

TALLYNS REACH METRO DISTRICT NO. 3
Arapahoe County, Colorado

FINANCIAL STATEMENTS AND
SUPPLEMENTARY INFORMATION

YEAR ENDED DECEMBER 31, 2022

**TALLYNS REACH METRO DISTRICT NO. 3
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YEAR ENDED DECEMBER 31, 2022**

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Board of Directors
Tallyn's Reach Metropolitan District No. 3
Arapahoe County, Colorado

Independent Auditor's Report

Opinions

We have audited the accompanying financial statements of the governmental activities and each major fund of Tallyn's Reach Metropolitan District No. 3 (the "District"), as of and for the year ended December 31, 2022, 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 Metropolitan District No. 3 as of December 31, 2022, 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 Opinions

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 opinions.

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 opinions. 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

Required Supplemental Information

Management has omitted the management's discussion and analysis that accounting principles generally accepted in the United States require to be presented to supplement the basic financial statements. Such missing 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. Our opinions on the basic financial statements are not affected by this missing information.

Supplementary Information

Our audit was conducted for the purpose of forming opinions 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.

Other Information

The other information, as listed in the table of contents, has not been subjected to the auditing procedures applied in the audit of the basic financial statements and, accordingly, we do not express an opinion or provide any assurance on them.

In connection with our audit of the basic financial statements, our responsibility is to read the other information and consider whether a material inconsistency exists between the other information and the basic financial statements, or the other information otherwise appears to be materially misstated. If, based on the work performed, we conclude that an uncorrected material misstatement of the other information exists, we are required to describe it in our report.

Wipfli LLP

Wipfli LLP
Lakewood, Colorado

September 27, 2023

BASIC FINANCIAL STATEMENTS

**TALLYNS REACH METRO DISTRICT NO. 3
STATEMENT OF NET POSITION
DECEMBER 31, 2022**

	Governmental Activities
ASSETS	
Cash and Investments	\$ 3,768
Cash and Investments - Restricted	740,913
Receivable - County Treasurer	13,886
Property Taxes Receivable	3,007,104
Total Assets	3,765,671
DEFERRED OUTFLOWS OF RESOURCES	
Loss on Refunding	2,856,985
Total Deferred Outflows of Resources	2,856,985
LIABILITIES	
Due to Tallyn's Reach Authority	700
Accrued Interest Payable	97,695
Noncurrent Liabilities:	
Due Within One Year	1,961,000
Due in More Than One Year	39,741,470
Total Liabilities	41,800,865
DEFERRED INFLOWS OF RESOURCES	
Property Tax Revenue	3,007,104
Total Deferred Inflows of Resources	3,007,104
NET POSITION	
Restricted For:	
Emergency Reserve	8,100
Debt Service	647,136
Unrestricted	(38,840,549)
Total Net Position	\$ (38,185,313)

See accompanying Notes to Basic Financial Statements.

**TALLYNS REACH METRO DISTRICT NO. 3
BALANCE SHEET
GOVERNMENTAL FUNDS
DECEMBER 31, 2022**

	General	Debt Service	Total Governmental Funds
ASSETS			
Cash and Investments	\$ 3,768	\$ -	\$ 3,768
Cash and Investments - Restricted	8,100	732,813	740,913
Receivable - County Treasurer	1,168	12,718	13,886
Property Taxes Receivable	250,592	2,756,512	3,007,104
Total Assets	\$ 263,628	\$ 3,502,043	\$ 3,765,671
LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCES			
LIABILITIES			
Due to Tallyn's Reach Authority	\$ -	\$ 700	\$ 700
Total Liabilities	-	700	700
DEFERRED INFLOWS OF RESOURCES			
Property Tax Revenue	250,592	2,756,512	3,007,104
Total Deferred Inflows of Resources	250,592	2,756,512	3,007,104
FUND BALANCE			
Restricted For:			
Emergency Reserve	8,100	-	8,100
Debt Service	-	744,831	744,831
Unassigned:	4,936	-	4,936
Total Fund Balance	13,036	744,831	757,867
Total Liabilities, Deferred Inflows of Resources, and Fund Balances	\$ 263,628	\$ 3,502,043	

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

Long-term liabilities, including bonds payable, are not due and payable in the current period and, therefore, are not recorded as liabilities in the funds

Loss on Refunding	2,856,985
Bonds Payable	(6,110,000)
Bond Premium (Net of Amortization)	(609,470)
Loans Payable	(34,983,000)
Accrued Interest Payable	(97,695)

Net Position of Governmental Activities	\$ (38,185,313)
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See accompanying Notes to Basic Financial Statements.

