

TALLYN'S REACH METROPOLITAN DISTRICT NO. 2

FINANCIAL STATEMENTS

PERIODS ENDED MAY 31, 2023

**Tallyn's Reach Metro District No. 2
Balance Sheet - Governmental Funds
May 31, 2023**

	General	Total
Assets		
PNC Bank	\$ 204,574.95	\$ 204,574.95
Colotrust	532.25	532.25
Receivable from County Treasurer	14,955.85	14,955.85
Total Assets	\$ 220,063.05	\$ 220,063.05
 Fund Balances	 220,063.05	 220,063.05
 Liabilities and Fund Balances	 \$ 220,063.05	 \$ 220,063.05

Tallyn's Reach Metro District No. 2
General Fund Statement of Revenues, Expenditures and Changes in
Fund Balances - Budget and Actual
For the Period Ending May 31, 2023

	<u>Annual Budget</u>	<u>Actual</u>	<u>Variance</u>
Revenues			
Property taxes	\$ 230,338.00	\$ 184,101.35	\$ 46,236.65
Specific ownership taxes	13,820.00	6,334.03	7,485.97
Interest income	1,000.00	861.56	138.44
Total Revenue	<u>245,158.00</u>	<u>191,296.94</u>	<u>53,861.06</u>
Expenditures			
County Treasurer's fee	3,455.00	2,761.71	693.29
Transfers to TRA	250,000.00	-	250,000.00
Total Expenditures	<u>253,455.00</u>	<u>2,761.71</u>	<u>250,693.29</u>
Net Change in Fund Balances	(8,297.00)	188,535.23	(196,832.23)
Fund Balance - Beginning	20,041.00	31,527.82	(11,486.82)
Fund Balance - Ending	<u>\$ 11,744.00</u>	<u>\$ 220,063.05</u>	<u>\$ (208,319.05)</u>

Supplementary Information

TALLYNS REACH METROPOLITAN DISTRICT NO. 2
Schedule of Cash Position
As of May 31, 2023
Updated as of July 11, 2023

	General Fund	Total
<u>PNC Bank</u>		
Balance as of 05/31/23	\$ 204,574.95	\$ 204,574.95
Subsequent activities:		
06/10/23 - Property/SO tax	14,955.85	14,955.85
07/10/23 - Property/SO tax	44,997.94	44,997.94
<i>Anticipated Transfer to ColoTrust</i>	<i>(264,528.74)</i>	<i>(264,528.74)</i>
<i>Anticipated Balance</i>	<i>\$ -</i>	<i>\$ -</i>
 <u>ColoTrust</u>		
Balance as of 05/31/23	\$ 532.25	\$ 532.25
Subsequent activities:		
<i>Anticipated Transfer from PNC</i>	<i>264,528.74</i>	<i>264,528.74</i>
<i>Anticipated Transfer to TRA</i>	<i>(250,000.00)</i>	<i>(250,000.00)</i>
<i>Anticipated Balance</i>	<i>\$ 15,060.99</i>	<i>\$ 15,060.99</i>
<i>Total Anticipated Balances</i>	<i>\$ 15,060.99</i>	<i>\$ 15,060.99</i>

Yield Information as of 05/31/23:

Colotruster Plus - 5.1483%
PNC Bank - 2.66%

TALLYNS REACH METROPOLITAN DISTRICT No. 2
Property Taxes Reconciliation
2023

	Current Year							Prior Year			
	Property Taxes	Delinquent Taxes, Rebates and Abatements	Specific Ownership Taxes	Interest	Treasurer's Fees	Net Amount Received	% of Total Property Taxes Received		Total Cash Received	% of Total Property Taxes Received	
							Monthly	Y-T-D		Monthly	Y-T-D
January	\$ 190.94	\$ -	\$ 1,161.23	\$ -	\$ (2.86)	\$ 1,349.31	0.08%	0.08%	\$ 5,746.63	0.29%	0.29%
February	52,982.93	-	1,176.05	-	(794.74)	53,364.24	23.00%	23.09%	168,501.93	22.52%	22.80%
March	4,942.91	-	1,476.12	-	(74.14)	6,344.89	2.15%	25.23%	18,673.17	1.99%	24.79%
April	112,169.38	-	1,185.70	-	(1,682.54)	111,672.54	48.70%	73.93%	362,637.25	49.21%	74.00%
May	13,815.19	-	1,334.93	13.16	(207.43)	14,955.85	6.00%	79.93%	40,526.98	5.08%	79.08%
June	-	-	-	-	-	-	0.00%	79.93%	148,096.79	19.79%	98.87%
July	-	-	-	-	-	-	0.00%	79.93%	10,409.64	0.90%	99.77%
August	-	-	-	-	-	-	0.00%	79.93%	4,765.16	0.00%	99.77%
September	-	-	-	-	-	-	0.00%	79.93%	5,725.24	0.22%	100.00%
October	-	-	-	-	-	-	0.00%	79.93%	3,829.32	0.00%	100.00%
November	-	-	-	-	-	-	0.00%	79.93%	4,271.63	0.00%	100.00%
December (Accrued)	-	-	-	-	-	-	0.00%	79.93%	3,453.40	0.00%	100.00%
	\$ 184,101.35	\$ -	\$ 6,334.03	\$ 13.16	\$ (2,761.71)	\$ 187,686.83	79.93%	79.93%	\$ 776,637.14	100.00%	100.00%

