

CONTINUING DISCLOSURE REPORT
FOR THE
FISCAL YEAR ENDED SEPTEMBER 30, 2012

KAUFMAN COUNTY, TEXAS

GENERAL OBLIGATION DEBT



RULE 15c2-12 FILING COVER SHEET

This cover sheet is sent with all submissions to the Municipal Securities Rulemaking Board (the Nationally Recognized Municipal Securities Information Repository) and any applicable State Information Depository pursuant to Securities and Exchange Commission (SEC) Rule 15c2-12 or any analogous state statute.

Issuer Name: Kaufman County, Texas

Issue(s):

\$ 13,585,000 General Obligation Bonds, Series 2012

Filing Format electronic paper; If available on the Internet, give URL: _____

CUSIP Numbers to which the information filed relates (optional):

Nine-digit number(s) (see following page(s)):

Six-digit number if information filed relates to all securities of the issuer

* * *

Financial & Operating Data Disclosure Information

Annual Financial Report or CAFR

Financial Information & Operating Data

Other (describe)

Fiscal Period Covered: FYE 2012

Monthly Quarterly Annual Other:

* * *

I hereby represent that I am authorized by the issuer or its agent to distribute this information publicly:

Signature: /s/ Karen Cooper

Name: Karen Cooper Title: County Auditor

Employer: Kaufman County, Texas

Voice Telephone Number: (469) 376-4140

Email Address: kcooper@kaufmancounty.net

DESCRIPTION OF ISSUES COVERED BY THIS REPORT

General Obligation Bonds, Series 2012

<u>Date</u>	<u>Principal</u>	<u>CUSIP</u>
02/15/15	\$ 1,365,000	486188EC5
02/15/16	1,410,000	486188ED3
02/15/17	1,455,000	486188EE1
02/15/18	1,500,000	486188EF8
02/15/19	1,550,000	486188EG6
02/15/20	1,605,000	486188EH4
02/15/21	1,665,000	486188EJ0
02/15/22	1,720,000	486188EK7
	<u>\$ 12,270,000</u>	

FINANCIAL STATEMENTS

The audited financial statements for the County for the fiscal year ended September 30, 2012 are being separately filed directly with the Nationally Recognized Municipal Securities Information Repository and any applicable State Information Depository, and are hereby incorporated by reference into this Annual Continuing Disclosure Report.

SIGNATURE OF ISSUER

The information set forth herein has been obtained from the County and other sources believed to be reliable, but such information is not guaranteed as to accuracy or completeness and is not to be construed as a promise or guarantee. This Annual Continuing Disclosure Report may contain, in part, estimates and matters of opinion which are not intended as statements of fact, and no representation is made as to the correctness of such estimates and opinions, or that they will be realized. The information and expressions of opinion contained herein are subject to change without notice, and the delivery of this Annual Continuing Disclosure Report will not, under any circumstances, create any implication that there has been no change in the affairs of the County or other matters described.

KAUFMAN COUNTY, TEXAS

/s/ Karen Cooper

Karen Cooper
County Auditor

Approved for Submission:

03/27/2013

Date

CERTIFICATE OF SUBMISSION OF ANNUAL REPORT

Subject to the continuing disclosure requirements of SEC Rule 15c2-12, this Annual Continuing Disclosure Report for the Kaufman County, Texas with respect to the issues listed on the report cover was submitted directly to the National Recognized Municipal Securities Information Repository ("NRMSIR") listed below as well as to any applicable State Information Depository ("SID").

