



Williamson County Citizen's Report

September 30, 2007

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

From the Williamson County Auditor:

Dear Citizens of Williamson County,

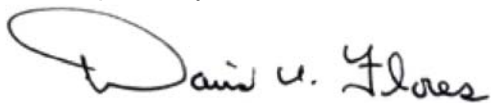
I am pleased to present the annual Williamson County Citizens' Financial Report, (also known as the Popular Annual Financial Report or "PAFR") for fiscal year ended September 30, 2007.

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 they are spent; then, focusing only on the County's major funds and how they affect you, the citizen.

The Williamson County Auditor's Office has generated this Citizens' Report using financial information taken from the 2007 Comprehensive Annual Financial Report (CAFR) that was audited by Pattillo, Brown & Hill, LLP, and received an unqualified opinion. Unlike the CAFR, this report is not presented in Generally Accepted Accounting Principles (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 newly-restored Williamson County Courthouse at 710 Main Street, Suite #301, Georgetown, TX 78626. In addition, both the CAFR and PAFR are on the County website at www.wilcogov.org. I invite you to share any questions, concerns or recommendations you may have with this office.

Respectfully submitted,



David U. Flores

Williamson County Auditor



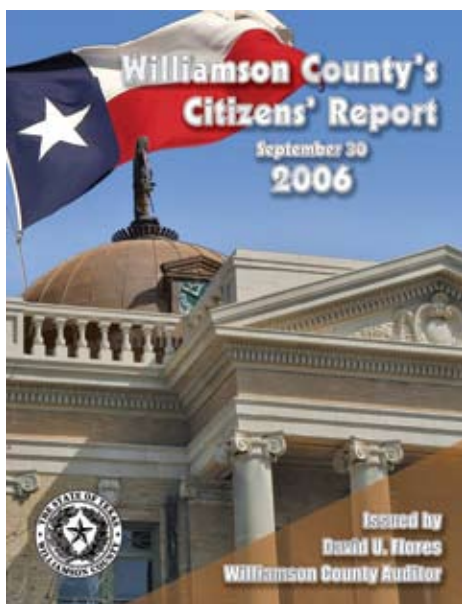
The Goal of this Popular Report to Citizens

The purpose of this report is to present an easy to read financial position of Williamson County government, to help instill taxpayer confidence in their government and to highlight some of the services provided to our citizens and taxpayers. In past years, we have focused on Emergency Medical Services, the County and District Court Systems, Law Enforcement and the Road and Bridge Department.

This year, we will highlight the state of the art technology that our office has employed to account for public funds accurately and timely. In addition, we will focus on the financing and completion of some of the many and varied capital projects around the county.

We hope you find this report helpful and informative about what County government does for you.

The Award-Winning Report for 2006!



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, 2006. 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 it to GFOA.



The Office of the County Auditor acts as the Steward of Public Funds

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, it is the Auditor's responsibility to:

- **Properly account for millions of dollars received by the County each year.**
- **Manage and account for County debt.**
- **By statute, audit all books and records of County officials.**
- **Enforce all Texas laws governing County finances.**
- **Advisor to Commissioner's Court concerning financial conditions and County policies as they affect the decision-making process.**
- **Dual role with the Commissioner's Court in the process of approving and issuing payments with authorized funds.**
- **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 web-site through the Financial Center; a fully integrated Oracle system.**

Cutting edge of Technology:

Unlike many other local governments, the Williamson County Auditor's office is committed to providing state of the art accounting and analysis of the public funds.



Our completely interactive, real-time Financial Center has been developed to provide all county departments with current, up-to-the-minute financial information in order to facilitate sound financial decision making. This information can be accessed from any web-connected desktop, wireless access or personal hand-held devices.



Financing public improvement projects:

In 2007, Williamson County issued voter-approved bonds in the amount of approximately \$160M. These bonds will pay for various projects throughout the county just as previous bonds issues have paid for the projects highlighted in this report.

State and local governments use tax-exempt financing to pay for public capital improvements and other projects that are vitally important to sustained economic growth. Governments, with voter approval, issue bonds to finance this debt. These bonds bear a stated rate of interest and mature on a certain date, at which time a fixed sum of money is due to the bondholder. Because the interest income from these bonds is usually exempt from federal, state and local income taxes, investors are willing to accept a lower interest rate.

This lower rate results in lower borrowing costs reducing the taxpayer burden for these capital improvements. In addition, because of Williamson County's excellent credit rating, investors are willing to accept even lower interest rates saving the county taxpayers even more!

All citizens benefit from tax-exempt bonds. They make the building of public use facilities possible. Williamson County uses bond money to finance roads, bridges, parks, buildings and most public facilities that citizens rely on regularly.



THE WILLIAMSON COUNTY SUN.

The Sunday Sun, September 2, 2007
Clark Thurmond and Linda Scarbrough, Publishers
Jane Lane, Editor

Our View

County Rating: job well done

The news this week was triple good regarding Williamson County's financial picture. Standard & Poor's, one of the nation's top independent credit raters, upgraded Williamson County's long-term rating from AA- to AA/Stable – a vote of confidence in the county's overall financial management, its pro-activeness and vision in dealing with population growth, the oversight our county government structure gives most (though not all) of its financial operations, and the county's robust economic diversification.

The down side of the S&P ledger is the county's debt, which is high and rising - \$5,463 for each person in the county. The debt cuts both ways, though. Without it, especially the \$350 million road bond passed by voters in 2000, the infrastructure of new highways that has made residential, commercial, manufacturing, and retail growth so stupendous since 2004 would not exist. It is growth that is driving the county's improved financial ratings.

It's a good thing S&P likes the county's performance, because Williamson County is getting ready to issue two new bonds come September 11: \$108.4 million in unlimited tax road bonds and \$14 million in limited tax general obligation bonds which will mostly be used to upgrade and expand the county's fledgling parks. S&P has blessed these two offerings with AA/Stable ratings as well.

Part of Williamson County's glowing financial picture stems from the health of Austin's metro market, as well as the expansion of companies like Dell, Cypress Semiconductors, and 3M. But a large part of this story has to do with sound financial management practices and long-term strategies enacted years ago by the county's leading officials, including long-time County Judge John Doerfler, who retired in January, and County

Auditor David Flores, who is still in office. Dan Gattis has taken over as county judge and appears to be filling Doerfler's boots admirably as he creates a new county commissioners' court nearly from scratch.

Decades ago, Judge Doerfler saw the big picture. Explosive growth was coming no matter what. It could be made to work for Williamson County, or it could be a disaster. Doerfler decided to prepare for it and harness it. With the help of like-minded commissioners – David Hayes and Mike Heiligenstein leap to mind – and Auditor Flores, among others, the commissioners brought county departments under tighter financial control while broadening their mandates. They built highways and roads, big smart roads that opened up huge new tracts of land to commercial, manufacturing, and residential development. At the same time they created county parks, unknown until then; opened county operations from Cedar Park to Taylor; greatly expanded the county's crime-fighting and judicial arms; and restored the courthouse to its early 20th century grandeur. All the while, fiscal transparency became more and more the norm. Some officials, like County Tax Assessor/Collector Deborah M. Hunt, have won statewide acclaim for the skills with which they manage their departments and push into the internet age.

