

## 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: Hood County, Texas**

**Issue(s):**

\$ 4,180,000 Limited Tax Refunding Bonds, Series 2009

**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: \_\_\_\_\_

\* \* \*

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

Signature: Stan McBroom

Name: Stan McBroom Title: County Auditor

Employer: Hood County, Texas

Voice Telephone Number: (817) 579-3210

Email Address: smcbroom@co.hood.tx.us

## DESCRIPTION OF ISSUES COVERED BY THIS REPORT

### Limited Tax Refunding Bonds, Series 2009

<u>Date</u>	<u>Principal</u>	<u>CUSIP</u>
02/15/16	\$ 360,000	438781 BP0
02/15/17	375,000	438781 BQ8
02/15/18	390,000	438781 BR6
02/15/19	405,000	438781 BS4
02/15/20	425,000	438781 BT2
02/15/21	440,000	438781 BU9
02/15/22	455,000	438781 BV7
02/15/23	475,000	438781 BW5
	<u>\$ 3,325,000</u>	

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

HOOD COUNTY, TEXAS

GENERAL OBLIGATION DEBT



**FirstSouthwest**

## 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.

#### HOOD COUNTY, TEXAS



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Stan McBroom  
County Auditor

Approved for Submission:

*25 March 2015*

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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 Hood 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

**HOOD COUNTY, TEXAS  
2015 GENERAL OBLIGATION DEBT REPORT**

**TABLE 1 – VALUATIONS, EXEMPTIONS AND GENERAL OBLIGATION DEBT**

2014/15 Market Valuation Established by Hood County Appraisal District (excluding totally exempt property)		\$ 6,431,746,790
Less Exemptions/Reductions at 100% Market Value:		
Over - 65 or Disabled Homestead	99,293,504	
Disabled Veterans	29,902,855	
Pollution Control	753,440	
Agricultural Appraisal & Timber-Use Appraisal	862,960,100	
Freeport	5,504,958	
Minimum Value Exemption	156,020	
10% Homestead Cap	14,315,450	
Other	<u>1,239,026</u>	<u>\$ 1,014,125,353</u>
 2014/15 Taxable Assessed Valuation		 \$ 5,417,621,437
General Obligation Debt Payable from Ad Valorem Taxes (as of 1/31/15)		\$ 24,650,000
General Obligation Interest and Sinking Fund (as of 1/31/15)		\$ 497,260
Ratio General Obligation Tax Debt to Taxable Assessed Valuation		0.45%

2015 Estimated Population - 54,300  
Per Capita Taxable Assessed Valuation - \$99,772  
Per Capita Net General Obligation Debt Payable from Ad Valorem Taxes - \$454

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

Category	Taxable Appraised Value for Fiscal Year Ended September 30,					
	2015		2014		2013	
	Amount	% of Total	Amount	% of Total	Amount	% of Total
Real, Residential, Single-Family	\$ 2,995,542,860	46.57%	\$2,930,751,520	46.17%	\$2,908,478,050	44.65%
Real, Residential, Multi-Family	64,213,070	1.00%	59,861,270	0.94%	53,898,290	0.83%
Real, Vacant Lots/Tracts	173,938,260	2.70%	157,778,710	2.49%	142,644,020	2.19%
Real, Acreage (Land Only)	896,922,140	13.95%	902,322,050	14.21%	1,010,447,760	15.51%
Real, Farm and Ranch Improvements	374,139,180	5.82%	384,505,070	6.06%	422,253,600	6.48%
Real, Commercial	508,733,350	7.91%	524,161,770	8.26%	494,553,630	7.59%
Real, Industrial	349,879,910	5.44%	368,097,300	5.80%	369,195,940	5.67%
Real, Oil, Gas and Other Mineral Reserves	426,363,190	6.63%	443,601,740	6.99%	520,174,260	7.99%
Real and Tangible Personal, Utilities	276,348,000	4.30%	261,401,430	4.12%	257,771,110	3.96%
Tangible Personal, Commercial	16,962,570	0.26%	152,000,800	2.39%	156,398,470	2.40%
Tangible Personal, Industrial	289,582,480	4.50%	104,883,170	1.65%	109,708,860	1.68%
Tangible Personal, Mobile Homes	23,355,350	0.36%	23,927,930	0.38%	30,468,330	0.47%
Real and Special, Inventory	35,766,430	0.56%	34,550,610	0.54%	37,899,830	0.58%
Total Appraised Value Before Exemptions	\$ 6,431,746,790	100.00%	\$6,347,843,370	100.00%	\$6,513,892,150	100.00%
Less: Total Exemptions/Reductions	1,014,125,353		1,055,234,653		1,132,167,904	
Taxable Assessed Value	\$ 5,417,621,437		\$5,292,608,717		\$5,381,724,246	

