



FINANCIAL STATEMENT

FINANCIAL STATEMENT (As of September 30, 2016)

Table with 2 columns: Description and Amount. Rows include Net Taxable Assessed Valuation, New Debt, Outstanding Debt, GO Debt payable from Ad Valorem Taxes, and Net Debt.

Net Debt Per Net Taxable Assessed Valuation - 0.36%
Net Debt Per Sq mile - \$6,902.36
Net Debt Per Capita - \$168.17

Net Taxable Assessed Valuation Per Capita - \$47,136.82

Bureau of Census Pop: 2000 - 31,242
Bureau of Census Pop: 2010 - 33,915
2017 Estimated Population - 36,571
Area: 891.00 Sq mile

PAYMENT RECORD: Never defaulted.

TAX DATA

Table with 5 columns: Tax Year, A.V., Tax Rate, Tax Levy, % of Total Levy Collected as of 09/30/2016. Rows for years 2011-2016.

Table with 5 columns: Tax Rate Distribution, 2016, 2015, 2014, 2013. Rows for Operations and Totals.

Road & Bridge 0.1298 0.1309 0.1118 0.1118

Tax Rate Limitation:

Limited Tax Bonds. Texas Constitution (Article VIII, Section 9 imposes limit of \$0.80 per \$100 assessed valuation for all purposes of General Fund, Permanent Improvement Fund, Road & Bridge Fund and Jury Fund, including debt service on obligations issued against such funds.

Road Maintenance. Imposed by Co. Road and Bridge Act, \$0.15 per \$100 assessed valuation, no part of which may be used for debt service.

SALES TAX

Optional Sales Tax. Texas Counties have the option of assessing a 1/2 cent sales tax if approved by the voters in a local option election.

Table with 5 columns: Calendar Year, Rate, Total Collected, % of Ad Val Tax Levy, Equiv of Ad Val Tax Rate. Row for 2013.

Table with 5 columns: Year, Amount 1, Amount 2, Amount 3, Amount 4. Rows for 2014, 2015, 2016.

DETAILS OF OUTSTANDING DEBT

Details of Limited Tax Debt (Outstanding 9/30/2016)

GO Bds Ser 2017

Tax Treatment: Bank Qualified
Original Issue Amount \$6,150,000.00
Dated Date: 04/01/2017
Sale Date: 04/18/2017
Delivery Date: 05/16/2017
Sale Type: Competitive
TIC: 3.1470%
Record Date: MSRB
Bond Form: BE
Denomination \$5,000
Interest pays Semi-Annually: 09/01, 03/01
1st Coupon Date: 03/01/2018

Paying Agent: BOKF, N.A., Dallas, TX
Bond Counsel: Norton Rose Fulbright US LLP, San Antonio, TX
Financial Advisor: SAMCO Capital Markets, Inc., San Antonio, TX
Lead Manager: Robert W. Baird & Co., Inc.
Co-Manager: Alamo Capital
Co-Manager: CL King & Associates
Co-Manager: Country Club Bank
Co-Manager: Davenport & Co. LLC
Co-Manager: Dougherty & Company LLLC
Co-Manager: Duncan-Williams, Inc.
Co-Manager: Edward Jones
Co-Manager: First Empire Securities
Co-Manager: First Kentucky Securities
Co-Manager: FMSbonds, Inc.
Co-Manager: IFS Securities, Inc.
Co-Manager: Isaak Bond
Co-Manager: Loop Capital Markets LLC
Co-Manager: Midland Securities, Ltd
Co-Manager: Northland Securities
Co-Manager: Oppenheimer & Co. Inc.
Co-Manager: Rafferty Capital Markets, LLC
Co-Manager: Ross, Sinclair & Associates, Inc.
Co-Manager: Sierra Pacific
Co-Manager: Stephens Inc.
Co-Manager: SumRidge Partners, LLC
Co-Manager: UMB Bank
Co-Manager: Vining-Sparks IBG
Co-Manager: W. H. Mell Associates, Inc
Co-Manager: Wayne Hummer Investments
Co-Manager: Webdush Securities
Co-Manager: WNJ Capital

Use of Proceeds: Courthouse.

Table with 4 columns: Maturity, Amount, Coupon, Orig Reoffering Price/Yield. Rows for various maturity dates from 03/01/2018 to 03/01/2029.

