City of Georgetown, Texas ... "Red Poppy Capital of Texas"

Comprehensive Annual Financial Report 2014 - 2015





CITY OF GEORGETOWN, TEXAS

COMPREHENSIVE ANNUAL FINANCIAL REPORT

FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2015

Prepared by:

Division of Finance and Administration Laurie Brewer, CGFO – Assistant City Manager Lisa Haines, CGFO – Controller



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TABLE OF CONTENTS

INTRODUCTORY SECTION (UNAUDITED):

Letter of Transmittal	1
GFOA Certificate of Achievement	9
Organizational Chart	10
Elected Officials and Administrative Officers	11
City of Georgetown Map	12
FINANCIAL SECTION:	
Independent Auditor's Report	13
Management's Discussion and Analysis (Unaudited)	
Basic Financial Statements	
Government-wide Financial Statements	
Statement of Net Position	28
Statement of Activities	29
Fund Financial Statements	
Governmental Funds	
Balance Sheet	
Reconciliation of the Governmental Funds Balance Sheet	
to the Statement of Net Position	31
Statement of Revenues, Expenditures, and Changes in	
Fund Balance	32
Reconciliation of the Governmental Funds Statement of Revenues, Expenditures	
and Changes in Fund Balance to the Statement of Activities	33
Statement of Revenues, Expenditures, and Changes in Fund Balance	•
Budget and Actual – General Fund	34
Proprietary Funds	
Statement of Net Position	
Statement of Revenues, Expenses and Changes in Fund Net Position	
Statement of Cash Flows	38
Fiduciary Funds	
Statement of Fiduciary Net Position – Agency Funds	
Notes to Financial Statements	40
Required Supplementary Information	
Texas Municipal Retirement System – Schedule of Changes	
in Net Position Liability and Related Ratios	
Other Post-employment Benefits	
Modified Approach for Streets Infrastructure Capital Assets	82
Combining and Individual Fund Financial Statements and Schedules	
Combining Financial Statements – Nonmajor Governmental Funds	_
Combining Balance Sheet	
Combining Statement of Revenues, Expenditures, and Changes in Fund Balance	86

FINANCIAL SECTION - CONTINUED:

Combining and Individual Fund Financial Statements and Schedules – Continued	
Schedules of Revenues and Expenditures – (Budget Basis) – Budget and Actual	
(Non-GAAP) – Reconciled to GAAP Basis	
Special Revenue Funds	
Conservation	88
Court Fees	89
Development	
Fire	
Library Restricted	
Parks	
PEG Fees	
Police	
Public Improvement Districts	
Street Tax	
Tax Increment Reinvestment Zones	
Tourism	
Supplementary Individual Fund Financial Statements and Schedules – Major Governme	ental Funds
General Fund	
Schedule of Revenues and Expenditures (Budget Basis) – Budget and Actual	
(Non-GAAP) – Reconciled to GAAP Basis	100
Georgetown Transportation Enhancement Corporation (GTEC)	
Schedule of Revenues and Expenditures (Budget Basis) – Budget and Actual	
(Non-GAAP) – Reconciled to GAAP Basis	104
Debt Service Fund	
Schedule of Revenues and Expenditures (Budget Basis) – Budget and Actual	
(Non-GAAP) – Reconciled to GAAP Basis	105
(NON-GAAF) – RECONCIEU IU GAAF BASIS	
General Capital Projects Fund	
Schedule of Revenues and Expenditures (Budget Basis) – Budget and Actual (Non-GAAP) – Reconciled to GAAP Basis	106
(NON-GAAF) – RECONCIEU IU GAAF BASIS	
Combining Financial Statements - Nonmajor Proprietary Funds	
Enterprise Funds	
	100
Combining Statement of Net Position	
Combining Statement of Revenues, Expenses and Changes in Fund Net Position	
Combining Statement of Cash Flows	
hatemat Oracian Errada	
Internal Service Funds	
Combining Statement of Net Position	
Combining Statement of Revenues, Expenses and Changes in Fund Net Position	
Combining Statement of Cash Flows	113
Supplementary Individual Fund Financial Statements	
Agency Funds	
Statement of Changes in Assets and Liabilities	114

STATISTICAL SECTION (UNAUDITED):

Net Position by Component – Last Ten Fiscal Years	115
Changes in Net Position – Last Ten Fiscal Years	117
Fund Balances of Governmental Funds – Last Ten Fiscal Years	121
Changes in Fund Balances of Governmental Funds – Last Ten Fiscal Years	123
Property Tax Rates, Levies and Collections - Last Ten Fiscal Years	
Assessed and Estimated Actual Value of Taxable Property - Last Ten Fiscal Years	127
Property Tax Rates - Direct and Overlapping Governments – Last Ten Fiscal Years	129
Principal Property Taxpayers – Current Year and Nine Years Ago	
Taxable Sales by Category – Last Ten Fiscal Years	
Direct and Overlapping Sales Tax Rates – Last Ten Fiscal Years	133
Sales Tax Revenue Payers by Industry – Fiscal Years 2015 and 2006	
Ratios of Outstanding Debt by Type – Last Ten Fiscal Years	
Ratios of Net General Obligation Bonded Debt to Assessed Value and	
Net General Obligation Bonded Debt Per Capita – Last Ten Fiscal Years	137
Computation of Direct and Estimated Overlapping Bonded Debt	139
Computation of Legal Debt Margin – Last Ten Fiscal Years	140
Revenue Bond Coverage - Utility Funds (1) – Last Ten Fiscal Years	142
Utility System Condensed Statement of Operations (1) – Last Ten Fiscal Years	144
Utility System Condensed Statement of Operations (2) – Last Ten Fiscal Years	146
Demographic and Economic Statistics – Last Ten Fiscal Years	148
Principal Employers – Current Year and Nine Years Ago	149
Full Time Equivalent City Government Employees by Function – Last Ten Fiscal Years	150
Operating Indicators by Functions – Last Ten Fiscal Years	
Capital Assets by Functions – Last Ten Fiscal Years	
Water Usage (Gallons) – Last Ten Fiscal Years	156
Ten Largest Water Customers	157
Daily Flow (Wastewater Treatment) – Last Ten Fiscal Years	158
Ten Largest Wastewater Customers	159
Valuation, Exemptions and Ad Valorem Tax Debt	
Taxable Assessed Valuations by Category – Last Six Fiscal Years	161
Authorized but Unissued General Obligation Bonds	163
General Fund Revenues and Expenditure History – Last Ten Fiscal Years	
Municipal Sales Tax History – Last Ten Fiscal Years	166
Monthly & Volumetric Water Rates	167
Monthly Wastewater Rates	168
Monthly Electric Rates	169

COMPLIANCE SECTION:

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	170
Independent Auditor's Report on Compliance for Each Major Program and on	
Internal Control Over Compliance Required by OMB Circular A-133	172
Schedule of Findings and Questioned Costs	174
Schedule of Expenditures of Federal Awards	178
Notes to the Schedule of Expenditures of Federal Awards	179



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Introductory Section



INTRODUCTORY SECTION (UNAUDITED)

Letter of Transmittal	1
GFOA Certificate of Achievement	9
Organizational Chart	10
Elected Officials and Administrative Officers	11
City of Georgetown Map	12

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, 2015, 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 and Administration 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.

<u>The Reporting Entity</u>. 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.

<u>Management Discussion and Analysis.</u> 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 59,391 within the city limits, with an estimated population of 85,753 within the extra-territorial jurisdiction (ETJ) and serves as the county seat of Williamson County.

Georgetown's economic development initiatives to expand jobs and tax base have been with a careful focus of maintaining and expanding its status as a signature destination. The award winning historic downtown square, along with its extensive, award-winning parks and river trail systems along the North and South San Gabriel Rivers and Lake Georgetown have been leveraged to make the City one of the most attractive places to live and work.

This unique character and small town charm was a key factor for Del Webb Corporation when it built its first Texas development in Georgetown with the 1995 opening of Sun City, Texas. Today, over 7,200 homes with over 13,500 retirees make Sun City and Georgetown their home.

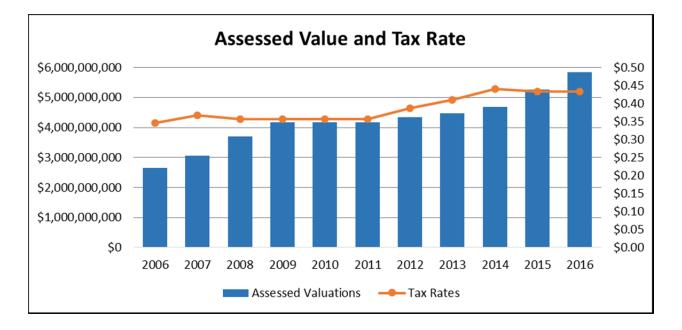
Georgetown is also home to Southwestern University, which continues to receive national recognition. The University has been named to Kiplinger's list of the 100 best values in liberal arts colleges and has been noted as one of 'America's Best Value Colleges' by the *Princeton Review*. With more than 1,528 students and over 500 employees, the University provides substantial economic and cultural contributions to Georgetown.

GEORGETOWN'S ECONOMIC OUTLOOK AND FINANCIAL CONDITIONS

Economic Outlook

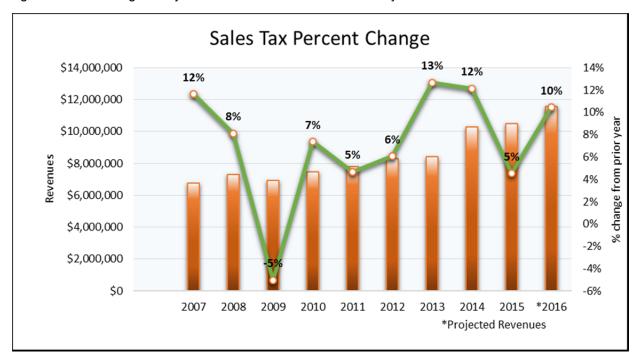
The Texas economy has continued to thrive even better than most of the nation. Over the past 24 months, the Austin Metropolitan Statistical Area has been one of the more robust and healthy economies in the nation. Many cities in the region have seen tremendous growth in property values, single family housing permits, sales tax revenue, and population. Georgetown is no exception.

Over the past year, Georgetown's total assessed value has grown by nearly \$600 million, which represents an increase of over 10% from last year. This year's increase marks the 2nd year in a row in which the City has seen a double digit percentage increase in total assessed value. The average home value in the City has risen to \$234,785. This represents an increase of 11.5% relative to last year. Permits for single family residential housing totaled over 1,300 in 2015, which continues a three year growth trend.



US Census data showed Georgetown was the second fastest growing city in America in 2015, with a population over 50,000. On average, over 11 people a day moved to the City to make Georgetown their home.

The Central Texas unemployment rate was 4.7% for December 2015, compared to 5.0% nationally. According to the Texas Comptroller of Public Accounts, Texas added 166,900 jobs in 2015. Texas and the area continued to see strong growth in new jobs, as well as, retail and business sales. The City's commercial and job base continued to grow with the expansion of several small commercial and retail centers, new healthcare facilities, added retail and restaurants on the downtown square and an agreement that brings a major hotel/conference center to the City.



Sales tax revenues increased 5% over the prior year, demonstrating solid growth in the local economy for the sixth consecutive year. The first quarter of the 2016 fiscal year continued this trend with sales tax receipts coming in 6.5% over the prior year. While the City believes this growth will continue, a conservative approach is taken when estimating available resources for each upcoming budget year as national and world wide issues continue to show some uncertainty. As new retail developments occur, estimates will be updated. The local economy is not directly affected by the energy industry and the drop in oil prices; however, the City is carefully monitoring for any impacts to the greater Texas economy.

The City approved a development agreement for the Sheraton Hotel and Conference Center at the Summit at Rivery Park site. The development includes 222 rooms. 16,000 square feet of conference space, a parking garage and future retail and restaurant development valued at approximately \$150 million at full build out. Completion is expected in July of 2016. In addition, Texas Outdoor Power Equipment constructed a 60,000 square-foot speculative building by the Georgetown Airport, and Inner Visions built another 60,000 squarefoot speculative building in south Georgetown. The groundwork was laid for new development in the South Georgetown TIRZ, with potentially 1,000,000 square-feet of Class A office space to be constructed over the next several years.

In the northern gateway, the City is working with



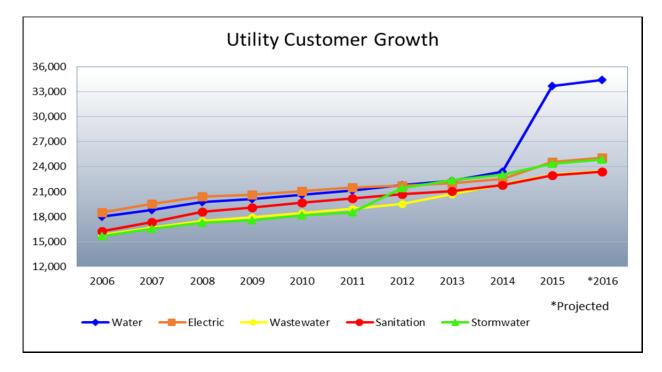
Construction continues at the Rivery Hotel and Convention Center.

developers interested in constructing a retail center east of the Airport and along Interstate 35. The City

also continued its support of the Texas Life Sciences Collaboration Center (TLCC), who completed their second building with the new space almost fully leased and site plans underway for a third building.

The Georgetown South Tax Increment Reinvestment Zone (TIRZ) was created in the summer of 2014, with water, wastewater and road improvements soon to follow on the 603 acre site on south IH-35. This development is significant because it opens the next phase of retail and commercial development that is adjacent to the new Bass Pro Shop site at the Round Rock Premium Outlet Mall.

New development continues in the downtown area with the opening of many small shops and cafes that further enhance the City's historic old-town district. The downtown area was further enhanced in 2015 with the opening of several new restaurant and retail locations, including Eats on Eighth, 600 Degrees Pizza and Brazos Market.



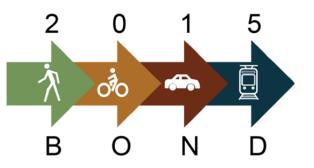
Georgetown takes an active role in water and wastewater planning with the Brazos River Authority (BRA) to find regional solutions to the ever increasing demand for services, while protecting the natural environment within the area. Growth within the utilities continues to have strong positive impacts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

INITIATIVES

<u>**Transportation:**</u> In May of 2015, voters approved a \$105 million Transportation Bond. The successful bond election will provide the City the capital to invest in key transportation projects over the next decade.

Council formed a bond committee, and approved a bond package which seeks to address the following eight transportation issues:

• Reduce traffic on Williams Dr. and improve circulation in the gateway area.



- Reduce traffic on SH 29.
- Repair sidewalk ADA and safety issues.
- Reduce congestion and improve traffic flow on Leander Rd.
- Improve intersection management.
- Improve accessibility to GISD facilities from Austin Ave. and FM 971.
- Improve safety and access from SH 29 to Sam Houston Ave.
- Improve capacity and safety of eastern SH 29.

The 2015 bond referendum passed on May 9 with 75% approval. Included with the bond package is a contract with the voters that provides guidelines for the maximum property tax impact resulting from bond debt in a given year. The contracts clarifies that property tax rate increases related to these bonds will not exceed two-cents annually, or exceed ten-cents cumulatively. The FY2016 budget includes \$20 million to build the Southwest Bypass, a north – south corridor designed to address mobility concerns and ensure connectivity.

Public Safety: The City opened the Public Safety Operations and Training Center in FY2015. The 76,000 square foot building is home to the Police Department, Fire Administration, Emergency Dispatch, and the City's Emergency Operations Center. The campus features a first rate training center with movable partitions and observation catwalks, an outdoor classroom, and a slow-speed driving track. It is expected the facility will be able to serve the current needs and future of public safety.

Investments in Public Safety also included the expansion of the Emergency Medical Service (EMS) program. Beginning on Oct. 1, 2015, the City of Georgetown Fire Department added transport services to the first responder system, allowing them to



Council and Staff at the opening of the Public Safety Operations and Training Center.

transport patients who need additional care to hospital facilities. Currently, over 75% of the emergency calls responded to by the Fire Department are medical emergencies. This move to expand the EMS program allows the Fire Department to operate more efficiently and ensure that advanced care is only minutes away.

Energy Services. With the ending of the City of Georgetown's wholesale power agreement with the Lower Colorado River Authority (LCRA) in September 2012 and favorable settlement of the resulting lawsuit in 2014, the City 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. In 2015, the City finalized a solar electric deal with SunEdison and saw the Spinning Spur Three wind farm come online. The solar project is expected to be operational by Jan. 1, 2017. With all of the purchased power contracts in place, the City of Georgetown is poised to be only the second municipally owned utility to be 100% green by 2017 and the first to do so using zero emissions. The investments in these purchased power contracts ensure the City can provide our growing community with sustainable, renewable, and cost effective energy for decades to come. These new long term contracts provide a hedge against carbon legislation costs. General fund franchise fee revenues are based on the number of kWh sold; therefore, no impact on other City funds is expected from lowering costs to customers. The City has further modernized its rate structure to reflect a cost of service basis with higher fixed monthly charges and lower variable kWh rates. This further stabilizes the City's revenue stream and enhances its ability to use the electric utility as an economic development tool. The City already provides power for the Premiere Outlet Mall, Scott and White Hospital and major restaurant and retailers in the north Round Rock area. The completion of the Bass Pro Shop late in 2015 at the outlet mall site further expanded Georgetown's commercial electric customer base.

<u>Regional Water.</u> The City was approached by the Chisholm Trail Special Utility District (CTSUD) in 2011 about the possibility of merging with the City's water system. The CTSUD provided water service to several areas within the City and the City's extra territorial jurisdiction (ETJ), as well as a large portion of Western Williamson and Southern Bell Counties. This consolidation added 7,500 new water customers and over 375 square miles of new service territory. This consolidation, now branded as the City's "Western District", was completed in 2015 and provides for stronger regional water planning and resource management to allow for future growth within the region.

Signature Destination.

The City of Georgetown works continuously to develop itself as a signature destination in an effort to make our home a special place to live with a high-quality of life:

Award Winning Parks and Trail System - The City continues to expand its award winning park system through continued development of the City's trail system along the San Gabriel Rivers to Lake Georgetown. In November 2008 city voters authorized \$35.5 million in bonds to fund park improvements. The City adopted the Parks Master Plan in March 2009 to continue the river corridor preservation and expand parks and green space.

In 2015, the Parks Department completed the Master Plan for San Gabriel Park, constructed a new splash pad in San Jose Park, replaced the Creative Playscape, and developed an operations and maintenance plan for Garey Park, as well as a master plan for construction.



San Gabriel Park trail.

Most Beautiful Town Square in Texas - The City completed capital improvements for the historic downtown included rehabilitating 8th and 9th Streets, a new 140 space parking lot, and a comprehensive downtown parking study, with recommendations to ensure the Square remains an effective and relevant economic touchstone in Georgetown. Downtown Georgetown was recognized for having the Best Marketing Campaign and Best Public Improvement by the Texas Downtown Association for the Most Beautiful Town Square in Texas campaign and the completion of the Georgetown Art Center. The Downtown district was also designated as a cultural district by the Texas Commission on the Arts, which provides nation-wide recognition for programming, as well as opportunities for future funding of projects.

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.

The City's 2030 Plan has been defined by City Council with five focus areas: Economic Development, Public Safety, Signature Destination, Transportation and Utilities. This framework guides the City's business and financial planning process. Staff prepares business plans by focus area and a *five-year* financial model to direct sound fiscal and policy decisions while capitalizing on the positive momentum in the local and state economy.

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 and Administration 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.

<u>Single Audit.</u> 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, 2015, 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, 2015, are free of material misstatement auditor 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.

<u>Awards.</u> 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, 2014. 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 twenty-eight (28) 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-six (26) 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 Kara McSwiggin, Senior Accountant; Debbie Mitchell, Senior Accountant; Tristan Whitmire, Senior Accountant; La'Mar Kemp, Accountant; Paul Diaz, Budget Manager; and Danella Elliott, Executive Assistant, 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,

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David Morgan City Manager

Laurie Brewer, CGFO Assistant City Manager

Lisa Haines, CGFO Controller

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Government Finance Officers Association

Certificate of Achievement for Excellence in Financial Reporting

Presented to

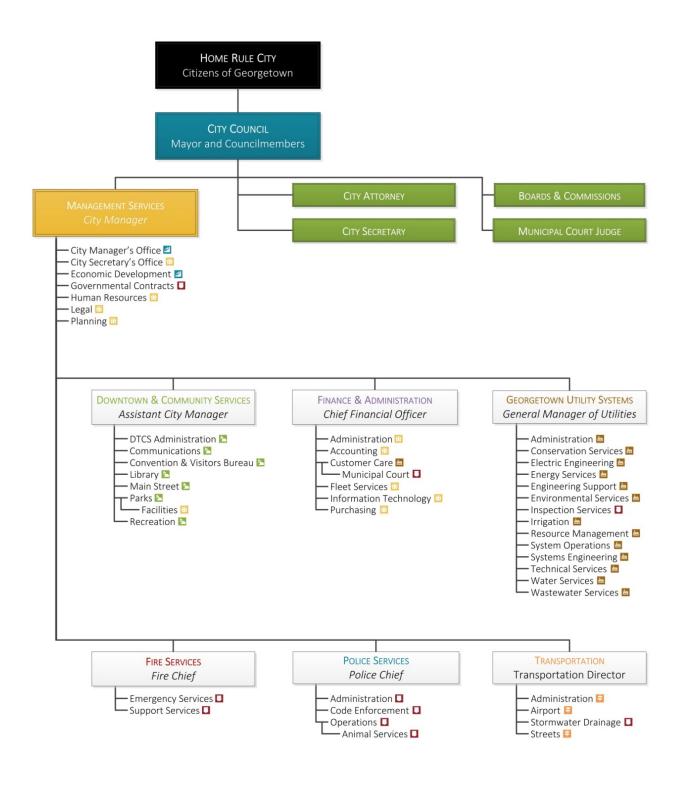
City of Georgetown Texas

For its Comprehensive Annual Financial Report for the Fiscal Year Ended

September 30, 2014

Executive Director/CEO





CITY OF GEORGETOWN, TEXAS

ELECTED OFFICIALS AND ADMINISTRATIVE OFFICERS SEPTEMBER 30, 2015

ELECTED OFFICIALS

Mayor	Dale Ross
City Council Member, District 2, Mayor Pro Tem	Keith Brainard
City Council Member, District 1	Anna Eby
City Council Member, District 2, Mayor Pro Tem	Keith Brainard
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
APPOINTED OFFICIALS	

City Manager	
Acting City Attorney	Skye Masson
City Secretary	Shelley Nowling
Municipal Court Judge	Randy Stump

OTHER CITY OFFICIALS

General Manager for Utilities	Jim Briggs
Assistant City Manager	Laurie Brewer
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.



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Financial Section



FINANCIAL SECTION

Independent Auditor's Report	
Management's Discussion and Analysis (Unaudited)	
Basic Financial Statements	
Government-wide Financial Statements	
Fund Financial Statements	
Governmental Funds	
Proprietary Funds	
Fiduciary Funds	
Notes to the Financial Statements	
Required Supplementary Information	
Texas Municipal Retirement System Analysis of Funding Progress	
Modified Approach for Streets Infrastructure Capital Assets	82
Combining and Individual Fund Statements and Schedules	
Combining Financial Statements – Non-Major Governmental Funds	84
Schedules of Revenues, Expenditures and Changes in Fund Balances –	
Budget and Actual Special Revenue Funds	88
Supplementary Individual Fund Financial Statements and Schedules	
General Fund	100
Georgetown Transportation Enhancement Corporation (GTEC)	104
Debt Service Fund	105
General Capital Projects	106
Nonmajor Proprietary Funds	
Enterprise Funds	107
Internal Service Funds	111
Supplementary Individual Fund Financial Statements	
Agency Funds	114



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, 2015, 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, 2015, 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.

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

Change in Accounting Principles

As discussed in Note 13 to the financial statements, in 2015 the City adopted new accounting guidance, GASB Statement No. 68, Accounting and Financial Reporting for Pensions – an Amendment of GASB Statement No. 27 and GASB Statement No. 71, Pension Transition for Contributions Made Subsequent to the Measurement Date. Our opinion is not modified with respect to this matter.

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, and Modified Approach for Street Infrastructure Capital Assets on pages 16 – 27 and 80 - 82 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 U.S. Office of Management and Budget Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations,* 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.

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.

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

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated March 10, 2016 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 Siduell J.L.P.

WEAVER AND TIDWELL, L.L.P.

Austin, Texas March 10, 2016

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, 2015. 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 \$12,003,855 or 1.4% lower than FY 2014 fund balance. The fund had \$7.7 million of committed fund balance, \$1.8 million of assigned fund balance and \$2.4 million of unassigned fund balance. Revenues were \$487,000 more than the original budget estimates.
- General Fund revenues increased \$3.0 million, an increase of 7.7% over FY 2014. This increase is due to greater revenues from growth and growth in sales tax and franchise tax revenues, and increased ad valorem taxes.
- General Fund expenditures increased by \$3.8 million, an increase of 8.7% over FY 2014. This increase was due to public safety's 1% COLA effective January 2015, scheduled street maintenance, and city-wide salaries increased due to merit and 2 ½% COLA that went into effect February 2015.

Governmental Activities

- On a government-wide basis for governmental activities, the City had expenses net of program revenue of \$26.9 million. General revenues and transfers totaled \$52.0 million, resulting in an increase in net position of \$25.1 million.
- As of September 30, 2015, the City's governmental activities reported combined ending net position balances of \$263.4 million. The largest element of this balance is the value of the City's investment in capital assets which totaled \$239.4 million. Capital assets include the value of streets, parks and facilities, net of related debt.
- During fiscal year ended September 30, 2015, the City issued approximately \$17.805 million in General Obligation and Certificates of Obligation bonds for entity-wide purposes. The debt issue included \$4.345 million for voter-approved general capital projects for roads. The City also issued \$6.36 million in Refunding GO bonds to retire outstanding debt issued at a higher interest rate, with a net savings of \$392,000 and \$7.755 million in senior lien sales tax revenue refunding bonds, with a net savings of \$292,000. The City's general obligation debt is rated AA+ by Standard & Poor's and AA2 by Moody's.

Business-Type Activities

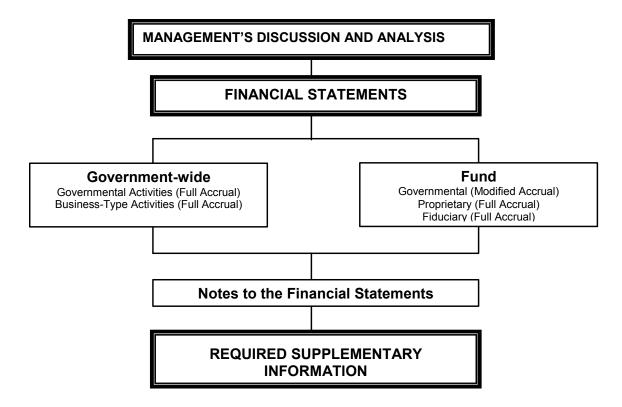
- The net position of the City's business-type activities had a current year increase of \$31.9 million. The current year increase is due to the continued growth of the customer base of the utility systems. The City also received \$9.4 million of infrastructure assets contributed by developers for commercial projects and residential subdivisions.
- The City's total debt issue included \$10.92 million of utility system revenue bonds for electric transformers and system replacement, water system improvements to include a new elevated storage facility and wastewater line upgrades, all to be paid from utility system revenues. The City's Standard & Poor's rating is AA and the Moody's rating is AA2 on the utility system revenue debt.

Entity-Wide

- The City's total net position on a government-wide basis was \$640.4 million at September 30, 2015, an increase of 8.4% over September 30, 2014. Most of this balance is invested in capital assets, restricted for specific purposes.
- The City received \$27.1 million of grants and other capital contributions in FY 2015.

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.



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 now on major funds rather than fund types.

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.

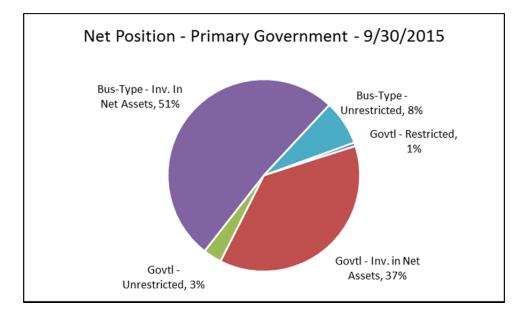
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FINANCIAL ANALYSIS OF THE CITY AS A WHOLE

Statement of Net Position:

The following table reflects the condensed Statement of Net Position:

	Summary S	tatement of N	et Position		
		(In thousands)			
	Govtl	Activities	Bus-Type Activities	Total Primar	y Government
	2015	2014	2015 2014	2015	2014
Current and other assets	\$ 69,469	\$ 72,851	\$ 84,797 \$ 66,746	\$ 154,266	\$ 139,597
Capital assets	350,705	312,205	389,913 363,457	740,618	675,662
Total assets	\$ 420,174	\$ 385,056	\$ 474,710 \$ 430,203	\$ 894,884	\$ 815,259
Deferred outflows of resources	\$ 5,832	\$ 2,262	\$ 2,217 \$ 1,872	8,049	\$ 4,134
Total assets and deferred outflows	\$ 426,006	\$ 387,318	\$ 476,927 \$ 432,075	\$ 902,933	\$ 819,393
Long-term liabilities	\$ 140,358	\$ 123,796	\$ 83,557 \$ 71,994	223,915	\$ 195,790
Other liabilities	22,256	17,990	16,356 14,937	38,612	32,927
Total liabilities	\$ 162,614	\$ 141,786	\$ 99,913 \$ 86,931	\$ 262,527	\$ 228,717
Net position:					
Net Investment in capital assets	\$ 239,378	\$ 211,306	\$ 328,887 \$ 287,569	\$ 568,265	\$ 498,875
Restricted	3,958	825		3,958	825
Unrestricted	20,056	33,401	48,127 57,575	68,183	90,976
Total net position	\$ 263,392	\$ 245,532	\$ 377,014 \$ 345,144	\$ 640,406	\$ 590,676

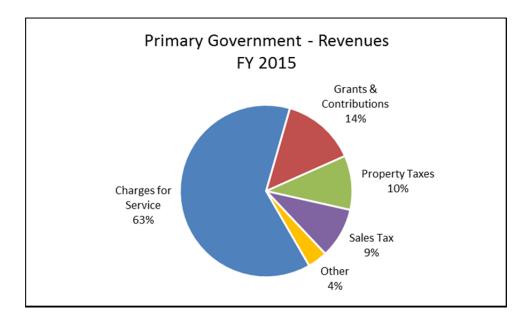


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		Cha	anges in No	et Pos	sition					
			(In thous	ands)						
	 Govtl A	ctiviti	es		Bus-Type	Activ	ties	 ٦	l ota l	
	2015		2014		2015		2014	2015		2014
Revenues:										
Program Revenues										
Charges for Service	\$ 15,723	\$	13,838	\$	111,956	\$	99,721	\$ 127,679	\$	113,55
Operating Grants & Contributions	642		286		25		25	667		31
Capital Grants & Contributions	17,701		23,902		9,405		76,096	27,106		99,99
General Revenues										
Property Taxes	20,650		18,985		-		-	20,650		18,98
Sales Taxes	19,166		18,655		-		-	19,166		18,65
Other Taxes	2,119		1,939		-		-	2,119		1,93
Franchise Taxes	4,925		4,479		-		-	4,925		4,47
Interest	201		169		168		98	369		26
Other	 83	-	39		-		-	 83		3
Total Revenues	\$ 81,210	\$	82,292	\$	121,554	\$	175,940	\$ 202,764	\$	258,23
Expenses:										
Culture-recreation	11,004		10,438		-		-	11,004		10,43
Development	2,318		2,038		-		-	2,318		2,03
Fire	11,731		10,378		-		-	11,731		10,37
General government	5,435		5,239		-		-	5,435		5,23
Interest on long term debt	5,061		5,738		-		-	5,061		5,73
Police	13,284		12,863		-		-	13,284		12,86
Streets	6,463		9,486		-		-	6,463		9,48
Environmental Services	5,701		5,098		-		-	5,701		5,09
Electric	-		-		59,044		60,073	59,044		60,07
Water Services	-		-		33,361		24,159	33,361		24,15
Airport	-		-		2,838		3,290	2,838		3,29
Stormwater	 -		-		2,983		2,638	 2,983		2,63
Total Expenses	\$ 60,997	\$	61,278	\$	98,226	\$	90,160	\$ 159,223	\$	151,43
Change in net position before transfers	20,213		21,014		23, 328		85,780	43,541		106, 794
Transfers	 4,904		7,616		(4,904)		(7,616)	 -		
Change in net position	25,117		28,630		18,424		78,164	43,541		106,79
Net Position - Beginning	245,532		216,902		345,145		266,980	590,677		483,88
Restatement	 (7,257)		-		13,445		-	 6,188		
Net Position - Ending	\$ 263,392	\$	245,532	\$	377,014	\$	345,144	\$ 640,406	\$	590,67

The City's combined net position increased by \$49 million to \$640 million from \$591 million in FY 2014.

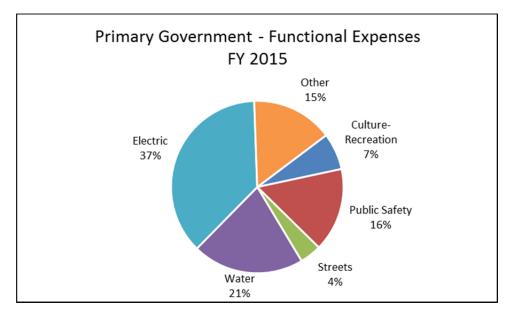
- Net position of Governmental Activities was \$263.4 million. Most of these assets are invested in capital assets or restricted for particular purposes, such as debt service or capital projects.
- The City's unrestricted net position for governmental activities, which can be used to finance day to day operations, totaled \$20.1 million. Of that total, \$1.7 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, 2015 was \$4.2 million.
- Net position invested in capital assets net of related debt for governmental activities increased \$28.1 million, primarily due to developer contributed capital and additions to capital assets.
- Current year net position for business-type activities increased by \$31.9 million, due to the growth in the customer base, developer contributed capital, and capital assets.
- During 2015, the City invested \$18.1 million towards improving and expansion of utility infrastructure, compared to \$21.5 million in 2014.



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, 2015 was \$34.1 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 \$15.7 million in FY 2015, or 13.6% 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 \$17.7 million compared to \$23.9 million last fiscal year due in part to the addition of Williams Drive and developer contributions.
 - **Business-type activities program revenue** totaled \$121.4 million, a 30.9% decrease over prior year. Capital grants and contributions were \$66.7 million lower than the prior year due primarily to the acquisition of CTSUD. *Charges for Services*, which represent receipts from utility customers for electric, water, and wastewater, increased \$12.2 million. Electric charges for service increased 4.9% due to customer growth. Water charges for services increased 30.8% due to customer growth and the addition of the Western District. 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.
 - *Property taxes* totaled \$20.7 million. Included in these taxes are real and personal property levies which are assessed October 1, and payable before the following January 31.
 - Assessed valuations on existing properties increased 8.11%, while total assessed valuation increased 11.2% compared to the prior year. The variance is attributed to \$203 million in new and annexed property.

