

**TRANSCRIPT OF PROCEEDINGS
RELATING TO**

**COLLIN COUNTY
LIMITED TAX PERMANENT IMPROVEMENT BONDS
SERIES 2019**

Dated: February 15, 2019

BRACEWELL

**BRACEWELL LLP
1445 ROSS AVENUE, SUITE 3800
DALLAS, TEXAS 75201-2711**

DALLAS, TEXAS 75201-2711

**COLLIN COUNTY, TEXAS
LIMITED TAX PERMANENT IMPROVEMENT BONDS,
SERIES 2019**

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CERTIFICATE FOR ORDER

I, the undersigned County Clerk of Collin County, Texas, hereby certify as follows:

1. The Commissioners Court of Collin County, Texas (the "Commissioners Court") convened in regular meeting, on August 20, 2018, at the Collin County Administration Building located at 2300 Bloomdale Road, McKinney, Texas, and the roll was called of the duly constituted and acting members of the Commissioners Court, to wit:

Keith Self, County Judge
Susan Fletcher, Commissioner, Precinct No. 1
Cheryl Williams, Commissioner, Precinct No. 2
John Thomas, Commissioner, Precinct No. 3
Duncan Webb, Commissioner, Precinct No. 4

and all of the members of the Commissioners Court were present, thus constituting a quorum. Whereupon, among other business, a written Order bearing the following caption was introduced for consideration by the Commissioners Court:

AN ORDER OF THE COMMISSIONERS COURT OF COLLIN
COUNTY, TEXAS, CALLING A BOND ELECTION TO BE
HELD ON NOVEMBER 6, 2018 WITHIN THE COUNTY,
MAKING PROVISIONS FOR THE CONDUCT OF THE
ELECTION AND OTHER PROVISIONS RELATING
THERETO

was duly introduced for consideration of said Commissioners Court. It was then duly moved and seconded that said Order be passed; and, after due discussion, said motion, carrying with it the passage of said Order, prevailed and carried by the following vote:

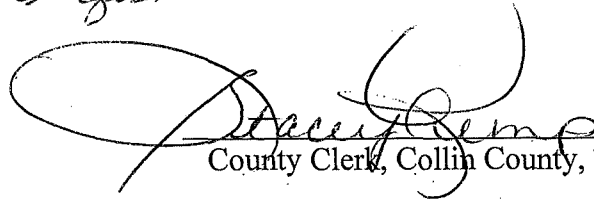
AYES: 5

NOES: 0

ABSTENTIONS: 0

2. A true, full and correct copy of the aforesaid Order passed at the meeting described in the above and foregoing paragraph is attached to and follows this Certificate; said Order has been duly recorded in the official minutes of said Commissioners Court; the above and foregoing paragraph is a true and correct excerpt from said minutes of said meeting pertaining to the passage of said Order; the persons named in the above and foregoing paragraph, at the time of said meeting and the passage of said Order, were the duly chosen, qualified and acting officers and members of said Commissioners Court as indicated therein; each of said officers and members was duly and sufficiently notified officially and personally in advance, of the time, place and purpose of the aforesaid meeting and that said Order would be introduced and considered for passage at said meeting, and each of said officers and members consented in advance to the holding of said meeting for such purpose; and said meeting was open to the public, and public notice of the time, place and purpose of said meeting was given, all as required by Chapter 551, TEX. GOV'T CODE ANN., as amended.

SIGNED AND SEALED this August 20, 2018.


County Clerk, Collin County, Texas



ORDER

AN ORDER OF THE COMMISSIONERS COURT OF COLLIN COUNTY, TEXAS, CALLING A BOND ELECTION TO BE HELD ON NOVEMBER 6, 2018 WITHIN THE COUNTY, MAKING PROVISIONS FOR THE CONDUCT OF THE ELECTION AND OTHER PROVISIONS RELATING THERETO

WHEREAS, the Commissioners Court of Collin County, Texas (the "Court"), hereby finds and determines that it is necessary and advisable to call and hold a bond election in the County for the purpose of submitting certain propositions pertaining to the issuance of bonds for the purposes hereinafter set forth; and

WHEREAS, the Court hereby finds and determines that said election shall be held on a uniform election date established by Section 41.001(a), Texas Election Code, as amended, as required by Texas law; and

WHEREAS, the Court finds and declares that the meeting at which this Order is considered is open to the public as required by law, and that public notice of the time, place, and purpose of said meeting was given as required by Chapter 551, Texas Government Code, as amended; therefore,

BE IT ORDERED BY THE COMMISSIONERS COURT OF COLLIN COUNTY, TEXAS:

Section 1. **Findings.** The statements contained in the preamble of this Order are true and correct and are hereby adopted as findings of fact and as part of the operative provisions hereof.

Section 2. **Election Ordered; Date; Proposition.** An election (the "Election") shall be held in and throughout Collin County, Texas on Tuesday, November 6, 2018 ("Election Day"), a uniform election date established by Section 41.001(a) of the Texas Election Code, as amended (the "Code"). At the Election the following propositions (the "Propositions") shall be submitted to the qualified voters of the County in accordance with law:

COLLIN COUNTY - PROPOSITION A

"Shall the Commissioners Court of Collin County, Texas, be authorized to issue bonds of the County, in one or more series or issues, in the aggregate principal amount of \$600,000,000 for the purpose of providing funds for permanent public improvements, to-wit: for constructing, improving and maintaining non-tolled, high-speed highways and freeways within Collin County and related service and frontage roads; including the acquisition of land and rights-of-way therefor; and including participating in the cost of joint county-state and county-city projects said bonds of each series or issue, respectively, to mature serially over a period of not to exceed thirty (30) years from their date, and to be issued in such

installments and sold at such price or prices and to bear interest at such rate or rates as shall be determined within the discretion of the Commissioners Court under laws in effect at the time of issuance; and to provide for the payment of the principal of and interest on said bonds by levying and collecting annual ad valorem taxes upon all taxable property within the County in an amount sufficient to pay the annual interest on said bonds and to provide a sinking fund sufficient to pay said bonds as they become due?"

COLLIN COUNTY - PROPOSITION B

"Shall the Commissioners Court of Collin County, Texas, be authorized to issue bonds of the County, in one or more series or issues, in the aggregate principal amount of \$140,000,000 for the purpose of providing funds for permanent public improvements, to-wit: for constructing, improving and maintaining roads and bridges within Collin County, including the acquisition of land and rights-of-way therefor; and including participating in the cost of joint county-state and county-city projects; said bonds of each series or issue, respectively, to mature serially over a period of not to exceed thirty (30) years from their date, and to be issued in such installments and sold at such price or prices and to bear interest at such rate or rates as shall be determined within the discretion of the Commissioners Court under laws in effect at the time of issuance; and to provide for the payment of the principal of and interest on said bonds by levying and collecting annual ad valorem taxes upon all taxable property within the County in an amount sufficient to pay the annual interest on said bonds and to provide a sinking fund sufficient to pay said bonds as they become due?"

COLLIN COUNTY - PROPOSITION C

"Shall the Commissioners Court of Collin County, Texas, be authorized to issue the bonds of the County, in one or more series or issues, in the aggregate principal amount of \$10,000,000, for the purpose of acquiring and improving land for park and open space purposes, including joint county-city projects; said bonds of each such series or issue, respectively, to mature serially over a period of not to exceed thirty (30) years from their date, and to be sold at such price or prices and bear interest at such rate or rates as shall be determined within the discretion of the Commissioners Court at the time of issuance, and to provide for the payment of the principal of and interest on said bonds by levying and collecting annual ad valorem taxes upon all taxable property within the County in an amount sufficient to pay the annual interest on said bonds when due and to provide a sinking fund sufficient to pay said bonds as they become due?"

Section 3. **Official Ballot.** (a) Voting at the Election and early voting therefor, shall be by the use of the lawfully approved County voting systems and ballots.

(b) The preparation of the necessary equipment and the official ballots for the Election shall conform to the requirements of the Code so as to permit the electors to vote "FOR" or "AGAINST" the aforesaid Propositions which shall be set forth on the ballots substantially in the following form::

COLLIN COUNTY - PROPOSITION A

- | | | |
|--------------------------|---------|--|
| <input type="checkbox"/> | FOR | "THE ISSUANCE OF \$600,000,000 BONDS FOR THE CONSTRUCTION OF NON-TOLLED, HIGH-SPEED HIGHWAYS AND FREEWAYS THROUGHOUT THE COUNTY AND RELATED SERVICE AND FRONTAGE ROADS, INCLUDING PARTICIPATION IN JOINT COUNTY-STATE AND COUNTY-CITY PROJECTS, AND THE LEVY OF A TAX IN PAYMENT THEREOF." |
| <input type="checkbox"/> | AGAINST | |

COLLIN COUNTY - PROPOSITION B

- | | | |
|--------------------------|---------|--|
| <input type="checkbox"/> | FOR | "THE ISSUANCE OF \$140,000,000 BONDS FOR THE CONSTRUCTION OF ROADS THROUGHOUT THE COUNTY, INCLUDING PARTICIPATION IN JOINT COUNTY-STATE AND COUNTY-CITY PROJECTS, AND THE LEVY OF A TAX IN PAYMENT THEREOF." |
| <input type="checkbox"/> | AGAINST | |

COLLIN COUNTY - PROPOSITION C

- | | | |
|--------------------------|---------|---|
| <input type="checkbox"/> | FOR | "THE ISSUANCE OF \$10,000,000 BONDS FOR THE ACQUISITION AND IMPROVEMENT OF LAND FOR PARK AND OPEN SPACE PURPOSES, INCLUDING PARTICIPATION IN JOINT COUNTY-CITY PROJECTS, AND THE LEVY OF A TAX IN PAYMENT THEREOF." |
| <input type="checkbox"/> | AGAINST | |

Section 4. **Persons Qualified to Vote.** All resident, qualified voters of the County shall be eligible to vote at the Election.

Section 5. **Election Precincts, Voting Locations and Voting Hours on Election Day.** Voting on Election Day shall be conducted at the polling locations for the precincts designated on Exhibit A hereto. Such precincts and locations may be changed if so directed by the Elections Administrator without further action of the Court. The Elections Administrator is hereby authorized and directed to make such changes in polling locations as may be necessary for the proper conduct of the Election. Each polling place shall be open from 7:00 A.M. to 7:00 P.M. on the date of the Election.

Section 6. **Early Voting Locations Dates and Times.** (a) The Elections Administrator is hereby appointed as Early Voting Clerk for the Election. The early voting place and the

address for early voting by mail for the Election are hereby designated as set forth in Exhibit B; provided, however, such locations may be changed if so directed by the Elections Administrator without further action of the Court. The Elections Administrator is hereby authorized and directed to make such changes in locations as may be necessary for the proper conduct of the Election. The Elections Administrator and/or Early Voting Clerk are hereby authorized to appoint the members of the Early Voting Ballot board and the presiding judge and alternate judge in accordance with the requirements of the Code.

(b) Early voting by personal appearance shall be conducted on the days and during the hours set forth in Exhibit B, as may be adjusted by the Elections Administrator without further Court action.

(c) Applications for early voting by mail shall be submitted to the Elections Administrator, Collin County, 2010 Redbud Blvd, Ste. 102, McKinney, Texas 75069.

(d) Voting times may be changed if so directed by the Elections Administrator without further action of the Court. The Elections Administrator is hereby authorized and directed to make such changes in voting hours as may be necessary for the proper conduct of the Election.

Section 7. **Appointment of Election Officers.** The Election shall be conducted under the jurisdiction of the Collin County Elections Department (the "Elections Administrator").

Section 8. **Notice of Election.** Notice of the Election shall be given by: (i) publishing a substantial copy of this Order, in English and Spanish, on the same day in each of two (2) successive weeks in a newspaper of general circulation published within the County, the date of the first publication to be not less than fourteen (14) days nor more than thirty (30) days prior to the date set for the Election, (ii) posting a copy of this Order, in English and Spanish on the bulletin board used for posting notices of meetings of the County Commissions Court and in at least three (3) other public places within the County, not later than the twenty-first (21st) day prior to the date set for the Election and (iii) posting a copy of this Order, in English and Spanish, on the County's website, prominently and together with the notice of the Election and the contents of the Propositions, not later than the twenty-first (21st) day prior to the date set for the Election through Election Day. Additionally, on Election Day and during early voting by personal appearance, this Order shall be posted in a prominent location at each polling place.

Section 9. **Conduct of Election.** The Election shall be conducted in accordance with the Code and other applicable law by the Collin County Elections Administrator.

Section 10. **Additional Information Required by Section 3.009 of the Election Code.**
(a) As of October 1, 2017, the first day of the County's current fiscal year, the aggregate principal amount outstanding of tax supported debt of the County was \$352,380,000 and the aggregate amount of outstanding interest on such tax supported debt was \$95,731,724. The County's ad valorem debt service tax rate allocable to tax supported debt for the current fiscal year is \$0.053450 per \$100 of assessed valuation of taxable property in the County.

(b) The County intends to issue the bonds authorized by the Propositions over a period of years in a manner and in accordance with a schedule to be determined by the Court

based upon a number of factors, including, but not limited to, the then current needs of the County, demographic changes, prevailing market conditions, assessed valuations in the County and management of the County's short-term and long-term interest rate exposure. Market conditions, demographics and assessed valuations vary based upon a number of factors beyond the County's control, and therefore, the County cannot and does not guarantee a particular interest rate or tax rate associated with the tax bonds authorized by the Propositions. As such, the information contained in this paragraph is provided solely for illustrative purposes and does not establish any limitations or restrictions or create a contract with the voters. The County currently estimates that, if the Propositions were approved and the bonds proposed herein were authorized and issued in accordance with the County's currently projected plan of finance, the maximum interest rate on the limited tax bonds is not expected to exceed 5.00%.

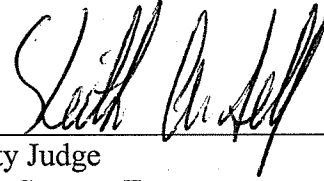
(c) Any additional information required by Section 3.009 of the Code is contained in Sections 2 and 3 of this Order.

Section 11. **Necessary Actions.** The County Judge, County Clerk and other officials of the County, in consultation with the County's attorney and bond counsel, are hereby authorized and directed to take any and all actions necessary to comply with the provisions of the Code and the Federal Voting Rights Act in carrying out and conducting the Election, whether or not expressly authorized herein, including making changes or additions to polling places or procedures to the extent required or desirable or as may become necessary due to circumstances arising after the date of this Order.

Section 12. **Severability.** If any provision, section, subsection, sentence, clause or phrase of this Order, or the application of same to any person or set of circumstances is for any reason held to be unconstitutional, void, invalid, or unenforceable, neither the remaining portions of this Order nor their application to other persons or sets of circumstances shall be affected thereby, it being the intent of the Court in adopting this Order that no portion hereof or provision or regulation contained herein shall become inoperative or fail by reason of any unconstitutionality, voidness, invalidity or unenforceability of any other portion hereof, and all provisions of this Order are declared to be severable for that purpose.

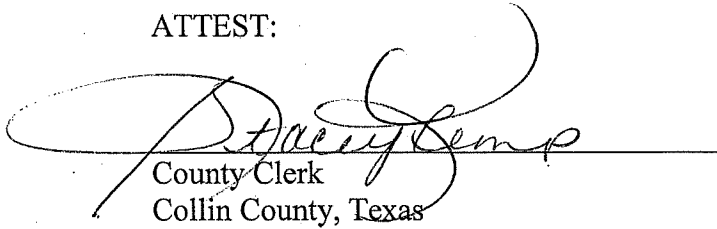
Section 13. **Effect Date.** This Order shall take effect immediately upon approval.

The foregoing Order was read and adopted on August 20, 2018.



County Judge
Collin County, Texas

ATTEST:



County Clerk
Collin County, Texas



EXHIBIT A
(Anexo 'A')

ELECTION DAY VOTE CENTERS FOR THE NOVEMBER 6, 2018
GENERAL AND SPECIAL ELECTIONS

(Eleccion dia centros de votacion para las elecciones generales y especiales de 06 de noviembre de 2018)

7:00 AM – 7:00 PM

<u>Polling Place</u>	<u>Address</u>	<u>City</u>
Aldridge Elementary School	720 Pleasant Valley Lane	Richardson
Allen ISD Service Center	1451 North Watters Road	Allen
Allen Municipal Courts Facility	301 Century Parkway	Allen
Armstrong Middle School	3805 Timberline Drive	Plano
Benton Staley Middle School	6927 Stadium Drive	Frisco
Blue Ridge ISD Administration Building	318 West School Street	Blue Ridge
Bowman Middle School	2501 Jupiter Road	Plano
Carpenter Middle School	3905 Rainier Road	Plano
Carpenter Park Recreation Center	6701 Coit Road	Plano
Celina ISD Administration Building	205 S. Colorado	Celina
Christ the Servant Lutheran Church	821 S. Greenville Avenue	Allen
Christ United Methodist Church	3101 Coit Road	Plano
Clark High School	523 W. Spring Creek Parkway	Plano
Collin College Central Park Campus	2200 University Drive	McKinney
Collin College Higher Education Center	3452 Spur 399	McKinney
Collin College Preston Ridge Campus	9700 Wade Blvd.	Frisco
Collin College Spring Creek Campus	2800 Spring Creek Parkway	Plano
Collin County Elections Office	2010 Redbud Blvd, Ste. 102	McKinney
Dallas Fire Station #10	4451 Frankford Road	Dallas
Davis Library	7501 Independence Parkway	Plano
Dowell Middle School	301 Ridge Road	McKinney
Eldorado Country Club	2604 Country Club Drive	McKinney
Fairview Town Hall	372 Town Place	Fairview
First Baptist Church - Branch	7011 FM 546	Princeton
First Baptist Church Farmersville - Youth Building	201 Farmersville Parkway	Farmersville
Ford Middle School	630 Park Place Drive	Allen
Fowler Middle School	3801 McDermott Road	Plano
Frisco Fire Station #5	14300 Eldorado Parkway	Frisco
Frisco Senior Center	6670 Moore Street	Frisco
Gay Library	6861 W. Eldorado Parkway	McKinney
George Bush Elementary School	2000 Eagle Aerie Lane	Wylie
Haggard Elementary School	17820 Campbell Road	Dallas
Harrington Library	1501 18th Street	Plano
Heritage High School	14040 Eldorado Parkway	Frisco

Polling Place

Hunt Middle School
Islamic Association of Collin County
John Q. Hammons Center - Courtyard Marriott
Josephine City Hall
Lavon City Hall
Liberty High School
Lovejoy ISD Administration Bldg.
Lowry Crossing City Hall
Lucas Community Center
McKinney Fire Station #7
McKinney Senior Recreation Center
Melissa City Hall
Methodist Richardson Medical Center
Miller Elementary School
Murphy Community Center
Old Settlers Recreation Center
Parker City Hall
Parr Library
Plano ISD Administration Center
Princeton City Hall
Prosper ISD Administration Bldg.
Renner-Frankford Library
Royse City ISD Mike McKinney Maintenance Facility
Scoggins Middle School
Seis Lagos Community Services Association
Shepton High School
Shiloh Missionary Baptist Church
Smith Library
Southfork Mobile Home Park
Stonebridge United Methodist Church
Sun Creek United Methodist Church
Terry Pope Administration Building
Texas Star Bank
Tom Muehlenbeck Recreation Center
Toyota Stadium
Weston Community Center
Woodcreek Church
Wylie Bible Church

Address

4900 Legendary Drive
6401 Independence Parkway
210 East Stacy Road
201 Main Street
120 School Road
15250 Rolater Road
259 Country Club Road
1405 S. Bridgefarmer Road
665 Country Club Road
861 Independence Parkway
1400 S. College Street
3411 Barker Avenue
2831 E Pres George Bush Turnpike
5651 Coventry Drive
205 N. Murphy Road
1201 E. Louisiana Street
5700 E. Parker Road
6200 Windhaven Parkway
2700 W. 15th Street
123 W. Princeton Drive
605 E. Seventh Street
6400 Frankford Road
1420 FM 1777
7070 Stacy Road
222 Seis Lagos Trail
5505 Plano Parkway
920 E. 14th Street
300 Country Club Drive
216 Southfork Blvd.
1800 S. Stonebridge Drive
1517 W. McDermott Drive
611 N FM 1138
402 W. White Street
5801 W. Parker Road
9200 World Cup Way
117 Main Street
3400 E. Renner Road
206 N. Jackson Avenue

City

Frisco
Plano
Allen
Josephine
Lavon
Frisco
Allen
Lowry Crossing
Lucas
McKinney
McKinney
Melissa
Richardson
Richardson
Murphy
McKinney
Parker
Plano
Plano
Princeton
Prosper
Dallas
Royse City
McKinney
Wylie
Plano
Plano
Wylie
Wylie
McKinney
Allen
Nevada
Anna
Plano
Frisco
Weston
Richardson
Wylie

EXHIBIT B*(Anexo 'B')***COLLIN COUNTY***(Condado de Collin)***November 6, 2018 General & Special Elections****Early Voting Locations, Dates and Hours***(Aviso de Votacio)**(6 noviembre 2018, elecciones generales y especiales)**(Lugares de votacion temprana, fechas y horas)*

Polling Place	Address	City
Collin County Elections (Main Early Voting Location) voting Location)	2010 Redbud Blvd. St 102	McKinney
Allen ISD Service Center	1451 North Watters Road	Allen
Allen Municipal Courts Facility	301 Century Pkwy.	Allen
Carpenter Park Recreation Center	6701 Coit Road	Plano
Celina ISD Administration Building	205 S. Colorado St.	Celina
Christ United Methodist Church	3101 Coit Road	Plano
Collin College - Central Park Campus	2200 W. University Drive	McKinney
Collin College - Higher Education Center	3452 Spur 399	McKinney
Collin College - Preston Ridge Campus	9700 Wade Blvd.	Frisco
Collin College - Spring Creek Campus	2800 E. Spring Creek Pkwy.	Plano
Davis Library	7501 Independence Pkwy.	Plano
Frisco Fire Station #5	14300 Eldorado Pkwy.	Frisco
Frisco Senior Center	6670 Moore Street	Frisco
Gay Library	6861 W. Eldorado Pkwy.	McKinney
Haggard Library	2501 Coit Road	Plano
Harrington Library	1501 18 th Street	Plano
Josephine City Hall	201 Main Street	Josephine
Lavon City Hall	120 School Road	Lavon
Lovejoy ISD Administration Bldg.	259 Country Club Rd.	Allen
McKinney Fire Station #7	861 S. Independence Pkwy.	McKinney
Melissa City Hall	3411 Barker Ave.	Melissa
Methodist Richardson Medical Center	2831 E. Pres George Bush Turnpike	Richardson
Murphy Community Center	205 North Murphy Road	Murphy
Old Settlers Recreation Center	1201 E. Louisiana Street	McKinney
Parker City Hall	5700 E. Parker Road	Parker
Parr Library	6200 Windhaven Pkwy.	Plano
Plano ISD Administration Center	2700 W. 15 th Street	Plano
Princeton City Hall	123 W. Princeton Drive	Princeton
Prosper Town Hall	200 S. Main Street	Prosper
Renner-Frankford Library	6400 Frankford Rd.	Dallas
Smith Library	300 Country Club Dr.	Wylie
Texas Star Bank	402 W. White St.	Anna
Wylie Bible Church	206 N. Jackson Avenue	Wylie

Sunday	Monday	Tuesday	Wednesday	Thursday	Friday	Saturday
Oct 21	Oct 22 Early Voting 8am–5pm	Oct 23 Early Voting 8am–5pm	Oct 24 Early Voting 8am–5pm	Oct 25 Early Voting 8am–5pm	Oct 26 Early Voting 8am–5pm	Oct 27 Early Voting 7am–7pm
Oct 28 Early Voting 1pm–6pm	Oct 29 Early Voting 7am–7pm	Oct 30 Early Voting 7am–7pm	Oct 31 Early Voting 7am–7pm	Nov 1 Early Voting 7am–7pm	Nov 2 Early Voting 7am–7pm	Nov 3

Temporary Early Voting Locations:

Farmersville City Hall			205 South Main St.		Farmersville	
Oct 21	Oct 22 Early Voting 8am–5pm	Oct 23 Early Voting 8am–5pm	Oct 24 Early Voting 8am–5pm	Oct 25 Early Voting 8am–5pm	Oct 26 Early Voting 8am–5pm	Oct 27 Early Voting 7am–7pm

Lucas Community Center			665 Country Club Rd.		Lucas	
Oct 28 Early Voting 1pm–6pm	Oct 29 Early Voting 7am–7pm	Oct 30 Early Voting 7am–7pm	Oct 31 Early Voting 7am–7pm	Nov 1 Early Voting 7am–7pm	Nov 2 Early Voting 7am–7pm	Nov 3

Important Note: Eligible Collin County registered voters (with an effective date of registration on or before November 6, 2018) may vote at any of the above early voting locations. (*Nota importante: El Condado de Collin elegible votantes (con una fecha efectiva de registro en o antes del 06 de noviembre de 2018) registrados pueden votar en cualquiera de los anteriores lugares de votación anticipada.*)

If qualified, voters may request an application by mail, by calling (972) 424-1460 or by written request to:

Collin County Early Voting Clerk
2010 Redbud Blvd., Suite 102
McKinney, TX 75069

AFFIDAVIT OF PUBLICATION

THE STATE OF TEXAS

§

§

COUNTY OF DALLAS

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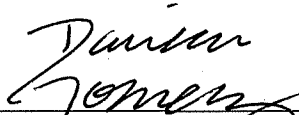
BEFORE ME, the undersigned authority, on this day personally appeared the person whose name is subscribed below, who, being by me first duly sworn, upon oath deposed and said:

1. That this affiant is a duly authorized officer or employee of the **DALLAS MORNING NEWS** which is a newspaper of general circulation for Collin County, Texas.

2. That said newspaper is a "newspaper" as defined by Section 2051.044, Texas Government Code, and as such:


- (1) devotes not less than 25 percent of its total column lineage to general interest items;
- (2) is published at least once each week;
- (3) is entered as second-class postal matter in the county where published; and
- (4) has been published regularly and continuously for at least 12 months prior to publishing the notice referenced below.

That attached hereto is a true, full and correct copy of the NOTICE OF ELECTION and AVISO DE ELECCIÓN which was published in said newspaper on October 13-20 2018.



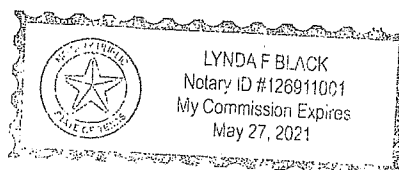
Authorized Officer or Employee

SWORN TO AND SUBSCRIBED BEFORE ME, this the 22 day of October 2018.



Notary Public, State of Texas

[NOTARY SEAL]



NOTICE OF ELECTION

NOTICE IS HEREBY GIVEN that the Commissioners Court of Collin County, Texas has called a bond election to be held within the County on Tuesday, November 6, 2018. Below is a substantial copy of the Order adopted by the Commissioners Court calling the bond election. GIVEN THIS October 7, 2018. /s/Stacey Kemp, County Clerk, Collin County, Texas.

ORDER

AN ORDER OF THE COMMISSIONERS COURT OF COLLIN COUNTY, TEXAS, CALLING A BOND ELECTION TO BE HELD ON NOVEMBER 6, 2018 WITHIN THE COUNTY, MAKING PROVISIONS FOR THE CONDUCT OF THE ELECTION AND OTHER PROVISIONS RELATING THERETO

WHEREAS, the Commissioners Court of Collin County, Texas (the "Court"), hereby finds and determines that it is necessary and advisable to call and hold a bond election in the County for the purpose of submitting certain propositions pertaining to the issuance of bonds for the purposes hereinafter set forth; and WHEREAS, the Court hereby finds and determines that said election shall be held on a uniform election date established by Section 41.001(a), Texas Election Code, as amended, as required by Texas law; and

WHEREAS, the Court finds and declares that the meeting at which this Order is considered is open to the public as required by law, and that public notice of the time, place, and purpose of said meeting was given as required by Chapter 551, Texas Government Code, as amended; therefore, BE IT ORDERED BY THE COMMISSIONERS COURT OF COLLIN COUNTY, TEXAS:

Section 1. **Findings.** The statements contained in the preamble of this Order are true and correct and are hereby adopted as findings of fact and as part of the operative provisions hereof.

Section 2. **Election Ordered; Date; Proposition.** An election (the "Election") shall be held in and throughout Collin County, Texas on Tuesday, November 6, 2018 ("Election Day"), a uniform election date established by Section 41.001(a) of the Texas Election Code, as amended (the "Code"). At the Election the following propositions (the "Propositions") shall be submitted to the qualified voters of the County in accordance with law:

COLLIN COUNTY - PROPOSITION A

"Shall the Commissioners Court of Collin County, Texas, be authorized to issue bonds of the County, in one or more series or issues, in the aggregate principal amount of \$600,000,000 for the purpose of providing funds for permanent public improvements, to-wit: for constructing, improving and maintaining non-tolled, high-speed highways and freeways within Collin County and related service and frontage roads; including the acquisition of land and rights-of-way therefor; and including participating in the cost of joint county-state and county-city projects said bonds of each series or issue, respectively, to mature serially over a period of not to exceed thirty (30) years from their date, and to be issued in such installments and sold at such price or prices and to bear interest at such rate or rates as shall be determined within the discretion of the Commissioners Court under laws in effect at the time of issuance; and to provide for the payment of the principal of and interest on said bonds by levying and collecting annual ad valorem taxes upon all taxable property within the County in an amount sufficient to pay the annual interest on said bonds and to provide a sinking fund sufficient to pay said bonds as they become due?"

COLLIN COUNTY - PROPOSITION B

"Shall the Commissioners Court of Collin County, Texas, be authorized to issue bonds of the County, in one or more series or issues, in the aggregate principal amount of \$140,000,000 for the purpose of providing funds for permanent public improvements, to-wit: for constructing, improving and maintaining roads and bridges within Collin County, including the acquisition of land and rights-of-way therefor; and including participating in the cost of joint county-state and county-city projects; said bonds of each series or issue, respectively, to mature serially over a period of not to exceed thirty (30) years from their date, and to be issued in such installments and sold at such price or prices and to bear interest at such rate or rates as shall be determined within the discretion of the Commissioners Court under laws in effect at the time of issuance; and to provide for the payment of the principal of and interest on said bonds by levying and collecting annual ad valorem taxes upon all taxable property within the County in an amount sufficient to pay the annual interest on said bonds and to provide a sinking fund sufficient to pay said bonds as they become due?"

COLLIN COUNTY - PROPOSITION C

"Shall the Commissioners Court of Collin County, Texas, be authorized to issue the bonds of the County, in one or more series or issues, in the aggregate principal amount of \$10,000,000, for the purpose of acquiring and improving land for park and open space purposes, including joint county-city projects; said bonds of each such series or issue, respectively, to mature serially over a period of not to exceed thirty (30) years from their date, and to be sold at such price or prices and bear interest at such rate or rates as shall be determined within the discretion of the Commissioners Court at the time of issuance, and to provide for the payment of the principal of and interest on said bonds by levying and collecting annual ad valorem taxes upon all taxable property within the County in an amount sufficient to pay the annual interest on said bonds when due and to provide a sinking fund sufficient to pay said bonds as they become due?"

Section 3. **Official Ballot.** (a) Voting at the Election and early voting therefor, shall be by the use of the lawfully approved County voting systems and ballots.

(b) The preparation of the necessary equipment and the official ballots for the Election shall conform to the requirements of the Code so as to permit the electors to vote "FOR" or "AGAINST" the aforesaid Propositions which shall be set forth on the ballots substantially in the following form:

COLLIN COUNTY - PROPOSITION A

☐ FOR "THE ISSUANCE OF \$600,000,000 BONDS FOR THE CONSTRUCTION OF NON-TOLLED, HIGH-SPEED HIGHWAYS
☐ AGAINST AND FREEWAYS THROUGHOUT THE COUNTY AND RELATED SERVICE AND FRONTAGE ROADS, INCLUDING PARTICIPATION IN JOINT COUNTY-STATE AND COUNTY-CITY PROJECTS, AND THE LEVY OF A TAX IN PAYMENT THEREOF."

COLLIN COUNTY - PROPOSITION B

☐ FOR "THE ISSUANCE OF \$140,000,000 BONDS FOR THE CONSTRUCTION OF ROADS THROUGHOUT THE COUNTY,
☐ AGAINST INCLUDING PARTICIPATION IN JOINT COUNTY-STATE AND COUNTY-CITY PROJECTS, AND THE LEVY OF A TAX IN PAYMENT THEREOF."

COLLIN COUNTY - PROPOSITION C

☐ FOR "THE ISSUANCE OF \$10,000,000 BONDS FOR THE ACQUISITION AND IMPROVEMENT OF LAND FOR PARK
AND OPEN SPACE PURPOSES, INCLUDING PARTICIPATION IN JOINT COUNTY-CITY PROJECTS, AND THE LEVY OF
A TAX IN PAYMENT THEREOF."

Section 4. **Persons Qualified to Vote.** All resident, qualified voters of the County shall be eligible to vote at the Election.

Section 5. **Election Precincts, Voting Locations and Voting Hours on Election Day.** Voting on Election Day shall be conducted at the polling locations for the precincts designated on Exhibit A hereto. Such precincts and locations may be changed if so directed by the Elections Administrator without further action of the Court. The Elections Administrator is hereby authorized and directed to make such changes in polling locations as may be necessary for the proper conduct of the Election. Each polling place shall be open from 7:00 A.M. to 7:00 P.M. on the date of the Election.

Section 6. **Early Voting Locations Dates and Times.** (a) The Elections Administrator is hereby appointed as Early Voting Clerk for the Election. The early voting place and the address for early voting by mail for the Election are hereby designated as set forth in Exhibit B; provided, however, such locations may be changed if so directed by the Elections Administrator without further action of the Court. The Elections Administrator is hereby authorized and directed to make such changes in locations as may be necessary for the proper conduct of the Election. The Elections Administrator and/or Early Voting Clerk are hereby authorized to appoint the members of the Early Voting Ballot board and the presiding judge and alternate judge in accordance with the requirements of the Code.

(b) Early voting by personal appearance shall be conducted on the days and during the hours set forth in Exhibit B, as may be adjusted by the Elections Administrator without further Court action.

(c) Applications for early voting by mail shall be submitted to the Elections Administrator, Collin County, 2010 Redbud Blvd, Ste. 102, McKinney, Texas 75069.

(d) Voting times may be changed if so directed by the Elections Administrator without further action of the Court. The Elections Administrator is hereby authorized and directed to make such changes in voting hours as may be necessary for the proper conduct of the Election.

Section 7. **Appointment of Election Officers.** The Election shall be conducted under the jurisdiction of the Collin County Elections Department (the "Elections Administrator").

Section 8. **Notice of Election.** Notice of the Election shall be given by: (i) publishing a substantial copy of this Order, in English and Spanish, on the same day in each of two (2) successive weeks in a newspaper of general circulation published within the County, the date of the first publication to be not less than fourteen (14) days nor more than thirty (30) days prior to the date set for the Election, (ii) posting a copy of this Order, in English and Spanish on the bulletin board used for posting notices of meetings of the County Commissions Court and in at least three (3) other public places within the County, not later than the twenty-first (21st) day prior to the date set for the Election and (iii) posting a copy of this Order, in English and Spanish, on the County's website, prominently and together with the notice of the Election and the contents of the Propositions, not later than the twenty-first (21st) day prior to the date set for the Election through Election Day. Additionally, on Election Day and during early voting by personal appearance, this Order shall be posted in a prominent location at each polling place.

Section 9. **Conduct of Election.** The Election shall be conducted in accordance with the Code and other applicable law by the Collin County Elections Administrator.

Section 6. **Lugares, fechas y horarios de votación anticipada.** (a) Por la presente se designa al Administrador de Elecciones como Oficial de Votación Anticipada de la Elección. El lugar de votación anticipada y la dirección para votar por anticipado por correo en la Elección son por la presente designados como se indican en el Anexo B; disponiendo, sin embargo, que tales lugares pueden ser cambiados si así lo instruye el Administrador de Elecciones sin necesidad de medida adicional del Tribunal. Por la presente se autoriza e instruye al Administrador de Elecciones a que haga cambios de ese tipo de lugares según sea necesario para la celebración adecuada de la Elección. Por la presente se autoriza al Administrador de Elecciones y/o al Oficial de Votación Anticipada a designar a los miembros del consejo de Boletas de Votación Anticipada y al juez presidente y al juez alterno de acuerdo con los requisitos de Código.

(b) La votación anticipada en persona se llevará a cabo en los días y horarios indicados en el Anexo B, según puedan ser ajustados por el Administrador de Elecciones sin más medidas del Tribunal.

(c) Las solicitudes para votar por anticipado por correo deberán ser enviadas al Elections Administrator, Collin County, 2010 Redbud Blvd, Ste. 102, McKinney, Texas 75069.

(d) Los horarios de votación pueden ser cambiados si así lo instruyera el Administrador de Elecciones sin necesidad de medida adicional del Tribunal. Por la presente se autoriza e instruye al Administrador de Elecciones a que haga cambios de ese tipo de horarios de votación según sea necesario para la celebración adecuada de la Elección.

Section 7. **Designación de Funcionarios Electorales.** La Elección se celebrará bajo la jurisdicción del Departamento de Elecciones del Condado de Collin (el "Administrador de Elecciones").

Section 8. **Aviso de Elección.** Se dará aviso de la Elección a través de: (i) la publicación de una copia sustancial de esta Orden, en inglés y español, el mismo día de cada una de dos (2) semanas sucesivas, en un periódico de circulación general publicada dentro del Condado, siendo la fecha de la primera publicación no menos de catorce (14) días ni más de treinta (30) días previos a la fecha programada para la Elección, (ii) la colocación de una copia de esta Orden, en inglés y español, en la cartelera de anuncios utilizada para colocar avisos de las asambleas del Tribunal de Comisionados del Condado y en por lo menos otros tres (3) lugares públicos dentro de los límites del Condado, a más tardar el vigésimo primer (21.er) día previo a la fecha programada de la Elección y (iii) la colocación de una copia de esta Orden, en inglés y español, en el sitio web del Condado, en un lugar destacado y junto con el aviso de la Elección y el contenido de las Propositiones, a más tardar el vigésimo primer (21.er) día previo a la fecha fijada para la Elección y hasta el Día de Elección. Además, el Día de Elección y durante la votación anticipada en persona, esta Orden deberá estar colocada en un lugar destacado en cada lugar de votación.

Section 9. **Celebración de la Elección.** La Elección será celebrada en conformidad con el Código y otras leyes pertinentes por el Administrador de Elecciones del Condado de Collin.

Section 10. **Información adicional requerida por la Sección 3.009 del Código Electoral.** (a) Al 1 de octubre de 2107, el primer día del corriente año fiscal del Condado, la cantidad de capital total pendiente de la deuda respaldada con impuestos del Condado era de \$352,380,000 y la cantidad total de interés pendiente de tal deuda respaldada con impuestos era de \$95,731,724. La tasa del impuesto ad valorem del Condado para el servicio de la deuda asignable a deuda respaldada con impuestos para el corriente año fiscal es de \$0.053450 por cada \$100 de tasación fiscal de propiedad gravable en el Condado.

(b) El Condado piensa emitir los bonos autorizados por las Propositiones en el curso de un período de años en la forma y de acuerdo al cronograma que determinará el Tribunal en base a varios factores, incluidos a título enunciativo pero no limitativo, las necesidades actuales del Condado, los cambios demográficos, las condiciones prevalecientes del mercado, las tasaciones fiscales en el Condado y la administración de la exposición de corto y largo plazo del Condado a las tasas de interés. Las condiciones del mercado, los índices demográficos y los valores de tasación varían dependiendo de un número de factores fuera del control del Condado y, por lo tanto, el Condado no puede garantizar, y no lo hace, una tasa de interés o tasa de impuesto particular asociada con los bonos de impuestos autorizados por las Propositiones. Por lo tanto, la información contenida en este párrafo se proporciona solamente con fines ilustrativos y no establece limitación ni restricción alguna ni crea un contrato con los votantes. Actualmente el Condado estima que, si las Propositiones fuesen aprobadas y los bonos de impuestos propuestos en la presente fuesen autorizados y emitidos de acuerdo al plan proyectado de finanzas actual del Condado, se espera que la tasa de interés máxima sobre los bonos de impuestos limitados no supere el 5.00%.

(c) Cualquier información adicional requerida por la Sección 3.009 del Código está en las Secciones 2 y 3 de esta Orden.

Section 11. **Medidas necesarias.** Por la presente se autoriza e instruye al Juez del Condado, al Secretario del Condado y a otros funcionarios del Condado, con el asesoramiento del abogado y asesor de bonos del Condado, a que tomen cualquier y todas las medidas necesarias para cumplir con las disposiciones del Código y de la Ley Federal de Derechos de Votación para realizar y llevar a cabo la Elección, sean expresamente autorizadas en la presente o no, incluso a hacer cambios o adiciones a los lugares de votación o procedimientos electorales en la medida en que sean requeridos o deseables o según sea necesario debido a circunstancias que surjan con posterioridad a la fecha de esta Orden.

Section 12. **Divisibilidad.** Si cualquier disposición, sección, subsección, oración, cláusula o frase de esta Orden, o la aplicación de ella a cualquier persona o conjunto de circunstancias, es por alguna razón hallada inconstitucional, nula, inválida o imposible de hacer cumplir, ni las porciones restantes de esta Orden ni su aplicación a otras personas o conjunto de circunstancias será afectada por esto, en tanto la intención del Tribunal al adoptar esta Orden es que ninguna porción de ella o disposición o norma contenida en la presente llegue a ser inoperativa o falle debido a la inconstitucionalidad, nulidad, invalidez o imposibilidad de cumplimiento de cualquier otra porción de ella, y todas las disposiciones de esta Orden se declaren divisibles a tales efectos.

Section 13. **Fecha de entrada en vigencia.** Esta Orden entrará en vigencia inmediatamente después de su aprobación. ACEPTADA Y APROBADA el 20 de agosto de 2018.

EXHIBIT A

ELECTION DAY VOTE CENTERS FOR THE NOVEMBER 6, 2018
GENERAL AND SPECIAL ELECTIONS.

ANEXO A

CENTROS DE VOTACIÓN DEL DÍA DE ELECCIÓN PARA LAS

ELECCIONES GENERALES Y ESPECIALES DEL 6 DE NOVIEMBRE DE 2018

Polling Place (Lugar de Votación)	Address (Dirección)	City (Ciudad)
Aldridge Elementary School	720 Pleasant Valley Lane	Richardson
Allen ISD Service Center	1451 North Watters Road	Allen
Allen Municipal Courts Facility	301 Century Parkway	Allen
Armstrong Middle School	3805 Timberline Drive	Plano
Benton Staley Middle School	6927 Stadium Drive	Frisco
Blue Ridge ISD Administration Building	318 West School Street	Blue Ridge
Bowman Middle School	2501 Jupiter Road	Plano
Carpenter Middle School	3905 Rainer Road	Plano
Carpenter Park Recreation Center	6701 Coit Road	Plano
Celina ISD Administration Building	205 S. Colorado	Celina
Christ the Servant Lutheran Church	821 S. Greenville Avenue	Allen
Christ United Methodist Church	3101 Coit Road	Plano
Clark High School	523 W. Spring Creek Parkway	Plano
Collin College Central Park Campus	2200 University Drive	McKinney
Collin College Higher Education Center	3452 Spur 399	McKinney
Collin College Preston Ridge Campus	9700 Wade Blvd.	Frisco
Collin College Spring Creek Campus	2800 Spring Creek Parkway	Plano
Collin County Elections Office	2010 Redbud Blvd, Ste. 102	McKinney
Davis Library	7501 Independence Parkway	Plano
Dowell Middle School	301 Ridge Road	McKinney
Eldorado Country Club	2604 Country Club Drive	McKinney
Fairview Town Hall	372 Town Place	Fairview
First Baptist Church - Branch	7011 FM 546	Princeton
First Baptist Church - Wylie	100 N 1st Street	Wylie
First Baptist Church Farmersville - Youth Building	201 Farmersville Parkway	Farmersville
Fowler Middle School	3801 McDermott Road	Plano
Frisco Fire Station #5	14300 Eldorado Parkway	Frisco
Frisco Senior Center	6670 Moore Street	Frisco
Gay Library	6861 W. Eldorado Parkway	McKinney
George Bush Elementary School	2000 Eagle Aerie Lane	Wylie
Haggard Elementary School	17820 Campbell Road	Dallas
Harrington Library	1501 18th Street	Plano
Heritage High School	14040 Eldorado Parkway	Frisco
Hunt Middle School	4900 Legendary Drive	Frisco
Islamic Association of Collin County	6401 Independence Parkway	Plano
Josephine City Hall	201 Main Street	Josephine
Lavon City Hall	120 School Road	Lavon
Liberty High School	15250 Rolater Road	Frisco
Lowey ISD Administration Bldg.	259 Country Club Road	Allen
Lowry Crossing City Hall	1405 S. Bridgefarmer Road	Lowry Crossing
Lucas Community Center	665 Country Club Road	Lucas
McKinney Fire Station #7	861 Independence Parkway	McKinney
McKinney Senior Recreation Center	1400 S. College Street	McKinney
Melissa City Hall	3411 Barker Avenue	Melissa
Methodist Richardson Medical Center	2831 E Pres George Bush Turnpike	Richardson
Miller Elementary School	5651 Coventry Drive	Richardson
Murphy Community Center	205 N. Murphy Road	Murphy

fiscal year, the aggregate principal amount outstanding of tax supported debt of the County was \$352,380,000 and the aggregate amount of outstanding interest on such tax supported debt was \$95,731,724. The County's ad valorem debt service tax rate allocable to tax supported debt for the current fiscal year is \$0.053450 per \$100 of assessed valuation of taxable property in the County.

(b) The County intends to issue the bonds authorized by the Propositions over a period of years in a manner and in accordance with a schedule to be determined by the Court based upon a number of factors, including, but not limited to, the then current needs of the County, demographic changes, prevailing market conditions, assessed valuations in the County and management of the County's short-term and long-term interest rate exposure. Market conditions, demographics and assessed valuations vary based upon a number of factors beyond the County's control, and therefore, the County cannot and does not guarantee a particular interest rate or tax rate associated with the tax bonds authorized by the Propositions. As such, the information contained in this paragraph is provided solely for illustrative purposes and does not establish any limitations or restrictions or create a contract with the voters. The County currently estimates that, if the Propositions were approved and the bonds proposed herein were authorized and issued in accordance with the County's currently projected plan of finance, the maximum interest rate on the limited tax bonds is not expected to exceed 5.00%.

(c) Any additional information required by Section 3.009 of the Code is contained in Sections 2 and 3 of this Order.

Section 11. **Necessary Actions.** The County Judge, County Clerk and other officials of the County, in consultation with the County's attorney and bond counsel, are hereby authorized and directed to take any and all actions necessary to comply with the provisions of the Code and the Federal Voting Rights Act in carrying out and conducting the Election, whether or not expressly authorized herein, including making changes or additions to polling places or procedures to the extent required or desirable or as may become necessary due to circumstances arising after the date of this Order.

Section 12. **Severability.** If any provision, section, subsection, sentence, clause or phrase of this Order, or the application of same to any person or set of circumstances is for any reason held to be unconstitutional, void, invalid, or unenforceable, neither the remaining portions of this Order nor their application to other persons or sets of circumstances shall be affected thereby, it being the intent of the Court in adopting this Order that no portion hereof or provision or regulation contained herein shall become inoperative or fail by reason of any unconstitutionality, voidness, invalidity or unenforceability of any other portion hereof, and all provisions of this Order are declared to be severable for that purpose.

Section 13. **Effect Date.** This Order shall take effect immediately upon approval.

PASSED AND APPROVED the 20th day of August, 2018.

AVISO DE ELECCIÓN

POR EL PRESENTE SE NOTIFICA QUE el Tribunal de Comisionados del Condado de Collin, Texas ha convocado una elección de bonos a celebrarse el martes 6 de noviembre de 2018 dentro del Condado. A continuación hay una copia sustancial de la Orden adoptada por el Tribunal de Comisionados que convoca la elección de bonos. ENTREGADO el 7 de octubre de 2018. /firma/Stacey Kemp, Secretaria del Condado del Condado de Collin, Texas.

ORDEN

UNA ORDEN DEL TRIBUNAL DE COMISIONADOS DEL CONDADO DE COLLIN, TEXAS, PARA CONVOCAR A UNA ELECCIÓN DE BONOS A CELEBRARSE EL 6 DE NOVIEMBRE DE 2018 DENTRO DEL CONDADO, PARA ESTABLECER DISPOSICIONES PARA LA CELEBRACIÓN DE LA ELECCIÓN Y OTRAS DISPOSICIONES RELACIONADAS CON ESTO

EN VISTA DE QUE el Tribunal de Comisionados del Condado de Collin, Texas (el "Tribunal") por la presente halla y determina que es necesario y aconsejable convocar y llevar a cabo una elección en el Condado para el propósito de presentar ciertas proposiciones sobre la emisión de bonos para los propósitos descritos más adelante en la presente; y

EN VISTA DE QUE por la presente el Tribunal halla y determina que dicha elección se celebrará en una fecha de elección uniforme establecida por la Sección 41.001(a) del Código Electoral de Texas y sus enmiendas, conforme lo requieren las leyes de Texas; y

EN VISTA DE QUE el Tribunal halla y declara que la asamblea en la que esta Orden se considera, está abierta al público, como lo exige la ley, y que se dio aviso público de la hora, el lugar y el propósito de dicha asamblea, según lo requiere el Capítulo 551 del Código de Gobierno de Texas y sus enmiendas; por lo tanto, EL TRIBUNAL DE COMISIONADOS DEL CONDADO DE COLLIN, TEXAS, ORDENA:

Sección 1. Hallazgos. Las declaraciones contenidas en el preámbulo de esta Orden son verdaderas y correctas y por la presente se adoptan como determinaciones de hechos y como parte de las disposiciones operativas de la presente.

Sección 2. Elección ordenada; Fecha; Proposición. Se celebrará una elección (la "Elección") en el Condado de Collin, Texas, y por todo el mismo, el martes 6 de noviembre de 2018 ("Día de Elección"), una fecha de elección uniforme establecida por la Sección 41.001(a) del Código Electoral de Texas y sus enmiendas (el "Código"). En la Elección se presentarán las siguientes proposiciones (las "Proposiciones") a los votantes habilitados del Condado de acuerdo con la ley:

CONDADO DE COLLIN - PROPOSICIÓN A

"Se deberá autorizar al Tribunal de Comisionados del Condado de Collin, Texas, a emitir bonos del Condado, en una o más series o emisiones, por la cantidad de capital total de \$600,000,000 para el propósito de proveer fondos para mejoras públicas permanentes, a saber: construir, mejorar y mantener autopistas y carreteras de alta velocidad y sin peajes dentro del Condado de Collin y colectoras y vías de servicio relacionadas, incluso la adquisición de terrenos y derechos de paso para esto; e incluso la participación en el costo de proyectos conjuntos condado-estado y condado-ciudad, con dichos bonos de cada serie o emisión, respectivamente, con vencimiento por serie durante un período que no supere los treinta (30) años desde su fecha, y a ser emitidos en ciertos plazos y vendidos a cierto precio o precios y devengar interés a cierta tasa o tasas según lo determinará a su criterio el Tribunal de Comisionados bajo las leyes vigentes en el momento de emisión; y para disponer para el pago del capital y del interés de dichos bonos mediante la imposición y recaudación de impuestos anuales ad valorem sobre toda propiedad gravable dentro del Condado en una cantidad suficiente para pagar el interés anual de dichos bonos y disponer un fondo de amortización suficiente para pagar dichos bonos conforme venzan?"

CONDADO DE COLLIN - PROPOSICIÓN B

"Se deberá autorizar al Tribunal de Comisionados del Condado de Collin, Texas, a emitir bonos del Condado, en una o más series o emisiones, por la cantidad de capital total de \$140,000,000 para el propósito de proveer fondos para mejoras públicas permanentes, a saber: construir, mejorar y mantener caminos y puentes dentro del Condado de Collin, incluso la adquisición de terrenos y derechos de paso para esto; e incluso la participación en el costo de proyectos conjuntos condado-estado y condado-ciudad; con dichos bonos de cada serie o emisión, respectivamente, con vencimiento por serie durante un período que no supere los treinta (30) años desde su fecha, y a ser emitidos en ciertos plazos y vendidos a cierto precio o precios y devengar interés a cierta tasa o tasas según lo determinará a su criterio el Tribunal de Comisionados bajo las leyes vigentes en el momento de emisión; y para disponer para el pago del capital y del interés de dichos bonos mediante la imposición y recaudación de impuestos anuales ad valorem sobre toda propiedad gravable dentro del Condado en una cantidad suficiente para pagar el interés anual de dichos bonos y disponer un fondo de amortización suficiente para pagar dichos bonos conforme venzan?"

CONDADO DE COLLIN - PROPOSICIÓN C

"Se deberá autorizar al Tribunal de Comisionados del Condado de Collin, Texas, a emitir los bonos del Condado, en una o más series o emisiones, por la cantidad de capital total de \$10,000,000 para el propósito de adquirir y mejorar terrenos para propósitos de parques y espacios al aire libre, incluso proyectos conjuntos de condado-ciudad; con dichos bonos de cada serie o emisión, respectivamente, con vencimiento por serie durante un período que no supere los treinta (30) años desde su fecha, y a ser vendidos a cierto precio o precios y devengar interés a cierta tasa o tasas según lo determinará a su criterio el Tribunal de Comisionados en el momento de emisión; y para disponer para el pago del capital y del interés de dichos bonos mediante la imposición y recaudación de impuestos anuales ad valorem sobre toda propiedad gravable dentro del Condado en una cantidad suficiente para pagar el interés anual de dichos bonos cuando venzan y disponer un fondo de amortización suficiente para pagar dichos bonos conforme venzan?"

Sección 3. **Boleta Oficial de Votación.** (a) La votación en la Elección y la votación anticipada de esta se realizarán mediante el uso de sistemas de votación y boletas del Condado legalmente aprobados.

(b) La preparación del equipo necesario y las boletas oficiales de votación de la Elección deberán respetar los requisitos del Código de forma de permitir a los electores votar "A FAVOR" o "EN CONTRA" de las Proposiciones antedichas, las cuales serán presentadas en las boletas de votación básicamente de la siguiente forma:

☐ A FAVOR ☐ EN CONTRA "LA EMISIÓN DE \$600,000,000 EN BONOS PARA LA CONSTRUCCIÓN DE CARRETERAS Y AUTOPISTAS DE ALTA VELOCIDAD SIN PEAJE EN TODO EL CONDADO Y LOS SERVICIOS Y CAMINOS DE ALIMENTACIÓN RELACIONADOS, INCLUIDA LA PARTICIPACIÓN EN PROYECTOS CONJUNTOS DEL CONDADO CON EL ESTADO Y DEL CONDADO CON CIUDADES, Y LA IMPOSICIÓN DE UN IMPUESTO PARA EL PAGO DE ESTOS."

CONDADO DE COLLIN - PROPOSICIÓN B

☐ A FAVOR ☐ EN CONTRA "LA EMISIÓN DE \$140,000,000 EN BONOS PARA LA CONSTRUCCIÓN DE CAMINOS EN TODO EL CONDADO, INCLUIDA LA PARTICIPACIÓN EN PROYECTOS CONJUNTOS DEL CONDADO CON EL ESTADO Y DEL CONDADO CON CIUDADES, Y LA IMPOSICIÓN DE UN IMPUESTO PARA EL PAGO DE ESTOS."

CONDADO DE COLLIN - PROPOSICIÓN C

☐ A FAVOR ☐ EN CONTRA "LA EMISIÓN DE \$10,000,000 EN BONOS PARA LA ADQUISICIÓN Y MEJORAMIENTO DE TERRENOS DESTINADOS PARA PARQUES Y ESPACIOS ABIERTOS, INCLUIDA LA PARTICIPACIÓN EN PROYECTOS CONJUNTOS DEL CONDADO CON CIUDADES, Y LA IMPOSICIÓN DE UN IMPUESTO PARA EL PAGO DE ESTOS."

Sección 4. **Personas habilitadas para votar.** Todos los votantes habilitados residentes del Condado serán elegibles para votar en la Elección.

Sección 5. **Precintos electorales, lugares de votación y horarios de votación del Día de Elección.** La votación del Día de Elección se llevará a cabo en los lugares de votación para los precintos designados en el Anexo A del presente documento. Dichos precintos y lugares de votación pueden ser cambiados si así lo instruyera el Administrador de Elecciones sin necesidad de medida adicional del Tribunal. Por la presente se autoriza e instruye al Administrador de Elecciones a que haga cambios de ese tipo de lugares de votación según sea necesario para la celebración adecuada de la Elección. El Día de Elección cada lugar de votación estará abierto de 7:00 a.m. a 7:00 p.m.

Old Settlers Recreation Center	5700 E. Parker Road	Parker
Parker City Hall	6200 Windhaven Parkway	Plano
Parr Library	2700 W. 15th Street	Plano
Plano ISD Administration Center		
Princeton City Hall	123 W. Princeton Drive	Princeton
Prosper ISD Administration Bldg.	605 E. Seventh Street	Prosper
Puster Elementary School	856 Stoddard	Fairview
Renner-Frankford Library	6400 Frankford Road	Dallas
Royce City ISD Mike McKinney Maintenance Facility	1420 FM 1777	Royce City
Scoggins Middle School	7070 Stacy Road	McKinney
Seis Lagos Community Services Association	222 Seis Lagos Trail	Wylie
Shepton High School	5505 Plano Parkway	Plano
Shiloh Missionary Baptist Church	920 E. 14th Street	Plano
Smith Library	300 Country Club Drive	Wylie
Southfork Mobile Home Park	216 Southfork Blvd.	Wylie
Stonebridge United Methodist Church	1800 S. Stonebridge Drive	McKinney
Suncreek United Methodist Church	1517 W. McDermott Drive	Allen
Terry Pope Administration Building	611 N FM 1138	Nevada
Texas Star Bank	402 W. White Street	Anna
Tom Muehlenbeck Recreation Center	5801 W. Parker Road	Plano
Weston Community Center	117 Main Street	Weston
Woodcreek Church	3400 E. Renner Road	Richardson

Sunday	Monday	Tuesday	Wednesday	Thursday	Friday	Saturday
Oct. 21	Oct. 22 Early Voting 8am-5pm	Oct. 23 Early Voting 8am-5pm	Oct. 24 Early Voting 8am-5pm	Oct. 25 Early Voting 8am-5pm	Oct. 26 Early Voting 8am-5pm	Oct. 27 Early Voting 7am-7pm
Oct. 28 Early Voting 1pm-6pm	Oct. 29 Early Voting 7am-7pm	Oct. 30 Early Voting 7am-7pm	Oct. 31 Early Voting 7am-7pm	Nov 1 Early Voting 7am-7pm	Nov 2 Early Voting 7am-7pm	Nov 3

Domingo	Lunes	Martes	Miércoles	Jueves	Viernes	Sábado
21 de oct.	22 de oct. Votación Anticipada 8am-5pm	23 de oct. Votación Anticipada 8am-5pm	24 de oct. Votación Anticipada 8am-5pm	25 de oct. Votación Anticipada 8am-5pm	26 de oct. Votación Anticipada 8am-5pm	27 de oct. Votación Anticipada 7am-7pm
28 de oct. Votación Anticipada 1pm-6pm	29 de oct. Votación Anticipada 7am-7pm	30 de oct. Votación Anticipada 7am-7pm	31 de oct. Votación Anticipada 7am-7pm	1 de nov. Votación Anticipada 7am-7pm	2 de nov. Votación Anticipada 7am-7pm	3 de nov.

Polling Place (Lugar de Votación)	Address (Dirección)	City (Ciudad)
Collin County Elections (Main Early Voting Location) voting Location) (Lugar principal de votación anticipada)	2010 Redbud Blvd. St 102	McKinney
Allen ISD Service Center	1451 North Watters Road	Allen
Allen Municipal Courts Facility	301 Century Pkwy.	Allen
Carpenter Park Recreation Center	6701 Coit Road	Plano
Celina ISD Administration Building	205 S. Colorado St.	Celina
Christ United Methodist Church	3101 Coit Road	Plano
Collin College - Central Park Campus	2200 W. University Drive	McKinney
Collin College - Higher Education Center	3452 Spur 399	McKinney
Collin College - Preston Ridge Campus	9700 Wade Blvd.	Frisco
Collin College - Spring Creek Campus	2800 E. Spring Creek Pkwy.	Plano
Davis Library	7501 Independence Pkwy.	Plano
Frisco Fire Station #5	14300 Eldorado Pkwy.	Frisco
Frisco Senior Center	6670 Moore Street	Frisco
John and Judy Gay Library	6861 W. Eldorado Pkwy.	McKinney
Haggard Library	2501 Coit Road	Plano
Harrington Library	1501 18th Street	Plano
Lavon City Hall	120 School Road	Lavon
Lovejoy ISD Administration Bldg.	259 Country Club Rd.	Allen
McKinney Fire Station #7	861 S. Independence Pkwy.	McKinney
Melissa City Hall	3411 Barker Ave.	Melissa
Methodist Richardson Medical Center	2831 E. Pres George Bush Turnpike TurHighway	Richardson
Murphy Community Center	205 North Murphy Road	Murphy
Old Settlers Recreation Center	1201 E. Louisiana Street	McKinney
Parker City Hall	5700 E. Parker Road	Parker
Parr Library	6200 Windhaven Pkwy.	Plano
Plano ISD Administration Center	2700 W. 15th Street	Plano
Princeton City Hall	123 W. Princeton Drive	Princeton
Prosper Town Hall	200 S. Main Street	Prosper
Renner-Frankford Library	6400 Frankford Rd.	Dallas
Smith Library	300 Country Club Dr.	Wylie
Texas Star Bank	402 W. White St.	Anna

Temporary Early Voting Locations:
(Sedes temporales de votación anticipada:)

Farmersville City Hall	205 South Main St.	Farmersville
Oct. 21	Oct. 22 Early Voting 8am-5pm	Oct. 23 Early Voting 8am-5pm
Oct. 24 Early Voting 8am-5pm	Oct. 25 Early Voting 8am-5pm	Oct. 26 Early Voting 8am-5pm
Oct. 27 Early Voting 7am-7pm	Oct. 28 Early Voting 7am-7pm	Oct. 29 Early Voting 7am-7pm
Oct. 30 Early Voting 7am-7pm	Oct. 31 Early Voting 7am-7pm	Nov 1 Early Voting 7am-7pm
Nov 2 Early Voting 7am-7pm	Nov 3	

Lucas Community Center	665 Country Club Rd.	Lucas
Oct. 28 Early Voting 1pm-6pm	Oct. 29 Early Voting 7am-7pm	Oct. 30 Early Voting 7am-7pm
Oct. 31 Early Voting 7am-7pm	Nov 1 Early Voting 7am-7pm	Nov 2 Early Voting 7am-7pm
Nov 3		

Important Note: Eligible Collin County registered voters (with an effective date of registration on or before November 6, 2018) may vote at any of the above early voting locations.

Aviso importante: Los votantes registrados elegibles del Condado de Collin (con fecha vigente de registro hasta el 6 de noviembre de 2018 inclusive) pueden votar en cualquiera de los lugares de votación anticipada anteriores.

If qualified, voters may request an application by mail, by calling (972) 424-1460 or by written request to:

Los votantes que reúnan los requisitos pueden pedir una solicitud por correo llamando al (972) 424-1460 o por escrito a:

Collin County Early Voting Clerk
2010 Redbud Blvd., Suite 102
McKinney, TX 75069

NOTICE IS HEREBY GIVEN that the Commissioners Court of Collin County, Texas has called a bond election to be held within the County on Tuesday, November 6, 2018. Below is a substantial copy of the Order adopted by the Commissioners Court calling the bond election. GIVEN THIS October 7, 2018. /s/Stacey Kemp, County Clerk, Collin County, Texas.

NOTICE OF ELECTION

ORDER

AN ORDER OF THE COMMISSIONERS COURT OF COLLIN COUNTY, TEXAS, CALLING A BOND ELECTION TO BE HELD ON NOVEMBER 6, 2018 WITHIN THE COUNTY MAKING PROVISIONS FOR THE CONDUCT OF THE ELECTION AND OTHER PROVISIONS RELATING THERETO

WHEREAS, the Commissioners Court of Collin County, Texas (the "Court"), hereby finds and determines that it is necessary and advisable to call and hold a bond election in the County for the purpose of submitting certain propositions pertaining to the issuance of bonds for the purposes hereinafter set forth; and

WHEREAS, the Court hereby finds and determines that said election shall be held on a uniform election date established by Section 41.001(a), Texas Election Code, as amended, as required by Texas law; and

WHEREAS, the Court finds and declares that the meeting at which this Order is considered is open to the public as required by law, and that public notice of the time, place, and purpose of said meeting was given as required by Chapter 551, Texas Government Code, as amended; therefore,

BE IT ORDERED BY THE COMMISSIONERS COURT OF COLLIN COUNTY, TEXAS:

Section 1. Findings. The statements contained in the preamble of this Order are true and correct and are hereby adopted as findings of fact and as part of the operative provisions hereof.

Section 2. Election Ordered; Date; Proposition. An election (the "Election") shall be held in and throughout Collin County, Texas on Tuesday, November 6, 2018 ("Election Day"), a uniform election date established by Section 41.001(a) of the Texas Election Code, as amended (the "Code"). At the Election the following propositions (the "Propositions") shall be submitted to the qualified voters of the County in accordance with law:

COLLIN COUNTY - PROPOSITION A

"Shall the Commissioners Court of Collin County, Texas, be authorized to issue bonds of the County, in one or more series or issues, in the aggregate principal amount of \$600,000,000 for the purpose of providing funds for permanent public improvements, to-wit: for constructing, improving and maintaining non-tolled, high-speed highways and freeways within Collin County and related service and frontage roads; including the acquisition of land and rights-of-way therefor; and including participating in the cost of joint county-state and county-city projects said bonds of each series or issue, respectively, to mature serially over a period of not to exceed thirty (30) years from their date, and to be issued in such installments and sold at such price or prices and to bear interest at such rate or rates as shall be determined within the discretion of the Commissioners Court under laws in effect at the time of issuance; and to provide for the payment of the principal of and interest on said bonds by levying and collecting annual ad valorem taxes upon all taxable property within the County in an amount sufficient to pay the annual interest on said bonds and to provide a sinking fund sufficient to pay said bonds as they become due?"

COLLIN COUNTY - PROPOSITION B

"Shall the Commissioners Court of Collin County, Texas, be authorized to issue bonds of the County, in one or more series or issues, in the aggregate principal amount of \$140,000,000 for the purpose of providing funds for permanent public improvements, to-wit: for constructing, improving and maintaining roads and bridges within Collin County, including the acquisition of land and rights-of-way therefor; and including participating in the cost of joint county-state and county-city projects; said bonds of each series or issue, respectively, to mature serially over a period of not to exceed thirty (30) years from their date, and to be issued in such installments and sold at such price or prices and to bear interest at such rate or rates as shall be determined within the discretion of the Commissioners Court under laws in effect at the time of issuance; and to provide for the payment of the principal of and interest on said bonds by levying and collecting annual ad valorem taxes upon all taxable property within the County in an amount sufficient to pay the annual interest on said bonds and to provide a sinking fund sufficient to pay said bonds as they become due?"

COLLIN COUNTY - PROPOSITION C

"Shall the Commissioners Court of Collin County, Texas, be authorized to issue the bonds of the County, in one or more series or issues, in the aggregate principal amount of \$10,000,000, for the purpose of acquiring and improving land for park and open space purposes, including joint county-city projects; said bonds of each such series or issue, respectively, to mature serially over a period of not to exceed thirty (30) years from their date, and to be sold at such price or prices and bear interest at such rate or rates as shall be determined within the discretion of the Commissioners Court at the time of issuance, and to provide for the payment of the principal of and interest on said bonds by levying and collecting annual ad valorem taxes upon all taxable property within the County in an amount sufficient to pay the annual interest on said bonds when due and to provide a sinking fund sufficient to pay said bonds as they become due?"

Section 3. Official Ballot. (a) Voting at the Election and early voting therefor, shall be by the use of the lawfully approved County voting systems and ballots.

(b) The preparation of the necessary equipment and the official ballots for the Election shall conform to the requirements of the Code so as to permit the electors to vote "FOR" or "AGAINST" the aforesaid Propositions which shall be set forth on the ballots substantially in the following form::

COLLIN COUNTY - PROPOSITION A

☐ FOR "THE ISSUANCE OF \$600,000,000 BONDS FOR THE CONSTRUCTION OF NON-TOLLED, HIGH-SPEED HIGHWAYS AND FREEWAYS THROUGHOUT THE COUNTY AND RELATED SERVICE AND FRONTAGE ROADS, INCLUDING PARTICIPATION IN JOINT COUNTY-STATE AND COUNTY-CITY PROJECTS, AND THE LEVY OF A TAX IN PAYMENT THEREOF."

☐ AGAINST

COLLIN COUNTY - PROPOSITION B

☐ FOR "THE ISSUANCE OF \$140,000,000 BONDS FOR THE CONSTRUCTION OF ROADS THROUGHOUT THE COUNTY, INCLUDING PARTICIPATION IN JOINT COUNTY-STATE AND COUNTY-CITY PROJECTS, AND THE LEVY OF A TAX IN PAYMENT THEREOF."

☐ AGAINST

COLLIN COUNTY - PROPOSITION C

☐ FOR "THE ISSUANCE OF \$10,000,000 BONDS FOR THE ACQUISITION AND IMPROVEMENT OF LAND FOR PARK AND OPEN SPACE PURPOSES, INCLUDING PARTICIPATION IN JOINT COUNTY-CITY PROJECTS, AND THE LEVY OF A TAX IN PAYMENT THEREOF."

☐ AGAINST

Section 4. Persons Qualified to Vote. All resident, qualified voters of the County shall be eligible to vote at the Election.

Section 5. Election Precincts, Voting Locations and Voting Hours on Election Day. Voting on Election Day shall be conducted at the polling locations for the precincts designated on Exhibit A hereto. Such precincts and locations may be changed if so directed by the Elections Administrator without further action of the Court. The Elections Administrator is hereby authorized and directed to make such changes in polling locations as may be necessary for the proper conduct of the Election. Each polling place shall be open from 7:00 A.M. to 7:00 P.M. on the date of the Election.

Section 6. Early Voting Locations Dates and Times. (a) The Elections Administrator is hereby appointed as Early Voting Clerk for the Election. The early voting place and the address for early voting by mail for the Election are hereby designated as set forth in Exhibit B; provided, however, such locations may be changed if so directed by the Elections Administrator without further action of the Court. The Elections Administrator is hereby authorized and directed to make such changes in locations as may be necessary for the proper conduct of the Election. The Elections Administrator and/or Early Voting Clerk are hereby authorized to appoint the members of the Early Voting Ballot board and the presiding judge and alternate judge in accordance with the requirements of the Code.

(b) Early voting by personal appearance shall be conducted on the days and during the hours set forth in Exhibit B, as may be adjusted by the Elections Administrator without further Court action.

(c) Applications for early voting by mail shall be submitted to the Elections Administrator, Collin County, 2010 Redbud Blvd, Ste. 102, McKinney, Texas 75069.

(d) Voting times may be changed if so directed by the Elections Administrator without further action of the Court. The Elections Administrator is hereby authorized and directed to make such changes in voting hours as may be necessary for the proper conduct of the Election.

Section 7. Appointment of Election Officers. The Election shall be conducted under the jurisdiction of the Collin County Elections Department (the "Elections Administrator").

Section 8. Notice of Election. Notice of the Election shall be given by: (i) publishing a substantial copy of this Order, in English and Spanish, on the same day in each of two (2) successive weeks in a newspaper of general circulation published within the County, the date of the first publication to be not less than fourteen (14) days nor more than thirty (30) days prior to the date set for the Election, (ii) posting a copy of this Order, in English and Spanish on the bulletin board used for posting notices of meetings of the County Commissions Court and in at least three (3) other public places within the County, not later than the twenty-first (21st) day prior to the date set for the Election and (iii) posting a copy of this Order, in English and Spanish, on the County's website, prominently and together with the notice of the Election and the contents of the Propositions, not later than the twenty-first (21st) day prior to the date set for the Election through Election Day. Additionally, on Election Day and during early voting by personal appearance, this Order shall be posted in a prominent location at each polling place.

Section 9. Conduct of Election. The Election shall be conducted in accordance with the Code and other applicable law by the Collin County Elections Administrator.

Section 10. Additional Information Required by Section 3.009 of the Election Code. (a) As of October 1, 2017, the first day of the County's current fiscal year, the amount outstanding of the bonded debt of the County was \$352,380,000 and the aggregate amount of outstanding interest on

Sección 6 Lugares, fechas y horarios de votación anticipada. (a) Por la presente se designa al Administrador de Elecciones como Oficial de Votación Anticipada de la Elección. El lugar de votación anticipada y la dirección para votar por anticipado por correo en la Elección son por la presente designados como se indican en el Anexo B; disponiendo, sin embargo, que tales lugares pueden ser cambiados si así lo instruye el Administrador de Elecciones sin necesidad de medida adicional del Tribunal. Por la presente se autoriza e instruye al Administrador de Elecciones a que haga cambios de ese tipo de lugares según sea necesario para la celebración adecuada de la Elección. Por la presente se autoriza al Administrador de Elecciones y/o al Oficial de Votación Anticipada a designar a los miembros del consejo de Boletas de Votación Anticipada y al juez presidente y al juez alterno de acuerdo con los requisitos de Código.

(b) La votación anticipada en persona se llevará a cabo en los días y horarios indicados en el Anexo B, según puedan ser ajustados por el Administrador de Elecciones sin más medidas del Tribunal.

(c) Las solicitudes para votar por anticipado por correo deberán ser enviadas al Elections Administrator, Collin County, 2010 Redbud Blvd, Ste. 102, McKinney, Texas 75069.

(d) Los horarios de votación pueden ser cambiados si así lo instruyera el Administrador de Elecciones sin necesidad de medida adicional del Tribunal. Por la presente se autoriza e instruye al Administrador de Elecciones a que haga cambios de ese tipo de horarios de votación según sea necesario para la celebración adecuada de la Elección.

Sección 7 Designación de Funcionarios Electorales. La Elección se celebrará bajo la jurisdicción del Departamento de Elecciones del Condado de Collin (el "Administrador de Elecciones").

Sección 8 Aviso de Elección. Se dará aviso de la Elección a través de: (i) la publicación de una copia sustancial de esta Orden, en inglés y español, el mismo día de cada una de dos (2) semanas sucesivas, en un periódico de circulación general publicado dentro del Condado, siendo la fecha de la primera publicación no menos de catorce (14) días ni más de treinta (30) días previos a la fecha programada para la Elección, (ii) la colocación de una copia de esta Orden, en inglés y español, en la cartelera de anuncios utilizada para colocar avisos de las asambleas del Tribunal de Comisionados del Condado y en por lo menos otros tres (3) lugares públicos dentro de los límites del Condado, a más tardar el vigésimo primer (21.er) día previo a la fecha programada de la Elección y (iii) la colocación de una copia de esta Orden, en inglés y español, en el sitio web del Condado, en un lugar destacado y junto con el aviso de la Elección y el contenido de las Propositiones, a más tardar el vigésimo primer (21.er) día previo a la fecha fijada para la Elección y hasta el Día de Elección. Además, el Día de Elección y durante la votación anticipada en persona, esta Orden deberá estar colocada en un lugar destacado en cada lugar de votación.

Sección 9 Celebración de la Elección. La Elección será celebrada en conformidad con el Código y otras leyes pertinentes por el Administrador de Elecciones del Condado de Collin.

Sección 10 Información adicional requerida por la Sección 3.009 del Código Electoral. (a) Al 1 de octubre de 2107, el primer día del corriente año fiscal del Condado, la cantidad de capital total pendiente de la deuda respaldada con impuestos del Condado era de \$352,380,000 y la cantidad total de interés pendiente de tal deuda respaldada con impuestos era de \$95,731,724. La tasa del impuesto ad valorem del Condado para el servicio de la deuda asignable a deuda respaldada con impuestos para el corriente año fiscal es de \$0.053450 por cada \$100 de tasación fiscal de propiedad gravable en el Condado.

(b) El Condado piensa emitir los bonos autorizados por las Propositiones en el curso de un período de años en la forma y de acuerdo al cronograma que determinará el Tribunal en base a varios factores, incluidos a título enunciativo pero no limitativo, las necesidades actuales del Condado, los cambios demográficos, las condiciones prevalecientes del mercado, las tasaciones fiscales en el Condado y la administración de la exposición de corto y largo plazo del Condado a las tasas de interés. Las condiciones del mercado, los índices demográficos y los valores de tasación varían dependiendo de un número de factores fuera del control del Condado y, por lo tanto, el Condado no puede garantizar, y no lo hace, una tasa de interés o tasa de impuesto particular asociada con los bonos de impuestos autorizados por las Propositiones. Por lo tanto, la información contenida en este párrafo se proporciona solamente con fines ilustrativos y no establece limitación ni restricción alguna ni crea un contrato con los votantes. Actualmente el Condado estima que, si las Propositiones fuesen aprobadas y los bonos de impuestos propuestos en la presente fuesen autorizados y emitidos de acuerdo al plan proyectado de finanzas actual del Condado, se espera que la tasa de interés máxima sobre los bonos de impuestos limitados no supere el 5.00%.

(c) Cualquier información adicional requerida por la Sección 3.009 del Código está en las Secciones 2 y 3 de esta Orden.

Sección 11 Medidas necesarias. Por la presente se autoriza e instruye al Juez del Condado, al Secretario del Condado y a otros funcionarios del Condado, con el asesoramiento del abogado y asesor de bonos del Condado, a que tomen cualquier y todas las medidas necesarias para cumplir con las disposiciones del Código y de la Ley Federal de Derechos de Votación para realizar y llevar a cabo la Elección, sean expresamente autorizadas en la presente o no, incluso a hacer cambios o adiciones a los lugares de votación o procedimientos electorales en la medida en que sean requeridos o deseables o según sea necesario debido a circunstancias que surjan con posterioridad a la fecha de esta Orden.

Sección 12 Divisibilidad. Si cualquier disposición, sección, subsección, oración, cláusula o frase de esta Orden, o la aplicación de ella a cualquier persona o conjunto de circunstancias, es por alguna razón hallada inconstitucional, nula, inválida o imposible de hacer cumplir, ni las porciones restantes de esta Orden ni su aplicación a otras personas o conjunto de circunstancias será afectada por esto, en tanto la intención del Tribunal al adoptar esta Orden es que ninguna porción de ella o disposición o norma contenida en la presente llegue a ser inoperativa o falle debido a la inconstitucionalidad, nulidad, invalidez o imposibilidad de cumplimiento de cualquier otra porción de ella, y todas las disposiciones de esta Orden se declaran divisibles a tales efectos.

Sección 13 Fecha de entrada en vigencia. Esta Orden entrará en vigencia inmediatamente después de su aprobación. ACEPTADA Y APROBADA el 20 de agosto de 2018.

EXHIBIT A
ELECTION DAY VOTE CENTERS FOR THE NOVEMBER 6, 2018
GENERAL AND SPECIAL ELECTIONS

ANEXO A
CENTROS DE VOTACIÓN DEL DÍA DE ELECCIÓN PARA LAS
ELECCIONES GENERALES Y ESPECIALES DEL 6 DE NOVIEMBRE DE 2018

Address (Dirección)	City (Ciudad)
Polling Place (Lugar de Votación)	
Aldridge Elementary School	Richardson
Allen ISD Service Center	Allen
Allen Municipal Courts Facility	Allen
Armstrong Middle School	Plano
Benton Staley Middle School	Frisco
Blue Ridge ISD Administration Building	Blue Ridge
Bowman Middle School	Plano
Carpenter Middle School	Plano
Carpenter Park Recreation Center	Plano
Celina ISD Administration Building	Celina
Christ the Servant Lutheran Church	Allen
Christ United Methodist Church	Plano
Clark High School	Plano
Collin College Central Park Campus	McKinney
Collin College Higher Education Center	McKinney
Collin College Preston Ridge Campus	Frisco
Collin College Spring Creek Campus	Plano
Collin County Elections Office	McKinney
Davis Library	Plano
Dowell Middle School	McKinney
Eldorado Country Club	McKinney
Fairview Town Hall	Fairview
First Baptist Church - Branch	Princeton
First Baptist Church - Wylie	Wylie
First Baptist Church Farmersville - Youth Building	Farmersville
Fowler Middle School	Plano
Frisco Fire Station #5	Frisco
Frisco Senior Center	Frisco
Gay Library	McKinney
George Bush Elementary School	Wylie
Haggard Elementary School	Dallas
Harrington Library	Plano
Heritage High School	Frisco
Hunt Middle School	Frisco
Islamic Association of Collin County	Plano
Josephine City Hall	Josephine
Lavon City Hall	Lavon
Liberty High School	Frisco
Lovely ISD Administration Bldg.	Allen
Lowry Crossing City Hall	Lowry Crossing
Lucas Community Center	Lucas
McKinney Fire Station #7	McKinney
McKinney Senior Recreation Center	McKinney
Melissa City Hall	Melissa
Methodist Richardson Medical Center	Richardson
Miller Elementary School	Richardson
Murphy Community Center	Murphy
Old Settlers Recreation Center	McKinney
Parker City Hall	Parker

such tax supported debt was \$95,731,724. The County ad valorem debt service tax rate allocable to tax supported debt for the current fiscal year is \$0.053450 per \$100 of assessed valuation of taxable property in the County.

(b) The County intends to issue the bonds authorized by the Propositions over a period of years in a manner and in accordance with a schedule to be determined by the Court based upon a number of factors, including, but not limited to, the then current needs of the County, demographic changes, prevailing market conditions, assessed valuations in the County and management of the County's short-term and long-term interest rate exposure. Market conditions, demographics and assessed valuations vary based upon a number of factors beyond the County's control, and therefore, the County cannot and does not guarantee a particular interest rate or tax rate associated with the tax bonds authorized by the Propositions. As such, the information contained in this paragraph is provided solely for illustrative purposes and does not establish any limitations or restrictions or create a contract with the voters. The County currently estimates that, if the Propositions were approved and the bonds proposed herein were authorized and issued in accordance with the County's currently projected plan of finance, the maximum interest rate on the limited tax bonds is not expected to exceed 5.00%.

(c) Any additional information required by Section 3.009 of the Code is contained in Sections 2 and 3 of this Order.

Section 11. **Necessary Actions.** The County Judge, County Clerk and other officials of the County, in consultation with the County's attorney and bond counsel, are hereby authorized and directed to take any and all actions necessary to comply with the provisions of the Code and the Federal Voting Rights Act in carrying out and conducting the Election, whether or not expressly authorized herein, including making changes or additions to polling places or procedures to the extent required or desirable or as may become necessary due to circumstances arising after the date of this Order.

Section 12. **Severability.** If any provision, section, subsection, sentence, clause or phrase of this Order, or the application of same to any person or set of circumstances is for any reason held to be unconstitutional, void, invalid, or unenforceable, neither the remaining portions of this Order nor their application to other persons or sets of circumstances shall be affected thereby, it being the intent of the Court in adopting this Order that no portion hereof or provision or regulation contained herein shall become inoperative or fail by reason of any unconstitutionality, voidness, invalidity or unenforceability of any other portion hereof, and all provisions of this Order are declared to be severable for that purpose.

Section 13. **Effect Date.** This Order shall take effect immediately upon approval.

PASSED AND APPROVED the 20th day of August, 2018.

AVISO DE ELECCIÓN

POR EL PRESENTE SE NOTIFICA QUE el Tribunal de Comisionados del Condado de Collin, Texas ha convocado una elección de bonos a celebrarse el martes 6 de noviembre de 2018 dentro del Condado. A continuación hay una copia sustancial de la Orden adoptada por el Tribunal de Comisionados que convoca la elección de bonos. ENTREGADO el 7 de octubre de 2018. /firma/Stacey Kemp, Secretaria del Condado del Condado de Collin, Texas.

ORDEN

UNA ORDEN DEL TRIBUNAL DE COMISIONADOS DEL CONDADO DE COLLIN, TEXAS, PARA CONVOCAR A UNA ELECCIÓN DE BONOS A CELEBRARSE EL 6 DE NOVIEMBRE DE 2018 DENTRO DEL CONDADO, PARA ESTABLECER DISPOSICIONES PARA LA CELEBRACIÓN DE LA ELECCIÓN Y OTRAS DISPOSICIONES RELACIONADAS CON ESTO

EN VISTA DE QUE el Tribunal de Comisionados del Condado de Collin, Texas (el "Tribunal") por la presente halla y determina que es necesario y aconsejable convocar y llevar a cabo una elección en el Condado para el propósito de presentar ciertas proposiciones sobre la emisión de bonos para los propósitos descritos más adelante en la presente; y

EN VISTA DE QUE por la presente el Tribunal halla y determina que dicha elección se celebrará en una fecha de elección uniforme establecida por la Sección 41.001(a) del Código Electoral de Texas y sus enmiendas, conforme lo requieren las leyes de Texas; y
EN VISTA DE QUE el Tribunal halla y declara que la asamblea en la que esta Orden se considera, está abierta al público, como lo exige la ley, y que se dio aviso público de la hora, el lugar y el propósito de dicha asamblea, según lo requiere el Capítulo 551 del Código de Gobierno de Texas y sus enmiendas; por lo tanto, EL TRIBUNAL DE COMISIONADOS DEL CONDADO DE COLLIN, TEXAS, ORDENA:

Sección 1. Hallazgos. Las declaraciones contenidas en el preámbulo de esta Orden son verdaderas y correctas y por la presente se adoptan como determinaciones de hechos y como parte de las disposiciones operativas de la presente.

Sección 2. Elección ordenada; Fecha; Proposición. Se celebrará una elección (la "Elección") en el Condado de Collin, Texas, y por todo el mismo, el martes 6 de noviembre de 2018 ("Día de Elección"), una fecha de elección uniforme establecida por la Sección 41.001(a) del Código Electoral de Texas y sus enmiendas (el "Código"). En la Elección se presentarán las siguientes proposiciones (las "Proposiciones") a los votantes habilitados del Condado de acuerdo con la ley:

CONDADO DE COLLIN - PROPOSICIÓN A

"¿Se deberá autorizar al Tribunal de Comisionados del Condado de Collin, Texas, a emitir bonos del Condado, en una o más series o emisiones, por la cantidad de capital total de \$600,000,000 para el propósito de proveer fondos para mejoras públicas permanentes, a saber: construir, mejorar y mantener autopistas y carreteras de alta velocidad y sin peajes dentro del Condado de Collin y colectoras y vías de servicio relacionadas, incluso la adquisición de terrenos y derechos de paso para esto; e incluso la participación en el costo de proyectos conjuntos condado-estado y condado-ciudad, con dichos bonos de cada serie o emisión, respectivamente, con vencimiento por serie durante un período que no supere los treinta (30) años desde su fecha, y a ser emitidos en ciertos plazos y vendidos a cierto precio o precios y devengar interés a cierta tasa o tasas según lo determinará a su criterio el Tribunal de Comisionados bajo las leyes vigentes en el momento de emisión; y para disponer para el pago del capital y del interés de dichos bonos mediante la imposición y recaudación de impuestos anuales ad valorem sobre toda propiedad gravable dentro del Condado en una cantidad suficiente para pagar el interés anual de dichos bonos y disponer un fondo de amortización suficiente para pagar dichos bonos conforme venzan?"

CONDADO DE COLLIN - PROPOSICIÓN B

"¿Se deberá autorizar al Tribunal de Comisionados del Condado de Collin, Texas, a emitir bonos del Condado, en una o más series o emisiones, por la cantidad de capital total de \$140,000,000 para el propósito de proveer fondos para mejoras públicas permanentes, a saber: construir, mejorar y mantener caminos y puentes dentro del Condado de Collin, incluso la adquisición de terrenos y derechos de paso para esto; e incluso la participación en el costo de proyectos conjuntos condado-estado y condado-ciudad; con dichos bonos de cada serie o emisión, respectivamente, con vencimiento por serie durante un período que no supere los treinta (30) años desde su fecha, y a ser emitidos en ciertos plazos y vendidos a cierto precio o precios y devengar interés a cierta tasa o tasas según lo determinará a su criterio el Tribunal de Comisionados bajo las leyes vigentes en el momento de emisión; y para disponer para el pago del capital y del interés de dichos bonos mediante la imposición y recaudación de impuestos anuales ad valorem sobre toda propiedad gravable dentro del Condado en una cantidad suficiente para pagar el interés anual de dichos bonos y disponer un fondo de amortización suficiente para pagar dichos bonos conforme venzan?"

CONDADO DE COLLIN - PROPOSICIÓN C

"¿Se deberá autorizar al Tribunal de Comisionados del Condado de Collin, Texas, a emitir los bonos del Condado, en una o más series o emisiones, por la cantidad de capital total de \$10,000,000 para el propósito de adquirir y mejorar terrenos para propósitos de parques y espacios al aire libre, incluso proyectos conjuntos de condado-ciudad; con dichos bonos de cada serie o emisión, respectivamente, con vencimiento por serie durante un período que no supere los treinta (30) años desde su fecha, y a ser vendidos a cierto precio o precios y devengar interés a cierta tasa o tasas según lo determinará a su criterio el Tribunal de Comisionados en el momento de emisión; y para disponer para el pago del capital y del interés de dichos bonos mediante la imposición y recaudación de impuestos anuales ad valorem sobre toda propiedad gravable dentro del Condado en una cantidad suficiente para pagar el interés anual de dichos bonos cuando vencen y disponer un fondo de amortización suficiente para pagar dichos bonos conforme venzan?"

Sección 3. **Boleta Oficial de Votación.** (a) La votación en la Elección y la votación anticipada de esta se realizarán mediante el uso de sistemas de votación y boletas del Condado legalmente aprobados.

(b) La preparación del equipo necesario y las boletas oficiales de votación de la Elección deberán respetar los requisitos del Código de forma de permitir a los electores votar "A FAVOR" o "EN CONTRA" de las Proposiciones antedichas, las cuales serán presentadas en las boletas de votación básicamente de la siguiente forma:

☐ A FAVOR ☐ EN CONTRA

CONDADO DE COLLIN - PROPOSICIÓN A

"LA EMISIÓN DE \$600,000,000 EN BONOS PARA LA CONSTRUCCIÓN DE CARRETERAS Y AUTOPISTAS DE ALTA VELOCIDAD SIN PEAJE EN TODO EL CONDADO Y LOS SERVICIOS Y CAMINOS DE ALIMENTACIÓN RELACIONADOS, INCLUIDA LA PARTICIPACIÓN EN PROYECTOS CONJUNTOS DEL CONDADO CON EL ESTADO Y DEL CONDADO CON CIUDADES, Y LA IMPOSICIÓN DE UN IMPUESTO PARA EL PAGO DE ESTOS."

☐ A FAVOR ☐ EN CONTRA

CONDADO DE COLLIN - PROPOSICIÓN B

"LA EMISIÓN DE \$140,000,000 EN BONOS PARA LA CONSTRUCCIÓN DE CAMINOS EN TODO EL CONDADO, INCLUIDA LA PARTICIPACIÓN EN PROYECTOS CONJUNTOS DEL CONDADO CON EL ESTADO Y DEL CONDADO CON CIUDADES, Y LA IMPOSICIÓN DE UN IMPUESTO PARA EL PAGO DE ESTOS."

☐ A FAVOR ☐ EN CONTRA

CONDADO DE COLLIN - PROPOSICIÓN C

"LA EMISIÓN DE \$10,000,000 EN BONOS PARA LA ADQUISICIÓN Y MEJORAMIENTO DE TERRENOS DESTINADOS PARA PARQUES Y ESPACIOS ABIERTOS, INCLUIDA LA PARTICIPACIÓN EN PROYECTOS CONJUNTOS DEL CONDADO CON CIUDADES, Y LA IMPOSICIÓN DE UN IMPUESTO PARA EL PAGO DE ESTOS."

Sección 4. **Personas habilitadas para votar.** Todos los votantes habilitados residentes del Condado serán elegibles para votar en la Elección.

Sección 5. **Precintos electorales, lugares de votación y horarios de votación del Día de Elección.** La votación del Día de Elección se llevará a cabo en los lugares de votación para los precintos designados en el Anexo A del presente documento. Dichos precintos y lugares de votación pueden ser cambiados si así lo instruyera el Administrador de Elecciones sin necesidad de medida adicional del Tribunal. Por la presente se autoriza e instruye al Administrador de Elecciones a que haga cambios de ese tipo de lugares de votación según sea necesario para la celebración adecuada de la Elección. El Día de Elección cada lugar de votación estará abierto de 7:00 a.m. a 7:00 p.m.

Parr Library	2700 W. 15th Street	Plano
Plano ISD Administration Center	123 W. Princeton Drive	Princeton
Princeton City Hall	605 E. Seventh Street	Prosper
Prosper ISD Administration Bldg.	356 Stoddard	Fairview
Puster Elementary School	6400 Frankford Road	Dallas
Renner-Frankford Library	1420 FM 1777	Royse City
Royse City ISD Mike McKinney Maintenance Facility	7070 Stacy Road	McKinney
Scoggins Middle School	222 Seis Lagos Trail	Wylie
Seis Lagos Community Services Association	5505 Plano Parkway	Plano
Shepton High School	920 E. 14th Street	Plano
Shiloh Missionary Baptist Church	300 Country Club Drive	Wylie
Smith Library	216 Southfork Blvd.	Wylie
Southfork Mobile Home Park	1800 S. Stonebridge Drive	McKinney
Stonebridge United Methodist Church	1517 W. McDermott Drive	Allen
Suncreek United Methodist Church	611 N FM 1138	Nevada
Terry Pope Administration Building	402 W. White Street	Anna
Texas Star Bank	5801 W. Parker Road	Plano
Tom Muehlenbeck Recreation Center	117 Main Street	Weston
Weston Community Center	3400 E. Renner Road	Richardson
Woodcreek Church		

Sunday	Monday	Tuesday	Wednesday	Thursday	Friday	Saturday
Oct. 21	Oct. 22 Early Voting 8am-5pm	Oct. 23 Early Voting 8am-5pm	Oct. 24 Early Voting 8am-5pm	Oct. 25 Early Voting 8am-5pm	Oct. 26 Early Voting 8am-5pm	Oct. 27 Early Voting 7am-7pm
Oct. 28 Early Voting 1pm-6pm	Oct. 29 Early Voting 7am-7pm	Oct. 30 Early Voting 7am-7pm	Oct. 31 Early Voting 7am-7pm	Nov 1 Early Voting 7am-7pm	Nov 2 Early Voting 7am-7pm	Nov 3
Domingo	Lunes	Martes	Miércoles	Jueves	Viernes	Sábado
21 de oct.	22 de oct. Votación Anticipada 8am-5pm	23 de oct. Votación Anticipada 8am-5pm	24 de oct. Votación Anticipada 8am-5pm	25 de oct. Votación Anticipada 8am-5pm	26 de oct. Votación Anticipada 8am-5pm	27 de oct. Votación Anticipada 7am-7pm
28 de oct. Votación Anticipada 1pm-6pm	29 de oct. Votación Anticipada 7am-7pm	30 de oct. Votación Anticipada 7am-7pm	31 de oct. Votación Anticipada 7am-7pm	1 de nov. Votación Anticipada 7am-7pm	2 de nov. Votación Anticipada 7am-7pm	3 de nov.

Polling Place (Lugar de Votación)	Address (Dirección)	City (Ciudad)
Collin County Elections (Main Early Voting Location) voting Location) (Lugar principal de votación anticipada)	2010 Redbud Blvd. St 102	McKinney
Allen ISD Service Center	1451 North Watters Road	Allen
Allen Municipal Courts Facility	301 Century Pkwy.	Allen
Carpenter Park Recreation Center	6701 Coit Road	Plano
Celina ISD Administration Building	205 S. Colorado St.	Celina
Christ United Methodist Church	3101 Coit Road	Plano
Collin College - Central Park Campus	2200 W. University Drive	McKinney
Collin College - Higher Education Center	3452 Spur 399	McKinney
Collin College - Preston Ridge Campus	9700 Wade Blvd.	Frisco
Collin College - Spring Creek Campus	2800 E. Spring Creek Pkwy.	Plano
Davis Library	7501 Independence Pkwy.	Plano
Frisco Fire Station #5	14300 Eldorado Pkwy.	Frisco
Frisco Senior Center	6670 Moore Street	Frisco
John and Judy Gay Library	6861 W. Eldorado Pkwy.	McKinney
Haggard Library	2501 Coit Road	Plano
Harrington Library	1501 18th Street	Plano
Lavon City Hall	120 School Road	Lavon
Lovejoy ISD Administration Bldg.	259 Country Club Rd.	Allen
McKinney Fire Station #7	861 S. Independence Pkwy.	McKinney
Melissa City Hall	3411 Barker Ave.	Melissa
Methodist Richardson Medical Center	2831 E. Pres George Bush Turnpike TurHighway	Richardson
Murphy Community Center	205 North Murphy Road	Murphy
Old Settlers Recreation Center	1201 E. Louisiana Street	McKinney
Parker City Hall	5700 E. Parker Road	Parker
Parr Library	6200 Windhaven Pkwy.	Plano
Plano ISD Administration Center	2700 W. 15th Street	Plano
Princeton City Hall	123 W. Princeton Drive	Princeton
Prosper Town Hall	200 S. Main Street	Prosper
Renner-Frankford Library	6400 Frankford Rd.	Dallas
Smith Library	300 Country Club Dr.	Wylie
Texas Star Bank	402 W. White St.	Anna

Temporary Early Voting Locations:
(Sedes temporales de votación anticipada):

Farmersville City Hall	205 South Main St.	Farmersville
Oct. 21	Oct. 22 Early Voting 8am-5pm	Oct. 23 Early Voting 8am-5pm
Oct. 24 Early Voting 8am-5pm	Oct. 25 Early Voting 8am-5pm	Oct. 26 Early Voting 8am-5pm
Oct. 27 Early Voting 7am-7pm	Oct. 28 Early Voting 1pm-6pm	Oct. 29 Early Voting 7am-7pm
Oct. 30 Early Voting 7am-7pm	Oct. 31 Early Voting 7am-7pm	Nov 1 Early Voting 7am-7pm
Nov 2 Early Voting 7am-7pm	Nov 3	
28 de oct. Votación Anticipada 1pm-6pm	29 de oct. Votación Anticipada 7am-7pm	30 de oct. Votación Anticipada 7am-7pm
31 de oct. Votación Anticipada 7am-7pm	1 de nov. Votación Anticipada 7am-7pm	2 de nov. Votación Anticipada 7am-7pm
3 de nov.		

Important Note: Eligible Collin County registered voters (with an effective date of registration on or before November 6, 2018) may vote at any of the above early voting locations.

Aviso importante: Los votantes registrados elegibles del Condado de Collin (con fecha vigente de registro hasta el 6 de noviembre de 2018 inclusive) pueden votar en cualquiera de los lugares de votación anticipada anteriores.

If qualified, voters may request an application by mail, by calling (972) 424-1460 or by written request to:

Los votantes que reúnan los requisitos pueden pedir una solicitud por correo llamando al (972) 424-1460 o por escrito a:

Collin County Early Voting Clerk
2010 Redbud Blvd., Suite 102
McKinney, TX 75069

AFFIDAVIT OF POSTING NOTICE OF BOND ELECTION

BEFORE ME, the undersigned authority, on this day personally appeared Bruce Sherbet, who, having been duly sworn, says upon his/her oath:

"That on the 12th day of October, 2018, s/he posted a true and correct copy of the attached and following Notice of Election, in English and Spanish, on the bulletin board used for posting notices of the meetings of the Collin County Commissioners Court and in the following three public location within the County:

Farmersville Sub- Courthouse

Frisco Sub- Courthouse

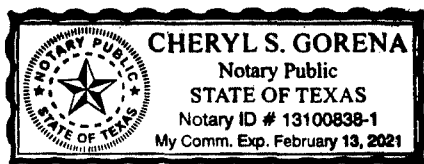
Plano Sub- Courthouse

EXECUTED this November 19, 2018.

Bruce Sherbet
Signature

Bruce Sherbet
Print Name

SUBSCRIBED AND SWORN TO BEFORE ME this November 19, 2018.



Cheryl S. Gorena
Notary Public in and for the
State of Texas

[SEAL/STAMP]

NOTICE OF ELECTION

NOTICE IS HEREBY GIVEN that the Commissioners Court of Collin County, Texas has called a bond election to be held within the County on Tuesday, November 6, 2018. Below is a substantial copy of the Order adopted by the Commissioners Court calling the bond election. GIVEN THIS October 7, 2018. /s/Stacey Kemp, County Clerk, Collin County, Texas.

ORDER

AN ORDER OF THE COMMISSIONERS COURT OF COLLIN COUNTY, TEXAS, CALLING A BOND ELECTION TO BE HELD ON NOVEMBER 6, 2018 WITHIN THE COUNTY, MAKING PROVISIONS FOR THE CONDUCT OF THE ELECTION AND OTHER PROVISIONS RELATING THERETO

WHEREAS, the Commissioners Court of Collin County, Texas (the "Court"), hereby finds and determines that it is necessary and advisable to call and hold a bond election in the County for the purpose of submitting certain propositions pertaining to the issuance of bonds for the purposes hereinafter set forth; and

WHEREAS, the Court hereby finds and determines that said election shall be held on a uniform election date established by Section 41.001(a), Texas Election Code, as amended, as required by Texas law; and

WHEREAS, the Court finds and declares that the meeting at which this Order is considered is open to the public as required by law, and that public notice of the time, place, and purpose of said meeting was given as required by Chapter 551, Texas Government Code, as amended; therefore,

BE IT ORDERED BY THE COMMISSIONERS COURT OF COLLIN COUNTY, TEXAS:

Section 1. Findings. The statements contained in the preamble of this Order are true and correct and are hereby adopted as findings of fact and as part of the operative provisions hereof.

Section 2. Election Ordered; Date; Proposition. An election (the "Election") shall be held in and throughout Collin County, Texas on Tuesday, November 6, 2018 ("Election Day"), a uniform election date established by Section 41.001(a) of the Texas Election Code, as amended (the "Code"). At the Election the following propositions (the "Propositions") shall be submitted to the qualified voters of the County in accordance with law:

COLLIN COUNTY - PROPOSITION A

"Shall the Commissioners Court of Collin County, Texas, be authorized to issue bonds of the County, in one or more series or issues, in the aggregate principal amount of \$600,000,000 for the purpose of providing funds for permanent public improvements, to-wit: for constructing, improving and maintaining non-tolled, high-speed highways and freeways within Collin County and related service and frontage roads; including the acquisition of land and rights-of-way therefor; and including participating in the cost of joint county-state and county-city projects said bonds of each series or issue, respectively, to mature serially over a period of not to exceed thirty (30) years from their date, and to be issued in such installments and sold at such price or prices and to bear interest at such rate or rates as shall be determined within the discretion of the Commissioners Court under laws in effect at the time of issuance; and to provide for the payment of the principal of and interest on said bonds by levying and collecting annual ad valorem taxes upon all taxable property within the County in an amount sufficient to pay the annual interest on said bonds and to provide a sinking fund sufficient to pay said bonds as they become due?"

COLLIN COUNTY - PROPOSITION B

"Shall the Commissioners Court of Collin County, Texas, be authorized to issue bonds of the County, in one or more series or issues, in the aggregate principal amount of \$140,000,000 for the purpose of providing funds for permanent public improvements, to-wit: for constructing, improving and maintaining roads and bridges within Collin County, including the acquisition of land and rights-of-way therefor; and including participating in the cost of joint county-state and county-city projects; said bonds of each series or issue, respectively, to mature serially over a period of not to exceed thirty (30) years from their date, and to be issued in such installments and sold at such price or prices and to bear interest at such rate or rates as shall be determined within the discretion of the Commissioners Court under laws in effect at the time of issuance; and to provide for the payment of the principal of and interest on said bonds by levying and collecting annual ad valorem taxes upon all taxable property within the County in an amount sufficient to pay the annual interest on said bonds and to provide a sinking fund sufficient to pay said bonds as they become due?"

COLLIN COUNTY - PROPOSITION C

"Shall the Commissioners Court of Collin County, Texas, be authorized to issue the bonds of the County, in one or more series or issues, in the aggregate principal amount of \$10,000,000, for the purpose of acquiring and improving land for park and open space purposes, including joint county-city projects; said bonds of each such series or issue, respectively, to mature serially over a period of not to exceed thirty (30) years from their date, and to be sold at such price or prices and bear interest at such rate or rates as shall be determined within the discretion of the Commissioners Court at the time of issuance, and to provide for the payment of the principal of and interest on said bonds by levying and collecting annual ad valorem taxes upon all taxable property within the County in an amount sufficient to pay the annual interest on said bonds when due and to provide a sinking fund sufficient to pay said bonds as they become due?"

Section 3. Official Ballot. (a) Voting at the Election and early voting therefor, shall be by the use of the lawfully approved County voting systems and ballots.

(b) The preparation of the necessary equipment and the official ballots for the Election shall conform to the requirements of the Code so as to permit the electors to vote "FOR" or "AGAINST" the aforesaid Propositions which shall be set forth on the ballots substantially in the following form::

COLLIN COUNTY - PROPOSITION A

- ☐ FOR "THE ISSUANCE OF \$600,000,000 BONDS FOR THE CONSTRUCTION OF NON-
- ☐ AGAINST TOLLED, HIGH-SPEED HIGHWAYS AND FREEWAYS THROUGHOUT THE COUNTY AND RELATED SERVICE AND FRONTAGE ROADS, INCLUDING PARTICIPATION IN JOINT COUNTY-STATE AND COUNTY-CITY PROJECTS, AND THE LEVY OF A TAX IN PAYMENT THEREOF."

COLLIN COUNTY - PROPOSITION B

- ☐ FOR "THE ISSUANCE OF \$140,000,000 BONDS FOR THE CONSTRUCTION OF ROADS
- ☐ AGAINST THROUGHOUT THE COUNTY, INCLUDING PARTICIPATION IN JOINT COUNTY-STATE AND COUNTY-CITY PROJECTS, AND THE LEVY OF A TAX IN PAYMENT THEREOF."

COLLIN COUNTY - PROPOSITION C

- ☐ FOR "THE ISSUANCE OF \$10,000,000 BONDS FOR THE ACQUISITION AND
- ☐ AGAINST IMPROVEMENT OF LAND FOR PARK AND OPEN SPACE PURPOSES, INCLUDING PARTICIPATION IN JOINT COUNTY-CITY PROJECTS, AND THE LEVY OF A TAX IN PAYMENT THEREOF."

Section 4. Persons Qualified to Vote. All resident, qualified voters of the County shall be eligible to vote at the Election.

Section 5. Election Precincts, Voting Locations and Voting Hours on Election Day. Voting on Election Day shall be conducted at the polling locations for the precincts designated on Exhibit A hereto. Such precincts and locations may be changed if so directed by the Elections Administrator without further action of the Court. The Elections Administrator is hereby authorized and directed to make such changes in polling locations as may be necessary for the proper conduct of the Election. Each polling place shall be open from 7:00 A.M. to 7:00 P.M. on the date of the Election.

Section 6. Early Voting Locations Dates and Times. (a) The Elections Administrator is hereby appointed as Early Voting Clerk for the Election. The early voting place and the address for early voting by mail for the Election are hereby designated as set forth in Exhibit B; provided, however, such locations may be changed if so directed by the Elections Administrator without further action of the Court. The Elections Administrator is hereby authorized and directed to make such changes in locations as may be necessary for the proper conduct of the Election. The Elections Administrator and/or Early Voting Clerk are hereby authorized to appoint the members of the Early Voting Ballot board and the presiding judge and alternate judge in accordance with the requirements of the Code.

(b) Early voting by personal appearance shall be conducted on the days and during the hours set forth in Exhibit B, as may be adjusted by the Elections Administrator without further Court action.

(c) Applications for early voting by mail shall be submitted to the Elections Administrator, Collin County, 2010 Redbud Blvd, Ste. 102, McKinney, Texas 75069.

(d) Voting times may be changed if so directed by the Elections Administrator without further action of the Court. The Elections Administrator is hereby authorized and directed to make such changes in voting hours as may be necessary for the proper conduct of the Election.

Section 7. Appointment of Election Officers. The Election shall be conducted under the jurisdiction of the Collin County Elections Department (the "Elections Administrator").

Section 8. Notice of Election. Notice of the Election shall be given by: (i) publishing a substantial copy of this Order, in English and Spanish, on the same day in each of two (2) successive weeks in a newspaper of general circulation published within the County, the date of the first publication to be not less than fourteen (14) days nor more than thirty (30) days prior to the date set for the Election, (ii) posting a copy of this Order, in English and Spanish on the bulletin board used for posting notices of meetings of the County Commissions Court and in at least three (3) other public places within the County, not later than the twenty-first (21st) day prior to the date set for the Election and (iii) posting a copy of this Order, in English and Spanish, on the County's website, prominently and together with the notice of the Election and the contents of the Propositions, not later than the twenty-first (21st) day prior to the date set for the Election through Election Day. Additionally, on Election Day and during early voting by personal appearance, this Order shall be posted in a prominent location at each polling place.

Section 9. Conduct of Election. The Election shall be conducted in accordance with the Code and other applicable law by the Collin County Elections Administrator.

Section 10. Additional Information Required by Section 3.009 of the Election Code. (a) As of October 1, 2017, the first day of the County's current fiscal year, the aggregate principal amount outstanding of tax supported debt of the County was

\$352,380,000 and the aggregate amount of outstanding interest on such tax supported debt was \$95,731,724 The County's ad valorem debt service tax rate allocable to tax supported debt for the current fiscal year is \$0.053450 per \$100 of assessed valuation of taxable property in the County.

(b) The County intends to issue the bonds authorized by the Propositions over a period of years in a manner and in accordance with a schedule to be determined by the Court based upon a number of factors, including, but not limited to, the then current needs of the County, demographic changes, prevailing market conditions, assessed valuations in the County and management of the County's short-term and long-term interest rate exposure. Market conditions, demographics and assessed valuations vary based upon a number of factors beyond the County's control, and therefore, the County cannot and does not guarantee a particular interest rate or tax rate associated with the tax bonds authorized by the Propositions. As such, the information contained in this paragraph is provided solely for illustrative purposes and does not establish any limitations or restrictions or create a contract with the voters. The County currently estimates that, if the Propositions were approved and the bonds proposed herein were authorized and issued in accordance with the County's currently projected plan of finance, the maximum interest rate on the limited tax bonds is not expected to exceed 5.00%.

(c) Any additional information required by Section 3.009 of the Code is contained in Sections 2 and 3 of this Order.

Section 11. Necessary Actions. The County Judge, County Clerk and other officials of the County, in consultation with the County's attorney and bond counsel, are hereby authorized and directed to take any and all actions necessary to comply with the provisions of the Code and the Federal Voting Rights Act in carrying out and conducting the Election, whether or not expressly authorized herein, including making changes or additions to polling places or procedures to the extent required or desirable or as may become necessary due to circumstances arising after the date of this Order.

Section 12. Severability. If any provision, section, subsection, sentence, clause or phrase of this Order, or the application of same to any person or set of circumstances is for any reason held to be unconstitutional, void, invalid, or unenforceable, neither the remaining portions of this Order nor their application to other persons or sets of circumstances shall be affected thereby, it being the intent of the Court in adopting this Order that no portion hereof or provision or regulation contained herein shall become inoperative or fail by reason of any unconstitutionality, voidness, invalidity or unenforceability of any other portion hereof, and all provisions of this Order are declared to be severable for that purpose.

Section 13. Effect Date. This Order shall take effect immediately upon approval.

PASSED AND APPROVED the 20th day of August, 2018.

AVISO DE ELECCIÓN

POR EL PRESENTE SE NOTIFICA QUE el Tribunal de Comisionados del Condado de Collin, Texas ha convocado una elección de bonos a celebrarse el martes 6 de noviembre de 2018 dentro del Condado. A continuación hay una copia sustancial de la Orden adoptada por el Tribunal de Comisionados que convoca la elección de bonos. ENTREGADO el 7 de octubre de 2018. /firma/Stacey Kemp, Secretaria del Condado del Condado de Collin, Texas.

ORDEN

UNA ORDEN DEL TRIBUNAL DE COMISIONADOS DEL CONDADO DE COLLIN, TEXAS, PARA CONVOCAR A UNA ELECCIÓN DE BONOS A CELEBRARSE EL 6 DE NOVIEMBRE DE 2018 DENTRO DEL CONDADO, PARA ESTABLECER DISPOSICIONES PARA LA CELEBRACIÓN DE LA ELECCIÓN Y OTRAS DISPOSICIONES RELACIONADAS CON ESTO

EN VISTA DE QUE el Tribunal de Comisionados del Condado de Collin, Texas (el "Tribunal") por la presente halla y determina que es necesario y aconsejable convocar y llevar a cabo una elección en el Condado para el propósito de presentar ciertas proposiciones sobre la emisión de bonos para los propósitos descritos más adelante en la presente; y

EN VISTA DE QUE por la presente el Tribunal halla y determina que dicha elección se celebrará en una fecha de elección uniforme establecida por la Sección 41.001(a) del Código Electoral de Texas y sus enmiendas, conforme lo requieren las leyes de Texas; y

EN VISTA DE QUE el Tribunal halla y declara que la asamblea en la que esta Orden se considera, está abierta al público, como lo exige la ley, y que se dio aviso público de la hora, el lugar y el propósito de dicha asamblea, según lo requiere el Capítulo 551 del Código de Gobierno de Texas y sus enmiendas; por lo tanto,

EL TRIBUNAL DE COMISIONADOS DEL CONDADO DE COLLIN, TEXAS, ORDENA:

Sección 1 Hallazgos. Las declaraciones contenidas en el preámbulo de esta Orden son verdaderas y correctas y por la presente se adoptan como determinaciones de hechos y como parte de las disposiciones operativas de la presente.

Sección 2 Elección ordenada; Fecha; Proposición. Se celebrará una elección (la "Elección") en el Condado de Collin, Texas, y por todo el mismo, el martes 6 de noviembre de 2018 ("Día de Elección"), una fecha de elección uniforme establecida por la Sección 41.001(a) del Código Electoral de Texas y sus enmiendas (el "Código"). En la Elección se presentarán las siguientes proposiciones (las "Proposiciones") a los votantes habilitados del Condado de acuerdo con la ley:

CONDADO DE COLLIN - PROPOSICIÓN A

“¿Se deberá autorizar al Tribunal de Comisionados del Condado de Collin, Texas, a emitir bonos del Condado, en una o más series o emisiones, por la cantidad de capital total de \$600,000,000 para el propósito de proveer fondos para mejoras públicas permanentes, a saber: construir, mejorar y mantener autopistas y carreteras de alta velocidad y sin peajes dentro del Condado de Collin y colectoras y vías de servicio relacionadas, incluso la adquisición de terrenos y derechos de paso para esto; e incluso la participación en el costo de proyectos conjuntos condado-estado y condado-ciudad, con dichos bonos de cada serie o emisión, respectivamente, con vencimiento por serie durante un período que no supere los treinta (30) años desde su fecha, y a ser emitidos en ciertos plazos y vendidos a cierto precio o precios y devengar interés a cierta tasa o tasas según lo determinará a su criterio el Tribunal de Comisionados bajo las leyes vigentes en el momento de emisión; y para disponer para el pago del capital y del interés de dichos bonos mediante la imposición y recaudación de impuestos anuales ad valorem sobre toda propiedad gravable dentro del Condado en una cantidad suficiente para pagar el interés anual de dichos bonos y disponer un fondo de amortización suficiente para pagar dichos bonos conforme venzan?”

CONDADO DE COLLIN - PROPOSICIÓN B

“¿Se deberá autorizar al Tribunal de Comisionados del Condado de Collin, Texas, a emitir bonos del Condado, en una o más series o emisiones, por la cantidad de capital total de \$140,000,000 para el propósito de proveer fondos para mejoras públicas permanentes, a saber: construir, mejorar y mantener caminos y puentes dentro del Condado de Collin, incluso la adquisición de terrenos y derechos de paso para esto; e incluso la participación en el costo de proyectos conjuntos condado-estado y condado-ciudad; con dichos bonos de cada serie o emisión, respectivamente, con vencimiento por serie durante un período que no supere los treinta (30) años desde su fecha, y a ser emitidos en ciertos plazos y vendidos a cierto precio o precios y devengar interés a cierta tasa o tasas según lo determinará a su criterio el Tribunal de Comisionados bajo las leyes vigentes en el momento de emisión; y para disponer para el pago del capital y del interés de dichos bonos mediante la imposición y recaudación de impuestos anuales ad valorem sobre toda propiedad gravable dentro del Condado en una cantidad suficiente para pagar el interés anual de dichos bonos y disponer un fondo de amortización suficiente para pagar dichos bonos conforme venzan?”

CONDADO DE COLLIN - PROPOSICIÓN C

“¿Se deberá autorizar al Tribunal de Comisionados del Condado de Collin, Texas, a emitir los bonos del Condado, en una o más series o emisiones, por la cantidad de capital total de \$10,000,000 para el propósito de adquirir y mejorar terrenos para propósitos de parques y espacios al aire libre, incluso proyectos conjuntos de condado-ciudad; con dichos bonos de cada serie o emisión, respectivamente, con vencimiento por serie durante un período que no supere los treinta (30) años desde su fecha, y a ser vendidos a cierto precio o precios y devengar interés a cierta tasa o tasas según lo determinará a su criterio el Tribunal de Comisionados en el momento de emisión; y para disponer para el pago del capital y del interés de dichos bonos mediante la imposición y recaudación de impuestos anuales ad valorem sobre toda propiedad gravable dentro del Condado en una cantidad suficiente para pagar el interés anual de dichos bonos cuando vencen y disponer un fondo de amortización suficiente para pagar dichos bonos conforme venzan?”

Sección 3 Boleta Oficial de Votación. (a) La votación en la Elección y la votación anticipada de esta se realizarán mediante el uso de sistemas de votación y boletas del Condado legalmente aprobados.

(b) La preparación del equipo necesario y las boletas oficiales de votación de la Elección deberán respetar los requisitos del Código de forma de permitir a los electores votar “A FAVOR” o “EN CONTRA” de las Proposiciones antedichas, las cuales serán presentadas en las boletas de votación básicamente de la siguiente forma:

CONDADO DE COLLIN - PROPOSICIÓN A

- | | |
|------------------------------------|--|
| <input type="checkbox"/> A FAVOR | “LA EMISIÓN DE \$600,000,000 EN BONOS PARA LA CONSTRUCCIÓN DE CARRETERAS Y AUTOPISTAS DE ALTA VELOCIDAD SIN PEAJE EN TODO EL CONDADO Y LOS SERVICIOS Y CAMINOS DE ALIMENTACIÓN RELACIONADOS, INCLUIDA LA PARTICIPACIÓN EN PROYECTOS CONJUNTOS DEL CONDADO CON EL ESTADO Y DEL CONDADO CON CIUDADES, Y LA IMPOSICIÓN DE UN IMPUESTO PARA EL PAGO DE ESTOS.” |
| <input type="checkbox"/> EN CONTRA | |

CONDADO DE COLLIN - PROPOSICIÓN B

- | | |
|------------------------------------|---|
| <input type="checkbox"/> A FAVOR | “LA EMISIÓN DE \$140,000,000 EN BONOS PARA LA CONSTRUCCIÓN DE CAMINOS EN TODO EL CONDADO, INCLUIDA LA PARTICIPACIÓN EN PROYECTOS CONJUNTOS DEL CONDADO CON EL ESTADO Y DEL CONDADO CON CIUDADES, Y LA IMPOSICIÓN DE UN IMPUESTO PARA EL PAGO DE ESTOS.” |
| <input type="checkbox"/> EN CONTRA | |

CONDADO DE COLLIN - PROPOSICIÓN C

- | | |
|------------------------------------|--|
| <input type="checkbox"/> A FAVOR | “LA EMISIÓN DE \$10,000,000 EN BONOS PARA LA ADQUISICIÓN Y MEJORAMIENTO DE TERRENOS DESTINADOS PARA PARQUES Y ESPACIOS ABIERTOS, INCLUIDA LA PARTICIPACIÓN EN PROYECTOS CONJUNTOS DEL CONDADO CON CIUDADES, Y LA IMPOSICIÓN DE UN IMPUESTO PARA EL PAGO DE ESTOS.” |
| <input type="checkbox"/> EN CONTRA | |

Sección 4 Personas habilitadas para votar. Todos los votantes habilitados residentes del Condado serán elegibles para votar en la Elección.

Sección 5 Precintos electorales, lugares de votación y horarios de votación del Día de Elección. La votación del Día de Elección se llevará a cabo en los lugares de votación para los precintos designados en el Anexo A del presente documento. Dichos precintos y lugares de votación pueden ser cambiados si así lo instruyera el Administrador de Elecciones sin necesidad de medida adicional del Tribunal. Por la presente se autoriza e instruye al Administrador de Elecciones a que haga cambios de ese tipo de lugares de votación según sea necesario para la celebración adecuada de la Elección. El Día de Elección cada lugar de votación estará abierto de 7:00 a.m. a 7:00 p.m.

Sección 6 Lugares, fechas y horarios de votación anticipada. (a) Por la presente se designa al Administrador de Elecciones como Oficial de Votación Anticipada de la Elección. El lugar de votación anticipada y la dirección para votar por anticipado por correo en la Elección son por la presente designados como se indican en el Anexo B; disponiendo, sin embargo, que tales lugares pueden ser cambiados si así lo instruye el Administrador de Elecciones sin necesidad de medida adicional del Tribunal. Por la presente se autoriza e instruye al Administrador de Elecciones a que haga cambios de ese tipo de lugares según sea necesario para la celebración adecuada de la Elección. Por la presente se autoriza al Administrador de Elecciones y/o al Oficial de Votación Anticipada a designar a los miembros del consejo de Boletas de Votación Anticipada y al juez presidente y al juez alterno de acuerdo con los requisitos de Código.

(b) La votación anticipada en persona se llevará a cabo en los días y horarios indicados en el Anexo B, según puedan ser ajustados por el Administrador de Elecciones sin más medidas del Tribunal.

(c) Las solicitudes para votar por anticipado por correo deberán ser enviadas al Elections Administrator, Collin County, 2010 Redbud Blvd, Ste. 102, McKinney, Texas 75069.

(d) Los horarios de votación pueden ser cambiados si así lo instruyera el Administrador de Elecciones sin necesidad de medida adicional del Tribunal. Por la presente se autoriza e instruye al Administrador de Elecciones a que haga cambios de ese tipo de horarios de votación según sea necesario para la celebración adecuada de la Elección.

Sección 7 Designación de Funcionarios Electorales. La Elección se celebrará bajo la jurisdicción del Departamento de Elecciones del Condado de Collin (el "Administrador de Elecciones").

Sección 8 Aviso de Elección. Se dará aviso de la Elección a través de: (i) la publicación de una copia sustancial de esta Orden, en inglés y español, el mismo día de cada una de dos (2) semanas sucesivas, en un periódico de circulación general publicado dentro del Condado, siendo la fecha de la primera publicación no menos de catorce (14) días ni más de treinta (30) días previos a la fecha programada para la Elección, (ii) la colocación de una copia de esta Orden, en inglés y español, en la cartelera de anuncios utilizada para colocar avisos de las asambleas del Tribunal de Comisionados del Condado y en por lo menos otros tres (3) lugares públicos dentro de los límites del Condado, a más tardar el vigésimo primer (21.^{er}) día previo a la fecha programada de la Elección y (iii) la colocación de una copia de esta Orden, en inglés y, español, en el sitio web del Condado, en un lugar destacado y junto con el aviso de la Elección y el contenido de las Proposiciones, a más tardar el vigésimo primer (21.^{er}) día previo a la fecha fijada para la Elección y hasta el Día de Elección. Además, el Día de Elección y durante la votación anticipada en persona, esta Orden deberá estar colocada en un lugar destacado en cada lugar de votación.

Sección 9 Celebración de la Elección. La Elección será celebrada en conformidad con el Código y otras leyes pertinentes por el Administrador de Elecciones del Condado de Collin.

Sección 10 Información adicional requerida por la Sección 3.009 del Código Electoral. (a) Al 1 de octubre de 2107, el primer día del corriente año fiscal del Condado, la cantidad de capital total pendiente de la deuda respaldada con impuestos del Condado era de \$352,380,000 y la cantidad total de interés pendiente de tal deuda respaldada con impuestos era de \$95,731,724. La tasa del impuesto ad valorem del Condado para el servicio de la deuda asignable a deuda respaldada con impuestos para el corriente año fiscal es de \$0.053450 por cada \$100 de tasación fiscal de propiedad gravable en el Condado.

