

REGENCY METROPOLITAN DISTRICT

141 Union Boulevard, Suite 150
Lakewood, Colorado 80228-1898
Tel: (303) 987-0835
Fax: (303) 987-2032
Website: <https://regencymd.colorado.gov/>

NOTICE OF SPECIAL MEETING AND AGENDA

<u>Board of Directors:</u>	<u>Office:</u>	<u>Term/Expiration:</u>
Thomas J. Brinkman II	President	2025/May 2025
James E. Marshall	Treasurer	2025/May 2025
Shelley Marshall	Assistant Secretary	2027/May 2027
Lisa S. Brinkman	Assistant Secretary	2027/May 2027
Matthew Hanson		2025/May 2025

DATE: July 28, 2023

TIME: 2:00 p.m.

PLACE: Colorado Escrow and Title
10851 South Crossroads Drive, Suite B
Parker, CO 80134

I. ADMINISTRATIVE MATTERS

A. Present Disclosures of Potential Conflicts of Interest.

B. Approve Agenda, confirm location of the meeting and posting of meeting notice and designate 24-hour posting location.

C. Review and approve the Minutes of the October 11, 2022 Regular Meeting and the Minutes of the December 12, 2022 Special Meeting (enclosure).

D. Discuss results of the cancelled May 2, 2023 Regular Directors' Election (enclosure).

E. Confirm filing of Oaths of Office.

F. Discuss potential transition of management/administrative services.

G. Acknowledge resignation of Ann Finn as District Secretary.

H. Consider appointment of Officers:

President _____
 Treasurer _____
 Secretary _____
 Asst. Secretary _____
 Asst. Secretary _____
 Asst. Secretary _____

I. Consider authorizing interested Board Members to attend the 2023 Special District Association’s Annual Conference in Keystone on September 12, 13 and 14, 2023.

II. PUBLIC COMMENT

A. Members of the public may express their views to the Board on matters that affect the District. Comments will be limited to three (3) minutes.

III. FINANCIAL MATTERS

A. Review and ratify approval of the payment of claims as follows (enclosures):

Fund	Period Ending Jun. 30, 2022	Period Ending Jul. 31, 2022	Period Ending Aug. 31, 2022	Period Ending Sep. 30, 2022
General	\$ 5,530.76	\$ 2,874.11	\$ 3,309.01	\$ 911.87
Debt	\$ -0-	\$ -0-	\$ -0-	\$ -0-
Capital	\$ -0-	\$ -0-	\$ -0-	\$ -0-
Total	\$ 5,530.76	\$ 2,874.11	\$ 3,309.01	\$ 911.87

Fund	Period Ending Oct. 31 2022	Period Ending Nov. 30, 2022	Period Ending Dec. 31, 2022	Period Ending Jan. 31, 2023
General	\$ 6,928.99	\$ 8,631.18	\$ 4,757.11	\$ 2,695.89
Debt	\$ -0-	\$ -0-	\$ -0-	\$ -0-
Capital	\$ -0-	\$ -0-	\$ -0-	\$ -0-
Total	\$ 6,928.99	\$ 8,631.18	\$ 4,757.11	\$ 2,695.89

Fund	Period Ending Feb. 28, 2023	Period Ending Mar. 31, 2023	Period Ending Apr. 30, 2023	Period Ending May. 31, 2023
General	\$ 4,286.06	\$ 3,108.84	\$ 2,130.07	\$ 3,344.58
Debt	\$ -0-	\$ -0-	\$ -0-	\$ -0-
Capital	\$ -0-	\$ -0-	\$ -0-	\$ -0-
Total	\$ 4,286.06	\$ 3,108.84	\$ 2,103.07	\$ 3,344.58

- B. Review and accept unaudited financial statements through the period ending May 31, 2023 (enclosure).
-

- C. Review and consider approval of 2022 Audit and authorize execution of Representations Letter (draft audit – enclosed).
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- D. Consider setting the date for a Public Hearing to adopt the 2024 Budget for October 10, 2023, at 2:00 p.m., to be held via Zoom Meeting.
-

IV. LEGAL MATTERS

- A. Discuss legislative changes.
-

1. Impact on the District/Annual Meeting requirement.
-

2. Potential impact on 2024 Budget process and strategy.
-

V. OTHER MATTERS

- A. Discuss scheduling a new Board Member Orientation.
-

VI. ADJOURNMENT **THE NEXT REGULAR MEETING IS SCHEDULED FOR
OCTOBER 10, 2023 – BUDGET HEARING.**

RECORD OF PROCEEDINGS

MINUTES OF A REGULAR MEETING OF THE BOARD OF DIRECTORS OF THE REGENCY METROPOLITAN DISTRICT (THE "DISTRICT") HELD OCTOBER 11, 2022

A Regular Meeting of the Board of Directors of the Regency Metropolitan District (referred to hereafter as "**Board**") was convened on Tuesday, October 11, 2022, at 2:00 p.m. The District Board meeting was held via conference call. The meeting was open to the public.

ATTENDANCE

Directors In Attendance Were:

Thomas J. Brinkman II
James E. Marshall
Lisa S. Brinkman

The absence of Director Shelley Marshall was excused.

Also In Attendance Were:

Ann E. Finn; Special District Management Services, Inc.
Suzanne Meintzer, Esq.; McGeady Becher P.C.
Eric Weaver and Cheri Curtis; Marchetti & Weaver, LLC

DISCLOSURE OF POTENTIAL CONFLICTS OF INTEREST

Disclosure of Potential Conflicts of Interest: The Board discussed the requirements pursuant to the Colorado Revised Statutes to disclose any potential conflicts of interest or potential breaches of fiduciary duty to the Board of Directors and to the Secretary of State.

It was noted that a quorum was present and Attorney Meintzer requested members of the Board to disclose any potential conflicts of interest regarding any matters scheduled for discussion at this meeting, and incorporated for the record those applicable disclosures made by the Board members prior to this meeting in accordance with the statute. Attorney Meintzer noted that conflict disclosure statements were filed for all Directors by the statutory deadline with the Secretary of State. No additional conflicts were disclosed at the meeting.

ADMINISTRATIVE MATTERS

Agenda: Ms. Finn distributed for the Board's review and approval a proposed agenda for the District's Regular Meeting.

RECORD OF PROCEEDINGS

Following discussion, upon motion duly made by Director T. Brinkman, seconded by Director L. Brinkman and, upon vote, unanimously carried, the agenda was approved, and the Board excused the absence of Director Shelley Marshall.

Meeting Location and Posting of Meeting Notice: The Board discussed the requirements of Section 32-1-903(1), C.R.S., concerning the location of the District's Board meeting and determined to hold the meeting by conference call. Ms. Finn reported that notice was duly posted and that no objections to the telephonic manner of the meeting by taxpaying electors within the District boundaries were received.

Designation of 24-Hour Posting Location: Following discussion, upon motion duly made by Director T. Brinkman, seconded by Director L. Brinkman, and upon vote unanimously carried, the Board determined that notices of meetings of the District Board required pursuant to Section 24-6-402(2)(c), C.R.S., shall be posted at least 24 hours prior to each meeting on the District's website at: <https://regencymd.colorado.gov/> or if posting on the website is unavailable, notice will be posted at the intersection of Angelica Drive and Caraway Lane.

June 7, 2022 Meeting Minutes: The Board reviewed the Minutes of the June 7, 2022 Special Meeting.

Following discussion, upon motion duly made by Director T. Brinkman, seconded by Director L. Brinkman, upon vote, unanimously carried, the Minutes of the June 7, 2022 Special Meeting were approved.

Resolution No. 2022-10-01 Establishing Regular Meeting Dates, Time and Location, and Designating Location for Posting of 24-Hour Notices: Ms. Finn discussed with the Board Resolution No. 2022-10-01; Resolution Establishing Regular Meeting Dates, Time and Location, and Designating Location for Posting of 24-Hour Notices.

The Board determined to meet at 2:00 p.m. on June 6, 2023 and October 10, 2023 via Zoom Meeting.

Following discussion, upon motion duly made by Director T. Brinkman, seconded by Director L. Brinkman and, upon vote, unanimously carried, the Board adopted Resolution No. 2022-10-01 Regular Meeting Dates, Time and Location, and Designating Location for Posting of 24-Hour Notices.

§32-1-809, C.R.S. Requirements for 2023 (Transparency Notice): The Board discussed §32-1-809, C.R.S. reporting requirements and mode of eligible elector notification for 2023.

RECORD OF PROCEEDINGS

Following discussion, upon motion duly made by Director T. Brinkman, seconded by Director L. Brinkman and, upon vote, unanimously carried, the Board determined to post the required transparency notice information on the Special District Association's website and the District website.

Amendment to the Agreement with SDMS Removing Accounting Services:

The Board reviewed an Amendment to the Agreement with SDMS removing accounting services.

Following discussion, upon motion duly made by Director T. Brinkman, seconded by Director L. Brinkman and, upon vote, unanimously carried, the Board ratified approval of the Amendment to the Agreement with SDMS removing accounting services.

PUBLIC COMMENT There was no public comment.

FINANCIAL MATTERS

Payment of Claims: The Board considered ratifying the approval of the payment of claims as follows:

Fund	Period Ending June 30, 2022	Period Ending July 31, 2022	Period Ending Aug. 31, 2022	Period Ending Sept. 30, 2022
General	\$ 5,530.76	\$ 2,874.11	\$ 3,309.01	\$ 911.87
Debt	\$ -0-	\$ -0-	\$ -0-	\$ -0-
Capital	\$ -0-	\$ -0-	\$ -0-	\$ -0-
Total	\$ 5,530.76	\$ 2,874.11	\$ 3,309.01	\$ 911.87

Following discussion, upon motion duly made by Director T. Brinkman, seconded by Director J. Marshall and, upon vote, unanimously carried, the Board ratified approval of the payment of the claims as presented.