- The ad valorem tax rate for fiscal year 2015 was \$0.434 per \$100 of assessed valuation. This is a decrease of \$0.0055 over the prior year's rate of \$0.4395. The adopted tax rate is a 2.49% above the 2015 effective rate.
- Sales taxes, the City's second largest source of general revenue, totaled \$19.2 million for fiscal year 2015, which was an increase of 2.7% 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 40% of the general revenue total in 2015, excluding the return-on-investment transfers from the utility funds.
- Hotel/motel taxes totaled \$711,060 compared to \$628,246 in FY 2014 and are included in other taxes.



EXPENSES

- Expenses for governmental activities totaled \$61 million, versus \$61.3 million in FY 2014. Total expenses were relatively flat, \$275,000 lower than the prior year. Major expenses include the Environmental Services (sanitation) contract, salaries for providing services in the public safety area, as well as for parks and streets maintenance. Salary increases implemented during the fiscal year included a 1% COLA for public safety effective January 2015, as well as a 2 ½% COLA and merit increases for non-public safety effective February 2015. Other explanations for the increases are noted below.
 - Culture-recreation increased 5.4% over the prior year due in part to salary adjustments.
 - Development increased 13.7%, or \$280,000. The increase can be attributed to increased personnel and operating costs.
 - Public Safety increased 7.7% due to the restructured STEP pay plan that was implemented January 2013 and increased operating costs associated with the opening of the new Public Safety Operations and Training Center.
 - Streets decreased 31.9% due to the timing of scheduled maintenance, including chip seal, of the City's transportation system.
 - Environmental services increased 11.8% due to continued customer growth in solid waste.

- Expenses for business-type activities totaled \$98.2 million, an 8.9% increase over the prior year, which provided electric, water, and wastewater services for customers, as well as airport and stormwater drainage programs. Notable explanations for the changes are explained below.
 - Electric decreased 1.7%. The decrease in expenses for Electric can be associated with the onetime payment for the LCRA settlement made in FY 2014.
 - Water services increased 38.1%. The increase can be attributed to a full year of operations of the Western District since acquiring CTSUD.
 - The 13.7% decrease at the Airport is related to the fluctuations in the price of fuel compared to FY 2014.
 - Stormwater saw a 13.7% increase over the prior year due to higher personnel and operating costs.

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, 2015, the City's governmental funds reflect a combined fund balance of \$51.9 million.

The General Fund had a fund balance of \$12,003,855 for FY 2015, a decrease of approximately \$168,800 over FY 2014. 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.

General Capital Project Fund had a fund balance of \$19.9 million for FY 2015 compared to \$26.2 million for FY 2014. This decrease is due to the Rivery Sheraton Garage reimbursement, various Parks projects and FM1460.

Non-major governmental funds include a decrease in fund balance of \$752,300 due to the funding and timing of street improvement projects in the Sales Tax Maintenance Fund and start-up costs related to the new EMS program.

General Debt Service Fund reflects an increase of \$221,000 in fund balance in FY 2015. This increase is due to higher ad valorem taxes collected for interest and sinking and the issuance of refunding bonds.

Georgetown Transportation Enhancement Corporation (GTEC), the City's blended component unit had a 20% decrease in fund balance due to the timing of capital improvement projects. GTEC contributed \$6.7 million in transportation improvements to facilitate economic development in 2015.

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, 2015 totaled \$48.1 million, which included \$7.0 million for Electric, \$39.7 million for Water and \$1.4 million for all other Non-Major funds. The change in net position for FY 2015 was \$31.9 million resulting primarily from continued growth in the City's utility systems and capital improvements.

GENERAL FUND BUDGETARY HIGHLIGHTS

The original and final budget of the General Fund changed due to a budget amendment based on Council's recommendation to spend excess fund balance for cash funding two transitional response vehicles (TRVs) for EMS program and city manager recruitment. The variance between the actual ending fund balance at September 30, 2015 of \$9.9 million and the final budgetary fund balance of \$7.8 million is attributed to higher than expected franchise tax revenues, higher development related revenues, and environmental services revenues due to growth. Expenditures were less than budgeted primarily due to timing of projects and vacant positions.

CAPITAL ASSETS

The City's governmental activities (including the internal service funds) had invested \$351 million in a variety of capital assets and infrastructure. The City has \$390 million invested in its business-type activities capital assets. The detail is reflected in the following schedule:

	Governmer Change in C (In tho	apital	Assets*		
	Balance 9/30/2014		Additions	Deletions Transfers	Balance 9/30/2015
Non-depreciable Assets:				 	
Land	\$ 21,721	\$	5,627	\$ 25	\$ 27,373
Construction in progress	45,061		23,921	(36,413)	32,569
Streets	162,086		17,694	(3,912)	175,868
Other capital assets					
Equipment	37,214		6,629	(1,355)	42,488
Buildings	52,783		25,157	336	78,276
Improvements	33,287		1,622	3,721	38,630
Bridges	10,277		-	-	10,277
Less accumulated depreciation	(50,224)		(5,678)	1,126	(54,776)
Capital Assets - Governmental	\$ 312,205	\$	74,972	\$ (36,472)	\$ 350,705

		Change in ((In tho	-			
		Balance 9/30/2014		Additions	Deletions Transfers	Balance 9/30/2015
Non-depreciable Assets:	-		-			
Land	\$	3,026	\$	-	\$ 640	\$ 3,666
Construction in progress		7,659		14,725	(16,085)	6,299
Other capital assets						
Equipment		2,953		295	2,267	5,515
Buildings		7,599		-	-	7,599
Improvements		469,508		7,398	15,009	491,915
Less accumulated depreciation		(111,967)		(13,114)	-	(125,081)
Capital Assets - Business-Type	\$	378,778	\$	9,304	\$ 1,831	\$ 389,913
City-wide Totals	\$	690,983	\$	84,276	\$ (34,641)	\$ 740,618

*Includes internal service funds assets, which are allocated to governmental activities

•

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, and 2011-2013 was 87.7. During 2014, the City contracted with Kasberg, Patrick and Associates to reassess the condition of the pavement management system. The PCI for 2014-2015 is 87.3. The previous score was 87.7. This decease can be attributed to recently annexed areas with streets needing improvements. This assessment is conducted every three years and will be reevaluated in 2017.

The City budgets approximately \$1.6 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 for the approximate \$2.1 million of funds received in dedicated 1/4 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.

Utility infrastructure maintenance is budgeted within the utility funds. For fiscal year 2015, funding for electric and water services infrastructure maintenance was \$1.7 million.

Major capital assets added in FY 2015 are noted below:

•	 General Capital Projects: Construction in process projects FM 1460 Southwest Bypass Rivery Sheraton Garage Garey Park 	\$23,900,000
	 Williams Drive PSOTC Splash Pad FM 1460 (ROW) 	\$13,680,000 \$27,568,000 \$ 300,000 \$ 5,627,000
•	 Utility Infrastructure and Capital Projects: Electric distribution system expansion and improvements Electric Substations Westside Service Center (land) Edwards Aquifer Recharge Zone compliance Lift stations & upgrades North Georgetown Addition 	\$ 3,829,000 \$ 3,429,000 \$ 640,000 \$ 1,831,000 \$ 681,000 \$ 685,000

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

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OUTSTANDING DEBT

	-	(In thous		ong-Term		
		Total				
	<u>2015</u>	<u>2014</u>	<u>2015</u>	<u>2014</u>	<u>2015</u>	<u>2014</u>
General Obligation Bonds	\$ 122,966	5 \$ 116,201	\$ 16,414	\$ 13,884	\$ 139,380	\$ 130,085
Premiums	3,026	2,394	2,027	1,974	5,053	4,368
Sales tax revenue bonds	7,755	5 8,470	-	-	7,755	8,470
Revenue Bonds			67,910	61,885	67,910	61,885
Compensated absence payable	4,878	4,204	915	818	5,793	5,022
Net pension obligation	11,375	5 10,833	2,689	2,561	14,064	13,394
Other Post-Employment Benefits	787	627	-	-	787	627
Arbitrage rebate payable						
Total Long Term Debt	\$ 150,787	\$ 142,729	\$ 89,955	\$ 81,122	\$ 240,742	\$ 223,85

- As of September 30, 2015, the City had a total of \$139 million in general obligation debt outstanding. This
 represents a 7.2% increase over prior year. This increase reflects \$4.3 million of General Obligation bonds
 for road projects.
- The state limits the legal amount of tax levy available for general obligation debt service to \$1.50 per \$100 valuation. The City's 2015 debt levy equaled \$0.22662 per \$100 assessed valuation, or 15.11% of the maximum allowed.
- Other long-term debts included are compensated absence payable, net pension obligation, and other postemployment benefits. These experienced an increase over FY 2014 of \$1.6 million primarily due to an increase in compensated absence payable and a change in accounting principles implemented as a result of GASB statement No. 68.
- In May 2015, the City issued \$13.46 million in Combination Tax and Revenue Certificates of Obligation for Summit at Rivery Park project, sidewalks, runway improvements and fuel farm at the Airport, various parks including Williams Drive pool and splash pad, stormwater drainage facilities including Smith Branch remediation, Westside Service Center and purchase of vehicles and equipment. The City also issued \$4,345,000 in General Obligation bonds for road projects approved in the 2008 Road Bond authorization. The City also issued \$10.92 million Utility System Revenue Bonds for electric transformers and system replacement; water system improvements to include a new elevated storage facility, and wastewater line upgrades.
- In June 2015, the City issued \$6,360,000 in General Obligation Refunding Bonds with an average interest rate of 2.6%. The City advanced refunded bonds to reduce its total debt service payments over the next 14 years to obtain a net economic gain of approximately \$392,000. The City also issued \$7,755,000 in Senior Lien Sales Tax Revenue Refunding Bonds with an average interest rate of 3.9%. The City advanced refunded bonds to reduce its total debt service payments over the next 13 years to obtain a net economic gain of approximately \$292,000.
- A detailed analysis of the City's long-term debt is located in Note 6 to the financial statements.

MD&A

ECONOMIC FACTORS

During FY 2015, the City continued to see strong improvements in the local and regional economy. Total sales tax receipts grew to \$19.2 million, or by 2.7% over 2014, an increase over pre-economic downtown receipts for the 6th consecutive year. The growth in residential and commercial development continued in FY 2015 with \$312.4 million in new permits; while at the same time, unemployment continued to drop from 5.3% in 2014 to 3.7% in 2015. 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 its 4-6% growth rate.

The adopted FY 2016 budget assumes continued modest growth in new property of approximately \$195 million and an adopted tax rate remains unchanged at \$0.434 per \$100 valuation. Sales tax revenues have seen a slowing of sales tax collections over the past 18 months compared to the hyper growth of FY 2013 and FY 2014. This trends with the state of Texas as a whole. The 2016 budget projects sales tax growth of 2.5%. This modest, but conservative, 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 & Administration Division City of Georgetown 113 East 8th Street Georgetown, Texas 78626 (512) 930-3676 www.georgetown.org



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BASIC FINANCIAL STATEMENTS

CITY OF GEORGETOWN, TEXAS STATEMENT OF NET POSITION SEPTEMBER 30, 2015

	F	Primary Governmer	nt	Component Unit
	Governmental Activities	Business-type Activities	Total	Georgetown Economic Development Corporation
ASSETS	¢ 20.240.256	¢ 0.669.610	¢ 20.017.075	¢ 2 196 400
Cash and cash equivalents Cash and cash equivalents - restricted	\$ 20,249,356	\$ 9,668,619 2,437,408	\$ 29,917,975 2,437,408	\$ 2,186,499
Investments	- 41,873,140	13,351,901	55,225,041	- 3,019,452
Investments - restricted	-	23,379,125	23,379,125	-
Prepaid items	323,557	4,760,696	5,084,253	-
Security deposit	-	9,500,000	9,500,000	-
Accounts receivable		0,000,000	0,000,000	
Services (net of allowance for uncollectibles)	-	15,661,550	15,661,550	-
Other	7,065,501	472,532	7,538,033	219,320
Internal balances	(936,892)	936,892	-	_
Inventories	894,298	3,704,604	4,598,902	-
Long-term note receivable	-	923,248	923,248	-
Capital assets				
Land	27,372,932	3,665,995	31,038,927	448,745
Streets	175,868,215	-	175,868,215	-
Building and improvements	127,183,419	7,599,896	134,783,315	-
Machinery, furniture and equipment	42,488,461	5,515,140	48,003,601	-
Distribution system	-	491,914,838	491,914,838	-
Water system	-	-	-	-
Construction in progress	32,568,835	6,298,971	38,867,806	-
Accumulated depreciation	(54,776,430)	(125,081,643)	(179,858,073)	-
Total assets	420,174,392	474,709,772	894,884,164	5,874,016
DEFERRED OUTFLOWS OF RESOURCES				
Deferred outflow related to pension	3,287,963	777,323	4,065,286	-
Deferred charge on refunding	2,544,096	1,439,633	3,983,729	-
Total deferred outflows of resources	5,832,059	2,216,956	8,049,015	
TOTAL ASSETS AND DEFERRED OUTFLOWS OF RESOURCES	\$ 426,006,451	\$ 476,926,728	\$ 902,933,179	\$ 5,874,016
LIABILITIES AND NET POSITION				
Liabilities				
Current liabilities				
Accounts payable	\$ 8,914,786	\$ 8,345,946	\$ 17,260,732	\$ 11,595
Accrued employee benefits	1,516,613	385,331	1,901,944	-
Unearned revenue	1,371,486	86,867	1,458,353	4,000
Unapplied credits	436,848	-	436,848	-
Current portion of noncurrent liabilities	8,911,530	6,013,279	14,924,809	60,000
Accrued interest	1,104,108	375,533	1,479,641	-
Construction contracts and retainages				
payable from restricted assets	-	112,037	112,037	-
Customer deposits payable from restricted assets	-	1,036,999	1,036,999	-
Noncurrent liabilities				
Accrued employee benefits	4,148,496	529,281	4,677,777	-
Net pension liability	11,375,385	2,689,309	14,064,694	-
Long-term debt	124,835,118	80,338,188	205,173,306	863,248
Total liabilities	162,614,370	99,912,770	262,527,140	938,843
NET POSITION				
Net investment in capital assets Restricted for	239,377,879	328,886,853	568,264,732	448,745
Debtservice	534,745	-	534,745	-
Specific programs	3,423,343	-	3,423,343	-
Unrestricted	20,056,114	48,127,105	68,183,219	4,486,428
Total net position	263,392,081	377,013,958	640,406,039	4,935,173
TOTAL LIABILITIES				
AND NET POSITION	\$ 426,006,451	\$ 476,926,728	\$ 902,933,179	\$ 5,874,016

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

CITY OF GEORGETOWN, TEXAS STATEMENT OF ACTIVITIES FISCAL YEAR ENDED SEPTEMBER 30, 2015

			Progra	am Revenues			Net (Expense) Revenue and Changes in Net Position			
	_	Charges for	-	ating Grants		pital Grants	Governmental	rimary Governmen Business-type		Component Unit Georgetown Economic Development
Functions/Programs	Expenses	Services	& Co	ontributions	& C	ontributions	Activities	Activities	Total	Corporation
Primary government Governmental activities										
Culture-recreation	\$ 11,003,525	\$ 2,506,592	\$	338,509	\$	-	\$ (8,158,424)	\$-	\$ (8,158,424)	\$-
Development	2,317,907	2,510,092		-		135,286	327,471	-	327,471	-
Fire	11,731,142	1,740,719		51,523		-	(9,938,900)	-	(9,938,900)	-
General government	5,435,195	1,321,261		219,940		-	(3,893,994)	-	(3,893,994)	-
Police	13,284,900	831,461		32,476		-	(12,420,963)	-	(12,420,963)	-
Streets	6,463,416	625		-		17,566,386	11,103,595	-	11,103,595	-
Environmental services	5,700,681	6,811,773		-		-	1,111,092	-	1,111,092	-
Interest on long-term debt	5,061,021	-		-		-	(5,061,021)		(5,061,021)	
Total governmental activities	60,997,787	15,722,523		642,448		17,701,672	(26,931,144)	-	(26,931,144)	-
Business-type activities Electric Water Airport Stormwater	59,043,948 33,360,468 2,838,401 2,983,286	63,197,781 43,488,320 2,631,211 2,638,945		- - 25,056 -		1,019,620 5,196,606 1,230,868 1,958,266	- - -	5,173,453 15,324,458 1,048,734 1,613,925	5,173,453 15,324,458 1,048,734 1,613,925	- - -
Total business-type activities	98,226,103	111,956,257		25,056		9,405,360		23,160,570	23,160,570	
Total primary government	\$ 159,223,890	\$ 127,678,780	\$	667,504	\$	27,107,032	(26,931,144)	23,160,570	(3,770,574)	
Component unit Georgetown Economic and Development Corporation	\$ 657,998	\$ -	\$	-	\$	-	(20,001,144)		(0,770,014)	(657,998)
		General revenues Property tax Sales tax Taxes - other Franchise taxes Interest on investme Other Transfers					20,650,114 19,165,963 2,118,567 4,925,043 201,492 82,963 4,904,089	- - - 167,866 - - (4,904,089)	20,650,114 19,165,963 2,118,567 4,925,043 369,358 82,963 -	1,311,553 - 11,134 102,778 -
		Total general reven	ues and	transfers			52,048,231	(4,736,223)	47,312,008	1,425,465
		Change in net positio	n				25,117,087	18,424,347	43,541,434	767,467
		Net position, beginnir	ng of the	year			245,531,853	345,144,448	590,676,301	4,167,706
		Prior period adjustme	ent				(7,256,859)	13,445,163	6,188,304	
		Net position, end of th	ne year				\$ 263,392,081	\$ 377,013,958	\$ 640,406,039	\$ 4,935,173

FUND FINANCIAL STATEMENTS



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CITY OF GEORGETOWN, TEXAS BALANCE SHEET – GOVERNMENTAL FUNDS SEPTEMBER 30, 2015

	General	Tra Er	eorgetown ansportation hancement corporation	Debt Service	General Capital Projects	Nonmajor overnmental Funds	Go	Total overnmental Funds
ASSETS								
Cash and cash equivalents	\$ 4,342,979	\$	-	\$-	\$ 9,644,993	\$ 3,215,482	\$	17,203,454
Investments	5,997,447		12,310,456	1,489,314	13,319,275	4,550,405		37,666,897
Accounts receivable (net of								
allowance for uncollectible accounts)								
Delinquent taxes	219,659		-	149,539	-	-		369,198
Sales tax	1,937,884		861,282	-	-	538,174		3,337,340
Grants	-		143,727	-	-	144,667		288,394
Other	1,957,907		-	-	-	845,240		2,803,147
Due from other funds	664,988		-	-	-	-		664,988
Prepaid items	59,931		-	-	-	-		59,931
Inventories	6,771		-	-	-	 -		6,771
Total assets	\$ 15,187,566	\$	13,315,465	\$ 1,638,853	\$ 22,964,268	\$ 9,293,968	\$	62,400,120
LIABILITIES								
Accounts payable	\$ 2,086,876	\$	1,757,148	\$-	\$ 2,893,504	\$ 663,961	\$	7,401,489
Due to other funds	-		-	-	-	1,368,811		1,368,811
Unearned revenue	877,176		-		195,765	 298,545		1,371,486
Total liabilities	2,964,052		1,757,148	-	3,089,269	2,331,317		10,141,786
DEFERRED INFLOWS OF								
RESOURCES								
Deferred property taxes	219,659		-	149,539	-	 -		369,198
Total deferred inflows of resources	219,659		-	149,539	-	-		369,198
FUND BALANCE								
Nonspendable	66,702		-	-	-	-		66,702
Restricted	-		-	1,489,314	15,336,646	3,423,343		20,249,303
Committed	7,695,000		8,489,829	-	-	4,202,843		20,387,672
Assigned	1,835,134		3,068,488	-	4,538,353	-		9,441,975
Unassigned	2,407,019		-			 (663,535)	_	1,743,484
Total fund balance	12,003,855		11,558,317	1,489,314	19,874,999	 6,962,651		51,889,136
TOTAL LIABILITIES, DEFERRED								
INFLOWS AND FUND BALANCE	\$ 15,187,566	\$	13,315,465	\$ 1,638,853	\$ 22,964,268	\$ 9,293,968	\$	62,400,120

CITY OF GEORGETOWN, TEXAS RECONCILIATION OF THE GOVERNMENTAL FUNDS BALANCE SHEET TO THE STATEMENT OF NET POSITION SEPTEMBER 30, 2015

Total fund balance - total governmental funds	\$ 51,889,136
Amounts reported for governmental activities in the statement of net position are different because:	
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.	337,841,429
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. The effect of this consolidation is to increase net position.	19,232,946
Premiums and discounts on issued bonds have not been included in the fund financial statements.	(3,025,902)
Bonds payable and contractual obligations are not due and payable in the current period therefore have not been included in the fund financial statements.	(130,720,746)
Deferred charges resulting from the issuance of refunding bonds are not recorded on the fund financial statements but are recorded as deferred outflows of resources on the statement of net position.	2,544,096
Accrued liabilities for accrued employee benefits, including compensated absences and other post employment benefit obligations, are not due and payable in the current period, therefore have not been included in the fund financial statements.	(5,531,896)
Liabilities for arbitrage are not due and payable in the current period therefore have not been reflected in the fund financial statements.	(14,650)
Net pension liability and the related deferred outflows of resources, are not due and payable in the current period, therefore have not been included in the fund financial statements.	(8,087,422)
Revenues from property taxes are deferred in the fund financial statements until they are considered available to fund current expenditures, but such revenues are recognized in the government-wide statements.	369,198
Interest is accrued on outstanding debt in the government-wide financial statements, whereas in the fund financial statements interest expense is reported when due.	 (1,104,108)
Net position of governmental activities	\$ 263,392,081

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 – GOVERNMENTAL FUNDS FISCAL YEAR ENDED SEPTEMBER 30, 2015

	General Fund	Georgetown Transportation Enhancement Corporation	Debt Service	General Capital Projects	Nonmajor Governmental Funds	Total Governmental Funds
REVENUES						
Property taxes						
Current	\$ 10,700,252	\$-	\$ 9,800,000	\$-	\$-	\$ 20,500,252
Delinquent	18,845	-	17,979	-	-	36,824
Penalties and interest	65,672	-	-	-	-	65,672
Other	325,042	-	-	-	711,060	1,036,102
Property assessment	-	-	-	-	1,082,465	1,082,465
Sales tax	11,296,644	5,246,213	-	-	2,623,106	19,165,963
Franchise taxes	4,925,043	-	-	-	-	4,925,043
Licenses and permits	2,002,380	-	-	-	-	2,002,380
Charges for service	10,556,447	-	-	-	114,852	10,671,299
Fines and forfeitures	529,920	-	-	-	56,933	586,853
Donations and grants	-	658,985	-	235,051	541,243	1,435,279
Investment income	29,899	52,340	4,044	57,610	29,059	172,952
Other revenue	692,873	283,632		137,335	992,312	2,106,152
Total revenues	41,143,017	6,241,170	9,822,023	429,996	6,151,030	63,787,236
EXPENDITURES						
Current						
Culture - recreation	9,156,876	-	-	-	1,291,660	10,448,536
Development	2,148,991	-	-	-	173,330	2,322,321
Fire services	10,595,388	-	-	-	918,538	11,513,926
General government	3,762,714	352,566	-	-	-	4,115,280
Highways and streets	3,668,360	-	-	-	2,407,047	6,075,407
Police	12,899,092	-	-	-	111,405	13,010,497
Environmental services	5,612,691	-	-	-	90,536	5,703,227
Capital outlay	-	6,724,200	-	16,261,933	1,020,120	24,006,253
Debt service						
Principal retirement	-	505,000	7,363,518	-	-	7,868,518
Interest and fiscal charges		492,433	3,958,807	144,091		4,595,331
Total expenditures	47,844,112	8,074,199	11,322,325	16,406,024	6,012,636	89,659,296
Excess (deficiency) of revenues						
over (under) expenditures	(6,701,095)	(1,833,029)	(1,500,302)	(15,976,028)	138,394	(25,872,060)
Other financing sources (uses)						
Transfers in	7,720,944	489,915	1,699,395	302,000	760,061	10,972,315
Transfers out	(1,188,673)	(1,699,395)	-	(4,774,436)	(1,650,765)	(9,313,269)
Premiums on issuance of bonds	-	725,374	108,567	168,006	-	1,001,947
Issuance of bonds	-	-	-	13,990,000	-	13,990,000
Payment to refunding escrow agent	-	(8,327,210)	(5,771,235)	-	-	(14,098,445)
Refunding bonds issued	-	7,755,000	5,684,703			13,439,703
Total other financing sources (uses)	6,532,271	(1,056,316)	1,721,430	9,685,570	(890,704)	15,992,251
Net change in fund balances	(168,824)	(2,889,345)	221,128	(6,290,458)	(752,310)	(9,879,809)
FUND BALANCES, beginning of year	12,172,679	14,447,662	1,268,186	26,165,457	7,714,961	61,768,945
FUND BALANCES, end of year	\$ 12,003,855	\$ 11,558,317	\$ 1,489,314	\$ 19,874,999	\$ 6,962,651	\$ 51,889,136

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 FISCAL YEAR ENDED SEPTEMBER 30, 2015

Net change in fund balances - governmental funds	\$	(9,879,809)
Amounts reported for governmental activities in the statement of activities are different		
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 assets and liabilities of internal service funds are allocated to the governmental activities on the statement of net position. The effect of this consolidation is to increase net position. The entry on the statement of activities reflects the change for FY 2015, which is allocated to governmental activities.		4,294,705
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 2015 capital outlays is to increase net position.		24,006,253
Depreciation is not recognized as an expenditure in governmental funds since it does not require the use of current financial resources. The effect of recording current year depreciation is to decrease net assets.		(2,858,513)
Capital assets contributed or donated to the City are not recorded in the governmental funds as they do not provide current financial resources but are recognized in the Statement of Activities as program revenues.		16,693,894
Some revenues and expenses reported in the statement of activities do not require the use of current financial resources and therefore are not reported as either expenditures or revenues in governmental funds:		
Current year increase in bond premiums		(631,928)
Current year increase in deferred charge on refunding		282,069
Current year long-term debt principal payments on contractual obligation bonds payable are expenditures in the fund financial statements, but are shown as reductions in long term debt in the government-wide financial statements.		7,363,518
Current year bond proceeds are not shown as revenue in the government-wide financial statements.		(27,429,703)
Repayment of bond principal and the payment to escrow in conjunction with the advance refunding of debt are reported as expenditures in the fund financial statements, whereas the government-wide financial statements do not record the expenditures, rather it reflects a reduction to liabilities in the statement of net position.		14,016,041
Interest is accrued on outstanding debt in the government-wide financial statements, whereas in the fund financial statements, the expenditure is reported when due.		(530,374)
Additions to vested sick leave and vacation liabilities are not shown in the fund financial statements. The net effect of the current year's increase is to decrease net assets.		(541,279)
Expenditures related to the City's participation in the Texas Municipal Retirement System are recorded as they are paid in the governmental funds, but are recognized based on the change in net pension liability in the Statement of Activities.		444,517
Annual required contribution for other post employment benefits and net pension obligation are recorded in the government-wide financial statements net of the expense recognized on current year actual contribution.		(159,670)
Revenue from property taxes are recognized in the fund financial statements on the modified accrual basis but are recognized on the accrual basis in the government-wide financial statements.		47,366
Change in net position of governmental activities	\$	25,117,087
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CITY OF GEORGETOWN, TEXAS STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE BUDGET AND ACTUAL – GENERAL FUND FISCAL YEAR ENDED SEPTEMBER 30, 2015

	Budgeted	Amounts	2015 Actual Budgetary	Variance to Final
	Original	Final	Basis	Budget
REVENUES				
Property taxes				
Current	\$ 10,964,039	\$ 10,964,039	\$ 10,700,252	\$ (263,787)
Delinquent	70,000	70,000	18,845	(51,155)
Penalties and interest	75,000	75,000	65,672	(9,328)
Sales tax	11,785,875	11,785,875	11,296,644	(489,231)
Franchise taxes	4,560,827	4,560,827	4,925,043	364,216
Licenses and permits	1,566,050	1,566,050	2,010,379	444,329
Charges for services	10,107,797	10,180,557	10,547,822	367,265
Fines and forfeitures	707,500	707,500	529,920	(177,580)
Other taxes	310,000	310,000	325,042	15,042
Investment income	25,000	25,000	29,899	4,899
Miscellaneous	483,875	483,875	693,490	209,615
Total revenues	40,655,963	40,728,723	41,143,008	414,285
EXPENDITURES				
Current				
Culture - recreation	9,442,653	9,347,794	9,111,404	236,390
Development	1,827,356	1,796,057	1,790,554	5,503
Environmental services	5,466,543	5,590,852	5,590,844	8
Fire services	10,759,602	10,759,602	10,582,129	177,473
General government	3,386,567	3,476,961	3,644,442	(167,481)
Highways and streets	4,663,108	4,811,858	4,106,997	704,861
Police services	13,667,941	13,840,722	13,340,939	499,783
Total expenditures	49,213,770	49,623,846	48,167,309	1,456,537
Excess (deficiencies) of revenues				
over expenditures	(8,557,807)	(8,895,123)	(7,024,301)	1,870,822
OTHER FINANCING SOURCES (USES)				
Transfers in	6,922,775	6,925,516	7,720,944	(795,428)
Transfers out	(523,998)	(1,188,673)	(1,188,673)	
Total other financing sources (uses)	6,398,777	5,736,843	6,532,271	795,428
EXCESS (DEFICIENCY) OF REVENUES AND OTHER FINANCING SOURCES OVER EXPENDITURES AND OTHER				
FINANCING SOURCES (USES)	(2,159,030)	(3,158,280)	(492,030)	2,666,250
FUND BALANCES, beginning of period	9,940,212	10,939,462	10,416,804	(522,658)
FUND BALANCES, end of period	\$ 7,781,182	\$ 7,781,182	9,924,774	\$ 2,143,592
Reverse current year encumbrances			1,835,138	
Record net unrealized gain on investments			(82)	
Reverse voided purchase orders			244,025	
FUND BALANCE - GAAP BASIS, end of period			\$ 12,003,855	
TONE BALANCE - ORAF BAOID, END OF PENDU			φ 12,000,000	

CITY OF GEORGETOWN, TEXAS STATEMENT OF NET POSITION PROPRIETARY FUNDS FISCAL YEAR ENDED SEPTEMBER 30, 2015

	Electric	Water Services	Nonmajor Enterprise		Governmental Activities Internal	
	Fund	Fund	Funds	Total	Service Funds	
ASSETS						
Current assets						
Cash and cash equivalents	\$-	\$ 9,413,450	\$ 255,169	\$ 9,668,619	\$ 3,045,902	
Cash and cash equivalents - restricted	1,626,370	447,183	363,855	2,437,408	-	
Investments	-	12,999,525	352,376	13,351,901	4,206,243	
Investments - restricted	2,245,940	19,205,120	1,928,065	23,379,125	-	
Secutity deposit	9,500,000	-	-	9,500,000	-	
Prepaid expenses	1,806,881	2,953,815	-	4,760,696	263,626	
Accounts receivable						
Services (net of allowance for uncollectibles)	9,120,751	6,083,313	457,486	15,661,550	267,422	
Other	279,366	193,166	-	472,532	-	
Due from other funds	-	9,025,972	-	9,025,972	-	
Inventories	3,529,730	149,305	25,569	3,704,604	887,527	
Total current assets	28,109,038	60,470,849	3,382,520	91,962,407	8,670,720	
Noncurrent assets						
Long-term note receivables	-	923,248	-	923,248	-	
Capital assets						
Land and land rights	1,579,511	1,104,984	981,500	3,665,995	214,066	
Distribution and water systems	143,977,180	304,218,490	43,719,168	491,914,838	-	
Buildings and improvements	73,707	3,669,971	3,856,218	7,599,896	1,858,517	
Machinery, furniture and equipment	2,200,595	888,403	2,426,142	5,515,140	32,353,201	
Construction in progress	470,131	4,998,777	830,063	6,298,971	-	
Less accumulated depreciation	(39,405,692)	(70,600,751)	(15,075,200)	(125,081,643)	(21,561,781)	
Total capital assets (net of						
accumulated depreciation)	108,895,432	244,279,874	36,737,891	389,913,197	12,864,003	
Total noncurrent assets	108,895,432	245,203,122	36,737,891	390,836,445	12,864,003	
TOTAL ASSETS	137,004,470	305,673,971	40,120,411	482,798,852	21,534,723	
DEFERRED OUTFLOWS OF RESOURCES						
Deferred outflow related to pension	425,395	295,202	56,726	777,323	-	
Deferred charge on refunding	787,414	554,318	97,901	1,439,633	-	
	4.040.000	0.40 500	454.007	0.040.050		
TOTAL DEFERRED OUTFLOWS OF RESOURCES	1,212,809	849,520	154,627	2,216,956		
	¢ 400 047 070	¢ 200 502 404	¢ 40.075.000	¢ 405 045 000	¢ 04 504 700	
DEFERRED OUTFLOWS OF RESOURCES	\$ 138,217,279	\$ 306,523,491	\$ 40,275,038	\$ 485,015,808	\$ 21,534,723	

	Electric Fund	Water Services Fund	Nonmajor Enterprise Funds	Total	Governmental Activities Internal Service Funds
LIABILITIES AND NET POSITION					
Current liabilities					
Accounts payable	\$ 6,495,308	\$ 1,655,782	\$ 194,856	\$ 8,345,946	\$ 1,498,647
Accrued employee benefits	212,937	141,239	31,155	385,331	57,905
Due to other funds	7,974,297	-	114,783	8,089,080	233,069
Unearned revenue	20,321	66,546	-	86,867	436,848
Current portion of long-term debt	2,492,855	3,002,153	518,271	6,013,279	-
Accrued interest	132,806	214,357	28,370	375,533	-
Construction contracts and retainages payable	20,186	91,851	-	112,037	-
Customer deposits	1,036,999			1,036,999	
Total current liabilities	18,385,709	5,171,928	887,435	24,445,072	2,226,469
Noncurrent liabilities					
Accrued employee benefits	291,041	194,815	43,425	529,281	75,308
Net pension liability	1,471,742	1,021,313	196,254	2,689,309	-
Long-term debt	28,804,541	45,667,658	5,865,989	80,338,188	
Total noncurrent liabilities	30,567,324	46,883,786	6,105,668	83,556,778	75,308
TOTAL LIABILITIES	48,953,033	52,055,714	6,993,103	108,001,850	2,301,777
Net position					
Net investment in capital assets	82,257,760	214,751,962	31,877,131	328,886,853	12,864,003
Unrestricted	7,006,486	39,715,815	1,404,804	48,127,105	6,368,943
Total pat position	89,264,246	254,467,777	33,281,935	377,013,958	19,232,946
Total net position	03,204,240	204,407,777	33,201,930	511,015,950	19,232,940

TOTAL LIABILITIES AND NET POSITION	\$ 138,217,279	\$ 306,523,491	\$ 40,275,038	\$ 485,015,808	\$ 21,534,723
		. , ,	. , ,	. , ,	

CITY OF GEORGETOWN, TEXAS STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN FUND NET POSITION PROPRIETARY FUNDS FISCAL YEAR ENDED SEPTEMBER 30, 2015

