



*America's
fastest growing city*



Popular Annual Financial Report

FISCAL YEAR 2016

October 1, 2015 – September 30, 2016

the Mayor's Message



Top row from left: City Council members; Anna Eby, Keith Brainard, John Hesser, Steve Fought; bottom row from left: City Council members Ty Gipson, Rachael Jonrowe, Tommy Gonzalez, Mayor Dale Ross

On behalf of the Georgetown City Council, I am honored to present the City's Popular Annual Financial Report for the fiscal year that spanned October 1, 2015, through September 30, 2016. As *America's Fastest Growing City*, it is paramount we are steadfast in our dedication to be good stewards of public funds and make decisions that best serve the citizens of Georgetown. This report assists in disseminating pertinent operational and financial information to our citizens. It is divided into four sections: Growth is Here, Responding to Growth, Preserving What Makes Georgetown Special, and Preparing for the Future. Each section is designed to reflect upon the accomplishments of the City for the 2016 fiscal year. Broadly, this was a growth year for the City, with the opening of the new Sheraton Georgetown Texas Hotel and Conference Center, the groundbreaking of the City's largest road project to-date for the Southwest Bypass, our continued investment in our facilities and utility network, and being identified by the U.S. Census Bureau as the fastest growing city in the United States with a population more than 50,000.

Financial data is also provided. The data conforms to generally accepted accounting principles. More detailed financial information can be found in the City's Comprehensive Annual Financial Report on the City's website at **Georgetown.org**.

Georgetown and the Central Texas region will continue to grow rapidly. Georgetown has the lowest tax rate in our region, and we are committed to continuing to provide high-quality, cost-effective services that will ensure Georgetown is the premier community in Texas. Even bigger things are in store for the future of the City of Georgetown.

Dale Ross



Lighting of the Square

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Community Profile

Population

| | |
|-------|--------|
| 2007 | 44,117 |
| 2008 | 45,710 |
| 2009 | 46,787 |
| 2010 | 47,865 |
| 2011 | 48,902 |
| 2012 | 49,543 |
| 2013 | 50,513 |
| 2014 | 52,214 |
| 2015 | 56,798 |
| 2016 | 59,391 |
| 2017* | 61,915 |

*projected

According to City estimates, the population grew by 4.6 percent in 2016. The 10-year percent change in population is 43.5 percent.

History

Founded in 1848, Georgetown, the county seat for Williamson County, was originally the agricultural trade center for the area. After the Civil War, reconstruction brought prosperity to Georgetown through four main industries -- cattle, cotton, the railroad, and Southwestern University. Georgetown has enjoyed consistent growth and development through the years. The City of Georgetown’s estimated Fiscal Year 2017 population is 61,915 within the city limits, with an estimated population of 84,902 in the extraterritorial jurisdiction. Georgetown is a Home Rule Charter City and operates under the Council-Manager form of government. The Mayor is elected at-large and seven Councilmembers are elected from single-member districts and serve staggered, three-year terms.

Culture

The Georgetown historic and cultural district includes the 40-block area of downtown, centered by the Williamson County Courthouse and town square. Arts and cultural attractions in the district include The Palace Theatre, The Williamson Museum, Georgetown Public Library, Grace Heritage Center, Georgetown Art Center, downtown art galleries, and shops with hand-crafted items. Other artistic and cultural elements in the district include the Victorian-era architecture throughout the Square and outdoor public art. Georgetown’s Town Square, named “the Most Beautiful Town Square in Texas,” is truly is a great public space. The historic Square is the focal point for community events and heritage preservation efforts, which provide opportunities for small business and restaurants to thrive in a vibrant pedestrian environment.



Sheraton Georgetown Texas Hotel and Conference Center

The Texas Legislature recognized Georgetown as the Red Poppy Capital of Texas. Red poppies have been a part of Georgetown’s landscape for more than seventy years. During World War I, Henry Purl Compton (aka “Okra”) who served in the American Expeditionary Forces, sent seeds from poppies to his mother. The seeds were then spread over much of Old Town. Red poppies now grow naturally in yards, in vacant lots, and park lands. Georgetown is one of the few locations in the United States where red poppies reseed themselves from year to year. Each April as the poppies bloom, Georgetown celebrates with the annual Red Poppy Festival, held on the beautiful historic downtown Square. Festival activities include live entertainment, arts and crafts, food, a children’s center, a car show, and a parade. More than 45,000 people attend the festival over the course of the weekend and the economic impact exceeds \$2 million.

