



March 24, 2023

To Management and the Honorable Commissioners Court  
Williamson County, Texas  
710 Main Street  
Georgetown, Texas 78626

We have audited the basic financial statements of Williamson County, Texas (the County) as of and for the year ended September 30, 2022, and have issued our report thereon dated March 24, 2023. Professional standards require that we advise you of the following matters relating to our audit.

### **Our Responsibility in Relation to the Financial Statement Audit**

As communicated in our engagement letter dated August 5, 2022, our responsibility, as described by professional standards, is to form and express an opinion(s) about whether the financial statements that have been prepared by management with your oversight are presented fairly, in all material respects, in accordance with accounting principles generally accepted in the United States of America. Our audit of the financial statements does not relieve you or management of your respective responsibilities.

Our responsibility, as prescribed by professional standards, is to plan and perform our audit to obtain reasonable, rather than absolute, assurance about whether the financial statements are free of material misstatement. An audit of financial statements includes consideration of internal control over financial reporting as a basis for designing audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control over financial reporting. Accordingly, as part of our audit, we considered the internal control of the County solely for the purpose of determining our audit procedures and not to provide any assurance concerning such internal control.

We are also responsible for communicating significant matters related to the audit that are, in our professional judgment, relevant to your responsibilities in overseeing the financial reporting process. However, we are not required to design procedures for the purpose of identifying other matters to communicate to you.

### **Planned Scope and Timing of the Audit**

We conducted our audit consistent with the planned scope and timing we previously communicated to you.

### **Compliance with All Ethics Requirements Regarding Independence**

The engagement team and our firm has complied with all relevant ethical requirements regarding independence.

### **Significant Risks Identified as part of our Due Diligence**

As part of our due diligence in planning the audit, we have identified the following significant risks:

Improper revenue recognition – there is a rebuttable presumption that a significant risk of fraud exists associated with revenue in all audits. We have identified a significant risk of fraud related to the existence, valuation and cutoff of certain revenue streams due to the potential incentive and ability to manipulate revenue recognition, particularly for tax and grant revenue recognition.

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Risk of unauthorized journal entries – due to the magnitude of journal entries posted during the year, we identified a significant risk related to improper or unauthorized recording of journal entries either due to error or fraud.

Based on the testwork performed in these areas including substantive analyticals and tests of details, no material misstatements, significant deficiencies or material weaknesses were found.

### **Qualitative Aspects of the Entity's Significant Accounting Practices**

#### Significant Accounting Policies

Management has the responsibility to select and use appropriate accounting policies. A summary of the significant accounting policies adopted by the County is included in Note 2 to the financial statements. As described in Note 2 to the financial statements, during the year, the County changed its method of accounting for lease activity by adopting Governmental Accounting Standards Board (GASB) Statement No. 87, *Leases* (GASB 87). The cumulative effect of the accounting change was applied prospectively. As such, no change to beginning fund balance or net position was recorded.

No matters have come to our attention that would require us, under professional standards, to inform you about (1) the methods used to account for significant unusual transactions and (2) the effect of significant accounting policies in controversial or emerging areas for which there is a lack of authoritative guidance or consensus.

#### Significant Accounting Estimates

Accounting estimates are an integral part of the financial statements prepared by management and are based on management's current judgments. Those judgments are normally based on knowledge and experience about past and current events and assumptions about future events. Certain accounting estimates are particularly sensitive because of their significance to the financial statements and because of the possibility that future events affecting them may differ markedly from management's current judgments.

The most sensitive accounting estimates affecting the financial statements are management's estimate of the net pension liability and other post-employment benefits (OPEB) liability. The net pension liability is obtained from Texas County and District Retirement System (TCDRS) through a report prepared for the County by TCERS consulting actuary in compliance with GASB 68. Information regarding the County's OPEB liability is obtained through a report prepared for the County by an independent consulting actuary in compliance with GASB 75. We evaluated the key factors and assumptions used to develop these estimates and determined that they are reasonable in relation to the basic financial statements taken as a whole and in relation to the applicable opinion units.

#### Financial Statement Disclosures

The financial statement disclosures are neutral, consistent, and clear.

