

NOTICE TO THE PUBLIC

**AVERY RANCH ROAD DISTRICT No. 1
PEARSON PLACE ROAD DISTRICT
NORTHWOODS ROAD DISTRICT No. 1
SOMERSET HILLS ROAD DISTRICT No. 3
SOMERSET HILLS ROAD DISTRICT No. 4
AVERY CENTRE ROAD DISTRICT No. 1**

**Commissioners Courtroom
710 S. Main Street, Georgetown
April 21, 2026
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 at the above location, date and time to consider the items set forth below. It is the intent of the Commissioners Court to have a quorum physically present at the meeting. Up to two (2) Commissioners Court members may participate by videoconference call in accordance with the Texas Open Meetings Act.

1. Review and approval of minutes.
2. Discuss, consider, and take appropriate action on approving road district collections for the month of March 2026 for the Williamson County Tax Assessor/Collector.
3. Receive, review and discuss the Fiscal Year 2025 Avery Ranch No. 1, Pearson Place, Northwoods No. 1, Somerset Hills No. 4, Somerset Hills No. 3 and Avery Centre No. 1 Road District Annual Financial Reports. Take any appropriate action deemed necessary regarding the same.
4. Discuss and take appropriate action in the Avery Ranch Road District, Pearson Place Road District, the Northwoods Road District, the Somerset Hills Road District #3, the Somerset Hills Road District #4, and the Avery Centre #1 Road District, including, but not limited to, payment of bills.

Steven Snell, County Judge

Road District

2.

Meeting Date: 04/21/2026

Road District Collections – March 2026

Submitted For: Larry Gaddes

Submitted By: Rebecca Bruton, County Tax Assessor Collector

Department: County Tax Assessor Collector

Information

Agenda Item

Discuss, consider, and take appropriate action on approving road district collections for the month of March 2026 for the Williamson County Tax Assessor/Collector.

Public Background

Fiscal Impact

From/To	Acct No.	Description	Amount
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Attachments

030126-033126 Road Dist

Form Review

Inbox

County Judge Exec Asst.

Form Started By: Rebecca Bruton

Final Approval Date: 04/13/2026

Reviewed By

Delia Colon

Date

04/13/2026 11:06 AM

Started On: 04/13/2026 08:13 AM

YEAR TO DATE - COLLECTION REPORT
Williamson County Road Districts
March 31, 2026

Avery Ranch Road District	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
2025	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	0.00%	0.00%	0.00%
2024 & Prior	\$6,618.93	(\$71.48)	\$6,547.45	\$84.59	\$22.00	\$0.00	\$6,147.82	\$399.63	6.10%	7.47%	
Total All	\$6,618.93	(\$71.48)	\$6,547.45	\$84.59	\$22.00	\$0.00	\$6,147.82	\$399.63	6.10%	7.47%	

Sommerset Hills Road District #3	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
2025	\$626,305.42	(\$11,157.87)	\$615,147.55	(\$6,286.42)	\$95.83	\$0.00	\$7,875.87	\$607,271.68	98.72%	98.77%	98.74%
2024 & Prior	\$0.00	(\$204.79)	(\$204.79)	\$0.00	\$0.00	\$0.00	\$0.00	(\$204.79)	100.00%	100.00%	
Total All	\$626,305.42	(\$11,362.66)	\$614,942.76	(\$6,286.42)	\$95.83	\$0.00	\$7,875.87	\$607,066.89	98.72%	98.77%	

Sommerset Hills Road District #4	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
2025	\$1,747,589.48	(\$4,973.79)	\$1,742,615.69	\$36,497.53	\$322.42	(\$0.01)	\$86,512.86	\$1,656,102.83	95.04%	95.09%	95.11%
2024 & Prior	\$25,011.86	(\$778.60)	\$24,233.26	(\$98.60)	\$0.00	\$0.00	\$23,964.58	\$268.68	1.11%	1.98%	
Total All	\$1,772,601.34	(\$5,752.39)	\$1,766,848.95	\$36,398.93	\$322.42	(\$0.01)	\$110,477.44	\$1,656,371.51	93.75%	93.81%	

Avery Centre Road District #1	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
2025	\$635,295.01	(\$8,639.58)	\$626,655.43	\$1,478.71	\$133.07	\$0.00	\$575.51	\$626,079.92	99.91%	99.93%	100.04%
2024 & Prior	\$564.81	(\$35.10)	\$529.71	\$0.00	\$0.00	\$0.00	\$0.00	\$529.71	100.00%	125.59%	
Total All	\$635,859.82	(\$8,674.68)	\$627,185.14	\$1,478.71	\$133.07	\$0.00	\$575.51	\$626,609.63	99.91%	99.95%	

Pearson Place Road District	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
2025	\$243,635.33	(\$2.90)	\$243,632.43	\$708.95	\$41.48	\$0.00	\$981.63	\$242,650.80	99.60%	99.69%	99.69%
2024 & Prior	\$82.99	\$0.00	\$82.99	\$0.00	\$0.00	\$0.00	\$82.99	\$0.00	0.00%	0.00%	
Total All	\$243,718.32	(\$2.90)	\$243,715.42	\$708.95	\$41.48	\$0.00	\$1,064.62	\$242,650.80	99.56%	99.65%	

Northwoods Road District #1	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
2025	\$661,613.02	(\$33.02)	\$661,580.00	\$6,628.21	\$318.67	\$0.00	\$11,934.50	\$649,645.50	98.20%	98.33%	98.44%
2024 & Prior	\$7,195.70	(\$311.23)	\$6,884.47	\$0.00	\$0.00	\$0.00	\$6,335.01	\$549.46	7.98%	10.78%	
Total All	\$668,808.72	(\$344.25)	\$668,464.47	\$6,628.21	\$318.67	\$0.00	\$18,269.51	\$650,194.96	97.27%	97.42%	

Road District

3.

Meeting Date: 04/21/2026

Annual Financial Reports

Submitted For: Julie Kiley

Submitted By: Julie Kiley, County Auditor

Department: County Auditor

Information

Agenda Item

Receive, review and discuss the Fiscal Year 2025 Avery Ranch No. 1, Pearson Place, Northwoods No. 1, Somerset Hills No. 4, Somerset Hills No. 3 and Avery Centre No. 1 Road District Annual Financial Reports. Take any appropriate action deemed necessary regarding the same.

Public Background

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

Fiscal Impact

From/To	Acct No.	Description	Amount
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Attachments

- 2025 Avery Ranch Road District No. 1 Financial Report
- 2025 Pearson Place Road District Financial Report
- 2025 Northwoods Road District No. 1 Financial Report
- 2025 Somerset Hills Road District No. 4 Financial Report
- 2025 Somerset Hills Road District No. 3 Financial Report
- 2025 Avery Centre Road District No. 1 Financial Report

Form Review

Inbox

County Judge Exec Asst.

Form Started By: Julie Kiley

Final Approval Date: 04/15/2026

Reviewed By

Delia Colon

Date

04/15/2026 08:58 AM

Started On: 04/15/2026 06:56 AM

Avery Ranch Road District No. 1

Financial Report

For the Fiscal Year End September 30, 2025

Avery Ranch Road District No. 1
Financial Report
For the Fiscal Year End September 30, 2025
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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, 2025, 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, 2025, 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, 2025, 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 5 to 7 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.

Weaver and Tidwell, L.L.P.

WEAVER AND TIDWELL, L.L.P.

Austin, Texas
March 30, 2026

Financial Section

Avery Ranch Road District No. 1

Management's Discussion and Analysis
For the Fiscal Year Ended September 30, 2025

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, 2025. 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 assets of Avery Ranch Road District No. 1 exceeded its liabilities as of September 30, 2025, by \$59,663(i.e., net position).
- The District's total net position increased by \$658,909 during the year.
- Cash and investments equaled \$53,423.
- 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, 2025

In fiscal year 2025, the District's taxable assessed value totaled \$2,360,965,103 compared to \$2,241,783,460 in fiscal year 2024. 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 8 and 9 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 10 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, 2025, the District's assets exceeded liabilities by \$59,663.

Avery Ranch Road District Net Position

	2025	2024
Assets and deferred outflows	\$ 59,663	\$ 148,847
Long-term liabilities	-	744,133
Other liabilities	-	3,960
Total liabilities	-	748,093
Net position		
Restricted	59,663	144,887
Unassigned	-	(744,133)
Total net position (deficit)	\$ 59,663	\$ (599,246)

Overall, the District had an increase in net position of \$658,909. The District has paid off all outstanding bonded debt.

Avery Ranch Road District No. 1

Management's Discussion and Analysis - Continued

For the Fiscal Year Ended September 30, 2025

Avery Ranch Road District's Change in Net Position

	2025	2024
Revenues		
General revenues		
Assessments	\$ 640,792	\$ 718,863
Interest	22,318	32,312
Total general revenues	663,110	751,175
Expenses		
General government	13,084	13,397
Interest and fiscal charges	(8,883)	19,868
Total expenses	4,201	33,265
Change in net position	658,909	717,910
NET POSITION (DEFICIT), beginning	(599,246)	(1,317,156)
NET POSITION (DEFICIT), ending	<u>\$ 59,663</u>	<u>\$ (599,246)</u>

The Debt Service Fund remitted bond principal payments of \$710,000 and interest and other charges of \$28,800 for fiscal year 2025.

The District paid off their long-term debt as of September 30, 2025. 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 2026

As of August 31, 2025 all outstanding bonded debt has been paid in full. The District is no longer taxing. Any outstanding taxes will be collected and final expenditures paid from remaining funds and then funds may be transferred to the County.

