)	730,640	125,000	75,353	-	10,252
Ending Fund Balances	\$ 733,821	\$ 230,097	\$ 139,640	\$ 40,932	\$ 7,665

Law Enforcement Education	City Cleanup	Court Technology	Court Security	Court Child Safety	Street Maintenance Sales Tax	Total
\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 96,972
-	22,457	-	-	-	-	22,457
1,333	-	4,776	1,683	4,783	-	12,575
-	-	-	-	131	-	5,094
-	50	-	-	-	-	50
-	244	-	-	-	-	20,921
1,333	22,751	4,776	1,683	4,914	-	158,069
-	22,402	-	-	-	-	48,567
-	-	-	-	-	-	38,047
(530)	-	-	-	-	-	2,057
(530)	22,402	-	-	-	-	88,671
1,863	349	4,776	1,683	4,914	-	69,398
-	-	-	-	-	-	108,551
-	-	-	-	-	-	46,546
-	-	-	-	-	-	155,097
1,863	349	4,776	1,683	4,914	-	224,495
16,856	15,274	491	2,854	-	713,165	1,516,313
-	-	-	-	-	(713,165)	(713,165)
-	-	-	8,433	27,843	-	197,767
-	-	-	-	-	-	12,081
16,856	15,274	491	11,287	27,843	-	1,012,996
\$ 18,719	\$ 15,623	\$ 5,267	\$ 12,970	\$ 32,757	\$ -	\$ 1,237,491

City of Granite Shoals, Texas
COMBINING STATEMENT OF NET POSITION
NONMAJOR PROPRIETARY FUNDS
September 30, 2024

	Utility Equipment Reserve	ARPA	Meter Reader Project	Total
<u>Assets</u>				
Cash and cash equivalents	\$ 554,213	\$ 58,624	\$ 9,651	\$ 622,488
Due from other funds	-	1,020,844	-	1,020,844
Total Current Assets	\$ 554,213	\$ 1,079,468	\$ 9,651	\$ 1,643,332
<u>Liabilities</u>				
<u>Current Liabilities</u>				
Accounts payable	\$ -	\$ 42,749	\$ -	\$ 42,749
Total Current Liabilities	-	42,749	-	42,749
<u>Net Position</u>				
Unrestricted	554,213	1,036,719	9,651	1,600,583
Total Net Position	\$ 554,213	\$ 1,036,719	\$ 9,651	\$ 1,600,583

City of Granite Shoals, Texas
COMBINING STATEMENT OF REVENUES, EXPENDITURES,
AND CHANGES IN FUND NET POSITION
NONMAJOR PROPRIETARY FUNDS
For the Year Ended September 30, 2024

	Utility Equipment Reserve	ARPA	Meter Reader Project	Total
<u>Revenues</u>				
Charges for services	\$ 32,438	\$ -	\$ -	\$ 32,438
Total Revenues	<u>32,438</u>	<u>-</u>	<u>-</u>	<u>32,438</u>
<u>Operating Expenses</u>				
Other operating expenses	-	3,150	-	3,150
Total Operating Expenses	<u>-</u>	<u>3,150</u>	<u>-</u>	<u>3,150</u>
Operating Income (Loss)	<u>32,438</u>	<u>(3,150)</u>	<u>-</u>	<u>29,288</u>
<u>Nonoperating Revenues (Expenses)</u>				
Investment earnings	2,993	-	-	2,993
Total Nonoperating Revenues	<u>2,993</u>	<u>-</u>	<u>-</u>	<u>2,993</u>
Income (Loss) Before Transfers	<u>35,431</u>	<u>(3,150)</u>	<u>-</u>	<u>32,281</u>
Transfers (out)	-	(39,600)	-	(39,600)
Change in Net Position	<u>35,431</u>	<u>(42,750)</u>	<u>-</u>	<u>(7,319)</u>
Beginning net position (as previously reported)	518,782	-	9,651	528,433
Fund reallocations	-	1,079,469	-	1,079,469
Beginning net position (as adjusted/restated)	518,782	1,079,469	9,651	1,607,902
Ending Net Position	<u>\$ 554,213</u>	<u>\$ 1,036,719</u>	<u>\$ 9,651</u>	<u>\$ 1,600,583</u>

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GRANITE SHOALS POLICE DEPARTMENT



MONTHLY STATISTICS REPORT

LAST YEARS COMPARISON

2025

2024

TOTAL CALLS FOR SERVICE



TOTAL CALLS FOR SERVICE

TRAFFIC STOPS



TRAFFIC STOPS

CITATIONS



WARNINGS

CITATIONS



WARNINGS

MOTOR VEHICLE COLLISIONS



MOTOR VEHICLE COLLISIONS

ARRESTS



ARRESTS

AVERAGE RESPONSE TIME



AVERAGE RESPONSE TIME

UNIFORMED CRIME REPORTING (UCR) OFFENSES REPORTED & CLEARED

UCR OFFENSES REPORTED

UCR OFFENSES CLEARED

TOTAL TIME OF SERVICE
YEARS
MONTHS

TOTAL TRAINING HOURS
FOR THE MONTH

ANIMAL CALLS

VCO ANIMALS



HOUSED ANIMALS

CITATIONS

WARNINGS

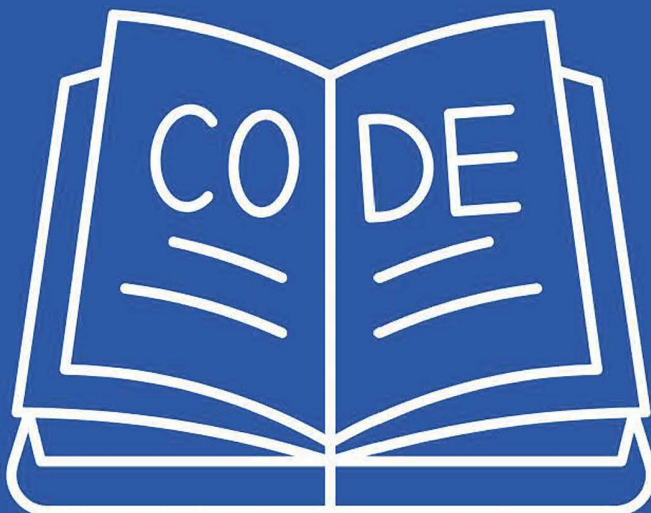


ANIMAL CALLS

TAKEN TO HUMANE
SOCIETY

CODE ENFORCEMENT

VIOLATION TYPE	Junked Vehicle	Property Maintenance	House Numbers	Dilapidated Structure	Misc. Zoning Viol	RV Permit/Storage
ORDINANCE #	605	511	409	613	CHAPTER 40	40-30
NEW VIOLATIONS						
EXTENDED						
CLOSED VIOL						
COURT						
CLOSED YTD						
OPEN YTD						

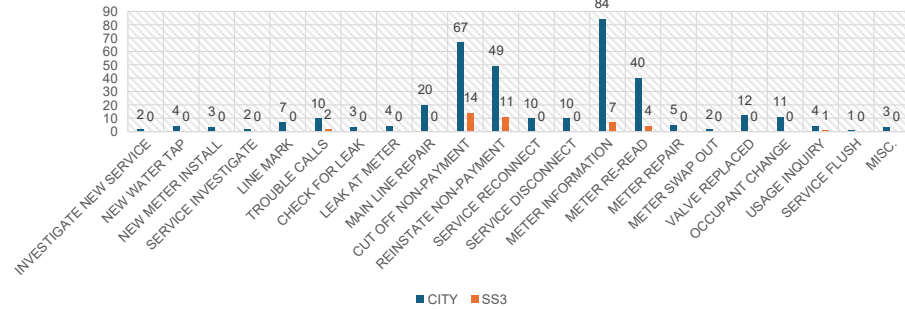


GRANITE SHOALS UTILITY

May-25

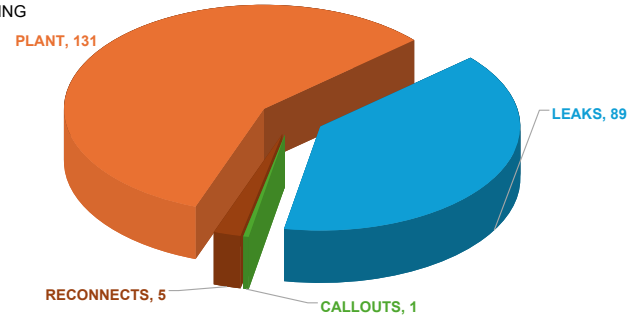
	CITY	SS3
	(CURRENT)	(CURRENT)
INVESTIGATE NEW SERVICE	2	0
NEW WATER TAP	4	0
NEW METER INSTALL	3	0
INVESTIGATE SERVICE	2	0
LINE LOCATES	7	0
TROUBLE CALLS	10	2
CHECK FOR LEAK	3	0
LEAK AT METER	4	0
MAIN LINE REPAIR	20	0
CUT OFF NON-PAYMENT	67	14
REINSTATE NON-PAYMENT	49	11
SERVICE RECONNECT	10	0
SERVICE DISCONNECT	10	0
METER INFORMATION	84	7
METER RE-READ	40	4
METER REPAIR	5	0
METER SWAP OUT	2	0
VALVE REPLACED	12	0
OCCUPANT CHANGE	11	0
CONSUMPTION INQUIRY	4	1
SERVICE FLUSH	1	0
MISC.	3	0
TOTAL	353	39

MAY 2025 UTILITY SERVICE ORDERS



OVERTIME REPORT

(*MAJORITY OF PLANT OVERTIME DUE TO LIGHTNING STRIKES)



6/16/2025

UTILITY PERSONNEL					
EMPLOYEE	EXPERIENCE	LICENSES	TRAINING	CLASSES	HOURS
JOSHUA HISEY	18 YRS	A WATER / B WASTEWATER			641
RANDY MIZE	18 YRS	C WATER TREATMENT	TESTING FOR 'A' WATER		738
NATHAN GARICA	6 YRS	C WATER TREATMENT / CSI			198
JOSHUA MOWREY	3 YRS	C WATER TREATMENT			92
TYLER TORRES	1 YRS	D WATER	TRAINING FOR 'C'		68
SPIN THURMAN	1 YRS	D WATER	TRAINING FOR 'C'		68
ALEX VASQUEZ	8 MTHS		TESTING FOR D WATER		48
LISANDRO MATA	7 MTHS	D WATER			22

TOTAL 1875

PLANT	LEAKS	CALLOUTS	RECONNECTS	TRAVEL	MAINTENANCE	CITY WIDE
	2	1		1		
		1		1		
	4	5				
	2	5				
	4	4	1			
	2	2				
	5	5				
	6	2				
	8	1				
	4	3				
	2	2				
	4	12				
	4	1				
	18	3		2		
	21	11		1		
	31	3				
	4	15				
	10	9				
		4				

131	89	1	5	0	0	0
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CITY

MARCH 2025 – REPORT SUMMARY

WORK ORI

	(CURRENT)	(24-25)
INVESTIGATE NEW SERVICE	2	23
NEW WATER TAP	5	13
NEW METER INSTALL	1	15
SERVICE INVESTIGATE	1	14
LINE MARK	13	135
TROUBLE CALLS	16	77
CHECK FOR LEAK	6	29
LEAK AT METER	1	25
MAIN LINE REPAIR	20	88
CUT OFF NON-PAYMENT	35	240
REINSTATE NON-PAYMENT	19	154
SERVICE RECONNECT	11	46
SERVICE DISCONNECT	5	43
METER INFORMATION	34	316
METER RE-READ	37	252
METER REPAIR	1	9
METER SWAP OUT	1	6
VALVE REPLACED	23	124
OCCUPANT CHANGE	13	27
USAGE INQUIRY	4	43
SERVICE FLUSH	3	6
MISC.	3	11

