

TALLYN'S REACH METRO DISTRICT NO. 3
Arapahoe County, Colorado

FINANCIAL STATEMENTS AND
SUPPLEMENTARY INFORMATION

YEAR ENDED DECEMBER 31, 2020

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YEAR ENDED DECEMBER 31, 2020**

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Independent Auditor's Report

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

Report on the Financial Statements

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, 2020, and the related notes to the financial statements, which collectively comprise the District's basic financial statements, as listed in the table of contents.

Management's Responsibility for the Financial Statements

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

Auditor's Responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with auditing standards general accepted in the United States of America. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

In our opinion, the 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, 2020, and the respective changes in the 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.

Other Matters

Management has omitted the management's discussion and analysis that accounting principles generally accepted in the United States of America 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.

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 basic 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 basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the supplementary information is fairly stated in all material respects in relation to the financial statements as a whole.

Sincerely,



Wipfli LLP
May 4, 2021

BASIC FINANCIAL STATEMENTS

**TALLYN'S REACH METRO DISTRICT NO. 3
STATEMENT OF NET POSITION
DECEMBER 31, 2020**

	Governmental Activities
ASSETS	
Investments - Restricted	\$ 23,535
Receivable - County Treasurer	17,520
Property Taxes Receivable	3,625,071
Due from Other Government	3,000
Total Assets	3,669,126
DEFERRED OUTFLOWS OF RESOURCES	
Loss on Refunding	3,095,172
Total Deferred Outflows of Resources	3,095,172
LIABILITIES	
Accounts Payable	2,000
Accrued Interest Payable	74,022
Noncurrent Liabilities:	
Due Within One Year	1,015,000
Due in More Than One Year	43,490,333
Total Liabilities	44,581,355
DEFERRED INFLOWS OF RESOURCES	
Property Tax Revenue	3,625,071
Total Deferred Inflows of Resources	3,625,071
NET POSITION	
Restricted for:	
Debt Service	23,535
Unrestricted	(41,465,663)
Total Net Position	\$ (41,442,128)

See accompanying Notes to Basic Financial Statements.

**TALLYN'S REACH METRO DISTRICT NO. 3
STATEMENT OF ACTIVITIES
YEAR ENDED DECEMBER 31, 2020**

		Program Revenues			Net Revenues (Expenses) and Change in Net Position
FUNCTIONS/PROGRAMS	Expenses	Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Governmental Activities
Primary Government:					
Governmental Activities:					
Interest and Related Costs on Long-Term Debt	\$ 2,285,741	\$ -	\$ -	\$ -	\$ (2,285,741)
Total Governmental Activities	\$ 2,285,741	\$ -	\$ -	\$ -	(2,285,741)
GENERAL REVENUES					
Property Taxes					3,580,414
Specific Ownership Taxes					253,778
Net Investment Income					20,091
Total General Revenues					3,854,283
CHANGE IN NET POSITION					1,568,542
Net Position - Beginning of Year					(43,010,670)
NET POSITION - END OF YEAR					\$ (41,442,128)

See accompanying Notes to Basic Financial Statements.

**TALLYN'S REACH METRO DISTRICT NO. 3
BALANCE SHEET
GOVERNMENTAL FUND
DECEMBER 31, 2020**

	General Fund
ASSETS	
Investments - Restricted	\$ 23,535
Receivable - County Treasurer	17,520
Property Taxes Receivable	3,625,071
Due from Other Government	3,000
Total Assets	\$ 3,669,126
LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCES	
LIABILITIES	
Accounts Payable	\$ 2,000
Total Liabilities	2,000
DEFERRED INFLOWS OF RESOURCES	
Property Tax Revenue	3,625,071
Total Deferred Inflows of Resources	3,625,071
FUND BALANCE	
Restricted for:	
Debt Service	42,055
Total Fund Balance	42,055
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	3,095,172
Bonds Payable	(44,505,333)
Accrued Bond Interest Payable	(74,022)
Net Position of Governmental Activities	\$ (41,442,128)

See accompanying Notes to Basic Financial Statements.

