



# COMPREHENSIVE ANNUAL FINANCIAL REPORT

FOR THE YEAR ENDED SEPTEMBER 30, 2017



# **City of Georgetown, Texas**

Comprehensive Annual Financial Report  
For the Fiscal Year Ended September 30, 2017

Prepared by:

**Division of Finance and Administration**

Elaine S. Wilson, Controller  
Christi Rawls, Asst. Controller



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# Introductory Section



February 28, 2018

Honorable Mayor and City Council,  
City Manager and Citizens of Georgetown, Texas:

The comprehensive annual financial report of the City of Georgetown, Texas (the City) for the year ended September 30, 2017, is hereby submitted. The financial statements are presented in conformity with accounting principles generally accepted in the United States of America as set forth by the Governmental Accounting Standards Board (GASB) and have been audited by independent auditors in accordance with generally accepted auditing standards.

**Management Responsibility for Financial Information.** The City's Finance Division has prepared the report and is responsible for both the accuracy of the data and the completeness and fairness of the presentation, including all disclosures. To the best of our knowledge and belief, the enclosed data is complete and reliable in all material respects. All disclosures necessary to enable the reader to gain an understanding of the City's financial activities have been included.

**The Reporting Entity.** This report includes all the funds of the City, as well as, the City's discretely presented component unit, the Georgetown Economic Development Corporation (GEDCO), its Texas 4A economic development corporation. The City provides a full range of services, which include police and fire protection; construction and maintenance of streets and other infrastructure; recreational activities and cultural events. In addition to general government activities, the City also provides electric, wastewater, water, stormwater drainage and airport services which are included in the reporting entity. The City is also financially accountable for Georgetown Transportation Enhancement Corporation (GTEC), a Texas 4B economic development corporation, which funds transportation projects that enhance economic development within the City. GTEC is presented as a blended component unit within the reporting entity.

**Management Discussion and Analysis.** Generally accepted accounting principles (GAAP) require management to provide a narrative introduction, overview and analysis to accompany the basic financial statements in the form of Management's Discussion and Analysis (MD&A). This letter of transmittal is designed to complement the MD&A and should be read in conjunction with it. The City's MD&A can be found immediately following the independent auditors' report located at the front of the financial section of this report.

## DESCRIPTION OF THE CITY

Georgetown is a Home Rule Charter City and operates under a Council - Manager form of government. A mayor, elected at large, and seven council members, elected from single member districts, serve staggered, three-year terms. Georgetown is located on Interstate 35, the major corridor between Dallas and San Antonio, at the intersection of State Highway 130. Georgetown was founded in 1848 with a strong agricultural base, in the heart of Williamson County, 26 miles north of Austin. Today, Georgetown has an estimated population of 60,642 within the city limits, with an estimated population of 88,047 inclusive of the extra-territorial jurisdiction (ETJ) and serves as the county seat of Williamson County.



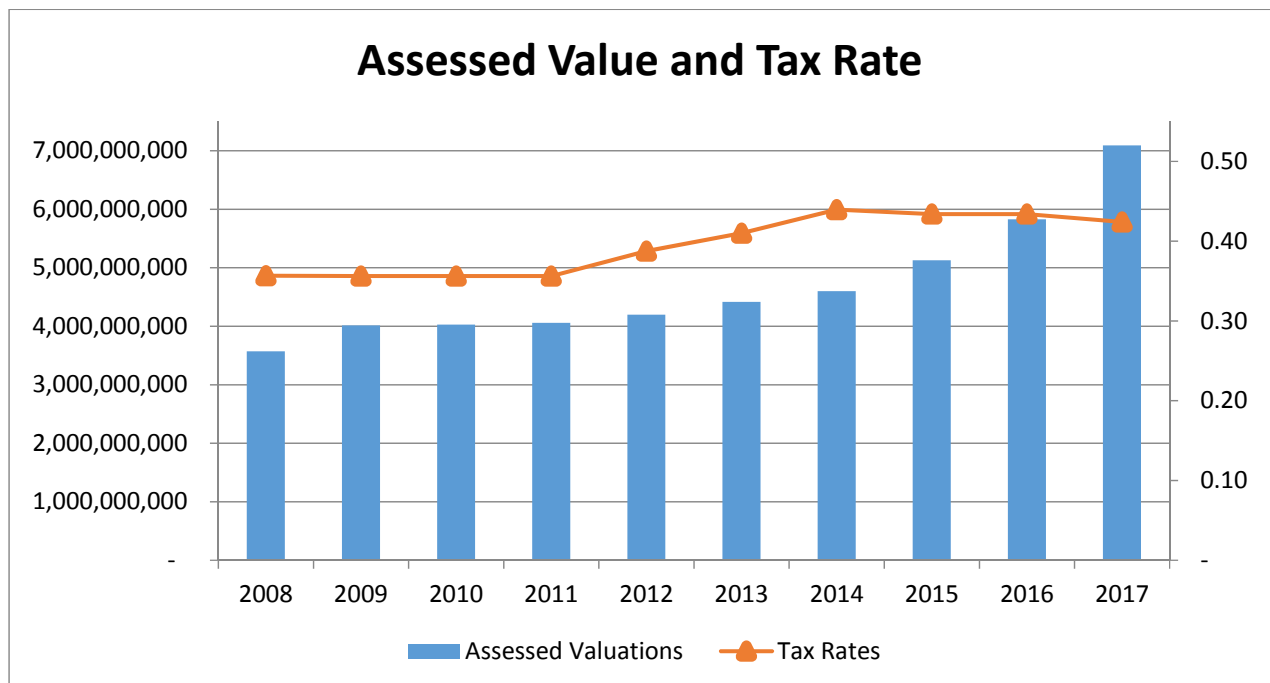
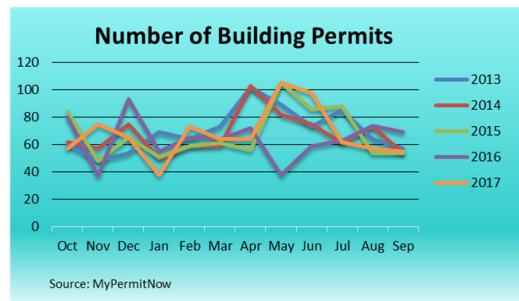
Georgetown’s economic development initiatives to diversify tax base, expand retail and create jobs have been balanced with a focus of maintaining the community’s unique character and quality of life. The downtown commercial district, with The Most Beautiful Square in Texas, continues to expand its arts, culture, dining and entertainment venues. Award-winning parks, extensive river trail systems along the North and South San Gabriel Rivers and Lake Georgetown have been leveraged with the low crime rate to make the City an attractive place to live and work.

Georgetown is also home to Southwestern University, which continues to receive national recognition. The University has been named to Kiplinger’s list of the 100 best values in liberal arts colleges and has been noted as one of ‘America’s Best Value Colleges’ by the *Princeton Review*. With an average enrollment of 1500 students and 450 employees, the University provides substantial economic and cultural contributions to Georgetown.

## GEORGETOWN'S ECONOMIC OUTLOOK AND FINANCIAL CONDITIONS

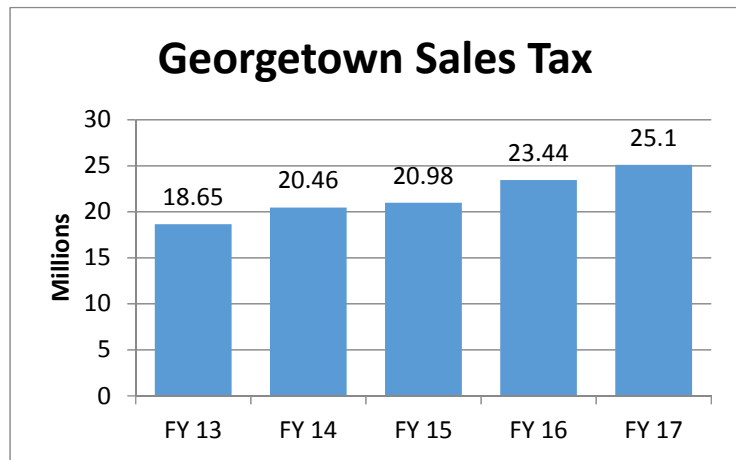
### Economic Outlook

Georgetown’s economy continued to grow during 2017, mirroring the strong development in the Austin metro region. Property values, sales tax revenue, and population increased in 2017. New single-family housing starts of 813 for the year continued to show the desirability for homes in the area. The City’s total assessed property total value has grown to over \$7 billion, representing an increase of over 17.8% from last year. The average home value increased 6% to \$253,320 in 2017. The assessed valuation has growth 68.9% over the past five years, which includes increases in existing values, as well as new property. The US Census named Georgetown in the top five fastest growing cities in America with a population over 50,000 for each of the last three years.



The Austin area unemployment rate was 2.5% for December 2017, compared to 4.1% nationally. The Central Texas region continued to see strong growth in new jobs and in retail sales. The City's commercial and job base continued to grow with the expansion of several small commercial and retail centers, as well as growth in the school district, county and city governments.

Sales tax revenues increased 11.68% over the prior year, demonstrating solid growth in the local economy for the sixth consecutive year. The first quarter of the 2018 fiscal year continued this trend with sales tax receipts coming in 3.49% higher over the prior year. Two new major retail developments are in the planning stages, which will provide continued growth in this revenue stream.



Holt Caterpillar broke ground in January 2018 on a 60,000 square foot regional Caterpillar equipment sales and repair facility. This \$20 million investment is expected to create 129 new jobs and will have a \$16 million impact to the City over the next 10 years.



Sun City, Wolf Ranch Hillwood and the Summit at Rivery Park continue to expand single and multi-family living options, as well as increased restaurants and shops to support the residential demands.

The City completed a Retail Strategy and Recruitment Plan in 2017 to identify ways to enhance the City's tax base by increasing opportunities for retail businesses, and create a more diversified retail environment in Georgetown. In addition, the City's Economic Development Department will use this plan to recruit and retain retail businesses to Georgetown. A workforce study was also

completed, with the City's targeted industries of professional services, life sciences and advanced manufacturing. These studies culminated into a complete economic development strategic plan centered around four goals: 1) Support of existing businesses and industries; 2) Enhance targeted recruitment of identified industries; 3) Diversify workforce development and recruitment initiatives; and 4) Encourage speculative development.

## INITIATIVES

**Mobility Improvements:** Georgetown, like many growing cities, is investing in infrastructure to ensure mobility needs are met for the future. The Southwest Bypass, which at \$20 million represents the City's largest transportation project in history, is expected to open in early Summer 2018. The project was approved as part of a \$105 million referendum that received 75% approval by voters in May 2015. This project partners with Williamson County to construct a north – south corridor designed to address mobility concerns and ensure connectivity.

The Farm to Market 1460 project is set for completion in 2018 and expands two lanes to four lanes for a 3.5-mile segment to increase the capacity of the road. This project is a partnership with the Texas Department of Transportation to create an alternate parallel to IH35, as well as increase safety.

Another major project for FY2017 was the completion of the extension of Mays Street, a partnership with the City of Round Rock to increase economic potential in the area, as well as improve mobility. This project was funded through the Georgetown Transportation Enhancement Corporation and through the creation of the South Georgetown Tax Increment Reinvestment Zone, initiated to provide infrastructure to drive economic expansion.



Design and right of way acquisition was completed in 2017 for the extension of Rivery Boulevard from



Williams Drive to Northwest Boulevard, with construction planned in 2018 as funding for the Northwest Boulevard bridge project becomes available through the Texas Department of Transportation. The improvements in this area will significantly alleviate traffic congestion on Williams Drive.

In August 2017, the City launched a new fixed route bus system. Four routes provide service from 7am to 7pm Monday through Friday, and from 8am to 6pm on Saturdays, with the transit hub being at the Georgetown Public Library. Paratransit services are also offered. This program was made possible through strong partnerships

with Capitol Area Rural Transportation System, CapMetro and the Georgetown Health Foundation.

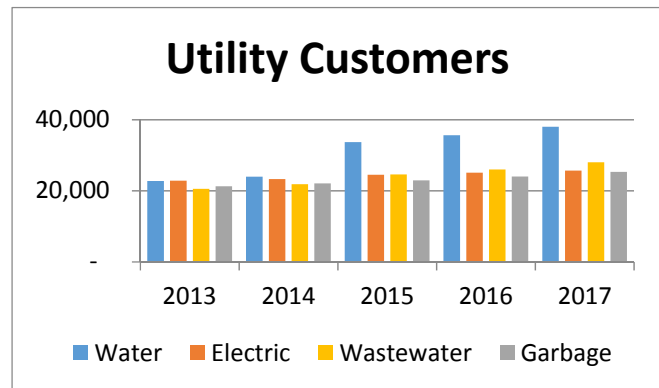
**Utility Services:** Growth in the residential and commercial sectors of Georgetown is sustainable due to innovative long range planning in the utility areas. In September of 2015, the City Spinning Spur 3 wind farm came online, with 97 turbines generating power. Located 50 miles west of Amarillo, Spinning Spur 3 is contracted to generate 144MW for the City for 20 years. The City also contracted with NRG Energy solar energy from a 154-megawatt photovoltaic (pv) solar project near Fort Stockton that will supply renewable energy to Georgetown through a 25-year purchased-power agreement that starts in July 2018. With these purchased power contracts in place, the City of Georgetown is poised to be only the second municipally owned utility to be 100% renewable by 2018. The investments in these purchased power contracts ensure the City can provide sustainable, renewable, and cost effective energy for decades to come. These new long-term contracts provide a hedge against carbon legislation costs. While short-term costs are forecasted to fluctuate, the long-term cost savings from fossil fuels are expected to provide cost savings to the growing community.

The City completed the acquisition of the Chisholm Trail Special Utility District (CTSUD) in 2015 through the approval of the Public Utility Commission of Texas for the transfer of service areas. This consolidation provides for stronger regional water planning and resource management to support the continued future growth expected within the region, especially in the city's northwestern growth corridors.



Significant capital improvements, such as wastewater interceptors and water and wastewater plant expansions, are underway to continue to meet service demands for residential and commercial expansion. In addition, three elevated storage tanks are being constructed to help meet service demands: Sun City, Cedar Breaks and Braun.

The City evaluated its contracted water and wastewater plant operations and developed a plan to move those services in house beginning October 1, 2016. This strategy is expected to generate a cost savings of over \$5 million over the next five years.



Georgetown takes an active role in water and wastewater planning with the Brazos River Authority (BRA) to find regional solutions to the ever-increasing demand for services, while protecting the natural environment within the area. Growth within the utilities continues to have strong positive impacts to the financial and economic conditions of Georgetown.

**Quality of Life.**

The City Council confirmed a new vision statement for the City: “Georgetown: A caring community honoring our past and innovating for the future”. The Council and staff strive to continue to exceed create places and conditions that make the community a special place to live with a high quality of life, as well as a great place to visit.

**Public Safety** – Georgetown was ranked the third safest city in Texas with a population of over 50,000 by Safe Home. The Council continued its investments in quality of life for Georgetown residents through increasing resources towards Emergency Medical Service (EMS) program to ensure quality care and strong response times are met. The City is also planning for the future by designing its sixth fire station, which is funded by Emergency Services District #8, to ensure response in the western growth area. Land acquisition for fire station 7 began in 2017, with design to commence in 2018. These partnerships and investments ensure that growth demands do not negatively impact high quality emergency response.

**Award Winning Parks and Trail System** - The San Gabriel Park is designated a Lone Star Legacy Park by the Texas Recreation and Parks Society due to its historic prominence within the community and the state. 200-year-old oak trees grace the park along the river, which runs through the heart of downtown. A master plan to renovate the park was developed in 2016, with the first phase of construction to be completed in 2018. The second phase is currently under design and is expected to begin this year, and will include a half-mile trail expansion. Future phases to expand the park uses will be developed as leases with non-profits utilizing parkland expire or are renegotiated.



Garey Park groundbreaking

The largest donation in the City’s history was completed in 2004 when Jack and Cammy Garey announced they would donate their 525 acre ranch to the City for a future park, as well as \$5 million towards the \$15 million development cost. Construction broke ground in March 2017 to build trails, equestrian areas, day use areas and a dog park. The former Garey home is being renovated as a remarkable event destination. Garey Park is expected to open in early Summer 2018.

**Most Beautiful Town Square in Texas** - The City sidewalk improvements at Founders Park on Church Street were completed this year, as well as a sidewalk from the parking lot at Martin Luther King Street and 8<sup>th</sup> Street to Rock Street. Founders Park renovations were completed, as well as renovations to the Grace Heritage Center, which will activate the downtown public space for community events. New development continues in the downtown area with the opening of small shops and cafes that further enhance the City's historic old-town district. Blue Corn Harvest and Je Suis new businesses for 2017 and there are several major redevelopments underway that are expected to drive future economic impacts, including construction of the Watkins building, the Lofts on Rock and renovations to the historic Stromberg building.



**Long Range Planning.** Planning for Georgetown's future is a major priority, as the City formally adopted a new comprehensive plan in 2008 called the Georgetown 2030 Plan. This Plan provides vision for the future and is designed to address growth issues facing the community over the next 20+ years. This project required citizens throughout the community to provide the foundation for policies needed to ensure that the Georgetown of 2030 has the unique quality of life and economic vitality that it does today. An update of the Georgetown 2030 plan will be initiated in 2018 to provide opportunities for citizens weigh in on the city's future development.

## FINANCIAL INFORMATION

The City is responsible for establishing and maintaining internal controls designed to ensure that the assets of the City are protected from loss, theft or misuse and that adequate accounting data is compiled to allow for the preparation of financial statements in conformity with generally accepted accounting principles. Internal controls are designed to provide reasonable, but not absolute, assurance that these objectives are met. The concept of reasonable assurance recognizes that: (1) the cost of a control should not exceed the benefits likely to be derived; and (2) the valuation of costs and benefits requires estimates and judgments by management.

The City's Finance Director, Controller, and other key staff in the Finance Division design and maintain the internal control structure. These controls are under continual review by management, and under annual review by the independent auditors. During the year, the Finance Division performs internal audits on selected procedures and operations throughout the City organization. The selection of priorities and timing of audits are determined by the Finance Director, along with the City Manager.

**Single Audit.** As a recipient of federal and state financial assistance, the City is responsible for ensuring that adequate internal controls are in place to ensure compliance with applicable laws and regulations related to those programs. Internal controls are subject to periodic evaluation by management. The tests relating to the receipt of such funds are known as Single Audit testing. These tests are made to determine the adequacy of internal controls, including that portion related to federal financial assistance programs, as well as to determine that the City has complied with applicable laws and regulations. The compliance section is included in the final section of this document.

**Budgetary Controls.** The City maintains budgetary controls to ensure compliance with legal provisions embodied in the annual appropriated budget approved by the City Council. Activities of all funds are included in the annual appropriated budget. The level of budgetary control (that is, the level at which expenditures cannot legally exceed the appropriated amount) is established by division and department within an individual fund. The City also maintains an encumbrance accounting system as one technique of accomplishing budgetary control. Encumbered amounts are reserved at year-end and carried forward into the following year.





As demonstrated by the statements and schedules included in the financial section of this report, the City continues to meet its responsibility for sound financial management.

## OTHER INFORMATION

**Independent Audit.** The City Charter requires an annual audit by independent certified public accountants. The accounting firm of Weaver and Tidwell, LLP was selected by the City Council. The goal of the independent audit is to provide reasonable assurance that the financial statements of the City for the fiscal year ended September 30, 2017, are free of material misstatement. The independent auditor concluded, based upon the audit, that there was a reasonable basis for rendering an unqualified opinion and that the City's financial statements for the fiscal year ended September 30, 2017, are fairly presented in conformity with GAAP. The independent auditor's report on the basic financial statements and schedules are included in the financial section of this report.

**Awards.** The Government Finance Officers Association of the United States and Canada (GFOA) awarded a Certificate of Achievement for Excellence in Financial Reporting to the City for its Comprehensive Annual Financial Report for the fiscal year ended September 30, 2016. The Certificate of Achievement is the highest form of recognition for excellence in state and local government financial reporting. In order to be awarded a Certificate of Achievement, a government unit must publish an easily readable and efficiently organized Comprehensive Annual Financial Report, whose contents conform to program standards. Such Comprehensive Annual Financial Reports must satisfy both generally accepted accounting principles and applicable legal requirements. A Certificate of Achievement is valid for a period of one year. The City has received a Certificate of Achievement for thirty (30) consecutive years. We believe our current report continues to conform to the Certificate of Achievement program requirements, and we are submitting it to the GFOA.

We are also proud to report that the GFOA has presented the Distinguished Budget Presentation Award to the City of Georgetown for each of the past twenty-eight (28) years.

**Acknowledgments.** The presentation of this report on a timely basis could not be accomplished without the efficient and dedicated services of the entire staff of the Finance Division. We would like to express our appreciation to all members of the division who assisted and contributed to its presentation. Special acknowledgment goes to the accounting and budget staff, for their dedication in preparing this report.

We would also like to thank the Mayor and City Council. The preparation of this report would not be possible without their leadership and support.

Sincerely,

David Morgan  
City Manager

Laurie Brewer, CGFO  
Assistant City Manager

Leigh Wallace  
Finance Director

Elaine Wilson  
Controller



Government Finance Officers Association

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

Presented to

**City of Georgetown  
Texas**

For its Comprehensive Annual  
Financial Report  
for the Fiscal Year Ended

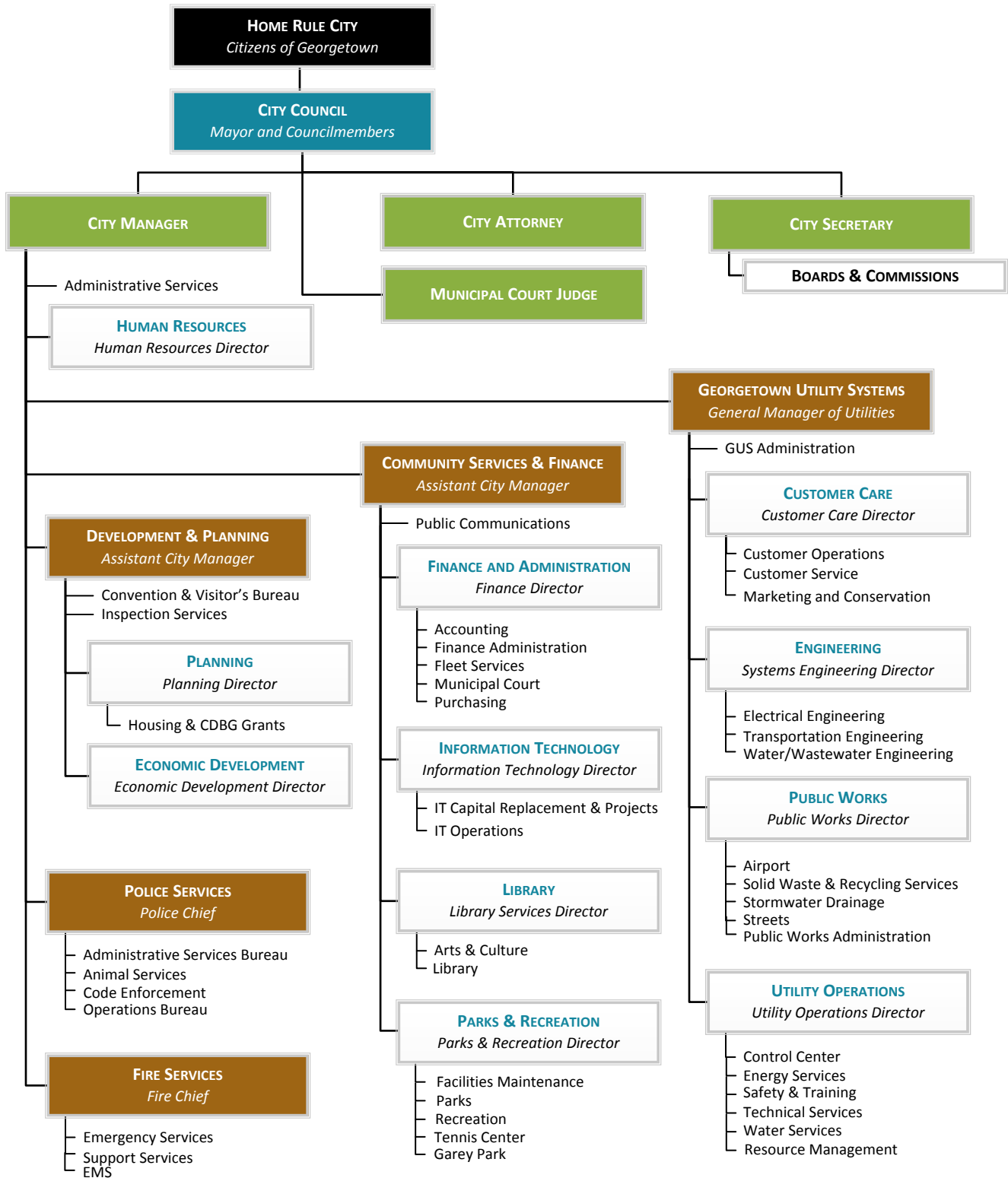
**September 30, 2016**

*Christopher P. Morill*

Executive Director/CEO

# ORGANIZATIONAL CHART

This page visually represents the Divisions and Departments of the City of Georgetown.



**City Of Georgetown, Texas**  
Elected Officials and Administrative Officers  
September 30, 2017

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**Elected Officials**

Mayor	Dale Ross
City Council Member, District 1, Mayor Pro Tem	Anna Eby
City Council Member, District 2	Valerie Nicholson
City Council Member, District 3	John Hesser
City Council Member, District 4,	Steve Fought
City Council Member, District 5	Ty Gipson
City Council Member, District 6	Rachael Jonrowe
City Council Member, District 7	Tommy Gonzalez

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**Appointed Officials**

City Manager	David Morgan
City Attorney	Charlie McNabb
City Secretary	Shelley Nowling
Municipal Court Judge	Randy Stump

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**Other City Officials**

General Manager for Utilities	Jim Briggs
Assistant City Manager	Laurie Brewer
Assistant City Manager	Wayne Reed
Finance Director	Leigh Wallace
Fire Chief	John Sullivan
Police Chief	Wayne Nero

## Location



Georgetown is the northern most “gateway” to the gently rolling hills of Central Texas. While Georgetown offers the amenities and charm of a small community rooted in values of days gone by, it is strategically and centrally located in the middle of the four major metropolitan areas of Texas. Austin is 26 miles south, Dallas is three hours north, Houston is three hours southeast and San Antonio is just one-and-a-half hours south, placing Georgetown in a very advantageous position for cultural and economic development. Traveling to and from Georgetown is easy, as it is at the crossroads of IH-35 going north/south and State Highway 29 going east/west. Access to Georgetown via the Austin-Bergstrom International Airport was made much easier with the opening of State Highway 130, the toll road from Georgetown to San Antonio that parallels IH-35.

# **Financial Section**



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## Independent Auditor's Report

The Honorable Mayor  
Members of the City Council  
City of Georgetown, Texas

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

We have audited the accompanying financial statements of the governmental activities, the business-type activities, the discretely presented component unit, each major fund, and the aggregate remaining fund information of the City of Georgetown, Texas (the City), as of and for the year ended September 30, 2017, and the related notes to the financial statements, which collectively comprise the City's basic financial statements as listed in the table of contents.

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

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

### **Auditor's Responsibility**

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

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

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

## **Opinions**

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, the discretely presented component unit, each major fund, and the aggregate remaining fund information of the City, as of September 30, 2017, and the respective changes in financial position and, where applicable, cash flows thereof, and the respective budgetary comparison for the general fund for the year then ended in accordance with accounting principles generally accepted in the United States of America.

## **Other Matters**

### *Required Supplementary Information*

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis, Texas Municipal Retirement System pension schedules, Other Post-employment Benefits schedules, and Modified Approach for Street Infrastructure Capital Assets on pages 7 - 19 and 82 - 85 be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

### *Other Information*

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

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

City of Georgetown, Texas

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

**Other Reporting Required by Government Auditing Standards**

In accordance with *Government Auditing Standards*, we have also issued our report dated February 28, 2018 on our consideration of the City's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the City's internal control over financial reporting and compliance.

*Weaver and Tidwell, L.L.P.*

WEAVER AND TIDWELL, L.L.P.

Austin, Texas  
February 28, 2018



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## **City of Georgetown, Texas**

### Management's Discussion and Analysis of Financial Condition and Results of Operations

The following discussion and analysis of the City of Georgetown financial performance provides an overview of the City's financial activities for the fiscal year ended September 30, 2017. Please read it in conjunction with the transmittal letter at the front of this report and the City's financial statements, which follow this section.

#### **Financial Highlights**

##### **General Fund**

At the end of the current fiscal year, the fund balance of the General Fund was \$13,325,625 or 6.2% higher than FY 2016 fund balance. The fund had \$9.3 million of committed fund balance, \$0.9 million of assigned fund balance and \$2.9 million of unassigned fund balance. Revenues were \$1,715,464 more than the original budget estimates.

General Fund revenues increased \$3.3 million, an increase of 7.1% over FY 2016. This increase is due to greater revenues from growth in sales tax, other charges for services, and increased ad valorem taxes.

General Fund expenditures increased by \$2.8 million, an increase of 5.1% over FY 2016. This increase was due to citywide salary increases for merit and market adjustments that went into effect February 2017, increased IT costs, and public safety personnel.

##### **Governmental Activities**

On a government-wide basis for governmental activities, the City had expenses net of program revenue of \$44.7 million. General revenues and transfers totaled \$65.8 million, resulting in an increase in net position of \$21.2 million.

As of September 30, 2017, the City's governmental activities reported combined ending net position balances of \$308 million. The largest element of this balance is the value of the City's investment in capital assets, which totaled \$266.5 million. Capital assets include the value of streets, parks and facilities, net of related debt.

During fiscal year ended September 30, 2017, the City issued approximately \$23 million in General Obligation and Certificates of Obligation bonds for entity-wide purposes. The debt issue included \$2 million for equipment, \$5.7 million for facilities, \$5.7 million for roads, \$6.5 million for parks, and \$2.5 for sidewalk projects. The City's general obligation debt is rated AA+ by Standard & Poor's and AA2 by Moody's.

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

The net position of the City's business-type activities had a current year increase of \$29.8 million. The current year increase is due to the continued growth of the customer base of the utility systems. The City also received \$12.3 million of infrastructure assets contributed by developers for commercial projects and residential subdivisions.

The City's total debt issue included \$27.9 million of utility system revenue bonds. Projects included electric transformers and system improvements, and water and wastewater system improvements, as well as a refunding of outstanding debt issued at higher rates, which resulted in a net savings of \$.355 million. The City's Standard & Poor's rating is AA and the Moody's rating is AA2 on the utility system revenue debt.

## City of Georgetown, Texas

### Management's Discussion and Analysis of Financial Condition and Results of Operations – Continued

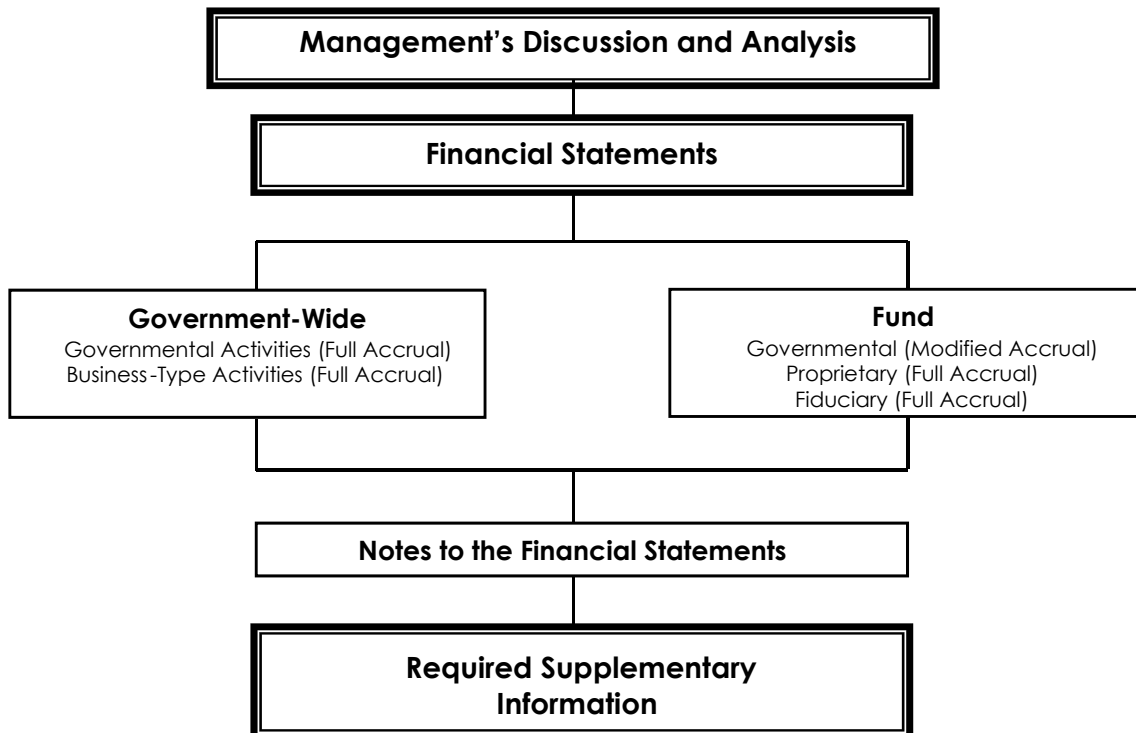
#### Entity-Wide

The City's total net position on a government-wide basis was \$745.5 million at September 30, 2017, an increase of 6.8% over September 30, 2016. Most of this balance is invested in capital assets or restricted for specific purposes.

The City received \$38.2 million of operating and capital grants and other contributions in FY 2017.

#### Using the Financial Section of this Comprehensive Annual Financial Report

This Comprehensive Annual Financial Report consists of three sections: introductory, financial and statistical. As illustrated in the following chart, the financial section of this report has three components: management's discussion and analysis (this section), the basic financial statements, and required supplementary information.



## **City of Georgetown, Texas**

### Management's Discussion and Analysis of Financial Condition and Results of Operations – Continued

#### **Components of the Financial Section**

##### **Basic Financial Statements**

###### Government-Wide Financial Statements

The government-wide financial statements report information about the City as a whole, using accounting methods similar to those used by private-sector companies. The statement of net position includes all of the government's assets and liabilities, reported using the full accrual basis of accounting. The statement of activities accounts for all of the current year's revenues and expenses, regardless of when cash is received or paid.

The two government-wide statements report the City's net position and how it has changed. Net position, which is the difference between the City's assets and deferred outflows and liabilities and deferred inflows, are one way to measure the financial health of the City. Over time, increases or decreases in the City's net position is an indicator of whether its financial health is improving or deteriorating. To assess the overall health of the City, one needs to consider other non-financial factors such as changes in the City's property tax base and condition of the City's infrastructure.

The government-wide financial statements of the City are divided into two categories:

*Governmental Activities* – Most of the City's basic services are included here, such as police, fire and other public safety services, parks and recreation, public library, street maintenance, environmental services, and general administration. Property and sales taxes, return on investment from the City's utility services, and charges for services finance most of these activities.

*Business-Type Activities* – The City's Water Services Fund, which includes water, wastewater and irrigation services, as well as its Electric utility, are reported here. Stormwater Drainage and the City's Airport are also reported in these activities. Fees charged to customers fund the costs of providing these services.

###### Fund Financial Statements

The fund financial statements provide more detailed information about the City's most significant funds and will be more familiar to traditional users of government financial statements. The focus is on major funds rather than fund types.



## **City of Georgetown, Texas**

### Management's Discussion and Analysis of Financial Condition and Results of Operations – Continued

The City has three types of funds:

*Governmental Funds* – General Fund, Special Revenue Funds, Capital Projects Funds and the Debt Service Fund are governmental funds, which focus on:

- (1) How cash and other financial assets can readily be converted to cash flow (in and out), and
- (2) Year-end balances readily available for spending.

Consequently, the governmental funds statements provide a short-term view that helps determine whether there are greater or fewer financial resources that can be spent in the near future to finance the City's programs. Because this information does not encompass the additional long-term focus of the government-wide statements, additional information is provided with the governmental fund financial statements that explain the reconciliation between the fund statements and the government-wide statements.

*Proprietary Funds* – Services for which the City collects fees and rates intended to fully recover the cost of providing the service are reported in proprietary funds. Two types of proprietary funds are allowed in governmental accounting: enterprise funds and internal service funds. These funds, similar to government-wide statements, provide both long-term and short-term financial information.

The City's enterprise funds are substantially the same as its business-type activities, but the fund financial statements provide more detail and additional information, such as cash flows. The City uses enterprise funds to account for its electric, water services, airport, and stormwater drainage activities. The City uses internal service funds to report activities that provide supplies and services for the City's other programs, activities and funds. The City's internal service funds are used in providing facility maintenance, fleet services, joint services (providing administrative functions to the other funds), as well as information technology services and self-funded health insurance.

*Fiduciary Funds* – The City is trustee, or fiduciary, for certain amounts held on behalf of others, and for certain pass-through arrangements. The City is responsible for ensuring that the assets reported in these funds are used for their intended purposes. The City's fiduciary activities are reported in a separate statement of fiduciary net assets. Assets for assessment collections for the City's public improvement districts and pass-through lease agreements for Texas Capital Fund projects are held in fiduciary funds. These fiduciary activities are excluded from the City's government-wide financial statements because the City cannot use these assets to finance its operations.

# City of Georgetown, Texas

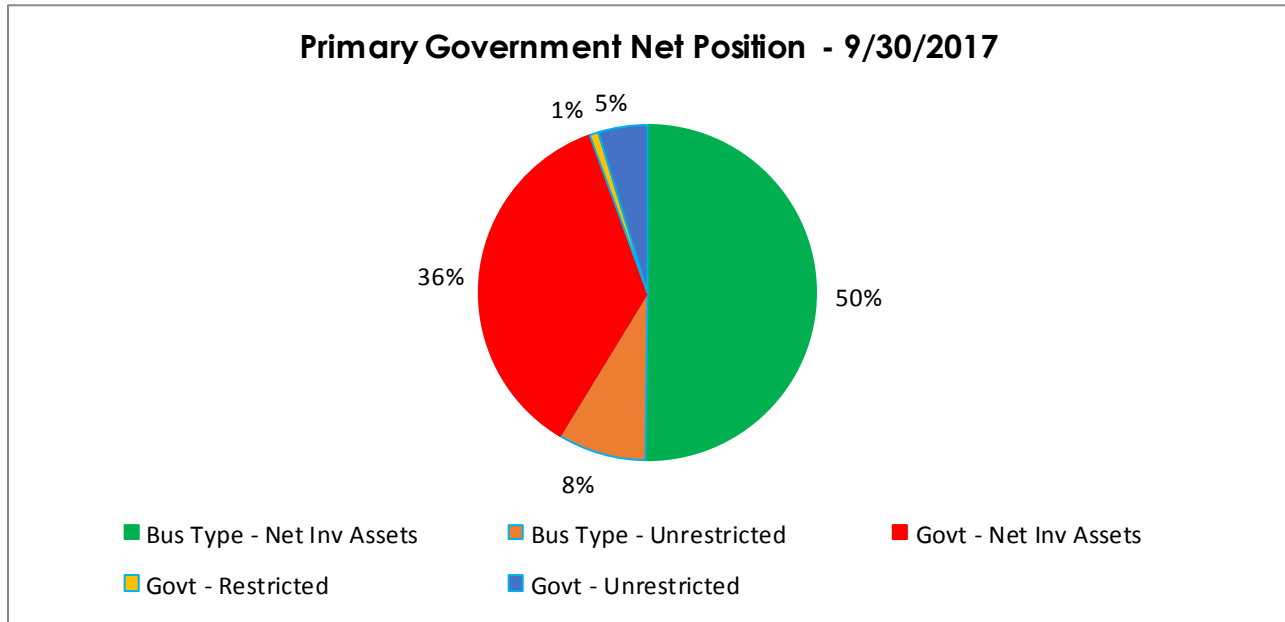
## Management's Discussion and Analysis of Financial Condition and Results of Operations – Continued

### Financial Analysis of the City as a Whole

#### Statement of Net Position

The following table reflects the condensed Statement of Net Position:

	Governmental Activities		Business-Type Activities		Total Primary Government	
	2017	2016	2017	2016	2017	2016
Current and other assets	\$ 104,151	\$ 106,391	\$ 113,564	\$ 85,838	\$ 217,715	\$ 192,229
Capital assets	415,793	376,576	447,241	426,838	863,034	803,414
Total assets	519,944	482,967	560,805	512,676	1,080,749	995,643
Deferred outflows	10,175	11,844	3,698	3,741	13,873	15,585
Total assets and deferred outflows	530,119	494,811	564,503	516,417	1,094,622	1,011,228
Long-term liabilities	208,994	181,504	117,371	89,068	326,365	270,572
Other liabilities	13,113	26,460	9,601	19,573	22,714	46,033
Total liabilities	222,107	207,964	126,972	108,641	349,079	316,605
Net investment in capital assets	266,519	251,494	374,238	380,035	640,757	631,529
Restricted	6,424	4,958	-	-	6,424	4,958
Unrestricted	35,069	30,394	63,292	27,741	98,361	58,135
Total net position	\$ 308,012	\$ 286,846	\$ 437,530	\$ 407,776	\$ 745,542	\$ 694,622



## City of Georgetown, Texas

### Management's Discussion and Analysis of Financial Condition and Results of Operations (Unaudited) – Continued

	Governmental Activities		Business-Type Activities		Total Primary Government	
	2017	2016	2017	2016	2017	2016
<b>Revenues</b>						
Program revenues						
Charges for services	\$ 21,859	\$ 17,917	\$119,568	\$ 118,585	\$141,427	\$ 136,502
Operating grants and contributions	471	398	-	-	471	398
Capital grants and contributions	5,612	12,784	32,180	25,105	37,792	37,889
General revenues						
Property taxes	24,735	22,815	-	-	24,735	22,815
Sales taxes	23,009	21,556	-	-	23,009	21,556
Other taxes	3,027	2,460	-	-	3,027	2,460
Franchise taxes	4,973	4,926	-	-	4,973	4,926
Interest	731	399	544	271	1,275	670
Other	165	-	-	-	165	-
<b>Total revenues</b>	<b>84,582</b>	<b>83,255</b>	<b>152,292</b>	<b>143,961</b>	<b>236,874</b>	<b>227,216</b>
<b>Expenses</b>						
Culture/recreation	11,904	12,128	-	-	11,904	12,128
Development	2,562	2,664	-	-	2,562	2,664
Fire	16,114	15,090	-	-	16,114	15,090
General government	5,959	6,490	-	-	5,959	6,490
Interest on long-term debt	5,826	4,455	-	-	5,826	4,455
Police	16,537	15,938	-	-	16,537	15,938
Streets	7,376	7,441	-	-	7,376	7,441
Environmental services	6,326	5,965	-	-	6,326	5,965
Electric	-	-	66,384	59,649	66,384	59,649
Water services	-	-	39,960	36,680	39,960	36,680
Airport	-	-	3,123	2,655	3,123	2,655
Stormwater	-	-	3,883	3,844	3,883	3,844
<b>Total expenses</b>	<b>72,604</b>	<b>70,171</b>	<b>113,350</b>	<b>102,828</b>	<b>185,954</b>	<b>172,999</b>
<b>Change in net position before transfers</b>	<b>11,978</b>	<b>13,084</b>	<b>38,942</b>	<b>41,133</b>	<b>50,920</b>	<b>54,217</b>
Transfers	9,188	10,371	(9,188)	(10,371)	-	-
Change in net position	21,166	23,455	29,754	30,762	50,920	54,217
Net position - beginning	286,846	263,392	407,776	377,014	694,622	640,406
<b>Net position - ending</b>	<b>\$308,012</b>	<b>\$ 286,847</b>	<b>\$437,530</b>	<b>\$ 407,776</b>	<b>\$745,542</b>	<b>\$ 694,623</b>

The City's combined net position increased by \$50.9 million to \$745.5 million from \$694.6 million in FY 2016.

Net position of Governmental Activities was \$308 million. Most of these assets are invested in capital assets or restricted for particular purposes, such as debt service or capital projects.

The City's unrestricted net position for governmental activities, which can be used to finance day-to-day operations, totaled \$35 million. Of that total, \$2.86 million was unassigned fund balance available for future appropriations.

Included in unrestricted net position are fund balances that are earmarked for particular purposes, such as parks improvements, street maintenance, development, and tourism. The balance of these funds at September 30, 2017 was \$5 million.

Net position invested in capital assets net of related debt for governmental activities increased \$12.2 million, primarily due to developer contributed capital and additions to capital assets.

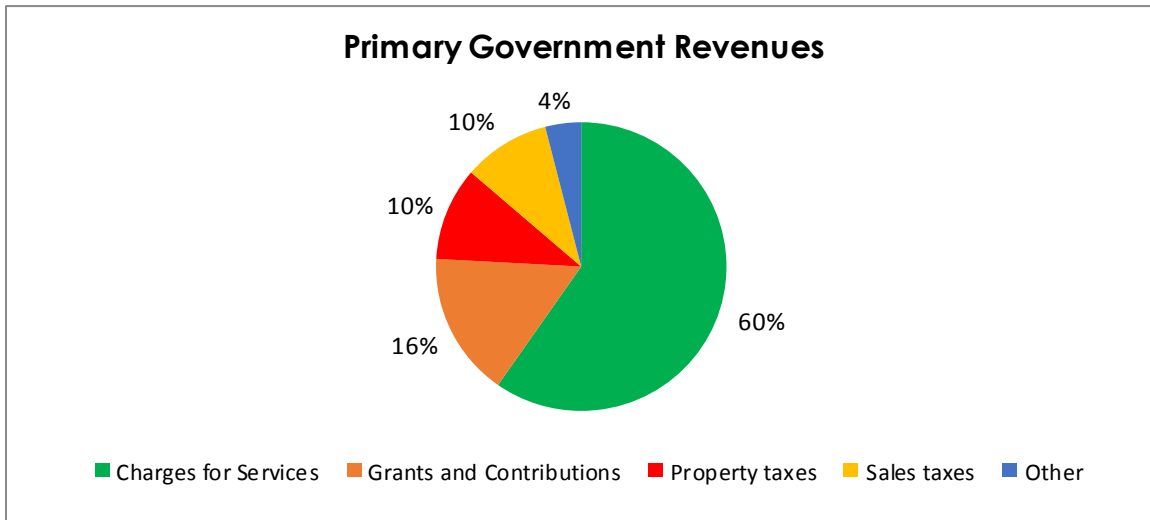
## City of Georgetown, Texas

### Management's Discussion and Analysis of Financial Condition and Results of Operations (Unaudited) – Continued

Current year net position for business-type activities increased by \$29.8 million, due to the growth in the customer base, developer contributed capital, and capital assets.

During 2017, the City invested \$25 million towards improving and expansion of utility infrastructure, compared to \$20 million in 2016.

## Revenues



**Program revenues** are derived from the program itself and reduce the cost of the function to the City.

Total program revenues for both governmental and business-type activities are described below.

Governmental activities program revenue for the fiscal year ended September 30, 2017 was \$27.9 million. The *Charges for Services* category represents receipts primarily from environmental services, development and building inspection fees, parks fees, fire billing for services and court fines. Charges for services totaled \$21.9 million in FY 2017, or 18% over prior year revenues. Other governmental program revenues included *operating and capital grants and contributions* for parks, fire and police programs, and streets. Capital grants and contributions totaled \$6 million compared to \$13.1 million last fiscal year.

Business-type activities program revenue totaled \$151.7 million, a 5.6% increase over prior year. Capital grants and contributions were \$7 million higher than the prior year due primarily to continued growth in developer contributions. *Charges for Services*, which represent receipts from utility customers for electric, water, and wastewater, increased \$1 million. Electric charges for service increased 4.7% due to customer growth and increases in rates. Other program revenues include airport fuel sales, hangar rentals and stormwater drainage fees.

