FINANCIAL STATEMENT

SEE TEXAS MUNICIPAL REPORT #0408 FOR LEASE REVENUE BONDS OF THE COUNTY.

FINANCIAL STATEMENT (As of September 30, 2015)

Net Taxable Assessed Valuation ("A.V."), 2016	$6,247,174,978
Total General Obligation Debt	$11,770,000
Less: Self-Supporting (a)	
Service Center	11,770,000
GO Debt payable from Ad Valorem Taxes	$0
Less: I&S Fund	0
Net Debt	$0

(a) The September 30, 2015 Audit reports the following General Obligation Debt being paid from revenues other than ad valorem taxes; thus considered self-supporting.

Net Debt Per Net Taxable Assessed Valuation - 0.00%
Net Debt Per Sq mile - $0.00
Net Debt Per Capita - $0.00

Net Taxable Assessed Valuation Per Capita - $101,352.66

Bureau of Census Pop: 2000 - 48,793
Bureau of Census Pop: 2010 - 59,127
2015 Estimated Population - 61,638
Area: 922.00 Sq mile

PAYMENT RECORD: The County temporarily defaulted on Road and Bridge Obligations in 1933 but corrected it without refunding.

WISE COUNTY LEASE REVENUE DEBT (As of September 30, 2015)
Lease Revenue Bonds $28,625,000

MATERIAL INFORMATION:

MATERIAL EVENT NOTICE (As of February 3, 2014) Standard & Poor's Ratings Services (S&P) raised its issuer credit rating on the County one notch to AA from AA- based on S&P's local general obligation criteria. The outlook is stable. The rating reflects S&P's opinion of the following factors for the County, including its: (i) strong economy, which benefits from its participation in the broad and diverse Dallas-Fort Worth metropolitan statistical area; (ii) strong budgetary flexibility with fiscal 2012 audited reserves at 13% of general fund expenditures; (iii) adequate budgetary performance, which takes into account a stable property tax revenue stream despite moderate sector concentration in the property tax base; (iv) very strong liquidity, providing strong cash to cover debt service and expenditures; (v) adequate management, supported by standard financial policies; and (vi) weak debt and contingent liabilities.

TAX DATA

Tax Year	A.V.*	Tax Rate	Adjusted Levy	% Collections Current	% Collections Total	Year Ended
2010	$7,317,988,569	$0.2900	$32,528,854	93.83	95.38	09/30/2011
2011	7,133,846,711	0.2900	32,002,034	94.70	96.39	09/30/2012
2012	7,239,223,655	0.2889	31,293,318	99.05	101.02	09/30/2013
2013	7,271,856,212	0.2889	30,741,854	98.87	100.09	09/30/2014
2014	7,629,062,089	0.2989	32,251,426	98.59	99.52	09/30/2015
2015	7,564,187,694	0.3139	23,743,985	(In process of collection)		
2016	6,247,174,978	0.3464	21,640,214			

* Fluctuations in the assessed valuation has been largely attributed to changes in mineral values and related changes in drilling activity, the amount of oil and natural gas produced from new and existing wells and levels of economic activity associated with such drilling and mineral production.

Tax Rate Distribution	2016	2015	2014	2013
Operations	$0.3464	$0.3139	$0.2989	$0.2889
F/M Road	0.0325	0.0650	0.0800	0.0900

Tax Rate Limitation:

Limited Tax Bonds. Texas Constitution (Art. VIII, Sec. 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. Attorney General of Texas will not approve limited tax debt in an amount which produces debt service requirements exceeding that which can be paid from $0.40 of the foregoing $0.80 maximum tax rate.

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

Farm-to-Market and/or Flood Control. Imposed by County Road and Bridge Act, $0.30 per $100 assessed valuation after exemption of homesteads up to $3,000; by local referendum. No allocation prescribed by statute between debt service and maintenance.

The County participates in two separate Tax Increment Financing Districts with a combined captured appraised value of $18,522,426 for the 2016 Tax Year.

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. If the tax is approved, then the County must reduce its property tax rate accordingly.

Calendar Year	Rate	Total Collected	% of Ad Val Tax Levy	Equiv of Ad Val Tax Rate
2012	0.500%	$5,112,970	16.33%	$0.05
2013	0.500	4,892,866	23.37	0.07
2014	0.500	5,029,689	22.06	0.07
2015	0.500	3,835,641	17.10	0.05

DETAILS OF OUTSTANDING DEBT

Details of Limited Tax Debt (Outstanding 9/30/2015)

Tax Notes Ser 2014

Tax Treatment:	Tax Exempt
Original Issue Amount	$14,335,000.00
Dated Date:	02/15/2014
Sale Date:	02/10/2014
Delivery Date:	03/11/2014
Sale Type:	Negotiated
Record Date:	MSRB
Bond Form:	BE
Denomination	$5,000
Interest pays	Semi-Annually: 08/15, 02/15
1st Coupon Date:	02/15/2015

