

# REGENCY METROPOLITAN DISTRICT

## 2021 Budget Message

### **Introduction**

The District was formed in 2006 for the purpose of providing design, financing, acquisition, and construction, of certain infrastructure improvements including water, streets, sanitary sewer, and park and recreation. These improvements have been dedicated to the Town of Parker or such other entities as appropriate for the use and benefit of the District taxpayers and service users.

The 2021 budget was prepared in accordance with the Local Government Budget Law of Colorado. The budget reflects the projected spending plan for the 2021 fiscal year based on available revenues. This budget provides for the annual debt service on the District's general obligation debt as well as the general operation of the District. The Board of Directors authorized adjustment of the District mill levy in accordance with the Colorado Constitution, Article X, Section 3 (the "Gallagher Adjustment"). The Gallagher Adjustment and the District's Service Plan authorize an adjustment of the Maximum Debt Mill Levy in the event that the method of calculating assessed valuation is changed after January 1, 2000, by any change in law, change in method of calculation, or in the event of any legislation or constitutionally mandated tax credit, cut, or abatement. The adjustment to the Maximum Debt Mill Levy is determined by the Board so that, to the extent possible, the actual tax revenues generated by the mill levy, as adjusted, are neither diminished nor enhanced as a result of such changes. The Colorado General Assembly passed House Bill 17-1349 setting the ratio of valuation for assessment for real residential property at 7.15% (decreased from 7.20%) for property taxes commencing on and after January 1, 2019, until the next property tax year that the General Assembly determines to adjust the ratio of valuation for assessment for residential real property. In November 2020, voters agreed to Repeal the Gallagher Amendment by approving Amendment B. The Gallagher Adjustment for the District allows for a total mill levy imposition, as noted in the following paragraph, so the District's revenue is neither diminished nor enhanced.

The District's assessed value increased 0.36% to \$6,957,460 in 2020. The District certified 47.614 mills for 2021 collection, with 24.000 mills dedicated to the Debt Service Fund and 23.614 mills dedicated to the General Fund.

### **Budgetary Basis of Accounting**

The District uses funds to budget and report on the financial position and results of operations. Fund accounting is designed to demonstrate legal compliance and to aid financial management by segregating transactions related to certain governmental functions. The various funds determine the total District budget. All of the District's funds are considered Governmental Funds and are reported using the current financial resources and the modified accrual basis of accounting. Revenues are recognized when they are measurable and available. Revenues are considered available when they are collectible within 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. Expenditures, other than the interest on long term obligations, are recorded when the liability is incurred or the long-term obligation paid.

### **Fund Summaries**

The **General Fund** is used to account for resources traditionally associated with government such as property taxes, specific ownership tax, and expenditures which include district administration, legal services, developer repayments, and other expenses related to statutory operations of a local government.

The **Debt Service Fund** is used to account for property taxes and other revenues dedicated to pay the fiscal year's debt expense which includes principal payments, interest payments, and administrative costs associated with debt obligations. During 2019 the District issued the General Obligation Limited Tax Refunding Bonds, Series 2019 in the principal amount of \$3,720,000, which bear interest at a fixed rate of 5.00% for the life of the Bonds.

### **Emergency Reserve**

As required by the TABOR amendment to the Colorado Constitution, the District has provided for an Emergency Reserve in the amount of 3 % of the total fiscal year revenues in the General Fund.

Regency Metropolitan District  
Statement of Revenues, Expenditures, & Changes In Fund Balance  
Modified Accrual Basis For the Period Indicated

