

Williamson County, Texas

Popular Annual Financial Report

Fiscal Year Ending September 30, 2018



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Commissioners Court:

Bill Gravell, Jr., County Judge
Terry Cook, Comm. Pct 1
Cynthia Long, Comm. Pct 2
Valerie Covey, Comm. Pct 3
Russ Boles, Comm. Pct 4

ACKNOWLEDGEMENTS

The successful completion of the fiscal year 2018 Popular Annual Financial Report would not have been possible without the hard work and dedication of the Auditor's Office. The Accounting Team has applied their expertise and consistent efforts to research and analyze the financial information compiled in this report.

Jerri L. Jones, County Auditor

Julie Kiley, CPA, First Assistant County Auditor

Melanie Denny, CPFO, Financial Director

Financial Accounting:

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

Accounts Payable / Payroll:

Nathan Zinsmeyer (Manager), *Karen Knightstep* (Lead), *Heather Alberts*, *Nicole Alderete*, *Leticia Gomez*, *Aracelia Kent*, *Diane Ostolaza*, *Esther Raghoo*, *San Juanita Ramos*, *Este Riley*, *Miranda Stubbs*, *Angella Faris*

Kathy Wierzowiecki, Internal Audit Director

Internal Audit:

Jalyn Morris (Assistant Internal Audit Director), *Jolene Crist*, *Sara Greer*, *Michael Hansen*, *Kira Sidatt*, and *Matt Varney*



Photo Credits:

Back Cover: courtesy of Susan Blackledge, Williamson County Parks Department. Inside cover: courtesy of Connie Odom, Public Information Office. Inside cover, pages 7, and 9: courtesy of Sheriff Chody. Page 7: courtesy of Pam Navarrette, County Auditor's Office. Page 13: courtesy of Expo Center.

Message from the County Auditor

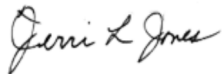
Dear Citizens of Williamson County,

I am pleased to present the annual Williamson County Citizen's Report (also known as the Popular Annual Financial Report or "PAFR") for fiscal year ended September 30, 2018. This financial summary provides a less technical discussion of the County finances. It also includes discussions of County initiatives and trends in the local economy. This important financial 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 Citizen's Report using financial information taken from the 2018 Comprehensive Annual Financial Report (CAFR) that was audited by Weaver and Tidwell, LLP, and received an unmodified opinion. An unmodified 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, and the intent is to provide a user-friendly financial report.

This report is not intended to replace the CAFR; the function of the report is to increase 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 <http://wilco.mygovcenter.com/financial-reports>. I invite you to share any questions, concerns, feedback or recommendations you may have by calling 512/943-1500.

