



FINANCIAL STATEMENT

FINANCIAL STATEMENT (As of December 31, 2015)

Table with 2 columns: Description, Amount. Includes Net Taxable Assessed Valuation, GO Debt payable, and Net Debt.

Net Debt Per Net Taxable Assessed Valuation - 0.09%
Net Debt Per Sq mile - \$4,659.70
Net Debt Per Capita - \$84.16

Net Taxable Assessed Valuation Per Capita - \$92,975.31

Bureau of Census Pop: 2000 - 30,373
Bureau of Census Pop: 2010 - 33,718
2015 Estimated Population - 34,438
Area: 622.00 Sq mile

PAYMENT RECORD: The County has not defaulted since 1933 when a delay was caused by misinformation concerning State Aid to be received.

TAX DATA

Table with 6 columns: Tax Year, A.V., Tax Rate, Adjusted Levy, % Collected within FY, Total % Collected as of 12/31/2015\*

\* Delinquent tax collections are allocated to the respective years in which the taxes are levied.

Table with 5 columns: Tax Rate Distribution, 2015, 2014, 2013, 2012. Includes Operations, I&S, Totals, and F/M Road.

Tax Rate Limitation: Limited Tax Bonds. Texas Constitution (Art. VIII, Sec 9) imposes limit of \$0.80 per \$100 assessed valuation for all purposes of General Fund.

Road Bonds. Unlimited tax rate authorized for debt service by Art. III, Sec. 52 of Texas Constitution.

Road Maintenance. Imposed by County Road and Bridge Act, \$0.15 per \$100 assessed valuation, no part of which may be used for debt service.

Farm-to-Market and/or Flood Control. Imposed by County Road and Bridge Act, \$0.30 per \$100 assessed valuation after exemption of homesteads up to \$3,000.

TAX ABATEMENT The tax abatement for the 2016 assessed valuation was \$39,812,626.

SALES TAX

Optional Sales Tax. Texas Counties have the option of assessing a 1/2 cent sales tax if approved by the voters in a local option election.

Table with 5 columns: Calendar Year, Rate, Total Collected, % of Ad Val Tax Levy, Equiv of Ad Val Tax Rate. Includes years 2012-2015.

DETAILS OF OUTSTANDING DEBT

Details of Limited Tax Debt (Outstanding 12/31/2015)

Ltd Tax Ref Bds Ser 2010

Tax Treatment: Bank Qualified
Original Issue Amount \$3,835,000.00
Dated Date: 08/01/2010
Sale Date: 08/10/2010
Delivery Date: 08/31/2010
Sale Type: Negotiated
Record Date: MSRB
Bond Form: BE
Denomination: \$5,000
Interest pays: Semi-Annually: 08/15, 02/15
1st Coupon Date: 02/15/2011

Paying Agent: Wells Fargo Bank, N.A., Austin, TX
Bond Counsel: Vinson & Elkins L.L.P.
Financial Advisor: Specialized Public Finance Inc., Austin, TX
Lead Manager: Raymond James & Associates, Inc.

Use of Proceeds: Refunding.

Refunding Notes: This issue defeased \$1,300,000.00 of 2/15/2012, \$1,355,000.00 of 2/15/2013, \$1,400,000.00 of 2/15/2014 of L/T Note Ser 2007 @ par.

Table with 4 columns: Maturity, Amount, Coupon, Orig Reoffering Price/Yield. Lists maturity dates from 02/15/2016 to 02/15/2025.

Call Option: Bonds maturing on 02/15/2021 to 02/15/2025 callable in whole or in part on any date beginning 02/15/2020 @ par.

Grand Total =====> \$3,545,000.00

Bond Debt Service

Table with 4 columns: Period Ending, Principal, Interest, Debt Service

This Texas Municipal Report ("TMR") was prepared by employees of the Municipal Advisory Council of Texas ("MAC") for informational purposes only, and is not intended to be, and should not be considered as, a recommendation, endorsement or solicitation to buy or sell any security of the issuer to which it applies.



