



March 28, 2022

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, 2021, and have issued our report thereon dated March 28, 2022. 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 23, 2021, 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.

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 fiduciary activities by adopting Governmental Accounting Standards Board (GASB) Statement No. 84, Fiduciary Activities (GASB 84). Accordingly the cumulative effect of the accounting change as of the beginning of the year has been reported in the Statement of Changes in Fiduciary Net Position – Fiduciary Fund.

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, other post-employment benefits (OPEB) liability, and depreciable lives of capital assets. 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. Management's estimate of the depreciable lives of capital assets is based on management's assumption and historical knowledge of capital assets with similar lives. 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. The attached schedule summarizes all such misstatements.

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 28, 2022.

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.

Schedule of Corrected Misstatements

Account	Description	Debit	Credit
Adjusting Journal Entries			
Adjusting Journal Entry #1			
To properly adjust GASB 34 deferred revenue			
0100-0000-223002	DEFERRED REV - GASB 34	118,671	
0100-0000-370500	MISCELLANEOUS REVENUE		118,671
Total		118,671	118,671
Adjusting Journal Entry #2			
to true up custodial fund balances to match PBC schedule			
0888-0000-228010	COUNTY ATTY HOT CHECK RESTITUTION	635	
0888-0000-228015	COUNTY CLERK TRUST	947,162	
0888-0000-228020	DISTRICT ATTY TRUST	8,294	
0888-0000-228025	DISTRICT CLERK TRUST	58,479	
0888-0000-228035	INMATE TRUST	92,543	
0888-0000-228040	JUSTICE OF THE PEACE BOND	500	
0888-0000-228045	JUVENILE PROBATION	415	
0888-0000-228055	SHERIFF SPECIAL CASH BOND	2,301	
0888-0000-228060	TAX ASSESSOR-COLLECTOR	1,036,946	
0888-0000-108010	CO ATTY HOT CHECK RESTITUTION		635
0888-0000-108015	COUNTY CLERK TRUST		947,162
0888-0000-108020	DISTRICT ATTY TRUST		8,294
0888-0000-108025	DISTRICT CLERK TRUST		58,479
0888-0000-108035	INMATE TRUST		92,543
0888-0000-108040	JUSTICE OF THE PEACE BOND		500
0888-0000-108045	JUVENILE PROBATION		415
0888-0000-108055	SHERIFF SPECIAL CASH BOND		2,301
0888-0000-108060	TAX ASSESSOR-COLLECTOR		1,036,946
Total		2,147,275	2,147,275
Total Adjusting Journal Entries		2,265,946	2,265,946

Schedule of Uncorrected Misstatements

Account	Description	Debit	Credit
Proposed Journal Entries			
Proposed Journal Entry #1			
To properly record retainage as of 9/30			
0777-0211-009007	P&G-CAPITAL	168,920	
0777-0000-207005	CONTRACTOR/LEASE DEPOSITS		168,920
Total		168,920	168,920
Proposed Journal Entry #2			
To properly classify prepayment of credit card liabilities as of 9/30			
0100-0000-202000	A/P LIABILITY	107,105	
0200-0000-202000	A/P LIABILITY	8,956	
0377-0000-202000	A/P LIABILITY	6,190	
0408-0000-202000	A/P LIABILITY	132	
0410-0000-202000	A/P LIABILITY	31	
0508-0000-202000	A/P LIABILITY	149	
0545-0000-202000	A/P LIABILITY	2,008	
0777-0000-202000	A/P LIABILITY	191,930	
0831-0000-202000	A/P LIABILITY	5,057	
0882-0000-202000	A/P LIABILITY	12,321	
0885-0000-202000	A/P LIABILITY	6,029	
0999-0000-202000	A/P LIABILITY	949	
0100-0000-101000	CASH IN BANK		107,105
0200-0000-101000	CASH IN BANK		8,956
0377-0000-101000	CASH IN BANK		6,190
0408-0000-101000	CASH IN BANK		132
0410-0000-101000	CASH IN BANK		31
0508-0000-101000	CASH IN BANK		149
0545-0000-101000	CASH IN BANK		2,008
0777-0000-101000	CASH IN BANK		191,930
0831-0000-101000	CASH IN BANK		5,057
0882-0000-101000	CASH IN BANK		12,321
0885-0000-101000	CASH IN BANK		6,029
0999-0000-101000	CASH IN BANK		949
Total		340,857	340,857

Schedule of Uncorrected Misstatements (Cont.)

Proposed Journal Entry #3

To adjust deferred contributions for projects complete in the PY-
Government Wide

Unrestricted Net Position	17,048,501	
Deferred Contributions		17,048,501
	<u>17,048,501</u>	<u>17,048,501</u>

Proposed Journal Entry #4

To adjusted CY capital contributions on government-wide
statement of activities for assets donated in the PY

Capital Grants & Contributions	11,385,958	
Unrestricted Net Position		11,385,958
	<u>11,385,958</u>	<u>11,385,958</u>

Proposed Journal Entry #5

To correctly state NPL and related deferred inflows/outflows due

LT Liabilities- Non Current\Pension Liabi	4,256,076	
Deferred Inflow of Resources	2,432,881	
Deferred Outflow of Resources		4,241,516
Pension Expense		2,447,441
	<u>6,688,957</u>	<u>6,688,957</u>

Total Proposed Journal Entries	<u>35,633,193</u>	<u>35,633,193</u>
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