TOTAL

232

1496

MONTHLY OVERTIME REPORT

DATE	NUM. OF PERSONNEL	TOTAL OVERTIME HOURS
3/1	3	9
3/2	3	12
3/3	2	2
3/4	5	18
3/5	3	6
3/8	3	18
3/9	2	11
3/10	2	5

3/11	1	2
3/12	1	2
3/15	2	9
3/16	3	8
3/17	1	3
3/18	1	2
3/19	1	1
3/20	1	2
3/21	1	2
3/22	2	6
3/23	2	6
3/24	1	1
3/25	1	1
3/26	2	4
3/28	2	3
3/29	2	10
3/30	3	10
3/31	2	3
	(CURRENT)	(24-25)
	156	859

UPDATED 4/14/25

UTILITY PERSONNEL	
EMPLOYEE	EXPERIENCE
JOSHUA HISEY	17 YRS
RANDY MIZE	17 YRS
NATHAN GARICA	5 YRS
JOSHUA MOWREY	3 YRS
TYLER TORRES	1 YRS
SPIN THURMAN	1 YRS
ALEX VASQUEZ	6 MTHS
LISANDRO MATA	5 MTHS

OF GRANITE SHOALS – UTILITY DEPARTMENT

ERS – WITHIN CITY LIMITS

(23-24)	(22-23)	(21-22)	(CURRENT)
85	68	127	0
58	46	96	0
19	12	18	0
23	15	19	0
166	67	88	1
291	141	133	1
97	77	98	0
42	90	46	0
215	96	61	3
421	399	573	8
343	331	472	3
68	80	95	1
63	82	73	0
547	314	14	4
554	1104	64	3
42	50	32	0
14	2218	225	0
33	43	45	3
97	111	85	0
59	68	151	2
45	15	24	0
44	24	17	1
2975	5243	2208	29

T	REASON	NE
	PLANT	21
	PLANT/LEAKS	
	PLANT	
	CALLOUTS/LEAKS	13
	TRAVEL	
	PLANT/LEAKS	
	PLANT/LEAKS	
	PLANT	

PLANT/RECONNECTS			
PLANT			
PLANT/LEAKS			
PLANT/LEAKS			
LEAKS			
LEAKS			
LEAKS			
LEAKS			
LEAKS			
PLANT			
PLANT			
RECONNECTS			
LEAKS			
LEAK/RECONNECT			
RECONNECT/TRAVEL			
PLANT/LEAKS			
PLANT/LEAKS			
LEAKS			
			EXPENSES
			FY 24-25
(23-24)	(22-23)	(21-22)	TOTAL
1566. 5	1279. 5	831	9462

LICENSES	TRAINING
A WATER / B WASTEWATER	
C WATER TREATMENT	TESTING FOR A WATER
C WATER TREATMENT / CSI	
C WATER TREATMENT	
D WATER	
D WATER	
	TESTING FOR D WATER
D WATER	

WORK ORDERS - HOOVER VALLEY

(24-25)	(23-24)	(22-23)	(21-22)
2	18	6	8
3	17	0	1
2	3	1	0
1	5	2	4
2	8	2	5
8	27	47	23
3	14	11	15
2	4	5	7
8	17	7	8
53	80	73	95
47	60	48	78
5	8	12	18
2	6	12	13
34	77	30	3
26	90	75	17
0	2	7	5
0	8	208	17
7	2	2	0
3	8	9	5
8	6	15	13
3	1	3	11
2	3	0	0

211	413	564	328

NEW SERVICE REVENUE / EXPENSES REPORT

W SERVICE ADDRESS	COST OF PARTS	ADDRESS CHARGED
13 E. CASTLESHOALS	760	2700
1707 S. PHILLIPS	520	1950
126 E. NEWCASTLE	550	1950
7 W. GRANITECASTLE	520	1950

2025 UTILITY DEPARTMENT HIGHLIGHTS



The Granite Shoals Streets and Parks Department would like to thank the Mayor, Council Members, and our community. We strive to serve our community with integrity and professionalism while providing the highest level of service possible.

2025 Strategic Goals

1. Professionalism and Organizational Excellence

- *Continuously build relationships with diverse populations within the City of Granite Shoals to create and expand the future of Granite Shoals.*
- *Recruit, hire, promote, and retain the best candidates to serve the Granite Shoals Community.*

2. Community Engagement and Partnerships

- *Promote positive interactions with the public during every contact with a great attitude.*
- *Enhance community partnerships with the Parks Committee.*
- *Continue to research innovative, community-oriented programs to engage the public.*

3. Operational Improvements

- *Ensure a safe and clean environment for all visitors and citizens to our parks.*
- *Strengthen Internal Communication with all Departments throughout all of Granite Shoals.*

4. Technology Development and Infrastructure Expansion

- *Replace aging and out-of-date equipment.*
- *Improve/expand existing systems or solutions that aid, improve operations.*
- *Determine projects to ensure safe road infrastructure.*
- *Ensure Streets and Parks storage facilities are adequate for the department's operation.*



Completed Tasks and Activities:

- Assisted with Howdy Roo Cookoff at Quarry Park — event setup and post-event cleanup.
- Began clearing behind City Hall to improve public safety and reduce fire hazards.
- Shredded city easements for maintenance and accessibility.
- Mowed city parks and completed routine mowing routes.
- Patched potholes and washouts throughout city streets.
- Bladed dirt roads to maintain drivable conditions.
- Performed a culvert exchange to improve drainage infrastructure.
- Mowed along FM 1431 and installed flags in honor of Memorial Day.
- Cleaned flower beds on Phillips Ranch Road and installed decorative boulders.
- Storm cleanup: Removed fallen trees and debris from city roadways following recent weather events.
- Cleaned culverts and continued work on improving city-wide drainage systems.
- Responded to and completed all assigned work orders.

Department Personnel

PERSONNEL	DEPARTMENT	EXPERIENCE	LICENSES
Ronald "Shorty" Corley	SUPERINTENDENT	5y 8m	CDL
Humberto Mejia	CREW LEADER	2y 7m	CDL
Riley Edwards	PARKS TECHNICIAN	9m	
Carlos Martinez	PARKS TECHNICIAN	2m	
Joseph Lambert	PARKS TECHNICIAN	4m	Class A
Felix Martin	PARKS TECHNICIAN	1y7m	
Preston Garza	STREETS TECHNICIAN	1y 1m	
Darin Levlon	STREETS TECHNICIAN	1y 1m	Class A
Armando Serrano	STREETS TECHNICIAN	1y	

*One open position

FINANCE
Monthly Report
Budget vs. Actual

5/31/2025

PERCENT OF YEAR COMPLETED: 66.67%

FUND	REVENUES		EXPENDITURES		Surplus (Deficit)	
	FY 2025 Budget	Actual	FY 2025 Budget	Actual	Budget	Actual
100 General Fund	\$ 6,684,877	\$ 6,267,367	\$ (6,684,877)	\$ (4,388,275)	\$ -	\$ 1,879,092
200 Utility Fund	\$ 2,086,900	\$ 1,506,231	\$ (1,717,832)	\$ (1,244,217)	\$ 369,068	\$ 262,013
250 Solid Waste Fund	\$ 700,000	\$ 688,498	\$ (601,700)	\$ (615,905)	\$ 98,300	\$ 72,594
350 Restricted Parks Fund	\$ 20,551	\$ -	\$ (20,551)	\$ -	\$ -	\$ -
351 Parks Fund	\$ -	\$ 10,300	\$ -	\$ -	\$ -	\$ 10,300
360 Hotel Tax Fund	\$ 65,000	\$ 20,444	\$ (35,500)	\$ (23,291)	\$ 29,500	\$ (2,847)
370 Street Maintenance Fund	\$ 415,000	\$ 166,802	\$ (415,000)	\$ -	\$ -	\$ 166,802
375 Police Seizure Fund	\$ 12,353	\$ 136	\$ (12,353)	\$ -	\$ -	\$ 136
376 Law Enforcement Education Fd	\$ 15,000	\$ 3,036	\$ (15,000)	\$ -	\$ -	\$ 3,036
380 City Cleanup Fund	\$ 21,500	\$ 15,821	\$ (21,415)	\$ (6,192)	\$ -	\$ 9,628
390 Court Technology Fund	\$ 4,000	\$ 3,171	\$ (8,000)	\$ (2,485)	\$ (4,000)	\$ 685
391 Court Building Security Fund	\$ 4,000	\$ 3,792	\$ (4,000)	\$ -	\$ -	\$ 3,792
392 Child Safety Fund	\$ 4,800	\$ 7,189	\$ -	\$ -	\$ 4,800	\$ 7,189
400 Debt Service Fund	\$ 1,901,700	\$ 1,766,183	\$ (1,901,700)	\$ (207,249)	\$ -	\$ 1,558,934
501 Govt Equipment Reserve	\$ 25,000	\$ 25,000	\$ -	\$ -	\$ 25,000	\$ 25,000
502 Utility Equipment Reserve	\$ 28,000	\$ 220,334	\$ -	\$ -	\$ 28,000	\$ 220,334
503 PD - Equipment Reserve	\$ 110,000	\$ 110,000	\$ -	\$ -	\$ 110,000	\$ 110,000
508 Street Bond - Series 2018	\$ 729,454		\$ (729,454)	\$ (733,821)	\$ -	
510 Water Improv Bond 2020	\$ 1,684,321		\$ (1,684,321)	\$ (1,601,852)	\$ -	
600 ARP Funds	\$ -	\$ -	\$ -	\$ (266,126)	\$ -	\$ (266,126)
800 Capital Projects	\$ 3,199,775	\$ 2,946,673	\$ (3,199,775)	\$ (856,698)	\$ -	\$ 2,089,975
TOTAL	\$ 17,712,231	\$ 13,760,976	\$ (17,051,478)	\$ (9,946,113)	\$ 660,668	\$ 6,150,536