NRMSIR

Municipal Securities Rulemaking Board ("MSRB")
via the Electronic Municipal Market Access ("EMMA") system

First Southwest Company

Signed by:

/s/ Thiiri Kimathi

KAUFMAN COUNTY, TEXAS
2013 GENERAL OBLIGATION DEBT REPORT

TABLE I - VALUATION, EXEMPTIONS AND GENERAL OBLIGATION DEBT

FYE 2013 (Tax Year 2012) Market Valuation Established by the Kaufman County Appraisal District (excluding totally exempt property)		\$ 7,784,886,453
Less Exemptions/Reductions at 100% Market Value:		
Residence Homestead (Over 65)	\$ 87,755,080	
Disabled Veterans/Persons Exemptions	45,584,054	
Freeport Loss	89,508,660	
Pollution Control Loss	85,080,360	
Productivity Loss	1,592,564,338	
Abatement Loss	5,058,492	
Value Lost to 10% Cap	3,661,031	
Prorated	2,079,642	
Other	<u>203,980</u>	<u>\$ 1,911,495,637</u>
2012/13 Taxable Assessed Valuation		\$ 5,873,390,816
Funded Debt Payable from Ad Valorem Taxes (as of 1/31/13)		\$ 15,450,000
Ratio General Obligation Debt to Taxable Assessed Valuation		0.26%

2013 Estimated Population - 105,358
Per Capita Taxable Assessed Valuation - \$55,747
Per Capita Funded Debt Payable from Ad Valorem Taxes - \$147

TABLE 2 - TAXABLE ASSESSED VALUATIONS BY CATEGORY

Category	Fiscal Year Ended September 30.					
	2013		2012		2011	
	Amount	% of Total	Amount	% of Total	Amount	% of Total
Real, Residential, Single Family	\$ 3,475,456,746	44.64%	\$ 3,485,517,715	43.75%	\$ 3,464,695,239	43.22%
Real, Residential, Multi Family	59,355,900	0.76%	60,150,070	0.75%	63,023,270	0.79%
Real, Vacant Lots/Tracts	135,733,003	1.74%	155,114,702	1.95%	162,330,959	2.03%
Real, Acreage (Land Only)	1,788,337,604	22.97%	1,975,458,252	24.80%	2,003,932,810	25.00%
Farm and Ranch Improvements	375,823,394	4.83%	380,825,206	4.78%	383,102,859	4.78%
Real, Commercial and Industrial	1,033,437,451	13.27%	1,020,696,429	12.81%	1,024,563,391	12.78%
Real, Oil, Gas/Other Mineral Resrvs	15,131,034	0.19%	10,826,010	0.14%	9,423,440	0.12%
Vehicles and Utilities	149,547,560	1.92%	144,094,010	1.81%	149,214,330	1.86%
Personal Commercial and Industrial	639,237,210	8.21%	605,835,255	7.60%	622,344,323	7.76%
Mobile Homes	50,245,841	0.65%	55,934,481	0.70%	59,457,019	0.74%
Real/Special Property, Inventory	62,580,710	0.80%	72,457,900	0.91%	73,993,970	0.92%
Total Before Exemptions	\$ 7,784,886,453	100.00%	\$ 7,966,910,030	100.00%	\$ 8,016,081,610	100.00%
Less: Total Exemptions/Reductions	(1,911,495,637)		(2,086,796,204)		(2,124,078,339)	
Taxable Assessed Value	<u>\$ 5,873,390,816</u>		<u>\$ 5,880,113,826</u>		<u>\$ 5,892,003,271</u>	

Category	Fiscal Year Ended September 30.			
	2010		2009	
	Amount	% of Total	Amount	% of Total
Real, Residential, Single Family	\$ 3,420,781,442	41.92%	\$ 3,355,251,427	39.70%
Real, Residential, Multi Family	65,196,540	0.80%	65,768,740	0.78%
Real, Vacant Lots/Tracts	156,460,135	1.92%	217,608,695	2.57%
Real, Acreage (Land Only)	2,029,607,692	24.87%	2,243,126,590	26.54%
Farm and Ranch Improvements	393,841,895	4.83%	416,307,294	4.93%
Real, Commercial and Industrial	695,010,530	8.52%	672,120,820	7.95%
Real, Oil, Gas/Other Mineral Resrvs	5,054,120	0.06%	8,567,490	0.10%
Vehicles and Utilities	154,922,520	1.90%	159,603,830	1.89%
Personal Commercial and Industrial	1,079,616,910	13.23%	1,138,769,344	13.47%
Mobile Homes	65,528,390	0.80%	82,310,550	0.97%
Real/Special Property, Inventory	94,545,610	1.16%	92,796,090	1.10%
Total Before Exemptions	\$ 8,160,565,784	100.00%	\$ 8,452,230,870	100.00%
Less: Total Exemptions/Reductions	(2,169,970,595)		(2,352,841,461)	
Taxable Assessed Value	<u>\$ 5,990,595,189</u>		<u>\$ 6,099,389,409</u>	

