

**TALLEY ROAD SPECIAL IMPROVEMENT
DISTRICT**

AGENDA MATERIALS

BOARD OF DIRECTORS MEETING

September 14, 2021

**NOTICE OF MEETING
TALLEY ROAD PUBLIC IMPROVEMENT DISTRICT**

Notice is hereby given that the Board of Directors of Talley Road Public Improvement District will hold an in person and Video Conference meeting, open to the public, on **Tuesday, September 14, 2021 at 2:00 PM, in the Board Room of the Davidson, Troilo, Ream & Garza law offices located in Suite 100 of the Pyramid Building, 601 NW Loop 410, San Antonio, Texas 78216**, outside the boundaries of the District.

BOARD MEETING WILL BE IN PERSON BUT SOME BOARD MEMBERS MAY ATTEND VIRTUALLY AS AUTHORIZED BY SECTION 551.127 OF TEXAS GOVERNMENT CODE.

PUBLIC COMMENTS WILL ONLY BE ACCEPTED IN WRITING NO LATER THAN THIRTY (30) MINUTES IN ADVANCE OF THE MEETING BY SENDING THEM TO THE FRANK GARZA AT: fgarza@dtrglaw.com In the body of the email please include date, your name, your address, phone number, agenda item # if applicable or subject of discussion, and your comments.

Using a computer or mobile device: To participate, view or listen to the meeting below, please click the link below or copy and paste the web address into your browser and follow the instructions.

Join Zoom Meeting

<https://us02web.zoom.us/j/86518826508?pwd=V2hvS0VVa2pCUXorQUticFBhM1E3Zz09>

Meeting ID: 865 1882 6508
Passcode: 871281

or by phone: 1 (346) 248-7799
Passcode: 871281

1. Call to Order; Declare a Quorum
2. Approval of Minutes from July 29, 2021 meetings
3. Discussion regarding Budget for Fiscal Year 2020-2021.
4. **Public Hearing** on Proposed Budget for Fiscal Year 2021-2022.
5. **Public Hearing** on Tax Rate for Fiscal Year 2021-2022.
6. Discussion and action to consider the Proposed Budget for Fiscal Year 2021-2022.
7. Discussion and action to consider the Tax Rate for Fiscal Year 2021-2022.
8. Discussion and action to consider adoption of Resolution on process to approve invoices not exceeding \$5,000.
9. Discussion and action to consider approval of 2019-2020 Audit.
10. Discussion and action regarding payment to DTRG for legal services.
11. Discussion and action regarding payment to Armstrong & Vaughn for accounting services.
12. Discussion and action regarding payment to Bexar County to appraisal and tax collection services.
13. Discuss next meeting date.
14. Adjournment.

Accessibility Statement

This meeting site is accessible to disabled persons as follows: Entrance to the Pyramid Building is accessible through all first floor entrances of the building. Parking spaces reserved for the disabled are located at the west and north end of the building.

I certify that a copy of the September 14, 2021 agenda of items to be considered by the BOARD OF DIRECTORS OF TALLEY ROAD PUBLIC IMPROVEMENT DISTRICT was posted on September 10, 2021 on the Bulletin Area at Bexar County Courthouse, 100 Dolorosa, San Antonio, Texas 78205, outside the boundaries of the District and also available <https://bexarcoPublicimprovementdistricts.com/TalleyRoad>

F.J. Garza

The Talley Road Public Improvement District Board of Directors reserves the right to adjourn into executive session at any time to discuss any of the matters listed above, as authorized by Texas Government Code Chapter 551

AGENDA ITEM 2

**TALLEY ROAD SPECIAL IMPROVEMENT DISTRICT
JULY 29, 2021**

**THE STATE OF TEXAS §
 §
COUNTY OF BEXAR §**

The Board of Directors of Talley Road Special Improvement District (“District”) met in a regularly scheduled meeting, open to the public, via videoconference as a result of COVID-19 pandemic as authorized by Governor Greg Abbott’s Order allowing for such “virtual” meetings. Meeting was called to order at **1:30 p.m.** on the **29TH day of July 2021**, and the roll was called of the duly appointed members of the Board, to-wit:

David Rittenhouse	President
Karen Cannon	Vice-President
Amy Huebner	Secretary
Ronald Morander	Director
Jessica Lizardo	Director
Frances MacDaniel	Director
Gary Legan	Director

and all were present to establish a quorum of the Board. Also, present at the meeting were Frank Garza, General Counsel for Talley Road SID.

No citizens signed up to be heard.

2. APPROVE MINUTES FROM SEPTEMBER 23, 2020 MEETING.

Mr. Frank Garza opened up this agenda item for discussion. The Minutes from September 23, 2020 meeting were presented to the Board and Karen Cannon brought it to Mr. Garza’s attention that she was not present at this meeting so this change needs to be made to this Minutes. The Board approves the Minutes with the amendment that Karen Cannon was not present.

Following review and discussion, upon a motion made by President David Rittenhouse and seconded by Secretary Amy Huebner, the Board voted unanimously to approve the Minutes of September 23, 2020 meeting with the necessary edit of Karen Cannon not being present at this meeting.

**3. DISCUSSION AND POSSIBLE ACTION REGARDING DISTRICT’S
ACKNOWLEDGEMENT AND CONSENT TO ASSIGNMENT OF REVENUES
FROM TALLEY EXTENSION REVITALIZATION INITIATIVE, LLC TO
GORDON HARTMAN FAMILY FOUNDATION RELATED TO THE PUBLIC
IMPROVEMENT FINANCING AGREEMENT, INCLUDING THE**

CONSIDERATION OF A RESOLUTION APPROVING AND CONSENTING TO SUCH ACKNOWLEDGEMENT AND CONSENT.