(b) El Condado piensa emitir los bonos autorizados por las Proposiciones en el curso de un período de años en la forma y de acuerdo al cronograma que determinará el Tribunal en base a varios factores, incluidos a título enunciativo pero no limitativo, las necesidades actuales del Condado, los cambios demográficos, las condiciones prevalecientes del mercado, las tasaciones fiscales en el Condado y la administración de la exposición de corto y largo plazo del Condado a las tasas de interés. Las condiciones del mercado, los índices demográficos y los valores de tasación varían dependiendo de un número de factores fuera del control del Condado y, por lo tanto, el Condado no puede garantizar, y no lo hace, una tasa de interés o tasa de impuesto particular asociada con los bonos de impuestos autorizados por las Proposiciones. Por lo tanto, la información contenida en este párrafo se proporciona solamente con fines ilustrativos y no establece limitación ni restricción alguna ni crea un contrato con los votantes. Actualmente el Condado estima que, si las Proposiciones fuesen aprobadas y los bonos de impuestos propuestos en la presente fuesen autorizados y emitidos de acuerdo al plan proyectado de finanzas actual del Condado, se espera que la tasa de interés máxima sobre los bonos de impuestos limitados no supere el 5.00%.

(c) Cualquier información adicional requerida por la Sección 3.009 del Código está en las Secciones 2 y 3 de esta Orden.

Sección 11 Medidas necesarias. Por la presente se autoriza e instruye al Juez del Condado, al Secretario del Condado y a otros funcionarios del Condado, con el asesoramiento del abogado y asesor de bonos del Condado, a que tomen cualquier y todas las medidas necesarias para cumplir con las disposiciones del Código y de la Ley Federal de Derechos de Votación para realizar y llevar a cabo la Elección, sean expresamente autorizadas en la presente o no, incluso a hacer cambios o adiciones a los lugares de votación o

procedimientos electorales en la medida en que sean requeridos o deseables o según sea necesario debido a circunstancias que surjan con posterioridad a la fecha de esta Orden.

Sección 12 Divisibilidad. Si cualquier disposición, sección, subsección, oración, cláusula o frase de esta Orden, o la aplicación de ella a cualquier persona o conjunto de circunstancias, es por alguna razón hallada inconstitucional, nula, inválida o imposible de hacer cumplir, ni las porciones restantes de esta Orden ni su aplicación a otras personas o conjunto de circunstancias será afectada por esto, en tanto la intención del Tribunal al adoptar esta Orden es que ninguna porción de ella o disposición o norma contenida en la presente llegue a ser inoperativa o falle debido a la inconstitucionalidad, nulidad, invalidez o imposibilidad de cumplimiento de cualquier otra porción de ella, y todas las disposiciones de esta Orden se declaran divisibles a tales efectos.

Sección 13 Fecha de entrada en vigencia. Esta Orden entrará en vigencia inmediatamente después de su aprobación.
ACEPTADA Y APROBADA el 20 de agosto de 2018.

EXHIBIT A
ELECTION DAY VOTE CENTERS FOR THE NOVEMBER 6, 2018
GENERAL AND SPECIAL ELECTIONS

ANEXO A
CENTROS DE VOTACIÓN DEL DÍA DE ELECCIÓN PARA LAS
ELECCIONES GENERALES Y ESPECIALES DEL 6 DE NOVIEMBRE DE 2018

7:00 AM – 7:00 PM

Polling Place (Lugar de Votación)	Address (Dirección)	City (Ciudad)
Aldridge Elementary School	720 Pleasant Valley Lane	Richardson
Allen ISD Service Center	1451 North Watters Road	Allen
Allen Municipal Courts Facility	301 Century Parkway	Allen
Armstrong Middle School	3805 Timberline Drive	Plano
Benton Staley Middle School	6927 Stadium Drive	Frisco
Blue Ridge ISD Administration Building	318 West School Street	Blue Ridge
Bowman Middle School	2501 Jupiter Road	Plano
Carpenter Middle School	3905 Rainier Road	Plano
Carpenter Park Recreation Center	6701 Coit Road	Plano
Celina ISD Administration Building	205 S. Colorado	Celina
Christ the Servant Lutheran Church	821 S. Greenville Avenue	Allen
Christ United Methodist Church	3101 Coit Road	Plano
Clark High School	523 W. Spring Creek Parkway	Plano
Collin College Central Park Campus	2200 University Drive	McKinney
Collin College Higher Education Center	3452 Spur 399	McKinney
Collin College Preston Ridge Campus	9700 Wade Blvd.	Frisco
Collin College Spring Creek Campus	2800 Spring Creek Parkway	Plano
Collin County Elections Office	2010 Redbud Blvd, Ste. 102	McKinney
Davis Library	7501 Independence Parkway	Plano
Dowell Middle School	301 Ridge Road	McKinney
Eldorado Country Club	2604 Country Club Drive	McKinney
Fairview Town Hall	372 Town Place	Fairview
First Baptist Church - Branch	7011 FM 546	Princeton
First Baptist Church – Wylie	100 N 1 st Street	Wylie
First Baptist Church Farmersville - Youth Building	201 Farmersville Parkway	Farmersville
Fowler Middle School	3801 McDermott Road	Plano
Frisco Fire Station #5	14300 Eldorado Parkway	Frisco
Frisco Senior Center	6670 Moore Street	Frisco
Gay Library	6861 W. Eldorado Parkway	McKinney
George Bush Elementary School	2000 Eagle Aerie Lane	Wylie
Haggar Elementary School	17820 Campbell Road	Dallas
Harrington Library	1501 18th Street	Plano
Heritage High School	14040 Eldorado Parkway	Frisco
Hunt Middle School	4900 Legendary Drive	Frisco
Islamic Association of Collin County	6401 Independence Parkway	Plano
Josephine City Hall	201 Main Street	Josephine
Lavon City Hall	120 School Road	Lavon
Liberty High School	15250 Rolater Road	Frisco
Lovejoy ISD Administration Bldg.	259 Country Club Road	Allen
Lowry Crossing City Hall	1405 S. Bridgefarmer Road	Lowry Crossing

EXHIBIT A
ELECTION DAY VOTE CENTERS FOR THE NOVEMBER 6, 2018
GENERAL AND SPECIAL ELECTIONS

ANEXO A
CENTROS DE VOTACIÓN DEL DÍA DE ELECCIÓN PARA LAS
ELECCIONES GENERALES Y ESPECIALES DEL 6 DE NOVIEMBRE DE 2018
7:00 AM – 7:00 PM

Polling Place (Lugar de Votación)	Address (Dirección)	City (Ciudad)
Lucas Community Center	665 Country Club Road	Lucas
McKinney Fire Station #7	861 Independence Parkway	McKinney
McKinney Senior Recreation Center	1400 S. College Street	McKinney
Melissa City Hall	3411 Barker Avenue	Melissa
Methodist Richardson Medical Center	2831 E Pres George Bush Turnpike	Richardson
Miller Elementary School	5651 Coventry Drive	Richardson
Murphy Community Center	205 N. Murphy Road	Murphy
Old Settlers Recreation Center	1201 E. Louisiana Street	McKinney
Parker City Hall	5700 E. Parker Road	Parker
Parr Library	6200 Windhaven Parkway	Plano
Plano ISD Administration Center	2700 W. 15th Street	Plano
Princeton City Hall	123 W. Princeton Drive	Princeton
Prosper ISD Administration Bldg.	605 E. Seventh Street	Prosper
Puster Elementary School	856 Stoddard	Fairview
Renner-Frankford Library	6400 Frankford Road	Dallas
Royse City ISD Mike McKinney Maintenance Facility	1420 FM 1777	Royse City
Scoggins Middle School	7070 Stacy Road	McKinney
Seis Lagos Community Services Association	222 Seis Lagos Trail	Wylie
Shepton High School	5505 Plano Parkway	Plano
Shiloh Missionary Baptist Church	920 E. 14th Street	Plano
Smith Library	300 Country Club Drive	Wylie
Southfork Mobile Home Park	216 Southfork Blvd.	Wylie
Stonebridge United Methodist Church	1800 S. Stonebridge Drive	McKinney
Suncreek United Methodist Church	1517 W. McDermott Drive	Allen
Terry Pope Administration Building	611 N FM 1138	Nevada
Texas Star Bank	402 W. White Street	Anna
Tom Muehlenbeck Recreation Center	5801 W. Parker Road	Plano
Weston Community Center	117 Main Street	Weston
Woodcreek Church	3400 E. Renner Road	Richardson

EXHIBIT B

ANEXO B

COLLIN COUNTY

November 6, 2018 General & Special Elections
Early Voting Locations, Dates and Hours

Elecciones Generales y Especiales del 6 de
noviembre de 2018 del Condado de Collin

Lugares, fechas y horarios de votación anticipada

Sunday	Monday	Tuesday	Wednesday	Thursday	Friday	Saturday
Oct 21	Oct 22 Early Voting 8am-5pm	Oct 23 Early Voting 8am-5pm	Oct 24 Early Voting 8am-5pm	Oct 25 Early Voting 8am-5pm	Oct 26 Early Voting 8am-5pm	Oct 27 Early Voting 7am-7pm
Oct 28 Early Voting 1pm-6pm	Oct 29 Early Voting 7am-7pm	Oct 30 Early Voting 7am-7pm	Oct 31 Early Voting 7am-7pm	Nov 1 Early Voting 7am-7pm	Nov 2 Early Voting 7am-7pm	Nov 3

Domingo	Lunes	Martes	Miércoles	Jueves	Viernes	Sábado
21 de oct.	22 de oct. Votación Anticipada 8am-5pm	23 de oct. Votación Anticipada 8am-5pm	24 de oct. Votación Anticipada 8am-5pm	25 de oct. Votación Anticipada 8am-5pm	26 de oct. Votación Anticipada 8am-5pm	27 de oct. Votación Anticipada 7am-7pm
28 de oct. Votación Anticipada 1pm-6pm	29 de oct. Votación Anticipada 7am-7pm	30 de oct. Votación Anticipada 7am-7pm	31 de oct. Votación Anticipada 7am-7pm	1 de nov. Votación Anticipada 7am-7pm	2 de nov. Votación Anticipada 7am-7pm	3 de nov.

Polling Place (Lugar de Votación)	Address (Dirección)	City (Ciudad)
Collin County Elections (Main Early Voting Location) voting Location) (Lugar principal de votación anticipada)	2010 Redbud Blvd. St 102	McKinney
Allen ISD Service Center	1451 North Watters Road	Allen
Allen Municipal Courts Facility	301 Century Pkwy.	Allen
Carpenter Park Recreation Center	6701 Coit Road	Plano
Celina ISD Administration Building	205 S. Colorado St.	Celina
Christ United Methodist Church	3101 Coit Road	Plano
Collin College - Central Park Campus	2200 W. University Drive	McKinney
Collin College - Higher Education Center	3452 Spur 399	McKinney
Collin College - Preston Ridge Campus	9700 Wade Blvd.	Frisco
Collin College - Spring Creek Campus	2800 E. Spring Creek Pkwy.	Plano
Davis Library	7501 Independence Pkwy.	Plano
Frisco Fire Station #5	14300 Eldorado Pkwy.	Frisco
Frisco Senior Center	6670 Moore Street	Frisco
John and Judy Gay Library	6861 W. Eldorado Pkwy.	McKinney
Haggard Library	2501 Coit Road	Plano
Harrington Library	1501 18 th Street	Plano
Lavon City Hall	120 School Road	Lavon
Lovejoy ISD Administration Bldg.	259 Country Club Rd.	Allen
McKinney Fire Station #7	861 S. Independence Pkwy.	McKinney
Melissa City Hall	3411 Barker Ave.	Melissa
Methodist Richardson Medical Center	2831 E. Pres George Bush Turnpike	Richardson
Murphy Community Center	205 North Murphy Road	Murphy
Old Settlers Recreation Center	1201 E. Louisiana Street	McKinney

EXHIBIT B

ANEXO B

COLLIN COUNTY

November 6, 2018 General & Special Elections
Early Voting Locations, Dates and Hours

Elecciones Generales y Especiales del 6 de
noviembre de 2018 del Condado de Collin
Lugares, fechas y horarios de votación anticipada

Parker City Hall	5700 E. Parker Road	Parker
Parr Library	6200 Windhaven Pkwy.	Plano
Plano ISD Administration Center	2700 W. 15 th Street	Plano
Princeton City Hall	123 W. Princeton Drive	Princeton
Prosper Town Hall	200 S. Main Street	Prosper
Renner-Frankford Library	6400 Frankford Rd.	Dallas
Smith Library	300 Country Club Dr.	Wylie
Texas Star Bank	402 W. White St.	Anna

Temporary Early Voting Locations:
(Sedes temporales de votación anticipada:)

Farmersville City Hall		205 South Main St.		Farmersville		
Oct 21	Oct 22 Early Voting 8am-5pm	Oct 23 Early Voting 8am-5pm	Oct 24 Early Voting 8am-5pm	Oct 25 Early Voting 8am-5pm	Oct 26 Early Voting 8am-5pm	Oct 27 Early Voting 7am-7pm
21 de oct.	22 de oct. Votación Anticipada 8am-5pm	23 de oct. Votación Anticipada 8am-5pm	24 de oct. Votación Anticipada 8am-5pm	25 de oct. Votación Anticipada 8am-5pm	26 de oct. Votación Anticipada 8am-5pm	27 de oct. Votación Anticipada 7am-7pm

Lucas Community Center		665 Country Club Rd.		Lucas		
Oct 28 Early Voting 1pm-6pm	Oct 29 Early Voting 7am-7pm	Oct 30 Early Voting 7am-7pm	Oct 31 Early Voting 7am-7pm	Nov 1 Early Voting 7am-7pm	Nov 2 Early Voting 7am-7pm	Nov 3
28 de oct. Votación Anticipada 1pm-6pm	29 de oct. Votación Anticipada 7am-7pm	30 de oct. Votación Anticipada 7am-7pm	31 de oct. Votación Anticipada 7am-7pm	1 de nov. Votación Anticipada 7am-7pm	2 de nov. Votación Anticipada 7am-7pm	3 de nov.

Important Note: Eligible Collin County registered voters (with an effective date of registration on or before November 6, 2018) may vote at any of the above early voting locations.

Aviso importante: Los votantes registrados elegibles del Condado de Collin (con fecha vigente de registro hasta el 6 de noviembre de 2018 inclusive) pueden votar en cualquiera de los lugares de votación anticipada anteriores.

If qualified, voters may request an application by mail, by calling (972) 424-1460 or by written request to:

Los votantes que reúnan los requisitos pueden pedir una solicitud por correo llamando al (972) 424-1460 o por escrito a:

Collin County Early Voting Clerk
2010 Redbud Blvd., Suite 102
McKinney, TX 75069

AFFIDAVIT OF POSTING NOTICE OF
BOND ELECTION O INTERNET WEBSITE

THE STATE OF TEXAS

COUNTY OF COLLIN

BEFORE ME, the undersigned authority, on this day personally appeared Bruce Sherbet who, having been duly sworn, says upon his/her oath:

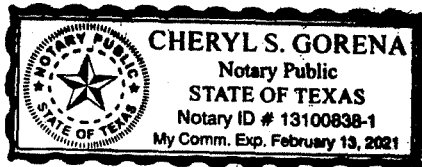
"That a true and correct copy of the order of the Collin County Commissioners Court, calling the election on November 6, 2018 together with the notice of the election in English and in Spanish was posted prominently on the County's official internet website during the 21 days before the election in compliance with Section 4.003(f)(3) of the Election Code, as amended."

EXECUTED this 19th day of November, 2018.

Bruce Sherbet
Signature

Bruce Sherbet
Print Name

SUBSCRIBED AND SWORN TO BEFORE ME this the 19th day of November, 2018.



[SEAL/STAMP]

Cheryl S. Gorena
Notary Public in and for the
State of Texas

NOTICE OF ELECTION

NOTICE IS HEREBY GIVEN that the Commissioners Court of Collin County, Texas has called a bond election to be held within the County on Tuesday, November 6, 2018. Below is a substantial copy of the Order adopted by the Commissioners Court calling the bond election. GIVEN THIS October 7, 2018. /s/Stacey Kemp, County Clerk, Collin County, Texas.

ORDER

AN ORDER OF THE COMMISSIONERS COURT OF COLLIN COUNTY, TEXAS, CALLING A BOND ELECTION TO BE HELD ON NOVEMBER 6, 2018 WITHIN THE COUNTY, MAKING PROVISIONS FOR THE CONDUCT OF THE ELECTION AND OTHER PROVISIONS RELATING THERETO

WHEREAS, the Commissioners Court of Collin County, Texas (the "Court"), hereby finds and determines that it is necessary and advisable to call and hold a bond election in the County for the purpose of submitting certain propositions pertaining to the issuance of bonds for the purposes hereinafter set forth; and

WHEREAS, the Court hereby finds and determines that said election shall be held on a uniform election date established by Section 41.001(a), Texas Election Code, as amended, as required by Texas law; and

WHEREAS, the Court finds and declares that the meeting at which this Order is considered is open to the public as required by law, and that public notice of the time, place, and purpose of said meeting was given as required by Chapter 551, Texas Government Code, as amended; therefore,

BE IT ORDERED BY THE COMMISSIONERS COURT OF COLLIN COUNTY, TEXAS:

Section 1. Findings. The statements contained in the preamble of this Order are true and correct and are hereby adopted as findings of fact and as part of the operative provisions hereof.

Section 2. Election Ordered; Date; Proposition. An election (the "Election") shall be held in and throughout Collin County, Texas on Tuesday, November 6, 2018 ("Election Day"), a uniform election date established by Section 41.001(a) of the Texas Election Code, as amended (the "Code"). At the Election the following propositions (the "Propositions") shall be submitted to the qualified voters of the County in accordance with law:

COLLIN COUNTY - PROPOSITION A

"Shall the Commissioners Court of Collin County, Texas, be authorized to issue bonds of the County, in one or more series or issues, in the aggregate principal amount of \$600,000,000 for the purpose of providing funds for permanent public improvements, to-wit: for constructing, improving and maintaining non-tolled, high-speed highways and freeways within Collin County and related service and frontage roads; including the acquisition of land and rights-of-way therefor; and including participating in the cost of joint county-state and county-city projects said bonds of each series or issue, respectively, to mature serially over a period of not to exceed thirty (30) years from their date, and to be issued in such installments and sold at such price or prices and to bear interest at such rate or rates as shall be determined within the discretion of the Commissioners Court under laws in effect at the time of issuance; and to provide for the payment of the principal of and interest on said bonds by levying and collecting annual ad valorem taxes upon all taxable property within the County in an amount sufficient to pay the annual interest on said bonds and to provide a sinking fund sufficient to pay said bonds as they become due?"

COLLIN COUNTY - PROPOSITION B

"Shall the Commissioners Court of Collin County, Texas, be authorized to issue bonds of the County, in one or more series or issues, in the aggregate principal amount of \$140,000,000 for the purpose of providing funds for permanent public improvements, to-wit: for constructing, improving and maintaining roads and bridges within Collin County, including the acquisition of land and rights-of-way therefor; and including participating in the cost of joint county-state and county-city projects; said bonds of each series or issue, respectively, to mature serially over a period of not to exceed thirty (30) years from their date, and to be issued in such installments and sold at such price or prices and to bear interest at such rate or rates as shall be determined within the discretion of the Commissioners Court under laws in effect at the time of issuance; and to provide for the payment of the principal of and interest on said bonds by levying and collecting annual ad valorem taxes upon all taxable property within the County in an amount sufficient to pay the annual interest on said bonds and to provide a sinking fund sufficient to pay said bonds as they become due?"

COLLIN COUNTY - PROPOSITION C

"Shall the Commissioners Court of Collin County, Texas, be authorized to issue the bonds of the County, in one or more series or issues, in the aggregate principal amount of \$10,000,000, for the purpose of acquiring and improving land for park and open space purposes, including joint county-city projects; said bonds of each such series or issue, respectively, to mature serially over a period of not to exceed thirty (30) years from their date, and to be sold at such price or prices and bear interest at such rate or rates as shall be determined within the discretion of the Commissioners Court at the time of issuance, and to provide for the payment of the principal of and interest on said bonds by levying and collecting annual ad valorem taxes upon all taxable property within the County in an amount sufficient to pay the annual interest on said bonds when due and to provide a sinking fund sufficient to pay said bonds as they become due?"

Section 3. Official Ballot. (a) Voting at the Election and early voting therefor, shall be by the use of the lawfully approved County voting systems and ballots.

(b) The preparation of the necessary equipment and the official ballots for the Election shall conform to the requirements of the Code so as to permit the electors to vote "FOR" or "AGAINST" the aforesaid Propositions which shall be set forth on the ballots substantially in the following form::

COLLIN COUNTY - PROPOSITION A

- ☐ FOR "THE ISSUANCE OF \$600,000,000 BONDS FOR THE CONSTRUCTION OF NON-TOLLED, HIGH-SPEED HIGHWAYS AND FREEWAYS THROUGHOUT THE COUNTY AND RELATED SERVICE AND FRONTAGE ROADS, INCLUDING PARTICIPATION IN JOINT COUNTY-STATE AND COUNTY-CITY PROJECTS, AND THE LEVY OF A TAX IN PAYMENT THEREOF."
- ☐ AGAINST

COLLIN COUNTY - PROPOSITION B

- ☐ FOR "THE ISSUANCE OF \$140,000,000 BONDS FOR THE CONSTRUCTION OF ROADS THROUGHOUT THE COUNTY, INCLUDING PARTICIPATION IN JOINT COUNTY-STATE AND COUNTY-CITY PROJECTS, AND THE LEVY OF A TAX IN PAYMENT THEREOF."
- ☐ AGAINST

COLLIN COUNTY - PROPOSITION C

- ☐ FOR "THE ISSUANCE OF \$10,000,000 BONDS FOR THE ACQUISITION AND IMPROVEMENT OF LAND FOR PARK AND OPEN SPACE PURPOSES, INCLUDING PARTICIPATION IN JOINT COUNTY-CITY PROJECTS, AND THE LEVY OF A TAX IN PAYMENT THEREOF."
- ☐ AGAINST

Section 4. Persons Qualified to Vote. All resident, qualified voters of the County shall be eligible to vote at the Election.

Section 5. Election Precincts, Voting Locations and Voting Hours on Election Day. Voting on Election Day shall be conducted at the polling locations for the precincts designated on Exhibit A hereto. Such precincts and locations may be changed if so directed by the Elections Administrator without further action of the Court. The Elections Administrator is hereby authorized and directed to make such changes in polling locations as may be necessary for the proper conduct of the Election. Each polling place shall be open from 7:00 A.M. to 7:00 P.M. on the date of the Election.

Section 6. Early Voting Locations Dates and Times. (a) The Elections Administrator is hereby appointed as Early Voting Clerk for the Election. The early voting place and the address for early voting by mail for the Election are hereby designated as set forth in Exhibit B; provided, however, such locations may be changed if so directed by the Elections Administrator without further action of the Court. The Elections Administrator is hereby authorized and directed to make such changes in locations as may be necessary for the proper conduct of the Election. The Elections Administrator and/or Early Voting Clerk are hereby authorized to appoint the members of the Early Voting Ballot board and the presiding judge and alternate judge in accordance with the requirements of the Code.

(b) Early voting by personal appearance shall be conducted on the days and during the hours set forth in Exhibit B, as may be adjusted by the Elections Administrator without further Court action.

(c) Applications for early voting by mail shall be submitted to the Elections Administrator, Collin County, 2010 Redbud Blvd, Ste. 102, McKinney, Texas 75069.

(d) Voting times may be changed if so directed by the Elections Administrator without further action of the Court. The Elections Administrator is hereby authorized and directed to make such changes in voting hours as may be necessary for the proper conduct of the Election.

Section 7. Appointment of Election Officers. The Election shall be conducted under the jurisdiction of the Collin County Elections Department (the "Elections Administrator").

Section 8. Notice of Election. Notice of the Election shall be given by: (i) publishing a substantial copy of this Order, in English and Spanish, on the same day in each of two (2) successive weeks in a newspaper of general circulation published within the County, the date of the first publication to be not less than fourteen (14) days nor more than thirty (30) days prior to the date set for the Election, (ii) posting a copy of this Order, in English and Spanish on the bulletin board used for posting notices of meetings of the County Commissions Court and in at least three (3) other public places within the County, not later than the twenty-first (21st) day prior to the date set for the Election and (iii) posting a copy of this Order, in English and Spanish, on the County's website, prominently and together with the notice of the Election and the contents of the Propositions, not later than the twenty-first (21st) day prior to the date set for the Election through Election Day. Additionally, on Election Day and during early voting by personal appearance, this Order shall be posted in a prominent location at each polling place.

Section 9. Conduct of Election. The Election shall be conducted in accordance with the Code and other applicable law by the Collin County Elections Administrator.

Section 10. Additional Information Required by Section 3.009 of the Election Code. (a) As of October 1, 2017, the first day of the County's current fiscal year, the aggregate principal amount outstanding of tax supported debt of the County was

\$352,380,000 and the aggregate amount of outstanding interest on such tax supported debt was \$95,731,724 The County's ad valorem debt service tax rate allocable to tax supported debt for the current fiscal year is \$0.053450 per \$100 of assessed valuation of taxable property in the County.

(b) The County intends to issue the bonds authorized by the Propositions over a period of years in a manner and in accordance with a schedule to be determined by the Court based upon a number of factors, including, but not limited to, the then current needs of the County, demographic changes, prevailing market conditions, assessed valuations in the County and management of the County's short-term and long-term interest rate exposure. Market conditions, demographics and assessed valuations vary based upon a number of factors beyond the County's control, and therefore, the County cannot and does not guarantee a particular interest rate or tax rate associated with the tax bonds authorized by the Propositions. As such, the information contained in this paragraph is provided solely for illustrative purposes and does not establish any limitations or restrictions or create a contract with the voters. The County currently estimates that, if the Propositions were approved and the bonds proposed herein were authorized and issued in accordance with the County's currently projected plan of finance, the maximum interest rate on the limited tax bonds is not expected to exceed 5.00%.

(c) Any additional information required by Section 3.009 of the Code is contained in Sections 2 and 3 of this Order.

Section 11. Necessary Actions. The County Judge, County Clerk and other officials of the County, in consultation with the County's attorney and bond counsel, are hereby authorized and directed to take any and all actions necessary to comply with the provisions of the Code and the Federal Voting Rights Act in carrying out and conducting the Election, whether or not expressly authorized herein, including making changes or additions to polling places or procedures to the extent required or desirable or as may become necessary due to circumstances arising after the date of this Order.

Section 12. Severability. If any provision, section, subsection, sentence, clause or phrase of this Order, or the application of same to any person or set of circumstances is for any reason held to be unconstitutional, void, invalid, or unenforceable, neither the remaining portions of this Order nor their application to other persons or sets of circumstances shall be affected thereby, it being the intent of the Court in adopting this Order that no portion hereof or provision or regulation contained herein shall become inoperative or fail by reason of any unconstitutionality, voidness, invalidity or unenforceability of any other portion hereof, and all provisions of this Order are declared to be severable for that purpose.

Section 13. Effect Date. This Order shall take effect immediately upon approval.

PASSED AND APPROVED the 20th day of August, 2018.

AVISO DE ELECCIÓN

POR EL PRESENTE SE NOTIFICA QUE el Tribunal de Comisionados del Condado de Collin, Texas ha convocado una elección de bonos a celebrarse el martes 6 de noviembre de 2018 dentro del Condado. A continuación hay una copia sustancial de la Orden adoptada por el Tribunal de Comisionados que convoca la elección de bonos. ENTREGADO el 7 de octubre de 2018. /firma/Stacey Kemp, Secretaria del Condado del Condado de Collin, Texas.

ORDEN

UNA ORDEN DEL TRIBUNAL DE COMISIONADOS DEL CONDADO DE COLLIN, TEXAS, PARA CONVOCAR A UNA ELECCIÓN DE BONOS A CELEBRARSE EL 6 DE NOVIEMBRE DE 2018 DENTRO DEL CONDADO, PARA ESTABLECER DISPOSICIONES PARA LA CELEBRACIÓN DE LA ELECCIÓN Y OTRAS DISPOSICIONES RELACIONADAS CON ESTO

EN VISTA DE QUE el Tribunal de Comisionados del Condado de Collin, Texas (el "Tribunal") por la presente halla y determina que es necesario y aconsejable convocar y llevar a cabo una elección en el Condado para el propósito de presentar ciertas proposiciones sobre la emisión de bonos para los propósitos descritos más adelante en la presente; y

EN VISTA DE QUE por la presente el Tribunal halla y determina que dicha elección se celebrará en una fecha de elección uniforme establecida por la Sección 41.001(a) del Código Electoral de Texas y sus enmiendas, conforme lo requieren las leyes de Texas; y

EN VISTA DE QUE el Tribunal halla y declara que la asamblea en la que esta Orden se considera, está abierta al público, como lo exige la ley, y que se dio aviso público de la hora, el lugar y el propósito de dicha asamblea, según lo requiere el Capítulo 551 del Código de Gobierno de Texas y sus enmiendas; por lo tanto,

EL TRIBUNAL DE COMISIONADOS DEL CONDADO DE COLLIN, TEXAS, ORDENA:

Sección 1 Hallazgos. Las declaraciones contenidas en el preámbulo de esta Orden son verdaderas y correctas y por la presente se adoptan como determinaciones de hechos y como parte de las disposiciones operativas de la presente.

Sección 2 Elección ordenada; Fecha; Proposición. Se celebrará una elección (la "Elección") en el Condado de Collin, Texas, y por todo el mismo, el martes 6 de noviembre de 2018 ("Día de Elección"), una fecha de elección uniforme establecida por la Sección 41.001(a) del Código Electoral de Texas y sus enmiendas (el "Código"). En la Elección se presentarán las siguientes proposiciones (las "Proposiciones") a los votantes habilitados del Condado de acuerdo con la ley:

CONDADO DE COLLIN - PROPOSICIÓN A

“¿Se deberá autorizar al Tribunal de Comisionados del Condado de Collin, Texas, a emitir bonos del Condado, en una o más series o emisiones, por la cantidad de capital total de \$600,000,000 para el propósito de proveer fondos para mejoras públicas permanentes, a saber: construir, mejorar y mantener autopistas y carreteras de alta velocidad y sin peajes dentro del Condado de Collin y colectoras y vías de servicio relacionadas, incluso la adquisición de terrenos y derechos de paso para esto; e incluso la participación en el costo de proyectos conjuntos condado-estado y condado-ciudad, con dichos bonos de cada serie o emisión, respectivamente, con vencimiento por serie durante un período que no supere los treinta (30) años desde su fecha; y a ser emitidos en ciertos plazos y vendidos a cierto precio o precios y devengar interés a cierta tasa o tasas según lo determinará a su criterio el Tribunal de Comisionados bajo las leyes vigentes en el momento de emisión; y para disponer para el pago del capital y del interés de dichos bonos mediante la imposición y recaudación de impuestos anuales ad valorem sobre toda propiedad gravable dentro del Condado en una cantidad suficiente para pagar el interés anual de dichos bonos y disponer un fondo de amortización suficiente para pagar dichos bonos conforme venzan?”

CONDADO DE COLLIN - PROPOSICIÓN B

“¿Se deberá autorizar al Tribunal de Comisionados del Condado de Collin, Texas, a emitir bonos del Condado, en una o más series o emisiones, por la cantidad de capital total de \$140,000,000 para el propósito de proveer fondos para mejoras públicas permanentes, a saber: construir, mejorar y mantener caminos y puentes dentro del Condado de Collin, incluso la adquisición de terrenos y derechos de paso para esto; e incluso la participación en el costo de proyectos conjuntos condado-estado y condado-ciudad; con dichos bonos de cada serie o emisión, respectivamente, con vencimiento por serie durante un período que no supere los treinta (30) años desde su fecha, y a ser emitidos en ciertos plazos y vendidos a cierto precio o precios y devengar interés a cierta tasa o tasas según lo determinará a su criterio el Tribunal de Comisionados bajo las leyes vigentes en el momento de emisión; y para disponer para el pago del capital y del interés de dichos bonos mediante la imposición y recaudación de impuestos anuales ad valorem sobre toda propiedad gravable dentro del Condado en una cantidad suficiente para pagar el interés anual de dichos bonos y disponer un fondo de amortización suficiente para pagar dichos bonos conforme venzan?”

CONDADO DE COLLIN - PROPOSICIÓN C

“¿Se deberá autorizar al Tribunal de Comisionados del Condado de Collin, Texas, a emitir los bonos del Condado, en una o más series o emisiones, por la cantidad de capital total de \$10,000,000 para el propósito de adquirir y mejorar terrenos para propósitos de parques y espacios al aire libre, incluso proyectos conjuntos de condado-ciudad; con dichos bonos de cada serie o emisión, respectivamente, con vencimiento por serie durante un período que no supere los treinta (30) años desde su fecha, y a ser vendidos a cierto precio o precios y devengar interés a cierta tasa o tasas según lo determinará a su criterio el Tribunal de Comisionados en el momento de emisión; y para disponer para el pago del capital y del interés de dichos bonos mediante la imposición y recaudación de impuestos anuales ad valorem sobre toda propiedad gravable dentro del Condado en una cantidad suficiente para pagar el interés anual de dichos bonos cuando vencen y disponer un fondo de amortización suficiente para pagar dichos bonos conforme venzan?”

Sección 3 Boleta Oficial de Votación. (a) La votación en la Elección y la votación anticipada de esta se realizarán mediante el uso de sistemas de votación y boletas del Condado legalmente aprobados.

(b) La preparación del equipo necesario y las boletas oficiales de votación de la Elección deberán respetar los requisitos del Código de forma de permitir a los electores votar “A FAVOR” o “EN CONTRA” de las Proposiciones antedichas, las cuales serán presentadas en las boletas de votación básicamente de la siguiente forma:

CONDADO DE COLLIN - PROPOSICIÓN A

- | | |
|------------------------------------|--|
| <input type="checkbox"/> A FAVOR | “LA EMISIÓN DE \$600,000,000 EN BONOS PARA LA CONSTRUCCIÓN DE CARRETERAS Y AUTOPISTAS DE ALTA VELOCIDAD SIN PEAJE EN TODO EL CONDADO Y LOS SERVICIOS Y CAMINOS DE ALIMENTACIÓN RELACIONADOS, INCLUIDA LA PARTICIPACIÓN EN PROYECTOS CONJUNTOS DEL CONDADO CON EL ESTADO Y DEL CONDADO CON CIUDADES, Y LA IMPOSICIÓN DE UN IMPUESTO PARA EL PAGO DE ESTOS.” |
| <input type="checkbox"/> EN CONTRA | |

CONDADO DE COLLIN - PROPOSICIÓN B

- | | |
|------------------------------------|---|
| <input type="checkbox"/> A FAVOR | “LA EMISIÓN DE \$140,000,000 EN BONOS PARA LA CONSTRUCCIÓN DE CAMINOS EN TODO EL CONDADO, INCLUIDA LA PARTICIPACIÓN EN PROYECTOS CONJUNTOS DEL CONDADO CON EL ESTADO Y DEL CONDADO CON CIUDADES, Y LA IMPOSICIÓN DE UN IMPUESTO PARA EL PAGO DE ESTOS.” |
| <input type="checkbox"/> EN CONTRA | |

CONDADO DE COLLIN - PROPOSICIÓN C

- | | |
|------------------------------------|--|
| <input type="checkbox"/> A FAVOR | “LA EMISIÓN DE \$10,000,000 EN BONOS PARA LA ADQUISICIÓN Y MEJORAMIENTO DE TERRENOS DESTINADOS PARA PARQUES Y ESPACIOS ABIERTOS, INCLUIDA LA PARTICIPACIÓN EN PROYECTOS CONJUNTOS DEL CONDADO CON CIUDADES, Y LA IMPOSICIÓN DE UN IMPUESTO PARA EL PAGO DE ESTOS.” |
| <input type="checkbox"/> EN CONTRA | |

Sección 4 Personas habilitadas para votar. Todos los votantes habilitados residentes del Condado serán elegibles para votar en la Elección.

Sección 5 Precintos electorales, lugares de votación y horarios de votación del Día de Elección. La votación del Día de Elección se llevará a cabo en los lugares de votación para los precintos designados en el Anexo A del presente documento. Dichos precintos y lugares de votación pueden ser cambiados si así lo instruyera el Administrador de Elecciones sin necesidad de medida adicional del Tribunal. Por la presente se autoriza e instruye al Administrador de Elecciones a que haga cambios de ese tipo de lugares de votación según sea necesario para la celebración adecuada de la Elección. El Día de Elección cada lugar de votación estará abierto de 7:00 a.m. a 7:00 p.m.

Sección 6 Lugares, fechas y horarios de votación anticipada. (a) Por la presente se designa al Administrador de Elecciones como Oficial de Votación Anticipada de la Elección. El lugar de votación anticipada y la dirección para votar por anticipado por correo en la Elección son por la presente designados como se indican en el Anexo B; disponiendo, sin embargo, que tales lugares pueden ser cambiados si así lo instruye el Administrador de Elecciones sin necesidad de medida adicional del Tribunal. Por la presente se autoriza e instruye al Administrador de Elecciones a que haga cambios de ese tipo de lugares según sea necesario para la celebración adecuada de la Elección. Por la presente se autoriza al Administrador de Elecciones y/o al Oficial de Votación Anticipada a designar a los miembros del consejo de Boletas de Votación Anticipada y al juez presidente y al juez alterno de acuerdo con los requisitos de Código.

(b) La votación anticipada en persona se llevará a cabo en los días y horarios indicados en el Anexo B, según puedan ser ajustados por el Administrador de Elecciones sin más medidas del Tribunal.

(c) Las solicitudes para votar por anticipado por correo deberán ser enviadas al Elections Administrator, Collin County, 2010 Redbud Blvd, Ste. 102, McKinney, Texas 75069.

(d) Los horarios de votación pueden ser cambiados si así lo instruyera el Administrador de Elecciones sin necesidad de medida adicional del Tribunal. Por la presente se autoriza e instruye al Administrador de Elecciones a que haga cambios de ese tipo de horarios de votación según sea necesario para la celebración adecuada de la Elección.

Sección 7 Designación de Funcionarios Electorales. La Elección se celebrará bajo la jurisdicción del Departamento de Elecciones del Condado de Collin (el "Administrador de Elecciones").

Sección 8 Aviso de Elección. Se dará aviso de la Elección a través de: (i) la publicación de una copia sustancial de esta Orden, en inglés y español, el mismo día de cada una de dos (2) semanas sucesivas, en un periódico de circulación general publicado dentro del Condado, siendo la fecha de la primera publicación no menos de catorce (14) días ni más de treinta (30) días previos a la fecha programada para la Elección, (ii) la colocación de una copia de esta Orden, en inglés y español, en la cartelera de anuncios utilizada para colocar avisos de las asambleas del Tribunal de Comisionados del Condado y en por lo menos otros tres (3) lugares públicos dentro de los límites del Condado, a más tardar el vigésimo primer (21.º) día previo a la fecha programada de la Elección y (iii) la colocación de una copia de esta Orden, en inglés y, español, en el sitio web del Condado, en un lugar destacado y junto con el aviso de la Elección y el contenido de las Proposiciones, a más tardar el vigésimo primer (21.º) día previo a la fecha fijada para la Elección y hasta el Día de Elección. Además, el Día de Elección y durante la votación anticipada en persona, esta Orden deberá estar colocada en un lugar destacado en cada lugar de votación.

Sección 9 Celebración de la Elección. La Elección será celebrada en conformidad con el Código y otras leyes pertinentes por el Administrador de Elecciones del Condado de Collin.

Sección 10 Información adicional requerida por la Sección 3.009 del Código Electoral. (a) Al 1 de octubre de 2107, el primer día del corriente año fiscal del Condado, la cantidad de capital total pendiente de la deuda respaldada con impuestos del Condado era de \$352,380,000 y la cantidad total de interés pendiente de tal deuda respaldada con impuestos era de \$95,731,724. La tasa del impuesto ad valorem del Condado para el servicio de la deuda asignable a deuda respaldada con impuestos para el corriente año fiscal es de \$0.053450 por cada \$100 de tasación fiscal de propiedad gravable en el Condado.

(b) El Condado piensa emitir los bonos autorizados por las Proposiciones en el curso de un período de años en la forma y de acuerdo al cronograma que determinará el Tribunal en base a varios factores, incluidos a título enunciativo pero no limitativo, las necesidades actuales del Condado, los cambios demográficos, las condiciones prevalecientes del mercado, las tasaciones fiscales en el Condado y la administración de la exposición de corto y largo plazo del Condado a las tasas de interés. Las condiciones del mercado, los índices demográficos y los valores de tasación varían dependiendo de un número de factores fuera del control del Condado y, por lo tanto, el Condado no puede garantizar, y no lo hace, una tasa de interés o tasa de impuesto particular asociada con los bonos de impuestos autorizados por las Proposiciones. Por lo tanto, la información contenida en este párrafo se proporciona solamente con fines ilustrativos y no establece limitación ni restricción alguna ni crea un contrato con los votantes. Actualmente el Condado estima que, si las Proposiciones fuesen aprobadas y los bonos de impuestos propuestos en la presente fuesen autorizados y emitidos de acuerdo al plan proyectado de finanzas actual del Condado, se espera que la tasa de interés máxima sobre los bonos de impuestos limitados no supere el 5.00%.

(c) Cualquier información adicional requerida por la Sección 3.009 del Código está en las Secciones 2 y 3 de esta Orden.

Sección 11 Medidas necesarias. Por la presente se autoriza e instruye al Juez del Condado, al Secretario del Condado y a otros funcionarios del Condado, con el asesoramiento del abogado y asesor de bonos del Condado, a que tomen cualquier y todas las medidas necesarias para cumplir con las disposiciones del Código y de la Ley Federal de Derechos de Votación para realizar y llevar a cabo la Elección, sean expresamente autorizadas en la presente o no, incluso a hacer cambios o adiciones a los lugares de votación o

procedimientos electorales en la medida en que sean requeridos o deseables o según sea necesario debido a circunstancias que surjan con posterioridad a la fecha de esta Orden.

Sección 12 Divisibilidad. Si cualquier disposición, sección, subsección, oración, cláusula o frase de esta Orden, o la aplicación de ella a cualquier persona o conjunto de circunstancias, es por alguna razón hallada inconstitucional, nula, inválida o imposible de hacer cumplir, ni las porciones restantes de esta Orden ni su aplicación a otras personas o conjunto de circunstancias será afectada por esto, en tanto la intención del Tribunal al adoptar esta Orden es que ninguna porción de ella o disposición o norma contenida en la presente llegue a ser inoperativa o falle debido a la inconstitucionalidad, nulidad, invalidez o imposibilidad de cumplimiento de cualquier otra porción de ella, y todas las disposiciones de esta Orden se declaran divisibles a tales efectos.

Sección 13 Fecha de entrada en vigencia. Esta Orden entrará en vigencia inmediatamente después de su aprobación.
ACEPTADA Y APROBADA el 20 de agosto de 2018.

EXHIBIT A
ELECTION DAY VOTE CENTERS FOR THE NOVEMBER 6, 2018
GENERAL AND SPECIAL ELECTIONS

ANEXO A
CENTROS DE VOTACIÓN DEL DÍA DE ELECCIÓN PARA LAS
ELECCIONES GENERALES Y ESPECIALES DEL 6 DE NOVIEMBRE DE 2018
7:00 AM – 7:00 PM

Polling Place (Lugar de Votación)	Address (Dirección)	City (Ciudad)
Aldridge Elementary School	720 Pleasant Valley Lane	Richardson
Allen ISD Service Center	1451 North Watters Road	Allen
Allen Municipal Courts Facility	301 Century Parkway	Allen
Armstrong Middle School	3805 Timberline Drive	Plano
Benton Staley Middle School	6927 Stadium Drive	Frisco
Blue Ridge ISD Administration Building	318 West School Street	Blue Ridge
Bowman Middle School	2501 Jupiter Road	Plano
Carpenter Middle School	3905 Rainier Road	Plano
Carpenter Park Recreation Center	6701 Coit Road	Plano
Celina ISD Administration Building	205 S. Colorado	Celina
Christ the Servant Lutheran Church	821 S. Greenville Avenue	Allen
Christ United Methodist Church	3101 Coit Road	Plano
Clark High School	523 W. Spring Creek Parkway	Plano
Collin College Central Park Campus	2200 University Drive	McKinney
Collin College Higher Education Center	3452 Spur 399	McKinney
Collin College Preston Ridge Campus	9700 Wade Blvd.	Frisco
Collin College Spring Creek Campus	2800 Spring Creek Parkway	Plano
Collin County Elections Office	2010 Redbud Blvd, Ste. 102	McKinney
Davis Library	7501 Independence Parkway	Plano
Dowell Middle School	301 Ridge Road	McKinney
Eldorado Country Club	2604 Country Club Drive	McKinney
Fairview Town Hall	372 Town Place	Fairview
First Baptist Church - Branch	7011 FM 546	Princeton
First Baptist Church – Wylie	100 N 1 st Street	Wylie
First Baptist Church Farmersville - Youth Building	201 Farmersville Parkway	Farmersville
Fowler Middle School	3801 McDermott Road	Plano
Frisco Fire Station #5	14300 Eldorado Parkway	Frisco
Frisco Senior Center	6670 Moore Street	Frisco
Gay Library	6861 W. Eldorado Parkway	McKinney
George Bush Elementary School	2000 Eagle Aerie Lane	Wylie
Haggar Elementary School	17820 Campbell Road	Dallas
Harrington Library	1501 18th Street	Plano
Heritage High School	14040 Eldorado Parkway	Frisco
Hunt Middle School	4900 Legendary Drive	Frisco
Islamic Association of Collin County	6401 Independence Parkway	Plano
Josephine City Hall	201 Main Street	Josephine
Lavon City Hall	120 School Road	Lavon
Liberty High School	15250 Rolater Road	Frisco
Lovejoy ISD Administration Bldg.	259 Country Club Road	Allen
Lowry Crossing City Hall	1405 S. Bridgefarmer Road	Lowry Crossing

EXHIBIT A
ELECTION DAY VOTE CENTERS FOR THE NOVEMBER 6, 2018
GENERAL AND SPECIAL ELECTIONS

ANEXO A
CENTROS DE VOTACIÓN DEL DÍA DE ELECCIÓN PARA LAS
ELECCIONES GENERALES Y ESPECIALES DEL 6 DE NOVIEMBRE DE 2018

7:00 AM – 7:00 PM

Polling Place (Lugar de Votación)	Address (Dirección)	City (Ciudad)
Lucas Community Center	665 Country Club Road	Lucas
McKinney Fire Station #7	861 Independence Parkway	McKinney
McKinney Senior Recreation Center	1400 S. College Street	McKinney
Melissa City Hall	3411 Barker Avenue	Melissa
Methodist Richardson Medical Center	2831 E Pres George Bush Turnpike	Richardson
Miller Elementary School	5651 Coventry Drive	Richardson
Murphy Community Center	205 N. Murphy Road	Murphy
Old Settlers Recreation Center	1201 E. Louisiana Street	McKinney
Parker City Hall	5700 E. Parker Road	Parker
Parr Library	6200 Windhaven Parkway	Plano
Plano ISD Administration Center	2700 W. 15th Street	Plano
Princeton City Hall	123 W. Princeton Drive	Princeton
Prosper ISD Administration Bldg.	605 E. Seventh Street	Prosper
Puster Elementary School	856 Stoddard	Fairview
Renner-Frankford Library	6400 Frankford Road	Dallas
Royse City ISD Mike McKinney Maintenance Facility	1420 FM 1777	Royse City
Scoggins Middle School	7070 Stacy Road	McKinney
Seis Lagos Community Services Association	222 Seis Lagos Trail	Wylie
Shepton High School	5505 Plano Parkway	Plano
Shiloh Missionary Baptist Church	920 E. 14th Street	Plano
Smith Library	300 Country Club Drive	Wylie
Southfork Mobile Home Park	216 Southfork Blvd.	Wylie
Stonebridge United Methodist Church	1800 S. Stonebridge Drive	McKinney
Suncreek United Methodist Church	1517 W. McDermott Drive	Allen
Terry Pope Administration Building	611 N FM 1138	Nevada
Texas Star Bank	402 W. White Street	Anna
Tom Muehlenbeck Recreation Center	5801 W. Parker Road	Plano
Weston Community Center	117 Main Street	Weston
Woodcreek Church	3400 E. Renner Road	Richardson

EXHIBIT B

ANEXO B

COLLIN COUNTY
November 6, 2018 General & Special Elections
Early Voting Locations, Dates and Hours

Elecciones Generales y Especiales del 6 de
noviembre de 2018 del Condado de Collin
Lugares, fechas y horarios de votación anticipada

Sunday	Monday	Tuesday	Wednesday	Thursday	Friday	Saturday
Oct 21	Oct 22 Early Voting 8am–5pm	Oct 23 Early Voting 8am–5pm	Oct 24 Early Voting 8am–5pm	Oct 25 Early Voting 8am–5pm	Oct 26 Early Voting 8am–5pm	Oct 27 Early Voting 7am–7pm
Oct 28 Early Voting 1pm–6pm	Oct 29 Early Voting 7am–7pm	Oct 30 Early Voting 7am–7pm	Oct 31 Early Voting 7am–7pm	Nov 1 Early Voting 7am–7pm	Nov 2 Early Voting 7am–7pm	Nov 3

Domingo	Lunes	Martes	Miércoles	Jueves	Viernes	Sábado
21 de oct.	22 de oct. Votación Anticipada 8am–5pm	23 de oct. Votación Anticipada 8am–5pm	24 de oct. Votación Anticipada 8am–5pm	25 de oct. Votación Anticipada 8am–5pm	26 de oct. Votación Anticipada 8am–5pm	27 de oct. Votación Anticipada 7am–7pm
28 de oct. Votación Anticipada 1pm–6pm	29 de oct. Votación Anticipada 7am–7pm	30 de oct. Votación Anticipada 7am–7pm	31 de oct. Votación Anticipada 7am–7pm	1 de nov. Votación Anticipada 7am–7pm	2 de nov. Votación Anticipada 7am–7pm	3 de nov.

Polling Place (Lugar de Votación)	Address (Dirección)	City (Ciudad)
Collin County Elections (Main Early Voting Location) voting Location) (Lugar principal de votación anticipada)	2010 Redbud Blvd. St 102	McKinney
Allen ISD Service Center	1451 North Watters Road	Allen
Allen Municipal Courts Facility	301 Century Pkwy.	Allen
Carpenter Park Recreation Center	6701 Coit Road	Plano
Celina ISD Administration Building	205 S. Colorado St.	Celina
Christ United Methodist Church	3101 Coit Road	Plano
Collin College - Central Park Campus	2200 W. University Drive	McKinney
Collin College – Higher Education Center	3452 Spur 399	McKinney
Collin College - Preston Ridge Campus	9700 Wade Blvd.	Frisco
Collin College - Spring Creek Campus	2800 E. Spring Creek Pkwy.	Plano
Davis Library	7501 Independence Pkwy.	Plano
Frisco Fire Station #5	14300 Eldorado Pkwy.	Frisco
Frisco Senior Center	6670 Moore Street	Frisco
John and Judy Gay Library	6861 W. Eldorado Pkwy.	McKinney
Haggard Library	2501 Coit Road	Plano
Harrington Library	1501 18 th Street	Plano
Lavon City Hall	120 School Road	Lavon
Lovejoy ISD Administration Bldg.	259 Country Club Rd.	Allen
McKinney Fire Station #7	861 S. Independence Pkwy.	McKinney
Melissa City Hall	3411 Barker Ave.	Melissa
Methodist Richardson Medical Center	2831 E. Pres George Bush Turnpike	Richardson
Murphy Community Center	205 North Murphy Road	Murphy
Old Settlers Recreation Center	1201 E. Louisiana Street	McKinney

EXHIBIT B

ANEXO B

COLLIN COUNTY
November 6, 2018 General & Special Elections
Early Voting Locations, Dates and Hours

Elecciones Generales y Especiales del 6 de
noviembre de 2018 del Condado de Collin
Lugares, fechas y horarios de votación anticipada

Parker City Hall	5700 E. Parker Road	Parker
Parr Library	6200 Windhaven Pkwy.	Plano
Plano ISD Administration Center	2700 W. 15 th Street	Plano
Princeton City Hall	123 W. Princeton Drive	Princeton
Prosper Town Hall	200 S. Main Street	Prosper
Renner-Frankford Library	6400 Frankford Rd.	Dallas
Smith Library	300 Country Club Dr.	Wylie
Texas Star Bank	402 W. White St.	Anna

Temporary Early Voting Locations:
(Sedes temporales de votación anticipada:)

Farmersville City Hall		205 South Main St.		Farmersville		
Oct 21	Oct 22 Early Voting 8am–5pm	Oct 23 Early Voting 8am–5pm	Oct 24 Early Voting 8am–5pm	Oct 25 Early Voting 8am–5pm	Oct 26 Early Voting 8am–5pm	Oct 27 Early Voting 7am–7pm
21 de oct.	22 de oct. Votación Anticipada 8am–5pm	23 de oct. Votación Anticipada 8am–5pm	24 de oct. Votación Anticipada 8am–5pm	25 de oct. Votación Anticipada 8am–5pm	26 de oct. Votación Anticipada 8am–5pm	27 de oct. Votación Anticipada 7am–7pm

Lucas Community Center		665 Country Club Rd.		Lucas		
Oct 28 Early Voting 1pm–6pm	Oct 29 Early Voting 7am–7pm	Oct 30 Early Voting 7am–7pm	Oct 31 Early Voting 7am–7pm	Nov 1 Early Voting 7am–7pm	Nov 2 Early Voting 7am–7pm	Nov 3
28 de oct. Votación Anticipada 1pm–6pm	29 de oct. Votación Anticipada 7am–7pm	30 de oct. Votación Anticipada 7am–7pm	31 de oct. Votación Anticipada 7am–7pm	1 de nov. Votación Anticipada 7am–7pm	2 de nov. Votación Anticipada 7am–7pm	3 de nov.

Important Note: Eligible Collin County registered voters (with an effective date of registration on or before November 6, 2018) may vote at any of the above early voting locations.

Aviso importante: Los votantes registrados elegibles del Condado de Collin (con fecha vigente de registro hasta el 6 de noviembre de 2018 inclusive) pueden votar en cualquiera de los lugares de votación anticipada anteriores.

If qualified, voters may request an application by mail, by calling (972) 424-1460 or by written request to:

Los votantes que reúnan los requisitos pueden pedir una solicitud por correo llamando al (972) 424-1460 o por escrito a:

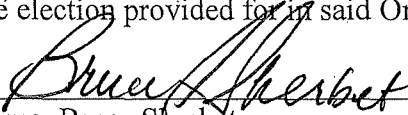
Collin County Early Voting Clerk
2010 Redbud Blvd., Suite 102
McKinney, TX 75069

AFFIDAVIT OF POSTING NOTICE OF BOND ELECTION

THE STATE OF TEXAS
COUNTY OF COLLIN

§
§

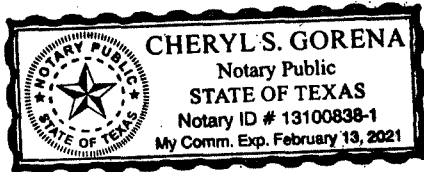
BEFORE ME, a notary public in and for the State of Texas, on this day personally appeared, Bruce Sherbet, Collin County Elections Administrator, who, having been duly sworn, says upon oath that in the course of his official duties, and upon confirmation by Collin County election officials reporting to him, that an ORDER OF THE COMMISSIONERS COURT OF COLLIN COUNTY, TEXAS, CALLING A BOND ELECTION TO BE HELD ON NOVEMBER 6, 2018 WITHIN THE COUNTY, MAKING PROVISIONS FOR THE CONDUCT OF THE ELECTION AND OTHER PROVISIONS RELATING THERETO, a copy of which is attached hereto, was duly posted during the period of early voting and on election day in a prominent location at each location in Collin County in which early voting and election day voting was conducted with respect to the election provided for in said Ordinance.




Name: Bruce Sherbet

Title: Elections Administrator for Collin County, Texas

SUBSCRIBED AND SWORN TO BEFORE ME on the 19 day of November 2018.




Notary Public

(Notary Seal)

NOTICE OF ELECTION

NOTICE IS HEREBY GIVEN that the Commissioners Court of Collin County, Texas has called a bond election to be held within the County on Tuesday, November 6, 2018. Below is a substantial copy of the Order adopted by the Commissioners Court calling the bond election. GIVEN THIS October 7, 2018. /s/Stacey Kemp, County Clerk, Collin County, Texas.

ORDER

AN ORDER OF THE COMMISSIONERS COURT OF COLLIN COUNTY, TEXAS, CALLING A BOND ELECTION TO BE HELD ON NOVEMBER 6, 2018 WITHIN THE COUNTY, MAKING PROVISIONS FOR THE CONDUCT OF THE ELECTION AND OTHER PROVISIONS RELATING THERETO

WHEREAS, the Commissioners Court of Collin County, Texas (the "Court"), hereby finds and determines that it is necessary and advisable to call and hold a bond election in the County for the purpose of submitting certain propositions pertaining to the issuance of bonds for the purposes hereinafter set forth; and

WHEREAS, the Court hereby finds and determines that said election shall be held on a uniform election date established by Section 41.001(a), Texas Election Code, as amended, as required by Texas law; and

WHEREAS, the Court finds and declares that the meeting at which this Order is considered is open to the public as required by law, and that public notice of the time, place, and purpose of said meeting was given as required by Chapter 551, Texas Government Code, as amended; therefore,

BE IT ORDERED BY THE COMMISSIONERS COURT OF COLLIN COUNTY, TEXAS:

Section 1. Findings. The statements contained in the preamble of this Order are true and correct and are hereby adopted as findings of fact and as part of the operative provisions hereof.

Section 2. Election Ordered; Date; Proposition. An election (the "Election") shall be held in and throughout Collin County, Texas on Tuesday, November 6, 2018 ("Election Day"), a uniform election date established by Section 41.001(a) of the Texas Election Code, as amended (the "Code"). At the Election the following propositions (the "Propositions") shall be submitted to the qualified voters of the County in accordance with law:

COLLIN COUNTY - PROPOSITION A

"Shall the Commissioners Court of Collin County, Texas, be authorized to issue bonds of the County, in one or more series or issues, in the aggregate principal amount of \$600,000,000 for the purpose of providing funds for permanent public improvements, to-wit: for constructing, improving and maintaining non-tolled, high-speed highways and freeways within Collin County and related service and frontage roads; including the acquisition of land and rights-of-way therefor; and including participating in the cost of joint county-state and county-city projects said bonds of each series or issue, respectively, to mature serially over a period of not to exceed thirty (30) years from their date, and to be issued in such installments and sold at such price or prices and to bear interest at such rate or rates as shall be determined within the discretion of the Commissioners Court under laws in effect at the time of issuance; and to provide for the payment of the principal of and interest on said bonds by levying and collecting annual ad valorem taxes upon all taxable property within the County in an amount sufficient to pay the annual interest on said bonds and to provide a sinking fund sufficient to pay said bonds as they become due?"

COLLIN COUNTY - PROPOSITION B

"Shall the Commissioners Court of Collin County, Texas, be authorized to issue bonds of the County, in one or more series or issues, in the aggregate principal amount of \$140,000,000 for the purpose of providing funds for permanent public improvements, to-wit: for constructing, improving and maintaining roads and bridges within Collin County, including the acquisition of land and rights-of-way therefor; and including participating in the cost of joint county-state and county-city projects; said bonds of each series or issue, respectively, to mature serially over a period of not to exceed thirty (30) years from their date, and to be issued in such installments and sold at such price or prices and to bear interest at such rate or rates as shall be determined within the discretion of the Commissioners Court under laws in effect at the time of issuance; and to provide for the payment of the principal of and interest on said bonds by levying and collecting annual ad valorem taxes upon all taxable property within the County in an amount sufficient to pay the annual interest on said bonds and to provide a sinking fund sufficient to pay said bonds as they become due?"

COLLIN COUNTY - PROPOSITION C

"Shall the Commissioners Court of Collin County, Texas, be authorized to issue the bonds of the County, in one or more series or issues, in the aggregate principal amount of \$10,000,000, for the purpose of acquiring and improving land for park and open space purposes, including joint county-city projects; said bonds of each such series or issue, respectively, to mature serially over a period of not to exceed thirty (30) years from their date, and to be sold at such price or prices and bear interest at such rate or rates as shall be determined within the discretion of the Commissioners Court at the time of issuance, and to provide for the payment of the principal of and interest on said bonds by levying and collecting annual ad valorem taxes upon all taxable property within the County in an amount sufficient to pay the annual interest on said bonds when due and to provide a sinking fund sufficient to pay said bonds as they become due?"

Section 3. Official Ballot. (a) Voting at the Election and early voting therefor, shall be by the use of the lawfully approved County voting systems and ballots.

(b) The preparation of the necessary equipment and the official ballots for the Election shall conform to the requirements of the Code so as to permit the electors to vote "FOR" or "AGAINST" the aforesaid Propositions which shall be set forth on the ballots substantially in the following form::

COLLIN COUNTY - PROPOSITION A

- ☐ FOR "THE ISSUANCE OF \$600,000,000 BONDS FOR THE CONSTRUCTION OF NON-TOLLED, HIGH-SPEED HIGHWAYS AND FREEWAYS THROUGHOUT THE
- ☐ AGAINST COUNTY AND RELATED SERVICE AND FRONTAGE ROADS, INCLUDING PARTICIPATION IN JOINT COUNTY-STATE AND COUNTY-CITY PROJECTS, AND THE LEVY OF A TAX IN PAYMENT THEREOF."

COLLIN COUNTY - PROPOSITION B

- ☐ FOR "THE ISSUANCE OF \$140,000,000 BONDS FOR THE CONSTRUCTION OF ROADS
- ☐ AGAINST THROUGHOUT THE COUNTY, INCLUDING PARTICIPATION IN JOINT COUNTY-STATE AND COUNTY-CITY PROJECTS, AND THE LEVY OF A TAX IN PAYMENT THEREOF."

COLLIN COUNTY - PROPOSITION C

- ☐ FOR "THE ISSUANCE OF \$10,000,000 BONDS FOR THE ACQUISITION AND
- ☐ AGAINST IMPROVEMENT OF LAND FOR PARK AND OPEN SPACE PURPOSES, INCLUDING PARTICIPATION IN JOINT COUNTY-CITY PROJECTS, AND THE LEVY OF A TAX IN PAYMENT THEREOF."

Section 4. Persons Qualified to Vote. All resident, qualified voters of the County shall be eligible to vote at the Election.

Section 5. Election Precincts, Voting Locations and Voting Hours on Election Day. Voting on Election Day shall be conducted at the polling locations for the precincts designated on Exhibit A hereto. Such precincts and locations may be changed if so directed by the Elections Administrator without further action of the Court. The Elections Administrator is hereby authorized and directed to make such changes in polling locations as may be necessary for the proper conduct of the Election. Each polling place shall be open from 7:00 A.M. to 7:00 P.M. on the date of the Election.

Section 6. Early Voting Locations Dates and Times. (a) The Elections Administrator is hereby appointed as Early Voting Clerk for the Election. The early voting place and the address for early voting by mail for the Election are hereby designated as set forth in Exhibit B; provided, however, such locations may be changed if so directed by the Elections Administrator without further action of the Court. The Elections Administrator is hereby authorized and directed to make such changes in locations as may be necessary for the proper conduct of the Election. The Elections Administrator and/or Early Voting Clerk are hereby authorized to appoint the members of the Early Voting Ballot board and the presiding judge and alternate judge in accordance with the requirements of the Code.

(b) Early voting by personal appearance shall be conducted on the days and during the hours set forth in Exhibit B, as may be adjusted by the Elections Administrator without further Court action.

(c) Applications for early voting by mail shall be submitted to the Elections Administrator, Collin County, 2010 Redbud Blvd, Ste. 102, McKinney, Texas 75069.

(d) Voting times may be changed if so directed by the Elections Administrator without further action of the Court. The Elections Administrator is hereby authorized and directed to make such changes in voting hours as may be necessary for the proper conduct of the Election.

Section 7. Appointment of Election Officers. The Election shall be conducted under the jurisdiction of the Collin County Elections Department (the "Elections Administrator").

Section 8. Notice of Election. Notice of the Election shall be given by: (i) publishing a substantial copy of this Order, in English and Spanish, on the same day in each of two (2) successive weeks in a newspaper of general circulation published within the County, the date of the first publication to be not less than fourteen (14) days nor more than thirty (30) days prior to the date set for the Election, (ii) posting a copy of this Order, in English and Spanish on the bulletin board used for posting notices of meetings of the County Commissions Court and in at least three (3) other public places within the County, not later than the twenty-first (21st) day prior to the date set for the Election and (iii) posting a copy of this Order, in English and Spanish, on the County's website, prominently and together with the notice of the Election and the contents of the Propositions, not later than the twenty-first (21st) day prior to the date set for the Election through Election Day. Additionally, on Election Day and during early voting by personal appearance, this Order shall be posted in a prominent location at each polling place.

Section 9. Conduct of Election. The Election shall be conducted in accordance with the Code and other applicable law by the Collin County Elections Administrator.

Section 10. Additional Information Required by Section 3.009 of the Election Code. (a) As of October 1, 2017, the first day of the County's current fiscal year, the aggregate principal amount outstanding of tax supported debt of the County was

\$352,380,000 and the aggregate amount of outstanding interest on such tax supported debt was \$95,731,724 The County's ad valorem debt service tax rate allocable to tax supported debt for the current fiscal year is \$0.053450 per \$100 of assessed valuation of taxable property in the County.

(b) The County intends to issue the bonds authorized by the Propositions over a period of years in a manner and in accordance with a schedule to be determined by the Court based upon a number of factors, including, but not limited to, the then current needs of the County, demographic changes, prevailing market conditions, assessed valuations in the County and management of the County's short-term and long-term interest rate exposure. Market conditions, demographics and assessed valuations vary based upon a number of factors beyond the County's control, and therefore, the County cannot and does not guarantee a particular interest rate or tax rate associated with the tax bonds authorized by the Propositions. As such, the information contained in this paragraph is provided solely for illustrative purposes and does not establish any limitations or restrictions or create a contract with the voters. The County currently estimates that, if the Propositions were approved and the bonds proposed herein were authorized and issued in accordance with the County's currently projected plan of finance, the maximum interest rate on the limited tax bonds is not expected to exceed 5.00%.

(c) Any additional information required by Section 3.009 of the Code is contained in Sections 2 and 3 of this Order.

Section 11. Necessary Actions. The County Judge, County Clerk and other officials of the County, in consultation with the County's attorney and bond counsel, are hereby authorized and directed to take any and all actions necessary to comply with the provisions of the Code and the Federal Voting Rights Act in carrying out and conducting the Election, whether or not expressly authorized herein, including making changes or additions to polling places or procedures to the extent required or desirable or as may become necessary due to circumstances arising after the date of this Order.

Section 12. Severability. If any provision, section, subsection, sentence, clause or phrase of this Order, or the application of same to any person or set of circumstances is for any reason held to be unconstitutional, void, invalid, or unenforceable, neither the remaining portions of this Order nor their application to other persons or sets of circumstances shall be affected thereby, it being the intent of the Court in adopting this Order that no portion hereof or provision or regulation contained herein shall become inoperative or fail by reason of any unconstitutionality, voidness, invalidity or unenforceability of any other portion hereof, and all provisions of this Order are declared to be severable for that purpose.

Section 13. Effect Date. This Order shall take effect immediately upon approval.

PASSED AND APPROVED the 20th day of August, 2018.

AVISO DE ELECCIÓN

POR EL PRESENTE SE NOTIFICA QUE el Tribunal de Comisionados del Condado de Collin, Texas ha convocado una elección de bonos a celebrarse el martes 6 de noviembre de 2018 dentro del Condado. A continuación hay una copia sustancial de la Orden adoptada por el Tribunal de Comisionados que convoca la elección de bonos. ENTREGADO el 7 de octubre de 2018. /firma/Stacey Kemp, Secretaria del Condado del Condado de Collin, Texas.

ORDEN

UNA ORDEN DEL TRIBUNAL DE COMISIONADOS DEL CONDADO DE COLLIN, TEXAS, PARA CONVOCAR A UNA ELECCIÓN DE BONOS A CELEBRARSE EL 6 DE NOVIEMBRE DE 2018 DENTRO DEL CONDADO, PARA ESTABLECER DISPOSICIONES PARA LA CELEBRACIÓN DE LA ELECCIÓN Y OTRAS DISPOSICIONES RELACIONADAS CON ESTO:

EN VISTA DE QUE el Tribunal de Comisionados del Condado de Collin, Texas (el "Tribunal") por la presente halla y determina que es necesario y aconsejable convocar y llevar a cabo una elección en el Condado para el propósito de presentar ciertas proposiciones sobre la emisión de bonos para los propósitos descritos más adelante en la presente; y

EN VISTA DE QUE por la presente el Tribunal halla y determina que dicha elección se celebrará en una fecha de elección uniforme establecida por la Sección 41.001(a) del Código Electoral de Texas y sus enmiendas, conforme lo requieren las leyes de Texas; y

EN VISTA DE QUE el Tribunal halla y declara que la asamblea en la que esta Orden se considera, está abierta al público, como lo exige la ley, y que se dio aviso público de la hora, el lugar y el propósito de dicha asamblea, según lo requiere el Capítulo 551 del Código de Gobierno de Texas y sus enmiendas; por lo tanto,

EL TRIBUNAL DE COMISIONADOS DEL CONDADO DE COLLIN, TEXAS, ORDENA:

Sección 1 Hallazgos. Las declaraciones contenidas en el preámbulo de esta Orden son verdaderas y correctas y por la presente se adoptan como determinaciones de hechos y como parte de las disposiciones operativas de la presente.

Sección 2 Elección ordenada; Fecha; Proposición. Se celebrará una elección (la "Elección") en el Condado de Collin, Texas, y por todo el mismo, el martes 6 de noviembre de 2018 ("Día de Elección"), una fecha de elección uniforme establecida por la Sección 41.001(a) del Código Electoral de Texas y sus enmiendas (el "Código"). En la Elección se presentarán las siguientes proposiciones (las "Proposiciones") a los votantes habilitados del Condado de acuerdo con la ley:

CONDADO DE COLLIN - PROPOSICIÓN A

“¿Se deberá autorizar al Tribunal de Comisionados del Condado de Collin, Texas, a emitir bonos del Condado, en una o más series o emisiones, por la cantidad de capital total de \$600,000,000 para el propósito de proveer fondos para mejoras públicas permanentes, a saber: construir, mejorar y mantener autopistas y carreteras de alta velocidad y sin peajes dentro del Condado de Collin y colectoras y vías de servicio relacionadas, incluso la adquisición de terrenos y derechos de paso para esto; e incluso la participación en el costo de proyectos conjuntos condado-estado y condado-ciudad, con dichos bonos de cada serie o emisión, respectivamente, con vencimiento por serie durante un período que no supere los treinta (30) años desde su fecha, y a ser emitidos en ciertos plazos y vendidos a cierto precio o precios y devengar interés a cierta tasa o tasas según lo determinará a su criterio el Tribunal de Comisionados bajo las leyes vigentes en el momento de emisión; y para disponer para el pago del capital y del interés de dichos bonos mediante la imposición y recaudación de impuestos anuales ad valorem sobre toda propiedad gravable dentro del Condado en una cantidad suficiente para pagar el interés anual de dichos bonos y disponer un fondo de amortización suficiente para pagar dichos bonos conforme venzan?”

CONDADO DE COLLIN - PROPOSICIÓN B

“¿Se deberá autorizar al Tribunal de Comisionados del Condado de Collin, Texas, a emitir bonos del Condado, en una o más series o emisiones, por la cantidad de capital total de \$140,000,000 para el propósito de proveer fondos para mejoras públicas permanentes, a saber: construir, mejorar y mantener caminos y puentes dentro del Condado de Collin, incluso la adquisición de terrenos y derechos de paso para esto; e incluso la participación en el costo de proyectos conjuntos condado-estado y condado-ciudad; con dichos bonos de cada serie o emisión, respectivamente, con vencimiento por serie durante un período que no supere los treinta (30) años desde su fecha, y a ser emitidos en ciertos plazos y vendidos a cierto precio o precios y devengar interés a cierta tasa o tasas según lo determinará a su criterio el Tribunal de Comisionados bajo las leyes vigentes en el momento de emisión; y para disponer para el pago del capital y del interés de dichos bonos mediante la imposición y recaudación de impuestos anuales ad valorem sobre toda propiedad gravable dentro del Condado en una cantidad suficiente para pagar el interés anual de dichos bonos y disponer un fondo de amortización suficiente para pagar dichos bonos conforme venzan?”

CONDADO DE COLLIN - PROPOSICIÓN C

“¿Se deberá autorizar al Tribunal de Comisionados del Condado de Collin, Texas, a emitir los bonos del Condado, en una o más series o emisiones, por la cantidad de capital total de \$10,000,000 para el propósito de adquirir y mejorar terrenos para propósitos de parques y espacios al aire libre, incluso proyectos conjuntos de condado-ciudad; con dichos bonos de cada serie o emisión, respectivamente, con vencimiento por serie durante un período que no supere los treinta (30) años desde su fecha, y a ser vendidos a cierto precio o precios y devengar interés a cierta tasa o tasas según lo determinará a su criterio el Tribunal de Comisionados en el momento de emisión; y para disponer para el pago del capital y del interés de dichos bonos mediante la imposición y recaudación de impuestos anuales ad valorem sobre toda propiedad gravable dentro del Condado en una cantidad suficiente para pagar el interés anual de dichos bonos cuando vencen y disponer un fondo de amortización suficiente para pagar dichos bonos conforme venzan?”

Sección 3 Boleta Oficial de Votación. (a) La votación en la Elección y la votación anticipada de esta se realizarán mediante el uso de sistemas de votación y boletas del Condado legalmente aprobados.

(b) La preparación del equipo necesario y las boletas oficiales de votación de la Elección deberán respetar los requisitos del Código de forma de permitir a los electores votar “A FAVOR” o “EN CONTRA” de las Proposiciones antedichas, las cuales serán presentadas en las boletas de votación básicamente de la siguiente forma:

CONDADO DE COLLIN - PROPOSICIÓN A

- ☐ A FAVOR “LA EMISIÓN DE \$600,000,000 EN BONOS PARA LA CONSTRUCCIÓN DE CARRETERAS Y AUTOPISTAS DE ALTA VELOCIDAD SIN PEAJE EN TODO EL CONDADO Y LOS SERVICIOS Y CAMINOS DE ALIMENTACIÓN RELACIONADOS, INCLUIDA LA PARTICIPACIÓN EN PROYECTOS CONJUNTOS DEL CONDADO CON EL ESTADO Y DEL CONDADO CON CIUDADES, Y LA IMPOSICIÓN DE UN IMPUESTO PARA EL PAGO DE ESTOS.”
- ☐ EN CONTRA

CONDADO DE COLLIN - PROPOSICIÓN B

- ☐ A FAVOR “LA EMISIÓN DE \$140,000,000 EN BONOS PARA LA CONSTRUCCIÓN DE CAMINOS EN TODO EL CONDADO, INCLUIDA LA PARTICIPACIÓN EN PROYECTOS CONJUNTOS DEL CONDADO CON EL ESTADO Y DEL CONDADO CON CIUDADES, Y LA IMPOSICIÓN DE UN IMPUESTO PARA EL PAGO DE ESTOS.”
- ☐ EN CONTRA

CONDADO DE COLLIN - PROPOSICIÓN C

- ☐ A FAVOR “LA EMISIÓN DE \$10,000,000 EN BONOS PARA LA ADQUISICIÓN Y MEJORAMIENTO DE TERRENOS DESTINADOS PARA PARQUES Y ESPACIOS ABIERTOS, INCLUIDA LA PARTICIPACIÓN EN PROYECTOS CONJUNTOS DEL CONDADO CON CIUDADES, Y LA IMPOSICIÓN DE UN IMPUESTO PARA EL PAGO DE ESTOS.”
- ☐ EN CONTRA

Sección 4 Personas habilitadas para votar. Todos los votantes habilitados residentes del Condado serán elegibles para votar en la Elección.

Sección 5 Precintos electorales, lugares de votación y horarios de votación del Día de Elección. La votación del Día de Elección se llevará a cabo en los lugares de votación para los precintos designados en el Anexo A del presente documento. Dichos precintos y lugares de votación pueden ser cambiados si así lo instruyera el Administrador de Elecciones sin necesidad de medida adicional del Tribunal. Por la presente se autoriza e instruye al Administrador de Elecciones a que haga cambios de ese tipo de lugares de votación según sea necesario para la celebración adecuada de la Elección. El Día de Elección cada lugar de votación estará abierto de 7:00 a.m. a 7:00 p.m.

Sección 6 Lugares, fechas y horarios de votación anticipada. (a) Por la presente se designa al Administrador de Elecciones como Oficial de Votación Anticipada de la Elección. El lugar de votación anticipada y la dirección para votar por anticipado por correo en la Elección son por la presente designados como se indican en el Anexo B; disponiendo, sin embargo, que tales lugares pueden ser cambiados si así lo instruye el Administrador de Elecciones sin necesidad de medida adicional del Tribunal. Por la presente se autoriza e instruye al Administrador de Elecciones a que haga cambios de ese tipo de lugares según sea necesario para la celebración adecuada de la Elección. Por la presente se autoriza al Administrador de Elecciones y/o al Oficial de Votación Anticipada a designar a los miembros del consejo de Boletas de Votación Anticipada y al juez presidente y al juez alterno de acuerdo con los requisitos de Código.

(b) La votación anticipada en persona se llevará a cabo en los días y horarios indicados en el Anexo B, según puedan ser ajustados por el Administrador de Elecciones sin más medidas del Tribunal.

(c) Las solicitudes para votar por anticipado por correo deberán ser enviadas al Elections Administrator, Collin County, 2010 Redbud Blvd, Ste. 102, McKinney, Texas 75069.

(d) Los horarios de votación pueden ser cambiados si así lo instruyera el Administrador de Elecciones sin necesidad de medida adicional del Tribunal. Por la presente se autoriza e instruye al Administrador de Elecciones a que haga cambios de ese tipo de horarios de votación según sea necesario para la celebración adecuada de la Elección.

Sección 7 Designación de Funcionarios Electorales. La Elección se celebrará bajo la jurisdicción del Departamento de Elecciones del Condado de Collin (el "Administrador de Elecciones").

Sección 8 Aviso de Elección. Se dará aviso de la Elección a través de: (i) la publicación de una copia sustancial de esta Orden, en inglés y español, el mismo día de cada una de dos (2) semanas sucesivas, en un periódico de circulación general publicado dentro del Condado, siendo la fecha de la primera publicación no menos de catorce (14) días ni más de treinta (30) días previos a la fecha programada para la Elección, (ii) la colocación de una copia de esta Orden, en inglés y español, en la cartelera de anuncios utilizada para colocar avisos de las asambleas del Tribunal de Comisionados del Condado y en por lo menos otros tres (3) lugares públicos dentro de los límites del Condado, a más tardar el vigésimo primer (21.^{er}) día previo a la fecha programada de la Elección y (iii) la colocación de una copia de esta Orden, en inglés y, español, en el sitio web del Condado, en un lugar destacado y junto con el aviso de la Elección y el contenido de las Proposiciones; a más tardar el vigésimo primer (21.^{er}) día previo a la fecha fijada para la Elección y hasta el Día de Elección. Además, el Día de Elección y durante la votación anticipada en persona, esta Orden deberá estar colocada en un lugar destacado en cada lugar de votación.

Sección 9 Celebración de la Elección. La Elección será celebrada en conformidad con el Código y otras leyes pertinentes por el Administrador de Elecciones del Condado de Collin.

Sección 10 Información adicional requerida por la Sección 3.009 del Código Electoral. (a) Al 1 de octubre de 2107, el primer día del corriente año fiscal del Condado, la cantidad de capital total pendiente de la deuda respaldada con impuestos del Condado era de \$352,380,000 y la cantidad total de interés pendiente de tal deuda respaldada con impuestos era de \$95,731,724. La tasa del impuesto ad valorem del Condado para el servicio de la deuda asignable a deuda respaldada con impuestos para el corriente año fiscal es de \$0.053450 por cada \$100 de tasación fiscal de propiedad gravable en el Condado.

(b) El Condado piensa emitir los bonos autorizados por las Proposiciones en el curso de un período de años en la forma y de acuerdo al cronograma que determinará el Tribunal en base a varios factores, incluidos a título enunciativo pero no limitativo, las necesidades actuales del Condado, los cambios demográficos, las condiciones prevalecientes del mercado, las tasaciones fiscales en el Condado y la administración de la exposición de corto y largo plazo del Condado a las tasas de interés. Las condiciones del mercado, los índices demográficos y los valores de tasación varían dependiendo de un número de factores fuera del control del Condado y, por lo tanto, el Condado no puede garantizar, y no lo hace, una tasa de interés o tasa de impuesto particular asociada con los bonos de impuestos autorizados por las Proposiciones. Por lo tanto, la información contenida en este párrafo se proporciona solamente con fines ilustrativos y no establece limitación ni restricción alguna ni crea un contrato con los votantes. Actualmente el Condado estima que, si las Proposiciones fuesen aprobadas y los bonos de impuestos propuestos en la presente fuesen autorizados y emitidos de acuerdo al plan proyectado de finanzas actual del Condado, se espera que la tasa de interés máxima sobre los bonos de impuestos limitados no supere el 5.00%.

(c) Cualquier información adicional requerida por la Sección 3.009 del Código está en las Secciones 2 y 3 de esta Orden.

Sección 11 Medidas necesarias. Por la presente se autoriza e instruye al Juez del Condado, al Secretario del Condado y a otros funcionarios del Condado, con el asesoramiento del abogado y asesor de bonos del Condado, a que tomen cualquier y todas las medidas necesarias para cumplir con las disposiciones del Código y de la Ley Federal de Derechos de Votación para realizar y llevar a cabo la Elección, sean expresamente autorizadas en la presente o no, incluso a hacer cambios o adiciones a los lugares de votación o

procedimientos electorales en la medida en que sean requeridos o deseables o según sea necesario debido a circunstancias que surjan con posterioridad a la fecha de esta Orden.

Sección 12 Divisibilidad. Si cualquier disposición, sección, subsección, oración, cláusula o frase de esta Orden, o la aplicación de ella a cualquier persona o conjunto de circunstancias, es por alguna razón hallada inconstitucional, nula, inválida o imposible de hacer cumplir, ni las porciones restantes de esta Orden ni su aplicación a otras personas o conjunto de circunstancias será afectada por esto, en tanto la intención del Tribunal al adoptar esta Orden es que ninguna porción de ella o disposición o norma contenida en la presente llegue a ser inoperativa o falle debido a la inconstitucionalidad, nulidad, invalidez o imposibilidad de cumplimiento de cualquier otra porción de ella, y todas las disposiciones de esta Orden se declaran divisibles a tales efectos.

Sección 13 Fecha de entrada en vigencia. Esta Orden entrará en vigencia inmediatamente después de su aprobación.
ACEPTADA Y APROBADA el 20 de agosto de 2018.

EXHIBIT A
ELECTION DAY VOTE CENTERS FOR THE NOVEMBER 6, 2018
GENERAL AND SPECIAL ELECTIONS

ANEXO A
CENTROS DE VOTACIÓN DEL DÍA DE ELECCIÓN PARA LAS
ELECCIONES GENERALES Y ESPECIALES DEL 6 DE NOVIEMBRE DE 2018

7:00 AM – 7:00 PM

Polling Place (Lugar de Votación)	Address (Dirección)	City (Ciudad)
Aldridge Elementary School	720 Pleasant Valley Lane	Richardson
Allen ISD Service Center	1451 North Watters Road	Allen
Allen Municipal Courts Facility	301 Century Parkway	Allen
Armstrong Middle School	3805 Timberline Drive	Plano
Benton Staley Middle School	6927 Stadium Drive	Frisco
Blue Ridge ISD Administration Building	318 West School Street	Blue Ridge
Bowman Middle School	2501 Jupiter Road	Plano
Carpenter Middle School	3905 Rainier Road	Plano
Carpenter Park Recreation Center	6701 Coit Road	Plano
Celina ISD Administration Building	205 S. Colorado	Celina
Christ the Servant Lutheran Church	821 S. Greenville Avenue	Allen
Christ United Methodist Church	3101 Coit Road	Plano
Clark High School	523 W. Spring Creek Parkway	Plano
Collin College Central Park Campus	2200 University Drive	McKinney
Collin College Higher Education Center	3452 Spur 399	McKinney
Collin College Preston Ridge Campus	9700 Wade Blvd.	Frisco
Collin College Spring Creek Campus	2800 Spring Creek Parkway	Plano
Collin County Elections Office	2010 Redbud Blvd, Ste. 102	McKinney
Davis Library	7501 Independence Parkway	Plano
Dowell Middle School	301 Ridge Road	McKinney
Eldorado Country Club	2604 Country Club Drive	McKinney
Fairview Town Hall	372 Town Place	Fairview
First Baptist Church - Branch	7011 FM 546	Princeton
First Baptist Church – Wylie	100 N 1 st Street	Wylie
First Baptist Church Farmersville - Youth Building	201 Farmersville Parkway	Farmersville
Fowler Middle School	3801 McDermott Road	Plano
Frisco Fire Station #5	14300 Eldorado Parkway	Frisco
Frisco Senior Center	6670 Moore Street	Frisco
Gay Library	6861 W. Eldorado Parkway	McKinney
George Bush Elementary School	2000 Eagle Aerie Lane	Wylie
Haggar Elementary School	17820 Campbell Road	Dallas
Harrington Library	1501 18th Street	Plano
Heritage High School	14040 Eldorado Parkway	Frisco
Hunt Middle School	4900 Legendary Drive	Frisco
Islamic Association of Collin County	6401 Independence Parkway	Plano
Josephine City Hall	201 Main Street	Josephine
Lavon City Hall	120 School Road	Lavon
Liberty High School	15250 Rolater Road	Frisco
Lovejoy ISD Administration Bldg.	259 Country Club Road	Allen
Lowry Crossing City Hall	1405 S. Bridgefarmer Road	Lowry Crossing

EXHIBIT A
ELECTION DAY VOTE CENTERS FOR THE NOVEMBER 6, 2018
GENERAL AND SPECIAL ELECTIONS

ANEXO A
CENTROS DE VOTACIÓN DEL DÍA DE ELECCIÓN PARA LAS
ELECCIONES GENERALES Y ESPECIALES DEL 6 DE NOVIEMBRE DE 2018

7:00 AM – 7:00 PM

Polling Place (Lugar de Votación)	Address (Dirección)	City (Ciudad)
Lucas Community Center	665 Country Club Road	Lucas
McKinney Fire Station #7	861 Independence Parkway	McKinney
McKinney Senior Recreation Center	1400 S. College Street	McKinney
Melissa City Hall	3411 Barker Avenue	Melissa
Methodist Richardson Medical Center	2831 E Pres George Bush Turnpike	Richardson
Miller Elementary School	5651 Coventry Drive	Richardson
Murphy Community Center	205 N. Murphy Road	Murphy
Old Settlers Recreation Center	1201 E. Louisiana Street	McKinney
Parker City Hall	5700 E. Parker Road	Parker
Parr Library	6200 Windhaven Parkway	Plano
Plano ISD Administration Center	2700 W. 15th Street	Plano
Princeton City Hall	123 W. Princeton Drive	Princeton
Prosper ISD Administration Bldg.	605 E. Seventh Street	Prosper
Puster Elementary School	856 Stoddard	Fairview
Renner-Frankford Library	6400 Frankford Road	Dallas
Royse City ISD Mike McKinney Maintenance Facility	1420 FM 1777	Royse City
Scoggins Middle School	7070 Stacy Road	McKinney
Seis Lagos Community Services Association	222 Seis Lagos Trail	Wylie
Shepton High School	5505 Plano Parkway	Plano
Shiloh Missionary Baptist Church	920 E. 14th Street	Plano
Smith Library	300 Country Club Drive	Wylie
Southfork Mobile Home Park	216 Southfork Blvd.	Wylie
Stonebridge United Methodist Church	1800 S. Stonebridge Drive	McKinney
Suncreek United Methodist Church	1517 W. McDermott Drive	Allen
Terry Pope Administration Building	611 N FM 1138	Nevada
Texas Star Bank	402 W. White Street	Anna
Tom Muehlenbeck Recreation Center	5801 W. Parker Road	Plano
Weston Community Center	117 Main Street	Weston
Woodcreek Church	3400 E. Renner Road	Richardson

EXHIBIT B

ANEXO B

COLLIN COUNTY
November 6, 2018 General & Special Elections
Early Voting Locations, Dates and Hours

Elecciones Generales y Especiales del 6 de
noviembre de 2018 del Condado de Collin
Lugares, fechas y horarios de votación anticipada

Sunday	Monday	Tuesday	Wednesday	Thursday	Friday	Saturday
Oct 21	Oct 22 Early Voting 8am–5pm	Oct 23 Early Voting 8am–5pm	Oct 24 Early Voting 8am–5pm	Oct 25 Early Voting 8am–5pm	Oct 26 Early Voting 8am–5pm	Oct 27 Early Voting 7am–7pm
Oct 28 Early Voting 1pm–6pm	Oct 29 Early Voting 7am–7pm	Oct 30 Early Voting 7am–7pm	Oct 31 Early Voting 7am–7pm	Nov 1 Early Voting 7am–7pm	Nov 2 Early Voting 7am–7pm	Nov 3

Domingo	Lunes	Martes	Miércoles	Jueves	Viernes	Sábado
21 de oct.	22 de oct. Votación Anticipada 8am–5pm	23 de oct. Votación Anticipada 8am–5pm	24 de oct. Votación Anticipada 8am–5pm	25 de oct. Votación Anticipada 8am–5pm	26 de oct. Votación Anticipada 8am–5pm	27 de oct. Votación Anticipada 7am–7pm
28 de oct. Votación Anticipada 1pm–6pm	29 de oct. Votación Anticipada 7am–7pm	30 de oct. Votación Anticipada 7am–7pm	31 de oct. Votación Anticipada 7am–7pm	1 de nov. Votación Anticipada 7am–7pm	2 de nov. Votación Anticipada 7am–7pm	3 de nov.

Polling Place (Lugar de Votación)	Address (Dirección)	City (Ciudad)
Collin County Elections (Main Early Voting Location) voting Location) (Lugar principal de votación anticipada)	2010 Redbud Blvd. St 102	McKinney
Allen ISD Service Center	1451 North Watters Road	Allen
Allen Municipal Courts Facility	301 Century Pkwy.	Allen
Carpenter Park Recreation Center	6701 Coit Road	Plano
Celina ISD Administration Building	205 S. Colorado St.	Celina
Christ United Methodist Church	3101 Coit Road	Plano
Collin College - Central Park Campus	2200 W. University Drive	McKinney
Collin College – Higher Education Center	3452 Spur 399	McKinney
Collin College - Preston Ridge Campus	9700 Wade Blvd.	Frisco
Collin College - Spring Creek Campus	2800 E. Spring Creek Pkwy.	Plano
Davis Library	7501 Independence Pkwy.	Plano
Frisco Fire Station #5	14300 Eldorado Pkwy.	Frisco
Frisco Senior Center	6670 Moore Street	Frisco
John and Judy Gay Library	6861 W. Eldorado Pkwy.	McKinney
Haggard Library	2501 Coit Road	Plano
Harrington Library	1501 18 th Street	Plano
Lavon City Hall	120 School Road	Lavon
Lovejoy ISD Administration Bldg.	259 Country Club Rd.	Allen
McKinney Fire Station #7	861 S. Independence Pkwy.	McKinney
Melissa City Hall	3411 Barker Ave.	Melissa
Methodist Richardson Medical Center	2831 E. Pres George Bush Turnpike	Richardson
Murphy Community Center	205 North Murphy Road	Murphy
Old Settlers Recreation Center	1201 E. Louisiana Street	McKinney

EXHIBIT B

ANEXO B

COLLIN COUNTY

November 6, 2018 General & Special Elections
Early Voting Locations, Dates and Hours

Elecciones Generales y Especiales del 6 de
noviembre de 2018 del Condado de Collin
Lugares, fechas y horarios de votación anticipada

Parker City Hall	5700 E. Parker Road	Parker
Parr Library	6200 Windhaven Pkwy.	Plano
Plano ISD Administration Center	2700 W. 15 th Street	Plano
Princeton City Hall	123 W. Princeton Drive	Princeton
Prosper Town Hall	200 S. Main Street	Prosper
Renner-Frankford Library	6400 Frankford Rd.	Dallas
Smith Library	300 Country Club Dr.	Wylie
Texas Star Bank	402 W. White St.	Anna

Temporary Early Voting Locations:
(Sedes temporales de votación anticipada:)

Farmersville City Hall		205 South Main St.		Farmersville		
Oct 21	Oct 22 Early Voting 8am–5pm	Oct 23 Early Voting 8am–5pm	Oct 24 Early Voting 8am–5pm	Oct 25 Early Voting 8am–5pm	Oct 26 Early Voting 8am–5pm	Oct 27 Early Voting 7am–7pm
21 de oct.	22 de oct. Votación Anticipada 8am–5pm	23 de oct. Votación Anticipada 8am–5pm	24 de oct. Votación Anticipada 8am–5pm	25 de oct. Votación Anticipada 8am–5pm	26 de oct. Votación Anticipada 8am–5pm	27 de oct. Votación Anticipada 7am–7pm

Lucas Community Center		665 Country Club Rd.		Lucas		
Oct 28 Early Voting 1pm–6pm	Oct 29 Early Voting 7am–7pm	Oct 30 Early Voting 7am–7pm	Oct 31 Early Voting 7am–7pm	Nov 1 Early Voting 7am–7pm	Nov 2 Early Voting 7am–7pm	Nov 3
28 de oct. Votación Anticipada 1pm–6pm	29 de oct. Votación Anticipada 7am–7pm	30 de oct. Votación Anticipada 7am–7pm	31 de oct. Votación Anticipada 7am–7pm	1 de nov. Votación Anticipada 7am–7pm	2 de nov. Votación Anticipada 7am–7pm	3 de nov.

Important Note: Eligible Collin County registered voters (with an effective date of registration on or before November 6, 2018) may vote at any of the above early voting locations.

Aviso importante: Los votantes registrados elegibles del Condado de Collin (con fecha vigente de registro hasta el 6 de noviembre de 2018 inclusive) pueden votar en cualquiera de los lugares de votación anticipada anteriores.

If qualified, voters may request an application by mail, by calling (972) 424-1460 or by written request to:

Los votantes que reúnan los requisitos pueden pedir una solicitud por correo llamando al (972) 424-1460 o por escrito a:

Collin County Early Voting Clerk
2010 Redbud Blvd., Suite 102
McKinney, TX 75069

CERTIFICATE FOR ORDER

I, the undersigned County Clerk of Collin County, Texas, hereby certify as follows:

1. The Commissioners Court of Collin County, Texas (the "Commissioners Court") convened in regular meeting, on November 19, 2018, at the Collin County Administration Building located at 2300 Bloomdale Road, McKinney, Texas, and the roll was called of the duly constituted and acting members of the Commissioners Court, to wit:

Keith Self, County Judge
Susan Fletcher, Commissioner, Precinct No. 1
Cheryl Williams, Commissioner, Precinct No. 2
John Thomas, Commissioner, Precinct No. 3
Duncan Webb, Commissioner, Precinct No. 4

and all of the members of the Commissioners Court were present except Cheryl Williams, thus constituting a quorum. Whereupon, among other business, a written Order bearing the following caption was introduced for consideration by the Commissioners Court:

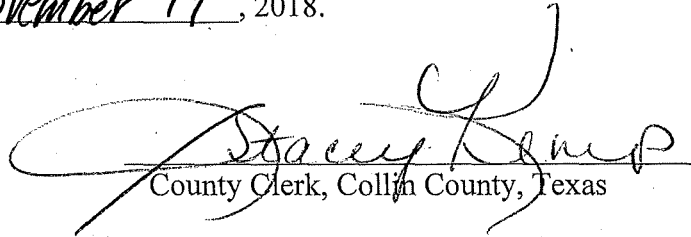
AN ORDER OF THE COMMISSIONERS COURT OF COLLIN
COUNTY, TEXAS, CANVASSING RESULTS OF A SPECIAL
BOND ELECTION HELD ON NOVEMBER 6, 2018; AND
PROVIDING AN EFFECTIVE DATE

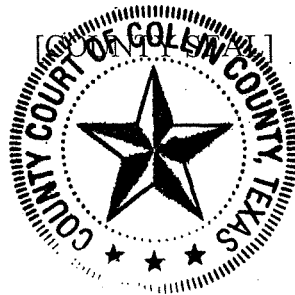
was duly introduced for consideration of said Commissioners Court. It was then duly moved and seconded that said Order be passed; and, after due discussion, said motion, carrying with it the passage of said Order, prevailed and carried by the following vote:

AYES:	4
NOES:	0
ABSTENTIONS:	0

2. A true, full and correct copy of the aforesaid Order passed at the meeting described in the above and foregoing paragraph is attached to and follows this Certificate; said Order has been duly recorded in the official minutes of said Commissioners Court; the above and foregoing paragraph is a true and correct excerpt from said minutes of said meeting pertaining to the passage of said Order; the persons named in the above and foregoing paragraph, at the time of said meeting and the passage of said Order, were the duly chosen, qualified and acting officers and members of said Commissioners Court as indicated therein; each of said officers and members was duly and sufficiently notified officially and personally in advance, of the time, place and purpose of the aforesaid meeting and that said Order would be introduced and considered for passage at said meeting, and each of said officers and members consented in advance to the holding of said meeting for such purpose; and said meeting was open to the public, and public notice of the time, place and purpose of said meeting was given, all as required by Chapter 551, TEX. GOV'T CODE ANN., as amended.

SIGNED AND SEALED this November 19, 2018.


County Clerk, Collin County, Texas



AN ORDER OF THE COMMISSIONERS COURT OF COLLIN
COUNTY, TEXAS, CANVASSING RESULTS OF A SPECIAL
BOND ELECTION HELD ON NOVEMBER 6, 2018; AND
PROVIDING AN EFFECTIVE DATE

WHEREAS, the Commissioners Court (the "Court") of the Collin County, Texas (the "County"), duly authorized an election (the "Election") to be held within the County on November 6, 2018, for the purpose of submitting to the resident qualified electors of the County the propositions hereinafter set forth; and

WHEREAS, the Court has investigated all matters pertaining to the Election, including the ordering, giving of notice, appointing of officers, and holding and making returns of the Election; and

WHEREAS, the election officers who conducted the Election have duly made the returns of the results thereof, and said returns have been duly delivered to the Court for official canvassing of the returns thereof; and

WHEREAS, upon the consideration of the returns of the Election, it appears that the same was held in accordance with the authorizing proceedings and was in all respects legally held after due notice had been given, and the returns duly and legally made, and other instruments, showed the following results:

COLLIN COUNTY - PROPOSITION A

"Shall the Commissioners Court of Collin County, Texas, be authorized to issue bonds of the County, in one or more series or issues, in the aggregate principal amount of \$600,000,000 for the purpose of providing funds for permanent public improvements, to-wit: for constructing, improving and maintaining non-tolled, high-speed highways and freeways within Collin County and related service and frontage roads; including the acquisition of land and rights-of-way therefor; and including participating in the cost of joint county-state and county-city projects said bonds of each series or issue, respectively, to mature serially over a period of not to exceed thirty (30) years from their date, and to be issued in such installments and sold at such price or prices and to bear interest at such rate or rates as shall be determined within the discretion of the Commissioners Court under laws in effect at the time of issuance; and to provide for the payment of the principal of and interest on said bonds by levying and collecting annual ad valorem taxes upon all taxable property within the County in an amount sufficient to pay the annual interest on said bonds and to provide a sinking fund sufficient to pay said bonds as they become due?"	222,679	VOTES FOR
	101,733	VOTES AGAINST

COLLIN COUNTY - PROPOSITION B

“Shall the Commissioners Court of Collin County, Texas, be authorized to issue bonds of the County, in one or more series or issues, in the aggregate principal amount of \$140,000,000 for the purpose of providing funds for permanent public improvements, to-wit: for constructing, improving and maintaining roads and bridges within Collin County, including the acquisition of land and rights-of-way therefor; and including participating in the cost of joint county-state and county-city projects; said bonds of each series or issue, respectively, to mature serially over a period of not to exceed thirty (30) years from their date, and to be issued in such installments and sold at such price or prices and to bear interest at such rate or rates as shall be determined within the discretion of the Commissioners Court under laws in effect at the time of issuance; and to provide for the payment of the principal of and interest on said bonds by levying and collecting annual ad valorem taxes upon all taxable property within the County in an amount sufficient to pay the annual interest on said bonds and to provide a sinking fund sufficient to pay said bonds as they become due?”	222,247	VOTES FOR
	100,112	VOTES AGAINST

COLLIN COUNTY - PROPOSITION C

“Shall the Commissioners Court of Collin County, Texas, be authorized to issue the bonds of the County, in one or more series or issues, in the aggregate principal amount of \$10,000,000, for the purpose of acquiring and improving land for park and open space purposes, including joint county-city projects; said bonds of each such series or issue, respectively, to mature serially over a period of not to exceed thirty (30) years from their date, and to be sold at such price or prices and bear interest at such rate or rates as shall be determined within the discretion of the Commissioners Court at the time of issuance, and to provide for the payment of the principal of and interest on said bonds by levying and collecting annual ad valorem taxes upon all taxable property within the County in an amount sufficient to pay the annual interest on said bonds when due and to provide a sinking fund sufficient to pay said bonds as they become due?”	231,694	VOTES FOR
	92,675	VOTES AGAINST

TOTAL BALLOTS CAST IN ELECTION: 357,034

NOW, THEREFORE, BE IT ORDERED BY THE COMMISSIONERS COURT OF COLLIN COUNTY, TEXAS, THAT:

Section 1. All of the recitals contained in the preamble of this Order are found to be true and are adopted as findings of fact by the Court and as part of its judgment.

Section 2. It is found and determined that the results of the Election as canvassed and tabulated in the preamble hereof reflect the expressed desires of the electors of the County.

Section 3. In conformity with law, the Court is hereby authorized to issue the bonds and levy a tax in payment thereof on behalf of the County in the amounts and for the purposes set forth in the proceedings calling the election with respect to the Propositions.

Section 4. This Order shall take effect immediately upon its passage and approval.

PASSED AND APPROVED this 19th day of November, 2018.

COMMISSIONERS COURT
COLLIN COUNTY, TEXAS

CERTIFICATE FOR ORDER

I, the undersigned County Clerk of Collin County, Texas, hereby certify as follows:

1. The Commissioners Court of Collin County, Texas (the "Commissioners Court") convened in regular meeting, on February 4, 2019, in the Collin County Administration Building located at 2300 Bloomdale Road, McKinney, Texas, and the roll was called of the duly constituted and acting members of the Commissioners Court, to wit:

Chris Hill, County Judge
Susan Fletcher, Commissioner, Precinct No. 1
Cheryl Williams, Commissioner, Precinct No. 2
Darrell Hale, Commissioner, Precinct No. 3
Duncan Webb, Commissioner, Precinct No. 4

and all of the members of the Commissioners Court were present, thus constituting a quorum. Whereupon, among other business, a written order bearing the following caption was introduced for consideration by the Commissioners Court:

AN ORDER OF THE COMMISSIONERS COURT OF COLLIN COUNTY, TEXAS, AUTHORIZING THE ISSUANCE AND SALE OF COLLIN COUNTY, TEXAS, LIMITED TAX PERMANENT IMPROVEMENT BONDS, SERIES 2019 IN AN AGGREGATE PRINCIPAL AMOUNT NOT TO EXCEED \$156,455,000; PROVIDING FOR THE AWARD OF THE SALE THEREOF IN ACCORDANCE WITH SPECIFIED PARAMETERS; LEVYING A TAX AND PROVIDING FOR THE SECURITY FOR AND PAYMENT OF SAID BONDS; APPROVING THE OFFICIAL STATEMENT AND PAYING AGENT/REGISTRAR AGREEMENT; AND ENACTING OTHER PROVISIONS RELATING TO THE SUBJECT

was duly introduced for consideration of said Commissioners Court. It was then duly moved and seconded that said Order be passed; and, after due discussion, said motion, carrying with it the passage of said Order, prevailed and carried by the following vote:

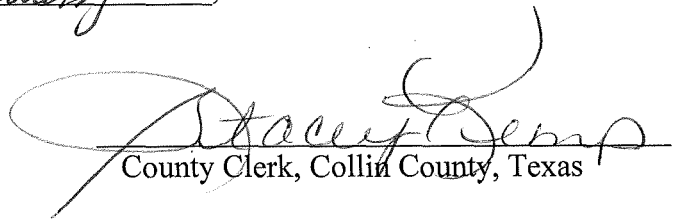
AYES: 5

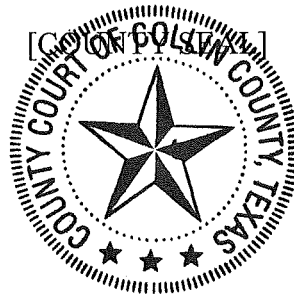
NOES: 0

ABSTENTIONS: 0

2. A true, full and correct copy of the aforesaid Order passed at the meeting described in the above and foregoing paragraph is attached to and follows this Certificate; said Order has been duly recorded in the official minutes of said Commissioners Court; the above and foregoing paragraph is a true and correct excerpt from said minutes of said meeting pertaining to the passage of said Order; the persons named in the above and foregoing paragraph, at the time of said meeting and the passage of said Order, were the duly chosen, qualified and acting officers and members of said Commissioners Court as indicated therein; each of said officers and members was duly and sufficiently notified officially and personally in advance, of the time, place and purpose of the aforesaid meeting and that said Order would be introduced and considered for passage at said meeting, and each of said officers and members consented in advance to the holding of said meeting for such purpose; and said meeting was open to the public, and public notice of the time, place and purpose of said meeting was given, all as required by Chapter 551, TEX. GOV'T CODE ANN., as amended.

SIGNED AND SEALED this February 4, 2019.


County Clerk, Collin County, Texas



ORDER
AUTHORIZING THE ISSUANCE OF

COLLIN COUNTY, TEXAS
LIMITED TAX PERMANENT IMPROVEMENT BONDS
SERIES 2019

Adopted: February 4, 2019

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AN ORDER OF THE COMMISSIONERS COURT OF COLLIN COUNTY, TEXAS, AUTHORIZING THE ISSUANCE AND SALE OF COLLIN COUNTY, TEXAS, LIMITED TAX PERMANENT IMPROVEMENT BONDS, SERIES 2019 IN AN AGGREGATE PRINCIPAL AMOUNT NOT TO EXCEED \$156,455,000; PROVIDING FOR THE AWARD OF THE SALE THEREOF IN ACCORDANCE WITH SPECIFIED PARAMETERS; LEVYING A TAX AND PROVIDING FOR THE SECURITY FOR AND PAYMENT OF SAID BONDS; APPROVING THE OFFICIAL STATEMENT AND PAYING AGENT/REGISTRAR AGREEMENT; AND ENACTING OTHER PROVISIONS RELATING TO THE SUBJECT

WHEREAS, the Commissioners Court (the "Commissioners Court") of Collin County (the "County") intends to issue bonds to finance roads and improvements within the County which the Commissioners Court determines are necessary; and

WHEREAS, the Bonds hereinafter authorized were duly and favorably voted, as required by the Constitution and laws of the State of Texas, at elections held in the County on November 6, 2007 and November 6, 2018; and

WHEREAS, at said elections, the following are among the purposes and amounts of the bonds which were authorized, reflecting any amount previously issued pursuant to such voted authorization, the amount therefrom being authorized to be issued pursuant to this Order, and the balance that remains unissued after the issuance of the bonds herein authorized, to-wit:

Purpose	Election Date	Amount Voted	Amount Previously Issued	Amount Authorized to be Issued ⁽¹⁾	Unissued Balance ⁽²⁾
Adult and Juvenile Detention Facilities Including Court Facilities	11/06/07	\$ 76,300,000	\$ 30,500,000	\$ 45,800,000	\$ -0-
Non-Tolled, Highways and Freeways	11/06/18	600,000,000	-0-	100,155,000	499,845,000
Roads and Bridges	11/06/18	140,000,000	-0-	8,500,000	131,500,000
Parks and Open Space	11/06/18	10,000,000	-0-	2,000,000	8,000,000
Total		<u>\$826,300,000</u>	<u>\$ 30,500,000</u>	<u>\$156,455,000</u>	<u>\$639,345,000</u>

⁽¹⁾ Includes any premium generated on the Bonds and allocated to voted authorization.

⁽²⁾ Unless otherwise designated in the Pricing Certificate.

WHEREAS, the Commissioners Court has found and determined that it is necessary and in the best interest of the County and its citizens that it authorize by this Order the issuance and delivery of the bonds in a single series at this time; and

WHEREAS, the County has a principal amount of at least \$100,000,000 in a combination of outstanding long-term indebtedness and long-term indebtedness proposed to be issued, and some amount of such long-term indebtedness is rated in one of the four highest rating categories for long-term debt instruments by a nationally recognized rating agency for municipal securities without regard to the effect of any credit agreement or other form of credit enhancement entered into in connection with the obligation, and therefore qualifies as an "Issuer" under Section 1371(4)(P) of Chapter 1371 of the Texas Government Code, as amended ("Chapter 1371"); and

WHEREAS, pursuant to Chapter 1371, the County desires to delegate the authority to effect the sale of the Bonds from time to time to the Authorized Officer; and

WHEREAS, it is officially found, determined, and declared that the meeting at which this Order has been adopted was open to the public and public notice of the time, place and subject matter of the public business to be considered and acted upon at said meeting, including this Order, was given, all as required by the applicable provisions of Chapter 551, Texas Government Code, as amended;

NOW THEREFORE, BE IT ORDERED BY THE COMMISSIONERS COURT OF COLLIN COUNTY, TEXAS:

ARTICLE I

DEFINITIONS AND OTHER PRELIMINARY MATTERS

Section 1.01. Definitions. Unless otherwise expressly provided or unless the context clearly requires otherwise, in this Order the following terms shall have the meanings specified below:

"Authorized Officer" means the County Judge or County Administrator.

"Bond" means any of the Bonds.

"Bonds" means the County's bonds entitled "Collin County, Texas, Limited Tax Permanent Improvement Bonds, Series 2019" authorized to be issued by Section 3.01.

"Business Day" means a day that is not a Saturday, Sunday, legal holiday or other day on which banking institutions in the city where the Designated Payment/Transfer Office is located are required or authorized by law or executive order to close.

"Closing Date" means the date of the initial delivery of and payment for the Bonds.

"Code" means the Internal Revenue Code of 1986, as amended, and, with respect to a specific section thereof, such reference shall be deemed to include (a) the Regulations promulgated under such section, (b) any successor provision of similar import hereafter enacted, (c) any corresponding provision of any subsequent Internal Revenue Code and (d) the regulations promulgated under the provisions described in (b) and (c).

"County" means the Collin County, Texas.

“Dated Date” means the date designated as the date of the Bonds in the Pricing Certificate.

“Designated Payment/Transfer Office” means (i) with respect to the initial Paying Agent/Registrar named herein, its office in Dallas, Texas, or at such other location designated by the Paying Agent/Registrar and (ii) with respect to any successor Paying Agent/Registrar, the office of such successor designated and located as may be agreed upon by the County and such successor.

“DTC” shall mean The Depository Trust Company of New York, New York, or any successor securities depository.

“DTC Participant” shall mean brokers and dealers, banks, trust companies, clearing corporations and certain other organizations on whose behalf DTC was created to hold securities to facilitate the clearance and settlement of securities transactions among DTC Participants.

“Event of Default” means any Event of Default as defined in Section 11.01.

“Fiscal Year” means such fiscal year as shall from time to time be set by the County.

“Initial Bond” means the Bond described in Section 3.04(d).

“Interest and Sinking Fund” means the interest and sinking fund established by Section 8.01(a).

“Interest Payment Date” means the date or dates upon which interest on the Bonds is scheduled to be paid until the maturity of the Bonds, such dates being February 15 and August 15 of each year commencing on the date set forth in the Pricing Certificate.

“Order” means this Order.

“Owner” means the person who is the registered owner of a Bond or Bonds, as shown in the Register.

“Paying Agent/Registrar” means initially The Bank of New York Mellon Trust Company, N.A., Dallas, Texas, or any successor thereto as provided in this Order.

“Paying Agent/Registrar Agreement” means the Paying Agent/Registrar Agreement between the County and the Paying Agent/Registrar relating to the Bonds.

“Pricing Certificate” means a certificate or certificates to be signed by an Authorized Officer.

“Purchase Contract” means, if the Bonds are sold in a negotiated sale, the purchase agreement between the County and the Underwriters providing for the sale of the Bonds to the Underwriters.

“Purchaser” means, if the Bonds are sold in a competitive sale, the initial purchaser of the Bonds designated in the Pricing Certificate.

“Project Fund” means the Project Fund established by Section 8.01(a).

“Record Date” means the last Business Day of the month next preceding an Interest Payment Date.

“Register” means the Register specified in Section 3.06(a).

“Regulations” means the applicable proposed, temporary or final Treasury Regulations promulgated under the Code or, to the extent applicable to the Code, under the Internal Revenue Code of 1954, as such regulations may be amended or supplemented from time to time.

“Representation Letter” means the Blanket Letter of Representations between the County and DTC.

“Representative” means the representative of the Underwriters, if any, designated in the Purchase Contract.

“Special Payment Date” means the Special Payment Date prescribed by Section 3.03(b).

“Special Record Date” means the Special Record Date prescribed by Section 3.03(b).

“Unclaimed Payments” means money deposited with the Paying Agent/Registrar for the payment of the principal, redemption premium, if any, or interest on Bonds as the same become due and payable or money set aside for the payment of Bonds duly called for redemption prior to maturity and remaining unclaimed by the Owners of such Bonds for 90 days after the applicable payment or redemption date.

“Underwriters” means, if the Bonds are sold in a negotiated sale, the underwriter designated in the Pricing Certificate.

Section 1.02. Other Definitions. The terms “Commissioners Court” and “County” shall have the meaning assigned in the preamble to this Order.

Section 1.03. Findings. The declarations, determinations and findings declared, made and found in the preamble to this Order are hereby adopted, restated and made a part of the operative provisions hereof.

Section 1.04. Table of Contents, Titles and Headings. The table of contents, titles and headings of the Articles and Sections of this Order have been inserted for convenience of reference only and are not to be considered a part hereof and shall not in any way modify or restrict any of the terms or provisions hereof and shall never be considered or given any effect in construing this Order or any provision hereof or in ascertaining intent, if any question of intent should arise.

Section 1.05. Interpretation.

(a) Unless the context requires otherwise, words of the masculine gender shall be construed to include correlative words of the feminine and neuter genders and vice versa, and words of the singular number shall be construed to include correlative words of the plural number and vice versa.

(b) Article and section references shall mean references to articles and sections of this Order unless designated otherwise.

(c) This Order and all the terms and provisions hereof shall be liberally construed to effectuate the purposes set forth herein to sustain the validity of this Order.

ARTICLE II

SECURITY FOR THE BONDS

Section 2.01. Tax Levy for Payment of the Bonds .....	5

(a) In order to provide for the payment of the debt service requirements on the Bonds, being (i) the interest on the Bonds and (ii) a sinking fund for their payment at maturity or a sinking fund of two percent (2%) per annum of the original principal amount of the Bonds (whichever is greater), there is hereby levied for the current year and each succeeding year thereafter, while the Bonds or interest thereon remain outstanding and unpaid, an ad valorem tax on each one hundred dollars valuation of taxable property within the County, at a rate sufficient, within the limit prescribed by law, to pay such debt service requirements, full allowance being made for delinquencies and costs of collection.

(b) The ad valorem tax thus levied shall be assessed and collected each year against all property appearing on the tax rolls of the County most recently approved in accordance with law, and the money thus collected shall be deposited as collected to the Interest and Sinking Fund.

(c) Said ad valorem tax, the collections therefrom, and all amounts on deposit in or required hereby to be deposited to the Interest and Sinking Fund are hereby pledged and committed irrevocably to the payment of the principal of and interest on the Bonds when and as due and payable in accordance with their terms and this Order.

(d) To the extent the County has available funds which may be lawfully used to pay debt service on the Bonds and such funds are on deposit in the Interest and Sinking Fund in advance of the time the County Commissioners are required to set a tax rate for any year, then such tax rate which otherwise would be required to be established pursuant to subsection (a) of this Section may be reduced to the extent and by the amount of such funds then on deposit in the Interest and Sinking Fund.

(e) If the liens and provisions of this Order shall be discharged in a manner permitted by Article XI, then the collection of such ad valorem tax may be suspended or appropriately

reduced, as the facts may permit, and further deposits to the Interest and Sinking Fund may be suspended or appropriately reduced, as the facts may permit.

ARTICLE III

AUTHORIZATION; GENERAL TERMS AND PROVISIONS REGARDING THE BONDS

Section 3.01. Authorization. The County's bonds to be designated "Collin County, Texas, Limited Tax Permanent Improvement Bonds, Series 2019," or such other title as may be specified in the Pricing Certificate, are hereby authorized to be issued and delivered in accordance with the Constitution and laws of the State of Texas, including Chapters 1251, 1301, 1371 and 1473, Texas Government Code, as amended, and Chapters 292 and 331, Texas Local Government Code, as amended. The Bonds shall be issued as set forth in the Pricing Certificate (i) in an aggregate principal amount (including any premium allocated to voted authorization) not to exceed \$100,155,000 for the purpose of constructing, improving and maintaining non-tolled, high-speed highways and freeways within Collin County and related service and frontage roads; including the acquisition of land and rights-of-way therefor; and including participating in the cost of joint county-state and county-city projects, (ii) in an aggregate principal amount (including any premium allocated to voted authorization) not to exceed \$8,500,000 for the purpose of constructing, improving and maintaining roads and bridges within Collin County, including the acquisition of land and rights-of-way therefor; and including participating in the cost of joint county-state and county-city projects, (iii) in an aggregate principal amount (including any premium allocated to voted authorization) not to exceed \$2,000,000 for the purpose of acquiring and improving land for park and open space purposes, including joint county-city projects, (iv) in an aggregate principal amount (including any premium allocated to voted authorization) not to exceed \$45,800,000 for the purpose of acquiring, constructing, improving, renovating and equipping juvenile and adult detention facilities, including court facilities, juvenile probation facilities and juvenile justice alternative education program facilities and the acquisition of land therefor, and (v) in an amount sufficient to pay the costs of issuance of the Bonds. The total principal amount of the Bonds to be issued shall not exceed \$156,455,000.

Section 3.02. Date, Denomination, Maturities, Numbers and Interest.

(a) The Bonds shall be dated the Dated Date as set forth in the Pricing Certificate, shall be in fully registered form, without coupons, in the denomination of \$5,000 or any integral multiple thereof, and shall be numbered separately from one upward or such other designation acceptable to the County and the Paying Agent/Registrar.

(b) The Bonds shall mature on the dates and in the principal amounts set forth in the Pricing Certificate:

(c) Interest shall accrue and be paid on each Bond, respectively, until the payment of the principal amount thereof shall have been paid or provided for, from the later of the Dated Date, unless otherwise provided in the Pricing Certificate, or the most recent Interest Payment Date to which interest has been paid or provided for at the rates per annum for each respective

maturity specified in the Pricing Certificate. Such interest shall be payable on each Interest Payment Date and shall be computed on the basis of a 360-day year of twelve 30-day months..

Section 3.03. Medium, Method and Place of Payment.

(a) The principal of, premium, if any, and interest on the Bonds shall be paid in lawful money of the United States of America as provided in this Section.

(b) Interest on the Bonds shall be payable to the Owners whose names appear in the Register at the close of business on the Record Date; provided, however, that in the event of nonpayment of interest on a scheduled Interest 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 (the "Special Payment Date," which shall be at least 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 Owner of a Bond appearing on the 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.

(c) Interest on the Bonds shall be paid by check (dated as of the Interest Payment Date) and sent by the Paying Agent/Registrar to the person entitled to such payment, United States mail, first class postage prepaid, to the address of such person as it appears in the Register or by such other customary banking arrangements acceptable to the Paying Agent/Registrar and the person to whom interest is to be paid; provided, however, that such person shall bear all risk and expenses of such other customary banking arrangements. At the option of an Owner of at least \$1,000,000 principal amount of the Bonds, interest may be paid by wire transfer to the bank account of such Owner on file with the Paying Agent/Registrar.

(d) The principal of each Bond shall be paid to the Owner on the due date thereof (whether at the maturity date or the date of prior redemption thereof) upon presentation and surrender of such Bond at the Designated Payment/Transfer Office.

(e) If the date for the payment of Debt Service is not a Business Day, the date for such payment shall be the next succeeding Business Day, and payment on such date shall for all purposes be deemed to have been made on the due date thereof as specified in this Section

(f) Unclaimed Payments shall be segregated in a special escrow account and held in trust, uninvested by the Paying Agent/Registrar, for the account of the Owners of the Bonds to which the Unclaimed Payments pertain. Subject to Title 6 of the Texas Property Code, Unclaimed Payments remaining unclaimed by the Owners entitled thereto for three years after the applicable payment or redemption date shall be applied to the next payment or payments on the Bonds thereafter coming due and, to the extent any such money remains after the retirement of all outstanding Bonds, shall be paid to the County to be used for any lawful purpose. Thereafter, neither the County, the Paying Agent/Registrar, nor any other person shall be liable or responsible to any Owners of such Bonds for any further payment of such unclaimed moneys or on account of any such Bonds, subject to Title 6 of the Texas Property Code.

Section 3.04. Execution and Initial Registration.

(a) The Bonds shall be executed on behalf of the County by the County Judge and County Clerk of the County, by their manual or facsimile signatures, and the official seal of the County shall be impressed or placed in facsimile thereon. Such facsimile signatures on the Bonds shall have the same effect as if each of the Bonds had been signed manually and in person by each of said officers, and such facsimile seal on the Bonds shall have the same effect as if the official seal of the County had been manually impressed upon each of the Bonds.

(b) In the event that any officer of the County whose manual or facsimile signature appears on the Bonds ceases to be such officer before the authentication of such Bonds or before the delivery thereof, such manual or facsimile signature nevertheless shall be valid and sufficient for all purposes as if such officer had remained in such office.

(c) Except as provided below, no Bond shall be valid or obligatory for any purpose or be entitled to any security or benefit of this Order unless and until there appears thereon the Certificate of Paying Agent/Registrar substantially in the form provided in this Order, duly authenticated by manual execution of the Paying Agent/Registrar. It shall not be required that the same authorized representative of the Paying Agent/Registrar sign the Certificate of Paying Agent/Registrar on all of the Bonds. In lieu of the executed Certificate of Paying Agent/Registrar described above, the Initial Bond delivered on the Closing Date shall have attached thereto the Comptroller's Registration Certificate substantially in the form provided in this Order, manually executed by the Comptroller of Public Accounts of the State of Texas or by his duly authorized agent, which certificate shall be evidence that the Initial Bond has been duly approved by the Attorney General of the State of Texas and that it is a valid and binding obligation of the County, and has been registered by the Comptroller.

(d) On the Closing Date, one Initial Bond representing the entire principal amount of the Bonds designated in the Pricing Certificate, payable in stated installments to the Purchaser or the Representative, as applicable, or their designee, executed and registered as provided above, approved by the Attorney General of Texas, and registered and manually signed by the Comptroller of Public Accounts of the State of Texas, will be delivered to the Purchaser or Representative, as applicable, or their designee. Upon payment for the Initial Bond, the Paying Agent/Registrar shall cancel the Initial Bond and deliver to DTC on behalf of the Underwriter registered definitive Bonds as described in Section 3.10(a). To the extent the Paying Agent/Registrar is eligible to participate in DTC's FAST System, as evidenced by agreement between the Paying Agent/Registrar and DTC, the Paying Agent/Registrar shall hold the definitive Bonds in safekeeping for DTC.

Section 3.05. Ownership.

(a) The County, the Paying Agent/Registrar and any other person may treat the Owner as the absolute owner of such Bond for the purpose of making and receiving payment of the principal thereof and premium, if any, thereon, for the further purpose of making and receiving payment of the interest thereon (subject to the provisions herein that interest is to be paid to the person in whose name the Bond is registered on the Record Date), and for all other

purposes, whether or not such Bond is overdue, and neither the County nor the Paying Agent/Registrar shall be bound by any notice or knowledge to the contrary.

(b) All payments made to the Owner of any Bond in accordance with this Section shall be valid and effectual and shall discharge the liability of the County and the Paying Agent/Registrar upon such Bond to the extent of the sums paid.

Section 3.06. Registration, Transfer and Exchange.

