OFFICIAL STATEMENT

Dated July 8, 2015

Ratings:
Moody's: "Aaa"
S&P: "AAA"
(See "Other Information - Ratings" herein)

NEW ISSUE - Book-Entry-Only

In the opinion of Bond Counsel under existing law, interest on the Bonds is excludable from gross income for federal income tax purposes and the Bonds are not private activity bonds. See "Tax Matters - Tax Exemption" herein for a discussion of the opinion of Bond Counsel, including a description of alternative minimum tax consequences for corporations.

THE BONDS **ARE NOT** DESIGNATED AS "QUALIFIED TAX-EXEMPT OBLIGATIONS" FOR FINANCIAL INSTITUTIONS

$67,075,000
COLLIN COUNTY, TEXAS
UNLIMITED TAX ROAD AND REFUNDING BONDS, SERIES 2015

Dated Date: July 1, 2015
Accrues from Delivery Date

Due: February 15, as shown below

PAYMENT TERMS . . . Interest on the $67,075,000 Collin County, Texas Unlimited Tax Road and Refunding Bonds, Series 2015 (the "Unlimited Tax Bonds") will accrue from the date of initial delivery (the "Delivery Date") to the initial purchasers shown below (the "Underwriters"), and will be payable February 15, 2016, and on each August 15 and February 15 thereafter until maturity or prior redemption. Interest on the Unlimited Tax Bonds will be calculated on the basis of a 360-day year consisting of twelve 30-day months. The definitive Unlimited Tax Bonds will be initially registered and delivered only to Cede & Co., the nominee of The Depository Trust Company ("DTC") pursuant to the Book-Entry-Only System described herein. Beneficial ownership of the Unlimited Tax Bonds may be acquired in denominations of $5,000 or integral multiples thereof. **No physical delivery of the Unlimited Tax Bonds will be made to the owners thereof.** Principal of, premium, if any, and interest on the Unlimited Tax Bonds will be payable by the Paying Agent/Registrar to Cede & Co., which will make distribution of the amounts so paid to the participating members of DTC for subsequent payment to the beneficial owners of the Unlimited Tax Bonds. See "The Bonds - Book-Entry-Only System" herein. The initial Paying Agent/Registrar is The Bank of New York Mellon Trust Company, N.A., Dallas, Texas (see "The Bonds - Paying Agent/Registrar").

AUTHORITY FOR ISSUANCE . . . The Unlimited Tax Bonds are issued pursuant to the Constitution and general laws of the State, particularly Article III, Section 52 of the Texas Constitution, as amended, Chapters 1207, 1371 and 1471, Texas Government Code, as amended, a County-wide election held on November 6, 2007, and a bond order (the "Unlimited Tax Authorization") adopted on June 15, 2015 by the Commissioners Court of the County (the "Commissioners Court") in which the Commissioners Court delegated pricing of the Unlimited Tax Bonds and certain other matters to an "Authorized Officer" who approved a pricing certificate (the "Unlimited Tax Pricing Certificate") which contained the final terms of sale and completed the sale of the Unlimited Tax Bonds (the Unlimited Tax Authorization and the Unlimited Tax Pricing Certificate are jointly referred to as the "Unlimited Tax Bond Order"), and are direct obligations of Collin County, Texas (the "County"), payable from a continuing direct ad valorem tax levied on a taxable property within the County, without legal limit as to rate or amount, as provided by the Unlimited Tax Bond Order (see "The Bonds – Authority for Issuance").

PURPOSE . . . Proceeds from the sale of the Unlimited Tax Bonds will be used to (i) construct, maintain and operate macadamized, graveled or paved roads and turnpikes, or in aid thereof, throughout the County, including the participation in the cost of joint State highway and joint city-county projects, (ii) refund a portion of the County's outstanding debt described in Schedule I (the "Refunded Unlimited Tax Bonds") for debt service savings, and (iii) pay the costs of issuance associated with the sale of the Unlimited Tax Bonds.

MATURITY SCHEDULE

CUSIP Prefix: 194740 (1)

Amount	(2-15) Maturity	Interest Rate	Initial Yield	CUSIP Suffix (1)	Amount	(2-15) Maturity	Interest Rate	Initial Yield	CUSIP Suffix (1)
$ 6,605,000	2016	2.00%	0.21%	GW0	$ 4,065,000	2026	5.00%	2.61% (2)	HG4
1,870,000	2017	3.00%	0.64%	GX8	4,275,000	2027	5.00%	2.72% (2)	HH2
4,585,000	2018	4.00%	0.94%	GY6	1,935,000	2028	5.00%	2.82% (2)	HJ8
5,585,000	2019	4.00%	1.20%	GZ3	2,015,000	2029	3.25%	3.40%	HK5
3,855,000	2020	4.00%	1.44%	HA7	2,095,000	2030	4.00%	3.39% (2)	HL3
4,005,000	2021	4.00%	1.70%	HB5	2,180,000	2031	4.00%	3.49% (2)	HM1
3,325,000	2022	5.00%	1.94%	HC3	2,265,000	2032	4.00%	3.54% (2)	HN9
3,500,000	2023	5.00%	2.15%	HD1	2,360,000	2033	4.00%	3.59% (2)	HP4
3,680,000	2024	5.00%	2.31%	HE9	2,455,000	2034	4.00%	3.63% (2)	HQ2
3,865,000	2025	5.00%	2.44%	HF6	2,555,000	2035	4.00%	3.68% (2)	HR0

(1) CUSIP is a registered trademark of the American Bankers Association. CUSIP data herein is provided by CUSIP Global Services, managed by Standard & Poor's Financial Services LLC on behalf of The American Bankers Association. Neither the County nor the Underwriters shall be responsible for the selection or correctness of the CUSIP numbers set forth herein. This data is not intended to create a database and does not serve in any way as a substitute for the CUSIP Services.
(2) Priced to the February 15, 2025 optional redemption date at a price of par.

OPTIONAL REDEMPTION . . . The County reserves the right, at its option, to redeem Unlimited Tax Bonds having stated maturities on and after February 15, 2026, in whole or in part in principal amounts of $5,000 or any integral multiple thereof, on February 15, 2025, or any date thereafter, at the par value thereof plus accrued interest to the date of redemption (see "THE BONDS – Optional Redemption").

SEPARATE ISSUES . . . The Unlimited Tax Bonds are being offered by the County concurrently with its Limited Tax Refunding and Improvement Bonds, Series 2015 (the "Limited Tax Bonds"), under a common Official Statement, and the Unlimited Tax Bonds and Limited Tax Bonds are hereinafter sometimes referred to collectively as the "Bonds." The Limited Tax Bonds and the Unlimited Tax Bonds are separate and distinct securities offerings being issued and sold independently except for the Official Statement, and, while the Limited Tax Bonds and the Unlimited Tax Bonds share certain common attributes, each issue is separate from the other and should be reviewed and analyzed independently, including without limitation the type of obligation being offered, its terms for payment, the security for its payment, and the rights of the holders.

LEGALITY . . . The Unlimited Tax Bonds are offered for delivery when, as, and if issued and received by the Underwriters and subject to the approving opinion of the Attorney General of Texas and the opinion of Bracewell & Giuliani LLP , Bond Counsel, Dallas, Texas (see Appendix C - "Forms of Bond Counsel's Opinions"). Certain legal matters will be passed upon for the Underwriters by McCall, Parkhurst & Horton L.L.P., Dallas, Texas, Counsel for the Underwriters.

DELIVERY . . . It is expected that the Unlimited Tax Bonds will be available for delivery through The Depository Trust Company on August 18, 2015 (the "Delivery Date").

CITIGROUP **ESTRADA HINOJOSA & COMPANY, INC.**

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OFFICIAL STATEMENT

Dated July 8, 2015

Ratings:
Moody's: "Aaa"
S&P: "AAA"
(See "Other Information - Ratings" herein)

NEW ISSUE - Book-Entry-Only

In the opinion of Bond Counsel under existing law, interest on the Bonds is excludable from gross income for federal income tax purposes and the Bonds are not private activity bonds. See "Tax Matters - Tax Exemption" herein for a discussion of the opinion of Bond Counsel, including a description of alternative minimum tax consequences for corporations.

THE BONDS **ARE NOT** DESIGNATED AS "QUALIFIED TAX-EXEMPT OBLIGATIONS" FOR FINANCIAL INSTITUTIONS

$3,675,000
COLLIN COUNTY, TEXAS
LIMITED TAX REFUNDING AND IMPROVEMENT BONDS, SERIES 2015

Dated Date: July 1, 2015
Accrues from Delivery Date

Due: February 15, as shown below

PAYMENT TERMS . . . Interest on the $3,675,000 Collin County, Texas, Limited Tax Refunding and Improvement Bonds, Series 2015 (the "Limited Tax Bonds") will accrue from the date of initial delivery (the "Delivery Date") to the initial purchasers shown below (the "Underwriters"), and will be payable February 15, 2016, and on each August 15 and February 15 thereafter until maturity or prior redemption. Interest on the Limited Tax Bonds will be calculated on the basis of a 360-day year consisting of twelve 30-day months. The definitive Limited Tax Bonds will be initially registered and delivered only to Cede & Co., the nominee of The Depository Trust Company ("DTC") pursuant to the Book-Entry-Only System described herein. Beneficial ownership of the Limited Tax Bonds may be acquired in denominations of $5,000 or integral multiples thereof. **No physical delivery of the Limited Tax Bonds will be made to the owners thereof.** Principal of, premium, if any, and interest on the Limited Tax Bonds will be payable by the Paying Agent/Registrar to Cede & Co., which will make distribution of the amounts so paid to the participating members of DTC for subsequent payment to the beneficial owners of the Limited Tax Bonds. See "The Bonds - Book-Entry-Only System" herein. The initial Paying Agent/Registrar is The Bank of New York Mellon Trust Company, N.A., Dallas, Texas (see "The Bonds - Paying Agent/Registrar").

AUTHORITY FOR ISSUANCE . . . The Limited Tax Bonds are being issued pursuant to the Constitution and general laws of the State of Texas, particularly Chapters 1207 and 1371, Texas Government Code, as amended and Chapter 331, Texas Local Government Code, as amended, a County-wide election held on November 6, 2007 and a bond order (the "Limited Tax Authorization") adopted on June 15, 2015 by the Commissioners Court of the County (the "Commissioners Court") in which the Commissioners Court delegated pricing of the Limited Tax Bonds and certain other matters to an "Authorized Officer" who approved a pricing certificate (the "Limited Tax Pricing Certificate") which contained the final terms of sale and completed the sale of the Limited Tax Bonds (the Limited Tax Authorization and the Limited Tax Pricing Certificate are jointly referred to as the "Limited Tax Bond Order"), and are direct obligations of Collin County, Texas (the "County"), payable from a continuing direct ad valorem tax levied on a taxable property within the County, within the limits prescribed law, as provided by the Limited Tax Bond Order (see "The Bonds – Authority for Issuance").

PURPOSE . . . Proceeds from the sale of the Limited Tax Bonds will be used for (i) acquiring and improving land for park and open space purposes, including joint city-county projects, (ii) refunding a portion of the County's outstanding limited tax debt described in Schedule I (the "Refunded Limited Tax Bonds") for debt service savings; and (iii) paying the costs of issuance associated with the sale of the Limited Tax Bonds.

MATURITY SCHEDULE

CUSIP Prefix: 194740 (1)

Amount	(2-15) Maturity	Interest Rate	Initial Yield	CUSIP Suffix (1)	Amount	(2-15) Maturity	Interest Rate	Initial Yield	CUSIP Suffix (1)
$ 105,000	2016	2.000%	0.350%	HS8	$ 255,000	2025	4.000%	2.560%	JB3
100,000	2017	2.000%	0.730%	HT6	265,000	2026	4.000%	2.810% (2)	JC1
210,000	2018	2.000%	1.010%	HU3	280,000	2027	3.000%	3.080%	JD9
210,000	2019	2.000%	1.260%	HV1	120,000	2028	3.125%	3.220%	JH0
220,000	2020	2.000%	1.510%	HW9	125,000	2029	3.250%	3.390%	JE7
220,000	2021	2.000%	1.780%	HX7	130,000	2030	3.375%	3.510%	JJ6
230,000	2022	4.000%	2.040%	HY5	135,000	2031	3.500%	3.570%	JK3
235,000	2023	4.000%	2.240%	HZ2	140,000	2032	3.500%	3.610%	JF4
245,000	2024	4.000%	2.410%	JA5					

$450,000 3.625% TERM BOND DUE FEBRUARY 15, 2035 PRICE 98.282%, CUSIP SUFFIX (1) JG2

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(2) Priced to the February 15, 2025 optional redemption date at a price of par.

OPTIONAL REDEMPTION . . . The County reserves the right, at its option, to redeem Limited Tax Bonds having stated maturities on and after February 15, 2026, in whole or in part in principal amounts of $5,000 or any integral multiple thereof, on February 15, 2025, or any date thereafter, at the par value thereof plus accrued interest to the date of redemption (see "THE BONDS – Optional Redemption"). In addition, the Limited Tax Bonds maturing February 15, 2035 are subject to mandatory sinking fund redemption, as further described herein. (See "THE BONDS - Optional Redemption" and "THE BONDS - Mandatory Redemption" herein.)

SEPARATE ISSUES . . . The Limited Tax Bonds are being offered by the County concurrently with its Unlimited Tax Road and Refunding Bonds, Series 2015 (the "Unlimited Tax Bonds"), under a common Official Statement, and the Limited Tax Bonds and Unlimited Tax Bonds are hereinafter sometimes referred to collectively as the "Bonds." The Limited Tax Bonds and the Unlimited Tax Bonds are separate and distinct securities offerings being issued and sold independently except for the Official Statement, and, while the Limited Tax Bonds and the Unlimited Tax Bonds share certain common attributes, each issue is separate from the other and should be reviewed and analyzed independently, including without limitation the type of obligation being offered, its terms for payment, the security for its payment, and the rights of the holders.

LEGALITY . . . The Limited Tax Bonds are offered for delivery when, as, and if issued and received by the Underwriters and subject to the approving opinion of the Attorney General of Texas and the opinion of Bracewell & Giuliani LLP , Bond Counsel, Dallas, Texas (see Appendix C - "Forms of Bond Counsel's Opinions"). Certain legal matters will be passed upon for the Underwriters by McCall, Parkhurst & Horton L.L.P., Dallas, Texas, Counsel for the Underwriters.

DELIVERY . . . It is expected that the Limited Tax Bonds will be available for delivery through The Depository Trust Company on August 18, 2015 (the "Delivery Date").

CITIGROUP **ESTRADA HINOJOSA & COMPANY, INC.**

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This Official Statement, which includes the cover page, the Schedule and the Appendices hereto, does not constitute an offer to sell or the solicitation of an offer to buy in any jurisdiction to any person to whom it is unlawful to make such offer, solicitation or sale.

No dealer, broker, salesperson or other person has been authorized to give information or to make any representation other than those contained in this Official Statement, and, if given or made, such other information or representations must not be relied upon.

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 the promise or guarantee of the Financial Advisor or the Underwriters. This Official Statement contains, 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 Underwriters have provided the following sentence for inclusion in this Official Statement: The Underwriters have reviewed the information in this Official Statement in accordance with, and as part of, their respective responsibilities to investors under the federal securities laws as applied to the facts and circumstances of this transaction, but the Underwriters do not guarantee the accuracy or completeness of such information.

The information and expressions of opinion contained herein are subject to change without notice, and neither the delivery of this Official Statement nor any sale made hereunder shall, under any circumstances, create any implication that there has been no change in the affairs of the County or other matters described. See "CONTINUING DISCLOSURE OF INFORMATION" for a description of the County's undertaking to provide certain information on a continuing basis.

The agreements of the County and others related to the Bonds are contained solely in the contracts described herein. Neither this Official Statement nor any other statement made in connection with the offer or sale of the Bonds is to be construed as constituting an agreement with the purchaser of the Bonds. INVESTORS SHOULD READ THE ENTIRE OFFICIAL STATEMENT, INCLUDING ALL SCHEDULES AND APPENDICES ATTACHED HERETO, TO OBTAIN INFORMATION ESSENTIAL TO MAKING AN INFORMED INVESTMENT DECISION.

NEITHER THE COUNTY, ITS FINANCIAL ADVISOR, NOR THE UNDERWRITERS MAKE ANY REPRESENTATION OR WARRANTY WITH RESPECT TO THE INFORMATION CONTAINED IN THIS OFFICIAL STATEMENT REGARDING THE DEPOSITORY TRUST COMPANY OR ITS BOOK-ENTRY ONLY SYSTEM.

IN CONNECTION WITH THE OFFERING OF THE BONDS, THE UNDERWRITERS MAY OVER-ALLOT OR EFFECT TRANSACTIONS WHICH STABILIZE OR MAINTAIN THE MARKET PRICES OF THE BONDS AT A LEVEL ABOVE THAT WHICH MIGHT OTHERWISE PREVAIL IN THE OPEN MARKET. SUCH STABILIZING, IF COMMENCED, MAY BE DISCONTINUED AT ANY TIME.

THE BONDS ARE EXEMPT FROM REGISTRATION WITH THE SECURITIES AND EXCHANGE COMMISSION AND CONSEQUENTLY HAVE NOT BEEN REGISTERED THEREWITH. THE REGISTRATION, QUALIFICATION, OR EXEMPTION OF THE BONDS IN ACCORDANCE WITH APPLICABLE SECURITIES LAW PROVISIONS OF THE JURISDICTION IN WHICH THE BONDS HAVE BEEN REGISTERED, QUALIFIED OR EXEMPTED SHOULD NOT BE REGARDED AS A RECOMMENDATION THEREOF.

THIS OFFICIAL STATEMENT CONTAINS "FORWARD-LOOKING" STATEMENTS WITHIN THE MEANING OF SECTION 21E OF THE SECURITIES EXCHANGE ACT OF 1934, AS AMENDED. SUCH STATEMENTS MAY INVOLVE KNOWN AND UNKNOWN RISKS, UNCERTAINTIES AND OTHER FACTORS WHICH MAY CAUSE THE ACTUAL RESULTS, PERFORMANCE AND ACHIEVEMENTS TO BE DIFFERENT FROM FUTURE RESULTS, PERFORMANCE AND ACHIEVEMENTS EXPRESSED OR IMPLIED BY SUCH FORWARD-LOOKING STATEMENTS. ***INVESTORS ARE CAUTIONED THAT THE ACTUAL RESULTS COULD DIFFER MATERIALLY FROM THOSE SET FORTH IN THE FORWARD-LOOKING STATEMENTS.***

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The cover page hereof, this page, the schedule, the appendices included herein and any addenda, supplement, or amendment hereto are part of the Official Statement.

OFFICIAL STATEMENT SUMMARY

This summary is subject in all respects to the more complete information and definitions contained or incorporated in this Official Statement. The offering of the Bonds to potential investors is made only by means of this entire Official Statement. No person is authorized to detach this summary from this Official Statement or to otherwise use it without the entire Official Statement.

THE COUNTY .... The County is a body politic and political subdivision of the State, located in northeast Texas and is a component of the Dallas-Fort Worth Metroplex. The County covers approximately 836 square miles. The City of McKinney is the County Seat.

THE UNLIMITED TAX BONDS....... The Unlimited Tax Bonds are issued as $67,075,000 Unlimited Tax Road and Refunding Bonds, Series 2015 (the "Unlimited Tax Bonds"). The Unlimited Tax Bonds mature serially on February 15 in each of the years 2016 through 2035 (see "The Bonds - Description of the Bonds").

THE LIMITED TAX BONDS........... The Limited Tax Bonds are issued as $3,675,000 Limited Tax Refunding and Improvement Bonds, Series 2015 (the "Limited Tax Bonds"). The Limited Tax Bonds mature serially on February 15 in each of the years 2016 through 2032 and as Term Bonds maturing on February 15, 2035 (see "The Bonds - Description of the Bonds").

PAYMENT OF INTEREST .... Interest on the Unlimited Tax Bonds and Limited Tax Bonds (collectively, the "Bonds") will accrue from the Delivery Date, and is payable February 15, 2016, and each August 15 and February 15 thereafter until maturity or prior redemption (see "The Bonds - Description of the Bonds").

AUTHORITY FOR ISSUANCE.......... The Unlimited Tax Bonds are issued pursuant to the Constitution and general laws of the State, particularly, Article III, Section 52 of the Texas Constitution, as amended, Chapters 1207, 1371 and 1471, Texas Government Code, as amended, a County-wide election held on November 6, 2007, and a bond order (the "Unlimited Tax Authorization") adopted on June 15, 2015 by the Commissioners Court of the County (the "Commissioners Court") in which the Commissioners Court delegated pricing of the Unlimited Tax Bonds and certain other matters to an "Authorized Officer" who approved a pricing certificate (the "Unlimited Tax Pricing Certificate") which contained the final terms of sale and completed the sale of the Unlimited Tax Bonds (the Unlimited Tax Authorization and the Unlimited Tax Pricing Certificate are jointly referred to as the "Unlimited Tax Bond Order") (see "The Bonds - Authority for Issuance").

The Limited Tax Bonds are issued pursuant to the Constitution and general laws of the State, particularly, Chapters 1207 and 1371, Texas Government Code, as amended and Chapter 331, Texas Local Government Code, as amended, a County-wide election held on November 6, 2007, and a bond order (the "Limited Tax Authorization") adopted on June 15, 2015 by the Commissioners Court of the County (the "Commissioners Court") in which the Commissioners Court delegated pricing of the Limited Tax Bonds and certain other matters to an "Authorized Officer" who approved a pricing certificate (the "Limited Tax Pricing Certificate") which contained the final terms of sale and completed the sale of the Limited Tax Bonds (the Limited Tax Authorization and the Limited Tax Pricing Certificate are jointly referred to as the "Limited Tax Bond Order") (see "The Bonds - Authority for Issuance").

SECURITY FOR THE BONDS.......... The Unlimited Tax Bonds constitute direct obligations of the County, payable from the levy and collection of a direct and continuing ad valorem tax levied, without legal limit as to rate or amount, on all taxable property located within the County (see "The Bonds - Security and Source of Payment-Unlimited Tax Bonds").

The Limited Tax Bonds constitute direct obligations of the County, payable from the levy and collection of a direct and continuing ad valorem tax levied, within the limits prescribed by law, on all taxable property located within the County (see "The Bonds - Security and Source of Payment-Limited Tax Bonds").

REDEMPTION .... The County reserves the right, at its option, to redeem Bonds of either series, having stated maturities on and after February 15, 2026, in whole or in part in principal amounts of $5,000 or any integral multiple thereof, on February 15, 2025, or any date thereafter, at the par value thereof plus accrued interest to the date of redemption (see "The Bonds - Optional Redemption"). In addition, the Limited Tax Bonds maturing on February 15, 2035 are subject to mandatory sinking fund redemption, as further described herein. (See "The Bonds - Optional Redemption" and "The Bonds - Mandatory Redemption" herein.)

TAX EXEMPTION .... In the opinion of Bond Counsel, under existing law, the interest on the Bonds will be excludable from gross income for federal income tax purposes and the Bonds are not private activity bonds. See "Tax Matters - Tax Exemption" for a discussion of the opinion of Bond Counsel, including a description of the alternative minimum tax consequences for corporations.

USE OF PROCEEDS .... Proceeds from the sale of the Unlimited Tax Bonds will be used to (i) construct, maintain and operate macadamized, graveled or paved roads and turnpikes, or in aid thereof, throughout the County, including participation in joint city-county projects; and (ii) pay costs of issuance associated with the sale of the Unlimited Tax Bonds.

Proceeds from the sale of the Limited Tax Bonds will be used for (i) acquiring and improving land for park and open space purposes, including joint city-county projects, (ii) refunding a portion of the County's outstanding limited tax debt described in Schedule I (the "Refunded Bonds") for debt service savings; and (iii) paying the costs of issuance associated with the sale of the Limited Tax Bonds.

RATINGS .... The Bonds and the presently outstanding tax supported debt of the County are rated "Aaa" by Moody's Investors Service, Inc. ("Moody's") and "AAA" by Standard & Poor's Ratings Services, a Standard & Poor's Financial Services LLC business ("S&P") without regard to third-party credit enhancement (see "Other Information - Ratings").

BOOK-ENTRY-ONLY SYSTEM ...... The definitive Bonds will be initially registered and delivered only to Cede & Co., the nominee of DTC pursuant to the Book-Entry-Only System described herein. Beneficial ownership of the Bonds may be acquired in denominations of $5,000 or integral multiples thereof. No physical delivery of the Bonds will be made to the beneficial owners thereof. Principal of, premium, if any, and interest on the Bonds will be payable by the Paying Agent/Registrar to Cede & Co., which will make distribution of the amounts so paid to the participating members of DTC for subsequent payment to the beneficial owners of the Bonds (see "The Bonds - Book-Entry-Only System").

PAYMENT RECORD .... The County has never defaulted in payment of its general obligation tax debt.

SELECTED FINANCIAL INFORMATION

Fiscal Year Ended 9/30	Estimated County Population	Taxable Assessed Valuation [(1)]	Per Capita Taxable Assessed Valuation	Funded Tax Debt	Per Capita Funded Tax Debt	Ratio Funded Tax Debt to Taxable Assessed Valuation	% of Total Tax Collections
2011	801,865 [(2)]	$ 71,277,687,478	$ 88,890	$ 347,725,000	$ 434	0.49%	102.79%
2012	804,390 [(2)]	72,462,518,559	90,084	393,210,000	489	0.54%	103.08%
2013	813,133 [(3)]	74,630,300,190	91,781	393,350,000	484	0.53%	102.52%
2014	834,642 [(3)]	79,238,767,392	94,937	391,410,000	469	0.49%	102.05%
2015	854,778 [(3)]	86,871,450,852	101,630	402,795,000 [(4)]	471	0.46%	100.62% [(5)]

(1) As reported by the Collin Central Appraisal District on the County's annual State Property Tax Reports; subject to change during the ensuing year.
(2) Source: Texas Workforce Commission
(3) Source: County Officials
(4) Projected; includes all limited tax and unlimited tax debt of the County and the Bonds. Excludes the Refunded Bonds.
(5) Collections through May 1, 2015.

COUNTY OFFICIALS, STAFF, AND CONSULTANTS

ELECTED OFFICIALS

Commissioners Court	Term Expires
Keith Self County Judge	12/31/2018
Susan Fletcher Commissioner, Precinct No. 1	12/31/2016
Cheryl Williams Commissioner, Precinct No. 2	12/31/2018
Chris Hill Commissioner, Precinct No. 3	12/31/2016
Duncan Webb Commissioner, Precinct No. 4	12/31/2018

OTHER ELECTED AND APPOINTED OFFICIALS

Name	Position	Term Expires
Bill Bilyeu	County Administrator	Appointed by Commissioners Court
Jeff May	County Auditor	Appointed by District Judges 9/30/2015
Monika Arris	Budget Director	Appointed by Commissioners Court
Stacey Kemp	County Clerk	12/31/2018
Kenneth L. Maun	Tax Assessor-Collector	12/31/2016

CONSULTANTS AND ADVISORS

Certified Public Accountants .... Pattillo, Brown & Hill, L.L.P.
Waco, Texas

Bond Counsel .... Bracewell & Giuliani LLP
Dallas, Texas

Financial Advisor............ First Southwest Company LLC
Fort Worth, Texas

For additional information regarding the County, please contact:

Monika Arris Budget Director Collin County 2300 Bloomdale Rd., Suite 4100 McKinney, Texas 75071 (972) 548-4603	or	Jeff May County Auditor Collin County 2300 Bloomdale Rd., Suite 3100 McKinney, Texas 75071 (972) 548-4640	or	David K. Medanich Nick Bulaich First Southwest Company 777 Main Street, Suite 1200 Fort Worth, Texas 76102 (817) 332-9710

OFFICIAL STATEMENT

RELATING TO

COLLIN COUNTY, TEXAS

$67,075,000	**$3,675,000**
UNLIMITED TAX ROAD AND REFUNDING BONDS, SERIES 2015	**LIMITED TAX REFUNDING AND IMPROVEMENT BONDS, SERIES 2015**

INTRODUCTION

This Official Statement, which includes the Appendices and Schedule I hereto, provides certain information regarding the issuance of $67,075,000 Collin County, Texas Unlimited Tax Road and Refunding Bonds, Series 2015 (the "Unlimited Tax Bonds") and $3,675,000 Collin County, Texas Limited Tax Refunding and Improvement Bonds, Series 2015 (the "Limited Tax Bonds" and, together with the Unlimited Tax Bonds, the "Bonds"). Except as otherwise indicated herein, capitalized terms used in this Official Statement have the same meanings assigned to such terms in the separate orders (the "Unlimited Tax Authorization" and "Limited Tax Authorization," respectively), each adopted by the Commissioners Court of the County on June 15, 2015, in which the Commissioners Court delegated pricing of the respective Bonds and certain other matters to an "Authorized Officer" who approved separate pricing certificates (the "Unlimited Tax Pricing Certificate" and "Limited Tax Pricing Certificate," respectively), which each contained the final terms of sale and completed the sale of the respective Unlimited Tax Bonds and Limited Tax Bonds. The Unlimited Tax Authorization and the Unlimited Tax Pricing Certificate are jointly referred to as the "Unlimited Tax Bond Order", the Limited Tax Authorization and the Limited Tax Pricing Certificate are jointly referred to as the "Limited Tax Bond Order", and the Unlimited Tax Bond Order and the Limited Tax Bond Order are jointly referred to as the "Orders."

All financial and other information presented in this Official Statement has been provided by the County from its records, except for information expressly attributed to other sources. The presentation of information, including tables of receipts from taxes and other sources, is intended to show recent historic information and is not intended to indicate future or continuing trends in the financial position or other affairs of the County. No representation is made that past experience, as is shown by that financial and other information, will necessarily continue or be repeated in the future (see "Other Information –Forward Looking Statements").

There follow in this Official Statement descriptions of the Bonds and certain information regarding the County and its finances. All descriptions of documents contained herein are only summaries and are qualified in their entirety by reference to each such document. Copies of such documents may be obtained from the County's Financial Advisor, First Southwest Company LLC, Dallas, Texas.

DESCRIPTION OF THE COUNTY . . . The County was organized in 1846. The County operates as specified under the Constitution and statutes of the State of Texas (the "State") and is governed by a Commissioners Court consisting of the County Judge and four Commissioners, one for each of four Commissioners' Precincts. The County Judge is elected for a term of four years and the Commissioners for four-year staggered terms. Other major County elected officers include the County Clerk and County Tax Assessor/Collector. The County Auditor is appointed for a term of two years by, and serves at the will of, the District Judges whose courts are located in the County. For additional demographic information describing the County, see Appendix A hereto.

PLAN OF FINANCING

PURPOSE . . . Proceeds from the sale of the Unlimited Tax Bonds will be used to (i) construct, maintain and operate macadamized, graveled or paved roads and turnpikes, or in aid thereof, throughout the County, including participation in joint city-county projects; (ii) refund a portion of the County's outstanding debt described in Schedule I (the "Refunded Unlimited Tax Bonds") for debt service savings, and (iii) pay costs of issuance associated with the sale of the Unlimited Tax Bonds.

Proceeds from the sale of the Limited Tax Bonds will be used for (i) acquiring and improving land for park and open space purposes, including joint city-county projects, (ii) refunding a portion of the County's outstanding limited tax debt described in Schedule I (the "Refunded Limited Tax Bonds") for debt service savings; and (iii) paying the costs of issuance associated with the sale of the Limited Tax Bonds.

REFUNDED BONDS . . . The principal of and interest due on the Refunded Unlimited Tax Bonds and Refunded Limited Tax Bonds (collectively, the "Refunded Bonds"), respectively, are to be paid on the scheduled interest payment dates and redemption dates for the Refunded Bonds as shown on Schedule I hereto, from funds to be deposited pursuant to separate Escrow Agreements between the County and The Bank of New York Mellon Trust Company, N.A., Dallas, Texas, as escrow agent (the "Escrow Agent"). The Orders provide that a portion of the proceeds from the sale of the respective Bonds in an amount sufficient to accomplish the discharge and final payment of the Refunded Bonds will be deposited with the Escrow Agent pursuant to the Escrow Agreements for deposit to special escrow funds (the "Escrow Funds") established under the respective Escrow Agreements for the payment of the Refunded Bonds. Amounts on deposit in the Escrow Funds will be used to purchase obligations authorized by Chapter 1207, Texas Government Code, as amended (the "Securities"). Under the Escrow Agreements, the Escrow Funds are irrevocably pledged to the payment of the principal and interest on the respective Refunded Bonds.

Grant Thornton LLP, a nationally recognized accounting firm, will verify at the time of delivery of the respective Bonds to the Underwriters the mathematical accuracy of the schedules that demonstrate the Securities will mature and pay interest in such amounts which, together with uninvested funds, if any, in the respective Escrow Funds will be sufficient to pay, when due, the principal of and interest on the respective Refunded Bonds (see "Other Information – Verification of Arithmetical and Mathematical Computations").

By the deposit of the Securities and cash, if necessary, with the Escrow Agent pursuant to the Escrow Agreements, the County will have effected the defeasance of all of the Refunded Bonds in accordance with applicable law and the respective orders authorizing the issuance of the Refunded Bonds. It is the opinion of Bond Counsel that as a result of such defeasance, and in reliance upon the report of Grant Thornton LLP, the Refunded Bonds will be outstanding only for the purpose of receiving payments from the Securities and any cash held for such purpose by the Escrow Agent and the Refunded Bonds will not be deemed as being outstanding obligations of the County payable from ad valorem taxes nor for the purpose of applying any limitation on the issuance of debt.

SOURCES AND USES OF PROCEEDS . . . The proceeds from the sale of the Bonds will be applied approximately as follows:

	Unlimited Tax Bonds	Limited Tax Bonds
Sources of Funds		
Par Amount of Bonds	$ 67,075,000.00	$ 3,675,000.00
Reoffering Premium	7,236,981.90	144,653.15
Total Sources of Funds	$ 74,311,981.90	$ 3,819,653.15
Uses of Funds		
Deposit to Escrow Fund	$ 30,258,441.83	$ 1,447,100.52
Deposit to Construction Fund	43,488,000.00	2,300,000.00
Costs of Issuance (1)	565,540.07	72,552.63
Total Uses of Funds	$ 74,311,981.90	$ 3,819,653.15

(1) Includes the Underwriters' Discount.

THE BONDS

DESCRIPTION OF THE BONDS . . . The Bonds are dated July 1, 2015 (the "Dated Date"), and mature on February 15 in each of the years and in the amounts shown on the cover page (with respect to the Unlimited Tax Bonds) and page 3 (with respect to the Limited Tax Bonds) hereof. Interest will accrue on the Bonds from the Delivery Date to the Underwriters and will be computed on the basis of a 360-day year of twelve 30-day months, and will be payable on February 15, 2016, and on each August 15 and February 15 thereafter until maturity or prior redemption. The definitive Bonds will be issued only in fully registered form in any integral multiple of $5,000 for any one maturity and will be initially registered and delivered only to Cede & Co., the nominee of The Depository Trust Company ("DTC") pursuant to the Book-Entry-Only System described herein. **No physical delivery of the Bonds will be made to the owners thereof.** Principal of, premium, if any, and interest on the Bonds will be payable by the Paying Agent/Registrar to Cede & Co., which will make distribution of the amounts so paid to the participating members of DTC for subsequent payment by such participating members to the beneficial owners of the Bonds. See "The Bonds - Book-Entry-Only System" herein.

Interest on the Bonds shall be paid to the registered owners appearing on the registration books of the Paying Agent/Registrar at the close of business on the Record Date (hereinafter defined), and such interest shall be paid (i) by check sent United States Mail, first class postage prepaid, to the address of the registered owner recorded in the registration books of the Paying Agent/Registrar or (ii) by such other method, acceptable to the Paying Agent/Registrar requested by, and at the risk and expense of, the registered owner. Principal of the Bonds will be paid to the registered owner at their stated maturity or upon prior redemption upon presentation to designated payment/transfer office of the Paying Agent/Registrar; provided, however, that so long as Cede & Co. (or other DTC nominee) is the registered owner of the Bonds, all payments will be made as described under "The Bonds - Book-Entry-Only System" herein. If the date for any payment on the Bonds shall be a Saturday, Sunday, a legal holiday or a day when banking institutions in the city where the designated payment/transfer office of the Paying Agent/Registrar is located are authorized to close, then the date for such payment shall be the next succeeding day which is not such a day, and payment on such date shall have the same force and effect as if made on the date payment was due.

AUTHORITY FOR ISSUANCE . . . The Unlimited Tax Bonds are issued pursuant to the Constitution and general laws of the State, particularly Article III, Section 52 of the Texas Constitution, as amended, Chapters 1207, 1371 and 1471, Texas Government Code, as amended, a County-wide election held on November 6, 2007, and the Unlimited Tax Bond Order.

The Limited Tax Bonds are being issued pursuant to the Constitution and general laws of the State, particularly Chapters 1207 and 1371, Texas Government Code, as amended and Chapter 331, Texas Local Government Code, as amended, a County-wide election held on November 6, 2007 and the Limited Tax Bond Order.

SECURITY AND SOURCES OF PAYMENT . . .

Unlimited Tax Bonds . . . The Unlimited Tax Bonds constitute direct obligations of the County, payable from the levy and collection of a direct and continuing ad valorem tax levied, without legal limit as to rate or amount, on all taxable property in the County, as provided in the Unlimited Tax Bond Order.

Limited Tax Bonds . . . The Limited Tax Bonds constitute direct obligations of the County, payable from the levy and collection of a direct and continuing ad valorem tax levied, within the limits prescribed by law, on all taxable property in the County as provided in the Limited Tax Bond Order. The Limited Tax Bonds are payable from the County's $0.80 constitutional tax rate limit; see "Tax Rate Limitations – General Operations: Bonds, Time Warrants, Certificate of Obligation, and Contractual Obligations" below.

TAX RATE LIMITATIONS . . . The Texas Constitution provides various taxing authority for counties, as described below. For information relating to the constitutionally authorized taxes that the County currently levies, see "Tax Information - Table 5 - Tax Rate Distribution Analysis."

General Operations; Limited Tax Bonds, Tax Notes, Time Warrants, Tax Notes and Contractual Obligations…Article VIII, Section 9 of the Texas Constitution imposes a limit of $0.80 per $100 of assessed valuation for general fund, Improvement fund, road and bridge fund, and jury fund purposes, including debt service of bonds, warrants, tax notes and certificates of obligation issued against such funds. Chapter 1301, Texas Government Code, as amended, limits the amount of limited tax bonds that may be issued for road and bridge purposes to 1 1/2 percent of the taxable assessed valuation of a county. By administrative policy, the Attorney General of Texas will permit allocation of $0.40 of the constitutional $0.80 tax rate for the payment of the debt service requirements on the County's limited tax general obligation indebtedness. The Limited Tax Bonds will be payable from the levy and collection of this tax.

Road Bonds…An unlimited tax rate is authorized to be voted to pay debt service on road bonds; Article III, Section 52 of the Texas Constitution provides that such debt may not exceed 25% of the County's assessed valuation of real property. The Unlimited Tax Bonds will be payable from the levy and collection of this tax.

Road Maintenance (Special Road and Bridge Tax)…Under Section 256.052, Texas Transportation Code, a county may adopt an additional ad valorem tax not to exceed $0.15 on the $100 valuation of property provided by Article VIII, Section 9 of the Texas Constitution, for the further maintenance of county roads. This additional tax may be established by the Commissioners Court only upon approval by a majority of participating voters in an election held to approve such additional tax. The additional tax may not be used for debt service. **The voters of the County have approved the adoption of the additional county road tax**.

Farm-to-Market Roads or Flood Control…Under Section 256.054, Texas Transportation Code, a county may adopt an additional ad valorem tax not to exceed $0.30 on the $100 assessed valuation, after exemption of homesteads up to $3,000, provided by Article VIII, Section 9 of the Texas Constitution, for the construction and maintenance of farm-to-market and lateral roads or for flood control. This additional tax may be established by the Commissioners Court only upon approval by a majority of participating voters in an election held to approve such additional tax. No allocation is prescribed by statute between debt service and maintenance. Therefore, all or part may be used for either purpose. **The voters of the County have not approved the adoption of the additional county farm-to-market and/or flood control tax**.

See "Table 1 - Valuations, Exemptions and Tax-Supported General Obligation Bond Debt" herein for a description of the amount of the County's debt that is secured by the unlimited tax authorized by Article III, Section 52 of the Texas Constitution, and amount of debt secured by the limited tax authorized by Article VII, Section 9 of the Texas Constitution. Also, see "Table 11 - Authorized But Unissued Bonds" herein for a description of the County's remaining voted and unissued bond authorization relating to each of such unlimited and limited constitutional taxing authorizations.

OPTIONAL REDEMPTION . . . The County reserves the right, at its option, to redeem the Bonds of either series having stated maturities on and after February 15, 2026 in whole or in part in principal amounts of $5,000 or any integral multiple thereof, on February 15, 2025 or any date thereafter, at the par value thereof plus accrued interest to the date of redemption. If less than all of the Bonds are to be redeemed, the County may select the maturities of Bonds to be redeemed. If less than all the Bonds of any maturity are to be redeemed, the Paying Agent/Registrar (or DTC while the Bonds are in Book-Entry-Only form) shall determine by lot the Bonds, or portions thereof, within such maturity to be redeemed. If a Bond (or any portion of the principal sum thereof) shall have been called for redemption and notice of such redemption shall have been given, such Bond (or the principal amount thereof to be redeemed) shall become due and payable on such redemption date and interest thereon shall cease to accrue from and after the redemption date, provided funds for the payment of the redemption price and accrued interest thereon are held by the Paying Agent/Registrar on the redemption date. The County reserves the right, in the case of an optional redemption to give notice of its election or direction to redeem Bonds conditioned upon the occurrence of subsequent events. Such notice may state (i) that the redemption is conditioned upon the deposit of moneys and/or authorized securities, in an amount equal to the amount necessary to effect the redemption, with the Paying Agent/Registrar, or such other entity as may be authorized by law, no later than the redemption date, or (ii) that the County retains the right to rescind such notice at any time on or prior to the scheduled redemption date if the County delivers a certificate of the County to the Paying Agent/Registrar instructing the Paying

Agent/Registrar to rescind the redemption notice and such notice and redemption shall be of no effect if such moneys and/or authorized securities are not so deposited or if the notice is rescinded. The Paying Agent/Registrar shall give prompt notice of any such rescission of a conditional notice of redemption to the affected Owners. Any Bonds subject to conditional redemption and such redemption has been rescinded shall remain Outstanding and the rescission of such redemption shall not constitute an event of default. Further, in the case of a conditional redemption, the failure of the County to make moneys and or authorized securities available in part or in whole on or before the redemption date shall not constitute an event of default.

