

REGENCY METROPOLITAN DISTRICT

141 Union Boulevard, Suite 150
Lakewood, Colorado 80228-1898
Tel: (303) 987-0835
Fax: (303) 987-2032

NOTICE OF SPECIAL MEETING AND AGENDA

<u>Board of Directors:</u>	<u>Office:</u>	<u>Term/Expiration:</u>
Thomas J. Brinkman II	President	2022/May 2022
Lisa Brinkman	Vice President	2023/May 2023
Scott Marshall	Treasurer	2022/May 2022
James E. Marshall	Assistant Secretary	2022/May 2022
Shelley Marshall	Assistant Secretary	2023/May 2023
Ann E. Finn	Secretary	

DATE: June 9, 2020

TIME: 4:30 p.m.

Due to Executive Order D 2020 044 Safer at Home issued by Governor Polis on April 26, 2020, and Public Health Order 20-28 implementing the Executive Order, issued by the Colorado Department of Health and Environment (CDPHE) on April 26, 2020, this meeting will be held via teleconferencing and can be joined through the directions below:

CONFERENCE CALL NUMBER: **1-877-261-8991**
PASSCODE: **6168588**

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.

1. Discuss status of the District's website.

C. Discuss results of the cancelled May 5, 2020 Regular Directors' Election (enclosure).

D. Consider appointment of Officers:

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

E. Review and approve the Minutes of the October 8, 2019 Regular Meeting (enclosure).

F. Consider authorizing all interested Board Members (and guest) to attend the 2020 SDA Conference in Keystone on September 23, 24 and 25, 2020.

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 payment of claims for the period September 1, 2019 through May 31, 2020 for the total amount of \$272,604.50 (enclosure):

B. Review and accept unaudited financial statements through the period ending May 31, 2020 (enclosure).

C. Review and consider approval of 2019 (draft audit – enclosed) Audit and authorize execution of Representations Letter (enclosure).

D. Ratify appointment of the District Accountant to prepare the 2021 Budget and set the date for a Public Hearing to adopt the 2021 Budget for October 13, 2020, at 6:30 p.m., to be held at the Colorado Escrow and Title, 10851 South Crossroads Drive, Suite B, Parker, Colorado 80134.

IV. LEGAL MATTERS

A. _____

V. OTHER MATTERS

A. _____

VI. ADJOURNMENT **THE NEXT REGULAR MEETING IS SCHEDULED FOR
OCTOBER 13, 2020 – BUDGET HEARING**

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 5, 2020 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>
Lisa S. Brinkman	Second Regular Election, May 2023
Shelley D. Marshall	Second Regular Election, May 2023

/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

RECORD OF PROCEEDINGS

MINUTES OF A REGULAR MEETING OF THE BOARD OF DIRECTORS OF THE REGENCY METROPOLITAN DISTRICT HELD OCTOBER 8, 2019

A Regular Meeting of the Board of Directors of the Regency Metropolitan District (referred to hereafter as "Board") was convened on Tuesday, the 8th day of October, 2019, at 3:30 p.m., at the Parker Library, 20105 East Mainstreet, Parker, Colorado. The meeting was open to the public.

ATTENDANCE

Directors In Attendance Were:

Thomas J. Brinkman II
James E. Marshall
Shelley Marshall

Following discussion, upon motion duly made by Director Thomas Brinkman, seconded by Director Shelley Marshall and, upon vote, unanimously carried, the absences of Scott Marshall and Lisa Brinkman were excused.

Also In Attendance Were:

Ann E. Finn; Special District Management Services, Inc.

MaryAnn McGeady, Esq. and Christopher Brummitt, Esq.; McGeady Becher P.C.

Eric Weaver; 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 McGeady requested members of the Board to disclose any potential conflicts of interest with regard to 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 McGeady noted that Directors' Disclosure Statements have been filed for all Directors by the statutory deadline. No additional conflicts were disclosed at the meeting.

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ADMINISTRATIVE MATTERS

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

Following discussion, upon motion duly made by Director Thomas Brinkman, seconded by Director Shelly Marshall and, upon vote, unanimously carried, the Agenda was approved, as amended.

