

## **NOTICE TO THE PUBLIC**

### **AVERY RANCH ROAD DISTRICT No. 1** **PEARSON PLACE ROAD DISTRICT** **NORTHWOODS ROAD DISTRICT No. 1** **SOMERSET HILLS ROAD DISTRICT No. 4**

**April 20, 2021**  
**10:00 A.M.**

The Commissioners Court of Williamson County, Texas pursuant to V.A.C.S. art. 6702-1, acting as ex-officio road commissioners of their respective precincts, will meet in regular session on Tuesday, April 20, 2021, at 10:00 a.m. or immediately following special session, the place being the Commissioners Courtroom, 710 Main Street, in Georgetown, Texas to consider the following items:

1. Review and approval of minutes.
2. Receive, review and discuss the Fiscal Year 2020 Avery Ranch, Pearson Place, Northwoods, and Somerset Hills #4 Road Districts Annual Financial Report. Take any appropriate action as deemed necessary regarding the same.
3. Discuss and take appropriate action on the Avery Ranch Road District, the Pearson Place Road District, the Northwoods Road District and the Somerset Hills Road District including, but not limited to payment of bills.
4. Discuss, consider, and take appropriate action on approving road district collections for the month of Month 2021 for the Williamson County Tax Assessor/Collector.

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Bill Gravell, Jr., County Judge

**Road District****2.****Meeting Date:** 04/20/2021

Fiscal Year 2020 Annual Financial Road District Reports

**Submitted For:** Melanie Denny**Submitted By:** Melanie Denny, County Auditor**Department:** County Auditor

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**Information****Agenda Item**

Receive, review and discuss the Fiscal Year 2020 Avery Ranch, Pearson Place, Northwoods, and Somerset Hills #4 Road Districts Annual Financial Report. Take any appropriate action as deemed necessary regarding the same.

**Background**

This presentation will be made by Julie Kiley and Rebecca Goldstein of Weaver and Tidwell.

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**Fiscal Impact**

From/To	Acct No.	Description	Amount
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**Attachments**

2020 Avery Ranch Road District #1 Financial Report  
2020 Pearson Place Road District Financial Report  
2020 Northwoods Road District #1 Financial Report  
2020 Somerset Hills Road District #4 Financial Report

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**Form Review****Inbox**

County Judge Exec Asst.

Form Started By: Melanie Denny

Final Approval Date: 04/12/2021

**Reviewed By**

Andrea Schiele

**Date**

04/12/2021 12:33 PM

Started On: 04/05/2021 03:46 PM

# **Avery Ranch Road District No. 1**

Financial Report

For the Fiscal Year End September 30, 2020

**Avery Ranch Road District No. 1**  
Financial Report  
For the Fiscal Year End September 30, 2020  
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## Independent Auditor's Report

To the Board of Directors of  
Avery Ranch Road District No. 1

We have audited the accompanying financial statements of the governmental activities and each major fund of Avery Ranch Road District No. 1 (the District), a component unit of Williamson County, Texas (the County), as of and for the year ended September 30, 2020, and the related notes to the financial statements, which collectively comprise the District's basic financial statements as listed in the table of contents.

### Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in the United States of America; this includes the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

### Auditor's Responsibility

Our responsibility is to express opinions on these financial statements based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design 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. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

### Opinions

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities and each major fund of Avery Ranch Road District No. 1, as of September 30, 2020, and the respective changes in financial position thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

The Board of Directors of  
Avery Ranch Road District No. 1

### **Other Matter**

#### *Required Supplementary Information*

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis on pages 3 to 5 and budgetary comparison on page 15 be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, which considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the financial statements. We do not express an opinion or provide any assurance on the information, because the limited procedures do not provide us with sufficient evidence to express an opinion or provide assurance.

### **Emphasis of Matter**

As discussed in Note 1, the financial statements present only the District and do not purport to, and do not, present fairly the financial position of the County, as of September 30, 2020, the changes in its financial position, or, where applicable, its cash flows for the year then ended, in accordance with accounting principles generally accepted in the United States of America. Our opinion is not modified with respect to this matter.

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

WEAVER AND TIDWELL, L.L.P.

Austin, Texas  
March 26, 2020

## **Avery Ranch Road District No. 1**

### **Management's Discussion And Analysis**

For the Fiscal Year Ended September 30, 2020

As management of the Avery Ranch Road District No. 1 (the District), we offer readers of the District's financial statements this narrative overview and analysis of the financial activities of the District for the fiscal year ended September 30, 2020. We encourage readers to consider the information presented here in conjunction with the basic financial statements, which follow this section.

#### **Overview of the District**

The District is a political subdivision of the State of Texas created by order of the Williamson County Commissioners Court on February 27, 2001, and confirmed at an election held within the District on May 5, 2001, and operated pursuant to Article III, Section 52 of the Texas Constitution, Chapter 257 of the Texas Transportation Code and Section 1471 of the Texas Government Code. The District was created for the main purpose of constructing or reimbursing the developers, Continental Homes of Texas, L.P., a Texas limited partnership, Avery Ranch, Ltd., a Texas limited partnership, and Rathgeber Investment Company, Ltd., a Texas limited partnership, for the costs of constructing, acquiring by purchase, maintaining and operating a four-lane divided road within the District, known as Avery Ranch Boulevard. The District is located in the City of Austin and in the extraterritorial jurisdiction of the City of Austin, all within Williamson County, Texas.

#### **Financial Highlights**

- The liabilities of Avery Ranch Road District No. 1 exceeded its assets as of September 30, 2020, by \$4,474,477 (i.e. net deficit).
- The District's total net position increased by \$1,160,765 during the year.
- Cash and investments equaled \$285,340.
- Annual expenses consist of debt service payments and related debt service fees such as paying agent/registrar fees.

#### **Overview of the Financial Statements**

This discussion and analysis is intended to serve as an introduction to the District's basic financial statements. The District's basic financial statements are comprised of three components: (1) Management's Discussion and Analysis (this section); (2) government-wide financial statements, which include the fund financial statements, and (3) notes to the financial statements.

The financial statements include the statement of net position and governmental funds balance sheet and statement of activities and governmental funds statement of revenues, expenditures and changes in fund balance that present information for the District as a whole and provide an indication of the District's financial health.

The statement of net position presents information showing how the District's net position changed during the fiscal year. All changes in net position are reported when the underlying event giving rise to the change occurs, regardless of the timing of related cash flows. Thus, revenues and expenses are reported in this statement for some items that will only result in cash flows in future fiscal periods (e.g. uncollected taxes).

## Avery Ranch Road District No. 1

### Management's Discussion And Analysis – Continued For the Fiscal Year Ended September 30, 2020

In fiscal year 2020, the District's taxable assessed value totaled approximately \$1,554,051,470 compared to \$1,494,484,348 in fiscal year 2019. The tax rate is set after reviewing operating and debt service requirements. The District's primary revenue source is property taxes.

The District, like other state and local governments, uses fund accounting to ensure and demonstrate compliance with finance related legal requirements. The District's funds are governmental funds and, as such, the financial statements focus on current sources and uses of spendable resources, as well as on balances of spendable resources available at the end of the fiscal year. Such information may be useful in evaluating a government's near-term financing requirements.

The financial statements can be found on pages 6 and 7 of this report.

The notes to the financial statements provide additional information that is essential to a full understanding of the data provided in the financial statements. The notes to the financial statements can be found beginning on page 8 of this report.

### Financial Analysis

As noted earlier, net position may serve over time as a useful indicator of the District's financial position. As of September 30, 2020, the District's liabilities exceeded assets by \$4,474,477.

#### Avery Ranch Road District Net Position

	2020	2019
Assets and deferred outflows	\$ 290,028	\$ 377,913
Long-term liabilities	4,746,482	5,908,528
Other liabilities	18,023	21,375
Total liabilities	4,764,505	5,929,903
Deferred Inflows	-	83,252
Net position		
Restricted	272,005	323,692
Unassigned	(4,746,482)	(5,958,934)
Total net position (deficit)	\$ (4,474,477)	\$ (5,635,242)

Overall, the District had an increase in net position of \$1,160,765. This increase is primarily related to the District paying down the principal balance of bonded debt.



## Avery Ranch Road District No. 1

### Management's Discussion And Analysis – Continued

For the Fiscal Year Ended September 30, 2020

#### Avery Ranch Road District's Change in Net Position

	2020	2019
Revenues		
General revenues		
Assessments	\$ 1,191,671	\$ 1,211,950
Interest	10,920	26,474
Total general revenues	1,202,591	1,238,424
Expenses		
General government	16,040	15,625
Interest and fiscal charges	25,786	173,496
Total expenses	41,826	189,121
Change in net position	1,160,765	1,049,303
NET POSITION (DEFICIT), beginning	(5,635,242)	(6,684,545)
<b>NET POSITION (DEFICIT), ending</b>	<b>\$ (4,474,477)</b>	<b>\$ (5,635,242)</b>

The Debt Service Fund remitted bond principal payments of \$1,070,000 and interest and fiscal charges of \$172,000.

The District owes \$4,555,000 to bond holders. During the year, the principal balance was reduced by \$1,070,000. More detailed information about the District's long-term debt is presented in the notes to the financial statements.

#### Discussion of Currently Known Facts, Decision or Condition in Fiscal Year 2021

The property tax base for fiscal year 2021 is \$1,549,742,356. The tax rate is \$0.074096 on each \$100 of taxable value. Approximately 100% of the property tax will be set aside for debt service.

#### Requests for Information

This financial report is designed to provide our citizens with a general overview of the District's finances. If you have any questions about this report or need any additional information, please contact the Williamson County Auditor's Office at (512) 943-1500; 710 Main Street, Suite 301, Georgetown, Texas 78626.

**Avery Ranch Road District No. 1**

## Statement of Net Position and Governmental Funds

## Balance Sheet

September 30, 2020

	Debt Service	Totals	Adjustments	Statement of Net Position
<b>ASSETS</b>				
Cash and investments	\$ 285,340	\$ 285,340	\$ -	\$ 285,340
Property tax receivable	4,688	4,688	-	4,688
<b>TOTAL ASSETS</b>	<b>\$ 290,028</b>	<b>\$ 290,028</b>	<b>\$ -</b>	<b>\$ 290,028</b>
<b>LIABILITIES</b>				
Accounts payable	\$ 410	\$ 410	\$ -	\$ 410
Interest payable	-	-	17,613	17,613
Non-current liabilities				
Due within one year	-	-	1,134,543	1,134,543
Due in more than one year	-	-	3,611,939	3,611,939
Total liabilities	410	410	4,764,095	4,764,505
<b>DEFERRED INFLOWS OF RESOURCES</b>				
Deferred property taxes	4,013	4,013	(4,013)	-
Total deferred inflows of resources	4,013	4,013	(4,013)	-
<b>FUND BALANCE/NET POSITION</b>				
Fund balance				
Restricted for debt service	285,605	285,605	(285,605)	
Total fund balance	285,605	285,605	(285,605)	
<b>Total liabilities, deferred inflows of resources and fund balance</b>	<b>\$ 290,028</b>	<b>\$ 290,028</b>		
<b>NET POSITION (DEFICIT)</b>				
Restricted for debt service			272,005	272,005
Unassigned			(4,746,482)	(4,746,482)
<b>TOTAL NET POSITION (DEFICIT)</b>			<b>\$ (4,474,477)</b>	<b>\$ (4,474,477)</b>

The Notes to the Financial Statements are an integral part of this statement.

**Avery Ranch Road District No. 1**

Statement of Activities and Governmental Funds Statement of  
Revenues, Expenditures and Changes in Fund Balance  
For the Fiscal Year Ended September 30, 2020

	<b>Debt Service</b>	<b>Totals</b>	<b>Adjustments</b>	<b>Statement of Activities</b>
<b>EXPENDITURES/EXPENSES</b>				
Current				
General government	\$ 16,040	\$ 16,040	\$ -	\$ 16,040
Debt service				
Principal	1,070,000	1,070,000	(1,070,000)	-
Interest and fiscal charges	172,000	172,000	(146,214)	25,786
Total expenditures/expenses	1,258,040	1,258,040	(1,216,214)	41,826
<b>GENERAL REVENUES</b>				
Property taxes	1,191,313	1,191,313	358	1,191,671
Interest	10,920	10,920	-	10,920
Total general revenues	1,202,233	1,202,233	358	1,202,591
<b>EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES</b>	(55,807)	(55,807)	1,216,572	1,160,765
<b>CHANGES IN FUND BALANCE / NET POSITION</b>	(55,807)	(55,807)	1,216,572	1,160,765
<b>FUND BALANCE / NET POSITION (DEFICIT)</b>				
Beginning	341,412	341,412	(5,976,654)	(5,635,242)
Ending	\$ 285,605	\$ 285,605	\$ (4,760,082)	\$ (4,474,477)

The Notes to the Financial Statements are an integral part of this statement.