MANDATORY REDEMPTION . . . The Limited Tax Bonds maturing on February 15, 2035 (the "Limited Tax Term Bonds") are subject to mandatory redemption in part prior to their schedule maturities, and will be redeemed by the County at a redemption price equal to the principal amount of the Limited Tax Term Bonds or portions thereof, plus accrued interest to the dates of redemption, on the dates and in the principal amounts as follows:

Limited Term Tax Bonds Due February 15, 2035	Principal Amount
February 15, 2033	$ 145,000
February 15, 2034	150,000
February 15, 2035*	155,000

* Stated maturity.

The Paying Agent/Registrar shall select by lot or other customary method of random selection the Limited Tax Term Bonds to be redeemed on the next following February 15 from moneys set aside for that purpose in the Interest and Sinking Fund for the Limited Tax Term Bonds. Any Limited Tax Term Bond not selected for prior redemption shall be paid on the date of their stated maturity.

The principal amount of the Limited Tax Term Bonds of a stated maturity required to be redeemed on a mandatory redemption date shall be reduced, at the option and direction of the County, by the principal amount of Limited Tax Term Bonds of like stated maturity which, (1) at least 45 days prior to the mandatory redemption date, shall have been acquired by the County at a price not exceeding the principal amount of such Limited Tax Term Bonds plus accrued interest to the date of purchase thereof, and delivered to the Paying Agent/Registrar for cancellation, or (2) shall have been redeemed pursuant to the optional redemption provisions set forth above and not theretofore credited against a mandatory redemption requirement.

NOTICE OF REDEMPTION . . . Not less than 30 days prior to a redemption date for the Bonds, the County shall cause a notice of redemption to be sent by United States mail, first class, postage prepaid, to the registered owners of the Bonds of either series to be redeemed, in whole or in part, at the address of the registered owner appearing on the registration books of the Paying Agent/Registrar at the close of business on the business day next preceding the date of mailing such notice. ANY NOTICE SO MAILED SHALL BE CONCLUSIVELY PRESUMED TO HAVE BEEN DULY GIVEN WHETHER OR NOT THE REGISTERED OWNER RECEIVES SUCH NOTICE. IF A BOND (OR ANY PORTION OF ITS PRINCIPAL SUM) SHALL HAVE BEEN DULY CALLED FOR REDEMPTION AND NOTICE OF SUCH REDEMPTION DULY GIVEN, THEN UPON THE REDEMPTION DATE SUCH BOND (OR THE PORTION OF ITS PRINCIPAL SUM TO BE REDEEMED) SHALL BECOME DUE AND PAYABLE, AND, IF MONIES FOR THE PAYMENT OF THE REDEMPTION PRICE ARE HELD FOR THE PURPOSE OF SUCH PAYMENT BY THE PAYING AGENT/REGISTRAR AND ALL OTHER CONDITIONS TO REDEMPTION ARE SATISFIED, INTEREST SHALL CEASE TO ACCRUE AND BE PAYABLE FROM AND AFTER THE REDEMPTION DATE ON THE PRINCIPAL AMOUNT REDEEMED.

DEFEASANCE . . . The Orders provide that the County may discharge its obligations to the registered owners of any or all of the Bonds to pay principal, interest and redemption price thereon in any manner permitted by law. Under current State law, such discharge may be accomplished either (i) by depositing with the Paying Agent/Registrar or other lawfully authorized entity a sum of money equal to the principal of, premium, if any, and all interest to accrue on such Bonds to maturity or redemption or (ii) by depositing with the Paying Agent/Registrar or other lawfully authorized entity amounts sufficient, together with the investment earnings thereon, to provide for the payment and/or redemption of such Bonds; provided that such deposits may be invested and reinvested only in (a) direct non-callable obligations of the United States of America, including obligations that are unconditionally guaranteed by the United States of America, (b) noncallable obligations of an agency or instrumentality of the United States, including obligations that are unconditionally guaranteed or insured by the agency or instrumentality and that, on the date the governing body of the County adopts or approves the proceedings authorizing the issuance of refunding obligations, are rated as to investment quality by a nationally recognized investment rating firm not less than "AAA" or its equivalent; and (c) noncallable obligations of a state or an agency or a county, municipality, or other political subdivision of a state that have been refunded and that, on the date the governing body of the County adopts or approves the proceedings authorizing the issuance of refunding obligations to refund the Bonds, as applicable, are rated as to investment quality by a nationally recognized investment rating firm not less than "AAA" or its equivalent. The foregoing obligations may be in book-entry form, and shall mature and/or bear interest payable at such times and in such amounts as will be sufficient to provide for the scheduled payment and/or redemption of the Bonds, as the case may be.

There is no assurance that the current law will not be changed in a manner which would permit investments other than those described above to be made with amounts deposited to defease the Bonds. Because the Orders do not contractually limit such investments, registered owners may be deemed to have consented to defeasance with such other investments, notwithstanding the fact that such investments may not be of the same investment quality as those currently permitted under Texas law.

After firm banking and financial arrangements for the discharge and final payment or redemption of the Bonds have been made as described above, all rights of the County to initiate proceedings to call the Bonds for redemption or take any other action amending the terms of the Bonds are extinguished; provided, however, that the right to call the Bonds for redemption is not extinguished if the County: (i) in the proceedings providing for the firm banking arrangements, expressly reserves the right to call Bonds for redemption; (ii) gives notice of the reservation of that right to the owners of the Bonds immediately following the making of the firm banking and financial arrangements; and (iii) directs that notice of the reservation be included in any redemption notices that it authorizes.

BOOK-ENTRY-ONLY SYSTEM . . . *This section describes how ownership of the Bonds is to be transferred and how the principal of, premium, if any, and interest on the Bonds are to be paid to and credited by The Depository Trust Company ("DTC"), New York, New York, while the Bonds are registered in its nominee name. The information in this section concerning DTC and the Book-Entry-Only System has been provided by DTC for use in disclosure documents such as this Official Statement. The County and the Underwriters believe the source of such information to be reliable, but take no responsibility for the accuracy or completeness thereof.*

The County and the Underwriters cannot and do not give any assurance that (1) DTC will distribute payments of debt service on the Bonds or any notices, to DTC Participants, (2) DTC Participants or others will distribute debt service payments paid to DTC or its nominee (as the registered owner of the Bonds) or any notices, to the Beneficial Owners, or that they will do so on a timely basis, or (3) DTC will serve and act in the manner described in this Official Statement. The current rules applicable to DTC are on file with the Securities and Exchange Commission, and the current procedures of DTC to be followed in dealing with DTC Participants are on file with DTC.

DTC will act as securities depository for the Bonds. The Bonds of each series will be issued as fully-registered securities registered in the name of Cede & Co. (DTC's partnership nominee) or such other name as may be requested by an authorized representative of DTC. One fully-registered Bond will be issued for each maturity of the Bonds in the aggregate principal amount of such maturity, and will be deposited with DTC.

DTC, the world's largest securities depository, is a limited-purpose trust company organized under the New York Banking Law, a "banking organization" within the meaning of the New York Banking Law, a member of the Federal Reserve System, a "clearing corporation" within the meaning of the New York Uniform Commercial Code, and a "clearing agency" registered pursuant to the provisions of Section 17A of the Securities Exchange Act of 1934. DTC holds and provides asset servicing for over 3.5 million issues of U.S. and non-U.S. equity issues, corporate and municipal debt issues, and money market instruments (from over 100 countries) that DTC's participants ("Direct Participants") deposit with DTC. DTC also facilitates the post-trade settlement among Direct Participants of sales and other securities transactions in deposited securities, through electronic computerized book-entry transfers and pledges between Direct Participants' accounts. This eliminates the need for physical movement of securities certificates. Direct Participants include both U.S. and non-U.S. securities brokers and dealers, banks, trust companies, clearing corporations, and certain other organizations. DTC is a wholly-owned subsidiary of The Depository Trust & Clearing Corporation ("DTCC"). DTCC is the holding company for DTC, National Securities Clearing Corporation and Fixed Income Clearing Corporation, all of which are registered clearing agencies. DTCC is owned by the users of its regulated subsidiaries. Access to the DTC system is also available to others such as both U.S. and non-U.S. securities brokers and dealers, banks, trust companies, and clearing corporations that clear through or maintain a custodial relationship with a Direct Participant, either directly or indirectly ("Indirect Participants"). Direct Participant and Indirect Participants are referred to herein as "Participants". DTC has a Standard & Poor's rating of "AA+". The DTC Rules applicable to its Participants are on file with the Securities and Exchange Commission. More information about DTC can be found at www.dtcc.com and www.dtc.org.

Purchases of Bonds under the DTC system must be made by or through Direct Participants, which will receive a credit for the Bonds on DTC's records. The ownership interest of each actual purchaser of each Bond ("Beneficial Owner") is in turn to be recorded on the Participants' records. Beneficial Owners will not receive written confirmation from DTC of their purchase. Beneficial Owners are, however, expected to receive written confirmations providing details of the transaction, as well as periodic statements of their holdings, from the Participant through which the Beneficial Owner entered into the transaction. Transfers of ownership interests in the Bonds are to be accomplished by entries made on the books of Participants acting on behalf of Beneficial Owners. Beneficial Owners will not receive certificates representing their ownership interests in Bonds, except in the event that use of the book-entry system for the Bonds is discontinued.

To facilitate subsequent transfers, all Bonds deposited by Direct Participants with DTC are registered in the name of DTC's partnership nominee, Cede & Co., or such other name as may be requested by an authorized representative of DTC. The deposit of Bonds with DTC and their registration in the name of Cede & Co. or such other DTC nominee do not effect any change in beneficial ownership. DTC has no knowledge of the actual Beneficial Owners of the Bonds; DTC's records reflect only the identity of the Direct Participants to whose accounts such Bonds are credited, which may or may not be the Beneficial Owners. The Participants will remain responsible for keeping account of their holdings on behalf of their customers.

Conveyance of notices and other communications by DTC to Direct Participants, by Direct Participants to Indirect Participants, and by Direct Participants and Indirect Participants to Beneficial Owners will be governed by arrangements among them, subject to any statutory or regulatory requirements as may be in effect from time to time.

Redemption notices shall be sent to DTC. If less than all of the Bonds within a maturity are being redeemed, DTC's practice is to determine by lot the amount of the interest of each Direct Participant in such maturity to be redeemed.

Neither DTC nor Cede & Co. (nor any other DTC nominee) will consent or vote with respect to the Bonds unless authorized by a Direct Participant in accordance with DTC's Procedures. Under its usual procedures, DTC mails an Omnibus Proxy to the County as soon as possible after the record date. The Omnibus Proxy assigns Cede & Co.'s consenting or voting rights to those Direct Participants to whose accounts Bonds are credited on the record date (identified in a listing attached to the Omnibus Proxy).

All payments on the Bonds will be made to Cede & Co., or such other nominee as may be requested by an authorized representative of DTC. DTC's practice is to credit Direct Participants' accounts upon DTC's receipt of funds and corresponding detail information from the County or the Paying Agent/Registrar, on payable date in accordance with their respective holdings shown on DTC's records. Payments by Participants to Beneficial Owners will be governed by standing instructions and customary practices, as is the case with securities held for the accounts of customers in bearer form or registered in "street name," and will be the responsibility of such Participant and not of DTC nor its nominee, the Paying Agent/Registrar, or the County, subject to any statutory or regulatory requirements as may be in effect from time to time. Payments on the Bonds to Cede & Co. (or such other nominee as may be requested by an authorized representative of DTC) are the responsibility of the County or the Paying Agent/Registrar, disbursement of such payments to Direct Participants will be the responsibility of DTC, and disbursement of such payments to the Beneficial Owners will be the responsibility of Participants.

DTC may discontinue providing its services as depository with respect to the Bonds at any time by giving reasonable notice to the County or the Paying Agent/Registrar. Under such circumstances, in the event that a successor depository is not obtained, Bonds are required to be printed and delivered.

USE OF CERTAIN TERMS IN OTHER SECTIONS OF THIS OFFICIAL STATEMENT. In reading this Official Statement it should be understood that while the Bonds are in the Book-Entry-Only System, references in other sections of this Official Statement to registered owners should be read to include the person for which the Participant acquires an interest in the Bonds, but (i) all rights of ownership must be exercised through DTC and the Book-Entry-Only System, and (ii) except as described above, notices that are to be given to registered owners under the Orders will be given only to DTC.

Information concerning DTC and the Book-Entry-Only System has been obtained from DTC and is not guaranteed as to accuracy or completeness by, and is not to be construed as a representation by the County, the Financial Advisor or the Underwriters.

EFFECT OF TERMINATION OF BOOK-ENTRY-ONLY SYSTEM. In the event that the Book-Entry-Only System is discontinued, printed certificates will be issued to the holders and the Bonds will be subject to transfer, exchange and registration provisions as set forth in the Orders and summarized under "THE BONDS - Transfer, Exchange and Registration" below.

PAYING AGENT/REGISTRAR . . . The initial Paying Agent/Registrar is The Bank of New York Mellon Trust Company, N.A., Dallas, Texas. In each of the Orders, the County retains the right to replace the Paying Agent/Registrar. The County covenants to maintain and provide a Paying Agent/Registrar at all times until the Bonds are duly paid and any successor Paying Agent/Registrar shall be a bank or trust company or other entity duly qualified and legally authorized to serve as and perform the duties and services of Paying Agent/Registrar for the Bonds. Upon any change in the Paying Agent/Registrar for the Bonds, of either series, the County agrees to promptly cause a written notice thereof to be sent to each registered owner of the Bonds by United States mail, first class, postage prepaid, which notice shall also give the address of the new Paying Agent/Registrar.

In the event the Book-Entry-Only System should be discontinued, interest on the Bonds will be paid to the registered owners appearing on the registration books of the Paying Agent/Registrar at the close of business on the Record Date (hereinafter defined), and such interest will be paid (i) by check sent United States mail, first class postage prepaid to the address of the registered owner recorded in the registration books of the Paying Agent/Registrar or (ii) by such other method, acceptable to the Paying Agent/Registrar requested by, and at the risk and expense of, the registered owner. Principal of the Bonds will be paid to the registered owner at the stated maturity or earlier redemption upon presentation to the designated payment/transfer office of the Paying Agent/Registrar; provided, however, that so long as Cede & Co. (or other DTC nominee) is the registered owner of the Bonds, all payments will be made as described under "Book-Entry-Only System" herein. If the date for any payment on the Bonds is a Saturday, Sunday, a legal holiday or a day when banking institutions in the city where the designated payment/transfer office of the Paying Agent/Registrar is located are authorized to close, then the date for such payment will be the next succeeding day which is not such a day, and payment on such date will have the same force and effect as if made on the date payment was due.

TRANSFER, EXCHANGE AND REGISTRATION . . . In the event the Book-Entry-Only System should be discontinued, printed Bond certificates will be delivered to the registered owners and thereafter the Bonds may be transferred and exchanged on the registration books of the Paying Agent/Registrar only upon presentation and surrender of such printed certificates to the Paying Agent/Registrar and such transfer or exchange shall be without expense or service charge to the registered owner, except for any tax or other governmental charges required to be paid with respect to such registration, exchange and transfer. Bonds may be assigned by the execution of an assignment form on the respective Bonds or by other instrument of transfer and assignment acceptable to the Paying Agent/Registrar. New Bonds will be delivered by the Paying Agent/Registrar, in lieu of the Bonds being transferred or exchanged, at the designated office of the Paying Agent/Registrar, or sent by United States mail, first class, postage prepaid, to the new registered owner or his designee. To the extent possible, new Bonds issued in an exchange or transfer of Bonds will be delivered to the registered owner or assignee of the registered owner in not more than three business days after the receipt of the Bonds to be canceled, and the written instrument of transfer or request for exchange duly executed by the registered owner or his duly authorized agent, in form satisfactory to the Paying Agent/Registrar. New Bonds registered and delivered in an exchange or transfer shall be in any integral multiple of $5,000 for any one maturity and for a like aggregate principal amount as the Bonds surrendered for exchange or transfer. See "The Bonds – Book-Entry-Only System" herein for a description of the system to be utilized initially in regard to ownership and transferability of the Bonds. Neither the County nor the Paying Agent/Registrar shall be required to transfer or exchange any Bond called for redemption, in whole or in part, within 45 days of the date fixed for redemption; provided, however, such limitation on transfer shall not be applicable to an exchange by the registered owner of the uncalled balance of a Bond called for redemption in part.

RECORD DATE FOR INTEREST PAYMENT . . . The record date ("Record Date") for the interest payable on the Bonds on any interest payment date means the close of business on the last business day of the preceding month.

In the event of a non-payment of interest on a scheduled payment date, and for 30 days thereafter, a new record date for such interest payment (a "Special Record Date") will be established by the Paying Agent/Registrar, if and when funds for the payment of such interest have been received from the County. Notice of the Special Record Date and of the scheduled payment date of the past due interest ("Special Payment Date", which shall be 15 days after the Special Record Date) shall be sent at least five business days prior to the Special Record Date by United States mail, first class postage prepaid, to the address of each Holder of a Bond appearing on the registration books of the Paying Agent/Registrar at the close of business on the last business day next preceding the date of mailing of such notice.

BONDHOLDERS' REMEDIES . . . If the County defaults in the payment of principal, interest, or redemption price on the Bonds of either series when due, or if it fails to make payments into any fund or funds created in the Orders, or defaults in the observation or performance of any other covenants, conditions, or obligations set forth in the Orders, the registered owners may seek a writ of mandamus to compel County officials to carry out their legally imposed duties with respect to the Bonds, if there is no other available remedy at law to compel performance of the Bonds or Orders and the County's obligations are not uncertain or disputed. The issuance of a writ of mandamus is controlled by equitable principles and rests with the discretion of the court, but may not be arbitrarily refused. There is no acceleration of maturity of the Bonds in the event of default and, consequently, the remedy of mandamus may have to be relied upon from year to year. The Orders do not provide for the appointment of a trustee to represent the interest of the Bondholders upon any failure of the County to perform in accordance with the terms of the Order, or upon any other condition and accordingly all legal actions to enforce such remedies would have to be undertaken at the initiative of, and be financed by, the registered owners. The Texas Supreme Court has ruled in *Tooke v. City of Mexia*, 197 S.W. 3d 325 (Tex. 2006), that a waiver of sovereign immunity in a contractual dispute must be provided for by statute in "clear and unambiguous" language. Because it is unclear whether the Texas legislature has effectively waived the County's sovereign immunity from a suit for money damages, Bondholders may not be able to bring such a suit against the County for breach of the Bonds or covenant set forth in the Orders. Even if a judgment against the County could be obtained, it could not be enforced by direct levy and execution against the County's property. Further, the registered owners cannot themselves foreclose on property within the County or sell property within the County to enforce the tax lien on taxable property to pay the principal of and interest on the Bonds. In addition, the County is eligible to seek relief from its creditors under Chapter 9 of the U.S. Bankruptcy Code ("Chapter 9"). Although Chapter 9 provides for the recognition of a security interest represented by a specifically pledged source of revenues, the pledge of ad valorem taxes in support of a general obligation of a bankrupt entity is not specifically recognized as a security interest under Chapter 9. Chapter 9 also includes an automatic stay provision that would prohibit, without Bankruptcy Court approval, the prosecution of any other legal action by creditors or Bondholders of an entity which has sought protection under Chapter 9. Therefore, should the County avail itself of Chapter 9 protection from creditors, the ability to enforce would be subject to the approval of the Bankruptcy Court (which could require that the action be heard in Bankruptcy Court instead of other federal or state court); and the Bankruptcy Code provides for broad discretionary powers of a Bankruptcy Court in administering any proceeding brought before it. The opinions of Bond Counsel will note that all opinions relative to the enforceability of the Bonds are qualified with respect to the customary rights of debtors relative to their creditors and by general principles of equity which permit the exercise of judicial discretion.

TAX INFORMATION

AD VALOREM TAX LAW . . . The appraisal of property within the County is the responsibility of the Collin Central Appraisal District (the "Appraisal District"). Excluding agricultural and open-space land, which may be taxed on the basis of productive capacity, the Appraisal District is required under Title 1 of the Texas Tax Code (referred to herein as the "Property Tax Code") to appraise all property within the Appraisal District on the basis of 100% of its market value and is prohibited from applying any assessment ratios. In determining the market value of property, different methods of appraisal may be used, including the cost method of appraisal, the income method of appraisal, and the market data comparison method of appraisal. The chief appraiser selects the most appropriate method. Effective January 1, 2010, State law requires the appraised value of a residence homestead to be based solely on the property's value as a residence homestead, regardless of whether residential use is considered to be the highest and best use of the property. State law further limits the appraised value of a residence homestead for a tax year to an amount that would not exceed the lesser of (1) the market value of the property for the most recent tax year that the market value was determined by the appraisal office or (2) the sum of (a) 10% of the property's appraised value in the preceding tax year, plus (b) the property's appraised value in the preceding tax year, plus (c) the market value of all new improvements to the property. The value placed upon property within the Appraisal District is subject to review by an Appraisal Review Board, consisting of members appointed by the Board of Directors of the Appraisal District. The Appraisal District is required to review the value of property within the Appraisal District at least every three years. The County may require annual review at its own expense, and is entitled to challenge the determination of appraised value of property within the County by petition filed with the Appraisal Review Board.

Reference is made to the Property Tax Code for identification of property subject to taxation; property exempt or which may be exempted from taxation, if claimed; the appraisal of property for ad valorem taxation purposes; and the procedures and limitations applicable to the levy and collection of ad valorem taxes.

Article VIII of the State Constitution ("Article VIII") and other State law provide for certain exemptions from property taxes, the valuation of agricultural and open-space lands at productivity value, and the exemption of certain personal property from ad valorem taxation.

Under Section 1-b, Article VIII, and State law, the governing body of a political subdivision, at its option, may grant an exemption of not less than $3,000 of the market value of the residence homestead of persons 65 years of age or older and the disabled from all ad valorem taxes thereafter levied by the political subdivision. Once authorized, such exemption may be repealed or decreased or increased in amount (i) by the governing body of the political subdivision or (ii) by a favorable vote of a majority of the qualified voters at an election called by the governing body of the political subdivision, which election must be called upon receipt of a petition signed by at least 20% of the number of qualified voters who voted in the preceding election of the political subdivision. In the case of a decrease, the amount of the exemption may not be reduced to less than $3,000 of the market value.

The surviving spouse of an individual who qualifies for the foregoing exemption for the residence homestead of a person 65 or older (but not the disabled) is entitled to an exemption for the same property in an amount equal to that of the exemption for which the deceased spouse qualified if (i) the deceased spouse died in a year in which the deceased spouse qualified for the exemption, (ii) the surviving spouse was at least 55 years of age at the time of the death of the individual's spouse and (iii) the property was the residence homestead of the surviving spouse when the deceased spouse died and remains the residence homestead of the surviving spouse.

In addition to any other exemptions provided by the Property Tax Code, the governing body of a political subdivision, at its option, may grant an exemption of up to 20% of the market value of residence homesteads, with a minimum exemption of $5,000.

In the case of residence homestead exemptions granted under Section 1-b, Article VIII, ad valorem taxes may continue to be levied against the value of homesteads exempted where ad valorem taxes have previously been pledged for the payment of debt if cessation of the levy would impair the obligation of the contract by which the debt was created.

State law and Section 2, Article VIII, mandate an additional property tax exemption for disabled veterans or the surviving spouse or children of a deceased veteran who died while on active duty in the armed forces. The exemption applies to either real or personal property with the amount of assessed valuation exempted ranging from $5,000 to a maximum of $12,000; provided, however, that beginning in the 2009 tax year, a disabled veteran who receives from the from the United States Department of Veterans Affairs or its successor 100 percent disability compensation due to a service-connected disability and a rating of 100 percent disabled or of individual unemployability is entitled to an exemption from taxation of the total appraised value of the veteran's residence homestead. Furthermore, effective January 1, 2012, the surviving spouse of a deceased veteran who had received a disability rating of 100% is entitled to receive a residential homestead exemption equal to the exemption received by the deceased spouse until such surviving spouse remarries.

Under Article VIII and State law, the governing body of a county, municipality or junior college district, may freeze the total amount of ad valorem taxes levied on the residence homestead of a disabled person or persons 65 years of age or older to the amount of taxes imposed in the year such residence qualified for such exemption. Also, upon receipt of a petition signed by five percent of the registered voters of the county, municipality or junior college district, an election must be held to determine by majority vote whether to establish such a limitation on taxes paid on residence homesteads of persons 65 years of age or who are disabled. Upon providing for such exemption, such freeze on ad valorem taxes is transferable to a different residence homestead. Also, a surviving spouse of a taxpayer who qualifies for the freeze on ad valorem taxes is entitled to the same exemption so long as the property was the residence homestead of the surviving spouse when the deceased spouse died and remains the residence homestead of the surviving spouse and the spouse was at least 55 years of age at the time of the death of the individual's spouse. If improvements (other than repairs or improvements required to comply with governmental requirements) are made to the property, the value of the improvements is taxed at the then current tax rate, and the total amount of taxes imposed is increased to reflect the new improvements with the new amount of taxes then serving as the ceiling on taxes for the following years. Once established, the tax rate limitation may not be repealed or rescinded. The County has authorized the tax freeze on homesteads of taxpayers 65 years of age or older. For additional information, see "Tax Information - County Application of Texas Tax Code" and "Table 1 – Valuation, Exemptions and General Obligation Bond Debt."

Article VIII provides that eligible owners of both agricultural land (Section 1-d) and open-space land (Section 1-d-1), including open-space land devoted to farm or ranch purposes or open-space land devoted to timber production, may elect to have such property appraised for property taxation on the basis of its productive capacity. The same land may not be qualified under both Section 1-d and 1-d-1.

Nonbusiness personal property, such as automobiles or light trucks, are exempt from ad valorem taxation unless the governing body of a political subdivision elects to tax this property. Boats owned as nonbusiness property are exempt from ad valorem taxation.

Article VIII, Section 1-j, provides for "freeport property" to be exempted from ad valorem taxation. Freeport property is defined as goods detained in Texas for 175 days or less for the purpose of assembly, storage, manufacturing, processing, or fabrication. Notwithstanding such exemption, counties, school districts, junior college districts and cities may tax such tangible personal property provided official action to tax the same was taken before April 1, 1990. Decisions to continue to tax may be reversed in the future; decisions to exempt freeport property are not subject to reversal.

Article VIII, Section 1-n provides for an exemption from ad valorem taxation for "goods-in-transit", which are defined as personal property (i) acquired or imported into Texas and transported to another location in the State or outside the State, (ii) stored under a contract for bailment in public warehouses not in any way owned or controlled by the owner of the stored goods and (iii) transported to another location in the State or outside the State within 175 days of the date the property was acquired or imported into Texas. The exemption excludes oil, natural gas, petroleum products, aircraft and special inventory, including motor vehicle, vessel and out-board motor, heavy equipment and manufactured housing inventory. Pursuant to changes enacted during the 2011 Texas Legislature Special Session, all taxing units, including those that have previously taken official action to tax goods-in-transit, may not tax goods-in-transit in the 2012 tax year or thereafter, unless the governing body of the taxing unit holds a public hearing and takes action on or after October 2011 to provide for the taxation of the goods-in-transit. After holding the public hearing, the taxing unit may take official action prior to January 1 of the first tax year in which the governing body proposes to tax goods-in-transit. After taking official action, the goods-in-transit remain subject to taxation by the taxing unit until the governing body rescinds or repeals its previous action to tax goods-in-transit. If, however, a taxing unit took official action prior to October 1, 2011, to tax goods-in-transit and pledged the taxes imposed on goods-in-transit until the debt is discharged, the tax remains effective if cessation of the imposition of the tax would impair the obligation of the contract by which the debt was created.

Under authority of Chapter 311, Texas Tax Code, as amended, a county or a city may create one or more tax increment reinvestment zones ("TIRZ") within the County and freeze the taxable values of property in the TIRZ at the value at the time of its creation. Other overlapping taxing units levying taxes in the TIRZ, including the County, may agree to contribute all or part of future ad valorem taxes levied and collected against the value of property in the TIRZ in excess of the "frozen values" to pay or finance the costs of certain public improvements in the TIRZ. Taxes levied by the County against the values of real property a TIRZ, in which the County participates, in excess of the "frozen" value are not available for general County use but are restricted to paying or financing "project costs" within the TIRZ.

The County also may enter into tax abatement agreements to encourage economic development. Under tax abatement agreements, a property owner agrees to construct certain improvements on its property. The County in turn agrees not to levy a tax on all or part of the increased value attributable to the improvements until the expiration of the agreement. The tax abatement agreement could last for a period of up to ten years.

The County is authorized, pursuant to Chapter 381, Texas Local Government Code, as amended ("Chapter 381"), to establish programs to promote state or local economic development and to stimulate business and commercial activity in the County. In accordance with a program established pursuant to Chapter 381, the County may make loans or grants of public funds for economic development purposes, however no obligations secured by ad valorem taxes may be issued for such purposes unless approved by voters of the County. The County may contract with the federal government, the State, another political subdivision, a nonprofit organization or any other entity, including private entities, for the administration of such a program.

EFFECTIVE TAX RATE AND ROLLBACK TAX RATE . . . The Commissioners Court will be required to adopt the annual tax rate per $100 taxable value for the County before the later of September 30 or the 60th day after the date the certified appraisal roll is received by the County. If the Commissioners Court does not adopt a tax rate by such required date the tax rate for that tax year is the lower of the effective tax rate calculated for that tax year or the tax rate adopted by the County for the preceding tax year. The tax rate consists of two components: (1) a rate for funding of maintenance and operation expenditures, and (2) a rate for debt service.

Furthermore, the Property Tax Code provides the Commissioners Court may not adopt a tax rate that exceeds the lower of the rollback tax rate or the effective tax rate until two public hearings are held on the proposed tax rate following a notice of such public hearings (including the requirement that notice be posted on the County's website if the County owns, operates or controls an Internet website and public notice be given by television if the County has free access to a television channel) and the Commissioners Court has otherwise complied with the legal requirements for the adoption of such tax rate. If the adopted tax rate exceeds the rollback tax rate, the qualified voters of the County by petition may require that an election be held to determine whether or not to reduce the tax rate adopted for the current year to the rollback tax rate.

"Effective tax rate" means the rate that will produce last year's total tax levy (adjusted) from this year's total taxable values (adjusted). "Adjusted" means lost values are not included in the calculation of last year's taxes and new values are not included in this year's taxable values.

"Rollback tax rate" means the rate that will produce last year's maintenance and operation tax levy (adjusted) from this year's values (adjusted) multiplied by 1.08 plus a rate that will produce this year's debt service from this year's values (unadjusted) divided by the anticipated tax collection rate.

The Property Tax Code provides that certain cities and counties in the State may submit a proposition to the voters to authorize an additional one-half cent sales tax on retail sales of taxable items. If the additional tax is levied, the effective tax rate and the rollback tax rate calculations are required to be offset by the revenue that will be generated by the sales tax in the current year.

Reference is made to the Property Tax Code for definitive requirements for the levy and collection of ad valorem taxes and the calculation of the various defined tax rates.

PROPERTY ASSESSMENT AND TAX PAYMENT . . . Property within the County is generally assessed as of January 1 of each year. Business inventory may, at the option of the taxpayer, be assessed as of September 1. Effective January 1, 2012, oil and gas reserves are assessed on the basis of a valuation process that uses pricing information contained in the most recently published Early Release Overview of the Annual Energy Outlook published by the United States Energy Information Administration, as well as appraisal formulas developed by the State Comptroller of Public Accounts. Taxes become due October 1 of the same year, and become delinquent on February 1 of the following year. Taxpayers 65 years old or older are permitted by State law to pay taxes on homesteads in four installments with the first due on January 31 of each year and the final installment due on July 31.

PENALTIES AND INTEREST . . . Charges for penalty and interest on the unpaid balance of delinquent taxes are made as follows:

Month	Cumulative Penalty	Cumulative Interest	Total
February	6%	1%	7%
March	7	2	9
April	8	3	11
May	9	4	13
June	10	5	15
July	12	6	18

After July, the penalty remains at 12%, and accrues at a rate of one percent (1%) for each month or portion of a month the tax remains unpaid. A delinquent tax continues to accrue interest as long as the tax remains unpaid, regardless of whether a judgment for the delinquent tax has been rendered. The purpose of imposing such interest penalty is to compensate the taxing unit for revenue lost because of the delinquency. In addition, if an account is delinquent in July, an attorney's collection fee of up to 20% may be added to the total tax penalty and interest charge (the County currently asses a 15% charge for legal costs incurred collecting delinquent taxes). Under certain circumstances, taxes which become delinquent on the homestead of a taxpayer 65 years old or older incur a penalty of 8% per annum with no additional penalties or interest assessed. In general, property subject to the County's lien may be sold, in whole or in parcels, pursuant to court order to collect the amounts due. Federal law does not allow for the collection of penalty and interest against an estate in bankruptcy. Federal bankruptcy law provides that an automatic stay of action by creditors and other entities, including governmental units, goes into effect with the filing of any petition in bankruptcy. The automatic stay prevents governmental units from foreclosing on property and prevents liens for post-petition taxes from attaching to property and obtaining secured creditor status unless, in either case, an order lifting the stay is obtained from the bankruptcy court. In many cases, post-petition taxes are paid as an administrative expense of the estate in bankruptcy or by order of the bankruptcy court.

COUNTY APPLICATION OF TEXAS TAX CODE . . . The County grants a $30,000 exemption to the market value of the residence homestead of persons 65 years of age or older and $20,000 for the disabled.

The County has granted the local-option additional exemption of 5% of the market value of residence homesteads.

See Table 1 for a listing of the amounts of the exemptions described above.

Ad valorem taxes are not levied by the County against the exempt value of residence homesteads for the payment of debt.

The County has adopted the tax freeze on residence homesteads of disabled persons and persons over 65 which was implemented in the 2004 tax year. As a result of the adoption of the freeze, total County taxes on the residence homestead of a disabled person or persons 65 years of age or older residing in the County are at the level of taxes billed for the County's 2004-05 fiscal year, or to the amount of taxes imposed in the year such residence qualified for such exemption. In order to qualify for the exemption, a taxpayer must make application to the Appraisal District. The County has not made a comprehensive study regarding the impact that the freeze has had or will have on the taxable assessed value of the County in future years, but as the population of the County ages, the freeze is expected to have a greater impact on the County's ad valorem tax revenues.

The County does not tax nonbusiness personal property, and the County collects its own taxes.

The County does not permit split payments of taxes or discounts for early payment of taxes, although State law permits such measures on a local-option basis.

The County has exempted freeport property from taxation.

The County does not collect the additional one-half cent sales tax for reduction of ad valorem taxes.

The County does tax "goods-in-transit".

The Commissioners Court has adopted a tax abatement policy that reflects the options available under Chapter 312 of the Texas Tax Code ("Chapter 312"). In general, the County requires municipalities that propose County participation in abatement agreements to initiate the application and review process and to make compliance reports to the County. Most County tax abatements extend for the full ten year term permitted by Chapter 312 and include abatements of ad valorem taxes on 50% of qualifying properties, although the County has negotiated for greater or lesser amounts of tax abatement, depending upon the extent of economic development offered by an abatement applicant.

The County also participates in ten TIRZs, one each with the Cities of Allen, Farmersville, Frisco, Lavon, Melissa, Plano, and Richardson, one with the Town of Prosper and two with the City of McKinney. The County has not created a TIRZ.

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

2014/15 Market Valuation Established by the Collin Central Appraisal District (excluding totally exempt property)		$ 99,688,597,050
Less Exemptions/Reductions at 100% Market Value:		
Over 65 and Disabled	$ 1,166,119,079	
Disabled Veterans Exemptions	179,869,136	
Charitable Organizations	39,768,287	
Tax Abatements	645,471,875	
Homestead Exemption	2,281,754,655	
Freeport Exemption	678,672,568	
Pollution Control Property	28,896,166	
Historical Exemption	27,005,819	
Leased Vehical Exemption	541,280,919	
Homestead Cap Adjustment	428,758,623	
Limited Income Housing	8,682,982	
Agricultural Productivity, Open Space Land Use Reductions	6,785,647,719	
Other	5,218,370	12,817,146,198
2014/15 Taxable Assessed Valuation		$ 86,871,450,852
County Funded Debt Payable from Ad Valorem Taxes (as of 5-1-15)		
Limited Tax Debt	$ 109,590,000 (1)	
Unlimited Tax Debt	222,455,000 (1)	
The Limited Tax Bonds	3,675,000	
The Unlimited Tax Bonds	67,075,000	
Funded Debt Payable from Ad Valorem Taxes		$ 402,795,000
Interest and Sinking Fund (as of 5-1-15)		$ 23,710,850
Ratio General Obligation Debt to Taxable Assessed Valuation		0.46%

2015 Estimated Population - 854,778

Per Capita Taxable Assessed Valuation - $101,630

Per Capita Funded Debt Payable from Ad Valorem Taxes - $471

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(1) Excludes the Refunded Bonds.

TABLE 2 - TAXABLE ASSESSED VALUATIONS BY CATEGORY

	Taxable Appraised Value for Fiscal Year Ended September 30,					
	2015		2014		2013	
Category	Amount	% of Total	Amount	% of Total	Amount	% of Total
Real, Residential, Single-Family	$ 56,546,137,774	56.72%	$ 50,936,281,711	56.36%	$ 48,335,459,628	56.45%
Real, Residential, Multi-Family	6,074,926,159	6.09%	5,387,792,815	5.96%	4,909,285,970	5.73%
Real, Vacant Lots/Tracts	921,247,580	0.92%	830,859,338	0.92%	824,879,626	0.96%
Real, Acreage (Land Only)	6,856,587,675	6.88%	6,360,727,206	7.04%	7,119,882,130	8.31%
Real, Farm and Ranch Improvements	1,979,630,249	1.99%	1,792,805,955	1.98%	805,914,525	0.94%
Real, Commercial and Industrial	17,945,664,473	18.00%	16,672,278,031	18.45%	15,755,099,044	18.40%
Real and Intangible Personal, Utilities	1,338,256,503	1.34%	1,182,787,309	1.31%	1,163,061,803	1.36%
Tangible Personal, Business	6,280,817,426	6.30%	6,118,621,334	6.77%	5,720,297,694	6.68%
Tangible Personal, Other	42,333,456	0.04%	42,642,081	0.05%	45,864,441	0.05%
Inventory	868,483,801	0.87%	799,245,446	0.88%	734,478,360	0.86%
Special Inventory Tax	243,831,450	0.24%	207,699,640	0.23%	187,868,538	0.22%
Totally Exempt Property	590,680,504	0.59%	52,070,546	0.06%	27,916,542	0.03%
Total Appraised Value Before Exemptions	$ 99,688,597,050	100.00%	$ 90,383,811,412	100.00%	$ 85,630,008,301	100.00%
Less: Total Exemption/Reductions	(12,817,146,198)		(11,145,044,020)		(10,999,708,111)	
Taxable Assessed Value	$ 86,871,450,852		$ 79,238,767,392		$ 74,630,300,190	

	Taxable Appraised Value for Fiscal Year Ended September 30,			
	2012		2011	
Category	Amount	% of Total	Amount	% of Total
Real, Residential, Single-Family	$ 47,803,044,461	57.07%	$ 47,129,255,659	56.95%
Real, Residential, Multi-Family	4,462,205,042	5.33%	4,359,373,394	5.27%
Real, Vacant Lots/Tracts	892,928,396	1.07%	903,532,169	1.09%
Real, Acreage (Land Only)	7,090,704,021	8.46%	7,415,809,201	8.96%
Real, Farm and Ranch Improvements	817,548,827	0.98%	833,309,201	1.01%
Real, Commercial and Industrial	15,198,818,038	18.14%	14,844,885,029	17.94%
Real and Intangible Personal, Utilities	1,128,257,894	1.35%	1,174,373,653	1.42%
Tangible Personal, Business	5,485,905,795	6.55%	5,146,374,881	6.22%
Tangible Personal, Other	40,668,941	0.05%	42,760,159	0.05%
Inventory	681,181,171	0.81%	755,930,021	0.91%
Special Inventory Tax	167,581,030	0.20%	146,010,145	0.18%
Total Appraised Value Before Exemptions	$ 83,768,843,616	100.00%	$ 82,751,613,512	100.00%
Less: Total Exemptions/Reductions	(11,306,325,057)		(11,473,926,034)	
Taxable Assessed Value	$ 72,462,518,559		$ 71,277,687,478	

NOTE: Valuations shown are certified taxable assessed values reported by the Collin Central Appraisal District to the State Comptroller of Public Accounts. Certified values are subject to change throughout the year as contested values are resolved and the Appraisal District updates records.

TABLE 3 - VALUATION AND GENERAL BOND DEBT HISTORY

Fiscal Year Ended 9/30	Estimated Population	Taxable Assessed Valuation [1]	Taxable Assessed Valuation Per Capita	Tax Debt Outstanding at End of Year	Ratio Tax Debt to Taxable Assessed Valuation	Funded Debt Per Capita
2011	801,865 [2]	$ 71,277,687,478	$ 88,890	$ 347,725,000	0.49%	$ 434
2012	804,390 [2]	72,462,518,559	90,084	393,210,000	0.54%	489
2013	813,133 [2]	74,630,300,190	91,781	393,350,000	0.53%	484
2014	834,642 [3]	79,238,767,392	94,937	391,410,000	0.49%	469
2015	854,778 [3]	86,871,450,852	101,630	402,795,000 [4]	0.46%	471

(1) As reported by the Collin Central Appraisal District on the County's annual State Property Tax Reports; subject to change during the ensuing year.
(2) Source: Texas Workforce Commission
(3) Source: County Officials
(4) Projected; includes the Bonds. Excludes the Refunded Bonds.