**General revenues** are revenues from taxes levied on behalf of the general government and other revenues used for general government activities not specific to a program or service. These revenues and notable changes are described below.

## City of Georgetown, Texas

### Management's Discussion and Analysis of Financial Condition and Results of Operations (Unaudited) – Continued

Property taxes totaled \$24.7 million. Included in these taxes are real and personal property levies which are assessed October 1, and payable before the following January 31.

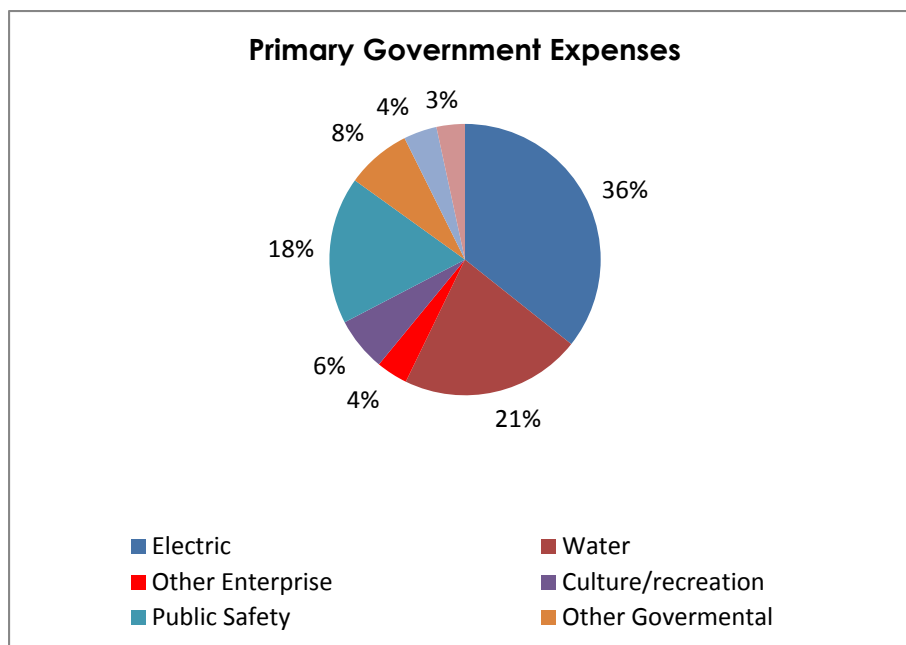
Certified assessed valuations in FY 2017 increased 17.8%. The total growth in assessed valuations is \$1,264.1 million compared to FY 2016 certified assessed valuations.

The ad valorem tax rate for fiscal year 2017 was \$0.424 per \$100 of assessed valuation. This is a decrease over the prior year's rate of \$0.434. The adopted tax rate is a 2.99% above the 2017 effective rate.

Sales taxes, the City's second largest source of general revenue, totaled \$23 million for fiscal year 2017, which was an increase of 6.3% compared to the prior year. This increase is primarily driven by the continued economic growth in retail, food, and information sectors. Sales tax revenues represented 41% of the general government revenue total in 2017, excluding the return-on-investment transfers from the utility funds.

Hotel/motel taxes totaled \$1,216,063 compared to \$844,316 in FY 2016 and are included in other taxes. No new properties opened in FY 2017, however, revenues reflect a full year of collections for the Sheraton Hotel and Conference Center opened in July 2016.

## Expenses



Expenses for governmental activities totaled \$72.6 million, versus \$70 million in FY 2016. Total expenses increased by \$2.6 million compared to the prior year. Major expenses include the Environmental Services (sanitation) contract, the initiation of the GoGeo bus system, as well as for parks and streets maintenance. Salary increases implemented during the fiscal year included step increases for public safety as well as merit and market increases for non-public safety employees effective February 2017. Other explanations for the changes are noted below.

- Public Safety increased 4.97% due to additional positions added in the Fire, EMS and Police departments.

## City of Georgetown, Texas

### Management's Discussion and Analysis of Financial Condition and Results of Operations (Unaudited) – Continued

- Environmental services increased 5.7% due to increased costs in solid waste collection and recycling services.
- Overall IT service allocations increased across departments due to new software applications and new user accounts being implemented.

Expenses for business-type activities totaled \$113.4 million, a 9.3% increase over the prior year, which provided electric, water, and wastewater services for customers, as well as airport and stormwater drainage programs. Salary increases implemented during the fiscal year included merit and market increases for employees effective February 2017. Notable explanations for the changes are explained below.

- Electric increased 10.1%. The increase in expenses for electric can be associated with growth and increased utility contract costs.
- Water services increased 8.2%. The increase can be attributed to growth and increased utility contract costs.
- The 15% increase at the Airport is related to the fluctuations in the price of fuel compared to FY 2016.
- Overall IT service allocations increased across departments due to new software applications and new user accounts being implemented.

## Financial Analysis of the City's Funds

Governmental Funds: The City's fund balance is the accumulated difference between assets and liabilities within **governmental funds**, and it allows the City to meet its contractual obligations, fund disaster or emergency costs, provide cash flow for timing purposes and fund non-recurring expenses appropriated by City Council.

For the fiscal year ended September 30, 2017, the City's governmental funds reflect a combined fund balance of \$76.5 million.

The General Fund had a fund balance of \$13.3 million for FY 2017, an increase of approximately \$829,000 over FY 2016. According to the Fiscal and Budgetary Policy of the City, the use of excess fund balance is limited to non-recurring one time only expenses. Excess funds are transferred to the Council Special Revenue fund for future designation.

General Capital Project Fund had a fund balance of \$31.5 million for FY 2017 compared to \$41.4 million for FY 2016. This decrease is due to large project expenditures for Garey Park, San Gabriel Improvements, Southwest Bypass, Southeast Inner Loop and Sheraton Garage which included some expenditures encumbered in prior years.

Non-major governmental funds include an increase in fund balance of approximately \$3.4 million due to the funding and timing of street improvement projects in the Sales Tax Maintenance Fund, increased revenues in EMS Fund, and increased Hotel Tax revenues in the Tourism Fund due to a full year of the Sheraton Hotel and Convention Center being open.

General Debt Service Fund reflects an increase of \$71,736 in fund balance in FY 2017. Activity increased due to higher ad valorem taxes collected for interest and sinking.

## City of Georgetown, Texas

### Management's Discussion and Analysis of Financial Condition and Results of Operations (Unaudited) – Continued

Georgetown Transportation Enhancement Corporation (GTEC), the City's blended component unit, had a 0.9% increase in fund balance due to the timing of capital improvement projects. GTEC contributed \$11.5 million in transportation improvements to facilitate economic development in 2017, which included some expenditures encumbered in prior years.

Business-Type Activities: The City's **proprietary fund** statements provide the same type of information found in government-wide financial statements, but in more detail.

Total unrestricted net position as of September 30, 2017 totaled \$63.3 million, which included \$3.3 million for Electric, \$57.5 million for Water and \$2.5 million for all other Non-Major funds. The change in net position for FY 2017 was \$29.7 million resulting primarily from continued growth in the City's utility systems and development funded capital improvements.

### General Fund Budgetary Highlights

The original and final budget of the General Fund changed due to a budget amendment for increased sales tax collections and transfers in from the Council Discretionary fund. The budget amendment also included funding for a new position in Planning and transfers out to Joint Services to fund new positions in Finance. The variance between the actual ending fund balance (budgetary basis) at September 30, 2017 of \$12.1 million and the final budgeted fund balance of \$10.4 million is attributed to higher than expected franchise revenues and lower expenditures. Expenditures were less than budgeted primarily due to timing of projects and vacant positions.



## City of Georgetown, Texas

### Management's Discussion and Analysis of Financial Condition and Results of Operations (Unaudited) – Continued

#### Capital Assets

The City's governmental activities (including the internal service funds) had invested \$415.8 million in a variety of capital assets and infrastructure. The City has \$447.2 million invested in its business-type activities capital assets. The detail is reflected in the following schedule:

	Balance 9/30/2016	Additions	Deletions and Transfers	Balance 9/30/2017
<b>Governmental activities</b>				
Non-depreciable assets				
Land	\$ 28,612	\$ -	\$ 2,470	31,082
Construction in progress	49,929	39,162	(14,589)	74,502
Streets	181,655	2,635	-	184,290
Other capital assets				
Equipment	47,056	2,630	62	49,748
Buildings	78,285	157	7,060	85,502
Improvements	51,682	500	4,045	56,227
Less accumulated depreciation	(60,643)	(5,867)	952	(65,558)
<b>Governmental activities total</b>	<b>376,576</b>	<b>39,217</b>	<b>-</b>	<b>415,793</b>
<b>Business-Type activities</b>				
Non-depreciable assets				
Land	3,666	11		3,677
Construction in progress	13,972	20,076	(18,908)	15,140
Other capital assets				
Equipment	5,653	844	(1,117)	5,380
Buildings	7,608	7	(19)	7,596
Improvements	533,988	12,559	20,044	566,591
Less accumulated depreciation	(138,049)	(13,094)	-	(151,143)
<b>Business-Type activities total</b>	<b>426,838</b>	<b>20,403</b>	<b>-</b>	<b>447,241</b>
<b>City-Wide totals</b>	<b>\$ 803,414</b>	<b>\$ 59,620</b>	<b>\$ -</b>	<b>\$ 863,034</b>

The City prepared a complete inventory of street infrastructure assets in 2003 and 2004 and assigned a value to the inventory based upon the age of the street and construction indexes. This established a base line for inventory reporting under the modified approach for GASB 34 reporting.

The Council adopted a financial policy that establishes an average condition level of 85 to maintain the streets in "good" condition. The Pavement Condition Index (PCI) is a measurement scale for pavement condition, ranging from zero (poor) to 100 for pavement in perfect condition. The PCI for fiscal years 2005-2007 was 91, 2008-2010 was 93, 87.7 in 2011-2013, and 2014-2017 was 87.3. This decrease can be attributed to recently annexed areas with streets needing improvements. This assessment is conducted every three years and will be started in October 2017 with a final report in Spring 2018.

The City budgets approximately \$1.2 million annually of General Fund revenues for on-going street maintenance projects, along with the staff and maintenance costs of the street department. In addition, the City also budgets \$3.1 million of funds received in dedicated quarter-cent sales tax for street maintenance. The maintenance funds are allocated among various projects identified by the analysis to ensure funds are spent where needed to maintain the PCI adopted by Council.

## City of Georgetown, Texas

### Management's Discussion and Analysis of Financial Condition and Results of Operations (Unaudited) – Continued

Utility infrastructure maintenance is budgeted within the utility funds. For fiscal year 2017, funding for electric and water services infrastructure maintenance was approximately \$2.0 million.

Major capital assets added in FY 2017 are noted below:

- General Capital Projects:
  - Construction in Process Projects: \$ 39,151,910
    - Mays Street
    - Garey Park
    - Rivery Extension
    - Southwest ByPass
    - EOC Siren System
  - Rivery Sheraton Garage \$ 8,112,566
  - VFW Park \$ 1,901,229
  - Southwest Inner Loop \$ 2,469,875
- Utility Infrastructure and Capital Projects:
  - Electric distribution system expansion (including developers) \$ 5,640,200
  - Water and Wastewater \$ 12,985,700

For more detailed notes about the City's capital assets, please see Note 5 to the financial statements.

## Outstanding Debt

	Governmental Activities		Business-type Activities		Total Primary Government	
	2017	2016	2017	2016	2017	2016
General obligation bonds	\$ 170,195	\$ 157,168	\$ 13,865	\$ 15,286	\$ 184,060	\$ 172,454
Premiums	6,020	4,597	5,152	2,944	11,172	7,541
Sales tax revenue bonds	6,685	7,225	-	-	6,685	7,225
Revenue bonds	-	-	92,730	72,545	92,730	72,545
Compensated absences payable	5,392	5,472	1,001	932	6,393	6,404
Net pension liability	19,554	18,603	4,623	4,398	24,177	23,001
Other post-employment benefits	1,148	973	-	-	1,148	973
<b>Total long-term liabilities</b>	<b>\$ 208,994</b>	<b>\$ 194,038</b>	<b>\$ 117,371</b>	<b>\$ 96,105</b>	<b>\$ 326,365</b>	<b>\$ 290,143</b>

As of September 30, 2017, the City had a total of \$184 million in general obligation debt outstanding. This represents a 6.7% increase over prior year. This increase reflects \$8.5 million of 2017 General Obligation bonds and \$14.4 million of 2017 Certificates of Obligation issued in May 2017.

The state limits the legal amount of tax levy available for general obligation debt service to \$1.50 per \$100 valuation. The City's 2017 debt levy equaled \$0.22734 per \$100 assessed valuation, or 15.16% of the maximum allowed.

## **City of Georgetown, Texas**

### Management's Discussion and Analysis of Financial Condition and Results of Operations (Unaudited) – Continued

Other long-term debts included are compensated absence payable, net pension obligation, and other post-employment benefits. These experienced an increase over FY 2016 of \$1.3 million due to current year changes in accordance with GASB statement No. 68. A detailed analysis of the City's other long-term debt liabilities are located in Note 6.A., Note 7 and Note 8.

In May 2017, the City issued \$22.9 million in Combination Tax and Revenue Certificates of Obligation and General Obligation bonds for public safety equipment, Downtown West facilities, Garey Park, various sidewalk projects, and Airport Road. The City also issued \$27 million in Utility System Revenue Bonds for electric system expansion, the CIS billing system, water and wastewater plant improvements and line expansions.

A detailed analysis of the City's long-term debt is located in Note 6 to the financial statements.

### **Economic Factors**

During FY 2017, the City continued to see strong improvements in the local and regional economy. Total sales tax receipts grew to \$23 million, or by 6.3% over 2016. The growth in residential and commercial development continued in FY 2017, while unemployment decreased slightly from 4.0% in 2016 to 2.9% in 2017. The residential growth in the City's utility service area, which includes both the city limits and the City's extra territorial jurisdiction (ETJ), continued at a steady 5% growth rate.

The adopted FY 2018 budget assumes continued modest growth in new property of approximately \$197 million and an adopted tax rate of \$0.420 per \$100 valuation. Sales tax revenues have seen a slowing of growth year over year, which trends with the state of Texas as a whole. The 2018 budget projects sales tax growth of 4%. This modest growth trend is also anticipated in the City's utility funds.

### **Discretely Presented Component Unit**

The Georgetown Economic Development Corporation (GEDCO) has been included in the reporting entity as a discretely presented component unit since it provides benefits to other entities aside from the City. Separate audited financial statements are not issued for GEDCO.

### **Contacting the City's Financial Management**

This report is designed to provide City Council, citizens, customers, bond rating agencies, investors and creditors with a general overview of the City's finances. If you have questions about this report or need additional financial information, contact:

Finance Division  
City of Georgetown  
113 East 8<sup>th</sup> Street  
Georgetown, Texas 78626  
(512) 930-7679  
[www.georgetown.org](http://www.georgetown.org)  
[finance@georgetown.org](mailto:finance@georgetown.org)



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# **Basic Financial Statements**

# City of Georgetown, Texas

## Statement of Net Position

September 30, 2017

	Primary Government			Component Unit
	Governmental Activities	Business-type Activities	Total	Georgetown Economic Development Corporation
<b>ASSETS</b>				
Cash and cash equivalents	\$ 67,116,125	\$ 47,915,698	\$ 115,031,823	\$ 5,768,347
Cash and cash equivalents - restricted	-	19,233,438	19,233,438	-
Investments	21,978,456	-	21,978,456	45
Investments - restricted	-	20,320,190	20,320,190	-
Prepaid items	439,695	4,951,363	5,391,058	-
Accounts receivable				
Services (net of allowance for uncollectibles)	-	15,817,894	15,817,894	-
Other	11,027,087	673,570	11,700,657	256,975
Internal balances	(157,627)	157,631	4	-
Inventories	672,653	3,732,198	4,404,851	-
Long-term note receivable	3,074,818	761,957	3,836,775	-
Capital assets				
Land	31,081,513	3,677,188	34,758,701	171,382
Streets	184,290,635	-	184,290,635	-
Building and improvements	141,730,544	7,595,870	149,326,414	296,874
Machinery, furniture and equipment	49,748,467	5,380,444	55,128,911	-
Distribution system	-	566,590,667	566,590,667	-
Construction in progress	74,500,957	15,140,157	89,641,114	-
Accumulated depreciation	(65,558,911)	(151,143,668)	(216,702,579)	(30,182)
Total assets	519,944,412	560,804,597	1,080,749,009	6,463,441
<b>DEFERRED OUTFLOWS OF RESOURCES</b>				
Deferred outflow related to pension	8,006,009	2,398,685	10,404,694	-
Deferred charge on refunding	2,168,690	1,298,960	3,467,650	-
Total deferred outflows of resources	10,174,699	3,697,645	13,872,344	-
<b>TOTAL ASSETS AND DEFERRED OUTFLOWS OF RESOURCES</b>	<b>\$ 530,119,111</b>	<b>\$ 564,502,242</b>	<b>\$ 1,094,621,353</b>	<b>\$ 6,463,441</b>
<b>LIABILITIES AND NET POSITION</b>				
<b>LIABILITIES</b>				
Current liabilities				
Accounts payable	\$ 9,158,755	\$ 7,287,547	\$ 16,446,302	\$ -
Accrued employee benefits	1,702,724	432,261	2,134,985	-
Unearned revenue	2,846,911	107,242	2,954,153	4,000
Unapplied credits	351,728	-	351,728	-
Current portion of noncurrent liabilities	11,576,372	6,955,116	18,531,488	224,219
Accrued interest	755,583	508,590	1,264,173	-
Liabilities from restricted assets				
Construction contracts and retainages payable from restricted assets	-	305,323	305,323	-
Customer deposits payable from restricted assets	-	1,392,306	1,392,306	-
Noncurrent liabilities				
Accrued employee benefits	4,837,523	568,323	5,405,846	-
Net pension liability	19,553,749	4,622,797	24,176,546	-
Long-term debt	171,323,339	104,792,598	276,115,937	3,547,637
Total liabilities	222,106,684	126,972,103	349,078,787	3,775,856
<b>NET POSITION</b>				
Net investment in capital assets	266,518,836	374,238,275	640,757,111	438,074
Restricted for				
Debt service	1,385,695	-	1,385,695	-
Specific programs	5,037,998	-	5,037,998	-
Unrestricted	35,069,898	63,291,864	98,361,762	2,249,511
Total net position	308,012,427	437,530,139	745,542,566	2,687,585
<b>TOTAL LIABILITIES AND NET POSITION</b>	<b>\$ 530,119,111</b>	<b>\$ 564,502,242</b>	<b>\$ 1,094,621,353</b>	<b>\$ 6,463,441</b>

The Notes to Financial Statements are an integral part of this statement.

**City of Georgetown, Texas**  
Statement of Activities  
For the Fiscal Year Ended September 30, 2017

Functions/Programs	Expenses	Program Revenues			Net (Expense) Revenue and Changes in Net Position			Component Unit Georgetown Economic Development Corporation	
		Charges for Services	Operating Grants & Contributions	Capital Grants & Contributions	Primary Government				
					Governmental Activities	Business-type Activities	Total		
<b>Primary government</b>									
Governmental activities									
Culture / recreation	\$ 11,904,166	\$ 2,534,735	\$ 174,765	\$ 1,112,841	\$ (8,081,825)	\$ -	\$ (8,081,825)		
Development	2,561,792	2,653,201	-	451,659	543,068	-	543,068		
Fire	16,113,850	4,116,783	24,434	-	(11,972,633)	-	(11,972,633)		
General government	5,959,340	356,455	130,835	215,789	(5,256,261)	-	(5,256,261)		
Police	16,537,297	743,304	42,730	-	(15,751,263)	-	(15,751,263)		
Streets	7,376,116	4,124,813	97,840	3,831,736	678,273	-	678,273		
Environmental services	6,325,688	7,329,850	-	-	1,004,162	-	1,004,162		
Interest on long-term debt	5,826,012	-	-	-	(5,826,012)	-	(5,826,012)		
Total governmental activities	72,604,261	21,859,141	470,604	5,612,025	(44,662,491)	-	(44,662,491)		
Business-type activities									
Electric	66,383,559	70,109,269	-	1,218,390	-	4,944,100	4,944,100		
Water	39,960,102	42,729,980	-	22,946,677	-	25,716,555	25,716,555		
Airport	3,123,008	3,318,983	-	5,975,389	-	6,171,364	6,171,364		
Stormwater	3,882,824	3,409,626	-	2,039,815	-	1,566,617	1,566,617		
Total business-type activities	113,349,493	119,567,858	-	32,180,271	-	38,398,636	38,398,636		
<b>Total primary government</b>	<b>\$ 185,953,754</b>	<b>\$ 141,426,999</b>	<b>\$ 470,604</b>	<b>\$ 37,792,296</b>	<b>(44,662,491)</b>	<b>38,398,636</b>	<b>(6,263,855)</b>		
<b>Component unit</b>									
<b>Georgetown Economic Development Corporation</b>	<b>\$ 653,644</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>				<b>\$ (653,644)</b>	
<b>General revenues</b>									
					24,734,830	-	24,734,830	-	
					23,008,606	-	23,008,606	1,568,934	
					3,027,357	-	3,027,357	-	
					4,973,295	-	4,973,295	-	
					731,135	544,050	1,275,185	45,016	
					164,835	-	164,835	108,302	
					9,188,144	(9,188,144)	-	-	
					<b>Transfers</b>				
					65,828,202	(8,644,094)	57,184,108	1,722,252	
					Total general revenues and transfers				
					21,165,711	29,754,542	50,920,253	1,068,608	
					286,846,716	407,775,597	694,622,313	1,618,977	
					Change in net position				
					Net position, beginning of the year				
					<b>Net position, end of the year</b>	<b>\$ 308,012,427</b>	<b>\$ 437,530,139</b>	<b>\$ 745,542,566</b>	<b>\$ 2,687,585</b>

The Notes to Financial Statements are an integral part of this statement.



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# **Fund Financial Statements**

# City of Georgetown, Texas

## Balance Sheet – Governmental Funds

September 30, 2017

	General	Georgetown Transportation Enhancement Corporation	Debt Service	General Capital Projects	Nonmajor Governmental Funds	Total Governmental Funds
<b>ASSETS</b>						
Cash and cash equivalents	\$ 8,061,406	\$ 13,273,503	\$ 1,946,935	\$ 26,374,777	\$ 7,605,963	\$ 57,262,584
Investments	2,545,707	4,191,633	-	8,328,877	3,800,594	18,866,811
Accounts receivable, net						
Property taxes	238,800	-	202,452	-	-	441,252
Sales tax	2,274,975	1,011,100	-	-	623,368	3,909,443
Grants	-	1,521,845	-	-	752,288	2,274,133
Note receivable	197,633	-	-	-	-	197,633
Other	1,656,598	-	-	148,557	2,217,639	4,022,794
Due from other funds	1,606,620	476,842	-	433,217	476,674	2,993,353
Prepaid items	41,069	-	-	-	-	41,069
Inventories	7,946	-	-	-	-	7,946
<b>TOTAL ASSETS</b>	<b>\$ 16,630,754</b>	<b>\$ 20,474,923</b>	<b>\$ 2,149,387</b>	<b>\$ 35,285,428</b>	<b>\$ 15,476,526</b>	<b>\$ 90,017,018</b>
<b>LIABILITIES</b>						
Accounts payable and accrued liabilities	\$ 2,250,644	\$ 559,594	\$ 8,009	\$ 2,545,220	\$ 1,965,002	\$ 7,328,469
Due to other funds	476,674	433,217	-	-	2,005,770	2,915,661
Unearned revenue	339,011	-	-	1,283,556	1,224,344	2,846,911
Total liabilities	3,066,329	992,811	8,009	3,828,776	5,195,116	13,091,041
<b>DEFERRED INFLOWS OF RESOURCES</b>						
Deferred property taxes	238,800	-	202,452	-	-	441,252
Total deferred inflows of resources	238,800	-	202,452	-	-	441,252
<b>FUND BALANCE</b>						
Nonspendable	246,648	-	-	-	-	246,648
Restricted	-	-	1,938,926	17,258,365	5,037,998	24,235,289
Committed	9,297,000	11,556,682	-	-	5,405,555	26,259,237
Assigned	919,906	7,925,430	-	14,198,287	333,207	23,376,830
Unassigned	2,862,071	-	-	-	(495,350)	2,366,721
Total fund balance	13,325,625	19,482,112	1,938,926	31,456,652	10,281,410	76,484,725
<b>TOTAL LIABILITIES, DEFERRED INFLOWS AND FUND BALANCE</b>	<b>\$ 16,630,754</b>	<b>\$ 20,474,923</b>	<b>\$ 2,149,387</b>	<b>\$ 35,285,428</b>	<b>\$ 15,476,526</b>	<b>\$ 90,017,018</b>

The Notes to Financial Statements are an integral part of this statement.

# City of Georgetown, Texas

## Reconciliation of the Governmental Funds Balance Sheet to the Statement of Net Position September 30, 2017

<b>Total fund balance - total governmental funds</b>	\$ 76,484,725
Amounts reported for governmental activities in the statement of net position are different because:	
The City uses internal service funds to charge the costs of certain activities, such as capital assets, administrative services and information technology to the City's other funds. The assets and liabilities of the internal service funds are included in governmental functions in the statement of net position.	402,356,992
Capital assets, net of accumulated depreciation, used in governmental activities are not current financial resources and therefore are not reported in the governmental funds balance sheet.	25,279,047
Long-term debt is not due and payable using available resources and is not recorded in the governmental funds balance sheet. The impact of recognizing long-term debt, and related items is as follows:	
Bonds payable	(176,879,599)
Premiums on bond issuance	(6,020,112)
Deferred charge on refunding bonds	2,168,690
Accrued interest	(755,583)
Other long-term liabilities, and related amounts, are not due and payable using available resources and are not recorded in the governmental funds balance sheet. The impact of recognizing these items is as follows:	
Compensated absences	(5,244,537)
Other post-employment benefits	(1,147,893)
Net pension liability	(19,553,749)
Deferred outflow related to pension	8,006,009
Revenues from property taxes are deferred in the governmental fund balance sheet until they are considered available to fund current expenditures, but such revenues are recognized in the government-wide statements.	441,252
Long-term receivables are not recognized in the governmental fund balance sheet until the funds are considered available to fund current expenditures.	2,877,185
<b>Net position of governmental activities</b>	<u><u>\$ 308,012,427</u></u>

# City of Georgetown, Texas

## Statement of Revenues, Expenditures, and Changes in Fund Balance – Governmental Funds For the Fiscal Year Ended September 30, 2017

	General Fund	Georgetown Transportation Enhancement Corporation	Debt Service	General Capital Projects	Nonmajor Governmental Funds	Total Governmental Funds
<b>REVENUES</b>						
Property taxes	\$ 12,604,850	\$ -	\$ 11,975,432	\$ -	\$ -	\$ 24,580,282
Penalties and interest	81,401	-	-	-	-	81,401
Property assessment	-	-	-	-	1,447,839	1,447,839
Sales tax	13,595,005	6,275,734	-	-	3,137,867	23,008,606
Franchise taxes	4,973,295	-	-	-	-	4,973,295
Other taxes	363,455	-	-	-	1,216,063	1,579,518
Licenses and permits	2,652,279	-	-	-	-	2,652,279
Charges for service	11,838,632	-	-	-	2,435,034	14,273,666
Fines and forfeitures	453,675	-	-	-	46,902	500,577
Donations and grants	251,974	2,553,529	-	312,300	1,940,665	5,058,468
Investment income	75,836	164,952	59,063	317,416	54,803	672,070
Other revenue	497,196	7,539	-	109,550	1,434,148	2,048,433
Total revenues	47,387,598	9,001,754	12,034,495	739,266	11,713,321	80,876,434
<b>EXPENDITURES</b>						
Current						
Culture / recreation	9,552,133	-	-	-	1,810,148	11,362,281
Development	2,389,998	-	-	-	127,987	2,517,985
Fire services	12,500,721	-	-	-	2,347,749	14,848,470
General government	4,436,866	329,601	-	-	25,000	4,791,467
Highways and streets	4,120,784	-	-	-	2,871,275	6,992,059
Police	14,471,049	-	-	-	266,022	14,737,071
Environmental services	6,189,991	-	-	-	138,869	6,328,860
Capital outlay	-	11,598,850	-	27,383,102	238,037	39,219,989
Debt service						
Principal retirement	-	540,000	9,832,836	-	-	10,372,836
Interest and fiscal charges	-	419,185	5,048,765	340,975	-	5,808,925
Total expenditures	53,661,542	12,887,636	14,881,601	27,724,077	7,825,087	116,979,943
Excess (deficiency) of revenues over (under) expenditures	(6,273,944)	(3,885,882)	(2,847,106)	(26,984,811)	3,888,234	(36,103,509)
<b>OTHER FINANCING SOURCES (USES)</b>						
Transfers in	9,592,342	521,611	2,918,842	548,463	2,382,640	15,963,898
Transfers out	(2,489,735)	(2,577,502)	-	(2,190,632)	(2,788,864)	(10,046,733)
Premiums on issuance of bonds	-	369,010	-	1,430,276	-	1,799,286
Issuance of bonds	-	-	-	17,210,000	-	17,210,000
Payment to refunding escrow agent	-	-	-	-	-	-
Refunding bonds issued	-	5,750,000	-	-	-	5,750,000
Total other financing sources (uses)	7,102,607	4,063,119	2,918,842	16,998,107	(406,224)	30,676,451
Net change in fund balances	828,663	177,237	71,736	(9,986,704)	3,482,010	(5,427,058)
FUND BALANCES, beginning of year	12,496,962	19,304,875	1,867,190	41,443,356	6,799,400	81,911,783
<b>FUND BALANCES, end of year</b>	<b>\$ 13,325,625</b>	<b>\$ 19,482,112</b>	<b>\$ 1,938,926</b>	<b>\$ 31,456,652</b>	<b>\$ 10,281,410</b>	<b>\$ 76,484,725</b>

The Notes to Financial Statements are an integral part of this statement.

## City of Georgetown, Texas

### Reconciliation of the Governmental Funds Statement of Revenues, Expenditures, and Changes in Fund Balance to the Statement of Activities – Governmental Funds For the Fiscal Year Ended September 30, 2017

<b>Net change in fund balances - governmental funds</b>	(5,427,058)
Amounts reported for governmental activities in the statement of activities are different because:	
The City uses internal service funds to charge the costs of certain activities, such as fleet management and information technology to appropriate functions in other funds. The change in net position of internal service funds is recognized in governmental activities in the statement of activities.	4,107,422
Current year capital outlays are expenditures in the fund statements, but are shown as increases in capital assets in the government-wide financial statements. The effect of removing the current year capital outlays is to increase net position. Depreciation is not recognized as an expenditure in governmental funds since it does not require the use of current financial resources.	
Capital outlay	39,219,989
Depreciation	(3,210,695)
Capital assets contributed or donated to the City are not recognized in governmental funds since they do not provide current financial resources, but are recognized in the statement of activities as program revenues	3,222,539
Proceeds from issuance of long-term debt are recognized as other financing sources in the governmental funds, but are treated as an increase in liabilities in the governmental activities. Principal payments on long-term debt are recognized as expenditures in the governmental funds, but are treated as reductions of liabilities in the governmental activities. Deferred charges on refunding bonds are recognized in the governmental activities, and amortized with the related long-term debt. Premiums on long-term debt issuances are recognized as other financing sources in the governmental funds, but are presented as a component of long-term debt and amortized in the governmental activities.	
Bond payments	10,473,924
Issuance of bonds	(22,960,000)
Amortization of bond premiums	375,830
Premium on issuance of bonds	(1,799,285)
Amortization of deferred charge on refunding	(296,078)
Interest is accrued on outstanding debt in the governmental activities statement of net position, but in the governmental fund financial statements the expenditure is reported when due.	(97,928)
Compensated absences, other post-employment benefit obligations, pension liability, and related deferred inflows and outflows of resources are not recognized in the governmental funds as they will not be settled with current financial resources; however these obligations are recognized in the governmental activities statement of net position. The change in these amounts for the current year is:	
Net pension liability	(950,871)
Deferred outflow related to pension	(1,372,976)
Compensated absences	82,767
Other post-employment benefit obligations	(175,016)
Changes to revenue deferred in the governmental funds but recognized in the governmental activities and to long-term note receivables not recorded in the governmental funds for the current year are:	
Deferred revenue	73,147
Note receivable	(100,000)
<b>Change in net position of governmental activities</b>	<u>\$ 21,165,711</u>

The Notes to Financial Statements are an integral part of this statement.

# City of Georgetown, Texas

## Statement of Revenues, Expenditures, and Changes in Fund Balance Budget and Actual – General Fund For the Fiscal Year Ended September 30, 2017

	Budgeted Amounts		Actual Budgetary Basis	Variance to Final Budget
	Original	Final		
<b>REVENUES</b>				
Property taxes	\$ 12,475,000	\$ 12,604,850	\$ 12,604,850	\$ -
Penalties and interest	80,000	81,401	81,401	-
Sales tax	12,818,683	13,595,005	13,595,005	-
Franchise taxes	5,142,035	4,648,758	4,973,295	324,537
Licenses and permits	2,276,510	2,652,478	2,652,479	1
Charges for services	11,499,824	11,838,431	11,838,431	-
Fines and forfeitures	566,830	453,675	453,675	-
Other taxes	352,800	363,455	363,455	-
Investment income	25,500	75,387	75,837	450
Miscellaneous	434,951	720,855	749,169	28,314
<b>Total revenues</b>	<b>45,672,133</b>	<b>47,034,295</b>	<b>47,387,597</b>	<b>353,302</b>
<b>EXPENDITURES</b>				
Current				
Culture / recreation	9,584,613	9,584,613	9,434,240	150,373
Development	2,757,848	2,924,944	2,447,208	477,736
Environmental services	5,879,717	6,202,801	6,192,028	10,773
Fire services	12,465,079	12,435,998	12,484,997	(48,999)
General government	4,221,081	4,239,960	4,541,802	(301,842)
Highways and streets	4,508,246	4,758,246	3,757,464	1,000,782
Police services	14,751,924	14,744,642	14,499,399	245,243
<b>Total expenditures</b>	<b>54,168,508</b>	<b>54,891,204</b>	<b>53,357,138</b>	<b>1,534,066</b>
Excess (Deficiencies) of revenues over expenditures	(8,496,375)	(7,856,909)	(5,969,541)	1,887,368
<b>OTHER FINANCING SOURCES (USES)</b>				
Transfers in	8,505,241	9,592,342	9,592,342	-
Transfers out	(1,444,716)	(1,512,955)	(2,489,735)	(976,780)
<b>Total other financing sources (uses)</b>	<b>7,060,525</b>	<b>8,079,387</b>	<b>7,102,607</b>	<b>(976,780)</b>
<b>EXCESS (DEFICIENCY) OF REVENUES AND OTHER FINANCING SOURCES OVER EXPENDITURES AND OTHER FINANCING SOURCES (USES)</b>				
	(1,435,850)	222,478	1,133,066	910,588
<b>FUND BALANCES, beginning of period</b>	<b>10,168,638</b>	<b>10,168,638</b>	<b>10,996,406</b>	<b>827,768</b>
<b>FUND BALANCES, end of period</b>	<b>\$ 8,732,788</b>	<b>\$ 10,391,116</b>	<b>12,129,472</b>	<b>\$ 1,738,356</b>
<b>ADJUSTMENTS TO GAAP</b>				
Net changes in unrealized gains/(losses) on investments			(1,629)	
Reserve for encumbrances			919,906	
Reverse voided purchase orders			250,569	
Reverse prior year adjustments			27,307	
<b>FUND BALANCE - GAAP BASIS, end of period</b>			<b>\$ 13,325,625</b>	

The Notes to Financial Statements are an integral part of this statement.

# City of Georgetown, Texas

## Statement of Net Position

### Proprietary Funds

September 30, 2017

	<b>Electric Fund</b>	<b>Water Services Fund</b>	<b>Nonmajor Enterprise Funds</b>	<b>Total</b>	<b>Governmental Activities Internal Service Funds</b>
<b>ASSETS</b>					
<b>CURRENT ASSETS</b>					
Cash and cash equivalents	\$ -	\$ 47,820,553	\$ 95,145	\$ 47,915,698	\$ 9,853,541
Cash and cash equivalents - restricted	2,794,576	14,912,081	1,526,781	19,233,438	-
Investments	-	-	-	-	3,111,645
Investments - restricted	-	19,808,003	512,187	20,320,190	-
Prepaid expenses	1,722,562	3,100,458	128,343	4,951,363	398,626
Accounts receivable					
Services, net	9,597,423	5,711,380	509,091	15,817,894	379,465
Other	481,335	165,112	27,123	673,570	-
Due from other funds	77,690	3,948,601	-	4,026,291	-
Inventories	3,682,515	-	49,683	3,732,198	664,707
<b>Total current assets</b>	<b>18,356,101</b>	<b>95,466,188</b>	<b>2,848,353</b>	<b>116,670,642</b>	<b>14,407,984</b>
<b>NONCURRENT ASSETS</b>					
Long-term note receivables	-	761,957	-	761,957	-
Capital assets					
Land and land rights	1,590,704	1,104,984	981,500	3,677,188	214,066
Distribution and water systems	167,809,105	347,708,553	51,073,009	566,590,667	-
Buildings and improvements	73,707	3,676,432	3,845,731	7,595,870	2,013,566
Machinery, furniture and equipment	1,452,031	1,466,456	2,461,957	5,380,444	36,857,323
Construction in progress	-	7,358,762	7,781,395	15,140,157	63,894
Less accumulated depreciation	(45,548,031)	(87,720,940)	(17,874,697)	(151,143,668)	(25,712,636)
<b>Total capital assets (net of accumulated depreciation)</b>	<b>125,377,516</b>	<b>273,594,247</b>	<b>48,268,895</b>	<b>447,240,658</b>	<b>13,436,213</b>
<b>Total noncurrent assets</b>	<b>125,377,516</b>	<b>274,356,204</b>	<b>48,268,895</b>	<b>448,002,615</b>	<b>13,436,213</b>
<b>TOTAL ASSETS</b>	<b>143,733,617</b>	<b>369,822,392</b>	<b>51,117,248</b>	<b>564,673,257</b>	<b>27,844,197</b>
<b>DEFERRED OUTFLOWS OF RESOURCES</b>					
Deferred outflow related to pension	1,312,696	910,944	175,045	2,398,685	-
Deferred charge on refunding	729,330	500,447	69,183	1,298,960	-
<b>TOTAL DEFERRED OUTFLOWS OF RESOURCES</b>	<b>2,042,026</b>	<b>1,411,391</b>	<b>244,228</b>	<b>3,697,645</b>	<b>-</b>
<b>TOTAL ASSETS AND DEFERRED OUTFLOWS OF RESOURCES</b>	<b>\$ 145,775,643</b>	<b>\$ 371,233,783</b>	<b>\$ 51,361,476</b>	<b>\$ 568,370,902</b>	<b>\$ 27,844,197</b>

The Notes to Financial Statements are an integral part of this statement.

**City of Georgetown, Texas**

Statement of Net Position – Continued

Proprietary Funds

September 30, 2017

	<b>Electric Fund</b>	<b>Water Services Fund</b>	<b>Nonmajor Enterprise Funds</b>	<b>Total</b>	<b>Governmental Activities Internal Service Funds</b>
<b>LIABILITIES AND NET POSITION</b>					
<b>CURRENT LIABILITIES</b>					
Accounts payable	\$ 5,095,513	\$ 2,090,974	\$ 101,060	\$ 7,287,547	\$ 1,830,286
Accrued employee benefits	217,054	181,365	33,842	432,261	64,235
Due to other funds	3,868,660	-	-	3,868,660	235,319
Unearned revenue	20,321	76,434	10,487	107,242	351,728
Current portion of long-term debt	2,885,083	3,561,560	508,473	6,955,116	-
Accrued interest	163,163	322,272	23,155	508,590	-
Construction contracts and retainages payable	4,863	300,460	-	305,323	-
Customer deposits	1,392,306	-	-	1,392,306	-
Total current liabilities	<u>13,646,963</u>	<u>6,533,065</u>	<u>677,017</u>	<u>20,857,045</u>	<u>2,481,568</u>
<b>NONCURRENT LIABILITIES</b>					
Accrued employee benefits	284,978	238,643	44,702	568,323	83,582
Net pension liability	2,529,857	1,755,589	337,351	4,622,797	-
Long-term debt	32,526,258	67,188,873	5,077,467	104,792,598	-
Total noncurrent liabilities	<u>35,341,093</u>	<u>69,183,105</u>	<u>5,459,520</u>	<u>109,983,718</u>	<u>83,582</u>
<b>TOTAL LIABILITIES</b>	<u>48,988,056</u>	<u>75,716,170</u>	<u>6,136,537</u>	<u>130,840,763</u>	<u>2,565,150</u>
<b>NET POSITION</b>					
Net investment in capital assets	93,490,055	237,996,082	42,752,138	374,238,275	13,436,213
Unrestricted	3,297,532	57,521,531	2,472,801	63,291,864	11,842,834
Total net position	<u>96,787,587</u>	<u>295,517,613</u>	<u>45,224,939</u>	<u>437,530,139</u>	<u>25,279,047</u>
<b>TOTAL LIABILITIES AND NET POSITION</b>	<u>\$ 145,775,643</u>	<u>\$ 371,233,783</u>	<u>\$ 51,361,476</u>	<u>\$ 568,370,902</u>	<u>\$ 27,844,197</u>



# City of Georgetown, Texas

## Statement of Revenues, Expenses, and Changes in Fund Net Position

### Proprietary Funds

For the Fiscal Year Ended September 30, 2017

	<b>Electric Fund</b>	<b>Water Services Fund</b>	<b>Nonmajor Enterprise Funds</b>	<b>Total</b>	<b>Governmental Activities Internal Service Funds</b>
<b>OPERATING REVENUES</b>					
Service charges					
Electric	\$ 65,001,374	\$ -	\$ -	\$ 65,001,374	\$ -
Water	-	27,158,332	-	27,158,332	-
Wastewater	-	10,617,839	-	10,617,839	-
Other	1,023,326	4,637,946	6,728,609	12,389,881	34,191,385
Total operating revenues	66,024,700	42,414,117	6,728,609	115,167,426	34,191,385
<b>OPERATING EXPENSES</b>					
Electric	16,712,384	-	-	16,712,384	-
Water	-	21,485,743	-	21,485,743	-
Depreciation	2,852,290	8,793,410	1,462,193	13,107,893	2,656,470
Utility contracts	45,860,499	5,758,868	-	51,619,367	-
Plant management	-	1,948,524	-	1,948,524	-
Other	-	-	5,340,382	5,340,382	31,108,179
Total operating expenses	65,425,173	37,986,545	6,802,575	110,214,293	33,764,649
<b>NET OPERATING INCOME (LOSS)</b>	599,527	4,427,572	(73,966)	4,953,133	426,736
<b>NONOPERATING REVENUES (EXPENSES)</b>					
Investment income	54,713	474,833	14,504	544,050	59,065
Donations and grants	6,235	5,919	5,929,866	5,942,020	-
Interest and fiscal charges	(958,386)	(1,973,557)	(203,257)	(3,135,200)	-
Gain on disposed assets	-	-	-	-	164,839
Other	4,084,569	14,182,257	49,107	18,315,933	108,896
Total nonoperating revenues (expenses)	3,187,131	12,689,452	5,790,220	21,666,803	332,800
<b>INCOME BEFORE CONTRIBUTIONS AND TRANSFERS</b>	3,786,658	17,117,024	5,716,254	26,619,936	759,536
<b>CONTRIBUTIONS AND TRANSFERS</b>					
Capital contributions	1,212,155	9,074,364	2,036,231	12,322,750	76,907
Transfers in	-	-	5,249	5,249	3,295,979
Transfers out	(5,262,925)	(3,316,531)	(613,937)	(9,193,393)	(25,000)
Total contributions and transfers	(4,050,770)	5,757,833	1,427,543	3,134,606	3,347,886
Change in net position	(264,112)	22,874,857	7,143,797	29,754,542	4,107,422
<b>NET POSITION, beginning of period</b>	97,051,699	272,642,756	38,081,142	407,775,597	21,171,625
<b>TOTAL NET POSITION, end of period</b>	\$ 96,787,587	\$ 295,517,613	\$ 45,224,939	\$ 437,530,139	\$ 25,279,047

The Notes to Financial Statements are an integral part of this statement.

**City of Georgetown, Texas**  
**Statement of Cash Flows**  
**Proprietary Funds**  
**For the Fiscal Year Ended September 30, 2017**

	<b>Electric Fund</b>	<b>Water Services Fund</b>	<b>Nonmajor Enterprise Funds</b>	<b>Total</b>	<b>Governmental Activities Internal Service Funds</b>
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>					
Cash received from customers	\$ 71,866,594	\$ 56,103,385	\$ 6,722,828	\$ 134,692,807	\$ 34,026,546
Payments to suppliers	(59,999,774)	(23,098,409)	(3,808,789)	(86,906,972)	(19,293,209)
Payments to employees for services	(6,240,441)	(3,945,578)	(901,643)	(11,087,662)	(11,792,073)
Net cash provided by operating activities	5,626,379	29,059,398	2,012,396	36,698,173	2,941,264
<b>CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES</b>					
Transfers in	-	-	5,249	5,249	3,295,979
Transfers out	(5,262,925)	(3,316,531)	(613,937)	(9,193,393)	(25,000)
Net cash provided by (used in) noncapital financing activities	(5,262,925)	(3,316,531)	(608,688)	(9,188,144)	3,270,979
<b>CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES</b>					
Acquisition of capital assets	(5,696,843)	(8,840,550)	(917,655)	(15,455,048)	(2,546,857)
Donations and grants	6,235	5,919	99,107	111,261	-
Security deposit	-	-	-	-	-
Proceeds from issuance of long-term debt	7,154,960	20,410,350	-	27,565,310	-
Principal paid on revenue and certificates of obligation bonds	(2,512,166)	(3,546,953)	(524,609)	(6,583,728)	-
Interest paid on revenue and certificates of obligation bonds	(901,470)	(1,857,543)	(202,721)	(2,961,734)	-
Net cash used in capital and related financing activities	(1,949,284)	6,171,223	(1,545,878)	2,676,061	(2,546,857)
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>					
Interest received	54,713	474,833	14,504	544,050	59,065
Change in temporary investments	-	3,527,185	(88,927)	3,438,258	1,711,749
Net cash provided by investing activities	54,713	4,002,018	(74,423)	3,982,308	1,770,814
Net change in cash and cash equivalents	(1,531,117)	35,916,108	(216,593)	34,168,398	5,436,200
<b>CASH AND CASH EQUIVALENTS, beginning of year</b>	<b>4,325,693</b>	<b>26,816,526</b>	<b>1,838,519</b>	<b>32,980,738</b>	<b>4,417,341</b>
<b>CASH AND CASH EQUIVALENTS, end of year</b>	<b>\$ 2,794,576</b>	<b>\$ 62,732,634</b>	<b>\$ 1,621,926</b>	<b>\$ 67,149,136</b>	<b>\$ 9,853,541</b>
<b>CLASSIFIED AS</b>					
Current assets	\$ -	\$ -	\$ -	\$ -	\$ 9,853,541
Restricted assets	2,794,576	62,732,634	1,621,926	67,149,136	-
<b>Total</b>	<b>\$ 2,794,576</b>	<b>\$ 62,732,634</b>	<b>\$ 1,621,926</b>	<b>\$ 67,149,136</b>	<b>\$ 9,853,541</b>
<b>NON-CASH DISCLOSURE</b>					
<b>Capital contributions</b>	<b>\$ 1,212,155</b>	<b>\$ 9,074,364</b>	<b>\$ 2,036,231</b>	<b>\$ 12,322,750</b>	<b>\$ 76,907</b>
<b>OPERATING INCOME (LOSS)</b>					
Adjustments to reconcile operating income (loss) to cash provided by operating activities	\$ 599,527	\$ 4,427,572	\$ (73,966)	\$ 4,953,133	\$ 426,736
Depreciation	2,852,290	8,793,410	1,462,193	13,107,893	2,656,470
Gain on disposal of asset	-	-	-	-	164,839
Other income	4,084,569	14,182,257	-	18,266,826	108,896
Decrease (increase) in other assets	-	-	-	-	-
Decrease (increase) in prepaid expenses	27,326	(187,617)	652,828	492,537	(48,000)
Decrease (increase) in inventories	446,721	-	(7,913)	438,808	47,209
Decrease (increase) in accounts receivable	1,549,347	(502,877)	(5,781)	1,040,689	(343,247)
Decrease (increase) in customer deposits	207,978	-	-	207,978	-
Increase (decrease) in due to/from other funds	(1,670,455)	2,702,431	-	1,031,976	-
Increase (decrease) in accounts payable	(2,618,719)	(495,697)	(27,193)	(3,141,609)	20,639
Increase (decrease) in unearned revenue	-	9,888	-	9,888	(95,327)
Increase (decrease) in net pension liability	123,025	85,373	12,886	221,284	-
Increase (decrease) in accrued employee benefits	24,770	44,658	(658)	68,770	3,049
<b>Net cash provided by operating activities</b>	<b>\$ 5,626,379</b>	<b>\$ 29,059,398</b>	<b>\$ 2,012,396</b>	<b>\$ 36,698,173</b>	<b>\$ 2,941,264</b>

The Notes to Financial Statements are an integral part of this statement.