(a) So long as any Bonds remain outstanding, the County shall cause the Paying Agent/Registrar to keep at the Designated Payment/Transfer Office a register (the "Register") in which, subject to such reasonable regulations as it may prescribe, the Paying Agent/Registrar shall provide for the registration and transfer of Bonds in accordance with this Order.

(b) The ownership of a Bond may be transferred only upon the presentation and surrender of the Bond at the Designated Payment/Transfer Office of the Paying Agent/Registrar with such endorsement or other evidence of transfer as is acceptable to the Paying Agent/Registrar. No transfer of any Bond shall be effective until entered in the Register.

(c) The Bonds shall be exchangeable upon the presentation and surrender thereof at the Designated Payment/Transfer Office of the Paying Agent/Registrar for a Bond or Bonds of the same maturity and interest rate and in any denomination or denominations of any integral multiple of \$5,000 principal amount and in an aggregate principal amount equal to the unpaid principal amount of the Bonds presented for exchange. The Paying Agent/Registrar is hereby authorized to authenticate and deliver Bonds exchanged for other Bonds in accordance with this Section.

(d) Each exchange Bond delivered by the Paying Agent/Registrar in accordance with this Section shall constitute an original contractual obligation of the County and shall be entitled to the benefits and security of this Order to the same extent as the Bond or Bonds in lieu of which such exchange Bond is delivered.

(e) No service charge shall be made to the Owner for the initial registration or any subsequent transfer of Bonds, but the Paying Agent/Registrar will require the Owner to pay the reasonable cost incurred by the Paying Agent/Registrar in connection with the exchange of a Bond or Bonds for a different denomination where no simultaneous transfer of the Bond or Bonds to a new Owner also occurs. In addition, the Paying Agent/Registrar may require the Owner to pay a sum sufficient to cover any tax or other governmental charge that is authorized to be imposed in connection with the registration, transfer or exchange of a Bond.

(f) Neither the County nor the Paying Agent/Registrar shall be required to transfer or exchange any Bond so selected for redemption, in whole or in part, when such redemption is scheduled to occur within 45 days.

Section 3.07. Cancellation. All Bonds paid or redeemed in accordance with this Order, and all Bonds in lieu of which exchange Bonds or replacement Bonds are authenticated and delivered in accordance with this Order, shall be cancelled and proper records shall be made

regarding such payment, redemption, exchange, or replacement. The Paying Agent/Registrar shall then dispose of cancelled Bonds in accordance with the Securities Exchange Act of 1934.

Section 3.08. Temporary Bonds.

(a) Following the delivery and registration of the Initial Bond and pending the preparation of definitive Bonds, the proper officers of the County may execute and, upon the County's request, the Paying Agent/Registrar shall authenticate and deliver, one or more temporary Bonds that are printed, lithographed, typewritten, mimeographed or otherwise produced, in any denomination, substantially of the tenor of the definitive Bonds in lieu of which they are delivered, without coupons, and with such appropriate insertions, omissions, substitutions and other variations as the officers of the County executing such temporary Bonds may determine, as evidenced by their signing of such temporary Bonds.

(b) Until exchanged for Bonds in definitive form, such Bonds in temporary form shall be entitled to the benefit and security of this Order.

(c) The County, without unreasonable delay, shall prepare, execute and deliver to the Paying Agent/Registrar the Bonds in definitive form; thereupon, upon the presentation and surrender of the Bond or Bonds in temporary form to the Paying Agent/Registrar, the Paying Agent/Registrar shall cancel the Bonds in temporary form and authenticate and deliver in exchange therefor a Bond or Bonds of the same maturity and series, in definitive form, in the authorized denomination, and in the same aggregate principal amount, as the Bond or Bonds in temporary form surrendered. Such exchange shall be made without the making of any charge therefor to any Owner.

Section 3.09. Replacement Bonds.

(a) Upon the presentation and surrender to the Paying Agent/Registrar, at the Designated Payment/Transfer Office, of a mutilated Bond, the Paying Agent/Registrar shall authenticate and deliver in exchange therefor a replacement Bond of like tenor and principal amount, bearing a number not contemporaneously outstanding. The County or the Paying Agent/Registrar may require the Owner of such Bond to pay a sum sufficient to cover any tax or other governmental charge that is authorized to be imposed in connection therewith and any other expenses connected herewith.

(b) In the event that any Bond is lost, apparently destroyed or wrongfully taken, the Paying Agent/Registrar, pursuant to the applicable laws of the State of Texas and in the absence of notice or knowledge that such Bond has been acquired by a bona fide purchaser, shall authenticate and deliver a replacement Bond of like tenor and principal amount, bearing a number not contemporaneously outstanding, provided that the Owner first:

- (i) furnishes to the Paying Agent/Registrar satisfactory evidence of his or her ownership of and the circumstances of the loss, destruction or theft of such Bond;
- (ii) furnishes such security or indemnity as may be required by the Paying Agent/Registrar and the County to save them harmless;

- (iii) pays all expenses and charges in connection therewith, including, but not limited to, printing costs, legal fees, fees of the Paying Agent/Registrar and any tax or other governmental charge that is authorized to be imposed; and
- (iv) satisfies any other reasonable requirements imposed by the County and the Paying Agent/Registrar.

(c) If, after the delivery of such replacement Bond, a bona fide purchaser of the original Bond in lieu of which such replacement Bond was issued presents for payment such original Bond, the County and the Paying Agent/Registrar shall be entitled to recover such replacement Bond from the person to whom it was delivered or any person taking therefrom, except a bona fide purchaser, and shall be entitled to recover upon the security or indemnity provided therefor to the extent of any loss, damage, cost or expense incurred by the County or the Paying Agent/Registrar in connection therewith.

(d) In the event that any such mutilated, lost, apparently destroyed or wrongfully taken Bond has become or is about to become due and payable, the Paying Agent/Registrar, in its discretion, instead of issuing a replacement Bond, may pay such Bond if it has become due and payable or may pay such Bond when it becomes due and payable.

(e) Each replacement Bond delivered in accordance with this Section shall constitute an original additional contractual obligation of the County and shall be entitled to the benefits and security of this Order to the same extent as the Bond or Bonds in lieu of which such replacement Bond is delivered.

Section 3.10. Book-Entry Only System.

(a) The definitive Bonds shall be initially issued in the form of a separate single fully registered Bond for each of the maturities thereof. Upon initial issuance, the ownership of each such Bond shall be registered in the name of Cede & Co., as nominee of DTC, and except as provided in Section 3.11 hereof, all of the outstanding Bonds shall be registered in the name of Cede & Co., as nominee of DTC.

(b) With respect to Bonds registered in the name of Cede & Co., as nominee of DTC, the County and the Paying Agent/Registrar shall have no responsibility or obligation to any DTC Participant or to any person on behalf of whom such a DTC Participant holds an interest in the Bonds, except as provided in this Order. Without limiting the immediately preceding sentence, the County and the Paying Agent/Registrar shall have no responsibility or obligation with respect to (i) the accuracy of the records of DTC, Cede & Co. or any DTC Participant with respect to any ownership interest in the Bonds, (ii) the delivery to any DTC Participant or any other person, other than an Owner, as shown on the Register, of any notice with respect to the Bonds, including any notice of redemption, or (iii) the payment to any DTC Participant or any other person, other than an Owner, as shown in the Register of any amount with respect to principal of, premium, if any, or interest on the Bonds. Notwithstanding any other provision of this Order to the contrary, the County and the Paying Agent/Registrar shall be entitled to treat and consider the person in whose name each Bond is registered in the Register as the absolute Owner of such

Bond for the purpose of payment of principal of, premium, if any, and interest on the Bonds, for the purpose of giving notices of redemption and other matters with respect to such Bond, for the purpose of registering transfer with respect to such Bond, and for all other purposes whatsoever. The Paying Agent/Registrar shall pay all principal of, premium, if any, and interest on the Bonds only to or upon the order of the respective Owners, as shown in the Register as provided in this Order, or their respective attorneys duly authorized in writing, and all such payments shall be valid and effective to fully satisfy and discharge the County's obligations with respect to payment of, premium, if any, and interest on the Bonds to the extent of the sum or sums so paid. No person other than an Owner, as shown in the register, shall receive a certificate evidencing the obligation of the County to make payments of amounts due pursuant to this Order. Upon delivery by DTC to the Paying Agent/Registrar of written notice to the effect that DTC has determined to substitute a new nominee in place of Cede & Co., and subject to the provisions in this Order with respect to interest checks or drafts being mailed to the registered Owner at the close of business on the Record Date, the word "Cede & Co." in this Order shall refer to such new nominee of DTC.

(c) The Representations Letter previously executed and delivered by the County, and applicable to the County's obligations delivered in book-entry-only form to DTC as securities depository, is hereby ratified and approved for the Bonds.

Section 3.11. Successor Securities Depository; Transfer Outside Book-Entry Only System. In the event that the County or the Paying Agent/Registrar determines that DTC is incapable of discharging its responsibilities described herein and in the Representation Letter, and that it is in the best interest of the beneficial owners of the Bonds that they be able to obtain certificated Bonds, or in the event DTC discontinues the services described herein, the County or the Paying Agent/ Registrar shall (i) appoint a successor securities depository, qualified to act as such under Section 17(a) of the Securities and Exchange Act of 1934, as amended, notify DTC and DTC Participants, as identified by DTC, of the appointment of such successor securities depository and transfer one or more separate Bonds to such successor securities depository or (ii) notify DTC and DTC Participants, as identified by DTC, of the availability through DTC of Bonds and transfer one or more separate Bonds to DTC Participants having Bonds credited to their DTC accounts, as identified by DTC. In such event, the Bonds shall no longer be restricted to being registered in the Register in the name of Cede & Co., as nominee of DTC, but may be registered in the name of the successor securities depository, or its nominee, or in whatever name or names Owners transferring or exchanging Bonds shall designate, in accordance with the provisions of this Order.

Section 3.12. Payments to Cede & Co. Notwithstanding any other provision of this Order to the contrary, so long as any Bonds are registered in the name of Cede & Co., as nominee of DTC, all payments with respect to principal of, premium, if any, and interest on such Bonds, and all notices with respect to such Bonds, shall be made and given, respectively, in the manner provided in the Representation Letter.

ARTICLE IV

REDEMPTION OF BONDS BEFORE MATURITY

Section 4.01. Limitation on Redemption. The Bonds shall be subject to redemption before scheduled maturity only as provided in this Article IV and the Pricing Certificate.

Section 4.02. Optional Redemption.

(a) The Bonds shall be subject to redemption at the option of the County at such times, in such amounts, in such manner and at such redemption prices as may be designated and provided for in the Pricing Certificate.

(b) The County, at least 45 days before the redemption date, unless a shorter period shall be satisfactory to the Paying Agent/Registrar, shall notify the Paying Agent/Registrar of such redemption date and of the principal amount of Bonds to be redeemed.

Section 4.03. Mandatory Sinking Fund Redemption.

(a) The Bonds designated as term bonds in the Pricing Certificate (the "Term Bonds"), if any, are subject to scheduled mandatory redemption and will be redeemed by the County, in part at a price equal to the principal amount thereof, without premium, plus accrued interest to the redemption date, out of moneys available for such purpose in the Interest and Sinking Fund, on the dates and in the respective principal amounts as set forth in the Pricing Certificate.

(b) At least forty five (45) days prior to each scheduled mandatory redemption date, the Paying Agent/Registrar shall select for redemption by lot, or by any other customary method that results in a random selection, a principal amount of Term Bonds equal to the aggregate principal amount of such Term Bonds to be redeemed, shall call such Term Bonds for redemption on such scheduled mandatory redemption date, and shall give notice of such redemption, as provided in Section 4.05 .

(c) The principal amount of the Term Bonds required to be redeemed on any redemption date pursuant to subparagraph (a) of this Section 4.03 shall be reduced, at the option of the County, by the principal amount of any Term Bonds which, at least 45 days prior to the mandatory sinking fund redemption date (i) shall have been acquired by the County at a price not exceeding the principal amount of such Term Bonds plus accrued interest to the date of purchase thereof, and delivered to the Paying Agent/Registrar for cancellation, or (ii) shall have been redeemed pursuant to the optional redemption provisions hereof and not previously credited to a mandatory sinking fund redemption.

Section 4.04. Partial Redemption.

(a) If less than all of the Bonds are to be redeemed, the County shall determine the maturity or maturities and the amounts thereof to be redeemed and shall direct the Paying Agent/Registrar to call by lot the Bonds, or portions thereof, within such maturity or maturities and in such principal amounts for redemption.

(b) A portion of a single Bond of a denomination greater than \$5,000 may be redeemed, but only in a principal amount equal to \$5,000 or any integral multiple thereof. If such a Bond is to be partially redeemed, the Paying Agent/Registrar shall treat each \$5,000 portion of a Bond as though it were a single bond for purposes of selection for redemption.

(c) Upon surrender of any Bond for redemption in part, the Paying Agent/Registrar, in accordance with Section 3.06 of this Order, shall authenticate and deliver an exchange Bond or Bonds in an aggregate principal amount equal to the unredeemed portion of the Bond so surrendered, such exchange being without charge, notwithstanding any provision of Section 3.06 to the contrary.

(d) The Paying Agent/Registrar shall promptly notify the County in writing of the principal amount to be redeemed of any Bond as to which only a portion thereof is to be redeemed.

Section 4.05. Notice of Redemption to Owners.

(a) The Paying Agent/Registrar shall give notice of any redemption of Bonds by sending notice by United States mail, first class, postage prepaid, not less than 30 days before the date fixed for redemption, to the Owner of each Bond (or part thereof) to be redeemed, at the address shown in the Register at the close of business on the Business Day next preceding the date of mailing such notice.

(b) The notice shall state the redemption date, the redemption price, the place at which the Bonds are to be surrendered for payment, and, if less than all the Bonds outstanding are to be redeemed, an identification of the Bonds or portions thereof to be redeemed.

(c) Any notice given as provided in this Section shall be conclusively presumed to have been duly given, whether or not the Owner receives such notice.

Section 4.06. Payment Upon Redemption.

(a) Before or on each redemption date, the County shall deposit with the Paying Agent/Registrar money sufficient to pay all amounts due on the redemption date and the Paying Agent/Registrar shall make provision for the payment of the Bonds to be redeemed on such date by setting aside and holding in trust an amount from the Interest and Sinking Fund or otherwise received by the Paying Agent/Registrar from the County and shall use such funds solely for the purpose of paying the principal of, redemption premium, if any, and accrued interest on the Bonds being redeemed.

(b) Upon presentation and surrender of any Bond called for redemption at the Designated Payment/Transfer Office on or after the date fixed for redemption, the Paying Agent/Registrar shall pay the principal of, redemption premium, if any, and accrued interest on such Bond to the date of redemption from the money set aside for such purpose.

Section 4.07. Effect of Redemption.

(a) Notice of redemption having been given as provided in Section 4.05 of this Order and subject, in the case of an optional redemption under Section 4.02, to any conditions or rights reserved by the County under Section 4.08, the Bonds or portions thereof called for redemption shall become due and payable on the date fixed for redemption and, unless the County defaults in its obligation to make provision for the payment of the principal thereof, redemption premium, if any, or accrued interest thereon, such Bonds or portions thereof shall cease to bear interest from and after the date fixed for redemption, whether or not such Bonds are presented and surrendered for payment on such date.

(b) If the County shall fail to make provision for payment of all sums due on a redemption date, then any Bond or portion thereof called for redemption shall continue to bear interest at the rate stated on the Bond until due provision is made for the payment of same.

Section 4.08. Conditional Notice of Redemption.

The County reserves the right, in the case of an optional redemption pursuant to Section 4.02 herein, 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.

Section 4.09. Lapse of Payment. Money set aside for the redemption of the Bonds and remaining unclaimed by Owners thereof shall be subject to the provisions of Section 3.03(f) hereof.

ARTICLE V

PAYING AGENT/REGISTRAR

Section 5.01. Appointment of Initial Paying Agent/Registrar.

(a) The Bank of New York Mellon Trust Company, N.A., is hereby appointed as the initial Paying Agent/Registrar for the Bonds, unless otherwise specified in the Pricing Certificate.

(b) The Authorized Officer is hereby authorized and directed to execute and deliver or cause the execution and delivery by the County Judge and County Clerk, a Paying Agent/Registrar Agreement, substantially in the form presented at this meeting, specifying the duties and responsibilities of the County and the Paying Agent/Registrar. The Commissioners Court hereby approves the form of the Paying Agent/Registrar Agreement.

Section 5.02. Qualifications. Each Paying Agent/Registrar shall be a commercial bank, trust company, or other entity duly qualified and legally authorized under applicable law, to serve as and perform the duties and services of paying agent and registrar for the Bonds.

Section 5.03. Maintaining Paying Agent/Registrar.

(a) At all times while any Bonds are outstanding, the County will maintain a Paying Agent/Registrar that is qualified under Section 5.02 of this Order.

(b) If the Paying Agent/Registrar resigns or otherwise ceases to serve as such, the County will promptly appoint a replacement.

Section 5.04. Termination. The County reserves the right to terminate the appointment of any Paying Agent/Registrar by delivering to the entity whose appointment is to be terminated (i) forty-five (45) days written notice of the termination of the appointment and of the Paying Agent/Registrar Agreement, stating the effective date of such termination, and (ii) appointing a successor Paying Agent/Registrar; provided, that, no such termination shall be effective until a successor paying agent/registrar has assumed the duties of paying agent/registrar for the Bonds.

Section 5.05. Notice of Change to Owners. Promptly upon each change in the entity serving as Paying Agent/Registrar, the County will cause notice of the change to be sent to each Owner by United States mail, first class postage prepaid, at the address in the Register, stating the effective date of the change and the name of the replacement Paying Agent/Registrar and the mailing address of its Designated Payment/Transfer Office.

Section 5.06. Agreement to Perform Duties and Functions. By accepting the appointment as Paying Agent/Registrar, the Paying Agent/Registrar is deemed to have agreed to the provisions of this Order and that it will perform the duties and functions of Paying Agent/Registrar prescribed hereby.

Section 5.07. Delivery of Records to Successor. If a Paying Agent/Registrar is replaced, such Paying Agent/Registrar, promptly upon the appointment of the successor, will deliver the Register (or a copy thereof) and all other pertinent books and records relating to the Bonds to the successor Paying Agent/Registrar.

ARTICLE VI

FORM OF THE BONDS

Section 6.01. Form Generally.

(a) The Bonds, including the Registration Certificate of the Comptroller of Public Accounts of the State of Texas, the Certificate of the Paying Agent/Registrar, and the Assignment form to appear on each of the Bonds, (i) shall be substantially in the form set forth in this Article, with such appropriate insertions, omissions, substitutions, and other variations as are permitted or required by this Order and the Pricing Certificate, and (ii) may have such letters, numbers, or other marks of identification (including identifying numbers and letters of the Committee on Uniform Securities Identification Procedures of the American Bankers Association) and such legends and endorsements (including any reproduction of an opinion of counsel) thereon as, consistently herewith, may be determined by the County or by the officers executing such Bonds, as evidenced by their execution thereof.

(b) Any portion of the text of any Bonds may be set forth on the reverse side thereof, with an appropriate reference thereto on the face of the Bonds.

(c) The definitive Bonds, if any, shall be typewritten, photocopied, printed, lithographed, or engraved, and may be produced by any combination of these methods or produced in any other similar manner, all as determined by the officers executing such Bonds, as evidenced by their execution thereof.

(d) The Initial Bond submitted to the Attorney General of the State of Texas may be typewritten and photocopied or otherwise reproduced.

Section 6.02. Form of Bonds. The form of Bonds, including the form of the Registration Certificate of the Comptroller of Public Accounts of the State of Texas, the form of Bond of the Paying Agent/Registrar and the form of Assignment appearing on the Bonds, shall be substantially as follows, with such appropriate insertions, omissions, substitutions, and other variations as are permitted or required by this Order and the Pricing Certificate:

(a) Form of Bond

REGISTERED
No. R- _____

REGISTERED
\$ _____

United States of America
State of Texas
COLLIN COUNTY, TEXAS
LIMITED TAX REFUNDING AND IMPROVEMENT BOND
SERIES 2019⁽¹⁾

INTEREST RATE: MATURITY DATE: CLOSING DATE: CUSIP NUMBER:
_____ % February 15, _____, 2019⁽²⁾ _____

Collin County (the "County"), State of Texas, for value received, hereby promises to pay
to

_____ or registered assigns, on the Maturity Date specified above, the sum of

_____ DOLLARS

unless this Bond shall have been sooner called for redemption and the payment of the principal hereof shall have been paid or provision for such payment shall have been made, and to pay interest on the unpaid principal amount hereof from the later of the Closing Date specified above or the most recent interest payment date to which interest has been paid or provided for until such principal amount shall have been paid or provided for, at the per annum rate of interest specified above, computed on the basis of a 360-day year of twelve 30-day months, such interest to be paid semiannually on February 15 and August 15 of each year, commencing _____, 20__.⁽³⁾

The principal of this Bond shall be payable without exchange or collection charges in lawful money of the United States of America upon presentation and surrender of this Bond at the corporate trust office in Dallas, Texas, or such other location designated by The Bank of New York Mellon Trust Company, N.A. (the "Designated Payment/Transfer Office"), as the initial Paying Agent/Registrar, or, with respect to a successor Paying Agent/Registrar, at the Designated Payment/Transfer Office of such successor. Interest on this Bond is payable by check dated as of the interest payment date and sent by the Paying Agent/Registrar to the person entitled to such payment, United States mail, first class postage prepaid, to the address of such person as it appears in the Register or by such other customary banking arrangements acceptable to the Paying Agent/Registrar and the person to whom interest is to be paid; provided, however,

⁽¹⁾ Insert from Pricing Certificate.

⁽²⁾ Insert from Pricing Certificate.

⁽³⁾ Insert from Pricing Certificate.

that such person shall bear all risk and expenses of such other customary banking arrangements. At the option of an Owner of at least \$1,000,000 principal amount of the Bonds, interest may be paid by wire transfer to the bank account of such Owner on file with the Paying Agent/Registrar. For the purpose of the payment of interest on this Bond, the registered owner shall be the person in whose name this Bond is registered at the close of business on the "Record Date," which shall be the last business day of the month next preceding such interest payment date; provided, however, that in the event of nonpayment of interest on a scheduled interest 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 (the "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 Owner of a Bond appearing on the books of the Paying Agent/Registrar at the close of business on the last Business Day preceding the date of mailing such notice.

If a date for the payment of the principal of or interest on the Bonds is a Saturday, Sunday, legal holiday, or a day on which banking institutions in the city in which the Designated Payment/Transfer Office is located are authorized by law or executive order to close, then the date for such payment shall be the next succeeding day which is not a Saturday, Sunday, legal holiday, or day on which such banking institutions are authorized to close; and payment on such date shall have the same force and effect as if made on the original date payment was due.

This Bond is one of a series of fully registered bonds specified in the title hereof issued in the aggregate principal amount of \$ _____⁽⁴⁾ (herein referred to as the "Bonds") pursuant to a certain order of the Commissioners Court of the County (the "Order") for the public purpose of providing funds for the purpose of (i) constructing, improving and maintaining non-tolled, high-speed highways and freeways within Collin County and related service and frontage roads; including the acquisition of land and rights-of-way therefor; and including participating in the cost of joint county-state and county-city projects, (ii) for the purpose of constructing, improving and maintaining roads and bridges within Collin County, including the acquisition of land and rights-of-way therefor; and including participating in the cost of joint county-state and county-city projects, (iii) acquiring and improving land for park and open space purposes, including joint county-city projects, (iv) acquiring, constructing, improving, renovating and equipping juvenile and adult detention facilities, including court facilities, juvenile probation facilities and juvenile justice alternative education program facilities and the acquisition of land therefor, and (v) paying the costs of issuance related to the Bonds.

The Bonds and the interest thereon are payable from the levy of a direct and continuing ad valorem tax, within the limit prescribed by law, against all taxable property in the County as described and provided in the Order.

The County has reserved the option to redeem the Bonds maturing on or after February 15, 20__,⁽⁵⁾ in whole or in part, before their respective scheduled maturity dates, on

⁽⁴⁾ Insert from Pricing Certificate.

⁽⁵⁾ Insert from Pricing Certificate.

February 15, 20__,⁽⁶⁾ or on any date thereafter, at a price equal to the principal amount of the Bonds so called for redemption plus accrued interest to the date fixed for redemption. If less than all of the Bonds are to be redeemed, the County shall determine the maturity or maturities and the amounts thereof to be redeemed and shall direct the Paying Agent/Registrar to call by lot the Bonds, or portions thereof, within such maturity and in such principal amounts, for redemption.

The Bonds maturing on February 15, 20__⁽⁷⁾ (the "Term Bonds"), are subject to scheduled mandatory redemption and will be redeemed by the County, in part at a price equal to the principal amount thereof, without premium, plus accrued interest to the redemption date, out of moneys available for such purpose in the Interest and Sinking Fund, on the dates and in the respective principal amounts as set forth below.

\$ <u>Term Bonds Maturing February 15,</u> ⁽⁸⁾	
<u>Year</u> ⁽⁹⁾	<u>Amount</u> ⁽¹⁰⁾
February 15, 20__	
February 15, 20__ (maturity)	

The Paying Agent/Registrar will select by lot the specific Term Bonds (or with respect to Term Bonds having a denomination in excess of \$5,000, each \$5,000 portion thereof) to be redeemed by mandatory redemption. The principal amount of Term Bonds required to be redeemed on any redemption date pursuant to the foregoing mandatory sinking fund redemption provisions hereof shall be reduced, at the option of the County, by the principal amount of any Term Bonds which, at least 45 days prior to the mandatory sinking fund redemption date (i) shall have been acquired by the County at a price not exceeding the principal amount of such Term Bonds plus accrued interest to the date of purchase thereof, and delivered to the Paying Agent/Registrar for cancellation, or (ii) shall have been redeemed pursuant to the optional redemption provisions hereof and not previously credited to a mandatory sinking fund redemption.

Notice of such redemption or redemptions shall be given by first class mail, postage prepaid, not less than 30 days before the date fixed for redemption, to the registered owner of each of the Bonds to be redeemed in whole or in part. Notice having been so given, the Bonds or portions thereof designated for redemption shall become due and payable on the redemption date specified in such notice; and, from and after such date, notwithstanding that any of the Bonds or portions thereof so called for redemption shall not have been surrendered for payment, interest on such Bonds or portions thereof shall cease to accrue.

In the Order, 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

⁽⁶⁾ Insert from Pricing Certificate.

⁽⁷⁾ Insert from Pricing Certificate.

⁽⁸⁾ Insert from Pricing Certificate.

⁽⁹⁾ Insert from Pricing Certificate.

⁽¹⁰⁾ Insert from Pricing Certificate.

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.

Any notice so mailed shall be conclusively presumed to have been duly given, whether or not the registered owner receives such notice. Notice having been so given and subject, in the case of an optional redemption, to any rights or conditions reserved by the county in the notice, the Bonds called for redemption shall become due and payable on the specified redemption date, and notwithstanding that any Bond or portion thereof has not been surrendered for payment, interest on such Bond or portion thereof shall cease to accrue.

As provided in the Order, and subject to certain limitations therein set forth, this Bond is transferable upon surrender of this Bond for transfer at the Designated Payment/Transfer Office, with such endorsement or other evidence of transfer as is acceptable to the Paying Agent/Registrar, and, thereupon, one or more new fully registered Bonds of the same stated maturity, of authorized denominations, bearing the same rate of interest, and for the same aggregate principal amount will be issued to the designated transferee or transferees.

The County, the Paying Agent/Registrar, and any other person may treat the person in whose name this Bond is registered as the owner hereof for the purpose of receiving payment as herein provided (except interest shall be paid to the person in whose name this Bond is registered on the Record Date or Special Record Date, as applicable) and for all other purposes, whether or not this Bond be overdue, and neither the County nor the Paying Agent/Registrar shall be affected by notice to the contrary.

Neither the County nor the Paying Agent/Registrar shall be required to issue, transfer or exchange any Bond called for redemption where such redemption is scheduled to occur within 45 calendar days of the transfer or exchange date; provided, however, such limitation shall not be applicable to an exchange by the registered owner of the uncalled principal balance of a Bond.

IT IS HEREBY CERTIFIED AND RECITED that the issuance of this Bond and the series of which it is a part is duly authorized by law; that all acts, conditions and things required to be done precedent to and in the issuance of the Bonds have been properly done and performed and have happened in regular and due time, form and manner, as required by law; and that the total indebtedness of the County, including the Bonds, does not exceed any constitutional or statutory limitation.

IN WITNESS WHEREOF, the County has caused this Bond to be executed by the manual or facsimile signature of the County Judge, countersigned by the manual or facsimile signature of the County Clerk of the County, and the official seal of the County has been duly impressed or placed in facsimile on this Bond.

County Clerk, Collin County

County Judge, Collin County

[SEAL]

(b) Form of Comptroller's Registration Certificate. The following Comptroller's Registration Certificate may be deleted from the definitive Bonds if such certificate on the Initial Bond is fully executed.

OFFICE OF THE COMPTROLLER
OF PUBLIC ACCOUNTS
OF THE STATE OF TEXAS

§
§
§

REGISTER NO. _____

I hereby certify that there is on file and of record in my office a certificate of the Attorney General of the State of Texas to the effect that this Bond has been examined by him as required by law, that he finds that it has been issued in conformity with the Constitution and laws of the State of Texas, and that it is a valid and binding obligation of the County of Collin, Texas; and that this Bond has this day been registered by me.

Witness my hand and seal of office at Austin, Texas, _____.

Comptroller of Public Accounts
of the State of Texas

[SEAL]

(c) Form of Certificate of Paying Agent/Registrar. The following Certificate of Paying Agent/Registrar may be deleted from the Initial Bond if the Comptroller's Registration Certificate appears thereon.

CERTIFICATE OF PAYING AGENT/REGISTRAR

The records of the Paying Agent/Registrar show that the Initial Bond of this series of Bonds was approved by the Attorney General of the State of Texas and registered by the Comptroller of Public Accounts of the State of Texas, and that this is one of the Bonds referred to in the within-mentioned Order.

THE BANK OF NEW YORK MELLON
TRUST COMPANY, N.A.,
as Paying Agent/Registrar

Dated: _____

By: _____
Authorized Signatory

(d) Form of Assignment.

ASSIGNMENT

FOR VALUE RECEIVED, the undersigned hereby sells, assigns, and transfers unto (print or typewrite name, address and Zip Code of transferee): _____

(Social Security or other identifying number: _____) the within Bond and all rights hereunder and hereby irrevocably constitutes and appoints _____ attorney to transfer the within Bond on the books kept for registration hereof, with full power of substitution in the premises.

Dated: _____

Signature Guaranteed By: _____

Authorized Signatory

NOTICE: The signature on this Assignment must correspond with the name of the registered owner as it appears on the face of the within Bond in every particular and must be guaranteed by an officer of a federal or state bank or a member of the National Association of Securities Dealers.

(e) The Initial Bond shall be in the form set forth in paragraphs (a) through (d) of this Section, except for the following alterations:

- (i) immediately under the name of the Bond the headings "INTEREST RATE" and "MATURITY DATE" shall both be completed with the

expression "As shown below," and the reference to the "CUSIP NUMBER ____" shall be deleted;

- (ii) in the first paragraph of the Bond, the words "on the Maturity Date specified above" shall be deleted and the following will be inserted: "on February 15 in each of the years, in the principal installments and bearing interest at the per annum rates set forth in the following schedule:

<u>Years</u>	<u>Principal Installments</u>	<u>Interest Rates</u>
(Information to be inserted from the Pricing Certificate); and		

- (iii) the Initial Bond shall be numbered T-1.

Section 6.03. CUSIP Registration. The County may secure identification numbers through the CUSIP Service Bureau Division of Standard & Poor's Corporation, New York, New York, and may authorize the printing of such numbers on the face of the Bonds. It is expressly provided, however, that the presence or absence of CUSIP numbers on the Bonds shall be of no significance or effect as regards the legality thereof and neither the County nor the attorneys approving said Bonds as to legality are to be held responsible for CUSIP numbers incorrectly printed on the Bonds.

Section 6.04. Legal Opinion. The approving legal opinion of Bracewell LLP, Bond Counsel, may be printed on the back of each Bond over the certification of the County Clerk of the County, which may be executed in facsimile.

Section 6.05. Municipal Bond Insurance. If municipal bond guaranty insurance is obtained with respect to the Bonds, the Bonds, including the Initial Bond, may bear an appropriate legend, as provided by the insurer.

ARTICLE VII

SALE OF THE BONDS; CONTROL AND DELIVERY OF THE BONDS

Section 7.01. Sale of Bonds; Official Statement.

(a) As authorized by Chapter 1371, Texas Government Code, the Authorized Officer is hereby authorized to act on behalf of the County in selling and delivering the Bonds and in carrying out the other procedures specified in this Order, including determining the price at which each of the Bonds will be sold, the number and designation of each series or subseries of Bonds to be issued, from time to time, the form in which the Bonds shall be issued, the years and dates on which the Bonds will mature, the principal amount to mature in each of such years, the aggregate principal amount of Bonds to be issued by the County, the rate of interest to be borne by each maturity of the Bonds, the Interest Payment Dates, the dates, prices and terms upon and at which the Bonds shall be subject to redemption prior to maturity at the option of the County and shall be subject to mandatory sinking fund redemption, whether the Bonds shall be sold in a competitive or negotiated sale, and all other matters relating to the issuance, sale and delivery of the Bonds; subject to the following conditions:

- (i) the aggregate principal amount, including any premium generated on the Bonds and allocated to voted authorization, to be issued for the purposes described in Section 3.01(i) hereof, shall not exceed \$100,155,000;
- (ii) the aggregate principal amount, including any premium generated on the Bonds and allocated to voted authorization, to be issued for the purposes described in Section 3.01(ii) hereof, shall not exceed \$8,500,000;
- (iii) the aggregate principal amount, including any premium generated on the Bonds and allocated to voted authorization, to be issued for the purposes described in Section 3.01(iii) hereof, shall not exceed \$2,000,000;
- (iv) the aggregate principal amount, including any premium generated on the Bonds and allocated to voted authorization, to be issued for the purposes described in Section 3.01(iv) hereof, shall not exceed \$45,800,000;
- (v) the Bonds shall mature not later than February 15, 2039;
- (vi) the Bonds shall not bear interest at a true interest cost greater than 3.75% and the net effective interest rate on the Bonds shall not exceed the maximum rate permitted by law; and
- (vii) the Bonds, to the extent required by Chapter 1371, must have been rated by a nationally recognized rating agency for municipal securities in one of the four highest rating categories for long-term obligations.

(b) If the Bonds are sold in a competitive sale, the Authorized Officer is authorized to, in conformity with this Order, approve the terms, conditions and specifications for the sale of the Bonds in the Notice of Sale. The Authorized Officer is further authorized to award the sale of the Bonds to the purchaser submitting a bid form conforming to the specification set forth in the Notice of Sale which produces the lowest true interest cost to the County. If the Bonds are sold in a negotiated sale, the Authorized Officer is hereby authorized and directed to execute and deliver on behalf of the County a Purchase Contract providing for the sale of the Bonds to the Underwriters, in such form as determined by the Authorized Officer. The Authorized Officer is hereby authorized and directed to approve the final terms and provisions of the Purchase Contract in accordance with the terms of the Pricing Certificate and this Order, which final terms shall be determined to be the most advantageous reasonably attainable by the County, such approval and determination being evidenced by its execution thereof by the Authorized Officer.

(c) The authority granted to the Authorized Officer under this Section 7.01 shall expire on a date 180 days from the date of this Order, unless otherwise extended by the Commissioners Court by separate action.

(d) The County hereby approves the preparation and distribution of a Preliminary Official Statement and a Notice of Sale (if the Bonds are sold in a competitive sale) for use in the initial offering and sale of the Bonds, each in the form and with such addenda, supplements or amendments as may be approved by the Authorized Officer. The Preliminary Official Statement (in the form and with such addenda, supplements or amendments as are approved by the

Authorized Officer) is hereby deemed final within the meaning and for the purposes of paragraph (b)(1) of Rule 15c2-12 under the Securities and Exchange Act of 1934. The County hereby authorizes the preparation of a final Official Statement reflecting the terms of the sale of the Bonds and other relevant information. The use of such final Official Statement by the Underwriters or the Purchaser, as applicable, (in the form and with such appropriate variations as shall be approved by the Authorized Officer and the Underwriters or the Purchaser, as applicable) is hereby approved and authorized and the proper officials of the County are authorized to sign such Official Statement. The use and distribution of the Preliminary Official Statement for the Bonds and the preliminary public offering of the Bonds by the Underwriters is hereby ratified, approved and confirmed.

(e) All officers of the County are authorized to take such actions and to execute such documents, certificates and receipts, and to make such elections with respect to the tax-exempt status of the Bonds, as they may deem necessary and appropriate in order to consummate the delivery of the Bonds.

(f) The obligation of the Purchaser or Underwriters, as applicable, to accept delivery of the Bonds is subject to the Purchasers or Underwriters, as applicable, being furnished with the final, approving opinion of Bracewell LLP, Dallas, Texas, Bond Counsel for the County, which opinion shall be dated as of and delivered on the Closing Date.

Section 7.02. Control and Delivery of Bonds.

(a) The Authorized Officer or County Judge is hereby authorized to have control of the Initial Bond and all necessary records and proceedings pertaining thereto pending investigation, examination and approval of the Attorney General of the State of Texas, registration by the Comptroller of Public Accounts of the State of Texas, and registration with, and initial exchange or transfer by, the Paying Agent/Registrar. Further, in connection with the submission of the record of proceedings for the Bonds to the Attorney General of the State of Texas for examination and approval of such Bonds, the appropriate officer of the County is hereby authorized and directed to issue a check of the County payable to the Attorney General of the State of Texas as a nonrefundable examination fee in the amount required by Chapter 1202, Texas Government Code (such amount not to exceed \$9,500).

(b) After registration by the Comptroller of Public Accounts, delivery of the Bonds shall be made to the Underwriters under and subject to the general supervision and direction of the Authorized Officer or County Judge, against receipt by the County of all amounts due to the County under the terms of sale.

ARTICLE VIII

CREATION OF FUNDS AND ACCOUNTS; DEPOSIT OF PROCEEDS; INVESTMENTS

Section 8.01. Creation of Funds.

(a) The County hereby establishes the following special funds or accounts, which may be renamed as appropriate in the Pricing Certificate:

- (i) Collin County, Texas, Limited Tax Permanent Improvement Bonds, Series 2019, Interest and Sinking Fund; and
- (ii) Collin County, Texas, Limited Tax Permanent Improvement Bonds, Series 2019, Project Fund.

(b) Each of said funds or accounts shall be maintained at an official depository of the County.

Section 8.02. Interest and Sinking Fund.

(a) The taxes levied under Section 2.01 shall be deposited to the credit of the Interest and Sinking Fund at such times and in such amounts as necessary for the timely payment of the principal of and interest on the Bonds.

(b) If the amount of money in the Interest and Sinking Fund is at least equal to the aggregate principal amount of the outstanding Bonds plus the aggregate amount of interest due and that will become due and payable on such Bonds, no further deposits to that fund need be made.

(c) Money on deposit in the Interest and Sinking Fund shall be used to pay the principal of and interest on the Bonds as such become due and payable.

Section 8.03. Project Fund.

(a) Money on deposit in the Project Fund, including investment earnings thereon, shall be used for the purposes specified in Section 3.01 of this Order.

(b) All amounts remaining in the Project Fund after the accomplishment of the purposes for which the Bonds are hereby issued, including investment earnings of the Project Fund, shall be deposited into the Interest and Sinking Fund.

Section 8.04. Security of Funds. All moneys on deposit in the funds and accounts referred to in this Order shall be secured in the manner and to the fullest extent required by the laws of the State of Texas for the security of public funds, and moneys on deposit in such funds shall be used only for the purposes permitted by this Order.

Section 8.05. Deposit of Proceeds. The proceeds from the sale of the Bonds shall be deposited as set forth in the Pricing Certificate.

Section 8.06. Investments.

(a) Money in the Interest and Sinking Fund and the Project Fund, at the option of the County, may be invested in such securities or obligations as permitted under applicable law.

(b) Any securities or obligations in which money is invested pursuant to Section 8.06(a) shall be kept and held in trust for the benefit of the Owners and shall be sold and the proceeds of sale shall be timely applied to the making of all payments required to be made from the fund from which the investment was made.

Section 8.07. Investment Income. Interest and income derived from investment of any fund or account created by this Order shall be credited to such fund or account.

ARTICLE IX

PARTICULAR REPRESENTATIONS AND COVENANTS

Section 9.01. Payment of the Bonds. While any of the Bonds are outstanding and unpaid, there shall be made available to the Paying Agent/Registrar, out of the Interest and Sinking Fund, money sufficient to pay the interest on and the principal of the Bonds, as applicable, as will accrue or mature on each applicable Interest Payment Date.

Section 9.02. Other Representations and Covenants.

(a) The County will faithfully perform at all times any and all covenants, undertakings, stipulations, and provisions contained in this Order and in each Bond; the County will promptly pay or cause to be paid the principal of, interest on, and premium, if any, with respect to, each Bond on the dates and at the places and manner prescribed in such Bond; and the County will, at the times and in the manner prescribed by this Order, deposit or cause to be deposited the amounts of money specified by this Order.

(b) The County is duly authorized under the laws of the State of Texas to issue the Bonds; all action on its part for the creation and issuance of the Bonds has been duly and effectively taken; and the Bonds in the hands of the Owners thereof are and will be valid and enforceable obligations of the County in accordance with their terms.

Section 9.03. Federal Income Tax Exclusion.

(a) General. The County intends that the interest on the Bonds be excludable from gross income for federal income tax purposes pursuant to sections 103 and 141 through 150 of the Code, inclusive. The County covenants and agrees not to take any action, or omit to take any action within its control, that if taken or omitted, respectively, would (i) cause the interest on the Bonds to be includable in gross income, as defined in section 61 of the Code, for federal income tax purposes or (ii) result in the violation of or failure to satisfy any provision of sections 103 and 141 through 150 of the Code, inclusive, that is applicable to the Bonds. In particular, the County

covenants and agrees to comply with each requirement of this Section 9.03; provided, however, that the County will not be required to comply with any particular requirement of this Section 9.03 if the County has received an opinion of nationally recognized bond counsel ("Counsel's Opinion") that (i) such noncompliance will not adversely affect the exclusion from gross income for federal income tax purposes of interest on the Bonds or (ii) compliance with some other requirement will satisfy the applicable requirements of the Code and the Regulations, in which case compliance with such other requirement specified in such Counsel's Opinion will constitute compliance with the corresponding requirement specified in this Section 9.03.

(b) No Private Use or Payment and No Private Loan Financing. The County covenants and agrees that it will make such use of the proceeds of the Bonds, including interest or other investment income derived from Bond proceeds, regulate the use of property financed, directly or indirectly, with such proceeds, and take such other and further action as may be required so that the Bonds will not be "private activity bonds" within the meaning of section 141 of the Code. Moreover, the County will certify, through an authorized officer, employee or agent, based upon all facts and estimates known or reasonably expected to be in existence on the date the Bonds are delivered, that the proceeds of the Bonds will not be used in a manner that would cause the Bonds to be "private activity bonds" within the meaning of section 141 of the Code.

(c) No Federal Guaranty. The County covenants and agrees that it has not and will not take any action, or knowingly omit to take any action within its control that, if taken or omitted, respectively, would cause the Bonds to be "federally guaranteed" within the meaning of section 149(b) of the Code, except as permitted by section 149(b)(3) of the Code. .

(d) No Hedge Bonds. The County covenants and agrees that it has not and will not take any action, and has not knowingly omitted and will not knowingly omit to take any action, within its control, that, if taken or omitted, respectively, would cause the Bonds to be "hedge bonds" within the meaning of Section 149(g) of the Code.

(e) No Arbitrage. The County covenants and agrees that it will make such use of the proceeds of the Bonds, including interest or other investment income derived from Bond proceeds, regulate investments of proceeds of the Bonds, and take such other and further action as may be required so that the Bonds will not be "arbitrage bonds" within the meaning of section 148(a) of the Code. Moreover, the County will certify, through an authorized officer, employee or agent, based upon all facts and estimates known or reasonably expected to be in existence on the date the Bonds are delivered, that the proceeds of the Bonds will not be used in a manner that would cause the Bonds to be "arbitrage bonds" within the meaning of section 148(a) of the Code.

(f) Arbitrage Rebate. If the County does not qualify for an exception to the requirements of section 148(f) of the Code relating to the required rebate to the United States, the County will take all steps necessary to comply with the requirement that certain amounts earned by the County on the investment of the "gross proceeds" of the Bonds (within the meaning of section 148(f)(6)(B) of the Code), be rebated to the federal government. Specifically, the County will (i) maintain records regarding the investment of the gross proceeds of the Bonds as may be required to calculate the amount earned on the investment of the gross proceeds of the Bonds separately from records of amounts on deposit in the funds and accounts of the County allocable

to other bond issues of the County or moneys that do not represent gross proceeds of any bonds of the County, (ii) determine at such times as are required by the applicable Regulations, the amount earned from the investment of the gross proceeds of the Bonds that is required to be rebated to the federal government, and (iii) pay, not less often than every fifth anniversary date of the delivery of the Bonds, or on such other dates as may be permitted under the Regulations, all amounts required to be rebated to the federal government. Further, the County will not indirectly pay any amount otherwise payable to the federal government pursuant to the foregoing requirements to any person other than the federal government by entering into any investment arrangement with respect to the gross proceeds of the Bonds that might result in a reduction in the amount required to be paid to the federal government because such arrangement results in a smaller profit or a larger loss than would have resulted if the arrangement had been at arm's length and had the yield on the issue not been relevant to either party.

(g) Information Reporting. The County covenants and agrees to file or cause to be filed with the Secretary of the Treasury, not later than the 15th day of the second calendar month after the close of the calendar quarter in which the Bonds are issued, an information statement concerning the Bonds, all under and in accordance with section 149(e) of the Code.

(h) Record Retention. The County will retain all pertinent and material records relating to the use and expenditure of the proceeds of the Refunded Bonds and the Bonds until three years after the last Bond is redeemed or paid at maturity, or such shorter period as authorized by subsequent guidance issued by the Department of the Treasury, if applicable. All records will be kept in a manner that ensures their complete access throughout the retention period. For this purpose, it is acceptable that such records are kept either as hardcopy books and records or in an electronic storage and retrieval system, provided that such electronic system includes reasonable controls and quality assurance programs that assure the ability of the County to retrieve and reproduce such books and records in the event of an examination of the Bonds by the Internal Revenue Service.

(i) Registration. The Bonds will be issued in registered form.

(j) Deliberate Action. The County will not take a deliberate action (as defined in section 1.141-2(d)(3) of the Regulations) that causes the Bonds to fail to meet any requirement of section 141 of the Code after the issue date of the Bonds unless an appropriate remedial action is permitted by section 1.141-12 of the Regulations, such remedial action is taken by the County, and a Counsel's Opinion is obtained that such remedial action cures any failure to meet the requirements of section 141 of the Code.

(k) Continuing Obligation. Notwithstanding any other provision of this Order, the County's obligations under the covenants and provisions of this Section 9.03 shall survive the defeasance and discharge of the Bonds for as long as such matters are relevant to the exclusion from gross income of interest on the Bonds for federal income tax purposes.

ARTICLE X

DEFAULT AND REMEDIES

Section 10.01. Events of Default. Each of the following occurrences or events for the purpose of this Order is hereby declared to be an "Event of Default," to-wit:

- (i) the failure to make payment of the principal of or interest on any of the Bonds when the same becomes due and payable; or
- (ii) default in the performance or observance of any other covenant, agreement or obligation of the County, the failure to perform which materially, adversely affects the rights of the Owners, including but not limited to, their prospect or ability to be repaid in accordance with this Order, and the continuation thereof for a period of 60 days after notice of such default is given by any Owner to the County.

Section 10.02. Remedies for Default.

(a) Upon the happening of any Event of Default, then and in every case any Owner or an authorized representative thereof, including but not limited to, a trustee or trustees therefor, may proceed against the County for the purpose of protecting and enforcing the rights of the Owners under this Order, by mandamus or other suit, action or special proceeding in equity or at law, in any court of competent jurisdiction, for any relief permitted by law, including the specific performance of any covenant or agreement contained herein, or thereby to enjoin any act or thing that may be unlawful or in violation of any right of the Owners hereunder or any combination of such remedies.

(b) It is provided that all such proceedings shall be instituted and maintained for the equal benefit of all Owners of Bonds then outstanding.

Section 10.03. Remedies Not Exclusive.

(a) No remedy herein conferred or reserved is intended to be exclusive of any other available remedy or remedies, but each and every such remedy shall be cumulative and shall be in addition to every other remedy given hereunder or under the Bonds or now or hereafter existing at law or in equity; provided, however, that notwithstanding any other provision of this Order, the right to accelerate the debt evidenced by the Bonds shall not be available as a remedy under this Order.

(b) The exercise of any remedy herein conferred or reserved shall not be deemed a waiver of any other available remedy.

ARTICLE XI

DISCHARGE

Section 11.01. Discharge by Payment. Unless otherwise provided in the Pricing Certificate, the Bonds may be defeased, refunded and discharged in any manner permitted by applicable law.

ARTICLE XII

CONTINUING DISCLOSURE UNDERTAKING

Section 12.01. Definitions of Continuing Disclosure Terms. As used in this Article, the following terms have the meanings assigned to such terms below:

“EMMA” means the Electronic Municipal Market Access system.

“Financial Obligation” means a (i) debt obligation, (ii) derivative instrument entered into in connection with, or pledged as security or a source of payment for, an existing or planned debt obligation, or (iii) guarantee of a debt obligation or any such derivative instrument; provided that “financial obligation” shall not include municipal securities as to which a final official statement (as defined in the Rule) has been provided to the MSRB consistent with the Rule.

“MSRB” means the Municipal Securities Rulemaking Board.

“Rule” means SEC Rule 15c2-12, as amended from time to time.

“SEC” means the United States Securities and Exchange Commission.

Section 12.02. Annual Reports.

(a) The County shall provide annually to the MSRB, (1) within six months after the end of each fiscal year of the County, financial information and operating data with respect to the County of the general type included in the final Official Statement, being information of the type described in the Pricing Certificate, including financial statements of the County if audited financial statements of the County are then available, and (2) if not provided as part such financial information and operating data, audited financial statements of the County within 12 months of the end of the fiscal year of the County, when and if available. Any financial statements so to be provided shall be (i) prepared in accordance with the accounting principles described in Exhibit A or such other accounting principles as the County may be required to employ, from time to time, by State law or regulation, and (ii) audited, if the County commissions an audit of such statements and the audit is completed within the period during which they must be provided. If the audit of such financial statements is not complete within 12 months after any such fiscal year end, then the County shall 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.

(b) If the County changes its fiscal year, it will notify the MSRB of the change (and of the date of the new fiscal year end) prior to the next date by which the County otherwise would be required to provide financial information and operating data pursuant to this Section.

(c) All financial information, operating data, financial statements, and notices required by this Section to be provided to the MSRB shall be provided in an electronic format and be accompanied by identifying information prescribed by the MSRB. Financial information and operating data to be provided pursuant to this Section may be set forth in full in one or more documents or may be included by specific reference to any document (including an official statement or other offering document) available to the public on the MSRB's Internet Web site or filed with the SEC.

Section 12.03. Event Notices.

(a) The County shall notify the MSRB, in a timely manner not in excess of ten (10) Business Days after the occurrence of the event, of any of the following events with respect to the Bonds:

- (i) Principal and interest payment delinquencies;
- (ii) Non-payment related defaults, if material;
- (iii) Unscheduled draws on debt service reserves reflecting financial difficulties;
- (iv) Unscheduled draws on credit enhancements reflecting financial difficulties;
- (v) Substitution of credit or liquidity providers, or their failure to perform;
- (vi) 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;
- (vii) Modifications to rights of holders of the Bonds, if material;
- (viii) Bond calls, if material, and tender offers;
- (ix) Defeasances;
- (x) Release, substitution, or sale of property securing repayment of the Bonds, if material;
- (xi) Rating changes;

- (xii) Bankruptcy, insolvency, receivership or similar event of the County, which shall occur as described below;
- (xiii) The consummation of a merger, consolidation, or acquisition involving the County or the sale of all or substantially all of the assets of the County, other than in the ordinary course of business, the entry into 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;
- (xiv) Appointment of a successor Paying Agent/Registrar or change in the name of the Paying Agent/Registrar, if material;
- (xv) incurrence of a Financial Obligation of the County, if material, or agreement to covenants, events of default, remedies, priority rights, or other similar terms of a Financial Obligation of the County, any of which affect security holders, if material; and
- (xvi) default, event of acceleration, termination event, modification of terms, or other similar events under the terms of a Financial Obligation of the County, any of which reflect financial difficulties.

For these purposes, (A) any event described in the immediately preceding clause (xii) 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 of business of the County, and (B) the County intends the words used in the immediately preceding clauses (xv) and (xvi) in this Section and in the definition of Financial Obligation in Section 12.01 to have the meanings ascribed to them in SEC Release No. 34-83885 dated August 20, 2018.

(b) The County shall notify the MSRB, in a timely manner, of any failure by the County to provide financial information or operating data in accordance with Section 12.02 of this Order by the time required by such Section.

Section 12.04. Limitations, Disclaimers and Amendments.

(a) The County shall be obligated to observe and perform the covenants specified in this Article for so long as, but only for so long as, the County remains an “obligated person” with

respect to the Bonds within the meaning of the Rule, except that the County in any event will give notice of any deposit made in accordance with Article XI that causes Bonds no longer to be Outstanding.

(b) The provisions of this Article are for the sole benefit of the Owners and beneficial owners of the Bonds, and nothing in this Article, express or implied, shall give any benefit or any legal or equitable right, remedy, or claim hereunder to any other person. The County undertakes to provide only the financial information, operating data, financial statements, and notices which it has expressly agreed to provide pursuant to this Article and does not hereby undertake to provide any other information that may be relevant or material to a complete presentation of the County's financial results, condition, or prospects or hereby undertake to update any information provided in accordance with this Article or otherwise, except as expressly provided herein. The County does not make any representation or warranty concerning such information or its usefulness to a decision to invest in or sell Bonds at any future date.

UNDER NO CIRCUMSTANCES SHALL THE COUNTY BE LIABLE TO THE OWNER OR BENEFICIAL OWNER OF ANY BOND OR ANY OTHER PERSON, IN CONTRACT OR TORT, FOR DAMAGES RESULTING IN WHOLE OR IN PART FROM ANY BREACH BY THE COUNTY, WHETHER NEGLIGENT OR WITHOUT FAULT ON ITS PART, OF ANY COVENANT SPECIFIED IN THIS ARTICLE, BUT EVERY RIGHT AND REMEDY OF ANY SUCH PERSON, IN CONTRACT OR TORT, FOR OR ON ACCOUNT OF ANY SUCH BREACH SHALL BE LIMITED TO AN ACTION FOR MANDAMUS OR SPECIFIC PERFORMANCE.

(c) No default by the County in observing or performing its obligations under this Article shall comprise a breach of or default under the Order for purposes of any other provisions of this Order.

(d) Nothing in this Article is intended or shall act to disclaim, waive, or otherwise limit the duties of the County under federal and state securities laws.

(e) The provisions of this Article may be amended by the County 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, but only if (1) the provisions of this Article, as so amended, would have permitted an underwriter to purchase or sell Bonds in the primary offering of the Bonds 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 (2) either (a) the Owners of a majority in aggregate principal amount (or any greater amount required by any other provisions of this Order that authorizes such an amendment) of the Outstanding Bonds consent to such amendment or (b) a person that is unaffiliated with the County (such as nationally recognized bond counsel) determines that such amendment will not materially impair the interests of the Owners and beneficial owners of the Bonds. If the County so amends the provisions of this Article, it shall include with any amended financial information or operating data next provided in accordance with Section 12.02 an explanation, in narrative form, of the reasons for the amendment and of the impact of any change in the type of financial information or operating data so provided.

(f) Any obligation of the County to expend funds pursuant to the provisions of this Article shall be subject to the appropriation of said funds by the Commissioners Court from sources of funds legally available for such purpose.

Section 12.05. Amendments to the Rule. In the event the Authorized Officer, in consultation with Bond Counsel and the County's financial advisor, determines that it is necessary or desirable to amend the provisions of Article XII in order to facilitate compliance with amendments to the Rule and related guidance from the SEC, the Authorized Officer may make such changes in the Pricing Certificate for the Bonds

ARTICLE XIII

AMENDMENTS TO ORDER AND PRICING CERTIFICATE

Section 13.01. Amendments to Order and Pricing Certificate. (a) The County reserves the right to amend this Order or the Pricing Certificate, or both, without the consent of or notice to any registered owners of the Bonds in any manner not detrimental to the interest of the Owners for the purpose of curing any ambiguity, inconsistency, manifest error, formal defect or omission in the Order or the Pricing Certificate, or both.

(b) The County reserves the right, but only with the written consent of the Owners of a majority in aggregate principal amount of the Bonds then outstanding, to amend, add to, or rescind any of the provisions of the Order or the Pricing Certificate, or both.

(c) Without the consent of the Owners of all of the Bonds then outstanding, no amendment, addition or rescission may (i) extend the time or times of payment of the principal of and interest on the Bonds, (ii) reduce the principal amount thereof, the redemption price, or the rate of interest or yield to maturity thereon, or in any other way modify the terms of payment of the principal of and interest on the Bond; (ii) give any preference to any Bonds over any other Bond, or (iii) reduce the aggregate principal amount of Bonds required to be held by Owners for consent to any such amendment, addition or rescission.

ARTICLE XIV

MISCELLANEOUS

Section 14.01. Changes to Order. The Authorized Officer, in consultation with Bond Counsel, is hereby authorized to make changes to the terms of this Order or to the Pricing Certificate if necessary or desirable to carry out the purposes hereof or in connection with the approval of the issuance of the Bonds by the Attorney General of Texas.

Section 14.02. Partial Invalidity. If any section, paragraph, clause or provision of this Order shall for any reason be held to be invalid or unenforceable, the invalidity or unenforceability of such section, paragraph, clause or provision shall not affect any of the remaining provisions of the Order.

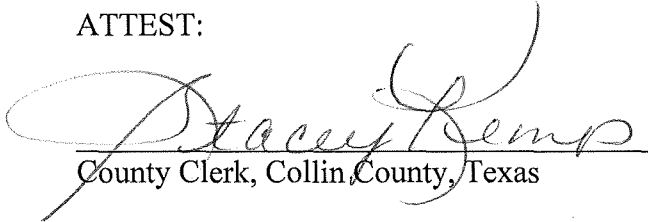
Section 14.03. No Personal Liability. No recourse shall be had for payment of the principal of or interest on any Bonds or for any claim based thereon, or on this Order, against any official or employee of the County or any person executing any Bonds.

APPROVED AND ADOPTED this February 4, 2019.



County Judge, Collin County, Texas

ATTEST:


County Clerk, Collin County, Texas

PRICING CERTIFICATE

Re: \$151,005,000 Collin County, Texas Limited Tax Permanent Improvement Bonds, Series 2019 (the "Bonds")

I, the undersigned Authorized Officer of Collin County, Texas (the "County"), do hereby make and execute this Pricing Certificate pursuant to an order adopted by the Commissioners Court of the County on February 4, 2019 (the "Order") captioned as follows:

AN ORDER OF THE COMMISSIONERS COURT OF COLLIN COUNTY, TEXAS, AUTHORIZING THE ISSUANCE AND SALE OF COLLIN COUNTY, TEXAS, LIMITED TAX PERMANENT IMPROVEMENT BONDS, SERIES 2019 IN AN AGGREGATE PRINCIPAL AMOUNT NOT TO EXCEED \$156,455,000; PROVIDING FOR THE AWARD OF THE SALE THEREOF IN ACCORDANCE WITH SPECIFIED PARAMETERS; LEVYING A TAX AND PROVIDING FOR THE SECURITY FOR AND PAYMENT OF SAID BONDS; APPROVING THE OFFICIAL STATEMENT AND PAYING AGENT/REGISTRAR AGREEMENT; AND ENACTING OTHER PROVISIONS RELATING TO THE SUBJECT

authorizing the issuance of the referenced Bonds. Capitalized terms used in this Pricing Certificate shall have the meanings given such terms in the Order.

1. As authorized by Section 7.01 of the Order, I am acting on behalf of the County in selling the Collin County, Texas Limited Tax Permanent Improvement Bonds, Series 2019 to Bank of America Merrill Lynch (the "Purchaser"), as the bidder submitting a bid form conforming to the specification set forth in the Notice of Sale which produced the lowest true interest cost to the County. The approved bid form is attached hereto as **Exhibit A**. The Bonds shall have the following terms, conditions and provisions, all as authorized pursuant to Section 7.01 of the Order:

A. The Bonds shall be issued in the aggregate principal amount of \$151,005,000 and shall be dated as of February 15, 2019 (the "Bond Date").

B. The Bonds shall accrue interest from the Closing Date (as defined below). The Bonds shall mature on February 15 in the years and in the principal amounts set forth below and shall bear interest payable on February 15 and August 15 of each year, commencing February 15, 2020, at the rates set forth below:

<u>Years</u>	<u>Principal Amount</u>	<u>Interest Rate</u>	<u>Years</u>	<u>Principal Amount</u>	<u>Interest Rate</u>
2020	\$ 32,875,000	3.000%	2030	\$ 6,305,000	4.000%
2021	4,245,000	3.000%	2031	6,525,000	3.000%
2022	4,370,000	3.000%	2032	6,720,000	3.000%
2023	4,550,000	5.000%	2033	6,930,000	3.000%
2024	4,740,000	3.000%	2034	7,135,000	3.000%
2025	4,935,000	5.000%	2035	7,360,000	3.125%
2026	5,185,000	5.000%	2036	7,600,000	3.125%
2027	5,455,000	5.000%	2037	7,845,000	3.250%
2028	5,725,000	5.000%	2038	8,105,000	3.375%
2029	6,020,000	5.000%	2039	8,380,000	3.375%

C. The County reserves the right to redeem the Bonds maturing on or after February 15, 2029, in whole or in part, in principal amounts of \$5,000 or any integral multiple thereof, before their scheduled maturity date, on February 15, 2028 or on any date thereafter, at a redemption price equal to the principal amount thereof plus accrued interest to the date of redemption. If less than all of the Bonds are to be redeemed, the County shall determine the amount thereof to be redeemed, and shall direct the Paying Agent/Registrar to call by lot the Bonds, or portions thereof, for redemption.

D. The Bonds have a scheduled closing date of March 20, 2019 (the "Closing Date").

E. In accordance with the parameters contained in Section 7.01 of the Order, the undersigned does hereby find, certify and represent that the foregoing terms of the Bonds satisfy the following requirements and parameters contained within such Section 7.01:

(i) the aggregate principal amount of the Bonds to be issued for the purposes described in Section 3.01(i) is \$97,110,00, which together with the net premium allocated to voted authorization of \$3,045,000, does not exceed the limits described in Section 3.01(i) (\$100,155,000);

(ii) the aggregate principal amount of the Bonds to be issued for the purposes described in Section 3.01(ii) is \$8,135,000, which together with the net premium allocated to voted authorization of \$365,000, does not exceed the limits described in Section 3.01(ii) (\$8,500,000);

(iii) the aggregate principal amount of the Bonds to be issued for the purposes described in Section 3.01(iii) is \$1,915,000, which together with the net premium allocated to voted authorization of \$85,000, does not exceed the limits described in Section 3.01(iii) (\$2,000,000);

(iv) the aggregate principal amount of the Bonds to be issued for the purposes described in Section 3.01(iv) is \$43,845,000, which together with the net

premium allocated to voted authorization of \$1,955,000, does not exceed the limits described in Section 3.01(iv) (\$45,800,000);

(v) the Bonds authorized to be issued pursuant to Section 3.01 do not mature later than February 15, 2039;

(vi) the Bonds bear interest at a true interest cost of 3.017%, which is not greater than 3.75%; and the net effective interest rate on the Bonds shall not exceed the maximum rate permitted by law; and

(vii) the Bonds have been rated by a nationally recognized rating agency for municipal securities in one of the four highest rating categories for long-term obligations.

2. Proceeds from the sale of the Bonds shall be applied as follows:

A. The amount of \$100,155,000, representing \$97,110,000 of principal and \$3,045,000 of net premium on the Bonds allocated to voted authorization, shall be deposited to the Project Fund for the purposes set out in Section 3.01(i) of the Order.

B. The amount of \$8,500,000, representing \$8,135,000 of principal and \$365,000 of net premium on the Bonds allocated to voted authorization, shall be deposited to the Project Fund for the purposes set out in Section 3.01(ii) of the Order.

C. The amount of \$2,000,000, representing \$1,915,000 of principal and \$85,000 of net premium on the Bonds allocated to voted authorization, shall be deposited to the Project Fund for the purposes set out in Section 3.01(iii) of the Order.

D. The amount of \$45,800,000, representing \$43,845,000 of principal and \$1,955,000 of net premium on the Bonds allocated to voted authorization, shall be deposited to the Project Fund for the purposes set out in Section 3.01(iv) of the Order.

E. Premium received on the Bonds in the amount of \$498,688.92 shall be used to pay the costs of issuing the Bonds. To the extent any such sum is not used for such purpose, such excess shall be deposited to the Interest and Sinking Fund.

3. The Bonds shall be issued substantially in the form attached hereto as **Exhibit B**.

4. The Notice of Sale and Official Bid Form for the Bonds was approved by the Authorized Officer in conformity with the Order.

5. The use of the Preliminary Official Statement by the Purchaser in connection with the public offering and sale of the Bonds is hereby ratified, confirmed and approved in all respects. The final Official Statement, being a modification and amendment of the Preliminary Official Statement to reflect the terms of sale (together with such changes approved by the Authorized Officer), shall be and is hereby in all respects approved and the Purchaser may and

shall use and distribute said final Official Statement, dated February 20, 2019, in the reoffering, sale and delivery of the Bonds to the public.

6. Notwithstanding the provisions of Article XI of the Order, the County may only defease, refund or discharge the Bonds (i) by irrevocably depositing with the Paying Agent/Registrar or other lawfully authorized escrow agent, a sum of money equal to the principal and all interest to accrue on the Bonds to their due date thereof (whether such date be by reason of maturity, redemption, or otherwise), and/or (ii) by irrevocably depositing with the Paying Agent/Registrar, or other lawfully authorized escrow agent, amounts sufficient, together with the investments earnings thereon, to provide for the payment of such Bonds. 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 and (b) non-callable 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 bonds, are rated as to investment quality by a nationally recognized investment rating firm not less than "AAA" or its equivalent; or (iii) by any combination of (i) and (ii) above.

7. In accordance with Article XII of the Order, the information to be provided pursuant to the Rule shall include the financial information and operating data with respect to the County as identified in Article XII and **Exhibit C** attached hereto.

8. The Bank of New York Mellon Trust Company, N.A. is hereby confirmed as the Paying Agent/Registrar for the Bonds.

9. After issuance of the Bonds, the balances that remain unissued from the November 6, 2007 and November 6, 2018 elections are as follows:

Purpose	Election Date	Amount Voted	Amount Previously Issued	Amount Authorized to be Issued ⁽¹⁾	Unissued Balance
Adult and Juvenile Detention Facilities Including Court Facilities	11/06/07	\$ 76,300,000	\$ 30,500,000	\$ 45,800,000	\$ -0-
Non-Tolled, Highways and Freeways	11/06/18	600,000,000	-0-	100,155,000	499,845,000
Roads and Bridges	11/06/18	140,000,000	-0-	8,500,000	131,500,000
Parks and Open Space	11/06/18	10,000,000	-0-	2,000,000	8,000,000
Total		<u>\$826,300,000</u>	<u>\$ 30,500,000</u>	<u>\$156,455,000</u>	<u>\$639,345,000</u>

⁽¹⁾ Includes any premium generated on the Bonds and allocated to voted authorization.

10. The County does not reserve the right to issue any additional bonds in the future pursuant to the Order.

Executed this 20th day of February, 2019.

AUTHORIZED OFFICER

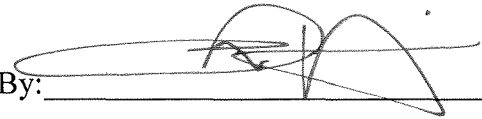
By:  _____

EXHIBIT A

Approved Bid Form

(See Attached)

OFFICIAL BID FORM

Honorable County Judge and Commissioners Court
Collin County, Texas

February 20, 2019

Reference is made to your Preliminary Official Statement and Notice of Sale and Bidding Instructions, dated February 13, 2019, of \$151,005,000 COLLIN COUNTY, TEXAS LIMITED TAX PERMANENT IMPROVEMENT BONDS, SERIES 2019, both of which constitute a part hereof.

For your legally issued Bonds, as described in said Notice of Sale and Bidding Instructions and Preliminary Official Statement, we will pay you \$5,948,688.92 of par for Bonds maturing and bearing interest as follows:

Maturity	Principal Amount	Interest Rate	Maturity	Principal Amount	Interest Rate	Maturity	Principal Amount	Interest Rate
2/15/2020	\$ 32,875,000	3.000%	2/15/2027	\$ 5,455,000	5.000%	2/15/2033	\$ 6,930,000	3.000%
2/15/2021	4,345,000	3.000%	2/15/2028	5,725,000	5.000%	2/15/2034	7,135,000	3.000%
2/15/2022	4,370,000	3.000%	2/15/2029	6,020,000	5.000%	2/15/2035	7,360,000	3.125%
2/15/2023	4,550,000	5.000%	2/15/2030	6,305,000	4.000%	2/15/2036	7,600,000	3.125%
2/15/2024	4,740,000	3.000%	2/15/2031	6,525,000	3.000%	2/15/2037	7,845,000	3.250%
2/15/2025	4,935,000	5.000%	2/15/2032	6,720,000	3.000%	2/15/2038	8,105,000	3.375%
2/15/2026	5,185,000	5.000%				2/15/2039	8,380,000	3.375%

Of the principal maturities set forth in the table above, term bonds have been created as indicated in the following table (which may include multiple term bonds, one term bond or no term bond if none is indicated). For those years which have been combined into a term bond, the principal amount shown in the table above shall be the mandatory sinking fund redemption amounts in such years except that the amount shown in the year of the term bond maturity date shall mature in such year. The term bonds created are as follows:

Maturity Date	Year of First Mandatory Redemption	Principal Amount	Interest Rate
February 15		\$	%
		\$	%
		\$	%

Our calculation (which is not a part of this bid) of the interest cost from the above is:

True Interest Cost 3.016744%

The Initial Bond shall be registered in the name of Bank of America Merrill Lynch, which will, upon payment for the Bonds, be canceled by the Paying Agent/Registrar. The Bonds will then be registered in the name of Cede & Co. (DTC's partnership nominee), under the Book-Entry-Only System.

A bank cashier's check or certified check of the Frost Bank, Austin, in the amount of \$1,512,850.00, which represents our Good Faith Deposit (is attached hereto) or (has been made available to you prior to the opening of this bid), and is submitted in accordance with the terms as set forth in the Preliminary Official Statement and Notice of Sale and Bidding Instructions.

We agree to accept delivery of the Bonds utilizing the Book-Entry-Only System through DTC and make payment for the Initial Bond in immediately available funds in the Corporate Trust Division, BANK OF NEW YORK TRUST COMPANY, Dallas, Texas not later than 10:00 AM, CDT, on March 20, 2019, or thereafter on the date the Bonds are tendered for delivery, pursuant to the terms set forth in the Notice of Sale and Bidding Instructions. It will be the obligation of the Initial Purchaser of the Bonds to complete the DTC Eligibility Questionnaire.

The undersigned agrees to complete, execute, and deliver to the County, not later than 5 business days prior to the delivery of the Bonds to the Initial Purchaser, a certificate relating to the "issue price" of the Bonds in the form and to the effect accompanying the Notice of Sale and Bidding Instructions, with such changes thereto as may be acceptable to the County. To the extent that such "issue price" certificate is not adequate for inclusion in the County's federal tax certificate, the undersigned agrees to execute an issue price certificate as may be required by the County's Bond Counsel.

The undersigned verifies, for purposes of Chapter 2270 (as provided by Acts 2017, 85th Leg., ch. 1, House Bill 89) of the Texas Government Code, as amended, that at the time of execution and delivery of this bid and, except to the extent otherwise required by applicable federal law, to the date of delivery of the Bonds, neither the undersigned, nor any wholly owned subsidiary, majority-owned subsidiary, parent company or affiliate of the undersigned, boycotts or will boycott Israel. The terms boycott Israel and boycott Israel as used in this paragraph have the meanings assigned to the term boycott Israel in Section 808.001 of the Texas Government Code, as amended.

The undersigned verifies, for purposes of compliance with Section 2252.152, Texas Government Code, that neither it nor any of its parent company, wholly- or majority-owned subsidiaries, and other affiliates is a company identified on a list prepared and maintained by the Texas Comptroller of Public Accounts under Section 2252.153 or Section 2270.0201, Texas Government Code, and posted on any of the following pages of such officer's Internet website: <https://comptroller.texas.gov/purchasing/docs/undue-list.pdf>, <https://comptroller.texas.gov/purchasing/docs/rac-list.pdf>, or <https://comptroller.texas.gov/purchasing/docs/foi-list.pdf>. The term "affiliate" as used in this paragraph means any entity that controls, is controlled by, or is under common control with the bidder and exists to make a profit.

In accordance with Texas Government Code Section 2252.908 (the "Interested Party Disclosure Act"), the County may not award the Bonds to a bidder unless the winning bidder either: (i) submits a Certificate of Interested Parties Form 1293 (the "Disclosure Form") to the County as prescribed by the Texas Ethics Commission ("TEC"), or (ii) certifies below that it is exempt from filing the Disclosure Form by virtue of being a publicly traded business entity or a wholly owned subsidiary of a publicly traded business entity.

Unless the bidder certifies that it is exempt from filing a Disclosure Form with the County, upon notification of conditional verbal acceptance, the undersigned will complete an electronic form Disclosure Form through the Texas Ethics Commission's (the "TEC") electronic portal and the resulting certified Disclosure Form that is generated by the TEC's electronic portal will be printed, signed and sent by email to the County's financial advisor at nick.bullock@hilltopsecurities.com. The undersigned understands that the failure to provide the certified Disclosure Form will prohibit the County from providing final written award of the enclosed bid.

The Purchaser (mark one):

(i) Agrees to timely make a filing of a completed Disclosure Form with the County ☐

or

(ii) Hereby certifies that it is exempt from filing the Disclosure Form by virtue of being a publicly traded business entity or a wholly owned subsidiary of a publicly traded business entity ☒.

We agree to provide in writing the initial reoffering prices and other terms, if any, to the Financial Advisor by the close of the next business day after the award.

Respectfully submitted,

Syndicate Members:

Robert C. Holmes
Name of Initial Purchaser or Manager

Authorized Representative

212-449-5081
Phone Number

[Signature]
Signature

ACCEPTANCE CLAUSE

The above and foregoing bid is hereby in all things accepted by the Collin County, Texas, subject to and in accordance with the Notice of Sale and Bidding Instructions, this the 20th day of February, 2019.

ATTEST:

B. H. [Signature]
Pricing Officer
Collin County, Texas

EXHIBIT B

FORMS OF BONDS

The form of Tax Bonds, including the form of the Registration Certificate of the Comptroller of Public Accounts of the State of Texas, the form of Bond of the Paying Agent/Registrar and the form of Assignment appearing on the Bonds, shall be substantially as follows:

(a) Form of Bond

REGISTERED

No. R- _____

REGISTERED

\$ _____

United States of America
State of Texas
COLLIN COUNTY, TEXAS
LIMITED TAX PERMANENT IMPROVEMENT BOND
SERIES 2019

INTEREST RATE:

_____ %

MATURITY DATE:

February 15, _____

CLOSING DATE:

March 20, 2019

CUSIP NUMBER:

Collin County (the "County"), State of Texas, for value received, hereby promises to pay
to

_____ or registered assigns, on the Maturity Date specified above, the sum of

_____ DOLLARS

unless this Bond shall have been sooner called for redemption and the payment of the principal hereof shall have been paid or provision for such payment shall have been made, and to pay interest on the unpaid principal amount hereof from the later of the Closing Date specified above or the most recent interest payment date to which interest has been paid or provided for until such principal amount shall have been paid or provided for, at the per annum rate of interest specified above, computed on the basis of a 360-day year of twelve 30-day months, such interest to be paid semiannually on February 15 and August 15 of each year, commencing February 15, 2020.

The principal of this Bond shall be payable without exchange or collection charges in lawful money of the United States of America upon presentation and surrender of this Bond at the corporate trust office in Dallas, Texas, of The Bank of New York Mellon Trust Company, N.A. (the "Designated Payment/Transfer Office"), as the initial Paying Agent/Registrar or, with respect to a successor Paying Agent/Registrar, at the Designated Payment/Transfer Office of such successor. Interest on this Bond is payable by check dated as of the interest payment date,

mailed by the Paying Agent/Registrar to the registered owner at the address shown on the registration books kept by the Paying Agent/Registrar or by such other customary banking arrangements acceptable to the Paying Agent/Registrar, requested by, and at the risk and expense of, the person to whom interest is to be paid. At the option of an Owner of at least \$1,000,000 principal amount of the Bonds, interest may be paid by wire transfer to the bank account of such Owner on file with the Paying Agent/Registrar. For the purpose of the payment of interest on this Bond, the registered owner shall be the person in whose name this Bond is registered at the close of business on the "Record Date," which shall be the last business day of the month next preceding such interest payment date; provided, however, that in the event of nonpayment of interest on a scheduled interest 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 (the "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 Owner of a Bond appearing on the books of the Paying Agent/Registrar at the close of business on the last business day preceding the date of mailing such notice.

If a date for the payment of the principal of or interest on the Bonds is a Saturday, Sunday, legal holiday, or a day on which banking institutions in the County in which the Designated Payment/Transfer Office is located are authorized by law or executive order to close, then the date for such payment shall be the next succeeding day which is not a Saturday, Sunday, legal holiday, or day on which such banking institutions are authorized to close; and payment on such date shall have the same force and effect as if made on the original date payment was due.

This Bond, dated February 15, 2019, is one of a series of fully registered bonds specified in the title hereof issued in the aggregate principal amount of \$151,005,000 (herein referred to as the "Bonds") pursuant to a certain order of the Commissioners Court of the County (the "Order") for the public purpose of providing funds for the purpose of (i) constructing, improving and maintaining non-tolled, high-speed highways and freeways within Collin County and related service and frontage roads; including the acquisition of land and rights-of-way therefor; and including participating in the cost of joint county-state and county-city projects, (ii) for the purpose of constructing, improving and maintaining roads and bridges within Collin County, including the acquisition of land and rights-of-way therefor; and including participating in the cost of joint county-state and county-city projects, (iii) acquiring and improving land for park and open space purposes, including joint county-city projects, (iv) acquiring, constructing, improving, renovating and equipping juvenile and adult detention facilities, including court facilities, juvenile probation facilities and juvenile justice alternative education program facilities and the acquisition of land therefor, and (v) paying the costs of issuance related to the Bonds.

The Bonds and the interest thereon are payable from the levy of a direct and continuing ad valorem tax, within the limit prescribed by law, against all taxable property in the County as described and provided in the Order.

The County has reserved the option to redeem the Bonds maturing on or after February 15, 2029, in whole or in part, before their respective scheduled maturity dates, on

February 15, 2028, or on any date thereafter, at a price equal to the principal amount of the Bonds so called for redemption plus accrued interest to the date fixed for redemption. If less than all of the Bonds are to be redeemed, the County shall determine the maturity or maturities and the amounts thereof to be redeemed and shall direct the Paying Agent/Registrar to call by lot the Bonds, or portions thereof, within such maturity and in such principal amounts, for redemption.

Notice of such redemption or redemptions shall be given by first class mail, postage prepaid, not less than 30 days before the date fixed for redemption, to the registered owner of each of the Bonds to be redeemed in whole or in part. Notice having been so given, the Bonds or portions thereof designated for redemption shall become due and payable on the redemption date specified in such notice; and, from and after such date, notwithstanding that any of the Bonds or portions thereof so called for redemption shall not have been surrendered for payment, interest on such Bonds or portions thereof shall cease to accrue.

In the Order, 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.

Any notice so mailed shall be conclusively presumed to have been duly given, whether or not the registered owner receives such notice. Notice having been so given and subject, in the case of an optional redemption, to any rights or conditions reserved by the county in the notice, the Bonds called for redemption shall become due and payable on the specified redemption date, and notwithstanding that any Bond or portion thereof has not been surrendered for payment, interest on such Bond or portion thereof shall cease to accrue.

As provided in the Order, and subject to certain limitations therein set forth, this Bond is transferable upon surrender of this Bond for transfer at the Designated Payment/Transfer Office, with such endorsement or other evidence of transfer as is acceptable to the Paying Agent/Registrar, and, thereupon, one or more new fully registered Bonds of the same stated maturity, of authorized denominations, bearing the same rate of interest, and for the same aggregate principal amount will be issued to the designated transferee or transferees.

The County, the Paying Agent/Registrar, and any other person may treat the person in whose name this Bond is registered as the owner hereof for the purpose of receiving payment as herein provided (except interest shall be paid to the person in whose name this Bond is registered on the Record Date or Special Record Date, as applicable) and for all other purposes, whether or not this Bond be overdue, and neither the County nor the Paying Agent/Registrar shall be affected by notice to the contrary.

Neither the County nor the Paying Agent/Registrar shall be required to issue, transfer or exchange any Bond called for redemption where such redemption is scheduled to occur within 45 calendar days of the transfer or exchange date; provided, however, such limitation shall not be applicable to an exchange by the registered owner of the uncalled principal balance of a Bond.

IT IS HEREBY CERTIFIED AND RECITED that the issuance of this Bond and the series of which it is a part is duly authorized by law; that all acts, conditions and things required to be done precedent to and in the issuance of the Bonds have been properly done and performed and have happened in regular and due time, form and manner, as required by law; and that the total indebtedness of the County, including the Bonds, does not exceed any constitutional or statutory limitation.

IN WITNESS WHEREOF, the County has caused this Bond to be executed by the manual or facsimile signature of the County Judge, countersigned by the manual or facsimile signature of the County Clerk of the County, and the official seal of the County has been duly impressed or placed in facsimile on this Bond.

County Clerk, Collin County

County Judge, Collin County

[SEAL]

(b) Form of Comptroller's Registration Certificate. The following Comptroller's Registration Certificate may be deleted from the definitive Bonds if such certificate on the Initial Bond is fully executed.

OFFICE OF THE COMPTROLLER	§	
OF PUBLIC ACCOUNTS	§	REGISTER NO. _____
OF THE STATE OF TEXAS	§	

I hereby certify that there is on file and of record in my office a certificate of the Attorney General of the State of Texas to the effect that this Bond has been examined by him as required by law, that he finds that it has been issued in conformity with the Constitution and laws of the State of Texas, and that it is a valid and binding obligation of the County of Collin, Texas; and that this Bond has this day been registered by me.

Witness my hand and seal of office at Austin, Texas, _____.

Comptroller of Public Accounts
of the State of Texas

[SEAL]

(c) Form of Certificate of Paying Agent/Registrar. The following Certificate of Paying Agent/Registrar may be deleted from the Initial Bond if the Comptroller's Registration Certificate appears thereon.

CERTIFICATE OF PAYING AGENT/REGISTRAR

The records of the Paying Agent/Registrar show that the Initial Bond of this series of Bonds was approved by the Attorney General of the State of Texas and registered by the Comptroller of Public Accounts of the State of Texas, and that this is one of the Bonds referred to in the within-mentioned Order.

THE BANK OF NEW YORK MELLON
TRUST COMPANY, N.A.,
as Paying Agent/Registrar

Dated: _____

By: _____
Authorized Signatory

(d) Form of Assignment.

ASSIGNMENT

FOR VALUE RECEIVED, the undersigned hereby sells, assigns, and transfers unto (print or typewrite name, address and Zip Code of transferee): _____

(Social Security or other identifying number: _____) the within Bond and all rights hereunder and hereby irrevocably constitutes and appoints _____ attorney to transfer the within Bond on the books kept for registration hereof, with full power of substitution in the premises.

Dated: _____

Signature Guaranteed By: _____

Authorized Signatory

NOTICE: The signature on this Assignment must correspond with the name of the registered owner as it appears on the face of the within Bond in every particular and must be guaranteed by an officer of a federal or state bank or a member of the National Association of Securities Dealers.

(e) The Initial Bond shall be in the form set forth in paragraphs (a) through (d) of this Section, except for the following alterations:

A. immediately under the name of the Bond the headings "INTEREST RATE" and "MATURITY DATE" shall both be completed with the expression "As shown below," and the reference to the "CUSIP NUMBER ____" shall be deleted;

B. in the first paragraph of the Bond, the words "on the Maturity Date specified above" shall be deleted and the following will be inserted: "on February 15 in each of the years, in the principal installments and bearing interest at the per annum rates set forth in the following schedule:

<u>Years</u>	<u>Principal Installments</u>	<u>Interest Rates</u>
(Information to be inserted from the Pricing Certificate); and		

C. the Initial Bond shall be numbered T-1.

EXHIBIT C

DESCRIPTION OF ANNUAL DISCLOSURE OF FINANCIAL INFORMATION

The following information is referred to in Article XII of the Order.

Annual Financial Statements and Operating Data

The financial information and operating data with respect to the County to be provided annually in accordance with such Article, unless otherwise specifically identified in the Pricing Certificate, are as specified (and included in the Appendix or other headings of the Official Statement referred to) below:

1. The portions of the financial statements of the County appended to the Official Statement as Appendix B, but for the most recently concluded fiscal year.

2. Statistical and financial data set forth in Tables 1-7 and 9-14, inclusive.

Accounting Principles

The accounting principles referred to in such Article are the accounting principles described in the notes to the financial statements referred to in Paragraph 1 above.

This Preliminary Official Statement and the information contained herein are subject to completion or amendment. These securities may not be sold nor may offers to buy be accepted prior to the time the Preliminary Official Statement is delivered in final form. Under no circumstances shall the Preliminary Official Statement constitute an offer to sell or the solicitation of an offer to buy nor shall there be any sale of these securities in any jurisdiction in which such offer, solicitation or sale would be unlawful prior to registration or qualification under the securities laws of such jurisdiction.

HTS Continuing Disclosure Services
A Division of HHS Securities
(See "CONTINUING DISCLOSURE OF INFORMATION" herein)

PRELIMINARY OFFICIAL STATEMENT

Dated February 13, 2019

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.

THE BONDS WILL NOT BE DESIGNATED AS "QUALIFIED TAX-EXEMPT OBLIGATIONS" FOR FINANCIAL INSTITUTIONS



\$151,285,000* COLLIN COUNTY, TEXAS LIMITED TAX PERMANENT IMPROVEMENT BONDS, SERIES 2019

Dated Date: February 15, 2019
Interest Accrues from Delivery Date

Due: February 15, as shown below

PAYMENT TERMS . . . Interest on the \$151,285,000* Collin County, Texas, Limited Tax Permanent Improvement Bonds, Series 2019 (the "Bonds") will accrue from the date of initial delivery (the "Delivery Date") to the initial purchaser, and will be payable February 15, 2020, and on each August 15 and February 15 thereafter until maturity or prior redemption. Interest on the Bonds will be calculated on the basis of a 360-day year consisting of twelve 30-day months. The definitive 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 Bonds may be acquired in denominations of \$5,000 or integral multiples thereof. **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 to the beneficial owners of the 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 Bonds are being issued pursuant to the Constitution and general laws of the State of Texas, particularly Chapters 1251, 1301, 1371 and 1473, Texas Government Code, as amended, and Chapters 292 and 331, Texas Local Government Code, as amended, County-wide elections held on November 6, 2007 and November 6, 2018 (the "Elections") and a bond order (the "Order") adopted on February 4, 2019 by the Commissioners Court of the County (the "Commissioners Court") in which the Commissioners Court delegated pricing of the Bonds and certain other matters to an "Authorized Officer" who will approve a pricing certificate (the "Pricing Certificate", and together with the Order, the "Bond Order") which will contain the final terms of sale and complete the sale of the Bonds 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 by law, as provided by the Bond Order (see "The Bonds - Authority for Issuance").

PURPOSE . . . Proceeds from the sale of the Bonds will be used for: (i) constructing, improving and maintaining non-tolled, high-speed highways and freeways within Collin County and related service and frontage roads; including the acquisition of land and rights-of-way therefor; and including participating in the cost of joint county-state and county-city projects, (ii) constructing, improving and maintaining roads and bridges within Collin County, including the acquisition of land and rights-of-way therefor; and including participating in the cost of joint county-state and county-city projects, (iii) acquiring and improving land for park and open space purposes, including joint county-city projects, (iv) acquiring, constructing, improving, renovating and equipping juvenile and adult detention facilities, including court facilities, juvenile probation facilities and juvenile justice alternative education program facilities and the acquisition of land therefor, and (v) paying the costs of issuance associated with the sale of the Bonds.

MATURITY SCHEDULE*

CUSIP Prefix: 194738 ⁽¹⁾

Amount	(2-15) Maturity	Interest Rate	Initial Yield	CUSIP Suffix ⁽¹⁾	Amount	(2-15) Maturity	Interest Rate	Initial Yield	CUSIP Suffix ⁽¹⁾
\$ 31,500,000	2020				\$ 6,285,000	2030			
4,070,000	2021				6,550,000	2031			
4,280,000	2022				6,810,000	2032			
4,495,000	2023				7,060,000	2033			
4,730,000	2024				7,305,000	2034			
4,975,000	2025				7,560,000	2035			
5,230,000	2026				7,830,000	2036			
5,495,000	2027				8,120,000	2037			
5,775,000	2028				8,425,000	2038			
6,040,000	2029				8,750,000	2039			

⁽¹⁾ CUSIP is a registered trademark of the American Bankers Association. CUSIP data is provided by CUSIP Global Services, managed by S&P Capital IQ on behalf of the American Bankers Association. This data is not intended to create a database and does not serve in any way as a substitute for the CUSIP services. Neither the County nor the Financial Advisor, nor the Initial Purchaser 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.

OPTIONAL REDEMPTION . . . The County reserves the right, at its option, to redeem Bonds having stated maturities on and after February 15, 2029, in whole or in part in principal amounts of \$5,000 or any integral multiple thereof, on February 15, 2028, or any date thereafter, at the par value thereof plus accrued interest to the date of redemption (see "THE BONDS - Optional Redemption").

LEGALITY . . . The Bonds are offered for delivery when, as, and if issued and received by the Initial Purchaser of the Bonds and subject to the approving opinion of the Attorney General of Texas and the opinion of Bracewell LLP ; Bond Counsel, Dallas, Texas (see Appendix C - "Form of Bond Counsel's Opinion").

DELIVERY . . . It is expected that the Bonds will be available for delivery through The Depository Trust Company on March 20, 2019 (the "Delivery Date").

BIDS DUE WEDNESDAY, FEBRUARY 20, 2019, AT 10:30 AM, CST

* Preliminary, subject to change.

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For purposes of compliance with Rule 15c2-12 of the Securities and Exchange Commission (the "Rule"), this document constitutes an Official Statement of the County with respect to the Bonds that has been "deemed final" by the County as of its date except for the omission of no more than the information permitted by the Rule.

This Official Statement, which includes the cover page 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 Initial Purchaser. 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 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 NOR ITS FINANCIAL ADVISOR, 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 PURCHASER 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. SEE "OTHER INFORMATION-FORWARD-LOOKING STATEMENTS DISCLAIMER."

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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 BONDS** The Bonds are issued as \$151,285,000* Limited Tax Permanent Improvement Bonds, Series 2019 (the "Bonds"). The Bonds mature serially on February 15 in each of the years 2020 through 2039 (see "The Bonds - Description of the Bonds").
- PAYMENT OF INTEREST** Interest on the Bonds will accrue from the Delivery Date, and is payable February 15, 2020, and each August 15 and February 15 thereafter until maturity or prior redemption (see "The Bonds - Description of the Bonds").
- AUTHORITY FOR ISSUANCE** The Bonds are issued pursuant to the Constitution and general laws of the State, particularly, Chapters 1251, 1301, 1371 and 1473, Texas Government Code, as amended, and Chapters 292 and 331, Texas Local Government Code, as amended, County-wide elections held on November 6, 2007, and November 8, 2018 (the "Elections") and a bond order (the "Order") adopted on February 4, 2019 by the "Commissioners Court" in which the Commissioners Court delegated pricing of the Bonds and certain other matters to an "Authorized Officer" who will approve a pricing certificate (the "Pricing Certificate", and together with the Order, the "Bond Order") which will contain the final terms of sale and complete the sale of the Bonds (see "The Bonds - Authority for Issuance").
- SECURITY FOR THE BONDS** The 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-Bonds").
- REDEMPTION** The County reserves the right, at its option, to redeem Bonds of either series, having stated maturities on and after February 15, 2029, in whole or in part in principal amounts of \$5,000 or any integral multiple thereof, on February 15, 2028, or any date thereafter, at the par value thereof plus accrued interest to the date of redemption (see "The Bonds - Optional Redemption").
- TAX EXEMPTION** In the opinion of Bond Counsel, under existing law, 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.
- USE OF PROCEEDS** Proceeds from the sale of the Bonds will be used for (i) constructing, improving and maintaining non-tolled, high-speed highways and freeways within Collin County and related service and frontage roads; including the acquisition of land and rights-of-way therefor; and including participating in the cost of joint county-state and county-city projects, (ii) constructing, improving and maintaining roads and bridges within Collin County, including the acquisition of land and rights-of-way therefor; and including participating in the cost of joint county-state and county-city projects, (iii) acquiring and improving land for park and open space purposes, including joint county-city projects, (iv) acquiring, constructing, improving, renovating and equipping juvenile and adult detention facilities, including court facilities, juvenile probation facilities and juvenile justice alternative education program facilities and the acquisition of land therefor; and (v) paying the costs of issuance associated with the sale of the 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 S&P Global Ratings, a Standard & Poor's Financial Services LLC business ("S&P") without regard to third-party credit enhancement (see "Other Information - Ratings").

* Preliminary, subject to change.

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 of each series 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.

* Preliminary, subject to change.

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
2015	873,840 ⁽²⁾	\$ 86,871,450,852	\$ 99,413	\$ 402,795,000	\$ 461	0.46%	102.25%
2016	901,170 ⁽²⁾	96,807,570,324	107,424	395,590,000	439	0.41%	100.31%
2017	932,530 ⁽³⁾	109,041,422,918	116,931	352,380,000	378	0.32%	101.19%
2018	969,603 ⁽³⁾	124,035,906,716	127,924	319,710,000	330	0.26%	102.75%
2019	981,148 ⁽³⁾	138,427,326,503	141,087	392,845,000 ⁽⁴⁾	400	0.28%	51.48% ⁽⁵⁾

(1) As reported by the Collin Central Appraisal District on the County's annual State Property Tax Board Reports; subject to change during the ensuing year.

(2) Source: North Central Texas Council of Governments.

(3) Source: U.S. Census Bureau

(4) Projected; includes all limited tax and unlimited tax debt of the County and the Bonds. Excludes \$27,090,000 of debt that the County will redeem on February 15, 2019. Preliminary, subject to change.

(5) Collections for partial year only, through December 31, 2018.

COUNTY OFFICIALS, STAFF, AND CONSULTANTS

ELECTED OFFICIALS

<u>Commissioners Court</u>	<u>Term Expires</u>
Chris Hill County Judge	12/31/2022
Susan Fletcher Commissioner, Precinct No. 1	12/31/2020
Cheryl Williams Commissioner, Precinct No. 2	12/31/2022
Darell Hale Commissioner, Precinct No. 3	12/31/2020
Duncan Webb Commissioner, Precinct No. 4	12/31/2022

OTHER ELECTED AND APPOINTED OFFICIALS

<u>Name</u>	<u>Position</u>	<u>Term Expires</u>
Bill Bilyeu	County Administrator	Appointed by Commissioners Court
Jeff May	County Auditor	Appointed by District Judges
Monika Arris	Budget Director	Appointed by Commissioners Court
Stacey Kemp	County Clerk	12/31/2022
Kenneth L. Maun	Tax Assessor-Collector	12/31/2020

CONSULTANTS AND ADVISORS

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

Bond Counsel Bracewell LLP
Dallas, Texas

Financial Advisor..... Hilltop Securities Inc.
Fort Worth, Texas

For additional information regarding the County, please contact:

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Budget Director
Collin County
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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
Hilltop Securities Inc.
777 Main Street, Suite 1200
Fort Worth, Texas 76102
(817) 332-9710

PRELIMINARY OFFICIAL STATEMENT

RELATING TO

COLLIN COUNTY, TEXAS

\$151,285,000*

LIMITED TAX PERMANENT IMPROVEMENT BONDS, SERIES 2019

INTRODUCTION

This Official Statement, which includes the Appendices hereto, provides certain information regarding the issuance of \$151,285,000* Collin County, Texas Limited Tax Permanent Improvement Bonds, Series 2019 (the "Bonds"). Except as otherwise indicated herein, capitalized terms used in this Official Statement have the same meanings assigned to such terms in the bond order (the "Order") adopted by the Commissioners Court of the County on February 4, 2019, in which the Commissioners Court delegated pricing of the respective Bonds and certain other matters to an "Authorized Officer" who will approve a pricing certificate (the "Pricing Certificate", and together with the "Order," the "Bond Order"), which will contain the final terms of sale and complete the sale of the Bonds.

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 Disclaimer").

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, Hilltop Securities Inc., 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 Bonds will be used for (i) constructing, improving and maintaining non-tolled, high-speed highways and freeways within Collin County and related service and frontage roads; including the acquisition of land and rights-of-way therefor; and including participating in the cost of joint county-state and county-city projects, (ii) constructing, improving and maintaining roads and bridges within Collin County, including the acquisition of land and rights-of-way therefor; and including participating in the cost of joint county-state and county-city projects, (iii) acquiring and improving land for park and open space purposes, including joint county-city projects, (iv) acquiring, constructing, improving, renovating and equipping juvenile and adult detention facilities, including court facilities, juvenile probation facilities and juvenile justice alternative education program facilities and the acquisition of land therefor; and (v) paying the costs of issuance associated with the sale of the Bonds.

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

	Limited Tax Bonds	
<u>Sources of Funds</u>		
Par Amount of Bonds	\$	-
Premium		-
Total Sources of Funds	\$	-
<u>Uses of Funds</u>		
Deposit to Project Fund	\$	-
Costs of Issuance		-
Total Uses of Funds	\$	-

* Preliminary, subject to change.

THE BONDS

DESCRIPTION OF THE BONDS . . . The Bonds are dated February 15, 2019 (the "Dated Date"), and mature on February 15 in each of the years and in the amounts shown on the cover page hereof. Interest accrues from the Delivery Date of the Bonds and will be computed on the basis of a 360-day year of twelve 30-day months, and will be payable on February 15, 2020, 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 Bonds are being issued pursuant to the Constitution and general laws of the State, particularly Chapters 1251, 1301, 1371 and 1473, Texas Government Code, as amended, and Chapters 292 and 331, Texas Local Government Code, as amended, County-wide elections held on November 6, 2007 and November 6, 2018 (the "Elections"), and the Bond Order.

SECURITY AND SOURCES OF PAYMENT . . . The 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 Bond Order. The Bonds are payable from the County's \$0.80 constitutional tax rate limit; see "Tax Rate Limitations – General Operations: Bonds, Tax Notes, Time Warrants, 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: Bonds, Tax Notes, Time Warrants, 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 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 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.

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 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 VIII, 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 having stated maturities on and after February 15, 2029, in whole or in part in principal amounts of \$5,000 or any integral multiple thereof, on February 15, 2028 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.

NOTICE OF REDEMPTION . . . Not less than 30 days prior to a redemption date for the Bonds of either series, 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 Bond Order provides 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 (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, and (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; or (iii) any combination of (i) and (ii) above. 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.

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 Financial Advisor believe the source of such information to be reliable, but take no responsibility for the accuracy or completeness thereof.

The County and the Financial Advisor 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 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.

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 Bond Order 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 of the Bond Order, 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, 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 and series 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 . . . The Bond Order establishes as "events of default" (i) the failure to make payment of the principal of, redemption premium, if any, or interest on the Bonds when due and payable; or (ii) default in the observance or performance of any of the covenants, conditions, or obligations of the County, which default materially and adversely affects the rights of the owners, including but not limited to, their prospect or ability to be repaid in accordance with the Bond Order, and the continuation thereof for a period of 60 days after notice of such default is given by any owner to the County. Under State law there is no right to the acceleration of maturity of the Bonds upon the failure of the County to observe and covenant under the Bond Order. Although a registered owner of Bonds could presumably obtain a judgment against the County if a default occurred in the payment of principal of or interest on any such Bonds, such judgment could not be satisfied by execution against any property of the County. Such registered owner's only practical remedy, if a default occurs, is a mandamus or mandatory injunction proceeding to compel the County to levy, assess and collect an annual ad valorem tax sufficient to pay principal of and interest on the Bonds as it becomes due. The enforcement of any such remedy may be difficult and time consuming and a registered owner could be required to enforce such remedy on a periodic basis.

On June 30, 2006, the Texas Supreme Court ruled in *Tooke v. City of Mexia*, 197 S.W.3d 325 (Tex. 2006) ("Tooke") that a waiver of sovereign immunity must be provided for by statute in "clear and unambiguous" language. In so ruling, the Court declared that statutory language such as "sue and be sued", in and of itself, did not constitute a clear and unambiguous waiver of sovereign immunity. Because it is unclear whether the Texas legislature has effectively waived the County's sovereign immunity from a suit for money damages, a Bondholder may not be able to bring such a suit against the County for breach of the Bonds or Bond Order covenants. As noted above, Bondholders may exercise the remedy of mandamus to enforce the obligations of the County under the Bond Order. Neither the remedy of mandamus nor any other type of injunctive relief was at issue in *Tooke*, and it is unclear whether *Tooke* will be construed to have any effect with respect to the exercise of mandamus, as such remedy has been interpreted by Texas courts. In general, Texas courts have held that a writ of mandamus may be issued to require public officials to perform ministerial acts that clearly pertain to their duties. Texas courts have held that a ministerial act is defined as a legal duty that is prescribed and defined with a precision and certainty that leaves nothing to the exercise of discretion or judgment, though mandamus is not available to enforce purely contractual duties. However, mandamus may be used to require a public officer to perform legally imposed ministerial duties necessary for the performance of a valid contract to which the State or a political subdivision of the State is a party (including the payment of monies due under a contract). Chapter 1371, Texas Government Code ("Chapter 1371"), which pertains to the issuance of public securities by issuers such as the County, permits the County to waive sovereign immunity in the proceedings authorizing its bonds, but in connection with the issuance of the Bonds, the County has not waived sovereign immunity in the proceedings authorizing its Bonds.

The Bond Order does 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 Bond 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 Bondholders. Furthermore, 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 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 opinion of Bond Counsel will note that all opinions relative to the enforceability of the Bond Order and the Bonds are qualified with respect to the customary rights of debtors relative to their creditors.

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 Texas 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. Senate Joint Resolution 1 ("Senate Joint Resolution 1"), passed during the 84th Texas Legislature, proposed a constitutional amendment increasing the mandatory homestead exemption for school districts from \$15,000 to \$25,000 and requiring that the tax limitation for taxpayers who are age 65 and older or disabled be reduced to reflect the additional exemption. While Senate Joint Resolution 1 was not directly applicable to counties and municipalities, Senate Bill 1, which was also passed by the 84th Legislature, provided that if Senate Joint Resolution 1 was approved by the voters on November 3, 2015, then the governing body of a school district, municipality, or county would be prohibited from reducing the amount of or repealing an optional homestead exemption that was in place for the 2014 tax year (fiscal year 2015) for a period running through December 31, 2019. Senate Joint Resolution 1 was approved by voters on November 3, 2015, and therefore the prohibition is in effect.

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 depending upon the degree of disability or whether the exemption is applicable to a surviving spouse or children. Notwithstanding, a disabled veteran who receives from the United States Department of Veterans Affairs or its successor 100% disability compensation due to a service-connected disability and a rating of 100% disabled or of individual unemployability is entitled to an exemption from taxation of the total appraised value of the veteran's residence homestead. House Joint Resolution 75 ("HJR75"), passed during the 84th Texas legislature, proposed a constitutional amendment that allows the Legislature to provide for an exemption from ad valorem taxation of all or part of the market value of the residence homestead of the surviving spouse of a 100 percent or totally disabled veteran and who would have had qualified for the full exemption veteran before the law authorizing a residence homestead exemption took effect.

Since the proposition authorized by HJR75 was approved by voters in the November 2015 Constitutional election, the surviving spouse of a totally disabled veteran who died on or before January 1, 2010 and who would have qualified for the full exemption on the homestead's entire value if it had been available at that time, will be entitled to an exemption from ad valorem taxation of all or part of the market value of the residence homestead if the spouse has not remarried.

Following the approval by the voters at a November 5, 2013 statewide election, a partially disabled veteran or the surviving spouse of a partially disabled veteran is entitled to an exemption equal to the percentage of the veteran's disability, if the residence was donated at no cost to the veteran by a charitable organization.

Also approved by the November 5, 2013 election, was a constitutional amendment providing that the surviving spouse of a member of the armed forces who is killed in action is entitled to a property tax exemption for all or part of the market value of such surviving spouse's residences homestead, if the surviving spouse has not remarried since the service member's death and said property was the service member's residence homestead at the time of death. Such exemption is transferable to a different property of the surviving spouse, if the surviving spouse has not remarried, in an amount equal to the exemption received on the prior residence in the last year in which such exemption was received.

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

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

2018/19 Market Valuation Established by the Collin Central Appraisal District
(excluding totally exempt property)

\$ 155,153,485,704

Less Exemptions/Reductions at 100% Market Value:

Over 65 and Disabled	\$ 1,473,108,050	
Disabled Veterans Exemptions	426,339,965	
Tax Abatements	442,119,782	
Homestead Exemption	3,603,110,384	
Freeport Exemption	800,339,447	
Pollution Control Property	50,473,179	
Historical Exemption	56,866,713	
Homestead Cap Adjustment	1,587,722,348	
Agricultural Productivity, Open Space Land Use Reductions	8,279,645,522	
Other	<u>6,433,811</u>	<u>16,726,159,201</u>

2018/19 Taxable Assessed Valuation

\$ 138,427,326,503

County Funded Debt Payable from Ad Valorem Taxes (as of 12-31-18) ⁽¹⁾

Limited Tax Debt	\$ 83,740,000	
Unlimited Tax Debt	208,880,000	
The (Limited Tax Debt) Bonds	<u>151,285,000</u> ⁽²⁾	

Funded Debt Payable from Ad Valorem Taxes

\$ 443,905,000

Interest and Sinking Fund (as of 12-31-18)

\$ 59,281,465

Ratio General Obligation Debt to Taxable Assessed Valuation 2018/19

0.32%

2019 Estimated Population - 1,107,017

Per Capita Taxable Assessed Valuation 2018/19 - \$125,045

Per Capita Funded Debt Payable from Ad Valorem Taxes - \$401

(1) Excludes the \$27.090 million of tax debt that the County will redeem on February 15, 2019.

(2) Preliminary, subject to change.

TABLE 2 - TAXABLE ASSESSED VALUATIONS BY CATEGORY

Category	Taxable Appraised Value for Fiscal Year Ended September 30,					
	2019		2018		2017	
	Amount	% of Total	Amount	% of Total	Amount	% of Total
Real, Residential, Single-Family	\$ 89,403,682,998	57.62%	\$ 81,905,474,102	58.24%	\$ 73,139,434,986	58.67%
Real, Residential, Multi-Family	11,778,613,350	7.59%	10,028,539,074	7.13%	8,147,577,305	6.54%
Real, Vacant Lots/Tracts	1,304,582,284	0.84%	1,247,121,569	0.89%	1,105,550,870	0.89%
Real, Acreage (Land Only)	8,354,086,050	5.38%	8,013,620,571	5.70%	7,534,625,541	6.04%
Real, Farm and Ranch Improvements	3,046,998,452	1.96%	2,891,443,370	2.06%	2,745,998,377	2.20%
Real, Commercial and Industrial	29,379,912,494	18.94%	25,668,571,450	18.25%	21,860,181,009	17.54%
Real and Intangible Personal, Utilities	1,469,507,698	0.95%	1,346,861,224	0.96%	1,328,248,127	1.07%
Tangible Personal, Business	7,915,818,368	5.10%	7,458,459,729	5.30%	7,183,473,523	5.76%
Tangible Personal, Other	66,615,678	0.04%	58,711,582	0.04%	45,940,826	0.04%
Inventory	2,130,728,208	1.37%	1,722,923,439	1.23%	1,295,603,204	1.04%
Special Inventory Tax	302,940,124	0.20%	298,831,108	0.21%	277,108,439	0.22%
Total Appraised Value Before Exemptions	\$ 155,153,485,704	100.00%	\$ 140,640,557,218	100.00%	\$ 124,663,742,207	100.00%
Less: Total Exemption/Reductions	(16,726,159,201)		(16,604,650,502)		(15,622,319,289)	
Taxable Assessed Value	<u>\$ 138,427,326,503</u>		<u>\$ 124,035,906,716</u>		<u>\$ 109,041,422,918</u>	

Category	Taxable Appraised Value for Fiscal Year Ended September 30,			
	2016		2015	
	Amount	% of Total	Amount	% of Total
Real, Residential, Single-Family	\$ 64,014,218,252	57.98%	\$ 56,546,137,774	57.06%
Real, Residential, Multi-Family	6,854,734,928	6.21%	6,074,926,159	6.13%
Real, Vacant Lots/Tracts	1,025,418,727	0.93%	921,247,580	0.93%
Real, Acreage (Land Only)	7,190,820,265	6.51%	6,856,587,675	6.92%
Real, Farm and Ranch Improvements	2,348,426,775	2.13%	1,979,630,249	2.00%
Real, Commercial and Industrial	19,705,428,305	17.85%	17,945,664,473	18.11%
Real and Intangible Personal, Utilities	1,387,774,135	1.26%	1,338,256,503	1.35%
Tangible Personal, Business	6,549,090,260	5.93%	6,280,817,426	6.34%
Tangible Personal, Other	43,907,572	0.04%	42,333,456	0.04%
Inventory	1,024,830,224	0.93%	868,483,801	0.88%
Special Inventory Tax	255,905,263	0.23%	243,831,450	0.25%
Total Appraised Value Before Exemptions	\$ 110,400,554,706	100.00%	\$ 99,097,916,546	100.00%
Less: Total Exemptions/Reductions	(13,592,984,382)		(12,226,465,694)	
Taxable Assessed Value	<u>\$ 96,807,570,324</u>		<u>\$ 86,871,450,852</u>	

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
2015	873,840 ⁽²⁾	\$ 86,871,450,852	\$ 99,413	\$ 402,795,000	0.46%	\$ 461
2016	901,170 ⁽²⁾	96,807,570,324	107,424	395,590,000	0.41%	439
2017	932,530 ⁽³⁾	109,041,422,918	116,931	352,380,000	0.32%	378
2018	969,603 ⁽³⁾	124,035,906,716	127,924	319,710,000	0.26%	330
2019	981,148 ⁽³⁾	138,427,326,503	141,087	392,845,000 ⁽⁴⁾	0.28%	400

(1) As reported by the Collin Central Appraisal District on the County's annual State Property Tax Board Reports; subject to change during the ensuing year.

(2) Source: North Central Texas Council of Governments.

(3) Source: The Texas Department of State Health Services.

(4) Projected; includes the Bonds. Preliminary, subject to change.

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
2015	\$ 0.235002	0.177270	0.057732	\$ 200,570,830	100.00%	102.25%
2016	0.225000	0.169800	0.055200	215,534,400	100.00%	100.31%
2017	0.208400	0.153200	0.055200	224,318,124	100.00%	101.19%
2018	0.192250	0.138800	0.053450	234,634,515	101.52%	102.75%
2019	0.180785	0.127212	0.053573	242,175,337	51.30% ⁽¹⁾	51.48% ⁽¹⁾

(1) Collections for partial year only, through December 31, 2018.

TABLE 5 - TAX RATE DISTRIBUTION ANALYSIS

	Tax Year				
	2018	2017	2016	2015	2014
<u>Limited Constitutional Taxes ⁽¹⁾</u>					
Operating Fund	\$ 0.126946	\$ 0.136477	\$ 0.149795	\$ 0.165800	\$ 0.173268
Limited Tax Debt Service Fund	0.018095	0.014314	0.013575	0.013679	0.017131
Total Constitutional Tax Rate	\$ 0.145041	\$ 0.150791	\$ 0.163370	\$ 0.179479	\$ 0.190399
<u>Unlimited Constitutional Taxes ⁽²⁾</u>					
Road & Bridge Fund	\$ 0.000000	\$ 0.000000	\$ 0.000400	\$ 0.004000	\$ 0.004000
Permanent Improvement Fund	0.000266	0.002319	0.003000	0.000000	0.000000
Unlimited Tax Debt Service Fund	0.035478	0.039136	0.041625	0.041521	0.040601
Total Tax Rate	\$ 0.180785	\$ 0.192246	\$ 0.208395	\$ 0.225000	\$ 0.235000

(1) Taxes levied pursuant to Article VIII, 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	2018/19 Taxable Assessed Valuation	% of Total Taxable Assessed Valuation
Corporate Properties Trust I SPE #1 LLC	\$ 720,068,550	0.52%
Toyota Motor North America Inc	592,679,891	0.43%
Oncor Electric Delivery Company	543,244,860	0.39%
Liberty Mutual Plano LLC	345,798,915	0.25%
Legacy West Investors LP	340,861,050	0.25%
Stonebriar Mall LLC	321,459,957	0.23%
JP Morgan Chase Bank NA	312,538,085	0.23%
Silos Harvesting Partners LP	310,000,000	0.22%
Bank of America NA	248,522,533	0.18%
Blue Star HQ Inc.	201,017,500	0.15%
	<u>\$ 3,936,191,341</u>	<u>2.84%</u>

TABLE 7 - TAX ADEQUACY ⁽¹⁾

2019 Principal and Interest Requirements	\$ 63,375,401
\$0.0463 Tax Rate at 99% Collection Produces	\$ 63,450,934
Average Annual Principal and Interest Requirements, 2019 - 2039	\$ 27,320,155
\$0.0200 Tax Rate at 99% Collection Produces	\$ 27,408,611
Maximum Principal and Interest Requirements, 2020	\$ 76,374,110
\$0.0558 Tax Rate at 99% Collection Produces	\$ 76,470,024

(1) For all tax supported indebtedness (limited and unlimited), including the Bonds. Preliminary, subject to change.

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 of such report, 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.

	2018/19 Taxable Assessed Value ⁽¹⁾	2018/19 Tax Rate	Total Funded Debt	Estimated % Applicable	County's Overlapping Funded Debt 12/31/2018 ⁽²⁾
<u>Governmental Subdivision</u>					
Collin County	\$ 138,427,326,503	\$ 0.180785	\$ 443,905,000 ⁽²⁾	100.00%	\$ 443,905,000 ⁽²⁾
<u>Special Districts</u>					
Collin County Community College District	\$ 141,317,314,667	\$ 0.081200	\$ 246,415,000	100.00%	\$ 246,415,000
Collin County Municipal Utility District No. 1	553,293,547	1.050000	65,470,000	100.00%	65,470,000
Collin County Water Control and Improvement District No. 3	204,297,769	1.000000	27,545,000	100.00%	27,545,000
McKinney Municipal Utility District No. 1	314,850,740	1.050000	38,110,000	100.00%	38,110,000
Total Districts					\$ 377,540,000
<u>Cities</u>					
Allen	\$ 13,636,538,512	\$ 0.498000	\$ 87,420,000	100.00%	\$ 87,420,000
Anna	1,120,110,761	0.591300	50,280,000	100.00%	50,280,000
Blue Ridge	46,647,173	0.594100	1,663,000	100.00%	1,663,000
Celina	1,504,563,522	0.645000	107,695,000	99.78%	107,458,071
Fairview	1,944,912,802	0.349700	22,670,000	100.00%	22,670,000
Farmersville	235,957,615	0.750000	15,055,000	100.00%	15,055,000
Josephine	107,996,260	0.580000	220,000	97.30%	550,000
Lavon	328,682,011	0.221700	3,098,000	100.00%	3,098,000
Lucas	1,308,714,124	0.303200	17,675,000	100.00%	17,675,000
McKinney	21,987,081,464	0.525200	237,280,000	100.00%	237,280,000
Melissa	1,045,111,461	0.609500	75,205,000	100.00%	75,205,000
Murphy	2,504,234,855	0.490000	49,470,000	100.00%	49,470,000
Parker	934,205,804	0.366000	10,610,000	100.00%	10,610,000
Princeton	871,073,052	0.688800	24,990,000	100.00%	24,990,000
Prosper	4,020,508,779	0.520000	105,700,000	87.76%	92,762,320
Wylie	4,602,999,899	0.725800	89,910,000	97.08%	87,284,628
<u>County-Line Cities</u>					
Carrollton	\$ 14,400,284,321	\$ 0.595000	\$ 174,275,000	0.46%	\$ 801,665
Dallas	129,262,640,568	0.776700	1,822,867,437	4.29%	78,201,013
Frisco	29,351,318,858	0.446600	779,130,000	65.89%	513,368,757
Garland	15,094,762,333	0.704600	442,355,000	0.20%	884,710
Plano	42,920,233,435	0.460300	377,085,000	96.71%	364,678,904
Richardson	17,003,871,591	0.625100	305,195,000	46.03%	140,481,259
Royse City	896,241,466	0.621500	25,995,000	21.06%	5,474,547
Sachse	2,375,888,950	0.720000	55,790,000	41.95%	23,403,905
Total Cities					\$ 2,010,765,778

(1) Tax Year 2018 Taxable Assessed Valuation.

(2) Includes the Bonds. Preliminary, subject to change.

	2018/19 Taxable Assessed Value ⁽¹⁾	2018/19 Tax Rate	Total Funded Debt	Estimated % Applicable	County's Overlapping Funded Debt 12/31/2018
<u>School Districts</u>					
Allen ISD	\$ 13,003,513,767	\$ 1.550000	\$ 629,244,567	100.00%	\$ 629,244,567
Anna ISD	1,216,147,793	1.670000	14,435,024	100.00%	14,435,024
Farmersville ISD	546,850,206	1.320000	9,350,000	100.00%	9,350,000
Lovejoy ISD	2,209,027,583	1.670000	162,875,234	100.00%	162,875,234
McKinney ISD	13,978,757,836	1.590000	572,155,000	100.00%	572,155,000
Melissa ISD	1,126,991,612	1.670000	144,010,000	100.00%	144,010,000
Plano ISD	49,142,919,873	1.439000	957,625,000	100.00%	957,625,000
Princeton ISD	1,138,268,446	1.620000	166,837,329	100.00%	166,837,329
Wylie ISD	5,930,738,966	1.640000	283,132,271	100.00%	283,132,271
<u>County-Line School Districts</u>					
Bland ISD	\$ 188,742,914	\$ 1.364000	\$ 13,784,593	5.83%	\$ 803,642
Blue Ridge ISD	228,926,830	1.571500	13,740,000	97.44%	13,388,256
Celina ISD	1,255,681,448	1.640000	108,044,364	98.09%	105,980,717
Community ISD	846,516,492	1.670000	58,609,000	99.43%	58,274,929
Frisco ISD	38,136,560,642	1.440000	1,933,058,851	71.27%	1,377,691,043
Gunter ISD	308,174,678	1.620000	20,585,000	0.11%	22,644
Leonard ISD	217,809,260	1.170000	0	6.51%	0
Prosper ISD	7,841,678,274	1.670000	623,064,002	90.62%	564,620,598
Rockwall ISD	9,505,721,578	1.430000	523,201,636	0.01%	52,320
Royse City ISD	1,829,919,237	1.670000	117,846,028	9.70%	11,431,065
Trenton ISD	228,308,829	1.420000	6,500,000	5.92%	384,800
Van Alstyne ISD	621,468,567	1.620000	56,340,000	6.85%	3,859,290
Whitewright ISD	248,668,292	1.365000	6,850,091	2.22%	152,072
Total School Districts					\$ 5,076,325,800
Total Direct and Overlapping Funded Debt					\$ 7,908,536,578
Ratio of Direct and Overlapping Funded Debt to Taxable Assessed Valuation					5.60%
Per Capita Overlapping Funded Debt					\$ 7,144

(1) Tax Year 2018 Taxable Assessed Valuation.

TABLE 9 – PRO-FORMA GENERAL OBLIGATION DEBT SERVICE REQUIREMENTS

Fiscal Year	Limited Tax		The Bonds ⁽²⁾		Total	Unlimited Tax			GRAND	% of
Ending	Outstanding Debt ⁽¹⁾				Limited Tax	Outstanding Debt ⁽³⁾			TOTAL	Principal
9/30	Principal	Interest	Principal	Interest	Debt Service	Principal	Interest	Total	Debt Service	Retired
2019	\$ 29,785,000	\$ 3,246,513	\$ -	\$ -	\$ 33,031,513	\$ 21,275,000	\$ 9,068,888	\$ 30,343,888	\$ 63,375,401	
2020	9,105,000	2,015,488	31,500,000	8,355,446	50,975,934	17,435,000	7,963,176	25,398,176	76,374,110	
2021	8,195,000	1,691,542	4,070,000	4,840,994	18,797,536	16,130,000	7,221,576	23,351,576	42,149,112	
2022	7,905,000	1,380,000	4,280,000	4,632,244	18,197,244	16,055,000	6,472,411	22,527,411	40,724,655	
2023	6,100,000	1,088,042	4,495,000	4,412,869	16,095,910	16,850,000	5,692,380	22,542,380	38,638,291	43.52%
2024	6,380,000	808,485	4,730,000	4,182,244	16,100,729	17,665,000	4,907,606	22,572,606	38,673,335	
2025	5,815,000	533,339	4,975,000	3,939,619	15,262,958	15,105,000	4,173,881	19,278,881	34,541,838	
2026	3,480,000	319,613	5,230,000	3,684,494	12,714,106	13,900,000	3,498,338	17,398,338	30,112,444	
2027	1,125,000	216,681	5,495,000	3,416,369	10,253,050	13,380,000	2,869,588	16,249,588	26,502,638	
2028	990,000	181,338	5,775,000	3,134,619	10,080,956	11,445,000	2,315,288	13,760,288	23,841,244	69.54%
2029	850,000	152,538	6,040,000	2,869,444	9,911,981	9,130,000	1,874,319	11,004,319	20,916,300	
2030	875,000	123,394	6,285,000	2,622,944	9,906,338	9,535,000	1,487,400	11,022,400	20,928,738	
2031	910,000	92,438	6,550,000	2,366,244	9,918,681	9,960,000	1,075,225	11,035,225	20,953,906	
2032	785,000	62,900	6,810,000	2,099,044	9,756,944	8,165,000	689,300	8,854,300	18,611,244	
2033	565,000	39,209	7,060,000	1,848,119	9,512,328	6,000,000	394,000	6,394,000	15,906,328	87.45%
2034	435,000	21,631	7,305,000	1,610,122	9,371,753	4,295,000	188,100	4,483,100	13,854,853	
2035	295,000	9,259	7,560,000	1,354,550	9,218,809	2,555,000	51,100	2,606,100	11,824,909	
2036	145,000	2,175	7,830,000	1,080,331	9,057,506	-	-	-	9,057,506	
2037	-	-	8,120,000	791,238	8,911,238	-	-	-	8,911,238	
2038	-	-	8,425,000	486,094	8,911,094	-	-	-	8,911,094	98.03%
2039	-	-	8,750,000	164,063	8,914,063	-	-	-	8,914,063	100.00%
Totals	\$ 83,740,000	\$ 11,984,583	\$ 151,285,000	\$ 57,891,087	\$ 304,900,670	\$ 208,880,000	\$ 59,942,576	\$ 268,822,576	\$ 573,723,246	

(1) Excludes \$17.1 million of Limited Tax Debt the County intends to prepay on February 15, 2019.

(2) Average life of the issue –9.797 years. Interest on the Bonds has been calculated at the average rate of 3.91% for purposes of illustration. Preliminary, subject to change.

(3) Excludes \$9.99 million of Unlimited Tax Debt the County intends to prepay on February 15, 2019.

DEBT INFORMATION

TABLE 10 - INTEREST AND SINKING FUND BUDGET PROJECTION

Tax Supported Debt Service Requirements, Fiscal Year Ending 9/30/2019 ⁽¹⁾		\$ 91,270,992
Interest and Sinking Fund Balance, 9/30/2018	\$ 22,238,666	
Budgeted Interest and Sinking Fund Tax Levy	72,849,989	
Non-Tax Revenues	557,719 ⁽²⁾	95,646,374
Estimated Balance, 9/30/2019		<u>\$ 4,375,382</u>

(1) Also includes \$27.090 million of principal to be prepaid on February 15, 2019.

