

Williamson County, Texas
Notes to the Financial Statements

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 \$609,000,000 of the County's bonds outstanding as of September 30, 2020 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.

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
11/16/2006	Unlimited Tax Refunding Bonds Series 2006	02/15/2027	91,364,942	4.0 – 5.0%	2/15, 8/15
11/30/2011	Limited Tax Refunding Bonds Series 2011	02/15/2025	36,565,000	3.0 - 5.0%	2/15, 8/15
11/30/2011	Pass Through Toll & Limited Tax Series 2011	02/15/2031	10,000,000	2.0 - 4.0%	2/15, 8/15
03/21/2012	Limited Tax Refunding Bonds Series 2012	02/15/2030	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	02/15/2032	71,750,000	1.0 - 4.0%	2/15, 8/15
04/15/2013	Pass Through Revenue & LTD Tax Bonds Series 2013	02/15/2033	14,985,000	1.0 - 4.0%	2/15, 8/15
04/10/2014	Unlimited Tax Road Bonds Series 2014	02/15/2039	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	02/15/2040	90,205,000	4.0 - 5.0%	2/15, 8/15
05/28/2015	Combination Tax & Revenue Certificates Series 2015	02/15/2040	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

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Issue Date	Description	Maturity	Original Amount	Interest Rate	Coupon Date
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	09/30/2040	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

In January 2020, the District issued \$263,855,000 in Unlimited Tax Road 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 2.375 - 5.0% is payable at February 15 and August 15 of each year.

In February 2020, the District issued \$40,065,000 in Limited Tax Refunding Bonds, Series 2020. The bonds constitute direct obligations of the District, payable from ad valorem taxes levied upon all taxable property. Interest at a rate range from 3.0 - 5.0% is payable at February 15 and August 15 of each year. In part, these bonds were used to refund \$36,620,000 for Series 2014 Unlimited Tax Road 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 six years by \$917,203, and resulted in an economic gain of \$879,991.

In January 2020, the County legally defeased outstanding bonds totaling \$11,640,000 by depositing approximately \$11,700,000 in trust with a bond escrow agent. This resulted in a cash flow savings of approximately \$4,000 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, 2020, \$59,270,000 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	8/15/2025	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.

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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.

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

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 2020, the District issued \$1,335,000 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 1.5 – 3.1% is payable at February 15 and August 15 of each year.

In September 2020, the District issued \$2,555,000 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 – 5.15% 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
2021	\$ 59,014,956	\$ 43,200,470	\$ 102,215,426
2022	64,150,000	38,075,261	102,225,261
2023	66,475,000	35,509,743	101,984,743
2024	69,040,000	32,724,048	101,764,048
2025	71,955,000	29,777,272	101,732,272
2026-2030	305,930,000	105,845,835	411,775,835
2031-2035	228,400,000	48,736,512	277,136,512
2036-2040	157,785,000	16,134,310	173,919,310
2041-2045	11,315,000	524,111	11,839,111
Total	\$ 1,034,064,956	\$ 350,527,562	\$ 1,384,592,518

Included in the above principal amounts are accreted interest amounts that have not yet been recognized at September 30, 2020 totaling approximately \$3,000,000.

Note 10. Tax Abatements

The County negotiates various forms of agreements for Economic Development purposes. The County has property tax rebates which are negotiated under The Texas Property Redevelopment and Tax Abatement Act, chapter 312, Tax Code, V.A.T.S. as amended. This act allows localities to abate property taxes for economic development purposes which include business relocation, retention and expansion. Property must be located within a reinvestment zone to be eligible for a tax abatement, and agreements, are limited to ten (10) years in length. The abatement value can only be to the extent its value for that year exceeds its value for the year in which the agreement is executed. The County has an Abatement Recapture clause in all Tax Abatement Agreements in the event that the recipient does not fulfill the requirements of the agreement. The tax rebate program is for a period greater than ten years, and taxes paid are reimbursed back to the owner.

The county also participates in Tax Increment Financing agreements which are negotiated under The Tax Increment Financing Act, Chapter 311, Tax Code, V.A.T.S. as amended. These districts are created for public improvements to promote economic development in unproductive or underdeveloped areas. The property tax revenues over and above the base value established by the district is contributed to the Zone for a duration of 20 to 25 years and/or until the monetary cap per the agreement is reached.

The amount of taxes abated during the fiscal year for each of the programs are as follows:

Program	Amount of Taxes Abated during the Fiscal Year
Tax Abatement Program	\$ -
Tax Rebate Program	174,468
Tax Increment Financing Program	2,665,459