

CONTINUING DISCLOSURE REPORT  
FOR THE  
FISCAL YEAR ENDED SEPTEMBER 30, 2013

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
- \$ 29,163,850 Unlimited Tax Road Bonds, Series 2014

**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 2013

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>	

### Unlimited Tax Road Bonds, Series 2014

<u>Date</u>	<u>Principal</u>	<u>CUSIP</u>
02/15/23	\$ 1,393,850	486188EL5
02/15/24	1,950,000	486188EX9
02/15/25	2,050,000	486188EM3
02/15/26	2,155,000	486188EN1
02/15/27	2,270,000	486188EP6
02/15/28	2,385,000	486188EQ4
02/15/29	2,505,000	486188ER2
02/15/30	2,635,000	486188ES0
02/15/31	2,755,000	486188ET8
02/15/32	2,885,000	486188EU5
02/15/33	3,020,000	486188EV3
02/15/34	3,160,000	486188EW1
	<u>\$ 29,163,850</u>	

## **FINANCIAL STATEMENTS**

The audited financial statements for the County for the fiscal year ended September 30, 2013 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*

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Karen Cooper  
County Auditor

Approved for Submission:

03/31/2014

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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**  
**2014 GENERAL OBLIGATION DEBT REPORT**

**TABLE 1 - VALUATION, EXEMPTIONS AND GENERAL OBLIGATION DEBT**

2013/2014 Market Valuation Established by the Kaufman County Appraisal District (excluding totally exempt property)		\$ 7,840,249,192
Less Exemptions/Reductions at 100% Market Value:		
Residence Homestead (Over 65)	\$ 90,330,820	
Disabled Veterans/Persons Exemptions	48,143,213	
Freeport Loss	98,057,454	
Pollution Control Loss	86,959,670	
Productivity Loss	1,547,677,004	
Abatement Loss	11,870,333	
Value Lost to 10% Cap	2,458,351	
2013/14 Taxable Assessed Valuation		<u>\$ 5,954,752,347</u>
Funded Debt Payable from Ad Valorem Taxes (as of 1/31/14)		\$ 42,923,850
Ratio General Obligation Debt to Taxable Assessed Valuation		0.72%

2014 Estimated Population - 105,358  
Per Capita Taxable Assessed Valuation - \$56,519  
Per Capita Funded Debt Payable from Ad Valorem Taxes - \$407

**TABLE 2 - TAXABLE ASSESSED VALUATIONS BY CATEGORY**

Category	Fiscal Year Ended September 30,					
	2014		2013		2012	
	Amount	% of Total	Amount	% of Total	Amount	% of Total
Real, Residential, Single Family	\$ 3,519,992,893	44.90%	\$ 3,475,456,746	44.64%	\$ 3,485,517,715	43.75%
Real, Residential, Multi Family	60,276,200	0.77%	59,355,900	0.76%	60,150,070	0.75%
Real, Vacant Lots/Tracts	126,089,374	1.61%	135,733,003	1.74%	155,114,702	1.95%
Real, Acreage (Land Only)	1,617,769,598	20.63%	1,788,337,604	22.97%	1,975,458,252	24.80%
Farm and Ranch Improvements	490,335,873	6.25%	375,823,394	4.83%	380,825,206	4.78%
Real, Commercial and Industrial	1,056,423,675	13.47%	1,033,437,451	13.27%	1,020,696,429	12.81%
Real, Oil, Gas/Other Mineral Resrvs	16,677,388	0.21%	15,131,034	0.19%	10,826,010	0.14%
Vehicles and Utilities	152,431,550	1.94%	149,547,560	1.92%	144,094,010	1.81%
Personal Commercial and Industrial	694,523,400	8.86%	639,237,210	8.21%	605,835,255	7.60%
Mobile Homes	46,901,611	0.60%	50,245,841	0.65%	55,934,481	0.70%
Real/Special Property, Inventory	58,827,630	0.75%	62,580,710	0.80%	72,457,900	0.91%
Total Before Exemptions	\$ 7,840,249,192	100.00%	\$ 7,784,886,453	100.00%	\$ 7,966,910,030	100.00%
Less: Total Exemptions/Reductions	(1,885,496,845)		(1,911,495,637)		(2,086,796,204)	
Taxable Assessed Value	<u>\$ 5,954,752,347</u>		<u>\$ 5,873,390,816</u>		<u>\$ 5,880,113,826</u>	