Georgetown is also home to Inner Space Caverns. Among the wonderful natural features found in the Texas Hill Country are incredible living caves and caverns. Discovered during the construction of Interstate 35, Inner Space is a living cave, which means that its formations are continuing to develop and take shape. For more than 80,000 years the cavern has been constantly changing, allowing for such spectacular displays as the “Soda Straws” and the “Ivory Falls” formations. More than 130,000 people visit the caverns each year.

Education

Georgetown is the home of Southwestern University. Southwestern University is an independent, selective four-year undergraduate college, offering traditional liberal arts and sciences education, with a student population of approximately 1,500. It was the first institution of higher learning in Texas, chartered by the Republic of Texas in 1840, and has received national recognition for its academic program and cost-effectiveness. The 2017 Fiske Guide to Colleges lists Southwestern University as one of 47 public and private colleges named a Best Buy school, and the Princeton Review ranked Southwestern’s career services fourth in the nation.

Georgetown Independent School District is a Texas Education Agency Recognized school district and serves a diverse population of Williamson County students from pre-K to 12th grade. Georgetown ISD serves approximately 11,500 students at ten elementary schools, four middle schools and two high schools.

Economy

The City was named that fastest-growing City in America with a population more than 50,000. In 2016, the City issued more than 700 single-family residential permits. The total appraised value is \$6.34 billion (up from \$5.9 billion), the average home value is \$253,320 (up from \$234,785), and the total City operating budget is \$228 million (up from \$202 million). The City collected \$21.556 million in sales tax, up from \$19,166 million in 2015. The property tax rate for the City is \$0.424 per \$100 of valuation (down from \$0.434). The top five employers in Georgetown are Williamson County (1,582 employees), Georgetown ISD (1,550 employees), the City of Georgetown (682 employees – up from 670), St. David’s Hospital (512 employees), and Airborn Inc (482 employees). The average unemployment rate is 3.7 percent.

THE TOTAL CITY
OPERATING
BUDGET IS 288 MILLION

A new 755-acre master-planned residential development by Dallas-based Hillwood Communities began in 2016. Wolf Ranch by Hillwood will include 1,600 single-family homes, 900 multifamily units, neighborhood retail, and 140 acres of parks and green space. The Sheraton Georgetown Texas Hotel and Conference Center opened a 222-room full-service hotel and conference center. The hotel includes 30,000 square feet of meeting space and will soon be accompanied by 100,000 square feet of new retail.

Growth
is here



Sheraton ribbon cutting

Fastest-Growing City in U.S.

The growth of Georgetown’s population as well as the population of Williamson County has been among the highest in Texas for the past few years. The influx of new residents reached a new level when in May 2016 the U.S. Census Bureau announced population figures showing that Georgetown was the nation’s fastest-growing city in the U.S. with a population greater than 50,000. Georgetown’s growth rate was 7.8 percent for the period from July 1, 2014, to July 1, 2015. The city added 4,611 residents in that time period for a total of 63,716 residents, according to the census. It’s notable that this is the second year of record growth for the city. Georgetown was the second-fastest growing city above 50,000 in the U.S. from July 1, 2013, to July 1, 2014, according to the census.

Why are so many people moving to Georgetown? Our historic districts, beautiful parks and trails, excellent schools, safe neighborhoods, friendly and caring people, and proximity to Austin all are factors.

Georgetown Sheraton Hotel Opens –

The city’s first full-service hotel and conference center opened in July 2016 with the ribbon cutting for the Sheraton Georgetown Texas Hotel and Conference Center. The 222-room full-service hotel and conference center is at the Summit at Rivery Park development on Interstate 35. The hotel includes 30,000 square feet of meeting space with a 16,000-square-foot ballroom, four breakout rooms, and a state-of-the-art boardroom. The hotel project by Novak Brothers and Hines was a public-private partnership of the City of Georgetown, Williamson County, and private investors.

The conference center and hotel is already attracting a number of conferences and events bringing people to Georgetown from across Texas and the U.S. The Sheraton is a major boost to the city’s tourism and event sector.

The Summit at Rivery Park project also includes 223 apartment residences and 114 single-family brownstones. Other restaurants and shops are under construction at the mixed-use project.



Wayne Reed



Leigh Wallace

Employees Join City

A number of new employees in key roles joined the City this year. Wayne Reed started with the City in January 2016 as an assistant city manager in a new position leading the Planning, Economic Development, and Tourism departments. Reed came to Georgetown from Centennial, Colorado, where he oversaw community development, public works, and innovation.