(2) Also 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 ⁽²⁾	Unissued Balance
Court Buildings ⁽¹⁾	11/6/2007	\$ 76,300,000	\$ 30,500,000	\$ 45,800,000	\$ -
Road - Freeways ⁽¹⁾	11/6/2018	600,000,000	-	100,155,000	499,845,000
Road - Thoroughfares ⁽¹⁾	11/6/2018	140,000,000	-	8,500,000	131,500,000
Parks & Open Space ⁽¹⁾	11/6/2018	10,000,000	-	2,000,000	8,000,000
		<u>\$ 826,300,000</u>	<u>\$ 30,500,000</u>	<u>\$ 156,455,000</u>	<u>\$ 639,345,000</u>

(1) Article VIII, Section 9 indebtedness (limited tax).

(2) Preliminary, subject to change.

ANTICIPATED ISSUANCE OF ADDITIONAL GENERAL OBLIGATION DEBT . . . The County's Capital Improvement Plan ("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 2019 through 2023, and includes total capital expenditures of \$877,246,017 million, of which \$80,573,404 million are scheduled for fiscal year 2019. Most of the planned expenditures will be funded with proceeds of future bond issues. As shown in Table 11, after the issuance of the Bonds, the County will have \$639,345,000 of authorized but unissued bonds.

TABLE 12 - OTHER OBLIGATIONS**Operating Leases ⁽¹⁾**

As lessor, the Health Care Foundation has a number of non-cancelable operating leases with minimum future rental revenues in aggregate of \$2,644,283. The buildings are carried at a book value of \$6,860,522 with accumulated depreciation of \$5,201,600. Future minimum rental payments applicable to the operating leases are as follows:

Fiscal Year Ending September 30,	HFC Contractual Future Rental Revenues
2018	\$ 353,891
2019	277,593
2020	57,247
2021	14,448
2022	13,244
Total	<u>\$ 716,423</u>

(1) As of September 30, 2017.

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 \$2,644,284 for the year ended September 30, 2017. At September 30, 2017, future minimum rental payments applicable to the operating leases are as follows:

Fiscal Year Ending September 30,	Contractual Future Rental Obligations
2018	\$ 1,018,947
2019	846,029
2020	779,308
Total	<u>\$ 2,644,284</u>

PENSION FUND . . . The plan provisions are adopted by the governing body of the employer, within the options available in the state statutes governing the Texas County and District Retirement System ("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.

BENEFITS PROVIDED. . . TCDRS provides retirement, disability and death benefits for all fulltime employees. Benefit amounts are determined by the sum of the employee's contributions to the plan, with interest at a fixed 7% rate per annum, 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. Benefit terms provide for cost-of-living adjustments to each employee's retirement allowance subsequent to the employee's retirement date. The Commissioners Court chooses to provide cost-of-living adjustment every third year. The amount of the adjustment is also determined every third year by the Commissioners Court.

CONTRIBUTIONS. . . The County 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 required actuarial rate as of December 31, 2017, was 8.10%; however, the County contributed an amount of 8.0% in 2017 which was the same as 2016. 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 2017 and 2016 was 7.0% 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.

NET PENSION LIABILITY. . . The County's net pension liability was measured as of December 31, 2017, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of that date.

ACTUARIAL ASSUMPTIONS. . . The total pension liability in the December 31, 2017, actuarial valuation was determined using the following actuarial assumptions, applied to all periods included in the measurement:

Real Rate of Return	5.25%
Inflation	2.75%
Long-term investment return	8.00%
Salary Increases	3.25%

DISCOUNT RATE. . . The discount rate used to calculate the total pension asset was 8.10%. This rate reflects the long-term rate of return funding valuation assumption of 8.0% plus a 0.10% adjustment to be gross of the administration expenses. The plan's fiduciary net position is projected to be available to make all projected future benefit payments of current active, inactive, and retired members. Therefore, the discount rate for calculating the total pension liability is equal to the long-term expected rate of return, and the municipal bond rate does not apply.

SENSITIVITY OF THE NET PENSION ASSET TO CHANGES IN THE DISCOUNT RATE. . . The following presents the net pension asset of the County, calculated using the discount rate of 8.10%, as well as what the County net pension liability / (asset) would be if it were calculated using a discount rate that is one percentage point lower (7.10%) or 1 percentage point higher (9.10%) than the current rate as of December 31, 2017.

	1% Decrease 7.10%	Current Discount Rate 8.10%	1% Increase 9.10%
Total Pension Liability	\$ 581,012,974	\$ 511,716,825	\$ 453,557,858
Fiduciary net position	539,927,393	539,927,393	539,927,393
Net pension liability/ (asset)	\$ 41,085,581	\$ (28,210,568)	\$ (86,369,535)

OTHER POST RETIREMENT BENEFITS . . . 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 upon eligibility for Medicare coverage. No post-employment liability exists since retirees are paying the full cost of this benefit.

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FINANCIAL INFORMATION

TABLE 13 - CHANGES IN NET ASSETS

	Fiscal Year Ended September 30,				
	2018 ⁽¹⁾	2017	2016	2015	2014
Revenues:					
Program Revenues:					
Charges for Services	\$ 48,744,828	\$ 50,082,240	\$ 51,690,118	\$ 48,148,111	\$ 44,020,768
Operating Grants and Contributions	15,953,889	14,193,411	11,270,039	14,582,042	13,925,561
Capital Grants and Contributions	386,949	9,810,745	707,517	524,403	521,580
Total Program Revenues	\$ 65,085,666	\$ 74,086,396	\$ 63,667,674	\$ 63,254,556	\$ 58,467,909
General Revenues:					
Taxes	\$ 243,209,118	\$ 232,677,607	\$ 223,182,755	\$ 209,453,537	\$ 192,994,181
Unrestricted Investment Earnings	5,933,478	4,204,864	3,156,468	1,978,036	1,664,231
Miscellaneous	350,743	137,129	1,541,869	139,311	468,097
Total General Revenues	\$ 249,493,339	\$ 237,019,600	\$ 227,881,092	\$ 211,570,884	\$ 195,126,509
Total Revenues	\$ 314,579,004	\$ 311,105,996	\$ 291,548,766	\$ 274,825,440	\$ 253,594,418
Expenses:					
General Administration	\$ 39,986,907	\$ 38,061,428	\$ 36,381,401	\$ 33,017,988	\$ 42,213,129
Judicial	21,307,098	21,616,597	19,722,011	16,972,363	16,727,057
Financial Administration	13,422,471	12,950,572	11,877,990	10,775,737	10,490,374
Legal	13,717,715	13,781,204	12,650,375	10,954,404	10,514,652
Public Facilities	20,331,370	20,740,245	20,106,290	19,848,774	25,337,831
Equipment Services	3,163,496	2,838,012	2,538,676	1,895,982	2,855,093
Public Safety	69,574,609	70,726,046	63,240,758	59,744,640	57,137,306
Public Transportation	37,376,476	67,579,577	48,460,019	40,522,784	37,669,979
Health and Welfare	25,480,589	23,911,364	23,103,633	19,318,848	18,932,952
Culture and Recreation	2,664,804	2,033,133	3,304,877	4,067,222	2,275,303
Conservation	213,068	244,932	239,369	257,791	255,552
Debt Service, Interest and Fiscal Charges	14,524,559	13,114,988	15,625,756	14,242,770	14,406,180
Total Expenses - Before Transfers	\$ 261,763,160	\$ 287,598,098	\$ 257,251,155	\$ 231,619,303	\$ 238,815,408
Change in Net Position	\$ 52,815,844	\$ 23,507,898	\$ 34,297,611	\$ 43,206,137	\$ 14,779,010
Adjustments	-	-	-	53,926,869 ⁽²⁾	-
Net Position as of October 1	543,011,257	519,503,359	485,205,748	388,072,742	373,293,732
Net Position as of September 30	\$ 595,827,101	\$ 543,011,257	\$ 519,503,359	\$ 485,205,748	\$ 388,072,742

(1) Unaudited information provided by County Staff.

(2) Restatement for GASB 68 Implementation.

TABLE 13A - GENERAL FUND REVENUES AND EXPENDITURE HISTORY

	Fiscal Year Ended September 30,				
<u>Revenues</u>	2018 ⁽¹⁾	2017	2016	2015	2014
Taxes	\$ 172,132,111	\$ 167,450,654	\$ 161,813,873	\$ 151,460,667	\$ 140,746,018
License and Permits	760,268	612,412	623,875	531,461	456,366
Federal and State Funds	7,530,436	6,693,935	6,602,004	6,063,917	6,361,798
Fees and Charges for Services	21,973,361	21,481,105	20,857,995	20,195,061	19,099,538
Fines and Forfeitures	1,522,554	1,421,753	1,462,392	1,563,381	1,763,311
Rental Revenues	291,296	337,917	312,022	309,846	302,820
Interest	2,321,268	1,751,589	1,783,709	1,413,467	1,123,376
Miscellaneous	584,453	412,215	440,106	474,737	774,800
Total Revenues	\$ 207,115,748	\$ 200,161,580	\$ 193,895,976	\$ 182,012,537	\$ 170,628,027
<u>Expenditures</u>					
General Administration	\$ 34,494,097	\$ 30,519,128	\$ 30,635,757	\$ 28,280,176	\$ 37,944,750
Judicial	19,667,496	18,870,895	17,488,405	15,813,230	15,063,445
Financial Administration	13,131,894	12,032,689	11,726,986	10,916,379	10,301,765
Legal	13,135,002	12,375,664	12,196,200	11,030,568	10,388,114
Public Safety	64,984,837	59,945,687	57,130,440	56,077,253	53,594,955
Public Health and Welfare	18,803,092	17,624,831	16,337,149	13,316,087	13,679,712
Public Facilities	10,544,092	10,264,723	10,631,548	10,328,973	10,804,060
Culture and Recreation	833,172	867,883	940,473	835,181	937,036
Equipment Services	1,886,500	1,718,408	1,620,951	1,664,746	2,217,536
Capital Outlay	21,051,389	12,476,871	8,962,571	5,091,020	4,226,191
Conservation	192,901	211,391	235,127	263,301	256,500
Total Expenditures	\$ 198,724,471	\$ 176,908,170	\$ 167,905,607	\$ 153,616,914	\$ 159,414,064
Excess (Deficiency) of Revenues Over Expenditures	\$ 8,391,277	\$ 23,253,410	\$ 25,990,369	\$ 28,395,623	\$ 11,213,963
Other Financing Sources (Uses)					
Sale of Capital and Non-Capital Assets	\$ 11,172,321	\$ 301,171	\$ 192,127	\$ 70,013	\$ 84,928
Operating Transfers In	373,826	26,876	95,186	4,610	85,141
Operating Transfers Out	(3,676,832)	(1,238,798)	(560,816)	(489,575)	(460,896)
Total Other Financing Sources (Uses)	\$ 7,869,315	\$ (910,751)	\$ (273,503)	\$ (414,952)	\$ (290,827)
Net Change in Fund Balances	\$ 16,260,592	\$ 22,342,659	\$ 25,716,866	\$ 27,980,671	\$ 10,923,136
Beginning Fund Balance	272,682,301	250,339,642	224,622,776	196,642,105	185,718,969
Ending Fund Balance	<u>\$ 288,942,893</u>	<u>\$ 272,682,301</u>	<u>\$ 250,339,642</u>	<u>\$ 224,622,776</u>	<u>\$ 196,642,105</u>

(1) Unaudited information provided by County Staff.

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-load 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 Commissioners Court, (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 December 31, 2018, the County's investable funds were invested in the following categories:

Description	Percent	Book Value	Market Value
Local Government Investment Pools ⁽¹⁾	55.59%	\$ 305,852,185	\$ 305,852,185
U.S. Agency Securities	26.08%	143,474,167	142,055,388
Certificates of Deposit	10.98%	60,394,278	60,394,278
Municipal Bonds	3.22%	17,738,306	17,540,933
Money Market	4.13%	22,706,641	22,706,641
	100.00%	<u>\$ 550,165,577</u>	<u>\$ 548,549,425</u>

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.

(1) One of the local government investment pools used by the County is TexSTAR, which is co-administered by First Southwest Asset Management Inc., a Hilltop Holdings Company an affiliate of HilltopSecurities, a Division of Hilltop Securities, the County's financial advisor.

TAX MATTERS

TAX EXEMPTION . . . In the opinion of Bracewell LLP, Bond Counsel, under existing law (i) interest on the Bonds is excludable from gross income for federal income tax purposes 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.

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 Order that it will comply with these requirements.

Bond Counsel's opinion will assume continuing compliance with the covenants of 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 and, in addition, will rely on representations by the County, the County's Financial Advisor and the Initial Purchaser with respect to matters solely within the knowledge of the County, the County's Financial Advisor and the Initial Purchaser, respectively, which Bond Counsel has not independently verified. If the County should fail to comply with the covenants in the Order or if the foregoing representations 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.

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 otherwise 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

Public Law No. 115-97 (i.e. Tax Cuts and Jobs Act), which makes significant changes to the Code, including changing certain provisions affecting tax-exempt obligations, such as the Bonds, was signed into law on December 22, 2017. The changes include, among others, changes to the federal income tax rates for individuals and corporations and the alternative minimum tax for tax years beginning after December 31, 2017. Further, current law may change so as to directly or indirectly reduce or eliminate the benefit of the excludability 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 recently-enacted, proposed, pending or future legislation.

CONTINUING DISCLOSURE OF INFORMATION

In the Bond Order, 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 respective series of 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 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 2019 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; (14) appointment of a successor or additional trustee or the change of name of a trustee, if material; (15) incurrence of a Financial Obligation of the County, if material, or agreement to covenants, events of default, remedies, priority rights, or other similar terms of a Financial Obligation of the County, any of which affect security holders, if material; and (16) default, event of acceleration, termination event, modification of terms, or other similar events under the terms of a Financial Obligation of the County, any of which reflect financial difficulties. 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, (A) any event described in the immediately preceding clause (12) 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 of business of the County, and (B) the County intends the words used in clauses (15) and (16) in the immediately preceding paragraph and in the definition of Financial Obligation to have the meanings ascribed to them in SEC Release No. 34-83885 dated August 20, 2018.

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 . . . During the previous five years, the County believes it has complied in all material respects with all continuing disclosure agreements made by it in accordance with the Rule.

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. The ratings are not a recommendation to buy, sell or hold the Bonds. 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 Initial Purchaser 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 a complete transcript of proceedings had incident to the authorization and issuance of the Bonds, including the unqualified approving legal opinion of the Attorney General of Texas approving the Initial Bond and to the effect that the Bonds are valid and legally binding obligations of the County, and based upon examination of such transcript of proceedings, the approving legal opinion of Bond Counsel, to like effect and to the effect that, 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," subject to the matters described under "Tax Matters" herein. The customary closing papers, including a certificate to the effect that no litigation of any nature has been filed or is then pending to restrain the issuance and delivery of the Bonds, or which would affect the provision made for their payment or security, or in any manner questioning the validity of said Bonds will also be furnished. Bond Counsel was not requested to participate, and did not take part, in the preparation of the Notice of Sale and Bidding Instructions, the Official Bid Form and 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 to verify that such description conforms to the provisions of the Bond Order. The legal fee to be paid Bond Counsel for services rendered in connection with the issuance of the Bonds is contingent on the sale and delivery of the Bonds. The legal opinion 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.

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

Hilltop Securities Inc. ("HilltopSecurities") 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. HilltopSecurities 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.

INITIAL PURCHASER OF THE BONDS

After requesting bids for the Bonds, the County accepted the bid of _____ (the "Initial Purchaser") to purchase the Bonds at the interest rates shown on the cover page of the Official Statement at a price of par plus a cash premium of \$ _____. The Initial Purchaser of the Bonds can give no assurance that any trading market will be developed for the Bonds after their sale by the County to the Initial Purchaser of the Bonds. The County has no control over the price at which the Bonds are subsequently sold and the initial yields at which the Bonds will be priced and reoffered will be established by and will be the sole responsibility of the Initial Purchaser of the Bonds.

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.

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 orders contained in this Official Statement are made subject to all of the provisions of such statutes, documents and order. 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 Order authorized and the Authorized Officer will approve in the Pricing Certificate the form and content of this Official Statement, and any addenda, supplement or amendment thereto, and authorize its use in the reoffering of the Bonds by the Initial Purchaser.

Pricing Officer
Collin County, Texas

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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 2019 estimated population is 1,107,017.

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, telecommunication, 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
Bank of America Home Loans	10,347
HP Enterprise Svc LLC	10,000
State Farm Insurance Corporate Office	8,700
JP Morgan Chase Corporate Office	6,000
Liberty Mutual Insurance	4,100
Toyota of America	4,000
JCPenney (Corporate HQ)	3,800
Capital One	3,683
University of Texas at Dallas	3,500
Raytheon	3,200

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:

	November 2018	Average Annual 2017	Average Annual 2016	Average Annual 2015	Average Annual 2014
Civilian Labor Force	532,876	527,317	512,119	484,121	474,056
Employed	514,771	509,347	494,019	466,489	452,505
Unemployed	18,105	17,970	18,100	17,632	21,551
Percent Unemployed	3.4%	3.4%	3.5%	3.6%	4.5%

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

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APPENDIX B

EXCERPTS FROM THE

COLLIN COUNTY, TEXAS

ANNUAL FINANCIAL REPORT

For the Year Ended September 30, 2017

The information contained in this Appendix consists of excerpts from the Collin County, Texas Annual Financial Report for the Year Ended September 30, 2017, 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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PATTILLO, BROWN & HILL, L.L.P.
CERTIFIED PUBLIC ACCOUNTANTS ■ BUSINESS CONSULTANTS

INDEPENDENT AUDITORS' REPORT

To the Honorable County Judge and
Commissioners Court
McKinney, Texas

Report of 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 (the "County") as of and for the year ended September 30, 2017, and the related notes to the financial statements, which collectively comprise the County's 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.

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, 2017, 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 4–29, the budgetary comparison schedules on pages 87–91, and the pension information on pages 92 – 93, 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 the County's basic financial statements. The introductory section, combining and individual fund financial statements and schedules, and statistical section are presented for purposes of additional analysis and are not a required part of the basic financial statements.

The combining and individual 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 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 29, 2018, on our consideration of the County's, 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 solely 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 the effectiveness of the County's 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 the County's internal control over financial reporting and compliance.

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

Waco, Texas
March 29, 2018

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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, 2017. 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 and deferred outflows exceeded liabilities and deferred inflows 29.1(net position) by \$543.0 million on a government-wide basis at September 30, 2017, an increase of \$23.5 million from 2016.
- For 2017, revenues of the County amounted to \$311.1million. The main revenue sources were property (ad valorem) taxes (\$228.4 million), charges for services (\$50.1 million) and operating grants and contributions (\$14.2 million). These three revenue sources accounted for 73.4%, 16.1%, and 4.6%, respectively, or 94.1% of total governmental activity revenues.
- Total expenses were \$287.6 million. The functional areas with the largest expense amounts were public safety (\$70.7 million), public transportation (\$67.6 million), and general administration (\$38.1 million).
- Net capital assets were \$412.0 million as of September 30, 2017. Net depreciation expense attributable to assets of governmental activities amounted to \$27.2 million for 2017.

Highlights for Fund Financial Statements

The fund financial statements detail 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 \$379.3 thousand for fiscal year 2017, as compared to an increase of \$40.3 million for fiscal year 2016. An amount of \$31.2 million of the increase in fiscal year 2016 was due to a transportation bond sale which did not reoccur in fiscal year 2017.
- The General Fund reported a fund balance of \$272.7 million for September 30, 2017, an increase of \$22.3 million from September 30, 2016. General Fund revenues increased by \$6.3 million (3.2%), and General Fund expenditures of \$176.9 million increased by \$9.0 million (5.4%) from 2016. As a result, General Fund revenues exceeded expenditures by \$23.3 million before considering net additional financing uses of \$911 thousand which mostly consisted of transfers to other funds and sale of assets.

General Financial Highlights

- 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 2017, the County transferred a net of \$30.6 million from Deferred Contributions for the completion of projects (primarily roads) that 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.
- The County did not issue any transportation bonds in 2017 since all bonds approved by voters in the 2007 bond election were sold in 2016. This was the first year since 2010 that transportation bonds were not issued.

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 deferred outflows of resources and liabilities and deferred inflows of resources; 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 and welfare, culture and recreation, and debt service.

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.

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, which is accounted for in the Animal Safety Fund. Each participating city, as well as the County, pays a pro rata share of the operating expenses and construction costs. In 2015 the Animal Safety Fund was reported as an enterprise fund for the first time.

Government-wide financial statements 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 is effective for periods that begin 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 clarity to 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 expenditures 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 balance includes all remaining amounts reported in governmental funds, other than the General Fund, that are not classified as nonspendable, restricted, or committed. Collin County has no assigned fund balance in 2017.
- **Unassigned** - Residual amount for the General Fund; it is the fund balance that is not restricted, committed, assigned or nonspendable. 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
- Debt Service Fund
- 2007 Road Bond Capital Project Fund

Each of these funds is classified as a major fund for 2017. 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. (Exceptions are funds where either a project life budget is adopted in Capital Projects Funds or funds where the Commissioners Court does not have the authority to adopt a budget such as grant funds or forfeiture funds). Budgetary comparison statements for major governmental funds are presented as required for additional supplementary information in the basic financial statements. Budgetary comparison statements for all governmental funds are included in the accompanying information to the fund financial statements.

Proprietary Funds

Currently, the County reports eight proprietary type funds. Two of these funds are reported as enterprise funds, the Collin County Toll Road Authority Fund and the Animal Safety Fund. The remaining six funds are reported as 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 governmental 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
- Employee Insurance
- Unemployment Assessment
- Flexible Benefits
- Employee Paid Benefits

The proprietary funds are combined into a single aggregated presentation for both enterprise funds and internal service funds in the proprietary fund financial statements. Proprietary funds are accounted for on the full-accrual method of accounting. Individual fund data for the proprietary 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 of which a portion of which 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 collected 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

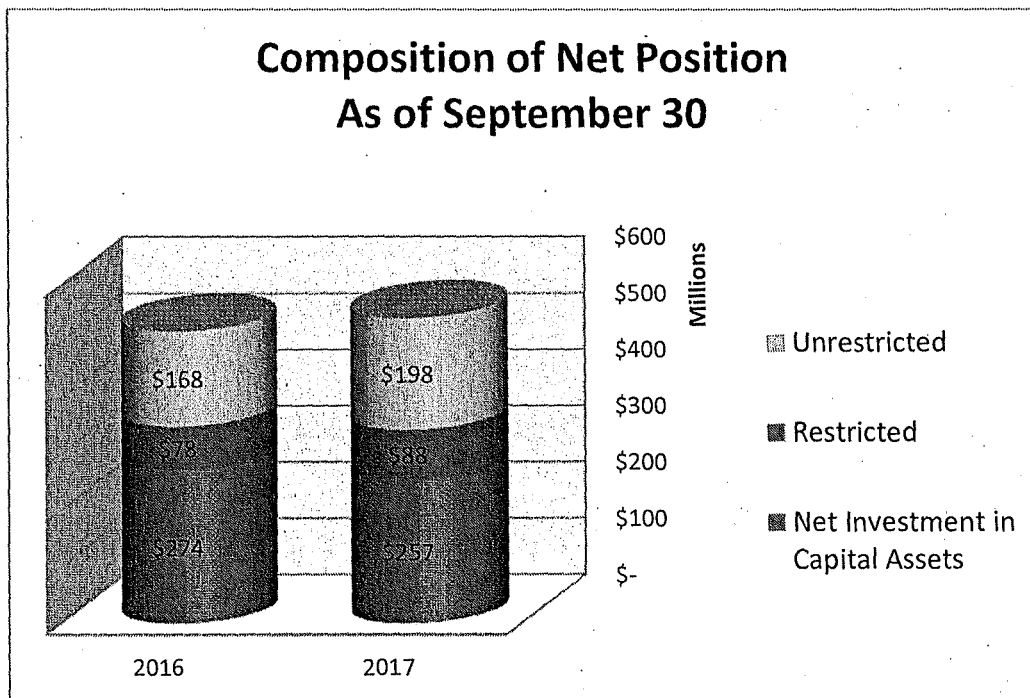
In addition to the basic financial statements and accompanying notes to those financial statements, certain required supplementary information schedules are also presented in this report with additional information regarding the results of the County's financial activities.

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

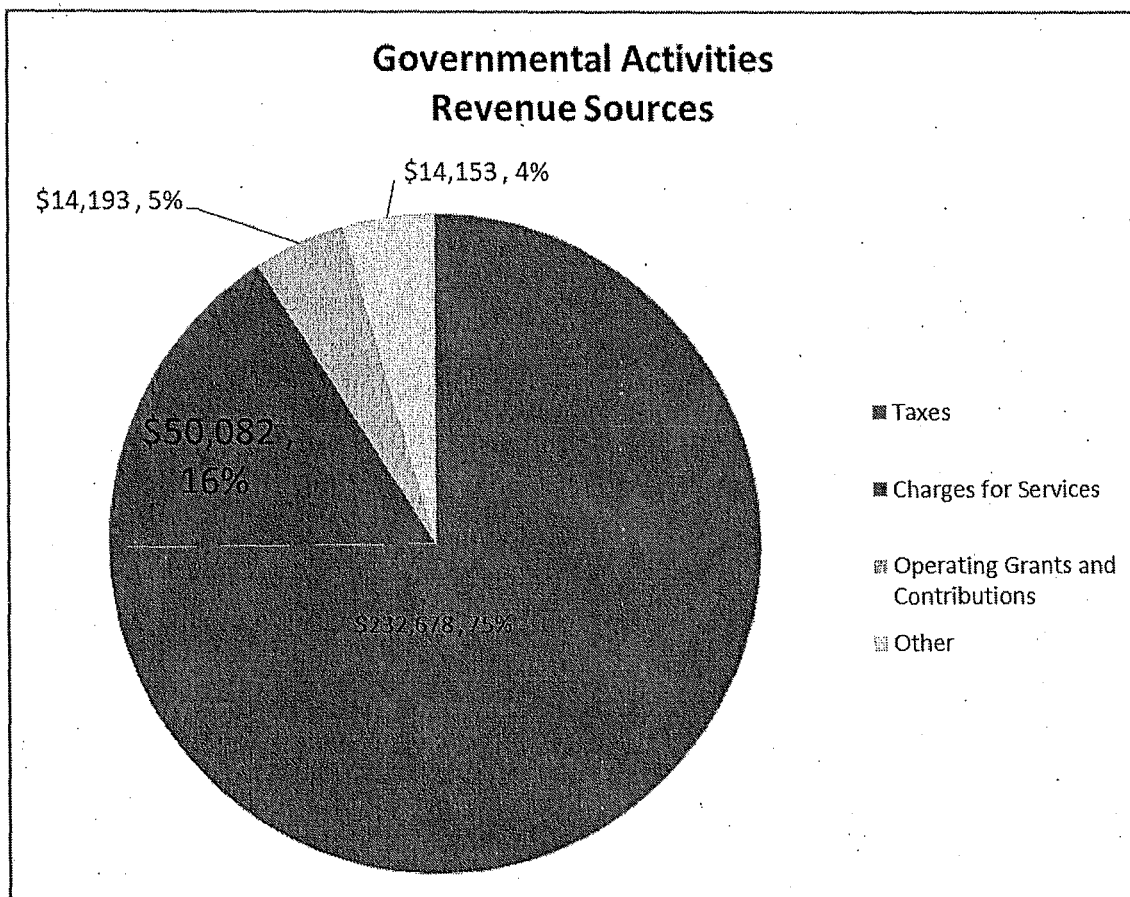
Net position of the County as of September 30, 2017 and 2016, is summarized and analyzed below:



Statement of Net Position As of September 30 (\$ in thousands)						
	2017			2016		
	Governmental Activities	Business-Type Activities	Total	Governmental Activities	Business-Type Activities	Total
Assets:						
Other Assets	\$ 544,606	\$ (34,051)	\$ 510,555	\$ 546,433	\$ (19,664)	\$ 526,769
Capital Assets	365,123	46,882	412,005	384,197	23,226	407,423
Total Assets	909,729	12,831	922,560	930,630	3,562	934,192
Deferred Outflow of Resources	43,121	-	43,121	53,768	-	53,768
Liabilities:						
Current Liabilities	19,065	325	19,390	20,040	172	20,212
Long-term Liabilities	398,900	-	398,900	444,097	-	444,097
Total Liabilities	417,965	325	418,290	464,137	172	464,309
Deferred Inflow of Resources	4,370	-	4,370	4,148	-	4,148
Net Position:						
Net Investment in Capital Assets	210,025	46,882	256,907	250,280	23,226	273,506
Restricted	88,056	-	88,056	77,875	-	77,875
Unrestricted	232,434	(34,376)	198,058	187,958	(19,836)	168,122
Total Net Position	\$ 530,515	\$ 12,506	\$ 543,021	\$ 516,113	\$ 3,390	\$ 519,503

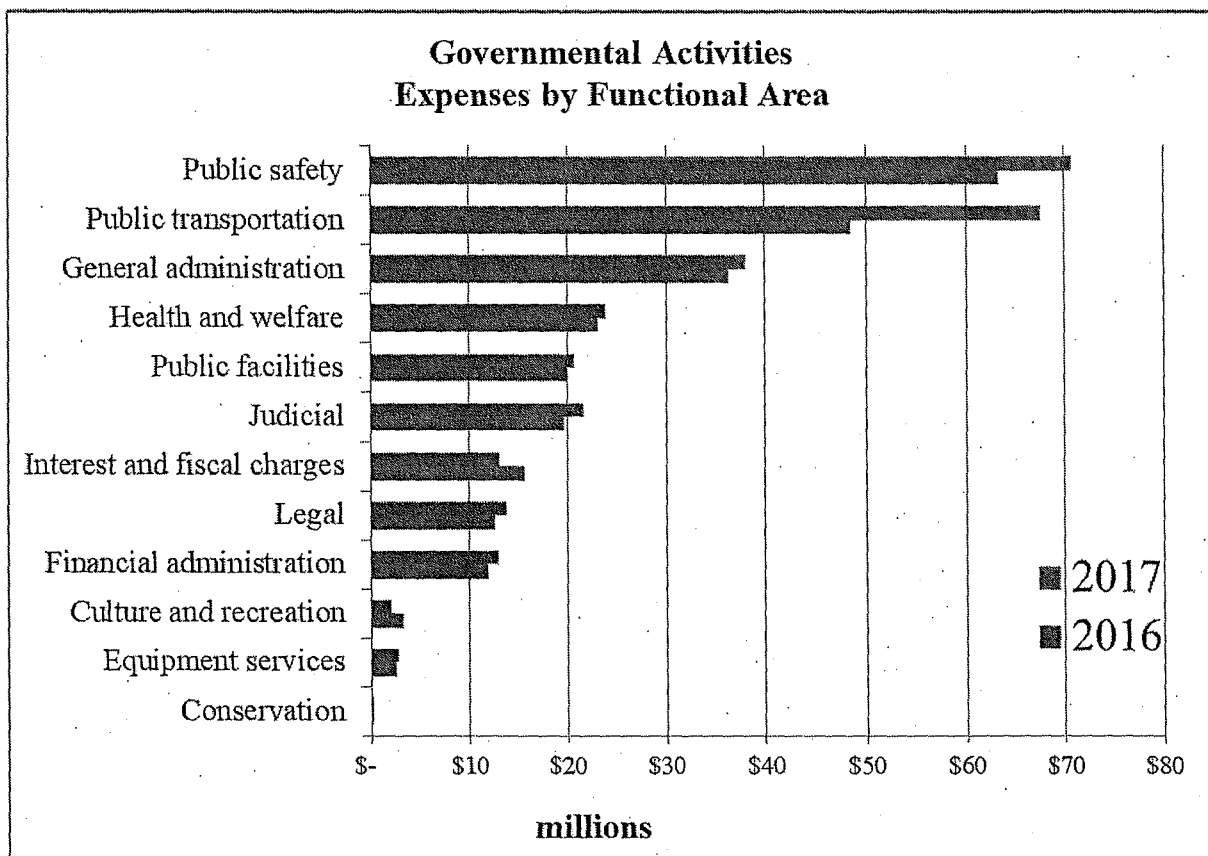
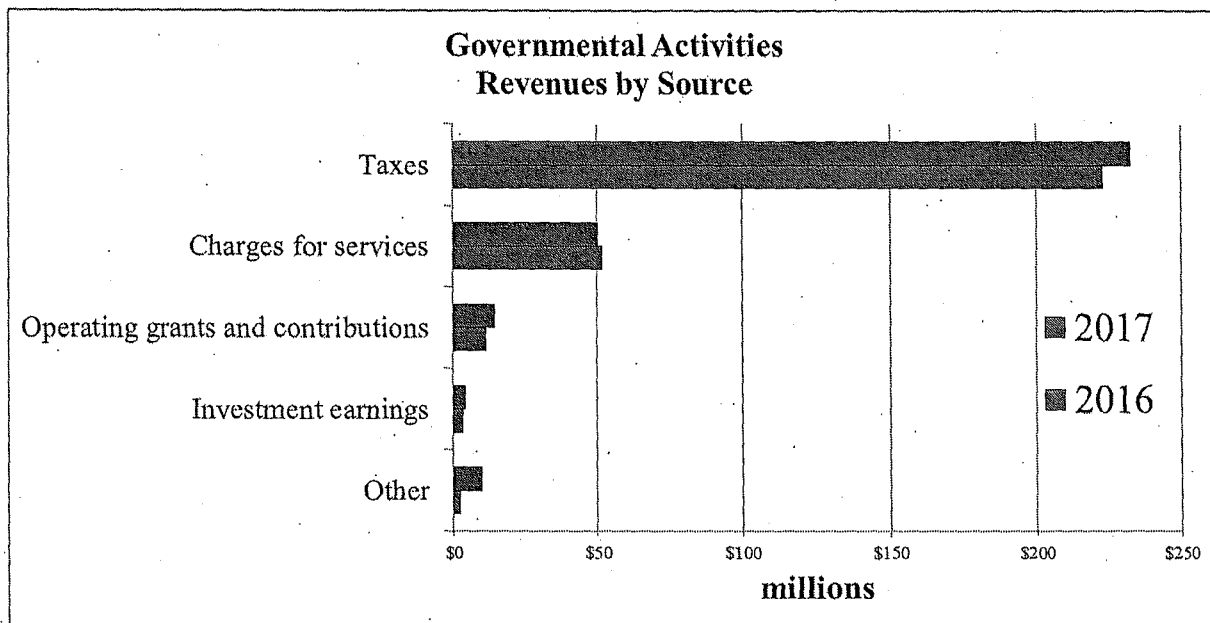
- Net position serves as a useful indicator of financial position. Assets and deferred outflow of resources exceeded liabilities and deferred inflow of resources by \$543.0 million as of September 30, 2017, and by \$519.5 million as of September 30, 2016, a net increase of \$23.5 million.
- Net investment 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 (47.3%). Although our investment in capital assets is reported net of related debt, the reader should note that 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.
- Net position (16.2% of total net position) represents resources subject to external restrictions. Of these restricted net assets, 47.2% are restricted for county roads and bridges, 24.2% is to repay long-term debt, 11.7% is for administration and elections, and 10.3% is restricted to the judicial system.
- The remaining portion of the County's net position (36.5%) 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 2017 over 2016 by \$19.6 million (6.7%), due primarily to an increase in tax collections (\$9.5 million, or 4.3%) as well as an increase in capital grants and contributions mostly due to recognition of a portion of the Outer Loop which is funded by a grant (\$9.1 million, or 1,285.74%). Operating grants and contributions increased by \$2.9 million or 25.9%. A summary of the amounts and a more detailed explanation is provided in the following table:

Summary of Changes in Net Position For the Fiscal Years Ended September 30 (\$ in thousands)						
	2017			2016		
	Governmental Activities	Business-Type Activities	Total	Governmental Activities	Business-Type Activities	Total
Revenues						
<u>Program Revenues:</u>						
Charges for services	\$ 48,699	\$ 1,383	\$ 50,082	\$ 50,397	\$ 1,293	\$ 51,690
Operating grants and contributions	14,193	-	14,193	11,270	-	11,270
Capital grants and contributions	816	8,995	9,811	708	-	708
Total Program Revenues	63,708	10,378	74,086	62,375	1,293	63,668
<u>General Revenues:</u>						
Taxes	232,678	-	232,678	223,183	-	223,183
Investment earnings	4,063	142	4,205	3,056	100	3,156
Miscellaneous	137	-	137	1,542	-	1,542
Total General Revenues	236,878	142	237,020	227,781	100	227,881
Total Revenues	300,586	10,520	311,106	290,156	1,393	291,549
Expenses						
General administration	38,061	-	38,061	36,382	-	36,382
Judicial	21,617	-	21,617	19,722	-	19,722
Financial administration	12,951	-	12,951	11,878	-	11,878
Legal	13,781	-	13,781	12,650	-	12,650
Public facilities	20,740	-	20,740	20,106	-	20,106
Equipment services	2,828	-	2,828	2,539	-	2,539
Public safety	69,396	1,330	70,726	61,915	1,326	63,241
Public transportation	67,506	74	67,580	48,460	-	48,460
Health and welfare	23,911	-	23,911	23,104	-	23,104
Culture and recreation	2,033	-	2,033	3,305	-	3,305
Conservation	245	-	245	239	-	239
Interest and fiscal charges	13,115	-	13,115	15,626	-	15,626
Total Expenses	286,184	1,404	287,588	255,926	1,326	257,252
Change in Net Position	14,402	9,116	23,518	34,230	67	34,297
Net position at beginning of year	516,113	3,390	519,503	481,883	3,323	485,206
Net position at end of year	\$ 530,515	\$ 12,506	\$ 543,021	\$ 516,113	\$ 3,390	\$ 519,503



Summarized above are details of government-wide activities of the County for 2017 and 2016.

- Program revenues include charges for services as well as both operating and capital grants and contributions. Program revenues from government-wide activities increased by \$10.4 million or 16.4%. Most of this increase is due to the recognition of a capital grant when a portion of the Outer Loop road project was completed. Without this grant activity the increase in program revenues would only be \$1.4 million or 2.2%.
- 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 \$9.5 million or 4.3%.
- Public transportation expenses increased by \$19.1 million in 2017, mostly due to increases in activities involving construction of new roads throughout the County to keep up with the rapidly increasing demands from a rapidly increasing population.
- Pension expenses of \$7.3 million were allocated to all functional areas other than conservation and interest and fiscal charges. Of this amount, an increase of \$3.6 million was attributed to public safety since this functional area alone accounts for 46.5% of all payroll costs of the County.
- Judicial expenses increased by \$1.9 million (9.6%), of which \$1 million was due to increased pension expenses. Much of the remaining increase was caused in part by the addition of two district courts in mid-year 2016 (11 total district courts) and the addition of one county court-at-law (8 total county courts). Fiscal Year 2017 was the first full year of recorded expenses for these three new courts.
- Legal expense increased by \$1.1 million mostly due to an increase in salaries in the District Attorney's Office, which was primarily caused by adding employees due to the new courts mentioned above.

Total Cost and Net Cost of Government Wide Activities for Collin County For the Six Largest Functions by Expense For the Fiscal Years Ended September 30 (\$ in thousands)				
Functions/Programs	Total Cost of Services		Net Cost of Services	
	2017	2016	2017	2016
Public safety	\$ 70,726	\$ 63,241	\$ 57,114	\$ 46,854
Public transportation	67,580	48,460	35,358	28,964
General administration	38,061	36,382	26,102	24,884
Interest and fiscal charges	13,115	15,626	12,822	15,333
Public facilities	20,740	20,106	20,470	19,766
Health and welfare	23,911	23,104	18,351	17,343
Other	53,455	50,333	43,285	40,439
Total	\$ 287,588	\$ 257,252	\$ 213,502	\$ 193,583

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 fiscal year 2017, the County's governmental funds reported a combined ending fund balance of \$506.1 million which was a slight increase of \$379 thousand or 0.1%. A large portion of fund balance (64.8%, or \$327.9 million) of the governmental funds has been designated as nonspendable, restricted, or committed. The remaining \$178.2 million is classified as unassigned and is available to meet current needs. 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, 2017 (in thousands)			
Fund Balance:		<u>Major Purposes for Classification</u>	
Nonspendable	\$ 43,062	8.5%	inventories, receivables from other funds and organizations
Restricted	237,096	46.8%	bond proceeds, debt service tax collections, other legal or contractual restrictions
Committed	47,697	9.4%	road projects, funds set aside for unanticipated cost increases
Unassigned	<u>178,225</u>	<u>35.2%</u>	General Fund
Total Fund Balance	\$ <u>506,080</u>	<u>100.0%</u>	

Changes in Fund Balance – Major Funds

In 2017, the County is presenting five major funds in the governmental fund financial statements:

- General Fund
- General Road and Bridge Special Revenue Fund
- Health Care Foundation Special Revenue Fund
- Debt Service Fund
- 2007 Road Bond Fund

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

The Collin County Toll Road Authority (CCTRA) Fund is an enterprise fund that is being presented as a major fund. However, since it is an enterprise fund it is being presented in the proprietary fund sections of this report.

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 2017, the unassigned fund balance of the General Fund was \$178.2 million. The total fund balance in the General Fund was \$272.7 million, an increase of \$22.3 million or 8.9% from 2016.

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

General Fund Revenue Highlights:

- Property tax revenues increased by \$5.6 million (3.4%) from the prior year.
- Federal and state funds increased slightly by \$92 thousand of which \$46 thousand was due to an increase in the mixed beverage tax which is collected by the State of Texas and distributed to the County.
- Fees and Charges for Services increased by \$623 thousand or 3.0% from 2016.

- Fine collections decreased slightly by \$40 thousand or 2.7% most of which is accounted for in the Justice of the Peace offices.
- Investment earnings decreased slightly by \$32 thousand or 1.8% due to market conditions.

General Fund Expenditure Highlights:

- General Fund expenditures increased by \$9 million or 5.4%.
- An amount of \$6.2 million was paid out of the General Fund to upgrade the radio system for law enforcement. This project will continue into 2018.
- Payroll costs increased in the General Fund by \$4.9 million due to increasing payroll costs of new positions and payroll inflation.

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 5.66 miles in 2017. As of September 30, 2017, the County had resurfaced 460 miles of roads or an average of 35.38 miles per year.

At the end of 2017, the fund balance of the General Road and Bridge Fund was \$43.3 million, an increase of \$7.5 million (20.0%) 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 Fund Revenue Highlights

- Property tax revenues decreased by \$3.4 million or 88.8% due to the tax rate allocation to this fund being lowered.
- Revenues from Fees and Charges for Services increased by \$654 thousand in 2017. The higher revenues are attributed to an increase in revenues from vehicle registrations.

General Road and Bridge Fund Expenditure Highlights

- Road construction and maintenance expenditures decreased by \$3.8 million or 24.1% in 2017 mostly due to stable costs in road materials and fewer costly weather events compared to the prior year as well as a large expenditure of \$1.1 million in 2016 for micro-surfacing that did not reoccur in 2017.
- An increase in capital outlay occurred of \$1.1 million (65.9%) occurred due to replacing worn equipment in 2017 through the normal budget process.

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 66.2% of the funding for the Health Care Foundation Fund in 2017.

The total fund balance of \$3.7 million is an \$875 thousand decrease (18.9%) from 2016. Highlights of changes in fund balance in the Health Care Foundation Fund were:

Health Care Fund Revenues

- Federal and state funds increased by \$103 thousand (40.9%) in 2017 due to additional income from the Tobacco Settlement program.
- Fees and charges for services increased by \$8 thousand (6.0%).
- Rental revenues remained relatively stable with an increase of \$9 thousand (0.8%) in 2017.
- Investment revenue decreased by \$9 thousand (2.0%) mostly due to a decrease in available funds to invest.

Health Care Fund Expenditure Highlights

Expenditures decreased by \$433 thousand (12.4%) in 2017 mostly due to a reduction in expenditures for the Project Access program as a result of Medicaid 1115 waiver program.

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. Most of the authorized amount has been issued to-date (in seven series), beginning in 2008 and ending in 2016. In 2016 the final remaining authorized amounts were issued. The bond issues in this fund were as follows:

- 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
- Series 2015: \$40,455,000 issued August 18, 2015
- Series 2016: \$29,175,000 issued July 28, 2016

In 2017 the fund balance decreased by \$29.2 million due to road construction expenditures. The road construction activity is intended to continue until this fund is depleted. Interest revenue increased by \$425 thousand or 53.6% despite decreasing funds to invest due to favorable market conditions.

Budgetary Highlights

The legal level of budgetary control for the General Fund is by four major categories in each department:

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

The final amended budget for the General Fund expenditure appropriation was \$224,326,996 or \$2,456 more than the original budget of \$224,329,452 (excluding transfers). Actual expenditures for 2017 were \$176.9 million or \$47.4 million (21.1%) less than the final amended budget.

General Fund revenues for 2017 were more than the estimate by \$8.2 million. This is highlighted as follows:

- Taxes – \$3.0 million higher than estimate
- Federal and state funds - \$775 thousand higher than estimated
- Fees and Charges for Services - \$4.3 million higher than estimated
- Interest – \$69 thousand less than estimated
- Miscellaneous revenues - \$163 thousand higher than estimated

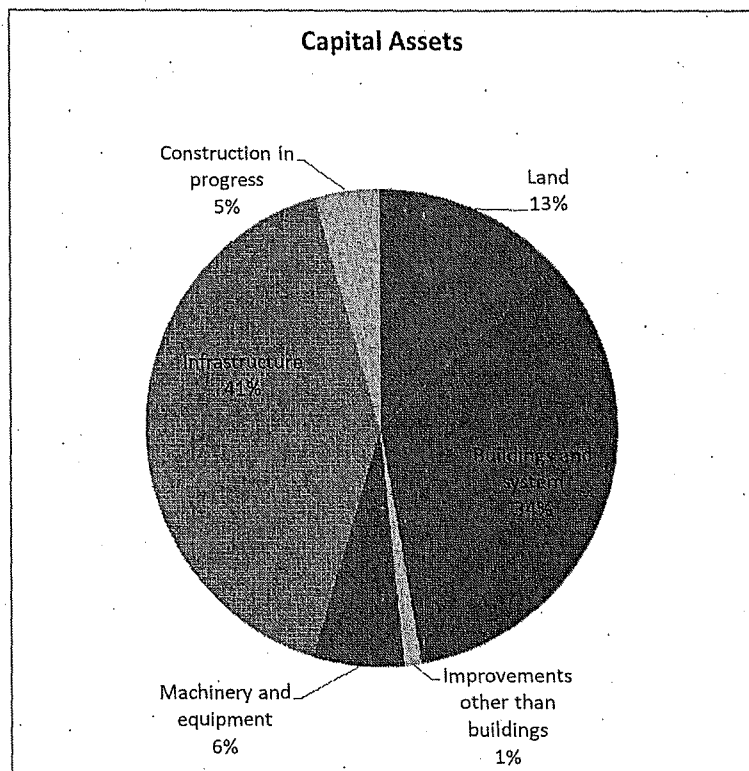
The General Fund is the primary source for expenditures related to the overall operation and administration of the County. In 2017, the departments that contributed to actual expenditures being \$47.4 million lower than budgeted expenditures were as follows:

- General administration expenditures were less than budget by \$10.9 million. Highlights are as follows:
 - Actual expenditures for the County Clerk were \$1.1 million 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 expenditures for Non-Departmental were under budget by \$2.3 million in the salary and benefit category due to unused budget for temporary workers.
 - Actual expenditures were \$3.2 million under budget for Non-Departmental in the maintenance and operating category, mostly due to maintenance contracts coming in well under budget (\$1.4 million), consultant funds not utilized and rolled over to 2018 (\$521 thousand), unused disaster recovery budget (\$250 thousand), a remaining Tax Increment Financing Zone Participation budget of \$327 thousand, and an amount of \$290 thousand in miscellaneous expenses.
 - Actual expenditures for Non-Departmental Capital Replacement was under budget by \$2.4 million.
 - Actual expenditures for Information Technology were \$329 thousand under budget in the maintenance and operating category as well as \$184 thousand in the salary and benefits category.
 - Actual expenditures for Telecommunications in the maintenance and operating category were under budget by \$734 thousand.
- Judicial expenditures were less than budget by \$945 thousand. Highlights are as follows:
 - The County Courts-at-Law utilized all but \$116 thousand of their \$3.7 million budget.

- The County Court-at-Law Clerks had \$69 thousand remaining in their \$1.9 million salary and benefit budget at year end.
- The District Courts had \$100 thousand unspent of their \$4.5 million combined budget at year end.
- The Jury Services – District Clerk Department had \$253 thousand of their \$637 thousand budget remaining at year end in maintenance and operating.
- The Justice of the Peace departments left \$104 thousand of their combined \$2.4 million budget unspent.
- Financial administration expenditures were less than budget by \$763 thousand. Highlights are as follows:
 - Budget Director was \$35 thousand under the \$623 thousand budget.
 - The Treasury Department was \$6 thousand under the \$421 thousand budget.
 - The Tax Appraisal District was \$480 thousand under the \$5.1 million budget of which \$337 thousand was remaining in salary and benefits as well as \$131 thousand remaining in maintenance and operations.
 - The County Auditor was \$40 thousand under the \$2.9 million budget.
- Legal actual expenditures were \$1.6 million under budget. Highlights are as follows:
 - The \$1 million Court-Appointed Prosecutor budget was not utilized in 2017.
 - District Attorney salaries and benefits were \$458 thousand below budget and the maintenance and operating expenditures were \$143 thousand below budget.
- Public facilities expenditures were less than budget by \$1.4 million of the \$11.7 million budget. Highlights are as follows:
 - The Building Superintendent budget was \$1.2 million less than budget in the maintenance and operating category.
 - Facilities Management was \$90 thousand under budget in the maintenance and operating category.
 - Permanent Improvement was \$137 thousand under budget in the maintenance and operating category.
- Equipment services expenditures were lower than budget by \$1.2 million primarily due to the maintenance and operating category coming in under budget.

- Public safety expenditures were lower than budget by \$1.4 million. Highlights of this budget variance are as follows:
 - The Sheriff's Office budget was \$428 thousand under budget mostly in the salaries and benefits category.
 - The Minimum Security Operations salaries and benefits expenditures were \$71 thousand under budget in the maintenance and operating category.
 - The Fusion Center was \$151 thousand under budget in the salaries and benefits category.
 - The 911 Addressing Department was \$24 thousand under budget.
 - The Medical Examiner was \$128 thousand under budget.
 - The Juvenile Board utilized all but \$254 thousand of the \$10.8 million budget.
- Health and welfare expenditures were \$742 thousand under budget, of which most was due to inmate health coming in under budget (\$406 thousand) as well as Mental Health and Retardation Department (\$316 thousand).
- Capital outlay, which is presented separately from functional activities, was \$28.2 million under budget, of which most was for projects that were not completed in 2017 and were rolled over into 2018. Of these projects \$8.3 million is for the radio system project and \$5.6 million for technology projects.

Capital Assets and Debt Administration



Capital Assets As of September 30 (\$ in thousands)			
	2017		2016
Land	\$	54,635	\$ 40,134
Buildings and system		262,005	261,003
Improvements other than buildings		8,788	8,100
Machinery and equipment		71,633	79,761
Infrastructure		318,994	307,442
Construction in progress		17,930	22,947
Total capital assets		733,985	719,387
Less: Accumulated Depreciation		(321,980)	(311,963)
Total capital assets	\$	412,005	\$ 407,424

Capital Assets

The County's investment in capital assets for governmental activities (including business-type activities), net of accumulated depreciation at September 30, 2017, was \$412.0 million, an increase of \$4.6 million from 2016.

Details by type of activity are summarized below:

Major changes in capital assets for 2017 are as follows:

- Land increased by \$14.5 million due to right-of-way acquisitions mostly for the Outer Loop road project.
- Construction in Progress decreased by a net of \$5.0 million due to placing transportation projects into service.
- Machinery and Equipment decreased by a net of \$8.1 million due to writing off obsolete software, as well as items written off when sold as surplus or traded in.
- Accumulated depreciation increased by \$10.0 million.

More detailed activity about capital assets can be found in the Notes to the Financial Statements.

Long-term Debt

At September 30, 2017, the County had \$352.38 million in outstanding debt, a decrease of \$43.21 million (12.3%). The County issued no debt in 2017. Principal was paid down by \$43.21 million and interest payments totaled \$16.1 million.

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

	<u>2017</u>	<u>2016</u>
Road and Bridge Projects	\$ 258,325	\$ 290,730
Public Facilities/Park Projects	<u>94,055</u>	<u>104,860</u>
Total Long-Term Debt	<u>\$ 352,380</u>	<u>\$ 395,590</u>

More detailed information about long-term debt activity can be found in the Notes to the Financial Statements.

Economic Factors

The following economic factors are reflected in the 2017 General Fund and other budgets:

- The percentage increase in net taxable real property assessed value during 2016 (for 2017 tax assessments) was 13.7% (2016 increase was 12.6%).
- Unemployment is at the lowest point in over a decade in 2017 at 3.2%.

Collin County relies primarily on property taxes for operations. Over 75.9% of the County's total revenues come from property taxes. Over the past few decades, the County has experienced consistent large increases in taxable valuations up to 12% until the drop in values from 2008 to 2012 caused by the real estate market collapse related to the great recession of 2009. Beginning in 2013 increases have rivaled and surpassed increase levels seen in the 1990's and early 2000's. In 2016 the County experienced a 13.7% increase in the net taxable value. After experiencing an unemployment rate recent-year high of 7.8% in 2009, the rate has consistently decreased each year to a rate of 3.2% in 2017. 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 an average of 70 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, work and do business.

During 2017, there were 25,458 people added to the County's population. This growth rate is expected to increase over the next couple of years due to a very active business climate. In 2017, 18.4 million square feet of commercial property was added to the county of which 7.5 million square feet was apartments and 10.9 million square feet is other business property. Some of the business activity that has been added or is under construction includes the Toyota North American Headquarters, the Ford Center at the Star in Frisco, Legacy West, Frisco Station, The Gate, Wade Park, JP Morgan Chase, and The Gates of Prosper. These businesses are or will be adding tens of thousands of jobs to the County over the next two years. 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. From 2008 to 2017 the County added 191,535 people, an increase of 25.6%. The rate 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 increased 196% 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, 2017 is 939,585 according to the Bureau of Economic Analysis, which is an increase of 157,244 or 20.1% 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 will provide a major highway through Collin County from Grayson County to the north to Dallas. 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 expanding the two-lane road to relieve traffic congestion began in 2005. In 2009, the State sold the rights for the Sam Rayburn Tollway (State Highway 121) to the North Texas Tollway Authority. 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.

Conversion of State Highway 121 into a toll road that is operated and managed by NTTA has and 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 be funded with the transfer of the Sam Rayburn Tollway to the NTTA. A significant portion of these projects (over \$900 million) are completed, planned, or under construction in Collin County.

In 2016, the Commissioners Court of the County began developing plans for additional limited access roadways throughout the County. Studies are being conducted for US Highway 380, US Highway 78, and an additional North-South route near Lake Lavon.

Revenue estimates in 2018 total \$333.8 million, an increase of 1.5% over the 2017 adopted budgeted estimates of \$328.5 million. Property taxes of \$229.2 million account for 68.6% of the County's revenue estimates for 2018.

The County's expenditure budget for 2018, which includes expenditures and transfers out, totals \$380.9 million. The General Fund expenditure budget for 2018 is \$237.1 million or 62.2% of the total adopted budget. An amount of \$65.3 million (17.1% of the total) is budgeted for debt services.

Significant events expected to have an impact in 2017 and beyond are as follows:

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 2017 have helped the county to provide preventative and minor medical care in cities where the indigent population is located. Increasing medical care cost contribute to the increasing demands on County resources to provide the same level of service 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, 2017, the unassigned fund balance for the General Fund was \$178.2 million, which is 75.2% of the General Fund expenditure budget for 2018, which represents 274 operating days of fund balance. When combined with committed funds, which the Commissioners Court can control, the fund balance is \$225.9 million or 95.3% of the General Fund budget, or 348 operating days of fund balance which is controlled by the governing body. The County has eliminated all long-term unfunded liabilities for 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. 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.

No bonds were issued in 2017; however, discussions have taken place by Commissioners Court about having another bond election to fund additional transportation projects in the County.

The property tax rate for 2018 was lowered to \$0.192246 per \$100 from \$0.208395 per \$100 of valuation from the prior year. Property owners continue to benefit from one of the lowest county property tax rates in the state. The expected growth of the County and related increases in property values should be sufficient to fund County operations for the time being. 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, 2017

	Primary Government			Component Unit
	Governmental Activities	Business-Type Activities	Total	
Assets				
Cash and cash equivalents	\$ 47,058,428	\$ 768,311	\$ 47,826,739	\$ 130,897
Investments	441,967,047	4,687,821	446,654,868	-
Receivables (net of allowance for uncollectibles)	10,647,944	208,582	10,856,526	-
Prepaid expenses	1,038,188	-	1,038,188	-
Internal balances	39,715,987	(39,715,987)	-	-
Inventories	3,345,985	-	3,345,985	-
Net pension assets	831,851	-	831,851	-
Capital assets (net of accumulated depreciation):				
Land	27,033,402	27,601,782	54,635,184	-
Buildings and system	138,407,963	1,779,594	140,187,557	-
Improvements other than buildings	4,595,884	-	4,595,884	-
Machinery and equipment	25,749,534	208,619	25,958,153	-
Infrastructure	158,130,234	10,568,660	168,698,894	-
Construction in progress	11,205,902	6,723,787	17,929,689	-
Total assets	909,728,349	12,831,169	922,559,518	130,897
Deferred outflows of resources:				
Deferred outflows - pension	43,121,221	-	43,121,221	-
Total deferred outflows of resources	43,121,221	-	43,121,221	-
Liabilities:				
Accounts payable and other current liabilities	18,967,611	306,953	19,274,564	93,535
Due to other governments	41,295	-	41,295	-
Unearned revenue	55,773	17,881	73,654	-
Noncurrent liabilities:				
Due within one year	56,864,883	-	56,864,883	-
Due in more than one year	342,034,901	-	342,034,901	-
Total liabilities	417,964,463	324,834	418,289,297	93,535
Deferred inflows of resources:				
Deferred inflows - pension	4,370,185	-	4,370,185	-
Total deferred inflows of resources	4,370,185	-	4,370,185	-
Net position				
Net investment in capital assets	210,024,392	46,882,442	256,906,834	-
Restricted for:				
Debt service	21,341,707	-	21,341,707	-
Health Care Foundation	3,744,269	-	3,744,269	-
Parks	27,610	-	27,610	-
Grant programs	274,119	-	274,119	-
County Roads and Bridges	41,541,194	-	41,541,194	-
Judicial System	9,070,817	-	9,070,817	-
Law Enforcement	1,792,502	-	1,792,502	-
Administration and Elections	10,263,906	-	10,263,906	-
Unrestricted (deficit)	232,434,406	(34,376,107)	198,058,299	37,362
Total net position	\$ 530,514,922	\$ 12,506,335	\$ 543,021,257	\$ 37,362

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 Fiscal Year Ended September 30, 2017

Functions/Programs	Expenses	Program Revenues			Net (Expense) Revenue and Changes in Net Position			
		Charges for	Operating	Capital	Primary Government			Component
		Services	Grants and	Grants and	Governmental	Business-type	Total	Unit
			Contributions	Contributions	Activities	Activities		
Primary Government:								
Governmental activities:								
General administration	\$ 38,061,428	\$ 11,580,034	\$ 379,651	\$ -	\$(26,101,743)	\$ -	\$(26,101,743)	\$ -
Judicial	21,616,597	5,262,371	1,011,078	417	(15,342,731)	-	(15,342,731)	-
Financial administration	12,950,572	2,912,837	23,611	1,139	(10,012,985)	-	(10,012,985)	-
Legal	13,781,204	280,642	242,905	15	(13,257,642)	-	(13,257,642)	-
Public facilities	20,740,245	-	120,006	150,545	(20,469,694)	-	(20,469,694)	-
Equipment services	2,828,012	-	15,223	103,074	(2,709,715)	-	(2,709,715)	-
Public safety	69,396,451	8,822,402	3,164,457	242,985	(57,166,607)	-	(57,166,607)	-
Public transportation	67,505,670	19,634,198	3,288,167	304,602	(44,278,703)	-	(44,278,703)	-
Health and welfare	23,911,364	202,253	5,357,324	436	(18,351,351)	-	(18,351,351)	-
Culture and recreation	2,033,133	4,687	285,514	12,643	(1,730,289)	-	(1,730,289)	-
Conservation	244,932	-	12,200	-	(232,732)	-	(232,732)	-
Interest and fiscal charges	13,114,988	-	293,275	-	(12,821,713)	-	(12,821,713)	-
Total governmental activities	<u>286,184,596</u>	<u>48,699,424</u>	<u>14,193,411</u>	<u>815,856</u>	<u>(222,475,905)</u>	<u>-</u>	<u>(222,475,905)</u>	<u>-</u>
Business-type activities:								
Public safety	1,329,595	1,382,816	-	-	-	53,221	53,221	-
Public transportation	73,907	-	-	8,994,889	-	8,920,982	8,920,982	-
Total business-type activities	<u>1,403,502</u>	<u>1,382,816</u>	<u>-</u>	<u>8,994,889</u>	<u>-</u>	<u>8,974,203</u>	<u>8,974,203</u>	<u>-</u>
Total primary government	<u>287,588,098</u>	<u>50,082,240</u>	<u>14,193,411</u>	<u>9,810,745</u>	<u>(222,475,905)</u>	<u>8,974,203</u>	<u>(213,501,702)</u>	<u>-</u>
Component unit:								
Health and welfare	33,876	-	48,000	-	-	-	-	14,124
Total component unit	<u>\$ 33,876</u>	<u>\$ -</u>	<u>\$ 48,000</u>	<u>\$ -</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>14,124</u>
General revenues								
Property taxes					228,427,600	-	228,427,600	-
Mixed beverage tax					4,250,007	-	4,250,007	-
Unrestricted investment earnings					4,062,934	141,930	4,204,864	91
Miscellaneous					137,129	-	137,129	-
Total general revenues and extraordinary item					<u>236,877,670</u>	<u>141,930</u>	<u>237,019,600</u>	<u>91</u>
Change in net position					14,401,765	9,116,133	23,517,898	14,215
Net position - beginning of year					516,113,157	3,390,202	519,503,359	23,147
Net position - end of year					<u>\$ 530,514,922</u>	<u>\$ 12,506,335</u>	<u>\$ 543,021,257</u>	<u>\$ 37,362</u>

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

COLLIN COUNTY, TEXAS

Balance Sheet Governmental Funds September 30, 2017

	General Fund	General Road and Bridge	Health Care Foundation
Assets			
Cash	\$ 42,347,921	\$ 142,978	\$ 307,100
Investments	196,147,824	41,130,106	3,562,736
Receivables:			
Taxes (net of allowance for uncollectibles)	2,045,683	-	-
Fines and fees	2,231,590	1,377,254	-
Due from other governments	1,542,677	53,998	-
Due from other funds	890,209	-	-
Advance to other funds	37,239,390	-	-
Interest	769,238	-	-
Miscellaneous	641,855	89,684	599
Inventories	578,257	2,767,729	-
Total assets	<u>\$ 284,434,644</u>	<u>\$ 45,561,749</u>	<u>\$ 3,870,435</u>
Liabilities, Deferred Inflows of Resources, and Fund Balances			
Liabilities:			
Accounts payable	\$ 3,499,058	\$ 728,150	\$ 56,646
Payroll related costs payable	4,055,435	112,403	47,352
Lease deposits payable	-	-	22,168
Due to other governments	41,291	4	-
Due to other funds	-	-	-
Unearned revenue	-	-	-
Total liabilities	<u>7,595,784</u>	<u>840,557</u>	<u>126,166</u>
Deferred Inflows of Resources:			
Unavailable revenue - fines and fees	2,231,590	1,377,254	-
Unavailable revenue - property taxes	1,924,969	-	-
Total deferred inflows of resources	<u>4,156,559</u>	<u>1,377,254</u>	<u>-</u>
Fund Balances:			
Nonspendable	37,817,647	2,767,729	-
Restricted	8,942,121	40,576,209	3,744,269
Committed	47,697,481	-	-
Unassigned	178,225,052	-	-
Total fund balances	<u>272,682,301</u>	<u>43,343,938</u>	<u>3,744,269</u>
Total liabilities, deferred inflows of resources, and fund balances	<u>\$ 284,434,644</u>	<u>\$ 45,561,749</u>	<u>\$ 3,870,435</u>

Debt Service	2007 Road Bond	Other Governmental Funds	Total
\$ 1,991	\$ 5,416	\$ 1,199,905	\$ 44,005,311
20,514,386	120,384,758	47,922,754	429,662,564
787,787	-	-	2,833,470
-	-	-	3,608,844
-	-	1,021,213	2,617,888
-	-	-	890,209
-	1,121,540	1,355,057	39,715,987
-	-	-	769,238
37,543	-	23,562	793,243
-	-	-	3,345,986
<u>\$ 21,341,707</u>	<u>\$ 121,511,714</u>	<u>\$ 51,522,491</u>	<u>\$ 528,242,740</u>
\$ -	\$ 5,570,854	\$ 753,623	\$ 10,608,331
-	-	51,093	4,266,283
-	-	-	22,168
-	-	-	41,295
-	-	890,209	890,209
-	-	55,773	55,773
<u>-</u>	<u>5,570,854</u>	<u>1,750,698</u>	<u>15,884,059</u>
-	-	-	3,608,844
744,291	-	-	2,669,260
<u>744,291</u>	<u>-</u>	<u>-</u>	<u>6,278,104</u>
-	1,121,540	1,355,057	43,061,973
20,597,416	114,819,320	48,416,736	237,096,071
-	-	-	47,697,481
-	-	-	178,225,052
<u>20,597,416</u>	<u>115,940,860</u>	<u>49,771,793</u>	<u>506,080,577</u>
<u>\$ 21,341,707</u>	<u>\$ 121,511,714</u>	<u>\$ 51,522,491</u>	<u>\$ 528,242,740</u>

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COLLIN COUNTY, TEXAS

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

September 30, 2017

Total fund balances – governmental funds		\$ 506,080,577
Amounts reported for governmental activities in the statement of net position are different because:		
Prepaid capital project construction payments made to construct assets owned by other local governments.		1,038,188
The net pension asset is not an available resource and, therefore, is not reported in the funds.		831,851
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	\$ 27,033,402	
Buildings and systems	138,407,963	
Improvements other than buildings	4,595,884	
Machinery equipment	25,749,534	
Infrastructure	158,130,234	
Construction in progress	<u>11,205,902</u>	
Total capital assets		365,122,919
Some amounts deferred in the funds were recorded in a different fiscal year than the current year:		
Fines and fees earned in the current fiscal year but are not available to provide for current financial resources, and therefore are deferred in the funds.	3,608,844	
Property taxes earned in the current fiscal year but are not available to provide for current financial resources, and therefore are deferred in the funds.	<u>2,669,260</u>	
Total deferred revenues		6,278,104
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.		11,082,634
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	(4,033,724)	
Bonds, notes and loans payable	(352,380,000)	
Compensated absences	(7,579,939)	
Unamortized bond premiums	<u>(34,676,724)</u>	
Total liabilities		(398,670,387)
Deferred outflows and inflows of resources related to pensions and refundings are not reported in the funds.		
Deferred outflows related to pensions	\$ 43,121,221	
Deferred inflows related to pensions	<u>(4,370,185)</u>	
Total deferred outflows/inflows		38,751,036
Net position of governmental activities		<u>\$ 530,514,922</u>

COLLIN COUNTY, TEXAS

Statement of Revenues, Expenditures, and Changes in Fund Balances

Governmental Funds

For The Year Ended September 30, 2017

	General	General Road and Bridge	Health Care Foundation
Revenues:			
Property taxes	\$ 167,450,654	\$ 437,670	\$ -
Licenses and permits	612,412	4,437	-
Federal and state funds	6,693,935	-	355,908
Fees and charges for services	21,481,105	19,578,936	144,344
Fines and forfeitures	1,421,753	1,528,745	-
Other local government funds	-	34,516	-
Rental revenues	337,917	-	1,098,582
Interest	1,751,589	365,855	39,009
Miscellaneous	412,215	166,531	21,591
Total revenues	<u>200,161,580</u>	<u>22,116,690</u>	<u>1,659,434</u>
Expenditures:			
Current:			
General administration	30,519,128	-	-
Judicial	18,870,895	-	-
Financial administration	12,032,689	-	-
Legal	12,375,664	-	-
Public facilities	10,264,723	-	82,341
Equipment services	1,718,408	-	-
Public safety	59,945,687	-	-
Public transportation	-	12,177,095	-
Health and welfare	17,624,831	-	2,934,050
Culture and recreation	867,883	-	-
Conservation	211,391	-	-
Capital outlay:	12,476,871	2,756,956	18,149
Debt service:			
Principal retirement	-	-	-
Interest and fiscal charges	-	-	-
Total expenditures	<u>176,908,170</u>	<u>14,934,051</u>	<u>3,034,540</u>
Excess (deficiency) of revenues over (under) expenditures	<u>23,253,410</u>	<u>7,182,639</u>	<u>(1,375,106)</u>
Other financing sources (uses):			
Transfers in	26,876	-	500,000
Transfers out	(1,238,798)	-	-
Sale of assets	301,171	306,931	-
Total other financing sources (uses)	<u>(910,751)</u>	<u>306,931</u>	<u>500,000</u>
Net change in fund balances	22,342,659	7,489,570	(875,106)
Fund balances – beginning	250,339,642	35,854,368	4,619,375
Fund balances – ending	<u>\$ 272,682,301</u>	<u>\$ 43,343,938</u>	<u>\$ 3,744,269</u>

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

Debt Service	2007 Road Bond	Other Governmental Funds	Total
\$ 60,441,930	\$ -	\$ -	\$ 228,330,254
-	-	-	616,849
293,275	-	8,730,516	16,073,634
-	-	4,771,336	45,975,721
-	-	115,342	3,065,840
-	300,000	126,298	460,814
-	-	-	1,436,499
266,323	1,219,266	319,597	3,961,639
-	-	156,875	757,212
<u>61,001,528</u>	<u>1,519,266</u>	<u>14,219,964</u>	<u>300,678,462</u>
-	-	1,468,173	31,987,301
-	-	1,127,630	19,998,525
-	-	-	12,032,689
-	-	307,691	12,683,355
-	-	19,739	10,366,803
-	-	-	1,718,408
-	-	3,268,604	63,214,291
-	-	2,661,606	14,838,701
-	-	2,870,894	23,429,775
-	-	-	867,883
-	-	12,200	223,591
-	30,869,360	4,237,663	50,358,999
43,210,000	-	-	43,210,000
16,177,552	-	-	16,177,552
<u>59,387,552</u>	<u>30,869,360</u>	<u>15,974,200</u>	<u>301,107,873</u>
<u>1,613,976</u>	<u>(29,350,094)</u>	<u>(1,754,236)</u>	<u>(429,411)</u>
-	-	963,902	1,490,778
-	-	(251,980)	(1,490,778)
-	185,478	15,121	808,701
-	185,478	727,043	808,701
1,613,976	(29,164,616)	(1,027,193)	379,290
18,983,440	145,105,476	50,798,986	505,701,287
<u>\$ 20,597,416</u>	<u>\$ 115,940,860</u>	<u>\$ 49,771,793</u>	<u>\$ 506,080,577</u>

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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 Fiscal Year Ended September 30, 2017

Net change in fund balances – governmental funds		\$	379,290
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	\$	10,709,578	
Capital assets decreases	(	3,872,990)	
Depreciation expense for all capital assets	(	27,218,306)	
Total change in capital assets activity			(20,381,718)
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 repayment is expenditure in governmental funds, but reduces long-term liabilities in the statement of net position.		43,210,000	
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.		3,005,757	
Total long-term debt			46,215,757
Internal service funds are used by management to charge the costs of certain activities to individual funds. The net revenues over expenditures of the internal service funds is reported with the governmental activities.			
			902,322
Revenues in the statement of activities that do not provide current financial resources are reported as deferred revenues in the funds. The change in these revenues are as follows:			
Property taxes		97,347	
Fines and forfeitures	(	894,470)	
Total changes in revenues			(797,123)
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		56,807	
Pension	(	11,446,277)	
Compensated absences	(	527,293)	
Total changes in long-term liabilities			(11,916,763)
Change in net position of governmental activities	\$		14,401,765

COLLIN COUNTY, TEXAS

Statement of Net Position

Proprietary Funds

September 30, 2017

	Business-Type Activities			Governmental Activities
	Collin County Toll Road Authority	Animal Safety	Total Enterprise Funds	Internal Service Funds
Assets:				
Current assets:				
Cash	\$ 641,084	\$ 127,227	\$ 768,311	\$ 3,053,118
Investments	3,460,016	1,227,805	4,687,821	12,304,484
Receivables	208,582	-	208,582	25,261
Total current assets	<u>4,309,682</u>	<u>1,355,032</u>	<u>5,664,714</u>	<u>15,382,863</u>
Capital assets (net of accumulated depreciation):				
Land	27,601,782	-	27,601,782	-
Buildings and systems	-	1,779,594	1,779,594	-
Machinery and equipment	-	208,619	208,619	-
Infrastructure	10,568,660	-	10,568,660	-
Construction in progress	6,723,787	-	6,723,787	-
Total capital assets	<u>44,894,229</u>	<u>1,988,213</u>	<u>46,882,442</u>	<u>-</u>
Total assets	<u>49,203,911</u>	<u>3,343,245</u>	<u>52,547,156</u>	<u>15,382,863</u>
Liabilities:				
Current liabilities:				
Accounts payable	278,803	16,518	295,321	2,356,956
Payroll payable	-	11,632	11,632	3,884
Claims payable	-	-	-	1,939,389
Unearned revenue	-	17,881	17,881	-
Total current liabilities	<u>278,803</u>	<u>46,031</u>	<u>324,834</u>	<u>4,300,229</u>
Noncurrent liabilities:				
Advance from other funds	39,715,987	-	39,715,987	-
Total noncurrent liabilities	<u>39,715,987</u>	<u>-</u>	<u>39,715,987</u>	<u>-</u>
Total liabilities	<u>39,994,790</u>	<u>46,031</u>	<u>40,040,821</u>	<u>4,300,229</u>
Net position:				
Net investment in capital assets	44,894,229	1,988,213	46,882,442	-
Unrestricted (deficit)	(35,685,108)	1,309,001	(34,376,107)	11,082,634
Total net position	<u>\$ 9,209,121</u>	<u>\$ 3,297,214</u>	<u>\$ 12,506,335</u>	<u>\$ 11,082,634</u>

COLLIN COUNTY, TEXAS
Statement of Revenues, Expenses, and Changes in Net Position
Proprietary Funds
For The Year Ended September 30, 2017

	Business-Type Activities			Governmental Activities
	Collin County Toll Road Authority	Animal Safety	Total Enterprise Funds	Internal Service Funds
Operating revenues:				
Premiums	\$ -	\$ -	\$ -	\$ 31,250,895
Charges for services	-	1,264,088	1,264,088	-
Other	-	118,728	118,728	4,789,627
Total operating revenues	-	1,382,816	1,382,816	36,040,522
Operating expenses:				
Administration	-	1,170,596	1,170,596	3,097,048
Benefits	-	-	-	32,142,447
Depreciation	73,907	158,999	232,906	-
Total operating expenses	73,907	1,329,595	1,403,502	35,239,495
Operating income (loss)	(73,907)	53,221	(20,686)	801,027
Nonoperating revenues (expenses):				
Gain(loss) on sale of asset	-	7,876	7,876	-
Interest income	123,308	10,746	134,054	101,295
Total nonoperating revenues (expenses)	123,308	18,622	141,930	101,295
Income before contributions	49,401	71,843	121,244	902,322
Capital contributions	8,994,889	-	8,994,889	-
Change in net position	9,044,290	71,843	9,116,133	902,322
Total net position – beginning	164,831	3,225,371	3,390,202	10,180,312
Total net position – ending	\$ 9,209,121	\$ 3,297,214	\$ 12,506,335	\$ 11,082,634

COLLIN COUNTY, TEXAS
Statement of Cash Flows
Proprietary Funds
For The Year Ended September 30, 2017

	Business-Type Activities			Governmental Activities
	Collin County Toll Road Authority	Animal Safety	Total Enterprise Funds	Internal Service Funds
Cash flows from operating activities:				
Receipts from customers and users	\$ -	\$ 1,373,866	\$ 1,373,866	\$ 31,227,323
Insurance recovery	-	-	-	4,789,627
Administration costs	-	(1,178,294)	(1,178,294)	(3,097,048)
Benefits paid	-	-	-	(30,325,552)
Net cash provided by operating activities	-	195,572	195,572	2,594,350
Cash flows from capital financing activities:				
Purchases of capital assets	(23,931,505)	-	(23,931,505)	-
Net gain on sale of capital assets	-	11,193	11,193	-
Capital contributions	8,994,889	-	8,994,889	-
Net cash used by capital financing activities	(14,936,616)	11,193	(14,925,423)	-
Cash flows from investing activities:				
Sale (Purchases) of investment	14,868,905	(225,582)	14,643,323	(5,971,348)
Advance from other funds	192,363	-	192,363	-
Interest income	123,308	10,746	134,054	101,295
Net cash provided by investing activities	15,184,576	(214,836)	14,969,740	(5,870,053)
Net increase (decrease) in cash and cash equivalents	247,960	(8,071)	239,889	(3,275,703)
Cash and cash equivalents – October 1, 2016	393,124	135,298	528,422	6,328,821
Cash and cash equivalents – September 30, 2017	\$ 641,084	\$ 127,227	\$ 768,311	\$ 3,053,118
Reconciliation of operating loss to net cash provided (used) by operating activities:				
Operating loss	\$(73,907)	\$ 53,221	\$(20,686)	\$ 801,027
Adjustments to reconcile operating loss to net cash provided (used) by operating activities:				
Depreciation expense	73,907	158,999	232,906	-
Other nonoperating expenses	-	(7,540)	(7,540)	-
Change in intergovernmental receivable	-	-	-	(23,572)
Change in accounts payable	-	(917)	(917)	1,816,754
Change in payroll payable	-	759	759	141
Change in unearned revenue	-	(8,950)	(8,950)	-
Total adjustments	73,907	142,351	216,258	1,793,323
Net cash used in operating activities	\$ -	\$ 195,572	\$ 195,572	\$ 2,594,350
Schedule of non-cash capital and related financing activities:				
Contributions of capital assets	\$ 192,363	\$ -	\$ 192,363	\$ -

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, 2017

Assets	
Cash	\$ 29,240,118
Investments	14,151,874
Assets held as security deposits	2,796,854
Receivables	<u>79,536</u>
Total assets	<u>\$ 46,268,382</u>
Liabilities	
Due to other governments	\$ 8,496,839
Due to others/vouchers payable	33,910,905
Cash bonds outstanding	3,844,101
Cash deposits outstanding	<u>16,537</u>
Total liabilities	<u>\$ 46,268,382</u>

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NOTES TO THE FINANCIAL STATEMENTS

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COLLIN COUNTY, TEXAS

NOTES TO THE FINANCIAL STATEMENTS

SEPTEMBER 30, 2017

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 is 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.

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 on 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 Debt Service Fund and the 2007 Road Bond 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 indigent healthcare is a major function of the County that is of great interest to the public. 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 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 levied prior to September 30, 2017, that were levied October 1, 2016, have been assessed to finance the budget of the fiscal year beginning October 1, 2016. In accordance with the modified accrual basis of accounting, the balances outstanding at November 30, 2017, 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, 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 of Texas 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 owns buildings in which space is leased to the County and to other organizations as an additional source of revenue. The fund also receives revenues from federal and state government sources.

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. As of 2016 all bonds that were authorized have been issued. The bonds were issued as follows:

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
Series 2015: \$40,455,000 issued August 18, 2015
Series 2016: \$29,175,000 issued July 28, 2016

Special Revenue Funds are used to account for specific revenue sources (other than debt proceeds) that are restricted from 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 projects such as design, construction or major improvements to roads, buildings and parks.

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 and cities within the County.

Enterprise Funds are used to account for business-type activities. The County has two enterprise funds: the CCTRA and the Animal Safety Fund.

As stated above the CCTRA qualifies as a major fund. The Animal Safety Fund is used to account for activities related to animal shelter and control activities in unincorporated areas of the County as well as within member cities. The County and member cities are required to fund the Animal Safety Fund on a pro-rata basis based on the 2010 census population.

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 including legal, contractual or operational. Examples are as follows: (1) the courts often require funds to be held in trust by the County, (2) the tax office collects funds on behalf of local governments and the state, and (3) 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. 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 investment pools with other local governments, in obligations of the U.S. Government or its Agencies, municipal bonds, certificates 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 market 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 the taxable value on the lien date of January 1st prior to September 30th of the same year. They become due October 1st of that same year and delinquent after January 31st of the following year, with the exception of homeowners over 65 who have the option of making quarterly tax payments. 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 statements 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. Receivables and revenues are recorded for grants when all eligibility requirements have been met and reimbursable costs are incurred.

In the government-wide statements legally enforceable claims are recorded as receivables and revenues when they are earned and not received. Included are fines and costs assessed by court action and billable services for certain contracts. Revenues received in advance of the costs being incurred are recorded as unearned revenue in the fund statements.

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 Fund and special revenue funds consist of expendable supplies held for consumption and the costs are recorded as expenditures 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 \$1,038,188. This amount is comprised of payments to cities within the County in which the County agreed to pay half of road projects in which the projects are not complete.

(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 net position 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. Funds within the Health Care Foundation Fund, a nonprofit corporation, are legally restricted. 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 – Primary Government

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, and communication towers. Capital assets are recorded at historical cost if purchased or constructed. Donated capital assets are recorded at acquisition value at the date of acquisition.

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:

Depreciable Life in Years

Asset Classes	Life in Years
Land/Land Improvements	0
Historical Treasures/Works of Art	0
Buildings	30
Improvements other than Buildings	10 - 20
Machinery and Equipment:	
Computer Equipment	5
Heavy Machinery and Equipment	8 - 13
Law Enforcement Equipment	5 - 7
Other Equipment	7 - 15
Patrol Vehicles	1 - 2
Vehicles	5 - 7
Infrastructure:	
Infrastructure - Asphalt	7
Infrastructure - Bridge	25 - 30
Infrastructure - Concrete	12
Infrastructure - Radio Tower	20

(6) Compensated Absences

A liability for unused paid time off accruals and compensatory time for all full-time 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. Compensated absences are accrued in the government-wide financial statements.

The County's permanent, full-time 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 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) Pension

For purposes of measuring the net pension asset, deferred outflows of resources and deferred inflows of resources related to pensions, and pension expense, information about the fiduciary net position of the County Employees Pension Plan (CEPP) and additions to/deductions from CEPP's fiduciary net position have been determined on the same basis as they are reported by CEPP. For this purpose, benefit payments (including refunds of employee contributions) are recognized when due and payable in accordance with the benefit terms. Investments are reported at fair value.

(9) 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.

(10) 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 No. 54, *Fund Balance Reporting and Governmental Fund Type Definitions*, 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, 1) advances to other funds and 2) inventories, as shown below:

Fund Balances:		
Nonspendable:		
General Fund:		
Advances:		
Collin County Toll Road Authority	\$ 37,239,390	
Inventories	<u>578,257</u>	
Total General Fund		\$ <u>37,817,647</u>
General Road and Bridge Fund:		
Inventories		<u>2,767,729</u>
2007 Road Bond Fund:		
Advances:		
Collin County Toll Road Authority		<u>1,121,540</u>
Other Governmental Funds:		
Inventories		<u>1,355,057</u>
Total Nonspendable		\$ <u><u>43,061,973</u></u>

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 funds. Restricted fund balances reported in the governmental fund statements are as follows:

Fund Balances:

Restricted:

General Fund:

Housing Finance Corporation	\$ 153,407	
Records Archive	8,300,628	
District Court Records Technology	<u>488,086</u>	
Total General Fund		\$ <u>8,942,121</u>

General Road and Bridge Fund:

Public transportation	<u>40,576,209</u>
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Healthcare Foundation:

Indigent healthcare	<u>3,744,269</u>
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Debt Service Fund:

Debt service activity	<u>20,597,416</u>
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2007 Road Bond:

Road and bridge projects	<u>114,819,320</u>
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Other Governmental Funds:

General administration	19,584,751	
Judicial	7,541,198	
Financial Administration	3	
Legal	2,315,215	
Public facilities	1,310,837	
Public Safety	8,575,021	
Health and welfare	26,994	
Culture and recreation	8,062,587	
Conservation	<u>115</u>	
Total Other Governmental Funds		<u>48,416,736</u>
Total Restricted		<u>\$237,096,071</u>

3. Committed Fund Balance

Committed fund balance is the portion of 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:

Encumbrance	\$ 29,110,612
Capital murder cases	2,000,000
Special elections	200,000
Utilities price spikes	500,000
Highway 75 Project	6,000,000
Permanent Improvement	<u>9,886,869</u>
Total Committed	<u>\$ 47,697,481</u>

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 Fund, Grants Fund, LEOSE Fund, Tax Assessor/Collector Motor Vehicle Tax Fund, Sheriff Forfeiture Fund, District Attorney State Forfeiture Fund, District Attorney Service Fee Fund, Juvenile Case Manager Fund, District Attorney Pretrial Intervention Program Fund, SCAAP Fund, District Attorney Apportionment Fund, District Attorney Federal Treasury Forfeiture Fund, District Attorney Federal Justice Forfeiture Fund, and the Constable Precinct 3 Forfeiture Fund. The budget for all capital project funds are adopted by project on a project-life term at the time debt is issued and amended as needed, 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 administered 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.

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 other banks holding investments of the County at all times. All other deposits are held in trust and are limited to individual accounts fully insured by FDIC.

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 its 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 of which are unconditionally guaranteed or insured by, or backed by the full faith and credit of this 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 or by the 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 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 the Texas Government Code, 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 the Texas Government Code, Section 2256.009(b); or
 - c. Secured in any other manner and amount provided by law for deposits of the investing entity; and
 - d. Solicited by bid or offer orally, in writing, electronically, or any combination of methods outlined under the Texas Government Code, Section 2256.005(c)(1-4);
- 8. Money market mutual funds registered with and regulated by the Securities and Exchange Commission and fully conforming with the Texas Government Code, Sections 2256.014 and 2256.016(b) and (c) relating to the eligibility of investment pools to receive and invest funds of investing entities; and
- 9. Investment pools, as discussed in the Public Funds Investment Act, the Texas Government Code, Section 2256.016-2256.019, are eligible if the Commissioners Court, by order, authorizes investment in the particular pool. An investment pool shall invest the funds it receives from entities in authorized investments permitted by GC 2256.016. An investment pool may invest its funds in money market mutual funds to the extent permitted by and consistent with the Texas Government Code, Section 2256.016 and the investment policies and objectives adopted by the investment pool. The County, by contract, may delegate to an investment pool the authority to hold legal title as custodian of investments purchased with its local funds.

The County participates in five Local Government Investment Pools: TexPool, TexSTAR, Logic, Texas Class and Texas Term. 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 five-member 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, Texas Class and Texas Term are overseen by a governing board consisting of individuals elected from participating government entities in the pool.

The County invests in all five pools to provide its primary liquidity needs. All are local government investment pools established in conformity with the Inter-local Cooperation Act, Chapter 791 of the Public Funds Investment Act, Chapter 2256 of the Code. These pools are a conglomeration of local governments investing in investments approved by the Public Funds Investment Act. Such funds allow shareholders the ability to deposit or withdraw funds on a daily basis. Interest rates are adjusted daily. They are all 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, 2017, are as follows:

Type of Investment	
Local government investment pools	\$186,463,899
Federal agency bonds	143,193,094
Municipal bonds	20,865,960
Certificates of deposits	107,194,117
Money Market/Cash Equivalents	<u>3,089,672</u>
Total investments	<u>\$460,806,742</u>

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 three strategic investment pool groups: operating, non-operating, and capital projects.

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

Most of the County's investments are backed up by the full faith and credit of the United States Government either directly or indirectly by using instruments of the United States Government or agencies as collateral. Investments that are not backed by instruments of the United States Government include municipal bonds and commercial paper in certain local government investment pools. According to the Collin County Investment Policy municipal bonds must be rated not less than A or its equivalent; however, in practice all municipal bonds in the County's portfolio are rated AA or better by Standard and Poor's or the equivalent. The policy also allows for commercial paper that has a stated maturity of 270 days or fewer and is not rated less than A-1 or p-1 or the equivalent. The County has no commercial paper directly in the portfolio but does invest in two local government investment pools that invest in commercial paper with the same credit rating restrictions.

As of September 30, 2017, the local government pools (40.5% of the portfolio) were rated AAAM by Standard and Poor's. The federal agency bonds (31.1% of the portfolio) were rated AA+ by Standards and Poor's. The Municipal Bonds (4.5% of the portfolio) were rated AA or better by Standard and Poor's. The Certificates of Deposits (23.3% of the portfolio) were fully collateralized in Collin County's name at the Federal Home Loan Bank of Dallas. All funds in money market/cash equivalent accounts (0.7% 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 1.096 years. All investments are normally held to maturity or until called.

(b) Deposits

The September 30, 2017, carrying amount of deposits was as follows:

<u>Bank Deposits</u>	
Governmental funds	\$ 44,005,311
Proprietary type funds	3,821,429
Fiduciary type funds	<u>29,240,118</u>
Total	<u>\$ 77,066,858</u>

Most of the funds are collateralized with securities or held by the Federal Home Loan Bank or the Federal Reserve Bank of New York in the name of Collin County as of September 30, 2017. All other funds are insured by the FDIC.

(c) Property Taxes and Other Receivables

Property taxes attach an enforceable lien on property as of January 1st. Taxes are levied prior to September 30th, become due on October 1st and are delinquent after January 31st except for homeowners over 65 who have the option of paying their taxes quarterly. 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, who is elected into office by the citizens of the County, 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 to 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. Special assessment taxes of \$21,833 were recorded on a non-major fund, the 1995 Road Bond Capital Project Fund. This property tax distribution is prorated 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 deferred revenue in connection with receivables for revenues that are not considered to be available to liquidate liabilities of the current period. Governmental funds also defer revenue recognition in connection with resources that have been received, but not yet earned such as grant revenue received but not yet expended.

At September 30, 2017, the various components of deferred revenue and unearned revenue reported in the governmental funds were as follows:

Taxes:	
General Fund	\$ 1,924,969
Debt Service Fund	<u>744,291</u>
	<u>2,669,260</u>
Fines and Fees:	
General Fund	2,231,590
General Road and Bridge Fund	<u>1,377,254</u>
	<u>3,608,844</u>
Unearned Grant Revenues:	
Grant Funds	<u>55,773</u>
	<u>55,773</u>
Total deferred and unearned revenue:	<u>\$ 6,333,877</u>

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 as well as 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 Special Revenue Fund	Health Care Foundation Special Revenue Fund	Debt Service Fund	2007 Road Bond	Non-Major Funds
Receivables:						
Taxes	\$ 2,201,286	\$ -	\$ -	\$ 847,710	\$ -	\$ -
Fines and Fees	5,628,692	3,473,818	-	-	-	-
Due from other governments	1,542,677	53,998	-	-	-	1,021,213
Due from other funds	890,209	-	-	-	-	-
Advance to other funds	37,239,390	-	-	-	1,121,540	1,355,057
Interest	769,238	-	-	-	-	-
Miscellaneous	641,855	89,684	599	37,543	-	23,562
Gross receivables	48,913,347	3,617,500	599	885,253	1,121,540	2,399,832
Less allowance for uncollectible	3,552,705	2,096,564	-	59,923	-	-
Net receivables	<u>\$ 45,360,642</u>	<u>\$ 1,520,936</u>	<u>\$ 599</u>	<u>\$ 825,330</u>	<u>\$ 1,121,540</u>	<u>\$ 2,399,832</u>

(e) Capital Assets

Capital assets are recorded at cost or, if donated, at fair value at the date of receipt. In accordance with GASB Statement Number 34, *Basic Financial Statements—and Management's Discussion and Analysis—for State and Local Governments*, depreciation policies were adopted to include useful lives and classification by function. The capitalization threshold for equipment is five thousand dollars. Infrastructure assets are valued by using actual historical cost where the amount can be determined. Once the historical cost is determined the asset is then depreciated over its useful life.

Many road projects and technology improvement projects have been ongoing in 2017. A summary of changes in capital assets follows:

	Beginning balance	Increases	Decreases	Ending balance
Governmental activities:				
Capital assets, not depreciated:				
Land	\$ 25,832,868	\$ 1,376,606	\$ (176,072)	\$ 27,033,402
Construction in progress	16,165,110	12,425,428	(17,384,636)	11,205,902
Historical treasures	269,760	149,813	(89,760)	329,813
Total capital assets, not depreciated:	<u>42,267,738</u>	<u>13,951,847</u>	<u>(17,650,468)</u>	<u>38,569,117</u>
Capital assets, being depreciated:				
Buildings	258,156,268	1,002,225	-	259,158,493
Improvements other than buildings	8,099,697	688,190	-	8,787,887
Machinery and equipment	79,131,319	8,906,471	(17,053,125)	70,984,665
Infrastructure	307,441,745	2,205,589	(1,296,204)	308,351,130
Total assets being depreciated	<u>652,829,029</u>	<u>12,802,475</u>	<u>(18,349,329)</u>	<u>647,282,175</u>
Less accumulated depreciation for:				
Buildings	(112,341,331)	(8,409,199)	-	(120,750,530)
Improvements other than buildings	(3,858,373)	(333,630)	-	(4,192,003)
Machinery and equipment	(56,164,197)	(6,272,312)	16,871,565	(45,564,944)
Infrastructure	(138,535,244)	(12,203,165)	517,513	(150,220,896)
Total accumulated depreciation	<u>(310,899,145)</u>	<u>(27,218,306)</u>	<u>17,389,078</u>	<u>(320,728,373)</u>
Net capital assets, being depreciated	<u>341,929,884</u>	<u>(14,415,831)</u>	<u>(960,251)</u>	<u>326,553,802</u>
Governmental activities, capital assets	<u>\$ 384,197,622</u>	<u>\$ (463,984)</u>	<u>\$ (18,610,719)</u>	<u>\$ 365,122,919</u>
Business-type activities:				
Capital assets, not being depreciated				
Land	\$ 14,301,578	\$ 13,300,204	\$ -	\$ 27,601,782
Construction in progress	6,781,523	1,589,942	(1,647,678)	6,723,787
Total capital assets, not depreciated	<u>21,083,101</u>	<u>14,890,146</u>	<u>(1,647,678)</u>	<u>34,325,569</u>
Capital assets, being depreciated:				
Buildings	2,846,799	-	-	2,846,799
Machinery and equipment	360,132	7,540	(48,939)	318,733
Infrastructure	-	10,642,567	-	10,642,567
Total assets being depreciated	<u>3,206,931</u>	<u>10,650,107</u>	<u>(48,939)</u>	<u>13,808,099</u>
Less accumulated depreciation for:				
Buildings	(972,311)	(94,893)	-	(1,067,204)
Machinery and equipment	(91,631)	(64,106)	45,622	(110,115)
Infrastructure	-	(73,907)	-	(73,907)
Total accumulated depreciation	<u>(1,063,942)</u>	<u>(232,906)</u>	<u>45,622</u>	<u>(1,251,226)</u>
Net capital assets, being depreciated	<u>2,142,989</u>	<u>10,417,201</u>	<u>(3,317)</u>	<u>12,556,873</u>
Business-type activities, capital assets	<u>\$ 23,226,090</u>	<u>\$ 25,307,347</u>	<u>\$ (1,650,995)</u>	<u>\$ 46,882,442</u>

Depreciation expense for FY 2017 was charged to functions/programs of the primary government as follows:

Depreciation:

Governmental activities:

General administration	\$ 3,281,373
Judicial	57,996
Financial administration	29,009
Public facilities	8,880,883
Equipment services	973,269
Public safety	342,202
Public transportation	13,501,862
Health and welfare	14,243
Culture and recreation	<u>137,469</u>

Total depreciation expense - governmental activities: \$ 27,218,306

Proprietary activities:

Outer Loop:

Public transportation	73,907
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Animal Safety:

Public facilities	94,893
Public safety	<u>64,106</u>

Total depreciation expense - business-type activities: \$ 232,906

Construction Commitments

Collin County has active construction projects as of September 30, 2017. 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:

<u>Project Type</u>	<u>Remaining Commitment</u>
Public Transportation	\$ 49,741,196
Public Facilities	<u>3,651,820</u>
Total	<u>\$ 53,393,016</u>

(f) Long-term Debt

New Bond Issues

Collin County issues general obligation bonds and tax notes to finance major capital projects. The total bond debt is \$352,380,000 as of September 30, 2017. The County has no other debt but bond debt. The County issued no debt in 2017.

The following are general obligation bonds and tax notes outstanding at September 30, 2017, and are for governmental activities only:

Fund Name	Interest Rates	Date		Due as of
		Issued	Maturity	September 30, 2017
Limited Tax Refunding and Permanent Improvement Bond 2008	3.625% to 5.000%	2008	2028	\$ 4,650,000
Limited Tax Refunding and Permanent Improvement Bond 2009	2.000% to 5.000%	2009	2025	20,000,000
Limited Tax Permanent Improvement Build America Bond 2009B	2.000% to 5.000%	2009	2029	9,990,000
Limited Tax Permanent Improvement Bond 2011	3.000% to 4.250%	2011	2031	1,670,000
Limited Tax Refunding and Permanent Improvement Bond 2012	2.000% to 5.000%	2012	2025	17,505,000
Limited Tax Permanent Improvement Bond 2013A	2.500% to 4.000%	2013	2033	1,865,000
Limited Tax Refunding Bonds 2013B	0.450% to 3.189%	2013	2025	11,315,000
Limited Tax Refunding and Permanent Improvement Bond 2014	2.000% to 5.000%	2014	2034	19,615,000
Limited Tax Refunding and Permanent Improvement Bond 2015	2.000% to 4.000%	2015	2035	3,470,000
Limited Tax Refunding and Permanent Improvement Bond 2016	2.000% to 5.000%	2016	2036	3,975,000
Unlimited Tax Road and Refunding Bond 2007	4.000% to 5.000%	2007	2027	9,895,000
Unlimited Tax Road Bond 2008	4.000% to 5.500%	2008	2028	1,960,000
Unlimited Tax Road and Refunding Bond 2009	2.000% to 5.000%	2009	2025	6,070,000
Unlimited Tax Road Build America Bond 2009B	4.600% to 6.300%	2009	2029	5,590,000
Unlimited Tax Refunding Bond 2010	2.000% to 5.000%	2010	2020	6,035,000
Unlimited Tax Road Bonds 2011	2.000% to 4.000%	2011	2029	22,680,000
Unlimited Tax Road and Refunding Bond 2012	2.000% to 5.000%	2012	2032	43,235,000
Unlimited Tax Refunding Bond 2013A	1.000% to 5.000%	2013	2033	30,710,000
Unlimited Tax Refunding Bond 2013B	0.650% to 4.000%	2013	2025	10,835,000
Unlimited Tax Road Bond 2014	2.000% to 5.000%	2014	2034	22,540,000
Unlimited Tax Road and Refunding Bond 2015	2.000% to 5.000%	2015	2035	58,600,000
Unlimited Tax Road and Refunding Bond 2016	2.000% to 5.000%	2016	2028	40,175,000
				<u>\$ 352,380,000</u>

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 thereof; (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 15, 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 15, 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 principal to be paid to bondholders
\$ 4,650,000 – Liability as of September 30, 2017

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 thereof; (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 15, 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 15, 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 principal to be paid to bondholders
\$20,000,000 – Liability as of September 30, 2017

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 thereof; and (iii) pay the cost of issuance associated with the sale of the these bonds. A principal amount of \$2,560,000 matures on February 15, 2019, and the remaining principal amount of \$7,430,000 matures on February 15, 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 15, 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, 2016

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 2011 were issued 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 15, 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 15, 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

\$ 1,670,000 – Liability as of September 30, 2017

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 issued 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 15, 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 15, 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 principal to be paid to bondholders

\$17,505,000 – Liability as of September 30, 2017

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 issued 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 these bonds. Principal maturities occur annually beginning on February 15, 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 15, 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

\$ 1,865,000 – Liability as of September 30, 2017

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 15, 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

\$11,315,000 – Liability as of September 30, 2017

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 thereof; (iii) refund a portion of the County's outstanding debt for debt savings; and (iv) pay the costs of issuance associated with the sale of the these bonds. Principal maturities will occur annually beginning on February 15, 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 15, 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.

\$ 2,200,000 – New issue

21,180,000 – Refunding

\$23,380,000 – Total principal to be paid to bondholders

\$19,615,000 – Liability as of September 30, 2017

Limited Tax Refunding & Permanent Improvement Bonds, Series 2015

(new issue authorized by voters on November 6, 2007, issued August 18, 2015)

\$3,675,000 Limited Tax Refunding and Permanent Improvement Bonds, Series 2015 were issued 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 for debt service savings, and (iii) paying the costs of issuance associated with the sale of the bonds. Principal maturities will occur annually beginning on February 15, 2016 with installments ranging from \$100,000 to \$280,000. 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 15, 2035. 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.

\$2,295,000 – New issue

1,380,000 – Refunding

\$3,675,000 – Total principal to be paid to bondholders

\$3,470,000 – Liability as of September 30, 2017

Limited Tax Refunding and Improvement Bonds, Series 2016

(new issue authorized by voters on November 6, 2007, issued July 28, 2016)

\$4,045,000 Limited Tax Refunding and Improvement Bonds, Series 2016 were issued 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 for debt service savings, and (iii) paying the costs of issuance associated with the sale of the bonds. Principal maturities will occur annually beginning on February 15, 2017 with installments ranging from \$70,000 to \$655,000. 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 15, 2036. 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.

\$2,145,000 – New issue

1,900,000 – Refunding

\$4,045,000 – Total principal to be paid to bondholders

\$3,975,000 – Liability as of September 30, 2017

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 were 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 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 15, 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 principal to be paid to bondholders

\$ 9,895,000 – Liability as of September 30, 2017

Unlimited Tax Road Bonds, 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 Bonds, Series 2008 were 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 15, 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 15, 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 principal to be paid to bondholders

\$ 1,960,000 – Liability as of September 30, 2017

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 were 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, 2010, in installments ranging from \$770,000 to \$2,485,000. 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 15, 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 principal to be paid to bondholders

\$ 6,070,000 – Liability as of September 30, 2017

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 were 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, 2019, and the remaining principal amount of \$4,120,000 matures on February 15, 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.

\$5,590,000 – New issue

\$5,590,000 – Liability as of September 30, 2017

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 were 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 15, 2012, with installments ranging from \$200,000 to \$2,110,000. 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 15, 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

\$ 6,035,000 – Liability as of September 30, 2017

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 2011 were 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 15, 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 15, 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

\$22,680,000 – Liability as of September 30, 2017

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 were 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 15, 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 15, 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 principal to be paid to bondholders

\$43,235,000 – Liability as of September 30, 2017

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 were 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 15, 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 15, 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 principal to be paid to bondholders

\$30,710,000 – Liability as of September 30, 2017

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 were 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 15, 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 15, 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

\$10,835,000 – Liability as of September 30, 2017

Unlimited Tax Road Bonds, Series 2014

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

\$25,045,000 Unlimited Tax Road Bonds, Series 2014 were 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 15, 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 15, 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

\$22,540,000 – Liability as of September 30, 2017

Unlimited Tax Road and Refunding Bonds, Series 2015

(new issue authorized by voters on November 6, 2007, issued August 18, 2015)

\$67,075,000 Unlimited Tax Road and Refunding Bonds, Series 2015 were 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 service savings, and (iii) pay costs of issuance associated with the sale of the bonds. Principal maturities will occur annually beginning February of 2016 with installments ranging from \$1,935,000 to \$6,605,000. 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 15, 2035. 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.

\$40,455,000 – New issue
26,620,000 – Refunding
\$67,075,000 – Total principal to be paid to bondholders
\$58,600,000 – Liability as of September 30, 2017

Unlimited Tax Road and Refunding Bonds, Series 2016

(new issue authorized by voters on November 6, 2007, issued July 28, 2016)

\$51,825,000 Unlimited Tax Road and Refunding Bonds, Series 2016 were 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 service savings, and (iii) pay costs of issuance associated with the sale of the bonds. Principal maturities will occur annually beginning February 15, 2017, with installments ranging from \$1,835,000 to \$17,850,000. 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 15, 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.

\$29,715,000 – New issue
22,110,000 – Refunding
\$51,825,000 – Total principal to be paid to bondholders
\$40,175,000 – Liability as of September 30, 2016

(g) Defeased Bonds

The county defeased no bonds in 2017 as has occurred in prior years.

(h) 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 currently has no cumulative rebate.

(i) Changes in Noncurrent Liabilities

Noncurrent liabilities for the year ended September 30, 2017, were as follows:

Changes in Noncurrent Liabilities (in thousands)

	Beginning Balance	Additions	Deductions	Ending Balance	Due within one year
Governmental activities:					
General obligation bonds	\$ 395,590	\$ -	\$ 43,210	\$ 352,380	\$ 49,590
Compensated absences	7,053	9,283	8,756	7,580	4,686
Claims and judgements	2,446	10,015	8,198	4,263	2,589
Unamortized bond premium	39,008	-	4,331	34,677	-
Total	\$ 444,097	\$ 19,298	\$ 64,495	\$ 398,900	\$ 56,865

Compensated absences are liquidated in 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.

(j) Contractual Maturities

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

Year Ending September 30	Principal	Interest	Total
2018	49,590,000	14,458,931	64,048,931
2019	32,960,000	12,700,287	45,660,287
2020	27,720,000	11,440,425	39,160,425
2021	26,745,000	10,301,373	37,046,373
2022	26,385,000	9,144,863	35,529,863
2023	25,485,000	7,964,647	33,449,647
2024	26,700,000	6,776,353	33,476,353
2025	23,705,000	5,635,220	29,340,220
2026	21,270,000	4,563,029	25,833,029
2027	18,575,000	3,597,819	22,172,819
2028	15,680,000	2,789,238	18,469,238
2029	13,045,000	2,123,404	15,168,404
2030	10,410,000	1,610,794	12,020,794
2031	10,870,000	1,167,663	12,037,663
2032	8,950,000	752,200	9,702,200
2033	6,565,000	433,209	6,998,209
2034	4,730,000	209,731	4,939,731
2035	2,850,000	60,359	2,910,359
2036	145,000	2,175	147,175
	<u>\$ 352,380,000</u>	<u>\$ 95,731,720</u>	<u>\$ 448,111,720</u>

The Debt Service Fund has \$20,597,416 to service the general long-term bond retirement as of September 30, 2017. 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 the County continues to monitor the debt proceeds used to ensure compliance.

(k) Conduit Debt

The County has no conduit debt. The Collin County Housing Finance Corporation issues single-family revenue bonds to provide financial assistance to qualified homeowners in which Collin County is a conduit issuer of the debt; however, the County is not obligated in any way to repay the debt.

(l) ***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, 2017, is as follows:

	<u>Due from</u>	<u>Due to</u>
<u>Due to/from other funds:</u>		
<u>Governmental Funds:</u>		
General Fund	\$ 890,209	\$ -
Nonmajor Funds	-	890,209
Total Governmental Funds	<u>890,209</u>	<u>890,209</u>
Total	<u>\$ 890,209</u>	<u>\$ 890,209</u>

The activity between the General Fund and other funds represent local matching of grants. Interfund advance activity is as follows:

	<u>Advance to</u>	<u>Advance from</u>
General Fund	\$ 37,239,390	\$ -
2007 Road Bond	1,121,540	-
Nonmajor Funds	1,355,057	-
Collin County Toll Road Authority Fund	-	39,715,987
Total	<u>\$ 39,715,987</u>	<u>\$ 39,715,987</u>

These balances are a result of funding to finance the Collin County Toll Road Authority Fund. 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, 2017, is as follows:

	<u>Transfers In</u>	<u>Transfers Out</u>
<u>Governmental Funds:</u>		
General Fund	\$ 26,876	\$ 1,238,798
Health Care Foundation	500,000	-
Nonmajor Funds	<u>963,902</u>	<u>251,980</u>
Total	<u>\$ 1,490,778</u>	<u>\$ 1,490,778</u>

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 consists of a transfer to the Courthouse Security Fund to supplement security activities (\$700,000), a transfer to the Health Care Foundation Fund (500,000) to supplement indigent healthcare, and grant match funding (\$38,978). The non-major fund activity primarily includes the Courthouse Security Fund transfer mentioned above (700,000) and a transfer to separate forfeiture funds in the Sheriff's Office (\$225,104).

(m) Capital Contributions

Assets were transferred to the Collin County Toll Road Authority Enterprise Fund from the 2007 Road Bond Fund (\$185,478) and the General Fund (\$6,885) that are 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.

(n) Leases

As lessor, the Health Care Foundation has a number of non-cancelable operating leases with minimum future rental revenues in aggregate of \$2,644,283. The buildings are carried at a book value of \$6,860,522 with accumulated depreciation of \$5,201,600. Future minimum rental revenue applicable to the operating leases are as follows:

		HCF	
		Contractual	
		Future Rental	
<u>Fiscal Year</u>		<u>Revenues</u>	
2018	\$	353,891	
2019		277,593	
2020		57,247	
2021		14,448	
2022		13,244	
Total	\$	<u>716,424</u>	

Collin County leases office space under operating leases that expire over periods of up to five years. Most of the leases are non-cancelable and renewal options are available. The aggregate total of these lease obligations is \$2,644,284 for the year ended September 30, 2017. At September 30, 2017, future minimum rental obligations applicable to the operating leases are as follows:

<u>Fiscal Year</u>	<u>Contractual Future Rental Obligations</u>
2018	\$ 1,018,947
2019	846,029
2020	<u>779,308</u>
Total	<u>\$ 2,644,284</u>

(o) Restricted and Committed Encumbrances

Encumbrances at year end are reported as restricted or committed fund balance. Encumbrance balances are generally rolled over at year end into the next year, and the budget is increased in the new year to cover the encumbrance. Encumbrances in funds other than the General Fund are included in restricted fund balances of those funds. Encumbrances in the General Fund are reflected in committed fund balance in an amount of \$36,186,620. The Commissioners Court has taken action to commit these rolled-over encumbrances to fund the outstanding purchase orders from the prior year. Of this amount, the more significant encumbrances are as follows:

• Permanent improvement building projects	\$5,992,253
• Radio tower project	7,391,766
• Right-of-Way acquisitions for CCTRA	6,000,000
• Information technology projects	5,423,720
• Capital replacement	3,076,484

Encumbrances in an amount of \$1,751,493 were rolled over in the General Road and Bridge Fund. Of this amount, \$1,032,954 was for equipment for which the purchase was not completed in 2017, and \$370,427 of encumbrances were rolled over for road maintenance projects.

The Health Care Foundation fund had \$405,397 of restricted encumbrances roll over from 2017 to 2018. Of these amounts \$166,010 was rolled over for grant programs to non-profit organizations, and \$171,253 is related to the Regional Health Partnership 18 Anchor.

An encumbered amount of \$642,756 was rolled over in all other governmental funds. Of this amount \$513,525 was rolled over for preserving records.

IV. OTHER INFORMATION

(a) Risk Management

The County 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 Employee Insurance 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, 2017, the County paid \$1,055 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 \$250 per person.

The Employee Insurance Fund had an increase of \$6,146,571 in benefits paid (30.6%) in 2017 after experiencing a decrease in claims in 2016 of \$804,008 (3.7%); however, total net position decreased by only \$1.1 million in spite of the increased claims to \$4.7 million due to the County increasing the per employee funding from \$905 to \$1,055 per employee per month. The County paid an additional \$3 million into the fund (\$1,956 per eligible employee) in 2016 to place the fund in a better position to handle unexpectedly large claims as has been experienced in prior years. Management continues to monitor the claims and has made changes to coverage to help keep costs down.

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. In 2017 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 2017 and 2016 follow (in thousands):

	Prior Year			Current Year	
	Liability	Estimates	Payments	Liability	
2017 Employee Insurance	\$ 855	\$ 26,942	\$ 26,942	\$ 855	
2016 Employee Insurance	\$ 855	\$ 20,795	\$ 20,795	\$ 855	
2017 Workers' Compensation	\$ 638	\$ 214	\$ 214	\$ 638	
2016 Workers' Compensation	\$ 638	\$ 311	\$ 311	\$ 638	
2017 Liability Insurance	\$ 447	\$ 1,007	\$ 1,007	\$ 447	
2016 Liability Insurance	\$ 447	\$ 908	\$ 908	\$ 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 Commissioners Court; however, it is only available to employees hired before December 18, 2007. There is no liability as of September 30, 2017, because the full longevity payment has been recorded in the Government Fund Statements as a current expenditure since the liability was paid as part of the last payroll in 2017.

(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 with no 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 eligibility for Medicare coverage. No post-employment liability exists since retirees are paying the full cost of this benefit.

(e) Retirement Commitments

Plan Description

The County Employee Pension Plan (CEPP) provides retirement, disability and death benefits for all of its full-time employees through an agent multiple-employer defined benefit pension plan in the Texas County and District Retirement System (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.

Benefits Provided

TCDRS provides retirement, disability and death benefits for all full-time employees. Benefit amounts are determined by the sum of the employee's contributions to the plan, with interest at a fixed 7% rate per annum, 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 contribution commitment. 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.

Benefit terms provide for cost-of-living adjustments to each employee's retirement allowance subsequent to the employee's retirement date. The Commissioners Court chooses to provide cost-of-living adjustment every third year. The amount of the adjustment is also determined every third year by the Commissioners Court.

Employees covered by benefit terms

As of December 31, 2016, the plan had 3,292 members of which 1,665 are depositing members and 908 are inactive members entitled but not yet receiving benefits. As of December 31, 2016 there were 719 retired employees receiving benefits from the program averaging \$2,163 per month.

Contributions

The County 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 required actuarial rate as of December 31, 2016, was 6.77%; however, the County contributed an amount of 8.0% in 2017 which was the same as 2016. 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 employee benefits in the future. The contribution rate payable by the employee members for the calendar years of 2017 and 2016 was 7.0% 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.

(f) Net Pension Liability

The County's net pension liability was measured as of December 31, 2016, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of that date.

Actuarial Assumptions

The total pension liability in the December 31, 2016, actuarial valuation was determined using the following actuarial assumptions, applied to all periods included in the measurement:

Real rate of return	5.0%
Inflation	3.0%
Investment rate of return	8.0%
Salary increases	4.9%

Mortality rates are as follows:

Depositing members

The RP-2000 Active Employee Mortality Table for males with a two-year set-forward and the RP-2000 Active Employee Mortality Table for females with a four-year setback, both with the projection scale AA and then projected with 110% of the MP-2014 Ultimate scale thereafter.

Service retirees, beneficiaries and non-depositing members

The RP-2000 Combined Mortality Table with the projection scale AA and then projected with 110% of the MP-2014 Ultimate scale thereafter, with a one-year set-forward for males and no age adjustment for females.

Disabled retirees

RP-2000 Disabled Mortality Table projected to 2014 with scale AA and then projected with 110% of the MP-2014 Ultimate scale thereafter, with no age adjustment for males and a two-year set-forward for females.

The long-term expected rate of return on TCDRS assets is determined by adding expected inflation to expected long-term real returns, and reflecting expected volatility and correlation. The capital market assumptions and information shown below are provided by TCDRS' investment consultant, Cliffwater LLC. The numbers shown are based on January 2017 information for a 7-10 year time horizon.

Note that the valuation assumption for long-term expected return is re-assessed at a minimum of every four years, and is set based on a 30-year time horizon; the most recent analysis was performed in 2013.

Asset Class	Benchmark	Target Allocation ⁽¹⁾	Geometric Real Rate of Return ⁽²⁾
U.S. Equities	Dow Jones U.S. Total Stock Market Index	13.50%	4.70%
Private Equity	Cambridge Associates Global Private Equity & Venture Capital Index ⁽³⁾	16.00%	7.70%
Global Equities	MSCI World (net) Index	1.50%	5.00%
Int'l Equities - Developed Markets	MSCI World Ex USA (net)	10.00%	4.70%
Int'l Equities - Emerging Markets	MSCI EM Standard (net) Index	7.00%	5.70%
Investment-Grade Bonds	Bloomberg Barclays U.S. Aggregate Bond Index	3.00%	0.60%
High-Yield Bonds	Citigroup High-Yield Cash-Pay Capped Index	3.00%	3.70%
Opportunistic Credit	Citigroup High-Yield Cash-Pay Capped Index	2.00%	3.83%
Direct Lending	S&P/LSTA Leveraged Loan Index	10.00%	8.15%
Distressed Debt	Cambridge Associates Distressed Securities Index ⁽⁴⁾	3.00%	6.70%
REIT Equities	67% FTSE NAREIT Equity REITs Index + 33% FTSE EPRA/NAREIT Global Real Estate Index	2.00%	3.85%
Master Limited Partnerships (MLPs)	Alerian MLP Index	3.00%	5.60%
Private Real Estate Partnerships	Cambridge Associates Real Estate Index ⁽⁵⁾	6.00%	7.20%
Hedge Funds	Hedge Fund Research, Inc. (HFRI) Fund of Funds Composite Index	20.00%	3.85%

⁽¹⁾ Target asset allocation adopted at the April 2017 TCDRS Board meeting.

⁽²⁾ Geometric real rates of return equal the expected return minus the assumed inflation rate of 2.0%, per Cliffwater's 2017 capital market assumptions.

⁽³⁾ Includes vintage years 2006-present of Quarter Pooled Horizon IRRs.

⁽⁴⁾ Includes vintage years 2005-present of Quarter Pooled Horizon IRRs.

⁽⁵⁾ Includes vintage years 2007-present of Quarter Pooled Horizon IRRs.

Discount Rate

The discount rate used to calculate the total pension asset was 8.10%. This rate reflects the long-term rate of return funding valuation assumption of 8.0% plus a 0.10% adjustment to be gross of the administration expenses. The plan's fiduciary net position is projected to be available to make all projected future benefit payments of current active, inactive, and retired members. Therefore, the discount rate for calculating the total pension liability is equal to the long-term expected rate of return, and the municipal bond rate does not apply.

Changes in the Net Pension Asset

Net Pension Liability / (Asset)

Net Pension Liability / (Asset)	December 31, 2015	December 31, 2016
Total pension liability	\$446,871,315	\$475,026,049
Fiduciary net position	449,605,887	475,857,901
Net pension liability / (asset)	(2,734,573)	(831,851)
Fiduciary net position as a % of total pension liability	100.61%	100.18%
Pensionable covered payroll ⁽¹⁾	\$89,312,442	\$92,657,082
Net pension liability as a % of covered payroll	(3.06%)	(0.90%)

The total pension liability was determined by an actuarial valuation as of the valuation date, calculated based on the discount rate and actuarial assumptions below.

Sensitivity of the Net Pension Asset to Changes in the Discount Rate

The following presents the net pension asset of the County, calculated using the discount rate of 8.10%, as well as what the County net pension liability / (asset) would be if it were calculated using a discount rate that is one percentage point lower (7.10%) or 1 percentage point higher (9.10%) than the current rate as of December 31, 2016.

	1% Decrease 7.10%	Current. Discount Rate 8.10%	1% Increase 9.10%
Total pension liability	\$539,297,340	\$475,026,049	\$421,691,535
Fiduciary net position	475,857,901	475,857,901	475,857,901
Net pension liability / (asset)	\$63,439,440	(\$831,851)	(\$54,166,365)

Pension Plan Fiduciary Net Position

Detailed information about the pension plan's fiduciary net position is available in the separately issued TCDRS financial report.

(g) Pension Expense and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions

For the year ended December 31, 2016, the County recognized pension expense of \$11,644,950. At September 30, 2017, the County reported deferred outflows of resources and deferred inflows of resources related to the pensions from the following sources:

Deferred Inflows/Outflows of Resources	Deferred Inflows of Resources		Deferred Outflows of Resources	
	Resources		of Resources	
Differences between expected and actual experience	\$	4,370,185	\$	-
Changes of assumptions		-		2,972,257
Net difference between projected and actual earnings		-		34,139,904
Contributions made subsequent to measurement date		-		6,009,060

An amount of \$6,009,060 is reported as deferred outflows of resources related to pension resulting from contributions subsequent to the measurement date will be recognized as an addition to the net pension asset for the year ending September 30, 2017. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense as follows:

Year ended December 31:	
2017	\$ 11,329,331
2018	11,329,331
2019	9,968,289
2020	327,741
2021	(212,716)
Thereafter	-

(h) Payable to the Pension Plan

In 2017 the County reported a payable of \$1,091,074 for the outstanding amount of employer contributions to the pension plan required for the year ending September 30, 2017.

(i) *Tax Abatements*

Collin County occasionally will piggyback on tax abatements which are negotiated by cities within the County to promote economic activity and attract new businesses into the County to grow the tax base. As of September 30, 2017, the County has tax abatement agreement with 23 businesses. Each agreement was negotiated under Section 312 of the State of Texas Tax Code, and most agreements allow for a 50% abatement of the taxable value of property. There are no provisions for recapture of the abated taxes. The County has not made any commitments as part of the agreements other than to reduce taxes. The County is not subject to any tax abatement agreements entered into by other governmental entities.

