

## **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 25, 2023**  
**10:00 A.M.**

The Commissioners Court of Williamson County, Texas, under the authority and pursuant to Texas Transportation Code, Chapter 257, will meet in regular session on Tuesday, April 25, 2023, at 10:00 a.m. 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 2022 Avery Ranch, Pearson Place, Northwoods, and Somerset Hills #4 Road Districts Annual Financial Reports. 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 March 2023 for the Williamson County Tax Assessor/Collector.

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Bill Gravell, Jr., County Judge

**Road District****2.****Meeting Date:** 04/25/2023

Fiscal Year 2022 Annual Financial Road District Reports

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

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**Information****Agenda Item**

Receive, review and discuss the Fiscal Year 2022 Avery Ranch, Pearson Place, Northwoods, and Somerset Hills #4 Road Districts Annual Financial Reports. Take any appropriate action as deemed necessary regarding the same.

**Background**

This presentation will be made by Julie Kiley, County Auditor.

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**Fiscal Impact**

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

2022 Avery Ranch Road District #1 Financial Report  
2022 Pearson Place Road District Financial Report  
2022 Northwoods Road District #1 Financial Report  
2022 Somerset Hills Road District #4 Financial Report

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**Form Review****Inbox**

County Judge Exec Asst.

Form Started By: Ganae Hempe

Final Approval Date: 04/19/2023

**Reviewed By**

Becky Pruitt

**Date**

04/19/2023 09:44 AM

Started On: 04/18/2023 09:16 AM

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

Financial Report

For the Fiscal Year End September 30, 2022

**Avery Ranch Road District No. 1**  
Financial Report  
For the Fiscal Year End September 30, 2022  
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## Independent Auditor's Report

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

### Report on the Audit of the Financial Statements

#### Opinions

We have audited the 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, 2022, and the related notes to the financial statements, which collectively comprise the District's basic financial statements as listed in the table of contents.

In our opinion, the accompanying financial statements present fairly, in all material respects, the respective financial position of the governmental activities and each major fund of the District, as of September 30, 2022, and the respective changes in financial position and, where applicable, cash flows thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

#### Basis for Opinions

We conducted our audit in accordance with auditing standards generally accepted in the United States of America (GAAS) and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of the District and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

#### 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, 2022, 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.

#### Responsibilities of Management for the Financial Statements

The District's management is responsible for the preparation and fair presentation of the financial statements in accordance with accounting principles generally accepted in the United States of America, and for 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.

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

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about the District's ability to continue as a going concern for twelve months beyond the financial statement date, including any currently known information that may raise substantial doubt shortly thereafter.

### ***Auditor's Responsibilities for the Audit of the Financial Statements***

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinions. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with GAAS will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

In performing an audit in accordance with GAAS, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit 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 District's internal control. Accordingly, no such opinion is expressed.<sup>5</sup>
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about the District's ability to continue as a going concern for a reasonable period of time.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit, significant audit findings, and certain internal control-related matters that we identified during the audit.

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

**Required Supplementary Information**

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis on pages 4 to 6 and budgetary comparison on page 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.

**Supplementary Information**

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the District's basic financial statements. The Supplementary Information, as listed in the table of contents, is presented for purposes of additional analysis and is not a required part of the basic financial statements. Supplementary Information has not been subjected to the auditing procedures applied in the audit of the basic financial statements and, accordingly, we do not express an opinion or provide any assurance on the information.

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

WEAVER AND TIDWELL, L.L.P.

Austin, Texas  
March 30, 2023

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

### **Management's Discussion And Analysis For the Fiscal Year Ended September 30, 2022**

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, 2022. 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, 2022, by \$2,213,521 (i.e., net deficit).
- The District's total net position increased by \$1,147,292 during the year.
- Cash and investments equaled \$234,191.
- 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. This report also contains other supplementary information in addition to the basic financial statements themselves.

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, 2022

In fiscal year 2022, the District's taxable assessed value totaled \$1,833,530,199 compared to \$1,647,788,100 in fiscal year 2021. 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 7 and 8 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 9 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, 2022, the District's liabilities exceeded assets by \$2,213,521.

#### Avery Ranch Road District Net Position

	2022	2021
Assets and deferred outflows	\$ 239,440	\$ 265,270
Long-term liabilities	2,442,398	3,611,939
Other liabilities	10,563	14,144
Total liabilities	2,452,961	3,626,083
Net position		
Restricted	228,877	251,126
Unassigned	(2,442,398)	(3,611,939)
Total net position (deficit)	\$ (2,213,521)	\$ (3,360,813)

Overall, the District had an increase in net position of \$1,147,292. 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, 2022

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

	2022	2021
Revenues		
General revenues		
Assessments	\$ 1,221,633	\$ 1,221,624
Interest	7,159	898
Total general revenues	1,228,792	1,222,522
Expenses		
General government	15,872	15,170
Interest and fiscal charges	65,628	93,688
Total expenses	81,500	108,858
Change in net position	1,147,292	1,113,664
NET POSITION (DEFICIT), beginning	(3,360,813)	(4,474,477)
<b>NET POSITION (DEFICIT), ending</b>	<b>\$ (2,213,521)</b>	<b>\$ (3,360,813)</b>

The Debt Service Fund remitted bond principal payments of \$1,125,000 and interest and fiscal charges of \$113,750 for fiscal year 2022.

The District owes \$2,340,000 to bond holders as of September 30, 2022. 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 2023

The property tax base for fiscal year 2023 is \$2,183,129,148. The tax rate is \$0.0414 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, 2022

	<b>Debt Service</b>	<b>Totals</b>	<b>Adjustments</b>	<b>Statement of Net Position</b>
<b>ASSETS</b>				
Cash and investments	\$ 234,191	\$ 234,191	\$ -	\$ 234,191
Property tax receivable	5,249	5,249	-	5,249
<b>TOTAL ASSETS</b>	<u>\$ 239,440</u>	<u>\$ 239,440</u>	<u>\$ -</u>	<u>\$ 239,440</u>
<b>LIABILITIES</b>				
Interest payable	\$ -	\$ -	\$ 10,563	\$ 10,563
Non-current liabilities				
Due within one year	-	-	944,132	944,132
Due in more than one year	-	-	1,498,266	1,498,266
Total liabilities	-	-	2,452,961	2,452,961
<b>DEFERRED INFLOWS OF RESOURCES</b>				
Deferred property taxes	5,014	5,014	(5,014)	-
Total deferred inflows of resources	5,014	5,014	(5,014)	-
<b>FUND BALANCE/NET POSITION</b>				
Fund balance				
Restricted for debt service	234,426	234,426	(234,426)	
Total fund balance	234,426	234,426	(234,426)	
<b>Total liabilities, deferred inflows of resources and fund balance</b>	<u>\$ 239,440</u>	<u>\$ 239,440</u>		
<b>NET POSITION (DEFICIT)</b>				
Restricted for debt service			228,877	228,877
Unassigned			(2,442,398)	(2,442,398)
<b>TOTAL NET POSITION (DEFICIT)</b>			<u>\$ (2,213,521)</u>	<u>\$ (2,213,521)</u>

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, 2022

	<b>Debt Service</b>	<b>Totals</b>	<b>Adjustments</b>	<b>Statement of Activities</b>
<b>EXPENDITURES/EXPENSES</b>				
Current				
General government	\$ 15,872	\$ 15,872	\$ -	\$ 15,872
Debt service				
Principal	1,125,000	1,125,000	(1,125,000)	-
Interest and fiscal charges	113,750	113,750	(48,122)	65,628
	<u>1,254,622</u>	<u>1,254,622</u>	<u>(1,173,122)</u>	<u>81,500</u>
Total expenditures/expenses				
	1,254,622	1,254,622	(1,173,122)	81,500
<b>GENERAL REVENUES</b>				
Property taxes	1,220,980	1,220,980	653	1,221,633
Interest	7,159	7,159	-	7,159
	<u>1,228,139</u>	<u>1,228,139</u>	<u>653</u>	<u>1,228,792</u>
Total general revenues				
	1,228,139	1,228,139	653	1,228,792
<b>EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES</b>	<u>(26,483)</u>	<u>(26,483)</u>	<u>1,173,775</u>	<u>1,147,292</u>
<b>FUND BALANCE / NET POSITION (DEFICIT)</b>				
Beginning	<u>260,909</u>	<u>260,909</u>	<u>(3,621,722)</u>	<u>(3,360,813)</u>
Ending	<u>\$ 234,426</u>	<u>\$ 234,426</u>	<u>\$ (2,447,947)</u>	<u>\$ (2,213,521)</u>

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 2022.

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 \$2,213,521 exists in governmental activities as of September 30, 2022. 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, 2022, the amount of bonds outstanding that were used to finance construction of assets transferred to the City of Austin was \$2,340,000.