Leigh Wallace also started with the City in January 2016 as the new finance director. Wallace was previously the corporate budget manager for the City of Austin. Wallace leads financial support areas for Georgetown and directs the annual budget process.

Charlie McNabb came to Georgetown in February 2016 as the new city attorney. McNabb was city attorney for the City of El Paso and also has served in leadership roles for the Texas City Attorney’s Association.

Michaela Dollar started in August 2016 at the new economic development director for the City. Dollar previously led business recruitment and retention efforts in Round Rock and has prior economic development experience in Dallas, Cedar Hill, and Panama City, Florida.



Charlie McNabb



Michaela Dollar

Wolf Ranch Hillwood

The 755-acre Wolf Ranch master-planned residential project was officially launched in December 2015 with a groundbreaking by the developer, Hillwood Communities. Wolf Ranch will include 1,600 single-family homes, 900 multifamily units, neighborhood retail, and 140 acres of green space with parks and trails. The first homes in Phase 1 of the project along Wolf Ranch Parkway are being constructed.

Future phases of the Wolf Ranch community include areas west of Wolf Ranch Parkway and areas south of University Avenue to the east and to the west of D.B. Wood Road.



Wolf Ranch groundbreaking

Responding to growth



Southwest Bypass

Southwest Bypass Construction

In June, the City broke ground on its largest transportation project to date. The Southwest Bypass is an \$18.3 million road that will connect Hwy. 29 at D.B. Wood Road to Leander Road to provide north-south mobility on the west side of the City.

The new road is one of 20 projects approved by Georgetown voters in the May 2015 bond election, and planning for the project began nearly 30 years ago. Although the project is scheduled to be completed by the end of 2018, construction contractor Jordan Foster Construction is ahead of schedule.

Williamson County will be completing a 1.25-mile segment from Leander Road to Interstate 35. Southwest Bypass will connect with Inner Loop on the east and DB Wood Road on the west to provide a continuous arterial around the south and west sides of the city.

Facility Improvements

The City completed several facility improvement projects in 2016 to help serve the City's growing population, including the new Westside Service Center.

The service center, located at Williams Drive and Jim Hogg Road, is a 20,000-square-foot facility that houses mainly water and electric field operation staff, and will help expand service capabilities and response times for utility customers on the City's west side. The project also includes rainwater harvesting, drought-tolerant landscaping and solar panels used to power the entire facility.



Westside Service Center staff

Thanks to a \$75,000 estate gift from Judith Shirven, the City began construction in 2016 on a new screened and covered porch for cats called a "catio" at the Georgetown Animal Shelter. The catio opened in October.

The Shirven Catio greatly enhances the lives of cats at the shelter by giving them time outdoors in a safe environment, reducing stress and the potential for illness, and giving them mental and physical stimulation. Inside the 250-square-foot catio, cats can play on a feline jungle gym that includes scratching posts, ramps, and cat toys. The gift also paid for glass walls that were added in the main Shelter building between the lobby and the cat area.



The Shirven Catio

The City also completed renovations to the City's largest pool. Improvements at the Williams Drive Pool included a new pavilion, expanded pool deck, fencing, renovated bath houses and added parking.

The pool is the only 50 meter pool within 45 miles and is the most attended outdoor pool in the City.

Retail Study

The City of Georgetown and Georgetown Economic Development Corporation partnered with Catalyst Commercial in 2016 to conduct a retail market analysis to create a Retail Strategy and Recruitment Plan for the City.

The analysis measured the City's existing retail environment and identified the types and possible locations for retail outlets that will be most beneficial for residents and successful for businesses. The project will also assist in creating a more diverse retail environment in Georgetown.

The plan's goal is also to develop a comprehensive strategy to enhance the City's tax base. The plan will be used by the City's Economic Development Department to recruit and retain retail businesses.

...Inside the 250-square-foot catio, cats can play on a feline jungle gym that includes scratching posts, ramps, and cat toys.



Chase the Chief

Preserving what makes Georgetown special

Citizen Survey of City Services and Programs

A citizen survey conducted in 2016 by Texas State University on behalf of the City of Georgetown showed high satisfaction with City services and programs by residents.

According to the survey, 97 percent of responders rated the City's overall quality of life as good or excellent, and 95 percent of residents think Georgetown is a good or excellent place to raise children. Almost 80 percent of residents feel the value they receive for the taxes they pay is good or excellent.

Georgetown's safety was also highly rated, with 95 percent of those polled rating police protective services as good or excellent and 98 percent rating fire protective services as good or excellent.