TABLE 4 - TAX RATE, LEVY, AND COLLECTION HISTORY

Fiscal Year Ended 9/30	Tax Rate	General Fund	Interest and Sinking Fund	Tax Levy	% Current Collections	% Total Collections
2011	$ 0.24000	$0.18458	$ 0.055420	$ 170,749,824	100.27%	102.79%
2012	0.24000	0.17605	0.063950	170,204,902	101.39%	103.08%
2013	0.24000	0.17466	0.065340	176,489,220	101.06%	102.52%
2014	0.23750	0.18033	0.057166	185,623,326	101.01%	102.05%
2015	0.23500	0.17727	0.057732	200,570,830	99.44% [1]	100.62% [1]

(1) Collections through May 1, 2015.

TABLE 5 - TAX RATE DISTRIBUTION ANALYSIS

	Tax Year				
Limited Constitutional Taxes [1]	2014	2013	2012	2011	2010
Operating Fund	$ 0.173268	$ 0.176334	$ 0.173046	$ 0.173046	$ 0.184580
Limited Tax Debt Service Fund	0.017131	0.019378	0.026190	0.026190	0.025530
Total Constitutional Tax Rate	$ 0.190399	$ 0.195712	$ 0.199236	$ 0.199236	$ 0.210110
Unlimited Constitutional Taxes [2]					
Road & Bridge Fund	$ 0.004000	$ 0.004000	$ 0.003000	$ 0.003000	$ 0.000000
Permanent Improvement Fund	0.000000	0.000000	0.000000	0.000000	0.000000
Unlimited Tax Debt Service Fund	0.040601	0.037788	0.037764	0.037764	0.029890
Total Tax Rate	$ 0.235000	$ 0.237500	$ 0.240000	$ 0.240000	$ 0.240000

(1) Taxes levied pursuant to Article XIII, Section 9 of the Texas Constitution, limited to $0.80 per $100 of taxable assessed valuation for general operations and limited tax debt.
(2) To support debt issued pursuant to Article III, Section 52 of the Texas Constitution.

TABLE 6 - TEN LARGEST TAXPAYERS

Name of Taxpayer	2014/15 Taxable Assessed Valuation	% of Total Taxable Assessed Valuation
Oncor Electric Delivery Company	$ 519,537,661	0.60%
Bank of America NA	320,720,305	0.37%
Stonebriar Mall Ltd. Partnership	260,753,175	0.30%
Health Care Service Corporation	211,520,075	0.24%
AT&T Mobility LLC	175,236,979	0.20%
J.C. Penney Company	161,355,729	0.19%
Cisco Systems Inc	159,890,798	0.18%
Village at Allen LP	144,127,995	0.17%
Willow Bend Shopping Center LP	142,581,631	0.16%
EMC Corporation	137,003,309	0.16%
	$ 2,232,727,657	2.57%

TABLE 7 - TAX ADEQUACY (1)

2015 Principal and Interest Requirements	$ 45,674,379
$0.0532 Tax Rate at 99% Collection Produces	$ 45,753,456
Average Annual Principal and Interest Requirements, 2015 - 2035	$ 27,386,507
$0.0319 Tax Rate at 99% Collection Produces	$ 27,434,873
Maximum Principal and Interest Requirements, 2016	$ 52,202,108
$0.0607 Tax Rate at 99% Collection Produces	$ 52,203,661

(1) For all tax supported indebtedness (limited and unlimited), including the Bonds. Excludes the Refunded Bonds.

TABLE 8 - ESTIMATED CONSOLIDATED OVERLAPPING DEBT

Expenditures of the various taxing entities within the territory of the County are paid out of ad valorem taxes levied by such entities on property within their boundaries and within the County. Such entities are independent of the County and may incur borrowings to finance their expenditures. This statement of direct and estimated overlapping ad valorem tax debt ("Tax Debt") was developed from information contained in "Texas Municipal Reports" published by the Municipal Advisory Council of Texas. Except for the amounts relating to the County, the County has not independently verified the accuracy or completeness of such information, and no person should rely upon such information as being accurate or complete. Furthermore, certain of the entities listed may have issued additional tax debt since the date hereof, and such entities may have programs requiring the issuance of substantial amounts of additional tax debt, the amount of which cannot be determined. The following table reflects the estimated share of overlapping Tax Debt of the County.

Governmental Subdivision	2014/15 Taxable Assessed Value (1)	2014/15 Tax Rate	Total Funded Debt	Estimated % Applicable	County's Overlapping Funded Debt 4-1-15
Collin County	$ 86,871,450,852	$ 0.235000	$ 402,795,000 (2)	100.00%	$ 402,795,000 (2)
Special Districts					
Collin County Community College District	$ 81,910,515,275	$ 0.082000	$ 34,595,000	100.00%	$ 34,595,000
Collin County Municipal Utility District No. 1	79,887,546	1.050000	11,500,000	100.00%	11,500,000
Seis Lagos Utility District	129,843,030	0.435600	-	100.00%	-
Total Districts					$ 46,095,000
Cities					
Allen	$ 9,187,990,377	$ 0.540000	$ 99,775,000	100.00%	$ 99,775,000
Anna	507,224,880	0.649000	16,346,000	100.00%	16,346,000
Blue Ridge	26,954,190	0.589500	1,071,000	100.00%	1,071,000
Celina	555,548,867	0.644900	30,650,000	100.00%	30,650,000
Fairview	1,340,636,813	0.360000	26,370,000	100.00%	26,370,000
Farmersville	161,401,628	0.785700	6,465,000	100.00%	6,465,000
Josephine	44,259,521	0.615000	359,000	96.13%	345,107
Lavon	195,927,225	0.455700	73,000	100.00%	73,000.00
Lowry Crossing	101,041,528	0.229780	-	100.00%	-
Lucas	697,050,818	0.320700	9,950,000	100.00%	9,950,000
McKinney	13,473,925,466	0.583000	218,030,000	100.00%	218,030,000
Melissa	441,539,721	0.610000	40,160,000	100.00%	40,160,000
Murphy	1,800,624,097	0.550000	39,695,000	100.00%	39,695,000
Nevada	51,049,739	0.191300	-	100.00%	-
New Hope	37,434,264	0.210000	-	100.00%	-
Parker	615,409,117	0.351000	5,390,000	100.00%	5,390,000
Princeton	344,070,465	0.721800	16,005,000	100.00%	16,005,000
Prosper	1,882,072,890	0.520000	59,525,000	92.56%	55,096,340
St. Paul	77,548,751	0.392300	-	100.00%	-
Weston	15,601,356	0.359900	-	100.00%	-
Wylie	2,619,020,884	0.878900	95,260,000	98.01%	93,364,326
County-Line Cities					
Carrollton	$ 10,318,700,091	$ 0.615400	$ 176,485,000	0.52%	$ 917,722
Dallas	89,422,161,973	0.797000	1,705,236,064	4.04%	68,891,537
Frisco	16,963,701,929	0.461910	622,865,000	63.22%	393,775,253
Garland	10,449,430,568	0.704600	442,880,000	0.20%	885,760
Plano	28,832,885,675	0.488600	300,470,000	96.72%	290,614,584
Richardson	10,847,551,391	0.635160	249,555,000	40.35%	100,695,443
Royse City	514,920,927	0.677100	21,962,000	16.38%	3,597,376
Sachse	1,424,627,474	0.770800	37,750,000	36.11%	13,631,525
Total Cities					$ 1,531,794,972

(1) Tax Year 2014 Taxable Assessed Valuation.
(2) Includes the Bonds. Excludes the Refunded Bonds.

	2014/15 Taxable Assessed Value (1)	2014/15 Tax Rate	Total Funded Debt	Estimated % Applicable	County's Overlapping Funded Debt 4/1/2015
School Districts					
Allen ISD	$ 8,683,712,227	$ 1.640000	$ 471,368,037	100.00%	$ 471,368,037
Anna ISD	600,012,756	1.540000	90,095,024	100.00%	90,095,024
Farmersville ISD	333,904,921	1.430900	11,885,000	100.00%	11,885,000
Lovejoy ISD	1,519,654,683	1.560000	143,927,131	100.00%	143,927,131
McKinney ISD	9,596,804,039	1.670000	458,160,000	100.00%	458,160,000
Melissa ISD	517,371,688	1.540000	57,983,710	100.00%	57,983,710
Plano ISD	38,386,866,985	1.448000	852,635,313	100.00%	852,635,313
Princeton ISD	535,094,610	1.620000	83,727,732	100.00%	83,727,732
Wylie ISD	3,610,135,771	1.640000	307,599,292	100.00%	307,599,292
County-Line School Districts					
Bland ISD	$ 115,204,207	$ 1.516300	$ 14,835,400	8.92%	$ 1,323,318
Blue Ridge ISD	121,092,077	1.597500	14,970,000	98.65%	14,767,905
Celina ISD	689,329,243	1.640000	56,532,529	93.58%	52,903,141
Community ISD	544,216,111	1.615000	27,842,674	98.72%	27,486,288
Frisco ISD	21,830,492,218	1.460000	1,683,160,843	72.36%	1,217,935,186
Gunter ISD	202,990,610	1.620000	14,620,000	0.88%	128,656
Leonard ISD	129,082,011	1.271000	1,020,000	8.23%	83,946
Prosper ISD	3,019,101,801	1.670000	279,964,160	93.79%	262,578,385
Rockwall ISD	6,734,915,904	1.440000	326,241,461	0.01%	32,624
Royse City ISD	1,109,487,325	1.670000	104,123,002	8.38%	8,725,508
Trenton ISD	138,354,037	1.451400	7,175,000	3.95%	283,413
Van Alstyne ISD	448,349,615	1.520000	37,800,000	9.48%	3,583,440
Whitewright ISD	156,385,054	1.370000	7,358,736	3.46%	254,612
Total School Districts					$ 4,067,467,658
Total Direct and Overlapping Funded Debt					$ 6,012,157,225
Ratio of Direct and Overlapping Funded Debt to Taxable Assessed Valuation					7.34%
Per Capita Overlapping Funded Debt					$ 7,034

(1) Tax Year 2014 Taxable Assessed Valuation.

TABLE 9 – GENERAL OBLIGATION DEBT SERVICE REQUIREMENTS

Fiscal Year Ending 9/30	Unlimited Tax Outstanding Debt [(1)]		Limited Tax Outstanding Debt [(1)]		The Unlimited Tax Bonds [(2)]		The Limited Tax Bonds [(3)]		Total Debt Service	% of Principal Retired
	Principal	Interest	Principal	Interest	Principal	Interest	Principal	Interest		
2015	$ 19,385,000	$ 11,342,507	$ 10,105,000	$ 4,841,872	$ -	$ -	$ -	$ -	$ 45,674,379	
2016	18,865,000	9,233,419	10,265,000	4,339,219	6,605,000	2,674,458	105,000	115,012	52,202,108	
2017	18,885,000	8,501,819	10,635,000	3,958,654	1,870,000	2,603,388	100,000	113,938	46,667,798	
2018	15,840,000	7,815,419	11,035,000	3,553,376	4,585,000	2,483,638	210,000	110,838	45,633,269	
2019	15,785,000	7,147,981	11,420,000	3,130,019	5,585,000	2,280,238	210,000	106,638	45,664,875	37.36%
2020	14,855,000	6,485,886	9,035,000	2,742,878	3,855,000	2,091,438	220,000	102,338	39,387,539	
2021	13,435,000	5,862,896	9,320,000	2,398,229	4,005,000	1,934,238	220,000	97,938	37,273,300	
2022	13,780,000	5,240,890	9,280,000	2,041,894	3,325,000	1,771,013	230,000	91,138	35,759,934	
2023	14,430,000	4,598,453	7,540,000	1,690,352	3,500,000	1,600,388	235,000	81,838	33,676,029	
2024	15,100,000	3,957,910	7,890,000	1,337,579	3,680,000	1,420,888	245,000	72,238	33,703,614	68.40%
2025	12,395,000	3,372,741	7,400,000	985,354	3,865,000	1,232,263	255,000	62,238	29,567,595	
2026	12,000,000	2,819,800	5,140,000	679,141	4,065,000	1,034,013	265,000	51,838	26,054,791	
2027	11,375,000	2,277,075	2,855,000	466,588	4,275,000	825,513	280,000	42,338	22,396,513	
2028	10,900,000	1,761,498	2,970,000	308,496	1,935,000	670,263	120,000	36,263	18,701,519	
2029	8,210,000	1,319,668	2,575,000	154,893	2,015,000	589,144	125,000	32,356	15,021,060	89.92%
2030	7,440,000	972,900	625,000	70,544	2,095,000	514,500	130,000	28,131	11,876,075	
2031	7,780,000	646,225	650,000	46,978	2,180,000	429,000	135,000	23,575	11,890,778	
2032	5,900,000	349,200	515,000	25,688	2,265,000	340,100	140,000	18,763	9,553,750	
2033	3,640,000	146,400	290,000	10,975	2,360,000	247,600	145,000	13,684	6,853,659	
2034	1,840,000	36,800	150,000	2,719	2,455,000	151,300	150,000	8,338	4,794,156	99.37%
2035	-	-	-	-	2,555,000	51,100	155,000	2,809	2,763,909	100.00%
Totals	$ 241,840,000	$ 83,889,485	$ 119,695,000	$ 32,785,445	$ 67,075,000	$ 24,944,477	$ 3,675,000	$ 1,212,243	$ 575,116,650	

(1) Includes that portion of interest offset by the refundable tax credit to be received by the County from the Department of Treasury as a result of a portion of the related outstanding obligations being designated as "Build America Bonds." See "Other Information – Sequestration" herein. Excludes the Refunded Bonds.
(2) Average life of the issue – 6.328 years. Interest on the Unlimited Tax Bonds has been calculated at the rates stated on the cover page hereof.
(3) Average life of the issue –7.118 years. Interest on the Limited Tax Bonds has been calculated at the rates stated on page 3 hereof.

TABLE 10 - INTEREST AND SINKING FUND BUDGET PROJECTION

Tax Supported Debt Service Requirements, Fiscal Year Ending 9/30/2015		$ 45,674,379
Interest and Sinking Fund Balance, 9/30/2014	$ 11,815,895	
Budgeted Interest and Sinking Fund Tax Levy	49,759,508	
Non-Tax Revenues	305,053 [1]	61,880,456
Estimated Balance, 9/30/2015		$ 16,206,077

(1) Includes the refundable tax credit to be received by the County from the Department of Treasury as a result of a portion of the related outstanding obligations being designated as "Build America Bonds." See "Other Information – Sequestration" herein.

TABLE 11 - AUTHORIZED BUT UNISSUED BONDS

Purpose	Date Authorized	Amount Authorized	Amount Previously Issued	Amount Being Issued [3]	Unissued Balance
Park [1]	11/6/2007	$ 17,000,000	$ 12,400,000	$ 2,300,000	$ 2,300,000
Road [2]	11/6/2007	235,600,000	161,330,000	43,488,000	30,782,000
Court Buildings [1]	11/6/2007	76,300,000	30,500,000	-	45,800,000
		$ 328,900,000	$ 204,230,000	$ 45,788,000	$ 78,882,000

(1) Article VIII, Section 9 indebtedness (limited tax).
(2) Article III, Section 52 indebtedness (unlimited tax).
(3) Includes premium on the Bonds deposited into the construction fund and applied against voted authorization.

ANTICIPATED ISSUANCE OF ADDITIONAL GENERAL OBLIGATION DEBT . . . The Commissioners Court annually adopts a capital improvement plan (the "CIP") as part of the County's annual budget. The CIP is made for planning purposes and may identify projects that will be deferred or omitted entirely in future years. In addition, as conditions change, new projects may be added that are not currently identified. The improvements included in the CIP are generally funded from a blend of bond proceeds, reserves or current year revenue sources. The current CIP covers fiscal years 2015 through 2019, and includes total capital expenditures of $278.1 million, of which $148.0 million are scheduled for fiscal year 2015. Most of the planned expenditures will be funded with proceeds of prior bond issues. As shown in Table 11, after the issuance of the Bonds, the County will have $78,882,000 of authorized but unissued bonds. The County anticipates issuing approximately $33,067,000 of such amount in fiscal year 2016 and the remaining bond authorization over the following three years in amounts that will allow the County to maintain a level debt service tax rate over such period.

TABLE 12 - OTHER OBLIGATIONS

Operating Leases

As lessor, the Health Care Foundation has a number of non-cancelable operating leases with minimum future rental revenues in aggregate of $2,805,860. The buildings are carried at a book value of $7,745,629 with accumulated depreciation of $5,077,550. Future minimum rental payments applicable to the operating leases are as follows:

Fiscal Year Ending September 30,	HFC Contractual Future Rental Revenues
2015	$ 1,066,094
2016	694,426
2017	524,315
2018	264,129
2019	73,003
2020	66,870
2021	66,870
2022	50,153
Total	$ 2,805,860

Collin County leases office space under operating leases that expire over periods of up to ten years. Most of the leases are non-cancelable and renewal options are available. The aggregate total of these lease obligations is $1,403,743 for the year ended September 30, 2014. At September 30, 2014, future minimum rental payments applicable to the operating leases are as follows:

Fiscal Year Ending September 30,	Contractual Future Rental Obligations
2015	$ 509,232
2016	408,226
2017	343,668
2018	139,617
2019	3,000
Total	$ 1,403,743

PENSION FUND . . . The County provides retirement, disability, and death benefits for all of its full-time employees through a nontraditional defined benefit pension plan in the statewide Texas County and District Retirement System (TCDRS). Benefit amounts are determined by the sum of the employee's contributions to the plan, with interest, and employer-financed monetary credits. The level of these monetary credits is adopted by the governing body of the employer within the actuarial constraints imposed Chapter 841, Texas Government Code, as amended (the "TCDRS Act") so that the resulting benefits can be expected to be adequately financed by the employer's commitment to contribute. At retirement, death or disability, the benefit is calculated by converting the sum of the employee's accumulated contributions and the employer-financed monetary credits to a monthly annuity using annuity purchase rates prescribed by the TCDRS Act. The County has elected the annually determined contribution rate (variable rate) plan provisions of the TCDRS Act. The plan is funded by monthly contributions from both the employee members and the employer based on the covered payroll of employee members. Under the TCDRS Act, the contribution rate of the County is actuarially determined annually. The County contributed an amount of 8.0% in 2014 which was the same as 2013. The County also paid an additional $11.6 million in 2014 to eliminate any unfunded liability in the retirement program. The Commissioners Court, in conjunction with this additional payment, adopted a policy which will help to keep this rate of 8.0% consistent in future years by agreeing to reduce benefits of employees in the future. The contribution rate payable by the employee members for the calendar years of 2014 and 2013 was 7 % as adopted by the governing body of the County. The employee contribution rate and the County's contribution rate may be changed by the governing body of the County within the options available in the TCDRS Act. If a plan has had adverse experience, the TCDRS Act has provisions that allow the employer to contribute a fixed supplemental contribution rate determined by the System's actuary above the regular rate for 25 years or to reduce benefits earned in the future.

OTHER POST RETIREMENT BENEFITS . . . In February 2011, the Commissioners Court elected to discontinue a post-retirement health benefit plan for retired County employees that had been in existence since January 1, 2007. Under the prior post-retirement health benefit plan, the County paid a portion of the health insurance premiums (ranging from 25%-100%) of retired County employees beginning at age 65 based on the years of continuous service to the County. State law requires that counties provide retirees with a health insurance plan, but does not require counties to pay the cost of such coverage. As a result of the elimination of this post-retirement health benefit plan, the County does not currently offer any "other post-retirement benefits" ("OPEBs") for retired County employees.

FINANCIAL INFORMATION

TABLE 13 - CHANGES IN NET ASSETS

	Fiscal Year Ended September 30,				
Revenues:	2014	2013	2012	2011	2010
Program Revenues:					
Charges for Services	$ 44,020,768	$ 43,375,449	$ 40,328,746	$ 39,499,797	$ 38,596,963
Operating Grants and Contributions	13,925,561	14,384,010	14,516,234	17,903,172	14,336,973
Capital Grants and Contributions	521,580	930,653	1,059,413	387,681	631,454
Total Program Revenues	$ 58,467,909	$ 58,690,112	$ 55,904,393	$ 57,790,650	$ 53,565,390
General Revenues:					
Taxes	$ 192,994,181	$ 183,016,167	$ 177,761,766	$ 173,193,625	$ 178,396,150
Unrestricted Investment Earnings	1,664,231	1,336,534	2,314,418	1,977,093	2,300,812
Gain (Loss) on Sale of Assets	-	-	-	-	-
Miscellaneous	468,097	142,080	903,048	195,152	203,048
Total General Revenues	$ 195,126,509	$ 184,494,781	$ 180,979,232	$ 175,365,870	$ 180,900,010
Total Revenues	$ 253,594,418	$ 243,184,893	$ 236,883,625	$ 233,156,520	$ 234,465,400
Expenses:					
General Administration	$ 42,213,129	$ 27,866,729	$ 29,244,085	$ 67,690,144	$ 36,468,596
Judicial	16,727,057	16,427,358	16,068,834	14,109,924	17,436,080
Financial Administration	10,490,374	10,167,597	10,027,826	8,821,845	10,753,583
Legal	10,514,652	10,300,586	10,204,545	9,292,969	11,436,163
Public Facilities	25,337,831	21,949,602	18,700,897	17,040,033	16,981,488
Equipment Services	2,855,093	3,236,108	2,858,704	2,494,730	2,484,792
Public Safety	57,137,306	55,924,293	57,155,752	50,874,877	62,472,977
Public Transportation	37,669,979	42,392,813	45,514,784	70,789,320	87,756,972 (1)
Health and Welfare	18,932,952	18,130,149	17,188,582	18,074,594	19,088,453
Culture and Recreation	2,275,303	3,333,334	1,591,047	1,521,696	1,622,389
Conservation	255,552	246,371	249,193	235,128	293,137
Debt Service, Interest and Fiscal Charges	14,406,180	21,846,718	22,193,212	17,588,985	17,078,488
Total Expenses - Before Transfers	$ 238,815,408	$ 231,821,658	$ 230,997,461	$ 278,534,245	$ 283,873,118
Change in Net Position	$ 14,779,010	$ 11,363,235	$ 5,886,164	$ (45,377,725)	$ (49,407,718)
Adjustments		-	61,992	(9)	-
Net Position as of October 1	373,293,732	361,930,497	355,982,341	401,360,075	450,767,793
Net Position as of September 30	$ 388,072,742	$ 373,293,732	$ 361,930,497	$ 355,982,341	$ 401,360,075

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(1) In 2010, the County transferred a significantly higher amount of infrastructure assets to cities than in prior years. Once a road project is completed or construction oversight is handed over to a city, the County writes off the asset.

TABLE 13A - GENERAL FUND REVENUES AND EXPENDITURE HISTORY

	Fiscal Year Ended September 30,				
Revenues	2014	2013	2012	2011	2010
Taxes	$ 140,746,018	$ 129,156,674	$ 126,555,655	$ 131,828,854	$ 130,271,143
License and Permits	456,366	378,671	282,352	-	-
Federal and State Funds	6,361,798	5,033,417	7,042,027	6,379,302	3,908,666
Fees and Charges for Services	19,099,538	19,319,252	18,435,832	17,368,901	16,070,485
Fines and Forfeitures	1,763,311	2,142,678	2,191,532	1,992,671	1,821,451
Rental Revenues	302,820	254,430	222,540	-	-
Interest	1,123,376	485,868	1,133,435	2,117,949	2,189,100
Miscellaneous	774,800	1,269,903	811,304	932,685	598,633
Total Revenues	$ 170,628,027	$ 158,040,893	$ 156,674,677	$ 160,620,362	$ 154,859,478
Expenditures					
General Administration	$ 37,944,750	$ 23,850,268	$ 24,948,893	$ 63,529,742	$ 28,875,085
Judicial	15,063,445	14,598,191	14,551,857	14,954,776	14,141,857
Financial Administration	10,301,765	9,903,760	9,773,492	10,093,805	9,970,218
Legal	10,388,114	10,040,658	9,969,632	10,465,059	10,655,750
Public Safety	53,594,955	52,794,966	55,369,495	57,793,126	46,021,607
Public Health and Welfare	13,679,712	12,075,076	11,651,835	12,011,123	10,767,712
Public Facilities	10,804,060	10,575,698	10,457,208	10,159,746	9,652,871
Culture and Recreation	937,036	841,464	1,027,050	1,028,684	424,024
Equipment Services	2,217,536	2,164,730	2,208,379	2,094,787	1,940,815
Capital Outlay	4,226,191	3,964,567	4,010,412	11,600,278	1,990,979
Conservation	256,500	244,445	246,119	278,096	276,767
Total Expenditures	$ 159,414,064	$ 141,053,823	$ 144,214,372	$ 194,009,222	$ 134,717,685
Excess (Deficiency) of Revenues Over Expenditures	$ 11,213,963	$ 16,987,070	$ 12,460,305	$ (33,388,860)	$ 20,141,793
Other Financing Sources (Uses)					
Sale of Capital and Non-Captial Assets	$ 84,928	$ 3,540,233	$ 42,885	$ 20,353	$ 109,520
Operating Transfers In	85,141	79,505	125,958	25,557	110,829
Operating Transfers Out	(460,896)	(515,900)	(346,348)	(1,001,263)	(8,581,000)
Total Other Financing Sources (Uses)	$ (290,827)	$ 3,103,838	$ (177,505)	$ (955,353)	$ (8,360,651)
Net Change in Fund Balances	$ 10,923,136	$ 20,090,908	$ 12,282,800	$ (34,344,213)	$ 11,781,142
Beginning Fund Balance	185,718,969	165,628,061	153,345,261	187,689,474 (1)	133,626,241
Ending Fund Balance	$ 196,642,105	$ 185,718,969	$ 165,628,061	$ 153,345,261	$ 145,407,383

(1) The governmental funds balance has been restated to reflect the requirements of GASB 54.

FINANCIAL ADMINISTRATION . . . Under the Texas Constitution and other Texas law, financial administration is the responsibility of the Commissioners Court, both as to policy and execution. The County Auditor assists the Commissioners Court in budget preparation, financial recordkeeping, and auditing.

FINANCIAL POLICIES

Basis of Accounting . . . The accounting policies of the County conform to generally accepted accounting principles for governmental entities as promulgated by the Government Accounting Standards Board. The accounting and financial reporting treatment applied to a fund is determined by its measurement focus. All governmental funds and expendable trust funds are accounted for using a current financial resources measurement focus. With this measurement focus, only current assets and current liabilities generally are included on the combined balance sheet. Operating statements of these funds present increases (revenues and other financing sources) and decreases (expenditures and other financing uses) in net current assets.

All proprietary funds are accounted for on a flow of economic resources measurement focus. With this measurement focus, all assets and all liabilities associated with the operation of these funds are included on the combined balance sheet. Fund equity is segregated into contributed capital and retained earnings components. Proprietary fund-type operating statements present increases (revenues) and decreases (expenses) in net total assets.

The modified accrual basis of accounting is used by all governmental fund types, expendable trust funds, and agency funds. Under the modified accrual basis of accounting revenues are recognized when susceptible to accrual (i.e., when they become both measurable and available). "Measurable" means collectible within the current period or soon enough thereafter to be used to pay liabilities of the current period. Expenditures are generally recorded when the related fund liability is incurred. However, principal of and interest on general long-term debt are recorded as fund liabilities when due or when amounts have been accumulated in the debt service fund for payments to be made early in the following year. Major revenue sources which have been treated as susceptible to accrual under the modified basis of accounting include property taxes, charges for services, intergovernmental revenues, and investment of idle funds.

The accrual basis of accounting is utilized by proprietary fund types. Under this method, revenue is recorded when earned and expenses are recorded at the time liabilities are incurred.

The County reports deferred revenue on its combined balance sheet. Deferred revenues arise when a potential revenue does not meet both the "measurable" and "available" criteria for recognition in the current period. Deferred revenues also arise when resources are received by the government before it has a legal claim to them, as when grant monies are received prior to the incurrence of qualifying expenditures. In subsequent periods, when both revenue recognition criteria are met, or when the government has a legal claim to the resources, the liability for deferred revenue is removed from the combined balance sheet and revenue is recognized.

Budgetary Procedures . . . The budget is prepared by the County staff and approved by the Commissioners Court following departmental budget reviews and a public hearing. A copy of the budget must be filed with the County Clerk and the County Auditor and made available to the public. The Commissioners Court must provide for a public hearing on the budget on some date within seven calendar days after the filing of the budget and prior to October 31 of the current fiscal year.

INVESTMENTS

The County invests its investable funds in investments authorized by Texas law (including specifically Chapter 2256, Texas Government Code, as amended, the "PFIA") in accordance with investment policies approved by the Commissioners Court of the County. Both State law and the County's investment policies are subject to change.

LEGAL INVESTMENTS . . . Under the PFIA, the County is authorized to invest in (1) obligations of the United States or its agencies and instrumentalities, including letters of credit; (2) direct obligations of the State or its agencies and instrumentalities; (3) collateralized mortgage obligations directly issued by a federal agency or instrumentality of the United States, the underlying security for which is guaranteed by an agency or instrumentality of the United States; (4) other obligations, the principal and interest of which is guaranteed or insured by or backed by the full faith and credit of, the State or the United States or their respective agencies and instrumentalities, including obligations that are fully guaranteed or insured by the Federal Deposit Insurance Corporation ("FDIC") or by explicit full faith and credit of the United States; (5) obligations of states, agencies, counties, cities and other political subdivisions of any state rated as to investment quality by a nationally recognized investment rating firm not less than "A" or its equivalent; (6) bonds issued, assumed or guaranteed by the State of Israel; (7) certificates of deposit that are issued by a state or national bank domiciled in the State of Texas, a savings bank domiciled in the State of Texas, or a state or federal credit union domiciled in the State and are guaranteed or insured by the FDIC or the National Credit Union Share Insurance Fund, or are secured as to principal by obligations described in clauses (1) through (6) or in any other manner and amount provided by law for County deposits, (i) that are issued by an institution that has its main office or a branch office in the State of Texas and are guaranteed or insured by the FDIC or the National Credit Union share Insurance Fund, or are secured as to principal by obligations described in clauses (1) through (6) or in any other manner and amount provided by law for County deposits or a) where the funds are invested by an investing entity through: (i) a broker that has its main office or a branch office in this state and is selected from a list adopted by the County; or (ii) a depository institution that has its main office or a branch office in this state and that is selected by the investing entity; (b) where the broker or the depository institution selected by the investing entity under (a) arranges for the deposit of the funds in certificates of deposit in one or more federally insured depository institutions, wherever located, for the account of the County; (iii) the full amount of the principal and accrued interest of each of the certificates of deposit is insured by the United States or an instrumentality of the United States; and (iv) the investing entity appoints the depository institution selected by the investing entity under (a), an entity described by Section 2257.041(d), or a clearing broker-dealer registered with the United States Securities and Exchange Commission (the "SEC") and operating pursuant to SEC Rule 15c3-3 (17 C.F.R. Section 240.15c3-3) as custodian for the investing entity with respect to the certificates of deposit issued for the account of the County; (8) fully collateralized repurchase agreements that have a defined termination date, are fully secured by obligations described in clause (1), and are placed through a primary government securities dealer or a financial institution doing business in the State, (9) securities lending programs if (i) the securities loaned under the program are 100% collateralized, a loan made under the program allows for termination at any time and a loan made under the program is either secured by (a) obligations that are described in clauses (1) through (6) above, (b) irrevocable letters of credit issued by a state or national bank that is continuously rated by a nationally recognized investment rating firm at not less than "A" or its equivalent or (c) cash invested in obligations described in clauses (1) through (6) above, clauses (11) through (13) below, or an authorized investment pool; (ii) securities held as collateral under a loan are pledged to the County, held in the County's name and deposited at the time the investment is made with the County or a third party designated by the County; (iii) a loan made under the program is placed through either a primary government securities dealer or a financial institution doing business in the State; and (iv) the agreement to lend securities has a term of one year or less, (10) certain bankers' acceptances with the remaining term of 270 days or less, if the short-term obligations of the accepting bank or its parent are rated at least "A-1" or "P-1" or the equivalent by at least one nationally recognized credit rating agency, (11) commercial paper with a stated maturity of 270 days or less that is rated at least "A-1" or "P-1" or the equivalent by either (a) two nationally recognized credit rating agencies or (b) one nationally recognized credit rating agency if the paper is fully secured by an irrevocable letter of credit issued by a U.S. or state bank, (12) no-loan money market mutual funds registered with and regulated by the SEC that have a dollar weighted average stated maturity of 90 days or less and include in their investment objectives the maintenance of a stable net asset value of $1 for each share and (13) no-load mutual funds registered with the SEC that have an average weighted maturity of less than two years, invest exclusively in obligations described in this paragraph, and are continuously rated as to investment quality by at least one nationally recognized investment rating firm of not less than "AAA" or its equivalent. In addition, bond proceeds may be invested in guaranteed investment contracts that have a defined termination date and are secured by obligations, including letters of credit, of the United States or its agencies and instrumentalities in an amount at least equal to the amount of bond proceeds invested under such contract, other than the prohibited obligations described in the next succeeding paragraph. The County also is authorized by the PFIA to invest its funds in certificates of deposit issued by one or more federally insured depository institutions, wherever located, in accordance with procedures set forth in the PFIA.

The County may invest in such obligations directly or through government investment pools that invest solely in such obligations provided that the pools are rated no lower than "AAA" or "AAA-m" or an equivalent rating by at least one nationally recognized rating service and meet other requirements listed in Section 2256.016 of the PFIA.

Notwithstanding the preceding, the County may not invest in obligations whose payment represents the coupon payments on the outstanding principal balance of the underlying mortgage-backed security collateral and pays no principal; obligations whose payment represents the principal stream of cash flow from the underlying mortgage-backed security collateral and bears no interest; or collateralized mortgage obligations that have a stated final maturity date of greater than ten years or the interest rate of which is determined by an index that adjusts opposite to the changes in a market index. The County may not invest in the aggregate more than 15% of its monthly average fund balance, excluding bond proceeds, reserves, and other funds held for debt service, in mutual funds described in clause (13) above, and may not invest any portion of bond proceeds, reserves, and funds held for debt service in mutual funds described in clause (13) above. Nor may the County invest its funds or funds under its control, including bond proceeds, reserves, and other funds held for debt service, in any one mutual fund described in clauses (12) or (13) above in an amount that exceeds 10% of the total assets of the mutual fund. The County must also restrict reverse repurchase agreements to not more than 90 days and restrict the investment of reverse repurchase agreement proceeds to no greater than the term of the reverse repurchase agreement.

INVESTMENT POLICIES . . . Under State law, the County is required to invest its funds under a written investment policy that primarily emphasizes safety of principal and liquidity; that addresses investment diversification, yield, maturity, and the quality and capability of investment management; and that includes a list of authorized investments for County funds, maximum allowable stated maturity of any individual investment, and the maximum average dollar-weighted maturity allowed for pooled fund groups. All County funds must be invested in accordance with a formally adopted "Investment Strategy Statement" which specifically addresses each fund's or each group of fund's investment. Each Investment Strategy Statement will describe the investment objectives for the fund or group of funds in question to address specifically: (1) suitability of investment type, (2) preservation and safety of principal, (3) liquidity, (4) marketability, (5) diversification, and (6) yield.

Under State law, County investments must be made "with judgment and care, under prevailing circumstances, that a person of prudence, discretion, and intelligence would exercise in the management of the person's own affairs, not for speculation, but for investment, considering the probable safety of capital and the probable income to be derived." No person may invest County funds without express written authority from the Commissioners Court. At least quarterly, the investment officers of the County must submit an investment report to the Commissioners Court which is prepared jointly and signed by all investment officers and which meets the reporting requirements of Section 2256.023 of the PFIA.

ADDITIONAL PROVISIONS . . . Under State law, the County is additionally required to: (1) annually review its adopted policies and strategies, (2) require any investment officers with personal business or family relationships with firms or individuals seeking to sell investments to the County to disclose the relationship and file a statement with the Texas Ethics Commission and the Board of Trustees, (3) require an authorized representative of each firm seeking to sell investments to the County to receive and review the County's investment policy and to acknowledge in writing that reasonable controls and procedures have been implemented to preclude imprudent investment activities, (4) to perform an annual audit of the management controls on investments and adherence to the County's investment policy, and (5) provide investment training for the County's investment officers.

Under State law, the County is additionally required to: (1) annually review its adopted policies and strategies; (2) adopt a rule, order, ordinance or resolution stating that it has reviewed its investment policy and investment strategies and records any changes made to either its investment policy or investment strategy in the respective rule, order, ordinance or resolution; (3) require any investment officers with personal business relationships or relatives with firms seeking to sell securities to the entity to disclose the relationship and file a statement with the Texas Ethics Commission and the Commissioners Court; (4) require the qualified representative of firms offering to engage in an investment transaction with the County to: (a) receive and review the County's investment policy, (b) acknowledge that reasonable controls and procedures have been implemented to preclude investment transactions conducted between the County and the business organization that are not authorized by the County's investment policy (except to the extent that this authorization is dependent on an analysis of the makeup of the County's entire portfolio or requires an interpretation of subjective investment standards), and (c) deliver a written statement in a form acceptable to the County and the business organization attesting to these requirements; (5) perform an annual audit of the management controls on investments and adherence to the County's investment policy; (6) provide specific investment training for the Treasurer, chief financial officer and investment officers; (7) restrict reverse repurchase agreements to not more than 90 days and restrict the investment of reverse repurchase agreement funds to no greater than the term of the reverse purchase agreement; (8) restrict the investment in no-load mutual funds in the aggregate to no more than 15% of the County's monthly average fund balance, excluding bond proceeds and reserves and other funds held for debt service; (9) require local government investment pools to conform to the new disclosure, rating, net asset value, yield calculation, and advisory board requirements; and (10) at least annually review, revise and adopt a list of qualified brokers that are authorized to engage in investment transactions with the County.

The County's investment policy requires that its funds be invested in accordance with State law. The County generally invests in public fund investment pools or obligations of the United States or its agencies and instrumentalities.

TABLE 14 - CURRENT INVESTMENTS

As of May 1, 2015, the County's investable funds were invested in the following categories:

Description	Percent	Book Value	Market Value
Local Government Investment Pools [1]	65.58%	$ 294,702,567	$ 294,702,567
U.S. Agency Securities	6.59%	29,607,911	29,528,965
Certificates of Deposit	17.74%	79,725,860	79,725,860
Municipal Bonds	4.61%	20,702,256	20,583,481
Money Market	5.49%	24,669,542	24,669,542
	100.00%	$ 449,408,136	$ 449,210,415

No funds of the County are invested in equity securities or derivative securities (i.e., securities whose rate of return is determined by reference to some other instrument, index or commodity), and therefore the County has not sustained any losses in the market value of its portfolio during the recent economic downturn.

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(1) One of the local government investment pools used by the County is TexSTAR, which is co-administered by First Southwest Asset Management, Inc., the investment affiliate of First Southwest Company LLC, the Financial Advisor for the County. TexSTAR is operated in a manner consistent with Rule 2a-7, promulgated by the SEC under authority of the Investment Company Act of 1940 that governs mutual funds.

TAX MATTERS

TAX EXEMPTION . . . In the opinion of Bracewell & Giuliani LLP, Bond Counsel, (i) interest on the Bonds of each series is excludable from gross income for federal income tax purposes under existing law and (ii) the Bonds are not private activity bonds under the Internal Revenue Code of 1986, as amended (the "Code") and, as such, interest on the Bonds is not subject to the alternative minimum tax on individuals and corporations, except as described below in the discussion regarding the adjusted current earnings adjustment for corporations.

The Code imposes a number of requirements that must be satisfied for interest on state or local obligations, such as the Bonds, to be excludable from gross income for federal income tax purposes. These requirements include limitations on the use of bond proceeds and the source of repayment of bonds, limitations on the investment of bond proceeds prior to expenditure, a requirement that excess arbitrage earned on the investment of bond proceeds be paid periodically to the United States and a requirement that the issuer file an information report with the Internal Revenue Service (the "Service"). The County has covenanted in the Orders that it will comply with these requirements.

Bond Counsel's opinion will assume continuing compliance with the covenants of the Orders pertaining to those sections of the Code that affect the exclusion from gross income of interest on the Bonds for federal income tax purposes and, in addition, will rely on representations by the County, the County's Financial Advisor and the Underwriters with respect to matters solely within the knowledge of the County, the County's Financial Advisor and the Underwriters, respectively, which Bond Counsel has not independently verified. Bond Counsel will further rely on the report (the "Report") of Grant Thornton LLP, certified public accountants, regarding the mathematical accuracy of certain computations relating to the Bonds and the Refunded Bonds. If the County should fail to comply with the covenants in the Orders or if the foregoing representations or the Report should be determined to be inaccurate or incomplete, interest on the Bonds could become includable in gross income from the date of delivery of the Bonds, regardless of the date on which the event causing such includability occurs.

The Code also imposes a 20% alternative minimum tax on the "alternative minimum taxable income" of a corporation if the amount of such alternative minimum tax is greater than the amount of the corporation's regular income tax. Generally, the alternative minimum taxable income of a corporation (other than any S corporation, regulated investment company, REIT or REMIC), includes 75% of the amount by which its "adjusted current earnings" exceeds its other "alternative minimum taxable income." Because interest on certain tax-exempt obligations is included in a corporation's "adjusted current earnings," ownership of the Bonds could subject a corporation to alternative minimum tax consequences.

Except as stated above, Bond Counsel will express no opinion as to any federal, state or local tax consequences resulting from the receipt or accrual of interest on, or acquisition, ownership or disposition of, the Bonds.

Bond Counsel's opinions are based on existing law, which is subject to change. Such opinions are further based on Bond Counsel's knowledge of facts as of the date thereof. Bond Counsel assumes no duty to update or supplement its opinions to reflect any facts or circumstances that may thereafter come to Bond Counsel's attention or to reflect any changes in any law that may thereafter occur or become effective. Moreover, Bond Counsel's opinions are not a guarantee of result and are not binding on the Service; rather, such opinions represent Bond Counsel's legal judgment based upon its review of existing law and in reliance upon the representations and covenants referenced above that it deems relevant to such opinions. The Service has an ongoing audit program to determine compliance with rules that relate to whether interest on state or local obligations is includable in gross income for federal income tax purposes. No assurance can be given as to whether or not the Service will commence an audit of the Bonds. If an audit is commenced, in accordance with its current published procedures the Service is likely to treat the Issuer as the taxpayer and the Owners may not have a right to participate in such audit. Public awareness of any future audit of the Bonds could adversely affect the value and liquidity of the Bonds regardless of the ultimate outcome of the audit.