## 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>	\$ 234,426
Property tax revenues earned but not available within 60 days of the year ended are not recognized as revenue in the governmental funds	5,014
Accrued interest on bonds payable is not payable with current financial resources and is not reported in the funds	(10,563)
Long-term obligations are not due and payable in the current period and are not reported in the funds	<u>(2,442,398)</u>
<b>Net position (deficit) of governmental activities</b>	<u><u>\$ (2,213,521)</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	\$ (26,483)
Property tax revenues that do not provide current financial resources are not reported as revenues in the governmental funds	653
Some expenses reported in the statement of activities do not require the use of current financial resources	48,122
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>1,125,000</u>
<b>Change in net position of governmental activities</b>	<u><u>\$ 1,147,292</u></u>

#### Note 4. Investments

As of September 30, 2022, the District had the following investments:

<u>Investment type</u>	<u>Amortized Cost</u>	<u>Weighted Average Maturity (Days)</u>
TexPool Prime	<u>\$ 233,473</u>	12
<b>Total investments</b>	<u><u>\$ 233,473</u></u>	

The District's investment in TexPool Prime, 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 Prime is duly chartered and overseen by the State Comptroller's Office, administered and managed by Federated Investors, Inc. State Street Bank serves as the custodial bank. The portfolio consists of U.S. Government securities; collateralized repurchase and reverse repurchase agreements; AAA rated money market mutual funds; commercial paper and certificates of deposit.

TexPool Prime transacts at a net asset value of \$1.00 per share, has a weighted average maturity of 60 days or less and weighted average life of 120 days or less, investments held are highly rated by a nationally recognized statistical rating organization, have no more than 5% of portfolio with one issuer (excluding US government securities), and can meet reasonably foreseeable redemptions. The investment pool has a redemption notice period of one day and no maximum transaction amounts. The investment pools' authorities may only impose restrictions on redemptions in the event of a general suspension of trading on major securities market, general banking moratorium or national or state emergency that affects the pools' liquidity.

#### 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 Prime was rated AAAM by Standard & Poor's Investors Service.

### Note 5. Long-Term Obligations

The following is a summary of the long-term liability transactions of the District for the year ended September 30, 2022:

Governmental Activities	Beginning Balance	Additions	Deletions	Ending Balance	Due Within One Year
Refunding bonds	\$ 3,465,000	\$ -	\$ (1,125,000)	\$ 2,340,000	\$ 910,000
Premium on issuance of bonds	146,939	-	(44,541)	102,398	34,132
<b>Governmental activities long-term liabilities</b>	<b>\$ 3,611,939</b>	<b>\$ -</b>	<b>\$ (1,169,541)</b>	<b>\$ 2,442,398</b>	<b>\$ 944,132</b>

Long-term debt of the District consists of various issues of General Obligation Bonds. General Obligation Bonds require voter approval at a public election before issuance. The bonds constitute direct obligations of the District payable from ad valorem taxes levied upon all taxable property located within the District.

Issue Date	Description	Maturity	Original Amount	Interest Rate	Coupon Date	Outstanding Balance
5/23/2019	Unlimited Tax Refunding Bonds, Series 2019	8/15/2025	\$ 3,550,000	3.0 - 4.0%	2/15, 8/15	\$ 2,340,000

**Avery Ranch 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
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>\$ 2,340,000</b>	<b>\$ 170,100</b>	<b>\$ 2,510,100</b>

## **Required 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, 2022

	Original and Final	Actual	Variance Positive (Negative)
<b>REVENUES</b>			
Taxes	\$ 1,194,529	\$ 1,220,980	\$ 26,451
Interest	900	7,159	6,259
Total revenues	1,195,429	1,228,139	32,710
<b>EXPENDITURES</b>			
Current			
General government	16,900	15,872	1,028
Debt service			
Principal	1,125,000	1,125,000	-
Interest and other charges	113,950	113,750	200
Total expenditures	1,255,850	1,254,622	1,228
<b>DEFICIENCY OF REVENUES UNDER EXPENDITURES</b>	(60,421)	(26,483)	33,938
<b>FUND BALANCE, beginning</b>	260,909	260,909	-
<b>FUND BALANCE, ending</b>	\$ 200,488	\$ 234,426	\$ 33,938

## **Supplementary Information** (Unaudited)

## Avery Ranch Road District No. 1

### Debt Service Requirements and Tax Rate Calculations

September 30, 2022

(Unaudited)

#### Debt Service Requirements

Years Ending September 30,	Outstanding Debt		
	Principal	Interest	Total
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>\$ 2,340,000</b>	<b>\$ 170,100</b>	<b>\$ 2,510,100</b>

#### Tax Rate Calculations

Average annual Tax Supported Principal and Interest Requirements, 2023-2025	\$	836,700
\$0.03871 Tax Rate at 99% Collection Produces	\$	836,422
Maximum Tax Supported Principal and Interest Requirements, 2023	\$	994,500
\$0.04601 Tax Rate at 99% Collection Produces	\$	944,197

## Avery Ranch Road District No. 1

Principal Property Taxpayers

September 30, 2022

(Unaudited)

The following table represents the principal taxpayers within the District, the estimated taxable assessed value of such property, and such property's assessed value as a percentage of the District's 2022/2023 Certified Taxable Valuation of \$2,183,129,148.

Name of Taxpayer	2022/2023 Taxable Assessed Valuation	% of Total Taxable Assessed Valuation
WSP Development #6 Ltd.	\$ 24,500,300	1.12%
AR Plaza LP	15,100,000	0.69%
Mcminn Partners LLC	4,288,926	0.20%
Altamira LLC	4,240,047	0.19%
Abacus School of Austin LLC	3,800,000	0.17%
Magnolia Hospitality Mgt. Co. LLC	3,776,703	0.17%
Waterstone/HTK Dev. Co. LLC	3,708,817	0.17%
RBH CNC Ltd.	3,459,448	0.16%
Comerica Bank Texas	3,098,800	0.14%
Salomon Development Co. LP	2,903,298	0.13%
<b>Total</b>	<b>\$ 68,876,339</b>	<b>3.14%</b>

### Future Debt

The District does not anticipate the issuance of any additional new money debt. Any such additional new money debt would require separate voter approval. The District, however, may from time to time issue refunding bonds.

## Avery Ranch Road District No. 1

Estimated Direct and Overlapping Debt and Taxes

September 30, 2022

(Unaudited)

Taxing Jurisdiction	Total Funded Tax Debt 9/30/2022	Estimated % Applicable	Overlapping Tax Debt 9/30/2022
Avery Ranch Road District No. 1	\$ 2,442,397	100.00%	\$ 2,442,397
Austin Community College District	414,210,000	0.66%	2,733,786
City of Austin	1,467,530,000	1.02%	14,968,806
Leander ISD	1,034,845,519	3.18%	32,908,088
Round Rock ISD	794,720,000	1.58%	12,556,576
Williamson County	1,205,528,546	2.23%	26,883,287
Total direct and overlapping funded debt			<u>\$ 79,936,364 <sup>1</sup></u>

Ratio of direct and overlapping debt to taxable assessed valuation

3.66% <sup>1</sup>

Set forth below is an estimation of taxes per \$100 of assessed valuation levied by such jurisdictions. No recognition is given to local assessments for civil association dues, emergency medical service contributions, fire department contributions or any other charges made by entities other than political subdivisions. All the land located with the District lies within the County. The following chart includes the 2022/2023 taxes per \$100 of assessed valuation levied by all such taxing jurisdictions.

Taxing Jurisdiction	2022/2023 Tax Rates
Avery Ranch Road District No. 1	\$ 0.0414
Austin Community College District	0.0987
City of Austin	0.4627
Leander ISD	1.2746
Williamson County	0.3381
Total estimated tax bill	<u>\$ 2.2155 <sup>1</sup></u>

<sup>1</sup>Excludes Round Rock ISD overlapping debt in order to avoid double-counting of debt.



# **Pearson Place Road District**

Financial Report

For the Fiscal Year Ended September 30, 2022

**Pearson Place Road District**  
Financial Report  
For the Fiscal Year Ended September 30, 2022  
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## **Independent Auditor's Report**

To the Board of Directors of  
Pearson Place Road District

### **Report on the Audit of the Financial Statements**

#### **Opinions**

We have audited the 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 year ended September 30, 2022, and the related notes to the financial statements, which collectively comprise the District's basic financial statements as listed in the table of contents.

In our opinion, the accompanying financial statements present fairly, in all material respects, the respective financial position of the governmental activities and each major fund of the District, as of September 30, 2022, and the respective changes in financial position and, where applicable, cash flows thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

#### **Basis for Opinions**

We conducted our audit in accordance with auditing standards generally accepted in the United States of America (GAAS) and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of the District and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

#### **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, 2022, 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.

#### **Responsibilities of Management for the Financial Statements**

The District's management is responsible for the preparation and fair presentation of the financial statements in accordance with accounting principles generally accepted in the United States of America, and for 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.

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about the District's ability to continue as a going concern for twelve months beyond the financial statement date, including any currently known information that may raise substantial doubt shortly thereafter.

***Auditor's Responsibilities for the Audit of the Financial Statements***

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinions. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with GAAS will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

In performing an audit in accordance with GAAS, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit 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 District's internal control. Accordingly, no such opinion is expressed.<sup>5</sup>
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about the District's ability to continue as a going concern for a reasonable period of time.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit, significant audit findings, and certain internal control-related matters that we identified during the audit.

