

LETTER OF BUDGET TRANSMITTAL

Date: January 27, 2021

To: Division of Local Government
1313 Sherman Street, Room 521
Denver, Colorado 80203

Attached are the 2021 budget and budget message for TALLYN'S REACH AUTHORITY in Arapahoe County, Colorado, submitted pursuant to Section 29-1-113, C.R.S. This budget was adopted on November 10, 2020. If there are any questions on the budget, please contact:

Denise Denslow, District Manager
CliftonLarsonAllen LLP
8390 E. Crescent Parkway, Suite 300
Greenwood Village, CO 80111
Telephone number: 303-779-5710
Denise.Denslow@claconnect.com

I, Denise Denslow, District Manager of the Tallyn's Reach Authority hereby certify that the attached is a true and correct copy of the 2021 budget.

By:

DocuSigned by:

Denise Denslow

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Denise Denslow, District Manager

**RESOLUTION
ADOPTING BUDGET, IMPOSING MILL LEVY AND APPROPRIATING FUNDS**

(2021)

The Board of Directors of Tallyn’s Reach Authority (the “**Board**”), City of Aurora, County of Arapahoe, Colorado (the “**Authority**”) held a special meeting held via teleconference on Tuesday, November 10, 2020, at the hour of 6:00 P.M.

Prior to the meeting, each of the directors was notified of the date, time and place of the budget meeting and the purpose for which it was called and a notice of the meeting was posted or published in accordance with § 29-1-106, C.R.S.

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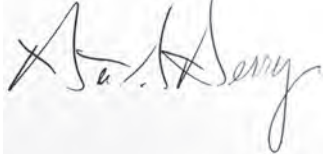
NOTICE AS TO PROPOSED 2021 BUDGET

SENTINEL
PROOF OF PUBLICATION

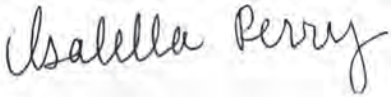
STATE OF COLORADO
COUNTY OF ARAPAHOE }ss.

I DAVID PERRY, do solemnly swear that I am the PUBLISHER of the SENTINEL; that the same is a weekly newspaper published in the Counties of Arapahoe, Adams, and Denver, State of Colorado and has a general circulation therein; that said newspaper has been published continuously and uninterruptedly in said Counties of Arapahoe, Adams and Denver for a period of more than fifty-two consecutive weeks prior to the first publication of the annexed legal notice or advertisement; that said newspaper has been admitted to the United States mails as second-class matter under the provisions of the Act of March 30, 1923, entitled "Legal Notices and Advertisements," or any amendments thereof, and that said newspaper is a weekly newspaper duly qualified for publishing legal notices and advertisements within the meaning of the laws of the State of Colorado. That the annexed legal notice or advertisement was published in the regular and entire issue of every number of said weekly newspaper for the period 1 of consecutive insertions; and that the first publication of said notice was in the issue of said newspaper dated October 29 A.D. 2020 and that the last publication of said notice was in the issue of said newspaper dated October 29 A.D. 2020.

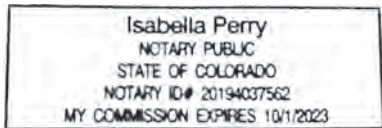
I witness whereof I have hereunto set my hand this 12th day of January A.D. 2021.



Subscribed and sworn to before me, a notary public in the County of Arapahoe, State of Colorado, this 12th day of January A.D. 2021.



Notary Public



NOTICE OF PUBLIC HEARING
ON THE PROPOSED 2021 BUDGET
AND NOTICE OF PUBLIC HEARING
ON THE AMENDED 2020 BUDGET

NOTICE IS HEREBY GIVEN that proposed 2021 budgets have been submitted to the Boards of Directors (the "Boards") of the TALLYN'S REACH AUTHORITY AND TALLYN'S REACH METROPOLITAN DISTRICT NOS. 2 AND 3 (the "Districts"). A copy of each of the proposed budgets is on file in the office of CliftonLarsonAllen LLP, 8390 East Crescent Parkway, Suite 300, Greenwood Village, Colorado, where the same are open for public inspection.