Paying Agent: US Bank N.A., Dallas, TX
Bond Counsel: McCall Parkhurst & Horton L.L.P.
Financial Advisor: Southwest Securities, Dallas, TX
Lead Manager: Duncan-Williams, Inc.
Co-Manager: Stephens Inc.
Underwriter's Counsel: Kelly Hart & Hallman LLP

Service Center 100.00%

Use of Proceeds: County Improvements

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Maturity	Amount	Coupon	Orig Reoffering Price/Yield
02/15/2016	2,835,000.00	2.0000%	0.500%
02/15/2017	2,895,000.00	2.0000%	0.750%
02/15/2018	2,965,000.00	3.0000%	1.100%
02/15/2019	3,075,000.00	4.0000%	1.400%
			$11,770,000.00

Call Option: Non Callable

Grand Total ==========> $11,770,000.00

Bond Debt Service

Period Ending	Principal	Interest	Debt Service
09/30/16	2,835,000.00	298,200.00	3,133,200.00
09/30/17	2,895,000.00	240,900.00	3,135,900.00
09/30/18	2,965,000.00	167,475.00	3,132,475.00
09/30/19	3,075,000.00	61,500.00	3,136,500.00
	11,770,000.00	768,075.00	12,538,075.00

Debt Amortization Rates

Period Ending	Principal	% of Principal Retired
09/30/2016	2,835,000.00	24.09%
09/30/2017	2,895,000.00	48.68%
09/30/2018	2,965,000.00	73.87%
09/30/2019	3,075,000.00	100.00%

DEBT SERVICE FUND MANAGEMENT INDEX

G.O. Debt Service Requirements for fiscal year-ending 09/30/2016	$3,133,200
I&S Fds all G.O. issues 09/30/2015	$0
2015 I&S Fund Tax Levy @ 90%	0
Service Center	3,133,200

AUTHORIZED BUT UNISSUED

GENERAL OBLIGATION BONDS AUTHORIZED BUT UNISSUED None

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.

Changes in Texas Municipal Retirement System (TMRS) Actuarial Method and Plan Assumptions

In early 2007, TMRS informed each of the member cities that the current actuarial assumptions did not take into account updated service credits or cost of living increases which are granted to retirees. These benefits, which some cities adopted, have been historically funded on a pay-as-you-go basis. This has led to regular increases in member cities' rates and a decrease in the overall funding of the retirement system. TMRS announced that it intended to study the impact of these benefit components and make potential changes in the way benefits are being funded.

After careful deliberation, the TMRS board approved several changes at its November and December meetings to the actuarial methods and plan assumptions. The board changed the actuarial method from unit credit to projected unit credit. Projected unit credit will allow the actuaries to consider the future financial impact of updated service credits and cost of living increases, and these benefits will begin to be pre-funded instead of funded on a pay-as-you-go basis. To mitigate the impact of this change, the board approved an eight year transition period. During this time, cities will be able to phase in the higher contribution rates instead of being required to fund these new rates immediately. Also, the board changed the amortization period from a 25-year open period to a 30-year closed period. Under a closed amortization period, contribution rates are higher, but a greater percentage of the unfunded balance is paid off each year. Finally, the board approved changes to the investment policy. TMRS has historically invested solely in fixed income investments. The board authorized the selection of an investment advisor to begin shifting a portion of investments into equity securities as a way to diversify the portfolio's holdings and earn higher returns than could be obtained with fixed income investments.

Required Contribution Rates (Percentage of gross covered salary)

	2017	2016
Employee:	7.00%	7.00%
County:	10.75%	10.28%

Actuarial Valuation as of	12/31/2015	12/31/2014
Assets	$51,427,507	$46,011,719
Accrued Liabilities	$59,904,695	$51,976,581
(Unfunded)/Overfunded Liab.	($8,477,188)	($5,964,862)
Funded Ratio	85.85%	88.52%
Annual Covered Payroll	N/A	$19,610,771
(Unfunded)/Overfunded Liability as a % of Covered Payroll	N/A	(30.42)%

2015 Source: Texas Municipal Retirement System 12/31/2015 CAFR
2014 Source: Wise Co 09/30/2015 Audit

SCHEDULE OF CHANGES IN NET PENSION LIABILITY AND RELATED RATIOS

	12-31-2014
Pension Liability - Beginning	$56,210,058
Pension Liability -Ending (a)	$61,367,161
Contributions Employer	$ 2,096,387
Contributions Employee	$ 1,372,754
Plan Fiduciary Net Position - Beg	$52,679,989
Plan Fiduciary Net Position - End (b)	$57,734,379
Net Pension Liability (a) - (b) (Pension Liab - Fiduciary Position)	$ 3,632,782
Plan Fiduciary Net Position as a % of Total Pension Liability	94.08%
Covered Employee Payroll	$19,610,771
Net Pension Liability as a % of Covered Payroll	18.52%

Membership data for the pension plans are as follows.