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, 2025

	<u>Debt Service</u>	<u>Totals</u>	<u>Adjustments</u>	<u>Statement of Net Position</u>
ASSETS				
Cash and investments	\$ 53,423	\$ 53,423	\$ -	\$ 53,423
Property tax receivable	6,240	6,240	-	6,240
TOTAL ASSETS	<u>\$ 59,663</u>	<u>\$ 59,663</u>	<u>\$ -</u>	<u>\$ 59,663</u>
DEFERRED INFLOWS OF RESOURCES				
Deferred property taxes	6,144	6,144	(6,144)	-
Total deferred inflows of resources	6,144	6,144	(6,144)	-
FUND BALANCE/NET POSITION				
Fund balance				
Restricted for debt service	53,519	53,519	(53,519)	
Total fund balance	53,519	53,519	(53,519)	
Total liabilities, deferred inflows of resources and fund balance	<u>\$ 59,663</u>	<u>\$ 59,663</u>		
NET POSITION (DEFICIT)				
Restricted for debt service			59,663	59,663
TOTAL NET POSITION (DEFICIT)			<u>\$ 59,663</u>	<u>\$ 59,663</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, 2025

	<u>Debt Service</u>	<u>Totals</u>	<u>Adjustments</u>	<u>Statement of Activities</u>
EXPENDITURES/EXPENSES				
Current				
General government	\$ 13,084	\$ 13,084	\$ -	\$ 13,084
Debt service				
Principal	710,000	710,000	(710,000)	-
Interest and other charges	28,800	28,800	(37,683)	(8,883)
Total expenditures/expenses	751,884	751,884	(747,683)	4,201
GENERAL REVENUES				
Property taxes	640,566	640,566	226	640,792
Interest	22,318	22,318	-	22,318
Total general revenues	662,884	662,884	226	663,110
EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES	<u>(89,000)</u>	<u>(89,000)</u>	<u>747,909</u>	<u>658,909</u>
FUND BALANCE / NET POSITION (DEFICIT)				
Beginning	142,519	142,519	(741,765)	(599,246)
Ending	<u>\$ 53,519</u>	<u>\$ 53,519</u>	<u>\$ 6,144</u>	<u>\$ 59,663</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 2025.

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.

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 non-spendable, 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.

Avery Ranch Road District No. 1

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 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. 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	\$ 53,519
Property tax revenues earned but not available within 60 days of the year ended are not recognized as revenue in the governmental funds	<u>6,144</u>
Net position (deficit) of governmental activities	<u><u>\$ 59,663</u></u>

Avery Ranch Road District No. 1

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	\$ (89,000)
Property tax revenues that do not provide current financial resources are not reported as revenues in the governmental funds	226
Some expenses reported in the statement of activities do not require the use of current financial resources	37,683
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>710,000</u>
Change in net position of governmental activities	<u><u>\$ 658,909</u></u>

Note 3. Investments

As of September 30, 2025, the District had the following investments:

<u>Investment type</u>	<u>Amortized Cost</u>	<u>Weighted Average Maturity (Days)</u>
TexPool Prime	<u>\$ 53,087</u>	52
Total investments	<u><u>\$ 53,087</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.

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.

Avery Ranch Road District No. 1

Notes to the Financial Statements

Credit Risk

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

Note 4. Long-Term Obligations

The following is a summary of the long-term liability transactions of the District for the year ended September 30, 2025:

Governmental Activities	Beginning Balance	Additions	Deletions	Ending Balance	Due Within One Year
Refunding bonds	\$ 710,000	\$ -	\$ (710,000)	\$ -	\$ -
Premium on issuance of bonds	34,133	-	(34,133)	-	-
Governmental activities long-term liabilities	\$ 744,133	\$ -	\$ (744,133)	\$ -	\$ -

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	\$ -

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, 2025

	Original and Final	Actual	Variance Positive (Negative)
REVENUES			
Taxes	\$ 627,937	\$ 640,566	\$ 12,629
Interest	11,300	22,318	11,018
Total revenues	639,237	662,884	23,647
EXPENDITURES			
Current			
General government	15,750	13,084	2,666
Debt service			
Principal	710,000	710,000	-
Interest and other charges	28,800	28,800	-
Total expenditures	754,550	751,884	2,666
DEFICIENCY OF REVENUES UNDER EXPENDITURES	(115,313)	(89,000)	26,313
FUND BALANCE, beginning	142,519	142,519	-
FUND BALANCE, ending	\$ 27,206	\$ 53,519	\$ 26,313

Pearson Place Road District

Financial Report

For the Fiscal Year Ended September 30, 2025



Pearson Place Road District
Financial Report
For the Fiscal Year Ended September 30, 2025
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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, 2025, 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, 2025, 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, 2025, 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 5 to 7 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, 2026

Financial Section

Pearson Place Road District

Management's Discussion and Analysis
For the Fiscal Year Ended September 30, 2025

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, 2025. 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, 2025, by \$3,309,000 (i.e., net deficit).
- The District's total net position increased by \$181,952 during the year.
- Cash and investments equaled \$959,283.
- 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 2025, the District's taxable assessed value totaled \$466,543,973 compared to \$432,942,290 in fiscal year 2024. 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, 2025

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 8 and 9 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 10 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, 2025, the District's liabilities exceeded assets by \$3,309,000.

Pearson Place Road District Net Position

	2025	2024
Assets	\$ 959,359	\$ 976,220
Long-term liabilities	4,251,193	4,449,081
Other liabilities	17,166	18,091
Total liabilities	4,268,359	4,467,172
Net position		
Restricted	942,193	958,129
Unassigned	(4,251,193)	(4,449,081)
Total net position (deficit)	\$ (3,309,000)	\$ (3,490,952)

Overall, the District had an increase in net position of \$181,952. 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, 2025

Pearson Place Road District's Change in Net Position

	2025	2024
Revenues		
General revenues		
Property taxes	\$ 268,117	\$ 264,863
Interest	50,151	61,172
Total general revenues	318,268	326,035
Expenses		
General government	8,279	7,963
Interest and fiscal charges	128,037	133,687
Total expenses	136,316	141,650
Change in net position	181,952	184,385
NET POSITION (DEFICIT), beginning	(3,490,952)	(3,675,337)
NET POSITION (DEFICIT), ending	\$ (3,309,000)	\$ (3,490,952)

The District owes \$4,045,000 to bond holders as of September 30, 2025. 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 2026

The property tax base for fiscal year 2026 is \$481,894,422. The tax rate is \$0.049 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, 2025

	<u>Debt Service</u>	<u>Totals</u>	<u>Adjustments</u>	<u>Statement of Net Position</u>
ASSETS				
Cash and investments	\$ 959,283	\$ 959,283	\$ -	\$ 959,283
Property tax receivable	76	76	-	76
TOTAL ASSETS	<u>\$ 959,359</u>	<u>\$ 959,359</u>	<u>\$ -</u>	<u>\$ 959,359</u>
LIABILITIES				
Accounts payable	\$ 410	\$ 410	\$ -	\$ 410
Interest payable	-	-	16,756	16,756
Non-current liabilities				
Due within one year	-	-	202,888	202,888
Due in more than one year	-	-	4,048,305	4,048,305
Total liabilities	410	410	4,267,949	4,268,359
DEFERRED INFLOWS OF RESOURCES				
Deferred property taxes	\$ 76	\$ 76	\$ (76)	\$ -
Total deferred inflows of resources	76	76	(76)	-
FUND BALANCE / NET POSITION				
Fund balance				
Restricted for debt service	958,873	958,873	(958,873)	
Total fund balance	958,873	958,873	(958,873)	
TOTAL LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCE				
	<u>\$ 959,359</u>	<u>\$ 959,359</u>		
NET POSITION (DEFICIT)				
Restricted for debt service			942,193	942,193
Unassigned			(4,251,193)	(4,251,193)
TOTAL NET POSITION (DEFICIT)			<u>\$ (3,309,000)</u>	<u>\$ (3,309,000)</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, 2025

	Debt Service	Totals	Adjustments	Statement of Activities
EXPENDITURES/EXPENSES				
General government	\$ 8,279	\$ 8,279	\$ -	\$ 8,279
Debt service				
Principal	185,000	185,000	(185,000)	-
Interest and other charges	141,850	141,850	(13,813)	128,037
Total expenditures / expenses	335,129	335,129	(198,813)	136,316
GENERAL REVENUES				
Property taxes	268,117	268,117	-	268,117
Interest	50,151	50,151	-	50,151
Total general revenues	318,268	318,268	-	318,268
EXCESS OF REVENUES OVER EXPENDITURES	(16,861)	(16,861)	198,813	181,952
CHANGES IN FUND BALANCE / NET POSITION	(16,861)	(16,861)	198,813	181,952
FUND BALANCE / NET POSITION, (DEFICIT), beginning of year	975,734	975,734	(4,466,686)	(3,490,952)
FUND BALANCE / NET POSITION (DEFICIT), end of year	<u>\$ 958,873</u>	<u>\$ 958,873</u>	<u>\$ (4,267,873)</u>	<u>\$ (3,309,000)</u>

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 2025.

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 non-spendable, 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 \$3,309,000 exists in governmental activities as of September 30, 2025. 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, 2025, the amount of bonds outstanding that were used to finance construction of assets and pay debt service was \$4,045,000.

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	\$ 958,873
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	(16,756)
Long-term obligations are not due and payable in the current period and are not reported in the funds	(4,251,193)
Net position (deficit) of governmental activities	\$ (3,309,000)

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	\$ (16,861)
Some expenses reported in the statement of activities do not require the use of current financial resources	13,813
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>185,000</u>
Change in net position of governmental activities	<u><u>\$ 181,952</u></u>

Note 4. Investments

As of September 30, 2025, the District had the following investments:

Investment Type	Amortized Cost	Weighted Average Maturity (Days)
LOGIC	\$ 959,283	42
Total investments	<u><u>\$ 959,283</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, 2025:

Governmental Activities	Beginning Balance	Additions	Deletions	Ending Balance	Due Within One Year
Unlimited tax bonds	\$ 4,230,000	\$ -	\$ (185,000)	\$ 4,045,000	\$ 190,000
Premium on issuance of bonds	226,683	-	(13,335)	213,348	13,335
Discount on issuance of bonds	(7,602)	-	447	(7,155)	(447)
Governmental activities long-term liabilities	\$ 4,449,081	\$ -	\$ (197,888)	\$ 4,251,193	\$ 202,888

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	3.0 - 4.0%	2/15, 8/15	\$ 4,045,000

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.

