

Somerset Hills Road District No. 4

Financial Report

For the Fiscal Year Ended September 30, 2021

Somerset Hills Road District No. 4
 Financial Report
 For the Fiscal Year Ended September 30, 2021
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Independent Auditor's Report

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

We have audited the accompanying financial statements of the governmental activities and each major fund of Somerset Hills Road District No. 4 (the District), a component unit of Williamson County, Texas (the County), as of and for the year ended September 30, 2021, and the related notes to the financial statements, which collectively comprise the District's basic financial statements as listed in the table of contents.

Management's Responsibility for the Financial Statements

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

Auditor's Responsibility

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

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

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

Opinions

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities and each major fund of Somerset Hills Road District No. 4, as of September 30, 2021, and the respective changes in financial position thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Weaver and Tidwell, L.L.P.
1601 South MoPac Expressway, Suite D250 | Austin, Texas 78746
Main: 512.609.1900

Other Matters

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the management’s discussion and analysis on pages 3 to 5 and budgetary comparison on pages 15 and 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.

Other 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.

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, 2021, the changes in its financial position, or, where applicable, its cash flows for the year then ended, in accordance with accounting principles generally accepted in the United States of America. Our opinion is not modified with respect to this matter.

Weaver and Tidwell, L.L.P.

WEAVER AND TIDWELL, L.L.P.

Austin, Texas
March 30, 2022

Somerset Hills Road District No. 4

Management's Discussion and Analysis
For the Fiscal Year Ended September 30, 2021

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, 2021. 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, 2021, by \$415,155 (i.e., net deficit).
- The District's total net position decreased by \$201,976 during the year.
- Cash and investments equaled \$9,245,485.
- Annual expenses consist of debt service payments and related debt service fees such as paying agent/registrar fees and professional services.
- Issuance of \$5,850,000 in Unlimited Tax Road Bonds with interest rates ranging from 1.45 – 4.90%

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 2021, the District's taxable assessed value totaled \$73,922,260 compared to \$45,619,306 in fiscal year 2020. 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, 2021

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

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

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

Financial Analysis

As noted earlier, net position may serve over time as a useful indicator of the District's financial position. As of September 30, 2021, the District's liabilities exceeded assets by \$415,155.

Somerset Hills Road District No. 4 Net Position

	2021	2020
Assets	\$ 9,246,370	\$ 3,694,631
Long-term liabilities	9,620,000	3,890,000
Other liabilities	41,525	17,810
Total liabilities	9,661,525	3,907,810
Net position		
Restricted for debt service	146,546	116,767
Unassigned	(561,701)	(329,946)
TOTAL NET POSITION (DEFICIT)	\$ (415,155)	\$ (213,179)

Overall, the District had a decrease in net position of \$201,976. This decrease is primarily related to the District issuing long-term bonded debt with no payments made as of year-end.

Somerset Hills Road District No. 4
 Management’s Discussion and Analysis – Continued
 For the Fiscal Year Ended September 30, 2021

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

	2021	2020
Revenues		
General revenues		
Property taxes	\$ 216,462	\$ -
Interest	3,777	45
Miscellaneous	940	-
Total general revenues	221,179	45
Expenses		
General government	11,671	5,058
Interest and fiscal charges	411,484	208,166
Total expenses	423,155	213,224
Change in net position	(201,976)	(213,179)
NET POSITION (DEFICIT), beginning	(213,179)	-
NET POSITION (DEFICIT), ending	\$ (415,155)	\$ (213,179)

The District owes \$9,620,000 to bond holders as of September 30, 2021. 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 2022

The property tax base for fiscal year 2022 is \$137,866,852. 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, 2021