FINANCE
Monthly Report
Fund Balance/Net Position

5/31/2025

PERCENT OF YEAR COMPLETED: 66.67%

FUND BALANCES	Beginning @ 10/01	YTD Revenues	YTD Expenses	Ending	% of Total
100 General Fund	\$ 1,276,275	\$ 6,267,367	\$ (4,388,275)	\$ 3,155,367	23.12%
200 Utility Fund	\$ 2,574,977	\$ 1,506,231	\$ (1,244,217)	\$ 2,836,990	20.78%
250 Solid Waste Fund	\$ 446,922	\$ 688,498	\$ (615,905)	\$ 519,515	3.81%
350 Restricted Parks Fund	\$ 40,932	\$ -	\$ -	\$ 40,932	0.30%
351 Parks Fund	\$ -	\$ 10,300			
360 Hotel Tax Fund	\$ 139,640	\$ 20,444	\$ (23,291)	\$ 136,793	1.00%
370 Street Maintenance Fund	\$ 187,282	\$ 166,802	\$ -	\$ 354,084	2.59%
375 Police Seizure Fund	\$ 7,665	\$ 136	\$ -	\$ 7,801	0.06%
376 Law Enforcement Education Fd	\$ 18,719	\$ 3,036	\$ -	\$ 21,755	0.16%
380 City Cleanup Fund	\$ 15,622	\$ 15,821	\$ (6,192)	\$ 25,251	0.18%
390 Court Technology Fund	\$ 5,266	\$ 3,171	\$ (2,485)	\$ 5,952	0.04%
391 Court Building Security Fund	\$ 12,970	\$ 3,792	\$ -	\$ 16,761	0.12%
392 Child Safety Fund	\$ 32,757	\$ 7,189	\$ -	\$ 39,946	0.29%
400 Debt Service Fund	\$ 1,038,979	\$ 1,766,183	\$ (207,249)	\$ 2,597,913	19.03%
501 Govt Equipment Reserve	\$ 230,097	\$ 25,000	\$ -	\$ 255,097	1.87%
502 Utility Equipment Reserve	\$ 554,213	\$ 220,334	\$ -	\$ 774,547	5.67%
503 PD - Equipment Reserve	\$ -	\$ 110,000			
508 Street Bond - Series 2018	\$ 733,821	\$ -	\$ (733,821)	\$ -	0.00%
510 Water Improv Bond 2020	\$ 1,601,852	\$ -	\$ (1,601,852)	\$ -	0.00%
600 ARP Funds	\$ 1,036,719	\$ -	\$ (266,126)	\$ 770,593	5.65%
800 Capital Projects	\$ -	\$ 2,946,673	\$ (856,698)	\$ 2,089,975	15.31%
Total	\$ 9,954,707	\$ 13,760,976	\$ (9,946,113)	\$ 13,649,270	

FINANCE
Monthly Report
General Fund Revenue

5/31/2025

PERCENT OF YEAR COMPLETED: 66.67%

GENERAL FUND					
-REVENUES	FY 2025 Budget	YTD Actual	Surplus (Deficit)	% of Budget	
Property Taxes	\$ 4,748,032	\$ 4,708,797	\$ (39,235)	99.17%	
Sales Tax	\$ 300,000	\$ 166,802	\$ (133,198)	55.60%	
Mixed Beverage Tax	\$ 50	\$ 68	\$ 18	136.00%	
Franchise Fees	\$ 180,000	\$ 234,862	\$ 54,862	130.48%	
Tower Lease	\$ 26,500	\$ 23,725	\$ (2,775)	89.53%	
Building Permits	\$ 200,000	\$ 92,047	\$ (107,953)	46.02%	
Short Term Rental Register	\$ 23,000	\$ 6,377	\$ (16,623)	27.73%	
Contracts	\$ 471,550	\$ 306,413	\$ (165,138)	64.98%	
Interest	\$ 446,437	\$ 298,090	\$ (148,347)	66.77%	
Boat Launch Fees	\$ 25,000	\$ 23,154	\$ (1,846)	92.62%	
Other Fees	\$ 14,500	\$ 6,645	\$ (7,855)	45.83%	
Miscellaneous	\$ 52,500	\$ 247,349	\$ 194,849	471.14%	
Municipal Court Fees/Fines	\$ 197,308	\$ 153,038	\$ (44,270)	77.56%	
TOTAL	\$ 6,684,877	\$ 6,267,367	\$ (417,510)	93.75%	

FINANCE

Monthly Report

General Fund Expenses

5/31/2025

PERCENT OF YEAR COMPLETED: 66.67%

GENERAL FUND

-REVENUES	FY 2025 Budget		YTD Actual		Budget Available	% of Budget
NON-DEPARTMENTAL						
Prof & Contracts	\$	1,548	\$	1,548	\$ -	100.00%
Prof & Contracts	\$	168,983	\$	138,619	\$ 30,364	82.03%
Supplies & Operations	\$	421,662	\$	320,412	\$ 101,250	75.99%
Total Municipal Court	\$	592,193	\$	460,579	\$ 131,614	77.78%
FIRE						
Personnel	\$	1,229,907	\$	910,761	\$ 319,146	74.05%
Prof & Contracts	\$	26,000	\$	17,187	\$ 8,813	66.10%
Supplies & Operations	\$	160,639	\$	118,049	\$ 42,590	73.49%
Total Fire	\$	1,416,546	\$	1,045,996	\$ 370,550	73.84%
Administration						
Personnel	\$	856,807	\$	493,515	\$ 363,292	57.60%
Prof & Contracts	\$	349,800	\$	106,218	\$ 243,582	30.37%
Supplies & Operations	\$	54,201	\$	20,652	\$ 33,549	38.10%
Total Administration	\$	1,260,808	\$	620,385	\$ 640,423	49.21%
Planning and Development						
Personnel	\$	261,824	\$	121,136	\$ 140,688	46.27%
Prof & Contracts	\$	47,030	\$	40,437	\$ 6,593	85.98%
Supplies & Operations	\$	7,700	\$	3,376	\$ 4,324	43.84%
Total Administration	\$	316,554	\$	164,949	\$ 151,605	52.11%

GENERAL FUND							
-REVENUES	FY 2025 Budget		YTD Actual		Budget Available	% of Budget	
Police							
Personnel	\$	1,344,273	\$	936,311	\$	407,962	69.65%
Prof & Contracts	\$	206,276	\$	116,460	\$	89,816	56.46%
Supplies & Operations	\$	215,000	\$	138,633	\$	76,367	64.48%
Total Police	\$	1,765,549	\$	1,191,404	\$	574,145	67.48%
Streets							
Personnel	\$	436,914	\$	215,280	\$	221,634	49.27%
Supplies & Operations	\$	184,443	\$	56,700	\$	127,743	30.74%
Total Streets	\$	621,357	\$	271,980	\$	349,377	43.77%
Parks							
Personnel	\$	222,480	\$	187,101	\$	35,379	84.10%
Prof & Contracts	\$	1,000	\$	-	\$	1,000	0.00%
Supplies & Operations	\$	47,300	\$	32,945	\$	14,355	69.65%
Total Parks	\$	270,780	\$	220,046	\$	50,734	81.26%
Municipal Court							
Personnel	\$	53,440	\$	38,640	\$	14,800	72.31%
Prof & Contracts	\$	52,800	\$	38,516	\$	14,284	72.95%
Supplies & Operations	\$	3,850	\$	4,781	\$	(931)	124.17%
Total Municipal Court	\$	110,090	\$	81,937	\$	28,153	74.43%
Transfers							
Transfer to Fire Capital Reserve	\$	25,000	\$	25,000	\$	-	100.00%
Transfer to PD Capital Reserve	\$	110,000	\$	110,000	\$	-	100.00%
Transfer to Capital	\$	196,000	\$	196,000	\$	-	100.00%
Total Transfers	\$	331,000	\$	331,000	\$	-	100.00%
TOTAL	\$	6,684,877	\$	4,388,275	\$	2,296,602	65.64%

FINANCE

Monthly Report

Water Fund

5/31/2025

PERCENT OF YEAR COMPLETED: 66.67%

WATER FUND					
-REVENUES	FY 2025 Budget	YTD Actual	Surplus (Deficit)	% of Budget	
Surface Water	\$ 1,901,500	\$ 1,353,569	\$ (547,931)	71.18%	
Ground Water	\$ 185,400	\$ 152,662	\$ (32,738)	82.34%	
TOTAL REVENUE	\$ 2,086,900	\$ 1,506,231	\$ (580,669)	72.18%	
WATER FUND					
-EXPENSES	FY 2025 Budget	YTD Actual	Budget Available	% of Budget	
Non Departmental					
Prof & Contracts	\$ -	\$ 55,953	\$ (55,953)	0.00%	
Other	\$ 6,500	\$ (331)	\$ 6,831	-5.10%	
Total Other	\$ 6,500	\$ 55,622	\$ 6,831	855.72%	
Surface Water					
Personnel	\$ 753,609	\$ 445,065	\$ 308,544	59.06%	
Prof & Contracts	\$ 265,900	\$ 56,008	\$ 209,892	21.06%	
Supplies & Operations	\$ 464,223	\$ 505,338	\$ (41,115)	108.86%	
Total Surface Water	\$ 1,483,732	\$ 1,006,412	\$ 477,320	67.83%	
Ground Water					
Supplies & Operations	\$ 52,600	\$ 7,184	\$ 45,416	13.66%	
Total Ground Water	\$ 52,600	\$ 7,184	\$ 45,416	13.66%	
Transfers					
Transfer to Fire Capital Reserve	\$ 175,000	\$ 175,000	\$ -	100.00%	
Total Transfers	\$ 175,000	\$ 175,000	\$ -	100.00%	
TOTAL EXPENSES	\$ 1,717,832.00	\$ 1,244,217.32	\$ 529,567.98	72.43%	

FINANCE
Monthly Report
Solid Waste Fund

5/31/2025

PERCENT OF YEAR COMPLETED: 66.67%

WATER FUND

-REVENUES	FY 2025 Budget	YTD Actual	Surplus (Deficit)	% of Budget
Solid Waste Fees	\$ 700,000	\$ 688,498	\$ (11,502)	98.36%
TOTAL REVENUE	\$ 700,000	\$ 688,498	\$ (11,502)	98.36%

WATER FUND

-EXPENSES	FY 2025 Budget	YTD Actual	Budget Available	% of Budget
Prof & Contracts	\$ 600,000	\$ 615,905	\$ (15,905)	102.65%
Write-Off Uncollectable	\$ 1,700	\$ -	\$ 1,700	0.00%
TOTAL EXPENSES	\$ 601,700	\$ 615,905	\$ (14,205)	102.36%

FINANCE
Monthly Report
Sales Tax

5/31/2025

PERCENT OF YEAR COMPLETED:

