

Somerset Hills Road District No. 4

Financial Report

For the Fiscal Year Ended September 30, 2023

Somerset Hills Road District No. 4
Financial Report
For the Fiscal Year Ended September 30, 2023
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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, 2023, 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, 2023, 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, 2023, 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.
- 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 29, 2024

Somerset Hills Road District No. 4

Management's Discussion and Analysis For the Fiscal Year Ended September 30, 2023

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, 2023. 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, 2023, by \$13,780,519 (i.e., net deficit).
- The District's total net position decreased by \$301,342 during the year.
- Cash and investments equaled \$2,715,447.
- Annual expenses consist of debt service payments and related debt service fees such as paying agent/registrar fees and professional services.
- Issuance of \$2,595,000 in Unlimited Tax Road Bonds with interest rates ranging from 5.125 – 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 2023, the District's taxable assessed value totaled \$276,427,238 compared to \$137,719,302 in fiscal year 2022. 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, 2023

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, 2023, the District's liabilities exceeded assets by \$13,780,519.

Somerset Hills Road District No. 4 Net Position

	2023	2022
Assets	\$ 2,724,895	\$ 3,536,390
Long-term liabilities	16,416,783	14,192,379
Other liabilities	88,631	2,823,188
Total liabilities	16,505,414	17,015,567
Net position		
Restricted for debt service	256,201	281,814
Unassigned	(14,036,720)	(13,760,991)
TOTAL NET POSITION (DEFICIT)	\$ (13,780,519)	\$ (13,479,177)

Overall, the District had a decrease in net position of \$301,342. 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, 2023

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

	2023	2022
Revenues		
General revenues		
Property taxes	\$ 810,447	\$ 399,858
Interest	106,813	78,585
Miscellaneous	750	1,396
Total general revenues	918,010	479,839
Expenses		
General government	498,036	2,763,842
Interest and fiscal charges	721,316	613,282
Total expenses	1,219,352	3,377,124
Other Financing Uses		
Transfers Out	-	(10,166,737)
Total other financing uses	-	(10,166,737)
Change in net position	(301,342)	(13,064,022)
NET POSITION (DEFICIT), beginning	(13,479,177)	(415,155)
NET POSITION (DEFICIT), ending	\$ (13,780,519)	\$ (13,479,177)

The District owes \$16,590,000 to bond holders as of September 30, 2023. 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 2024

The property tax base for fiscal year 2024 is \$405,261,212. 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, 2023

	General	Debt Service	Totals	Adjustments	Statement of Net Position
ASSETS					
Cash and investments	\$ 2,380,063	335,384	\$ 2,715,447	\$ -	\$ 2,715,447
Property tax receivable	-	9,448	9,448	-	9,448
TOTAL ASSETS	<u>\$ 2,380,063</u>	<u>\$ 344,832</u>	<u>\$ 2,724,895</u>	<u>\$ -</u>	<u>\$ 2,724,895</u>
LIABILITIES					
Interest payable	\$ -	\$ -	\$ -	\$ 88,631	\$ 88,631
Non-current liabilities					
Due within one year	-	-	-	537,955	537,955
Due in more than one year	-	-	-	15,878,828	15,878,828
Total liabilities	-	-	-	16,505,414	16,505,414
DEFERRED INFLOWS OF RESOURCES					
Deferred property taxes	-	9,147	9,147	(9,147)	-
Total deferred inflows of resources	-	9,147	9,147	(9,147)	-
FUND BALANCE / NET POSITION					
Fund balance					
Restricted for debt service	-	335,685	335,685	(335,685)	
Restricted for construction	2,380,063	-	2,380,063	(2,380,063)	
Total fund balance	2,380,063	335,685	2,715,748	(2,715,748)	
TOTAL LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCE	<u>\$ 2,380,063</u>	<u>\$ 344,832</u>	<u>\$ 2,724,895</u>		
NET POSITION (DEFICIT)					
Restricted for debt service				256,201	256,201
Unassigned				(14,036,720)	(14,036,720)
TOTAL NET POSITION (DEFICIT)				<u>\$ (13,780,519)</u>	<u>\$ (13,780,519)</u>

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

Somerset Hills Road District No. 4

Statement of Activities and Governmental Funds Statement of Revenues, Expenditures and Changes in Fund Balance For the Fiscal Year Ended September 30, 2023