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

Years Ending September 30,	Governmental Activities		
	Principal	Interest	Total
2026	\$ 190,000	134,050	\$ 324,050
2027	200,000	126,450	326,450
2028	205,000	118,450	323,450
2029	215,000	110,250	325,250
2030	225,000	101,650	326,650
2031-2035	1,245,000	381,400	1,626,400
2036-2040	1,450,000	180,150	1,630,150
2041	315,000	9,450	324,450
Total	\$ 4,045,000	\$ 1,161,850	\$ 5,206,850

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, 2025

	<u>Original and Final</u>	<u>Actual</u>	<u>Variance Positive (Negative)</u>
REVENUES			
Property taxes	\$ 273,593	\$ 268,117	\$ (5,476)
Interest	60,000	50,151	(9,849)
Total revenues	333,593	318,268	(15,325)
EXPENDITURES			
General government	9,275	8,279	996
Debt service			
Principal	185,000	185,000	-
Interest and other charges	141,850	141,850	-
Total expenditures	336,125	335,129	996
Net change in fund balance	(2,532)	(16,861)	(14,329)
FUND BALANCE, beginning	975,734	975,734	-
FUND BALANCE, ending	<u>\$ 973,202</u>	<u>\$ 958,873</u>	<u>\$ (14,329)</u>

Supplementary Information
(Unaudited)

Pearson Place Road District

Debt Service Requirements and Tax Rate Calculations

September 30, 2025

(Unaudited)

Debt Service Requirements

Years Ending September 30,	Outstanding Debt		
	Principal	Interest	Total
2026	\$ 190,000	\$ 134,050	\$ 324,050
2027	200,000	126,450	326,450
2028	205,000	118,450	323,450
2029	215,000	110,250	325,250
2030	225,000	101,650	326,650
2031-2035	1,245,000	381,400	1,626,400
2036-2040	1,450,000	180,150	1,630,150
2041	315,000	9,450	324,450
Total	\$ 4,045,000	\$ 1,161,850	\$ 5,206,850

Tax Rate Calculations

Average annual Tax Supported Principal and Interest Requirements, 2026-2041	\$	325,428
\$0.0682 Tax Rate at 99% Collection Produces	\$	325,461
Maximum Tax Supported Principal and Interest Requirements, 2036	\$	327,950
\$0.0687 Tax Rate at 99% Collection Produces	\$	327,989

Pearson Place Road District

Principal Property Taxpayers

September 30, 2025

(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 2025/2026 Certified Taxable Valuation of \$481,894,442.

Name of Taxpayer	2025/2026 Taxable Assessed Valuation	% of Total Taxable Assessed Valuation
Govindan, Srimathi & Balaji Navalpakkam Kannan	\$ 1,763,369	0.37%
Swenson, Kristin Kay Lee & David Scott Lee Swenso	1,630,133	0.34%
Kashyap, Ravi & Reema	1,528,026	0.32%
Kampfer, John K & Janet L	1,148,070	0.24%
Maknojia, Zulfiqar (Tod) (RS)	1,132,721	0.24%
Koenig, Robert T & Zuleida E	1,130,197	0.23%
Fazal, Kareemullah Khan & Masa Aaliyah Fathima	1,123,456	0.23%
Jakka, Ramakrishna R & Kavitha Nimma	1,117,848	0.23%
Bartlett, Elizabeth M & Ronald C Clark Jr	1,113,767	0.23%
Lee, Kyoungkoo & Namkyoung	1,109,428	0.23%
Total	\$ 12,797,015	2.66%

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, 2025

(Unaudited)

Taxing Jurisdiction	Total Funded Tax Debt 9/30/2025	Estimated % Applicable	Overlapping Tax Debt 9/30/2025
Pearson Place Road District	\$ 4,045,000	100%	\$ 4,045,000
Austin Community College District	657,685,000	0.13%	854,991
City of Austin	1,747,315,000	0.19%	3,319,899
Round Rock ISD	911,250,000	0.84%	7,654,500
Upper Brushy Creek WCID	48,465,000	0.59%	285,944
Williamson County	1,402,705,000	0.42%	5,891,361
Total direct and overlapping funded debt			<u>\$ 22,051,695</u>

Ratio of direct and overlapping debt to taxable assessed valuation 4.58%

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 2025/2026 taxes per \$100 of assessed valuation levied by all such taxing jurisdictions.

Taxing Jurisdiction	2025/2026 Tax Rates
Pearson Place Road District	\$ 0.049000
Austin Community College District	0.103400
City of Austin	0.524017
Round Rock ISD	0.831000
Williamson County	0.413776
Total estimated tax bill	<u>\$ 1.921193</u>

Northwoods Road District No. 1

Financial Report

For the Fiscal Year Ended September 30, 2025

Northwoods Road District No. 1
Financial Report
For the Fiscal Year Ended September 30, 2025
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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, 2025, 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, 2025, 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, 2025, 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 5 to 7 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, 2026

Financial Section

Northwoods Road District No. 1

Management's Discussion and Analysis
For the Fiscal Year Ended September 30, 2025

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, 2025. 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, 2025, by \$8,474,099 (i.e., net deficit).
- The District's total net position increased by \$394,058 during the year.
- Cash and investments equaled \$358,074.
- 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 2025, the District's taxable assessed value totaled \$369,535,577 compared to \$342,941,729 in fiscal year 2024. 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, 2025

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 8 and 9 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 10 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, 2025, the District's liabilities exceeded assets by \$8,474,099.

Northwoods Road District No. 1's Net Position

	2025	2024
Assets	\$ 365,270	\$ 333,523
Long-term liabilities	8,797,159	9,157,795
Other liabilities	42,210	43,885
Total liabilities	8,839,369	9,201,680
Net position		
Restricted	323,060	289,638
Unassigned	(8,797,159)	(9,157,795)
TOTAL NET POSITION (DEFICIT)	\$ (8,474,099)	\$ (8,868,157)

Overall, the District had an increase in net position of \$394,058. 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, 2025

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

	2025	2024
Revenues		
General revenues		
Property taxes	\$ 696,938	\$ 682,942
Interest	29,175	33,845
	726,113	716,787
Total general revenues		
Expenses		
General government	10,766	10,419
Interest and fiscal charges	321,289	334,164
	332,055	344,583
Total expenses		
Change in net position	394,058	372,204
NET POSITION (DEFICIT), beginning	(8,868,157)	(9,240,361)
NET POSITION (DEFICIT), ending	\$ (8,474,099)	\$ (8,868,157)

The District owes \$8,360,000 to bond holders as of September 30, 2025. Outstanding bonds make up the majority of the net position deficit.

Discussion of Currently Known Facts, Decision or Condition in Fiscal Year 2026

The property tax base for fiscal year 2026 is \$376,433,976. The tax rate is \$0.172 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, 2025

	<u>Debt Service</u>	<u>Totals</u>	<u>Adjustments</u>	<u>Statement of Net Position</u>
ASSETS				
Cash and investments	\$ 358,074	\$ 358,074	\$ -	\$ 358,074
Property tax receivable	7,196	7,196	-	7,196
TOTAL ASSETS	<u>\$ 365,270</u>	<u>\$ 365,270</u>	<u>\$ -</u>	<u>\$ 365,270</u>
LIABILITIES				
Accounts payable	\$ 410	\$ 410	\$ -	\$ 410
Interest payable	-	-	41,800	41,800
Non-current liabilities				
Due within one year	-	-	370,636	370,636
Due in more than one year	-	-	8,426,523	8,426,523
Total liabilities	<u>410</u>	<u>410</u>	<u>8,838,959</u>	<u>8,839,369</u>
DEFERRED INFLOWS OF RESOURCES				
Deferred property taxes	\$ 6,771	\$ 6,771	\$ (6,771)	\$ -
Total deferred inflows of resources	6,771	6,771	(6,771)	-
FUND BALANCE / NET POSITION				
Fund balance				
Restricted for debt service	<u>358,089</u>	<u>358,089</u>	<u>(358,089)</u>	
Total fund balance	<u>358,089</u>	<u>358,089</u>	<u>(358,089)</u>	
TOTAL LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCE				
	<u>\$ 365,270</u>	<u>\$ 365,270</u>		
NET POSITION (DEFICIT)				
Restricted for debt service			323,060	323,060
Unassigned			<u>(8,797,159)</u>	<u>(8,797,159)</u>
TOTAL NET POSITION (DEFICIT)			<u>\$ (8,474,099)</u>	<u>\$ (8,474,099)</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, 2025

	<u>Debt Service</u>	<u>Totals</u>	<u>Adjustments</u>	<u>Statement of Activities</u>
EXPENDITURES/EXPENSES				
General government	\$ 10,766	\$ 10,766	\$ -	\$ 10,766
Debt service				
Principal	335,000	335,000	(335,000)	-
Interest and other charges	348,600	348,600	(27,311)	321,289
	<hr/>	<hr/>	<hr/>	<hr/>
Total expenditures / expenses	694,366	694,366	(362,311)	332,055
GENERAL REVENUES				
Property taxes	695,594	695,594	1,344	696,938
Interest	29,175	29,175	-	29,175
	<hr/>	<hr/>	<hr/>	<hr/>
Total general revenues	724,769	724,769	1,344	726,113
EXCESS OF REVENUES OVER EXPENDITURES	<hr/>	<hr/>	<hr/>	<hr/>
	30,403	30,403	363,655	394,058
CHANGES IN FUND BALANCE / NET POSITION	<hr/>	<hr/>	<hr/>	<hr/>
	30,403	30,403	363,655	394,058
FUND BALANCE / NET POSITION, (DEFICIT), beginning of year	<hr/>	<hr/>	<hr/>	<hr/>
	327,686	327,686	(9,195,843)	(8,868,157)
FUND BALANCE / NET POSITION (DEFICIT), end of year	<hr/>	<hr/>	<hr/>	<hr/>
	\$ 358,089	\$ 358,089	\$ (8,832,188)	\$ (8,474,099)

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 2025.

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 non-spendable, 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.

Northwoods Road District No. 1
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 \$8,474,099 exists in governmental activities as of September 30, 2025. 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, 2025, 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	\$ 358,089
Property tax revenues earned but not available within 60 days of the year end are not recognized as revenue in the governmental funds	6,771
Accrued interest on bonds payable is not payable with current financial resources and is not reported in the funds	(41,800)
Long-term obligations are not due and payable in the current period and are not reported in the funds	(8,797,159)
Net position (deficit) of governmental activities	<u><u>\$ (8,474,099)</u></u>

Northwoods Road District No. 1

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	\$ 30,403
Property tax revenues that do not provide current financial resources are not reported as revenues in the governmental funds	1,344
Some expenses reported in the statement of activities do not require the use of current financial resources	27,311
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>335,000</u>
Change in net position of governmental activities	<u><u>\$ 394,058</u></u>

Note 4. Investments

As of September 30, 2025, the District had the following investments:

Investment Type	Amortized Cost	Weighted Average Maturity (Days)
LOGIC	<u>\$ 358,074</u>	42
Total investments	<u><u>\$ 358,074</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.

