

Williamson County, Texas
Notes to the Financial Statements

Note 9. Long-term Liabilities

The following is a summary of the long-term liability transactions of the County, including blended component units, for the year ended September 30, 2021:

	Balance September 30, 2020	Additions	Retirements	Balance September 30, 2021	Amounts Due Within One Year
Governmental activities					
Bonds payable	\$ 1,034,064,955	\$ 374,790,000	\$ (264,604,955)	\$ 1,144,250,000	\$ 89,610,000
Accumulated accretion	2,737,448	62,552	(2,800,000)	-	-
Premium	103,250,341	26,494,279	(27,696,223)	102,048,397	9,817,104
Discounts	(961,594)	-	124,393	(837,201)	(68,388)
Total bonds payable	1,139,091,150	401,346,831	(294,976,785)	1,245,461,196	99,358,716
Net pension liability	55,619,549	23,857,406	(21,323,067)	58,153,888	-
Net OPEB liability	59,226,881	4,498,159	(2,638,070)	61,086,970	-
Compensated absences	6,093,347	4,975,135	(5,384,923)	5,683,559	5,683,559
Total governmental activities	\$ 1,260,030,927	\$ 434,677,531	\$ (324,322,845)	\$ 1,370,385,613	\$ 105,042,275

The compensated absences liability will be liquidated primarily by the General Fund and the Special Road and Bridge Fund. The OPEB obligation will be liquidated primarily by the General Fund. The net pension liability will be liquidated primarily by the General Fund.

Per Williamson County policy, sick leave is not paid out upon termination and is not included in the compensated absences calculation. Compensated absences includes accrued vacation, holiday and comp time that will be paid within the following year. It is expected that the entire amount will be expended during the following year.

Approximately \$392,000,000 of the County's bonds outstanding as of September 30, 2021 were issued to construct or acquire capital assets for the County. The remainder of the outstanding bonds are used for construction of County infrastructure that is not a County owned asset, and therefore is not capital related, but benefits County citizens.

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Bonds

Long-term debt of the County consists of various issues of General Obligation Bonds and Certificates of Obligation. General Obligation Bonds require voter approval at a public election before issuance, while Certificates of Obligation are issued upon the vote of the Commissioners Court. Both types are backed by the full faith and credit of the County. Debt service is primarily paid from ad valorem taxes with the exception of the Pass Through Toll Revenue and Limited Tax Certificates of Obligation which are payable from Pass Through Toll Revenue from TXDOT.