Emergency Medical Services, which became a city service in 2015, was also rated as good or excellent by 97 percent of respondents.

Other City services, including parks, recreation programs, the library, and downtown events such as the Red Poppy Festival, were rated as good or excellent by more than 90 percent of respondents.

The survey also identified areas for improvement, including mobility, and additional employment and retail opportunities.

The City plans to conduct a survey every two to three years to gauge how City services and programs are responding to citizen expectations.

Design Work for Garey Park Begins –

Upon completion of construction in early 2018, Garey Park will become the City's largest park at roughly 1.5 times the size of Zilker Park in Austin.

Design work for the 525-acre park began after Jack Garey, who in 2004 along with his late wife Cammy donated his family's ranch to the City, announced he would move off the property to allow for construction of the park. Along with the initial donation of the land, the Gareys donated \$5 million for park development. In 2008, Georgetown voters also approved \$10 million in park bonds for the project.

Amenities at the park will include a playground, a splash pad, a dog park, an equestrian arena, the Garey House event space, pavilions, and more than 6 miles of hiking and equestrian trails.

Other facilities include an entry gate, restrooms, and a maintenance facility.

When it opens in 2018, Garey Park will be a regional destination for outdoor recreation as well as a beautiful Hill Country setting for special events. The City is thankful for this tremendous gift from the Gareys that will soon become a public park for everyone to enjoy.



Garey Park rendering

525
ACRES

\$15
MILLION IN
PARK DEVELOPMENT

2018
COMPLETION



Garey Park check presentation

Police Engages Area Youth

The Georgetown Police Department offers several programs for area youth, including hosting community events such as the Junior Police Academy and the Chase the Chief 5K and Fun Run.

In June 2016, the police department hosted its inaugural Junior Police Academy, which allowed Georgetown area youth to get a hands-on look at all aspects of the police department.

The program included three one-week camps with 25 participants each week. Participants also learned first-aid, completed physical fitness activities, and learned about crime scene investigations and the court system.

The Chase the Chief event held each spring helps raise funds for the Georgetown ISD physical education program in partnership with the GISD Council of PTAs. Activities include a police department obstacle course and fitness games as well as healthy foods and snacks.

The goal of Chase the Chief is to encourage students and their families to improve their nutrition and lead active, healthy lives.

Take10 Initiative to Save Lives

The Georgetown Fire Medical Department offers the Take10 program, a free class to city residents and businesses, to help improve cardiac survival rates throughout the community.

Program coordinators train community leaders and organizations on an innovative hands-only CPR program that teaches the life-saving skill in 10 minutes. The goal is for those who have received the training to train their family, friends, and other community members.



Take10 program

Library Celebrates 50th Anniversary

The Georgetown Public Library celebrated a half-century of serving the community with a gala in March 2016 following a yearlong celebration marked by a variety of events.

The City’s first library opened in 1966 in a one-room storefront at 802 S. Main St. just off the Courthouse Square. At the time, the library was a nonprofit run by volunteers and depended on book donations to build its collection. In 1970 the library moved to a new building at Main and Seventh streets. The building now serves as City Council Chambers.

The City’s first library opened in 1966 in a one-room storefront at 802 S. Main St. just off the Courthouse Square. At the time, the library was a nonprofit run by volunteers and depended on book donations to build its collection...

The library moved again in 1987 after a \$1.5 million bond was approved to build a 17,000-square-foot building at 808 Martin Luther King Jr. St. At that time the building and library employees officially became part of the City of Georgetown.

In 2004, Georgetown voters again approved a bond election to build the library’s current 50,000-square-foot building, which opened in 2007, at 402 W. Eighth St.

In addition to significant book, periodical, DVD, and online material collections, the Public Library has grown to include a large children’s area, a public computer cluster, community rooms, and a café. Programming includes the Summer Reading program, art exhibits, music concerts, and other events each week for children, teens, and adults. The library is open seven days each week with a staff of 23 employees and more than 100 volunteers.



Solar Power Plant to Energize in 2018

The sale of a 154-megawatt photovoltaic solar project to NRG Energy in November 2016 moves the City of Georgetown electric utility a step closer to a 100 percent renewable energy supply. The PV solar electricity plant near Fort Stockton will supply energy to Georgetown through a 25-year purchased-power agreement that starts in July 2018.

The solar project, formerly known as Buckthorn, was acquired by NRG Energy from SunEdison, who owned the plant through a subsidiary corporation. Under the agreement with NRG Energy, Georgetown’s fixed cost for electricity from the solar plant is less than the cost under the original agreement with SunEdison.