NOTICE IS FURTHER GIVEN that amendments to the 2020 budgets have been submitted to the Districts. A copy of each of the proposed amended budgets is on file in the office of CliftonLarsonAllen LLP, 8390 East Crescent Parkway, Suite 300, Greenwood Village, Colorado, where the same are open for public inspection.

Such proposed budgets and amended budgets will be considered at a public hearing during a joint meeting of the Districts to be held on Tuesday, November 10, 2020 at 5:30 P.M. and 6:00 P.M. Due to Executive Orders issued by Governor Polis and Public Health Orders implementing the Executive Orders issued by the Colorado Department of Public Health and Environment, and the threat posed by the COVID-19 coronavirus, this meeting will be held via teleconferencing and can be joined through the link: <https://zoom.us/j/94026039716> Meeting ID: 940 2603 9716 or via Phone: 1-312-626-6799.

Any interested elector of the Districts may file or register any objections to the proposed budgets or amended budgets at any time prior to final adoption of the budgets and amended budgets by the governing body of the District.

BY ORDER OF THE
BOARDS OF DIRECTORS:
TALLYN'S REACH AUTHORITY
AND TALLYN'S REACH
METROPOLITAN DISTRICT NOS. 2
AND 3
/s/ White Bear Ankele Tanaka & Waldron
Attorneys at Law

Publication: October 29, 2020
Sentinel

A RESOLUTION SUMMARIZING EXPENDITURES AND REVENUES FOR EACH FUND AND ADOPTING A BUDGET AND APPROPRIATING SUMS OF MONEY TO EACH FUND IN THE AMOUNTS AND FOR THE PURPOSES SET FORTH HEREIN FOR THE AUTHORITY FOR THE CALENDAR YEAR BEGINNING ON THE FIRST DAY OF JANUARY 2021 AND ENDING ON THE LAST DAY OF DECEMBER 2021.

WHEREAS, the Board has authorized its accountant to prepare and submit a proposed budget to the Board in accordance with Colorado law; and

WHEREAS, the proposed budget has been submitted to the Board for its review and consideration; and

WHEREAS, upon due and proper notice, provided in accordance with Colorado law, said proposed budget was open for inspection by the public at a designated place, a public hearing was held on November 10, 2020, interested electors were given the opportunity to file or present any objections to said proposed budget at any time prior to final adoption of the budget by the Board.

NOW, THEREFORE, BE IT RESOLVED BY THE BOARD AS FOLLOWS:

Section 1. Adoption of Budget. The budget attached hereto and incorporated herein is approved and adopted as the budget of the Authority for fiscal year 2021. In the event of recertification of values by the County Assessor's Office after the date of adoption hereof, staff is hereby directed to modify and/or adjust the budget and certification to reflect the recertification without the need for additional Board authorization. Any such modification to the budget or certification as contemplated by this Section 1 shall be deemed ratified by the Board.

Section 2. Appropriations. The amounts set forth as expenditures in the budget attached hereto are hereby appropriated.

Section 3. Filing of Budget and Budget Message. The Board hereby directs its legal counsel, manager or other designee to file a certified copy of the adopted budget resolution, the budget and budget message with the Division of Local Government by January 30 of the ensuing year.

Section 4. Budget Certification. The budget shall be certified by a member of the District, or a person appointed by the District, and made a part of the public records of the District.

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ADOPTED THIS 10TH DAY OF NOVEMBER, 2020.

TALLYN'S REACH AUTHORITY

DocuSigned by:
David Patterson
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Officer of the Authority

ATTEST:

DocuSigned by:
AJ Bell
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APPROVED AS TO FORM:

WHITE BEAR ANKELE TANAKA & WALDRON
Attorneys at Law

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General Counsel to the Authority

STATE OF COLORADO
COUNTY OF ARAPAHOE
TALLYN'S REACH AUTHORITY

I hereby certify that the foregoing resolution constitutes a true and correct copy of the record of proceedings of the Board adopted by a majority of the Board at special meeting held on Tuesday, November 10, 2020, via teleconference as recorded in the official record of the proceedings of the District.