Mr. Frank Garza opened up this agenda item for discussion. He stated that as part of the Finance Agreement between the District, the Developer and to a limited extent the County, the public improvements put in by the Developer are eligible for reimbursements by the District so once he submits his improvements to the District for approval when the District has the funding it will then reimburse the Developer for those improvements. Further, he stated that what this assignment does, those proceeds that the Developer would be eligible for instead of going to the Developer, would be going to the Gordon Hartman Family Foundation. So the Developer is still responsible for all the public improvements, making the submissions to the District, for review and approval but once the District approves those then the assignment would go into effect and any proceeds once collected by the District would go to the Gordon Hartman Family Foundation. This is what this document does and it is something that the Water District has agreed to as well. It provides funding for the Gordon Hartman Family Foundation for years to come as a result of these assignments.

Following review and discussion, upon a motion made by President David Rittenhouse and seconded by Vice-President Karen Cannon, the Board voted unanimously to approve District's Acknowledgement and Consent to Assignment of Revenues from Talley Extension Revitalization Initiative, LLC to Gordon Hartman Family Foundation related to the Public Improvement Financing Agreement, including the consideration of a Resolution approving and consenting to such Acknowledgement and Consent.

4. DISCUSSION REGARDING UPDATE ON DEVELOPMENT IN THE DISTRICT.

Mr. Garza opened this agenda item for discussion with the Board and an update was given on the development in the District.

It is agreed the next meeting will be September 14, 2021 at 2:00p.m.

5. ADJOURNMENT.

The Board officially adjourned at 1:43p.m.

David Rittenhouse, President

AGENDA ITEM 3

**TALLEY ROAD
PUBLIC IMPROVEMENT DISTRICT**

FINANCIAL STATEMENTS

**FOR THE ONE MONTH
AND TEN MONTHS ENDED
JULY 31, 2021**

TALLEY ROAD PUBLIC IMPROVEMENT DISTRICT
STATEMENT OF ASSETS, LIABILITIES AND FUND BALANCE - CASH BASIS
GENERAL FUND
JULY 31, 2021

ASSETS

Cash	\$ 17,066
TOTAL ASSETS	\$ 17,066

LIABILITIES AND FUND BALANCE

Liabilities:

Developer Advance	\$ 25,000
Accrued Liabilities	16,685
TOTAL LIABILITIES	41,685

Fund Balance (Deficit):

Unassigned	(24,619)
TOTAL LIABILITIES AND FUND BALANCE	\$ 17,066

TALLEY ROAD PUBLIC IMPROVEMENT DISTRICT
STATEMENT OF REVENUES AND EXPENDITURES - CASH BASIS
BUDGET TO ACTUAL - GENERAL FUND
FOR THE ONE MONTH AND TEN MONTHS ENDED JULY 31, 2021

	1 Month Ended July 31, 2021	Year to Date Through July 31, 2021	Budget	Over (Under) Budget (YTD)	% of Budget
REVENUES					
Ad Valorem	\$ -	\$ 1,609	\$ 1,615	\$ (6)	99.6%
Sales Tax	-	-	-	-	0.0%
TOTAL REVENUES	<u>-</u>	<u>1,609</u>	<u>1,615</u>	<u>(6)</u>	<u>99.6%</u>
EXPENDITURES					
Appraisal Fees	-	-	50	(50)	0.0%
Insurance - D & O	-	-	1,200	(1,200)	0.0%
Auditing Services	-	-	4,000	(4,000)	0.0%
Legal Services	-	-	15,000	(15,000)	0.0%
Engineering Services	-	-	1,500	(1,500)	0.0%
Accounting Services	-	-	900	(900)	0.0%
Banking Services	22	304	45	259	675.56%
Contingencies	-	-	-	-	0.0%
TOTAL EXPENDITURES	<u>22</u>	<u>304</u>	<u>22,695</u>	<u>(22,391)</u>	<u>1.3%</u>
NET INCREASE (DECREASE) IN FUND BALANCE	<u>\$ (22)</u>	<u>\$ 1,305</u>	<u>\$ (21,080)</u>	<u>\$ 22,385</u>	<u>-6.2%</u>
PROJECTION OF FUND BALANCE					
Fund Balance (Deficit) - July 31, 2021	\$ (24,619)				
Less: Remaining Budgeted Expenses	(22,391)				
Required Commitment of Fund Balance	-				
Estimated Remaining Fund Balance (Deficit)	<u>\$ (47,010)</u>				

AGENDA ITEM 4 & 5

**Notice
Of Public Hearing and
Vote on 2022 Tax Year Tax Rate and
Notice
Of Public Hearing and
Vote on Budget**

The Talley Road Special Improvement District will conduct a public hearing on the 2022 proposed tax rate on September 14, 2021 at 2:00 PM at the law offices of Davidson Troilo Ream & Garza located at the Pyramid Building, 601 NW Loop 410, Suite 100, San Antonio, Texas 78216.

The Talley Road Improvement District is scheduled to vote on the tax rate that will result in the adoption of a tax rate no greater than *0.55827 cents per \$100 taxable valuation*.

The Talley Road Improvement District will also conduct a public hearing on a proposed budget for fiscal year 2021-2022 on September 14, 2021 at 2:00 P.M. The budget will be posted on <https://bexarcospecialimprovementdistricts.com/>

The Talley Road Improvement District is scheduled to vote on budget for fiscal year 2021-2022 on September 14, 2021 at 2:00 PM at the law offices of Davidson Troilo Ream & Garza located at the Pyramid Building, 601 NW Loop 410, Suite 100, San Antonio, Texas 78216.