Northwoods Road District No. 1

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, 2025:

Governmental Activities	Beginning Balance	Additions	Deletions	Ending Balance	Due Within One Year
Unlimited tax bonds	\$ 8,695,000	\$ -	\$ (335,000)	\$ 8,360,000	\$ 345,000
Premium on issuance of bonds	472,365	-	(26,140)	446,225	26,140
Discount on issuance of bonds	(9,570)	-	504	(9,066)	(504)
Governmental activities long-term liabilities	\$ 9,157,795	\$ -	\$ (360,636)	\$ 8,797,159	\$ 370,636

Issue Date	Description	Maturity	Original Amount	Interest Rate	Coupon Date	Outstanding Balance
9/12/2017	Unlimited Tax Road Bonds, Series 2017	8/15/2042	\$ 8,520,000	4.00%	2/15, 8/15	\$ 6,415,000
12/19/2018	Unlimited Tax Road Bonds, Series 2018	8/15/2043	2,345,000	4.00%	2/15, 8/15	1,945,000

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
2026	\$ 345,000	\$ 334,400	\$ 679,400
2027	360,000	320,600	680,600
2028	380,000	306,200	686,200
2029	390,000	291,000	681,000
2030	405,000	275,400	680,400
2031-2035	2,290,000	1,119,800	3,409,800
2036-2040	2,770,000	625,400	3,395,400
2041-2043	1,420,000	94,600	1,514,600
Total	\$ 8,360,000	\$ 3,367,400	\$ 11,727,400

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, 2025

	<u>Original and Final</u>	<u>Actual</u>	<u>Variance Positive (Negative)</u>
REVENUES			
Property taxes	\$ 682,267	\$ 695,594	\$ 13,327
Interest	30,000	29,175	(825)
Total revenues	712,267	724,769	12,502
EXPENDITURES			
Current			
General government	11,450	10,766	684
Debt service			
Principal	335,000	335,000	-
Interest and other charges	348,600	348,600	-
Total expenditures	695,050	694,366	684
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	17,217	30,403	13,186
FUND BALANCE, beginning	327,686	327,686	-
FUND BALANCE, ending	<u>\$ 344,903</u>	<u>\$ 358,089</u>	<u>\$ 13,186</u>

Supplementary Information
(Unaudited)

Northwoods Road District No. 1
 Debt Service Requirements and Tax Rate Calculations
 September 30, 2025
 (Unaudited)

Debt Service Requirements

Years Ending September 30,	Outstanding Debt		
	Principal	Interest	Total
2026	\$ 345,000	\$ 334,400	\$ 679,400
2027	360,000	320,600	680,600
2028	380,000	306,200	686,200
2029	390,000	291,000	681,000
2030	405,000	275,400	680,400
2031-2035	2,290,000	1,119,800	3,409,800
2036-2040	2,770,000	625,400	3,395,400
2041-2043	1,420,000	94,600	1,514,600
Total	\$ 8,360,000	\$ 3,367,400	\$ 11,727,400

Tax Rate Calculations

Average annual Tax Supported Principal and Interest Requirements, 2026-2043	\$ 651,522
\$0.1748 Tax Rate at 99% Collection Produces	\$ 651,613
Maximum Tax Supported Principal and Interest Requirements, 2028	\$ 686,200
\$0.1841 Tax Rate at 99% Collection Produces	\$ 686,457

Northwoods Road District No. 1

Principal Property Taxpayers

September 30, 2025

(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 2025/2026 Certified Taxable Valuation of \$376,433,976.

Name of Taxpayer	2025/2026 Taxable Assessed Valuation	% of Total Taxable Assessed Valuation
LTV Enterprises LLC	\$ 4,309,768	1.14%
Maen M Alradaideh	1,390,793	0.37%
William & Susann Cunningham	1,304,384	0.35%
Radjendran Govindaswamy & Selvi Radjendran Co		
Trs Rsmr Fam Revoc Trust	1,298,604	0.34%
Dominique & Irvin G Williams	1,276,628	0.34%
Akash Pandya & Sejal Patel	1,224,291	0.32%
Karthikeyan Rajagopalan	1,203,838	0.32%
Venkata R & Santha D Jagana	1,197,661	0.32%
Vinod Ganesan & Venkat Gayathri	1,188,122	0.32%
Ramon Yanez Cervantes & Gabriela Laguna Aponte		
Co-Trs Of The Yanez Laguna Fam Trust	1,157,633	0.31%
Total	\$ 15,551,722	4.13%

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, 2025

(Unaudited)

Taxing Jurisdiction	Total Funded Tax Debt 9/30/2025	Estimated % Applicable	Overlapping Tax Debt 9/30/2025
Northwoods Road District #1	\$ 8,360,000	100%	\$ 8,360,000
Austin Community College District	657,685,000	0.11%	723,454
City of Austin	1,747,315,000	0.16%	2,795,704
Round Rock ISD	911,250,000	0.71%	6,469,875
Upper Brushy Creek WCID	48,465,000	0.00%	-
Williamson County	1,402,705,000	0.37%	5,190,009
Total direct and overlapping funded debt			\$ 23,539,042

Ratio of direct and overlapping debt to taxable assessed valuation 6.25%

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 2025/2026 taxes per \$100 of assessed valuation levied by all such taxing jurisdictions.

Taxing Jurisdiction	2025/2026 Tax Rates
Northwoods Road District #1	\$ 0.172000
Austin Community College District	0.103400
City of Austin	0.524017
Round Rock ISD	0.893100
Williamson County	0.413776
Total estimated tax bill	\$ 2.106293

Somerset Hills Road District No. 4

Financial Report

For the Fiscal Year Ended September 30, 2025



Somerset Hills Road District No. 4
 Financial Report
 For the Fiscal Year Ended September 30, 2025
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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, 2025, 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, 2025, 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, 2025, 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 5 to 7 and budgetary comparison on page 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, 2026

Financial Section

Somerset Hills Road District No. 4

Management's Discussion and Analysis
For the Fiscal Year Ended September 30, 2025

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, 2025. 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, 2025, by \$20,335,303 (i.e., net deficit).
- The District's total net position decreased by \$4,433,609 during the year.
- Cash and investments equaled \$2,749,942.
- Annual expenses consist of debt service payments and related debt service fees such as paying agent/registrar fees and professional services.
- Issuance of \$2,510,000 in Unlimited Tax Road Bonds with interest rates ranging from 4.00 – 5.00%

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 2025, the District's taxable assessed value totaled \$499,767,143 compared to \$405,261,212 in fiscal year 2024. 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, 2025

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 8 and 9 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 10 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, 2025, the District's liabilities exceeded assets by \$20,335,303.

Somerset Hills Road District No. 4 Net Position

	<u>2025</u>	<u>2024</u>
Assets	\$ 2,774,954	\$ 5,296,798
Long-term liabilities	22,984,489	21,085,157
Other liabilities	<u>125,768</u>	<u>113,335</u>
Total liabilities	23,110,257	21,198,492
Net position		
Restricted for debt service	172,112	183,500
Unassigned	<u>(20,507,415)</u>	<u>(16,085,194)</u>
TOTAL NET POSITION (DEFICIT)	<u>\$ (20,335,303)</u>	<u>\$ (15,901,694)</u>

Overall, the District had a decrease in net position of \$4,433,609. This decrease is primarily related to the District's reimbursements to developers for construction costs and other professional service costs.

Somerset Hills Road District No. 4

Management's Discussion and Analysis - Continued
 For the Fiscal Year Ended September 30, 2025

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

	2025	2024
Revenues		
General revenues		
Property taxes	\$ 1,489,874	\$ 1,178,567
Interest	132,348	53,626
Miscellaneous	-	272
	1,622,222	1,232,465
Total general revenues		
Expenses		
General government	4,916,332	16,010
Interest and fiscal charges	1,039,499	968,774
	5,955,831	984,784
Total expenses		
Other Financing Uses		
Transfers Out	(100,000)	(2,368,856)
	(100,000)	(2,368,856)
Total other financing uses		
Change in net position	(4,433,609)	(2,121,175)
NET POSITION (DEFICIT), beginning	(15,901,694)	(13,780,519)
NET POSITION (DEFICIT), ending	\$ (20,335,303)	\$ (15,901,694)

The District owes \$23,205,000 to bond holders as of September 30, 2025. 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 2026

The property tax base for fiscal year 2026 is \$531,984,580. 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, 2025

	<u>General</u>	<u>Debt Service</u>	<u>Totals</u>	<u>Adjustments</u>	<u>Statement of Net Position</u>
ASSETS					
Cash and investments	\$ 2,477,074	\$ 272,868	\$ 2,749,942	\$ -	\$ 2,749,942
Property tax receivable	-	25,012	25,012	-	25,012
TOTAL ASSETS	\$ 2,477,074	\$ 297,880	\$ 2,774,954	\$ -	\$ 2,774,954
LIABILITIES					
Accounts payable	\$ -	\$ 410	\$ 410	\$ -	\$ 410
Interest payable	-	-	-	125,358	125,358
Non-current liabilities					
Due within one year	-	-	-	640,422	640,422
Due in more than one year	-	-	-	22,344,067	22,344,067
Total liabilities	-	410	410	23,109,847	23,110,257
DEFERRED INFLOWS OF RESOURCES					
Deferred property taxes	\$ -	\$ 24,283	\$ 24,283	\$ (24,283)	\$ -
Total deferred inflows of resources	-	24,283	24,283	(24,283)	-
FUND BALANCE / NET POSITION					
Fund balance					
Restricted for debt service	-	273,187	273,187	(273,187)	
Restricted for construction	2,477,074	-	2,477,074	(2,477,074)	
Total fund balance	2,477,074	273,187	2,750,261	(2,750,261)	
TOTAL LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCE	\$ 2,477,074	\$ 297,880	\$ 2,774,954		
NET POSITION (DEFICIT)					
Restricted for debt service				172,112	172,112
Unassigned				(20,507,415)	(20,507,415)
TOTAL NET POSITION (DEFICIT)				\$ (20,335,303)	\$ (20,335,303)