ADDITIONAL FEDERAL INCOME TAX CONSIDERATIONS

Collateral Tax Consequences

Prospective purchasers of the Bonds should be aware that the ownership of tax exempt obligations may result in collateral federal income tax consequences to financial institutions, life insurance and property and casualty insurance companies, certain S corporations with Subchapter C earnings and profits, individual recipients of Social Security or Railroad Retirement benefits, taxpayers who may be deemed to have incurred or continued indebtedness to purchase or carry tax exempt obligations, low and middle income taxpayers qualifying for the health insurance premium assistance credit, and individuals otherwise qualifying for the earned income credit. In addition, certain foreign corporations doing business in the United States may be subject to the "branch profits tax" on their effectively connected earnings and profits, including tax exempt interest such as interest on the Bonds. These categories of prospective purchasers should consult their own tax advisors as to the applicability of these consequences. Prospective purchasers of the Bonds should also be aware that, under the Code, taxpayers are required to report on their returns the amount of tax-exempt interest, such as interest on the Bonds, received or accrued during the year.

Tax Accounting Treatment of Original Issue Premium

The issue price of all or a portion of the Bonds may exceed the stated redemption price payable at maturity of such Bonds. Such Bonds (the "Premium Bonds") are considered for federal income tax purposes to have "bond premium" equal to the amount of such excess. The basis of a Premium Bond in the hands of an initial owner is reduced by the amount of such excess that is amortized during the period such initial owner holds such Premium Bond in determining gain or loss for federal income tax purposes. This reduction in basis will increase the amount of any gain or decrease the amount of any loss recognized for federal income tax purposes on the sale or other taxable disposition of a Premium Bond by the initial owner. No corresponding deduction is allowed for federal income tax purposes for the reduction in basis resulting from amortizable bond premium. The amount of bond premium on a Premium Bond that is amortizable each year (or shorter period in the event of a sale or disposition of a Premium Bond) is determined using the yield to maturity on the Premium Bond based on the initial offering price of such Bond.

The federal income tax consequences of the purchase, ownership and redemption, sale or other disposition of Premium Bonds that are not purchased in the initial offering at the initial offering price may be determined according to rules that differ from those described above. All owners of Premium Bonds should consult their own tax advisors with respect to the determination for federal, state, and local income tax purposes of amortized bond premium upon the redemption, sale or other disposition of a Premium Bond and with respect to the federal, state, local, and foreign tax consequences of the purchase, ownership, and sale, redemption or other disposition of such Premium Bonds.

Tax Accounting Treatment of Original Issue Discount Bonds

The issue price of all or a portion of the Bonds may be less than the stated redemption price payable at maturity of such Bonds (the "Original Issue Discount Bonds"). In such case, the difference between (i) the amount payable at the maturity of each Original Issue Discount Bond, and (ii) the initial offering price to the public of such Original Issue Discount Bond constitutes original issue discount with respect to such Original Issue Discount Bond in the hands of any owner who has purchased such Original Issue Discount Bond in the initial public offering of the Bonds. Generally, such initial owner is entitled to exclude from gross income (as defined in Section 61 of the Code) an amount of income with respect to such Original Issue Discount Bond equal to that portion of the amount of such original issue discount allocable to the period that such Original Issue Discount Bond continues to be owned by such owner. Because original issue discount is treated as interest for federal income tax purposes, the discussion regarding interest on the Bonds under the caption "Collateral Tax Consequences" generally applies, and should be considered in connection with the discussion in this portion of the Official Statement.

In the event of the redemption, sale or other taxable disposition of such Original Issue Discount Bond prior to stated maturity, however, the amount realized by such owner in excess of the basis of such Original Issue Discount Bond in the hands of such owner (adjusted upward by the portion of the original issue discount allocable to the period for which such Original Issue Discount Bond was held by such initial owner) is includable in gross income.

The foregoing discussion assumes that (i) the Underwriters have purchased the Bonds for contemporaneous sale to the public and (ii) all of the Original Issue Discount Bonds have been initially offered, and a substantial amount of each maturity thereof has been sold, to the general public in arm's-length transactions for a price (and with no other consideration being included) not more than the initial offering prices thereof stated on the cover page of this Official Statement. Neither the County nor Bond Counsel has made any investigation or offers any comfort that the Original Issue Discount Bonds will be offered and sold in accordance with such assumptions.

Under existing law, the original issue discount on each Original Issue Discount Bond accrues daily to the stated maturity thereof (in amounts calculated as described below for each six-month period ending on the date before the semiannual anniversary dates of the date of the Bonds and ratably within each such six-month period) and the accrued amount is added to an initial owner's basis for such Original Issue Discount Bond for purposes of determining the amount of gain or loss recognized by such owner upon the redemption, sale or other disposition thereof. The amount to be added to basis for each accrual period is equal to (i) the sum of the issue price and the amount of original issue discount accrued in prior periods multiplied by the yield to stated maturity (determined on the basis of compounding at the close of each accrual period and properly adjusted for the length of the accrual period) less (ii) the amounts payable as current interest during such accrual period on such Bond.

The federal income tax consequences of the purchase, ownership, and redemption, sale or other disposition of Original Issue Discount Bonds which are not purchased in the initial offering at the initial offering price may be determined according to rules which differ from those described above. All owners of Original Issue Discount Bonds should consult their own tax advisors with respect to the determination for federal, state, and local income tax purposes of interest accrued upon redemption, sale or other disposition of such Original Issue Discount Bonds and with respect to the federal, state, local and foreign tax consequences of the purchase, ownership, redemption, sale or other disposition of such Original Issue Discount Bonds.

Tax Legislative Changes

Current law may change so as to directly or indirectly reduce or eliminate the benefit of the exclusion of interest on the Bonds from gross income for federal income tax purposes. Any proposed legislation, whether or not enacted, could also affect the value and liquidity of the Bonds. Prospective purchasers of the Bonds should consult with their own tax advisors with respect to any proposed, pending or future legislation.

CONTINUING DISCLOSURE OF INFORMATION

In the Orders, the County has made the following agreement for the benefit of the holders and beneficial owners of the Bonds. The County is required to observe the agreement for so long as it remains obligated to advance funds to pay the Bonds. Under the agreement, the County will be obligated to provide certain updated financial information and operating data annually, and timely notice of specified material events, to the Municipal Securities Rulemaking Board (the "MSRB").

ANNUAL REPORTS . . . The County will provide certain updated financial information and operating data to the MSRB on an annual basis in an electronic format that is prescribed by the MSRB and available via the Electronic Municipal Market Access System ("EMMA") at www.emma.msrb.org. The information to be updated includes all quantitative financial information and operating data with respect to the County of the general type included in this Official Statement under Tables numbered 1 through 7 and 9 through 14 and in Appendix B. The County will update and provide the annual financial information appearing in the numbered tables described in the preceding sentence within six months after the end of each fiscal year ending in and after 2015 and, if not submitted as part of the annual financial information, the County will provide its audited annual financial statement when and if available, and in any event, within 12 months after the end of each fiscal year. If the audit of such financial statements is not complete within 12 months after any such fiscal year end, then the County will file unaudited financial statements within such 12 month period and audited financial statements for the applicable fiscal year, when and if the audit report on such statements becomes available.

Any such financial statements will be prepared in accordance with the accounting principles described in Appendix B or such other accounting principles as the County may be required to employ from time to time pursuant to State law or regulation. The financial information and operating data to be provided may be set forth in full in one or more documents or may be included by specific reference to any document available to the public on the MSRB's Internet Web site identified below or filed with the United States Securities and Exchange Commission (the "SEC'), as permitted by SEC Rule 15c2-12 (the "Rule").

The County's current fiscal year end is September 30. Accordingly, the County must provide updated information included in Tables 1 through 7 and 9 through 14 by the last day of March in each year, and audited financial statements for the preceding fiscal year (or unaudited financial statements if the audited financial statements are not yet available) by September 30 in each year, unless the County changes its fiscal year. If the County changes its fiscal year, it will file notice of the change (and of the date of the new fiscal year end) with the MSRB prior to the next date by which the County otherwise would be required to provide financial information and operating data as set forth above.

NOTICE OF CERTAIN EVENTS . . . The County will also provide timely notices of certain events to the MSRB. The County will provide notice of any of the following events with respect to the Bonds to the MSRB in a timely manner (but not in excess of ten business days after the occurrence of the event): (1) principal and interest payment delinquencies; (2) non-payment related defaults, if material; (3) unscheduled draws on debt service reserves reflecting financial difficulties; (4) unscheduled draws on credit enhancements reflecting financial difficulties; (5) substitution of credit or liquidity providers, or their failure to perform; (6) adverse tax opinions, the issuance by the Internal Revenue Service of proposed or final determinations of taxability, Notices of Proposed Issue (IRS Form 5701-TEB), or other material notices or determinations with respect to the tax status of the Bonds, or other material events affecting the tax status of the Bonds; (7) modifications to rights of holders of the Bonds, if material; (8) Bond calls, if material, and tender offers; (9) defeasances; (10) release, substitution, or sale of property securing repayment of the Bonds, if material; (11) rating changes; (12) bankruptcy, insolvency, receivership, or similar event of the County, which shall occur as described below; (13) the consummation of a merger, consolidation, or acquisition involving the County or the sale of all or substantially all of its assets, other than in the ordinary course of business, the entry into of a definitive agreement to undertake such an action or the termination of a definitive agreement relating to any such actions, other than pursuant to its terms, if material; and (14) appointment of a successor or additional trustee or the change of name of a trustee, if material. In addition, the County will provide timely notice of any failure by the County to provide annual financial information in accordance with their agreement described above under "Annual Reports".

For these purposes, any event described in (12) in the immediately preceding paragraph is considered to occur when any of the following occur: the appointment of a receiver, fiscal agent, or similar officer for the County in a proceeding under the United States Bankruptcy Code or in any other proceeding under state or federal law in which a court or governmental authority has assumed jurisdiction over substantially all of the assets or business of the County, or if such jurisdiction has been assumed by leaving the existing governing body and officials or officers in possession but subject to the supervision and orders of a court or governmental authority, or the entry of an order confirming a plan of reorganization, arrangement, or liquidation by a court or governmental authority having supervision or jurisdiction over substantially all of the assets or business of the County.

LIMITATIONS AND AMENDMENTS . . . The County has agreed to update information and to provide notices of certain events only as described above. The County has not agreed to provide other information that may be relevant or material to a complete presentation of its financial results of operations, condition, or prospects or agreed to update any information that is provided, except as described above. The County makes no representation or warranty concerning such information or concerning its usefulness to a decision to invest in or sell Bonds at any future date. The County disclaims any contractual or tort liability for damages resulting in whole or in part from any breach of its continuing disclosure agreement or from any statement made pursuant to its agreement, although holders of Bonds may seek a writ of mandamus to compel the County to comply with its agreement.

The County may amend its continuing disclosure agreement from time to time to adapt to changed circumstances that arise from a change in legal requirements, a change in law, or a change in the identity, nature, status, or type of operations of the County, if (i) the agreement, as amended, would have permitted an underwriter to purchase or sell Bonds in the offering described herein in compliance with the Rule, taking into account any amendments or interpretations of the Rule to the date of such amendment, as well as such changed circumstances, and (ii) either (a) the holders of a majority in aggregate principal amount of the outstanding Bonds consent to the amendment or (b) any person unaffiliated with the County (such as nationally recognized bond counsel) determines that the amendment will not materially impair the interests of the holders and beneficial owners of the Bonds. The County may also amend or repeal the provisions of this continuing disclosure agreement if the SEC amends or repeals the applicable provisions of the Rule or a court of final jurisdiction enters judgment that such provisions of the Rule are invalid, but only if and to the extent that the provisions of this sentence would not prevent an underwriter from lawfully purchasing or selling Bonds in the primary offering of the Bonds. If the County so amends the agreement, it has agreed to include with the next financial information and operating data provided in accordance with its agreement described above under "Annual Reports" an explanation, in narrative form, of the reasons for the amendment and of the impact of any change in the type of financial information and operating data so provided.

COMPLIANCE WITH PRIOR UNDERTAKINGS . . . In connection with certain of the County's outstanding unlimited tax and limited tax debt issuances, the County has entered into continuing disclosure undertakings to provide certain updated financial information and operating data within six-months of the end of the County's fiscal year along with notices of specified material events at required times. In addition, for debt issuances prior to 2015, the County has agreed to provide audited financial statements within six-months of the end of the County's fiscal year if audited financial statements are available by such time. If audited financial statements are not available by the required time, the County has agreed to provide notice that audited financial statements are not available and to provide unaudited financial statements for the applicable fiscal year. The County has further agreed to provide audited financial statements when and if such audited financial statements become available.

During the previous five years, the County filed certain update financial information and operating data in the form of certain tables (the "Tables") identified in the official statements for each of the respective debt issuances within six-months (March 31) after the end of each fiscal year. The audited financial statements for the fiscal years ending September 30, 2012, September 30, 2011 and September 30, 2010 were not available within six months of the end of the respective fiscal years, but the Tables that were filed included certain unaudited financial statement information that was similar to the type included in the audited financial statements. The County filed audited financial statements for the fiscal years ended September 30, 2013 and September 30, 2014 within six-months of the end of each fiscal year. The County filed audited financial statements of the County for the fiscal years ended September 30, 2012, September 30, 2011 and September 30, 2010 on May 15, 2013, April 30, 2012 and May 20, 2011, respectively. The County also filed an annual Rule 15c2-12 Filing Cover Sheet for each of the previous five fiscal years within six-months of the end of each respective fiscal year that indicated whether or not the "annual financial report or CAFR" (Comprehensive Annual Financial Report) was being filed along with the Table information. The County did not provide a separate notice with regard to the respective audited financial statements being "not available" during such periods. For the fiscal years identified above for which the audited financial statements were not available within six-months of the end of the respective fiscal year, the County filed an amended Rule 15c2-12 Filing Cover Sheet along with the audited financial statements that indicated that the "annual financial report or CAFR" was now being filed by the County. The Rule 15c2-12 Filing Cover Sheets did not affirmatively state that the audited financial statements for such fiscal years were "not available". The County now has procedures in place to file the required notice if the "annual financial report or CAFR" is not available.

OTHER INFORMATION

RATINGS

The Bonds and the presently outstanding tax supported debt of the County are rated "Aaa" by Moody's and "AAA" by S&P without regard to third-party credit enhancement. An explanation of the significance of such ratings may be obtained from the company furnishing the rating. The ratings reflect only the respective views of such organizations and the County makes no representation as to the appropriateness of the ratings. There is no assurance that such ratings will continue for any given period of time or that they will not be revised downward or withdrawn entirely by either or both rating companies, if in the judgment of either or both companies, circumstances so warrant. Any such downward revision or withdrawal of such ratings, or either of them, may have an adverse effect on the market price of the Bonds.

LITIGATION

It is the opinion of the County Attorney and County Staff that there is no pending litigation against the County that would have a material adverse financial impact upon the County or its operations.

At the time of the initial delivery of the Bonds, the County will provide the Underwriters with a certificate to the effect that no litigation of any nature has been filed or is then pending challenging the issuance of the Bonds or that affects the payment and security of the Bonds or in any other manner questioning the issuance, sale or delivery of the Bonds.

REGISTRATION AND QUALIFICATION OF BONDS FOR SALE

The sale of the Bonds has not been registered under the Federal Securities Act of 1933, as amended, in reliance upon the exemption provided thereunder by Section 3(a)(2); and the Bonds have not been qualified under the Securities Act of Texas in reliance upon various exemptions contained therein; nor have the Bonds been qualified under the securities acts of any jurisdiction. The County assumes no responsibility for qualification of the Bonds under the securities laws of any jurisdiction in which the Bonds may be sold, assigned, pledged, hypothecated or otherwise transferred. This disclaimer of responsibility for qualification for sale or other disposition of the Bonds shall not be construed as an interpretation of any kind with regard to the availability of any exemption from securities registration provisions.

LEGAL INVESTMENTS AND ELIGIBILITY TO SECURE PUBLIC FUNDS IN TEXAS

Section 1201.041 of the Public Security Procedures Act (Chapter 1201, Texas Government Code) provides that the Bonds are negotiable instruments, investment securities governed by Chapter 8, Texas Business and Commerce Code, and are legal and authorized investments for insurance companies, fiduciaries, and trustees, and for the sinking funds of municipalities or other political subdivisions or public agencies of the State of Texas. With respect to investment in the Bonds by municipalities or other political subdivisions or public agencies of the State of Texas, the PFIA, requires that the Bonds be assigned a rating of not less than "A" or its equivalent as to investment quality by a national rating agency. See "Other Information - Ratings" herein. In addition, various provisions of the Texas Finance Code provide that, subject to a prudent investor standard, the Bonds are legal investments for state banks, savings banks, trust companies with capital of one million dollars or more, and savings and loan associations. The Bonds are eligible to secure deposits of any public funds of the State, its agencies, and its political subdivisions, and are legal security for those deposits to the extent of their market value. No review by the County has been made of the laws in other states to determine whether the Bonds are legal investments for various institutions in those states.

LEGAL MATTERS

The County will furnish to the Underwriters a complete transcript of proceedings incident to the authorization and issuance of each series of Bonds, including the approving legal opinions of the Attorney General of the State of Texas to the effect that the Initial Bond of each series is a valid and binding obligation of the County, and based upon examination of such transcript of proceedings, the approving legal opinions of Bond Counsel to the effect that the Bonds issued in compliance with the provisions of the Orders are valid and legally binding obligations of the County and the interest on the Bonds is excludable from gross income for federal income tax purposes under existing law and the Bonds are not private activity bonds, subject to the matters described under "Tax Matters" herein including alternative minimum tax consequences for corporations. Forms of such opinions are attached hereto as Appendix C. Though they represent the Financial Advisor and Underwriters from time to time in matters unrelated to the issuance of the Bonds, Bond Counsel has been engaged by the County and only represents the County in connection with the issuance of the Bonds. Bond Counsel did not take part in the preparation of the Official Statement, and such firm has not assumed any responsibility with respect thereto or undertaken independently to verify any of the information contained therein, except that, in its capacity as Bond Counsel, such firm has reviewed the information describing the Bonds in the Official Statement under the captions "Plan of Financing" (except for the subcaption "Sources and Uses of Proceeds"), "The Bonds" (except for the subcaptions "Book-Entry-Only System" and "Bondholders' Remedies"), "Tax Matters" and "Continuing Disclosure of Information" (except for the subcaption "Compliance with Prior Undertakings") and the subcaptions "Registration and Qualification of Bonds for Sale", "Legal Investments and Eligibility to Secure Public Funds in Texas", and "Legal Matters" under the caption "Other Information", and such firm is of the opinion that the information relating to the Bonds and the Orders contained therein fairly and accurately describe the provisions thereof. The legal fees to be paid Bond Counsel for services rendered in connection with the issuance of the Bonds are contingent on the sale and delivery of the Bonds. The legal opinions will accompany the Bonds deposited with DTC or will be printed on the Bonds in the event of the discontinuance of the Book-Entry-Only System. Certain legal matters will be passed upon for the Underwriters by McCall, Parkhurst & Horton L.L.P., Dallas, Texas, Counsel to the Underwriters. The legal fees to be paid to Underwriters' Counsel for services rendered in connection with the issuance of the Bonds are contingent on the sale and delivery of the Bonds.

SEQUESTRATION

The American Recovery and Reinvestment Act of 2009 ("ARRA") authorized the issuance of "Build America Bonds," which permitted issuers to elect to receive payments equal to 35% payable on the "Build America Bonds." Under the "Build America Bonds" program, the County currently receives payments from the Federal government with respect to its outstanding $5,590,000 Unlimited Tax Road Bonds, Taxable Series 2009B (Build America Bonds – Direct Payment) and $9,990,000 Limited Tax Permanent Improvement Bonds, Taxable Series 2009B (Build America Bonds – Direct Payment) which were issued as direct-pay bonds (the "BABs"). The payment is equal to 35% of the interest payable on the taxable debt (the "Federal Subsidy"). Under the Budget Control Act of 2011, the Federal Subsidies in 2013 were reduced by 8.7%. The Bipartisan Budget Act of 2013, signed by the President on December 26, 2013, extended cuts in those payments to issuers due to sequester of federal expenditures. According to the Bipartisan Budget Act of 2013, sequester for the above interest subsidy payments and other mandatory programs will continue for fiscal years 2014 through 2021, and agreement leading to passage of the act requires sequester to be extended to 2022 and 2023. The sequester reduction percentage applied to payments received in August 2014 for the outstanding bonds which were issued as BABs was 7.2%. According to an update released by the IRS Office of Tax Exempt

Bonds (TEB), the sequester reduction percentage applied to the payments made to issuers of direct pay bonds in FY 2015 will be 7.3%. This percentage will apply to all direct credit subsidy payments scheduled to be made on or after October 1, 2014 through and including September 30, 2015. The sequestration rate for future federal fiscal years will be set from time to time unless Congress takes additional action to change or eliminate the sequestration percentage. As of the date of this Official Statement, the County does not believe that the current level of reduction in Federal Subsidies will materially adversely affect the financial condition of the County.

AUTHENTICITY OF FINANCIAL DATA AND OTHER INFORMATION

The financial data and other information contained herein have been obtained from County records, audited financial statements and other sources which the County believes to be reliable. There is no guarantee that any of the assumptions or estimates contained herein will be realized. All of the summaries of the statutes, documents and orders contained in this Official Statement are made subject to all of the provisions of such statutes, documents and orders. These summaries do not purport to be complete statements of such provisions and reference is made to such documents for further information. Reference is made to original documents in all respects.

FINANCIAL ADVISOR

First Southwest Company LLC is employed as Financial Advisor to the County in connection with the issuance of the Bonds. The Financial Advisor's fee for services rendered with respect to the sale of the Bonds is contingent upon the issuance and delivery of the Bonds. First Southwest Company LLC, in its capacity as Financial Advisor, has relied on the opinion of Bond Counsel and has not verified and does not assume any responsibility for the information, covenants and representations contained in any of the legal documents with respect to the federal income tax status of the Bonds, or the possible impact of any present, pending or future actions taken by any legislative or judicial bodies.

The Financial Advisor to the County has provided the following sentence for inclusion in this Official Statement. The Financial Advisor has reviewed the information in this Official Statement in accordance with, and as part of, its responsibilities to the County and, as applicable, to investors under the federal securities laws as applied to the facts and circumstances of this transaction, but the Financial Advisor does not guarantee the accuracy or completeness of such information.

UNDERWRITING

The Underwriters have agreed, subject to certain conditions, to purchase the Unlimited Tax Bonds from the County, at an underwriting discount of $322,318.26 from the initial offering prices to the public. The Underwriters will be obligated to purchase all of the Unlimited Tax Bonds if any Unlimited Tax Bonds are purchased. The Unlimited Tax Bonds to be offered to the public may be offered and sold to certain dealers (including the Underwriters and other dealers depositing Unlimited Tax Bonds into investment trusts) at prices lower than the public offering prices of such Unlimited Tax Bonds and such public offering prices may be changed, from time to time, by the Underwriters.

The Underwriters have agreed, subject to certain conditions, to purchase the Limited Tax Bonds from the County, at an underwriting discount of $21,421.97 from the initial offering prices to the public. The Underwriters will be obligated to purchase all of the Limited Tax Bonds if any Limited Tax Bonds are purchased. The Limited Tax Bonds to be offered to the public may be offered and sold to certain dealers (including the Underwriters and other dealers depositing Limited Tax Bonds into investment trusts) at prices lower than the public offering prices of such Limited Tax Bonds and such public offering prices may be changed, from time to time, by the Underwriters.

Citigroup Global Markets Inc., an underwriter of the Bonds, has entered into a retail distribution agreement with each of TMC Bonds L.L.C. ("TMC") and UBS Financial Services Inc. ("UBSFS"). Under these distribution agreements, Citigroup Global Markets Inc. may distribute municipal securities to retail investors through the financial advisor network of UBSFS and the electronic primary offering platform of TMC. As part of this arrangement, Citigroup Global Markets Inc. may compensate TMC (and TMC may compensate its electronic platform member firms) and UBSFS for their selling efforts with respect to the Bonds.

The Underwriters and their respective affiliates are full service financial institutions engaged in various activities, which may include securities trading, commercial and investment banking, financial advisory, investment management, principal investment, hedging, financing and brokerage activities. Certain of the Underwriters and their respective affiliates have, from time to time, performed, and may in the future perform, various investment banking services for the County for which they received or will receive customary fees and expenses.

In the ordinary course of their various business activities, the Underwriters and their respective affiliates may make or hold a broad array of investments and actively trade debt and equity securities (or related derivative securities) and financial instruments (which may include bank loans and/or credit default swaps) for their own account and for the accounts of their customers and may at any time hold long and short positions in such securities and instruments. Such investment and securities activities may involve securities and instruments of the County.

The underwriters and their respective affiliates also may communicate independent investment recommendations, market advice, or trading ideas and/or publish or express independent research views in respect of such assets, securities or other financial instruments and at any time may hold, or recommend to clients that they should acquire, long and/or short positions in such assets, securities and other financial instruments.

FORWARD-LOOKING STATEMENTS DISCLAIMER

The statements contained in this Official Statement, and in any other information provided by the County, that are not purely historical, are forward-looking statements, including statements regarding the County's expectations, hopes, intentions, or strategies regarding the future. Readers should not place undue reliance on forward-looking statements. All forward-looking statements included in this Official Statement are based on information available to the County on the date hereof, and the County assumes no obligation to update any such forward-looking statements. The County's actual results could differ materially from those discussed in such forward-looking statements.

The forward-looking statements included herein are necessarily based on various assumptions and estimates and are inherently subject to various risks and uncertainties, including risks and uncertainties relating to the possible invalidity of the underlying assumptions and estimates and possible changes or developments in social, economic, business, industry, market, legal, and regulatory circumstances and conditions and actions taken or omitted to be taken by third parties, including customers, suppliers, business partners and competitors, and legislative, judicial, and other governmental authorities and officials. Assumptions related to the foregoing involve judgments with respect to, among other things, future economic, competitive, and market conditions and future business decisions, all of which are difficult or impossible to predict accurately and many of which are beyond the control of the County. Any of such assumptions could be inaccurate and, therefore, there can be no assurance that the forward-looking statements included in this Official Statement will prove to be accurate.

VERIFICATION OF ARITHMETICAL AND MATHEMATICAL COMPUTATIONS

The arithmetical accuracy of certain computations included in the schedules provided by First Southwest Company LLC on behalf of the County relating to (a) computation of forecasted receipts of principal and interest on the Securities and the forecasted payments of principal and interest to pay the Refunded Bonds and (b) computation of the yields of the Bonds and the restricted securities will be verified by Grant Thornton LLP, certified public accountants. Such computations will be based solely on assumptions and information supplied by First Southwest Company LLC on behalf of the County. Grant Thornton LLP will restrict its procedures to verifying the arithmetical accuracy of certain computations and will not make any study or evaluation of the assumptions and information on which the computations will be based and, accordingly, will not express an opinion on the data used, the reasonableness of the assumptions, or the achievability of the forecasted outcome.

MISCELLANEOUS

The financial data and other information contained herein have been obtained from the County's records, audited financial statements and other sources which are believed to be reliable. There is no guarantee that any of the assumptions or estimates contained herein will be realized. All of the summaries of the statutes, documents and resolutions contained in this Official Statement are made subject to all of the provisions of such statutes, documents and resolution. These summaries do not purport to be complete statements of such provisions and reference is made to such documents for further information. Reference is made to original documents in all respects.

The Orders approved the form and content of this Official Statement, and any addenda, supplement or amendment thereto, and authorized its use in the reoffering of the Bonds by the Underwriters.

KEITH SELF
Pricing Officer, County Judge
Collin County, Texas

Schedule I

SCHEDULE OF THE REFUNDED BONDS

Unlimited Tax Road Bonds, Series 2006

Original Dated Date	Stated Maturity	Interest Rate	Principal Amount Outstanding	Principal Amount Refunded
3/15/2006	2/15/2017	4.000%	$ 795,000	$ 795,000

The 2017 maturity will be redeemed prior to their original maturity on February 15, 2016 at par.

Unlimited Tax Road and Refunding Bonds, Series 2007

Original Dated Date	Stated Maturity	Interest Rate	Principal Amount Outstanding	Principal Amount Refunded
2/1/2007	2/15/2018	4.000%	$ 4,745,000	$ 3,495,000
	2/15/2019	4.200%	6,070,000	4,475,000
	2/15/2020	4.250%	3,680,000	2,710,000
	2/15/2021	4.300%	3,840,000	2,830,000
	2/15/2022	4.350%	2,850,000	2,100,000
	2/15/2023	5.000%	2,985,000	2,200,000
	2/15/2024	5.000%	3,120,000	2,300,000
	2/15/2025	5.000%	3,270,000	2,410,000
	2/15/2026	5.000%	3,440,000	2,535,000
	2/15/2027	5.000%	3,615,000	2,665,000
			$ 37,615,000	$ 27,720,000

The 2018 - 2027 maturities will be redeemed prior to their original maturity on February 15, 2017 at par.

Limited Tax Refunding and Permanent Improvement Bonds, Series 2007

Original Dated Date	Stated Maturity	Interest Rate	Principal Amount Outstanding	Principal Amount Refunded
2/1/2007	2/15/2018	4.000%	$ 110,000	$ 110,000
	2/15/2019	4.200%	115,000	115,000
	2/15/2020	4.250%	120,000	120,000
	2/15/2021	4.300%	125,000	125,000
	2/15/2022	4.350%	130,000	130,000
	2/15/2023 (1)	5.000%	135,000	135,000
	2/15/2024 (1)	5.000%	145,000	145,000
	2/15/2025 (1)	5.000%	150,000	150,000
	2/15/2026 (1)	5.000%	160,000	160,000
	2/15/2027 (1)	5.000%	170,000	170,000
			$ 1,360,000	$ 1,360,000

The 2018 - 2027 maturities will be redeemed prior to their original maturity on February 15, 2017 at par.

(1) Represents a term bond maturing February 15, 2027.

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APPENDIX A

GENERAL INFORMATION REGARDING THE COUNTY

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LOCATION . . . Collin County, Texas, is located in Northeast Texas immediately north and adjacent to Dallas County, and approximately 15 miles from downtown Dallas. The County is an important component of the Dallas-Fort Worth Consolidated Metropolitan Statistical Area. The 836 square miles comprising the County represent a dynamic growth area in the Metroplex, and includes the Cities of Plano, McKinney (County Seat), Allen, Frisco, and Wylie.

POPULATION . . . Significant increases in population and economic growth have occurred during the past two decades. County population at the 1960 census was 41,247 . . . at the 1970 census, 66,920 . . . at the 1980 census, 144,576 . . . at the 1990 census, 264,036 . . . at the 2000 census, 491,675, at the 2010 census, 782,341, and the 2015 estimated population is 854,778.

ECONOMY . . . The economic base consists of various manufacturing, computer technology, electronics, oil and gas research, and agriculture. Major industries with headquarters or divisions located within the County include petroleum research, tele-communication, computer technology, electronics, retail, the food industry, and insurance institutions. Some of the major employers in Collin County are as follows:

Company	Number of Employees
HP Enterprise Svc LLC	10,000
Bank of America Home Loans	4,646
Toyota	4,000
J C Penny (Corporate HQ)	3,800
Capital One	3,500
University of Texas at Dallas	3,500
Blue Cross and Blue Shield of Texas	3,100
Medical Center of Plano (HCA)	3,000
GE Energy	2,300
Lineage Power Holdings Inc.	2,300

LABOR AND EMPLOYMENT ANALYSIS . . . Economic growth and development during the past decade in the County, and the immediate surrounding area, has provided a high rate of employment for the available labor force. Statistical data (annual average) for the County is as follows:

	Average Annual				
	2014	2013	2012	2011	2010
Civilian Labor Force	471,554	459,556	447,144	438,328	425,252
Employed	450,277	434,398	420,733	408,777	394,597
Unemployed	21,277	25,158	26,411	29,551	30,655
Percent Unemployed	4.51%	5.47%	5.91%	6.74%	7.21%

Source: Economic Research and Analysis Department estimates - Texas Workforce Commission.

EDUCATION . . . The following are the major colleges and universities located within a 60-mile radius of the County.

Austin College	Sherman, Texas
Collin County Community College District	Plano, Texas
Dallas County Community College System	Dallas County, Texas
Texas A&M - Commerce	Commerce, Texas
Grayson County Junior College	Denison, Texas
Southern Methodist University	Dallas, Texas
Texas Christian University	Fort Worth, Texas
Texas Woman's University	Denton, Texas
University of Dallas	Dallas, Texas
University of North Texas	Denton, Texas
University of Texas at Arlington	Arlington, Texas
University of Texas at Dallas	Dallas, Texas

CLEAN AIR ACT NON-ATTAINMENT . . . The Dallas/Fort Worth ("DFW") ozone nonattainment area (initially, Collin, Dallas, Denton, and Tarrant Counties, and as of April 15, 2004, Ellis, Johnson, Kaufman, Parker and Rockwall Counties were added to the nonattainment area) was originally designated "moderate" under the Federal Clean Air Act amendments of 1990, and thus was required to attain the 1-hour ozone standard by November 15, 1996. DFW did not attain the ozone standard in 1996.

The United States Environmental Protection Agency ("EPA") is authorized to redesignate an area to the next higher classification ("bump up") if it fails to attain by the required date. Consequently, in March 1998, and in accordance with FCAA, EPA reclassified DFW from moderate to serious. The reclassification required the State to submit a revised State Implementation Plan demonstrating attainment of the ozone standard by November 15, 1999. Because DFW continued to exceed the ozone standard in 1999, EPA required submittal of a revised SIP by May 1, 2000, demonstrating attainment.

On April 19, 2000, the Texas Natural Resources Conservation Commission (now the Texas Commission on Environmental Quality, "TCEQ") adopted a new SIP, which included a plan for the then four-county DFW nonattainment area that included Collin County. In February 2001, EPA accepted the SIP and the DFW plan. In accepting the plan, EPA did not reclassify the DFW area from serious to severe, and deferred the compliance date for the DFW area to November 15, 2007 from November 15, 1999.

The nine-county area is now classified as a "moderate" ozone nonattainment area under the 8-hour ozone standard. The requirements of the 1-hour standard remained in effect for the four core counties until EPA revoked that standard on June 15, 2005. At that time the entire nine-county area became subject to the 8-hour requirements.

In April 2004, along with its classification of new counties in the DFW under the 8-hour ozone standard, EPA also addressed other aspects of 8-hour attainment in Phase I of its Implementation Rule, promulgated April 30, 2004. The Implementation Rule outlines a number of options for areas with outstanding obligations for an approved 1-hour ozone attainment demonstration, which applies to the DFW nonattainment area. Two of these measures involve the loss of Federal highway funding and the implementation of a more stringent environmental permitting program for commercial and industrial entities, possibly retarding economic growth in such areas.)

On November 29, 2005, EPA finalized Phase II of its 8-hour Ozone Implementation Rule, which detailed reasonable further progress ("RFP") requirements for 8-hour ozone nonattainment areas, such as DFW. On November 21, 2006, TCEQ filed revisions to the DFW 8-hour non-attainment area SIP (the "Revised DFW SIP").

The Revised DFW SIP notes that the DFW 8-hour ozone nonattainment area consists of two sets of counties: the original four one-hour nonattainment counties (Collin, Dallas, Denton, and Tarrant) and the five new nonattainment counties (Ellis, Johnson, Kaufman, Parker, and Rockwall). Because of this circumstance, TCEQ has two options for fulfilling its 8-hour ozone RFP requirements for the DFW area: (1) to treat all nine counties as a single area with a single RFP reduction target of 15 percent reduction in volatile organic compound ("VOC") emissions from the entire nine-county area between 2002 and 2008 or (2) treat the two sets of counties as separate areas with separate RFP targets.

The TCEQ chose option 2 to fulfill the 8-hour ozone RFP requirements for the DFW area, using the mandate of VOC reductions for the five-county area and NOx reductions for the four-county area. Using NOx reductions for the four-county area is consistent with the DFW 8-hour ozone attainment demonstration SIP that shows reductions in NOx emissions are more effective than reductions in VOC emissions for reducing ozone levels in the DFW nine-county area.

APPENDIX B

EXCERPTS FROM THE

COLLIN COUNTY, TEXAS

ANNUAL FINANCIAL REPORT

For the Year Ended September 30, 2014

The information contained in this Appendix consists of excerpts from the Collin County, Texas Annual Financial Report for the Year Ended September 30, 2014, and is not intended to be a complete statement of the County's financial condition. Reference is made to the complete Report for further information.

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INDEPENDENT AUDITORS' REPORT

To the Honorable County Judge and
Commissioners Court
McKinney, Texas

Report on the Financial Statements

We have audited the accompanying financial statements of the governmental activities, the business-type activities, the discretely presented component unit, each major fund, and the aggregate remaining fund information of Collin County, Texas, as of and for the year ended September 30, 2014, and the related notes to the financial statements, which collectively comprise Collin County, Texas' basic financial statements as listed in the table of contents.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in the United States of America; this includes the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditors' Responsibility

Our responsibility is to express opinions on these financial statements based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditors' judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

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956.544.7778

TEMPLE, TX
254.791.3460

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505.266.5904

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

Opinions

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, the discretely presented component unit, each major fund, and the aggregate remaining fund information of Collin County, Texas, as of September 30, 2014, and the respective changes in financial position and, where applicable, cash flows thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Other Matters

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis on pages 4 through 25, the budgetary comparisons on pages 71 through 74, and the schedule of funding progress on page 75 be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Other Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise Collin County, Texas' basic financial statements. The introductory section, the combining and individual nonmajor fund financial statements and schedules, and the statistical section are presented for purposes of additional analysis and are not a required part of the basic financial statements.

The combining and individual nonmajor fund financial statements and schedules are the responsibility of management and were derived from and relate directly to the underlying accounting and other records used to prepare the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the combining and individual nonmajor fund financial statements and schedules are fairly stated, in all material respects, in relation to the basic financial statements as a whole.

The introductory and statistical sections have not been subjected to the auditing procedures applied in the audit of the basic financial statements and, accordingly, we do not express an opinion or provide any assurance on them.

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated March 27, 2015, on our consideration of Collin County, Texas' internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering Collin County, Texas' internal control over financial reporting and compliance.

Pattillo, Brown & Hill, L.L.P.

Waco, Texas
March 27, 2015

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MANAGEMENT'S DISCUSSION AND ANALYSIS

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Management's Discussion and Analysis

This section of the Collin County, Texas (the County) Comprehensive Annual Financial Report (CAFR) presents our discussion and analysis of the County's financial performance during the fiscal year ended September 30, 2014. Readers should consider the information in this section when reading the overall report, including the transmittal letter, financial statements, and accompanying notes.

FINANCIAL HIGHLIGHTS

Highlights for Government-wide Financial Statements

The government-wide financial statements report information about the County as a whole using the economic resources measurement focus and accrual basis of accounting.

- County assets exceeded liabilities (net position) by $388.1 million on a government-wide basis at September 30, 2014, an increase of $14.8 million from 2013.

- For 2014, revenues of the County amounted to $253.6 million. The main revenue sources were property (ad valorem) taxes ($189.6 million), charges for services ($44.0 million) and operating grants and contributions ($13.9 million). These three revenue sources accounted for 76.9%, 17.4%, and 5%, respectively, or 99.8% of total governmental activity revenues.

- Total expenses were $238.8 million. The functional areas with the largest expense amounts were public safety ($57.1 million), general administration ($42.2 million), and public transportation ($37.7 million).

- Net capital assets were $419.7 million as of September 30, 2014. Net depreciation expense attributable to assets of governmental activities amounted to $26 million for 2014.

- An amount of $11.6 million was paid to eliminate all unfunded liabilities related to the County's retirement program.

Highlights for Fund Financial Statements

The fund financial statements report detailed information about the County's most significant funds using the current financial resources measurement focus and modified accrual basis of accounting.

- The County's governmental funds reported an increase in fund balances of $33.0 million for fiscal year 2014, as compared to an increase of $32.7 million for fiscal year 2013.

- The General Fund reported a fund balance of $196.6 million for September 30, 2014, an increase of $10.9 million from September 30, 2013. General Fund revenues increased slightly by $12.6 million (7.8%). General Fund expenditures of $159.4 million increased by $18.3 million (13%) from 2013. As a result, General Fund revenues exceeded expenditures by $11.2 million and an additional net decrease of $3.1 million in net other financing sources and uses, mostly consisting of transfers to other funds, resulted in the $10.9 million increase in fund balance in spite of an $11.6 million payment to supplement the county employees retirement program.

General Financial Highlights

- In 2014, using a $12 million state grant received at the end of 2011, the County continued its work on the Outer Loop, spending $8.9 million through 2014 to construct access roads on the section connecting US Highway 75 to Texas Highway 121. Total contracts for construction awarded to date exceed $9 million.

- The County, as part of its transportation plan, provides financing to its cities to assist in road construction to meet continuing population growth. In fiscal year 2014, the County transferred a net of $16.1 million for the completion of projects (primarily roads) the County donated to other governmental entities. Although the County will not maintain or own those roads, it continues to be responsible for paying the debt incurred for construction.

OVERVIEW OF THE FINANCIAL STATEMENTS

Management's Discussion and Analysis is presented as an introduction to the County's basic financial statements. The basic financial statements include the government-wide financial statements, the fund financial statements, and the accompanying notes. Also included is supplementary information which is required in addition to the basic financial statements.

Government-wide Financial Statements

Government-wide financial statements are designed to provide a broad overview of County finances in a manner similar to a private-sector business, using full-accrual accounting for all transactions and activities.

The statement of net position provides information on all County assets and liabilities; the difference between the two is reported as net position. Over time, increases or decreases in net position may serve as an indicator of whether the financial position of the County is improving or deteriorating.

The statement of activities presents information showing how the net position of the County changed during the fiscal year presented herein. All changes in net position are reported when the underlying event giving rise to the change occurs, regardless of the timing of related cash flows. Under this presentation, using full-accrual accounting, revenues and expenses are reported for some items that will only result in cash flows in future fiscal periods (e.g., uncollected taxes, earned but unused vacation and sick leave, etc.).

The government-wide financial statements distinguish functions of the County that are principally supported by taxes. If appropriate, the statements would also present revenues from governmental activities that are most like a private enterprise. That is, the intent of the activity is to recover all or a significant portion of its costs of operations through the charging of user fees and activity charges. Governmental activities of the County, supported primarily by taxes, include general government, judicial, public safety, public works, health, welfare, culture and recreation, and payments on long-term debt.