**Required Supplementary Information**

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis on pages 4 to 6 and budgetary comparison on page 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.

**Supplementary Information**

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the District's basic financial statements. The Supplementary Information, as listed in the table of contents, is presented for purposes of additional analysis and is not a required part of the basic financial statements. Supplementary Information has not been subjected to the auditing procedures applied in the audit of the basic financial statements and, accordingly, we do not express an opinion or provide any assurance on the information.

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

WEAVER AND TIDWELL, L.L.P.

Austin, Texas  
March 30, 2023

## **Pearson Place Road District**

### **Management's Discussion and Analysis For the Fiscal Year Ended September 30, 2022**

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, 2022. 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, 2022, by \$3,875,546 (i.e., net deficit).
- The District's total net position increased by \$183,726 during the year.
- Cash and investments equaled \$973,248.
- 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. This report also contains other supplementary information in addition to the basic financial statements themselves.

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).

In fiscal year 2022, the District's taxable assessed value totaled \$361,186,140 compared to \$327,848,027 in fiscal year 2021. 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, 2022

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 7 and 8 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 9 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, 2022, the District's liabilities exceeded assets by \$3,875,546.

#### Pearson Place Road District Net Position

	2022	2021
Assets	\$ 973,324	\$ 972,911
Long-term liabilities	4,829,857	5,012,745
Other liabilities	19,013	19,438
Total liabilities	4,848,870	5,032,183
Net position		
Restricted	954,311	953,473
Unassigned	(4,829,857)	(5,012,745)
<b>Total net position (deficit)</b>	<b>\$ (3,875,546)</b>	<b>\$ (4,059,272)</b>

Overall, the District had an increase in net position of \$183,726. 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, 2022

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

	2022	2021
Revenues		
General revenues		
Assessments	\$ 325,518	\$ 328,451
Interest	8,621	1,094
Total general revenues	334,139	329,545
Expenses		
General government	7,826	8,280
Interest and fiscal charges	142,587	145,900
Total expenses	150,413	154,180
Change in net position	183,726	175,365
NET POSITION (DEFICIT), beginning	(4,059,272)	(4,234,637)
NET POSITION (DEFICIT), ending	\$ (3,875,546)	\$ (4,059,272)

The District owes \$4,585,000 to bond holders as of September 30, 2022. 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 2023

The property tax base for fiscal year 2023 is \$412,082,177. The tax rate is \$0.07024 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, 2022

	Debt Service	Totals	Adjustments	Statement of Net Position
<b>ASSETS</b>				
Cash and investments	\$ 973,248	\$ 973,248	\$ -	\$ 973,248
Property tax receivable	76	76	-	76
<b>TOTAL ASSETS</b>	<u>\$ 973,324</u>	<u>\$ 973,324</u>	<u>\$ -</u>	<u>\$ 973,324</u>
<b>LIABILITIES</b>				
Interest payable	\$ -	\$ -	\$ 19,013	\$ 19,013
Non-current liabilities				
Due within one year	-	-	187,888	187,888
Due in more than one year	-	-	4,641,969	4,641,969
Total liabilities	-	-	4,848,870	4,848,870
<b>DEFERRED INFLOWS OF RESOURCES</b>				
Deferred property taxes	76	76	(76)	-
Total deferred inflows of resources	76	76	(76)	-
<b>FUND BALANCE / NET POSITION</b>				
Fund balance				
Restricted for debt service	973,248	973,248	(973,248)	
Total fund balance	973,248	973,248	(973,248)	
<b>TOTAL LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCE</b>	<u>\$ 973,324</u>	<u>\$ 973,324</u>		
<b>NET POSITION (DEFICIT)</b>				
Restricted for debt service			954,311	954,311
Unassigned			(4,829,857)	(4,829,857)
<b>TOTAL NET POSITION (DEFICIT)</b>			<u>\$ (3,875,546)</u>	<u>\$ (3,875,546)</u>

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, 2022

	<b>Debt Service</b>	<b>Totals</b>	<b>Adjustments</b>	<b>Statement of Activities</b>
<b>EXPENDITURES/EXPENSES</b>				
General government	\$ 7,826	\$ 7,826	\$ -	\$ 7,826
Debt service				
Principal	170,000	170,000	(170,000)	-
Interest and fiscal charges	155,900	155,900	(13,313)	142,587
Total expenditures / expenses	333,726	333,726	(183,313)	150,413
<b>GENERAL REVENUES</b>				
Property taxes	325,518	325,518	-	325,518
Interest	8,621	8,621	-	8,621
Total general revenues	334,139	334,139	-	334,139
<b>EXCESS OF REVENUES OVER EXPENDITURES</b>	413	413	183,313	183,726
<b>CHANGES IN FUND BALANCE / NET POSITION</b>	413	413	183,313	183,726
<b>FUND BALANCE / NET POSITION, (DEFICIT), beginning of year</b>	972,835	972,835	(5,032,107)	(4,059,272)
<b>FUND BALANCE / NET POSITION (DEFICIT), end of year</b>	\$ 973,248	\$ 973,248	\$ (4,848,794)	\$ (3,875,546)

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 2022.

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.

#### 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.

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

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 \$3,875,546 exists in governmental activities as of September 30, 2022. 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, 2022, the amount of bonds outstanding that were used to finance construction of assets and pay debt service was \$4,585,000.

**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	\$ 973,248
Property tax revenues earned but not available within 60 days of the year end are not recognized as revenue in the governmental funds	76
Accrued interest on bonds payable is not payable with current financial resources and is not reported in the funds	(19,013)
Long-term obligations are not due and payable in the current period and are not reported in the funds	(4,829,857)
<b>Net position (deficit) of governmental activities</b>	<u><u>\$ (3,875,546)</u></u>

## Pearson Place Road District

### 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	\$ 413
Some expenses reported in the statement of activities do not require the use of current financial resources	13,313
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>170,000</u>
<b>Change in net position of governmental activities</b>	<u><u>\$ 183,726</u></u>

#### Note 4. Investments

As of September 30, 2022, the District had the following investments:

<u>Investment Type</u>	<u>Amortized Cost</u>	<u>Weighted Average Maturity (Days)</u>
LOGIC	<u>\$ 973,248</u>	15
<b>Total investments</b>	<u><u>\$ 973,248</u></u>	

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 is duly chartered by the State of Texas Interlocal Cooperation Act, is administered by Hilltop Securities, Inc. and J.P. Morgan Investment Management, Inc. (JPMIM), and managed by JPMIM, who provides custody and investment management.

LOGIC's investment objectives are to seek preservation of principal, liquidity, and current income through investment in a diversified portfolio of short-term marketable securities. The portfolio will maintain a dollar-weighted average maturity that does not exceed 60 days and seeks to maintain a net asset value of \$1.00 per share. LOGIC may invest in securities including: obligations of the United States or its agencies and instrumentalities, including the Federal Home Loan Banks; other obligations which are unconditionally guaranteed or insured by the U.S.; fully collateralized repurchase agreements with a defined termination date and unconditionally guaranteed or insured by the U.S. or its agencies and instrumentalities; SEC-registered money-market fund rated in the highest rating category by at least one nationally recognized statistical rating organization (NRSRO); and commercial paper as authorized under the Public Funds Investment Act. The investment pool has a redemption notice period of one day and no maximum transaction amounts. The investment pools' authorities may only impose restrictions on redemptions in the event of a general suspension of trading on major securities market, general banking moratorium or national or state emergency that affects the pools' liquidity.

## Pearson Place Road District

### Notes to the Financial Statements

#### 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 AAA by Standard & Poor's Investors Service.

#### Note 5. Long-term Obligations

The following is a summary of the long-term liability transactions of the District for the year ended September 30, 2022:

Governmental Activities	Beginning Balance	Additions	Deletions	Ending Balance	Due Within One Year
Unlimited tax bonds	\$ 4,755,000	\$ -	\$ (170,000)	\$ 4,585,000	\$ 175,000
Premium on issuance of bonds	266,688	-	(13,335)	253,353	13,335
Discount on issuance of bonds	(8,943)	-	447	(8,496)	(447)
<b>Governmental activities long-term liabilities</b>	<b>\$ 5,012,745</b>	<b>\$ -</b>	<b>\$ (182,888)</b>	<b>\$ 4,829,857</b>	<b>\$ 187,888</b>

Issue Date	Description	Maturity	Original Amount	Interest Rate	Coupon Date	Outstanding Balance
8/15/2016	Unlimited Tax General Obligation Bonds, Series 2016	8/15/2041	\$ 5,315,000	2.0 - 4.0%	2/15, 8/15	\$ 4,585,000

Long-term debt of the District consists of an issued General Obligation Bond. General Obligation Bonds require voter approval at a public election before issuance. The bond constitutes a direct obligation of the District payable from ad valorem taxes levied upon all taxable property located within the District.