# Avery Ranch Road District No. 1

## Notes to the Financial Statements

### Note 1. Summary of Significant Accounting Policies

#### Reporting Entity

Chapter 257 of the Texas Transportation Code and Chapter 1471, Texas Government Code allow a commissioners court of a county to establish one or more road districts in the county. A road district created pursuant to the Act is a political subdivision and a body corporate of the State of Texas. The Avery Ranch Road District No. 1 (the District) was created by order of the Williamson County Commissioners Court on February 27, 2001, in accordance with the Texas Government Code and Article III, Section 52 of the Texas Constitution.

The District is governed by the Williamson County Commissioners Court and is a component unit of Williamson County.

On May 11, 2001, the District's voters authorized the issuance of unlimited tax bonds for the purpose of reimbursing the developer for the construction costs of developing roads within the District. The District issues unlimited tax bonds to reimburse developers after each construction project is completed. The bonds are payable from property taxes.

#### Government-Wide and Fund Financial Statements

The government-wide financial statements (i.e., the statement of net position and the statement of activities) report information on all of the activities of the District. *Governmental activities* are supported by property taxes and investment revenue.

The statement of activities demonstrates the degree to which the direct expenses of a given function are offset by program revenue. *Direct expenses* are those that are clearly identifiable with a specific function. *Program revenue* includes 1) charges to customers or applicants who purchase, use, or directly benefit from goods, services, or privileges provided by a given function, and 2) grants and contributions that are restricted to meeting the operational or capital requirements of a particular function. Property taxes and other items not properly included among program revenue are reported instead as *general revenue*.

The government-wide and fund financial statements are provided for the governmental funds of the District with a column for adjustments between the two statements.

#### Measurement Focus, Basis of Accounting and Financial Statement Presentation

The government-wide financial statements are reported using the *economic resources measurement focus* and the *accrual basis of accounting*. Revenue is recorded when earned, and expenses are recorded when a liability is incurred, regardless of the timing of related cash flows. Property taxes are recognized as revenue in the year for which they are levied.

Governmental fund financial statements are reported using the *current financial resources measurement focus* and the *modified accrual basis of accounting*. Revenue is recognized as soon as it is both measurable and available. Revenue is considered to be available when it is collectible within the current period or soon enough thereafter to pay liabilities of the current period. For this purpose, the District considers revenue to be available if collected within 60 days of the end of the current fiscal period. Expenditures generally are recorded when a liability is incurred, as under accrual accounting. However, debt service expenditures are recorded only when payment is due.

## Avery Ranch Road District No. 1

### Notes to the Financial Statements

The District reports the following major governmental funds:

The **General Fund** is the District's primary operating fund. It accounts for all financial resources of the general government, except those required to be accounted for in another fund. There was no activity in this fund in fiscal year 2020.

The **Debt Service Fund** accounts for the resources accumulated and payments made for principal and interest on long-term general obligation debt of governmental funds.

As a general rule, the effect of interfund activity has been eliminated from the government-wide financial statements.

### Assets, Liabilities and Net Position or Equity

#### Cash and Investments

Investments for the District are reported at amortized cost. The State Treasurer's Investment Pool operates in accordance with appropriate state laws and regulations. The reported value of the pool is the same as the fair value of the pool shares.

#### Receivables and Payables

Property taxes are levied on October 1 and attach as an enforceable lien on property as of January 1. Statements are mailed on October 1, or as soon thereafter as possible, and are due upon receipt. All unpaid taxes become delinquent if not paid before February 1 of the following year. Governmental funds report deferred revenue in connection with receivables for revenue that is not considered to be available to liquidate liabilities of the current period. Governmental funds also defer revenue recognition in connection with resources that have been received, but not yet earned.

#### Long-term Obligations

In the government-wide financial statements, long-term debt and other long-term obligations are reported as liabilities in the applicable governmental activities statement of net position. Bond premiums and discounts, as well as changes on refundings, are deferred and amortized over the life of the bonds using the straight-line method, which approximates the interest method. Bonds payable are reported net of the applicable bond premium or discount. Changes on refundings are reported as deferred charges and amortized over the term of related debt.

In the fund financial statements, governmental fund types recognize bond premiums and discounts, as well as bond issuance costs, during the current period. The face amount of debt issued is reported as other financing sources. Premiums received on debt issuances are reported as other financing sources while discounts on debt issuances are reported as other financing uses. Issuance costs, whether or not withheld from the actual debt proceeds received are reported as debt service expenditures.

## Avery Ranch Road District No. 1

### Notes to the Financial Statements

#### Fund Equity

The District has adopted the provisions of GASB Statement No. 54, *Fund Balance Reporting and Government Fund Type Definitions* (GASB 54). The objective of the statement is to enhance the usefulness of fund balance information by providing clearer fund balance classifications that can be more consistently applied and by clarifying the existing government fund type definitions. The statement establishes fund balance classifications that comprise a hierarchy based primarily on the extent to which a government is bound to observe constraints imposed upon the use of the resources reported in governmental funds. Fund balance classifications, under GASB 54 are nonspendable, restricted for, committed to, assigned and unassigned. These classifications reflect not only the nature of funds, but also provide clarity to the level of restriction placed upon fund balance. Fund balance can have different levels of constraint, such as external versus internal compliance requirements. Unassigned fund balance is a residual classification within the General Fund. The General Fund should be the only fund that reports a positive unassigned balance. In all other funds, unassigned is limited to negative residual fund balance.

In accordance with GASB 54, the District classifies governmental fund balances as follows:

#### Restricted

Includes fund balance amounts that are constrained for specific purposes, which are externally imposed by providers, such as creditors, or amount restricted due to constitutional provisions or enabling legislation.

#### Unassigned

Includes residual positive fund balance within the General Fund, which has not been classified within the other above-mentioned categories. Unassigned fund balance may also include negative balances for any governmental fund if expenditures exceed amounts restricted, committed, or assigned for those specific purposes.

When both restricted and unassigned resources are available for use, it is the District's policy to use restricted resources first, then unassigned resources as they are needed.

#### Net Position

Net position represents the difference between assets and liabilities. Net position is reported as restricted when there are limitations imposed on its use either through the enabling legislations adopted by the District or through external restrictions imposed by creditors or laws or regulations of other governments.

#### Estimates

The preparation of financial statements, in conformity with generally accepted accounting principles, requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosures of contingent liabilities at the date of the financial statements and the reported amounts of revenue and expenses during the reporting period. Actual amounts could differ from those estimates.

## Note 2. Stewardship and Accountability

### Deficit Net Position

A net position deficit of \$4,474,477 exists in governmental activities as of September 30, 2020. This deficit is the result of the District issuing bonds to finance the construction of roads contributed to the City of Austin. As of September 30, 2020, the amount of bonds outstanding that were used to finance construction of assets transferred to the City of Austin was \$4,555,000.

## Avery Ranch Road District No. 1

### Notes to the Financial Statements

#### Note 3. Reconciliation of Government-Wide and Fund Financial Statements

Amounts reported for net position of governmental activities in the statement of net position and governmental funds balance sheet are different because:

<b>Fund balance - governmental funds</b>	\$ 285,605
Property tax revenues earned but not available within 60 days of the year ended are not recognized as revenue in the governmental funds	4,013
Accrued interest on bonds payable is not payable with current financial resources and is not reported in the funds	(17,613)
Long-term obligations are not due and payable in the current period and are not reported in the funds	<u>(4,746,482)</u>
<b>Net position (deficit) of governmental activities</b>	<u><u>\$ (4,474,477)</u></u>

Amounts reported for change in net position of governmental activities in the statement of activities and change in fund balance of governmental funds in the statement of revenues, expenditures, and changes in fund balance are different because:

Change in fund balance - governmental funds	\$ (55,807)
Property tax revenues that do not provide current financial resources are not reported as revenues in the governmental funds	358
Some expenses reported in the statement of activities do not require the use of current financial resources	146,214
Principal payments on long-term obligations are expensed in the funds but reduce the balance of these obligations payable in the statement of net position	<u>1,070,000</u>
<b>Change in net position of governmental activities</b>	<u><u>\$ 1,160,765</u></u>

#### Note 4. Investments

As of September 30, 2020, the District had the following investments:

Investment type	Amortized Cost	Weighted Average Maturity (Days)
TexPool Prime	\$ 285,340	53
<b>Total investments</b>	<u><u>\$ 285,340</u></u>	

The District's investment in TexPool, which is a 2a7-like pool, is recorded at amortized cost, which is believed to approximate fair value. A 2a7-like pool is one which is not registered with the Securities and Exchange Commission (SEC) as an investment company, but nevertheless has a policy that it will, and does, operate in a manner consistent with the SEC's Rule 2a7 of the Investment Company Act of 1940.

## **Avery Ranch Road District No. 1**

### **Notes to the Financial Statements**

TexPool was created under the Interlocal Cooperation Act, Texas Government Code Ann. Chapter 791, and the Texas Public Funds Investment Act. The Texas Treasury Safekeeping Trust Company (the Trust) is trustee of TexPool and is a limited purpose trust company authorized pursuant to Texas Government Code Ann. Section 404.103 for which the Texas State Comptroller is sole officer, director, and shareholder. The advisory board of TexPool is composed of members appointed pursuant to the requirements of the Texas Public Funds Investment Act.

#### **Interest Rate Risk**

In accordance with its investment policy, the District manages its exposure to declines in fair market values by limiting the average dollar weighted maturity of its investment portfolios to a maximum of 180 days.

#### **Credit Risk**

It is the District's policy to limit its investments to investment types with an investment quality rating not less than A or its equivalent by a nationally recognized statistical rating organization. TexPool was rated AAAm by Standard & Poor's Investors Service.

### **Note 5. Long-term Obligations**

#### **Unlimited Tax Refunding Bonds**

In March 2012, the District issued \$7,475,000 in Unlimited Tax Refunding Bonds, Series 2012. These bonds were used to purchase U.S. Government State and Local Government Series Securities that were placed in an irrevocable trust for the purpose of generating resources for all future debt service payments of \$7,535,000 for certain Series 2002 unlimited tax road bonds, Series 2003 unlimited tax road bonds and Series 2005 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. The reacquisition price exceeded the net carrying amount of the old debt by \$295,594. This amount is being netted against the new debt and amortized over the remaining life of the refunded debt, which is shorter than the life of the new debt issued. This advance refunding was undertaken to decrease the total debt service payments over the next 13 years by \$966,820, and resulted in an economic gain of \$791,445. 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. Interest at rates ranging from 2.0% to 4.0% is payable at February 15 and August 15 of each year.

In May 2016, the District issued \$2,895,000 in Unlimited Tax Refunding Bonds, Series 2016. These bonds were used to currently refund \$2,845,000 for certain Series 2007 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. The reacquisition price exceeded the net carrying amount of the old debt by \$57,163. This amount is being netted against the new debt and amortized over the remaining life of the refunded debt, which is the same life of the new debt issued. This advance refunding was undertaken to decrease the total debt service payments over the next six years by \$164,660, and resulted in an economic gain of \$152,844. 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. Interest at a rate of 2.0% is payable at February 15 and August 15 of each year.



## Avery Ranch Road District No. 1

### Notes to the Financial Statements

In May 2019, the District issued \$3,550,000 in Unlimited Tax Refunding Bonds, Series 2019. These bonds were used to currently refund \$3,625,000 for certain Series 2012 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. The net carrying amount of the old debt exceeded the reacquisition price by \$166,504. This amount is being amortized over the remaining life of the refunded debt. This advance refunding was undertaken to decrease the total debt service payments over the next six years by \$154,279, and resulted in an economic gain of \$139,579. 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. Interest at a rate ranging from 3% to 4% is payable at February 15 and August 15 of each year.

Long-term liability activity for the year ended September 30, 2020, was as follows:

Governmental Activities	Beginning Balance	Additions	Deletions	Ending Balance	Due Within One Year
Refunding bonds	\$ 5,625,000	\$ -	\$(1,070,000)	\$ 4,555,000	\$ 1,090,000
Premium on issuance of bonds	283,529	-	(92,047)	191,482	44,543
<b>Governmental activities long-term liabilities</b>	<b>\$ 5,908,529</b>	<b>\$ -</b>	<b>\$(1,162,047)</b>	<b>\$ 4,746,482</b>	<b>\$ 1,134,543</b>

Annual debt service requirements to maturity for general obligation bonds are as follows:

Years Ending September 30,	Governmental Activities		
	Principal	Interest	Total
2021	\$ 1,090,000	\$ 140,900	\$ 1,230,900
2022	1,125,000	113,150	1,238,150
2023	910,000	84,500	994,500
2024	720,000	57,200	777,200
2025	710,000	28,400	738,400
<b>Total</b>	<b>\$ 4,555,000</b>	<b>\$ 424,150</b>	<b>\$ 4,979,150</b>

## **Supplementary Information**

**Avery Ranch Road District No. 1**

Statement of Revenue, Expenditures and Changes in Fund Balance –  
Budget and Actual  
Debt Service Fund  
For the Fiscal Year Ended September 30, 2020

	Original and Final	Actual	Variance Positive (Negative)
<b>REVENUES</b>			
Taxes	\$ 1,193,109	\$ 1,191,313	\$ (1,796)
Interest	30,250	10,920	(19,330)
Total revenues	1,223,359	1,202,233	(21,126)
<b>EXPENDITURES</b>			
Current			
General government	17,600	16,040	1,560
Debt service			
Principal	1,070,000	1,070,000	-
Interest and other charges	172,200	172,000	200
Total expenditures	1,259,800	1,258,040	1,760
<b>DEFICIENCY OF REVENUES UNDER EXPENDITURES</b>	(36,441)	(55,807)	(19,366)
Net change in fund balance	(36,441)	(55,807)	(19,366)
<b>FUND BALANCE, beginning</b>	341,412	341,412	-
<b>FUND BALANCE, ending</b>	\$ 304,971	\$ 285,605	\$ (19,366)

# **Pearson Place Road District**

Financial Report

For the Fiscal Year Ended September 30, 2020

**Pearson Place Road District**  
Financial Report  
For the Fiscal Year Ended September 30, 2020  
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## Independent Auditor's Report

To the Board of Directors of  
Pearson Place Road District

We have audited the accompanying financial statements of the governmental activities and each major fund of Pearson Place Road District (the District), a component unit of Williamson County, Texas (the County), as of and for the years ended September 30, 2020, and the related notes to the financial statements, which collectively comprise the District's basic financial statements as listed in the table of contents.

### Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in the United States of America; this includes the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

### Auditor's Responsibility

Our responsibility is to express opinions on these financial statements based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design 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. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

### Opinions

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities and each major fund of Pearson Place Road District, as of September 30, 2020, and the respective changes in financial position thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

**Other Matter**

*Required Supplementary Information*

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis on pages 3 through 5 and budgetary comparison on page 15 be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, which considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the financial statements. We do not express an opinion or provide any assurance on the information, because the limited procedures do not provide us with sufficient evidence to express an opinion or provide assurance.

**Emphasis of Matter**

As discussed in Note 1, the financial statements present only the District and do not purport to, and do not, present fairly the financial position of the County, as of September 30, 2020, the changes in its financial position, or, where applicable, its cash flows for the year then ended, in accordance with accounting principles generally accepted in the United States of America. Our opinion is not modified with respect to this matter.

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

WEAVER AND TIDWELL, L.L.P.

Austin, Texas  
March 26, 2021

## **Pearson Place Road District**

### **Management's Discussion and Analysis**

For the Fiscal Year Ended September 30, 2020

As management of the Pearson Place Road District (the District), we offer readers of the District's financial statements this narrative overview and analysis of the financial activities of the District for the fiscal year ended September 30, 2020. We encourage readers to consider the information presented here in conjunction with the basic financial statements, which follow this section.

#### **Overview of the District**

The District is a political subdivision of the State of Texas created by order of the Williamson County Commissioners Court on July 20, 2010, after holding a public hearing pursuant to Chapter 257 of the Texas Transportation Code. The District was created for the main purpose of constructing or reimbursing the developers, Century Land Holdings II, LLC, for the costs of constructing, acquiring by purchase, maintaining and operating a four-lane divided road within the District, known as Neenah Avenue. The District is located within the corporate limits of the City of Austin, all within Williamson County, Texas.

#### **Financial Highlights**

- The liabilities of Pearson Place Road District exceeded its assets as of September 30, 2020, by \$4,234,637 (i.e. net deficit).
- The District's total net position increased by \$158,617 during the year.
- Cash and investments equaled \$975,859.
- Annual expenses consist of debt service payments, and related debt service fees such as paying agent/registrar fees.

#### **Overview of the Financial Statements**

This discussion and analysis is intended to serve as an introduction to the District's basic financial statements. The District's basic financial statements are comprised of three components: (1) Management's Discussion and Analysis (this section); (2) government-wide financial statements, which include the fund financial statements, and (3) notes to the financial statements.

The financial statements include the statement of net position and governmental funds balance sheet and statement of activities and governmental funds statement of revenues, expenditures and changes in fund balance that present information for the District as a whole and provide an indication of the District's financial health.

The statement of net position presents information showing how the District's net position changed during the fiscal year. All changes in net position are reported when the underlying event giving rise to the change occurs, regardless of the timing of related cash flows. Thus, revenues and expenses are reported in this statement for some items that will only result in cash flows in future fiscal periods (e.g. uncollected taxes).

The District's first bond was issued on August 15, 2016 for \$5,315,000 with debt service payments first becoming due in fiscal year 2017. In fiscal year 2020, the District's taxable assessed value totaled approximately \$274,150,541 compared to \$232,678,593 in fiscal year 2019. The tax rate is set after reviewing operating and debt service requirements. The District's primary revenue source will be property taxes.



## Pearson Place Road District

### Management's Discussion and Analysis – Continued

For the Fiscal Year Ended September 30, 2020

The District, like other state and local governments, uses fund accounting to ensure and demonstrate compliance with finance related legal requirements. The District's funds are governmental funds and, as such, the financial statements focus on current sources and uses of spendable resources, as well as on balances of spendable resources available at the end of the fiscal year. Such information may be useful in evaluating a government's near-term financing requirements.

The financial statements can be found on pages 6 and 7 of this report.

The notes to the financial statements provide additional information that is essential to a full understanding of the data provided in the financial statements. The notes to the financial statements can be found beginning on page 8 of this report.

### Financial Analysis

As noted earlier, net position may serve over time as a useful indicator of the District's financial position. As of September 30, 2020, the District's liabilities exceeded assets by \$4,234,637.

#### Pearson Place Road District Net Position

	2020	2019
Assets	\$ 976,256	\$ 995,530
Long-term liabilities	5,190,633	5,368,521
Other liabilities	20,260	20,263
Total liabilities	5,210,893	5,388,784
Net position		
Restricted	955,996	975,267
Unassigned	(5,190,633)	(5,368,521)
Total net position (deficit)	\$ (4,234,637)	\$ (4,393,254)

Overall, the District had an increase in net position of \$158,617. This increase is primarily related to the District paying down the principal balance of bonded debt.

## Pearson Place Road District

Management's Discussion and Analysis – Continued  
For the Fiscal Year Ended September 30, 2020

### Pearson Place Road District's Change in Net Position

	2020	2019
Revenues		
General revenues		
Assessments	\$ 301,718	\$ 279,552
Interest	13,466	28,701
Total general revenues	315,184	308,253
Expenses		
General government	7,368	6,912
Interest and fiscal charges	149,199	152,412
Total expenses	156,567	159,324
Change in net position	158,617	148,929
NET POSITION (DEFICIT), beginning	(4,393,254)	(4,542,183)
NET POSITION (DEFICIT), ending	\$ (4,234,637)	\$ (4,393,254)

The District owes \$4,920,000 to bond holders. More detailed information about the District's long-term debt is presented in the notes to the financial statements.

### Discussion of Currently Known Facts, Decision or Condition in Fiscal Year 2021

The property tax base for fiscal year 2021 is \$292,591,760. The tax rate is \$0.10 on each \$100 of taxable value. Approximately 100% of the property tax will be set aside for debt service.

### Requests for Information

This financial report is designed to provide our citizens with a general overview of the District's finances. If you have any questions about this report or need any additional information, please contact the Williamson County Auditor's Office at (512) 943-1500; 710 Main Street, Suite 301, Georgetown, Texas 78626.

# Pearson Place Road District

## Statement of Net Position and Governmental Funds

### Balance Sheet

September 30, 2020

	Debt Service	Totals	Adjustments	Statement of Net Position
<b>ASSETS</b>				
Cash and investments	\$ 975,859	\$ 975,859	\$ -	\$ 975,859
Property tax receivable	397	397	-	397
<b>TOTAL ASSETS</b>	<b>\$ 976,256</b>	<b>\$ 976,256</b>	<b>\$ -</b>	<b>\$ 976,256</b>
<b>LIABILITIES</b>				
Accounts payable	\$ 410	\$ 410	\$ -	\$ 410
Interest payable	-	-	19,850	19,850
Non-current liabilities				
Due within one year	-	-	177,888	177,888
Due in more than one year	-	-	5,012,745	5,012,745
Total liabilities	410	410	5,210,483	5,210,893
<b>DEFERRED INFLOWS OF RESOURCES</b>				
Deferred property taxes	397	397	(397)	-
Total deferred inflows of resources	397	397	(397)	-
<b>FUND BALANCE / NET POSITION</b>				
Fund balance				
Restricted for debt service	975,449	975,449	(975,449)	
Total fund balance	975,449	975,449	(975,449)	
<b>TOTAL LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCE</b>	<b>\$ 976,256</b>	<b>\$ 976,256</b>		
<b>NET POSITION (DEFICIT)</b>				
Restricted for debt service			955,996	955,996
Unassigned			(5,190,633)	(5,190,633)
<b>TOTAL NET POSITION (DEFICIT)</b>			<b>\$ (4,234,637)</b>	<b>\$ (4,234,637)</b>

The Notes to the Financial Statements are an integral part of this statement.

# Pearson Place Road District

## Statement of Activities and Governmental Funds Statement of Revenues, Expenditures and Changes in Fund Balance For the Fiscal Year Ended September 30, 2020

	Debt Service	Totals	Adjustments	Statement of Activities
<b>EXPENDITURES/EXPENSES</b>				
General government	\$ 7,368	\$ 7,368	\$ -	\$ 7,368
Debt service				
Principal	165,000	165,000	(165,000)	-
Interest and fiscal charges	162,500	162,500	(13,301)	149,199
Total expenditures / expenses	334,868	334,868	(178,301)	156,567
<b>GENERAL REVENUES</b>				
Property taxes	301,397	301,397	321	301,718
Interest	13,466	13,466	-	13,466
Total general revenues	314,863	314,863	321	315,184
<b>EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES</b>	(20,005)	(20,005)	178,622	158,617
<b>CHANGES IN FUND BALANCE / NET POSITION</b>	(20,005)	(20,005)	178,622	158,617
<b>FUND BALANCE / NET POSITION, (DEFICIT), beginning of year</b>	995,454	995,454	(5,388,708)	(4,393,254)
<b>FUND BALANCE / NET POSITION (DEFICIT), end of year</b>	\$ 975,449	\$ 975,449	\$ (5,210,086)	\$ (4,234,637)

The Notes to the Financial Statements are an integral part of this statement.

## Pearson Place Road District

### Notes to the Financial Statements

#### Note 1. Summary of Significant Accounting Policies

##### Reporting Entity

Chapter 257 of the Texas Transportation Code and Chapter 1471, Texas Government Code allow a commissioners court of a county to establish one or more road districts in the county. A road district created pursuant to the Act is a political subdivision and a body corporate of the State of Texas. The Pearson Place Road District (the District) was created by order of the Williamson County Commissioners Court on July 20, 2010, in accordance with the Texas Government Code and Article III, Section 52 of the Texas Constitution.

The District is governed by the Williamson County Commissioners Court and is a component unit of Williamson County.

On November 2, 2010, the District's voters authorized the issuance of unlimited tax bonds for the purpose of reimbursing the developer for the construction costs of developing roads within the District. The District issues unlimited tax bonds to reimburse the developer after each construction project is completed. The bonds are payable from property taxes.

##### Government-wide and Fund Financial Statements

The government-wide financial statements (i.e., the statement of net position and the statement of activities) report information on all of the activities of the District. *Governmental activities* are supported by property taxes and investment revenue.

The statement of activities demonstrates the degree to which the direct expenses of a given function are offset by program revenue. *Direct expenses* are those that are clearly identifiable with a specific function. *Program revenue* includes 1) charges to customers or applicants who purchase, use, or directly benefit from goods, services, or privileges provided by a given function, and 2) grants and contributions that are restricted to meeting the operational or capital requirements of a particular function. Property taxes and other items not properly included among program revenue are reported instead as *general revenue*.

The government-wide and fund financial statements are provided for the governmental funds of the District with a column for adjustments between the two statements.

##### Measurement Focus, Basis of Accounting and Financial Statement Presentation

The government-wide financial statements are reported using the *economic resources measurement focus* and the *accrual basis of accounting*. Revenue is recorded when earned, and expenses are recorded when a liability is incurred, regardless of the timing of related cash flows. Property taxes are recognized as revenue in the year for which they are levied.

Governmental fund financial statements are reported using the *current financial resources measurement focus* and the *modified accrual basis of accounting*. Revenue is recognized as soon as it is both measurable and available. Revenue is considered to be available when it is collectible within the current period or soon enough thereafter to pay liabilities of the current period. For this purpose, the District considers revenue to be available if collected within 60 days of the end of the current fiscal period. Expenditures generally are recorded when a liability is incurred, as under accrual accounting. However, debt service expenditures are recorded only when payment is due.

## Pearson Place Road District

### Notes to the Financial Statements

The District reports the following major governmental funds:

The **General Fund** is the District's primary operating fund. It accounts for all financial resources of the general government, except those required to be accounted for in another fund. There was no activity in this fund in fiscal year 2020.

The **Debt Service Fund** accounts for the resources accumulated and payments made for principal and interest on long-term general obligation debt of governmental funds.