Taxes Levied	% of Levied	Property Taxes Collected	% Collected to Amount Levied
--------------	-------------	--------------------------	------------------------------

Property Tax

General Fund	\$ 230,338.00	100.00%	\$ 184,101.35	79.93%
	<u>\$ 230,338.00</u>	<u>100.00%</u>	<u>\$ 184,101.35</u>	<u>79.93%</u>

Specific Ownership Tax

General Fund	\$ 13,820.00	100.00%	\$ 6,334.03	45.83%
	<u>\$ 13,820.00</u>	<u>100.00%</u>	<u>\$ 6,334.03</u>	<u>45.83%</u>

Treasurer's Fees

General Fund	\$ 3,455.00	100.00%	\$ 2,761.70	79.93%
	<u>\$ 3,455.00</u>	<u>100.00%</u>	<u>\$ 2,761.71</u>	<u>79.93%</u>

No assurance is provided on these financial statements. Substantially all required disclosures, the government-wide financial statements, and the statement of revenues, expenditures and changes in fund balances – governmental funds have been omitted.

**TALLYNS REACH METROPOLITAN DISTRICT NO. 2
2023 BUDGET
SUMMARY OF SIGNIFICANT ASSUMPTIONS**

Services Provided

Tallyn's Reach Metropolitan District No. 2 was organized on November 6, 1998, as a quasi-municipal organization established under the State of Colorado Special District Act. The District 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. At the time of formation, Tallyn's Reach Metropolitan District No. 1 ("District No. 1") and the Tallyn's Reach Metropolitan District No. 3 ("District No. 3") were also formed. All three districts are governed by the same Service Plan, which provides that District No. 1 is the "Operating District" and the District and District No. 3 are the "Taxing Districts". 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. During 2018 the District and District No. 3 formed Tallyn's Reach Authority to perform the duties and obligations of the Operating District. Subsequently all contracts and agreements were modified such that all responsibilities and obligations of Tallyn's Reach Metropolitan District No. 1 were assigned to Tallyn's Reach Authority and Tallyn's Reach Metropolitan District No. 1 was subsequently dissolved. The District's primary revenues are property taxes. The District is governed by an elected Board of Directors.

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

The District prepares its budget on the modified accrual basis of accounting in accordance with the requirements of Colorado Revised Statutes C.R.S. 29-1-105 105 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

Property Taxes

Property taxes are levied by the District's Board of Directors. The levy is based on assessed valuations determined by the County Assessor generally as of January 1 of each year. The levy is normally set by December 15 by certification to the County Commissioners to put the tax lien on the individual properties as of January 1 of the following year. The County Treasurer collects the determined taxes during the ensuing calendar year. The taxes are payable by April or, if in equal installments, at the taxpayer's election, in February and June. Delinquent taxpayers are notified in August and generally sales of the tax liens on delinquent properties are held in November or December. The County Treasurer remits the taxes collected monthly to the District.

Senate Bill 21-293 among other things, designates multi-family residential real property (defined generally, as property that is a multi-structure of four or more units) as a new subclass of residential real property. For tax collection year 2023, the assessment rate for single family residential property decreases to 6.95% from 7.15%. The rate for multifamily residential property, the newly created subclass, decreases to 6.80% from 7.15%. Agricultural and renewable energy production property decreases to 26.4% from 29.0%. Producing oil and gas remains at 87.5%. All other nonresidential property stays at 29%.

**TALLYNS REACH METROPOLITAN DISTRICT NO. 2
2023 BUDGET
SUMMARY OF SIGNIFICANT ASSUMPTIONS**

Revenues (continued)

Specific Ownership Taxes

Specific ownership taxes are set by the State and collected by the County Treasurer, primarily on vehicle licensing within the County as a whole. The specific ownership taxes are allocated by the County Treasurer to all taxing entities within the County. The budget assumes that the District's share will be equal to approximately 6.00% of the property taxes collected.

Interest Income

Interest earned on the District's available funds has been estimated based on historical interest earnings.

Expenditures

County Treasurer's Fees

County Treasurer's collection fees have been computed at 1.50% of property taxes.

Intergovernmental expenditure

Property taxes generated from the 10.500 mills levied by the District for general operating expenses, net of fees, are expected to be transferred to the Authority in the amount of \$250,000 to fund the administrative expenses of the Authority and the District.

Debt and Leases

The District has no debt nor operating or capital leases.

Reserves

Emergency Reserve

The District has provided for an emergency reserve fund equal to at least 3% of fiscal year spending for 2022 as defined under TABOR.