

Popular Annual
Financial Report
September 30, 2016

Williamson County Texas

***Issued by:
David U. Flores
Williamson County Auditor***



County Auditor

Dear Citizens of Williamson County,

I am pleased to present the annual Williamson County Citizens' Financial Report (also known as the Popular Annual Financial Report or "PAFR") for fiscal year ended September 30, 2016. This financial summary provides a less technical discussion of County finances. It also includes discussions of County initiatives and trends in the local economy. This important economic data presents a brief explanation of where county-wide resources come from and how those dollars are spent; then, focusing only on the County's major funds, how those transactions affect you, the citizen.

The Williamson County Auditor's Office has generated this Citizens' Report using financial information taken from the 2016 Comprehensive Annual Financial Report (CAFR) that was audited by Weaver and Tidwell, LLP, and received an unqualified opinion. An unqualified opinion indicates that the financial statements are prepared according to Generally Accepted Accounting Principles (GAAP) and are free of material misstatement concerning the overall financial position of the County. Unlike the CAFR, this report is not presented according to GAAP and reporting standards, meaning it's a financial report that is user-friendly.

This report is not intended to replace the CAFR; it is simply presented as a means of increasing public confidence in County government. For a complete set of County financials, please refer to the CAFR, which is available from the Williamson County Auditor's Office located in the historic Williamson County Courthouse at 710 Main St., Suite #301, Georgetown, TX 78626. In addition, both the CAFR and PAFR are available on the County website at www.wilco.org. I invite you to share any questions, concerns, feedback or recommendations you may have by contacting jkiley@wilco.org or 512/943-1500.

Respectfully submitted,



David U. Flores



Message from the County Auditor



Williamson County Auditor's Office

VISION

To be the Top County in the State of Texas Instilling Public Trust in All Fiscal Matters.

The County Auditor's Role

The Williamson County Auditor's Office is the supervisory body of County funds. Maintaining the integrity of financial administration in County government is essential and is provided by the Auditor's Office through an independent system of checks and balances. As the County's Chief Financial Officer (CFO), it is the Auditor's responsibility to:

- Properly account for millions of dollars received by the County annually.
- Manage and account for County debt.
- By statute, audit all books and records of County Officials.
- Oversee all County Financial Records.
- Maintain independence, integrity, and enforce all Texas laws and regulations governing County finances.
- Act as advisor to Commissioner's Court concerning financial conditions and County policy.
- Approve and issue payments with authorized funds in conjunction with Commissioner's Court.
- Administer, report, and forecast revenues in the County budget as set by the Commissioner's Court.
- Issue payments for all County obligations through Accounts Payable, including administering the County payroll.
- Prepare the County's Comprehensive Annual Financial Report (CAFR) as required by law.
- Provide day to day financial information on the County website.
- Ensure financial transparency in government.

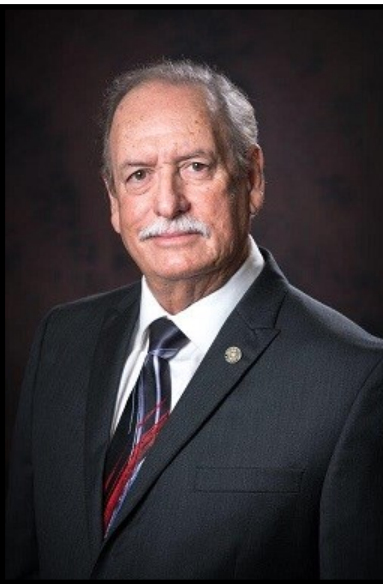
There are many reasons to have a County Auditor, but the main one is to maintain integrity of financial administration in county government. Every two years, the state District Judges in Williamson County appoint the County Auditor. Because the auditor is neither appointed by nor under the hierarchical control of Commissioner's Court, the integrity of county finances is protected by a dual system of "checks and balances". The purpose of this report is to present an easy to read financial position of Williamson County government. We hope to instill taxpayer confidence in their government and to highlight some of the services provided to our citizens. We hope you find this report helpful and informative about what County government does for you.

Williamson County Auditor's Office History

In 1905, the State of Texas 29th Legislature created the Office of the County Auditor under the District Court's supervision. The purpose of the County Auditor is to maintain the financial records for the County. The duty of the County Auditor is financial oversight to protect the taxpayers' money and ensure the financial laws of Texas are strictly and fairly enforced. In addition, the County Auditor serves as a check on the financial operations of other county offices and recordkeeping responsibility. The County Auditor is appointed by the District Judge in counties with a population over 10,200 (Local Government Code, Sec. 84.002). The qualifications of a County Auditor are good moral character and intelligence, competent business ability, and two years experience as an accountant (Local Government Code, Sec. 84.006). Since 1905, Williamson County has had 4 County Auditors. A biography of each County Auditor is listed in reverse order from the most current to oldest Williamson County Auditor.

David U. Flores

County Auditor: January 1, 1989 to February 28, 2017



David U. Flores has a BBA from Texas A&I University-Kingsville, Texas. He was a teacher and a merchant before becoming the County Auditor for Dimmit County. He served as the County Auditor for Dimmit County for 9 years from 1980 - 1988 and has since served as the County Auditor for Williamson County, having been sworn in during January of 1989. He has been a trustee for the Texas County and District Retirement System and is a past president for the Texas Association of County Auditors. Mr. Flores served as the Chairman of the Investment Committee for the Texas Association of Counties from 2008 to 2012.

David Flores served Williamson County in his position for 28 years. During his tenure, Mr. Flores has brought financial innovation to Williamson County by advancing and shaping the county's financial policies, managed tremendous growth, and increased the County's cash reserves to \$84.2 million. Achieved and maintained a "AAA" bond rating which is the highest rating possible for a government entity. In order to improve the County's bond rating,

he converted the County books from a cash basis to an accrual basis of accounting. Mr. Flores has enhanced financial transparency to improve and ensure trust with the County's taxpayers. David Flores stated, "Williamson County has been in a continuous mode of growth and change, making it truly a welcome challenge in working in the Auditor's role. I depart with an unusual feeling of fulfillment in the enjoyment of my work and in the accomplishments of the office. Working with a fine staff, the building of our financial strength, investing in road infrastructure, and the progressive work in the transparency of our business are amongst the personal highlights of my tenure".

Congressman Carter was one of the original District Judges who appointed David Flores in 1989. Upon his retirement, Congressman Carter presented Mr. Flores with a congressional declaration that will be available in the Congressional Record made accessible by the Government Publishing Office. Over his tenure, Mr. Flores' achievements have been recognized with a multitude of well deserved awards.

Prior Williamson County Auditors

Ben W. Kurio

County Auditor: September 1961 to March 1988



Ben W. Kurio received a BBA from the University of Texas at Austin, Texas on August 31, 1947. From January 1949 to June 1949, Mr. Kurio began his career as an auditor with Benson, Powell, and Morrison in Alice, Texas. From July 1949 to May 1955, he was the General Manager at Henry Doering Company in Walburg, Texas. He began his career with Williamson County as the Chief Deputy in the Tax Assessor-Collector's Office from June 1955 to August 1957. In conjunction, he was a part-time instructor at the Williamson County Vocational School in Georgetown, Texas in which he taught bookkeeping and accounting courses. From September 1957 to August 1961, he served as the First Assistant County Auditor for Williamson County. From September 1961 to March 1988, he served as the Williamson County Auditor.

Henry A. Hodges

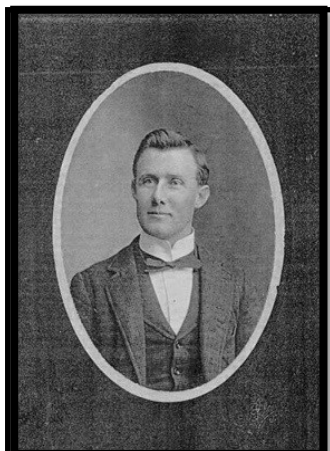
County Auditor: 1919-1961



Henry A. Hodges received his education from the Georgetown Public School system and Southwestern University. He worked as a bookkeeper and supervisor for twelve years for various firms owned by the Belford Lumber Company. He spent a year setting up William Cameron and Company in Chilton, Texas. He also worked at Stone Drug Store and Brothers Book Store. At the time of Mr. Hodges appointment as County Auditor in 1919, Williamson County had one district judge that was responsible for appointing the Auditor. Mr. Hodges theory on the County Auditor's responsibility was to help save the County money. The floods of 1921 destroyed many of the County roads and most of the bridges which had to be constructed. He watched the state and county rebuild roads which phased into a reconstruction of hard surface roads. From 1919 to 1961, Mr. Hodges was the longest serving County Auditor for 42 years.