	Electric Fund	Water Services Fund	Nonmajor Enterprise Funds	Total	Governmental Activities Internal Service Funds
OPERATING REVENUES					
Service charges					
Electric	\$60,870,094	\$ -	\$-	\$ 60,870,094	\$-
Water	-	17,107,086	-	17,107,086	-
Wastewater	-	15,535,837	-	15,535,837	-
Other	1,144,894	3,599,429	5,242,994	9,987,317	26,964,669
Total operating revenues	62,014,988	36,242,352	5,242,994	103,500,334	26,964,669
OPERATING EXPENSES					
Electric	8,259,062	-	-	8,259,062	-
Water	-	11,885,339	-	11,885,339	-
Depreciation	3,860,476	8,075,981	1,177,769	13,114,226	2,819,823
Utility contracts	45,937,180	9,482,053	-	55,419,233	-
Plantmanagement	-	2,446,675	-	2,446,675	-
Other			4,458,799	4,458,799	23,777,473
Total operating expenses	58,056,718	31,890,048	5,636,568	95,583,334	26,597,296
NET OPERATING INCOME (LOSS)	3,958,270	4,352,304	(393,574)	7,917,000	367,373
NONOPERATING REVENUES (EXPENSES)					
Investment income	19,435	145,486	2,945	167,866	28,540
Donations and grants	-	-	1,255,924	1,255,924	-
Interest and fiscal charges	(987,230)	(1,470,420)	(185,119)	(2,642,769)	-
Loss on disposed assets	-	-	-	-	(56,148)
Other	1,182,793	7,245,968	27,162	8,455,923	489,957
Total nonoperating revenues (expenses)	214,998	5,921,034	1,100,912	7,236,944	462,349
INCOME BEFORE CONTRIBUTIONS					
AND TRANSFERS	4,173,268	10,273,338	707,338	15,153,944	829,722
CONTRIBUTIONS AND TRANSFERS					
Capital contributions	1,019,620	5,196,606	1,958,266	8,174,492	219,940
Transfers in	2,287,936	3,635,544	-	5,923,480	3,515,365
Transfers out	(5,018,881)	(5,555,212)	(253,476)	(10,827,569)	(270,322)
Total contributions and transfers	(1,711,325)	3,276,938	1,704,790	3,270,403	3,464,983
Change in net position	2,461,943	13,550,276	2,412,128	18,424,347	4,294,705
NET POSITION, beginning of period	72,443,921	241,683,522	31,017,005	345,144,448	14,938,241
RESTATEMENT	14,358,382	(766,021)	(147,198)	13,445,163	
TOTAL NET POSITION, end of period	\$ 89,264,246	\$ 254,467,777	\$ 33,281,935	\$ 377,013,958	\$ 19,232,946

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

CITY OF GEORGETOWN, TEXAS STATEMENT OF CASH FLOWS PROPRIETARY FUNDS FISCAL YEAR ENDED SEPTEMBER 30, 2015

	Electric Fund	Water Services Fund	Nonmajor Enterprise Funds	Total	Governmental Activities Internal Service Funds
CASH FLOWS FROM OPERATING ACTIVITIES					
Cash received from customers	\$63,034,814	\$43,250,768	\$5,469,880	\$ 111,755,462	\$ 28,144,498
Payments to suppliers	(40,235,545)	(29,417,692)	(3,914,977)	(73,568,214)	(14,026,831)
Payments to employees for services	(4,596,868)	(3,313,514)	(764,263)	(8,674,645)	(10,282,652)
Net cash provided by operating activities	18,202,401	10,519,562	790,640	29,512,603	3,835,015
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES Transfers in	2,287,936	3,635,544	-	5,923,480	3,515,365
Transfers out	(5,018,881)	(5,555,212)	(253,476)	(10,827,569)	(270,322)
Net cash provided by (used for) noncapital financing activities	(2,730,945)	(1,919,668)	(253,476)	(4,904,089)	3,245,043
	(2,750,945)	(1,919,000)	(255,470)	(4,904,009)	3,243,043
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES Acquisition of capital assets Donations and grants	(8,605,170)	(5,575,483)	(2,387,902)	(16,568,555)	(3,314,808)
Security deposit	(9,500,000)	-	-	(9,500,000)	-
Proceeds from issuance of long-term debt	2,447,844	9,217,156	459,000	12,124,000	-
Principal paid on revenue and certificates of obligation bonds	(2,497,668)	(3,251,222)	2,238,044	(3,510,846)	-
Interest paid on revenue and certificates of obligation bonds	(1,255,927)	(1,467,532)	(187,874)	(2,911,333)	
Net cash provided by (used for) capital and related financing activities	(19,410,921)	(1,077,081)	121,268	(20,366,734)	(3,314,808)
CASH FLOWS FROM INVESTING ACTIVITIES					
Interest received	19,435	145,486	2,945	167,866	28,540
Change in temporary investments	1,182,698	(14,036,873)	(545,129)	(13,399,304)	(2,684,566)
Net cash provided by (used for) investing activities	1,202,133	(13,891,387)	(542,184)	(13,231,438)	(2,656,026)
Net increase (decrease) in cash and cash equivalents	(2,737,332)	(6,368,574)	116,248	(8,989,658)	1,109,224
CASH AND CASH EQUIVALENTS, beginning of year	4,363,702	16,229,207	502,776	21,095,685	1,936,678
CASH AND CASH EQUIVALENTS, end of year	\$ 1,626,370	\$ 9,860,633	\$ 619,024	\$ 12,106,027	\$ 3,045,902
CLASSIFIED AS					
Current assets	\$ -	\$ 9,413,450	\$ 255,169	\$ 9,668,619	\$ 3,045,902
Restricted assets	1,626,370	447,183	363,855	2,437,408	
Total	\$ 1,626,370	\$ 9,860,633	\$ 619,024	\$ 12,106,027	\$ 3,045,902
NON-CASH DISCLOSURE					
Developer contributions	\$ 1,019,620	\$ 5,196,606	\$1,958,266	\$ 8,174,492	\$ 219,940
OPERATING INCOME (LOSS) Adjustments to reconcile operating income (loss) to cash provided by operating activities	\$ 3,958,270	\$ 4,352,304	\$ (393,574)	\$ 7,917,000	\$ 367,373
Depreciation	3,860,476	8,075,981	1,177,769	13,114,226	2,819,823
Other income	1,182,793	7,245,968	27,162	8,455,923	489,957
Decrease (increase) in other assets	-	12,747	-	12,747	-
Decrease (increase) in prepaid expenses	(827,770)	(197,283)	-	(1,025,053)	-
Decrease (increase) in inventories Decrease (increase) in accounts receivable	(424,319) (373,940)	- (304,098)	(9,169) 73,839	(433,488) (604,199)	(581,285) 487,022
Decrease (increase) in customer deposits	(373,940) 190,652	(000-,000)		190,652	
Increase (decrease) in due to/from other funds	8,051,987	(8,872,281)	70,531	(749,763)	-
Increase (decrease) in accounts payable	2,147,716	(158,126)	(210,274)	1,779,316	33,580
Increase (decrease) in unearned revenue	20,321	66,546	-	86,867	202,850
Increase (decrease) in net pension liability	508,045	255,292	49,056	812,393	-
Increase (decrease) in accrued employee benefits	(91,830)	42,512	5,300	(44,018)	15,695
Net cash provided by operating activities	\$18,202,401	\$10,519,562	\$ 790,640	\$ 29,512,603	\$ 3,835,015

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, 2015

ASSETS	
Cash and cash equivalents	\$ 38,679
Accounts receivable	 118,454
TOTAL ASSETS	\$ 157,133
LIABILITIES	
Accounts payable	\$ 38,679
Due to other governments	 118,454
TOTAL LIABILITIES	\$ 157,133

Notes Section



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, four 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 Chief Financial Officer 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 five member Board, which includes three 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.

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.

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - CONTINUED

A. Reporting Entity – Continued

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.

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:

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - CONTINUED

B. Basis of Presentation – Continued

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 ½ 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.

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.

Major Proprietary Funds - Continued

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.

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.

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - CONTINUED

B. Basis of Presentation – Continued

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.

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.

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.

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - CONTINUED

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 twenty-seventh 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.

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.

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - CONTINUED

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 are stated at fair value, or market price as of September 30, 2015. 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 and customer deposits.

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. 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.

K. 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.

L. 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.

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - CONTINUED

L. Accrued Employee Benefits – Continued

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

M. 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 fair 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 \$514,021 was capitalized in enterprise funds during the 2015 fiscal year.

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	25-50 years
Buildings and improvements	10-20 years
Furniture, fixtures, and equipment	3-10 years

The City records capital contributions to proprietary funds as revenue. Total capital contributions to the enterprise funds in fiscal year 2015 were \$8,174,492 and \$219,940 in the internal service funds. Contributed capital is not recorded for governmental type funds, but is recognized on the government-wide statements and totaled \$16,696,113 for the year ended September 30, 2015.

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.

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - CONTINUED

M. Capital Assets – Continued

Capital Assets - Streets and Drainage - Continued

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:

PCI	Rating
100-85	Good
84-45	Fair
44-0	Poor

The PCI for fiscal year 2014-2015 is 87. The previous score for 2010-2013 was 88. This will be reevaluated in 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.

N. 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.

O. 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*.

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - CONTINUED

P. 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.

Q. Comparative Data/Reclassification

Comparative total data for the prior year have been presented in selected sections of the accompanying financial statements in order to provide an understanding of the changes in the City's financial position and operations. Also, certain amounts presented in the prior year data have been reclassified in order to be consistent with the current year's presentation.

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 2015, 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.

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, 2015, 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 city-wide. 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.

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - CONTINUED

T. Nature and Purpose of Reservations and Designation of Fund Equity – Continued

The City's Fund Balance Reports Five Components

<u>Non-spendable Fund Balance</u> – 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.

<u>Restricted Fund Balance</u> – 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.

<u>Committed Fund Balance</u> – 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.

<u>Assigned Fund Balance</u> – 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.

<u>Unassigned Fund Balance</u> – 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.

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
Fund balance						
Nonspendable						
Inventory/prepaids	\$ 66,702	\$-	\$-	\$-	\$-	\$ 66,702
Spendable						
Restricted for						
Debtservice	-	-	1,489,314	-	-	1,489,314
Bond funds	-	-	-	15,336,646	-	15,336,646
Hotel/motel tax	-	-	-	-	544,252	544,252
Street maintenance tax	-	-	-	-	2,534,655	2,534,655
Other purposes	-	-	-	-	344,436	344,436
Committed for						
Contingency	7,695,000	-	-	-	-	7,695,000
Other capital projects	-	8,489,829	-	-	-	8,489,829
Nonmajor funds	-	-	-	-	4,202,843	4,202,843
Assigned to						
Encumbrances	1,835,134	3,068,488	-	4,538,353	-	9,441,975
Unassigned	2,407,019	-	-	-	(663,535)	1,743,484
Total fund balance	\$12,003,855	\$ 11,558,317	\$ 1,489,314	\$ 19,874,999	\$ 6,962,651	\$51,889,136

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.

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - CONTINUED

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 A deferred charge on refunding results from the difference in the carrying value of refunded debt and its reacquisition price. This amount is deferred and amortized over the shorter of the life of the refunded or refunding debt.
- Pension contributions after measurement date These contributions are deferred and recognized in the following fiscal year.
- Difference in projected and actual earnings on pension assets This difference is deferred and amortized over a closed five year period.

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 the resources.

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.

W. Change in Accounting Principles

For the year ended September 30, 2015, the City implemented Governmental Accounting Standards Board (GASB) Statement No. 68, Accounting and Financial Reporting for Pensions – An Amendment of GASB Statement No. 27 and GASB Statement No. 73, Accounting and Financial Reporting for Pensions and Related Assets That Are Not Within the Scope of GASB Statement 68, and Amendments to Certain Provisions of GASB Statements 67 and 68. These statements establish accounting and financial reporting requirements related to pensions for governments whose employees are provided with pensions through pension plans, and requires the recognition of the entire net pension liability and a more comprehensive measure of pension expense, along with additional required footnote disclosures. The impact of this implementation is discussed in Note 13.

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 \$9,018,733 and the bank balances were \$17,416,672 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. The City's discretely presented component unit had a carrying amount of negative \$206,657 at year end, which is offset by daily liquidity deposits held in Texas Daily. In addition, the City's Certificates of Deposits of \$48,357,084 are insured or fully collateralized in accordance with Texas statutes as described above.

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.

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.

Market Risk

Market 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, 2015, the City minimized the market 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.

NOTE 2. CASH AND INVESTMENTS - CONTINUED

Market Risk - Continued

The City's investments carried at fair value as of September 30, 2015, are:

	Primary G	overnment
	Fair	Weighted Average
	Value	Maturity (days)
Investments		
Certificates of deposit	\$ 48,357,084	256
Texas local government investment pool (TexPool)	5,186,478	1
Texas short term asset reserve program (TexSTAR)	21,284,151	1
Comerica Bank money market	9,596,883	1
Southside Bank money market	10,076,415	1
Total fair value of investments	94,501,011	
Portfolio weighted average maturity		131
Carrying amount - demand deposits	16,458,538	
Total cash and investments	\$ 110,959,549	
	Compo	nent Unit
	Fair	Weighted Average
	Value	Maturity (days)
Investments	A	
Certificates of deposit	\$ 1,506,179 1,904,351	39
Texas short term asset reserve program (TexSTAR) Texas TERM investment pool (Texas Daily)	2,002,078	1
	2,002,010	I.
Total fair value of investments	5,412,608	
Portfolio weighted average maturity		11
Carrying amount - demand deposits	(206,657)	
Total cash and investments	\$ 5,205,951	

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, 2015, 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.

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.

NOTE 2. CASH AND INVESTMENTS - CONTINUED

The City also maintains an account with the TexasTERM Local Government Investment Pool. The TexasTERM Advisory Board has contracted with PFM Asset Management LLC to serve as administrator and investment advisor to the pool. US Bank, NA provides the custodial services to the pool. The City's account is in their TexasDAILY portfolio, a money market portfolio with daily liquidity.

The TexasTERM Local Government Investment Pool investments are designed to comply with all Texas statutes, including regulations for the allowable investment of public funds. The Pool's investors elect Advisory Board Members who are responsible for overall management of the Pool, including formulation and implementation of investment and operating policies.

At year end, balances in TexSTAR, TexPool and TexasTERM 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 fair value.

During 2015, the City realized no gains or losses from the sale of investments, as the City's investment strategy is to invest to maturity. The City recognized a net increase in the fair value of investments held at year end of \$2,056.

NOTE 3. TAXES

Property Taxes

Property is appraised and a lien on such property becomes enforceable as of January 1st of each year. Taxes are levied on and payable the following October 1st. Taxes become delinquent February 1st 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, 2015 was \$9,467.

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, 2015, was \$0.4340 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.

NOTE 3. TAXES – CONTINUED

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 ½ 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 ¼ 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, the citizens readopted this ¼ cent sales tax option. The sunset provision will expire in March 2015. These funds are reported in the Streets Special Revenue Fund.

On October 1, 2005, the City began collecting an additional 1/8 cent sales tax in accordance with the Texas Development Corporation Act of 1979, Article 5190.6, Section 4A Texas Revised Civil Statues 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 1/8 cent sales tax to be used toward the reduction of ad valorem property taxes. Proceeds are credited to the City's General Fund.

				Tra	nsfers In				_
	Governmental Funds					Enterpris	_		
		Major	Funds		Nonmajor Funds				
	General Fund	Debt Service	GTEC	General Capital Projects	Special Revenue	Internal Services	Electric	Water	Total Transfers Out
Governmental funds									
Major funds									
General fund	\$-	\$-	\$-	\$-	\$ 760,061	\$ 420,182	\$ 8,430	\$-	\$ 1,188,673
GTEC	-	1,699,395	-	-	-	-	-	-	1,699,395
General capital projects	-	-	-	-	-	1,208,000	-	3,566,436	4,774,436
Nonmajor funds									
Special revenue funds	10,000	-	489,915	302,000	-	848,850	-	-	1,650,765
Internal service funds	2,741	-	-	-	-	267,581	-	-	270,322
Enterprise funds									
Major funds									
Electric	4,760,899	-	-	-	-	188,874	-	69,108	5,018,881
Water services	2,762,578	-	-	-	-	513,128	2,279,506	-	5,555,212
Nonmajor funds									
Nonmajor enterprise funds	184,726	-	-	-	-	68,750		-	253,476
	\$7,720,944	\$ 1,699,395	\$ 489,915	\$ 302,000	\$ 760,061	\$ 3,515,365	\$ 2,287,936	\$ 3,635,544	\$ 20,411,160
					Trai	nsfers eliminated	d in government-w	vide statements	15,507,071
						N	transfers - statem		\$ 4 904 08

NOTE 4. TRANSFERS

Net transfers - statement of activities \$ 4,904,089

The net transfers between the governmental types and business types total \$4,904,089. 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.

NOTE 5. CAPITAL ASSETS

Capital asset activity for the year ended September 30, 2015 was as follows:

	Balance 9/30/2014 Additions		Deletions and Transfers			Balance 9/30/2015	
Governmental activities							
Capital assets not being depreciated							
Land	\$	21,720,508	\$ 5,627,905	\$	24,519	\$	27,372,932
Streets		162,085,903	17,693,912		(3,911,600)		175,868,215
Construction in progress		45,060,261	 23,921,632		(36,413,058)		32,568,835
Total capital assets not being depreciated		228,866,672	 47,243,449		(40,300,139)		235,809,982
Capital assets being depreciated							
Equipment		37,214,759	6,628,738		(1,355,036)		42,488,461
Buildings		52,783,503	25,156,691		336,044		78,276,238
Improvements		43,563,875	 1,622,006		3,721,300		48,907,181
Total capital assets being depreciated		133,562,137	33,407,435		2,702,308		169,671,880
Less accumulated depreciation for							
Equipment		(25,326,055)	(3,352,792)		1,116,891		(27,561,956)
Buildings		(11,538,349)	(1,230,681)		-		(12,769,030)
Improvements		(13,359,387)	 (1,094,863)		8,806		(14,445,444)
Total accumulated depreciation		(50,223,791)	 (5,678,336)		1,125,697		(54,776,430)
Total capital assets being depreciated, net		83,338,346	 27,729,099		3,828,005		114,895,450
Governmental activities capital assets, net	\$	312,205,018	\$ 74,972,548	\$	(36,472,134)	\$	350,705,432
		Palapaa			Deletione		Balanaa
		Balance 9/30/2014	Additions	Deletions		Balance	
		9/30/2014	 Auditions	a	nd Transfers		9/30/2015

Electric activities				
Capital assets not being depreciated				
Land and land rights	\$ 1,259,415	\$ -	\$ 320,096	\$ 1,579,511
Construction in progress	 1,059,832	 8,133,830	 (8,723,531)	 470,131
Total capital assets not being depreciated	 2,319,247	 8,133,830	 (8,403,435)	 2,049,642
Capital assets being depreciated				
Equipment	2,112,232	63,363	25,000	2,200,595
Buildings and improvements	73,707	-	-	73,707
Distribution system	134,173,651	1,019,620	8,783,909	143,977,180
Total capital assets being depreciated	 136,359,590	 1,082,983	 8,808,909	 146,251,482
Less accumulated depreciation for				
Equipment	(878,780)	(80,380)	-	(959,160
Buildings	(36,120)	(1,644)	-	(37,764
Distribution system	 (34,630,316)	 (3,778,452)	 -	 (38,408,768
Total accumulated depreciation	 (35,545,216)	 (3,860,476)	 -	 (39,405,692
Total capital assets being depreciated, net	 100,814,374	 (2,777,493)	 8,808,909	 106,845,790
Electric activities capital assets, net	\$ 103,133,621	\$ 5,356,337	\$ 405,474	\$ 108,895,432

NOTE 5. CAPITAL ASSETS - CONTINUED

Capital asset activity for the year ended September 30, 2015 was as follows:

	Balance 9/30/2014		Additions	Deletions and Transfers			Balance 9/30/2015
Water services activities			 				
Capital assets not being depreciated							
Land and land rights	\$	784,888	\$ -	\$	320,096	\$	1,104,984
Construction in progress		3,850,773	5,582,278		(4,434,274)		4,998,777
Total capital assets not being depreciated		4,635,661	 5,582,278		(4,114,178)		6,103,761
Capital assets being depreciated							
Equipment		672,108	216,295		-		888,403
Buildings and improvements		3,669,971	-		-		3,669,971
Distribution and water system		295,493,633	4,419,078		4,305,779		304,218,490
Total capital assets being depreciated		299,835,712	 4,635,373		4,305,779		308,776,864
Less accumulated depreciation for							
Equipment		(365,918)	(88,390)		-		(454,308)
Buildings and improvements		(1,912,188)	(122,868)		-		(2,035,056)
Distribution and water system		(60,246,664)	 (7,864,723)		-		(68,111,387)
Total accumulated depreciation		(62,524,770)	 (8,075,981)		-		(70,600,751)
Total capital assets being depreciated, net		237,310,942	 (3,440,608)		4,305,779		238,176,113
Water services activities capital assets, net	\$	241,946,603	\$ 2,141,670	\$	191,601	\$	244,279,874
		Balance			Deletions		Balance
		9/30/2014	 Additions	an	d Transfers		9/30/2015
Other nonmajor business-type activities							
Capital assets not being depreciated							
Land	\$	981,500	\$ -	\$	-	\$	981,500
Construction in progress		2,748,170	 1,009,344		(2,927,451)		830,063
Total capital assets not being depreciated		3,729,670	1,009,344		(2,927,451)		1,811,563
Capital assets being depreciated							
Equipment		168,589	15,813		2,241,740		2,426,142
Buildings and improvements		3,856,218	-		-		3,856,218
Distribution systems		39,841,351	 1,958,264		1,919,553		43,719,168
Total capital assets being depreciated		43,866,158	1,974,077		4,161,293		50,001,528
Less accumulated depreciation for							
Equipment		(160,377)	(4,800)		-		(165,177)
Buildings and improvements		(1,975,450)	(118,520)		-		(2,093,970)
Distribution systems		(11,761,604)	 (1,054,449)		-		(12,816,053)
Total accumulated depreciation		(13,897,431)	 (1,177,769)		-		(15,075,200)

	 (13,097,431)	 (1,177,709)	 -	 (15,075,200)
Total capital assets being depreciated, net	 29,968,727	 796,308	 4,161,293	 34,926,328
Other nonmajor business-type activities capital assets, net	\$ 33,698,397	\$ 1,805,652	\$ 1,233,842	\$ 36,737,891

NOTE 5. CAPITAL ASSETS - CONTINUED

Capital asset activity for the year ended September 30, 2015 was as follows:

	Balance 9/30/2014			Additions	Deletions and Transfers			Balance 9/30/2015
Total business-type activities					-			
Capital assets not being depreciated								
Land and land rights	\$	3,025,803	\$	-	\$	640,192	\$	3,665,995
Construction in progress		7,658,775		14,725,452		(16,085,256)		6,298,971
Total capital assets not being depreciated		10,684,578		14,725,452		(15,445,064)		9,964,966
Capital assets being depreciated								
Equipment		2,952,929		295,471		2,266,740		5,515,140
Buildings and improvements		7,599,896		-		-		7,599,896
Distribution systems		469,508,635		7,396,962		15,009,241		491,914,838
Total capital assets being depreciated		480,061,460		7,692,433		17,275,981		505,029,874
Less accumulated depreciation for								
Equipment		(1,405,075)		(173,570)		-		(1,578,645)
Buildings		(3,923,758)		(243,032)		-		(4,166,790)
Improvements		(106,638,584)		(12,697,624)		-		(119,336,208)
Total accumulated depreciation		(111,967,417)		(13,114,226)		-		(125,081,643)
Total capital assets being depreciated, net		368,094,043		(5,421,793)		17,275,981		379,948,231
Total business-type activities								
capital assets, net	\$	378,778,621	\$	9,303,659	\$	1,830,917	\$	389,913,197

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

Governmental activities	
Culture/recreation	\$ 617,931
Fire	135,394
General government	1,474,338
Highways and streets	396,448
Police	234,402
Internal service funds	 2,819,823
Total depreciation expense governmental activities	\$ 5,678,336
Business-type activities	
Electric	\$ 3,860,476
Water services	8,075,981
Nonmajor	 1,177,769
Total depreciation expense business-type activities	\$ 13,114,226

NOTE 5. CAPITAL ASSETS - CONTINUED

	Governmental Activities	Business-type Activities	Total
Net investment in capital assets			
Total capital assets			
(net of accumulated depreciation)	\$ 350,705,432	\$ 389,913,197	\$ 740,618,629
Less long-term debt and related charges	(131,202,552)	(84,911,835)	(216,114,387)
Add unspent bond proceeds	19,874,999	23,885,491	43,760,490
Net long-term debt	(111,327,553)	(61,026,344)	(172,353,897)
Net investment in capital assets (net of related debt)	\$ 239,377,879	\$ 328,886,853	\$ 568,264,732

NOTE 6. LONG-TERM DEBT

A. Overview

The following is a summary of long-term debt transactions of the City for the fiscal year ended September 30, 2015:

	Balance 9/30/14 Additions Retirements		litions Retirements 9/30/15		Due Within One Year
Governmental activities					
General obligation bonds					
(payable from tax pledge)	\$ 116,200,602	\$ 19,674,703	\$ (12,909,559)	\$ 122,965,746	\$ 8,125,436
Premiums	2,393,974	1,001,941	(370,013)	3,025,902	256,094
Sales tax revenue bonds	8,470,000	7,755,000	(8,470,000)	7,755,000	530,000
Compensated absences	4,203,917	1,978,891	(1,304,399)	4,878,409	1,516,613
Net pension liability	10,833,486	541,899	-	11,375,385	-
Other post employment benefits	627,030	159,670		786,700	<u> </u>
Total governmental activities	142,729,009	31,112,104	(23,053,971)	150,787,142	10,428,143
Business-type activities					
Revenue bonds	61,885,000	10,920,000	(4,895,000)	67,910,000	4,460,000
Premiums	1,973,741	230,604	(177,137)	2,027,208	188,714
Compensated absences	818,320	434,824	(338,532)	914,612	385,331
Net pension liability	2,561,194	128,115	-	2,689,309	-
General obligation bonds					
(payable from airport, storm-					
water and electric revenues)	13,884,399	4,490,297	(1,960,437)	16,414,259	1,364,565
Total business-type activities	81,122,654	16,203,840	(7,371,106)	89,955,388	6,398,610
Total long-term debt	\$ 223,851,663	\$ 47,315,944	\$ (30,425,077)	\$ 240,742,530	\$ 16,826,753

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

NOTE 6. LONG-TERM DEBT - CONTINUED

A. Overview – Continued

At September 30, 2015, there was \$158,950,000 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		Govern	mer	ntal		Business-type To				otal	tal		
September 30	Principal			Interest		Principal		Interest		Principal		Interest	
2016	\$	8,655,436	\$	4,416,432	\$	5,824,565	\$	3,005,059	\$	14,480,001	\$	7,421,491	
2017		8,822,940		4,087,515		6,112,061		2,725,932		14,935,001		6,813,447	
2018		8,634,507		3,828,149		6,300,493		2,548,110		14,935,000		6,376,259	
2019		8,372,432		3,580,252		5,867,570		2,356,348		14,240,002		5,936,600	
2020		8,154,578		3,332,479		5,645,424		2,160,088		13,800,002		5,492,567	
2021-2025		41,095,167		12,644,882		26,059,834		7,881,169		67,155,001		20,526,051	
2026-2030		28,282,411		5,989,928		18,902,588		3,471,911		47,184,999		9,461,839	
2031-2035		15,353,275		2,103,292		9,611,724		955,859		24,964,999		3,059,151	
2036-2037		3,350,000		158,944		-		-		3,350,000		158,944	
	\$	130,720,746	\$	40,141,873	\$	84,324,259	\$	25,104,476	\$	215,045,005	\$	65,246,349	

General Obligation Debt

A summary of tax-supported general obligation debt outstanding at September 30, 2015:

\$4,135,000, 2006 Combination tax & revenue certificates of obligation due in annual installments through August 15, 2026; interest at 4% to 4.625% (portion included below)	\$ 1,288,368
\$13,070,000, 2007 General obligation and Refunding bonds due in annual installments through August 15, 2027; interest at 4% to 4.625% (portion included below)	2,922,640
\$8,715,000, 2007 Combination tax & revenue certificates of obligation due in annual installments through August 15, 2027; interest at 4% to 4.5%	1,285,000
\$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)	790,160
\$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)	4,210,000
\$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)	1,331,200
\$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)	2,065,000
\$1,370,000, 2010 General obligation bonds due in annual installments through August 15, 2029; interest at 3% to 4.5%	1,130,000
\$11,930,000, 2010A General obligation bonds due in annual installments through August 15, 2030; interest at 2% to 3.5%	10,320,000

NOTE 6. LONG-TERM DEBT - CONTINUED

B. General Obligation Debt – Continued

	\$9,720,000, 2011 Combination tax & revenue certificates of obligation due in annual installments through August 15, 2031; interest at 2% to 4%	\$ 7,810,000
	\$12,500,000, 2012 General obligation bonds due in annual installments through August 15, 2037; interest at 1.5% to 3.625%	11,795,000
	\$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% (portion included below)	1,252,500
	\$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)	800,300
	\$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)	11,815,000
	\$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)	8,820,000
	\$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	9,270,045
	\$4,800,000, 2014 General obligation bonds due in annual installments through August 15, 2034; interest at 2.0% to 3.60%	4,700,000
	\$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%	1,800,978
	\$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)	9,511,775
	\$4,345,000, 2015 General obligation bonds due in annual installments through August 15, 2035; interest at 3.00% to 4.00%	4,345,000
	\$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)	3,175,000
	\$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)	 4,042,295
	Total	\$ 104,480,261
A	summary of self-supporting general obligation debt outstanding at September 30, 2015:	
	\$7,830,000, 2006 Combination tax & revenue refunding bonds due in annual installments through August 15, 2024; interest at 4.2% to 5%; designated for GTEC capital improvements to be paid through revenues from the ½ cent GTEC sales tax.	\$ 3,585,000
	\$1,235,000, 2006 Combination tax & revenue certificates of obligation due in annual installments through August 15, 2026; interest at 4% to 4.625%; designated for GTEC capital	

531,632

installments through August 15, 2026; interest at 4% to 4.625%; designated for GTEC capital improvements to be paid through revenues from the $\frac{1}{2}$ cent GTEC sales tax.

NOTE 6. LONG-TERM DEBT - CONTINUED

B. General Obligation Debt – Continued

\$439,666, 2007 General obligation and Refunding bonds due in annual installments through August 15, 2021; interest at 4% to 4.625%; portion dedicated for Airport Improvements, \$23,855, to be paid with Airport fees. Portion dedicated for Stormwater Drainage Improvements, \$415,811, to be paid through monthly fees charged to utility customers within City limit.	\$ 142,360
\$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.	134,838
\$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.	368,800
\$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.	820,000
\$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.	1,510,000
\$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 $\frac{1}{2}$ cent GTEC sales tax.	1,252,500
\$195,000 Combination tax & revenue certificates of obligation due in annual installments through August 15, 2016; interest at 2.0% to 4.0%; designated for GTEC capital improvements to be paid through revenues from the ½ cent GTEC sales tax.	65,000
\$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 $\frac{1}{2}$ cent GTEC sales tax.	1,704,613
\$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.	4,120,088
\$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.	3,795,000
\$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.	425,122
\$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 $\frac{1}{2}$ cent GTEC sales tax.	879,840
\$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.	
monuny dionn water brainage lees onalged to dunky.	449,020

NOTE 6. LONG-TERM DEBT - CONTINUED

B. General Obligation Debt – Continued

\$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.	\$ 158,731
\$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 $\frac{1}{2}$ cent GTEC sales tax.	2,354,495
\$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.	675,297
\$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.	1,642,408
\$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.	3,070,000
\$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 electric utility revenues.	745,000
Subtotal self-supported general obligation debt	34,899,744
Total outstanding general obligation debt as of September 30, 2015	\$ 139,380,005
This amount is reported in the government-wide statements of activities as: Governmental activities Business-type activities	\$ 122,965,746 16,414,259
	\$ 139,380,005

C. General Obligation Advanced Refunding/Defeasance

On June 25, 2015, the City issued \$6,360,000 in General Obligation Refunding Bonds Series 2015 with an interest rate of 2.0%-3.125% to advance refund \$2,790,000 of outstanding Series 2005 General Obligation and Refunding Bonds, \$1,770,000 of outstanding Series 2005 Combination Tax and Utility System Limited Revenue Certificates of Obligation, and \$1,645,000 of outstanding Series 2008 Combination Tax and Revenue Certificates of Obligation Bonds. The net proceeds (after insurance and other issuance costs) were deposited in an irrevocable trust with an escrow agent to provide for all future debt service payments on the defeased bonds. As a result, these are considered to be defeased and the liabilities for those bonds have been removed from the financial statements.

The City advance refunded these bonds to reduce its total debt service payments over the next 14 years by approximately \$467,000 and to obtain a net economic gain (difference between the present values of debt service payments on the old and new debt) of approximately \$392,000.

NOTE 6. LONG-TERM DEBT - CONTINUED

C. General Obligation Advanced Refunding/Defeasance - Continued

In prior years, the City defeased bonds by placing the proceeds of the refunding bonds in an irrevocable trust to provide for all future debt service payments on the defeased bonds. Accordingly, the trust account assets and liabilities for the defeased bonds are not included in the City's financial statements. At September 30, 2015, the outstanding balance of the defeased bonds is \$13,715,000.

D. Sales Tax Revenue Debt – Georgetown Transportation Enhancement Corporation

A summary of sales tax revenue debt outstanding at September 30, 2015 follows:

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

On June 25, 2015, the City issued \$7,755,000 in Senior Lien Sales Tax Revenue Refunding Bonds Series 2015 with an interest rate of 2%-4% to refund \$8,470,000 of outstanding Series 2007 Senior Lien Sales Tax Revenue Bonds. The net proceeds (after insurance and other issuance costs) were deposited in an irrevocable trust with an escrow agent to provide for all future debt service payments on the defeased bonds. As a result, these are considered to be defeased and the liabilities for those bonds have been removed from the financial statements.

The City advance refunded these bonds to reduce its total debt service payments over the next 13 years by approximately \$355,000 and to obtain a net economic gain (difference between the present values of debt service payments on the old and new debt) of approximately \$292,000.

E. Discretely Presented Component Unit – Loan Payable

Georgetown Economic Development Corporation (GEDCO) received a loan from the Water Services Fund as part of a tri-party agreement for economic development. The loan repayment schedule by GEDCO is as follows:

		000		
Fiscal Year Ending September 30,	F	Interest		
2016	\$	74,430	\$	32,265
2017		86,861		28,978
2018		90,485		26,128
2019		80,568		23,157
2020-2024		386,948		82,495
2025-2027		203,956		15,368
	\$	923,248	\$	208,391

NOTE 6. LONG-TERM DEBT - CONTINUED

F. Revenue Debt

A summary of revenue bonds outstanding at September 30, 2015:

\$8,665,000 2006 Utility System Revenue bonds due in annual installments through August 15, 2026; interest at 4% to 4.625%	\$ 1,845,000
\$3,205,000, 2006 Utility System Revenue & Refunding bonds due in annual installments through August 15, 2020; interest at 4% to 4.5%	645,000
\$8,250,000 2007 Utility System Revenue bonds due in annual installments through August 15, 2027; interest at 4% to 4.5%	2,139,015
\$3,935,000, 2007 Utility System Revenue & Refunding bonds due in annual installments through August 15, 2021; interest at 4% to 4.25%	545,985
\$9,415,000, 2008 Utility System Revenue bonds due in annual installments through August 15, 2028; interest at 3.5% to 4.625%	6,985,000
\$7,055,000, 2008 Utility System Revenue & Refunding bonds due in annual installments through August 15, 2048; interest at 3.5% to 4%	760,000
\$10,120,000, 2010 Utility System Revenue bonds due in annual installments through August 15, 2029; interest at 3% to 4%	8,405,000
\$7,715,000, 2012 Utility System Revenue & Refunding bonds due in annual installments through August 15, 2023; interest at 2% to 4%	6,185,000
\$11,855,000, 2014 Utility System Revenue & Refunding bonds due in annual installments through August 15, 2027; interest at 2% to 4%	11,640,000
\$13,000,000, 2014 Utility System Revenue bonds due in annual installments through August 15, 2034; interest at 2% to 4%	12,735,000
\$5,350,000, 2014 Utility System Revenue bonds due in annual installments through August 15, 2031; interest at 1% to 4%	5,105,000
\$10,920,000, 2015 Utility System Revenue & Refunding bonds due in annual installments through August 15, 2035; interest at 3.00% to 3.75%	 10,920,000
Total outstanding revenue debt as of September 20, 2015	\$ 67,910,000

G. Revenue Bond Advanced Refunding/Defeasance

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 was in compliance with this requirement at September 30, 2015.