<u>Business</u>	Contracted Property Abatement	
	<u>Tax Reduction</u>	<u>Percentage</u>
Advanced Neuromodulation Systems Inc.	\$ 1,934	50%
Capital One National Association	85,600	60%
Capital One Services LLP	12,817	50%
CIGNA Health & Life Insurance Company	4,146	50%
Cisco Systems Sales & Service	12,108	50%
Cole of Plano TX LLC	103,515	50%
FedEx Office & Print Services Inc.	13,201	50%
Glendale Heights LLC	8,321	50%
Health Care Service Corporation	230,431	50%
KDC Legacy HQ Investments One LP	28,480	50%
Liberty Property Limited Partnership	2,667	50%
Luminator Holding LP	3,624	50%
One Allen LL LLC	16,695	50%
Raytheon Company	990	50%
Rent-A-Center Texas LP	22,539	50%
Rental Store Inc	3,951	50%
Texas Instruments Inc.	625,069	100%
TMK Properties LP	13,227	50%
United American Insurance Company	5,304	50%
Total	<u>\$ 1,194,618</u>	

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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, 2017

	Budget			Variance with Final Budget positive (negative)
	Original	Final	Actual	
Revenues:				
Property taxes	\$ 164,491,161	\$ 164,491,161	\$ 167,450,654	\$ 2,959,493
Licenses and permits	630,000	630,000	612,412	(17,588)
Federal and state funds	5,918,919	5,918,919	6,693,935	775,016
Fees and charges for services	17,167,088	17,167,088	21,481,105	4,314,017
Fines and forfeitures	1,412,000	1,412,000	1,421,753	9,753
Rental revenues	283,200	283,200	337,917	54,717
Interest	1,821,000	1,821,000	1,751,589	(69,411)
Miscellaneous	248,500	248,500	412,215	163,715
Total revenues	<u>191,971,868</u>	<u>191,971,868</u>	<u>200,161,580</u>	<u>8,189,712</u>
Expenditures:				
Current:				
General administration	43,711,792	41,468,812	30,519,128	10,949,684
Judicial	19,730,726	19,815,842	18,870,895	944,947
Financial administration	12,636,414	12,795,540	12,032,689	762,851
Legal	13,976,915	13,976,915	12,375,664	1,601,251
Public facilities	11,770,018	11,748,404	10,264,723	1,483,681
Equipment services	2,891,132	2,891,132	1,718,408	1,172,724
Public safety	61,447,466	61,378,326	59,945,687	1,432,639
Health and welfare	16,973,870	18,367,120	17,624,831	742,289
Culture and recreation	926,030	927,730	867,883	59,847
Conservation	271,709	271,709	211,391	60,318
Capital outlay:	<u>39,993,380</u>	<u>40,685,466</u>	<u>12,476,871</u>	<u>28,208,595</u>
Total expenditures	<u>224,329,452</u>	<u>224,326,996</u>	<u>176,908,170</u>	<u>47,418,826</u>
Excess of revenues over expenditures	<u>(32,357,584)</u>	<u>(32,355,128)</u>	<u>23,253,410</u>	<u>55,608,538</u>
Other financing sources (uses):				
Transfers in	-	27,294	26,876	(418)
Transfers out	(1,245,455)	(1,245,455)	(1,238,798)	6,657
Sale of assets	-	-	301,171	301,171
Total other financing sources (uses)	<u>(1,245,455)</u>	<u>(1,218,161)</u>	<u>(910,751)</u>	<u>307,410</u>
Net change in fund balance	<u>(33,603,039)</u>	<u>(33,573,289)</u>	<u>22,342,659</u>	<u>55,915,948</u>
Fund balance – beginning	<u>250,339,642</u>	<u>250,339,642</u>	<u>250,339,642</u>	<u>-</u>
Fund balance – ending	<u>\$ 216,736,603</u>	<u>\$ 216,766,353</u>	<u>\$ 272,682,301</u>	<u>\$ 55,915,948</u>

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, 2017

	Budget		Actual	Variance with Final Budget positive (negative)
	Original	Final		
Revenues:				
Property taxes	\$ 430,411	\$ 430,411	\$ 437,670	\$ 7,259
Licenses and permits	5,000	5,000	4,437	(563)
Fees & charges for services:				
Road mileage fees	9,500,000	9,500,000	10,335,773	835,773
Vehicle title fees	850,000	850,000	1,050,775	200,775
Road & bridge fees	7,870,000	7,870,000	8,192,388	322,388
Total fees & charges				
for services	18,220,000	18,220,000	19,578,936	1,358,936
Fines and forfeitures:				
County clerk	1,305,650	1,305,650	963,909	(341,741)
District clerk	598,750	598,750	564,836	(33,914)
Total fines and				
forfeitures	1,904,400	1,904,400	1,528,745	(375,655)
Other local government funds	-	-	34,516	34,516
Interest	60,000	60,000	365,855	305,855
Miscellaneous:				
Sale of road and bridge				
materials	50,000	50,000	47,946	(2,054)
Other and grants	10,500	10,500	118,585	108,085
Total miscellaneous	60,500	60,500	166,531	106,031
Total revenues	20,680,311	20,680,311	22,116,690	1,436,379
Expenditures:				
Current:				
Public Transportation:				
Road and Bridge Maintenance:				
Salaries and benefits	5,744,721	5,744,721	5,427,921	316,800
Training and travel	14,616	14,616	11,747	2,869
Maintenance and operating	15,677,303	15,677,303	5,252,995	10,424,308
Total road and				
bridge maintenance	21,436,640	21,436,640	10,692,663	10,743,977
Engineering:				
Salaries and benefits	532,863	532,863	461,980	70,883
Training and travel	13,785	13,785	2,563	11,222
Maintenance and operating	28,175	28,175	3,427	24,748
Total engineering	574,823	574,823	467,970	106,853

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, 2017

	Budget			Variance with Final Budget positive (negative)
	Original	Final	Actual	
Services and Operations:				
Salaries and benefits	\$ 512,657	\$ 512,657	\$ 509,370	\$ 3,287
Training and travel	10,493	10,493	5,947	4,546
Maintenance and operating	3,590	3,590	1,119	2,471
Total services and operations	526,740	526,740	516,436	10,304
Soil Conservation:				
Maintenance and operating	44,035	44,035	24,773	19,262
Special Projects:				
Salaries and benefits	161,679	164,383	164,383	-
Training and travel	1,425	-	-	-
Maintenance and operating	600	247	247	-
Total special projects	163,704	164,630	164,630	-
Non-departmental:				
Maintenance and operating	728,081	726,390	310,623	415,767
Total non-departmental	23,474,023	23,473,258	12,177,095	11,296,163
Capital outlay:				
Public Transportation:				
Road and Bridge				
Maintenance	3,299,681	4,130,166	2,756,956	1,373,210
Total capital outlay	3,299,681	4,130,166	2,756,956	1,373,210
Total expenditures	26,773,704	27,603,424	14,934,051	12,669,373
Excess (deficiency) of revenues over (under) expenditures	(6,093,393)	(6,923,113)	7,182,639	14,105,752
Other financing sources (uses):				
Sale of assets	-	-	306,931	306,931
Total other financing sources (uses)	-	-	306,931	306,931
Net change in fund balance	(6,093,393)	(6,923,113)	7,489,570	14,412,683
Fund balance – beginning	35,854,368	35,854,368	35,854,368	-
Fund balance – ending	\$ 29,760,975	\$ 28,931,255	\$ 43,343,938	\$ 14,412,683

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, 2017

	Budget			Variance with Final Budget positive (negative)
	Original	Final	Actual	
Revenues:				
Federal and state funds	\$ 40,000	\$ 40,000	\$ 355,908	\$ 315,908
Fees and charges for services	106,500	106,500	144,344	37,844
Rental revenues	1,086,275	1,086,275	1,098,582	12,307
Interest	80,000	80,000	39,009	(40,991)
Miscellaneous	15,000	15,000	21,591	6,591
Total revenues	<u>1,327,775</u>	<u>1,327,775</u>	<u>1,659,434</u>	<u>331,659</u>
Expenditures:				
Current:				
Health and Welfare:				
Salaries and benefits	2,208,899	2,208,899	2,022,224	186,675
Training and travel	46,000	46,000	32,542	13,458
Maintenance and operating	2,133,010	2,133,010	879,284	1,253,726
Total health and welfare	<u>4,387,909</u>	<u>4,387,909</u>	<u>2,934,050</u>	<u>1,453,859</u>
Public Facilities:				
Maintenance and operating	184,975	184,975	82,341	102,634
Total public facilities	<u>184,975</u>	<u>184,975</u>	<u>82,341</u>	<u>102,634</u>
Capital Outlay:				
Health and Welfare	35,749	35,749	18,149	17,600
Total capital outlay	<u>35,749</u>	<u>35,749</u>	<u>18,149</u>	<u>17,600</u>
Total expenditures	<u>4,608,633</u>	<u>4,608,633</u>	<u>3,034,540</u>	<u>1,574,093</u>
Excess (deficiency) of revenues over (under) expenditures	<u>(3,280,858)</u>	<u>(3,280,858)</u>	<u>(1,375,106)</u>	<u>1,905,752</u>
Other financing sources (uses):				
Transfers in	500,000	500,000	500,000	-
Total other financing sources (uses)	<u>500,000</u>	<u>500,000</u>	<u>500,000</u>	<u>-</u>
Net change in fund balance	<u>(2,780,858)</u>	<u>(2,780,858)</u>	<u>(875,106)</u>	<u>1,905,752</u>
Fund balance – beginning	4,619,375	4,619,375	4,619,375	-
Fund balance – ending	<u>\$ 1,838,517</u>	<u>\$ 1,838,517</u>	<u>\$ 3,744,269</u>	<u>\$ 1,905,752</u>

COLLIN COUNTY, TEXAS

REQUIRED SUPPLEMENTARY INFORMATION

SEPTEMBER 30, 2017

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 Fund, Grants Fund, LEOSE Fund, Tax Assessor/Collector Motor Vehicle Tax Fund, Sheriff Forfeiture Fund, District Attorney State Forfeiture Fund, District Attorney Service Fee Fund, Juvenile Case Manager Fund, District Attorney Pretrial Intervention Program Fund, SCAAP Fund, District Attorney Apportionment Fund, District Attorney Federal Treasury Forfeiture Fund, District Attorney Federal Justice Forfeiture Fund, and the Constable Precinct 3 Forfeiture Fund. The budget for all capital project funds are adopted by project on a project-life term at the time debt is issued and amended as needed, 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 ministerial 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.

Schedule of Changes in Net Pension Liability and Related Ratios

	Year Ended December 31									
	2016	2015	2014	2013	2012	2011	2010	2009	2008	2007
Total Pension Liability										
Service cost	\$13,724,564	\$13,068,419	\$12,761,621	N/A	N/A	N/A	N/A	N/A	N/A	N/A
Interest on total pension liability	35,938,168	33,995,281	31,777,414	N/A	N/A	N/A	N/A	N/A	N/A	N/A
Effect of plan changes	0	(2,585,536)	0	N/A	N/A	N/A	N/A	N/A	N/A	N/A
Effect of assumption changes or inputs	0	4,468,386	0	N/A	N/A	N/A	N/A	N/A	N/A	N/A
Effect of economic/demographic (gains) or losses	(1,276,298)	(4,696,582)	(351,099)	N/A	N/A	N/A	N/A	N/A	N/A	N/A
Benefit payments/refunds of contributions	<u>(20,231,700)</u>	<u>(19,104,645)</u>	<u>(16,683,122)</u>	<u>N/A</u>	<u>N/A</u>	<u>N/A</u>	<u>N/A</u>	<u>N/A</u>	<u>N/A</u>	<u>N/A</u>
Net change in total pension liability	28,154,734	25,135,323	27,494,714	N/A	N/A	N/A	N/A	N/A	N/A	N/A
Total pension liability, beginning	<u>446,871,315</u>	<u>421,735,992</u>	<u>394,241,278</u>	<u>N/A</u>	<u>N/A</u>	<u>N/A</u>	<u>N/A</u>	<u>N/A</u>	<u>N/A</u>	<u>N/A</u>
Total pension liability, ending (a)	<u>\$475,026,049</u>	<u>\$446,871,315</u>	<u>\$421,735,992</u>	<u>N/A</u>	<u>N/A</u>	<u>N/A</u>	<u>N/A</u>	<u>N/A</u>	<u>N/A</u>	<u>N/A</u>
Fiduciary Net Position										
Employer contributions	\$7,410,845	\$7,144,995	\$6,994,962	N/A	N/A	N/A	N/A	N/A	N/A	N/A
Member contributions	6,485,996	6,251,671	6,123,006	N/A	N/A	N/A	N/A	N/A	N/A	N/A
Investment income net of investment expenses	33,239,797	(10,637,387)	29,115,380	N/A	N/A	N/A	N/A	N/A	N/A	N/A
Benefit payments/refunds of contributions	(20,231,700)	(19,104,645)	(16,683,122)	N/A	N/A	N/A	N/A	N/A	N/A	N/A
Administrative expenses	(361,548)	(329,569)	(349,826)	N/A	N/A	N/A	N/A	N/A	N/A	N/A
Other	<u>(291,376)</u>	<u>14,870</u>	<u>1,494</u>	<u>N/A</u>	<u>N/A</u>	<u>N/A</u>	<u>N/A</u>	<u>N/A</u>	<u>N/A</u>	<u>N/A</u>
Net change in fiduciary net position	26,262,013	(16,659,866)	25,201,894	N/A	N/A	N/A	N/A	N/A	N/A	N/A
Fiduciary net position, beginning	<u>449,605,867</u>	<u>466,265,753</u>	<u>441,063,859</u>	<u>N/A</u>	<u>N/A</u>	<u>N/A</u>	<u>N/A</u>	<u>N/A</u>	<u>N/A</u>	<u>N/A</u>
Fiduciary net position, ending (b)	<u>\$475,867,901</u>	<u>\$449,605,887</u>	<u>\$466,265,753</u>	<u>N/A</u>	<u>N/A</u>	<u>N/A</u>	<u>N/A</u>	<u>N/A</u>	<u>N/A</u>	<u>N/A</u>
Net pension liability / (asset), ending = (a) - (b)	<u>(\$831,851)</u>	<u>(\$2,734,573)</u>	<u>(\$44,529,762)</u>	<u>N/A</u>	<u>N/A</u>	<u>N/A</u>	<u>N/A</u>	<u>N/A</u>	<u>N/A</u>	<u>N/A</u>
Fiduciary net position as a % of total pension liability	100.18%	100.61%	110.56%	N/A	N/A	N/A	N/A	N/A	N/A	N/A
Pensionable covered payroll	\$92,657,082	\$89,312,442	\$87,437,029	N/A	N/A	N/A	N/A	N/A	N/A	N/A
Net pension liability/(asset) as % of covered payroll	-0.90%	-3.06%	-50.93%	N/A	N/A	N/A	N/A	N/A	N/A	N/A

This schedule is presented to illustrate the requirement to show information for 10 years. However, recalculations of prior years are not required, and if prior years are not reported in accordance with the standards of GASB 67/68, they should not be shown here. Therefore, we have shown only years for which the new GASB statements have been implemented.

Schedule of Employer Contributions

Year Ending December 31	Actuarially Determined Contribution ⁽¹⁾	Actual Employer Contribution ⁽¹⁾	Contribution Deficiency (Excess)	Pensionable Covered Payroll ⁽²⁾	Actual Contribution as a % of Covered Payroll
2007	\$9,568,623	\$9,820,015	\$(251,392)	\$78,560,122	12.5%
2008	9,735,517	10,200,667	(465,150)	81,605,336	12.5%
2009	10,626,371	12,518,526	(1,892,155)	87,604,045	14.3%
2010	10,951,413	16,514,336	(5,562,923)	85,291,381	19.4%
2011	9,024,076	47,003,779	(37,979,704)	85,213,179	55.2%
2012	6,441,050	8,536,635	(2,095,584)	84,306,943	10.1%
2013	6,850,764	18,832,813	(11,982,049)	84,997,069	22.2%
2014	6,015,668	6,994,962	(979,295)	87,437,029	8.0%
2015	5,546,303	7,144,995	(1,598,693)	89,312,442	8.0%
2016	5,290,719	7,410,845	(2,120,126)	92,657,082	8.0%

COLLIN COUNTY, TEXAS

Notes to Required Supplementary Information - Texas County and District Retirement System

For the Year Ended September 30, 2017

Valuation Timing	Actuarially determined contribution rates are calculated as of December 31, two years prior to the end of the fiscal year in which the contributions are reported.
Actuarial Cost Method	Entry age normal
Asset Valuation Method	
Smoothing period	5 years
Recognition method	Non-asymptotic
Corridor	None
Inflation	3%
Salary Increases	Annual salary increase rates assumed for individual members vary by length of service and by entry-age group. The annual rates consist of general wage inflation component of 3.5% (made up of 3.0% inflation and 0.5% productivity increase assumptions) and a merit, promotion and longevity component that on average approximates 1.4% per year for a career employee.
Investment Rate of Return	8.1%
Cost-of Living Adjustments	Cost-of-Living Adjustments for Collin County are not considered to be substantively automatic under GASB 68. Therefore, no assumption for future cost-of-living adjustments is included in the GASB calculations. No assumption for future cost-of-living adjustments is included in the funding valuation.
Retirement Age	Experience-based table of rates based on a study of the period 2009-2012.
Turnover	New employees are assumed to replace any terminated members and have similar entry ages.
Mortality	
Depositing members	The RP-2000 Active Employee Mortality Table for males with a two-year set-forward and the RP-2000 Active Employee Mortality Table for females with a four-year setback, both with the projection scale AA.
Service retirees, beneficiaries and non-depositing members	The RP-2000 Combined Mortality Table with the projection scale AA, with a one-year set-forward for males and no age adjustment for females.
Disabled retirees	RP-2000 Disabled Mortality Table for males with no age adjustment and RP-2000 Disabled Mortality Table for females with a two-year set-forward, both with the projection scale AA.
Other Information	There were no benefit changes during the year.

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APPENDIX C

FORMS OF BOND COUNSEL'S OPINION

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\$ _____
COLLIN COUNTY, TEXAS
LIMITED TAX PERMANENT IMPROVEMENT BONDS,
SERIES 2019

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

COLLIN COUNTY, TEXAS LIMITED TAX PERMANENT IMPROVEMENT BONDS, SERIES 2019,
dated February 15, 2019.

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 (the "Bond Order") adopted by the Commissioners Court of the County on February 4, 2019 authorizing their issuance and the pricing certificate (the "Pricing Certificate") executed as authorized therein (the Bond Order and the Pricing Certificate are collectively referred to as the "Order" herein).

WE HAVE represented the County as its bond counsel for the sole 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 County or the disclosure thereof in connection with the sale of the Bonds. Our role in connection with the County'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 County; customary certificates of officers, agents and representatives of the County, 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, Treasury Regulations and rulings of the Internal Revenue Service (the "Service") as we have deemed relevant. Capitalized terms used herein, unless otherwise defined, have the meanings set forth in the Order. 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 County; and

(B) 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 County, 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 under existing law:

(1) Interest on the Bonds is excludable from gross income for federal income tax purposes; 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.

In providing such opinions, we have relied on representations of the County, the County's Financial Advisor and the Purchasers with respect to matters solely within the knowledge of the County, the County's Financial Advisor and the Purchasers, respectively, which we have not independently verified and have assumed for purposes of this opinion 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. In the event that such representations are determined to be inaccurate or incomplete or the County 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 receipt or accrual of interest on, or acquisition, ownership, 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

March __, 2019

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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 otherwise qualifying for the health insurance premium assistance credit and individuals otherwise qualifying for the earned income tax 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).

Our 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 County as the taxpayer. We observe that the County 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.

Financial Advisory Services
Provided By

HilltopSecurities 
A Hilltop Holdings Company.

**NOTICE OF SALE
AND
BIDDING INSTRUCTIONS**

ON

**\$151,285,000⁽¹⁾
COLLIN COUNTY, TEXAS
LIMITED TAX PERMANENT IMPROVEMENT BONDS, SERIES 2019**

Scaled Bids Due Wednesday, February 20, 2019, at 10:30 AM, CST

THE BONDS WILL NOT BE DESIGNATED AS "QUALIFIED TAX-EXEMPT OBLIGATIONS" FOR FINANCIAL INSTITUTIONS

THE SALE

BONDS OFFERED FOR SALE AT COMPETITIVE BIDDING . . . Collin County, Texas (the "County") is offering for sale its \$151,285,000⁽¹⁾ Limited Tax Permanent Improvement Bonds, Series 2019 (the "Bonds"). Bidders may submit bids for the Bonds by any of the following methods:

- (1) Deliver bids directly to the County as described below in "Bids Delivered to County;"
- (2) Submit bids electronically as described below in "Electronic Bidding Procedures;" or
- (3) Submit bids by telephone or facsimile as described below in "Bids by Telephone or Facsimile."

BIDS DELIVERED TO COUNTY . . . Sealed bids, plainly marked "Bid for Bonds", should be addressed and delivered to Hilltop Securities Inc., ("HilltopSecurities") the County's Financial Advisor, at 777 Main Street, Suite 1200, Fort Worth, Texas 76102, prior to 10:30 AM CST, on the date of the bid opening. All bids must be submitted on the Official Bid Form, without alteration or interlineation.

ELECTRONIC BIDDING PROCEDURES . . . Any prospective bidder that intends to submit an electronic bid must submit its electronic bid through the facilities of PARITY. Subscription to i-Deal's BIDCOMP Competitive Bidding System is required in order to submit an electronic bid. The County will neither confirm any subscription nor be responsible for the failure of any prospective bidder to subscribe. Bidders submitting an electronic bid shall not be required to submit Official Bid Forms.

An electronic bid made through the facilities of PARITY shall be deemed an irrevocable offer to purchase the Bonds on the terms provided in this Notice of Sale and Bidding Instructions, and shall be binding upon the bidder as if made by a signed, sealed bid delivered to the County. The County shall not be responsible for any malfunction or mistake made by, or as a result of the use of the facilities of, PARITY, the use of such facilities being the sole risk of the prospective bidder.

If any provision of this Notice of Sale and Bidding Instructions conflicts with information provided by PARITY as the approved provider of electronic bidding services, this Notice of Sale and Bidding Instructions shall control. Further information about PARITY, including any fee charged, may be obtained from Parity Customer Support, 40 West 23rd Street, 5th Floor, New York, New York 10010, (212) 404-8102.

For purposes of both the written sealed bid process and the electronic bidding process, the time as maintained by i-Deal shall constitute the official time. For information purposes only, bidders are requested to state in their electronic bids the net interest cost to the County, as described under "Basis for Award" below. All electronic bids shall be deemed to incorporate the provisions of this Notice of Sale and Bidding Instructions and the Official Bid Form.

BIDS BY TELEPHONE OR FACSIMILE . . . Bidders must submit SIGNED Official Bid Forms to Nick Bulaich, Hilltop Securities Inc., 777 Main Street, Suite 1200, Fort Worth, Texas 76102, and submit their bid by telephone or facsimile (fax) on the date of and before the time of the sale as specified below.

Telephone bids will be accepted at (817) 332-9710, between 9:30 AM, CST and 10:30 AM, CST, on the date of sale.

Fax bids must be received between 9:30 AM, CST and 10:30 AM, CST, on the date of the sale at (817) 336-5572, attention: Kaylee Haddad.

HilltopSecurities, will not be responsible for submitting any bids received after the above deadlines.

HilltopSecurities, assumes no responsibility or liability with respect to any irregularities associated with the submission of bids if telephone or fax options are exercised.

PLACE AND TIME OF BID OPENING . . . The bids for the Bonds will be publicly opened and read at the office of the County's Financial Advisor, 777 Main Street, Suite 1200, Fort Worth, Texas 76102 at 10:30 AM, CST, Wednesday, February 20, 2019. For purposes of both the written sealed bid process and the electronic bidding process, the time as maintained by PARITY constitutes the official time.

AWARD OF THE BONDS . . . On February 4, 2019, the Commissioners Court adopted an order authorizing the issuance of the Bonds, (the "Bond Order"). In the Bond Order the Commissioners Court delegated pricing of the Bonds and certain other matters to a "Pricing Officer" who will approve a "Pricing Certificate" which will complete the sale of the Bonds on the date of the Bond opening. The Pricing Certificate and the Bond Order are jointly referred to as the "Order" and together such documents will authorize the issuance of the Bonds and approve the Official Statement. The County reserves the right to reject all bids and not make an award of the Bonds.

(1) Preliminary, subject to change. See "Adjustment of Principal Amounts and/or Types of Bids" herein.

THE BONDS

DESCRIPTION . . . The Bonds will be dated February 15, 2019 (the "Dated Date"). Interest will accrue from the date of initial delivery of the Bonds to the Initial Purchaser (the "Delivery Date") and will be payable on February 15, 2020, and each February 15 and August 15 thereafter until the earlier of maturity or prior redemption. The Bonds will be issued only in fully registered form in any integral multiple of \$5,000 for any one maturity. The Bonds will mature on February 15 in each year as follows:

MATURITY SCHEDULE

Year	Principal Amount	Year	Principal Amount	Year	Principal Amount
2020	\$ 31,500,000	2027	\$ 5,495,000	2033	\$ 7,060,000
2021	4,070,000	2028	5,775,000	2034	7,305,000
2022	4,280,000	2029	6,040,000	2035	7,560,000
2023	4,495,000	2030	6,285,000	2036	7,830,000
2024	4,730,000	2031	6,550,000	2037	8,120,000
2025	4,975,000	2032	6,810,000	2038	8,425,000
2026	5,230,000			2039	8,750,000

OPTIONAL REDEMPTION . . . The County reserves the right, at its option, to redeem Bonds having stated maturities on and after February 15, 2029, in whole or in part in principal amounts of \$5,000 or any integral multiple thereof, on February 15, 2028, or any date thereafter, at a price equal to the principal amount thereof plus accrued interest to the date fixed for redemption.

ADJUSTMENT OF PRINCIPAL AMOUNTS AND/OR TYPES OF BIDS . . . Prior to 1:00 PM, CST on the day before the bids are due, the County may, in its sole discretion, adjust the principal amount set forth above (the "Maturity Schedule") and/or the type of bid required on the Bonds. HilltopSecurities, as Financial Advisor to the County, will give notice of any such adjustment by Parity. Should such adjustments be made, a revised Official Bid Form will be made available through i-Deal Prospectus and PARITY. For purposes of this paragraph, the term "Maturity Schedule" shall include any adjustments to the principal amounts shown above including the total par amount so made by the County by posting a Parity Wire. Also see "Conditions of the Sale" herein.

After final computation of the Bids, in awarding the sale to the best bidder, the County may determine, in its sole discretion, that the funds necessary to carry out the purposes for which the Bonds are to be issued may be either more or less than the proceeds of the proposed sale of all of the Bonds. Upon making such determination, the County reserves the right to adjust the principal amount of the Bonds (including amortization installments in the case of Term Bonds, if any) shown on the Maturity Schedule, such amount not to exceed 15% per maturity. THE SUCCESSFUL BIDDER MAY NOT WITHDRAW ITS BID OR CHANGE THE INTEREST RATES BID OR THE INITIAL REOFFERING PRICES AS A RESULT OF ANY CHANGES MADE TO THE REVISED AMOUNTS WITHIN THESE LIMITS. The dollar amount bid by the successful bidder will be adjusted to reflect changes in the aggregate principal amounts of the Bonds. Such adjusted bid price will reflect changes in the dollar amount of the underwriter's discount and the original issue discount/premium, if any, but will not change the selling compensation per \$1,000.

In the event of any adjustment of the maturity schedule for the Bonds as described herein, no rebidding or recalculation of the proposals submitted will be required or permitted. Any such adjustment of the aggregate principal amount of the Bonds and/or the maturity schedule for the Bonds made by the District or its Financial Advisor shall be subsequent to the award of the Bonds to the winning bidder as determined pursuant to "Conditions of the Sale – Basis for Award" herein and shall not affect such determination. The successful Bidder may not withdraw its bid as a result of any changes made within the aforementioned limits.

SERIAL BONDS AND/OR TERM BONDS . . . Bidders may provide that all of the Bonds be issued as Bonds maturing serially as shown above (the "Serial Bonds") or may provide that any two or more consecutive maturing annual principal amounts be combined into one or more "Term Bonds".

MANDATORY SINKING FUND . . . If the successful bidder elects to alter the Maturity Schedule reflected above and convert principal amounts of the Serial Bonds into Term Bonds, such Term Bonds shall be subject to mandatory redemption on the first February 15 next following the last maturity for Serial Bonds, and annually thereafter on each February 15 until the stated maturity for the Term Bonds at the redemption prices of par plus accrued interest to the date of redemption. The principal amounts of the Term Bonds to be redeemed on each mandatory redemption date will be the principal amounts that would have been due and payable in the Maturity Schedule shown above had no conversion to Term Bonds occurred. At least 30 days prior to each mandatory redemption date, the Paying Agent/Registrar (hereinafter defined) will select, by lot or other method of random selection as Paying Agent/Registrar deems fair and appropriate, the Term Bonds to be redeemed and cause a notice of redemption to be given in the manner provided in the Bond Order and described in the Preliminary Official Statement.

To the extent that the Term Bonds, at a price not to exceed the principal amount of such Term Bonds, plus accrued interest to the date of purchase, of a maturity which at least 45 days prior to a mandatory redemption date (i) have been previously purchased by the County and delivered to the Paying Agent/Registrar for cancellation; (ii) have been acquired by the County, with funds on deposit in the Interest and Sinking Fund for the Bonds at a price not exceeding the principal amount of such Term Bonds plus accrued interest to the date of purchase and delivered to the Paying Agent/Registrar for cancellation; or (iii) called for optional redemption in part and other than from a sinking fund redemption payment, the annual sinking fund payments therefore shall be reduced, at the option of the County, by the principal amount of the Term Bonds of such maturity determined by the County to be so purchased or redeemed.

A final Official Statement will incorporate the mandatory redemption provisions for the Bonds in the event the successful bidder elects to convert serial maturities into one or more Term Bonds.

Preliminary, subject to change. See "Adjustment of Principal Amounts and/or Types of Bids" herein.

BOOK-ENTRY-ONLY SYSTEM . . . The County intends to utilize the Book-Entry-Only System of The Depository Trust Company ("DTC"). See "THE BONDS - Book-Entry-Only System" in the Preliminary Official Statement.

PAYING AGENT/REGISTRAR . . . The initial Paying Agent/Registrar is The Bank of New York Trust Company, Dallas, Texas. See "THE BONDS - Description" in the Preliminary Official Statement.

SECURITY AND SOURCE OF PAYMENT . . . The Bonds will constitute valid and legally binding obligations of the County, with principal and interest payable solely from the proceeds of a continuing, direct, annual ad valorem tax, within the limits prescribed by law, levied against all taxable property located within the County.

Further details regarding the Bonds are set forth in the Preliminary Official Statement.

CONDITIONS OF THE SALE

TYPE OF BIDS AND INTEREST RATES . . . The Bonds will be sold in one block on an "All or None" basis, and at a price of not less than 103.75% and not more than 104.25% of their principal amount plus accrued interest from the Delivery Date of the Bonds. Bidders are invited to name the rate(s) of interest to be borne by the Bonds, provided that each rate bid must be in a multiple of 1/8 of 1% or 1/100 of 1% and the net effective interest rate must not exceed 15%. The highest rate bid may not exceed the lowest rate bid by more than 2% in rate. No coupon rate greater than 5% will be accepted. **For Bonds having stated maturities on and after February 15, 2029, no reoffering yield producing a dollar price less than 98.00 for any individual maturity will be accepted. The high bidder will be required to submit reoffering yields and dollar prices prior to award.** No limitation is imposed upon bidders as to the number of rates or changes which may be used. All Bonds of one maturity must bear one and the same rate. No bids involving supplemental interest rates will be considered.

BASIS FOR AWARD . . . The sale of the Bonds will be awarded to the bidder making a bid that conforms to the specifications herein and which produces the lowest True Interest Cost rate to the County. The True Interest Cost rate is that rate which, when used to compute the total present value as of the Delivery Date of all debt service payments on the Bonds on the basis of semi-annual compounding, produces an amount equal to the sum of the par value of the Bonds plus any premium bid. In the event of a bidder's error in interest cost rate calculations, the interest rates, and premium, if any, set forth in the Official Bid Form will be considered as the official bid.

GOOD FAITH DEPOSIT . . . A Good Faith Deposit, payable to "Collin County, Texas", in the amount of \$1,512,850.00 is required. Such Good Faith Deposit shall be a bank cashier's check or certified check, which is to be retained uncashed by the County pending the Initial Purchaser's compliance with the terms of the bid and the Notice of Sale and Bidding Instructions. The Good Faith Deposit may accompany the Official Bid Form or it may be submitted separately. If submitted separately, it must be made available to the County prior to the opening of the bids and accompanied by instructions from the bank on which drawn that authorize its use as a Good Faith Deposit by the Initial Purchaser who shall be named in such instructions. **The Good Faith Deposit of the Initial Purchaser will be returned to the Initial Purchaser upon payment for the Bonds.** No interest will be allowed on the Good Faith Deposit. In the event the Initial Purchaser should fail or refuse to take up and pay for the Bonds in accordance with the bid, then said check will be cashed and accepted by the County as full and complete liquidated damages. The checks accompanying bids other than the winning bid will be returned immediately after the bids are opened, and an award of the Bonds has been made.

PROVISION OF TEXAS ETHICS COMMISSION FORM 1295 ("TEC FORM 1295") AND CERTIFICATION OF FILING BY WINNING BIDDERS . . . Pursuant to Texas Government Code, Section 2252.908 (the "Interested Party Disclosure Act"), unless the Purchaser is exempt from the filing requirements of Section 2252.908, the County may not award the Bonds to the Purchaser unless the Purchaser submits a Certificate of Interested Parties Form 1295 (the "Disclosure Form") to the County as prescribed by the Texas Ethics Commission ("TEC"). Effective January 1, 2018, publicly traded business entities (including wholly owned subsidiaries of a publicly traded business entity) will no longer be required to file Form 1295 as provided in Section 2252.908(c)(4). Prior to entering into a purchase agreement with the Purchaser, the Purchaser must either (1) complete an electronic form of the TEC Form 1295 through the TEC's electronic portal and submit the resulting certified TEC Form 1295 that is generated by the TEC's electronic portal to the County or (2) submit a written representation that it is exempt from the TEC Form 1295 filing requirements pursuant to Section 2252.908(c)(4). The failure to provide the TEC Form 1295 or written representation regarding exemption, as described herein, will prohibit the County from entering into a purchase agreement with the Purchaser.

If a Purchaser is claiming an exception to the filing requirement under Section 2252.908(c)(4), the written representation that the Purchaser is not required to file a Form 1295 must state that it is publicly traded business entity or a wholly owned subsidiary of a publicly traded business entity and identify the publicly traded business entity that allows them to utilize the exception.

If the Purchaser is submitting a Disclosure Form, the form can be found at <https://www.ethics.state.tx.us/forms/1295.pdf>, and reference should be made to the following information in order to complete it: (a) item 2 – Name ("Collin County, Texas"), (b) item 3 – the identification number ("Collin County – Series 2019"), and (c) item 3 – description of the goods or services assigned to this contract by the County ("Purchase of Bonds"). If completing the Disclosure Form, the Purchaser must (i) complete the Disclosure Form electronically at the TEC's "electronic portal", and (ii) print, sign and deliver a copy of the Disclosure Form that is generated by the TEC's "electronic portal" to the County by email to the County's financial advisor at nick.bulaich@hilltopsecurities.com. Neither the County nor its consultants have the ability to verify the information included in a TEC Form 1295, and neither have an obligation nor undertake responsibility for advising any bidder with respect to the proper completion of the TEC Form 1295. Consequently, an entity intending to bid on the Bonds should consult its own advisors to the extent it deems necessary and be prepared to submit the completed form promptly upon notification from the County that its bid is the apparent winning bid.

IMPACT OF BIDDING SYNDICATE ON AWARD . . . For purposes of contracting for the sale of the Bonds, the entity signing the bid form as Initial Purchaser shall be solely responsible for the payment of the purchase price of the Bonds. The Initial Purchaser may serve as a syndicate manager and contract under a separate agreement with other syndicate members. However, the County is not a party to that agreement and any information provided regarding syndicate managers would be for informational purposes only.

ESTABLISHING THE ISSUE PRICE OF THE BONDS

GENERAL . . . In order to provide the County with information that enables it to comply with certain requirements of the Internal Revenue Code of 1986, as amended (the "Code"), relating to the excludability of interest on the Bonds from gross income for federal income tax purposes, the winning bidder will be required to complete, execute, and deliver to the County or Hilltop Securities, at least five business days before the delivery date of the Bonds, a certification as to the Bonds' "issue price" (the "Issue Price Certificate") substantially in one of the forms and to the effect attached hereto or accompanying this Notice of Sale. In the event the winning bidder will not reoffer any maturity of the Bonds for sale to the Public (as defined herein) by the delivery date of the Bonds, the Issue Price Certificate may be modified in a manner approved by the County and Bond Counsel (identified in the Preliminary Official Statement). Each bidder, by submitting its bid, agrees to complete, execute, and timely deliver the appropriate Issue Price Certificate, if its bid is accepted by the County. It will be the responsibility of the winning bidder to institute such syndicate reporting requirements, to make such investigation, or otherwise to ascertain such facts as are necessary to enable it to make such certification with reasonable certainty. Any questions concerning such certification should be directed to Bond Counsel (identified in The Preliminary Official Statement).

DEFINED TERMS . . . For purposes of this section of this Notice of Sale:

- (i) "Public" means any person (including an individual, trust, estate, partnership, association, company, or corporation) other than an Underwriter or a Related Party to an Underwriter.
- (ii) "Underwriter" means (A) any person that agrees pursuant to a written contract with the County (or with the lead Underwriter to form an underwriting syndicate) to participate in the initial sale of the Bonds to the Public and (B) any person that agrees pursuant to a written contract directly or indirectly with a person described in clause (A) to participate in the initial sale of the Bonds to the Public (including a member of a selling group or a party to a retail distribution agreement participating in the initial sale of the Bonds to the Public).
- (iii) "Related Party" means any two or more persons who are subject, directly or indirectly, to (A) more than 50% common ownership of the voting power or the total value of their stock, if both entities are corporations (including direct ownership by one corporation of another), (B) more than 50% common ownership of their capital interests or profits interests, if both entities are partnerships (including direct ownership by one partnership of another), or (C) more than 50% common ownership of the value of the outstanding stock of the corporation or the capital interests or profit interests of the partnership, as applicable, if one entity is a corporation and the other entity is a partnership (including direct ownership of the applicable stock or interests by one entity of the other).
- (iv) "Sale Date" means the date that the Bonds are awarded by the County to the winning bidder.

All actions to be taken by the County under this Notice of Sale to establish the issue price of the Bonds may be taken on behalf of the specified in the bid and as so stated in the Official Bid Form.

THREE BID REQUIREMENT . . . The County intends to rely on Treasury Regulation section 1.148-1(f)(3)(i) for purposes of establishing the issue price of municipal bonds, which requires, among other things, that the County receives bids from at least three underwriters of municipal bonds who have established industry reputations for underwriting new issuances of municipal bonds (the "Three Bid Requirement"). In the event that the Three Bid Requirement is not satisfied, Treasury Regulations permit the issue price for any maturity of the Bonds to be determined based upon either (i) the first price at which 10% of such maturity is sold to the Public (the "10% Test") or (ii) if the requirements of the "Hold-the-Offering-Price Rule" described below are met, the initial offering price to the Public as of the Sale Date. For purposes hereof, if different interest rates apply within a maturity, each separate CUSIP number will be treated separately.

In the event that the Three Bid Requirement is satisfied, the sale of the Bonds will be awarded to the bidder making a bid that conforms to the specifications herein. In the event that the Three Bid Requirement is not satisfied, the County will notify the prospective winning bidder to that effect, and the prospective winning bidder will advise the County of any maturity of the Bonds that satisfies the 10% Test. For any maturity of the Bonds that does not meet the 10% Test, it is the County's intention to apply the "Hold the Offering Price Rule" to any such maturity of the Bonds, as described below.

HOLD-THE-OFFERING-PRICE RULE . . . If the "Hold-the-Offering-Price Rule" is applied to any maturity of the Bonds (each, a "Held Maturity"), the winning bidder agrees, on behalf of each Underwriter participating in the purchase of the Bonds, that each Underwriter will neither offer nor sell any Held Maturity to any person at a price that is higher than the initial offering price to the Public during the period starting on the Sale Date and ending on the earlier of the following:

- (1) The close of the fifth business day after the Sale Date; or
- (2) the date on which the Underwriters have satisfied the 10% Test with respect to that Held Maturity at a price that is no higher than the initial offering price to the Public.

The winning bidder shall promptly advise the County when the Underwriters have satisfied the 10% Test with respect to each Held Maturity at a price that is no higher than the initial offering price to the Public, if that occurs prior to the close of the fifth business day after the Sale Date. On or after the sixth business day after the Sale Date, if requested by the County, the winning bidder will confirm that the Underwriters have complied with the Hold-the-Offering-Price-Rule. If at any time the winning bidder becomes aware of any noncompliance by an Underwriter with respect to the Hold-the-Offering Price Rule, the winning bidder will promptly report such noncompliance to the County.

ADDITIONAL REQUIREMENTS . . . By submitting a bid, each bidder confirms that: (i) any agreement among underwriters, any selling group agreement and each retail distribution agreement (to which the bidder is a party) relating to the initial sale of the Bonds to the Public, together with the related pricing wires, contains or will contain language obligating each Underwriter, each dealer who is a member of the selling group, and each broker-dealer that is a party to such retail distribution agreement, as applicable, to (A) report the prices at which it sells to the Public the unsold Bonds of each maturity allotted to it until it is notified by the winning bidder that either the 10% Test has been satisfied as to the Bonds of that maturity or all Bonds of that maturity have been sold to the Public and (B) comply with the Hold-the-Offering-Price Rule, if applicable, in each case if and for so long as directed by the winning bidder and as set forth in the related pricing wires, and (ii) any agreement among underwriters relating to the initial sale of the Bonds to the Public, together with the related pricing wires, contains or will contain language obligating each Underwriter that is a party to a retail distribution agreement to be employed in connection with the initial sale of the Bonds to the Public to require each broker-dealer that is a party to such retail distribution agreement to (A) report the prices at which it sells to the Public the unsold Bonds of each maturity allotted to it until it is notified by the winning bidder or such Underwriter that either the 10% Test has been satisfied as to the Bonds of that maturity or all Bonds of that maturity have been sold to the Public and (B) comply with the Hold-the-Offering-Price Rule, if applicable, in each case if and for so long as directed by the winning bidder or such Underwriter and as set forth in the related pricing wires.

DELIVERY OF THE BONDS AND ACCOMPANYING DOCUMENTS

CUSIP NUMBERS . . . It is anticipated that CUSIP identification numbers will appear on the Bonds, but neither the failure to print or type such number on any Bond nor any error with respect thereto will constitute cause for a failure or refusal by the Initial Purchaser to accept delivery of and pay for the Bonds in accordance with the terms of this Notice of Sale and Bidding Instructions and the terms of the Official Bid Form. All expenses in relation to the printing or typing of CUSIP numbers on the Bonds will be paid by the County; provided, however, that the CUSIP Service Bureau charge for the assignment of the numbers is the responsibility of and will be paid for by the Initial Purchaser.

DELIVERY OF BONDS . . . Initial delivery ("Initial Delivery") will be accomplished by the issuance of one Initial Bond, either in typed or printed form, in the aggregate principal amount of \$151,285,000⁽¹⁾, payable in stated installments to the Initial Purchaser, signed by the County Judge and County Clerk, approved by the Attorney General of the State of Texas, and registered and manually signed by the Comptroller of Public Accounts of the State of Texas. Upon delivery of the Initial Bond, it will be immediately cancelled and one definitive Bond for each maturity will be registered and delivered only to Cede & Co., and deposited with DTC in connection with DTC's Book-Entry-Only System. Initial Delivery will be at the principal office of the Paying Agent/Registrar. Payment for the Bonds must be made in immediately available funds for unconditional credit to the County, or as otherwise directed by the County. The Initial Purchaser will be given five (5) business days' notice of the time fixed for delivery of the Bonds. It is anticipated that delivery of the Bonds can be made on or about March 20, 2019, and it is understood and agreed that the Initial Purchaser will accept delivery and make payment for the Bonds by 10:00 AM, CDT, on March 20, 2019, or thereafter on the date the Initial Bond is tendered for delivery, up to and including April 3, 2019. If for any reason the County is unable to make delivery on or before April 3, 2019, the County will immediately contact the Initial Purchaser and offer to allow the Initial Purchaser to extend its offer for an additional 30 days. If the Initial Purchaser does not elect to extend its offer within six days thereafter, then its Good Faith Deposit will be returned, and both the County and the Initial Purchaser will be relieved of any further obligation. In no event will the County be liable for any damages by reason of its failure to deliver the Bonds, provided such failure is due to circumstances beyond the County's reasonable control.

CONDITIONS TO DELIVERY . . . The obligation of the Initial Purchaser to take up and pay for the Bonds is subject to the Initial Purchaser's receipt of (a) the legal opinion of Bracewell LLP, Dallas, Texas, Bond Counsel for the County, (b) the no-litigation certificate of the County's officers, (c) the certification of the County's officers as to the Official Statement, all as further described in the Preliminary Official Statement, and (d) the non-occurrence of the events specified herein under "DELIVERY OF THE BONDS AND ACCOMPANYING DOCUMENTS - No Material Adverse Change".

To provide the County with information to enable it to comply with certain conditions of the Code, relating to the exclusion of interest on the Bonds from gross income for federal income tax purposes, the Initial Purchaser will be required to complete, execute, and deliver to the County (no more than two business days after the award of the bid for the Bonds) a certification regarding "issue price" substantially in the form and to the effect attached hereto as Exhibit A to this Notice of Sale and Bidding Instructions, and, prior to delivery of the Bonds, to sign additional certificate(s) and provide additional information as required by Bond Counsel. In the event the successful bidder will not reoffer the Bonds for sale or has not sold a substantial amount of bonds of any maturity at least 5 business days prior to the Delivery Date (see ESTABLISHING THE ISSUE PRICE FOR THE BONDS⁽²⁾), such certificate may be modified in a manner approved by the County and its Bond Counsel. **In no event will the County fail to deliver the Bonds as a result of the Initial Purchaser's inability to certify actual sales of Bonds at a particular price prior to delivery.** Each bidder, by submitting its bid, agrees to complete, execute, and deliver such a certificate by the date of delivery of the Bonds, if its bid is accepted by the County. It will be the responsibility of the Initial Purchaser to institute such syndicate reporting requirements to make such investigation, or otherwise to ascertain the facts necessary to enable it to make such certification with reasonable certainty. Any questions concerning such certification should be directed to Bond Counsel.

NO ISRAEL BOYCOTT . . . The Initial Purchaser verifies that it and its parent company, wholly- or majority-owned subsidiaries, and other affiliates, if any, do not boycott Israel and, to the extent its accepted bid is a contract for goods or services, will not boycott Israel during the term of this contract. The foregoing verification is made solely to comply with Section 2270.002, Texas Government Code, and to the extent such Section does not contravene applicable Federal law. As used in the foregoing verification, 'boycott Israel' means refusing to deal with, terminating business activities with, or otherwise taking any action that is intended to penalize, inflict economic harm on, or limit commercial relations specifically with Israel, or with a person or entity doing business in Israel or in an Israeli-controlled territory, but does not include an action made for ordinary business purposes. The Initial Purchaser understands "affiliate" to mean an entity that controls, is controlled by, or is under common control with the Initial Purchaser and exists to make a profit.

NO TERRORIST ORGANIZATION . . . The Initial Purchaser represents that neither it nor any of its parent company, wholly- or majority-owned subsidiaries, and other affiliates is a company identified on a list prepared and maintained by the Texas Comptroller of Public Accounts under Section 2252.153 or Section 2270.0201, Texas Government Code, and posted on any of the following pages of such officer's internet website: <https://comptroller.texas.gov/purchasing/docs/sudan-list.pdf>, <https://comptroller.texas.gov/purchasing/docs/iran-list.pdf>, or <https://comptroller.texas.gov/purchasing/docs/fto-list.pdf>. The foregoing representation is made solely to comply with Section 2252.152, Texas Government Code, and to the extent such Section does not contravene applicable Federal law and excludes Initial Purchaser and each of its parent company, wholly- or majority-owned subsidiaries, and other affiliates, if any, that the United States government has affirmatively declared to be excluded from its federal sanctions regime relating to Sudan or Iran or any federal sanctions regime relating to a foreign terrorist organization. The Initial Purchaser understands "affiliate" to mean any entity that controls, is controlled by, or is under common control with the Initial Purchaser and exists to make a profit.

LEGAL OPINIONS . . . The Bonds are offered when, as and if issued, subject to the approval of the Attorney General of the State of Texas. Initial Delivery of and payment for the Bonds is subject to the receipt by the Initial Purchaser of opinions of Bond Counsel, based upon the assumption described in the Preliminary Official Statement under the heading "OTHER INFORMATION - LEGAL MATTERS - Legal Proceedings," to the effect that the Bonds are valid and binding obligations of the County and that the interest on the Bonds will be excludable from gross income for federal income tax purposes under existing law, subject to the matters described under "TAX MATTERS" in the Preliminary Official Statement.

CHANGE IN TAX EXEMPT STATUS . . . At any time before the Bonds are tendered for delivery, the Initial Purchaser may withdraw its bid if the interest received by private holders on obligations of the same type and character is declared to be includable in gross income under present federal income tax laws, either by ruling of the Internal Revenue Service or by a decision of any federal court, or be declared taxable or be required to be taken into account in computing any federal income taxes, by the terms of any federal income tax law enacted subsequent to the date of this Notice of Sale and Bidding Instructions.

NO MATERIAL ADVERSE CHANGE . . . The obligation of the Initial Purchaser to take up and pay for the Bonds, and of the County to deliver the Bonds, is subject to the condition that, up to the time of delivery of and receipt of payment for the Bonds, there shall have been no material adverse change in the financial condition of the County subsequent to the date of sale from that set forth in the Preliminary Official Statement, as it may have been finalized, supplemented or amended through the date of sale.

NO-LITIGATION CERTIFICATE . . . On the date of delivery of the Bonds to the Initial Purchaser, the County will execute and deliver to the Initial Purchaser, a certificate to the effect that no litigation of any nature has been filed or is pending, as of that date, of which the County has notice, to restrain or enjoin the issuance or delivery of the Bonds, or which would affect the provisions made for their payment or security, or any manner question the validity of the Bonds.

GENERAL

FINANCIAL ADVISOR . . . Hilltop Securities Inc. ("HilltopSecurities") is engaged 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. HilltopSecurities, 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. In the normal course of business, the Financial Advisor may from time to time sell investment securities to the County for the investment of bond proceeds or other funds of the County upon the request of the County.

BLUE SKY LAWS . . . By submission of its bid, the Initial Purchaser represents that the sale of the Bonds in states other than Texas will be made only pursuant to exemptions from registration or, where necessary, the Initial Purchaser will register the Bonds in accordance with the securities law of the states in which the Bonds are offered or sold. The County agrees to cooperate with the Initial Purchaser, at the Initial Purchaser's written request and expense, in registering the Bonds or obtaining an exemption from registration in any state where such action is necessary; provided, however, that the County is not obligated to execute a general or special consent to service of process in any such jurisdiction.

NOT AN OFFER TO SELL . . . This Notice of Sale and Bidding Instructions does not alone constitute an offer to sell the Bonds, but is merely notice of the sale of the Bonds. The offer to sell the Bonds is being made by means of the Notice of Sale and Bidding Instructions, the Official Bid Form, and the Preliminary Official Statement. Prospective purchasers are urged to carefully examine the Preliminary Official Statement to determine the investment quality of the Bonds.

ISSUANCE OF ADDITIONAL DEBT . . . The County does not anticipate issuing additional debt in the calendar year 2019.

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

THE PRELIMINARY OFFICIAL STATEMENT AND COMPLIANCE WITH SEC RULE 15c2-12 . . . The County has prepared the accompanying Preliminary Official Statement and, for the limited purpose of complying with SEC Rule 15c2-12 (the "Rule"), deems such Preliminary Official Statement to be final as of its date within the meaning of such Rule for the purpose of review prior to bidding. To the best knowledge and belief of the County, the Preliminary Official Statement contains information, including financial information or operating data, concerning every entity, enterprise, fund, account, or person that is material to an evaluation of the offering of the Bonds. Representations made and to be made by the County concerning the absence of material misstatements and omissions in the Preliminary Official Statement are addressed elsewhere in this Notice of Sale and Bidding Instructions and in the Preliminary Official Statement.

The County will furnish to the Initial Purchaser, acting through a designated senior representative, in accordance with instructions received from the Initial Purchaser, within seven (7) business days from the sale date an aggregate of 250 copies of the Official Statement reflecting interest rates and other terms relating to the initial reoffering of the Bonds. The cost of any Official Statement copies in excess of the number specified shall be prepared and distributed at the cost of the Initial Purchaser. The Initial Purchaser is responsible for providing in writing the initial reoffering prices and other terms, if any, to the Financial Advisor by the close of the next business day after the award. Except as noted above, the County assumes no responsibility or obligation for the distribution or delivery of any copies of the Official Statement in connection with the offering or reoffering of the subject securities.

CONTINUING DISCLOSURE AGREEMENT . . . The County will agree in the Bond Order to provide certain periodic information and notices of certain events in accordance with the Rule, as described in the Official Statement under "CONTINUING DISCLOSURE OF INFORMATION". The Initial Purchaser's obligation to accept and pay for the Bonds is conditioned upon delivery to the Initial Purchaser or its agent of a certified copy of the Bond Order containing the agreement described under such heading.

ADDITIONAL COPIES OF NOTICE, BID FORM AND STATEMENT . . . A limited number of additional copies of this Notice of Sale and Bidding Instructions, the Official Bid Form and the Preliminary Official Statement, as available over and above the normal mailing, may be obtained at the offices of Hilltop Securities Inc., 777 Main Street, Suite 1200, Fort Worth, Texas 76102, Financial Advisor to the County.

* * *

On the date of the sale, the County will, in the Bond Order, confirm its approval of the form and content of the Preliminary Official Statement, and any addenda, supplement or amendment thereto, and authorize its use in the reoffering of the Bonds by the Initial Purchaser.

Pricing Officer
Collin County, Texas

February 20, 2019

BOND YEARS ⁽¹⁾

<u>Bonds Maturing</u>	<u>Amount</u>	<u>Bond Years</u>	<u>Accumulated Bond Years</u>	<u>Bonds Maturing</u>
2020	\$ 31,500,000	28,437.500	28,437.500	2020
2021	4,070,000	7,744.306	36,181.806	2021
2022	4,280,000	12,423.889	48,605.694	2022
2023	4,495,000	17,542.986	66,148.681	2023
2024	4,730,000	23,190.139	89,338.819	2024
2025	4,975,000	29,366.319	118,705.139	2025
2026	5,230,000	36,101.528	154,806.667	2026
2027	5,495,000	43,425.764	198,232.431	2027
2028	5,775,000	51,413.542	249,645.972	2028
2029	6,040,000	59,812.778	309,458.750	2029
2030	6,285,000	68,523.958	377,982.708	2030
2031	6,550,000	77,963.194	455,945.903	2031
2032	6,810,000	87,867.917	543,813.819	2032
2033	7,060,000	98,153.611	641,967.431	2033
2034	7,305,000	108,864.792	750,832.222	2034
2035	7,560,000	120,225.000	871,057.222	2035
2036	7,830,000	132,348.750	1,003,405.972	2036
2037	8,120,000	145,370.556	1,148,776.528	2037
2038	8,425,000	159,255.903	1,308,032.431	2038
2039	8,750,000	174,149.306	1,482,181.736	2039

Average Maturity 9.797 Years

OFFICIAL BID FORM

Honorable County Judge and Commissioners Court
Collin County, Texas

February 20, 2019

Reference is made to your Preliminary Official Statement and Notice of Sale and Bidding Instructions, dated February 13, 2019, of \$151,285,000⁽¹⁾ COLLIN COUNTY, TEXAS LIMITED TAX PERMANENT IMPROVEMENT BONDS, SERIES 2019, both of which constitute a part hereof.

For your legally issued Bonds, as described in said Notice of Sale and Bidding Instructions and Preliminary Official Statement, we will pay you _____% of par for Bonds maturing and bearing interest as follows:

Maturity	Principal Amount ⁽¹⁾	Interest Rate	Maturity	Principal Amount ⁽¹⁾	Interest Rate	Maturity	Principal Amount ⁽¹⁾	Interest Rate
2/15/2020	\$ 31,500,000	_____	2/15/2027	\$ 5,495,000	_____	2/15/2033	\$ 7,060,000	_____
2/15/2021	4,070,000	_____	2/15/2028	5,775,000	_____	2/15/2034	7,305,000	_____
2/15/2022	4,280,000	_____	2/15/2029	6,040,000	_____	2/15/2035	7,560,000	_____
2/15/2023	4,495,000	_____	2/15/2030	6,285,000	_____	2/15/2036	7,830,000	_____
2/15/2024	4,730,000	_____	2/15/2031	6,550,000	_____	2/15/2037	8,120,000	_____
2/15/2025	4,975,000	_____	2/15/2032	6,810,000	_____	2/15/2038	8,425,000	_____
2/15/2026	5,230,000	_____				2/15/2039	8,750,000	_____

Of the principal maturities set forth in the table above, term bonds have been created as indicated in the following table (which may include multiple term bonds, one term bond or no term bond if none is indicated). For those years which have been combined into a term bond, the principal amount shown in the table above shall be the mandatory sinking fund redemption amounts in such years except that the amount shown in the year of the term bond maturity date shall mature in such year. The term bonds created are as follows:

Maturity Date February 15	Year of First Mandatory Redemption	Principal Amount	Interest Rate
_____	_____	\$ _____	_____ %
_____	_____	\$ _____	_____ %
_____	_____	\$ _____	_____ %

Our calculation (which is not a part of this bid) of the interest cost from the above is:

Total Interest Cost \$ _____
INTEREST RATE _____ %

The Initial Bond shall be registered in the name of _____, which will, upon payment for the Bonds, be canceled by the Paying Agent/Registrar. The Bonds will then be registered in the name of Cede & Co. (DTC's partnership nominee), under the Book-Entry-Only System.

A bank cashier's check or certified check of the _____ Bank, _____, in the amount of \$1,512,850.00, which represents our Good Faith Deposit (is attached hereto) or (has been made available to you prior to the opening of this bid), and is submitted in accordance with the terms as set forth in the Preliminary Official Statement and Notice of Sale and Bidding Instructions.

We agree to accept delivery of the Bonds utilizing the Book-Entry-Only System through DTC and make payment for the Initial Bond in immediately available funds in the Corporate Trust Division, BANK OF NEW YORK TRUST COMPANY, Dallas, Texas not later than 10:00 AM, CDT, on March 20, 2019, or thereafter on the date the Bonds are tendered for delivery, pursuant to the terms set forth in the Notice of Sale and Bidding Instructions. It will be the obligation of the Initial Purchaser of the Bonds to complete the DTC Eligibility Questionnaire.

The undersigned agrees to complete, execute, and deliver to the County, not later than 5 business days prior to the delivery of the Bonds to the Initial Purchaser, a certificate relating to the "issue price" of the Bonds in the form and to the effect accompanying the Notice of Sale and Bidding Instructions, with such changes thereto as may be acceptable to the County. To the extent that such "issue price" certificate is not adequate for inclusion in the County's federal tax certificate, the undersigned agrees to execute an issue price certificate as may be required by the County's Bond Counsel.

Preliminary, subject to change. See "Adjustment of Principal Amounts and/or Types of Bids" herein.

The undersigned verifies, for purposes of Chapter 2270 (as provided by Acts 2017, 85th Leg., ch. 1, House Bill 89) of the Texas Government Code, as amended, that at the time of execution and delivery of this bid and, except to the extent otherwise required by applicable federal law, to the date of delivery of the Bonds, neither the undersigned, nor any wholly owned subsidiary, majority-owned subsidiary, parent company or affiliate of the undersigned, boycotts or will boycott Israel. The terms boycotts Israel and boycott Israel as used in this paragraph have the meanings assigned to the term boycott Israel in Section 808.001 of the Texas Government Code, as amended.

The undersigned verifies, for purposes of compliance with Section 2252.152, Texas Government Code, that neither it nor any of its parent company, wholly- or majority-owned subsidiaries, and other affiliates is a company identified on a list prepared and maintained by the Texas Comptroller of Public Accounts under Section 2252.153 or Section 2270.0201, Texas Government Code, and posted on any of the following pages of such officer's internet website: <https://comptroller.texas.gov/purchasing/docs/sudan-list.pdf>, <https://comptroller.texas.gov/purchasing/docs/iran-list.pdf>, or <https://comptroller.texas.gov/purchasing/docs/fto-list.pdf>. The term "affiliate" as used in this paragraph means any entity that controls, is controlled by, or is under common control with the bidder and exists to make a profit.

In accordance with Texas Government Code Section 2252.908 (the "Interested Party Disclosure Act"), the County may not award the Bonds to a bidder unless the winning bidder either: (i) submits a Certificate of Interested Parties Form 1295 (the "Disclosure Form") to the County as prescribed by the Texas Ethics Commission ("TEC"), or (ii) certifies below that it is exempt from filing the Disclosure Form by virtue of being a publicly traded business entity or a wholly owned subsidiary of a publicly traded business entity.

Unless the bidder certifies that it is exempt from filing a Disclosure Form with the County, upon notification of conditional verbal acceptance, the undersigned will complete an electronic form Disclosure Form through the Texas Ethics Commission's (the "TEC") electronic portal and the resulting certified Disclosure Form that is generated by the TEC's electronic portal will be printed, signed and sent by email to the County's financial advisor at nick.bulaich@hilltopsecurities.com. The undersigned understands that the failure to provide the certified Disclosure Form will prohibit the County from providing final written award of the enclosed bid.

The Purchaser (mark one):

(i) Agrees to timely make a filing of a completed Disclosure Form with the County ☐

or

(ii) Hereby certifies that it is exempt from filing the Disclosure Form by virtue of being a publicly traded business entity or a wholly owned subsidiary of a publicly traded business entity ☐.

We agree to provide in writing the initial reoffering prices and other terms, if any, to the Financial Advisor by the close of the next business day after the award.

Respectfully submitted,

Syndicate Members:

Name of Initial Purchaser or Manager

Authorized Representative

Phone Number

Signature

ACCEPTANCE CLAUSE

The above and foregoing bid is hereby in all things accepted by the Collin County, Texas, subject to and in accordance with the Notice of Sale and Bidding Instructions, this the 20th day of February, 2019.

ATTEST:

Pricing Officer
Collin County, Texas

EXHIBIT A
ISSUE PRICE CERTIFICATES

ISSUE PRICE CERTIFICATE

[THREE BID REQUIREMENT SATISFIED]

I, the undersigned officer of _____ (the "Purchaser"), acting on behalf of itself and any underwriting syndicate, make this certification in connection with the \$[151,285,000] Collin County, Texas, Limited Tax Permanent Improvement Bonds, Series 2019 (the "Bonds") issued by Collin County, Texas (the "County").

1. I hereby certify as follows in good faith as of the date hereof:

(a) I am the duly chosen, qualified and acting officer of the Purchaser for the office shown below my signature; as such, I am familiar with the facts herein certified and I am duly authorized to execute and deliver this certificate on behalf of the Purchaser and any underwriting syndicate. I am the officer of the Purchaser charged, along with other officers of the Purchaser and any underwriting syndicate, with responsibility for the Bonds:

(b) The reasonably expected initial offering prices of the Bonds to the Public by the Purchaser as of the Sale Date are the prices set forth on the inside cover of the Official Statement prepared in connection with the Bonds (the "Initial Offering Prices"). The Initial Offering Prices are the applicable prices for the Bonds used by the Purchaser in formulating its bid to purchase the Bonds. Attached hereto as Attachment I is a true and correct copy of the bid provided by the Purchaser to purchase the Bonds.

(c) The Purchaser was not given the opportunity to review other bids prior to submitting its bid.

(d) The bid submitted by the Purchaser constituted a firm offer to purchase the Bonds.

(e) The aggregate of the Initial Offering Prices of all maturities of the Bonds is \$ _____. The Bonds were sold with pre-issuance accrued interest in the amount of \$ _____. The sum of these two amounts is \$ _____.

(f) Please choose the appropriate statement:

☐ The Purchaser will not purchase bond insurance for the Bonds.

☐ The Purchaser will purchase bond insurance from _____ (the "Insurer") for a fee/premium of \$ _____ (the "Fee"). The Fee is a reasonable amount payable solely for the transfer of credit risk for the payment of debt service on the Bonds and does not include any amount payable for a cost other than such guarantee, e.g., a credit rating or legal fees. The Purchaser represents that the present value of the Fee for each obligation constituting the Bonds to which such Fee is properly allocated and which are insured thereby is less than the present value of the interest reasonably expected to be saved as a result of the insurance on each obligation constituting the Bonds. The Fee has been paid to a person who is not exempt from federal income taxation and who is not a user or related to the user of any proceeds of the Bonds. In determining present value for this purpose, the yield of the Bonds (determined with regard to the payment of the guarantee fee) has been used as the discount rate. No portion of the Fee is refundable upon redemption of any of the Bonds in an amount which would exceed the portion of such Fee that has not been earned. The Purchaser will also be responsible for payment of any rating fees on the Bonds, if and as required by the Insurer to be obtained in connection with the purchase of insurance.

2. For purposes of this Issue Price Certificate, the following definitions apply:

(a) "Public" means any person (including an individual, trust, estate, partnership, association, company, or corporation) other than an Underwriter or a Related Party to an Underwriter.

(b) "Related Party" means any two or more persons who are subject, directly or indirectly, to (i) more than 50% common ownership of the voting power or the total value of their stock, if both entities are corporations (including direct ownership by one corporation of another), (ii) more than 50% common ownership of their capital interests or profits interests, if both entities are partnerships (including direct ownership by one partnership of another), or (iii) more than 50% common ownership of the value of the outstanding stock of the corporation or the capital interest or profits interest of the partnership, as applicable, if one entity is a corporation and the other entity is a partnership (including direct ownership of the applicable stock or interests by one entity of the other).

(c) "Sale Date" means the first day on which there is a binding contract in writing for the sale or exchange of the Bonds. The Sale Date of the Bonds is _____, 2019.

(d) "Underwriter" means (i) any person that agrees pursuant to a written contract with the County (or with the lead underwriter to form an underwriting syndicate) to participate in the initial sale of the Bonds to the Public, and (ii) any person that agrees pursuant to a written contract directly or indirectly with a person described in clause (i) of this definition to participate in the initial sale of the Bonds to the Public (including a member of a selling group or a party to a retail distribution agreement participating in the initial sale of the Bonds to the Public).
The representations set forth in this certificate are limited to factual matters only.

Nothing in this certificate represents the Purchaser's interpretation of any laws, including specifically sections 103 and 148 of the Internal Revenue Code of 1986, as amended, and the Treasury Regulations thereunder. The undersigned understands that the foregoing information will be relied upon by the County with respect to certain of the representations set forth in the Federal Tax Certificate and with respect to compliance with the federal income tax rules affecting the Bonds, and by Bracewell LLP in connection with rendering its opinion that the interest on the Bonds is excluded from gross income for federal income tax purposes, the preparation of Internal Revenue Service Form 8038-G, and other federal income tax advice it may give to the County from time to time relating to the Bonds.

EXECUTED as of this _____ day of _____, 2019.

[NAME OF PURCHASER OR MANAGER OF PURCHASING
SYNDICATE]

By: _____

Name: _____

Title: _____

ATTACHMENT I TO ISSUE PRICE CERTIFICATE
COPY OF WINNING BID FORM

[See Attached]

ISSUE PRICE CERTIFICATE

[THREE BID REQUIREMENT NOT SATISFIED – HOLD-THE-OFFERING-PRICE RULE]

I, the undersigned officer of _____ (the "Purchaser"), acting on behalf of itself and any underwriting syndicate, make this certification in connection with the \$[151,285,000] Collin County, Texas, Limited Tax Permanent Improvement Bonds, Series 2019 (the "Bonds") issued by Collin County, Texas (the "County").

1. I hereby certify as follows in good faith as of the date hereof:

(a) I am the duly chosen, qualified and acting officer of the Purchaser for the office shown below my signature; as such, I am familiar with the facts herein certified and I am duly authorized to execute and deliver this certificate on behalf of the Purchaser and any underwriting syndicate. I am the officer of the Purchaser charged, along with other officers of the Purchaser and any underwriting syndicate, with responsibility for the Bonds.

(b) For the Bonds maturing in _____, the first price at which at least 10% of each maturity was sold to the Public is the price for each such maturity set forth on the inside cover of the Official Statement prepared in connection with the Bonds (each, an "Actual Sales Price").

(c) For the Bonds maturing in _____ (each, a "Held Maturity"), the Purchaser on or before the Sale Date offered for purchase each such maturity to the Public at the applicable initial offering price set forth on the inside cover of the Official Statement prepared in connection with the Bonds (each, an "Initial Offering Price"). A copy of the pricing wire evidencing the Initial Offering Prices is attached hereto as Attachment I. In connection with the offering of the Bonds, the Purchaser and each member of any underwriting syndicate agreed in writing that (i) during the Hold Period, it would neither offer nor sell any Held Maturity to any person at a price higher than the applicable Initial Offering Price (the "Hold-the-Offering-Price Rule") and (ii) any selling group agreement would contain the agreement of each dealer who is a member of the selling group, and any retail distribution agreement would contain the agreement of each broker-dealer who is a party to the retail distribution agreement, that, during the Hold Period, such party would comply with the Hold-the-Offering-Price Rule. In accordance with such agreements, no Underwriter offered or sold any of the Held Maturities at a price higher than the applicable Initial Offering Price for such Held Maturity during the Hold Period.

(d) The aggregate of the Actual Sales Prices and the Initial Offering Prices is \$ _____. The Bonds were sold with pre-issuance accrued interest in the amount of \$ _____. The sum of these two amounts is \$ _____.

(e) Please choose the appropriate statement:

☐ The Purchaser will not purchase bond insurance for the Bonds.

☐ The Purchaser will purchase bond insurance from _____ (the "Insurer") for a fee/premium of \$ _____ (the "Fee"). The Fee is a reasonable amount payable solely for the transfer of credit risk for the payment of debt service on the Bonds and does not include any amount payable for a cost other than such guarantee, e.g., a credit rating or legal fees. The Purchaser represents that the present value of the Fee for each obligation constituting the Bonds to which such Fee is properly allocated and which are insured thereby is less than the present value of the interest reasonably expected to be saved as a result of the insurance on each obligation constituting the Bonds. The Fee has been paid to a person who is not exempt from federal income taxation and who is not a user or related to the user of any proceeds of the Bonds. In determining present value for this purpose, the yield of the Bonds (determined with regard to the payment of the guarantee fee) has been used as the discount rate. No portion of the Fee is refundable upon redemption of any of the Bonds in an amount which would exceed the portion of such Fee that has not been earned. The Purchaser will also be responsible for payment of any rating fees on the Bonds, if and as required by the Insurer to be obtained in connection with the purchase of insurance.

2. For purposes of this Issue Price Certificate, the following definitions apply:

(a) "Hold Period" means, with respect to a Held Maturity, the period starting on the Sale Date and ending on the earlier of (i) the close of the fifth business day after the Sale Date or (ii) the date on which the Underwriters have sold at least 10% of such Held Maturity to the Public at a price no higher than the applicable Initial Offering Price.

(b) "Public" means any person (including an individual, trust, estate, partnership, association, company, or corporation) other than an Underwriter or a Related Party to an Underwriter.

(c) "Related Party" means any two or more persons who are subject, directly or indirectly, to (i) more than 50% common ownership of the voting power or the total value of their stock, if both entities are corporations (including direct ownership by one corporation of another), (ii) more than 50% common ownership of their capital interests or profits interests, if both entities are partnerships (including direct ownership by one partnership of another), or (iii) more than 50% common ownership of the value of the outstanding stock of the corporation or the capital interest or profits interest of the partnership, as applicable, if one entity is a corporation and the other entity is a partnership (including direct ownership of the applicable stock or interests by one entity of the other).

(d) "Sale Date" means the first day on which there is a binding contract in writing for the sale or exchange of the Bonds. The Sale Date of the Bonds is _____, 2019.

(e) "Underwriter" means (i) any person that agrees pursuant to a written contract with the County (or with the lead Underwriter to form an underwriting syndicate) to participate in the initial sale of the Bonds to the Public, and (ii) any person that agrees pursuant to a written contract directly or indirectly with a person described in clause (i) of this definition to participate in the initial sale of the Bonds to the Public (including a member of a selling group or a party to a retail distribution agreement participating in the initial sale of the Bonds to the Public).

The representations set forth in this certificate are limited to factual matters only. Nothing in this certificate represents the Purchaser's interpretation of any laws, including specifically sections 103 and 148 of the Internal Revenue Code of 1986, as amended, and the Treasury Regulations thereunder. The undersigned understands that the foregoing information will be relied upon by the County with respect to certain of the representations set forth in the Federal Tax Certificate and with respect to compliance with the federal income tax rules affecting the Bonds, and by Bracewell LLP in connection with rendering its opinion that the interest on the Bonds is excluded from gross income for federal income tax purposes, the preparation of Internal Revenue Service Form 8038-G, and other federal income tax advice it may give to the County from time to time relating to the Bonds. EXECUTED as of this _____ day of _____, 2019.

[NAME OF PURCHASER OR MANAGER OF PURCHASING SYNDICATE]

By: _____

Name: _____

Title: _____

ATTACHMENT I TO ISSUE PRICE CERTIFICATE

FINAL PRICING WIRE

[See Attached]

OFFICIAL STATEMENT

Dated February 20, 2019

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.

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



\$151,005,000
COLLIN COUNTY, TEXAS
LIMITED TAX PERMANENT IMPROVEMENT BONDS, SERIES 2019

Dated Date: February 15, 2019

Interest Accrues from Delivery Date

Due: February 15, as shown below

PAYMENT TERMS . . . Interest on the \$151,005,000 Collin County, Texas, Limited Tax Permanent Improvement Bonds, Series 2019 (the "Bonds") will accrue from the date of initial delivery (the "Delivery Date") to the initial purchaser, and will be payable February 15, 2020, and on each August 15 and February 15 thereafter until maturity or prior redemption. Interest on the Bonds will be calculated on the basis of a 360-day year consisting of twelve 30-day months. The definitive 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 Bonds may be acquired in denominations of \$5,000 or integral multiples thereof. **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 to the beneficial owners of the 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 Bonds are being issued pursuant to the Constitution and general laws of the State of Texas, particularly Chapters 1251, 1301, 1371 and 1473, Texas Government Code, as amended, and Chapters 292 and 331, Texas Local Government Code, as amended, County-wide elections held on November 6, 2007 and November 6, 2018 (the "Elections") and a bond order (the "Order") adopted on February 4, 2019 by the Commissioners Court of the County (the "Commissioners Court") in which the Commissioners Court delegated pricing of the Bonds and certain other matters to an "Authorized Officer" who approved a pricing certificate (the "Pricing Certificate", and together with the Order, the "Bond Order") which contains the final terms of sale and completed the sale of the Bonds 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 by law, as provided by the Bond Order (see "The Bonds - Authority for Issuance").

PURPOSE . . . Proceeds from the sale of the Bonds will be used for (i) constructing, improving and maintaining non-tolled, high-speed highways and freeways within Collin County and related service and frontage roads; including the acquisition of land and rights-of-way therefor; and including participating in the cost of joint county-state and county-city projects, (ii) constructing, improving and maintaining roads and bridges within Collin County, including the acquisition of land and rights-of-way therefor; and including participating in the cost of joint county-state and county-city projects, (iii) acquiring and improving land for park and open space purposes, including joint county-city projects, (iv) acquiring, constructing, improving, renovating and equipping juvenile and adult detention facilities, including court facilities, juvenile probation facilities and juvenile justice alternative education program facilities and the acquisition of land therefor, and (v) paying the costs of issuance associated with the sale of the 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⁾
\$ 32,875,000	2020	3.000%	1.670%	ML7	\$ 6,305,000	2030	4.000%	2.470%	MW3
4,245,000	2021	3.000%	1.710%	MM5	6,525,000	2031	3.000%	2.900%	MX1
4,370,000	2022	3.000%	1.760%	MN3	6,720,000	2032	3.000%	3.047%	MY9
4,550,000	2023	5.000%	1.780%	MP8	6,930,000	2033	3.000%	3.134%	MZ6
4,740,000	2024	3.000%	1.840%	MQ6	7,135,000	2034	3.000%	3.169%	NA0
4,935,000	2025	5.000%	1.910%	MR4	7,360,000	2035	3.125%	3.246%	NB8
5,185,000	2026	5.000%	2.000%	MS2	7,600,000	2036	3.125%	3.280%	NC6
5,455,000	2027	5.000%	2.100%	MT0	7,845,000	2037	3.250%	3.381%	ND4
5,725,000	2028	5.000%	2.200%	MU7	8,105,000	2038	3.375%	3.466%	NE2
6,020,000	2029	5.000%	2.310%	MV5	8,380,000	2039	3.375%	3.507%	NF9

(1) CUSIP is a registered trademark of the American Bankers Association. CUSIP data is provided by CUSIP Global Services, managed by S&P Capital IQ on behalf of the American Bankers Association. This data is not intended to create a database and does not serve in any way as a substitute for the CUSIP services. Neither the County nor the Financial Advisor, nor the Initial Purchaser 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.

OPTIONAL REDEMPTION . . . The County reserves the right, at its option, to redeem Bonds having stated maturities on and after February 15, 2029, in whole or in part in principal amounts of \$5,000 or any integral multiple thereof, on February 15, 2028, or any date thereafter, at the par value thereof plus accrued interest to the date of redemption (see "THE BONDS - Optional Redemption").

LEGALITY . . . The Bonds are offered for delivery when, as, and if issued and received by the Initial Purchaser of the Bonds and subject to the approving opinion of the Attorney General of Texas and the opinion of Bracewell LLP, Bond Counsel, Dallas, Texas (see Appendix C - "Form of Bond Counsel's Opinion").

DELIVERY . . . It is expected that the Bonds will be available for delivery through The Depository Trust Company on March 20, 2019 (the "Delivery Date").

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This Official Statement, which includes the cover page 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 Initial Purchaser. 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 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 NOR ITS FINANCIAL ADVISOR, 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 PURCHASER 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. SEE "OTHER INFORMATION-FORWARD-LOOKING STATEMENTS DISCLAIMER."

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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 BONDS	The Bonds are issued as \$151,005,000 Limited Tax Permanent Improvement Bonds, Series 2019 (the "Bonds"). The Bonds mature serially on February 15 in each of the years 2020 through 2039 (see "The Bonds - Description of the Bonds").
PAYMENT OF INTEREST	Interest on the Bonds will accrue from the Delivery Date, and is payable February 15, 2020, and each August 15 and February 15 thereafter until maturity or prior redemption (see "The Bonds - Description of the Bonds").
AUTHORITY FOR ISSUANCE	The Bonds are issued pursuant to the Constitution and general laws of the State, particularly, Chapters 1251, 1301, 1371 and 1473, Texas Government Code, as amended, and Chapters 292 and 331, Texas Local Government Code, as amended, County-wide elections held on November 6, 2007, and November 8, 2018 (the "Elections") and a bond order (the "Order") adopted on February 4, 2019 by the "Commissioners Court" in which the Commissioners Court delegated pricing of the Bonds and certain other matters to an "Authorized Officer" who approved a pricing certificate (the "Pricing Certificate", and together with the Order, the "Bond Order") which contains the final terms of sale and completed the sale of the Bonds (see "The Bonds - Authority for Issuance").
SECURITY FOR THE BONDS	The 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-Bonds").
REDEMPTION	The County reserves the right, at its option, to redeem Bonds of either series, having stated maturities on and after February 15, 2029, in whole or in part in principal amounts of \$5,000 or any integral multiple thereof, on February 15, 2028, or any date thereafter, at the par value thereof plus accrued interest to the date of redemption (see "The Bonds - Optional Redemption").
TAX EXEMPTION	In the opinion of Bond Counsel, under existing law, 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.
USE OF PROCEEDS	Proceeds from the sale of the Bonds will be used for (i) constructing, improving and maintaining non-tolled, high-speed highways and freeways within Collin County and related service and frontage roads; including the acquisition of land and rights-of-way therefor; and including participating in the cost of joint county-state and county-city projects, (ii) constructing, improving and maintaining roads and bridges within Collin County, including the acquisition of land and rights-of-way therefor; and including participating in the cost of joint county-state and county-city projects, (iii) acquiring and improving land for park and open space purposes, including joint county-city projects, (iv) acquiring, constructing, improving, renovating and equipping juvenile and adult detention facilities, including court facilities, juvenile probation facilities and juvenile justice alternative education program facilities and the acquisition of land therefor; and (v) paying the costs of issuance associated with the sale of the 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 S&P Global Ratings, 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 of each series 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
2015	873,840 ⁽²⁾	\$ 86,871,450,852	\$ 99,413	\$ 402,795,000	\$ 461	0.46%	102.25%
2016	901,170 ⁽²⁾	96,807,570,324	107,424	395,590,000	439	0.41%	100.31%
2017	932,530 ⁽³⁾	109,041,422,918	116,931	352,380,000	378	0.32%	101.19%
2018	969,603 ⁽³⁾	124,035,906,716	127,924	319,710,000	330	0.26%	102.75%
2019	981,148 ⁽³⁾	138,427,326,503	141,087	392,565,000 ⁽⁴⁾	400	0.28%	51.48% ⁽⁵⁾

(1) As reported by the Collin Central Appraisal District on the County's annual State Property Tax Board Reports; subject to change during the ensuing year.

(2) Source: North Central Texas Council of Governments.

(3) Source: U.S. Census Bureau

(4) Projected; includes all limited tax and unlimited tax debt of the County and the Bonds. Excludes \$27,090,000 of debt that the County redeemed on February 15, 2019.

(5) Collections for partial year only, through December 31, 2018.

COUNTY OFFICIALS, STAFF, AND CONSULTANTS

ELECTED OFFICIALS

<u>Commissioners Court</u>	<u>Term Expires</u>
Chris Hill County Judge	12/31/2022
Susan Fletcher Commissioner, Precinct No. 1	12/31/2020
Cheryl Williams Commissioner, Precinct No. 2	12/31/2022
Darell Hale Commissioner, Precinct No. 3	12/31/2020
Duncan Webb Commissioner, Precinct No. 4	12/31/2022

OTHER ELECTED AND APPOINTED OFFICIALS

<u>Name</u>	<u>Position</u>	<u>Term Expires</u>
Bill Bilyeu	County Administrator	Appointed by Commissioners Court
Jeff May	County Auditor	Appointed by District Judges
Monika Arris	Budget Director	Appointed by Commissioners Court
Stacey Kemp	County Clerk	12/31/2022
Kenneth L. Maun	Tax Assessor-Collector	12/31/2020

CONSULTANTS AND ADVISORS

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

Bond Counsel Bracewell LLP
Dallas, Texas

Financial Advisor..... Hilltop Securities Inc.
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
Hilltop Securities Inc.
777 Main Street, Suite 1200
Fort Worth, Texas 76102
(817) 332-9710

OFFICIAL STATEMENT
RELATING TO
COLLIN COUNTY, TEXAS
\$151,005,000
LIMITED TAX PERMANENT
IMPROVEMENT BONDS, SERIES 2019

INTRODUCTION

This Official Statement, which includes the Appendices hereto, provides certain information regarding the issuance of \$151,005,000 Collin County, Texas Limited Tax Permanent Improvement Bonds, Series 2019 (the "Bonds"). Except as otherwise indicated herein, capitalized terms used in this Official Statement have the same meanings assigned to such terms in the bond order (the "Order") adopted by the Commissioners Court of the County on February 4, 2019, in which the Commissioners Court delegated pricing of the respective Bonds and certain other matters to an "Authorized Officer" who approved a pricing certificate (the "Pricing Certificate", and together with the "Order," the "Bond Order"), which contains the final terms of sale and completed the sale of the Bonds.

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 Disclaimer").

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, Hilltop Securities Inc., 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 Bonds will be used for (i) constructing, improving and maintaining non-tolled, high-speed highways and freeways within Collin County and related service and frontage roads; including the acquisition of land and rights-of-way therefor; and including participating in the cost of joint county-state and county-city projects, (ii) constructing, improving and maintaining roads and bridges within Collin County, including the acquisition of land and rights-of-way therefor; and including participating in the cost of joint county-state and county-city projects, (iii) acquiring and improving land for park and open space purposes, including joint county-city projects, (iv) acquiring, constructing, improving, renovating and equipping juvenile and adult detention facilities, including court facilities, juvenile probation facilities and juvenile justice alternative education program facilities and the acquisition of land therefor; and (v) paying the costs of issuance associated with the sale of the Bonds.

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

	Limited Tax Bonds
<u>Sources of Funds</u>	
Par Amount of Bonds	\$ 151,005,000.00
Net Premium	5,948,688.92
Total Sources of Funds	<u>\$ 156,953,688.92</u>
<u>Uses of Funds</u>	
Deposit to Project Fund	\$ 156,455,000.00
Costs of Issuance	498,688.92
Total Uses of Funds	<u>\$ 156,953,688.92</u>

THE BONDS

DESCRIPTION OF THE BONDS . . . The Bonds are dated February 15, 2019 (the "Dated Date"), and mature on February 15 in each of the years and in the amounts shown on the cover page hereof. Interest accrues from the Delivery Date of the Bonds and will be computed on the basis of a 360-day year of twelve 30-day months, and will be payable on February 15, 2020, 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 Bonds are being issued pursuant to the Constitution and general laws of the State, particularly Chapters 1251, 1301, 1371 and 1473, Texas Government Code, as amended, and Chapters 292 and 331, Texas Local Government Code, as amended, County-wide elections held on November 6, 2007 and November 6, 2018 (the "Elections"), and the Bond Order.

SECURITY AND SOURCES OF PAYMENT . . . The 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 Bond Order. The Bonds are payable from the County's \$0.80 constitutional tax rate limit; see "Tax Rate Limitations – General Operations: Bonds, Tax Notes, Time Warrants, 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; Bonds, Tax Notes, Time Warrants, 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 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 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.

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 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 VIII, 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 having stated maturities on and after February 15, 2029, in whole or in part in principal amounts of \$5,000 or any integral multiple thereof, on February 15, 2028 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.

NOTICE OF REDEMPTION . . . Not less than 30 days prior to a redemption date for the Bonds of either series, 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 Bond Order provides 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 (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, and (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; or (iii) any combination of (i) and (ii) above. 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.

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 Financial Advisor believe the source of such information to be reliable, but take no responsibility for the accuracy or completeness thereof.

The County and the Financial Advisor 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 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.

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 Bond Order 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 of the Bond Order, 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, 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 and series 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 . . . The Bond Order establishes as "events of default" (i) the failure to make payment of the principal of, redemption premium, if any, or interest on the Bonds when due and payable; or (ii) default in the observance or performance of any of the covenants, conditions, or obligations of the County, which default materially and adversely affects the rights of the owners, including but not limited to, their prospect or ability to be repaid in accordance with the Bond Order, and the continuation thereof for a period of 60 days after notice of such default is given by any owner to the County. Under State law there is no right to the acceleration of maturity of the Bonds upon the failure of the County to observe and covenant under the Bond Order. Although a registered owner of Bonds could presumably obtain a judgment against the County if a default occurred in the payment of principal of or interest on any such Bonds, such judgment could not be satisfied by execution against any property of the County. Such registered owner's only practical remedy, if a default occurs, is a mandamus or mandatory injunction proceeding to compel the County to levy, assess and collect an annual ad valorem tax sufficient to pay principal of and interest on the Bonds as it becomes due. The enforcement of any such remedy may be difficult and time consuming and a registered owner could be required to enforce such remedy on a periodic basis.

On June 30, 2006, the Texas Supreme Court ruled in *Tooke v. City of Mexia*, 197 S.W.3d 325 (Tex. 2006) ("Tooke") that a waiver of sovereign immunity must be provided for by statute in "clear and unambiguous" language. In so ruling, the Court declared that statutory language such as "sue and be sued", in and of itself, did not constitute a clear and unambiguous waiver of sovereign immunity. Because it is unclear whether the Texas legislature has effectively waived the County's sovereign immunity from a suit for money damages, a Bondholder may not be able to bring such a suit against the County for breach of the Bonds or Bond Order covenants. As noted above, Bondholders may exercise the remedy of mandamus to enforce the obligations of the County under the Bond Order. Neither the remedy of mandamus nor any other type of injunctive relief was at issue in *Tooke*, and it is unclear whether *Tooke* will be construed to have any effect with respect to the exercise of mandamus, as such remedy has been interpreted by Texas courts. In general, Texas courts have held that a writ of mandamus may be issued to require public officials to perform ministerial acts that clearly pertain to their duties. Texas courts have held that a ministerial act is defined as a legal duty that is prescribed and defined with a precision and certainty that leaves nothing to the exercise of discretion or judgment, though mandamus is not available to enforce purely contractual duties. However, mandamus may be used to require a public officer to perform legally imposed ministerial duties necessary for the performance of a valid contract to which the State or a political subdivision of the State is a party (including the payment of monies due under a contract). Chapter 1371, Texas Government Code ("Chapter 1371"), which pertains to the issuance of public securities by issuers such as the County, permits the County to waive sovereign immunity in the proceedings authorizing its bonds, but in connection with the issuance of the Bonds, the County has not waived sovereign immunity in the proceedings authorizing its Bonds.

The Bond Order does 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 Bond 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 Bondholders. Furthermore, 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 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 opinion of Bond Counsel will note that all opinions relative to the enforceability of the Bond Order and the Bonds are qualified with respect to the customary rights of debtors relative to their creditors.

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 Texas 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. Senate Joint Resolution 1 ("Senate Joint Resolution 1"), passed during the 84th Texas Legislature, proposed a constitutional amendment increasing the mandatory homestead exemption for school districts from \$15,000 to \$25,000 and requiring that the tax limitation for taxpayers who are age 65 and older or disabled be reduced to reflect the additional exemption. While Senate Joint Resolution 1 was not directly applicable to counties and municipalities, Senate Bill 1, which was also passed by the 84th Legislature, provided that if Senate Joint Resolution 1 was approved by the voters on November 3, 2015, then the governing body of a school district, municipality, or county would be prohibited from reducing the amount of or repealing an optional homestead exemption that was in place for the 2014 tax year (fiscal year 2015) for a period running through December 31, 2019. Senate Joint Resolution 1 was approved by voters on November 3, 2015, and therefore the prohibition is in effect.

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 depending upon the degree of disability or whether the exemption is applicable to a surviving spouse or children. Notwithstanding, a disabled veteran who receives from the United States Department of Veterans Affairs or its successor 100% disability compensation due to a service-connected disability and a rating of 100% disabled or of individual unemployability is entitled to an exemption from taxation of the total appraised value of the veteran's residence homestead. House Joint Resolution 75 ("HJR75"), passed during the 84th Texas legislature, proposed a constitutional amendment that allows the Legislature to provide for an exemption from ad valorem taxation of all or part of the market value of the residence homestead of the surviving spouse of a 100 percent or totally disabled veteran and who would have had qualified for the full exemption veteran before the law authorizing a residence homestead exemption took effect.

Since the proposition authorized by HJR75 was approved by voters in the November 2015 Constitutional election, the surviving spouse of a totally disabled veteran who died on or before January 1, 2010 and who would have qualified for the full exemption on the homestead's entire value if it had been available at that time, will be entitled to an exemption from ad valorem taxation of all or part of the market value of the residence homestead if the spouse has not remarried.

Following the approval by the voters at a November 5, 2013 statewide election, a partially disabled veteran or the surviving spouse of a partially disabled veteran is entitled to an exemption equal to the percentage of the veteran's disability, if the residence was donated at no cost to the veteran by a charitable organization.

Also approved by the November 5, 2013 election, was a constitutional amendment providing that the surviving spouse of a member of the armed forces who is killed in action is entitled to a property tax exemption for all or part of the market value of such surviving spouse's residence homestead, if the surviving spouse has not remarried since the service member's death and said property was the service member's residence homestead at the time of death. Such exemption is transferable to a different property of the surviving spouse, if the surviving spouse has not remarried, in an amount equal to the exemption received on the prior residence in the last year in which such exemption was received.

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

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

2018/19 Market Valuation Established by the Collin Central Appraisal District
(excluding totally exempt property)

\$ 155,153,485,704

Less Exemptions/Reductions at 100% Market Value:

Over 65 and Disabled	\$ 1,473,108,050	
Disabled Veterans Exemptions	426,339,965	
Tax Abatements	442,119,782	
Homestead Exemption	3,603,110,384	
Freeport Exemption	800,339,447	
Pollution Control Property	50,473,179	
Historical Exemption	56,866,713	
Homestead Cap Adjustment	1,587,722,348	
Agricultural Productivity, Open Space Land Use Reductions	8,279,645,522	
Other	<u>6,433,811</u>	<u>16,726,159,201</u>

2018/19 Taxable Assessed Valuation

\$ 138,427,326,503

County Funded Debt Payable from Ad Valorem Taxes (as of 12-31-18) ⁽¹⁾

Limited Tax Debt	\$ 83,740,000
Unlimited Tax Debt	208,880,000
The (Limited Tax Debt) Bonds	<u>151,005,000</u>

Funded Debt Payable from Ad Valorem Taxes

\$ 443,625,000

Interest and Sinking Fund (as of 12-31-18)

\$ 59,281,465

Ratio General Obligation Debt to Taxable Assessed Valuation 2018/19

0.32%

2019 Estimated Population - 1,107,017

Per Capita Taxable Assessed Valuation 2018/19 - \$125,045

Per Capita Funded Debt Payable from Ad Valorem Taxes - \$401

(1) Excludes the \$27.090 million of tax debt that the County redeemed on February 15, 2019.

TABLE 2 - TAXABLE ASSESSED VALUATIONS BY CATEGORY

Category	Taxable Appraised Value for Fiscal Year Ended September 30,					
	2019		2018		2017	
	Amount	% of Total	Amount	% of Total	Amount	% of Total
Real, Residential, Single-Family	\$ 89,403,682,998	57.62%	\$ 81,905,474,102	58.24%	\$ 73,139,434,986	58.67%
Real, Residential, Multi-Family	11,778,613,350	7.59%	10,028,539,074	7.13%	8,147,577,305	6.54%
Real, Vacant Lots/Tracts	1,304,582,284	0.84%	1,247,121,569	0.89%	1,105,550,870	0.89%
Real, Acreage (Land Only)	8,354,086,050	5.38%	8,013,620,571	5.70%	7,534,625,541	6.04%
Real, Farm and Ranch Improvements	3,046,998,452	1.96%	2,891,443,370	2.06%	2,745,998,377	2.20%
Real, Commercial and Industrial	29,379,912,494	18.94%	25,668,571,450	18.25%	21,860,181,009	17.54%
Real and Intangible Personal, Utilities	1,469,507,698	0.95%	1,346,861,224	0.96%	1,328,248,127	1.07%
Tangible Personal, Business	7,915,818,368	5.10%	7,458,459,729	5.30%	7,183,473,523	5.76%
Tangible Personal, Other	66,615,678	0.04%	58,711,582	0.04%	45,940,826	0.04%
Inventory	2,130,728,208	1.37%	1,722,923,439	1.23%	1,295,603,204	1.04%
Special Inventory Tax	302,940,124	0.20%	298,831,108	0.21%	277,108,439	0.22%
Total Appraised Value Before Exemptions	\$ 155,153,485,704	100.00%	\$ 140,640,557,218	100.00%	\$ 124,663,742,207	100.00%
Less: Total Exemption/Reductions	(16,726,159,201)		(16,604,650,502)		(15,622,319,289)	
Taxable Assessed Value	<u>\$ 138,427,326,503</u>		<u>\$ 124,035,906,716</u>		<u>\$ 109,041,422,918</u>	

Category	Taxable Appraised Value for Fiscal Year Ended September 30,			
	2016		2015	
	Amount	% of Total	Amount	% of Total
Real, Residential, Single-Family	\$ 64,014,218,252	57.98%	\$ 56,546,137,774	57.06%
Real, Residential, Multi-Family	6,854,734,928	6.21%	6,074,926,159	6.13%
Real, Vacant Lots/Tracts	1,025,418,727	0.93%	921,247,580	0.93%
Real, Acreage (Land Only)	7,190,820,265	6.51%	6,856,587,675	6.92%
Real, Farm and Ranch Improvements	2,348,426,775	2.13%	1,979,630,249	2.00%
Real, Commercial and Industrial	19,705,428,305	17.85%	17,945,664,473	18.11%
Real and Intangible Personal, Utilities	1,387,774,135	1.26%	1,338,256,503	1.35%
Tangible Personal, Business	6,549,090,260	5.93%	6,280,817,426	6.34%
Tangible Personal, Other	43,907,572	0.04%	42,333,456	0.04%
Inventory	1,024,830,224	0.93%	868,483,801	0.88%
Special Inventory Tax	255,905,263	0.23%	243,831,450	0.25%
Total Appraised Value Before Exemptions	\$ 110,400,554,706	100.00%	\$ 99,097,916,546	100.00%
Less: Total Exemptions/Reductions	(13,592,984,382)		(12,226,465,694)	
Taxable Assessed Value	<u>\$ 96,807,570,324</u>		<u>\$ 86,871,450,852</u>	

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
2015	873,840 ⁽²⁾	\$ 86,871,450,852	\$ 99,413	\$ 402,795,000	0.46%	\$ 461
2016	901,170 ⁽²⁾	96,807,570,324	107,424	395,590,000	0.41%	439
2017	932,530 ⁽³⁾	109,041,422,918	116,931	352,380,000	0.32%	378
2018	969,603 ⁽³⁾	124,035,906,716	127,924	319,710,000	0.26%	330
2019	981,148 ⁽³⁾	138,427,326,503	141,087	392,565,000 ⁽⁴⁾	0.28%	400

(1) As reported by the Collin Central Appraisal District on the County's annual State Property Tax Board Reports; subject to change during the ensuing year.

(2) Source: North Central Texas Council of Governments.

(3) Source: The Texas Department of State Health Services.

(4) Projected; includes the 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
2015	\$ 0.235002	0.177270	0.057732	\$ 200,570,830	100.00%	102.25%
2016	0.225000	0.169800	0.055200	215,534,400	100.00%	100.31%
2017	0.208400	0.153200	0.055200	224,318,124	100.00%	101.19%
2018	0.192250	0.138800	0.053450	234,634,515	101.52%	102.75%
2019	0.180785	0.127212	0.053573	242,175,337	51.30% ⁽¹⁾	51.48% ⁽¹⁾

(1) Collections for partial year only, through December 31, 2018.

TABLE 5 - TAX RATE DISTRIBUTION ANALYSIS

	Tax Year				
	2018	2017	2016	2015	2014
<u>Limited Constitutional Taxes ⁽¹⁾</u>					
Operating Fund	\$ 0.126946	\$ 0.136477	\$ 0.149795	\$ 0.165800	\$ 0.173268
Limited Tax Debt Service Fund	0.018095	0.014314	0.013575	0.013679	0.017131
Total Constitutional Tax Rate	\$ 0.145041	\$ 0.150791	\$ 0.163370	\$ 0.179479	\$ 0.190399
<u>Unlimited Constitutional Taxes ⁽²⁾</u>					
Road & Bridge Fund	\$ 0.000000	\$ 0.000000	\$ 0.000400	\$ 0.004000	\$ 0.004000
Permanent Improvement Fund	0.000266	0.002319	0.003000	0.000000	0.000000
Unlimited Tax Debt Service Fund	0.035478	0.039136	0.041625	0.041521	0.040601
Total Tax Rate	\$ 0.180785	\$ 0.192246	\$ 0.208395	\$ 0.225000	\$ 0.235000

(1) Taxes levied pursuant to Article VIII, 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	2018/19 Taxable Assessed Valuation	% of Total Taxable Assessed Valuation
Corporate Properties Trust I SPE #1 LLC	\$ 720,068,550	0.52%
Toyota Motor North America Inc	592,679,891	0.43%
Oncor Electric Delivery Company	543,244,860	0.39%
Liberty Mutual Plano LLC	345,798,915	0.25%
Legacy West Investors LP	340,861,050	0.25%
Stonebriar Mall LLC	321,459,957	0.23%
JP Morgan Chase Bank NA	312,538,085	0.23%
Silos Harvesting Partners LP	310,000,000	0.22%
Bank of America NA	248,522,533	0.18%
Blue Star HQ Inc.	201,017,500	0.15%
	<u>\$ 3,936,191,341</u>	<u>2.84%</u>

TABLE 7 - TAX ADEQUACY ⁽¹⁾

2019 Principal and Interest Requirements	\$ 63,375,401
\$0.0463 Tax Rate at 99% Collection Produces	\$ 63,450,934
Average Annual Principal and Interest Requirements, 2019 - 2039	\$ 26,970,412
\$0.0197 Tax Rate at 99% Collection Produces	\$ 26,997,481
Maximum Principal and Interest Requirements, 2020	\$ 76,378,371
\$0.0558 Tax Rate at 99% Collection Produces	\$ 76,470,024

(1) For all tax supported indebtedness (limited and unlimited), including the 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 of such report, 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.

<u>Governmental Subdivision</u>	2018/19 Taxable Assessed Value ⁽¹⁾	2018/19 Tax Rate	Total Funded Debt	Estimated % Applicable	County's Overlapping Funded Debt 12/31/2018
Collin County	\$ 138,427,326,503	\$ 0.180785	\$ 443,625,000 ⁽²⁾	100.00%	\$ 443,625,000 ⁽²⁾
<u>Special Districts</u>					
Collin County Community College District	\$ 141,317,314,667	\$ 0.081200	\$ 246,415,000	100.00%	\$ 246,415,000
Collin County Municipal Utility District No. 1	553,293,547	1.050000	65,470,000	100.00%	65,470,000
Collin County Water Control and Improvement District No. 3	204,297,769	1.000000	27,545,000	100.00%	27,545,000
McKinney Municipal Utility District No. 1	314,850,740	1.050000	38,110,000	100.00%	38,110,000
Total Districts					\$ 377,540,000
<u>Cities</u>					
Allen	\$ 13,636,538,512	\$ 0.498000	\$ 87,420,000	100.00%	\$ 87,420,000
Anna	1,120,110,761	0.591300	50,280,000	100.00%	50,280,000
Blue Ridge	46,647,173	0.594100	1,663,000	100.00%	1,663,000
Celina	1,504,563,522	0.645000	107,695,000	99.78%	107,458,071
Fairview	1,944,912,802	0.349700	22,670,000	100.00%	22,670,000
Farmersville	235,957,615	0.750000	15,055,000	100.00%	15,055,000
Josephine	107,996,260	0.580000	220,000	97.30%	550,000
Lavon	328,682,011	0.221700	3,098,000	100.00%	3,098,000
Lucas	1,308,714,124	0.303200	17,675,000	100.00%	17,675,000
McKinney	21,987,081,464	0.525200	237,280,000	100.00%	237,280,000
Melissa	1,045,111,461	0.609500	75,205,000	100.00%	75,205,000
Murphy	2,504,234,855	0.490000	49,470,000	100.00%	49,470,000
Parker	934,205,804	0.366000	10,610,000	100.00%	10,610,000
Princeton	871,073,052	0.688800	24,990,000	100.00%	24,990,000
Prosper	4,020,508,779	0.520000	105,700,000	87.76%	92,762,320
Wylie	4,602,999,899	0.725800	89,910,000	97.08%	87,284,628
<u>County-Line Cities</u>					
Carrollton	\$ 14,400,284,321	\$ 0.595000	\$ 174,275,000	0.46%	\$ 801,665
Dallas	129,262,640,568	0.776700	1,822,867,437	4.29%	78,201,013
Frisco	29,351,318,858	0.446600	779,130,000	65.89%	513,368,757
Garland	15,094,762,333	0.704600	442,355,000	0.20%	884,710
Plano	42,920,233,435	0.460300	377,085,000	96.71%	364,678,904
Richardson	17,003,871,591	0.625100	305,195,000	46.03%	140,481,259
Royse City	896,241,466	0.621500	25,995,000	21.06%	5,474,547
Sachse	2,375,888,950	0.720000	55,790,000	41.95%	23,403,905
Total Cities					\$ 2,010,765,778

(1) Tax Year 2018 Taxable Assessed Valuation.

(2) Includes the Bonds.

	2018/19 Taxable Assessed Value ⁽¹⁾	2018/19 Tax Rate	Total Funded Debt	Estimated % Applicable	County's Overlapping Funded Debt 12/31/2018
<u>School Districts</u>					
Allen ISD	\$ 13,003,513,767	\$ 1.550000	\$ 629,244,567	100.00%	\$ 629,244,567
Anna ISD	1,216,147,793	1.670000	14,435,024	100.00%	14,435,024
Farmersville ISD	546,850,206	1.320000	9,350,000	100.00%	9,350,000
Lovejoy ISD	2,209,027,583	1.670000	162,875,234	100.00%	162,875,234
McKinney ISD	13,978,757,836	1.590000	572,155,000	100.00%	572,155,000
Melissa ISD	1,126,991,612	1.670000	144,010,000	100.00%	144,010,000
Plano ISD	49,142,919,873	1.439000	957,625,000	100.00%	957,625,000
Princeton ISD	1,138,268,446	1.620000	166,837,329	100.00%	166,837,329
Wylie ISD	5,930,738,966	1.640000	283,132,271	100.00%	283,132,271
<u>County-Line School Districts</u>					
Bland ISD	\$ 188,742,914	\$ 1.364000	\$ 13,784,593	5.83%	\$ 803,642
Blue Ridge ISD	228,926,830	1.571500	13,740,000	97.44%	13,388,256
Celina ISD	1,255,681,448	1.640000	108,044,364	98.09%	105,980,717
Community ISD	846,516,492	1.670000	58,609,000	99.43%	58,274,929
Frisco ISD	38,136,560,642	1.440000	1,933,058,851	71.27%	1,377,691,043
Gunter ISD	308,174,678	1.620000	20,585,000	0.11%	22,644
Leonard ISD	217,809,260	1.170000	-	6.51%	-
Prosper ISD	7,841,678,274	1.670000	623,064,002	90.62%	564,620,598
Rockwall ISD	9,505,721,578	1.430000	523,201,636	0.01%	52,320
Royse City ISD	1,829,919,237	1.670000	117,846,028	9.70%	11,431,065
Trenton ISD	228,308,829	1.420000	6,500,000	5.92%	384,800
Van Alstyne ISD	621,468,567	1.620000	56,340,000	6.85%	3,859,290
Whitewright ISD	248,668,292	1.365000	6,850,091	2.22%	152,072
Total School Districts					\$ 5,076,325,800
Total Direct and Overlapping Funded Debt					\$ 7,908,256,578
Ratio of Direct and Overlapping Funded Debt to Taxable Assessed Valuation					5.60%
Per Capita Overlapping Funded Debt					\$ 7,144

(1) Tax Year 2018 Taxable Assessed Valuation.

TABLE 9 – PRO-FORMA GENERAL OBLIGATION DEBT SERVICE REQUIREMENTS

Fiscal Year Ending 9/30	Limited Tax Outstanding Debt ⁽¹⁾		The Bonds ⁽²⁾		Total Limited Tax Debt Service	Unlimited Tax Outstanding Debt ⁽³⁾			GRAND TOTAL Debt Service	% of Principal Retired
	Principal	Interest	Principal	Interest		Principal	Interest	Total		
2019	\$ 29,785,000	\$ 3,246,513	\$ -	\$ -	\$ 33,031,513	\$ 21,275,000	\$ 9,068,888	\$ 30,343,888	\$ 63,375,401	
2020	9,105,000	2,015,488	32,875,000	6,984,706	50,980,194	17,435,000	7,963,176	25,398,176	76,378,371	
2021	8,195,000	1,691,542	4,245,000	4,280,806	18,412,348	16,130,000	7,221,576	23,351,576	41,763,925	
2022	7,905,000	1,380,000	4,370,000	4,151,581	17,806,581	16,055,000	6,472,411	22,527,411	40,333,993	
2023	6,100,000	1,088,042	4,550,000	3,972,281	15,710,323	16,850,000	5,692,380	22,542,380	38,252,703	43.93%
2024	6,380,000	808,485	4,740,000	3,787,431	15,715,916	17,665,000	4,907,606	22,572,606	38,288,523	
2025	5,815,000	533,339	4,935,000	3,592,956	14,876,295	15,105,000	4,173,881	19,278,881	34,155,176	
2026	3,480,000	319,613	5,185,000	3,339,956	12,324,569	13,900,000	3,498,338	17,398,338	29,722,906	
2027	1,125,000	216,681	5,455,000	3,073,956	9,870,638	13,380,000	2,869,588	16,249,588	26,120,225	
2028	990,000	181,338	5,725,000	2,794,456	9,690,794	11,445,000	2,315,288	13,760,288	23,451,081	69.92%
2029	850,000	152,538	6,020,000	2,500,831	9,523,369	9,130,000	1,874,319	11,004,319	20,527,688	
2030	875,000	123,394	6,305,000	2,224,231	9,527,625	9,535,000	1,487,400	11,022,400	20,550,025	
2031	910,000	92,438	6,525,000	2,000,256	9,527,694	9,960,000	1,075,225	11,035,225	20,562,919	
2032	785,000	62,900	6,720,000	1,801,581	9,369,481	8,165,000	689,300	8,854,300	18,223,781	
2033	565,000	39,209	6,930,000	1,596,831	9,131,041	6,000,000	394,000	6,394,000	15,525,041	87.79%
2034	435,000	21,631	7,135,000	1,385,856	8,977,488	4,295,000	188,100	4,483,100	13,460,588	
2035	295,000	9,259	7,360,000	1,163,831	8,828,091	2,555,000	51,100	2,606,100	11,434,191	
2036	145,000	2,175	7,600,000	930,081	8,677,256	-	-	-	8,677,256	
2037	-	-	7,845,000	683,850	8,528,850	-	-	-	8,528,850	
2038	-	-	8,105,000	419,597	8,524,597	-	-	-	8,524,597	98.11%
2039	-	-	8,380,000	141,413	8,521,413	-	-	-	8,521,413	100.00%
Totals	<u>\$ 83,740,000</u>	<u>\$ 11,984,583</u>	<u>\$ 151,005,000</u>	<u>\$ 50,826,491</u>	<u>\$ 297,556,074</u>	<u>\$ 208,880,000</u>	<u>\$ 59,942,576</u>	<u>\$ 268,822,576</u>	<u>\$ 566,378,650</u>	

(1) Excludes \$17.1 million of Limited Tax Debt the County prepaid on February 15, 2019.

(2) Average life of the issue –9.614 years. Interest on the Bonds has been calculated at the average rate shown on the cover hereof.

(3) Excludes \$9.99 million of Unlimited Tax Debt the County prepaid on February 15, 2019.

DEBT INFORMATION

TABLE 10 - INTEREST AND SINKING FUND BUDGET PROJECTION

Tax Supported Debt Service Requirements, Fiscal Year Ending 9/30/2019 ⁽¹⁾		\$ 91,270,992
Interest and Sinking Fund Balance, 9/30/2018	\$ 22,238,666 ⁽²⁾	
Budgeted Interest and Sinking Fund Tax Levy	72,849,989	
Non-Tax Revenues	557,719 ⁽³⁾	95,646,374
Estimated Balance, 9/30/2019		<u>\$ 4,375,382</u>

(1) Also includes \$27.090 million of principal prepaid on February 15, 2019.

(2) Unaudited information provided by County Staff.

(3) Also 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 ⁽²⁾	Unissued Balance
Court Buildings ⁽¹⁾	11/6/2007	\$ 76,300,000	\$ 30,500,000	\$ 45,800,000	\$ -
Road - Freeways ⁽¹⁾	11/6/2018	600,000,000	-	100,155,000	499,845,000
Road - Thoroughfares ⁽¹⁾	11/6/2018	140,000,000	-	8,500,000	131,500,000
Parks & Open Space ⁽¹⁾	11/6/2018	10,000,000	-	2,000,000	8,000,000
		<u>\$ 826,300,000</u>	<u>\$ 30,500,000</u>	<u>\$ 156,455,000</u>	<u>\$ 639,345,000</u>

(1) Article VIII, Section 9 indebtedness (limited tax).

(2) Includes premium generated on the Bonds and allocated to voted authorization.

ANTICIPATED ISSUANCE OF ADDITIONAL GENERAL OBLIGATION DEBT . . . The County's Capital Improvement Plan ("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 2019 through 2023, and includes total capital expenditures of \$877,246,017 million, of which \$80,573,404 million are scheduled for fiscal year 2019. Most of the planned expenditures will be funded with proceeds of future bond issues. As shown in Table 11, after the issuance of the Bonds, the County will have \$639,345,000 of authorized but unissued bonds.

TABLE 12 - OTHER OBLIGATIONS**Operating Leases ⁽¹⁾**

As lessor, the Health Care Foundation has a number of non-cancelable operating leases with minimum future rental revenues in aggregate of \$2,644,283. The buildings are carried at a book value of \$6,860,522 with accumulated depreciation of \$5,201,600. Future minimum rental payments applicable to the operating leases are as follows:

Fiscal Year Ending September 30,	HFC Contractual Future Rental Revenues
2018	\$ 353,891
2019	277,593
2020	57,247
2021	14,448
2022	13,244
Total	<u>\$ 716,423</u>

(1) As of September 30, 2017.

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 \$2,644,284 for the year ended September 30, 2017. At September 30, 2017, future minimum rental payments applicable to the operating leases are as follows:

Fiscal Year Ending September 30,	Contractual Future Rental Obligations
2018	\$ 1,018,947
2019	846,029
2020	779,308
Total	<u>\$ 2,644,284</u>

PENSION FUND . . . The plan provisions are adopted by the governing body of the employer, within the options available in the state statutes governing the Texas County and District Retirement System ("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.

BENEFITS PROVIDED. . . TCDRS provides retirement, disability and death benefits for all fulltime employees. Benefit amounts are determined by the sum of the employee's contributions to the plan, with interest at a fixed 7% rate per annum, 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. Benefit terms provide for cost-of-living adjustments to each employee's retirement allowance subsequent to the employee's retirement date. The Commissioners Court chooses to provide cost-of-living adjustment every third year. The amount of the adjustment is also determined every third year by the Commissioners Court.

CONTRIBUTIONS. . . The County 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 required actuarial rate as of December 31, 2017, was 8.10%; however, the County contributed an amount of 8.0% in 2017 which was the same as 2016. 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 2017 and 2016 was 7.0% 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.

NET PENSION LIABILITY. . . The County's net pension liability was measured as of December 31, 2017, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of that date.

ACTUARIAL ASSUMPTIONS. . . The total pension liability in the December 31, 2017, actuarial valuation was determined using the following actuarial assumptions, applied to all periods included in the measurement:

Real Rate of Return	5.25%
Inflation	2.75%
Long-term investment return	8.00%
Salary Increases	3.25%

DISCOUNT RATE. . . The discount rate used to calculate the total pension asset was 8.10%. This rate reflects the long-term rate of return funding valuation assumption of 8.0% plus a 0.10% adjustment to be gross of the administration expenses. The plan's fiduciary net position is projected to be available to make all projected future benefit payments of current active, inactive, and retired members. Therefore, the discount rate for calculating the total pension liability is equal to the long-term expected rate of return, and the municipal bond rate does not apply.

SENSITIVITY OF THE NET PENSION ASSET TO CHANGES IN THE DISCOUNT RATE. . . The following presents the net pension asset of the County, calculated using the discount rate of 8.10%, as well as what the County net pension liability / (asset) would be if it were calculated using a discount rate that is one percentage point lower (7.10%) or 1 percentage point higher (9.10%) than the current rate as of December 31, 2017.

	1% Decrease 7.10%	Current Discount Rate 8.10%	1% Increase 9.10%
Total Pension Liability	\$ 581,012,974	\$ 511,716,825	\$ 453,557,858
Fiduciary net position	539,927,393	539,927,393	539,927,393
Net pension liability/ (asset)	\$ 41,085,581	\$ (28,210,568)	\$ (86,369,535)

OTHER POST RETIREMENT BENEFITS . . . 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 upon eligibility for Medicare coverage. No post-employment liability exists since retirees are paying the full cost of this benefit.

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FINANCIAL INFORMATION

TABLE 13 - CHANGES IN NET ASSETS

	Fiscal Year Ended September 30,				
	2018 ⁽¹⁾	2017	2016	2015	2014
Revenues:					
Program Revenues:					
Charges for Services	\$ 48,744,828	\$ 50,082,240	\$ 51,690,118	\$ 48,148,111	\$ 44,020,768
Operating Grants and Contributions	15,953,889	14,193,411	11,270,039	14,582,042	13,925,561
Capital Grants and Contributions	386,949	9,810,745	707,517	524,403	521,580
Total Program Revenues	\$ 65,085,666	\$ 74,086,396	\$ 63,667,674	\$ 63,254,556	\$ 58,467,909
General Revenues:					
Taxes	\$ 243,209,118	\$ 232,677,607	\$ 223,182,755	\$ 209,453,537	\$ 192,994,181
Unrestricted Investment Earnings	5,933,478	4,204,864	3,156,468	1,978,036	1,664,231
Miscellaneous	350,743	137,129	1,541,869	139,311	468,097
Total General Revenues	\$ 249,493,339	\$ 237,019,600	\$ 227,881,092	\$ 211,570,884	\$ 195,126,509
Total Revenues	\$ 314,579,004	\$ 311,105,996	\$ 291,548,766	\$ 274,825,440	\$ 253,594,418
Expenses:					
General Administration	\$ 39,986,907	\$ 38,061,428	\$ 36,381,401	\$ 33,017,988	\$ 42,213,129
Judicial	21,307,098	21,616,597	19,722,011	16,972,363	16,727,057
Financial Administration	13,422,471	12,950,572	11,877,990	10,775,737	10,490,374
Legal	13,717,715	13,781,204	12,650,375	10,954,404	10,514,652
Public Facilities	20,331,370	20,740,245	20,106,290	19,848,774	25,337,831
Equipment Services	3,163,496	2,838,012	2,538,676	1,895,982	2,855,093
Public Safety	69,574,609	70,726,046	63,240,758	59,744,640	57,137,306
Public Transportation	37,376,476	67,579,577	48,460,019	40,522,784	37,669,979
Health and Welfare	25,480,589	23,911,364	23,103,633	19,318,848	18,932,952
Culture and Recreation	2,664,804	2,033,133	3,304,877	4,067,222	2,275,303
Conservation	213,068	244,932	239,369	257,791	255,552
Debt Service, Interest and Fiscal Charges	14,524,559	13,114,988	15,625,756	14,242,770	14,406,180
Total Expenses - Before Transfers	\$ 261,763,160	\$ 287,598,098	\$ 257,251,155	\$ 231,619,303	\$ 238,815,408
Change in Net Position	\$ 52,815,844	\$ 23,507,898	\$ 34,297,611	\$ 43,206,137	\$ 14,779,010
Adjustments	-	-	-	53,926,869 ⁽²⁾	-
Net Position as of October 1	543,011,257	519,503,359	485,205,748	388,072,742	373,293,732
Net Position as of September 30	\$ 595,827,101	\$ 543,011,257	\$ 519,503,359	\$ 485,205,748	\$ 388,072,742

(1) Unaudited information provided by County Staff.

(2) Restatement for GASB 68 Implementation.

TABLE 13A - GENERAL FUND REVENUES AND EXPENDITURE HISTORY

	Fiscal Year Ended September 30,				
<u>Revenues</u>	2018 ⁽¹⁾	2017	2016	2015	2014
Taxes	\$ 172,132,111	\$ 167,450,654	\$ 161,813,873	\$ 151,460,667	\$ 140,746,018
License and Permits	760,268	612,412	623,875	531,461	456,366
Federal and State Funds	7,530,436	6,693,935	6,602,004	6,063,917	6,361,798
Fees and Charges for Services	21,973,361	21,481,105	20,857,995	20,195,061	19,099,538
Fines and Forfeitures	1,522,554	1,421,753	1,462,392	1,563,381	1,763,311
Rental Revenues	291,296	337,917	312,022	309,846	302,820
Interest	2,321,268	1,751,589	1,783,709	1,413,467	1,123,376
Miscellaneous	584,453	412,215	440,106	474,737	774,800
Total Revenues	\$ 207,115,748	\$ 200,161,580	\$ 193,895,976	\$ 182,012,537	\$ 170,628,027
<u>Expenditures</u>					
General Administration	\$ 34,494,097	\$ 30,519,128	\$ 30,635,757	\$ 28,280,176	\$ 37,944,750
Judicial	19,667,496	18,870,895	17,488,405	15,813,230	15,063,445
Financial Administration	13,131,894	12,032,689	11,726,986	10,916,379	10,301,765
Legal	13,135,002	12,375,664	12,196,200	11,030,568	10,388,114
Public Safety	64,984,837	59,945,687	57,130,440	56,077,253	53,594,955
Public Health and Welfare	18,803,092	17,624,831	16,337,149	13,316,087	13,679,712
Public Facilities	10,544,092	10,264,723	10,631,548	10,328,973	10,804,060
Culture and Recreation	833,172	867,883	940,473	835,181	937,036
Equipment Services	1,886,500	1,718,408	1,620,951	1,664,746	2,217,536
Capital Outlay	21,051,389	12,476,871	8,962,571	5,091,020	4,226,191
Conservation	192,901	211,391	235,127	263,301	256,500
Total Expenditures	\$ 198,724,471	\$ 176,908,170	\$ 167,905,607	\$ 153,616,914	\$ 159,414,064
Excess (Deficiency) of Revenues Over Expenditures	\$ 8,391,277	\$ 23,253,410	\$ 25,990,369	\$ 28,395,623	\$ 11,213,963
<u>Other Financing Sources (Uses)</u>					
Sale of Capital and Non-Capital Assets	\$ 11,172,321	\$ 301,171	\$ 192,127	\$ 70,013	\$ 84,928
Operating Transfers In	373,826	26,876	95,186	4,610	85,141
Operating Transfers Out	(3,676,832)	(1,238,798)	(560,816)	(489,575)	(460,896)
Total Other Financing Sources (Uses)	\$ 7,869,315	\$ (910,751)	\$ (273,503)	\$ (414,952)	\$ (290,827)
Net Change in Fund Balances	\$ 16,260,592	\$ 22,342,659	\$ 25,716,866	\$ 27,980,671	\$ 10,923,136
Beginning Fund Balance	272,682,301	250,339,642	224,622,776	196,642,105	185,718,969
Ending Fund Balance	<u>\$ 288,942,893</u>	<u>\$ 272,682,301</u>	<u>\$ 250,339,642</u>	<u>\$ 224,622,776</u>	<u>\$ 196,642,105</u>

(1) Unaudited information provided by County Staff.

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 Commissioners Court, (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 December 31, 2018, the County's investable funds were invested in the following categories:

Description	Percent	Book Value	Market Value
Local Government Investment Pools ⁽¹⁾	55.59%	\$ 305,852,185	\$ 305,852,185
U.S. Agency Securities	26.08%	143,474,167	142,055,388
Certificates of Deposit	10.98%	60,394,278	60,394,278
Municipal Bonds	3.22%	17,738,306	17,540,933
Money Market	4.13%	22,706,641	22,706,641
	100.00%	<u>\$ 550,165,577</u>	<u>\$ 548,549,425</u>

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.

(1) One of the local government investment pools used by the County is TexSTAR, which is co-administered by First Southwest Asset Management Inc., a Hilltop Holdings Company an affiliate of HilltopSecurities, a Division of Hilltop Securities, the County's financial advisor.

TAX MATTERS

TAX EXEMPTION . . . In the opinion of Bracewell LLP, Bond Counsel, under existing law (i) interest on the Bonds is excludable from gross income for federal income tax purposes 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.

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 Order that it will comply with these requirements.

Bond Counsel's opinion will assume continuing compliance with the covenants of 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 and, in addition, will rely on representations by the County, the County's Financial Advisor and the Initial Purchaser with respect to matters solely within the knowledge of the County, the County's Financial Advisor and the Initial Purchaser, respectively, which Bond Counsel has not independently verified. If the County should fail to comply with the covenants in the Order or if the foregoing representations 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.

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 otherwise 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 a portion of the Bonds exceeds 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 a portion of the Bonds is 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

Public Law No. 115-97 (i.e. Tax Cuts and Jobs Act), which makes significant changes to the Code, including changing certain provisions affecting tax-exempt obligations, such as the Bonds, was signed into law on December 22, 2017. The changes include, among others, changes to the federal income tax rates for individuals and corporations and the alternative minimum tax for tax years beginning after December 31, 2017. Further, current law may change so as to directly or indirectly reduce or eliminate the benefit of the excludability 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 recently-enacted, proposed, pending or future legislation.

CONTINUING DISCLOSURE OF INFORMATION

In the Bond Order, 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 respective series of 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 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 2019 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; (14) appointment of a successor or additional trustee or the change of name of a trustee, if material; (15) incurrence of a Financial Obligation of the County, if material, or agreement to covenants, events of default, remedies, priority rights, or other similar terms of a Financial Obligation of the County, any of which affect security holders, if material; and (16) default, event of acceleration, termination event, modification of terms, or other similar events under the terms of a Financial Obligation of the County, any of which reflect financial difficulties. 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, (A) any event described in the immediately preceding clause (12) 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 of business of the County, and (B) the County intends the words used in clauses (15) and (16) in the immediately preceding paragraph and in the definition of Financial Obligation to have the meanings ascribed to them in SEC Release No. 34-83885 dated August 20, 2018.

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 . . . During the previous five years, the County believes it has complied in all material respects with all continuing disclosure agreements made by it in accordance with the Rule.

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. The ratings are not a recommendation to buy, sell or hold the Bonds. 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 Initial Purchaser 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 a complete transcript of proceedings had incident to the authorization and issuance of the Bonds, including the unqualified approving legal opinion of the Attorney General of Texas approving the Initial Bond and to the effect that the Bonds are valid and legally binding obligations of the County, and based upon examination of such transcript of proceedings, the approving legal opinion of Bond Counsel, to like effect and to the effect that, 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," subject to the matters described under "Tax Matters" herein. The customary closing papers, including a certificate to the effect that no litigation of any nature has been filed or is then pending to restrain the issuance and delivery of the Bonds, or which would affect the provision made for their payment or security, or in any manner questioning the validity of said Bonds will also be furnished. Bond Counsel was not requested to participate, and did not take part, in the preparation of the Notice of Sale and Bidding Instructions, the Official Bid Form and 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 to verify that such description conforms to the provisions of the Bond Order. The legal fee to be paid Bond Counsel for services rendered in connection with the issuance of the Bonds is contingent on the sale and delivery of the Bonds. The legal opinion 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.

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

Hilltop Securities Inc. ("HilltopSecurities") 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. HilltopSecurities 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.

INITIAL PURCHASER OF THE BONDS

After requesting bids for the Bonds, the County accepted the bid of Bank of America Merrill Lynch (the "Initial Purchaser") to purchase the Bonds at the interest rates shown on the cover page of the Official Statement at a price of par plus a cash premium of \$5,948,688.92. The Initial Purchaser of the Bonds can give no assurance that any trading market will be developed for the Bonds after their sale by the County to the Initial Purchaser of the Bonds. The County has no control over the price at which the Bonds are subsequently sold and the initial yields at which the Bonds will be priced and reoffered will be established by and will be the sole responsibility of the Initial Purchaser of the Bonds.

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.

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 orders contained in this Official Statement are made subject to all of the provisions of such statutes, documents and order. 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 Order authorized and the Authorized Officer approved in the Pricing Certificate 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 Initial Purchaser.

/S/

Chris Hill
Pricing Officer
Collin County, Texas

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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 2019 estimated population is 1,107,017.