**TALLYN'S REACH METRO DISTRICT NO. 3
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE
GOVERNMENTAL FUND
YEAR ENDED DECEMBER 31, 2020**

	<u>General Fund</u>
REVENUES	
Property Taxes	\$ 3,580,414
Specific Ownership Taxes	253,778
Net Investment Income	20,091
Loan Issuance - 2020A	7,645,000
Loan Issuance 2020B	<u>16,030,000</u>
Total Revenues	<u>27,529,283</u>
EXPENDITURES	
County Treasurers' Fee	53,736
Paying Agent Fees	6,700
Bond Interest - Series 2012	144,547
Bond Interest - Series 2013	373,341
Bond Interest - Series 2016A	520,628
Bond Interest - Series 2019	295,950
Bond Principal - Series 2016A	2,139,000
Bond Principal - Series 2019	280,000
Cost of Issuance	261,675
Loan Funding - Escrow Payment	<u>25,357,629</u>
Total Expenditures	<u>29,433,206</u>
EXCESS OF REVENUES OVER (UNDER) EXPENDITURES	<u>(1,903,923)</u>
NET CHANGE IN FUND BALANCE	(1,903,923)
Fund Balance - Beginning of Year	<u>1,945,978</u>
FUND BALANCE - END OF YEAR	<u><u>\$ 42,055</u></u>

See accompanying Notes to Basic Financial Statements.

**TALLYN'S REACH METRO DISTRICT NO. 3
RECONCILIATION OF THE STATEMENTS OF REVENUES, EXPENDITURES, AND CHANGES
IN FUND BALANCE OF THE GOVERNMENTAL FUND TO THE STATEMENT OF ACTIVITIES
YEAR ENDED DECEMBER 31, 2020**

Net Change in Fund Balance - Governmental Fund \$ (1,903,923)

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:

Refunding Principal Payment	22,230,000
Loan Issuance	(23,675,000)
Loss on Refunding - 2020A & 2020B Loans	3,504,913
Removal of Prior Issuance Loss on Refunding - 2012 & 2013 Bonds	(413,798)
Removal of Prior Issuance Bond Premium - 2012 Bonds	36,514
Bond Principal Payment - 2016A Bonds	2,139,000
Bond Principal Payment - 2019 Bonds	280,000
Amortization of Bond Premium - 2019 Bonds	90,417
Amortization of Loss on Refunding - 2020A & 2020B Loans	(409,741)
Accrued Interest - 2016B Bonds	(380,119)
Accrued Interest on Bonds - Change in Liability	<u>70,279</u>
 Change in Net Position of Governmental Activities	 <u><u>\$ 1,568,542</u></u>

**TALLYN'S REACH METRO DISTRICT NO. 3
GENERAL FUND
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE –
BUDGET AND ACTUAL
YEAR ENDED DECEMBER 31, 2020**

	Original Budget	Final Budget	Actual Amounts	Variance with Final Budget Positive (Negative)
REVENUES				
Property Taxes	\$ 3,581,158	\$ 3,581,158	\$ 3,580,414	\$ (744)
Specific Ownership Taxes	251,448	251,448	253,778	2,330
Net Investment Income	90,000	86,552	20,091	(66,461)
Loan Issuance - 2020A	-	7,645,000	7,645,000	-
Loan Issuance 2020B	-	16,030,000	16,030,000	-
Total Revenues	<u>3,922,606</u>	<u>27,594,158</u>	<u>27,529,283</u>	<u>(64,875)</u>
EXPENDITURES				
County Treasurers' Fee	53,728	53,740	53,736	4
Paying Agent Fees	8,500	8,500	6,700	1,800
Bond Interest - Series 2012	289,093	145,000	144,547	453
Bond Interest - Series 2013	746,681	375,000	373,341	1,659
Bond Interest - Series 2016A	501,792	521,000	520,628	372
Bond Interest - Series 2019	295,950	295,950	295,950	-
Bond Principal - Series 2012	400,000	-	-	-
Bond Principal - Series 2013	105,000	-	-	-
Bond Principal - Series 2016A	1,239,862	2,140,000	2,139,000	1,000
Bond Principal - Series 2019	280,000	280,000	280,000	-
Cost of Issuance	-	265,000	261,675	3,325
Laon Funding - Escrow Payment	-	25,453,946	25,357,629	96,317
Miscellaneous	2,000	2,000	-	2,000
Total Expenditures	<u>3,922,606</u>	<u>29,540,136</u>	<u>29,433,206</u>	<u>106,930</u>
EXCESS OF REVENUES OVER (UNDER) EXPENDITURES	-	(1,945,978)	(1,903,923)	42,055
Fund Balance - Beginning of Year	<u>1,647,641</u>	<u>1,945,978</u>	<u>1,945,978</u>	<u>-</u>
FUND BALANCE - END OF YEAR	<u><u>\$ 1,647,641</u></u>	<u><u>\$ -</u></u>	<u><u>\$ 42,055</u></u>	<u><u>\$ 42,055</u></u>

See accompanying Notes to Basic Financial Statements.