**TALLYNS REACH METRO DISTRICT NO. 3
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE
GOVERNMENTAL FUNDS
YEAR ENDED DECEMBER 31, 2022**

	General	Debt Service	Total Governmental Funds
REVENUES			
Property Taxes	\$ 250,459	\$ 2,727,649	\$ 2,978,108
Specific Ownership Taxes	15,851	172,625	188,476
Net Investment Income	484	43,558	44,042
Total Revenues	<u>266,794</u>	<u>2,943,832</u>	<u>3,210,626</u>
EXPENDITURES			
County Treasurers' Fee	3,758	40,937	44,695
Transfers to Tallyn's Reach Authority	250,000	-	250,000
Paying Agent Fees	-	700	700
Bond Interest - Series 2019	-	267,200	267,200
Bond Principal - Series 2019	-	310,000	310,000
Loan Interest - 2020A	-	184,726	184,726
Loan Principal - 2020A	-	508,000	508,000
Loan Interest - 2020B	-	467,443	467,443
Loan Principal - 2020B	-	299,000	299,000
Loan Interest - Series 2021A-1	-	162,893	162,893
Loan Principal - Series 2021A-1	-	410,000	410,000
Loan Interest - Series 2021A-2	-	202,063	202,063
Loan Principal - Series 2021A-2	-	325,000	325,000
Total Expenditures	<u>253,758</u>	<u>3,177,962</u>	<u>3,431,720</u>
EXCESS OF REVENUES OVER (UNDER) EXPENDITURES	<u>13,036</u>	<u>(234,130)</u>	<u>(221,094)</u>
NET CHANGE IN FUND BALANCES	13,036	(234,130)	(221,094)
Fund Balances - Beginning of Year	-	978,961	978,961
FUND BALANCES - END OF YEAR	<u>\$ 13,036</u>	<u>\$ 744,831</u>	<u>\$ 757,867</u>

See accompanying Notes to Basic Financial Statements.

**TALLYNS REACH METRO DISTRICT NO. 3
RECONCILIATION OF THE STATEMENTS OF REVENUES, EXPENDITURES, AND CHANGES
IN FUND BALANCE OF THE GOVERNMENTAL FUNDS TO THE STATEMENT OF ACTIVITIES
YEAR ENDED DECEMBER 31, 2022**

Net Change in Fund Balances - Governmental Funds \$ (221,094)

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

The issuance of long-term debt (e.g., bonds, leases) provides current financial resources to governmental funds, while the repayment of the principal of long-term debt consumes the current financial resources of governmental funds. Neither transaction, however, has any effect on net position. Also, governmental funds report the effect of premiums, discounts, and similar items when debt is first issued, whereas these amounts are deferred and amortized in the statement of activities. The net effect of these differences in the treatment of long-term debt and related items is as follows:

Bond Principal Payment - Series 2019	310,000
Loan Principal Payment - Series 2020A	508,000
Loan Principal Payment - Series 2020B	299,000
Loan Principal Payment - Series 2021A-1	410,000
Loan Principal Payment - Series 2021A-2	325,000

Some expenses reported in the statement of activities do not require the use of current financial resources and, therefore, are not reported as expenditures in governmental funds:

Amortization of Bond Premium - Series 2019	81,633
Amortization of Loss on Refunding	(393,621)
Accrued Interest on Debt - Change in Liability	<u>9,090</u>

Change in Net Position of Governmental Activities \$ 1,328,008

**TALLYNS REACH METRO DISTRICT NO. 3
GENERAL FUND
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE –
BUDGET AND ACTUAL
YEAR ENDED DECEMBER 31, 2022**

	Original Budget	Actual Amounts	Variance with Final Budget Positive (Negative)
REVENUES			
Property Taxes	\$ 250,523	\$ 250,459	\$ (64)
Specific Ownership Taxes	17,537	15,851	(1,686)
Net Investment Income	-	484	484
Total Revenues	<u>268,060</u>	<u>266,794</u>	<u>(1,266)</u>
EXPENDITURES			
County Treasurers' Fee	3,758	3,758	-
Transfers to Tallyn's Reach Authority	<u>250,000</u>	<u>250,000</u>	<u>-</u>
Total Expenditures	<u>253,758</u>	<u>253,758</u>	<u>-</u>
EXCESS OF REVENUES OVER (UNDER) EXPENDITURES	14,302	13,036	(1,266)
Fund Balance - Beginning of Year	<u>-</u>	<u>-</u>	<u>-</u>
FUND BALANCE - END OF YEAR	<u><u>\$ 14,302</u></u>	<u><u>\$ 13,036</u></u>	<u><u>\$ (1,266)</u></u>

See accompanying Notes to Basic Financial Statements.

**TALLYNS REACH METRO DISTRICT NO. 3
NOTES TO BASIC FINANCIAL STATEMENTS
DECEMBER 31, 2022**

NOTE 1 DEFINITION OF REPORTING ENTITY

Tallyns Reach Metro District No. 3 (the District), a quasi-municipal corporation and political subdivision of the State of Colorado, 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. 2 (District No. 2) 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. 2 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. 2 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 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 District has no employees, and all operations and administrative functions are contracted.

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

NOTE 2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The more significant accounting policies of the District 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 District. The effect of interfund activity has been removed from these statements. Governmental activities are normally supported by taxes and intergovernmental revenues.

**TALLYNS REACH METRO DISTRICT NO. 3
NOTES TO BASIC FINANCIAL STATEMENTS
DECEMBER 31, 2022**

NOTE 2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Government-Wide and Fund Financial Statements (Continued)

The statement of net position reports all financial and capital resources of the District. 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 District 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. All other revenue items are considered to be measurable and available only when cash is received by the District. The District has determined that Developer advances are not considered as revenue susceptible to accrual. Expenditures, other than interest on long-term obligations, are recorded when the liability is incurred, or the long-term obligation is due.