66.67%

Year	October	November	December	January	February	March	April	May	June	July	August	September	YTD Total
2025	\$ 52,567.23	\$ 52,803.60	\$ 82,817.65	\$ 41,333.98	\$ 46,480.94	\$ 57,600.62							\$ 333,604.02
2024	\$ 50,848.60	\$ 48,724.65	\$ 61,056.70	\$ 44,506.35	\$ 43,088.72	\$ 59,490.73	\$ 54,878.22	\$ 52,130.72	\$ 60,245.39	\$ 57,386.82	\$ 51,253.07	\$ 59,634.72	\$ 643,244.69
2023	\$ 47,472.50	\$ 46,580.57	\$ 54,894.16	\$ 43,727.64	\$ 38,723.15	\$ 55,091.38	\$ 48,224.93	\$ 51,775.91	\$ 59,540.19	\$ 54,571.62	\$ 51,755.77	\$ 53,447.24	\$ 605,805.06
2022	\$ 35,600.41	\$ 37,503.96	\$ 46,558.50	\$ 32,711.23	\$ 34,439.24	\$ 48,415.77	\$ 43,677.95	\$ 44,323.39	\$ 62,557.72	\$ 41,939.60	\$ 45,791.52	\$ 59,335.46	\$ 532,854.75
2021	\$ 32,204.90	\$ 32,560.96	\$ 40,100.08	\$ 29,753.48	\$ 29,284.88	\$ 41,550.18	\$ 39,184.00	\$ 38,567.02	\$ 43,711.25	\$ 39,877.08	\$ 39,719.99	\$ 39,757.26	\$ 446,271.08
2020	\$ 31,450.08	\$ 27,289.82	\$ 35,733.39	\$ 28,164.80	\$ 26,215.10	\$ 34,695.43	\$ 34,989.49	\$ 40,028.36	\$ 45,899.72	\$ 38,791.08	\$ 34,145.65	\$ 38,628.12	\$ 416,031.04
2019	\$ 28,382.26	\$ 26,270.45	\$ 32,434.13	\$ 24,299.23	\$ 23,212.04	\$ 29,596.31	\$ 26,258.12	\$ 29,020.21	\$ 34,515.78	\$ 31,246.66	\$ 29,884.40	\$ 34,741.28	\$ 349,860.87
2018	\$ 23,395.23	\$ 23,232.13	\$ 27,881.17	\$ 21,744.62	\$ 21,324.39	\$ 31,404.62	\$ 26,117.45	\$ 26,422.29	\$ 37,380.55	\$ 29,328.50	\$ 23,543.18	\$ 29,858.42	\$ 321,632.55
2017	\$ 24,011.76	\$ 23,089.63	\$ 28,708.00	\$ 21,487.92	\$ 21,448.02	\$ 27,121.65	\$ 24,511.27	\$ 27,732.84	\$ 30,436.93	\$ 25,928.39	\$ 25,665.36	\$ 27,371.40	\$ 307,513.17
2016	\$ 16,744.65	\$ 15,754.66	\$ 22,802.75	\$ 16,581.41	\$ 17,615.01	\$ 23,355.08	\$ 21,043.94	\$ 21,565.84	\$ 28,181.96	\$ 21,723.95	\$ 22,348.80	\$ 23,804.26	\$ 251,522.31
2015	\$ 11,490.63	\$ 11,041.35	\$ 14,482.63	\$ 10,443.38	\$ 10,318.89	\$ 15,004.98	\$ 13,119.30	\$ 12,992.34	\$ 28,627.76	\$ 13,909.33	\$ 13,780.18	\$ 15,381.07	\$ 170,591.84
2014	\$ 8,961.35	\$ 8,742.38	\$ 12,083.89	\$ 7,940.02	\$ 8,314.82	\$ 11,438.03	\$ 10,103.24	\$ 10,763.40	\$ 13,521.02	\$ 10,428.56	\$ 11,403.27	\$ 20,615.13	\$ 134,315.11
2013	\$ 6,545.79	\$ 6,440.24	\$ 7,522.31	\$ 6,985.17	\$ 6,822.40	\$ 9,330.68	\$ 7,784.28	\$ 8,276.01	\$ 11,922.22	\$ 11,554.41	\$ 10,017.64	\$ 15,325.45	\$ 108,526.60
2012	\$ 6,112.84	\$ 5,503.86	\$ 8,077.42	\$ 5,288.97	\$ 6,002.50	\$ 7,935.22	\$ 7,426.92	\$ 7,520.53	\$ 8,330.42	\$ 7,556.82	\$ 6,585.33	\$ 8,296.00	\$ 84,636.83
2011	\$ 5,094.62	\$ 5,688.78	\$ 7,491.41	\$ 4,792.54	\$ 6,069.36	\$ 8,017.11	\$ 5,710.31	\$ 7,689.41	\$ 8,519.92	\$ 7,624.52	\$ 6,885.31	\$ 9,372.82	\$ 82,956.11
2010	\$ 5,107.83	\$ 4,285.04	\$ 6,197.98	\$ 5,069.03	\$ 4,318.69	\$ 7,673.13	\$ 6,623.30	\$ 6,183.44	\$ 7,987.42	\$ 6,424.99	\$ 5,511.52	\$ 7,529.55	\$ 72,911.92
2009	\$ 4,348.30	\$ 4,326.98	\$ 5,711.99	\$ 3,373.79	\$ 3,649.16	\$ 6,886.26	\$ 4,521.64	\$ 4,551.88	\$ 7,925.28	\$ 6,447.40	\$ 6,165.56	\$ 6,432.33	\$ 64,340.57
2008	\$ 6,896.64	\$ 3,976.93	\$ 5,834.61	\$ 3,849.41	\$ 4,430.89	\$ 5,465.18	\$ 4,354.44	\$ 5,097.38	\$ 6,167.69	\$ 5,303.93	\$ 5,146.86	\$ 6,044.53	\$ 62,568.49
2007	\$ 2,866.95	\$ 3,829.71	\$ 4,082.86	\$ 3,150.74	\$ 3,809.77	\$ 4,996.53	\$ 4,276.00	\$ 4,717.84	\$ 6,121.50	\$ 4,782.88	\$ 4,942.96	\$ 5,738.35	\$ 53,316.09
2006	\$ 3,150.19	\$ 2,850.88	\$ 3,925.31	\$ 2,678.32	\$ 7,085.29	\$ 4,711.15	\$ 4,290.98	\$ 3,964.50	\$ 4,473.42	\$ 3,661.15	\$ 3,687.42	\$ 4,951.37	\$ 49,429.98
2005	\$ 2,969.60	\$ 2,595.17	\$ 4,250.46	\$ 3,264.72	\$ 2,687.04	\$ 4,635.33	\$ 2,792.43	\$ 3,416.45	\$ 5,165.91	\$ 3,288.39	\$ 4,034.49	\$ 3,813.85	\$ 42,913.84
2004	\$ 3,252.93	\$ 2,821.80	\$ 4,166.98	\$ 2,583.87	\$ 3,102.40	\$ 4,627.43	\$ 3,014.40	\$ 3,452.12	\$ 5,497.85	\$ 3,748.05	\$ 3,945.60	\$ 5,492.73	\$ 45,706.16
2003	\$ 2,685.48	\$ 2,432.46	\$ 4,588.66	\$ 3,140.44	\$ 1,951.85	\$ 4,935.07	\$ 3,234.99	\$ 3,870.70	\$ 5,092.50	\$ 4,152.58	\$ 3,625.20	\$ 5,601.94	\$ 45,311.87
2002	\$ 2,938.88	\$ 2,761.20	\$ 4,261.77	\$ 2,413.95	\$ 3,710.18	\$ 3,656.95	\$ 3,308.06	\$ 3,991.46	\$ 4,429.58	\$ 3,542.07	\$ 3,809.27	\$ 4,333.62	\$ 43,156.99
2001	\$ 3,711.26	\$ 2,964.73	\$ 4,570.75	\$ 1,681.78	\$ 3,170.53	\$ 3,399.40	\$ 3,646.71	\$ 3,857.79	\$ 3,825.41	\$ 4,228.96	\$ 2,856.42	\$ 3,176.73	\$ 41,090.47
2000	\$ 3,455.58	\$ 3,927.90	\$ 3,797.69	\$ 2,293.76	\$ 2,322.92	\$ 4,562.86	\$ 2,878.96	\$ 2,731.61	\$ 4,360.14	\$ 3,349.10	\$ 3,837.11	\$ 4,296.22	\$ 41,813.85

May 2025 collections are for the month of March 2025

March 2025 collections are 3.18% (-\$1890.11) lower than March 2024

Total year-to-date collections are 8.41% (\$25,888.27) higher than last year at this time

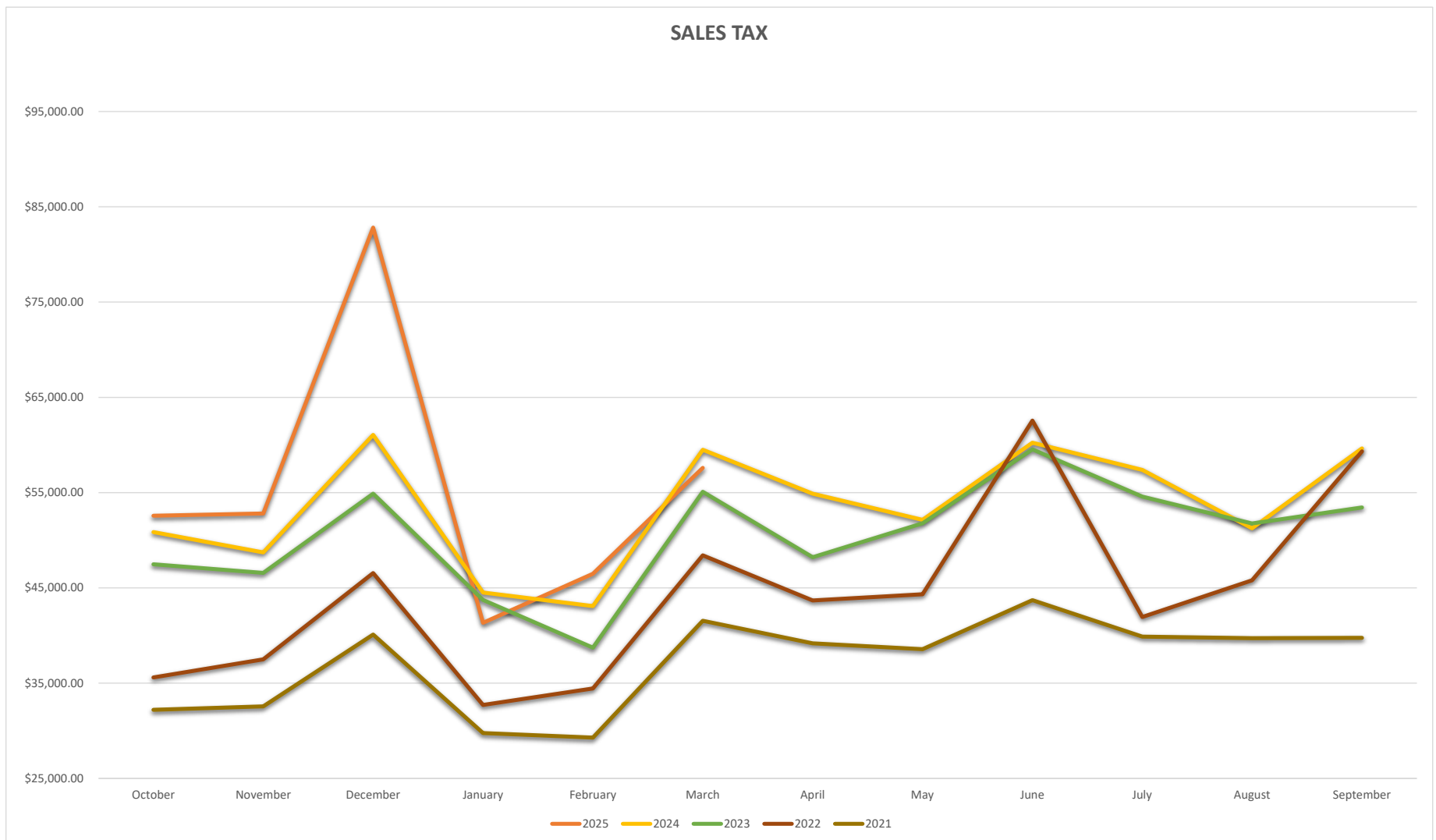
FINANCE
Monthly Report
Sales Tax

5/31/2025

PERCENT OF YEAR COMPLETED:

66.67%

SALES TAX





**NOTICE OF AGENDA
GRANITE SHOALS CITY COUNCIL
REGULAR CALLED MEETING**

TUESDAY, JUNE 10, 2025 AT 6:00 PM

City of Granite Shoals City Hall, 2221 N. Phillips Rd., Granite Shoals, TX 78654
Phone (830) 598-2424 Fax (830) 598-6538 • www.graniteshoals.org

MINUTES

1. Call to Order/ Roll Call/ Welcome

Invocation

- Pastor Jackie English

Pledge of Allegiance, Pledge to Texas Flag

2. Citizen Comments

- Peter Hutnick - 1547 Ridge Valley, Granite Shoals - City Parks-Useability and Funding; boat launch fees should be used to maintain boat dock, park upkeep and drainage concerns.
- Phil Ort - 500 Timberhill Dr, Granite Shoals - Not in support of a pavilion at Timberhill Park.
- Michele Landfield - 131 W Bluebriar, Granite Shoals - Item 7c. grant application for Lakeview Park
- Stan Schmer - 1009 Mods Down, Granite Shoals - Granite Mountain Center/Proposed commercial project. Mr. Schmer is frustrated with the permit process and timeline. He provided information packets to the Council for review during the Executive Session.