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, telecommunication, computer technology, electronics, retail, the food industry, and insurance institutions. Some of the major employers in Collin County are as follows:

<u>Company</u>	<u>Number of Employees</u>
Bank of America Home Loans	10,347
HP Enterprise Svc LLC	10,000
State Farm Insurance Corporate Office	8,700
JP Morgan Chase Corporate Office	6,000
Liberty Mutual Insurance	4,100
Toyota of America	4,000
JCPenney (Corporate HQ)	3,800
Capital One	3,683
University of Texas at Dallas	3,500
Raytheon	3,200

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:

	<u>November</u>	<u>Average</u>	<u>Average</u>	<u>Average</u>	<u>Average</u>
	<u>2018</u>	<u>Annual</u>	<u>Annual</u>	<u>Annual</u>	<u>Annual</u>
	<u>2017</u>	<u>2016</u>	<u>2015</u>	<u>2014</u>	
Civilian Labor Force	532,876	527,317	512,119	484,121	474,056
Employed	514,771	509,347	494,019	466,489	452,505
Unemployed	18,105	17,970	18,100	17,632	21,551
Percent Unemployed	3.4%	3.4%	3.5%	3.6%	4.5%

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

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APPENDIX B

EXCERPTS FROM THE
COLLIN COUNTY, TEXAS
ANNUAL FINANCIAL REPORT
For the Year Ended September 30, 2017

The information contained in this Appendix consists of excerpts from the Collin County, Texas Annual Financial Report for the Year Ended September 30, 2017, 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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PATTILLO, BROWN & HILL, L.L.P.
CERTIFIED PUBLIC ACCOUNTANTS ■ BUSINESS CONSULTANTS

INDEPENDENT AUDITORS' REPORT

To the Honorable County Judge and
Commissioners Court
McKinney, Texas

Report of 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 (the "County") as of and for the year ended September 30, 2017, and the related notes to the financial statements, which collectively comprise the County's 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.

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, 2017, 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 4–29, the budgetary comparison schedules on pages 87–91, and the pension information on pages 92 – 93, 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 the County's basic financial statements. The introductory section, combining and individual fund financial statements and schedules, and statistical section are presented for purposes of additional analysis and are not a required part of the basic financial statements.

The combining and individual 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 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 29, 2018, on our consideration of the County's, 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 solely 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 the effectiveness of the County's 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 the County's internal control over financial reporting and compliance.

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

Waco, Texas
March 29, 2018

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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, 2017. 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 and deferred outflows exceeded liabilities and deferred inflows 29.1(net position) by \$543.0 million on a government-wide basis at September 30, 2017, an increase of \$23.5 million from 2016.
- For 2017, revenues of the County amounted to \$311.1million. The main revenue sources were property (ad valorem) taxes (\$228.4 million), charges for services (\$50.1 million) and operating grants and contributions (\$14.2 million). These three revenue sources accounted for 73.4%, 16.1%, and 4.6%, respectively, or 94.1% of total governmental activity revenues.
- Total expenses were \$287.6 million. The functional areas with the largest expense amounts were public safety (\$70.7 million), public transportation (\$67.6 million), and general administration (\$38.1 million).
- Net capital assets were \$412.0 million as of September 30, 2017. Net depreciation expense attributable to assets of governmental activities amounted to \$27.2 million for 2017.

Highlights for Fund Financial Statements

The fund financial statements detail 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 \$379.3 thousand for fiscal year 2017, as compared to an increase of \$40.3 million for fiscal year 2016. An amount of \$31.2 million of the increase in fiscal year 2016 was due to a transportation bond sale which did not reoccur in fiscal year 2017.
- The General Fund reported a fund balance of \$272.7 million for September 30, 2017, an increase of \$22.3 million from September 30, 2016. General Fund revenues increased by \$6.3 million (3.2%), and General Fund expenditures of \$176.9 million increased by \$9.0 million (5.4%) from 2016. As a result, General Fund revenues exceeded expenditures by \$23.3 million before considering net additional financing uses of \$911 thousand which mostly consisted of transfers to other funds and sale of assets.

General Financial Highlights

- 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 2017, the County transferred a net of \$30.6 million from Deferred Contributions for the completion of projects (primarily roads) that 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.
- The County did not issue any transportation bonds in 2017 since all bonds approved by voters in the 2007 bond election were sold in 2016. This was the first year since 2010 that transportation bonds were not issued.

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 deferred outflows of resources and liabilities and deferred inflows of resources; 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 and welfare, culture and recreation, and debt service.

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.

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, which is accounted for in the Animal Safety Fund. Each participating city, as well as the County, pays a pro rata share of the operating expenses and construction costs. In 2015 the Animal Safety Fund was reported as an enterprise fund for the first time.

Government-wide financial statements 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 is effective for periods that begin 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 clarity to 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 expenditures 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 balance includes all remaining amounts reported in governmental funds, other than the General Fund, that are not classified as nonspendable, restricted, or committed. Collin County has no assigned fund balance in 2017.
- **Unassigned** - Residual amount for the General Fund; it is the fund balance that is not restricted, committed, assigned or nonspendable. 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
- Debt Service Fund
- 2007 Road Bond Capital Project Fund

Each of these funds is classified as a major fund for 2017. 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. (Exceptions are funds where either a project life budget is adopted in Capital Projects Funds or funds where the Commissioners Court does not have the authority to adopt a budget such as grant funds or forfeiture funds). Budgetary comparison statements for major governmental funds are presented as required for additional supplementary information in the basic financial statements. Budgetary comparison statements for all governmental funds are included in the accompanying information to the fund financial statements.

Proprietary Funds

Currently, the County reports eight proprietary type funds. Two of these funds are reported as enterprise funds, the Collin County Toll Road Authority Fund and the Animal Safety Fund. The remaining six funds are reported as 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 governmental 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
- Employee Insurance
- Unemployment Assessment
- Flexible Benefits
- Employee Paid Benefits

The proprietary funds are combined into a single aggregated presentation for both enterprise funds and internal service funds in the proprietary fund financial statements. Proprietary funds are accounted for on the full-accrual method of accounting. Individual fund data for the proprietary 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 of which a portion of which 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 collected 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

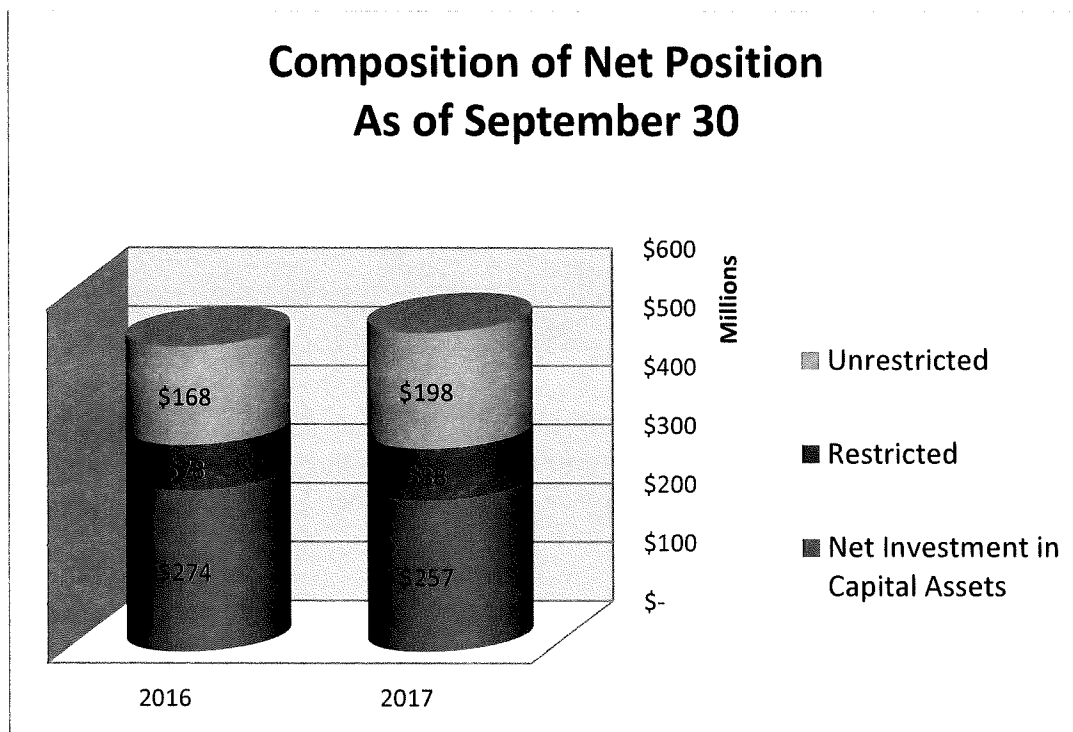
In addition to the basic financial statements and accompanying notes to those financial statements, certain required supplementary information schedules are also presented in this report with additional information regarding the results of the County's financial activities.

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

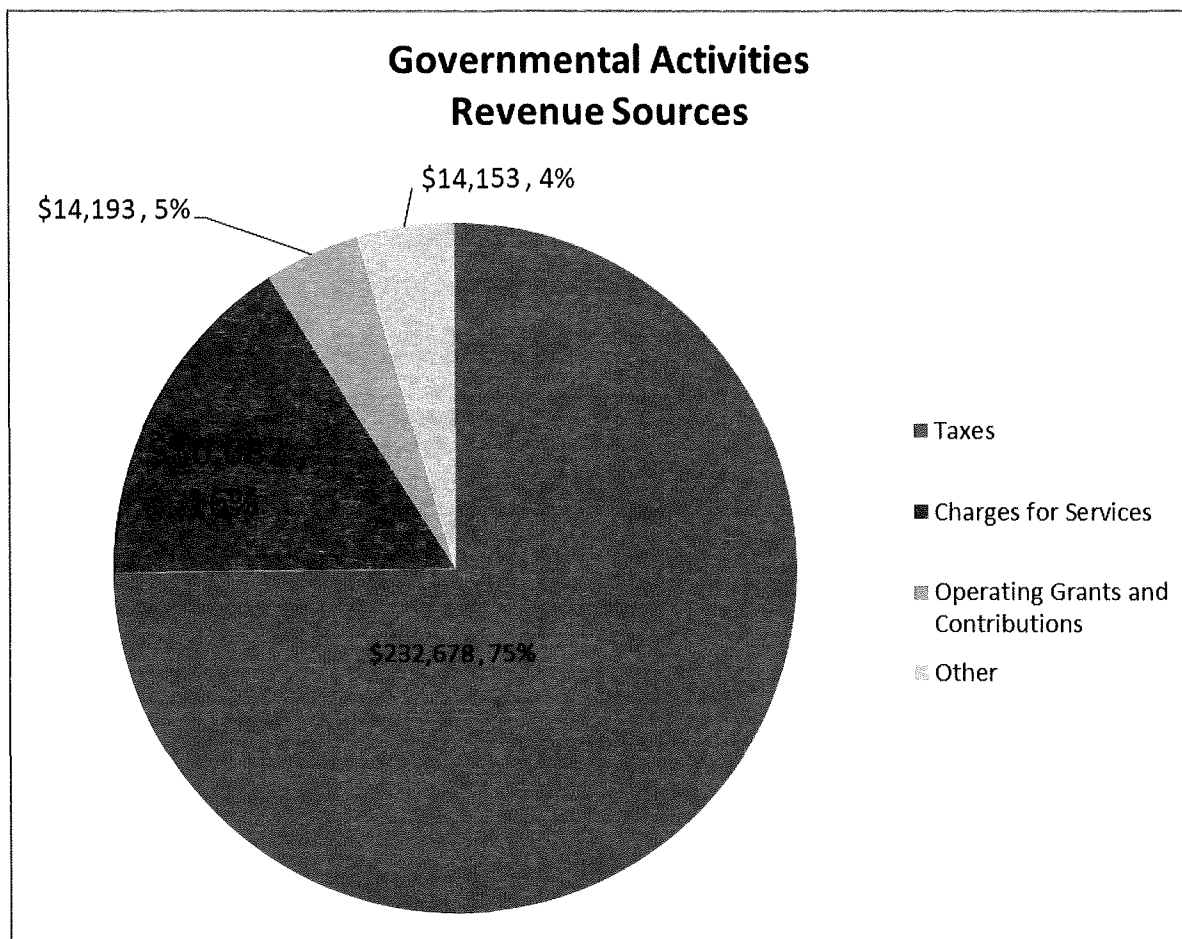
Net position of the County as of September 30, 2017 and 2016, is summarized and analyzed below:



Statement of Net Position As of September 30 (\$ in thousands)						
	2017			2016		
	Governmental Activities	Business-Type Activities	Total	Governmental Activities	Business-Type Activities	Total
Assets:						
Other Assets	\$ 544,606	\$ (34,051)	\$ 510,555	\$ 546,433	\$ (19,664)	\$ 526,769
Capital Assets	365,123	46,882	412,005	384,197	23,226	407,423
Total Assets	909,729	12,831	922,560	930,630	3,562	934,192
Deferred Outflow of Resources	43,121	-	43,121	53,768	-	53,768
Liabilities:						
Current Liabilities	19,065	325	19,390	20,040	172	20,212
Long-term Liabilities	398,900	-	398,900	444,097	-	444,097
Total Liabilities	417,965	325	418,290	464,137	172	464,309
Deferred Inflow of Resources	4,370	-	4,370	4,148	-	4,148
Net Position:						
Net Investment in Capital Assets	210,025	46,882	256,907	250,280	23,226	273,506
Restricted	88,056	-	88,056	77,875	-	77,875
Unrestricted	232,434	(34,376)	198,058	187,958	(19,836)	168,122
Total Net Position	\$ 530,515	\$ 12,506	\$ 543,021	\$ 516,113	\$ 3,390	\$ 519,503

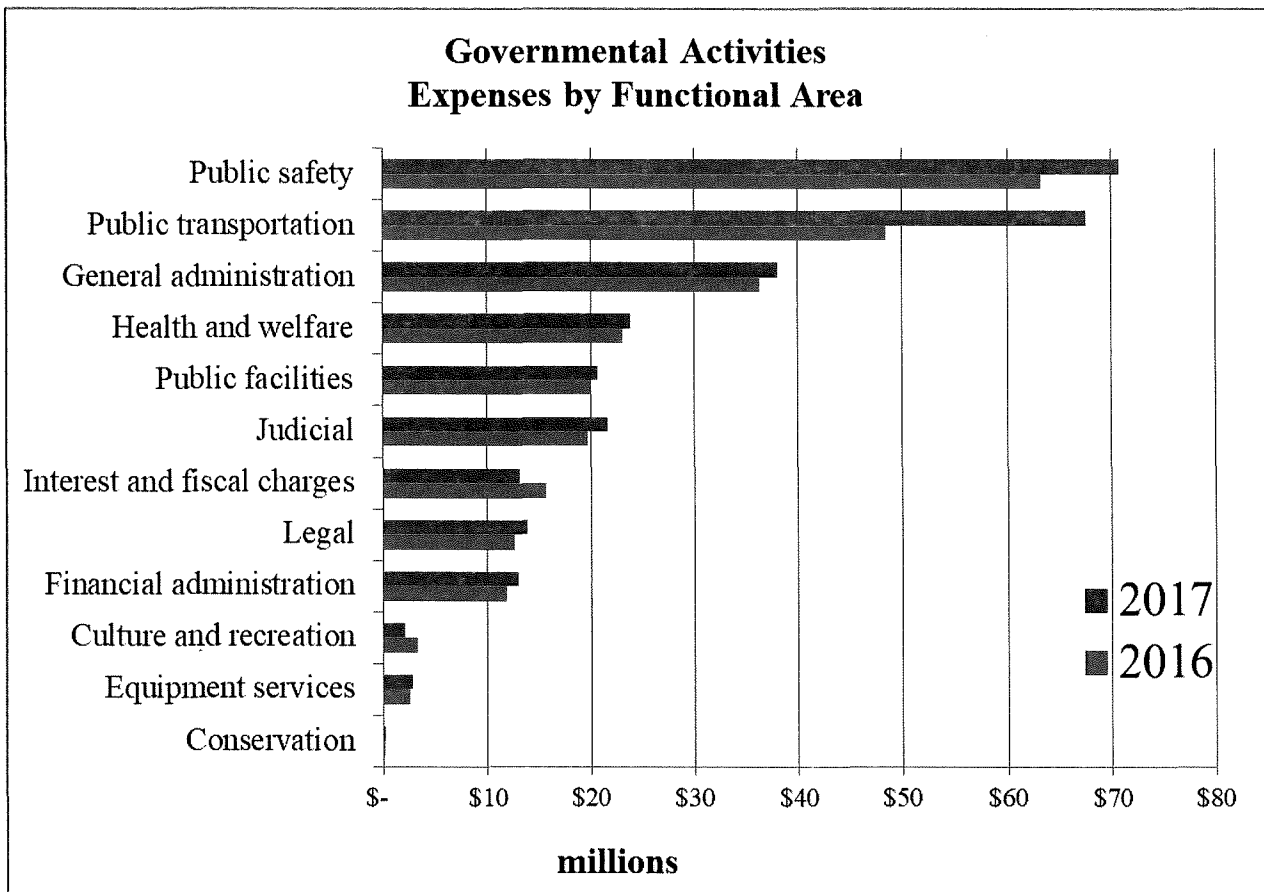
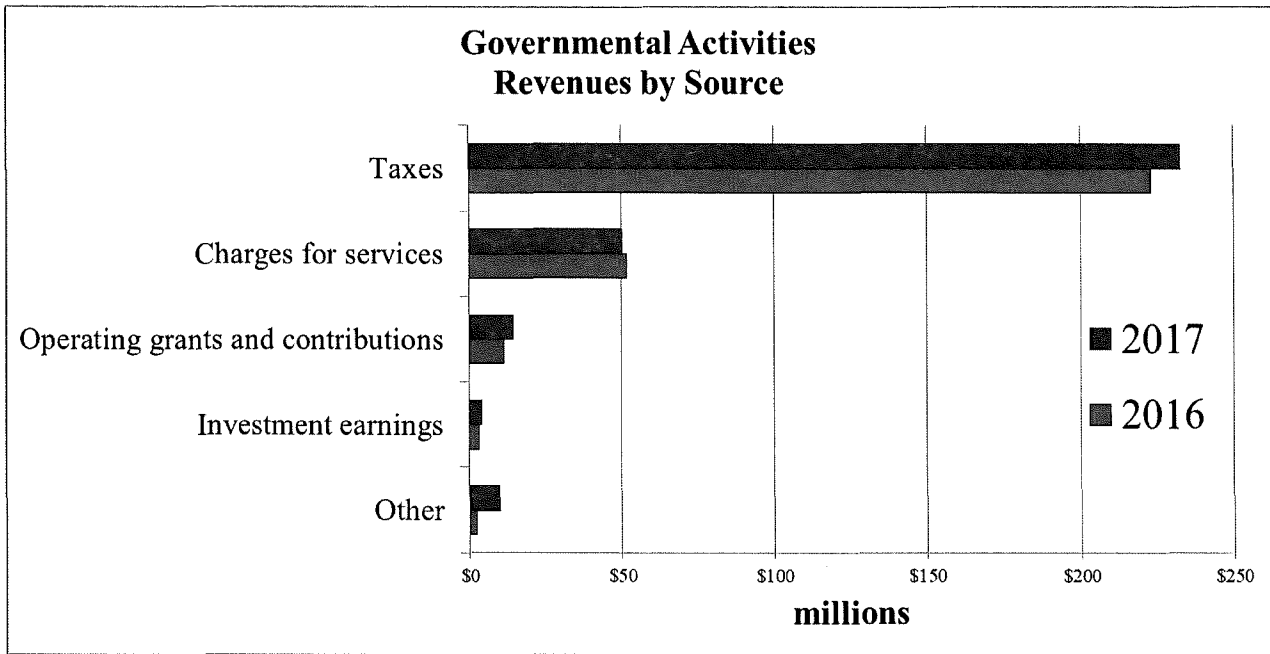
- Net position serves as a useful indicator of financial position. Assets and deferred outflow of resources exceeded liabilities and deferred inflow of resources by \$543.0 million as of September 30, 2017, and by \$519.5 million as of September 30, 2016, a net increase of \$23.5 million.
- Net investment 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 (47.3%). Although our investment in capital assets is reported net of related debt, the reader should note that 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.
- Net position (16.2% of total net position) represents resources subject to external restrictions. Of these restricted net assets, 47.2% are restricted for county roads and bridges, 24.2% is to repay long-term debt, 11.7% is for administration and elections, and 10.3% is restricted to the judicial system.
- The remaining portion of the County's net position (36.5%) 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 2017 over 2016 by \$19.6 million (6.7%), due primarily to an increase in tax collections (\$9.5 million, or 4.3%) as well as an increase in capital grants and contributions mostly due to recognition of a portion of the Outer Loop which is funded by a grant (\$9.1 million, or 1,285.74%). Operating grants and contributions increased by \$2.9 million or 25.9%. A summary of the amounts and a more detailed explanation is provided in the following table:

Summary of Changes in Net Position For the Fiscal Years Ended September 30 (\$ in thousands)						
	2017			2016		
	Governmental Activities	Business-Type Activities	Total	Governmental Activities	Business-Type Activities	Total
Revenues						
<i>Program Revenues:</i>						
Charges for services	\$ 48,699	\$ 1,383	\$ 50,082	\$ 50,397	\$ 1,293	\$ 51,690
Operating grants and contributions	14,193	-	14,193	11,270	-	11,270
Capital grants and contributions	816	8,995	9,811	708	-	708
Total Program Revenues	63,708	10,378	74,086	62,375	1,293	63,668
<i>General Revenues:</i>						
Taxes	232,678	-	232,678	223,183	-	223,183
Investment earnings	4,063	142	4,205	3,056	100	3,156
Miscellaneous	137	-	137	1,542	-	1,542
Total General Revenues	236,878	142	237,020	227,781	100	227,881
Total Revenues	300,586	10,520	311,106	290,156	1,393	291,549
Expenses						
General administration	38,061	-	38,061	36,382	-	36,382
Judicial	21,617	-	21,617	19,722	-	19,722
Financial administration	12,951	-	12,951	11,878	-	11,878
Legal	13,781	-	13,781	12,650	-	12,650
Public facilities	20,740	-	20,740	20,106	-	20,106
Equipment services	2,828	-	2,828	2,539	-	2,539
Public safety	69,396	1,330	70,726	61,915	1,326	63,241
Public transportation	67,506	74	67,580	48,460	-	48,460
Health and welfare	23,911	-	23,911	23,104	-	23,104
Culture and recreation	2,033	-	2,033	3,305	-	3,305
Conservation	245	-	245	239	-	239
Interest and fiscal charges	13,115	-	13,115	15,626	-	15,626
Total Expenses	286,184	1,404	287,588	255,926	1,326	257,252
Change in Net Position	14,402	9,116	23,518	34,230	67	34,297
Net position at beginning of year	516,113	3,390	519,503	481,883	3,323	485,206
Net position at end of year	\$ 530,515	\$ 12,506	\$ 543,021	\$ 516,113	\$ 3,390	\$ 519,503



Summarized above are details of government-wide activities of the County for 2017 and 2016.

- Program revenues include charges for services as well as both operating and capital grants and contributions. Program revenues from government-wide activities increased by \$10.4 million or 16.4%. Most of this increase is due to the recognition of a capital grant when a portion of the Outer Loop road project was completed. Without this grant activity the increase in program revenues would only be \$1.4 million or 2.2%.
- 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 \$9.5 million or 4.3%.
- Public transportation expenses increased by \$19.1 million in 2017, mostly due to increases in activities involving construction of new roads throughout the County to keep up with the rapidly increasing demands from a rapidly increasing population.
- Pension expenses of \$7.3 million were allocated to all functional areas other than conservation and interest and fiscal charges. Of this amount, an increase of \$3.6 million was attributed to public safety since this functional area alone accounts for 46.5% of all payroll costs of the County.
- Judicial expenses increased by \$1.9 million (9.6%), of which \$1 million was due to increased pension expenses. Much of the remaining increase was caused in part by the addition of two district courts in mid-year 2016 (11 total district courts) and the addition of one county court-at-law (8 total county courts). Fiscal Year 2017 was the first full year of recorded expenses for these three new courts.
- Legal expense increased by \$1.1 million mostly due to an increase in salaries in the District Attorney's Office, which was primarily caused by adding employees due to the new courts mentioned above.

Total Cost and Net Cost of Government Wide Activities for Collin County For the Six Largest Functions by Expense For the Fiscal Years Ended September 30 (\$ in thousands)				
Functions/Programs	Total Cost of Services		Net Cost of Services	
	2017	2016	2017	2016
Public safety	\$ 70,726	\$ 63,241	\$ 57,114	\$ 46,854
Public transportation	67,580	48,460	35,358	28,964
General administration	38,061	36,382	26,102	24,884
Interest and fiscal charges	13,115	15,626	12,822	15,333
Public facilities	20,740	20,106	20,470	19,766
Health and welfare	23,911	23,104	18,351	17,343
Other	53,455	50,333	43,285	40,439
Total	\$ 287,588	\$ 257,252	\$ 213,502	\$ 193,583

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 fiscal year 2017, the County's governmental funds reported a combined ending fund balance of \$506.1 million which was a slight increase of \$379 thousand or 0.1%. A large portion of fund balance (64.8%, or \$327.9 million) of the governmental funds has been designated as nonspendable, restricted, or committed. The remaining \$178.2 million is classified as unassigned and is available to meet current needs. 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, 2017 (in thousands)			
Fund Balance:			<u>Major Purposes for Classification</u>
Nonspendable	\$ 43,062	8.5%	inventories, receivables from other funds and organizations
Restricted	237,096	46.8%	bond proceeds, debt service tax collections, other legal or contractual restrictions
Committed	47,697	9.4%	road projects, funds set aside for unanticipated cost increases
Unassigned	<u>178,225</u>	<u>35.2%</u>	General Fund
Total Fund Balance	<u>\$ 506,080</u>	<u>100.0%</u>	

Changes in Fund Balance – Major Funds

In 2017, the County is presenting five major funds in the governmental fund financial statements:

- General Fund
- General Road and Bridge Special Revenue Fund
- Health Care Foundation Special Revenue Fund
- Debt Service Fund
- 2007 Road Bond Fund

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

The Collin County Toll Road Authority (CCTRA) Fund is an enterprise fund that is being presented as a major fund. However, since it is an enterprise fund it is being presented in the proprietary fund sections of this report.

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 2017, the unassigned fund balance of the General Fund was \$178.2 million. The total fund balance in the General Fund was \$272.7 million, an increase of \$22.3 million or 8.9% from 2016.

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

General Fund Revenue Highlights:

- Property tax revenues increased by \$5.6 million (3.4%) from the prior year.
- Federal and state funds increased slightly by \$92 thousand of which \$46 thousand was due to an increase in the mixed beverage tax which is collected by the State of Texas and distributed to the County.
- Fees and Charges for Services increased by \$623 thousand or 3.0% from 2016.

- Fine collections decreased slightly by \$40 thousand or 2.7% most of which is accounted for in the Justice of the Peace offices.
- Investment earnings decreased slightly by \$32 thousand or 1.8% due to market conditions.

General Fund Expenditure Highlights:

- General Fund expenditures increased by \$9 million or 5.4%.
- An amount of \$6.2 million was paid out of the General Fund to upgrade the radio system for law enforcement. This project will continue into 2018.
- Payroll costs increased in the General Fund by \$4.9 million due to increasing payroll costs of new positions and payroll inflation.

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 5.66 miles in 2017. As of September 30, 2017, the County had resurfaced 460 miles of roads or an average of 35.38 miles per year.

At the end of 2017, the fund balance of the General Road and Bridge Fund was \$43.3 million, an increase of \$7.5 million (20.0%) 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 Fund Revenue Highlights

- Property tax revenues decreased by \$3.4 million or 88.8% due to the tax rate allocation to this fund being lowered.
- Revenues from Fees and Charges for Services increased by \$654 thousand in 2017. The higher revenues are attributed to an increase in revenues from vehicle registrations.

General Road and Bridge Fund Expenditure Highlights

- Road construction and maintenance expenditures decreased by \$3.8 million or 24.1% in 2017 mostly due to stable costs in road materials and fewer costly weather events compared to the prior year as well as a large expenditure of \$1.1 million in 2016 for micro-surfacing that did not reoccur in 2017.
- An increase in capital outlay occurred of \$1.1 million (65.9%) occurred due to replacing worn equipment in 2017 through the normal budget process.

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 66.2% of the funding for the Health Care Foundation Fund in 2017.

The total fund balance of \$3.7 million is an \$875 thousand decrease (18.9%) from 2016. Highlights of changes in fund balance in the Health Care Foundation Fund were:

Health Care Fund Revenues

- Federal and state funds increased by \$103 thousand (40.9%) in 2017 due to additional income from the Tobacco Settlement program.
- Fees and charges for services increased by \$8 thousand (6.0%).
- Rental revenues remained relatively stable with an increase of \$9 thousand (0.8%) in 2017.
- Investment revenue decreased by \$9 thousand (2.0%) mostly due to a decrease in available funds to invest.

Health Care Fund Expenditure Highlights

Expenditures decreased by \$433 thousand (12.4%) in 2017 mostly due to a reduction in expenditures for the Project Access program as a result of Medicaid 1115 waiver program.

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. Most of the authorized amount has been issued to-date (in seven series), beginning in 2008 and ending in 2016. In 2016 the final remaining authorized amounts were issued. The bond issues in this fund were as follows:

- 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
- Series 2015: \$40,455,000 issued August 18, 2015
- Series 2016: \$29,175,000 issued July 28, 2016

In 2017 the fund balance decreased by \$29.2 million due to road construction expenditures. The road construction activity is intended to continue until this fund is depleted. Interest revenue increased by \$425 thousand or 53.6% despite decreasing funds to invest due to favorable market conditions.

Budgetary Highlights

The legal level of budgetary control for the General Fund is by four major categories in each department:

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

The final amended budget for the General Fund expenditure appropriation was \$224,326,996 or \$2,456 more than the original budget of \$224,329,452 (excluding transfers). Actual expenditures for 2017 were \$176.9 million or \$47.4 million (21.1%) less than the final amended budget.

General Fund revenues for 2017 were more than the estimate by \$8.2 million. This is highlighted as follows:

- Taxes – \$3.0 million higher than estimate
- Federal and state funds - \$775 thousand higher than estimated
- Fees and Charges for Services - \$4.3 million higher than estimated
- Interest – \$69 thousand less than estimated
- Miscellaneous revenues - \$163 thousand higher than estimated

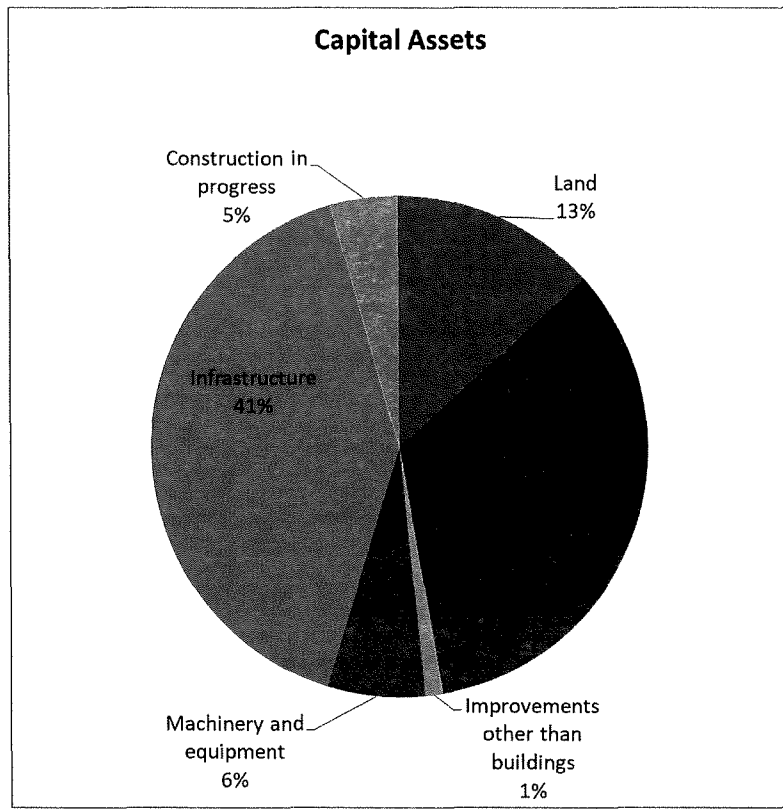
The General Fund is the primary source for expenditures related to the overall operation and administration of the County. In 2017, the departments that contributed to actual expenditures being \$47.4 million lower than budgeted expenditures were as follows:

- General administration expenditures were less than budget by \$10.9 million. Highlights are as follows:
 - Actual expenditures for the County Clerk were \$1.1 million 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 expenditures for Non-Departmental were under budget by \$2.3 million in the salary and benefit category due to unused budget for temporary workers.
 - Actual expenditures were \$3.2 million under budget for Non-Departmental in the maintenance and operating category, mostly due to maintenance contracts coming in well under budget (\$1.4 million), consultant funds not utilized and rolled over to 2018 (\$521 thousand), unused disaster recovery budget (\$250 thousand), a remaining Tax Increment Financing Zone Participation budget of \$327 thousand, and an amount of \$290 thousand in miscellaneous expenses.
 - Actual expenditures for Non-Departmental Capital Replacement was under budget by \$2.4 million.
 - Actual expenditures for Information Technology were \$329 thousand under budget in the maintenance and operating category as well as \$184 thousand in the salary and benefits category.
 - Actual expenditures for Telecommunications in the maintenance and operating category were under budget by \$734 thousand.
- Judicial expenditures were less than budget by \$945 thousand. Highlights are as follows:
 - The County Courts-at-Law utilized all but \$116 thousand of their \$3.7 million budget.

- The County Court-at-Law Clerks had \$69 thousand remaining in their \$1.9 million salary and benefit budget at year end.
- The District Courts had \$100 thousand unspent of their \$4.5 million combined budget at year end.
- The Jury Services – District Clerk Department had \$253 thousand of their \$637 thousand budget remaining at year end in maintenance and operating.
- The Justice of the Peace departments left \$104 thousand of their combined \$2.4 million budget unspent.
- Financial administration expenditures were less than budget by \$763 thousand. Highlights are as follows:
 - Budget Director was \$35 thousand under the \$623 thousand budget.
 - The Treasury Department was \$6 thousand under the \$421 thousand budget.
 - The Tax Appraisal District was \$480 thousand under the \$5.1 million budget of which \$337 thousand was remaining in salary and benefits as well as \$131 thousand remaining in maintenance and operations.
 - The County Auditor was \$40 thousand under the \$2.9 million budget.
- Legal actual expenditures were \$1.6 million under budget. Highlights are as follows:
 - The \$1 million Court-Appointed Prosecutor budget was not utilized in 2017.
 - District Attorney salaries and benefits were \$458 thousand below budget and the maintenance and operating expenditures were \$143 thousand below budget.
- Public facilities expenditures were less than budget by \$1.4 million of the \$11.7 million budget. Highlights are as follows:
 - The Building Superintendent budget was \$1.2 million less than budget in the maintenance and operating category.
 - Facilities Management was \$90 thousand under budget in the maintenance and operating category.
 - Permanent Improvement was \$137 thousand under budget in the maintenance and operating category.
- Equipment services expenditures were lower than budget by \$1.2 million primarily due to the maintenance and operating category coming in under budget.

- Public safety expenditures were lower than budget by \$1.4 million. Highlights of this budget variance are as follows:
 - The Sheriff's Office budget was \$428 thousand under budget mostly in the salaries and benefits category.
 - The Minimum Security Operations salaries and benefits expenditures were \$71 thousand under budget in the maintenance and operating category.
 - The Fusion Center was \$151 thousand under budget in the salaries and benefits category.
 - The 911 Addressing Department was \$24 thousand under budget.
 - The Medical Examiner was \$128 thousand under budget.
 - The Juvenile Board utilized all but \$254 thousand of the \$10.8 million budget.
- Health and welfare expenditures were \$742 thousand under budget, of which most was due to inmate health coming in under budget (\$406 thousand) as well as Mental Health and Retardation Department (\$316 thousand).
- Capital outlay, which is presented separately from functional activities, was \$28.2 million under budget, of which most was for projects that were not completed in 2017 and were rolled over into 2018. Of these projects \$8.3 million is for the radio system project and \$5.6 million for technology projects.

Capital Assets and Debt Administration



Capital Assets As of September 30 (\$ in thousands)			
	2017		2016
Land	\$	54,635	\$ 40,134
Buildings and system		262,005	261,003
Improvements other than buildings		8,788	8,100
Machinery and equipment		71,633	79,761
Infrastructure		318,994	307,442
Construction in progress		17,930	22,947
Total capital assets		733,985	719,387
Less: Accumulated Depreciation		(321,980)	(311,963)
Total capital assets	\$	412,005	\$ 407,424

Capital Assets

The County's investment in capital assets for governmental activities (including business-type activities), net of accumulated depreciation at September 30, 2017, was \$412.0 million, an increase of \$4.6 million from 2016.

Details by type of activity are summarized below:

Major changes in capital assets for 2017 are as follows:

- Land increased by \$14.5 million due to right-of-way acquisitions mostly for the Outer Loop road project.
- Construction in Progress decreased by a net of \$5.0 million due to placing transportation projects into service.
- Machinery and Equipment decreased by a net of \$8.1 million due to writing off obsolete software, as well as items written off when sold as surplus or traded in.
- Accumulated depreciation increased by \$10.0 million.

More detailed activity about capital assets can be found in the Notes to the Financial Statements.

Long-term Debt

At September 30, 2017, the County had \$352.38 million in outstanding debt, a decrease of \$43.21 million (12.3%). The County issued no debt in 2017. Principal was paid down by \$43.21 million and interest payments totaled \$16.1 million.

Long-Term Debt by Intended Use of Proceeds As of September 30 (\$ in thousands)		
	<u>2017</u>	<u>2016</u>
Road and Bridge Projects	\$ 258,325	\$ 290,730
Public Facilities/Park Projects	<u>94,055</u>	<u>104,860</u>
Total Long-Term Debt	<u>\$ 352,380</u>	<u>\$ 395,590</u>

More detailed information about long-term debt activity can be found in the Notes to the Financial Statements.

Economic Factors

The following economic factors are reflected in the 2017 General Fund and other budgets:

- The percentage increase in net taxable real property assessed value during 2016 (for 2017 tax assessments) was 13.7% (2016 increase was 12.6%).
- Unemployment is at the lowest point in over a decade in 2017 at 3.2%.

Collin County relies primarily on property taxes for operations. Over 75.9% of the County's total revenues come from property taxes. Over the past few decades, the County has experienced consistent large increases in taxable valuations up to 12% until the drop in values from 2008 to 2012 caused by the real estate market collapse related to the great recession of 2009. Beginning in 2013 increases have rivaled and surpassed increase levels seen in the 1990's and early 2000's. In 2016 the County experienced a 13.7% increase in the net taxable value. After experiencing an unemployment rate recent-year high of 7.8% in 2009, the rate has consistently decreased each year to a rate of 3.2% in 2017. 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 an average of 70 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, work and do business.

During 2017, there were 25,458 people added to the County's population. This growth rate is expected to increase over the next couple of years due to a very active business climate. In 2017, 18.4 million square feet of commercial property was added to the county of which 7.5 million square feet was apartments and 10.9 million square feet is other business property. Some of the business activity that has been added or is under construction includes the Toyota North American Headquarters, the Ford Center at the Star in Frisco, Legacy West, Frisco Station, The Gate, Wade Park, JP Morgan Chase, and The Gates of Prosper. These businesses are or will be adding tens of thousands of jobs to the County over the next two years. 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. From 2008 to 2017 the County added 191,535 people, an increase of 25.6%. The rate 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 increased 196% 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, 2017 is 939,585 according to the Bureau of Economic Analysis, which is an increase of 157,244 or 20.1% 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 will provide a major highway through Collin County from Grayson County to the north to Dallas. 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 expanding the two-lane road to relieve traffic congestion began in 2005. In 2009, the State sold the rights for the Sam Rayburn Tollway (State Highway 121) to the North Texas Tollway Authority. 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.

Conversion of State Highway 121 into a toll road that is operated and managed by NTTA has and 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 be funded with the transfer of the Sam Rayburn Tollway to the NTTA. A significant portion of these projects (over \$900 million) are completed, planned, or under construction in Collin County.

In 2016, the Commissioners Court of the County began developing plans for additional limited access roadways throughout the County. Studies are being conducted for US Highway 380, US Highway 78, and an additional North-South route near Lake Lavon.

Revenue estimates in 2018 total \$333.8 million, an increase of 1.5% over the 2017 adopted budgeted estimates of \$328.5 million. Property taxes of \$229.2 million account for 68.6% of the County's revenue estimates for 2018.

The County's expenditure budget for 2018, which includes expenditures and transfers out, totals \$380.9 million. The General Fund expenditure budget for 2018 is \$237.1 million or 62.2% of the total adopted budget. An amount of \$65.3 million (17.1% of the total) is budgeted for debt services.

Significant events expected to have an impact in 2017 and beyond are as follows:

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 2017 have helped the county to provide preventative and minor medical care in cities where the indigent population is located. Increasing medical care cost contribute to the increasing demands on County resources to provide the same level of service 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, 2017, the unassigned fund balance for the General Fund was \$178.2 million, which is 75.2% of the General Fund expenditure budget for 2018, which represents 274 operating days of fund balance. When combined with committed funds, which the Commissioners Court can control, the fund balance is \$225.9 million or 95.3% of the General Fund budget, or 348 operating days of fund balance which is controlled by the governing body. The County has eliminated all long-term unfunded liabilities for 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. 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.

No bonds were issued in 2017; however, discussions have taken place by Commissioners Court about having another bond election to fund additional transportation projects in the County.

The property tax rate for 2018 was lowered to \$0.192246 per \$100 from \$0.208395 per \$100 of valuation from the prior year. Property owners continue to benefit from one of the lowest county property tax rates in the state. The expected growth of the County and related increases in property values should be sufficient to fund County operations for the time being. 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, 2017

	Primary Government			Component Unit
	Governmental Activities	Business-Type Activities	Total	
Assets				
Cash and cash equivalents	\$ 47,058,428	\$ 768,311	\$ 47,826,739	\$ 130,897
Investments	441,967,047	4,687,821	446,654,868	-
Receivables (net of allowance for uncollectibles)	10,647,944	208,582	10,856,526	-
Prepaid expenses	1,038,188	-	1,038,188	-
Internal balances	39,715,987	(39,715,987)	-	-
Inventories	3,345,985	-	3,345,985	-
Net pension assets	831,851	-	831,851	-
Capital assets (net of accumulated depreciation):				
Land	27,033,402	27,601,782	54,635,184	-
Buildings and system	138,407,963	1,779,594	140,187,557	-
Improvements other than buildings	4,595,884	-	4,595,884	-
Machinery and equipment	25,749,534	208,619	25,958,153	-
Infrastructure	158,130,234	10,568,660	168,698,894	-
Construction in progress	11,205,902	6,723,787	17,929,689	-
Total assets	<u>909,728,349</u>	<u>12,831,169</u>	<u>922,559,518</u>	<u>130,897</u>
Deferred outflows of resources:				
Deferred outflows - pension	<u>43,121,221</u>	<u>-</u>	<u>43,121,221</u>	<u>-</u>
Total deferred outflows of resources	<u>43,121,221</u>	<u>-</u>	<u>43,121,221</u>	<u>-</u>
Liabilities:				
Accounts payable and other current liabilities	18,967,611	306,953	19,274,564	93,535
Due to other governments	41,295	-	41,295	-
Unearned revenue	55,773	17,881	73,654	-
Noncurrent liabilities:				
Due within one year	56,864,883	-	56,864,883	-
Due in more than one year	<u>342,034,901</u>	<u>-</u>	<u>342,034,901</u>	<u>-</u>
Total liabilities	<u>417,964,463</u>	<u>324,834</u>	<u>418,289,297</u>	<u>93,535</u>
Deferred inflows of resources:				
Deferred inflows - pension	<u>4,370,185</u>	<u>-</u>	<u>4,370,185</u>	<u>-</u>
Total deferred inflows of resources	<u>4,370,185</u>	<u>-</u>	<u>4,370,185</u>	<u>-</u>
Net position				
Net investment in capital assets	210,024,392	46,882,442	256,906,834	-
Restricted for:				
Debt service	21,341,707	-	21,341,707	-
Health Care Foundation	3,744,269	-	3,744,269	-
Parks	27,610	-	27,610	-
Grant programs	274,119	-	274,119	-
County Roads and Bridges	41,541,194	-	41,541,194	-
Judicial System	9,070,817	-	9,070,817	-
Law Enforcement	1,792,502	-	1,792,502	-
Administration and Elections	10,263,906	-	10,263,906	-
Unrestricted (deficit)	<u>232,434,406</u>	<u>(34,376,107)</u>	<u>198,058,299</u>	<u>37,362</u>
Total net position	<u>\$ 530,514,922</u>	<u>\$ 12,506,335</u>	<u>\$ 543,021,257</u>	<u>\$ 37,362</u>

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 Fiscal Year Ended September 30, 2017

		Program Revenues			Net (Expense) Revenue and Changes in Net Position			
Functions/Programs	Expenses	Charges for Services	Operating	Capital	Primary Government			Component Unit
			Grants and Contributions	Grants and Contributions	Governmental Activities	Business-type Activities	Total	
Primary Government:								
Governmental activities:								
General administration	\$ 38,061,428	\$ 11,580,034	\$ 379,651	\$ -	\$(26,101,743)	\$ -	\$(26,101,743)	\$ -
Judicial	21,616,597	5,262,371	1,011,078	417	(15,342,731)	-	(15,342,731)	-
Financial administration	12,950,572	2,912,837	23,611	1,139	(10,012,985)	-	(10,012,985)	-
Legal	13,781,204	280,642	242,905	15	(13,257,642)	-	(13,257,642)	-
Public facilities	20,740,245	-	120,006	150,545	(20,469,694)	-	(20,469,694)	-
Equipment services	2,828,012	-	15,223	103,074	(2,709,715)	-	(2,709,715)	-
Public safety	69,396,451	8,822,402	3,164,457	242,985	(57,166,607)	-	(57,166,607)	-
Public transportation	67,505,670	19,634,198	3,288,167	304,602	(44,278,703)	-	(44,278,703)	-
Health and welfare	23,911,364	202,253	5,357,324	436	(18,351,351)	-	(18,351,351)	-
Culture and recreation	2,033,133	4,687	285,514	12,643	(1,730,289)	-	(1,730,289)	-
Conservation	244,932	-	12,200	-	(232,732)	-	(232,732)	-
Interest and fiscal charges	13,114,988	-	293,275	-	(12,821,713)	-	(12,821,713)	-
Total governmental activities	286,184,596	48,699,424	14,193,411	815,856	(222,475,905)	-	(222,475,905)	-
Business-type activities:								
Public safety	1,329,595	1,382,816	-	-	-	53,221	53,221	-
Public transportation	73,907	-	-	8,994,889	-	8,920,982	8,920,982	-
Total business-type activities	1,403,502	1,382,816	-	8,994,889	-	8,974,203	8,974,203	-
Total primary government	287,588,098	50,082,240	14,193,411	9,810,745	(222,475,905)	8,974,203	(213,501,702)	-
Component unit:								
Health and welfare	33,876	-	48,000	-	-	-	-	14,124
Total component unit	\$ 33,876	\$ -	\$ 48,000	\$ -	-	-	-	14,124
General revenues								
Property taxes					228,427,600	-	228,427,600	-
Mixed beverage tax					4,250,007	-	4,250,007	-
Unrestricted investment earnings					4,062,934	141,930	4,204,864	91
Miscellaneous					137,129	-	137,129	-
Total general revenues and extraordinary item					236,877,670	141,930	237,019,600	91
Change in net position					14,401,765	9,116,133	23,517,898	14,215
Net position - beginning of year					516,113,157	3,390,202	519,503,359	23,147
Net position - end of year					\$ 530,514,922	\$ 12,506,335	\$ 543,021,257	\$ 37,362

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

COLLIN COUNTY, TEXAS

Balance Sheet Governmental Funds September 30, 2017

	General Fund	General Road and Bridge	Health Care Foundation
Assets			
Cash	\$ 42,347,921	\$ 142,978	\$ 307,100
Investments	196,147,824	41,130,106	3,562,736
Receivables:			
Taxes (net of allowance for uncollectibles)	2,045,683	-	-
Fines and fees	2,231,590	1,377,254	-
Due from other governments	1,542,677	53,998	-
Due from other funds	890,209	-	-
Advance to other funds	37,239,390	-	-
Interest	769,238	-	-
Miscellaneous	641,855	89,684	599
Inventories	578,257	2,767,729	-
Total assets	<u>\$ 284,434,644</u>	<u>\$ 45,561,749</u>	<u>\$ 3,870,435</u>
Liabilities, Deferred Inflows of Resources, and Fund Balances			
Liabilities:			
Accounts payable	\$ 3,499,058	\$ 728,150	\$ 56,646
Payroll related costs payable	4,055,435	112,403	47,352
Lease deposits payable	-	-	22,168
Due to other governments	41,291	4	-
Due to other funds	-	-	-
Unearned revenue	-	-	-
Total liabilities	<u>7,595,784</u>	<u>840,557</u>	<u>126,166</u>
Deferred Inflows of Resources:			
Unavailable revenue - fines and fees	2,231,590	1,377,254	-
Unavailable revenue - property taxes	1,924,969	-	-
Total deferred inflows of resources	<u>4,156,559</u>	<u>1,377,254</u>	<u>-</u>
Fund Balances:			
Nonspendable	37,817,647	2,767,729	-
Restricted	8,942,121	40,576,209	3,744,269
Committed	47,697,481	-	-
Unassigned	178,225,052	-	-
Total fund balances	<u>272,682,301</u>	<u>43,343,938</u>	<u>3,744,269</u>
Total liabilities, deferred inflows of resources, and fund balances	<u>\$ 284,434,644</u>	<u>\$ 45,561,749</u>	<u>\$ 3,870,435</u>

Debt Service	2007 Road Bond	Other Governmental Funds	Total
\$ 1,991	\$ 5,416	\$ 1,199,905	\$ 44,005,311
20,514,386	120,384,758	47,922,754	429,662,564
787,787	-	-	2,833,470
-	-	-	3,608,844
-	-	1,021,213	2,617,888
-	-	-	890,209
-	1,121,540	1,355,057	39,715,987
-	-	-	769,238
37,543	-	23,562	793,243
-	-	-	3,345,986
<u>\$ 21,341,707</u>	<u>\$ 121,511,714</u>	<u>\$ 51,522,491</u>	<u>\$ 528,242,740</u>

\$ -	\$ 5,570,854	\$ 753,623	\$ 10,608,331
-	-	51,093	4,266,283
-	-	-	22,168
-	-	-	41,295
-	-	890,209	890,209
-	-	55,773	55,773
<u>-</u>	<u>5,570,854</u>	<u>1,750,698</u>	<u>15,884,059</u>
-	-	-	3,608,844
744,291	-	-	2,669,260
<u>744,291</u>	<u>-</u>	<u>-</u>	<u>6,278,104</u>
-	1,121,540	1,355,057	43,061,973
20,597,416	114,819,320	48,416,736	237,096,071
-	-	-	47,697,481
-	-	-	178,225,052
<u>20,597,416</u>	<u>115,940,860</u>	<u>49,771,793</u>	<u>506,080,577</u>
<u>\$ 21,341,707</u>	<u>\$ 121,511,714</u>	<u>\$ 51,522,491</u>	<u>\$ 528,242,740</u>

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COLLIN COUNTY, TEXAS

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

September 30, 2017

Total fund balances – governmental funds		\$	506,080,577
Amounts reported for governmental activities in the statement of net position are different because:			
Prepaid capital project construction payments made to construct assets owned by other local governments.			1,038,188
The net pension asset is not an available resource and, therefore, is not reported in the funds.			831,851
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	\$	27,033,402	
Buildings and systems		138,407,963	
Improvements other than buildings		4,595,884	
Machinery equipment		25,749,534	
Infrastructure		158,130,234	
Construction in progress		<u>11,205,902</u>	
Total capital assets			365,122,919
Some amounts deferred in the funds were recorded in a different fiscal year than the current year:			
Fines and fees earned in the current fiscal year but are not available to provide for current financial resources, and therefore are deferred in the funds.		3,608,844	
Property taxes earned in the current fiscal year but are not available to provide for current financial resources, and therefore are deferred in the funds.		<u>2,669,260</u>	
Total deferred revenues			6,278,104
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.			11,082,634
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	(	4,033,724)	
Bonds, notes and loans payable	(	352,380,000)	
Compensated absences	(	7,579,939)	
Unamortized bond premiums	(	<u>34,676,724)</u>	
Total liabilities			(398,670,387)
Deferred outflows and inflows of resources related to pensions and refundings are not reported in the funds.			
Deferred outflows related to pensions	\$	43,121,221	
Deferred inflows related to pensions	(	<u>4,370,185)</u>	
Total deferred outflows/inflows			<u>38,751,036</u>
Net position of governmental activities	\$		<u><u>530,514,922</u></u>

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, 2017

	<u>General</u>	<u>General Road and Bridge</u>	<u>Health Care Foundation</u>
Revenues:			
Property taxes	\$ 167,450,654	\$ 437,670	\$ -
Licenses and permits	612,412	4,437	-
Federal and state funds	6,693,935	-	355,908
Fees and charges for services	21,481,105	19,578,936	144,344
Fines and forfeitures	1,421,753	1,528,745	-
Other local government funds	-	34,516	-
Rental revenues	337,917	-	1,098,582
Interest	1,751,589	365,855	39,009
Miscellaneous	412,215	166,531	21,591
Total revenues	<u>200,161,580</u>	<u>22,116,690</u>	<u>1,659,434</u>
Expenditures:			
Current:			
General administration	30,519,128	-	-
Judicial	18,870,895	-	-
Financial administration	12,032,689	-	-
Legal	12,375,664	-	-
Public facilities	10,264,723	-	82,341
Equipment services	1,718,408	-	-
Public safety	59,945,687	-	-
Public transportation	-	12,177,095	-
Health and welfare	17,624,831	-	2,934,050
Culture and recreation	867,883	-	-
Conservation	211,391	-	-
Capital outlay:	12,476,871	2,756,956	18,149
Debt service:			
Principal retirement	-	-	-
Interest and fiscal charges	-	-	-
Total expenditures	<u>176,908,170</u>	<u>14,934,051</u>	<u>3,034,540</u>
Excess (deficiency) of revenues over (under) expenditures	<u>23,253,410</u>	<u>7,182,639</u>	<u>(1,375,106)</u>
Other financing sources (uses):			
Transfers in	26,876	-	500,000
Transfers out	(1,238,798)	-	-
Sale of assets	301,171	306,931	-
Total other financing sources (uses)	<u>(910,751)</u>	<u>306,931</u>	<u>500,000</u>
Net change in fund balances	22,342,659	7,489,570	(875,106)
Fund balances – beginning	250,339,642	35,854,368	4,619,375
Fund balances – ending	<u>\$ 272,682,301</u>	<u>\$ 43,343,938</u>	<u>\$ 3,744,269</u>

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

Debt Service	2007 Road Bond	Other Governmental Funds	Total
\$ 60,441,930	\$ -	\$ -	\$ 228,330,254
-	-	-	616,849
293,275	-	8,730,516	16,073,634
-	-	4,771,336	45,975,721
-	-	115,342	3,065,840
-	300,000	126,298	460,814
-	-	-	1,436,499
266,323	1,219,266	319,597	3,961,639
-	-	156,875	757,212
<u>61,001,528</u>	<u>1,519,266</u>	<u>14,219,964</u>	<u>300,678,462</u>
-	-	1,468,173	31,987,301
-	-	1,127,630	19,998,525
-	-	-	12,032,689
-	-	307,691	12,683,355
-	-	19,739	10,366,803
-	-	-	1,718,408
-	-	3,268,604	63,214,291
-	-	2,661,606	14,838,701
-	-	2,870,894	23,429,775
-	-	-	867,883
-	-	12,200	223,591
-	30,869,360	4,237,663	50,358,999
43,210,000	-	-	43,210,000
<u>16,177,552</u>	<u>-</u>	<u>-</u>	<u>16,177,552</u>
<u>59,387,552</u>	<u>30,869,360</u>	<u>15,974,200</u>	<u>301,107,873</u>
<u>1,613,976</u>	<u>(29,350,094)</u>	<u>(1,754,236)</u>	<u>(429,411)</u>
-	-	963,902	1,490,778
-	-	(251,980)	(1,490,778)
-	185,478	15,121	808,701
-	<u>185,478</u>	<u>727,043</u>	<u>808,701</u>
1,613,976	(29,164,616)	(1,027,193)	379,290
<u>18,983,440</u>	<u>145,105,476</u>	<u>50,798,986</u>	<u>505,701,287</u>
<u>\$ 20,597,416</u>	<u>\$ 115,940,860</u>	<u>\$ 49,771,793</u>	<u>\$ 506,080,577</u>

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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 Fiscal Year Ended September 30, 2017

Net change in fund balances – governmental funds		\$	379,290
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	\$	10,709,578	
Capital assets decreases	(	3,872,990)	
Depreciation expense for all capital assets	(	<u>27,218,306</u>	
Total change in capital assets activity			(20,381,718)
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 repayment is expenditure in governmental funds, but reduces long-term liabilities in the statement of net position.		43,210,000	
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.		<u>3,005,757</u>	
Total long-term debt			46,215,757
Internal service funds are used by management to charge the costs of certain activities to individual funds. The net revenues over expenditures of the internal service funds is reported with the governmental activities.			
			902,322
Revenues in the statement of activities that do not provide current financial resources are reported as deferred revenues in the funds. The change in these revenues are as follows:			
Property taxes		97,347	
Fines and forfeitures	(	<u>894,470</u>)	
Total changes in revenues			(797,123)
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		56,807	
Pension	(	11,446,277)	
Compensated absences	(	<u>527,293</u>)	
Total changes in long-term liabilities			(11,916,763)
Change in net position of governmental activities			<u>\$ 14,401,765</u>

COLLIN COUNTY, TEXAS

Statement of Net Position

Proprietary Funds

September 30, 2017

	Business-Type Activities			Governmental Activities
	Collin County Toll Road Authority	Animal Safety	Total Enterprise Funds	Internal Service Funds
Assets:				
Current assets:				
Cash	\$ 641,084	\$ 127,227	\$ 768,311	\$ 3,053,118
Investments	3,460,016	1,227,805	4,687,821	12,304,484
Receivables	208,582	-	208,582	25,261
Total current assets	4,309,682	1,355,032	5,664,714	15,382,863
Capital assets (net of accumulated depreciation):				
Land	27,601,782	-	27,601,782	-
Buildings and systems	-	1,779,594	1,779,594	-
Machinery and equipment	-	208,619	208,619	-
Infrastructure	10,568,660	-	10,568,660	-
Construction in progress	6,723,787	-	6,723,787	-
Total capital assets	44,894,229	1,988,213	46,882,442	-
Total assets	49,203,911	3,343,245	52,547,156	15,382,863
Liabilities:				
Current liabilities:				
Accounts payable	278,803	16,518	295,321	2,356,956
Payroll payable	-	11,632	11,632	3,884
Claims payable	-	-	-	1,939,389
Unearned revenue	-	17,881	17,881	-
Total current liabilities	278,803	46,031	324,834	4,300,229
Noncurrent liabilities:				
Advance from other funds	39,715,987	-	39,715,987	-
Total noncurrent liabilities	39,715,987	-	39,715,987	-
Total liabilities	39,994,790	46,031	40,040,821	4,300,229
Net position:				
Net investment in capital assets	44,894,229	1,988,213	46,882,442	-
Unrestricted (deficit)	(35,685,108)	1,309,001	(34,376,107)	11,082,634
Total net position	\$ 9,209,121	\$ 3,297,214	\$ 12,506,335	\$ 11,082,634

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, 2017

	Business-Type Activities			Governmental Activities
	Collin County Toll Road Authority	Animal Safety	Total Enterprise Funds	Internal Service Funds
Operating revenues:				
Premiums	\$ -	\$ -	\$ -	\$ 31,250,895
Charges for services	-	1,264,088	1,264,088	-
Other	-	118,728	118,728	4,789,627
Total operating revenues	-	1,382,816	1,382,816	36,040,522
Operating expenses:				
Administration	-	1,170,596	1,170,596	3,097,048
Benefits	-	-	-	32,142,447
Depreciation	73,907	158,999	232,906	-
Total operating expenses	73,907	1,329,595	1,403,502	35,239,495
Operating income (loss)	(73,907)	53,221	(20,686)	801,027
Nonoperating revenues (expenses):				
Gain(loss) on sale of asset	-	7,876	7,876	-
Interest income	123,308	10,746	134,054	101,295
Total nonoperating revenues (expenses)	123,308	18,622	141,930	101,295
Income before contributions	49,401	71,843	121,244	902,322
Capital contributions	8,994,889	-	8,994,889	-
Change in net position	9,044,290	71,843	9,116,133	902,322
Total net position – beginning	164,831	3,225,371	3,390,202	10,180,312
Total net position – ending	\$ 9,209,121	\$ 3,297,214	\$ 12,506,335	\$ 11,082,634

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, 2017

	Business-Type Activities			Governmental Activities
	Collin County Toll Road Authority	Animal Safety	Total Enterprise Funds	Internal Service Funds
Cash flows from operating activities:				
Receipts from customers and users	\$ -	\$ 1,373,866	\$ 1,373,866	\$ 31,227,323
Insurance recovery	-	-	-	4,789,627
Administration costs	-	(1,178,294)	(1,178,294)	(3,097,048)
Benefits paid	-	-	-	(30,325,552)
Net cash provided by operating activities	-	195,572	195,572	2,594,350
Cash flows from capital financing activities:				
Purchases of capital assets	(23,931,505)	-	(23,931,505)	-
Net gain on sale of capital assets	-	11,193	11,193	-
Capital contributions	8,994,889	-	8,994,889	-
Net cash used by capital financing activities	(14,936,616)	11,193	(14,925,423)	-
Cash flows from investing activities:				
Sale (Purchases) of investment	14,868,905	(225,582)	14,643,323	(5,971,348)
Advance from other funds	192,363	-	192,363	-
Interest income	123,308	10,746	134,054	101,295
Net cash provided by investing activities	15,184,576	(214,836)	14,969,740	(5,870,053)
Net increase (decrease) in cash and cash equivalents	247,960	(8,071)	239,889	(3,275,703)
Cash and cash equivalents – October 1, 2016	393,124	135,298	528,422	6,328,821
Cash and cash equivalents – September 30, 2017	\$ 641,084	\$ 127,227	\$ 768,311	\$ 3,053,118
Reconciliation of operating loss to net cash provided (used) by operating activities:				
Operating loss	\$(73,907)	\$ 53,221	\$(20,686)	\$ 801,027
Adjustments to reconcile operating loss to net cash provided (used) by operating activities:				
Depreciation expense	73,907	158,999	232,906	-
Other nonoperating expenses	-	(7,540)	(7,540)	-
Change in intergovernmental receivable	-	-	-	(23,572)
Change in accounts payable	-	(917)	(917)	1,816,754
Change in payroll payable	-	759	759	141
Change in unearned revenue	-	(8,950)	(8,950)	-
Total adjustments	73,907	142,351	216,258	1,793,323
Net cash used in operating activities	\$ -	\$ 195,572	\$ 195,572	\$ 2,594,350
Schedule of non-cash capital and related financing activities:				
Contributions of capital assets	\$ 192,363	\$ -	\$ 192,363	\$ -

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, 2017

Assets	
Cash	\$ 29,240,118
Investments	14,151,874
Assets held as security deposits	2,796,854
Receivables	79,536
Total assets	<u>\$ 46,268,382</u>
Liabilities	
Due to other governments	\$ 8,496,839
Due to others/vouchers payable	33,910,905
Cash bonds outstanding	3,844,101
Cash deposits outstanding	16,537
Total liabilities	<u>\$ 46,268,382</u>

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NOTES TO THE FINANCIAL STATEMENTS

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COLLIN COUNTY, TEXAS

NOTES TO THE FINANCIAL STATEMENTS

SEPTEMBER 30, 2017

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 is 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.

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 on 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 Debt Service Fund and the 2007 Road Bond 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 indigent healthcare is a major function of the County that is of great interest to the public. 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 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 levied prior to September 30, 2017, that were levied October 1, 2016, have been assessed to finance the budget of the fiscal year beginning October 1, 2016. In accordance with the modified accrual basis of accounting, the balances outstanding at November 30, 2017, 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, 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 of Texas 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 owns buildings in which space is leased to the County and to other organizations as an additional source of revenue. The fund also receives revenues from federal and state government sources.

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. As of 2016 all bonds that were authorized have been issued. The bonds were issued as follows:

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
Series 2015: \$40,455,000 issued August 18, 2015
Series 2016: \$29,175,000 issued July 28, 2016

Special Revenue Funds are used to account for specific revenue sources (other than debt proceeds) that are restricted from 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 projects such as design, construction or major improvements to roads, buildings and parks.

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 and cities within the County.

Enterprise Funds are used to account for business-type activities. The County has two enterprise funds: the CCTRA and the Animal Safety Fund.

As stated above the CCTRA qualifies as a major fund. The Animal Safety Fund is used to account for activities related to animal shelter and control activities in unincorporated areas of the County as well as within member cities. The County and member cities are required to fund the Animal Safety Fund on a pro-rata basis based on the 2010 census population.

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 including legal, contractual or operational. Examples are as follows: (1) the courts often require funds to be held in trust by the County, (2) the tax office collects funds on behalf of local governments and the state, and (3) 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. 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 investment pools with other local governments, in obligations of the U.S. Government or its Agencies, municipal bonds, certificates 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 market 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 the taxable value on the lien date of January 1st prior to September 30th of the same year. They become due October 1st of that same year and delinquent after January 31st of the following year, with the exception of homeowners over 65 who have the option of making quarterly tax payments. 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 statements 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. Receivables and revenues are recorded for grants when all eligibility requirements have been met and reimbursable costs are incurred.

In the government-wide statements legally enforceable claims are recorded as receivables and revenues when they are earned and not received. Included are fines and costs assessed by court action and billable services for certain contracts. Revenues received in advance of the costs being incurred are recorded as unearned revenue in the fund statements.

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 Fund and special revenue funds consist of expendable supplies held for consumption and the costs are recorded as expenditures 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 \$1,038,188. This amount is comprised of payments to cities within the County in which the County agreed to pay half of road projects in which the projects are not complete.

(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 net position 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. Funds within the Health Care Foundation Fund, a nonprofit corporation, are legally restricted. 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 – Primary Government

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, and communication towers. Capital assets are recorded at historical cost if purchased or constructed. Donated capital assets are recorded at acquisition value at the date of acquisition.

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:

Depreciable Life in Years

Asset Classes	Life in Years
Land/Land Improvements	0
Historical Treasures/Works of Art	0
Buildings	30
Improvements other than Buildings	10 - 20
Machinery and Equipment:	
Computer Equipment	5
Heavy Machinery and Equipment	8 - 13
Law Enforcement Equipment	5 - 7
Other Equipment	7 - 15
Patrol Vehicles	1 - 2
Vehicles	5 - 7
Infrastructure:	
Infrastructure - Asphalt	7
Infrastructure - Bridge	25 - 30
Infrastructure - Concrete	12
Infrastructure - Radio Tower	20

(6) Compensated Absences

A liability for unused paid time off accruals and compensatory time for all full-time 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. Compensated absences are accrued in the government-wide financial statements.

The County's permanent, full-time 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 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) Pension

For purposes of measuring the net pension asset, deferred outflows of resources and deferred inflows of resources related to pensions, and pension expense, information about the fiduciary net position of the County Employees Pension Plan (CEPP) and additions to/deductions from CEPP's fiduciary net position have been determined on the same basis as they are reported by CEPP. For this purpose, benefit payments (including refunds of employee contributions) are recognized when due and payable in accordance with the benefit terms. Investments are reported at fair value.

(9) 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.

(10) 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 No. 54, *Fund Balance Reporting and Governmental Fund Type Definitions*, 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, 1) advances to other funds and 2) inventories, as shown below:

Fund Balances:

Nonspendable:

General Fund:

Advances:

Collin County Toll Road Authority

\$ 37,239,390

Inventories

578,257

Total General Fund

\$ 37,817,647

General Road and Bridge Fund:

Inventories

2,767,729

2007 Road Bond Fund:

Advances:

Collin County Toll Road Authority

1,121,540

Other Governmental Funds:

Inventories

1,355,057

Total Nonspendable

\$ 43,061,973

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 funds. Restricted fund balances reported in the governmental fund statements are as follows:

Fund Balances:

Restricted:

General Fund:

Housing Finance Corporation	\$ 153,407	
Records Archive	8,300,628	
District Court Records Technology	<u>488,086</u>	
Total General Fund		\$ <u>8,942,121</u>

General Road and Bridge Fund:

Public transportation	<u>40,576,209</u>
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Healthcare Foundation:

Indigent healthcare	<u>3,744,269</u>
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Debt Service Fund:

Debt service activity	<u>20,597,416</u>
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2007 Road Bond:

Road and bridge projects	<u>114,819,320</u>
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Other Governmental Funds:

General administration	19,584,751	
Judicial	7,541,198	
Financial Administration	3	
Legal	2,315,215	
Public facilities	1,310,837	
Public Safety	8,575,021	
Health and welfare	26,994	
Culture and recreation	8,062,587	
Conservation	<u>115</u>	
Total Other Governmental Funds		<u>48,416,736</u>
Total Restricted		<u>\$237,096,071</u>

3. Committed Fund Balance

Committed fund balance is the portion of 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:

Encumbrance	\$ 29,110,612
Capital murder cases	2,000,000
Special elections	200,000
Utilities price spikes	500,000
Highway 75 Project	6,000,000
Permanent Improvement	<u>9,886,869</u>
Total Committed	<u>\$ 47,697,481</u>

II. 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 Fund, Grants Fund, LEOSE Fund, Tax Assessor/Collector Motor Vehicle Tax Fund, Sheriff Forfeiture Fund, District Attorney State Forfeiture Fund, District Attorney Service Fee Fund, Juvenile Case Manager Fund, District Attorney Pretrial Intervention Program Fund, SCAAP Fund, District Attorney Apportionment Fund, District Attorney Federal Treasury Forfeiture Fund, District Attorney Federal Justice Forfeiture Fund, and the Constable Precinct 3 Forfeiture Fund. The budget for all capital project funds are adopted by project on a project-life term at the time debt is issued and amended as needed, 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 administered 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.

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 other banks holding investments of the County at all times. All other deposits are held in trust and are limited to individual accounts fully insured by FDIC.

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 its 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 of which are unconditionally guaranteed or insured by, or backed by the full faith and credit of this 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 or by the 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 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 the Texas Government Code, 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 the Texas Government Code, Section 2256.009(b); or
 - c. Secured in any other manner and amount provided by law for deposits of the investing entity; and
 - d. Solicited by bid or offer orally, in writing, electronically, or any combination of methods outlined under the Texas Government Code, Section 2256.005(c)(1-4);
- 8. Money market mutual funds registered with and regulated by the Securities and Exchange Commission and fully conforming with the Texas Government Code, Sections 2256.014 and 2256.016(b) and (c) relating to the eligibility of investment pools to receive and invest funds of investing entities; and
- 9. Investment pools, as discussed in the Public Funds Investment Act, the Texas Government Code, Section 2256.016-2256.019, are eligible if the Commissioners Court, by order, authorizes investment in the particular pool. An investment pool shall invest the funds it receives from entities in authorized investments permitted by GC 2256.016. An investment pool may invest its funds in money market mutual funds to the extent permitted by and consistent with the Texas Government Code, Section 2256.016 and the investment policies and objectives adopted by the investment pool. The County, by contract, may delegate to an investment pool the authority to hold legal title as custodian of investments purchased with its local funds.

The County participates in five Local Government Investment Pools: TexPool, TexSTAR, Logic, Texas Class and Texas Term. 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 five-member 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, Texas Class and Texas Term are overseen by a governing board consisting of individuals elected from participating government entities in the pool.

The County invests in all five pools to provide its primary liquidity needs. All are local government investment pools established in conformity with the Inter-local Cooperation Act, Chapter 791 of the Public Funds Investment Act, Chapter 2256 of the Code. These pools are a conglomeration of local governments investing in investments approved by the Public Funds Investment Act. Such funds allow shareholders the ability to deposit or withdraw funds on a daily basis. Interest rates are adjusted daily. They are all 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, 2017, are as follows:

Type of Investment	
Local government investment pools	\$186,463,899
Federal agency bonds	143,193,094
Municipal bonds	20,865,960
Certificates of deposits	107,194,117
Money Market/Cash Equivalents	<u>3,089,672</u>
Total investments	<u>\$460,806,742</u>

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 three strategic investment pool groups: operating, non-operating, and capital projects.

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

Most of the County's investments are backed up by the full faith and credit of the United States Government either directly or indirectly by using instruments of the United States Government or agencies as collateral. Investments that are not backed by instruments of the United States Government include municipal bonds and commercial paper in certain local government investment pools. According to the Collin County Investment Policy municipal bonds must be rated not less than A or its equivalent; however, in practice all municipal bonds in the County's portfolio are rated AA or better by Standard and Poor's or the equivalent. The policy also allows for commercial paper that has a stated maturity of 270 days or fewer and is not rated less than A-1 or p-1 or the equivalent. The County has no commercial paper directly in the portfolio but does invest in two local government investment pools that invest in commercial paper with the same credit rating restrictions.

As of September 30, 2017, the local government pools (40.5% of the portfolio) were rated AAAm by Standard and Poor's. The federal agency bonds (31.1% of the portfolio) were rated AA+ by Standards and Poor's. The Municipal Bonds (4.5% of the portfolio) were rated AA or better by Standard and Poor's. The Certificates of Deposits (23.3% of the portfolio) were fully collateralized in Collin County's name at the Federal Home Loan Bank of Dallas. All funds in money market/cash equivalent accounts (0.7% 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 1.096 years. All investments are normally held to maturity or until called.

(b) Deposits

The September 30, 2017, carrying amount of deposits was as follows:

	<u>Bank Deposits</u>
Governmental funds	\$ 44,005,311
Proprietary type funds	3,821,429
Fiduciary type funds	<u>29,240,118</u>
Total	<u>\$ 77,066,858</u>

Most of the funds are collateralized with securities or held by the Federal Home Loan Bank or the Federal Reserve Bank of New York in the name of Collin County as of September 30, 2017. All other funds are insured by the FDIC.

(c) Property Taxes and Other Receivables

Property taxes attach an enforceable lien on property as of January 1st. Taxes are levied prior to September 30th, become due on October 1st and are delinquent after January 31st except for homeowners over 65 who have the option of paying their taxes quarterly. 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, who is elected into office by the citizens of the County, 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 to 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. Special assessment taxes of \$21,833 were recorded on a non-major fund, the 1995 Road Bond Capital Project Fund. This property tax distribution is prorated 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 deferred revenue in connection with receivables for revenues that are not considered to be available to liquidate liabilities of the current period. Governmental funds also defer revenue recognition in connection with resources that have been received, but not yet earned such as grant revenue received but not yet expended.

At September 30, 2017, the various components of deferred revenue and unearned revenue reported in the governmental funds were as follows:

Taxes:	
General Fund	\$ 1,924,969
Debt Service Fund	<u>744,291</u>
	<u>2,669,260</u>
Fines and Fees:	
General Fund	2,231,590
General Road and Bridge Fund	<u>1,377,254</u>
	<u>3,608,844</u>
Unearned Grant Revenues:	
Grant Funds	<u>55,773</u>
	<u>55,773</u>
Total deferred and unearned revenue:	<u><u>\$ 6,333,877</u></u>

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 as well as 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 Special Revenue Fund	Health Care Foundation Special Revenue Fund	Debt Service Fund	2007 Road Bond	Non-Major Funds
Receivables:						
Taxes	\$ 2,201,286	\$ -	\$ -	\$ 847,710	\$ -	\$ -
Fines and Fees	5,628,692	3,473,818	-	-	-	-
Due from other governments	1,542,677	53,998	-	-	-	1,021,213
Due from other funds	890,209	-	-	-	-	-
Advance to other funds	37,239,390	-	-	-	1,121,540	1,355,057
Interest	769,238	-	-	-	-	-
Miscellaneous	<u>641,855</u>	<u>89,684</u>	<u>599</u>	<u>37,543</u>	<u>-</u>	<u>23,562</u>
Gross receivables	48,913,347	3,617,500	599	885,253	1,121,540	2,399,832
Less allowance for uncollectible	<u>3,552,705</u>	<u>2,096,564</u>	<u>-</u>	<u>59,923</u>	<u>-</u>	<u>-</u>
Net receivables	<u>\$ 45,360,642</u>	<u>\$ 1,520,936</u>	<u>\$ 599</u>	<u>\$ 825,330</u>	<u>\$ 1,121,540</u>	<u>\$ 2,399,832</u>

(e) Capital Assets

Capital assets are recorded at cost or, if donated, at fair value at the date of receipt. In accordance with GASB Statement Number 34, *Basic Financial Statements—and Management's Discussion and Analysis—for State and Local Governments*, depreciation policies were adopted to include useful lives and classification by function. The capitalization threshold for equipment is five thousand dollars. Infrastructure assets are valued by using actual historical cost where the amount can be determined. Once the historical cost is determined the asset is then depreciated over its useful life.

Many road projects and technology improvement projects have been ongoing in 2017. A summary of changes in capital assets follows:

	Beginning balance	Increases	Decreases	Ending balance
Governmental activities:				
Capital assets, not depreciated:				
Land	\$ 25,832,868	\$ 1,376,606	\$ (176,072)	\$ 27,033,402
Construction in progress	16,165,110	12,425,428	(17,384,636)	11,205,902
Historical treasures	269,760	149,813	(89,760)	329,813
Total capital assets, not depreciated:	<u>42,267,738</u>	<u>13,951,847</u>	<u>(17,650,468)</u>	<u>38,569,117</u>
Capital assets, being depreciated:				
Buildings	258,156,268	1,002,225	-	259,158,493
Improvements other than buildings	8,099,697	688,190	-	8,787,887
Machinery and equipment	79,131,319	8,906,471	(17,053,125)	70,984,665
Infrastructure	307,441,745	2,205,589	(1,296,204)	308,351,130
Total assets being depreciated	<u>652,829,029</u>	<u>12,802,475</u>	<u>(18,349,329)</u>	<u>647,282,175</u>
Less accumulated depreciation for:				
Buildings	(112,341,331)	(8,409,199)	-	(120,750,530)
Improvements other than buildings	(3,858,373)	(333,630)	-	(4,192,003)
Machinery and equipment	(56,164,197)	(6,272,312)	16,871,565	(45,564,944)
Infrastructure	(138,535,244)	(12,203,165)	517,513	(150,220,896)
Total accumulated depreciation	<u>(310,899,145)</u>	<u>(27,218,306)</u>	<u>17,389,078</u>	<u>(320,728,373)</u>
Net capital assets, being depreciated	<u>341,929,884</u>	<u>(14,415,831)</u>	<u>(960,251)</u>	<u>326,553,802</u>
Governmental activities, capital assets	<u>\$ 384,197,622</u>	<u>\$ (463,984)</u>	<u>\$ (18,610,719)</u>	<u>\$ 365,122,919</u>
Business-type activities:				
Capital assets, not being depreciated				
Land	\$ 14,301,578	\$ 13,300,204	\$ -	\$ 27,601,782
Construction in progress	6,781,523	1,589,942	(1,647,678)	6,723,787
Total capital assets, not depreciated	<u>21,083,101</u>	<u>14,890,146</u>	<u>(1,647,678)</u>	<u>34,325,569</u>
Capital assets, being depreciated:				
Buildings	2,846,799	-	-	2,846,799
Machinery and equipment	360,132	7,540	(48,939)	318,733
Infrastructure	-	10,642,567	-	10,642,567
Total assets being depreciated	<u>3,206,931</u>	<u>10,650,107</u>	<u>(48,939)</u>	<u>13,808,099</u>
Less accumulated depreciation for:				
Buildings	(972,311)	(94,893)	-	(1,067,204)
Machinery and equipment	(91,631)	(64,106)	45,622	(110,115)
Infrastructure	-	(73,907)	-	(73,907)
Total accumulated depreciation	<u>(1,063,942)</u>	<u>(232,906)</u>	<u>45,622</u>	<u>(1,251,226)</u>
Net capital assets, being depreciated	<u>2,142,989</u>	<u>10,417,201</u>	<u>(3,317)</u>	<u>12,556,873</u>
Business-type activities, capital assets	<u>\$ 23,226,090</u>	<u>\$ 25,307,347</u>	<u>\$ (1,650,995)</u>	<u>\$ 46,882,442</u>

Depreciation expense for FY 2017 was charged to functions/programs of the primary government as follows:

Depreciation:

Governmental activities:

General administration	\$ 3,281,373
Judicial	57,996
Financial administration	29,009
Public facilities	8,880,883
Equipment services	973,269
Public safety	342,202
Public transportation	13,501,862
Health and welfare	14,243
Culture and recreation	<u>137,469</u>

Total depreciation expense - governmental activities:	<u><u>\$ 27,218,306</u></u>
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Proprietary activities:

Outer Loop:

Public transportation	73,907
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Animal Safety:

Public facilities	94,893
Public safety	<u>64,106</u>

Total depreciation expense - business-type activities:	<u><u>\$ 232,906</u></u>
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Construction Commitments

Collin County has active construction projects as of September 30, 2017. 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:

<u>Project Type</u>	<u>Remaining Commitment</u>
Public Transportation	\$ 49,741,196
Public Facilities	<u>3,651,820</u>
Total	<u><u>\$ 53,393,016</u></u>

(f) Long-term Debt

New Bond Issues

Collin County issues general obligation bonds and tax notes to finance major capital projects. The total bond debt is \$352,380,000 as of September 30, 2017. The County has no other debt but bond debt. The County issued no debt in 2017.

The following are general obligation bonds and tax notes outstanding at September 30, 2017, and are for governmental activities only:

Fund Name	Interest Rates	Date		Due as of	
		Issued	Maturity	September 30, 2017	
Limited Tax Refunding and Permanent Improvement Bond 2008	3.625% to 5.000%	2008	2028	\$	4,650,000
Limited Tax Refunding and Permanent Improvement Bond 2009	2.000% to 5.000%	2009	2025		20,000,000
Limited Tax Permanent Improvement Build America Bond 2009B	2.000% to 5.000%	2009	2029		9,990,000
Limited Tax Permanent Improvement Bond 2011	3.000% to 4.250%	2011	2031		1,670,000
Limited Tax Refunding and Permanent Improvement Bond 2012	2.000% to 5.000%	2012	2025		17,505,000
Limited Tax Permanent Improvement Bond 2013A	2.500% to 4.000%	2013	2033		1,865,000
Limited Tax Refunding Bonds 2013B	0.450% to 3.189%	2013	2025		11,315,000
Limited Tax Refunding and Permanent Improvement Bond 2014	2.000% to 5.000%	2014	2034		19,615,000
Limited Tax Refunding and Permanent Improvement Bond 2015	2.000% to 4.000%	2015	2035		3,470,000
Limited Tax Refunding and Permanent Improvement Bond 2016	2.000% to 5.000%	2016	2036		3,975,000
Unlimited Tax Road and Refunding Bond 2007	4.000% to 5.000%	2007	2027		9,895,000
Unlimited Tax Road Bond 2008	4.000% to 5.500%	2008	2028		1,960,000
Unlimited Tax Road and Refunding Bond 2009	2.000% to 5.000%	2009	2025		6,070,000
Unlimited Tax Road Build America Bond 2009B	4.600% to 6.300%	2009	2029		5,590,000
Unlimited Tax Refunding Bond 2010	2.000% to 5.000%	2010	2020		6,035,000
Unlimited Tax Road Bonds 2011	2.000% to 4.000%	2011	2029		22,680,000
Unlimited Tax Road and Refunding Bond 2012	2.000% to 5.000%	2012	2032		43,235,000
Unlimited Tax Refunding Bond 2013A	1.000% to 5.000%	2013	2033		30,710,000
Unlimited Tax Refunding Bond 2013B	0.650% to 4.000%	2013	2025		10,835,000
Unlimited Tax Road Bond 2014	2.000% to 5.000%	2014	2034		22,540,000
Unlimited Tax Road and Refunding Bond 2015	2.000% to 5.000%	2015	2035		58,600,000
Unlimited Tax Road and Refunding Bond 2016	2.000% to 5.000%	2016	2028		40,175,000
				<u>\$</u>	<u>352,380,000</u>

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 thereof; (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 15, 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 15, 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 principal to be paid to bondholders
\$ 4,650,000 – Liability as of September 30, 2017

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 thereof; (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 15, 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 15, 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 principal to be paid to bondholders
\$20,000,000 – Liability as of September 30, 2017

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 thereof; and (iii) pay the cost of issuance associated with the sale of the these bonds. A principal amount of \$2,560,000 matures on February 15, 2019, and the remaining principal amount of \$7,430,000 matures on February 15, 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 15, 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, 2016

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 2011 were issued 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 15, 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 15, 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

\$ 1,670,000 – Liability as of September 30, 2017

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 issued 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 15, 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 15, 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 principal to be paid to bondholders

\$17,505,000 – Liability as of September 30, 2017

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 issued 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 these bonds. Principal maturities occur annually beginning on February 15, 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 15, 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

\$ 1,865,000 – Liability as of September 30, 2017

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 15, 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

\$11,315,000 – Liability as of September 30, 2017

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 thereof; (iii) refund a portion of the County's outstanding debt for debt savings; and (iv) pay the costs of issuance associated with the sale of the these bonds. Principal maturities will occur annually beginning on February 15, 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 15, 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.

\$ 2,200,000	– New issue
<u>21,180,000</u>	– Refunding
<u>\$23,380,000</u>	– Total principal to be paid to bondholders
<u>\$19,615,000</u>	– Liability as of September 30, 2017

Limited Tax Refunding & Permanent Improvement Bonds, Series 2015

(new issue authorized by voters on November 6, 2007, issued August 18, 2015)

\$3,675,000 Limited Tax Refunding and Permanent Improvement Bonds, Series 2015 were issued 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 for debt service savings, and (iii) paying the costs of issuance associated with the sale of the bonds. Principal maturities will occur annually beginning on February 15, 2016 with installments ranging from \$100,000 to \$280,000. 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 15, 2035. 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.

\$2,295,000	– New issue
<u>1,380,000</u>	– Refunding
<u>\$3,675,000</u>	– Total principal to be paid to bondholders
<u>\$3,470,000</u>	– Liability as of September 30, 2017

Limited Tax Refunding and Improvement Bonds, Series 2016

(new issue authorized by voters on November 6, 2007, issued July 28, 2016)

\$4,045,000 Limited Tax Refunding and Improvement Bonds, Series 2016 were issued 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 for debt service savings, and (iii) paying the costs of issuance associated with the sale of the bonds. Principal maturities will occur annually beginning on February 15, 2017 with installments ranging from \$70,000 to \$655,000. 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 15, 2036. 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.

\$2,145,000 – New issue

1,900,000 – Refunding

\$4,045,000 – Total principal to be paid to bondholders

\$3,975,000 – Liability as of September 30, 2017

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 were 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 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 15, 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 principal to be paid to bondholders

\$ 9,895,000 – Liability as of September 30, 2017

Unlimited Tax Road Bonds, 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 Bonds, Series 2008 were 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 15, 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 15, 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 principal to be paid to bondholders
\$ 1,960,000 – Liability as of September 30, 2017

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 were 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, 2010, in installments ranging from \$770,000 to \$2,485,000. 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 15, 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 principal to be paid to bondholders
\$ 6,070,000 – Liability as of September 30, 2017

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 were 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, 2019, and the remaining principal amount of \$4,120,000 matures on February 15, 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.

\$5,590,000 – New issue

\$5,590,000 – Liability as of September 30, 2017

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 were 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 15, 2012, with installments ranging from \$200,000 to \$2,110,000. 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 15, 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

\$ 6,035,000 – Liability as of September 30, 2017

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 2011 were 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 15, 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 15, 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

\$22,680,000 – Liability as of September 30, 2017

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 were 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 15, 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 15, 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 principal to be paid to bondholders
\$43,235,000 – Liability as of September 30, 2017

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 were 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 15, 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 15, 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 principal to be paid to bondholders
\$30,710,000 – Liability as of September 30, 2017

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 were 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 15, 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 15, 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

\$10,835,000 – Liability as of September 30, 2017

Unlimited Tax Road Bonds, Series 2014

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

\$25,045,000 Unlimited Tax Road Bonds, Series 2014 were 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 15, 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 15, 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

\$22,540,000 – Liability as of September 30, 2017

Unlimited Tax Road and Refunding Bonds, Series 2015

(new issue authorized by voters on November 6, 2007, issued August 18, 2015)

\$67,075,000 Unlimited Tax Road and Refunding Bonds, Series 2015 were 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 service savings, and (iii) pay costs of issuance associated with the sale of the bonds. Principal maturities will occur annually beginning February of 2016 with installments ranging from \$1,935,000 to \$6,605,000. 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 15, 2035. 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.

\$40,455,000 – New issue
26,620,000 – Refunding
\$67,075,000 – Total principal to be paid to bondholders
\$58,600,000 – Liability as of September 30, 2017

Unlimited Tax Road and Refunding Bonds, Series 2016

(new issue authorized by voters on November 6, 2007, issued July 28, 2016)

\$51,825,000 Unlimited Tax Road and Refunding Bonds, Series 2016 were 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 service savings, and (iii) pay costs of issuance associated with the sale of the bonds. Principal maturities will occur annually beginning February 15, 2017, with installments ranging from \$1,835,000 to \$17,850,000. 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 15, 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.

\$29,715,000 – New issue
22,110,000 – Refunding
\$51,825,000 – Total principal to be paid to bondholders
\$40,175,000 – Liability as of September 30, 2016

(g) Defeased Bonds

The county defeased no bonds in 2017 as has occurred in prior years.

(h) 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 currently has no cumulative rebate.

(i) Changes in Noncurrent Liabilities

Noncurrent liabilities for the year ended September 30, 2017, were as follows:

Changes in Noncurrent Liabilities (in thousands)

	Beginning			Ending	Due within
Governmental activities:	Balance	Additions	Deductions	Balance	one year
General obligation bonds	\$ 395,590	\$ -	\$ 43,210	\$ 352,380	\$ 49,590
Compensated absences	7,053	9,283	8,756	7,580	4,686
Claims and judgements	2,446	10,015	8,198	4,263	2,589
Unamortized bond premium	39,008	-	4,331	34,677	-
Total	<u>\$ 444,097</u>	<u>\$ 19,298</u>	<u>\$ 64,495</u>	<u>\$ 398,900</u>	<u>\$ 56,865</u>

Compensated absences are liquidated in 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.

(j) Contractual Maturities

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

Year Ending September 30	Principal	Interest	Total
2018	49,590,000	14,458,931	64,048,931
2019	32,960,000	12,700,287	45,660,287
2020	27,720,000	11,440,425	39,160,425
2021	26,745,000	10,301,373	37,046,373
2022	26,385,000	9,144,863	35,529,863
2023	25,485,000	7,964,647	33,449,647
2024	26,700,000	6,776,353	33,476,353
2025	23,705,000	5,635,220	29,340,220
2026	21,270,000	4,563,029	25,833,029
2027	18,575,000	3,597,819	22,172,819
2028	15,680,000	2,789,238	18,469,238
2029	13,045,000	2,123,404	15,168,404
2030	10,410,000	1,610,794	12,020,794
2031	10,870,000	1,167,663	12,037,663
2032	8,950,000	752,200	9,702,200
2033	6,565,000	433,209	6,998,209
2034	4,730,000	209,731	4,939,731
2035	2,850,000	60,359	2,910,359
2036	145,000	2,175	147,175
	<u>\$ 352,380,000</u>	<u>\$ 95,731,720</u>	<u>\$ 448,111,720</u>

The Debt Service Fund has \$20,597,416 to service the general long-term bond retirement as of September 30, 2017. 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 the County continues to monitor the debt proceeds used to ensure compliance.

(k) Conduit Debt

The County has no conduit debt. The Collin County Housing Finance Corporation issues single-family revenue bonds to provide financial assistance to qualified homeowners in which Collin County is a conduit issuer of the debt; however, the County is not obligated in any way to repay the debt.

(l) *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, 2017, is as follows:

	<u>Due from</u>	<u>Due to</u>
<u>Due to/from other funds:</u>		
<u>Governmental Funds:</u>		
General Fund	\$ 890,209	\$ -
Nonmajor Funds	-	890,209
Total Governmental Funds	<u>890,209</u>	<u>890,209</u>
Total	<u>\$ 890,209</u>	<u>\$ 890,209</u>

The activity between the General Fund and other funds represent local matching of grants. Interfund advance activity is as follows:

	<u>Advance to</u>	<u>Advance from</u>
General Fund	\$ 37,239,390	\$ -
2007 Road Bond	1,121,540	-
Nonmajor Funds	1,355,057	-
Collin County Toll Road Authority Fund	-	39,715,987
Total	<u>\$ 39,715,987</u>	<u>\$ 39,715,987</u>

These balances are a result of funding to finance the Collin County Toll Road Authority Fund. 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, 2017, is as follows:

	<u>Transfers In</u>	<u>Transfers Out</u>
<u>Governmental Funds:</u>		
General Fund	\$ 26,876	\$ 1,238,798
Health Care Foundation	500,000	-
Nonmajor Funds	<u>963,902</u>	<u>251,980</u>
Total	<u>\$ 1,490,778</u>	<u>\$ 1,490,778</u>

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 consists of a transfer to the Courthouse Security Fund to supplement security activities (\$700,000), a transfer to the Health Care Foundation Fund (500,000) to supplement indigent healthcare, and grant match funding (\$38,978). The non-major fund activity primarily includes the Courthouse Security Fund transfer mentioned above (700,000) and a transfer to separate forfeiture funds in the Sheriff's Office (\$225,104).

(m) Capital Contributions

Assets were transferred to the Collin County Toll Road Authority Enterprise Fund from the 2007 Road Bond Fund (\$185,478) and the General Fund (\$6,885) that are 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.

(n) Leases

As lessor, the Health Care Foundation has a number of non-cancelable operating leases with minimum future rental revenues in aggregate of \$2,644,283. The buildings are carried at a book value of \$6,860,522 with accumulated depreciation of \$5,201,600. Future minimum rental revenue applicable to the operating leases are as follows:

		HCF Contractual Future Rental	
<u>Fiscal Year</u>		<u>Revenues</u>	
2018	\$	353,891	
2019		277,593	
2020		57,247	
2021		14,448	
2022		13,244	
Total	\$	<u>716,424</u>	

Collin County leases office space under operating leases that expire over periods of up to five years. Most of the leases are non-cancelable and renewal options are available. The aggregate total of these lease obligations is \$2,644,284 for the year ended September 30, 2017. At September 30, 2017, future minimum rental obligations applicable to the operating leases are as follows:

<u>Fiscal Year</u>	<u>Contractual Future Rental Obligations</u>
2018	\$ 1,018,947
2019	846,029
2020	779,308
Total	<u>\$ 2,644,284</u>

(o) Restricted and Committed Encumbrances

Encumbrances at year end are reported as restricted or committed fund balance. Encumbrance balances are generally rolled over at year end into the next year, and the budget is increased in the new year to cover the encumbrance. Encumbrances in funds other than the General Fund are included in restricted fund balances of those funds. Encumbrances in the General Fund are reflected in committed fund balance in an amount of \$36,186,620. The Commissioners Court has taken action to commit these rolled-over encumbrances to fund the outstanding purchase orders from the prior year. Of this amount, the more significant encumbrances are as follows:

• Permanent improvement building projects	\$5,992,253
• Radio tower project	7,391,766
• Right-of-Way acquisitions for CCTRA	6,000,000
• Information technology projects	5,423,720
• Capital replacement	3,076,484

Encumbrances in an amount of \$1,751,493 were rolled over in the General Road and Bridge Fund. Of this amount, \$1,032,954 was for equipment for which the purchase was not completed in 2017, and \$370,427 of encumbrances were rolled over for road maintenance projects.

The Health Care Foundation fund had \$405,397 of restricted encumbrances roll over from 2017 to 2018. Of these amounts \$166,010 was rolled over for grant programs to non-profit organizations, and \$171,253 is related to the Regional Health Partnership 18 Anchor.

An encumbered amount of \$642,756 was rolled over in all other governmental funds. Of this amount \$513,525 was rolled over for preserving records.

IV. OTHER INFORMATION

(a) Risk Management

The County 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 Employee Insurance 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, 2017, the County paid \$1,055 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 \$250 per person.

The Employee Insurance Fund had an increase of \$6,146,571 in benefits paid (30.6%) in 2017 after experiencing a decrease in claims in 2016 of \$804,008 (3.7%); however, total net position decreased by only \$1.1 million in spite of the increased claims to \$4.7 million due to the County increasing the per employee funding from \$905 to \$1,055 per employee per month. The County paid an additional \$3 million into the fund (\$1,956 per eligible employee) in 2016 to place the fund in a better position to handle unexpectedly large claims as has been experienced in prior years. Management continues to monitor the claims and has made changes to coverage to help keep costs down.

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. In 2017 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 2017 and 2016 follow (in thousands):

	Prior Year			Current Year	
	Liability	Estimates	Payments	Liability	
2017 Employee Insurance	\$ 855	\$ 26,942	\$ 26,942	\$ 855	
2016 Employee Insurance	\$ 855	\$ 20,795	\$ 20,795	\$ 855	
2017 Workers' Compensation	\$ 638	\$ 214	\$ 214	\$ 638	
2016 Workers' Compensation	\$ 638	\$ 311	\$ 311	\$ 638	
2017 Liability Insurance	\$ 447	\$ 1,007	\$ 1,007	\$ 447	
2016 Liability Insurance	\$ 447	\$ 908	\$ 908	\$ 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 Commissioners Court; however, it is only available to employees hired before December 18, 2007. There is no liability as of September 30, 2017, because the full longevity payment has been recorded in the Government Fund Statements as a current expenditure since the liability was paid as part of the last payroll in 2017.

(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 with no 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 eligibility for Medicare coverage. No post-employment liability exists since retirees are paying the full cost of this benefit.

(e) Retirement Commitments

Plan Description

The County Employee Pension Plan (CEPP) provides retirement, disability and death benefits for all of its full-time employees through an agent multiple-employer defined benefit pension plan in the Texas County and District Retirement System (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.

Benefits Provided

TCDRS provides retirement, disability and death benefits for all full-time employees. Benefit amounts are determined by the sum of the employee's contributions to the plan, with interest at a fixed 7% rate per annum, 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 contribution commitment. 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.

Benefit terms provide for cost-of-living adjustments to each employee's retirement allowance subsequent to the employee's retirement date. The Commissioners Court chooses to provide cost-of-living adjustment every third year. The amount of the adjustment is also determined every third year by the Commissioners Court.

Employees covered by benefit terms

As of December 31, 2016, the plan had 3,292 members of which 1,665 are depositing members and 908 are inactive members entitled but not yet receiving benefits. As of December 31, 2016 there were 719 retired employees receiving benefits from the program averaging \$2,163 per month.

Contributions

The County 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 required actuarial rate as of December 31, 2016, was 6.77%; however, the County contributed an amount of 8.0% in 2017 which was the same as 2016. 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 employee benefits in the future. The contribution rate payable by the employee members for the calendar years of 2017 and 2016 was 7.0% 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.

(f) Net Pension Liability

The County's net pension liability was measured as of December 31, 2016, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of that date.

Actuarial Assumptions

The total pension liability in the December 31, 2016, actuarial valuation was determined using the following actuarial assumptions, applied to all periods included in the measurement:

Real rate of return	5.0%
Inflation	3.0%
Investment rate of return	8.0%
Salary increases	4.9%

Mortality rates are as follows:

Depositing members

The RP-2000 Active Employee Mortality Table for males with a two-year set-forward and the RP-2000 Active Employee Mortality Table for females with a four-year setback, both with the projection scale AA and then projected with 110% of the MP-2014 Ultimate scale thereafter.

Service retirees, beneficiaries and non-depositing members

The RP-2000 Combined Mortality Table with the projection scale AA and then projected with 110% of the MP-2014 Ultimate scale thereafter, with a one-year set-forward for males and no age adjustment for females.

Disabled retirees

RP-2000 Disabled Mortality Table projected to 2014 with scale AA and then projected with 110% of the MP-2014 Ultimate scale thereafter, with no age adjustment for males and a two-year set-forward for females.

The long-term expected rate of return on TCDRS assets is determined by adding expected inflation to expected long-term real returns, and reflecting expected volatility and correlation. The capital market assumptions and information shown below are provided by TCDRS' investment consultant, Cliffwater LLC. The numbers shown are based on January 2017 information for a 7-10 year time horizon.

Note that the valuation assumption for long-term expected return is re-assessed at a minimum of every four years, and is set based on a 30-year time horizon; the most recent analysis was performed in 2013.

Asset Class	Benchmark	Target Allocation ⁽¹⁾	Geometric Real Rate of Return ⁽²⁾
U.S. Equities	Dow Jones U.S. Total Stock Market Index	13.50%	4.70%
Private Equity	Cambridge Associates Global Private Equity & Venture Capital Index ⁽³⁾	16.00%	7.70%
Global Equities	MSCI World (net) Index	1.50%	5.00%
Int'l Equities - Developed Markets	MSCI World Ex USA (net)	10.00%	4.70%
Int'l Equities - Emerging Markets	MSCI EM Standard (net) Index	7.00%	5.70%
Investment-Grade Bonds	Bloomberg Barclays U.S. Aggregate Bond Index	3.00%	0.60%
High-Yield Bonds	Citigroup High-Yield Cash-Pay Capped Index	3.00%	3.70%
Opportunistic Credit	Citigroup High-Yield Cash-Pay Capped Index	2.00%	3.83%
Direct Lending	S&P/LSTA Leveraged Loan Index	10.00%	8.15%
Distressed Debt	Cambridge Associates Distressed Securities Index ⁽⁴⁾	3.00%	6.70%
REIT Equities	67% FTSE NAREIT Equity REITs Index + 33% FTSE EPRA/NAREIT Global Real Estate Index	2.00%	3.85%
Master Limited Partnerships (MLPs)	Alerian MLP Index	3.00%	5.60%
Private Real Estate Partnerships	Cambridge Associates Real Estate Index ⁽⁵⁾	6.00%	7.20%
Hedge Funds	Hedge Fund Research, Inc. (HFRI) Fund of Funds Composite Index	20.00%	3.85%

⁽¹⁾ Target asset allocation adopted at the April 2017 TCDRS Board meeting.

⁽²⁾ Geometric real rates of return equal the expected return minus the assumed inflation rate of 2.0%, per Cliffwater's 2017 capital market assumptions.

⁽³⁾ Includes vintage years 2006-present of Quarter Pooled Horizon IRRs.

⁽⁴⁾ Includes vintage years 2005-present of Quarter Pooled Horizon IRRs.

⁽⁵⁾ Includes vintage years 2007-present of Quarter Pooled Horizon IRRs.

Discount Rate

The discount rate used to calculate the total pension asset was 8.10%. This rate reflects the long-term rate of return funding valuation assumption of 8.0% plus a 0.10% adjustment to be gross of the administration expenses. The plan's fiduciary net position is projected to be available to make all projected future benefit payments of current active, inactive, and retired members. Therefore, the discount rate for calculating the total pension liability is equal to the long-term expected rate of return, and the municipal bond rate does not apply.

Changes in the Net Pension Asset

Net Pension Liability / (Asset)

Net Pension Liability / (Asset)	December 31, 2015	December 31, 2016
Total pension liability	\$446,871,315	\$475,026,049
Fiduciary net position	449,605,887	475,857,901
Net pension liability / (asset)	(2,734,573)	(831,851)
Fiduciary net position as a % of total pension liability	100.61%	100.18%
Pensionable covered payroll ⁽¹⁾	\$89,312,442	\$92,657,082
Net pension liability as a % of covered payroll	(3.06%)	(0.90%)

The total pension liability was determined by an actuarial valuation as of the valuation date, calculated based on the discount rate and actuarial assumptions below.

Sensitivity of the Net Pension Asset to Changes in the Discount Rate

The following presents the net pension asset of the County, calculated using the discount rate of 8.10%, as well as what the County net pension liability / (asset) would be if it were calculated using a discount rate that is one percentage point lower (7.10%) or 1 percentage point higher (9.10%) than the current rate as of December 31, 2016.

	1% Decrease 7.10%	Current Discount Rate 8.10%	1% Increase 9.10%
Total pension liability	\$539,297,340	\$475,026,049	\$421,691,535
Fiduciary net position	475,857,901	475,857,901	475,857,901
Net pension liability / (asset)	\$63,439,440	(\$831,851)	(\$54,166,365)

Pension Plan Fiduciary Net Position

Detailed information about the pension plan's fiduciary net position is available in the separately issued TCDRS financial report.

(g) Pension Expense and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions

For the year ended December 31, 2016, the County recognized pension expense of \$11,644,950. At September 30, 2017, the County reported deferred outflows of resources and deferred inflows of resources related to the pensions from the following sources:

Deferred Inflows/Outflows of Resources	Deferred Inflows of Resources		Deferred Outflows of Resources	
	Resources		of Resources	
Differences between expected and actual experience	\$	4,370,185	\$	-
Changes of assumptions		-		2,972,257
Net difference between projected and actual earnings		-		34,139,904
Contributions made subsequent to measurement date		-		6,009,060

An amount of \$6,009,060 is reported as deferred outflows of resources related to pension resulting from contributions subsequent to the measurement date will be recognized as an addition to the net pension asset for the year ending September 30, 2017. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense as follows:

Year ended December 31:

2017	\$ 11,329,331
2018	11,329,331
2019	9,968,289
2020	327,741
2021	(212,716)
Thereafter	-

(h) Payable to the Pension Plan

In 2017 the County reported a payable of \$1,091,074 for the outstanding amount of employer contributions to the pension plan required for the year ending September 30, 2017.

(i) Tax Abatements

Collin County occasionally will piggyback on tax abatements which are negotiated by cities within the County to promote economic activity and attract new businesses into the County to grow the tax base. As of September 30, 2017, the County has tax abatement agreement with 23 businesses. Each agreement was negotiated under Section 312 of the State of Texas Tax Code, and most agreements allow for a 50% abatement of the taxable value of property. There are no provisions for recapture of the abated taxes. The County has not made any commitments as part of the agreements other than to reduce taxes. The County is not subject to any tax abatement agreements entered into by other governmental entities.

<u>Business</u>	Contracted Property Abatement	
	<u>Tax Reduction</u>	<u>Percentage</u>
Advanced Neuromodulation Systems Inc.	\$ 1,934	50%
Capital One National Association	85,600	60%
Capital One Services LLP	12,817	50%
CIGNA Health & Life Insurance Company	4,146	50%
Cisco Systems Sales & Service	12,108	50%
Cole of Plano TX LLC	103,515	50%
FedEx Office & Print Services Inc.	13,201	50%
Glendale Heights LLC	8,321	50%
Health Care Service Corporation	230,431	50%
KDC Legacy HQ Investments One LP	28,480	50%
Liberty Property Limited Partnership	2,667	50%
Luminator Holding LP	3,624	50%
One Allen LL LLC	16,695	50%
Raytheon Company	990	50%
Rent-A-Center Texas LP	22,539	50%
Rental Store Inc	3,951	50%
Texas Instruments Inc.	625,069	100%
TMK Properties LP	13,227	50%
United American Insurance Company	5,304	50%
Total	<u>\$ 1,194,618</u>	

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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, 2017

	<u>Budget</u>		<u>Actual</u>	<u>Variance with Final Budget positive (negative)</u>
	<u>Original</u>	<u>Final</u>		
Revenues:				
Property taxes	\$ 164,491,161	\$ 164,491,161	\$ 167,450,654	\$ 2,959,493
Licenses and permits	630,000	630,000	612,412	(17,588)
Federal and state funds	5,918,919	5,918,919	6,693,935	775,016
Fees and charges for services	17,167,088	17,167,088	21,481,105	4,314,017
Fines and forfeitures	1,412,000	1,412,000	1,421,753	9,753
Rental revenues	283,200	283,200	337,917	54,717
Interest	1,821,000	1,821,000	1,751,589	(69,411)
Miscellaneous	248,500	248,500	412,215	163,715
Total revenues	<u>191,971,868</u>	<u>191,971,868</u>	<u>200,161,580</u>	<u>8,189,712</u>
Expenditures:				
Current:				
General administration	43,711,792	41,468,812	30,519,128	10,949,684
Judicial	19,730,726	19,815,842	18,870,895	944,947
Financial administration	12,636,414	12,795,540	12,032,689	762,851
Legal	13,976,915	13,976,915	12,375,664	1,601,251
Public facilities	11,770,018	11,748,404	10,264,723	1,483,681
Equipment services	2,891,132	2,891,132	1,718,408	1,172,724
Public safety	61,447,466	61,378,326	59,945,687	1,432,639
Health and welfare	16,973,870	18,367,120	17,624,831	742,289
Culture and recreation	926,030	927,730	867,883	59,847
Conservation	271,709	271,709	211,391	60,318
Capital outlay:	<u>39,993,380</u>	<u>40,685,466</u>	<u>12,476,871</u>	<u>28,208,595</u>
Total expenditures	<u>224,329,452</u>	<u>224,326,996</u>	<u>176,908,170</u>	<u>47,418,826</u>
Excess of revenues over expenditures	<u>(32,357,584)</u>	<u>(32,355,128)</u>	<u>23,253,410</u>	<u>55,608,538</u>
Other financing sources (uses):				
Transfers in	-	27,294	26,876	(418)
Transfers out	(1,245,455)	(1,245,455)	(1,238,798)	6,657
Sale of assets	-	-	301,171	301,171
Total other financing sources (uses)	<u>(1,245,455)</u>	<u>(1,218,161)</u>	<u>(910,751)</u>	<u>307,410</u>
Net change in fund balance	<u>(33,603,039)</u>	<u>(33,573,289)</u>	<u>22,342,659</u>	<u>55,915,948</u>
Fund balance – beginning	<u>250,339,642</u>	<u>250,339,642</u>	<u>250,339,642</u>	<u>-</u>
Fund balance – ending	<u>\$ 216,736,603</u>	<u>\$ 216,766,353</u>	<u>\$ 272,682,301</u>	<u>\$ 55,915,948</u>

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, 2017

	Budget			Variance with Final Budget positive (negative)
	Original	Final	Actual	
Revenues:				
Property taxes	\$ 430,411	\$ 430,411	\$ 437,670	\$ 7,259
Licenses and permits	5,000	5,000	4,437	(563)
Fees & charges for services:				
Road mileage fees	9,500,000	9,500,000	10,335,773	835,773
Vehicle title fees	850,000	850,000	1,050,775	200,775
Road & bridge fees	7,870,000	7,870,000	8,192,388	322,388
Total fees & charges for services	18,220,000	18,220,000	19,578,936	1,358,936
Fines and forfeitures:				
County clerk	1,305,650	1,305,650	963,909	(341,741)
District clerk	598,750	598,750	564,836	(33,914)
Total fines and forfeitures	1,904,400	1,904,400	1,528,745	(375,655)
Other local government funds	-	-	34,516	34,516
Interest	60,000	60,000	365,855	305,855
Miscellaneous:				
Sale of road and bridge materials	50,000	50,000	47,946	(2,054)
Other and grants	10,500	10,500	118,585	108,085
Total miscellaneous	60,500	60,500	166,531	106,031
Total revenues	20,680,311	20,680,311	22,116,690	1,436,379
Expenditures:				
Current:				
Public Transportation:				
Road and Bridge Maintenance:				
Salaries and benefits	5,744,721	5,744,721	5,427,921	316,800
Training and travel	14,616	14,616	11,747	2,869
Maintenance and operating	15,677,303	15,677,303	5,252,995	10,424,308
Total road and bridge maintenance	21,436,640	21,436,640	10,692,663	10,743,977
Engineering:				
Salaries and benefits	532,863	532,863	461,980	70,883
Training and travel	13,785	13,785	2,563	11,222
Maintenance and operating	28,175	28,175	3,427	24,748
Total engineering	574,823	574,823	467,970	106,853

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, 2017

	Budget			Variance with Final Budget positive (negative)
	Original	Final	Actual	
Services and Operations:				
Salaries and benefits	\$ 512,657	\$ 512,657	\$ 509,370	\$ 3,287
Training and travel	10,493	10,493	5,947	4,546
Maintenance and operating	3,590	3,590	1,119	2,471
Total services and operations	526,740	526,740	516,436	10,304
Soil Conservation:				
Maintenance and operating	44,035	44,035	24,773	19,262
Special Projects:				
Salaries and benefits	161,679	164,383	164,383	-
Training and travel	1,425	-	-	-
Maintenance and operating	600	247	247	-
Total special projects	163,704	164,630	164,630	-
Non-departmental:				
Maintenance and operating	728,081	726,390	310,623	415,767
Total non-departmental	23,474,023	23,473,258	12,177,095	11,296,163
Capital outlay:				
Public Transportation:				
Road and Bridge				
Maintenance	3,299,681	4,130,166	2,756,956	1,373,210
Total capital outlay	3,299,681	4,130,166	2,756,956	1,373,210
Total expenditures	26,773,704	27,603,424	14,934,051	12,669,373
Excess (deficiency) of revenues over (under) expenditures	(6,093,393)	(6,923,113)	7,182,639	14,105,752
Other financing sources (uses):				
Sale of assets	-	-	306,931	306,931
Total other financing sources (uses)	-	-	306,931	306,931
Net change in fund balance	(6,093,393)	(6,923,113)	7,489,570	14,412,683
Fund balance – beginning	35,854,368	35,854,368	35,854,368	-
Fund balance – ending	\$ 29,760,975	\$ 28,931,255	\$ 43,343,938	\$ 14,412,683

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, 2017

	Budget			Variance with Final Budget positive (negative)
	Original	Final	Actual	
Revenues:				
Federal and state funds	\$ 40,000	\$ 40,000	\$ 355,908	\$ 315,908
Fees and charges for services	106,500	106,500	144,344	37,844
Rental revenues	1,086,275	1,086,275	1,098,582	12,307
Interest	80,000	80,000	39,009	(40,991)
Miscellaneous	15,000	15,000	21,591	6,591
Total revenues	<u>1,327,775</u>	<u>1,327,775</u>	<u>1,659,434</u>	<u>331,659</u>
Expenditures:				
Current:				
Health and Welfare:				
Salaries and benefits	2,208,899	2,208,899	2,022,224	186,675
Training and travel	46,000	46,000	32,542	13,458
Maintenance and operating	2,133,010	2,133,010	879,284	1,253,726
Total health and welfare	<u>4,387,909</u>	<u>4,387,909</u>	<u>2,934,050</u>	<u>1,453,859</u>
Public Facilities:				
Maintenance and operating	184,975	184,975	82,341	102,634
Total public facilities	<u>184,975</u>	<u>184,975</u>	<u>82,341</u>	<u>102,634</u>
Capital Outlay:				
Health and Welfare	35,749	35,749	18,149	17,600
Total capital outlay	<u>35,749</u>	<u>35,749</u>	<u>18,149</u>	<u>17,600</u>
Total expenditures	<u>4,608,633</u>	<u>4,608,633</u>	<u>3,034,540</u>	<u>1,574,093</u>
Excess (deficiency) of revenues over (under) expenditures	<u>(3,280,858)</u>	<u>(3,280,858)</u>	<u>(1,375,106)</u>	<u>1,905,752</u>
Other financing sources (uses):				
Transfers in	500,000	500,000	500,000	-
Total other financing sources (uses)	<u>500,000</u>	<u>500,000</u>	<u>500,000</u>	<u>-</u>
Net change in fund balance	<u>(2,780,858)</u>	<u>(2,780,858)</u>	<u>(875,106)</u>	<u>1,905,752</u>
Fund balance – beginning	<u>4,619,375</u>	<u>4,619,375</u>	<u>4,619,375</u>	<u>-</u>
Fund balance – ending	<u>\$ 1,838,517</u>	<u>\$ 1,838,517</u>	<u>\$ 3,744,269</u>	<u>\$ 1,905,752</u>

COLLIN COUNTY, TEXAS

REQUIRED SUPPLEMENTARY INFORMATION

SEPTEMBER 30, 2017

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 Fund, Grants Fund, LEOSE Fund, Tax Assessor/Collector Motor Vehicle Tax Fund, Sheriff Forfeiture Fund, District Attorney State Forfeiture Fund, District Attorney Service Fee Fund, Juvenile Case Manager Fund, District Attorney Pretrial Intervention Program Fund, SCAAP Fund, District Attorney Apportionment Fund, District Attorney Federal Treasury Forfeiture Fund, District Attorney Federal Justice Forfeiture Fund, and the Constable Precinct 3 Forfeiture Fund. The budget for all capital project funds are adopted by project on a project-life term at the time debt is issued and amended as needed, 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 ministerial 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.

Schedule of Changes in Net Pension Liability and Related Ratios

	Year Ended December 31									
	2016	2015	2014	2013	2012	2011	2010	2009	2008	2007
Total Pension Liability										
Service cost	\$13,724,564	\$13,068,419	\$12,751,521	N/A	N/A	N/A	N/A	N/A	N/A	N/A
Interest on total pension liability	35,938,168	33,995,281	31,777,414	N/A	N/A	N/A	N/A	N/A	N/A	N/A
Effect of plan changes	0	(2,585,536)	0	N/A	N/A	N/A	N/A	N/A	N/A	N/A
Effect of assumption changes or inputs	0	4,458,386	0	N/A	N/A	N/A	N/A	N/A	N/A	N/A
Effect of economic/demographic (gains) or losses	(1,276,298)	(4,696,582)	(351,099)	N/A	N/A	N/A	N/A	N/A	N/A	N/A
Benefit payments/refunds of contributions	<u>(20,231,700)</u>	<u>(19,104,645)</u>	<u>(16,683,122)</u>	<u>N/A</u>	<u>N/A</u>	<u>N/A</u>	<u>N/A</u>	<u>N/A</u>	<u>N/A</u>	<u>N/A</u>
Net change in total pension liability	28,154,734	25,135,323	27,494,714	N/A	N/A	N/A	N/A	N/A	N/A	N/A
Total pension liability, beginning	<u>446,871,315</u>	<u>421,735,992</u>	<u>394,241,278</u>	<u>N/A</u>	<u>N/A</u>	<u>N/A</u>	<u>N/A</u>	<u>N/A</u>	<u>N/A</u>	<u>N/A</u>
Total pension liability, ending (a)	<u>\$475,026,049</u>	<u>\$446,871,315</u>	<u>\$421,735,992</u>	<u>N/A</u>	<u>N/A</u>	<u>N/A</u>	<u>N/A</u>	<u>N/A</u>	<u>N/A</u>	<u>N/A</u>
Fiduciary Net Position										
Employer contributions	\$7,410,845	\$7,144,995	\$6,994,962	N/A	N/A	N/A	N/A	N/A	N/A	N/A
Member contributions	6,485,996	6,251,871	6,123,006	N/A	N/A	N/A	N/A	N/A	N/A	N/A
Investment income net of investment expenses	33,239,797	(10,637,397)	29,115,380	N/A	N/A	N/A	N/A	N/A	N/A	N/A
Benefit payments/refunds of contributions	(20,231,700)	(19,104,645)	(16,683,122)	N/A	N/A	N/A	N/A	N/A	N/A	N/A
Administrative expenses	(361,548)	(329,559)	(349,826)	N/A	N/A	N/A	N/A	N/A	N/A	N/A
Other	<u>(291,376)</u>	<u>14,870</u>	<u>1,494</u>	<u>N/A</u>	<u>N/A</u>	<u>N/A</u>	<u>N/A</u>	<u>N/A</u>	<u>N/A</u>	<u>N/A</u>
Net change in fiduciary net position	26,252,013	(15,659,866)	25,201,894	N/A	N/A	N/A	N/A	N/A	N/A	N/A
Fiduciary net position, beginning	<u>449,605,887</u>	<u>466,265,753</u>	<u>441,063,859</u>	<u>N/A</u>	<u>N/A</u>	<u>N/A</u>	<u>N/A</u>	<u>N/A</u>	<u>N/A</u>	<u>N/A</u>
Fiduciary net position, ending (b)	<u>\$475,857,901</u>	<u>\$449,605,887</u>	<u>\$466,265,753</u>	<u>N/A</u>	<u>N/A</u>	<u>N/A</u>	<u>N/A</u>	<u>N/A</u>	<u>N/A</u>	<u>N/A</u>
Net pension liability / (asset), ending = (a) - (b)	<u>(\$831,851)</u>	<u>(\$2,734,573)</u>	<u>(\$44,529,762)</u>	<u>N/A</u>	<u>N/A</u>	<u>N/A</u>	<u>N/A</u>	<u>N/A</u>	<u>N/A</u>	<u>N/A</u>
Fiduciary net position as a % of total pension liability	100.18%	100.61%	110.56%	N/A	N/A	N/A	N/A	N/A	N/A	N/A
Pensionable covered payroll	\$92,657,082	\$89,312,442	\$87,437,029	N/A	N/A	N/A	N/A	N/A	N/A	N/A
Net pension liability/(asset) as % of covered payroll	-0.90%	-3.06%	-50.93%	N/A	N/A	N/A	N/A	N/A	N/A	N/A

This schedule is presented to illustrate the requirement to show information for 10 years. However, recalculations of prior years are not required, and if prior years are not reported in accordance with the standards of GASB 67/68, they should not be shown here. Therefore, we have shown only years for which the new GASB statements have been implemented.

Schedule of Employer Contributions

Year Ending December 31	Actuarially Determined Contribution ⁽¹⁾	Actual Employer Contribution ⁽¹⁾	Contribution Deficiency (Excess)	Pensionable Covered Payroll ⁽²⁾	Actual Contribution as a % of Covered Payroll
2007	\$9,568,623	\$9,820,015	\$(251,392)	\$78,560,122	12.5%
2008	9,735,517	10,200,667	(465,150)	81,605,336	12.5%
2009	10,626,371	12,518,526	(1,892,155)	87,604,045	14.3%
2010	10,951,413	16,514,336	(5,562,923)	85,291,381	19.4%
2011	9,024,076	47,003,779	(37,979,704)	85,213,179	55.2%
2012	6,441,050	8,536,635	(2,095,584)	84,306,943	10.1%
2013	6,850,764	18,832,813	(11,982,049)	84,997,069	22.2%
2014	6,015,668	6,994,962	(979,295)	87,437,029	8.0%
2015	5,546,303	7,144,995	(1,598,693)	89,312,442	8.0%
2016	5,290,719	7,410,845	(2,120,126)	92,657,082	8.0%

COLLIN COUNTY, TEXAS

Notes to Required Supplementary Information - Texas County and District Retirement System For the Year Ended September 30, 2017

Valuation Timing	Actuarially determined contribution rates are calculated as of December 31, two years prior to the end of the fiscal year in which the contributions are reported.
Actuarial Cost Method	Entry age normal
Asset Valuation Method	
Smoothing period	5 years
Recognition method	Non-asymptotic
Corridor	None
Inflation	3%
Salary Increases	Annual salary increase rates assumed for individual members vary by length of service and by entry-age group. The annual rates consist of general wage inflation component of 3.5% (made up of 3.0% inflation and 0.5% productivity increase assumptions) and a merit, promotion and longevity component that on average approximates 1.4% per year for a career employee.
Investment Rate of Return	8.1%
Cost-of Living Adjustments	Cost-of-Living Adjustments for Collin County are not considered to be substantively automatic under GASB 68. Therefore, no assumption for future cost-of-living adjustments is included in the GASB calculations. No assumption for future cost-of-living adjustments is included in the funding valuation.
Retirement Age	Experience-based table of rates based on a study of the period 2009-2012.
Turnover	New employees are assumed to replace any terminated members and have similar entry ages.
Mortality	
Depositing members	The RP-2000 Active Employee Mortality Table for males with a two-year set-forward and the RP-2000 Active Employee Mortality Table for females with a four-year setback, both with the projection scale AA.
Service retirees, beneficiaries and non-depositing members	The RP-2000 Combined Mortality Table with the projection scale AA, with a one-year set-forward for males and no age adjustment for females.
Disabled retirees	RP-2000 Disabled Mortality Table for males with no age adjustment and RP-2000 Disabled Mortality Table for females with a two-year set-forward, both with the projection scale AA.
Other Information	There were no benefit changes during the year.

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APPENDIX C

FORMS OF BOND COUNSEL'S OPINION

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\$151,005,000
COLLIN COUNTY, TEXAS
LIMITED TAX PERMANENT IMPROVEMENT BONDS,
SERIES 2019

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

COLLIN COUNTY, TEXAS LIMITED TAX PERMANENT IMPROVEMENT BONDS, SERIES 2019,
dated February 15, 2019.

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 (the "Bond Order") adopted by the Commissioners Court of the County on February 4, 2019 authorizing their issuance and the pricing certificate (the "Pricing Certificate") executed as authorized therein (the Bond Order and the Pricing Certificate are collectively referred to as the "Order" herein).