Unaudited Financial Statements/Schedule of Cash Position: Mr. Weaver reviewed with the Board the unaudited financial statements through the period ending August 31, 2022.

Following review and discussion, upon motion duly made by Director J. Marshall, seconded by Director T. Brinkman and, upon vote, unanimously carried, the Board accepted the unaudited financial statements through the period ending August 31, 2022, as presented.

2022 Audit Preparation: The Board discussed the engagement of Simmons & Wheeler, P.C. to perform the 2022 Audit.

RECORD OF PROCEEDINGS

Following discussion, upon motion duly made by Director T. Brinkman, seconded by Director J. Marshall and, upon vote, unanimously carried, the Board approved the engagement of Simmons & Wheeler, PC to perform the 2022 Audit, for an amount not to exceed \$5,000.

Public Hearing on 2022 Budget Amendment: The President opened the public hearing to consider an amendment to the 2022 Budget and discuss related issues.

It was noted that publication of notice stating that the Board would consider an amendment to the 2022 Budget and the date, time and place of the public hearing was made in a newspaper having general circulation within the District. No written objections were received prior to this public hearing. No public comments were received, and the public hearing was closed.

The Board determined that an amendment to the 2022 Budget was not necessary.

Public Hearing on 2023 Budget: The President opened the public hearing to consider the proposed 2023 Budget and discuss related issues.

It was noted that publication of notice stating that the Board would consider adoption of the 2023 Budget and the date, time and place of the public hearing was made in a newspaper having general circulation within the District. No written objections were received prior to or at this public hearing. No public comments were received, and the President closed the public hearing.

Mr. Weaver reviewed the estimated year-end 2022 revenues and expenditures and the proposed 2023 estimated revenues and expenditures.

Following discussion, the Board considered the adoption of Resolution No. 2022-10-02 to Adopt the 2022 Budget and Appropriate Sums of Money and Resolution No. 2022-10-03 to Set Mill Levies (24.936 mills in the General Fund and 24.000 mills in the Debt Service Fund, for a total mill levy of 48.936 mills).

Upon motion duly made by Director T. Brinkman, seconded by Director J. Marshall and, upon vote, unanimously carried, the Resolutions were adopted, and execution of the Certification of Budget and Certification of Mill Levies was authorized, subject to receipt of final Certification of Assessed Valuation from the County on or before December 10, 2022, and further subject to the approval from the Town of Parker. Ms. Finn was authorized to transmit the Certification of Mill Levies to the Board of County Commissioners of Douglas County and the Division of Local Government, not later than December 15, 2022. Ms. Finn was also authorized to transmit the Certification of Budget to the Division of Local Government not later than January 30, 2023. Copies of the adopted Resolutions are attached to these minutes and incorporated herein by this reference.

RECORD OF PROCEEDINGS

Developer Reimbursement: The Board discussed potential reimbursements to the developer, BCX Development Partners #1, LLC (the “Developer”) under the Amended and Restated Operation Funding Agreement (the “OFA”) and under the Project Funding and Reimbursement Agreement (the “PFRA”).

Following discussion, upon motion duly made by Director T. Brinkman, seconded by Director J. Marshall and, upon vote, unanimously carried, the Board approved the reimbursements to the Developer, in the amount of \$48,000 under the OFA, and \$92,139 under the PFRA, respectively.

DLG-70 Mill Levy Certification Form: The Board considered authorizing the District Accountant to prepare and sign the DLG-70 Mill Levy Certification form for certification to the Board of County Commissioners and other interested parties.

Following discussion, upon motion duly made by Director T. Brinkman, seconded by Director L. Brinkman and, upon vote, unanimously carried, the Board authorized the District Accountant to prepare and sign the DLG-70 Mill Levy Certification form for certification to the Board of County Commissioners and other interested parties.

Resolution Authorizing Adjustment of the District Mill Levy in Accordance with the Service Plan: The Board reviewed Resolution No. 2022-10-04, Resolution Authorizing Adjustment of the District Mill Levy in Accordance with the Service Plan.

Following discussion, upon motion duly made by Director T. Brinkman, seconded by Director L. Brinkman and, upon vote, unanimously carried, the Board adopted Resolution No. 2022-10-04, Resolution Authorizing Adjustment of the District Mill Levy in Accordance with the Service Plan, subject to authorization from the Town of Parker.

2024 Budget Preparation: The Board discussed the preparation of the 2024 Budget.

Following discussion, upon motion duly made by Director T. Brinkman, seconded by Director L. Brinkman and, upon vote, unanimously carried, the Board appointed the District Accountant to prepare the 2024 Budget.

LEGAL MATTERS

Resolution to Call the May 2, 2023 Regular Election: The Board discussed the upcoming election and Resolution No. 2022-10-05 to Call the May 2, 2023 Regular Election.

RECORD OF PROCEEDINGS

Following discussion, upon motion duly made by Director T. Brinkman, seconded by Director L. Brinkman and, upon vote, unanimously carried, the Board adopted Resolution No. 2022-10-05 to Call the May 2, 2023 Regular Election and appointed Ann Finn as the Designated Election Official and authorized her to perform all tasks required for the May 2, 2023 Regular Election of the Board of Directors for the conduct of a mail ballot election. A copy of the adopted Resolution is attached hereto and incorporated herein by this reference.

OTHER MATTERS There were no other matters to discuss at this time.

ADJOURNMENT There being no further business to come before the Board at this time, upon motion duly made by Director T. Brinkman, seconded by Director J. Marshall and, upon vote, unanimously carried, the meeting was adjourned.

Respectfully submitted,

By: _____
Secretary for the Meeting

RECORD OF PROCEEDINGS

MINUTES OF A SPECIAL MEETING OF THE BOARD OF DIRECTORS OF THE REGENCY METROPOLITAN DISTRICT (THE “DISTRICT”) HELD DECEMBER 12, 2022

A Special Meeting of the Board of Directors of the Regency Metropolitan District (referred to hereafter as “**Board**”) was convened on Monday, December 12, 2022, at 1:15 p.m. The District Board meeting was held via conference call. The meeting was open to the public.

ATTENDANCE

Directors In Attendance Were:

Thomas J. Brinkman II
James E. Marshall
Lisa S. Brinkman

The absence of Director Shelley Marshall was excused.

Also In Attendance Were:

Ann E. Finn; Special District Management Services, Inc.
Suzanne Meintzer, Esq.; McGeady Becher P.C.
Eric Weaver and Cheri Curtis; Marchetti & Weaver, LLC

DISCLOSURE OF POTENTIAL CONFLICTS OF INTEREST

Disclosure of Potential Conflicts of Interest: The Board discussed the requirements pursuant to the Colorado Revised Statutes to disclose any potential conflicts of interest or potential breaches of fiduciary duty to the Board of Directors and to the Secretary of State.

It was noted that a quorum was present, and Attorney Meintzer requested members of the Board to disclose any potential conflicts of interest regarding any matters scheduled for discussion at this meeting, and incorporated for the record those applicable disclosures made by the Board members prior to this meeting in accordance with the statute. Attorney Meintzer noted that conflict disclosure statements were filed for all Directors by the statutory deadline with the Secretary of State. No additional conflicts were disclosed at the meeting.

ADMINISTRATIVE MATTERS

Agenda: Ms. Finn distributed for the Board’s review and approval a proposed agenda for the District’s Special Meeting.

RECORD OF PROCEEDINGS

Following discussion, upon motion duly made by Director J. Marshall, seconded by Director L. Brinkman and, upon vote, unanimously carried, the agenda was approved, and the Board excused the absence of Director S. Marshall.

Meeting Location and Posting of Meeting Notice: The Board discussed the requirements of Section 32-1-903(1), C.R.S., concerning the location of the District's Board meeting and determined to hold the meeting by conference call. Ms. Finn reported that notice was duly posted and that no objections to the telephonic manner of the meeting by taxpaying electors within the District boundaries were received.

PUBLIC COMMENT There was no public comment.

FINANCIAL MATTERS

Resolution Approving Adjustment of Mill Levies Resulting from Legislative or Constitutionally Mandated Reductions to the District's Service Plan: The Board reviewed Resolution No. 2022-12-01 of the Board of Directors of Regency Metropolitan District Appending the Town of Parker Town Council Resolution No. 22-065, Series of 2022, a Resolution Approving Adjustment of Mill Levies Resulting from Legislative or Constitutionally Mandated Reductions, to the District's Service Plan.

Following discussion, upon motion duly made by Director T. Brinkman, seconded by Director J. Marshall and, upon vote, unanimously carried, Board adopted Resolution No. 2022-12-01 of the Board of Directors of Regency Metropolitan District Appending the Town of Parker Town Council Resolution No. 22-065, Series of 2022, a Resolution Approving Adjustment of Mill Levies Resulting from Legislative or Constitutionally Mandated Reductions, to the District's Service Plan.

2023 Budget: The Board discussed the 2023 Budget.

Following discussion, upon motion duly made by Director T. Brinkman, seconded by Director J. Marshall and, upon vote, unanimously carried, the Board ratified the approval of the 2023 Budget.

LEGAL MATTERS There were no legal matters to discuss at this time.

OTHER MATTERS There were no other matters to discuss at this time.

RECORD OF PROCEEDINGS

ADJOURNMENT

There being no further business to come before the Board at this time, upon motion duly made by Director T. Brinkman, seconded by Director J. Marshall and, upon vote, unanimously carried, the meeting was adjourned.

Respectfully submitted,

By: _____
Secretary for the Meeting

NOTICE OF CANCELLATION
and
CERTIFIED STATEMENT OF RESULTS
§1-13.5-513(6), 32-1-104, 1-11-103(3) C.R.S.

NOTICE IS HEREBY GIVEN by the Regency Metropolitan District, Douglas County, Colorado, that at the close of business on the sixty-third day before the election, there were not more candidates for director than offices to be filled, including candidates filing affidavits of intent to be write-in candidates; therefore, the election to be held on May 2, 2023 is hereby canceled pursuant to section 1-13.5-513(6) C.R.S.