The NRG Energy solar project will be the second renewable energy plant to power Georgetown when it comes online. The Spinning Spur 3 wind project owned by EDF Renewable Energy has been supplying the city with energy from 97 wind turbines since it began

operations in October 2015. The wind farm located 50 miles west of Amarillo is under a 20-year contract to supply 144 megawatts of energy to Georgetown.

...electricity output from the wind plant has exceeded Georgetown’s consumption, making Georgetown 100 percent renewable...

While Spinning Spur 3 was projected to meet 90 percent of Georgetown’s energy needs, over the last 12 months, the electricity output from the wind plant has exceeded Georgetown’s consumption, making Georgetown 100 percent renewable for that period. The excess energy has been cleared into the ERCOT market.

To learn more about Georgetown Utility Systems and the move to 100 percent renewable energy, go to gus.georgetown.org/renewable-energy.

Lowered Tax Rate

The City of Georgetown budget for 2017 prepared in the summer of 2016 responded to the demands of growth while keeping the property tax rate the second lowest in Central Texas.

The budget includes a lower property tax rate of 42.4 cents, which is 1 cent lower than in 2016. Major parks and road projects approved by the voters are included in the budget, but due to increases in property values, the tax rate is reduced. Additionally, sales tax revenues are projected to grow 3.7 percent in 2017, which also helps to offset the property tax impact. City property taxes for the average home in Georgetown are projected to increase by \$56.

Highlights of the 2017 budget include new parks and road projects, utility projects, and services to meet the demands of growth.

Zero-Waste Goal for Red Poppy Festival

The Red Poppy Festival is on track to become a zero waste event by 2021, which means that 90 percent of the waste from the event is recycled or composted. Food vendors are using only compostable plates, dishes, drinking straws, napkins, cutlery, and recyclable cups. Recycling and composting eco-stations allowed festival-goers to divert 54 percent of items from the landfill for the 2016 festival. City staff and volunteers at the 2016 Red Poppy Festival educated attendees about the zero waste goal and how they can help.



Installing new fuel tank at the airport



Rabbit Hill water tank installation

New Water Storage Tanks

The goal of the City's water utility is to deliver new water treatment, distribution, and supply capacity only when it is needed. This helps to ensure that customers pay for capital expenses when they are warranted by demand.

Following that model, the City built two new water storage tanks in 2016. The 1 million gallon Rabbit Hill elevated storage tank on Westinghouse Road adds system capacity on the southeast side of the city. The 4 million gallon Daniels Mountain ground storage tank in the former Chisholm Trail Special Utility District area provides capacity to meet peak demand and system redundancy.

Construction on another new storage tank on Cedar Breaks Road at DB Wood Road started in 2016 and another new tank is planned for Sun City in 2017. Treatment plant expansions also are planned.

While the City will continue to invest in our water utility infrastructure to meet the demands of our growing population, every customer has a role to play. Adjusting water use habits, such as watering lawns no more than twice per week, can help to ensure we have the water we need for our future.



Taxiway construction at the airport

Airport Improvements

The Georgetown Municipal Airport has historically been a self-supporting enterprise of the City. Property taxes, sales taxes, lease payments, hangar rental payments, and fuel sale revenues collected from the airport have supported expenses from operations. However, a few years ago, expenses outpaced revenues for the first time, resulting in a drawdown of fund balance. The deficit was due to a number of factors, including lower fuel sales, the fuel sales margin rate, lease rates, and hangar rental rates that were below the regional market.

After seeing the developing financial shortfall, the City conducted a comprehensive review of all airport revenues, expenses, and operations. Rates and fees at other airports in the region also were reviewed. As a result, lease rates, hangar rental rates, fuel sale margins, and other fees were adjusted. An outside auditing firm validated the internal findings and recommendations.

Airport revenues in the 2016 fiscal year were \$2.8 million, but are projected at \$3.6 million for 2017. The Airport Fund is on track to have a positive cash flow and will be self-sufficient for 2017.

In addition to addressing the finances of the airport, the City also is completing infrastructure upgrades at the facility. The project is funded with \$8.3 million from Texas Department of Transportation and an \$830,000 local match from the Airport Fund.

The improvement project includes construction of a new parallel taxiway to reduce airport congestion and tree clearing at the ends of Runway 11/29 to remove obstructions identified on an Federal Aviation Administration inspection. Also, a new above-ground fuel storage facility will replace the 30-year-old in-ground tanks in order to meet current environmental and safety standards. In the vicinity of the terminal and fueling facility, power and communication cables are being moved to underground conduit.