	General	Debt Service	Totals	Adjustments	Statement of Net Position
ASSETS					
Cash and investments	\$ 9,058,052	\$ 187,433	\$ 9,245,485	\$ -	\$ 9,245,485
Property tax receivable	-	885	885	-	885
TOTAL ASSETS	\$ 9,058,052	\$ 188,318	\$ 9,246,370	\$ -	\$ 9,246,370
LIABILITIES					
Accounts payable	\$ 450	\$ -	\$ 450	\$ -	\$ 450
Interest payable	-	-	-	41,075	41,075
Non-current liabilities					
Due within one year	-	-	-	105,000	105,000
Due in more than one year	-	-	-	9,515,000	9,515,000
Total liabilities	450	-	450	9,661,075	9,661,525
DEFERRED INFLOWS OF RESOURCES					
Deferred property taxes	-	697	697	(697)	-
Total deferred inflows of resources	-	697	697	(697)	-
FUND BALANCE / NET POSITION					
Fund balance					
Restricted for debt service	-	187,621	187,621	(187,621)	
Restricted for construction	9,057,602	-	9,057,602	(9,057,602)	
Total fund balance	9,057,602	187,621	9,245,223	(9,245,223)	
TOTAL LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCE	\$ 9,058,052	\$ 188,318	\$ 9,246,370		
NET POSITION (DEFICIT)					
Restricted for debt service				146,546	146,546
Unassigned				(561,701)	(561,701)
TOTAL NET POSITION (DEFICIT)				\$ (415,155)	\$ (415,155)

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, 2021

	General	Debt Service	Totals	Adjustments	Statement of Activities
EXPENDITURES/EXPENSES					
General government	\$ 9,925	\$ 1,746	\$ 11,671	\$ -	\$ 11,671
Debt service					
Principal	-	120,000	120,000	(120,000)	-
Interest and other charges	254,660	129,668	384,328	27,156	411,484
Total expenditures / expenses	264,585	251,414	515,999	(92,844)	423,155
GENERAL REVENUES					
Property taxes	-	215,765	215,765	697	216,462
Interest	3,572	205	3,777	-	3,777
Miscellaneous	940	-	940	-	940
Total general revenues	4,512	215,970	220,482	697	221,179
DEFICIENCY OF REVENUES UNDER EXPENDITURES					
	(260,073)	(35,444)	(295,517)	93,541	(201,976)
OTHER FINANCING SOURCES					
Issuance of long-term debt	5,757,621	92,379	5,850,000	(5,850,000)	-
Total other financing sources	5,757,621	92,379	5,850,000	(5,850,000)	-
CHANGES IN FUND BALANCE / NET POSITION					
	5,497,548	56,935	5,554,483	(5,756,459)	(201,976)
FUND BALANCE / NET POSITION, (DEFICIT), beginning of year					
	3,560,054	130,686	3,690,740	(3,903,919)	(213,179)
FUND BALANCE / NET POSITION (DEFICIT), end of year					
	\$ 9,057,602	\$ 187,621	\$ 9,245,223	\$ (9,660,378)	\$ (415,155)

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

Somerset Hills Road District No. 4

Notes to the Financial Statements

Note 1. Summary of Significant Accounting Policies

Reporting Entity

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

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

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

Government-Wide and Fund Financial Statements

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

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

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

Measurement Focus, Basis of Accounting and Financial Statement Presentation

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

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

Somerset Hills Road District No. 4

Notes to the Financial Statements

The District reports the following major governmental funds:

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

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

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

Assets, Liabilities and Net Position or Equity

Cash and Investments

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

Long-term Obligations

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

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

Fund Equity

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

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

Restricted

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

Somerset Hills Road District No. 4

Notes to the Financial Statements

Unassigned

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

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

Net Position

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

Estimates

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

Note 2. Stewardship and Accountability

Deficit Net Position

A net position deficit of \$415,155 exists in governmental activities as of September 30, 2021. 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, 2021, 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	\$	9,245,223
Property taxes are not recognized until collected in the governmental funds		697
Accrued interest on bonds payable is not payable with current financial resources and is not reported in the funds		(41,075)
Long-term obligations are not due and payable in the current period and are not reported in the funds		(9,620,000)
Net position (deficit) of governmental activities	\$	(415,155)