The County created its first Enterprise Fund in 2009 to record the activity of the Collin County Toll Road Authority. The County Commissioners Court is also the Trustee for the Collin County Toll Road Authority. The Toll Road Authority was established to build and maintain an Outer Loop tolled roadway in the northern and eastern portions of the County. In 2011, the county received a $12 million grant from the state to assist in the construction of access roads for the first section of the Outer Loop from US 75 to State Highway 121.

The County operates an animal shelter that works with local cities and unincorporated areas of the County to handle the disposition of unwanted and abandoned animals. Each participating city, as well as the County, pays a pro rata share of the operating expenses and construction costs. The animal shelter is not considered an Enterprise Fund but operates as an Internal Service Fund since it provides services primarily to other governments and not the general public.

Governmental activities include not only the activities of the County itself (known as the primary government), but also those of legally separate blended-component units: the Collin County Health Care Foundation and the Collin County Housing Finance Corporation. The County Commissioners act as the Board of Trustees for component units whose activities are blended with those of the primary government because it functions as part of county government.

Fund Financial Statements

A fund is a grouping of related accounts used to control and account for resources segregated for specific activities or objectives. The County, like other state and local governments, uses fund accounting to both ensure and demonstrate compliance with legal requirements. All funds of the County can be divided into one of three categories: governmental funds, proprietary funds, and fiduciary funds.

Governmental Funds

Governmental funds are used to account for essentially the same functions reported as governmental activities in the government-wide financial statements. However, unlike the government-wide financial statements, governmental fund financial statements focus on near-term inflows and outflows of spendable resources, as well as on balances of spendable resources available at the end of the fiscal year. The nature of such inflows and outflows may be useful in evaluating near-term financial requirements.

Because the focus of governmental funds is more narrow than that of the government-wide financial statements, the reader may find it useful in comparing information presented for governmental funds with similar information presented for governmental activities in the government-wide financial statements. By doing so, one may come to better understand the differences in the long-term financial activity of the County. Such comparison may also be used to distinguish the long-term impact of the County's near-term financing decisions. Both the governmental fund balance sheet and the governmental fund statement of revenues, expenditures, and changes in fund balances include reconciliations useful in comparing the governmental funds and government-wide activities.

In February 2009, the Governmental Accounting Standards Board (GASB) issued Statement No. 54, *Fund Balance Reporting and Governmental Fund Type Definitions*, which was effective for periods that began after June 15, 2011. The objective of GASB 54 is to enhance the usefulness of fund balance information by 1) clarifying existing governmental fund type definitions, and 2) providing clearer fund balance classifications that can be more consistently applied. Collin County implemented the GASB 54 reporting as of September 30, 2011, in accordance with GASB requirements.

GASB 54 establishes fund balance classifications that comprise a hierarchy based primarily on the extent to which a government is bound to observe constraints imposed upon the use of the resources reported in governmental funds. The classifications are used to account for and report the proceeds of specific revenue sources that are restricted or committed to expenditure for specified purposes other than debt service or capital projects. The term "proceeds of specific revenue sources" establishes that one or more specific restricted or committed revenues should be the foundation for a special revenue fund. Restricted or committed specific revenue sources should comprise a *substantial portion of the fund's resources.*

GASB 54 requires fund balance to be reported by purpose or function of restriction, using one of the following five categories:

- **Nonspendable -** Generally means the asset is not expected to be converted to cash, such as inventories; the asset can also be related to monies legally or contractually required to be maintained intact, such as a debt service reserve fund.

- **Restricted** – Resources whose use is constrained by either externally imposed (i.e., creditors, contributors, grantors, or laws of other governments), or imposed by law through constitutional provisions of enabling legislation, such as authorization to assess, levy, charge, or otherwise mandate payment of resources. This includes a *legally enforceable* requirement that resources be used only for the specific purpose.

- **Committed -** Constraints imposed by formal action of the Collin County Commissioners Court to set aside, by court order, a commitment of specific use of resources. Constraints can only be removed or changed by taking the same type of action employed to commit those amounts.

- **Assigned** – An amount intended to be used for a specific purpose, but the amount is neither restricted nor committed. Intent may be expressed by the Commissioners Court or by an official or group to which the governing body has delegated the authority to assign amounts. Assigned fund balances include all remaining amounts reported in governmental funds, other than the General Fund, that are not classified as nonspendable, restricted, or committed. In governmental funds other than General Fund, assigned fund balance represents the amount intended to be used for the purpose of that fund. Collin County has no assigned fund balances in 2014.

- **Unassigned -** Residual amount for the General Fund; it is the fund balance that has not been restricted, committed, or assigned. The General Fund is the only fund that reports a positive unassigned fund balance amount. The only classification that can report a negative fund balance is the unassigned category.

The County maintains individual governmental funds. Information is presented separately in the governmental fund balance sheet and in the governmental fund statement of revenues, expenditures, and changes in fund balances for the:

- General Fund
- General Road and Bridge Special Revenue Fund
- Health Care Foundation Special Revenue Fund
- Regional Toll Road – Outer Loop Grant Special Revenue Fund
- Debt Service Fund
- 2007 Road Bond Capital Project Fund

Each of these funds is classified as a major fund for 2014. Financial results from the other governmental funds (non-major funds) are combined into a single, aggregated presentation and included in the total. Individual fund data for each of the non-major governmental funds is provided in the combining and individual fund statements and schedules.

The County adopts an annual appropriated budget for most of its governmental funds. A budgetary comparison statement is provided for county governmental funds, where a budget is adopted, to demonstrate compliance with the approved budget. (The exceptions are Grant Funds and Capital Projects Funds, which are budgeted on a project life budget, with an assigned project number for tracking and recording each transaction by project and funds in which the budget authority is specifically not granted to Commissioners Court by law.) Budgetary comparison schedules for major governmental funds are presented as required supplementary information. Budgetary comparison schedules for all other governmental funds are included in the fund financial statements accompanying information.

Proprietary Funds

Currently, the County reports eight proprietary type funds – the Collin County Toll Road Authority Fund (enterprise fund) and seven Internal Service Funds (see list below.) Internal Service Funds are used to accumulate and allocate costs internally among various County functions. The Internal Service Funds provide benefits to the County and to various government functions they support, which is why they have been included within governmental activities in the government-wide financial statements. The County uses Internal Service Funds to account for the following activities:

- Liability Insurance
- Workers Compensation Insurance
- Insurance Claim
- Unemployment Assessment
- Flexible Benefits
- Employee Benefits Paid
- Animal Safety

Internal Service Funds are combined into a single aggregated presentation in the proprietary fund financial statements. Internal Service Funds are accounted for on the full-accrual method of accounting. Individual fund data for the Internal Service Funds are provided in the combining and individual fund statements and schedules.

Fiduciary Funds

County Fiduciary Funds consist of several agency funds. Agency funds are the separate accounts and transactions related to money received that is collected for and remitted to another entity. For example, the County collects traffic fines; a portion of the fines belong to the state. After collection, the monies owed to the other entities are remitted to those entities on a periodic basis. Agency funds are also used for recording receipts of funds by elected officials.

Notes to Financial Statements

The notes to the financial statements provide additional information essential to a full understanding of the data provided in the government-wide and fund financial statements. The notes disclose other pertinent information that, when taken in whole with the financial statements, provide a more detailed picture of the state of the finances of the County.

Other Information

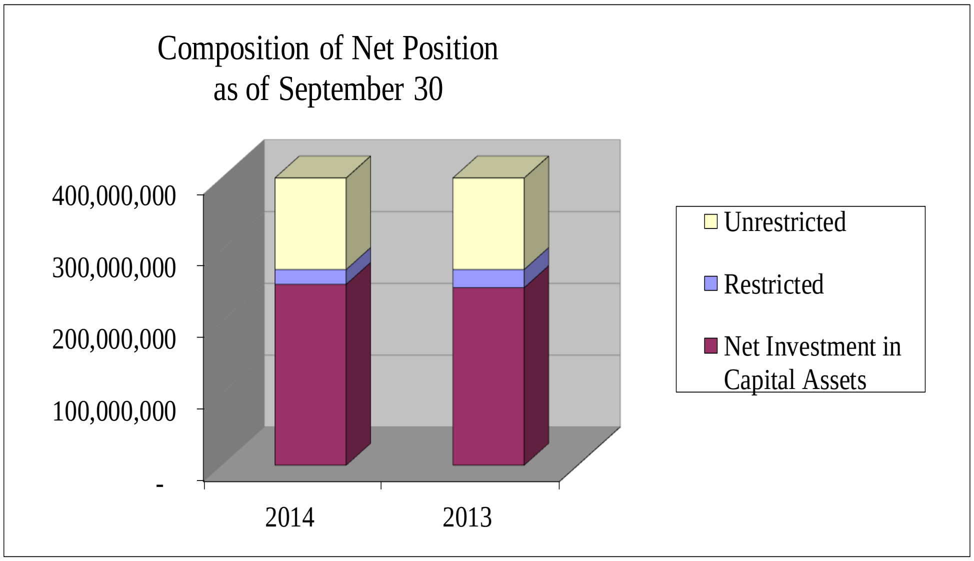
In addition to the basic financial statements and accompanying notes to those financial statements, certain required supplementary information schedules are also presented in this report with additional information regarding the results of the County's financial activities.

The combining statements and individual fund schedules are presented immediately following the required supplementary information.

Unaudited statistical information is provided for trend and historical analysis.

Government-Wide Financial Analysis

Net position of the County as of September 30, 2014 and 2013, is summarized and analyzed below:



Statement of Net Position As of September 30 ($ in thousands)		
	2014	2013
Assets:		
Current and Other Assets	$ 422,604	$ 391,213
Capital Assets	419,659	438,119
Total Assets	842,263	829,332
Liabilities:		
Current Liabilities	19,553	22,236
Long-term Liabilities	434,637	433,803
Total Liabilities	454,190	456,039
Net Position:		
Net Investment in Capital Assets	251,955	247,266
Restricted	21,373	25,366
Unrestricted	114,745	100,661
Total Net Position	$ 388,073	$ 373,293

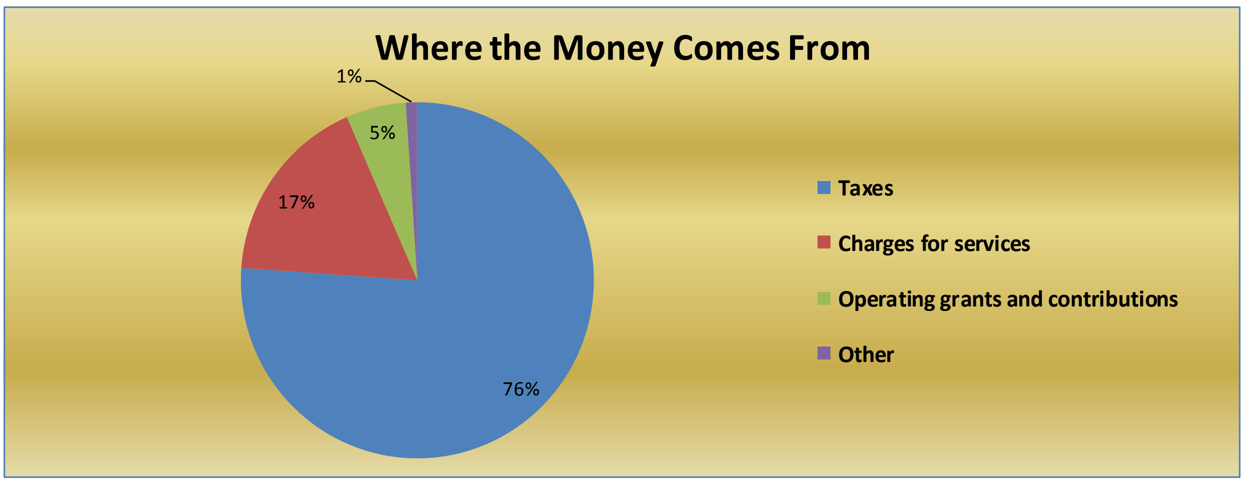
- Net position serves as a useful indicator of financial position. Assets exceeded liabilities by $388 million as of September 30, 2014, and by $373.3 million as of September 30, 2013, a net increase of $14.7 million.

- Net Investment in Capital Assets (e.g., land, buildings, infrastructure, machinery and equipment, etc., net of related debt used to acquire the assets) accounts for the largest category of Net Position (60.9%). Although our investment in capital assets is reported net of related debt, the reader should note resources needed to repay this debt must be provided from other sources. Currently all future debt service payments are required to be paid by future property tax collections.

- Restricted Net Position (5.3%) represents resources subject to external restrictions on their use. Of these restricted net assets, 57.3% of the restricted assets are to repay long-term debt, 37.2% are restricted to provide health care services, 5.4% are restricted for the County's Myers Park Foundation, and the balance is for the grant programs.

- The remaining portion of the County's net position (33.8%) is unrestricted and may be used to meet ongoing obligations.

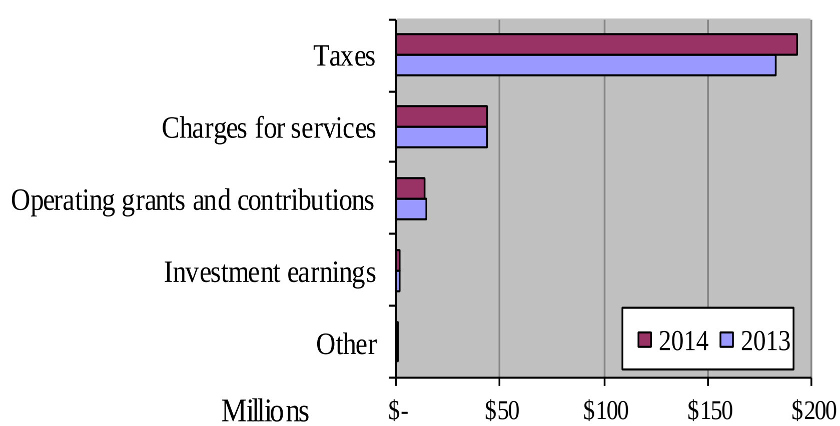
Reflected below is a comparison of Collin County revenues by source.

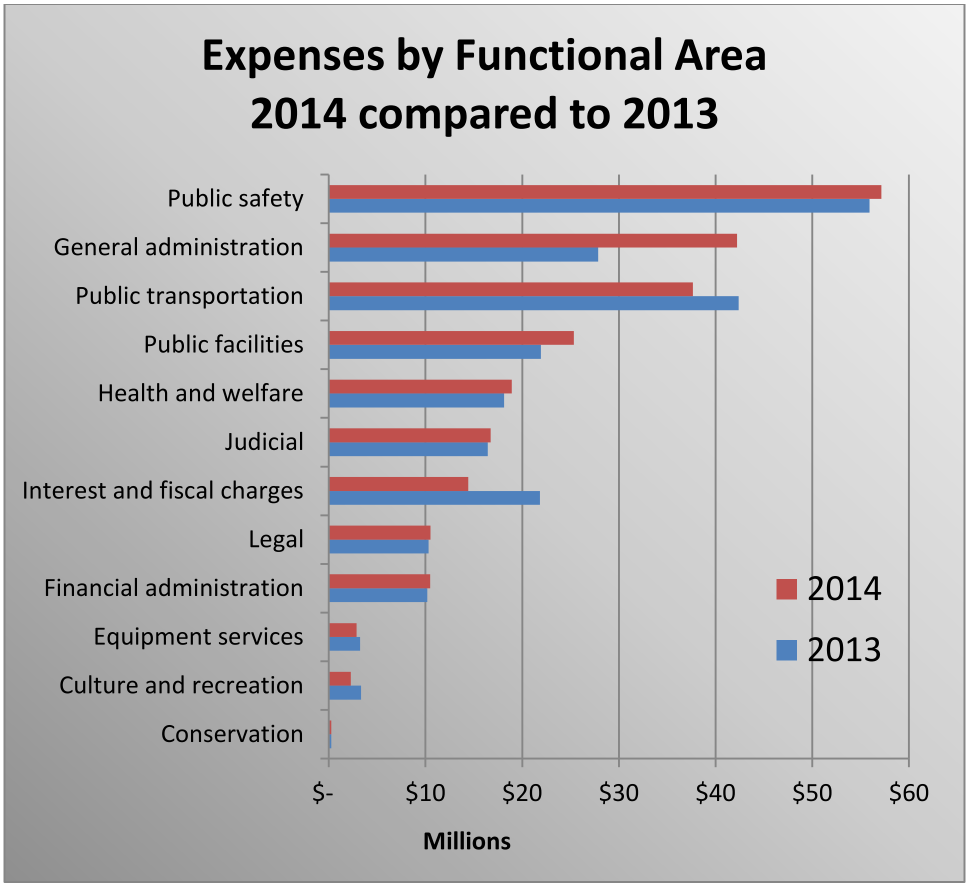


Overall government-wide revenues increased in 2014 over 2013 by $6.2 million (2.6%), due primarily to higher taxes collected ($5.1 million, or 2.9%) and more collected in charges for services ($3.0 million, or 7.6%). A summary of the amounts and more detailed explanation is provided in the table below.

Summary of Changes in Net Position For the Fiscal Years Ended September 30 ($ in thousands)	2014	2013
Revenues		
Program Revenues:		
Charges for services	$ 44,021	$ 43,375
Operating grants and contributions	13,926	14,384
Capital grants and contributions	522	931
Total Program Revenues	58,469	58,690
General Revenues:		
Taxes	192,994	183,016
Investment earnings	1,664	1,337
Miscellaneous	468	142
Total General Revenues	195,126	184,495
Total Revenues	253,595	243,185
Expenses		
General administration	42,213	27,867
Judicial	16,727	16,427
Financial administration	10,490	10,168
Legal	10,515	10,301
Public facilities	25,338	21,950
Equipment services	2,855	3,236
Public safety	57,137	55,924
Public transportation	37,670	42,393
Health and welfare	18,933	18,130
Culture and recreation	2,275	3,333
Conservation	256	246
Interest and fiscal charges	14,406	21,847
Total expenses	238,815	231,822
Change in Net Position	14,780	11,363
Net position at beginning of year	373,293	361,930
Net position at end of year	$ 388,073	$ 373,293

Governmental Activities - Revenues by Source
For the Fiscal Years Ended September 30





Summarized above are details of government-wide activities of the County for 2014 and 2013.

- Program revenues include charges for services, fines and forfeitures, certain licenses and permits, and special assessments, as well as both operating and capital grants and contributions. Program revenues from government-wide activities remained almost level with a slight decrease of $222 thousand or 0.4%.

- General revenues consist of taxes (property and mixed beverage tax paid to the County by the State of Texas) and interest, as well as miscellaneous transactions, not attributable or allocable to a specific program. Property taxes, substantially largest of the revenues, increased by $9.2 million or 5.1%.

- Public transportation expense decreased by $4.7 million or 11.1%. Many of the road construction projects are joint efforts with cities in the County, with each party contributing 50% of the cost. This activity tends to fluctuate from year to year due to a large number of ongoing projects.

- General Administration expenses increased by $14.3 million (51.4%) due to $11.6 million in a one-time payment to TCDRS, a $1.011 million increase in computer equipment purchases and a $742 thousand increase in software maintenance.

- Public Facilities expenses increased by $3.4 million (15.4%) due to an increase in depreciation expense impart to adding historical buildings.

Total Cost and Net Cost of Governmental Activities for Collin County For the Six Largest Functions by Expense For the Fiscal Years Ended September 30 ($ in thousands)				
	Total Cost of Services		Net Cost of Services	
Functions/Programs	2014	2013	2014	2013
Public safety	$ 57,137	$ 55,924	$ 42,886	$ 42,223
Public transportation	37,670	42,393	18,153	24,746
General administration	42,213	27,867	33,645	18,144
Interest and fiscal charges	14,406	21,847	14,261	21,547
Public Facilities	25,338	21,950	25,263	21,811
Health and welfare	18,933	18,130	13,007	11,131
Other	43,118	43,711	33,133	33,530
Total	$ 238,815	$ 231,822	$ 180,348	$ 173,132

Financial Analysis of the County's Funds

The County operates using a fund accounting system to ensure segregation of funds as needed or required. The focus of governmental funds is to provide information on near-term inflows, outflows and balances of spendable resources. This data may be particularly useful in assessing the County's requirements for additional financing. Unassigned fund balance serves as an indicator of the County's net resources available for spending at the end of the fiscal year.

As of the end of the current fiscal year, the County's governmental funds reported a combined ending fund balance of $405.8 million, an increase of $33 million (8.9%) from the prior year.

As required by GASB 54, the classifications of fund balance are split into as many as five categories: nonspendable, restricted, committed, assigned, or unassigned. The County currently has no assigned fund balance.

A portion of fund balance (62.1%, or $251.9 million) of the governmental funds has been designated as nonspendable, restricted, or committed. The remaining $153.9 million is classified as unassigned and is available to meet current needs as determined by the Commissioners Court. The unassigned fund balance can only exist in the General Fund since all other funds by definition are restricted or committed.

Governmental Funds - Total Fund Balance
as of September 30, 2014
(in thousands)

Fund Balance:				Major Purposes for Classification
Nonspendable	$	16,765	4.1%	Inventories, Toll Road, Conservation District, Animal Shelter
Restricted		214,920	53.0%	Housing Finance, Records, Road Construction, Debt Service, Special Revenues
Committed		20,273	5.0%	Healthcare, Permament Improvement, Capital Murder Cases, Special Elections, Utility Price Changes, Pre-trial Release, Jury, Myers Park, Code Inspection
Unassigned		153,882	37.9%	General Fund
	$	405,840	100.0%	

Changes in Fund Balance – Major Funds

In 2014, the County is presenting six major funds:

- General Fund
- General Road and Bridge Special Revenue Fund
- Health Care Foundation Special Revenue Fund
- RTR – Outer Loop Grant Special Revenue Fund
- Debt Service Fund
- 2007 Road Bond Capital Project Fund

Funds are required to be reported as major funds when revenues, expenditures/expenses, assets, or liabilities (excluding extraordinary items) are at least 10 percent of corresponding totals for all governmental or enterprise funds and at least 5 percent of the aggregate amount for all governmental and enterprise funds. Any other fund may be reported as a major fund if the government's officials believe that fund is particularly important to financial statement users.

General Fund

The General Fund is the chief operating fund of the County. The General Fund is used to account for all financial resources except those required to be accounted for in another fund. Major revenue sources include property taxes, fines, fees, intergovernmental revenues and investment income.

At the end of 2014, the unassigned fund balance of the General Fund was $153.9 million. The total fund balance in the General Fund was $196.6 million, an increase of $10.9 million or 12.3% from 2013.

Key factors in the change in fund balance in the General Fund are as follows:

General Fund Revenue Highlights:

- Property tax revenues increased by $11.5 million (8.9%) from the prior year.

- Federal and state funds increased by $1.3 million due to:

  - (1) $793 thousand increase in Mixed Beverage Tax Collection as a result of increased liquor sales; &
  - (2) $564 thousand increase in Non-Capital Grant Proceeds Indigent Defense Health and Welfare; Quarterly amounts increased from $120,400 in FY13 to $151,434 in FY14 and received an Excess Payment of $413,003 in FY14 but only $1,778 in FY13.

- Fees and Charges for Services remained relatively stable with a 0.2% increased.

- Fines decreased by $380 thousand (17.7%) due to decline in issuance of tickets:

  - (1) DPS troopers didn't have enough officers to issue tickets;
  - (2) NTTA switched their process for issuance of tickets.

- Investment earnings were increased by $638 thousand (131.2%) due to having more funds to invest, changing market conditions and changing investment strategies while protecting the principal being invested.

General Fund Expenditure Highlights:

- General administration expenditures increased by $14.1 million due to $11.6 million in a one-time payment to TCDRS and adding additional computer equipment and software maintenance.

- Health and Welfare increased by $1.6 million primarily due to an increase in indigent defense cost in our court system.

- All other functional areas show slight increases from the prior year primarily due to an increase in labor costs.

General Road and Bridge Fund

The General Road and Bridge Fund is the primary funding for maintenance of county roads. This Fund is used to account for the activities affecting County-owned roads, including right-of-way acquisitions, construction, operations, and maintenance. Expenditures for cost of road projects shared with the State are also included.

In 2005, Collin County began a program to convert all rock roads to asphalt in order to reduce dust and increase the useful life of the roads. The program is geared to convert the roads at a rate of 50 miles per year. The County completed 20.10 miles in 2014. As of September 30, 2014, the County had resurfaced 422 miles of roads or an average of 35.2 miles per year.

At the end of 2014, the fund balance of the General Road and Bridge Fund was $22.7 million, an increase of $3.6 million (18.8%) from the prior year. General Road and Bridge Fund revenues include fees and permits, property taxes, and fines and forfeitures.

Highlights of financial activities in the General Road and Bridge Fund are as follows:

General Road and Bridge Revenue Highlights

- Property tax revenues increased $936 thousand (40%) over the prior year.

- Revenues from Fees and Charges for Services increased by $931 thousand in 2014. The higher revenues are attributed to an increase in revenues from vehicle registrations.

General Road and Bridge Expenditures Highlights

- Road construction and maintenance expenditures decreased by $2.7 million in 2014 over the prior year, mostly due to a reduction in maintenance and operating costs from reduced costs for road materials.

- Capital outlay expenditures of $3.2 million increased in 2014 by $1.9 million (146.7%) from the prior year due to upgrades of equipment.

Health Care Foundation Special Revenue Fund

The Health Care Foundation Fund is used to account for receipt of investment earnings and authorized health care expenditures as administered by the Collin County Health Care Foundation.

The Fund was created after the sale of the county hospital in 1983. The proceeds of the sale were used to purchase real estate office buildings in order to create investment earnings that, together with the charges for services and federal and state funding, are used to provide health care to indigent county residents. A portion of the funds from the sale have been used to purchase real property for rental to County departments and unrelated third parties. The rental revenue is a steady source of income that provided 43.7% of the funding for the Health Care Foundation Fund in 2014.

The total fund balance of $7.7 million is a $783 thousand decrease (9.2%) from the prior year. Highlights of changes in fund balance in the Health Care Foundation Fund were:

Health Care Revenues

- Federal and state funds decreased by $1.2 million in 2014 due to a one-time windfall in 2013 from Medicaid 1115 Waiver funding that was not received in 2014.

- Fees and charges for service remained stable at $278 thousand with an increase of less than $1 thousand.

- Rental revenues increased $88 thousand (8.0%). The Healthcare Foundations facilities have space leased out to the private sector to help support the program.

- Investment revenue increased $103 thousand (332%) due to changing market conditions and changes in investment strategies while emphasizing the safety of principal.

Health Care Expenditures Highlights

- Expenditures decreased $203 thousand (7.6%) from 2013. The decrease is mostly attributed to a reduction in healthcare costs due to the restructuring of the indigent healthcare system.

RTR – Outer Loop Grant Special Revenue Fund

The Regional Toll Revenue – Outer Loop Phase 3 Special Revenue Fund is used to account for a grant from the State of Texas funded with Regional Toll Revenue. These funds will be used to construct a portion of an Outer Loop around the Dallas – Fort Worth metroplex and through Collin County. The liabilities of the fund met the major fund requirement. All activity to date has been in project accounts related to construction-in-progress on the road. Revenues are not recognized until expenditures are incurred, which results in zero dollars in fund balance. No revenues or expenditures were recognized in 2014 even though the project is still active and funds are encumbered to continue the construction.

Debt Service Fund

The Debt Service Fund is used to account for property tax revenues restricted to be used to meet Collin County's debt obligations. Expenditures for payments of principal and interest on the outstanding debt are paid from this fund, as are the expenditures for fiscal agent fees.

Fund balance increased in 2014 by $1.9 million over the 2013 ending balance. Since it is funded by property taxes, a change in the tax rate allocation has a direct impact on funds available for debt service. As part of the budgeting process, the County must determine the funding needed to meet the principal and interest payments for each issue of debt, as well as the expected fiscal agent fees to be paid annually.

Each year during the budget process, a portion of the tax rate is set aside for funding debt service; taxes collected are restricted specifically for that purpose. Debt service expenditures are based on debt service requirements and other debt-related expenditures. The County sets aside a portion of property taxes to meet its debt service requirements.

Key factors contributing to the change in fund balance in the Debt Service Fund were:

Debt Service Fund Revenues Highlights

- In 2014, property taxes allocated for debt service were $45.6 million approximately $3.6 million lower than 2013.

- Interest earned was approximately $7.4 thousand; $279.9 thousand lower than the prior year due to market conditions for investing in the short term.

Debt Service Fund Expenditures Highlights

- Debt service expenditures for 2014 debt service and fees were $43.9 million, of which $508 thousand was part of bond refunding transactions. Expenditures were $5.4 million lower than in 2013.

2007 Road Bond Capital Project Fund

The 2007 Road Bond Capital Project Fund is used to account for proceeds of road bonds authorized by voters on November 6, 2007. The total authorized for roads and highways was $235,600,000. Only a portion of the bonds have been issued to-date (in six series), beginning in 2008 and ending in 2014. The remainder of the bonds will be sold as needed. The total issued through September 30, 2014 is $151,245,000:

- Series 2008: $25,020,000 issued July 14, 2008
- Series 2009: $10,070,000 issued September 29, 2009
- Series 2009B: $ 5,590,000 issued September 29, 2009
- Series 2011: $28,490,000 issued June 16, 2011
- Series 2012: $31,365,000 issued June 14, 2012
- Series 2013A: $25,665,000 issued June 1, 2013
- Series 2014: $25,045,000 issued June 9, 2014

In 2014 the fund balance increased by $16.7 million; key factors in the change in fund balance are:

2007 Road Bond Capital Project Fund Revenues/ Other Financing Sources

- Investment earnings increased by $29 thousand (9.6%) due to having more funds to invest from an additional bond issue.

- Received bond proceeds and premiums of $27.4 million.

- A receivable was increased by $339 thousand due to the sale of assets to the Collin County Toll Road Authority Fund for Outer Loop activity.

2007 Road Bond Capital Project Fund Expenditures

- Capital outlay for road projects in 2014 was $12.9 million, which is $1.5 million less than in 2013.

Budgetary Highlights

The legal level of budgetary control for the General Fund is the level at which the budget is adopted; that is, the budget is adopted by department and in total according to four major categories:

- Salaries and benefits
- Training and travel
- Maintenance and operating
- Capital outlay

The final amended budget for the General Fund expenditure appropriation was $181.1 million or $1.6 million more than the original adopted budget of $179.5 million (excluding transfers). Actual expenditures for 2014 were $159.4 million or $21.7 million (12.0%) less than the final amended budget.

General Fund revenues for 2014 were more than the estimate by $3.9 million. This is highlighted as follows:

- Taxes – $1.4 million higher
- Federal and state funds - $1.9 million higher
- Fees and Charges for Services - $263 thousand higher
- Fines and forfeitures - $366 thousand lower
- Interest – $400.2 thousand higher
- Miscellaneous revenues - $62 thousand higher

The General Fund is the primary source for expenditures related to the overall operation and administration of the County. In 2014, the departments that contributed to actual expenditures being $21.7 million lower than budgeted expenditures were as follows:

- <u>General administration</u> was less than budget by $8.6 million. Highlights about this budget variance are as follows:

    - Actual expenditures for the County Clerk were $954 thousand less than budgeted expenditures in the Maintenance and Operating Category mostly due to a revised budget being established for archive and restoration (restricted funds) that was not utilized.
    - Actual expenses for the Non-Departmental were under budget by $1.7 million in the salary and benefit category due to unused budget for temporary workers.
    - Actual expenditures were $3.4 million under budget for Non-Departmental in the maintenance and operating category primarily because of maintenance contracts coming in well under budget.
    - Actual expenses for Information Technology were $182 thousand under budget in the maintenance and operating category.
    - Actual expenses for Telecommunications in the maintenance and operating category were under budget by $695 thousand.
    - Housing Finance Corporation was under budget by $539 thousand for its maintenance and operating category.

- <u>Judicial</u> actual expenditures were less than budget by $703 thousand. Highlights regarding this budget variance are as follows:
    - The County Courts-at-Law utilized all but $78 thousand of their $2.9 million budget.
    - The County Court-at-Law Clerks had $97 thousand remaining in their $1.6 million salary and benefit budget at year end.
    - The County Clerks – Probate/Mental Department left $67 thousand unused of their $572 thousand budget.
    - The District Courts had $44 thousand unspent of their $3.4 million combined budget at year end.
    - The Jury Services – District Clerk Department had $186 thousand remaining of their $873 thousand budget remaining at year end in maintenance and operating.
    - The Justice of the Peace departments left $98 thousand of their combined $2.2 million budget unspent.

- <u>Financial administration</u> actual expenditures were less than budget by $479 thousand. Highlights of this budget variance are as follows:
  - Salaries and benefits came in under budget as follows:
    - County Auditor - $62 thousand under budget
    - Budget Director - $54 thousand under budget
    - The Treasury Department - $10 thousand under budget
    - The Tax Appraisal District - $33 thousand under budget
    - Tax Assessor-Collector $206 thousand under budget
    - Purchasing Department $92 thousand under budget

- <u>Legal</u> actual expenditures for the District Attorney's Office were less than budget by $423 thousand under budget. This is highlighted as follows:
  - Salaries and benefits were lower than budgeted by $333 thousand
  - Maintenance and operating was $88 thousand less than budget at year end
  - Travel and training was $3 thousand less than budget.

- <u>Public facilities</u> expenditures were less than budget by $1.5 million of the $12.3 million budget. Highlights are as follows:
  - The Building Superintendent budget was $841 thousand less than budget in the maintenance and operating category.
  - Permanent Improvement was $573 thousand under budget in the maintenance and operating category.

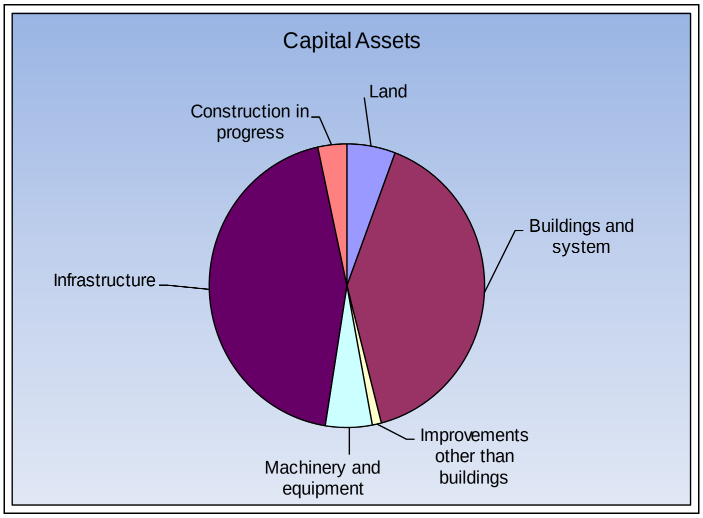
- <u>Equipment services</u> expenditures were lower than budget by $612 thousand primarily due to the maintenance and operating category coming in under budget.

- <u>Public safety</u> expenditures were lower than budget by $1.8 million. Highlights of this budget variance are as follows:
  - The Sheriff's Office budget was $252 thousand less than budget, of which $113 thousand was payroll related and $133 maintenance and operating related.
  - The Jail Operations Department maintenance and operating budget was under budget by $606 thousand in the maintenance and operating category, of which $465 thousand was left over at year end in the food supplies account.
  - The Minimum Security Operations maintenance and operating expenditures were $163 thousand under budget.
  - Homeland Security was $310 thousand under budget in the salaries and benefit category.

- <u>Health and welfare</u> expenses were $283 thousand under budget, of which most was due to inmate health coming in under budget ($192 thousand) and Substance Abuse salaries and benefits ($68 thousand).

- <u>Capital outlay</u>, which is presented separately from functional activities, was $7.1 million under budget, of which $1.5 million was for IT projects, $2.0 million was for Telecommunication projects, $2.5 million was for Permanent Improvement projects, and $655 thousand was for Equipment Services Department.

Capital Assets and Debt Administration



Capital Assets As of September 30 ($ in thousands)	2014	2013
Land	$ 32,771	$ 32,712
Buildings and system	258,913	257,187
Improvements other than buildings	7,526	6,607
Machinery and equipment	70,690	66,162
Infrastructure	293,747	291,663
Construction in progress	19,730	21,457
Total capital assets	683,377	675,788
Less: Accumulated Depreciation	(263,718)	(237,669)
Total capital assets	$ 419,659	$ 438,119

Capital Assets

The County's investment in capital assets for governmental activities (including business-type activities), net of accumulated depreciation at September 30, 2014, was $419.6 million, a decrease of $18.6 million from 2013.

Graphically, the contribution of each type of asset is shown on the chart above.

Details by type of activity are summarized below:

Major changes for 2014 are:

- Added Historical buildings for increase of 1.7 million
- Added purchases of $6.5 million to Machinery and Equipment; purchases were offset by $2 million in items written off when sold as surplus or traded in.
- Infrastructure increased by $6.3 million, primarily for road construction.
- Construction in Progress decreased by a net of $1 million ($1.4 million increase for new projects less $2.4 million for completed projects.)
- Accumulated depreciation net increase of $26 million.

Long-term Debt

At September 30, 2014, the County had $391.41 million in outstanding debt, a slight decrease of $1.94 million (0.5%).

In 2014, the County:

- Issued $2.2 million for park/open space projects
- Issued $25.045 million for road and bridge projects
- New issues refunded $21.18 million in existing debt to take advantage of savings due to lower interest rates.
- Paid $27,165 thousand in debt service principal and $16.2 million in interest costs to service debt.

Long-Term Debt by Intended Use of Proceeds
As of September 30
($ in thousands)

	2014	2013
Road and Bridge Projects	$ 270,355	$ 262,765
Public Facilities/Park Projects	121,055	130,585
Total Long-Term Debt	$ 391,410	$ 393,350

Additional information on capital asset activity and long-term debt activity can be found in the notes to the financial statements.

Economic Factors

The following economic factors are reflected in the 2014 General Fund and other budgets:

- The percentage increase in net taxable real property assessed value for fiscal year 2014 taxes was 6.2% (2013 increase was 3.0%).

- The average unemployment rate in Collin County for 2014 was 4.6% (5.5% in 2013).

Collin County relies on property taxes for operations since over 67% of the County's total revenues come from property taxes. Over the past few decades, the County has experienced consistent large increases (from 5% to 12%) in taxable values with the exception of 2009 when the County experienced a slight decrease. After 2009, increases have slowly increased back up to levels seen in recent decades. In 2014 the County experienced a 9.2% increase in the net taxable value of which 3.0% was new construction and 6.2% was an increase in existing property values. After experiencing an unemployment rate recent-year high of 7.8% in 2009, the rate has consistently decreased each year to its current rate of 4.6%. The County is experiencing a rapidly increasing population growth as it has been accustomed to in the past few decades. This year the County added over 20,000 residents, an average of 55 people per day. The County continues to aggressively invest in road and bridge projects across the County to meet the transportation needs of its residents and businesses to make the County an attractive place to live, to work and to do business.

During 2014, there were 20,136 people added to the County's population. This growth rate is expected to increase over the next couple of years due to large corporate projects moving into the County. State Farm is currently building a facility in Richardson fully within the County that is expected to employ 10,000 people and bring another 40,000 people to the area. Federal Express is planning on constructing a facility in Frisco that will bring in another 1,500 jobs. Toyota is moving their national headquarters to Plano which will be built on the county line between Collin and Denton Counties. Collin County is poised to be one of the fastest growing counties in the nation in upcoming years, just as the County has been in recent decades. In the last ten years the County added 195,321 people, an increase of 29.6%. The rate of and absolute numbers of growth continue to provide challenges in keeping up with roads and other infrastructure needs.

The 2010 Census showed the County population at 782,341 as of April 1, 2011. The 2010 Census is a 196% increase over the 1990 census of 264,036, and a 59% increase over the 2000 census of 491,772. The estimated population as of September 30, 2014 is 854,778 according to the Bureau of Economic Analysis which is an increase of 72,437 or 9.3% over the 2010 Census. Collin County is currently the 6th most populous county of the 254 counties in the State of Texas.

The County is a member of the North Central Texas Council of Governments, along with 15 other counties in the area. The Council is a voluntary association established to assist local governments in planning for common needs, cooperating for mutual benefit, and coordinating for sound regional development. For example, Mobility 2035 is a master transportation plan updated annually by the association members to address the needs of both rural and urban counties in the area.

The Dallas North Tollway, built and operated by the North Texas Tollway Authority (NTTA), opened a six-lane divided toll road between State Highway 121 and U.S. Highway 380 in 2009; frontage roads for the extension of the Tollway north to the county line have been built. The Dallas North Tollway, when completed, will provide a major highway from Grayson County (to the north) through Collin County to Dallas County (to the south). Extensive commercial development continues along the North Dallas Tollway, and provides a major source of employment for Collin County residents.

Sam Rayburn Tollway is the primary link between McKinney, the county seat of Collin County, and Dallas-Fort Worth International Airport. Construction on expanding this two-lane road to relieve traffic congestion began in 2005 by building frontage roads and grade separations. The County sold the rights in 2009 to the Sam Rayburn Tollway (State Highway 121) to the North Texas Tollway Authority, which also operates the Dallas North Tollway. The Sam Rayburn Tollway was dedicated in 2011 and now provides easy access to the DFW International Airport, Fort Worth and points west.

In 2009, the County created the Collin County Toll Road Authority (CCTRA) for the purpose of building and operating a 56-mile toll road along the northern and eastern boundaries of the County. The toll road is planned to connect Interstate 35 with Interstate 30 and allow traffic to loop around the Dallas-Fort Worth metroplex. The toll road is to be built in six phases, with completion of the final phase expected in 2030. Now open as a two lane access road is the portion of the toll road connecting U.S. Highway 75 and State Highway 121. This area of the County is experiencing rapid growth. Frontage roads are being built first, with main lanes expected to be completed at a later time. CCTRA has also begun construction and has completed some of the frontage roads to connect the Dallas North Tollway and State Highway 289 (Preston Road). The next phase will continue the toll road past State Highway 289 to U.S. Highway 75. Planning and purchases of land for right of way are on-going for the remaining phases.