William W. Jenkins

County Auditor: 1910 to 1919



William W. Jenkins was born in Jollyville, Williamson County, Texas on November 27, 1870 and Died in Jollyville, Williamson County, Texas January 19, 1934. He attended Southwestern University and subsequently graduated from the Texas State Normal School. In 1891, he began his work as an educator and continued to teach in public schools until 1905. From 1898 to 1910, he was an instructor at Southwestern University Summer Normal School. From 1905 to 1910, he was elected as the Williamson County Superintendent of Public Instruction in which he resigned his position to serve as the Williamson County Auditor. On July 11, 1919, he became the editor of the Williamson County Sun Newspaper. He is buried in Bagdad Cemetery in Leander, Williamson County, Texas.

AWARDS

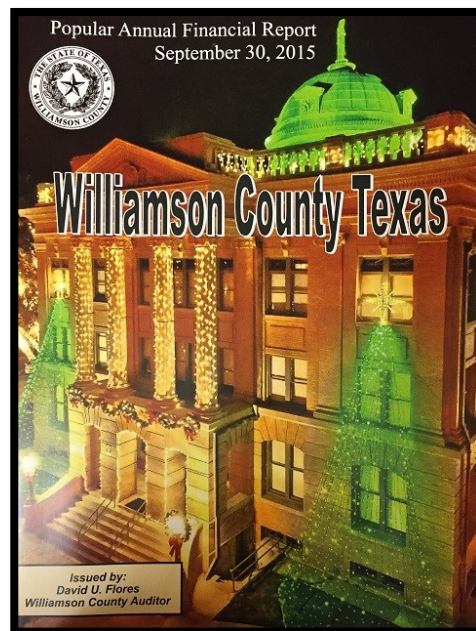
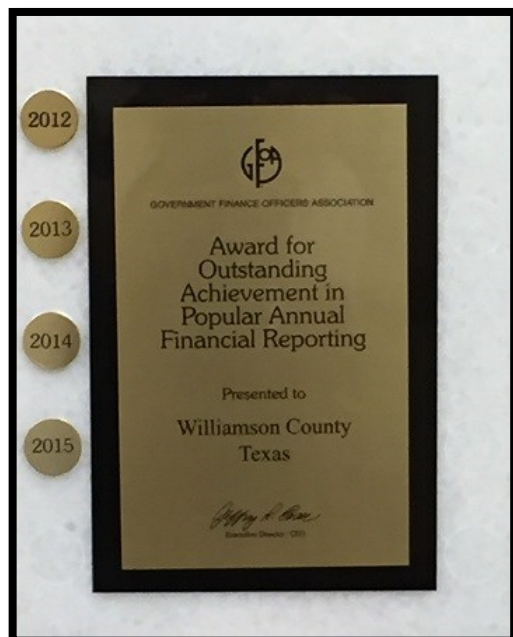
Award for Outstanding Achievement in Popular Annual Financial Reporting

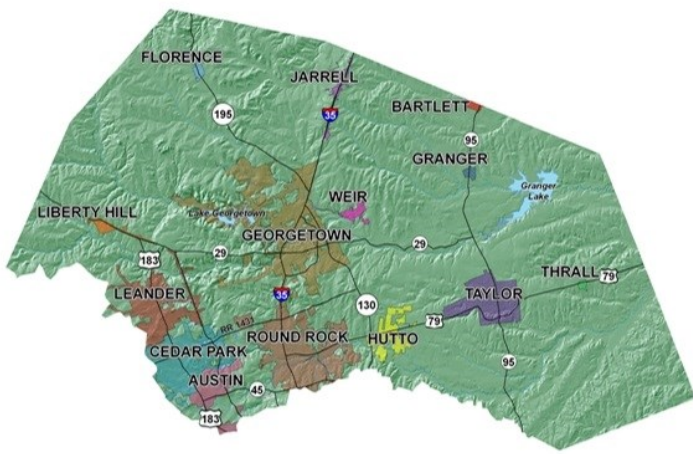
The Government Finance Officers Association of the United States and Canada (GFOA) has given an Award for Outstanding Achievement in Popular Annual Financial Reporting to Williamson County for its Popular Annual Financial Report for the fiscal year ended September 30, 2015. The Award for Outstanding Achievement in Popular Annual Financial Reporting is a prestigious national award recognizing conformance with the highest standards for preparation of state and local government popular reports.

In order to receive an Award for Outstanding Achievement in Popular Annual Financial Reporting, a government unit must publish a Popular Annual Financial Report, whose contents conform to program standards of creativity, presentation, understandability and reader appeal.

An Award for Outstanding Achievement on the Popular Annual Financial Reporting is valid for a period of one year only. We believe our current report continues to conform to the Popular Annual Financial Reporting requirements, and we are submitting the current year report to GFOA.

The 2016 report can also be found at: wilco.mygovcenter.com/financial-reports





WILLIAMSON COUNTY, TEXAS

Williamson County is blessed with a mild climate offering more than 300 sunny days each year, affordable housing, a low cost of living, clean air, and beautiful scenic vistas. The County is well known for a very low crime rate and friendly, neighborly people. County taxes are among the lowest in the state for comparable counties, and, unlike most states, Texas has no state personal income tax. All these reasons make Williamson County one of the most desirable places to live and work in the United States.

COUNTY STRUCTURE AND SERVICES

Williamson County, organized in 1848, is located in the central part of the state, which is considered to be the top growth area in the state, and one of the top growth areas in the country. Williamson County currently occupies a land area of 1,135 square miles and serves an estimated population of 508,514.

Williamson County is a political subdivision of the State of Texas. Williamson County is empowered to levy a property tax on both real and personal properties located within its boundaries. It has no legislative powers and restrictive judicial and administrative powers. The governing body of the County is the Commissioner's Court of five members. The County Judge is the chairperson of the court and the Commissioner from each of the precincts are also members. The Court has only such powers as are conferred upon it by the Constitution and the Statutes or by necessary implication therefrom. None has the authority to act on their own but must act only as a whole.

ECONOMY

Williamson County's economy continues to experience tremendous growth. The current unemployment rate is 3.6% which remains considerably lower than the U.S. unemployment rate of 4.8%. Future job growth for Williamson County is expected to continue at a fast pace.

POPULATION

In 2016, Williamson County population slightly exceeds a half-million (508,514). Williamson County ranks as the seventh fastest growing county in the nation.

ROBERT M. WILLIAMSON

The County was organized in 1848 and named for Robert M. Williamson, pioneer leader and veteran of the Battle of San Jacinto. He was a newspaper publisher, lawyer, judge and state legislator. Because of a childhood illness, one of his legs was bent back and he also had a wooden leg extending from the knee, giving him the nickname "Three-Legged Willie."



Williamson County Highlights



On June 6, 2016, Commissioner's Court recognized Williamson County EMS (WCEMS) who earned the American Heart Association Mission Lifeline Gold Award. The award recognizes WCEMS for their continued work, training and commitment in improving overall quality of care for the STEMI (heart attack) patients in Williamson County. Loni Dene RN, BSN, Senior Director of Mission Lifeline/Quality & Systems Improvement, states

"Williamson County EMS upholds the highest level of care for heart attack patients. This group has shown that they can meet the treatment guidelines and time goals, as well as work with hospitals and cardiologists in the region to get patients to the hospital and receive treatment as quickly as possible to save lives".