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, 2025

	<u>General</u>	<u>Debt Service</u>	<u>Totals</u>	<u>Adjustments</u>	<u>Statement of Activities</u>
EXPENDITURES/EXPENSES					
Current:					
General government	\$ 4,906,564	\$ 9,768	\$ 4,916,332	\$ -	\$ 4,916,332
Debt service					
Principal	-	605,000	605,000	(605,000)	-
Interest and other charges	103,996	912,295	1,016,291	23,208	1,039,499
Total expenditures / expenses	5,010,560	1,527,063	6,537,623	(581,792)	5,955,831
GENERAL REVENUES					
Property taxes	-	1,479,121	1,479,121	10,753	1,489,874
Interest	92,330	40,018	132,348	-	132,348
Total general revenues	92,330	1,519,139	1,611,469	10,753	1,622,222
DEFICIENCY OF REVENUES UNDER EXPENDITURES	(4,918,230)	(7,924)	(4,926,154)	592,545	(4,333,609)
OTHER FINANCING SOURCES (USES)					
Issuance of long-term debt	2,510,000	-	2,510,000	(2,510,000)	-
Discount of issuance of long-term debt	(14,659)	-	(14,659)	14,659	-
Transfers Out	(100,000)	-	(100,000)	-	(100,000)
Total other financing sources (uses)	2,395,341	-	2,395,341	(2,495,341)	(100,000)
CHANGES IN FUND BALANCE / NET POSITION	(2,522,889)	(7,924)	(2,530,813)	(1,902,796)	(4,433,609)
FUND BALANCE / NET POSITION, (DEFICIT), beginning of year	4,999,963	281,111	5,281,074	(21,182,768)	(15,901,694)
FUND BALANCE / NET POSITION (DEFICIT), end of year	<u>\$ 2,477,074</u>	<u>\$ 273,187</u>	<u>\$ 2,750,261</u>	<u>\$ (23,085,564)</u>	<u>\$ (20,335,303)</u>

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 non-spendable, 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 \$20,335,303 exists in governmental activities as of September 30, 2025. 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, 2025, 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	\$	2,750,261
Property taxes are not recognized until collected in the governmental funds		24,283
Accrued interest on bonds payable is not payable with current financial resources and is not reported in the funds		(125,358)
Long-term obligations are not due and payable in the current period and are not reported in the funds		<u>(22,984,489)</u>
Net position (deficit) of governmental activities	\$	<u>(20,335,303)</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	\$ (2,530,813)
Property taxes are not recognized until collected in the governmental funds	10,753
Some expenses reported in the statement of activities do not require the use of current financial resources	(23,208)
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	605,000
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>(2,495,341)</u>
Change in net position of governmental activities	<u><u>\$ (4,433,609)</u></u>

Note 4. Investments

As of September 30, 2025, the District had the following investments:

<u>Investment Type</u>	<u>Amortized Cost</u>	<u>Weighted Average Maturity (Days)</u>
LOGIC	<u>\$ 2,750,438</u>	42
Total investments	<u><u>\$ 2,750,438</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, 2025:

Governmental Activities	Beginning Balance	Additions	Deletions	Ending Balance	Due Within One Year
Unlimited tax bonds	\$ 21,300,000	\$ 2,510,000	\$ (605,000)	\$ 23,205,000	\$ 650,000
Discount on issuance of bonds	(214,844)	(14,659)	8,992	(220,511)	(9,578)
Governmental activities long-term liabilities	\$ 21,085,156	\$ 2,495,341	\$ (596,008)	\$ 22,984,489	\$ 640,422

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	\$ 1,125,000
9/29/2020	Unlimited Tax Road Bonds Taxable, Series 2020	8/15/2045	2,555,000	2.45 - 5.15%	2/15, 8/15	2,210,000
9/14/2021	Unlimited Tax Road Bonds, Series 2021	8/15/2046	2,045,000	1.45 - 3.0%	2/15, 8/15	1,850,000
9/14/2021	Unlimited Tax Road Bonds Taxable, Series 2021	8/15/2046	3,805,000	2.45 - 4.9%	2/15, 8/15	3,500,000
9/13/2022	Unlimited Tax Road Bonds Taxable, Series 2022	8/15/2047	4,750,000	3.9 - 5.5%	2/15, 8/15	4,515,000
9/12/2023	Unlimited Tax Road Bonds Taxable, Series 2023	8/15/2048	2,595,000	5.125-5.5%	2/15, 8/15	2,270,000
9/1/2024	Unlimited Tax Road Bonds Taxable, Series 2024	8/15/2049	5,255,000	4.00-5.00%	2/15, 8/15	5,225,000
9/23/2025	Unlimited Tax Road Bonds Taxable, Series 2025	8/15/2050	2,510,000	4.00-5.00%	2/15, 8/15	2,510,000

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 2025, the District issued \$2,510,000 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 4.00% to 5.00% 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
2026	\$ 650,000	\$ 1,015,481	\$ 1,665,481
2027	675,000	1,003,672	1,678,672
2028	695,000	977,589	1,672,589
2029	730,000	950,216	1,680,216
2030	760,000	920,900	1,680,900
2031-2035	4,305,000	4,120,930	8,425,930
2036-2040	5,285,000	3,120,101	8,405,101
2041-2045	6,610,000	1,799,505	8,409,505
2046-2050	3,495,000	375,308	3,870,308
Total	\$ 23,205,000	\$ 14,283,702	\$ 37,488,702

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, 2025

	Original and Final	Actual	Variance Positive (Negative)
REVENUES			
Property taxes	\$ 1,432,062	\$ 1,479,121	\$ 47,059
Interest	40,000	40,018	18
Total revenues	<u>1,472,062</u>	<u>1,519,139</u>	<u>47,077</u>
EXPENDITURES			
Current			
General government	15,250	9,768	5,482
Debt service			
Principal	605,000	605,000	-
Interest and other charges	<u>912,696</u>	<u>912,295</u>	<u>401</u>
Total expenditures	<u>1,532,946</u>	<u>1,527,063</u>	<u>5,883</u>
DEFICIENCY OF REVENUES UNDER EXPENDITURES	(60,884)	(7,924)	52,960
FUND BALANCE, beginning	<u>281,111</u>	<u>281,111</u>	-
FUND BALANCE, ending	<u>\$ 220,227</u>	<u>\$ 273,187</u>	<u>\$ 52,960</u>

Supplementary Information
(Unaudited)

Somerset Hills Road District No. 4

Debt Service Requirements and Tax Rate Calculations

September 30, 2025

(Unaudited)

Debt Service Requirements

Years Ending September 30,	Outstanding Debt		
	Principal	Interest	Total
2026	\$ 650,000	\$ 1,015,481	\$ 1,665,481
2027	675,000	1,003,672	1,678,672
2028	695,000	977,589	1,672,589
2029	730,000	950,216	1,680,216
2030	760,000	920,900	1,680,900
2031-2035	4,305,000	4,120,930	8,425,930
2036-2040	5,285,000	3,120,101	8,405,101
2041-2045	6,610,000	1,799,505	8,409,505
2046-2050	3,495,000	375,308	3,870,308
Total	\$ 23,205,000	\$ 14,283,702	\$ 37,488,702

Tax Rate Calculations

Average annual Tax Supported Principal and Interest Requirements, 2026-2050	\$ 1,499,548
\$0.2847 Tax Rate at 99% Collection Produces	\$ 1,499,572
Maximum Tax Supported Principal and Interest Requirements, 2035	\$ 1,688,282
\$0.3206 Tax Rate at 99% Collection Produces	\$ 1,688,487

Somerset Hills Road District No. 4

Principal Property Taxpayers

September 30, 2025

(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 2025/2026 Certified Taxable Valuation of \$531,984,580.

Name of Taxpayer	2025/2026 Taxable Assessed Valuation	% of Total Taxable Assessed Valuation
Pulte Homes of Texas LP	\$ 11,218,899	2.11%
Arroyo Cap III-2 LLC	10,406,420	1.96%
Furman Tierra, LLC	2,685,408	0.50%
Mercedes N Christman Trustee of the Christman Family Trust	1,295,058	0.24%
Sun City Georgetown Community Association, Inc.	1,228,619	0.23%
Lazy River, LLC	1,013,980	0.19%
Total	\$ 27,848,384	5.23%

Somerset Hills Road District No. 4

Estimated Direct and Overlapping Debt and Taxes

September 30, 2025

(Unaudited)

Taxing Jurisdiction	Total Funded Tax Debt 9/30/2025	Estimated % Applicable	Overlapping Tax Debt 9/30/2025
Somerset Hills Road District #4	\$ 23,205,000	100%	\$ 23,205,000
Georgetown ISD	1,107,370,000	1.99%	22,036,663
City of Georgetown	509,325,000	2.73%	13,904,573
Jarrell ISD	378,085,104	0.04%	151,234
Williamson County	1,402,705,000	0.38%	5,330,279
Total direct and overlapping funded debt			\$ 64,476,515 ¹
Ratio of direct and overlapping debt to taxable assessed valuation			12.12% 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 2025/2026 taxes per \$100 of assessed valuation levied by all such taxing jurisdictions.

Taxing Jurisdiction	2025/2026 Tax Rates
Somerset Hills Road District #4	\$ 0.290000
Georgetown ISD	1.050600
City of Georgetown	0.353000
Williamson County	0.413776
Total estimated tax bill	\$ 2.107376 ¹

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

Somerset Hills Road District No. 3

Financial Report

For the Fiscal Year Ended September 30, 2025



Somerset Hills Road District No. 3
Financial Report
For the Fiscal Year Ended September 30, 2025
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Independent Auditor's Report

To the Board of Directors of
Somerset Hills Road District No. 3

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. 3 (the District), a component unit of Williamson County, Texas (the County), as of and for the year ended September 30, 2025, 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, 2025, 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, 2025, 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 5 to 7 and budgetary comparison on page 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, 2026

Financial Section

Somerset Hills Road District No. 3

Management's Discussion and Analysis
For the Fiscal Year Ended September 30, 2025

As management of the Somerset Hills Road District No. 3 (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, 2025. 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. 3 exceeded its assets as of September 30, 2025, by \$6,025,444 (i.e., net deficit).
- The District's total net position decreased by \$2,586,658 during the year.
- Cash and investments equaled \$2,128,200.
- Annual expenses consist of debt service payments and related debt service fees such as paying agent/registrar fees and professional services.
- Issuance of \$1,860,000 in Unlimited Tax Road Bonds with interest rates ranging from 4.0 - 5.0%

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).

Somerset Hills Road District No. 3

Management's Discussion and Analysis - Continued

For the Fiscal Year Ended September 30, 2025

In fiscal year 2025, the District's taxable assessed value totaled \$170,524,314 compared to \$103,220,256 in fiscal year 2024. 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 8 and 9 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 10 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, 2025, the District's liabilities exceeded assets by \$6,025,444.