As a general rule, the effect of interfund activity has been eliminated from the government-wide financial statements.

#### **Assets, Liabilities and Net Position or Equity**

##### Cash and Investments

Investments for the District are reported at fair market value. The State Treasurer's Investment Pool operates in accordance with appropriate state laws and regulations. The reported value of the pool is the same as the fair value of the pool shares.

##### Receivables and Payables

Property taxes are levied on October 1 and attach as an enforceable lien on property as of January 1. Statements are mailed on October 1, or as soon thereafter as possible, and are due upon receipt. All unpaid taxes become delinquent if not paid before February 1 of the following year. Governmental funds report deferred revenue in connection with receivables for revenue that is not considered to be available to liquidate liabilities of the current period. Governmental funds also defer revenue recognition in connection with resources that have been received, but not yet earned.

##### Long-term Obligations

In the government-wide financial statements, long-term debt and other long-term obligations are reported as liabilities in the applicable governmental activities statement of net position. Bond premiums and discounts are deferred and amortized over the life of the bonds using the straight-line method, which approximates the interest method. Bonds payable are reported net of the applicable bond premium or discount.

In the fund financial statements, governmental fund types recognize bond premiums and discounts, as well as bond issuance costs, during the current period. The face amount of debt issued is reported as other financing sources. Premiums received on debt issuances are reported as other financing sources while discounts on debt issuances are reported as other financing uses. Issuance costs, whether or not withheld from the actual debt proceeds received are reported as debt service expenditures.

## Pearson Place Road District

### Notes to the Financial Statements

#### Fund Equity

The District has adopted the provisions of GASB Statement No. 54, *Fund Balance Reporting and Government Fund Type Definitions* (GASB 54). The objective of the statement is to enhance the usefulness of fund balance information by providing clearer fund balance classifications that can be more consistently applied and by clarifying the existing government fund type definitions. The statement establishes fund balance classifications that comprise a hierarchy based primarily on the extent to which a government is bound to observe constraints imposed upon the use of the resources reported in governmental funds. Fund balance classifications, under GASB 54 are nonspendable, restricted for, committed to, assigned and unassigned. These classifications reflect not only the nature of funds, but also provide clarity to the level of restriction placed upon fund balance. Fund balance can have different levels of constraint, such as external versus internal compliance requirements. Unassigned fund balance is a residual classification within the General Fund. The General Fund should be the only fund that reports a positive unassigned balance. In all other funds, unassigned is limited to negative residual fund balance.

In accordance with GASB 54, the District classifies governmental fund balances as follows:

#### Restricted

Includes fund balance amounts that are constrained for specific purposes, which are externally imposed by providers, such as creditors, or amount restricted due to constitutional provisions or enabling legislation.

#### Unassigned

Includes residual positive fund balance within the General Fund, which has not been classified within the other above-mentioned categories. Unassigned fund balance may also include negative balances for any governmental fund if expenditures exceed amounts restricted, committed, or assigned for those specific purposes.

When both restricted and unassigned resources are available for use, it is the District's policy to use restricted resources first, then unrestricted resources as they are needed.

#### Net Position

Net position represents the difference between assets and liabilities. Net position is reported as restricted when there are limitations imposed on its use either through the enabling legislations adopted by the District or through external restrictions imposed by creditors or laws or regulations of other governments.

#### Estimates

The preparation of financial statements, in conformity with generally accepted accounting principles, requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosures of contingent liabilities at the date of the financial statements and the reported amounts of revenue and expenses during the reporting period. Actual amounts could differ from those estimates.

## **Note 2. Stewardship and Accountability**

### **Deficit Net Position**

A net position deficit of \$4,234,637 exists in governmental activities as of September 30, 2020. This deficit is the result of the District issuing bonds to finance the construction of roads that will be contributed to City of Austin. As of September 30, 2020, the amount of bonds outstanding that were used to finance construction of assets and pay debt service was \$4,920,000.

**Pearson Place Road District**  
Notes to the Financial Statements

**Note 3. Reconciliation of Government-Wide and Fund Financial Statements**

Amounts reported for net position of governmental activities in the statement of net position and governmental funds balance sheet are different because:

Fund balance - governmental funds	\$ 975,449
Property tax revenues earned by not available within 60 days of the year end are not recognized as revenue in the governmental funds	397
Accrued interest on bonds payable is not payable with current financial resources and is not reported in the funds	(19,850)
Long-term obligations are not due and payable in the current period and are not reported in the funds	(5,190,633)
<b>Net position (deficit) of governmental activities</b>	<b>\$ (4,234,637)</b>

Amounts reported for change in net position of governmental activities in the statement of activities and change in fund balance of governmental funds in the statement of revenues, expenditures, and changes in fund balance are different because:

Change in fund balance - governmental funds	\$ (20,005)
Property tax revenues that do not provide current financial resources are not reported as revenues in the governmental funds	321
Some expenses reported in the statement of activities do not require the use of current financial resources	13,301
Principal payments on long-term obligations are expensed in the funds but reduce the balance of these obligations payable in the statement of net position	165,000
<b>Change in net position of governmental activities</b>	<b>\$ 158,617</b>

**Note 4. Investments**

As of September 30, 2020, the District had the following investments:

Investment Type	Amortized Cost	Weighted Average Maturity (Days)
LOGIC	\$ 975,859	87
<b>Total investments</b>	<b>\$ 975,859</b>	

The District's investment in LOGIC (the Pool), which is a 2a7-like pool recorded at amortized cost. A 2a7-like pool is one which is not registered with the Securities and Exchange Commission (SEC) as an investment company, but nevertheless has a policy that it will, and does, operate in a manner consistent with the SEC's Rule 2a7 of the Investment Company Act of 1940.



## Pearson Place Road District

### Notes to the Financial Statements

LOGIC has been organized in conformity with the Texas Government Code and the Public Funds Investment Act, and is administered by J.P. Morgan Chase and FirstSouthwest. LOGIC is governed by a board of directors which has the authority to employ personnel, contract for services, and engage in other administrative activities necessary or convenient to accomplish the objectives of the Pool. The business and affairs of LOGIC is managed by its Board in accordance with its bylaws. The Bylaws set forth procedures governing the selection of, and action taken by the Board. Board oversight of LOGIC is maintained through daily, weekly, and monthly reporting requirements.

#### Interest Rate Risk

In accordance with its investment policy, the District manages its exposure to declines in fair market values by limiting the average dollar weighted maturity of its investment portfolios to a maximum of 180 days.

#### Credit Risk

It is the District's policy to limit its investments to investment types with an investment quality rating not less than A or its equivalent by a nationally recognized statistical rating organization. LOGIC was rated AAAm by Standard & Poor's Investors Service.

### Note 5. Long-term Obligations

#### Unlimited Tax Road Bonds

In August of 2016, the District issued \$5,315,000 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 rates ranging from 2.0% to 4.0% was payable at February 15 and August 15 of each year.

Long-term liability activity for the year ended September 30, 2020, was as follows:

Governmental Activities	Beginning Balance	Additions	Deletions	Ending Balance	Due Within One Year
Unlimited tax bonds	\$ 5,085,000	\$ -	\$ (165,000)	\$ 4,920,000	\$ 165,000
Premium on issuance of bonds	293,358	-	(13,335)	280,023	13,335
Discount on issuance of bonds	(9,837)	-	447	(9,390)	(447)
<b>Governmental activities long-term liabilities</b>	<b>\$ 5,368,521</b>	<b>\$ -</b>	<b>\$ (177,888)</b>	<b>\$ 5,190,633</b>	<b>\$ 177,888</b>

**Pearson Place Road District**  
Notes to the Financial Statements

Annual debt service requirements to maturity for general obligation bonds are as follows:

Years Ending September 30,	Governmental Activities		
	Principal	Interest	Total
2021	\$ 165,000	\$ 158,800	\$ 323,800
2022	170,000	155,500	325,500
2023	175,000	152,100	327,100
2024	180,000	146,850	326,850
2025	185,000	141,450	326,450
2026-2030	1,035,000	590,850	1,625,850
2031-2035	1,245,000	381,400	1,626,400
2036-2040	1,450,000	180,150	1,630,150
2041-2045	315,000	9,450	324,450
<b>Total</b>	<b>\$ 4,920,000</b>	<b>\$ 1,916,550</b>	<b>\$ 6,836,550</b>

## **Supplementary Information**

## Pearson Place Road District

Statement of Revenue, Expenditures and Changes in Fund Balance –  
Budget and Actual  
Debt Service Fund  
For the Fiscal Year Ended September 30, 2020

	Original and Final	Actual	Variance Positive (Negative)
REVENUES			
Property taxes	\$ 287,368	\$ 301,397	\$ 14,029
Interest	28,750	13,466	(15,284)
Total revenues	316,118	314,863	(1,255)
EXPENDITURES			
General government	7,800	7,368	432
Debt service	165,000	165,000	-
Interest and fiscal charges	162,500	162,500	-
Total expenditures	335,300	334,868	432
Net change in fund balance	(19,182)	(20,005)	(823)
FUND BALANCE, beginning	995,454	995,454	-
FUND BALANCE, ending	\$ 976,272	\$ 975,449	\$ (823)

# **Northwoods Road District No. 1**

Financial Report

For the Fiscal Year Ended September 30, 2020

**Northwoods Road District No. 1**  
Financial Report  
For the Fiscal Year Ended September 30, 2020  
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## Independent Auditor's Report

To the Board of Directors of  
Northwoods Road District No. 1

We have audited the accompanying financial statements of the governmental activities and each major fund of Northwoods Road District No. 1 (the District), a component unit of Williamson County, Texas (the County), as of and for the year ended September 30, 2020, and the related notes to the financial statements, which collectively comprise the District's basic financial statements as listed in the table of contents.

### Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in the United States of America; this includes the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

### Auditor's Responsibility

Our responsibility is to express opinions on these financial statements based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design 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. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

### Opinions

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities and each major fund of Northwoods Road District No. 1, as of September 30, 2020, and the respective changes in financial position thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

The Board of Directors of  
Northwoods Road District

### **Other Matter**

#### *Required Supplementary Information*

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis on pages 3 to 5 and budgetary comparison on page 15 to 16 be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, which considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the financial statements. We do not express an opinion or provide any assurance on the information, because the limited procedures do not provide us with sufficient evidence to express an opinion or provide assurance.

### **Emphasis of Matter**

As discussed in Note 1, the financial statements present only the District and do not purport to, and do not, present fairly the financial position of the County, as of September 30, 2020, the changes in its financial position, or, where applicable, its cash flows for the year then ended, in accordance with accounting principles generally accepted in the United States of America. Our opinion is not modified with respect to this matter.

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

WEAVER AND TIDWELL, L.L.P.

Austin, Texas  
March 26, 2021



## **Northwoods Road District No. 1**

### **Management's Discussion and Analysis**

For the Fiscal Year Ended September 30, 2020

As management of the Northwoods Road District No. 1 (the District), we offer readers of the District's financial statements this narrative overview and analysis of the financial activities of the District for the fiscal year ended September 30, 2020. We encourage readers to consider the information presented here in conjunction with the basic financial statements, which follow this section.

#### **Overview of the District**

The District is a political subdivision of the State of Texas created by order of the Williamson County Commissioners Court in August 2011, after holding a public hearing pursuant to Chapter 257 of the Texas Transportation Code. The District issues unlimited tax bonds for the purpose of developing roads in the district. The District fund is used to reimburse the developer for construction of the four-lane divided portion of Staked Plains Boulevard from Avery Ranch Subdivision to Lakeline Boulevard and the widening and extension of Lakeline Boulevard to a four lane arterial from Lake Creek east to the Capital Metro right-of-way. The District fund is also used to pay for the long-term debt expenditures for the district. The District is governed by a Board comprised of the Williamson County Commissioner's Court.

#### **Financial Highlights**

- The liabilities of Northwoods Road District No. 1 exceeded its assets as of September 30, 2020, by \$10,239,412 (i.e. net deficit).
- The District's total net position increased by \$307,252 during the year.
- Cash and investments equaled \$278,995.
- Annual expenses consist of debt service payments and related debt service fees such as paying agent/registrar fees and reimbursement to the developer and other professional services.

#### **Overview of the Financial Statements**

This discussion and analysis is intended to serve as an introduction to the District's basic financial statements. The District's basic financial statements are comprised of three components: (1) Management's Discussion and Analysis (this section); (2) government-wide financial statements, which include the fund financial statements, and (3) notes to the financial statements.

The financial statements include the statement of net position and governmental funds balance sheet and statement of activities and governmental funds statement of revenues, expenditures and changes in fund balance that present information for the District as a whole and provide an indication of the District's financial health.

The statement of net position presents information showing how the District's net position changed during the fiscal year. All changes in net position are reported when the underlying event giving rise to the change occurs, regardless of the timing of related cash flows. Thus, revenues and expenses are reported in this statement for some items that will only result in cash flows in future fiscal periods (e.g. uncollected taxes).