AGENDA ITEM 6

RESOLUTION NO. 091421-01

**A RESOLUTION OF THE BOARD OF DIRECTORS OF THE
TALLEY ROAD SPECIAL IMPROVEMENT DISTRICT
APPROVING THE PROPOSED BUDGET FOR FISCAL YEAR
2021-2022; AND ESTABLISHING AN EFFECTIVE DATE**

WHEREAS, the proposed budget for FY 2021-2022 constitutes a spending plan for the fiscal year and is consistent with the Talley Road Special Improvement District's desire to maintain fiscal responsibility and sustainability, in addition, this action would authorize the Board to carry out the necessary requirements to meet expenditures; and

WHEREAS, the Talley Road Special Improvement District and consultants have outlined the anticipated sources and uses of funds in the "FY 2022 Budget" and will require Board approval and Talley Road Special Improvement District's will ensure that all funds are spent in accordance with all applicable laws, Talley Road policies and procedures; and

WHEREAS, the Budget provides that there is a source of funding adequate to cover all operating expenditures and all unexpended funds will be carried forward to the next fiscal year and be presented in the FY 2023 Operating Budget.

NOW THEREFORE, BE IT RESOLVED BY THE BOARD OF DIRECTORS OF THE TALLEY ROAD SPECIAL IMPROVEMENT DISTRICT:

SECTION 1. The Budget for fiscal year 2021-2022 is hereby adopted and approved. Funding through FY 2021. The Budget is outlined in Attachment I and all unexpended funds will be carried forward in the next fiscal year and be presented in the FY '23 Proposed Budget

SECTION 2. EFFECTIVE DATE. This Resolution shall become effective immediately following its passage.

PASSED, APPROVED, AND ADOPTED THIS 14th DAY OF SEPTEMBER 2021,
by the Board of Directors of the Talley Road Special Improvement District.

David Charles Rittenhouse, President

Attest:

Frank J. Garza, General Counsel
General Counsel

EXHIBIT A

**TALLEY ROAD SPECIAL IMPROVEMENT DISTRICT
GENERAL FUND
BUDGET FOR 2021-2022**

	Audited 9/30/2020 Rev/Exp Financials	2020-2021 Rev/Exp through 7/31/20	2020-2021 Rev/Exp 08/31 - 09/30/20	2020-2021 Rev/Exp Estimate through 09/30/20	2021-2022 Proposed Budget	Reference
REVENUES						
Ad Valorem	\$ 1,584	\$ 1,609	\$ -	\$ 1,609	\$ 12,881	2a/b
Sales Tax	-	-	-	-	-	3
TOTAL REVENUES	<u>1,584</u>	<u>1,609</u>	<u>-</u>	<u>1,609</u>	<u>12,881</u>	
EXPENDITURES						
Appraisal Fees	-	-	62	62	50	
Insurance - D & O	1,500	-	-	-	1,500	
Auditing Services	-	-	-	-	6,000	
Legal Services	4,765	-	15,000	15,000	15,000	5
Consulting Services	-	-	-	-	-	
Engineering Services	-	-	-	-	5,000	
Accounting Services	900	-	2,500	2,500	3,000	
Banking Services	218	304	50	354	348	
Developer Reimbursements	-	-	-	-	-	4
Contingencies	-	-	-	-	5,000	
TOTAL EXPENDITURES	<u>7,383</u>	<u>304</u>	<u>17,612</u>	<u>17,916</u>	<u>35,898</u>	
NET INCREASE (DECREASE) IN FUND BALANCE	<u>\$ (5,799)</u>	<u>\$ 1,305</u>	<u>\$ (17,612)</u>	<u>\$ (16,307)</u>	<u>\$ (23,017)</u>	

- 1. Cash in the bank \$ 15,761 \$ 17,066
- 2a. Property tax is based upon tax rate of .55827 and Property Values of 289,218 2020
- 2b. Property tax is based upon tax rate of .55827 and Property Values of 2,307,314 for 2021
- 3. Sales Tax is not expected in the budgeted year
- 4. Developer is owed \$25,000; Do not expect to pay it back this year.
- 5. Do not have the outstanding legal balance; need to complete an accurate budget
DTRG was owed \$16,685 from previous years. I have NOT included that in 2021 to pay this year.

AGENDA ITEM 7

RESOLUTION NO. 091421-02

**A RESOLUTION OF THE BOARD OF DIRECTORS OF THE
TALLEY ROAD SPECIAL IMPROVEMENT DISTRICT LEVYING
A TAX RATE FOR THE DISTRICT OF 0.55827 PER \$100
VALUATION FOR TAX YEAR 2021-2022.**

**BE IT ORDAINED BY THE TALLEY ROAD SPECIAL IMPROVEMENT
DISTRICT:**

SECTION 1. That the property tax rate per \$100.00 valuation for the Talley Road Special Improvement District for tax year 2021-2022 is hereby levied and adopted as follows:

\$0.55827 cents Total Tax Rate for 2021-2022.

SECTION 2. That the recorded vote of the Board on this Resolution is:

	FOR	AGAINST	ABSENT
David Charles Rittenhouse	_____	_____	_____
Amy Huebner	_____	_____	_____
Gary Legan	_____	_____	_____
Frances Deegeer MacDaniel	_____	_____	_____
Jessica Lizardo	_____	_____	_____
Karen Cannon	_____	_____	_____
Ronald E. Morander	_____	_____	_____

SECTION 3. The Bexar County Tax Assessor Collector is authorized to assess and collect taxes pursuant to Interlocal Agreement and this Resolution.

SECTION 4. That this Resolution shall become effective immediately after passage.