3. Items of Community Interest

1. June 19th - City offices closed for Juneteenth
2. June 20th & 21st - Battle of the Badges BBQ Cook-off @ Quarry Park

4. Presentations

4.a. Discuss and consider legislative updates from the City Attorney.

- Session Overview:

- Legislative session ended June 2, 2025. Governor Abbott has until June 22 to sign or veto bills.
- Fewer “city-detrimental” bills passed compared to previous sessions, but many remain pending the governor’s decision.
- Significant Bills Discussed:
 - Senate Bill 1844 – Deannexation:
 - Effective Sept 1, 2025; allows property owners, even of single lots, to petition for removal from city limits if the city fails to provide water/sewer where it does so elsewhere.
 - Not expected to affect Granite Shoals due to reliance on septic and lack of citywide sewer.
 - House Bill 2464 – Home-Based Businesses:
 - Would define “no impact home business” (minimal traffic/noise, not visible from the street).
 - Prohibits cities from banning such uses.
 - Granite Shoals may need to review zoning to ensure compliance if enacted.
 - Senate Bill 785 – Manufactured Housing:
 - Would require cities to have at least one zoning district allowing new manufactured homes.
 - City believed to already be compliant, but verification needed.
 - House Bill 2028 – Open Meetings Act Revision:
 - Changes 72-hour agenda posting requirement to 3 business days.
 - Adds requirements for budget transparency (publish draft budget and taxpayer impact statement online).
 - Not effective until Sept 1, 2025; will primarily affect future meeting scheduling and budget posting.
 - House Bill 762 – Severance Pay Limits:
 - Would prohibit severance pay exceeding 20 weeks for public employees, effective for new contracts after Sept 1.
 - Senate Bill 1883 – Impact Fees:
 - Would require 2/3 council vote to adopt impact fees; restricts updates to a minimum of every 3 years.
 - Property Tax-Related Bills:
 - A variety of changes to homestead and senior exemptions, many requiring public vote in November 2025.
 - Concerns about decreased tax revenue for cities and uncertainty about state compensation for lost revenue.
- Bills That Did Not Pass:
 - The “Death Star” preemption bill empowering the Attorney General to strip municipal authority.

- Blanket legalization of accessory dwelling units citywide.
- Cap on franchise fees for solid waste (would have reduced city revenue).
- Prohibiting cities from hiring lobbyists.
- Forcing all local elections to November.
- Restrictions on city enforcement of subdivision regulations in extraterritorial jurisdictions.
- Follow-up: Legislative seminar by TML (June 12–13) to be attended by city attorney; June 24th council meeting may include further updates.

5. Reports

5.a. Department Reports

6. Consent Agenda

6.a. Discuss and consider approval of meeting minutes from May 13, 2025.

- Moved by Steve Hougen; seconded by Judy Salvaggio to Approve consent agenda items 6.a and 6.b.
- Motion Passed: 7 - 0
- Voting For: Ron Munos, Brian Edwards, Mike Pfister, Judy Salvaggio, Steve Hougen, Michael Berg, Catherine Bell
- Voting Against: None

6.b. Discuss, consider, and take appropriate action regarding the Contract for Election Services and Joint Election Agreement with Burnet County for 2025-2026.

7. Action Items

7.a. Discuss, consider, and take appropriate action regarding bids for ribbon curb and trail proposal.

- Moved by Steve Hougen; seconded by Mike Pfister to approve the \$265,972 bid from Gage & Cade Construction for a four-foot-wide sidewalk on Phillips Ranch Road (Hungry Dog to Bucks/Valero), pending surveys and easement verification.
- Motion Passed: 7 - 0
- Voting For: Ron Munos, Brian Edwards, Mike Pfister, Judy Salvaggio, Steve Hougen, Michael Berg, Catherine Bell
- Voting Against: None

- Future uses for remaining funds will be discussed at a later date.

7.b. Discuss, consider, and take appropriate action regarding a bid for and construction of a pavilion at Timberhill Park.

- Funding: \$20,000 residual from Lot 51 property sale, restricted for Timber Hill Park use.
- Initial proposal: 20'x30' pavilion costing \$13,680 (plus 20% contingency for aging quote).
- Council acknowledged public comment concerns about size and location.
- Parks Committee and stakeholders to re-examine location, size, and impact, with additional analysis of maneuverability for boat trailers.

- Moved by Steve Hougen; seconded by Brian Edwards to Table.
- Motion Passed: 7 - 0
- Voting For: Ron Munos, Brian Edwards, Mike Pfister, Judy Salvaggio, Steve Hougen, Michael Berg, Catherine Bell
- Voting Against: None

7.c. Discuss, consider, and take appropriate action regarding possible submission of an LCRA Community Grant application for a pavilion and fishing pier at Lakeview Park.

- The Parks Committee has reviewed and approved the proposal for the installation of a T-shaped fishing pier at Lakeview Park. They are currently pursuing funding opportunities to support this project. The Parks Committee is eager to commence construction at the earliest opportunity. Additionally, there is interest in including a small pavilion as part of the development. Michelle Landfield and Shirley King have arranged for several contributions of volunteer work and in-kind support, significantly minimizing associated costs.
- Size and dimensions of the pavilion were discussed.
- Sarah Novo noted the City has sent the master plan as well as the proposals that we've received from the contractor to the LCRA for review.

- Moved by Mike Pfister; seconded by Judy Salvaggio to Authorize the City to

apply for the LCRA Grant.

- Motion Passed: 7 - 0
 - Voting For: Ron Munos, Brian Edwards, Mike Pfister, Judy Salvaggio, Steve Hougen, Michael Berg, Catherine Bell
 - Voting Against: None
- Mayor Munos moved items 7.d and 7.e to be discussed after the Executive Session.

7.d. Discuss, consider, and take appropriate action regarding proposed Ordinance 873: Amendment to Utilities Ordinance to adopt regulations for sanitary control easements for public water supply wells

- Moved by Steve Hougen; seconded by Judy Salvaggio to adopt Ordinance 873 with revisions to apply to current and future city-owned water wells.
- Motion Passed: 7 - 0
- Voting For: Ron Munos, Brian Edwards, Mike Pfister, Judy Salvaggio, Steve Hougen, Michael Berg, Catherine Bell
- Voting Against: None

7.e. Discuss, consider, and take appropriate action regarding proposed Ordinance 874: Amendment to Utilities Ordinance to adopt service requirements for utility customers outside of City limits

- Moved by Steve Hougen; seconded by Brian Edwards to adopt Ordinance 874: Amendment to the utility ordinance to adopt service requirements for utility customers outside of the City limits.
- Motion Passed: 7 - 0
- Voting For: Ron Munos, Brian Edwards, Mike Pfister, Judy Salvaggio, Steve Hougen, Michael Berg, Catherine Bell
- Voting Against: None

7.f. Discuss, consider, and take appropriate action regarding TRC change order for additional work by McDonald Electric for the WTP generator.

- The generator grant the City received for the water treatment plant project was initially planned with the transformer installed in a specific location. However, once PEC personnel arrived on-site and began their work, they determined that the current placement of the transformer next to the building was too congested to allow for proper maintenance access. As a result, they requested that the transformer be relocated adjacent to the street, closer to the

generator. This modification resulted in a change order totaling \$106,200.

- Moved by Steve Hougen; seconded by Catherine Bell to accept the TRC change order for additional work by McDonald Electric for the WTP generator.
- Motion Passed: 7 - 0
- Voting For: Ron Munos, Brian Edwards, Mike Pfister, Judy Salvaggio, Steve Hougen, Michael Berg, Catherine Bell
- Voting Against: None

8. Executive Session (Closed to the Public)

The City Council reserves the right to adjourn into executive session at any time during the course of this meeting to discuss any matters listed on the agenda, as authorized by Texas Government Code Sections 551.071 (consultation with attorney), 551.072 (deliberations about real property), 551.073 (deliberations about gifts and donations), 551.074 (personnel matters), 551.076 (deliberations about security devices), 551.087 (economic development), and/or 418.183 (homeland security).

- The Council adjourned to Executive Session at 7:27pm.
- The Council reconvened to Open Session at 8:22pm.
 - No action was taken in the Executive Session.

8.a. Executive Session – Enter into executive session to consult with attorney to seek advice on legal matters pursuant to Texas Government Code Section 551.071 and to deliberate the sale of real property pursuant to Texas Government Code Section 551.072. No action will be taken in the executive session; action, if any, will be taken in open session.

a. Discuss Hoover Valley Water Assets.

8.b. Executive Session – Enter into executive session regarding economic development negotiations for business prospects the City seeks to have, locate, stay, or expand within the City pursuant to Texas Government Code Section 551.087. No action will be taken in the executive session; action, if any, will be taken in open session.

a. Discuss Granite Mountain Development

9. Future Agenda Items

1. Timber Hill Pavilion:

- Parks Committee and relevant citizens to reassess site/size, including in-person

- trailer maneuvering and parking review.
- Return with updated recommendations.

2. Legislative Tracking:

- City attorney to provide a follow-up update (June 24) after governor's bill deadlines and TML seminar.

3. Ordinance Reviews:

- Council to review boating/launch fee ordinances, including for rental "livery" operations.
- Fill areas fund allocation (Lot 56/fill area proceeds)

4. Review P&Z and BOA Commission appointments/renewals as required by the City Charter.

- Address absenteeism on committees

5. Budget Calendar:

Staff to present preliminary budget workshop/approval dates for council scheduling.

10. Adjournment

- Moved by Catherine Bell; seconded by Judy Salvaggio to adjourn.
- Mayor Munos adjourned the meeting at 8:29pm.

CERTIFICATION

I hereby certify that the above minutes are true and correct from the City Council meeting of June 10, 2025.

Mayor Ron Munos _____

Attest:

Dawn Wright - City Secretary _____

Timberhill
Pavilion

Estimate #14390

Jay-T Construction

20x30 concrete foundation	\$6,000.00
----------------------------------	-------------------

1 X \$6,000.00

Building Labor	\$3,600.00
-----------------------	-------------------

1 X \$3,600.00

Building Materials	\$4,080.00
---------------------------	-------------------

1 X \$4,080.00

Total \$13,680.00

or starting at /month with financing (36 mo)*





City Council STAFF REPORT

Subject: Water Infrastructure Bond Projects- 500 Block
North Shorewood

Date: 6/10/2025

Department: Utility

Background:

The Utility Department oversees approximately 200 miles of main distribution lines and is initiating plans for upgrades and replacements. This includes the installation of additional fire hydrants to enhance fire protection in areas that currently lack adequate coverage. Many of the existing main lines have been in service for approximately 70 years and are deteriorating at a rate that exceeds the capacity of City staff to replace them in a timely manner. Implementing a main line replacement program would reduce the time staff spends on repairing breaks and would significantly improve the quality of the City's drinking water supply by focusing on key sections of the community.