Issue Date	Description	Maturity	Original Amount	Interest Rate	Coupon Date
03/21/2012	Limited Tax Refunding Bonds Series 2012	02/15/2023	140,640,000	4.5 - 5.0%	2/15, 8/15
12/01/2012	Limited Taxable Refunding Bonds Series 2012	02/15/2029	32,895,000	0.55 - 3.0%	2/15, 8/15
04/15/2013	Limited Tax Refunding Bonds Series 2013	02/15/2024	71,750,000	1.0 - 4.0%	2/15, 8/15
04/15/2013	Pass Through Revenue & LTD Tax Bonds Series 2013	02/15/2024	14,985,000	1.0 - 4.0%	2/15, 8/15
04/10/2014	Unlimited Tax Road Bonds Series 2014	02/15/2025	91,750,000	2.0 - 5.0%	2/15, 8/15
10/28/2014	Limited Tax Refunding Bonds Series 2014	02/15/2025	77,345,000	3.06%	2/15, 8/15
04/23/2015	Limited Tax Refunding Bonds Series 2015	02/15/2034	74,295,000	2.0 - 5.0%	2/15, 8/15
04/23/2015	Limited Tax Refunding Bonds, Taxable Series 2015	02/15/2022	29,290,000	.550 - 2.323%	2/15, 8/15
05/28/2015	Unlimited Tax Road Bonds Series 2015	02/15/2037	90,205,000	4.0 - 5.0%	2/15, 8/15
05/28/2015	Combination Tax & Revenue Certificates Series 2015	02/15/2036	59,645,000	2.0 - 5.0%	2/15, 8/15
10/15/2015	Limited Tax Refunding Bonds Series 2015A	02/15/2026	16,175,000	2.0 - 4.0%	2/15, 8/15
06/01/2016	Limited Tax Park Bonds Series 2016	02/15/2036	18,350,000	2.0 - 5.0%	2/15, 8/15
07/01/2016	Limited Tax Refunding Bonds Series 2016	02/15/2036	37,980,000	1.5 - 5.25%	2/15, 8/15
07/26/2017	Limited Tax Refunding Bonds Series 2017	09/30/2032	43,230,000	2.0 - 5.25%	2/15, 8/15
12/06/2017	Unlimited Tax Road Bonds Series 2017	9/30/2042	71,860,000	2.0 - 5.0%	2/15, 8/15
01/22/2020	Unlimited Tax Road Bonds Series 2020	2/15/2040	263,885,000	2.375 - 5.0%	2/15, 8/15
02/19/2020	Limited Tax Refunding and Park Series 2020	2/15/2040	40,065,000	3.0 - 5.0%	2/15, 8/15
02/17/2021	Limited Tax Refunding Bonds, Series 2021	2/15/2031	12,670,000	2.0 - 4.0%	2/15, 8/15
02/17/2021	Limited Tax Refunding Bonds, Taxable Series 2021	2/15/2033	180,760,000	.141 - 1.656%	2/15, 8/15
08/25/2021	Limited Tax Notes, Series 2021	2/15/2028	175,510,000	4.0 - 5.0%	2/15, 8/15

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In February 2021, the County issued \$12,670,000 in Limited Tax Refunding Bonds. The bonds constitute direct obligations of the District, payable from ad valorem taxes levied upon all taxable property. Interest at a rate range from 2.0 - 4.0% is payable at February 15 and August 15 of each year. In part, these bonds were used to refund \$13,990,000 of various bonds. As a result, the refunded bonds are considered to be defeased and the liability has been removed from the governmental activities column of the statement of net position. This advance refunding was undertaken to decrease the total debt service payments over the next ten years by \$1,967,356, and resulted in an economic gain of \$1,880,092.

In February 2021, the County issued \$180,760,000 in Limited Tax Refunding Bonds Taxable. The bonds constitute direct obligations of the District, payable from ad valorem taxes levied upon all taxable property. Interest at a rate range from 0.141 – 1.656% is payable at February 15 and August 15 of each year. In part, these bonds were used to refund \$169,785,000 of various bonds. As a result, the refunded bonds are considered to be defeased and the liability has been removed from the governmental activities column of the statement of net position. This advance refunding was undertaken to decrease the total debt service payments over the next twelve years by \$23,299,523, and resulted in an economic gain of \$21,399,770.

In August 2021, the County issued \$175,510,000 in Limited Tax Notes. The bonds constitute direct obligations of the District, payable from ad valorem taxes levied upon all taxable property. Interest at a rate range from 4.0 - 5.0% is payable at February 15 and August 15 of each year.

In September 2021, the County legally defeased outstanding bonds totaling \$21,815,000 by depositing approximately \$24,770,000 in trust with a bond escrow agent. This resulted in an expected cash flow savings of approximately \$13,555,261 over the life of the bonds.

The irrevocable trust account assets and liabilities for the defeased bonds are not included in the County's financial statements. On September 30, 2021, \$250,870,000 of bonds considered defeased are still outstanding.

Blended Component Unit – Avery Ranch Road District No. 1

Issue Date	Description	Maturity	Original Amount	Interest Rate	Coupon Date
05/15/2016	Unlimited Tax Refunding Bonds Series 2016	08/15/2022	2,895,000	2.0%	2/15, 8/15
05/23/2019	Unlimited Tax Refunding Bonds Series 2019	08/15/2025	3,550,000	3.0 - 4.0%	2/15, 8/15

The bonds listed above were issued by Avery Ranch Road District, a blended component unit of Williamson County. The bonds constitute direct obligations of the Avery Ranch Road District payable from ad valorem taxes levied upon all taxable property located within the Road District.