The following candidates are declared elected for the following terms of office:

<u>Name</u>	<u>Term</u>
Matthew Hanson	Next Regular Election, May 2025
Lisa Brinkman	Second Regular Election, May 2027
Shelley Marshall	Second Regular Election, May 2027

/s/ Ann Finn

(Designated Election Official)

Contact Person for the District:	Ann Finn
Telephone Number of the District:	303-987-0835
Address of the District:	141 Union Boulevard, Suite 150, Lakewood, CO 80228
District Facsimile Number:	303-987-2032
District Email:	afinn@sdmsi.com

**Regency Metropolitan District
June-22**

Vendor	Invoice #	Date	Due Date	Amount	Expense Account	Account Number
Marchetti & Weaver, LLC	20044	5/31/2022	5/31/2022	\$ 87.05	Miscellaneous - GF	1-685
Marchetti & Weaver, LLC	20044	5/31/2022	5/31/2022	\$ 690.00	Accounting	1-612
McGeady Becher, P.C.	823M 04/2022	4/30/2022	4/30/2022	\$ 2,405.26	Legal - GF	1-675
McGeady Becher, P.C.	823M 05/2022	5/31/2022	5/31/2022	\$ 1,544.25	Legal - GF	1-675
Special District Management Services, Inc	May-22	5/31/2022	5/31/2022	\$ 215.60	Election	1-635
Special District Management Services, Inc	May-22	5/31/2022	5/31/2022	\$ 588.60	Management	1-614
				\$5,530.76		

**Regency Metropolitan District
June-22**

	General		Debt		Capital		Totals
Disbursements	\$ 5,530.76	\$	-	-	-	-	\$ 5,530.76
	-		-		-		-
Total Disbursements	\$ 5,530.76	\$	-	-	-	-	\$ 5,530.76

Regency Metropolitan District
July-22

Vendor	Invoice #	Date	Due Date	Amount	Expense Account	Account Number
Marchetti & Weaver, LLC	20187	6/30/2022	6/30/2022	\$ 87.56	Miscellaneous - GF	1-685
Marchetti & Weaver, LLC	20187	6/30/2022	6/30/2022	\$1,683.75	Accounting	1-612
Special District Managment Services, Inc	Jun-22	6/30/2022	6/30/2022	\$ 14.80	Election	1-635
Special District Managment Services, Inc	Jun-22	6/30/2022	6/30/2022	\$1,088.00	Management	1-614
				\$2,874.11		

**Regency Metropolitan District
July-22**

	General		Debt		Capital		Totals
Disbursements	\$ 2,874.11	\$	-	-	-	-	\$ 2,874.11
	-		-		-		-
Total Disbursements	\$ 2,874.11	\$	-	-	-	-	\$ 2,874.11

Regency Metropolitan District
August-22

Vendor	Invoice #	Date	Due Date	Amount	Expense Account	Account Number
Marchetti & Weaver, LLC	20313	7/31/2022	7/31/2022	\$ 90.36	Miscellaneous - GF	1-685
Marchetti & Weaver, LLC	20313	7/31/2022	7/31/2022	\$ 386.50	Accounting	1-612
McGeady Becher, P.C.	823M 06/2022	6/30/2022	6/30/2022	\$ 1,950.50	Legal - GF	1-675
McGeady Becher, P.C.	823M 07/2022	7/31/2022	7/31/2022	\$ 466.65	Legal - GF	1-675
Special District Managment Services, Inc	Jul-22	7/31/2022	7/31/2022	\$ 44.40	Election	1-635
Special District Managment Services, Inc	Jul-22	7/31/2022	7/31/2022	\$ 370.60	Management	1-614
				\$ 3,309.01		

Regency Metropolitan District
August-22

	General		Debt		Capital		Totals
Disbursements	\$ 3,309.01	\$	-	\$	-	\$	3,309.01
	-		-		-		-
Total Disbursements	\$ 3,309.01	\$	-	\$	-	\$	3,309.01

**Regency Metropolitan District
September-22**

Vendor	Invoice #	Date	Due Date	Amount i	Expense Account	Account Number
Marchetti & Weaver, LLC	20441	8/31/2022	8/31/2022	\$ 86.52	Miscellaneous - GF	1-685
Marchetti & Weaver, LLC	20441	8/31/2022	8/31/2022	\$ 378.75	Accounting	1-612
Special District Managment Services, Inc	Aug-22	8/31/2022	8/31/2022	\$ 446.60	Management	1-614
				\$ 911.87		

**Regency Metropolitan District
September-22**

	<u>General</u>		<u>Debt</u>		<u>Capital</u>		<u>Totals</u>
Disbursements	\$ 911.87	\$	-	\$	-	\$	911.87
	-		-		-		-
Total Disbursements	\$ 911.87	\$	-	\$	-	\$	911.87

**Regency Metropolitan District
October-22**

Vendor	Invoice #	Date	Due Date	Amount	Expense Account	Account Number
Colorado Community Media	68432	10/7/2022	10/31/2022	\$ 23.48	Miscellaneous - GF	1-685
Colorado Special Districts P & L Pool	23WC-60038-0753	8/26/2022	8/26/2022	\$ 450.00	Prepaid Insurance	1-142
Marchetti & Weaver, LLC	20561	9/30/2022	9/30/2022	\$ 87.03	Miscellaneous - GF	1-685
Marchetti & Weaver, LLC	20561	9/30/2022	9/30/2022	\$ 498.25	Accounting	1-612
McGeady Becher, P.C.	823M 08/2022	8/31/2022	8/31/2022	\$ 380.43	Legal - GF	1-675
RLI Surety	936321	10/14/2022	10/14/2022	\$ 250.00	Insurance/SDA Dues	1-670
Simmons & Wheeler, P.C.	33865	9/22/2022	9/22/2022	\$ 4,300.00	Audit	1-615
Special District Managment Services, Inc	Sep-22	9/30/2022	9/30/2022	\$ 939.80	Management	1-614
				\$6,928.99		

**Regency Metropolitan District
October-22**

	General		Debt		Capital		Totals
Disbursements	\$ 6,928.99	\$	-	-	-	-	\$ 6,928.99
	-		-		-		-
Total Disbursements	\$ 6,928.99	\$	-	-	-	-	\$ 6,928.99

**Regency Metropolitan District
November-22**

Vendor	Invoice #	Date	Due Date	Amount	Expense Account	Account Number
Marchetti & Weaver, LLC	20689	10/31/2022	10/31/2022	\$ 85.49	Miscellaneous - GF	1-685
Marchetti & Weaver, LLC	20689	10/31/2022	10/31/2022	\$1,438.75	Accounting	1-612
McGeady Becher, P.C.	823M 09/2022	9/30/2022	9/30/2022	\$2,290.50	Legal - GF	1-675
McGeady Becher, P.C.	823M 10/2022	10/31/2022	10/31/2022	\$3,862.44	Legal - GF	1-675
Special District Management Services, Inc	Oct-22	10/31/2022	10/31/2022	\$ 954.00	Management	1-614
				\$8,631.18		

**Regency Metropolitan District
November-22**

	General		Debt		Capital		Totals
Disbursements	\$ 8,631.18	\$	-	\$	-	\$	8,631.18
	-		-		-		-
Total Disbursements	\$ 8,631.18	\$	-	\$	-	\$	8,631.18

**Regency Metropolitan District
December-22**

Vendor	Invoice #	Date	Due Date	Amount	Expense Account	Account Number
Colorado Special Districts P & L Pool	23PL-60038-2070	10/24/2022	10/24/2022	\$ 2,868.00	Prepaid Insurance	1-142
Marchetti & Weaver, LLC	20822	11/30/2022	11/30/2022	\$ 86.51	Miscellaneous - GF	1-685
Marchetti & Weaver, LLC	20822	11/30/2022	11/30/2022	\$ 481.00	Accounting	1-612
Special District Managment Services, Inc	Nov-22	11/30/2022	11/30/2022	\$ 546.60	Management	1-614
T Charles Wilson Ins	12070	11/22/2022	12/2/2022	\$ 775.00	Prepaid Insurance	1-142
				\$4,757.11		

**Regency Metropolitan District
December-22**

	<u>General</u>		<u>Debt</u>		<u>Capital</u>		<u>Totals</u>
Disbursements	\$ 4,757.11	\$	-	-	-	-	\$ 4,757.11
	-		-		-		-
Total Disbursements	\$ 4,757.11	\$	-	-	-	-	\$ 4,757.11

**Regency Metropolitan District
January-23**

Vendor	Invoice #	Date	Due Date	Amount	Expense Account	Account Number
Colorado Community Media	73994	12/9/2022	1/8/2023	\$ 23.92	Miscellaneous - GF	1-685
Douglas County Clerk Recorder	Regency 12/3/22	12/3/2022	1/2/2023	\$ 25.00	Election	1-635
Marchetti & Weaver, LLC	20982	12/31/2022	12/31/2022	\$ 90.34	Miscellaneous - GF	1-685
Marchetti & Weaver, LLC	20982	12/31/2022	12/31/2022	\$ 787.75	Accounting	1-612
McGeady Becher, P.C.	823M 11/2022	11/30/2022	11/30/2022	\$ 966.88	Legal - GF	1-675
Special District Management Services, Inc	Dec-22	12/31/2022	12/31/2022	\$ 802.00	Management	1-614
				\$2,695.89		

**Regency Metropolitan District
January-23**

	General		Debt		Capital		Totals
Disbursements	\$ 2,695.89	\$	-	-	-	-	\$ 2,695.89
	-		-		-		-
Total Disbursements	\$ 2,695.89	\$	-	-	-	-	\$ 2,695.89