Somerset Hills Road District No. 3 Net Position

	2025	2024
Assets	\$ 2,128,200	\$ 3,000,610
Long-term liabilities	8,100,403	6,394,254
Other liabilities	53,241	45,142
Total liabilities	8,153,644	6,439,396
Net position		
Restricted for debt service	285,691	271,082
Unassigned	(6,311,135)	(3,709,868)
TOTAL NET POSITION (DEFICIT)	\$ (6,025,444)	\$ (3,438,786)

Overall, the District had a decrease in net position of \$2,586,658. This decrease is primarily related to the District's reimbursements to developers for construction costs and other professional service costs.

Somerset Hills Road District No. 3

Management's Discussion and Analysis - Continued

For the Fiscal Year Ended September 30, 2025

Somerset Hills Road District No. 3's Change in Net Position

	<u>2025</u>	<u>2024</u>
Revenues		
General revenues		
Property taxes	\$ 499,852	\$ 287,893
Interest	47,421	23,651
Miscellaneous	-	249
Total general revenues	<u>547,273</u>	<u>311,793</u>
Expenses		
General government	1,481,766	11,050
Interest and fiscal charges	459,586	422,677
Total expenses	<u>1,941,352</u>	<u>433,727</u>
Other Financing Uses		
Transfers Out	<u>(1,192,579)</u>	<u>(2,380,849)</u>
Total other financing uses	<u>(1,192,579)</u>	<u>(2,380,849)</u>
Change in net position	(2,586,658)	(2,502,783)
NET POSITION (DEFICIT), beginning	<u>(3,438,786)</u>	<u>(936,003)</u>
NET POSITION (DEFICIT), ending	<u>\$ (6,025,444)</u>	<u>\$ (3,438,786)</u>

The District owes \$8,145,000 to bond holders as of September 30, 2025. 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 2026

The property tax base for fiscal year 2026 is \$200,088,601. 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. 3

Statement of Net Position and Governmental Funds
Balance Sheet
September 30, 2025

	<u>General</u>	<u>Debt Service</u>	<u>Totals</u>	<u>Adjustments</u>	<u>Statement of Net Position</u>
ASSETS					
Cash and investments	\$ 1,789,268	\$ 338,932	\$ 2,128,200	\$ -	\$ 2,128,200
Total assets	<u>1,789,268</u>	<u>338,932</u>	<u>2,128,200</u>	<u>-</u>	<u>2,128,200</u>
TOTAL ASSETS	<u>\$ 1,789,268</u>	<u>\$ 338,932</u>	<u>\$ 2,128,200</u>	<u>\$ -</u>	<u>\$ 2,128,200</u>
LIABILITIES					
Accounts payable	\$ -	\$ 410	\$ 410	\$ -	\$ 410
Interest payable	-	-	-	52,831	52,831
Non-current liabilities					
Due within one year	-	-	-	173,159	173,159
Due in more than one year	-	-	-	7,927,244	7,927,244
Total liabilities	<u>-</u>	<u>410</u>	<u>410</u>	<u>8,153,234</u>	<u>8,153,644</u>
FUND BALANCE / NET POSITION					
Fund balance					
Restricted for debt service	-	338,522	338,522	(338,522)	
Restricted for construction	1,789,268	-	1,789,268	(1,789,268)	
Total fund balance	<u>1,789,268</u>	<u>338,522</u>	<u>2,127,790</u>	<u>(2,127,790)</u>	
TOTAL LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCE	<u>\$ 1,789,268</u>	<u>\$ 338,932</u>	<u>\$ 2,128,200</u>		
NET POSITION (DEFICIT)					
Restricted for debt service				285,691	285,691
Unassigned				(6,311,135)	(6,311,135)
TOTAL NET POSITION (DEFICIT)				<u>\$ (6,025,444)</u>	<u>\$ (6,025,444)</u>

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

Somerset Hills Road District No. 3

Statement of Activities and Governmental Funds Statement of Revenues, Expenditures and Changes in Fund Balance For the Fiscal Year Ended September 30, 2025

	General	Debt Service	Totals	Adjustments	Statement of Activities
EXPENDITURES/EXPENSES					
Current:					
General government	\$ 1,478,177	\$ 3,589	\$ 1,481,766	\$ -	\$ 1,481,766
Debt service					
Principal	-	145,000	145,000	(145,000)	-
Interest and other charges	98,482	348,606	447,088	12,498	459,586
Total expenditures / expenses	1,576,659	497,195	2,073,854	(132,502)	1,941,352
GENERAL REVENUES					
Property taxes	-	499,852	499,852		499,852
Interest	24,401	23,020	47,421	-	47,421
Miscellaneous	-	-	-	-	-
Total general revenues	24,401	522,872	547,273	-	547,273
EXCESS (DEFICIENCY) OF REVENUES OVER(UNDER) EXPENDITURES	(1,552,258)	25,677	(1,526,581)	132,502	(1,394,079)
OTHER FINANCING SOURCES (USES)					
Issuance of long-term debt	1,860,000	-	1,860,000	(1,860,000)	-
Discount of issuance of long-term debt	(10,281)	-	(10,281)	10,281	-
Transfers Out	(1,192,579)	-	(1,192,579)	-	(1,192,579)
Total other financing sources (uses)	657,140	-	657,140	(1,849,719)	(1,192,579)
CHANGES IN FUND BALANCE / NET POSITION	(895,118)	25,677	(869,441)	(1,717,217)	(2,586,658)
FUND BALANCE / NET POSITION, (DEFICIT), beginning of year	2,684,386	312,845	2,997,231	(6,436,017)	(3,438,786)
FUND BALANCE / NET POSITION (DEFICIT), end of year	\$ 1,789,268	\$ 338,522	\$ 2,127,790	\$ (8,153,234)	\$ (6,025,444)

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

Somerset Hills Road District No. 3

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. 3 (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. 3

Notes to the Financial Statements

The District reports the following major governmental funds:

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

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

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

Assets, Liabilities and Net Position or Equity

Cash and Investments

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

Receivables and Payables

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

Long-term Obligations

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

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

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 non-spendable, 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.

Somerset Hills Road District No. 3

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 \$6,025,444 exists in governmental activities as of September 30, 2025. 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, 2025, 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	\$	2,127,790
Accrued interest on bonds payable is not payable with current financial resources and is not reported in the funds		(52,831)
Long-term obligations are not due and payable in the current period and are not reported in the funds		(8,100,403)
Net position (deficit) of governmental activities	\$	(6,025,444)

Somerset Hills Road District No. 3

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	\$ (869,441)
Some expenses reported in the statement of activities do not require the use of current financial resources	(12,498)
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	145,000
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>(1,849,719)</u>
Change in net position of governmental activities	<u><u>\$ (2,586,658)</u></u>

Note 4. Investments

As of September 30, 2025, the District had the following investments:

<u>Investment Type</u>	<u>Amortized Cost</u>	<u>Weighted Average Maturity (Days)</u>
LOGIC	\$ 2,128,200	42
Total investments	<u><u>\$ 2,128,200</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. 3

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, 2025:

Governmental Activities	Beginning Balance	Additions	Deletions	Ending Balance	Due Within One Year
Unlimited tax bonds	\$ 6,430,000	\$ 1,860,000	\$ (145,000)	\$ 8,145,000	\$ 175,000
Discount on issuance of bonds	(35,746)	(10,281)	1,430	(44,597)	(1,841)
Governmental activities long-term liabilities	\$ 6,394,254	\$ 1,849,719	\$ (143,570)	\$ 8,100,403	\$ 173,159

Issue Date	Description	Maturity	Original Amount	Interest Rate	Coupon Date	Outstanding Balance
9/12/2023	Unlimited Tax Road Bonds, Series 2023	8/15/2048	\$ 850,000	4.0-4.9%	2/15, 8/15	\$ 830,000
9/12/2023	Unlimited Tax Road Bonds Taxable, Series 2023	8/15/2048	2,665,000	5.85%-7.2%	2/15, 8/15	2,615,000
9/19/2024	Unlimited Tax Road Bonds, Series 2024	8/15/2049	1,600,000	4.0-5.0%	2/15, 8/15	1,560,000
9/19/2024	Unlimited Tax Road Bonds Taxable, Series 2024	8/15/2049	1,315,000	5.00%	2/15, 8/15	1,280,000
9/23/2025	Unlimited Tax Road Bonds Taxable, Series 2025	8/15/2050	1,860,000	4.0-5.0%	2/15, 8/15	1,860,000

Somerset Hills Road District No. 3

Notes to the Financial Statements

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 2025, the District issued \$1,860,000 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 4.0-5.0% 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
2026	\$ 175,000	\$ 431,999	\$ 606,999
2027	195,000	432,260	627,260
2028	200,000	422,218	622,218
2029	210,000	411,883	621,883
2030	220,000	401,047	621,047
2031-2035	1,285,000	1,825,490	3,110,490
2036-2040	1,655,000	1,462,220	3,117,220
2041-2045	2,165,000	953,916	3,118,916
2046-2050	2,040,000	280,787	2,320,787
Total	\$ 8,145,000	\$ 6,621,820	\$ 14,766,820

Required Supplementary Information

Somerset Hills Road District No. 3

Statement of Revenue, Expenditures and Changes in Fund Balance –
Budget and Actual
Debt Service Fund
For the Fiscal Year Ended September 30, 2025

	<u>Original and Final</u>	<u>Actual</u>	<u>Variance Positive (Negative)</u>
REVENUES			
Property taxes	\$ 489,742	\$ 499,852	\$ 10,110
Interest	18,000	23,020	5,020
Total revenues	507,742	522,872	15,130
EXPENDITURES			
Current			
General government	11,225	3,589	7,636
Debt service			
Principal	145,000	145,000	-
Interest and other charges	348,806	348,606	200
Total expenditures	505,031	497,195	7,836
Net change in fund balance	2,711	25,677	22,966
FUND BALANCE, beginning	312,845	312,845	-
FUND BALANCE, ending	<u>\$ 315,556</u>	<u>\$ 338,522</u>	<u>\$ 22,966</u>

Supplementary Information
(Unaudited)

Somerset Hills Road District No. 3

Debt Service Requirements and Tax Rate Calculations

September 30, 2025

(Unaudited)

Debt Service Requirements

Years Ending September 30,	Outstanding Debt		
	Principal	Interest	Total
2026	\$ 175,000	\$ 431,999	\$ 606,999
2027	195,000	432,260	627,260
2028	200,000	422,218	622,218
2029	210,000	411,883	621,883
2030	220,000	401,047	621,047
2031-2035	1,285,000	1,825,490	3,110,490
2036-2040	1,655,000	1,462,220	3,117,220
2041-2045	2,165,000	953,916	3,118,916
2046-2050	2,040,000	280,787	2,320,787
Total	\$ 8,145,000	\$ 6,621,820	\$ 14,766,820

Tax Rate Calculations

Average annual Tax Supported Principal and Interest Requirements, 2026-2050	\$ 590,673
\$0.2982 Tax Rate at 99% Collection Produces	\$ 590,698
Maximum Tax Supported Principal and Interest Requirements, 2043	\$ 627,279
\$0.3167 Tax Rate at 99% Collection Produces	\$ 627,344

Somerset Hills Road District No. 3

Principal Property Taxpayers

September 30, 2025

(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 2025/2026 Certified Taxable Valuation of \$200,088,601.

