

TALLYN'S REACH AUTHORITY
Arapahoe County, Colorado

FINANCIAL STATEMENTS AND
SUPPLEMENTARY INFORMATION

YEAR ENDED DECEMBER 31, 2021

**TALLYN'S REACH AUTHORITY
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YEAR ENDED DECEMBER 31, 2021**

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Board of Directors
Tallyn's Reach Authority
Arapahoe County, Colorado

Independent Auditor's Report

Opinion

We have audited the accompanying financial statements of the governmental activities and each major fund of Tallyn's Reach Authority (the "District"), as of and for the year ended December 31, 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.

In our opinion, the accompanying financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities and each major fund of Tallyn's Reach Authority as of December 31, 2021, and the respective changes in financial position and the respective budgetary comparison for the general fund for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinion

We conducted our audit in accordance with auditing standards generally accepted in the United States of America (GAAS). Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of the District and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Responsibilities of Management for the Financial Statements

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

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about the District's ability to continue as a going concern for twelve months beyond the financial statement date, including any currently known information that may raise substantial doubt shortly thereafter.

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with GAAS will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

In performing an audit in accordance with GAAS, we:

Exercise professional judgment and maintain professional skepticism throughout the audit.

Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.

Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the District's internal control. Accordingly, no such opinion is expressed.

Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.

Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about the District's ability to continue as a going concern for a reasonable period of time.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit, significant audit findings, and certain internal control—related matters that we identified during the audit.

Other Matters

The management's discussion and analysis information on pages III through VIII is not a required part of the basic financial statements but is supplementary information required by the Governmental Accounting Standards Board. We have applied certain limited procedures, which consisted principally of inquiries of management regarding the methods of measurement and presentation of the required supplementary information. However, we did not audit the information and express no opinion on it.

Our audit was conducted for the purpose of forming an opinion on the financial statements that collectively comprise the District's financial statements as a whole. The supplementary information as listed in the table of contents is presented for the purposes of legal compliance and additional analysis and is not a required part of the financial statements. The supplementary information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the financial statements. The information has been subjected to the auditing procedures applied in the audit of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements or to the financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States. In our opinion, such information is fairly stated in all material respects in relation to the financial statements as a whole.

Wipfli LLP

Wipfli LLP
Lakewood, Colorado

June 15, 2022

**TALLYN'S REACH AUTHORITY
MANAGEMENT'S DISCUSSION AND ANALYSIS
YEAR ENDED DECEMBER 31, 2021**

The management of Tallyn's Reach Authority (the Authority) offers the readers of the Authority's financial statements this narrative overview and analysis of the financial activities of the Authority for the fiscal year ended December 31, 2021.

The Management Discussion and Analysis (MD&A) focuses on the presentation of the financial statements and the related activities in two distinct ways: 1) the review of government-wide financials that reflect the overall assets and activity of the government including the Authority's capital assets, and 2) the more traditional view of the governmental funds that have been established to account for specific activities of the Authority.

This MD&A will provide a quick look at the highlights of each of these presentations, a more definitive view of what comprises each of these presentations, and a more detailed analysis of each of the presentations, key components and the changes that occurred during 2021.

Financial Highlights

Government-wide financial statement highlights include:

- The assets of the Authority exceeded its liabilities and deferred inflows of resources at the close of the most recent fiscal year by \$7,023,303 (net position).
- Of the net position:
 - \$5,818,853 is the net investment in the Authority's capital assets, related to the acquisition of the assets.
 - The Authority has restricted a portion of the remaining net position in the amount of \$850,018 for the Capital Projects fund.
 - After considering the above restrictions, the Authority has unrestricted net position in the amount of \$354,432.
- The government's total net position decreased from 2020 to 2021 by \$81,141 under the full accrual method:
 - Program revenues decreased from the prior year by \$222,768 primarily as a result of receiving a one-time reimbursement from the City of Aurora in 2020 for irrigation updates. Expenses decreased \$277,563 from the prior year primarily due to lower public works expenses.

Fund financial statement highlights include:

- As of the close of the current fiscal year, the Authority's governmental funds reported a combined ending fund balance of \$1,204,450.
- The assigned and unassigned amounts of \$1,089,918 and \$89,962, respectively, are available for spending at the Authority's discretion. They are comprised of:
 - During 2021, the General Fund received \$1,930,947 in revenues, offset with \$1,834,090 in expenditures and a transfer of \$250,000 to the Capital Projects Fund; thereby, the net decrease in fund balance for the year was \$153,143, resulting in an ending fund balance of \$354,432. \$24,570 is nonspendable and represents prepaid expenses at year end, \$239,900 is assigned for the subsequent year's expenditures, and \$89,962 is unassigned.
 - The Capital Projects Fund received \$368 in revenues and \$250,000 of transfers from the General Fund. Revenues and other financing sources were offset with \$112,894 of expenditures leaving an ending fund balance of \$850,018 assigned for future capital projects.

**TALLYN'S REACH AUTHORITY
MANAGEMENT'S DISCUSSION AND ANALYSIS
YEAR ENDED DECEMBER 31, 2021**

Overview of the Financial Statements

Management's discussion and analysis is intended to serve as an introduction to the Authority's basic financial statements. The Authority's basic financial statements comprise three components: 1) government-wide financial statements, 2) fund financial statements, and 3) notes to financial statements. This report also contains other supplemental information in addition to the basic financial statements.

Government-wide financial statements. The government-wide financial statements are designed to provide readers with a broad overview of the Authority's finances, in a manner similar to a private-sector business.

The statement of net position presents information on all of the Authority's assets and liabilities, with the difference between the two reported as net assets. Over time, increases or decreases in the net position may serve as a useful indicator of whether the financial position of the Authority is improving or deteriorating.

The statement of activities presents information showing how the Authority's net assets changed during the current year. All changes in the net position are reported as soon as the underlying event giving rise to the change occurs, regardless of the timing of the related cash flows. Thus, revenue and expenses are reported in this statement for some items that will only result in cash flows in future fiscal years.

Both of the government-wide financial statements identify functions of the Authority that are principally to be supported by taxes and intergovernmental revenues (i.e. governmental activities).

The government-wide financial statements can be found on pages 1 – 2 of this report.

Fund financial statements. A fund is a grouping of related accounts that is used to maintain control over resources that have been segregated for specific activities or objectives. The Authority, like other state and local governments, uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements. Both of the funds of the Authority are governmental funds.