**Regency Metropolitan District
February-23**

Vendor	Invoice #	Date	Due Date	Amount	Expense Account	Account Number
Marchetti & Weaver, LLC	21138	1/31/2023	1/31/2023	\$ 46.63	Miscellaneous - GF	1-685
Marchetti & Weaver, LLC	21138	1/31/2023	1/31/2023	\$ 1,045.20	Accounting	1-612
McGeady Becher, P.C.	823M 12/2022	12/31/2022	12/31/2022	\$ 2,071.95	Legal - GF	1-675
Special District Association	SDA-2023	2/7/2023	2/7/2023	\$ 310.68	Insurance/SDA Dues	1-670
Special District Managment Services, Inc	Jan-23	1/31/2023	1/31/2023	\$ 811.60	Management	1-614
				\$ 4,286.06		

**Regency Metropolitan District
February-23**

	General		Debt		Capital		Totals
Disbursements	\$ 4,286.06	\$	-	-	-	-	\$ 4,286.06
	-		-		-		-
Total Disbursements	\$ 4,286.06	\$	-	-	-	-	\$ 4,286.06

**Regency Metropolitan District
March-23**

Vendor	Invoice #	Date	Due Date	Amount	Expense Account	Account Number
Marchetti & Weaver, LLC	21264	2/28/2023	2/28/2023	\$ 49.77	Miscellaneous - GF	1-685
Marchetti & Weaver, LLC	21264	2/28/2023	2/28/2023	\$ 1,780.50	Accounting	1-612
McGeady Becher, P.C.	823M 01/2023	1/31/2023	1/31/2023	\$ 220.32	Legal - GF	1-675
Special District Managment Services, Inc	Feb-23	2/28/2023	2/28/2023	\$ 519.00	Election	1-635
Special District Managment Services, Inc	Feb-23	2/28/2023	2/28/2023	\$ 539.25	Management	1-614
				\$ 3,108.84		

Regency Metropolitan District
March-23

	General		Debt		Capital		Totals
Disbursements	\$ 3,108.84	\$	-	-	-	-	\$ 3,108.84
	-		-		-		-
Total Disbursements	\$ 3,108.84	\$	-	-	-	-	\$ 3,108.84

**Regency Metropolitan District
April-23**

Vendor	Invoice #	Date	Due Date	Amount	Expense Account	Account Number
Colorado Community Media	82062	3/24/2023	4/23/2023	\$ 24.36	Election	1-635
Marchetti & Weaver, LLC	21394	3/31/2023	3/31/2023	\$ 77.07	Miscellaneous - GF	1-685
Marchetti & Weaver, LLC	21394	3/31/2023	3/31/2023	\$ 829.00	Accounting	1-612
McGeady Becher, P.C.	823M 02/2023	2/28/2023	2/28/2023	\$ 207.04	Legal - GF	1-675
Special District Managment Services, Inc	Mar-23	3/31/2023	3/31/2023	\$ 210.40	Election	1-635
Special District Managment Services, Inc	Mar-23	3/31/2023	3/31/2023	\$ 782.20	Management	1-614
				\$ 2,130.07		

**Regency Metropolitan District
April-23**

	<u>General</u>		<u>Debt</u>		<u>Capital</u>		<u>Totals</u>
Disbursements	\$ 2,130.07	\$	-		\$ -	\$	2,130.07
	-		-		-		-
Total Disbursements	\$ 2,130.07	\$	-		\$ -	\$	2,130.07

**Regency Metropolitan District
May-23**

Vendor	Invoice #	Date	Due Date	Amount	Expense Account	Account Number
Marchetti & Weaver, LLC	21532	4/30/2023	4/30/2023	\$ 47.68	Miscellaneous - GF	1-685
Marchetti & Weaver, LLC	21532	4/30/2023	4/30/2023	\$ 328.50	Accounting	1-612
McGeady Becher, P.C.	823M 03/2023	3/31/2023	3/31/2023	\$ 749.93	Legal - GF	1-675
McGeady Becher, P.C.	823M 04/2023	4/30/2023	4/30/2023	\$ 1,542.27	Legal - GF	1-675
Special District Managment Services, Inc	Apr-23	4/30/2023	4/30/2023	\$ 80.00	Election	1-635
Special District Managment Services, Inc	Apr-23	4/30/2023	4/30/2023	\$ 596.20	Management	1-614
				\$ 3,344.58		

**Regency Metropolitan District
May-23**

	<u>General</u>		<u>Debt</u>		<u>Capital</u>		<u>Totals</u>
Disbursements	\$ 3,344.58	\$	-	-	\$ -	\$	3,344.58
	-		-		-		-
Total Disbursements	\$ 3,344.58	\$	-	-	\$ -	\$	3,344.58

Regency Metropolitan District
Statement of Net Position
May 31, 2023

	General Fund	Debt Service	Fixed Assets & LTD	TOTAL ALL FUNDS
ASSETS				
CASH				
First Bank Checking	206			206
ColoTrust	119,884			119,884
UMB - Reserve Fund		309,193		309,193
UMB - Bond Payment Fund		106,087		106,087
Inter-Fund Balances	(10,662)	10,662		-
TOTAL CASH	109,428	425,942	-	535,370
OTHER CURRENT ASSETS				
Due From County Treasurer	-	-		-
Property Taxes Receivable	80,033	77,029		157,062
Accounts Receivable	-	-		-
Prepaid Expenses	-	-		-
TOTAL OTHER CURRENT ASSETS	80,033	77,029	-	157,062
FIXED ASSETS				
Parks Equipment			80,000	80,000
Accumulated Depreciation			(80,000)	(80,000)
TOTAL FIXED ASSETS	-	-	-	-
DEFERRED OUTFLOWS				
Deferred Loss on Refunding			83,795	83,795
TOTAL DEFERRED INFLOWS	-	-	83,795	83,795
TOTAL ASSETS & DEF INFLOWS	189,461	502,971	83,795	776,227
LIABILITIES & DEFERED INFLOWS				
CURRENT LIABILITIES				
Accounts Payable	6,312			6,312
TOTAL CURRENT LIABILITIES	6,312	-	-	6,312
DEFERRED INFLOWS				
Deferred Property Taxes	80,033	77,029		157,062
TOTAL DEFERRED INFLOWS	80,033	77,029	-	157,062
LONG-TERM LIABILITIES				
Bonds Payable-Series 2019			3,720,000	3,720,000
Developer Advance- Ops			-	-
Developer Advance- Cap			-	-
Accrued Interest- Bonds			15,500	15,500
Accrued Interest- Dev Adv- Ops			66,986	66,986
Accrued Interest- Dev Adv- Cap			348,212	348,212
Deferred Bond Premium			70,788	70,788
TOTAL LONG-TERM LIABILITIES	-	-	4,221,486	4,221,486
TOTAL LIAB & DEF INFLOWS	86,344	77,029	4,221,486	4,384,859
NET POSITION				
Net Investment in Capital Assets			-	-
Amount to be Provided for Debt			(4,137,691)	(4,137,691)
Fund Balance- Nonspendable	-			-
Fund Balance- Restricted	7,694	425,942	-	433,636
Fund Balance- Unassigned	95,422			95,422
TOTAL NET POSITION	103,117	425,942	(4,137,691)	(3,608,632)

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

Print Date: 07/24/23

	2022 Prelim Actual	2023 Adopted Budget	Variance Favorable (Unfavor)	2023 Forecast	YTD Thru 05/31/23 Actual	YTD Thru 05/31/23 Budget	Variance Favorable (Unfavor)	2024 Preliminary Budget	Notes/Assumptions
PROPERTY TAXES									
Assessed Valuation	7,150,330	6,970,180		6,970,180				9,500,000	May Abstract = \$10,237,570
Mill Levy Breakdown:									
Mill Levy - Operations	24.111	24.936		24.936				24.936	Remaining Available
Mill Levy - Debt Service	23.500	24.000		24.000				24.000	Amount Needed To Cover Payments
Mill Levy - Contractual Obligations	0.000	0.000		0.000				0.000	No Longer Used
Total	47.611	48.936		48.936				48.936	35 mills adjusted
Property Tax Revenue - Operations	172,402	173,808		173,808				236,892	AV * Mill Levy / 1,000
Property Tax Revenue - Debt & Cont Oblig	168,033	167,284		167,284				228,000	AV * Mill Levy / 1,000
Total	340,434	341,093		341,093				464,892	
COMBINED FUNDS									
REVENUE									
Property Taxes	340,435	341,093	-	341,093	184,030	180,779	3,251	464,892	AV * Mill Levy / 1,000
Specific Ownership Taxes	30,105	27,205	-	27,205	10,352	9,068	1,284	32,482	7% of Taxes
Interest	7,552	21,000	-	21,000	8,902	8,750	152	21,000	Based on 2023 Forecast
Loan/Bond Proceeds, Prem, & Disc	-	-	-	-	-	-	-	-	Notes Refunded in 2019
TOTAL REVENUE	378,091	389,298	-	389,298	203,285	198,597	4,687	518,374	
EXPENDITURES									
General Government	55,795	77,397	5,477	71,920	20,618	27,737	7,118	73,824	All non-debt expenses
Debt Service- Bond Principal & Interest	186,000	186,000	-	186,000	-	-	-	241,000	See Debt Service Fund
Debt Service- Developer Repayments	140,139	135,000	10,000	125,000	-	-	-	190,000	See General & Debt Svc Funds
Debt Service- Cost of Issuance	-	-	-	-	-	-	-	-	
TOTAL EXPENDITURES	381,934	398,397	15,477	382,920	20,618	27,737	7,118	504,824	
CHANGE IN FUND BALANCE	(3,843)	(9,100)	15,477	6,377	182,666	170,861	11,805	13,550	
BEGINNING FUND BALANCE	350,235	342,871	3,521	346,392	346,392	342,871	3,521	352,769	
ENDING FUND BALANCE	346,392	333,771	18,998	352,769	529,058	513,732	15,327	366,320	
COMPONENTS OF FUND BALANCE									
Nonspendable	450	5,500	(800)	4,700	-	-	-	5,100	Prepaid Insurance
TABOR Emergency Reserve	5,931	0	7,694	7,694	7,694	792	6,902	7,694	Held in Reserve
Restricted For Debt Service	324,477	318,642	9,909	328,552	425,942	417,915	8,027	337,532	Per Debt Service Fund
Unassigned/ Other	15,534	9,629	2,195	11,823	95,422	95,025	397	15,994	Per General Fund
TOTAL ENDING FUND BALANCE	346,392	333,771	18,998	352,769	529,058	513,732	15,327	366,320	
=	=	=	=	=	=	=	=	=	

No assurance is provided on these financial statements;
substantially all disclosures required by GAAP omitted.