**PASSED, APPROVED, AND ADOPTED THIS 14th DAY OF SEPTEMBER 2021, by the
Board of Directors of the Talley Road Special Improvement District.**

David Charles Rittenhouse, President

Attest:

Frank J. Garza, General Counsel

CERTIFICATE

THE STATE OF TEXAS §
 §
COUNTY OF BEXAR §

I, the undersigned officer of the Board of Directors of Talley Road Special Improvement District, hereby certify as follows:

1. The Board of Directors of Talley Road Special Improvement District, convened in regular session on the 14th day of September, 2021, inside the boundaries of the District, and the roll was called of the duly constituted officers and members of the Board to-wit:

David Charles Rittenhouse	President
Karen Cannon	Vice President
Amy Huebner	Secretary
Frances Deegear MacDaniel	Director
Jessica Lizardo	Director
Ronald E. Morander	Director
Gary Legan	Director

and a quorum of the Directors were present. Whereupon, among other business, the following was transacted at the meeting:

Resolution Adopting the District's Tax Rate for Fiscal Year 2021-2022

was introduced for the consideration of the Board. It was then duly moved and seconded that the document be adopted, and, after due discussion, the motion, carrying with it the adoption of the document, prevailed and carried unanimously.

2. That a true, full and correct copy of the aforesaid Resolution adopted at the meeting described in the above and foregoing paragraph is attached to and follows this certificate; that the Resolution has been duly recorded in the Board's minutes of the meeting; that the persons named in the above and foregoing paragraph are the duly chosen, qualified and acting officers and members of the Board as indicated therein; that each of the officers and members of the Board was duly and sufficiently notified officially and personally, in advance, of the time, place and purpose of the aforesaid meeting, and that the Resolution would be introduced and considered for adoption at the meeting, and each of the officers and members consented, in advance, to the holding of the meeting for such purpose; that the meeting was open to the public as required by law; and that public notice of the time, place and subject of the meeting was given as required by Chapter 551, Texas Government Code.

SIGNED AND SEALED on the 14th day of September, 2021.

David Charles Rittenhouse, President

AGENDA ITEM 8

RESOLUTION NO. 091421-003

A RESOLUTION BY THE TALLEY ROAD BOARD OF DIRECTORS AUTHORIZING PAYMENT OF ROUTINE INVOICES IN AN AMOUNT NOT TO EXCEED \$5,000 PER INVOICE UPON THE APPROVAL OF THE BOARD CHAIR AND THEN RATIFICATION BY THE FULL BOARD OF DIRECTORS; AND SETTING AN EFFECTIVE DATE.

WHEREAS, the Talley Road Special Improvement District is a district created by an order of the Commissioners Court of the County (the "Court"), pursuant to Chapter 372, Subchapter C, Texas Local Government Code, as amended ("Chapter 372"), and a confirmation election for the District to approve its powers and taxing authority

WHEREAS, the District is meeting infrequently and calls for meetings when needed to conduct substantive business of the District, but certain invoices are still required to be paid by the District that become overdue before the next scheduled board meeting; and

WHEREAS, the District Board of Directors are familiar with these monthly invoices and wishes to pay invoices on a timely basis; and

WHEREAS, this action authorizes Talley Road's Board Chair to direct District's accountant (Armstrong, Vaughan & Associates, PC) to make payments for invoices that are included in the approved budget and do not exceed five thousand dollars (\$5,000) that will then be approved and ratified by the Board at the next scheduled board meeting; and

NOW THEREFORE BE IT RESOLVED BY THE TALLEY ROAD SPECIAL IMPROVEMENT DISTRICT:

SECTION 1. Armstrong, Vaughan & Associates, PC is authorized to make payments for invoices that are budgeted and do not exceed five thousand dollars (\$5,000) that are authorized by Board Chair.

SECTION 2. RECITALS. The Board finds the recitals contained in the preamble to this resolution are true and correct and incorporates them as findings of fact.

SECTION 3. This Resolution shall be effective immediately upon the passage hereof.

PASSED, APPROVED, AND ADOPTED THIS 14th DAY OF SEPTEMBER 2021, by the Board of Directors of the Talley Road Special Improvement District.

David Charles Rittenhouse, President

Attest:

Frank J. Garza, General Counsel

AGENDA ITEM 9

DRAFT

**TALLEY ROAD SPECIAL IMPROVEMENT DISTRICT
SAN ANTONIO, TEXAS**

FINANCIAL STATEMENTS

YEAR ENDED SEPTEMBER 30, 2020

abip

CPAs | ADVISORS

CLIENT FOCUSED. RELATIONSHIP DRIVEN.

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TALLEY ROAD SPECIAL IMPROVEMENT DISTRICT

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DRAFT

FINANCIAL SECTION

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INDEPENDENT AUDITORS' REPORT

To the Board of Directors
Talley Road Special Improvement District
San Antonio, Texas

We have audited the accompanying financial statements of the governmental activities and the general fund of Talley Road Special Improvement District (the District) as of and for the year ended September 30, 2020, and the related notes to the financial statements, which collectively comprise the District's basic financial statements as listed in the table of contents.

Management's Responsibility for the Financial Statements

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

Auditors' 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 District'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 District'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 the general fund of the Talley Road Special Improvement District as of September 30, 2020, and the respective changes in financial position for the year then ended in accordance with accounting principles generally accepted in the United States of America.

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 through 3C and the budgetary comparison information for the general fund 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, who 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 the 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 basic 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 any assurance.

San Antonio, Texas

July XX, 2021

**TALLEY SPECIAL IMPROVEMENT DISTRICT
MANAGEMENT’S DISCUSSION AND ANALYSIS**

September 30, 2020

The Talley Road Special Improvement District (the District) offers readers this narrative overview and analysis of its financial performance as of and for the year ended September 30, 2020. Readers are encouraged to consider the information presented here in conjunction with the District’s financial statements, which follow this section.