Respectfully submitted,



Jerri L. Jones
County Auditor



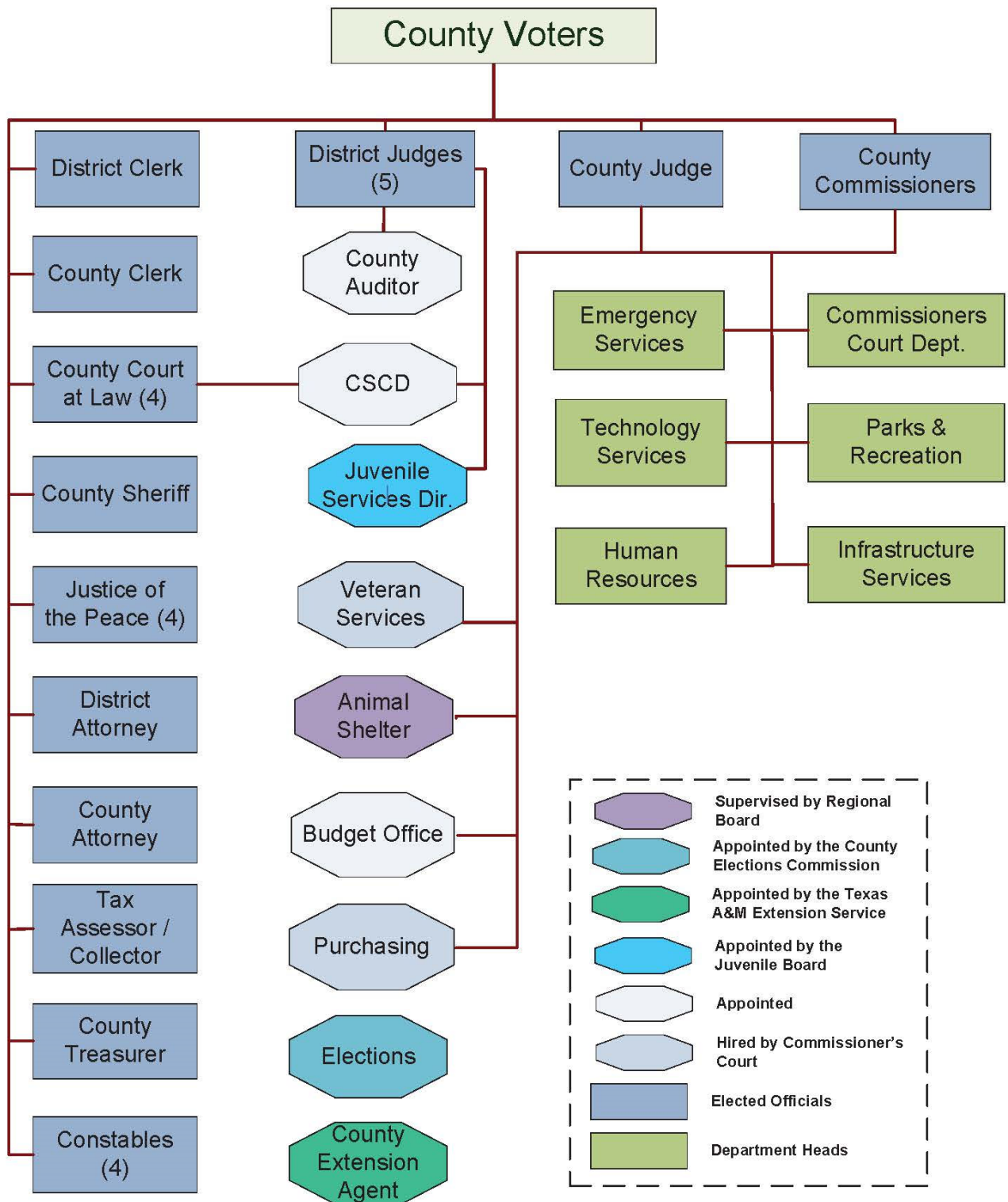
Williamson County Elected Officials*

<i>Donna King</i>	Judge, 26th Judicial District
<i>Stacey Mathews</i>	Judge, 277th Judicial District
<i>Rick J. Kennon</i>	Judge, 368th Judicial District
<i>Ryan D. Larson</i>	Judge, 395th Judicial District
<i>Betsy Lambeth</i>	Judge, 425th Judicial District
<i>Bill Gravell, Jr.</i>	County Judge
<i>Terry Cook</i>	Commissioner, Precinct 1
<i>Cynthia Long</i>	Commissioner, Precinct 2
<i>Valerie Covey</i>	Commissioner, Precinct 3
<i>Russ Boles</i>	Commissioner, Precinct 4
<i>Vinnie Cherrone</i>	Constable, Precinct 1
<i>Richard Coffman</i>	Constable, Precinct 2
<i>Kevin Stofle</i>	Constable, Precinct 3
<i>Marty Ruble</i>	Constable, Precinct 4
<i>Nancy Rister</i>	County Clerk
<i>Brandy Hallford</i>	Judge, County Court at Law #1
<i>Laura Barker</i>	Judge, County Court at Law #2
<i>Doug Arnold</i>	Judge, County Court at Law #3
<i>John B. McMaster</i>	Judge, County Court at Law #4
<i>Shawn Dick</i>	District Attorney
<i>Lisa David</i>	District Clerk
<i>KT Musselman</i>	Justice of the Peace, Pct 1
<i>Edna Staudt</i>	Justice of the Peace, Pct 2
<i>Evelyn McLean</i>	Justice of the Peace, Pct 3
<i>Stacy Hackenburg</i>	Justice of the Peace, Pct 4
<i>Doyle “Dee” Hobbs</i>	County Attorney
<i>Robert Chody</i>	County Sheriff
<i>Scott Heselmeyer</i>	County Treasurer
<i>Larry Gaddes</i>	Tax Assessor/Collector