On August 31, 2016, Commissioner's Court recognized Williamson County EMS (WCEMS) for being granted accreditation by the Commission on Accreditation of Ambulance Services (CAAS). WCEMS joins an

elite group of only 9 out of 782 Texas EMS systems and 175 out of approximately 16,000 EMS systems in the United States to be granted this accreditation. The accreditation process requires the completion of a comprehensive application and on-site review by national experts in Emergency Medical Services. CAAS extended the accreditation to WCEMS for outstanding achievement in compliance with national standards for best practice in the Emergency Medical Services industry. The primary focus of the Commission's standards is clinical and operational excellence. The Commission established national standards, also known as the "Gold Standards", which not only address the delivery of patient care, but the organization's total operation including relationships with other agencies, the general public and the medical community. Kenny Schnell, Wilco EMS Director states, "Gaining such a prestigious accreditation demonstrates that we are true leaders in the EMS industry, and that we are committed to demonstrating excellence every day".

Williamson County Highlights



On August 4, 2016, Commissioner's Court recognized the Budget Office who received the GFOA (Government Finance Officers Association) Distinguished Budget Presentation Award for the sixth consecutive year. The award reflects the commitment of the County and staff to meet the highest principles of governmental budgeting. In order to receive the budget award, the budget office must meet the guidance of four categories of policy document, financial plan, operations guide and

communication device. The budget documents must be "proficient" in all four categories to include fourteen mandatory criteria within those categories to receive the award.



On September 13, 2016, Commissioner's Court recognized the Williamson County Tax Assessor Deborah M. Hunt on the receipt of the Marillyn Albert Achievement Award presented by Texas Association of Assessing Officers (TAAO) Annual Conference on August 30, 2016. The achievement award is TAAO's highest honor and named in memory of their past president and executive director, Marillyn Albert Harkins. The award recognizes a TAAO member who consistently performs high quality work, is devoted to excellence, and maintains a professional image. Following in the footsteps of Marillyn Albert, Deborah Hunt has led the Williamson County Tax Assessor/Collector's Office to be a premier tax office by being a leader not only in the tax field but volunteering for numerous pilot programs enhancing services that are provided to the citizens of Williamson County.



WILLIAMSON COUNTY RECEIVES AAA BOND RATING

On August 2, 2016, the Williamson County Commissioners Court was informed the county saved nearly \$6 million when it recently refunded more than \$39 million in debt service. Dan Wegmiller with Specialized Public Finance also reported that since 2004, the county has saved more than \$72.7 million total by refunding existing debt.

Interest rates were lowered on the original bonds from an average interest rate of 4.99% down to 2.74% on the new issuance.

Williamson County also affirmed its AAA bond rating from both Fitch Ratings and Standard & Poor's Ratings Services. The rating reflects the strength of the management of the county, strong local economy, and strong budgeting.

"Williamson County has consistently received a AAA bond rating since June 2010. It is this excellent rating that allows us to obtain the lower interest rates and save millions in interest for the citizens of Williamson County," said Williamson County Auditor David Flores.



Williamson County—2016 Debt / Bond Activity

Pass-Through Toll Revenue and Limited Tax Bonds:

This program represents 15% of the county's outstanding bonds payable. Debt payments for this type of bond are backed by a revenue source other than tax revenues. Tax revenues will only be used should the primary revenue source default on payments. Currently, Williamson County has two such pass through agreements with the Texas Department of Transportation (TxDOT). In 2006, TxDOT and Williamson County signed an agreement for the County to build US 183A, US 79 (3 Sections), IH-35 Turnaround Bridges (Georgetown), RM 2338 and FM 1660. A maximum of \$151,942,000 will be reimbursed to Williamson County from TxDOT. The reimbursement is paid semi-annually based on \$0.10 per vehicle mile traveled to allow no more than \$15,194,200 annually compensated on the projects. The traffic counts are taken before each reimbursement in March and September. In 2011, Williamson County signed a second Pass Through Agreement with TxDOT for the construction of northbound frontage roads and ramps on IH-35 in Georgetown. TxDOT will reimburse a maximum of \$12,096,700. The reimbursement from TxDOT to Williamson County is based on a calculation of \$0.07 per vehicle mile traveled to allow no more than \$1,099,700 compensated annually on the completed project. The projects that are part of the 2006 agreement are open and are being billed to TxDOT. The project for the 2011 agreement has been open since Spring 2016.

Voter Approved Bonds:

On Tuesday, November 5, 2013, Williamson County voters approved \$275 million in road bonds and \$40 million in park bonds. In June 2016, \$18,350,000 of \$40,000,000 authorized Park Bonds were issued. The park bonds have all been issued and \$75,000,000 is remaining to be issued on the 2013 voter approved Road Bonds. As of September 30, 2016, our total outstanding bonds payable debt is \$931,599,942 of which \$123,287,550 is reimbursable Pass Through revenue bonds. As of September 30, 2016, \$48,321,237 has been reimbursed from TxDOT.

Refunding Bonds:

Refunding bonds are issued to pay off outstanding debt to take advantage of lower interest rates. Refundings are only issued if the benefit is to save the Williamson County tax payer's money. Two refundings were issued in fiscal year 2016. In October 2015, Williamson County issued a refunding bond in the amount of \$16,175,000 with a significant cost savings of \$3,353,403.54 over the next 11 years. In July 2016, Williamson County issued a refunding in the amount of \$37,980,000 with a cost savings of approximately \$5,681,259.45 net present value savings over a 20 year period.

Williamson County Organization

As of September 30, 2016, Williamson County currently has a total of 1,646 county employees. Public safety constitutes the majority of the county employees. Public Safety is comprised of Law Enforcement and Emergency Services. Below are the number of employees in each category and a list of departments under these categories.

Williamson County **Number of County Employees** **TOTAL 1,646**

Law Enforcement (760)

- COUNTY SHERIFF
- COUNTY JAIL
- COUNTY CONSTABLES (4 Precincts)
- JUVENILE SERVICES
- VICTIM ASSISTANCE



Emergency Services (228)

- EMERGENCY MEDICAL SERVICES
- HAZ-MAT
- OFFICE OF EMERGENCY MANAGEMENT
- 911 COMMUNICATIONS



General Government (205)

- COUNTY JUDGE
- COUNTY COMMISSIONERS (4 Precincts)
- COUNTY TAX ASSESSOR/COLLECTOR
- COUNTY TREASURER
- COUNTY AUDITOR
- ELECTIONS
- HUMAN RESOURCES
- INFORMATION TECHNOLOGY
- PURCHASING

Judicial Branch (231)

- 5 DISTRICT COURTS
- 4 COUNTY COURTS
- 4 JUSTICE COURTS
- DISTRICT ATTORNEY
- COUNTY ATTORNEY
- DISTRICT CLERK



Williamson County

Employees

Community Services (46)

- VETERAN SERVICES
- PARKS
- WILLIAMSON MUSEUM
- AGRICULTURE EXTENSION SERVICE
- REGIONAL ANIMAL SHELTER



Department of Infrastructure (176)

- COUNTY ENGINEER
- FACILITY MAINTENANCE
- FLEET SERVICES
- ROAD AND BRIDGE





Major Capital Projects Annual Expenditures FY 2016

<u>Project Name</u>	<u>\$M</u>	<u>Type</u>
Williamson County Expo Center	\$10.4	Building
Hero Way West	\$5.0	Road
CR 110 (US 79-Limmer Loop)	\$3.6	Road
Bill Pickett Trail	\$2.4	Road
IH-35 Northbound Frontage Rd/Ramps	\$2.2	Road
CR 258 Phase 2	\$2.1	Road
Reagan Blvd @ IH-35 Bridge	\$1.8	Road
Kaufmann Loop Phase 1	\$1.5	Road

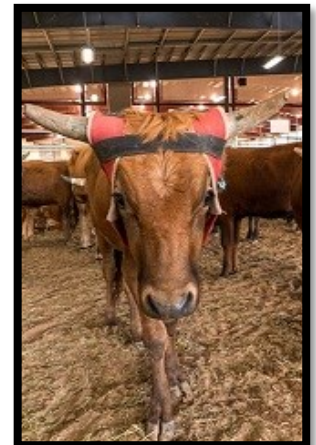


Williamson County Expo Center

On Thursday, November 10, 2016, Williamson County held a ribbon cutting on the completion of the new Williamson County Exposition Center. The Expo Center is located on more than 95 acres at 210 Carlos G. Park Boulevard in Taylor, Texas. In September 2015, Williamson County broke ground on the Expo Center to renovate and enhance the facility. The renovation included the original 29,400 square foot arena. In addition, a new 15,000 square foot climate controlled indoor Expo Halls and 15,000 square foot outdoor covered Expo Hall which includes ticket booths, administrative offices, conference room, meeting room, catering kitchen, paved parking, wash racks, covered warm-up areas, A/V and set-up equipment available for rent, newly constructed restrooms, electrical drops, WiFi, and concessions building with a show office. The total cost of the renovation cost is \$12 million.