Recommendation:

Replacing 2,500 linear feet of 1-1/2inch old main with new 6inch water main.

Install 5 new fire hydrants along the 500 block of North Shorewood Dr

Loop area, tie in- W. Briar, W. Briarway, W. Greenbriar, W. Sweetbriar, W. Bluebriar

Fiscal Impact:

Major projects that have been completed from the 2019 Water Bond the new elevated tower located on Bluebriar, the facility improvements at the City's Water Treatment Plant, 1,600 linear feet water main replacement and new fire hydrants along the south side of Kingswood Dr, 2,500 linear feet of water main replacement and new fire hydrants along the 1000 block of N. Shorewood and W. Greencastle.

The remainder of monies in the Water Infrastructure Bond sit at \$1.3 million for distribution main replacement.

Staff recommends accepting Qro-mex's bid at \$203,600.00 + 10% contingency

Total of \$223,960.00

Attachments:

- A. Qro-mex quote
- B. MC Fonseca quote
- C. Atlas quote
- D. Map of area proposed

M&C Fonseca Construction Co., Inc.
 1901 Prairie Creek Rd.
 Granite Shoals, TX 78654
 Office: (830) 596-1741
 Fax: (800) 878-1716
 Email: jordan@mcfonseca.com



OWNER: City of Granite Shoals
PROJECT: North Shorewood Dr. Main Waterline Replacement
DATE: June 6, 2025
LOCATION: 1000 Block of N. Shorewood
 Granite Shoals, TX 78654

QUOTE: 25-012

Item	Description	Unit	Qty.	Price	Amount
1	Replace 1-1/4" Water Main w/ 6" C900 Water Main	LF	2500	\$ 34.00	\$ 85,000.00
2	Tie-In to New 6" Main to Existing 6" Main (N. Shorewood / N. Lake)	EA	1	\$ 2,800.00	\$ 2,800.00
3	Tie-In to New 6" Main to Existing 6" Main (N. Shorewood / W. Bluebriar)	EA	1	\$ 2,800.00	\$ 2,800.00
4	Install 6" x 2" Tee for Future Tie-In @ N. Shorewood / W. Briar	EA	1	\$ 2,000.00	\$ 2,000.00
5	Tie-In to Existing 2" Main into New 6" Main (N. Shorewood / W. Briarway)	EA	1	\$ 2,000.00	\$ 2,000.00
6	Tie-In to Existing 2" Main into New 6" Main (N. Shorewood / W. Greenbriar)	EA	1	\$ 2,000.00	\$ 2,000.00
7	Tie-In to Existing 2" Main into New 6" Main (N. Shorewood / W. Sweet Briar)	EA	1	\$ 2,000.00	\$ 2,000.00
8	Tie-In New 6" Main into Existing 8" Main (N. Shorewood / W. Bluebriar)	EA	1	\$ 3,100.00	\$ 3,100.00
9	Install New Fire Hydrants Approx. Every 500 FT.	EA	5	\$ 5,000.00	\$ 25,000.00
10	Install New Residential Water Service Connections Along New Main	EA	30	\$ 1,400.00	\$ 42,000.00
11	Route Under or Replace 15" Storm Drain Culverts Crossing N. Shorewood	EA	5	\$ 1,000.00	\$ 5,000.00
12	Install 6" Gate Valves for Isolation and Hydrants	EA	7	\$ 2,200.00	\$ 15,400.00
13	Pavement Repairs	LS	1	\$ 4,500.00	\$ 4,500.00
14	SWPPP Measures	LS	1	\$ 5,000.00	\$ 5,000.00
15	Mobilization	LS	1	\$ 5,000.00	\$ 5,000.00
				TOTAL: \$	203,600.00

PROJECTED TIME OF COMPLETION: 6 WEEKS

NOTES AND EXCLUSIONS

GENERAL

- * REPAIRS DUE TO NORMAL WEAR, VANDALISM, OR NEGLIGENCE WILL BE PERFORMED ON AN EXTRA WORK BASIS.
- * ITEMS NOT SPECIFICALLY NOTED WILL BE ADDITIONAL.
- * PRICES QUOTED ARE GOOD FOR 30 DAYS.
- * Any discrepancy between M&C Fonseca Construction Co., Inc. bid proposal, this document, and the contract documents, this bid proposal shall supersede and prevail.
- * RETAINAGE OF 10% IS REQUIRED PER CITY ORDINANCE
- * M&C FONSECA CONSTRUCTION CO., INC. DOES NOT INDEMNIFY GENERAL CONTRACTOR OR PROJECT OWNERS FOR ACCIDENTS, INJURY, OR DEATH CAUSED SOLELY BY GENERAL CONTRACTOR OR PROJECT OWNERS ACTIVE OR PASSIVE NEGLIGENCE.
- * QUANTITIES ABOVE ARE ONLY ESTIMATED QUANTITIES. INVOICES WILL REFLECT ACTUAL WORK PERFORMED.

SUBMITTED


 M&C Fonseca Construction Co., Inc.

ACCEPTED:

 Name

 Title

 Date

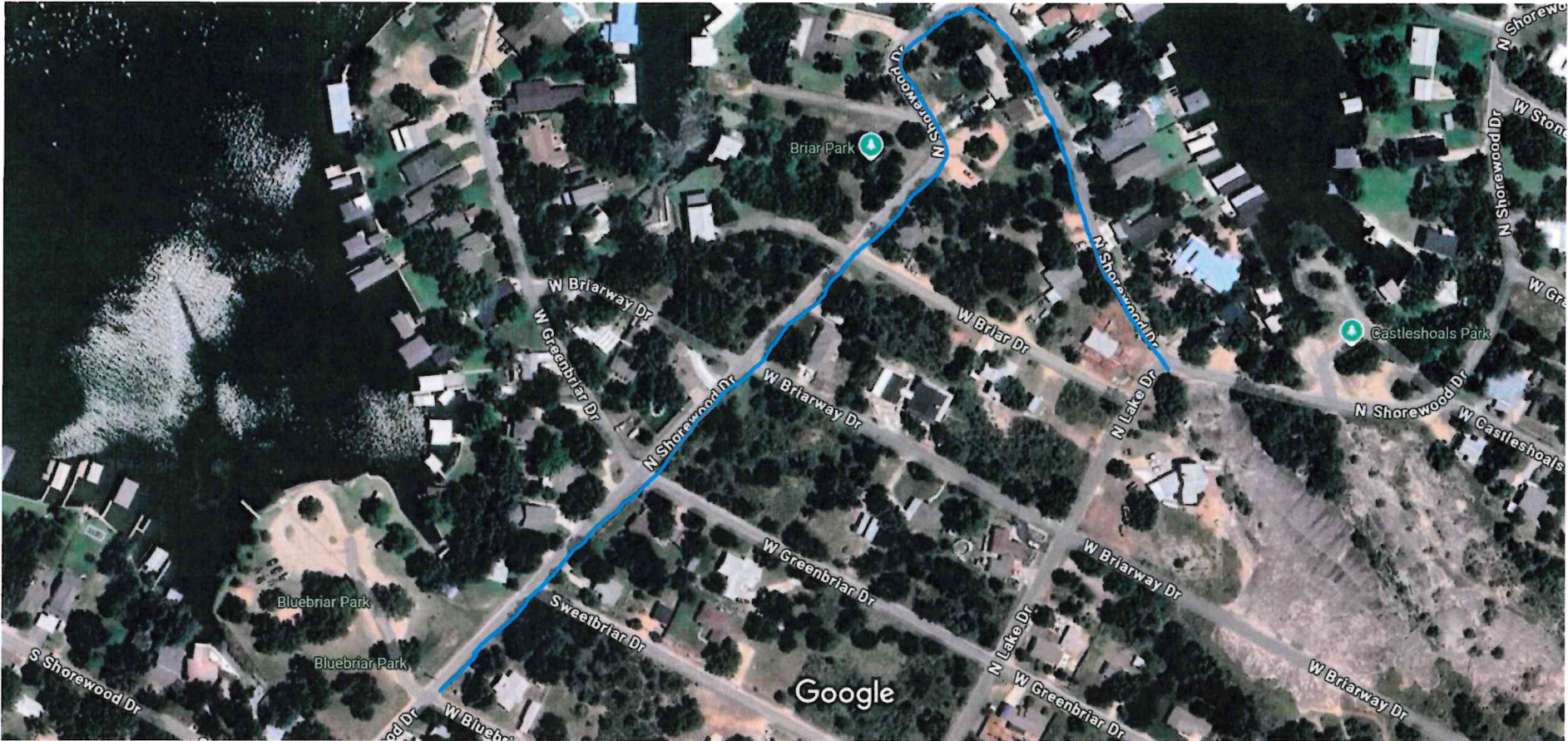
 Job/PO#

316 Sunset Drive, Granite Shoals TX 78654
830-596-0496 erika@atlasconstructiontx.com

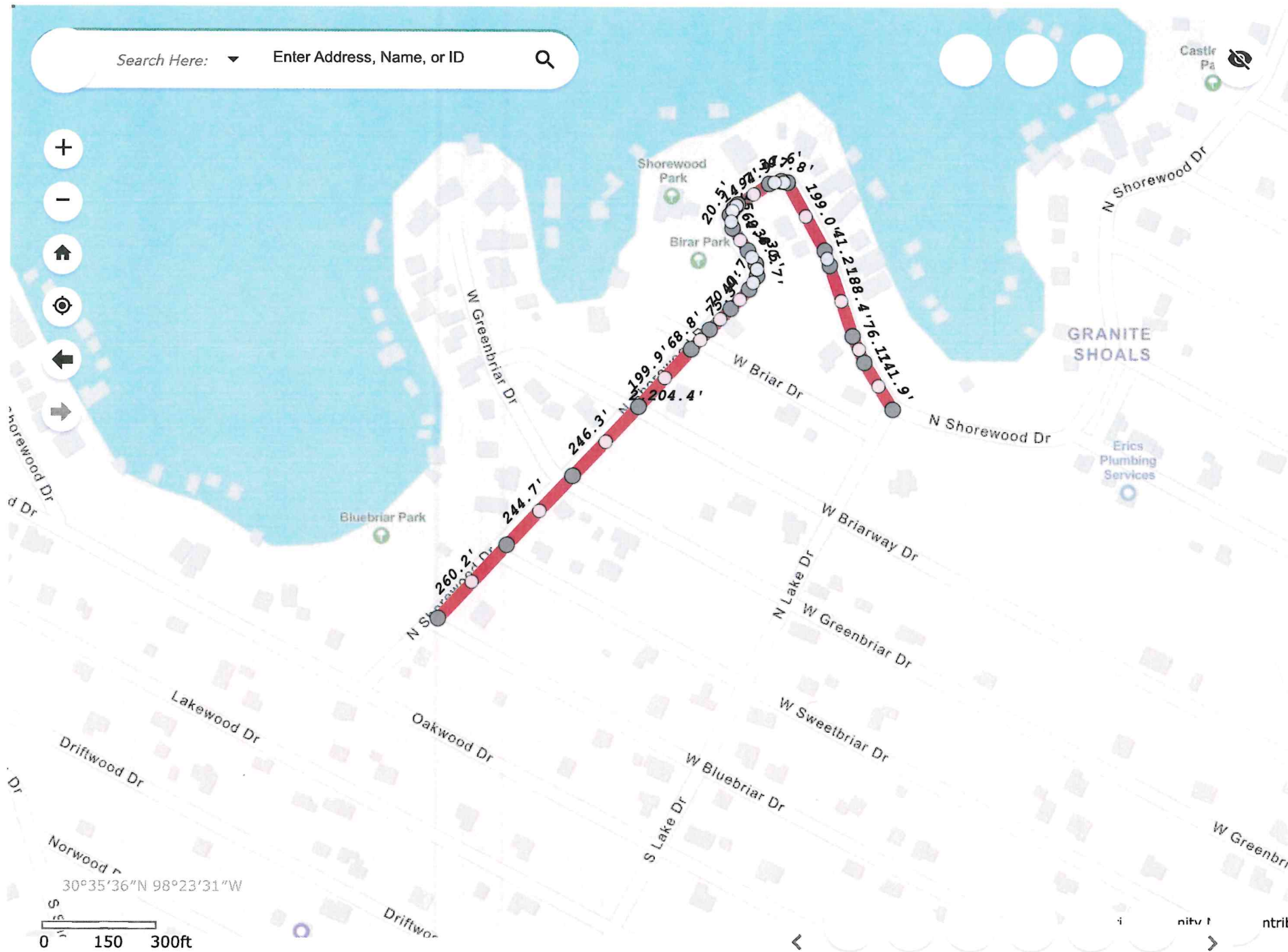
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AUTHORIZED REP