Category	Fiscal Year Ended September 30,			
	2011		2010	
	Amount	% of Total	Amount	% of Total
Real, Residential, Single Family	\$ 3,464,695,239	43.22%	\$ 3,420,781,442	41.92%
Real, Residential, Multi Family	63,023,270	0.79%	65,196,540	0.80%
Real, Vacant Lots/Tracts	162,330,959	2.03%	156,460,135	1.92%
Real, Acreage (Land Only)	2,003,932,810	25.00%	2,029,607,692	24.87%
Farm and Ranch Improvements	383,102,859	4.78%	393,841,895	4.83%
Real, Commercial and Industrial	1,024,563,391	12.78%	695,010,530	8.52%
Real, Oil, Gas/Other Mineral Resrvs	9,423,440	0.12%	5,054,120	0.06%
Vehicles and Utilities	149,214,330	1.86%	154,922,520	1.90%
Personal Commercial and Industrial	622,344,323	7.76%	1,079,616,910	13.23%
Mobile Homes	59,457,019	0.74%	65,528,390	0.80%
Real/Special Property, Inventory	73,993,970	0.92%	94,545,610	1.16%
Total Before Exemptions	\$ 8,016,081,610	100.00%	\$ 8,160,565,784	100.00%
Less: Total Exemptions/Reductions	(2,124,078,339)		(2,169,970,595)	
Taxable Assessed Value	<u>\$ 5,892,003,271</u>		<u>\$ 5,990,595,189</u>	

**TABLE 3 - VALUATION AND GENERAL OBLIGATION DEBT HISTORY**

Fiscal Year Ended	Estimated Population <sup>(1)</sup>	Taxable Assessed Valuation <sup>(2)</sup>	Taxable Assessed Valuation Per Capita	Tax Debt Outstanding at End of Year	Ratio Tax Debt to Taxable Assessed Valuation	Funded Debt Per Capita
2010	103,350	\$ 5,990,595,189	\$ 57,964	\$ 16,830,000	0.28%	\$ 163
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	0.23%	131
2014	105,358	5,954,752,347	56,519	41,578,850 <sup>(3)</sup>	0.70% <sup>(3)</sup>	395 <sup>(3)</sup>

(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	Tax Rate <sup>(1)</sup>	Actual Tax Levy	% Current Collections	% Total Collections
2010	\$ 0.55650	\$ 33,337,662	96.40%	99.04%
2011	0.55650	32,788,998	96.50%	99.20%
2012	0.55650	29,085,741	96.79%	99.29%
2013	0.55650	29,263,834	97.32%	100.18%
2014	0.55650	28,580,411	8.37% <sup>(2)</sup>	8.67% <sup>(2)</sup>

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

(2) Partial year collections through November 15, 2013.

**TABLE 5 - TAX RATE DISTRIBUTION ANALYSIS**

	Fiscal Year Ending September 30.				
	2014	2013	2012	2011	2010
Operating Fund	\$ 0.452000	\$ 0.467500	\$ 0.463500	\$ 0.471700	\$ 0.454500
Interest and Sinking Fund	0.030500	0.054500	0.035600	0.036000	0.034000
Total Constitutional Tax Rate	\$ 0.482500	\$ 0.522000	\$ 0.499100	\$ 0.507700	\$ 0.488500
Special Road and Bridge					
(Road Maint.) Tax Rate	\$ 0.074000	\$ 0.034500	\$ 0.057400	\$ 0.048800	\$ 0.068000
Total Tax Rate	\$ 0.556500	\$ 0.556500	\$ 0.556500	\$ 0.556500	\$ 0.556500