Governmental funds are used to account for essentially the same functions reported as governmental activities in the government-wide financial statements. However, unlike the government-wide financial statements, governmental fund financial statements focus on near-term inflows and outflows 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.

Because the focus of governmental funds is narrower than that of the government-wide financial statements, it is useful to compare the information presented for governmental funds with similar information presented for governmental activities in the government-wide financial statements. By doing so, readers may better understand the long-term impact of the government's near-term financing decisions.

Both the governmental fund balance sheet and the governmental fund statement of revenues, expenditures, and changes in fund balances provide a reconciliation to facilitate this comparison between governmental funds and governmental activities.

**TALLYN'S REACH AUTHORITY
MANAGEMENT'S DISCUSSION AND ANALYSIS
YEAR ENDED DECEMBER 31, 2021**

The Authority maintains two individual governmental funds. Information is presented separately in the governmental fund balance sheet and in the governmental fund statement of revenues, expenditures, and changes in fund balances for each of the funds – general and capital projects – both of which are considered to be major funds.

The Authority adopts an annual appropriated budget for each fund. Budgetary comparison statements have been provided for the general fund in the basic financial statements to demonstrate compliance with the budget.

The basic governmental fund financial statements and reconciliation to the government-wide financial statements can be found on pages 3 – 6 of this report.

Notes to financial statements. The notes provide additional information that is essential to a full understanding of the data provided in the government-wide and fund financial statements. The notes to financial statements can be found on pages 7 – 6 of this report.

Supplementary information. The supplementary information provided in this report after the basic financial statements includes a schedule of revenues, expenditures, and changes in fund balances, budget and actual comparison, for the capital projects fund, and a statement of expenditures, budget and actual comparison, for the general fund. These schedules can be found on pages 18 – 20 of this report.

Governmental Activities Financial Analysis

Net position may serve over time as a useful indicator of a government's financial position. In the case of the Authority, assets exceeded liabilities and deferred inflows of resources by \$7,004,193 at the close of the most recent fiscal year.

**TALLYN'S REACH AUTHORITY
MANAGEMENT'S DISCUSSION AND ANALYSIS
YEAR ENDED DECEMBER 31, 2021**

Net Position

| | Governmental Activities | | Increase (Decrease) |
|--------------------------------------|-------------------------|--------------|------------------------|
| | 2021 | 2020 | |
| Assets | | | |
| Current and Other Assets | \$ 1,785,543 | \$ 1,398,088 | \$ 387,455 |
| Capital Assets | 5,818,853 | 5,884,325 | (65,472) |
| Total Assets | 7,604,396 | 7,282,413 | 321,983 |
| Liabilities | | | |
| Current and Other Liabilities | 103,433 | 160,066 | (56,633) |
| Total Liabilities | 103,433 | 160,066 | (56,633) |
| Deferred Inflows of Resources | | | |
| Prepaid Assessments | 9,820 | 17,903 | (8,083) |
| Deferred Revenue | 467,840 | - | 467,840 |
| Total Deferred Inflows of Resources | 477,660 | 17,903 | 459,757 |
| Net Position | | | |
| Net Investment in Capital Assets | 5,818,853 | 5,884,325 | (65,472) |
| Restricted | 850,018 | 712,544 | 137,474 |
| Unrestricted | 354,432 | 507,575 | (153,143) |
| Total Net Position | \$ 7,023,303 | \$ 7,104,444 | \$ (81,141) |

The most significant portion of the Authority's net position (83%) represents the Authority's investment in capital assets (e.g. land, buildings, infrastructure, machinery, and equipment). The Authority acquired these capital assets in order to provide recreational activities to citizens. Consequently, these assets are not available for future spending.

The Authority has an unrestricted net position in the amount of \$354,432. This amount can be used by the Authority to meet its ongoing obligations to constituents and creditors.

**TALLYN'S REACH AUTHORITY
MANAGEMENT'S DISCUSSION AND ANALYSIS
YEAR ENDED DECEMBER 31, 2021**

Change in Net Position

| | Governmental Activities | | Increase (Decrease) |
|------------------------------------|-------------------------|---------------------|------------------------|
| | 2021 | 2020 | |
| Revenues | | | |
| Program Revenues: | | | |
| Charges for Services | \$ 1,647,464 | \$ 1,595,232 | \$ 52,232 |
| Operating Grants and Contributions | 250,000 | 250,000 | - |
| Capital Grants and Contributions | - | 275,000 | (275,000) |
| General Revenues: | | | |
| Investment Income | 630 | 7,218 | (6,588) |
| Other | 33,221 | 25,292 | 7,929 |
| Total Revenues | <u>1,931,315</u> | <u>2,152,742</u> | <u>(221,427)</u> |
| Expenses | | | |
| General Government | 433,795 | 376,977 | 56,818 |
| Public Works | 83,197 | 479,862 | (396,665) |
| Parks | 1,269,243 | 1,248,389 | 20,854 |
| Recreation | 226,221 | 203,901 | 22,320 |
| Total Expenses | <u>2,012,456</u> | <u>2,309,129</u> | <u>(296,673)</u> |
| CHANGE IN NET POSITION | (81,141) | (156,387) | 75,246 |
| Net Position - Beginning of Year | <u>7,104,444</u> | <u>7,260,831</u> | <u>(156,387)</u> |
| NET POSITION - END OF YEAR | <u>\$ 7,023,303</u> | <u>\$ 7,104,444</u> | <u>\$ (81,141)</u> |

The Authority's net position decreased by \$81,141 during the current fiscal year. General operation fees and Sanctuary assessments, which consist of quarterly fees collected from single family residences and apartment residences, are accounted for as charges for services. Intergovernmental revenues, which consists of property taxes transferred from Tallyn's Reach Metropolitan District No. 2, are accounted for as operating grants and contributions.

Governmental Funds Financial Analysis

As noted earlier, the Authority used fund accounting to ensure and demonstrate compliance with finance-related legal requirements.

The focus of the Authority's governmental funds is to provide information on near-term inflows, outflows, and balances of spendable resources. Such information is useful in assessing the Authority's financing requirements. In particular, unreserved fund balance may serve as a useful measure of a government's net resources available for spending at the end of the fiscal year.