TALLYN'S REACH METRO DISTRICT NO. 3
NOTES TO BASIC FINANCIAL STATEMENTS
DECEMBER 31, 2020

NOTE 1 DEFINITION OF REPORTING ENTITY

Tallyn's Reach Metro District No. 3 (the District), 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.

As required by accounting principles generally accepted in the United States of America (U.S. GAAP), these financial statements present the activities of the District, which is legally separate and financially independent of other state and local governments. The District follows the Governmental Accounting Standards Board (GASB) pronouncements, which provide guidance for determining which governmental activities, organizations and functions should be included within the financial reporting entity. GASB sets 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 pronouncements also require including a possible component unit if it would be misleading to exclude it.

The District is not financially accountable for any other organization. The District has no component units as defined by the GASB.

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

NOTE 2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The accounting policies of the Tallyn's Reach Metropolitan District No. 3 (the District), located in Arapahoe County, Colorado, conform to the U.S. GAAP as applicable to governmental units. The GASB is the accepted standard setting body for establishing governmental accounting and financial reporting principles. The more significant accounting policies of the District are described as follows:

**TALLYN'S REACH METRO DISTRICT NO. 3
NOTES TO BASIC FINANCIAL STATEMENTS
DECEMBER 31, 2020**

NOTE 2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Government-Wide and Fund Financial Statements

The accompanying financial statements are presented per GASB Statement No. 34, *Special Purpose Governments*.

The government-wide financial statements (i.e. the governmental fund balance sheet/statement of net position and the governmental fund statement of revenues, expenditures, and changes in fund balance/statement of activities) report information on all of the governmental activities of the District. The statement of net position reports all financial and capital resources of the District. The difference between the (a) assets and deferred outflows of resources and the (b) liabilities and deferred inflows of resources of the District is reported as net position. The statement of activities demonstrates the degree to which expenditures/expenses of the governmental funds are supported by general revenues. For the most part, the effect of interfund activity has been removed from these statements.

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.

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 the related cash flows. Property taxes are recognized as revenues in the year for which they are collected.

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 material sources of revenue subject to accrual are property taxes and interest. Expenditures, other than interest on long-term obligations, are recorded when the liability is incurred or the long-term obligation is paid.

The District reports the following major governmental fund:

General Fund – The General Fund is used to account for all financial resources that are restricted, committed or assigned to expenditures for principal, interest and other debt related costs.

**TALLYN'S REACH METRO DISTRICT NO. 3
NOTES TO BASIC FINANCIAL STATEMENTS
DECEMBER 31, 2020**

NOTE 2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Budgets

Budgets are adopted on a non-U.S. GAAP basis for the governmental funds. In accordance with the State Budget Law of Colorado, the District's Board of Directors holds public hearings in the fall of each year to approve the budget and appropriate the funds for the ensuing year. 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. The appropriation is at the total fund expenditures level and lapses at year-end.

The District amended its budget for the year ended December 31, 2020.

Assets, Liabilities, and Net Position Fair Value of Financial Instruments

The District's financial instruments include cash and cash equivalents and accounts receivable. The District estimates that the fair value of all financial instruments at December 31, 2020, 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.

Deposits and Investments

The District's cash and cash equivalents 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 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.

Estimates

The preparation of these financial statements in conformity with U.S. GAAP requires the District management to make estimates and assumptions that affect certain reported amounts and disclosures. Accordingly, actual results could differ from those estimates.

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.

**TALLYN'S REACH METRO DISTRICT NO. 3
NOTES TO BASIC FINANCIAL STATEMENTS
DECEMBER 31, 2020**

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.

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 30 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 generally 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 inflows in the year they are levied and measurable since they are not normally available nor are they budgeted as a resource until the subsequent year. The deferred property taxes are recorded as revenue in the subsequent year when they are available or collected.

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.

**TALLYN'S REACH METRO DISTRICT NO. 3
NOTES TO BASIC FINANCIAL STATEMENTS
DECEMBER 31, 2020**

NOTE 2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Amortization (Continued)

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.