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Fannin Co

(General Obligation Debt)

Fannin County

03/01/2030	245,000.00	3.0000%	2.500%
03/01/2031	255,000.00	3.0000%	2.600%
03/01/2032	260,000.00	3.0000%	2.700%
03/01/2033	270,000.00	3.0000%	2.800%
03/01/2035T	560,000.00	3.2500%	3.000%
03/01/2036	295,000.00	3.5000%	3.100%
03/01/2037	305,000.00	3.5000%	3.200%
03/01/2039T	650,000.00	3.5000%	100.00%
03/01/2042T	1,055,000.00	3.5000%	3.600%
-----			\$6,150,000.00

Call Option: Bonds maturing on 03/01/2028 to 03/01/2033 and 03/01/2036 to 03/01/2037 and term bonds maturing on 03/01/2035 and 03/01/2039 and 03/01/2042 callable in whole or in part on any date beginning 03/01/2027 @ par.

Term Call: Term bonds maturing on 03/01/2035 subject to mandatory redemption as follows:

Redemption Date	Principal Amount
03/01/2034	\$275,000
03/01/2035	\$285,000

	\$560,000

Term bonds maturing on 03/01/2039 subject to mandatory redemption as follows:

Redemption Date	Principal Amount
03/01/2038	\$320,000
03/01/2039	\$330,000

	\$650,000

Term bonds maturing on 03/01/2042 subject to mandatory redemption as follows:

Redemption Date	Principal Amount
03/01/2040	\$340,000
03/01/2041	\$355,000
03/01/2042	\$360,000

	\$1,055,000

Grand Total =====> \$6,150,000.00

Bond Debt Service

Period Ending	Principal	Interest	Debt Service
09/30/18	60,000.00	303,772.92	363,772.92
09/30/19	160,000.00	209,675.00	369,675.00
09/30/20	170,000.00	203,075.00	373,075.00
09/30/21	175,000.00	196,175.00	371,175.00
09/30/22	185,000.00	188,975.00	373,975.00
09/30/23	190,000.00	181,475.00	371,475.00
09/30/24	200,000.00	173,675.00	373,675.00
09/30/25	205,000.00	165,575.00	370,575.00
09/30/26	215,000.00	157,175.00	372,175.00
09/30/27	225,000.00	148,375.00	373,375.00
09/30/28	230,000.00	140,425.00	370,425.00
09/30/29	240,000.00	133,375.00	373,375.00
09/30/30	245,000.00	126,100.00	371,100.00
09/30/31	255,000.00	118,600.00	373,600.00
09/30/32	260,000.00	110,875.00	370,875.00
09/30/33	270,000.00	102,925.00	372,925.00
09/30/34	275,000.00	94,406.25	369,406.25
09/30/35	285,000.00	85,306.25	370,306.25
09/30/36	295,000.00	75,512.50	370,512.50
09/30/37	305,000.00	65,012.50	370,012.50
09/30/38	320,000.00	54,075.00	374,075.00
09/30/39	330,000.00	42,700.00	372,700.00
09/30/40	340,000.00	30,975.00	370,975.00
09/30/41	355,000.00	18,812.50	373,812.50

09/30/42	360,000.00	6,300.00	366,300.00

	6,150,000.00	3,133,347.92	9,283,347.92
=====			

COMPUTED ON BASIS OF MANDATORY REDEMPTION

Debt Amortization Rates

Period Ending	Principal	% of Principal Retired
09/30/2018	60,000.00	00.98%
09/30/2019	160,000.00	03.58%
09/30/2020	170,000.00	06.34%
09/30/2021	175,000.00	09.19%
09/30/2022	185,000.00	12.20%
09/30/2023	190,000.00	15.28%
09/30/2024	200,000.00	18.54%
09/30/2025	205,000.00	21.87%
09/30/2026	215,000.00	25.37%
09/30/2027	225,000.00	29.02%
09/30/2028	230,000.00	32.76%
09/30/2029	240,000.00	36.67%
09/30/2030	245,000.00	40.65%
09/30/2031	255,000.00	44.80%
09/30/2032	260,000.00	49.02%
09/30/2033	270,000.00	53.41%
09/30/2034	275,000.00	57.89%
09/30/2035	285,000.00	62.52%
09/30/2036	295,000.00	67.32%
09/30/2037	305,000.00	72.28%
09/30/2038	320,000.00	77.48%
09/30/2039	330,000.00	82.85%
09/30/2040	340,000.00	88.37%
09/30/2041	355,000.00	94.15%
09/30/2042	360,000.00	100.00%

DEBT SERVICE FUND MANAGEMENT INDEX

There are no debt service requirements for fiscal year ending September 30, 2017.

AUTHORIZED BUT UNISSUED

GENERAL OBLIGATION BONDS AUTHORIZED BUT UNISSUED

Election Date	Purpose	Amount Authorized	Issued To Date	Unissued
11/08/16	Courthouse	\$12,500,000	\$6,250,000	\$6,250,000

PENSION FUND LIABILITY

All qualified employees of the County are members of the Texas County and District Retirement System. The County employees also participate in the U.S. Social Security program.