Approval of Meeting Location: The Board entered into a discussion regarding the requirements of Section 32-1-903(1), C.R.S., concerning the location of the District's Board meeting.

Following discussion, upon motion duly made by Director Thomas Brinkman, seconded by Director Shelley Marshall and, upon vote, unanimously carried, the Board determined that because there was not a suitable or convenient location within its boundaries to conduct this meeting, it was determined to conduct the meeting at the above-stated location. The Board further noted that notice of time, date and location was duly posted and that they have not received any objections to the location or any requests that the meeting place be changed by taxpaying electors within its boundaries.

Designation of 24-Hour Posting Location: The Board entered into discussion regarding posting locations for regular meeting notices.

Following discussion, upon motion duly made by Director Thomas Brinkman, seconded by Director Lisa 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 within the boundaries of the District at least 24 hours prior to each meeting at the intersection of Angelica Drive and Caraway Lane, Parker, Colorado.

Minutes: The Board reviewed the Minutes of the May 24, 2019 Special Meeting.

Following discussion, upon motion duly made by Director Thomas Brinkman, seconded by Director Shelley Marshall and, upon vote, unanimously carried, the Minutes of the May 24, 2019 Special Meeting were approved, as amended.

§32-1-809, C.R.S. Reporting Requirements, Mode of Eligible Elector Notification for 2020: The Board discussed §32-1-809, C.R.S. reporting requirements and mode of eligible elector notification for 2020.

Following discussion, upon motion duly made by Director Thomas Brinkman, seconded by Director Shelley Marshall and, upon vote, unanimously carried, the

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Board determined to post the required transparency notice information on the Special District Association's website.

New Legislation Concerning Requirements for Posting Meeting Notices: Attorney McGeady discussed with the Board new legislation concerning requirements for posting meeting notices.

Resolution Establishing Regular Meeting Dates, Time and Location, Establishing District Website, and Designating Location for Posting of 24-Hour Notices: Ms. Finn discussed with the Board Resolution No. 2019-10-01; Resolution Establishing Regular Meeting Dates, Time and Location, Establishing District Website, and Designating Location for Posting of 24-Hour Notices.

The Board determined to meet at 3:30 p.m. on June 9, 2020 and October 13, 2020 at the Colorado Escrow and Title, 10851 South Crossroads Drive, Suite B, Parker, Colorado 80134.

Following discussion, upon motion duly made by Director Thomas Brinkman, seconded by Director Shelley Marshall and, upon vote, unanimously carried, the Board adopted Resolution No. 2019-10-01; Resolution Establishing Regular Meeting Dates, Time and Location, Establishing District Website, and Designating Location for Posting of 24-Hour Notices.

Eligible Governmental Entity ("EGE") Agreement Between the Statewide Internet Portal Authority of the State of Colorado ("SIPA") and the District: The Board reviewed the EGE Agreement between SIPA and the District.

Following discussion, upon motion duly made by Director Thomas Brinkman, seconded by Director Shelley Marshall and, upon vote, unanimously carried, the Board approved the EGE Agreement between SIPA and the District for the creation of an expanded District website, and directed that two years of District information (agendas, minutes, budgets, audits) be posted on the website.

PUBLIC COMMENT There was no public comment.

RECORD OF PROCEEDINGS

FINANCIAL MATTERS

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

Fund	Period ending March 31 – April 30, 2019	Period ending May 1 – September 30, 2019
General	\$ 1,693.63	\$ 16,233.40
Debt	\$ -0-	\$ 180,498.00
Capital	\$ -0-	\$ -0-
Total	\$ 1,693.63	\$ 377,229.40

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

Claims Policy: The Board entered into discussion regarding establishing a new procedure for approving claims between Board meetings.

Following discussion, upon motion duly made by Director Brinkman, seconded by Director Shelly Marshall and, upon vote, unanimously carried, the Board adopted the new approval process for approving claims between Board meetings. It was determined all claims will be sent to all Directors for review prior to payment. Directors will have five (5) days to review and respond. If no response is received by staff, claims will only need to be approved by two designated Directors for payment.