WE HAVE represented the County as its bond counsel for the sole 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 County or the disclosure thereof in connection with the sale of the Bonds. Our role in connection with the County'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 County; customary certificates of officers, agents and representatives of the County, and other public officials; and other certified showings

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#5819873.3

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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, Treasury Regulations and rulings of the Internal Revenue Service (the "Service") as we have deemed relevant. Capitalized terms used herein, unless otherwise defined, have the meanings set forth in the Order. 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 County; and

(B) 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 County, 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 under existing law:

(1) Interest on the Bonds is excludable from gross income for federal income tax purposes; 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.

In providing such opinions, we have relied on representations of the County, the County's Financial Advisor and the Purchasers with respect to matters solely within the knowledge of the County, the County's Financial Advisor and the Purchasers, respectively, which we have not independently verified and have assumed for purposes of this opinion 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. In the event that such representations are determined to be inaccurate or incomplete or the County 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 receipt or accrual of interest on, or acquisition, ownership, 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

March __, 2019

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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 otherwise qualifying for the health insurance premium assistance credit and individuals otherwise qualifying for the earned income tax 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).

Our 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 County as the taxpayer. We observe that the County 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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Financial Advisory Services
Provided By



OFFICIAL BID FORM

Honorable County Judge and Commissioners Court
Collin County, Texas

February 20, 2019

Reference is made to your Preliminary Official Statement and Notice of Sale and Bidding Instructions, dated February 13, 2019, of \$151,005,000 COLLIN COUNTY, TEXAS LIMITED TAX PERMANENT IMPROVEMENT BONDS, SERIES 2019, both of which constitute a part hereof.

For your legally issued Bonds, as described in said Notice of Sale and Bidding Instructions and Preliminary Official Statement, we will pay you \$5,948,688.92 of par for Bonds maturing and bearing interest as follows:

Maturity	Principal Amount	Interest Rate	Maturity	Principal Amount	Interest Rate	Maturity	Principal Amount	Interest Rate
2/15/2020	\$ 32,875,000	3.000%	2/15/2027	\$ 5,455,000	5.000%	2/15/2033	\$ 6,930,000	3.000%
2/15/2021	4,245,000	3.000%	2/15/2028	5,725,000	5.000%	2/15/2034	7,135,000	3.000%
2/15/2022	4,370,000	3.000%	2/15/2029	6,020,000	5.000%	2/15/2035	7,360,000	3.125%
2/15/2023	4,550,000	5.000%	2/15/2030	6,305,000	4.000%	2/15/2036	7,600,000	3.125%
2/15/2024	4,740,000	3.000%	2/15/2031	6,525,000	3.000%	2/15/2037	7,845,000	3.250%
2/15/2025	4,935,000	5.000%	2/15/2032	6,720,000	3.000%	2/15/2038	8,105,000	3.375%
2/15/2026	5,185,000	5.000%				2/15/2039	8,380,000	3.375%

Of the principal maturities set forth in the table above, term bonds have been created as indicated in the following table (which may include multiple term bonds, one term bond or no term bond if none is indicated). For those years which have been combined into a term bond, the principal amount shown in the table above shall be the mandatory sinking fund redemption amounts in such years except that the amount shown in the year of the term bond maturity date shall mature in such year. The term bonds created are as follows:

Maturity Date February 15	Year of First Mandatory Redemption	Principal Amount	Interest Rate
		\$	%
		\$	%
		\$	%

Our calculation (which is not a part of this bid) of the interest cost from the above is:

True Interest Cost 3.016744%

The Initial Bond shall be registered in the name of Bank of America Merrill Lynch, which will, upon payment for the Bonds, be canceled by the Paying Agent/Registrar. The Bonds will then be registered in the name of Cede & Co. (DTC's partnership nominee), under the Book-Entry-Only System.

A bank cashier's check or certified check of the Frost Bank, Austin, in the amount of \$1,512,850.00, which represents our Good Faith Deposit (is attached hereto) or (has been made available to you prior to the opening of this bid), and is submitted in accordance with the terms as set forth in the Preliminary Official Statement and Notice of Sale and Bidding Instructions.

We agree to accept delivery of the Bonds utilizing the Book-Entry-Only System through DTC and make payment for the Initial Bond in immediately available funds in the Corporate Trust Division, BANK OF NEW YORK TRUST COMPANY, Dallas, Texas not later than 10:00 AM, CDT, on March 20, 2019, or thereafter on the date the Bonds are tendered for delivery, pursuant to the terms set forth in the Notice of Sale and Bidding Instructions. It will be the obligation of the Initial Purchaser of the Bonds to complete the DTC Eligibility Questionnaire.

The undersigned agrees to complete, execute, and deliver to the County, not later than 5 business days prior to the delivery of the Bonds to the Initial Purchaser, a certificate relating to the "issue price" of the Bonds in the form and to the effect accompanying the Notice of Sale and Bidding Instructions, with such changes thereto as may be acceptable to the County. To the extent that such "issue price" certificate is not adequate for inclusion in the County's federal tax certificate, the undersigned agrees to execute an issue price certificate as may be required by the County's Bond Counsel.

The undersigned verifies, for purposes of Chapter 2270 (as provided by Acts 2017, 85th Leg., ch. 1, House Bill 89) of the Texas Government Code, as amended, that at the time of execution and delivery of this bid and, except to the extent otherwise required by applicable federal law, to the date of delivery of the Bonds, neither the undersigned, nor any wholly owned subsidiary, majority-owned subsidiary, parent company or affiliate of the undersigned, boycotts or will boycott Israel. The terms boycotts Israel and boycott Israel as used in this paragraph have the meanings assigned to the term boycott Israel in Section 808.001 of the Texas Government Code, as amended.

The undersigned verifies, for purposes of compliance with Section 2252.152, Texas Government Code, that neither it nor any of its parent company, wholly- or majority-owned subsidiaries, and other affiliates is a company identified on a list prepared and maintained by the Texas Comptroller of Public Accounts under Section 2252.153 or Section 2270.0201, Texas Government Code, and posted on any of the following pages of such officer's internet website: <https://comptroller.texas.gov/purchasing/docs/sudan-list.pdf>, <https://comptroller.texas.gov/purchasing/docs/iran-list.pdf>, or <https://comptroller.texas.gov/purchasing/docs/fo-list.pdf>. The term "affiliate" as used in this paragraph means any entity that controls, is controlled by, or is under common control with the bidder and exists to make a profit.

In accordance with Texas Government Code Section 2252.908 (the "Interested Party Disclosure Act"), the County may not award the Bonds to a bidder unless the winning bidder either: (i) submits a Certificate of Interested Parties Form 1295 (the "Disclosure Form") to the County as prescribed by the Texas Ethics Commission ("TEC"), or (ii) certifies below that it is exempt from filing the Disclosure Form by virtue of being a publicly traded business entity or a wholly owned subsidiary of a publicly traded business entity.

Unless the bidder certifies that it is exempt from filing a Disclosure Form with the County, upon notification of conditional verbal acceptance, the undersigned will complete an electronic form Disclosure Form through the Texas Ethics Commission's (the "TEC") electronic portal and the resulting certified Disclosure Form that is generated by the TEC's electronic portal will be printed, signed and sent by email to the County's financial advisor at nick.bulaich@hilltopsecurities.com. The undersigned understands that the failure to provide the certified Disclosure Form will prohibit the County from providing final written award of the enclosed bid.

The Purchaser (mark one):

(i) Agrees to timely make a filing of a completed Disclosure Form with the County ☐

or

(ii) Hereby certifies that it is exempt from filing the Disclosure Form by virtue of being a publicly traded business entity or a wholly owned subsidiary of a publicly traded business entity ☒.

We agree to provide in writing the initial reoffering prices and other terms, if any, to the Financial Advisor by the close of the next business day after the award.

Respectfully submitted,

Syndicate Members:

Robert C. Holmes

Name of Initial Purchaser or Manager

Authorized Representative

212-449-5081

Phone Number

[Signature]

Signature

ACCEPTANCE CLAUSE

The above and foregoing bid is hereby in all things accepted by the Collin County, Texas, subject to and in accordance with the Notice of Sale and Bidding Instructions, this the 20th day of February, 2019.

ATTEST:

[Signature]
Pricing Officer
Collin County, Texas

PAYING AGENT/REGISTRAR AGREEMENT

between

COLLIN COUNTY, TEXAS

and

THE BANK OF NEW YORK MELLON TRUST COMPANY, N.A.

Pertaining to

Collin County, Texas
Limited Tax Permanent Improvement Bonds
Series 2019

Dated as of February 15, 2019

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PAYING AGENT/REGISTRAR AGREEMENT

THIS PAYING AGENT/REGISTRAR AGREEMENT (this "Agreement") is by and between Collin County, Texas (the "Issuer"), and The Bank of New York Mellon Trust Company, N.A. (the "Bank"), a national banking association organized under the laws of the United States of America.

WHEREAS, the Issuer has duly authorized and provided for the issuance of its Limited Tax Permanent Improvement Bonds, Series 2019 (the "Bonds"), dated as of February 15, 2019 to be issued as registered securities without coupons;

WHEREAS, all things necessary to make the Bonds the valid obligations of the Issuer, in accordance with their terms, will be taken upon the issuance and delivery thereof;

WHEREAS, the Issuer is desirous that the Bank act as the Paying Agent of the Issuer in paying the principal, redemption premium, if any, and interest on the Bonds, in accordance with the terms thereof, and that the Bank act as Registrar for the Bonds;

WHEREAS, the Issuer has duly authorized the execution and delivery of this Agreement; and all things necessary to make this Agreement the valid agreement of the Issuer, in accordance with its terms, have been done;

NOW, THEREFORE, it is mutually agreed as follows:

ARTICLE I

APPOINTMENT OF BANK AS PAYING AGENT AND REGISTRAR

Section 1.01. Appointment. (a) The Issuer hereby appoints the Bank to act as Paying Agent with respect to the Bonds in paying to the Owners of the Bonds the principal, redemption premium, if any, and interest on all or any of the Bonds.

(b) The Issuer hereby appoints the Bank as Registrar with respect to the Bonds.

(c) The Bank hereby accepts its appointment, and agrees to act as, the Paying Agent and Registrar.

Section 1.02. Compensation. (a) As compensation for the Bank's services as Paying Agent/Registrar, the Issuer hereby agrees to pay the Bank the fees and amounts set forth in Annex A hereto for the first year of this Agreement, or such part thereof, this Agreement shall be in effect, and thereafter while this Agreement is in effect, the fees and amounts set forth in the Bank's current fee schedule then in effect for services as Paying Agent/Registrar for counties, which shall be supplied to the Issuer on or before 90 days prior to the close of the Fiscal Year of the Issuer, and shall be effective upon the first day of the following Fiscal Year.

(b) In addition, the Issuer agrees to reimburse the Bank upon its request for all reasonable expenses, disbursements, and advances incurred or made by the Bank in accordance

with any of the provisions hereof, including the reasonable compensation and the expenses and disbursements of its agents and counsel.

Section 1.03. Anti-Boycott Verification. The Bank hereby verifies that it and its parent company, wholly- or majority-owned subsidiaries, and other affiliates, if any, do not boycott Israel and, to the extent this Agreement is a contract for goods or services, will not boycott Israel during the term of this Agreement. The foregoing verification is made solely to comply with Section 2270.002, Texas Government Code, and to the extent such Section does not contravene applicable Federal law. As used in the foregoing verification, 'boycott Israel' means refusing to deal with, terminating business activities with, or otherwise taking any action that is intended to penalize, inflict economic harm on, or limit commercial relations specifically with Israel, or with a person or entity doing business in Israel or in an Israeli-controlled territory, but does not include an action made for ordinary business purposes. The Bank understands 'affiliate' to mean an entity that controls, is controlled by, or is under common control with the Bank and exists to make a profit.

Section 1.04. Iran, Sudan and Foreign Terrorist Organizations. The Bank represents that neither it nor any of its parent company, wholly- or majority-owned subsidiaries, and other affiliates is a company identified on a list prepared and maintained by the Texas Comptroller of Public Accounts under Section 2252.153 or Section 2270.0201, Texas Government Code, and posted on any of the following pages of such officer's internet website: <https://comptroller.texas.gov/purchasing/docs/sudan-list.pdf>, <https://comptroller.texas.gov/purchasing/docs/iran-list.pdf>, or <https://comptroller.texas.gov/purchasing/docs/fto-list.pdf>. The foregoing representation is made solely to comply with Section 2252.152, Texas Government Code, and to the extent such Section does not contravene applicable Federal law neither the Bank nor any wholly- or majority-owned subsidiaries, and other affiliates, if any, that the United States government has affirmatively declared to be excluded from its federal sanctions regime relating to Sudan or Iran or any federal sanctions regime relating to a foreign terrorist organization. The Bank understands "affiliate" to mean any entity that controls, is controlled by, or is under common control with the Bank and exists to make a profit.

Section 1.05. Form 1295 Exemption. The Bank represents that it is a wholly owned subsidiary of The Bank of New York Mellon Corporation, a publicly traded business entity, and therefore this Agreement is exempt from Section 2252.908, Texas Government Code, as amended.

ARTICLE II

DEFINITIONS

Section 2.01. Definitions. For all purposes of this Agreement, except as otherwise expressly provided or unless the context otherwise requires, the following terms have the following meanings when used in this Agreement:

“Bond” or “Bonds” means any or all of the Issuer’s Limited Tax Permanent Improvement Bonds, Series 2019, dated February 15, 2019, and issued in the aggregate principal amount of \$151,005,000.

“Designated Payment/Transfer Office” means the corporate trust office of the Bank located in Dallas, Texas, or in such other location as designated by the Paying Agent/Registrar. The Bank will notify the Issuer in writing of any change in the location of the Designated Payment/Transfer Office.

“Financial Advisor” means Hilltop Securities Inc.

“Fiscal Year” means the fiscal year of the Issuer.

“Issuer Request” and “Issuer Order” means a written request or order signed in the name of the Issuer by the County Judge, the County Clerk, or any other authorized representative of the Issuer and delivered to the Bank.

“Legal Holiday” means a day on which the Bank is required or authorized by applicable law to be closed.

“Order” means the resolution, order, or ordinance of the governing body of the Issuer pursuant to which the Bonds are issued, certified by the County Clerk or any other officer of the Issuer, and delivered to the Bank.

“Owner” means the Person in whose name a Bond is registered in the Register.

“Person” means any individual, corporation, partnership, joint venture, association, joint stock company, trust, unincorporated organization, or government or any agency or political subdivision of a government.

“Predecessor Bonds” of any particular Bond means every previous Bond evidencing all or a portion of the same obligation as that evidenced by such particular Bond (and, for the purposes of this definition, any Bond registered and delivered under Section 4.06 in lieu of a mutilated, lost, destroyed or stolen Bond shall be deemed to evidence the same obligation as the mutilated, lost, destroyed or stolen Bond).

“Record Date” means the last business day of the month next preceding an interest payment date established by the Order.

“Register” means a register in which the Issuer shall provide for the registration and transfer of Bonds.

“Responsible Officer” when used with respect to the Bank means the Chairman or Vice Chairman of the Board of Directors, the Chairman or Vice Chairman of the Executive Committee of the Board of Directors, the President, any Vice President, the Secretary, any Assistant Secretary, the Treasurer, any Assistant Treasurer, the Cashier, any Assistant Cashier, any Trust Officer or Assistant Trust Officer, or any other officer of the Bank customarily performing functions similar to those performed by any of the above designated officers and also

means, with respect to a particular corporate trust matter, any other officer to whom such matter is referred because of his knowledge of and familiarity with the particular subject.

“Stated Maturity” means the date specified in the Order as the fixed date on which the principal of the Bonds is due and payable or the date fixed in accordance with the terms of the Order for redemption of the Bonds, or any portion thereof, prior to the fixed maturity date.

Section 2.02. Other Definitions. The terms “Bank”, “Issuer” and “Agreement” have the meanings assigned to them in the opening paragraph of this Agreement.

ARTICLE III

PAYING AGENT

Section 3.01. Duties of Paying Agent. (a) The Bank, as Paying Agent and on behalf of the Issuer, provided adequate funds shall have been provided to it for such purpose on behalf of the Issuer, shall pay to the Owner at the Stated Maturity and upon the surrender of the Bond or Bonds so maturing at the Designated Payment/Transfer Office, the amount of the Bond or Bonds then maturing, and redemption premium, if any, at the Designated Payment/Transfer Office provided that the Bank shall have been provided by or on behalf of the Issuer adequate funds to make such payment.

(b) The Bank, as Paying Agent and on behalf of the Issuer, shall pay interest when due on the Bonds to each Owner of the Bonds (or their Predecessor Bonds) as shown in the Register at the close of business on the Record Date, provided that the Bank shall have been provided by or on behalf of the Issuer adequate funds to make such payments; such payments shall be made by computing the amount of interest to be paid each Owner, preparing the checks, and mailing the checks on each payment date addressed to the addresses thereof as appearing on the Register on the Record Date.

Section 3.02. Payment Dates. The Issuer hereby instructs the Bank to pay the principal of, redemption premium, if any, and interest on the Bonds at the dates specified in the Order.

ARTICLE IV

REGISTRAR

Section 4.01. Transfer and Exchange. (a) The Bank, as Registrar and on behalf of the Issuer, shall keep the Register at the Bank Office, and the Designated Payment/Transfer Office, and subject to such reasonable written regulations as the Issuer may prescribe, which regulations shall be furnished the Bank herewith or subsequent hereto by Issuer Order, the Issuer shall provide for the registration and transfer of the Bonds. The Bank is hereby appointed “Registrar” for the purpose of registering and transferring the Bonds as herein provided. The Bank agrees to maintain the Register while it is Registrar.

(b) The Bank as Registrar hereby agrees that at any time while any Bond is outstanding, the Owner may deliver such Bond to the Designated Payment/Transfer Office for transfer or exchange, accompanied by instructions from the Owner, or the duly authorized

designee of the Owner, designating the persons, the maturities, and the principal amounts to and in which such Bond is to be transferred and the addresses of such persons; the Bank shall thereupon, within not more than three (3) business days, register and deliver such Bond or Bonds as provided in such instructions. The provisions of the Order shall control the procedures for transfer or exchange set forth herein to the extent such procedures are in conflict with the provisions of the Order.

(c) Every Bond surrendered for transfer or exchange shall be duly endorsed or be accompanied by a written instrument of transfer, the signature on which has been guaranteed in a manner acceptable to the Paying Agent/Registrar and in form satisfactory to the Bank, duly executed by the Owner thereof or his attorney duly authorized in writing.

(d) The Bank may request any supporting documentation it feels necessary to effect a re-registration.

Section 4.02. The Bonds. The Issuer shall provide an adequate inventory of unregistered Bonds to facilitate transfers. The Bank covenants that it will maintain the unregistered Bonds in safekeeping and will use reasonable care in maintaining such unregistered Bonds in safekeeping, which shall be not less than the care it maintains for debt securities of other governments or corporations for which it serves as registrar, or which it maintains for its own securities.

Section 4.03. Form of Register. (a) The Bank as Registrar will maintain the records of the Register in accordance with the Bank's general practices and procedures in effect from time to time. The Bank shall not be obligated to maintain such Register in any form other than a form which the Bank has currently available and utilizes at the time.

(b) The Register may be maintained in written form or in any other form capable of being converted into written form within a reasonable time.

Section 4.04. List of Owners. (a) The Bank will provide the Issuer at any time requested by the Issuer, upon payment of the cost, if any, of reproduction, a copy of the information contained in the Register. The Issuer may also inspect the information in the Register at any time the Bank is customarily open for business, provided that reasonable time is allowed the Bank to provide an up-to-date listing or to convert the information into written form.

(b) Unless otherwise required by law, the Bank will not release or disclose the content of the Register to any person other than to, or at the written request of, an authorized officer or employee of the Issuer. Upon receipt of a subpoena or court order, the Bank will notify the Issuer so that the Issuer may contest the subpoena or court order.

(c) At all times, while the Bank is the Registrar, the Bank shall maintain and have available a copy of the Register at its office in Dallas, Texas.

Section 4.05. Cancellation of Bonds. All Bonds surrendered for payment, redemption, transfer, exchange, or replacement, if surrendered to the Bank, shall be promptly canceled by it and, if surrendered to the Issuer, shall be delivered to the Bank and, if not already canceled, shall be promptly canceled by the Bank. The Issuer may at any time deliver to the Bank for

cancellation any Bonds previously certified or registered and delivered which the Issuer may have acquired in any manner whatsoever, and all Bonds so delivered shall be promptly canceled by the Bank. All canceled Bonds held by the Bank shall be disposed of pursuant to the Securities Exchange Act of 1934.

Section 4.06. Mutilated, Destroyed, Lost, or Stolen Bonds. (a) Subject to the provisions of this Section 4.06, the Issuer hereby instructs the Bank to deliver fully registered Bonds in exchange for or in lieu of mutilated, destroyed, lost, or stolen Bonds as long as the same does not result in an overissuance.

(b) If (i) any mutilated Bond is surrendered to the Bank at the Designated Payment/Transfer Office, or the Issuer and the Bank receives evidence to their satisfaction of the destruction, loss, or theft of any Bond, and (ii) there is delivered to the Issuer and the Bank such security or indemnity as may be required by the Bank to save and hold each of them harmless, then in the absence of notice to the Issuer or the Bank that such Bond has been acquired by a bona fide purchaser, the Issuer shall execute, and upon its request the Bank shall register and deliver, in exchange for or in lieu of any such mutilated, destroyed, lost, or stolen Bond, a new Bond of the same stated maturity and of like tenor and principal amount bearing a number not contemporaneously outstanding.

(c) Every new Bond issued pursuant to this Section in lieu of any mutilated, destroyed, lost, or stolen Bond shall constitute a replacement of the prior obligation of the Issuer, whether or not the mutilated, destroyed, lost, or stolen Bond shall be at any time enforceable by anyone, and shall be entitled to all the benefits of the Order equally and ratably with all other outstanding Bonds.

(d) Upon the satisfaction of the Bank and the Issuer that a Bond has been mutilated, destroyed, lost, or stolen, and upon receipt by the Bank and the Issuer of such indemnity or security as they may require, the Bank shall cancel the Bond number on the Bond registered with a notation in the Register that said Bond has been mutilated, destroyed, lost, or stolen; and a new Bond shall be issued of the same series and of like tenor and principal amount bearing a number, according to the Register, not contemporaneously outstanding.

(e) The Bank may charge the Owner the Bank's fees and expenses in connection with issuing a new Bond in lieu of or exchange for a mutilated, destroyed, lost, or stolen Bond.

(f) The Issuer hereby accepts the Bank's current blanket bond for lost, stolen, or destroyed Bonds and any future substitute blanket bond for lost, stolen, or destroyed Bonds that the Bank may arrange, and agrees that the coverage under any such blanket bond is acceptable to it and meets the Issuer's requirements as to security or indemnity. The Bank need not notify the Issuer of any changes in the security or other company giving such bond or the terms of any such bond, provided that the amount of such bond is not reduced below the amount of the bond on the date of execution of this Agreement. The blanket bond then utilized by the Bank for lost, stolen, or destroyed Bonds by the Bank is available for inspection by the Issuer on request.

Section 4.07. Transaction Information to Issuer. The Bank will, within a reasonable time after receipt of written request from the Issuer, furnish the Issuer information as to the

Bonds it has paid pursuant to 3.01; Bonds it has delivered upon the transfer or exchange of any Bonds pursuant to Section 4.01; and Bonds it has delivered in exchange for or in lieu of mutilated, destroyed, lost, or stolen Bonds pursuant to Section 4.06 of this Agreement.

ARTICLE V

THE BANK

Section 5.01. Duties of Bank. The Bank undertakes to perform the duties set forth herein and in accordance with the Order and agrees to use reasonable care in the performance thereof. The Bank hereby agrees to use the funds deposited with it for payment of the principal of, redemption premium, if any, and interest on the Bonds to pay the Bonds as the same shall become due and further agrees to establish and maintain all accounts and funds as may be required for the Bank to function as Paying Agent. The Bank is also authorized to transfer funds relating to the closing and initial delivery of the Bonds in the manner described in the closing memorandum prepared by the Issuer's Financial Advisor or other agent on behalf of the Issuer. The Bank may act on a facsimile or email transmission of the closing memorandum acknowledged by the Issuer's Financial Advisor or the Issuer as the final closing memorandum. The Bank shall not be liable for any losses, costs or expenses arising directly or indirectly from the Bank's reliance upon and compliance with such instructions.

Section 5.02. Reliance on Documents, Etc. (a) The Bank may conclusively rely, as to the truth of the statements and correctness of the opinions expressed therein, on certificates or opinions furnished to the Bank.

(b) The Bank shall not be liable for any error of judgment made in good faith by a Responsible Officer, unless it shall be proved that the Bank was negligent in ascertaining the pertinent facts.

(c) No provisions of this Agreement shall require the Bank to expend or risk its own funds or otherwise incur any financial liability for performance of its duties hereunder, or in the exercise of any of its rights or powers, other than as specifically set forth or required herein.

(d) The Bank may rely and shall be protected in acting or refraining from acting upon any resolution, certificate, statement, instrument, opinion, report, notice, request, direction, consent, order, certificate, note, security, or other paper or document believed by it to be genuine and to have been signed or presented by the proper party or parties. Without limiting the generality of the foregoing statement, the Bank need not examine the ownership of any Bonds, but is protected in acting upon receipt of Bonds containing an endorsement or instruction of transfer or power of transfer which appears on its face to be signed by the Owner or an attorney-in-fact of the Owner. The Bank shall not be bound to make any investigation into the facts or matters stated in a resolution, certificate, statement, instrument, opinion, report, notice, request, direction, consent, order, certificate, note, security, or other paper or document supplied by Issuer.

(e) The Bank may consult with counsel, and the written advice of such counsel or any opinion of counsel shall be full and complete authorization and protection with respect to any action taken, suffered, or omitted by it hereunder in good faith and in reliance thereon.

(f) The Bank may exercise any of the powers hereunder and perform any duties hereunder either directly or by or through agents or attorneys and the Bank.

Section 5.03. Recitals of Issuer. (a) The recitals contained herein and in the Bonds shall be taken as the statements of the Issuer, and the Bank assumes no responsibility for their correctness.

(b) The Bank shall in no event be liable to the Issuer, any Owner, or any other Person for any amount due on any Bond except as otherwise expressly provided herein with respect to the liability of the Bank for its duties under this Agreement.

Section 5.04. May Hold Bonds. The Bank, in its individual or any other capacity, may become the Owner or pledgee of Bonds and may otherwise deal with the Issuer with the same rights it would have if it were not the Paying Agent/Registrar, or any other agent.

Section 5.05. Money Held by Bank. (a) Money held by the Bank hereunder need not be segregated from any other funds provided appropriate accounts are maintained.

(b) The Bank shall be under no liability for interest on any money received by it hereunder.

(c) Subject to the provisions of Title 6, Texas Property Code, any money deposited with the Bank for the payment of the principal or redemption premium, if any, of or interest on any Bond and remaining unclaimed for three years after final maturity of the Bond will be paid by the Bank to the Issuer, and the Owner of such Bond shall thereafter look only to the Issuer for payment thereof, and all liability of the Bank with respect to such monies shall thereupon cease.

(d) The Bank will comply with the reporting requirements of Chapter 74 of the Texas Property Code.

(e) The Bank shall deposit any moneys received from the Issuer into a trust account to be held in a fiduciary capacity for the payment of the Bonds, with such moneys in the account that exceed the deposit insurance available to the Issuer provided by the Federal Deposit Insurance Corporation to be fully collateralized with securities or obligations that are eligible under the laws of the State of Texas and to the extent practicable under the laws of the United States of America to secure and be pledged as collateral for trust accounts until the principal and interest on the Bonds have been presented for payment and paid to the owner thereof. Payments made from such trust account shall be made by check drawn on such trust account unless the owner of such Bonds shall, at its own expense and risk, request such other medium of payment.

Section 5.06. Indemnification. To the extent permitted by law, the Issuer agrees to indemnify the Bank, its officers, directors, employees, and agents for, and hold them harmless against, any loss, liability, or expense incurred without negligence or bad faith on their part arising out of or in connection with its acceptance or administration of the Bank's duties

hereunder, and under Article V of the Order, including the cost and expense (including its counsel fees) of defending itself against any claim or liability in connection with the exercise or performance of any of its powers or duties under this Agreement.

Section 5.07. Interpleader. The Issuer and the Bank agree that the Bank may seek adjudication of any adverse claim, demands or controversy over its persons as well as funds on deposit in the appropriate state or federal court located in the State of Texas; waive personal service of any process; and agree that service of process by certified or registered mail, return receipt requested, to the address set forth in this Agreement shall constitute adequate service. The Issuer and the Bank further agree that the Bank has the right to file a Bill of Interpleader in any court of competent jurisdiction within the State of Texas to determine the rights of any person claiming any interest herein.

Section 5.08. Merger, Conversion, Consolidation, or Succession. Any corporation into which the Paying Agent may be merged or converted or with which it may be consolidated, or any corporation resulting from any merger, conversion, or consolidation to which the Paying Agent shall be a party, or any corporation succeeding to all or substantially all of the corporate trust business of the Paying Agent shall be the successor of the Paying Agent hereunder without the execution or filing of any paper or any further act on the part of either of the parties hereto.

ARTICLE VI

MISCELLANEOUS PROVISIONS

Section 6.01. Amendment. This Agreement may be amended only by an agreement in writing signed by both of the parties hereof.

Section 6.02. Assignment. This Agreement may not be assigned by either party without the prior written consent of the other.

Section 6.03. Notices. Any request, demand, authorization, direction, notice, consent, waiver, or other document provided or permitted hereby to be given or furnished to the Issuer or the Bank shall be mailed or delivered to the Issuer or the Bank, respectively, at the addresses shown below:

- (a) if to the Issuer: Collin County, Texas
2300 Bloomdale Rd.
Suite 3100
McKinney, Texas 75071
Attention: County Auditor
- (b) if to the Bank: The Bank of New York Mellon Trust Company, N.A.
2001 Bryan Street, 10th Floor
Dallas, Texas 75201
Attention: Issuer Administrative Services

Section 6.04. Bank to Give Notice of Change. The Bank hereby agrees that it will give notice to the Issuer, to the registered owners and to the Municipal Securities Rulemaking Board of (a) any change in the name of the Bank after the date hereof, (b) any change in the location of the Designated Payment/Transfer Office or a change in the mailing address of the Bank, and (c) any merger or other change in the corporate structure affecting the name, location and address of the Bank, in each case within ten (10) business days of the effective date of such change .

Section 6.05. Effect of Headings. The Article and Section headings herein are for convenience only and shall not affect the construction hereof.

Section 6.06. Successors and Assigns. All covenants and agreements herein by the Issuer shall bind its successors and assigns, whether so expressed or not.

Section 6.07. Separability. If any provision herein shall be invalid, illegal, or unenforceable, the validity, legality, and enforceability of the remaining provisions shall not in any way be affected or impaired thereby.

Section 6.08. Benefits of Agreement. Nothing herein, express or implied, shall give to any Person, other than the parties hereto and their successors hereunder, any benefit or any legal or equitable right, remedy, or claim hereunder.

Section 6.09. Entire Agreement. This Agreement and the Order constitute the entire agreement between the parties hereto relative to the Bank acting as Paying Agent/Registrar, and if any conflict exists between this Agreement and the Order, the Order shall govern.

Section 6.10. Counterparts. This Agreement may be executed in any number of counterparts, each which shall be deemed an original and all of which shall constitute one and the same Agreement.

Section 6.11. Termination. (a) This Agreement will terminate on the date of final payment by the Bank issuing its checks for the final payment of principal, redemption premium, if any, and interest of the Bonds.

(b) This Agreement may be earlier terminated upon sixty (60) days written notice by either party, provided that no termination shall be effective until a successor has been appointed by the Issuer and has accepted the duties imposed by this Agreement.

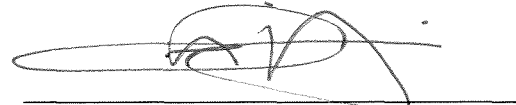
(c) The provisions of Section 1.02 and of Article V shall survive and remain in full force and effect following the termination of this Agreement. A resigning Paying Agent/Registrar may petition any court of competent jurisdiction for the appointment of a successor Paying Agent/Registrar if an instrument of acceptance by a successor Paying Agent/Registrar has not been delivered to the resigning Paying Agent/Registrar within sixty (60) days after the giving of notice of resignation.

Section 6.12. Governing Law. This Agreement shall be construed in accordance with and governed by the laws of the State of Texas.

IN WITNESS WHEREOF, the parties hereto have executed this Agreement as of the day and year first written above.

COLLIN COUNTY, TEXAS

By:

A handwritten signature in black ink, consisting of a large, stylized 'A' followed by a series of loops and a long horizontal stroke extending to the right.

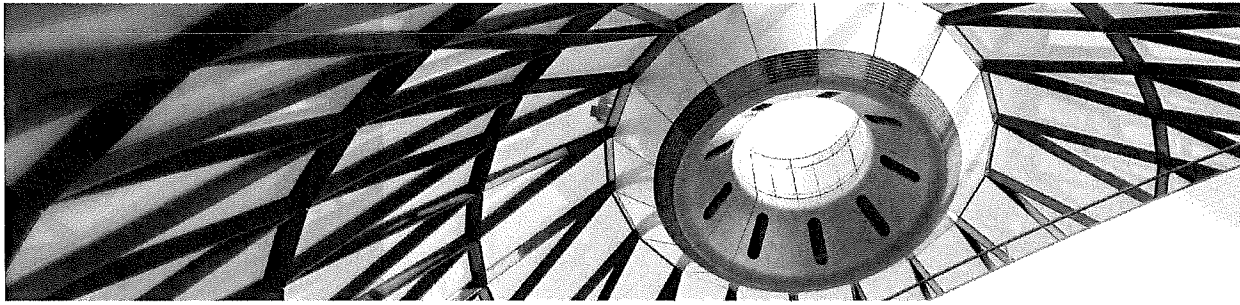
AUTHORIZED OFFICER

THE BANK OF NEW YORK MELLON
TRUST COMPANY, N.A.

By: Kayshellyn Lewis
Title: Associate

ANNEX "A"

SCHEDULE OF FEES FOR SERVICE AS PAYING AGENT/REGISTRAR



Collin County, Texas Limited Tax Bonds, Series 2019

January 24, 2019

Presented By:

BNY Mellon Corporate Trust

Fee Schedule for the following:

- Paying Agency
- Registrar



BNY MELLON

Fee Schedule

Subject to the Terms and Disclosures below, upon appointment of The Bank of New York Mellon Trust Company, N.A. ("BNYM" or "us" or "affiliates" or "subsidiaries") in the roles as outlined within this Fee Schedule (this "Fee Schedule"), Collin County, Texas ("Client") shall be responsible for the payment of the fees, expenses and charges as set forth herein. Fees are payable or accrue at the time of the execution of the governing documents (the "Transaction Documents") in connection with the closing of the transaction (the "Transaction") which is the subject of this Fee Schedule.

General Fees

Acceptance Fee

\$0

The Transaction Acceptance Fee is payable at the time of the execution of the governing documents in connection with the closing of the transaction which is the subject of this Agreement (the "Transaction"), and compensates BNYM for the following: review of all supporting documents, initial establishment of the required accounts and Know Your Client checks.

Annual Paying Agent Fee

\$750

An annual charge covering the normal paying agent duties related to account administration and bondholder services. Our pricing is based on the assumption that the bonds are DTC-eligible/book-entry only. This fee is payable annually, in advance.

Extraordinary Services/Miscellaneous Fees

The charges may be hourly or fixed for performing extraordinary or other services not contemplated at the time of the execution of the Transaction Documents or not specifically covered elsewhere in this schedule will be commensurate with the service to be provided and may be charged in BNY Mellon's sole discretion. If it is contemplated that BNY Mellon hold/and or value collateral, additional acceptance, administration and counsel review fees will be applicable to the agreement governing such services. If the bonds are converted to certificated form, additional annual fees will be charged for any applicable tender agent and/or registrar/paying agent services. Additional information will be provided at such time. If all outstanding bonds of a series are defeased or redeemed, or BNY Mellon is removed as paying agent prior to the maturity of the bonds, a termination fee may be assessed at that time.

Miscellaneous fees and expenses may include, but are not necessarily limited to supplemental agreements, tender processing, the preparation and distribution of sinking fund redemption notices, optional redemptions, failed remarketing processing, preparation of special or interim reports, UCC filing fees, auditor confirmation fees, wire transfer fees, Letter of Credit drawdown fees, transaction fees to settle third-party trades, and reconciliation fees to balance trust account balances to third-party investment provider statements. Counsel, accountants, special agents and others will be charged at the actual amount of fees and expenses billed. FDIC or other governmental charges will be passed along as incurred. Reimbursement will be required for any out-of-pocket expenses and will be invoiced to the Client at cost.

Negative Interest Rates – Charges

With respect to any funds invested by BNYM in connection with the Transaction, if: (i) any recognized overnight benchmark rate or any official overnight interest rate set by a central bank or other monetary authority is negative or zero; or (ii) any market counterparty or other institution applies a negative interest rate or any related charge to any account or balance of BNYM or any account or balance opened for You by BNYM, BNYM may apply a charge to any of Your accounts or balances. BNYM will give You prompt written notice of the application of any such charges. You acknowledge and agree that the application of such a charge by BNYM may cause the effective interest rate applicable to Your account or balance to be negative, notwithstanding that one or more of the rates set by third parties specified in clauses (i) and (ii) above may be positive.

PRIVATE AND CONFIDENTIAL

The information contained within this Fee Schedule is the proprietary information of The Bank of New York Mellon and is confidential. This document, either in whole or in part, must not be reproduced or disclosed to others or used for purposes other than that for which it has been supplied without the prior written permission of The Bank of New York Mellon. Client shall not use BNY Mellon's name or trademarks without its prior written permission.

Terms and Disclosures

General

BNYM's final acceptance of its appointment pursuant to the Transaction Documents is subject to the full review and approval of all related documentation and standard Know Your Client procedures. In the event that this Transaction does not proceed with BNYM in the roles contemplated by this Fee Schedule and the Transaction Documents, Client will be responsible for payment of any external counsel fees and expenses and out-of-pocket expenses which BNYM may have incurred up to and including the termination date.

Client shall be responsible for filing any applicable information returns with the U.S. Department of Treasury, Internal Revenue Service in connection with payments made by BNYM to vendors who have not performed services for BNYM's benefit under the various bond or note issuances or other undertakings contemplated by this Fee Schedule.

The Bank of New York Mellon Corporation is a global financial organization that operates in and provides services and products to clients through its affiliates and subsidiaries located in multiple jurisdictions (the "BNY Mellon Group"). The BNY Mellon Group may (i) centralize in one or more affiliates and subsidiaries certain activities (the "Centralized Functions"), including audit, accounting, administration, risk management, legal, compliance, sales, product communication, relationship management, and the compilation and analysis of information and data regarding Client (which, for purposes of this provision, includes the name and business contact information for Client employees and representatives) and the accounts established pursuant to the Transaction Documents ("Client Information") and (ii) use third party service providers to store, maintain and process Client Information ("Outsourced Functions"). Notwithstanding anything to the contrary contained elsewhere in this Fee Schedule or the Transaction Documents and solely in connection with the Centralized Functions and/or Outsourced Functions, Client consents to the disclosure of, and authorizes BNY Mellon to disclose, Client Information to (i) other members of the BNY Mellon Group (and their respective officers, directors and employees) and to (ii) third-party service providers (but solely in connection with Outsourced Functions) who are required to maintain the confidentiality of Client Information. In addition, the BNY Mellon Group may aggregate Client Information with other data collected and/or calculated by the BNY Mellon Group, and the BNY Mellon Group will own all such aggregated data, provided that the BNY Mellon Group shall not distribute the aggregated data in a format that identifies Client Information with Client specifically. Client represents that it is authorized to consent to the foregoing and that the disclosure of Client Information in connection with the Centralized Functions and/or Outsourced Functions does not violate any relevant data protection legislation. Client also consents to the disclosure of Client Information to governmental and regulatory authorities in jurisdictions where the BNY Mellon Group operates and otherwise as required by law.

Client agrees that BNYM shall have no obligation to expend or risk its own funds or otherwise to incur any liability, financial or otherwise, in the performance of any of its duties as paying agent or registrar in connection with the Transaction, or in the exercise of any of its rights or powers in connection therewith, if it shall have reasonable grounds for believing that repayment of such funds is not assured to it. Client agrees to reimburse BNYM for extraordinary expenses incurred by it in connection with the Transaction to the extent permitted by law.

Please note the fees quoted in this Fee Schedule are based upon the information available at the present time. Further quotes may be provided once the structure of the deal has been finalized. Annual Fees cover a period of one year and any portion thereof and are not subject to pro-rata. Fees may be subject to adjustment during the life of the engagement.

Advance Fees

BNYM requires that Client agree to the fees quoted in this Fee Schedule prior to the commencement of any work or the provision of any services by BNYM in relation to the Transaction. In the event that BNYM provides any services to Client prior to your agreement to the fees quoted herein, the commencement of such work or the provision of such services shall not be deemed to constitute a waiver of the fees listed in this Fee Schedule. BNYM reserves the right to cease providing services until such time as Client agrees to the fees quoted herein. BNYM reserves the right to request that any and all fees due and payable pursuant to this Fee Schedule and related in any way to the Transaction are paid in advance (either in whole or in part) prior to the provision of any services.

PRIVATE AND CONFIDENTIAL

The information contained within this Fee Schedule is the proprietary information of The Bank of New York Mellon and is confidential. This document, either in whole or in part, must not be reproduced or disclosed to others or used for purposes other than that for which it has been supplied without the prior written permission of The Bank of New York Mellon. Client shall not use BNY Mellon's name or trademarks without its prior written permission.

Acceptance/Revocation of Offer

You may agree to the fees quoted herein by (i) executing this Fee Schedule and returning it to us, (ii) closing the Transaction, or (iii) instructing us or continuing to instruct us after receipt of this Fee Schedule. Upon the earlier to occur of (i), (ii) and (iii), the fees quoted herein shall be deemed accepted by you. If you agree to the fees quoted herein, the terms of this Fee Schedule shall supersede any prior fees quoted with respect to the Transaction. BNYM may revoke the terms of this Fee Schedule if the Transaction does not close within three months from the date of this Fee Schedule. Should the Transaction fail to close for any reason, a termination fee equal to BNYM's Acceptance Fee, any external counsel fees, expenses and disbursements and all out-of-pocket expenses will apply.

Confidential Information

Except as otherwise provided by law, all information provided to Client by BNYM must remain confidential and may not be intentionally disclosed, reproduced, copied, published, or displayed in any form to any third party without BNYM's prior written approval.

Client Notice Required By the USA Patriot Act

To help the U.S. government fight the funding of terrorism and money laundering activities, US Federal law requires all financial institutions to obtain, verify and record information that identifies each person (whether an individual or organization) for which a relationship is established. When Client establishes a relationship with BNYM, we will ask Client to provide certain information (and documents) that will help us to identify Client. We will ask for your organization's name, physical address, tax identification or other government registration number and other information that will help us identify Client. We may also ask for a Certificate of Incorporation or similar document or other pertinent identifying documentation for your type of organization.

PRIVATE AND CONFIDENTIAL

The information contained within this Fee Schedule is the proprietary information of The Bank of New York Mellon and is confidential. This document, either in whole or in part, must not be reproduced or disclosed to others or used for purposes other than that for which it has been supplied without the prior written permission of The Bank of New York Mellon. Client shall not use BNY Mellon's name or trademarks without its prior written permission.

REGISTERED
No. R-1

REGISTERED
\$32,875,000

United States of America
State of Texas
COLLIN COUNTY, TEXAS
LIMITED TAX PERMANENT IMPROVEMENT BOND
SERIES 2019

<u>INTEREST RATE:</u>	<u>MATURITY DATE:</u>	<u>CLOSING DATE:</u>	<u>CUSIP NUMBER:</u>
3.000%	February 15, 2020	March 20, 2019	194740 ML7

Collin County (the "County"), State of Texas, for value received, hereby promises to pay
to

CEDE & CO.

or registered assigns, on the Maturity Date specified above, the sum of

THIRTY-TWO MILLION EIGHT HUNDRED SEVENTY-FIVE THOUSAND DOLLARS

unless this Bond shall have been sooner called for redemption and the payment of the principal hereof shall have been paid or provision for such payment shall have been made, and to pay interest on the unpaid principal amount hereof from the later of the Closing Date specified above or the most recent interest payment date to which interest has been paid or provided for until such principal amount shall have been paid or provided for, at the per annum rate of interest specified above, computed on the basis of a 360-day year of twelve 30-day months, such interest to be paid semiannually on February 15 and August 15 of each year, commencing February 15, 2020.

The principal of this Bond shall be payable without exchange or collection charges in lawful money of the United States of America upon presentation and surrender of this Bond at the corporate trust office in Dallas, Texas, of The Bank of New York Mellon Trust Company, N.A. (the "Designated Payment/Transfer Office"), as the initial Paying Agent/Registrar or, with respect to a successor Paying Agent/Registrar, at the Designated Payment/Transfer Office of such successor. Interest on this Bond is payable by check dated as of the interest payment date, mailed by the Paying Agent/Registrar to the registered owner at the address shown on the registration books kept by the Paying Agent/Registrar or by such other customary banking arrangements acceptable to the Paying Agent/Registrar, requested by, and at the risk and expense of, the person to whom interest is to be paid. At the option of an Owner of at least \$1,000,000 principal amount of the Bonds, interest may be paid by wire transfer to the bank account of such Owner on file with the Paying Agent/Registrar. For the purpose of the payment of interest on this Bond, the registered owner shall be the person in whose name this Bond is registered at the close of business on the "Record Date," which shall be the last business day of the month next preceding such interest payment date; provided, however, that in the event of nonpayment of interest on a scheduled

REGISTERED
No. R-2

REGISTERED
\$4,245,000

United States of America
State of Texas
COLLIN COUNTY, TEXAS
LIMITED TAX PERMANENT IMPROVEMENT BOND
SERIES 2019

<u>INTEREST RATE:</u>	<u>MATURITY DATE:</u>	<u>CLOSING DATE:</u>	<u>CUSIP NUMBER:</u>
3.000%	February 15, 2021	March 20, 2019	194740 MM5

Collin County (the "County"), State of Texas, for value received, hereby promises to pay
to

CEDE & CO.

or registered assigns, on the Maturity Date specified above, the sum of

FOUR MILLION TWO HUNDRED FORTY-FIVE THOUSAND DOLLARS

unless this Bond shall have been sooner called for redemption and the payment of the principal hereof shall have been paid or provision for such payment shall have been made, and to pay interest on the unpaid principal amount hereof from the later of the Closing Date specified above or the most recent interest payment date to which interest has been paid or provided for until such principal amount shall have been paid or provided for, at the per annum rate of interest specified above, computed on the basis of a 360-day year of twelve 30-day months, such interest to be paid semiannually on February 15 and August 15 of each year, commencing February 15, 2020.

The principal of this Bond shall be payable without exchange or collection charges in lawful money of the United States of America upon presentation and surrender of this Bond at the corporate trust office in Dallas, Texas, of The Bank of New York Mellon Trust Company, N.A. (the "Designated Payment/Transfer Office"), as the initial Paying Agent/Registrar or, with respect to a successor Paying Agent/Registrar, at the Designated Payment/Transfer Office of such successor. Interest on this Bond is payable by check dated as of the interest payment date, mailed by the Paying Agent/Registrar to the registered owner at the address shown on the registration books kept by the Paying Agent/Registrar or by such other customary banking arrangements acceptable to the Paying Agent/Registrar, requested by, and at the risk and expense of, the person to whom interest is to be paid. At the option of an Owner of at least \$1,000,000 principal amount of the Bonds, interest may be paid by wire transfer to the bank account of such Owner on file with the Paying Agent/Registrar. For the purpose of the payment of interest on this Bond, the registered owner shall be the person in whose name this Bond is registered at the close of business on the "Record Date," which shall be the last business day of the month next preceding such interest payment date; provided, however, that in the event of nonpayment of interest on a scheduled

REGISTERED
No. R-3

REGISTERED
\$4,370,000

United States of America
State of Texas
COLLIN COUNTY, TEXAS
LIMITED TAX PERMANENT IMPROVEMENT BOND
SERIES 2019

<u>INTEREST RATE:</u>	<u>MATURITY DATE:</u>	<u>CLOSING DATE:</u>	<u>CUSIP NUMBER:</u>
3.000%	February 15, 2022	March 20, 2019	194740 MN3

Collin County (the "County"), State of Texas, for value received, hereby promises to pay
to

CEDE & CO.

or registered assigns, on the Maturity Date specified above, the sum of

FOUR MILLION THREE HUNDRED SEVENTY THOUSAND DOLLARS

unless this Bond shall have been sooner called for redemption and the payment of the principal hereof shall have been paid or provision for such payment shall have been made, and to pay interest on the unpaid principal amount hereof from the later of the Closing Date specified above or the most recent interest payment date to which interest has been paid or provided for until such principal amount shall have been paid or provided for, at the per annum rate of interest specified above, computed on the basis of a 360-day year of twelve 30-day months, such interest to be paid semiannually on February 15 and August 15 of each year, commencing February 15, 2020.

The principal of this Bond shall be payable without exchange or collection charges in lawful money of the United States of America upon presentation and surrender of this Bond at the corporate trust office in Dallas, Texas, of The Bank of New York Mellon Trust Company, N.A. (the "Designated Payment/Transfer Office"), as the initial Paying Agent/Registrar or, with respect to a successor Paying Agent/Registrar, at the Designated Payment/Transfer Office of such successor. Interest on this Bond is payable by check dated as of the interest payment date, mailed by the Paying Agent/Registrar to the registered owner at the address shown on the registration books kept by the Paying Agent/Registrar or by such other customary banking arrangements acceptable to the Paying Agent/Registrar, requested by, and at the risk and expense of, the person to whom interest is to be paid. At the option of an Owner of at least \$1,000,000 principal amount of the Bonds, interest may be paid by wire transfer to the bank account of such Owner on file with the Paying Agent/Registrar. For the purpose of the payment of interest on this Bond, the registered owner shall be the person in whose name this Bond is registered at the close of business on the "Record Date," which shall be the last business day of the month next preceding such interest payment date; provided, however, that in the event of nonpayment of interest on a scheduled

REGISTERED
No. R-4

REGISTERED
\$4,550,000

United States of America
State of Texas
COLLIN COUNTY, TEXAS
LIMITED TAX PERMANENT IMPROVEMENT BOND
SERIES 2019

<u>INTEREST RATE:</u>	<u>MATURITY DATE:</u>	<u>CLOSING DATE:</u>	<u>CUSIP NUMBER:</u>
5.000%	February 15, 2023	March 20, 2019	194740 MP8

Collin County (the "County"), State of Texas, for value received, hereby promises to pay
to

CEDE & CO.

or registered assigns, on the Maturity Date specified above, the sum of

FOUR MILLION FIVE HUNDRED FIFTY THOUSAND DOLLARS

unless this Bond shall have been sooner called for redemption and the payment of the principal hereof shall have been paid or provision for such payment shall have been made, and to pay interest on the unpaid principal amount hereof from the later of the Closing Date specified above or the most recent interest payment date to which interest has been paid or provided for until such principal amount shall have been paid or provided for, at the per annum rate of interest specified above, computed on the basis of a 360-day year of twelve 30-day months, such interest to be paid semiannually on February 15 and August 15 of each year, commencing February 15, 2020.

The principal of this Bond shall be payable without exchange or collection charges in lawful money of the United States of America upon presentation and surrender of this Bond at the corporate trust office in Dallas, Texas, of The Bank of New York Mellon Trust Company, N.A. (the "Designated Payment/Transfer Office"), as the initial Paying Agent/Registrar or, with respect to a successor Paying Agent/Registrar, at the Designated Payment/Transfer Office of such successor. Interest on this Bond is payable by check dated as of the interest payment date, mailed by the Paying Agent/Registrar to the registered owner at the address shown on the registration books kept by the Paying Agent/Registrar or by such other customary banking arrangements acceptable to the Paying Agent/Registrar, requested by, and at the risk and expense of, the person to whom interest is to be paid. At the option of an Owner of at least \$1,000,000 principal amount of the Bonds, interest may be paid by wire transfer to the bank account of such Owner on file with the Paying Agent/Registrar. For the purpose of the payment of interest on this Bond, the registered owner shall be the person in whose name this Bond is registered at the close of business on the "Record Date," which shall be the last business day of the month next preceding such interest payment date; provided, however, that in the event of nonpayment of interest on a scheduled

REGISTERED
No. R-5

REGISTERED
\$4,740,000

United States of America
State of Texas
COLLIN COUNTY, TEXAS
LIMITED TAX PERMANENT IMPROVEMENT BOND
SERIES 2019

<u>INTEREST RATE:</u>	<u>MATURITY DATE:</u>	<u>CLOSING DATE:</u>	<u>CUSIP NUMBER:</u>
3.000%	February 15, 2024	March 20, 2019	194740 MQ6

Collin County (the "County"), State of Texas, for value received, hereby promises to pay
to

CEDE & CO.

or registered assigns, on the Maturity Date specified above, the sum of

FOUR MILLION SEVEN HUNDRED FORTY THOUSAND DOLLARS

unless this Bond shall have been sooner called for redemption and the payment of the principal hereof shall have been paid or provision for such payment shall have been made, and to pay interest on the unpaid principal amount hereof from the later of the Closing Date specified above or the most recent interest payment date to which interest has been paid or provided for until such principal amount shall have been paid or provided for, at the per annum rate of interest specified above, computed on the basis of a 360-day year of twelve 30-day months, such interest to be paid semiannually on February 15 and August 15 of each year, commencing February 15, 2020.

The principal of this Bond shall be payable without exchange or collection charges in lawful money of the United States of America upon presentation and surrender of this Bond at the corporate trust office in Dallas, Texas, of The Bank of New York Mellon Trust Company, N.A. (the "Designated Payment/Transfer Office"), as the initial Paying Agent/Registrar or, with respect to a successor Paying Agent/Registrar, at the Designated Payment/Transfer Office of such successor. Interest on this Bond is payable by check dated as of the interest payment date, mailed by the Paying Agent/Registrar to the registered owner at the address shown on the registration books kept by the Paying Agent/Registrar or by such other customary banking arrangements acceptable to the Paying Agent/Registrar, requested by, and at the risk and expense of, the person to whom interest is to be paid. At the option of an Owner of at least \$1,000,000 principal amount of the Bonds, interest may be paid by wire transfer to the bank account of such Owner on file with the Paying Agent/Registrar. For the purpose of the payment of interest on this Bond, the registered owner shall be the person in whose name this Bond is registered at the close of business on the "Record Date," which shall be the last business day of the month next preceding such interest payment date; provided, however, that in the event of nonpayment of interest on a scheduled

REGISTERED
No. R-6

REGISTERED
\$4,935,000

United States of America
State of Texas
COLLIN COUNTY, TEXAS
LIMITED TAX PERMANENT IMPROVEMENT BOND
SERIES 2019

<u>INTEREST RATE:</u>	<u>MATURITY DATE:</u>	<u>CLOSING DATE:</u>	<u>CUSIP NUMBER:</u>
5.000%	February 15, 2025	March 20, 2019	194740 MR4

Collin County (the "County"), State of Texas, for value received, hereby promises to pay
to

CEDE & CO.

or registered assigns, on the Maturity Date specified above, the sum of

FOUR MILLION NINE HUNDRED THIRTY-FIVE THOUSAND DOLLARS

unless this Bond shall have been sooner called for redemption and the payment of the principal hereof shall have been paid or provision for such payment shall have been made, and to pay interest on the unpaid principal amount hereof from the later of the Closing Date specified above or the most recent interest payment date to which interest has been paid or provided for until such principal amount shall have been paid or provided for, at the per annum rate of interest specified above, computed on the basis of a 360-day year of twelve 30-day months, such interest to be paid semiannually on February 15 and August 15 of each year, commencing February 15, 2020.

The principal of this Bond shall be payable without exchange or collection charges in lawful money of the United States of America upon presentation and surrender of this Bond at the corporate trust office in Dallas, Texas, of The Bank of New York Mellon Trust Company, N.A. (the "Designated Payment/Transfer Office"), as the initial Paying Agent/Registrar or, with respect to a successor Paying Agent/Registrar, at the Designated Payment/Transfer Office of such successor. Interest on this Bond is payable by check dated as of the interest payment date, mailed by the Paying Agent/Registrar to the registered owner at the address shown on the registration books kept by the Paying Agent/Registrar or by such other customary banking arrangements acceptable to the Paying Agent/Registrar, requested by, and at the risk and expense of, the person to whom interest is to be paid. At the option of an Owner of at least \$1,000,000 principal amount of the Bonds, interest may be paid by wire transfer to the bank account of such Owner on file with the Paying Agent/Registrar. For the purpose of the payment of interest on this Bond, the registered owner shall be the person in whose name this Bond is registered at the close of business on the "Record Date," which shall be the last business day of the month next preceding such interest payment date; provided, however, that in the event of nonpayment of interest on a scheduled

REGISTERED
No. R-7

REGISTERED
\$5,185,000

United States of America
State of Texas
COLLIN COUNTY, TEXAS
LIMITED TAX PERMANENT IMPROVEMENT BOND
SERIES 2019

<u>INTEREST RATE:</u>	<u>MATURITY DATE:</u>	<u>CLOSING DATE:</u>	<u>CUSIP NUMBER:</u>
5.000%	February 15, 2026	March 20, 2019	194740 MS2

Collin County (the "County"), State of Texas, for value received, hereby promises to pay
to

CEDE & CO.

or registered assigns, on the Maturity Date specified above, the sum of

FIVE MILLION ONE HUNDRED EIGHTY-FIVE THOUSAND DOLLARS

unless this Bond shall have been sooner called for redemption and the payment of the principal hereof shall have been paid or provision for such payment shall have been made, and to pay interest on the unpaid principal amount hereof from the later of the Closing Date specified above or the most recent interest payment date to which interest has been paid or provided for until such principal amount shall have been paid or provided for, at the per annum rate of interest specified above, computed on the basis of a 360-day year of twelve 30-day months, such interest to be paid semiannually on February 15 and August 15 of each year, commencing February 15, 2020.

The principal of this Bond shall be payable without exchange or collection charges in lawful money of the United States of America upon presentation and surrender of this Bond at the corporate trust office in Dallas, Texas, of The Bank of New York Mellon Trust Company, N.A. (the "Designated Payment/Transfer Office"), as the initial Paying Agent/Registrar or, with respect to a successor Paying Agent/Registrar, at the Designated Payment/Transfer Office of such successor. Interest on this Bond is payable by check dated as of the interest payment date, mailed by the Paying Agent/Registrar to the registered owner at the address shown on the registration books kept by the Paying Agent/Registrar or by such other customary banking arrangements acceptable to the Paying Agent/Registrar, requested by, and at the risk and expense of, the person to whom interest is to be paid. At the option of an Owner of at least \$1,000,000 principal amount of the Bonds, interest may be paid by wire transfer to the bank account of such Owner on file with the Paying Agent/Registrar. For the purpose of the payment of interest on this Bond, the registered owner shall be the person in whose name this Bond is registered at the close of business on the "Record Date," which shall be the last business day of the month next preceding such interest payment date; provided, however, that in the event of nonpayment of interest on a scheduled

REGISTERED
No. R-8

REGISTERED
\$5,455,000

United States of America
State of Texas
COLLIN COUNTY, TEXAS
LIMITED TAX PERMANENT IMPROVEMENT BOND
SERIES 2019

<u>INTEREST RATE:</u>	<u>MATURITY DATE:</u>	<u>CLOSING DATE:</u>	<u>CUSIP NUMBER:</u>
5.000%	February 15, 2027	March 20, 2019	194740 MT0

Collin County (the "County"), State of Texas, for value received, hereby promises to pay
to

CEDE & CO.

or registered assigns, on the Maturity Date specified above, the sum of

FIVE MILLION FOUR HUNDRED FIFTY-FIVE THOUSAND DOLLARS

unless this Bond shall have been sooner called for redemption and the payment of the principal hereof shall have been paid or provision for such payment shall have been made, and to pay interest on the unpaid principal amount hereof from the later of the Closing Date specified above or the most recent interest payment date to which interest has been paid or provided for until such principal amount shall have been paid or provided for, at the per annum rate of interest specified above, computed on the basis of a 360-day year of twelve 30-day months, such interest to be paid semiannually on February 15 and August 15 of each year, commencing February 15, 2020.

The principal of this Bond shall be payable without exchange or collection charges in lawful money of the United States of America upon presentation and surrender of this Bond at the corporate trust office in Dallas, Texas, of The Bank of New York Mellon Trust Company, N.A. (the "Designated Payment/Transfer Office"), as the initial Paying Agent/Registrar or, with respect to a successor Paying Agent/Registrar, at the Designated Payment/Transfer Office of such successor. Interest on this Bond is payable by check dated as of the interest payment date, mailed by the Paying Agent/Registrar to the registered owner at the address shown on the registration books kept by the Paying Agent/Registrar or by such other customary banking arrangements acceptable to the Paying Agent/Registrar, requested by, and at the risk and expense of, the person to whom interest is to be paid. At the option of an Owner of at least \$1,000,000 principal amount of the Bonds, interest may be paid by wire transfer to the bank account of such Owner on file with the Paying Agent/Registrar. For the purpose of the payment of interest on this Bond, the registered owner shall be the person in whose name this Bond is registered at the close of business on the "Record Date," which shall be the last business day of the month next preceding such interest payment date; provided, however, that in the event of nonpayment of interest on a scheduled

REGISTERED
No. R-9

REGISTERED
\$5,725,000

United States of America
State of Texas
COLLIN COUNTY, TEXAS
LIMITED TAX PERMANENT IMPROVEMENT BOND
SERIES 2019

<u>INTEREST RATE:</u>	<u>MATURITY DATE:</u>	<u>CLOSING DATE:</u>	<u>CUSIP NUMBER:</u>
5.000%	February 15, 2028	March 20, 2019	194740 MU7

Collin County (the "County"), State of Texas, for value received, hereby promises to pay
to

CEDE & CO.

or registered assigns, on the Maturity Date specified above, the sum of

FIVE MILLION SEVEN HUNDRED TWENTY-FIVE THOUSAND DOLLARS

unless this Bond shall have been sooner called for redemption and the payment of the principal hereof shall have been paid or provision for such payment shall have been made, and to pay interest on the unpaid principal amount hereof from the later of the Closing Date specified above or the most recent interest payment date to which interest has been paid or provided for until such principal amount shall have been paid or provided for, at the per annum rate of interest specified above, computed on the basis of a 360-day year of twelve 30-day months, such interest to be paid semiannually on February 15 and August 15 of each year, commencing February 15, 2020.

The principal of this Bond shall be payable without exchange or collection charges in lawful money of the United States of America upon presentation and surrender of this Bond at the corporate trust office in Dallas, Texas, of The Bank of New York Mellon Trust Company, N.A. (the "Designated Payment/Transfer Office"), as the initial Paying Agent/Registrar or, with respect to a successor Paying Agent/Registrar, at the Designated Payment/Transfer Office of such successor. Interest on this Bond is payable by check dated as of the interest payment date, mailed by the Paying Agent/Registrar to the registered owner at the address shown on the registration books kept by the Paying Agent/Registrar or by such other customary banking arrangements acceptable to the Paying Agent/Registrar, requested by, and at the risk and expense of, the person to whom interest is to be paid. At the option of an Owner of at least \$1,000,000 principal amount of the Bonds, interest may be paid by wire transfer to the bank account of such Owner on file with the Paying Agent/Registrar. For the purpose of the payment of interest on this Bond, the registered owner shall be the person in whose name this Bond is registered at the close of business on the "Record Date," which shall be the last business day of the month next preceding such interest payment date; provided, however, that in the event of nonpayment of interest on a scheduled

REGISTERED
No. R-10

REGISTERED
\$6,020,000

United States of America
State of Texas
COLLIN COUNTY, TEXAS
LIMITED TAX PERMANENT IMPROVEMENT BOND
SERIES 2019

<u>INTEREST RATE:</u>	<u>MATURITY DATE:</u>	<u>CLOSING DATE:</u>	<u>CUSIP NUMBER:</u>
5.000%	February 15, 2029	March 20, 2019	194740 MV5

Collin County (the "County"), State of Texas, for value received, hereby promises to pay
to

CEDE & CO.

or registered assigns, on the Maturity Date specified above, the sum of

SIX MILLION TWENTY THOUSAND DOLLARS

unless this Bond shall have been sooner called for redemption and the payment of the principal hereof shall have been paid or provision for such payment shall have been made, and to pay interest on the unpaid principal amount hereof from the later of the Closing Date specified above or the most recent interest payment date to which interest has been paid or provided for until such principal amount shall have been paid or provided for, at the per annum rate of interest specified above, computed on the basis of a 360-day year of twelve 30-day months, such interest to be paid semiannually on February 15 and August 15 of each year, commencing February 15, 2020.

The principal of this Bond shall be payable without exchange or collection charges in lawful money of the United States of America upon presentation and surrender of this Bond at the corporate trust office in Dallas, Texas, of The Bank of New York Mellon Trust Company, N.A. (the "Designated Payment/Transfer Office"), as the initial Paying Agent/Registrar or, with respect to a successor Paying Agent/Registrar, at the Designated Payment/Transfer Office of such successor. Interest on this Bond is payable by check dated as of the interest payment date, mailed by the Paying Agent/Registrar to the registered owner at the address shown on the registration books kept by the Paying Agent/Registrar or by such other customary banking arrangements acceptable to the Paying Agent/Registrar, requested by, and at the risk and expense of, the person to whom interest is to be paid. At the option of an Owner of at least \$1,000,000 principal amount of the Bonds, interest may be paid by wire transfer to the bank account of such Owner on file with the Paying Agent/Registrar. For the purpose of the payment of interest on this Bond, the registered owner shall be the person in whose name this Bond is registered at the close of business on the "Record Date," which shall be the last business day of the month next preceding such interest payment date; provided, however, that in the event of nonpayment of interest on a scheduled

REGISTERED
No. R-11

REGISTERED
\$6,305,000

United States of America
State of Texas
COLLIN COUNTY, TEXAS
LIMITED TAX PERMANENT IMPROVEMENT BOND
SERIES 2019

<u>INTEREST RATE:</u>	<u>MATURITY DATE:</u>	<u>CLOSING DATE:</u>	<u>CUSIP NUMBER:</u>
4.000%	February 15, 2030	March 20, 2019	194740 MW3

Collin County (the "County"), State of Texas, for value received, hereby promises to pay
to

CEDE & CO.

or registered assigns, on the Maturity Date specified above, the sum of

SIX MILLION THREE HUNDRED FIVE THOUSAND DOLLARS

unless this Bond shall have been sooner called for redemption and the payment of the principal hereof shall have been paid or provision for such payment shall have been made, and to pay interest on the unpaid principal amount hereof from the later of the Closing Date specified above or the most recent interest payment date to which interest has been paid or provided for until such principal amount shall have been paid or provided for, at the per annum rate of interest specified above, computed on the basis of a 360-day year of twelve 30-day months, such interest to be paid semiannually on February 15 and August 15 of each year, commencing February 15, 2020.

The principal of this Bond shall be payable without exchange or collection charges in lawful money of the United States of America upon presentation and surrender of this Bond at the corporate trust office in Dallas, Texas, of The Bank of New York Mellon Trust Company, N.A. (the "Designated Payment/Transfer Office"), as the initial Paying Agent/Registrar or, with respect to a successor Paying Agent/Registrar, at the Designated Payment/Transfer Office of such successor. Interest on this Bond is payable by check dated as of the interest payment date, mailed by the Paying Agent/Registrar to the registered owner at the address shown on the registration books kept by the Paying Agent/Registrar or by such other customary banking arrangements acceptable to the Paying Agent/Registrar, requested by, and at the risk and expense of, the person to whom interest is to be paid. At the option of an Owner of at least \$1,000,000 principal amount of the Bonds, interest may be paid by wire transfer to the bank account of such Owner on file with the Paying Agent/Registrar. For the purpose of the payment of interest on this Bond, the registered owner shall be the person in whose name this Bond is registered at the close of business on the "Record Date," which shall be the last business day of the month next preceding such interest payment date; provided, however, that in the event of nonpayment of interest on a scheduled

REGISTERED
No. R-12

REGISTERED
\$6,525,000

United States of America
State of Texas
COLLIN COUNTY, TEXAS
LIMITED TAX PERMANENT IMPROVEMENT BOND
SERIES 2019

<u>INTEREST RATE:</u>	<u>MATURITY DATE:</u>	<u>CLOSING DATE:</u>	<u>CUSIP NUMBER:</u>
3.000%	February 15, 2031	March 20, 2019	194740 MX1

Collin County (the "County"), State of Texas, for value received, hereby promises to pay
to

CEDE & CO.

or registered assigns, on the Maturity Date specified above, the sum of

SIX MILLION FIVE HUNDRED TWENTY-FIVE THOUSAND DOLLARS

unless this Bond shall have been sooner called for redemption and the payment of the principal hereof shall have been paid or provision for such payment shall have been made, and to pay interest on the unpaid principal amount hereof from the later of the Closing Date specified above or the most recent interest payment date to which interest has been paid or provided for until such principal amount shall have been paid or provided for, at the per annum rate of interest specified above, computed on the basis of a 360-day year of twelve 30-day months, such interest to be paid semiannually on February 15 and August 15 of each year, commencing February 15, 2020.

The principal of this Bond shall be payable without exchange or collection charges in lawful money of the United States of America upon presentation and surrender of this Bond at the corporate trust office in Dallas, Texas, of The Bank of New York Mellon Trust Company, N.A. (the "Designated Payment/Transfer Office"), as the initial Paying Agent/Registrar or, with respect to a successor Paying Agent/Registrar, at the Designated Payment/Transfer Office of such successor. Interest on this Bond is payable by check dated as of the interest payment date, mailed by the Paying Agent/Registrar to the registered owner at the address shown on the registration books kept by the Paying Agent/Registrar or by such other customary banking arrangements acceptable to the Paying Agent/Registrar, requested by, and at the risk and expense of, the person to whom interest is to be paid. At the option of an Owner of at least \$1,000,000 principal amount of the Bonds, interest may be paid by wire transfer to the bank account of such Owner on file with the Paying Agent/Registrar. For the purpose of the payment of interest on this Bond, the registered owner shall be the person in whose name this Bond is registered at the close of business on the "Record Date," which shall be the last business day of the month next preceding such interest payment date; provided, however, that in the event of nonpayment of interest on a scheduled

REGISTERED
No. R-13

REGISTERED
\$6,720,000

United States of America
State of Texas
COLLIN COUNTY, TEXAS
LIMITED TAX PERMANENT IMPROVEMENT BOND
SERIES 2019

<u>INTEREST RATE:</u>	<u>MATURITY DATE:</u>	<u>CLOSING DATE:</u>	<u>CUSIP NUMBER:</u>
3.000%	February 15, 2032	March 20, 2019	194740 MY9

Collin County (the "County"), State of Texas, for value received, hereby promises to pay
to

CEDE & CO.

or registered assigns, on the Maturity Date specified above, the sum of

SIX MILLION SEVEN HUNDRED TWENTY THOUSAND DOLLARS

unless this Bond shall have been sooner called for redemption and the payment of the principal hereof shall have been paid or provision for such payment shall have been made, and to pay interest on the unpaid principal amount hereof from the later of the Closing Date specified above or the most recent interest payment date to which interest has been paid or provided for until such principal amount shall have been paid or provided for, at the per annum rate of interest specified above, computed on the basis of a 360-day year of twelve 30-day months, such interest to be paid semiannually on February 15 and August 15 of each year, commencing February 15, 2020.

The principal of this Bond shall be payable without exchange or collection charges in lawful money of the United States of America upon presentation and surrender of this Bond at the corporate trust office in Dallas, Texas, of The Bank of New York Mellon Trust Company, N.A. (the "Designated Payment/Transfer Office"), as the initial Paying Agent/Registrar or, with respect to a successor Paying Agent/Registrar, at the Designated Payment/Transfer Office of such successor. Interest on this Bond is payable by check dated as of the interest payment date, mailed by the Paying Agent/Registrar to the registered owner at the address shown on the registration books kept by the Paying Agent/Registrar or by such other customary banking arrangements acceptable to the Paying Agent/Registrar, requested by, and at the risk and expense of, the person to whom interest is to be paid. At the option of an Owner of at least \$1,000,000 principal amount of the Bonds, interest may be paid by wire transfer to the bank account of such Owner on file with the Paying Agent/Registrar. For the purpose of the payment of interest on this Bond, the registered owner shall be the person in whose name this Bond is registered at the close of business on the "Record Date," which shall be the last business day of the month next preceding such interest payment date; provided, however, that in the event of nonpayment of interest on a scheduled

REGISTERED
No. R-14

REGISTERED
\$6,930,000

United States of America
State of Texas
COLLIN COUNTY, TEXAS
LIMITED TAX PERMANENT IMPROVEMENT BOND
SERIES 2019

<u>INTEREST RATE:</u>	<u>MATURITY DATE:</u>	<u>CLOSING DATE:</u>	<u>CUSIP NUMBER:</u>
3.000%	February 15, 2033	March 20, 2019	194740 MZ6

Collin County (the "County"), State of Texas, for value received, hereby promises to pay
to

CEDE & CO.

or registered assigns, on the Maturity Date specified above, the sum of

SIX MILLION NINE HUNDRED THIRTY THOUSAND DOLLARS

unless this Bond shall have been sooner called for redemption and the payment of the principal hereof shall have been paid or provision for such payment shall have been made, and to pay interest on the unpaid principal amount hereof from the later of the Closing Date specified above or the most recent interest payment date to which interest has been paid or provided for until such principal amount shall have been paid or provided for, at the per annum rate of interest specified above, computed on the basis of a 360-day year of twelve 30-day months, such interest to be paid semiannually on February 15 and August 15 of each year, commencing February 15, 2020.

The principal of this Bond shall be payable without exchange or collection charges in lawful money of the United States of America upon presentation and surrender of this Bond at the corporate trust office in Dallas, Texas, of The Bank of New York Mellon Trust Company, N.A. (the "Designated Payment/Transfer Office"), as the initial Paying Agent/Registrar or, with respect to a successor Paying Agent/Registrar, at the Designated Payment/Transfer Office of such successor. Interest on this Bond is payable by check dated as of the interest payment date, mailed by the Paying Agent/Registrar to the registered owner at the address shown on the registration books kept by the Paying Agent/Registrar or by such other customary banking arrangements acceptable to the Paying Agent/Registrar, requested by, and at the risk and expense of, the person to whom interest is to be paid. At the option of an Owner of at least \$1,000,000 principal amount of the Bonds, interest may be paid by wire transfer to the bank account of such Owner on file with the Paying Agent/Registrar. For the purpose of the payment of interest on this Bond, the registered owner shall be the person in whose name this Bond is registered at the close of business on the "Record Date," which shall be the last business day of the month next preceding such interest payment date; provided, however, that in the event of nonpayment of interest on a scheduled

REGISTERED
No. R-15

REGISTERED
\$7,135,000

United States of America
State of Texas
COLLIN COUNTY, TEXAS
LIMITED TAX PERMANENT IMPROVEMENT BOND
SERIES 2019

<u>INTEREST RATE:</u>	<u>MATURITY DATE:</u>	<u>CLOSING DATE:</u>	<u>CUSIP NUMBER:</u>
3.000%	February 15, 2034	March 20, 2019	194740 NAO

Collin County (the "County"), State of Texas, for value received, hereby promises to pay
to

CEDE & CO.

or registered assigns, on the Maturity Date specified above, the sum of

SEVEN MILLION ONE HUNDRED THIRTY-FIVE THOUSAND DOLLARS

unless this Bond shall have been sooner called for redemption and the payment of the principal hereof shall have been paid or provision for such payment shall have been made, and to pay interest on the unpaid principal amount hereof from the later of the Closing Date specified above or the most recent interest payment date to which interest has been paid or provided for until such principal amount shall have been paid or provided for, at the per annum rate of interest specified above, computed on the basis of a 360-day year of twelve 30-day months, such interest to be paid semiannually on February 15 and August 15 of each year, commencing February 15, 2020.

The principal of this Bond shall be payable without exchange or collection charges in lawful money of the United States of America upon presentation and surrender of this Bond at the corporate trust office in Dallas, Texas, of The Bank of New York Mellon Trust Company, N.A. (the "Designated Payment/Transfer Office"), as the initial Paying Agent/Registrar or, with respect to a successor Paying Agent/Registrar, at the Designated Payment/Transfer Office of such successor. Interest on this Bond is payable by check dated as of the interest payment date, mailed by the Paying Agent/Registrar to the registered owner at the address shown on the registration books kept by the Paying Agent/Registrar or by such other customary banking arrangements acceptable to the Paying Agent/Registrar, requested by, and at the risk and expense of, the person to whom interest is to be paid. At the option of an Owner of at least \$1,000,000 principal amount of the Bonds, interest may be paid by wire transfer to the bank account of such Owner on file with the Paying Agent/Registrar. For the purpose of the payment of interest on this Bond, the registered owner shall be the person in whose name this Bond is registered at the close of business on the "Record Date," which shall be the last business day of the month next preceding such interest payment date; provided, however, that in the event of nonpayment of interest on a scheduled

REGISTERED
No. R-16

REGISTERED
\$7,360,000

United States of America
State of Texas
COLLIN COUNTY, TEXAS
LIMITED TAX PERMANENT IMPROVEMENT BOND
SERIES 2019

<u>INTEREST RATE:</u>	<u>MATURITY DATE:</u>	<u>CLOSING DATE:</u>	<u>CUSIP NUMBER:</u>
3.125%	February 15, 2035	March 20, 2019	194740 NB8

Collin County (the "County"), State of Texas, for value received, hereby promises to pay
to

CEDE & CO.

or registered assigns, on the Maturity Date specified above, the sum of

SEVEN MILLION THREE HUNDRED SIXTY THOUSAND DOLLARS

unless this Bond shall have been sooner called for redemption and the payment of the principal hereof shall have been paid or provision for such payment shall have been made, and to pay interest on the unpaid principal amount hereof from the later of the Closing Date specified above or the most recent interest payment date to which interest has been paid or provided for until such principal amount shall have been paid or provided for, at the per annum rate of interest specified above, computed on the basis of a 360-day year of twelve 30-day months, such interest to be paid semiannually on February 15 and August 15 of each year, commencing February 15, 2020.

The principal of this Bond shall be payable without exchange or collection charges in lawful money of the United States of America upon presentation and surrender of this Bond at the corporate trust office in Dallas, Texas, of The Bank of New York Mellon Trust Company, N.A. (the "Designated Payment/Transfer Office"), as the initial Paying Agent/Registrar or, with respect to a successor Paying Agent/Registrar, at the Designated Payment/Transfer Office of such successor. Interest on this Bond is payable by check dated as of the interest payment date, mailed by the Paying Agent/Registrar to the registered owner at the address shown on the registration books kept by the Paying Agent/Registrar or by such other customary banking arrangements acceptable to the Paying Agent/Registrar, requested by, and at the risk and expense of, the person to whom interest is to be paid. At the option of an Owner of at least \$1,000,000 principal amount of the Bonds, interest may be paid by wire transfer to the bank account of such Owner on file with the Paying Agent/Registrar. For the purpose of the payment of interest on this Bond, the registered owner shall be the person in whose name this Bond is registered at the close of business on the "Record Date," which shall be the last business day of the month next preceding such interest payment date; provided, however, that in the event of nonpayment of interest on a scheduled

REGISTERED
No. R-17

REGISTERED
\$7,600,000

United States of America
State of Texas
COLLIN COUNTY, TEXAS
LIMITED TAX PERMANENT IMPROVEMENT BOND
SERIES 2019

<u>INTEREST RATE:</u>	<u>MATURITY DATE:</u>	<u>CLOSING DATE:</u>	<u>CUSIP NUMBER:</u>
3.125%	February 15, 2036	March 20, 2019	194740 NC6

Collin County (the "County"), State of Texas, for value received, hereby promises to pay
to

CEDE & CO.

or registered assigns, on the Maturity Date specified above, the sum of

SEVEN MILLION SIX HUNDRED THOUSAND DOLLARS

unless this Bond shall have been sooner called for redemption and the payment of the principal hereof shall have been paid or provision for such payment shall have been made, and to pay interest on the unpaid principal amount hereof from the later of the Closing Date specified above or the most recent interest payment date to which interest has been paid or provided for until such principal amount shall have been paid or provided for, at the per annum rate of interest specified above, computed on the basis of a 360-day year of twelve 30-day months, such interest to be paid semiannually on February 15 and August 15 of each year, commencing February 15, 2020.

The principal of this Bond shall be payable without exchange or collection charges in lawful money of the United States of America upon presentation and surrender of this Bond at the corporate trust office in Dallas, Texas, of The Bank of New York Mellon Trust Company, N.A. (the "Designated Payment/Transfer Office"), as the initial Paying Agent/Registrar or, with respect to a successor Paying Agent/Registrar, at the Designated Payment/Transfer Office of such successor. Interest on this Bond is payable by check dated as of the interest payment date, mailed by the Paying Agent/Registrar to the registered owner at the address shown on the registration books kept by the Paying Agent/Registrar or by such other customary banking arrangements acceptable to the Paying Agent/Registrar, requested by, and at the risk and expense of, the person to whom interest is to be paid. At the option of an Owner of at least \$1,000,000 principal amount of the Bonds, interest may be paid by wire transfer to the bank account of such Owner on file with the Paying Agent/Registrar. For the purpose of the payment of interest on this Bond, the registered owner shall be the person in whose name this Bond is registered at the close of business on the "Record Date," which shall be the last business day of the month next preceding such interest payment date; provided, however, that in the event of nonpayment of interest on a scheduled

REGISTERED
No. R-18

REGISTERED
\$7,845,000

United States of America
State of Texas
COLLIN COUNTY, TEXAS
LIMITED TAX PERMANENT IMPROVEMENT BOND
SERIES 2019

<u>INTEREST RATE:</u>	<u>MATURITY DATE:</u>	<u>CLOSING DATE:</u>	<u>CUSIP NUMBER:</u>
3.250%	February 15, 2037	March 20, 2019	194740 ND4

Collin County (the "County"), State of Texas, for value received, hereby promises to pay
to

CEDE & CO.

or registered assigns, on the Maturity Date specified above, the sum of

SEVEN MILLION EIGHT HUNDRED FORTY-FIVE THOUSAND DOLLARS

unless this Bond shall have been sooner called for redemption and the payment of the principal hereof shall have been paid or provision for such payment shall have been made, and to pay interest on the unpaid principal amount hereof from the later of the Closing Date specified above or the most recent interest payment date to which interest has been paid or provided for until such principal amount shall have been paid or provided for, at the per annum rate of interest specified above, computed on the basis of a 360-day year of twelve 30-day months, such interest to be paid semiannually on February 15 and August 15 of each year, commencing February 15, 2020.

The principal of this Bond shall be payable without exchange or collection charges in lawful money of the United States of America upon presentation and surrender of this Bond at the corporate trust office in Dallas, Texas, of The Bank of New York Mellon Trust Company, N.A. (the "Designated Payment/Transfer Office"), as the initial Paying Agent/Registrar or, with respect to a successor Paying Agent/Registrar, at the Designated Payment/Transfer Office of such successor. Interest on this Bond is payable by check dated as of the interest payment date, mailed by the Paying Agent/Registrar to the registered owner at the address shown on the registration books kept by the Paying Agent/Registrar or by such other customary banking arrangements acceptable to the Paying Agent/Registrar, requested by, and at the risk and expense of, the person to whom interest is to be paid. At the option of an Owner of at least \$1,000,000 principal amount of the Bonds, interest may be paid by wire transfer to the bank account of such Owner on file with the Paying Agent/Registrar. For the purpose of the payment of interest on this Bond, the registered owner shall be the person in whose name this Bond is registered at the close of business on the "Record Date," which shall be the last business day of the month next preceding such interest payment date; provided, however, that in the event of nonpayment of interest on a scheduled

REGISTERED
No. R-19

REGISTERED
\$8,105,000

United States of America
State of Texas
COLLIN COUNTY, TEXAS
LIMITED TAX PERMANENT IMPROVEMENT BOND
SERIES 2019

<u>INTEREST RATE:</u>	<u>MATURITY DATE:</u>	<u>CLOSING DATE:</u>	<u>CUSIP NUMBER:</u>
3.375%	February 15, 2038	March 20, 2019	194740 NE2

Collin County (the "County"), State of Texas, for value received, hereby promises to pay
to

CEDE & CO.

or registered assigns, on the Maturity Date specified above, the sum of

EIGHT MILLION ONE HUNDRED FIVE THOUSAND DOLLARS

unless this Bond shall have been sooner called for redemption and the payment of the principal hereof shall have been paid or provision for such payment shall have been made, and to pay interest on the unpaid principal amount hereof from the later of the Closing Date specified above or the most recent interest payment date to which interest has been paid or provided for until such principal amount shall have been paid or provided for, at the per annum rate of interest specified above, computed on the basis of a 360-day year of twelve 30-day months, such interest to be paid semiannually on February 15 and August 15 of each year, commencing February 15, 2020.

The principal of this Bond shall be payable without exchange or collection charges in lawful money of the United States of America upon presentation and surrender of this Bond at the corporate trust office in Dallas, Texas, of The Bank of New York Mellon Trust Company, N.A. (the "Designated Payment/Transfer Office"), as the initial Paying Agent/Registrar or, with respect to a successor Paying Agent/Registrar, at the Designated Payment/Transfer Office of such successor. Interest on this Bond is payable by check dated as of the interest payment date, mailed by the Paying Agent/Registrar to the registered owner at the address shown on the registration books kept by the Paying Agent/Registrar or by such other customary banking arrangements acceptable to the Paying Agent/Registrar, requested by, and at the risk and expense of, the person to whom interest is to be paid. At the option of an Owner of at least \$1,000,000 principal amount of the Bonds, interest may be paid by wire transfer to the bank account of such Owner on file with the Paying Agent/Registrar. For the purpose of the payment of interest on this Bond, the registered owner shall be the person in whose name this Bond is registered at the close of business on the "Record Date," which shall be the last business day of the month next preceding such interest payment date; provided, however, that in the event of nonpayment of interest on a scheduled

REGISTERED
No. R-20

REGISTERED
\$8,380,000

United States of America
State of Texas
COLLIN COUNTY, TEXAS
LIMITED TAX PERMANENT IMPROVEMENT BOND
SERIES 2019

<u>INTEREST RATE:</u>	<u>MATURITY DATE:</u>	<u>CLOSING DATE:</u>	<u>CUSIP NUMBER:</u>
3.375%	February 15, 2039	March 20, 2019	194740 NF9

Collin County (the "County"), State of Texas, for value received, hereby promises to pay
to

CEDE & CO.

or registered assigns, on the Maturity Date specified above, the sum of

EIGHT MILLION THREE HUNDRED EIGHTY THOUSAND DOLLARS

unless this Bond shall have been sooner called for redemption and the payment of the principal hereof shall have been paid or provision for such payment shall have been made, and to pay interest on the unpaid principal amount hereof from the later of the Closing Date specified above or the most recent interest payment date to which interest has been paid or provided for until such principal amount shall have been paid or provided for, at the per annum rate of interest specified above, computed on the basis of a 360-day year of twelve 30-day months, such interest to be paid semiannually on February 15 and August 15 of each year, commencing February 15, 2020.

The principal of this Bond shall be payable without exchange or collection charges in lawful money of the United States of America upon presentation and surrender of this Bond at the corporate trust office in Dallas, Texas, of The Bank of New York Mellon Trust Company, N.A. (the "Designated Payment/Transfer Office"), as the initial Paying Agent/Registrar or, with respect to a successor Paying Agent/Registrar, at the Designated Payment/Transfer Office of such successor. Interest on this Bond is payable by check dated as of the interest payment date, mailed by the Paying Agent/Registrar to the registered owner at the address shown on the registration books kept by the Paying Agent/Registrar or by such other customary banking arrangements acceptable to the Paying Agent/Registrar, requested by, and at the risk and expense of, the person to whom interest is to be paid. At the option of an Owner of at least \$1,000,000 principal amount of the Bonds, interest may be paid by wire transfer to the bank account of such Owner on file with the Paying Agent/Registrar. For the purpose of the payment of interest on this Bond, the registered owner shall be the person in whose name this Bond is registered at the close of business on the "Record Date," which shall be the last business day of the month next preceding such interest payment date; provided, however, that in the event of nonpayment of interest on a scheduled

interest 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 (the "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 Owner of a Bond appearing on the books of the Paying Agent/Registrar at the close of business on the last business day preceding the date of mailing such notice.

If a date for the payment of the principal of or interest on the Bonds is a Saturday, Sunday, legal holiday, or a day on which banking institutions in the County in which the Designated Payment/Transfer Office is located are authorized by law or executive order to close, then the date for such payment shall be the next succeeding day which is not a Saturday, Sunday, legal holiday, or day on which such banking institutions are authorized to close; and payment on such date shall have the same force and effect as if made on the original date payment was due.

This Bond, dated February 15, 2019, is one of a series of fully registered bonds specified in the title hereof issued in the aggregate principal amount of \$151,005,000 (herein referred to as the "Bonds") pursuant to a certain order of the Commissioners Court of the County (the "Order") for the public purpose of providing funds for the purpose of (i) constructing, improving and maintaining non-tolled, high-speed highways and freeways within Collin County and related service and frontage roads; including the acquisition of land and rights-of-way therefor; and including participating in the cost of joint county-state and county-city projects, (ii) for the purpose of constructing, improving and maintaining roads and bridges within Collin County, including the acquisition of land and rights-of-way therefor; and including participating in the cost of joint county-state and county-city projects, (iii) acquiring and improving land for park and open space purposes, including joint county-city projects, (iv) acquiring, constructing, improving, renovating and equipping juvenile and adult detention facilities, including court facilities, juvenile probation facilities and juvenile justice alternative education program facilities and the acquisition of land therefor, and (v) paying the costs of issuance related to the Bonds.

The Bonds and the interest thereon are payable from the levy of a direct and continuing ad valorem tax, within the limit prescribed by law, against all taxable property in the County as described and provided in the Order.

The County has reserved the option to redeem the Bonds maturing on or after February 15, 2029, in whole or in part, before their respective scheduled maturity dates, on February 15, 2028, or on any date thereafter, at a price equal to the principal amount of the Bonds so called for redemption plus accrued interest to the date fixed for redemption. If less than all of the Bonds are to be redeemed, the County shall determine the maturity or maturities and the amounts thereof to be redeemed and shall direct the Paying Agent/Registrar to call by lot the Bonds, or portions thereof, within such maturity and in such principal amounts, for redemption.

Notice of such redemption or redemptions shall be given by first class mail, postage prepaid, not less than 30 days before the date fixed for redemption, to the registered owner of each of the Bonds to be redeemed in whole or in part. Notice having been so given, the Bonds or portions thereof designated for redemption shall become due and payable on the redemption date

specified in such notice; and, from and after such date, notwithstanding that any of the Bonds or portions thereof so called for redemption shall not have been surrendered for payment, interest on such Bonds or portions thereof shall cease to accrue.

In the Order, 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.

Any notice so mailed shall be conclusively presumed to have been duly given, whether or not the registered owner receives such notice. Notice having been so given and subject, in the case of an optional redemption, to any rights or conditions reserved by the county in the notice, the Bonds called for redemption shall become due and payable on the specified redemption date, and notwithstanding that any Bond or portion thereof has not been surrendered for payment, interest on such Bond or portion thereof shall cease to accrue.

As provided in the Order, and subject to certain limitations therein set forth, this Bond is transferable upon surrender of this Bond for transfer at the Designated Payment/Transfer Office, with such endorsement or other evidence of transfer as is acceptable to the Paying Agent/Registrar, and, thereupon, one or more new fully registered Bonds of the same stated maturity, of authorized denominations, bearing the same rate of interest, and for the same aggregate principal amount will be issued to the designated transferee or transferees.

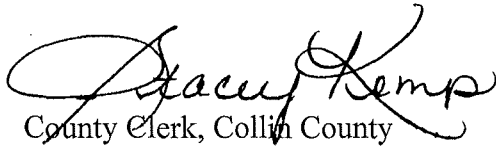
The County, the Paying Agent/Registrar, and any other person may treat the person in whose name this Bond is registered as the owner hereof for the purpose of receiving payment as herein provided (except interest shall be paid to the person in whose name this Bond is registered on the Record Date or Special Record Date, as applicable) and for all other purposes, whether or not this Bond be overdue, and neither the County nor the Paying Agent/Registrar shall be affected by notice to the contrary.

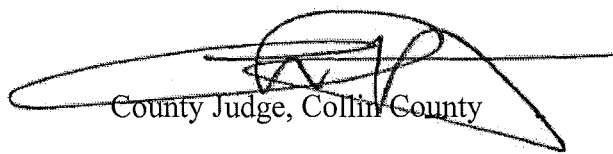
Neither the County nor the Paying Agent/Registrar shall be required to issue, transfer or exchange any Bond called for redemption where such redemption is scheduled to occur within 45 calendar days of the transfer or exchange date; provided, however, such limitation shall not be applicable to an exchange by the registered owner of the uncalled principal balance of a Bond.

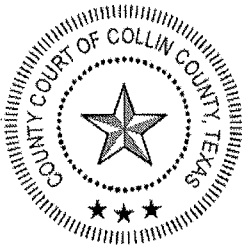
IT IS HEREBY CERTIFIED AND RECITED that the issuance of this Bond and the series of which it is a part is duly authorized by law; that all acts, conditions and things required to be done precedent to and in the issuance of the Bonds have been properly done and performed and have happened in regular and due time, form and manner, as required by law; and that the total indebtedness of the County, including the Bonds, does not exceed any constitutional or statutory limitation.

SPECIMEN

IN WITNESS WHEREOF, the County has caused this Bond to be executed by the manual or facsimile signature of the County Judge, countersigned by the manual or facsimile signature of the County Clerk of the County, and the official seal of the County has been duly impressed or placed in facsimile on this Bond.


County Clerk, Collin County


County Judge, Collin County



SPECIMEN

CERTIFICATE OF PAYING AGENT/REGISTRAR

The records of the Paying Agent/Registrar show that the Initial Bond of this series of Bonds was approved by the Attorney General of the State of Texas and registered by the Comptroller of Public Accounts of the State of Texas, and that this is one of the Bonds referred to in the within-mentioned Order.

THE BANK OF NEW YORK MELLON
TRUST COMPANY, N.A.,
as Paying Agent/Registrar

Dated: _____

By: _____
Authorized Signatory

SPECIMEN

ASSIGNMENT

FOR VALUE RECEIVED, the undersigned hereby sells, assigns, and transfers unto (print or typewrite name, address and Zip Code of transferee): _____

(Social Security or other identifying number: _____) the within Bond and all rights hereunder and hereby irrevocably constitutes and appoints _____ attorney to transfer the within Bond on the books kept for registration hereof, with full power of substitution in the premises.

Dated: _____

Signature Guaranteed By: _____

Authorized Signatory

NOTICE: The signature on this Assignment must correspond with the name of the registered owner as it appears on the face of the within Bond in every particular and must be guaranteed by an officer of a federal or state bank or a member of the National Association of Securities Dealers.

GENERAL AND NO-LITIGATION CERTIFICATE

We, the undersigned officers and officials of Collin County, Texas (the "County"), hereby certify the following information:

I. General

1.1. This certificate is executed for and on behalf of said County with reference to the issuance of the COLLIN COUNTY, TEXAS LIMITED TAX PERMANENT IMPROVEMENT BONDS, SERIES 2019 (the "Bonds"), dated February 15, 2019. Capitalized terms used herein and not otherwise defined shall have the meanings assigned in the order adopted by the Commissioners Court on February 4, 2019 (the "Bond Order") and the pricing certificate executed pursuant to the authority thereof (the "Pricing Certificate," and together with the Bond Order, the "Order") authorizing the issuance of the Bonds.

1.2. The County is a duly created and existing county of the State of Texas operating under the Constitution and laws of the State of Texas.

1.3. As of the date hereof, the duly constituted and acting members of the Commissioners Court and certain other officers of the County are as follows:

Chris Hill, County Judge
Susan Fletcher, Commissioner, Precinct No. 1
Cheryl Williams, Commissioner, Precinct No. 2
Darrell Hale, Commissioner, Precinct No. 3
Duncan Webb, Commissioner, Precinct No. 4
Jeff May, County Auditor
Stacey Kemp, County Clerk
Kenneth L. Maun, Tax Assessor-Collector
Bill Bilyeu, County Administrator

1.4. The November 6, 2007 and November 6, 2018 elections at which the Bonds were approved by the electorate of the County were held in compliance with the Federal Voting Rights Act of 1965, as amended, and applicable State law, including Chapter 272, Texas Election Code, as amended.

1.5. According to the tax rolls of the County for the tax year 2018, which are the latest approved tax rolls of the County, the total assessed value of real property and personal property subject to taxation by the County is \$138,427,326,503.

1.6. After giving effect to the issuance of the Bonds, the total principal amount of presently outstanding indebtedness of the County payable from an ad valorem tax levied pursuant to Article VIII, Section 9 of the Texas Constitution, is \$443,625,000.

1.7. A true and correct statement of the debt service for the Bonds and all other outstanding indebtedness of the County payable from an ad valorem tax levied pursuant to Article VIII, Section 9, of the Texas Constitution is set forth in Table 9 – "GENERAL

OBLIGATION DEBT SERVICE REQUIREMENTS” of the County’s Official Statement, such table being incorporated herein by reference.

1.8. The County is not in default in the payment of principal or interest on any of its outstanding obligations.

1.9. Neither the corporate existence or boundaries of the County or the title of its present officers to their respective offices is being contested, and no authority or proceedings for the issuance of the Bonds have been repealed, revoked, or rescinded.

1.10. A true and correct statement of the debt service tax rate for the County is set forth in Table 5 – “TAX RATE DISTRIBUTION AND ANALYSIS” of the County’s Official Statement, such table being incorporated herein by reference.

1.11. With respect to the contracts contained within this transcript of proceedings, all disclosure filings and acknowledgments required by Section 2252.908, Texas Government Code, and the rules of the Texas Ethics Commission related to said provision, have been made.

1.12. Attached hereto as Exhibit A is a report from the Texas Commission on Jail Standards regarding the expansion of the County’s detention center with a portion of the proceeds of the Bonds.

II. Official Statement

2.1. The descriptions and statements of or pertaining to the County contained in the Official Statement for the Bonds, and any addenda, supplement or amendment thereto on the date of Official Statement, on the date of sale of the Bonds and on the date hereof, were and are true and correct in all material respects.

2.2. Insofar as the County and its affairs, including its financial affairs, are concerned, such Official Statement did not and does not contain an untrue statement of a material fact or omit to state a material fact required to be stated therein or necessary to make the statements therein, in light of the circumstances under which they were made, not misleading.

2.3. Insofar as the descriptions and statements, including financial data, of or pertaining to entities, other than the County, and their activities contained in such Official Statement are concerned, said statements and data have been obtained from sources which the County believes to be reliable, and the County has no reason to believe they are untrue in any material respect.

2.4. There has been no material adverse change in the financial condition of the County since the date of the last audited financial statements of the County.

III. Signature Identification and No Litigation

3.1. The undersigned County Judge and County Clerk officially executed and signed the Bonds, including the initial Bonds delivered to the purchaser of the Bonds (the “Initial Bond”), by manual signature or by causing facsimiles of our manual signatures to be imprinted

or lithographed on each of the Bonds, and we hereby adopt said facsimile signatures as our own, respectively, and declare that said facsimile signatures constitute our signatures the same as if we had manually signed each of the Bonds; at the time we so executed and signed the Bonds we were, and at the time of executing this certificate we are, the duly chosen, qualified, and acting officers indicated therein and authorized to execute the same; and we have caused the official seal of the County to be impressed, printed, or lithographed on each of the Bonds, and said seal on the Bonds has been duly adopted as, and is hereby declared to be, the official seal of the County.

3.2. The Bonds, including the Initial Bonds, are substantially in the form, and have been duly executed and signed in the manner prescribed in the Order.

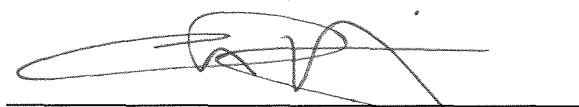
3.3. No litigation is pending or, to our knowledge, threatened in any court to restrain or enjoin the issuance or delivery of the Bonds, the levy or the collection of the ad valorem taxes to pay the principal of and interest on the Bonds, or the pledge thereof, or in any way contesting or affecting the validity of the Bonds, the Order authorizing the issuance of the Bonds or the Confirming Order, the powers of the County or contesting the authorization of the Bonds, the Order or the Confirming Order, or contesting in any way the accuracy, completeness or fairness of the Official Statement relating to the Bonds.

[EXECUTION PAGE FOLLOWS]

EXECUTED AND DELIVERED ON March 20, 2019.

Manual Signatures

Official Titles



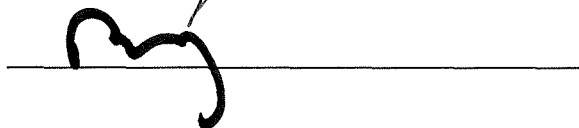
County Judge, Collin County, Texas



County Clerk, Collin County, Texas



County Auditor, Collin County, Texas



County Administrator, Collin County, Texas

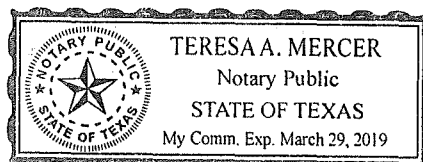
STATE OF TEXAS

§
§
§

COUNTY OF COLLIN

Before me, the undersigned authority, on this day personally appeared Chris Hill, Stacey Kemp, Jeff May and Bill Bilyeu, the County Judge, County Clerk, County Auditor and County Administrator, respectively, of Collin County, Texas, each known to me to be the person who signed the above and each acknowledged to me that such person executed the above and foregoing Certificate in my presence for the purposes stated therein.

Given under my hand and seal of office this February 7, 2019.



Teresa A. Mercer
Notary Public, State of Texas

[NOTARY SEAL]

TEXAS COMMISSION ON JAIL STANDARDS

EXECUTIVE DIRECTOR
Brandon S. Wood



P.O. Box 12985
Austin, Texas 78711
Voice: (512) 463-5505
Fax: (512) 463-3185
<http://www.tcjs.state.tx.us>
info@tcjs.state.tx.us

February 6, 2019

The Honorable Chris Hill
County Judge, Collin County
2300 Bloomdale Road
Suite 4192
McKinney, Texas 75071

and

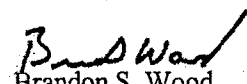
Sheriff Jim Skinner
Sheriff, Collin County
4300 Community Avenue
McKinney, TX 75071

Dear Judge Hill and Skinner,

Reference your request for a facility needs analysis. Attached are our findings in report form. This analysis is not a directive, but a tool in guiding you as you plan for a new facility. Local community standards should be applied to these findings to determine the final scope of your construction project.

Please contact me if I can be of further assistance.

Sincerely,


Brandon S. Wood
Executive Director

Judge Bill Stoudt, Longview, Chair
Jerry W. Lowry, New Caney, Vice Chair
Larry S. May, Sweetwater

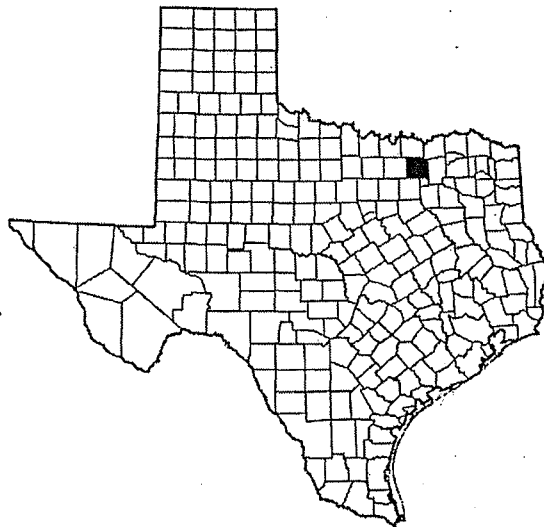
Sheriff Dennis D. Wilson, Groesbeck
Sheriff Kelly Rowe, Lubbock
Dr. Esmail Porsa, M.D., Parker

Commissioner Ben Perry, Waco
Duane Lock, Southlake
Melinda E. Taylor, Austin

"The Commission on Jail Standards welcomes all suggestions and will promptly respond to all complaints directed against the agency or any facilities under its purview".
To empower local government to provide safe, secure and suitable local jail facilities through proper rules and procedures while promoting innovative programs and ideas

FACILITY NEEDS ANALYSIS

PREPARED FOR



COLLIN COUNTY

McKinney, Texas

February 6, 2019

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INTRODUCTION

The purpose of this report is to evaluate future county jail capacity needs for Collin County. Information maintained by the Commission and data provided by the Texas Demographic Center, the U. S. Census Bureau and the Collin County Sheriff's Office are utilized in this report. In addition, historical jail population trends are presented and assist in predicting future needs.

Review of the statewide adult incarceration system provides perspective for determining the needs for counties. The availability of beds in the state prison system directly affects populations in county jails and has in previous years created a higher county jail population.

Currently the statewide county jail capacity is 95,791 and the inmate population is 66,167. This represents an occupancy level of 69% statewide.

The estimated capacity recommended in this report is not a directive as to what capacity a facility must be designed. Local community standards should be applied to these findings as well as your prison movement status to determine the final scope of your construction project.

CURRENT JAIL CONDITIONS

Collin County currently operates two jail facilities, which are located at 4300 Community Blvd and 1710 North McDonald in McKinney, Texas. The main jail facility was built in 1994 with an addition constructed in 2002, bringing the total capacity of the building to 946 beds. In 2006, variances from minimum jail standards were granted, allowing the main facility to place a second bed into 160 single cells, increasing the capacity to 1,106. The total capacity consists of 220 single cells, 38 separation cells, 268 multiple occupancy cells with a capacity of 536 and 4 dormitories with housing capacity of 288. This facility also contains five holding cells, one detoxification cell and no violent cells. The county also operates a minimum security facility consisting of four dormitories with a combined capacity of 192 beds and two holding cells. The total system capacity for both facilities is 1,298 beds; of these 1,298 beds, 182 are designated for female use.

On January 25, 2019, the total population of the Collin County Jail was 1,017 inmates which included 141 females; these numbers reflect only local inmate population numbers and do not include contract inmates. Collin County averages 160 females per day with an overall average daily population of 984 inmates.

The Collin County Jail also provides support for various local and state agencies. These include the Allen PD, Anna ISD PD, Anna PD, Attorney General, Baylor Hospital, Carrollton PD, Collin County Community College PD, Celina ISD PD, Celina PD, Fairview PD, Farmersville PD, Farmersville ISD PD, Frisco PD, Royce City PD, McKinney PD, McKinney Marshal's Office, Melissa PD, Murphy PD, Parker PD, Plano PD, Princeton PD, Prosper PD, Wylie PD, Collin County Constable PCT 1, 2, 3 and 4, Collin County District Attorney's Office, Collin County Fire Marshall, Collin County Sheriff's Office, DART PD, Dallas County Sheriff's Office, Dallas PD,

Texas Department of Corrections, Texas Department of Public Safety, United States Marshal's Office, DEA, TABC, FBI, Josephine PD, Community ISD PD, Lavon PD, Lucas PD, Methodist Hospital PD, Sachse PD, Parks & Wildlife, Texas Rangers, ICE, University of Texas at Dallas PD and Collin County CSCD.

POPULATION PROJECTIONS

According to the 2010 census data provided by the U.S. Census Bureau, Collin County was home to approximately 728,341 residents which represents a 37.3% growth factor from the 2000 population census of 490,660. According to 2017 U.S. Census estimates Collin County is home to 969,603 residents representing a growth factor of 19.3% from the 2010 population census. It is important to note that the numbers provided by the Texas Demographic Center and U.S. Census Bureau.

The Texas Demographic Center currently provides a single scenario for Collin County in regards to future population projections. This scenario reflects the potential growth Collin County could experience over the next 20 years. It should be noted, that these numbers are projections based on several demographic factors and do not take into account actual growth experienced by the county in the previous decade. The Demographic Center instead bases its projections on a statewide basis, regardless of variations in the actual growth experienced in the County.

Based on projections from the Texas Demographic Center, we utilized 25% from 2010 to 2020 as a growth rate factor for this decade. For the decade 2020 to 2030 a growth rate factor of 25% is utilized and 25% is utilized for decade 2030 to 2040. It is important to note the Texas Demographic Center currently has a single scenario for the future growth of Collin County, which can be viewed at <http://txsdc.utsa.edu/>.

The table below shows Collin County's population and the projected growth until the year 2040 utilizing State Data Center projections minus fixed occupancy housing.

Projection Scenario

YEAR	POPULATION
2010*	782,341
2018	983,086
2020	1,039,202
2030	1,390,722
2040	1,862,906

* - Date of Census

The projected rise in the population of Collin County comprises both males and females. Population forecasts are based on many factors that are unpredictable including birth rate, death rate, immigration, and emigration; however, this analysis should be a good model to employ in determining the future jail needs of Collin County.

INCARCERATION RATE TRENDS

In order to calculate the incarceration rate of the county, the average daily population (ADP) of the jail is divided by the total county population for the year (per information provided by the Collin County Sheriff's Office). The 2016 and 2017 population estimates from the U.S. census are provided, along with the projection scenario for 2018 provided by the Demographic Center, to serve as a visual representation for your inmate population trends over the last couple of years. The incarceration rate reflects the number of inmates housed per 1,000 people in the county.

<u>YEAR</u>	<u>ADP</u>	<u>COUNTY POPULATION</u>	<u>INCARCERATION RATE</u>
2016	876	942,453 <i>2016 CENSUS ESTIMATE</i>	0.93
2017	975	969,603 <i>2017 CENSUS ESTIMATE</i>	1.01
2018	984	969,603 <i>2017 CENSUS ESTIMATE</i>	1.02
2018	984	983,086 <i>Projection Scenario</i>	1.00

The incarceration rate for Collin County in 2017 is lower than the average State rate of 2.24 of the same year, and it appears that the incarceration rate in 2018 has continued that trend. For use in this analysis, a local incarceration rate of 1.00 (.00100) will be used in the Census Bureau Scenario to project future needs until the year 2038.

PEAK POPULATION FACTORS

To project future capacity needs for the jail, consideration is given to historical peak inmate populations. Peak populations represent those days in each month when the jail has the highest number of inmates.

The peak population factor represents an additional percentage of beds that are needed in a jail to accommodate those days when the jail population is higher than average. To calculate the peak population factor for Collin County, we utilize data provided by the Sheriff's Department.

The average peak population during the last twelve months was 1,016 while the average daily population (ADP) was 984; this represents a difference of 32. To calculate the peak population factor, 32 is divided by the ADP of 984 which represents a factor of 3.31%, which will be utilized in calculating the projected capacity needs in the next section. It should be noted that the peak population of the jail during the last twelve months was 1,063 inmates which occurred in November of 2018, based upon Collin County Sheriff's population report.

PROJECTED CAPACITY NEEDS

Projected needs are based on the county incarceration rate, projected county population, the peak population factor, and a classification percentage.

Census Bureau Scenario

In this scenario, the county population is multiplied by the incarceration rate (.00107) to yield expected inmate population. A peak population percentage (3.31%) is then added to the anticipated inmate population which provides a minimum capacity projection. At this time, a classification percentage (10%) is added to ensure a sufficient number of beds are provided for objective jail classification. The following table indicates projected future incarceration needs for Collin County:

Scenario 0.5

Year	Projected County Pop	Incarceration Rate	Projected Inmate Pop	Peak Population	Minimum Capacity	Classification	Total Cap	Suggested size
2010	782,341	1.01	793.76	26.29	820.05	82.00	902	1298*
2018	983,086	1.01	997.43	33.04	1030.47	103.05	1134	1298*
2020	1,039,202	1.01	1054.36	34.92	1089.29	108.93	1198	1298*
2030	1,390,722	1.01	1411.01	46.73	1457.75	145.77	1604	1632
2038	1,760,222	1.01	1785.90	59.15	1845.06	184.51	2030	2064

* - current capacity

RECOMMENDATION

The **Census Bureau Scenario** indicates that Collin County would need, at a minimum, 2,030 jail beds by the year 2038. Based on this information and the 1:48 staff to inmate ratio, we would recommend **no less than 2,064 beds be considered with the capability to expand in the future to act as a buffer for unexpected growth**; additionally, the large number of outstanding warrants held by Collin County and municipalities within its boundaries should also be considered. The design professional should also take into account future planning and construction needs based upon past and predicted female incarceration rates (typically 15%) and classification variances of all inmates. There is an indication that female incarceration rates will continue to increase throughout the state.

You are reminded that our analysis is based on a 20 year proposal beginning in 2018. Failure to meet this time period can affect our projections requiring additional space. Your pretrial felon and misdemeanor figures appear to be consistent with other jails. Any reduction in these numbers could impact your needs. This figure should be assessed as you proceed with any project.

To state our recommendation more specifically: (1) choose a site sufficient for growth; (2) design a jail that is truly expandable; (3) provide adequate service and support space in the initial design to allow for future expansion. This, in our opinion, is the most feasible and economical approach to your incarceration needs.

ADDITIONAL CONSIDERATIONS

Collin County Sheriff's Office, District Court and municipalities currently have over 17,000 outstanding warrants along with all people arrested by other local Law Enforcement agencies which can impact the county jail population, causing unexpected peaks in population.

Second, Collin County has several highways within its boundaries including U.S. Highway 75, U.S. Highway 229, U.S. Highway 835, Sam Rayburn Tollway, 100, 509, Dallas North Tollway, 176, 918, President Bush Turnpike, 149, 102, U.S. Highway 380, 49 and 021 which are heavily relied upon by commuters, and travelers due to its geographical location. Department of Public Safety State Troopers patrolling these highways makes arrests on drivers who are trafficking drugs or have misdemeanor violations, felony violations, parole violations and previous speeding tickets which can also adversely impact the jail population and cause it to be overcrowded.

Third, Collin County's current incarceration rate based upon the reported daily population of the previous 12 months is 1.01 while the state average is 2.24. Any increase in current incarceration rate trends in Collin County could adversely affect the county jail.

Fourth, Collin County hosts several recreational areas and events within its boundaries. All of these events attract potential visitors that may not live within the county's boundaries. Lavon Lake, during the summer months, draws in an influx of visitors and heavy traffic. In addition, Allen Premium Outlets, Toyota Stadium, Dr. Pepper Ballpark and Dr. Pepper Arena attract a high number of visitors each year. These recreational activities and others can also adversely impact the jail population and cause it to be overcrowded.

Fifth, Collin County has several major employers and manufacturers located within its boundaries. All of these industries attract potential employees' that may not live within the county's boundaries and would not be calculated into any future predictions of the County's population. In addition to the industry located in Collin County, there are also several construction projects that are currently underway.

Sixth, Collin County is the home to two institutions of higher learning with a combined enrollment of approximately 83,279 students as of 2018, many of whom commute to the university campuses from other counties and would not be counted in the census population.

Seventh, Collin County Jail currently operates with 4 variances from minimum jail standards, without these variances the county would be unable to effectively operate. For convenience, the variances that Collin County Jail is currently operating with will be attached to this report.

Finally, Collin County currently utilizes Pre Trial Release, Work Release and CPS bonding as means to help reduce the amount of inmates housed in the county jail. We strongly suggest that the county continue using these jail diversion programs and explore additional options like electronic monitoring and good-time credit; in an effort to reduce the number of inmates housed in the jail.

All of these factors play a major role in deciding whether or not Collin County needs a new jail. With increasing population, highway traffic, county community events, and outstanding warrants the projected inmate population can only be expected to increase. Collin County is ranked the sixth fastest-growing county in the nation by the US Census Bureau from 2000 to 2010, adding over 35,000 people within a decade. Due to its close proximity of neighboring metropolitan of the Dallas and Fort Worth area, Collin County has shown continuous growth.

The Texas Demographic Center and U.S. Census Bureau do not make individual predictions for counties. Therefore any data such as, development of new businesses, are not taken into account in predicting the future growth in Collin County.

Please contact the Commission at the address below to obtain additional copies of this document.

**Brandon S. Wood
Texas Commission on Jail Standards
P.O. Box 12985
Austin, Texas 78711
512-463-5505**

Appendix

VARIANCE

COUNTY COLLIN

Variance No.: 1

Facility Collin County Jail

Total Variances: 4

Address 4300 Community Blvd

City McKinney

CONDITION REQUIRING VARIANCE

Condition of Variance: None

Condition Requiring Variance: Adding 1 bunk to each of 160 single cells results in inadequate square footage in the cells and inadequate toilets and showers in the day rooms.

Rule/Section: 217.05.05.044 Multiple Occupancy Cells 217.05.05.046 Day Rooms

Number of Varianced Bunks: 160

COMMISSION ACTION

Date Variance Granted: 11/18/1993

Expiration Date:

Commission Review Date 11/2/2006

Comments: Commission approved 80 bunks with minimum variances September 27, 1996.
Approved 80 bunks with maximum variances September 25, 1997.
Approved in accordance with 511.009(c) on November 2, 2006

COUNTY COLLIN

Facility Collin County Jail

Address 4300 Community Blvd

City McKinney

Variance No.: 2

Total Variances: 4

CONDITION REQUIRING VARIANCE

Condition of Variance: None

Condition Requiring Variance: Housing maximum and minimum security inmates together in a direct supervision setting.

Rule/Section: 271.1 Classification and Separation

Number of Varianced Bunks: 0

COMMISSION ACTION

Date Variance Granted: 12/4/1997

Expiration Date:

Commission Review Date 12/4/1997

Comments: This variance voids 2 existing variances approved under the previous classification and separation rules which allowed housing different security levels upon approval of the Commission.

COUNTY COLLIN

Variance No.: 3

Facility Collin County Court Holding

Total Variances: 4

Address 2100 Bloomdale Road

City McKinney

CONDITION REQUIRING VARIANCE

Condition of Variance: None

Condition Requiring Variance: Doors at inmate occupied areas do not swing in the direction of egress.

Rule/Section: 263.18 Life Safety

Number of Varianced Bunks: 0

COMMISSION ACTION

Date Variance Granted: 4/6/2000

Expiration Date:

Commission Review Date

Comments:

COUNTY COLLIN

Variance No.: 4

Facility Collin County Jail

Total Variances: 4

Address 4300 Community Blvd

City McKinney

CONDITION REQUIRING VARIANCE

Condition of Variance: None

Condition Requiring Variance: Congregating 72 inmates in a dormitory/day room area.

Rule/Section: 259.135, 259.329

Number of Varianced Bunks: 216

COMMISSION ACTION

Date Variance Granted: 10/12/2000

Expiration Date:

Commission Review Date 11/2/2006.

Comments: Required to submit data regarding the operation of the 72 bed dormitories so that a review to ensure the safety and security of the facility can be performed.
Approved in accordance with 511.009© on November 2, 2006

COLLIN COUNTY, TEXAS

February 15, 2019

The Attorney General of Texas
William P. Clements Building
300 West 15th Street, 7th Floor
Austin, Texas 78701
Attention: Public Finance Section

Comptroller of Public Accounts
Thomas Jefferson Rusk Building
208 East 10th Street, Room 448
Austin, Texas 78701
Attention: Melissa Mora
Bond Registration

Re: Collin County, Texas Limited Tax Permanent Improvement Bonds,
Series 2019

To the Attorney General:

The executed Initial Bond of the captioned series has been or soon will be delivered to you for examination and approval. In this connection, enclosed herewith is a General and No-Litigation Certificate executed and completed except as to date. When the Initial Bond has received your approval and is ready for delivery to the Comptroller of Public Accounts for registration, this letter will serve as your authority to insert the date of your approval in the General and No-Litigation Certificate and deliver the Initial Bond to the Comptroller.

Should litigation in any way affecting such bonds develop the undersigned will notify you at once by telephone and telecommunication. You may be assured, therefore, that there is no such litigation at the time the Initial Bond is finally approved by you, unless you have been advised otherwise.

To the Comptroller:

The approved Initial Bond of the captioned series will be delivered to you by the Attorney General of Texas. You are hereby requested to register the Initial Bond as required by law and by the proceedings authorizing such Initial Bond.

Following registration, you are hereby authorized and directed to notify and deliver the Initial Bond to Bracewell LLP, Dallas, Texas.

Please deliver to Bracewell LLP, Dallas, Texas, five copies of each of the following:

1. Attorney General's approving opinion; and
2. Comptroller's signature certificate.

Sincerely,

COLLIN COUNTY, TEXAS



AUTHORIZED OFFICER

COLLIN COUNTY, TEXAS

February 15, 2019

The Bank of New York Mellon Trust Company, N.A.
Issuer Administrative Services
2001 Bryan Street, 10th Floor
Dallas, Texas 75201

Re: Collin County, Texas Limited Tax Permanent Improvement Bonds,
Series 2019

Ladies and Gentlemen:

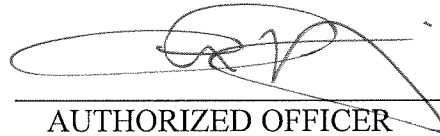
Collin County, Texas (the "Issuer") and the Purchaser of the above-referenced series of Bonds (the "Bonds") have designated your bank as the place, and as their agent, for the delivery and payment of the Bonds. The initial Bond of this series (the "Initial Bond") is being delivered to you and you are hereby authorized and directed to hold the Initial Bond for safekeeping pending said delivery and payment.

Upon your receipt of the final unqualified legal opinion of Bracewell LLP, as to the validity of the Bonds, and upon receipt of payment therefor, you are authorized and directed to cancel the Initial Bond and to deliver the definitive Bonds to DTC on behalf of the Purchaser.

You are further authorized and directed to remit all of the aforesaid proceeds received from the delivery and payment of the Bonds as further directed by Hilltop Securities Inc., Financial Advisor to the Issuer.

Sincerely,

COLLIN COUNTY, TEXAS

A handwritten signature in dark ink, appearing to be "G. P.", is written over a horizontal line. The signature is stylized and cursive.

AUTHORIZED OFFICER

FEDERAL TAX CERTIFICATE

I, the undersigned officer of Collin County, Texas (the "County"), make this certification for the benefit of all persons interested in the exclusion from gross income for federal income tax purposes of the interest to be paid on the \$151,005,000 Collin County, Texas, Limited Tax Permanent Improvement Bonds, Series 2019 (the "Bonds"). I do hereby certify as follows in good faith as of the hereinafter defined Issue Date of the Bonds:

1. **Definitions.** Each capitalized term used in this Federal Tax Certificate has the meaning ascribed to such term below or has the meaning or is the amount, as the case may be, specified for such term in this Federal Tax Certificate or in Exhibits to this Federal Tax Certificate and for all purposes hereof has the meaning or is the amount therein specified. All such terms defined in the Code or Regulations that are not defined herein shall for all purposes hereof have the same meanings as given to those terms in the Code and Regulations unless the context clearly requires otherwise.

"Authorizing Document" means the order adopted by the County on February 4, 2019, for purposes of authorizing the issuance of the Bonds and the pricing certificate executed pursuant thereto on February 20, 2019.

"Code" means the Internal Revenue Code of 1986, as amended, and, with respect to a specific section thereof, such reference shall be deemed to include (a) the Regulations promulgated under such section, (b) any successor provision of similar import hereafter enacted, (c) any corresponding provision of any subsequent Internal Revenue Code and (d) the regulations promulgated under the provisions described in (b) and (c).

"Favorable Opinion of Bond Counsel" means an opinion of nationally recognized bond counsel to the effect that an action, or omission of an action, will not adversely affect the excludability from gross income for federal income tax purposes of interest payable on the Bonds.

"Financial Advisor" means Hilltop Securities Inc.

"Gross Proceeds" means any Proceeds and any Replacement Proceeds.

"Initial Purchaser" means Bank of America Merrill Lynch.

"Interest and Sinking Fund" means the "Collin County, Texas, Limited Tax Permanent Improvement Bonds, Series 2019, Interest and Sinking Fund" created pursuant to the Authorizing Document.

"Investment Proceeds" is defined in section 1.148-1(b) of the Regulations and, generally, consist of any amounts actually or constructively received from investing Proceeds.

"Issuance Costs" means costs to the extent incurred in connection with, and allocable to, the issuance of obligations within the meaning of section 147(g) of the Code. For example, Issuance Costs include the following costs, but only to the extent incurred in connection with, and allocable to, the borrowing: underwriters' spread; counsel fees; financial advisory fees; fees

paid to an organization to evaluate the credit quality of an issue; trustee fees; paying agent fees; bond registrar, certification and authentication fees; accounting fees; printing costs for bonds and offering documents; public approval process costs; engineering and feasibility study costs; guarantee fees, other than qualified guarantees; and similar costs.