Required Contribution Rates (Percentage of gross covered salary)

	2017	2016
Employee:	7.00%	7.00%
County:	10.77%	10.54%

Actuarial Valuation as of	12/31/2015	12/31/2014
Assets	\$14,373,633	\$13,902,997
Accrued Liabilities	\$16,534,591	\$15,565,635

(Unfunded)/Overfunded Liab.	(\$2,160,958)	(\$1,662,638)

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Funded Ratio	86.93%	89.32%
Annual Covered Payroll	\$5,027,100	\$5,097,003
(Unfunded)/Overfunded Liability as a % of Covered Payroll	(42.99)%	(32.62)%

2015 Source: Fannin Co CAFR 09/30/2016

SCHEDULE OF CHANGES IN NET PENSION LIABILITY AND RELATED RATIOS

	09-30-2016	09-30-2015
Pension Liability - Beginning	\$ 20,257,598	\$ 18,687,060
Pension Liability -Ending (a)	\$ 21,468,085	\$ 20,257,798
Contributions Employer	\$ 533,377	\$ 556,083
Contributions Employee	\$ 351,897	\$ 357,849
Plan Fiduciary Net Position - Beg	\$ 19,583,514	\$ 18,212,823
Plan Fiduciary Net Position - End (b)	\$ 19,404,497	\$ 19,583,514
Net Pension Liability (a) - (b) (Pension Liab - Fiduciary Position)	\$ 2,063,588	\$ 674,084
Plan Fiduciary Net Position as a % of Total Pension Liability	90.39%	96.67%
Covered Employee Payroll	\$ 5,027,100	\$ 5,097,003
Net Pension Liability as a % of Covered Payroll	41.05%	13.23%
Contractually Required Contributions	\$ 488,528	\$ 484,497
Contributions in Relation to the Contractual Required Contributions (Excess)	\$ 0	\$ 0
District's Covered Employee Payroll	\$ 4,626,601	\$ 4,532,541
Contributions as a Percentage of Covered Employee Payroll	10.56%	10.69%

Membership data for the pension plans are as follows:

	2016	2015
Inactive employees or beneficiaries currently receiving benefits	82	78
Inactive employees entitled to but not yet receiving benefits	86	12
Active employees	147	144
Total	315	234

Source: Fannin County CAFR dated September 30, 2016.

NON FUNDED DEBT

NON-FUNDED DEBT PAYABLE (As of September 30, 2016)

The County reports additional debt in the principal amount of \$2,248,011 under Govt Activities as follows:

	Amount Outstanding	Reported Under
Compensated Absences	\$184,425	Govt Activities
Net Pension Oblgn*	\$2,063,586	Govt Activities

* See PENSION FUND LIABILITY section for details of this obligation.

FUND DEFICITS As of September 30, 2016 the following fund deficits existed:

Special Revenue Funds:	
Hazard Mitigation	\$21,254
Chapter 19 Funds	652

OVERLAPPING DEBT

ESTIMATED OVERLAPPING DEBT STATEMENT

Taxing Body	Debt Amount	As Of	%Ovlp	Ovlp Amt
Bailey, City of	\$0	02/01/94	100.00	\$0
Blue Ridge ISD	13,764,326	08/31/16	1.44	198,206
Bonham ISD	35,987,036	06/30/16	100.00	35,987,036
Bonham, City of	9,044,051	03/01/16	100.00	9,044,051
Dodd City ISD	4,435,000	* 05/31/17	100.00	4,435,000
Dodd City, City of	1,255,000	* 05/31/17	100.00	1,255,000
Ector ISD	1,680,000	* 05/31/17	100.00	1,680,000
Fannindel ISD	1,145,000	* 05/31/17	62.50	715,625
Honey Grove ISD	8,720,000	* 05/31/17	97.51	8,502,872
Honey Grove, City of	3,032,000	* 05/31/17	100.00	3,032,000
Ladonia, City of	140,000	* 05/31/17	100.00	140,000
Leonard ISD	525,000	* 05/31/17	84.28	442,470
Leonard, City of	201,719	09/30/15	100.00	201,719
North Lamar ISD	-None-	05/31/17	0.35	0
Sam Rayburn ISD	3,665,451	08/31/15	100.00	3,665,451
Savoy ISD	1,495,000	* 05/31/17	100.00	1,495,000
Trenton ISD	6,940,000	* 05/31/17	90.19	6,259,186
Trenton, City of	983,000	* 05/31/17	100.00	983,000
Whitewright ISD	7,025,315	* 05/31/17	16.90	1,187,278
Wolfe City ISD	7,090,000	* 05/31/17	6.56	465,104
Total Overlapping Debt:				\$79,688,998
Fannin Co		09/30/16		\$6,150,000
Total Direct and Overlapping Debt:				\$85,838,998
Total Direct and Overlapping Debt % of A.V.:				4.98%
Total Direct and Overlapping Debt per Capita:				\$2,347

* Gross Debt

ECONOMIC BACKGROUND

Fannin County is located in north Texas, borders Oklahoma, and is traversed by U.S. Highways 69 and 82, State Highways 11, 50, 78, and 121, and eighteen farm-to-market roads. The county was the 4th largest producer of soybeans in 2015.