As of the end of the current fiscal year, the Authority's governmental funds reported a combined ending fund balance of \$1,204,450, all of which constitutes an assigned, unassigned, or nonspendable fund balance, which is available for spending at the government's discretion within the parameters established for each fund.

**TALLYN'S REACH AUTHORITY
MANAGEMENT'S DISCUSSION AND ANALYSIS
YEAR ENDED DECEMBER 31, 2021**

The General Fund is the chief operating fund of the Authority. At the end of the current fiscal year, an unassigned fund balance of \$89,962, assigned fund balance of \$239,900, and nonspendable fund balance of \$24,570 was held in the General Fund.

The Capital Projects Fund is used for future construction of infrastructure and other capital-related activities. At year-end, the total fund balance is \$850,018, all of which are assigned.

General Fund Budgetary Highlights

The Authority prepares its budget on the modified accrual basis of accounting to recognize the fiscal impact of debt issuance, sales of assets and debt repayments, as well as capital outlay, in addition to operations and non-operating revenue and contributions. Depreciation is not reflected on the budget since it does not affect funds available. This budgetary accounting is required by State statutes.

Capital Assets

The Authority had \$5,818,853 invested in net capital assets for its governmental activities for the year ended December 31, 2021. This investment in capital assets, which is net of accumulated depreciation, includes land improvement for parks, recreation centers, and recreational equipment.

Additional information on the Authority's capital assets can be found within Note 4 of this report.

Next Year's Budget and Rates

The Authority has appropriated \$2,118,020 in the General Fund and \$645,000 in the Capital Projects Fund for spending in the 2022 fiscal year.

Request for Information

Management's discussion and analysis is designed to provide a general overview of the Authority's finances. Questions concerning any of the information provided within this report or requests for additional information should be addressed to:

Accountant of Tallyn's Reach Authority
8390 East Crescent Parkway, Suite 300
Greenwood Village, CO 80111

BASIC FINANCIAL STATEMENTS

**TALLYN'S REACH AUTHORITY
STATEMENT OF NET POSITION
DECEMBER 31, 2021**

| | Governmental Activities |
|---|----------------------------|
| ASSETS | |
| Cash and Investments | \$ 321,021 |
| Cash and Investments - Restricted | 856,946 |
| Prepaid Expense | 24,570 |
| Accounts Receivable | 583,006 |
| Capital Assets, Net of Accumulated Depreciation | 5,799,743 |
| Capital Assets, Not Being Depreciated: | |
| Construction in Progress | 19,110 |
| Total Assets | 7,604,396 |
| LIABILITIES | |
| Accounts Payable | 74,857 |
| Accrued Liabilities | 28,576 |
| Total Liabilities | 103,433 |
| DEFERRED INFLOWS OF RESOURCES | |
| Prepaid Assessments | 9,820 |
| Deferred Revenue | 467,840 |
| Total Deferred Inflows of Resources | 477,660 |
| NET POSITION | |
| Net Investment in Capital Assets | 5,818,853 |
| Restricted for: | |
| Capital Projects | 850,018 |
| Unrestricted | 354,432 |
| Total Net Position | \$ 7,023,303 |

See accompanying Notes to Basic Financial Statements.

**TALLYN'S REACH AUTHORITY
BALANCE SHEET – GOVERNMENTAL FUNDS
YEAR ENDED DECEMBER 31, 2021**

| | General | Capital Projects | Total Governmental Funds |
|---|------------|---------------------|--------------------------------|
| ASSETS | | | |
| Cash and Investments | \$ 321,021 | \$ - | \$ 321,021 |
| Cash and Investments - Restricted | - | 856,946 | 856,946 |
| Accounts Receivable | 583,006 | - | 583,006 |
| Prepaid Expense | 24,570 | - | 24,570 |
| Total Assets | \$ 928,597 | \$ 856,946 | \$ 1,785,543 |
| LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCES | | | |
| LIABILITIES | | | |
| Accounts Payable | \$ 67,929 | \$ 6,928 | \$ 74,857 |
| Accrued Liabilities | 28,576 | - | 28,576 |
| Total Liabilities | 96,505 | 6,928 | 103,433 |
| DEFERRED INFLOWS OF RESOURCES | | | |
| Prepaid Assessments | 9,820 | - | 9,820 |
| Deferred Revenue | 467,840 | - | 467,840 |
| Total Deferred Inflows of Resources | 477,660 | - | 477,660 |
| FUND BALANCES | | | |
| Nonspendable | 24,570 | - | 24,570 |
| Assigned to: | | | |
| Subsequent Year's Expenditures | 239,900 | - | 239,900 |
| Capital Projects | - | 850,018 | 850,018 |
| Unassigned | 89,962 | - | 89,962 |
| Total Fund Balances | 354,432 | 850,018 | 1,204,450 |
| Total Liabilities, Deferred Inflows of Resources, and Fund Balances | \$ 928,597 | \$ 856,946 | |
| Amounts reported for governmental activities in the statement of net position are different because: | | | |
| Capital assets used in governmental activities are not financial resources and, therefore, are not reported as assets in the funds. | | | |
| Capital Assets, Not Being Depreciated: | | | |
| Construction in Progress | | | 19,110 |
| Capital Assets, Net of Accumulated Depreciation | | | 5,799,743 |
| Net Position of Governmental Activities | | | \$ 7,023,303 |

See accompanying Notes to Basic Financial Statements.

TALLYN'S REACH AUTHORITY
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES
GOVERNMENTAL FUNDS
YEAR ENDED DECEMBER 31, 2021