In prior years, the City defeased revenue bonds by placing the proceeds of the refunding bonds in an irrevocable trust to provide for all future debt service payments on the defeased bonds. Accordingly, the trust account assets and liabilities for the defeased bonds are not included in the City's financial statements. At September 30, 2015, the outstanding balance of the defeased bonds is \$9,095,000.

NOTE 7. DEFINED BENEFIT PENSION PLAN

A. Plan Description

The City participates as one of 860 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.

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

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 cityfinanced 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 years
	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, 2014 valuation and measurement date, the following employees were covered by the benefit terms:

Retirees or beneficiaries currently receiving benefits	141
Inactive employees entitled to but not yet receiving benefits	163
Active employees	527

831

NOTE 7. DEFINED BENEFIT PENSION PLAN - CONTINUED

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 11.91% and 11.83% in calendar years 2014 and 2015, respectively. The City's contributions to TMRS for the year ended September 30, 2015 were \$4,165,570 and were equal to the required contributions.

D. Net Pension Liability

The City's Net Pension Liability (NPL) was measured as of December 31, 2014, and the Total Pension Liability (TPL) used to calculate the Net Pension Liability was determined by an actuarial valuation as of that date.

Actuarial assumptions:

The Total Pension Liability in the December 31, 2014 actuarial valuation was determined using the following actuarial assumptions:

Inflation	3.0% per year
Overall payroll growth	3.0% per year
Investment rate of return	7.0%, 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 Table, 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 Disabled Retiree Mortality Table is used, with slight adjustments.

Actuarial assumptions used in the December 31, 2014 valuation were based on the results of actuarial experience studies. This experience study was for the period January 1, 2006 through December 31, 2009, first used in the December 31, 2010 valuation. 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 2014 valuation.

The long-term expected rate of return on pension plan investments is 7.0%. The pension plan's policy in regard to the allocation of invested assets is established and may be amended by the TMRS Board of Trustees. Plan assets are managed on a total return basis with an emphasis on both capital appreciation as well as the production of income, in order to satisfy the short-term and long-term funding needs of TMRS.

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

NOTE 7. DEFINED BENEFIT PENSION PLAN - CONTINUED

D. Net Pension Liability – Continued

The target allocation and best estimates of arithmetic real rates of return for each major asset class are summarized in the following table:

Asset Class	Target Allocation	Long-Term Expected Real Rate of Return (Arithmetic)
Domestic Equity	17.5%	4.80%
International Equity	17.5%	6.05%
Core Fixed Income	30.0%	1.50%
Non-Core Fixed Income	10.0%	3.50%
Real return	5.0%	1.75%
Real Estate	10.0%	5.25%
Absolute Return	5.0%	4.25%
Private Equity	5.0%	8.50%
Total	100.0%	

Discount Rate

The discount rate used to measure the Total Pension Liability was 7.0%. 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.

Changes in Net Pension Liability

	Increase (Decrease)					
	Total Pension Liability (a)		Plan Fiduciary Net Position (b)		Net Pension Liability (a) - (b)	
		(0)		(5)		(u) (b)
Balance at December 31, 2013	\$	95,447,335	\$	82,052,653	\$	13,394,682
Changes for the year:						
Service cost		4,549,949		-		4,549,949
Interest		6,747,717		-		6,747,717
Change of benefit terms		-		-		-
Difference between expected						
and actual experience		71,207		-		71,207
Changes of assumptions		-		-		-
Contributions - employer		-		3,800,520		(3,800,520
Contributions - employee		-		2,256,459		(2,256,459
Net investment income		-		4,694,918		(4,694,918
Benefit payments, including refund						
of employee contributions		(2,652,717)		(2,652,717)		-
Administrative expense		-		(49,007)		49,007
Other changes		-		(4,029)		4,029
Net changes		8,716,156		8,046,144		670,012
Balance at December 31, 2014	\$	104,163,491	\$	90,098,797	\$	14,064,694

NOTE 7. DEFINED BENEFIT PENSION PLAN - CONTINUED

D. Net Pension Liability – Continued

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 7.0%, as well as what the City's net pension liability would be if it were calculated using a discount rate that is 1-percentage-point lower (6.0%) or 1-percentage-point higher (8.0%) than the current rate:

	1%	1% Decrease in		1% Increase in		
	Di	scount Rate (6.0%)	Di	scount Rate (7.0%)	Dis	count Rate (8.0%)
City's net pension liability	\$	30,922,175	\$	14,064,692	\$	333,221

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.tmrs.com.

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

For the year ended September 30, 2015, the City recognized pension expense of \$3,570,897.

At September 30, 2015, the City reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	 rred Ourflows Resources
Differences between expected and actual economic	
experience	\$ 60,621
Changes in actuarial assumptions	-
Difference between projected and actual investment	
earnings	839,014
Contributions subsequent to the measurement date	 3,165,651
Total	\$ 4,065,286

Deferred outflows of resources related to pensions resulting from contributions subsequent to the measurement date of \$3,165,651 will be recognized as a reduction of the net pension liability for the measurement year ending December 31, 2015 (i.e. recognized in the city's financial statements September 30, 2016). 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,

2015	\$ 220,3	40
2016	220,3	
2017	220,3	40
2018	220,3	38
2019	10,5	86
Thereafter	7,6	91
	\$ 899.6	35

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.

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 \$786,700 in 2015, 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 \$159,670 over last year's obligation of \$627,030.

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.

The City is under no obligation, statutory or otherwise, to offer other post employment benefits to any retirees, or their dependents. Allocation of city funds to make these benefits available is determined on an annual basis by the City Council as part of the budget approval process. In December 2010, the City Council approved an ordinance that permanently segregates the retiree population from the active employee population in the health plan and established a retiree stipend. Council agreed to fund a retiree supplement per month per retiree to stabilize the retiree rate to an amount comparable to their current rates while a more permanent policy on retiree healthcare is developed.

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.

NOTE 8. OTHER POST EMPLOYMENT BENEFITS (OPEB) - CONTINUED

Annual Other Post Employment Benefits Cost and Net OPEB (Obligation) Asset – Continued

The annual OPEB cost for the City's retiree benefits for the fiscal year ended September 30, 2015 and previous two years, is as follows:

	 2015	 2014	 2013
Annual required contribution	\$ 199,669	\$ 193,853	\$ 122,782
Interest in OPEB obligation	28,216	20,702	16,255
Adjustment to ARC	 (26,142)	 (19,180)	 (15,060)
Annual OPEB cost (expense) end of year	201,743	195,375	123,977
Contributions made (pay as you go)	 (42,073)	 (28,384)	 (25,158)
Increase in net OPEB obligation	159,670	166,991	98,819
Net OPEB obligation, beginning of year	 627,030	 460,039	 361,220
Net OPEB obligation, end of year	\$ 786,700	\$ 627,030	\$ 460,039

Assumptions

Actuarial valuation date Actuarial cost method Amortization method Remaining amortization period Assumed rate of Return on investments Health care cost trend rate

Payroll growth Inflation rate December 31, 2013 Projected unit credit cost method Level as percent of payroll 30 years, open amortization

4.5% net of expensesInitial rate of 7.5% declining to an ultimaterate of 4.5% after 12 years3.0% annum3.0% annum

OPEB

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 in 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 2015 and the two preceding years are as follows:

NOTE 8. OTHER POST EMPLOYMENT BENEFITS (OPEB) - CONTINUED

Annual Other Post Employment Benefits Cost and Net OPEB (Obligation) Asset - Continued

Year Ended September 30,	Anı	nual OPEB Cost	mployer htributions	C	let OPEB Obligation nd of Year	Percentage of Annual OPEB Cost Contributed
2013 2014 2015	\$	123,977 195,375 201,743	\$ 25,158 28,384 42.073	\$	460,039 627,030 786,700	20.3% 14.5% 20.9%

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,	Va	ctuarial alue of ssets	 Actuarial Accrued Liability	Unfunded Actuarial Accrued Liability (UAAL)	Funded Ratio		 Annual Covered Payroll	Percentage of UAAL for Covered Payroll
2013	\$	-	\$ 978,491	\$ 978,491		0%	\$ 27,392,533	4%
2014		-	1,615,808	1,615,808		0%	30,136,850	5%
2015		-	1,615,808	1,615,808		0%	32,235,133	5%

Under GASB 45, the City's retiree health care plan is 0.0% funded with an estimated actuarial accrued liability exceeding actuarial assets \$1,615,808 at December 31, 2014. As of that date, the ratio of the unfunded actuarial accrued liability to annual covered payroll is 5.0%.

NOTE 9. RISK MANAGEMENT

<u>Health Benefits</u> – On January 1, 2014, the City began a self-funded insurance program for provision of employee health insurance. In fiscal year 2015, 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 2015, the City received insurance settlements totaling approximately \$632,375. The City made no significant reductions in insurance coverage and no settlements have exceeded insurance coverage for the 2015 fiscal year. The City's contributions for benefits during the year totaled \$4,295,693. Estimates of claims payable and of claims incurred but not reported at September 30, 2015 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, 2015. 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 2015 is as follows:

Unpaid claims, beginning of year	\$ 373,150
Incurred claims	3,075,002
Claim payments	 (2,980,758)
Unpaid claims, end of year	\$ 467,394

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

A. Wholesale Power Agreements

On May 21st, 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 arrangement with American Electric Power (AEP), until 2028, and temporary natural gas contracts with Garland Power & Light (GPL) to provide 100% of its power needs in 2015. Beginning in 2016, the City will shift to other energy providers, provided primarily by Energy de France Renewable Energy (EDF-RE) via a 144MW capacity stake in a Texas Panhandle wind farm.

The City will supplement that power with natural gas contracts through JP Morgan Energy Ventures Corporation (JPM) from 2016 to 2021, as well as shaping and firming in the ERCOT market. The City has secured 150MWs of a long-term solar power based contract to round out its portfolio, and expects to begin receiving that power in 2017, and continue through 2041. The City expects to be able to maintain low energy rates over the next two decades with these contracts in place.

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, 2015 is \$70.50 per acre-foot and the City paid a total of \$3,090,068 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 \$467,600 for water under this agreement for the City's fiscal year.
- (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 \$2,232,488 for water under this agreement in fiscal year 2015.

NOTE 11. COMMITMENTS AND CONTINGENCIES - CONTINUED

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 million. In 2007, BRA refunded a portion of the original \$89 million in debt, leaving approximately \$69 million 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 \$50.5 million, including principal and interest, to be repaid annually through 2032. The amount for fiscal year 2015 was \$1,548,680.

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

Year Ending September 30,	
2016	\$ 1,836,398
2017	1,835,374
2018	1,834,234
2019	1,818,222
2020-2032	 26,549,565
	\$ 33,873,793

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 and remains the responsibility of CTSUD. The transfer of the CTSUD CCN to the City was pending regulatory approval.

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. This Agreement is in effect until the CTSUD CCN is transferred.

E. Del Webb Corporation (Sun City)

The Del Webb Corporation (Del Webb) began development in April 1995 of a proposed 9,500 unit; 5,300 acre active retirement community to be called Sun City Texas. The City, through a Development Agreement, and in exchange for payment of Service Improvement Fees (SIP fee - discussed below) provides fire protection, wastewater, water, and electric service to Sun City. The project is annexed into the City limits as phases of the project are platted. Home sales began in June 1995 and were expected to average 425 homes per year for 20 years.

NOTE 11. COMMITMENTS AND CONTINGENCIES - CONTINUED

E. Del Webb Corporation (Sun City) – Continued

In May 2006, the City approved the <u>Eighth Amendment to the Development Agreement</u> with Del Webb. The Eighth Amendment set the build out at 7,500 age-restricted units at Sun City. Additionally, it escalated the payment of "stranded costs" and addressed the water and wastewater capacity needed to serve the 2,500 age restricted units above the 5,000 units originally defined in the Seventh Amendment. The SIP fee for units 5,001 through 7,500 was also set in this agreement at \$3,292 per unit. As of September 30, 2015, there were 7,264 units of the total 7,500 units completed.

On August 26, 2014, the City approved annexation of two tracts of land totaling over 1,175 acres for the future expansion of Sun City. This expansion will not be subject to the terms and conditions of the Del Webb Development Agreement. Instead, the expansion will occur under traditional development conditions.

F. 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 \$345,340 was recognized for 2015. As of September 30, 2015, all costs associated with the Georgetown Village Public Improvement District have been reimbursed.

G. 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, 2015, 291 lots had been sold and 196 homes had been completed for this development. PID assessment collection began in 2002. In 2015, PID assessments were \$435,743. The developer was reimbursed \$850,015 from current year collections and available fund balance. The assessments and related disbursements are recorded in the Agency Funds.

H. 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 million, 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 \$10.5 million of highway improvements for the project. The \$10.5 million 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, 2013, \$10,555,000 of GTEC debt had been issued 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.

NOTE 11. COMMITMENTS AND CONTINGENCIES - CONTINUED

I. 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, 2015, the balance due from Simon to the PID is \$842,974, of which \$255,575 is interest. In addition, the PID has a \$587,298 obligation to the General Fund for the 1st year assessment, when the General Fund transferred cash to GTEC to fund the Wolf Ranch debt service.

J. Citigroup, NA, Inc.

In November 2006, the City entered into a 10-year tax abatement agreement with Citigroup, NA, Inc., who constructed a \$475 million data center within the City. The abatement began in tax year 2009 (fiscal year 2008/09). The Georgetown Economic Development Corporation (GEDCO) also entered into an agreement with Citicorp, NA to fund \$1.3 million of offsite wastewater improvements as an incentive for the creation of 50 jobs. The amount of the abatement for tax year 2015 (fiscal year 2014/15) is \$146.5 million of appraised market value.

K. Williams Drive 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. As of September 30, 2015, \$94,796 has been collected, with no proceeds invested in projects.

L. 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. As of September 30, 2015, \$991,262 of taxes and interest earnings has been collected, of which \$921,524 had been invested in designated and approved projects within the zone.

M. 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. The City and Williamson County agreed to reimburse up to \$25 million for the project. The City will contribute 100% and Williamson County will contribute 80% of their respective property tax valuation increase 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 reimbursement. As of September 30, 2015, \$94,870 has been collected with no proceeds invested in projects.

NOTE 11. COMMITMENTS AND CONTINGENCIES - CONTINUED

M. Rivery Park Tax Increment Reinvestment Zone (TIRZ) – Continued

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 will include a 16,000 square-foot conference center that can accommodate up to 4,500 people and include 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 million including \$65 million for the hotel, conference center, and parking garage. Private investors will fund most of the project costs.

A total of \$16.8 million 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 \$12.5 million 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, with an expected completion date of June 2016, opening July 2016.

N. South Georgetown Tax Increment Reinvestment Zone (TIRZ)

In June 2014, the City created the South Georgetown TIRZ on 595 undeveloped acres along Westinghouse Road near IH35 to accelerate and ensure quality development and job creation in the area. This project abuts the high-growth corridor in neighboring Round Rock. The City intends to use this TIRZ to proactively build infrastructure, including sewer and road improvements, using future TIRZ revenues to reimburse the City for the costs of these improvements.

The TIRZ is expected to fund up to \$50 million of public improvements through December 2044, with an estimated future assessed valuation within the TIRZ in excess of \$573 million. 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. Property tax revenue from any incremental value created since 2014 will be assigned to the TIRZ beginning in 2015.

O. 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 million 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 million, whichever occurs first.

P. 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 on the park is scheduled to begin in September 2016.

NOTE 11. COMMITMENTS AND CONTINGENCIES - CONTINUED

Q. 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.

R. 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.

S. Construction Contracts

Estimated costs to complete significant construction projects in progress at year-end totaled approximately \$1,563,000 for Governmental Funds and approximately \$1,775,000 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 and is led by the Georgetown Utility Services Board. Under this policy, the City enters 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, 2015, 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, 2015, the City does maintain a \$1 million 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. The City had \$9.5 million cash on deposit with JPMorgan Ventures Energy Corporation for future electric system fuel options.

Risks

<u>Credit Risk</u>. 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.

NOTE 12. FINANCIAL HEDGING - CONTINUED

Risks – Continued

<u>Termination Risk</u>. 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.

<u>Netting Arrangements</u>. 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. RESTATEMENT OF BEGINNING NET POSITION

Net position as of September 30, 2014 has been restated to reflect the impact of the City's implementation of GASB Statements Nos. 68 and 71, as well as to record the capitalization of personnel and operation of expense in relation to an electric system valuation performed by McCord Engineering that was not previously recognized.

The impact of the restatement on relevant reporting units is as follows:

	Governmental Activities	Electric Fund	Water Services Fund	Nonmajor Enterprise Funds	Total
Net position, as previously reported Implementation of new accounting standards Recognition of previously unrecognized costs	\$245,531,853 (7,256,859) -	\$72,443,921 (963,697) 15,322,079	\$241,683,522 (766,021) -	\$ 31,017,005 (147,198) -	\$ 590,676,301 (9,133,775) 15,322,079
Net position, as restated	\$238,274,994	\$86,802,303	\$240,917,501	\$ 30,869,807	\$ 596,864,605

NOTE 14. SUBSEQUENT EVENTS

- A. In November 2015, the City issued General Obligation Bonds, Series 2015A, in the amount of \$11,785,000. This is the third bond issue related to the November 2008 authorization of \$35.5 million for Park and Recreational projects and the first bond issue related to the May 2015 authorization of \$105 million for road projects. Parks projects total \$1,712,750 and road projects total \$10,072,250.
- **B.** In November 2015, the City secured a Letter of Credit for \$18 million to replace the \$9.5 million cash on deposit with JPMorgan Ventures Energy Corporation for collateral on our future electric system fuel options.
- **C.** In December 2015, the Public Utility Commission of Texas voted in a unanimous ruling to approve the transfer of the service area of the Chisholm Trail Special Utility District (CTSUD) to the City of Georgetown. The transfer of the certificate of convenience and necessity (CCN) to the City means that the City water utility has the authority and obligation to serve water customers in the former CTSUD service area.

NOTE 14. SUBSEQUENT EVENTS - CONTINUED

D. Pursuant to TMRS policy of conducting experience studies every four years, the TMRS Board at their July 31, 2015 meeting determined that they would be changing certain actuarial assumptions including reducing the long term expected rate of return from the current 7% to 6.75% and changing the inflation assumption from 3% to 2.5%. Reduction of expected investment return and related discount rate will increase projected pension liabilities. Reducing the inflation assumption reduces liabilities as future annuity levels and future cost of living adjustments are not projected to be as large as originally projected. While the actual impact on the City's valuation for December 31, 2015 is not known, the City does expect some downward pressure on its funded status and upward pressure on its 2017 actuarially determined contribution (ADC) due to this change. Accordingly, the city has included in its approved fiscal year 2016 budget to continue to fund pension contributions above the required ADC which will help smooth impacts of any increases in the required ADC for fiscal year 2017.

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.

Statement No. 77, "Tax Abatement Disclosures" – This statement requires governments that enter into tax abatement agreements to provide certain disclosures regarding these commitments. This statement will become effective for the City in fiscal year 2017.

CITY OF GEORGETOWN, TEXAS REQUIRED SUPPLEMENTARY INFORMATION YEAR ENDED SEPTEMBER 30, 2015

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

	Measurement Year 2014
Total pension liability:	
Service cost Interest Changes of benefit terms	\$ 4,549,949 6,747,717 -
and actual experience Change in assumptions of employee contributions	71,207 - (2,652,717)
Net change in total pension liability	8,716,156
Total pension liability - beginning	95,447,335
Total pension liability - ending (a)	\$ 104,163,491
Plan fiduciary net position:	
Contributions - employer Contributions - employee Net investment income Benefit payments, including refunds of employee contributions Administrative expense Other	\$ 3,800,520 2,256,459 4,694,918 (2,652,717) (49,007) (4,029)
Net change in plan fiduciary net position	8,046,144
Plan fiduciary net position - beginning	82,052,653
Plan fiduciary net position - ending (b)	90,098,797
Net pension liability - ending (a) - (b)	\$ 14,064,694
Plan fiduciary net position as a percentage of total pension liability	86.50%
Covered employee payroll	\$ 32,235,133
Net pension liability as a percentage of covered employee payroll	43.63%

CITY OF GEORGETOWN, TEXAS REQUIRED SUPPLEMENTARY INFORMATION YEAR ENDED SEPTEMBER 30, 2015 (CONTINUED)

Texas Municipal Retirement System – Schedule of Changes in Net Position Liability and Related Ratios – Continued

Notes to Schedule:

Valuation Date:

Actuarial determined contribution rates are calculated as of December 31st each year and become effective in January, 12 months and a day 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	15 years
Asset Valuation Method Inflation + 3.00%	10 year smoothed market, 15.00% soft corridor
Salary Increases	3.50% to 12.00%, including inflation
Investment Rate of Return	7.00%
Retirement Age	Experience-based table of rates that are specific to the City's plan of benefits. Last updated for the 2010 valuation pursuant to an experience study of the period 2005 – 2009.
Mortality	Adjustment with male rates multiplied by 109% and female rates

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,	Va	tuarial Ilue of ssets	Actuarial Accrued Liability	 Actuarial Accrued Liability (UAAL)	Funded Ratio		 Annual Covered Payroll	Percentage of UAAL for Covered Payroll
2013	\$	-	\$ 978,491	\$ 978,491		0%	\$ 27,392,533	4%
2014		-	1,615,808	1,615,808		0%	30,136,850	5%
2015		-	1,615,808	1,615,808		0%	32,235,133	5%

Source: Gabriel Roeder Smith & Company, Actuarial Valuation Report

Notes:

(1) Actuarial accrued liabilities for year end 2012 and 2013 are based on a December 31, 2011 study. Actuarial accrued liabilities for year end 2014 are based on a December 31, 2013 study.

CITY OF GEORGETOWN, TEXAS REQUIRED SUPPLEMENTARY INFORMATION YEAR ENDED SEPTEMBER 30, 2015 (CONTINUED)

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 2015. This information is updated every three years and comparative data is included.

Condition F	Rating Sumn	nary		Center	
			% of	Line	% of
Condition	Rating	Segments	Segments	Miles	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:

[a] Center line miles will vary from the total number of center line 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	2014-2015					
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,	2015	2014	2013	2012	2011	2010				
Estimated Maintenance Cost Budgeted Maintenance Cost Actual Maintenance Cost	\$ 3,570,000 4,811,850 4,106,996	\$2,163,000 4,886,030 4,434,244	\$ 2,768,631 3,579,410 3,553,226	\$ 3,448,359 3,484,079 3,170,741	\$ 3,350,973 3,078,770 3,269,757	\$ 3,643,734 3,623,688 2,905,769				

COMBINING AND INDIVIDUAL FUND FINANCIAL STATEMENTS AND SCHEDULES NONMAJOR GOVERNMENTAL FUNDS

Special Revenue Funds

Special Revenue Funds are used to account for specific revenues that are legally restricted for expenditures for particular purposes.

Conservation - to account for the Energy Conservation Fee that is charged to Electric customers. This fee is used for the enactment of House Bill 3693 to address the issue of peak demand by initiating energy efficiency initiatives and conservation strategies. The funds collected will be used for a weatherization program and solar water heating program.

Court Fees - to account for the receipt and expenditure of court fees that are legally restricted for court security and technology.

Development - to account for the receipt of private donations, grants, and money raised through special events to provide assistance to building/property owners for maintaining the appearance of the downtown historic district. Funds are distributed through an application/approval process with either a low-interest loan or grant; and to account for the receipt and expenditure of revenues from building proceeds to further develop downtown structures.

Fire - to account for the receipt and expenditures of funds received by the City for various fire services, including calls for service, donations, abandoned vehicle revenue and inspections and to account for the receipt and expenditures of the EMS program.

Library Restricted - to account for the receipt and expenditure of restricted donations such as memorials and gifts for a designated library purchase or program. Also accounts for the receipt of the Texas State Library grant for librarian salaries and books.

Parks - to account for revenues earned by the City from activities on City park land, which are restricted for improvements to park land and for park land dedication fees paid by developers, which are restricted by zones for new parks.

PEG Fee - to account for the receipt and expenditure of PEG fees that are legally restricted for capital expenditures related to the City's cable access channel.

Police - to account for a Texas Department of Transportation grant for a Selective Traffic Enforcement Project (STEP) related to overtime costs and the receipt and expenditure of seized donated funds.

Public Improvement Districts - to account for the receipts and expenditures of the revenues collected from property assessments related to the Georgetown Village and Wolf Ranch Public Improvement Districts.

Streets Sales Tax - to account for the receipt and expenditure of revenues collected from the ¼ 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.

Tax Increment Reinvestment Zones (TIRZ) - to account 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 to retire bonds originally issued for the development or to leverage future growth in the assigned areas.

Tourism - to account for the receipt and expenditure of funds received by the City from the assessment of hotel and motel occupancy tax. Usage of funds is restricted to promotion of tourism and arts within the City.

CITY OF GEORGETOWN, TEXAS COMBINING BALANCE SHEET NONMAJOR GOVERNMENTAL FUNDS AS OF SEPTEMBER 30, 2015

	Co	nservation	Co	ourt Fees	De	velopment	 Fire	Library estricted	 Parks
ASSETS									
Cash and cash equivalents	\$	369,503	\$	23,706	\$	242,659	\$ 32,603	\$ 23,767	\$ 727,273
Investments		510,267		32,738		335,101	154,998	32,821	1,004,329
Accounts receivable									
Тах		-		-		-	-	-	-
Grants		-		-		16,906	-	-	-
Other		-		-		-	 -	 -	 2,265
TOTAL ASSETS	\$	879,770	\$	56,444	\$	594,666	\$ 187,601	\$ 56,588	\$ 1,733,867
LIABILITIES AND FUND BALANCE									
Liabilities									
Accounts payable	\$	-	\$	8,128	\$	75,580	\$ 86,183	\$ 4,426	\$ 55,407
Due to other funds		-		-		16,559	764,953	-	-
Unearned revenue		-		-		-	 -	 -	 -
Total liabilities		-		8,128		92,139	 851,136	 4,426	 55,407
Restricted		-		48,316		-	-	-	-
Committed		879,770		-		502,527	-	52,162	1,678,460
Unassigned		-		-		-	 (663,535)	 -	 -
Total fund balance		879,770		48,316		502,527	 (663,535)	 52,162	 1,678,460
TOTAL LIABILITIES AND FUND BALANCE	\$	879,770	\$	56,444	\$	594,666	\$ 187,601	\$ 56,588	\$ 1,733,867

Р	EG Fees	•		Public provement Districts	Street Tax	Increment nvestment Zones	-	Fourism	Total	
\$	51,166	\$	121,700	\$	261,455	\$ 1,021,567	\$ 110,210	\$	229,873	\$ 3,215,482
	70,658		168,062		361,057	1,410,736	152,194		317,444	4,550,405
	36,943		-		869	430,641	-		69,721	538,174
	-		127,761		-	_	-		_	144,667
	-				842,975	 -	 -		-	 845,240
\$	158,767	\$	417,523	\$	1,466,356	\$ 2,862,944	\$ 262,404	\$	617,038	\$ 9,293,968
\$	56,639	\$	5,440	\$	6,284	\$ 328,288	\$ 6,800	\$	30,786	\$ 663,961
	-		-		587,299	-	-		-	1,368,811
	-				256,545	 -	 -		42,000	 298,545
	56,639		5,440		850,128	 328,288	 6,800		72,786	 2,331,317
	102,128		193,991		-	2,534,656	-		544,252	3,423,343
	-		218,092		616,228	-	255,604		-	4,202,843
	-		-		-	 -	 -		-	 (663,535)
	102,128		412,083		616,228	 2,534,656	 255,604		544,252	 6,962,651
\$	158,767	\$	417,523	\$	1,466,356	\$ 2,862,944	\$ 262,404	\$	617,038	\$ 9,293,968

CITY OF GEORGETOWN, TEXAS COMBINING STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE NONMAJOR GOVERNMENTAL FUNDS FISCAL YEAR ENDED SEPTEMBER 30, 2015

	Conservation		Court Fees Developme			ant Era			Library		Dorko	
REVENUES	Co	nservation	Court Fees	De	velopment		Fire	Re	estricted		Parks	
Grants and entitlements	\$	-	\$-	\$	135,286	\$	51,523	\$	-	\$	-	
Hotel/Motel tax		-	-		-		-		-		-	
Propertyassessments		-	-		-		-		-		-	
Sales tax		-	-		-		-		-		-	
Court fees		-	56,933		-		-		-		-	
Investment earnings		2,797	183		2,600		8		234		5,621	
Donations		-	-		-		-		92,189		234,320	
Fire incident billings		-	-		-		114,852		-		-	
Other		276,938			165,138		8,925		-	·	220,281	
Total revenues		279,735	57,116		303,024		175,308		92,423		460,222	
EXPENDITURES												
Culture - recreation		-	-		-		-		88,589		143,736	
Development		-	-		173,330		-		-		-	
Environmental services		90,536	-		-		-		-		-	
Fire services		-	-		-		918,538		-		-	
Highways and streets		-	-		-		-		-		-	
Police		-	65,303		-		-		-		-	
Capital outlay		-			705,495		-		-		314,625	
Total expenditures		90,536	65,303		878,825		918,538		88,589		458,361	
EXCESS (DEFICIENCY) OF												
REVENUES OVER EXPENDITURES		189,199	(8,187)		(575,801)		(743,230)		3,834		1,861	
OTHER FINANCING SOURCES (USES)												
Transfers in		-	34,056		45,000		450,000		-		225,000	
Transfers out		-	(10,000)		-		(382,000)		-		-	
Total other financing sources (uses)		-	24,056		45,000		68,000		-		225,000	
NET CHANGE IN FUND BALANCE		189,199	15,869		(530,801)		(675,230)		3,834		226,861	
FUND BALANCES, beginning of period		690,571	32,447		1,033,328		11,695		48,328		1,451,599	
FUND BALANCES, end of period	\$	879,770	\$ 48,316	\$	502,527	\$	(663,535)	\$	52,162	\$	1,678,460	

P	EG Fees Police		PEG Fees Police		Public Improvement G Fees Police Districts		 Street Tax	Increment nvestment Zones	Tourism		 Total	
\$	-	\$	3,527	\$	-	\$ -	\$ -	\$	-	\$ 190,336		
	-		-		-	-	-		711,060	711,060		
	-		-		835,255	-	247,210		-	1,082,465		
	-		-		-	2,623,106	-		-	2,623,106		
	-		-		-	-	-		-	56,933		
	366		1,124		3,196	10,657	518		1,755	29,059		
	-		24,398		-	-	-		-	350,907		
	-		-		-	-	-		-	114,852		
	147,468		76,577		17	 -	 -		96,968	992,312		
	147,834		105,626		838,468	2,633,763	247,728		809,783	6,151,030		
	171,371		_		170,455	-	_		717,509	1,291,660		
	-		_		-	_	_		-	173,330		
	-		-		-	_	-		_	90,536		
	-		-		_	_	-		-	918,538		
	-		-		-	2,407,047	-		-	2,407,047		
	-		46,102		-	_,,.	-		-	111,405		
					-	 -	 		-	 1,020,120		
	171,371		46,102		170,455	 2,407,047	 -		717,509	 6,012,636		
	(23,537)		59,524		668,013	 226,716	 247,728		92,274	138,394		
	-		2,295		-	-	-		3,710	760,061		
	-		-		(489,915)	 (466,000)	 (172,000)		(130,850)	 (1,650,765)		
	-		2,295		(489,915)	 (466,000)	 (172,000)		(127,140)	 (890,704)		
	(23,537)		61,819		178,098	(239,284)	75,728		(34,866)	(752,310)		
	125,665		350,264		438,130	 2,773,940	 179,876		579,118	 7,714,961		
\$	102,128	\$	412,083	\$	616,228	\$ 2,534,656	\$ 255,604	\$	544,252	\$ 6,962,651		

CITY OF GEORGETOWN, TEXAS CONSERVATION SPECIAL REVENUE FUND SCHEDULE OF REVENUES AND EXPENDITURES (BUDGET BASIS) -BUDGET AND ACTUAL (NON-GAAP) – RECONCILED TO GAAP BASIS FISCAL YEAR ENDED SEPTEMBER 30, 2015

	GINAL AND AL BUDGET	BU	ACTUAL DGETARY BASIS	RIANCE TO BUDGET
REVENUES				
Investment earnings	\$ 2,000	\$	2,797	\$ 797
Conservation revenue	 264,000		276,938	 12,938
Total revenues	266,000		279,735	13,735
EXPENDITURES				
Operations	291,650		89,404	202,246
Capital outlay	77,600		-	77,600
Total expenditures	 369,250		89,404	 279,846
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	 (103,250)		190,331	 293,581
FUND BALANCE, beginning of period	 103,250		657,999	 554,749
FUND BALANCE - BUDGETARY BASIS, end of period	\$ -		848,330	\$ 848,330
Adjustments to GAAP Reverse current year encumbrances			31,440	
FUND BALANCE - GAAP BASIS, end of period		\$	879,770	

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 FISCAL YEAR ENDED SEPTEMBER 30, 2015

	ORIGINAL BUDGET	FINAL BUDGET	ACTUAL BUDGETARY BASIS	VARIANCE TO BUDGET
REVENUES				
Court fees	\$ 78,500	\$ 78,500	\$ 56,933	\$ (21,567)
Investment earnings	500	500	183	(317)
Total revenues	79,000	79,000	57,116	(21,884)
EXPENDITURES				
Personnel	62,719	64,389	64,385	4
Operations	67,864	67,864	1,067	66,797
Total expenditures	130,583	132,253	65,452	66,801
EXCESS (DEFICIENCY) OF REVENUES				
OVER EXPENDITURES	(51,583)	(53,253)	(8,336)	44,917
OTHER FINANCING SOURCES (USES)				
Operating transfers in	32,386	34,056	34,056	-
Transfers out	(20,000)	(20,000)	(10,000)	10,000
Total other financing sources (uses)	12,386	14,056	24,056	10,000
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES AND OTHER				
FINANCING SOURCES (USES) - BUDGETARY BASIS	(39,197)	(39,197)	15,720	54,917
FUND BALANCE, beginning of period			32,447	23,464
FUND BALANCE - BUDGETARY BASIS, end of period	\$-	\$	48,167	\$ 48,167
Adjustments to GAAP				
Reverse current year encumbrances			149	
FUND BALANCE - GAAP BASIS, end of period			\$ 48,316	