**TABLE 6 - TEN LARGEST TAXPAYERS**

<u>Name of Taxpayer</u>	<u>Nature of Property</u>	<u>2013/14 Taxable Assessed Valuation</u>	<u>% of Total Taxable Assessed Valuation</u>
FPLE Forney LP	Power Plant	\$ 377,135,500	6.33%
Oncor Electric Delivery Co.	Electric Utility	64,867,630	1.09%
Goodyear Tire and Rubber Co	Retail	59,091,376	0.99%
Wal-Mart Stores 01-265	Retail	43,927,882	0.74%
Wal-Mart Real Estate Business Trust	Real Estate	28,198,460	0.47%
Solar Turbines Inc.	Gas Turbine Engines	27,916,480	0.47%
Orange County Container Group LLC	Manufacturing	26,516,540	0.45%
Autozone Inc Department 8808	Auto Parts Retailer	26,409,099	0.44%
Madix Inc.	Manufacturing	19,589,997	0.33%
Wal-Mart Stores LP	Retail	18,370,320	0.31%
		<u>\$ 692,023,284</u>	<u>11.62%</u>

**TABLE 7 - TAX ADEQUACY**

2014 Principal and Interest Requirements	\$ 2,301,964
\$0.0403 Tax Rate at 96% Collection Produces	\$ 2,303,775
Average Annual Principal and Interest Requirements, 2014 - 2034	\$ 3,132,870
\$0.0549 Tax Rate at 96% Collection Produces	\$ 3,138,393
Maximum Annual Principal and Interest Requirements, 2033	\$ 3,240,288
\$0.0567 Tax Rate at 96% Collection Produces	\$ 3,241,291

**TABLE 9 - GENERAL OBLIGATION DEBT SERVICE REQUIREMENTS**

Fiscal Year Ended 9/30	Outstanding Debt Service			% of Principal Retired
	Principal	Interest	Total	
2014	\$ 1,345,000	\$ 956,964	\$ 2,301,964	
2015	1,395,000	1,683,990	3,078,990	
2016	1,440,000	1,641,990	3,081,990	
2017	1,485,000	1,598,610	3,083,610	
2018	1,530,000	1,553,850	3,083,850	16.76%
2019	1,575,000	1,507,675	3,082,675	
2020	1,605,000	1,460,150	3,065,150	
2021	1,665,000	1,411,100	3,076,100	
2022	1,720,000	1,360,325	3,080,325	
2023	1,393,850	1,845,675	3,239,525	35.30%
2024	1,950,000	1,285,775	3,235,775	
2025	2,050,000	1,185,775	3,235,775	
2026	2,155,000	1,080,650	3,235,650	
2027	2,270,000	970,025	3,240,025	
2028	2,385,000	853,650	3,238,650	60.49%
2029	2,505,000	731,400	3,236,400	
2030	2,635,000	602,900	3,237,900	
2031	2,755,000	481,925	3,236,925	
2032	2,885,000	354,700	3,239,700	
2033	3,020,000	220,288	3,240,288	92.64%
2034	3,160,000	79,000	3,239,000	100.00%
	<u>\$ 42,923,850</u>	<u>\$ 22,866,416</u>	<u>\$ 65,790,267</u>	

**TABLE 10 – AUTHORIZED BUT UNISSUED BONDS**

Purpose	Date	Amount	The Bonds	Unissued
	Authorized	Authorized		Balance
Road	11/5/2013	\$ 56,000,000	\$ 30,000,000 <sup>(1)</sup>	\$ 26,000,000

(1) Includes a portion of the reoffering premium in the amount of \$836,149.60 allocated against voted authorization in connection with the Bonds.

**TABLE 11 - OTHER OBLIGATIONS <sup>(1)</sup>**

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, 2013, the County entered into no new lease agreements classified as capital leases in addition to the 12 other leases capitalized in prior years. 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, 2013:

Year Ended September 30,	
2014	\$ 665,018
2015	151,821
2016	51,072
2017	-
2018	-
Total Minimum lease payments	<u>\$ 867,911</u>
Less amount representing interest	<u>(39,433)</u>
Present value of net minimum lease payments	<u>\$ 828,478</u>

(1) Unaudited.

Tables 12, 12A, and 13 include unaudited financial information for the most recently concluded fiscal year, pending completion and availability of audited financial statements.