Category	Taxable Appraised Value for Fiscal Year Ended September 30,			
	2012		2011	
	Amount	% of Total	Amount	% of Total
Real, Residential, Single-Family	\$ 2,905,316,440	45.17%	\$2,918,699,170	43.64%
Real, Residential, Multi-Family	53,008,040	0.82%	53,831,700	0.80%
Real, Vacant Lots/Tracts	147,186,400	2.29%	144,483,120	2.16%
Real, Acreage (Land Only)	1,021,586,080	15.88%	1,041,857,180	15.58%
Real, Farm and Ranch Improvements	417,265,870	6.49%	414,712,630	6.20%
Real, Commercial	465,556,410	7.24%	490,292,750	7.33%
Real, Industrial	351,347,640	5.46%	368,533,630	5.51%
Real, Oil, Gas and Other Mineral Reserves	485,004,650	7.54%	668,614,970	10.00%
Real and Tangible Personal, Utilities	268,790,080	4.18%	268,669,630	4.02%
Tangible Personal, Commercial	144,703,130	2.25%	136,967,830	2.05%
Tangible Personal, Industrial	97,575,340	1.52%	108,841,200	1.63%
Tangible Personal, Mobile Homes	34,227,250	0.53%	36,968,060	0.55%
Real and Special, Inventory	40,865,960	0.64%	35,037,200	0.52%
Total Appraised Value Before Exemptions	\$ 6,432,433,290	100.00%	\$6,687,509,070	100.00%
Less: Total Exemptions/Reductions	1,193,587,843		1,256,188,340	
Taxable Assessed Value	\$ 5,238,845,447		\$5,431,320,730	

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

Fiscal Year Ended 9/30	Estimated Population <sup>(1)</sup>	Taxable Assessed Valuation <sup>(2)</sup>	Taxable Assessed Valuation Per Capita	G.O. Tax Debt Outstanding at End of Year	Ratio of G.O. Tax Debt to Taxable Assessed Valuation	G.O. Tax Debt Per Capita
2011	52,000	\$ 5,431,320,730	\$ 104,448	\$ 16,495,000	0.30%	\$ 317
2012	52,000	5,238,845,447	100,747	16,550,000	0.32%	318
2013	52,000	5,381,724,246	103,495	14,190,000	0.26%	273
2014	52,800	5,292,608,717	100,239	21,150,000	0.40%	401
2015	54,300	5,417,621,437	99,772	24,650,000 <sup>(3)</sup>	0.45% <sup>(3)</sup>	454 <sup>(3)</sup>

<sup>(1)</sup> Source: Hood County

<sup>(2)</sup> As reported by the Hood County Appraisal District on County’s annual State Property Tax Reports; subject to change during the ensuing year.

<sup>(3)</sup> Projected.

**TABLE 4 – TAX RATE, LEVY AND COLLECTION HISTORY**

Fiscal Year Ended 9/30	Tax Rate <sup>(1)</sup>	Farm-to-Market (Flood Control)	Library	General Fund	Interest and Sinking Fund	Tax Levy	% Current Collections	% Total Collections
2011	\$ 0.34389	\$ 0.03745	\$ 0.01001	\$ 0.24060	\$ 0.05582	\$ 18,287,931	98.87%	100.06%
2012	0.34889	0.03745	0.01001	0.24660	0.05482	17,866,014	99.36%	101.40%
2013	0.34391	0.03695	0.00987	0.24473	0.05237	18,132,594	98.00%	100.00%
2014	0.38391	0.04496	0.01015	0.27569	0.05311	20,382,708	100.00%	101.05%
2015	0.39170	0.04500	0.01016	0.28169	0.05485	21,220,661	71.84% <sup>(2)</sup>	72.29% <sup>(2)</sup>

<sup>(1)</sup> Includes Road and Bridge, Flood Control, and Library tax rates.