Unaudited Financial Statements / Schedule of Cash Position: Mr. Weaver reviewed with the Board the unaudited financial statements dated August 31, 2019, and the schedule of cash position dated August 31, 2019.

Following discussion, upon motion duly made by Director Thomas Brinkman, seconded by Director Shelley Marshall and, upon vote, unanimously carried, the Board accepted the unaudited financial statements dated August 31, 2019, and the schedule of cash position dated August 31, 2019, as presented.

2018 Audit: The Board reviewed the 2018 Audit.

Following review and discussion, upon motion duly made by Director Thomas Brinkman, seconded by Director Shelley Marshall and, upon vote, unanimously carried, the Board ratified the approval of the 2018 Audit and the authorization of execution of the Representations Letter.

2019 Audit: The Board reviewed the engagement letter from Simmons & Wheeler, P.C. to perform the 2019 Audit.

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Following discussion, upon motion duly made by Director Thomas Brinkman, seconded by Director Shelley Marshall and, upon vote, unanimously carried, the Board approved the engagement of Simmons & Wheeler, P.C. to perform the 2019 Audit, for an amount not to exceed \$4,300.

2019 Budget Amendment Hearing: The President opened the public hearing to consider the Resolution to Amend the 2019 Budget and discuss related issues.

It was noted that publication of Notice stating that the Board would consider adoption of a Resolution to Amend the 2019 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.

Following review and discussion, the Board noted that the 2019 Budget was previously amended on May 24, 2019, and that no further amendment to the 2019 Budget was needed.

2020 Budget Hearing: The President opened the public hearing to consider the proposed 2020 Budget and discuss related issues.

It was noted that publication of Notice stating that the Board would consider adoption of the 2020 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 2019 expenditures and the proposed 2020 expenditures with the Board.

Following discussion, the Board considered the adoption of Resolution No. 2019-10-03 to Adopt the 2020 Budget and Appropriate Sums of Money and Resolution No. 2019-10-04 to Set Mill Levies (for the General Fund at 22.160 mills and the Debt Service Fund at 25.500 mills, for a total of 47.660 mills). Upon motion duly made by Director Thomas Brinkman, seconded by Director Shelley Marshall and, upon vote, unanimously carried, the Resolutions were adopted, as discussed, 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, 2019. 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, 2019. Ms. Finn. was also authorized to transmit the Certification of Budget to the

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Division of Local Government not later than January 30, 2020. Copies of the adopted Resolutions are attached hereto and incorporated herein by this reference.

Resolution Regarding Adjustment of the District Mill Levy: Following review and discussion, upon motion duly made by Director Thomas Brinkman, seconded by Director Shelley Marshall and, upon vote, unanimously carried, the Board adopted Resolution No. 2019-10-06, Resolution of the Board of Directors of Regency Metropolitan District Authorizing the Adjustment of the District Mill Levy in Accordance with the Colorado Constitution, Article X, Section 3. A copy of the adopted Resolution is attached to these minutes and incorporated herein by this reference.

DLG-70 Mill Levy Certification Form: The Board considered authorizing the District Manager 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 Thomas Brinkman, seconded by Director Shelley Marshall and, upon vote, unanimously carried, the Board authorized the District Manager to prepare and sign the DLG-70 Mill Levy Certification form for certification to the Board of County Commissioners and other interested parties.

Preparation of the 2021 Budget: The Board discussed preparation of the 2021 Budget.

Following discussion, upon motion duly made by Director Thomas Brinkman, seconded by Director Shelley Marshall, and upon vote, unanimously carried, the Board appointed the District Accountant to prepare the 2021 Budget, and directed that the form of the 2021 budget be the same as the 2020 budget, unless directed otherwise by a Board Member.