| | General Fund | Capital Projects | Total Governmental Funds |
|---|-------------------|---------------------|--------------------------------|
| REVENUES | | | |
| General Operations Fees | \$ 1,443,149 | \$ - | \$ 1,443,149 |
| Transfer from TRMD No. 2 | 250,000 | - | 250,000 |
| Sanctuary Assessments | 204,000 | - | 204,000 |
| Clubhouse Rental | 315 | - | 315 |
| Interest Income | 262 | 368 | 630 |
| Legal, Late, and Collection Income | 6,417 | - | 6,417 |
| Penalties | 25,557 | - | 25,557 |
| Other Revenue | 1,247 | - | 1,247 |
| Total Revenues | <u>1,930,947</u> | <u>368</u> | <u>1,931,315</u> |
| EXPENDITURES | | | |
| Current: | | | |
| General and Administration | 210,292 | - | 210,292 |
| Operations Expenses | 128,334 | - | 128,334 |
| Grounds Expenses | 994,572 | - | 994,572 |
| Recreation Expenses | 226,221 | - | 226,221 |
| Utilities Expenses | 274,671 | - | 274,671 |
| Signage | - | 10,587 | 10,587 |
| Irrigation Updates | - | 67,397 | 67,397 |
| Retaining Walls | - | 19,110 | 19,110 |
| Hammerhead | - | 15,800 | 15,800 |
| Total Expenditures | <u>1,834,090</u> | <u>112,894</u> | <u>1,946,984</u> |
| EXCESS OF REVENUES OVER (UNDER) EXPENDITURES | 96,857 | (112,526) | (15,669) |
| OTHER FINANCING SOURCES (USES) | | | |
| Transfers to Other Fund | (250,000) | - | (250,000) |
| Transfers from Other Fund | - | 250,000 | 250,000 |
| Total Other Financing Sources (Uses) | <u>(250,000)</u> | <u>250,000</u> | <u>-</u> |
| NET CHANGE IN FUND BALANCES | (153,143) | 137,474 | (15,669) |
| Fund Balances - Beginning of Year | <u>507,575</u> | <u>712,544</u> | <u>1,220,119</u> |
| FUND BALANCES - END OF YEAR | <u>\$ 354,432</u> | <u>\$ 850,018</u> | <u>\$ 1,204,450</u> |

See accompanying Notes to Basic Financial Statements.

**TALLYN'S REACH AUTHORITY
RECONCILIATION OF THE STATEMENT OF REVENUES,
EXPENDITURES, AND CHANGES IN FUND BALANCES OF GOVERNMENTAL FUNDS
TO THE STATEMENT OF ACTIVITIES
YEAR ENDED DECEMBER 31, 2021**

Net Change in Fund Balances - Total Governmental Funds \$ (15,669)

Amounts reported for governmental activities in the statement of activities are different because:

Governmental funds report capital outlays as expenditures. In the statement of activities, capital outlay is not reported as an expenditure. However, the statement of activities will report as depreciation expense the allocation of the cost of any depreciable asset over the estimated useful life of the asset.

| | |
|----------------------|-----------------|
| Capital Outlay | 26,038 |
| Depreciation Expense | <u>(91,510)</u> |

Changes in Net Position of Governmental Activities \$ (81,141)

**TALLYN'S REACH AUTHORITY
GENERAL FUND
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN
FUND BALANCE – BUDGET AND ACTUAL
YEAR ENDED DECEMBER 31, 2021**

| | Original and Final Budget | Actual Amounts | Variance with Final Budget Positive (Negative) |
|---|------------------------------|-------------------|---|
| REVENUES | | | |
| General Operations Fees | \$ 1,443,200 | \$ 1,443,149 | \$ (51) |
| Transfer from TRMD No. 2 | 250,000 | 250,000 | - |
| Sanctuary Assessments | 204,000 | 204,000 | - |
| Clubhouse Rental | 10,000 | 315 | (9,685) |
| Interest Income | 1,000 | 262 | (738) |
| Legal, Late, and Collection Income | - | 6,417 | 6,417 |
| Penalties | - | 25,557 | 25,557 |
| Other Revenue | 1,000 | 1,247 | 247 |
| Pool Keys | 500 | - | (500) |
| Total Revenues | <u>1,909,700</u> | <u>1,930,947</u> | <u>21,247</u> |
| EXPENDITURES | | | |
| General and Administration | 184,500 | 210,292 | (25,792) |
| Operations Expenses | 126,000 | 128,334 | (2,334) |
| Grounds Expenses | 1,015,600 | 994,572 | 21,028 |
| Recreation Expenses | 234,243 | 226,221 | 8,022 |
| Utilities Expenses | 375,000 | 274,671 | 100,329 |
| Total Expenditures | <u>1,935,343</u> | <u>1,834,090</u> | <u>101,253</u> |
| EXCESS OF REVENUES OVER (UNDER) EXPENDITURES | (25,643) | 96,857 | 122,500 |
| OTHER FINANCING SOURCES (USES) | | | |
| Transfers Out | <u>(250,000)</u> | <u>(250,000)</u> | - |
| Total Other Financing Uses | <u>(250,000)</u> | <u>(250,000)</u> | - |
| NET CHANGE IN FUND BALANCE | (275,643) | (153,143) | 122,500 |
| Fund Balance - Beginning of Year | <u>470,103</u> | <u>507,575</u> | <u>37,472</u> |
| FUND BALANCE - END OF YEAR | <u>\$ 194,460</u> | <u>\$ 354,432</u> | <u>\$ 159,972</u> |

See accompanying Notes to Basic Financial Statements.

**TALLYN'S REACH AUTHORITY
NOTES TO BASIC FINANCIAL STATEMENTS
DECEMBER 31, 2021**

NOTE 1 DEFINITION OF REPORTING ENTITY

The Tallyn's Reach Authority (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 (District No. 2) and Tallyn's Reach Metropolitan District No. 3 (District No. 3) agreed to establish the Authority. The 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. Tallyn's Reach Metropolitan District No. 1 (District No. 1), District No. 2 and District No. 3 were originally organized on November 6, 1998, as quasi-municipal organizations established under the state of Colorado Special District Act. All three districts are governed by the same Service Plan, which provides that District No. 1 is the "Operating District" and District No. 2 and District No. 3 are the "Taxing Districts". District No. 1 was established to provide water, street, traffic and safety control, television relay and translator, transportation, parks and recreation and sanitation improvements that benefit the citizens of the District. The Taxing Districts are to provide funding to the Operating District for the construction, operation and maintenance of various public improvements and the Operating District is expected to manage such construction, operation and maintenance. As of May 9, 2018, District No. 1 assigned all of its assets, liabilities, rights and obligations to the Authority after which District No. 1 was dissolved. The Authority's primary revenues are homeowner assessments and other fees. The Taxing Districts' primary revenues are property taxes. The Authority is governed by an elected Board of Directors.

The Authority follows the Governmental Accounting Standards Board (GASB) accounting pronouncements which provide guidance for determining which governmental activities, organizations and functions should be included within the financial reporting entity. GASB pronouncements set forth the financial accountability of a governmental organization's elected governing body as the basic criterion for including a possible component governmental organization in a primary government's legal entity. Financial accountability includes, but is not limited to, appointment of a voting majority of the organization's governing body, ability to impose its will on the organization, a potential for the organization to provide specific financial benefits or burdens and fiscal dependency.