<sup>(2)</sup> Collections through January 31, 2015.

**TABLE 5 – TAX RATE DISTRIBUTION ANALYSIS**

Constitutional Tax Rate	Fiscal Year Ended September 30,				
	2015	2014	2013	2012	2011
General Fund	\$ 0.28169	\$ 0.27569	\$ 0.24473	\$ 0.24660	\$ 0.24060
Interest and Sinking Fund	0.05485	0.05311	0.05237	0.05482	0.05582
Total Constitutional Tax Rate	\$ 0.33654	\$ 0.32880	\$ 0.29710	\$ 0.30142	\$ 0.29643
Farm-to-Market (and) (Flood Control)	\$ 0.04500	\$ 0.04496	\$ 0.03695	\$ 0.03745	\$ 0.03745
Library	0.01016	0.01015	0.00987	0.01001	0.01001
Total Tax Rate	\$ 0.39170	\$ 0.38391	\$ 0.34391	\$ 0.34889	\$ 0.34389



**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>
Quicksilver Resources- Minerals	Oil & Gas	\$ 194,471,160	3.59%
Wolf Hollow I LP	Industrial	177,787,410	3.28%
Crestwood Midstream	Industrial	108,674,550	2.01%
DCP Tolar PL LLC	Industrial	51,175,000	0.94%
Vista Sand	Plants	38,052,390	0.70%
Premier Natural Resources II LLC	Industrial/Utility	31,236,560	0.58%
Cowtown Pipeline Partners LP U	Pipeline	27,904,750	0.52%
Quicksilver Resources PP	Oil & Gas	27,828,500	0.51%
Oncor Electric Delivery	Electric Utility	36,742,840	0.68%
EOG Resources INC	Oil & Gas	24,252,330	0.45%
		<u>\$ 718,125,490</u>	<u>13.26%</u>

**TABLE 7 – ESTIMATED OVERLAPPING DEBT**

Updated information with respect to the District as contained in the "Estimated Overlapping Debt" table of the final official statements of debt issued is contained in other tables of this annual report. Information relating to other taxing entities within the territory of the District that was contained in the "Estimated Overlapping Debt" table of the final official statements has not been updated (as it is not financial information or operating data of the issuer); however information relating to other taxing entities is contained in individual "Texas Municipal Reports" as published by the Municipal Advisory Council of Texas.

**TABLE 8 – GENERAL OBLIGATION DEBT SERVICE REQUIREMENTS**

Fiscal Year Ending 9/30	Outstanding Debt Service <sup>(1)</sup>			% of Principal Retired
	Principal	Interest	Total	
2015	\$ 2,055,000	\$ 780,581	\$ 2,835,581	
2016	2,225,000	614,476	2,839,476	
2017	2,275,000	563,813	2,838,813	
2018	2,325,000	510,013	2,835,013	
2019	2,085,000	456,031	2,541,031	44.48%
2020	2,145,000	403,497	2,548,497	
2021	1,700,000	353,412	2,053,412	
2022	1,745,000	305,973	2,050,973	
2023	1,795,000	256,821	2,051,821	
2024	2,040,000	202,130	2,242,130	82.72%
2025	785,000	156,634	941,634	
2026	820,000	124,133	944,133	
2027	850,000	90,315	940,315	
2028	885,000	55,181	940,181	
2029	920,000	18,630	938,630	100.00%
	<u>\$ 24,650,000</u>	<u>\$ 4,891,639</u>	<u>\$ 29,541,639</u>	

<sup>(1)</sup> Outstanding debt service includes outstanding Tax Notes.

**TABLE 9 – INTEREST AND SINKING FUND BUDGET PROJECTION**

Tax Supported Debt Service Requirements, Fiscal Year Ending 9/30/15		\$ 2,835,581
Interest and Sinking Fund, Fiscal Year Ending 9/30/2014 <sup>(1)</sup>	907,539	
Calculated Interest and Sinking Fund Tax Levy	<u>2,943,773</u>	<u>\$ 3,851,312</u>
Estimated Balance, Fiscal Year Ending 9/30/15		<u>\$ 1,015,731</u>

(1) Unaudited

**TABLE 10 – AUTHORIZED BUT UNISSUED GENERAL OBLIGATION BONDS**

As of January 31, 2015, the County had no authorized but unissued general obligation bonds.