FINANCIAL HIGHLIGHTS

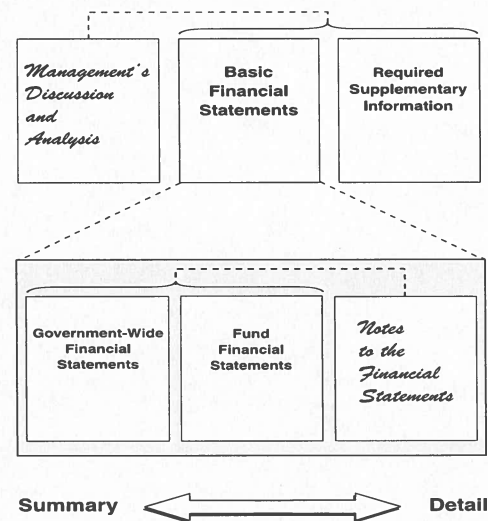
- The District’s government-wide unrestricted net position was a deficit \$25,924 at September 30, 2020. This was a decrease of \$5,799 from the period ended September 30, 2019.
- Expenses for the year ended September 30, 2020 were \$7,384 and revenues collected from ad valorem taxes were \$1,585.

OVERVIEW OF THE FINANCIAL STATEMENTS

This annual report consists of three parts—management’s discussion and analysis (this section), the basic financial statements, and required supplementary information. The basic financial statements include two kinds of statements that present different views of the District:

- The first two statements are *government-wide financial statements* that provide both *long-term* and *short-term* information about the District’s overall financial status.
- The remaining statements are *fund financial statements* that focus on *individual parts* of the government, reporting the District’s operations in more detail than the government-wide statements.
- *The governmental funds* statements tell how *general government* services were financed in the *short-term* as well as what remains for future spending.

Figure A-1, Required Components of the District’s Annual Financial Report



The financial statements also include notes that explain some of the information in the financial statements and provide more detailed data. The statements are followed by a section of *required supplementary information* that further explains and supports the information in the financial statements. Figure A-1 shows how the required parts of this annual report are arranged and relate to one another.

Government-Wide Financial Statements

The government-wide financial statements report information about the District as a whole using accounting methods similar to those used by private-sector companies.

The statement of net position includes all of the District’s assets and liabilities, with the difference between the two reported as net position. Over time, increases or decreases in net position may serve as a useful indicator of whether the financial position of the District is improving or deteriorating. To assess the overall health of the District, additional nonfinancial factors; such as, changes in District’s tax base, should be considered.

The statement of activities presents information showing how the District's net position changed during the period. All revenues and expenses are accounted for in this statement regardless of when cash is received or paid. Thus, revenues and expenses are reported in this statement for some items that will only result in cash flows in future fiscal periods (i.e. uncollected taxes).

The government-wide financial statements include only governmental activities since the District does not have any business type activities. The District's basic services are included here, which consist of, among other things, paying administrative expenses, levying taxes; and, borrowing money, for the purpose of financing its portion of the Public Improvement Project costs.

Fund Financial Statements

The fund financial statements provide more detailed information about the District's most significant funds - not the District as a whole. Funds are accounting devices that the District uses to keep track of specific sources of funding and spending for particular purposes. The District currently only maintains a general fund, which is a governmental fund.

Governmental funds – used to account for essentially the same functions reported as governmental activities in the government-wide financial statements. The District's basic services are included in governmental funds, which focus on (1) how cash and other financial assets that can readily be converted to cash flow in and out, and (2) the balances left at year-end that are available for spending.

Other Information

The District adopts an annual appropriated budget for its general fund. A budgetary comparison schedule has been provided for the general fund to demonstrate compliance with this budget. This schedule is presented as required supplementary information (RSI) in this report.

FINANCIAL ANALYSIS OF THE DISTRICT AS A WHOLE

Net Position and Change in Net Position:

Net position may serve over time as a useful indicator of a government's financial position. The District's net position at September 30, 2020 was (\$25,924) (See Table A-1).

**TABLE A-1
THE DISTRICT'S NET POSITION**

	GOVERNMENTAL ACTIVITIES		AMOUNT CHANGE	PERCENTAGE CHANGE
	2020	2019		
Current assets	\$ 15,761	\$ 24,977	\$ (9,216)	(36.90)
Total assets	<u>15,761</u>	<u>24,977</u>	<u>(9,216)</u>	<u>(36.90)</u>
Current liabilities	<u>41,685</u>	<u>45,102</u>	<u>(3,417)</u>	<u>(7.58)</u>
Total liabilities	<u>41,685</u>	<u>45,102</u>	<u>(3,417)</u>	<u>(7.58)</u>
Unrestricted net position	<u>(25,924)</u>	<u>(20,125)</u>	<u>(5,799)</u>	<u>(28.81)</u>
Total net position	<u>\$ (25,924)</u>	<u>\$ (20,125)</u>	<u>\$ (5,799)</u>	<u>(28.81)</u>

Governmental Activities

The District's total revenues were \$1,585 (See Table A-2), entirely generated from property taxes.

The District's total expenses were \$7,384, with majority related to legal administrative fees.

The District reflects a negative change in net position of (\$5,799) primarily due to the administrative costs incurred to start up the District.