**As of January 1, 2019*



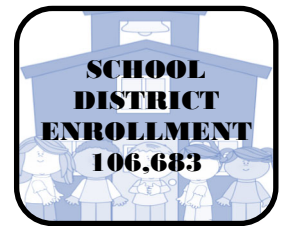
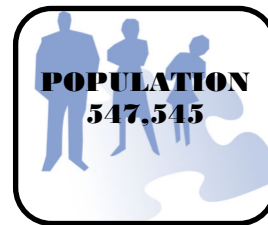
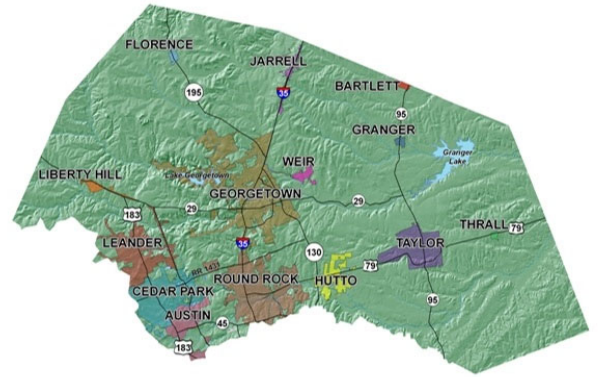
Organizational Chart



Effective: 10/1/2018

About Williamson County....

Established in 1848, Williamson County is centrally located in the state of Texas adjacent to Travis County. Williamson County is one of the top growing areas in the state of Texas and in the country. Williamson County occupies a land area of 1,135 square miles and provides services to an estimated population of 547,545. The current unemployment rate is 3.0% and employment opportunities are projected to steadily grow over time. Williamson County has a mild climate with affordable housing, a low cost of living, and beautiful scenic vistas. County taxes are among the lowest in the state to comparable counties; and unlike most states, Texas does not have a personal income tax. All these reasons make Williamson County one of the most desirable places to live and work in the United States.