For fiscal year 2020, the District's taxable assessed value totaled approximately \$243,489,019 compared to \$239,738,564 in fiscal year 2019. The tax rate will be set after reviewing operating and debt service requirements. The District's primary revenue source is property taxes.

## Northwoods Road District No. 1

### Management's Discussion and Analysis – Continued

For the Fiscal Year Ended September 30, 2020

The District, like other state and local governments, uses fund accounting to ensure and demonstrate compliance with finance related legal requirements. The District's funds are governmental funds and, as such, the financial statements focus on current sources and uses of spendable resources, as well as on balances of spendable resources available at the end of the fiscal year. Such information may be useful in evaluating a government's near-term financing requirements.

The financial statements can be found on pages 6 and 7 of this report.

The notes to the financial statements provide additional information that is essential to a full understanding of the data provided in the financial statements. The notes to the financial statements can be found beginning on page 8 of this report.

### Financial Analysis

As noted earlier, net position may serve over time as a useful indicator of the District's financial position. As of September 30, 2020, the District's liabilities exceeded assets by \$10,239,412.

#### Northwoods Road District No. 1's Net Position

	2020	2019
Assets	\$ 280,862	\$ 279,686
Long-term liabilities	10,470,339	10,775,975
Other liabilities	49,935	50,375
Total liabilities	10,520,274	10,826,350
Net position		
Restricted	230,927	249,274
Unassigned	(10,470,339)	(10,795,938)
<b>TOTAL NET POSITION (DEFICIT)</b>	<b>\$ (10,239,412)</b>	<b>\$ (10,546,664)</b>

Overall, the District had an increase in net position of \$307,252. This increase is primarily related to the District paying down the principal balance of bonded debt.

## Northwoods Road District No. 1

### Management's Discussion and Analysis – Continued

For the Fiscal Year Ended September 30, 2020

#### Northwoods Road District No. 1's Change in Net Position

	2020	2019
Revenues		
General revenues		
Property taxes	\$ 688,446	\$ 683,055
Interest	6,789	24,027
Total general revenues	695,235	707,082
Expenses		
General government	10,669	2,005,830
Interest and fiscal charges	377,314	477,605
Total expenses	387,983	2,483,435
Change in net position	307,252	(1,776,353)
NET POSITION (DEFICIT), beginning	(10,546,664)	(8,770,311)
NET POSITION (DEFICIT), ending	\$ (10,239,412)	\$ (10,546,664)

The District owes \$9,905,000 to bond holders and has made \$10,669 in reimbursements to the developer for construction costs and other professional service costs as of September 30, 2020. Outstanding bonds make up the majority of the net position deficit.

#### Discussion of Currently Known Facts, Decision or Condition in Fiscal Year 2021

The property tax base for fiscal year 2021 is \$246,561,910. The tax rate is \$0.2725 on each \$100 of taxable value. Approximately 100% of the property tax will be set aside for debt service.

#### Requests for Information

This financial report is designed to provide our citizens with a general overview of the District's finances. If you have any questions about this report or need any additional information, please contact the Williamson County Auditor's Office at (512) 943-1500; 710 Main Street, Suite 301, Georgetown, Texas 78626.

**Northwoods Road District No. 1**

## Statement of Net Position and Governmental Funds

## Balance Sheet

September 30, 2020

	General	Debt Service	Totals	Adjustments	Statement of Net Position
<b>ASSETS</b>					
Cash and investments	\$ -	\$ 278,995	\$ 278,995	\$ -	\$ 278,995
Property tax receivable	-	1,867	1,867	-	1,867
<b>TOTAL ASSETS</b>	<u>\$ -</u>	<u>\$ 280,862</u>	<u>\$ 280,862</u>	<u>\$ -</u>	<u>\$ 280,862</u>
<b>LIABILITIES</b>					
Accounts payable	\$ -	\$ 410	\$ 410	\$ -	\$ 410
Interest payable	-	-	-	49,525	49,525
Non-current liabilities					
Due within one year	-	-	-	310,636	310,636
Due in more than one year	-	-	-	10,159,703	10,159,703
<b>Total liabilities</b>	<u>-</u>	<u>410</u>	<u>410</u>	<u>10,519,864</u>	<u>10,520,274</u>
<b>DEFERRED INFLOWS OF RESOURCES</b>					
Deferred property taxes	-	1,867	1,867	(1,867)	-
<b>Total deferred inflows of resources</b>	<u>-</u>	<u>1,867</u>	<u>1,867</u>	<u>(1,867)</u>	<u>-</u>
<b>FUND BALANCE / NET POSITION</b>					
Fund balance					
Restricted for debt service	-	278,585	278,585	(278,585)	
<b>Total fund balance</b>	<u>-</u>	<u>278,585</u>	<u>278,585</u>	<u>(278,585)</u>	
<b>TOTAL LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCE</b>	<u>\$ -</u>	<u>\$ 280,862</u>	<u>\$ 280,862</u>		
<b>NET POSITION (DEFICIT)</b>					
Restricted for debt service				230,927	230,927
Unassigned				(10,470,339)	(10,470,339)
<b>TOTAL NET POSITION (DEFICIT)</b>				<u>\$(10,239,412)</u>	<u>\$(10,239,412)</u>

The Notes to the Financial Statements are an integral part of this statement.

# Northwoods Road District No. 1

## Statement of Activities and Governmental Funds Statement of Revenues, Expenditures and Changes in Fund Balance For the Fiscal Year Ended September 30, 2020

	General	Debt Service	Totals	Adjustments	Statement of Activities
<b>EXPENDITURES/EXPENSES</b>					
General government	\$ 1,032	9,637	\$ 10,669	\$ -	\$ 10,669
Debt service					
Principal	-	280,000	280,000	(280,000)	-
Interest and other charges	-	403,800	403,800	(26,486)	377,314
Total expenditures / expenses	1,032	693,437	694,469	(306,486)	387,983
<b>GENERAL REVENUES</b>					
Property taxes	-	687,488	687,488	958	688,446
Interest	2,854	3,935	6,789	-	6,789
Total general revenues	2,854	691,423	694,277	958	695,235
<b>EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES</b>	1,822	(2,014)	(192)	307,444	307,252
<b>OTHER FINANCING SOURCES (USES)</b>					
Transfers Out	(251,096)	-	(251,096)	-	(251,096)
Transfers In		251,096	251,096	-	251,096
Total other financing sources (uses)	(251,096)	251,096	-	-	-
<b>CHANGES IN FUND BALANCE / NET POSITION</b>	(249,274)	249,082	(192)	307,444	307,252
<b>FUND BALANCE / NET POSITION, (DEFICIT), beginning of year</b>	249,274	29,503	278,777	(10,825,441)	(10,546,664)
<b>FUND BALANCE / NET POSITION (DEFICIT), end of year</b>	\$ -	\$ 278,585	\$ 278,585	\$ (10,517,997)	\$ (10,239,412)

The Notes to the Financial Statements are an integral part of this statement.

## Northwoods Road District No. 1

### Notes to the Financial Statements

#### Note 1. Summary of Significant Accounting Policies

##### Reporting Entity

Chapter 257 of the Texas Transportation Code and Chapter 1471, Texas Government Code allow a commissioners court of a county to establish one or more road districts in the county. A road district created pursuant to the Act is a political subdivision and a body corporate of the State of Texas. The Northwoods Road District No. 1 (the District) was created by order of the Williamson County Commissioners Court in August 2011, in accordance with the Texas Government Code and Article III, Section 52 of the Texas Constitution.

The District is governed by the Williamson County Commissioners Court and is a component unit of Williamson County.

On November 8, 2011, the District's voters authorized the issuance of unlimited tax bonds for the purpose of reimbursing the developer for the construction costs of developing roads within the District. The District issues unlimited tax bonds to reimburse the developer after each construction project is completed. The bonds are payable from property taxes.

##### Government-wide and Fund Financial Statements

The government-wide financial statements (i.e., the statement of net position and the statement of activities) report information on all of the activities of the District. *Governmental activities* are supported by property taxes and investment revenue.

The statement of activities demonstrates the degree to which the direct expenses of a given function are offset by program revenue. *Direct expenses* are those that are clearly identifiable with a specific function. *Program revenue* includes 1) charges to customers or applicants who purchase, use, or directly benefit from goods, services, or privileges provided by a given function, and 2) grants and contributions that are restricted to meeting the operational or capital requirements of a particular function. Property taxes and other items not properly included among program revenue are reported instead as *general revenue*.

The government-wide and fund financial statements are provided for the governmental funds of the District with a column for adjustments between the two statements.

##### Measurement Focus, Basis of Accounting and Financial Statement Presentation

The government-wide financial statements are reported using the *economic resources measurement focus* and the *accrual basis of accounting*. Revenue is recorded when earned, and expenses are recorded when a liability is incurred, regardless of the timing of related cash flows. Property taxes are recognized as revenue in the year for which they are levied.

Governmental fund financial statements are reported using the *current financial resources measurement focus* and the *modified accrual basis of accounting*. Revenue is recognized as soon as it is both measurable and available. Revenue is considered to be available when it is collectible within the current period or soon enough thereafter to pay liabilities of the current period. For this purpose, the District considers revenue to be available if collected within 60 days of the end of the current fiscal period. Expenditures generally are recorded when a liability is incurred, as under accrual accounting. However, debt service expenditures are recorded only when payment is due.

## Northwoods Road District No. 1

### Notes to the Financial Statements

The District reports the following major governmental funds:

The **General Fund** is the District's primary operating fund. It accounts for all financial resources of the general government, except those required to be accounted for in another fund.

The **Debt Service Fund** accounts for the resources accumulated and payments made for principal and interest on long-term general obligation debt of governmental funds.

As a general rule, the effect of interfund activity has been eliminated from the government-wide financial statements.

#### **Assets, Liabilities and Net Position or Equity**

##### Cash and Investments

Investments for the District are reported at fair market value. The State Treasurer's Investment Pool operates in accordance with appropriate state laws and regulations. The reported value of the pool is the same as the fair value of the pool shares.

##### Receivables and Payables

Property taxes are levied on October 1 and attach as an enforceable lien on property as of January 1. Statements are mailed on October 1, or as soon thereafter as possible, and are due upon receipt. All unpaid taxes become delinquent if not paid before February 1 of the following year. Governmental funds report deferred revenue in connection with receivables for revenue that is not considered to be available to liquidate liabilities of the current period. Governmental funds also defer revenue recognition in connection with resources that have been received, but not yet earned.

##### Long-term Obligations

In the government-wide financial statements, long-term debt and other long-term obligations are reported as liabilities in the applicable governmental activities statement of net position. Bond premiums and discounts are deferred and amortized over the life of the bonds using the straight-line method, which approximates the interest method. Bonds payable are reported net of the applicable bond premium or discount.

In the fund financial statements, governmental fund types recognize bond premiums and discounts, as well as bond issuance costs, during the current period. The face amount of debt issued is reported as other financing sources. Premiums received on debt issuances are reported as other financing sources while discounts on debt issuances are reported as other financing uses. Issuance costs, whether or not withheld from the actual debt proceeds received are reported as debt service expenditures.

## Northwoods Road District No. 1

### Notes to the Financial Statements

#### Fund Equity

The District has adopted the provisions of GASB Statement No. 54, *Fund Balance Reporting and Government Fund Type Definitions* (GASB 54). The objective of the statement is to enhance the usefulness of fund balance information by providing clearer fund balance classifications that can be more consistently applied and by clarifying the existing government fund type definitions. The statement establishes fund balance classifications that comprise a hierarchy based primarily on the extent to which a government is bound to observe constraints imposed upon the use of the resources reported in governmental funds. Fund balance classifications, under GASB 54 are nonspendable, restricted for, committed to, assigned and unassigned. These classifications reflect not only the nature of funds, but also provide clarity to the level of restriction placed upon fund balance. Fund balance can have different levels of constraint, such as external versus internal compliance requirements. Unassigned fund balance is a residual classification within the General Fund. The General Fund should be the only fund that reports a positive unassigned balance. In all other funds, unassigned is limited to negative residual fund balance.

In accordance with GASB 54, the District classifies governmental fund balances as follows:

#### Restricted

Includes fund balance amounts that are constrained for specific purposes, which are externally imposed by providers, such as creditors, or amount restricted due to constitutional provisions or enabling legislation.

#### Unassigned

Includes residual positive fund balance within the General Fund, which has not been classified within the other above-mentioned categories. Unassigned fund balance may also include negative balances for any governmental fund if expenditures exceed amounts restricted, committed, or assigned for those specific purposes.

When both restricted and unassigned resources are available for use, it is the District's policy to use restricted resources first, then unrestricted resources as they are needed.

#### Net Position

Net position represents the difference between assets and liabilities. Net position is reported as restricted when there are limitations imposed on its use either through the enabling legislations adopted by the District or through external restrictions imposed by creditors or laws or regulations of other governments.

#### Estimates

The preparation of financial statements, in conformity with generally accepted accounting principles, requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosures of contingent liabilities at the date of the financial statements and the reported amounts of revenue and expenses during the reporting period. Actual amounts could differ from those estimates.