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

The Authority is not financially accountable for any other organization, nor is the Authority a component unit of any other primary governmental entity.

**TALLYN'S REACH AUTHORITY
NOTES TO BASIC FINANCIAL STATEMENTS
DECEMBER 31, 2021**

NOTE 2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The more significant accounting policies of the Authority are described as follows:

Government-Wide and Fund Financial Statements

The government-wide financial statements include the statement of net position and the statement of activities. These financial statements include all of the activities of the Authority. The effect of interfund activity has been removed from these statements. Governmental activities are normally supported by taxes and intergovernmental revenues.

The statement of net position reports all financial and capital resources of the Authority. The difference between the sum of assets and deferred outflows and the sum of liabilities and deferred inflows is reported as net position.

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

Separate financial statements are provided for the governmental funds. Major individual governmental funds are reported as separate columns in the fund financial 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. Revenues are recorded when earned and expenses are recorded when a liability is incurred, regardless of the timing of related cash flows.

Governmental fund financial statements are reported using the current financial resources measurement focus and the modified accrual basis of accounting. Revenues are recognized as soon as they are both measurable and available. Revenues are considered to be available when they are collectible within the current period or soon enough thereafter to pay liabilities of the current period. For this purpose, the government considers revenues to be available if they are collected within 60 days of the end of the current fiscal period. The major sources of revenue susceptible to accrual are property taxes and specific ownership taxes. All other revenue items are considered to be measurable and available only when cash is received by the Authority. Expenditures, other than interest on long-term obligations, are recorded when the liability is incurred or the long-term obligation is due.

**TALLYN'S REACH AUTHORITY
NOTES TO BASIC FINANCIAL STATEMENTS
DECEMBER 31, 2021**

NOTE 2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

The Authority reports the following major governmental funds:

The General Fund is the Authority'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 Capital Projects Fund is used to account for financial resources to be used for the acquisition and construction of capital improvements.

Budgets

In accordance with the State Budget Law, the Authority's Board of Directors holds public hearings in the fall each year to approve the budget and appropriate the funds for the ensuing year. The appropriation is at the total fund expenditures level and lapses at year-end. The Authority's Board of Directors can modify the budget by line item within the total appropriation without notification. The appropriation can only be modified upon completion of notification and publication requirements. The budget includes each fund on its basis of accounting, unless otherwise indicated.

Pooled Cash and Investments

The Authority's cash and investments are considered to be cash on hand and short-term investments with maturities of three months or less from the date of acquisition. Investments for the government are reported at fair value.

The Authority follows the practice of pooling cash and investments of all funds to maximize investment earnings. Except when required by trust or other agreements, all cash is deposited to and disbursed from a minimum number of bank accounts. Cash in excess of immediate operating requirements is pooled for deposit and investment flexibility. Investment earnings are allocated periodically to the participating funds based upon each fund's average equity balance in the total cash.

Fair Value of Financial Instruments

The Authority's financial instruments include cash and investments, accounts receivable and accounts payable. The Authority estimates that the fair value of all financial instruments at December 31, 2021, does not differ materially from the aggregate carrying values of its financial instruments recorded in the accompanying balance sheet. The carrying amount of these financial instruments approximates fair value because of the short maturity of these instruments.

Estimates

The preparation of these financial statements in conformity with accounting principles generally accepted in the United States of America requires Authority management to make estimates and assumptions that affect certain reported amounts and disclosures. Accordingly, actual results could differ from those estimates.

**TALLYN'S REACH AUTHORITY
NOTES TO BASIC FINANCIAL STATEMENTS
DECEMBER 31, 2021**

NOTE 2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Capital Assets

Capital assets, which include property, plant, equipment, and infrastructure assets (e.g. roads, bridges, sidewalks, and similar items), are reported in the government-wide financial statements. Capital assets are defined by the Authority as assets with an initial, individual cost of more than \$5,000 and an estimated useful life in excess of two years. Such assets are recorded as historical cost or estimated historical cost if purchased or constructed. Donated capital assets are recorded at acquisition value at the date of donation.

The costs of normal maintenance and repairs that do not add to the value of the assets or materially extend the life of the asset are not capitalized. Improvements are capitalized and depreciated over the remaining useful lives of the related fixed capital assets, as applicable using the straight-line method. Depreciation on property that will remain assets of the Authority is reported on the statement of activities as a current charge. Improvements that will be conveyed to other governmental entities are classified as construction in progress and are not depreciated. Land and certain landscaping improvements are not depreciated.

Property, plant and equipment are depreciated using the straight-line method over the following estimated useful lives:

| | |
|----------------------|----------|
| Parks and Recreation | 25 Years |
| Recreation Equipment | 5 Years |

Deferred Inflows of Resources

In addition to liabilities, the statement of net position reports a separate section for deferred inflows of resources. This separate financial statement element, *deferred inflows of resources*, represents an acquisition of net position that applies to a future period and so will not be recognized as an inflow of resources (revenue) until that time. The Authority has two items that qualify for reporting in this category. Accordingly, the items, *prepaid assessments and deferred revenue*, are deferred and recognized as an inflow of resources in the period that the amount becomes available.

Equity

Net Position

For government-wide presentation purposes when both restricted and unrestricted resources are available for use, it is the Authority's practice to use restricted resources first, then unrestricted resources as they are needed.

**TALLYN'S REACH AUTHORITY
NOTES TO BASIC FINANCIAL STATEMENTS
DECEMBER 31, 2021**

NOTE 2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Equity (Continued)

Fund Balance

Fund balance for governmental funds should be reported in classifications that comprise a hierarchy based on the extent to which the government is bound to honor constraints on the specific purposes for which spending can occur. Governmental funds report up to five classifications of fund balance: nonspendable, restricted, committed, assigned, and unassigned. Because circumstances differ among governments, not every government or every governmental fund will present all of these components. The following classifications describe the relative strength of the spending constraints:

Nonspendable Fund Balance – The portion of fund balance that cannot be spent because it is either not in spendable form (such as prepaid amounts or inventory) or legally or contractually required to be maintained intact.

Restricted Fund Balance – The portion of fund balance that is constrained to being used for a specific purpose by external parties (such as bondholders), constitutional provisions, or enabling legislation.