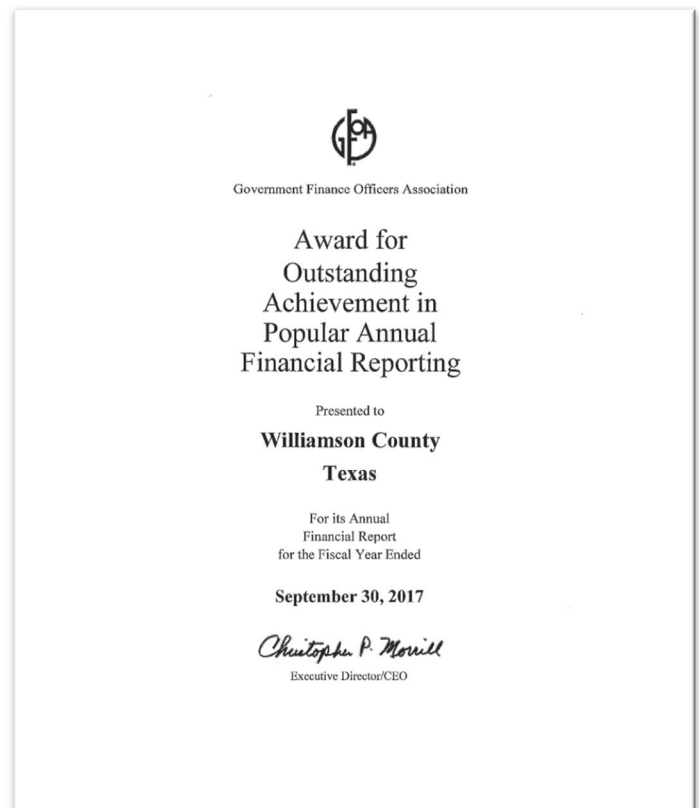


GFOA Award

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, 2017. 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 in 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.



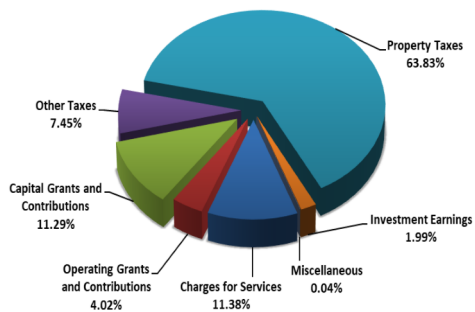
Financial Trend Summary

Where the Money Comes From:

REVENUES = \$426,536,833

- **Property Taxes:** The largest source of revenue available to fund programs in the County
- **Fees of Office and Charges for Services:** Fees paid by individuals, businesses, or other governments who purchase, use or directly benefit from goods or services provided
- **Intergovernmental:** Payments or donations from other governmental entities through contractual agreements
- **Investment Earnings:** Interest income and other income from investment activities

Revenues by Source - Governmental



How Your Tax Dollars Are Spent:

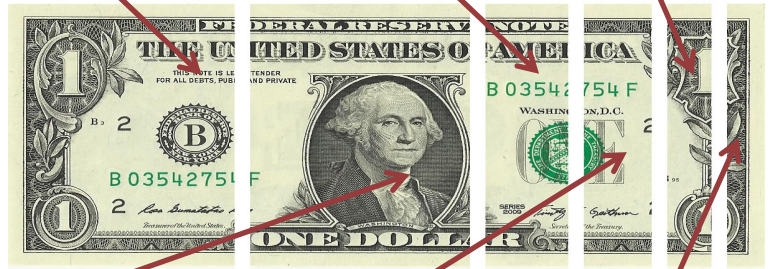
EXPENDITURES = \$327,815,221

The dollar represents a breakdown of the categories for which the County spends taxpayer's dollars on services for the public. The majority of the expenditures spent on public services are for Public Safety and for Transportation Support. The other categories contain a variety of services. General Government includes all administrative functions of county business such as the County Auditor, Budget Office, and Commissioners Court. Community Service consist of Veteran Services, Public Health, Parks, the Agriculture Extension Service and the Regional Animal Shelter. The Long Term Debt consists of expenditures in Debt Service to pay off the bonds issued for construction of major projects. Judicial expenditures are related to court cases processed through the various courts to include Magistrate, District Judges, County Court at Law, Justice of the Peace, District Attorney and County Attorney offices.