Purpose	Date Authorized	Amount Authorized	Amount Previously Issued	Bonds Issued	Unissued Balance
Tax Note Ser 2013 (Public Improvement)	7/23/2013	\$ 2,805,000	\$ -	\$ 2,805,000	\$ -
Limited Tax Series 2013 (Building)	12/10/2013	\$ 6,500,000	\$ -	\$ 6,500,000	\$ -

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

Operating Leases

The County is involved in an operating lease for copiers. The minimum future rental payments on noncancelable leases as of September 30, 2014, are as follows:

Operating Leases	
Fiscal Year Ending September 30,	Lease Payments
2015	\$ 104,242
2016	104,242
2017	76,209
2018	10,619
	<u>\$ 295,312</u>

Capital Leases<sup>(1)</sup>

The County holds a capital lease with Mitel Leasing for telecommunications equipment. The minimum future rental payments on as of September 30, 2014, are as follows:

Capital Leases	
Ending September 30,	Payments
2015	\$ 81,300
2016	81,300
2017	81,300
2018	81,300
2019	33,857
Total Minimum Lease Payment	359,057
Less Amount Representing Interest	(24,066)
Present Value of Net Minimum Lease Payments	<u>\$ 334,991</u>

(1) As provided by County officials; Unaudited.

**TABLE 12 – CHANGES IN NET POSITION <sup>(1)</sup>**

	Fiscal Years Ended September 30,				
	2014 <sup>(2)</sup>	2013	2012	2011	2010
<u>Revenues:</u>					
Program Revenues:					
Charges for Services	\$ 5,033,297	\$ 4,416,645	\$ 4,572,263	\$ 4,367,856	\$ 4,717,639
Operating Grants and Contributions	1,420,873	1,705,123	1,580,121	2,987,113	3,075,521
General Revenues:					
Property Taxes	20,192,467	18,296,626	18,155,429	18,466,180	17,951,830
Sales Taxes	3,567,697	3,454,786	3,823,671	3,373,584	2,969,806
Investment Earnings	24,990	32,777	32,380	31,108	40,428
Miscellaneous	415,250	428,445	357,677	340,695	343,865
Total Revenues	<u>\$ 30,654,574</u>	<u>\$ 28,334,402</u>	<u>\$ 28,521,541</u>	<u>\$ 29,566,536</u>	<u>\$ 29,099,089</u>
<u>Expenditures:</u>					
General Administration	\$ 6,235,095	\$ 5,358,082	\$ 5,241,794	\$ 5,043,366	\$ 3,408,891
Judicial and Legal	4,340,720	3,985,428	3,689,087	3,928,542	3,757,398
Financial Administration	-	-	-	-	1,733,781
Elections	-	-	-	-	152,207
Public Facilities	861,547	869,507	753,889	753,864	772,885
Public Safety	12,576,757	11,403,718	10,493,391	10,781,587	6,884,303
Corrections	-	-	-	-	3,878,853
Public Transportation	4,233,424	4,182,410	4,238,812	4,123,627	4,079,910
Health and Welfare	420,898	422,748	720,186	597,119	738,621
Public Assistance	-	-	-	-	51,432
Culture and Recreation	581,983	567,163	589,970	608,908	641,051
Conservation	88,757	85,237	83,335	75,115	77,443
Environmental Protection	-	-	-	-	63,151
Interest on Long-term Debt	841,883	667,720	671,824	736,357	821,592
Total Expenses	<u>\$ 30,181,064</u>	<u>\$ 27,542,013</u>	<u>\$ 26,482,288</u>	<u>\$ 26,648,485</u>	<u>\$ 27,061,518</u>
Increase (Decrease) in Net Assets					
Before Special Items and Transfers	\$ 473,510	\$ 792,389	\$ 2,039,253	\$ 2,918,051	\$ 2,037,571
Increase (Decrease) in Net Assets	\$ 473,510	\$ 792,389	\$ 2,039,253	\$ 2,918,051	\$ 2,037,571
Beginning Net Assets	55,597,822	54,805,433	52,766,200	49,848,149	47,810,578
Prior Period Adjustment	(213,695)	-	-	-	-
Ending Net Assets	<u>\$ 55,857,637</u>	<u>\$ 55,597,822</u>	<u>\$ 54,805,453</u>	<u>\$ 52,766,200</u>	<u>\$ 49,848,149</u>