Inactive employees or beneficiaries currently receiving benefits	123
Inactive employees entitled to but not yet receiving benefits	215

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Active employees	419

Total	757

OTHER POST EMPLOYMENT BENEFITS The County participates in a cost-sharing multiple-employer defined-benefit group-term life insurance plan operated by the Texas County and District Retirement System (TCDRS.) This plan is referred to as the Group Term Life Fund (GTLF). This optional plan provides group term life insurance coverage to current eligible employees and, if elected by employers, to retired employees. The coverage provided to retired employees is a postemployment benefit other than pension benefits (OPES). Retired employees are insured for $5,000.

Each participating employer contributes to the GTLF at a contractually required rate. An annual actuarial valuation is performed and the contractual rate is determined using the unit credit method for providing one-year term life insurance. The County contributions to the GTLF for the years ended September 30, 2015, 2014, and 2013 were $59,045, $59,111, and $48,674, respectively, which equaled the contractually required contributions each year.

Source: Wise County 9-30-2015 Audit.

NON FUNDED DEBT

NON-FUNDED DEBT PAYABLE (As of September 30, 2015)

The County reports additional debt in the principal amount of $1,645,756 under Govt Activities as follows:

	Amount Outstanding	Int Rate	Next Year's Requirements	Reported Under
Compensated Absences	$1,159,114	N/A	N/A	Govt Activities
Sales Tax Overpayment	$486,642	3.0%	$42,612	Govt Activities

OVERLAPPING DEBT

ESTIMATED OVERLAPPING DEBT STATEMENT

Taxing Body	Debt Amount	As Of	%Ovlpg	Ovlpg Amt
Alvord ISD	$9,225,000 *	10/31/16	94.66	$8,732,385
Alvord, City of	666,000 *	10/31/16	100.00	666,000
Azle ISD	31,199,229	08/31/15	1.19	371,271
Boyd ISD	24,191,276	08/31/15	100.00	24,191,276
Boyd, City of	1,137,296	09/30/14	100.00	1,137,296
Bridgeport ISD	27,195,000 *	10/31/16	100.00	27,195,000
Bridgeport, City of	11,774,496	04/30/16	100.00	11,774,496
Chico ISD	16,590,000 *	10/31/16	100.00	16,590,000
Decatur ISD	66,022,612 *	10/31/16	100.00	66,022,612
Decatur, City of	8,020,625	09/30/15	100.00	8,020,625
Fort Worth, City of	579,119,244	04/01/15	0.01	57,912
Jacksboro ISD	36,510,000 *	10/31/16	1.33	485,583
Krum ISD	42,644,973	06/30/15	0.10	42,645
Newark, City of	775,000 *	10/31/16	100.00	775,000
Northwest ISD	724,613,760	06/30/15	8.89	64,418,163
Paradise ISD	12,814,998 *	10/31/16	100.00	12,814,998
Poolville ISD	3,850,000 *	10/31/16	40.99	1,578,115
Rhome, City of	1,655,000 *	10/31/16	100.00	1,655,000
Runaway Bay, City of	497,000 *	10/31/16	100.00	497,000
Slidell ISD	1,510,000 *	10/31/16	81.76	1,234,576
Springtown ISD	57,835,000 *	10/31/16	11.70	6,766,695
Wise Co WSD	5,415,000 *	10/31/16	100.00	5,415,000

Total Overlapping Debt:				$260,441,648
Wise Co		09/30/15		$0

Total Direct and Overlapping Debt:				$260,441,648

Total Direct and Overlapping Debt % of A.V.:	4.17%
Total Direct and Overlapping Debt per Capita:	$4,225

* Gross Debt

ECONOMIC BACKGROUND

Wise County is a north central Texas county. There were 203.8 billion cubic feet of gas recovered in 2008. The county ranks 5th largest gas producing county in 2013.

COUNTY SEAT: Decatur

2010 census: 59,127 increasing 21.2 % since 2000
2000 census: 48,793 increasing 40.7 % since 1990
1990 census: 34,679

ECONOMIC BASE
Mineral: sand, oil, gravel and gas.

Industry: sand, petroleum, gravel and agribusiness.

Agricultural: wheat, horses, hay, goats, dairy and beef cattle.

OIL AND GAS - 2015
The oil production for this county accounts for 0.03% of the total state production. The county ranks 136 out of all the counties in Texas for oil production. The gas production for this county accounts for 4.10% of the total state production. The county ranks 5 out of all the counties in Texas for gas production.