Public Safety 31%

General Government 17%

Community Service 10%

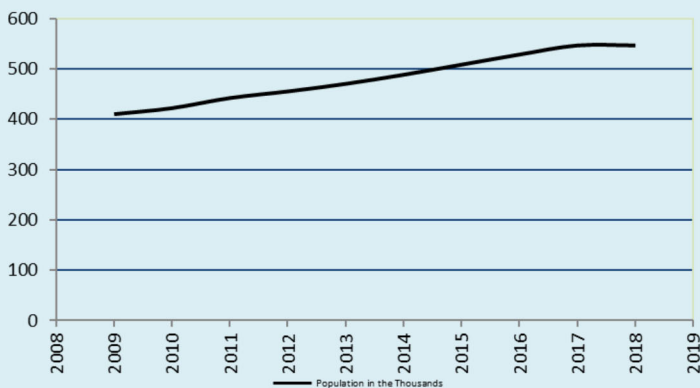


Transportation 22%

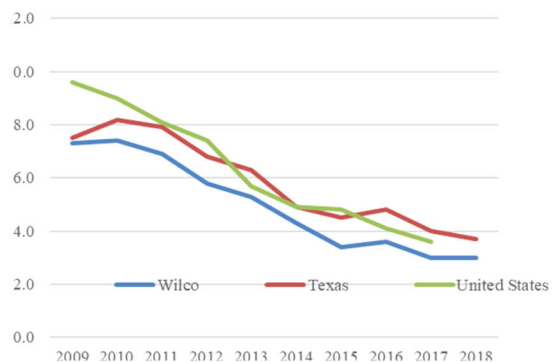
Long Term Debt 12%

Judicial Services 8%

10 Year Population Growth



Unemployment



Government Wide Statements

Government-wide statements are designed to provide readers with a broad overview of Williamson County's finances in a manner similar to a private sector business. Both the statement of activities and statement of net position are presented in the government-wide statements.

Statement of Activities

The **Statement of Activities** presents information demonstrating how the County's net position changed during the current fiscal year. All changes in net position are reported shortly after the underlying event occurs regardless of the timing of related cash flows. Property tax revenue increased by \$22.6 million in 2018 compared to 2017. The reason for the property tax revenue increase was due to a decrease in property tax rates but a 13% increase in property values. Expenses increased by 39% in 2018 compared to 2017, primarily as a result of an increase in transportation support, public safety and judicial expenses related to the continued growth of the county.

Williamson County Financial Activity Statement			
General Revenue	2018	2017	2016
Property Taxes:			
Levied for general purposes	120,231,990	140,500,042	128,577,499
Levied for road & bridge	23,002,816	20,691,651	18,552,068
Levied for debt service	129,065,600	88,542,902	79,408,330
Other taxes	31,775,438	1,497,202	1,328,610
Charges for Services	48,552,835	47,140,860	43,949,358
Operating grants & contributions	17,125,735	7,389,422	7,021,670
Capital grants & contributions	48,139,969	54,957,868	63,114,526
Investment earnings	8,477,449	4,713,739	2,826,060
Miscellaneous	165,001	2,014,239	1,785,938
Total Revenue	426,536,833	367,447,925	346,564,059
Expenditures			
General Government	54,797,454	34,560,332	48,471,235
Public Safety	99,809,010	69,592,308	115,818,653
Transportation Support	72,329,109	55,114,815	99,775,558
Judicial	27,337,346	18,656,716	31,025,054
Community Services	32,584,267	15,685,849	21,383,743
Conservation	369,119	1,300,206	560,710
Interest on long-term debt	40,588,916	39,492,764	41,283,450
Total Expenditures	327,815,221	234,402,990	358,318,403
Monies Received over Services Rendered	98,721,612	133,044,935	(11,754,344)

Fund Accounting

Fund Accounting groups revenue received by resources (i.e. property taxes) into related accounts to maintain control over resources that have been segregated for specific activities. The County, like other state and local governments, uses fund accounting to ensure compliance with finance-related requirements. All of the funds of the County can be divided into three categories: governmental funds, proprietary funds, and fiduciary funds. Williamson County maintains 52 individual governmental funds. *Governmental funds* are used to account for essentially the same functions as government-wide. However, the main function for governmental funds is to focus on near-term inflows and outflows of available resources as well as unencumbered balances at the end of the fiscal year. The *proprietary fund* is an accounting tool used to accumulate and allocate costs internally among the County's various functions. The only type of proprietary fund maintained by the County is Internal Service Funds which includes the Fleet Maintenance Fund and the Benefits Fund. *Fiduciary funds* are used to account for resources held for the benefit of parties outside the County.

