

WASHINGTON COUNTY, TEXAS
NOTES TO THE FINANCIAL STATEMENTS
Year Ended December 31, 2021

Interfund transfers were made to provide funds for allocation of operational costs as determined by the annual budget.

E. Long-term debt

The County issues general obligation bonds, certificates of obligation bonds, notes payable and capital lease obligations to provide funds for the acquisition and construction of major capital facilities. These obligations pledge the full faith and credit of the County.

The equipment has an historical cost and accumulated amortization of \$772,980 and \$77,298 respectively.

Governmental Debt Currently Outstanding:

Purpose	Original Amount	Date of Issue	Date of Maturity	Interest Rate	Balance 12/31/21
Governmental Long-Term Debt Issues					
General Obligation Debt:					
Tax Refunding Bonds - Series 2020	\$1,935,000	02/20/20	02/15/25	3.00%	\$1,570,000
Ltd Tax Road Bonds - Series 2021	950,000	08/31/21	08/15/41	1.50-2.60%	950,000
Total Governmental Long-term Debt					<u>\$2,520,000</u>

Annual debt service requirements to maturity for general debt:

Year	General Obligation Bonds		Limited Tax Road Bonds		Total	Total
	Principal	Interest	Principal	Interest	Principal	Interest
2022	\$375,000	\$41,475	\$ --	\$20,125	\$375,000	\$61,600
2023	385,000	30,075	40,000	22,855	425,000	52,930
2024	400,000	18,300	40,000	22,255	440,000	40,555
2025	410,000	6,150	45,000	21,615	455,000	27,765
2026	--	--	45,000	20,850	45,000	20,850
2027-2031	--	--	230,000	91,200	230,000	91,200
2032-2036	--	--	260,000	63,365	260,000	63,365
2037-2041	--	--	290,000	26,220	290,000	26,220
Total	<u>\$1,570,000</u>	<u>\$96,000</u>	<u>\$950,000</u>	<u>\$288,485</u>	<u>\$2,520,000</u>	<u>\$384,485</u>

Note Payable Currently Outstanding:

Purpose	Original Amount	Date of Note	Final Maturity	Interest Rate	Balance 12/31/21
Two Motor Graders	\$300,000	3/26/20	3/23/22	2.21%	<u>\$200,000</u>

Annual debt service requirements to maturity for note payable:

Year	Note Payable		
	Principal	Interest	Total
2022	\$100,000	\$2,210	\$102,210
Total	<u>\$100,000</u>	<u>\$2,210</u>	<u>\$102,210</u>

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CHANGES IN LONG-TERM LIABILITIES

Long-term liability activity for the year ended December 31, 2021, was as follows:

	Balance 12/31/20	Additions	Retirements	Balance 12/31/21	Due Within One Year
Governmental activities:					
Bonds payable:					
Tax notes - series 2020	\$1,935,000	\$ --	(\$355,000)	\$1,570,000	\$375,000
LTD Tax Road Bonds - series 2021	--	950,000	--	950,000	--
Less deferred amounts:					
For issuance premium	102,330	--	(22,740)	79,590	22,740
For issuance discount	(14,887)	--	3,308	(11,579)	(3,308)
Total bonds payable	2,022,443	950,000	(384,432)	2,588,011	394,432
Notes payable	363,026	--	(81,513)	281,513	181,513
Compensated absences	375,569	268,385	(280,998)	362,956	265,905
Liability for unfunded OPEB	4,171,354	74,345	--	4,245,699	--
Net pension liability	2,907,858	2,226,527	--	5,134,385	--
Governmental Long-Term	\$9,840,250	\$3,519,257	(\$746,943)	\$12,612,564	\$841,850

For governmental activities, claims, judgements, compensated absences, net pension liability, and net other post employment benefits are generally liquidated by the general fund.

The District issued \$950,000 of Limited Tax Road Bonds.

IV. OTHER INFORMATION

A. Risk management

The County is exposed to various risks of loss related to torts; theft of, damage to, and destruction of assets; business interruption; errors and omissions; injuries to employees; employee health benefits; and other claims of various nature. The County participates in the Texas Association of Counties Intergovernmental Risk Pool (Pool) which provides protection for risks of loss. Premiums are paid to the Pool which retains the risk of loss beyond the County's policy deductibles. Any losses reported but unsettled or incurred and not reported, are believed to be insignificant to the County's basic financial statements. For the last three years, there have been no significant reductions of insurance coverage or insurance settlements in excess of insurance coverage.

B. Contingent Liabilities and Commitments

Amounts received or receivable from grantor agencies are subject to audit and adjustment by such agencies. Any disallowed claims, including amounts already collected may constitute a liability of the applicable funds. The amounts, if any, of expenditures which may be disallowed by the grantor cannot be determined at this time although the County expects such amounts, if any, to be immaterial.

The County periodically is defendant in various lawsuits. At December 31, 2021, after consultation with the County's attorney, the County is not aware of any pending litigation which would have a material effect on the financial statements.

The District Clerk has invested trust funds at various financial institutions in accordance with court orders. The County has a fiduciary responsibility over these funds until their final disposition.