Name of Taxpayer	2025/2026 Taxable Assessed Valuation	% of Total Taxable Assessed Valuation
Georgetown JV Owner LP	\$ 58,320,774	29.15%
Richmond American Homes of Texas, Inc.	3,975,999	1.99%
Chesmar Homes, LLC	3,463,680	1.73%
Highland Village Georgetown LP	2,994,108	1.50%
GFO Home, LLC	2,676,480	1.34%
Thomas P. & Kimberley D. Wooden	1,011,410	0.51%
John Clark Williams & Christa L. Tonic	1,004,716	0.50%
Amy Michelle Perez & Ramon Leonardo Perez Villarreal	989,940	0.49%
Jeramie A & Alicia Cross	976,755	0.49%
Thomas Lee Tilbury & Deborah Ann Tilbury Co-Trustees Of The Tilbury Family Trust	971,055	0.49%
Total	\$ 76,384,917	38.19%

Somerset Hills Road District No. 3

Estimated Direct and Overlapping Debt and Taxes

September 30, 2025

(Unaudited)

Taxing Jurisdiction	Total Funded Tax Debt 9/30/2025	Estimated % Applicable	Overlapping Tax Debt 9/30/2025
Somerset Hills Road District #3	\$ 8,145,000	100%	\$ 8,145,000
Georgetown ISD	1,107,370,000	1.04%	11,516,648
Williamson County	1,402,705,000	0.15%	2,104,058
Total direct and overlapping funded debt			\$ 21,765,706

Ratio of direct and overlapping debt to taxable assessed valuation 10.88%

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 2025/2026 taxes per \$100 of assessed valuation levied by all such taxing jurisdictions.

Taxing Jurisdiction	2025/2026 Tax Rates
Somerset Hills Road District #3	\$ 0.290000
Georgetown ISD	1.050600
Williamson County	0.413776
Total estimated tax bill	\$ 1.754376

Avery Centre Road District No. 1

Financial Report

For the Fiscal Year End September 30, 2025



Avery Centre Road District No. 1
Financial Report
For the Fiscal Year End September 30, 2025
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Independent Auditor's Report

To the Board of Directors of
Avery Centre 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 Centre Road District No. 1 (the District), a component unit of Williamson County, Texas (the County), as of and for the year ended September 30, 2025, 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, 2025, 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, 2025, 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 5 to 7 and budgetary comparison on page 17 to 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, 2026

Financial Section

Avery Centre Road District No. 1

Management's Discussion and Analysis
For the Fiscal Year Ended September 30, 2025

As management of the Avery Centre 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, 2025. 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 08, 2008, and confirmed at an election held within the District on November 04, 2008, 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, Avery Centre DevCo, Inc., for the costs of constructing, improving, acquiring by purchase, maintaining and operating macadamized, graveled, or paved roads and turnpikes and related bridges, trails, drainage works and other similar improvements and carrying out other improvements that are necessary, convenient, or related to the District. The District is all located in the City of Round Rock, all within Williamson County, Texas.

Financial Highlights

- The liabilities of Avery Centre Road District No. 1 exceeded its assets as of September 30, 2025, by \$9,310,546 (i.e., net deficit).
- The District's total net position decreased by \$8,972,153 during the year.
- Cash and investments equaled \$3,409,724.
- Issuance of \$3,525,000 in Unlimited Tax Road Bonds with interest rates ranging from 4.0 – 5.0%
- Annual expenses consist of debt service payments and related debt service fees such as paying agent/registrar fees and professional services.

Overview of the Financial Statements

This discussion and analysis is intended to serve as an introduction to the District's basic financial statements. The District's basic financial statements are comprised of three components: (1) Management's Discussion and Analysis (this section); (2) government-wide financial statements, which include the fund financial statements, and (3) notes to the financial statements. 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 Centre Road District No. 1

Management's Discussion And Analysis – Continued

For the Fiscal Year Ended September 30, 2025

In fiscal year 2025, the District's taxable assessed value totaled \$264,492,263. 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 8 and 9 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 10 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, 2025, the District's liabilities exceeded assets by \$9,310,546.

	Avery Centre Road District Net Position	
	2025	2024
Assets and deferred outflows	\$ 3,410,289	\$ 5,620,007
Long-term liabilities	9,280,275	5,932,653
Other liabilities	3,440,560	25,747
Total liabilities	12,720,835	5,958,400
Net position		
Restricted	29,454	5,636,607
Unassigned	(9,340,000)	(5,975,000)
Total net position (deficit)	\$ (9,310,546)	\$ (338,393)

Overall, the District had an decrease in net position of \$8,972,153. This decrease is primarily related to the District's reimbursements to developers for construction costs and other professional service costs.

Avery Centre Road District No. 1

Management's Discussion And Analysis – Continued

For the Fiscal Year Ended September 30, 2025

Avery Centre Road District's Change in Net Position

	2025	2024
Revenues		
General revenues		
Interest	\$ 49,283	\$ 9,368
Total general revenues	434,638	9,368
Expenses		
General government	9,002,113	125
Interest and fiscal charges	404,678	347,636
Total expenses	9,406,791	347,761
Change in net position	(8,972,153)	(338,393)
NET POSITION (DEFICIT), beginning	(338,393)	-
NET POSITION (DEFICIT), ending	<u>\$ (9,310,546)</u>	<u>\$ (338,393)</u>

The District owes \$9,340,000 to bond holders as of September 30, 2025. 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 2026

The property tax base for fiscal year 2026 is \$420,830,292. The tax rate is \$0.15 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 Centre Road District No. 1

Statement of Net Position and Governmental Funds

Balance Sheet

September 30, 2025

	<u>General</u>	<u>Debt Service</u>	<u>Totals</u>	<u>Adjustments</u>	<u>Statement of Net Position</u>
ASSETS					
Cash and investments	\$ 3,406,419	\$ 3,305	\$ 3,409,724	\$ -	\$ 3,409,724
Property tax receivable	-	565	565	-	565
TOTAL ASSETS	<u>\$ 3,406,419</u>	<u>\$ 3,870</u>	<u>\$ 3,410,289</u>	<u>\$ -</u>	<u>\$ 3,410,289</u>
LIABILITIES					
Accounts payable	\$ 3,393,000	\$ 410	\$ 3,393,410	\$ -	\$ 3,393,410
Interest payable	-	-	-	47,150	47,150
Non-current liabilities					
Due within one year	-	-	-	232,543	232,543
Due in more than one year	-	-	-	9,047,732	9,047,732
Total liabilities	3,393,000	410	3,393,410	9,327,425	12,720,835
DEFERRED INFLOWS OF RESOURCES					
Deferred property taxes	-	563	563	(563)	-
Total deferred inflows of resources	-	563	563	(563)	-
FUND BALANCE/NET POSITION					
Fund balance					
Restricted for debt service	13,419	2,897	16,316	(16,316)	
Total fund balance	13,419	2,897	16,316	(16,316)	
Total liabilities, deferred inflows of resources and fund balance	<u>\$ 3,406,419</u>	<u>\$ 3,870</u>	<u>\$ 3,410,289</u>		
NET POSITION (DEFICIT)					
Restricted for debt service				29,454	29,454
Unassigned				(9,340,000)	(9,340,000)
TOTAL NET POSITION (DEFICIT)				<u>\$ (9,310,546)</u>	<u>\$ (9,310,546)</u>

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

Avery Centre 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, 2025

	<u>General</u>	<u>Debt Service</u>	<u>Totals</u>	<u>Adjustments</u>	<u>Statement of Activities</u>
EXPENDITURES/EXPENSES					
Current					
General government	\$ 8,999,186	2,927	\$ 9,002,113	\$ -	\$ 9,002,113
Debt service					
Principal	-	160,000	160,000	(160,000)	-
Interest and other charges	152,416	229,040	381,456	23,222	404,678
Total expenditures/expenses	<u>9,151,602</u>	<u>391,967</u>	<u>9,543,569</u>	<u>(136,778)</u>	<u>9,406,791</u>
GENERAL REVENUES					
Property taxes	-	384,716	384,716	563	385,279
Interest	42,575	6,708	49,283	-	49,283
Miscellaneous	-	76	76	-	76
Total general revenues	<u>42,575</u>	<u>391,500</u>	<u>434,075</u>	<u>563</u>	<u>434,638</u>
EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES	<u>(9,109,027)</u>	<u>(467)</u>	<u>(9,109,494)</u>	<u>137,341</u>	<u>(8,972,153)</u>
OTHER FINANCING SOURCES (USES)					
Issuance of long-term debt	3,522,487	2,513	3,525,000	(3,525,000)	-
Discount of issuance of long-term debt	<u>(19,072)</u>	<u>-</u>	<u>(19,072)</u>	<u>19,072</u>	<u>-</u>
Total other financing sources (uses)	<u>3,503,415</u>	<u>2,513</u>	<u>3,505,928</u>	<u>(3,505,928)</u>	<u>-</u>
CHANGES IN FUND BALANCE / NET POSITION	<u>(5,605,612)</u>	<u>2,046</u>	<u>(5,603,566)</u>	<u>(3,368,587)</u>	<u>(8,972,153)</u>
FUND BALANCE / NET POSITION (DEFICIT), beginning of year	<u>5,619,031</u>	<u>851</u>	<u>5,619,882</u>	<u>(5,958,275)</u>	<u>(338,393)</u>
FUND BALANCE / NET POSITION (DEFICIT), end of year	<u>\$ 13,419</u>	<u>\$ 2,897</u>	<u>\$ 16,316</u>	<u>\$ (9,326,862)</u>	<u>\$ (9,310,546)</u>

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

Avery Centre 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 Centre Road District No. 1 (the District) was created by order of the Williamson County Commissioners Court on July 8, 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 November 4, 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 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 Centre Road District No. 1

Notes to the Financial Statements

The District reports the following major governmental funds:

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

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

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

Assets, Liabilities and Net Position or Equity

Cash and Investments

Investments for the District are reported at 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 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 non-spendable, 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.