The District reports the following major governmental funds:

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

The Debt Service Fund (beginning in 2022) accounts for the resources accumulated and payments made for principal and interest on long-term debt of the governmental funds. Prior to 2022, the Debt Service Fund was reflected on a combined basis with the General Fund due to lack of activity.

**TALLYNS REACH METRO DISTRICT NO. 3
NOTES TO BASIC FINANCIAL STATEMENTS
DECEMBER 31, 2022**

NOTE 2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Budgets

In accordance with the State Budget Law, the District'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 and other financing uses level and lapses at year-end. The District'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 District 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.

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 taxpayers' election, in February and June. Delinquent taxpayers are notified in July or August and the sales of the resultant tax liens on delinquent properties are held in November or December. The County Treasurer remits the taxes collected monthly to the District.

Property taxes, net of estimated uncollectible taxes, are recorded initially as deferred inflow of resources in the year they are levied and measurable. The property tax revenues are recorded as revenue in the subsequent year when they are available or collected.

Deferred Outflows/Inflows of Resources

In addition to assets, the statement of financial position will sometimes report a separate section for deferred outflows of resources. This separate financial statement element, deferred outflows of resources, represents a consumption of net position that applies to a future period(s) and so will not be recognized as an outflow of resources (expense/expenditure) until then. The District has one item that qualifies for reporting in this category.

**TALLYNS REACH METRO DISTRICT NO. 3
NOTES TO BASIC FINANCIAL STATEMENTS
DECEMBER 31, 2022**

NOTE 2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Deferred Outflows/Inflows of Resources (Continued)

This item is the deferred loss on refunding reported in the government-wide statement of net position. A deferred loss on refunding results from the difference in the carrying value of refunded debt and its reacquisition price. This amount is deferred and amortized over the shorter of the life of the refunded or refunding debt (see Note 3).

In addition to liabilities, the statement of financial position will sometimes report 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(s) and so will not be recognized as an inflow of resources (revenue) until that time. The District has one item that qualifies for reporting in this category. Deferred property taxes are deferred and recognized as an inflow of resources in the period that the amounts become available.

Amortization

Original Issue Premium

In the government-wide financial statements, bond premiums are deferred and amortized over the life of the bonds using the effective interest method.

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

Loss on Refunding

In the government-wide financial statements, the deferred loss on bond refunding is being amortized using the interest method over the life of the new bonds. The amortization amount is a component of interest expense and the unamortized deferred loss is reflected as a deferred outflows of resources.

Equity

Net Position

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

**TALLYNS REACH METRO DISTRICT NO. 3
NOTES TO BASIC FINANCIAL STATEMENTS
DECEMBER 31, 2022**

NOTE 2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Equity (Continued)

Fund Balance

Fund balance of governmental funds should be reported in classification 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 or modified than those imposed on amounts that are classified as committed.

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 District's practice to use the most restrictive classification first.

**TALLYNS REACH METRO DISTRICT NO. 3
NOTES TO BASIC FINANCIAL STATEMENTS
DECEMBER 31, 2022**

NOTE 3 CASH AND INVESTMENTS

Cash and investments as of December 31, 2022, are classified in the accompanying financial statements as follows:

Statement of Net Position:

Cash and Investments	\$ 3,768
Cash and Investments - Restricted	740,913
Total Cash and Investments	\$ 744,681

Cash and investments as of December 31, 2022, consist of the following:

Deposits with Financial Institutions	\$ 216
Investments	744,465
Total Cash and Investments	\$ 744,681

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, 2022, the District's cash deposits had a bank and carrying balance of \$216.

Investments

The District has adopted a formal investment policy which is consistent with state statutes regarding investments.

The District 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 District 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.

**TALLYNS REACH METRO DISTRICT NO. 3
NOTES TO BASIC FINANCIAL STATEMENTS
DECEMBER 31, 2022**

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, 2022, the District had the following investments:

Investment	
Colorado Local Government Liquid Asset Trust (COLOTRUST)	\$ 744,425
Colorado Surplus Asset Fund Trust (CSAFE)	40
Total	<u>\$ 744,465</u>

COLOTRUST

The District 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 currently offers three portfolios – COLOTRUST PRIME, COLOTRUST PLUS+, and COLOTRUST EDGE. COLOTRUST PRIME and COLOTRUST PLUS+, which operate similarly to a money market fund and each share is equal in value to \$1.00, offer daily liquidity. 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. COLOTRUST EDGE, a variable Net Asset Value (NAV) Local Government Investment Pool, offers weekly liquidity and is managed to approximate a \$10.00 transactional share price. COLOTRUST EDGE may invest in securities authorized by Section 24-75-601.1, C.R.S., including U.S. Treasury securities, repurchase agreements collateralized by U.S. Treasury securities, certain obligations of U.S. government agencies, and highest rated commercial paper.

**TALLYNS REACH METRO DISTRICT NO. 3
NOTES TO BASIC FINANCIAL STATEMENTS
DECEMBER 31, 2022**

NOTE 3 CASH AND INVESTMENTS (CONTINUED)

COLOTRUST (Continued)

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 PRIME and COLOTRUST PLUS+ are rated AAAM by Standard & Poor's. COLOTRUST EDGE is rated AAaf/S1 by FitchRatings. COLOTRUST records its investments at fair value and the District records its investment in COLOTRUST at net asset value as determined by fair value. There are no unfunded commitments, the redemption frequency is daily or weekly, and there is no redemption notice period.