**TABLE A-2
CHANGES IN THE DISTRICT'S NET POSITION**

	GOVERNMENTAL ACTIVITIES		AMOUNT CHANGE	PERCENTAGE CHANGE
	2020	2019 (UNAUDITED)		
REVENUES				
General revenues				
Property taxes levied for general purposes	\$ 1,585	\$ -	\$ 1,585	100.00 %
Other income	-	917	(917)	(100.00)
Total revenues	<u>1,585</u>	<u>917</u>	<u>668</u>	<u>72.85</u>
EXPENSES				
General government	<u>7,384</u>	<u>21,042</u>	<u>(13,658)</u>	<u>(64.91)</u>
Total expenses	<u>7,384</u>	<u>21,042</u>	<u>(13,658)</u>	<u>(64.91)</u>
Change in net position	<u>(5,799)</u>	<u>(20,125)</u>	<u>14,326</u>	<u>(71.19)</u>
BEGINNING NET POSITION	<u>(20,125)</u>	<u>-</u>	<u>(20,125)</u>	<u>100.00</u>
ENDING NET POSITION	<u>\$ (25,924)</u>	<u>\$ (20,125)</u>	<u>\$ (5,799)</u>	<u>(28.81) %</u>

FINANCIAL ANALYSIS OF THE DISTRICT'S FUNDS

As stated earlier, the District uses fund accounting for the purpose of carrying on specific activities in accordance with laws, regulations, or other appropriate requirements.

The general fund is the chief and only operating fund of the District and was established to account for resources that finance the fundamental operations of the District. At the end of the fiscal year ended September 30, 2020, the general fund's fund balance totaled a deficit of (\$25,924), which is classified as unassigned.

General Fund Budgetary Highlights

The Board of Directors adopts a budget for the general fund. At September 30, 2020, although the District did not exceed total appropriations in the general fund, expenditures for banking services and insurance exceeded its budget by \$218 and \$1,500, respectively. District revenues exceeded the budget by \$1,585.

ECONOMIC FACTORS AND OTHER MATTERS

The 2020-2021 property tax rate of \$0.55827 did not change from the 2019-2020 tax rate.

Taxable property values for 2020-2021 are expected to increase slightly due to development in the District.

REQUEST FOR INFORMATION

This financial report is designed to provide our citizens, customers, investors and creditors with a general overview of the District's finances and to demonstrate the District's accountability for the money it receives. Questions concerning any of the information provided in this report or requests for additional information should be addressed to the District's General Counsel at Davidson, Troilo, Ream & Garza, P.C. 601 NW Loop 410, Suite 100, San Antonio 78216.

DRAFT

BASIC FINANCIAL STATEMENTS

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TALLEY ROAD SPECIAL IMPROVEMENT DISTRICT
 STATEMENT OF NET POSITION - GOVERNMENTAL ACTIVITIES

September 30, 2020

	<u>ASSETS</u>	<u>PRIMARY GOVERNMENT GOVERNMENTAL ACTIVITIES</u>
ASSETS		
Cash		\$ <u>15,761</u>
Total assets		\$ <u><u>15,761</u></u>
	<u>LIABILITIES AND NET POSITION</u>	
LIABILITIES		
Accounts payable		\$ 16,685
Developer advances		<u>25,000</u>
Total liabilities		<u>41,685</u>
NET POSITION		
Unrestricted net position		<u>(25,924)</u>
Total liabilities and net position		\$ <u><u>15,761</u></u>

The accompanying notes are an integral part of these financial statements.

TALLEY ROAD SPECIAL IMPROVEMENT DISTRICT
STATEMENT OF ACTIVITIES – GOVERNMENTAL ACTIVITIES

Year ended September 30, 2020

FUNCTIONS/PROGRAMS	EXPENSES	PROGRAM REVENUE	NET (EXPENSE) REVENUE AND CHANGES IN NET POSITION <u>PRIMARY GOVERNMENT</u> <u>GOVERNMENTAL</u> <u>ACTIVITIES</u>
Primary government:			
Governmental activities			
General government	\$ 7,384	\$ -	\$ (7,384)
Total governmental activities	<u>\$ 7,384</u>	<u>\$ -</u>	(7,384)
General revenues:			
Taxes:			
Property taxes, levied for general purposes			<u>1,585</u>
Total general revenues			<u>1,585</u>
Change in net position			(5,799)
NET POSITION – BEGINNING			<u>(20,125)</u>
NET POSITION – ENDING			<u>\$ (25,924)</u>

The accompanying notes are an integral part of these financial statements.

TALLEY ROAD SPECIAL IMPROVEMENT DISTRICT
BALANCE SHEET OF THE GOVERNMENTAL FUND AND
RECONCILIATION TO THE STATEMENT OF NET POSITION

September 30, 2020

	GENERAL FUND
ASSETS	
Cash	\$ 15,761
Total assets	\$ 15,761
LIABILITIES	
Accounts payable	\$ 16,685
Developer advances	25,000
Total liabilities	41,685
FUND BALANCE	
Unassigned fund balance	(25,924)
Total liabilities and fund balance	\$ 15,761
 <u>Reconciliation</u>	
Total fund balance - governmental fund	\$ (25,924)
Total net position - governmental activities	(25,924)
Differences	\$ -

The accompanying notes are an integral part of these financial statements.

TALLEY ROAD SPECIAL IMPROVEMENT DISTRICT
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES
IN FUND BALANCE OF THE GOVERNMENTAL FUND AND
RECONCILIATION TO THE STATEMENT OF ACTIVITIES

Year ended September 30, 2020

	<u>GENERAL FUND</u>
REVENUES	
Property taxes	\$ <u>1,585</u>
Total revenues	<u>1,585</u>
EXPENDITURES	
Current:	
General government	<u>7,384</u>
Total expenditures	<u>7,384</u>
Net change in fund balance	(5,799)
FUND BALANCE - BEGINNING	<u>(20,125)</u>
FUND BALANCE - ENDING	<u><u>\$ (25,924)</u></u>
 <u>Reconciliation</u>	
Net change in fund balance - governmental fund	\$ (5,799)
Change in net position of governmental activities	<u>(5,799)</u>
Differences	<u>\$ -</u>

The accompanying notes are an integral part of these financial statements.