Print Date: 12/13/20

	2019 Audited Actual	2020 Adopted Budget	Variance Favorable (Unfavor)	2020 Forecast	YTD Thru 08/31/20 Actual	YTD Thru 08/31/20 Budget	Variance Favorable (Unfavor)	2021 Adopted Budget	Notes/Assumptions
<b>PROPERTY TAXES</b>									
Assessed Valuation	6,446,390	6,932,360		6,932,360	6,932,360		6,957,460	Final AV Per County	
<b>Mill Levy Breakdown:</b>									
Mill Levy - Operations	6.393	22.160		22.160	22.160		23.614	Remaining Available	
Mill Levy - Debt Service	31.782	25.500		25.500	25.500		24.000	Lower To Use Excess Funds	
Mill Levy - Contractual Obligations	9.112	0.000		0.000	0.000		0.000	No Longer Used	
<b>Total</b>	<b>47.287</b>	<b>47.660</b>		<b>47.660</b>	<b>47.660</b>		<b>47.614</b>	35 mills gallagherized	
Property Tax Revenue - Operations	41,212	153,621		153,621	153,621		164,293	AV * Mill Levy / 1,000	
Property Tax Revenue - Debt & Cont Oblig	263,619	176,775		176,775	176,775		166,979	AV * Mill Levy / 1,000	
<b>Total</b>	<b>304,830</b>	<b>330,396</b>		<b>330,396</b>	<b>330,396</b>		<b>331,273</b>		
<b>COMBINED FUNDS</b>									
<b>REVENUE</b>									
Property Taxes	304,831	330,396	-	330,396	330,397	330,396	0	331,273	AV * Mill Levy / 1,000
Specific Ownership Taxes	30,574	29,726	(3,336)	26,390	15,707	17,340	(1,634)	26,443	8% of Taxes
Interest	7,997	5,200	(2,050)	3,150	2,911	3,467	(555)	900	Interest Rate Decline
Loan/Bond Proceeds, Prem, & Disc	3,805,523	-	-	-	-	-	-	-	Bonds Refunded in 2019
<b>TOTAL REVENUE</b>	<b>4,148,925</b>	<b>365,322</b>	<b>(5,386)</b>	<b>359,936</b>	<b>349,015</b>	<b>351,203</b>	<b>(2,189)</b>	<b>358,616</b>	
<b>EXPENDITURES</b>									
General Government	37,022	59,886	1,062	58,824	43,347	44,919	1,572	68,119	All non-debt expenses
Debt Service- Bond Principal & Interest	3,446,872	186,000	-	186,000	93,000	93,000	-	186,000	See Debt Service Fund
Debt Service- Developer Repayments	160,000	120,000	10,000	110,000	-	-	-	118,801	See General & Debt Svc Funds
Debt Service- Cost of Issuance	246,274	-	-	-	-	-	-	-	
<b>TOTAL EXPENDITURES</b>	<b>3,890,167</b>	<b>365,886</b>	<b>11,062</b>	<b>354,824</b>	<b>136,347</b>	<b>137,919</b>	<b>1,572</b>	<b>372,920</b>	
<b>CHANGE IN FUND BALANCE</b>	<b>258,758</b>	<b>(564)</b>	<b>5,676</b>	<b>5,112</b>	<b>212,667</b>	<b>213,284</b>	<b>(617)</b>	<b>(14,305)</b>	
<b>BEGINNING FUND BALANCE</b>	<b>82,725</b>	<b>322,501</b>	<b>18,982</b>	<b>341,483</b>	<b>341,483</b>	<b>322,501</b>	<b>18,982</b>	<b>346,596</b>	
<b>ENDING FUND BALANCE</b>	<b>341,483</b>	<b>321,937</b>	<b>24,659</b>	<b>346,596</b>	<b>554,150</b>	<b>535,785</b>	<b>18,365</b>	<b>332,291</b>	
<b>COMPONENTS OF FUND BALANCE</b>	<b>=</b>	<b>=</b>	<b>=</b>	<b>=</b>	<b>=</b>	<b>=</b>	<b>=</b>	<b>=</b>	
Nonspendable	-	4,200	300	4,500	-	-	-	4,725	Prepaid Insurance
TABOR Emergency Reserve	5,038	-	4,990	4,990	4,990	1,082	3,908	-	Budgeted as an Expense
Restricted For Debt Service	333,270	316,861	17,383	334,243	421,817	403,865	17,952	319,494	Per Debt Service Fund
Unassigned/ Other	3,176	876	1,986	2,862	127,343	130,838	(3,495)	8,072	Per General Fund
<b>TOTAL ENDING FUND BALANCE</b>	<b>341,483</b>	<b>321,937</b>	<b>24,659</b>	<b>346,596</b>	<b>554,150</b>	<b>535,785</b>	<b>18,365</b>	<b>332,291</b>	
	=	=	=	=	=	=	=	=	

Regency Metropolitan District  
Statement of Revenues, Expenditures, & Changes In Fund Balance  
Modified Accrual Basis For the Period Indicated