TABLE 3 - VALUATION AND GENERAL OBLIGATION DEBT HISTORY

Fiscal Year Ended	Estimated Population ⁽¹⁾	Taxable Assessed Valuation ⁽²⁾	Taxable Assessed Valuation Per Capita	Tax Debt Outstanding at End of Year	Ratio Tax Debt to Taxable Assessed Valuation	Funded Debt Per Capita
2009	102,550	\$ 6,099,389,409	\$ 59,477	\$ 18,100,000	0.30%	\$ 176
2010	104,850	5,990,595,189	57,135	16,830,000	0.28%	161
2011	103,350	5,892,003,271	57,010	15,500,000	0.26%	150
2012	103,350	5,880,113,826	56,895	14,155,000	0.24%	137
2013	105,358	5,873,390,816	55,747	13,760,000 ⁽³⁾	0.23%	131

(1) Source: County Officials.

(2) As reported by the Kaufman County Appraisal District; subject to change during the ensuing year.

(3) Projected.

TABLE 4 - TAX RATE, LEVY AND COLLECTION HISTORY

Fiscal Year Ended 9/30	Tax Rate ⁽¹⁾	Actual Tax Levy	% Current Collections	% Total Collections
2009	\$ 0.55650	\$ 33,943,102	96.50%	99.20%
2010	0.55650	33,337,662	96.79%	99.29%
2011	0.55650	32,788,998	97.32%	100.18%
2012	0.55650	32,722,833	99.32%	100.85%
2013	0.55650	32,685,420	82.48% ⁽²⁾	83.57% ⁽²⁾

(1) Includes Maintenance & Operations, Interest & Sinking Fund, and Road & Bridge.

(2) Collections through January 31, 2013.

TABLE 5 - TAX RATE DISTRIBUTION ANALYSIS

	Fiscal Year Ending September 30.				
	2013	2012	2011	2010	2009
Operating Fund	\$ 0.467500	\$ 0.463500	\$ 0.471700	\$ 0.454500	\$ 0.447000
Interest and Sinking Fund	0.054500	0.035600	0.036000	0.034000	0.031500
Total Constitutional Tax Rate	\$ 0.522000	\$ 0.499100	\$ 0.507700	\$ 0.488500	\$ 0.478500
Special Road and Bridge (Road Maint.) Tax Rate	0.034500	0.057400	0.048800	0.068000	0.078000
Total Tax Rate	\$ 0.556500	\$ 0.556500	\$ 0.556500	\$ 0.556500	\$ 0.556500

TABLE 6 - TEN LARGEST TAXPAYERS

Name of Taxpayer	Nature of Property	2012/13 Taxable Assessed Valuation	% of Total Taxable Assessed Valuation
FPLE Forney LP	Power Plant	\$ 367,557,290	6.26%
Oncor Electric Delivery Co.	Electric Utility	62,079,580	1.06%
Goodyear Tire and Rubber	Retail	35,986,643	0.61%
Wal-Mart Stores 01-265	Retail	32,197,732	0.55%
Orange County Container Group LLC	Manufacturing	28,698,190	0.49%
Autozone Inc Department 8808	Auto Parts Retailer	25,970,374	0.44%
Solar Turbines Inc.	Natural Gas	22,910,710	0.39%
Madix Inc.	Manufacturing	18,985,294	0.32%
Wal-Mart Stores LP	Retail	18,779,480	0.32%
Walmart Real Estate Business Trust	Real Estate	18,040,420	0.31%
		<u>\$ 631,205,713</u>	<u>10.75%</u>