DATE _____



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ODRINANCE NO. 877

“AMENDING BOAT LAUNCH PASS ORDINANCE REGARDING BOAT LIVERIES”

AN ORDINANCE OF THE CITY OF GRANITE SHOALS, TEXAS, REGULATING BOAT LIVERIES BY AMENDING CHAPTER 26: PARKS AND RECREATION, ARTICLE V (BOAT LAUNCH PASS), SECTION 26-61 (DEFINITIONS); SECTION 26-62 (DAILY BOAT RAMP AND PARKING PERMIT); SECTION 26-63 (RESIDENT AND CITY EMPLOYEE ANNUAL LAUNCH PASS); SECTION 26-64 (NONRESIDENT ANNUAL LAUNCH PASS); SECTION 26-65 (HAND-LAUNCHED CANOES, PADDLE BOATS, PADDLE BOARDS, AND KAYAKS ARE EXEMPT); AND SECTION 26-67 (VIOLATION OF THE CITY BOAT LAUNCH PASS ARTICLE); AND ADDING NEW SECTION 26-645 (BOAT LIVERY REGISTRATION AND LAUNCH PASSES); AND PROVIDING FOR THE FOLLOWING: FINDINGS OF FACT, SAVINGS, SEVERABILITY, REPEALER, EFFECTIVE DATE, AND PROPER NOTICE AND MEETING.

WHEREAS, Lake Lyndon B. Johnson (“Lake LBJ”) comprises approximately 133,090 acres of water area and is located partially within the political boundaries of the City of Granite Shoals, Texas (the “City”); and

WHEREAS, the City needs a way to fund and maintain boat launching ramps within its parks that are open to the general public including non-residents; and

WHEREAS, regulation of commercial use of the City’s boat ramps is necessary to fund and maintain the boat ramps and to ensure the public health, safety, and welfare; and

WHEREAS, it is convenient and desirable, and will encourage payment for services provided by the City, to allow users of the City’s boat launching ramps to pay for daily or annual permits, subject to reasonable regulation thereof; and

WHEREAS, after due consideration, the City Council finds that the following amendments are in the best interest of the health, safety, and welfare of the citizens of Granite Shoals and of the public generally, and are in the best interest of the use, maintenance, and enhancement of the City’s parks and boat ramps.

NOW, THEREFORE, BE IT ORDAINED BY THE CITY COUNCIL OF THE CITY OF GRANITE SHOALS, TEXAS:

SECTION I. FINDINGS OF FACT

All of the above premises are hereby found to be true and correct legislative and factual findings of the City Council and are hereby approved and incorporated into the body of this Ordinance as if copied in their entirety.

SECTION II. AMENDMENT

Chapter 26 (Parks and Recreation) of the Code of Ordinances of the City of Granite Shoals, Texas, is hereby amended to add the following language:

“ARTICLE V. BOAT LAUNCH PASS

Sec. 26.61 Definitions. The following words and phrases have the designated meanings:

- (a) *Boat or boat vessel* shall include all watercraft, including but not limited to vessels, power boats, canoes, kayaks, pontoon boats, sailboats, power jet skis, personal watercraft and rowboats.
- (b) *Boat livery* means a commercial establishment engaged in renting or hiring out boat vessels for profit.
- (c) *Boat Ramp* means any public boat ramp located in a public park within the City of Granite Shoals.
- (d) *Boat Ramp and Parking Permit* means the envelope used to deposit the fee and the removeable windshield tag. This permit must be completely and properly filled out to be considered valid.
- (e) *Resident* is an individual or business owner who resides, owns property, or operates a business other than a boat livery in the City of Granite Shoals.

Sec. 26.62 Daily Boat Ramp and Parking Permit.

- (a) The city imposes a daily fee as listed in appendix B of this code, upon any nonresident not operating a boat livery who seeks to launch a boat at any city-owned boat ramp in the city. Payment for the boat ramp and daily parking permit is due before the boat is launched and expires at the end of the day upon which the boat is launched and/or the fee is paid. The retrieval of the boat upon the same day for which the permit was issued is included in the permit. The retrieval of a boat on a day other than the day the permit was issued requires the payment of an additional fee as listed in appendix B of this code. Boat livery operators must comply with the permitting and fee requirements found in Section 26.645 of this Ordinance.

(b) Payment for the daily permit shall be made by placing United States of America currency, also known as cash, in the deposit envelope provided at the lock box receptacle. Checks are not an accepted form of payment. This receptacle is located near the city boat ramp. The envelope shall then be placed in the lock box after removing the windshield tag. Payment for the daily permit may also be made by credit card or electronic payment via a payment system implemented by the city. The city may apply a processing fee to credit card or electronic payments pursuant to section 2-4 of this code.

(c) The daily permit bearing the same sequential number as the deposit envelope shall be placed on the inside windshield of the vehicle used in the launching and retrieval of the boat at a city boat ramp. The daily permit must be placed in the windshield area and viewable from outside of the vehicle.

(d) Any vehicle with an empty boat trailer attached must display the daily permit while parked in or near a public park in the city. Failure to display the daily permit or annual launch pass is in violation of this article.

(e) Boat ramp and parking permit fees shall be paid at all times during the calendar year.

Sec. 26.63 Resident and city employee annual launch pass

(a) A free residential annual launch pass is available to city residents and current employees of the city other than operators of a boat livery. The resident annual launch pass is effective for the remaining days in the calendar year of issuance. Resident annual launch passes are not available to non-residents, other than current employees, of the city.

(b) A free annual sticker will be provided by the city and shall be permanently affixed to the front windshield of the tow vehicle near the state registration sticker. The tow vehicle must be registered to the resident or current city employee.

(c) A resident annual launch pass may not be assigned by the owner to another individual nor transferred to another vehicle. A maximum of two free resident annual launch pass stickers will be issued per household.

Sec. 26.64 Non-Resident annual launch pass.

(a) A two-hundred dollar (\$200.00) nonresident annual launch pass is available to nonresidents of the city who are not operating a boat livery. The nonresident annual launch pass is not prorated and is effective for the remaining days in the calendar year of issuance upon the payment to the city.

(b) A new two-hundred dollar (\$200.00) nonresident annual pass is required for each subsequent nonresident, non-boat livery annual launch pass renewal. All renewal periods begin on January 1st of each year.

(c) Each nonresident annual launch pass shall be permanently affixed to the front windshield of the tow vehicle near the state registration sticker. A nonresident annual launch pass may not be assigned by the owner to another subsequent individual nor transferred to another vehicle. In the event of the loss of an issued nonresidential annual launch pass, a replacement pass shall not be issued without the payment of an additional two hundred dollars (\$200.00).

Sec. 26.645 Boat livery registration and permit.

- (a) Boat liveries operating within the City of Granite Shoals that utilize city-owned boat ramps shall comply with the terms of this Ordinance.
- (b) Registration. Any boat livery operating within the City that utilizes city-owned boat ramps for the launch or return of boat vessels must register for a permit from the City Manager. Notice will be provided for any failed permit application with an explanation. A permit and sticker will be issued for each registered boat-livery watercraft. In order to obtain a registration, the operator of such boat livery must provide the following information:
 - a. Proof of business registration with the State of Texas.
 - b. Identify the business type: Boat, jet ski, paddle board, kayak, or other vessel.
 - c. Texas Parks and Wildlife Department (“TPWD”) TX number for each watercraft, along with copies of current registration.
 - d. Photo of each watercraft displaying its TPWD TX number.
 - e. Proof of insurance:
 - i. Minimum requirements of \$500,000 per occurrence/\$1,000,000 in aggregate.
 - f. Identify park/boat ramp preference and if the boat livery will use ramps for just pick up or launch as well.
 - g. Signed copy of Standards of Conduct
- (c) Standards of Conduct. A boat livery operator must provide, as part of its registration application, a signed copy of the following standards of conduct.
 - a. Acknowledge that the boat livery and its employees have read and understand these Standards of Conduct, and will not be disrespectful to City staff and/or park guests, will not permit possession of a weapon (unless as permitted by state law), the discharge of weapons, or ignition of fireworks, and will remain at all times in compliance with this Ordinance.
 - b. Acknowledge the boat livery and its employees have read and understood all applicable state and local laws and regulations, i.e.: public intoxication, minor in possession of alcohol, disorderly conduct, littering, urinating in public, expired vessel registration.
 - c. Only watercraft and boat trailers in compliance with all applicable local and state laws are allowed in City parks.
 - d. The boat livery is responsible for the behaviors of its customers including laws, park rules, and guidelines.
 - e. Any incident/violation involving the boat livery, customers, or employees can result in suspension or termination of the boat livery registration.

- f. All motor vehicles and trailers must be properly parked in designated parking spots when parked inside the park.
 - g. All trailered or motorized watercraft must be launched at designated boat ramps or boat launch areas only.
 - h. All launching and retrieval of watercraft must be done in a safe manner.
 - i. Trash/Recycling: Boat livery must use designated trash receptacles.
 - j. Respect courtesy docks: 15-minute loading/unloading.
 - k. Respect other visitors, boat operators, and general public.
 - l. Notify rental patrons of additional park fees and rules.
 - m. No overnight parking, mooring, or storing of equipment.
 - n. The City reserves the right to close a park for municipal purposes including events, floods, public safety, or other natural disasters.
 - o. Boat livery address, pin-drop, or announcements that business address is at or within city limits boundaries is not permitted.
- (d) Boat livery annual permits.
- a. Permits are required for all boat livery operations regardless of whether per fee sessions are charged to a consumer. Boat livery annual permits are offered for watercraft rental. They are offered for each vessel as needed for the current calendar year.
 - b. Boat livery operations are limited to five (5) vessels per operator
 - c. Boat livery operations are only permitted to use boat ramps in the following City parks:
 - i. Bluebriar Park
 - ii. Clear Cove Park
- (e) Boat livery annual permit fee
- a. \$3,000.00 annual permit fee per boat livery operator.
 - b. \$200.00 annual permit fee per boat
 - c. \$100.00 annual permit fee per personal watercraft (jet ski)
 - d. \$25.00 annual permit fee per paddle board, canoe, or kayak

Sec. 26.65 Collection and use of boat launch passes.