Committed Fund Balance – The portion of fund balance that can only be used for specific purposes pursuant to constraints imposed by formal action of the government's highest level of decision-making authority, the Board of Directors. The constraint may be removed or changed only through formal action of the Board of Directors.

Assigned Fund Balance – The portion of fund balance that is constrained by the government's intent to be used for specific purposes, but is neither restricted nor committed. Intent is expressed by the Board of Directors to be used for a specific purpose. Constraints imposed on the use of assigned amounts are more easily removed.

Unassigned Fund Balance – The residual portion of fund balance that does not meet any of the criteria described above.

If more than one classification of fund balance is available for use when an expenditure is incurred, it is the Authority's practice to use the most restrictive classification first.

NOTE 3 CASH AND INVESTMENTS

Cash and investments as of December 31, 2021, are classified in the accompanying financial statements as follows:

Statement of Net Position:

| | |
|-----------------------------------|---------------------|
| Cash and Investments | \$ 321,021 |
| Cash and Investments - Restricted | 856,946 |
| Total Cash and Investments | <u>\$ 1,177,967</u> |

**TALLYN'S REACH AUTHORITY
NOTES TO BASIC FINANCIAL STATEMENTS
DECEMBER 31, 2021**

NOTE 3 CASH AND INVESTMENTS (CONTINUED)

Cash and investments as of December 31, 2021, consist of the following:

| | |
|--------------------------------------|----------------------------|
| Deposits with Financial Institutions | \$ 158,374 |
| Investments | <u>1,019,593</u> |
| Total Cash and Investments | <u><u>\$ 1,177,967</u></u> |

Deposits with Financial Institutions

The Colorado Public Deposit Protection Act (PDPA) requires that all units of local government deposit cash in eligible public depositories. Eligibility is determined by state regulators. Amounts on deposit in excess of federal insurance levels must be collateralized. The eligible collateral is determined by the PDPA. PDPA allows the institution to create a single collateral pool for all public funds. The pool for all the uninsured public deposits as a group is to be maintained by another institution or held in trust. The market value of the collateral must be at least 102% of the aggregate uninsured deposits.

The State Commissioners for banks and financial services are required by statute to monitor the naming of eligible depositories and reporting of the uninsured deposits and assets maintained in the collateral pools.

At December 31, 2021, the Authority's cash deposits had a bank and carrying balance of \$158,374.

Investments

The Authority has not adopted a formal investment policy; however, the Authority follows state statutes regarding investments.

The Authority generally limits its concentration of investments to those noted with an asterisk (*) below, which are believed to have minimal credit risk, minimal interest rate risk, and no foreign currency risk. Additionally, the Authority is not subject to concentration risk or investment custodial risk disclosure requirements for investments that are in the possession of another party.

Colorado revised statutes limit investment maturities to five years or less unless formally approved by the Board of Directors. Such actions are generally associated with a debt service reserve or sinking fund requirements.

**TALLYN'S REACH AUTHORITY
NOTES TO BASIC FINANCIAL STATEMENTS
DECEMBER 31, 2021**

NOTE 3 CASH AND INVESTMENTS (CONTINUED)

Investments (Continued)

Colorado statutes specify investment instruments meeting defined rating and risk criteria in which local governments may invest, which include:

- . Obligations of the United States, certain U.S. government agency securities and securities of the World Bank
- . General obligation and revenue bonds of U.S. local government entities
- . Certain certificates of participation
- . Certain securities lending agreements
- . Bankers' acceptances of certain banks
- . Commercial paper
- . Written repurchase agreements and certain reverse repurchase agreements collateralized by certain authorized securities
- . Certain money market funds
- . Guaranteed investment contracts
- * Local government investment pools

As of December 31, 2021, the Authority had the following investments:

| <u>Investment</u> | <u>Maturity</u> | <u>Amount</u> |
|---|-----------------------------------|---------------------|
| Colorado Liquid Asset Trust (COLOTRUST) | Weighted-Average Under 60 Days | \$ 1,019,593 |
| Total Investments | | <u>\$ 1,019,593</u> |

COLOTRUST

The Authority invested in the Colorado Local Government Liquid Asset Trust (COLOTRUST) (the Trust), an investment vehicle established for local government entities in Colorado to pool surplus funds. The State Securities Commissioner administers and enforces all State statutes governing the Trust. The Trust operates similarly to a money market fund and each share is equal in value to \$1.00. The Trust offers shares in two portfolios, COLOTRUST PRIME and COLOTRUST PLUS+. Both portfolios may invest in U.S. Treasury securities and repurchase agreements collateralized by U.S. Treasury securities. COLOTRUST PLUS+ may also invest in certain obligations of U.S. government agencies, highest rated commercial paper and any security allowed under CRS 24-75-601. A designated custodial bank serves as custodian for the Trust's portfolios pursuant to a custodian agreement. The custodian acts as safekeeping agent for the Trust's investment portfolios and provides services as the depository in connection with direct investments and withdrawals. The custodian's internal records segregate investments owned by the Trust. COLOTRUST is rated AAAM by Standard & Poor's. COLOTRUST records its investments at fair value and the Authority records its investment in COLOTRUST at net asset value as determined by fair value. There are no unfunded commitments, the redemption frequency is daily, and there is no redemption notice period.

**TALLYN'S REACH AUTHORITY
NOTES TO BASIC FINANCIAL STATEMENTS
DECEMBER 31, 2021**

NOTE 4 CAPITAL ASSETS

An analysis of the changes in capital assets for the year ended December 31, 2021, follows:

| | Balance January 01, 2021 | Additions | Deletions | Balance December 31, 2021 |
|---|-----------------------------|--------------------|-------------|------------------------------|
| Capital Assets, Not Depreciated: | | | | |
| CIP | \$ - | \$ 19,110 | \$ - | \$ 19,110 |
| Landscaping Costs | 5,095,698 | - | - | 5,095,698 |
| Total Capital Assets, Not Depreciated | 5,095,698 | 19,110 | - | 5,114,808 |
| Capital Assets, Being Depreciated: | | | | |
| Recreation Center and Pool | 1,929,510 | - | - | 1,929,510 |
| Recreation Equipment | 33,980 | 6,928 | - | 40,908 |
| Total Capital Assets, Being Depreciated | 1,963,490 | 6,928 | - | 1,970,418 |
| Total Accumulated Depreciation | (1,174,863) | (91,510) | - | (1,266,373) |
| Total Capital Assets, Being Depreciated, Net | 788,627 | (84,582) | - | 704,045 |
| Total Assets | \$ 5,884,325 | \$ (84,582) | \$ - | \$ 5,818,853 |

NOTE 5 NET POSITION

The Authority has net position consisting of three components – net investment in capital assets, restricted, and unrestricted.

