

HARRISON COUNTY WATER ASSOCIATION, INC.
NOTES TO FINANCIAL STATEMENTS
December 31, 2022 and 2021

6. LONG-TERM DEBT

The following is a summary of the loans outstanding for the Association for the years ended December 31:

Loans - U.S. Department of Agriculture	2022	2021
Loan - \$469,000		
Dated 3/16/16, due in annual installments		
of \$18,685 starting in 2017 through 2056.		
Bearing interest at a rate of 2.50%.	\$ 424,173	\$ 432,057
Loan - \$885,000		
Dated 12/02/10, due in annual installments		
of \$39,348 starting in 2014 through 2050.		
Bearing interest at a rate of 3.00%.	<u>738,169</u>	<u>754,871</u>
	1,162,342	1,186,928
Less: current portion	<u>(25,174)</u>	<u>(24,476)</u>
Long-term portion of loans payable	<u>\$ 1,137,168</u>	<u>\$ 1,162,452</u>

The following is a summary of changes in long-term debt for the year ended December 31, 2022:

	December 31, 2021	Additions	Retirements	December 31, 2022	Due Within One Year
Loans payable	<u>\$ 1,186,928</u>	<u>\$ -</u>	<u>(\$ 24,586)</u>	<u>\$ 1,162,342</u>	<u>\$ 25,174</u>

The following is a summary of changes in long-term debt for the year ended December 31, 2021:

	December 31, 2020	Additions	Retirements	December 31, 2021	Due Within One Year
Loans payable	<u>\$ 1,210,834</u>	<u>\$ -</u>	<u>\$ (23,906)</u>	<u>\$ 1,186,928</u>	<u>\$ 24,476</u>

The annual requirements to amortize all loans outstanding as of December 31, 2022 are as follows:

Year Ending December 31,	Principal	Interest	Total
2023	\$ 25,174	\$ 32,859	\$ 58,033
2024	25,893	32,140	58,033
2025	26,541	31,492	58,033
2026	27,391	30,642	58,033
2027	28,172	29,861	58,033
2028-2032	153,526	136,639	290,165
2033-2037	177,064	113,101	290,165
2038-2042	203,781	86,384	290,165
2043-2047	234,560	55,605	290,165
2048-2052	190,056	21,413	211,469
2053-2056	<u>70,184</u>	<u>4,556</u>	<u>74,740</u>
	<u>\$ 1,162,342</u>	<u>\$ 574,692</u>	<u>\$ 1,737,034</u>

EXHIBIT "1"
 UNITED STATES DEPARTMENT OF AGRICULTURE
 RURAL DEVELOPMENT
 ANNUAL STATEMENT OF LOAN ACCOUNT

*FK000105401 LPLSINST

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 FOR INCOME TAX PURPOSES

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DESCRIPTION	ADVANCES	INTEREST	PRINCIPAL	TOTAL	T	INTEREST RATE	EFFECTIVE DATE
BEGIN LOAN BALNCE		1,799.28	754,871.19	756,670.47			010122
PAYMENT		22,646.14	16,701.86	39,348.00	R	03.0000	120222
TOTAL LOAN PMTS		22,646.14	16,701.86	39,348.00			
LOAN ACTIVITY	0.00	22,646.14	16,701.86	39,348.00			
LOAN BALANCE	UNPD INTEREST	1,759.47	UNPD PRIN	738,169.33			
NXT AMT DUE	39,348.00		DATE DUE	120223			
PAYMENT STATUS		ON SCHEDULE	IN PAID	22,646.14			
		TAXES PAID					

*These unpaid balances may not reflect the total amount due in the Agency at payoff.