The added facilities allow a variety of events such as livestock shows, rodeos, farmer's markets, banquets, concerts, proms, festivals, weddings, family reunions, trainings, meetings, and much more. The building was also built to allow future expansion. The building opened up to public view on November 12, 2016, with a welcoming ceremony followed by music and performances by local groups through out the county. The first official event was the Taylor Rodeo held on September 23 and 24, 2016. For more information on events and the facility, go to www.wilcoexpo.com.



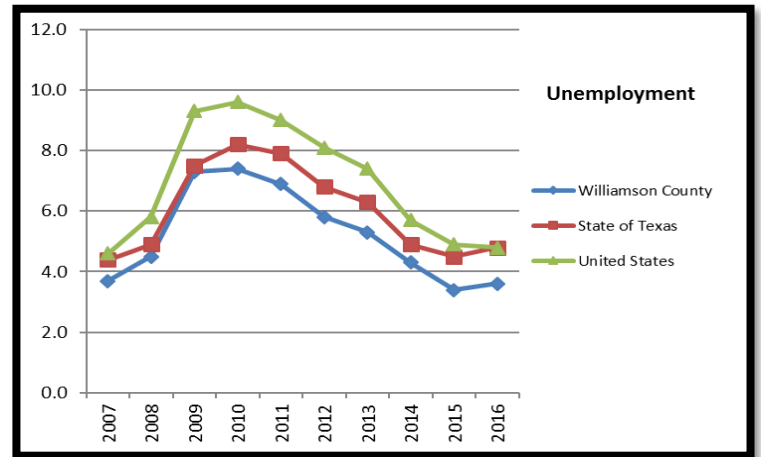
Bill Pickett Trail

On November 10, 2016, Williamson County also had a ribbon cutting on the completion of Bill Pickett Trail. The new roadway provides a bridge over Turkey Creek connecting Carlos G. Parker Boulevard to Chandler Road to have additional access to the Expo Center. The project includes turn lanes on Chandler Road to Bill Pickett Trail and a driveway for Taylor ISD. The road was designed by K. Friese and Associates. The total cost of the roadway is \$3.7 million.



Williamson County Financial Activity

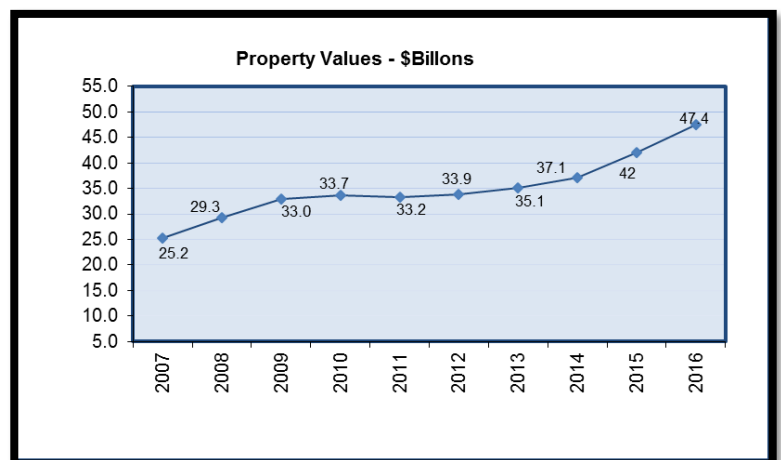
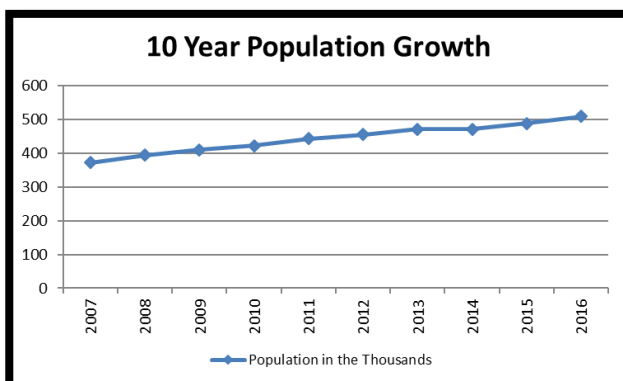
Williamson County continues to be one of the fastest growing counties in the state. Since 2010, the county's population has grown by 20 percent. It is the 12th most populous county in Texas. Williamson County's growth has been fueled by its location on the I-35 corridor and close access to Austin, Texas. The county's economic base has developed to be home to many major industries, including high tech, manufacturing, healthcare and higher education. The regional economy continues to expand. The county has a diverse workforce. This attracts new businesses to locate to the area. Job creation has caused many of the cities in the county to be some of the fastest growing cities in the country. New housing, building permits and new roads also demonstrate the growth. The diversity in the economy makes the county less vulnerable to economic downturns. The unemployment rate has been lower than the national average. The county unemployment rate slightly increased from 3.4% in September 2015 to 3.6% in September of this year; the rate was significantly lower than the national rate for September, which decreased from 4.9% in 2015 to 4.8% this year.



Williamson County has benefited from the population growth. The county has experienced major job growth and proliferation of business and residential development. Business incentives, a low tax rate and affordable housing are major factors that have contributed to the job growth. The latest population forecasts project Williamson County population could grow to more than 1 million people by 2040.

With the job and population growth in the county, several areas of the county have become key commercial and residential developments. UPS will build a 225,000 square foot package-distribution and warehouse facility in Round Rock. It is expected to employ at least 314 employees. ProPortion Foods LLC is moving to Round Rock. It is a food-based company that will be moving its offices, food processing and storage facility. It is projected the company will employ up to 400 employees.

Also, AirCo Mechanical, a commercial and residential heating, ventilation, and air conditioning service provider relocated to Round Rock. The move will bring at least 365 new jobs. Voltabox will move to Cedar Park. The manufacturer of high-tech lithium ion battery systems plans to build a 22,000 square-foot facility. Noren Products will relocate its headquarters to Taylor. It is expected to bring 40 new jobs to the city. The company broke ground on a 30,000 square foot building. Several new shopping centers throughout the county have been completed or are in the development stages. HEB opened a 121,000 square foot store near SH-130 at Star Ranch. This store is the first large grocery store in the Hutto area. The Parke, is a 380,000 square-foot shopping center in Cedar Park. The Parke will be anchored by Whole Foods, Nordstrom Rack and Dick's Sporting Goods.



Principal Property Taxpayers - FY 2016			
Taxpayer	Assessed Value \$Millions	Rank	% of Total County Assessed
Dell Computer Holdings, LP	297,994,584	1	0.63%
Parmer Lane Austin, LP	159,000,000	2	0.34%
Oncor Electric Delivery Company	156,686,900	3	0.33%
CPG Round Rock, LP & SPG Round	138,431,301	4	0.29%
Lakeline Developers	100,547,179	5	0.21%
Inland Western Cedar Park 1890	92,900,096	6	0.20%
Dell Computer Corporation	91,256,835	7	0.19%
HEB Grocery Company LP	84,056,275	8	0.18%
Baltgem Development Corp ETAL	77,884,064	9	0.16%
Cedar Park Health System, LP	76,854,617	10	0.16%

and part-time jobs. These developments will have an economic impact on the county and attract visitors to the county.

High demand for housing continues throughout the county. Several new developments throughout the county are under construction or in the planning stages. Georgetown has several large developments. Saddlecreek broke ground in April. The first phase includes 427 single-family lots. Wolf Ranch Hillwood Georgetown has started phase 1 of a master planned community. New developments such as Cedar Grove, Whitestone Landing and Leander Crossing will be developed.