CSAFE

The District invested in the Colorado Surplus Asset Fund Trust (CSAFE) (the Trust), which is an investment vehicle established by state statute for local government entities to pool surplus assets. The State Securities Commissioner administers and enforces all State statutes governing the Trust. The Trust currently offers two portfolios – CSAFE CASH FUND and CSAFE CORE. CSAFE CASH FUND operations similar to a money market fund, with each share valued at \$1.00. CSAFE may invest in U.S. Treasury securities, repurchase agreements collateralized by U.S. Treasury securities, certain money market funds and highest rated commercial paper, any security allowed under Section 24-75-601.1, C.R.S. CSAFE CORE, a variable Net Asset Value (NAV) Local Government Investment Pool, offers weekly liquidity and is managed to approximate a \$2.00 transactional share price. CSAFE CORE may invest in securities authorized by Section 24-75-601.1, C.R.S., including U.S. Treasury securities, repurchase agreements collateralized by U.S. Treasury securities, certain obligations of U.S. government agencies, and highest rated commercial paper. A designated custodial bank serves as custodian for CSAFE's portfolio pursuant to a custodian agreement. The custodian acts as safekeeping agent for CSAFE's investment portfolio and provides services as the depository in connection with direct investments and withdrawals. The custodian's internal records segregate investments owned by CSAFE. CSAFE CASH FUND is rated AAAMmf and CSAFE CORE is rated AAaf/S1 by Fitch Ratings. CSAFE records its investments at amortized cost and the District records its investments in CSAFE using the amortized cost method. There are no unfunded commitments, the redemption frequency is daily and there is no redemption notice period.

**TALLYNS REACH METRO DISTRICT NO. 3
NOTES TO BASIC FINANCIAL STATEMENTS
DECEMBER 31, 2022**

NOTE 4 LONG-TERM OBLIGATIONS

The following is an analysis of changes in the District's long-term obligations for the year ended December 31, 2022:

	Balance - December 31, 2021	Net Issues/ Additions	Retirements/ Refundings	Balance - December 31, 2022	Current Portion
Series 2019 - GO Bonds	\$ 6,420,000	\$ -	\$ 310,000	\$ 6,110,000	\$ 325,000
Series 2019 - Premium	691,103	-	81,633	609,470	-
Series 2020A - Loan	7,163,000	-	508,000	6,655,000	545,000
Series 2020B - Loan	15,792,000	-	299,000	15,493,000	336,000
Series 2021A-1 - Loan	5,945,000	-	410,000	5,535,000	425,000
Series 2021A-2 - Loan	7,625,000	-	325,000	7,300,000	330,000
Total	\$ 43,636,103	\$ -	\$ 1,933,633	\$ 41,702,470	\$ 1,961,000

The detail of the District's general obligation bonds outstanding during 2022 is as follows:

\$7,255,000 General Obligation Refunding Bonds – Series 2019

On June 12, 2019, the District issued \$7,255,000 General Obligation Refunding Bonds Series 2019 (Series 2019 Bonds) at a premium of \$867,660 with maturities through December 1, 2036. Interest rates on the Series 2019 Bonds range between 2.000% and 5.000% with yields ranging between 1.700% and 3.120%. Interest is payable on June 1 and December 1 of each year beginning December 1, 2019. Proceeds of the bond issue were used to fully refund the outstanding Series 2007 bonds and pay costs of issuance of the Series 2019 Bonds.

The Pledged Revenue for the repayment of the Series 2019 Bonds is a maximum debt service mill levy of 54.500. The Series 2019 Bonds are subject to a mandatory sinking fund redemption commencing on December 1, 2034, and are subject to redemption prior to maturity, at the option of the District, as a whole or in integral multiples of \$5,000, in any order of maturity and in whole or partial maturities, commencing on December 1, 2029, upon payment of the principal amount thereof (without redemption premium) plus accrued interest.

\$7,645,000 Taxable Refunding Loan – 2020A

On November 20, 2020 (Closing Date), the District entered into a Loan Agreement (2020A Loan) with BBVA Mortgage Corporation (the Lender) for a loan of \$7,645,000. The 2020A Taxable (Convertible to Tax-Exempt) Loan is evidenced by a promissory note. The 2020A Loan was issued to provide funds to refund the District's previous Bonds. The 2020A Loan matures on December 1, 2033. Principal payments are due on December 1 of each year beginning December 1, 2021. Interest is payable on June 1 and December 1 of each year beginning June 1, 2021. The 2020A Loan bears interest at a rate of 2.68% per annum calculated on the basis of a 360-day year and the actual number of days elapsed in the applicable accrual period.

**TALLYNS REACH METRO DISTRICT NO. 3
NOTES TO BASIC FINANCIAL STATEMENTS
DECEMBER 31, 2022**

NOTE 4 LONG-TERM OBLIGATIONS (CONTINUED)

\$7,645,000 Taxable Refunding Loan – 2020A (Continued)

The 2020A Loan became tax-exempt on September 1, 2022, and the interest rate converted to 2.12% per annum. The District may, at its option, prepay the 2020A Loan in whole or in part on any interest payment date at a prepayment price equal to the sum of the (a) the principal so prepaid; (b) accrued interest thereon at the rate then borne by the 2020A Loan to the date of such prepayment. Upon an Event of Default, the 2020A Loan shall, if elected by the Lender, bear interest at a rate per annum equal to the interest rate then in effect on the 2020A Loan plus 4.00%. If interest on the 2020A Loan (following any applicable Conversion Date) is determined to not be exempt from taxation as a result of any action or omission of action on the part of the District as provided, then the interest rate on the 2020A Loan, if elected by the Lender, shall convert to a rate per annum equal to the rate otherwise then in effect on the 2020A Loan divided by 79%.

