

CONTINUING DISCLOSURE REPORT
FOR THE
FISCAL YEAR ENDED SEPTEMBER 30, 2014

KAUFMAN COUNTY, TEXAS

GENERAL OBLIGATION DEBT





325 North St. Paul Street
Suite 800
Dallas, TX 75201-3852

(214) 953-4037 Direct
(214) 953-4050 Fax

Tanya Calvit
Assistant Vice President

tanya.calvit@firstsw.com

July 31, 2015

Ms. Karen Cooper MacLeod
County Auditor
Kaufman County, Texas
100 North Washington
Kaufman, TX 75142

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

Dear Ms. MacLeod:

Enclosed is a copy of the County's *Annual Disclosure Report* for the fiscal year ending September 30, 2014 that was filed with EMMA on or before March 31, 2015 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,

Tanya Calvit
Assistant Vice President

Enclosures

cc: George Williford

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 2014
- Monthly Quarterly Annual Other: _____

At the time of filing, the September 30, 2014 audit was not complete and will be posted once available.

* * *

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

Signature: /s/ Karen Cooper MacLeod

Name: Karen Cooper MacLeod Title: County Auditor

Employer: Kaufman County, Texas

Voice Telephone Number: (972) 932-0240

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>
02/15/16	\$ 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>\$ 10,905,000</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, 2014 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 MacLeod

Karen Cooper MacLeod
County Auditor

Approved for Submission:

03/30/2015

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/ Alfred Washington

KAUFMAN COUNTY, TEXAS
2015 GENERAL OBLIGATION DEBT REPORT

TABLE 1 - VALUATION, EXEMPTIONS AND GENERAL OBLIGATION DEBT

2014/2015 Market Valuation Established by the Kaufman County Appraisal District (excluding totally exempt property)		\$ 8,055,654,955
Less Exemptions/Reductions at 100% Market Value:		
Residence Homestead (Over 65)	\$ 92,570,839	
Disabled Veterans/Persons Exemptions	53,050,078	
Freeport Loss	102,231,124	
Pollution Control Loss	87,502,610	
Productivity Loss	1,546,268,162	
Abatement Loss	22,035,747	
Value Lost to 10% Cap	4,354,775	<u>\$ 1,908,013,335</u>
2014/15 Taxable Assessed Valuation		<u>\$ 6,147,641,620</u>
 Funded Debt Payable from Ad Valorem Taxes (as of 1/31/15)		 \$ 41,578,850
 Ratio General Obligation Debt to Taxable Assessed Valuation		 0.68%

2015 Estimated Population - 105,582
Per Capita Taxable Assessed Valuation - \$58,226
Per Capita Funded Debt Payable from Ad Valorem Taxes - \$394

TABLE 2 - TAXABLE ASSESSED VALUATIONS BY CATEGORY

Category	Fiscal Year Ended September 30,					
	2015		2014		2013	
	Amount	% of Total	Amount	% of Total	Amount	% of Total
Real, Residential, Single Family	\$ 3,720,152,941	46.18%	\$ 3,519,992,893	44.90%	\$ 3,475,456,746	44.64%
Real, Residential, Multi Family	59,905,320	0.74%	60,276,200	0.77%	59,355,900	0.76%
Real, Vacant Lots/Tracts	120,378,590	1.49%	126,089,374	1.61%	135,733,003	1.74%
Real, Acreage (Land Only)	1,614,298,197	20.04%	1,617,769,598	20.63%	1,788,337,604	22.97%
Farm and Ranch Improvements	490,918,412	6.09%	490,335,873	6.25%	375,823,394	4.83%
Real, Commercial and Industrial	1,069,723,160	13.28%	1,056,423,675	13.47%	1,033,437,451	13.27%
Real, Oil, Gas/Other Mineral Resrvs	12,443,082	0.15%	16,677,388	0.21%	15,131,034	0.19%
Vehicles and Utilities	155,932,360	1.94%	152,431,550	1.94%	149,547,560	1.92%
Personal Commercial and Industrial	712,670,663	8.85%	694,523,400	8.86%	639,237,210	8.21%
Mobile Homes	45,236,220	0.56%	46,901,611	0.60%	50,245,841	0.65%
Real/Special Property, Inventory	53,996,010	0.67%	58,827,630	0.75%	62,580,710	0.80%
Total Before Exemptions	\$ 8,055,654,955	100.00%	\$ 7,840,249,192	100.00%	\$ 7,784,886,453	100.00%
Less: Total Exemptions/Reductions	<u>(1,908,013,335)</u>		<u>(1,885,496,845)</u>		<u>(1,911,495,637)</u>	
Taxable Assessed Value	<u>\$ 6,147,641,620</u>		<u>\$ 5,954,752,347</u>		<u>\$ 5,873,390,816</u>	