Nothing is perfect, of course, but by in large we have been blessed with first-rate public servants. Our new sheriff, James Wilson, stands tall in this regard. Our financial house is in order. And though County Judge Gattis and his court will doubtless face difficult challenges ahead, the future looks good.

At least to Standard & Poor's. Congratulations, Williamson County!

Your tax dollars at work in Williamson County:

Williamson County is a diverse and contrasting business that includes services ranging from building roads to juvenile services to the judicial system. The following pictures capture the County hard at work.



Emergency Operations (911) is fully prepared for any situation



The Road and Bridge Department builds and maintains county roads including mowing and tree maintenance





Doris Brooks



Alma Russell

Office of the County Tax-Assessor Collector



Teresa Monn

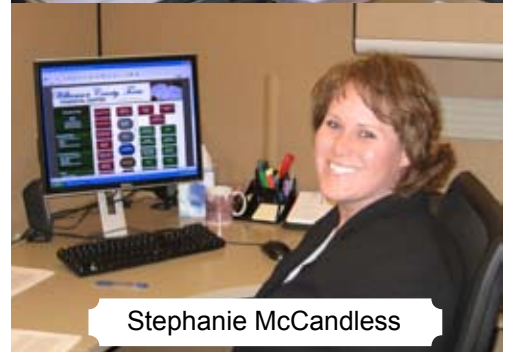


Laura Futujma

Office of the County Auditor

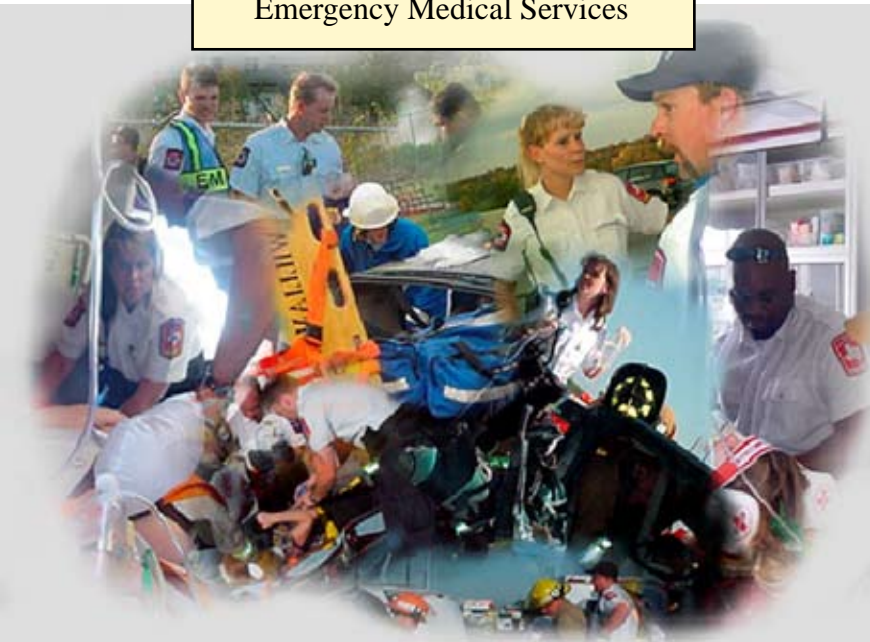


Donna McKittrick



Stephanie McCandless

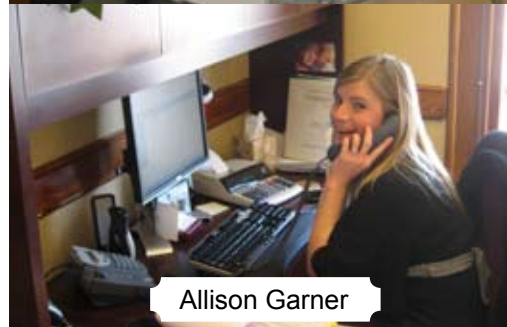
Emergency Medical Services



Julie Kiley with Judge Gattis



Debbie Frazier



Allison Garner

Williamson County Government

Your Elected Officials:

District Judges

Billy Ray Stubblefield
Ken Anderson
Burt Carnes
Michael Jergins
Mark Silverstone

Judge, 26th Judicial District
Judge, 277th Judicial District
Judge, 368th Judicial District
Judge, 395th Judicial District
Judge, 425th Judicial District

County Court at Law

Suzanne Brooks
Tim Wright
Don Higginbotham
John McMaster

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

Dan A. Gattis
Lisa Birkman
Cynthia Long
Valerie Covey
Ron Morrison

County Judge
Commissioner, Precinct #1
Commissioner, Precinct #2
Commissioner, Precinct #3
Commissioner, Precinct #4

Justice of the Peace

Dain Johnson
Edna Staudt
Steve Benton
Judy Hobbs

Justice of the Peace, Precinct #1
Justice of the Peace, Precinct #2
Justice of the Peace, Precinct #3
Justice of the Peace, Precinct #4

Constables

Gary Griffin
Dale Vannoy
Bobby Gutierrez
Marty Ruble

Constable, Precinct #1
Constable, Precinct #2
Constable, Precinct #3
Constable, Precinct #4