TALLEY ROAD SPECIAL IMPROVEMENT DISTRICT

NOTES TO FINANCIAL STATEMENTS

September 30, 2020

(1) Summary of significant accounting policies

The Talley Road Special Improvement District (District) is a public improvement district created by an order of the Commissioners Court of Bexar County on December 4, 2018, pursuant to Chapter 382 of the Texas Local Government Code (the Act). The District was created to provide improvements and construction of transportation infrastructure, creation of single family housing as well as stimulate business and commercial activity and lead to job creation, and would serve public purpose to economic development and, specifically, providing new jobs, expanding commercial development, construction of residential housing and improvement and other general improvements along Talley Road.

The District prepares its basic financial statements in conformity with generally accepted accounting principles (GAAP) promulgated by the Government Accounting Standards Board (GASB).

Reporting entity

The Board of Directors (Board) comprised of seven members, as appointed by the Bexar County Commissioners Court, has the control over and management supervision of all affairs of the District. Therefore, the District is a financial reporting entity as defined by the GASB and is not included in any other governmental reporting entity.

Basis of accounting and financial statement presentation**Basis of presentation**

Government-wide statements: The statement of net position and the statement of activities are government-wide financial statements. They report information on all of the District's activities. The District's governmental activities programs are primarily supported by property taxes.

The statement of activities demonstrates how other parties or entities that participate in programs the District operates have shared in the payment of the direct costs. Thus, the purpose is to show the degree to which the direct expenses of a given function are offset by program revenues, if any. Direct expenses are those that are clearly identifiable with a particular function. Revenues that are not classified as program revenues are presented as general revenues (i.e. property taxes).

Fund financial statements: The fund financial statements provide information on the financial condition and results of operations for the District's major governmental fund:

General fund: This is the District's primary operating fund that is used to account for all financial resources. Major revenue sources include local property taxes. Expenditures include all costs associated with the daily operations of the District.

Measurement focus, basis of accounting

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

TALLEY ROAD SPECIAL IMPROVEMENT DISTRICT

NOTES TO FINANCIAL STATEMENTS

September 30, 2020

(1) Summary of significant accounting policies (continued)

Basis of accounting and financial statement presentation (continued)

Measurement focus, basis of accounting (continued)

Governmental fund financial statements: These financial statements use the current financial resources measurement focus and the modified accrual basis of accounting. Under this method, revenues are recognized when they become both measurable and available. Revenues are considered to be available when they are collectible within the current period. Expenditures are recorded when the fund liability is incurred, if measurable. However, debt service expenditures are recorded only when payment is due. Property tax revenue is recognized under the susceptible to accrual concept since they are collectible within the current period or soon enough thereafter to be used to pay liabilities of the current period. Interest income is recorded as earned, since it is both measurable and available.

Financial statement amounts

Property taxes

Property taxes are levied by October 1 on the assessed value listed as of the prior January 1 for all real and business personal property in conformity with Subtitle E, Texas Property Tax Code. Taxes are due on receipt of the tax bill and are delinquent if not paid before February 1 of the year following the year in which imposed. On January 31 of each year, a tax lien attaches to property to secure the payment of all taxes, penalties, and interest ultimately imposed. Property tax revenues are considered available when they become due or past due and receivable within the current period.

Delinquent taxes are based on rates adopted for the year of the levy. The District does not report an allowance for uncollectible taxes receivable since the amount is not considered material as of the year end. Uncollectible personal property taxes are periodically reviewed and written off, but the District is prohibited from writing off real property taxes without specific statutory authority from the Texas Legislature.

Fund balance

In accordance with GASB Statement No. 54, "*Fund Balance Reporting and Governmental Fund Type Definitions*", the District uses the following criteria when classifying fund balance amounts:

Nonspendable – amounts not in spendable form or that are legally or contractually required to be maintained intact. The District does not have any amounts in this category at September 30, 2020.

Restricted – amounts that have been legally separated for a specific purpose by law or external funding source, such as long-term debt and grants. The District does not have any amounts in this category at September 30, 2020.

Committed – amounts that require Board action to be used for a specific purpose. Formal action to commit funds must occur prior to year-end and can only be modified or removed by the same formal action. The District does not have any amounts in this category at September 30, 2020.

TALLEY ROAD SPECIAL IMPROVEMENT DISTRICT

NOTES TO FINANCIAL STATEMENTS

September 30, 2020

(1) Summary of significant accounting policies (continued)

Financial statement amounts (continued)

Fund balance (continued)

Assigned – amounts that do not require Board approval but are intended to be used for a specific purpose, as determined by an official or body to which the Board has delegated authority. These amounts do not meet the criteria to be classified as restricted or committed. The District does not have any amounts in this category at September 30, 2020.

Unassigned – residual amount in the general fund that is available to finance operating expenditures. At September 30, 2020, the total fund balance deficit reported in the general fund of (\$25,924) is classified as unassigned.

If the District were to incur an expenditure for purposes in which both restricted and unrestricted fund balances were available, restricted resources would be utilized first.

Priority use of available revenues

The District's available revenues shall be applied in the following order:

- a) To pay administrative expenses of the District pursuant to its annual budget.
- b) To pay any District indemnity obligations.
- c) To pay the developers for reimbursements of eligible expenses, plus interest.
- d) To pay any public improvements necessary to serve the property constructed.