The Pledged Revenue for the repayment of the 2020A Loan is a maximum debt service mill levy of 54.500 mills (which can be adjusted to account for changes in law) and specific ownership taxes.

In the government-wide statements, the District incurred a loss on bond refunding in the amount of \$1,027,996, which has been deferred and is being amortized over the life of the Loan. As of December 31, 2022, accumulated amortization totaled \$318,697.

\$16,030,000 Taxable Refunding Loan – 2020B

On November 20, 2020 (Closing Date), the District entered into a Loan Agreement (2020B Loan) with BBVA Mortgage Corporation (the Lender) for a loan of \$16,030,000. The 2020B Taxable (Convertible to Tax-Exempt) Loan is evidenced by a promissory note. The 2020B Loan was issued to provide funds to refund the District's previous Bonds. The 2020B Loan matures on December 1, 2038. Principal payments are due on December 1 of each year beginning December 1, 2021. Interest is payable on June 1 and December 1 of each year beginning June 1, 2021. The 2020B Loan bears interest at a rate of 2.96% per annum calculated on the basis of a 360-day year and the actual number of days elapsed in the applicable accrual period. The 2020B Loan became tax-exempt on September 1, 2023, and the interest rate converted to 2.34% per annum. The District may, at its option, prepay the 2020B Loan in whole or in part on any interest payment date at a prepayment price equal to the sum of the (a) the principal so prepaid; (b) accrued interest thereon at the rate then borne by the 2020B Loan to the date of such prepayment. Upon an Event of Default, the 2020B Loan shall, if elected by the Lender, bear interest at a rate per annum equal to the interest rate then in effect on the 2020B Loan plus 4.00%. If interest on the 2020B Loan (following any applicable Conversion Date) is determined to not be exempt from taxation as a result of any action or omission of action on the part of the District as provided, then the interest rate on the 2020B Loan, if elected by the Lender, shall convert to a rate per annum equal to the rate otherwise then in effect on the 2020B Loan divided by 79%.

**TALLYNS REACH METRO DISTRICT NO. 3
NOTES TO BASIC FINANCIAL STATEMENTS
DECEMBER 31, 2022**

NOTE 4 LONG-TERM OBLIGATIONS (CONTINUED)

\$16,030,000 Taxable Refunding Loan – 2020B (Continued)

The Pledged Revenue for the repayment of the 2020B Loan is a maximum debt service mill levy of 54.500 mills (which can be adjusted to account for changes in law) and specific ownership taxes.

In the government-wide statements, the District incurred a loss on bond refunding in the amount of \$2,476,917, which has been deferred and is being amortized over the life of the new debt. As of December 31, 2022, accumulated amortization totaled \$466,596.

\$6,220,000 Tax-Exempt Refunding Loan – 2021A-1

On May 18, 2021 (Closing Date), the District entered into a Loan Agreement (2021A-1 Loan) with BBVA Mortgage Corporation (Lender) for a loan of \$6,220,000. The 2021A-1 Taxable (Converting to Tax-Exempt) Loan is evidenced by a promissory note. The 2021A-1 Loan was issued to provide funds to refund the District's previous Bonds. The 2021A-1 Loan matures on December 1, 2037. Principal payments are due on December 1 of each year beginning December 1, 2021. Interest is payable on June 1 and December 1 of each year beginning June 1, 2021. The 2021A-1 Loan bears interest at a rate of 2.74% per annum calculated on the basis of a 360-day year and the actual number of days elapsed in the applicable accrual period. The District may, at its option, prepay the 2021A-1 Loan in whole on any interest payment date before June 1, 2026 at a prepayment price equal to par plus accrued interest thereon together with any applicable Yield Maintenance Fee that may apply. If such prepayment occurs on or after December 1, 2026, the prepayment price shall equal par plus accrued interest thereon together with any applicable Yield Maintenance Fee but only through and including June 1, 2029. The District may, at its option, prepay the 2021A-1 loan in part by up to 10% of the initial par amount each year at a prepayment price equal to such principal amount plus accrued interest thereon without Premium or Yield Maintenance Fee. Any partial prepayment in excess of such permitted partial prepayment amount each year shall also be permitted but shall be subject only to any applicable Yield Maintenance Fee that may apply to such additional partial prepayment amount and then only if such additional partial prepayments occur prior to December 1, 2029. Upon an Event of Default, the Loans shall, if elected by the Lender, bear interest at a rate per annum equal to the interest rate then in effect on the Loans plus 4.00%. If interest on the Loans (following any applicable Conversion Date) is determined to not be exempt from taxation as a result of any action or omission of action on the part of the District as provided, then the interest rate on the Loans, if elected by the Lender, shall convert to a rate per annum equal to the rate otherwise then in effect on each of the Loans divided by 79%.

As of September 16, 2021, the Loan is Tax-Exempt.