Avery Centre Road District No. 1

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 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 \$9,310,546 exists in governmental activities as of September 30, 2025. This deficit is the result of the District issuing bonds to finance the construction of roads contributed to the City of Round Rock. As of September 30, 2025, 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	\$ 16,316
Property tax revenues earned but not available within 60 days of the year ended are not recognized as revenue in the governmental funds	563
Accrued interest on bonds payable is not payable with current financial resources and is not reported in the funds	(47,150)
Long-term obligations are not due and payable in the current period and are not reported in the funds	<u>(9,280,275)</u>
Net position (deficit) of governmental activities	<u>\$ (9,310,546)</u>

Avery Centre Road District No. 1

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	\$ (5,603,566)
Property tax revenues that do not provide current financial resources are not reported as revenues in the governmental funds	563
Some expenses reported in the statement of activities do not require the use of current financial resources	(23,222)
The issuance of long-term debt (e.g., bonds) provides current financial resources to governmental funds, while the payment to bond escrow agent 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>(3,505,928)</u>
Change in net position of governmental activities	<u><u>\$ (8,972,153)</u></u>

Note 4. Investments

As of September 30, 2025, the District had the following investments:

<u>Investment type</u>	<u>Amortized Cost</u>	<u>Weighted Average Maturity (Days)</u>
TexPool Prime	<u>\$ 3,409,724</u>	52
Total investments	<u><u>\$ 3,409,724</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.

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.

Avery Centre Road District No. 1

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. 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, 2025:

Governmental Activities	Beginning Balance	Additions	Deletions	Ending Balance	Due Within One Year
Unlimited Tax Bonds	\$ 5,975,000	\$ 3,525,000	\$ (160,000)	\$ 9,340,000	\$ 235,000
Discount on issuance of bonds	(42,347)	(19,072)	1,694	(59,725)	(2,457)
Governmental activities long-term liabilities	\$ 5,932,653	\$ 3,505,928	\$ (158,306)	\$ 9,280,275	\$ 232,543

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
9/19/2024	Unlimited Tax Road Bonds, Series 2024	8/15/2049	\$ 5,975,000	4.0-5.0%	2/15, 8/15	\$ 5,815,000
9/23/2024	Unlimited Tax Road Bonds, Series 2025	8/15/2050	\$ 3,525,000	4.0-5.0%	2/15, 8/15	\$ 3,525,000

In September 2025, the District issued \$3,525,000 in Unlimited Tax Road Bonds. The bonds constitute direct obligations of the District, payable from ad valorem taxes levied upon all taxable property located within the Road District. Interest at rates ranging from 4.0-5.0% and are payable on February 15 and August 15 of each year.

Avery Centre 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
2026	\$ 235,000	\$ 394,928	\$ 629,928
2027	230,000	400,906	630,906
2028	240,000	389,406	629,406
2029	255,000	377,406	632,406
2030	270,000	364,656	634,656
2031-2035	1,520,000	1,634,582	3,154,582
2036-2040	1,855,000	1,300,669	3,155,669
2041-2045	2,285,000	870,531	3,155,531
2046-2050	2,450,000	314,838	2,764,838
Total	\$ 9,340,000	\$ 6,047,922	\$ 15,387,922

Required Supplementary Information

Avery Centre 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, 2025

	Original and Final	Actual	Variance Positive (Negative)
REVENUES			
Taxes	\$ 388,878	\$ 384,716	\$ (4,162)
Interest	13,000	6,708	(6,292)
Miscellaneous	-	76	76
	<hr/>	<hr/>	<hr/>
Total revenues	401,878	391,500	(10,378)
EXPENDITURES			
Current			
General government	11,050	2,927	8,123
Debt service			
Principal	160,000	160,000	-
Interest and other charges	229,240	229,040	200
	<hr/>	<hr/>	<hr/>
Total expenditures	400,290	391,967	8,323
DEFICIENCY OF REVENUES UNDER EXPENDITURES	<hr/>	<hr/>	<hr/>
	1,588	(467)	(2,055)
OTHER FINANCING SOURCES (USES)			
Issuance of long-term debt	-	2,513	(2,513)
	<hr/>	<hr/>	<hr/>
Total other financing sources	-	2,513	(2,513)
	<hr/>	<hr/>	<hr/>
Net change in fund balance	1,588	2,046	(4,568)
FUND BALANCE, beginning	<hr/>	<hr/>	<hr/>
	851	851	-
FUND BALANCE, ending	<hr/>	<hr/>	<hr/>
	\$ 2,439	\$ 2,897	\$ (4,568)

Supplementary Information
(Unaudited)

Avery Centre Road District No. 1

Debt Service Requirements and Tax Rate Calculations

September 30, 2025

(Unaudited)

Debt Service Requirements

Years Ending September 30,	Outstanding Debt		
	Principal	Interest	Total
2026	\$ 235,000	\$ 394,928	\$ 629,928
2027	230,000	400,906	630,906
2028	240,000	389,406	629,406
2029	255,000	377,406	632,406
2030	270,000	364,656	634,656
2031-2035	1,520,000	1,634,582	3,154,582
2036-2040	1,855,000	1,300,669	3,155,669
2041-2045	2,285,000	870,531	3,155,531
2046-2050	2,450,000	314,838	2,764,838
Total	\$ 9,340,000	\$ 6,047,922	\$ 15,387,922

Tax Rate Calculations

Average annual Tax Supported Principal and Interest Requirements, 2026-2050	\$	615,517
\$0.1477 Tax Rate at 99% Collection Produces	\$	615,559
Maximum Tax Supported Principal and Interest Requirements, 2030	\$	634,656
\$0.1523 Tax Rate at 99% Collection Produces	\$	634,682

Avery Centre Road District No. 1

Principal Property Taxpayers

September 30, 2025

(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 2025/2026 Certified Taxable Valuation of \$420,830,292.

Name of Taxpayer	2025/2026 Taxable Assessed Valuation	% of Total Taxable Assessed Valuation
36 Hundred Apartments LLC	\$ 81,000,000	19.25%
CRH Avery Centre Owner LLC	58,280,000	13.85%
Azola Avery Owner LP	56,337,971	13.39%
TRG Avery Centre II Owner LP	56,000,000	13.31%
WMCi Austin VII LLC	51,858,761	12.32%
Round Rock RE Holdings LLC	13,900,000	3.30%
Scope FN Round Rock LLC	13,581,933	3.23%
Texas Four Property LLC	10,519,823	2.50%
Pacesetter Homes LLC	7,749,772	1.84%
UV Memory Care LLC	4,093,330	0.97%
Total	\$ 353,321,590	83.96%

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 Centre Road District No. 1

Estimated Direct and Overlapping Debt and Taxes

September 30, 2025

(Unaudited)

Taxing Jurisdiction	Total Funded Tax Debt 9/30/2025	Estimated % Applicable	Overlapping Tax Debt 9/30/2025
Avery Centre Road District No. 1	\$ 9,340,000	100.00%	\$ 9,340,000
Austin Community College District	657,685,000	0.10%	657,685
Round Rock ISD	911,250,000	0.80%	7,290,000
City of Round Rock	418,660,000	1.55%	6,489,230
Upper Brushy Creek WCID	48,465,000	0.46%	222,939
Williamson County	1,402,705,000	0.29%	4,067,845
Total direct and overlapping funded debt			\$ 28,067,699

Ratio of direct and overlapping debt to taxable assessed valuation

6.67%

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 2025/2026 taxes per \$100 of assessed valuation levied by all such taxing jurisdictions.

Taxing Jurisdiction	Tax Rates
Avery Centre Road District No. 1	\$ 0.150000
Austin Community College District	0.103400
Round Rock ISD	0.893100
City of Round Rock	0.372000
Williamson County	0.413776
Total estimated tax bill	\$ 1.932276

Road District

4.

Meeting Date: 04/21/2026

Road District Invoices

Submitted For: Ganae Hempe

Submitted By: Ganae Hempe, County Auditor

Department: County Auditor

Information

Agenda Item

Discuss and take appropriate action in the Avery Ranch Road District, Pearson Place Road District, the Northwoods Road District, the Somerset Hills Road District #3, the Somerset Hills Road District #4, and the Avery Centre #1 Road District, including, but not limited to, payment of bills.

Public Background

The attached invoices are to pay for the annual audit services from Weaver, and for England Engineering, PLLC. The amount due Weaver by the Road Districts is \$8,175 for Avery Ranch Road District No. 1, \$6,500 for Avery Centre No. 1 Road District, \$6,500 for Pearson Place Road District, \$6,500 for Northwoods Road District No. 1, \$6,500 for Somerset Hills No. 4, and \$6,500 for Somerset Hills No. 3. The amounts due England Engineering, PLLC. by the Road Districts is \$468.75 for Somerset Hills No. 4 and \$406.25 for Avery Centre No. 1.

Fiscal Impact

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

Attachments

Road District Invoices

Form Review

Inbox

County Judge Exec Asst.

Form Started By: Ganae Hempe

Final Approval Date: 04/13/2026

Reviewed By

Delia Colon

Date

04/13/2026 11:03 AM

Started On: 04/06/2026 09:03 AM



Client Number: 1001057
 Invoice Date: 3/31/2026
 Invoice Number: 10907789
 Invoice Amount: \$40,875.00
 Amount Paid: _____

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

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

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

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

Service	Amount
Invoice Date: 3/31/2026 Invoice Number: 10907789 Client Number: 1001057	
Final bill for the financial and compliance audits of Williamson County, as of and for the year ending September 30, 2025.	200.00
First and final billing for Road District Financial Statement Audits and Reports as follows:	40,675.00
Avery Ranch Road District No. 1 - \$8,175	
Northwoods Road District No. 1 - \$6,500	
Pearson Place Road District - \$6,500	
Somerset Hills Road District No. 3 - \$6,500	
Somerset Hills Road District No. 4 - \$6,500	
Avery Centre Road District - \$6,500	
Total	\$ 40,875.00
Current invoice amount due	\$ 40,875.00

Payment is due upon receipt in U.S. dollars. Please note client number and invoice number on remittance.

Please visit us at weaver.com for location information. Direct invoice inquiries to (817) 882-7740, or e-mail AccountsReceivable@weaver.com.

JPMorgan ACH Routing No 111000614 Wire Routing No 021000021 Account No 695168933 Swift No CHASUS33

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