Conversion of State Highway 121 to a toll road that is operated and managed by NTTA will continue to fund road construction for years to come. The State of Texas and the Regional Transportation Council (RTC) have identified various road and bridge projects across the Dallas – Fort Worth metroplex to fund with the transfer of the Sam Rayburn Tollway to the NTTA. A significant portion of these projects (over $900 million) are planned or under construction in Collin County.

Revenues estimates in 2015 are $301.5 million, an increase of 7.8% over the 2014 adopted budgeted estimates of $279.8 million. Property taxes of $202.7 million account for 67.5% of the County's revenue estimates.

The County's expenditure budget for 2014, which includes expenditures and transfers out, totals $301.5 million. The General Fund expenditure budget in 2015 is $166.6 million or 55.3% of the total adopted budget. An amount of $45.5 million (15.1% of the total) is budgeted for debt services.

There are several significant events expected to have an impact in 2015 and beyond:

Health care for indigent residents of Collin County is a major economic consideration for the County. Grants to community agencies that began in 2008 and continued in 2014 have helped the county to provide preventative and minor medical care in cities where the indigent population is located. Increasing medical care cost has contributed to the increasing demands on County resources to provide the same level of services offered in prior years. The Health Care Task Force continues to work with local providers and the County to ensure appropriate recommendations and decisions concerning the future availability of service and care. Medicaid 1115 plans are being put in place, with the County as the anchor county in a new state regional provider.

As of September 30, 2014, the unassigned fund balance for the General Fund was $153.9 million which is 86.9% of the General Fund expenditure budget for 2015 or 337 operating days. The County has eliminated all long-term unfunded liabilities from employee retirement and health care benefits by changing policies and using excess reserves to pay down the liabilities. As such, the County is in excellent shape to endure a future economic downturn; however, the economy of the County continues to thrive despite the sluggish recovery of the national economy. The County will continue to closely monitor its expenditures to ensure that taxpayer dollars are spent wisely and in accordance with sound fiscal management policies.

In June of 2014 the County issued bonds of $2.2 million for park and open space projects as well as $25.045 million for road and bridge projects. The County partners with cities located within the county to enhance parks and transportation for citizens across the County. There are additional bond issues planned in upcoming years that have been approved by voters.

In 2006, the County began a partnership with 11 other large counties to customize and implement a new case management software system. This is a multi-year project, with specific groups being implemented over a five year period. The sheriff's office and jail administration were completed in December 2011. In 2013 the County was awarded a $436 thousand grant by the Texas Indigent Defense Commission (TIDC) to continue to enhance this software to improve the processes for appointing and tracking information for providing attorneys to indigents. This project implementation has continued through 2014.

Additional projects include:

- Probate court implemented in February 2007
- Civil courts came on-line in March 2008
- Justice of the peace courts implemented in July 2009
- Configuration testing in process for criminal courts module, sheriff's office and jail administration
- District attorney implemented in 2010
- Constables implemented in 2011
- Sheriff's office, jail administration and community supervision implemented in December 2011

The property tax rate for 2015 was lowered to \$0.235 per \$100 from \$0.2375 per \$100 of valuation in 2014. Property owners continue to benefit from one of the lowest county tax rates in the state. The expected growth of the County and related increases in property values should be sufficient for the time being to fund County operations. Collin County is in excellent fiscal condition to endure any future revenue shortfalls, should they occur; however, significant revenue shortfalls are unlikely due to the vibrant economic activity occurring within the County. Future fiscal pressures from rising health care costs along with changing health care laws, demand for constituent services, and costs of road construction could place pressure on the low tax rate in future years.

REQUESTS FOR INFORMATION

This report is designed to provide a general overview of the County's finances for all interested parties. Questions concerning the information provided in this report or requests for additional financial information should be addressed to Mr. Jeff May, County Auditor/Chief Financial Officer, at 2300 Bloomdale Road, Suite 3100, McKinney, TX 75071.

BASIC
FINANCIAL STATEMENTS

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COLLIN COUNTY, TEXAS

Statement of Net Position

September 30, 2014

	Primary Government			
Assets:	**Governmental Activities**	**Business-Type Activities**	**Total**	**Component Unit**
Cash	$ 39,546,966	$ 1,515,927	$ 41,062,893	$ 136,638
Investments	366,382,253	1,729,254	368,111,507	-
Receivables (net of allowance for uncollectibles)	9,379,304	-	9,379,304	-
Prepaid expenses	775,129	-	775,129	-
Internal balances	18,949,775	(18,949,775)	-	-
Inventories	3,275,444	-	3,275,444	-
Capital assets (net of accumulated depreciation):				
Land	23,005,019	9,765,764	32,770,783	-
Buildings and system	162,681,584	-	162,681,584	-
Improvements other than buildings	4,314,794	-	4,314,794	-
Machinery and equipment	22,150,335	-	22,150,335	-
Infrastructure	178,010,731	-	178,010,731	-
Construction in progress	13,726,918	6,003,487	19,730,405	-
Total assets	$ 842,198,252	$ 64,657	$ 842,262,909	$ 136,638
Liabilities:				
Accounts payable and other current liabilities	16,168,129	-	16,168,129	132,113
Due to other governments	1,460	-	1,460	-
Unearned revenue	3,384,047	-	3,384,047	-
Noncurrent liabilities:				
Due within one year	36,534,647	-	36,534,647	-
Due in more than one year	398,101,884	-	398,101,884	-
Total liabilities	454,190,167	-	454,190,167	132,113
Net position:				
Net investment in capital assets	236,185,265	15,769,251	251,954,516	-
Restricted for:				
Debt service	12,533,122	-	12,533,122	-
Health Care Foundation	7,703,192	-	7,703,192	-
Myers Park Foundation	15,355	-	15,355	-
Grant programs	1,121,096	-	1,121,096	-
Unrestricted (deficit)	130,450,055	(15,704,594)	114,745,461	4,525
Total net position	$ 388,008,085	$ 64,657	$ 388,072,742	$ 4,525

The notes to the financial statements are an integral part of this statement.

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COLLIN COUNTY, TEXAS
Statement of Activities
For The Year Ended September 30, 2014

		Program Revenues			Net (Expense) Revenue and Changes in Net Position			
					Primary Government			
Fuctions/Programs	Expenses	Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Governmental Activities	Business-type Activities	Total	Component Unit
Primary Government:								
Governmental activities:								
General administration	$ 42,213,129	$ 8,253,921	$ 307,814	$ 6,450	$(33,644,944)	$ -	$(33,644,944)	
Judicial	16,727,057	4,652,364	933,411	1,375	(11,139,907)	-	(11,139,907)	
Financial administration	10,490,374	3,564,206	2,190	-	(6,923,978)	-	(6,923,978)	
Legal	10,514,652	286,131	228,355	1,711	(9,998,455)	-	(9,998,455)	
Public facilities	25,337,831	-	63,072	12,118	(25,262,641)	-	(25,262,641)	
Equipment services	2,855,093	-	2,774	5,967	(2,846,352)	-	(2,846,352)	
Public safety	57,137,306	10,117,479	3,910,944	222,851	(42,886,032)	-	(42,886,032)	
Public transportation	37,669,979	16,871,159	2,396,181	249,627	(18,153,012)	-	(18,153,012)	
Health and welfare	18,932,952	274,801	5,650,846	5	(13,007,300)	-	(13,007,300)	
Culture and recreation	2,275,303	707	284,418	21,476	(1,968,702)	-	(1,968,702)	
Conservation	255,552	-	-	-	(255,552)	-	(255,552)	
Interest and fiscal charges	14,406,180	-	145,556	-	(14,260,624)	-	(14,260,624)	
Total governmental activities	238,815,408	44,020,768	13,925,561	521,580	(180,347,499)	-	(180,347,499)	
Business-type activities:								
Toll Road Authority	-	-	-	-	-	-	-	
Total business-type activities	-	-	-	-	-	-	-	
Total primary government	238,815,408	44,020,768	13,925,561	521,580	(180,347,499)	-	(180,347,499)	
Component unit:								
Health and welfare	44,435	-	48,861	-				4,426
Total component unit	$ 44,435	$ -	$ 48,861	$ -				4,426
General revenues:								
Property taxes					189,588,043	-	189,588,043	-
Mixed beverage tax					3,406,138	-	3,406,138	-
Investment earnings					1,663,328	903	1,664,231	99
Miscellaneous					468,097	-	468,097	-
Total general revenues					195,125,606	903	195,126,509	99
Change in net position					14,778,107	903	14,779,010	4,525
Net position - beginning of year					373,229,978	63,754	373,293,732	-
Net position - end of year					$ 388,008,085	$ 64,657	$ 388,072,742	$ 4,525

The notes to the financial statements are an integral part of this statement.

COLLIN COUNTY, TEXAS

Balance Sheet

Governmental Funds

September 30, 2014

Assets	General Fund	General Road and Bridge	Health Care Foundation	RTR - Outer Loop
Cash	$ 31,640,835	$ 294,315	$ 773,439	$ -
Investments	151,861,844	19,825,195	7,059,016	3,377,541
Receivables:				
Taxes (net of allowance for uncollectibles)	2,271,673	52,443	-	-
Fines and fees	1,206,324	834,575	-	-
Due from other governments	1,327,864	374,459	-	-
Due from other funds	1,447,334	-	-	-
Advance to other funds	17,502,142	-	-	-
Interest	335,000	-	17,125	-
Miscellaneous	410,856	89,622	1,200	-
Inventories	587,535	2,687,909	-	-
Total assets	$ 208,591,407	$ 24,158,518	$ 7,850,780	$ 3,377,541
Liabilities, Deferred Inflows of Resources, and Fund Balances				
Liabilities:				
Accounts payable	$ 3,390,175	$ 390,929	$ 47,684	$ 170,983
Payroll related costs payable	5,340,608	143,546	57,299	-
Lease deposits payable	-	-	42,605	-
Due to other governments	554	15	-	-
Due to other funds	-	-	-	28,539
Unearned revenue	-	-	-	3,178,019
Total liabilities	8,731,337	534,490	147,588	3,377,541
Deferred Inflows of Resources:				
Unavailable revenue - fines and fees	1,206,324	834,575	-	-
Unavailable revenue - property taxes	2,011,641	53,822	-	-
Total deferred inflows of resources	3,217,965	888,397	-	-
Fund Balances:				
Nonspendable	16,764,677	-	-	-
Restricted	5,722,349	22,735,631	7,703,192	-
Committed	20,273,210	-	-	-
Unassigned	153,881,869	-	-	-
Total fund balances	196,642,105	22,735,631	7,703,192	-
Total liabilities, deferred inflows of resources, and fund balances	$ 208,591,407	$ 24,158,518	$ 7,850,780	$ 3,377,541

The notes to the financial statements are an integral part of this statement.

Debt Service	2007 Road Bond	Other Governmental Funds	Total
$ 40,846	$ 651,150	$ 1,532,575	$ 34,933,160
11,706,029	106,056,238	59,191,335	359,077,198
756,910	-	-	3,081,026
-	-	-	2,040,899
-	-	807,210	2,509,533
-	-	-	1,447,334
-	375,983	1,355,057	19,233,182
-	-	-	352,125
29,337	860,000	3,015	1,394,030
-	-	-	3,275,444
$ 12,533,122	$ 107,943,371	$ 62,889,192	$ 427,343,931
$ -	$ 1,330,437	$ 1,074,591	$ 6,404,799
-	-	70,243	5,611,696
-	-	-	42,605
-	-	891	1,460
-	-	1,249,669	1,278,208
-	-	206,028	3,384,047
-	1,330,437	2,601,422	16,722,815
-	-	-	2,040,899
674,916	-	-	2,740,379
674,916	-	-	4,781,278
-	-	-	16,764,677
11,858,206	106,612,934	60,287,770	214,920,082
-	-	-	20,273,210
-	-	-	153,881,869
11,858,206	106,612,934	60,287,770	405,839,838
$ 12,533,122	$ 107,943,371	$ 62,889,192	$ 427,343,931

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COLLIN COUNTY, TEXAS

Reconciliation of the Balance Sheet of the
Governmental Funds to the Statement of Net Position

September 30, 2014

Total fund balances – governmental funds		$ 405,839,838
Amounts reported for governmental activities in the statement of net position are different because:		
Prepaid capital project construction payments made to construct assets that will be donated to other local governments upon completion		775,129
Capital assets used in governmental activities are not financial resources and, therefore, are not reported in the funds. These capital assets (net of accumulated depreciation) consist of:		
Land	$ 23,005,019	
Buildings and systems	160,617,310	
Improvements other than buildings	4,314,794	
Machinery equipment	22,091,255	
Infrastructure	178,010,731	
Construction in progress	13,726,918	
Total capital assets		401,766,027
Other long-term assets are not available to pay for current period expenditures and, therefore, are reported as unavailable revenue in the funds:		
Fines and fees earned in the current fiscal year but are not available to provide for current financial resources, and therefore, are reported as unavailable revenue in the funds.	$ 2,040,899	
Property taxes earned in the current fiscal year but are not available to provide for current financial resources, and therefore, are unavailable in the funds.	2,740,379	
Total unavailable revenue		4,781,278
Internal service funds are used by management to charge the costs of certain activities to individual funds. The assets and liabilities of the internal service funds are included in governmental activities in the statement of net position.		8,134,851
Some liabilities are not due and payable in the current period and, therefore, are not reported in the funds. Those liabilities consist of:		
Interest payable	(4,039,191)	
Bonds, notes and loans payable	(391,410,000)	
Compensated absences	(6,742,127)	
Unamortized bond premiums	(31,097,720)	
Total liabilities		(433,289,038)
Net position of governmental activities		$ 388,008,085

The notes to the financial statements are an integral part of this statement.

COLLIN COUNTY, TEXAS

Statement of Revenues, Expenditures, and Changes in Fund Balances
Governmental Funds
For The Year Ended September 30, 2014

	General	General Road and Bridge	Health Care Foundation
Revenues:			
Property taxes	$ 140,746,018	$ 3,189,577	$ -
Licenses and permits	456,366	3,978	-
Federal and state funds	6,361,798	-	39,367
Fees and charges for services	19,099,538	16,510,912	227,777
Fines and forfeitures	1,763,311	1,969,559	-
Other local government funds	-	38,431	-
Rental	302,820	-	1,183,793
Interest	1,123,376	27,338	79,833
Miscellaneous	774,800	499,917	134,292
Total revenues	170,628,027	22,239,712	1,665,062
Expenditures:			
Current:			
General administration	37,944,750	-	-
Judicial	15,063,445	-	-
Financial administration	10,301,765	-	-
Legal	10,388,114	-	-
Public facilities	10,804,060	-	79,894
Equipment services	2,217,536	-	-
Public safety	53,594,955	-	-
Public transportation	-	15,510,793	-
Health and welfare	13,679,712	-	2,361,082
Culture and recreation	937,036	-	-
Conservation	256,500	-	-
Capital outlay	4,226,191	3,244,208	7,283
Debt service:			
Principal retirement	-	-	-
Interest and fiscal charges	-	-	-
Bond issuance costs	-	-	-
Advance refunding escrow	-	-	-
Total expenditures	159,414,064	18,755,001	2,448,259
Excess (deficiency) of revenues over (under) expenditures	11,213,963	3,484,711	(783,197)
Other financing sources (uses):			
Transfers in	85,141	-	-
Transfers out	(460,896)	-	-
Sale of assets	84,928	153,305	-
Debt issuance	-	-	-
Refunding escrow payments	-	-	-
Premium (discount) on sale of bonds	-	-	-
Total other financing sources (uses)	(290,827)	153,305	-
Net change in fund balances	10,923,136	3,638,016	(783,197)
Fund balances – beginning	185,718,969	19,097,615	8,486,389
Fund balances – ending	$ 196,642,105	$ 22,735,631	$ 7,703,192

The notes to the financial statements are an integral part of this statement

RTR - Outer Loop	Debt Service	2007 Road Bond	Other Governmental Funds	Total
$ -	$ 45,583,847	$ -	$ 400	$ 189,519,842
-	-	-	-	460,344
-	145,556	-	6,996,927	13,543,648
-	-	-	3,568,618	39,406,845
-	-	-	416,207	4,149,077
-	-	1,500,000	-	1,538,431
-	-	-	-	1,486,613
-	7,419	330,870	86,032	1,654,868
-	-	-	174,052	1,583,061
-	45,736,822	1,830,870	11,242,236	253,342,729
-	-	-	840,363	38,785,113
-	-	-	1,652,126	16,715,571
-	-	-	-	10,301,765
-	-	-	136,369	10,524,483
-	-	-	22,673	10,906,627
-	-	-	-	2,217,536
-	-	-	3,040,948	56,635,903
-	-	-	342,517	15,853,310
-	-	-	2,983,618	19,024,412
-	-	-	-	937,036
-	-	-	-	256,500
-	-	12,905,428	4,185,872	24,568,982
-	27,165,000	-	-	27,165,000
-	16,196,082	-	-	16,196,082
-	225,921	-	-	225,921
-	282,530	-	-	282,530
-	43,869,533	12,905,428	13,204,486	250,596,771
-	1,867,289	(11,074,558)	(1,962,250)	2,745,958
-	-	-	643,195	728,336
-	-	-	(267,440)	(728,336)
-	-	338,385	51	576,669
-	21,295,000	25,045,000	2,085,000	48,425,000
-	(23,200,000)	-	-	(23,200,000)
-	1,937,946	2,440,000	115,000	4,492,946
-	32,946	27,823,385	2,575,806	30,294,615
-	1,900,235	16,748,827	613,556	33,040,573
-	9,957,971	89,864,107	59,674,214	372,799,265
$ -	$ 11,858,206	$ 106,612,934	$ 60,287,770	$ 405,839,838

COLLIN COUNTY, TEXAS

Reconciliation of the Statement of Revenues, Expenditures, and Changes in Fund Balances of the Governmental Funds to the Statement of Activities

For The Year Ended September 30, 2014

Net change in fund balances – governmental funds		$ 33,040,573
Amounts reported for governmental activities in the statement of activities are different because:		
Capital asset purchases are reported as expenditures in governmental funds. However, in the statement of activities, the cost of capital assets is allocated over their estimated lives as depreciation expense. In the current period, these amounts are:		
Capital assets additions	$ 15,864,174	
Capital assets decreases	(975,008)	
Depreciation expense for all capital assets	(33,253,293)	
Total change in capital assets activity		(18,364,127)
Bond proceeds provide current financial resources. However, in the statement of activities, some items do not require the use of current financial resources and therefore are not reported as expenditures in the governmental funds. These activities consist of:		
Debt issuance and refunding increases long-term debt in statement of net position.	(48,425,000)	
Debt repayment is expenditure in governmental funds, but reduces long-term liabilities in the statement of net position.	50,365,000	
Bond premiums and bond discounts require the use of current financial resources but are amortized over the life of the bond in the statement of activities.	(2,347,201)	
Total long-term debt		(407,201)
Internal service funds are used by management to charge the costs of certain activities to individual funds. The net revenues over expenses of the internal service funds is reported with the governmental activities.		515,814
Revenues in the statement of activities that do not provide current financial resources are not reported as revenues in the funds.		
Property taxes	(45,840)	
Fines and forfeitures	64,143	
Total changes in revenues		18,303
Some items reported in the statement of activities do not require the use of current financial resources and therefore are not reported as expenditures in governmental funds. The change in these expenditures are as follows:		
Interest owed but not yet paid	152,608	
Compensated absences	(177,863)	
Total changes in long-term liabilities		(25,255)
Change in net position of governmental activities		$ 14,778,107

The notes to the financial statements are an integral part of this statement.

COLLIN COUNTY, TEXAS

Statement of Net Position

Proprietary Funds

September 30, 2014

	Business-type Activities – Collin County Toll Road Authority	Governmental Activities – Internal Service Funds
Assets:		
Current assets:		
Cash	$ 1,515,927	$ 4,613,804
Investments	1,729,254	7,305,055
Receivables:		
Miscellaneous receivables	-	1,689
Total current assets	3,245,181	11,920,548
Capital assets (net of accumulated depreciation):		
Land	9,765,764	-
Buildings and systems	-	2,064,274
Machinery and equipment	-	59,080
Construction in progress	6,003,487	-
Total capital assets	15,769,251	2,123,354
Total assets	19,014,432	14,043,902
Liabilities:		
Current liabilities:		
Accounts payable	-	3,494,817
Payroll payable	-	22,312
Claims payable	-	1,939,389
Due to other funds	-	169,126
Total current liabilities	-	5,625,644
Noncurrent liabilities:		
Advance from other funds	18,949,775	283,407
Total noncurrent liabilities	18,949,775	283,407
Total liabilities	18,949,775	5,909,051
Net position:		
Net investment in capital assets	15,769,251	2,123,354
Unrestricted (deficit)	(15,704,594)	6,011,497
Total net position	$ 64,657	$ 8,134,851

The notes to the financial statements are an integral part of this statement.

COLLIN COUNTY, TEXAS

Statement of Revenues, Expenses, and Changes in Net Position

Proprietary Funds

For The Year Ended September 30, 2014

	Business-type Activities – Collin County Toll Road Authority	Governmental Activities – Internal Service Funds
Operating revenues:		
Premiums	$ -	$ 25,410,201
Charges for services	-	1,512,693
Other	-	1,408,514
Total operating revenues	-	28,331,408
Operating expenses:		
Administration	-	3,863,703
Benefits	-	23,851,154
Depreciation	-	111,001
Total operating expenses	-	27,825,858
Operating income (loss)	-	505,550
Nonoperating revenues (expenses):		
Gain on sale of asset	-	1,804
Interest income	903	8,460
Total nonoperating revenues (expenses)	903	10,264
Change in net position	903	515,814
Total net position – beginning	63,754	7,619,037
Total net position – ending	$ 64,657	$ 8,134,851

The notes to the financial statements are an integral part of this statement.

COLLIN COUNTY, TEXAS

Statement of Cash Flows

Proprietary Funds

For The Year Ended September 30, 2014

	Business-type Activities – Collin County Toll Road Authority	Governmental Activities – Internal Service Funds
Cash flows from operating activities:		
Receipts from customers and users	$ -	$ 27,051,144
Insurance recovery	-	1,280,535
Administration costs	-	(4,146,904)
Benefits paid	-	(23,602,423)
Net cash provided by operating activities	-	582,352
Cash flows from capital financing activities:		
Purchases of capital assets	(397,166)	-
Proceeds from sale of capital assets	-	1,804
Net cash used by capital financing activities	(397,166)	1,804
Cash flows from investing activities:		
Sales (Purchases) of investments	(582)	1,632,985
Advance from other funds	1,854,450	-
Interest income	903	8,460
Net cash provided by investing activities	1,854,771	1,641,445
Net increase (decrease) in cash and cash equivalents	1,457,605	2,225,601
Cash and cash equivalents – October 1, 2013	58,322	2,388,203
Cash and cash equivalents – September 30, 2014	$ 1,515,927	$ 4,613,804
Reconciliation of operating loss to net cash provided (used) by operating activities:		
Operating loss	$ -	$ 505,550
Adjustments to reconcile operating loss to net cash provided (used) by operating activities:		
Depreciation expense	-	111,001
Other nonoperating expenses	-	(8,508)
Change in intergovernmental receivable	-	271
Change in accounts payable	-	244,510
Change in payroll payable	-	3,809
Change in due to other funds	-	9,126
Change in advance from other funds	-	(283,407)
Total adjustments	-	76,802
Net cash used in operating activities	$ -	$ 582,352
Schedule of non-cash capital and related financing activities:		
Contributions of capital assets	$ 55,959	$ -

The notes to the financial statements are an integral part of this statement.

COLLIN COUNTY, TEXAS

Statement of Fiduciary Assets and Liabilities

Fiduciary Funds

September 30, 2014

Assets		
Cash	$	26,166,299
Investments		16,679,497
Assets held as security deposits		3,156,985
Receivables:		
Miscellaneous receivables		53,503
Total assets	$	46,056,284
Liabilities		
Due to other governments	$	9,298,488
Due to others/vouchers payable		33,272,552
Cash bonds outstanding		3,473,477
Cash deposits outstanding		11,767
Total liabilities	$	46,056,284

The notes to the financial statements are an integral part of this statement.

NOTES TO THE
FINANCIAL STATEMENTS

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I. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The accounting and reporting policies of the County reflected in the accompanying financial statements conform to accounting principles generally accepted in the United States of America applicable to state and local governments. Accounting principles generally accepted in the United States of America for local governments are those promulgated by the Governmental Accounting Standards Board (GASB) in *Governmental Accounting and Financial Reporting Standards*. The financial report has been prepared in accordance with GASB. The most significant accounting and reporting policies of the County are described in the notes to the financial statements as required by GASB Statement Number 34.

(a) Reporting Entity

Primary Government

Collin County (the County) is a public corporation and political subdivision of the State of Texas. The Commissioners Court comprised of the elected County Judge and four elected Commissioners, is the general governing body of the County in accordance with Article 5, Paragraph 18 of the Texas Constitution. The County provides the following services as authorized by the statutes of the State of Texas: justice administration (courts, juries, constables, district attorney, clerks, investigators, sheriff, jail, fire marshal, and medical examiner), tax collection, road and bridge maintenance, juvenile services and assistance to indigents.

The accompanying basic financial statements present the County and its component units, entities for which the County is considered to be financially accountable. Blended component units, while legally separate entities, are in substance a part of the County's operations and are appropriately presented as funds of the primary government. The discretely presented component unit is reported in a separate column in the government-wide financial statements to emphasize that it is legally separate from the County.

Blended Component Units

For reporting purposes, the Collin County Housing Finance Corporation (HFC), the Collin County Toll Road Authority (CCTRA) and the Collin County Health Care Foundation (HCF) are blended component units. The Commissioners Court sits as the governing board of the HFC, CCTRA and HCF. The HFC issues single and multiple-family revenue bonds that are disclosed as conduit debt in Footnote IV (F) and provides grants to qualified entities that enhance housing affordability for citizens of the County with fees that were revenues for the HFC. There are no other financial operations or balances for this entity. Required financial reporting to show compliance is provided by the administrator, Bank of New York Mellon, acting as trustee for the various issues and overseeing legal compliance reporting. The HCF was organized under the Texas Nonprofit Corporation Act to assist the County by providing indigent health care. Financial activity is reported as a major special revenue fund within the governmental fund financial statements. The CCTRA was created to finance the future Outer Loop project within the County with future toll revenues once the construction is complete. The CCTRA is reported as an enterprise fund in the financial statements.

I. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

(a) Reporting Entity (Continued)

Discretely presented component unit

The Child Protective Services Board is the County's only discretely presented component unit. The Child Protective Services Board provides additional assistance to foster children in the care of the State. The Board is appointed by the Commissioners Court but functions independent of County influence other than a limited amount of County budgeted funding which is supplemented with grant funds. The Board proposed a budget for funding and the Commissioners Court authorized the budget as part of the County's annual adopted budget.

(b) Government–wide and Fund Financial Statements

The government-wide financial statements include the statement of net position and the statement of activities. Government-wide statements report, except for County fiduciary activity, consolidated information on all of the activities of the County and its component units. The effect of inter-fund transfers has been removed from these statements but continues to be reflected in the fund statements. Inter-fund services provided and used are not eliminated in the process of consolidation. Governmental activities' primary support is derived from taxes, fees, and federal and state funding.

The statement of activities exhibits the degree to which the direct expenses of a given function or segment are offset by program revenues. Direct expenses are those that are clearly identifiable with a specific function. Program revenues include 1) charges to customers or applicants who purchase, use or directly benefit from goods, services or privileges provided by a given function and 2) grants and contributions that are restricted to meeting the operational or capital requirements of a particular function or segment. Taxes and other items not properly included in program revenues are reported as general revenues.

Separate fund financial statements are provided for governmental funds, proprietary funds, and fiduciary funds even though the fiduciary funds are excluded from the government-wide financial statements. The General Fund, the General Road and Bridge Special Revenue Fund, the Regional Toll Road (RTR) – Outer Loop Special Revenue Fund, the Debt Service Fund and the 2007 Road Bond Capital Project Fund meet the criteria or have been selected by management as *major governmental funds*. The Health Care Foundation Special Revenue Fund is being reported as a major fund even though it did not meet the requirement criteria because it serves a major function of the County, indigent health care. Each major fund is reported in separate columns in the fund financial statements. Nonmajor funds include other Special Revenue and Capital Projects funds. The combined amounts for these funds are reflected in a single column in the fund financial statements. Detailed statements for nonmajor funds are presented within Combining and Individual Fund Statements and Schedules.

(c) Measurement Focus, Basis of Accounting, and Financial Statement Presentation

The government-wide financial statements are reported using the economic resources measurement focus and the accrual basis of accounting. Revenues are recorded when earned and expenses are recorded when a liability is incurred, regardless of the timing of related cash flows. Property taxes are recognized as revenues in the year for which they are levied. Major revenue types, which have been accrued, are District Clerk and County Clerk fees, Justice of the Peace fees, investment earnings, intergovernmental revenue and charges for services. Grants are recognized as revenue when all applicable eligibility requirements are met.

Governmental fund level financial statements are reported using the current financial resources measurement focus and the modified accrual basis of accounting. Revenues are recognized as soon as they are both measurable and available. Revenues are considered available when they are collectible within the current period or soon enough thereafter to pay liabilities of the current period. Measurable and available revenues include revenues expected to be received within 60 days after the year ends. Receivables which are measurable but not collectible within 60 days after the end of the fiscal period are reported as unavailable revenue. Property taxes that were levied October 1, 2013, have been assessed to finance the budget of the fiscal year beginning October 1, 2013. In accordance with the modified accrual basis of accounting, the balances outstanding at November 30, 2013, outstanding 60 days after year-end, are reflected as unavailable revenue and taxes receivable in the fund financial statements. Property taxes and interest earned as of September 30 and received within 60 days of year-end are accrued as income in the current period. Expenditures generally are recorded when a liability is incurred; however, debt service expenditures, claims and judgments, and compensated absences are recorded only when payment is due.

The County reports the following major governmental funds:

The General Fund is the general operating fund of the County. The General Fund is used to account for all financial resources except those required to be accounted for in another fund. Major revenue sources include property taxes, fees, intergovernmental revenues, fines and investment income. Primary expenditures are for general administration, public safety, and judicial, state prosecution, and capital outlay.

The General Road and Bridge Special Revenue Fund is used to account for the activities affecting County-owned roads, including right-of-way acquisitions, construction, operations, and maintenance. Expenditures for shared cost road projects with the State are also included. This constitutional fund is financed in part by a designated part of the annual property tax levy, court fines and fees associated with vehicle registration.

The Health Care Foundation Special Revenue Fund is used to account for receipts restricted for indigent health care and related expenditures as administered by the Collin County Health Care Foundation. The Health Care Foundation was created with the sale of the county hospital in 1983 with the intent of providing healthcare to indigents with investment earnings or until the fund is depleted. The Health Care Foundation has purchased some buildings that are leased to the County and to businesses as an additional source of revenue. The fund also receives revenues from federal and state government sources.

The Regional Toll Revenue – Outer Loop Phase 3 Special Revenue Fund is used to account for a grant from the State of Texas funded with Regional Toll Revenue. These funds will be used to construct a portion of the Outer Loop project.

The Debt Service Fund is used to account for property tax revenues restricted to be used to meet Collin County's debt obligations.

The 2007 Road Bond Capital Project Fund is used to account for proceeds from road bonds authorized by voters on November 6, 2007. Total authorized for roads and highways is $235,600,000. Only a portion of the bonds have been issued to-date in five series, beginning 2008 and ending 2014. The remainder of the bonds will be sold as needed. The total sold through September 30, 2014 is $151,245,000.

Series 2008 - $25,020,000 issued July 14, 2008
Series 2009 - $10,070,000 issued September 29, 2009
Series 2009B - $5,590,000 issued September 29, 2009
Series 2011 - $28,490,000 issued June 16, 2011
Series 2012 - $31,365,000 issued June 14, 2012
Series 2013A - $25,665,000 issued June 1, 2013
Series 2014 - $25,045,000 issued June 9, 2014

Additionally, the County reports the following fund types:

Special Revenue Funds are used to account for specific revenue sources (other than debt proceeds) that are restricted by an outside source to be used for specified purposes.

Capital Project Funds are used to account for debt proceeds to be used for the acquisition or construction of major capital assets and infrastructure.

Internal Service Funds are used to account for financing activities internally for the County or a combination of other governments including the County on a cost-reimbursement basis. This includes activities for employee health care, workers' compensation insurance, liability insurance, and optional payroll deductions as well as an animal shelter that services the County as well as other cities within Collin County.

Enterprise Funds are used to account for business-type activities. The County's only enterprise fund is the Collin County Toll Road Authority Fund (CCTRA). Commissioners Court authorized the creation of the CCTRA enterprise fund in 2009. This fund is used to track future activity for the Outer Loop road project. Currently the only activity in this fund is funding right-of-way and road construction. It is the intention of Commissioners Court to eventually generate toll revenues to support this activity.

Agency Funds are used to account for situations where the County's role is strictly custodial in nature. These funds are held for various reasons being legal, contractual or operational. Examples of this are the courts often require funds to be held in trust by the County, the tax office collects funds on behalf of local governments and the state, and the Sheriff collects funds on behalf of inmates to make purchases in the Commissary. As a result, all assets reported in an Agency Fund are offset by a liability to the party or entity on whose behalf the assets are held.

Proprietary funds distinguish operating revenues and expenses from non-operating items. Operating revenues and expenses generally result from providing services and producing and delivering goods or services in connection with a proprietary fund's principal ongoing operations. All revenues and expenses not meeting this definition are reported as non-operating revenues and expenses.

The County's fund balance policy indicates that the County will typically use restricted, committed, and/or assigned fund balances, in that order, prior to using unassigned resources, but the County reserves the right to deviate from this general strategy.

(d) Assets, Liabilities, and Net position or Equity

(1) Cash and Investments

Financial statements reporting cash include cash on hand and demand deposits. In accordance with State of Texas statutes and the County's Investment Policy idle funds are invested in 2a-7 pools, in obligations of U. S. Agencies, municipal bonds, certificate of deposit and other interest bearing accounts with the main objective being the protection of principal.

The County and its component units report investments at fair value in accordance with provisions of GASB Statement Number 31. All investment income is recognized as revenue in the appropriate fund's statement of activity and/or statement of revenues, expenditures and changes in fund balance.

(2) Receivables and Payables

Accounts Receivable

Property taxes are recognized as revenues in the period for which the taxes are levied, regardless of the lien date. Property taxes for the County are levied based on taxable value on the lien date of January 1 prior to September 30 of the same year. They become due October 1 of that same year and delinquent after January 31 of the following year. Accordingly, receivables and revenues for prior-year levies delinquent at year-end and outstanding 60 days after year end are reflected on the government-wide statement based on the full accrual method of accounting and under the modified accrual method in the fund statements.

Accounts receivable from other governments include amounts due from grantors for approved grants for specific programs and reimbursements for services performed by the County. Grants are recorded as receivables and revenues at the time all eligibility requirements have been met and reimbursable costs are incurred. Revenues received in advance of the costs being incurred are recorded as unearned revenue in the fund statements.

Reimbursements for services performed are recorded as receivables and revenues when they become eligible for accrual in the government-wide statements. Included are fines and costs assessed by court action and billable services for certain contracts.

Receivables are shown net of an allowance for uncollectibles.

Lending or borrowing between funds is reflected as “due to” or “due from” (current portion) or “advances to/from other funds” (non-current). Advances between funds, as reported in the fund financial statements, are offset by a fund balance reserve account in the applicable governmental funds to indicate that they are not available for appropriation and are not available financial resources. Inter-fund activity reflected in “due to” or “due from” is eliminated on the government-wide statements with the exception of internal balances between the governmental activities and business-type activities.

(3) Inventories and Pre-paid Items

Inventory is valued at average cost. Inventory in the General and Special Revenue Funds consists of expendable supplies held for consumption and the cost is recorded as expenditure at the time the inventory items are used. Reported inventories are offset by nonspendable fund balance, which indicates that they do not constitute “available spendable resources” even though they are a component of net current assets.

Certain payments to vendors reflect costs applicable to future accounting periods and are normally recorded as prepaid items in both government-wide and fund financial statements. The government-wide statements show prepaid expenses of $775,129. This balance represents advances to cities within the County in which the County agreed to pay half of road projects.

(4) Restricted Equity

Upon receipt, contributions, grants, and other revenues restricted by donors for specific purposes are added to restricted assets of the County. Each fund with restricted fund balance has an administrator who is responsible for monitoring the revenues and expenses and for ensuring that the fund’s resources are being used for the purpose stated. The Health Care Foundation, a nonprofit corporation, is reported as restricted because of legal restrictions. Resources set aside for specific purposes, such as required within the terms of bond agreements or self-insurance arrangements, are reported as restricted.

(5) Capital Assets

Capital assets, which include land, buildings and improvements, equipment, and infrastructure, are reported in the government-wide financial statements. Capital assets in the equipment category are defined as equipment with an acquisition value of $5,000 or more. Infrastructure assets include County-owned roads, bridges, signs, and improvements to land. Capital assets are recorded at historical costs if purchased or constructed. Donated capital assets are recorded at estimated fair market value at the date of donation.

The costs of normal maintenance and repair that do not add to the value of the asset or materially extend the asset's life are expensed rather than capitalized.

Capital assets and infrastructure are depreciated using the straight-line method over the following estimated useful lives:

Assets	Years
Buildings	30
Building improvements	5 to 30
Facilities and land improvements	10 to 30
Bridges	10 to 50
Infrastructure and improvements	20
Furniture and equipment	1 to 15
Computer equipment	1 to 8
Machinery and equipment	1 to 10
Medical and lab equipment	1 to 15
Voice communication equipment	3
Vehicles	5 to 10

(6) Compensated Absences

A liability for unused paid time off accruals and compensatory time for all fulltime employees is calculated and reported in the government-wide financial statements. For financial reporting, the following criteria must be met to be considered as compensated absences: a) leave or compensation is attributable to services already rendered, and b) leave or compensation is not contingent on a specific event (such as illness).

GASB Interpretation 6 indicates that liabilities for compensated absences should only be recognized in the fund statements to the extent that the liabilities have matured and are payable out of current available resources.

The County's permanent, fulltime employees accrue 7.39 hours of paid time off (PTO) per pay period (biweekly) from date of employment to four years of service; 8.31 hours per pay period from 5 years to 9 years of service; 9.23 hours per pay period from 10 to 19 years of service; and 10.15 hours per pay period for 20 plus years of continuous employment. The maximum accrual is 200, 240, 320, and 400 hours of PTO for the respective accrual categories specified. Upon termination from the County, an employee is entitled to payment for the total accrued hours as long as they have completed at least one year of continuous service.

(7) Long-term Obligations

In the government-wide financial statements, long-term debt and other long-term obligations are reported as liabilities under governmental activities. On new bond issues, bond premiums and discounts are deferred and amortized over the life of the bonds. Bonds payable are reported net of the applicable bond premium or discount. Bond issuance costs are recognized in the year the bonds are issued.

In the fund financial statements, governmental fund types recognize bond premiums and discounts, as well as bond issuance costs, in the current year. The face amount of debt issued is reported as other financing sources. Premiums and discounts received on debt issuances are reported as other financing sources (uses). Issuance costs, whether or not withheld from the actual debt proceeds received, are reported as debt service expenditures.

(8) Unemployment and Workers' Compensation Benefits

The County is a reimbursing employer for unemployment compensation benefits. Reimbursements are made on the basis of regular billings received from the Texas Employment Commission. The County also processes workers' compensation payments through a third-party administrator as the claims become due. These obligations are budgeted and paid from current resources (Note V (a)).

(9) Fund Equity

In the fund financial statements, governmental funds report fund balances that are not available for appropriation or are legally restricted by outside parties for a specific purpose. As required by GASB Statement Number 54, these fund balance amounts are reported as nonspendable, restricted, committed or unassigned. Collin County has no assigned fund balances.

1. Nonspendable Fund Balance

The nonspendable fund balance is in a form that is not available for use. Collin County has two types of nonspendable fund balance, advances to others and inventories as shown below:

Fund Balances:		
Nonspendable:		
General Fund:		
Advances:		
Collin County Toll Road Authority	$ 15,718,735	
North Texas Groundwater Conversation District	175,000	
Animal Shelter	283,407	
Inventories	587,535	
Total General Fund		$ 16,764,677
Total Nonspendable		$ 16,764,677

2. Restricted Fund Balance

Limitations are imposed on a portion of fund balance by creditors, grantors, contributors, or laws and regulations of the state or federal governments. These funds are classified as restricted fund balance. Restricted fund balances reported in the governmental fund statements are as follows:

Fund Balances:		
Restricted:		
General Fund:		
Housing Finance Corporation	$ 577,264	
Records Archive	4,837,053	
District Court Records Technology	308,032	
Total General Fund		$ 5,722,349
General Road and Bridge:		
Public transportation		22,735,631
Health Care Foundation:		
Indigent healthcare		7,703,192
Debt Service Funds:		
Debt service activity		11,858,206
2007 Road Bond:		
Road and bridge projects		106,612,934
Other Governmental Funds:		
General administration	18,953,985	
Judicial	6,421,845	
Financial administration	2	
Legal	1,542,850	
Public facilities	1,882,989	
Public safety	1,528,111	
Public transportation	19,399,117	
Health and welfare	38,049	
Culture and recreation	10,520,822	
Total Other Governmental Funds		60,287,770
Total Restricted		$ 214,920,082

3. Committed Fund Balance

Fund balance that has self-imposed limitations placed by the Commissioners Court. The Commissioners Court ordered these restrictions with a Commissioners Court Order and in some cases adopted in the annual budget in separate funds for management which are rolled into the general fund for reporting. If these funds are not ordered to be committed in future years they will be merged back into the General Fund since it is part of the budget adoption and not shown as committed. Committed fund balance is reported in the governmental fund statements as follows:

Fund Balances:		
Committed:		
General Fund:		
Encumbrances	$ 6,144,951	
Capital murder cases	2,000,000	
Special elections	200,000	
Utilities price spikes	500,000	
Permanent Improvement	11,428,259	
Total General Fund		$ 20,273,210
Total Committed		$ 20,273,210

II. STEWARDSHIP, COMPLIANCE AND ACCOUNTABILITY

(a)Budgetary Information

Annual budgets are adopted for all governmental funds with the exception of capital project funds and the following special revenue funds: RTR – Outer Loop Phase 3 Fund, Tax Assessor/Collector Motor Vehicle Tax Fund, Sheriff Forfeiture Fund, District Attorney State Forfeiture, District Attorney Federal Treasury Forfeiture, District Attorney Federal Justice Forfeiture, LEOSE Education Fund, District Attorney Service Fee Fund, SCAAP Fund, Juvenile Case Manager Fund, District Attorney Pretrial Intervention Program Fund, District Attorney Apportionment Fund and the Grants Fund. The budget for capital project funds is adopted by project on a project-life term at the time debt is issued, and the budget is carried over from year to year until the funding is exhausted. All grant fund budgets are adopted at the grantor level and adoption is administerial by Commissioners Court. All governmental fund annual appropriations lapse at year end.