The Pledged Revenue for the repayment of the 2021A-1 Loan is a maximum debt service mill levy of 54.503 mills (which can be adjusted to account for changes in law) and specific ownership taxes.

In the government-wide statements, the District incurred a loss on bond refunding in the amount of \$167,220, which has been deferred and is being amortized over the life of the new debt. As of December 31, 2022, accumulated amortization totaled \$29,855.

**TALLYNS REACH METRO DISTRICT NO. 3
NOTES TO BASIC FINANCIAL STATEMENTS
DECEMBER 31, 2022**

NOTE 4 LONG-TERM OBLIGATIONS (CONTINUED)

\$8,025,000 Tax-Exempt Refunding Loan – 2021A-2

On May 18, 2021 (Closing Date), the District entered into a Loan Agreement (2021A-2 Loan) with BBVA Mortgage Corporation (Lender) for a loan of \$8,025,000. The 2021A-2 Tax-Exempt Loan is evidenced by a promissory note. The 2021A-2 Loan was issued to provide funds to refund the District's previous Bonds. The 2021A-2 Loan matures on December 1, 2035. Principal payments are due on December 1 of each year beginning December 1, 2021. Interest is payable on June 1 and December 1 of each year beginning June 1, 2021. The 2021A-2 Loan bears interest at a rate of 2.65% per annum calculated on the basis of a 360-day year and the actual number of days elapsed in the applicable accrual period. The District may, at its option, prepay the 2021A-2 Loan in whole on any interest payment date before June 1, 2026 at a prepayment price equal to par plus accrued interest thereon together with any applicable Yield Maintenance Fee that may apply. If such prepayment occurs on or after December 1, 2026, the prepayment price shall equal par plus accrued interest thereon together with any applicable Yield Maintenance Fee but only through and including June 1, 2028. The District may, at its option, prepay the 2021A-2 loan in part by up to 10% of the initial par amount each year at a prepayment price equal to such principal amount plus accrued interest thereon without Premium or Yield Maintenance Fee. Any partial prepayment in excess of such permitted partial prepayment amount each year shall also be permitted but shall be subject only to any applicable Yield Maintenance Fee that may apply to such additional partial prepayment amount and then only if such additional partial prepayments occur prior to December 1, 2028. Upon an Event of Default, the Loans shall, if elected by the Lender, bear interest at a rate per annum equal to the interest rate then in effect on the Loans plus 4.00%. If interest on the Loans (following any applicable Conversion Date) is determined to not be exempt from taxation as a result of any action or omission of action on the part of the District as provided, then the interest rate on the Loans, if elected by the Lender, shall convert to a rate per annum equal to the rate otherwise then in effect on each of the Loans divided by 79%.

The Pledged Revenue for the repayment of the 2021A-2 Loan is a maximum debt service mill levy of 54.503 mills (which can be adjusted to account for changes in law) and specific ownership taxes.

Debt Authorization

As of December 31, 2022, the District had remaining voted debt authorization of approximately \$41,125,000. Per the District's Service Plan, the District cannot issue debt in excess of \$57,753,600, resulting in outstanding authorization of \$5,014,971 after the issuance of the Series 2019 Bonds.

**TALLYNS REACH METRO DISTRICT NO. 3
NOTES TO BASIC FINANCIAL STATEMENTS
DECEMBER 31, 2022**

NOTE 5 NET POSITION

The District has net position consisting of two components – restricted and unrestricted.

Restricted net position includes 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 District had a restricted net position as of December 31, 2022, as follows:

Restricted Net Position:	
Emergency Reserve	\$ 8,100
Debt Service	647,136
Total Restricted Net Position	<u>\$ 655,236</u>

The District has a deficit in unrestricted net position. This deficit amount is a result of the District being responsible for the repayment of bonds and loans issued for public improvements which were conveyed to other governmental entities and which costs were removed from the District's financial records.

A restatement of \$375,552 was applied to the December 31, 2021 net position to reverse amortization of loss on refunding recorded in 2021 that represents amortization to be recorded in 2022. The net effect on December 31, 2022 net position is \$0.

NOTE 6 AGREEMENTS

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

On August 24, 1999, and as amended and/or restated in 2000, 2001, 2002, 2003, 2005, 2007, 2010 and 2012, the District entered into a Joint Resolution Concerning the Imposition of District Development Fees with District No. 1 and District No. 2. The agreement establishes development fees, transfer fees and monthly operations fees to be imposed on all residents of the Districts.

On December 3, 2013, the District approved an Amended and Restated Joint Resolution Regarding the Imposition of District Fees along with District No. 1 and District No. 2 which further clarified the District fees and established a schedule of fees for 2015 which is adjusted on an annual basis.

Tallyn's Reach Authority Establishment Agreement

On February 12, 2018, District No. 2 and the District (collectively "the Districts") entered into the Tallyn's Reach Authority Establishment Agreement for the purpose of establishing the Tallyn's Reach Authority, which is 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 Districts. During 2018 Tallyn's Reach Metropolitan District No. 1 assigned all of its assets, liabilities, rights and obligations to the Authority after which the Tallyn's Reach Metropolitan District No.1 was dissolved.

**TALLYNS REACH METRO DISTRICT NO. 3
NOTES TO BASIC FINANCIAL STATEMENTS
DECEMBER 31, 2022**

NOTE 7 RISK MANAGEMENT

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

The District is a member of the Colorado Special Districts Property and Liability Pool (the 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 coverage in any of the past three fiscal years.