COUNTY SEAT: Bonham

2010 census: 33,915 increasing 8.6 % since 2000
 2000 census: 31,242 increasing 26.0 % since 1990
 1990 census: 24,804

ECONOMIC BASE
 Mineral: sand.

Industry: varied manufacturing, tourism, prisons, government, communications and agriculture.

Agricultural: wheat, pecans, horses, hay, grain sorghum, corn and beef cattle.

PARKS (Texas Parks & Wildlife)

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Year	Description	Volume
2013	Bonham State Park	53,871 Visitors
2014	Bonham State Park	55,277 Visitors

RETAIL SALES & EFFECTIVE BUYING INCOME (The Nielsen Company)

Year	2016	2015	2014
Retail Sales	\$315.6M	\$329.7M	\$433.7M
Effective Buying Income (EBI)	\$595.5M	\$618.8M	\$579.8M
County Median Household Income	\$40,643	\$40,553	\$39,048
State Median Household Income	\$55,352	\$53,037	\$50,464
% of Households with EBI below \$25K	13.9 %	13.0 %	15.1 %
% of Households with EBI above \$25K	64.9 %	66.3 %	65.5 %

EMPLOYMENT DATA (Texas Workforce Commission)

	2016		2015		2014	
	Employed	Earnings	Employed	Earnings	Employed	Earnings
1st Q:	7,256	\$65.0M	6,964	\$62.7M	6,756	\$60.9M
2nd Q:	7,247	\$66.9M	7,074	\$62.6M	6,860	\$59.6M
3rd Q:	N/A	N/A	7,150	\$67.3M	6,826	\$63.4M
4th Q:	N/A	N/A	7,187	\$71.1M	6,819	\$65.2M

TOP 10 TAXPAYERS

Principal Taxpayers	2016 A.V.	% of A.V.
1. Oncor Electric Delivery Co. Electric Utility	\$36,110,370	2.09%
2. Energy Transfer Fuel LP Oil & Gas	31,035,970	1.80%
3. Voluntary Purchasing Group Agricultural Chemicals	16,790,120	0.97%
4. Atmos Energy/Mid-Tex Pipeline Pipeline	14,365,170	0.83%
5. N. Texas Municipal Water District Public Water Utility	12,948,705	0.75%
6. Gulf Crossing Company Pipeline	12,266,280	0.71%
7. RFJ Auto Properties LLC Car Dealership	11,293,430	0.66%
8. Transcanada Keystone PL LP Pipeline	10,346,090	0.60%
9. Midcontinent Express Pipeline Pipeline	8,567,680	0.50%
10. Wal-Mart Stores #01-0158 Retail	8,556,570	0.50%
Total:	\$162,280,385	9.41%

FINANCE CONNECTED OFFICIALS

County Judge
Creta L. Carter II
101 E. Sam Rayburn
Suite 101
Bonham, TX 75418
Phone: 903-583-7455
Fax: 903-583-7811
clcarter@fanninco.net

County Treasurer
David Woodson
101 E. Sam Rayburn
Suite 302
Bonham, TX 75418
Phone: 903-583-7457
Fax: 903-640-5806
dwoodson@fanninco.net

County Auditor
Don Grammar

101 East Sam Rayburn Dr.
Ste. 303
Bonham, TX 75418
Phone: 903-583-7451
Fax: 903-640-5806
dgrammar@fanninco.net

Assistant Auditor
Alicia Whipple
101 East Sam Rayburn Dr.
Ste. 303
Bonham, TX 75418
Phone: 903-583-7451
Fax: 903-640-5806
awhipple@fanninco.net

Tax Assessor/Collector
Gail Young
Fannin County Tax Office
210 South Main
Bonham, TX 75418
Phone: 903-583-7493
Fax: 903-583-1244
taxassessor@fanninco.net

Chief Appraiser
Mike Jones
Fannin County Appraisal District
831 W. State Hwy 56
Bonham, TX 75418
Phone: 903-583-8701
Fax: 903-583-8015
mjones@fannincad.org

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