On or before the last day of May of each year all departments of the County submit requests for appropriations to the Budget Officer. The initial budget request and the Budget Officer's recommendations are provided to the Commissioners Court beginning in early July. Commissioners Court holds budget hearings to allow departments to justify requests not included in the Budget Officer's proposed budget. They hold public hearings and publish notices starting in August on the timetable required by state statute. By September 1st or as soon as possible thereafter the budget and the tax rate are adopted with tax notices mailed on or after October 1st.

The appropriated budget is adopted annually by fund, department, and activity at the legal level of budgetary control. The categories of salary and benefits, training and travel, maintenance and operating, and capital outlay are the legal levels used. Effective September 1, 2005, the Commissioners Court amended this policy to allow the Budget Officer to amend the budget as needed for appropriation line items with a "For Your Information" notification to the Court for all amendments over $5,000.

Encumbrance accounting is utilized by the County. Encumbrances (i.e. outstanding purchase orders, contracts) outstanding at year end are reported as restrictions or commitments of fund balance and do not constitute expenditures or liabilities because the expenditures are not recognized until the goods or services have been received. The encumbrances at year-end are carried forward to the next year and the budget is increase to accommodate the additional expenditures.

III. DETAILED NOTES ON ALL FUNDS

(a) Deposits and Investments

Chapter 2256 of the Texas Government Code (the Public Funds Investment Act) authorizes the County to invest its funds under a written investment policy (the "Investment Policy") that primarily emphasizes safety of principal and liquidity. It also addresses investment diversification, yield, and maturity along with quality and capability of investment personnel. The investment policy defines what constitutes the legal list of investments allowed under the policy, which excluded certain investment instruments allowed under Chapter 2256 of the Local Government Code.

The County's deposits and investments are invested pursuant to the Investment Policy, which is approved annually by Commissioners Court. The Investment Policy includes a list of authorized investment instruments and a maximum allowable stated maturity of any individual investment by group of funds. In addition, it includes an "Investment Strategy Statement" that specifically addresses each fund group's investment options and describes the priorities of preservation and safety of principal, liquidity, marketability, diversification, and yield.

The County Investment Officers, the County Auditor and the Budget Director, jointly submit an investment report as specified by chapter 2256 of the Texas Government Code each quarter to Commissioners Court. The report details the investment position of the County and the compliance of the investment portfolio as it relates to both the adopted investment policy and Texas State Statute.

The County's demand deposits, including certificates of deposit, are fully covered by collateral held by the County's agents, Federal Reserve Bank of New York, or the Federal Home Loan Bank of Dallas, in the County's name. The investments are comprised of various governmental agencies issues with a rating of A or better; and Federal Deposit Insurance Corporation (FDIC) insurance. The County's collateral agreements require the market value of securities held by its agents to exceed the total amount of cash and investments held by American National Bank (depository bank), and View Point Bank at all times. All other deposits are held in trust and are limited to individual accounts fully insured by Federal Deposit insurance.

The County's investment policy and depository contract are in accordance with the laws of the State of Texas. The policy and depository contract identify authorized investments and investment terms, collateral requirements, and safekeeping requirements for collateral. All the County's investments are insured, registered, or the County's agent holds the securities in the County's name.

The Investment Officers are authorized to invest in the following investment instruments provided that they meet the guidelines of the investment policy:

1. Obligations including letters of credit of the United States or it's agencies and Instrumentalities;

2. Direct obligations of this state or its agencies and instrumentalities;

3. Collateralized mortgage obligations directly issued by a federal agency or instrumentality of the United States, the underlying security for which is guaranteed by an agency or instrumentality of the United States;

4. Other obligations, the principal and interest on which are unconditionally guaranteed or are insured by or backed by the full faith and credit of this state or the United States or their respective agencies and instrumentalities;

5. Obligations of states, agencies, counties, cities, and other political subdivisions of any state rated as to investment quality by a nationally recognized investment rating firm not less than A or its equivalent;

6. Certificates of deposit issued by a state or national bank, a savings and loan association domiciled in this state, or a state or federal credit union domiciled in this state and is:

    a. Guaranteed or insured by the Federal Deposit Insurance Corporation or its successor or the National Credit Union Share Insurance Fund or its successor,

    b. Secured by obligations that are described by Section 2256.009(a), including mortgage backed securities directly issued by a federal agency or instrumentality that have a market value of not less than the principal amount of the certificates, but excluding those mortgage backed securities of the nature described by section 2256.009(b),

    c. Secured in any other manner and amount provided by law for deposits of the investing entity, and

    d. Solicited by bid orally, in writing, electronically, or any combination of these methods outlined under Texas Government Code 2256.005(c).

7. Fully collateralized repurchase agreements, as defined in the Public Funds Investment Act, Government Code Section 2256.011(a)(14), (b), (c), and (d), is an authorized investment if the repurchase agreement:

    a. Has a defined termination date,

    b. Is secured by obligations described by Section 2256.009(a)(1) of the Public Funds Investment Act,

    c. Requires the securities being purchased by the County to be pledged to the County, held in the County's name, and deposited at the time the investment is made with the County or with a third party selected and approved by the County,

    d. Is placed through a primary government securities dealer, as defined by the Federal Reserve, or a financial institution doing business in the state of Texas.

The County participates in four Local Government Investment Pools: TexPool, TexSTAR, Logic and Texas Class. The State Comptroller oversees TexPool, with a third party managing the daily operations of the pool under contract. Although there is no regulatory oversight over TexSTAR, a Board, consisting of three directors representing participants, one from a management service providing investment services and one from a company providing participant service and marketing to the Board, maintains oversight responsibility. Logic and Texas Class are overseen by a governing board consisting of individuals from participating government entities in the pool.

The County invests in TexPool and TexSTAR to provide its primary liquidity needs. Both are local government investment pools established in conformity with the Inter-local Cooperation Act, Chapter 791 of the Texas Government Code and the Public Investment Act, Chapter 2256 of the Code. TexPool and TexSTAR are 2(a)7 like funds, meaning that they are structured similar to a money market mutual fund. Such funds allow shareholders the ability to deposit or withdraw funds on a daily basis. Interest rates are adjusted daily. TexPool and TexSTAR are rated AAAm and must maintain a weighted average maturity not to exceed 60 days. The County considers the holdings in these funds to have a one day weighted average maturity due to the fact that the share position can usually be redeemed each day at the discretion of the shareholder, short of a significant change in value.

The portfolio balances of all investments including cash equivalents for all funds at September 30, 2014, are as follows:

Type of Investment		
Local government investment pools	$	170,916,331
Federal agency bonds		68,186,853
Municipal bonds		20,595,291
Certificates of deposits		103,096,316
Money Market		21,996,214
Total investments	$	384,791,005

The risk exposures for governmental individual major funds, non-major funds in the aggregate, internal service funds, and fiduciary fund types of the County are not significantly greater than the deposit and investment risk of the primary government. The Investment Policy segregates the portfolios into strategic fund-group categories: General Operating Fund Group, Debt Service Fund Group; Capital Project Bond Fund Group; and Other Funds Group.

The County's investment policy seeks to control credit risk. Such risk shall be controlled by investing in compliance with the County's investment policy, qualifying the brokers and financial institutions with which the County transacts, sufficient collateralization, portfolio diversification, and limiting maturities.

Credit Risk

The County's portfolio does not contain any investments in commercial paper or Corporate bonds other than what may be held in a local government investment pool (Logic and Texas Class). As of September 30, 2014, the local government pools (44.4% of the portfolio) were rated AAAm by Standard and Poor's. The federal agency bonds (17.7% of the portfolio) was rated AA+ by Standards and Poor's. The Municipal Bonds (5.7% of the portfolio) were rated AA or better by Standard and Poors. The Certificates of Deposits (26.8% of the portfolio) were fully collateralized in Collin County's name at the Federal Home Loan Bank of Dallas. All funds in money market accounts (5.4% of the portfolio) are FDIC insured or fully collateralized with securities held by the Federal Home Loan Bank or the Federal Reserve Bank of New York in the name of Collin County.

Interest Rate Risk

As a means of minimizing risk of loss due to interest rate fluctuations, the Investment Policy requires that investment maturities not exceed five years for all investment types. The weighted average maturity for all securities was 1.138 years. All investments are normally held to maturity or until called.

(b) Deposits

The September 30, 2014, the carrying amount of deposits was as follows:

Governmental funds	$	34,933,160
Proprietary funds		6,129,731
Fiduciary funds		26,166,299
Total	$	67,229,190

All bank accounts were either insured by the FDIC or collateralized with securities held by the Federal Home Loan Bank or the Federal Reserve Bank of New York in the name of Collin County at September 30, 2014.

(c) Property Taxes and Other Receivables

Property taxes attach as an enforceable lien on property as of January 1. Taxes are levied prior to September 30, become due on October 1 and are delinquent after January 31. The County bills and collects its own property taxes as well as those for the:

1. Cities of Allen, Anna, Blue Ridge, Celina, Fairview, Farmersville, Frisco, Josephine, Lavon, Lowry Crossing, Lucas, McKinney, Melissa, Murphy, Nevada, New Hope, Parker, Plano, Princeton, Prosper, Richardson, Sachse, St. Paul, Weston, and Wylie;

2. Independent School Districts of Allen, Anna, Blue Ridge, Celina, Community, Farmersville, Frisco, Lovejoy, McKinney, Melissa, Plano, Princeton, Prosper, and Wylie;

3. Seis Lago's Utility District and

4. Collin County Community College.

The County is the only taxing entity controlled by the Commissioners Court, and the County Tax Assessor/Collector acts only as an intermediary in the collection and distribution of property taxes to the other entities.

Collections of the property taxes and subsequent remittances to the proper entities are accounted for in the Tax Assessor/Collector's Agency Fund. Tax collections are recorded net of the entities' related collection commission paid the County in this Agency Fund according to the levy year for which the taxes are collected. Tax collections deposited for the County are distributed on a monthly basis to the General Fund, General Road and Bridge Fund, and Debt Service Fund of the County. This distribution is based upon the tax rate established for each fund by order of the Commissioners Court for the tax year for which the collections are made.

The County participates in several Tax Increment Finance (TIF) Districts. When a TIF District is created with the approval of all participating governmental entities, the property included in the District has its assessed valuation frozen at that time for the duration of the District. As projects are developed, increasing the assessed valuation of the property, the agreed percentage of incremental increases is returned to the entity which initially financed the improvements.

Governmental funds report unavailable revenue in connection with receivables for revenues that are not considered to be available to liquidate liabilities of the current period. Governmental funds also report unearned revenue in connection with resources that have been received, but not yet earned such as grant revenue received but not yet expended.

The County is authorized by the tax laws of the State of Texas to levy taxes up to $0.80 per $100 of assessed valuation for general governmental services and the payment of principal and interest on certain permanent improvement long-term debt. Taxes may be levied in unlimited amounts for the payment of principal and interest on road bond long-term debt issued under Article 3, Section 52 of the Texas Constitution.

(d) Receivables

Receivables as of year-end for the County's individual major funds and nonmajor, internal service, and fiduciary funds in the aggregate, including the applicable allowances for uncollectible accounts, are as follows:

	General Fund	General Road and Bridge Fund	Health Care Foundation Fund	Debt Service Fund	2007 Road Bond Fund	Non-Major Funds
Receivables:						
Taxes	$ 2,373,249	$ 54,788	$ -	$ 790,754	$ -	$ -
Fines and Fees	4,276,573	2,958,673	-	-	-	-
Due from other governments	1,327,864	374,459	-	-	-	807,210
Due from other funds	1,447,334	-	-	-	-	-
Advance to other funds	17,502,142	-	-	-	375,983	1,355,057
Interest	335,000	-	17,125	-	-	-
Miscellaneous	410,856	89,622	1,200	29,337	860,000	3,015
Gross receivables	27,673,018	3,477,542	18,325	820,091	1,235,983	2,165,282
Less allowance for uncollectibl	3,171,825	2,126,443	-	33,844	-	-
Net receivables	$ 24,501,193	$ 1,351,099	$ 18,325	$ 786,247	$ 1,235,983	$ 2,165,282

(e) Capital Assets

Capital assets are recorded at cost or, if donated, at fair value at the date of receipt. Depreciation policies were adopted to include useful lives and classification by function. The capitalization threshold for equipment is $5,000. Infrastructure assets are valued in two ways: either actual historical cost where the amount can be determined from existing records or using current cost deflated to the year of construction. Once the historical cost is determined, regardless of how it is determined, the asset is then depreciated over its useful life.

Many road projects and technology improvement projects have been ongoing in 2014. A summary of changes in capital assets follows:

	Beginning Balance	Increases	Decreases	Transfers	Ending Balance
Governmental activities:					
Capital assets, not depreciated:					
Land	$ 23,608,661	$ 16,916	$(620,558)	$ -	$ 23,005,019
Construction in progress	15,188,184	1,351,025	(2,457,841)	(354,450)	13,726,918
Historical treasures	89,760	-	-	-	89,760
Total capital assets, not depreciated	38,886,605	1,367,941	(3,078,399)	(354,450)	36,821,697
Capital assets, being depreciated:					
Buildings	257,186,823	2,817,497	(1,091,288)	-	258,913,032
Improvements other than buildings	6,606,963	918,593	-	-	7,525,556
Machinery and equipment	66,072,717	6,533,879	(2,005,820)	-	70,600,776
Infrastructure	291,662,716	6,301,278	(4,217,491)	-	293,746,503
Total assets being depreciated	621,529,219	16,571,247	(7,314,599)	-	630,785,867
Less accumulated depreciation for:					
Buildings	(82,498,398)	(14,824,338)	1,091,288	-	(96,231,448)
Improvements other than buildings	(2,840,300)	(370,462)	-	-	(3,210,762)
Machinery and equipment	(44,316,114)	(6,229,907)	2,005,820	-	(48,540,201)
Infrastructure	(108,013,676)	(11,939,587)	4,217,491	-	(115,735,772)
Total accumulated depreciation	(237,668,488)	(33,364,294)	7,314,599	-	(263,718,183)
Net capital assets, being depreciated	383,860,731	(16,793,047)	-	-	367,067,684
Governmental activities, capital assets	$ 422,747,336	$(15,425,106)	$(3,078,399)	$(354,450)	$ 403,889,381
Business-type activities:					
Capital assets, not being depreciated					
Land	$ 9,102,732	$ 683,687	$(20,655)	$ -	$ 9,765,764
Construction in progress	6,269,352	63,371	(683,686)	354,450	6,003,487
Total capital assets, not depreciated	15,372,084	747,058	(704,341)	354,450	15,769,251
Business-type activities, capital assets	$ 15,372,084	$ 747,058	$(704,341)	$ 354,450	$ 15,769,251

Depreciation expense for FY 2014 was charged to functions/programs of the primary government as follows:

Depreciation:		
Governmental activities:		
General administration	$	3,092,009
Judicial		35,656
Financial administration		152,158
Public facilities		14,946,384
Equipment services		673,723
Public safety		644,638
Public transportation		13,060,247
Health and welfare		84,773
Culture and recreation		563,706
Total depreciation expense - governmental activities	$	33,253,294
Proprietary - Type Funds:		
Public facilities		95,284
Public safety		15,717
Total depreciation expense:	$	33,364,295

Construction Commitments

Collin County has active construction projects as of September 30, 2014. The projects include road and bridge construction and new facility construction. At year-end the County's outstanding commitments with contractors are as follows (in thousands):

Construction Commitments:

Project Type		Remaining Commitment
Public transportation	$	18,207,574
Public facilities		346,546
Total	$	18,554,120

(f) Long-term Debt

New Bond Issues

Collin County issues general obligation bonds and tax notes to finance major capital projects. The original issue amounts of outstanding general obligation bonds and tax notes were $654,245,000. The County issued two new bond series. The Limited Tax Refunding and Improvement Bonds, Series 2014 was issued in an amount of $2,200,000 to provide funding for park and open space projects and $21,800,000 to take advantage of bond refunding opportunities. The Unlimited Tax Road Bonds, Series 2014 issued in a total amount of $25,045,000 to fund new road projects.

The following are general obligation bonds and tax notes outstanding at September 30, 2014, and are for governmental activities only:

Bond Issue	Interest Rates	Year Issued	Maturity	Due as of September 30, 2014
Limited Tax Permanent Improvement and Refunding Bond 2005	3.000% to 5.000%	2005	2025	$ 4,000,000
Limited Tax Permanent Improvement Bond 2006	4.000% to 5.000%	2006	2026	3,160,000
Limited Tax Permanent Improvement Bond 2007	4.250% to 5.000%	2007	2027	1,665,000
Limited Tax Refunding and Permanent Improvement Bond 2008	3.625% to 5.000%	2008	2028	9,705,000
Limited Tax Refunding and Permanent Improvement Bond 2009	2.000% to 5.000%	2009	2025	24,630,000
Limited Tax Permanent Improvement Build America Bond 2009B	2.000% to 5.000%	2009	2029	9,990,000
Limited Tax Refunding Bond 2010	2.000% to 4.000%	2010	2017	4,465,000
Limited Tax Permanent Improvement Bonds 2011	3.000% to 4.250%	2011	2031	1,910,000
Limited Tax Refunding and Permanent Improvement Bonds 2012	2.000% to 5.000%	2012	2025	20,540,000
Limited Tax Permanent Improvement Bond 2013A	2.500% to 4.000%	2012	2033	2,130,000
Limited Tax Refunding Bonds 2013B	0.450% to 3.189%	2012	2025	15,480,000
Limited Tax Refunding and Improvement Bonds 2014	2.000% to 5.000%	2014	2034	23,380,000
Unlimited TaxRoad and Refunding Bond 2005	3.000% to 5.000%	2005	2025	3,160,000
Unlimited TaxRoad Bond 2006	4.000% to 5.000%	2006	2026	2,285,000
Unlimited TaxRoad and Refunding Bond 2007	4.000% to 5.000%	2007	2027	50,500,000
Unlimited TaxRoad Bond 2008	4.000% to 5.500%	2008	2028	32,500,000
Unlimited TaxRoad and Refunding Bond 2009	2.000% to 5.000%	2009	2025	10,790,000
Unlimited TaxRoad Build America Bond 2009B	4.600% to 6.300%	2009	2029	5,590,000
Unlimited TaxRoad Refunding Bond 2010	2.000% to 5.000%	2010	2020	9,785,000
Unlimited TaxRoad Bonds 2011	2.000% to 4.000%	2011	2029	25,950,000
Unlimited TaxRoad and Refunding Bonds 2012	2.000% to 5.000%	2012	2032	49,140,000
Unlimited TaxRoad Refunding Bonds 2013A	1.000% to 5.000%	2013	2033	39,640,000
Unlimited TaxRoad Refunding Bonds 2013B	0.650% to 4.000%	2013	2025	15,970,000
Unlimited TaxRoad Bond 2014	2.000% to 5.000%	2014	2034	25,045,000
				$ 391,410,000

Limited Tax Permanent Improvement and Refunding Bonds, Series 2005
(new issue authorized by voters on November 4, 2003, issued April 5, 2005)

$53,865,000 Limited Tax Permanent Improvement and Refunding Bonds, Series 2005 were issued for park purposes and County facilities, to (i) acquire and improve land for park and open space purposes; (ii) acquire, construct, improve, renovate, and equip juvenile and adult detention facilities, including courts facilities; (iii) refund a portion of the County's outstanding debt for debt savings; and (iv) pay cost of issuance associated with the sale of the Limited Tax Bonds. Principal maturities will occur annually beginning on February 15th, 2006 with installments ranging from $435,000 to $4,000,000. Interest payments occur semi-annually on February 15th and August 15th ranging from 3.0 to 5.0%. The final principal and interest payment is due on February 15th. 2025. This bond issue is subject to rebateable arbitrage and is reviewed annually, and 90% of any rebateable liability will be paid every five years on the anniversary date.

$37,350,000 – New issue
$16,515,000 – Refunding
$53,865,000 – Total to be paid to bondholders
$ 4,000,000 – Liability as of September 30, 2014

Limited Tax Permanent Improvement Bonds, Series 2006
(new issue authorized by voters on November 4, 2003, issued May 3, 2006)

$33,800,000 Limited Tax Permanent Improvement Bonds, Series 2006 were issued for park purposes and County facilities, to (i) acquire and improve land for park and open space purposes; (ii) acquire, construct, improve, renovate, and equip juvenile and adult detention facilities, including courts facilities; (iii) pay cost of issuance associated with the sale of the Limited Tax Bonds. Principal maturities will occur annually beginning on February 15th, 2006 with installments ranging from $680,000 to $2,535,000. Interest payments occur semi-annually on February 15th and August 15th ranging from 4.0 to 5.0%. The final principal and interest payment is due on February 15th. 2026. This bond issue is subject to rebateable arbitrage and is reviewed annually, and 90% of any rebateable liability will be paid every five years on the anniversary date.

$33,800,000 – New issue
$ 3,160,000 – Liability as of September 30, 2014

Limited Tax Permanent Improvement Bonds, Series 2007
(new issue authorized by voters on November 4, 2003, issued March 20, 2007)

$2,190,000 Limited Tax Permanent Improvement Bonds, Series 2007 were issued to (i) acquire and improve land for park and open space purposes including joint city-county projects; and (ii) pay cost of issuance associated with the sale of the Limited Tax Bonds. Principal maturities will occur annually beginning on February 15th, 2008 with installments ranging from $20,000 to $130,000. Interest payments occur semi-annually on February 15th and August 15th ranging from 4.0 to 4.35%. The final principal and interest payment is due on February 15th. 2022. This bond issue is subject to rebateable arbitrage and is reviewed annually, and 90% of any rebateable liability will be paid every five years on the anniversary date.

$ 2,190,000 – New issue
$ 1,665,000 – Liability as of September 30, 2014

Limited Tax Permanent Improvement and Refunding Bonds, Series 2008
(new issue authorized by voters on November 4, 2003 and November 6, 2007, issued July 14, 2008)

$16,715,000 Limited Tax Permanent Improvement and Refunding Bonds, Series 2008 were issued for park purposes and County facilities, to (i) acquire and improve land for park and open space purposes, including joint county-city projects; (ii) acquire, construct, improve, renovate, and equip juvenile and adult detention facilities, including courts facilities, juvenile probation facilities and juvenile justice alternative education facilities and the acquisition of land there for; (iii) refund a portion of the County's outstanding debt for debt savings; and (iv) pay cost of issuance associated with the sale of the Limited Tax Bonds. Principal maturities occur annually beginning on February 15th, 2009 with installments ranging from $270,000 to $2,710,000. Interest payments occur semi-annually on February 15th and August 15th ranging from 3.5 to 5.0%. The final principal and interest payment is due on February 15th. 2028. This bond issue is subject to rebateable arbitrage and is reviewed annually, and 90% of any rebateable liability will be paid every five years on the anniversary date.

$ 2,200,000 – New issue (2003 Bond Election)
4,500,000 – New issue (2007 Bond Election)
10,015,000 – Refunding
$16,715,000 – Total to be paid to bondholders
$ 9,705,000 – Liability as of September 30, 2014

Limited Tax Refunding and Permanent Improvement Bonds, Series 2009
(new issue authorized by voters on November 6, 2007, issued September 29, 2009)

$30,080,000 Limited Tax Refunding and Permanent Improvement Bonds, Series 2009 were issued to (i) acquire and improve land for park and open space purposes, including joint county-city projects; (ii) acquire, construct, improve, renovate, and equip juvenile and adult detention facilities, including courts facilities, juvenile probation facilities and juvenile justice alternative education program facilities and the acquisition of land there for; (iii) refund a portion of the County's outstanding debt for debt savings; and (iv) pay the cost of issuance associated with the sale of the these bonds. Principal maturities will occur annually beginning on February 15th, 2009 with installments ranging from $1,055,000 to $3,780,000. Interest payments occur semi-annually on February 15th and August 15th ranging from 2.0 to 5.0%. The final principal and interest payment is due on February 15th. 2025. This bond issue is subject to rebateable arbitrage and is reviewed annually, and 90% of any rebateable liability will be paid every five years on the anniversary date.

$17,420,000 – New issue
12,660,000 – Refunding
$30,080,000 – Total to be paid to bondholders
$24,630,000 – Liability as of September 30, 2014

Limited Tax Permanent Improvement Bonds, Taxable Series 2009B
(new issue authorized by voters on November 6, 2007, issued September 29, 2009)

$9,990,000 Limited Tax Permanent Improvement Bonds, Taxable Series 2009B were issued to (i) acquire and improve land for park and open space purposes, including joint county-city projects; (ii) acquire, construct, improve, renovate, and equip juvenile and adult detention facilities, including courts facilities, juvenile probation facilities and juvenile justice alternative education program facilities and the acquisition of land there for; and (iii) pay the cost of issuance associated with the sale of the these bonds. A principal amount of $2,560 matures on February 15th, 2019, and the remaining principal amount of $7,430,000 matures on February 15th, 2029. Interest payments occur semi-annually on February 15th and August 15th ranging from 4.6 to 6.3%. The final principal and interest payment is due on February 15th. 2029. This Bond issue is not subject to rebate arbitrage. The United States Government will refund a portion of the interest to the County semi-annually.

$ 9,990,000 – New issue
$ 9,990,000 – Liability as of September 30, 2014

Limited Tax Refunding Bonds, Series 2010
(authorized by Commissioners Court and issued on November 17, 2010)

$8,120,000 Limited Tax Refunding Bonds, Series 2010 were issued to (i) refund a portion of the County's outstanding limited tax debt for debt service savings and (ii) pay costs of issuance associated with the sale of Limited Tax Bonds. Principal maturities will occur annually beginning February, 2012, with installments ranging from $110,000 to $1,660,000. Interest payments occur semi-annually on February 15th and August 15th ranging from 2.0% to 4.0%. The final principal and interest payment is due on February 15th, 2017. This bond issue is subject to rebateable arbitrage and is reviewed annually, and 90% of any rebateable liability will be paid every five years on the anniversary date.

$ 8,120,000 – Refunding
$ 4,465,000 – Liability as of September 30, 2014

Limited Tax Permanent Improvement Bonds, Series 2011
(new issue authorized by voters on November 6, 2007, issued June 16, 2012)

$2,100,000 Limited Tax Permanent Improvement Bonds, Series 2012 were to (i) acquire and improve land for park and open space purposes, including joint county-city projects and (ii) pay the cost of issuance associated with the sale of the these bonds. Principal maturities occur annually beginning on February 15th, 2012 with installments ranging from $45,000 to $155,000. Interest payments occur semi-annually on February 15th and August 15th ranging from 3.0 to 4.25%. The final principal and interest payment is due on February 15th. 2031. This bond issue is subject to rebateable arbitrage and is reviewed annually, and 90% of any rebateable liability will be paid every five years on the anniversary date.

$ 2,100,000 – New issue
$ 1,910,000 – Liability as of September 30, 2014

Limited Tax Permanent Improvement Bonds, Series 2012
(new issue authorized by voters on November 6, 2007, issued May 1, 2012)

$20,735,000 Limited Tax Permanent Improvement Bonds, Series 2012 were to (i) acquire and improve land for park and open space purposes, including joint county-city projects and (ii) pay the cost of issuance associated with the sale of the these bonds. Principal maturities will occur annually beginning on February 15th, 2013 with installments ranging from $80,000 to $2,535,000. Interest payments occur semi-annually on February 15th and August 15th ranging from 2.0 to 5.0%. The final principal and interest payment is due on February 15th. 2032. This bond issue is subject to rebateable arbitrage and is reviewed annually, and 90% of any rebateable liability will be paid every five years on the anniversary date.

$ 3,270,000 – New issue
17,465,000 – Refunding
$20,735,000 – Total to be paid to bondholders
$20,540,000 – Liability as of September 30, 2014

Limited Tax Permanent Improvement Bonds, Series 2013A
(new issue authorized by voters on November 6, 2007, issued June 1, 2013)

$2,200,000 Limited Tax Permanent Improvement Bonds, Series 2013A were to (i) acquire and improve land for park and open space purposes, including joint county-city projects and (ii) pay the cost of issuance associated with the sale of the these bonds. Principal maturities occur annually beginning on February 15th, 2014 with installments ranging from $70,000 to $150,000. Interest payments occur semi-annually on February 15th and August 15th ranging from 2.5 to 4.0%. The final principal and interest payment is due on February 15th. 2033. This bond issue is subject to rebateable arbitrage and is reviewed annually, and 90% of any rebateable liability will be paid every five years on the anniversary date.

$ 2,200,000 – New issue
$ 2,130,000 – Liability as of September 30, 2014

Limited Tax Refunding Bonds, Series 2013B
(authorized by Commissioners Court and issued on June 1, 2013)

$15,720,000 Limited Tax Refunding Bonds, Series 2013B were issued to (i) refund a portion of the County's outstanding limited tax debt for debt service savings and (ii) pay costs of issuance associated with the sale of Limited Tax Bonds. Principal maturities will occur annually beginning February, 2014, with installments ranging from $240,000 to $1,925,000. Interest payments occur semi-annually on February 15th and August 15th ranging from 0.45% to 3.189%. The final principal and interest payment is due on February 15th, 2025. This bond issue is subject to rebateable arbitrage and is reviewed annually, and 90% of any rebateable liability will be paid every five years on the anniversary date.

$15,720,000 – Refunding
$15,480,000 – Liability as of September 30, 2014

Limited Tax Refunding and Improvement Bonds, Series 2014
(new issue authorized by voters on November 6, 2007, issued June 9, 2014)

$23,380,000 Limited Tax Refunding and Improvement Bonds, Series 2014 were issued to (i) acquire and improve land for park and open space purposes, including joint county-city projects; (ii) acquire, construct, improve, renovate, and equip juvenile and adult detention facilities, including courts facilities, juvenile probation facilities and juvenile justice alternative education program facilities and the acquisition of land there for; (iii) refund a portion of the County's outstanding debt for debt savings; and (iv) pay the cost of issuance associated with the sale of the these bonds. Principal maturities will occur annually beginning on February 15th, 2015 with installments ranging from $115,000 to $2,385,000. Interest payments occur semi-annually on February 15th and August 15th ranging from 2.0 to 5.0%. The final principal and interest payment is due on February 15th. 2029. This bond issue is subject to rebateable arbitrage and is reviewed annually, and 90% of any rebateable liability will be paid every five years on the anniversary date.

$ 2,200,000 – New issue
21,180,000 – Refunding
$23,380,000 – Total to be paid to bondholders
$23,380,000 – Liability as of September 30, 2014

Unlimited Tax Road and Refunding Bonds, Series 2005
(new issue authorized by voters on November 4, 2003, issued April 5, 2005)

$43,175,000 Unlimited Tax Road and Refunding Bonds, Series 2005 were issued for the purpose of (i) constructing roads and highways throughout the County and (ii) refund a portion of the County's outstanding debt for debt savings and (iii) to pay costs of issuance associated with the sale of Unlimited Tax Road Bonds. Principal maturities will occur annually beginning February, 2006 with installments ranging from $200,000 to $3,850,000. Interest payments occur semi-annually on February 15th and August 15th ranging from 3.0 to 5.0%. The final principal and interest payment is due on February 15th, 2025. This bond issue is subject to rebateable arbitrage and is reviewed annually, and 90% of any rebateable liability will be paid every five years on the anniversary date.

$17,360,000 – New issue
25,815,000 – Refunding
$43,175,000 – Total to be paid to bondholders
$ 3,160,000 – Liability as of September 30, 2014

Unlimited Tax Road Bonds, Series 2006
(new issue authorized by voters on November 4, 2003, issued May 3, 2006)

$15,920,000 Unlimited Tax Road Bonds, Series 2006 were issued for the purpose of (i) constructing roads and highways throughout the County and (ii) to pay costs of issuance associated with the sale of Unlimited Tax Road Bonds. Principal maturities will occur annually beginning February, 2007 with installments ranging from $320,000 to $1,195,000. Interest payments occur semi-annually on February 15th and August 15th ranging from 4.0 to 5.0%. The final principal and interest payment is due on February 15th, 2026. This bond issue is subject to rebateable arbitrage and is reviewed annually, and 90% of any rebateable liability will be paid every five years on the anniversary date.

$15,920,000 – New issue
$ 2,285,000 – Liability as of September 30, 2014

Unlimited Tax Road and Refunding Bonds, Series 2007
(new issue authorized by voters on November 4, 2003, issued March 20, 2007)

$63,375,000 Unlimited Tax Road and Refunding Bonds, Series 2007 will be used to (i) construct, maintain and operate macadamized, graveled or paved roads and turnpikes, or in the aid thereof, throughout the County, including participation in the cost of joint State highway and joint city-county projects; (ii) refund a portion of the County's outstanding debt for debt savings and (iii) to pay costs of issuance associated with the sale of Unlimited Tax Road Bonds. Principal maturities will occur annually beginning February, 2008 with installments ranging from $380,000 to $6,070,000. Interest payments occur semi-annually on February 15th and August 15th ranging from 4.0 to 5.0%. The final principal and interest payment is due on February 15th, 2027. This bond issue is subject to rebateable arbitrage and is reviewed annually, and 90% of any rebateable liability will be paid every five years on the anniversary date.

$48,190,000 – New issue
15,185,000 – Refunding
$63,375,000 – Total to be paid to bondholders
$50,500,000 – Liability as of September 30, 2014

Unlimited Tax Road, Series 2008
(new issue authorized by voters on November 4, 2003 and November 6, 2007, issued July 14, 2008)

$41,000,000 Unlimited Tax Road, Series 2008 was issued to (i) construct, maintain and operate macadamized, graveled or paved roads and turnpikes, or in the aid thereof, throughout the County, including participation in the cost of joint State highway and joint city-county projects; and (ii) pay costs of issuance associated with the sale of Unlimited Tax Road Bonds. Principal maturities will occur annually beginning February, 2009 with installments ranging from $955,000 to $3,045,000. Interest payments occur semi-annually on February 15th and August 15th ranging from 4.0 to 5.5%. The final principal and interest payment is due on February 15th, 2028. This bond issue is subject to rebateable arbitrage and is reviewed annually, and 90% of any rebateable liability will be paid every five years on the anniversary date.

$15,980,000 – New issue (2003 Bond Election)
25,020,000 – New issue (2007 Bond Election)
$41,000,000 – Total to be paid to bondholders
$32,500,000 – Liability as of September 30, 2014

Unlimited Tax Road and Refunding Bonds, Series 2009
(new issue authorized by voters on November 6, 2007, issued September 29, 2009)

\$21,805,000 Unlimited Tax Road and Refunding Bonds, Series 2009 was issued to (i) construct, maintain and operate macadamized, graveled or paved roads and turnpikes, or in the aid thereof, throughout the County, including participation in the cost of joint State highway and joint city-county projects; (ii) refund a portion of the County's outstanding debt for debt savings and (iii) to pay costs of issuance associated with the sale of these bonds. Principal maturities will occur annually beginning February 15^{th}, 2010, in installments ranging from \$770,000 to \$2,485,000. Interest payments occur semi-annually on February 15^{th} and August 15^{th} ranging from 2.0 to 5.0%. The final principal and interest payment is due on February 15^{th}, 2025. This bond issue is subject to rebateable arbitrage and is reviewed annually, and 90% of any rebateable liability will be paid every five years on the anniversary date.

\$10,070,000 – New issue
11,735,000 – Refunding
\$21,805,000 – Total to be paid to bondholders
\$10,790,000 – Liability as of September 30, 2014

Unlimited Tax Road Bonds, Taxable Series 2009B
(new issue authorized by voters on November 6, 2007, issued September 29, 2009)

\$5,590,000 Unlimited Tax Road Bonds, Taxable Series 2009B was issued to (i) construct, maintain and operate macadamized, graveled or paved roads and turnpikes, or in the aid thereof, throughout the County, including participation in the cost of joint State highway and joint city-county projects and (ii) to pay costs of issuance associated with the sale of these bonds. A principal amount of \$1,470,000 matures on February 15^{th}, 2019, and the remaining principal amount of \$4,120,000 matures on February 15^{th}, 2029. Interest payments occur semi-annually on February 15^{th} and August 15^{th} ranging from 4.6 to 6.3%. The final principal and interest payment is due on February 15^{th}. 2029. This Bond issue is not subject to rebate arbitrage. The United States Government will refund a portion of the interest to the County semi-annually.

\$5,590,000 – New issue
\$5,590,000 – Liability as of September 30, 2014

Unlimited Tax Refunding Bonds, Series 2010
(authorized by Commissioners Court and issued on November 17, 2010)

\$14,810,000 Unlimited Tax Refunding Bonds, Series 2010 was issued to (i) refund a portion of the County's outstanding unlimited tax debt for debt service savings and (ii) pay costs of issuance associated with the sale of Unlimited Tax Bonds. Principal maturities will occur annually beginning February, 2012, with installments ranging from \$200,000 to \$2,110,000. Interest payments occur semi-annually on February 15^{th} and August 15^{th} ranging from 2.0% to 5.0%. The final principal and interest payment is due on February 15^{th}, 2020. This bond issue is subject to rebateable arbitrage and is reviewed annually, and 90% of any rebateable liability will be paid every five years on the anniversary date.

\$14,810,000 – Refunding
\$ 9,785,000 – Liability as of September 30, 2014

Unlimited Tax Road, Series 2011
(new issue authorized by voters on November 6, 2007, issued June 16, 2011)

$28,490,000 Unlimited Tax Road, Series 2012 was issued to (i) construct, maintain and operate macadamized, graveled or paved roads and turnpikes, or in the aid thereof, throughout the County, including participation in the cost of joint State highway and joint city-county projects; and (ii) pay costs of issuance associated with the sale of Unlimited Tax Road Bonds. Principal maturities will occur annually beginning February, 2012 with installments ranging from $595,000 to $1,950,000. Interest payments occur semi-annually on February 15th and August 15th ranging from 0.4% to 4.0%. The final principal and interest payment is due on February 15th, 2031. This bond issue is subject to rebateable arbitrage and is reviewed annually, and 90% of any rebateable liability will be paid every five years on the anniversary date.

$28,490,000 – New issue
$25,950,000 – Liability as of September 30, 2014

Unlimited Tax Road and Refunding Bonds, Series 2012
(new issue authorized by voters on November 6, 2007, issued May 1, 2012)

$50,800,000 Unlimited Tax Road, Series 2012 was issued to (i) construct, maintain and operate macadamized, graveled or paved roads and turnpikes, or in the aid thereof, throughout the County, including participation in the cost of joint State highway and joint city-county projects; and (ii) pay costs of issuance associated with the sale of Unlimited Tax Road Bonds. Principal maturities will occur annually beginning February of 2012 with installments ranging from $610,000 to $4,720,000. Interest payments occur semi-annually on February 15th and August 15th ranging from 2.0% to 5.0%. The final principal and interest payment is due on February 15th, 2032. This bond issue is subject to rebateable arbitrage and is reviewed annually, and 90% of any rebateable liability will be paid every five years on the anniversary date.

$31,365,000 – New issue
19,435,000 – Refunding
$50,800,000 – Total to be paid to bondholders
$49,140,000 – Liability as of September 30, 2014

Unlimited Tax Road and Refunding Bonds, Series 2013A
(new issue authorized by voters on November 6, 2007, issued June 1, 2013)

$40,295,000 Unlimited Tax Road, Series 2013A was issued to (i) construct, maintain and operate macadamized, graveled or paved roads and turnpikes, or in the aid thereof, throughout the County, including participation in the cost of joint State highway and joint city-county projects; and (ii) pay costs of issuance associated with the sale of Unlimited Tax Road Bonds. Principal maturities will occur annually beginning February of 2014 with installments ranging from $655,000 to $2,760,000. Interest payments occur semi-annually on February 15th and August 15th ranging from 1.0% to 5.0%. The final principal and interest payment is due on February 15th, 2028. This bond issue is subject to rebateable arbitrage and is reviewed annually, and 90% of any rebateable liability will be paid every five years on the anniversary date.

$25,665,000 – New issue
14,630,000 – Refunding
$40,295,000 – Total to be paid to bondholders
$39,640,000 – Liability as of September 30, 2014

Unlimited Tax Refunding Bonds, Series 2013B
(authorized by Commissioners Court and issued on June 1, 2013)

$15,970,000 Unlimited Tax Refunding Bonds, Series 2013B was issued to (i) refund a portion of the County's outstanding unlimited tax debt for debt service savings and (ii) pay costs of issuance associated with the sale of Unlimited Tax Bonds. Principal maturities will occur annually beginning February, 2015, with installments ranging from $495,000 to $2,245,000. Interest payments occur semi-annually on February 15th and August 15th ranging from 0.65% to 4.0%. The final principal and interest payment is due on February 15th, 2025. This bond issue is subject to rebateable arbitrage and is reviewed annually, and 90% of any rebateable liability will be paid every five years on the anniversary date.

$15,970,000 – Refunding
$15,970,000 – Liability as of September 30, 2014

Unlimited Tax Road, Series 2014
(new issue authorized by voters on November 6, 2007, issued June 9, 2014)

$25,045,000 Unlimited Tax Road, Series 2014 was issued to (i) construct, maintain and operate macadamized, graveled or paved roads and turnpikes, or in the aid thereof, throughout the County, including participation in the cost of joint State highway and joint city-county projects; and (ii) pay costs of issuance associated with the sale of Unlimited Tax Road Bonds. Principal maturities will occur annually beginning February, 2015 with installments ranging from $785,000 to $1,840,000. Interest payments occur semi-annually on February 15th and August 15th ranging from 2.0% to 5.0%. The final principal and interest payment is due on February 15th, 2034. This bond issue is subject to rebateable arbitrage and is reviewed annually, and 90% of any rebateable liability will be paid every five years on the anniversary date.