District Attorney

John Bradley

District Attorney

County Attorney

Jana Duty

County Attorney

District Clerk

Lisa David

District Clerk

County Clerk

Nancy Rister

County Clerk

County Sheriff

James Wilson

Sheriff

County Treasurer

Vivian Wood

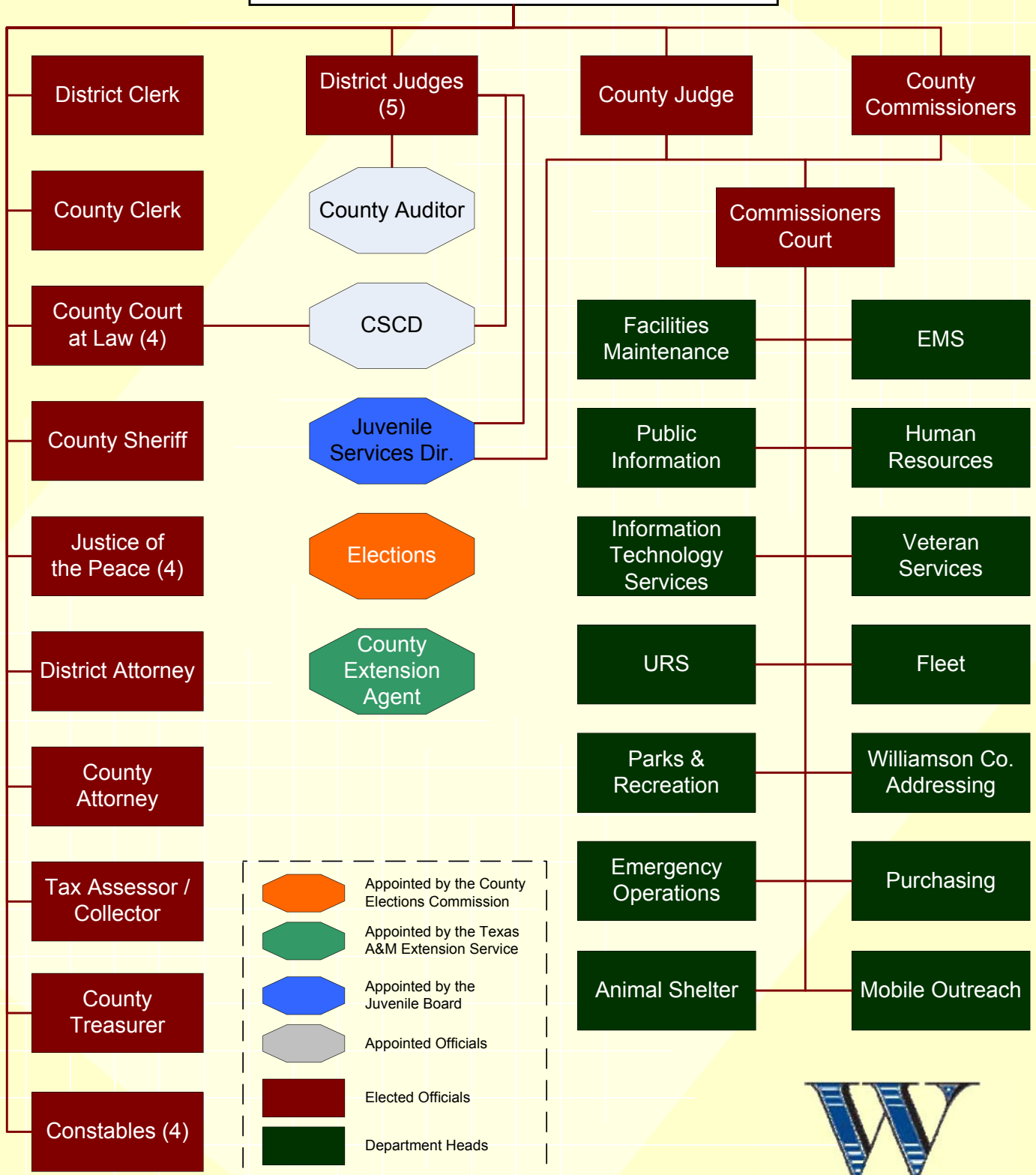
Treasurer

Tax Assessor/Collector

Deborah Hunt

Tax Assessor/Collector

County Voters



Organizational Chart



Key County Projects:

The \$350M General Obligation (Voter approved in 2000) Road Bonds continue construction on many projects in FY 06-07 with a total of approximately \$22M expended this year. Parmer Lane (\$12.5M), McNeil Road (\$2.3M), Lakeline Boulevard (\$2.4M), Chandler Road (\$2.1M), Hutto Loop (\$1.4M), and County Road 274/276 San Gabriel Parkway (\$1.3M) were the largest construction road projects this year.

The \$228M General Obligation (Voter approved in 2006) Road Bond of which, \$147.5M were issued in September 2007, continues additional phases of road construction on Pond Springs Road, Lakeline Boulevard, Brushy Creek Road, Parmer Lane, Chandler Road, and Georgetown Inner Loop.

The pass through finance project initiated in FY 06-07 has expended \$7.1M. Construction is under way on the SH29 and IH-35 Turnaround Lanes of which \$656K was expended in FY06-07 and is expected to be complete in Fall 2008. The turnaround lanes are necessary to relieve congested traffic and accessibility to residential and shopping areas utilizing Exit 261 (Burnet/Taylor exit). On US 79 (\$4.6M), most of the right of way has been purchased and construction bids will be advertised in Spring 2007. Other projects under pass through financing are FM 1660 from CR 134 to CR 101 (\$1.2M), US 183 San Gabriel to SH 29 (\$2.2 M) and FM 2338 (Williams Drive) FM 3405 to Ronald Reagan Boulevard (\$585K). These projects will allow the County to build TxDOT roads and be reimbursed on a per mileage usage basis.

The renovation of the County Courthouse, funded by \$5.35M of a Certificate of Obligation Bond issued in 2006 and a \$3.75M grant from the Texas Historical Commission, was completed in November 2007 and houses the offices of the County Judge, County Treasurer, Public Information Office and the Office of the County Auditor. The 26th District Court was restored to the original setting of the 1923 Dan Moody trial which led to the convictions of four Ku Klux Klan members. It was the first KKK trial in Texas.

Also completed under the 2006 CO's was the Williamson County Regional Animal Shelter that expended \$5M. Other major projects that are funded under the 2006 CO's are the Round Rock Annex, Hutto Annex, Justice Center Software Upgrade, Radio Upgrade and Tax Assessor Collector Building.

The \$25M General Obligation Park Bonds (2001 GO Parks) has completed several County Parks in FY06-07 with a total expended of \$20.2M. SW Regional Park (\$12M), Berry Springs (\$4.4M), and Champion Park (\$2.4M) are complete. A collaborative venture expended \$1.2M from the 2001 GO Parks for Twin Lakes Park along with a \$1M grant from Texas Parks and Wildlife and a \$100K grant from LCRA. The remaining expenses were paid by YMCA of Cedar Park.

In September 2007, \$14M of \$22M general obligation park bond was issued to open and improve various parks and trails.

Capital Projects



Ronald Reagan Boulevard



L-R: David Pope, Liberty Hill Chamber of Commerce; Commissioner Valerie Covey; Commissioner Cynthia Long; Liberty Hill Mayor, Connie Fuller; Ex-Commissioner Greg Boatright; Commissioner Lisa Birkman