**City of Georgetown, Texas**  
Statement of Fiduciary Net Position  
Agency Funds  
September 30, 2017

**ASSETS**

Cash and cash equivalents	\$	29,862
Accounts receivable		<u>18,454</u>

**TOTAL ASSETS**

\$ 48,316

**LIABILITIES**

Accounts payable	\$	29,862
Due to other governments		<u>18,454</u>

**TOTAL LIABILITIES**

\$ 48,316



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## **Notes Section**



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## **City of Georgetown, Texas**

### Notes to Financial Statements

#### **Note 1. Summary of Significant Accounting Policies**

The accounting and reporting policies of the City of Georgetown, Texas, (the City), included in the accompanying basic financial statements conform to the generally accepted accounting principles (GAAP) applicable to state and local governments. The Governmental Accounting Standards Board (GASB) is the accepted standard-setting body for establishing governmental accounting and financial reporting principles. The following notes to the financial statements are an integral part of the City's Comprehensive Annual Financial Report.

##### **A. Reporting Entity**

The City of Georgetown was incorporated under the laws of the State of Texas in 1848 and operates under a Council-Manager form of government. The City's financial statements include the accounts of all City operations. Generally accepted accounting principles require all funds that are controlled by or are dependent on the City Council to be included in the City's financial statements. The reporting entity is the primary government, or the City, and those component units for which the primary government is financially accountable. Financial accountability is defined as the appointment of a voting majority of the potential component unit's board and either the ability to impose its will by the primary government or the possibility that the component unit will provide a financial benefit or impose a financial burden on the primary government. Blended component units, although legally separate entities are, in substance, part of the government's operations and so data from these units are combined with the data of the primary government. Based upon these considerations, the City's financial statements include the Georgetown Transportation Enhancement Corporation (GTEC) as a blended component unit. Discretely presented component units, on the other hand, are reported in a separate column in the government-wide financial statements to emphasize they are legally separate from the primary government, and whose exclusion would cause the reporting entity's financial statements to be misleading or incomplete. Based upon these considerations, the City's financial statements include the Georgetown Economic Development Corporation (GEDCO) as a discretely presented component unit.

##### ***Blended Component Unit***

GTEC, the City's 4B economic development corporation, is a legally separate entity from the City that was created in May 2001 by voters approving an additional sales tax. GTEC is governed by a seven-member board appointed by City Council, of which two are Council members. The City Council maintains budgetary control over the corporation. The City Manager serves as the General Manager of the corporation and the City's Finance Director acts as the Financial Manager. For financial reporting purposes, GTEC is presented as a blended component unit within City operations because its sole purpose is to utilize sales tax revenues for the improvement of the City's transportation system. The revenues and expenditures for GTEC are accounted for in a general capital projects fund. The City issues debt on behalf of GTEC in exchange for pledged sales tax revenue that is transferred to the City to reimburse for debt service related to the bonds. GTEC's debt is shown in the Governmental Activities in the Statement of Net Position.

##### ***Discretely Presented Component Unit***

GEDCO has been included in the reporting entity as a discretely presented component unit. GEDCO cannot be considered a blended component unit because the revenues are not only for the benefit of the City. GEDCO was created by the City in May 2005, under the Texas Development Act of 1979 for the purpose of promoting, assisting, and enhancing economic and development activities on behalf of the City. It is funded through voter authorized sales tax. The seven member Board, which includes two City Council members, is appointed by and serves at the discretion of the City Council. City Council approval is required for annual budgets and bonded debt issuance, therefore the City can impose its will on GEDCO. In the event of dissolution, net assets of GEDCO shall be converted to the City. Accordingly, the City accounts for GEDCO as a discretely presented component unit on the government-wide financial statements.

## **City of Georgetown, Texas**

### Notes to Financial Statements

GEDCO is audited as part of the City of Georgetown; however, separately issued unaudited financial statements are available through the City of Georgetown's Finance Department.

#### ***Related Organizations***

The Mayor and City Council are responsible for appointing a voting majority of the members of some local boards and commissions, but the City's accountability for these organizations does not extend beyond making the appointments. These entities are the Georgetown Industrial Development Corporation, Georgetown Hospital Authority, Georgetown Housing Authority, and Georgetown Higher Education Finance Corporation.

## **B. Basis of Presentation**

#### ***Basic Financial Statements***

The basic financial statements include both government-wide financial statements (based on the City as a whole) and fund financial statements. Both sets of financial statements classify activities as either governmental, which are supported by taxes and intergovernmental revenues, or business-type activities, which rely on fees and charges for support.

#### ***Government-wide Financial Statements***

The government-wide Statement of Activities demonstrates the degree to which the direct expenses of a given program or function is offset by the program's revenues. Direct expenses are those that are clearly identifiable with a specific program. Program revenues include 1) charges to customers or applicants who purchase, use, or directly benefit from goods, services, or privileges provided by a given program and 2) grants and contributions that are restricted to meeting the operational or capital requirements of a particular program. Taxes and other items not properly included among program revenues are reported instead as general revenues. The effect of interfund activity within the governmental and business-type activities columns has been removed from these statements.

#### ***Fund Financial Statements***

The City segregates transactions related to certain functions or activities in separate funds in order to aid financial management and to demonstrate legal compliance. Each fund is considered a separate accounting entity and the operations of each fund are accounted for using a separate set of self-balancing accounts that comprise its assets, liabilities, fund equity, revenues, and expenditures or expenses, as appropriate. Governmental resources are allocated to and accounted for in individual funds based upon the purposes for which they are to be spent and the means by which spending activities are controlled. Separate statements are presented for governmental funds, proprietary funds, and fiduciary funds, even though the latter are excluded from the government-wide financial statements. These statements present each major fund as a separate column on the fund financial statements; all non-major funds are aggregated and presented in a single column.

The government-wide focus is on the sustainability of the City as an entity and the change in net financial position resulting from the activities of the fiscal period. The focus of the fund financial statements is on the major individual funds of the governmental and business-type categories. Each presentation provides a different focus, which allows the reader to compare and analyze the information to enhance the usefulness of the statements.



## City of Georgetown, Texas

### Notes to Financial Statements

#### **Governmental Fund Types**

Governmental Funds are those funds through which most governmental functions typically are financed. The measurement focus of governmental funds (in the fund financial statements) is on the sources, uses, and balance of current financial resources and include the General Fund, Special Revenue Funds, Debt Service Fund and Capital Projects Fund. The individual funds are described as follows:

#### *Major Governmental Funds*

General Fund - The General Fund is the general operating fund of the City. It is used to account for all financial resources except those required to be accounted for in another fund.

Georgetown Transportation Enhancement Corporation - This capital projects fund is used to account for the City's 4B Corporation activities, created to administer the voter approved half-cent sales tax for transportation improvements that aid in economic development efforts.

Debt Service Fund - The Debt Service Fund is used to account for the accumulation of resources for, and the payment of, general long-term debt principal, interest, and related costs.

General Capital Projects Fund - This capital projects fund is used to account for financial resources to be used for the acquisition or construction of parks, buildings, and other facilities. Such resources are derived from proceeds of general obligation bonds or other sources of revenue specifically set aside for capital projects.

#### *Non-major Governmental Funds*

Special Revenue Funds - The Special Revenue Funds are used to account for the proceeds of specific revenue sources (other than expendable trusts or major capital projects) that are restricted to expenditures for specified purposes.

#### **Proprietary Fund Types**

The Proprietary Fund Types are used to account for the City's organization and activities which are similar to those often found in the private sector. These funds are financed and operated in a manner similar to private business enterprises - where the intent of the City is that the costs (expenses, including depreciation) of providing goods or services to the general public on a continuing basis be financed or recovered mainly through user charges; or where the governing body has decided that periodic determination of revenues earned, expenses incurred and/or net income is appropriate for capital maintenance, public policy, management control, accountability or other purposes.

Proprietary funds distinguish operating revenues and expenses from non-operating items. Operating revenues and expenses generally result from providing services and producing and delivering goods in connection with the proprietary funds principal on-going operations. Operating expenses for the proprietary funds include the cost of personnel and contractual services, supplies and depreciation on capital assets. All revenues and expenses not meeting this definition are reported as non-operating revenues and expenses.

#### **Major Proprietary Funds**

Electric Fund - This fund accounts for the City's electric utility, including operations, maintenance of the infrastructure and expansion of the system within the City's service territory.

Water Services Fund - This fund accounts for the City's water, sewer and water reuse systems, including operations, contracted maintenance, internal maintenance, expansion of the system within the City's service territory and the costs of environmental mandates that arise.

## City of Georgetown, Texas

### Notes to Financial Statements

#### *Non-Major Proprietary Funds*

Enterprise Funds - The funds that are operated as enterprise funds within the City but are not considered major funds are the Stormwater Drainage and Airport Funds.

Internal Service Funds - The Internal Service Funds, which provide services primarily to other funds of the government, are presented in the summary form as part of the proprietary fund financial statements. The financial statements of the internal service funds are allocated in the governmental column when presented at the government-wide level. Various operations are accounted for as internal service funds, such as operational costs associated with automobile and heavy equipment owned by the City and made available to various departments, costs related to maintaining and repairing City owned facilities, operational costs associated with the City's computer equipment within various departments, as well as jointly shared administrative departments.

#### **Fiduciary Fund Type – Agency Funds**

The City's fiduciary fund is presented in the fund financial statements by type. Since by definition, these assets are being held for the benefit of a third party and cannot be used to address activities or obligations of the government, these funds are not incorporated in the government-wide statements. The City's fiduciary fund accounts for the operations of Cimarron Hills Public Improvement District in which taxes are received from the taxable value in Cimarron Hills and subsequently disbursed to the developer. It also accounts for the Texas Capital Fund Program whereby lease payments on certain property are received by the City and subsequently disbursed to the State of Texas.

#### **C. Measurement Focus/Basis of Accounting**

The accounting and financial reporting treatment applied to a fund is determined by its measurement focus. Measurement focus refers to what is being measured and basis of accounting refers to timing of revenue and expenditure recognition in the financial statements.

The government-wide statements and fund financial statements for proprietary funds are reported using the economic resources measurement focus and the accrual basis of accounting. The agency fund also uses the accrual basis of accounting. The economic resources measurement focus means all assets and liabilities (whether current or non-current) are included on the statement of net position and the operating statements present increases (revenues) and decreases (expenses) in net total position. Under the accrual basis of accounting, revenues are recognized when earned, including unbilled utility services which are accrued. Expenses are recognized at the time the liability is incurred.

Governmental fund financial statements are reported using the current financial resources measurement focus and are accounted for using the modified accrual basis of accounting. With this measurement focus, only current assets and current liabilities generally are included on the balance sheet. Operating statements of these funds present increases (i.e., revenues and other financing sources) and decreases (i.e., expenditures and other financing uses) in net current assets.

Under the modified accrual basis of accounting, revenues are recorded when susceptible to accrual, i.e., both measurable and available. Available means collectible within the current period or soon enough thereafter to be used to pay liabilities of the current period. The City considers all revenues available if they are collected within sixty (60) days after year-end. Expenditures are recognized when the related fund liability is incurred, if measurable, except for principal and interest on general long-term debt, which are recorded when due, and compensated absences, which are recorded when payable from current available financial resources.

## **City of Georgetown, Texas**

### Notes to Financial Statements

Ad valorem, sales, hotel, and franchise tax revenues recorded in the Governmental Fund Types are recognized under the susceptible to accrual concept. Licenses and permits, charges for services, fines and forfeitures, and miscellaneous revenues (except earnings on investments) are recorded as revenues when received in cash because they are generally not measurable until actually received. Investment earnings are recorded as earned since they are measurable and available.

#### **D. Budgets**

At least 30 days prior to the end of each fiscal year, the City Manager submits a proposed budget presenting a complete financial plan for the ensuing fiscal year to the City Council (the Council). Public hearings are conducted, at which time all interested persons' comments concerning the budget are heard. The budget must be legally adopted by the Council through passage of an ordinance no later than the 27th day of the last month of the fiscal year.

Formal budgetary integration is employed as a management control device during the year for all Governmental and Proprietary Fund Types. Budgets for all funds were legally adopted for the period. Budgetary control is exercised at the division level. All budgets are prepared on the budgetary basis, recognizing encumbrances outstanding at year-end as expenditures against that year's appropriation. These encumbrances are reconciled to generally accepted accounting principles where appropriate.

The Council may transfer any unencumbered appropriation balance or portion thereof from one division, office, department, or agency to another at any time. The City Manager has authority, without Council approval, to transfer appropriation balances from one expenditure account to another within a single division, office, department, or agency of the City; however, unbudgeted transfers between funds are prohibited.

The Council may authorize by a majority plus one vote, an emergency expenditure as an amendment to the original budget, but only in a case of grave public necessity, to meet an unusual and unforeseen condition that could not have been included in the original budget through the use of reasonable, diligent thought and attention. The governing body may make changes to the budget for other municipal purposes.

Budget amounts are as originally adopted, or as transferred pursuant to authorization of the City Manager or amended by the City Council. Individual amendments were not material in relation to the original appropriations, with the exception of amendments related to capital projects and grant expenditures, whose actual costs were unknown when the budget was adopted. Unencumbered appropriations lapse each year at September 30.

The Statement of Revenues, Expenditures, and Changes in Fund Balances – Budget and Actual – General Fund presents a comparison of budgetary data to actual results. The General Fund utilizes the same basis of accounting for both budgetary purposes and actual results, except for the effect of encumbrances and unrealized investment gains and losses, which are reconciled to the actual results for this comparison.

#### **E. Encumbrances**

Encumbrance accounting is employed as an extension of formal budgetary control in all governmental and proprietary funds. Encumbrance accounting is a process whereby purchase orders, contracts and other commitments for the expending of monies are recorded in order to reserve that portion of the applicable appropriation. Outstanding year-end encumbrances are classified as restricted, committed, or assigned components of fund balance, as applicable, and do not constitute expenditures or liabilities because the commitments are carried forward into the subsequent fiscal year.

## **City of Georgetown, Texas**

### Notes to Financial Statements

#### **F. Cash and Investments**

For cash flow purposes, cash and cash equivalents consist of demand deposits, certificates of deposits and deposits in authorized investment pools.

The operating cash balances from all funds are consolidated in pooled cash and investment accounts. Excess pooled balances are invested in U.S. Treasury securities, U.S. Government agency securities, fully collateralized money market funds and local government investment pools. Maturities on all investments are consistent with the City's cash flow requirements. Investments, except for the investment pools, for the City are reported at fair value. The investment pools operate in accordance with appropriate state laws and regulations and are reported at amortized cost. Interest earnings are then allocated to each fund based on average monthly pooled equity balances. Separate cash and investment accounts are maintained for restricted cash such as debt service and bond proceeds reserved for future construction.

#### **G. Restricted Assets**

Certain cash and investments are restricted by various legal and contractual obligations. Included in the restricted assets are capital recovery fees (impact fees) restricted by law for future capital improvements, customer deposits, and specific bond proceeds restricted for use.

#### **H. Inventories and Prepaid Items**

Inventories consist of electric materials, jet fuel, office and other supplies valued at the weighted average cost method and are recognized as expenditures or expenses when used. The prepaid items consist of required payments made to a vendor for a contract in the following fiscal year. These items are accounted for using the consumption method.

#### **I. Interfund Receivables and Payables**

Short-term advances between funds are accounted for in the appropriate interfund receivable and payable accounts. Negative balances incurred in pooled cash at year-end are treated as interfund receivables of the Water Services Fund and interfund payables of the deficit fund.

#### **J. Note Receivable**

Long-term note receivable, which consists of the principal amount of the loan, is reported in the governmental fund statements with an offset to nonspendable fund balance as resources are not available for expenditure. Long-term note receivable reported in the governmental activities on the government-wide statement of net position is not offset by unavailable revenue as it is recorded on an accrual basis at its net realizable value.

#### **K. Interfund Transactions**

All legally authorized transfers have been appropriately presented as interfund transfers and are included in the fund financial statements of both Governmental and Proprietary Fund types. As a general rule, the effect of interfund activity has been eliminated from the government-wide financial statements.

**City of Georgetown, Texas**  
Notes to Financial Statements

**L. Intergovernmental Revenues**

Intergovernmental revenues represent entitlements and shared revenues which are accounted for within the fund financed. Such revenues, received for purposes normally financed through the general government, are accounted for within the Special Revenue Funds.

**M. Accrued Employee Benefits**

All employees, with the exception of firefighters, may accumulate a maximum of two times their annual vacation, up to a cap of 240 hours, or 30 days paid upon separation. Firefighters may accrue up to a maximum cap of 360 hours that can be paid out upon separation. Upon termination, non-Civil Service employees will not receive payment of sick leave, unless they have a balance that originated prior to October 1, 2004. These employees were grandfathered under the old policy of receiving payment for one-half of their balance of sick leave up to 60 days at the rate of pay when the hours were banked. Upon termination, Civil Service employees are paid for the balance of their Civil Service sick leave earned after July 30, 2003 or October 31, 2005 (the effective date of the regulations in the City for fire civil service and police civil service employees, respectively), up to a maximum of 720 hours or 1,080 hours for those Firefighters on a 56 hour a week schedule on an annual basis. Civil Service employees hired prior to the effective date of the adoption of Civil Service regulations are also eligible under city policy to receive payment for one-half of their sick leave up to 60 days at the rate of pay when the hours were banked.

Accumulated vacation and sick leave, which is expected to be liquidated with expendable available financial resources, is reported as expenditure and a fund liability of the governmental fund that will pay it. Amounts of accumulated vacation leave within governmental funds that are not expected to be liquidated with expendable available financial resources are reported as a long-term liability on the statement of net position. No expenditure is reported for these amounts in the fund financial statements unless the benefits have matured, i.e. unused reimbursable leave still outstanding following an employee's resignation or retirement. Accumulated vacation and sick leave of proprietary fund types are recorded as an expense and liability of those funds as the benefits accrue to employees.

**N. Capital Assets**

***Capital Assets other than Streets and Drainage***

Capital assets, which include property, plant, equipment, and infrastructure assets, are reported in the applicable governmental or business-type activities column in the government-wide financial statements and in the fund financial statements for proprietary funds. All capital assets are valued at their historical cost or estimated historical cost if actual historical cost is not available. Donated assets are valued at their acquisition value on the date donated. Repairs and maintenance are recorded as expenses. Renewals and betterments are capitalized.

Assets capitalized, not including infrastructure assets, have an original cost of \$5,000 or more and an expected useful life of over one year.

Interest incurred during the construction phase of capital assets of business-type activities is capitalized. Interest of \$557,554 was capitalized in enterprise funds during the 2017 fiscal year.

**City of Georgetown, Texas**  
Notes to Financial Statements

Depreciation for assets not following the modified approach is computed using the straight-line method on the composite assets based upon the estimated useful lives as follows:

Distribution systems	25 to 50 years
Buildings and improvements	10 to 20 years
Furniture, fixtures, and equipment	3 to 10 years

The City records capital contributions to proprietary funds as revenue. Total capital contributions to the enterprise funds in fiscal year 2017 were \$12,322,750 and \$76,907 in the internal service funds. Contributed capital is not recorded for governmental type funds, but is recognized on the government-wide statements and totaled \$3,234,114 for the year ended September 30, 2017.

**Capital Assets – Streets and Drainage**

Governmental Accounting Standards Board Statement No. 34 provides for an alternative approach to depreciation for measuring the value of infrastructure assets and the related costs incurred to maintain their service life at a locally established minimum standard. In order to adopt this alternative method, the City must use an asset management system, and must determine if the minimum standards are being maintained. This measurement occurs every three years at a minimum. The City has elected to use this alternative method for reporting its street infrastructure assets. The City contracted with the engineering firm of Kasberg, Patrick and Associates to complete pavement condition surveys for the City’s street network during 2014.

The City uses the CarteGraph PavementView Pavement Management Information System to track the condition levels of each of the street sections. The entire streets inventory is captured in the system and the condition of the pavement is based on the following factors:

- Type of Distress
- Amount of Distress
- Severity of Distress
- Deduct Values (function of the first three)

The Pavement Condition Index (PCI) is a measurement scale based upon a condition index ranging from zero for a failed pavement to 100 for pavement with perfect condition. The condition index is used to classify pavement in the following conditions:

<u>PCI</u>	<u>Rating</u>
100-85	Good
84-45	Fair
44-0	Poor

The PCI for fiscal year 2017 is 87. The previous score for 2010-2013 was 88. This will be re-evaluated beginning in October of 2017. The City’s administrative policy is to maintain an average PCI level of 85. An 85 PCI is considered maintaining the streets in a “good” condition.

Staff prepares a street maintenance budget that meets this target for Council’s consideration during the budget process.

## **City of Georgetown, Texas**

### Notes to Financial Statements

#### **O. Long-term Obligations**

The portion of long-term general obligation debt used to finance proprietary fund operations and payable from the revenues of the Enterprise Funds is recorded in such funds. General obligation bonds and other forms of long-term debt supported by general revenues are obligations of the City as a whole and not its individual funds. Accordingly, such unmatured obligations of the City are accounted for on the statement of net position and payments of principal and interest relating to the general obligation bonds are recorded as expenditures when they are paid in the fund statements. Self-supporting general obligation debt, which will be repaid from non-general revenue sources, is recorded in the appropriate proprietary fund.

#### **P. Pensions**

For purposes of measuring the net pension liability, pension related deferred outflows and inflows of resources, and pension expense, City specific information about its Fiduciary Net Position in the Texas Municipal Retirement System (TMRS) and additions to/deductions from the City's Fiduciary Net Position have been determined on the same basis as they are reported by TMRS. For this purpose, plan contributions are recognized in the period that compensation is reported for the employee, which is when contributions are legally due. Benefit payments and refunds are recognized when due and payable in accordance with the benefit terms. Investments are reported at fair value. Information regarding the City's Total Pension Liability is obtained from TMRS through a report prepared for the City by TMRS consulting actuary, Gabriel Roeder Smith & Company, in compliance with Governmental Accounting Standards Board (GASB) Statement No. 68, *Accounting and Financial Reporting for Pensions*.

#### **Q. Estimates**

The preparation of financial statements in conformity with U.S. generally accepted accounting principles requires management to make estimates and assumptions that affect certain reported amounts and disclosures. Specifically, the actuarial calculations used to determine the annual required contributions and related liabilities of the City's retirement plan and post-employment obligations are based on assumptions about the possibility of events far into the future. Accordingly, actual results could differ from those estimates.

#### **R. Risk Financing Activity**

The City of Georgetown is exposed to various risks of loss related to torts; theft of, damage to, and destruction of assets; errors and omission; injuries to employees; and natural disasters. During fiscal year 2017, the City purchased general liability and property insurance from Texas Municipal League Intergovernmental Risk Pool (TML-IRP). The City pays an annual premium to TML-IRP for such coverage. TML-IRP purchases reinsurance and the City does not retain risks of loss exceeding deductibles. Settled claims have not exceeded insurance coverage in the past three years.

The workers compensation plan is administered and paid through the Texas Municipal League-Intergovernmental Risk Pool (TML-IRP). Under this plan, the City does not retain risks of loss exceeding the deductibles. TML-IRP also brokers the City's Aviation and Underground Storage Tank Pollution liability insurance, as well as, the canine and surgical vet coverage. The City does not retain the risks of loss exceeding the deductibles.

**City of Georgetown, Texas**  
Notes to Financial Statements

**S. Credit Risk**

Financial investments which potentially subject the City to concentrations of credit risk consist principally of cash, investments and accounts receivable. At September 30, 2017, there was not a significant risk arising from cash, investments, or accounts receivable.

**T. Nature and Purpose of Reservations and Designation of Fund Equity**

The City's Fund Balance is the accumulated difference between assets and liabilities within governmental funds, and it allows the City to meet its contractual obligations, fund disaster, or emergency costs, provide cash flow for timing purposes and fund non-recurring expenses appropriated by City Council. The City Council has adopted a financial standard to maintain a General Fund minimum balance of 90 days of budgeted on-going expenditures and 75 days citywide. This policy establishes limitations on the purposes for which Fund Balances can be used in accordance with Governmental Accounting Standards Board (GASB) Statement Number 54.

**Five Components of Fund Balance**

Non-spendable Fund Balance – includes inherently non-spendable assets that will never convert to cash, as well as, assets that will not convert to cash soon enough to affect the current financial period. Assets included in this category are prepaid items, inventory, and non-financial assets held for resale.

Restricted Fund Balance – represents the portion of fund balance that is restricted to specific purposes that are externally imposed by creditors, grantors, contributors, laws or regulations of other governments, such as hotel/motel tax and bond proceeds.

Committed Fund Balance – describes the portion of fund balance that can only be used for specific purposes with constraints imposed by the formal action of the City Council's adoption of an ordinance, and remains binding unless the City Council removes the limitation.

Assigned Fund Balance – is that portion of fund balance that reflects the City's *intended* use for a specific purpose but is neither restricted nor committed. Assigned fund balances are determined by City management based on Council direction, in accordance with our financial policies adopted by resolution.

Unassigned Fund Balance – represents funds that have not been assigned to any other fund and cannot be properly classified in one of the other four categories within the general fund.



**City of Georgetown, Texas**  
Notes to Financial Statements

Below is the residual classification for the general fund:

	General	Georgetown Transportation Enhancement Corporation	Debt Service	General Capital Projects	Nonmajor Governmental Funds	Total Governmental Funds
<b>Nonspendable</b>						
Inventory/prepays	\$ 49,015	\$ -	\$ -	\$ -	\$ -	\$ 49,015
Note receivable	197,633	-	-	-	-	197,633
<b>Spendable</b>						
<b>Restricted for</b>						
Debt service	-	-	1,938,926	-	-	1,938,926
Bond funds	-	-	-	17,258,365	-	17,258,365
Hotel/motel tax	-	-	-	-	853,337	853,337
Street maintenance tax	-	-	-	-	3,422,465	3,422,465
Other purposes	-	-	-	-	762,196	762,196
<b>Committed for</b>						
Contingency	7,925,000	-	-	-	-	7,925,000
Economic stability	1,150,000	-	-	-	-	1,150,000
Benefit payout	222,000	-	-	-	-	222,000
Other capital projects	-	11,556,682	-	-	-	11,556,682
Nonmajor funds	-	-	-	-	5,405,555	5,405,555
<b>Assigned to</b>						
Encumbrances	919,906	7,925,430	-	14,198,287	333,207	23,376,830
Unassigned	2,862,071	-	-	-	(495,350)	2,366,721
<b>Total fund balance</b>	<b>\$ 13,325,625</b>	<b>\$ 19,482,112</b>	<b>\$ 1,938,926</b>	<b>\$ 31,456,652</b>	<b>\$ 10,281,410</b>	<b>\$ 76,484,725</b>

When both restricted and unrestricted fund balance amounts are available for use, it is the City's policy to use restricted fund balance first, then unrestricted fund balance. Furthermore, committed fund balances are reduced first, followed by assigned amounts and then unassigned amounts when expenditures are incurred for which amounts in any of those unrestricted fund balance classifications are available.

**U. Deferred Outflows/Inflows of Resources**

In addition to assets, the statement of financial position and/or balance sheet will sometimes report a separate section for deferred outflows of resources. This separate financial statement element, deferred outflows of resources, represents a consumption of net position that applies to a future period(s) and so will not be recognized as an outflow of resources (expense/expenditure) until then. The City has the following items that qualify for reporting in this category.

- Deferred charges on refundings
- Pension items:
  - Differences between expected and actual economic experience
  - Changes in actuarial assumptions
  - Difference between projected and actual investment earnings
  - Contributions to pension plan subsequent to the measurement date

## **City of Georgetown, Texas**

### Notes to Financial Statements

In addition to liabilities, the statement of financial position and/or balance sheet will sometimes report a separate section for deferred inflows of resources. This separate financial statement element, deferred inflows of resources, represents an acquisition of net position that applies to a future period(s) and so will not be recognized as an inflow of resources (revenue) until that time. The City has only one type of item that qualifies for reporting in this category. Property taxes levied, but not expected to be available to fund obligations in the current period, are recorded as deferred inflows of resources on the balance sheet.

#### **V. Net Position**

Net position represents the difference between assets, liabilities and respective deferred outflow or inflows of resources. A portion of net position represents net investments in capital assets which is the total balance of the City's investment in capital assets less accumulated depreciation and the outstanding balances of any borrowing spent for that acquisition, construction or improvements of those assets. Net position is reported as restricted when there are limitations imposed on their use either through (1) the enabling legislation adopted by the City, (2) through external restrictions imposed by grantors, or (3) laws or regulations of other governments.

#### **Note 2. Cash and Investments**

For cash flow purposes, cash and temporary investments consist of demand deposits, certificates of deposits, and authorized investment pools. The operating cash balance from all funds is consolidated in pooled cash and investment accounts. Excess pooled balances are invested in U.S. Treasury securities, U.S. Government agency securities, fully collateralized money market funds and local government investment pools. Maturities on all investments are consistent with the City's cash flow requirements. Investments are recorded at cost. Interest earnings are allocated to each fund based on average monthly pooled equity balances. Separate cash and investment accounts are maintained for restricted cash such as debt service, utility debt reserves, and bond proceeds reserved for future construction.

The investment policies of the City are governed by State statutes and a City Council adopted Investment Policy. Major provisions of the City's investment policy include: responsibility for investments, authorized investments, security dealer selection and qualifying procedures, safekeeping and custodial procedures, statement of investment objectives, and investment reporting requirements.

#### **Deposits**

Texas Statutes require that all bank deposits be insured or fully collateralized by the U.S. government obligations or obligations of the State of Texas and its agencies. Market value of the collateral pledged must equal at least 102% of the bank deposits not covered by federal deposit insurance.

At year-end, the carrying amount of the City's bank deposits was \$58,825,165 and the bank balances were \$53,907,106, all of which were entirely covered by Federal depository insurance or by collateral held by the City's agent bank in the City's name.

In order to maximize interest earnings, the City utilizes a controlled disbursement account, which allows the City to deposit only as much money as needed to fund checks presented each day.

**City of Georgetown, Texas**  
Notes to Financial Statements

**Investments**

The City is authorized to invest in certificates of deposit, direct obligations of the U.S. government, U.S. government agency securities, fully collateralized direct repurchase agreements, no-load money market funds whose portfolios meet the City's investment requirements, and in qualified local government investment pools as approved by the City Council. Non-participating interest earning contracts, including certificates of deposit, and money market accounts are reported at cost. Investments in external investment pools are reported at amortized cost.

Interest rate risk is the potential for a decline in market value due to rising interest rates. In compliance with the City's Investment Policy, as of September 30, 2017, the City minimized the interest rate risk in the portfolio by limiting the weighted average maturity of security types to no longer than two years; structuring the investment portfolio so that securities matured to meet cash requirements for ongoing operations and capital improvement projects; monitoring credit ratings of portfolio positions to assure compliance with rating requirements imposed by the Public Funds Investment Act; and investing operating funds primarily in shorter-term securities and similar government investment pools.

The City evaluated all of its cash and investment positions, and determined that it had none subject to recurring fair value recognition or disclosures. The City's investment balances and weighted average maturity of such investments as of September 30, 2017 are:

	Primary Government	
	September 30, 2017	Weighted Average Maturity
Investment Pools (at amortized cost)		
Texas local government investment pool (TexPool)	\$ 8,977,662	1
Texas short-term asset reserve program (TexSTAR)	61,538,666	1
Investments (at cost)		
Money market accounts	52,322,314	1
Certificates of deposit	39,884,635	277
Total investments	162,723,277	
Portfolio weighted average maturity		69
Carrying amount - demand deposits	13,840,530	
<b>Total cash and investments</b>	<b>\$ 176,563,807</b>	

**Credit Risk**

Credit risk is the possibility that the issuer of a security will fail to make timely payments of interest or principal. In general, the lower the credit quality of a security, the higher the yield, with all other factors being equal. In compliance with the City's Investment Policy, as of September 30, 2017, the City minimized credit risk losses due to default of security issuer or backer by limiting investments to the safest types of securities; pre-qualifying the financial institutions, broker/dealers, intermediaries, and advisors with which the City will do business; and diversifying the investment portfolio so that potential losses on individual securities were minimized.

## **City of Georgetown, Texas**

### Notes to Financial Statements

For short-term liquidity requirements, the City primarily utilizes the Texas Short-Term Asset Reserve Program (TexSTAR). JPMorgan Fleming Asset Management, Inc. and First Southwest Asset Management, Inc. serve as co-administrators under an agreement with the TexSTAR board of directors to provide investment and participant services for this pool. JPMorgan Chase Bank or its subsidiary J.P. Morgan Investor Services Co. provides the custodial, transfer agency, fund accounting, and depository services for this pool.

The City also maintains an account with the Texas Local Government Investment Pool (TexPool). Under the TexPool Participation Agreement, administrative and investment services to TexPool are provided by Federated Investors, Inc. through an agreement with the State of Texas Comptroller of Public Accounts. The State of Texas Comptroller of Public Accounts is the sole officer, director, and shareholder of the Texas Treasury Safekeeping Trust Company authorized to operate TexPool.

At year end, balances in TexSTAR and TexPool were rated AAAM by Standard & Poor's. All pools operate on a \$1 net asset value basis. In order to maintain a stable \$1 price of the fund, the pools will sell portfolio holdings if the ratio of the fair value of the portfolio divided by the book value of the portfolio is less than 0.995 or greater than 1.005. The pools are stated at their measured amortized cost, which is assumed to approximate fair value.

### **Note 3. Taxes**

#### **Property Taxes**

Property is appraised and a lien on such property becomes enforceable as of January 1 of each year. Taxes are levied on and payable the following October 1. Taxes become delinquent February 1 of the following year and are subject to interest and penalty charges. Under an agreement which began August 1, 2000, Williamson County Tax Office collects the City's taxes. In the fund financial statements, City property tax revenues are recognized when levied to the extent that they are collected in the current year. Taxes collected prior to the levy date to which they apply are recorded as unearned revenues and recognized as revenue of the period to which they apply.

All collections from prior year levies are considered delinquent tax revenue for reporting purposes in the year collected. The allowance for uncollectible taxes at September 30, 2017 was \$11,314.

The City is permitted by the State of Texas to levy taxes up to \$2.50 per \$100 of assessed valuation for general government services and for the payment of principal and interest on general long-term debt. The combined current tax rate to finance general government services, including debt service for the fiscal year ended September 30, 2017, was \$0.4240 per \$100 of assessed valuation.

The Williamson Central Appraisal District (Appraisal District) is responsible for the recording and appraisal of property for all taxing units in Williamson County. The Appraisal District is required to assess property at 100% of its appraised value. Real property must be reappraised at least every four years. The City may, at its own expense, require annual reviews by the Appraisal District through various appeals and, if necessary, legal action. Under this system, if the rate, excluding tax rates for bonds and other contractual obligations adjusted for new improvements, exceeds the rate for the previous year by more than 8%, qualified voters of the City may petition for an election to determine whether to limit the tax rate to an increase of no more than 8%.

In September 2004, voters approved an initiative to freeze property taxes for homeowners over the age of 65 or disabled. This measure mirrors the State of Texas Constitutional Amendment Proposition 13, which passed overwhelmingly statewide in 2003. Prop 13 gives local governments the option of "freezing" taxes for the elderly and disabled.

## **City of Georgetown, Texas**

### Notes to Financial Statements

#### **Sales Taxes**

The City has adopted the provisions of Article 1066C, Vernon's Texas Civil Statutes, as amended, which grant the City the power to impose and levy a 1% Local Sales and Use Tax within the City. Proceeds of the tax are credited to the General Fund except for sales taxes generated at the airport which are credited to the Airport (Enterprise) Fund. Collections and enforcements are effected through the offices of the Comptroller of Public Accounts, State of Texas, who remits to the City monthly the proceeds of the tax, after deduction of a 2% service fee.

On October 1, 2001, the City began collecting an additional half-cent sales tax for its component unit, GTEC, to fund transportation improvements that promote economic development. These funds are reported in the GTEC General Capital Projects Fund, a blended component unit of the City.

On April 1, 2003, the City began collecting an additional quarter-cent sales tax in accordance with Texas House Bill 445 to fund maintenance on streets that were in existence at the time the sales tax was adopted by the voters. In November 2010 and again in November 2014, the citizens readopted this quarter-cent sales tax option. The sunset provision will expire in March 2019. These funds are reported in the Streets Special Revenue Fund.

On October 1, 2005, the City began collecting an additional eighth-cent sales tax in accordance with the Texas Development Corporation Act of 1979, Article 5190.6, Section 4A Texas Revised Civil Statutes for the promotion and development of new and expanded business enterprises. This sales tax is administered through GEDCO.

On October 1, 2005, the City began collecting an additional eighth-cent sales tax to be used toward the reduction of ad valorem property taxes. Proceeds are credited to the City's General Fund.

**City of Georgetown, Texas**  
Notes to Financial Statements

**Note 4. Transfers**

	Transfers In						Enterprise Funds	Total Transfers Out
	Governmental Funds							
	Major Funds			Nonmajor Funds				
General Fund	Debt Service	GTEC	General Capital Projects	Special Revenue	Internal Services	Nonmajor Enterprise Funds		
Governmental funds								
Major funds								
General fund	\$ -	\$ -	\$ -	\$ -	\$ 2,120,008	\$ 369,727	\$ -	\$ 2,489,735
GTEC	-	2,577,502	-	-	-	-	-	2,577,502
General capital projects	-	-	-	-	202,632	1,988,000	-	2,190,632
Nonmajor funds								
Special revenue funds	1,197,201	341,340	521,611	548,463	-	175,000	5,249	2,788,864
Internal service funds	-	-	-	-	-	25,000	-	25,000
Enterprise funds								
Major funds								
Electric	5,131,425	-	-	-	60,000	71,500	-	5,262,925
Water services	3,025,779	-	-	-	-	290,752	-	3,316,531
Nonmajor funds								
Nonmajor enterprise funds	237,937	-	-	-	-	376,000	-	613,937
	<u>\$ 9,592,342</u>	<u>\$ 2,918,842</u>	<u>\$ 521,611</u>	<u>\$ 548,463</u>	<u>\$ 2,382,640</u>	<u>\$ 3,295,979</u>	<u>\$ 5,249</u>	19,265,126
								Transfers eliminated in government-wide statements
								<u>10,076,982</u>
								<b>Net transfers - statement of activities</b>
								<u>\$ 9,188,144</u>

The net transfers between the governmental types and business types total \$9,188,144. Per the City's fiscal and budgetary policy, utility operations transfer seven percent of gross billings for utility services to the General fund as a payment of the profits of the fund or a return on investment. Other types of transfers include grant matching, fire hydrant testing, equipment purchases, and capital project funding.

**City of Georgetown, Texas**  
Notes to Financial Statements

**Note 5. Capital Assets**

Capital asset activity for the year ended September 30, 2017 was as follows:

	Balance 9/30/2016	Additions	Deletions and Transfers	Balance 9/30/2017
Governmental activities				
Capital assets not being depreciated				
Land	\$ 28,611,637	\$ -	\$ 2,469,876	\$ 31,081,513
Streets	181,655,391	2,635,244	-	184,290,635
Construction in progress	49,928,216	39,161,566	(14,588,825)	74,500,957
Total capital assets not being depreciated	260,195,244	41,796,810	(12,118,949)	289,873,105
Capital assets being depreciated				
Equipment	47,056,676	2,630,091	61,700	49,748,467
Buildings	78,284,894	156,967	7,060,218	85,502,079
Improvements	51,682,935	500,349	4,045,181	56,228,465
Total capital assets being depreciated	177,024,505	3,287,407	11,167,099	191,479,011
Less accumulated depreciation for				
Equipment	(30,844,491)	(3,277,902)	951,850	(33,170,543)
Buildings	(14,455,222)	(1,188,798)	-	(15,644,020)
Improvements	(15,343,883)	(1,400,465)	-	(16,744,348)
Total accumulated depreciation	(60,643,596)	(5,867,165)	951,850	(65,558,911)
Total capital assets being depreciated, net	116,380,909	(2,579,758)	12,118,949	125,920,100
<b>Governmental activities capital assets, net</b>	<b>\$ 376,576,153</b>	<b>\$ 39,217,052</b>	<b>\$ -</b>	<b>\$ 415,793,205</b>
Electric activities				
Capital assets not being depreciated				
Land and land rights	\$ 1,579,511	\$ 11,193	\$ -	\$ 1,590,704
Construction in progress	223,465	5,156,780	(5,380,245)	-
Total capital assets not being depreciated	1,802,976	5,167,973	(5,380,245)	1,590,704
Capital assets being depreciated				
Equipment	2,275,067	293,989	(1,117,025)	1,452,031
Buildings and improvements	73,707	-	-	73,707
Distribution system	159,863,312	1,448,523	6,497,270	167,809,105
Total capital assets being depreciated	162,212,086	1,742,512	5,380,245	169,334,843
Less accumulated depreciation for				
Equipment	(1,030,914)	(59,066)	-	(1,089,980)
Buildings	(39,408)	(4,110)	-	(43,518)
Distribution system	(41,625,420)	(2,789,113)	-	(44,414,533)
Total accumulated depreciation	(42,695,742)	(2,852,289)	-	(45,548,031)
Total capital assets being depreciated, net	119,516,344	(1,109,777)	5,380,245	123,786,812
<b>Electric activities capital assets, net</b>	<b>\$ 121,319,320</b>	<b>\$ 4,058,196</b>	<b>\$ -</b>	<b>\$ 125,377,516</b>

**City of Georgetown, Texas**  
Notes to Financial Statements

Capital asset activity for the year ended September 30, 2017 was as follows:

	Balance 9/30/2016	Additions	Deletions and Transfers	Balance 9/30/2017
<b>Water services activities</b>				
Capital assets not being depreciated				
Land and land rights	\$ 1,104,984	\$ -	\$ -	\$ 1,104,984
Construction in progress	12,535,685	8,123,714	(13,300,637)	7,358,762
Total capital assets not being depreciated	13,640,669	8,123,714	(13,300,637)	8,463,746
Capital assets being depreciated				
Equipment	923,353	543,103	-	1,466,456
Buildings and improvements	3,669,971	6,461	-	3,676,432
Distribution and water system	325,333,552	9,074,364	13,300,637	347,708,553
Total capital assets being depreciated	329,926,876	9,623,928	13,300,637	352,851,441
Less accumulated depreciation for				
Equipment	(535,214)	(70,676)	-	(605,890)
Buildings and improvements	(2,159,689)	(126,241)	-	(2,285,930)
Distribution and water system	(76,246,319)	(8,582,801)	-	(84,829,120)
Total accumulated depreciation	(78,941,222)	(8,779,718)	-	(87,720,940)
Total capital assets being depreciated, net	250,985,654	844,210	13,300,637	265,130,501
<b>Water services activities capital assets, net</b>	<b>\$ 264,626,323</b>	<b>\$ 8,967,924</b>	<b>\$ -</b>	<b>\$ 273,594,247</b>
<b>Other nonmajor business-type activities</b>				
Capital assets not being depreciated				
Land	\$ 981,500	\$ -	\$ -	\$ 981,500
Construction in progress	1,212,441	6,795,736	(226,782)	7,781,395
Total capital assets not being depreciated	2,193,941	6,795,736	(226,782)	8,762,895
Capital assets being depreciated				
Equipment	2,455,037	6,920	-	2,461,957
Buildings and improvements	3,864,907	-	(19,176)	3,845,731
Distribution systems	48,790,820	2,036,231	245,958	51,073,009
Total capital assets being depreciated	55,110,764	2,043,151	226,782	57,380,697
Less accumulated depreciation for				
Equipment	(173,737)	(11,963)	-	(185,700)
Buildings and improvements	(2,143,202)	(49,232)	-	(2,192,434)
Distribution systems	(14,095,565)	(1,400,998)	-	(15,496,563)
Total accumulated depreciation	(16,412,504)	(1,462,193)	-	(17,874,697)
Total capital assets being depreciated, net	38,698,260	580,958	226,782	39,506,000
<b>Other nonmajor business-type activities capital assets, net</b>	<b>\$ 40,892,201</b>	<b>\$ 7,376,694</b>	<b>\$ -</b>	<b>\$ 48,268,895</b>



**City of Georgetown, Texas**  
Notes to Financial Statements

Capital asset activity for the year ended September 30, 2017 was as follows:

	Balance 9/30/2016	Additions	Deletions and Transfers	Balance 9/30/2017
Total business-type activities				
Capital assets not being depreciated				
Land and land rights	\$ 3,665,995	\$ 11,193	\$ -	\$ 3,677,188
Construction in progress	13,971,591	20,076,230	(18,907,664)	15,140,157
Total capital assets not being depreciated	17,637,586	20,087,423	(18,907,664)	18,817,345
Capital assets being depreciated				
Equipment	5,653,457	844,012	(1,117,025)	5,380,444
Buildings and improvements	7,608,585	6,461	(19,176)	7,595,870
Distribution systems	533,987,684	12,559,118	20,043,865	566,590,667
Total capital assets being depreciated	547,249,726	13,409,591	18,907,664	579,566,981
Less accumulated depreciation for				
Equipment	(1,739,865)	(141,705)	-	(1,881,570)
Buildings	(4,342,299)	(179,583)	-	(4,521,882)
Improvements	(131,967,304)	(12,772,912)	-	(144,740,216)
Total accumulated depreciation	(138,049,468)	(13,094,200)	-	(151,143,668)
Total capital assets being depreciated, net	409,200,258	315,391	18,907,664	428,423,313
<b>Total business-type activities capital assets, net</b>	<b>\$ 426,837,844</b>	<b>\$ 20,402,814</b>	<b>\$ -</b>	<b>\$ 447,240,658</b>

Depreciation expense was charged to function/programs of the primary government as follows:

Governmental activities	
Culture / recreation	\$ 496,796
Fire	139,821
General government	1,309,461
Highways and streets	361,671
Police	902,946
Internal service funds	2,656,470
<b>Total depreciation expense governmental activities</b>	<b>\$ 5,867,165</b>
Business-type activities	
Electric	\$ 2,852,289
Water services	8,779,718
Nonmajor	1,462,193
<b>Total depreciation expense business-type activities</b>	<b>\$ 13,094,200</b>

**City of Georgetown, Texas**  
Notes to Financial Statements

	Governmental Activities	Business-type Activities	Total
Net investment in capital assets			
Total capital assets (net of accumulated depreciation)	\$ 415,793,205	\$ 447,240,658	\$ 863,033,863
Less long-term debt and related charges	(180,731,021)	(110,448,754)	(291,179,775)
Add unspent bond proceeds	31,456,652	37,446,371	68,903,023
Net long-term debt	(149,274,369)	(73,002,383)	(222,276,752)
<b>Net investment in capital assets (net of related debt)</b>	<b>\$ 266,518,836</b>	<b>\$ 374,238,275</b>	<b>\$ 640,757,111</b>

**Note 6. Long-Term Liabilities**

**A. Overview**

The following is a summary of long-term debt transactions of the City for the fiscal year ended September 30, 2017:

	Balance 9/30/16	Additions	Retirements	Balance 9/30/17	Due Within One Year
Governmental activities					
General obligation bonds (payable from tax pledge)	\$ 157,168,523	\$ 22,955,000	\$ (9,928,924)	\$ 170,194,599	\$ 10,550,578
Premiums	4,596,657	1,799,285	(375,830)	6,020,112	465,794
Sales tax revenue bonds	7,225,000	-	(540,000)	6,685,000	560,000
Compensated absences	5,472,072	1,604,406	(1,684,124)	5,392,354	1,702,724
Net pension liability	18,602,878	950,871	-	19,553,749	-
Other post employment benefits	972,877	175,016	-	1,147,893	-
Total governmental activities	194,038,007	27,484,578	(12,528,878)	208,993,707	13,279,096
Business-type activities					
Revenue bonds	72,545,000	27,915,000	(7,730,000)	92,730,000	5,905,000
Premiums	2,943,619	2,479,037	(270,251)	5,152,405	389,307
Compensated absences	931,814	469,542	(400,772)	1,000,584	432,261
Net pension liability	4,397,993	224,804	-	4,622,797	-
General obligation bonds (payable from airport, storm- water and electric revenues)	15,286,384	-	(1,421,075)	13,865,309	660,809
Total business-type activities	96,104,810	31,088,383	(9,822,098)	117,371,095	7,387,377
<b>Total long-term debt</b>	<b>\$ 290,142,817</b>	<b>\$ 58,572,961</b>	<b>\$ (22,350,976)</b>	<b>\$ 326,364,802</b>	<b>\$ 20,666,473</b>

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

**City of Georgetown, Texas**  
Notes to Financial Statements

At September 30, 2017, there was \$123,930,000 of authorized but unissued general obligation bonds. There are no authorized but unissued revenue bonds. The City is in compliance with all bond ordinances.