Fund Equity

Fund balance of governmental funds is reported in various categories based on the nature of any limitations requiring the use of resources for specific purposes. Because circumstances differ among governments, not every government or every governmental fund will present all of these components. The following classifications make the nature and extent of the constraints placed on a government's fund balance more transparent:

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.

NOTE 3 CASH AND INVESTMENTS

Cash and investments as of December 31, 2020, are classified in the accompanying financial statements as follows:

Statement of Net Position:

Cash and Investments - Restricted	<u>\$ 23,535</u>
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**TALLYN'S REACH METRO DISTRICT NO. 3
NOTES TO BASIC FINANCIAL STATEMENTS
DECEMBER 31, 2020**

NOTE 3 CASH AND INVESTMENTS (CONTINUED)

Cash and investments as of December 31, 2020, consist of the following:

Investments	<u>\$ 23,535</u>
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Deposits with Financial Institutions

The Colorado Public Deposit Protection Act (PDPA) requires that all units of local government deposit cash in eligible public depositories. State regulators determine eligibility. 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 is to be maintained by another institution or held in trust for all the uninsured public deposits as a group. The market value of the collateral must be at least equal to 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.

The District follows state statutes for deposits. As of December 31, 2020, the District had no deposits.

Investments

The District has not adopted a formal investment policy; however, the District follows state statutes regarding investments. Colorado statutes specify the types of investments meeting defined rating and risk criteria in which local governments may invest. These investments include obligations of the United States and certain U.S. government agency entities, certain money market funds, guaranteed investment contracts, and local government investment pools.

None of the District's investments are subject to custodial or concentration of credit risk.

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.

Certain investments are measured at fair value within the fair value hierarchy established by U.S. GAAP. The hierarchy is based on the valuation inputs used to measure the fair value of the asset. Level 1 inputs are quoted prices in active markets for identical assets; Level 2 inputs are significant other observable inputs; Level 3 inputs are significant unobservable inputs. The District's investment is not required to be categorized within the fair value hierarchy. The COLOTRUST investment's value is calculated using the net asset value method (NAV) per share and the CSAFE investment's value is calculated using the amortized cost method.

**TALLYN'S REACH METRO DISTRICT NO. 3
NOTES TO BASIC FINANCIAL STATEMENTS
DECEMBER 31, 2020**

NOTE 3 CASH AND INVESTMENTS (CONTINUED)

Investments (Continued)

As of December 31, 2020, the District had the following investments:

<u>Investment</u>	
Colorado Local Government Liquid Asset Trust (COLOTRUST)	\$ 21,693
Colorado Surplus Asset Fund Trust (CSAFE)	<u>1,842</u>
Total	<u><u>\$ 23,535</u></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 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 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, and there is no redemption notice period.

CSAFE

The local government investment pool Colorado Surplus Asset Fund Trust (CSAFE), is rated AAAM by Standard and Poor's and the maturity is a weighted average under 60 days. CSAFE 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 CSAFE. CSAFE is 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. A designated custodial bank serves as custodian for CSAFE's portfolio pursuant to custodian agreements. 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 custodians' internal records identify the investments owned by CSAFE.

**TALLYN'S REACH METRO DISTRICT NO. 3
NOTES TO BASIC FINANCIAL STATEMENTS
DECEMBER 31, 2020**

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, 2020:

	Balance - December 31, 2019	Net Issues/ Additions	Retirements/ Refundings	Balance - December 31, 2020	Current Portion
Series 2012 - GO Bonds	\$ 7,555,000	\$ -	\$ 7,555,000	\$ -	\$ -
Series 2012 - Premium	36,514	-	36,514	-	-
Series 2013 - GO Bonds	14,675,000	-	14,675,000	-	-
Series 2016A - GO Bonds	7,713,000	-	2,139,000	5,574,000	-
Series 2016B - GO Bonds	6,285,000	-	-	6,285,000	-
Accrued Interest - Series 2016B	1,098,971	380,119	-	1,479,090	-
Series 2019 - GO Bonds	6,995,000	-	280,000	6,715,000	295,000
Series 2019 - Premium	867,660	-	90,417	777,243	-
Series 2020A - Loan	-	7,645,000	-	7,645,000	482,000
Series 2020B - Loan	-	16,030,000	-	16,030,000	238,000
	<u>\$ 45,226,145</u>	<u>\$ 24,055,119</u>	<u>\$ 24,775,931</u>	<u>\$ 44,505,333</u>	<u>\$ 1,015,000</u>
Total					