Healthcare facilities continue to expand throughout the county. St. David's Georgetown completed a \$7.7 million expansion of the intensive care unit. Also included was a new emergency entrance off the I-35 frontage. Baylor Scott and White broke ground to build a 100,000 square foot cancer center in Round Rock. The center will offer integrated and comprehensive care in one location. St. David's opened a new surgical hospital in Round Rock at La Frontera. Area school districts are addressing the new growth. New campuses and renovations are under construction throughout the county. Austin Community College broke ground on its new San Gabriel campus in Leander. This is the 12th campus in the ACC district.

Williamson County is a part of the Austin-Round Rock metropolitan area. The metropolitan area continues to be a top performer in numerous national rankings. In 2016, the U.S. Census Bureau named the city of Georgetown the fastest growing city in the U.S. of at least 50,000. MoneyRate.com named the Austin-Round Rock MSA as the best city for young entrepreneurs.

Principal Employers - FY 2016			
Employer	Number of Employees	Rank	% of Total County Employment
Dell Computer	14,000	1	6.33%
Round Rock ISD	5,800	2	2.62%
Leander ISD	4,823	3	2.18%
Williamson County	1,646	4	0.72%
Sears (Teleserve)	1,600	5	0.72%
Georgetown ISD	1,543	6	0.70%
HEB Grocery	995	7	0.40%
City of Round Rock	890	8	N/A
Emerson Process Management	880	9	0.34%
Round Rock Premium Outlet	800	10	N/A

The Sheraton Hotel and Conference Center in Georgetown opened in July. The 222-room hotel has 30,000 square feet of meeting space. This is a part of the 32-acre development, the Summit at Rivery Park, which will include retail and restaurant space as well as apartments and townhomes. Kalahari Resorts is planning to build in Round Rock. The resort will include a 975-room hotel, 150,000 square foot convention center, waterpark, restaurants and a spa. It is expected to create approximately 700 full-time

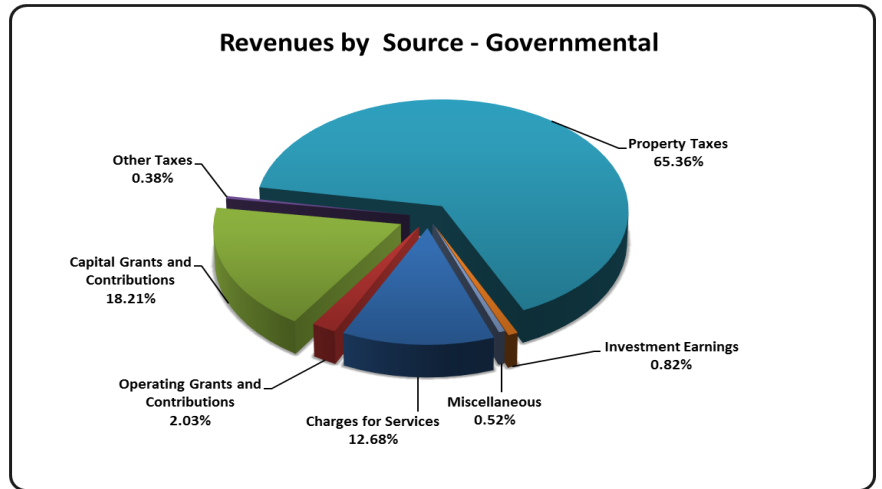
jobs. Williamson County was ranked as the third healthiest county in Texas, by the Robert Wood Johnson Foundation and the University of Wisconsin. Since 2010, the county has been listed as one of the healthiest counties in Texas. In 2016, the Austin-Round Rock metro area tied for second place in the Milken Institute's Best Cities Index. The Milken Institute ranks US metropolitan areas by how well they are creating and sustaining jobs and economic growth.

GOVERNMENTAL REVENUES

The County receives its funding from a variety of sources, of which the largest single source is property taxes. **Property Taxes** represent a tax on all real estate and improvements within the County. Property taxes are considered to be a general revenue source, meaning it is available to fund all programs of the County. **Fees of Office and Charges for Services** represent fees paid by individuals, businesses, or other governments who purchase, use, or directly benefit from the goods or services provided. **Intergovernmental** revenues include payments or donations from other governmental entities through contractual agreements under which many of the funds are restricted for use in a particular program. **Investment Earnings** consists of interest income and other income from investment activities.



	2016 \$M
Property Taxes	\$226.60
Charges for Services	\$ 44.00
Operating Grants and Contributions	\$ 7.00
Capital Grants and Contributions	\$ 63.10
Other Taxes	\$ 13.00
Investment Earnings	\$ 2.80
Miscellaneous	\$ 1.80
	<u>\$358.30</u>



Revenue Sources

- PROPERTY TAXES
- FEES OF OFFICE/CHARGES FOR SERVICES
- FINES AND FORFEITURES
- PUBLIC AND PRIVATE GRANTING AGENCIES
- INTERGOVERNMENTAL REVENUES
- INVESTMENT EARNINGS



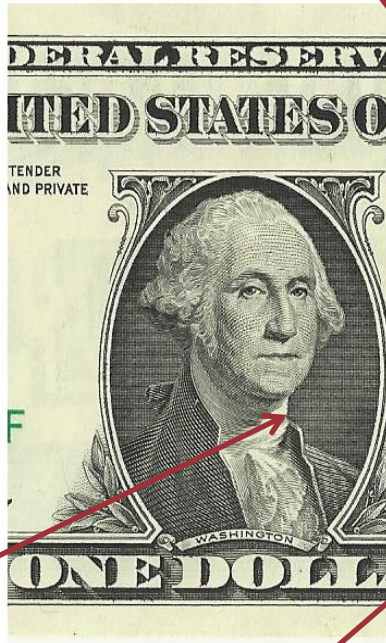
GOVERNMENTAL EXPENSE

General Government includes all administrative aspects of County business. Community Services consist of Veteran Services, Public Health, Parks, Agriculture Extension Service and the Regional Animal Shelter. Debt Service pays off the bonds issued for the construction of major projects.

Transportation Support 28%

Int. on L/T Debt 11%

Judicial Services 9%



Public Safety 32%

General Government 14%

Community Services 6%

	2016 \$M
General Government	\$ 48.50
Public Safety	\$ 115.80
Transportation Support	\$ 99.80
Judicial Services	\$ 31.00
Community Services	\$ 21.40
Conservation	\$ 0.56
Interest on L/T Debt	\$ 41.30
	<u>\$ 358.36</u>



The *Statement of Activities* provides readers with an overview of money received and spent during the year in the County *as a whole*, in an approach similar to a private-sector business. Explanations of these accounts are provided as a tool to understanding these activities.

Money Received

Property taxes come from three different sources: taxes for general purposes (\$.274029) taxes for road & bridge purposes (\$.04) and taxes for debt service (\$.1675) to repay debt of the County. The total tax rate for 2016 is \$.481529 per \$100 value and was composed by the total of these three sources. Charges for Services are monies received from the public when the County performs a service to the citizens, such as, Emergency Medical Services. Operating Grants & Contributions is money the County receives from other governmental agencies, corporations, and private contributors. Investment Earnings is interest earned on County investments. Miscellaneous is money received that does not fit in the above-mentioned accounts but are still classified as revenue.

Services Rendered

This is money spent to provide services to citizens. See pages 10-11 of this report for a detailed explanation of what services are included in each of the categories: General Government, Public Safety, Transportation Support, Judicial Services and Community Services.

Variance Analysis and Trends

Property taxes are collected to support government activities for the primary government. Property tax revenues increased \$22.3 million from the last fiscal year. The total property taxes collected was \$226.6 million for the year. For 2016, tax rates slightly decreased; however, property values increased by 12% and along with new improvements this resulted in an increase in revenues. The continued growth in the county has added several subdivisions throughout the county. Many of these subdivisions roads will be maintained by the county. The increase in capital grants and contributions is due to the county's acceptance of these new subdivisions.