Future planned improvements will consist of taxiway edge lighting to help pilots taxi under low-light conditions as well as rehabilitation to the current 27-year-old asphalt runway surface.

Teen Court wins Spotlight Award

The Georgetown Teen Court won first place in statewide competition on April 2, 2016. The student attorneys on the team attend Georgetown High School and participate in the Teen Court program of the City of Georgetown Municipal Court. Teen Court members were honored with a proclamation by Mayor Dale Ross at the City Council meeting on April 26, 2016.

Teen Court hears real Class C misdemeanor cases involving high-school age individuals, defended and prosecuted by teen attorneys, with verdicts rendered by a jury of teens. The state competition simulated courtroom cases and scenarios.



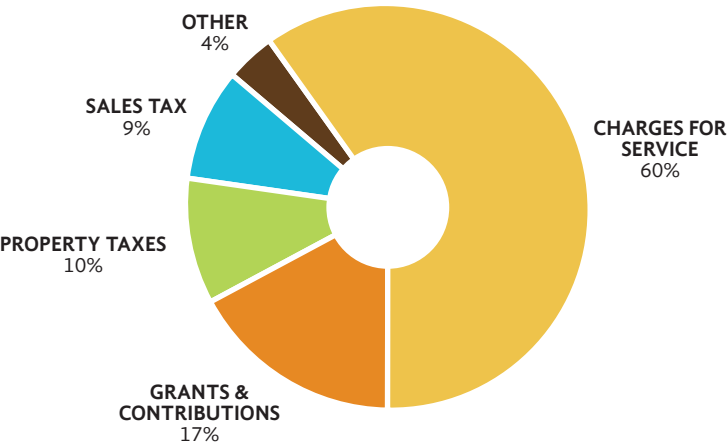
Teen Court state champions

Teen attorneys on the first place team pictured in the photo are (left to right) in the front row are Jacqueline Massey, Keely Martinez, Kathyne Thomas; middle row: Ricardo Romero, GHS coordinator liaison, Kristina Neitsch, Tyler Tidwell, Sydney May, Caroline Jones, Philip Lloyd, Timberly Abell, and Tina Heine, Teen Court Coordinator; back row: Ben Brody, Robert May, local attorney and trainer, and Judge Randy Stump. Competition team members not photographed are Bethany Wilson, Jackie Madden, Ethan Skipper and substitute member Brent Whalen.

Financial Information

The following financial information comes from the City’s Comprehensive Annual Financial Report (CAFR). The entire report is available at finance.georgetown.org/financial-transparency. The statements from the CAFR conform to accounting principles, as set forth by the Governmental Accounting Standards Board in the U.S., and have been audited by independent auditors in accordance with generally accepted auditing standards. The statements in this document are designed to provide readers with a **broad overview** of the finances of the City. For more detailed financial information, please refer to the CAFR.

Primary Government – Revenues FY 2016

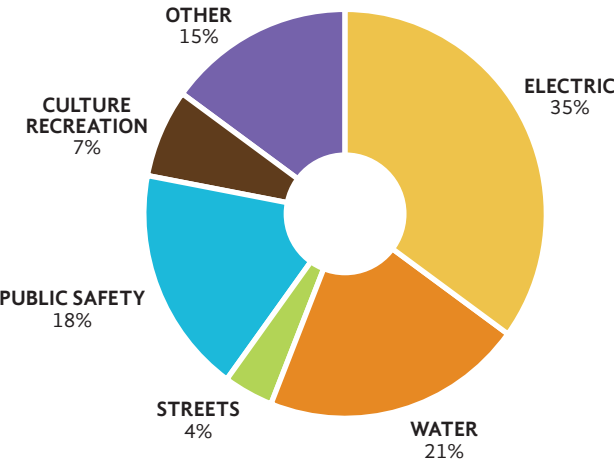


The Daytripper premier party

Financial Operations of the City are guided by its Fiscal and Budgetary Policy, which is reviewed and adopted each year by the City Council. This policy is meant to ensure financial stability and promote fiscal responsibility. The City currently receives the Government Finance Officers Association awards for its CAFR, annual budget, and popular annual financial report. All three awards recognize the City’s commitment to fiscal discipline and transparency.

These graphs represent the total primary government’s revenues and expenses and are intended to give the reader an understanding of the major areas of inflows and outflows for the City.