The detail of the District's general obligation bonds outstanding during 2020 is as follows:

\$9,915,000 General Obligation Refunding Bonds – Series 2012

On August 8, 2012, the District issued \$9,915,000 General Obligation Refunding Bonds Series 2012 (Series 2012 Bonds) dated August 8, 2012. The Series 2012 Bonds include term bonds with \$1,930,000 due December 1, 2021 with an interest rate of 4.00% and \$3,890,000 due December 1, 2033 with an interest rate of 4.00%. The remainder of the Series 2012 Bonds mature beginning in 2012 in increasing annual amounts through 2027 with varying interest rates. Interest is payable on June 1 and December 1 of each year beginning June 1, 2012. Pledged Revenue for the repayment of the Series 2012 Bonds is a debt service mill levy fixed at 48.96 mills (which is limited by elections and which can be adjusted to account for changes in law), specific ownership taxes, and any other legally available funds. The Series 2012 Bonds maturing on or before December 1, 2022 are not subject to redemption prior to maturity. The Series 2012 Bonds maturing on or after December 1, 2023 shall be subject to redemption prior to maturity on December 1, 2022, or on any date thereafter at a redemption price equal to the principal amount plus accrued interest without a redemption premium. The proceeds of the Series 2012 Bonds were used to (i) advance refund \$8,510,000 of the Series 2004 Bonds, (ii) fund the Reserve Fund, and (iii) pay the costs of issuing the bonds.

On November 20, 2020, the District advance refunded and defeased (debt legally satisfied) \$7,555,000 of the 2012 Bonds with an average interest rate of 4.00% by the issuance of 2020A Taxable (Convertible to Tax-Exempt) Loan dated November 20, 2020 with an average interest rate of 2.12% to 2.68%.

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 new debt. As of December 31, 2020, accumulated amortization totaled \$171,188.

**TALLYN'S REACH METRO DISTRICT NO. 3
NOTES TO BASIC FINANCIAL STATEMENTS
DECEMBER 31, 2020**

NOTE 4 LONG-TERM OBLIGATIONS (CONTINUED)

\$14,790,000 General Obligation Refunding and Improvement Bonds – Series 2013

On May 30, 2013, the District issued \$14,790,000 Limited Tax (Convertible to Unlimited Tax) General Obligation Refunding and Improvement Bonds Series 2013 (Series 2013 Bonds) dated May 30, 2013. The Series 2013 Bonds include term bonds with \$4,445,000 due December 1, 2033 with an interest rate of 5.00% and \$10,345,000 due November 1, 2038 with an interest rate of 5.125%. Interest is payable on June 1 and December 1 of each year beginning December 1, 2013. Pledged Revenue for the repayment of the Series 2013 Bonds is a debt service mill levy fixed at 48.96 mills (which is limited by elections and which can be adjusted to account for changes in law), specific ownership taxes, and any other legally available funds.

On November 20, 2020, the District advance refunded and defeased (debt legally satisfied) \$14,675,000 of the 2013 Bonds with an average interest rate of 5.125% by the issuance of 2020B Taxable (Convertible to Tax-Exempt) Loan dated November 20, 2020 with an average interest rate of 2.34% to 2.96%.

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, 2020, accumulated amortization totaled \$238,553.

\$10,245,000 Subordinate Limited Tax General Obligation Bonds – Series 2016A

On August 31, 2016, the District issued \$10,245,000 Subordinate Limited Tax General Obligation Bonds, Series 2016A (Series 2016A Bonds), dated August 31, 2016. The Series 2016A Bonds bear interest at 6.75% and mature on November 1, 2038. Payment of principal and interest on these Bonds is due on December 15 of each year and is subordinate to the payment of the Senior Obligations, which consist of the Series 2012 Bonds and the Series 2013 Bonds. In addition, the Series 2016A Bonds are “cash flow” bonds such that principal and interest thereon is payable only to the extent of available Subordinate Pledged Revenue which consists of all moneys derived from the imposition by the District of the Required Mill Levy less the property tax revenue necessary to pay debt service on all Senior Obligations. The Required Mill Levy is 48.960 mills, subject to adjustment, less the amount of the Senior Obligation Required Mill Levy. Any unpaid interest on the 2016A Bonds compounds on December 15. The Series 2016A Bonds were issued for the purpose of financing the reimbursement of construction costs of public improvements benefiting the District and paying costs of issuance of the bonds.