**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
2023	\$ 175,000	\$ 152,100	\$ 327,100
2024	180,000	146,850	326,850
2025	185,000	141,450	326,450
2026	190,000	134,050	324,050
2027	200,000	126,450	326,450
2028-2032	1,120,000	506,250	1,626,250
2033-2037	1,325,000	303,150	1,628,150
2038-2041	1,210,000	91,950	1,301,950
<b>Total</b>	<b>\$ 4,585,000</b>	<b>\$ 1,602,250</b>	<b>\$ 6,187,250</b>



## **Required 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, 2022

	<b>Original and Final</b>	<b>Actual</b>	<b>Variance Positive (Negative)</b>
<b>REVENUES</b>			
Property taxes	\$ 318,229	\$ 325,518	\$ 7,289
Interest	1,200	8,621	7,421
Total revenues	319,429	334,139	14,710
<b>EXPENDITURES</b>			
General government	9,050	7,826	1,224
Debt service			
Principal	170,000	170,000	-
Interest and fiscal charges	155,900	155,900	-
Total expenditures	334,950	333,726	1,224
<b>Net change in fund balance</b>	(15,521)	413	15,934
<b>FUND BALANCE, beginning</b>	972,835	972,835	-
<b>FUND BALANCE, ending</b>	<u>\$ 957,314</u>	<u>\$ 973,248</u>	<u>\$ 15,934</u>

# **Supplementary Information**

(Unaudited)

## Pearson Place Road District

### Debt Service Requirements and Tax Rate Calculations

September 30, 2022

(Unaudited)

#### Debt Service Requirements

Years Ending September 30,	Outstanding Debt		
	Principal	Interest	Total
2023	\$ 175,000	\$ 152,100	\$ 327,100
2024	180,000	146,850	326,850
2025	185,000	141,450	326,450
2026	190,000	134,050	324,050
2027	200,000	126,450	326,450
2028-2032	1,120,000	506,250	1,626,250
2033-2037	1,325,000	303,150	1,628,150
2038-2041	1,210,000	91,950	1,301,950
<b>Total</b>	<b>\$ 4,585,000</b>	<b>\$ 1,602,250</b>	<b>\$ 6,187,250</b>

#### Tax Rate Calculations

Average annual Tax Supported Principal and Interest Requirements, 2023-2041	\$ 325,645
\$0.0798 Tax Rate at 99% Collection Produces	\$ 325,553
Maximum Tax Supported Principal and Interest Requirements, 2036	\$ 327,950
\$0.0804 Tax Rate at 99% Collection Produces	\$ 328,001

## Pearson Place Road District

Principal Property Taxpayers

September 30, 2022

(Unaudited)

The following table represents the principal taxpayers within the District, the estimated taxable assessed value of such property, and such property's assessed value as a percentage of the District's 2022/2023 Certified Taxable Valuation of \$412,082,177.

Name of Taxpayer	2022/2023 Taxable Assessed Valuation	% of Total Taxable Assessed Valuation
Kristin Kay & David Scott Lee Swenson	\$ 1,959,575	0.48%
Balaji N. & Srimathi G. Kannan	1,514,188	0.37%
Ravi & Reema Kashyap	1,437,631	0.35%
Arathi Palahalli Kumar	1,349,867	0.33%
Kyoungkoo & Namkyoung Lee	1,342,901	0.33%
Jeff R. Huang & Nancy C. Wang	1,298,695	0.32%
Zulfiqar Maknojia	1,149,757	0.28%
Yonghua Wang	1,102,309	0.27%
Michael Regan	1,041,132	0.25%
Mohan R. & Ramvarapu P. L. Gadam	997,565	0.24%
<b>Total</b>	<b>\$ 13,193,620</b>	<b>3.22%</b>

### Future Debt

The District does not anticipate the issuance of any additional new money debt. Any such additional new money debt would require separate voter approval. The District, however, may from time to time issue refunding bonds.

## Pearson Place Road District

Estimated Direct and Overlapping Debt and Taxes

September 30, 2022

(Unaudited)

Taxing Jurisdiction	Total Funded Tax Debt 9/30/2022	Estimated % Applicable	Overlapping Tax Debt 9/30/2022
Pearson Place Road District	\$ 4,829,857	100%	\$ 4,829,857
Austin Community College District	414,210,000	0.13%	538,473
City of Austin	1,467,530,000	0.19%	2,788,307
Round Rock ISD	794,720,000	0.84%	6,675,648
Williamson County	1,205,528,546	0.42%	5,063,220
Total direct and overlapping funded debt			<u>\$ 19,895,505</u>

Ratio of direct and overlapping debt to taxable assessed valuation

4.83%

Set forth below is an estimation of taxes per \$100 of assessed valuation levied by such jurisdictions. No recognition is given to local assessments for civil association dues, emergency medical service contributions, fire department contributions or any other charges made by entities other than political subdivisions. All the land located with the District lies within the County. The following chart includes the 2022/2023 taxes per \$100 of assessed valuation levied by all such taxing jurisdictions.

Taxing Jurisdiction	2022/2023 Tax Rates
Pearson Place Road District	\$ 0.0703
Austin Community College District	0.0987
City of Austin	0.4627
Round Rock ISD	1.0626
Williamson County	0.3381
Total estimated tax bill	<u>\$ 2.0324</u>

# **Northwoods Road District No. 1**

Financial Report

For the Fiscal Year Ended September 30, 2022

**Northwoods Road District No. 1**  
Financial Report  
For the Fiscal Year Ended September 30, 2022  
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## Independent Auditor's Report

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

### Report on the Audit of the Financial Statements

#### Opinions

We have audited the 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, 2022, and the related notes to the financial statements, which collectively comprise the District's basic financial statements as listed in the table of contents.

In our opinion, the accompanying financial statements present fairly, in all material respects, the respective financial position of the governmental activities and each major fund of the District, as of September 30, 2022, and the respective changes in financial position and, where applicable, cash flows thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

#### Basis for Opinions

We conducted our audit in accordance with auditing standards generally accepted in the United States of America (GAAS) and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of the District and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

#### 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, 2022, 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.

#### Responsibilities of Management for the Financial Statements

The District's management is responsible for the preparation and fair presentation of the financial statements in accordance with accounting principles generally accepted in the United States of America, and for 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.

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about the District's ability to continue as a going concern for twelve months beyond the financial statement date, including any currently known information that may raise substantial doubt shortly thereafter.

***Auditor's Responsibilities for the Audit of the Financial Statements***

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinions. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with GAAS will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

In performing an audit in accordance with GAAS, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit 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 District's internal control. Accordingly, no such opinion is expressed.<sup>5</sup>
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about the District's ability to continue as a going concern for a reasonable period of time.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit, significant audit findings, and certain internal control-related matters that we identified during the audit.

**Required Supplementary Information**

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis on pages 4 to 6 and budgetary comparison on page 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.

**Supplementary Information**

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the District's basic financial statements. The Supplementary Information, as listed in the table of contents, is presented for purposes of additional analysis and is not a required part of the basic financial statements. Supplementary Information has not been subjected to the auditing procedures applied in the audit of the basic financial statements and, accordingly, we do not express an opinion or provide any assurance on the information.

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

WEAVER AND TIDWELL, L.L.P.

Austin, Texas  
March 30, 2023

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

### **Management's Discussion and Analysis For the Fiscal Year Ended September 30, 2022**

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, 2022. 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, 2022, by \$9,600,333 (i.e., net deficit).
- The District's total net position increased by \$327,842 during the year.
- Cash and investments equaled \$281,659.
- 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. This report also contains other supplementary information in addition to the basic financial statements themselves.

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 2022, the District's taxable assessed value totaled \$281,547,175 compared to \$252,983,984 in fiscal year 2021. 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, 2022

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 7 and 8 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 9 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, 2022, the District's liabilities exceeded assets by \$9,600,333.

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

	2022	2021
Assets	\$ 285,359	\$ 279,628
Long-term liabilities	9,839,067	10,159,703
Other liabilities	46,625	48,100
Total liabilities	9,885,692	10,207,803
Net position		
Restricted	238,734	231,528
Unassigned	(9,839,067)	(10,159,703)
<b>TOTAL NET POSITION (DEFICIT)</b>	<b>\$ (9,600,333)</b>	<b>\$ (9,928,175)</b>

Overall, the District had an increase in net position of \$327,842. 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, 2022

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

	2022	2021
Revenues		
General revenues		
Property taxes	\$ 691,791	\$ 690,583
Interest	4,303	537
Total general revenues	696,094	691,120
Expenses		
General government	9,763	9,944
Interest and fiscal charges	358,489	369,939
Total expenses	368,252	379,883
Change in net position	327,842	311,237
NET POSITION (DEFICIT), beginning	(9,928,175)	(10,239,412)
NET POSITION (DEFICIT), ending	\$ (9,600,333)	\$ (9,928,175)

The District owes \$9,325,000 to bond holders as of September 30, 2022. Outstanding bonds make up the majority of the net position deficit.