Print Date: 12/13/20

	2019 Audited Actual	2020 Adopted Budget	Variance Favorable (Unfavor)	2020 Forecast	YTD Thru 08/31/20 Actual	YTD Thru 08/31/20 Budget	Variance Favorable (Unfavor)	2021 Adopted Budget	Notes/Assumptions	
<b>GENERAL FUND</b>										
<b>REVENUE</b>										
1-510	Property Taxes	41,212	153,621	-	153,621	153,621	153,621	0	164,293	AV * Mill Levy / 1,000
1-515	Specific Ownership Taxes	4,134	13,826	(1,536)	12,290	7,303	8,065	(762)	13,143	8% of Taxes
1-560	Interest Income	666	500	(100)	400	390	333	57	100	Interest Rate Decline
<b>TOTAL REVENUE</b>		<b>46,012</b>	<b>167,947</b>	<b>(1,636)</b>	<b>166,311</b>	<b>161,314</b>	<b>162,020</b>	<b>(705)</b>	<b>177,536</b>	
<b>EXPENDITURES</b>										
<b>Administration</b>										
1-612	Accounting	10,892	7,500	(4,500)	12,000	8,235	4,325	(3,910)	12,000	Based on 2020 Forecast
1-614	District Management	9,258	7,000	(5,000)	12,000	8,862	4,667	(4,195)	12,000	Based on 2020 Forecast
1-615	Audit	4,100	4,750	450	4,300	4,300	4,750	450	4,500	Based on 2020 Forecast
1-635	Election	-	1,500	684	816	816	1,500	684	-	No election in 2021
1-670	Insurance & SDA Dues	3,986	4,000	(252)	4,252	4,252	4,000	(252)	4,500	Based on 2020 Forecast
1-675	Legal	3,696	10,000	(2,000)	12,000	8,281	6,667	(1,614)	12,000	Based on 2020 Forecast
1-685	Miscellaneous Expense	517	1,750	1,250	500	144	1,167	1,023	500	Based on 2020 Forecast
1-700	Treasurer's Fees	618	2,304	-	2,304	2,305	2,304	(1)	2,464	1.5% of property taxes
1-795	Emergencies	-	5,038	5,038	-	-	3,359	3,359	5,326	Emergencies- 3% of Revenues
	Contingency	-	5,000	1,000	4,000	-	3,333	3,333	5,000	Unforeseen needs
<b>Total Administration</b>		<b>33,066</b>	<b>48,843</b>	<b>(3,330)</b>	<b>52,172</b>	<b>37,195</b>	<b>36,072</b>	<b>(1,123)</b>	<b>58,290</b>	
<b>Debt Service</b>										
1-710	Developer Repayment- Ops Principal	15,000	120,000	10,000	110,000	-	-	-	23,801	Pay off Remaining Balance
	Developer Repayment- Cap Principal	-	-	-	-	-	-	-	95,000	Ops above paid first
	Developer Repayment- Ops Interest	-	-	-	-	-	-	-	-	Principal paid first
	Developer Repayment- Cap Interest	-	-	-	-	-	-	-	-	Principal paid first
<b>Total Debt Service</b>		<b>15,000</b>	<b>120,000</b>	<b>10,000</b>	<b>110,000</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>118,801</b>	
<b>TOTAL EXPENDITURES</b>		<b>48,066</b>	<b>168,843</b>	<b>13,341</b>	<b>162,172</b>	<b>37,195</b>	<b>36,072</b>	<b>(1,123)</b>	<b>177,091</b>	
<b>REVENUE OVER / (UNDER) EXP</b>		<b>(2,055)</b>	<b>(896)</b>	<b>(14,977)</b>	<b>4,139</b>	<b>124,119</b>	<b>125,948</b>	<b>(1,829)</b>	<b>445</b>	
<b>OTHER SOURCES / (USES)</b>										
1-780	Transfer to Debt Service	-	-	-	-	-	-	-	-	
<b>TOTAL OTHER SOURCES / (USES)</b>		<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	
<b>CHANGE IN FUND BALANCE</b>		<b>(2,055)</b>	<b>(896)</b>	<b>5,034</b>	<b>4,139</b>	<b>124,119</b>	<b>125,948</b>	<b>(1,829)</b>	<b>445</b>	
1-450	<b>BEGINNING FUND BALANCE</b>	10,268	5,972	2,242	8,214	8,214	5,972	2,242	12,352	
<b>ENDING FUND BALANCE</b>		<b>8,214</b>	<b>5,076</b>	<b>7,276</b>	<b>12,352</b>	<b>132,333</b>	<b>131,920</b>	<b>413</b>	<b>12,797</b>	
<b>COMPONENTS OF FUND BALANCE:</b>										
	Nonspendable	-	4,200	300	4,500	-	-	-	4,725	Prepaid Insurance
	Restricted for Emergencies	5,038	-	4,990	4,990	4,990	1,680	3,310	-	Budgeted as an Expense
	Unassigned	3,176	876	1,986	2,862	127,343	130,240	(2,897)	8,072	
<b>TOTAL FUND BALANCE</b>		<b>8,214</b>	<b>5,076</b>	<b>7,276</b>	<b>12,352</b>	<b>132,333</b>	<b>131,920</b>	<b>413</b>	<b>12,797</b>	