**TABLE 12 - CHANGES IN NET ASSETS**

	Fiscal Year Ending September 30,				
	2013 <sup>(1)</sup>	2012	2011	2010	2009
<b>Revenues</b>					
<b>General Revenues:</b>					
Property Taxes	\$ 33,086,133	\$ 32,981,734	\$ 29,937,021	\$ 33,567,845	\$ 34,183,652
Fees, Fines and Charges for Services	6,435,555	6,513,526	10,036,025	7,130,368	8,452,257
Grants and Contributions	1,985,238	1,997,475	3,307,559	1,512,661	1,997,802
Investment Income	112,871	99,236	237,663	76,319	128,466
Miscellaneous	724,079	261,973	52,523	1,063,696	38,191
Gain on Disposal of Capital Assets	-	-	-	1,537	1,413,676
Total Revenues	<u>\$ 42,343,876</u>	<u>\$ 41,853,944</u>	<u>\$ 43,570,791</u>	<u>\$ 43,352,426</u>	<u>\$ 46,214,044</u>
<b>Expenses</b>					
General Government	\$ 12,245,629	\$ 11,657,082	\$ 11,697,382	\$ 12,577,439	\$ 12,645,700
Public Safety and Corrections	17,276,828	17,413,864	16,644,150	19,559,418	19,742,354
Judicial	5,307,858	5,452,962	5,499,160	5,413,190	5,443,339
Environmental Services	6,404,212	6,703,347	6,287,898	7,181,073	6,919,798
Health and Human Services	439,763	484,678	344,105	1,554,138	1,733,656
Interest and Fiscal Charges	409,009	592,417	879,785	839,371	907,015
Community Service	365,915	399,406	763,886	252,606	224,425
Total Expenses	<u>\$ 42,449,214</u>	<u>\$ 42,703,756</u>	<u>\$ 42,116,366</u>	<u>\$ 47,377,235</u>	<u>\$ 47,616,287</u>
Change in Net Assets	(105,338)	(849,812)	1,454,425	(4,024,809)	(1,402,243)
Net Assets, Beginning of Year	14,767,441	16,864,198	15,409,773 <sup>(2)</sup>	14,197,522	16,129,693
Prior Period Adjustment	-	(1,246,945)	-	-	(529,928)
Net Assets, End of Year	<u>\$ 14,662,103</u>	<u>\$ 14,767,441</u>	<u>\$ 16,864,198</u>	<u>\$ 10,172,713</u>	<u>\$ 14,197,522</u>

(1) Unaudited.

(2) Restated.

**TABLE 12A - GENERAL FUND REVENUES AND EXPENDITURE HISTORY**

Revenues	Fiscal Year Ending September 30,				
	2013 <sup>(1)</sup>	2012	2011	2010	2009
Taxes	\$ 27,700,479	\$ 27,442,341	\$ 28,133,479	\$ 27,267,748	\$ 27,297,498
Fees, Fines and Forfeitures	3,563,571	3,750,682	3,407,737	3,506,672	4,545,032
Intergovernmental	1,032,143	1,429,241	1,785,232	147,331	773,301
Miscellaneous	228,192	196,822	236,310	745,700	722,857
<b>Total Revenues</b>	<b>\$ 32,524,385</b>	<b>\$ 32,819,086</b>	<b>\$ 33,562,758</b>	<b>\$ 31,667,451</b>	<b>\$ 33,338,688</b>
<b>Expenditures</b>					
General Administration	\$ 10,202,322	\$ 10,429,436	\$ 10,284,905	\$ 9,284,039	\$ 10,219,882
Judicial and Legal	4,993,785	4,924,707	4,880,329	4,952,866	5,247,369
Public Safety	14,764,689	14,739,045	14,031,950	15,419,662	15,414,265
Environmental Protection	334,737	339,745	356,152	906,920	918,848
Health and Welfare	162,924	474,918	331,785	969,079	1,136,520
Community Service	112,728	390,210	738,517	196,248	189,916
Capital Outlay	620,193	415,975	314,080	1,075,703	1,193,068
Debt Service	508,137	512,555	98,835	18,465	35,729
<b>Total Expenditures</b>	<b>\$ 31,699,515</b>	<b>\$ 32,226,591</b>	<b>\$ 31,036,553</b>	<b>\$ 32,822,982</b>	<b>\$ 34,355,597</b>
Excess (Deficiency) Revenues Over Expenditures	\$ 824,870	\$ 592,495	\$ 2,526,205	\$ (1,155,531)	\$ (1,016,909)
Other Financing Sources (Uses): Transfers In (Out)	(526,863)	(466,245)	(374,240)	(484,473)	(622,951)
Excess (Deficiency) of Revenue and Other Sources Over Expenses	298,007	126,250	2,151,965	(1,640,004)	(1,639,860)
Fund Balance Beginning of Year	1,137,326	1,011,076 <sup>(2)</sup>	(1,669,923)	(29,919)	2,883,347
Prior Period Adjustment	-	-	523,102	-	(1,273,406)
<b>Fund Balance End of Year</b>	<b>\$ 1,435,333</b>	<b>\$ 1,137,326</b>	<b>\$ 1,005,144</b>	<b>\$ (1,669,923)</b>	<b>\$ (29,919)</b>