Primary Government – Functional Expenses FY 2016



Revenues

The total revenues for all of the City’s activities were \$228 million in fiscal year 2016, or a 12.5 percent increase from fiscal year 2015. The increase stems primarily from increases in property and sales tax collections. The Charges for Services category represents receipts primarily from electric, water, wastewater, environmental services, development and building inspection fees, parks fees, and court fines. Charges for services were \$137.3 million in 2016, a 7.6 percent increase from 2015. Property taxes totaled \$22.8 million, with total assessed valuation increasing 12.9 percent compared to the prior year. The property tax rate for 2016 was \$0.424 per \$100 of assessed valuation, or a decrease of \$0.01 over the prior year’s rate of \$0.434. Sales taxes, totaled \$21.6 million for 2016, which was an increase of 12.5 percent compared to the prior year. This increase in sales tax can be attributed to the continued economic growth in the retail, food, and information sectors. The city also received a \$5 million donation from Jack Garey for Garey Park.

Expenses

Total expenses for all of the City’s activities were \$173.8 million in 2016, a 9.2 percent increase from 2015 expenses. Increases in expenditures are related to the first year implementation of the city’s emergency management services, an increase in parks and street maintenance, and salary increases for all employees, including a cost of living increase for public safety employees. Further, because of continued customer growth, there are increases in the city’s solid waste and recycling contract and the electric fund.

Broadly, the **Statement of Net position**, is the difference between the City’s assets (what the City owns) and liabilities (what the City owes). This is 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. The City’s combined net position increased by \$54 million in FY 2016 to \$694 million from \$640 million in FY 2015. Net position for governmental activities increased by \$23 million, due to first year implementation of the city’s emergency management service (EMS), an increase in parks, facilities and street assets. Net position for business activities increased



Popular Annual Financial Report 2016

| Summary Statement of Net Position | 2016 | 2015 | 2014 | 2013 | 2012 |
|-----------------------------------|-----------------|---------------|---------------|---------------|---------------|
| Assets + Deferred Outflows | \$1,011,229,000 | \$902,933,000 | \$819,393,000 | \$691,525,000 | \$649,731,000 |
| Liabilities | \$316,606,000 | \$262,527,000 | \$228,717,000 | \$207,643,000 | \$193,069,000 |
| Net Position | \$694,623,000 | \$640,406,000 | \$590,676,000 | \$483,882,000 | \$456,662,000 |

| Summary Statement of Activities | 2016 | 2015 | 2014 | 2013 | 2012 |
|---------------------------------|---------------|---------------|---------------|---------------|---------------|
| Revenues | \$228,045,000 | \$202,764,000 | \$258,232,000 | \$157,999,000 | \$152,059,000 |
| Expenses | \$173,828,000 | \$159,223,000 | \$151,438,000 | \$127,943,000 | \$134,313,000 |
| Change in Net Position | \$54,217,000 | \$43,541,000 | \$106,794,000 | \$30,056,000 | \$17,746,000 |

\$30 million due to growth in the developer contributed capital and the City’s investment in utility infrastructure assets.

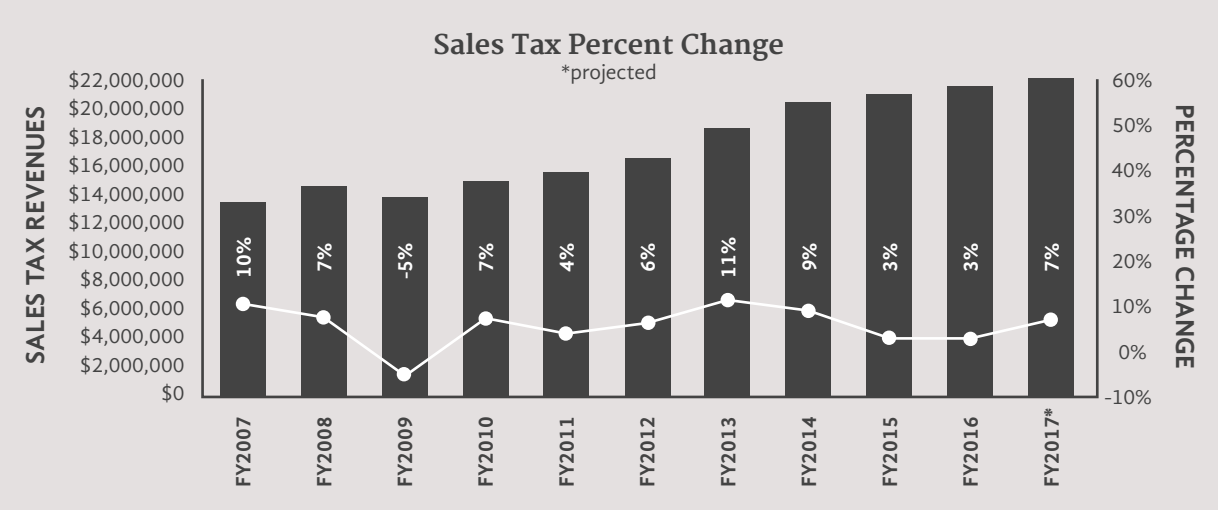
In the most general terms, the **Statement of Activities** presents information showing how the City’s net position changed during 2016. All changes in net position are reported as soon as the underlying event occurs, regardless of the timing of related cash flows.