Fiscal Year Ending September 30,	Governmental		Business-type		Total	
	Principal	Interest	Principal	Interest	Principal	Interest
2018	\$ 11,110,578	\$ 6,044,666	\$ 6,565,809	\$ 4,068,442	\$ 17,676,387	\$ 10,113,108
2019	11,217,070	5,533,001	7,162,930	3,562,755	18,380,000	9,095,756
2020	11,054,526	5,213,037	6,975,474	3,311,113	18,030,000	8,524,150
2021	11,305,801	4,887,620	6,879,199	3,059,168	18,185,000	7,946,788
2022	11,137,875	4,547,279	7,047,125	2,799,369	18,185,000	7,346,648
2023-2027	53,776,397	16,731,380	33,558,603	10,105,395	87,335,000	26,836,775
2028-2032	38,770,493	8,438,492	23,314,507	4,748,498	62,085,000	13,186,990
2033-2037	28,506,859	2,499,218	15,091,662	1,273,610	43,598,521	3,772,828
	<u>\$ 176,879,599</u>	<u>\$ 53,894,693</u>	<u>\$ 106,595,309</u>	<u>\$ 32,928,350</u>	<u>\$ 283,474,908</u>	<u>\$ 86,823,043</u>

**General Obligation Debt**

A summary of tax-supported general obligation debt outstanding at September 30, 2017:

\$4,395,000, 2008 Combination tax & revenue certificates of obligation due in annual installments through August 15, 2028; interest at 3.5% to 4.625% (portion included below)	\$ 273,354
\$5,400,000, 2009 Combination tax & revenue certificates of obligation due in annual installments through August 15, 2029; interest at 3% to 5% (portion included below)	3,735,000
\$2,433,565, 2009 General obligation and Refunding bonds due in annual installments through August 15, 2029; interest at 2% to 4.5% (portion included below)	967,090
\$2,487,351, 2010 Combination tax & revenue certificates of obligation due in annual installments through August 15, 2029; interest at 1.75% to 4.15% (portion included below)	1,840,000
\$1,370,000, 2010 General obligation bonds due in annual installments through August 15, 2029; interest at 3% to 4.5%	1,010,000
\$11,930,000, 2010A General obligation bonds due in annual installments through August 15, 2030; interest at 2% to 3.5%	9,230,000
\$9,720,000, 2011 Combination tax & revenue certificates of obligation due in annual installments through August 15, 2031; interest at 2% to 4%	6,910,000
\$12,500,000, 2012 General obligation bonds due in annual installments through August 15, 2037; interest at 1.5% to 3.625%	11,040,000

**City of Georgetown, Texas**  
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\$1,650,000, 2012 Combination tax & revenue certificates of obligation due in annual installments through August 15, 2032; interest at 1.5% to 3.375% (portion included below)	\$ 957,500
\$1,016,532, 2012 General obligation and Refunding bonds due in annual installments through August 15, 2029; interest at 0.2% to 3.25% (portion included below)	673,460
\$12,500,000, 2012A General obligation bonds due in annual installments through August 15, 2037; interest at 2.0% to 3.25% (portion included below)	11,080,000
\$9,500,000, 2013 General obligation bonds due in annual installments through August 15, 2037; interest at 2.0% to 3.375% (portion included below)	8,005,000
\$9,646,983, 2013 General obligation and Refunding bonds due in annual installments through August 15, 2025; interest at 2.0% to 4.0% (portion included below)	6,758,580
\$4,800,000, 2014 General obligation bonds due in annual installments through August 15, 2034; interest at 2.0% to 3.60%	4,360,000
\$1,841,000, 2014 Combination tax & revenue certificates of obligation due in annual installments through August 15, 2034; interest at 3.00% to 3.625% (portion included below)	1,672,916
\$12,112,970, 2014 General obligation and Refunding bonds due in annual installments through August 15, 2027; interest at 2.00% to 4.00% (portion included below)	9,258,655
\$4,345,000, 2015 General obligation bonds due in annual installments through August 15, 2035; interest at 3.00% to 4.00%	4,060,000
\$3,175,000, 2015 Combination tax & revenue certificates of obligation due in annual installments through August 15, 2035; interest at 2.00% to 3.50% (portion included below)	2,725,000
\$4,042,295, 2015 General obligation and Refunding bonds due in annual installments through August 15, 2028; interest at 2.000% to 3.125% (portion included below)	3,003,135
\$11,875,000, 2015A General obligation bonds due in annual installments through August 14, 2035; interest at 2.000% to 3.300%	11,095,000
\$12,585,000, 2016 General obligation bonds due in annual installments through August 15, 2036; interest at 2.000% to 4.000%	12,190,000
\$6,085,000, 2016 Combination tax and revenue certificates of obligation due in annual installments through August 15, 2036; interest at 2.000% to 4.000% (portion included below)	5,800,000
\$4,014,840, 2016 General obligation and Refunding bonds due in annual installments through August 15, 2027; interest at 2.000% to 3.000% (portion included below)	3,031,176
\$8,555,000, 2017 General obligation bonds due in annual installments through August 15, 2037; interest at 3.125% to 5.000%	8,555,000
\$8,655,000, 2017 Combination tax and revenue certificates of obligation due in annual installments through August 15, 2037; interest at 3.000% to 5.000% (portion included below)	8,655,000
<b>Total</b>	<u>\$ 136,885,866</u>

**City of Georgetown, Texas**  
Notes to Financial Statements

A summary of self-supporting general obligation debt outstanding at September 30, 2017:

\$750,000, 2008 Combination tax & revenue certificates of obligation due in annual installments through August 15, 2028; interest at 3.5% to 4.625%; to be paid through monthly Stormwater Drainage fees charged to utility customers within City limits.	\$ 46,271
\$1,076,435, 2009 General obligation and Refunding bonds due in annual installments through August 15, 2029; interest at 2% to 4.5%; portion dedicated for Airport Improvements, \$58,375, to be paid with Airport fees. Portion dedicated for Stormwater Drainage Improvements, \$1,018,060 to be paid through monthly fees charged to utility customers within the City limits.	142,910
\$1,010,000, 2010 Combination tax & revenue certificates of obligation due in annual installments through August 15, 2029; interest at 1.75% to 4.15%; to be paid through monthly Stormwater Drainage fees charged to utility customers within City limits.	730,000
\$3,035,000, 2010 Combination tax & revenue certificates of obligation due in annual installments through August 15, 2019; interest at 1.75% to 3.1%; paid through Electric utility revenues.	785,000
\$1,650,000, 2012 Combination tax & revenue certificates of obligation due in annual installments through August 15, 2032; interest at 1.5% to 3.375%; designated for GTEC capital improvements to be paid through revenues from the ½ cent GTEC sales tax.	957,500
\$2,165,180, 2012 General obligation and Refunding bonds due in annual installments through August 15, 2029; interest at 0.2% to 3.25%; designated for GTEC capital improvements to be paid through revenues from the ½ cent GTEC sales tax.	1,434,448
\$5,233,289, 2012 General obligation and Refunding bonds due in annual installments through August 15, 2029; interest at 0.2% to 3.25%; paid through Electric utility revenues.	3,467,093
\$4,065,000, 2013 Combination tax & revenue certificates of obligation due in annual installments through August 15, 2033; interest at 2.0% to 3.25%; to be paid through Electric and Water utility revenues.	3,470,000
\$442,408, 2013 General obligation and Refunding bonds due in annual installments through August 15, 2025; interest at 2.0% to 4.0%; portion dedicated for Airport Improvements, \$254,219, to be paid with Airport fees. Portion dedicated for Stormwater Drainage Improvements, \$188,189 to be paid through monthly fees charged to utility customers within the City limits.	309,948
\$915,616, 2013 General obligation and Refunding bonds due in annual installments through August 15, 2025; interest at 2.0% to 4.0%; designated for GTEC capital improvements to be paid through revenues from the ½ cent GTEC sales tax.	641,472
\$459,000, 2014 Combination tax & revenue certificates of obligation due in annual installments through August 15, 2034; interest at 3.00% to 3.625% to be paid through monthly Stormwater Drainage fees charged to utility.	417,087

**City of Georgetown, Texas**  
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\$162,030, 2014 General obligation and Refunding bonds due in annual installments through August 15, 2027; interest at 2.00% to 4.00% portion dedicated for Airport Improvements, \$8,593, to be paid with Airport fees. Portion dedicated for Stormwater Drainage Improvements, \$153,438, to be paid through monthly fees charged to utility customers within City limit.	\$ 154,507
\$12,112,970, 2014 General obligation and Refunding bonds due in annual installments through August 15, 2027; interest at 2.00% to 4.00% designated for GTEC capital improvements to be paid through revenues from the ½ cent GTEC sales tax.	2,291,839
\$6,470,000, 2015 Combination tax & revenue certificates of obligation due in annual installments through August 15, 2035; interest at 2.00% to 3.60%; to be paid through annual ad valorem tax levied on all taxable property within the City.	6,470,000
\$675,297, 2015 General obligation and Refunding bonds due in annual installments through August 15, 2028; interest at 2.0% to 3.125%; portion dedicated for Airport Improvements, \$188,168, to be paid with Airport fees. Portion dedicated for Stormwater Drainage Improvements, \$487,129 to be paid through monthly fees charged to utility customers within the City limits.	501,660
\$1,642,408, 2015 General obligation and Refunding bonds due in annual installments through August 15, 2028; interest at 2.0% to 3.125%; designated for GTEC capital improvements to be paid through revenues from the ½ cent GTEC sales tax.	1,220,185
\$3,070,000, 2015 Combination tax & revenue certificates of obligation due in annual installments through August 15, 2035; interest at 2.00% to 3.50%; portion dedicated for Airport Improvements, \$865,000, to be paid with Airport fees. Portion dedicated for Stormwater Drainage Improvements, \$2,205,000 to be paid through monthly fees charged to utility customers within the City limits.	2,855,000
\$745,000, 2015 Combination tax & revenue certificates of obligation due in annual installments through August 15, 2035; interest at 2.00% to 3.50%; paid through water utility revenues.	690,000
\$10,720,000, 2016 Combination tax and revenue certificates of obligation due in annual installments through August 15, 2036; interest at 2.000% to 3.000%; designated for GTEC capital improvements to be paid through revenues from the 1/2 cent GTEC sales tax.	10,380,000
\$1,645,000, 2016 Combination tax and revenue certificates of obligation due in annual installments through August 15, 2036; interest at 2.000% to 3.000%; to be paid through annual ad valorem tax levied on all taxable property within the TIRZ.	1,590,000
\$240,000, 2016 Combination tax and revenue certificates of obligation due in annual installments through August 15, 2036; interest at 2.000% to 3.000%; to be paid through monthly Stormwater Drainage fees charged to utility customers within City Limits.	230,000
\$3,410,291, 2016 General obligation and refunding bonds due in annual installments through August 15, 2027; interest at 2.000% to 2.500%; designated for GTEC capital improvements to be paid through revenues from 1/2 cent GTEC sales tax.	2,574,750

**City of Georgetown, Texas**  
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\$84,863, 2016 General obligation and refunding bonds due in annual installments through August 15, 2027; interest at 2.000% to 3.000%; portion dedicated for Airport Improvements, \$4,506, to be paid with Airport fees. Portion dedicated for Stormwater Drainage Improvements \$80,367 to be paid through monthly fees charged to utility customers within City limits.	64,372
\$5,750,000, 2017 Combination tax and revenue certificates of obligation due in installments through August 15, 2037; interest at 3.000% to 5.000%; designated for GTEC capital improvements to be paid through revenues from 1/2 cent GTEC sales tax.	\$ 5,750,000
Subtotal self-supported general obligation debt	<u>47,174,042</u>
<b>Total outstanding general obligation debt as of September 30, 2017</b>	<b><u>\$ 184,059,908</u></b>
This amount is reported in the government-wide statements of activities as:	
Governmental activities	\$ 170,194,599
Business-type activities	<u>13,865,309</u>
	<b><u>\$ 184,059,908</u></b>

**B. Sales Tax Revenue Debt – Georgetown Transportation Enhancement Corporation**

A summary of sales tax revenue debt outstanding at September 30, 2017 follows:

\$7,755,000, 2015 Senior lien sales tax revenue bonds due in annual installments through August 15, 2027; interest at 2.00% to 4.00%; repaid with 1/2 cent sales tax revenue	\$ 6,685,000
<b>Total outstanding sales tax revenue debt as of September 30, 2017</b>	<b><u>\$ 6,685,000</u></b>

**C. Discretely Presented Component Unit**

Georgetown Economic Development Corporation (GEDCO) participated in the City's issuance of \$18,690,000 Combination Tax and Revenue Certificates of Obligation, Series 2016 and is obligated to pay the City its portion of the principal and interest for the certificates, through 2036. Additionally, GEDCO has received a loan from the Water Services Fund as part of a tri-party agreement for economic development.

Repayment of GEDCO's outstanding long-term liabilities is as follows at September 30, 2017:

Fiscal Year Ending	GEDCO	
	Principal	Interest
2018	\$ 215,485	\$ 113,697
2019	200,568	108,226
2020	511,948	165,164
2021	323,956	95,537
2022	125,000	77,769
2023-2027	705,000	306,844
2028-2032	810,000	196,581
2033-2037	750,000	57,000
	<u>\$ 3,641,957</u>	<u>\$ 1,120,818</u>

**City of Georgetown, Texas**  
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**D. Revenue Debt**

A summary of revenue bonds outstanding at September 30, 2017:

\$10,120,000, 2010 Utility System Revenue bonds due in annual installments through August 15, 2029; interest at 3% to 4%	\$ 7,525,000
\$7,715,000, 2012 Utility System Revenue & Refunding bonds due in annual installments through August 15, 2023; interest at 2% to 4%	4,675,000
\$11,855,000, 2014 Utility System Revenue & Refunding bonds due in annual installments through August 15, 2027; interest at 2% to 4%	10,120,000
\$13,000,000, 2014 Utility System Revenue bonds due in annual installments through August 15, 2034; interest at 2% to 4%	11,830,000
\$5,350,000, 2014 Utility System Revenue bonds due in annual installments through August 15, 2031; interest at 1% to 4%	4,610,000
\$10,920,000, 2015 Utility System Revenue & Refunding bonds due in annual installments through August 15, 2035; interest at 3.00% to 3.75%	10,205,000
\$9,620,000, 2016 Utility System Revenue bonds due in annual installments through August 15, 2036; interest at 2.000% to 4.000%.	9,330,000
\$6,925,000, 2016 Utility System Revenue bonds due in annual installments through August 15, 2028; interest at 3.000% to 4.000%	6,520,000
\$27,915,000, 2017 Utility System Revenue bonds due in annual installments through August 15, 2037; interest at 3.000% to 4.000%	<u>27,915,000</u>
<b>Total outstanding revenue debt as of September 30, 2017</b>	<u><u>\$ 92,730,000</u></u>

All net revenues of the electric and water services system are pledged for the payment of debt service for the revenue bonds. Net revenues, as defined by the various bond ordinances, include income and revenues derived from the operation of the system, after deduction of the amount necessary to pay all operating, maintenance, replacement, and betterment charges of the system.

These bond ordinances require that the net revenues, as defined, equal at least 1.25 times the average annual debt service on all revenue bonds. The City complied with this requirement at September 30, 2017.

**Note 7. Defined Benefit Pension Plan**

**A. Plan Description**

The City participates as one of 866 plans in the nontraditional, joint contributory, hybrid defined benefit pension plan administered by the Texas Municipal Retirement System (TMRS). TMRS is an agency created by the State of Texas and administered in accordance with the TMRS Act, Subtitle G, Title 8, Texas Government Code (the TMRS Act) as an agent multiple-employer retirement system for municipal employees in the State of Texas. The TMRS Act places the general administration and management of the System with a six-member Board of Trustees. Although the Governor, with the advice and consent of the Senate, appoints the Board, TMRS is not fiscally dependent on the State of Texas. TMRS's defined benefit pension plan is a tax-qualified plan under Section 401 (a) of the Internal Revenue Code. TMRS issues a publicly available comprehensive annual financial report (CAFR) that can be obtained at [www.tmrs.com](http://www.tmrs.com).

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



**City of Georgetown, Texas**  
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**B. Benefits Provided**

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

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

A summary of plan provisions for the City are as follows:

Employee deposit rate	7%
Matching ratio (City to employee)	2 to 1
Years required for vesting	5
Service retirement eligibility	20 years at any age, 5 year: at age 60 and above
Updated Service Credit	75% Repeating
Annuity Increase to retirees	50% of CPU Repeating

**Employees Covered by Benefit Terms**

At the December 31, 2015 valuation and measurement date, the following employees were covered by the benefit terms:

Retirees or beneficiaries currently receiving benefits	161
Inactive employees entitled to but not yet receiving benefits	208
Active employees	<u>630</u>
	<u><u>999</u></u>

**C. Contributions**

The contribution rates for employees in TMRS are either 5%, 6%, or 7% of employee gross earnings, and the city matching percentages are either 100%, 150%, or 200%, both as adopted by the governing body of the city. Under the state law governing TMRS, the contribution rate for each city is determined annually by the consulting actuary, using the Entry Age Normal (EAN) actuarial cost method. The actuarially determined rate is the estimated amount necessary to finance the cost of benefits earned by employees during the year, with an additional amount to finance any unfunded accrued liability.

Employees for the City of Georgetown were required to contribute 7% of their annual gross earnings during the fiscal year. The contribution rates for the City of Georgetown were 11.47% and 12.43% in calendar years 2016 and 2017, respectively. The City's contributions to TMRS for the year ended September 30, 2017 were \$5,172,343 and were equal to the required contributions.

**D. Net Pension Liability**

The City's Net Pension Liability (NPL) was measured as of December 31, 2016, and the Total Pension Liability (TPL) used to calculate the Net Pension Liability was determined by an actuarial valuation as of that date.

**City of Georgetown, Texas**  
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**Actuarial Assumptions**

The Total Pension Liability in the December 31, 2016 actuarial valuation was determined using the following actuarial assumptions:

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

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

Actuarial assumptions used in the December 31, 2016 valuation were based on the results of actuarial experience studies. This experience study in TMRS was for the period December 31, 2010 through December 31, 2014. Healthy post-retirement mortality rates and annuity purchase rates were updated based on a Mortality Experience Investigation Study covering 2009 through 2011, and dated December 31, 2013. These assumptions were first used in the December 31, 2013 valuation, along with a change to the Entry Age Normal (EAN) actuarial cost method. Assumptions are reviewed annually. No additional changes were made for the 2016 valuation. After the Asset Allocation Study analysis and experience investigation study, the Board amended the long-term expected rate of return on pension plan investments from 7% to 6.75% in 2015. Plan assets are managed on a total return basis with an emphasis on both capital appreciation as well as the production of income, in order to satisfy the short-term and long-term funding needs of TMRS.

**City of Georgetown, Texas**  
Notes to Financial Statements

The long-term expected rate of return on pension plan investments was determined using a building-block method in which best estimate ranges of expected future real rates of return (expected returns, net of pension plan investment expense and inflation) are developed for each major asset class. These ranges are combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and by adding expected inflation. The target allocation and best estimates of real rates of return for each major asset class in fiscal year 2017 are summarized in the following table.

Asset Class	Target Allocation	Long-term Expected Real Rate of Return (Arithmetic)
Domestic equity	17.5%	4.55%
International equity	17.5%	6.35%
Core fixed income	10.0%	1.00%
Non-core fixed income	20.0%	4.15%
Real return	10.0%	4.15%
Real estate	10.0%	4.75%
Absolute return	10.0%	4.00%
Private equity	5.0%	7.75%
<b>Total</b>	<b>100.0%</b>	

**Discount Rate**

The discount rate used to measure the Total Pension Liability was 6.75%. The projection of cash flows used to determine the discount rate assumed that employee and employer contributions will be made at the rates specified in statute. Based on that assumption, the pension plan's Fiduciary Net Position was projected to be available to make all projected future benefit payments of current active and inactive employees. Therefore, the long-term expected rate of return on pension plan investments was applied to all periods of projected benefit payments to determine the Total Pension Liability.

**City of Georgetown, Texas**  
Notes to Financial Statements

**Changes in Net Pension Liability**

	Increase (Decrease)		
	Total Pension Liability	Plan Fiduciary Net Position	Net Pension Liability
	(a)	(b)	(a) - (b)
Balance at December 31, 2015	\$ 117,620,067	\$ 94,619,197	\$ 23,000,870
Changes for the year			
Service cost	6,387,917	-	6,387,917
Interest	8,051,567	-	8,051,567
Change of benefit terms	-	-	-
Difference between expected and actual experience	486,906	-	486,906
Changes of assumptions	-	-	-
Contributions - employer	-	4,630,015	(4,630,015)
Contributions - employee	-	2,798,414	(2,798,414)
Net investment income	-	6,398,399	(6,398,399)
Benefit payments, including refund of employee contributions	(3,063,089)	(3,063,089)	-
Administrative expense	-	(72,218)	72,218
Other changes	-	(3,891)	3,891
Net changes	11,863,301	10,687,630	1,175,671
<b>Balance at December 31, 2016</b>	<b>\$ 129,483,368</b>	<b>\$ 105,306,827</b>	<b>\$ 24,176,541</b>

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

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

	1% Decrease in Discount Rate (5.75%)	Discount Rate (6.75%)	1% Increase in Discount Rate (7.75%)
City's net pension liability	\$ 44,865,350	\$ 24,176,541	\$ 7,333,368

**Pension Plan Fiduciary Net Position**

Detailed information about the pension plan's Fiduciary Net Position is available in a separately-issued TMRS financial report. That report may be obtained on the Internet at [www.tmr.com](http://www.tmr.com).

**City of Georgetown, Texas**  
Notes to Financial Statements

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

For the year ended September 30, 2017, the City recognized pension expense of \$5,356,114.

At September 30, 2017, the City reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	Deferred (Inflows) Outflows of Resources
Differences between expected and actual economic experience	\$ 1,082,032
Changes in actuarial assumptions	1,375,020
Difference in projected and actual investment earnings	4,114,598
Contributions subsequent to the measurement date	<u>3,833,044</u>
<b>Total</b>	<u>\$ 10,404,694</u>

Deferred outflows of resources related to pensions resulting from contributions subsequent to the measurement date of \$3,833,044 will be recognized as a reduction of the net pension liability for the measurement year ending December 31, 2017 (i.e. recognized in the city's financial statements September 30, 2018). Other amounts reported as deferred outflows and inflows of resources related to pensions will be recognized in pension expense as follows:

Measurement Year Ended December 31,	
2017	\$ 1,965,321
2018	1,965,319
2019	1,755,566
2020	517,884
2021	309,648
Thereafter	<u>57,912</u>
	<u>\$ 6,571,650</u>

**Note 8. Other Post-Employment Benefits (OPEB)**

In addition to the contributions made to TMRS, the City provides certain other post-employment benefits (OPEB) to its retirees and dependents through its health insurance provider, an agent multiple-employer system. Full time employees of the City of Georgetown are eligible to receive continued health benefits and dental and vision coverage for the person and the person's dependents unless anyone is eligible for coverage through another employer. Retirees of the City are eligible to continue with coverage at the same level they had during employment. Retirees are eligible at age 60 with 5 years of services or at any age with 20 years of service. Other post-employment benefit levels for retirees are the same as coverage provided to active City of Georgetown employees in accordance with the terms and conditions of the current City of Georgetown Health Plan.

**City of Georgetown, Texas**  
Notes to Financial Statements

Other post-employment benefits are funded on a pay-as-you-go basis. The City recognizes the cost of providing these benefits as an expense on the government wide statements. The estimated obligation of providing these benefits was \$1,148,194 in 2017, according to a report on the results of the actuarial valuation of assets and benefits values associated with OPEB requirements. This is an increase of \$175,618 over last year's obligation of \$972,576.

The Projected Unit Credit actuarial cost method is used to calculate the GASB ARC for the City's retiree health care plan. Using the plan benefits, the present health premiums and a set of actuarial assumptions, the anticipated future payments are projected. The projected unit credit method then provides for a systematic recognition of the cost of these anticipated payments.

The yearly ARC is computed to cover the cost of benefits being earned by covered members as well as to amortize a portion of the unfunded accrued liability.

A copy of the Actuarial Valuation Report for the Employee Retirement Benefit Program may be obtained by contacting Gabriel, Roeder, Smith & Company at 5605 N. MacArthur Blvd., Suite 870, Irving, Texas 75038-2631.

**Annual Other Post-employment Benefits Cost and Net OPEB (Obligation) Asset**

The City's annual OPEB cost is calculated based on the annual required contribution (ARC) of the employer, an amount actuarially determined in accordance within the parameters of GASB Statement No. 45, *Accounting and Financial Reporting by Employers for Benefits Other than Pensions* (GASB 45). The ARC represents a level of accrual that is projected to recognize the normal cost each year and to amortize any unfunded actuarial liabilities (or funding excess) over a period not to exceed 30 years.

The annual OPEB cost for the City's retiree benefits for the fiscal year ended September 30, 2017 and previous three years, is as follows:

	2017	2016	2015
Annual required contribution	\$ 222,794	\$ 216,305	\$ 199,669
Interest in OPEB obligation	38,602	31,468	28,216
Adjustment to ARC	<u>(37,597)</u>	<u>(30,354)</u>	<u>(26,142)</u>
Annual OPEB cost (expense) end of year	223,799	217,419	201,743
Contributions made (pay as you go)	<u>(48,482)</u>	<u>(31,242)</u>	<u>(42,073)</u>
Increase in net OPEB obligation	175,317	186,177	159,670
Net OPEB obligation, beginning of year	<u>972,576</u>	<u>786,700</u>	<u>627,030</u>
<b>Net OPEB obligation, end of year</b>	<b><u>\$ 1,147,893</u></b>	<b><u>\$ 972,877</u></b>	<b><u>\$ 786,700</u></b>

**City of Georgetown, Texas**  
Notes to Financial Statements

**Assumptions**

	<u>OPEB</u>
Actuarial valuation date	December 31, 2015
Actuarial cost method	Projected unit credit cost method
Amortization method	Level as percent of payroll
Remaining amortization period	30 years, open amortization
Assumed rate of return on investments	4.0% net of expenses
Health care cost trend rate	Initial rate of 7.5% declining to an ultimate rate of 4.25% after 14 years
Payroll growth	3.0% per annum
Inflation rate	2.5% per annum

The projected unit credit actuarial cost method is used to calculate the GASB 45 ARC for the City's OPEB. Using the plan benefits, the present health premiums and a set of actuarial assumptions, the anticipated future benefits are projected. The project unit credit method then provides for a systemic recognition of the cost of these anticipated payments. The yearly ARC is computed to cover the cost of benefits being earned by covered members as well as to amortize a portion of the unfunded accrued liability. Projections of health benefits are based on the plan as understood by the City and include the types of benefits in force at the valuation date and the pattern of shared benefit costs between the City and its employees to that point. Actuarial calculations reflect a long-term perspective and employ methods and assumptions that are designed to reduce short-term volatility in actuarial accrued liabilities and the actuarial value of assets. Significant methods and assumptions used are described in the table above.

Actuarial valuations for OPEB plans involve estimates of the value of reported amounts and assumptions about the probability of events in the future. Amounts determined regarding the funded status and the ARC of the City's retiree health care plan are subject to continual revision as actual results are compared to past expectations and new estimates are made about the future. The required schedule of funding progress presented as required supplementary information provides multiyear trend information that shows whether the actuarial value of plan assets is increasing or decreasing over time relative to the actuarial accrued liability for benefits. The City's annual OPEB cost, the percentage of annual OPEB cost contributed to the plan, and the net OPEB obligation for 2017 and the two preceding years are as follows:

Year Ended September 30,	Annual OPEB Cost	Employer Contributions	Net OPEB Obligation End of Year	Percentage of Annual OPEB Cost Contributed
2015	\$ 201,743	\$ 42,073	\$ 786,700	20.9%
2016	217,419	31,242	972,877	14.4%
2017	223,799	48,482	1,147,893	21.7%

**City of Georgetown, Texas**  
Notes to Financial Statements

**Funded Status**

The funded status of the City's OPEB plan under GASB 45 for the past three years is as follows:

Actuarial Valuation as of December 31,	Actuarial Value of Assets	Actuarial Accrued Liability	Unfunded Actuarial Accrued Liability (UAAL)	Funded Ratio	Annual Covered Payroll	Percentage of UAAL for Covered Payroll
2014	\$ -	\$ 1,615,808	\$ 1,615,808	0%	\$32,235,133	5%
2015	-	1,565,706	1,565,706	0%	34,616,326	5%
2016	-	1,565,706	1,565,706	0%	36,878,731	4%

Under GASB 45, the City's retiree health care plan is 0.0% funded with an estimated actuarial accrued liability exceeding actuarial assets \$1,565,706 at December 31, 2016. As of that date, the ratio of the unfunded actuarial accrued liability to annual covered payroll is 5.0%.

**Note 9. Risk Management**

Health Benefits – On January 1, 2014, the City began a self-funded insurance program for provision of employee health insurance. In fiscal year 2017, the City made contributions to cover 85% of the employees' costs for medical plan premiums. The employees authorized payroll withholdings to pay the remainder contributions for themselves, and their family members, if elected.

In accordance with state statute, the City maintains a catastrophic loss insurance policy (stop-loss policy), which reimburses the City for annual claims totaling over \$150,000 per covered individual. For the fiscal year ended 2017, the City received insurance settlements totaling approximately \$571,046. The City made no significant reductions in insurance coverage and no settlements have exceeded insurance coverage for the 2017 fiscal year. The City's contributions for the self-insurance during the year totaled \$6,395,033. Estimates of claims payable and of claims incurred but not reported at September 30, 2017 are reflected as accrued expenses of the fund. The liabilities include an amount for claims that have been incurred but were not reported until after September 30, 2017. Because actual claims liabilities depend on such complex factors such as inflation, changes in legal requirements, and damage awards, the process used in computing claims liability is an estimate that could materially change when the claims are ultimately finalized. Analysis of claims liability for the fiscal year 2017 is as follows:

Unpaid claims, beginning of year	\$	196,035
Incurred claims		5,272,579
Claim payments		(5,081,725)
<b>Unpaid claims, end of year</b>	<b>\$</b>	<b>386,889</b>

**Note 10. Deferred Compensation Plan**

The City offers its employees a deferred compensation plan in accordance with Internal Revenue Code Section 457. The plan, available to all City employees, permits them to defer a portion of their salary until future years. Participation in the plan is optional. The deferred compensation is not available to employees until termination, retirement, death or an unforeseeable emergency.



**Note 11. Commitments and Contingencies**

The City is the defendant in a number of lawsuits arising principally in the normal course of operations. In the opinion of management, the outcome of these lawsuits are only reasonably possible to have a material adverse effect on the accompanying combined financial statements, and, as no reasonable estimate can be made no provision for losses has been recorded.

The City has the following long-term agreements, which represent significant commitments:

**A. Wholesale Power Agreements**

On May 21, 2014, the City settled its lawsuit with the Lower Colorado River Authority (LCRA) that was originally filed in September 2012 regarding its wholesale power agreement (WPA). At that time, Georgetown Utility System (GUS) began to actively manage its energy supply. This settlement ended all future appeals and trials, and cleared the way for the City to secure future power from other sources.

Prior to terminating the WPA with LCRA, GUS received almost 90% of its power needs from LCRA, but also had existing contracts with several other suppliers. Beginning on September 13, 2012 GUS began receiving energy from its other suppliers to replace the energy LCRA had planned to serve. GUS also extended its active management of its daily energy supply to cover the larger market exposures, congestion issues, and real time settlements that LCRA previously handled. The City is currently using its long term wind power arrangements with American Electric Power (AEP), until 2028, and Électricité de France Renewable Energy (EDF-RE), until 2035, as well as balancing energy and settlements with Mecuria Energy America (MEA) and Garland Power & Light (GP&L).

The City has secured a long term solar power based contract with NRG, and expects to begin receiving that power on July 1, 2018, through 2043. The City expects to be able to maintain low energy rates over the next two decades with these contracts in place. The City began retiring Renewable Energy Credits (RECs) produced by the wind farms against 100% of the Utility's consumption to officially make all of its customers 100% renewable as of April 2017.

**B. Brazos River Authority (BRA) Water Contracts**

Effective September 1, 2001, the City revised its previous water availability agreements with the BRA to further plan for future water needs and to standardize the pricing to a system-wide rate. The effective system-wide rate for BRA's fiscal year beginning September 1, 2017 is \$74 per acre-foot and the City paid a total of \$3,194,701 for water during the fiscal year. The City has two separate agreements with the BRA as follows:

- (1) *Lake Georgetown Water* – This agreement, effective September 1, 2001 and expiring August 31, 2050, requires BRA to make available to the City 6,720 acre-feet of water per year at BRA's system wide rate. The City paid \$464,800 for water under this agreement in fiscal year 2017.
- (2) *Lake Stillhouse Hollow Water* – This agreement, effective September 1, 2001 and expiring August 31, 2040, requires BRA to make available to the City 38,987 acre-feet of water per year at BRA's system wide rate. The City paid \$2,729,901 for water under this agreement in fiscal year 2017.

**City of Georgetown, Texas**  
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**C. Brazos River Authority – Williamson County Regional Raw Water Line Agreement**

The City is a party to an agreement dated June 30, 1986, with the Brazos River Authority (BRA), City of Round Rock, Jonah Water Special Utility District, and Chisholm Trail Special Utility District (CTSUD). The Brazos River Authority designed, constructed, owns, and operates a pipeline to transport water from Lake Stillhouse Hollow to Lake Georgetown to benefit the parties in the agreement. Total project construction cost for the raw water line was approximately \$40,000,000. In 2007, BRA refunded a portion of the original \$89,000,000 in debt, leaving approximately \$69,000,000 outstanding debt, including principal and interest. Each participant agreed to pay for the annual cost of debt and operations of the line. The City's obligation is \$50,500,000, including principal and interest, to be repaid annually through 2032. The amount for fiscal year 2017 was \$1,835,374.

The following schedule reflects the principal portion of the City's obligation:

Year Ending September 30,	
2018	\$ 1,834,234
2019	1,818,222
2020	2,371,890
2021	2,277,352
2022-2032	21,900,323
	<u>\$ 30,202,021</u>

As part of the CTSUD acquisition that occurred on September 12, 2014, the City assumed the ownership interest and related obligations of CTSUD's portion of this project.

**D. Chisholm Trail Special Utility District Service Area Operations and Management Agreement**

In November 2013, the City began managing the Chisholm Trail Special Utility District awaiting regulatory approval of the merger of CTSUD with the City. On September 12, 2014, the City and CTSUD entered into an Asset Transfer and Utility System Consolidation Agreement in which the City began providing water utility services on behalf of CTSUD. Upon the close of this agreement, all CTSUD's assets (less \$500,000 that was to remain with CTSUD), and all liabilities were transferred to the City, and CTSUD's outstanding debt was defeased. The Certificate of Convenience Necessity (CCN) for the area served by CTSUD was not transferred to the City as part of this transaction.

Therefore, in conjunction with this transfer, the City and CTSUD entered into a Service Area Operations and Management Agreement in which the City began providing water utility services on behalf of CTSUD to all customers within the CTSUD CCN. Under this agreement, CTSUD formally adopted the service policies, rates, and fees of the City. The City then bills, collects, and retains water service revenue from CTSUD customers, except for a portion that is remitted to CTSUD Board to offset on-going operational costs. The transfer of the CTSUD CCN from CTSUD to the City of Georgetown received regulatory approval in January 2016. While there has been some legal challenge of the transfer, the City is now the owner and operator of the CCN formerly owned by CTSUD.

## **City of Georgetown, Texas**

### Notes to Financial Statements

#### **E. Georgetown Village Public Improvement District**

In 1999, the City of Georgetown created the Georgetown Village Public Improvement District No. 1, pursuant to Chapter 372 of the Texas Local Government Code. The City is required to construct and provide operation, repair, and maintenance of parks, recreational facilities, alleyways, lighting, landscaping and related improvements to the district that are above the standards that are met elsewhere in the City. Property owners are assessed an annual maintenance assessment of \$0.20 per \$100 valuation. Assessment revenue of \$334,925 was recognized for 2017. As of September 30, 2017, all costs associated with the Georgetown Village Public Improvement District have been reimbursed.

#### **F. Cimarron Hills Public Improvement District**

In May 2000, the City and Paloma Cimarron Hills, L.P. entered into a development agreement for a 606 home, 813 acre subdivision within the City's Extraterritorial Jurisdiction (ETJ). As part of this agreement, the City created the Cimarron Hills PID to reimburse the developer for costs of certain infrastructure improvements. Each lot within the development is assessed an annual fee based on its type of usage. The City also collects a per unit transportation fee which will be used to fund necessary roadway improvements and bridge crossings in the area. As of September 30, 2017, 316 lots had been sold and 225 homes had been completed for this development. PID assessment collection began in 2002. In 2017, PID assessments were \$417,185. The developer was reimbursed \$415,179 from current year collections and available fund balance. The assessments and related disbursements are recorded in the Agency Funds.

#### **G. Wolf Ranch Towne Center**

In July 2003, the City approved a development agreement with Simon Properties for the 750,000 sq. ft. Wolf Ranch Towne Center. The project includes Target and 70 other retailers and restaurants. The City's development agreement with Simon includes a sales tax rebate allowable under Chapter 380 of the Texas Local Government Code. Fifty-three percent of the 1% general operating sales tax revenue generated at the development is rebated to Simon as an economic development incentive. This arrangement continues for 20 years or up to \$15,000,000, which funds the public on-site improvements paid by Simon.

As part of the agreement, the City provided utility improvements to the site, as well as, funded \$10,500,000 of highway improvements for the project. The \$10,500,000 was funded with debt to be repaid by Georgetown Transportation Enhancement Corporation (GTEC). Improvements to SH 29, as well as, provide the frontage road for IH-35 were constructed as part of this project. As of September 30, 2017, \$6,685,000 of GTEC debt was outstanding for this project. GTEC collects ½ of 1% sales tax, therefore, per the agreement, all related debt service for the GTEC issued bonds, were to be funded with 53% of GTEC (½%) of sales tax generated within the project.

**City of Georgetown, Texas**  
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**H. Wolf Ranch Public Improvement District (PID)**

In June 2004, the City created Wolf Ranch Public Improvement District (PID) that included all property owned by Simon within the Wolf Ranch development at that time. The purpose of the PID was to provide a backstop for the City. In the event that revenues from the project were insufficient to fund any outstanding debt related to the project, an assessment would be levied against the property in the PID to protect the City from potential revenue shortfalls. Should revenues meet or exceed expectations, no assessment is made. If revenues did not meet expectations, an assessment was made. Any accrued assessment was charged 10% interest until paid. Since inception, the development has not generated enough in GTEC revenues to fund the GTEC debt service requirements under the Agreement. Therefore, an assessment was levied and related interest charges accrued. As a practical matter, the sales tax rebate due to Simon under the 380 agreement is netted against the PID assessment payable. As of September 30, 2017, the balance due from Simon to the PID is \$1,056,147, of which \$301,626 is interest. In addition, the PID has a \$587,298 obligation to the General Fund for the first year assessment, when the General Fund transferred cash to GTEC to fund the Wolf Ranch debt service.

**I. Gateway Tax Increment Reinvestment Zone (TIRZ)**

This was established in November 2006 to fund improvements needed for redevelopment of the Williams Drive gateway area. A master plan for the area was developed in 2006, with implementation planned for future years. For the year ending September 30, 2017, total revenues were \$40,449 with no expenditures.

**J. Downtown Tax Increment Reinvestment Zone (TIRZ)**

This was established in 2004 to fund improvements in the downtown overlay district to assist in funding the downtown master plan. For the year ending September 30, 2017, total revenues were \$222,762 with total expenditures of \$48,181.

**K. Rivery Park Tax Increment Reinvestment Zone (TIRZ)**

This was established in 2008 to fund a convention center/hotel complex, as well as, an expansion to Rivery Park. In January 2014, the City entered into agreements for a 220-room Sheraton hotel and conference center at the 32-acre Rivery site for the development of the Summit at Rivery Park (Rivery) project. This project includes a 16,000 square-foot conference center that can accommodate up to 4,500 people and a public parking garage. Plans for the project include future phases with retail stores, restaurant sites, single-family homes, and multifamily residences for a total project investment of \$150,000,000 including \$65,000,000 for the hotel, conference center, and parking garage. Private investors will fund most of the project costs.

A total of \$16,800,000 in future City and County property taxes generated at the site will be used to reimburse the City and the developer for the cost of the hotel and conference center, parking garage, and other public improvements. This includes \$12,500,000 of investments by the City and its related entities including GEDCO and GTEC.

In December 2014, the city council extended the construction and completion dates for the various development agreements for the project. Ground breaking occurred in February 2015, while the grand opening occurred on July 28, 2016.

## **City of Georgetown, Texas**

### Notes to Financial Statements

The City and Williamson County agreed to reimburse up to \$25,000,000 for the project. The City will contribute 100% and Williamson County will contribute 80% of their respective incremental ad valorem tax valuation generated at the 32-acre site to fund the project. The City will remit half of the 1% City sales tax generated at the site to Williamson County as part of the agreement. For the year ending September 30, 2017, total revenues were \$472,793 with total expenditures of \$341,340.

#### **L. South Georgetown Tax Increment Reinvestment Zone (TIRZ)**

The TIRZ is expected to fund up to \$50,000,000 of public improvements through December 2044, with an estimated future assessed valuation within the TIRZ in excess of \$573,000,000. The City is currently in negotiations with landowners and developers in the area to facilitate and leverage the TIRZ improvements to ensure the success of the project. For the year ending September 30, 2017, total revenues were \$127,574 with expenditures of \$25,000.

#### **M. Chapter 552 Infrastructure Financing Reimbursement Agreement**

In August 2014, the City entered into a Chapter 552 Infrastructure Financing/Reimbursement Agreement for the Hillwood Wolf Ranch Development Project. This agreement is one of several associated with this project which included the City's consent to the creation of an In-City Municipal Utility District (MUD) to finance the costs of various improvements. This Chapter 552 agreement, allowable under Chapter 552 of the Local Government Code, facilitates the reimbursement of up to \$25,000,000 to the MUD for construction of specified public improvements within the Hillwood Wolf Ranch development. The annual repayment amount is funded from City ad valorem tax revenues received by the City for property within the MUD at a rate of \$0.15/per \$100 assessed valuation. The terms of this Chapter 552 Agreement continue until dissolution of the MUD or the date on which the City pays the maximum reimbursement amount of \$25,000,000, whichever occurs first. Total reimbursement accrued in FY2017 is \$7,717.

#### **N. Garey Park Trust**

In June 2014, the City entered into a memorandum of understanding (MOU) whereby Alan Jack Garey donated his 525-acre ranch and home, on the conditions that the property shall be used exclusively as a public park and recreational facility for the benefit of all residents of the City of Georgetown and surrounding areas. The Garey's deeded 321.45 acres of land to the Texas Parks and Recreation Foundation, in trust for the benefit of the City. The City has an approved lease and agreement with Texas Parks and Recreation Foundation concerning these 321.45 acres. The final 206.57 acres of land, and the house, was deeded to the City. In January 2016, the City entered into the final amendment to the MOU. Construction began on the park in April 2017 and is scheduled to open late Spring – early Summer of 2018.

#### **O. Grants**

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

## City of Georgetown, Texas

### Notes to Financial Statements

#### P. Litigation

The City is involved in various legal actions in which claims of varying amounts are being asserted against the City. The City follows the practice of providing for these claims only when they become probable and reasonably determinable in amount. In the opinion of City management, these actions will not result in a significant change in the City's financial position.

#### Q. Construction Contracts

Encumbrances on construction projects in progress as of September 30, 2017 are approximately \$17,816,058 for Governmental Funds and approximately \$18,908,293 for Enterprise Funds.

#### Note 12. Financial Hedging

In an effort to mitigate the financial and market risk associated with the purchase of natural gas, energy, and congestion price volatility, the City has established a Risk Management Policy. This policy was authorized by the City Council to enter into forward contracts for natural gas, swaps, and congestion rights for the purpose of reducing exposure to natural gas, energy, and congestion price risk. Use of these types of instruments for the purpose of reducing exposure to price risk is performed as a hedging activity.

At September 30, 2017, the City had multiple outstanding contracts, with wholesale customers to provide power supply and/or qualified scheduling entity services. For the power supply customers, the City charges an energy charge which is based on the quantity of power supplied multiplied by a fixed price, or multiplied by a fixed heat rate and a fuel index price. In order to hedge the City's risk, the City has entered into corresponding power supply agreements with counterparties to hedge against energy price or heat rate fluctuation in the market. These contracts meet the definition of a derivative instrument as defined by GASB Statement No. 53, *Accounting and Reporting for Derivative Instruments* (GASB 53). However, these contracts meet the normal purchases and sales exemption of GASB 53 as the City intends to use the physical commodity in its normal utility operations to supply energy to its customers. Accordingly, these contracts are not within the scope of GASB 53 and are not recorded on the City's Statement of Net Position.

At September 30, 2017, the City maintains a \$1,000,000 Letter of Credit at the Electric Reliability Council of Texas (ERCOT) in lieu of maintaining an unsecured deposit with that agency to comply with fiscal surety requirements.

#### Risks

Credit Risk. The City's over-the-counter agreements for natural gas and energy expose the City to credit risk. In the event of default, the City's operations will not be materially affected. However, the City does not expect the counterparties to fail to meet their obligations. The City maintains contracts with contractual provisions under the EEI (Edison Electric Institute) and EPC (Energy Procurement Contract) agreements.

Termination Risk. Termination risk is the risk that a derivative will terminate prior to its scheduled maturity date due to a contractual event. Contractual events include illegality, tax and credit events upon merger and other events. The City's exposure to termination risk for over-the counter agreements is minimal due to the high credit rating of the counterparties, and the contractual provisions under the EEI and EPC agreements applied to these contracts. Termination risk is associated with all of the City's derivatives up to their fair value of the instrument.