General Fund

The General Fund is the main operating fund of the County. At the end of the current fiscal year, total fund balance of the General Fund was \$113.6 million with an \$825 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.



Statement of Revenues, Expenditures and Changes in Fund Balance		
	2018	2017
Revenue		
Taxes	151,590,175	142,188,824
Fees of Office	13,616,230	13,676,884
Fines & Forfeitures	2,835,062	3,174,688
Charges for Services	13,337,778	12,564,387
Intergovernmental	2,299,065	2,633,387
Investment Income & Other	2,766,087	1,410,920
Miscellaneous	728,055	497,731
Total Revenue	187,172,452	176,146,821
Expenditures		
Current:		
General Government	35,099,090	31,575,802
Public Safety	85,759,211	83,043,877
Judicial	25,038,527	23,316,667
Community Services	11,563,579	13,480,388
Debt Service:		
Principal	293,211	209,735
Interest and other charges	25,658	24,876
Capital Outlay	8,335,721	5,805,143
Total Expenditures	166,114,997	157,456,488
Excess of Revenues over Expenditures	21,057,455	18,690,333
Other Financing Sources (Uses)		
Transfers In	1,111,443	23,814
Transfers Out	(11,511,893)	(7,908,107)
Proceeds from Capital Lease	2,156,875	1,214,557
Proceeds from Sale of Capital Assets	1,561,168	227,972
Total Other Financing Sources (Uses)	(6,682,407)	(6,441,764)
Net Change in Fund Balances	14,375,048	12,248,569
Fund Balance, Beginning	99,226,475	86,977,906
Fund Balance, Ending	113,601,523	99,226,475



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, interest and issuance costs. For more detail on the debt service go to the County Auditor's website. The table provides the fund's revenue, expenditures, and ending fund balance over the past three years.

Debt Service Fund - \$M			
	2018	2017	2016
Revenue	\$97.2	\$87.4	\$78.4
Expenditures	\$104.2	\$82.6	\$91.0
Ttl other financing sources (uses)	(\$7.0)	\$4.8	(\$12.6)
Ending Fund	\$6.8	\$7.5	\$6.2

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 the fund are for maintenance and construction of county roads and bridges. The table on the right provides the fund's revenue, expenditures, and ending fund balance over the past three years.

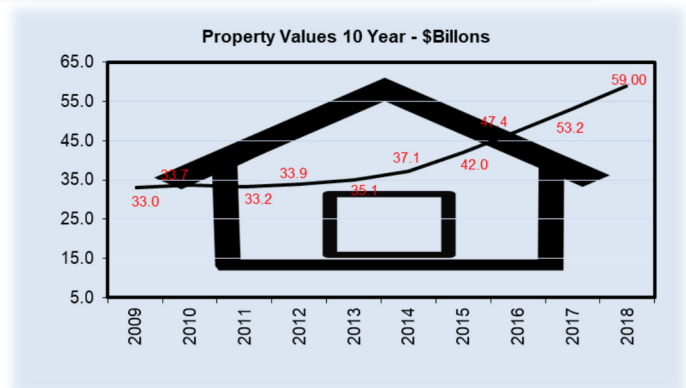
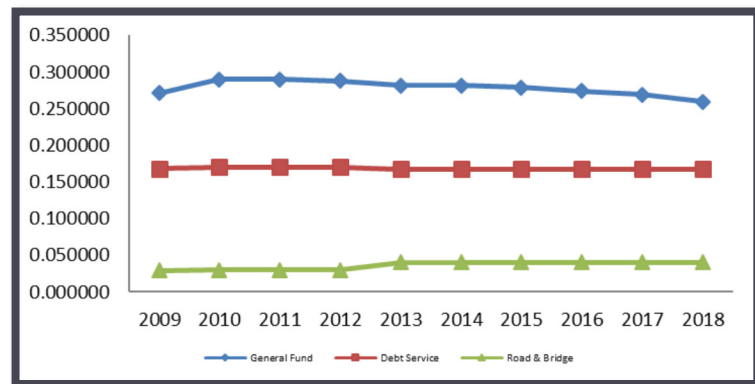
Road & Bridge Special Revenue Fund - \$M			
	2018	2017	2016
Revenue	\$29.8	\$26.9	\$25.0
Expenditures	\$26.0	\$23.2	\$22.8
Ttl other financing sources (uses)	\$3.8	\$3.7	\$2.2
Ending Fund Balance	\$21.5	\$21.6	\$19.5