## Note 2. Stewardship and Accountability

### Deficit Net Position

A net position deficit of \$10,239,412 exists in governmental activities as of September 30, 2020. This deficit is the result of the District issuing bonds to finance the construction of roads that will be contributed to City of Austin. As of September 30, 2020, the amount of bonds outstanding will be used to finance construction of assets and pay debt service.



## Northwoods Road District No. 1

### Notes to the Financial Statements

#### Note 3. Reconciliation of Government-Wide and Fund Financial Statements

Amounts reported for net position of governmental activities in the statement of net position and governmental funds balance sheet are different because:

Fund balance - governmental funds	\$ 278,585
Property tax revenues earned by not available within 60 days of the year end are not recognized as revenue in the governmental funds	1,867
Accrued interest on bonds payable is not payable with current financial resources and is not reported in the funds	(49,525)
Long-term obligations are not due and payable in the current period and are not reported in the funds	<u>(10,470,339)</u>
<b>Net position (deficit) of governmental activities</b>	<b><u>\$ (10,239,412)</u></b>

Amounts reported for change in net position of governmental activities in the statement of activities and change in fund balance of governmental funds in the statement of revenues, expenditures, and changes in fund balance are different because:

Change in fund balance - governmental funds	\$ (192)
Property tax revenues that do not provide current financial resources are not reported as revenues in the governmental funds	958
Some expenses reported in the statement of activities do not require the use of current financial resources	26,486
Principal payments on long-term obligations are expensed in the funds but reduce the balance of these obligations payable in the statement of net position	<u>280,000</u>
<b>Change in net position of governmental activities</b>	<b><u>\$ 307,252</u></b>

#### Note 4. Investments

As of September 30, 2020, the District had the following investments:

Investment Type	Amortized Cost	Weighted Average Maturity (Days)
LOGIC	<u>\$ 278,995</u>	87
<b>Total investments</b>	<b><u>\$ 278,995</u></b>	

The District's investment in LOGIC (the Pool), which is a 2a7-like pool recorded at amortized cost. A 2a7-like pool is one which is not registered with the Securities and Exchange Commission (SEC) as an investment company, but nevertheless has a policy that it will, and does, operate in a manner consistent with the SEC's Rule 2a7 of the Investment Company Act of 1940.

## Northwoods Road District No. 1

### Notes to the Financial Statements

LOGIC has been organized in conformity with the Texas Government Code and the Public Funds Investment Act, and is administered by J.P. Morgan Chase and FirstSouthwest. LOGIC is governed by a board of directors which has the authority to employ personnel, contract for services, and engage in other administrative activities necessary or convenient to accomplish the objectives of the Pool. The business and affairs of LOGIC is managed by its Board in accordance with its bylaws. The Bylaws set forth procedures governing the selection of, and action taken by the Board. Board oversight of LOGIC is maintained through daily, weekly, and monthly reporting requirements.

#### Interest Rate Risk

In accordance with its investment policy, the District manages its exposure to declines in fair market values by limiting the average dollar weighted maturity of its investment portfolios to a maximum of 180 days.

#### Credit Risk

It is the District's policy to limit its investments to investment types with an investment quality rating not less than A or its equivalent by a nationally recognized statistical rating organization. LOGIC was rated AAAm by Standard & Poor's Investors Service.

### Note 5. Long-term Obligations

#### Unlimited Tax Road Bonds

In September 2017, the District issued \$8,520,000 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 rates ranging from 2% to 4% are payable on February 15 and August 15 of each year.

In December 2018, the District issued \$2,345,000 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 rates ranging from 3% to 4% are payable on February 15 and August 15 of each year.

Long-term liability activity for the year ended September 30, 2020, was as follows:

Governmental Activities	Beginning Balance	Additions	Deletions	Ending Balance	Due Within One Year
Unlimited tax bonds	\$ 10,185,000	\$ -	\$ (280,000)	\$ 9,905,000	\$ 285,000
Premium on issuance of bonds	603,065	-	(26,140)	576,925	26,140
Discount on issuance of bonds	(12,090)	-	504	(11,586)	(504)
<b>Governmental activities long-term liabilities</b>	<b>\$ 10,775,975</b>	<b>\$ -</b>	<b>\$ (305,636)</b>	<b>\$ 10,470,339</b>	<b>\$ 310,636</b>

## Northwoods Road District No. 1

### Notes to the Financial Statements

Annual debt service requirements to maturity for general obligation bonds are as follows:

Years Ending September 30,	Governmental Activities		
	Principal	Interest	Total
2021	\$ 285,000	\$ 396,200	\$ 681,200
2022	295,000	384,800	679,800
2023	310,000	373,000	683,000
2024	320,000	360,600	680,600
2025	335,000	347,800	682,800
2026-2030	1,880,000	1,527,600	3,407,600
2031-2035	2,290,000	1,119,800	3,409,800
2036-2040	2,770,000	625,400	3,395,400
2041-2045	1,420,000	94,600	1,514,600
<b>Total</b>	<b>\$ 9,905,000</b>	<b>\$ 5,229,800</b>	<b>\$ 15,134,800</b>

## **Supplementary Information**

**Northwoods Road District No. 1**

Statement of Revenue, Expenditures and Changes in Fund Balance –  
Budget and Actual  
General Fund  
For the Fiscal Year Ended September 30, 2020

	<b>Original and Final</b>	<b>Actual</b>	<b>Variance Positive (Negative)</b>
REVENUES			
Interest	\$ -	\$ 2,854	\$ 2,854
Total revenues	-	2,854	2,854
EXPENDITURES			
Current			
General government	-	1,032	(1,032)
Total expenditures	-	1,032	(1,032)
<b>EXCESS OF REVENUES     UNDER EXPENDITURES</b>	-	1,822	1,822
OTHER FINANCING (USES)			
Transfers Out	-	(251,096)	(251,096)
Net change in fund balance	-	(249,274)	(249,274)
FUND BALANCE, beginning	249,274	249,274	-
<b>FUND BALANCE, ending</b>	<b>\$ 249,274</b>	<b>\$ -</b>	<b>\$ (249,274)</b>

**Northwoods Road District No. 1**

Statement of Revenue, Expenditures and Changes in Fund Balance –  
Budget and Actual  
Debt Service Fund  
For the Fiscal Year Ended September 30, 2020

	<b>Original and Final</b>	<b>Actual</b>	<b>Variance Positive (Negative)</b>
REVENUES			
Property taxes	\$ 688,068	\$ 687,488	\$ (580)
Interest	11,950	3,935	(8,015)
Total revenues	700,018	691,423	(8,595)
EXPENDITURES			
Current			
General government	10,200	9,637	563
Debt service			
Principal	280,000	280,000	-
Interest and other charges	403,800	403,800	-
Total expenditures	694,000	693,437	563
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	6,018	(2,014)	(8,032)
OTHER FINANCING SOURCES			
Transfers In	-	251,096	251,096
Net change in fund balance	6,018	249,082	243,064
FUND BALANCE, beginning	29,503	29,503	-
<b>FUND BALANCE, ending</b>	<b>\$ 35,521</b>	<b>\$ 278,585</b>	<b>\$ 243,064</b>

# **Somerset Hills Road District No. 4**

Financial Report

For the Fiscal Year Ended September 30, 2020

**Somerset Hills Road District No. 4**  
Financial Report  
For the Fiscal Year Ended September 30, 2020  
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## Independent Auditor's Report

To the Board of Directors of  
Somerset Hills Road District No. 4

We have audited the accompanying financial statements of the governmental activities and each major fund of Somerset Hills Road District No. 4 (the District), a component unit of Williamson County, Texas (the County), as of and for the year ended September 30, 2020, and the related notes to the financial statements, which collectively comprise the District's basic financial statements as listed in the table of contents.

### Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in the United States of America; this includes the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

### Auditor's Responsibility

Our responsibility is to express opinions on these financial statements based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design 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. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

### Opinions

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities and each major fund of Somerset Hills Road District No. 4, as of September 30, 2020, and the respective changes in financial position thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

The Board of Directors of  
Northwoods Road District

### **Other Matter**

#### *Required Supplementary Information*

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis on pages 3 to 5 and budgetary comparison on pages 14 and 15 be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, which considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the financial statements. We do not express an opinion or provide any assurance on the information, because the limited procedures do not provide us with sufficient evidence to express an opinion or provide assurance.

### **Emphasis of Matter**

As discussed in Note 1, the financial statements present only the District and do not purport to, and do not, present fairly the financial position of the County, as of September 30, 2020, the changes in its financial position, or, where applicable, its cash flows for the year then ended, in accordance with accounting principles generally accepted in the United States of America. Our opinion is not modified with respect to this matter.

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

WEAVER AND TIDWELL, L.L.P.

Austin, Texas  
March 26, 2021

## **Somerset Hills Road District No. 4**

### **Management's Discussion and Analysis**

#### **For the Fiscal Year Ended September 30, 2020**

As management of the Somerset Hills Road District No. 4 (the District), we offer readers of the District's financial statements this narrative overview and analysis of the financial activities of the District for the fiscal year ended September 30, 2020. We encourage readers to consider the information presented here in conjunction with the basic financial statements, which follow this section.

### **Overview of the District**

This District is a political subdivision of the State of Texas created by order of the Williamson County Commissioners Court in February 2008, after holding a public hearing pursuant to Chapter 257 of the Texas Transportation Code. The fund is used to reimburse the developer and Williamson County for its share of the costs associated with construction expenses and land dedication for Ronald Reagan Boulevard from Farm to Market Road 2338 to State Highway 195. The District is governed by a Board comprised of the Williamson County Commissioners Court.

### **Financial Highlights**

- The liabilities of Somerset Hills Road District No. 4 exceeded its assets as of September 30, 2020, by \$213,179 (i.e. net deficit).
- The District's total net position decreased by \$213,179 during the year.
- Cash and investments equaled \$3,694,631.
- Annual expenses consist of debt service payments and related debt service fees such as paying agent/registrar fees and professional services.
- Issuance of \$3,890,000 in Unlimited Tax Road Bonds with interest rates ranging from 1.5 – 5.15%

### **Overview of the Financial Statements**

This discussion and analysis is intended to serve as an introduction to the District's basic financial statements. The District's basic financial statements are comprised of three components: (1) Management's Discussion and Analysis (this section); (2) government-wide financial statements, which include the fund financial statements, and (3) notes to the financial statements.

The financial statements include the statement of net position and governmental funds balance sheet and statement of activities and governmental funds statement of revenues, expenditures and changes in fund balance that present information for the District as a whole and provide an indication of the District's financial health.

The statement of net position presents information showing how the District's net position changed during the fiscal year. All changes in net position are reported when the underlying event giving rise to the change occurs, regardless of the timing of related cash flows. Thus, revenues and expenses are reported in this statement for some items that will only result in cash flows in future fiscal periods (e.g. uncollected taxes).

## Somerset Hills Road District No. 4

### Management's Discussion and Analysis – Continued For the Fiscal Year Ended September 30, 2020

The District, like other state and local governments, uses fund accounting to ensure and demonstrate compliance with finance related legal requirements. The District's funds are governmental funds and, as such, the financial statements focus on current sources and uses of spendable resources, as well as on balances of spendable resources available at the end of the fiscal year. Such information may be useful in evaluating a government's near-term financing requirements.

The financial statements can be found on pages 6 and 7 of this report.

The notes to the financial statements provide additional information that is essential to a full understanding of the data provided in the financial statements. The notes to the financial statements can be found beginning on page 8 of this report.

### Financial Analysis

As noted earlier, net position may serve over time as a useful indicator of the District's financial position. As of September 30, 2020, the District's liabilities exceeded assets by \$213,179.

#### Somerset Hills Road District No. 4 Net Position

	2020
Assets	\$ 3,694,631
Long-term liabilities	3,890,000
Other liabilities	17,810
Total liabilities	3,907,810
Net position	
Restricted for debt service	116,767
Unassigned	(329,946)
<b>TOTAL NET POSITION (DEFICIT)</b>	<b>\$ (213,179)</b>

Overall, the District had a decrease in net position of \$213,179. This decrease is primarily related to the District issuing long-term bonded debt with no payments made as of year-end.

## Somerset Hills Road District No. 4

Management's Discussion and Analysis – Continued  
For the Fiscal Year Ended September 30, 2020

### Somerset Hills Road District No. 4's Change in Net Position

	2020
Revenues	
General revenues	
Interest	\$ 45
Total general revenues	45
Expenses	
General government	5,058
Interest and fiscal charges	208,166
Total expenses	213,224
Change in net position	(213,179)
NET POSITION (DEFICIT), beginning	-
NET POSITION (DEFICIT), ending	\$ (213,179)

The District owes \$3,890,000 to bond holders as of September 30, 2020. Outstanding interest and fiscal charges related to the bond make up the majority of the net position deficit.

### Discussion of Currently Known Facts, Decision or Condition in Fiscal Year 2021

The property tax base for fiscal year 2021 is \$73,430,071. The tax rate is \$0.29 on each \$100 of taxable value. Approximately 100% of the property tax will be set aside for debt service.