## **City of Georgetown, Texas**

### Notes to Financial Statements

Netting Arrangements. The City enters into netting arrangements whenever it has entered into more than one derivative transaction with counterparty. Under the terms of these arrangements, should one party become insolvent or otherwise default on its obligations, close-out netting provisions permit the non-defaulting party to accelerate and terminate all outstanding transactions and net the transaction's fair values so that a single sum will be owed by or owed to the non-defaulting party.

#### **Note 13. Tax Abatements**

As of September 30, 2017 the City provides tax abatement to one entity. In November 2006, the City and Williamson County adopted a resolution stating they wanted to participate in a property tax abatement and entered into a 10-year tax abatement agreement with Citigroup, NA, Inc., (CNAI) who constructed a \$475,000,000 data center within the City, to abate ad valorem taxes under Chapter 312 of the Texas Tax Code. Section 312.002(a) provides for tax abatement agreements for both new facilities and structures and for the expansion or modernization of existing facilities and structures. The abatement began in tax year 2009 (fiscal year 2008/2009) and the abatement provides for a reduction of assessed values on the real property and the tangible personal property based on a percentage of adjusted value based on tax abatement schedule. A provisions still exists for recapturing abated taxes and includes the following: (1) if CNAI does not meet the minimum employment commitment in any year, the property will be considered taxable for the corresponding year and taxes must be reimbursed. To receive the abatement, CNAI committed to the construction of a new facility with a minimum capital investment of \$450,000,000, minimum employment commitment per tax abatement schedule, compliance with performance agreement with Georgetown Economic Development Corp (GEDCO) and minimum ad valorem tax payment of \$150,000 on any non-abated taxes due. The Georgetown Economic Development Corporation (GEDCO) also entered into an agreement with Citicorp, NA to fund \$1,300,000 of offsite wastewater improvements as an incentive for the creation of 50 jobs. The amount of the abatement for tax year 2016 (fiscal year 2016/2017) is \$102,600,000 of appraised market value. As a result of this tax abatement, total tax revenues were decreased by \$434,975 for the year ended September 30, 2017.

#### **Note 14. Subsequent Events**

In December 2017, the City issued a general obligation refunding bond, Series 2017 in the amount of \$12,940,000.

#### **Note 15. Future Financial Reporting Requirements**

The GASB has issued the following statements which will become effective in future years.

Statement No. 75, *Accounting and Financial Reporting for Postemployment Benefits Other Than Pensions* – This statement changes the focus of accounting of postemployment benefits other than pensions from whether they are responsibility funding the benefits over time to a point-in-time liability that is reflected on the employer's financial statements for any actuarially unfunded portion of benefits earned to date. This statement will become effective for the City in fiscal year 2018.



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## **Required Supplementary Information**

## City of Georgetown, Texas

Required Supplementary Information  
For the Fiscal Year Ended September 30, 2017

### Texas Municipal Retirement System – Schedule of Changes in Net Pension Liability and Related Ratios

	Measurement 2016	Measurement 2015	Measurement 2014
Total pension liability			
Service cost	\$ 6,387,917	\$ 5,660,967	\$ 4,549,949
Interest	8,051,567	7,402,393	6,747,717
Changes of benefit terms	-	-	-
Difference between expected and actual experience	486,906	903,470	71,207
Changes of assumptions	-	1,980,757	-
Benefit payments	(3,063,089)	(2,491,010)	(2,652,717)
Net change in total pension liability	11,863,301	13,456,577	8,716,156
Total pension liability - beginning	117,620,067	104,163,491	95,447,335
<b>Total pension liability - ending (a)</b>	<b>\$ 129,483,368</b>	<b>\$ 117,620,068</b>	<b>\$ 104,163,491</b>
Plan fiduciary net position			
Contributions - employer	\$ 4,630,015	\$ 4,371,324	\$ 3,800,520
Contributions - employee	2,798,414	2,592,095	2,256,459
Net investment income	6,398,399	132,967	4,694,918
Benefit payments	(3,063,089)	(2,491,010)	(2,652,717)
Administrative expense	(72,218)	(80,978)	(49,007)
Other	(3,891)	(4,000)	(4,029)
Net change in plan fiduciary net position	10,687,630	4,520,398	8,046,144
Plan fiduciary net position - beginning	94,619,197	90,098,799	82,052,655
Plan fiduciary net position - ending (b)	105,306,827	94,619,197	90,098,799
<b>Net pension liability - ending (a) - (b)</b>	<b>\$ 24,176,541</b>	<b>\$ 23,000,871</b>	<b>\$ 14,064,692</b>
Plan fiduciary net position as a percentage of total pension liability	81.33%	80.44%	86.50%
Covered employee payroll	\$ 39,775,322	\$ 37,121,089	\$ 32,235,133
Net pension liability as a percentage of covered employee payroll	60.78%	61.96%	43.63%

**City of Georgetown, Texas**

Required Supplementary Information – Continued

For the Fiscal Year Ended September 30, 2017

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

	September 30, 2017	September 30, 2016	September 30, 2015
Actuarially determined contribution	\$ 5,172,343	\$ 4,519,980	\$ 4,165,570
Contributions in relation to the actuarially determined contribution	5,172,343	4,519,980	4,165,570
<b>Contribution deficiency (excess)</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>
Covered employee payroll	\$ 39,775,322	\$ 37,121,089	\$ 32,235,133
Contributions as a percentage of covered employee payroll	13.00%	12.18%	12.92%

**City of Georgetown, Texas**

Required Supplementary Information - Continued  
 For the Fiscal Year Ended September 30, 2017

**Notes to TMRS Schedules**

TMRS schedules are intended to show information for 10 years, and future years' information will be displayed as it becomes available.

Valuation Date:

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

Methods and Assumptions Used to Determine Contribution Rates:

Actuarial Cost Method	Entry Age Normal
Amortization Method	Level Percentage of Payroll, Closed
Remaining Amortization Period	29 years
Asset Valuation Method	10 year smoothed market, 15.00% soft corridor
Inflation	2.50%
Salary Increases	3.50% to 10.50%, including inflation
Investment Rate of Return	6.75%
Retirement Age	Experience-based table of rates that are specific to the City's plan of benefits. Last updated for the 2015 valuation pursuant to an experience study of the period 2010 – 2014.
Mortality	RP2000 Combined Mortality Table with Blue Collar Adjustment with male rates multiplied by 109% and female rates multiplied by 103% and projected on a fully generational basis with scale BB.

There were no benefit changes during the year.

**Other Post-Employment Benefits**

Actuarial Valuation as of December 31,	Actuarial Value of Assets	Actuarial Accrued Liability	Unfunded Actuarial Accrued Liability (UAAL)	Funded Ratio	Annual Covered Payroll	Percentage of UAAL for Covered Payroll
2014	\$ -	\$ 1,615,808	\$ 1,615,808	0%	\$ 32,235,133	5%
2015	-	1,565,706	1,565,706	0%	34,616,326	5%
2016	-	1,565,706	1,565,706	0%	36,878,731	4%

Source: Gabriel Roeder Smith & Company, Actuarial Valuation Report

**Notes to Other Post-Employment Benefit Schedule**

Actuarial accrued liabilities for years ended 2013 and 2014 are based on a December 31, 2013 study.

Actuarial accrued liabilities for years ended 2015 and 2016 are based on a December 31, 2015 study.

## City of Georgetown, Texas

Required Supplementary Information – Continued  
For the Fiscal Year Ended September 30, 2017

### Modified Approach for Streets Infrastructure Capital Assets

GASB Statement 34 allows the City to use the Modified Approach with respect to infrastructure assets instead of depreciating these assets. The City Council adopted an average PCI level of 85, which is considered "good" condition for a street. The City's system for reporting assets is fully discussed in Note 1(m) of the notes. The following is additional information for the City's streets infrastructure for fiscal year 2017. This information is updated every three years and comparative data is included.

Condition Rating Summary					
Condition	Rating	Segments	% of Segments	Center Line Miles	% of Segments
Very Good	90-100	2,020	55.5%	154.1	51.6%
Good	80-90	849	23.3%	76.5	25.6%
Fair	45-80	689	18.9%	60.7	20.3%
Poor	< 45	84	2.3%	7.3	2.4%
		3,642	100.0%	298.6	100.0%

Notes:

Center line miles will vary from the total number of center lines due to street segments that were omitted from the survey. Street segments that were either scheduled or currently receiving maintenance were omitted from the street survey.

	PCI Rating by Functional Class			
	2005-2007	2008-2010	2011-2013	2014-2017
Arterial	91.91	93.00	89.70	90.00
Collector	88.38	93.75	86.30	86.10
Local	91.00	92.70	87.50	86.50
Overall network	90.87	93.00	87.70	87.30

### Costs to Maintain System at Designated Level

Fiscal Year Ending September 30,	2017	2016	2015	2014	2013	2012
Estimated maintenance cost	\$ 4,202,259	\$ 3,625,000	\$ 3,570,000	\$ 2,163,000	\$ 2,768,631	\$ 3,448,359
Budgeted maintenance cost	4,813,259	4,520,000	4,811,850	4,886,030	3,484,079	3,484,079
Actual maintenance cost	4,126,042	4,550,667	4,106,996	4,434,244	3,170,741	3,170,741



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# **Combining and Individual Fund Financial Statements and Schedules**

## City of Georgetown, Texas

### Combining and Individual Fund Financial Statements and Schedules – Nonmajor Governmental Funds

#### Special Revenue Funds

Special Revenue Funds (SRFs) are used to account for proceeds of specific revenue sources that are legally restricted to expenditures for specified purposes. The City of Georgetown utilizes multiple SRFs to provide an extra level of transparency and accountability to the taxpayers.

Council Discretionary – This SRF was created in July 2015 and includes the projected year-end General Fund balance not allocated in the budget. These funds will be expended at the direction of the City Council for specific one-time purposes.

Conservation – is dedicated to energy efficiency programs and projects, and is supported solely by the \$1.00 Conservation Fee charged monthly to all City of Georgetown electric customers on their utility bills. This fee is used to maintain compliance with House Bill 3693, which calls for enhancement of existing energy efficiency programs and strengthening of statutory requirements, as well as, to promote more electric demand management by customers. Specific programs supported by the Conservation SRF include Home Energy Audits, Weatherization Programs, and the LED Light Bulb Exchange Program.

Court Fees – includes the following SRFs:

- Court Funds
- Juvenile Fund

The *Court Security Fund* is used to account for the receipt and expenditure of court costs related to security personnel. The Court Technology Fund is used to finance the purchase or maintenance of technological enhancements for the Municipal Court. Child Safety funds are used to fund school crossing guard programs or other safety activities. All funds are governed by State statute.

The *Juvenile Case Manager Fund* is used for the receipt and expenditure of a court fee that is collected for a juvenile case manager. The fund is to finance the salary, benefits, training, travel expenses, office supplies, and other necessary expenses of the juvenile case manager, as outlined by statute.

Development includes the following SRFs:

- Permitting Fund
- Community Development Block Grant (CDBG) Fund
- Main Street Façade Fund

The *Permitting Fund's* source is technology fees charged to builders and property owners. These fees support the MyPermitNow system which is a comprehensive electronic permit, inspection, and tracking system for all types of construction projects. This system allows for efficient and improved customer service for both the internal and external customers by providing real time online permit information to customers.

The *CDBG Fund* is financed through the US Department of Housing and Urban Affairs Division. CDBG funds are administered through Williamson County and fund infrastructure improvements, such as sidewalks and wastewater lines in eligible geographic areas.

The *Main Street Façade Fund* accounts for grants distributed by the Main Street Board for the improvement of commercial facades in the Downtown Overlay District. Revenue sources include General Fund contributions and fund raising efforts by the Main Street Board.



## City of Georgetown, Texas

### Combining and Individual Fund Financial Statements and Schedules – Nonmajor Governmental Funds – Continued

Fire – includes the following SRFs:

- Fire Billing Fund
- EMS Paramedic Fund

The *Fire Billing Fund's* revenue is derived from inspections and billing insurance carriers for fire protection services. These funds are used to purchase fire equipment and special needs. Revenues are also used to help fund fire prevention needs and public education.

The *EMS Paramedic Fund's* revenue is derived from billing insurance carriers for calls for service. The fund tracks costs associated with the City's operation of the EMS program.

Library – accounts for the receipt and expenditure of restricted donations such as memorials and gifts for a designated library purchase or program.

Parks – includes the following funds:

- Tree Fund
- Parks Restricted Fund
- Parkland Dedication
- Cemetery Fund

The *Tree Fund* is financed by fees assessed when development projects remove trees. These funds are used to plant, prune, irrigate, maintain, and fund other associated tree activities in City parks, or other City-owned property.

The *Parks Restricted Fund* is used to account for transfers in, donations, and grants. Funds are used for equipment replacement for parks.

The *Parkland Dedication Fund* was established through the Parkland Dedication Ordinance. When new residential developments are built, the developer is required to dedicate land or pay a fee in lieu of dedication. When a fee is paid, the money is set aside to be used in a restricted zone near the development. The funds must be used for parks and recreation improvements such as new playgrounds, new parks, new trails, or to buy parkland.

The *Cemetery Fund* pays for the ongoing maintenance of the City's cemeteries. Revenues are generated from plot sales and maintenance fees. In addition, the City Council committed to transfer money in from the General Fund to plan for long-term maintenance.

PEG Fee – The *Public, Education, and Government (PEG) Fund* is used to account for the receipt and expenditure of PEG fees collected through cable providers that are legally restricted for capital expenditures related to the City's cable access channel.

Police – includes the following funds:

- Police Seizures Fund
- Police Grants Fund
- Abandoned Vehicle Fund
- Animal Services Fund

## City of Georgetown, Texas

### Combining and Individual Fund Financial Statements and Schedules – Nonmajor Governmental Funds – Continued

The *Police Seizures Fund* is used to account for properties and revenues seized by the Georgetown Police Department. Federal and Texas State Law requires the funds only be used for a defined set of law enforcement purposes such as law enforcement training, crime prevention awareness programs, asset accounting and tracking, and witness-related costs. Purchases of police equipment and facilities equipment are also permitted under state law.

The *Police Grants Fund* is used to account for any related Police grants that may be authorized and expended during the fiscal year. Currently a Texas Department of Transportation grant for a Selective Traffic Enforcement Project (STEP) is passed through at zero balance.

The *Abandoned Vehicle Fund* is used to track costs and related revenues for vehicles that have been impounded and are later auctioned.

The *Animal Services Fund* accounts for donations received from various sources and is used for items and projects that are related to the capital and service needs of the animal shelter.

Public Improvement Districts (PIDs) – includes the following funds:

- Village PID Fund
- Wolf Ranch PID Fund

The *Village PID Fund* accounts for taxes collected from property assessments in the Georgetown Village PID Tax District. The revenue is used for basic maintenance of parks and open spaces of less than one acre. Basic maintenance of parks one acre and larger are maintained by the City of Georgetown and is not paid for by the PID. Revenue is also used for landscape, nature trails and pedestrian walkways, park benches, trash containers, and entry signs and other similar signs.

The *Wolf Ranch PID Fund* was created to account for the collection of debt service incurred by the issuance of \$10,500,000 in sales tax revenue bonds which were used to complete the IH 35 frontage in front of the Wolf Ranch development site.

Streets Sales Tax – accounts for the receipt and expenditure of revenues collected from the quarter-cent sales tax approved by the citizens in November 2001 under Texas House Bill 445. The funds are required to be spent on maintenance of streets that were in existence at the time of adoption of the tax. This tax was reauthorized by voters in November of 2006, 2010, and 2014.

Tax Increment Reinvestment Zones (TIRZ) – accounts for public improvements within an area that will generate private-sector development. The tax base is frozen at a predevelopment level and the increases in taxes derived from increases in assessed valuations are used to retire bonds originally issued for the development or to leverage future growth in the assigned areas. TIRZ includes the following funds:

- Downtown TIRZ
- Rivery TIRZ
- Gateway TIRZ
- South Georgetown TIRZ

The *Downtown TIRZ* was created by Ordinance No. 2004-77 and covers approximately 66 (+/-) acres, located entirely in Williamson County and within the corporate limits of the City. This fund is used to account for the development and redevelopment of downtown Georgetown into a mixed use, pedestrian-oriented environment, consistent with the goals of the City's Downtown Master Plan.

## City of Georgetown, Texas

### Combining and Individual Fund Financial Statements and Schedules – Nonmajor Governmental Funds – Continued

The *Rivery TIRZ* was created by Ordinance No. 2011-91, and the duration is through December 31, 2041. This fund is to help provide a financing vehicle necessary to facilitate a program of public improvements to allow and encourage the development of a hotel and conference center, enhance the overall park experience, the establishment of single and multifamily residential development, and commercial/retail space.

The *Gateway TIRZ* was created by Ordinance No. 2006-204, and the duration is through December 31, 2031. This fund is to help finance a program of public improvements to allow and encourage the development and redevelopment of the Williams Drive Gateway area into a mixed use, pedestrian oriented environment, consistent with the goals of the City's Williams Drive Gateway Redevelopment Plan.

The *South Georgetown TIRZ* was created by Ordinance No. 2014-31 and the duration is through December 31, 2044. The fund will be used to account for public infrastructure necessary to encourage high quality commercial/retail development at the intersection of IH-35 and Westinghouse Road, which is seen as the next major node as growth continues to move north from Round Rock, Texas.

Transportation Pass-Through – to account for receipt of expenses and reimbursements for the partnership with Williamson County on the Southwest Bypass project.

Tourism – accounts for the receipt and expenditure of funds received by the City from the assessment of the 7% Hotel Occupancy Tax for hotel stays within the City. Eligible expenses are defined by state law and include operating a visitor center, promotion of local cultural sites, and historic preservation.

**City of Georgetown, Texas**  
Combining Balance Sheet  
Nonmajor Governmental Funds  
September 30, 2017

	<b>Council Discretionary</b>	<b>Conservation</b>	<b>Court Fees</b>	<b>Development</b>	<b>Fire</b>	<b>Library Restricted</b>
<b>ASSETS</b>						
Cash and cash equivalents	\$ 169,917	\$ 382,333	\$ 63,530	\$ 254,165	\$ 50,745	\$ 44,689
Investments	115,891	260,768	25,449	81,446	34,610	14,113
Accounts receivable, net						
Sales Tax	-	-	-	-	-	-
Grants	-	-	-	16,470	-	-
Other	-	-	-	-	1,303,885	-
Due from other funds	-	-	271	-	-	-
<b>TOTAL ASSETS</b>	<b>\$ 285,808</b>	<b>\$ 643,101</b>	<b>\$ 89,250</b>	<b>\$ 352,081</b>	<b>\$ 1,389,240</b>	<b>\$ 58,802</b>
<b>LIABILITIES AND FUND BALANCE</b>						
Accounts payable	\$ -	\$ 1,892	\$ 4,023	\$ 7,025	\$ 35,596	\$ 2,606
Due to other funds	-	-	-	-	937,005	-
Unearned revenue	-	-	-	-	968,550	-
Total liabilities	-	1,892	4,023	7,025	1,941,151	2,606
<b>FUND BALANCE</b>						
Restricted	-	-	85,227	-	-	-
Committed	-	641,209	-	345,056	-	56,196
Assigned	-	-	-	-	34,727	-
Unassigned	285,808	-	-	-	(586,638)	-
Total fund balance	285,808	641,209	85,227	345,056	(551,911)	56,196
<b>TOTAL LIABILITIES AND FUND BALANCE</b>	<b>\$ 285,808</b>	<b>\$ 643,101</b>	<b>\$ 89,250</b>	<b>\$ 352,081</b>	<b>\$ 1,389,240</b>	<b>\$ 58,802</b>

<b>Parks</b>	<b>PEG Fees</b>	<b>Police</b>	<b>Public Improvement Districts</b>	<b>Street Sales Tax</b>	<b>Tax Increment Reinvestment Zones</b>	<b>Transportation</b>	<b>Tourism</b>	<b>Total</b>
\$ 1,970,437	\$ 200,488	\$ 303,550	\$ 477,768	\$ 2,537,154	\$ 705,360	\$ 738	\$ 445,089	\$ 7,605,963
622,243	63,312	-	325,556	1,730,455	222,746	503	303,502	3,800,594
-	-	-	118	505,550	-	-	117,700	623,368
-	-	126,624	-	-	-	609,194	-	752,288
70,780	-	-	842,974	-	-	-	-	2,217,639
-	-	-	476,403	-	-	-	-	476,674
<u>\$ 2,663,460</u>	<u>\$ 263,800</u>	<u>\$ 430,174</u>	<u>\$ 2,122,819</u>	<u>\$ 4,773,159</u>	<u>\$ 928,106</u>	<u>\$ 610,435</u>	<u>\$ 866,291</u>	<u>\$ 15,476,526</u>
\$ 15,656	\$ -	\$ 12,382	\$ 4,251	\$ 1,350,692	\$ 11,450	\$ 506,475	\$ 12,954	\$ 1,965,002
-	-	4,625	1,064,140	-	-	-	-	2,005,770
-	-	-	255,794	-	-	-	-	1,224,344
15,656	-	17,007	1,324,185	1,350,692	11,450	506,475	12,954	5,195,116
-	263,800	413,167	-	3,422,467	-	-	853,337	5,037,998
2,647,804	-	-	798,634	-	916,656	-	-	5,405,555
-	-	-	-	-	-	298,480	-	333,207
-	-	-	-	-	-	(194,520)	-	(495,350)
<u>2,647,804</u>	<u>263,800</u>	<u>413,167</u>	<u>798,634</u>	<u>3,422,467</u>	<u>916,656</u>	<u>103,960</u>	<u>853,337</u>	<u>10,281,410</u>
<u>\$ 2,663,460</u>	<u>\$ 263,800</u>	<u>\$ 430,174</u>	<u>\$ 2,122,819</u>	<u>\$ 4,773,159</u>	<u>\$ 928,106</u>	<u>\$ 610,435</u>	<u>\$ 866,291</u>	<u>\$ 15,476,526</u>

# City of Georgetown, Texas

Combining Statement of Revenues, Expenditures,  
and Changes in Fund Balance –  
Nonmajor Governmental Funds  
For the Fiscal Year Ended September 30, 2017

	<b>Council Discretionary</b>	<b>Conservation</b>	<b>Court Fees</b>	<b>Development</b>	<b>Fire</b>	<b>Library Restricted</b>
<b>REVENUES</b>						
Hotel/Motel tax	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Property assessments	-	-	-	-	-	-
Sales tax	-	-	-	-	-	-
Fines and forfeitures	-	-	46,902	-	-	-
Investment income	2,584	3,106	510	1,501	515	335
Donations and grants	-	-	-	83,700	1,135	91,065
Charges for services	-	-	-	-	2,435,034	-
Other revenue	-	292,625	-	166,487	122,840	-
<b>Total revenues</b>	<b>2,584</b>	<b>295,731</b>	<b>47,412</b>	<b>251,688</b>	<b>2,559,524</b>	<b>91,400</b>
<b>EXPENDITURES</b>						
Culture / recreation	-	-	-	-	-	87,990
Development	-	-	-	127,987	-	-
Environmental services	-	138,869	-	-	-	-
Fire services	-	-	-	-	2,347,749	-
General government	-	-	-	-	-	-
Highways and streets	-	-	-	-	-	-
Police	-	-	63,170	-	-	-
Capital outlay	-	-	-	80,285	-	-
<b>Total expenditures</b>	<b>-</b>	<b>138,869</b>	<b>63,170</b>	<b>208,272</b>	<b>2,347,749</b>	<b>87,990</b>
<b>EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES</b>	<b>2,584</b>	<b>156,862</b>	<b>(15,758)</b>	<b>43,416</b>	<b>211,775</b>	<b>3,410</b>
<b>OTHER FINANCING SOURCES (USES)</b>						
Transfers in	1,734,779	-	45,381	75,000	49,848	-
Transfers out	(1,637,249)	-	-	-	-	-
<b>Total other financing sources (uses)</b>	<b>97,530</b>	<b>-</b>	<b>45,381</b>	<b>75,000</b>	<b>49,848</b>	<b>-</b>
<b>NET CHANGE IN FUND BALANCE</b>	<b>100,114</b>	<b>156,862</b>	<b>29,623</b>	<b>118,416</b>	<b>261,623</b>	<b>3,410</b>
<b>FUND BALANCES, beginning of period</b>	<b>185,694</b>	<b>484,347</b>	<b>55,604</b>	<b>226,640</b>	<b>(813,534)</b>	<b>52,786</b>
<b>FUND BALANCES, end of period</b>	<b>\$ 285,808</b>	<b>\$ 641,209</b>	<b>\$ 85,227</b>	<b>\$ 345,056</b>	<b>\$ (551,911)</b>	<b>\$ 56,196</b>

<u>Parks</u>	<u>PEG Fees</u>	<u>Police</u>	<u>Public Improvement Districts</u>	<u>Street Sales Tax</u>	<u>Tax Increment Reinvestment Zones</u>	<u>Transportation</u>	<u>Tourism</u>	<u>Total</u>
\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 1,216,063	\$ 1,216,063
-	-	-	811,328	-	636,511	-	-	1,447,839
-	-	-	-	3,137,867	-	-	-	3,137,867
-	-	-	-	-	-	-	-	46,902
12,684	1,114	2,845	5,110	18,592	2,725	-	3,182	54,803
1,112,841	-	42,730	-	-	-	609,194	-	1,940,665
-	-	-	-	-	-	-	-	2,435,034
<u>265,742</u>	<u>122,466</u>	<u>109,569</u>	<u>-</u>	<u>-</u>	<u>224,344</u>	<u>-</u>	<u>130,075</u>	<u>1,434,148</u>
1,391,267	123,580	155,144	816,438	3,156,459	863,580	609,194	1,349,320	11,713,321
345,279	36,135	-	355,730	-	-	-	985,014	1,810,148
-	-	-	-	-	-	-	-	127,987
-	-	-	-	-	-	-	-	138,869
-	-	-	-	-	-	-	-	2,347,749
-	-	-	-	-	25,000	-	-	25,000
-	-	-	-	1,843,908	-	1,027,367	-	2,871,275
-	-	202,852	-	-	-	-	-	266,022
<u>109,571</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>48,181</u>	<u>-</u>	<u>-</u>	<u>238,037</u>
<u>454,850</u>	<u>36,135</u>	<u>202,852</u>	<u>355,730</u>	<u>1,843,908</u>	<u>73,181</u>	<u>1,027,367</u>	<u>985,014</u>	<u>7,825,087</u>
936,417	87,445	(47,708)	460,708	1,312,551	790,399	(418,173)	364,306	3,888,234
275,000	-	-	-	-	202,632	-	-	2,382,640
-	-	-	(476,842)	(278,463)	(386,110)	-	(10,200)	(2,788,864)
<u>275,000</u>	<u>-</u>	<u>-</u>	<u>(476,842)</u>	<u>(278,463)</u>	<u>(183,478)</u>	<u>-</u>	<u>(10,200)</u>	<u>(406,224)</u>
1,211,417	87,445	(47,708)	(16,134)	1,034,088	606,921	(418,173)	354,106	3,482,010
<u>1,436,387</u>	<u>176,355</u>	<u>460,875</u>	<u>814,768</u>	<u>2,388,379</u>	<u>309,735</u>	<u>522,133</u>	<u>499,231</u>	<u>6,799,400</u>
<u>\$ 2,647,804</u>	<u>\$ 263,800</u>	<u>\$ 413,167</u>	<u>\$ 798,634</u>	<u>\$ 3,422,467</u>	<u>\$ 916,656</u>	<u>\$ 103,960</u>	<u>\$ 853,337</u>	<u>\$ 10,281,410</u>

**City of Georgetown, Texas**

Council Discretionary Special Revenue Fund  
 Schedule of Revenues and Expenditures (Budget Basis) –  
 Budget and Actual (Non-GAAP) – Reconciled to GAAP Basis  
 For the Fiscal Year Ended September 30, 2017

	<b>Original Budget</b>	<b>Final Budget</b>	<b>Actual Budgetary Basis</b>	<b>Variance to Budget</b>
<b>REVENUES</b>				
Investment earnings	\$ -	\$ -	\$ 2,584	\$ 2,584
Other revenue	-	-	-	-
Other	-	-	-	-
Total revenues	-	-	2,584	2,584
<b>EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES</b>	-	-	2,584	2,584
<b>OTHER FINANCING SOURCES (USES)</b>				
Transfer in	750,000	1,734,779	1,734,779	-
Transfers out	-	(1,637,249)	(1,637,249)	-
Total other financing sources (uses)	750,000	97,530	97,530	-
<b>EXCESS OF REVENUES OVER EXPENDITURES AND OTHER FINANCING SOURCES (USES) - BUDGETARY BASIS</b>	750,000	97,530	100,114	2,584
<b>FUND BALANCE, beginning of period</b>	515,714	185,045	185,694	649
<b>FUND BALANCE - BUDGETARY BASIS, end of period</b>	<u>\$ 1,265,714</u>	<u>\$ 282,575</u>	285,808	<u>\$ 3,233</u>
<b>ADJUSTMENTS TO GAAP</b>			-	
<b>FUND BALANCE - GAAP BASIS, end of period</b>			<u>\$ 285,808</u>	



**City of Georgetown, Texas**

Conservation Special Revenue Fund  
 Schedule of Revenues and Expenditures (Budget Basis) –  
 Budget and Actual (Non-GAAP) – Reconciled to GAAP Basis  
 For the Fiscal Year Ended September 30, 2017

	<u>Original and Final Budget</u>	<u>Actual Budgetary Basis</u>	<u>Variance to Budget</u>
<b>REVENUES</b>			
Investment earnings	\$ 2,000	\$ 3,106	\$ 1,106
Conservation revenue	290,000	292,625	2,625
Total revenues	292,000	295,731	3,731
<b>EXPENDITURES</b>			
Operations	304,647	140,988	163,659
Capital outlay	-	-	-
Total expenditures	304,647	140,988	163,659
<b>EXCESS OF REVENUES OVER EXPENDITURES</b>	(12,647)	154,743	167,390
<b>OTHER FINANCING (USES)</b>			
Transfers out	-	-	-
Total other financing (uses)	-	-	-
<b>EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES AND OTHER FINANCING (USES) - BUDGETARY BASIS</b>	(12,647)	154,743	167,390
<b>FUND BALANCE, beginning of period</b>	583,908	484,347	(99,561)
<b>FUND BALANCE - BUDGETARY BASIS, end of period</b>	<u>\$ 571,261</u>	639,090	<u>\$ 67,829</u>
<b>ADJUSTMENTS TO GAAP</b>			
Reserve for encumbrances		2,119	
<b>FUND BALANCE - GAAP BASIS, end of period</b>		<u>\$ 641,209</u>	

**City of Georgetown, Texas**

Court Fees Special Revenue Fund

Schedule of Revenues and Expenditures (Budget Basis) –

Budget and Actual (Non-GAAP) – Reconciled to GAAP Basis

For the Fiscal Year Ended September 30, 2017

	<u>Original and Final Budget</u>	<u>Actual Budgetary Basis</u>	<u>Variance to Budget</u>
<b>REVENUES</b>			
Court fees	\$ 56,828	\$ 46,902	\$ (9,926)
Investment earnings	150	510	360
Total revenues	<u>56,978</u>	<u>47,412</u>	<u>(9,566)</u>
<b>EXPENDITURES</b>			
Personnel	64,185	61,836	2,349
Operations	1,800	1,513	287
Total expenditures	<u>65,985</u>	<u>63,349</u>	<u>2,636</u>
<b>EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES</b>	<u>(9,007)</u>	<u>(15,937)</u>	<u>(6,930)</u>
<b>OTHER FINANCING SOURCES</b>			
Operating transfers in	60,363	45,381	(14,982)
Total other financing sources	<u>60,363</u>	<u>45,381</u>	<u>(14,982)</u>
<b>EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES AND OTHER FINANCING SOURCES (USES) - BUDGETARY BASIS</b>	51,356	29,444	(21,912)
<b>FUND BALANCE, beginning of period</b>	<u>18,200</u>	<u>55,554</u>	<u>37,354</u>
<b>FUND BALANCE - BUDGETARY BASIS, end of period</b>	<u><u>\$ 69,556</u></u>	<u><u>84,998</u></u>	<u><u>\$ 15,442</u></u>
<b>ADJUSTMENTS TO GAAP</b>			
Reserve for encumbrances		179	
Reverse voided purchase orders		50	
<b>FUND BALANCE - GAAP BASIS, end of period</b>		<u><u>\$ 85,227</u></u>	

## City of Georgetown, Texas

Development Special Revenue Fund

Schedule of Revenues and Expenditures (Budget Basis) –

Budget and Actual (Non-GAAP) – Reconciled to GAAP Basis

For the Fiscal Year Ended September 30, 2017

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual Budgetary Basis</u>	<u>Variance to Budget</u>
<b>REVENUES</b>				
Grants and entitlements	\$ 135,500	\$ 135,500	\$ 83,700	\$ (51,800)
Investment earnings	260	260	1,501	1,241
Technology fee	-	-	-	-
Other	183,000	183,000	166,487	(16,513)
Total revenues	318,760	318,760	251,688	(67,072)
<b>EXPENDITURES</b>				
Operations	338,000	338,000	172,885	165,115
Capital outlay	135,500	135,500	28,437	107,063
Total expenditures	473,500	473,500	201,322	272,178
<b>EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES</b>				
	(154,740)	(154,740)	50,366	205,106
<b>OTHER FINANCING SOURCES (USES)</b>				
Transfers in	75,000	75,000	75,000	-
Total other financing sources (uses)	75,000	75,000	75,000	-
<b>EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES AND OTHER FINANCING SOURCES (USES) - BUDGETARY BASIS</b>				
	(79,740)	(79,740)	125,366	205,106
<b>FUND BALANCE, beginning of period</b>				
	88,207	88,207	142,617	54,410
<b>FUND BALANCE - BUDGETARY BASIS, end of period</b>				
	\$ 8,467	\$ 8,467	267,983	\$ 259,516
<b>ADJUSTMENTS TO GAAP</b>				
Reserve for encumbrances			74,054	
Reverse voided purchase orders			3,019	
<b>FUND BALANCE - GAAP BASIS, end of period</b>				
			\$ 345,056	

**City of Georgetown, Texas**

Fire Special Revenue Fund

Schedule of Revenues and Expenditures (Budget Basis) –

Budget and Actual (Non-GAAP) – Reconciled to GAAP Basis

For the Fiscal Year Ended September 30, 2017

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual Budgetary Basis</u>	<u>Variance to Budget</u>
<b>REVENUES</b>				
Fire administration	\$ -	\$ -	\$ -	\$ -
Paramedic revenue	2,268,250	2,368,250	2,552,209	183,959
Interest and other	100	100	7,316	7,216
Total revenues	<u>2,268,350</u>	<u>2,368,350</u>	<u>2,559,525</u>	<u>191,175</u>
<b>EXPENDITURES</b>				
Administrative expenses	40,000	70,000	28,780	41,220
Paramedic program	2,180,168	2,250,168	2,295,095	(44,927)
Total expenditures	<u>2,220,168</u>	<u>2,320,168</u>	<u>2,323,875</u>	<u>(3,707)</u>
<b>EXCESS OF REVENUES OVER EXPENDITURES</b>	<u>48,182</u>	<u>48,182</u>	<u>235,650</u>	<u>187,468</u>
<b>OTHER FINANCING SOURCES</b>				
Transfers in	49,846	49,846	49,848	2
Total other financing sources	<u>49,846</u>	<u>49,846</u>	<u>49,848</u>	<u>2</u>
<b>EXCESS OF REVENUES OVER EXPENDITURES AND OTHER FINANCING SOURCES - BUDGETARY BASIS</b>	98,028	98,028	285,498	187,470
<b>FUND BALANCE, beginning of period</b>	<u>285,820</u>	<u>285,820</u>	<u>(872,581)</u>	<u>(1,158,401)</u>
<b>FUND BALANCE - BUDGETARY BASIS, end of period</b>	<u>\$ 383,848</u>	<u>\$ 383,848</u>	<u>(587,083)</u>	<u>\$ (970,931)</u>
<b>ADJUSTMENTS TO GAAP</b>				
GAAP adjustment			(18,407)	
Reserve for encumbrances			34,727	
Reverse voided purchase orders			18,852	
<b>FUND BALANCE - GAAP BASIS, end of period</b>			<u>\$ (551,911)</u>	

**City of Georgetown, Texas**

Library Restricted Special Revenue Fund  
 Schedule of Revenues and Expenditures (Budget Basis) –  
 Budget and Actual (Non-GAAP) – Reconciled to GAAP Basis  
 For the Fiscal Year Ended September 30, 2017

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual Budgetary Basis</u>	<u>Variance to Budget</u>
<b>REVENUES</b>				
Investment earnings	\$ 200	\$ 200	\$ 335	\$ 135
Donations	90,000	90,000	91,065	1,065
Total revenues	<u>90,200</u>	<u>90,200</u>	<u>91,400</u>	<u>1,200</u>
<b>EXPENDITURES</b>				
Personnel	-	-	-	-
Operations	170,000	170,000	88,062	81,938
Capital	-	-	-	-
Total expenditures	<u>170,000</u>	<u>170,000</u>	<u>88,062</u>	<u>81,938</u>
<b>EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES</b>	(79,800)	(79,800)	3,338	83,138
<b>FUND BALANCE, beginning of period</b>	<u>52,755</u>	<u>52,755</u>	<u>52,755</u>	<u>-</u>
<b>FUND BALANCE - BUDGETARY BASIS, end of period</b>	<u>\$ (27,045)</u>	<u>\$ (27,045)</u>	56,093	<u>\$ 83,138</u>
<b>ADJUSTMENTS TO GAAP</b>				
Reserve for encumbrances			72	
Reverse voided purchase orders			31	
<b>FUND BALANCE - GAAP BASIS, end of period</b>			<u>\$ 56,196</u>	

**City of Georgetown, Texas**

Parks Special Revenue Fund

Schedule of Revenues and Expenditures (Budget Basis) –

Budget and Actual (Non-GAAP) – Reconciled to GAAP Basis

For the Fiscal Year Ended September 30, 2017

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual Budgetary Basis</u>	<u>Variance to Budget</u>
<b>REVENUES</b>				
Investment earnings	\$ 4,500	\$ 4,500	\$ 12,684	\$ 8,184
Donations	115,000	115,000	1,112,841	997,841
Other	139,500	139,500	265,742	126,242
Total revenues	<u>259,000</u>	<u>259,000</u>	<u>1,391,267</u>	<u>1,132,267</u>
<b>EXPENDITURES</b>				
Operations	577,000	577,000	328,749	248,251
Capital outlay	446,739	490,630	172,869	317,761
Total expenditures	<u>1,023,739</u>	<u>1,067,630</u>	<u>501,618</u>	<u>566,012</u>
<b>EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES</b>	<u>(764,739)</u>	<u>(808,630)</u>	<u>889,649</u>	<u>1,698,279</u>
<b>OTHER FINANCING SOURCES</b>				
Transfers in	275,000	275,000	275,000	
Total other financing sources	<u>275,000</u>	<u>275,000</u>	<u>275,000</u>	<u>-</u>
<b>EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES AND OTHER FINANCING SOURCES - BUDGETARY BASIS</b>	<u>(489,739)</u>	<u>(533,630)</u>	<u>1,164,649</u>	<u>1,698,279</u>
<b>FUND BALANCE, beginning of period</b>	<u>1,395,036</u>	<u>1,395,036</u>	<u>1,399,036</u>	<u>4,000</u>
<b>FUND BALANCE - BUDGETARY BASIS, end of period</b>	<u>\$ 905,297</u>	<u>\$ 861,406</u>	<u>2,563,685</u>	<u>\$ 1,702,279</u>
<b>ADJUSTMENTS TO GAAP</b>				
Reserve for encumbrances			79,640	
Reverse voided purchase orders			3,677	
Reverse prior year adjustments			802	
<b>FUND BALANCE - GAAP BASIS, end of period</b>			<u>\$ 2,647,804</u>	

**City of Georgetown, Texas**

PEG Fees Special Revenue Fund

Schedule of Revenues and Expenditures (Budget Basis) –

Budget and Actual (Non-GAAP) – Reconciled to GAAP Basis

For the Fiscal Year Ended September 30, 2017

	<u>Original and Final Budget</u>	<u>Actual Budgetary Basis</u>	<u>Variance to Budget</u>
<b>REVENUES</b>			
Investment earnings	\$ -	\$ 1,114	\$ 1,114
Other	140,000	122,466	(17,534)
Total revenues	140,000	123,580	(16,420)
<b>EXPENDITURES</b>			
Capital outlay	315,589	36,417	279,172
Total expenditures	315,589	36,417	279,172
<b>EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES</b>			
	(175,589)	87,163	262,752
<b>FUND BALANCE, beginning of period</b>			
	-	176,091	176,091
<b>FUND BALANCE - BUDGETARY BASIS, end of period</b>			
	<u>\$ (175,589)</u>	263,254	<u>\$ 438,843</u>
<b>ADJUSTMENTS TO GAAP</b>			
Reserve for encumbrances		282	
Reverse voided purchase orders		264	
<b>FUND BALANCE - GAAP BASIS, end of period</b>			
		<u>\$ 263,800</u>	

**City of Georgetown, Texas**

Police Special Revenue Fund

Schedule of Revenues and Expenditures (Budget Basis) –

Budget and Actual (Non-GAAP) – Reconciled to GAAP Basis

For the Fiscal Year Ended September 30, 2017

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual Budgetary Basis</u>	<u>Variance to Budget</u>
<b>REVENUES</b>				
Investment earnings	\$ -	\$ 1,453	\$ 2,845	\$ 1,392
Donations	15,000	15,000	42,730	27,730
Other	-	91,908	109,569	17,661
Total revenues	<u>15,000</u>	<u>108,361</u>	<u>155,144</u>	<u>46,783</u>
<b>EXPENDITURES</b>				
Operations	<u>135,248</u>	<u>144,850</u>	<u>105,996</u>	<u>38,854</u>
Total expenditures	<u>135,248</u>	<u>144,850</u>	<u>105,996</u>	<u>38,854</u>
<b>EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES</b>	(120,248)	(36,489)	49,148	85,637
<b>FUND BALANCE, beginning of period</b>	<u>(219,820)</u>	<u>(219,820)</u>	<u>327,010</u>	<u>546,830</u>
<b>FUND BALANCE - BUDGETARY BASIS, end of period</b>	<u>\$ (340,068)</u>	<u>\$ (256,309)</u>	<u>376,158</u>	<u>\$ 632,467</u>
<b>ADJUSTMENTS TO GAAP</b>				
Reserve for encumbrances			31,900	
Reverse voided purchase orders			1,040	
Reverse prior year adjustments			<u>4,069</u>	
<b>FUND BALANCE - GAAP BASIS, end of period</b>			<u>\$ 413,167</u>	



**City of Georgetown, Texas**

Public Improvement Districts Special Revenue Fund  
 Schedule of Revenues and Expenditures (Budget Basis) –  
 Budget and Actual (Non-GAAP) – Reconciled to GAAP Basis  
 For the Fiscal Year Ended September 30, 2017

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual Budgetary Basis</u>	<u>Variance to Budget</u>
<b>REVENUES</b>				
Property assessments	\$ 834,713	\$ 834,713	\$ 811,328	\$ (23,385)
Investment earnings	1,500	1,500	5,110	3,610
Total revenues	836,213	836,213	816,438	(19,775)
<b>EXPENDITURES</b>				
Operations	984,436	1,014,436	781,517	232,919
Total expenditures	984,436	1,014,436	781,517	232,919
<b>EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES</b>				
	(148,223)	(178,223)	34,921	213,144
<b>FUND BALANCE, beginning of period</b>				
	615,271	615,271	678,853	63,582
<b>FUND BALANCE - BUDGETARY BASIS, end of period</b>				
	<u>\$ 467,048</u>	<u>\$ 437,048</u>	713,774	<u>\$ 276,726</u>
<b>ADJUSTMENTS TO GAAP</b>				
Reserve for encumbrances			71,187	
Reverse voided purchase orders			8,750	
Reverse prior year adjustments			4,923	
<b>FUND BALANCE - GAAP BASIS, end of period</b>				
			<u>\$ 798,634</u>	

**City of Georgetown, Texas**

Street Sales Tax Special Revenue Fund  
 Schedule of Revenues and Expenditures (Budget Basis) –  
 Budget and Actual (Non-GAAP) – Reconciled to GAAP Basis  
 For the Fiscal Year Ended September 30, 2017

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual Budgetary Basis</u>	<u>Variance to Budget</u>
<b>REVENUES</b>				
Sales tax	\$ 2,937,500	\$ 2,937,500	\$ 3,137,867	\$ 200,367
Investment earnings	10,000	10,000	16,818	6,818
Total revenues	2,947,500	2,947,500	3,154,685	207,185
<b>EXPENDITURES</b>				
Capital outlay	3,325,000	3,579,259	2,046,350	1,532,909
Total expenditures	3,325,000	3,579,259	2,046,350	1,532,909
<b>EXCESS OF REVENUES OVER EXPENDITURES</b>	(377,500)	(631,759)	1,108,335	1,740,094
<b>OTHER FINANCING (USES)</b>				
Transfers out	-	(278,463)	(278,463)	-
Total other financing (uses)	-	(278,463)	(278,463)	-
<b>EXCESS OF REVENUES OVER EXPENDITURES AND OTHER FINANCING SOURCES (USES) - BUDGETARY BASIS</b>	(377,500)	(910,222)	829,872	1,740,094
<b>FUND BALANCE, beginning of period</b>	2,091,899	2,091,899	2,091,899	-
<b>FUND BALANCE - BUDGETARY BASIS, end of period</b>	<u>\$ 1,714,399</u>	<u>\$ 1,181,677</u>	2,921,771	<u>\$ 1,740,094</u>
<b>ADJUSTMENTS TO GAAP</b>				
Net changes in unrealized gains/(losses) on investments			1,774	
Prior year purchase order that was not expensed in current year			(101)	
Reserve for encumbrances			498,109	
GAAP adjustment			600	
Reverse voided purchase orders			314	
<b>FUND BALANCE - GAAP BASIS, end of period</b>			<u>\$ 3,422,467</u>	

## City of Georgetown, Texas

Tax Increment Reinvestment Zones Special Revenue Fund  
 Schedule of Revenues and Expenditures (Budget Basis) –  
 Budget and Actual (Non-GAAP) – Reconciled to GAAP Basis  
 For the Fiscal Year Ended September 30, 2017

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual Budgetary Basis</u>	<u>Variance to Budget</u>
<b>REVENUES</b>				
Property assessments	\$ 633,124	\$ 633,124	\$ 636,511	\$ 3,387
Investment earnings	-	-	2,725	2,725
Other	226,698	226,698	224,344	(2,354)
Total revenues	<u>859,822</u>	<u>859,822</u>	<u>863,580</u>	<u>3,758</u>
<b>EXPENDITURES</b>				
Capital	224,500	402,632	98,681	303,951
Operations	-	25,000	25,000	-
Total expenditures	<u>224,500</u>	<u>427,632</u>	<u>123,681</u>	<u>303,951</u>
<b>EXCESS OF REVENUES OVER EXPENDITURES</b>	635,322	432,190	739,899	307,709
<b>OTHER FINANCING SOURCES (USES)</b>				
Transfers in	-	202,632	202,632	-
Transfers out	(394,475)	(394,475)	(386,110)	8,365
Total other financing sources (uses)	<u>(394,475)</u>	<u>(191,843)</u>	<u>(183,478)</u>	<u>8,365</u>
<b>EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES AND OTHER FINANCING SOURCES (USES) - BUDGETARY BASIS</b>	240,847	240,347	556,421	316,074
<b>FUND BALANCE, beginning of period</b>	<u>135,443</u>	<u>135,443</u>	<u>309,735</u>	<u>174,292</u>
<b>FUND BALANCE - BUDGETARY BASIS, end of period</b>	<u>\$ 376,290</u>	<u>\$ 375,790</u>	866,156	<u>\$ 490,366</u>
<b>ADJUSTMENTS TO GAAP</b>				
Reserve for encumbrances			<u>50,500</u>	
<b>FUND BALANCE - GAAP BASIS, end of period</b>			<u>\$ 916,656</u>	