TOP 10 TAXPAYERS

Dell Computer Holdings, LP
 BRI 1869 Parmer, LLC
 Oncor Electric Delivery Company
 CPG Round Rock, LP & SPG Round Rock NS, LP
 Citicorp North America, Inc.
 Lakeline Developers
 HEB Grocery Company, LP
 NW Austin Office Partners, LLC
 Atmos Energy/Mid-Tex Distribution
 Cedar Park Health System, LP

Tax Rate and Trends

Williamson County sets tax rates in three areas: the General Fund, Debt Service, and Road & Bridge. The 2018 tax rate is \$0.466529 per \$100 value and broken down as follows: \$0.259029 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 2009. Property taxes support government activities. From last fiscal year, property tax revenue increased \$22.6 million. For 2018, tax rates slightly decreased. However, property values increased by 13%. Taxpayers can view the trend of increased growth in property values from 2009 to the current fiscal year.



Statement of Net Position

The **Statement of Net Position** presents information on all of the County's assets and liabilities. The difference between the assets and liabilities are reported as the net position. Capital assets represent the value of assets less depreciation and the associated outstanding debt incurred to purchase an asset. Restricted assets include Debt Service, Road and Bridge, Conservation Foundation, Tobacco Fund, and other purposes that limit the use of certain assets. Unrestricted Net Assets are items that do not have to be held for specific reasons. Deferred outflows of resources are the consumption of net assets applied to a future reporting period. Deferred inflows of resources are the purchase of net assets by government that is applied to a future reporting period. Over time, increases and decreases in net position may serve as a useful indicator of whether the financial position of Williamson County is improving or deteriorating. Compared to 2017, total net position increased by approximately \$98.7 million. As a result of new facility and ongoing road improvements, there has been an increase of \$80.9 million in Capital Assets. Long-term debt decreased by \$16.4 million. In addition, the County's net pension liability decreased by \$32 million. The decrease in net pension liability is primarily a result of an increase in net investment income.

Median Age

37 Years Old

Median Household \$

\$79,123

Per Capita \$

\$34,575

Median Home Market \$

\$295,381

Williamson County Condensed Statement of Net Position

Assets	2018	2017
Current Assets	564,857,988	534,259,737
Capital Assets	848,701,165	767,764,230
Total Assets	1,413,559,153	1,302,023,967
Deferred Outflows of Resources	65,429,502	78,324,150
Total Deferred Outflows of Resources	65,429,502	78,324,150
Liabilities		
Current Liabilities	35,232,051	38,419,629
Noncurrent Liabilities	1,072,408,807	1,088,780,082
Total Liabilities	1,107,640,858	1,127,199,711
Deferred Inflows of Resources	21,648,778	2,170,999
Total Deferred Inflows of Resources	21,648,778	2,170,999
Net Position		
Invested in Capital Assets, net	576,802,803	412,098,469
Restricted	76,157,795	61,342,122
Unrestricted	(303,261,579)	(222,463,184)
Total Net Position	349,699,019	250,977,407



Accounting Terminology

Assets: What the County owns (cash, investments, property, equipment, vehicles, etc.).

Bonds: A debt security in which the issuer is obligated to repay the principal and interest at a later date (maturity date).

Capital Assets: Long-term assets that are held or used such as land, road, buildings, vehicles, and improvements net of depreciation.

Capital Outlay: Funds spent to purchase or construct buildings, machinery, vehicles, etc.