Category	Fiscal Year Ended September 30,			
	2012		2011	
	Amount	% of Total	Amount	% of Total
Real, Residential, Single Family	\$ 3,485,517,715	43.75%	\$ 3,464,695,239	43.22%
Real, Residential, Multi Family	60,150,070	0.75%	63,023,270	0.79%
Real, Vacant Lots/Tracts	155,114,702	1.95%	162,330,959	2.03%
Real, Acreage (Land Only)	1,975,458,252	24.80%	2,003,932,810	25.00%
Farm and Ranch Improvements	380,825,206	4.78%	383,102,859	4.78%
Real, Commercial and Industrial	1,020,696,429	12.81%	1,024,563,391	12.78%
Real, Oil, Gas/Other Mineral Resrvs	10,826,010	0.14%	9,423,440	0.12%
Vehicles and Utilities	144,094,010	1.81%	149,214,330	1.86%
Personal Commercial and Industrial	605,835,255	7.60%	622,344,323	7.76%
Mobile Homes	55,934,481	0.70%	59,457,019	0.74%
Real/Special Property, Inventory	72,457,900	0.91%	73,993,970	0.92%
Total Before Exemptions	\$ 7,966,910,030	100.00%	\$ 8,016,081,610	100.00%
Less: Total Exemptions/Reductions	<u>(2,086,796,204)</u>		<u>(2,124,078,339)</u>	
Taxable Assessed Value	<u>\$ 5,880,113,826</u>		<u>\$ 5,892,003,271</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
9/30						
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	0.70%	395
2015	105,582	6,147,641,620	58,226	40,183,850 ⁽³⁾	0.65% ⁽³⁾	381 ⁽³⁾

(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 ⁽¹⁾	Actual Tax Levy	% Current Collections	% Total Collections
9/30				
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	33,138,197	98.26% ⁽²⁾	101.06% ⁽²⁾
2015	0.57620	35,422,711	83.90% ⁽³⁾	85.22% ⁽³⁾

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

(2) Unaudited.

(3) Partial year collections through January 15, 2015.

TABLE 5 - TAX RATE DISTRIBUTION ANALYSIS

	Fiscal Year Ending September 30,				
	2015	2014	2013	2012	2011
Operating Fund	\$ 0.449800	\$ 0.452000	\$ 0.467500	\$ 0.463500	\$ 0.471700
Interest and Sinking Fund	0.052400	0.030500	0.054500	0.035600	0.036000
Total Constitutional Tax Rate	\$ 0.502200	\$ 0.482500	\$ 0.522000	\$ 0.499100	\$ 0.507700
Special Road and Bridge					
(Road Maint.) Tax Rate	\$ 0.074000	\$ 0.074000	\$ 0.034500	\$ 0.057400	\$ 0.048800
Total Tax Rate	\$ 0.576200	\$ 0.556500	\$ 0.556500	\$ 0.556500	\$ 0.556500

TABLE 6 - TEN LARGEST TAXPAYERS

<u>Name of Taxpayer</u>	<u>Nature of Property</u>	<u>2014/15 Taxable Assessed Valuation</u>	<u>% of Total Taxable Assessed Valuation</u>
FPLE Forney LP	Power Plant	\$ 381,555,590	6.41%
Oncor Electric Delivery Co.	Electric Utility	67,804,530	1.14%
Goodyear Tire and Rubber Co.	Tire	59,386,484	1.00%
Wal-Mart Stores 01-265	Retail	46,583,827	0.78%
Wal-Mart Real Estate Business Trust	Retail	34,217,300	0.57%
Autozone Inc Department 8808	Gas Turbine Engines	27,934,983	0.47%
Solar Turbines Inc.	Manufacturing	25,458,000	0.43%
Orange County Container Group LLC	Auto Parts Retailer	25,156,480	0.42%
Madix Inc.	Manufacturing	18,980,929	0.32%
Wal-Mart Stores LP	Retail	18,184,020	0.31%
		<u>\$ 705,262,143</u>	<u>11.84%</u>

TABLE 7 - TAX ADEQUACY

2015 Principal and Interest Requirements	\$ 3,078,990
\$0.0676 Tax Rate at 96% Collection Produces	\$ 3,083,039
Average Annual Principal and Interest Requirements, 2015 - 2034	\$ 3,174,415
\$0.0697 Tax Rate at 96% Collection Produces	\$ 3,178,814
Maximum Annual Principal and Interest Requirements, 2033	\$ 3,240,288
\$0.0711 Tax Rate at 96% Collection Produces	\$ 3,242,664