### Discussion of Currently Known Facts, Decision or Condition in Fiscal Year 2023

The property tax base for fiscal year 2023 is \$326,374,132. The tax rate is \$0.2075 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, 2022

	<b>Debt Service</b>	<b>Totals</b>	<b>Adjustments</b>	<b>Statement of Net Position</b>
<b>ASSETS</b>				
Cash and investments	\$ 281,659	\$ 281,659	\$ -	\$ 281,659
Property tax receivable	3,700	3,700	-	3,700
<b>TOTAL ASSETS</b>	<u>\$ 285,359</u>	<u>\$ 285,359</u>	<u>\$ -</u>	<u>\$ 285,359</u>
<b>LIABILITIES</b>				
Interest payable	\$ -	\$ -	\$ 46,625	\$ 46,625
Non-current liabilities				
Due within one year	-	-	335,636	335,636
Due in more than one year	-	-	9,503,431	9,503,431
Total liabilities	<u>-</u>	<u>-</u>	<u>9,885,692</u>	<u>9,885,692</u>
<b>DEFERRED INFLOWS OF RESOURCES</b>				
Deferred property taxes	3,690	3,690	(3,690)	-
Total deferred inflows of resources	<u>3,690</u>	<u>3,690</u>	<u>(3,690)</u>	<u>-</u>
<b>FUND BALANCE / NET POSITION</b>				
Fund balance				
Restricted for debt service	281,669	281,669	(281,669)	
Total fund balance	<u>281,669</u>	<u>281,669</u>	<u>(281,669)</u>	
<b>TOTAL LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCE</b>	<u>\$ 285,359</u>	<u>\$ 285,359</u>		
<b>NET POSITION (DEFICIT)</b>				
Restricted for debt service			238,734	238,734
Unassigned			(9,839,067)	(9,839,067)
<b>TOTAL NET POSITION (DEFICIT)</b>			<u>\$ (9,600,333)</u>	<u>\$ (9,600,333)</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, 2022

	<b>Debt Service</b>	<b>Totals</b>	<b>Adjustments</b>	<b>Statement of Activities</b>
<b>EXPENDITURES/EXPENSES</b>				
General government	\$ 9,763	\$ 9,763	\$ -	\$ 9,763
Debt service				
Principal	295,000	295,000	(295,000)	-
Interest and other charges	385,600	385,600	(27,111)	358,489
Total expenditures / expenses	690,363	690,363	(322,111)	368,252
<b>GENERAL REVENUES</b>				
Property taxes	690,889	690,889	902	691,791
Interest	4,303	4,303	-	4,303
Total general revenues	695,192	695,192	902	696,094
<b>EXCESS OF REVENUES OVER EXPENDITURES</b>	4,829	4,829	323,013	327,842
<b>CHANGES IN FUND BALANCE / NET POSITION</b>	4,829	4,829	323,013	327,842
<b>FUND BALANCE / NET POSITION, (DEFICIT), beginning of year</b>	276,840	276,840	(10,205,015)	(9,928,175)
<b>FUND BALANCE / NET POSITION (DEFICIT), end of year</b>	\$ 281,669	\$ 281,669	\$ (9,882,002)	\$ (9,600,333)

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. There was no activity in this fund in fiscal year 2022.

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 \$9,600,333 exists in governmental activities as of September 30, 2022. 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, 2022, 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	\$ 281,669
Property tax revenues earned but not available within 60 days of the year end are not recognized as revenue in the governmental funds	3,690
Accrued interest on bonds payable is not payable with current financial resources and is not reported in the funds	(46,625)
Long-term obligations are not due and payable in the current period and are not reported in the funds	<u>(9,839,067)</u>
<b>Net position (deficit) of governmental activities</b>	<b><u>\$ (9,600,333)</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	\$ 4,829
Property tax revenues that do not provide current financial resources are not reported as revenues in the governmental funds	902
Some expenses reported in the statement of activities do not require the use of current financial resources	27,111
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>295,000</u>
<b>Change in net position of governmental activities</b>	<b><u>\$ 327,842</u></b>

#### Note 4. Investments

As of September 30, 2022, the District had the following investments:

Investment Type	Amortized Cost	Weighted Average Maturity (Days)
LOGIC	\$ 281,659	15
<b>Total investments</b>	<b><u>\$ 281,659</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 is duly chartered by the State of Texas Interlocal Cooperation Act, is administered by Hilltop Securities, Inc. and J.P. Morgan Investment Management, Inc. (JPMIM), and managed by JPMIM, who provides custody and investment management.

LOGIC's investment objectives are to seek preservation of principal, liquidity, and current income through investment in a diversified portfolio of short-term marketable securities. The portfolio will maintain a dollar-weighted average maturity that does not exceed 60 days and seeks to maintain a net asset value of \$1.00 per share. LOGIC may invest in securities including: obligations of the United States or its agencies and instrumentalities, including the Federal Home Loan Banks; other obligations which are unconditionally guaranteed or insured by the U.S.; fully collateralized repurchase agreements with a defined termination date and unconditionally guaranteed or insured by the U.S. or its agencies and instrumentalities; SEC-registered money-market fund rated in the highest rating category by at least one nationally recognized statistical rating organization (NRSRO); and commercial paper as authorized under the Public Funds Investment Act. The investment pool has a redemption notice period of one day and no maximum transaction amounts. The investment pools' authorities may only impose restrictions on redemptions in the event of a general suspension of trading on major securities market, general banking moratorium or national or state emergency that affects the pools' liquidity.

#### 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 AAA by Standard & Poor's Investors Service.

#### Note 5. Long-term Obligations

The following is a summary of the long-term liability transactions of the District for the year ended September 30, 2022:

Governmental Activities	Beginning Balance	Additions	Deletions	Ending Balance	Due Within One Year
Unlimited tax bonds	\$ 9,620,000	\$ -	\$ (295,000)	\$ 9,325,000	\$ 310,000
Premium on issuance of bonds	550,785	-	(26,140)	524,645	26,140
Discount on issuance of bonds	(11,082)	-	504	(10,578)	(504)
<b>Governmental activities long-term liabilities</b>	<b>\$ 10,159,703</b>	<b>\$ -</b>	<b>\$ (320,636)</b>	<b>\$ 9,839,067</b>	<b>\$ 335,636</b>

## Northwoods Road District No. 1

### Notes to the Financial Statements

Issue Date	Description	Maturity	Original Amount	Interest Rate	Coupon Date	Outstanding Balance
9/12/2017	Unlimited Tax Refunding Bonds, Series 2017	8/15/2041	\$ 8,520,000	2.0 - 4.0%	2/15, 8/15	\$ 7,165,000
12/19/2018	Unlimited Tax Refunding Bonds, Series 2018	8/15/2043	2,345,000	4.00%	2/15, 8/15	2,160,000

Long-term debt of the District consists of various issues of General Obligation Bonds. General Obligation Bonds require voter approval at a public election before issuance. The bonds constitute direct obligations of the District payable from ad valorem taxes levied upon all taxable property located within the District.

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

Years Ending September 30,	Governmental Activities		
	Principal	Interest	Total
2023	\$ 310,000	\$ 373,000	\$ 683,000
2024	320,000	360,600	680,600
2025	335,000	347,800	682,800
2026	345,000	334,400	679,400
2027	360,000	320,600	680,600
2028-2032	2,040,000	1,374,000	3,414,000
2033-2037	2,465,000	933,200	3,398,200
2038-2042	3,000,000	399,200	3,399,200
2043	150,000	6,000	156,000
<b>Total</b>	<b>\$ 9,325,000</b>	<b>\$ 4,448,800</b>	<b>\$ 13,773,800</b>

## **Required Supplementary Information**

**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, 2022

	<b>Original and Final</b>	<b>Actual</b>	<b>Variance Positive (Negative)</b>
<b>REVENUES</b>			
Property taxes	\$ 678,343	\$ 690,889	\$ 12,546
Interest	600	4,303	3,703
Total revenues	678,943	695,192	16,249
<b>EXPENDITURES</b>			
Current			
General government	11,200	9,763	1,437
Debt service			
Principal	295,000	295,000	-
Interest and other charges	385,600	385,600	-
Total expenditures	691,800	690,363	1,437
<b>EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES</b>	(12,857)	4,829	17,686
<b>FUND BALANCE, beginning</b>	276,840	276,840	-
<b>FUND BALANCE, ending</b>	\$ 263,983	\$ 281,669	\$ 17,686



## **Supplementary Information** (Unaudited)

## Northwoods Road District No. 1

### Debt Service Requirements and Tax Rate Calculations

September 30, 2022

(Unaudited)

#### Debt Service Requirements

Years Ending September 30,	Outstanding Debt		
	Principal	Interest	Total
2023	\$ 310,000	\$ 373,000	\$ 683,000
2024	320,000	360,600	680,600
2025	335,000	347,800	682,800
2026	345,000	334,400	679,400
2027	360,000	320,600	680,600
2028-2032	2,040,000	1,374,000	3,414,000
2033-2037	2,465,000	933,200	3,398,200
2038-2042	3,000,000	399,200	3,399,200
2043	150,000	6,000	156,000
<b>Total</b>	<b>\$ 9,325,000</b>	<b>\$ 4,448,800</b>	<b>\$ 13,773,800</b>

#### Tax Rate Calculations

Average annual Tax Supported Principal and Interest Requirements, 2023-2043	\$	655,895
\$0.2030 Tax Rate at 99% Collection Produces	\$	655,914
Maximum Tax Supported Principal and Interest Requirements, 2028	\$	686,200
\$0.2124 Tax Rate at 99% Collection Produces	\$	686,286

## Northwoods Road District No. 1

Principal Property Taxpayers

September 30, 2022

(Unaudited)

The following table represents the principal taxpayers within the District, the estimated taxable assessed value of such property, and such property's assessed value as a percentage of the District's 2021/2022 Certified Taxable Valuation of \$326,374,132.