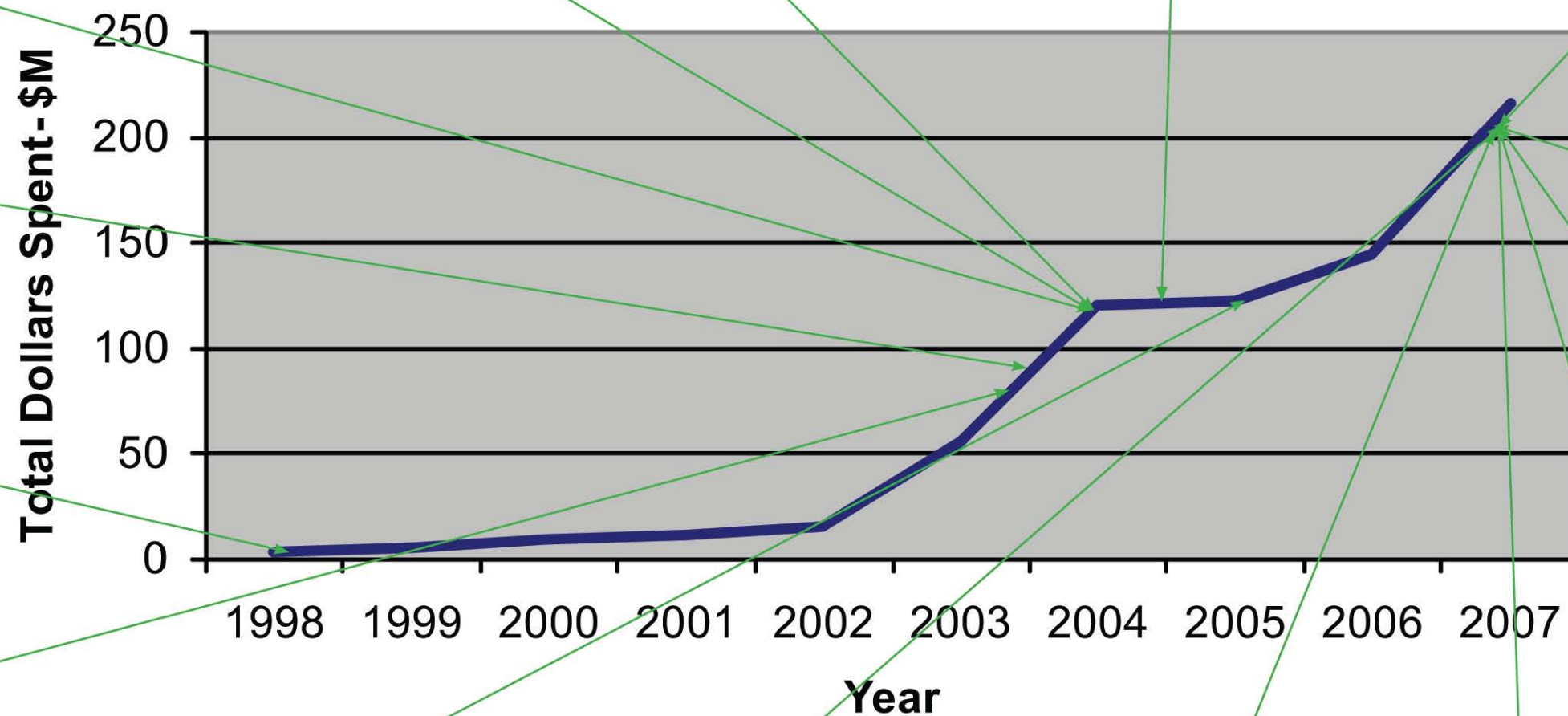
Projects-Timeline



Clockwise from top left:
County Jail; Innerloop Annex; US 79;
Twin Lakes Park; Lakeline Boulevard;
Regional Animal Shelter;
Ronald Reagan Boulevard; 183A;
Courthouse Renovation; Hutto Annex;
Berry Springs Park; Juvenile Justice
Center;
Cedar Park Annex; Regional Park;
Criminal Justice Center



Timeline of Capital Projects Spending over Previous 10 Years



Our County Courthouse: Then and Now



Thanks to the efforts of countless citizens dedicated to preserving the past, our beautiful courthouse has been returned to its original grandeur. The cost of this massive project was supplemented by a generous grant from the Texas Historical Commission.

The opposite page shows both the historic 26th District Courtroom and Commissioner's Courtroom the way it was when first built and after the extensive restorations.

Tours of the restored courthouse are available through the Williamson County Historical Museum.



Then



Now



26th District Courtroom



Commissioners' Courtroom



This side by side comparison shows the extensive exterior restoration work



Williamson County Road Bond Program Roadway Construction Progress

Completed

- 1 Anderson Mill Road
- 2 Arterial B
- 3 Avery Ranch Road
- 4 Brushy Creek Road
- 5 Cedar Hollow @ SH 29
- 6 Chandler Road - Phase 1
- 7 Chandler Road - Phase 2
- 8 Cypress Creek Road
- 9 Gattis School Road
- 10 Georgetown Inner Loop East
- 11 Georgetown Inner Loop East Extension
- 12 Georgetown Inner Loop - Project 1
- 13 Georgetown Inner Loop - Project 2
- 14 Georgetown Inner Loop - Project 3 - Study
- 15 Georgetown Inner Loop - Project 4 - Study
- 16 Georgetown Inner Loop - Project 5 - Study
- 17 Lake Creek Drainage - Phase 1
- 18 Lake Creek Drainage - Phase 2
- 19 Lakeline Blvd.
- 20 Lakeline Blvd.
- 21 Limmer Loop - Phase 1A
- 22 McNeil Road - Phase 1
- 23 McNeil Road - Phase 2
- 24 River Bend Oaks Subdivision
- 25 Ronald W. Reagan Blvd. South - Phase 1
- 26 Ronald W. Reagan Blvd. South - Phase 2
- 27 Ronald W. Reagan Blvd. North - Phase 1
- 28 RM 620 Feasibility Study
- 29 Thrall School Zone
- 30 US 79 Section - 3A
- 31 Wyoming Springs North - Study
- 32 CR 100
- 33 CR 112 - Phase 1
- 34 CR 119
- 35 CR 122 @ US 79
- 36 CR 124
- 37 CR 132
- 38 CR 136
- 39 CR 137
- 40 CR 138/139 Alignment Study
- 41 CR 142
- 42 CR 145
- 43 CR 157
- 44 CR 175
- 45 CR 185
- 46 CR 200
- 47 CR 214
- 48 CR 234
- 49 CR 245
- 50 CR 258
- 51 CR 272
- 52 CR 300/301

Completed

- 53 CR 302
- 54 CR 311
- 55 CR 314
- 56 CR 347 & CR 348
- 57 CR 368/369
- 58 CR 404
- 59 CR 412
- 60 CR 466

Williamson County Commissioners Court

County Judge Dan A. Gattis

Precinct 1
Commissioner Lisa Birkman

Precinct 2
Commissioner Cynthia Long

Precinct 3
Commissioner Valerie Covey

Precinct 4
Commissioner Ron Morrison

Under Construction

- 60 Limmer Loop - Phase 1B
- 61 Limmer Loop - Phase 1C
- 62 US 183 @ CR 274
- 63 Ronald W. Reagan Blvd. North - Phase 2
- 64 San Gabriel Parkway/CR 274 - Phase 1

In Design

- 65 Arterial A - Phase 1
- 66 Arterial A - Phase 2
- 67 IH-35 Ramps @ Inner Loop
- 68 O'Connor Extension
- 69 RM 620 Interim Improvements
- 70 Ronald W. Reagan Blvd. North - Phase 3
- 71 San Gabriel Parkway - Phase 2
- 72 US 79 - Business 79
- 73 CR 113
- 74 CR 175N Extension
- 75 CR 179

Safety and Mobility

Completed
Replace All School
Zone Signalization

- Completed
- 1 Pond Springs @ Turtle Rock
 - 2 FM 397 @ SH 95
 - 3 SH 29 @ FM 1869

Completed
Bridge Replacements
CR 406, CR 390, CR 427
Dry Creek Bridge (CR 152)
CR 424