**City of Georgetown, Texas**

Transportation Special Revenue Fund  
 Schedule of Revenues and Expenditures (Budget Basis) –  
 Budget and Actual (Non-GAAP) – Reconciled to GAAP Basis  
 For the Fiscal Year Ended September 30, 2017

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual Budgetary Basis</u>	<u>Variance to Budget</u>
<b>REVENUES</b>				
Other	\$ -	\$ 505,180	\$ 609,194	\$ 104,014
Total revenues	-	505,180	609,194	104,014
<b>EXPENDITURES</b>				
Operations	-	609,194	609,194	-
Total expenditures	-	609,194	609,194	-
<b>EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES</b>	-	(104,014)	-	104,014
<b>EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES AND OTHER FINANCING SOURCES - BUDGETARY BASIS</b>	-	(104,014)	-	104,014
<b>FUND BALANCE, beginning of period</b>	(194,520)	(194,520)	(194,520)	-
<b>FUND BALANCE - BUDGETARY BASIS, end of period</b>	<u>\$ (194,520)</u>	<u>\$ (298,534)</u>	(194,520)	<u>\$ 104,014</u>
<b>ADJUSTMENTS TO GAAP</b>				
Reserve for encumbrances			298,480	
<b>FUND BALANCE - GAAP BASIS, end of period</b>			<u>\$ 103,960</u>	

**City of Georgetown, Texas**

Tourism Special Revenue Fund

Schedule of Revenues and Expenditures (Budget Basis) –

Budget and Actual (Non-GAAP) – Reconciled to GAAP Basis

For the Fiscal Year Ended September 30, 2017

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual Budgetary Basis</u>	<u>Variance to Budget</u>
<b>REVENUES</b>				
Hotel/motel tax	\$ 1,260,000	\$ 1,260,000	\$ 1,216,063	\$ (43,937)
Investment earnings	1,500	1,500	3,182	1,682
Other	133,000	158,000	130,075	(27,925)
Total revenues	<u>1,394,500</u>	<u>1,419,500</u>	<u>1,349,320</u>	<u>(70,180)</u>
<b>EXPENDITURES</b>				
Personnel	359,570	359,570	346,994	12,576
Operations	701,832	726,832	638,258	88,574
Total expenditures	<u>1,061,402</u>	<u>1,086,402</u>	<u>985,252</u>	<u>101,150</u>
<b>EXCESS OF REVENUES OVER EXPENDITURES</b>	<u>333,098</u>	<u>333,098</u>	<u>364,068</u>	<u>30,970</u>
<b>OTHER FINANCING SOURCES (USES)</b>				
Transfers out	(10,200)	(10,200)	(10,200)	-
Total other financing sources (uses)	<u>(10,200)</u>	<u>(10,200)</u>	<u>(10,200)</u>	<u>-</u>
<b>EXCESS OF REVENUES OVER EXPENDITURES AND OTHER FINANCING SOURCES - BUDGETARY BASIS</b>	<u>322,898</u>	<u>322,898</u>	<u>353,868</u>	<u>30,970</u>
<b>FUND BALANCE, beginning of period</b>	<u>446,553</u>	<u>430,268</u>	<u>483,705</u>	<u>53,437</u>
<b>FUND BALANCE - BUDGETARY BASIS, end of period</b>	<u>\$ 769,451</u>	<u>\$ 753,166</u>	<u>837,573</u>	<u>\$ 84,407</u>
<b>ADJUSTMENTS TO GAAP</b>				
Reserve for encumbrances			13,793	
Reverse voided purchase orders			2,035	
Reverse prior year adjustments			(64)	
<b>FUND BALANCE - GAAP BASIS, end of period</b>			<u>\$ 853,337</u>	



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**Supplementary Individual Fund  
Financial Statements and Schedules –  
Major Governmental Funds**

# City of Georgetown, Texas

## General Fund

### Schedule of Revenues and Expenditures (Budget Basis) – Budget and Actual (Non-GAAP) – Reconciled to GAAP Basis Fiscal Year Ended September 30, 2017

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual Budgetary Basis</u>	<u>Variance to Budget</u>
<b>REVENUES</b>				
Taxes				
Current				
Property tax	\$ 12,475,000	\$ 12,604,850	\$ 12,604,850	\$ -
Penalties and interest	80,000	81,401	81,401	-
Total property tax	12,555,000	12,686,251	12,686,251	-
Sales tax	12,818,683	13,595,005	13,595,005	-
Franchise taxes	5,142,035	4,648,758	4,973,295	324,537
Other	352,800	363,455	363,455	-
Total taxes	30,868,518	31,293,469	31,618,006	324,537
<b>LICENSES AND PERMITS</b>				
Permits and inspection fees	2,256,110	2,619,253	2,619,254	1
Licenses	20,400	33,225	33,225	-
Total licenses and permits	2,276,510	2,652,478	2,652,479	1
<b>CHARGES FOR SERVICES</b>				
Library	93,452	87,075	87,075	-
Animal services	32,040	64,342	64,342	-
Parks and recreation	2,190,746	2,357,892	2,357,892	-
Environmental services	7,207,193	7,286,448	7,286,448	-
Fire protection	1,680,122	1,679,707	1,679,707	-
Police support	296,271	362,967	362,967	-
Total charges for services	11,499,824	11,838,431	11,838,431	-
<b>FINES AND FORFEITURES</b>				
	566,830	453,675	453,675	-
<b>INTEREST AND OTHER</b>				
Investment income	25,500	75,387	75,837	450
Rent	155,500	376,629	376,629	-
Miscellaneous	279,451	344,226	372,540	28,314
Total interest and other	460,451	796,242	825,006	28,764
<b>TOTAL REVENUES</b>	45,672,133	47,034,295	47,387,597	353,302

(continued)



**City of Georgetown, Texas**

General Fund

Schedule of Revenues and Expenditures (Budget Basis) –

Budget and Actual (Non-GAAP) – Reconciled to GAAP Basis – Continued

Fiscal Year Ended September 30, 2017

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual Budgetary Basis</u>	<u>Variance to Budget</u>
<b>EXPENDITURES</b>				
Culture recreation				
Downtown & community service admin				
Personnel	\$ 237,653	\$ 237,653	\$ 240,981	\$ (3,328)
Operations	246,939	246,939	246,156	(783)
Total downtown & community service admin	484,592	484,592	487,137	(2,545)
Parks				
Personnel	1,273,853	1,273,853	1,197,821	76,032
Operations	1,038,506	1,038,506	1,064,373	(25,867)
Total parks	2,312,359	2,312,359	2,262,194	50,165
Recreation				
Personnel	1,325,982	1,325,982	1,316,480	9,502
Operations	1,096,505	1,096,505	1,071,361	25,144
Total recreation	2,422,487	2,422,487	2,387,841	34,646
Recreation programs				
Personnel	1,011,708	1,011,708	909,197	102,511
Operations	859,253	859,253	885,588	(26,335)
Total recreation programs	1,870,961	1,870,961	1,794,785	76,176
Arts & culture				
Operations	74,385	74,385	74,029	356
Total arts and culture	74,385	74,385	74,029	356
Library				
Personnel	1,525,538	1,525,538	1,524,621	917
Operations	737,998	737,998	737,992	6
Capital outlay	156,293	156,293	165,641	(9,348)
Total library	2,419,829	2,419,829	2,428,254	(8,425)
Total culture recreation	9,584,613	9,584,613	9,434,240	150,373

(continued)

**City of Georgetown, Texas**

General Fund

Schedule of Revenues and Expenditures (Budget Basis) –

Budget and Actual (Non-GAAP) – Reconciled to GAAP Basis – Continued

Fiscal Year Ended September 30, 2017

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual Budgetary Basis</u>	<u>Variance to Budget</u>
Development				
Planning				
Personnel	\$ 894,340	\$ 932,936	\$ 833,146	\$ 99,790
Operations	288,396	416,896	217,176	199,720
Total planning	1,182,736	1,349,832	1,050,322	299,510
Inspection services				
Personnel	1,061,860	1,061,860	938,118	123,742
Operations	105,479	105,479	109,105	(3,626)
Total inspection services	1,167,339	1,167,339	1,047,223	120,116
Code enforcement				
Personnel	331,433	331,433	277,950	53,483
Operations	76,340	76,340	71,713	4,627
Total code enforcement	407,773	407,773	349,663	58,110
Total development	2,757,848	2,924,944	2,447,208	477,736
Environmental services				
Operations	5,879,717	6,202,801	6,192,028	10,773
Total environmental services	5,879,717	6,202,801	6,192,028	10,773

(continued)

# City of Georgetown, Texas

## General Fund

### Schedule of Revenues and Expenditures (Budget Basis) –

### Budget and Actual (Non-GAAP) – Reconciled to GAAP Basis – Continued

Fiscal Year Ended September 30, 2017

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual Budgetary Basis</u>	<u>Variance to Budget</u>
Fire services				
Support Services				
Personnel	\$ 1,593,550	\$ 1,593,550	\$ 1,687,075	\$ (93,525)
Operations	825,434	825,434	867,376	(41,942)
Total support services	2,418,984	2,418,984	2,554,451	(135,467)
Emergency Services				
Personnel	8,566,727	8,545,427	8,680,821	(135,394)
Operations	1,479,368	1,471,587	1,249,725	221,862
Total emergency services	10,046,095	10,017,014	9,930,546	86,468
Total fire services	12,465,079	12,435,998	12,484,997	(48,999)
General government				
Operations	1,467,532	1,467,532	1,948,905	(481,373)
Total operations	1,467,532	1,467,532	1,948,905	(481,373)
City council				
Personnel	86,873	106,473	107,974	(1,501)
Operations	69,171	31,171	28,808	2,363
Total city council	156,044	137,644	136,782	862
City manager's office				
Personnel	1,321,786	1,324,495	1,240,182	84,313
Operations	230,534	260,534	197,528	63,006
Total city manager's office	1,552,320	1,585,029	1,437,710	147,319
City's secretary				
Personnel	356,452	361,022	375,575	(14,553)
Operations	301,400	301,400	260,390	41,010
Total city secretary	657,852	662,422	635,965	26,457
Communication office				
Personnel	269,696	269,696	265,323	4,373
Operations	119,637	119,637	117,100	2,537
Capital outlay	(2,000)	(2,000)	17	(2,017)
Total communication office	387,333	387,333	382,440	4,893
Total general government	4,221,081	4,239,960	4,541,802	(301,842)

(continued)

# City of Georgetown, Texas

## General Fund

### Schedule of Revenues and Expenditures (Budget Basis) –

### Budget and Actual (Non-GAAP) – Reconciled to GAAP Basis – Continued

Fiscal Year Ended September 30, 2017

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual Budgetary Basis</u>	<u>Variance to Budget</u>
Highways and streets				
Transportation admin				
Personnel	\$ 434,778	\$ 434,778	\$ 407,824	\$ 26,954
Operations	219,587	219,587	219,238	349
Capital outlay	47,383	47,383	72,528	(25,145)
Total transportation admin	701,748	701,748	699,590	2,158
Streets				
Personnel	1,327,359	1,327,359	1,172,362	154,997
Operations	1,245,139	1,495,139	1,130,134	365,005
Capital outlay	1,234,000	1,234,000	755,378	478,622
Total streets	3,806,498	4,056,498	3,057,874	998,624
Total highways and streets	4,508,246	4,758,246	3,757,464	1,000,782
Police services				
Organization and administration				
Personnel	491,038	491,038	500,130	(9,092)
Operations	1,614,018	1,594,099	1,582,057	12,042
Total organization and administration	2,105,056	2,085,137	2,082,187	2,950
Field operations bureau				
Personnel	9,889,006	9,889,006	9,758,946	130,060
Operations	1,287,285	1,287,285	1,286,717	568
Capital outlay	-	-	-	-
Total field operations bureau	11,176,291	11,176,291	11,045,663	130,628
Animal services				
Personnel	659,006	659,006	583,391	75,615
Operations	246,951	259,588	238,362	21,226
Total animal services	905,957	918,594	821,753	96,841
Municipal court				
Personnel	458,585	458,585	451,194	7,391
Operations	106,035	106,035	98,602	7,433
Total municipal court	564,620	564,620	549,796	14,824
Total police services	14,751,924	14,744,642	14,499,399	245,243
<b>TOTAL EXPENDITURES</b>	<b>54,168,508</b>	<b>54,891,204</b>	<b>53,357,138</b>	<b>1,534,066</b>
<b>EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES</b>	<b>(8,496,375)</b>	<b>(7,856,909)</b>	<b>(5,969,541)</b>	<b>1,887,368</b>

(continued)

**City of Georgetown, Texas**

General Fund

Schedule of Revenues and Expenditures (Budget Basis) –

Budget and Actual (Non-GAAP) – Reconciled to GAAP Basis – Continued

Fiscal Year Ended September 30, 2017

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual Budgetary Basis</u>	<u>Variance to Budget</u>
<b>OTHER FINANCING SOURCES (USES)</b>				
Transfers in	\$ 8,505,241	\$ 9,592,342	\$ 9,592,342	\$ -
Transfers out	(1,444,716)	(1,512,955)	(2,489,735)	(976,780)
Total other financing sources (uses)	<u>7,060,525</u>	<u>8,079,387</u>	<u>7,102,607</u>	<u>(976,780)</u>
<b>EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES AND OTHER FINANCING SOURCES (USES) - BUDGETARY BASIS</b>	(1,435,850)	222,478	1,133,066	910,588
<b>FUND BALANCE - BUDGETARY BASIS, beginning of period</b>	<u>10,168,638</u>	<u>10,168,638</u>	<u>10,996,406</u>	<u>827,768</u>
<b>FUND BALANCE - BUDGETARY BASIS, end of period</b>	<u>\$ 8,732,788</u>	<u>\$ 10,391,116</u>	12,129,472	<u>\$ 1,738,356</u>
<b>ADJUSTMENTS TO GAAP</b>				
Net changes in unrealized gains/(losses) on investments			(1,629)	
Reserve for encumbrances			919,906	
Reverse voided purchase orders			250,569	
Reverse prior year adjustments			<u>27,307</u>	
<b>FUND BALANCE - GAAP BASIS, end of period</b>			<u>\$ 13,325,625</u>	

## City of Georgetown, Texas

Georgetown Transportation Enhancement Corporation (GTEC)  
 Schedule of Revenues and Expenditures (Budget Basis) –  
 Budget and Actual (Non-GAAP) – Reconciled to GAAP Basis  
 Fiscal Year Ended September 30, 2017

	Original Budget	Final Budget	Actual Budgetary Basis	Variance to Budget
<b>REVENUES</b>				
Sales tax	\$ 5,875,000	\$ 5,875,000	\$ 6,275,734	\$ 400,734
Grants	3,355,356	3,355,356	2,553,529	(801,827)
Investment earnings	50,000	50,000	164,952	114,952
Other	-	-	7,539	7,539
	<hr/>	<hr/>	<hr/>	<hr/>
Total revenues	9,280,356	9,280,356	9,001,754	(278,602)
<b>EXPENDITURES</b>				
Operations	330,895	330,895	329,601	1,294
Principal, interest and fiscal charges	839,150	839,150	961,210	(122,060)
Capital outlay	18,155,731	18,155,731	5,017,584	13,138,147
	<hr/>	<hr/>	<hr/>	<hr/>
Total expenditures	19,325,776	19,325,776	6,308,395	13,017,381
<b>EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES</b>				
	(10,045,420)	(10,045,420)	2,693,359	7,352,061
<b>OTHER FINANCING SOURCES (USES)</b>				
Issuance of bonds	6,000,000	6,000,000	5,750,000	(250,000)
Premium on issuance of bonds	-	-	369,010	369,010
Transfers in	553,201	553,201	521,611	(31,590)
Transfers out	(2,575,604)	(2,575,604)	(2,577,502)	(1,898)
	<hr/>	<hr/>	<hr/>	<hr/>
Total other financing sources (uses)	3,977,597	3,977,597	4,063,119	85,522
<b>EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES AND OTHER FINANCING SOURCES (USES) - BUDGETARY BASIS</b>				
	(6,067,823)	(6,067,823)	6,756,478	12,824,301
<b>FUND BALANCE, beginning of period</b>				
	11,022,875	11,022,875	11,017,018	(5,857)
<b>FUND BALANCE - BUDGETARY BASIS, end of period</b>				
	<u>\$ 4,955,052</u>	<u>\$ 4,955,052</u>	17,773,496	<u>\$ 12,818,444</u>
<b>ADJUSTMENTS TO GAAP</b>				
Reverse bond interest			2,025	
Net changes in unrealized gains/(losses) on investments			(3,530)	
GAAP adjustment			(433,217)	
Reduce restricted fund balance			540,000	
Reserve for encumbrances			1,240,430	
Reverse voided purchase orders			356,286	
Reverse prior year adjustments			6,622	
			<hr/>	
<b>FUND BALANCE - GAAP BASIS, end of period</b>				
			<u>\$ 19,482,112</u>	

**City of Georgetown, Texas**

Debt Service Fund

Schedule of Revenues and Expenditures (Budget Basis) –

Budget and Actual (Non-GAAP) – Reconciled to GAAP Basis

Fiscal Year Ended September 30, 2017

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual Budgetary Basis</u>	<u>Variance to Budget</u>
<b>REVENUES</b>				
Ad valorem taxes	\$ 12,000,000	\$ 12,000,000	\$ 11,975,432	\$ (24,568)
Investment earnings	2,000	2,000	60,186	58,186
Total revenues	12,002,000	12,002,000	12,035,618	33,618
<b>EXPENDITURES AND OTHER FINANCING SOURCES (USES)</b>				
Principal, interest and fiscal charges	(14,804,714)	(14,804,714)	(14,881,601)	(76,887)
<b>OTHER FINANCING SOURCES (USES)</b>				
Transfers in	2,916,878	2,916,878	2,918,842	1,964
Total other financing sources (uses)	2,916,878	2,916,878	2,918,842	1,964
<b>EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES AND OTHER FINANCING SOURCES (USES) - BUDGETARY BASIS</b>	114,164	114,164	72,859	(41,305)
<b>FUND BALANCE, beginning of period</b>	1,543,287	1,543,287	1,866,091	322,804
<b>FUND BALANCE - BUDGETARY BASIS, end of period</b>	<u>\$ 1,657,451</u>	<u>\$ 1,657,451</u>	1,938,950	<u>\$ 281,499</u>
<b>ADJUSTMENTS TO GAAP</b>				
Net changes in unrealized gains/(losses) on investments			(24)	
<b>FUND BALANCE - GAAP BASIS, end of period</b>			<u>\$ 1,938,926</u>	

## City of Georgetown, Texas

### General Capital Projects Fund

#### Schedule of Revenues and Expenditures (Budget Basis) –

#### Budget and Actual (Non-GAAP) – Reconciled to GAAP Basis

Fiscal Year Ended September 30, 2017

	Original Budget	Final Budget	Actual Budgetary Basis	Variance to Budget
<b>REVENUES</b>				
Investment earnings	\$ 75,000	\$ 75,000	\$ 317,415	\$ 242,415
Grants and donations	5,000,000	5,020,546	312,300	(4,708,246)
Other	300,000	370,000	109,550	(260,450)
Total revenues	5,375,000	5,465,546	739,265	(4,726,281)
<b>EXPENDITURES</b>				
Capital outlay	25,065,883	40,257,315	23,372,002	16,885,313
Bond issuance cost	-	-	340,973	(340,973)
Total expenditures	25,065,883	40,257,315	23,712,975	16,544,340
<b>EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES</b>	(19,690,883)	(34,791,769)	(22,973,710)	11,818,059
<b>OTHER FINANCING SOURCES (USES)</b>				
Issuance of bonds	12,060,000	18,290,000	18,640,276	350,276
Sale of property	3,475,000	3,475,000	-	(3,475,000)
Transfers in	-	548,463	548,463	-
Transfers out	(1,988,000)	(2,190,632)	(2,190,632)	-
Total other financing sources (uses)	13,547,000	20,122,831	16,998,107	(3,124,724)
<b>EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES AND OTHER FINANCING SOURCES (USES) - BUDGETARY BASIS</b>	(6,143,883)	(14,668,938)	(5,975,603)	8,693,335
<b>FUND BALANCES, beginning of period</b>	6,143,883	14,668,938	23,551,319	8,882,381
<b>FUND BALANCES - BUDGETARY BASIS, end of period</b>	\$ -	\$ -	17,575,716	\$ 17,575,716
<b>ADJUSTMENTS TO GAAP</b>				
Net changes in unrealized gains/(losses) on investments			(9,534)	
Reserve for encumbrances			14,198,287	
Reverse voided purchase orders			44,042	
GAAP adjustments			(581,774)	
Reverse prior year adjustments			229,915	
<b>FUND BALANCES - GAAP BASIS, end of period</b>			\$ 31,456,652	



# **Combining Financial Statements – Nonmajor Proprietary Funds**

## City of Georgetown, Texas

Combining Financial Statements  
Nonmajor Proprietary Funds

**Enterprise Funds** – The City's utilities are accounted for and operated in a manner similar to private business enterprises. Each utility accounted for as an independent entity, is an enterprise fund. Enterprise fund accounting is used where the intent of the City Council is to finance or recover the costs of providing goods or services to the general public on a continuing basis primarily through user charges or when the City Council has decided that periodic determination of net income is appropriate for accountability purposes.

Airport Fund – used to account for revenues and expenses related to the operation and maintenance of the City's airport.

Stormwater Drainage Fund – used to account for revenues and expenses related to the operations, capital projects, and debt service of the stormwater drainage facilities.

**Internal Service Funds** – This fund is used to account for services performed by one government organization or department for others.

Fleet Services Fund – The City uses this fund to purchase and account for all major equipment and vehicles. Each item is assigned an annual lease value which the leasing department pays to the Internal Service Fund. The annual lease value is determined by the projected replacement cost divided by the years of useful life of the item. The payments made by the departments enable the Internal Service Fund to replace equipment and vehicles on a pre-planned schedule to minimize maintenance costs and reduce safety risks due to worn out equipment and vehicles. The fund also provides maintenance for all vehicles through the Vehicle Service Center.

Joint Services Fund – The Joint Services Fund is composed of departments which provide services to more than one city fund. Charges for services provided are determined by allocating each specific department's cost to the using fund.

Facilities Maintenance Fund – The City uses this fund to account for janitorial service, light maintenance, painting, landscape maintenance and roofing and air conditioning repairs for all City buildings. Each building is assigned an annual maintenance cost, which is paid to the Internal Service Fund by the occupying departments, based on square footage occupied. The payments made by the departments enable the Internal Service Fund to provide major and minor facility repairs on a preplanned schedule to minimize maintenance costs and provide preventative care to reduce long-term maintenance and replacement costs.

Information Technology Fund – The City uses this fund to account for purchases and maintenance of the City's computer systems. Each department pays an annual predetermined lease payment, based upon the equipment the department has. These payments enable the fund to replace older equipment and upgrade the City's computer resources and provide assistance in maintenance of equipment. This fund also provides for the management of the City's computer systems through personnel in the Information Services department.

Self-Insurance Fund – The City uses this account for its self-insurance program providing health insurance to employees and their family members.

**City of Georgetown, Texas**  
Combining Statement of Net Position  
Nonmajor Enterprise Funds  
September 30, 2017

	<b>Airport Fund</b>	<b>Stormwater Drainage Fund</b>	<b>Total Nonmajor Enterprise Funds</b>
<b>ASSETS</b>			
Current assets			
Cash and cash equivalents	\$ -	\$ 95,145	\$ 95,145
Cash and cash equivalents - restricted	461,378	1,065,403	1,526,781
Investments - restricted	145,698	366,489	512,187
Accounts receivable			
Services (net of allowance for uncollectibles)	73,585	435,506	509,091
Other	-	27,123	27,123
Prepaid expenses	128,343	-	128,343
Inventories	49,683	-	49,683
Total current assets	<u>858,687</u>	<u>1,989,666</u>	<u>2,848,353</u>
Capital assets			
Land and land rights	981,500	-	981,500
Distribution system	5,989,819	45,083,190	51,073,009
Buildings and improvements	3,845,731	-	3,845,731
Machinery, furniture and equipment	2,403,921	58,036	2,461,957
Streets			
Construction in progress	7,741,190	40,205	7,781,395
Less accumulated depreciation	<u>(7,454,632)</u>	<u>(10,420,065)</u>	<u>(17,874,697)</u>
Total capital assets (net of accumulated depreciation)	<u>13,507,529</u>	<u>34,761,366</u>	<u>48,268,895</u>
Total noncurrent assets	<u>13,507,529</u>	<u>34,761,366</u>	<u>48,268,895</u>
<b>TOTAL ASSETS</b>	<u>14,366,216</u>	<u>36,751,032</u>	<u>51,117,248</u>
<b>DEFERRED OUTFLOWS OF RESOURCES</b>			
Deferred outflow related to pension	37,556	137,489	175,045
Deferred charge on refunding	22,878	46,305	69,183
<b>TOTAL DEFERRED OUTFLOWS OF RESOURCES</b>	<u>60,434</u>	<u>183,794</u>	<u>244,228</u>
<b>TOTAL ASSETS AND DEFERRED OUTFLOWS OF RESOURCES</b>	<u>\$ 14,426,650</u>	<u>\$ 36,934,826</u>	<u>\$ 51,361,476</u>
<b>LIABILITIES AND NET POSITION</b>			
Current liabilities			
Accounts payable	\$ 38,273	\$ 62,787	\$ 101,060
Accrued employee benefits	5,219	28,623	33,842
Unearned revenue	-	10,487	10,487
Current portion of long-term debt	84,215	424,258	508,473
Accrued interest	4,818	18,337	23,155
Total current liabilities	<u>132,525</u>	<u>544,492</u>	<u>677,017</u>
Noncurrent liabilities			
Accrued employee benefits	7,898	36,804	44,702
Net pension liability	72,380	264,971	337,351
Long-term debt payable	1,094,797	3,982,670	5,077,467
Total noncurrent liabilities	<u>1,175,075</u>	<u>4,284,445</u>	<u>5,459,520</u>
Total liabilities	<u>1,307,600</u>	<u>4,828,937</u>	<u>6,136,537</u>
Net position			
Net investment in capital assets	12,351,395	30,400,743	42,752,138
Unrestricted	<u>767,655</u>	<u>1,705,146</u>	<u>2,472,801</u>
Total net position	<u>13,119,050</u>	<u>32,105,889</u>	<u>45,224,939</u>
<b>TOTAL LIABILITIES AND NET POSITION</b>	<u>\$ 14,426,650</u>	<u>\$ 36,934,826</u>	<u>\$ 51,361,476</u>

# City of Georgetown, Texas

Combining Statement of Revenues, Expenses  
and Changes In Fund Net Position  
Nonmajor Enterprise Funds  
Fiscal Year Ended September 30, 2017

	<b>Airport Fund</b>	<b>Stormwater Drainage Fund</b>	<b>Total Nonmajor Enterprise Funds</b>
<b>OPERATING REVENUES</b>			
Other	\$ 3,318,983	\$ 3,409,626	\$ 6,728,609
Total operating revenues	3,318,983	3,409,626	6,728,609
<b>OPERATING EXPENSES</b>			
Depreciation	200,630	1,261,563	1,462,193
Other	2,880,715	2,459,667	5,340,382
Total operating expenses	3,081,345	3,721,230	6,802,575
<b>NET OPERATING INCOME (LOSS)</b>	237,638	(311,604)	(73,966)
<b>NONOPERATING REVENUES (EXPENSES)</b>			
Investment income	2,709	11,795	14,504
Donations and grants	5,926,282	3,584	5,929,866
Interest and fiscal charges	(41,663)	(161,594)	(203,257)
Other	49,107	-	49,107
Total nonoperating revenues (expenses)	5,936,435	(146,215)	5,790,220
<b>INCOME (LOSS) BEFORE CONTRIBUTIONS AND TRANSFERS</b>	6,174,073	(457,819)	5,716,254
<b>CONTRIBUTIONS AND TRANSFERS</b>			
Capital contributions	-	2,036,231	2,036,231
Transfer in	5,249	-	5,249
Transfers out	(25,000)	(588,937)	(613,937)
Total contributions and transfers	(19,751)	1,447,294	1,427,543
<b>CHANGE IN NET POSITION</b>	6,154,322	989,475	7,143,797
<b>TOTAL NET POSITION, beginning of period</b>	6,964,728	31,116,414	38,081,142
<b>TOTAL NET POSITION, end of period</b>	\$ 13,119,050	\$ 32,105,889	\$ 45,224,939

**City of Georgetown, Texas**  
Combining Statement of Cash Flows  
Nonmajor Enterprise Funds  
Fiscal Year Ended September 30, 2017

	<b>Airport Fund</b>	<b>Stormwater Drainage Fund</b>	<b>Total Nonmajor Enterprise Funds</b>
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>			
Cash received from customers	\$ 3,312,960	\$ 3,409,868	\$ 6,722,828
Payments to suppliers	(1,934,018)	(1,874,771)	(3,808,789)
Payments to employees for services	(340,894)	(560,749)	(901,643)
Net cash provided by operating activities	1,038,048	974,348	2,012,396
<b>CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES</b>			
Transfers in	5,249	-	5,249
Transfers out	(25,000)	(588,937)	(613,937)
Net cash provided by (used for) noncapital financing activities	(19,751)	(588,937)	(608,688)
<b>CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES</b>			
Acquisition of capital assets	(647,424)	(270,231)	(917,655)
Donations, grants, and other	99,107	-	99,107
Principal paid on revenue and certificates of obligation bonds	(103,696)	(420,913)	(524,609)
Interest paid on revenue and certificates of obligation bonds	(41,932)	(160,789)	(202,721)
Net cash used in capital and related financing activities	(693,945)	(851,933)	(1,545,878)
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>			
Interest received	2,709	11,795	14,504
Change in temporary investments	(15,098)	(73,829)	(88,927)
Net cash used in investing activities	(12,389)	(62,034)	(74,423)
Net change in cash and cash equivalents	311,963	(528,556)	(216,593)
<b>CASH AND CASH EQUIVALENTS, beginning of year</b>	149,415	1,689,104	1,838,519
<b>CASH AND CASH EQUIVALENTS, end of year</b>	<u>\$ 461,378</u>	<u>\$ 1,160,548</u>	<u>\$ 1,621,926</u>
<b>NON-CASH DISCLOSURE OF CAPITAL ACTIVITY</b>			
Developer contributions	<u>\$ -</u>	<u>\$ 2,036,231</u>	<u>\$ 2,036,231</u>
Noncash grants received	<u>\$ 5,876,282</u>	<u>\$ -</u>	<u>\$ 5,876,282</u>
<b>OPERATING INCOME (LOSS)</b>			
Adjustments to reconcile operating income (loss) to cash provided by (used in) operating activities			
Depreciation	200,630	1,261,563	1,462,193
Decrease (increase) in inventories	(7,913)	-	(7,913)
Decrease (increase) in accounts receivable	(6,023)	242	(5,781)
Decrease (increase) in prepaid expenses	652,828	-	652,828
Increase (decrease) in accounts payable	(39,084)	11,891	(27,193)
Increase (decrease) in net pension liability	-	12,886	12,886
Increase (decrease) in accrued employee benefits	(28)	(630)	(658)
Net cash provided by (used in) operating activities	<u>\$ 1,038,048</u>	<u>\$ 974,348</u>	<u>\$ 2,012,396</u>

**City of Georgetown, Texas**  
Combining Statement of Net Position  
Internal Service Funds  
September 30, 2017

	<b>Fleet Services Fund</b>	<b>Joint Services Fund</b>	<b>Facilities Maintenance Fund</b>	<b>Information Technology Fund</b>	<b>Self Insurance Fund</b>	<b>Total</b>
<b>ASSETS</b>						
Current						
Cash and cash equivalents	\$ 3,577,996	\$ 1,040,836	\$ 1,263,983	\$ 1,217,813	\$ 2,752,913	\$ 9,853,541
Investments	1,129,893	328,685	399,153	384,573	869,341	3,111,645
Prepaid expense	-	30,557	-	-	368,069	398,626
Accounts receivable	143	376,950	2,193	179	-	379,465
Inventories	-	664,707	-	-	-	664,707
Total current assets	4,708,032	2,441,735	1,665,329	1,602,565	3,990,323	14,407,984
Property and equipment						
Land and land rights	-	214,066	-	-	-	214,066
Buildings and improvements	26,181	813,681	1,173,704	-	-	2,013,566
Machinery, furniture and equipment	27,282,746	1,217,644	1,452,486	6,904,447	-	36,857,323
Units in progress	-	-	-	63,894	-	63,894
Total property and equipment cost	27,308,927	2,245,391	2,626,190	6,968,341	-	39,148,849
Less accumulated depreciation	(15,737,007)	(2,003,737)	(1,980,639)	(5,991,253)	-	(25,712,636)
Net property and equipment	11,571,920	241,654	645,551	977,088	-	13,436,213
<b>TOTAL ASSETS</b>	<b>\$ 16,279,952</b>	<b>\$ 2,683,389</b>	<b>\$ 2,310,880</b>	<b>\$ 2,579,653</b>	<b>\$ 3,990,323</b>	<b>\$27,844,197</b>
<b>LIABILITIES AND NET POSITION</b>						
Liabilities						
Current liabilities						
Accounts payable	\$ 36,481	\$ 1,108,346	\$ 156,624	\$ 126,831	\$ 402,004	\$ 1,830,286
Accrued employee benefits	16,724	-	11,361	36,150	-	64,235
Unearned revenue	-	351,728	-	-	-	351,728
Due to other funds	2,250	-	-	-	233,069	235,319
Total current liabilities	55,455	1,460,074	167,985	162,981	635,073	2,481,568
Noncurrent liabilities						
Accrued employee benefits	22,473	-	13,880	47,229	-	83,582
Total liabilities	77,928	1,460,074	181,865	210,210	635,073	2,565,150
Net position						
Net investment in capital assets	11,571,920	241,654	645,551	977,088	-	13,436,213
Unrestricted	4,630,104	981,661	1,483,464	1,392,355	3,355,250	11,842,834
Total net position	16,202,024	1,223,315	2,129,015	2,369,443	3,355,250	25,279,047
<b>TOTAL LIABILITIES AND NET POSITION</b>	<b>\$ 16,279,952</b>	<b>\$ 2,683,389</b>	<b>\$ 2,310,880</b>	<b>\$ 2,579,653</b>	<b>\$ 3,990,323</b>	<b>\$27,844,197</b>

# City of Georgetown, Texas

## Combining Statement of Revenues, Expenses and Changes in Fund Net Position Internal Service Funds Fiscal Year Ended September 30, 2017

	Fleet Services Fund	Joint Services Fund	Facilities Maintenance Fund	Information Technology Fund	Self Insurance Fund	Total
<b>OPERATING REVENUES</b>						
Charges for services	\$ 3,061,908	\$14,710,446	\$ 3,307,199	\$5,164,113	\$7,947,719	\$ 34,191,385
<b>OPERATING EXPENSES</b>						
Administration	-	1,388,472	-	-	-	1,388,472
Accounting	-	793,429	-	-	-	793,429
City wide HR services	-	367,603	-	-	-	367,603
Conservation	-	596,709	-	-	-	596,709
Customer care	-	3,381,873	-	-	-	3,381,873
Economic development administration	-	412,507	-	-	-	412,507
Engineering support	-	933,194	-	-	-	933,194
Facilities maintenance contracts	-	-	1,952,757	-	-	1,952,757
Facilities maintenance services	-	-	786,135	-	-	786,135
Finance and administration	-	849,646	-	-	-	849,646
Fleet services operations	529,420	-	-	-	-	529,420
Human resources	-	793,295	-	-	-	793,295
Information technology	-	-	-	2,058,149	-	2,058,149
Information technology capital replacement & contracts	-	-	-	2,724,138	-	2,724,138
Joint services contracts	-	1,877,097	-	-	-	1,877,097
Legal services	-	954,053	-	-	-	954,053
Main street	-	115,808	-	-	-	115,808
Medical insurance	-	-	-	-	6,814,234	6,814,234
Purchasing	-	714,600	-	-	-	714,600
Service center	1,351,461	-	-	-	-	1,351,461
Systems engineering	-	1,713,599	-	-	-	1,713,599
Depreciation	2,046,407	13,230	136,535	460,298	-	2,656,470
Total operating expenses	3,927,288	14,905,115	2,875,427	5,242,585	6,814,234	33,764,649
<b>NET OPERATING INCOME (LOSS)</b>	(865,380)	(194,669)	431,772	(78,472)	1,133,485	426,736
<b>NONOPERATING REVENUES (EXPENSES)</b>						
Investment income	23,603	7,069	8,177	6,704	13,512	59,065
Gain on disposal of assets	164,839	-	-	-	-	164,839
Other	40,058	65,476	917	179	2,266	108,896
Total nonoperating revenues (expenses)	228,500	72,545	9,094	6,883	15,778	332,800
<b>INCOME (LOSS) BEFORE CONTRIBUTIONS AND TRANSFERS</b>	(636,880)	(122,124)	440,866	(71,589)	1,149,263	759,536
<b>CONTRIBUTIONS AND TRANSFERS</b>						
Capital contributions	63,712	-	7,400	5,795	-	76,907
Transfers in	2,685,501	582,139	25,000	3,339	-	3,295,979
Transfers out	-	(25,000)	-	-	-	(25,000)
Total contributions and transfers	2,749,213	557,139	32,400	9,134	-	3,347,886
<b>CHANGE IN NET POSITION</b>	2,112,333	435,015	473,266	(62,455)	1,149,263	4,107,422
<b>NET POSITION, beginning of period</b>	14,089,691	788,300	1,655,749	2,431,898	2,205,987	21,171,625
<b>NET POSITION, end of period</b>	<u>\$16,202,024</u>	<u>\$ 1,223,315</u>	<u>\$ 2,129,015</u>	<u>\$2,369,443</u>	<u>\$3,355,250</u>	<u>\$ 25,279,047</u>

**City of Georgetown, Texas**  
Combining Statement of Cash Flows  
Internal Service Funds  
Fiscal Year Ended September 30, 2017

	<b>Fleet Services Fund</b>	<b>Joint Services Fund</b>	<b>Facilities Maintenance Fund</b>	<b>Information Technology Fund</b>	<b>Self Insurance Fund</b>	<b>Total</b>
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>						
Department contributions	\$ 3,266,662	\$ 14,338,795	\$ 3,306,991	\$ 5,164,113	\$ 7,949,985	\$ 34,026,546
Payments to suppliers	(1,502,739)	(5,712,358)	(2,260,624)	(3,152,272)	(6,665,216)	(19,293,209)
Payments to employees for services	(661,289)	(8,721,226)	(522,705)	(1,886,853)	-	(11,792,073)
Net cash provided by (used in) operating activities	1,102,634	(94,789)	523,662	124,988	1,284,769	2,941,264
<b>CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES</b>						
Transfers in	2,685,501	582,139	25,000	3,339	-	3,295,979
Transfers out	-	(25,000)	-	-	-	(25,000)
Net cash provided by noncapital financing activities	2,685,501	557,139	25,000	3,339	-	3,270,979
<b>CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES</b>						
Acquisition of capital assets	(2,234,380)	(9,853)	(170,773)	(131,851)	-	(2,546,857)
Net cash (used) for capital and related financing activities	(2,234,380)	(9,853)	(170,773)	(131,851)	-	(2,546,857)
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>						
Interest received	23,603	7,069	8,177	6,704	13,512	59,065
Change in temporary investments	504,790	144,590	267,700	450,491	344,178	1,711,749
Net cash provided by (used in) investing activities	528,393	151,659	275,877	457,195	357,690	1,770,814
Net increase (decrease) in cash	2,082,148	604,156	653,766	453,671	1,642,459	5,436,200
<b>CASH AND CASH EQUIVALENTS, beginning of year</b>	1,495,848	436,680	610,217	764,142	1,110,454	4,417,341
<b>CASH AND CASH EQUIVALENTS, end of year</b>	<b>\$ 3,577,996</b>	<b>\$ 1,040,836</b>	<b>\$ 1,263,983</b>	<b>\$ 1,217,813</b>	<b>\$ 2,752,913</b>	<b>\$ 9,853,541</b>
<b>NON-CASH DISCLOSURE</b>						
Developer contributions received	\$ 63,712	\$ -	\$ 7,400	\$ 5,795	\$ -	\$ 76,907
<b>OPERATING INCOME (LOSS)</b>						
Adjustments to reconcile operating income (loss) to cash provided by (used in) operating activities:	\$ (865,380)	\$ (194,669)	\$ 431,772	\$ (78,472)	\$ 1,133,485	\$ 426,736
Depreciation	2,046,407	13,230	136,535	460,298	-	2,656,470
Gain on disposal of asset	164,839	-	-	-	-	164,839
Other income	40,058	65,476	917	179	2,266	108,896
Decrease (increase) in prepaid expenses	-	-	-	-	(48,000)	(48,000)
Decrease (increase) in inventories	-	47,209	-	-	-	47,209
Decrease (increase) in accounts receivable	(143)	(341,800)	(1,125)	(179)	-	(343,247)
Increase (decrease) in accounts payable	(283,109)	411,092	(42,741)	(261,621)	197,018	20,639
Increase (decrease) in unearned revenue	-	(95,327)	-	-	-	(95,327)
Increase (decrease) in accrued employee benefits	(38)	-	(1,696)	4,783	-	3,049
<b>Net cash provided by (used in) operating activities</b>	<b>\$ 1,102,634</b>	<b>\$ (94,789)</b>	<b>\$ 523,662</b>	<b>\$ 124,988</b>	<b>\$ 1,284,769</b>	<b>\$ 2,941,264</b>



# **Supplementary Individual Fund Financial Statements**

**City of Georgetown, Texas**

Agency Funds

Statement of Changes in Assets and Liabilities

Fiscal Year Ended September 30, 2017

	<b>Balance October 1, 2016</b>	<b>Additions</b>	<b>Deductions</b>	<b>Balance September 30, 2017</b>
<b>Public improvement districts</b>				
Assets				
Cash and cash equivalents	\$ 18,686	\$ 471,007	\$ 459,831	\$ 29,862
<b>Total assets</b>	<b>\$ 18,686</b>	<b>471,007</b>	<b>459,831</b>	<b>29,862</b>
Liabilities				
Accounts payable	\$ 18,686	\$ 471,007	\$ 459,831	\$ 29,862
<b>Total liabilities</b>	<b>\$ 18,686</b>	<b>\$ 471,007</b>	<b>\$ 459,831</b>	<b>\$ 29,862</b>
<b>Texas capital fund repayments</b>				
Assets				
Accounts receivable	\$ 68,454	\$ -	\$ 50,000	\$ 18,454
<b>Total assets</b>	<b>\$ 68,454</b>	<b>\$ -</b>	<b>\$ 50,000</b>	<b>\$ 18,454</b>
Liabilities				
Due to other governments	\$ 68,454	\$ -	\$ 50,000	\$ 18,454
<b>Total liabilities</b>	<b>\$ 68,454</b>	<b>\$ -</b>	<b>\$ 50,000</b>	<b>\$ 18,454</b>
<b>Total agency funds</b>				
Assets				
Cash and cash equivalents	\$ 18,686	\$ 471,007	\$ 459,831	\$ 29,862
Accounts receivable	68,454	-	50,000	18,454
<b>Total assets</b>	<b>\$ 87,140</b>	<b>\$ 471,007</b>	<b>\$ 509,831</b>	<b>\$ 48,316</b>
Liabilities				
Accounts payable	\$ 18,686	\$ 471,007	\$ 459,831	\$ 29,862
Due to other governments	68,454	-	50,000	18,454
<b>Total liabilities</b>	<b>\$ 87,140</b>	<b>\$ 471,007</b>	<b>\$ 509,831</b>	<b>\$ 48,316</b>

**Statistical Section  
(Unaudited)**



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**City of Georgetown, Texas**  
Statistical Section (Unaudited)

This part of the City of Georgetown's comprehensive annual financial report presents detailed information as a context for understanding what the information in the financial statements, note disclosures, and required supplementary information says about the government's overall financial health.

**Contents:**

Financial Trend..... 134

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

Revenue Capacity ..... 144

These schedules contain information to help the reader assess the government's most significant local revenue source, the property tax.

Debt Capacity..... 154

These schedules present information to help the reader assess the affordability of the government's current levels of outstanding debt and the government's ability to issue additional debt in the future.

Demographic and Economic Information ..... 168

These schedules offer demographic and economic indicators to help the reader understand the environment within which the government's financial activities take place.

Operating Information ..... 172

These schedules contain service and infrastructure data to help the reader understand how the information in the government's financial report related to the services the government provides and the activities it performs.

Sources: Unless otherwise noted, the information in these schedules is derived from the comprehensive annual financial reports for the relevant year.