TABLE 9 - GENERAL OBLIGATION DEBT SERVICE REQUIREMENTS

Fiscal Year Ended 9/30	Outstanding Debt Service			% of Principal Retired
	Principal	Interest	Total	
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	
2019	1,575,000	1,507,675	3,082,675	17.86%
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	
2024	1,950,000	1,285,775	3,235,775	37.90%
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	
2029	2,505,000	731,400	3,236,400	65.23%
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	
2034	3,160,000	79,000	3,239,000	100.00%
	<u>\$ 41,578,850</u>	<u>\$ 21,909,452</u>	<u>\$ 63,488,303</u>	

TABLE 10 – AUTHORIZED BUT UNISSUED BONDS

Purpose	Date Authorized	Amount Authorized	The Bonds	Unissued Balance
Road	11/5/2013	\$ 56,000,000	\$ 30,000,000	⁽¹⁾ \$ 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 County's Unlimited Tax Road Bonds, Series 2015.

TABLE 11 - OTHER OBLIGATIONS ⁽¹⁾

Operating Leases

The County is committed under various noncancelable operating leases for equipment. For the year ended September 30, 2014, lease expenditures totaled \$112,020. Future minimum operating lease commitments as follows:

<u>Year Ended</u> <u>September 30,</u>	
2015	\$ 766,051
2016	215,620
Total Minimum lease payments	<u>\$ 981,671</u>

Lease Obligations

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. The leases meet the criteria of a capital lease as defined by Statement of Financial Accounting Standards No. 13, "Accounting for Leases."

The assets acquired through capital leases are as follows:

Asset:	
Machinery and equipment	\$ 16,584,864
Less: accumulated depreciation	<u>(12,175,027)</u>
Total	<u>4,409,837</u>

The depreciation expense related to these leases for the year ended September 30, 2014 was \$1,285,456.

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, 2014:

<u>September 30,</u>	
2015	\$ 334,590
2016	248,411
2017	141,460
Total Minimum lease payments	\$ 724,461
Less amount representing interest	<u>(81,990)</u>
Present value of net minimum lease payments	<u>\$ 642,471</u>

(1) Unaudited

TABLE 12 - CHANGES IN NET ASSETS

	Fiscal Year Ending September 30,				
	2014 ⁽¹⁾	2013	2012	2011	2010
Revenues					
General Revenues:					
Property Taxes	\$ 33,594,782	\$ 32,774,053	\$ 32,981,734	\$ 29,937,021	\$ 33,567,845
Fees, Fines and Charges for Services	7,012,075	7,053,075	6,513,526	10,036,025	7,130,368
Grants and Contributions	1,551,825	1,914,732	1,997,475	3,307,559	1,512,661
Investment Income	199,070	112,871	99,236	237,663	76,319
Miscellaneous	1,272,294	724,079	261,973	52,523	1,063,696
Gain on Disposal of Capital Assets	-	-	-	-	1,537
Total Revenues	\$ 43,630,046	\$ 42,578,810	\$ 41,853,944	\$ 43,570,791	\$ 43,352,426
Expenses					
General Government	\$ 12,231,332	\$ 12,156,629	\$ 11,657,082	\$ 11,697,382	\$ 12,577,439
Public Safety and Corrections	16,621,938	17,302,705	17,413,864	16,644,150	19,559,418
Judicial	5,803,342	5,313,239	5,452,962	5,499,160	5,413,190
Community Service	219,637	366,708	399,406	763,886	252,606
Environmental Services	6,982,303	6,399,566	6,703,347	6,287,898	7,181,073
Health and Human Services	202,193	440,727	484,678	344,105	1,554,138
Interest and Fiscal Charges	1,021,758	422,999	592,417	879,785	839,371
Total Expenses	\$ 43,082,503	\$ 42,402,573	\$ 42,703,756	\$ 42,116,366	\$ 47,377,235
Change in Net Position	547,543	663,776	(939,812)	1,454,425	(4,024,809)
Net Assets, Beginning of Year	15,882,958	14,677,441	16,864,198 ⁽²⁾	15,409,773	7,170,101
Prior Period Adjustment	-	541,741	(1,246,945)	-	-
Net Assets, End of Year	\$ 16,430,501	\$ 15,882,958	\$ 14,677,441	\$ 16,864,198	\$ 3,145,292

(1) Unaudited.

(2) Restated.