	General	Debt Service	Totals	Adjustments	Statement of Activities
EXPENDITURES/EXPENSES					
General government	\$ 493,155	\$ 4,881	\$ 498,036	\$ -	\$ 498,036
Debt service					
Principal	-	270,000	270,000	(270,000)	-
Interest and other charges	118,755	581,151	699,906	21,410	721,316
Total expenditures / expenses	611,910	856,032	1,467,942	(248,590)	1,219,352
GENERAL REVENUES					
Property taxes	-	803,849	803,849	6,598	810,447
Interest	74,772	32,041	106,813	-	106,813
Miscellaneous	750	-	750	-	750
Total general revenues	75,522	835,890	911,412	6,598	918,010
DEFICIENCY OF REVENUES UNDER EXPENDITURES	(536,388)	(20,142)	(556,530)	255,188	(301,342)
OTHER FINANCING SOURCES (USES)					
Issuance of long-term debt	2,591,113	3,887	2,595,000	(2,595,000)	-
Discount of issuance of long-term debt	(103,501)	-	(103,501)	103,501	-
Total other financing sources (uses)	2,487,612	3,887	2,491,499	(2,491,499)	-
CHANGES IN FUND BALANCE / NET POSITION	1,951,224	(16,255)	1,934,969	(2,236,311)	(301,342)
FUND BALANCE / NET POSITION, (DEFICIT), beginning of year	428,839	351,940	780,779	(14,259,956)	(13,479,177)
FUND BALANCE / NET POSITION (DEFICIT), end of year	\$ 2,380,063	\$ 335,685	\$ 2,715,748	\$ (16,496,267)	\$ (13,780,519)

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 \$13,780,519 exists in governmental activities as of September 30, 2023. 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, 2023, 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	\$ 2,715,748
Property taxes are not recognized until collected in the governmental funds	9,147
Accrued interest on bonds payable is not payable with current financial resources and is not reported in the funds	(88,631)
Long-term obligations are not due and payable in the current period and are not reported in the funds	(16,416,783)
Net position (deficit) of governmental activities	<u><u>\$ (13,780,519)</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	\$ 1,934,969
Property taxes are not recognized until collected in the governmental funds	6,598
Some expenses reported in the statement of activities do not require the use of current financial resources	(21,410)
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	270,000
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.	(2,491,499)
Change in net position of governmental activities	<u><u>\$ (301,342)</u></u>

Note 4. Investments

As of September 30, 2023, the District had the following investments:

<u>Investment Type</u>	<u>Amortized Cost</u>	<u>Weighted Average Maturity (Days)</u>
LOGIC	<u>\$ 347,079</u>	42
Total investments	<u><u>\$ 347,079</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, 2023:

Governmental Activities	Beginning Balance	Additions	Deletions	Ending Balance	Due Within One Year
Unlimited tax bonds	\$ 14,265,000	\$ 2,595,000	\$ (270,000)	\$ 16,590,000	\$ 545,000
Discount on issuance of bonds	(72,621)	(103,501)	2,905	(173,217)	(7,045)
Governmental activities long-term liabilities	\$ 14,192,379	\$ 2,491,499	\$ (267,095)	\$ 16,416,783	\$ 537,955

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	\$ 1,210,000
9/29/2020	Unlimited Tax Road Bonds Taxable, Series 2020	8/15/2045	2,555,000	2.45 - 5.15%	2/15, 8/15	2,350,000
9/14/2021	Unlimited Tax Road Bonds, Series 2021	8/15/2046	2,045,000	1.45 - 3.0%	2/15, 8/15	1,980,000
9/14/2021	Unlimited Tax Road Bonds Taxable, Series 2021	8/15/2046	3,805,000	2.45 - 4.9%	2/15, 8/15	3,705,000
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
9/12/2023	Unlimited Tax Road Bonds Taxable, Series 2023	8/15/2048	2,595,000	5.125-5.5%	2/15, 8/15	2,595,000

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 2023, the District issued \$2,595,000 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 5.125% 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
2024	\$ 545,000	\$ 719,391	\$ 1,264,391
2025	575,000	710,784	1,285,784
2026	475,000	690,198	1,165,198
2027	480,000	674,522	1,154,522
2028	495,000	658,188	1,153,188
2029-2033	2,800,000	3,001,958	5,801,958
2034-2038	3,425,000	2,369,900	5,794,900
2039-2043	4,295,000	1,506,147	5,801,147
2044-2048	3,500,000	424,605	3,924,605
Total	\$ 16,590,000	\$ 10,755,693	\$ 27,345,693