Debt Service: Cash required to repay interest and principal on issued debt of a bond to be paid back over a period of time.

Deferred Inflow of Resources: An acquisition of net assets by the County that is applicable to a future reporting period.

Deferred Outflow of Resources: A consumption of net assets by the County that is applicable to a future reporting period.

Expenditures: Acquisition of goods and services intended to create future benefits, such as infrastructure improvement.

Fund: Grouping of revenue received by resources into related accounts to maintain control over resources that have been segregated for specific activities and objectives.

Fund Balance: Fund equity for governmental funds which reflects the accumulated excess of revenues and other financing sources over expenditures and other financing uses.

General Fund: The chief operating fund of the County.

Liabilities: Future spending of revenue as a result of past transaction and other past events.

Net Position: The difference between assets and liabilities distinguishing the net worth of the County.

Revenue: Money received by the government through collection of property taxes, fees of office, charges for services, payments from other governmental entities, donations, and investment earnings.



Major Capital Projects Annual Expenditures FY 2018		
Project Name	\$M	Type
Georgetown Annex Building	\$11	Building
North Campus Improvements	\$9.3	Building
Animal Shelter Expansion	\$5.6	Building
CR 110 (US 79—Limmer Loop)	\$5.5	Road
Cedar Park Road Projects	\$4.0	Road
CR 110	\$3.8	Road
Sheriffs Training Building	\$3.0	Building
RM 620 Phase 2	\$3.2	Road
SH 29 Bypass/Inner Loop Ph. 1	\$3.0	Road
Inner Loop Safety Improvements	\$2.7	Road



Williamson County—2018 Debt and 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 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. All projects under the Pass-Through agreements are open and are being billed to TxDOT.

Voter Approved Bonds:

On Tuesday, November 5, 2013, Williamson County voters approved \$275 million in road bonds and \$40 million in park bonds. In December 2017, the remaining balance of \$75,000,000 of the approved road bonds were issued. As of September 30, 2018, our total outstanding bonds payable debt is \$898,424,941 of which \$106,288,550 is reimbursable Pass-Through revenue bonds. As of September 30, 2018, \$76,260,835 has been reimbursed from TxDOT.



Wilco Credit Rating

AAA Bond Rating

Since 2010, Williamson County has maintained and most recently reaffirmed a bond rating of AAA in December 2017 with both Fitch and Standards & Poors.

Williamson County Service Stats

	2018	2017
County Employees	1,694	1,628
Judicial		
Hot Check Cases		
Number of checks processed	441	650
Number of theft by check cases filed	101	104
Public Safety		
Number of 911 Calls Received	83,136	63,589
Number of EMS runs	24,114	23,664
Average EMS Response	8:04	7:54
Violations Report by Sheriff's Office	17,246	21,022
Jail Bookings	12,997	13,805
Jail Releases	12,711	13,964
Jail inmates at 9/30/2018	590	641
Average Daily Jail Population	561	694
Transportation		
Roadway resurfacing (CL miles)	91	94
Asphalt Patches Applied (Tons)	14,880	14,995
Culvert Replacement & Maintenance	177	303
Mowing/Vegetation Control (Miles)	4,772	5,901
Signage Replacement (each)	2,588	2,071
Community		
Participants Sports Field usage	144,897	147,680
Parks Dept Reservations	4,445	5,492
Rides on Miniature Train	34,957	35,838



WILLIAMSON COUNTY, TX COMMUNITIES

- Georgetown
- Round Rock
- Leander
- Cedar Park
- Liberty Hill
- Florence
- Hutto
- Taylor
- Jarrell
- Granger
- Walburg
- Schwertner
- Andice
- Coupland
- Barlett
- Thorndale
- Weir



Office of the County Auditor Popular Annual Financial Report September 30, 2018

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Georgetown, TX 78626
512.943.1500

<http://wilco.mygovcenter.com/financial-reports>