(1) Unaudited.

(2) Restated.

**TABLE 13 – SPECIAL REVENUE FUNDS – STATEMENT OF REVENUES AND EXPENDITURES AND CHANGES IN FUND BALANCE (ROAD AND BRIDGE AND OTHER)**

Revenues	Fiscal Year Ending September 30,				
	2013 <sup>(1)</sup>	2012	2011	2010	2009
Taxes	\$ 3,257,541	\$ 3,405,502	\$ 5,129,092	\$ 6,099,632	\$ 6,581,049
Fees, Fines and Forfeitures	2,829,242	3,345,566	2,816,081	3,623,696	3,907,225
Intergovernmental	829,903	750,823	1,273,913	1,365,330	1,224,501
Investment Income	24,488	27,537	28,636	34,899	45,824
Gain (Loss) on Sale of Assets	-	-	-	1,537	38,191
Miscellaneous	405,654	92,407	62,092	359,416	773,461
<b>Total Revenues</b>	<b>\$ 7,346,828</b>	<b>\$ 7,621,835</b>	<b>\$ 9,309,814</b>	<b>\$ 11,484,510</b>	<b>\$ 12,570,251</b>
<b>Expenditures</b>					
General Administration	\$159,759	\$131,703	\$135,318	\$190,196	\$204,443
Judicial & Legal	262,739	403,258	460,651	146,092	102,127
Community Service	-	466	5,910	16,695	16,050
Public Safety	1,078,732	1,296,878	1,108,917	2,656,032	2,496,991
Environmental Protection	5,293,211	5,572,509	5,275,588	6,164,530	6,733,265
Health and Welfare	-	-	-	579,401	588,688
Capital Outlay	739,115	611,755	136,913	2,393,814	3,988,040
Debt Service	321,252	412,535	2,751,375	2,097,400	2,087,474
<b>Total Expenditures</b>	<b>\$7,854,808</b>	<b>\$8,429,104</b>	<b>\$9,874,672</b>	<b>\$14,244,160</b>	<b>\$16,217,078</b>
Excess (Deficiency) Revenues					
Over Expenditures	\$ (507,980)	\$ (807,269)	\$ (564,858)	\$ (2,759,650)	\$ (3,646,827)
Other Financing Sources (Uses):	1,665,401	775,279	820,441	2,024,562	3,979,360
Excess (Deficiency) of Revenue and					
Other Sources Over Expenses	1,157,421	(31,990)	255,583	(735,088)	332,533
Fund Balance Beginning of Year	4,317,454	4,417,747	4,782,726	5,517,814	4,402,374
Balance Adjustment	-	(68,303)	(620,562)	-	782,907
<b>Fund Balance End of Year</b>	<b>\$ 5,474,875</b>	<b>\$ 4,317,454</b>	<b>\$ 4,417,747</b>	<b>\$ 4,782,726</b>	<b>\$ 5,517,814</b>

(1) Unaudited.

**TABLE 14 - CURRENT INVESTMENTS**

As of December 31, 2013, the County's funds were invested in the following categories:

Description	Book Value	Market Value	Percent
Investment Pool (TexPool)	\$ 700,000	\$ 700,000	10.8%
Interest Bearing Checking	5,790,638	5,790,638	89.2%
	<b>\$ 6,490,638</b>	<b>\$ 6,490,638</b>	<b>100.0%</b>