TABLE 7 - TAX ADEQUACY

2013 Principal and Interest Requirements	\$ 2,087,927
\$0.0371 Tax Rate at 96% Collection Produces	\$ 2,091,867
Average Annual Principal and Interest Requirements, 2013 - 2022	\$ 1,777,550
\$0.0316 Tax Rate at 96% Collection Produces	\$ 1,781,752
Maximum Annual Principal and Interest Requirements, 2013	\$ 2,087,927
\$0.0371 Tax Rate at 96% Collection Produces	\$ 2,091,867

TABLE 9 - GENERAL OBLIGATION DEBT SERVICE REQUIREMENTS

Fiscal Year Ended 9/30	Outstanding Debt Service			% of Principal Retired
	Principal	Interest	Total	
2013	\$ 1,690,000	\$ 397,927	\$ 2,087,927	
2014	1,345,000	386,084	1,731,084	
2015	1,395,000	349,465	1,744,465	
2016	1,440,000	307,465	1,747,465	
2017	1,485,000	264,085	1,749,085	47.61%
2018	1,530,000	219,325	1,749,325	
2019	1,575,000	173,150	1,748,150	
2020	1,605,000	125,625	1,730,625	
2021	1,665,000	76,575	1,741,575	
2022	1,720,000	25,800	1,745,800	100.00%
	<u>\$ 15,450,000</u>	<u>\$ 2,325,501</u>	<u>\$ 17,775,501</u>	

TABLE 10 - OTHER OBLIGATIONS ⁽¹⁾

The County is a party in several lease agreements for equipment and vehicles. The terms of the agreement provide an option to purchase the equipment during or at the end of the lease. During the year ended September 30, 2012, the County entered into 2 new lease agreements classified as capital leases in addition to the 15 other leases capitalized in prior years. The County obtained a JD motorgrader and 2 international dump trucks. The leases meet the criteria of a capital lease as defined by Statement of Financial Accounting Standards No. 13, "Accounting for Leases."

The following is a schedule of the future minimum lease payments under the capitalized leases together with the present value of the net minimum lease payments at September 30, 2012:

Year Ended September 30,	
2013	\$ 450,955
2014	164,400
2015	151,821
2016	51,072
2017	-
Total Minimum lease payments	<u>\$ 818,248</u>
Less amount representing interest	<u>(34,280)</u>
Present value of net minimum lease payments	<u>\$ 783,968</u>

(1) Unaudited.