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	\$ 5,554,483
Property taxes are not recognized until collected in the governmental funds	697
Some expenses reported in the statement of activities do not require the use of current financial resources	(27,156)
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	120,000
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>(5,850,000)</u>
Change in net position of governmental activities	<u>\$ (201,976)</u>

Note 4. Investments

As of September 30, 2021, the District had the following investments:

<u>Investment Type</u>	<u>Amortized Cost</u>	<u>Weighted Average Maturity (Days)</u>
LOGIC	\$ 9,245,485	59
Total investments	<u>\$ 9,245,485</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, 2021:

Governmental Activities	Beginning Balance	Additions	Deletions	Ending Balance	Due Within One Year
Unlimited tax bonds	\$ 3,890,000	\$ 5,850,000	\$ (120,000)	\$ 9,620,000	\$ 105,000
Governmental activities long-term liabilities	\$ 3,890,000	\$ 5,850,000	\$ (120,000)	\$ 9,620,000	\$ 105,000

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

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.

Somerset Hills Road District No. 4

Notes to the Financial Statements

In September 2021, the District issued \$3,805,000 in Unlimited Taxable Road Bonds. The bonds constitute direct obligations of the District, payable from ad valorem taxes levied upon all taxable property located within the Road District. Interest at rates ranging from 2.45% to 4.90% are payable on February 15 and August 15 of each year.

In September 2021, the District issued \$2,045,000 in Unlimited Tax Road Bonds. The bonds constitute direct obligations of the District, payable from ad valorem taxes levied upon all taxable property located within the Road District. Interest at rates ranging from 1.45% to 3.0% 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
2022	\$ 105,000	\$ 346,246	\$ 451,246
2023	270,000	361,554	631,554
2024	275,000	355,674	630,674
2025	285,000	349,156	634,156
2026	300,000	342,023	642,023
2027-2031	1,590,000	1,577,722	3,167,722
2032-2036	1,895,000	1,281,947	3,176,947
2037-2041	2,305,000	869,862	3,174,862
2042-2046	2,595,000	328,501	2,923,501
Total	\$ 9,620,000	\$ 5,812,685	\$ 15,432,685

Required Supplementary Information

Somerset Hills Road District No. 4

Statement of Revenue, Expenditures and Changes in Fund Balance –
 Budget and Actual
 General Fund
 For the Fiscal Year Ended September 30, 2021

	<u>Original and Final</u>	<u>Actual</u>	<u>Variance Positive (Negative)</u>
REVENUES			
Interest	\$ -	\$ 3,572	\$ 3,572
Miscellaneous	-	940	940
Total revenues	-	4,512	4,512
EXPENDITURES			
Current			
General government	-	9,925	(9,925)
Debt service			
Interest and other charges	-	254,660	(254,660)
Total expenditures	-	264,585	(264,585)
DEFICIENCY OF REVENUES UNDER EXPENDITURES	-	(260,073)	(260,073)
OTHER FINANCING SOURCES			
Issuance of long-term debt	-	5,757,621	5,757,621
Net change in fund balance	-	5,497,548	5,497,548
FUND BALANCE, beginning	<u>3,560,054</u>	<u>3,560,054</u>	<u>-</u>
FUND BALANCE, ending	<u>\$ 3,560,054</u>	<u>\$ 9,057,602</u>	<u>\$ 5,497,548</u>

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, 2021

	<u>Original and Final</u>	<u>Actual</u>	<u>Variance Positive (Negative)</u>
REVENUES			
Property taxes	\$ 210,069	\$ 215,765	\$ 5,696
Interest	-	205	205
Total revenues	<u>210,069</u>	<u>215,970</u>	<u>5,901</u>
EXPENDITURES			
Current			
General government	2,481	1,746	735
Debt service			
Principal	120,000	120,000	-
Interest and other charges	<u>129,766</u>	<u>129,668</u>	<u>98</u>
Total expenditures	<u>252,247</u>	<u>251,414</u>	<u>833</u>
DEFICIENCY OF REVENUES UNDER EXPENDITURES	(42,178)	(35,444)	5,068
OTHER FINANCING SOURCES			
Issuance of long-term debt	-	<u>92,379</u>	<u>92,379</u>
Net change in fund balance	(42,178)	56,935	99,113
FUND BALANCE, beginning	<u>130,686</u>	<u>130,686</u>	<u>-</u>
FUND BALANCE, ending	<u><u>\$ 88,508</u></u>	<u><u>\$ 187,621</u></u>	<u><u>\$ 99,113</u></u>