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

Print Date: 07/24/23

	2022 Prelim Actual	2023 Adopted Budget	Variance Favorable (Unfavor)	2023 Forecast	YTD Thru 05/31/23 Actual	YTD Thru 05/31/23 Budget	Variance Favorable (Unfavor)	2024 Preliminary Budget	Notes/Assumptions
GENERAL FUND									
REVENUE									
Property Taxes	172,402	173,808	-	173,808	93,775	92,118	1,657	236,892	AV * Mill Levy / 1,000
Specific Ownership Taxes	15,246	13,905	-	13,905	5,275	4,635	640	16,582	7% of Taxes
Interest Income	1,101	10,000	(7,000)	3,000	1,415	4,167	(2,751)	3,000	Based on 2023 Forecast
TOTAL REVENUE	188,749	197,713	(7,000)	190,713	100,466	100,920	(455)	256,474	
EXPENDITURES									
Administration									
Accounting	9,403	13,500	(3,500)	17,000	4,937	5,625	688	18,000	Assume take over SDMS functions
District Management	8,174	11,000	3,500	7,500	3,565	4,583	1,018	-	Assume consolidated into accounting/legal
Legal	18,150	13,500	(3,500)	17,000	3,585	5,625	2,040	18,000	Assume take over SDMS functions
Audit	4,300	4,900	-	4,900	-	-	-	5,200	Based on 2023 Forecast with 5% Increase
Election	1,304	3,500	2,300	1,200	1,072	3,500	2,428	1,000	Prep Work for May 2025 Election
Insurance & SDA Dues	4,716	5,150	746	4,404	4,404	5,150	746	4,850	Based on 2023 Forecast with 10% Increase
Miscellaneous Expense	1,142	1,300	-	1,300	295	542	247	1,300	Based on 2023 Forecast with 5% Increase
Treasurer's Fees	2,586	2,607	-	2,607	1,407	1,382	(25)	3,553	1.5% of property taxes
Emergencies	-	5,931	5,931	-	-	-	-	-	Held in Reserve
Contingency	-	7,500	-	7,500	-	-	-	10,000	Unforeseen needs
Total Administration	49,775	68,888	5,477	63,411	19,264	26,407	7,142	61,904	
Debt Service									
Developer Repayment- Ops Principal	-	-	-	-	-	-	-	-	Paid off in 2021
Developer Repayment- Cap Principal	92,139	-	-	-	-	-	-	-	Paid off in 2022
Developer Repayment- Ops Interest	48,000	66,986	-	66,986	-	-	-	-	Pay off in 2023
Developer Repayment- Cap Interest	-	68,014	10,000	58,014	-	-	-	190,000	Continue Paying Down In 2024
Total Debt Service	140,139	135,000	10,000	125,000	-	-	-	190,000	
TOTAL EXPENDITURES	189,914	203,888	15,477	188,411	19,264	26,407	7,142	251,904	
REVENUE OVER / (UNDER) EXP	(1,165)	(6,175)	(22,477)	2,302	81,201	74,513	6,688	4,570	
OTHER SOURCES / (USES)									
Transfer to Debt Service	-	-	-	-	-	-	-	-	
TOTAL OTHER SOURCES / (USES)	-	-	-	-	-	-	-	-	
CHANGE IN FUND BALANCE	(1,165)	(6,175)	8,477	2,302	81,201	74,513	6,688	4,570	
BEGINNING FUND BALANCE	23,080	21,304	612	21,915	21,915	21,304	612	24,218	
ENDING FUND BALANCE	21,915	15,129	9,089	24,218	103,117	95,817	7,300	28,788	
COMPONENTS OF FUND BALANCE:	=	=	=	=	=	=	=	=	
Nonspendable	450	5,500	(800)	4,700	-	-	-	5,100	Prepaid Insurance
Restricted for Emergencies	5,931	0	7,694	7,694	7,694	-	-	7,694	Held in Reserve
Unassigned	15,534	9,629	2,195	11,823	95,422	-	-	15,994	
TOTAL FUND BALANCE	21,915	15,129	9,089	24,218	103,117	95,817	7,300	28,788	

No assurance is provided on these financial statements;
substantially all disclosures required by GAAP omitted.

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

Print Date: 07/24/23

	2022 Prelim Actual	2023 Adopted Budget	Variance Favorable (Unfavor)	2023 Forecast	YTD Thru 05/31/23 Actual	YTD Thru 05/31/23 Budget	Variance Favorable (Unfavor)	2024 Preliminary Budget	Notes/Assumptions
DEBT SERVICE FUND									
REVENUE									
Property Taxes	168,033	167,284	-	167,284	90,255	88,661	1,595	228,000	AV * Mill Levy / 1,000
Specific Ownership Taxes	14,859	13,300	-	13,300	5,077	4,433	644	15,900	7% of Taxes
Interest Income	6,450	11,000	7,000	18,000	7,487	4,583	2,904	18,000	Based on a 2023 Forecast
TOTAL REVENUE	189,342	191,584	7,000	198,584	102,819	97,677	5,142	261,900	
EXPENDITURES									
Note Principal- 2015	-	-	-	-	-	-	-	-	Notes Refunded in 2019
Note Interest- 2015	-	-	-	-	-	-	-	-	Notes Refunded in 2019
Bond Principal- 2019	-	-	-	-	-	-	-	55,000	Per Amortization Schedule
Bond Interest- 2019	186,000	186,000	-	186,000	-	-	-	186,000	Per Amortization Schedule- 5.000% Rate
Developer Repayment- Ops Principal	-	-	-	-	-	-	-	-	Now in General Fund
Developer Repayment- Cap Principal	-	-	-	-	-	-	-	-	Now in General Fund
Developer Repayment- Ops Interest	-	-	-	-	-	-	-	-	Now in General Fund
Developer Repayment- Cap Interest	-	-	-	-	-	-	-	-	Now in General Fund
Non-Use Fees	-	-	-	-	-	-	-	-	No Longer Applicable
Trustee / Paying Agent Fees	3,500	3,500	-	3,500	-	-	-	3,500	Based on 2022 Forecast
Treasurer's Fees	2,521	2,509	-	2,509	1,354	1,330	(24)	3,420	1.5% of property taxes
Bond Cost of Issuance	-	-	-	-	-	-	-	-	
Contingency	-	2,500	-	2,500	-	-	-	5,000	Unforeseen needs/ rev shortfalls
TOTAL EXPENDITURES	192,021	194,509	-	194,509	1,354	1,330	(24)	252,920	
REVENUE OVER / (UNDER) EXP	(2,678)	(2,925)	7,000	4,075	101,465	96,347	5,118	8,980	
OTHER SOURCES / (USES)									
Bond / Loan Proceeds	-	-	-	-	-	-	-	-	
Bond Premium	-	-	-	-	-	-	-	-	
Transfer to Capital Fund	-	-	-	-	-	-	-	-	
TOTAL OTHER SOURCES / (USES)	-	-	-	-	-	-	-	-	
CHANGE IN FUND BALANCE	(2,678.38)	(2,925)	7,000	4,075	101,465	96,347	5,118	8,980	
BEGINNING FUND BALANCE	327,155	321,567	2,909	324,477	324,477	321,567	2,909	328,552	
ENDING FUND BALANCE	324,477	318,642	9,909	328,552	425,942	417,915	8,027	337,532	
COMPONENTS OF FUND BALANCE:	=	=	=	=	=	=	=	=	
Reserve Fund	302,000	302,000	-	302,000	302,000	302,000	-	302,000	\$302,000 Required by Loan
Restricted for Debt Service	22,477	16,642	9,909	26,552	123,942	115,915	8,027	35,532	
TOTAL FUND BALANCE	324,477	318,642	9,909	328,552	425,942	417,915	8,027	337,532	
Balance of Loan/Bond (Beg of Year)	3,720,000	3,720,000	=	3,720,000	=	=	=	3,720,000	
Assessed Valuation	7,150,330	6,970,180	=	6,970,180	=	=	=	9,500,000	
Debt to Assessed Ratio (Beg of Year)	52%	53%	=	53%	=	=	=	39%	

No assurance is provided on these financial statements;
substantially all disclosures required by GAAP omitted.

DRAFT 6/22/2023

**REGENCY
METROPOLITAN DISTRICT**

Financial Statements

December 31, 2022

with
Independent Auditors' Report

DRAFT 6/22/2023

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Independent Auditors' Report

Board of Directors
Regency Metropolitan District
Douglas County, Colorado

Opinions

We have audited the accompanying financial statements of the governmental activities and each major fund, of the Regency Metropolitan District (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 Regency Metropolitan District 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 District, and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Responsibilities of Management for the Financial Statements

Management is responsible for the preparation and fair presentation of the financial statements in accordance with accounting principles generally accepted in the United States of America, 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

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 opinion on the basic financial statements is not affected by this missing information.

Supplementary 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 individual fund budgetary schedules and property tax information listed in the accompanying table of contents are presented for purposes of additional analysis and are not a required part of the basic financial statements. The individual fund budgetary schedules are the responsibility of management and were derived from and relate directly to the underlying accounting and other records used to prepare the financial statements. The budgetary schedules have 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 financial statements or to the financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the budgetary schedules are fairly stated in all material respects in relation to the financial statements as a whole.