In Design
Bridge Replacements
CR 351, CR 434

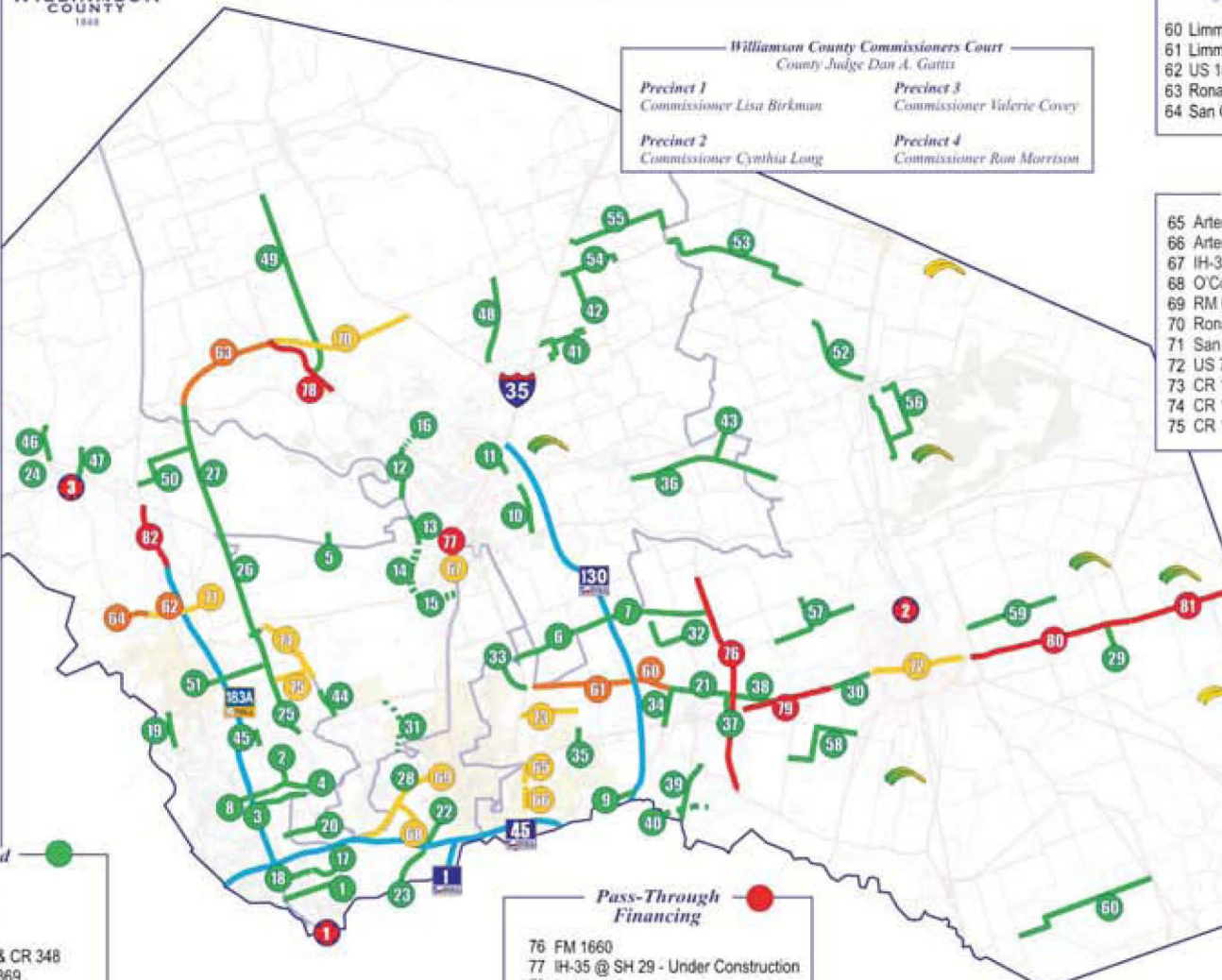
Pass-Through Financing

- 76 FM 1660
- 77 IH-35 @ SH 29 - Under Construction
- 78 RM 2338
- 79 US 79 - Section 3
- 80 US 79 - Section 5A
- 81 US 79 - Section 5B
- 82 US 183

TxDOT Right-of-Way Funded by Williamson County

SH 45 SH 130 Loop 1

February 2008



WILLIAMSON COUNTY PARKS

<http://wilcogov.org/parks/>

- Twin Lakes Park
- Southwest Regional Park
- Champion Park
- Berry Springs Park and Preserve
- Eastern Williamson County Regional Park



COUNTY FINANCIALS...

Statement of Activities

Summary

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.

Monies Received

The County receives money from various sources in order to pay for the services it provides.

Property taxes come from three different sources: 1) taxes for general purposes (\$.2834) 2) taxes for road & bridge purposes (\$.0322) and 3) taxes for debt service (\$.1841) to repay debt of the County. The total tax rate for 2007 was \$.4997 per \$100 value and was composed by the total of these three purposes.

Charges for Services are monies received from the public when the County performs a service to the citizens; such as, emergency medical service (EMS).

Operating and Capital 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.

General government is money spent on administrative offices including Elections, Commissioners, County Auditor, County Clerk, and County Treasurer.

Public Safety expenditures are the costs of the Sheriff Department, Constables, Jail & Law Enforcement, EMS, Juvenile Services, Adult Probation, 911 Communications and 911 Addressing.

Transportation Support are expenditures used to maintain county roads.

Judicial are services provided by the courts, County Clerk, District Attorney, and District Clerk.

Community Service includes the Health Department, Veterans Services, Parks, and Child and Public Welfare.

| Williamson County Financial Activity Statement | | |
|--|----------------------|----------------------|
| Money Received | 2007 | 2006 |
| Property Taxes: | | |
| Levied for general purposes | \$72,536,843 | \$68,689,297 |
| Levied for road & bridge | 9,688,093 | 8,889,879 |
| Levied for debt service | 46,495,030 | 37,359,004 |
| Other taxes | 493,372 | 417,525 |
| Charges for Services | 65,785,722 | 44,826,996 |
| Operating grants & contributions | 11,570,786 | 10,809,892 |
| Capital grants & contributions | 1,998,962 | 0 |
| Investment earnings | 12,767,274 | 10,696,910 |
| Miscellaneous | 91,256 | 21,248 |
| Total Money Received | \$221,427,338 | \$181,710,751 |
| Services Rendered | | |
| General government | \$23,497,198 | \$22,050,767 |
| Public Safety | 90,897,137 | 65,719,879 |
| Transportation support | 20,028,127 | 39,753,817 |
| Judicial | 15,557,642 | 14,694,150 |
| Community services | 9,646,823 | 9,082,766 |
| Interest on long-term debt | 25,108,101 | 23,506,255 |
| Total Services Rendered | \$184,735,028 | \$174,807,634 |
| Monies Received over Services Rendered | \$36,692,310 | \$6,903,117 |

Statement of Net Assets

Summary

The Condensed Statement of Net Assets includes all funds to provide an overall picture of County-wide finances.