Name of Taxpayer	2022/2023 Taxable Assessed Valuation	% of Total Taxable Assessed Valuation
LTV Enterprises LLC	\$ 3,764,275	1.15%
LDJ Interests LLC	1,469,411	0.45%
Vinod & Gayathri Venkat Ganesan	1,279,313	0.39%
Shadi Isber & Carolyn Khaouli	1,223,764	0.37%
Eman Khiri & Yassir Elgack	1,209,319	0.37%
William & Susann Cunningham	1,191,718	0.37%
Kanupriya Tavri & Anuj Bansal	1,191,550	0.37%
Red Oak Revocable Living Trust	1,172,343	0.36%
Venkat Reddy & Kavitha Allala	1,110,982	0.34%
Irfan & Nafisa Dhuka	1,110,029	0.34%
<b>Total</b>	<b>\$ 14,722,704</b>	<b>4.51%</b>

### Future Debt

The District does not anticipate the issuance of any additional new money debt. Any such additional new money debt would require separate voter approval. The District, however, may from time to time issue refunding bonds.

## Northwoods Road District No. 1

Estimated Direct and Overlapping Debt and Taxes

September 30, 2022

(Unaudited)

Taxing Jurisdiction	Total Funded Tax Debt 9/30/2022	Estimated % Applicable	Overlapping Tax Debt 9/30/2022
Northwoods Road District #1	\$ 9,839,067	100%	\$ 9,839,067
Austin Community College District	414,210,000	0.11%	455,631
City of Austin	1,467,530,000	0.16%	2,348,048
Round Rock ISD	794,720,000	0.71%	5,642,512
Williamson County	1,205,528,546	0.37%	4,460,456
Total direct and overlapping funded debt			<u>\$ 22,745,714</u>

Ratio of direct and overlapping debt to taxable assessed valuation

6.97%

Set forth below is an estimation of taxes per \$100 of assessed valuation levied by such jurisdictions. No recognition is given to local assessments for civil association dues, emergency medical service contributions, fire department contributions or any other charges made by entities other than political subdivisions. All the land located with the District lies within the County. The following chart includes the 2022/2023 taxes per \$100 of assessed valuation levied by all such taxing jurisdictions.

Taxing Jurisdiction	2022/2023 Tax Rates
Northwoods Road District #1	\$ 0.2075
Austin Community College District	0.0987
City of Austin	0.4627
Round Rock ISD	1.0626
Williamson County	0.3381
Total estimated tax bill	<u>\$ 2.1696</u>

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

Financial Report

For the Fiscal Year Ended September 30, 2022

**Somerset Hills Road District No. 4**  
Financial Report  
For the Fiscal Year Ended September 30, 2022  
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## Independent Auditor's Report

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

### Report on the Audit of the Financial Statements

#### Opinions

We have audited the 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, 2022, and the related notes to the financial statements, which collectively comprise the District's basic financial statements as listed in the table of contents.

In our opinion, the accompanying financial statements present fairly, in all material respects, the respective financial position of the governmental activities and each major fund of the District, as of September 30, 2022, and the respective changes in financial position and, where applicable, cash flows thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

#### Basis for Opinions

We conducted our audit in accordance with auditing standards generally accepted in the United States of America (GAAS) and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of the District and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

#### 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, 2022, 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.

#### Responsibilities of Management for the Financial Statements

The District's management is responsible for the preparation and fair presentation of the financial statements in accordance with accounting principles generally accepted in the United States of America, and for 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.

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about the District's ability to continue as a going concern for twelve months beyond the financial statement date, including any currently known information that may raise substantial doubt shortly thereafter.

***Auditor's Responsibilities for the Audit of the Financial Statements***

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinions. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with GAAS will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

In performing an audit in accordance with GAAS, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit 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 District's internal control. Accordingly, no such opinion is expressed.<sup>5</sup>
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about the District's ability to continue as a going concern for a reasonable period of time.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit, significant audit findings, and certain internal control-related matters that we identified during the audit.



**Required Supplementary Information**

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis on pages 4 to 6 and budgetary comparisons on page 16 to 17 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.

**Supplementary Information**

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the District's basic financial statements. The Supplementary Information, as listed in the table of contents, is presented for purposes of additional analysis and is not a required part of the basic financial statements. Supplementary Information has not been subjected to the auditing procedures applied in the audit of the basic financial statements and, accordingly, we do not express an opinion or provide any assurance on the information.

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

WEAVER AND TIDWELL, L.L.P.

Austin, Texas  
March 30, 2023

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

### **Management's Discussion and Analysis For the Fiscal Year Ended September 30, 2022**

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, 2022. 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, 2022, by \$13,479,177 (i.e., net deficit).
- The District's total net position decreased by \$13,064,022 during the year.
- Cash and investments equaled \$3,533,841.
- Annual expenses consist of debt service payments and related debt service fees such as paying agent/registrar fees and professional services.
- Issuance of \$4,750,000 in Unlimited Tax Road Bonds with interest rates ranging from 3.9 – 5.50%

#### **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. This report also contains other supplementary information in addition to the basic financial statements themselves.

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 2022, the District's taxable assessed value totaled \$137,719,302 compared to \$73,922,260 in fiscal year 2021. The tax rate will be set after reviewing operating and debt service requirements. The District's primary revenue source is property taxes.

## Somerset Hills Road District No. 4

Management's Discussion and Analysis – Continued  
For the Fiscal Year Ended September 30, 2022

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 7 and 8 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 9 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, 2022, the District's liabilities exceeded assets by \$13,479,177.

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

	2022	2021
Assets	\$ 3,536,390	\$ 9,246,370
Long-term liabilities	14,192,379	9,620,000
Other liabilities	2,823,188	41,525
Total liabilities	17,015,567	9,661,525
Net position		
Restricted for debt service	281,814	146,546
Unassigned	(13,760,991)	(561,701)
<b>TOTAL NET POSITION (DEFICIT)</b>	<b>\$ (13,479,177)</b>	<b>\$ (415,155)</b>

Overall, the District had a decrease in net position of \$13,064,022. 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, 2022

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

	2022	2021
Revenues		
General revenues		
Property taxes	\$ 399,858	\$ 216,462
Interest	78,585	3,777
Miscellaneous	1,396	940
Total general revenues	479,839	221,179
Expenses		
General government	2,763,842	11,671
Interest and fiscal charges	613,282	411,484
Total expenses	3,377,124	423,155
Other Financing Uses		
Transfers Out	(10,166,737)	-
Total other financing uses	(10,166,737)	-
Change in net position	(13,064,022)	(201,976)
NET POSITION (DEFICIT), beginning	(415,155)	(213,179)
NET POSITION (DEFICIT), ending	\$ (13,479,177)	\$ (415,155)

The District owes \$14,265,000 to bond holders as of September 30, 2022. 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 2023

The property tax base for fiscal year 2023 is \$260,515,254. 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, 2022

	General	Debt Service	Totals	Adjustments	Statement of Net Position
<b>ASSETS</b>					
Cash and investments	\$ 3,181,901	\$ 351,940	\$ 3,533,841	\$ -	\$ 3,533,841
Property tax receivable	-	2,549	2,549	-	2,549
<b>TOTAL ASSETS</b>	<b>\$ 3,181,901</b>	<b>\$ 354,489</b>	<b>\$ 3,536,390</b>	<b>\$ -</b>	<b>\$ 3,536,390</b>
<b>LIABILITIES</b>					
Accounts payable	2,753,062	\$ -	\$ 2,753,062	\$ -	\$ 2,753,062
Interest payable	-	-	-	70,126	70,126
Non-current liabilities					
Due within one year	-	-	-	267,095	267,095
Due in more than one year	-	-	-	13,925,284	13,925,284
Total liabilities	2,753,062	-	2,753,062	14,262,505	17,015,567
<b>DEFERRED INFLOWS OF RESOURCES</b>					
Deferred property taxes	-	2,549	2,549	(2,549)	-
Total deferred inflows of resources	-	2,549	2,549	(2,549)	-
<b>FUND BALANCE / NET POSITION</b>					
Fund balance					
Restricted for debt service	-	351,940	351,940	(351,940)	
Restricted for construction	428,839	-	428,839	(428,839)	
Total fund balance	428,839	351,940	780,779	(780,779)	
<b>TOTAL LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCE</b>	<b>\$ 3,181,901</b>	<b>\$ 354,489</b>	<b>\$ 3,536,390</b>		
<b>NET POSITION (DEFICIT)</b>					
Restricted for debt service				281,814	281,814
Unassigned				(13,760,991)	(13,760,991)
<b>TOTAL NET POSITION (DEFICIT)</b>				<b>\$ (13,479,177)</b>	<b>\$ (13,479,177)</b>