IN WITNESS WHEREOF, I have hereunto subscribed my name this 10th day of November 2020.

DocuSigned by:
AJ Bell
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EXHIBIT A
BUDGET DOCUMENT
BUDGET MESSAGE

TALLYN'S REACH AUTHORITY

ANNUAL BUDGET

FOR THE YEAR ENDING DECEMBER 31, 2021

**TALLYN'S REACH AUTHORITY
SUMMARY
2021 BUDGET
WITH 2019 ACTUAL AND 2020 ESTIMATED
For the Years Ended and Ending December 31,**

1/11/21

	ACTUAL 2019	ESTIMATED 2020	BUDGET 2021
BEGINNING FUND BALANCES	\$ 1,306,524	\$ 1,411,574	\$ 1,242,685
REVENUES			
General operations fees	1,440,260	1,440,014	1,443,200
Sanctuary assessments	108,630	153,000	204,000
Legal/late/collection income	14,450	20,000	-
Penalties	7,978	6,000	-
Interest income	12,337	8,000	2,000
Miscellaneous income	685	-	1,000
Clubhouse rental	16,184	4,000	10,000
Pool keys	-	-	500
Transfer from TRMD No. 2	250,000	250,000	250,000
Reimbursed expenditures	-	275,000	-
Total revenues	<u>1,850,524</u>	<u>2,156,014</u>	<u>1,910,700</u>
TRANSFERS IN	<u>750,000</u>	<u>250,000</u>	<u>250,000</u>
Total funds available	<u>3,907,048</u>	<u>3,817,588</u>	<u>3,403,385</u>
EXPENDITURES			
Administration expenses	177,336	176,424	184,500
Operation expenses	111,172	130,000	126,000
Grounds expenses	838,061	926,355	1,015,600
Recreation expenses	192,152	179,510	234,243
Utilities expenses	421,673	375,000	375,000
Reserve Study	5,080	-	-
Miscellaneous	-	1,713	-
Capital projects	-	535,901	175,000
Total expenditures	<u>1,745,474</u>	<u>2,324,903</u>	<u>2,110,343</u>
TRANSFERS OUT	<u>750,000</u>	<u>250,000</u>	<u>250,000</u>
Total expenditures and transfers out requiring appropriation	<u>2,495,474</u>	<u>2,574,903</u>	<u>2,360,343</u>
ENDING FUND BALANCES	<u>\$ 1,411,574</u>	<u>\$ 1,242,685</u>	<u>\$ 1,043,042</u>

No assurance provided. See summary of significant assumptions.

**TALLYN'S REACH AUTHORITY
GENERAL FUND
2021 BUDGET
WITH 2019 ACTUAL AND 2020 ESTIMATED
For the Years Ended and Ending December 31,**

1/11/21

	ACTUAL 2019	ESTIMATED 2020	BUDGET 2021
BEGINNING FUND BALANCES	\$ 1,279,800	\$ 634,091	\$ 470,103
REVENUES			
General operations fees	1,440,260	1,440,014	1,443,200
Sanctuary assessments	108,630	153,000	204,000
Legal/late/collection income	14,450	20,000	-
Penalties	7,978	6,000	-
Interest income	11,578	2,000	1,000
Miscellaneous income	685	-	1,000
Clubhouse rental	16,184	4,000	10,000
Pool keys	-	-	500
Transfer from TRMD No. 2	250,000	250,000	250,000
Total revenues	1,849,765	1,875,014	1,909,700
Total funds available	3,129,565	2,509,105	2,379,803
EXPENDITURES			
Administration expenses	177,336	176,424	184,500
Operation expenses	111,172	130,000	126,000
Grounds expenses	838,061	926,355	1,015,600
Recreation expenses	192,152	179,510	234,243
Utilities expenses	421,673	375,000	375,000
Reserve Study	5,080	-	-
Miscellaneous	-	1,713	-
Total expenditures	1,745,474	1,789,002	1,935,343
TRANSFERS OUT			
Transfers to other fund	750,000	250,000	250,000
Total expenditures and transfers out requiring appropriation	2,495,474	2,039,002	2,185,343
ENDING FUND BALANCES	\$ 634,091	\$ 470,103	\$ 194,460

No assurance provided. See summary of significant assumptions.