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<b>DEBT SERVICE FUND</b>										
<b>REVENUE</b>										
2-510	Property Taxes	263,619	176,775	-	176,775	176,775	176,775	0	166,979	AV * Mill Levy / 1,000
2-515	Specific Ownership Taxes	26,441	15,900	(1,800)	14,100	8,404	9,275	(871)	13,300	8% of Taxes
2-560	Interest Income	7,331	4,700	(1,950)	2,750	2,521	3,133	(612)	800	0.25% of Beginning Fund Balance
<b>TOTAL REVENUE</b>		<b>297,390</b>	<b>197,375</b>	<b>(3,750)</b>	<b>193,625</b>	<b>187,700</b>	<b>189,184</b>	<b>(1,483)</b>	<b>181,079</b>	
<b>EXPENDITURES</b>										
2-605	Note Principal- 2015	3,304,000	-	-	-	-	-	-	-	Bonds Refunded in 2019
2-606	Note Interest- 2015	60,205	-	-	-	-	-	-	-	Bonds Refunded in 2019
	Bond Principal- 2019	-	-	-	-	-	-	-	-	Per Amortization Schedule
2-608	Bond Interest- 2019	82,667	186,000	-	186,000	93,000	93,000	-	186,000	Per Amortization Schedule
2-610	Developer Repayment- Ops Principal	-	-	-	-	-	-	-	-	Now in General Fund
2-615	Developer Repayment- Cap Principal	145,000	-	-	-	-	-	-	-	Now in General Fund
	Developer Repayment- Ops Interest	-	-	-	-	-	-	-	-	Now in General Fund
	Developer Repayment- Cap Interest	-	-	-	-	-	-	-	-	Now in General Fund
2-607	Non-Use Fees	-	-	-	-	-	-	-	-	No Longer Applicable
2-668	Trustee / Paying Agent Fees	-	4,000	-	4,000	3,500	4,000	500	4,000	Per Financial Model
2-700	Treasurer's Fees	3,956	2,652	-	2,652	2,653	2,652	(1)	2,505	1.5% of property taxes
2-618	Bond Cost of Issuance	246,274	-	-	-	-	-	-	-	
	Contingency	-	4,392	4,392	-	-	2,196	2,196	3,324	Unforeseen needs/ rev shortfalls
<b>TOTAL EXPENDITURES</b>		<b>3,842,101</b>	<b>197,044</b>	<b>4,392</b>	<b>192,652</b>	<b>99,153</b>	<b>101,848</b>	<b>2,695</b>	<b>195,829</b>	
<b>REVENUE OVER / (UNDER) EXP</b>		<b>(3,544,710)</b>	<b>332</b>	<b>642</b>	<b>974</b>	<b>88,548</b>	<b>87,336</b>	<b>1,212</b>	<b>(14,750)</b>	
<b>OTHER SOURCES / (USES)</b>										
2-523	Bond / Loan Proceeds	3,720,000	-	-	-	-	-	-	-	
2-525	Bond Premium	85,523	-	-	-	-	-	-	-	
2-894	Transfer to Capital Fund	-	-	-	-	-	-	-	-	
<b>TOTAL OTHER SOURCES / (USES)</b>		<b>3,805,523</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	
<b>CHANGE IN FUND BALANCE</b>		<b>260,812</b>	<b>332</b>	<b>642</b>	<b>974</b>	<b>88,548</b>	<b>87,336</b>	<b>1,212</b>	<b>(14,750)</b>	
2-450	<b>BEGINNING FUND BALANCE</b>	<b>72,457</b>	<b>316,529</b>	<b>16,741</b>	<b>333,270</b>	<b>333,270</b>	<b>316,529</b>	<b>16,741</b>	<b>334,243</b>	
<b>ENDING FUND BALANCE</b>		<b>333,270</b>	<b>316,861</b>	<b>17,383</b>	<b>334,243</b>	<b>421,817</b>	<b>403,865</b>	<b>17,952</b>	<b>319,494</b>	
<b>COMPONENTS OF FUND BALANCE:</b>		<b>=</b>	<b>=</b>	<b>=</b>	<b>=</b>	<b>=</b>	<b>=</b>	<b>=</b>	<b>=</b>	
	Reserve Fund	302,000	302,000	-	302,000	302,000	302,000	-	302,000	Required by Loan
	Restricted for Debt Service	31,270	14,861	17,383	32,243	119,817	101,865	17,952	17,494	
<b>TOTAL FUND BALANCE</b>		<b>333,270</b>	<b>316,861</b>	<b>17,383</b>	<b>334,243</b>	<b>421,817</b>	<b>403,865</b>	<b>17,952</b>	<b>319,494</b>	
<b>Balance of Loan/Bond (Beginning of Year)</b>		<b>3,720,000</b>	<b>3,720,000</b>	<b>-</b>	<b>3,720,000</b>	<b>=</b>	<b>=</b>	<b>=</b>	<b>3,720,000</b>	
<b>Assessed Valuation</b>		<b>6,446,390</b>	<b>6,932,360</b>	<b>-</b>	<b>6,932,360</b>	<b>=</b>	<b>=</b>	<b>=</b>	<b>6,957,460</b>	
<b>Debt to Assessed Ratio (Beg of Year)</b>		<b>58%</b>	<b>54%</b>	<b>-</b>	<b>54%</b>	<b>=</b>	<b>=</b>	<b>=</b>	<b>53%</b>	