RECIPIENT'S/LENDER'S name, street address, city or town, state or province, country, ZIP or foreign postal code, and telephone no. USDA RURAL DEVELOPMENT PHONE#(833)797-3726 4300 GOODFELLOW BLVD FC-1332 ST. LOUIS, MO 63120		CAUTION: The amount shown may not be fully deductible by you. Limits based on the loan amount and the cost and value of the secured property may apply. Also, you may only deduct interest to the extent it was incurred by you, actually paid by you, and not reimbursed by another person.	OMB NO. 1545-1380 Form 1098 (Rev. January 2022) For Calendar Year 2022	CORRECTED (if checked) Mortgage Interest Statement COPY B FOR PAYER/BORROWER
RECIPIENT'S/LENDERS TIN 431757115	PAYER'S/BORROWER'S TIN *****4390	1 Mortgage interest received from payer(s)/borrower(s) \$ 0.00	3 Mortgage origination date	The information in boxes 1 through 9 and 11 is important tax information and is being furnished to the IRS. If you are required to file a return, a negligence penalty or other sanction may be imposed on you if the IRS determines that an underpayment of tax results because you overstated a deduction for this mortgage interest or for these points, reported in boxes 1 and 6; or because you didn't report the refund of interest in box 4; or because you claimed a non-deductible item.
PAYER'S/BORROWER'S name, Street address including apt. no., city or town, state or province, country, and ZIP or foreign postal code HARRISON CO. WATER ASSOCIATION P. O. BOX 215 CYNTHIANA, KY 41031		2 Outstanding mortgage principal \$	5 Mortgage insurance premiums \$	
9 Number of properties securing the mortgage 10 Other IRS FORM 1098 DOES NOT APPLY TO YOUR LOAN		4 Refund of overpaid interest \$	6 Points paid on purchase of principal residence \$	
Account number (see instructions) 20049*****439091 21		7 If address of property securing mortgage is the same as PAYER'S/BORROWER'S address, the box is checked, or the address or description is entered in box 8. <input checked="" type="checkbox"/>	8 Address or description of property securing mortgage	
				11 Mortgage acquisition date



FORM RD-1951-9
(06/22)

UNITED STATES DEPARTMENT OF AGRICULTURE
RURAL DEVELOPMENT
ANNUAL STATEMENT OF LOAN ACCOUNT

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FOR INCOME TAX PURPOSES

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CASE NUMBER 20-049-*****4390 FINAL YEAR OF LOAN 2057
FUND CODE 91 LOAN NUMBER 23 DATE OF LOAN 101817 INTEREST RATE 02.5000 AMOUNT OF LOAN 469,000.00

DESCRIPTION	ADVANCES	INTEREST	PRINCIPAL	TOTAL	T	INTEREST RATE	EFFECTIVE DATE
BEGIN LOAN BALNCE		2,692.96	432,056.82	434,749.78			010122
PAYMENT		10,801.42	7,883.58	18,685.00	R	02.5000	100122
TOTAL LOAN PMTS		10,801.42	7,883.58	18,685.00			
TOTAL PAID ON ALL LOANS THIS YEAR		33,447.56	24,585.44	58,033.00			

LOAN ACTIVITY	0.00	10,801.42	7,883.58	18,685.00			
LOAN BALANCE	UNPD INTEREST	2,643.82 **	UNPD PRIN	424,173.24 **			
NXT AMT DUE	18,685.00		DATE DUE	101823			
PAYMENT STATUS			ON SCHEDULE	INT PAID 10,801.42			
ALL LOAN ACTIVITY	0.00	33,447.56	24,585.44	58,033.00			
BORR BAL	UNPD INTEREST	4,403.29	UNPD PRIN	1,162,342.57			

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RECIPIENT'S/LENDER'S name, street address, city or town, state or province, country, ZIP or foreign postal code, and telephone no. USDA RURAL DEVELOPMENT PHONE#(833)797-3726 4300 GOODFELLOW BLVD FC-1332 ST. LOUIS, MO 63120		OMB NO.1545-1380 Form 1098 (Rev. January 2022) For Calendar Year 2022	CORRECTED if checked Mortgage Interest Statement COPY B FOR PAYER/BORROWER
RECIPIENT'S/LENDERS TIN 431757115		1 Mortgage interest received from payer(s)/borrower(s)w \$ 0.00	
PAYER'S/BORROWER'S name, street address (including apt. no.), city or town, state or province, country, and ZIP or foreign postal code HARRISON CO. WATER ASSOCIATION P. O. BOX 215 CYNTHIANA, KY 41031		2 Outstanding mortgage principal \$	3 Mortgage origination date \$
PAYER'S/BORROWER'S TIN *****4390		4 Refund of overpaid interest \$	5 Mortgage insurance premiums \$
9 Number of properties securing the mortgage 10 Other IRS FORM 1098 DOES NOT APPLY TO YOUR LOAN		6 Points paid on purchase of principal residence \$	7 If address of property securing mortgage is the same as PAYER'S/BORROWER'S address, the box is checked, or the address or description is entered in box 8. <input checked="" type="checkbox"/>
Account number (see instructions) 20049*****439091 23		8 Address or description of property securing mortgage	11 Mortgage acquisition date