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, 2022

	General	Debt Service	Totals	Adjustments	Statement of Activities
<b>EXPENDITURES/EXPENSES</b>					
General government	\$ 2,761,087	\$ 2,755	\$ 2,763,842	\$ -	\$ 2,763,842
Debt service					
Principal	-	105,000	105,000	(105,000)	-
Interest and other charges	236,849	347,382	584,231	29,051	613,282
Total expenditures / expenses	2,997,936	455,137	3,453,073	(75,949)	3,377,124
<b>GENERAL REVENUES</b>					
Property taxes	-	398,006	398,006	1,852	399,858
Interest	76,044	2,541	78,585	-	78,585
Miscellaneous	1,396	-	1,396	-	1,396
Total general revenues	77,440	400,547	477,987	1,852	479,839
<b>DEFICIENCY OF REVENUES OVER EXPENDITURES</b>	(2,920,496)	(54,590)	(2,975,086)	77,801	(2,897,285)
<b>OTHER FINANCING SOURCES (USES)</b>					
Issuance of long-term debt	4,531,091	218,909	4,750,000	(4,750,000)	-
Discount of issuance of long-term debt	(72,621)	-	(72,621)	72,621	-
Transfers Out	(10,166,737)	-	(10,166,737)	-	(10,166,737)
Total other financing sources (uses)	(5,708,267)	218,909	(5,489,358)	(4,677,379)	(10,166,737)
<b>CHANGES IN FUND BALANCE / NET POSITION</b>	(8,628,763)	164,319	(8,464,444)	(4,599,578)	(13,064,022)
<b>FUND BALANCE / NET POSITION, (DEFICIT), beginning of year</b>	9,057,602	187,621	9,245,223	(9,660,378)	(415,155)
<b>FUND BALANCE / NET POSITION (DEFICIT), end of year</b>	\$ 428,839	\$ 351,940	\$ 780,779	\$ (14,259,956)	\$ (13,479,177)

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 \$13,479,177 exists in governmental activities as of September 30, 2022. 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, 2022, 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	\$ 780,779
Property taxes are not recognized until collected in the governmental funds	2,549
Accrued interest on bonds payable is not payable with current financial resources and is not reported in the funds	(70,126)
Long-term obligations are not due and payable in the current period and are not reported in the funds	(14,192,379)
<b>Net position (deficit) of governmental activities</b>	<u><u>\$ (13,479,177)</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	\$ (8,464,444)
Property taxes are not recognized until collected in the governmental funds	1,852
Some expenses reported in the statement of activities do not require the use of current financial resources	(29,051)
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	105,000
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.	<u>(4,677,379)</u>
<b>Change in net position of governmental activities</b>	<u><u>\$ (13,064,022)</u></u>

#### Note 4. Investments

As of September 30, 2022, the District had the following investments:

<u>Investment Type</u>	<u>Amortized Cost</u>	<u>Weighted Average Maturity (Days)</u>
LOGIC	<u>\$ 13,699,440</u>	15
<b>Total investments</b>	<u><u>\$ 13,699,440</u></u>	

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 is duly chartered by the State of Texas Interlocal Cooperation Act, is administered by Hilltop Securities, Inc. and J.P. Morgan Investment Management, Inc. (JPMIM), and managed by JPMIM, who provides custody and investment management.

## Somerset Hills Road District No. 4

### Notes to the Financial Statements

LOGIC's investment objectives are to seek preservation of principal, liquidity, and current income through investment in a diversified portfolio of short-term marketable securities. The portfolio will maintain a dollar-weighted average maturity that does not exceed 60 days and seeks to maintain a net asset value of \$1.00 per share. LOGIC may invest in securities including: obligations of the United States or its agencies and instrumentalities, including the Federal Home Loan Banks; other obligations which are unconditionally guaranteed or insured by the U.S.; fully collateralized repurchase agreements with a defined termination date and unconditionally guaranteed or insured by the U.S. or its agencies and instrumentalities; SEC-registered money-market fund rated in the highest rating category by at least one nationally recognized statistical rating organization (NRSRO); and commercial paper as authorized under the Public Funds Investment Act. The investment pool has a redemption notice period of one day and no maximum transaction amounts. The investment pools' authorities may only impose restrictions on redemptions in the event of a general suspension of trading on major securities market, general banking moratorium or national or state emergency that affects the pools' liquidity.

#### 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 AAA by Standard & Poor's Investors Service.

#### Note 5. Long-term Obligations

The following is a summary of the long-term liability transactions of the District for the year ended September 30, 2022:

Governmental Activities	Beginning Balance	Additions	Deletions	Ending Balance	Due Within One Year
Unlimited tax bonds	\$ 9,620,000	\$ 4,750,000	\$ (105,000)	\$ 14,265,000	\$ 270,000
Discount on issuance of bonds	-	72,621	-	(72,621)	(2,905)
<b>Governmental activities long-term liabilities</b>	<b>\$ 9,620,000</b>	<b>\$ 4,822,621</b>	<b>\$ (105,000)</b>	<b>\$ 14,192,379</b>	<b>\$ 267,095</b>

## Somerset Hills Road District No. 4

### Notes to the Financial Statements

Issue Date	Description	Maturity	Original Amount	Interest Rate	Coupon Date	Outstanding Balance
9/29/2020	Unlimited Tax Road Bonds, Series 2020	8/15/2045	\$ 1,335,000	1.5 - 3.1%	2/15, 8/15	\$ 1,250,000
9/29/2020	Unlimited Tax Road Bonds Taxable, Series 2020	8/15/2045	2,555,000	2.45 - 5.15%	2/15, 8/15	2,415,000
9/14/2021	Unlimited Tax Road Bonds, Series 2021	8/15/2046	2,045,000	1.45 - 3.0%	2/15, 8/15	2,045,000
9/14/2021	Unlimited Tax Road Bonds Taxable, Series 2021	8/15/2046	3,805,000	2.45 - 4.9%	2/15, 8/15	3,805,000
9/13/2022	Unlimited Tax Road Bonds Taxable, Series 2022	8/15/2047	4,750,000	3.9 - 5.5%	2/15, 8/15	4,750,000

Long-term debt of the District consists of various issues of General Obligation Bonds. General Obligation Bonds require voter approval at a public election before issuance. The bonds constitute direct obligations of the District payable from ad valorem taxes levied upon all taxable property located within the District.

In September 2022, the District issued \$4,750,000 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 3.9% to 5.50% are payable on February 15 and August 15 of each year.

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

Years Ending September 30,	Governmental Activities		
	Principal	Interest	Total
2023	\$ 270,000	\$ 579,382	\$ 849,382
2024	390,000	591,874	981,874
2025	405,000	580,871	985,871
2026	420,000	568,998	988,998
2027	425,000	556,141	981,141
2028-2032	2,365,000	2,557,415	4,922,415
2033-2037	2,860,000	2,060,744	4,920,744
2038-2042	3,560,000	1,368,396	4,928,396
2043-2046	3,570,000	469,738	4,039,738
<b>Total</b>	<b>\$ 14,265,000</b>	<b>\$ 9,333,559</b>	<b>\$ 23,598,559</b>

## **Required 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, 2022

	Original and Final	Actual	Variance Positive (Negative)
<b>REVENUES</b>			
Interest	\$ -	\$ 76,044	\$ 76,044
Miscellaneous	-	1,396	1,396
Total revenues	-	77,440	77,440
<b>EXPENDITURES</b>			
Current			
General government	-	2,761,087	(2,761,087)
Debt service			
Interest and other charges	236,849	236,849	-
Total expenditures	236,849	2,997,936	(2,761,087)
<b>DEFICIENCY OF REVENUES UNDER EXPENDITURES</b>	(236,849)	(2,920,496)	(2,683,647)
<b>OTHER FINANCING SOURCES (USES)</b>			
Issuance of long-term debt	4,531,091	4,531,091	-
Discount on issuance of debt	(72,621)	(72,621)	-
Transfers Out	-	(10,166,737)	
Total other financing uses	4,458,470	(5,708,267)	-
Net change in fund balance	4,221,621	(8,628,763)	(2,683,647)
<b>FUND BALANCE, beginning</b>	9,057,602	9,057,602	-
<b>FUND BALANCE, ending</b>	\$ 13,279,223	\$ 428,839	\$ (2,683,647)

**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, 2022

	<b>Original and Final</b>	<b>Actual</b>	<b>Variance Positive (Negative)</b>
<b>REVENUES</b>			
Property taxes	\$ 392,756	\$ 398,006	\$ 5,250
Interest	200	2,541	2,341
Total revenues	392,956	400,547	7,591
<b>EXPENDITURES</b>			
Current			
General government	7,864	2,755	5,109
Debt service			
Principal	105,000	105,000	-
Interest and other charges	347,382	347,382	-
Total expenditures	460,246	455,137	5,109
<b>DEFICIENCY OF REVENUES UNDER EXPENDITURES</b>	(67,290)	(54,590)	2,482
<b>OTHER FINANCING SOURCES</b>			
Issuance of long-term debt	218,909	218,909	-
Net change in fund balance	151,619	164,319	12,700
<b>FUND BALANCE, beginning</b>	187,621	187,621	-
<b>FUND BALANCE, ending</b>	<u>\$ 339,240</u>	<u>\$ 351,940</u>	<u>\$ 12,700</u>