**City of Georgetown, Texas**  
 Net Position by Component  
 Last Ten Fiscal Years  
 (Accrual Basis of Accounting)

	<b>2017</b>	<b>2016</b>	<b>2015</b>	<b>2014</b>
<b>Governmental activities</b>				
Net investment in capital assets	\$ 266,518,836	\$ 254,289,833	\$ 239,377,879	\$ 211,305,899
Restricted	6,423,693	4,958,105	3,958,088	824,704
Unrestricted	35,069,898	27,598,778	20,056,114	33,401,250
<b>Total governmental activities net assets</b>	<b>\$ 308,012,427</b>	<b>\$ 286,846,716</b>	<b>\$ 263,392,081</b>	<b>\$ 245,531,853</b>
<b>Business-type activities</b>				
Net investment in capital assets	\$ 374,238,275	\$ 380,034,944	\$ 328,886,853	\$ 287,569,126
Unrestricted	63,291,864	27,740,653	48,127,105	57,575,322
<b>Total business-type activities net assets</b>	<b>\$ 437,530,139</b>	<b>\$ 407,775,597</b>	<b>\$ 377,013,958</b>	<b>\$ 345,144,448</b>
<b>Primary government</b>				
Net investment in capital assets	\$ 640,757,111	\$ 634,324,777	\$ 568,264,732	\$ 498,875,025
Restricted	6,423,693	4,958,105	3,958,088	824,704
Unrestricted	98,361,762	55,339,431	68,183,219	90,976,572
<b>Total primary government net assets</b>	<b>\$ 745,542,566</b>	<b>\$ 694,622,313</b>	<b>\$ 640,406,039</b>	<b>\$ 590,676,301</b>

<b>2013</b>	<b>2012</b>	<b>2011</b>	<b>2010</b>	<b>2009</b>	<b>2008</b>
\$ 174,798,105	\$ 144,196,394	\$ 138,536,744	\$ 144,725,810	\$ 138,048,388	\$ 129,354,365
1,109,220	26,064,001	30,407,806	23,615,403	26,858,729	25,011,217
40,995,207	28,542,479	21,859,346	15,909,956	14,563,686	16,470,172
<u>\$ 216,902,532</u>	<u>\$ 198,802,874</u>	<u>\$ 190,803,896</u>	<u>\$ 184,251,169</u>	<u>\$ 179,470,803</u>	<u>\$ 170,835,754</u>
\$ 230,939,554	\$ 220,809,992	\$ 210,252,907	\$ 197,910,197	\$ 187,953,410	\$ 167,724,995
36,040,786	37,049,395	30,771,961	35,786,263	33,507,546	29,144,912
<u>\$ 266,980,340</u>	<u>\$ 257,859,387</u>	<u>\$ 241,024,868</u>	<u>\$ 233,696,460</u>	<u>\$ 221,460,956</u>	<u>\$ 196,869,907</u>
\$ 405,737,659	\$ 365,006,386	\$ 348,789,651	\$ 342,636,007	\$ 326,001,798	\$ 297,079,360
1,109,220	26,064,001	30,407,806	23,615,403	26,858,729	25,011,217
77,035,993	65,591,874	52,631,307	51,696,219	48,071,232	45,615,084
<u>\$ 483,882,872</u>	<u>\$ 456,662,261</u>	<u>\$ 431,828,764</u>	<u>\$ 417,947,629</u>	<u>\$ 400,931,759</u>	<u>\$ 367,705,661</u>

**City of Georgetown, Texas**  
**Changes in Net Position**  
**Last Ten Fiscal Years**  
**(Accrual Basis of Accounting)**

	<u>2017</u>	<u>2016</u>	<u>2015</u>	<u>2014</u>
<b>EXPENSES</b>				
Governmental activities				
Culture-recreation	\$ 11,904,166	\$ 12,128,222	\$ 11,003,525	\$ 10,438,052
Development	2,561,792	2,805,625	2,317,907	2,037,449
Fire	16,113,850	15,089,501	11,731,142	10,378,471
General government	5,959,340	6,348,544	5,435,195	5,239,050
Police	16,537,297	15,938,090	13,284,900	12,862,736
Streets	7,376,116	8,270,333	6,463,416	9,486,497
Environmental services	6,325,688	5,964,867	5,700,681	5,097,618
Interest on long-term debt	5,826,012	4,455,057	5,061,021	5,738,394
Total governmental activities expenses	<u>72,604,261</u>	<u>71,000,239</u>	<u>60,997,787</u>	<u>61,278,267</u>
Business-type activities				
Airport	3,123,008	2,655,035	2,838,401	3,289,827
Electric	66,383,559	59,649,218	59,043,948	60,073,430
Environmental services	-	-	-	-
Stormwater	3,882,824	3,844,129	2,983,286	2,638,430
Water	39,960,102	36,679,504	33,360,468	24,158,727
Total business-type activities expenses	<u>113,349,493</u>	<u>102,827,886</u>	<u>98,226,103</u>	<u>90,160,414</u>
<b>Total primary government expenses</b>	<u><u>\$ 185,953,754</u></u>	<u><u>\$ 173,828,125</u></u>	<u><u>\$ 159,223,890</u></u>	<u><u>\$ 151,438,681</u></u>
<b>PROGRAM REVENUES</b>				
Governmental activities				
Charges for services				
Culture-recreation	\$ 2,534,735	\$ 2,781,283	\$ 2,506,592	\$ 3,146,318
Development	2,653,201	2,666,369	2,510,092	1,942,914
Fire	4,116,783	3,718,280	1,740,719	1,200,894
General government	356,455	1,155,218	1,321,261	1,474,961
Police	743,304	200,276	831,461	805,728
Streets	4,124,813	843,386	625	1,021
Environmental services	7,329,850	7,380,876	6,811,773	5,266,815
Operating grants and contributions	470,604	397,920	642,448	286,431
Capital grants and contributions	5,612,025	12,784,076	17,701,672	23,901,801
Total governmental activities program revenues	<u>27,941,770</u>	<u>31,927,684</u>	<u>34,066,643</u>	<u>38,026,883</u>
Business-type activities				
Charges for services				
Airport	3,318,983	2,905,729	2,631,211	3,254,368
Electric	70,109,269	66,916,207	63,197,781	60,319,235
Environmental services	-	-	-	-
Stormwater	3,409,626	3,277,508	2,638,945	2,487,548
Water	42,729,980	45,485,151	43,488,320	33,659,956
Operating grants and contributions	-	-	25,056	25,056
Capital grants and contributions	32,180,271	25,104,637	9,405,360	76,095,951
Total business-type activities program revenues	<u>151,748,129</u>	<u>143,689,232</u>	<u>121,386,673</u>	<u>175,842,114</u>
<b>Total primary government program revenues</b>	<u><u>\$ 179,689,899</u></u>	<u><u>\$ 175,616,916</u></u>	<u><u>\$ 155,453,316</u></u>	<u><u>\$ 213,868,997</u></u>
Net (expense)/revenue				
Governmental activities	\$ (44,662,491)	\$ (39,072,555)	\$ (26,931,144)	\$ (23,251,384)
Business-type activities	38,398,636	40,861,346	23,160,570	85,681,700
<b>Total primary government net expense</b>	<u><u>\$ (6,263,855)</u></u>	<u><u>\$ 1,788,791</u></u>	<u><u>\$ (3,770,574)</u></u>	<u><u>\$ 62,430,316</u></u>



<b>2013</b>	<b>2012</b>	<b>2011</b>	<b>2010</b>	<b>2009</b>	<b>2008</b>
\$ 9,775,209	\$ 9,328,048	\$ 9,393,530	\$ 9,076,669	\$ 8,696,162	\$ 6,978,982
1,650,530	2,284,858	2,374,321	2,345,178	2,381,380	2,457,868
9,144,092	8,634,002	8,110,294	7,196,359	6,835,927	5,553,135
6,447,308	4,851,250	5,293,370	5,201,299	5,107,748	3,604,501
12,042,349	11,522,334	11,029,444	10,787,024	11,026,676	9,595,062
5,459,183	5,564,690	6,522,933	5,730,682	4,372,708	3,147,899
4,855,404	4,830,921	4,339,101	4,206,166	4,287,029	-
3,806,106	4,375,653	3,656,673	3,624,733	3,650,386	4,181,243
<u>53,180,181</u>	<u>51,391,756</u>	<u>50,719,666</u>	<u>48,168,110</u>	<u>46,358,016</u>	<u>35,518,690</u>
3,171,550	3,012,745	3,751,193	2,811,206	2,441,533	3,459,377
46,543,022	56,407,348	54,289,631	50,756,369	48,444,272	48,183,299
-	-	-	-	-	4,315,729
2,204,172	1,905,019	1,970,307	1,799,680	1,807,147	1,689,013
<u>22,844,363</u>	<u>21,597,278</u>	<u>22,224,364</u>	<u>20,124,249</u>	<u>20,011,184</u>	<u>18,980,021</u>
<u>74,763,107</u>	<u>82,922,390</u>	<u>82,235,495</u>	<u>75,491,504</u>	<u>72,704,136</u>	<u>76,627,439</u>
<u>\$ 127,943,288</u>	<u>\$ 134,314,146</u>	<u>\$ 132,955,161</u>	<u>\$ 123,659,614</u>	<u>\$ 119,062,152</u>	<u>\$ 112,146,129</u>
\$ 2,425,587	\$ 2,285,209	\$ 2,252,608	\$ 2,150,107	\$ 1,481,954	\$ 1,391,416
1,659,670	1,668,635	905,118	1,125,058	827,387	1,232,533
1,433,679	1,137,982	1,032,663	1,195,871	1,409,208	1,044,870
1,261,561	1,206,994	435,926	487,264	5,121	1,418,786
959,027	895,703	1,009,004	1,265,589	1,154,135	1,344,259
1,125	-	-	-	-	-
6,059,904	5,491,495	5,116,570	4,809,271	4,582,794	-
256,593	956,438	962,183	405,023	1,268,957	492,632
<u>5,999,666</u>	<u>2,431,374</u>	<u>4,422,720</u>	<u>2,747,483</u>	<u>1,600,980</u>	<u>909,209</u>
<u>20,056,812</u>	<u>16,073,830</u>	<u>16,136,792</u>	<u>14,185,666</u>	<u>12,330,536</u>	<u>7,833,705</u>
2,906,267	2,881,144	3,388,816	2,435,613	2,234,637	3,308,889
54,743,979	59,344,615	58,535,067	60,136,705	57,164,312	52,846,962
-	-	-	-	-	4,398,047
2,206,108	2,132,810	2,036,047	1,959,007	1,913,546	1,832,165
27,244,363	26,596,509	27,142,648	22,022,414	23,541,415	23,313,864
25,589	147,601	127,051	-	-	-
<u>4,558,296</u>	<u>3,917,721</u>	<u>2,062,382</u>	<u>4,842,643</u>	<u>17,378,138</u>	<u>11,071,907</u>
<u>91,684,602</u>	<u>95,020,400</u>	<u>93,292,011</u>	<u>91,396,382</u>	<u>102,232,048</u>	<u>96,771,834</u>
<u>\$ 111,741,414</u>	<u>\$ 111,094,230</u>	<u>\$ 109,428,803</u>	<u>\$ 105,582,048</u>	<u>\$ 114,562,584</u>	<u>\$ 104,605,539</u>
\$ (33,123,369)	\$ (35,317,926)	\$ (34,582,874)	\$ (33,982,444)	\$ (34,027,480)	\$ (27,684,985)
<u>16,921,495</u>	<u>12,098,010</u>	<u>11,056,516</u>	<u>15,904,878</u>	<u>29,527,912</u>	<u>20,144,395</u>
<u>\$ (16,201,874)</u>	<u>\$ (23,219,916)</u>	<u>\$ (23,526,358)</u>	<u>\$ (18,077,566)</u>	<u>\$ (4,499,568)</u>	<u>\$ (7,540,590)</u>

**City of Georgetown, Texas**  
 Changes In Net Position  
 Last Ten Fiscal Years – Continued  
 (Accrual Basis Of Accounting)

	<u>2017</u>	<u>2016</u>	<u>2015</u>	<u>2014</u>
<b>GENERAL REVENUES AND OTHER</b>				
<b>CHANGES IN NET POSITION</b>				
Governmental activities				
Property tax	\$ 24,734,830	\$ 22,815,206	\$ 20,650,114	\$ 18,984,850
Sales tax	23,008,606	21,556,336	19,165,963	18,655,801
Taxes - other	3,027,357	2,459,912	2,118,567	1,939,217
Franchise taxes	4,973,295	4,926,315	4,925,043	4,478,899
Investment income	731,135	398,206	201,492	169,477
Other	164,835	-	82,963	36,854
Transfers	9,188,144	10,371,215	4,904,089	7,615,607
<b>Total governmental activities</b>	<u>\$ 65,828,202</u>	<u>\$ 62,527,190</u>	<u>\$ 52,048,231</u>	<u>\$ 51,880,705</u>
Business-type activities				
Investment income	\$ 544,050	\$ 271,508	\$ 167,866	\$ 98,015
Gain on sale of capital assets	-	-	-	-
Extraordinary item				
Other	-	-	-	-
Transfers	(9,188,144)	(10,371,215)	(4,904,089)	(7,615,607)
<b>Total business-type activities</b>	<u>(8,644,094)</u>	<u>(10,099,707)</u>	<u>(4,736,223)</u>	<u>(7,517,592)</u>
<b>Total primary government</b>	<u>\$ 57,184,108</u>	<u>\$ 52,427,483</u>	<u>\$ 47,312,008</u>	<u>\$ 44,363,113</u>
<b>CHANGES IN NET POSITION</b>				
Governmental activities	\$ 21,165,711	\$ 23,454,635	\$ 25,117,087	\$ 28,629,321
Business-type activities	29,754,542	30,761,639	18,424,347	78,164,108
<b>Total primary government</b>	<u>\$ 50,920,253</u>	<u>\$ 54,216,274</u>	<u>\$ 43,541,434</u>	<u>\$ 106,793,429</u>

<b>2013</b>	<b>2012</b>	<b>2011</b>	<b>2010</b>	<b>2009</b>	<b>2008</b>
\$ 17,037,036	\$ 15,751,826	\$ 14,362,895	\$ 14,360,142	\$ 14,934,694	\$ 12,610,638
17,002,757	15,045,592	14,148,242	13,482,999	12,543,071	13,236,686
1,331,281	1,143,217	1,100,490	1,000,571	278,982	1,134,493
4,471,487	3,924,052	3,874,815	2,603,222	2,801,666	2,739,567
241,449	230,788	187,314	140,384	504,145	2,222,952
1,129,389	710,403	590,398	537,528	3,415,713	803,334
11,719,799	6,511,026	6,871,447	6,637,964	8,184,258	7,129,529
<u>\$ 52,933,198</u>	<u>\$ 43,316,904</u>	<u>\$ 41,135,601</u>	<u>\$ 38,762,810</u>	<u>\$ 42,662,529</u>	<u>\$ 39,877,199</u>
\$ 126,322	\$ 156,329	\$ 171,947	\$ 133,132	\$ 667,389	\$ 1,018,860
-	-	-	-	-	-
4,919,258	4,003,968	2,971,392	2,835,458	2,580,006	2,295,472
(11,719,799)	(6,511,026)	(6,871,447)	(6,637,964)	(8,184,258)	(7,129,529)
<u>(6,674,219)</u>	<u>(2,350,729)</u>	<u>(3,728,108)</u>	<u>(3,669,374)</u>	<u>(4,936,863)</u>	<u>(3,815,197)</u>
<u>\$ 46,258,979</u>	<u>\$ 40,966,175</u>	<u>\$ 37,407,493</u>	<u>\$ 35,093,436</u>	<u>\$ 37,725,666</u>	<u>\$ 36,062,002</u>
\$ 19,809,829	\$ 7,998,978	\$ 6,552,727	\$ 4,780,366	\$ 8,635,049	\$ 12,192,214
10,247,276	9,747,281	7,328,408	12,235,504	24,591,049	16,329,198
<u>\$ 30,057,105</u>	<u>\$ 17,746,259</u>	<u>\$ 13,881,135</u>	<u>\$ 17,015,870</u>	<u>\$ 33,226,098</u>	<u>\$ 28,521,412</u>

## City of Georgetown, Texas

### Fund Balances of Governmental Funds

#### Last Ten Fiscal Years

(Modified Accrual Basis of Accounting)

	2017	2016	2015	2014	2013	2012	2011
General fund							
Nonspendable	\$ 246,648	\$ 507,929	\$ 66,702	\$ 22,810	\$ 18,697	\$ 2,110	\$ 9,061
Committed							
Contingency	7,925,000	7,925,000	7,695,000	7,500,000	7,400,000	7,000,000	6,847,000
Economic stability	1,150,000	-	-	-	-	-	-
Benefit payout	222,000	-	-	-	-	-	-
Assigned							
Encumbrances	919,906	1,502,188	1,835,134	1,755,953	1,631,482	1,210,247	1,403,968
Unassigned	2,862,071	2,561,845	2,407,019	2,893,916	3,999,924	2,419,053	1,894,618
<b>Total general fund</b>	<b>\$ 13,325,625</b>	<b>\$ 12,496,962</b>	<b>\$ 12,003,855</b>	<b>\$ 12,172,679</b>	<b>\$ 13,050,103</b>	<b>\$ 10,631,410</b>	<b>\$ 10,154,647</b>
Other governmental funds							
Restricted							
Debt service	\$ 1,938,926	\$ 1,867,190	\$ 1,489,314	\$ 1,268,186	\$ 1,109,220	\$ 1,749,324	\$ 1,976,586
Bond funds	17,258,365	23,602,097	15,336,646	14,840,447	15,438,897	18,112,419	17,748,555
Hotel/motel tax	853,337	499,231	544,252	579,118	515,525	526,488	460,582
Street maintenance tax	3,422,465	2,388,379	2,534,655	2,773,940	5,029,263	4,205,153	3,215,322
Other purposes	762,196	692,834	344,436	352,032	188,072	244,969	306,926
Committed							
Other capital projects	11,556,682	10,985,484	8,489,829	12,386,987	12,292,845	8,770,010	10,682,665
Nonmajor funds	5,405,555	3,324,663	4,202,843	4,009,871	2,174,368	2,293,194	1,899,631
Assigned							
Encumbrances	22,456,924	26,160,650	7,606,841	13,385,685	25,444,232	8,891,080	6,105,133
Unassigned	(495,350)	(105,707)	(663,535)	-	-	-	-
<b>Total all other governmental funds</b>	<b>\$ 63,159,100</b>	<b>\$ 69,414,821</b>	<b>\$ 39,885,281</b>	<b>\$ 49,596,266</b>	<b>\$ 62,192,422</b>	<b>\$ 44,792,637</b>	<b>\$ 42,395,400</b>

Note: City of Georgetown first applied GASB Statement No. 54 in fiscal year 2011; therefore, the new fund balance distinctions for years prior to fiscal year 2011 are not available.

	<u>2010</u>	<u>2009</u>	<u>2008</u>
General fund			
Reserved	\$ 1,160,195	\$ 1,001,111	\$ 955,743
Unreserved	8,601,923	9,506,572	10,986,752
<b>Total general fund</b>	<u>\$ 9,762,118</u>	<u>\$ 10,507,683</u>	<u>\$ 11,942,495</u>
Other governmental funds			
Reserved	\$ 30,050,627	\$ 29,932,873	\$ 10,889,998
Unreserved, reported in			
Special revenue funds	-	-	-
Capital projects funds	-	-	18,173,048
<b>Total all other governmental funds</b>	<u>\$ 30,050,627</u>	<u>\$ 29,932,873</u>	<u>\$ 29,063,046</u>

# City of Georgetown, Texas

## Changes In Fund Balances of Governmental Funds

Last Ten Fiscal Years

(Modified Accrual Basis of Accounting)

	<u>2017</u>	<u>2016</u>	<u>2015</u>	<u>2014</u>
<b>REVENUES</b>				
Property taxes	\$ 24,661,683	\$ 24,052,103	\$ 21,638,850	\$ 19,921,148
Property assessment	1,447,839	1,224,108	1,082,465	1,017,316
Sales tax and other taxes	24,588,124	21,556,336	19,165,963	18,655,801
Franchise taxes	4,973,295	4,926,315	4,925,043	4,478,899
Licenses and permits	2,652,279	2,113,126	2,002,380	1,932,563
Charges for service	14,273,666	12,512,232	10,671,299	9,762,561
Fine and forfeitures	500,577	525,510	586,853	668,566
Donations and grants	5,231,886	6,852,346	1,435,279	8,236,215
Investment income	672,070	356,761	172,952	152,252
Other revenue	1,875,015	3,207,387	2,106,152	1,474,961
Total revenues	<u>80,876,434</u>	<u>77,326,224</u>	<u>63,787,236</u>	<u>66,300,282</u>
<b>EXPENDITURES</b>				
Culture / recreation	11,362,281	11,144,256	10,448,536	9,613,918
Development	2,517,985	5,565,942	2,322,321	2,299,379
Fire services	14,848,470	13,823,467	11,513,926	9,748,456
General government	4,791,467	3,361,740	4,115,280	3,412,293
Highways and streets	6,992,059	7,794,109	6,075,407	8,810,437
Police	14,737,071	13,876,795	13,010,497	11,875,081
Environmental services	6,328,860	5,951,829	5,703,227	5,092,327
Capital outlay	39,219,989	23,482,464	24,006,253	32,164,540
Debt service				
Principal retirement	10,372,836	8,860,415	7,868,518	7,765,414
Interest and fiscal charges	5,808,925	4,931,447	4,595,331	4,449,327
Total expenditures	<u>116,979,943</u>	<u>98,792,464</u>	<u>89,659,296</u>	<u>95,231,172</u>
Excess (deficiency) of revenues over expenditures	(36,103,509)	(21,466,240)	(25,872,060)	(28,930,890)
<b>OTHER FINANCING SOURCES (USES)</b>				
Transfers in	15,963,898	14,712,268	10,972,315	12,570,645
Transfers out	(10,046,733)	(7,421,944)	(9,313,269)	(7,506,242)
Premiums on issuance of bonds	1,799,286	1,831,554	1,001,947	-
Sale of property	-	-	-	3,550,000
Payment to refunding escrow agent	-	(7,877,733)	(14,098,445)	(11,911,063)
Bonds issued	22,960,000	50,244,742	27,429,703	18,753,970
Total other financing sources (uses)	<u>30,676,451</u>	<u>51,488,887</u>	<u>15,992,251</u>	<u>15,457,310</u>
<b>NET CHANGE IN FUND BALANCES</b>	<u>\$ (5,427,058)</u>	<u>\$ 30,022,647</u>	<u>\$ (9,879,809)</u>	<u>\$ (13,473,580)</u>
Debt service as a percentage of noncapital expenditures	20.8%	18.3%	19.0%	19.4%

<b>2013</b>	<b>2012</b>	<b>2011</b>	<b>2010</b>	<b>2009</b>	<b>2008</b>
\$ 17,197,460	\$ 15,883,636	\$ 14,591,564	\$ 14,572,432	\$ 14,169,419	\$ 12,703,509
387,290	353,269	313,093	262,060	278,982	210,659
17,790,450	15,698,207	14,724,741	13,987,624	13,289,438	14,000,228
4,471,487	3,924,052	3,874,815	2,603,222	2,801,666	2,739,567
1,536,660	1,236,478	890,948	841,392	791,882	1,158,433
9,479,669	8,493,243	8,199,073	8,157,465	7,687,489	2,289,493
739,556	682,760	810,950	1,060,361	981,228	1,110,815
3,979,292	1,687,184	4,121,625	3,078,392	2,058,301	298,803
212,629	230,788	187,313	140,384	737,755	2,222,952
2,960,559	2,870,008	1,735,082	1,585,584	1,897,179	2,823,254
58,755,052	51,059,625	49,449,204	46,288,916	44,693,339	39,557,713
9,262,282	8,377,084	8,229,049	7,773,346	7,535,763	6,325,780
1,626,315	2,155,243	2,195,537	2,088,809	2,213,899	2,454,810
8,804,938	8,253,567	7,725,794	6,909,597	6,597,024	5,380,247
3,144,173	3,178,251	3,595,481	3,288,185	3,324,758	3,038,876
3,422,340	5,061,214	6,044,755	5,171,678	3,840,312	2,768,367
11,677,968	10,577,384	10,221,220	10,026,352	10,137,983	9,222,704
4,857,396	4,823,170	4,321,888	4,199,433	4,285,345	-
16,760,621	15,938,457	12,604,835	8,930,286	12,444,569	21,622,846
6,452,644	5,533,987	4,998,369	4,791,550	4,478,467	3,495,684
3,771,791	4,094,247	3,686,318	3,642,426	3,608,738	4,480,504
69,780,468	67,992,604	63,623,246	56,821,662	58,466,858	58,789,818
(11,025,416)	(16,932,979)	(14,174,042)	(10,532,746)	(13,773,519)	(19,232,105)
13,969,841	9,734,354	7,915,723	8,895,212	10,055,272	10,196,752
(4,331,850)	(5,492,299)	(2,654,379)	(2,847,628)	(3,367,769)	(4,658,144)
-	-	-	-	-	-
-	-	-	-	-	47,029
(11,356,689)	(3,416,787)	-	-	-	-
32,562,592	18,981,711	21,650,000	3,857,351	6,575,000	4,395,000
30,843,894	19,806,979	26,911,344	9,904,935	13,262,503	9,980,637
<u>\$ 19,818,478</u>	<u>\$ 2,874,000</u>	<u>\$ 12,737,302</u>	<u>\$ (627,811)</u>	<u>\$ (511,016)</u>	<u>\$ (9,251,468)</u>
19.3%	18.5%	17.0%	17.6%	17.6%	21.5%

## City of Georgetown, Texas

Property Tax Rates, Levies and Collections

Last Ten Fiscal Years

(Modified Accrual Basis of Accounting)

<b>Fiscal Year</b>	<b>Tax Rate</b>	<b>General Fund</b>	<b>Interest and Sinking Fund</b>	<b>Total Tax Levy</b>	<b>Current Tax Collections</b>	<b>Percent of Levy Collected</b>
2008	0.3566	0.2032	0.1534	\$ 13,156,096	\$ 12,744,960	96.87%
2009	0.3562	0.2005	0.1557	14,828,927	14,349,606	96.77%
2010	0.3562	0.2114	0.1448	15,142,165	14,653,346	96.77%
2011	0.3562	0.2199	0.1363	15,098,808	14,635,299	96.93%
2012	0.3875	0.2229	0.1646	16,444,180	16,050,914	97.61%
2013	0.4100	0.2364	0.1736	17,806,346	17,384,594	97.63%
2014	0.4395	0.2160	0.2235	19,697,573	19,270,107	97.83%
2015	0.4340	0.2074	0.2266	21,383,874	20,968,385	98.06%
2016	0.4340	0.2072	0.2268	23,803,581	23,354,913	98.12%
2017	0.4240	0.2180	0.2273	25,551,262	25,470,885	99.69%

Source: City of Georgetown Tax Assessor.



<b>Delinquent Tax Collections</b>	<b>Total Tax Collections</b>	<b>Total Collections as a Percent of Current Levy</b>	<b>Outstanding Delinquent Taxes</b>	<b>Outstanding Delinquent Taxes as a Percent of Current Levy</b>
\$ 91,036	\$ 12,835,996	97.57%	\$ 320,807	2.44%
139,828	14,489,434	97.71%	339,493	2.29%
127,176	14,780,522	97.61%	361,643	2.39%
120,092	14,755,391	97.73%	343,417	2.27%
44,797	16,095,711	97.88%	349,082	2.12%
76,902	17,461,496	98.06%	344,851	1.94%
81,450	19,351,557	98.24%	346,016	1.76%
36,825	21,005,210	98.23%	378,664	1.77%
71,125	23,426,038	98.41%	377,543	1.59%
(6,876)	25,464,009	99.66%	452,566	1.77%

# City of Georgetown, Texas

Assessed and Estimated Actual Value of Taxable Property  
Last Ten Fiscal Years

Fiscal Year	Real Property		Personal Property	
	Assessed Value <sup>(1)</sup>	Estimated Actual Value	Assessed Value <sup>(1)</sup>	Estimated Actual Value
2008	\$ 3,330,727,230	\$ 3,330,727,230	\$ 238,557,091	\$ 238,557,091
2009	3,769,863,117	3,769,863,117	244,892,514	244,892,514
2010	3,780,404,329	3,780,404,329	246,488,943	246,488,943
2011	3,786,177,221	3,786,177,221	269,771,730	269,771,730
2012	3,885,150,718	3,885,150,718	311,033,417	311,033,417
2013	4,033,324,389	4,033,324,389	382,683,621	382,683,621
2014	4,227,513,729	4,227,513,729	370,699,347	370,699,347
2015	4,801,066,109	4,801,066,109	326,852,517	326,852,517
2016	5,430,926,110	5,430,926,110	395,688,580	395,688,580
2017	6,547,754,115	6,547,754,115	542,912,696	542,912,696

Source: Williamson County Appraisal District Tax Assessor/Collector.

<sup>(1)</sup> Net of exemptions.

<b>Assessed Value <sup>(1)</sup></b>	<b>Total Estimated Actual Value</b>	<b>Total Direct Tax Rate</b>	<b>Ratio of Total Assessed Value to Total Estimated Actual Value</b>
\$ 3,569,284,321	\$ 3,569,284,321	0.3566	100.00%
4,014,755,631	4,014,755,631	0.3562	100.00%
4,026,893,272	4,026,893,272	0.3562	100.00%
4,055,948,951	4,055,948,951	0.3562	100.00%
4,196,184,135	4,196,184,135	0.3875	100.00%
4,416,008,010	4,416,008,010	0.4100	100.00%
4,598,213,076	4,598,213,076	0.4395	100.00%
5,127,918,626	5,127,918,626	0.4340	100.00%
5,826,614,690	5,826,614,690	0.4340	100.00%
7,090,666,811	7,090,666,811	0.4240	100.00%

## City of Georgetown, Texas

Property Tax Rates – Direct and Overlapping Governments

(Per \$100 of Assessed Value)

Last Ten Fiscal Years

Fiscal Year	City of Georgetown			Georgetown Independent School District	Williamson County	Total
	General Fund	Debt Service Fund	Total City			
2008	0.20	0.15	0.35	1.29	0.47	2.11
2009	0.20	0.15	0.35	1.29	0.49	2.13
2010	0.21	0.14	0.35	1.29	0.49	2.13
2011	0.21	0.14	0.35	1.36	0.49	2.20
2012	0.22	0.16	0.38	1.40	0.49	2.27
2013	0.24	0.17	0.41	1.40	0.49	2.30
2014	0.22	0.22	0.44	1.40	0.49	2.33
2015	0.21	0.23	0.44	1.40	0.49	2.33
2016	0.21	0.23	0.44	1.40	0.48	2.32
2017	0.21	0.22	0.42	1.41	0.48	2.31

Source: Information furnished by respective tax assessors.

**City of Georgetown, Texas**  
Principal Property Taxpayers  
Current Year and Nine Years Ago

Taxpayer	Type of Business	2017			2008		
		Assessed Value	Rank	Percentage of Total Assessed Value <sup>(1)</sup>	Assessed Value	Rank	Percentage of Total Assessed Value <sup>(1)</sup>
Citicorp North America	Development	\$ 116,019,544	1	1.64%	\$ -		0.00%
Citigroup Technology Inc	Development	87,000,000	2	1.23%	-		0.00%
WPG Wolf Ranch LP	Development	75,941,409	3	1.07%	62,498,544	1	1.75%
Georgetown Rail and Equipment	Transportation	42,818,693	4	0.60%	-		0.00%
The Bassham Trust	Development	37,769,282	5	0.53%	-		0.00%
St. David's Healthcare Partners	Hospital	36,055,613	6	0.51%	37,634,524	2	1.05%
Westinghouse Pointe Apts	Apartments	31,673,048	7	0.45%	-		0.00%
Vantage At Georgetown LLC	Apartments	31,154,590	8	0.44%	-		0.00%
Summary at Rivery Park LTD	Development	27,223,036	9	0.38%	-		0.00%
Two Rivers GT Ltd	Development	26,666,527	10	0.38%	-		0.00%
Del Webb Texas Ltd	Development	-		0.00%	31,459,133	3	0.88%
Stonehill Waters Edge Ltd	Apartments	-		0.00%	24,942,050	4	0.70%
Wal-Mart Real Estate	Retail	-		0.00%	16,500,311	5	0.46%
Hewlett Holdings, Ltd	Automobile Dealer	-		0.00%	13,759,757	6	0.39%
HE Butt Grocery Company	Retail	-		0.00%	13,200,000	7	0.37%
Republic Square K/C Ltd	Development	-		0.00%	12,177,143	8	0.34%
Inland Western Georgetown Rivery	Development	-		0.00%	11,771,240	9	0.33%
Target Corporation	Retailer	-		0.00%	11,648,560	10	0.33%
<b>Total</b>		<b>\$ 512,321,742</b>		<b>7.23%</b>	<b>\$ 235,591,262</b>		<b>6.60%</b>

Source: City Tax Assessor/Collector.

<sup>(1)</sup> The total assessed valuation for the fiscal year ended September 30, 2017 was certified at \$7,090,666,811.

\* Per certified roll. Does not include some major property owners whose property is under protest as of date of certification.

# City of Georgetown, Texas

## Taxable Sales by Category

### Last Ten Fiscal Years

NAICS Sectors	2017*	2016	2015	2014
Agriculture/Forestry/Fishing/Hunting	\$ -	\$ -	\$ -	\$ 448
Mining, quarrying, oil & gas extraction	-	-	-	-
Utilities	24,653,363	24,509,458	23,612,396	21,368,744
Construction	24,798,897	18,369,915	33,485,247	33,585,485
Manufacturing	82,046,181	7,590,482	5,902,324	5,486,476
Wholesale trade	24,816,039	21,912,478	16,065,173	14,122,397
Retail trade	525,453,413	552,269,512	514,459,509	468,668,683
Transportation, warehousing	3,219,999	2,159,562	1,202,760	1,316,100
Information	47,709,743	51,059,437	43,345,486	40,292,168
Finance, insurance	3,557,444	3,357,319	1,009,355	578,893
Real estate, rental, leasing	3,387,155	3,393,642	2,719,424	3,000,201
Professional, scientific, technical svcs	8,624,509	8,189,352	7,915,851	7,237,174
Management of companies, enterprises	-	315,805	-	-
Admin, support, waste mgmt, remediation svcs	8,787,903	8,131,282	7,493,100	4,548,385
Educational svcs	479,225	538,758	349,784	344,038
Healthcare, social assistance	607,795	439,596	504,981	279,142
Arts, entertainment, recreation	13,139,889	12,251,028	12,529,599	11,347,603
Accommodation, food services	134,051,840	127,069,718	116,778,321	104,451,832
Other svcs (except public administration)	27,870,439	26,724,994	28,398,634	28,483,626
Public administration	31,743	18,245	32,673	31,222
Other	2,613	-	-	-
<b>Total</b>	<b>\$ 933,238,189</b>	<b>\$ 868,300,583</b>	<b>\$ 815,804,617</b>	<b>\$ 745,142,617</b>
City direct sales tax rate	2.00%	2.00%	2.00%	2.00%

Source: Window on State Government - Glenn Hegar, Texas Comptroller of Public Accounts website.

Amounts subject to sales tax have been restated by the state since the 2012 CAFR release.

Notes: All reporting is by North American Industry Classification System (NAICS) sector. Standard Industrial Classification (SIC) Codes are no longer being assigned to taxpayers.

\*2017 is projected as 4th Quarter actuals were not in at time of update.

<b>2013</b>	<b>2012</b>	<b>2011</b>	<b>2010</b>	<b>2009</b>	<b>2008</b>
\$ -	\$ 4,825	\$ -	\$ -	\$ -	\$ -
-	-	-	-	445,156	416,435
19,031,408	19,253,904	18,628,820	20,319,600	18,647,965	16,475,883
5,384,717	4,967,279	4,002,432	3,625,542	4,250,912	4,361,179
8,554,720	4,585,577	5,873,390	6,061,597	5,748,311	9,390,419
16,091,304	16,186,257	14,174,184	10,063,489	13,253,476	16,269,671
446,244,500	405,055,103	378,427,824	380,552,640	367,257,156	383,981,936
1,218,175	1,242,589	1,061,271	767,634	1,178,847	1,558,622
33,781,552	30,485,692	29,916,065	27,915,345	26,448,683	26,845,497
563,947	482,899	424,931	459,699	380,069	357,522
2,370,540	2,165,251	3,781,875	2,716,214	2,389,616	2,862,995
8,234,560	7,522,451	5,292,086	5,294,148	4,586,618	6,435,627
-	-	-	-	-	-
4,190,713	3,601,364	3,359,965	3,464,947	3,141,955	3,658,966
359,795	372,185	154,882	28,427	46,588	40,108
213,183	308,645	444,834	389,729	283,517	221,776
11,787,222	11,914,044	11,362,973	10,983,705	10,424,729	9,975,461
97,227,191	86,308,956	81,339,685	76,959,382	75,006,166	74,477,233
24,097,238	18,603,403	16,990,190	15,102,925	14,421,211	14,341,106
53,482	20,023	31,428	34,518	33,271	24,072
-	-	1,198	547	-	6,797
<b>\$ 679,404,247</b>	<b>\$ 613,080,447</b>	<b>\$ 575,268,033</b>	<b>\$ 564,740,088</b>	<b>\$ 547,944,246</b>	<b>\$ 571,701,305</b>
2.00%	2.00%	2.00%	2.00%	2.00%	2.00%

## City of Georgetown, Texas

Direct and Overlapping Sales Tax Rates  
Last Ten Fiscal Years

<b>Fiscal Year</b>	<b>City Direct Rate</b>	<b>State of Texas</b>
2008	2%	6.25%
2009	2%	6.25%
2010	2%	6.25%
2011	2%	6.25%
2012	2%	6.25%
2013	2%	6.25%
2014	2%	6.25%
2015	2%	6.25%
2016	2%	6.25%
2017	2%	6.25%

Source: Information furnished by City of Georgetown.



**City of Georgetown, Texas**  
**Sales Tax Revenue Payers by Industry**  
**Fiscal Years 2017 and 2008**

<b>2017*</b>						
<b>NAICS Sectors</b>	<b>Number of Filers</b>	<b>Percent of Total</b>		<b>Tax Liability</b>	<b>Percent of Total</b>	
Agriculture/Forestry/Fishing/Hunting	3	0.18%	\$ -	\$ -	0.00%	
Mining, quarrying, oil & gas extraction	2	0.12%	-	-	0.00%	
Utilities	7	0.43%	24,653,363	493,067	2.64%	
Construction	125	7.70%	24,798,897	495,978	2.66%	
Manufacturing	104	6.40%	82,046,181	1,640,924	8.79%	
Wholesale trade	60	3.69%	24,816,039	496,321	2.66%	
Retail trade	538	33.13%	525,453,413	10,509,068	56.30%	
Transportation, warehousing	14	0.86%	3,219,999	64,400	0.35%	
Information	35	2.16%	47,709,743	954,195	5.11%	
Finance, insurance	11	0.68%	3,557,444	71,149	0.38%	
Real estate, rental, leasing	32	1.97%	3,387,155	67,743	0.36%	
Professional, scientific, technical svcs	154	9.48%	8,624,509	172,490	0.92%	
Management of companies, enterprises		0.00%	-	-	0.00%	
Admin, support, waste mgmt, remediation svcs	94	5.79%	8,787,903	175,758	0.94%	
Educational svcs	14	0.86%	479,225	9,585	0.05%	
Healthcare, social assistance	30	1.85%	607,795	12,156	0.07%	
Arts, entertainment, recreation	51	3.14%	13,139,889	262,798	1.41%	
Accommodation, food services	189	11.64%	134,051,840	2,681,037	14.36%	
Other svcs (except public administration)	145	8.93%	27,870,439	557,409	2.99%	
Public administration	4	0.25%	31,743	635	0.00%	
Other	12	0.74%	2,613	52	0.00%	
<b>Totals</b>	<b>1,624</b>	<b>100.00%</b>	<b>\$ 933,238,190</b>	<b>\$ 18,664,764</b>	<b>100.00%</b>	
<b>2008</b>						
<b>NAICS Sectors</b>	<b>Number of Filers</b>	<b>Percent of Total</b>		<b>Tax Liability</b>	<b>Percent of Total</b>	
Agriculture/Forestry/Fishing/Hunting	-	0.00%	\$ -	\$ -	0.00%	
Mining, quarrying, oil & gas extraction	5	0.39%	416,435	8,329	0.07%	
Utilities	7	0.54%	16,475,883	329,518	2.69%	
Construction	89	6.90%	4,394,991	87,900	0.72%	
Manufacturing	80	6.21%	9,397,281	187,946	1.53%	
Wholesale trade	58	4.50%	16,269,671	325,393	2.66%	
Retail trade	457	35.45%	383,981,936	7,679,639	62.67%	
Transportation, warehousing	27	2.09%	1,558,622	31,172	0.25%	
Information	30	2.33%	26,845,497	536,910	4.38%	
Finance, insurance	8	0.62%	347,522	6,950	0.06%	
Real estate, rental, leasing	24	1.86%	2,862,995	57,260	0.47%	
Professional, scientific, technical svcs	104	8.07%	6,435,627	128,713	1.05%	
Management of companies, enterprises		0.00%	-	-	0.00%	
Admin, support, waste mgmt, remediation svcs	92	7.14%	3,625,154	72,503	0.59%	
Educational svcs	6	0.47%	40,108	802	0.01%	
Healthcare, social assistance	15	1.16%	221,776	4,436	0.04%	
Arts, entertainment, recreation	28	2.17%	9,975,461	199,509	1.63%	
Accommodation, food services	136	10.55%	74,470,272	1,489,405	12.15%	
Other svcs (except public administration)	111	8.61%	55,341,106	1,106,822	9.03%	
Public administration	5	0.39%	15,072	301	0.00%	
Other	7	0.54%	6,797	136	0.00%	
<b>Totals</b>	<b>1,289</b>	<b>100.00%</b>	<b>\$ 612,682,206</b>	<b>\$ 12,253,644</b>	<b>100.00%</b>	

Source: Window on State Government.

Notes: The City direct sales tax rate for both 2017 and 2008 is 2%. Due to confidentiality issues, the names of the ten largest revenue payers are not available. The categories presented are intended to provide alternative information regarding the sources of the City's revenue. All reporting is now by North American Industry Classification System (NAICS) sectors. Standard Industrial Classification (SIC) Codes are no longer being assigned to taxpayers, and data on SIC filers is no longer available.

\*2017 is projected as 4th quarter actuals were not available at the time of update.

## City of Georgetown, Texas

### Ratios of Outstanding Debt by Type

Last Ten Fiscal Years

Fiscal Year	Governmental Activities			Business-Type Activities	
	General Obligation Bonds	Sales Tax Revenue Bonds	Capital Leases	Revenue Bonds	General Obligation Bonds
2008	\$ 69,970,050	\$ 11,115,000	\$ 12,831	\$ 57,280,000	\$ 4,984,950
2009	73,008,888	10,715,000	-	53,640,000	10,096,112
2010	72,532,310	10,300,000	-	59,825,000	13,777,690
2011	89,613,941	9,870,000	-	55,945,000	12,981,059
2012	100,356,664	9,420,000	-	51,425,000	11,618,336
2013	116,738,088	8,955,000	-	48,090,268	14,551,893
2014	116,200,602	8,470,000	-	61,885,000	13,884,399
2015	122,965,751	7,755,000	-	67,910,000	16,414,254
2016	154,191,338	7,225,000	-	72,545,000	15,286,384
2017	170,194,599	6,685,000	-	92,730,000	13,865,309

Note: Details regarding the City's outstanding debt can be found in the notes to the financial statements.

<b>Total Primary Government</b>	<b>Percentage of Personal Income</b>	<b>Per Capita</b>
\$ 143,362,831	11.97%	\$ 3,136
147,460,000	11.61%	3,152
156,435,000	11.56%	3,268
168,410,000	11.63%	3,444
172,820,000	11.97%	3,469
188,335,249	11.84%	3,728
200,440,001	11.15%	3,839
215,045,005	10.28%	3,786
249,247,722	10.25%	4,244
283,474,908	9.56%	4,675

## City of Georgetown, Texas

Ratios of Net General Obligation Bonded Debt to Assessed Value and Net General Obligation Bonded Debt Per Capita Last Ten Fiscal Years

<u>Fiscal Year</u>	<u>Population</u>	<u>Assessed Value <sup>(1)</sup></u>	<u>Taxable Assessed Valuation Per Capital</u>	<u>Gross Bonded Debt <sup>(2)</sup></u>	<u>Less Debt Service Funds Available</u>
2008	45,710	\$ 3,569,284,321	\$ 78,085	\$ 74,955,000	\$ 1,224,087
2009	46,787	4,014,755,631	85,809	83,105,000	2,530,149
2010	47,865	4,026,893,772	84,130	86,310,000	2,274,235
2011	48,902	4,055,948,951	82,940	102,595,000	1,976,586
2012	49,543	4,196,184,135	84,698	111,975,000	1,749,324
2013	50,513	4,416,008,010	87,423	131,190,000	1,109,220
2014	52,214	4,598,213,076	88,065	130,085,001	1,268,186
2015	56,798	5,127,918,626	90,283	139,380,005	1,489,313
2016	58,723	5,838,074,672	99,417	169,477,722	1,867,190
2017	60,642	7,090,666,811	116,927	184,059,908	1,946,870

Sources: WCAD

Notes: Details regarding the City's outstanding debt can be found in the notes to the financial statements.

<sup>(1)</sup> Net of exemptions.

<sup>(2)</sup> Includes all long-term general obligation debt.

<sup>(3)</sup> Less debt service funds available.

<b>Net Bonded Debt</b>	<b>Ratio of Net Bonded Debt to Assessed Value <sup>(3)</sup></b>	<b>Ratio of Gross Bonded Debt to Assessed Value <sup>(3)</sup></b>	<b>Net Bonded Debt Per Capita <sup>(3)</sup></b>	<b>Total Bonded Debt Per Capita <sup>(3)</sup></b>
\$ 52,564,440	1.47%	2.07%	\$ 1,150	\$ 1,613
54,882,326	1.37%	2.01%	1,173	1,722
55,291,719	1.37%	2.09%	1,155	1,756
73,396,051	1.81%	2.48%	1,501	2,058
83,698,631	1.99%	2.63%	1,689	2,225
101,604,245	2.30%	2.95%	2,011	2,575
128,816,815	2.80%	2.80%	2,467	2,467
137,890,692	2.69%	2.69%	2,428	2,428
167,610,532	2.87%	2.87%	2,854	2,854
182,113,038	2.57%	2.57%	3,003	3,003

# City of Georgetown, Texas

## Computation of Direct and Estimated Overlapping Bonded Debt Last Ten Fiscal Years

Taxing Body	Debt		City's Share <sup>(2)</sup>		
	Amount	As of	Percent	Amount	Per Capita <sup>(1)</sup>
<b>ESTIMATED OVERLAPPING DEBT</b>					
Georgetown I.S.D.	\$ 349,840,000	06/30/2017	96.26%	\$ 336,745,989	\$ 5,553
Williamson County	1,123,462,067	09/30/2017	10.36%	116,380,628	1,919
Total estimated overlapping debt	1,473,302,067		30.76%	453,126,616	7,471
<b>DIRECT DEBT - City of Georgetown</b>	184,059,908	09/30/2017	100.00%	184,059,908	3,035
<b>DIRECT AND ESTIMATED OVERLAPPING DEBT</b>	<u>\$ 1,657,361,975</u>			<u>\$ 637,186,524</u>	<u>\$ 10,506</u>
<b>RATIO OF DIRECT AND OVERLAPPING TAX SUPPORTED DEBT TO TAXABLE ASSESSED VALUATION</b>					

Source: Jurisdiction listed.

<sup>(1)</sup> GISD population - 63,000 (estimate)  
Williamson County population - 585,398  
City of Georgetown population - 60,642

<sup>(2)</sup> Information represents the share of the respective debt which are obligations of the citizens of the City of Georgetown



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**City of Georgetown, Texas**  
 Computation of Legal Debt Margin  
 Last Ten Fiscal Years

	<u>2017</u>	<u>2016</u>	<u>2015</u>	<u>2014</u>	<u>2013</u>
<b>DEBT LIMIT</b>	\$ 79,770,002	\$ 65,678,340	\$ 57,689,085	\$ 51,729,897	\$ 49,680,090
Total net debt applicable to limit <sup>(1)</sup>	<u>10,354,174</u>	<u>9,082,545</u>	<u>6,652,866</u>	<u>6,521,597</u>	<u>8,570,145</u>
<b>LEGAL DEBT MARGIN</b>	<u>\$ 69,415,828</u>	<u>\$ 56,595,795</u>	<u>\$ 51,036,219</u>	<u>\$ 45,208,300</u>	<u>\$ 41,109,945</u>
Total net debt applicable to limit as a percentage of debt limit	12.98%	13.83%	11.53%	12.61%	17.25%
<b>ASSESSED VALUATION 2017</b>					<u>\$ 7,090,666,811</u>
Allowable tax levy for annual debt service purpose: \$1.25 per \$100 of assessed valuation, assuming 90% collection rate					\$ 79,770,002
2017 annual debt service requirements for general obligation debt:					
Principal				10,354,174	
Interest and fiscal charges				<u>5,233,180</u>	<u>15,587,354</u>
Legal margin for annual debt service requirements					<u>\$ 64,182,648</u>

NOTE: All taxable property within the City is subject to the assessment levy and collection by the City of a continuing, direct annual ad valorem tax sufficient to provide for the payment of principal and interest on the Bonds within the limits prescribed by law. Article XI, Section 5, of the Texas Constitution is applicable to the City, and limits the maximum ad valorem tax rate to \$2.50 per \$100 assessed valuation (for all City purposes). The Charter of the City adopts the provisions of the constitution without further limitation. Under rules promulgated by the Office of the Attorney General of Texas, such office will not approve tax bonds of the City unless the City can demonstrate its ability to pay debt service requirements on all outstanding City tax bonds, including the issue to be approved, from a tax levy of \$1.25 per \$100 of valuation, based on 90% collection of tax.

<sup>(1)</sup> The legal margin computation includes the general obligation debt that will be repaid by self-supporting sources such as the Airport, Stormwater Drainage and Georgetown Transportation Enhancement Corporation (GTEC) funds.