Net investments in capital assets consists of capital assets, net of accumulated depreciation and reduced by the outstanding balances of bonds, mortgages, notes, or other borrowings that are attributable to the acquisition, construction, or improvement of those assets. As of December 31, 2021, the Authority had net investment in capital assets of \$5,799,743.

The restricted component of net position includes net assets that are restricted for use either externally imposed by creditors, grantors, contributors, or laws and regulations of other governments or imposed by law through constitutional provisions or enabling legislation. The Authority had a restricted net position as of December 31, 2021 as follows:

| | |
|-------------------------------|-------------------|
| Restricted Net Position: | |
| Capital Projects | \$ 850,018 |
| Total Restricted Net Position | <u>\$ 850,018</u> |

**TALLYN'S REACH AUTHORITY
NOTES TO BASIC FINANCIAL STATEMENTS
DECEMBER 31, 2021**

NOTE 6 DEVELOPMENT AND OPERATIONS FEES

Amended and Restated Joint Resolution Concerning the Imposition of District Development and Operations Fees

On August 24, 1999, and as amended and/or restated in 2000, 2001, 2002, 2003, 2005, 2007, 2010, and 2012, District Nos. 1, 2 and 3 entered into a Joint Resolution Concerning the Imposition of District Development Fees which authorized District No. 1 to impose a development fee due not later than thirty days after the date upon which a building permit is issued to a buyer by the City of Aurora. The fee was initially set in 2001 at \$3,000 per detached single-family residence. Various multi-family rates also apply. The fee can increase by 5% per year. During 2017, the fee for 2018 and 2019 was set at \$6,850 and this rate did not change in 2020 or 2021. Pursuant to the Tallyn's Reach Authority Establishment Agreement, the Authority is now authorized to impose development fees. During the period ended December 31, 2021, the Authority earned no development fees. The resolution also established a General Operations Fee which is to be used to cover the costs associated with the operation and maintenance of Tallyn's Reach facilities. On December 3, 2013, District Nos. 1, 2 and 3 approved an Amended and Restated Joint Resolution Regarding the Imposition of District Fees which further clarified the fees and established a schedule of fees for 2015 which is adjusted on an annual basis. For 2021, the operations fee was \$200 per quarter for single family residences and \$100 per quarter for apartment residences. Pursuant to the Tallyn's Reach Authority Establishment Agreement, the Authority is now authorized to impose General Operations fees. During the period ended December 31, 2021, the Authority collected \$1,443,149 of these fees.

NOTE 7 INTERFUND AND OPERATING TRANSFERS

The transfer of \$250,000 from the General Fund to the Capital Projects Fund was transferred for the purpose of funding future capital improvement costs.

NOTE 8 RISK MANAGEMENT

The Authority is exposed to various risks of loss related to torts, thefts of, damage to, or destruction of assets; errors or omissions; injuries to employees, or acts of God.

The Authority is a member of the Colorado Special Districts Property and Liability Pool (Pool). The Pool is an organization created by intergovernmental agreement to provide property, liability, public officials' liability, boiler and machinery and workers' compensation coverage to its members. Settled claims have not exceeded this coverage in any of the past three fiscal years.

The Authority pays annual premiums to the Pool for liability, workers' compensation, property, and public officials' liability coverage. In the event aggregated losses incurred by the Pool exceed amounts recoverable from reinsurance contracts and funds accumulated by the Pool, the Pool may require additional contributions from the Pool members. Any excess funds which the Pool determines are not needed for purposes of the Pool may be returned to the members pursuant to a distribution formula.

**TALLYN'S REACH AUTHORITY
NOTES TO BASIC FINANCIAL STATEMENTS
DECEMBER 31, 2021**

NOTE 9 TAX, SPENDING, AND DEBT LIMITATIONS

Article X, Section 20 of the Colorado Constitution, referred to as the Taxpayer's Bill of Rights (TABOR), contains tax, spending, revenue and debt limitations which apply to the state of Colorado and all local governments.

Spending and revenue limits are determined based on the prior year's Fiscal Year Spending adjusted for allowable increases based upon inflation and local growth. Fiscal Year Spending is generally defined as expenditures plus reserve increases with certain exceptions. Revenue in excess of the Fiscal Year Spending limits must be refunded unless the voters approve retention of such revenue.

On November 3, 1998 and November 7, 2000, the District voters passed an election question to increase property taxes \$100,000,000 annually as adjusted for inflation, without limitation of rate, to pay the Authority's operations, maintenance, and other expenses. Additionally, the District's electors authorized the Authority to collect, retain, and spend all revenue without regard to any limitations under TABOR.

TABOR requires local governments to establish Emergency Reserves. These reserves must be at least 3% of Fiscal Year Spending (excluding bonded debt service). Local governments are not allowed to use the Emergency Reserves to compensate for economic conditions, revenue shortfalls, or salary or benefit increases.

The Authority's management believes it is in compliance with the provisions of TABOR. However, TABOR is complex and subject to interpretation. Many of the provisions, including the interpretation of how to calculate Fiscal Year Spending limits will require judicial interpretation.