12/31/16	295,000.00	141,375.00	436,375.00
12/31/17	305,000.00	132,375.00	437,375.00
12/31/18	315,000.00	123,075.00	438,075.00
12/31/19	325,000.00	111,037.50	436,037.50
12/31/20	340,000.00	96,075.00	436,075.00
12/31/21	360,000.00	80,325.00	440,325.00
12/31/22	375,000.00	63,787.50	438,787.50
12/31/23	390,000.00	46,575.00	436,575.00
12/31/24	410,000.00	28,575.00	438,575.00
12/31/25	430,000.00	9,675.00	439,675.00
-----			
	3,545,000.00	832,875.00	4,377,875.00

**Debt Amortization Rates**

Period Ending	Principal	% of Principal Retired
12/31/2016	295,000.00	08.32%
12/31/2017	305,000.00	16.93%
12/31/2018	315,000.00	25.81%
12/31/2019	325,000.00	34.98%
12/31/2020	340,000.00	44.57%
12/31/2021	360,000.00	54.72%
12/31/2022	375,000.00	65.30%
12/31/2023	390,000.00	76.30%
12/31/2024	410,000.00	87.87%
12/31/2025	430,000.00	100.00%

**DEBT SERVICE FUND MANAGEMENT INDEX**

G.O. Debt Service Requirements for fiscal year-ending 12/31/2016	\$436,375
I&S Fds all G.O. issues 12/31/2015	\$646,667
2015 I&S Fund Tax Levy @ 90%	529,006

**AUTHORIZED BUT UNISSUED**

GENERAL OBLIGATION BONDS AUTHORIZED BUT UNISSUED None

**PENSION FUND LIABILITY**

All qualified employees of the County are members of the Texas County and District Retirement System. The County employees also participate in the U.S. Social Security program.

Required Contribution Rates (Percentage of gross covered salary)

	2017	2016
Employee:	7.00%	7.00%
County:	11.55%	11.32%

Actuarial Valuation as of	12/31/2015	12/31/2014
Assets	\$23,040,905	\$21,834,919
Accrued Liabilities	\$28,128,251	\$25,737,408

(Unfunded)/Overfunded Liab. (\$5,087,346) (\$3,902,489)

	81.91%	84.84%
Funded Ratio		
Annual Covered Payroll	N/A	\$8,392,795
(Unfunded)/Overfunded Liability as a % of Covered Payroll	N/A	(46.50)%

2015 Source: Texas County and District Retirement System 12/31/2015 CAFR  
2014 Source: Washington Co 12/31/2015 CAFR

POST EMPLOYMENT HEALTH BENEFITS: GASB STATEMENT 45 GASB released the Statement

of Governmental Accounting Standards No. 45 (GASB 45), Accounting and Financial Reporting by Employers for Post Employment Benefits Other Than Pensions (OPEB), in June 2004. The County has implemented GASB 45 for the fiscal year beginning January 1, 2008. GASB 45 sets forth standards for measurement, recognition, and display of post-employment benefits, other than pensions, such as health and life insurance for current and future retirees.

Fiscal Year	Annual OPEB Costs	Cost Contributed	% of Annual OPEB Cost Contributed	Net OPEB Obligation
2013	\$265,431	\$109,212	41.1%	\$1,287,256
2014	\$296,441	\$ 88,132	29.7%	\$1,495,565
2015	\$296,441	\$107,085	36.1%	\$1,684,921

As of December 31, 2015, the most recent actuarial valuation date, the plan was not funded. The actuarial accrued liability for benefits was \$3,646,503, and the actuarial value of assets was \$0, resulting in an unfunded actuarial accrued liability (UAAL) of \$3,646,503. The covered payroll was \$7,602,610 and the ratio of the UAAL to the covered payroll was 47.9%.

SCHEDULE OF CHANGES IN NET POSITION LIABILITY AND RELATED RATIOS

	12-31-2014
Pension Liability - Beginning	\$31,072,888
Pension Liability -Ending (a)	\$33,484,234
-----	
Contributions Employer	\$ 1,030,637
Contributions Employee	\$ 587,496
-----	
Plan Fiduciary Net Position - Beg	\$28,868,922
Plan Fiduciary Net Position - End (b)	\$31,091,550
Net Pension Liability (a) - (b)	
(Pension Liab - Fiduciary Position)	\$ 2,392,684
Plan Fiduciary Net Position as a % of Total Pension Liability	92.85%
Covered Employee Payroll	\$ 8,392,795
Net Pension Liability as a % of Covered Payroll	28.51%

Membership data for the pension plans are as follows:

Inactive employees or beneficiaries currently receiving benefits	91
Inactive employees entitled to but not yet receiving benefits	70
Active employees	219
---	
Total	380

Source: Washington Co CAFR dated 12/31/2015.