The District pays annual premiums to the Pool for property, liability, and workers' compensation 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.

NOTE 8 TAX, SPENDING, AND DEBT LIMITATIONS

Article X, Section 20 of the Colorado Constitution, commonly known as the Taxpayer 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 limit must be refunded unless the voters approve retention of such revenue.

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. As all operating costs are paid by District No. 1, therefore the District has no 3% reserve.

The District'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.

On November 7, 2000, a majority of the District's electors authorized the District to collect and spend or retain in a reserve all currently levied taxes and fees of the District without regard to any limitations under Article X, Section 20 of the Colorado Constitution.

SUPPLEMENTARY INFORMATION

**TALLYNS REACH METRO DISTRICT NO. 3
DEBT SERVICE FUND – SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND
BALANCE – BUDGET AND ACTUAL
YEAR ENDED DECEMBER 31, 2022**

	Original Budget	Actual Amounts	Variance with Final Budget Positive (Negative)
REVENUES			
Property Taxes	\$ 2,727,688	\$ 2,727,649	\$ (39)
Specific Ownership Taxes	190,938	172,625	(18,313)
Net Investment Income	3,400	43,558	40,158
Total Revenues	<u>2,922,026</u>	<u>2,943,832</u>	<u>21,806</u>
EXPENDITURES			
County Treasurers' Fee	40,915	40,937	(22)
Paying Agent Fees	6,000	700	5,300
Contingency	9,679	-	9,679
Bond Interest - Series 2019	267,200	267,200	-
Bond Principal - Series 2019	310,000	310,000	-
Loan Interest - Series 2020A	181,940	184,726	(2,786)
Loan Principal - Series 2020A	508,000	508,000	-
Loan Interest - Series 2020B	467,443	467,443	-
Loan Principal - Series 2020B	299,000	299,000	-
Loan Interest - Series 2021A-1	162,893	162,893	-
Loan Principal - Series 2021A-1	410,000	410,000	-
Loan Interest - Series 2021A-2	201,930	202,063	(133)
Loan Principal - Series 2021A-2	325,000	325,000	-
Total Expenditures	<u>3,190,000</u>	<u>3,177,962</u>	<u>12,038</u>
EXCESS OF REVENUES OVER (UNDER) EXPENDITURES	(267,974)	(234,130)	33,844
Fund Balance - Beginning of Year	<u>958,353</u>	<u>978,961</u>	<u>20,608</u>
FUND BALANCE - END OF YEAR	<u>\$ 690,379</u>	<u>\$ 744,831</u>	<u>\$ 54,452</u>

OTHER INFORMATION

**TALLYNS REACH METRO DISTRICT NO. 3
SUMMARY OF ASSESSED VALUATION, MILL LEVY, AND PROPERTY TAXES COLLECTED
YEAR ENDED DECEMBER 31, 2022**

Year Ended December 31,	Prior Year Assessed Valuation for Current Year Property Tax Levy	Total Mills Levied	Total Property Taxes		Percent Collected to Levied
			Levied	Collected	
2018	59,345,649	54.128	3,212,261	3,211,487	99.98 %
2019	59,856,167	54.128	3,239,895	3,239,857	100.00
2020	65,709,315	54.500	3,581,158	3,580,414	99.98
2021	66,515,064	54.500	3,625,071	3,625,071	100.00
2022	68,448,880	43.510	2,978,211	2,978,108	100.00
Estimated for Year Ending December 31, 2023	\$ 66,824,529	45.000	\$ 3,007,104		

NOTE:

Property taxes shown as collected in any one year include collection of delinquent property taxes or abatements of property taxes assessed in prior years. This presentation does not attempt to identify specific years of assessment.

**TALLYNS REACH METRO DISTRICT NO. 3
SCHEDULES OF DEBT SERVICE REQUIREMENTS TO MATURITY
DECEMBER 31, 2022**

\$7,255,000 General Obligation Refunding Bonds Series 2019 Interest Rate 2.000% - 5.000% Payable June 1 and December 1 Principal Due December 1			
Year Ending December 31,	Principal	Interest	Total
2023	\$ 325,000	\$ 251,700	\$ 576,700
2024	345,000	235,450	580,450
2025	360,000	218,200	578,200
2026	365,000	211,000	576,000
2027	380,000	196,400	576,400
2028	400,000	181,200	581,200
2029	415,000	163,950	578,950
2030	435,000	143,200	578,200
2031	460,000	121,450	581,450
2032	480,000	98,450	578,450
2033	505,000	74,450	579,450
2034	530,000	49,200	579,200
2035	545,000	33,300	578,300
2036	565,000	16,950	581,950
Total	\$ 6,110,000	\$ 1,994,900	\$ 8,104,900

**TALLYNS REACH METRO DISTRICT NO. 3
SCHEDULES OF DEBT SERVICE REQUIREMENTS TO MATURITY (CONTINUED)
DECEMBER 31, 2022**

\$7,645,000 Taxable (Converting to Tax-Exempt)
Refunding Loan
Series 2020A
Interest Rate 2.12%
Payable June 1 and December 1
Principal Due December 1