Williamson County Financial Activity Statement			
Money Received	2016	2015	2014
Property Taxes:			
Levied for general purposes	\$128,577,499	\$116,814,321	\$104,957,462
Levied for road & bridge	\$18,552,068	\$16,521,025	\$14,681,846
Levied for debt service	\$79,408,330	\$70,940,367	\$63,279,169
Other taxes	\$1,328,610	\$1,118,611	\$987,258
Charges for Services	\$43,949,358	\$44,423,946	\$43,061,826
Operating grants & contributions	\$7,021,670	\$7,327,581	\$11,059,515
Capital grants & contributions	\$63,114,526	\$59,565,089	\$49,107,663
Investment earnings	\$2,826,060	\$1,291,116	\$564,343
Miscellaneous	\$1,785,938	\$2,602,864	\$3,464,348
Total Money Received	\$346,564,059	\$320,604,920	\$291,163,430
Services Rendered			
General Government	\$48,471,235	\$33,113,079	\$32,522,582
Public Safety	\$115,818,653	\$87,932,683	\$88,098,767
Transportation Support	\$99,775,558	\$78,977,229	\$87,436,401
Judicial	\$31,025,054	\$23,581,105	\$22,685,570
Community Services	\$21,383,743	\$18,727,680	\$16,796,646
Conservation	\$560,710	\$407,345	\$347,751
Interest on long-term debt	\$41,283,450	\$40,308,534	\$35,634,706
Total Services Rendered	\$358,318,403	\$283,047,655	\$283,522,423
Monies Received over Services Rendered	(\$11,754,344)	\$37,557,265	\$7,641,007

Williamson County Condensed Statement of Net Position

Assets	2016	2015
Current Assets	\$ 575,153,108	\$614,470,838
Capital Assets	\$ 687,310,787	\$628,185,486
Total Assets	\$1,262,465,911	\$1,242,656,324
Deferred Outflows of Resources	\$ 82,544,536	\$53,490,401
Total Deferred Outflows of Resources	\$ 82,544,536	\$53,490,401
Liabilities		
Current Liabilities	\$ 33,095,971	\$85,008,483
Noncurrent Liabilities	\$1,184,678,735	\$1,072,150,173
Total Liabilities	\$1,217,774,706	\$1,157,158,656
Net Position		
Invested in Capital Assets, net of Related Debt	\$ 365,342,452	\$445,160,755
Restricted	\$ 49,879,697	\$42,611,846
Unrestricted	\$ (287,988,424)	(\$348,784,532)
Total Net Position	\$ 127,233,725	\$138,988,069

Total net position decreased by \$11.8 million compared to 2015. There are significant changes in the statement of net position at September 30, 2016 from September 30, 2015. Capital assets increased by \$59.1 million as a result of the acceptance of several new subdivisions. The continued growth in the county has caused an increase of new homes. The roads in these subdivisions such as Siena, Highlands at Mayfield Ranch and Paloma Lake will be maintained by the county. The county continues to construct new roads and has begun to make improvements and construct new county buildings, such as the Williamson County EXPO Center, which contributed to the increase. In addition, the county's net pension liability increased by \$83.9 million offset slightly by an increase in the deferred outflows related to pension totaling \$28.9 million. This increase is primarily a result of actuarial changes used to determine the total pension liability, including an assumption of a repeating cost of living adjustment (COLA) and an update to annuity rates for future retirees. A portion of the County's net position (\$687.3 million) reflects investment in capital assets (e.g., land, buildings, infrastructure, machinery, and equipment). Williamson County uses these capital assets to provide services to citizens; consequently, these assets are not available for future spending

Benefits

Current Assets include:

- Cash on-hand to pay obligations
- Accounts Receivable
- Prepaid items / Inventory

Capital Assets include:

- Land / Buildings
- Infrastructure
- Equipment
- Construction in Progress

Obligations

Current Liabilities include:

- Accounts Payable
- Accrued Liabilities
- Unearned Revenue
- Accrued Interest Payable

Non-current Liabilities are items that are due in more than one year.

This statement includes all funds to provide an overall picture of County-wide finances. Net Assets refers to the purchase costs of County assets less the accumulated depreciation of those assets.



Net Assets

Net Investment in Capital

Assets represents the value of assets less depreciation and the associated outstanding debt incurred to purchase that asset.

Restricted Assets include:

- Debt Service
- Road & Bridge
- Conservation Foundation
- Tobacco Fund
- Other purposes that limit the use of certain assets

Unrestricted Net Assets are items that do not have to be held for specific reasons.

Financial Position Statement shown does not conform to generally accepted accounting principles (GAAP). The purpose of this presentation is to provide the citizen with a summarized version of the information contained in the County's Comprehensive Annual Financial Report

Statement of Revenues, Expenditures and Changes in Fund Balance

2016 **2015**

Revenue

Taxes	\$129,961,131	\$117,875,752
Fees of Office	13,645,196	12,845,615
Fines & Forfeitures	3,127,507	3,393,875
Charges for Services	12,613,273	13,218,199
Intergovernmental	2,125,167	2,213,795
Investment Income & Other	803,325	602,856
Miscellaneous	747,882	3,359,877
Total Revenue	\$163,023,481	\$153,509,969

Expenditures

Current:

General Government	\$29,990,280	\$26,512,916
Public Safety	79,733,092	76,799,400
Judicial	22,343,088	21,209,145
Community Services	11,214,745	5,547,454

Debt Service:

Principal	226,178	0
Interest and other charges	2,674	0

Capital Outlay	4,607,883	4,556,929
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Total Expenditures	\$148,117,940	\$134,625,844
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Excess of Revenues over Expenditures	\$14,905,541	\$18,884,125
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Other Financing Sources (Uses)

Transfers In	\$25,000	\$0
Transfers Out	(11,681,442)	(11,155,189)
Capital Lease Issued	0	0
Proceeds from Sale of Capital Assets	224,813	122,987

Total Other Financing Sources (Uses)	(\$11,431,629)	(\$11,032,202)
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Net Change in Fund Balances	\$3,473,912	\$7,851,923
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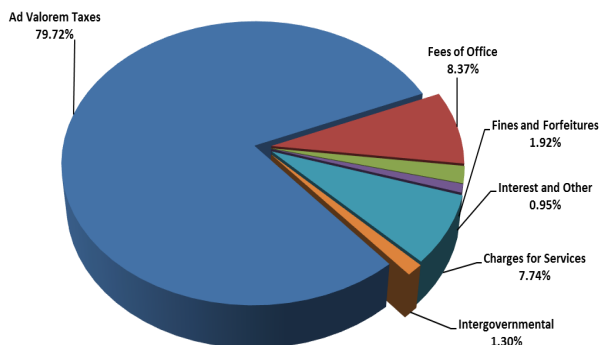
Fund Balance, Beginning	83,503,994	75,652,071
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Fund Balance, Ending	\$86,977,906	\$83,503,994
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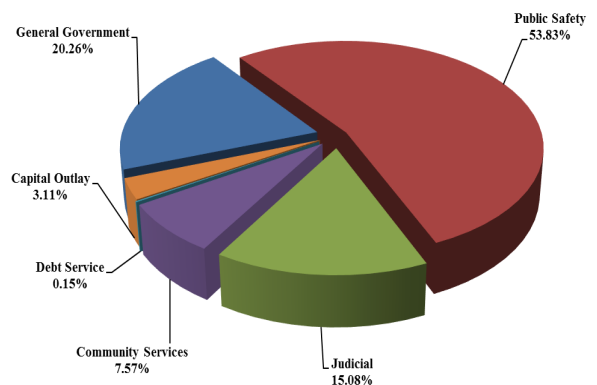
The General Fund is the chief operating fund of the County. At the end of the current fiscal year, total fund balance of the General Fund was \$87 million with an \$857 thousand nonspendable fund balance for investment in capital leases and prepaid expenses. In 2013, the county established a plan to reduce excess reserves to fund various county capital projects. \$3.5 million of the General Fund balance is committed to fund the remaining 2013 - 2016 capital projects not completed at year end. As a measure of the General Fund's liquidity, it is useful to compare both unassigned fund balance and total fund balance to total fund expenditures. Unassigned fund balance for 2016 represents 56% of total General Fund expenditures. This significant fund balance to total expenditure ratio indicates a healthy financial position. The County has adopted a policy to maintain an appropriate level of unreserved General Fund balance to protect against a reduction of services due to temporary revenue shortfalls or unexpected one-time expenditures. A Fund Balance Policy adopted by the Commissioner's Court in 2009 states that the level shall not be less than 35% of total General Fund budgeted expenditures.