“Issue Date” means, with respect to an issue of obligations, the first date on which the County receives the purchase price in exchange for delivery of the evidence of indebtedness representing any obligation.

“Issue Price” has the meaning ascribed to it in section 1.148-1(f) of the Regulations.

“Minor Portion” means that portion of the Gross Proceeds of the Bonds that does not exceed in the aggregate \$100,000.

“Net Proceeds” means Proceeds, less any Proceeds invested in a “reasonably required reserve or replacement fund,” as described in section 148 of the Code.

“Original Issue Discount” means the excess of the Stated Redemption Price at Maturity over the Issue Price.

“Original Issue Premium” means the excess of the Issue Price over the Stated Redemption Price at Maturity.

“Pre-Issuance Accrued Interest” is defined in section 1.148-1(b) of the Regulations and, generally, means amounts representing interest that accrued on an obligation for a period not greater than one year before its Issue Date but only if those amounts are paid within one year after the Issue Date.

“Proceeds” is defined in section 1.148-1(b) of the Regulations and, generally, means any Sale Proceeds and Investment Proceeds.

“Project” means each separate project financed by the Bonds.

“Projects” means, collectively, the projects financed by the Bonds, as generally described in the “Description of Governmental Purpose” paragraph of this Federal Tax Certificate.

“Project Fund” means the “Collin County, Texas, Limited Tax Permanent Improvement Bonds, Series 2019, Project Fund” created pursuant to the Authorizing Document.

“Regulations” means the applicable proposed, temporary or final Treasury Regulations promulgated under the Code or, to the extent applicable to the Code, under the Internal Revenue Code of 1954, as such regulations may be amended or supplemented from time to time.

“Replacement Proceeds” has the meaning set forth in section 1.148-1(c) of the Regulations and, generally, consist of amounts that have a sufficiently direct nexus to an issue of obligations or the governmental purpose of an issue of obligations to conclude that the amounts

would have been used for that governmental purpose if the Proceeds were not used or to be used for that governmental purpose.

“Sale Proceeds” is defined in section 1.148-1(b) of the Regulations and, generally, consist of any amounts actually or constructively received from the sale (or other disposition) of any obligation, including amounts used to pay underwriters’ discount or compensation and accrued interest other than Pre-Issuance Accrued Interest. Sale Proceeds also include amounts derived from the sale of a right that is associated with any obligation and that is described in section 1.148-4(b)(4) of the Regulations.

“Stated Redemption Price at Maturity” means the amount fixed by the last modification of the purchase agreement and includes interest and other amounts payable at that time (other than any interest based on a fixed rate and payable unconditionally at fixed periodic intervals of one year or less during the entire term of the debt instrument).

“Underwriter” means Bank of America Merrill Lynch.

“Weighted Average Maturity” has the meaning ascribed to it in the “Weighted Average Maturity” paragraph of this Federal Tax Certificate.

“Yield” on (a) an issue of obligations has the meaning set forth in section 1.148-4 of the Regulations and, generally, is the discount rate that when used in computing the present value of all payments of principal, interest, and fees for qualified guarantees to be paid on the obligation produces an amount equal to the Issue Price of such issue and (b) any investment has the meaning set forth in section 1.148-5 of the Regulations and, generally, is the discount rate that when used in computing the present value of all payments of principal and interest to be paid on the investment produces an amount equal to all payments for the investment.

2. Responsible Officer. I am the duly chosen, qualified and acting officer of the County for the office shown below my signature; as such, I am familiar with the facts herein certified and I am duly authorized to execute and deliver this Federal Tax Certificate on behalf of the County. I am the officer of the County charged, along with other officers of the County, with responsibility for issuing the Bonds.

3. Code and Regulations. I am aware of the provisions of sections 141, 148, 149 and 150 of the Code and the Regulations heretofore promulgated under sections 141, 148, 149 and 150 of the Code. This Federal Tax Certificate is being executed and delivered pursuant to sections 1.141-1 through 1.141-15, 1.148-0 through 1.148-11, 1.149(b)-1, 1.149(d)-1, 1.149(g)-1, 1.150-1 and 1.150-2 of the Regulations.

4. Reasonable Expectations. The facts and estimates that are set forth in this Federal Tax Certificate are accurate. The expectations that are set forth in this Federal Tax Certificate are reasonable in light of such facts and estimates. There are no other facts or estimates that would materially change such expectations. In connection with this Federal Tax Certificate, the undersigned has to the extent necessary reviewed the certifications set forth herein with other

representatives of the County as to such accuracy and reasonableness. The undersigned has also relied, to the extent appropriate, on representations set forth in (a) the Issue Price Certificate attached hereto as Exhibit A, (b) the Certificate of Financial Advisor attached hereto as Exhibit B, and (c) the Certificate of Financial Advisor Relating to Competitive Sale Requirements attached hereto as Exhibit C. The undersigned is aware of no fact, estimate or circumstance that would create any doubt regarding the accuracy or reasonableness of all or any portion of such documents.

5. Description of Governmental Purpose. The County is issuing the Bonds pursuant to the Authorizing Document for the purposes of funding (a) the Projects as described more fully in the Official Statement prepared in connection with the offering of the Bonds and (b) the Issuance Costs of the Bonds. The primary purpose of each transaction undertaken in connection with the issuance of the Bonds is a bona fide governmental purpose. The Projects are described as follows: (i) constructing, improving and maintaining non-tolled, high-speed highways and freeways within Collin County and related service and frontage roads; including the acquisition of land and rights-of-way therefor; and including participating in the cost of joint county-state and county-city projects; (ii) constructing, improving and maintaining roads and bridges within Collin County, including the acquisition of land and rights-of-way therefor; and including participating in the cost of joint county-state and county-city projects, (iii) acquiring and improving land for park and open space purposes, including joint county-city projects, and (iv) acquiring, constructing, improving, renovating and equipping juvenile and adult detention facilities, including court facilities, juvenile probation facilities and juvenile justice alternative education program facilities and the acquisition of land therefor.

6. Amount and Expenditure of Sale Proceeds of the Bonds.

(a) Amount of Sale Proceeds. The Sale Proceeds of the Bonds is \$157,912,102.55, which is the amount actually or constructively received by the County from the sale (or other disposition) of the Bonds to the Initial Purchaser, including amounts used to pay underwriters' discount or compensation.

(b) Expenditure of Sale Proceeds. The Sale Proceeds of the Bonds will be expended as follows:

(i) The amount of \$156,455,000 will be deposited in the Project Fund and is expected to be disbursed to pay or reimburse the costs of the Projects.

(ii) The amount of \$958,413.63 will be allocated on the Issue Date of the Bonds to the payment of underwriters' discount or compensation.

(iii) The amount of \$498,688.92 will be disbursed to pay other Issuance Costs of the Bonds.

(c) Reimbursement. Other than (i) the amount of \$100,000 and (ii) preliminary expenditures (i.e., architectural, engineering, surveying, soil testing, bond issuance, and similar costs that are incurred prior to commencement of acquisition, construction, or

rehabilitation of each Project, other than land acquisition, site preparation, and similar costs incident to commencement of construction) not in excess of 20 percent of the Issue Price of the Bonds, no portion of the amount described in the “Amount and Expenditure of Sale Proceeds of the Bonds—Expenditure of Sale Proceeds” subparagraph above will be disbursed to reimburse the County for any expenditures made by the County prior to the date that is 60 days before the date the County adopted a resolution dated January 28, 2019 (the “Reimbursement Resolution”), describing certain of the Projects (the “Reimbursement Projects”), stating the maximum principal amount of obligations expected to be issued for the Reimbursement Projects, and stating the County’s reasonable expectation on that date that it would reimburse expenditures for costs of the Reimbursement Projects with Proceeds of an obligation. The Reimbursement Resolution is not an official intent to reimburse that was declared as a matter of course, or in an amount substantially in excess of the amount expected to be necessary for the Reimbursement Projects. The County has not engaged in a pattern of failure to reimburse original expenditures covered by one or more expressions of official intent. Such reimbursed portion will be treated as spent for purposes of the “Temporary Periods and Yield Restriction—Projects” subparagraph and the “Compliance with Rebate Requirements” paragraph below. The Reimbursement Resolution is attached hereto as Exhibit D.

(d) No Working Capital. Except for an amount that does not exceed five percent of the Sale Proceeds of the Bonds (and that is directly related to capital expenditures financed by the Bonds), the County will only expend Proceeds of the Bonds for (i) costs that would be chargeable to the capital accounts of each Project if the County’s income were subject to federal income taxation; (ii) interest on the Bonds in an amount that does not cause the aggregate amount of interest paid on all of the Bonds to exceed that amount of interest on the Bonds that is attributable to the period that commences on the Issue Date of the Bonds and ends on the later of (A) the date that is three years from the Issue Date of the Bonds or (B) the date that is one year after the date on which the applicable Project is placed in service; and/or (iii) fees for a qualified guarantee of the Bonds or payment for a qualified hedge on the Bonds.

(e) No Sale of Conduit Loan. No portion of the Sale Proceeds of the Bonds has been or will be used to acquire, finance, or refinance any conduit loan.

(f) No Overburdening. The Proceeds of the Bonds will not exceed the amount necessary to accomplish the governmental purposes of the Bonds and, in fact, are not expected to exceed by any amount the amount of Proceeds allocated to expenditures for the governmental purposes of the Bonds.

(g) Allocations and Accounting. The Proceeds of the Bonds will be allocated to expenditures not later than 18 months after the later of the date the expenditure is made or the date the applicable Project is placed in service, but in no event later than the date that is 60 days after the fifth anniversary of the Issue Date of the Bonds or the retirement of the last Bond, if earlier. The allocation of Proceeds of the Bonds will be made by using a reasonable, consistently applied accounting method. No Proceeds of the Bonds will be allocated to any expenditure to which Proceeds of any other obligations have heretofore been allocated. The County will maintain records and documentation regarding the allocation of expenditures to Proceeds of the

Bonds and the investment of Gross Proceeds of the Bonds for at least three years after the close of the final calendar year during which any Bond is outstanding.

7. Pre-Issuance Accrued Interest. There is no Pre-Issuance Accrued Interest on the Bonds.

8. Expenditure of Investment Proceeds. The best estimate of the County is that Investment Proceeds resulting from the investment of any Proceeds of the Bonds pending expenditure of such Proceeds for costs of the Projects will be retained in the Project Fund and disbursed to pay or reimburse project costs in addition to those described in the "Amount and Expenditure of Sale Proceeds of the Bonds" paragraph above.

9. Replacement Proceeds.

(a) No Sinking Funds. Other than the Interest and Sinking Fund, there is no debt service fund, redemption fund, reserve fund, replacement fund, or similar fund reasonably expected to be used directly or indirectly to pay principal or interest on the Bonds.

(b) No Pledged Funds. Other than amounts in the Interest and Sinking Fund, there is no amount that is directly or indirectly pledged, other than solely by reason of the mere availability or preliminary earmarking, to pay principal or interest on the Bonds, or to a guarantor of part or all of the Bonds, such that such pledge provides reasonable assurance that such amount will be available to pay principal or interest on the Bonds if the County encounters financial difficulty. For purposes of this certification, an amount is treated as so pledged if it is held under an agreement to maintain the amount at a particular level for the direct or indirect benefit of the holders or the guarantor of the Bonds.

(c) No Other Replacement Proceeds. There are no other Replacement Proceeds allocable to the Bonds because the County reasonably expects that the term of the Bonds will not be longer than is reasonably necessary for the governmental purposes of the Bonds. Furthermore, even if the Bonds were outstanding longer than necessary for the purpose of the Bonds, no Replacement Proceeds of the Bonds will arise because the County reasonably expects that no amounts will become available during the period that the Bonds remain outstanding longer than necessary based on the reasonable expectations of the County as to the amounts and timing of future revenues. The Bonds would be issued to achieve the governmental purpose of the Bonds independent of any arbitrage benefit as evidenced by the expectation that the Bonds reasonably would have been issued if the interest on the Bonds were not excludable from gross income (assuming that the hypothetical taxable interest rate would be the same as the actual tax-exempt interest rate).

(d) Weighted Average Economic Life. The Weighted Average Maturity of the Bonds is not greater than 120 percent of the weighted average estimated economic life of the portion of the Projects financed by the Bonds, determined in accordance with section 147(b) of the Code. Such weighted average estimated economic life is determined in accordance with the following assumptions: (i) the weighted average was determined by taking into account the respective costs of each of the assets financed by the Bonds; (ii) the reasonably expected

economic life of an asset was determined as of the later of the Issue Date of the Bonds or the date on which such asset is expected to be placed in service (i.e., available for use for the intended purposes of such asset); (iii) the economic lives used in making this determination are not greater than the reasonably expected economic useful lives of the Projects financed by the Bonds allowing for normal wear and tear and assuming prudent and customary maintenance; and (iv) land or any interest therein has not been taken into account in determining the average reasonably expected economic life of such Project, unless 25 percent or more of the Net Proceeds of the Bonds are to be used to finance land.

10. Issue Price. In accordance with section 1.148-1(f)(2)(iv) of the Regulations, the County hereby identifies in its books and records maintained for the Bonds the rule the County will use to determine the Issue Price for each maturity of the Bonds. Specifically, for each maturity of the Bonds, the County will determine the Issue Price of such maturities as set forth in section 1.148-1(f)(2)(iii) of the Regulations, i.e., for those bonds issued in a competitive sale, the Issue Price is the reasonably expected initial offering price to the public as of the sale date.

Based on the representations set forth in Exhibit A hereto, the aggregate Issue Price of the Bonds is \$157,912,102.55. The Issue Price of the Bonds represents the Stated Redemption Price at Maturity of the Bonds in an amount of \$151,005,000, plus net Original Issue Premium in the amount of \$6,907,102.55.

11. Competitive Sale. The Bonds were offered for sale to potential underwriters at specified written terms more particularly described in the Notice of Sale prepared in connection with the Bonds (the "Notice of Sale"). The bidding process pursuant to which the Bonds were sold to the Underwriter met all of the following requirements:

(a) The Notice of Sale was disseminated to potential underwriters in a manner reasonably designed to reach potential underwriters (e.g., through electronic communication that is widely circulated to potential underwriters by a recognized publisher of municipal bond offering documents or by posting on an Internet-based website or other electronic medium that is regularly used for such purpose and is widely available to potential underwriters).

(b) All potential underwriters had an equal opportunity to bid. No potential underwriter was given an opportunity to review other bids that was not equally given to all potential bidders (that is, no exclusive "last look").

(c) The County received bids from at least three underwriters of municipal bonds, who, based upon the Financial Advisor's knowledge and experience in acting as financial advisor for other municipal issues, are underwriters of municipal bonds who have established industry reputations for underwriting new issuances of municipal bonds.

(d) The sale was awarded to the bidder who submitted a firm offer to purchase the Bonds at the highest price (or lowest interest cost) in accordance with the terms set forth in the Notice of Sale.

The County determined that the bidding process pursuant to which the Bonds were sold to the Underwriter satisfied each of the conditions set forth above and has obtained representations comparable in all material respects to the relevant representations set forth in the Certificate of Financial Advisor Relating to Competitive Sale Requirements attached hereto as Exhibit C.

12. Yield on the Bonds. For the purposes of this Federal Tax Certificate, the Yield on the Bonds is the discount rate that, when used in computing the present value as of the Issue Date of the Bonds, of all unconditionally payable payments of principal and interest on the Bonds, produces an amount equal to the present value, using the same discount rate, of the aggregate Issue Price of the Bonds plus any Pre-Issuance Accrued Interest, as of the Issue Date of the Bonds.

The Yield with respect to that portion of the Bonds, if any, subject to optional redemption (other than the Bonds scheduled to mature on February 15, 2029, February 15, 2030, and February 15, 2031 (the "Yield-to-Call Bonds")) is computed by treating such Bonds as retired at the Stated Redemption Price at Maturity because (a) the County has no present intention to redeem prior to maturity the Bonds that are subject to optional redemption; (b) no Bond is subject to optional redemption at any time for a price less than the retirement price at final maturity plus accrued interest; (c) no Bond is subject to optional redemption within five years of the Issue Date of the Bonds; (d) no Bond subject to optional redemption (other than the Yield-to-Call Bonds) is issued at an Issue Price that exceeds the Stated Redemption Price at Maturity of such Bond by more than one-fourth of one percent multiplied by the product of the Stated Redemption Price at Maturity of such Bond and the number of complete years to the first optional redemption date for such Bond; and (e) no Bond subject to optional redemption bears interest at a rate that increases during the term of the Bond. Yield with respect to each of the Yield-to-Call Bonds is computed by treating such Bonds as redeemed at the stated redemption price on the optional redemption date that would produce the lowest Yield on that Yield-to-Call Bond.

As set forth in the Certificate of Financial Advisor attached to this Federal Tax Certificate as Exhibit B, the Yield on the Bonds, calculated in the manner set forth above, is 2.921915 percent.

The County has not entered into a hedging transaction with respect to the Bonds. The County will not enter into a hedging transaction with respect to the Bonds unless there is first received a Favorable Opinion of Bond Counsel.

13. Temporary Periods and Yield Restriction. The County has incurred, or will incur within six months of the Issue Date of the Bonds, a binding obligation to a third party that is not subject to any contingencies within the control of the County or a related party pursuant to which the County is obligated to expend at least five percent of the Sale Proceeds of the Bonds on the Projects. The County reasonably expects that work on or acquisition of the Projects will proceed with due diligence to completion and that the Proceeds of the Bonds will be expended on the Projects with reasonable dispatch. The County reasonably expects that 85 percent of the Sale Proceeds of the Bonds will have been expended on the Projects prior to the date that is three

years after the Issue Date of the Bonds. Any Sale Proceeds of the Bonds not expended prior to the date that is three years after the Issue Date of the Bonds will be invested at a Yield not "materially higher" than the Yield on the Bonds, except as set forth in the "Minor Portion and Yield Reduction Payments" paragraph below. The County reasonably expects that any amount derived from Investment Proceeds of the Bonds and from the investment of such investment income will not be commingled with substantial other receipts or revenues of the County and will be expended prior to the date that is three years after the Issue Date of the Bonds, or one year after receipt of such investment income, whichever is later. Any such Investment Proceeds not expended prior to such date will be invested at a Yield not "materially higher" than the Yield on the Bonds, except as set forth in the "Minor Portion and Yield Reduction Payments" paragraph below.

14. Funds.

(a) Interest and Sinking Fund. The proceeds from all taxes levied, assessed and collected for and on account of the Bonds are to be deposited in the Interest and Sinking Fund. The County expects that taxes levied, assessed and collected for and on account of the Bonds, will be sufficient each year to pay such debt service. All amounts that will be depleted at least once each bond year, except for a reasonable carryover amount not in excess of the greater of the earnings on such portion of the Interest and Sinking Fund for the immediately preceding bond year or one-twelfth of the principal and interest payments on the Bonds for the immediately preceding bond year, will constitute the bona fide debt service fund component of the Interest and Sinking Fund (the "Bona Fide Portion"). Such Bona Fide Portion will be used primarily to achieve a proper matching of revenues and principal and interest payments on the Bonds within each bond year. Amounts held in the Bona Fide Portion of the Interest and Sinking Fund will be invested at an unrestricted Yield because such amounts will be expended within 13 months of the date such amounts are received. The remaining portion of the Interest and Sinking Fund (the "Reserve Portion"), if any, will be treated separately for purposes of this Federal Tax Certificate.

Amounts on deposit from time to time in the Bona Fide Portion and the Reserve Portion are allocable between the Bonds and any other obligations of the County secured by the Interest and Sinking Fund on the basis of one of the methods set forth in section 1.148-6(e)(6) of the Regulations. The portion of the Reserve Portion allocable to the Bonds will not exceed at any time the least of (i) ten percent of the stated principal amount of the Bonds (or Issue Price of the Bonds in the event that the amount of Original Issue Discount exceeds two percent multiplied by the Stated Redemption Price at Maturity of the Bonds), (ii) the maximum annual principal and interest requirements of the Bonds, and (iii) 125 percent of average annual principal and interest requirements of the Bonds. Therefore, all amounts therein will be invested at an unrestricted Yield. Any amounts held in the Bona Fide Portion for longer than 13 months or held in the Reserve Portion in excess of the least of the amounts described above, will be invested in obligations the Yield on which is not in excess of the Yield on the Bonds, except as set forth in the "Minor Portion and Yield Reduction Payments" paragraph below.

(b) Project Fund. All of the Proceeds of the Bonds in the Project Fund are expected to be invested and disbursed as described in the Authorizing Document and the "Temporary Periods and Yield Restriction" paragraph of this Federal Tax Certificate; therefore,

all of such amounts will be invested without regard to Yield restriction. Nevertheless, any such Proceeds not expended prior to the dates set forth in the "Temporary Periods and Yield Restriction" paragraph will be Yield restricted to the extent set forth in such paragraph.

15. Minor Portion and Yield Reduction Payments. All Gross Proceeds of the Bonds will be invested in accordance with the "Temporary Periods and Yield Restriction" paragraph and the "Funds" paragraph above. To the extent such amounts remain on hand following the periods set forth in the "Temporary Periods and Yield Restriction" paragraph and the "Funds" paragraph above or exceed the limits set forth in the "Funds" paragraph above, the County will invest such amounts at a restricted Yield as set forth in such paragraphs; provided, however, that an amount not to exceed the Minor Portion may be invested at a Yield that is higher than the Yield on the Bonds and, provided further, that the County may satisfy the Yield restriction requirements by making Yield reduction payments to the federal government to the extent permitted by section 1.148-5(c) of the Regulations.

16. Issue. There are no other obligations that (a) are sold at substantially the same time as the Bonds (i.e., less than 15 days apart), (b) are sold pursuant to the same plan of financing with the Bonds, and (c) will be paid out of substantially the same source of funds as the Bonds.

17. Compliance With Rebate Requirements.

(a) General. The County has covenanted in the Authorizing Document that it will take all steps necessary to comply with the requirement that "rebatable arbitrage earnings" on the investment of the Gross Proceeds of the Bonds be rebated to the United States. Specifically, the County will (i) maintain records regarding the investment of the Gross Proceeds of the Bonds as may be required to calculate such "rebatable arbitrage earnings" separately from records of amounts on deposit in the funds and accounts of the County that are allocable to other bond issues of the County or monies that do not represent Gross Proceeds of any bonds of the County, (ii) calculate at such intervals as may be required by applicable Regulations, the amount of "rebatable arbitrage earnings," if any, earned from the investment of the Gross Proceeds of the Bonds and (iii) pay, not less often than every fifth anniversary date of the delivery of the Bonds and within 60 days following the final maturity of the Bonds, or on such other dates required or permitted by applicable Regulations, all amounts required to be rebated to the federal government. The County will not indirectly pay any amount otherwise payable to the federal government pursuant to the foregoing requirements to any person other than the federal government by entering into any investment arrangement with respect to the Gross Proceeds of the Bonds that might result in a reduction in the amount required to be paid to the federal government because such arrangement results in a smaller profit or a larger loss than would have resulted if the arrangement had been at arm's-length and had the Yield on the issue not been relevant to either party.

(b) Two-Year Spending Exception. The County hereby makes the elections, if any, set forth below for purposes of the two-year spending exception from arbitrage rebate:

ELECT	DO NOT ELECT	N/A
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1. To use actual facts to apply the provisions of paragraphs (e) through (m) (excluding (f)(1)(i)) of section 1.148-7 of the Regulations. Section 1.148-7(f)(2) of the Regulations.

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2. To exclude earnings on a reasonably required reserve or replacement fund from the definition of "available construction proceeds" for purposes of the spending requirements. Section 1.148-7(i)(2) of the Regulations.

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3. To treat the Bonds as two, and only two, separate issues, one of which (i) meets the definition of a construction issue and (ii) is reasonably expected as of the Issue Date of the Bonds to finance all of the construction expenditures to be financed by the Bonds. Section 1.148-7(j)(1) of the Regulations.

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4. To pay a penalty (the "1-1/2% penalty") to the United States in lieu of the obligation to pay arbitrage rebate on "available construction proceeds" in the event that the Bonds fail to satisfy any of the semiannual spending requirements for the two-year rebate exception. Section 1.148-7(k)(1) of the Regulations.

The County reasonably expects that at least 75 percent of the "available construction proceeds" of the Bonds, within the meaning of section 1.148-7(i) of the Regulations, will be allocated to "construction expenditures," within the meaning of section 1.148-7(g) of the Regulations, for property owned by the County.

18. Not an Abusive Transaction.

(a) General. No action taken in connection with the issuance of the Bonds will enable the County to (i) exploit, other than during an allowable temporary period, the difference between tax-exempt and taxable interest rates to obtain a material financial advantage (including as a result of an investment of any portion of the Gross Proceeds of the Bonds over any period of time, notwithstanding that, in the aggregate, the Gross Proceeds of the Bonds are not invested in higher yielding investments over the term of the Bonds), and (ii) issue more bonds, issue bonds earlier, or allow bonds to remain outstanding longer than is otherwise reasonably necessary to accomplish the governmental purposes of the Bonds. To the best of the undersigned's knowledge, no actions have been taken in connection with the issuance of the Bonds other than actions that would have been taken to accomplish the governmental purposes of the Bonds if the interest on the Bonds were not excludable from gross income for federal

income tax purposes (assuming the hypothetical taxable interest rate would be the same as the actual tax-exempt interest rate on the Bonds).

(b) No Sinking Fund. No portion of the Bonds has a term that has been lengthened primarily for the purpose of creating a sinking fund or similar fund with respect to the Bonds.

(c) No Window. No portion of the Bonds has been structured with maturity dates the primary purpose of which is to make available released revenues that will enable the County to avoid transferred proceeds or to make available revenues that may be invested to be ultimately used to pay debt service on another issue of obligations.

19. No Arbitrage. On the basis of the foregoing facts, estimates and circumstances, it is expected that the Gross Proceeds of the Bonds will not be used in a manner that would cause any of the Bonds to be an "arbitrage bond" within the meaning of section 148 of the Code and the Regulations. To the best of the knowledge and belief of the undersigned, there are no other facts, estimates or circumstances that would materially change such expectations.

20. No Private Use, Payments or Loan Financing.

(a) General. The County reasonably expects, as of the Issue Date of the Bonds, that no action or event during the entire stated term of the Bonds will cause either the "private business tests" or the "private loan financing test," as such terms are defined in the Regulations, to be met.

(i) The aggregate portion of the Proceeds of the Bonds treated as used in a trade or business of a nongovernmental person will not exceed the lesser of (A) \$15,000,000 or (B) ten percent of the Proceeds of the Bonds. For purposes of determining use, the County will apply rules set forth in applicable Regulations and Revenue Procedures promulgated by the Internal Revenue Service, including, among others, the following rules: (A) any activity carried on by a person other than a natural person or a state or local governmental unit will be treated as a trade or business of a nongovernmental person, provided that, such use will be treated as general public use (and not use in a trade or business) if the property is intended to be available, and is in fact reasonably available, for use on the same basis by natural persons not engaged in a trade or business; (B) the use of all or any portion of the Projects is treated as the direct use of Proceeds; (C) a nongovernmental person will be treated as a private business user of Proceeds of the Bonds as a result of ownership, actual or beneficial use pursuant to a lease, or a management or incentive payment contract, or certain other arrangements such as a take-or-pay or other output-type contract; and (D) the private business use test is met if a nongovernmental person has special legal entitlements to use directly or indirectly any Project.

(ii) The County has not taken and will not take any deliberate action that would cause or permit the use of any portion of any Project to change so that such portion will be deemed to be used in the trade or business of a nongovernmental person

for so long as any of the Bonds remains outstanding (or until the County receives a Favorable Opinion of Bond Counsel). For this purpose, any action within the control of the County is treated as a deliberate action. A deliberate action occurs on the date the County enters into a binding contract with a nongovernmental person for use of a Project that is not subject to any material contingencies.

(iii) Payments of the debt service on the Bonds will be paid from and secured by a generally applicable tax. For this purpose, a generally applicable tax is a tax (A) that is an enforced contribution exacted pursuant to legislative authority in the exercise of the taxing power that is imposed and collected for the purpose of raising revenue to be used for governmental purposes and (B) that has a uniform tax rate that is applied to all persons of the same classification in the appropriate jurisdiction using a generally applicable manner of determination and collection. No portion of the payment of the debt service on the Bonds will be directly or indirectly derived from payments (whether or not to the County or any related party) in respect of property, or borrowed money, used or to be used for a private business use. Furthermore, no portion of the payment of the debt service on the Bonds will be directly or indirectly secured by any interest in property used or to be used for a private business use or payments in respect of property used or to be used for a private business use.

(iv) Except to the extent permitted by section 141 of the Code and the Regulations and rulings thereunder, the County will not use Gross Proceeds of the Bonds to make or finance loans to any person or entity other than a state or local government. For purposes of the foregoing covenant, Gross Proceeds are considered to be "loaned" to a person or entity if (A) property acquired, constructed or improved with Gross Proceeds is sold or leased to such person or entity in a transaction which creates a debt for federal income tax purposes, (B) capacity in or service from such property is committed to such person or entity under a take-or-pay, output, or similar contract or arrangement, or (C) significant benefits and burdens of ownership of such Gross Proceeds or such property are otherwise transferred in a transaction that is the economic equivalent of a loan.

(b) Dispositions of Personal Property in the Ordinary Course. The County does not reasonably expect that it will sell or otherwise dispose of personal property components of a Project financed with the Bonds other than in the ordinary course of an established governmental program that satisfies the following requirements:

(i) The Weighted Average Maturity of the portion of the Bonds financing personal property is not greater than 120 percent of the reasonably expected actual use of such personal property for governmental purposes;

(ii) The reasonably expected fair market value of such personal property on the date of disposition will be not greater than 25 percent of its cost;

(iii) Such personal property will no longer be suitable for its governmental purposes on the date of disposition; and

(iv) The County is required to deposit amounts received from such disposition in a commingled fund with substantial tax or other governmental revenues and the County reasonably expects to spend such amounts on governmental programs within six months from the date of commingling.

Furthermore, the County will not sell or otherwise dispose of all or any portion of a Project in circumstances in which the foregoing requirements are not satisfied unless it has received a Favorable Opinion of Bond Counsel.

(c) Other Agreements. The County will not enter into any agreement with any nongovernmental person regarding the use of all or any portion of a Project during the stated term of the Bonds unless it has received in each and every case a Favorable Opinion of Bond Counsel; provided that, the County will not be required to obtain a Favorable Opinion of Bond Counsel with respect to (i) any contracts for services that are solely incidental to the primary governmental function or functions of a Project (e.g., contracts for janitorial or similar services), (ii) any contract for services if the only compensation is the reimbursement of the service provider for actual and direct expenses paid by the service provider to unrelated parties, or (iii) any contract related to use of a Project by a member of, and on the same basis as, the general public, so long as the term of such contract is not greater than 200 days.

21. Weighted Average Maturity. The Weighted Average Maturity of the Bonds set forth on Exhibit B attached hereto is the sum of the products of the Issue Price of each group of identical Bonds and the number of years to maturity (determined separately for each group of identical Bonds and taking into account mandatory redemptions), divided by the aggregate Issue Price of the Bonds.

22. Record Retention. The County will retain all pertinent and material records relating to the use and expenditure of the Proceeds of the Bonds and the calculation or exemption from rebate until three years after the last Bond is redeemed or paid at maturity, or such shorter period as authorized by subsequent guidance issued by the Department of the Treasury, if applicable. All records will be kept in a manner that ensures their complete access throughout the retention period. For this purpose, it is acceptable that such records are kept either as hardcopy books and records or in an electronic storage and retrieval system, provided that such electronic system includes reasonable controls and quality assurance programs that assure the ability of the County to retrieve and reproduce such books and records in the event of an examination of the Bonds by the Internal Revenue Service.

23. Registration. The Bonds will be issued in registered form.

24. Bonds are Not Hedge Bonds. Not more than 50 percent of the Proceeds of the Bonds will be invested in nonpurpose investments (as defined in section 148(f)(6)(A) of the Code) having a substantially guaranteed Yield for four years or more within the meaning of section 149(g)(3)(A)(ii) of the Code. Further, the County reasonably expects that at least 85 percent of the spendable Proceeds of the Bonds will be used to carry out the governmental purposes of the Bonds within the three-year period beginning on the Issue Date of the Bonds.

EXECUTED as of this 20th day of March, 2019.

COLLIN COUNTY, TEXAS

By: Jeff May
Name: Jeff May
Title: County Auditor

Attachments:

- Exhibit A – Issue Price Certificate
- Exhibit B – Certificate of Financial Advisor
- Exhibit C – Certificate of Financial Advisor Relating to Competitive Sale Requirements
- Exhibit D – Reimbursement Resolution

Signature Page to Federal Tax Certificate

EXHIBIT A
ISSUE PRICE CERTIFICATE

[See Attached]

ISSUE PRICE CERTIFICATE

[THREE BID REQUIREMENT SATISFIED]

I, the undersigned officer of _____ (the "Purchaser"), acting on behalf of itself and any underwriting syndicate, make this certification in connection with the \$[151,005,000] Collin County, Texas, Limited Tax Permanent Improvement Bonds, Series 2019 (the "Bonds") issued by Collin County, Texas (the "County").

1. I hereby certify as follows in good faith as of the date hereof:

(a) I am the duly chosen, qualified and acting officer of the Purchaser for the office shown below my signature; as such, I am familiar with the facts herein certified and I am duly authorized to execute and deliver this certificate on behalf of the Purchaser and any underwriting syndicate. I am the officer of the Purchaser charged, along with other officers of the Purchaser and any underwriting syndicate, with responsibility for the Bonds.

(b) The reasonably expected initial offering prices of the Bonds to the Public by the Purchaser as of the Sale Date are the prices set forth on the inside cover of the Official Statement prepared in connection with the Bonds (the "Initial Offering Prices"). The Initial Offering Prices are the applicable prices for the Bonds used by the Purchaser in formulating its bid to purchase the Bonds. Attached hereto as Attachment 1 is a true and correct copy of the bid provided by the Purchaser to purchase the Bonds.

(c) The Purchaser was not given the opportunity to review other bids prior to submitting its bid.

(d) The bid submitted by the Purchaser constituted a firm offer to purchase the Bonds.

(e) The aggregate of the Initial Offering Prices of all maturities of the Bonds is \$ _____. The Bonds were sold with pre-issuance accrued interest in the amount of \$ _____. The sum of these two amounts is \$ _____.

(f) Please choose the appropriate statement:

☐ The Purchaser will not purchase bond insurance for the Bonds.

☐ The Purchaser will purchase bond insurance from _____ (the "Insurer") for a fee/premium of \$ _____ (the "Fee"). The Fee is a reasonable amount payable solely for the transfer of credit risk for the payment of debt service on the Bonds and does not include any amount payable for a cost other than such guarantee, e.g., a credit rating or legal fees. The Purchaser represents that the present value of the Fee for each obligation constituting the Bonds to which such Fee is properly allocated and which are insured thereby is less than the present value of the interest reasonably expected to be saved as a result of the insurance on each obligation constituting the Bonds. The Fee has been paid to a person who is not exempt from federal income taxation and who is not a user or related to the user of any proceeds of the Bonds. In determining present value for this purpose, the yield of the Bonds (determined with regard to the payment of the guarantee fee) has been used as the discount rate. No portion of the Fee is refundable upon redemption of any of the Bonds in an amount which would exceed the portion of such Fee that has not been earned. The Purchaser will also be responsible for payment of any rating fees on the Bonds, if and as required by the Insurer to be obtained in connection with the purchase of insurance.

2. For purposes of this Issue Price Certificate, the following definitions apply:

(a) "Public" means any person (including an individual, trust, estate, partnership, association, company, or corporation) other than an Underwriter or a Related Party to an Underwriter.

(b) "Related Party" means any two or more persons who are subject, directly or indirectly, to (i) more than 50% common ownership of the voting power or the total value of their stock, if both entities are corporations (including direct ownership by one corporation of another), (ii) more than 50% common ownership of their capital interests or profits interests, if both entities are partnerships (including direct ownership by one partnership of another), or (iii) more than 50% common ownership of the value of the outstanding stock of the corporation or the capital interest or profits interest of the partnership, as applicable, if one entity is a corporation and the other entity is a partnership (including direct ownership of the applicable stock or interests by one entity of the other).

(c) "Sale Date" means the first day on which there is a binding contract in writing for the sale or exchange of the Bonds. The Sale Date of the Bonds is _____, 2019.

(d) "Underwriter" means (i) any person that agrees pursuant to a written contract with the County (or with the lead underwriter to form an underwriting syndicate) to participate in the initial sale of the Bonds to the Public, and (ii) any person that agrees pursuant to a written contract directly or indirectly with a person described in clause (i) of this definition to participate in the initial sale of the Bonds to the Public (including a member of a selling group or a party to a retail distribution agreement participating in the initial sale of the Bonds to the Public).
The representations set forth in this certificate are limited to factual matters only.

Nothing in this certificate represents the Purchaser's interpretation of any laws, including specifically sections 103 and 148 of the Internal Revenue Code of 1986, as amended, and the Treasury Regulations thereunder. The undersigned understands that the foregoing information will be relied upon by the County with respect to certain of the representations set forth in the Federal Tax Certificate and with respect to compliance with the federal income tax rules affecting the Bonds, and by Bracewell LLP in connection with rendering its opinion that the interest on the Bonds is excluded from gross income for federal income tax purposes, the preparation of Internal Revenue Service Form 8038-G, and other federal income tax advice it may give to the County from time to time relating to the Bonds.

EXECUTED as of this 20th day of February, 2019.

[NAME OF PURCHASER OR MANAGER OF PURCHASING
SYNDICATE]

By: 

Name: Robert C. Holmes

Title: _____

**ATTACHMENT I TO ISSUE PRICE CERTIFICATE
COPY OF WINNING BID FORM**

[See Attached]

OFFICIAL BID FORM

Honorable County Judge and Commissioners Court
Collin County, Texas

February 20, 2019

Reference is made to your Preliminary Official Statement and Notice of Sale and Bidding Instructions, dated February 13, 2019, of \$151,005,000 COLLIN COUNTY, TEXAS LIMITED TAX PERMANENT IMPROVEMENT BONDS, SERIES 2019, both of which constitute a part hereof.

For your legally issued Bonds, as described in said Notice of Sale and Bidding Instructions and Preliminary Official Statement, we will pay you \$5,948,688.92 of par for Bonds maturing and bearing interest as follows:

Maturity	Principal Amount	Interest Rate	Maturity	Principal Amount	Interest Rate	Maturity	Principal Amount	Interest Rate
2/15/2020	\$ 32,875,000	3.000%	2/15/2027	\$ 5,455,000	5.000%	2/15/2033	\$ 6,930,000	3.000%
2/15/2021	4,245,000	3.000%	2/15/2028	5,725,000	5.000%	2/15/2034	7,135,000	3.000%
2/15/2022	4,370,000	3.000%	2/15/2029	6,020,000	5.000%	2/15/2035	7,360,000	3.125%
2/15/2023	4,550,000	5.000%	2/15/2030	6,305,000	4.000%	2/15/2036	7,600,000	3.125%
2/15/2024	4,740,000	3.000%	2/15/2031	6,525,000	3.000%	2/15/2037	7,845,000	3.250%
2/15/2025	4,935,000	5.000%	2/15/2032	6,720,000	3.000%	2/15/2038	8,105,000	3.375%
2/15/2026	5,185,000	5.000%				2/15/2039	8,380,000	3.375%

Of the principal maturities set forth in the table above, term bonds have been created as indicated in the following table (which may include multiple term bonds, one term bond or no term bond if none is indicated). For those years which have been combined into a term bond, the principal amount shown in the table above shall be the mandatory sinking fund redemption amounts in such years except that the amount shown in the year of the term bond maturity date shall mature in such year. The term bonds created are as follows:

Maturity Date February 15	Year of First Mandatory Redemption	Principal Amount	Interest Rate
_____	_____	\$ _____	_____ %
_____	_____	\$ _____	_____ %
_____	_____	\$ _____	_____ %

Our calculation (which is not a part of this bid) of the interest cost from the above is:

True Interest Cost 3.016744%

The Initial Bond shall be registered in the name of Bank of America Merrill Lynch, which will, upon payment for the Bonds, be canceled by the Paying Agent/Registrar. The Bonds will then be registered in the name of Cede & Co. (DTC's partnership nominee), under the Book-Entry-Only System.

A bank cashier's check or certified check of the Frost Bank, Austin, in the amount of \$1,512,850.00, which represents our Good Faith Deposit (is attached hereto) or (has been made available to you prior to the opening of this bid), and is submitted in accordance with the terms as set forth in the Preliminary Official Statement and Notice of Sale and Bidding Instructions.

We agree to accept delivery of the Bonds utilizing the Book-Entry-Only System through DTC and make payment for the Initial Bond in immediately available funds in the Corporate Trust Division, BANK OF NEW YORK TRUST COMPANY, Dallas, Texas not later than 10:00 AM, CDT, on March 20, 2019, or thereafter on the date the Bonds are tendered for delivery, pursuant to the terms set forth in the Notice of Sale and Bidding Instructions. It will be the obligation of the Initial Purchaser of the Bonds to complete the DTC Eligibility Questionnaire.

The undersigned agrees to complete, execute, and deliver to the County, not later than 5 business days prior to the delivery of the Bonds to the Initial Purchaser, a certificate relating to the "issue price" of the Bonds in the form and to the effect accompanying the Notice of Sale and Bidding Instructions, with such changes thereto as may be acceptable to the County. To the extent that such "issue price" certificate is not adequate for inclusion in the County's federal tax certificate, the undersigned agrees to execute an issue price certificate as may be required by the County's Bond Counsel.

The undersigned verifies, for purposes of Chapter 2270 (as provided by Acts 2017, 85th Leg., ch. 1, House Bill 89) of the Texas Government Code, as amended, that at the time of execution and delivery of this bid and, except to the extent otherwise required by applicable federal law, to the date of delivery of the Bonds, neither the undersigned, nor any wholly owned subsidiary, majority-owned subsidiary, parent company or affiliate of the undersigned, boycotts or will boycott Israel. The terms boycotts Israel and boycott Israel as used in this paragraph have the meanings assigned to the term boycott Israel in Section 808.001 of the Texas Government Code, as amended.

The undersigned verifies, for purposes of compliance with Section 2252.152, Texas Government Code, that neither it nor any of its parent company, wholly- or majority-owned subsidiaries, and other affiliates is a company identified on a list prepared and maintained by the Texas Comptroller of Public Accounts under Section 2252.153 or Section 2270.0201, Texas Government Code, and posted on any of the following pages of such officer's internet website: <https://comptroller.texas.gov/purchasing/docs/sudan-list.pdf>, <https://comptroller.texas.gov/purchasing/docs/iran-list.pdf>, or <https://comptroller.texas.gov/purchasing/docs/fto-list.pdf>. The term "affiliate" as used in this paragraph means any entity that controls, is controlled by, or is under common control with the bidder and exists to make a profit.

In accordance with Texas Government Code Section 2252.908 (the "Interested Party Disclosure Act"), the County may not award the Bonds to a bidder unless the winning bidder either: (i) submits a Certificate of Interested Parties Form 1295 (the "Disclosure Form") to the County as prescribed by the Texas Ethics Commission ("TEC"), or (ii) certifies below that it is exempt from filing the Disclosure Form by virtue of being a publicly traded business entity or a wholly owned subsidiary of a publicly traded business entity.

Unless the bidder certifies that it is exempt from filing a Disclosure Form with the County, upon notification of conditional verbal acceptance, the undersigned will complete an electronic form Disclosure Form through the Texas Ethics Commission's (the "TEC") electronic portal and the resulting certified Disclosure Form that is generated by the TEC's electronic portal will be printed, signed and sent by email to the County's financial advisor at nick.bulaich@hilltopsecurities.com. The undersigned understands that the failure to provide the certified Disclosure Form will prohibit the County from providing final written award of the enclosed bid.

The Purchaser (mark one):

(i) Agrees to timely make a filing of a completed Disclosure Form with the County ☐

or

(ii) Hereby certifies that it is exempt from filing the Disclosure Form by virtue of being a publicly traded business entity or a wholly owned subsidiary of a publicly traded business entity ☒.

We agree to provide in writing the initial reoffering prices and other terms, if any, to the Financial Advisor by the close of the next business day after the award.

Respectfully submitted,

Syndicate Members:

Robert C. Holmes

Name of Initial Purchaser or Manager

Authorized Representative

212-449-5081

Phone Number

[Signature]
Signature

ACCEPTANCE CLAUSE

The above and foregoing bid is hereby in all things accepted by the Collin County, Texas, subject to and in accordance with the Notice of Sale and Bidding Instructions, this the 20th day of February, 2019.

ATTEST:

Pricing Officer
Collin County, Texas

EXHIBIT B

CERTIFICATE OF FINANCIAL ADVISOR

I, the undersigned officer of Hilltop Securities Inc. (the "Financial Advisor"), make this certificate for the benefit of all persons interested in the exclusion from gross income for federal income tax purposes of the interest on the \$151,005,000 Collin County, Texas, Limited Tax Permanent Improvement Bonds, Series 2019 (the "Bonds"). Each capitalized term used herein has the meaning or is the amount, as the case may be, specified for such term in the Federal Tax Certificate to which this Exhibit B is attached (the "Federal Tax Certificate"). I hereby certify as follows as of the Issue Date of the Bonds to the best of my knowledge, information and belief based upon the facts available at this time and current market conditions:

1. I am the duly chosen, qualified and acting officer of the Financial Advisor for the office shown below my signature; as such, I am familiar with the facts herein certified and I am duly authorized to execute and deliver this certificate on behalf of the Financial Advisor. I am the officer of the Financial Advisor who has worked with representatives of the County in structuring the financial terms of the Bonds.

2. Based on the representations set forth in the Issue Price Certificate attached as Exhibit A to the Federal Tax Certificate, the Issue Price of the Bonds is not more than \$157,912,102.55. As shown in Attachment I to this Exhibit B, the Financial Advisor has computed the Yield on the Bonds, based on such amount and as described in the "Yield on the Bonds" paragraph of the Federal Tax Certificate, to be 2.921915 percent.

3. As shown in Attachment I to this Exhibit B, the Financial Advisor computed the Weighted Average Maturity of the Bonds to be 9.465 years, as set forth in the "Weighted Average Maturity" paragraph of the Federal Tax Certificate.

4. To the best of my knowledge the statements set forth in the "Not an Abusive Transaction" paragraph of the Federal Tax Certificate are true.

The County may rely on the statements made herein in connection with making the representations set forth in the Federal Tax Certificate and in its efforts to comply with the conditions imposed by the Code on the exclusion of interest on the Bonds from the gross income of their owners. Bracewell LLP also may rely on this certificate for purposes of its opinion regarding the treatment of interest on the Bonds as excludable from gross income for federal income tax purposes and the preparation of the Internal Revenue Service Form 8038-G.

[EXECUTION PAGE FOLLOWS]

EXECUTED as of this 20th day of March, 2019.

HILLTOP SECURITIES INC.

By: 

Name:

David Medenich

Title:

Vice Chairman

Signature Page to Certificate of Financial Advisor

ATTACHMENT I
TO CERTIFICATE OF FINANCIAL ADVISOR

[See Attached]

Attachment I to Certificate of Financial Advisor

TABLE OF CONTENTS

Collin County, Texas
\$151,005,000 Limited Tax Bonds, Series 2019
Tax-Exempt Rates as of 02/20/2019 (AAA/Aaa)
*** Winning Bid From Bank of America Merrill Lynch ***

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Sources and Uses of Funds

Collin County, Texas
\$151,005,000 Limited Tax Bonds, Series 2019
 Tax-Exempt Rates as of 02/20/2019 (AAA/Aaa)
 *** Winning Bid From Bank of America Merrill Lynch ***

Dated Date 3/20/2019
 Delivery
 Date 3/20/2019

Sources:	Limited Tax Bonds, Series 2019 (Court: \$45.8 mm)	Limited Tax Bonds, Series 2019 (Prop A: \$100.155 mm)	Limited Tax Bonds, Series 2019 (Prop B: \$8.5 mm)	Limited Tax Bonds, Series 2019 (Prop C: \$2.0 mm)	Total
Bond Proceeds:					
Par Amount	43,845,000.00	97,110,000.00	8,135,000.00	1,915,000.00	151,005,000.00
Net Premium	2,103,377.52	3,362,999.59	390,533.47	91,778.34	5,948,688.92
	45,948,377.52	100,472,999.59	8,525,533.47	2,006,778.34	156,953,688.92

Uses:	Limited Tax Bonds, Series 2019 (Court: \$45.8 mm)	Limited Tax Bonds, Series 2019 (Prop A: \$100.155 mm)	Limited Tax Bonds, Series 2019 (Prop B: \$8.5 mm)	Limited Tax Bonds, Series 2019 (Prop C: \$2.0 mm)	Total
Project Fund Deposits:					
Project Fund	45,800,000.00	100,155,000.00	8,500,000.00	2,000,000.00	156,455,000.00
Delivery Date Expenses:					
Cost of Issuance	148,377.52	317,999.59	25,533.47	6,778.34	498,688.92
	45,948,377.52	100,472,999.59	8,525,533.47	2,006,778.34	156,953,688.92

Note: Final

BOND DEBT SERVICE

Collin County, Texas
\$151,005,000 Limited Tax Bonds, Series 2019
Tax-Exempt Rates as of 02/20/2019 (AAA/Aaa)
***** Winning Bid From Bank of America Merrill Lynch *****

Period Ending	Principal	Coupon	Interest	Debt Service	Annual Debt Service
02/15/2020	32,875,000	3.000%	4,812,465.73	37,687,465.73	
08/15/2020			2,172,240.64	2,172,240.64	
09/30/2020					39,859,706.37
02/15/2021	4,245,000	3.000%	2,172,240.64	6,417,240.64	
08/15/2021			2,108,565.64	2,108,565.64	
09/30/2021					8,525,806.28
02/15/2022	4,370,000	3.000%	2,108,565.64	6,478,565.64	
08/15/2022			2,043,015.64	2,043,015.64	
09/30/2022					8,521,581.28
02/15/2023	4,550,000	5.000%	2,043,015.64	6,593,015.64	
08/15/2023			1,929,265.64	1,929,265.64	
09/30/2023					8,522,281.28
02/15/2024	4,740,000	3.000%	1,929,265.64	6,669,265.64	
08/15/2024			1,858,165.64	1,858,165.64	
09/30/2024					8,527,431.28
02/15/2025	4,935,000	5.000%	1,858,165.64	6,793,165.64	
08/15/2025			1,734,790.64	1,734,790.64	
09/30/2025					8,527,956.28
02/15/2026	5,185,000	5.000%	1,734,790.64	6,919,790.64	
08/15/2026			1,605,165.64	1,605,165.64	
09/30/2026					8,524,956.28
02/15/2027	5,455,000	5.000%	1,605,165.64	7,060,165.64	
08/15/2027			1,468,790.64	1,468,790.64	
09/30/2027					8,528,956.28
02/15/2028	5,725,000	5.000%	1,468,790.64	7,193,790.64	
08/15/2028			1,325,665.64	1,325,665.64	
09/30/2028					8,519,456.28
02/15/2029	6,020,000	5.000%	1,325,665.64	7,345,665.64	
08/15/2029			1,175,165.64	1,175,165.64	
09/30/2029					8,520,831.28
02/15/2030	6,305,000	4.000%	1,175,165.64	7,480,165.64	
08/15/2030			1,049,065.64	1,049,065.64	
09/30/2030					8,529,231.28
02/15/2031	6,525,000	3.000%	1,049,065.64	7,574,065.64	
08/15/2031			951,190.64	951,190.64	
09/30/2031					8,525,256.28
02/15/2032	6,720,000	3.000%	951,190.64	7,671,190.64	
08/15/2032			850,390.64	850,390.64	
09/30/2032					8,521,581.28
02/15/2033	6,930,000	3.000%	850,390.64	7,780,390.64	
08/15/2033			746,440.64	746,440.64	
09/30/2033					8,526,831.28
02/15/2034	7,135,000	3.000%	746,440.64	7,881,440.64	
08/15/2034			639,415.64	639,415.64	
09/30/2034					8,520,856.28
02/15/2035	7,360,000	3.125%	639,415.64	7,999,415.64	
08/15/2035			524,415.64	524,415.64	
09/30/2035					8,523,831.28
02/15/2036	7,600,000	3.125%	524,415.64	8,124,415.64	
08/15/2036			405,665.63	405,665.63	
09/30/2036					8,530,081.27
02/15/2037	7,845,000	3.250%	405,665.63	8,250,665.63	
08/15/2037			278,184.38	278,184.38	
09/30/2037					8,528,850.01
02/15/2038	8,105,000	3.375%	278,184.38	8,383,184.38	

BOND DEBT SERVICE

Collin County, Texas

\$151,005,000 Limited Tax Bonds, Series 2019

Tax-Exempt Rates as of 02/20/2019 (AAA/Aaa)

***** Winning Bid From Bank of America Merrill Lynch *****

Period Ending	Principal	Coupon	Interest	Debt Service	Annual Debt Service
08/15/2038			141,412.51	141,412.51	
09/30/2038					8,524,596.89
02/15/2039	8,380,000	3.375%	141,412.51	8,521,412.51	
09/30/2039					8,521,412.51
	151,005,000		50,826,491.25	201,831,491.25	201,831,491.25

Note: Final

BOND DEBT SERVICE

Collin County, Texas
\$151,005,000 Limited Tax Bonds, Series 2019
Tax-Exempt Rates as of 02/20/2019 (AAA/Aaa)
***** Winning Bid From Bank of America Merrill Lynch *****

Period Ending	Principal	Coupon	Interest	Debt Service
09/30/2020	32,875,000	3.000%	6,984,706.37	39,859,706.37
09/30/2021	4,245,000	3.000%	4,280,806.28	8,525,806.28
09/30/2022	4,370,000	3.000%	4,151,581.28	8,521,581.28
09/30/2023	4,550,000	5.000%	3,972,281.28	8,522,281.28
09/30/2024	4,740,000	3.000%	3,787,431.28	8,527,431.28
09/30/2025	4,935,000	5.000%	3,592,956.28	8,527,956.28
09/30/2026	5,185,000	5.000%	3,339,956.28	8,524,956.28
09/30/2027	5,455,000	5.000%	3,073,956.28	8,528,956.28
09/30/2028	5,725,000	5.000%	2,794,456.28	8,519,456.28
09/30/2029	6,020,000	5.000%	2,500,831.28	8,520,831.28
09/30/2030	6,305,000	4.000%	2,224,231.28	8,529,231.28
09/30/2031	6,525,000	3.000%	2,000,256.28	8,525,256.28
09/30/2032	6,720,000	3.000%	1,801,581.28	8,521,581.28
09/30/2033	6,930,000	3.000%	1,596,831.28	8,526,831.28
09/30/2034	7,135,000	3.000%	1,385,856.28	8,520,856.28
09/30/2035	7,360,000	3.125%	1,163,831.28	8,523,831.28
09/30/2036	7,600,000	3.125%	930,081.27	8,530,081.27
09/30/2037	7,845,000	3.250%	683,850.01	8,528,850.01
09/30/2038	8,105,000	3.375%	419,596.89	8,524,596.89
09/30/2039	8,380,000	3.375%	141,412.51	8,521,412.51
	151,005,000		50,826,491.25	201,831,491.25

Note: Final

BOND SUMMARY STATISTICS

Collin County, Texas
\$151,005,000 Limited Tax Bonds, Series 2019
Tax-Exempt Rates as of 02/20/2019 (AAA/Aaa)
***** Winning Bid From Bank of America Merrill Lynch *****

Dated Date	03/20/2019
Delivery Date	03/20/2019
First Coupon	02/15/2020
Last Maturity	02/15/2039
Arbitrage Yield	2.921915%
True Interest Cost (TIC)	3.016744%
Net Interest Cost (NIC)	3.091207%
All-In TIC	3.058077%
Average Coupon	3.500956%
Average Life (years)	9.614
Weighted Average Maturity (years)	9.465
Duration of Issue (years)	7.824
Par Amount	151,005,000.00
Bond Proceeds	157,912,102.55
Total Interest	50,826,491.25
Net Interest	44,877,802.33
Bond Years from Dated Date	1,451,788,958.33
Bond Years from Delivery Date	1,451,788,958.33
Total Debt Service	201,831,491.25
Maximum Annual Debt Service	39,859,706.37
Average Annual Debt Service	10,140,870.46
Underwriter's Fees (per \$1000)	
Average Takedown	
Other Fee	6.346900
Total Underwriter's Discount	6.346900
Bid Price	103.939399

Bond Component	Par Value	Price	Average Coupon	Average Life	PV of 1 bp change
Serial Bond	151,005,000.00	104.574	3.501%	9.614	116,489.45
	151,005,000.00			9.614	116,489.45

	TIC	All-In TIC	Arbitrage Yield
Par Value	151,005,000.00	151,005,000.00	151,005,000.00
+ Accrued Interest			
+ Premium (Discount)	6,907,102.55	6,907,102.55	6,907,102.55
- Underwriter's Discount	-958,413.63	-958,413.63	
- Cost of Issuance Expense		-498,688.92	
- Other Amounts			
Target Value	156,953,688.92	156,455,000.00	157,912,102.55
Target Date	03/20/2019	03/20/2019	03/20/2019
Yield	3.016744%	3.058077%	2.921915%

Note: Final

BOND PRICING

Collin County, Texas
\$151,005,000 Limited Tax Bonds, Series 2019
Tax-Exempt Rates as of 02/20/2019 (AAA/Aaa)
***** Winning Bid From Bank of America Merrill Lynch *****

Bond Component	Maturity Date	Amount	Rate	Yield	Price	Yield to Maturity	Call Date	Call Price	Premium (-Discount)	Principal Cost
Serial Bond:										
	02/15/2020	32,875,000	3.000%	1.670%	101.185				389,568.75	33,264,568.75
	02/15/2021	4,245,000	3.000%	1.710%	102.403				102,007.35	4,347,007.35
	02/15/2022	4,370,000	3.000%	1.760%	103.493				152,644.10	4,522,644.10
	02/15/2023	4,550,000	5.000%	1.780%	112.086				549,913.00	5,099,913.00
	02/15/2024	4,740,000	3.000%	1.840%	105.413				256,576.20	4,996,576.20
	02/15/2025	4,935,000	5.000%	1.910%	117.169				847,290.15	5,782,290.15
	02/15/2026	5,185,000	5.000%	2.000%	119.250				998,112.50	6,183,112.50
	02/15/2027	5,455,000	5.000%	2.100%	121.014				1,146,313.70	6,601,313.70
	02/15/2028	5,725,000	5.000%	2.200%	122.524				1,289,499.00	7,014,499.00
	02/15/2029	6,020,000	5.000%	2.310%	121.532 C	2.528%	02/15/2028	100.000	1,296,226.40	7,316,226.40
	02/15/2030	6,305,000	4.000%	2.470%	112.158 C	2.705%	02/15/2028	100.000	766,561.90	7,071,561.90
	02/15/2031	6,525,000	3.000%	2.900%	100.778 C	2.922%	02/15/2028	100.000	50,764.50	6,575,764.50
	02/15/2032	6,720,000	3.000%	3.047%	99.500				-33,600.00	6,686,400.00
	02/15/2033	6,930,000	3.000%	3.134%	98.500				-103,950.00	6,826,050.00
	02/15/2034	7,135,000	3.000%	3.169%	98.000				-142,700.00	6,992,300.00
	02/15/2035	7,360,000	3.125%	3.246%	98.500				-110,400.00	7,249,600.00
	02/15/2036	7,600,000	3.125%	3.280%	98.000				-152,000.00	7,448,000.00
	02/15/2037	7,845,000	3.250%	3.381%	98.250				-137,287.50	7,707,712.50
	02/15/2038	8,105,000	3.375%	3.466%	98.750				-101,312.50	8,003,687.50
	02/15/2039	8,380,000	3.375%	3.507%	98.125				-157,125.00	8,222,875.00
		151,005,000							6,907,102.55	157,912,102.55

BOND PRICING

Collin County, Texas
\$151,005,000 Limited Tax Bonds, Series 2019
Tax-Exempt Rates as of 02/20/2019 (AAA/Aaa)
***** Winning Bid From Bank of America Merrill Lynch *****

Dated Date	03/20/2019	
Delivery Date	03/20/2019	
First Coupon	02/15/2020	
Par Amount	151,005,000.00	
Premium	6,907,102.55	
Production	157,912,102.55	104.574089%
Underwriter's Discount	-958,413.63	-0.634690%
Purchase Price	156,953,688.92	103.939399%
Accrued Interest		
Net Proceeds	156,953,688.92	

Note: Final

COST OF ISSUANCE

Collin County, Texas

\$151,005,000 Limited Tax Bonds, Series 2019

Tax-Exempt Rates as of 02/20/2019 (AAA/Aaa)

***** Winning Bid From Bank of America Merrill Lynch *****

Cost of Issuance	\$/1000	Amount
Other Cost of Issuance	0.00450	680.17
Financial Advisory Fee	1.14569	173,005.00
Bond Counsel Fee	0.88245	133,253.75
Paying Agent Acceptance Fee	0.00497	750.00
Printing, Distribution and Misc.	0.01987	3,000.00
Moody's Investors Service, Inc.	0.62912	95,000.00
Standard & Poor's Corporation	0.55296	83,500.00
AG Fee	0.06291	9,500.00
	3.30247	498,688.92

Note: Final

FORM 8038 STATISTICS

Collin County, Texas
\$151,005,000 Limited Tax Bonds, Series 2019
Tax-Exempt Rates as of 02/20/2019 (AAA/Aaa)
*** Winning Bid From Bank of America Merrill Lynch ***

Dated Date 03/20/2019
Delivery Date 03/20/2019

Bond Component	Date	Principal	Coupon	Price	Issue Price	Redemption at Maturity
Serial Bond:						
	02/15/2020	32,875,000.00	3.000%	101.185	33,264,568.75	32,875,000.00
	02/15/2021	4,245,000.00	3.000%	102.403	4,347,007.35	4,245,000.00
	02/15/2022	4,370,000.00	3.000%	103.493	4,522,644.10	4,370,000.00
	02/15/2023	4,550,000.00	5.000%	112.086	5,099,913.00	4,550,000.00
	02/15/2024	4,740,000.00	3.000%	105.413	4,996,576.20	4,740,000.00
	02/15/2025	4,935,000.00	5.000%	117.169	5,782,290.15	4,935,000.00
	02/15/2026	5,185,000.00	5.000%	119.250	6,183,112.50	5,185,000.00
	02/15/2027	5,455,000.00	5.000%	121.014	6,601,313.70	5,455,000.00
	02/15/2028	5,725,000.00	5.000%	122.524	7,014,499.00	5,725,000.00
	02/15/2029	6,020,000.00	5.000%	121.532	7,316,226.40	6,020,000.00
	02/15/2030	6,305,000.00	4.000%	112.158	7,071,561.90	6,305,000.00
	02/15/2031	6,525,000.00	3.000%	100.778	6,575,764.50	6,525,000.00
	02/15/2032	6,720,000.00	3.000%	99.500	6,686,400.00	6,720,000.00
	02/15/2033	6,930,000.00	3.000%	98.500	6,826,050.00	6,930,000.00
	02/15/2034	7,135,000.00	3.000%	98.000	6,992,300.00	7,135,000.00
	02/15/2035	7,360,000.00	3.125%	98.500	7,249,600.00	7,360,000.00
	02/15/2036	7,600,000.00	3.125%	98.000	7,448,000.00	7,600,000.00
	02/15/2037	7,845,000.00	3.250%	98.250	7,707,712.50	7,845,000.00
	02/15/2038	8,105,000.00	3.375%	98.750	8,003,687.50	8,105,000.00
	02/15/2039	8,380,000.00	3.375%	98.125	8,222,875.00	8,380,000.00
		151,005,000.00			157,912,102.55	151,005,000.00

	Maturity Date	Interest Rate	Issue Price	Stated Redemption at Maturity	Weighted Average Maturity	Yield
Final Maturity	02/15/2039	3.375%	8,222,875.00	8,380,000.00		
Entire Issue			157,912,102.55	151,005,000.00	9.4646	2.9219%

Proceeds used for accrued interest	0.00
Proceeds used for bond issuance costs (including underwriters' discount)	1,457,102.55
Proceeds used for credit enhancement	0.00
Proceeds allocated to reasonably required reserve or replacement fund	0.00

Note: Final

PROOF OF ARBITRAGE YIELD

Collin County, Texas
\$151,005,000 Limited Tax Bonds, Series 2019
Tax-Exempt Rates as of 02/20/2019 (AAA/Aaa)
*** Winning Bid From Bank of America Merrill Lynch ***

Date	Debt Service	Total	Present Value to 03/20/2019 @ 2.9219154318%
02/15/2020	37,687,465.73	37,687,465.73	36,713,333.30
08/15/2020	2,172,240.64	2,172,240.64	2,085,623.25
02/15/2021	6,417,240.64	6,417,240.64	6,072,636.60
08/15/2021	2,108,565.64	2,108,565.64	1,966,604.98
02/15/2022	6,478,565.64	6,478,565.64	5,955,386.01
08/15/2022	2,043,015.64	2,043,015.64	1,850,988.78
02/15/2023	6,593,015.64	6,593,015.64	5,887,314.60
08/15/2023	1,929,265.64	1,929,265.64	1,697,955.13
02/15/2024	6,669,265.64	6,669,265.64	5,785,131.55
08/15/2024	1,858,165.64	1,858,165.64	1,588,622.43
02/15/2025	6,793,165.64	6,793,165.64	5,724,130.32
08/15/2025	1,734,790.64	1,734,790.64	1,440,739.36
02/15/2026	6,919,790.64	6,919,790.64	5,664,118.73
08/15/2026	1,605,165.64	1,605,165.64	1,294,971.74
02/15/2027	7,060,165.64	7,060,165.64	5,613,792.67
08/15/2027	1,468,790.64	1,468,790.64	1,151,071.81
02/15/2028	19,518,790.64	19,518,790.64	15,076,358.97
08/15/2028	1,049,065.64	1,049,065.64	798,633.03
02/15/2029	1,049,065.64	1,049,065.64	787,133.35
08/15/2029	1,049,065.64	1,049,065.64	775,799.25
02/15/2030	1,049,065.64	1,049,065.64	764,628.35
08/15/2030	1,049,065.64	1,049,065.64	753,618.31
02/15/2031	7,574,065.64	7,574,065.64	5,362,642.97
08/15/2031	951,190.64	951,190.64	663,771.24
02/15/2032	7,671,190.64	7,671,190.64	5,276,120.19
08/15/2032	850,390.64	850,390.64	576,462.97
02/15/2033	7,780,390.64	7,780,390.64	5,198,228.81
08/15/2033	746,440.64	746,440.64	491,530.32
02/15/2034	7,881,440.64	7,881,440.64	5,115,188.98
08/15/2034	639,415.64	639,415.64	409,016.07
02/15/2035	7,999,415.64	7,999,415.64	5,043,318.81
08/15/2035	524,415.64	524,415.64	325,862.84
02/15/2036	8,124,415.64	8,124,415.64	4,975,679.28
08/15/2036	405,665.63	405,665.63	244,866.57
02/15/2037	8,250,665.63	8,250,665.63	4,908,528.50
08/15/2037	278,184.38	278,184.38	163,115.83
02/15/2038	8,383,184.38	8,383,184.38	4,844,773.00
08/15/2038	141,412.51	141,412.51	80,547.73
02/15/2039	8,521,412.51	8,521,412.51	4,783,855.91
	201,026,091.25	201,026,091.25	157,912,102.55

Proceeds Summary

Delivery date	03/20/2019
Par Value	151,005,000.00
Premium (Discount)	6,907,102.55
Target for yield calculation	157,912,102.55

PROOF OF ARBITRAGE YIELD

Collin County, Texas
\$151,005,000 Limited Tax Bonds, Series 2019
Tax-Exempt Rates as of 02/20/2019 (AAA/Aaa)
*** Winning Bid From Bank of America Merrill Lynch ***

Assumed Call/Computation Dates for Premium Bonds

Bond Component	Maturity Date	Rate	Yield	Call Date	Call Price	Yield To Call/Maturity
SERIAL	02/15/2029	5.000%	2.310%	02/15/2028	100.000	2.3080013%
SERIAL	02/15/2030	4.000%	2.470%	02/15/2028	100.000	2.4682407%

Rejected Call/Computation Dates for Premium Bonds

Bond Component	Maturity Date	Rate	Yield	Call Date	Call Price	Yield To Call/Maturity	Increase to Yield
SERIAL	02/15/2029	5.000%	2.310%			2.5261601%	0.2181587%
SERIAL	02/15/2030	4.000%	2.470%			2.7029910%	0.2347503%

Note: Final

EXHIBIT C

CERTIFICATE OF FINANCIAL ADVISOR RELATING TO COMPETITIVE SALE REQUIREMENTS

I, the undersigned officer of Hilltop Securities Inc. (the "Financial Advisor"), make this certificate in connection with the \$151,005,000 Collin County, Texas, Limited Tax Permanent Improvement Bonds, Series 2019 (the "Bonds") issued by Collin County, Texas (the "County"). I hereby certify as follows in good faith on the Issue Date of the Bonds:

1. I am the duly chosen, qualified and acting officer of the Financial Advisor for the office shown below my signature; as such, I am familiar with the facts herein certified and I am duly authorized to execute and deliver this certificate on behalf of the Financial Advisor.
2. The Financial Advisor has acted on behalf of the County in soliciting and receiving bids from potential underwriters in connection with the sale of the Bonds in a competitive bidding process in which the Bonds were offered for sale to underwriters at specified written terms more particularly described in the Notice of Sale prepared in connection with the Bonds (the "Notice of Sale"). The bidding process pursuant to which the Bonds were sold to the winning bidder (i.e., Bank of America Merrill Lynch) met all of the following requirements:
 - (a) The Notice of Sale was disseminated to potential underwriters in a manner reasonably designed to reach potential underwriters (e.g., through electronic communication that is widely circulated to potential underwriters by a recognized publisher of municipal bond offering documents or by posting on an Internet-based website or other electronic medium that is regularly used for such purpose and is widely available to potential underwriters).
 - (b) All potential underwriters had an equal opportunity to bid. No potential underwriter was given an opportunity to review other bids that was not equally given to all potential bidders (that is, no exclusive "last look").
 - (c) The County received bids from at least three underwriters of municipal bonds, who, based upon the Financial Advisor's knowledge and experience in acting as financial advisor for other municipal issues, are underwriters of municipal bonds who have established industry reputations for underwriting new issuances of municipal bonds. The bids received are attached hereto as Attachment I.
 - (d) The sale was awarded to the bidder who submitted a firm offer to purchase the Bonds at the highest price (or lowest interest cost) in accordance with the terms set forth in the Notice of Sale.

The representations set forth in this certificate are limited to factual matters only. Nothing in this certificate represents the Financial Advisor's interpretation of any laws, including specifically sections 103 and 148 of the Internal Revenue Code of 1986, as amended, and the

Treasury Regulations thereunder. The undersigned understands that the foregoing information will be relied upon by the County with respect to certain of the representations set forth in the Federal Tax Certificate and with respect to compliance with the federal income tax rules affecting the Bonds, and by Bracewell LLP in connection with rendering its opinion that the interest on the Bonds is excluded from gross income for federal income tax purposes, the preparation of Internal Revenue Service Form 8038-G, and other federal income tax advice it may give to the County from time to time relating to the Bonds.

EXECUTED as of this 20th day of March, 2019.

HILLTOP SECURITIES INC.

By: _____

A handwritten signature in dark ink, appearing to read "David Medenich", is written over a horizontal line.

Name: _____

David Medenich

Title: _____

Vice Chairman

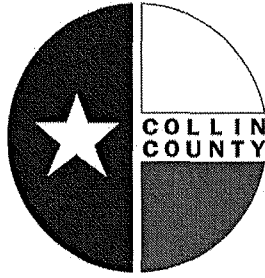
*Signature Page to Certificate of Financial Advisor
Relating to Competitive Sale Requirements*

**ATTACHMENT I
TO CERTIFICATE OF FINANCIAL ADVISOR
RELATING TO COMPETITIVE SALE REQUIREMENTS**

[See Attached]

*Attachment I to Certificate of Financial Advisor
Relating to Competitive Sale Requirements*

TABULATION OF BIDS RECEIVED



\$151,285,000
COLLIN COUNTY, TEXAS
LIMITED TAX PERMANENT IMPROVEMENT BONDS, SERIES 2019

BIDS DUE WEDNESDAY, FEBRUARY 20, 2019, AT 10:30 AM, CST

ACCOUNT MANAGER	TRUE INTEREST COST
Bank of America Merrill Lynch	3.024489%
RBC Capital Markets	3.067556%
J.P. Morgan Securities LLC	3.074666%
Robert W. Baird & Co., Inc.	3.093170%
Citigroup Global Markets Inc.	3.104119%
Wells Fargo Bank, National Association	3.105224%
Morgan Stanley & Co. LLC	3.119151%

Prepared by:



777 Main Street, Suite 1200
Fort Worth, Texas 76102
(817) 332-9710

EXHIBIT D
REIMBURSEMENT RESOLUTION

[See Attached]

COURT ORDER NO. 2019-076-01-28

THE STATE OF TEXAS

COUNTY OF COLLIN

Subject: Bond Reimbursement Resolution, Expressing Intent to Finance Expenditures to be Incurred – Budget

On **January 28, 2019**, the Commissioners Court of Collin County, Texas, met in **regular session** with the following members present and participating, to wit:

**Chris Hill
Susan Fletcher
Cheryl Williams
Darrell Hale
Duncan Webb**

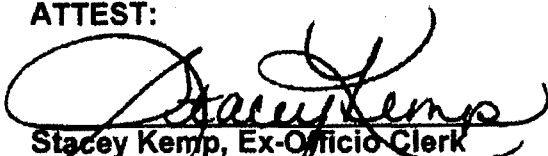
**County Judge, Presiding
Commissioner, Precinct 1
Commissioner, Precinct 2
Commissioner, Precinct 3
Commissioner, Precinct 4**

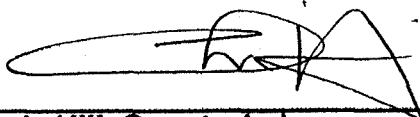
During such session the court considered a request for authorization to adopt the attached Bond Reimbursement Resolution expressing intent to finance expenditures to be incurred.

Thereupon, a motion was made, seconded and carried with a majority vote of the court for authorization to adopt the attached Bond Reimbursement Resolution expressing intent to finance expenditures to be incurred. Same is hereby approved in accordance with the attached documentation.

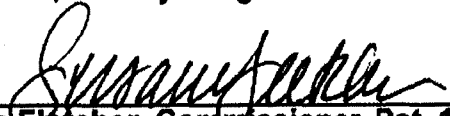


ATTEST:


**Stacey Kemp, Ex-Officio Clerk
Commissioners Court
Collin County, T E X A S**



Chris Hill, County Judge



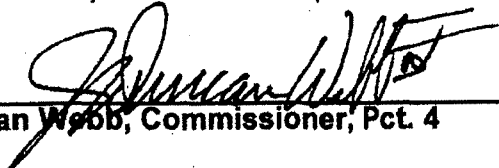
Susan Fletcher, Commissioner, Pct. 1



Cheryl Williams, Commissioner, Pct. 2



Darrell Hale, Commissioner, Pct. 3



Duncan Webb, Commissioner, Pct. 4

**RESOLUTION EXPRESSING INTENT TO
FINANCE EXPENDITURES TO BE INCURRED**

WHEREAS, Collin County, Texas (the "Issuer"), is a political subdivision of the State of Texas authorized to finance its activities by issuing obligations; and

WHEREAS, the Issuer will make, or has made not more than 60 days prior to the date hereof, payments with respect to the construction, improvement and expansion of the property listed on Exhibit A attached hereto (collectively, the "Financed Project"); and

WHEREAS, the Issuer has concluded that it does not currently desire to issue obligations to finance the costs associated with the Financed Project; and

WHEREAS, the Issuer desires to reimburse itself for the costs associated with the Financed Property from the proceeds of obligations to be issued subsequent to the date hereof; and

WHEREAS, the Issuer reasonably expects to issue obligations to reimburse itself for the costs associated with the Financed Property.

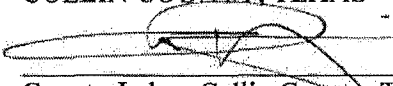
NOW, THEREFORE, be it resolved that:

Section 1. The Issuer reasonably expects to reimburse itself for costs that have been or will be paid subsequent to the date that is 60 days prior to the date hereof and that are to be paid in connection with the construction, improvement or expansion of the Financed Property from the proceeds of obligations to be issued subsequent to the date hereof.

Section 2. The Issuer reasonably expects that the maximum principal amount of obligations issued to reimburse the Issuer for the costs associated with the Financed Property will not exceed \$8,600,000.

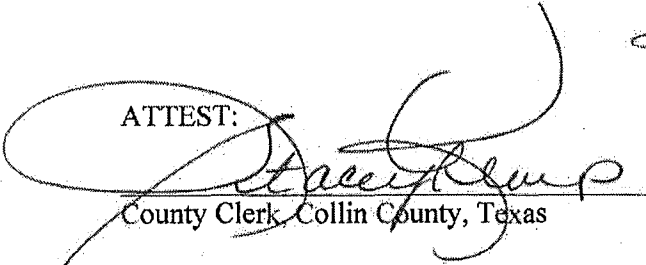
ADOPTED THIS 28th DAY OF January, 2019, by the COMMISSIONERS COURT OF COLLIN COUNTY, TEXAS.

COLLIN COUNTY, TEXAS



County Judge, Collin County, Texas

ATTEST:



County Clerk, Collin County, Texas

EXHIBIT A

DESCRIPTION OF PROPERTY

<u>Purpose/Project</u>	<u>Amount</u>
1. Acquiring, constructing, improving, renovating, and equipping juvenile and adult detention facilities and court facilities, including juvenile justice alternative education program facilities	\$600,000
2. Designing, constructing and improving highways, freeways, roads and bridges in the County, including acquiring land and rights-of-way therefor	\$8,000,000

BRACEWELL

April 2, 2019

CERTIFIED MAIL
RETURN RECEIPT REQUESTED
7011 3500 0003 1366 8400

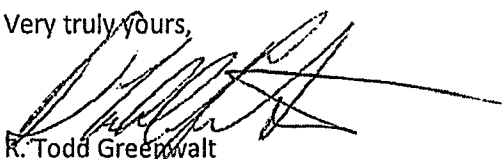
District Director
Internal Revenue Service
Ogden, UT 84201

Re: \$151,005,000 Collin County, Texas Limited Tax Permanent Improvement Bonds, Series 2019

Dear Sir or Madam:

Enclosed please find originally executed Form 8038-G (Information Return for Tax-Exempt Governmental Obligations) for the above-captioned bond issue.

Very truly yours,



R. Todd Greenwalt
Partner

cc: Shana Hight

#3994836.2

R. Todd Greenwalt
Partner

T: 713.221.1138 F: 800.404.3970
711 Louisiana Street, Suite 2300, Houston, Texas 77002-2770
todd.greenwalt@bracewell.com bracewell.com

AUSTIN CONNECTICUT DALLAS DUBAI HOUSTON LONDON NEW YORK SAN ANTONIO SEATTLE WASHINGTON, DC

Form **8038-G**

(Rev. September 2018)

Department of the Treasury
Internal Revenue Service**Information Return for Tax-Exempt Governmental Bonds**

► Under Internal Revenue Code section 149(e)

► See separate instructions.

Caution: If the issue price is under \$100,000, use Form 8038-GC.

► Go to www.irs.gov/F8038G for instructions and the latest information.

OMB No. 1545-0720

Part I Reporting AuthorityIf Amended Return, check here ☐

1 Issuer's name Collin County, Texas		2 Issuer's employer identification number (EIN) 75-6000874
3a Name of person (other than issuer) with whom the IRS may communicate about this return (see instructions)		3b Telephone number of other person shown on 3a
4 Number and street (or P.O. box if mail is not delivered to street address) 2300 Bloomdale Road	Room/suite	5 Report number (For IRS Use Only) 3
6 City, town, or post office, state, and ZIP code McKinney, TX 75071		7 Date of Issue 03/20/2019
8 Name of Issue Limited Tax Permanent Improvement Bonds, Series 2019		9 CUSIP number 194740NF9
10a Name and title of officer or other employee of the issuer whom the IRS may call for more information (see instructions) Jeff May, County Auditor		10b Telephone number of officer or other employee shown on 10a (972) 548-4603

Part II Type of Issue (enter the issue price). See the instructions and attach schedule.

11 Education	11	
12 Health and hospital	12	
13 Transportation	13	
14 Public safety	14	
15 Environment (including sewage bonds)	15	
16 Housing	16	
17 Utilities	17	
18 Other. Describe ► Highways, roads, bridges, parks, open space, detention facilities	18	157,912,102.55
19a If bonds are TANs or RANs, check only box 19a		<input type="checkbox"/>
b If bonds are BANs, check only box 19b		<input type="checkbox"/>
20 If bonds are in the form of a lease or installment sale, check box		<input type="checkbox"/>

Part III Description of Bonds. Complete for the entire issue for which this form is being filed.

	(a) Final maturity date	(b) Issue price	(c) Stated redemption price at maturity	(d) Weighted average maturity	(e) Yield
21	02/15/2039	\$ 157,912,102.55	\$ 151,005,000.00	9.465 years	2.9219%

Part IV Uses of Proceeds of Bond Issue (including underwriters' discount)

22 Proceeds used for accrued interest	22	
23 Issue price of entire issue (enter amount from line 21, column (b))	23	157,912,102.55
24 Proceeds used for bond issuance costs (including underwriters' discount)	24	1,457,102.55
25 Proceeds used for credit enhancement	25	0.00
26 Proceeds allocated to reasonably required reserve or replacement fund	26	0.00
27 Proceeds used to refund prior tax-exempt bonds. Complete Part V	27	0.00
28 Proceeds used to refund prior taxable bonds. Complete Part V	28	0.00
29 Total (add lines 24 through 28)	29	1,457,102.55
30 Nonrefunding proceeds of the issue (subtract line 29 from line 23 and enter amount here)	30	156,455,000.00

Part V Description of Refunded Bonds. Complete this part only for refunding bonds. N/A

31 Enter the remaining weighted average maturity of the tax-exempt bonds to be refunded	years
32 Enter the remaining weighted average maturity of the taxable bonds to be refunded	years
33 Enter the last date on which the refunded tax-exempt bonds will be called (MM/DD/YYYY)	
34 Enter the date(s) the refunded bonds were issued ► (MM/DD/YYYY)	

For Paperwork Reduction Act Notice, see separate instructions.

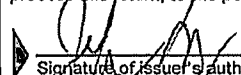
Form **8038-G** (Rev. 9-2018)

Part VI Miscellaneous

- 35** Enter the amount of the state volume cap allocated to the issue under section 141(b)(5) **35**
- 36a** Enter the amount of gross proceeds invested or to be invested in a guaranteed investment contract (GIC). See instructions **36a**
- b** Enter the final maturity date of the GIC ▶ (MM/DD/YYYY) _____
- c** Enter the name of the GIC provider ▶ _____
- 37** Pooled financings: Enter the amount of the proceeds of this issue that are to be used to make loans to other governmental units **37**
- 38a** If this issue is a loan made from the proceeds of another tax-exempt issue, check box ☐ and enter the following information:
- b** Enter the date of the master pool bond ▶ (MM/DD/YYYY) _____
- c** Enter the EIN of the issuer of the master pool bond ▶ _____
- d** Enter the name of the issuer of the master pool bond ▶ _____
- 39** If the issuer has designated the issue under section 265(b)(3)(B)(i)(III) (small issuer exception), check box ☐ ▼
- 40** If the issuer has elected to pay a penalty in lieu of arbitrage rebate, check box ☐ ▼
- 41a** If the issuer has identified a hedge, check here ☐ and enter the following information:
- b** Name of hedge provider ▶ _____
- c** Type of hedge ▶ _____
- d** Term of hedge ▶ _____
- 42** If the issuer has superintegrated the hedge, check box ☐ ▼
- 43** If the issuer has established written procedures to ensure that all nonqualified bonds of this issue are remediated according to the requirements under the Code and Regulations (see instructions), check box ☐ ▼
- 44** If the issuer has established written procedures to monitor the requirements of section 148, check box ☐ ▼
- 45a** If some portion of the proceeds was used to reimburse expenditures, check here ☐ and enter the amount of reimbursement ▶ 0
- b** Enter the date the official intent was adopted ▶ (MM/DD/YYYY) **01/28/2018**

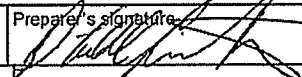
Signature and Consent


Under penalties of perjury, I declare that I have examined this return and accompanying schedules and statements, and to the best of my knowledge and belief, they are true, correct, and complete. I further declare that I consent to the IRS's disclosure of the issuer's return information, as necessary to process this return, to the person that I have authorized above.

Signature of issuer's authorized representative  Date **03/20/2019**

▶ **Jeff May, County Auditor**
Type or print name and title

Paid Preparer Use Only

Print/type preparer's name R. Todd Greenwalt	Preparer's signature <u></u>	Date 03/20/2019	Check <input type="checkbox"/> if self-employed	PTIN P01080971
Firm's name ▶ Bracewell LLP			Firm's EIN ▶ 74-1024827	
Firm's address ▶ 711 Louisiana Street, Suite 2300, Houston, TX 77002			Phone no. (713) 221-1138	

SENDER: COMPLETE THIS SECTION		COMPLETE THIS SECTION ON DELIVERY	
<input checked="" type="checkbox"/> Complete items 1, 2, and 3. <input checked="" type="checkbox"/> Print your name and address on the reverse so that we can return the card to you. <input checked="" type="checkbox"/> Attach this card to the back of the mailpiece, or on the front if space permits.		A. Signature X <input type="checkbox"/> Agent <input type="checkbox"/> Addressee	
1. Article Addressed to: District Director Internal Revenue Service Ogden, UT 84201  9590 9402 3945 8060 8756 92		B. Received by (Printed Name) C. Date of Delivery D. Is delivery address different from item 1? <input type="checkbox"/> Yes If YES, enter delivery address below: <input type="checkbox"/> No	
2. Article Number (Transfer from reverse label) 7011 3500 0003 1366 8400		3. Service Type <input type="checkbox"/> Adult Signature <input type="checkbox"/> Priority Mail Express® <input type="checkbox"/> Adult Signature Restricted Delivery <input type="checkbox"/> Registered Mail™ <input checked="" type="checkbox"/> Certified Mail® <input type="checkbox"/> Registered Mail Restricted Delivery <input type="checkbox"/> Certified Mail Restricted Delivery <input type="checkbox"/> Return Receipt for Merchandise <input type="checkbox"/> Collect on Delivery <input type="checkbox"/> Signature Confirmation™ <input type="checkbox"/> Collect on Delivery Restricted Delivery <input type="checkbox"/> Signature Confirmation Restricted Delivery <input type="checkbox"/> Insured Mail <input type="checkbox"/> Insured Mail Restricted Delivery (over \$500)	

PS Form 3811, July 2015 PSN 7530-02-000-9053 Domestic Return Receipt

U.S. Postal Service	
CERTIFIED MAIL RECEIPT (Domestic Mail Only; No Insurance Coverage Provided)	
Collin County, Texas Limited Tax PIB Series 2019	
Postage \$ Postmark Here	
Certified Fee	
Return Receipt Fee (Endorsement Required)	
Restricted Delivery Fee (Endorsement Required)	
Total Postage & Fees \$	
Sent To Street, Apt. No.; or PO Box No. District Director City, State, ZIP+4 Internal Revenue Service Ogden, UT 84201	

PS Form 3800, August 2006 See Reverse for Instructions

RECEIPT OF PAYING/AGENT REGISTRAR
AND CERTIFICATE OF DELIVERY

The undersigned, authorized representative of The Bank of New York Mellon Trust Company, N.A. as Paying Agent/Registrar, hereby makes the following acknowledgments and certifications in connection with the issuance and delivery of \$151,005,000 principal amount of Collin County, Texas Limited Tax Permanent Improvement Bonds, Series 2019 (the "Bonds"). Capitalized terms used herein and not otherwise defined shall have the meanings assigned thereto in the Order authorizing the issuance thereof adopted by the governing body of Collin County, Texas (the "County"). The undersigned hereby:

1. Acknowledges receipt of \$156,953,688.92 from the Purchaser, representing the principal amount of the Bonds plus net premium of \$5,948,688.92.
2. Acknowledges and certifies the application of amounts described in paragraph 1 hereof as required by and in accordance with the Closing Memorandum (the "Closing Memorandum"), prepared by the City's Financial Advisor, Hilltop Securities Inc. and attached hereto as Exhibit A.
3. Certifies that the Initial Bond for the Bonds, registered by the Comptroller of Public Accounts of the State of Texas and representing the aggregate principal amount of the Bonds, was delivered to or upon order of the Purchaser and was duly canceled this date upon delivery of the definitive Bonds to the Purchaser through The Depository Trust Company.

DATED: March 20, 2019

THE BANK OF NEW YORK MELLON TRUST
COMPANY, N.A.
as Paying Agent/Registrar and Escrow Agent

By: 
Title: Associate

EXHIBIT A



Nick Bulaich

Managing Director
Public Finance

March 18, 2019

Mr. Bill Bilyeu
Collin County
2300 Bloomdale Road, Suite 4100
McKinney, TX 75071

Ms. Monika Arris
Collin County
2300 Bloomdale Road, Suite 4100
McKinney, TX 75071

Mr. Rob Collins
Bracewell LLP
1445 Ross Avenue, Suite 3800
Dallas, TX 75202

Ms. Kayshellyn Lewis
The Bank of New York Trust Co.
2001 Bryant Street, 11th Floor
Dallas, TX 75021

RE: Closing instructions with respect to \$151,005,000 Collin County, Texas (the "County") Limited Tax Permanent Improvement Bonds, Series 2019 (the "Bonds")

Ladies and Gentlemen:

Payment for the above referenced Bonds is to occur prior to 10:00 AM, CDT, on March 20, 2019 (the "Closing Date") and funds for the payment of the Bonds are to be cleared through The Bank of New York Trust Co., N.A. (the "Paying Agent"), as follows:

- (A) On the Closing Date, The Bank of New York Mellon Trust Company, ABA #0210-000-18, IMMS 4284898400, RE: Collin County, Attn: Kayshellyn Lewis, 214.468.5010, will receive from Bank of America Merrill Lynch (the "Purchaser"), in immediately available funds in payment for the above-captioned issue, the sum of:

Principal Amount of Bonds.....	\$ 151,005,000.00
Plus: Net Premium	<u>5,948,688.92</u>
Total to be Received from Purchaser of the Bonds	\$ 156,953,688.92

Total Received by the Paying Agent..... \$ 156,953,688.92

- (B) On the Closing Date, the Paying Agent is instructed to disburse and expend funds described in (A) as follows:

- (1) Retain in payment of services rendered as Paying Agent/Registrar Fees for the Bonds..... \$ 750.00
- (2) Transmit by wire funds to c/o American National Bank, 720 S. Greenville Avenue, Allen, TX 75002, ABA: 111901519, Bank Account Number: 700020167, Bank Account Name: Pooled Cash, to be deposited into the Project Fund..... \$156,455,000.00

(3) Transmit by wire transfer funds to Bank of America, Account #12334-02500, ABA # 0260-0959-3, Invoice # 11365885, for services rendered by S&P Global Ratings.....	\$ 83,500.00
(4) Transmit by wire transfer funds to SunTrust Bank, Transit Routing #061000104, ACH # 061000104, Moody's Account #8801939847, Invoice # P0295235, for services rendered by Moody's Investor Services.....	\$ 95,000.00
(5) Transmit by wire transfer to Wells Fargo Bank, N.A., ABA #121000248, Account #5436952757 (For Credit to: Bracewell LLP), Ref #Invoice Number: 21846320, for payment of Bond Counsel Fees.....	\$ 137,341.00
(6) Transmit by wire funds to JPMorgan Chase Bank, N.A., ABA #021000021, Hilltop Securities Inc., Account #08805076955, FFC: Collin County (0054-042), Attn.: Settlement Department, for services rendered as Financial Advisor and other issuance cost	\$ 182,097.92
Total Funds to be Disbursed by the Bank of New York Mellon Trust Company	\$ 156,953,688.92

Upon release of the Bonds to the Purchaser, all closing documents shall be dated the date of the closing.

Upon receipt of funds into the account of the County, the County shall return the Good Faith Check via overnight guaranteed mail to the Purchaser as listed below.

Mr. James Cali
Bank of America Merrill Lynch
One Bryant Street, 9th Floor
New York, NY, 10036
(646) 743-1474

Your cooperation regarding the wiring, receipt and disbursement of funds in accordance with this letter is greatly appreciated. Should you have any further questions, please advise me at (817) 332-9710.

Sincerely yours,



Nick Bulaich
Managing Director

cc: Mr. David Medanich
Mr. Adam LanCarte
Hilltop Securities Inc.

Ms. Julie Partain
Mr. Todd Greenwalt
Ms. Shana Hight
Bracewell LLP

Mr. Jeff May
Collin County, Texas

MOODY'S

INVESTORS SERVICE

CREDIT OPINION

11 February 2019

✓ Rate this Research

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CLIENT SERVICES

Americas 1-212-553-1653

Asia Pacific 852-3551-3077

Japan 81-3-5408-4100

EMEA 44-20-7772-5454

Collin (County of) TX

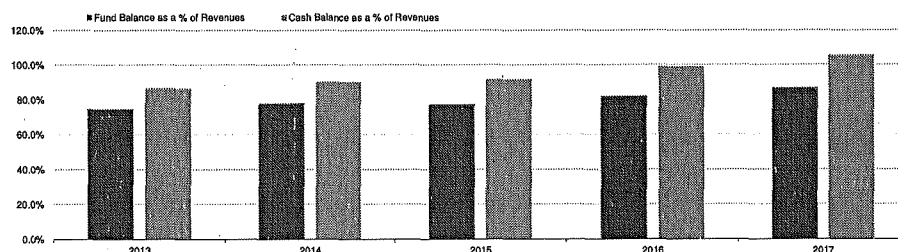
Update to credit analysis

Summary

Collin County's (Aaa stable) credit profile is strong and exceeds medians for the rating category across a number of metrics. The county's tax base is large and affluent, and continues to grow at a robust pace. The county's credit profile also benefits from conservative fiscal management and very high reserves relative to revenues, as well as low debt and pension burdens. The county is primarily challenged by managing growth, though has done so over the past several years while maintaining its solid financial profile and low leverage.

Exhibit 1

Collin County's operating reserves remain well above median levels despite rapid population growth



Source: Moody's Investors Service, Collin County audited financial reports

Credit strengths

- » Large, affluent and growing tax base
- » Favorable location in the northeastern Dallas-Fort Worth metro area
- » Strong operating reserves
- » Low debt and pensions metrics

Credit challenges

- » Additional service demands commensurate with growth

Rating outlook

The stable outlook reflects our expectation that robust economic growth in the county will continue to fuel assessed value growth, and coupled with conservative governance, will lead to a continued strong financial position.

Factors that could lead to an upgrade

- » Not applicable

Factors that could lead to a downgrade

- » Trend of tax base contraction
- » Significant weakening of reserves
- » Significant increase in the debt or pension burdens

Key indicators

Exhibit 2

Collin (County of) TX	2013	2014	2015	2016	2017
Economy/Tax Base					
Total Full Value (\$000)	\$74,630,300	\$79,238,767	\$86,871,451	\$96,807,570	\$109,041,423
Population	811,308	836,947	873,840	901,170	1,025,618
Full Value Per Capita	\$91,988	\$94,676	\$99,413	\$107,424	\$106,318
Median Family Income (% of USMedian)	150.5%	153.0%	152.8%	151.3%	151.3%
Finances					
Operating Revenue (\$000)	\$231,606	\$238,843	\$256,157	\$273,349	\$283,888
Fund Balance (\$000)	\$173,090	\$186,013	\$197,802	\$224,301	\$246,520
Cash Balance (\$000)	\$200,549	\$215,369	\$234,674	\$271,053	\$300,285
Fund Balance as a % of Revenues	74.7%	77.9%	77.2%	82.1%	86.8%
Cash Balance as a % of Revenues	86.6%	90.2%	91.6%	99.2%	105.8%
Debt/Pensions					
Net Direct Debt (\$000)	\$393,350	\$391,410	\$402,795	\$395,590	\$352,380
3-Year Average of Moody's ANPL (\$000)	\$164,137	\$164,797	\$193,557	\$220,492	\$279,620
Net Direct Debt / Operating Revenues (x)	1.7x	1.6x	1.6x	1.4x	1.2x
Net Direct Debt / Full Value (%)	0.5%	0.5%	0.5%	0.4%	0.3%
Moody's - adjusted Net Pension Liability (3-yr average) to Revenues (x)	0.7x	0.7x	0.8x	0.8x	1.0x
Moody's - adjusted Net Pension Liability (3-yr average) to Full Value (%)	0.2%	0.2%	0.2%	0.2%	0.3%

Cash and fund balance includes the general, road and bridge and debt service funds

Source: Moody's Investors Service, Collin County audited financial reports

Profile

Collin County is located north of the city of Dallas (A1 stable), with McKinney, TX (Aaa stable) serving as the county seat. The county has been experiencing tremendous growth fueled by corporate relocations and expansions, leading to strong population growth. As of 2019, the county's population is estimated at 1.1 million.

Detailed credit considerations

Economy and tax base: large and affluent tax base north of Dallas experiencing strong growth

The county's tax base is large, diverse and affluent, and will continue to grow due to strong demand for commercial and residential property in the region. Over the past five years, the county's tax base has grown an average of 11.8% annually, bringing the assessed value (AV) to a very large \$138.4 billion. The county's AV growth has been driven by robust business growth in the region, characterized by numerous corporate relocations and expansions, which has fueled demand for commercial and residential property. The county expects at least 10% growth for the fiscal 2020 value, and conservatively estimates 4% annual growth thereafter for budgetary purposes.

This publication does not announce a credit rating action. For any credit ratings referenced in this publication, please see the ratings tab on the issuer/entity page on www.moodys.com for the most updated credit rating action information and rating history.

Given strong business development, demographic and socioeconomic trends are favorable in the county. The county's population has increased over 41% since the 2010 census to 1.1 million. With relatively affordable housing and strong job growth, the average age is slightly below the nation at 36.2 years. While the labor force has been growing, unemployment has remained low at 3.2% as of September 2018, compared to the state at 3.7% and the nation at 3.6%. Resident income levels are also favorable with median family income estimated at 151.3% of the national median as of 2016.

Financial operations and reserves: strong financial performance and high reserves relative to revenues

The county's financial performance is strong and continued operating surpluses are expected over the next several years based on conservative management practices and high assessed value growth. Over the past five years, the county has reported surpluses in the general fund, bringing available general fund reserves to \$225.9 million in fiscal 2017 (ending September 30), representing a well above-median 112.7% of general fund revenues. County officials expect to report a surplus of \$32 million in fiscal 2018, and \$10-\$15 million in fiscal 2019. In aggregate, the combined operating funds (general fund, road and bridge fund and debt service fund) maintained an available balance of \$246.5 million as of fiscal 2017, a strong 86.8% of operating revenues.

The county is primarily reliant on property taxes to fund operations, at 80.4% of operating revenues in fiscal 2017. Property taxes have been growing rapidly amid strong AV growth, while the county has been decreasing the property tax rate. As of fiscal 2019, the county was levying \$1.81/\$1000 of AV, \$1.27/\$1000 of which is dedicated to the general fund. Legally the county can levy a maximum \$8.00/\$1000 of AV for general operations and debt.

LIQUIDITY

As of fiscal 2017, the county's net cash position in the combined operating funds (general and debt service funds) was \$300.3 million, a strong 105.8% of fiscal 2017 revenues.

Debt and pensions: low debt and pension burdens despite high growth

The county's debt levels relative to its AV is low and will remain stable over the near term as growth in the tax base will offset planned debt issuance. Outstanding debt following the Series 2019 issuance includes \$208.9 million in unlimited tax bonds, and \$251.7 million in limited tax bonds, together representing 0.3% of the fiscal 2019 assessed value. The county has an additional \$593.5 million in authorized unissued debt, largely for transportation, which it plans to issue in \$150 million increments over the next four years.

DEBT STRUCTURE

All of the county's debt is fixed rate. Amortization is below the median for counties in Texas, and nationally, with 69.3% retired in 10 years, though characteristic of a growing area with new capital needs. The county amortizes new debt over twenty years.

DEBT-RELATED DERIVATIVES

The county is not a party to any derivative agreements.

PENSIONS AND OPEB

The county participates in the Texas County and District Retirement System (TCDRS), a multi-employer agent plan. Budgetary pressures from participation in TCERS will remain minimal over the near term given strong annual contributions.

As of fiscal 2017, the county's Moody's adjusted net pension liability (ANPL) was \$310.7 million, representing a low 0.2% of the fiscal 2019 assessed value and 1% of fiscal 2017 operating revenues. On a reported basis, the county has paid off their unfunded pension liability, though the plan assumes a high 8.1% discount rate. Moody's ANPL reflects certain adjustments we make to improve comparability of reported pension liabilities. The adjustments are not intended to replace the county's reported contribution information, or the reported liability information of the state-wide cost-sharing plans, but to improve comparability with other rated entities. The county does not offer retiree healthcare benefits.

The county's annual contributions to the pension plan are strong, and exceed Moody's "tread water" indicated level. The "tread water" indicator calculates the contribution required to prevent the unfunded liability from growing under reported assumptions. In fiscal 2017, the county contributed \$7.4 million to the plan based on a calculation of 8% of payroll, which was above the tread water level by approximately \$400 thousand. The county plans to continue to contribute based on 8% of payroll, above the actuarially determined amount, for the foreseeable future.

The county's fixed cost burden, including debt and pensions, is moderate representing 23.5% of fiscal 2017 operating revenues. The majority of the county's fixed costs are debt service at 20.9% of operating revenues.

Management and governance: high institutional framework score

The county exhibits conservative financial management evidenced by strong financial results and low leverage despite robust growth.

Texas Counties have an Institutional Framework score of Aaa, which is very high. Institutional Framework scores measure a sector's legal ability to increase revenues and decrease expenditures. The sector's major revenue sources are subject to a cap, which cannot be overridden. However, the cap of \$8 per \$1,000 of assessed values, with no more than \$4 allocated for debt service, still allows for significant revenue-raising ability. Unpredictable revenue fluctuations tend to be minor, or under 5% annually. Across the sector, fixed and mandated costs are generally less than 25% of expenditures. Texas is a Right to Work state, providing significant expenditure-cutting ability. Unpredictable expenditure fluctuations tend to be minor, under 5% annually.

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REPORT NUMBER

1161457

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**COLLIN COUNTY, TEXAS
LIMITED TAX PERMANENT IMPROVEMENT BONDS,
SERIES 2019**

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**COLLIN COUNTY, TEXAS
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RatingsDirect®

Summary:

Collin County, Texas; General Obligation

Primary Credit Analyst:

Karolina Norris, Dallas 972-367-3341; Karolina.Norris@spglobal.com

Secondary Contact:

Jennifer K Garza (Mann), Dallas (1) 214-871-1422; jennifer.garza@spglobal.com

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Rationale

Outlook

Related Research

Summary:

Collin County, Texas; General Obligation

Credit Profile

US\$156,455 mil ltd tax perm imp bnds ser 2019 dtd 02/15/2019 due 02/15/2039

Long Term Rating

AAA/Stable

New

Rationale

S&P Global Ratings assigned its 'AAA' long-term rating to Collin County, Texas' series 2019 limited tax permanent improvement bonds. At the same time, S&P Global Ratings affirmed its 'AAA' long-term rating on the county's unlimited- and limited-tax general obligation (GO) debt outstanding. The outlook is stable.

Favorable location in the Dallas-Fort Worth metropolitan statistical area (MSA) and ongoing growth in cities across the county, including Frisco, McKinney, and Plano, continue to drive Collin County's economic expansion, translating into healthy revenue growth. These favorable conditions, combined with very strong management practices, have allowed the county to post consecutive general fund surpluses and accumulate extremely strong reserves despite increased cash funding of capital projects. Although economic growth is leading to increased infrastructure needs and the county will issue sizable debt in the next few years, we believe internal policies and fairly rapid amortization, combined with conservative forecasting, will allow Collin County to maintain a manageable debt profile.

Collin County's GO bonds are eligible to be rated above the sovereign because we believe the county can maintain better credit characteristics than the U.S. in a stress scenario (see "Ratings Above The Sovereign: Corporate And Government Ratings--Methodology And Assumptions," published Nov. 19, 2013 on RatingsDirect). Under our criteria, U.S. local governments are considered moderately sensitive to country risk. The county's GO pledge is the primary source of security on the debt; this severely limits the possibility of negative sovereign intervention in the payment of the debt or in the county's operations. The institutional framework in the U.S. is predictable for local governments, allowing them significant autonomy, independent treasury management, and no history of government intervention. Collin County has considerable financial flexibility, as demonstrated by the very high fund general balance as a percentage of expenditures as well as by very strong liquidity.

The county's unlimited tax levy secures the unlimited-tax bonds. The county's levy of a direct and continuing ad valorem tax, within the limits prescribed by law, secures the limited-tax bonds. The maximum allowable rate in Texas is 80 cents per \$100 of assessed value for all purposes, with the portion dedicated to debt service limited to 40 cents. The county's fiscal 2019 levy is well below the maximum, at 18.1 cents, 5.4 cents of which is dedicated to debt service.

We rate the limited-tax bonds on par with our view of the county's general creditworthiness, as the tax base supporting the obligations is coterminous with the county, and we see no unusual risks regarding the county's willingness to support the debt or the fungibility of resources.

The county will use bond proceeds to fund road projects and various other capital projects, including roads as well as

parks and jail improvements.

The 'AAA' rating reflects our assessment of Collin County's:

- Very strong economy, with access to a broad and diverse MSA;
- Very strong management, with strong financial policies and practices under our financial management assessment methodology; Strong budgetary performance, with operating surpluses in the general fund and at the total governmental fund level in fiscal 2017;
- Very strong budgetary flexibility, with an available fund balance in fiscal 2017 of 101% of operating expenditures;
- Very strong liquidity, with total government available cash at 1.9x total governmental fund expenditures and 8.6x governmental debt service, and access to external liquidity we consider exceptional;
- Weak debt and contingent liability position, with debt service carrying charges at 22.0% of expenditures and net direct debt that is 149.4% of total governmental fund revenue, but rapid amortization, with 69.3% of debt scheduled to be retired in 10 years; and
- Strong institutional framework score.

Very strong economy

We consider the county's economy very strong. Collin County, with an estimated population of 957,988, is located in the Dallas-Fort Worth-Arlington MSA, which we consider broad and diverse. The county has a projected per capita effective buying income of 156% of the national level and per capita market value of \$144,498. Overall, the county's market value grew by 11.6% over the past year to \$138.4 billion in 2019. The county unemployment rate was 3.4% in 2017.

Collin County is located in northeast Texas, about 15 miles from downtown Dallas. The county encompasses 836 square miles and includes the cities of Plano, McKinney, Allen, Frisco, and Wylie.

The economic base consists of manufacturing, telecommunication, health care, computer technology, electronics, oil and gas research, and agriculture, and the county is home to several national headquarters.

The county continues to experience rapid population and tax base growth. Ongoing commercial and industrial developments attract residents and contribute to strong demand for single- and multifamily housing. In 2018, 9,800 new housing permits were issued and additions to the tax base included 8.8 million square feet of apartments, an increase of about 5% from the prior year, and 20 million square feet of commercial space.

Officials expect the growth to continue at a similar pace over the next few years given new and ongoing projects, such as the Star in Frisco, and the State Farm headquarters. In addition, the Toyota headquarters, the majority of which is located in Denton County, contribute to significant growth in Collin County, including new hotels.

Most recent developments include the PGA announcement that it will relocate its headquarters to Frisco from Florida. The PGA will anchor a 600-acre mixed-use development that will include a hotel, convention center, and retail space as well as two public golf courses and practice facilities. The golf courses are expected to open in 2022. The hotel, convention center, and other facilities are expected to open within six months of that date. The site is expected to host several professional men's and women's golf events.

Given ongoing and expected development, we anticipate the county's tax base to continue to grow and its economic metrics to remain very strong.

Very strong management

We view the county's management as very strong, with strong financial policies and practices under our financial management assessment methodology, indicating our view that financial practices are strong, well embedded, and likely sustainable. Strengths of the assessment, in our opinion, include:

- Conservative revenue and expenditure assumptions in the budgeting process using five to 10 years of historical analysis and tax roll information from the county appraisal district;
- Strong oversight of budget-to-actual results during the year, with monthly budget-to-actual reports provided to the commission;
- -A long-term financial plan and capital improvement plan that is annually updated in the budget book with a five-year horizon;
- A formal investment policy, with updates provided to the commissioners court quarterly; and
- A formal reserve policy with a target to maintain at least four months' worth of operations in reserves.

The county lacks a formal debt management policy but has remained compliant with state statutes that limit the county's debt not to exceed one-fourth of the county's real assessed value. Informally, the county limits the debt service tax rate to 5.5 cents. The tax rate cap is reflected in fiscal projections, including anticipated debt issuances.

Strong budgetary performance

Collin County's budgetary performance is strong, in our opinion. The county had operating surpluses of 12.6% of expenditures in the general fund and of 11.3% across all governmental funds in fiscal 2017. Our assessment accounts for our expectation that budgetary results could deteriorate somewhat in the near term.

In calculating the county's budgetary performance, we have adjusted for recurring transfers out of the general fund to the courthouse security fund (about \$350,000 each year) and nonrecurring expenditures, such as the spending-down of bond proceeds. Net of those adjustments, the county has had stable financial performance and has demonstrated a trend of operational balance.

The county's general fund and total governmental fund revenue are derived primarily from property tax collections, which accounted for 84% and 76% of general fund and total governmental funds revenue, respectively. Property tax collections remain healthy, with annual collections exceeding 100% for the past five years.

The fiscal 2017 budget projected a nearly 15% (\$33.6 million) general fund draw as a result of \$40 million in capital expenditures. The commissioners court authorized the use of reserves over the span of several years given the large accumulated general fund balance. However, the year ended with a surplus, driven by actual revenue exceeding budget by 4.3% (\$8.2 million) and expenditure savings of 21% (\$47.4 million). The county spent \$12.5 million of the \$40.0 million budgeted for capital outlay. The remainder of savings was realized in other line items, the biggest (\$10.9 million) in general administration costs.

Preliminary fiscal 2018 results indicate a 2.6% general fund surplus, exclusive of proceeds from an asset sale and

including transfers out. The county was able to post the surplus despite \$21 million spent on capital. These results are in line with the county's historical performance, which officials attribute to conservative budgeting practices.

The adopted fiscal 2019 general fund budget calls for a deficit of \$5.8 million (2.8%). However, given Collin County's historical trend of conservative budgeting, with expenditures coming in under budget, as well as continued taxable value growth, we expect the county's budgetary performance to remain at least strong despite the budgeted deficits.

Very strong budgetary flexibility

Collin County's budgetary flexibility is very strong, in our view, with an available fund balance in fiscal 2017 of 101% of operating expenditures, or \$178.2 million. We expect the available fund balance to remain above 30% of expenditures for the current and next fiscal years, which we view as a positive credit factor.

Given the current and historical reserves, we don't anticipate that the county's budgetary flexibility will weaken despite planned draws for capital. We expect that the county will maintain available fund balance above its target and in excess of 30% of expenditures.

Very strong liquidity

In our opinion, Collin County's liquidity is very strong, with total government available cash at 1.9x total governmental fund expenditures and 8.6x governmental debt service in 2017. In our view, the county has exceptional access to external liquidity if necessary, supported by its regular issuance of tax-supported obligations. All of its investments comply with Texas statutes and the county's internal investment policy. The county's investments are not aggressive, in our view. As of Sept. 30, 2017, the county's investments included local government investment pools, U.S. government securities, and certificates of deposit, none of which we consider aggressive.

Collin County has no contingent liabilities that could lead to an unexpected deterioration from very strong levels. The county has privately placed its series 2018 tax note with an outstanding par of \$18.1 million, or 4% of the county's total direct debt. Legal provisions do not include permissive covenants that could pressure the county's liquidity. Thus, we do not believe its cash position will worsen.

Weak debt and contingent liability profile

In our view, Collin County's debt and contingent liability profile is weak. Total governmental fund debt service is 22.0% of total governmental fund expenditures, and net direct debt is 149.4% of total governmental fund revenue. Approximately 69.3% of the direct debt is scheduled to be repaid within 10 years, which is, in our view, a positive credit factor.

In November 2018, voters approved \$750 million in bond projects, of which \$740 million is for roads and \$10 million is for parks.

The county is issuing \$110 million of the 2018 authorization. \$108 million will fund road projects and the remaining \$2 million will be used for park improvements.

About \$45.8 million of the current issuance is for jail infrastructure improvements and represents the remainder of bonds authorized by voters in 2007.

The county plans on issuing the remaining 2018 authorization through fiscal 2023, in annual tranches ranging from

about \$115 million to \$200 million. While the additional debt plans are sizable, the county projects no impact in the debt service tax rate given the significant double-digit annual tax base growth in recent years. The tax rate analysis assumptions are more conservative, with 4% annual tax base growth for fiscal years 2020 through 2026.

Collin County's pension contributions totaled 2% of total governmental fund expenditures in 2017. The county made 140% of its annual required pension contribution.

The county participates in the Texas County and District Retirement System, which is administered by the State of Texas. Collin County's required pension contribution is calculated at the state level based on an actuary study. Based on the plan's 8.1% discount rate, the county recorded a net pension asset of \$831,851, measured as of Dec. 31, 2016. However, the discount rate is well above national average and we view it as optimistic. Lowering the discount rate to 7.1% would result in a net pension liability of approximately \$63 million.

The county has adopted a policy to fund annual contributions at 8% of covered payroll on an annual basis regardless of whether that is above or below the required contribution. Should required contributions be higher than the 8% adopted by the county, the commissioners court has agreed to reduce future benefits.

The county offers health care benefits for retirees and their spouses, but retirees must cover the full cost of participation. The county does not supplement the plan and has no long-term liability associated with the plan.

Strong institutional framework

The institutional framework score for Texas counties is strong.

Outlook

The stable outlook reflects our view of Collin County's very strong budgetary flexibility and liquidity, which is supported by very strong management. The stable outlook also reflects our expectation that the county will maintain very strong reserves despite planned capital outlays and that, despite significant additional debt plans, the county will maintain its debt profile given its internal policy that limits its debt service tax rate. We do not expect to change the rating during the two-year outlook period because we believe that the county will maintain very strong reserves and that the county's economy will continue to prosper given its location in the Dallas-Fort Worth MSA.

Although we do not expect to change the ratings within the two-year outlook horizon, a material reduction in the county's budgetary performance or a weakening of the key economic indicators could place pressure on the ratings.

Related Research

2018 Update Of Institutional Framework For U.S. Local Governments

Ratings Detail (As Of February 11, 2019)

Collin Cnty ltd tax perm imp bnds ser 2011 dtd 05/15/2011 due 02/15/2012-2031

Long Term Rating

AAA/Stable

Affirmed

Ratings Detail (As Of February 11, 2019) (cont.)

Collin Cnty ltd tax perm imp bnds sr ser 2013A dtd 06/01/2013 due 02/15/2014-2028 2033		
<i>Long Term Rating</i>	AAA/Stable	Affirmed
Collin Cnty ltd tax perm imp bnds (Build America Bnds - Direct Payment) ser 2009B dtd 09/29/2009 due 02/15/2019 2029		
<i>Long Term Rating</i>	AAA/Stable	Affirmed
Collin Cnty ltd tax rfdg and imp bnds ser 2014 dtd 06/15/2014 due 02/15/2034		
<i>Long Term Rating</i>	AAA/Stable	Affirmed
Collin Cnty ltd tax rfdg and perm imp bnds ser 2008 dtd 06/01/2008 due 02/15/2009-2028		
<i>Long Term Rating</i>	AAA/Stable	Affirmed
Collin Cnty ltd tax rfdg and perm imp bnds ser 2012 dtd 05/01/2012 due 02/15/2013-2025 2032		
<i>Long Term Rating</i>	AAA/Stable	Affirmed
Collin Cnty ltd tax rfdg bnds taxable sr ser 2013 dtd 06/01/2013 due 02/15/2014-2025		
<i>Long Term Rating</i>	AAA/Stable	Affirmed
Collin Cnty ltd tax rfdg perm imp bnds		
<i>Long Term Rating</i>	AAA/Stable	Affirmed
Collin Cnty Ltd Tax Rfdg and Imp Bnds		
<i>Long Term Rating</i>	AAA/Stable	Affirmed
Collin Cnty US\$30.080mil ltd tax rfdg & perm imp bnds, ser 2009A dtd 08/15/2009 due 02/15/2010-2029		
<i>Long Term Rating</i>	AAA/Stable	Affirmed
Collin Cnty GO		
<i>Long Term Rating</i>	AAA/Stable	Affirmed
Collin Cnty GO		
<i>Long Term Rating</i>	AAA/Stable	Affirmed

Certain terms used in this report, particularly certain adjectives used to express our view on rating relevant factors, have specific meanings ascribed to them in our criteria, and should therefore be read in conjunction with such criteria. Please see Ratings Criteria at www.standardandpoors.com for further information. Complete ratings information is available to subscribers of RatingsDirect at www.capitaliq.com. All ratings affected by this rating action can be found on S&P Global Ratings' public website at www.standardandpoors.com. Use the Ratings search box located in the left column.

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KEN PAXTON
ATTORNEY GENERAL OF TEXAS

March 15, 2019

THIS IS TO CERTIFY that Collin County, Texas (the "Issuer") has submitted the Collin County, Texas Limited Tax Permanent Improvement Bond, Series 2019 (the "Bond"), in the principal amount of \$151,005,000, for approval. The Bond is dated February 15, 2019, numbered T-1, and was authorized by an Order of the Issuer passed on February 4, 2019 (the "Order"). The record of proceedings submitted with the Bond included the Order and a Pricing Certificate related to the Bond.

The Office of the Attorney General has examined the law and such certified proceedings and other papers as we deem necessary to render this opinion.

As to questions of fact material to our opinion, we have relied upon representations of the Issuer contained in the certified proceedings and other certifications of public officials furnished to us without undertaking to verify the same by independent investigation.

We express no opinion relating to the official statement or any other offering material relating to the Bond.


Based on our examination, we are of the opinion, as of the date hereof and under existing law, as follows:

- (1) The Bond has been issued in accordance with law and is a valid and binding obligation of the Issuer.
- (2) The Bond is payable from the proceeds of an annual ad valorem tax levied, within the limit prescribed by law, against all taxable property in the Issuer.
- (3) The proceedings conform to the requirements of law.

Collin County, Texas Limited Tax Limited Tax Permanent Improvement Bond, Series 2019 -
\$151,005,000

-Page 2-

Therefore, the Bond is approved, and pursuant to Chapter 1371 of the Government Code,
the proceeding are approved.



Attorney General of the State of Texas

No. 65529
Book No. 2019-A
JCH

*See attached Signature Authorization

OFFICE OF THE ATTORNEY GENERAL
OF THE STATE OF TEXAS

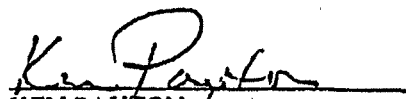
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I, KEN PAXTON, Attorney General for the State of Texas, do hereby authorize the employees of the Public Finance Division of the Office of the Attorney General to affix a digital image of my signature, in my capacity as Attorney General, to the opinions issued by this office approving the issuance of public securities by the various public agencies, non-profit corporations, district, entities, bodies politic or corporate, or political subdivisions of this State as required by law, the opinions approving those contracts designated by the Legislature as requiring the approval of the Attorney General, and the obligations, proceedings and credit agreements required by law to be approved by the Attorney General. The authorized digital image of my signature is attached as Exhibit A and is hereby adopted as my own for the purposes set forth herein. This supersedes any prior signature authorizations for the same purpose.

The authority granted herein is to be exercised on those occasions when I am unavailable to personally sign said opinions, and upon the condition that the opinions to which the digital image signature is affixed have been approved by an authorized Assistant Attorney General following the completion of the Public Finance Division's review of the transcripts of proceedings to which the opinions relate.

Given under my hand and seal of office at Austin, Texas, this the 5th day of January, 2015.



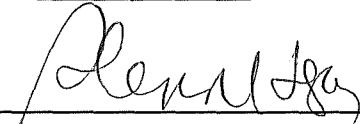

KEN PAXTON
Attorney General of the State of Texas

OFFICE OF COMPTROLLER
OF THE STATE OF TEXAS

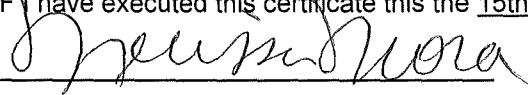
I, Melissa Mora, ☐ Bond Clerk ☒ Assistant Bond Clerk in the office of the Comptroller of the State of Texas, do hereby certify that, acting under the direction and authority of the Comptroller on the 15th day of March 2019, I signed the name of the Comptroller to the certificate of registration endorsed upon the:

Collin County, Texas Limited Tax Permanent Improvement Bond, Series 2019 and the "Proceedings",

the bond is numbered T-1, dated February 15, 2019, and that in signing the certificate of registration I used the following signature:



IN WITNESS WHEREOF I have executed this certificate this the 15th day of March 2019.



I, Glenn Hegar, Comptroller of Public Accounts of the State of Texas, certify that the person who has signed the above certificate was duly designated and appointed by me under authority vested in me by Chapter 403, Subchapter H, Government Code, with authority to sign my name to all certificates of registration, and/or cancellation of bonds required by law to be registered and/or cancelled by me, and was acting as such on the date first mentioned in this certificate, and that the bonds/certificates described in this certificate have been duly registered in the office of the Comptroller, under Registration Number 91642.

GIVEN under my hand and seal of office at Austin, Texas, this the 15th day of March 2019.



GLENN HEGAR
Comptroller of Public Accounts
of the State of Texas

OFFICE OF COMPTROLLER

OF THE STATE OF TEXAS

I, GLENN HEGAR, Comptroller of Public Accounts of the State of Texas, do hereby certify that the attachment is a true and correct copy of the opinion of the Attorney General approving the:

Collin County, Texas Limited Tax Permanent Improvement Bond, Series 2019 and the "Proceedings"

the bond is numbered T-1, of the denomination of \$ 151,005,000, dated February 15, 2019, as authorized by issuer, interest various percent, under and by authority of which said bonds/certificates and Proceedings were registered electronically in the office of the Comptroller, on the 15th day of March 2019, under Registration Number 91642.

Given under my hand and seal of office, at Austin, Texas, the 15th day of March 2019.

A handwritten signature in black ink, appearing to read 'Glenn Hegar', with a stylized flourish at the end.

GLENN HEGAR
Comptroller of Public Accounts
of the State of Texas

BRACEWELL

March 20, 2019

\$151,005,000

COLLIN COUNTY, TEXAS

LIMITED TAX PERMANENT IMPROVEMENT BONDS,
SERIES 2019

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

COLLIN COUNTY, TEXAS LIMITED TAX PERMANENT IMPROVEMENT BONDS, SERIES 2019,
dated February 15, 2019.

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 (the "Bond Order") adopted by the Commissioners Court of the County on February 4, 2019 authorizing their issuance and the pricing certificate (the "Pricing Certificate") executed as authorized therein (the Bond Order and the Pricing Certificate are collectively referred to as the "Order" herein).

WE HAVE represented the County as its bond counsel for the sole 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 County or the disclosure thereof in connection with the sale of the Bonds. Our role in connection with the County'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 County; customary certificates of officers, agents and representatives of the County, and other public officials; and other certified showings relating to the authorization and issuance of the Bonds. We have also examined such applicable

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BRACEWELL

March 20, 2019

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provisions of the Internal Revenue Code of 1986, as amended (the "Code"), court decisions, Treasury Regulations and rulings of the Internal Revenue Service (the "Service") as we have deemed relevant. Capitalized terms used herein, unless otherwise defined, have the meanings set forth in the Order. 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 County; and

(B) 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 County, 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 under existing law:

(1) Interest on the Bonds is excludable from gross income for federal income tax purposes; 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.

In providing such opinions, we have relied on representations of the County, the County's Financial Advisor and the Purchasers with respect to matters solely within the knowledge of the County, the County's Financial Advisor and the Purchasers, respectively, which we have not independently verified and have assumed for purposes of this opinion 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. In the event that such representations are determined to be inaccurate or incomplete or the County 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 receipt or accrual of interest on, or acquisition, ownership, 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

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March 20, 2019

Page 3

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 otherwise qualifying for the health insurance premium assistance credit and individuals otherwise qualifying for the earned income tax 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).

Our 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 County as the taxpayer. We observe that the County 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.

Bracewell LLP