The City’s assets are primarily invested in its capital infrastructure, such as utility lines, electric substations, roads, and parks. Many of these assets are funded through debt. As of September 30, 2016, the City had a total of \$172.5 million in general obligation debt outstanding. This represents a 23.7 percent increase over prior year. Current General Obligation debt is being used to pay for park and road projects, including \$20 million for the city’s largest road project in its history, the Southwest Bypass. Additional bond payments are related to the library, recreation center, and community center, and the new Public Safety Training and Operations Center.

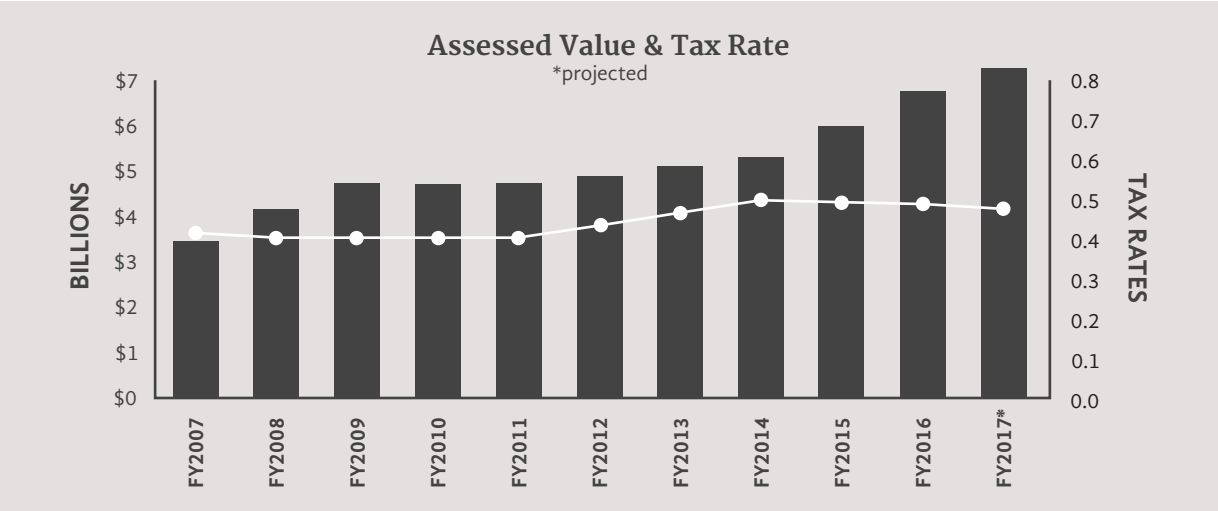
Here are graphs and charts that illustrate key financial indicators within the city:

| Property Tax Rates | | |
|--------------------|----------|--|
| Taylor | 0.803893 | |
| Killeen | 0.7498 | |
| Temple | 0.6648 | |
| Leander | 0.599 | |
| Pflugerville | 0.5399 | |
| San Marcos | 0.5302 | |
| Hutto | 0.520443 | |
| Cedar Park | 0.47 | |
| Austin | 0.4418 | |
| Round Rock | 0.425 | |
| Georgetown | 0.424 | |

The property tax rate for Georgetown is the lowest in Central Texas.



Sales tax revenues are projected to increase 7 percent over fiscal year 2016, demonstrating continued growth in the local economy for the eighth consecutive year.



Assessed valuations increased by more than \$400 million in 2016. The property tax rate decreased \$0.01 per \$100 of valuation over the prior year's rate.



Photography by Rudy Ximenez and City of Georgetown Staff
Design by Presley Design Studio

Enjoying a burger at Burger University



*This photo is of ceramic poppies that blanketed the Williamson County Courthouse lawn on the Georgetown Square, April 4-May 5, 2016.
The piece, by artist Jen Rose titled "Blood of Heroes Never Dies," commemorates Texas World War I veterans.*