<u>Year Ending December 31,</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2023	\$ 545,000	\$ 141,086	\$ 686,086
2024	553,000	129,532	682,532
2025	566,000	117,808	683,808
2026	577,000	105,809	682,809
2027	603,000	93,577	696,577
2028	603,000	80,793	683,793
2029	625,000	68,010	693,010
2030	625,000	54,760	679,760
2031	639,000	41,510	680,510
2032	658,000	27,963	685,963
2033	661,000	14,013	675,013
Total	<u>\$ 6,655,000</u>	<u>\$ 874,861</u>	<u>\$ 7,529,861</u>

**TALLYNS REACH METRO DISTRICT NO. 3
SCHEDULES OF DEBT SERVICE REQUIREMENTS TO MATURITY (CONTINUED)
DECEMBER 31, 2022**

\$16,030,000 Taxable (Converting to Tax-Exempt)
Refunding Loan
Series 2020B
Interest Rate 2.34% - 2.96%
Payable June 1 and December 1
Principal Due December 1

<u>Year Ending December 31,</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2023	\$ 336,000	\$ 434,579	\$ 770,579
2024	456,000	354,674	810,674
2025	468,000	344,003	812,003
2026	523,000	333,052	856,052
2027	521,000	320,814	841,814
2028	584,000	308,623	892,623
2029	591,000	294,957	885,957
2030	662,000	281,128	943,128
2031	673,000	265,637	938,637
2032	730,000	249,888	979,888
2033	757,000	232,806	989,806
2034	1,495,000	215,093	1,710,093
2035	1,531,000	180,110	1,711,110
2036	1,609,000	144,285	1,753,285
2037	2,229,000	106,634	2,335,634
2038	2,328,000	54,475	2,382,475
Total	<u>\$ 15,493,000</u>	<u>\$ 4,120,758</u>	<u>\$ 19,613,758</u>

**TALLYNS REACH METRO DISTRICT NO. 3
SCHEDULES OF DEBT SERVICE REQUIREMENTS TO MATURITY (CONTINUED)
DECEMBER 31, 2022**

\$6,220,000 Taxable (Converting to Tax-Exempt)
Refunding Loan
Series 2021A-1
Interest Rate 2.74%
Payable June 1 and December 1
Principal Due December 1

<u>Year Ending December 31,</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2023	\$ 425,000	\$ 151,659	\$ 576,659
2024	445,000	140,014	585,014
2025	365,000	127,821	492,821
2026	290,000	117,820	407,820
2027	295,000	109,874	404,874
2028	310,000	101,791	411,791
2029	320,000	93,297	413,297
2030	340,000	84,529	424,529
2031	350,000	75,213	425,213
2032	365,000	65,623	430,623
2033	375,000	55,622	430,622
2034	395,000	45,347	440,347
2035	405,000	34,524	439,524
2036	425,000	23,427	448,427
2037	430,000	11,782	441,782
Total	<u>\$ 5,535,000</u>	<u>\$ 1,238,343</u>	<u>\$ 6,773,343</u>

**TALLYNS REACH METRO DISTRICT NO. 3
SCHEDULES OF DEBT SERVICE REQUIREMENTS TO MATURITY (CONTINUED)
DECEMBER 31, 2022**

<u>Year Ending December 31,</u>	\$8,025,000 Taxable Tax-Exempt Refunding Loan Series 2021A-2 Interest Rate 2.65% Payable June 1 and December 1 Principal Due December 1		
	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2023	\$ 330,000	\$ 193,318	\$ 523,318
2024	350,000	184,573	534,573
2025	510,000	175,298	685,298
2026	640,000	161,783	801,783
2027	660,000	144,823	804,823
2028	690,000	127,333	817,333
2029	715,000	109,048	824,048
2030	715,000	90,100	805,100
2031	495,000	71,153	566,153
2032	520,000	58,035	578,035
2033	535,000	44,255	579,255
2034	560,000	30,078	590,078
2035	580,000	15,238	595,238
Total	<u>\$ 7,300,000</u>	<u>\$ 1,405,030</u>	<u>\$ 8,705,030</u>

**TALLYNS REACH METRO DISTRICT NO. 3
SCHEDULES OF DEBT SERVICE REQUIREMENTS TO MATURITY (CONTINUED)
DECEMBER 31, 2022**

<u>Year Ending December 31,</u>	Totals		<u>Total</u>
	<u>Principal</u>	<u>Interest</u>	
2023	\$ 1,961,000	\$ 1,172,342	\$ 3,133,342
2024	2,149,000	1,044,243	3,193,243
2025	2,269,000	983,130	3,252,130
2026	2,395,000	929,464	3,324,464
2027	2,459,000	865,488	3,324,488
2028	2,587,000	799,740	3,386,740
2029	2,666,000	729,262	3,395,262
2030	2,777,000	653,717	3,430,717
2031	2,617,000	574,963	3,191,963
2032	2,753,000	499,959	3,252,959
2033	2,833,000	421,146	3,254,146
2034	2,980,000	339,718	3,319,718
2035	3,061,000	263,172	3,324,172
2036	2,599,000	184,662	2,783,662
2037	2,659,000	118,416	2,777,416
2038	2,328,000	54,475	2,382,475
Total	<u>\$ 41,093,000</u>	<u>\$ 9,633,892</u>	<u>\$ 50,726,892</u>