(2) Budgetary data

The Board adopts a budget for the general fund and presents the original adopted and final amended budget for revenues and expenditures and compares the actual revenues and expenditures in the accompanying financial statements to the final amended budget amounts. At September 30, 2020, although the District did not exceed total appropriations in the general fund, expenditures for banking services and insurance costs exceeded its budget by \$218 and \$1,500, respectively.

(3) Cash

At September 30, 2020, cash consists of demand deposits in the amount of \$15,761. The District's bank deposits were entirely covered by FDIC insurance or by securities collateral held in the District's name during the year.

(4) Risk management

The District is exposed to various risks of loss related to errors and omissions for which the District carries commercial insurance. Settled claims resulting from risks of loss have not exceeded insurance coverage.

TALLEY ROAD SPECIAL IMPROVEMENT DISTRICT

NOTES TO FINANCIAL STATEMENTS

September 30, 2020

(5) Contingencies and commitments

Legal proceedings

From time to time, the District may be a defendant in legal proceedings relating to its operations. It is the opinion of the District's general counsel that there is no pending litigation against the District that would have a material or adverse financial impact upon the District or its operations.

Economic dependency

The District is dependent on the timely payment of taxes by its principal taxpayers. The ability of any significant taxpayer to make full and timely payments of taxes levied against its property by the District will directly affect the District's ability to meet its obligations. Further, the District is not able to increase its ad valorem tax levy beyond or in excess of the City of San Antonio tax rate of \$0.55827 per \$100 valuation.

(6) Net position deficit

Unrestricted net position reflected in the government-wide statement of net position at September 30, 2020 is a deficit (\$25,924), which is expected to be recovered through increases in property tax revenues.

REQUIRED SUPPLEMENTARY INFORMATION

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TALLEY ROAD SPECIAL IMPROVEMENT DISTRICT

SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE
BUDGET AND ACTUAL – GENERAL FUND

Year ended September 30, 2020

	BUDGETED AMOUNTS		ACTUAL AMOUNTS (GAAP BASIS)	VARIANCE WITH FINAL BUDGET POSITIVE OR (NEGATIVE)
	ORIGINAL	FINAL		
REVENUES				
Property taxes	\$ -	\$ -	\$ 1,585	\$ 1,585
Total revenues	-	-	1,585	1,585
EXPENDITURES				
Current:				
General government				
Accounting services	6,000	6,000	900	5,100
Engineering services	2,000	2,000	-	2,000
Banking services	-	-	218	(218)
Appraisal fee	1,000	1,000	-	1,000
Insurance	-	-	1,500	(1,500)
Legal services	15,000	15,000	4,766	10,234
Contingencies				
Undesignated funds	<u>977</u>	<u>977</u>	<u>-</u>	<u>977</u>
Total expenditures	<u>24,977</u>	<u>24,977</u>	<u>7,384</u>	<u>17,593</u>
Excess (deficiency) of revenues over (under) expenditures	<u>(24,977)</u>	<u>(24,977)</u>	<u>(5,799)</u>	<u>19,178</u>
FUND BALANCE - BEGINNING	<u>(20,125)</u>	<u>(20,125)</u>	<u>(20,125)</u>	<u>-</u>
FUND BALANCE - ENDING	<u>\$ (45,102)</u>	<u>\$ (45,102)</u>	<u>\$ (25,924)</u>	<u>\$ 19,178</u>

AGENDA ITEM 10

DAVIDSON TROILO REAM & GARZA
A PROFESSIONAL CORPORATION
601 NW LOOP 410, SUITE 100
SAN ANTONIO, TX 78216
(210) 349-6484 Tax #74-1792996

September 10, 2021

Talley Road Public Improvement District
Board Meeting

7383-1 FJG

STATEMENT FOR PERIOD THROUGH 8/31/21

SUMMARY STATEMENT FOR LEGAL SERVICES RENDERED AND COSTS
AND EXPENSES ADVANCED.

BALANCE DUE

\$24,082.32

7383/1
Pcd#260735

AGENDA ITEM 11

TALLEY ROAD SPECIAL IMPROVEMENT DISTRICT

Board Members

September 14, 2021

David Rittenhouse
President

Deborah F. Fraser, CPA
Shareholder
Armstrong, Vaughan & Associates, PC
941 W. Byrd Blvd., Suite 101
Universal City, TX 78148

Karen Cannon
Vice-President

Amy Huebner
Secretary

Re: Talley Road Special Improvement District

Dear Debbie:

Ronald Morander
Director

This letter is a request from the Talley Road Special Improvement District (District) to issue a check in the amount of **\$900** to Armstrong, Vaughan & Associates for accounting services for the 2020-2021 fiscal year.

Jessica Lizardo
Director

If you have any questions, please do not hesitate to call me.

Frances MacDaniel
Director

Sincerely,

Gary Leganl
Director

David Rittenhouse
President

C: Frank J. Garza
General Counsel

AGENDA ITEM 12



S



Invoice

Bexar Appraisal District
411 N. Frio
P. O. Box 830248
San Antonio TX 78283-0248
210-242-2402

Invoice 00012734
Date 8/1/2021

Bill To:

Tally Road SID
Mr. Frank Garza
c/o Davidson & Troilo
601 NW Loop 410 STE 100
San Antonio TX 78216

Customer ID	4394
Payment Terms	Net 30
Tax Levy	\$1,615
Percent of Levy	0.000000
Annual Budget Levy	\$7

Ordered	Item Number	Description	Unit Price	Ext. Price
1	BUDGET LEVY	Budget Levy 4th Quarter 2021	\$2.00	\$2.00

This quarter's billing reflects updated tax levy numbers for the 2020 tax year. Thank you.

Subtotal	\$2.00
Tax	\$0.00
Total	\$2.00

1st QTR 2.00
2nd QTR 2.00
3rd QTR 2.00

Past Due (8.00)