(1) Includes both governmental activities and business-type activities. Both of the government-wide financial statements distinguish functions of Hood County that are principally supported by taxes and intergovernmental revenues (governmental activities) from other functions that are intended to recover all or a significant portion of their costs through user fees and charges (business-type activities). The governmental activities of Hood County include general government, highways and streets, law enforcement and judiciary and public health, welfare and safety. The business type activity of Hood County is operating a Juvenile Detention Center.

(2) Unaudited.

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

	Fiscal Years Ended September 30,				
	2014 <sup>(1)</sup>	2013	2012	2011	2010
<b>Revenues:</b>					
Taxes	\$ 18,109,542	\$ 16,448,059	\$ 16,737,793	\$ 16,307,524	\$ 15,384,971
Fees of Office	2,645,216	2,554,867	2,391,678	2,412,257	2,477,308
Charges for Services	51,751	46,409	33,527	24,383	-
Intergovernmental	601,488	599,262	583,744	512,235	306,770
Interest	17,506	17,542	21,354	21,128	30,323
Miscellaneous Local	450,445	422,186	380,635	393,142	368,861
<b>Total Revenues</b>	<b>\$ 21,875,948</b>	<b>\$ 20,088,325</b>	<b>\$ 20,148,731</b>	<b>\$ 19,670,669</b>	<b>\$ 18,568,233</b>
<b>Expenditures:</b>					
General Administration	\$ 5,449,140	\$ 5,486,989	\$ 5,542,861	\$ 4,627,733	\$ 3,053,419
Judicial and Legal	3,881,950	3,553,749	3,310,069	3,499,421	3,298,161
Financial Administration	-	-	-	-	1,689,446
Elections	-	-	-	-	133,912
Public Facilities	861,382	818,028	756,168	753,560	767,724
Public Safety	10,396,743	9,705,044	8,969,141	9,078,385	5,504,909
Corrections	-	-	-	-	3,417,358
Public Health and Welfare	411,005	409,853	391,542	365,397	251,290
Public Assistance	-	-	-	17,383	51,089
Conservation	88,672	85,045	83,586	75,085	76,926
Capital Outlay	9,350	67,608	68,749	34,500	6,500
Debt Service	102,373	54,948	54,948	375,761	133,233
<b>Total Expenditures</b>	<b>\$ 21,200,615</b>	<b>\$ 20,181,264</b>	<b>\$ 19,177,064</b>	<b>\$ 18,827,225</b>	<b>\$ 18,383,967</b>
Excess (Deficiency) of					
Revenues Over Expenditures	675,333	(92,939)	971,667	843,444	184,266
Other Sources (Uses)	(1,466,728)	(270,514)	(395,678)	98,397	18,448
Net Increase (Decrease)	\$ (791,395)	\$ (363,453)	\$ 575,989	\$ 941,841	\$ 202,714
Prior Period Adjustment	-	-	-	-	33,703
Beginning Fund Balance	11,261,281	11,624,734	11,048,745	10,106,904	9,870,487
Ending Fund Balance	<b>\$ 10,469,886</b>	<b>\$ 11,261,281</b>	<b>\$ 11,624,734</b>	<b>\$ 11,048,745</b>	<b>\$ 10,106,904</b>

(1) Unaudited

**TABLE 14 – CURRENT INVESTMENTS**

As of January 31, 2015, the County's funds were invested as follows:

Type of Investment	% of Portfolio	Market Value	Book Value
TexPool	85.09%	\$ 16,803,400	\$ 16,803,400
TexStar	13.17%	2,600,000	\$ 2,600,000
Interbank C.D.	1.75%	345,132	\$ 345,132
	<b>100.0%</b>	<b>\$ 19,748,532</b>	<b>\$ 19,748,532</b>