TABLE 12A - GENERAL FUND REVENUES AND EXPENDITURE HISTORY

Revenues	Fiscal Year Ending September 30,				
	2014 ⁽¹⁾	2013	2012	2011	2010
Taxes	\$ 27,344,975	\$ 27,713,184	\$ 27,442,341	\$ 28,133,479	\$ 27,267,748
Fees, Fines and Forfeitures	3,226,055	3,730,854	3,750,682	3,407,737	3,506,672
Intergovernmental	1,439,172	1,060,722	1,429,241	1,785,232	147,331
Miscellaneous	297,341	164,083	196,822	236,310	745,700
Total Revenues	\$ 32,307,543	\$ 32,668,843	\$ 32,819,086	\$ 33,562,758	\$ 31,667,451
Expenditures					
General Administration	\$ 11,064,147	\$ 11,134,899	\$ 10,429,436	\$ 10,284,905	\$ 9,284,039
Judicial and Legal	4,863,175	4,914,916	4,924,707	4,880,329	4,952,866
Public Safety	14,269,951	14,825,808	14,739,045	14,031,950	15,419,662
Environmental Protection	157,200	376,413	339,745	356,152	906,920
Health and Welfare	257,881	430,874	474,918	331,785	969,079
Community Service	153,574	356,624	390,210	738,517	196,248
Capital Outlay	314,625	835,818	415,975	314,080	1,075,703
Debt Service	586,723	550,440	512,555	98,835	18,465
Total Expenditures	\$ 31,667,276	\$ 33,425,792	\$ 32,226,591	\$ 31,036,553	\$ 32,822,982
Excess (Deficiency) Revenues					
Over Expenditures	\$ 640,267	\$ (756,949)	\$ 592,495	\$ 2,526,205	\$ (1,155,531)
Other Financing Sources (Uses):					
Transfers In (Out)	39,580	1,410,785	(466,245)	(374,240)	(484,473)
Excess (Deficiency) of Revenue and					
Other Sources Over Expenses	679,847	653,836	126,250	2,151,965	(1,640,004)
Fund Balance Beginning of Year	1,791,162	1,137,326	1,011,076 ⁽²⁾	(1,669,923)	(29,919)
Prior Period Adjustment	(201,920)	-	-	523,102	-
Fund Balance End of Year	\$ 2,269,089	\$ 1,791,162	\$ 1,137,326	\$ 1,005,144	\$ (1,669,923)

(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,				
	2014 ⁽¹⁾	2013	2012	2011	2010
Taxes	\$ 4,398,523	\$ 3,235,387	\$ 3,405,502	\$ 5,129,092	\$ 6,099,632
Fees, Fines and Forfeitures	2,120,167	2,873,296	3,345,566	2,816,081	3,623,696
Intergovernmental	112,653	873,119	750,823	1,273,913	1,365,330
Investment Income	19,458	24,488	27,537	28,636	34,899
Gain (Loss) on Sale of Assets	-	-	-	-	1,537
Miscellaneous	456,655	405,654	92,407	62,092	359,416
Total Revenues	\$ 7,107,456	\$ 7,411,944	\$ 7,621,835	\$ 9,309,814	\$ 11,484,510
Expenditures					
General Administration	\$144,952	\$159,759	\$131,703	\$135,318	\$190,196
Judicial & Legal	300,732	263,713	403,258	460,651	146,092
Community Service	-	-	466	5,910	16,695
Public Safety	1,888,693	1,078,732	1,296,878	1,108,917	2,656,032
Environmental Protection	4,380,274	5,276,613	5,572,509	5,275,588	6,164,530
Health and Welfare	-	-	-	-	579,401
Capital Outlay	325,872	739,115	611,755	136,913	2,393,814
Debt Service	199,384	321,252	412,535	2,751,375	2,097,400
Total Expenditures	\$7,239,907	\$7,839,184	\$8,429,104	\$9,874,672	\$14,244,160
Excess (Deficiency) Revenues					
Over Expenditures	\$ (132,451)	\$ (427,240)	\$ (807,269)	\$ (564,858)	\$ (2,759,650)
Other Financing Sources (Uses):	102,194	1,665,401	775,279	820,441	2,024,562
Excess (Deficiency) of Revenue and					
Other Sources Over Expenses	(30,257)	1,238,161	(31,990)	255,583	(735,088)
Fund Balance Beginning of Year	1,766,603	2,716,402	2,816,695	3,181,674	3,916,762
Balance Adjustment	-	-	(68,303)	(620,562)	-
Fund Balance End of Year	\$ 1,736,346	\$ 3,954,563	\$ 2,716,402	\$ 2,816,695	\$ 3,181,674

(1) Unaudited

TABLE 14 - CURRENT INVESTMENTS

As of January 31, 2015, the County's funds were invested in the following categories:

Description	Book Value	Market Value	Percent
Investment Pool (TexPool)	\$ 1,004,471	\$ 1,004,471	100.00%
	\$ 1,004,471	\$ 1,004,471	100.00%