SUPPLEMENTARY INFORMATION

**TALLYN'S REACH AUTHORITY
CAPITAL PROJECTS FUND
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN
FUND BALANCE – BUDGET AND ACTUAL
YEAR ENDED DECEMBER 31, 2021**

| | Original and Final Budget | Actual Amounts | Variance with Final Budget Positive (Negative) |
|---|---------------------------------|--------------------------|---|
| REVENUES | | | |
| Interest Income | \$ 1,000 | \$ 368 | \$ (632) |
| Total Revenues | <u>1,000</u> | <u>368</u> | <u>(632)</u> |
| EXPENDITURES | | | |
| Signage | 80,000 | 10,587 | 69,413 |
| Irrigation Updates | - | 67,397 | (67,397) |
| Retaining Walls | 40,000 | 19,110 | 20,890 |
| Native Grass Maintenance and Upgrades | 40,000 | - | 40,000 |
| Hammerhead | 15,000 | 15,800 | (800) |
| Total Expenditures | <u>175,000</u> | <u>112,894</u> | <u>62,106</u> |
| EXCESS OF REVENUES OVER (UNDER) EXPENDITURES | (174,000) | (112,526) | 61,474 |
| OTHER FINANCING SOURCES (USES) | | | |
| Transfers from Other Funds | 250,000 | 250,000 | - |
| Total Other Financing Sources | <u>250,000</u> | <u>250,000</u> | <u>-</u> |
| NET CHANGE IN FUND BALANCE | 76,000 | 137,474 | 61,474 |
| Fund Balance - Beginning of Year | <u>772,582</u> | <u>712,544</u> | <u>(60,038)</u> |
| FUND BALANCE - END OF YEAR | <u><u>\$ 848,582</u></u> | <u><u>\$ 850,018</u></u> | <u><u>\$ 1,436</u></u> |

**TALLYN'S REACH AUTHORITY
GENERAL FUND
STATEMENT OF EXPENDITURES – BUDGET AND ACTUAL
YEAR ENDED DECEMBER 31, 2021**

| | Original and Final Budget | Actual Amounts | Variance with Final Budget Positive (Negative) |
|----------------------------------|---------------------------------|-------------------|---|
| EXPENDITURES | | | |
| General and Administration | | | |
| Administrative Legal Services | \$ 35,000 | \$ 54,688 | \$ (19,688) |
| Accounting | 35,000 | 43,832 | (8,832) |
| Insurance and Bonds | 31,000 | 23,870 | 7,130 |
| Billing | 24,000 | 24,000 | - |
| Authority Management | 24,000 | 28,584 | (4,584) |
| Authority Mapping Services | 12,500 | 16,032 | (3,532) |
| Miscellaneous | 4,000 | 6,567 | (2,567) |
| Auditing | 10,000 | 9,750 | 250 |
| Bad Debt Expense | 4,000 | - | 4,000 |
| Banking Fees | 500 | 312 | 188 |
| Dues and Licenses | 2,000 | 2,057 | (57) |
| Website/Newsletter | 2,500 | 600 | 1,900 |
| Total General and Administration | 184,500 | 210,292 | (25,792) |
| Operations Expenses | | | |
| Property Management | 40,000 | 52,814 | (12,814) |
| Operations Legal Services | 35,000 | 33,617 | 1,383 |
| Legal Collections | 24,000 | 25,073 | (1,073) |
| Direct Costs | 17,000 | 10,762 | 6,238 |
| Engineering | 10,000 | 6,068 | 3,932 |
| Total Operations Expenses | 126,000 | 128,334 | (2,334) |
| Grounds Expenses | | | |
| Landscape Contract | 278,400 | 278,400 | - |
| Tree and Shrub Maintenance | 190,000 | 282,530 | (92,530) |
| Landscape Improvements | 125,000 | 83,996 | 41,004 |
| Irrigation Management | 112,000 | 120,926 | (8,926) |
| Irrigation Repairs | 70,000 | 84,716 | (14,716) |
| Native Grass Mowing | 50,000 | - | 50,000 |
| Snow Removal | 45,000 | 53,823 | (8,823) |
| Painting and Foundation Beds | 38,000 | 28,184 | 9,816 |
| Annual Flowers | 30,000 | 20,514 | 9,486 |
| Winter Watering | 20,000 | 13,400 | 6,600 |
| Seasonal Décor | 18,000 | 15,168 | 2,832 |
| Pest Control | 10,000 | 3,580 | 6,420 |
| Retaining Walls | 10,000 | - | 10,000 |
| Signage | 10,000 | - | 10,000 |
| Lighting and Electrical Repairs | 6,000 | 4,404 | 1,596 |
| Fountain Maintenance | 2,000 | - | 2,000 |
| Flag Maintenance | 1,200 | 2,281 | (1,081) |
| Common Area Maintenance | - | 2,650 | (2,650) |
| Total Grounds Expenses | 1,015,600 | 994,572 | 21,028 |

**TALLYN'S REACH AUTHORITY
GENERAL FUND
STATEMENT OF EXPENDITURES – BUDGET AND ACTUAL (CONTINUED)
YEAR ENDED DECEMBER 31, 2021**

| | Original and Final Budget | Actual Amounts | Variance with Final Budget Positive (Negative) |
|---------------------------------|---------------------------------|-------------------------|---|
| EXPENDITURES | | | |
| Recreation Expenses | | | |
| Pool Contract | \$ 101,295 | \$ 135,060 | \$ (33,765) |
| Pool Repairs | 20,000 | 799 | 19,201 |
| Pool Chemicals | 8,000 | 23,335 | (15,335) |
| Pool Furniture | 15,000 | - | 15,000 |
| Pool Equipment | 5,000 | - | 5,000 |
| Kiddie Pool | 5,000 | - | 5,000 |
| Storage Building and Pool House | 2,000 | - | 2,000 |
| Security System | 6,000 | 16,933 | (10,933) |
| Clubhouse Maintenance Supplies | 3,000 | 299 | 2,701 |
| Indoor Building Maintenance | 12,000 | 3,141 | 8,859 |
| Outside Building Maintenance | 10,000 | 8,858 | 1,142 |
| Janitorial and Housekeeping | 7,000 | 2,607 | 4,393 |
| Tennis Court Maintenance | 1,500 | - | 1,500 |
| Playground Equipment | 800 | 425 | 375 |
| Telephone and Access Control | 5,000 | 5,134 | (134) |
| Clubhouse Management | 23,448 | 21,493 | 1,955 |
| Trash Removal | 4,200 | 8,004 | (3,804) |
| Supplies Other | 5,000 | 133 | 4,867 |
| Total Recreation Expenses | <u>234,243</u> | <u>226,221</u> | <u>8,022</u> |
| Utilities Expenses | | | |
| Water and Sewer | 360,000 | 259,807 | 100,193 |
| Gas and Electric | 15,000 | 14,864 | 136 |
| Total Utilities Expenses | <u>375,000</u> | <u>274,671</u> | <u>100,329</u> |
| Total Expenditures | <u>\$ 1,935,343</u> | <u>\$ 1,834,090</u> | <u>\$ 101,253</u> |