Englewood, CO
XXXXXXXXXX

DRAFT 6/22/2023

REGENCY METROPOLITAN DISTRICT

BALANCE SHEET/STATEMENT OF NET POSITION GOVERNMENTAL FUNDS December 31, 2022

	<u>General</u>	<u>Debt Service</u>	<u>Total</u>	<u>Adjustments</u>	<u>Statement of Net Position</u>
ASSETS					
Cash and investments	\$ 20,323	\$ -	\$ 20,323	\$ -	\$ 20,323
Cash and investments - restricted	5,931	323,410	329,341	-	329,341
Receivable - County Treasurer	1,094	1,067	2,161	-	2,161
Property taxes receivable	173,808	167,284	341,092	-	341,092
Prepaid expenses	<u>450</u>	<u>-</u>	<u>450</u>	<u>-</u>	<u>450</u>
Total Assets	<u>201,606</u>	<u>491,761</u>	<u>693,367</u>	<u>-</u>	<u>693,367</u>
DEFERRED OUTFLOWS OF RESOURCES					
Deferred loss on refunding	<u>-</u>	<u>-</u>	<u>-</u>	<u>83,795</u>	<u>83,795</u>
Total Deferred Outflows of Resources	<u>-</u>	<u>-</u>	<u>-</u>	<u>83,795</u>	<u>83,795</u>
Total Assets and Deferred Outflows of Resources	<u>\$ 201,606</u>	<u>\$ 491,761</u>	<u>\$ 693,367</u>		
LIABILITIES					
Accounts payable	\$ 5,883	\$ -	\$ 5,883	-	5,883
Accrued interest on bonds	-	-	-	15,500	15,500
Long-term liabilities:					
Due in more than one year	<u>-</u>	<u>-</u>	<u>-</u>	<u>4,205,987</u>	<u>4,205,987</u>
Total Liabilities	<u>5,883</u>	<u>-</u>	<u>5,883</u>	<u>4,221,487</u>	<u>4,227,370</u>
DEFERRED INFLOWS OF RESOURCES					
Deferred property taxes	<u>173,808</u>	<u>167,284</u>	<u>341,092</u>	<u>-</u>	<u>341,092</u>
Total Deferred Inflows of Resources	<u>173,808</u>	<u>167,284</u>	<u>341,092</u>	<u>-</u>	<u>341,092</u>
FUND BALANCES/NET POSITION					
Fund Balances:					
Nonspendable:					
Prepays	450	-	450	(450)	-
Restricted:					
Emergencies	5,931	-	5,931	(5,931)	-
Debt service	-	324,477	324,477	(324,477)	-
Unassigned	<u>15,534</u>	<u>-</u>	<u>15,534</u>	<u>(15,534)</u>	<u>-</u>
Total Fund Balances	<u>21,915</u>	<u>324,477</u>	<u>346,392</u>	<u>(346,392)</u>	<u>-</u>
Total Liabilities, Deferred Inflows of Resources and Fund Balances	<u>\$ 201,606</u>	<u>\$ 491,761</u>	<u>\$ 693,367</u>		
Net Position:					
Net investment in capital assets				(4,122,192)	(4,122,192)
Restricted for:					
Emergencies				5,931	5,931
Debt service				308,977	308,977
Unrestricted				<u>15,984</u>	<u>15,984</u>
Total Net Position				<u>\$(3,791,300)</u>	<u>\$(3,791,300)</u>

The notes to the financial statements are an integral part of these statements.

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REGENCY METROPOLITAN DISTRICT

STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES/STATEMENT OF ACTIVITIES GOVERNMENTAL FUNDS

For the Year Ended December 31, 2022

	<u>General</u>	<u>Debt Service</u>	<u>Total</u>	<u>Adjustments</u>	<u>Statement of Activities</u>
EXPENDITURES/EXPENSES					
Accounting	\$ 9,403	\$ -	\$ 9,403	\$ -	\$ 9,403
Audit	4,300	-	4,300	-	4,300
Election expense	1,304	-	1,304	-	1,304
Insurance	4,716	-	4,716	-	4,716
Legal	18,150	-	18,150	-	18,150
Management fees	8,174	-	8,174	-	8,174
Miscellaneous expenses	1,142	-	1,142	-	1,142
Treasurer's fees	2,586	2,520	5,106	-	5,106
Bond interest expense	-	186,000	186,000	3,339	189,339
Paying agent fees	-	3,500	3,500	-	3,500
Developer repayment - operations	48,000	-	48,000	(48,000)	-
Developer repayment - capital	92,139	-	92,139	(92,139)	-
Developer interest	-	-	-	1,802	1,802
	<u>189,914</u>	<u>192,020</u>	<u>381,934</u>	<u>(134,998)</u>	<u>246,936</u>
Total Expenditures/Expenses					
GENERAL REVENUES					
Property taxes	172,402	168,033	340,435	-	340,435
Specific ownership taxes	15,246	14,859	30,105	-	30,105
Interest income	1,101	6,450	7,551	-	7,551
	<u>188,749</u>	<u>189,342</u>	<u>378,091</u>	<u>-</u>	<u>378,091</u>
Total General Revenues					
NET CHANGES IN FUND BALANCES	(1,165)	(2,678)	(3,843)	3,843	
CHANGE IN NET POSITION				131,155	131,155
FUND BALANCES/NET POSITION:					
BEGINNING OF YEAR	<u>23,080</u>	<u>327,155</u>	<u>350,235</u>	<u>(4,272,690)</u>	<u>(3,922,455)</u>
END OF YEAR	<u>\$ 21,915</u>	<u>\$ 324,477</u>	<u>\$ 346,392</u>	<u>\$ (4,137,692)</u>	<u>\$ (3,791,300)</u>

The notes to the financial statements are an integral part of these statements.

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REGENCY METROPOLITAN DISTRICT

STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE - BUDGET AND ACTUAL - GENERAL FUND

For the Year Ended December 31, 2022

	Original & Final		Variance
	<u>Budget</u>	<u>Actual</u>	<u>Favorable</u> <u>(Unfavorable)</u>
REVENUES			
Property taxes	\$ 172,402	\$ 172,402	\$ -
Specific ownership taxes	13,792	15,246	1,454
Interest income	<u>5,000</u>	<u>1,101</u>	<u>(3,899)</u>
Total Revenues	<u>191,194</u>	<u>188,749</u>	<u>(2,445)</u>
EXPENDITURES			
Accounting	12,500	9,403	3,097
Audit	4,500	4,300	200
Election expense	3,500	1,304	2,196
Insurance	4,870	4,716	154
Legal	12,500	18,150	(5,650)
Management fees	12,500	8,174	4,326
Miscellaneous expenses	1,000	1,142	(142)
Treasurer's fees	2,585	2,586	(1)
Developer repayment - operations	33,860	48,000	(14,140)
Developer repayment - capital	96,141	92,139	4,002
Emergency reserve	1,836	-	1,836
Contingency	<u>6,500</u>	<u>-</u>	<u>6,500</u>
Total Expenditures	<u>192,292</u>	<u>189,914</u>	<u>2,378</u>
NET CHANGE IN FUND BALANCE	(1,098)	(1,165)	(67)
FUND BALANCE:			
BEGINNING OF YEAR	<u>16,272</u>	<u>23,080</u>	<u>6,808</u>
END OF YEAR	<u>\$ 15,174</u>	<u>\$ 21,915</u>	<u>\$ 6,741</u>

The notes to the financial statements are an integral part of these statements.

REGENCY METROPOLITAN DISTRICT

Notes to Financial Statements
December 31, 2022

Note 1: Summary of Significant Accounting Policies

The accounting policies of the Regency Metropolitan District, (“the District”), located in the Town of Parker, Douglas County, Colorado, (“the County”); conform to the accounting principles generally accepted in the United States of America (“GAAP”) as applicable to governmental units. The Governmental Accounting Standards Board (“GASB”) is the accepted standard setting body for establishing governmental accounting and financial reporting principles. The following is a summary of the more significant policies consistently applied in the preparation of financial statements.

Definition of Reporting Entity

The District was organized on May 25, 2006, as a quasi-municipal organization established under the State of Colorado Special District Act. The District was established to finance and construct certain public infrastructure improvements that benefit the citizens of the District. The District's primary revenues are property taxes. The District is governed by an elected Board of Directors.

As required by 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 GASB, Statement No. 61, *The Financial Reporting Entity: Omnibus*, which amended GASB Statement No. 14, *The Financial Reporting Entity* and GASB Statement No. 39, *Determining Whether Certain Organizations are Component Units*, which provides 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.

REGENCY METROPOLITAN DISTRICT

Notes to Financial Statements
December 31, 2022

Basis of Presentation

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

The government-wide financial statements (i.e. the governmental funds balance sheet/statement of net position and the governmental funds statement of revenues, expenditures, and changes in fund balances/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*.

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 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.

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REGENCY METROPOLITAN DISTRICT

Notes to Financial Statements December 31, 2022

The District reports the following major governmental funds:

General Fund - The General Fund is the general operating fund of the District. It is used to account for all financial resources not accounted for and reported in another fund.

Debt Service Fund – The Debt Service 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.

Budgetary Accounting

Budgets are adopted on a non-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.

Assets, Liabilities, Deferred Outflows/Inflows of Resources and Net Position

Fair Value of Financial Instruments

The District's financial instruments include cash and investments, accounts receivable and accounts payable. The District estimates that the fair value of all financial instruments at December 31, 2022, 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 investments are considered to be cash on hand and short-term investments with maturities of three months or less from the date of acquisition. Investments for the government are reported at fair value.

The 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 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.

REGENCY METROPOLITAN DISTRICT

Notes to Financial Statements
December 31, 2022

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 assets 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 type of item that qualifies for reporting in this category. It 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.

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 assets 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 type of 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.

Capital Assets

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

The costs of normal maintenance and repairs that do not add to the value of the assets or materially extend the life of the asset are not capitalized. Improvements are capitalized and depreciated over the remaining useful lives of the related fixed assets, as applicable using the straight-line method. Depreciation on property that will remain assets of the District is reported on the Statement of Activities as a current charge. Improvements that will be conveyed to other governmental entities are classified as construction in progress and are not depreciated. Land and certain landscaping improvements are not depreciated. No depreciation expense was recognized during 2022.