**NON FUNDED DEBT**

NON-FUNDED DEBT PAYABLE (As of December 31, 2015)

The County reports additional debt in the principal amount of \$4,337,214 under Govt Activities as follows:

	Amount Outstanding	Reported Under
Compensated Absences	\$259,610	Govt Activities
OPEB*	\$1,684,920	Govt Activities
Pension Liability	\$2,392,684	Govt Activities

\* See PENSION FUND LIABILITY section for details of this obligation.

This Texas Municipal Report ("TMR") was prepared by employees of the Municipal Advisory Council of Texas ("MAC") for informational purposes only, and is not intended to be, and should not be considered as, a recommendation, endorsement or solicitation to buy or sell any security of the issuer to which it applies. The information set forth in this TMR has been obtained from the issuer and from sources believed to be reliable, but the MAC has not independently verified such information. The MAC specifically disclaims any responsibility for, and makes no representations, warranties or guarantees about, the completeness or accuracy of such information. In this connection, this TMR reflects information as of the date referred to in the TMR, as derived from filings received by the MAC from the issuer. This TMR will be updated in the ordinary course as filings are received from the issuer, but the MAC specifically disclaims any responsibility for doing so. The reader of this TMR is advised to obtain current information from other sources before making any investment decision respecting the securities of this issuer.



DEFICIT FUND BALANCE

As of December 31, 2015, the County had a deficit fund balance of \$25,907 in the Special Revenues Fund- Community Development Program. The deficits are expected to be made up by increased revenues in subsequent years, or transfers from the General Fund.

OVERLAPPING DEBT

ESTIMATED OVERLAPPING DEBT STATEMENT

Table with columns: Taxing Body, Debt Amount, As Of, %Ovlp, Ovlp Amt. Includes rows for Brenham ISD, Brenham, City of, Burton ISD, Burton, City of, Giddings ISD, Oak Hill FWSD # 1, and Total Overlapping Debt.

\* Gross Debt

ECONOMIC BACKGROUND

Washington County is a south central Texas county traversed by U.S. Highway 290, State Highways 36 and 105 and ten farm-to-market roads.

COUNTY SEAT: Brenham

2010 census: 33,718 increasing 11.0 % since 2000
2000 census: 30,373 increasing 16.1 % since 1990
1990 census: 26,154

ECONOMIC BASE

Mineral: stone, oil and gas.

Industry: tourism, oil, manufacturing, government and agribusiness.

Agricultural: sorghums, small grains, poultry, nurseries, horses, hogs, hay, dairy, cotton, corn and beef cattle.

OIL AND GAS - 2015

The oil production for this county accounts for 0.04% of the total state production. The county ranks 114 out of all the counties in Texas for oil production. The gas production for this county accounts for 0.14% of the total state production. The county ranks 81 out of all the counties in Texas for gas production.

OIL PRODUCTION (Texas Railroad Commission)

Table with columns: Year, Description, Volume, % Change From Previous Year. Rows for 2012, 2013, 2014, 2015 Oil production.

CASINGHEAD (Texas Railroad Commission)

Table with columns: Year, Description, Volume, % Change From Previous Year. Rows for 2012, 2013, 2014 Casinghead.

2015 Casinghead 2,358,042 MCF -32.39

GAS WELL PRODUCTION (Texas Railroad Commission)

Table with columns: Year, Description, Volume, % Change From Previous Year. Rows for 2012, 2013, 2014, 2015 Gas well production.

CONDENSATE (Texas Railroad Commission)

Table with columns: Year, Description, Volume, % Change From Previous Year. Rows for 2012, 2013, 2014, 2015 Condensate.

PARKS (Texas Parks & Wildlife)

Table with columns: Year, Description, Volume. Rows for 2012, 2013, 2014 Parks.

RETAIL SALES & EFFECTIVE BUYING INCOME (The Nielsen Company)

Table with columns: Year, Retail Sales, Effective Buying Income (EBI), County Median Household Income, State Median Household Income, % of Households with EBI below \$25K, % of Households with EBI above \$25K. Rows for 2014, 2013, 2012.