The Series 2016A Bonds are subject to a mandatory sinking fund redemption commencing on December 1, 2016, and are subject to redemption prior to maturity, at the option of the District, as a whole or in integral multiples of \$1,000, in any order of maturity and in whole or partial maturities, commencing on December 15, 2021, upon payment of par, accrued interest, and a redemption premium that ranges between 0% and 3%.

To the extent principal of any Bond is not paid when due, such principal shall remain outstanding until paid or discharged; provided, however that any principal which remains outstanding on December 15, 2048 shall be deemed discharged.

**TALLYN'S REACH METRO DISTRICT NO. 3
NOTES TO BASIC FINANCIAL STATEMENTS
DECEMBER 31, 2020**

NOTE 4 LONG-TERM OBLIGATIONS (CONTINUED)

\$6,285,000 Junior Subordinate Limited Tax General Obligation Bonds – Series 2016B

On August 31, 2016, the District issued \$6,285,000 Junior Subordinate Limited Tax General Obligation Bonds, Series 2016B (Series 2016B Bonds), dated August 31, 2016. The Series 2016B Bonds bear interest at 4.99% payable annually on December 20 and mature on December 20, 2035. Payment of principal and interest on these Bonds is subordinate to the payment of the Senior Obligations, which consist of the Series 2012 Bonds, the Series 2013 Bonds and any other Senior Obligations outstanding. Principal and interest thereon is payable only to the extent of available Junior Pledged Revenue which consists of all moneys derived from the imposition by the District of the Junior Mill Levy, the related Specific Ownership Tax Revenue, and any other legally available moneys which the District determines, in its absolute discretion, to credit to the Junior Bond Account. The Series 2016B Bonds were issued for the purpose of financing the reimbursement of construction costs of public improvements benefiting the District and paying costs of issuance of the bonds.

The Series 2016B Bonds are subject to a mandatory redemption in part by lot on December 20 of each year including the Maturity date to the extent of moneys on deposit, if any, in the Mandatory Redemption Account of the Junior Bond Account 45 days prior, at a price equal to par plus accrued interest without redemption premium and are subject to redemption prior to maturity, at the option of the District, as a whole or in integral multiples of \$1,000, on any date, upon payment of par and accrued interest without redemption premium. After December 20, 2035, any principal or interest remaining due on the Series 2016 Bonds shall be discharged and the bonds shall be deemed paid in full on such date.

\$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 debt service mill levy without limitation of rate and in an amount sufficient to pay the principal of and interest on the Bonds when due, specific ownership taxes, and any other legally available funds. 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.

**TALLYN'S REACH METRO DISTRICT NO. 3
NOTES TO BASIC FINANCIAL STATEMENTS
DECEMBER 31, 2020**

NOTE 4 LONG-TERM OBLIGATIONS (CONTINUED)

\$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. The 2020A Loan will become tax-exempt on September 1, 2022, and the interest rate will be 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 debt service mill levy fixed at 54.500 mills (which can be adjusted to account for changes in law) and specific ownership taxes.

\$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 will become tax-exempt on September 1, 2023, and the interest rate will be 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%.

**TALLYN'S REACH METRO DISTRICT NO. 3
NOTES TO BASIC FINANCIAL STATEMENTS
DECEMBER 31, 2020**

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 debt service mill levy fixed at 54.500 mills (which can be adjusted to account for changes in law) and specific ownership taxes.

The following is a summary of the annual long-term debt principal and interest requirements of the Senior Debt (Series 2019 Bonds, Series 2020A Loan, Series 2020B Loan).

<u>Year Ending December 31,</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2021	\$ 1,015,000	\$ 982,082	\$ 1,997,082
2022	1,117,000	916,583	2,033,583
2023	1,206,000	827,365	2,033,365
2024	1,354,000	719,656	2,073,656
2025	1,394,000	680,011	2,074,011
2026-2030	7,909,000	2,837,273	10,746,273
2031-2035	9,664,000	1,603,870	11,267,870
2036-2038	6,731,000	322,344	7,053,344
Total	<u>\$ 30,390,000</u>	<u>\$ 8,889,184</u>	<u>\$ 39,279,184</u>

Because of the uncertainty of the timing of principal payments on the 2016A Subordinate Limited Tax General Obligation Bonds and 2016B Junior Subordinate Limited Tax General Obligation Bonds, no summary of the annual long-term debt principal and interest requirements is presented.