It is the policy of the Town of Parker to accept the maintenance responsibility for streets and drainage facilities within the Town of Parker only after a probationary period following completion of construction. Upon final acceptance of the improvements by the Town of Parker, the District removed the cost of construction from its Statement of Net Assets. The District will retain the landscaping of the common areas containing park equipment.

REGENCY METROPOLITAN DISTRICT

Notes to Financial Statements December 31, 2022

The playground equipment will be depreciated using a straight-line method over the following estimated useful lives:

Parks, equipment: 10 years

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 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.

Long-Term Obligations

In the government-wide financial statements, long-term debt and other long-term obligations are reported as liabilities in the applicable governmental activities.

Deferred Loss on Refunding

The Deferred Loss on Refunding on the Series 2019 Bonds is being amortized over the term of the refunded loan using the straight-line method. Accumulated amortization on the loss on refunding amounted to \$53,636 at December 31, 2022.

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:

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REGENCY METROPOLITAN DISTRICT

Notes to Financial Statements December 31, 2022

Nonspendable Fund Balance

Nonspendable fund balance includes amounts that cannot be spent because they are either not spendable in form (such as inventory or prepaids) or are legally or contractually required to be maintained intact.

The nonspendable fund balance in the General Fund in the amount of \$450 represents prepaid expenditures.

Restricted Fund Balance

The restricted fund balance includes amounts restricted for a specific purpose by external parties such as grantors, bondholders, constitutional provisions or enabling legislation.

The restricted fund balance in the General Fund represents Emergency Reserves that have been provided as required by Article X, Section 20 of the Constitution of the State of Colorado. A total of \$5,931 of the General Fund balance has been restricted in compliance with this requirement.

The restricted fund balance in the Debt Service Fund in the amount of \$324,477 is restricted for the payment of the debt service costs associated with the Series 2019 Bonds (see Note 4).

Committed Fund Balance

The portion of fund balance that can only be used for specific purposes pursuant to constraints imposed by a 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

Assigned fund balance includes amounts the District intends to use for a specific purpose. Intent can be expressed by the District's Board of Directors or by an official or body to which the Board of Directors delegates the authority.

Unassigned Fund Balance

Unassigned fund balance includes amounts that are available for any purpose. Positive amounts are reported only in the General Fund, all other funds can report negative amounts.

For the classification of Governmental Fund balances, the District considers an expenditure to be made from the most restrictive first when more than one classification is available.

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REGENCY METROPOLITAN DISTRICT

Notes to Financial Statements December 31, 2022

Net Position

Net Position represents the difference between assets and deferred outflows of resources less liabilities and deferred inflows of resources. The District reports three categories of net position, as follows:

Net investment in capital assets – consists of net capital assets, reduced by outstanding balances of any related debt obligations and deferred inflows of resources attributable to the acquisition, construction, or improvement of those assets and increased by balances of deferred outflows of resources related to those assets.

Restricted net position – net position is considered restricted if their use is constrained to a particular purpose. Restrictions are imposed by external organizations such as federal or state laws. Restricted net position is reduced by liabilities and deferred inflows of resources related to the restricted assets.

Unrestricted net position – consists of all other net position that does not meet the definition of the above two components and is available for general use by the District.

When an expense is incurred for purposes for which both restricted and unrestricted net position are available, the District will use the most restrictive net position first.

Note 2: Cash and Investments

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

Statement of Net Position:

Cash and investments	\$ 20,323
Cash and investments - Restricted	<u>329,341</u>
Total	\$ <u>349,664</u>

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

Deposits with financial institutions	\$ 7,184
Investments - COLOTRUST	<u>342,480</u>
	\$ <u>349,664</u>

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REGENCY METROPOLITAN DISTRICT

Notes to Financial Statements December 31, 2022

Deposits

Custodial Credit Risk

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% 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. None of the District’s deposits were exposed to custodial credit risk.

Investments

Investments

Investment Valuation

Certain investments are measured at fair value within the fair value hierarchy established by generally accepted accounting principles. 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. This investment’s value is calculated using the net asset value method (NAV) per share.

Credit risk

The District has adopted a formal investment policy and follows the state statutes regarding investments. Colorado statutes specify 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.

Custodial and Concentration of Credit Risk

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

Interest Rate Risk

Colorado revised statutes limit investment maturities to five years or less unless formally approved by the Board of Directors.

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REGENCY METROPOLITAN DISTRICT

Notes to Financial Statements December 31, 2022

As of December 31, 2022, the District had the following investments:

COLOTRUST

As of December 31, 2022, the District invested in the Colorado Local Governmental Liquid Asset Trust (“COLOTRUST”), a local governmental investment vehicle established for local governmental entities in Colorado to pool surplus funds. COLOTRUST offers three investment options, one of which is COLOTRUST PLUS+. As an investment pool, COLOTRUST operates under the Colorado Revised Statutes (24-75-701) and is overseen by the Colorado Securities Commissioner. COLOTRUST PLUS+ may invest in U.S. Treasuries, government agencies, the highest-rated commercial paper, certain corporate securities, certain money market funds, and certain repurchase agreements, and limits its investments to those allowed by State statutes. Purchases and redemptions are available daily at a net asset value (“NAV”) of \$1.00. A designated custodial bank provides safekeeping and depository services to COLOTRUST in connection with the direct investment and withdrawal function of COLOTRUST. The custodian’s internal records identify the investments owned by participating governments. COLOTRUST Plus+ records its investment at fair value and the District records its investment in COLOTRUST PLUS+ using the next asset value. There are no unfunded commitments and there is no redemption notice period. The weighted average maturity is 60 days or less and is rated AAAM by Standard & Poor’s. At December 31, 2022, the District had \$342,480 invested in COLOTRUST PLUS+.

Note 3: Capital Assets

An analysis of the changes in fixed assets for the period ended December 31, 2022, follows:

<u>Governmental Type Activities:</u>	<u>Balance</u> <u>1/1/2022</u>	<u>Additions</u>	<u>Deletions</u>	<u>Balance</u> <u>12/31/2022</u>
<u>Capital assets being depreciated:</u>				
Parks, equipment	\$ 80,000	\$ -	\$ -	\$ 80,000
Total capital assets being depreciated	80,000	-	-	80,000
<u>Accumulated Depreciation:</u>				
Parks, equipment	(80,000)	-	-	(80,000)
Total accumulated depreciation	(80,000)	-	-	(80,000)
Net capital assets being depreciated	-	-	-	-
Government type assets, net	\$ -	\$ -	\$ -	\$ -

REGENCY METROPOLITAN DISTRICT

Notes to Financial Statements December 31, 2022

The Town of Parker has accepted conveyance of the street improvements. The Regency Homeowners Association will maintain the park and landscaping improvements in the common areas.

Note 4: Long-Term Debt

A description of the long-term obligations as of December 31, 2022, is as follows:

\$3,720,000 General Obligation Limited Tax Refunding Bonds, Series 2019

On June 21, 2019, the District issued \$3,720,000 General Obligation Limited Tax Refunding Bonds, Series 2019 (“Series 2019 Bonds”) for the purpose of refunding the Series 2015 Note, paying the costs of issuance of the Series 2019 Bonds and cost incurred in connection with the refunding of the Series 2015 Note, and funding the Reserve Fund. The Series 2019 Bonds bear interest at the rate of 5.0%, payable semiannually on each June 1 and December 1, commencing on December 1, 2019, and mature on December 1 2046. The Series 2019 Bonds are subject to a mandatory sinking fund redemption commencing on December 1, 2024 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 June 1, 2024, upon payment of par, accrued interest, and a redemption premium that ranges between 0% and 3%.

The Series 2019 Bonds are secured by the Required Mill Levy, the portion of the Specific Ownership Tax which is collected as a result of the Required Mill Levy, and any other legally available moneys as determined by the District. The Series 2019 Bonds are also secured by the Reserve Fund. At the date of issuance, the Reserve Fund was funded in the amount of \$302,000.

The Series 2019 Bonds were issued to retire the Series 2015 Loan which had a balloon maturity on December 1, 2020.

Events of Default as defined in the Series 2019 Bond Indenture are 1) the failure of the District to impose the Required Mill levy, or to apply the Pledged Revenue as required by the Indenture, 2) the default by the District in the performance or observance of any other of the covenants, agreements, or conditions of the Indenture or the Bond Resolution, and failure to remedy the same after notice thereof pursuant to the Indenture, and 3) the filing of a petition under the federal bankruptcy laws or other applicable laws seeking to adjust the obligations represented by the Bonds. Failure to pay the principal of or interest on the Series 2019 Bonds when due shall not, of itself, constitute an Event of Default under the Indenture. Remedies available in the Event of Default include 1) receivership, 2) suit for judgment, and 3) other suits. Acceleration of the Series 2019 Bonds is not an available remedy for an Event of Default.

REGENCY METROPOLITAN DISTRICT

Notes to Financial Statements December 31, 2022

Operation Funding Agreement

On June 20, 2006, the District entered into a 2006 – 2007 Operation Funding Agreement with BCX Development Partners #1, LLC (the Developer). The District anticipated that it would not have sufficient funds to make the payment of its operations and maintenance expenses in fiscal years 2006 and 2007; therefore pursuant to this agreement the Developer would advance funds to meet any shortfalls. The advances earn interest from the date the moneys are deposited into the District's account at the rate of the Prime Interest Rate plus 1%. On October 17, 2006, this agreement was amended and restated to extend the shortfall dates for the years 2006 through December 31, 2009 ("Amended and Restated OFA"). The Developer agreed to advance up to \$175,000 to the District for operation and maintenance shortfalls through December 31, 2009.

As of December 31, 2022, the outstanding principal amount the District owed the Developer was \$0, and the total accrued interest was \$66,985.