TALLYN'S REACH AUTHORITY
GENERAL FUND - OPERATING EXPENSE DETAILS
2021 BUDGET
WITH 2019 ACTUAL AND 2020 ESTIMATED
For the Years Ended and Ending December 31,

1/11/21

	ACTUAL 2019	ESTIMATED 2020	BUDGET 2021
EXPENDITURES			
Administration			
Accounting	\$ 31,234	\$ 37,500	\$ 35,000
Billing	23,336	24,600	24,000
Auditing	14,520	9,570	10,000
Banking fees	565	1,200	500
Bad debt expense	568	-	4,000
District management	-	24,000	24,000
Dues and licenses	-	1,688	2,000
Election expense	-	1,870	-
Insurance and bonds	29,209	26,496	31,000
Administrative legal services	26,658	35,000	35,000
Property management	27,790	-	-
District management AP	4,385	-	-
District mapping services	13,825	12,500	12,500
Miscellaneous	5,246	2,000	4,000
Website/Newsletter	-	-	2,500
Total Administration	<u>177,336</u>	<u>176,424</u>	<u>184,500</u>
Operations			
Property management	42,177	40,000	40,000
Operations legal services	32,358	35,000	35,000
Legal collections	21,064	24,000	24,000
District management direct costs	-	1,000	1,000
Direct costs	15,573	10,000	16,000
Engineering	-	20,000	10,000
Total Operations	<u>111,172</u>	<u>130,000</u>	<u>126,000</u>
Grounds			
Flag maintenance	1,233	1,400	1,200
Fountain maintenance	1,301	500	2,000
Seasonal decor	9,166	18,000	18,000
Lighting/electrical repairs	5,558	5,000	6,000
Landscape contract	355,530	315,000	278,400
Annual flowers	29,268	35,000	30,000
Irrigation repairs	119,237	125,000	70,000
Irrigation maintenance	-	144,675	112,000
Pest control	480	2,500	10,000
Common area maintenance	3,299	-	-
Retaining walls	24,625	5,000	10,000
Tree and shrub maintenance	84,444	75,000	190,000
Planting/foundation beds	39,140	39,280	38,000
Native grass mowing	23,863	30,000	50,000
Landscape improvements	70,128	70,000	125,000
Snow removal	51,702	45,000	45,000
Signage	15,487	10,000	10,000
Winter watering	3,600	5,000	20,000
Total Grounds expenses	<u>838,061</u>	<u>926,355</u>	<u>1,015,600</u>
Recreation			
Pool contract	86,100	89,670	101,295
Pool repairs	17,882	10,000	20,000
Pool chemicals	6,728	5,000	8,000
Pool furniture	2,869	-	15,000
Pool equipment	1,065	-	5,000
Kiddie pool	-	-	5,000
Clubhouse mangement	22,500	22,740	23,448
Storage building/Pool house	-	-	2,000
Security system	8,186	6,000	6,000
Clubhouse maintenance supplies	1,480	3,000	3,000
Indoor building maintenance	13,039	18,000	12,000
Outside building maintenance	17,600	6,000	10,000
Trash removal	5,000	4,200	4,200
Janitorial/housekeeping	6,437	5,000	7,000
Playground equipment	-	800	800
Telephone/access control	-	4,100	5,000
Supplies other	3,266	5,000	5,000
Tennis court maintenance	-	-	1,500
Total Recreational expenses	<u>192,152</u>	<u>179,510</u>	<u>234,243</u>
Utilities			
Water/sewer	407,224	360,000	360,000
Gas/electric	14,449	15,000	15,000
Total Utilities expenses	<u>421,673</u>	<u>375,000</u>	<u>375,000</u>

No assurance provided. See summary of significant assumptions.