CITY OF GEORGETOWN, TEXAS DEVELOPMENT SPECIAL REVENUE FUND SCHEDULE OF REVENUES AND EXPENDITURES (BUDGET BASIS) -BUDGET AND ACTUAL (NON-GAAP) – RECONCILED TO GAAP BASIS FISCAL YEAR ENDED SEPTEMBER 30, 2015

	ORIGINAL BUDGET			FINAL BUDGET		ACTUAL JDGETARY BASIS	VARIANCE TO ACTUAL		
REVENUES									
Grants and entitlements	\$	175,580	\$	175,580	\$	135,286	\$	(40,294)	
Investment earnings		450		450		2,600		2,150	
Technologyfee		70,000		70,000		83,995		13,995	
Other		71,000		71,000		81,143		10,143	
Total revenues		317,030		317,030		303,024		(14,006)	
EXPENDITURES									
Operations		206,693		206,693		174,842		31,851	
Capital outlay		180,088	. <u> </u>	678,088		607,416	. <u> </u>	70,672	
Total expenditures		386,781		884,781		782,258		102,523	
EXCESS (DEFICIENCY) OF REVENUES									
OVER EXPENDITURES		(69,751)		(567,751)		(479,234)		88,517	
OTHER FINANCING SOURCES (USES)									
Transfers in		45,000		45,000		45,000		-	
Total other financing sources (uses)		45,000		45,000		45,000		-	
EXCESS (DEFICIENCY) OF REVENUES									
OVER EXPENDITURES AND OTHER									
FINANCING SOURCES (USES) - BUDGETARY BASIS		(24,751)		(522,751)		(434,234)		88,517	
FUND BALANCE, beginning of period		24,751		522,751		558,442		(35,691)	
FUND BALANCE - BUDGETARY BASIS, end of period	\$	-	\$	-		124,208	\$	124,208	
Adjustments to GAAP									
Reverse Crossyear POs						45,357			
Reverse current year encumbrances						332,962			
FUND BALANCE - GAAP BASIS, end of period									
· ·					\$	502,527			

CITY OF GEORGETOWN, TEXAS FIRE SPECIAL REVENUE FUND SCHEDULE OF REVENUES AND EXPENDITURES (BUDGET BASIS) -BUDGET AND ACTUAL (NON-GAAP) - RECONCILED TO GAAP BASIS FISCAL YEAR ENDED SEPTEMBER 30, 2015

	DRIGINAL BUDGET	FINAL BUDGET		ACTUAL BUDGETARY BASIS		VARIANCE TO ACTUAL	
REVENUES							
Grants and entitlements	\$ 48,607	\$	48,607	\$	51,523	\$	2,916
Investment earnings	750		750		8		(742)
Paramedic revenue	118,000		118,000		-		(118,000)
Other	 730,000		730,000		123,777		(606,223)
Total revenues	897,357		897,357		175,308		(722,049)
EXPENDITURES							
Personnel	679,186		804,186		499,903		304,283
Operations	452,666		547,666		426,827		120,839
Capital outlay	 27,000		523,000		27,140		495,860
Total expenditures	 1,158,852		1,874,852		953,870		920,982
EXCESS (DEFICIENCY) OF REVENUES							
OVER EXPENDITURES	 (261,495)		(977,495)		(778,562)		198,933
OTHER FINANCING SOURCES (USES)							
Transfers in	-		450,000		450,000		-
Transfers out	 (382,000)		(382,000)		(382,000)		
Total other financing sources (uses)	 (382,000)		68,000		68,000		-
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES AND OTHER							
FINANCING SOURCES - BUDGETARY BASIS	 (643,495)		(909,495)		(710,562)		198,933
FUND BALANCE, beginning of period	 73,611		339,611		5,740		(333,871)
FUND BALANCE - BUDGETARY BASIS, end of period	\$ (569,884)	\$	(569,884)		(704,822)	\$	(134,938)
Adjustments to GAAP							
Reverse crossyear POs					170		
Reverse current year encumbrances					41,117		
FUND BALANCE - GAAP BASIS, end of period				\$	(663,535)		

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 FISCAL YEAR ENDED SEPTEMBER 30, 2015

	ORIGINAL FINAL BUDGET BUDGET			ACTUAL BUDGETARY BASIS		VARIANCE TO ACTUAL		
REVENUES								
Investment earnings	\$	200	\$	200	\$	234	\$	34
Donations		60,000		60,000		92,189		32,189
Total revenues		60,200		60,200		92,423		32,223
EXPENDITURES								
Personnel		-		2,500		2,500		-
Operations		135,042		132,542		86,115		46,427
Capital		-		-		17		(17)
Total expenditures		135,042		135,042		88,632		46,410
EXCESS (DEFICIENCY) OF REVENUES								
OVER EXPENDITURES		(74,842)		(74,842)		3,791		78,633
FUND BALANCE, Beginning of period		74,842		74,842		48,188		(26,654)
FUND BALANCE - BUDGETARY BASIS, end of period	\$	-	\$			51,979	\$	51,979
Adjustments to GAAP								
Reverse crossyear POs						140		
Reverse current year encumbrances						43		
FUND BALANCE - GAAP BASIS, end of period					\$	52,162		

CITY OF GEORGETOWN, TEXAS PARKS SPECIAL REVENUE FUND SCHEDULE OF REVENUES AND EXPENDITURES (BUDGET BASIS) -BUDGET AND ACTUAL (NON-GAAP) – RECONCILED TO GAAP BASIS FISCAL YEAR ENDED SEPTEMBER 30, 2015

	ORIGINAL BUDGET	FINAL BUDGET	ACTUAL BUDGETARY BASIS	VARIANCE TO ACTUAL
REVENUES				
Investment earnings	\$ 3,000	\$ 3,000	\$ 5,621	\$ 2,621
Donations	22,000	22,000	234,320	212,320
Other	268,250	268,250	220,280	(47,970)
Total revenues	293,250	293,250	460,221	166,971
EXPENDITURES				
Operations	301,710	301,710	153,969	147,741
Capital outlay	700,900	934,900	351,880	583,020
Total expenditures	1,002,610	1,236,610	505,849	730,761
EXCESS (DEFICIENCY) OF REVENUES				
OVER EXPENDITURES	(709,360)	(943,360)	(45,628)	897,732
OTHER FINANCING SOURCES				
Transfers in	75,000	75,000	225,000	150,000
Total other financing sources	75,000	75,000	225,000	150,000
EXCESS (DEFICIENCY) OF REVENUES				
OVER EXPENDITURES AND OTHER				
FINANCING SOURCES - BUDGETARY BASIS	(634,360)	(868,360)	179,372	1,047,732
FUND BALANCE, beginning of period	895,960	1,129,960	1,403,991	274,031
FUND BALANCE - BUDGETARY BASIS, end of period	\$ 261,600	\$ 261,600	1,583,363	\$ 1,321,763
Adjustments to GAAP				
Reverse crossyear POs			4,000	
Reverse current year encumbrances			91,097	
FUND BALANCE - GAAP BASIS, end of period			\$ 1,678,460	

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 FISCAL YEAR ENDED SEPTEMBER 30, 2015

	 GINAL AND L BUDGET	actual Idgetary Basis	VARIANCE TO BUDGET		
REVENUES					
Investment earnings	\$ 150	\$ 366	\$	216	
Other	 140,000	 147,468		7,468	
Total revenues	140,150	147,834		7,684	
EXPENDITURES					
Capital outlay	 207,843	 112,826		95,017	
Total expenditures	 207,843	 112,826		95,017	
EXCESS (DEFICIENCY) OF REVENUES					
OVER EXPENDITURES	 (67,693)	 35,008		102,701	
FUND BALANCE, beginning of period	 67,693	 61,431		(6,262)	
FUND BALANCE - BUDGETARY BASIS, end of period	\$	96,439	\$	96,439	
Adjustments to GAAP					
Reverse current year encumbrances		 5,689			

FUND BALANCE - GAAP BASIS, end of period	\$ 102,128

CITY OF GEORGETOWN, TEXAS POLICE SPECIAL REVENUE FUND SCHEDULE OF REVENUES AND EXPENDITURES (BUDGET BASIS) -BUDGET AND ACTUAL (NON-GAAP) – RECONCILED TO GAAP BASIS FISCAL YEAR ENDED SEPTEMBER 30, 2015

	ORIGINAL BUDGET		FINAL BUDGET	ACTUAL BUDGETARY BASIS		VARIANCE TO BUDGET	
REVENUES							
Grants and entitlements	\$	-	\$ -	\$	3,527	\$	3,527
Investment earnings		770	770		1,124		354
Donations		26,000	26,000		24,398		(1,602)
Other		58,687	58,687		76,577		17,890
Total revenues		85,457	85,457		105,626		20,169
EXPENDITURES							
Personnel		-	4,491		4,491		-
Operations		178,669	174,178		10,851		163,327
Capital outlay		108,864	108,864		22,649		86,215
Total expenditures		287,533	287,533		37,991		249,542
EXCESS (DEFICIENCY) OF REVENUES							
OVER EXPENDITURES		(202,076)	(202,076)		67,635		269,711
OTHER FINANCING SOURCES							
Transfers in		-	-		2,295		2,295
Total other financing sources					2,295		2,295
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES AND OTHER							
FINANCING SOURCES - BUDGETARY BASIS		(202,076)	(202,076)		69,930		272,006
FUND BALANCE, beginning of period		202,076	202,076		340,732		138,656
FUND BALANCE - BUDGETARY BASIS, end of period	\$	-	\$-		410,662	\$	410,662
Adjustments to GAAP							
Reverse crossyear POs					21		
Reverse current year encumbrances					1,400		
FUND BALANCE - GAAP BASIS, end of period				\$	412,083		

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 FISCAL YEAR ENDED SEPTEMBER 30, 2015

	ORIGINAL FINAL BUDGET BUDGET		ACTUAL BUDGETARY BASIS		VARIANCE TO BUDGET		
REVENUES							
Property assessments	\$	346,450	\$ 836,370	\$	835,255	\$	(1,115)
Investment earnings		-	-		3,196		3,196
Other		-	 -		17		17
Total revenues		346,450	836,370		838,468		2,098
EXPENDITURES							
Operations		346,450	 346,450		171,412		175,038
Total expenditures		346,450	 346,450		171,412		175,038
EXCESS OF REVENUES OVER EXPENDITURES		-	489,920		667,056		177,136
OTHER FINANCING SOURCES (USES)							
Transfers out		-	 (489,920)		(489,915)		5
Total other financing sources (uses)		-	 (489,920)		(489,915)		5
EXCESS (DEFICIENCY) OF REVENUES							
OVER EXPENDITURES AND OTHER							
FINANCING (USES) - BUDGETARY BASIS		-	 -		177,141		177,141
FUND BALANCE, beginning of period		-	 -		437,944		437,944
FUND BALANCE - BUDGETARY BASIS, end of period	\$	-	\$ -		615,085	\$	615,085
Adjustments to GAAP							
Reverse crossyear POs					186		
Reverse current year encumbrances					957		

616,228

\$

FUND BALANCE - GAAP BASIS, end of period

CITY OF GEORGETOWN, TEXAS STREET TAX SPECIAL REVENUE FUND SCHEDULE OF REVENUES AND EXPENDITURES (BUDGET BASIS) – BUDGET AND ACTUAL (NON-GAAP) – RECONCILED TO GAAP BASIS FISCAL YEAR ENDED SEPTEMBER 30, 2015

	ORIGINAL FINAL BUDGET BUDGET		ACTUAL BUDGETARY BASIS		VARIANCE TO BUDGET		
REVENUES							
Sales tax	\$	2,745,750	\$ 2,745,750	\$	2,623,106	\$	(122,644)
Investment earnings		10,000	 10,000		10,657		657
Total revenues		2,755,750	2,755,750		2,633,763		(121,987)
EXPENDITURES							
Operating		400	56,000		55,997		3
Capital outlay		2,050,000	 2,254,800		2,254,792		8
Total expenditures		2,050,400	 2,310,800		2,310,789		11
EXCESS (DEFICIENCY) OF REVENUES							
OVER EXPENDITURES		705,350	444,950		322,974		(121,976)
OTHER FINANCING USES							
Transfers out		(466,000)	 (466,000)		(466,000)		-
Total other financing uses		(466,000)	 (466,000)		(466,000)		
EXCESS (DEFICIENCY) OF REVENUES							
OVER EXPENDITURES AND OTHER							
FINANCING (USES) - BUDGETARY BASIS		239,350	 (21,050)		(143,026)		(121,976)
FUND BALANCE, beginning of period		3,314,470	 3,574,870		2,035,520		(1,539,350)
FUND BALANCE - BUDGETARY BASIS, end of period	\$	3,553,820	\$ 3,553,820		1,892,494	\$	(1,661,326)
Adjustments to GAAP							
Reverse crossyear POs					304,586		
Reverse current year encumbrances					337,576		
FUND BALANCE - GAAP BASIS, end of period				\$	2,534,656		

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 FISCAL YEAR ENDED SEPTEMBER 30, 2015

	ORIGINAL AND FINAL BUDGET		ACTUAL BUDGETARY BASIS		VARIANCE TO BUDGET	
REVENUES						
Propertyassessments	\$	217,282	\$	247,210	\$	29,928
Investment earnings		650		518		(132)
Total revenues		217,932		247,728		29,796
EXPENDITURES						
Capital		37,025		-		37,025
						,
Total expenditures		37,025		-		37,025
EXCESS (DEFICIENCY) OF REVENUES						
OVER EXPENDITURES		180,907		247,728		66,821
OTHER FINANCING (USES) Transfers out		(172,000)		(172,000)		_
		(172,000)		(172,000)		
Total other financing (uses)		(172,000)		(172,000)		-
EXCESS (DEFICIENCY) OF REVENUES						
OVER EXPENDITURES AND OTHER						
FINANCING (USES) - BUDGETARY BASIS		8,907		75,728		66,821
FUND BALANCE, beginning of period		131,216		179,876		48,660
FUND BALANCE - BUDGETARY BASIS, end of period	\$	140,123		255,604	\$	115,481
Adjustments to GAAP				-		
FUND BALANCE - GAAP BASIS, end of period			\$	255,604		

CITY OF GEORGETOWN, TEXAS TOURISM SPECIAL REVENUE FUND SCHEDULE OF REVENUES AND EXPENDITURES (BUDGET BASIS) – BUDGET AND ACTUAL (NON-GAAP) – RECONCILED TO GAAP BASIS FISCAL YEAR ENDED SEPTEMBER 30, 2015

	original Budget		Final Budget		ACTUAL BUDGETARY BASIS		ANCE TO UDGET
REVENUES							
Hotel/motel tax	\$ 708,000	\$	708,000	\$	711,060	\$	3,060
Investment earnings	3,500		3,500		1,755		(1,745)
Other	 98,000		98,000		96,968		(1,032)
Total revenues	809,500		809,500		809,783		283
EXPENDITURES							
Personnel	258,018		250,363		250,363		-
Operations	495,222		506,587		505,550		1,037
Capital outlay	 12,500		12,500		12,500		-
Total expenditures	 765,740		769,450		768,413		1,037
EXCESS (DEFICIENCY) OF REVENUES							
OVER EXPENDITURES	 43,760		40,050		41,370		1,320
OTHER FINANCING SOURCES (USES)							
Transfers in	-		3,710		3,710		-
Transfers out	 (130,850)		(130,850)		(130,850)		-
Total other financing sources (uses)	(130,850)		(127,140)		(127,140)		-
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES AND OTHER							
FINANCING SOURCES (USES) - BUDGETARY BASIS	 (87,090)		(87,090)		(85,770)		1,320
FUND BALANCE, beginning of period	 586,156		586,156		568,793		(17,363)
FUND BALANCE - BUDGETARY BASIS, end of period	\$ 499,066	\$	499,066		483,023	\$	(16,043)
Adjustments to GAAP							
Reverse crossyear POs					3		
Reverse current year encumbrances					61,226		
FUND BALANCE - GAAP BASIS, end of period				\$	544,252		

SUPPLEMENTARY INDIVIDUAL FUND FINANCIAL STATEMENTS AND SCHEDULES – MAJOR GOVERNMENTAL FUNDS

	ORIGINAL BUDGET	FINAL BUDGET	2015 ACTUAL BUDGETARY BASIS	VARIANCE TO BUDGET	2014 ACTUAL BUDGETARY BASIS
REVENUES	BUDGET	BUDGET	BASIS	TO BODGET	DAGIG
Taxes					
Property tax					
Current	\$ 10,964,039	\$ 10,964,039	\$ 10,700,252	\$ (263,787)	\$ 9,411,873
Delinguent	70,000	70,000	18,845	(51,155)	47,484
Penalties and interest	75,000	75,000	65,672	(9,328)	76,910
Total property tax	11,109,039	11,109,039	10,784,769	(324,270)	9,536,267
Sales tax	11,785,875	11,785,875	11,296,644	(489,231)	10,984,723
Franchise taxes	4,560,827	4,560,827	4,925,043	364,216	4,478,899
Other	310,000	310,000	325,042	15,042	293,655
Total taxes	27,765,741	27,765,741	27,331,498	(434,243)	25,293,544
		27,700,777		(101;210)	
LICENSES AND PERMITS Permits and inspection fees	1,546,050	1,546,050	1,984,791	438,741	1,924,328
Licenses Total licenses and permits	20,000	20,000	25,588 2,010,379	5,588 444,329	8,235
·	1,000,000	1,500,050	2,010,579	444,525	1,952,505
CHARGES FOR SERVICES	70.000	70.000	04 504	5.044	05.000
Library	78,620	78,620	84,531	5,911	85,020
Animal services	2,000	2,000	3,000	1,000	2,210
Parks and recreation	2,031,150	2,031,150	2,108,981	77,831	1,945,876
Environmental services	6,211,991	6,284,751	6,534,836	250,085	5,962,387
Fire protection	1,600,120	1,600,120	1,620,592	20,472	1,484,672
Police support	183,916	183,916	195,882	11,966	201,535
Total charges for services	10,107,797	10,180,557	10,547,822	367,265	9,681,700
FINES AND FORFEITURES	707,500	707,500	529,920	(177,580)	598,717
INTEREST AND OTHER					
Investment income	25,000	25,000	29,899	4,899	26,908
Rent	114,000	114,000	(137,499)	(251,499)	76,501
Miscellaneous	369,875	369,875	830,989	461,114	580,114
Total interest and other	508,875	508,875	723,389	214,514	683,523
TOTAL REVENUES	40,655,963	40,728,723	41,143,008	414,285	38,190,047
EXPENDITURES					
Culture-recreation					
Downtown & community service admin					
Personnel	422,954	458,187	458,187		383,691
Operations	174,434	153,111	144,006	(9,105)	153,686
Capital outlay	174,404	155,111	25	(3,103)	10,000
Total downtown & community svc admin	597,388	611,298	602,218	(9,080)	547,377
Parks					
Personnel	1,333,492	1,348,553	1,321,289	27,264	1,276,728
Operations	1,294,927	1,154,396	1,153,651	745	1,071,076
Capital outlay	1,294,927	1,154,590	1,155,051	745	
Total parks	2,628,419	2,502,949	2,474,940	28.009	<u> </u>
	_,,	_,,.			_, ,
Recreation Personnel	1,216,462	1,219,203	1,180,315	38,888	1,088,288
Operations Total recreation	1,064,164	1,061,359 2,280,562	<u>960,605</u> 2,140,920	100,754 139,642	850,795 1,939,083
	_,200,020		2,140,020	100,042	.,000,000
Recreation programs					
Personnel	934,698	921,894	914,279	7,615	863,124
Operations Total recreation programs	849,465 1,784,163	870,854	870,838	7,631	822,677
1 0	1,704,103	1,/92,/48	1,785,117	1,001	1,00,000,1
Arts & culture	70.400	70.400	70 474	4.040	
Personnel	79,490	79,490	78,474	1,016	
Total recreation programs	79,490	79,490	78,474	1,016	-

(continued)

	ORIGINAL BUDGET	FINAL BUDGET	2015 ACTUAL BUDGETARY BASIS	VARIANCE TO BUDGET	2014 ACTUAL BUDGETARY BASIS
Library					
Personnel	\$ 1,238,063	\$ 1,255,589	\$ 1,255,589	\$ -	\$ 1,116,282
Operations	693,538	684,192	644,514	39,678	557,818
Capital outlay	140,966	140,966	129,632	11,334	140,139
Total library	2,072,567	2,080,747	2,029,735	51,012	1,814,239
TOTAL CULTURE - RECREATION	9,442,653	9,347,794	9,111,404	218,230	8,503,839
DEVELOPMENT					
Planning					
Personnel	709,874	693,711	693,711	-	674,442
Operations	127,751	164,164	158,661	5,503	133,441
Total planning	837,625	857,875	852,372	5,503	807,883
Inspection services					
Personnel	782,065	735,876	735,876	-	745,891
Operations	207,666	202,306	202,306	-	151,484
Total inspection services	989,731	938,182	938,182		897,375
TOTAL DEVELOPMENT	1,827,356	1,796,057	1,790,554	5,503	1,705,258
ENVIRONMENTAL SERVICES					
Environmental Services					
Personnel	73,758	73,753	73,753	-	39,254
Operations	5,387,785	5,517,099	5,517,091	8	5,059,345
Capital outlay	5,000	-	-		
Total environmental services	5,466,543	5,590,852	5,590,844	8	5,098,599
TOTAL ENVIRONMENTAL SERVICES	5,466,543	5,590,852	5,590,844	8	5,098,599
FIRE SERVICES					
Support Services					
Personnel	1,154,037	1,513,620	1,513,617	3	653,094
Operations	672,541	653,518	653,517	1	492,951
Total support services	1,826,578	2,167,138	2,167,134	4	1,146,045
Emergency Services					
Personnel	7,909,125	7,501,650	7,324,184	177,466	7,476,980
Operations	1,023,899	1,090,814	1,090,811	3	853,996
Total emergency services	8,933,024	8,592,464	8,414,995	177,469	8,330,976
TOTAL FIRE SERVICES	10,759,602	10,759,602	10,582,129	177,473	9,477,021
GENERAL GOVERNMENT					
General government					
Operations	1,797,959	1,664,764	1,926,120	(261,356)	1,677,430
Total general government	1,797,959	1,664,764	1,926,120	(261,356)	1,677,430
City council					
Personnel	43,918	55,248	55,248	-	323,156
Operations	81,002	69,672	64,361	5,311	149,448
Total city council	124,920	124,920	119,609	5,311	472,604

(continued)

	ORIGINAL BUDGET	FINAL BUDGET	2015 ACTUAL BUDGETARY BASIS	VARIANCE TO BUDGET	2014 ACTUAL BUDGETARY BASIS		
City manager's office							
Personnel	\$ 424,058	\$ 620,983	\$ 603,723	\$ 17,260	\$ 418,348		
Operations	149,731	154,806	154,257	549	203,636		
Total city manager's office	573,789	775,789	757,980	17,809	621,984		
City's secretary							
Personnel	349,366	349,366	332,779	16,587	-		
Operations	188,211	188,211	180,119	8,092	-		
Capital outlay	4,000	4,000	1,963	2,037	-		
Total city secretary	541,577	541,577	514,861	26,716			
Communication office							
Personnel	239,373	246,963	232,986	13,977	202,479		
Operations	108,949	118,848	88,792	30,056	76,135		
•	100,949						
Capital outlay Total communication office	348,322	4,100 369,911	4,094 325,872	44,039	86,915 365,529		
	. <u> </u>			·			
TOTAL GENERAL GOVERNMENT	3,386,567	3,476,961	3,644,442	(167,481)	3,137,547		
HIGHWAYS AND STREETS							
Transportation Admin							
Personnel	348,779	357,529	355,938	1,591	316,697		
Operations	434,413	434,413	379,635	54,778	206,213		
Capital outlay	-	-	-	-	149,718		
Total transportation admin	783,192	791,942	735,573	56,369	672,628		
Streets							
Personnel	1,174,649	1,168,514	1,103,523	64,991	932,536		
Operations	1,221,537	1,227,672	1,227,671	1	1,270,826		
Capital outlay	1,483,730	1,623,730	1,040,230	583,500	1,409,077		
Total streets	3,879,916	4,019,916	3,371,424	648,492	3,612,439		
TOTAL HIGHWAYS AND STREETS	4,663,108	4,811,858	4,106,997	704,861	4,285,067		
POLICE SERVICES							
Organization and administration							
Personnel	447,430	475,960	474,426	1,534	445,824		
Operations	1,973,351	1,979,088	1,858,289	120,799	1,458,609		
Capital outlay	-	-	-	-	145		
Total organization and administration	2,420,781	2,455,048	2,332,715	122,333	1,904,578		
Field operations bureau							
Personnel	8,970,141	8,941,601	8,656,994	284,607	8,164,686		
Operations	511,385	534,189	531,803	2,386	334,195		
Capital outlay	-	-	-	-	210		
Total field operations bureau	9,481,526	9,475,790	9,188,797	286,993	8,499,091		
Animal services							
Personnel	594,982	602,982	599,997	2,985	571,034		
Operations	262,898	262,898	182,914	79,984	182,353		
Total animal services	857,880	865,880	782,911	82,969	753,387		
Orde antennand							
Code enforcement	070.000	070.000	070.000	07	000 554		
Personnel	273,996	273,996	273,969	27	230,551		
Operations	81,594	81,594	74,140	7,454	75,221		
Total code enforcement	355,590	355,590	348,109	7,481	305,772		
Municipal court							
Personnel	451,900	436,937	436,937	-	386,318		
Operations	100,264	251,477	251,470	7	129,790		
Total municipal court	552,164	688,414	688,407	7	516,108		
TOTAL POLICE SERVICES	13,667,941	13,840,722	13,340,939	499,783	11,978,936		

(continued)

	 original Budget	2015 ACTUAL FINAL BUDGETARY BUDGET BASIS		ACTUAL	VARIANCE TO BUDGET		B	2014 ACTUAL UDGETARY BASIS	
TOTAL EXPENDITURES	\$ 49,213,770	\$	49,623,846	\$	48,167,309	\$	1,456,537	\$	44,186,267
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	 (8,557,807)		(8,895,123)		(7,024,301)		1,870,822		(5,996,220)
OTHER FINANCING SOURCES (USES) Transfers in Transfers out Total other financing sources (uses)	 6,922,775 (523,998) 6,398,777		6,925,516 (1,188,673) 5,736,843		7,720,944 (1,188,673) 6,532,271		795,428 - 795,428		6,964,508 (2,034,075) 4,930,433
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDINTURES AND OTHER FINANCING SOURCES (USES) - BUDGETARY BASIS	(2,159,030)		(3,158,280)		(492,030)		2,666,250		(1,065,787)
FUND BALANCE - BUDGETARY BASIS, Beginning of period	 9,940,212		10,939,462		10,416,804		(522,658)		11,482,591
FUND BALANCE - BUDGETARY BASIS, End of period	\$ 7,781,182	\$	7,781,182		9,924,774	\$	2,143,592		10,416,804
Adjustments to GAAP									
Reverse current year encumbrances Record net unrealized gain (loss) on investments Reverse voided purchase orders					1,835,138 (82) 244,025				1,755,953 (78) -
FUND BALANCE - GAAP BASIS, End of period				\$	12,003,855			\$	12,172,679

CITY OF GEORGETOWN, TEXAS GEORGETOWN TRANSPORTATION ENHANCEMENT CORPORATION SCHEDULE OF REVENUES AND EXPENDITURES (BUDGET BASIS) – BUDGET AND ACTUAL (NON-GAAP) – RECONCILED TO GAAP BASIS FISCAL YEAR ENDED SEPTEMBER 30, 2015 (WITH COMPARATIVE FOR 2014)

	Original Budget	Final Budget	2015 Actual Budgetary Basis	Variance to Budget	2014 Actual Budgetary Basis
REVENUES					
Sales Tax	\$ 5,491,500	\$ 5,491,500	\$ 5,246,213	\$ (245,287)	\$ 5,114,052
Grants	-	1,350,000	658,985	(691,015)	2,734,039
Investment earnings	12,500	12,500	52,295	39,795	20,295
Other	500,000	500,000	283,632	(216,368)	
Total revenues	6,004,000	7,354,000	6,241,125	(1,112,875)	7,868,386
EXPENDITURES					
Operations	405,101	405,101	343,902	61,199	310,498
Principal, interest and fiscal charges	867,559	867,559	8,605,870	(7,738,311)	866,959
Capital outlay	9,452,922	30,011,922	8,656,826	21,355,096	4,378,393
Total expenditures	10,725,582	31,284,582	17,606,598	13,677,984	5,555,850
EXCESS (DEFICIENCY) OF					
REVENUES OVER EXPENDITURES	(4,721,582)	(23,930,582)	(11,365,473)	(14,790,859)	2,312,536
OTHER FINANCING SOURCES (USES)					
Issuance of bonds	-	17,500,000	7,755,000	(9,745,000)	-
Transfers in	-	-	489,915	489,915	495,638
Transfers out	(1,732,572)	(1,732,572)	(1,699,395)	33,177	(1,842,672)
Total other financing sources (uses)	(1,732,572)	15,767,428	6,545,520	(9,221,908)	(1,347,034)
EXCESS (DEFICIENCY) OF REVENUES OVER					
EXPENDITURES AND OTHER FINANCING					
SOURCES (USES) - BUDGETARY BASIS	(6,454,154)	(8,163,154)	(4,819,953)	(24,012,767)	965,502
FUND BALANCE, beginning of period	10,681,398	12,390,398	13,347,959	957,561	12,339,757
FUND BALANCE - BUDGETARY BASIS, end of period	\$ 4,227,244	\$ 4,227,244	8,528,006	\$ (23,055,206)	13,305,259
Adjustments to GAAP					
Reverse bond interest			(38,719)		(45,321)
Reverse voided purchase orders			260		42,700
Reverse unrealized (loss) gain on investments			283		238
Reverse current year encumbrances			3,068,487		1,144,786
FUND BALANCE - GAAP BASIS, end of period			\$ 11,558,317		\$ 14,447,662

	Original Budget	Final Budget	2015 Actual Budgetary Basis	Budgetary Variance to	
REVENUES					
Ad valorem taxes	\$ 9,350,000	\$ 9,350,000	\$ 9,817,979	\$ 467,979	\$ 9,462,980
Investment earnings	2,000	2,000	3,924	1,924	1,477
Total revenues	9,352,000	9,352,000	9,821,903	469,903	9,464,457
EXPENDITURES AND OTHER FINANCING SOURCES (USES)					
Principal, interest and fiscal charges	(11,359,651)	(11,213,759)	(11,213,758)	1	(11,350,207)
Issuance of bonds	-	5,625,350	5,684,703	59,353	12,112,970
Payment to refunding escrow agent	-	(5,738,065)	(5,771,235)	(33,170)	(11,911,063)
Transfers in	1,732,572	1,699,395	1,699,395		1,842,672
Total other financing sources (uses)	(9,627,079)	(9,627,079)	(9,600,895)	26,184	(9,305,628)
EXCESS (DEFICIENCY) OF REVENUES OVER					
EXPENDITURES AND OTHER FINANCING					
SOURCES (USES) - BUDGETARY BASIS	(275,079)	(275,079)	221,008	496,087	158,829
FUND BALANCE, beginning of period	1,496,547	1,496,547	1,268,188	(228,359)	1,109,359
FUND BALANCE - BUDGETARY BASIS,					
end of period	\$ 1,221,468	\$ 1,221,468	1,489,196	\$ 267,728	1,268,188
Adjustments to GAAP					
Reverse unrealized (loss) gain on investments			118		(2)
FUND BALANCE - GAAP BASIS, end of period			\$ 1,489,314		\$ 1,268,186

	Original Budget	Final Budget	2015 Actual Budgetary Basis	Variance to Budget	2014 Actual Budgetary Basis
REVENUES:	\$ 75,000	\$ 75,000	\$ 56,893	\$ (18,107)	\$ 81,950
Investment earnings Grants & Donations	\$	\$	\$ 50,893 235,051	\$ (18,107) (514,949)	\$
Other	300,000	300,000	137,334	(162,666)	3,722,734
Total revenues	1,125,000	1,125,000	429,278	(695,722)	8,503,724
EXPENDITURES:					
Capital outlay	11,552,000	19,967,320	10,282,958	9,684,362	14,726,088
Bond issuance cost	115,620	115,620	(23,915)	139,535	83,910
Total expenditures	11,667,620	20,082,940	10,259,043	9,823,897	14,809,998
EXCESS (DEFICIENCY) OF REVENUES	(10 540 600)	(10.057.040)	(0.000.705)	0 100 175	(6 206 274)
OVER EXPENDITURES	(10,542,620)	(18,957,940)	(9,829,765)	9,128,175	(6,306,274)
OTHER FINANCING SOURCES (USES):					
Issuance of bonds	8,265,000	9,996,930	13,990,000	3,993,070	6,641,000
Transfers in	302,000	302,000	302,000	-	1,545,500
Transfers out	(1,208,000)	(5,363,000)	(4,774,436)		(2,522,000)
Total other financing sources (uses)	7,359,000	4,935,930	9,517,564	4,581,634	5,664,500
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES AND OTHER FINANCING SOURCES (USES) - BUDGETARY BASIS	(3,183,620)	(14,022,010)	(312,201)	13,709,809	(641,774)
FUND BALANCES, Beginning of period	7,879,992	18,718,382	14,841,330	(3,877,052)	15,483,104
FUND BALANCES - BUDGETARY BASIS, End of Period	\$ 4,696,372	\$ 4,696,372	\$ 14,529,129	\$ 9,832,757	\$ 14,841,330
Adjustments to GAAP:					
Reverse unrealized loss on investments Reverse current year encumbrances Reverse voided purchase orders			721 4,538,353 806,796		(883) 11,325,010
FUND BALANCES - GAAP BASIS, End of period			\$ 19,874,999		\$ 26,165,457

Combining Financial Statements Nonmajor Proprietary Funds

<u>Enterprise Funds</u> - 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.

<u>Airport Fund</u> - used to account for revenues and expenses related to the operation and maintenance of the City's airport.

<u>Stormwater Drainage Fund</u> - used to account for revenues and expenses related to the operations, capital projects, and debt service of the stormwater drainage facilities.

<u>Internal Service Funds</u> - This fund is used to account for services performed by one government organization or department for others.

<u>Fleet Services Fund</u> - 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.

<u>Joint Services Fund</u> - 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.

<u>Facilities Maintenance Fund</u> - 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.