TABLE 11 - CHANGES IN NET ASSETS

	Fiscal Year Ending September 30,				
	2012 ⁽¹⁾	2011	2010	2009	2008
Revenues					
General Revenues:					
Property Taxes	\$ 32,891,734	\$ 29,937,021	\$ 33,567,845	\$ 34,183,652	\$ 32,181,789
Fees, Fines and Charges for Services	7,356,136	10,036,025	7,130,368	8,452,257	10,567,807
Grants and Contributions	2,005,683	3,307,559	1,512,661	1,997,802	1,089,457
Investment Income	99,236	237,663	76,319	128,466	340,349
Miscellaneous	257,756	52,523	1,063,696	38,191	2,281,617
Gain on Disposal of Capital Assets	-	-	1,537	1,413,676	749,725
Total Revenues	<u>\$ 42,610,545</u>	<u>\$ 43,570,791</u>	<u>\$ 43,352,426</u>	<u>\$ 46,214,044</u>	<u>\$ 47,210,744</u>
Expenses					
General Government	\$ 11,257,572	\$ 11,697,382	\$ 12,577,439	\$ 12,645,700	\$ 15,309,467
Public Safety and Corrections	16,282,267	16,644,150	19,559,418	19,742,354	15,565,376
Judicial	5,426,744	5,499,160	5,413,190	5,443,339	4,272,250
Environmental Services	6,022,370	6,287,898	7,181,073	6,919,798	8,630,825
Health and Human Services	483,805	344,105	1,554,138	1,733,656	1,958,846
Interest and Fiscal Charges	475,196	879,785	839,371	907,015	961,925
Community Service	397,987	763,886	252,606	224,425	275,162
Total Expenses	<u>\$ 40,345,941</u>	<u>\$ 42,116,366</u>	<u>\$ 47,377,235</u>	<u>\$ 47,616,287</u>	<u>\$ 46,973,851</u>
Change in Net Assets	2,264,604	1,454,425	(4,024,809)	(1,402,243)	236,893
Net Assets, Beginning of Year	16,864,198	15,409,773 ⁽²⁾	14,197,522	16,129,693	15,892,800 ⁽²⁾
Prior Period Adjustment		-	-	(529,928)	-
Net Assets, End of Year	<u>\$ 19,128,802</u>	<u>\$ 16,864,198</u>	<u>\$ 10,172,713</u>	<u>\$ 14,197,522</u>	<u>\$ 16,129,693</u>

(1) Unaudited.

(2) Restated.

TABLE 11A - GENERAL FUND REVENUES AND EXPENDITURE HISTORY

Revenues	Fiscal Year Ending September 30,				
	2012 ⁽¹⁾	2011	2010	2009	2008
Taxes	\$ 27,442,341	\$ 28,133,479	\$ 27,267,748	\$ 27,297,498	\$ 26,091,299
Fees, Fines and Forfeitures	3,868,711	3,407,737	3,506,672	4,545,032	5,964,549
Intergovernmental	1,429,241	1,785,232	147,331	773,301	195,282
Miscellaneous	191,234	236,310	745,700	722,857	2,502,331
Total Revenues	\$ 32,931,527	\$ 33,562,758	\$ 31,667,451	\$ 33,338,688	\$ 34,753,461
Expenditures					
General Administration	\$ 10,917,629	\$ 10,284,905	\$ 9,284,039	\$ 10,219,882	\$ 10,769,598
Judicial and Legal	4,924,707	4,880,329	4,952,866	5,247,369	4,117,522
Public Safety	14,739,045	14,031,950	15,419,662	15,414,265	15,908,442
Environmental Protection	339,745	356,152	906,920	918,848	1,189,481
Health and Welfare	474,918	331,785	969,079	1,136,520	688,567
Community Service	390,210	738,517	196,248	189,916	-
Capital Outlay	410,384	314,080	1,075,703	1,193,068	2,181,551
Debt Service	11,937	98,835	18,465	35,729	237,205
Total Expenditures	\$ 32,208,575	\$ 31,036,553	\$ 32,822,982	\$ 34,355,597	\$ 35,092,366
Excess (Deficiency) Revenues Over Expenditures	\$ 722,952	\$ 2,526,205	\$ (1,155,531)	\$ (1,016,909)	\$ (338,905)
Other Financing Sources (Uses): Transfers In (Out)	(487,689)	(374,240)	(484,473)	(622,951)	(868,872)
Excess (Deficiency) of Revenue and Other Sources Over Expenses	235,263	2,151,965	(1,640,004)	(1,639,860)	(1,207,777)
Fund Balance Beginning of Year	1,005,144	(1,669,923)	(29,919)	2,883,347	4,091,124
Prior Period Adjustment	-	523,102	-	(1,273,406)	-
Transfer of Fund Balance from Internal Service Fund	-	-	-	-	-
Fund Balance End of Year	\$ 1,240,407	\$ 1,005,144	\$ (1,669,923)	\$ (29,919)	\$ 2,883,347

(1) Unaudited.