Mindful that the city works to protect and rehabilitate Lake LBJ for the members of the community and the general public, the city shall retain all money collected from daily launch passes and annual launch passes as funds belonging to the city to be appropriated to the park budget and used to provide and maintain the supplies of deposit envelopes, the annual launch pass stickers, the equipment of the lock box receptacle, maintenance and repairs to the boat launch ramps, city parks, and other similar uses.

Sec. 26.66 Hand-launched canoes, paddle boats, paddle boards and kayaks are exempt.

The provisions of this article shall not apply to any canoe, paddle boat, paddle board, and/or kayak that is launched by hand provided that the canoe, paddle boat, paddle board, and/or kayak is not brought to the park boat ramp on a trailer and is not operated by a boat livery.

Sec. 26.67 Violation of the city boat launch pass article.

Launching or retrieving a boat at the boat ramp without the purchase of a daily launch pass or the display of a current annual launch pass, or if applicable a boat livery permit, shall be a violation of this article.

Sec. 26.68 Enforcement.

This article may be enforced by any law enforcement office authorized to enforce the ordinances of the city and the laws of the state.

Sec. 26.69 Penalties.

Any person, partnership, limited partnership, limited liability company, corporation, or other legal entity that fails to comply with any provision of this article shall, upon determination of said failure to comply or violation, pay a civil penalty of not less than one hundred dollars (\$100.00) nor more than five hundred dollars (\$500.00), plus the applicable surcharges, assessments, and costs of enforcement for each violation. Each day a violation exists or continues, constitutes a separate offense under this article. In addition, the city prosecutor may seek court injunctive relief to enjoin further violations of this article.”

SECTION III. SAVINGS

The repeal of any ordinance or part of ordinances effectuated by the enactment of this Ordinance shall not be construed as abandoning any action now pending under or by virtue of such ordinance or as discontinuing, abating, modifying or altering any penalty accruing or to accrue, or as affecting any rights of the City under any section or provisions of any ordinances at the time of passage of this Ordinance.

SECTION IV. SEVERABILITY

Should any sentence, paragraph, subdivision, clause, phrase, or section of this Ordinance be adjusted or held to be unconstitutional, illegal, or invalid, the same shall not affect the validity of this Ordinance in whole or any part or provision thereof, other than the part so declared to be invalid, illegal or unconstitutional.

SECTION V. REPEALER

The provisions of this Ordinance shall be cumulative of all other ordinances or parts of ordinances governing or regulating the same subject matter as that covered herein; provided, however, that all prior ordinances or parts of ordinances inconsistent or in conflict with any of the provisions of this Ordinance are hereby expressly repealed to the extent that such inconsistency is apparent. This Ordinance shall not be construed to require or allow any act that is prohibited by any other ordinance.

SECTION VI. EFFECTIVE DATE

This Ordinance shall take effect immediately from and after its passage and publication as may be required by law.

SECTION VII. PROPER NOTICE AND MEETING

It is hereby officially found and determined that the meeting at which this Ordinance was passed was open to the public as required and that public notice of the time, place and purpose of said meeting was given as required by the Open Meetings Act, Chapter 551 of the Texas Government Code.

PASSED AND APPROVED this ____ day of _____, 2025.

Ron Munos
Mayor

ATTEST:

Dawn Wright,
City Secretary

APPROVED AS TO FORM:

Joshua Katz,
City Attorney



City Council STAFF REPORT

Subject: Discuss, consider, and take appropriate action regarding review of appointments to the Board of Adjustments and Planning & Zoning Commissions.

Date: June 24, 2025

Submitted by: Catherine Bell, Council Place 6

Department: Council and Board

Background:

At the June 10, 2025, City Council meeting, Council Member Catherine Bell requested that the Council review the current appointments to the Board of Adjustments and the Planning and Zoning Commission. This request was made to ensure alignment with the City's Code of Ordinances regarding the proper organization, membership structure, and appointment procedures for these commissions. A review and discussion by Council is necessary to confirm compliance with ordinance requirements and determine if any adjustments to appointments or procedures are warranted.

Recommendation:

- Review the current membership rosters and appointment dates for each commission;
- Determine any necessary actions to bring appointments into alignment with the Code of Ordinances

Fiscal Impact:

None

Attachments:

1. Organization Planning and Zoning Commission
2. Board of Adjustments - Code of Ordinances-Charter
3. Commission Members

§ 2-75. Organization.

- (a) There is created in section 9.01 of the city Charter the city planning and zoning commission. The commission shall consist of at least seven members who shall be appointed by the city council. Any vacancy occurring during the unexpired term of a member shall be filled by the city council for the remainder of the unexpired term. The commission shall elect from its members a chairman, vice-chairman, and secretary to serve for two years beginning in the month following the general city election in odd numbered years. Members of the commission may be removed, with or without cause, by an affirmative vote of a majority of the full membership of the city council.
- (b) The commission members will be appointed by the city council to staggered terms in accordance with the existing zoning ordinance. Three members will be appointed on odd numbered years and four will be appointed on even numbered years. The council intends to appoint members that are a broad representation of the community.
- (c) Members must be qualified city voters and shall serve for a term of two years. A member may be reappointed as desired by the city council. Any vacancy occurring during the unexpired term of a member will be filled by appointment by the city council for the remainder of the unexpired term.
- (d) A term shall begin on June 1 and shall end on May 31 of the following year. Upon the expiration of a term, each commission member shall hold over into the subsequent term until such time that the city council either re-appoints that member or appoints a replacement.
- (e) The commission shall, in matters of procedure, be governed by Robert's Rules of Order, Newly Revised, and may adopt such additional rules of procedure as it may deem necessary.
- (f) In addition to the requirements in Charter section 9.01, the members of the planning and zoning commission shall be registered voters and citizens of the city on the date of their appointments.
- (g) No member may serve in any capacity on more than one other city standing board, commission and committee, or any special committee for a term that exceeds 24 months' duration.
- (h) All members shall serve without compensation. No debts of any kind or character shall be made or incurred by the commission or by anyone acting in its behalf.
- (i) The commission shall meet at least once a month. The commission shall keep minutes of its proceedings which shall be of public record. Minutes will be recorded by the commission secretary, who may use a staff representative as designated by the city manager to assist in the recording of minutes. Minutes will be provided and approved on a regular monthly basis and filed in the office of the city secretary.
- (j) Four commission members shall constitute a quorum for the purpose of transaction of business. No action or recommendation of the commission, except as specifically provided in the Charter, shall be valid or binding unless adopted by the affirmative vote of a majority of the commission members present.

(Ordinance 587, sec. III(A), adopted 5/8/12)

§ 9.05. Board of Adjustment.

- (1) The City Council shall by ordinance establish a Board of Adjustment (the “Board”), consistent with the Texas Local Government Code, that shall have the power to hear and determine appeals concerning the refusal of building permits, appeals resulting from administrative decisions and to permit exception to or variation from zoning regulations. Members of the Board shall hold no other City office and no former member of the City Council shall serve as a member of the Board until one (1) year after the completion of the former member’s City council term.
 - (2) The Board shall consist of no fewer than five (5) nor more than seven (7) property owners or residents of the City. The members of the Board shall be appointed by the City Council for a term of two (2) years or until their successors are appointed and qualified. The Board shall elect a Presiding Officer and Secretary from among its appointed members. The City Council may remove a Board Member for cause upon written charge and after a public hearing. Vacancies on the Board shall be filled for the unexpired term by the City Council. Three-fourths of the appointed members shall constitute a quorum for the transaction of business.
 - (3) Meetings of the Board shall be held at the call of the Presiding Officer and at other times determined by the Board Members. The Presiding Officer or Acting Presiding Officer may administer oaths and compel the attendance witnesses. All meetings of the Board shall be open to the public and subject to the Texas Open Meetings Act.
 - (4) The Board by majority vote shall adopt rules in accordance with the ordinance adopted by the City Council.
 - (5) The Board shall keep minutes of its proceedings that indicate the vote of each member on each question or the fact that a member is absent or fails to vote. The Board shall keep records of its examinations and other official actions. The minutes and records of the Board are public records and shall be filed with the City Secretary within fifteen (15) business days after the date of each meeting.
- (Amnd. 11/5/19 election)

§ 2-64. Members; organization; meetings.

(a) Members.

(1) The board shall consist of no fewer than five nor more than seven property owners or residents who are appointed by the city council to staggered terms. Three members will be appointed on odd numbered years and no fewer than two nor more than four members will be appointed on even-numbered years. A term shall begin on June 1st and shall end on May 31st of the second year following. Upon the expiration of a term, each commission member shall hold over into the subsequent term until such time that the city council either reappoints that member or appoints a replacement.

(2) In addition, the city council may:

- a. Appoint two alternate members of the board, one in even-numbered years and the other in odd-numbered years, who shall serve in the absence of one or more of the regular members, and who shall serve the same period as the regular members, and any vacancy shall be filled in the same manner and they shall be subject to removal the same as the regular members;
- b. Remove members for cause upon written charges and after public hearing; and
- c. Fill vacancies for the expired or unexpired term of any member, whose position becomes vacant for any cause, in the same manner as the original appointment was made. Board members may be appointed to succeed themselves.

(b) Organization. All newly appointed members of the board shall be sworn in before participating in any meeting of the board.

- (1) The board shall elect from its members annually a chairman, vice chairman, and secretary to serve for one year beginning in the month following the general city election.
- (2) The board shall adopt rules to govern its proceedings that are consistent with this division, charter and state law.

(c) Meetings. Meetings of the board shall be held at the call of the chairman and at such other times as the board may determine. In addition:

- (1) The chairman, or in the chairman's absence, the vice-chairman, may administer oaths and compel the attendance of witnesses;
- (2) All meetings of the board shall be open to the public;
- (3) A quorum is three-fourths of the appointed members;
- (4) All members present, including the chairman, shall vote on every motion;
- (5) A member shall not vote upon the consideration of any matters involving his own official conduct or where his financial interest is involved, in which event such member shall give their reasons for not voting and such reasons shall be taken and recorded and such minutes shall constitute a public record;

COMMISSION MEMBERS AS OF JUNE 20, 2025

Board of Adjustment Commission	DATE OF APPOINTMENT
Ted Gulden - CHAIR	18-Nov-2014
Stephen Carter - ASST. CHAIR	18-Nov-2014
Don Bryant	31-Mar-2015
Bill Farr	10-Dec-2014
Ryan McMahon	1-Jan-2021
Greg Wright	30-Apr-2025

Planning and Zoning Commission	DATE OF APPOINTMENT
Shannon Wilson- CHAIR	9-Oct-2012
Anita Hisey	11-Jun-2019
Libby Edwards	12-Mar-2024
Pete Borths	25-Jul-2017
Paul Fletcher - Vice Chair	9-Oct-2012
Forest Henson - Secretary	27-Jul-2021
Dan Romasko	14-Dec-2021