The District has agreed to repay the Developer advances and accrued interest subject to the availability of funds and subject to annual appropriation. Pursuant to the October 18, 2016 First Amendment to the Amended and Restated OFA, payments shall credit first against the principal amount due and then against the accrued and unpaid interest. The obligation of the District to reimburse the Developer is not a multiple fiscal year obligation of the District. The agreement terminates on December 31, 2031, or when all amounts due to the Developer under the agreement have been repaid, whichever is earlier.

Project Funding and Reimbursement Agreement

On June 20, 2006, the District entered into a Project Funding and Reimbursement Agreement ("PFRA") with the Developer. The Developer has agreed to advance funds to the District for the design, construction and completion of the infrastructure improvements within the District outlined in the Service Plan.

The District has agreed to repay the Developer advances and accrued interest, at the rate of prime plus 1%, subject to the availability of funds and subject to annual appropriation. Pursuant to the October 18, 2016 First Amendment to the PFRA, payments shall credit first against the principal amount due and then against the accrued and unpaid interest. The obligation of the District to reimburse the Developer is not a multiple fiscal year obligation of the District. The agreement terminates on December 31, 2046, or when all amounts due to the Developer under the agreement have been repaid, whichever is earlier.

As of December 31, 2022, the outstanding principal amount the District owed the Developer was \$0, and the total accrued interest was \$348,214.

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REGENCY METROPOLITAN DISTRICT

Notes to Financial Statements December 31, 2022

The following is an analysis of changes in long-term debt for the period ended December 31, 2022:

	<u>Balance</u> 1/1/2022	<u>Additions</u>	<u>Deletions</u>	<u>Balance</u> 12/31/2022	<u>Current</u> <u>Portion</u>
<u>General Obligation Bonds:</u>					
Series 2019 Bonds	\$ 3,720,000	\$ -	\$ -	\$ 3,720,000	\$ -
Series 2019 Bonds - Premium	<u>75,066</u>	<u>-</u>	<u>4,278</u>	<u>70,788</u>	<u>-</u>
	3,795,066	-	4,278	3,790,788	-
<u>Other</u>					
Devel Adv - Operating	-	-	-	-	-
Accrued Int.	114,985	-	48,000	66,985	-
Devel Adv - Capital	92,139	-	92,139	-	-
Accrued Int.	<u>346,412</u>	<u>1,802</u>	<u>-</u>	<u>348,214</u>	<u>-</u>
	553,536	1,802	140,139	415,199	-
Total	<u>4,348,602</u>	<u>\$ 1,802</u>	<u>\$ 144,417</u>	<u>\$ 4,205,987</u>	<u>\$ -</u>

There are no unused Lines of Credit as of December 31, 2022.

The following is a summary of the annual long-term debt principal and interest payment requirements for the 2019 Series Bonds as of December 31, 2022:

	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2023	\$ -	\$ 186,000	\$ 186,000
2024	55,000	186,000	241,000
2025	60,000	183,250	243,250
2026	70,000	180,250	250,250
2027	75,000	176,750	251,750
2028 - 2032	495,000	819,250	1,314,250
2033 - 2037	690,000	676,750	1,366,750
2038 - 2042	960,000	478,750	1,438,750
2043 - 2046	<u>1,315,000</u>	<u>191,000</u>	<u>1,506,000</u>
	<u>\$ 3,720,000</u>	<u>\$ 3,078,000</u>	<u>\$ 6,798,000</u>

REGENCY METROPOLITAN DISTRICT

Notes to Financial Statements
December 31, 2022

Debt Authorization

At elections held in 2006, a majority of the qualified electors of the District who voted in the elections authorized the issuance of general obligation indebtedness, for public improvements and operations and maintenance, in an amount not to exceed \$3,200,000. The District currently has \$119 in authorized but unissued debt. The District did not budget for any issuance of debt in 2023.

Note 5: Related Parties

The majority of the Board members of the District are employees, officers or consultants to the Developer. The Developer has advanced cash to the District for operating and capital purposes (see Note 4).

Note 6: 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.

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 May 2, 2006, 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.

REGENCY METROPOLITAN DISTRICT

Notes to Financial Statements
December 31, 2022

Note 7: Risk Management

Except as provided in the Colorado Governmental Immunity Act, 24-10-101, et seq., CRS, the District may be exposed to various risks of loss related to torts, theft of, damage to, or destruction of assets; errors or omissions; injuries to agents; and natural disasters. The District has elected to participate in the Colorado Special Districts Property and Liability Pool (“Pool”) which is an organization created by intergovernmental agreement to provide common liability and casualty insurance coverage to its members at a cost that is considered economically appropriate. Settled claims have not exceeded this commercial coverage in any of the past three fiscal years.

The District pays annual premiums to the Pool for auto, public officials’ liability, and property and general liability coverage. In the event aggregated losses incurred by the Pool exceed its amounts recoverable from reinsurance contracts and its accumulated reserves, the District may be called upon to make additional contributions to the Pool on the basis proportionate to other 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: Reconciliation of government-wide financial statements and fund financial statements

The Governmental Funds Balance Sheet/Statement of Net Position includes an adjustments column. The adjustments have the following elements:

- 1) Capital improvements used in government activities are not financial resources and, therefore are not reported in the funds; and
- 2) Long-term liabilities such as bonds payable and accrued bond interest payable are not due and payable in the current period and, therefore, are not in the funds.

REGENCY METROPOLITAN DISTRICT

Notes to Financial Statements December 31, 2022

The Governmental Funds Statement of Revenues, Expenditures, and Changes in Fund Balances/Statement of Activities includes an adjustments column. The adjustments have the following elements:

- 1) Governmental funds report interest expense on the modified accrual basis; however, interest expense is reported on the full accrual method on the Statement of Activities;
- 2) Governmental funds report long-term debt payments as expenditures, however, in the statement of activities, the payment of long-term debt is recorded as a decrease of long-term liabilities.
- 3) Governmental funds report developer advances and/or bond proceeds as revenue; and,
- 4) Governmental funds report long-term debt payments as expenditures, however, in the statement of activities, the payment of long-term debt is recorded as a decrease of long-term liabilities.

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SUPPLEMENTAL INFORMATION

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REGENCY METROPOLITAN DISTRICT

SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE - BUDGET AND ACTUAL - DEBT SERVICE FUND

For the Year Ended December 31, 2022

	Original & Final		Variance
	<u>Budget</u>	<u>Actual</u>	Favorable <u>(Unfavorable)</u>
REVENUES			
Property taxes	\$ 168,032	\$ 168,033	\$ 1
Specific ownership taxes	13,400	14,859	1,459
Interest income	<u>200</u>	<u>6,450</u>	<u>6,250</u>
Total Revenues	<u>181,632</u>	<u>189,342</u>	<u>7,710</u>
EXPENDITURES			
Bond interest expense	186,000	186,000	-
Paying agent fees	3,500	3,500	-
Contingency	9,000	-	9,000
Treasurer's fees	<u>2,520</u>	<u>2,520</u>	<u>-</u>
Total Expenditures	<u>201,020</u>	<u>192,020</u>	<u>9,000</u>
NET CHANGE IN FUND BALANCE	(19,388)	(2,678)	16,710
FUND BALANCE:			
BEGINNING OF YEAR	<u>326,108</u>	<u>327,155</u>	<u>1,047</u>
END OF YEAR	<u>\$ 306,720</u>	<u>\$ 324,477</u>	<u>\$ 17,757</u>

The notes to the financial statements are an integral part of these statements.

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REGENCY METROPOLITAN DISTRICT

SUMMARY OF ASSESSED VALUATION, MILL LEVY AND PROPERTY TAXES COLLECTED

December 31, 2022

Year Ended <u>December 31,</u>	Prior Year Assessed Valuation for Current Year Property <u>Tax Levy</u>	Mills Levied		Total Property Tax		Percent Collected to Levied
		<u>General</u>	<u>Debt</u>	<u>Levied</u>	<u>Collected</u>	
		<u>Fund</u>	<u>Service</u>			
2007	\$ 224,870	8.000	34.826	\$ 9,630	\$ 9,630	100.00%
2008	\$ 594,130	8.000	34.826	\$ 25,444	\$ 25,444	100.00%
2009	\$ 1,802,560	8.000	34.826	\$ 77,196	\$ 77,198	100.00%
2010	\$ 2,502,690	8.000	34.826	\$ 107,180	\$ 104,746	97.73%
2011	\$ 2,641,070	8.000	34.826	\$ 113,106	\$ 112,964	99.87%
2012	\$ 2,286,920	10.470	32.356	\$ 97,940	\$ 97,940	100.00%
2013	\$ 3,192,700	8.000	34.826	\$ 136,731	\$ 136,733	100.00%
2014	\$ 4,432,403	8.000	34.826	\$ 189,822	\$ 178,858	94.22%
2015	\$ 4,859,640	6.750	36.076	\$ 208,119	\$ 205,564	98.77%
2016	\$ 5,970,460	6.699	36.127	\$ 255,691	\$ 255,894	100.08%
2017	\$ 5,968,290	6.769	36.057	\$ 255,598	\$ 255,603	100.00%
2018	\$ 6,447,520	6.329	41.015	\$ 305,252	\$ 305,251	100.00%
2019	\$ 6,446,390	6.393	40.894	\$ 304,830	\$ 304,831	100.00%
2020	\$ 6,932,360	22.160	25.500	\$ 330,396	\$ 330,396	100.00%
2021	\$ 6,957,460	23.614	24.000	\$ 331,272	\$ 331,273	100.00%
2022	\$ 7,150,330	24.111	23.500	\$ 340,435	\$ 340,435	100.00%
Estimated for year ending December 31, 2023	\$ 6,970,180	24.936	24.000	\$ 341,092		

NOTE

Property taxes collected in any one year include collection of delinquent property taxes levied and/or abatements or valuations in prior years. Information received from the County Treasurer does not permit identification of specific year assessment.