Required Supplementary Information

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, 2023

	Original	Final	Actual	Variance Positive (Negative)
REVENUES				
Property taxes	\$ 781,055	\$ 781,055	\$ 803,849	\$ 22,794
Interest	4,800	4,800	32,041	27,241
Total revenues	785,855	785,855	835,890	50,035
EXPENDITURES				
Current				
General government	9,800	9,231	4,881	4,350
Debt service				
Principal	270,000	270,000	270,000	-
Interest and other charges	680,346	680,915	581,151	99,764
Total expenditures	960,146	960,146	856,032	104,114
DEFICIENCY OF REVENUES UNDER EXPENDITURES	(174,291)	(174,291)	(20,142)	154,149
OTHER FINANCING SOURCES				
Issuance of long-term debt	-	-	3,887	3,887
Net change in fund balance	(174,291)	(174,291)	(16,255)	158,036
FUND BALANCE, beginning	351,940	351,940	351,940	-
FUND BALANCE, ending	<u>\$ 177,649</u>	<u>\$ 177,649</u>	<u>\$ 335,685</u>	<u>\$ 158,036</u>

Supplementary Information (Unaudited)

Somerset Hills Road District No. 4

Debt Service Requirements and Tax Rate Calculations

September 30, 2023

(Unaudited)

Debt Service Requirements

Years Ending September 30,	Outstanding Debt		
	Principal	Interest	Total
2024	\$ 545,000	\$ 719,391	\$ 1,264,391
2025	575,000	710,784	1,285,784
2026	475,000	690,198	1,165,198
2027	480,000	674,522	1,154,522
2028	495,000	658,189	1,153,189
2029-2033	2,800,000	3,001,958	5,801,958
2034-2038	3,425,000	2,369,900	5,794,900
2039-2043	4,295,000	1,506,147	5,801,147
2044-2048	3,500,000	424,605	3,924,605
Total	\$ 16,590,000	\$ 10,755,693	\$ 27,345,693

Tax Rate Calculations

Average annual Tax Supported Principal and Interest Requirements, 2024-2048	\$ 1,093,828
\$0.2726 Tax Rate at 99% Collection Produces	\$ 1,093,695
Maximum Tax Supported Principal and Interest Requirements, 2025	\$ 1,285,784
\$0.3205 Tax Rate at 99% Collection Produces	\$ 1,285,874

Somerset Hills Road District No. 4

Principal Property Taxpayers

September 30, 2023

(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 2023/2024 Certified Taxable Valuation of \$405,261,212.

Name of Taxpayer	2023/2024		% of
	Taxable Assessed		Total Taxable
	Valuation		Assessed
			Valuation
Pulte Homes of Texas LP	\$	31,728,216	7.83%
Plazo Tierra LLC		4,446,171	1.10%
Jeffrey A. & Kathryn J. Richter Trust		786,981	0.19%
Paul C & Barbara L Bergin Nader Trust		784,075	0.19%
David Ray Hargis & Lisa Moratti of Hargis& Moratti Revocable Trust		784,075	0.19%
Thomas James Shell & Linda Bowie		778,609	0.19%
Total	\$	39,308,127	9.69%

Somerset Hills Road District No. 4

Estimated Direct and Overlapping Debt and Taxes

September 30, 2023

(Unaudited)

Taxing Jurisdiction	Total Funded Tax Debt 9/30/2023	Estimated % Applicable	Overlapping Tax Debt 9/30/2023
Somerset Hills Road District #4	\$ 16,520,284	100%	\$ 16,520,284
Georgetown ISD	660,575,000	1.99%	13,145,443
City of Georgetown	385,790,000	2.44%	9,413,276
Jarrell ISD	291,849,988	0.02%	58,370
Williamson County	1,219,837,405	0.34%	4,147,447
Total direct and overlapping funded debt			\$ 43,226,450 ¹

Ratio of direct and overlapping debt to taxable assessed valuation

10.67% ¹

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 2023/2024 taxes per \$100 of assessed valuation levied by all such taxing jurisdictions.

Taxing Jurisdiction	2023/2024 Tax Rates
Somerset Hills Road District #4	\$ 0.2900
Georgetown ISD	1.0467
City of Georgetown	0.3740
Williamson County	0.3331
Total estimated tax bill	\$ 2.0438 ¹

¹ Excludes Jarrell ISD overlapping debt in order to avoid double-counting of debt