<u>Self-Insurance Fund</u> – 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, 2015

	AIRPORT FUND	STORMWATER DRAINAGE FUND	TOTAL NONMAJOR ENTERPRISE FUNDS	
ASSETS				
Current assets				
Cash and cash equivalents	\$ -	\$ 255,169	\$ 255,169	
Cash and cash equivalents - restricted	363,85	5 -	363,855	
Investments	-	352,376	352,376	
Investments - restricted	502,46	6 1,425,599	1,928,065	
Accounts receivable				
Services (net of allowance for uncollectibles)	78,91		457,486	
Inventories	25,56	9	25,569	
Total current assets	970,80	8 2,411,712	3,382,520	
Noncurrent assets				
Capital assets				
Land and land rights	981,50	0 -	981,500	
Distribution system	5,970,64	3 37,748,525	43,719,168	
Buildings and improvements	3,856,21	8 -	3,856,218	
Machinery, furniture and equipment	2,388,97	6 37,166	2,426,142	
Construction in progress	614,18	2 215,881	830,063	
Less accumulated depreciation	(7,054,32	5) (8,020,875)	(15,075,200)	
Total capital assets				
(net of accumulated depreciation)	6,757,19	4 29,980,697	36,737,891	
Total noncurrent assets	6,757,19	4 29,980,697	36,737,891	
TOTAL ASSETS	7,728,00	2 32,392,409	40,120,411	
DEFERRED OUTFLOWS OF RESOURCES				
Deferred outflow related to pension	12,17	1 44,555	56,726	
Deferred charge on refunding	31,45	5 66,446	97,901	
TOTAL DEFERRED OUTFLOWS OF RESOURCES	43,62	6 111,001	154,627	
TOTAL ASSETS AND DEFERRED OUTFLOWS OF RESOURCES	\$ 7,771,62	8 \$ 32,503,410	\$ 40,275,038	
LIABILITIES AND NET POSITION				
Liabilities				
Current liabilities				
Accounts payable	\$ 55,49	3 \$ 139,363	\$ 194,856	
Accrued employee benefits	6,23	8 24,917	31,155	
Due to other funds	114,78	3 -	114,783	
Current portion of long-term debt	93,88	3 424,388	518,271	
Accrued interest	6,05	2 22,318	28,370	
Total current liabilities	276,44	9 610,986	887,435	
Noncurrent liabilities				
Accrued employee benefits	9,41	0 34,015	43,425	
Net pension liability	42,10		196,254	
Long-term debt payable	1,282,60		5,865,989	
Long-term debt payable	1,202,00	4,505,502	5,005,909	
Total noncurrent liabilities	1,334,12	4 4,771,544	6,105,668	
Total liabilities	1,610,57	3 5,382,530	6,993,103	
Net position				
Net investment in capital assets	5,412,15	9 26,464,972	31,877,131	
Unrestricted	748,89	6 655,908	1,404,804	
Total net position	6,161,05	5 27,120,880	33,281,935	
TOTAL LIABILITIES AND NET POSITION	\$ 7,771,62	8 \$ 32,503,410	\$ 40,275,038	

CITY OF GEORGETOWN, TEXAS COMBINING STATEMENT OF REVENUES, EXPENSES AND CHANGES IN FUND NET POSITION NONMAJOR ENTERPRISE FUNDS FISCAL YEAR ENDED SEPTEMBER 30, 2015

	AIRPORT FUND			ORMWATER DRAINAGE FUND	TOTAL NONMAJOR ENTERPRISE FUNDS		
OPERATING REVENUES							
Other	\$	2,604,049	\$	2,638,945	\$	5,242,994	
Total operating revenues		2,604,049		2,638,945		5,242,994	
OPERATING EXPENSES							
Depreciation		160,825		1,016,944		1,177,769	
Other		2,632,279		1,826,520		4,458,799	
Total operating expenses		2,793,104		2,843,464		5,636,568	
NET OPERATING LOSS		(189,055)		(204,519)		(393,574)	
NONOPERATING REVENUES (EXPENSES)							
Investment income		279		2,666		2,945	
Donations and grants		1,255,924		-		1,255,924	
Interest and fiscal charges		(45,297)		(139,822)		(185,119)	
Other		27,162		-		27,162	
Total nonoperating revenues (expenses)		1,238,068		(137,156)		1,100,912	
INCOME (LOSS) BEFORE CONTRIBUTIONS							
AND TRANSFERS		1,049,013		(341,675)		707,338	
CONTRIBUTIONS AND TRANSFERS							
Capital contributions		-		1,958,266		1,958,266	
Transfers out		(3,463)		(250,013)		(253,476)	
Total contributions and transfers		(3,463)		1,708,253		1,704,790	
CHANGE IN NET POSITION		1,045,550		1,366,578		2,412,128	
TOTAL NET POSITION, beginning of period		5,147,087		25,869,918		31,017,005	
RESTATEMENT		(31,582)		(115,616)		(147,198)	
TOTAL NET POSITION, end of period	\$	6,161,055	\$	27,120,880	\$	33,281,935	

CITY OF GEORGETOWN, TEXAS COMBINING STATEMENT OF CASH FLOWS NONMAJOR ENTERPRISE FUNDS FISCAL YEAR ENDED SEPTEMBER 30, 2015

		airport Fund	ormwater Drainage Fund	TOTAL NONMAJOR <u>ENTERPRISE FUNDS</u>		
CASH FLOWS FROM OPERATING ACTIVITIES						
Cash received from customers	\$	2,834,941	\$ 2,634,939	\$	5,469,880	
Payments to suppliers		(2,289,707)	(1,625,270)		(3,914,977)	
Payments to employees for services		(348,454)	 (415,809)		(764,263)	
Net cash provided by (used for) operating activities		196,780	593,860		790,640	
CASH FLOWS FROM NONCAPITAL						
FINANCING ACTIVITIES						
Transfers out		(3,463)	 (250,013)		(253,476)	
Net cash provided by (used for) noncapital						
financing activities		(3,463)	(250,013)		(253,476)	
CASH FLOWS FROM CAPITAL AND						
RELATED FINANCING ACTIVITIES						
Acquisition of capital assets		(29,412)	(2,358,490)		(2,387,902)	
Proceeds from issuance of long-term debt		-	459,000		459,000	
Principal paid on revenue and certificates of obligation bonds		744,903	1,493,141		2,238,044	
Interest paid on revenue and certificates of obligation bonds	. <u> </u>	(42,766)	 (145,108)		(187,874)	
Net cash provided by (used for) capital and related						
financing activities		672,725	(551,457)		121,268	
CASH FLOWS FROM INVESTING ACTIVITIES						
Interest received		279	2,666		2,945	
Change in temporary investments		(502,466)	 (42,663)		(545,129)	
Net cash provided by (used for) investing activities		(502,187)	 (39,997)		(542,184)	
Net increase (decrease) in cash and cash equivalents		363,855	(247,607)		116,248	
CASH AND CASH EQUIVALENTS, beginning of year		-	 502,776		502,776	
CASH AND CASH EQUIVALENTS, end of year	\$	363,855	\$ 255,169	\$	619,024	
NON-CASH DISCLOSURE OF CAPITAL ACTIVITY						
Developer contributions	\$	-	\$ 1,958,266	\$	1,958,266	
OPERATING INCOME (LOSS)	\$	(189,055)	\$ (204,519)	\$	(393,574)	
Adjustments to reconcile operating income (loss) to						
cash provided by (used in) operating activities						
Depreciation		160,825	1,016,944		1,177,769	
Other income		27,162	-		27,162	
Decrease (increase) in inventories		(9,169)	-		(9,169)	
Decrease (increase) in accounts receivable		122,674	(48,835)		73,839	
Increase (decrease) in due to other funds		70,531	-		70,531	
Increase (decrease) in accounts payable		4,286	(214,560)		(210,274)	
Increase (decrease) in net pension liability		10,525	38,531		49,056	
Increase (decrease) in accrued employee benefits		(999)	 6,299		5,300	
Net cash provided by (used in) operating activities	\$	196,780	\$ 593,860	\$	790,640	

CITY OF GEORGETOWN, TEXAS COMBINING STATEMENT OF NET POSITION INTERNAL SERVICE FUNDS SEPTEMBER 30, 2015

	FLEET SERVICES FUND	Joint Services Fund	FACILITIES MAINTENANCE FUND	INFORMATION TECHNOLOGY FUND	SELF INSURANCE FUND	TOTAL 2015
ASSETS						
Current						
Cash and cash equivalents	\$ 761,986	\$ 420,887	\$ 392,524	\$ 358,056	\$1,112,449	\$ 3,045,902
Investments	1,052,266	581,224	542,057	494,458	1,536,238	4,206,243
Prepaid expense	-	30,557	-	-	233,069	263,626
Accounts receivable	-	266,061	1,361	-	-	267,422
Inventories		887,527				887,527
Total current assets	1,814,252	2,186,256	935,942	852,514	2,881,756	8,670,720
Property and equipment						
Land and land rights	-	214,066	-	-	-	214,066
Buildings and improvements	26,181	813,680	1,018,656	-	-	1,858,517
Machinery, furniture and equipment	23,992,330	1,207,790	1,415,779	5,737,302		32,353,201
Total property and equipment cost	24,018,511	2,235,536	2,434,435	5,737,302	-	34,425,784
Less accumulated depreciation	(12,734,037)	(1,974,204)	(1,697,880)	(5,155,660)		(21,561,781)
Net property and equipment	11,284,474	261,332	736,555	581,642		12,864,003
TOTAL ASSETS	\$13,098,726	\$2,447,588	\$ 1,672,497	\$ 1,434,156	\$2,881,756	\$21,534,723
LIABILITIES AND NET POSITION						
Liabilities						
Current liabilities						
Accounts payable	\$ 65,200	\$ 696,142	\$ 151,170	\$ 67,352	\$ 518,783	\$ 1,498,647
Accrued employee benefits	17,424	-	11,122	29,359	-	57,905
Unearned revenue	-	436,848	-			436,848
Due to other funds					233,069	233,069
Total current liabilities	82,624	1,132,990	162,292	96,711	751,852	2,226,469
Noncurrent liabilities						
Accrued employee benefits	23,159		13,485	38,664		75,308
Total liabilities	105,783	1,132,990	175,777	135,375	-	2,301,777
Net position						
Net investment in capital assets	11,284,474	261,332	736,555	581,642	-	12,864,003
Unrestricted	1,708,469	1,053,266	760,165	717,139	2,129,904	6,368,943
Total net position	12,992,943	1,314,598	1,496,720	1,298,781	2,129,904	19,232,946
TOTAL LIABILITIES AND NET POSITION	\$13,098,726	\$2,447,588	\$ 1,672,497	\$ 1,434,156	\$2,881,756	\$21,534,723

CITY OF GEORGETOWN, TEXAS COMBINING STATEMENT OF REVENUES, EXPENSES AND CHANGES IN FUND NET POSITION – INTERNAL SERVICE FUNDS FISCAL YEAR ENDED SEPTEMBER 30, 2015

	FLEET SERVICES FUND	Joint Services Fund	Facilities Maintenance Fund	Information Technology Fund	SELF INSURANCE FUND	TOTAL 2015
OPERATING REVENUES - Charges for services	\$ 2,626,377	\$11,757,770	\$ 3,048,038	\$ 3,602,358	\$ 5,930,126	\$26,964,669
OPERATING EXPENSES						
Administration	-	1,250,123	-	-	-	1,250,123
Accounting	-	716,750	-	-	-	716,750
City wide HR services	-	352,198	-	-	-	352,198
Conservation	-	532,773	-	-	-	532,773
Customer care	-	1,579,479	-	-	-	1,579,479
Economic development administration	-	414,873	-	-	-	414,873
Engineering support	-	917,039	-	-	-	917,039
Facilities maintenance contracts	-	-	1,610,551	-	-	1,610,551
Facilities maintenance services	-	-	840,719	-	-	840,719
Finance and administration	-	862,367	-	-	-	862,367
Fleet services operations	576,938	-	-	-	-	576,938
Human resources	-	809,306	-	-	-	809,306
Information technology	-	-	-	1,765,957	-	1,765,957
Information technology capital replacement & contracts	-	-	-	1,672,532	-	1,672,532
Joint services contracts	-	1,560,051	-	-	-	1,560,051
Legal services	-	675,331	-	-	-	675,331
Main street	-	138,134	-	-	-	138,134
Medical insurance	-	-	-	-	4,188,140	4,188,140
Purchasing	-	665,178	-	-	-	665,178
Service center	1,183,354	-	-	-	-	1,183,354
Systems engineering	-	1,465,680	-	-	-	1,465,680
Depreciation	1,752,269	16,465	585,252	465,837		2,819,823
Total operating expenses	3,512,561	11,955,747	3,036,522	3,904,326	4,188,140	26,597,296
NET OPERATING INCOME (LOSS)	(886,184)	(197,977)	11,516	(301,968)	1,741,986	367,373
NONOPERATING REVENUES (EXPENSES)						
Investment income	9,728	-	7,083	7,169	4,560	28,540
Loss on disposal of assets	(56,148)	-	-	-	-	(56,148)
Other		327,557		2,400	160,000	489,957
Total nonoperating revenues (expenses)	(46,420)	327,557	7,083	9,569	164,560	462,349
INCOME (LOSS) BEFORE						
CONTRIBUTIONS AND TRANSFERS	(932,604)	129,580	18,599	(292,399)	1,906,546	829,722
CONTRIBUTIONS AND TRANSFERS						
Capital contributions	219.940	_	-	-	-	219,940
Transfers in	2,393,718	449,024	-	672,623	-	3,515,365
Transfers out	(243,516)	(26,806)	-	-	-	(270,322)
	(,)	(,)				()
Total contributions and transfers	2,370,142	422,218		672,623		3,464,983
CHANGE IN NET POSITION	1,437,538	551,798	18,599	380,224	1,906,546	4,294,705
NET POSITION, beginning of period	11,555,405	762,800	1,478,121	918,557	223,358	14,938,241
NET POSITION, end of period	\$12,992,943	\$ 1,314,598	\$ 1,496,720	\$ 1,298,781	\$ 2,129,904	\$19,232,946

CITY OF GEORGETOWN, TEXAS COMBINING STATEMENT OF CASH FLOWS INTERNAL SERVICE FUNDS FISCAL YEAR ENDED SEPTEMBER 30, 2015

	FLEET SERVICES FUND		joint Ervices Fund	ACILITIES INTENANCE FUND	ormation Chnology Fund	SELF INSURANCE FUND		TOTAL 2015
CASH FLOWS FROM OPERATING ACTIVITIES								
Department contributions	\$2,626,377	\$ 12	2,283,365	\$ 3,047,200	\$ 3,605,235	\$6,582,321	\$	28,144,498
Payments to suppliers	(1,294,784)	. (4	4,721,215)	(2,060,776)	(1,907,549)	(4,042,507	(14,026,831)
Payments to employees for services	(576,712)		7,739,674)	 (440,276)	 (1,525,990)			10,282,652)
Net cash provided by (used in)								
operating activities	754,881		(177,524)	546,148	171,696	2,539,814		3,835,015
CASH FLOWS FROM NONCAPITAL								
FINANCING ACTIVITIES								
Transfers in	2,393,718		449,024	-	672,623	-		3,515,365
Transfers out	(243,516)		(26,806)	 -	 -			(270,322)
Net cash provided by noncapital								
financing activities	2,150,202		422,218	-	672,623	-		3,245,043
CASH FLOWS FROM CAPITAL AND								
RELATED FINANCING ACTIVITIES								
Acquisition of capital assets	(2,505,527)		(36,349)	 (303,779)	 (469,153)	-		(3,314,808)
Net cash (used) for capital and related								
financing activities	(2,505,527)		(36,349)	(303,779)	(469,153)	-		(3,314,808)
CASH FLOWS FROM INVESTING ACTIVITIES								
Interest received	9,728		-	7,083	7,169	4,560		28,540
Change in temporary investments	(434,080)		(231,967)	 (240,600)	 (287,579)	(1,490,340		(2,684,566)
Net cash provided by (used in)								
investing activities	(424,352)		(231,967)	 (233,517)	 (280,410)	(1,485,780		(2,656,026)
Net increase (decrease) in cash	(24,796)		(23,622)	8,852	94,756	1,054,034		1,109,224
CASH AND CASH EQUIVALENTS, beginning of year	786,782		444,509	 383,672	 263,300	58,415		1,936,678
CASH AND CASH EQUIVALENTS, end of year	\$ 761,986	\$	420,887	\$ 392,524	\$ 358,056	\$ 1,112,449	\$	3,045,902
NON-CASH DISCLOSURE								
Developer contributions received	\$ 219,940	\$	-	\$ -	\$ -	\$-	\$	219,940
OPERATING INCOME (LOSS) Adjustments to reconcile operating income (loss) to cash provided by (used in) operating activities:	\$ (886,184)	\$	(197,977)	\$ 11,516	\$ (301,968)	\$ 1,741,986	\$	367,373
Depreciation	1,752,269		16,465	585,252	465,837	-		2,819,823
Other income	-		327,557	-	2,400	160,000		489,957
Decrease (increase) in inventories	-		(581,285)	-	_,	-		(581,285)
Decrease (increase) in accounts receivable	-		(4,812)	(838)	477	492,195		487,022
Increase (decrease) in accounts payable	(114,123)		59,678	(50,613)	(6,995)	145,633		33,580
Increase (decrease) in unearned revenue	-		202,850	-	-	-		202,850
Increase (decrease) in accrued employee benefits	2,919		-	 831	 11,945			15,695
Net cash provided by (used in) operating activities	\$ 754,881	\$	(177,524)	\$ 546,148	\$ 171,696	\$ 2,539,814	\$	3,835,015



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AGENCY FUNDS STATEMENT OF CHANGES IN ASSETS AND LIABILITIES

CITY OF GEORGETOWN, TEXAS AGENCY FUNDS STATEMENT OF CHANGES IN ASSETS AND LIABILITIES FISCAL YEAR ENDED SEPTEMBER 30, 2015

		Balance October 1, 2014		Additions		Deductions		Balance tember 30, 2015
Public improvement districts								
Assets								
Cash and cash equivalents	\$	449,631	\$	437,430	\$	848,382	\$	38,679
Total assets	\$	449,631		437,430		848,382		38,679
Liabilities								
Accounts payable	\$	449,631	\$	437,430	\$	848,382	\$	38,679
Total liabilities	\$	449,631	\$	437,430	\$	848,382	\$	38,679
Texas capital fund repayments Assets								
		017 100	•		•	00.070	•	
Accounts receivable	\$	217,430	\$	-	\$	98,976	\$	118,454
Total assets	\$	217,430	\$	-	\$	98,976	\$	118,454
Liabilities								
Due to other governments	\$	217,430	\$	-	\$	98,976	\$	118,454
Total liabilities	\$	217,430	\$	-	\$	98,976	\$	118,454
Total agency funds Assets								
Cash and cash equivalents	\$	449,631	\$	437,430	\$	848,382	\$	38,679
Accounts receivable	Ŷ	217,430	Ψ	-	Ŷ	98,976	Ŷ	118,454
						,		,
Total assets	\$	667,061	\$	437,430	\$	947,358	\$	157,133
Liabilities								
Accounts payable	\$	449,631	\$	437,430	\$	848,382	\$	38,679
Due to other governments		217,430		-		98,976		118,454
Total liabilities	\$	667,061	\$	437,430	\$	947,358	\$	157,133



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STATISTICAL SECTION



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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
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
These schedules contain information to help the reader assess the government's most significant local revenue source, the property tax.
Debt Capacity
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 Information150
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
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)

	 2015	 2014	 2013	 2012
Governmental activities				
Invested in capital assets, net of related debt	\$ 239,377,879	\$ 211,305,899	\$ 174,798,105	\$ 144,196,394
Restricted	3,958,088	824,704	1,109,220	26,064,001
Unrestricted	 20,056,114	 33,401,250	 40,995,207	 28,542,479
Total governmental activities net assets	\$ 263,392,081	\$ 245,531,853	\$ 216,902,532	\$ 198,802,874
Business-type activities				
Invested in capital assets, net of related debt	\$ 328,886,853	\$ 287,569,126	\$ 230,939,554	\$ 220,809,992
Restricted	-	-	-	-
Unrestricted	 48,127,105	 57,575,322	 36,040,786	 37,049,395
Total business-type activities net assets	\$ 377,013,958	\$ 345,144,448	\$ 266,980,340	\$ 257,859,387
Primary government				
Invested in capital assets, net of related debt	\$ 568,264,732	\$ 498,875,025	\$ 405,737,659	\$ 365,006,386
Restricted	3,958,088	824,704	1,109,220	26,064,001
Unrestricted	 68,183,219	 90,976,572	 77,035,993	 65,591,874
Total primary government net assets	\$ 640,406,039	\$ 590,676,301	\$ 483,882,872	\$ 456,662,261

 2011	 2010	2009		 2008		2007	 2006
\$ 138,536,744 30,407,806 21,859,346	\$ 144,725,810 23,615,403 15,909,956	\$	138,048,388 26,858,729 14,563,686	\$ 129,354,365 25,011,217 16,470,172	\$	116,738,898 36,306,468 5,598,174	\$ 122,268,551 18,254,529 6,567,654
\$ 190,803,896	\$ 184,251,169	\$	179,470,803	\$ 170,835,754	\$	158,643,540	\$ 147,090,734
\$ 210,252,907 - 30,771,961	\$ 197,910,197 - 35,786,263	\$	187,953,410 - 33,507,546	\$ 167,724,995 - 29,144,912	\$	141,211,947 - 30,295,994	\$ 117,419,122 5,389,063 30,942,450
\$ 241,024,868	\$ 233,696,460	\$	221,460,956	\$ 196,869,907	\$	171,507,941	\$ 153,750,635
\$ 348,789,651 30,407,806 52,631,307	\$ 342,636,007 23,615,403 51,696,219	\$	326,001,798 26,858,729 48,071,232	\$ 297,079,360 25,011,217 45,615,084	\$	257,950,845 36,306,468 35,894,168	\$ 239,687,673 23,643,592 37,510,104
\$ 431,828,764	\$ 417,947,629	\$	400,931,759	\$ 367,705,661	\$	330,151,481	\$ 300,841,369

CITY OF GEORGETOWN, TEXAS CHANGES IN NET POSITION LAST TEN FISCAL YEARS (ACCRUAL BASIS OF ACCOUNTING)

		2015	2014			2013		2012
EXPENSES								
Governmental activities	¢	11 000 505	¢	10 429 052	¢	0 775 000	۴	0 220 040
Culture-recreation	\$	11,003,525	\$	10,438,052	\$	9,775,209	\$	9,328,048
Development		2,317,907		2,037,449		1,650,530		2,284,858
Fire		11,731,142		10,378,471		9,144,092		8,634,002
General government		5,435,195		5,239,050		6,447,308		4,851,250
Police		13,284,900		12,862,736		12,042,349		11,522,334
Streets		6,463,416		9,486,497		5,459,183		5,564,690
Environmental services		5,700,681		5,097,618		4,855,404		4,830,921
Interest on long-term debt		5,061,021		5,738,394		3,806,106		4,375,653
Total governmental activities expenses		60,997,787		61,278,267		53,180,181		51,391,756
Business-type activities								
Airport		2,838,401		3,289,827		3,171,550		3,012,745
Electric		59,043,948		60,073,430		46,543,022		56,407,348
Environmental services		-		-		-		-
Stormwater		2,983,286		2,638,430		2,204,172		1,905,019
Water		33,360,468		24,158,727		22,844,363		21,597,278
Total business-type activities expenses		98,226,103		90,160,414		74,763,107		82,922,390
Total primary government expenses	\$	159,223,890	\$	151,438,681	\$	127,943,288	\$	134,314,146
	<u> </u>	, ,		, ,	_			, ,
PROGRAM REVENUES								
Governmental activities								
Charges for services								
Culture-recreation	\$	2,506,592	\$	3,146,318	\$	2,425,587	\$	2,285,209
Development		2,510,092		1,942,914		1,659,670		1,668,635
Fire		1,740,719		1,200,894		1,433,679		1,137,982
General government		1,321,261		1,474,961		1,261,561		1,206,994
Police		831,461		805,728		959,027		895,703
Streets		625		1,021		1,125		-
Environmental services		6,811,773		5,266,815		6,059,904		5,491,495
Operating grants and contributions		642,448		286,431		256,593		956,438
Capital grants and contributions		17,701,672		23,901,801		5,999,666		2,431,374
Total governmental activities program revenues		34,066,643		38,026,883		20,056,812		16,073,830
Business-type activities								
Charges for services								
Airport		2,631,211		3,254,368		2,906,267		2,881,144
Electric		63,197,781		60,319,235		54,743,979		59,344,615
Environmental services		-		-		-		-
Stormwater		2,638,945		2,487,548		2,206,108		2,132,810
Water		43,488,320		33,659,956		27,244,363		26,596,509
Operating grants and contributions		25,056		25,056		25,589		147,601
Capital grants and contributions		9,405,360		76,095,951		4,558,296		3,917,721
Total business-type activities program revenues		121,386,673		175,842,114		91,684,602		95,020,400
Total primary government program revenues	\$	155,453,316	\$	213,868,997	\$	111,741,414	\$	111,094,230
Net (expense)/revenue	<u> </u>		÷	.,,	÷	,,	Ĺ	,,====
Governmental activities	\$	(26,931,144)	\$	(23,251,384)	\$	(33,123,369)	\$	(35,317,926)
Business-type activities	Ŷ	23,160,570	Ψ	85,681,700	Ψ	16,921,495	Ψ	12,098,010
Total primary government net expense	\$	(3,770,574)	\$	62,430,316	\$	(16,201,874)	\$	(23,219,916)

 2011	 2010	 2009	 2008		2007	 2006
\$ 9,393,530 2,374,321	\$ 9,076,669 2,345,178	\$ 8,696,162 2,381,380	\$ 6,978,982 2,457,868	\$	5,460,488 2,518,113	\$ 5,649,191 2,325,761
8,110,294	7,196,359	6,835,927	5,553,135		4,962,020	4,397,108
5,293,370	5,201,299	5,107,748	3,604,501		3,227,227	3,671,786
11,029,444 6,522,933	10,787,024 5,730,682	11,026,676 4,372,708	9,595,062 3,147,899		8,251,836 5,212,766	7,392,816 3,757,919
4,339,101	4,206,166	4,287,029	-		-	-
 3,656,673	 3,624,733	 3,650,386	 4,181,243		2,976,803	 2,010,409
 50,719,666	 48,168,110	 46,358,016	 35,518,690		29,204,990	 24,675,848
3,751,193	2,811,206	2,441,533	3,459,377		2,589,385	2,753,948
54,289,631	50,756,369	48,444,272	48,183,299		38,936,172	37,866,853
-	-	-	4,315,729		3,611,767	3,519,487
1,970,307	1,799,680	1,807,147	1,689,013		1,447,690	1,370,267
 22,224,364	 20,124,249	 20,011,184	 18,980,021		17,584,962	 15,668,061
 82,235,495	 75,491,504	 72,704,136	 76,627,439		61,178,616	 49,952,588
\$ 132,955,161	\$ 123,659,614	\$ 119,062,152	\$ 112,146,129	\$	90,383,606	\$ 74,628,436
\$ 2,252,608	\$ 2,150,107	\$ 1,481,954	\$ 1,391,416	\$	1,101,159	\$ 991,505
905,118	1,125,058	827,387	1,232,533		1,596,801	1,761,166
1,032,663	1,195,871	1,409,208	1,044,870		848,066	210,453
435,926 1,009,004	487,264 1,265,589	5,121 1,154,135	1,418,786 1,344,259		783,235 1,182,064	635,546 880,807
1,009,004	-	-	-		26,900	101,685
5,116,570	4,809,271	4,582,794	-		-	-
962,183	405,023	1,268,957	492,632		683,731	168,863
 4,422,720	 2,747,483	 1,600,980	 909,209		3,654,737	 6,153,637
 16,136,792	 14,185,666	 12,330,536	 7,833,705		10,903,662	 17,857,018
3,388,816	2,435,613	2,234,637	3,308,889		2,473,286	2,595,764
58,535,067	60,136,705	57,164,312	52,846,962		44,028,755	42,526,728
-	-	-	4,398,047		3,738,774	3,446,566
2,036,047 27,142,648	1,959,007 22,022,414	1,913,546 23,541,415	1,832,165 23,313,864		1,793,773 20,800,851	1,716,066 20,318,603
127,051	-	-	-		-	-
 2,062,382	 4,842,643	 17,378,138	 11,071,907		8,850,968	 14,217,294
 93,292,011	 91,396,382	 102,232,048	 96,771,834		84,821,021	 65,866,613
\$ 109,428,803	\$ 105,582,048	\$ 114,562,584	\$ 104,605,539	\$	95,724,683	\$ 83,723,631
\$ (34,582,874)	\$ (33,982,444)	\$ (34,027,480)	\$ (27,684,985)	\$	(18,301,328)	\$ (6,818,830)
 11,056,516	 15,904,878	 29,527,912	 20,144,395		23,642,405	 15,914,025
\$ (23,526,358)	\$ (18,077,566)	\$ (4,499,568)	\$ (7,540,590)	\$	5,341,077	\$ 9,095,195

CITY OF GEORGETOWN, TEXAS CHANGES IN NET POSITION (CONTINUED) LAST TEN FISCAL YEARS (ACCRUAL BASIS OF ACCOUNTING)

	2015	2014		2013	2012	
GENERAL REVENUES AND OTHER						
CHANGES IN NET POSITION						
Governmental activities						
Property tax	\$ 20,650,114	\$	18,984,850	\$ 17,037,036	\$ 15,751,826	
Sales tax	19,165,963		18,655,801	17,002,757	15,045,592	
Taxes - other	2,118,567		1,939,217	1,331,281	1,143,217	
Franchise taxes	4,925,043		4,478,899	4,471,487	3,924,052	
Interest on investments	201,492		169,477	241,449	230,788	
Other	82,963		36,854	1,129,389	710,403	
Transfers	 4,904,089		7,615,607	 11,719,799	 6,511,026	
Total governmental activities	\$ 52,048,231	\$	51,880,705	\$ 52,933,198	\$ 43,316,904	
Business-type activities						
Interest on investments	\$ 167,866	\$	98,015	\$ 126,322	\$ 156,329	
Other	-		-	4,919,258	4,003,968	
Transfers	 (4,904,089)		(7,615,607)	 (11,719,799)	 (6,511,026)	
Total business-type activities	 (4,736,223)		(7,517,592)	 (6,674,219)	 (2,350,729)	
Total primary government	\$ 47,312,008	\$	44,363,113	\$ 46,258,979	\$ 40,966,175	
CHANGES IN NET POSITION						
Governmental activities	\$ 25,117,087	\$	28,629,321	\$ 19,809,829	\$ 7,998,978	
Business-type activities	 18,424,347		78,164,108	 10,247,276	 9,747,281	
Total primary government	\$ 43,541,434	\$	106,793,429	\$ 30,057,105	\$ 17,746,259	

 2011	 2010	 2009	 2008	 2007	 2006
\$ 14,362,895	\$ 14,360,142	\$ 14,934,694	\$ 12,610,638	\$ 10,737,981	\$ 8,919,694
14,148,242	13,482,999	12,543,071	13,236,686	12,206,099	10,962,790
1,100,490	1,000,571	278,982	1,134,493	1,185,511	844,718
3,874,815	2,603,222	2,801,666	2,739,567	2,083,306	2,209,235
187,314	140,384	504,145	2,222,952	2,085,055	1,398,706
590,398	537,528	3,415,713	803,334	-	463,719
 6,871,447	 6,637,964	 8,184,258	 7,129,529	 5,987,414	 6,230,148
\$ 41,135,601	\$ 38,762,810	\$ 42,662,529	\$ 39,877,199	\$ 31,029,010	\$ 27,271,143
\$ 171,947	\$ 133,132	\$ 667,389	\$ 1,018,860	\$ 1,495,484	\$ 1,673,167
2,971,392	2,835,458	2,580,006	2,295,472	4,417,805	3,938,942
 (6,871,447)	(6,637,964)	 (8,184,258)	 (7,129,529)	 (5,987,414)	 (6,230,148)
 (3,728,108)	 (3,669,374)	 (4,936,863)	 (3,815,197)	 (618,039)	 (3,338,087)
\$ 37,407,493	\$ 35,093,436	\$ 37,725,666	\$ 36,062,002	\$ 30,410,971	\$ 23,933,056
\$ 6,552,727	\$ 4,780,366	\$ 8,635,049	\$ 12,192,214	\$ 12,727,682	\$ 20,452,313
 7,328,408	 12,235,504	 24,591,049	 16,329,198	 23,024,366	 12,575,938
\$ 13,881,135	\$ 17,015,870	\$ 33,226,098	\$ 28,521,412	\$ 35,752,048	\$ 33,028,251

CITY OF GEORGETOWN, TEXAS FUND BALANCES OF GOVERNMENTAL FUNDS LAST TEN FISCAL YEARS (MODIFIED ACCRUAL BASIS OF ACCOUNTING)

	2015	2014	2013	2012	2011
General fund					
Nonspendable					
Prepaids and inventory	\$ 66,702	\$ 22,810	\$ 18,697	\$ 2,110	\$ 9,061
Committed					
Contingency	7,695,000	7,500,000	7,400,000	7,000,000	6,847,000
Assigned					
Encumbrances	1,835,134	1,755,953	1,631,482	1,210,247	1,403,968
Unassigned	 2,407,019	 2,893,916	 3,999,924	 2,419,053	 1,894,618
Total general fund	\$ 12,003,855	\$ 12,172,679	\$ 13,050,103	\$ 10,631,410	\$ 10,154,647
Other governmental funds					
Restricted					
Debt service	\$ 1,489,314	\$ 1,268,186	\$ 1,109,220	\$ 1,749,324	\$ 1,976,586
Bond funds	15,336,646	14,840,447	15,438,897	18,112,419	17,748,555
Hotel/motel tax	544,252	579,118	515,525	526,488	460,582
Street maintenance tax	2,534,655	2,773,940	5,029,263	4,205,153	3,215,322
Other purposes	344,436	352,032	188,072	244,969	306,926
Committed					
Other capital projects	8,489,829	12,386,987	12,292,845	8,770,010	10,682,665
Nonmajor funds	4,202,843	4,009,871	2,174,368	2,293,194	1,899,631
Assigned					
Encumbrances	7,606,841	13,385,685	25,444,232	8,891,080	6,105,133
Unassigned	 (663,535)	 -	 -	 -	 -
Total all other governmental funds	\$ 39,885,281	\$ 49,596,266	\$ 62,192,422	\$ 44,792,637	\$ 42,395,400

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.