TABLE 12 – SPECIAL REVENUE FUNDS – STATEMENT OF REVENUES AND EXPENDITURES AND CHANGES IN FUND BALANCE (ROAD AND BRIDGE AND OTHER)

Revenues	Fiscal Year Ending September 30,				
	2012 ⁽¹⁾	2011	2010	2009	2008
Taxes	\$ 5,504,051	\$ 5,129,092	\$ 6,099,632	\$ 6,581,049	\$ 5,758,393
Fees, Fines and Forfeitures	3,346,066	2,816,081	3,623,696	3,907,225	3,459,790
Intergovernmental	759,031	1,273,913	1,365,330	1,224,501	610,146
Investment Income	-	28,636	34,899	45,824	-
County Matching Funds	-	-	-	-	5,000
Gain (Loss) on Sale of Assets	-	-	1,537	38,191	-
Miscellaneous	123,157	62,092	359,416	773,461	2,388,750
Total Revenues	\$ 9,732,305	\$ 9,309,814	\$ 11,484,510	\$ 12,570,251	\$ 12,222,079
Expenditures					
General Administration	\$131,703	\$135,318	\$190,196	\$204,443	\$ 967,700
Judicial & Legal	403,258	460,651	146,092	102,127	131,290
Public Facilities	-	-	-	-	189,488
Community Service	466	5,910	16,695	16,050	-
Public Safety	1,305,086	1,108,917	2,656,032	2,496,991	25,548
Environmental Protection	5,572,509	5,275,588	6,164,530	6,733,265	6,623,606
Health and Welfare	-	-	579,401	588,688	1,010,758
Capital Outlay	847,993	136,913	2,393,814	3,988,040	3,261,903
Debt Service	16,533,437	2,751,375	2,097,400	2,087,474	2,080,518
Total Expenditures	\$24,794,452	\$9,874,672	\$14,244,160	\$16,217,078	\$ 14,290,811
Excess (Deficiency) Revenues					
Over Expenditures	\$ (15,062,147)	\$ (564,858)	\$ (2,759,650)	\$ (3,646,827)	\$ (2,068,732)
Other Financing Sources (Uses):	14,876,123	820,441	2,024,562	3,979,360	2,232,567
Excess (Deficiency) of Revenue and					
Other Sources Over Expenses	(186,024)	255,583	(735,088)	332,533	163,835
Fund Balance Beginning of Year	4,417,747	4,782,726	5,517,814	4,402,374	4,238,539
Balance Adjustment	-	(620,562)	-	782,907	-
Fund Balance End of Year	\$ 4,231,723	\$ 4,417,747	\$ 4,782,726	\$ 5,517,814	\$ 4,402,374

(1) Unaudited.

TABLE 13 - CURRENT INVESTMENTS

As of December 31, 2012, the County's funds were invested in the following categories:

Description	Book Value	Market Value	Percentage
TexPool	\$ 885,050	\$ 885,050	100.00%
	\$ 885,050	\$ 885,050	100.00%



325 North St. Paul Street
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214-953-8701 Direct
214-953-4050 Fax

Julie James
Vice President

julie.james@firstsw.com

July 25, 2013

Ms. Karen Cooper
County Auditor
Kaufman County, Texas
3003 S. Washington
Kaufman, TX 75142

Re: Continuing Disclosure Reporting Requirements under SEC Rule 15c2-12

Dear Ms. Cooper:

Enclosed is a copy of the County's *Annual Disclosure Report* for the fiscal year ending September 30, 2012 that was filed with each applicable SID & NRMSIR on or before March 31, 2013 in accordance with SEC Rule 15c2-12, as amended.

Also, please find enclosed our *Fee Statement* for services rendered in connection with preparation and filing of the *Annual Disclosure Report*.

Should you have any questions regarding the above, please call George Williford or me at (214) 953-4000. It has been a pleasure to serve both you and the County in this matter.

Sincerely Yours,

Julie James
Vice President

Enclosures

cc: George Williford