### Requests for Information

This financial report is designed to provide our citizens with a general overview of the District's finances. If you have any questions about this report or need any additional information, please contact the Williamson County Auditor's Office at (512) 943-1500; 710 Main Street, Suite 301, Georgetown, Texas 78626.

**Somerset Hills Road District No. 4**

## Statement of Net Position and Governmental Funds

## Balance Sheet

September 30, 2020

	General	Debt Service	Totals	Adjustments	Statement of Net Position
<b>ASSETS</b>					
Cash and investments	\$ 3,563,945	\$ 130,686	\$ 3,694,631	\$ -	\$ 3,694,631
<b>TOTAL ASSETS</b>	<u>\$ 3,563,945</u>	<u>\$ 130,686</u>	<u>\$ 3,694,631</u>	<u>\$ -</u>	<u>\$ 3,694,631</u>
<b>LIABILITIES</b>					
Accounts payable	\$ 3,891	\$ -	\$ 3,891	\$ -	\$ 3,891
Interest payable	-	-	-	13,919	13,919
Non-current liabilities					
Due within one year	-	-	-	120,000	120,000
Due in more than one year	-	-	-	3,770,000	3,770,000
Total liabilities	<u>3,891</u>	<u>-</u>	<u>3,891</u>	<u>3,903,919</u>	<u>3,907,810</u>
<b>FUND BALANCE / NET POSITION</b>					
Fund balance					
Restricted for debt service	-	130,686	130,686	(130,686)	
Restricted for construction	<u>3,560,054</u>	<u>-</u>	<u>3,560,054</u>	<u>(3,560,054)</u>	
Total fund balance	<u>3,560,054</u>	<u>130,686</u>	<u>3,690,740</u>	<u>(3,690,740)</u>	
<b>TOTAL LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCE</b>	<u>\$ 3,563,945</u>	<u>\$ 130,686</u>	<u>\$ 3,694,631</u>		
<b>NET POSITION (DEFICIT)</b>					
Restricted for debt service				116,767	116,767
Unassigned				(329,946)	(329,946)
<b>TOTAL NET POSITION (DEFICIT)</b>				<u>\$ (213,179)</u>	<u>\$ (213,179)</u>

The Notes to the Financial Statements are an integral part of this statement.

## Somerset Hills Road District No. 4

### Statement of Activities and Governmental Funds Statement of Revenues, Expenditures and Changes in Fund Balance For the Fiscal Year Ended September 30, 2020

	General	Debt Service	Totals	Adjustments	Statement of Activities
<b>EXPENDITURES/EXPENSES</b>					
General government	5,058	\$ -	\$ 5,058	\$ -	\$ 5,058
Debt service					
Interest and other charges	194,247	-	194,247	13,919	208,166
Total expenditures / expenses	199,305	-	199,305	13,919	213,224
<b>GENERAL REVENUES</b>					
Interest	43	2	45	-	45
Total general revenues	43	2	45	-	45
<b>EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES</b>	(199,262)	2	(199,260)	(13,919)	(213,179)
<b>OTHER FINANCING SOURCES (USES)</b>					
Issuance of long-term debt	3,759,316	130,684	3,890,000	(3,890,000)	-
Total other financing sources	3,759,316	130,684	3,890,000	(3,890,000)	-
<b>CHANGES IN FUND BALANCE / NET POSITION</b>	3,560,054	130,686	3,690,740	(3,903,919)	(213,179)
<b>FUND BALANCE / NET POSITION, (DEFICIT), beginning of year</b>	-	-	-	-	-
<b>FUND BALANCE / NET POSITION (DEFICIT), end of year</b>	\$ 3,560,054	\$ 130,686	\$ 3,690,740	\$ (3,903,919)	\$ (213,179)

The Notes to the Financial Statements are an integral part of this statement.

## Somerset Hills Road District No. 4

### Notes to the Financial Statements

#### Note 1. Summary of Significant Accounting Policies

##### Reporting Entity

Chapter 257 of the Texas Transportation Code and Chapter 1471, Texas Government Code allow a commissioners court of a county to establish one or more road districts in the county. A road district created pursuant to the Act is a political subdivision and a body corporate of the State of Texas. The Somerset Hills Road District No. 4 (the District) was created by order of the Williamson County Commissioners Court in February 2008, in accordance with the Texas Government Code and Article III, Section 52 of the Texas Constitution.

The District is governed by the Williamson County Commissioners Court and is a component unit of Williamson County.

On May 10, 2008, the District's voters authorized the issuance of unlimited tax bonds for the purpose of reimbursing the developer for the construction costs of developing roads within the District. The District issues unlimited tax bonds to reimburse the developer after each construction project is completed. The bonds are payable from property taxes.

##### Government-wide and Fund Financial Statements

The government-wide financial statements (i.e., the statement of net position and the statement of activities) report information on all of the activities of the District. *Governmental activities* are supported by property taxes and investment revenue.

The statement of activities demonstrates the degree to which the direct expenses of a given function are offset by program revenue. *Direct expenses* are those that are clearly identifiable with a specific function. *Program revenue* includes 1) charges to customers or applicants who purchase, use, or directly benefit from goods, services, or privileges provided by a given function, and 2) grants and contributions that are restricted to meeting the operational or capital requirements of a particular function. Property taxes and other items not properly included among program revenue are reported instead as *general revenue*.

The government-wide and fund financial statements are provided for the governmental funds of the District with a column for adjustments between the two statements.

##### Measurement Focus, Basis of Accounting and Financial Statement Presentation

The government-wide financial statements are reported using the *economic resources measurement focus* and the *accrual basis of accounting*. Revenue is recorded when earned, and expenses are recorded when a liability is incurred, regardless of the timing of related cash flows. Property taxes are recognized as revenue in the year for which they are levied.

Governmental fund financial statements are reported using the *current financial resources measurement focus* and the *modified accrual basis of accounting*. Revenue is recognized as soon as it is both measurable and available. Revenue is considered to be available when it is collectible within the current period or soon enough thereafter to pay liabilities of the current period. For this purpose, the District considers revenue to be available if collected within 60 days of the end of the current fiscal period. Expenditures generally are recorded when a liability is incurred, as under accrual accounting. However, debt service expenditures are recorded only when payment is due.



## Somerset Hills Road District No. 4

### Notes to the Financial Statements

The District reports the following major governmental funds:

The **General Fund** is the District's primary operating fund. It accounts for all financial resources of the general government, except those required to be accounted for in another fund.

The **Debt Service Fund** accounts for the resources accumulated and payments made for principal and interest on long-term general obligation debt of governmental funds.

As a general rule, the effect of interfund activity has been eliminated from the government-wide financial statements.

### **Assets, Liabilities and Net Position or Equity**

#### Cash and Investments

Investments for the District are reported at fair market value. The State Treasurer's Investment Pool operates in accordance with appropriate state laws and regulations. The reported value of the pool is the same as the fair value of the pool shares.

#### Long-term Obligations

In the government-wide financial statements, long-term debt and other long-term obligations are reported as liabilities in the applicable governmental activities statement of net position. Bond premiums and discounts are deferred and amortized over the life of the bonds using the straight-line method, which approximates the interest method. Bonds payable are reported net of the applicable bond premium or discount.

In the fund financial statements, governmental fund types recognize bond premiums and discounts, as well as bond issuance costs, during the current period. The face amount of debt issued is reported as other financing sources. Premiums received on debt issuances are reported as other financing sources while discounts on debt issuances are reported as other financing uses. Issuance costs, whether or not withheld from the actual debt proceeds received are reported as debt service expenditures.

#### Fund Equity

The District has adopted the provisions of GASB Statement No. 54, *Fund Balance Reporting and Government Fund Type Definitions* (GASB 54). The objective of the statement is to enhance the usefulness of fund balance information by providing clearer fund balance classifications that can be more consistently applied and by clarifying the existing government fund type definitions. The statement establishes fund balance classifications that comprise a hierarchy based primarily on the extent to which a government is bound to observe constraints imposed upon the use of the resources reported in governmental funds. Fund balance classifications, under GASB 54 are nonspendable, restricted for, committed to, assigned and unassigned. These classifications reflect not only the nature of funds, but also provide clarity to the level of restriction placed upon fund balance. Fund balance can have different levels of constraint, such as external versus internal compliance requirements. Unassigned fund balance is a residual classification within the General Fund. The General Fund should be the only fund that reports a positive unassigned balance. In all other funds, unassigned is limited to negative residual fund balance.

In accordance with GASB 54, the District classifies governmental fund balances as follows:

#### Restricted

Includes fund balance amounts that are constrained for specific purposes, which are externally imposed by providers, such as creditors, or amount restricted due to constitutional provisions or enabling legislation.

**Somerset Hills Road District No. 4**

Notes to the Financial Statements

Unassigned

Includes residual positive fund balance within the General Fund, which has not been classified within the other above-mentioned categories. Unassigned fund balance may also include negative balances for any governmental fund if expenditures exceed amounts restricted, committed, or assigned for those specific purposes.

When both restricted and unassigned resources are available for use, it is the District's policy to use restricted resources first, then unrestricted resources as they are needed.

Net Position

Net position represents the difference between assets and liabilities. Net position is reported as restricted when there are limitations imposed on its use either through the enabling legislations adopted by the District or through external restrictions imposed by creditors or laws or regulations of other governments.

Estimates

The preparation of financial statements, in conformity with generally accepted accounting principles, requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosures of contingent liabilities at the date of the financial statements and the reported amounts of revenue and expenses during the reporting period. Actual amounts could differ from those estimates.

**Note 2. Stewardship and Accountability**

**Deficit Net Position**

A net position deficit of \$213,179 exists in governmental activities as of September 30, 2020. This deficit is the result of the District issuing bonds to finance the construction of roads that will be contributed to City of Georgetown. As of September 30, 2020, the amount of bonds outstanding will be used to finance construction of assets and pay debt service.

**Note 3. Reconciliation of Government-Wide and Fund Financial Statements**

Amounts reported for net position of governmental activities in the statement of net position and governmental funds balance sheet are different because:

Fund balance - governmental funds	\$ 3,690,740
Accrued interest on bonds payable is not payable with current financial resources and is not reported in the funds	(13,919)
Long-term obligations are not due and payable in the current period and are not reported in the funds	(3,890,000)
<b>Net position (deficit) of governmental activities</b>	<u><u>\$ (213,179)</u></u>

## Somerset Hills Road District No. 4

### Notes to the Financial Statements

Amounts reported for change in net position of governmental activities in the statement of activities and change in fund balance of governmental funds in the statement of revenues, expenditures, and changes in fund balance are different because:

Change in fund balance - governmental funds	\$ 3,690,740
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Some expenses reported in the statement of activities do not require the use of current financial resources	(13,919)
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The issuance of long-term debt (e.g., bonds) provides current financial resources to governmental funds, while the repayment of the principal of long-term debt consumes the current financial resources of governmental funds. Neither transaction, however, has any effect on net assets. Also, the governmental funds report the effect of issuance costs, premiums, discounts, and similar items when debt is first issued, whereas these amounts are deferred and amortized in the statement of activities. This amount is the net effect of these differences in the treatment of long-term debt related items.	(3,890,000)
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<b>Change in net position of governmental activities</b>	<b>\$ (213,179)</b>
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## Note 4. Investments

As of September 30, 2020, the District had the following investments:

Investment Type	Amortized Cost	Weighted Average Maturity (Days)
LOGIC	\$ 3,694,631	87
<b>Total investments</b>	<b>\$ 3,694,631</b>	

The District's investment in LOGIC (the Pool), which is a 2a7-like pool recorded at amortized cost. A 2a7-like pool is one which is not registered with the Securities and Exchange Commission (SEC) as an investment company, but nevertheless has a policy that it will, and does, operate in a manner consistent with the SEC's Rule 2a7 of the Investment Company Act of 1940.

LOGIC has been organized in conformity with the Texas Government Code and the Public Funds Investment Act, and is administered by J.P. Morgan Chase and FirstSouthwest. LOGIC is governed by a board of directors which has the authority to employ personnel, contract for services, and engage in other administrative activities necessary or convenient to accomplish the objectives of the Pool. The business and affairs of LOGIC is managed by its Board in accordance with its bylaws. The Bylaws set forth procedures governing the selection of, and action taken by the Board. Board oversight of LOGIC is maintained through daily, weekly, and monthly reporting requirements.

## Interest Rate Risk

In accordance with its investment policy, the District manages its exposure to declines in fair market values by limiting the average dollar weighted maturity of its investment portfolios to a maximum of 180 days.

## Somerset Hills Road District No. 4

### Notes to the Financial Statements

#### Credit Risk

It is the District's policy to limit its investments to investment types with an investment quality rating not less than A or its equivalent by a nationally recognized statistical rating organization. LOGIC was rated AAAM by Standard & Poor's Investors Service.

#### Note 5. Long-term Obligations

##### Unlimited Tax Road Bonds

In September 2020, the District issued \$2,555,000 in Unlimited Taxable 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 rates ranging from 2.45% to 5.15% are payable on February 15 and August 15 of each year.