Benefits

Current Assets include items such as: cash on-hand to pay obligations, accounts receivables, prepaid items, and inventory.

Capital Assets include items such as: land, buildings, infrastructure, equipment, and construction in progress.

A change in accounting procedures calls for all infrastructure to be added to the financials by FY2007 by the Government Accounting Standards Board (GASB). Under GASB 34, the County has added the vast majority of its assets to the books in FY2005, resulting in this change in the Statement of Net Assets shown here.

Obligations

Current Liabilities include items such as: accounts payable, accrued liabilities, unearned revenue, and accrued interest payable.

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

| Williamson County Condensed Statement of Net Assets | | |
|---|----------------------|-----------------------|
| Assets | 2007 | 2006 |
| Current Assets | \$425,674,977 | \$273,966,842 |
| Capital Assets | \$352,814,398 | \$306,228,657 |
| Total Assets | \$778,489,375 | \$580,195,499 |
| Liabilities | | |
| Current Liabilities | \$26,930,343 | \$30,503,619 |
| Noncurrent Liabilities | \$718,639,721 | \$567,014,490 |
| Total Liabilities | \$745,570,064 | \$597,518,109 |
| Net Assets | | |
| Invested in Capital Assets, net of Related Debt | \$184,660,300 | \$128,908,320 |
| Restricted | \$31,411,957 | \$22,765,431 |
| Unrestricted | (\$183,152,946) | (\$168,996,351) |
| Total Net Assets | \$32,919,311 | (\$17,322,600) |

Net Assets

Restricted Assets include: debt service, road & bridge, conservation, tobacco 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.

*The 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 (CAFR).

The difference between benefits of the County and the obligations that it must pay provides the net worth of the County.

Economic Factors

Population Estimates

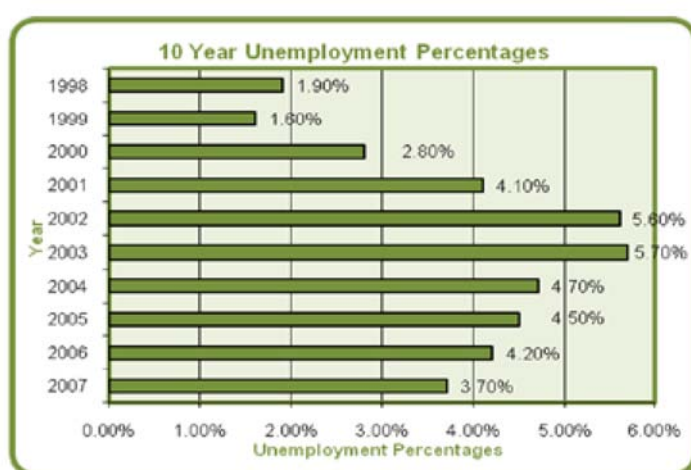
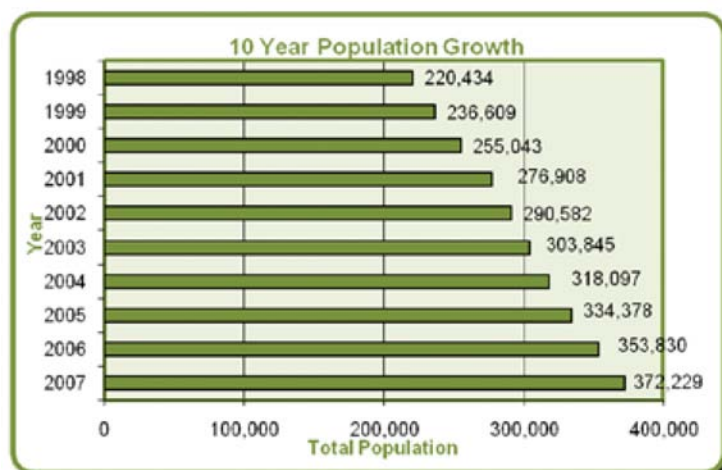
Williamson County's estimated population at September 30, 2007 is 372,229 based on a average growth from 2004-2006. This area's population has grown 69% in the last 10 years.

The United States Census Bureau ranked Williamson County as having the 16th fastest growing population in the US, and the 3rd fastest growing county in Texas.

Employment Statistics

The unemployment rate for Williamson County as of September 30, 2007 was 3.7%. This is a decrease from the 2006 rate of 4.2%.

Immense growth and expansion in the retail sector alone are expected to bring an estimated 1500 jobs to the area in the coming year. Therefore, unemployment rates in the futures are expected to decrease significantly.

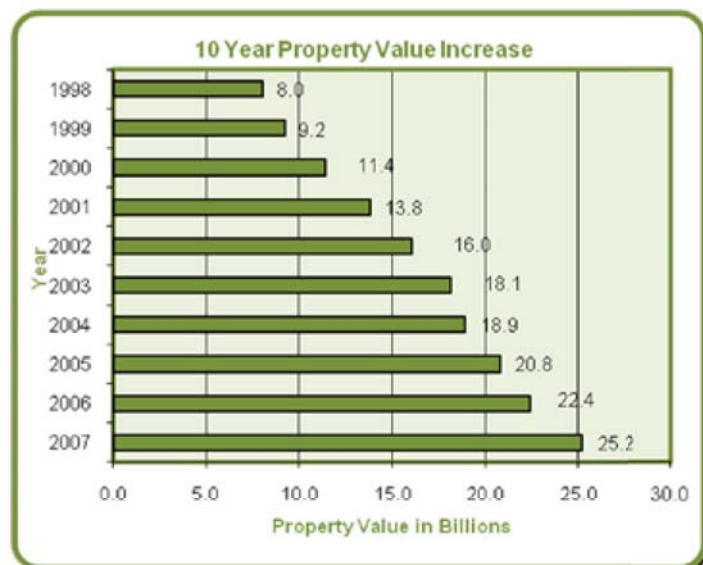


Property Values

Property values have increased as the County has grown in recent years. In 1998, the taxable values were \$8.0 billion; in 2007, the taxable values have increased to more than \$25 billion.

Principal Taxpayers

The principal taxpayers in Williamson County are outlined below and total \$660,210,496 in assessed taxable value.



General Fund

| Statement of Revenues, Expenditures and Changes in Fund Balance Fiscal Year Ended September 30, 2007 | |
|--|----------------------|
| Revenue | |
| Taxes | \$72,972,272 |
| Fees of Office | 8,486,008 |
| Fines & Forfeitures | 4,825,142 |
| Charges for Services | 7,320,411 |
| Intergovernmental | 2,071,392 |
| Investment Income & Other | 4,740,677 |
| Total Revenue | \$100,415,902 |
| Expenditures | |
| Current: | |
| General Government | \$17,246,606 |
| Public Safety | 50,386,667 |
| Judicial | 13,812,867 |
| Community Services | 7,575,124 |
| Capital Outlay | 3,832,271 |
| Total Expenditures | \$92,853,535 |
| Excess of Revenues over Expenditures | \$7,562,367 |
| Other Financing Sources (Uses) | |
| Transfers In | \$8,008 |
| Transfers Out | (920,483) |
| Proceeds from Sale of Capital Assets | 34,099 |
| Total Other Financing Sources (Uses) | -\$878,376 |
| Net Change in Fund Balances | \$6,683,991 |
| Fund Balance, Beginning | 33,979,722 |
| Fund Balance, Ending | \$40,663,713 |

The General Fund is the main operating fund of the County, which includes services to citizens such as protection of life (law enforcement and 911 communications) and community services (parks and public welfare).