Debt Authorization

As of December 31, 2020, 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.

NOTE 5 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. For 2020, the District established an operations fee of \$200 per quarter for single family residences and \$75 per quarter for apartment homes which is imposed by Tallyn's Reach Authority.

**TALLYN'S REACH METRO DISTRICT NO. 3
NOTES TO BASIC FINANCIAL STATEMENTS
DECEMBER 31, 2020**

NOTE 5 AGREEMENTS (CONTINUED)

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.

NOTE 6 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 7 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.

TALLYN'S REACH METRO DISTRICT NO. 3
NOTES TO BASIC FINANCIAL STATEMENTS
DECEMBER 31, 2020

NOTE 7 TAX, SPENDING, AND DEBT LIMITATIONS (CONTINUED)

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.

OTHER INFORMATION

**TALLYN'S REACH METRO DISTRICT NO. 3
DEBT SERVICE FUND
SUMMARY OF ASSESSED VALUATION, MILL LEVY, AND PROPERTY TAXES COLLECTED
YEAR ENDED DECEMBER 31, 2020**

Year Ended December 31,	Prior Year Assessed Valuation for Current Year Property Tax Levy	Total Mills Levied Debt Service	Total Property Taxes		Percent Collected to Levied
			Levied	Collected	
2016	\$ 53,245,067	48.960	\$ 2,606,878	\$ 2,606,485	99.98 %
2017	55,033,073	48.960	2,694,419	2,694,419	100.00
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
Estimated for Year Ending December 31, 2021	\$ 66,515,064	54.500	\$ 3,625,071		

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.

**TALLYN'S REACH METRO DISTRICT NO. 3
SCHEDULE OF DEBT SERVICE REQUIREMENTS TO MATURITY
DECEMBER 31, 2020**

\$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
2021	\$ 295,000	\$ 281,950	\$ 576,950
2022	310,000	267,200	577,200
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	\$ 6,715,000	\$ 2,544,050	\$ 9,259,050

TALLYN'S REACH METRO DISTRICT NO. 3
SCHEDULE OF DEBT SERVICE REQUIREMENTS TO MATURITY (CONTINUED)
DECEMBER 31, 2020

\$7,645,000 Taxable (Converting to Tax-Exempt
Refunding Loan
Series 2020A
Interest Rate 2.12% - 2.68%
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>
2021	\$ 482,000	\$ 211,146	\$ 693,146
2022	508,000	181,940	689,940
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>\$ 7,645,000</u>	<u>\$ 1,267,947</u>	<u>\$ 8,912,947</u>

**TALLYN'S REACH METRO DISTRICT NO. 3
SCHEDULE OF DEBT SERVICE REQUIREMENTS TO MATURITY (CONTINUED)
DECEMBER 31, 2020**

\$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>
2021	\$ 238,000	\$ 488,986	\$ 726,986
2022	299,000	467,443	766,443
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>\$ 16,030,000</u>	<u>\$ 5,077,187</u>	<u>\$ 21,107,187</u>

**TALYN'S REACH METRO DISTRICT NO. 3
SCHEDULE OF DEBT SERVICE REQUIREMENTS TO MATURITY (CONTINUED)
DECEMBER 31, 2020**

<u>Year Ending December 31.</u>	<u>Totals</u>		<u>Total</u>
	<u>Principal</u>	<u>Interest</u>	
2021	\$ 1,015,000	\$ 982,082	\$ 1,997,082
2022	1,117,000	916,583	2,033,583
2023	1,206,000	827,365	2,033,365
2024	1,354,000	719,656	2,073,656
2025	1,394,000	680,011	2,074,011
2026	1,465,000	649,861	2,114,861
2027	1,504,000	610,791	2,114,791
2028	1,587,000	570,616	2,157,616
2029	1,631,000	526,917	2,157,917
2030	1,722,000	479,088	2,201,088
2031	1,772,000	428,597	2,200,597
2032	1,868,000	376,301	2,244,301
2033	1,923,000	321,269	2,244,269
2034	2,025,000	264,293	2,289,293
2035	2,076,000	213,410	2,289,410
2036	2,174,000	161,235	2,335,235
2037	2,229,000	106,634	2,335,634
2038	2,328,000	54,475	2,382,475
Total	<u>\$ 30,390,000</u>	<u>\$ 8,889,184</u>	<u>\$ 39,279,184</u>