	 2010	 2009	 2008	 2007	 2006
General fund Reserved Unreserved	\$ 1,160,195 8,601,923	\$ 1,001,111 9,506,572	\$ 955,743 10,986,752	\$ 1,342,069 9,223,131	\$ 1,038,758 7,917,556
Total general fund	\$ 9,762,118	\$ 10,507,683	\$ 11,942,495	\$ 10,565,200	\$ 8,956,314
Other governmental funds Reserved Unreserved, reported in Special revenue funds	\$ 30,050,627 -	\$ 29,932,873 -	\$ 10,889,998	\$ 20,648,352	\$ -
Capital projects funds Total all other governmental funds	\$ 30,050,627	\$ 	\$ 18,173,048	\$ 19,043,457 39,691,809	\$ 9,778,067

CITY OF GEORGETOWN, TEXAS CHANGES IN FUND BALANCES OF GOVERNMENTAL FUNDS LAST TEN FISCAL YEARS (MODIFIED ACCRUAL BASIS OF ACCOUNTING)

	 2015	 2014	 2013	 2012
REVENUES				
Property taxes	\$ 21,638,850	\$ 19,921,148	\$ 17,197,460	\$ 15,883,636
Property assessment	1,082,465	1,017,316	387,290	353,269
Sales tax and other taxes	19,165,963	18,655,801	17,790,450	15,698,207
Franchise taxes	4,925,043	4,478,899	4,471,487	3,924,052
Licenses and permits	2,002,380	1,932,563	1,536,660	1,236,478
Charges for service	10,671,299	9,762,561	9,479,669	8,493,243
Fine and forfeitures	586,853	668,566	739,556	682,760
Donations and grants	1,435,279	8,236,215	3,979,292	1,687,184
Investment income	172,952	152,252	212,629	230,788
Other revenue	 2,106,152	 1,474,961	 2,960,559	 2,870,008
Total revenues	 63,787,236	 66,300,282	 58,755,052	 51,059,625
EXPENDITURES				
Culture - recreation	10,448,536	9,613,918	9,262,282	8,377,084
Development	2,322,321	2,299,379	1,626,315	2,155,243
Fire services	11,513,926	9,748,456	8,804,938	8,253,567
General government	4,115,280	3,412,293	3,144,173	3,178,251
Highways and streets	6,075,407	8,810,437	3,422,340	5,061,214
Police	13,010,497	11,875,081	11,677,968	10,577,384
Environmental services	5,703,227	5,092,327	4,857,396	4,823,170
Capital outlay Debt service	24,006,253	32,164,540	16,760,621	15,938,457
Principal retirement	7,868,518	7,765,414	6,452,644	5,533,987
Interest and fiscal charges	 4,595,331	 4,449,327	 3,771,791	 4,094,247
Total expenditures	 89,659,296	 95,231,172	 69,780,468	 67,992,604
Excess (deficiency) of revenues				
over expenditures	(25,872,060)	(28,930,890)	(11,025,416)	(16,932,979)
Other financing sources (uses)				
Transfers in	10,972,315	12,570,645	13,969,841	9,734,354
Transfers out	(9,313,269)	(7,506,242)	(4,331,850)	(5,492,299)
Premiums on issuance of bonds	1,001,947	-	-	-
Sale of property	-	3,550,000	-	-
Payment to refunding escrow agent	(14,098,445)	(11,911,063)	(11,356,689)	(3,416,787)
Bonds issued	 27,429,703	 18,753,970	 32,562,592	 18,981,711
Total other financing sources (uses)	 15,992,251	 15,457,310	 30,843,894	 19,806,979
NET CHANGE IN FUND BALANCES	\$ (9,879,809)	\$ (13,473,580)	\$ 19,818,478	\$ 2,874,000
Debt service as a percentage of noncapital				
expenditures	19.0%	19.4%	19.3%	18.5%

 2011	 2010	 2009		2008	 2007		2006
\$ 14,591,564	\$ 14,572,432	\$ 14,169,419	\$	12,703,509	\$ 10,938,488	\$	9,047,916
313,093	262,060	278,982		210,659	155,864		173,011
14,724,741	13,987,624	13,289,438		14,000,228	13,053,780		11,495,335
3,874,815	2,603,222	2,801,666		2,739,567	2,083,306		2,209,235
890,948	841,392	791,882		1,158,433	1,527,886		1,723,082
8,199,073	8,157,465	7,687,489		2,289,493	1,830,286		1,067,460
810,950	1,060,361	981,228		1,110,815	1,067,934		907,983
4,121,625	3,078,392	2,058,301		298,803	683,731		168,863
187,313	140,384	737,755		2,222,952	2,085,055		1,398,706
 1,735,082	 1,585,584	 1,897,179		2,823,254	 1,112,119		1,428,485
 49,449,204	 46,288,916	 44,693,339		39,557,713	 34,538,449		29,620,076
8,229,049	7,773,346	7,535,763		6,325,780	5,397,344		4,968,902
2,195,537	2,088,809	2,213,899		2,454,810	2,611,432		2,127,927
7,725,794	6,909,597	6,597,024		5,380,247	4,903,325		4,171,527
3,595,481	3,288,185	3,324,758		3,038,876	3,018,023		2,302,417
6,044,755	5,171,678	3,840,312		2,768,367	1,739,495		1,761,494
10,221,220	10,026,352	10,137,983		9,222,704	8,162,359		7,070,088
4,321,888	4,199,433	4,285,345		-		-	
12,604,835	8,930,286	12,444,569		21,622,846	15,538,147		15,950,142
4,998,369	4,791,550	4,478,467		3,495,684	2,755,592		2,387,035
 3,686,318	 3,642,426	 3,608,738		4,480,504	 2,909,116		2,307,846
 63,623,246	 56,821,662	 58,466,858		58,789,818	 47,034,833		43,047,378
(14,174,042)	(10,532,746)	(13,773,519)		(19,232,105)	(12,496,384)		(13,427,302)
7,915,723	8,895,212	10,055,272		10,196,752	7,823,154		8,580,426
(2,654,379)	(2,847,628)	(3,367,769)		(4,658,144)	(3,558,105)		(3,940,019)
-	-	-		- 47,029	- 54,599		- 31,102
-	-	-		-	(3,160,147)		(7,736,794)
 21,650,000	 3,857,351	 6,575,000		4,395,000	 31,645,334		20,300,000
 26,911,344	 9,904,935	 13,262,503		9,980,637	 32,804,835		17,234,715
\$ 12,737,302	\$ (627,811)	\$ (511,016)	\$	(9,251,468)	\$ 20,308,451	\$	3,807,413
17.0%	17.6%	17.6%		19.5%	18.0%		17.3%

CITY OF GEORGETOWN, TEXAS PROPERTY TAX RATES, LEVIES AND COLLECTIONS LAST TEN FISCAL YEARS (MODIFIED ACCRUAL BASIS OF ACCOUNTING)

FISCAL YEAR	TAX RATE	GENERAL FUND	INTEREST AND SINKING FUND	 TOTAL TAX LEVY	C	CURRENT TAX DLLECTIONS	PERCENT OF LEVY COLLECTED
2006	0.3462	0.2071	0.1391	\$ 9,442,953	\$	9,096,910	96.34%
2007	0.3673	0.2198	0.1475	11,500,980		11,138,968	96.85%
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%

Source: City of Georgetown Tax $\ensuremath{\mathsf{Assessor}}$.

Linquent Tax Lections	TOTAL TAX COLLECTIONS		TOTAL COLLECTIONS AS A PERCENT OF CURRENT LEVY	OUTSTANDING DELINQUENT TAXES		OUTSTANDING DELINQUENT TAXES AS A PERCENT OF CURRENT LEVY
\$ 76,076	\$	9,172,986	97.14%	\$	277,077	2.93%
111,061		11,250,029	97.82%		250,951	2.18%
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%

CITY OF GEORGETOWN, TEXAS ASSESSED AND ESTIMATED ACTUAL VALUE OF TAXABLE PROPERTY LAST TEN FISCAL YEARS

	REAL PROPE	RTY	PERSONAL P	ROPERTY
FISCAL YEAR	ASSESSED VALUE (1)	ESTIMATED ACTUAL VALUE	ASSESSED VALUE (1)	ESTIMATED ACTUAL VALUE
2006	\$2,367,099,144	\$2,367,099,144	\$157,265,408	\$157,265,408
2007	2,749,816,041	2,749,816,041	136,821,317	136,821,317
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

Source: City of Georgetown Tax Assessor.

(1) Net of exemptions.

т	DTAL	TOTAL	RATIO OF TOTAL
ASSESSED VALUE (1)	ESTIMATED ACTUAL VALUE	DIRECT TAX RATE	ASSESSED VALUE TO TOTAL ESTIMATED ACTUAL VALUE
\$2,524,364,552	\$2,524,364,552	0.3462	100.00%
2,886,637,358	2,886,637,358	0.3673	100.00%
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%

CITY OF GEORGETOWN, TEXAS PROPERTY TAX RATES – DIRECT AND OVERLAPPING GOVERNMENTS (PER \$100 OF ASSESSED VALUE) LAST TEN FISCAL YEARS

_	CIT	TY OF GEORGETOWN				
FISCAL YEAR	GENERAL FUND	DEBT SERVICE FUND	TOTAL CITY	GEORGETOWN INDEPENDENT SCHOOL DISTRICT	WILLIAMSON COUNTY	TOTAL
2006	0.21	0.14	0.35	1.73	0.50	2.58
2007	0.22	0.15	0.37	1.63	0.50	2.50
2008	0.20	0.15	0.35	1.29	0.49	2.13
2009	0.20	0.15	0.35	1.29	0.47	2.11
2010	0.21	0.14	0.35	1.29	0.49	2.13
2011	0.21	0.14	0.35	1.36	0.46	2.17
2012	0.22	0.16	0.38	1.40	0.46	2.24
2013	0.24	0.17	0.41	1.40	0.45	2.26
2014	0.22	0.22	0.44	1.40	0.49	2.33
2015	0.21	0.23	0.44	1.40	0.48	2.32

Source: Information furnished by respective tax assessors.

CITY OF GEORGETOWN, TEXAS PRINCIPAL PROPERTY TAXPAYERS CURRENT YEAR & NINE YEARS AGO

			2015			2006	
TAXPAYER	TYPE OF BUSINESS	ASSESSED VALUE	RANK	PERCENTAGE OF TOTAL ASSESSED VALUE(1)	ASSESSED VALUE	RANK	PERCENTAGE OF TOTAL ASSESSED VALUE(1)
Citigroup Technology Inc	Development	\$ 90,210,705	1	1.72%			
WPG Wolf Ranch LP	Development	64,547,444	2	1.23%	\$ 15,683,108	2	0.59%
St. David's Healthcare Partners	Hospital	33,078,706	3	0.63%			
Citicorp North America	Development	31,901,121	4	0.61%			
The Bassham Trust	Development	31,257,791	5	0.60%			
Two Rivers GT Ltd	Development	21,856,089	6	0.42%			
South Austin Ave Prof Bldg	Healthcare	21,262,559	7	0.40%			
Georgetown Rail & Equipment Co	Railroad Solutions	17,244,670	8	0.33%			
Hewlett Holdings, Ltd	Automobile Dealer	16,325,660	9	0.31%	8,867,150	9	0.34%
Westinghouse Pointe Apts	Apartments	16,130,000	10	0.31%			
Del Webb Texas Ltd	Development				16,709,092	1	0.63%
Verizon Southwest	Utility				15,156,864	3	0.57%
Wal-Mart Real Estate	Retail				13,458,930	4	0.51%
KH-Georgeotwn Partners Ltd	Development				10,562,159	5	0.40%
Rivery Towne Crossing LP	Development				10,428,931	6	0.39%
HE Butt Grocery Company	Retail				10,063,953	7	0.38%
Rivery Partners Ltd	Development				9,919,492	8	0.38%
Mak Haik Ford Lincoln Mercury	Automobile Dealer				8,761,920	10	0.33%
Total		\$343,814,745		6.54%	\$ 119,611,599		4.53%

Source: City Tax Assessor/Collector.

(1) The total assessed valuation for the fiscal year ended September 30, 2015 was certified at \$5,253,246,873.

CITY OF GEORGETOWN, TEXAS TAXABLE SALES BY CATEGORY LAST TEN FISCAL YEARS

NAICS Sectors	2015*	2014	2013	2012
Agriculture/Forestry/Fishing/Hunting	\$ 66	\$ 448	\$ -	\$ 4,825
Mining, quarrying, oil & gas extraction	-	-	-	-
Utilities	23,037,250	21,368,744	19,031,408	19,253,904
Construction	33,485,247	33,585,485	5,384,717	4,967,279
Manufacturing	5,902,324	5,486,476	8,554,720	4,585,577
Wholesale trade	14,252,684	14,122,397	16,091,304	16,186,257
Retail trade	505,621,582	468,668,683	446,244,500	405,055,103
Transportation, warehousing	1,070,193	1,316,100	1,218,175	1,242,589
Information	43,041,680	40,292,168	33,781,552	30,485,692
Finance, insurance	653,425	578,893	563,947	482,899
Real estate, rental, leasing	2,641,793	3,000,201	2,370,540	2,165,251
Professional, scientific, technical svcs	7,881,579	7,237,174	8,234,560	7,522,451
Management of companies, enterprises	-	-	-	-
Admin, support, waste mgmt, remediation svcs	5,501,173	4,548,385	4,190,713	3,601,364
Educational svcs	318,779	344,038	359,795	372,185
Healthcare, social assistance	455,525	279,142	213,183	308,645
Arts, entertainment, recreation	12,822,881	11,347,603	11,787,222	11,914,044
Accommodation, food services	115,159,192	104,451,832	97,227,191	86,308,956
Other svcs (except public administration)	28,376,223	28,483,626	24,097,238	18,603,403
Public administration	42,197	31,222	53,482	20,023
Other	 324	-	 -	 -
Total	\$ 800,264,118	\$ 745,142,617	\$ 679,404,247	\$ 613,080,447
City direct sales tax rate	2.00%	2.00%	2.00%	2.00%

Source: Window on State Government - Susan Combs, 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.

*2015 is projected as 4th Quarter actuals were not in at time of update.

2010	2009	2008	2007	2006	
\$-	\$-	\$-	\$-	\$-	
-	445,156	416,435	-	7,434,128	
20,319,600	18,647,965	16,475,883	13,957,517	13,957,517	
3,625,542	4,250,912	4,361,179	4,620,912	7,167,280	
6,061,597	5,748,311	9,390,419	8,796,766	3,667,839	
10,063,489	13,253,476	16,269,671	23,911,829	19,394,697	
380,552,640	367,257,156	383,981,936	367,740,330	343,600,743	
767,634	1,178,847	1,558,622	1,926,996	1,471,067	
27,915,345	26,448,683	26,845,497	24,852,272	22,752,620	
459,699	380,069	357,522	358,689	382,058	
2,716,214	2,389,616	2,862,995	4,007,642	6,328,408	
5,294,148	4,586,618	6,435,627	6,124,832	6,206,899	
-	-	-	-	-	
3,464,947	3,141,955	3,658,966	3,155,585	3,581,585	
28,427	46,588	40,108	28,053	18,923	
389,729	283,517	221,776	167,879	162,620	
10,983,705	10,424,729	9,975,461	7,972,749	4,718,667	
76,959,382	75,006,166	74,477,233	66,071,016	56,700,789	
15,102,925	14,421,211	14,341,106	14,192,006	12,205,808	
34,518	33,271	24,072	-	2,624,994	
547		6,797	647	11,700	
\$ 564,740,088	\$ 547,944,246	\$ 571,701,305	\$ 547,885,720	\$ 512,388,342	
	20,319,600 3,625,542 6,061,597 10,063,489 380,552,640 767,634 27,915,345 459,699 2,716,214 5,294,148 - 3,464,947 28,427 389,729 10,983,705 76,959,382 15,102,925 34,518	$\begin{array}{cccc} & 445,156\\ 20,319,600 & 18,647,965\\ 3,625,542 & 4,250,912\\ 6,061,597 & 5,748,311\\ 10,063,489 & 13,253,476\\ 380,552,640 & 367,257,156\\ 767,634 & 1,178,847\\ 27,915,345 & 26,448,683\\ 459,699 & 380,069\\ 2,716,214 & 2,389,616\\ 5,294,148 & 4,586,618\\ \hline & & & & & & & & & & & \\ & & & & & & $	$\begin{array}{cccccccccccccccccccccccccccccccccccc$	$\begin{array}{c ccccccccccccccccccccccccccccccccccc$	

CITY OF GEORGETOWN, TEXAS DIRECT AND OVERLAPPING SALES TAX RATES LAST TEN FISCAL YEARS

FISCAL YEAR	CITY DIRECT RATE	STATE OF TEXAS
2006	2%	6.25%
2007	2%	6.25%
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%

Source: Information furnished by City of Georgetown.

CITY OF GEORGETOWN, TEXAS SALES TAX REVENUE PAYERS BY INDUSTRY FISCAL YEARS 2015 AND 2006

			2015 *			
NAICS Sectors	Number of Filers	Percent of Total		Tax Liability	Percent of Total	
Agriculture/Forestry/Fishing/Hunting	3	0.18%	\$ 66	\$-	0.00%	
Mining, quarrying, oil & gas extraction	2	0.12%	-	-	0.00%	
Utilities	7	0.43%	23,037,250	460,745	2.88%	
Construction	113	6.96%	33,485,247	669,705	4.18%	
Manufacturing	96	5.91%	5,902,324	118,046	0.74%	
Wholesale trade	58	3.57%	14,252,684	285,054	1.78%	
Retail trade	597	36.76%	505,621,582	10,112,432	63.18%	
Transportation, warehousing	15	0.92%	1,070,193	21,404	0.13%	
Information	25	1.54%	43,041,680	860,834	5.38%	
Finance, insurance	15	0.92%	653,425	13,069	0.08%	
Real estate, rental, leasing	28	1.72%	2,641,793	52,836	0.33%	
Professional, scientific, technical svcs	124	7.64%	7,881,579	157,632	0.98%	
Management of companies, enterprises	1	0.06%	-	-	0.00%	
Admin, support, waste mgmt, remediation svcs	98	6.03%	5,501,173	110,023	0.69%	
Educational svcs	9	0.55%	318,779	6,376	0.04%	
Healthcare, social assistance	25	1.54%	455,525	9,111	0.06%	
Arts, entertainment, recreation	43	2.65%	12,822,881	256.458	1.60%	
Accommodation, food services	166	10.22%	115,159,192	2,303,184	14.39%	
Other svcs (except public administration)	147	9.05%	28,376,223	567,524	3.55%	
Public administration	6	0.37%	42,197	844	0.01%	
Other	46	2.83%	324		0.00%	
Totals	1,624	100.00%	\$ 800,264,118	\$ 16,005,275	100.00%	

			2006		
NAICS Sectors	Number of Filers	Percent of Total		Tax Liability	Percent of Total
Agriculture/Forestry/Fishing/Hunting	2	0.18%	\$-	\$-	0.00%
Mining, quarrying, oil & gas extraction	3	0.27%	7,434,128	-	0.00%
Utilities	7	0.62%	13,957,517	-	0.00%
Construction	90	7.96%	7,167,280	125,427	1.46%
Manufacturing	63	5.58%	3,667,839	64,187	0.75%
Wholesale trade	53	4.69%	19,394,697	339,407	3.95%
Retail trade	450	39.82%	343,600,743	6,013,013	69.98%
Transportation, warehousing	24	2.12%	1,471,067	25,744	0.30%
Information	20	1.77%	22,752,620	398,171	4.63%
Finance, insurance	9	0.80%	382,058	6,686	0.08%
Real estate, rental, leasing	23	2.04%	6,328,408	110,747	1.29%
Professional, scientific, technical svcs	98	8.67%	6,206,899	108,621	1.26%
Management of companies, enterprises	1	0.09%	-	-	0.00%
Admin, support, waste mgmt, remediation svcs	98	8.67%	3,581,585	62,678	0.73%
Educational svcs	7	0.62%	18,923	-	0.00%
Healthcare, social assistance	16	1.42%	162,620	2,846	0.03%
Arts, entertainment, recreation	24	2.12%	4,718,667	82,577	0.96%
Accommodation, food services	24	2.12%	56,700,789	992,264	11.55%
Other svcs (except public administration)	96	8.50%	12,205,808	213,602	2.49%
Public administration	3	0.27%	2,624,994	45,937	0.53%
Other	19	1.68%	11,700	205	0.00%
Totals	1,130	100.00%	\$ 512,388,342	\$ 8,592,111	100.00%

Source: Window on State Government.

Notes: The City direct sales tax rate for 2015 and 2006 is 2% and 1.75%, respectively. Due to confidentiality issues, the names of the ten largest 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.

CITY OF GEORGETOWN, TEXAS RATIOS OF OUTSTANDING DEBT BY TYPE LAST TEN FISCAL YEARS

		Gover	rnmental Activities		Business-Type Activities				
Fiscal Year	 General Obligation Bonds		Sales Tax Revenue Bonds		Capital Leases		Revenue Bonds		General Obligation Bonds
2006	\$ 54,429,567	\$	-	\$	142,633	\$	45,885,000	\$	4,265,434
2007	68,855,734		11,330,000		74,944		51,070,000		4,539,267
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

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

 Total Primary Government	Percentage of Personal Income	Per Capita			
\$ 104,722,634	13.44%	\$	2,530		
135,869,945	11.73%		3,080		
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		

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

FISCAL YEAR	POPULATION	 ASSESSED VALUE (1)	TAXABLE ASSESSED VALUATION PER CAPITA			GROSS BONDED DEBT (2)	LESS DEBT SERVICE FUNDS AVAILABLE	
2006	41,395	\$ 2,524,364,552	\$	60,982	\$	58,695,001	\$	878,668
2007	44,117	2,886,637,358		65,431.41		73,395,001		1,329,213
2008	45,710	3,569,284,321		78,085.42		74,955,000		1,224,087
2009	46,787	4,014,755,631		85,809.21		83,105,000		2,530,149
2010	47,865	4,026,893,772		84,130.24		86,310,000		2,274,235
2011	48,902	4,055,948,951		82,940.35		102,595,000		1,976,586
2012	49,543	4,196,184,135		84,697.82		111,975,000		1,749,324
2013	50,513	4,416,008,010		87,423.20		131,190,000		1,109,220
2014	52,214	4,598,213,076		88,064.75		130,085,001		1,268,186
2015	56,798	5,127,918,626		90,283.44		139,380,005		1,489,313

Sources: City of Georgetown Planning and Development Division and the Georgetown Chamber of Commerce.

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

(1) Net of exemptions.

(2) Includes all long-term general obligation debt.

(3) Less debt service funds available.

 NET BONDED DEBT	RATIO OF NET BONDED DEBT TO ASSESSED VALUE (3)	RATIO OF GROSS BONDED DEBT TO ASSESSED VALUE (3)	1	NET BONDED DEBT PER CAPITA (3)	I	TAL BONDED DEBT PER CAPITA (3)
\$ 36,705,188	1.45%	2.29%	\$	886.71	\$	1,396.70
46,457,633	1.61%	2.50%		1,053.06		1,633.52
52,564,440	1.47%	2.07%		1,149.95		1,613.01
54,882,326	1.37%	2.01%		1,173.03		1,722.16
55,291,719	1.37%	2.09%		1,155.16		1,755.68
73,396,051	1.81%	2.48%		1,500.88		2,057.55
83,698,631	1.99%	2.63%		1,689.41		2,224.85
101,604,245	2.30%	2.95%		2,011.45		2,575.19
128,816,815	2.80%	2.80%		2,467.09		2,467.09
137,890,692	2.69%	2.69%		2,427.74		2,427.74

CITY OF GEORGETOWN, TEXAS COMPUTATION OF DIRECT AND ESTIMATED OVERLAPPING BONDED DEBT LAST TEN FISCAL YEARS

		DE	BT	CITY'S SHARE (2)						
TAXING BODY	TAXING BODY AMOU		AS OF	PERCENT		AMOUNT	C/	PER APITA (1)		
ESTIMATED OVERLAPPING	DEBT	:								
Georgetown I.S.D.	\$	204,585,000	December 31, 2015	88.11%	\$	180,269,921	\$	3,174		
Williamson County		1,032,015,301 *	September 30, 2015	11.61%		119,808,697		2,109		
Total estimated overlapping debt		1,236,600,301		24.27%		300,078,618		5,282		
DIRECT DEBT - City of										
Georgetown		130,720,746	September 30, 2015	100.00%		130,720,746	. <u> </u>	2,302		
DIRECT AND ESTIMATED										
OVERLAPPING DEBT	\$	1,367,321,047			\$	430,799,364	\$	7,584		

RATIO OF DIRECT AND OVERLAPPING TAX SUPPORTED DEBT TO TAXABLE ASSESSED VALUATION

Source: Jurisdiction listed.

(1) GISD population - 64,482 (estimate)

Williamson County population - 489,250

City of Georgetown population - 56,798

(2) Information represents the share of the respective debt which are obligations of the citizens

of the City of Georgetown

* Includes Williamson County and Avery Ranch



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CITY OF GEORGETOWN, TEXAS COMPUTATION OF LEGAL DEBT MARGIN LAST TEN FISCAL YEARS

	2015		 2014	 2013	2012	
Debt Limit	\$	57,689,085	\$ 51,729,897	\$ 49,680,090	\$	47,207,072
Total net debt applicable to limit (1)		6,652,866	 6,521,597	 8,570,145		7,350,236
Legal debt margin	\$	51,036,219	\$ 45,208,300	\$ 41,109,945	\$	39,856,836
Total net debt applicable to limit as a percentage of debt limit		11.53%	12.61%	17.25%		15.57%
ASSESSED VALUATION 2015					\$	5,127,918,626
Allowable tax levy for annual debt service purpose: \$1.25 per \$100 of assessed valuation, assuming 90% collection rate					\$	57,689,085
2015 annual debt service requirements for general oblig Principal Interest and fiscal charges	gation	debt:		\$ 6,652,866 4,107,267		10,760,133
Legal margin for annual debt service requirements					\$	46,928,952

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.

(1) 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.

 2011	 2010	2009		2009 2008		2007		2006	
\$ 45,629,426	\$ 45,302,549	\$	45,166,001	\$	40,154,449	\$	32,474,670	\$	28,399,101
 8,640,634	 8,043,904		7,664,261		7,614,171		5,278,417		4,916,116
\$ 36,988,792	\$ 37,258,645	\$	37,501,740	\$	32,540,278	\$	27,196,253	\$	23,482,985
18.94%	17.76%		16.97%		18.96%		16.25%		17.31%

CITY OF GEORGETOWN, TEXAS REVENUE BOND COVERAGE UTILITY FUNDS (1) LAST TEN FISCAL YEARS

FISCAL YEAR	ELIGIBLE REVENUES						NET REVENUE AVAILABLE FOR DEBT SERVICE		
2006	\$	66,723,744	\$	1,600,113	\$	46,356,026	\$	21,967,831	
2007		69,197,587		1,408,260		48,565,015		22,040,832	
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	

Source: Finance and Administration Division.

Notes: (1) Electric, Water and Wastewater only.

	DE	BT SERV	ICE REQUIREMEN	ITS		
F	PRINCIPAL		EREST AND		TOTAL	TIMES COVERAGE
\$	3,049,012	\$	2,006,822	\$	5,055,834	4.35
	2,721,700		2,086,849		4,808,549	4.58
	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
	15,775,000		1,852,459		17,627,459	1.20
	10,920,000		2,457,650		13,377,650	2.16

CITY OF GEORGETOWN, TEXAS UTILITY SYSTEM CONDENSED STATEMENT OF OPERATIONS (1) FOR THE LAST TEN FISCAL YEARS

	2015	2014	2013	2012
Revenues:				
Water System	\$ 26,358,532	\$ 24,953,208	\$ 24,930,408	\$ 25,026,601
Electric System	60,870,094	58,017,664	53,780,319	58,403,735
Miscellaneous	14,746,510	4,997,415	4,888,117	3,966,677
Interest Earnings	164,921	93,850	118,277	144,460
Total revenues	102,140,057	88,062,137	83,717,121	87,541,473
Expenses: (1)				
Water System	11,885,339	8,561,671	7,737,541	7,053,864
Electric System	8,259,062	7,056,224	7,265,433	8,828,039
Utility Contracts	55,419,233	55,147,284	43,800,420	50,650,087
Total expenses	75,563,634	70,765,179	58,803,394	66,531,990
NET AVAILABLE FOR DEBT SERVICE	\$ 26,576,423	\$ 17,296,958	\$ 24,913,727	\$ 21,009,483

Notes:

1) Excludes depreciation costs

2) Electric, Water & Wastewater only

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

Average Annual Principal and Interest Requirements, 2016-2035 Coverage of Average Requirements by Fiscal Year 2015 Net Income	\$ 5,060,277 5.25
Maximum Principal and Interest Requirements, 2016 Coverage of Maximum Requirements by Fiscal Year 2015 Net Income	\$ 8,095,273 3.28

	2011	 2010	_	2009	 2008	 2007	 2006
\$ 2	25,896,644	\$ 20,632,604	\$	22,200,768	\$ 21,424,897	\$ 18,725,977	\$ 19,709,559
5	57,694,311	59,058,745		56,154,879	51,833,477	42,805,466	41,338,196
	2,927,695	2,789,797		2,779,486	5,146,212	7,666,144	5,675,987
	159,888	 116,458		392,080	 955,680	 1,408,260	 1,600,113
	86,678,538	 82,597,604		81,527,213	 79,360,266	 70,605,847	 68,323,855
	7,708,924	6,677,890		6,875,473	6,249,197	3,166,679	3,192,839
	5,554,896	4,821,255		5,270,740	1,230,199	4,275,353	3,360,467
	52,007,697	 48,329,829		46,549,704	 50,443,511	 41,122,983	 39,802,720
	65,271,517	 59,828,974		58,695,917	 57,922,907	 48,565,015	 46,356,026
\$ 2	21,407,021	\$ 22,768,630	\$	22,831,296	\$ 21,437,359	\$ 22,040,832	\$ 21,967,829

CITY OF GEORGETOWN, TEXAS UTILITY SYSTEM CONDENSED STATEMENT OF OPERATIONS (2) FOR THE LAST TEN FISCAL YEARS

	2015	2014	2013	2012
Utility system (1)	\$ 457,712,841	\$ 424,822,231	\$ 338,199,636	\$ 313,923,709
Less: Accumulated depreciation	(110,006,443)	(99,974,691)	(91,339,365)	(82,719,027)
Net value of system	347,706,398	324,847,540	246,860,271	231,204,682
Plus: Construction fund	5,468,908	4,910,605	12,193,462	22,866,932
Net plant	353,175,306	329,758,145	259,053,733	254,071,614
Plus: Working capital	65,108,279	51,655,164	35,992,864	33,419,764
Total	418,283,585	381,413,309	295,046,597	287,491,378
Revenue bond debt (2)	79,967,207	74,051,097	59,028,078	59,050,004
CITY'S EQUITY IN SYSTEM	\$ 338,316,378	\$ 307,362,212	\$ 236,018,519	\$ 228,441,374
PERCENTAGE CITY'S EQUITY IN SYSTEM	80.88%	80.59%	79.99%	79.46%

Notes:

(1) Electric, Water and Wastewater Funds only

(2) 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.

 2011	 2010	 2009	 2008	 2007	 2006
\$ 306,424,774	\$ 286,216,930	\$ 273,482,065	\$ 251,560,756	\$ 215,276,162	\$ 185,294,457
 (76,797,760)	 (67,645,584)	 (58,659,325)	 (53,420,721)	 (51,053,351)	 (45,184,081)
229,627,014	218,571,346	214,822,740	198,140,035	164,222,811	140,110,376
 11,692,027	 14,038,615	 10,101,805	 5,280,337	 5,820,263	 9,470,135
241,319,041	232,609,961	224,924,545	203,420,372	170,043,074	149,580,511
 35,700,091	 40,784,075	 27,713,059	 29,899,639	 28,736,708	 30,833,629
277,019,132	273,394,036	252,637,604	233,320,011	198,779,782	180,414,140
 64,540,000	 68,809,999	 59,589,999	 57,280,000	 51,070,000	 45,885,000
\$ 212,479,132	\$ 204,584,037	\$ 193,047,605	\$ 176,040,011	\$ 147,709,782	\$ 134,529,140
76.70%	74.83%	76.41%	75.45%	74.31%	74.57%

CITY OF GEORGETOWN, TEXAS DEMOGRAPHIC & ECONOMIC STATISTICS LAST TEN FISCAL YEARS

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			Per		
 Fiscal Year	Population	 Personal Income	 Capita Personal Income	School Enrollment	Unemployment Rate
2006	41,395	\$ 1,407,016,050	\$ 33,990	9,400	4.09%
2007	44,117	1,593,550,157	36,121	9,900	3.80%
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%

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 19, 2015.

Population for 2015 reflects city's population estimate for month ending Sep 30, 2015.

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

CITY OF GEORGETOWN, TEXAS PRINCIPAL EMPLOYERS CURRENT YEAR AND NINE YEARS AGO

		2015			2006	
			Percentage of Total City			Percentage of Total City
Employer	Employees	Rank	Employment	Employees	Rank	Employment
Williamson County Govt	1,582	1	2.89%	1,300	2	3.28%
Georgetown ISD	1,550	2	2.83%	1,420	1	3.59%
City of Georgetown	670	3	1.22%	453	6	1.14%
St. David's Hospital	512	4	0.94%	600	3	1.51%
Airborn, Inc	482	5	0.88%	230	10	0.58%
Southwestern University	450	6	0.82%	583	4	1.47%
Wesleyan Homes	340	7	0.62%	240	9	0.61%
HE Butt Grocery	283	8	0.52%	477	5	1.20%
Caring Home Health	269	9	0.49%	-		0.00%
Sun City (Del Webb)	170	10	0.31%	240	8	0.61%
Walmart				306	7	0.77%
Totals	6,308		11.53%	5,849		14.77%

Source: Economic Development Department

CITY OF GEORGETOWN, TEXAS FULL TIME EQUIVALENT CITY GOVERNMENT EMPLOYEES BY FUNCTION LAST TEN FISCAL YEARS

	2015	2014	2013	2012
Function				
General Government				
Culture & Recreation				
Administration	5.00	3.50	3.50	3.00
Parks	21.50	20.50	20.50	22.50
Recreation	41.50	38.50	38.50	38.50
Rec. Programs	4.00	3.50	3.50	3.00
Library	21.50	21.50	21.50	22.50
Development				
Administration	-	-	-	-
Planning	9.00	8.00	8.00	11.00
Current Planning	-	-	-	-
Long Range Planning	-	-	-	-
Inspection Svcs.	10.00	10.00	10.00	12.00
Code Enforcement	5.00	4.00	4.00	4.00
Environmental				
Environmental Svcs.	1.00	1.00	1.00	1.00
Fire Services		1.00	1.00	
Fire Based Paramedic Progra	15.00	-	-	-
Support Svcs.	13.00	7.00	6.00	7.00
Emergency Svcs	81.00	86.00	84.00	84.00
General Government	01.00	00.00	01.00	01.00
General Government	3.00	2.00	2.00	2.00
City Secretary	5.00	4.00	-	-
City Council	-	-	3.00	3.00
City Manager's Office	4.00	4.50	5.50	3.50
Highways / Streets	1.00	1.00	0.00	0.00
Transportation Admin.	3.00	3.00	2.00	2.00
Streets	18.75	18.75	18.75	18.75
Police Services	10.70	10.70	10.70	10.70
Administration	4.00	4.00	4.00	5.00
Support Svcs.	-	-	-	-
Field Operations	101.50	98.00	98.00	99.00
Animal Svcs.	101.50	10.50	9.25	8.50
Municipal Court	7.00	7.00	9.25 6.00	7.00
Fleet Services	8.00	8.00	8.00	6.50
Facilities Maintenance	7.00	7.00	6.00	7.00
Information Technology	18.00	16.00	13.00	12.50
Joint Sycs.	92.00	86.50	81.50	77.50
	92.00 36.50			
Water		18.50	18.50	18.50
Sewer	14.00	14.00	14.00	14.00
	59.50	56.50	53.50	48.50
Other Enterprises	13.00	13.00	11.00	11.00
Total	632.25	574.75	554.50	552.75

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.