Collection of taxes is the largest source of funds for Williamson County, totaling 72.7% in 2007. Citizens paid \$.28336 per \$100 property value for General Fund purposes.

The next largest source of funds was from charges for services and fees of office, totaling 8.5% of total revenue.

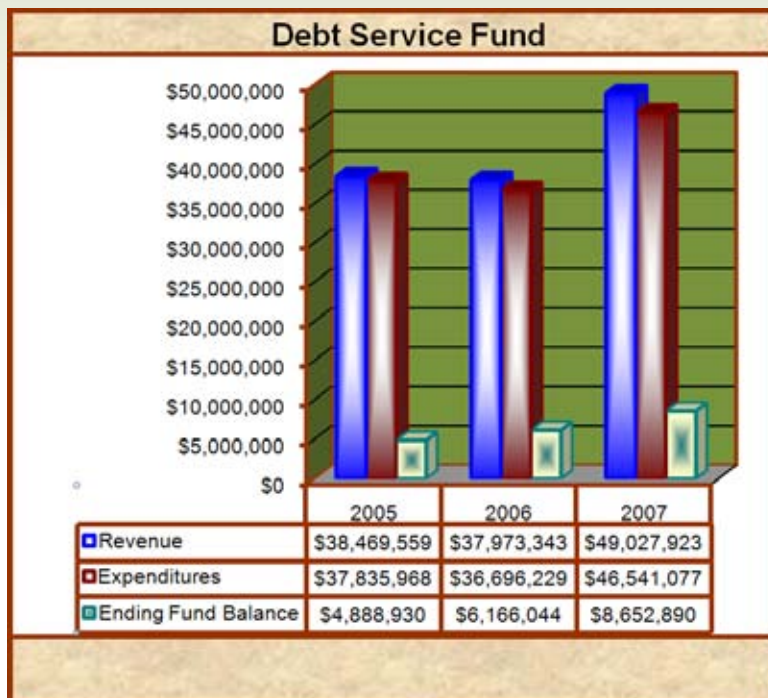
The largest share of expenditures was spent on public safety for our citizens, totaling 54.3% in 2007. The money was used for things such as emergency vehicles, juvenile services, and EMS.

The next largest share of money spent was on general government, totaling 18.6%. The County affects each and every citizen from birth certificates, to public records, to vehicle registration, to voter registration, collection of taxes, marriage licenses, and all the way through to death certificates.

A positive General Fund Balance is an indicator of a healthy operating environment. Due to sound fiscal management, Williamson County's General Fund Balance has continuously increased over the last 10 years by a total of \$32.7 million.

The County's fiscal plan is to have approximately 3 months, or 24%, of operating funds in the fund balance. Any excess fund balance over our goal of 3 months of expenditures should not be budgeted to carry on day to day operations but should be limited to the use of one-time extraordinary items, thus reinforcing the fiscal discipline of funding annual costs from annual revenues. Furthermore, fund balance is a vital component used by financial institutions in analyzing and determining the County's bond ratings. A high bond rating leads to lower costs, thus resulting in lower taxes for citizens.

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. The chart shown here compares revenues, expenditures and fund balance to over the last three years.

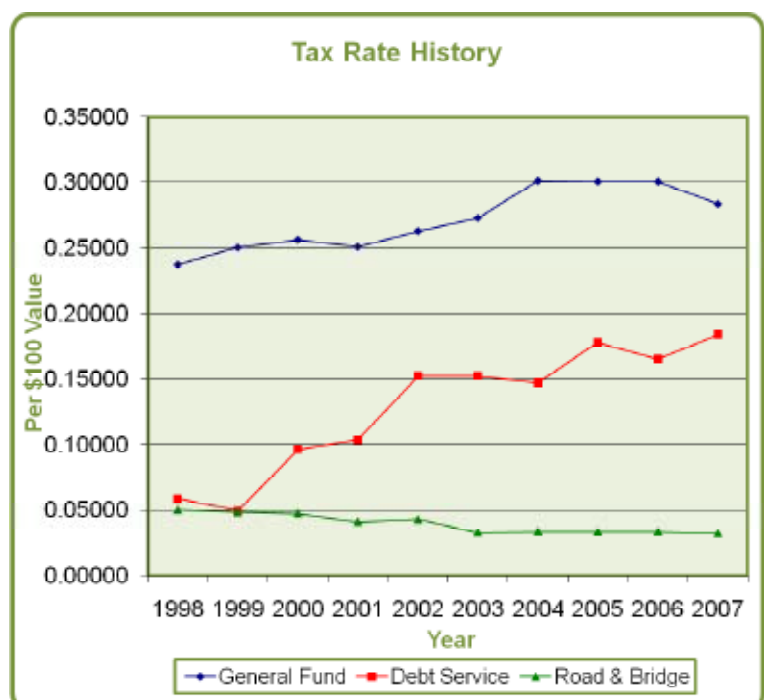
Williamson County maintains an “AA/Stable” bond rating from Standard & Poor’s and an “Aa2” rating from Moody’s Investment Services for certificates of obligation (Commissioners’ Court authorized) and general obligation debt (voter-authorized).

According to Standard & Poor’s, “The stable outlook reflects the county’s deep, diverse, stable, and expanding economic base. The stable outlook also reflects the expectation that

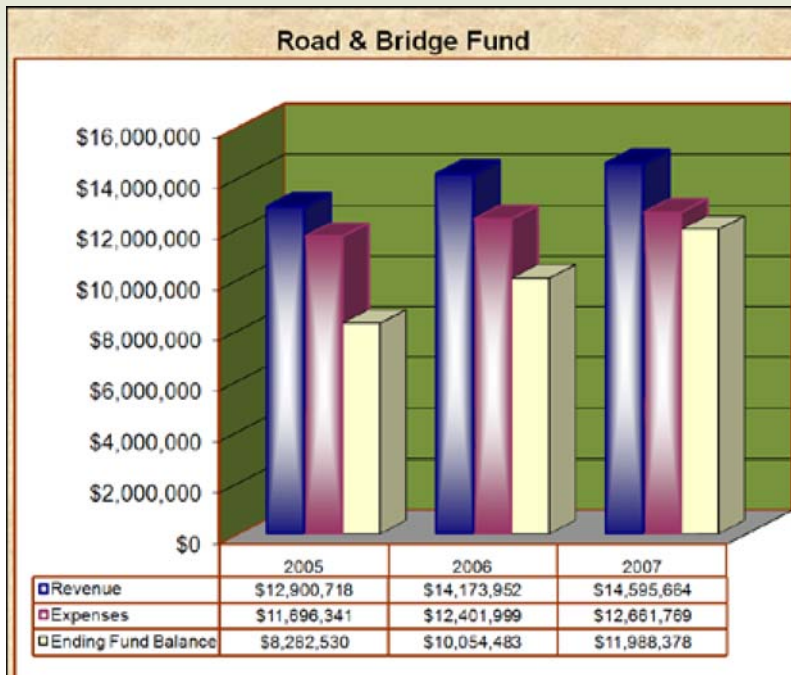
management will maintain its sound financial position while undertaking a significant capital program and that management will adhere to managing the overall direct debt position by maintaining annual debt service expenditures at roughly \$51 million annually.”