### **Significant Difficulties Encountered during the Audit**

We encountered no significant difficulties in dealing with management relating to the performance of the audit.

### **Uncorrected and Corrected Misstatements**

For purposes of this communication, professional standards require us to accumulate all known and likely misstatements identified during the audit, other than those that we believe are trivial, and communicate them to the appropriate level of management. Further, professional standards require us to also communicate the effect of uncorrected misstatements related to prior periods on the relevant classes of transactions, account balances or disclosures, and the financial statements as a whole and each applicable opinion unit.

The attached schedule summarizes uncorrected financial statement misstatements whose effects in the current and prior periods as determined by management are immaterial, both individually and in the aggregate, to the financial statements taken as a whole and each applicable opinion unit.

In addition, professional standards require us to communicate to you all material, corrected misstatements that were brought to the attention of management as a result of our audit procedures. None of the misstatements identified by us as a result of our audit procedures and corrected by management were material, either individually or in the aggregate, to the financial statements taken as a whole or applicable opinion units.

### **Disagreements with Management**

For purposes of this letter, professional standards define a disagreement with management as a matter, whether or not resolved to our satisfaction, concerning a financial accounting, reporting, or auditing matter, which could be significant to the County's financial statements or the auditor's report. No such disagreements arose during the course of the audit.

### **Representations Requested from Management**

We have requested certain written representations from management, which are included in the representation letter dated March 24, 2023.

### **Management's Consultations with Other Accountants**

In some cases, management may decide to consult with other accountants about auditing and accounting matters. Management informed us that, and to our knowledge, there were no consultations with other accountants regarding auditing and accounting matters.

### **Other Significant Matters, Findings, or Issues**

In the normal course of our professional association with the County, we generally discuss a variety of matters, including the application of accounting principles and auditing standards, operating and regulatory conditions affecting the entity, and operational plans and strategies that may affect the risks of material misstatement. None of the matters discussed resulted in a condition to our retention as the County's auditors.

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### **Other Information in Documents Containing Audited Financial Statements**

Pursuant to professional standards, our responsibility as auditors for other information in documents containing the County's audited financial statements does not extend beyond the financial information identified in the audit report, and we are not required to perform any procedures to corroborate such other information. However, in accordance with such standards, with respect to the supplementary information accompanying the financial statements, we made certain inquiries with management and evaluated the form, content, and methods of preparing the information to determine that the information complies with accounting principles generally accepted in the United States of America, the method of preparing it has not changed from the prior period, and the information is appropriate and complete in relation to our audit of the financial statements. We compared and reconciled the supplementary information to the underlying records used to prepare the financial statements or to the financial statements themselves.

Our responsibility also includes communicating to you any information which we believe is a material misstatement of fact. Nothing came to our attention that caused us to believe that such information, or its manner of presentation, is materially inconsistent with the information, or manner of its presentation, appearing in the financial statements.

*Weaver and Tidwell, L.L.P.*

WEAVER AND TIDWELL, L.L.P.

Austin, Texas

**Schedule of Uncorrected Misstatements**

<b>Account</b>	<b>Description</b>	<b>Debit</b>	<b>Credit</b>
<b>Proposed Journal Entries</b>			
<b>Proposed Journal Entries JE # 3001</b>			
to correctly state NPL and related deferred inflows/outflows due to other entities			
0906-00-2605	Deferred Inflows of Resources - Pension	6,010,849	
0906-00-1705	Deferred Outflows of Resources - Pension Contributions		3,174,427
0906-00-2540	Net Pension Liability		1,118,912
0906-GG-6146	Pension Expense		1,717,510
<b>Total</b>		<b>6,010,849</b>	<b>6,010,849</b>
<b>Proposed Journal Entries JE # 3002</b>			
to record passed invoices			
0999-0401-009007	P&G-CAPITAL	221,527	
0999-0000-202011	A/P LIABILITY AUDIT ADJ		221,527
<b>Total</b>		<b>221,527</b>	<b>221,527</b>
<b>All Funds</b>	<b>Total Proposed Journal Entries</b>	<b>6,232,376</b>	<b>6,232,376</b>