The fund balance of Williamson County's General Fund has increased by 4% during the current fiscal year. Although the tax revenue increased by \$12 million; the growth of the county has created an increase in the demand for services. A major increase was attributable to personnel. 35 new positions are approved in the general fund. 13 positions are approved in general government and 14 positions are in public safety. Other new positions are approved for the newly remodeled EXPO center. \$10 million was budgeted to pay for debt reduction. While being fiscally conservative, the county growth has caused increases to the overall expenditures. Conservative spending resulted in lower than budgeted operational costs. Actual revenues are \$4.4 million higher than budgeted. Property tax revenues and charges for services is higher than projected. The increase in revenue budgeted amounts allowed for an almost \$3 million increase to the fund balance in the general fund beyond the budgeted amount.

General Fund Revenues

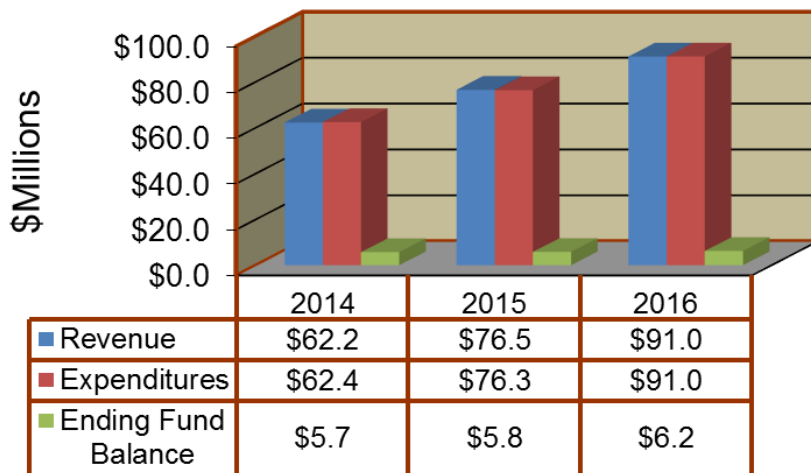
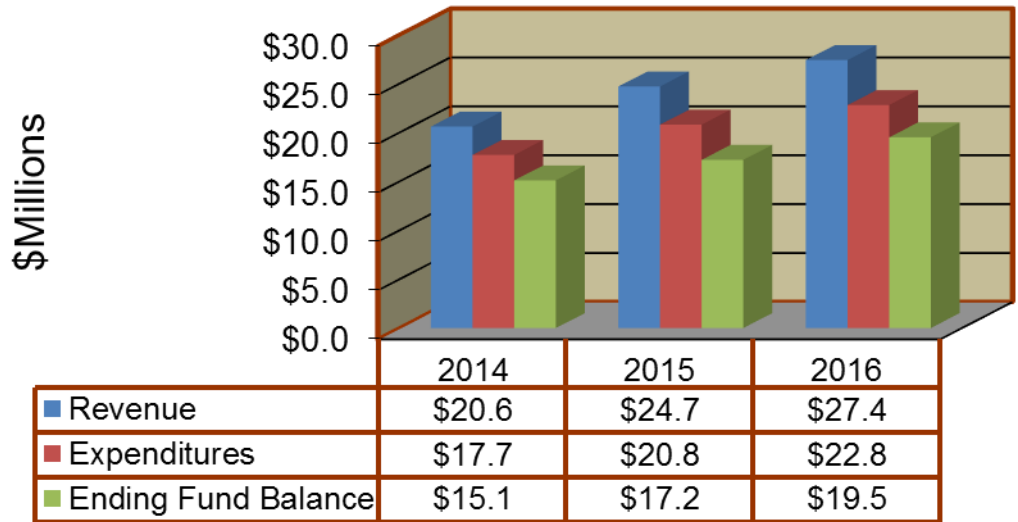


General Fund Expenditures



Road and Bridge Fund

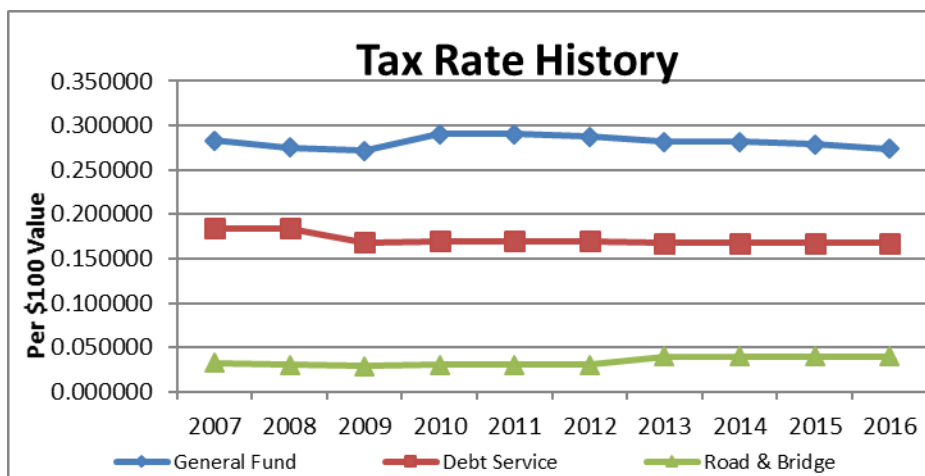
The Road & Bridge Fund is a special revenue fund used to account for money received from taxes, vehicle registration and rebates from the State of Texas. Expenditures in this fund are for maintenance and construction of County roads and bridges. The chart provided on the right illustrates the fund's revenue, expenditures, and ending fund balance over the past three years.



Debt Service Fund

The Debt Service Fund is used to account for the accumulation of resources for, and payment of, general long-term debt, principal, interests and costs. In order to fulfill the demands of a growing economy, the County is in need of new infrastructure that required new issuance of debt this year. Existing debt was also refinanced saving taxpayers in future interest costs. The chart shown on the left compares revenues, expenditures and fund balance over the last three years.

Tax Rate Stability



Williamson County determines tax rates in three areas: the General Fund, Debt Service, and Road & Bridge. Therefore, existing debt is a factor in the County's tax rate. The 2016 tax rate is \$0.481259 per \$100 value and separated as follows: \$0.274029 for General Fund, \$0.1675 for Debt Service, and \$0.04 for Road and Bridge. The graph shown here reflects the changes in tax rates by each source since 2007. A total of \$684 million of voter-authorized debt for road improvements and parks is reflected in the Debt Service rates. The 2015 Tax Rate was adopted for Fiscal Year 2016.