High bond ratings allow the County to borrow money at low interest rates, saving the County millions of dollars in future borrowing costs. This benefit is passed to citizens in the form of reduced taxes.

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 2007 tax rate was \$.4997 per \$100 value and was separated as follows: \$.2834 for General Fund, \$.1841 for Debt Service, and \$.0322 for Road and Bridge. The graph shown here reflects the increases in taxes by each source since 1997 when the total tax rate was \$.3212. The majority of this \$.1785 increase in the last 10 years is from the \$350 million voter-authorized debt for road improvements in November 2000. In all, population has increased by 73.2% since 1998, and the tax rate has increased by \$.1785 per \$100 value. The overall tax rate did not change between 2006 and 2007.



Road & 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.

During fiscal year 2007 major capital project road work was done on such roadways as: CR175, CR 272, Lakeline Boulevard and US 183-A. The County will continue to maintain the county roads and Lakeline Boulevard in the future.

The chart provided illustrates the fund's revenue, expenses, and ending fund balance over the past three years.

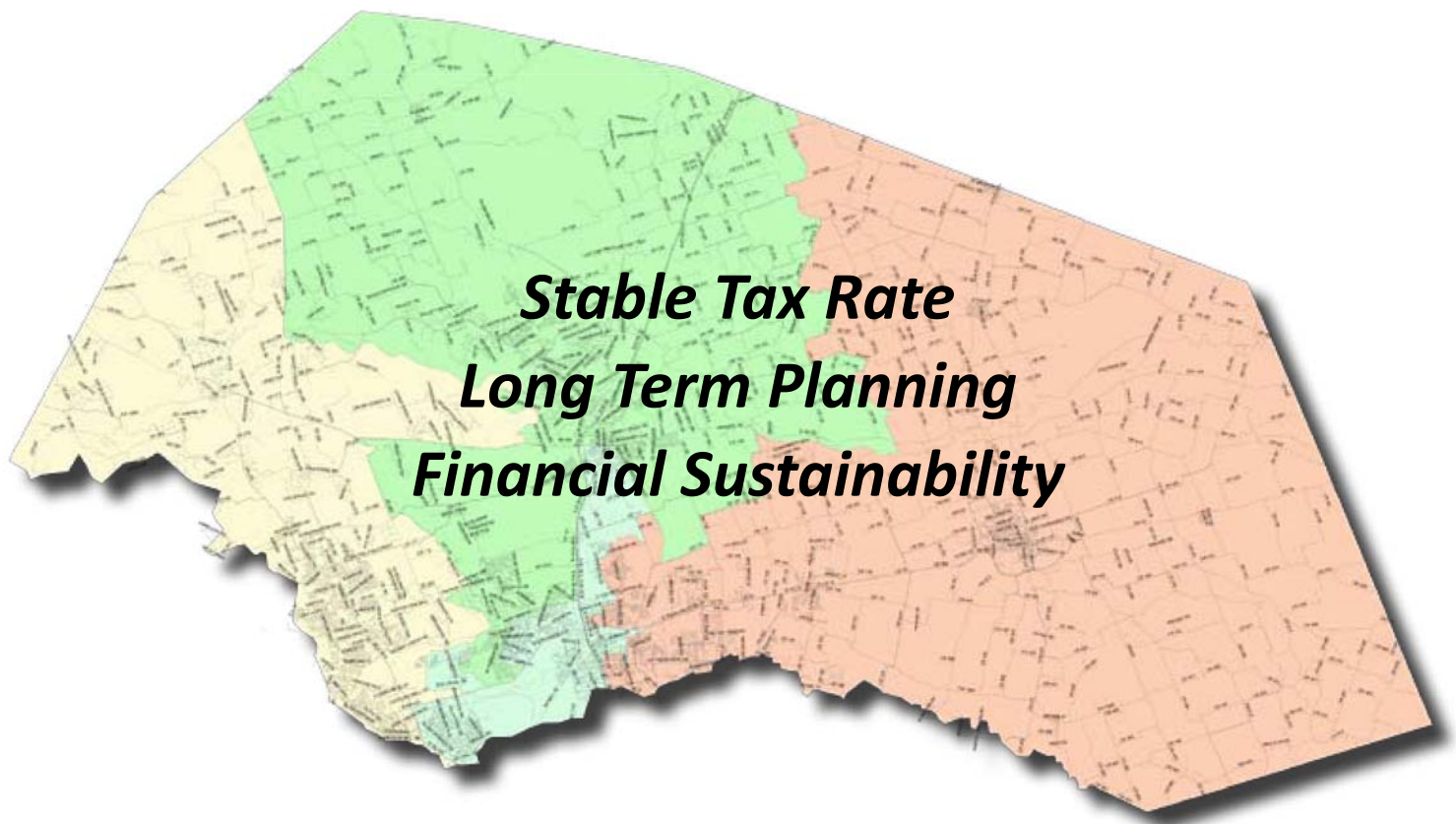


Capital Projects Fund

Capital Projects Funds are used for construction of various projects throughout the County. Capital Projects consist of roads, parks, buildings, public safety or other community related services. Major construction projects for fiscal year 2007 are shown in the chart to the right. Projects that were completed in 2007 included the Courthouse Renovation, Twin Lakes Park / YMCA, the Williamson County Regional Animal Shelter, US 183A (Williamson County was a cost participant) and the Hutto Annex.

| Major Capital Projects FY 2007 | | |
|--------------------------------|---------|----------|
| Project Name | \$M | Type |
| County Road 175 | \$3.90 | Road |
| Berry Springs | \$5.00 | Park |
| Champion Park | \$2.50 | Park |
| NcNeil Road | \$12.90 | Road |
| County Road 272 | \$2.60 | Road |
| Lakeline Boulevard | \$5.30 | Road |
| US 183A Tollway | \$21.60 | Road |
| Hutto Annex | \$1.00 | Building |
| Animal Shelter | \$5.00 | Building |
| Courthouse Renovation | \$3.50 | Building |
| Radio Upgrades/ CAD | \$3.30 | Other |
| Twin Lakes Park | \$1.50 | Park |

Outstanding Credit
+
Substantial Cash Reserves
+
Property Value Growth
=





Williamson County

*Preserving the Past
And*

*Embracing the Future
Providing*

*Dependable, Quality Service and Leadership
With*

Talent, Tradition and Technology