## **Supplementary Information** (Unaudited)



## Somerset Hills Road District No. 4

### Debt Service Requirements and Tax Rate Calculations

September 30, 2022

(Unaudited)

#### Debt Service Requirements

Years Ending September 30,	Outstanding Debt		
	Principal	Interest	Total
2023	\$ 270,000	\$ 579,382	\$ 849,382
2024	390,000	591,874	981,874
2025	405,000	580,871	985,871
2026	420,000	568,998	988,998
2027	425,000	556,141	981,141
2028-2032	2,365,000	2,557,415	4,922,415
2033-2037	2,860,000	2,060,744	4,920,744
2038-2042	3,560,000	1,368,396	4,928,396
2043-2046	3,570,000	469,738	4,039,738
<b>Total</b>	<b>\$ 14,265,000</b>	<b>\$ 9,333,559</b>	<b>\$ 23,598,559</b>

#### Tax Rate Calculations

Average annual Tax Supported Principal and Interest Requirements, 2023-2046	\$ 983,273
\$0.3812 Tax Rate at 99% Collection Produces	\$ 983,153
Maximum Tax Supported Principal and Interest Requirements, 2026	\$ 988,998
\$0.3835 Tax Rate at 99% Collection Produces	\$ 989,085

## Somerset Hills Road District No. 4

Principal Property Taxpayers

September 30, 2022

(Unaudited)

The following table represents the principal taxpayers within the District, the estimated taxable assessed value of such property, and such property's assessed value as a percentage of the District's 2022/2023 Certified Taxable Valuation of \$260,515,254.

Name of Taxpayer	2022/2023	% of
	Taxable Assessed Valuation	Total Taxable Assessed Valuation
Pulte Homes of Texas LP	\$ 51,409,280	19.73%
Neil Stanley & Tarja Tellervo Christiansen Trust	775,040	0.30%
Sun City Geaorgetown Community Association inc.	766,569	0.29%
Jeffrey A. & Kathryn J. Richter Trust	752,673	0.29%
Richard & Judith Neiman	734,733	0.28%
Peter Edward & Pamela Kay Gaillard	716,678	0.28%
<b>Total</b>	<b>\$ 55,154,973</b>	<b>21.17%</b>

## Somerset Hills Road District No. 4

Estimated Direct and Overlapping Debt and Taxes

September 30, 2022

(Unaudited)

Taxing Jurisdiction	Total Funded Tax Debt 9/30/2022	Estimated % Applicable	Overlapping Tax Debt 9/30/2022
Somerset Hills Road District #1	\$ 14,192,379	100%	\$ 14,192,379
Georgetown ISD	551,680,000	0.94%	5,185,792
City of Georgetown	359,760,000	1.29%	4,640,904
Jarrell ISD	195,089,988	0.02%	39,018
Williamson County	1,205,528,546	0.16%	1,928,846
Total direct and overlapping funded debt			<u>\$ 25,947,921 <sup>1</sup></u>

Ratio of direct and overlapping debt to taxable assessed valuation 9.96% <sup>1</sup>

Set forth below is an estimation of taxes per \$100 of assessed valuation levied by such jurisdictions. No recognition is given to local assessments for civil association dues, emergency medical service contributions, fire department contributions or any other charges made by entities other than political subdivisions. All the land located with the District lies within the County. The following chart includes the 2022/2023 taxes per \$100 of assessed valuation levied by all such taxing jurisdictions.

Taxing Jurisdiction	2022/2023 Tax Rates
Somerset Hills Road District #1	\$ 0.2900
Georgetown ISD	1.2136
City of Georgetown	0.3740
Williamson County	0.3381
Total estimated tax bill	<u>\$ 2.2157 <sup>1</sup></u>

<sup>1</sup> Excludes Jarrell ISD overlapping debt in order to avoid double-counting of debt

**Road District****3.****Meeting Date:** 04/25/2023

Road District Invoices

**Submitted For:** Melanie Denny**Submitted By:** Ganae Hempe, 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 attached invoices are:

- 1) to pay for the semi-annual debt service due for all road districts and to pay for the final billing of the annual audit services from Weaver. The amount due Weaver 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.
- 2) England Engineering is for reviewing Pulte's plans and expenditures for eligible road reimbursement for the Somerset Road District #4.

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**Fiscal Impact**

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

Road District Invoices

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**Form Review****Inbox**

County Judge Exec Asst.

Form Started By: Ganae Hempe

Final Approval Date: 04/19/2023

**Reviewed By**

Becky Pruitt

**Date**

04/19/2023 09:45 AM

Started On: 04/18/2023 09:31 AM



Client Number: 1001057  
Invoice Date: 4/4/2023  
Invoice Number: 10744507  
Invoice Amount: \$27,300.00  
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: 4/4/2023 Invoice Number: 10744507 Client Number: 1001057  Final bill for audit work of Williamson County ACFR, Single Audit and Road Districts, as of and for the year ending September 30, 2022	
AFR with 4 major program single audits	15,650.00
Avery Road District No. 1	3,400.00
Northwoods Road District No. 1	2,750.00
Pearson Place Road District	2,750.00
Somerset Hills Road District	2,750.00
Current invoice amount due	\$ 27,300.00

Payment is due upon receipt in U.S. dollars. Please note client number and invoice number on remittance.  
Please visit us at [weaver.com](https://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>

480 Private Road 4037  
Lampasas, TX 76550

Date	Invoice #
4/2/2023	42

Bill To
Williamson County Bill Gravell, Jr. 701 S. Main St. Suite 101 Georgetown, TX 78626

P.O. No.	Terms	Project

[illegible]

**Road District****4.****Meeting Date:** 04/25/2023

Road District Collections – March 2023

**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 March 2023 for the Williamson County Tax Assessor/Collector.

**Background**

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**Fiscal Impact**

From/To	Acct No.	Description	Amount
---------	----------	-------------	--------

**Attachments**

030123-033123 Road Dist

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**Form Review****Inbox**

County Judge Exec Asst.

Form Started By: Renee Clark

Final Approval Date: 04/13/2023

**Reviewed By**

Becky Pruitt

**Date**

04/13/2023 03:54 PM

Started On: 04/13/2023 09:34 AM

**YEAR TO DATE - COLLECTION REPORT**  
**Williamson County Road Districts**  
**March 31, 2023**

<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
2022	\$922,297.23	(\$1,898.92)	\$920,398.31	\$3,778.67	\$171.64	(\$0.01)	\$10,629.11	\$909,769.20	98.85%	98.90%	98.99%
2021 & Prior	\$5,629.72	(\$79.23)	\$5,550.49	\$191.33	\$62.54	\$0.00	\$4,906.39	\$644.10	11.60%	14.71%	
<b>Total All</b>	<b>\$927,926.95</b>	<b>(\$1,978.15)</b>	<b>\$925,948.80</b>	<b>\$3,970.00</b>	<b>\$234.18</b>	<b>(\$0.01)</b>	<b>\$15,535.50</b>	<b>\$910,413.30</b>	<b>98.32%</b>	<b>98.39%</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
2022	\$801,632.64	\$593.85	\$802,226.49	\$14,236.86	\$303.31	\$0.00	\$31,278.19	\$770,948.30	96.10%	97.16%	97.15%
2021 & Prior	\$2,549.04	\$0.00	\$2,549.04	\$227.65	\$59.19	\$0.00	\$2,763.41	(\$214.37)	0.00%	0.00%	
<b>Total All</b>	<b>\$804,181.68</b>	<b>\$593.85</b>	<b>\$804,775.53</b>	<b>\$14,464.51</b>	<b>\$362.50</b>	<b>\$0.00</b>	<b>\$34,041.60</b>	<b>\$770,733.93</b>	<b>95.77%</b>	<b>96.84%</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
2022	\$292,789.80	\$166.56	\$292,956.36	\$456.89	(\$11.23)	\$0.00	\$857.70	\$292,098.66	99.71%	99.81%	99.81%
2021 & Prior	\$82.99	\$0.00	\$82.99	\$0.00	\$0.00	\$0.00	\$82.99	\$0.00	0.00%	0.00%	
<b>Total All</b>	<b>\$292,872.79</b>	<b>\$166.56</b>	<b>\$293,039.35</b>	<b>\$456.89</b>	<b>(\$11.23)</b>	<b>\$0.00</b>	<b>\$940.69</b>	<b>\$292,098.66</b>	<b>99.68%</b>	<b>99.78%</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
2022	\$691,540.22	(\$2,719.63)	\$688,820.59	\$4,228.79	\$76.27	\$0.00	\$9,157.17	\$679,663.42	98.67%	98.74%	98.71%
2021 & Prior	\$3,700.40	(\$166.32)	\$3,534.08	\$0.00	\$0.00	\$0.00	\$3,689.76	(\$155.68)	0.00%	0.00%	
<b>Total All</b>	<b>\$695,240.62</b>	<b>(\$2,885.95)</b>	<b>\$692,354.67</b>	<b>\$4,228.79</b>	<b>\$76.27</b>	<b>\$0.00</b>	<b>\$12,846.93</b>	<b>\$679,507.74</b>	<b>98.14%</b>	<b>98.21%</b>	