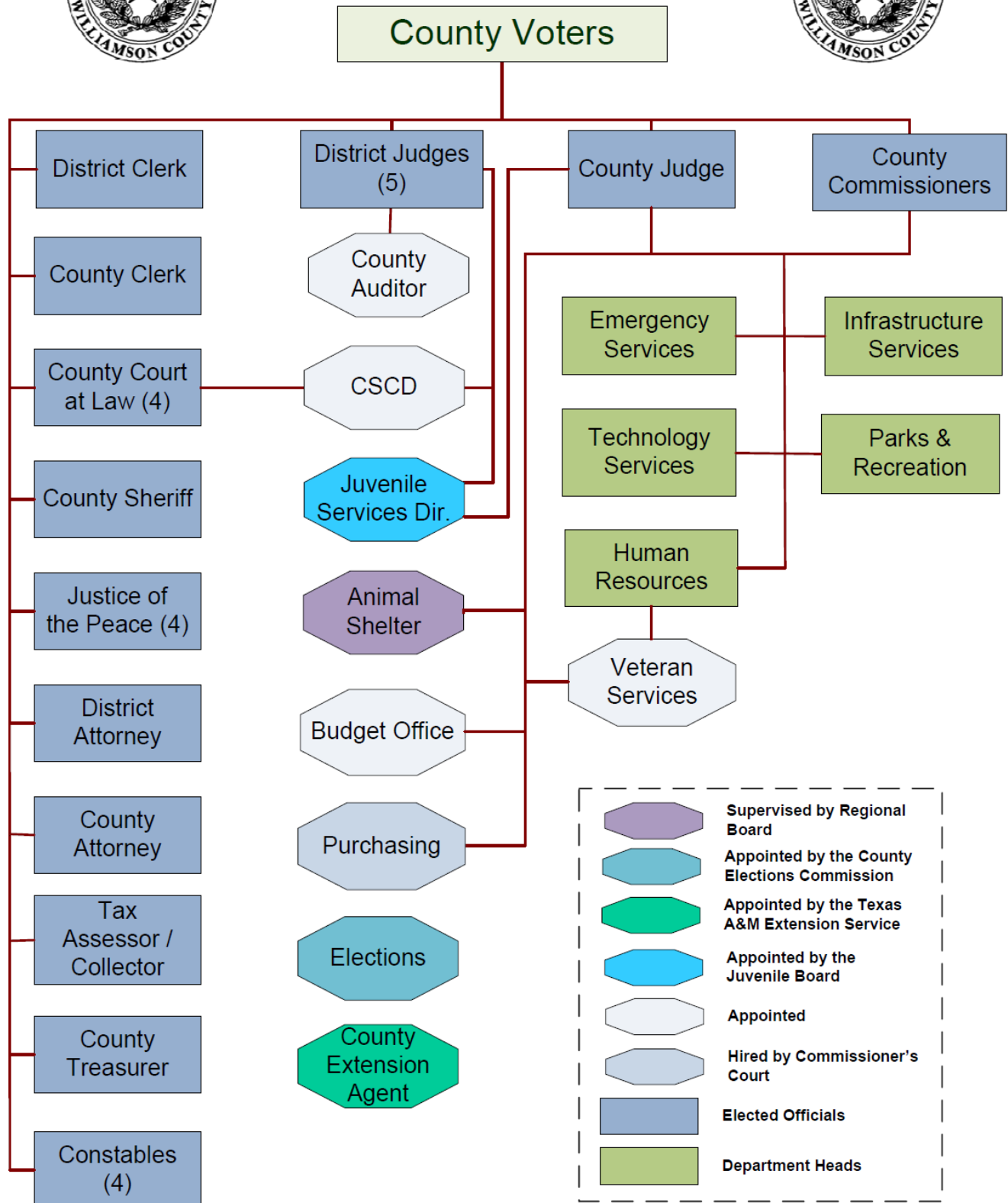
Williamson County Elected Officials:

District Judges:	<i>Donna King</i> <i>Stacey Mathews</i> <i>Rick J. Kennon</i> <i>Ryan D. Larson</i> <i>Betsy Lambeth</i>	Judge, 26th Judicial District Judge, 277th Judicial District Judge, 368th Judicial District Judge, 395th Judicial District Judge, 425th Judicial District
County Court At Law:	<i>Suzanne Brooks</i> <i>Laura Barker</i> <i>Doug Arnold</i> <i>John B. McMaster</i>	Judge, County Court at Law #1 Judge, County Court at Law #2 Judge, County Court at Law #3 Judge, County Court at Law #4
Commissioner's Court:	<i>Dan A. Gattis</i> <i>Terry Cook</i> <i>Cynthia Long</i> <i>Valerie Covey</i> <i>Larry Madsen</i>	County Judge Commissioner, Precinct #1 Commissioner, Precinct #2 Commissioner, Precinct #3 Commissioner, Precinct #4
Justice of the Peace:	<i>Dain Johnson</i> <i>Edna Staudt</i> <i>Bill Gravell, Jr.</i> <i>Judy Hobbs</i>	Justice of the Peace, Pct #1 Justice of the Peace, Pct #2 Justice of the Peace, Pct #3 Justice of the Peace, Pct #4
Constables:	<i>Vinnie Cherrone</i> <i>Richard Coffman</i> <i>Kevin Stofle</i> <i>Marty Ruble</i>	Constable, Precinct #1 Constable, Precinct #2 Constable, Precinct #3 Constable, Precinct #4
County Offices:	<i>Shawn Dick</i> <i>Doyle "Dee" Hobbs</i> <i>Lisa David</i> <i>Nancy Rister</i> <i>Robert Chody</i> <i>Jerri L. Jones</i> <i>Larry Gaddes</i>	District Attorney County Attorney District Clerk County Clerk County Sheriff County Treasurer Tax Assessor/Collector





Organizational Chart



As of December 01, 2009

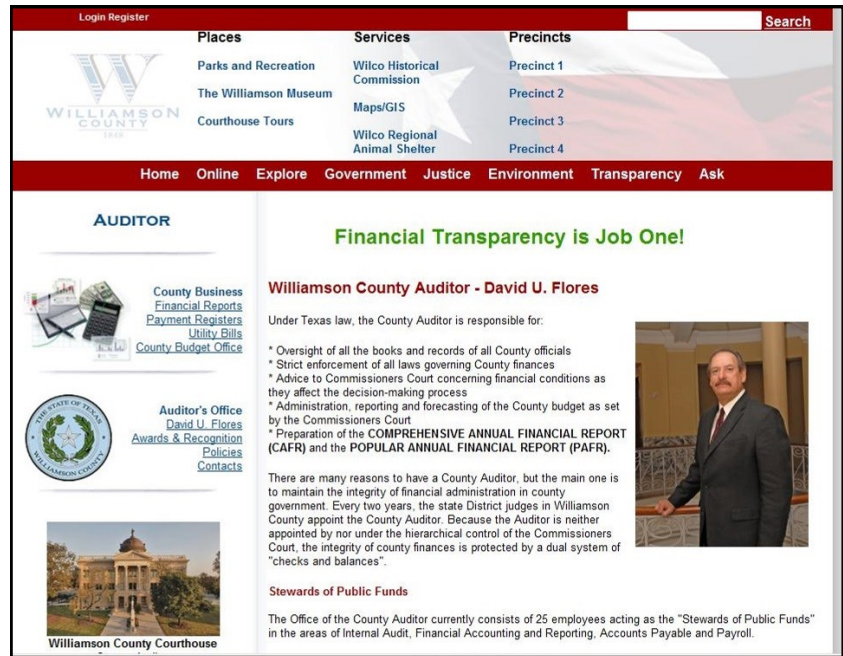
Looking Forward— AAA/Stable

According to the Austin American Statesman, “Williamson County is ranked the seventh fastest in the nation with an estimated population of slightly more than a half-million people, according to the numbers released by the United States Census Bureau. The continuous influx of people, the county received 19,086 new residents in 2015 alone, has contributed to the Austin-Round Rock area becoming the fastest growing metropolitan with a population over 1 million. It is the fifth year in a row the area has been the fastest growing in the nation.

Williamson County Key Financial Goals

- Maintain Adequate Cash Reserves
- Maintain AAA Rating
- Stabilize Tax Rates
- Invest in Technology Infrastructure
- Retain & Train a Productive Work Force
- Invest In Road Infrastructure to Keep up with Rapid Population Growth
- Adopt Best Practices and Highest Standards in Approaching Our County Business

Visit us on the web at:
www.wilco.org
and click:



County Auditor's Office:

David U. Flores, County Auditor

Julie Kiley, First Assistant County Auditor

Melanie Denny, Financial Director

Financial Accounting:

Pam Navarrette (Assistant Financial Director), ***Jody Cook***, ***Tomika Lynce***,
Cortney Meier, ***Lisa Moore***, ***Angela Schmidt***, and ***Kelsey Rollins***

Accounts Payable / Payroll:

Nathan Zinsmeyer (Manager), ***Karen Knightstep*** (Lead), ***Heather Alberts***,
Nicole Alderete, ***Debbie Frazier***, ***Leticia Gomez***, ***Aracelia Kent***,
Diane Ostolaza, ***Este Riley***, ***Loretta Ryden*** and ***Miranda Stubbs***

Internal Audit:

Kathy Wierzowiecki, Internal Audit Director
Jalyn Morris (Assistant Internal Audit Director), ***Donald Carlson***, ***Jolene Crist***, ***Sara Greer***, ***Michael Hansen***, and ***Kira Sidatt***

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Popular Annual Financial Report — September 30, 2016