Supplementary Information
(Unaudited)

Somerset Hills Road District No. 4

Debt Service Requirements and Tax Rate Calculations

September 30, 2021

(Unaudited)

Debt Service Requirements

Years Ending September 30,	Outstanding Debt		
	Principal	Interest	Total
2022	\$ 105,000	\$ 346,246	\$ 451,246
2023	270,000	361,554	631,554
2024	275,000	355,674	630,674
2025	285,000	349,156	634,156
2026	300,000	342,023	642,023
2027-2031	1,590,000	1,577,722	3,167,722
2032-2036	1,895,000	1,281,947	3,176,947
2037-2041	2,305,000	869,862	3,174,862
2042-2046	2,595,000	328,501	2,923,501
Total	\$ 9,620,000	\$ 5,812,685	\$ 15,432,685

Tax Rate Calculations

Average annual Tax Supported Principal and Interest Requirements, 2022-2046	\$	617,307
\$0.4480 Tax Rate at 99% Collection Produces	\$	617,336
Maximum Tax Supported Principal and Interest Requirements, 2023	\$	642,023
\$0.4581 Tax Rate at 99% Collection Produces	\$	642,040

Somerset Hills Road District No. 4

Principal Property Taxpayers

September 30, 2021

(Unaudited)

The following table represents the principal taxpayers within the District, the estimated taxable assessed value of such property, and such property's assessed value as a percentage of the District's 2021/2022 Certified Taxable Valuation of \$137,866,852.

Name of Taxpayer	2021/2022 Taxable Assessed Valuation	% of Total Taxable Assessed Valuation
Pulte Homes of Texas LP	\$ 14,234,421	10.32%
Pulte Homes of Texas LP	14,020,893	10.17%
Pulte Homes of Texas LP	5,446,470	3.95%
Pulte Homes of Texas LP	3,419,201	2.48%
Pulte Homes of Texas LP	951,556	0.69%
Michael F & Bonnie C Stanley Trust	632,334	0.46%
Costan, John Michael & Melody Elaine	629,253	0.46%
Hart, Herbert D III & Victoria Van Duren	609,726	0.44%
Sun City Georgetown Community Assoc Inc.	576,349	0.42%
Strudel, Jime Dwayne & Barbara Jean	568,339	0.41%
Total	\$ 41,088,542	29.80%

Somerset Hills Road District No. 4

Estimated Direct and Overlapping Debt and Taxes

September 30, 2021

(Unaudited)

Taxing Jurisdiction	Total Funded Tax Debt 9/30/2021	Estimated % Applicable	Overlapping Tax Debt 9/30/2021
Somerset Hills Road District #4	\$ 9,620,000	100%	\$ 9,620,000
Georgetown ISD	400,265,000	0.54%	2,161,431
City of Georgetown	327,735,000	0.76%	2,490,786
Jarrell ISD	155,484,988	0.10%	155,485
Williamson County	1,217,056,809	0.10%	1,217,057
Total direct and overlapping funded debt			\$ 15,489,274 ¹

Ratio of direct and overlapping debt to taxable assessed valuation 11.23% 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 2021/2022 taxes per \$100 of assessed valuation levied by all such taxing jurisdictions.

Taxing Jurisdiction	2021/2022 Tax Rates
Somerset Hills Road District #4	\$ 0.2900
Georgetown ISD	1.2310
City of Georgetown	0.4010
Williamson County	0.4008
Total estimated tax bill	\$ 2.3228 ¹

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