<b>2012</b>	<b>2011</b>	<b>2010</b>	<b>2009</b>	<b>2008</b>
\$ 47,207,072	\$ 45,629,426	\$ 45,302,549	\$ 45,166,001	\$ 40,154,449
7,350,236	8,640,634	8,043,904	7,664,261	7,614,171
<u>\$ 39,856,836</u>	<u>\$ 36,988,792</u>	<u>\$ 37,258,645</u>	<u>\$ 37,501,740</u>	<u>\$ 32,540,278</u>
15.57%	18.94%	17.76%	16.97%	18.96%

## City of Georgetown, Texas

### Revenue Bond Coverage

#### Utility Funds <sup>(1)</sup>

#### Last Ten Fiscal Years

<b>Fiscal Year</b>	<b>Eligible Revenues</b>	<b>Interest Earnings</b>	<b>Operating Expenses (Excluding Depreciation)</b>	<b>Net Revenue Available for Debt Service</b>
2008	\$ 78,404,586	\$ 955,680	\$ 57,922,907	\$ 21,437,359
2009	83,485,213	392,080	58,695,917	25,181,376
2010	84,948,916	116,458	59,828,974	25,236,400
2011	88,605,410	159,888	65,271,517	23,493,781
2012	89,907,801	144,460	66,531,990	23,520,271
2013	86,876,459	118,277	58,803,394	28,191,342
2014	93,979,191	93,850	72,927,251	21,145,790
2015	106,686,101	164,921	78,010,309	28,840,713
2016	112,401,358	263,279	82,451,857	30,212,780
2017	126,705,643	529,545	91,766,018	35,469,170

Source: Finance and Administration Division.

Notes: <sup>(1)</sup> Electric, Water, and Wastewater only.

<b>Debt Service Requirements</b>				
<b>Principal</b>	<b>Interest and Fiscal Charges</b>	<b>Total</b>	<b>Times Coverage</b>	
\$ 3,200,000	\$ 2,631,311	\$ 5,831,311	3.68	
3,640,000	2,338,048	5,978,048	4.21	
3,935,000	2,065,384	6,000,384	4.21	
3,880,000	1,859,107	5,739,107	4.09	
4,255,000	1,742,974	5,997,974	3.92	
3,970,000	1,963,653	5,933,653	4.75	
4,716,977	2,231,375	6,948,352	3.04	
5,421,104	2,100,147	7,521,251	3.83	
5,227,329	2,738,792	7,966,121	3.79	
5,845,826	2,931,943	8,777,769	4.04	

## City of Georgetown, Texas

### Utility System Condensed Statement of Operations <sup>(1)</sup> For the Last Ten Fiscal Years

	<u>2017</u>	<u>2016</u>	<u>2015</u>	<u>2014</u>	<u>2013</u>
<b>REVENUES</b>					
Water System	\$ 37,776,171	\$ 34,861,125	\$ 26,358,532	\$ 24,953,208	\$ 24,930,408
Electric System	65,001,374	61,570,922	60,870,094	58,017,664	53,780,319
Miscellaneous	5,661,272	5,107,307	14,746,510	4,997,415	4,888,117
Interest Earnings	529,545	263,279	164,921	93,850	118,277
Total revenues	<u>108,968,362</u>	<u>101,802,633</u>	<u>102,140,057</u>	<u>88,062,137</u>	<u>83,717,121</u>
<b>EXPENSES (1)</b>					
Water System	21,485,743	13,520,486	11,885,339	8,561,671	7,737,541
Electric System	16,712,384	14,623,945	8,259,062	7,056,224	7,265,433
Utility Contracts	53,567,891	51,999,930	55,419,233	55,147,284	43,800,420
Total expenses	<u>91,766,018</u>	<u>80,144,361</u>	<u>75,563,634</u>	<u>70,765,179</u>	<u>58,803,394</u>
<b>NET AVAILABLE FOR DEBT SERVICE</b>	<u>\$ 17,202,344</u>	<u>\$ 21,658,272</u>	<u>\$ 26,576,423</u>	<u>\$ 17,296,958</u>	<u>\$ 24,913,727</u>

Notes:

<sup>(1)</sup> Excluding depreciation costs & plant management cost

<sup>(2)</sup> Electric, Water & Wastewater only

Information provided to comply with continuing disclosure requirements of SEC Rule 15c2-12.

Average Annual Principal and Interest Requirements, 2018-2037	\$ 6,258,706
Coverage of Average Requirements by Fiscal Year 2017 Net Income	2.75
Maximum Principal and Interest Requirements, 2018	\$ 9,700,297
Coverage of Maximum Requirements by Fiscal Year 2017 Net Income	1.77

<b>2011</b>	<b>2010</b>	<b>2009</b>	<b>2008</b>
\$ 25,896,644	\$ 20,632,604	\$ 22,200,768	\$ 21,424,897
57,694,311	59,058,745	56,154,879	51,833,477
2,927,695	2,789,797	2,779,486	5,146,212
159,888	116,458	392,080	955,680
<u>86,678,538</u>	<u>82,597,604</u>	<u>81,527,213</u>	<u>79,360,266</u>
7,708,924	6,677,890	6,875,473	6,249,197
5,554,896	4,821,255	5,270,740	1,230,199
<u>52,007,697</u>	<u>48,329,829</u>	<u>46,549,704</u>	<u>50,443,511</u>
<u>65,271,517</u>	<u>59,828,974</u>	<u>58,695,917</u>	<u>57,922,907</u>
<u>\$ 21,407,021</u>	<u>\$ 22,768,630</u>	<u>\$ 22,831,296</u>	<u>\$ 21,437,359</u>

## City of Georgetown, Texas

### Utility System Condensed Statement of Operations <sup>(2)</sup> For the Last Ten Fiscal Years

	<u>2017</u>	<u>2016</u>	<u>2015</u>	<u>2014</u>	<u>2013</u>
Utility system <sup>(1)</sup>	\$ 525,643,929	\$ 494,823,457	\$ 457,712,841	\$ 424,822,231	\$ 338,199,636
Less: accumulated depreciation	<u>(133,268,971)</u>	<u>(121,636,964)</u>	<u>(110,006,443)</u>	<u>(99,974,691)</u>	<u>(91,339,365)</u>
Net value of system	392,374,958	373,186,493	347,706,398	324,847,540	246,860,271
Plus: Construction fund	<u>7,358,762</u>	<u>12,759,150</u>	<u>5,468,908</u>	<u>4,910,605</u>	<u>12,193,462</u>
Net plant	399,733,720	385,945,643	353,175,306	329,758,145	259,053,733
Plus: Working capital	<u>93,642,260</u>	<u>62,636,620</u>	<u>65,108,279</u>	<u>51,655,164</u>	<u>35,992,864</u>
Total	493,375,980	448,582,263	418,283,585	381,413,309	295,046,597
Revenue bond debt <sup>(2)</sup>	<u>99,715,131</u>	<u>84,655,583</u>	<u>79,967,207</u>	<u>74,051,097</u>	<u>59,028,078</u>
<b>CITY'S EQUITY IN SYSTEM</b>	<u><u>\$ 393,660,849</u></u>	<u><u>\$ 363,926,680</u></u>	<u><u>\$ 338,316,378</u></u>	<u><u>\$ 307,362,212</u></u>	<u><u>\$ 236,018,519</u></u>
<b>PERCENTAGE CITY'S EQUITY IN SYSTEM</b>	79.79%	81.13%	80.88%	80.59%	79.99%

Notes:

<sup>(1)</sup> Electric, Water and Wastewater funds only

<sup>(2)</sup> Changes in bond ordinances no longer require reservation of interest and sinking or reserve funds for utility revenue debt.

Information provided to comply with continuing disclosure requirements of SEC Rule 15c2-12.

<b>2012</b>	<b>2011</b>	<b>2010</b>	<b>2009</b>	<b>2008</b>
\$ 313,923,709	\$ 306,424,774	\$ 286,216,930	\$ 273,482,065	\$ 251,560,756
(82,719,027)	(76,797,760)	(67,645,584)	(58,659,325)	(53,420,721)
231,204,682	229,627,014	218,571,346	214,822,740	198,140,035
22,866,932	11,692,027	14,038,615	10,101,805	5,280,337
254,071,614	241,319,041	232,609,961	224,924,545	203,420,372
33,419,764	35,700,091	40,784,075	27,713,059	29,899,639
287,491,378	277,019,132	273,394,036	252,637,604	233,320,011
59,050,004	64,540,000	68,809,999	59,589,999	57,280,000
<u>\$ 228,441,374</u>	<u>\$ 212,479,132</u>	<u>\$ 204,584,037</u>	<u>\$ 193,047,605</u>	<u>\$ 176,040,011</u>
79.46%	76.70%	74.83%	76.41%	75.45%

**City of Georgetown, Texas**  
 Demographic and Economic Statistics  
 Last Ten Fiscal Years

<b>Fiscal Year</b>	<b>Population</b>	<b>Personal Income</b>	<b>Per Capita Personal Income</b>	<b>School Enrollment</b>	<b>Unemployment Rate</b>
2008	45,710	\$ 1,715,907,690	\$ 37,539	10,000	4.10%
2009	46,787	1,711,983,117	36,591	10,000	4.10%
2010	47,865	1,808,004,645	37,773	10,300	5.84%
2011	48,902	1,959,356,434	40,067	10,470	7.08%
2012	49,543	2,090,070,541	42,187	10,396	7.08%
2013	50,513	2,097,602,838	41,526	10,396	5.70%
2014	52,214	2,234,028,204	42,786	10,582	5.30%
2015	56,798	2,211,600,524	38,938	10,924	3.70%
2016	59,134	2,572,210,732	43,498	11,452	4.00%
2017	60,642	2,709,423,918	44,679	11,444	2.90%

Sources:

Population: City of Georgetown Planning and Development Division.

Per Capita Personal Income: U.S. Dept. of Commerce / Bureau of Economic Analysis

School Enrollment: Georgetown Independent School District.

Unemployment Rate: Texas Workforce Commission, Labor Market and Career Information TRACER.

Notes:

Per capita personal income is for Williamson County and reflects estimates available as of Nov 17, 2017.

Population for 2017 reflects city's population estimate for month ending Sep 30, 2017.

Personal income calculated using city's population estimate and per capita income data.

Unemployment rate reflects estimate for month ending Sep 30, 2017.



## City of Georgetown, Texas

### Principal Employers

Current Year and Nine Years Ago

Employer	2017			2008		
	Employees	Rank	Percentage of Total City Employment	Employees	Rank	Percentage of Total City Employment
Williamson County Govt	1,603	1	2.74%	1,550	2	3.41%
Georgetown ISD	1,543	2	2.63%	1,575	1	3.47%
City of Georgetown	757	3	1.29%	528	4	1.16%
Airborn, Inc	500	4	0.85%	300	6	0.66%
St. David's Hospital	485	5	0.83%	600	3	1.32%
Southwestern University	450	6	0.77%	450	5	0.99%
Wesleyan Homes	355	7	0.61%	233	9	0.51%
Caring Home Health	269	8	0.46%	-		0.00%
Lone Star Circle of Care	201	9	0.34%	-		0.00%
Sun City (DeI Webb)	170	10	0.29%	260	7	0.57%
Walmart	-		0.00%	240	8	0.53%
Texas Crushed Stone	-		0.00%	225	10	0.50%
<b>Totals</b>	<b>6,333</b>		<b>10.81%</b>	<b>5,961</b>		<b>12.63%</b>

Source: Economic Development Department

# City of Georgetown, Texas

## Full Time Equivalent City Government Employees by Function Last Ten Fiscal Years

Function	2017	2016	2015	2014	2013	2012	2011	2010	2009	2008
General Government										
Culture & Recreation										
Administration	2	-	5	4	4	3	-	-	-	-
CVB	5	-	-	-	-	-	-	-	-	-
Parks	20	21	22	21	21	23	23	23	23	23
Recreation	23	27	42	39	39	39	39	37	37	28
Rec. Programs	6	6	4	4	4	3	3	3	3	4
Library	24	23	22	22	22	23	22	22	22	22
Development										
Administration	-	-	-	-	-	-	2	2	2	-
Planning	11	10	9	8	8	11	11	11	14	13
Current Planning	-	-	-	-	-	-	-	-	-	-
Long Range Planning	-	-	-	-	-	-	-	-	-	-
Inspection Svcs.	14	13	10	10	10	12	13	13	13	13
Code Enforcement	5	5	5	4	4	4	6	6	6	6
Environmental										
Environmental Svcs.	1	1	1	1	1	1	1	1	1	-
Fire Services										
Fire Based Paramedic Program	19	15	15	-	-	-	-	-	-	-
Support Svcs.	14	14	13	7	6	7	6	6	6	6
Emergency Svcs.	88	84	81	86	84	84	81	81	72	66
General Government										
General Government	3	2	3	2	2	2	2	-	-	-
City Secretary	5	5	5	4	-	-	-	-	-	-
City Council	-	-	-	-	3	3	2	2	2	2
City Manager's Office	10	10	4	5	6	4	6	6	8	8
Highways / Streets										
Transportation Admin.	4	2	3	3	2	2	1	3	3	3
Streets	19	19	19	19	19	19	19	19	19	16
Police Services										
Administration	4	4	4	4	4	5	5	9	10	8
Support Svcs.	-	-	-	-	-	-	-	-	34	36
Field Operations	106	103	102	98	98	99	99	95	60	60
Animal Svcs.	11	11	11	11	9	9	9	8	8	8
Municipal Court	7	7	7	7	6	7	7	7	7	7
Fleet Services	9	9	8	8	8	7	6	6	6	6
Facilities Maintenance	7	7	7	7	6	7	7	7	7	7
Information Technology	22	18	18	16	13	13	13	13	11	11
Joint Svcs.	104	101	92	87	82	78	76	74	69	62
Water	58	51	37	19	19	19	20	18	15	13
Sewer	7	7	14	14	14	14	14	12	12	12
Electric	67	73	60	57	54	49	44	47	48	42
Other Enterprises	15	14	13	13	11	11	11	11	11	12
<b>Total</b>	<b>690</b>	<b>658</b>	<b>632</b>	<b>575</b>	<b>555</b>	<b>553</b>	<b>544</b>	<b>540</b>	<b>527</b>	<b>492</b>

Source: City Finance & Administration Division.

Notes: A full-time employee is scheduled to work 2,080 hours per year (including vacation and sick leave). Full-time equivalent employment is calculated by dividing total labor hours by 2,080.



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**City of Georgetown, Texas**  
**Operating Indicators by Functions**  
**Last Ten Fiscal Years**

<b>Function</b>	<b>2017</b>	<b>2016</b>	<b>2015</b>	<b>2014</b>	<b>2013</b>
<b>Culture and recreation</b>					
Recreation Center memberships	12,433	12,944	11,604	9,901	10,678
CVB number of visitor inquiries	75,302	69,108	55,156	54,188	50,617
<u>Library</u>					
Circulation	533,602	513,725	527,987	559,209	550,683
Number of patrons added	3,529	3,818	3,428	2,161	2,446
<b>Economic Development</b>					
Number of proposals generated	62	51	56	44	48
<b>Community Development</b>					
<u>Inspections/Code Enforcement</u>					
Number of inspections	41,834	40,500	31,828	29,818	30,282
New residential permits issued	728	703	718	701	777
New commercial permits issued/TFO/Industrial	85	66	92	92	61
Number of code enforcement violations	8,702	13,784	14,052	16,213	15,225
<u>Planning and Development Services</u>					
Development applications filed	408	385	373	370	313
Annexations (in acres)	649	246	2,022	152	161
<b>Fire Services</b>					
Number of calls for service	9,362	8,510	7,084	6,250	6,153
<b>General Govt</b>					
Bond rating - S&P	AA+	AA+	AA+	AA+	AA+
<u>City Manager's Office</u>					
Number of public information requests processed	1,589	1,290	1,129	871	678
<u>Police Services</u>					
Number of calls for service	25,803	24,704	24,744	23,044	22,747
Number of traffic accidents	2,145	2,156	2,091	1,940	1,888
<u>Animal Services</u>					
Number of pets impounded	1,533	1,891	1,889	1,860	1,664
Number of adoptions	1,028	872	983	904	690
<u>Municipal Court</u>					
Number of court cases	4,797	4,905	5,641	7,658	7,833
Number of warrants served	225	278	374	349	398
<b>Utility Office</b>					
Number of utility customers	43,281	40,372	38,450	28,400	27,559
<b>Water</b>					
Number of new connects	2,351	1,532	1,909	1,455	909
Average daily water treated (million gallons)	19	13	16	16	16
Average daily consumption (million gallons)	16	16	16	13	13
<b>Sewer</b>					
Number of new connects	2,006	1,221	1,154	1,295	955
Average daily wastewater treated (million gallons)	4	5	5	4	4
<b>Electric</b>					
kWhs consumed	621,464,114	605,019,836	590,029,360	565,518,133	544,339,879
Number of new connects	581	315	1,230	598	484
<b>AMR</b>					
Total number of work orders completed	3,677	3,223	1,489	1,554	1,113
Total reads by AMR	18,282	694,802	568,896	542,058	616,296
<b>Other Enterprises</b>					
<u>Stormwater &amp; Drainage</u>					
Number of detention ponds cleaned	552	456	454	422	404
Number of work orders	233	242	489	530	710
<b>Airport</b>					
Gallons of fuel sold	866,833	778,328	636,128	648,065	565,851

Sources: Various City departments and City-Monthly Activity Indicators Report.

2012	2011	2010	2009	2008
13,769	16,044	16,778	18,497	5,487
42,901	35,749	27,086	38,669	45,044
552,032	527,746	524,610	496,603	431,294
2,526	2,184	2,293	2,338	2,514
38	36	31	40	35
21,270	18,383	20,192	21,248	33,198
664	509	550	523	768
89	97	115	127	77
11,535	11,090	12,295	13,179	10,570
290	284	158	246	344
61	703	276	1,005	369
5,706	5,674	5,649	5,475	5,321
AA+	AA+	AA+	AA+	AA
759	835	997	887	801
23,018	22,161	31,908	34,192	51,033
1,679	1,525	1,743	1,750	1,837
1,670	1,560	1,477	1,256	1,500
822	686	601	560	614
7,347	8,902	13,778	13,333	13,275
313	587	693	774	748
26,345	25,563	24,995	24,271	23,678
705	530	447	469	880
15	17	12	14	16
13	14	11	13	13
939	523	451	444	846
4	4	4	3	3
537,985,801	547,475,852	518,590,777	490,449,481	501,552,786
226	477	543	550	999
826	2,419	2,495	2,903	5,141
-	-	-	-	-
372	372	382	300	228
552	196	418	376	617
581,450	765,839	636,773	647,736	723,669

# City of Georgetown, Texas

## Capital Assets by Functions

Last Ten Fiscal Years

<b>Function</b>	<b>2017</b>	<b>2016</b>	<b>2015</b>	<b>2014</b>	<b>2013</b>
<b>Culture and recreation</b>					
Parks (developed acres)	494	480	480	473	473
Recreation Centers	1	1	1	1	1
Senior Centers	1	1	1	1	1
Libraries	1	1	1	1	1
<b>Fire Services</b>					
Fire stations	5	5	5	5	5
Fire vehicles	36	36	34	29	25
<b>Highways and streets</b>					
Center line miles	326	324	312	310	310
<b>Police Services</b>					
Police stations	1	1	1	1	1
Police vehicles	91	88	84	84	87
Police motorcycle units	6	6	6	6	4
<b>Electric</b>					
Meters	25,607	24,881	24,147	22,918	22,660

Sources: Various City departments and City budget document.

<b>2012</b>	<b>2011</b>	<b>2010</b>	<b>2009</b>	<b>2008</b>
473	473	473	473	410
1	1	1	1	1
1	1	1	1	-
1	1	1	1	1
5	4	4	4	3
22	18	17	17	17
305	295	307	284	269
1	1	1	1	1
87	93	95	95	95
4	4	4	4	4
22,504	22,090	21,711	21,338	20,965

## City of Georgetown, Texas

Water Usage (Gallons)

Last Ten Fiscal Years

<b>Fiscal Year Ended September 30,</b>	<b>Average Day Usage (000s)</b>	<b>Peak Day Production (000s)</b>	<b>Total Usage (000s)</b>
2008	14,490	28,390	5,419,616
2009	11,290	25,870	5,011,889
2010	12,925	24,617	4,732,462
2011	14,024	26,778	5,955,541
2012	16,152	30,058	5,748,912
2013	15,976	28,818	5,121,278
2014	15,987	28,687	4,750,902
2015	15,875	35,394	5,794,201
2016	15,603	34,712	5,695,453
2017	15,815	38,003	5,772,395

Source: City of Georgetown



**City of Georgetown, Texas**  
 Ten Largest Water Customers<sup>(1)</sup>  
 Fiscal Year Ended 2017

Customer	Water Usage (1,000 Gallons)	% of Total Water Usage
CITY OF GEORGETOWN	55,926	0.97%
SOUTHWESTERN UNIVERSITY	54,316	0.94%
CITICORP OF N AMERICA, INC	45,242	0.78%
WILLIAMSON COUNTY	36,607	0.63%
GEORGETOWN ISD	36,223	0.63%
SOUTHWEST MATERIALS	29,268	0.51%
ST DAVID'S HOSPITAL	26,579	0.46%
SUN CITY TX COMM ASSOC	23,639	0.41%
WPG WOLF RANCH, LLC	23,383	0.41%
CYPRESS CREEK @ RIVER BEND	21,750	0.38%
<b>TOTAL</b>	352,933	6.11%

Source: City of Georgetown Customer Care fiscal year 2017 figures.

<sup>(1)</sup> Fiscal year 2017 figures. Based on total consumption of 5,772,395 kgals.

## City of Georgetown, Texas

Daily Flow (Wastewater Treatment)

Last Ten Fiscal Years

Average Daily Wastewater Flow	
Fiscal Year	Gallons
2008	3,370,000
2009	3,580,000
2010	4,188,000
2011	3,327,000
2012	3,594,000
2013	3,641,000
2014	4,260,000
2015	4,607,964
2016	4,871,523
2017	4,068,219

Source: City of Georgetown

## City of Georgetown, Texas

Ten Largest Wastewater Customers<sup>(1)</sup>

September 30, 2017

<u>Customer</u>	<u>Volume (1,000 Gallons)</u>	<u>% of Total</u>
CITICORP OF N AMERICA, IN	43,403	2.86%
SOUTHWESTERN UNIVERSITY	40,518	2.67%
WILLIAMSON COUNTY	28,963	1.91%
GEORGETOWN ISD	25,572	1.68%
ST DAVID'S HOSPITAL	22,583	1.49%
CYPRESS CREEK APTS	19,487	1.28%
GEORGETOWN PLACE APTS	15,305	1.01%
INDIAN CREEK APTS	14,029	0.92%
CITY OF GEORGETOWN	13,734	0.90%
THE OAKS @ GTWN APTS	10,882	0.72%
	<u>234,476</u>	<u>15.43%</u>

Source: City of Georgetown

<sup>(1)</sup> Fiscal 2017 figures. Based on total consumption of 1,519,830 kgals.

## City of Georgetown, Texas

### Valuation, Exemptions and Ad Valorem Tax Debt

September 30, 2017

2016/17 Market Valuation Established by Williamson Central Appraisal District (excluding totally exempt property)		\$ 7,434,602,232
Less Exemptions/Reductions at 100% Market Value:		<u>343,935,421</u>
2016/17 Taxable Assessed Valuation		7,090,666,811
City Funded Debt Payable from Ad Valorem Taxes <sup>(1)</sup>	\$ 161,099,908	
The Bonds	8,555,000	
The Certificates	<u>14,405,000</u>	
Total Debt Payable from Ad Valorem Taxes <sup>(1)</sup>		184,059,908
Interest and Sinking Fund		<u>(1,946,870)</u>
Net Debt Payable from Ad Valorem Taxes		182,113,038
Ratio of Net Tax Supported Debt to Taxable Assessed Valuation <sup>(1)</sup>		2.94%

2017 Estimated Population - 60,642

Per Capita Taxable Assessed Valuation - \$116,927

Per Capita Net Ad Valorem Tax Debt Payable from Ad Valorem Taxes - \$3,003

#### NOTES:

<sup>(1)</sup> Includes \$5,451,755 of self-supporting debt, which is paid from storm water and airport revenues, and \$25,250,194 of self-supporting debt, which is paid from the City's sales tax levied for economic development pursuant to an interlocal agreement with the City's Type B Corporation (GTEC). \$8,413,554 of self-supporting debt is paid from electric revenues and water revenues and \$1,590,000 of self-supporting debt is paid from ad valorem tax revenues within the Riverview TIRZ.



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## City of Georgetown, Texas

### Taxable Assessed Valuations by Category Last Seven Fiscal Years

Category	2017		2016	
	Amount	% of Total	Amount	% of Total
Real, Residential, Single-Family	\$ 5,269,955,833	67.22%	\$ 4,461,872,364	66.73%
Real, Residential, Multi-Family	321,729,040	4.10%	244,374,369	3.65%
Real, Vacant Lots/Tracts	113,986,653	1.45%	109,578,980	1.64%
Real, Acreage (Land Only)	413,248,527	5.27%	400,074,586	5.98%
Real, Farm and Ranch Improvements	12,051,614	0.15%	10,959,024	0.16%
Real, Commercial/Industrial	1,090,806,455	13.91%	1,018,036,078	15.22%
Real and Tangible, Personal, Utilities, Other	55,642,985	0.71%	39,895,007	0.60%
Tangible Personal, Commercial	441,440,286	5.63%	294,660,363	4.41%
Tangible Personal, Industrial	1,990,498	0.03%	-	0.00%
Tangible Personal, Other, Inventory	118,681,945	1.51%	107,456,924	1.61%
Total Appraisal Value Before Exemptions	\$ 7,839,533,836	100.00%	\$ 6,686,907,695	100.00%
Less: Total Exemptions/Reductions	992,751,144		848,833,023	
Taxable Assessed Value	<u>\$ 6,846,782,692</u>		<u>\$ 5,838,074,672</u>	

Category	2012		2011	
	Amount	% of Total	Amount	% of Total
Real, Residential, Single-Family	\$ 3,051,782,791	62.49%	\$ 2,951,917,721	62.66%
Real, Residential, Multi-Family	134,630,205	2.76%	136,781,699	2.90%
Real, Vacant Lots/Tracts	112,194,608	2.30%	117,503,406	2.49%
Real, Acreage (Land Only)	277,760,619	5.69%	280,860,043	5.96%
Real, Farm and Ranch Improvements	7,749,074	0.16%	7,748,104	0.16%
Real, Commercial/Industrial	873,539,170	17.89%	827,031,630	17.55%
Real and Tangible, Personal, Utilities, Other	47,029,662	0.96%	45,209,184	0.96%
Tangible Personal, Commercial	315,920,307	6.47%	278,224,342	5.91%
Tangible Personal, Industrial	2,281,333	0.05%	2,234,106	0.05%
Tangible Personal, Other, Inventory	60,766,941	1.24%	63,594,310	1.35%
Total Appraisal Value Before Exemptions	4,883,654,710	100.00%	4,711,104,545	99.99%
Less: Total Exemptions/Reductions	687,470,575		655,155,594	
Taxable Assessed Value	<u>\$ 4,196,184,135</u>		<u>\$ 4,055,948,951</u>	

Source: <https://www.wcad.org/entity-portal/>  
"Certified Packet"

Tangible Personal, Other, Inventory = M: "Tangible, Other"+O: "Real Inventory"+S: "Special Inventory"

2015		2014		2013	
Amount	% of Total	Amount	% of Total	Amount	% of Total
\$ 3,919,149,977	66.57%	\$ 3,383,707,151	65.32%	\$ 3,212,802,019	64.13%
180,615,033	3.07%	141,539,008	2.73%	136,323,871	2.72%
107,717,396	1.83%	105,728,114	2.04%	110,691,837	2.21%
329,513,434	5.60%	274,265,523	5.29%	287,098,365	5.73%
10,841,218	0.18%	9,762,143	0.19%	9,458,303	0.19%
959,342,874	16.29%	852,941,178	16.46%	838,635,946	16.74%
51,686,900	0.88%	41,161,229	0.79%	45,546,793	0.91%
234,873,665	3.99%	294,627,224	5.69%	302,428,949	6.04%
-	0.00%	-	0.00%	-	0.00%
93,708,389	1.59%	76,722,581	1.48%	67,225,632	1.34%
<hr/>		<hr/>		<hr/>	
\$ 5,887,448,886	100.00%	\$ 5,180,454,151	100.00%	\$ 5,010,211,715	100.00%
759,530,260		582,241,075		594,203,705	
<hr/>		<hr/>		<hr/>	
<u>\$ 5,127,918,626</u>		<u>\$ 4,598,213,076</u>		<u>\$ 4,416,008,010</u>	

# City of Georgetown, Texas

## Authorized but Unissued General Obligation Bonds

September 30, 2017

<b>Purpose</b>	<b>Date Authorized</b>	<b>Amount Authorized</b>	<b>Amount Issued</b>	<b>Authorization Being Used</b>	<b>Unissued Balance</b>
Roads	11/04/2008	\$ 46,000,000	\$ 21,150,000	\$ -	\$ 24,850,000
Parks & recreation	11/04/2008	35,500,000	18,710,000	-	16,790,000
Roads	05/09/2015	105,000,000	22,710,000	-	82,290,000
<b>Total</b>		<b>\$ 186,500,000</b>	<b>\$ 62,570,000</b>	<b>\$ -</b>	<b>\$ 123,930,000</b>





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# City of Georgetown, Texas

## General Fund Revenues and Expenditure History

Last Ten Fiscal Years

	Fiscal Year Ending September 30,				
	2017	2016	2015	2014	2013
Revenues:					
Taxes	\$ 31,618,006	\$ 29,675,061	\$ 27,331,498	\$ 25,293,544	\$ 24,522,441
Licenses and Permits	2,652,279	2,113,126	2,002,380	1,932,563	1,536,660
Charges for Services	11,838,632	10,676,249	10,556,447	9,682,702	9,302,816
Fines and Forfeitures	453,675	476,138	529,920	598,717	670,582
Miscellaneous and Interest	825,006	1,074,393	722,772	682,447	1,460,008
<b>Total Revenues</b>	<b>47,387,598</b>	<b>44,014,967</b>	<b>41,143,017</b>	<b>38,189,973</b>	<b>37,492,507</b>
Expenditures:					
General Government	4,436,866	3,237,092	3,762,714	3,013,544	2,908,971
Development Services	2,389,998	2,297,979	2,148,991	2,003,688	1,579,575
Parks and Recreation	9,552,133	9,447,132	9,156,876	8,401,551	7,945,906
Fire Services	12,500,721	11,806,803	10,595,388	9,455,714	8,638,166
Police Services	14,471,049	13,778,073	12,899,092	11,687,498	11,471,418
Georgetown Utility Systems / Streets	10,310,775	10,333,422	9,281,051	9,435,835	8,236,375
<b>Total Expenditures</b>	<b>53,661,542</b>	<b>50,900,501</b>	<b>47,844,112</b>	<b>43,997,830</b>	<b>40,780,411</b>
Excess (Deficiency) of					
Revenues Over Expenditures	(6,273,944)	(6,885,534)	(6,701,095)	(5,807,857)	(3,287,904)
Budgeted Transfers In	9,592,342	8,909,975	7,720,944	6,964,508	6,655,673
Budgeted Transfers Out	(2,489,735)	(1,531,334)	(1,188,673)	(2,034,075)	(949,076)
Net Increase (Decrease)	828,663	493,107	(168,824)	(877,424)	2,418,693
Fund Equity at Beginning of Year	12,496,962	12,003,855	12,172,679	13,050,103	10,631,410
<b>Fund Equity at End of Year</b>	<b>\$ 13,325,625</b>	<b>\$ 12,496,962</b>	<b>\$ 12,003,855</b>	<b>\$ 12,172,679</b>	<b>\$ 13,050,103</b>

Source: City's Audited Financial Statements.

**Fiscal Year Ending September 30,**

<b>2012</b>	<b>2011</b>	<b>2010</b>	<b>2009</b>	<b>2008</b>
\$ 22,013,241	\$ 21,335,893	\$ 19,336,126	\$ 18,508,353	\$ 18,214,532
1,236,478	890,948	841,392	791,882	1,158,433
8,268,169	8,082,889	7,882,093	7,682,367	2,193,590
616,815	762,923	958,792	889,367	1,013,699
579,060	614,138	515,814	930,774	1,872,238
32,713,763	31,686,791	29,534,217	28,802,743	24,452,492
2,992,852	3,384,950	3,087,317	3,129,127	2,738,903
1,890,481	2,195,537	2,088,809	2,213,899	2,411,971
7,183,369	7,289,676	6,902,305	6,677,760	5,564,579
7,590,667	7,011,366	6,694,350	6,597,024	5,271,624
10,498,193	10,060,311	9,897,919	9,873,237	8,915,180
8,247,315	7,347,201	6,623,628	6,524,677	2,768,367
38,402,877	37,289,041	35,294,328	35,015,724	27,670,624
(5,689,114)	(5,602,250)	(5,760,111)	(6,212,981)	(3,218,132)
6,200,518	6,079,801	6,356,907	6,515,884	6,687,060
(34,641)	(85,022)	(1,342,361)	(1,737,715)	(2,091,633)
476,763	392,529	(745,565)	(1,434,812)	1,377,295
10,154,647	9,762,118	10,507,683	11,942,495	10,565,200
<u>\$ 10,631,410</u>	<u>\$ 10,154,647</u>	<u>\$ 9,762,118</u>	<u>\$ 10,507,683</u>	<u>\$ 11,942,495</u>

# City of Georgetown, Texas

## Municipal Sales Tax History

### Last Ten Fiscal Years

<b>Fiscal Year Ended September 30,</b>	<b>Total Collected</b>	<b>% of Ad Valorem Tax Levy</b>	<b>Equivalent of Ad Valorem Tax Rate</b>	<b>Per Capita</b>	<b>Levy</b>	<b>Tax Rate</b>
2008	\$ 7,310,027	55.40%	0.1975	160	\$ 13,195,606	0.3566
2009	6,943,036	46.67%	0.1662	148	14,877,893	0.3562
2010	7,454,806	50.14%	0.1786	156	14,867,340	0.3562
2011	7,803,863	52.41%	0.1867	160	14,889,961	0.3562
2012	8,277,502	49.10%	0.1903	167	16,856,914	0.3875
2013	9,326,554	50.78%	0.2082	185	18,367,332	0.4100
2014	10,984,723	53.24%	0.2340	210	20,632,709	0.4395
2015	11,296,645	49.55%	0.2150	199	22,799,091	0.4340
2016	12,679,188	54.22%	0.2353	216	23,384,947	0.4340
2017	13,595,005	53.21%	0.2256	232	25,551,262	0.4240

**City of Georgetown, Texas**

Monthly and Volumetric Water Rates

September 30, 2017

Customer Meter Size	Customer Charge per Month	
	Inside City	Outside City
5/8 inch	\$15.50	\$18.50
3/4 inch	23.00	27.50
1 inch	38.50	46.00
1 1/2 inch	76.50	91.50
2 inch	122.50	146.50
3 inch	245.50	293.50
4 inch	383.50	458.50
6 inch	766.50	916.50
8 inch	1,226.50	1,466.50

Residential Water Rates	
1,000 Gallons	Volumetric Rate
0 - 10	\$1.75
11 - 20	2.40
21 - 40	4.00
41 - 60	6.50
61 and over	8.50

Nonresidential Water Rates	
Cost per thousand gallons	\$2.40
Irrigation Meter, cost per thousand gallons	4.00

Source: City of Georgetown

Note: Rates effective January 1, 2014

# City of Georgetown, Texas

## Monthly Wastewater Rates

September 30, 2017

### **Residential and Small Commercial**

---

Net Monthly Rate:

Flat Rate Inside City Limits:	\$30.65 per month*
Flat Rate Outside City Limits:	\$35.20 per month*

\* Low income residential discount: 20% below current flat rate for qualifying households

### **Commercial**

---

Net Monthly Rate:

a. Inside City Limits	
1. Customer Charge	\$46.35 per month*
2. Volumetric Charge*	\$2.35 per 1,000 gallons
b. Outside City Limits	
1. Customer Charge	\$53.30 per month
2. Volumetric Charge*	\$2.70 per 1,000 gallons

### **Large Commercial**

---

Net Monthly Rate:

a. Inside City Limits	
1. Customer Charge	\$82.30 per month
2. Volumetric Charge*	\$2.35 per 1,000 gallons
b. Outside City Limits	
1. Customer Charge	\$94.65 per month
2. Volumetric Charge*	\$2.70 per 1,000 gallons

### **High Strength Commercial**

---

Net Monthly Rate:

a. Inside City Limits	
1. Customer Charge	\$46.35 per month
2. Volumetric Charge*	\$3.70 per 1,000 gallons
b. Outside City Limits	
1. Customer Charge	\$53.30 per month
2. Volumetric Charge*	\$4.30 per 1,000 gallons

### **Multifamily**

---

Net Monthly Rate:

a. Inside City Limits	
1. Customer Charge	\$110.10 per month
2. Volumetric Charge*	\$2.35 per 1,000 gallons
b. Outside City Limits	
1. Customer Charge	\$126.60 per month
2. Volumetric Charge*	\$2.70 per 1,000 gallons

\* The volumetric charges are calculated using the actual water consumption billed per month.

Source: City of Georgetown

Notes: Rates effective October 1, 2016

# City of Georgetown, Texas

## Monthly Electric Rates

September 30, 2017

<b>All Customers</b>			
Purchased Power Cost Adjustment:	\$0.0040 per kWh		
Transmission Cost of Service:	\$0.0019 per kWh		
Residential Sales Tax:	2.00% of total electric charges; outside City limits: None		
Commercial Sales Tax:	8.25% of total electric charges; outside City limits: 6.25%		
<b>Residential Service</b>			
Customer Charge:	\$20.00 per month		
Energy Charge:	\$0.0939 per kWh		
<b>Small General Service</b>			
Customer Charge:	\$45.00 per month		
Energy Charge:	\$0.0883 per kWh		
<b>School Charge</b>			
Customer Charge:	\$175.00 per month		
Energy Charge:	\$0.1131 per kWh		
<b>Water &amp; Wastewater Pumping Service</b>			
Customer Charge:	\$165.00 per month		
Energy Charge:	\$0.0516 per kWh		
<b>Large General Service</b>			
Customer Charge:	\$20.00 per month		
Demand Charge:	\$8.45 per kWh (50 kW minimum)		
Energy Charge:	\$0.0713 per kWh		
Minimum Bill:	\$442.50		
<b>Industrial</b>			
Customer Charge:	\$250.00 per month		
Demand Charge:	\$10.00 per kWh (500 kW minimum)		
Energy Charge:	\$0.0644 per kWh		
Minimum Bill:	\$5,250.00		
<b>Large Industrial Service</b>			
Customer Charge:	\$350.00 per month		
Demand Charge:	\$7.50 per kWh (2000 kW minimum)		
Energy Charge:	\$0.0661 per kWh		
Minimum Bill:	\$15,350.00		
<b>Municipal Service</b>			
<b>Customer Charge:</b>	\$125.00 per month		
Energy Charge:	\$0.0606 per kWh		
Minimum Bill:	\$125.00		
<b>Lighting Service</b>	<b>High Pressure Sodium</b>	<b>Municipal Street</b>	<b>Retail Street</b>
100 Watt per light (35 kWh)	\$8.50 per month	\$5.09 per month	\$5.26 per month
200 Watt per light (71 kWh)	\$14.50 per month	\$9.29 per month	\$9.75 per month
250 Watt per light (86 kWh)	\$16.70 per month	\$11.13 per month	\$11.64 per month
400 Watt per light (137 kWh)	\$23.50 per month	\$17.33 per month	\$18.17 per month

Source: City of Georgetown  
Effective June 1, 2017



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# **Compliance Section**



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**Independent Auditor's Report on Internal Control over  
Financial Reporting and on Compliance and Other Matters  
Based on an Audit of Financial Statements Performed  
in Accordance with Government Auditing Standards**

To the Honorable Mayor and  
Members of the City Council  
City of Georgetown, Texas

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the governmental activities, the business-type activities, the discretely presented component unit, each major fund, and the aggregate remaining fund information of the City of Georgetown, Texas (the City), as of and for the year ended September 30, 2017, and the related notes to the financial statements, which collectively comprise the City's basic financial statements and have issued our report thereon dated February 28, 2018.

***Internal Control over Financial Reporting***

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

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

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

***Compliance and Other Matters***

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

City of Georgetown, Texas

**Purpose of this Report**

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

*Weaver and Tidwell, L.L.P.*

WEAVER AND TIDWELL, L.L.P.

Austin, Texas  
February 28, 2018

**Independent Auditor's Report on Compliance for Each  
Major Federal Program and Report on Internal Control over Compliance  
in Accordance with the Uniform Guidance**

To the Honorable Mayor and  
Members of the City Council  
City of Georgetown, Texas

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

We have audited the City of Georgetown, Texas' (the City's) compliance with the types of compliance requirements described in the *OMB Compliance Supplement* that could have a direct and material effect on each of the City's major federal programs for the year ended September 30, 2017. The City's major federal programs are identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs.

**Management's Responsibility**

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

**Auditor's Responsibility**

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

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

**Opinion on Each Major Federal Program**

In our opinion, the City complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on each of its major federal programs for the year ended September 30, 2017.

## Report on Internal Control over Compliance

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

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

Our consideration of internal control over compliance was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control over compliance that might be material weaknesses or significant deficiencies and therefore, material weaknesses or significant deficiencies may exist that have not been identified. We identified certain deficiencies in internal control over compliance, as described in the accompanying schedule of findings and questioned costs as item 2017-001, that we consider to be a material weaknesses.

The City's responses to the internal control over compliance findings identified in our audit are described in the accompanying corrective action plan. The City's response was not subjected to the auditing procedures applied in the audit of compliance and, accordingly, we express no opinion on the response.

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

*Weaver and Tidwell, L.L.P.*

WEAVER AND TIDWELL, L.L.P.

Austin, Texas  
February 28, 2018

**City of Georgetown, Texas**

Schedule of Findings and Questioned Costs

Year Ended September 30, 2017

**Section 1. Summary of Auditor’s Results**

**Financial Statements**

An unmodified opinion was issued on the financial statements.

Internal control over financial reporting:

Material weakness(es) identified?  Yes  No

Significant deficiencies identified that are not considered to be material weakness(es)?  Yes  None reported

Noncompliance material to financial statements noted?  Yes  No

**Federal Awards**

Internal control over major programs:

Material weakness(es) identified?  Yes  No

Significant deficiencies identified that are not considered to be material weakness(es)?  Yes  None reported

An unmodified opinion was issued on compliance for major programs.

Any audit findings disclosed that are required to be reported in accordance with Section 2 CFR 200.516(a)?  Yes  No

Identification of major programs:

20.106 Airport Project Participation Agreement

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

Auditee qualified as low-risk auditee?  Yes  No

**Section 2. Financial Statement Findings**

None

## **City of Georgetown, Texas**

Schedule of Findings and Questioned Costs - Continued  
Year Ended September 30, 2017

### **Section 3. Federal Award Finding**

*Finding 2017-001*

*Federal Program Information:* Airport Participation Agreement (CFDA 20.106). This is a repeat finding of 2014-01.

*Type of Finding:* Material Weakness in Internal Control Over Compliance

*Criteria:* In accordance with the Uniform Guidance, the auditee shall prepare a Schedule of Expenditures of Federal Awards (SEFA) to include all federal award amounts expended, properly identifying the Catalog of Federal Domestic Assistance (CFDA) numbers, and properly identify awards as belonging to clusters, as applicable.

*Condition:* During the course of the audit, we identified awards not properly reported on the SEFA as to the amount expended during the current year.

*Context:* The auditors noted this condition during the review of the SEFA and through confirmation procedures with pass-through agencies.

*Effect or Potential Effect:* Federal expenditures were not properly recorded on the initial SEFA received. In order to properly select those programs which will be tested as major federal programs in accordance with the Uniform Guidance, the auditors require complete and accurate information to be reported on the SEFA. If not completed properly, this could lead to non-compliance for federal awards and possible financial statement misstatement.

*Cause:* As a result of the expenditures incurred as part of the Airport Project Participation Agreement grant being incurred on behalf of the City by a state agency, the City did not properly identify all of the expenditures incurred for this grant.

*Recommendation:* Annually, as a part of completing the SEFA, the City should communicate with all granting agencies to ensure that all federal awards have been properly included in the SEFA.

*Corrective Action Plan:* See Section 5.



**City of Georgetown, Texas**

Schedule of Findings and Questioned Costs – Continued  
Year Ended September 30, 2017

**Section 4. Schedule of Prior Audit Findings**

None

## **City of Georgetown, Texas**

Schedule of Findings and Questioned Costs – Continued  
Year Ended September 30, 2017

### **Section 5. Corrective Action Plan**

*Finding 2017-001*

*Planned Corrective Action:* The City agrees with the finding. In response, City finance staff has updated their procedures to verify and report all expenditures on a quarterly basis to be reviewed by the Controller. Finance staff will also provide compliance and reporting training both to internal staff and to all departments that currently have or are applying for grants.

*Planned Implementation Date:* March 31, 2018

*Name of Contact Person:* Elaine S. Wilson, Controller

# City of Georgetown, Texas

Schedule of Expenditures of Federal Awards  
For the Fiscal Year Ended September 30, 2017

Federal Grantor/ Pass-Through Grantor/ Program Title	Federal CFDA Number	Pass-Through Entity Identifying Number	Federal Program Expenditures
<b>Federal Awards</b>			
<b>Bureau of Justice Assistance</b>			
Direct Program:			
<i>Bulletproof Vest Program</i>	16.607		\$ 2,867
<b>Total Bureau of Justice Assistance</b>			2,867
<b>Department of Transportation /</b>			
<b>Federal Highway Administration (FHWA)</b>			
Passed through Texas Department of Transportation:			
<i>Highway Planning and Construction</i>	20.205	CSJ-2211-01-019	389,895
<b>Total Department of Transportation / Federal Highway Administration (FHWA)</b>			389,895
<b>Federal Aviation Administration</b>			
Passed through Texas Department of Transportation-Aviation Division:			
<i>Airport Project Participation Agreement</i>	20.106	16MPGRGTN	139,622
<i>Airport Project Participation Agreement</i>	20.106	1514GRGTN	5,735,829
<b>Total Federal Aviation Administration</b>			5,875,451
<b>U.S. Department of Homeland Security</b>			
Passed through Federal Emergency Management Agency:			
<i>Prehazard Mitigation</i>	97.039	LPDM-PJ-06-TX-2008-011	254,712
Passed through Texas Department of Public Safety:			
<i>Emergency Management Performance Grant</i>	97.042	17TX - EMPG-1421	30,724
<b>Total U.S. Department of Homeland Security</b>			285,436
<b>U.S. Department of Housing and Urban Development</b>			
Passed through Williamson County:			
<i>Community Development Block Grant</i>	14.218	065P Georgetown	80,285
<b>Total U.S. Department of Housing and Urban Development</b>			80,285
<b>Institute of Museum and Library Services</b>			
Passed through from Texas State Library and Archives Commission:			
<i>State Library Program</i>	45.310	LS-00-16-0044-16	61,899
<i>State Library Program</i>	45.310	LS-00-16-0044-17	5,217
<b>Total Institute of Museum and Library Services</b>			67,116
<b>Total Expenditures of Federal Awards</b>			\$ 6,701,050



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## **City of Georgetown, Texas**

Notes to the Schedule of Expenditures of Federal Awards  
For the Fiscal Year Ended September 30, 2017

### **Note 1. General**

The accompanying schedule of expenditures of federal awards presents the activity of all applicable federal awards of the City of Georgetown, Texas (the City). The City's reporting entity is defined in Note 1 to the City's financial statements. Federal awards received directly from federal agencies as well as federal awards passed through other government agencies are included in the respective schedule. The City has not elected to use the 10% de minimis indirect cost rate.

### **Note 2. Basis of Accounting**

The accompanying schedule of expenditures of federal awards is presented using the modified accrual basis of accounting, which is described in Note 1 to the City's financial statements.

### **Note 3. Relationship to Federal Financial Reports**

Grant expenditures reports as of September 30, 2017, which have been submitted to grantor agencies will, in some cases, differ slightly from amounts disclosed herein. The reports prepared for grantor agencies are typically prepared at a later date and often reflect refined estimates of year-end accruals. The reports will agree at termination of the grant, as the discrepancies noted are timing differences.