**TALLYN'S REACH AUTHORITY
CAPITAL PROJECTS FUND
2021 BUDGET
WITH 2019 ACTUAL AND 2020 ESTIMATED
For the Years Ended and Ending December 31,**

1/11/21

	ACTUAL 2019	ESTIMATED 2020	BUDGET 2021
BEGINNING FUND BALANCES	\$ 26,724	\$ 777,483	\$ 772,582
REVENUES			
Interest income	759	6,000	1,000
Reimbursed expenditures	-	275,000	-
Total revenues	<u>759</u>	<u>281,000</u>	<u>1,000</u>
TRANSFERS IN			
Transfers from other funds	<u>750,000</u>	<u>250,000</u>	<u>250,000</u>
Total funds available	<u>777,483</u>	<u>1,308,483</u>	<u>1,023,582</u>
EXPENDITURES			
Capital Projects			
Irrigation updates	-	439,000	-
Retaining walls	-	-	40,000
Native grass maintenance/upgrades	-	-	40,000
Hammerhead	-	-	15,000
Signs	-	-	80,000
Pool repairs	-	96,901	-
Total expenditures	<u>-</u>	<u>535,901</u>	<u>175,000</u>
Total expenditures and transfers out requiring appropriation	<u>-</u>	<u>535,901</u>	<u>175,000</u>
ENDING FUND BALANCES	<u>\$ 777,483</u>	<u>\$ 772,582</u>	<u>\$ 848,582</u>

No assurance provided. See summary of significant assumptions.

**TALLYNS REACH AUTHORITY
2021 BUDGET
SUMMARY OF SIGNIFICANT ASSUMPTIONS**

Services Provided

The Tallyns Reach Authority (Authority) was organized for the purpose of planning, financing, designing, constructing, installing, operating, maintaining, repairing and replacing public improvements and facilities and providing services to the residents of the Tallyn's Reach districts. The authority was established on February 12, 2018, pursuant to the Tallyn's Reach Authority Establishment Agreement whereby the Tallyn's Reach Metropolitan District No. 2 and Tallyn's Reach Metropolitan District No. 3 agreed to establish the Authority.

The Authority has no employees and all administrative functions are contracted.

The Authority prepares its budget on the modified accrual basis of accounting in accordance with the requirements of Colorado Revised Statutes C.R.S. 29-1-105 using its best estimates as of the date of the budget hearing. These estimates are based on expected conditions and its expected course of actions. The assumptions disclosed herein are those that the District believes are significant to the budget. There will usually be differences between the budget and actual results, because events and circumstances frequently do not occur as expected, and those differences may be material.

Revenues

General Operations Fees

The general operations fee is a fee billed quarterly to residential units at a rate of \$200 per lot per quarter. The fee is used to pay for services provided in connection with the construction, operations and maintenance of public facilities within the Legal Boundaries, including recreational facilities, landscaping and common areas.

Sanctuary assessments

The sanctuary assessments are a fee billed to apartments at a rate of \$51,000 per quarter. These fees are also used to pay for services provided in connection with the construction, operations and maintenance of public facilities within the Legal Boundaries, including recreational facilities, landscaping and common areas.

Intergovernmental revenue

During 2021, the Authority anticipates receiving \$250,000 from Tallyn's Reach Metropolitan District No. 2 which will be used to pay for the Authority's Administrative expenses.

Net Investment Income

Interest earned on the District's available funds has been estimated based on an average interest rate of approximately 0.25%.

**TALLYNS REACH AUTHORITY
2021 BUDGET
SUMMARY OF SIGNIFICANT ASSUMPTIONS**

Expenditures

Administrative and Operating Expenditures

Administrative and operations expenditures have been provided based on estimates of the Authority's Board of Directors and consultants and include the services necessary to maintain the Authority's administrative viability such as legal, accounting, managerial, insurance, meeting expense, and other administrative expenses.

Grounds and Recreation Expenses

Grounds and recreation expenses have been estimated by the Authority's management. The estimated expenditures include maintenance of certain facilities and improvements throughout the Authority including but not limited to the grounds, pool, and clubhouse.

Capital Outlay

The Authority anticipates infrastructure improvements as noted in the Capital Projects fund.

Debt and Leases

The District has no capital or operating leases.

This information is an integral part of the accompanying budget.