$25,045,000 – New issue
$25,045,000 – Liability as of September 30, 2014

Defeased Bonds

The county defeased certain general obligation bonds in 2014 and prior years by placing the proceeds of new bonds into irrevocable trust to provide for all future debt service payments on the old bonds as well as calling certain bonds before the maturity date. Accordingly, the trust account assets and the liabilities for the defeased bonds are not included in the County's financial statements. As of September 30, 2014, an amount of $103,515,000 of bond debt has been defeased.

In 2014 the County issued bonds for refunding existing debt. The issue is as follows:

- The Limited Tax Refunding and Improvement, Series 2014, refunded portions of the Limited Tax Permanent Improvement and Refunding Bonds, Series 2004; the Limited Tax Permanent Improvement and Refunding Bonds, Series 2005; and the Limited Tax Permanent Improvement Bonds, Series 2006. The refunding was used to defease $23,200,000 of existing debt by issuing $21,180,000 which will save the County $1,491,504 over time ($1,294,073 in net present value).

Arbitrage Rebate Liabilities

The Tax Recovery Act of 1986 established regulations for the rebate to the federal government of arbitrage earnings on certain local governmental bonds issued after December 31, 1985, and all local governmental bonds issued after August 31, 1986. Issuing governments must calculate any rebate due on an annual basis and remit the amount due at least every five years. The County's currently has no cumulative rebate.

Changes in Noncurrent Liabilities

Noncurrent liabilities for the year ended September 30, 2014, were as follows (in thousands):

Governmental activities:	Beginning Balance	Additions	Deductions	Ending Balance	Due within One Year
General obligation	$ 393,350	$ 48,425	$ 50,365	$ 391,410	$ 28,835
Compensated absences	6,564	8,261	8,083	6,742	4,500
Claims and judgements	5,138	4,569	7,221	5,386	2,975
Unamortized bond premium	28,751	4,718	2,370	31,099	225
Total	$ 433,803	$ 65,973	$ 68,039	$ 434,637	$ 36,535

Compensated absences are liquidated in the funds that have employees (i.e., General Fund, General Road and Bridge Fund, Health Care Foundation Fund, etc.). The County has no other post-employment benefits due to Commissioners Court eliminating the benefit that was creating the liability in 2010.

Contractual Maturities

The annual debt service for general obligation bonds is as follows:

Year Ending September 30:	Principal	Interest
2015	$ 29,490,000	$ 16,184,379
2016	29,130,000	14,961,741
2017	30,315,000	13,833,677
2018	30,480,000	12,636,523
2019	31,795,000	11,355,848
2020	26,720,000	10,144,476
2021	25,710,000	9,048,641
2022	25,290,000	7,953,861
2023	24,305,000	656,929
2024	25,435,000	5,755,354
2025	22,355,000	4,698,535
2026	19,835,000	3,708,066
2027	17,065,000	2,814,538
2028	13,870,000	2,069,994
2029	10,785,000	1,474,561
2030	8,065,000	1,043,444
2031	8,430,000	693,203
2032	5,415,000	374,888
2033	3,930,000	157,375
2034	1,990,000	39,519

The Debt Service Fund has $11.8 million available to service the general long-term bond retirement as of September 30, 2014. There are a number of limitations and restrictions contained in the various bond indentures. The County is in compliance with all limitations and restrictions and continues to monitor the debt proceed uses to ensure compliance.

Conduit Debt

The Housing Finance Corporation issues single-family revenue bonds to provide financial assistance to qualified homeowners. As of September 30, 2014, there are 9 active trust accounts with balances totaling $1,860,959 to service these programs. This debt resulting from these bond issues is not the obligation of the County. The HFC's liability to pay off debt is limited to revenues received on the loans made from the funds and the balance on the original funding held in trust.

(g) Inter-fund Receivables, Payable Balances and Transfers

Activity between funds that represent the current portion of lending/borrowing and inter-fund charges for goods and services arrangements outstanding at year end are referred to as "Due to/from other funds." The composition of inter-fund balances as of September 30, 2014, is as follows:

	Due from	Due to
Due to/from other funds:		
Governmental Funds:		
General Fund	$ 1,447,334	$ -
RTR - Outer Loop	-	28,539
Nonmajor Funds	-	1,249,669
Total Governmental Fund	1,447,334	1,278,208
Proprietary Type Funds:		
Animal Safety Fund	-	169,126
Total	$ 1,447,334	$ 1,447,334

The activity between the General Fund and other funds represent additional funding for special activities, and local matching of grants.

Interfund advance activity is as follows:

	Advance to	Advance from
General Fund	$ 17,502,142	$ -
2007 Road Bond	375,983	-
Nonmajor Funds	1,355,057	-
Animal Safety Internal Service Fund	-	283,407
Collin County Toll Road Authority Fund	-	18,949,775
Total	$ 19,233,182	$ 19,233,182

These balances are a result of funding for two separate activities. The first is a $283,407 balance to fund the County's share of the Animal Shelter in the Animal Safety fund. The Animal Shelter is funded with interlocal agreements with member cities within the County to provide animal shelter and animal control services. The second advance activity of $18,949,775 is financing the Collin County Toll Road Authority Fund to build the Outer Loop through Collin County. These advances are planned to be paid back in the future with toll revenues generated from this project.

All transfers are reported under other financing sources (uses). The accumulated total of inter-fund transfers for the fiscal year ending September 30, 2014, is as follows:

	Transfers In	Transfers Out
Governmental Funds:		
General Fund	$ 85,141	$ 460,896
Nonmajor Funds	643,195	267,440
Total	$ 728,336	$ 728,336

The transfers into the General Fund are made up mostly of salary supplement activity funding from special revenue funds under the District Attorney's control. The transfer out activity from the General Fund mostly consists of grant match funding ($108,429) and a transfer to the Courthouse Security Fund to supplement security activities ($350,000). The non-major fund activity includes the activity mentioned above plus additional grant match funding.

(h) Capital Contributions

Assets were transferred to the Collin County Toll Road Authority Enterprise Fund from the General Fund ($18,361) and the 2007 Road Bond Fund ($37,598) that were related to the Outer Loop project. A corresponding receivable (advance to other funds) was established so that the funds could be reimbursed in the future when the Outer Loop begins generating revenues.

(i) Leases

As lessor, the Health Care Foundation has a number of non-cancelable operating leases with minimum future rental revenues in the aggregate of $2,805,860. The buildings are carried at a book value of $7,745,629 with accumulated depreciation of $5,077,550. Future minimum rental payments applicable to the operating leases are as follows:

	HCF Contractual Future Rental Revenues
Fiscal Year:	
2015	$ 1,066,094
2016	694,426
2017	524,315
2018	264,129
2019	73,003
2020	66,870
2021	66,870
2022	50,153
Total	$ 2,805,860

The County leases office space under operating leases that expire over periods of up to ten years. Most of the leases are non-cancelable and renewal options are available. The aggregate total of these lease obligations is $1,403,743 for the year ended September 30, 2014. At September 30, 2014, future minimum rental payments applicable to the operating leases are as follows:

	Contractual Future Rental Obligations
Fiscal Year:	
2015	$ 509,232
2016	408,226
2017	343,668
2018	139,617
2019	3,000
Total	$ 1,403,743

(j) Restricted and Committed Encumbrances

Encumbrances at year end are reported as restricted or committed fund balance. Total encumbrances in governmental funds as of September 30, 2014 were $42,547,831. These encumbrances by fund are as follows:

General Fund	$	10,302,345
General Road and Bridge Special Revenue Fund		5,133,454
Health Care Foundation Special Revenue Fund		1,165,652
RTR - Outer Loop Grant Special Revenue Fund		234,275
2007 Road Bond Capital Project Fund		14,502,505
Non-major funds		11,209,600
Total Encumbrances	$	42,547,831

Significant encumbrances of these funds are as follows:

- **General Fund**
  - $2.4 million is encumbered for facilities projects.
  - $2.9 million is encumbered for the Information Technology and Telecommunications Departments, most of which is for capital project activity.
  - $1.7 million is encumbered in the Non-Departmental Department of which $832 thousand is for temporary workers, $500 thousand is for software maintenance, $400 thousand is for capital replacement.
  - $396 thousand is encumbered in Equipment Services of which most of which is for the purchase of new vehicles and heavy equipment.

- **General Road and Bridge Special Revenue Fund**
  - Of the $5.1 million encumbered in the General Road and Bridge Special Revenue Fund, an amount of $5 million is for road maintenance.

- **Health Care Foundation Special Revenue Fund**
  - Of the $1.2 million encumbered in the Health Care Foundation Special Revenue Fund an amount of $715 thousand is for Project Access, $177 thousand is for consulting work, $235 thousand is for grant awards, and $21 thousand is for software maintenance.

- **RTR – Outer Loop Grant Special Revenue Fund**
  - The $234 thousand encumbered in the RTR – Outer Loop Grant Special Revenue Fund is for a road construction contract.

- **2007 Road Bond Capital Project Fund**
  - The $14.5 million encumbered in the 2007 Road Bond Capital Project Fund for road engineering and construction contracts.

- **Non-major funds**
  - $5.4 million is encumbered for road and bridge engineering and construction contracts.
  - $1.2 million is encumbered for technology projects.
  - $4.3 million is encumbered for facilities and parks projects.

IV. OTHER INFORMATION

(a) Risk Management

The County has elected to provide a limited risk self-funded group health insurance program to eligible employees and dependents; and is partially self-insured against the risks arising from tort claims, workers' compensation benefits due employees who are injured while on duty, losses of funds by theft or mysterious disappearances in all fee offices of the County and any and all other claims asserted by employees and/or third parties against the County arising out of the normal conduct of County business. The County has also chosen to be a reimbursing employer under the unemployment compensation program administered by the Texas Employment Commission.

The Health Insurance Claims Fund was established to account for the County's group health and dental insurance. A third-party administrator, United Healthcare, administers the County plan. During the year ended September 30, 2014, the County paid $850 per month for medical and dental benefits per budgeted position to the plan. Employees, at their option, authorized payroll deductions to pay premiums for dependents. In accordance with state law, the County was protected against catastrophic individual loss by stop-loss coverage. Individual stop-loss deductible is $100 per person.

Collin County had a nominal decrease of $192 thousand (1.0%) in health insurance benefit expenditures in 2014. The net position decreased $267 thousand due to increasing administrative costs from the prior year to a level of $1.6 million. Premiums increased by $911 thousand in 2014 from 2013. Management continues to monitor the claims and has made changes to coverage to help keep costs down as well as adjust to the changes and additional costs related to the Affordable Care Act.

The County's Workers' Compensation Fund self-insurance program provides medical and indemnity payments as required by law for on-the-job related injuries up to a stop loss of $275,000. The third-party administrator for the program, Tri-star, monitors the filing of claims, verifies the legitimacy of those claims, and processes payments to the injured employees. The County is protected against catastrophic individual or aggregate loss by stop-loss coverage carried through State National Insurance Company.

Losses as a result of theft, mysterious disappearance, and damage or destruction of assets are accounted for in the Liability Claims Internal Service Fund. The County carries insurance through various commercial insurance companies to limit losses to reasonable deductible levels. The County did not experience any identified material violations of financial-related legal or contractual provisions.

Premiums are paid into each individual insurance internal service fund by the other funds they service. Contracted insurance providers receive disbursements from each fund based on monthly enrollment and premium calculations or actual cost plus an administrative fee. All of each fund's resources are available to pay the particular type of claims, claim reserves and administrative costs of that specific program. Liabilities of each fund are reported when it is probable that a loss or claim has occurred and the amount of the loss or claim is known or can be reasonably estimated.

Liabilities include an amount for claims or judgments that have been incurred but not reported. The estimate of the claims and judgments liability also includes amounts to guard against catastrophic loss. No settlements in the past three years have exceeded insurance coverage. Changes in the medical, workers' compensation and claims liability amounts in 2014 and 2013 follow (in thousands):

	Liability	Estimates	Payments	Liability
2014 Employee Medical	$ 855	$ 18,581	$ 18,581	$ 855
2013 Employee Medical	855	18,773	18,773	855
2014 Workers' Compensation	638	362	362	638
2013 Workers' Compensation	638	411	411	638
2014 Claims Liability	447	987	987	447
2013 Claims Liability	447	994	994	447

(b) Commitments and Contingencies

The County has received federal and state grants for specific purposes that are subject to review and audit by the grantor agencies. Such audits could lead to requests for reimbursement to the grantor agency for expenditures disallowed under terms of the grant. A contingent liability was not established because potential reimbursements are considered immaterial.

The County is named as a defendant in various lawsuits related to alleged violations of constitutional and employment rights. In all of these cases, the County is denying the allegations and is vigorously defending against them. County officials estimate that the potential claims against the County will not materially adversely affect the financial position of the County.

(c) Longevity Pay

Longevity pay for the County's employees is calculated and paid annually if approved by the Commissioners Court. The formula for its calculation has been adopted as policy by the Court however it is only available to employees hired before December 18, 2007. There is no liability as of September 30, 2014, because the full longevity payment has been recorded in the governmental fund statements as a current expenditure since the liability was paid as part of the last payroll in 2014.

(d) Post-Retirement Health Benefits

Plan Description

The County's post-employment benefit plan is a single-employer defined benefit plan. The County offers health benefits at actuarial cost and no longer offers supplements. The applicable coverage amount applies to both retiree and the retiree's spouse when they reach age 65 and is available only if the retiree is not covered under another insurance policy other than Medicare. Spouse coverage is only available if they were on the County's plan prior to the employee's retirement from the County. County coverage is secondary to Medicare coverage. No post-employment liability exists since retirees are paying the full cost of this benefit.

(e) Retirement Commitments

(1) Plan Description

The County provides retirement, disability and death benefits for all of its fulltime employees through a nontraditional defined benefit pension plan in the statewide Texas County and District Retirement System (the TCDRS). The Board of Trustees is responsible for the administration of the statewide agent multi-employer public employee defined benefit pension retirement system consisting of 677 public employee defined benefit pension plans. TCDRS in the aggregate issues a comprehensive annual financial report (CAFR) on a calendar year basis. The CAFR is available upon written request from the board of trustees at P. O. Box 2034, Austin, Texas 78768-2034 or can be viewed at *www.tcdrs.org*.

The plan provisions are adopted by the governing body of the employer, within the options available in the state statutes governing the TCDRS (TCDRS Act). Members employed by Collin County can retire at age 60 and above with eight or more years of service, with 30 years of service, regardless of age, or when the sum of their age and years of service equal 75 or more. Members are vested after eight years of employment but must leave their accumulated contributions in the plan to receive any employer-financed benefit.

Benefit amounts are determined by the sum of the employee's contributions to the plan, with interest, and employer-financed monetary credits. The level of these monetary credits is adopted by the governing body of the employer within the actuarial constraints imposed by the TCDRS Act so that the resulting benefits can be expected to be adequately financed by the employer's commitment to contribute. At retirement, death, or disability, the benefit is calculated by converting the sum of the employee's accumulated contributions and the employer-financed monetary credits to a monthly annuity using annuity purchase rates prescribed by the TCDRS Act.

(2) Funding Policy

The County has elected the annually determined contribution rate (variable rate) plan provisions of the TCDRS Act. The plan is funded by monthly contributions from both employee members and the employer based on the covered payroll of employee members. Under the TCDRS Act, the contribution rate of the County is actuarially determined annually. The County contributed an amount of 8.0% in 2014 which was the same as 2013. The County also paid an additional $11.6 million in 2014 to eliminate any unfunded liability in the retirement program. The Commissioners Court, in conjunction with this additional payment, adopted a policy which will help to keep this rate of 8.0% consistent in future years by agreeing to reduce benefits of employees in the future. The contribution rate payable by the employee members for the calendar years of 2014 and 2013 was 7 % as adopted by the governing body of the County. The employee contribution rate and the County's contribution rate may be changed by the governing body of the County within the options available in the TCDRS Act. If a plan has had adverse experience, the TCDRS Act has provisions that allow the employer to contribute a fixed supplemental contribution rate determined by the System's actuary above the regular rate for 25 years or to reduce benefits earned in the future.

(3) Annual Pension Cost

For the accounting year ended September 30, 2014, the employer paid pension expenditures for the County to the TCDRS plan were $6,674,233 and the required contributions were $6,060,323. The actual contribution was actuarially determined as a percentage of the covered payroll of the participating employees, and were in compliance with the GASB Statement No. 27 parameters based on the actual actuarial valuations as of December 31, of 2011, 2012 and 2013, the basis for assessing the adequacy of the financing arrangement beginning with the contribution rates for calendar years 2011 and ending with 2013. As of December 31, 2013, the County's retirement plan was 104.5% funded. The December 31, 2013, actuarial valuation is the most recent valuation and provided the following information:

Actuarial Valuation Information

Actuarial valuation date	12/31/2011	12/31/2012	12/31/2013
Actuarial cost method	entry age	entry age	entry age
Amortization method	level percent of payroll, closed	level percent of payroll, open	level percent of payroll, open
Amortization period in year	2.3	30.0	30.0
Asset valuation method			
Subdivision Accumulation Fund value	10-yr smoothed value	10-yr smoothed value	10-yr smoothed
Employees Saving Fund	Fund value	Fund value	Fund value
Assumptions:			
Investment return - includes Inflation at the stated rate	8.0%	8.0%	8.0%
Projected salary increases - Includes inflation at the stated rate	5.4%	5.4%	5.4%
Inflation at the stated rate	3.5%	3.5%	3.5%
Cost-of-living adjustments	0.0%	0.0%	0.0%

Schedule of Funding Information

Actuarial valuation date	12/31/2011	12/31/2012	12/31/2013
Actuarial value of assets	$ 292,341,994	$ 318,362,025	$ 342,561,297
Actuarial accrued liability (AAL)	$ 294,809,845	$ 310,506,865	$ 327,856,714
Unfunded or (overfunded) actuarial accrued liability [UAAL or (OAAL)]	$ 2,467,861	$(7,855,160)	$(14,704,583)
Funded ratio	99.16%	102.53%	104.49%
Annual covered payroll (actuarial)	$ 85,213,179	$ 84,306,943	$ 84,997,069
UAAL or (OAAL) as percentage of covered payroll	2.90%	-9.32%	-17.30%

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REQUIRED
SUPPLEMENTARY INFORMATION

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COLLIN COUNTY, TEXAS

Required Supplementary Information

Schedule of Revenues, Expenditures, and Changes in Fund Balance – Budget (GAAP Basis) and Actual

General Fund

For The Year Ended September 30, 2014

	Budget			Variance with Final Budget positive
	Original	Final	Actual	(negative)
Revenues:				
Property taxes	$ 139,341,129	$ 139,341,129	$ 140,746,018	$ 1,404,889
Licenses and permits	279,000	279,000	456,366	177,366
Federal and state funds	4,377,538	4,401,664	6,361,798	1,960,134
Fees and charges for services	18,701,697	18,836,109	19,099,538	263,429
Fines and forfeitures	2,126,800	2,129,000	1,763,311	(365,689)
Rental	258,702	258,702	302,820	44,118
Interest	723,100	723,100	1,123,376	400,276
Miscellaneous	259,000	712,557	774,800	62,243
Total revenues	166,066,966	166,681,261	170,628,027	3,946,766
Expenditures:				
Current:				
General administration	46,931,553	46,566,768	37,944,750	8,622,018
Judicial	15,737,928	15,766,306	15,063,445	702,861
Financial administration	10,781,084	10,781,084	10,301,765	479,319
Legal	10,798,007	10,811,450	10,388,114	423,336
Public facilities	11,538,807	12,303,384	10,804,060	1,499,324
Equipment services	2,781,466	2,829,373	2,217,536	611,837
Public safety	55,287,904	55,430,100	53,594,955	1,835,145
Health and welfare	12,264,400	13,963,063	13,679,712	283,351
Culture and recreation	1,002,754	1,002,810	937,036	65,774
Conservation	269,765	269,765	256,500	13,265
Capital outlay	12,143,920	11,387,720	4,226,191	7,161,529
Total expenditures	179,537,588	181,111,823	159,414,064	21,697,759
Excess (deficiency) of revenues over (under) expenditures	(13,470,622)	(14,430,562)	11,213,963	25,644,525
Other financing sources (uses):				
Transfers in	-	85,141	85,141	-
Transfers out	(350,000)	(507,172)	(460,896)	46,276
Sale of assets	-	84,928	84,928	-
Total other financing sources (uses)	(350,000)	(337,103)	(290,827)	46,276
Net change in fund balance	(13,820,622)	(14,767,665)	10,923,136	25,690,801
Fund balance – beginning	185,718,969	185,718,969	185,718,969	-
Fund balance – ending	$ 171,898,347	$ 170,951,304	$ 196,642,105	$ 25,690,801

COLLIN COUNTY, TEXAS

Required Supplementary Information

Schedule of Revenues, Expenditures and Changes
in Fund Balance – Budget (GAAP Basis) and Actual

General Road and Bridge Special Revenue Fund

For The Year Ended September 30, 2014

	Budget Original	Budget Final	Actual	Variance with Final Budget positive (negative)
Revenues:				
Property taxes	$ 3,157,946	$ 3,157,946	$ 3,189,577	$ 31,631
Licenses and permits	2,000	2,000	3,978	1,978
Fees & charges for services:				
Road mileage fees	7,500,000	7,500,000	8,270,725	770,725
Vehicle title fees	800,000	800,000	904,565	104,565
Road & bridge fees	6,545,000	6,545,000	7,335,622	790,622
Total fees & charges for services	14,845,000	14,845,000	16,510,912	1,665,912
Fines and forfeitures:				
County clerk	1,399,900	1,399,900	1,383,976	(15,924)
District clerk	480,500	480,500	585,583	105,083
Total fines and forfeitures	1,880,400	1,880,400	1,969,559	89,159
Other local government funds	-	128,430	38,431	(89,999)
Interest	100,000	100,000	27,338	(72,662)
Miscellaneous:				
Sale of road and bridge materials	100,000	100,000	470,016	370,016
Other and grants	5,933	5,933	29,901	23,968
Total miscellaneous	105,933	105,933	499,917	393,984
Total revenues	20,091,279	20,219,709	22,239,712	2,020,003
Expenditures:				
Current:				
Public Transportation:				
Road and Bridge Maintenance:				
Salaries and benefits	5,287,963	5,287,963	5,003,708	284,255
Training and travel	11,616	11,616	11,042	574
Maintenance and operating	16,719,024	16,887,055	9,161,566	7,725,489
Total Road and Bridge Maintenance	22,018,603	22,186,634	14,176,316	8,010,318
Engineering:				
Salaries and benefits	467,560	467,560	390,104	77,456
Training and travel	12,985	12,985	4,572	8,413
Maintenance and operating	5,865	5,865	2,884	2,981
Total Engineering	486,410	486,410	397,560	88,850

COLLIN COUNTY, TEXAS

Required Supplementary Information

Schedule of Revenues, Expenditures and Changes
in Fund Balance – Budget (GAAP Basis) and Actual

General Road and Bridge Special Revenue Fund, continued

For The Year Ended September 30, 2014

	Budget Original	Budget Final	Actual	Variance with Final Budget positive (negative)
Services and Operations:				
Salaries and benefits	$ 453,831	$ 455,068	$ 455,068	$ -
Training and travel	10,493	10,493	6,797	3,696
Maintenance and operating	21,230	13,952	10,410	3,542
Total Services and Operations	485,554	479,513	472,275	7,238
Soil Conservation:				
Maintenance and operating	44,035	44,035	33,833	10,202
Special Projects:				
Salaries and benefits	199,614	199,614	159,630	39,984
Training and travel	1,425	1,425	-	1,425
Maintenance and operating	600	600	209	391
Total Special Projects	201,639	201,639	159,839	41,800
Non-departmental:				
Maintenance and operating	557,839	516,869	270,970	245,899
Total public transportation	23,794,080	23,915,100	15,510,793	8,404,307
Capital Outlay:				
Public Transportation:				
Road and Bridge Maintenance	3,440,813	3,506,564	3,244,208	262,356
Total Capital Outlay	3,440,813	3,506,564	3,244,208	262,356
Total expenditures	27,234,893	27,421,664	18,755,001	8,666,663
Excess (deficiency) of revenues over (under) expenditures	(7,143,614)	(7,201,955)	3,484,711	10,686,666
Other financing sources (uses):				
Sale of assets	-	153,305	153,305	-
Total other financing sources (uses)	-	153,305	153,305	-
Net change in fund balance	(7,143,614)	(7,048,650)	3,638,016	10,686,666
Fund balance – beginning	19,097,615	19,097,615	19,097,615	-
Fund balance – ending	$ 11,954,001	$ 12,048,965	$ 22,735,631	$ 10,686,666

COLLIN COUNTY, TEXAS

Required Supplementary Information

Schedule of Revenues, Expenditures, and

Changes in Fund Balance – Budget (GAAP Basis) and Actual

Health Care Foundation Special Revenue Fund

For The Year Ended September 30, 2014

	Budget			Variance with Final Budget positive
	Original	**Final**	**Actual**	**(negative)**
Revenues:				
Federal and state funds	$ 50,000	$ 50,000	$ 39,367	$(10,633)
Fees and charges for services	241,400	241,400	227,777	(13,623)
Rental	1,111,627	1,111,627	1,183,793	72,166
Interest	50,000	50,000	79,833	29,833
Miscellaneous	15,000	126,724	134,292	7,568
Total revenues	1,468,027	1,579,751	1,665,062	85,311
Expenditures:				
Current:				
Health and Welfare:				
Salaries and benefits	1,612,967	1,612,967	1,531,730	81,237
Training and travel	20,000	20,000	15,860	4,140
Maintenance and operating	2,697,000	2,697,000	813,492	1,883,508
Total health and welfare	4,329,967	4,329,967	2,361,082	1,968,885
Public Facilities:				
Maintenance and operating	184,118	184,118	79,894	104,224
Total public facilities	184,118	184,118	79,894	104,224
Capital Outlay:				
Health and Welfare	21,553	21,553	7,283	14,270
Total Capital Outlay	21,553	21,553	7,283	14,270
Total expenditures	4,535,638	4,535,638	2,448,259	2,087,379
Excess (deficiency) of revenues over (under) expenditures	(3,067,611)	(2,955,887)	(783,197)	2,172,690
Fund balance – beginning	8,486,389	8,486,389	8,486,389	-
Fund balance – ending	$ 5,418,778	$ 5,530,502	$ 7,703,192	$ 2,172,690

STEWARDSHIP, COMPLIANCE AND ACCOUNTABILITY

(a)Budgetary Information

Annual budgets are adopted for all governmental funds with the exception of capital project funds and the following special revenue funds: RTR – Outer Loop Phase 3 Fund, Tax Assessor/Collector Motor Vehicle Tax Fund, Sheriff Forfeiture Fund, District Attorney State Forfeiture, District Attorney Federal Treasury Forfeiture, District Attorney Federal Justice Forfeiture, LEOSE Education Fund, District Attorney Service Fee Fund, SCAAP Fund, Juvenile Case Manager Fund, District Attorney Pretrial Intervention Program Fund, District Attorney Apportionment Fund and the Grants Fund. The budget for capital project funds is adopted by project on a project-life term at the time debt is issued, and the budget is carried over from year to year until the funding is exhausted. All grant fund budgets are adopted at the grantor level and adoption is administerial by Commissioners Court. All governmental fund annual appropriations lapse at year end.

On or before the last day of May of each year all departments of the County submit requests for appropriations to the Budget Officer. The initial budget request and the Budget Officer's recommendations are provided to the Commissioners Court beginning in early July. Commissioners Court holds budget hearings to allow departments to justify requests not included in the Budget Officer's proposed budget. They hold public hearings and publish notices starting in August on the timetable required by state statute. By September 1st or as soon as possible thereafter the budget and the tax rate are adopted with tax notices mailed on or after October 1st.

The appropriated budget is adopted annually by fund, department, and activity at the legal level of budgetary control. The categories of salary and benefits, training and travel, maintenance and operating, and capital outlay are the legal levels used. Effective September 1, 2005, the Commissioners Court amended this policy to allow the Budget Officer to amend the budget as needed for appropriation line items with a "For Your Information" notification to the Court for all amendments over $5,000.

Encumbrance accounting is utilized by the County. Encumbrances (i.e. outstanding purchase orders, contracts) outstanding at year end are reported as restrictions or commitments of fund balance and do not constitute expenditures or liabilities because the expenditures are not recognized until the goods or services have been received. The encumbrances at year-end are carried forward to the next year and the budget is increased to accommodate the additional expenditures.

Employees Retirement System Schedule of Funding Progress

(Thousands)

Actuarial Valuation Date	Assets (a)	(AAL) (b)	UAAL/OAAL (a - b)	Ratio (a/b)	Payroll (c)	Payroll ((b - a)/ c)
December 31, 2011	$ 292,342	$ 294,810	$(2,468)	99.16%	$ 85,213	2.90%
December 31, 2012	318,362	310,507	7,856	102.53%	84,307	-9.32%
December 31, 2013	342,561	327,857	14,704	104.48%	84,997	-17.30%

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APPENDIX C

FORMS OF BOND COUNSEL'S OPINIONS

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Texas
New York
Washington, DC
Connecticut
Seattle
Dubai
London

Bracewell & Giuliani LLP
1445 Ross Avenue
Suite 3800
Dallas, Texas
75202-2711

[CLOSING DATE]

$67,075,000
COLLIN COUNTY, TEXAS
UNLIMITED TAX ROAD AND REFUNDING BONDS,
SERIES 2015

WE HAVE represented Collin County, Texas (the "Issuer"), as its bond counsel in connection with an issue of bonds (the "Bonds") described as follows:

> COLLIN COUNTY, TEXAS UNLIMITED TAX ROAD AND REFUNDING BONDS, SERIES 2015, dated July 1, 2015.
>
> The Bonds mature, bear interest, are subject to redemption prior to maturity and may be transferred and exchanged as set out in the Bonds and in the order adopted by the Commissioners Court of the Issuer on June 15, 2015 authorizing their issuance and the pricing certificate executed pursuant to the terms thereof (collectively, the "Order").

WE HAVE represented the Issuer as its bond counsel for the purpose of rendering an opinion with respect to the legality and validity of the Bonds under the Constitution and laws of the State of Texas and with respect to the exclusion of interest on the Bonds from gross income for federal income tax purposes. We have not investigated or verified original proceedings, records, data or other material, but have relied solely upon the transcript of proceedings described in the following paragraph. We have not assumed any responsibility with respect to the financial condition or capabilities of the Issuer or the disclosure thereof in connection with the sale of the Bonds. Our role in connection with the Issuer's Official Statement prepared for use in connection with the sale of the Bonds has been limited as described therein.

IN OUR CAPACITY as bond counsel, we have participated in the preparation of and have examined a transcript of certified proceedings pertaining to the Bonds, on which we have relied in giving our opinion. The transcript contains certified copies of certain proceedings of the Issuer; an escrow agreement (the "Escrow Agreement") between the Issuer and The Bank of New York Mellon Trust Company, N.A. as escrow agent (the "Escrow Agent"); the report (the "Report") of Grant Thornton LLP, Certified Public Accountants (the "Verification Agent"), verifying the sufficiency of the deposits made with the Escrow Agent for defeasance of the obligations being refunded (the "Refunded Bonds") and the mathematical accuracy of certain computations of the yield on the Bonds and obligations acquired with the proceeds of the Bonds; customary certificates of officers, agents and representatives of the Issuer, and other public officials, and other certified showings relating to the authorization and issuance of the Bonds. We have also examined such applicable provisions of the Internal Revenue Code of 1986, as amended (the "Code"), court decisions, United States Department of the Treasury Regulations and published rulings of the Internal Revenue Service (the "Service") as we have deemed relevant. We have also examined executed Bond No. 1 of this issue.

BASED ON SUCH EXAMINATION, IT IS OUR OPINION THAT:

(A) The transcript of certified proceedings evidences complete legal authority for the issuance of the Bonds in full compliance with the Constitution and laws of the State of Texas presently effective and, therefore, the Bonds constitute valid and legally binding obligations of the Issuer;

(B) Firm banking and financial arrangements have been made for the discharge and final payment of the Refunded Bonds pursuant to an Escrow Agreement entered into between the Issuer and the Escrow Agent and, therefore, such Refunded Bonds are deemed to be fully paid and no longer outstanding except for the purpose of being paid from the funds provided therefor in such Escrow Agreement; and

(C) A continuing ad valorem tax upon all taxable property within Collin County, Texas, necessary to pay the interest on and principal of the Bonds, has been levied and pledged irrevocably for such purposes, without limit as to rate or amount, and the total indebtedness of the Issuer, including the Bonds, does not exceed any constitutional, statutory or other limitations.

THE RIGHTS OF THE OWNERS of the Bonds are subject to the applicable provisions of the federal bankruptcy laws and any other similar laws affecting the rights of creditors of political subdivisions generally, and may be limited by general principles of equity which permit the exercise of judicial discretion.

IT IS OUR FURTHER OPINION THAT:

(1) Interest on the Bonds is excludable from gross income for federal income tax purposes under existing law; and

(2) The Bonds are not "private activity bonds" within the meaning of the Code, and, as such, interest on the Bonds is not subject to the alternative minimum tax on individuals and corporations, except that interest on the Bonds will be included in the "adjusted current earnings" of a corporation (other than an S corporation, regulated investment company, REIT, or REMIC) for purposes of computing its alternative minimum tax liability.

In providing such opinions, we have relied on representations of the Issuer, the Issuer's financial advisor and the underwriters of the Bonds with respect to matters solely within the knowledge of the Issuer, the Issuer's financial advisor and the underwriters, respectively, which we have not independently verified, and have assumed continuing compliance with the covenants in the Order pertaining to those sections of the Code, that affect the exclusion from gross income of interest on the Bonds for federal income tax purposes. We have further relied on the Report of the Verification Agent, regarding the mathematical accuracy of certain computations. If such representations or the Report are determined to be inaccurate or incomplete or the Issuer fails to comply with the foregoing provisions of the Order, interest on the Bonds could become includable in gross income from the date of original delivery, regardless of the date on which the event causing such inclusion occurs.

Except as stated above, we express no opinion as to any federal, state or local tax consequences resulting from the ownership of, receipt of interest on, or disposition of the Bonds.

Owners of the Bonds should be aware that the ownership of tax-exempt obligations may result in collateral federal income tax consequences to financial institutions, life insurance and property and casualty insurance companies, certain S corporations with Subchapter C earnings and profits, individual recipients of Social Security or Railroad Retirement benefits, taxpayers who may be deemed to have incurred or continued indebtedness to purchase or carry tax-exempt obligations, low and middle income taxpayers qualifying for the health insurance premium assistance credit, and individuals otherwise qualifying for the earned income credit. In addition, certain foreign corporations doing business in the United States may be subject to the "branch profits tax" on their effectively-connected earnings and profits (including tax-exempt interest such as interest on the Bonds).

The opinions set forth above are based on existing law, which is subject to change. Such opinions are further based on our knowledge of facts as of the date hereof. We assume no duty to update or supplement these opinions to reflect any facts or circumstances that may hereafter come to our attention or to reflect any changes in any law that may hereafter occur or become effective. Moreover, our opinions are not a guarantee of result and are not binding on the Service; rather, such opinions represent our legal judgment based upon our review of existing law and in reliance upon the representations and covenants referenced above that we deem relevant to such opinions. The Service has an ongoing audit program to determine compliance with rules that relate to whether interest on state or local obligations is includable in gross income for federal income tax purposes. No assurance can be given as to whether or not the Service will commence an audit of the Bonds. If an audit is commenced, in accordance with its current published procedures the Service is likely to treat the Issuer as the taxpayer. We observe that the Issuer has covenanted in the Order not to take any action, or omit to take any action within its control, that if taken or omitted, respectively, may result in the treatment of interest on the Bonds as includable in gross income for federal income tax purposes.

Texas
New York
Washington, DC
Connecticut
Seattle
Dubai
London

Bracewell & Giuliani LLP
1445 Ross Avenue
Suite 3800
Dallas, Texas
75202-2711

[CLOSING DATE]

$3,675,000
COLLIN COUNTY, TEXAS
LIMITED TAX REFUNDING AND IMPROVEMENT BONDS,
SERIES 2015

WE HAVE represented Collin County, Texas (the "Issuer"), as its bond counsel in connection with an issue of bonds (the "Bonds") described as follows:

> COLLIN COUNTY, TEXAS LIMITED TAX REFUNDING AND IMPROVEMENT BONDS, SERIES 2015, dated July 1, 2015.
>
> The Bonds mature, bear interest, are subject to redemption prior to maturity and may be transferred and exchanged as set out in the Bonds and in the order adopted by the Commissioners Court of the Issuer on June 15, 2015 authorizing their issuance and the pricing certificate executed pursuant to the terms thereof (collectively, the "Order").

WE HAVE represented the Issuer as its bond counsel for the purpose of rendering an opinion with respect to the legality and validity of the Bonds under the Constitution and laws of the State of Texas and with respect to the exclusion of interest on the Bonds from gross income for federal income tax purposes. We have not investigated or verified original proceedings, records, data or other material, but have relied solely upon the transcript of proceedings described in the following paragraph. We have not assumed any responsibility with respect to the financial condition or capabilities of the Issuer or the disclosure thereof in connection with the sale of the Bonds. Our role in connection with the Issuer's Official Statement prepared for use in connection with the sale of the Bonds has been limited as described therein.

IN OUR CAPACITY as bond counsel, we have participated in the preparation of and have examined a transcript of certified proceedings pertaining to the Bonds, on which we have relied in giving our opinion. The transcript contains certified copies of certain proceedings of the Issuer; an escrow agreement (the "Escrow Agreement") between the Issuer and The Bank of New York Mellon Trust Company, N.A. as escrow agent (the "Escrow Agent"); the report (the "Report") of Grant Thornton LLP, Certified Public Accountants (the "Verification Agent"), verifying the sufficiency of the deposits made with the Escrow Agent for defeasance of the obligations being refunded (the "Refunded Bonds") and the mathematical accuracy of certain computations of the yield on the Bonds and obligations acquired with the proceeds of the Bonds; customary certificates of officers, agents and representatives of the Issuer, and other public officials, and other certified showings relating to the authorization and issuance of the Bonds. We have also examined such applicable provisions of the Internal Revenue Code of 1986, as amended (the "Code"), court decisions, United States Department of the Treasury Regulations and rulings of the Internal Revenue Service (the "Service") as we have deemed relevant. We have also examined executed Bond No. 1 of this issue.

BASED ON SUCH EXAMINATION, IT IS OUR OPINION THAT:

(A) The transcript of certified proceedings evidences complete legal authority for the issuance of the Bonds in full compliance with the Constitution and laws of the State of Texas presently effective and, therefore, the Bonds constitute valid and legally binding obligations of the Issuer;

(B) Firm banking and financial arrangements have been made for the discharge and final payment of the Refunded Bonds pursuant to an Escrow Agreement entered into between the Issuer and the Escrow Agent and, therefore, such Refunded Bonds are deemed to be fully paid and no longer outstanding except for the purpose of being paid from the funds provided therefor in such Escrow Agreement; and

(C) A continuing ad valorem tax upon all taxable property within Collin County, Texas, necessary to pay the interest on and principal of the Bonds, has been levied and pledged irrevocably for such purposes, within the limits prescribed by law, and the total indebtedness of the Issuer, including the Bonds, does not exceed any constitutional, statutory or other limitations.

THE RIGHTS OF THE OWNERS of the Bonds are subject to the applicable provisions of the federal bankruptcy laws and any other similar laws affecting the rights of creditors of political subdivisions generally, and may be limited by general principles of equity which permit the exercise of judicial discretion.

IT IS OUR FURTHER OPINION THAT:

(1) Interest on the Bonds is excludable from gross income for federal income tax purposes under existing law; and

(2) The Bonds are not "private activity bonds" within the meaning of the Code, and, as such, interest on the Bonds is not subject to the alternative minimum tax on individuals and corporations, except that interest on the Bonds will be included in the "adjusted current earnings" of a corporation (other than an S corporation, regulated investment company, REIT, or REMIC) for purposes of computing its alternative minimum tax liability.

In providing such opinions, we have relied on representations of the Issuer, the Issuer's financial advisor and the underwriters of the Bonds with respect to matters solely within the knowledge of the Issuer, the Issuer's financial advisor and the underwriters, respectively, which we have not independently verified, and have assumed continuing compliance with the covenants in the Order pertaining to those sections of the Code, that affect the exclusion from gross income of interest on the Bonds for federal income tax purposes. We have further relied on the Report of the Verification Agent, regarding the mathematical accuracy of certain computations. If such representations or the Report are determined to be inaccurate or incomplete or the Issuer fails to comply with the foregoing provisions of the Order, interest on the Bonds could become includable in gross income from the date of original delivery, regardless of the date on which the event causing such inclusion occurs.

Except as stated above, we express no opinion as to any federal, state or local tax consequences resulting from the ownership of, receipt of interest on, or disposition of the Bonds.

Owners of the Bonds should be aware that the ownership of tax-exempt obligations may result in collateral federal income tax consequences to financial institutions, life insurance and property and casualty insurance companies, certain S corporations with Subchapter C earnings and profits, individual recipients of Social Security or Railroad Retirement benefits, taxpayers who may be deemed to have incurred or continued indebtedness to purchase or carry tax-exempt obligations, low and middle income taxpayers qualifying for the health insurance premium assistance credit, and individuals otherwise qualifying for the earned income credit. In addition, certain foreign corporations doing business in the United States may be subject to the "branch profits tax" on their effectively-connected earnings and profits (including tax-exempt interest such as interest on the Bonds).

The opinions set forth above are based on existing law, which is subject to change. Such opinions are further based on our knowledge of facts as of the date hereof. We assume no duty to update or supplement these opinions to reflect any facts or circumstances that may hereafter come to our attention or to reflect any changes in any law that may hereafter occur or become effective. Moreover, our opinions are not a guarantee of result and are not binding on the Service; rather, such opinions represent our legal judgment based upon our review of existing law and in reliance upon the representations and covenants referenced above that we deem relevant to such opinions. The Service has an ongoing audit program to determine compliance with rules that relate to whether interest on state or local obligations is includable in gross income for federal income tax purposes. No assurance can be given as to whether or not the Service will commence an audit of the Bonds. If an audit is commenced, in accordance with its current published procedures the Service is likely to treat the Issuer as the taxpayer. We observe that the Issuer has covenanted in the Order not to take any action, or omit to take any action within its control, that if taken or omitted, respectively, may result in the treatment of interest on the Bonds as includable in gross income for federal income tax purposes.

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