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 rates ranging from 1.5% to 3.1% are payable on February 15 and August 15 of each year.

Long-term liability activity for the year ended September 30, 2020, was as follows:

Governmental Activities	Beginning Balance	Additions	Deletions	Ending Balance	Due Within One Year
Unlimited tax bonds	\$ -	\$ 3,890,000	\$ -	\$ 3,890,000	\$ 120,000
<b>Governmental activities long-term liabilities</b>	<b>\$ -</b>	<b>\$ 3,890,000</b>	<b>\$ -</b>	<b>\$ 3,890,000</b>	<b>\$ 120,000</b>

Annual debt service requirements to maturity for general obligation bonds are as follows:

Years Ending September 30,	Governmental Activities		
	Principal	Interest	Total
2021	\$ 120,000	\$ 129,365	\$ 249,365
2022	105,000	144,866	249,866
2023	105,000	142,529	247,529
2024	110,000	140,042	250,042
2025	115,000	137,264	252,264
2026-2030	615,000	635,825	1,250,825
2031-2035	735,000	524,712	1,259,712
2036-2040	885,000	364,962	1,249,962
2041-2045	1,100,000	153,030	1,253,030
<b>Total</b>	<b>\$ 3,890,000</b>	<b>\$ 2,372,594</b>	<b>\$ 6,262,594</b>

## **Supplementary Information**

**Somerset Hills Road District No. 4**

Statement of Revenue, Expenditures and Changes in Fund Balance –  
Budget and Actual  
General Fund  
For the Fiscal Year Ended September 30, 2020

	Original and Final	Actual	Variance Positive (Negative)
REVENUES			
Interest	\$ -	\$ 43	\$ 43
Total revenues	-	43	43
EXPENDITURES			
Current			
General government	-	5,058	(5,058)
Debt service			
Interest and other charges	-	194,247	(194,247)
Total expenditures	-	199,305	(199,305)
DEFICIENCY OF REVENUES UNDER EXPENDITURES	-	(199,262)	(199,262)
OTHER FINANCING SOURCES			
Issuance of long-term debt	-	3,759,316	3,759,316
Net change in fund balance	-	3,560,054	3,560,054
FUND BALANCE, beginning	-	-	-
FUND BALANCE, ending	\$ -	\$ 3,560,054	\$ 3,560,054

**Somerset Hills Road District No. 4**

Statement of Revenue, Expenditures and Changes in Fund Balance –  
Budget and Actual  
Debt Service Fund  
For the Fiscal Year Ended September 30, 2020

	Original and Final	Actual	Variance Positive (Negative)
REVENUES			
Interest	\$ -	\$ 2	\$ 2
Total revenues	-	2	2
 EXCESS OF REVENUES OVER EXPENDITURES	-	2	2
 OTHER FINANCING SOURCES			
Issuance of long-term debt	-	130,684	130,684
Net change in fund balance	-	130,686	130,686
 FUND BALANCE, beginning	-	-	-
 FUND BALANCE, ending	\$ -	\$ 130,686	\$ 130,686

**Road District****3.****Meeting Date:** 04/20/2021

Road District Invoices

**Submitted For:** Melanie Denny**Submitted By:** Melanie Denny, County Auditor**Department:** County Auditor

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**Information****Agenda Item**

Discuss and take appropriate action on the Avery Ranch Road District, the Pearson Place Road District, the Northwoods Road District and the Somerset Hills Road District including, but not limited to payment of bills.

**Background**

The individual bills attached are Sheets and Crossfield and Weaver and Tidwell. The invoices from Sheets and Crossfield are professional services for the Somerset Road District for the months of February and March. The amount due is \$350.00. The invoice from Weaver is the final billing of the annual audit services from Weaver and Tidwell. The amount due by the Road Districts is \$3,400 for Avery Ranch, \$2,750 for Pearson Place, \$2,750 for Northwoods and \$2,750 for Somerset Hills No 4.

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**Fiscal Impact**

From/To	Acct No.	Description	Amount
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**Attachments**

Sheets & Crossfield  
Road Districts Financial Audit Invoice

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**Form Review****Inbox**

County Judge Exec Asst.

Form Started By: Melanie Denny

Final Approval Date: 04/12/2021

**Reviewed By**

Andrea Schiele

**Date**

04/12/2021 01:00 PM

Started On: 04/05/2021 03:49 PM



309 E. Main St.  
Round Rock, TX 78664  
(512) 255-8877

Williamson County  
Williamson County Commissioner's Court  
Honorable Judge Bill Gravell Jr.  
710 Main Street  
Georgetown, TX 78626

### Professional Fees:

Sub-total Fees:

**Total Now Due:**

**\$50.00**

Name	Hours	Rate	Amount
Charlie Crossfield	0.20	250.00	\$50.00

## Sheets & Crossfield, PLLC

309 E. Main St.  
Round Rock, TX 78664

(512) 255-8877

March 31, 2021

Invoice 51901

Williamson County  
Williamson County Commissioner's Court  
Honorable Judge Bill Gravell Jr.  
710 Main Street  
Georgetown, TX 78626

Somerset Road District 3 & 4  
(Somerset Hills - P13)  
Matter ID: 1027.0810

### Professional Fees:

			<u>Hours</u>	<u>Amount</u>
03/08/21	CDC	Phone conference with Mark Dietz.	0.20	\$50.00
03/10/21	CDC	Read and respond to email from Commissioner Covey regarding Craig Wiseman.	0.20	\$50.00
03/11/21	CDC	Read and respond to email from Joe Birdwell regarding Highland Village Phase I and II.	0.20	\$50.00
03/15/21	CDC	Read and respond to email from Julie Kiley regarding Highland Village Phase I and II.	0.20	\$50.00
03/18/21	CDC	Read and respond to email from Birdwell regarding Highland Village Phase I and II; read and respond to email from Jennifer Ryken regarding same.	0.40	\$100.00
Sub-total Fees:			<u>1.20</u>	<u>\$300.00</u>

### Total Now Due:

\$ 300.00

### Timekeeper Summary

<u>Name</u>	<u>Hours</u>	<u>Rate</u>	<u>Amount</u>
Charlie Crossfield	1.20	250.00	\$300.00



Client Number: 1001057  
Invoice Date: 3/31/2021  
Invoice Number: 10665691  
Invoice Amount: \$15,350.00  
Amount Paid: \_\_\_\_\_

Williamson County  
Ms. Julie Kiley  
710 South Main St., Suite 301  
Georgetown, TX 78626

Make Check Payable / Remit To:  
Weaver and Tidwell, LLP  
2821 West 7th Street, Suite 700  
Fort Worth, TX 76107

Pay Online:  
<https://weaver.com/payment>

*Keep lower portion for your records - Please return upper portion with payment*

Service	Amount
Invoice Date: 3/31/2021 Invoice Number: 10665691 Client Number: 1001057	
Final bill for the audit of Williamson County CAFR as of and for the year ended September 30, 2020 - \$3,700	
Final bill also includes the following separate charges for the road district reports:	
Final bill for the audit of Avery Ranch Road District No. 1 as of and for the year ended September 30, 2020 - \$3,400	
Final bill for the audit of Pearson Place Road District as of and for the year ended September 30, 2020 - \$2,750	
Final bill for the audit of Northwoods Road District No. 1 as of and for the year ended September 30, 2020 - \$2,750	
Final bill for the audit of Somerset Hills Road District No. 4 as of and for the year ended September 30, 2020 - \$2,750	
Total	15,350.00
Current invoice amount due	\$ 15,350.00

Payment is due upon receipt in U.S. dollars. Please note client number and invoice number on remittance.  
Please visit us at [weaver.com](http://weaver.com) for location information. Direct invoice inquiries to (817) 882-7740,  
or e-mail [AccountsReceivable@weaver.com](mailto:AccountsReceivable@weaver.com).

**ACH/Wire Info: Amegy Bank - ABA Routing No. 113011258, Account No. 5799078844, Swift No. ZFNBUS55**

**Pay online at <https://weaver.com/payment>**

**Road District**

**4.**

**Meeting Date:** 04/20/2021

Road District Collections – March 2021

**Submitted For:** Larry Gaddes

**Submitted By:** Renee Clark, County Tax  
Assessor Collector

**Department:** County Tax Assessor Collector

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**Information**

**Agenda Item**

Discuss, consider, and take appropriate action on approving road district collections for the month of Month 2021 for the Williamson County Tax Assessor/Collector.

**Background**

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**Fiscal Impact**

From/To	Acct No.	Description	Amount
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**Attachments**

030121-033121 Road Dist

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**Form Review**

**Inbox**

County Judge Exec Asst.

Form Started By: Renee Clark

Final Approval Date: 04/08/2021

**Reviewed By**

Andrea Schiele

**Date**

04/08/2021 10:50 AM

Started On: 04/08/2021 10:41 AM

**YEAR TO DATE - COLLECTION REPORT**  
**Williamson County Road Districts**  
**March 31, 2021**

<b>Avery Ranch Road District</b>	Annual Assessment Liens	Adjustments	Adjusted Assessment Liens	Current Tax Collected	Penalty & Interest Collected	Variance	Uncollected Balance	YTD Collected	YTD Percent Collected	YTD Percent Collected w/P&I	YTD Percent Collected w/P&I & Prior Years
2020	\$1,221,708.59	(\$349.23)	\$1,221,359.36	\$8,877.42	\$429.63	\$0.00	\$13,405.85	\$1,207,953.51	98.90%	98.99%	99.07%
2019 & Prior	\$5,071.10	(\$39.67)	\$5,031.43	\$40.24	\$10.46	\$0.00	\$4,151.13	\$880.30	17.50%	21.07%	
<b>Total All</b>	<b>\$1,226,779.69</b>	<b>(\$388.90)</b>	<b>\$1,226,390.79</b>	<b>\$8,917.66</b>	<b>\$440.09</b>	<b>\$0.00</b>	<b>\$17,556.98</b>	<b>\$1,208,833.81</b>	<b>98.57%</b>	<b>98.67%</b>	

  

<b>Sommerset Hills Road District</b>	Annual Assessment Liens	Adjustments	Adjusted Assessment Liens	Current Tax Collected	Penalty & Interest Collected	Variance	Uncollected Balance	YTD Collected	YTD Percent Collected	YTD Percent Collected w/P&I	YTD Percent Collected w/P&I & Prior Years
2020	\$216,825.58	(\$267.84)	\$216,557.74	\$2,061.07	\$0.00	\$0.00	\$5,959.00	\$210,598.74	97.25%	97.27%	97.27%
2019 & Prior	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	0.00%	0.00%	
<b>Total All</b>	<b>\$216,825.58</b>	<b>(\$267.84)</b>	<b>\$216,557.74</b>	<b>\$2,061.07</b>	<b>\$0.00</b>	<b>\$0.00</b>	<b>\$5,959.00</b>	<b>\$210,598.74</b>	<b>97.25%</b>	<b>97.27%</b>	

  

<b>Pearson Place Road District</b>	Annual Assessment Liens	Adjustments	Adjusted Assessment Liens	Current Tax Collected	Penalty & Interest Collected	Variance	Uncollected Balance	YTD Collected	YTD Percent Collected	YTD Percent Collected w/P&I	YTD Percent Collected w/P&I & Prior Years
2020	\$327,852.81	(\$4.58)	\$327,848.23	\$1,431.27	\$90.22	\$0.00	\$3,335.96	\$324,512.27	98.98%	99.03%	99.03%
2019 & Prior	\$404.22	\$0.00	\$404.22	\$0.00	\$0.00	\$0.00	\$404.22	\$0.00	0.00%	0.00%	
<b>Total All</b>	<b>\$328,257.03</b>	<b>(\$4.58)</b>	<b>\$328,252.45</b>	<b>\$1,431.27</b>	<b>\$90.22</b>	<b>\$0.00</b>	<b>\$3,740.18</b>	<b>\$324,512.27</b>	<b>98.86%</b>	<b>98.91%</b>	

  

<b>Northwoods Road District #1</b>	Annual Assessment Liens	Adjustments	Adjusted Assessment Liens	Current Tax Collected	Penalty & Interest Collected	Variance	Uncollected Balance	YTD Collected	YTD Percent Collected	YTD Percent Collected w/P&I	YTD Percent Collected w/P&I & Prior Years
2020	\$689,761.96	(\$380.52)	\$689,381.44	\$2,956.36	\$43.36	\$0.00	\$13,372.73	\$676,008.71	98.06%	98.10%	98.10%
2019 & Prior	\$1,866.75	\$0.00	\$1,866.75	\$0.00	\$0.00	\$0.00	\$1,866.75	\$0.00	0.00%	0.00%	
<b>Total All</b>	<b>\$691,628.71</b>	<b>(\$380.52)</b>	<b>\$691,248.19</b>	<b>\$2,956.36</b>	<b>\$43.36</b>	<b>\$0.00</b>	<b>\$15,239.48</b>	<b>\$676,008.71</b>	<b>97.80%</b>	<b>97.83%</b>	