

**ANDREWS COUNTY, TEXAS**  
*Notes to the Financial Statements*  
 For The Year Ended September 30, 2013

**NOTE 7 – SALE/LEASEBACK OF WASTE CONTROL SPECIALISTS, LLC (cont'd)**

Concurrent with the sale, WCS leased the facility back and will pay all incidental expenses. Lease payments from WCS to the County are approximately \$512,000 per month from January 2011 to August 2035 which includes an interest component.

<u>Year Ending September 30,</u>	<u>Principal</u>	<u>Interest</u>	<u>Lease Payments</u>
2014	1,775,000	4,367,177	6,142,177
2015	1,830,000	4,312,559	6,142,559
2016	1,895,000	4,248,871	6,143,871
2017	1,970,000	4,175,092	6,145,092
Thereafter	62,939,163	47,148,692	110,087,855
	<u>\$ 70,409,163</u>	<u>\$ 64,252,391</u>	<u>\$ 134,661,554</u>

**NOTE 8 – LONG-TERM DEBT**

Long-term debt consists of a single issue of General Obligation Bonds and the County's accrued liability for compensated absences. General Obligation Bonds are direct obligations of the County with the County's full faith and credit pledged towards payment of those obligations. General Obligation Bonds are issued after approval by the public at open elections. Principal and interest payments on the County's bonded debt are secured solely by ad valorem taxes levied on all taxable property within the County. Andrews County's outstanding bonded debt is limited, per Article 3, Section 52 of the Texas Constitution, to an amount not exceeding 25% of the assessed taxable value of real property in the County. At year end, the County's debt was significantly below this limit. General Obligation Bond indentures require the County to compute, at the time taxes are levied, the rate of tax required to provide (in each year bonds are outstanding) a fund to pay interest and principal at maturity or at least 2% of the principal as a sinking fund, whichever is greater.

A summary of the long-term debt of the County's business-type activities is as follows:

<u>Description</u>	<u>Balance at 10/01/2012</u>	<u>Additions</u>	<u>Retirements</u>	<u>Balance at 9/30/2013</u>	<u>Due Within One Year</u>
\$75,000,000 Permanent Improvement Bonds Taxable Series 2010 Interest Ranging from 1.728% to 6.958%	\$72,280,000	-	\$1,730,000	\$70,550,000	\$1,775,000

Annual debt service requirements to maturity are as follows:

<u>Year Ending September 30,</u>	<u>Principal</u>	<u>Interest</u>
2014	1,775,000	4,367,157
2015	1,830,000	4,312,452
2016	1,895,000	4,248,731
2017-2021	10,780,000	19,932,603
2022-2026	14,110,000	16,607,299
2027-2031	19,310,000	11,403,400
2032-2035	20,850,000	3,751,754
	<u>\$ 70,550,000</u>	<u>\$ 64,623,396</u>