Blended Component Unit – Pearson Place Road District

Issue Date	Description	Maturity	Original Amount	Interest Rate	Coupon Date
08/15/2016	Unlimited Tax Road Bonds Series 2016	08/15/2041	\$ 5,315,000	2.0 - 4.0%	2/15, 8/15

The bonds listed above were issued by Pearson Place Road District, a blended component unit of Williamson County. The bonds constitute direct obligations of the Pearson Place Road District payable from ad valorem taxes levied upon all taxable property located within the Road District.

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Blended Component Unit – Northwood Road District No. 1

Issue Date	Description	Maturity	Original Amount	Interest Rate	Coupon Date
09/12/2017	Unlimited Tax Road Bonds Series 2017	08/15/2042	\$ 8,520,000	2.0 - 4.0%	2/15, 8/15
12/19/2018	Unlimited Tax Road Bonds Series 2018	08/15/2043	2,345,000	4.0%	2/15, 8/15

The bonds listed above were issued by Northwood Road District, a blended component unit of Williamson County. The bonds constitute direct obligations of the Northwood Road District payable from ad valorem taxes levied upon all taxable property located within the Road District.

Blended Component Unit – Somerset Hills Road District No. 4

Issue Date	Description	Maturity	Original Amount	Interest Rate	Coupon Date
09/29/2020	Unlimited Tax Road Bonds Series 2020	08/15/2045	\$ 1,335,000	1.5 – 3.1%	2/15, 8/15
09/29/2020	Unlimited Tax Road Bonds Taxable Series 2020	08/15/2045	2,555,000	2.45 – 5.15%	2/15, 8/15
09/14/2021	Unlimited Tax Road Bonds, Series 2021	08/15/2046	2,045,000	1.45 – 3.00%	2/15, 8/15
09/14/2021	Unlimited Tax Road Bonds, Taxable Series 2021	08/15/2046	3,805,000	2.45 – 4.90%	2/15, 8/15

The bonds listed above were issued by Somerset Hills Road District, a blended component unit of Williamson County. The bonds constitute direct obligations of the Somerset Hills Road District payable from ad valorem taxes levied upon all taxable property located within the Road District.

In September 2021, the District issued \$2,045,000 in Unlimited Tax Road Bonds. The bonds constitute direct obligations of the District, payable from ad valorem taxes levied upon all taxable property located within the Road District. Interest at a rate of ranging from 1.45 – 3.00% is payable at February 15 and August 15 of each year.

In September 2021, the District issued \$3,805,000 in Unlimited Tax Road Bonds Taxable. The bonds constitute direct obligations of the District, payable from ad valorem taxes levied upon all taxable property located within the Road District. Interest at a rate of ranging from 2.45 – 4.90% is payable at February 15 and August 15 of each year.

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Debt Service Requirement – All Bonds and Tax Anticipation Notes

The debt service requirements to maturity on all bonds and tax anticipation notes are:

Fiscal Years Ending September 30,	Principal	Interest	Total
2022	\$ 89,610,000	\$ 38,713,102	\$ 128,323,102
2023	92,980,000	35,286,072	128,266,072
2024	96,395,000	31,649,615	128,044,615
2025	99,860,000	28,152,805	128,012,805
2026	102,665,000	24,655,959	127,320,959
2027-2031	342,925,000	82,443,318	425,368,318
2032-2036	205,330,000	35,911,106	241,241,106
2037-2041	106,790,000	9,752,935	116,542,935
2042-2046	7,695,000	433,567	8,128,567
Total	\$ 1,144,250,000	\$ 286,998,479	\$ 1,431,248,479