2011	2010	2009	2008	2007	2006
-	-	-	-	-	-
22.50 38.50	22.50 36.50	22.50 36.50	22.50 27.50	20.50 27.50	21.50 25.50
3.00	3.00	3.00	4.00	3.00	3.00
21.50	21.50	21.50	21.50	21.50	17.50
2.00	2.00	2.00	-	-	-
11.00	11.00	14.00	13.00	14.00	-
-	-	-	-	-	9.00
-	-	-	-	-	4.00
13.00	13.00	13.00	13.00	12.00	11.00
6.00	6.00	6.00	6.00	6.00	5.50
1.00	1.00	1.00	-	-	-
-	-	-	-	-	-
6.00	6.00	6.00	6.00	3.00	3.00
81.00	81.00	72.00	66.00	61.00	56.00
2.00	-	-	-	-	-
-	-	-	-	-	-
2.00	2.00	2.00	2.00	3.00	1.00
5.50	6.00	8.00	8.00	7.50	6.50
1.00	3.00	3.00	3.00	-	-
18.75	18.75	18.75	15.75	15.75	14.75
5.00	9.00	10.00	8.00	8.00	8.00
-	-	34.00	36.00	26.00	31.00
99.00	95.00	60.00	60.00	56.00	47.00
8.50	8.00	8.00	8.00	7.50	7.50
7.00	7.00	7.00	7.00	7.00	5.00
6.00	6.00	6.00	6.00	6.00	5.00
7.00	7.00	7.00	7.00	5.00	4.00
12.50	12.50	10.50	10.50	10.00	10.00
75.50	74.00	69.00	62.00	58.00	56.00
20.00	18.00	15.00	13.00	16.00	14.00
14.00	12.00	12.00	12.00	13.00	12.00
44.00	47.00	48.00	42.00	39.00	30.00
11.00	11.00	11.00	12.00	12.00	11.00
544.25	539.75	526.75	491.75	458.25	418.75

CITY OF GEORGETOWN, TEXAS OPERATING INDICATORS BY FUNCTIONS LAST TEN FISCAL YEARS

Function	2015	2014	2013	2012
Culture and recreation Recreation Center memberships	11,604	9,901	10,678	13,769
	,	,	,	,
CVB number of visitor inquiries	55,156	54,188	50,617	42,901
Library	507.007	550.000	550.000	550.000
Circulation	527,987	559,209	550,683	552,032
Number of patrons added	3,428	2,161	2,446	2,526
Economic Development	56	44	48	38
Number of proposals generated	50	44	40	30
Community Development Inspections/Code Enforcement				
Number of inspections	31,828	29,818	30,282	21,270
New residential permits issued	718	29,818	777	664
New commercial permits issued/TFO/Industrial	92	92	61	89
Number of code enforcement violations	14.052	16,213	15,225	11.535
Planning and Development Services	14,052	10,215	15,225	11,000
Development applications filed	373	370	313	290
Annexations (in acres)	2,022	152	161	61
Fire Services	2,022	152	101	01
Number of calls for service	7,084	6,250	6,153	5,706
General Govt	7,004	0,200	0,100	5,700
Bond rating - S&P	AA+	AA+	AA+	AA+
City Manager's Office				
Number of public information requests processed	1,129	871	678	759
Police Services	1,125	0/1	0/0	100
Number of calls for service	24,744	23,044	22,747	23,018
Number of traffic accidents	2,091	1,940	1,888	1.679
Animal Services	2,001	1,010	1,000	1,010
Number of pets impounded	1,889	1,860	1.664	1.670
Number of adoptions	983	904	690	822
Municipal Court	000	001	000	022
Number of court cases	5,641	7,658	7,833	7,347
Number of warrants served	374	349	398	313
Utility Office	0.1	010		010
Number of utility customers	38,450	28,400	27,559	26,345
Water	00,100	20,100	21,000	20,010
Number of new connects	1,909	1.455	909	705
Average daily water treated (million gallons)	15.78	16.18	16.30	15.18
Average daily consumption (million gallons)	15.87	12.84	13.20	13.05
Sewer				
Number of new connects	1,154	1,295	955	939
Average daily wastewater treated (million gallons)	4.62	4.06	4.10	4.21
Electric				
kWhs consumed	590,029,360	565,518,133	544,339,879	537,985,801
Number of new connects	1,230	598	484	226
AMR	.,200		101	
Total number of work orders completed	1,489	1,554	1,113	826
Total reads by AMR	568,896	542,058	616,296	-
Other Enterprises	,	,	,=	
Stormwater & Drainage				
Number of detention ponds cleaned	454	422	404	372
Number of work orders	489	530	710	552
Airport				
Gallons of fuel sold	636,128	648,065	565,851	581,450
	•		,	,

Sources: Various City departments

2011	2010	2009	2008	2007	2006
16,044	16,778	18,497	5,487	5,060	4,294
35,749	27,086	38,669	45,044	36,086	37,062
527,746	524,610	496,603	431,294	386,948	347,662
2,184	2,293	2,338	2,514	2,592	1,784
36	31	40	35	51	72
18,383	20,192	21,248	33,198	43,006	47,197
509	550	523	768	902	1,316
97 11,090	115 12,295	127 13,179	77 10,570	114 12,928	152 15,603
11,090	12,295	13,179	10,570	12,920	15,003
284	158	246	344	348	397
703	276	1,005	369	362	8,909
5,674	5,649	5,475	5,321	4,766	4,257
AA+	AA+	AA+	AA	AA-	AA-
835	997	887	801	773	786
22,161	31,908	34,192	51,033	53,323	48,739
1,525	1,743	1,750	1,837	1,863	1,513
1,560	1,477	1,256	1,500	1,448	1,452
686	601	560	614	611	642
8,902	13,778	13,333	13,275	14,787	13,824
587	693	774	748	557	398
25,563	24,995	24,271	23,678	22,784	21,365
530	447	469	880	1,213	1,281
16.72	11.82	14.44	15.57	10.31	11.88
14.49	10.65	13.14	13.35	8.21	10.30
523	451	444	846	1,422	1,307
4.24	4.43	3.22	3.48	4.27	2.95
547,475,852	518,590,777	490,449,481	501,552,786	441,088,000	419,651,791
477	543	550	999	1,093	1,134
2,419	2,495	2,903	5,141	3,724	6,106
-	-	-	-	-	34,781
372	382	300	228	228	228
196	418	376	617	728	705

CITY OF GEORGETOWN, TEXAS CAPITAL ASSETS BY FUNCTIONS LAST TEN FISCAL YEARS

Function	2015	2014	2013	2012
Culture and recreation	100	470	470	170
Parks (developed acres)	480	473	473	473
Recreation Centers	1	1	1	1
Senior Centers	1	1	1	1
Libraries	1	1	1	1
Fire Services				
Fire stations	5	5	5	5
Fire vehicles	34	29	25	22
Highways and streets				
Center line miles	312	310	310	305
Police Services				
Police Stations	1	1	1	1
Police vehicles	84	84	87	87
Police motorcycle units	6	6	4	4
Electric				
Meters	24,147	22,918	22,660	22,504

Sources: Various City departments and City budget document.

2011	2010	2009	2008	2007	2006
473	473	473	410	390	380
1	1	1	1	1	1
1	1	1	-	-	-
1	1	1	1	1	1
4	4	4	3	3	3
18	17	17	17	15	14
295	307	284	269	260	251
1 93	1 95	1 95	1 95	1 93	1 78
4	4	4	4	4	4
22,090	21,711	21,338	20,965	20,179	19,369

CITY OF GEORGETOWN, TEXAS WATER USAGE (GALLONS) LAST TEN FISCAL YEARS

 FISCAL YEAR	AVERAGE DAY USAGE (000s)	PEAK DAY PRODUCTION (000s)	TOTAL USAGE (000s)
2006	12,260	25,600	4,511,000
2007	10,314	19,733	3,764,765
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

Source: City of Georgetown

CITY OF GEORGETOWN, TEXAS TEN LARGEST WATER CUSTOMERS(1) FISCAL YEAR ENDED 2015

CUSTOMER	WATER USAGE (1,000 GALLONS)	% OF TOTAL WATER USAGE
SOUTHWEST MATERIALS	129,947	2.68%
SOUTHWESTERN UNIVERSITY	54,666	1.13%
CITY OF GEORGETOWN	50,746	1.05%
GEORGETOWN ISD	46,595	0.96%
CITICORP OF N AMERICA, INC	43,917	0.91%
SUN CITY TX COMM ASSOC	38,674	0.80%
WILLIAMSON COUNTY	34,858	0.72%
SIMON PROPERTY GROUP	22,586	0.47%
GEORGETOWN HOSPITAL	19,861	0.41%
COLSON & COLSON	18,111	0.37%
TOTAL	459,961	9.50%

Source: City of Georgetown Customer Care fiscal year 2015 figures. (1) Fiscal year 2015 figures. Based on total consumption of 4,840,010 kgals.

CITY OF GEORGETOWN, TEXAS DAILY FLOW (WASTEWATER TREATMENT) LAST TEN FISCAL YEARS

AVERAGE DAILY WA	STEWATER FLOW
FISCAL YEAR	GALLONS
2006	3,020,000
2007	4,572,400
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

Source: City of Georgetown

CITY OF GEORGETOWN, TEXAS **TEN LARGEST WASTEWATER CUSTOMERS(1)** SEPTEMBER 30, 2015

CUSTOMER	VOLUME (1,000 GALLONS)	%OF TOTAL
CITICORP OF N AMERICA, INC	39,974	2.38%
SOUTHWESTERN UNIVERSITY	34,365	2.04%
WILLIAMSON COUNTY	27,647	1.64%
GEORGETOWN ISD	25,233	1.50%
GEORGETOWN HOSPITAL	17,825	1.06%
CYPRESS CREEK APTS	15,347	0.91%
INDIAN CREEK APTS	14,738	0.88%
GEORGETOWN PLACE APTS	13,765	0.82%
WESLEYAN HOMES	13,569	0.81%
WATERS EDGE APTS	12,713	0.76%
	215,176	12.79%

Source: City of Georgetown (1) Fiscal 2015 figures. Based on total consumption of 1,681,907 kgals.

CITY OF GEORGETOWN, TEXAS VALUATION, EXEMPTIONS AND AD VALOREM TAX DEBT SEPTEMBER 30, 2015

2014/15 Market Valuation Established by Williamson Central Appraisal District (excluding totally exempt property) Less Exemptions/Reductions at 100% Market Value:		\$ 5,887,448,886 759,530,260
2014/15 Taxable Assessed Valuation		\$ 5,127,918,626
City Funded Debt Payable from Ad Valorem Taxes ⁽¹⁾ The Bonds The Certificates The Taxable Certificates	\$ 130,085,000 4,450,000 7,195,000 6,765,000	
Total Debt Payable from Ad Valorem Taxes ⁽¹⁾ Interest and Sinking Fund		\$ 148,495,000 8,732,191
Net Debt Payable from Ad Valorem Taxes		\$ 139,762,809
Ratio of Net Tax Supported Debt to Taxable Assessed Valuation $^{\left(1\right) }$		2.73%
2015 Estimated Population - 56,798		

Per Capita Taxable Assessed Valuation - \$93,765

Per Capita Net Ad Valorem Tax Debt Payable from Ad Valorem Taxes - \$2,556

NOTES:

(1) Includes \$3,616,043 of self-supporting debt, which is paid from storm water and airport revenues, and \$13,144,297 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). \$10,268,352 of self-supporting debt is paid from electric revenues and water revenues.



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CITY OF GEORGETOWN, TEXAS TAXABLE ASSESSED VALUATIONS BY CATEGORY LAST SIX FISCAL YEARS

		201	5		201	4
CATEGORY		AMOUNT	% OF TOTAL		AMOUNT	% OF TOTAL
Real, Residential, Single-Family	\$	3,919,149,977	66.56%	\$	3,383,707,151	65.32%
Real, Residential, Multi-Family	Ŷ	180,615,033	3.07%	Ŷ	141,539,008	2.73%
Real, Vacant Lots/Tracts		107,717,396	1.83%		105,728,114	2.04%
Real, Acreage (Land Only)		329,513,434	5.60%		274,265,523	5.29%
Real, Farm and Ranch Improvements		10,841,218	0.18%		9,762,143	0.19%
Real, Commercial/industrial		959,342,874	16.29%		852,941,178	16.46%
Real and Tangible, Personal, Utilities, Other		51,686,900	0.88%		41,161,229	0.79%
Tangible Personal, Commercial		234,873,665	3.99%		294,627,224	5.69%
Tangible Personal, Industrial		2,048,930	0.03%		2,146,190	0.04%
Tangible Personal, Other, Inventory		91,659,459	1.56%		74,576,391	1.44%
Total Appraisal Value Before Exemptions		5,887,448,886	100.00%		5,180,454,151	100.00%
Less: Total Exemptions/Reductions		759,530,260	100.00%		582,241,075	100.00%
Less. Total Exemptions/Reductions		759,550,200			562,241,075	
Taxable Assessed Value	\$	5,127,918,626		\$	4,598,213,076	
		201)			
CATEGORY		AMOUNT	% OF TOTAL			
Real, Residential, Single-Family	\$	2,937,372,968	65.35%			
Real, Residential, Multi-Family	•	127,646,526	2.84%			
Real, Vacant Lots/Tracts		105,493,785	2.35%			
Real, Acreage (Land Only)		284,418,889	6.33%			
Real, Farm and Ranch Improvements		8,628,185	0.19%			
Real, Commercial/industrial		737,420,280	16.41%			
Real and Tangible, Personal, Utilities, Other		30,152,599	0.67%			
Tangible Personal, Commercial		187,188,597	4.16%			
Tangible Personal, Industrial		1,744,994	0.04%			
Tangible Personal, Other, Inventory		74,536,522	1.66%			
Total Appraisal Value Before Exemptions		4,494,603,345	100.00%			
Less: Total Exemptions/Reductions		467,710,073				
Taxable Assessed Value	\$	4,026,893,272				

2013		201	2	201	1		
 AMOUNT % OF TOTAL		 AMOUNT	% OF TOTAL	AMOUNT	% OF TOTAL		
\$ 3,212,802,019	64.13%	\$ 3,051,782,791	62.49%	\$ 2,951,917,721	62.66%		
136,323,871	2.72%	134,630,205	2.76%	136,781,699	2.90%		
110,691,837	2.21%	112,194,608	2.30%	117,503,406	2.49%		
287,098,365	5.73%	277,760,619	5.69%	280,860,043	5.96%		
9,458,303	0.19%	7,749,074	0.16%	7,748,104	0.16%		
838,635,946	16.74%	873,539,170	17.89%	827,031,630	17.55%		
45,546,793	0.91%	47,029,662	0.96%	45,209,184	0.96%		
302,428,949	6.04%	315,920,307	6.47%	278,224,342	5.91%		
2,178,467	0.04%	2,281,333	0.05%	2,234,106	0.05%		
 65,047,165	1.30%	 60,766,941	1.24%	 63,594,310	1.35%		
5,010,211,715	100.00%	4,883,654,710	100.00%	4,711,104,545	99.99%		
 594,203,705		 687,470,575		 655,155,594			
\$ 4,416,008,010		\$ 4,196,184,135		 4,055,948,951			

CITY OF GEORGETOWN, TEXAS AUTHORIZED BUT UNISSUED GENERAL OBLIGATION BONDS SEPTEMBER 30, 2015

					AUT	HORIZATION	
PURPOSE	DATE AUTHORIZED	A	Amount	 AMOUNT ISSUED		BEING USED	 UNISSUED BALANCE
Roads Parks & Recreation Roads	November 4, 2008 November 4, 2008 May 9, 2015	\$	46,000,000 35,500,000 105,000,000	\$ 15,600,000 7,500,000 -	\$	4,450,000 - -	\$ 25,950,000 28,000,000 105,000,000
Total		\$	186,500,000	\$ 23,100,000	\$	4,450,000	\$ 158,950,000



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CITY OF GEORGETOWN, TEXAS GENERAL FUND REVENUES AND EXPENDITURE HISTORY LAST TEN FISCAL YEARS

	Fiscal Year Ending September 30,								
		2015		2014		2013		1,236,478 8,268,169 616,815 579,060 32,713,763 2,992,852 1,890,481	
Revenues:									
Taxes	\$	27,331,498	\$	25,293,544	\$	24,522,441	\$	22,013,241	
Licenses and Permits		2,002,380		1,932,563		1,536,660		1,236,478	
Charges for Services		10,556,447		9,682,702		9,302,816		8,268,169	
Fines and Forfeitures		529,920		598,717		670,582		616,815	
Miscellaneous and Interest		722,772		682,447		1,460,008		579,060	
Total Revenues		41,143,017		38,189,973		37,492,507		32,713,763	
Expenditures:									
General Government		3,762,714		3,013,544		2,908,971		2,992,852	
Development Services		2,148,991		2,003,688		1,579,575		1,890,481	
Parks and Recreation		9,156,876		8,401,551		7,945,906		7,183,369	
Fire Services		10,595,388		9,455,714		8,638,166		7,590,667	
Police Services		12,899,092		11,687,498		11,471,418		10,498,193	
Georgetown Utility Systems/Streets		9,281,051		9,435,835		8,236,375		8,247,315	
Total Expenditures		47,844,112		43,997,830		40,780,411		38,402,877	
Excess (Deficiency) of									
Revenues Over Expenditures		(6,701,095)		(5,807,857)		(3,287,904)		(5,689,114)	
Budgeted Transfers In		7,720,944		6,964,508		6,655,673		6,200,518	
Budgeted Transfers Out		(1,188,673)		(2,034,075)		(949,076)		(34,641)	
Net Increase (Decrease)		(168,824)		(877,424)		2,418,693		476,763	
Fund Equity at Beginning of Year		12,172,679		13,050,103		10,631,410		10,154,647	
Fund Equity at End of Year	\$	12,003,855	\$	12,172,679	\$	13,050,103	\$	10,631,410	

Source: City's Audited Financial Statements.

 2011	 2010	 2009	 2008	 2007	 2006
\$ 21,335,893 890,948 8,082,889	\$ 19,336,126 841,392 7,882,093	\$ 18,508,353 791,882 7,682,367	\$ 18,214,532 1,158,433 2,193,590	\$ 16,113,563 1,527,886 1,700,490	\$ 14,343,981 1,723,082 941,718
762,923	958,792	889,367	1,013,699	976,538	846,010
 614,138	 515,814	 930,774	 1,872,238	 1,380,063	 964,980
31,686,791	29,534,217	28,802,743	24,452,492	21,698,540	18,819,771
3,384,950	3,087,317	3,129,127	2,738,903	2,696,325	2,152,667
2,195,537	2,088,809	2,213,899	2,411,971	2,572,746	2,112,845
7,289,676	6,902,305	6,677,760	5,564,579	4,741,777	4,330,337
7,011,366	6,694,350	6,597,024	5,271,624	4,783,187	4,078,796
10,060,311	9,897,919	9,873,237	8,915,180	8,015,663	6,918,948
 7,347,201	 6,623,628	 6,524,677	 2,768,367	 1,739,495	 1,758,289
37,289,041	35,294,328	35,015,724	27,670,624	24,549,193	21,351,882
(5,602,250)	(5,760,111)	(6,212,981)	(3,218,132)	(2,850,653)	(2,532,111)
6,079,801	6,356,907	6,515,884	6,687,060	5,162,236	5,749,597
 (85,022)	 (1,342,361)	 (1,737,715)	 (2,091,633)	 (702,697)	 (1,732,126)
392,529	(745,565)	(1,434,812)	1,377,295	1,608,886	1,485,360
 9,762,118	 10,507,683	 11,942,495	 10,565,200	 8,956,314	 7,470,954
\$ 10,154,647	\$ 9,762,118	\$ 10,507,683	\$ 11,942,495	\$ 10,565,200	\$ 8,956,314

CITY OF GEORGETOWN, TEXAS MUNICIPAL SALES TAX HISTORY LAST TEN FISCAL YEARS

FISCAL YEAR ENDED		TOTAL	% 0F AD VALOREM	EQUIVALENT OF AD VALOREM	PER		ТАХ
9/30	C	OLLECTED	TAX LEVY	TAX RATE		 LEVY	RATE
2006	\$	6,056,507	66.18%	0.2292	146	\$ 9,151,851	0.346
2007		6,761,872	60.16%	0.2210	153	11,239,704	0.367
2008		7,310,027	55.40%	0.1975	160	13,195,606	0.356
2009		6,943,036	46.67%	0.1662	148	14,877,893	0.356
2010		7,454,806	50.14%	0.1786	156	14,867,340	0.356
2011		7,803,863	52.41%	0.1867	160	14,889,961	0.356
2012		8,277,502	49.10%	0.1903	167	16,856,914	0.387
2013		9,326,554	50.78%	0.2082	185	18,367,332	0.410
2014		10,984,723	53.24%	0.2340	210	20,632,709	0.439
2015		11.296.645	49.55%	0.2150	199	22.799.091	0.43

CITY OF GEORGETOWN, TEXAS MONTHLY & VOLUMETRIC WATER RATES SEPTEMBER 30, 2015

Customer	Customer Charge per Month				
Meter Size	Inside City		Outside City		
5/8 inch	\$	15.50	\$	18.50	
3/4 inch	Ŧ	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	
Non-Potable Water Rates: Cost per thousand gallons	\$	1.05	\$	1.05	
	·		•		
Nonresidential Water Rates:					
Cost per thousand gallons			\$	2.40	
Irrigation Meter, cost per thousand gallons			\$	4.00	

Residential Water Rates

1,000 Gallons Volumetric Rate	Volumetric Rate	
0 - 10 \$ 1.	75	
	40	
	00	
41 - 60 6.	50	
61 and over 8.	50	

Source: City of Georgetown Note. Rates effective January 1, 2014

CITY OF GEORGETOWN, TEXAS MONTHLY WASTEWATER RATES SEPTEMBER 30, 2015

RESIDENTIAL AND SMALL COMMERCIAL				
	Net Mor	nthly Rate:		
		Flat Rate Inside City Limits:	\$ 29.25	per month
		Flat Rate Outside City Limits:	33.60	per 1,000 gallons
	Low inc	come residential discount: 20% below curr	ent flat rate for	qualifying household
COMMERICIAL				
	Net Mor	nthly Rate:		
	а.	Inside City Limits		
		1. Customer Charge	44.25	per month
		Volumetric Charge*	2.35	per 1,000 gallons
	b.	Outside City Limits		
		1. Customer Charge	50.90	per month
		2. Volumetric Charge*	2.70	per 1,000 gallons
LARGE COMMERCIAL				
	Net Mor	nthly Rate:		
	a.	Inside City Limits		
		1. Customer Charge	78.60	per month
		2. Volumetric Charge*		per 1,000 gallons
	b.	Outside City Limits		p. ,
		1. Customer Charge	90.40	per month
		2. Volumetric Charge*		per 1,000 gallons
HIGH STRENGTH COMMERCIAL	Net Mor	nthly Rate:		
	a.	Inside City Limits		
	и.	1. Customer Charge	44 25	per month
		2. Volumetric Charge*		per 1,000 gallons
	b.	Outside City Limits	5.70	por 1,000 ganons
	υ.	1. Customer Charge	50.00	per month
		2. Volumetric Charge*		per 1,000 gallons
		2		
MULTIFAMILY				
	-	hthly Rate:		
	а.	Inside City Limits	405.45	
		1. Customer Charge		per month
	h	2. Volumetric Charge*	2.35	per 1,000 gallons
	b.	Outside City Limits	100.00	n a r na a n fh
		1. Customer Charge		per month
		2. Volumetric Charge*	2.70	per 1,000 gallons

Source: City of Georgetown

Notes: Rates effective April 1, 2007

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

CITY OF GEORGETOWN, TEXAS MONTHLY ELECTRIC RATES SEPTEMBER 30, 2015

Residential ServiceCustomer Charge:\$20.00 per monthEnergy Charge:\$0.0939 per kWh	
Small General ServiceCustomer Charge:\$45.00 per monthEnergy Charge:\$0.0883 per kWh	
School ChargeCustomer Charge:\$175.00 per monthEnergy Charge:\$0.1131 per kWh	
Water & Wastewater Pumping Service Customer Charge: \$165.00 per month Energy Charge: \$0.0516 per kWh	
Large General ServiceCustomer Charge:\$20.00 per monthDemand Charge:\$8.45 per kWhEnergy Charge:\$0.0713 per kWhMinimum Bill:\$442.50	
IndustrialCustomer Charge:\$250.00 per monthDemand Charge:\$10.00 per kWhEnergy Charge:\$0.0644 per kWhMinimum Bill:\$5,250.00	
Large Industrial ServiceCustomer Charge:\$350.00 per monthDemand Charge:\$7.50 per kWhEnergy Charge:\$0.0661 per kWhMinimum Bill:\$15,350.00	
Municipal ServiceCustomer Charge:\$125.00 per monthEnergy Charge:\$0.0606 per kWhMinimum Bill:\$125.00	
Lighting ServiceHigh Pressure SodiumMunicipal Street100 Watt per light (35 kWh)\$8.50 per month\$5.09 per month200 Watt per light (71 kWh)\$14.50 per month\$9.29 per month250 Watt per light (86 kWh)\$16.70 per month\$11.13 per month400 Watt per light (137 kWh)\$23.50 per month\$17.33 per month	Retail Street \$5.26 per month \$9.75 per month \$11.64 per month \$18.17 per month

The City offers a wind powered energy rate for residential and small commercial customers. The rate for wind power energy is \$1.50/block (each block consists of 100 kWh), subject to a 1 block minimum and a 5 block maximum. The City also offers credits for electric users who agree to curtail power upon the request of the city as well as experimental interruptible power service. Currently, the City's water and wastewater plants are the only entities taking advantage of the curtailable power credit.

Source: City of Georgetown Effective November 1, 2013



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COMPLIANCE SECTION



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, 2015, and the related notes to the financial statements, which collectively comprise the City's basic financial statements and have issued our report thereon dated March 10, 2016.

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 and therefore, material weaknesses or significant deficiencies may exist that were not identified. However, we did identify deficiencies in internal control, described in the accompanying schedule of findings and questioned costs as 2015-002, that we consider to be a material weakness, and others, described as 2015-001, that we consider to be a significant deficiency.

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.

AN INDEPENDENT MEMBER OF BAKER TILLY INTERNATIONAL WEAVER AND TIDWELL, L.L.P. CERTIFIED PUBLIC ACCOUNTANTS AND ADVISORS 1601 SOUTH MOPAC EXPRESSWAY, SUITE D250, AUSTIN, TX 78746 P: 512.609.1900 F: 512.609.1911

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

Management's Response to Findings

Management's response to the findings identified in our audit are described in the accompany schedule of findings and questioned costs. Management's response was not subjected to the auditing procedures applied in the audit of the financial statements and, accordingly, we express no opinion on it.

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 Siduell, L.L.P.

WEAVER AND TIDWELL, L.L.P.

Austin, Texas March 10, 2016



REPORT ON COMPLIANCE FOR EACH MAJOR FEDERAL PROGRAM, AND REPORT ON INTERNAL CONTROL OVER COMPLIANCE IN ACCORDANCE WITH OMB CIRCULAR A-133

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 U.S. Office of Management and Budget (OMB) Circular A-133 *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, 2015. The City's major federal programs are identified in the summary of auditor's results section of the accompanying schedule of findings and guestioned costs.

Management's Responsibility

Management is responsible for compliance with the requirements of laws, regulations, contracts, and grants 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 OMB Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*. Those standards and OMB Circular A-133 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, 2015.

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 as a basis for designing 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 OMB Circular A-133, 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.

AN INDEPENDENT MEMBER OF BAKER TILLY INTERNATIONAL WEAVER AND TIDWELL, L.L.P. CERTIFIED PUBLIC ACCOUNTANTS AND ADVISORS 1601 SOUTH MOPAC EXPRESSWAY, SUITE D250, AUSTIN, TX 78746 P: 512.609.1900 F: 512.609.1911 To the Honorable Mayor and Members of the City Council City of Georgetown, Texas

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 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 is a deficiency, or a combination of deficiencies, in internal control over compliance is a deficiency, or a combination of deficiencies, in internal control over compliance is a deficiency, or a combination of deficiencies, in internal control over compliance is a deficiency, or a combination of deficiencies, in internal control over compliance is a deficiency, or a combination of deficiencies, in internal control over 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. We did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses. However material weaknesses may exist that have not been identified.

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 OMB Circular A-133. Accordingly, this report is not suitable for any other purpose.

Weaver and Siduell L.L.P.

WEAVER AND TIDWELL, L.L.P.

Austin, Texas March 10, 2016

CITY OF GEORGETOWN, TEXAS SCHEDULE OF FINDINGS AND QUESTIONED COSTS YEAR ENDED SEPTEMBER 30, 2015

SECTION I - 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?	<u>X</u> Yes <u>No</u>
 Significant deficiencies identified that are not considered to be material weakness(es)? 	<u>X</u> Yes <u>None reported</u>
Noncompliance material to financial statements noted?	Yes <u>X</u> No
Federal Awards	
Internal control over major programs:	
Material weakness(es) identified?	Yes <u>X</u> No
 Significant deficiencies identified that are not considered to be material weakness(es)? 	Yes X 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 510(a) or Circular A-133? 	Yes <u>X</u> No
Identification of major programs:	
20.205	Highway Planning and Construction
 Dollar threshold used to distinguish between type A and type B programs? 	<u>\$300,000</u>
Auditee qualified as low-risk auditee?	<u>X</u> Yes No

CITY OF GEORGETOWN, TEXAS SCHEDULE OF FINDINGS AND QUESTIONED COSTS – CONTINUED YEAR ENDED SEPTEMBER 30, 2015

SECTION II – FINANCIAL STATEMENT FINDINGS

Finding 2015-001 – Accrual of Non-routine Transactions

Criteria or Specific Requirement:

In accordance with accounting principles generally accepted in the United States of America, and the accrual basis of accounting, expenditures should be recognized when the related fund liability is incurred.

Condition:

During the course of the audit, we identified certain instances of non-routine expenditures for legal and contract matters that were not appropriately accrued into the appropriate period.

() Compliance finding (X) Significant deficiency () Material weakness

Context:

The auditors noted this condition during testing of capital projects and accrued liabilities.

Effect:

Accruals of approximately \$1,200,000 were not recorded for expenditures incurred prior to September 30, 2015.

Cause:

Non-routine transactions can often result in the need to accrue or recognize expenditures prior to receipt of an actual invoice, which can be delayed by vendors, or retained at a department level, resulting in those responsible for financial reporting not being aware that an accrual is necessary.

Recommendation:

We recommend that the City implement a process in which those responsible for financial reporting check with all project managers and department heads to verify that all appropriate non-routine accruals have been made, including those for which an actual invoice has not yet been received.

Views of Responsible Officials and Planned Corrective Actions:

Management acknowledges this finding, but believes this to be an isolated incident. Efforts are made in the financial reporting process to gather all necessary information to record accruals into the appropriate period. Moving forward, management will better educate those outside of the accounting function about the importance of providing this information, so that costs can be appropriately recognized.

Finding 2015-002 – Capture of Costs and Contributions of Electric Fund Assets

Criteria or Specific Requirement:

In accordance with accounting principles generally accepted in the United States of America, and the accrual basis of accounting, costs associated with the construction of capital assets for the use of the general government should be capitalized. Further, the value of developer's contribution of capital assets should be capitalized upon contribution to the general government. The City should maintain a system to track these cost so that the financial statements will accurately reflect these amounts in the periods in which the assets are constructed or contributed.

Condition:

During the course of the audit, we were notified by management that an adjustment to previously reported capital asset balances in the Electric Fund should be restated by \$15,322,079.

() Compliance finding () Significant deficiency (X) Material weakness

Context:

The City periodically engages a third-party engineering firm to retroactively accumulate the cost basis of the electric system, including developer's contributions. The City received its most recent such report in the year ended September 30, 2015. The City's previous adjustment was recorded in the year ended September 30, 2012.

CITY OF GEORGETOWN, TEXAS SCHEDULE OF FINDINGS AND QUESTIONED COSTS – CONTINUED YEAR ENDED SEPTEMBER 30, 2015

SECTION II – FINANCIAL STATEMENT FINDINGS – continued

Finding 2015-002 – Capture of Costs and Contributions of Electric Fund Assets – continued

Effect:

The City's capital asset balance in the Electric Fund was understated at September 30, 2014 by \$15,322,079.

Cause:

The City has not implemented an internal system to track all costs and developer contributions of Electric Fund capital assets, such that they can be included in the appropriate reporting period. The City has made the decision to engage a third-party to assist them in making these adjustments periodically.

Recommendation:

We recommend that the City implement a process that will appropriately track costs and contributions of capital assets timely, such that they can be reported in the period the costs are incurred or assets are contributed.

Views of Responsible Officials and Planned Corrective Actions:

Up until this point, management has made the conscience decision that recording these costs and contributions in a later period, after the third-party study is completed, does not materially misstate the financial statements. The restatement to the Electric Fund represents an increase to previously reported assets of approximately 14%. However, due to the nature and users of the Electric Fund, management does not believe that this change would materially impact any decisions or analysis using the Electric Fund's financials. Management has made a commitment to re-visit this position, and make a determination of whether a change to current policy is appropriate.

SECTION III - FEDERAL AWARD FINDINGS AND QUESTIONED COSTS

NONE

SECTION IV – SCHEDULE OF PRIOR AUDIT FINDINGS AND QUESTIONED COSTS

Finding 2014-01 - Schedule of Expenditures of Federal Awards

Criteria or Specific Requirement:

In accordance with OMB Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*, the auditee shall prepare a Schedule of Expenditures of Federal Awards (SEFA) to include all federal award amounts expended, properly identify 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 reported properly on the SEFA as to the amount expended.

(X) Compliance finding (X) Significant deficiency () Material weakness

Context:

The auditors noted this condition during the review of the initial SEFA and testing the underlying accounting records supporting the amounts recorded.

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 OMB Circular A-133, the auditors require complete and accurate information to be reported on the SEFA. If not done properly, this could lead to non-compliance for federal awards and possible financial statement misstatement.

CITY OF GEORGETOWN, TEXAS SCHEDULE OF FINDINGS AND QUESTIONED COSTS – CONTINUED YEAR ENDED SEPTEMBER 30, 2015

SECTION IV – SCHEDULE OF PRIOR AUDIT FINDINGS AND QUESTIONED COSTS – continued

Finding 2014-01 - Schedule of Expenditures of Federal Awards – continued

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.

Status:

The City communicated with granting agencies during the year to determine amounts to be appropriately presented on the SEFA.

SECTION V - CORRECTIVE ACTION PLAN

NONE

CITY OF GEORGETOWN, TEXAS SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2015

Federal Grantor/ Pass-Through Grantor/ Program Title	Federal CFDA Number	Pass-Through Entity Identifying Number	Federal Program Expenditures	
BUREAU OF JUSTICE ASSISTANCE				
Direct Program: Bulletproof Vest Program	16.607	KXPIIA	\$	4,552
Total Bureau of Justice Assistance	10.007		Ψ	4,552
				,
Department of Transportation / Federal Highway Administration (FHV	<u>VA)</u>			
Passed through Texas Department of Transportation:	20.205	CSJ-2211-01-019		532,903
* Highway Planning & Construction * Highway Planning & Construction	20.205	CSJ-0015-17-026		153
		033-0013-17-020		
Total Department of Transportation / Federal Highway Administration	n (FHWA)			533,056
Federal Aviation Administration				
Passed through Texas Department of Transportation-Aviation Division:				
Airport Project Participation Agreement	20.106	1214GRGTN		553
Airport Project Participation Agreement	20.106	1314GRGTN		31,553
Airport Project Participation Agreement	20.106	1414GRGTN		1,045,726
Total Federal Aviation Administration				1,077,832
National Highway Traffic Safety Administration				
Passed through Texas Department of Transportation:				
STEP Comprehensive	20.600	2015-Georgeto-S-1YG-0079		2,196
Total National Highway Traffic Safety Administration				2,196
U.S. DEPARTMENT OF HOMELAND SECURITY				
Passed through Federal Emergency Management Agency:				
Prehazard Mitigation	97.047	LPDM-2008-010		2,108
Total U.S. Department of Homeland Security				2,108
U.S. DEPARTMENT OF INTERIOR				
Passed through Texas Historical Commision:				
Citizens Memorial Cemetery Survey	15.904	TX-14-025		12,000
Total U.S. Department of Interior				12,000
U.S. DEPARTMENT OF HOUSING AND URBAN DEVELOPMENT				
Passed through Williamson County:				
Community Development Block Grant	14.218	065P Georgertow n		156,150
Total U.S. Department of Housing and Urban Development		-		156,150
TOTAL EXPENDITURES OF FEDERAL AWARDS			\$	1,787,894

* Clustered Programs

CITY OF GEORGETOWN, TEXAS NOTES TO THE SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2015

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.

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, 2015, 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.