OIL PRODUCTION (Texas Railroad Commission)

Year	Description	Volume	% Change From Previous Year
2012	Oil	264,444 BBL	-6.32
2013	Oil	317,003 BBL	19.88
2014	Oil	383,782 BBL	21.07
2015	Oil	261,093 BBL	-31.97

CASINGHEAD (Texas Railroad Commission)

Year	Description	Volume	% Change From Previous Year
2012	Casinghead	3,627,731 MCF	-19.73
2013	Casinghead	4,851,715 MCF	33.74
2014	Casinghead	7,351,406 MCF	51.52
2015	Casinghead	5,609,184 MCF	-23.70

GAS WELL PRODUCTION (Texas Railroad Commission)

Year	Description	Volume	% Change From Previous Year
2012	GW Gas	244,683,801 MCF	0.76
2013	GW Gas	260,912,183 MCF	6.63
2014	GW Gas	260,021,154 MCF	-0.34
2015	GW Gas	220,438,285 MCF	-15.22

CONDENSATE (Texas Railroad Commission)

Year	Description	Volume	% Change From Previous Year
2012	Condensate	1,051,361 BBL	5.31
2013	Condensate	1,125,427 BBL	7.04
2014	Condensate	1,099,463 BBL	-2.31
2015	Condensate	772,880 BBL	-29.70

RETAIL SALES & EFFECTIVE BUYING INCOME (The Nielsen Company)

Year	2015	2014	2013
Retail Sales	$991.3M	$919.7M	$897.0M
Effective Buying Income (EBI)	$1.4B	$1.4B	$1.0B
County Median Household Income	$50,999	$50,921	$40,835
State Median Household Income	$53,037	$50,464	$48,646
% of Households with EBI below $25K	9.2 %	9.1 %	11.0 %
% of Households with EBI above $25K	72.5 %	72.5 %	71.3 %

EMPLOYMENT DATA (Texas Workforce Commission)

2016 2015 2014

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	Employed	Earnings	Employed	Earnings	Employed	Earnings
1st Q:	19,290	$202.7M	21,650	$261.0M	21,710	$264.3M
2nd Q:	N/A	N/A	21,047	$235.6M	22,126	$264.7M
3rd Q:	N/A	N/A	20,378	$231.5M	22,319	$273.4M
4th Q:	N/A	N/A	19,808	$231.7M	22,534	$295.0M

TOP 10 EMPLOYERS

Major Employers(a)	# Employees
Wise Regional Health System Hospital	1,100
Devon Energy Oil and Gas	508
Decatur ISD School	450
Wal-Mart Retail	438
Wise County Government	430
Bridgeport ISD School	350
Poco Graphite Graphite Co	266
James Wood Motors Auto Dealership	225
Lowes Hardware Retail	151
Karl Klement Motors Auto Dealership	150

(a) Source: Disclosure dated March 29, 2016.

TOP 10 TAXPAYERS

Principal Taxpayers	2016 A.V.	% of A.V.
1. Devon Energy Production Natural Gas Production	$382,784,260	6.13%
2. Enlink Midstream SVCS LLC Oil & Gas	314,085,340	5.03%
3. Wise County Power LP Electricity Generation	157,816,470	2.53%
4. Oncor Electric Delivery Co. Electric Utility	114,386,120	1.83%
5. Southwestern Gas Pipeline PP Natural Gas Production	109,594,680	1.75%
6. Targa Resources Oil & Gas	106,725,510	1.71%
7. Targa Midstream SVCS LLC Oil & Gas	55,281,290	0.88%
8. Atmos Energy Natural Gas Utility	50,339,030	0.81%
9. Hanson Aggregates #777 Aggregate Producer	45,277,580	0.72%
10. Acacia Natural Gas LLC Natural Gas	42,741,550	0.68%
Total:	$1,379,031,830	22.07%

FINANCE CONNECTED OFFICIALS

County Judge
J.D. Clark
101 N. Trinity
Decatur, TX 76234
Phone: 940-627-5743
Fax: 940-627-6926
cojudge@co.wise.tx.us

County Treasurer
Katherine Canova Hudson
207 N. Church Street
Decatur, TX 76234
Phone: 940-627-3540
Fax: 940-627-3573
treasurer@co.wise.tx.us

County Auditor
Ann McCuiston
207 N. Church Street
Decatur, TX 76234
Phone: 940-627-5744
Fax: 940-627-3388
auditor@co.wise.tx.us

Tax Assessor/Collector
Monte Shaw
Wise County Appraisal District
404 W. Walnut
Decatur, TX 76234
Phone: 940-627-3523
Fax: 940-627-7237
monte.shaw@co.wise.tx.us

Chief Appraiser
Mickey Hand
Wise County Tax Office
404 W. Walnut
Decatur, TX 76234
Phone: 940-627-3656
Fax: 940-627-7237
wcadl@embarqmail.com

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