EMPLOYMENT DATA (Texas Workforce Commission)

Table with columns: Year, Employed, Earnings. Rows for 2015, 2014, 2013 by quarter.

MAJOR COLLEGES AND UNIVERSITIES: Blinn College

COLLEGES AND UNIVERSITIES

Table with columns: Year, Total, Fall Enrollment. Rows for 2015, 2014, 2013, 2012, 2011, 2010, 2009, 2008.

TOP 10 EMPLOYERS

Table with columns: Major Employers(a), # Employees. Lists top 10 employers like Brenham State Supported Living Center, Brenham ISD, Blue Bell Creameries, etc.

This Texas Municipal Report ("TMR") was prepared by employees of the Municipal Advisory Council of Texas ("MAC") for informational purposes only, and is not intended to be, and should not be considered as, a recommendation, endorsement or solicitation to buy or sell any security of the issuer to which it applies.



Health Care	
City of Brenham	284
Municipality	
MIC Group	214
Manufacturer	

(a) Source: County CAFR dated December 31, 2015.

TOP 10 TAXPAYERS

Principal Taxpayers	2016 A.V.	% of A.V.
1. LCRA Transmission Services Corp. Electric Utility	\$55,336,690	1.73%
2. Blue Bell Creameries Ice Cream Mfg.	48,473,140	1.51%
3. Enervest Operating Oil & Gas	39,020,070	1.22%
4. ETC Texas Pipeline Ltd. Pipeline	30,235,950	0.94%
5. Valmont/ALS Agricultural Irrigation Equipment	22,678,690	0.71%
6. Bluebonnet Electric Co-Op. Electric Utility	15,775,580	0.49%
7. BNSF Railway Co. Railroad	15,184,920	0.47%
8. Sealy Mattress Co. Mattress Retail	12,120,220	0.38%
9. Germania Farm Mutual Aid Association Insurance Broker	11,833,835	0.37%
Total:	\$250,659,095	7.82%

FINANCE CONNECTED OFFICIALS

County Judge  
 John Brieden III  
 100 E. Main, Ste. 104  
 Brenham, TX 77833  
 Phone: 979-277-6200 Ext: 120  
 Fax: 979-277-6221  
 countyjudge@wacounty.com

County Auditor  
 Sharon Stolz  
 105 W. Main St. Ste. 104  
 Brenham, TX 77833-3753  
 Phone: 979-277-6229 Ext: 42  
 Fax: 409-277-6238  
 sstolz@wacounty.com

County Treasurer  
 Peggy Kramer  
 105 W Main Street  
 Suite 105  
 Brenham, TX 77833  
 Phone: 979-277-6224  
 Fax: 979-277-6286  
 pkramerr@wacounty.com

Tax Assessor/Collector  
 Dot Borchardt  
 Washington County Tax Office  
 100 E. Main, Ste. 100  
 Brenham, TX 77833  
 Phone: 979-277-6200 Ext: 129  
 Fax: 979-277-6282  
 dborchardt@wacounty.com

Chief Appraiser  
 Willy Dilworth  
 Washington County Appraisal District  
 1301 Niebuhr St.  
 Brenham, TX 77833  
 Phone: 979-277-3740  
 Fax: 979-277-3741  
 wdilworth@brenhamk-12.net

DY

This Texas Municipal Report ("TMR") was prepared by employees of the Municipal Advisory Council of Texas ("MAC") for informational purposes only, and is not intended to be, and should not be considered as, a recommendation, endorsement or solicitation to buy or sell any security of the issuer to which it applies. The information set forth in this TMR has been obtained from the issuer and from sources believed to be reliable, but the MAC has not independently verified such information. The MAC specifically disclaims any responsibility for, and makes no representations, warranties or guarantees about, the completeness or accuracy of such information. In this connection, this TMR reflects information as of the date referred to in the TMR, as derived from filings received by the MAC from the issuer. This TMR will be updated in the ordinary course as filings are received from the issuer, but the MAC specifically disclaims any responsibility for doing so. The reader of this TMR is advised to obtain current information from other sources before making any investment decision respecting the securities of this issuer.