LEGAL MATTERS

Election Resolution: The Board discussed Resolution No. 2019-10-05; Resolution Calling a Regular Election for Directors on May 5, 2020, appointing the Designated Election Official (“DEO”) and authorizing the DEO to perform all tasks required for the conduct of a mail ballot election. The Self Nomination Form will be provided to the HOA.

Following discussion, upon motion duly made by Director Thomas Brinkman, seconded by Director Shelley Marshall and, upon vote, unanimously carried, the Board adopted Resolution No. 2019-10-05; Resolution Calling a Regular Election for Directors on May 5, 2020, appointing the DEO and authorizing the DEO to

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perform all tasks required for the conduct of a mail ballot election. A copy of the adopted Resolution is attached hereto and incorporated herein by this reference.

McGeady Becher District Records Retention: Attorney McGeady reviewed with the Board the update to the McGeady Becher P.C. District Document Retention Policy.

Following discussion, upon motion duly made by Director Thomas Brinkman, seconded by Director Shelley Marshall, and upon vote, unanimously carried, the Board approved the update and directed a copy of the approved updated McGeady Becher P.C. District Document Retention Policy (“Policy”) be attached to the minutes of this meeting. Accordingly, a copy of the Policy is attached hereto and incorporated herein by reference.

OTHER MATTERS

There are no other matters.

ADJOURNMENT

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

Respectfully submitted,

By: _____
Secretary for the Meeting

RESOLUTION NO. 2020 - 10 - 01

**RESOLUTION OF THE BOARD OF DIRECTORS OF
THE REGENCY METROPOLITAN DISTRICT
ESTABLISHING REGULAR MEETING DATES, TIME, AND LOCATION,
[ESTABLISHING DISTRICT WEBSITE] AND
DESIGNATING LOCATION FOR POSTING OF 24-HOUR NOTICES**

A. Pursuant to Section 32-1-903, C.R.S., special districts are required to designate a schedule for regular meetings, indicating the dates, time and location of said meetings.

B. Pursuant to Section 24-6-402(2)(c)(I), C.R.S., special districts are required to designate annually at the board of directors of the district's first regular meeting of each calendar year, the public place at which notice of the date, time and location of regular and special meetings ("**Notice of Meeting**") will be physically posted at least 24 hours prior to each meeting ("**Designated Public Place**"). A special district is deemed to have given full and timely notice of a regular or special meeting if it posts its Notice of Meeting at the Designated Public Place at least 24 hours prior to the meeting.

C. Pursuant to Section 24-6-402(2)(c)(III), C.R.S., special districts are relieved of the requirement to post the Notice of Meeting at the Designated Public Place, and are deemed to have given full and timely notice of a public meeting, if a special district posts the Notice of Meeting online at a public website of the special district ("**District Website**") at least 24 hours prior to each regular and special meeting

D. Pursuant to Section 24-6-402(2)(c)(III), C.R.S., if a special district is unable to post a Notice of Meeting on the District Website at least 24 hours prior to the meeting due to exigent or emergency circumstances, then it must physically post the Notice of Meeting at the Designated Public Place at least 24 hours prior to the meeting.

E. Pursuant to Section 32-1-903, C.R.S., all special and regular meetings of the board shall be held at locations which are within the boundaries of the district or which are within the boundaries of any county in which the district is located, in whole or in part, or in any county so long as the meeting location does not exceed twenty (20) miles from the district boundaries unless such provision is waived.

F. The provisions of Section 32-1-903, C.R.S., may be waived if: (1) the proposed change of location of a meeting of the board appears on the agenda of a regular or special meeting; and (2) a resolution is adopted by the board stating the reason for which a meeting is to be held in a location other than under Section 32-1-903(1), C.R.S., and further stating the date, time and place of such meeting.

NOW, THEREFORE, BE IT RESOLVED by the Board of Directors of the Regency Metropolitan District (the "**District**"), Douglas County, Colorado:

1. That the provisions of Section 32-1-903(1), C.R.S., be waived pursuant to the adoption of this Resolution.

2. That the Board of Directors (the “**District Board**”) has determined that conducting regular and special meetings pursuant to Section 32-1-903(1), C.R.S., would be inconvenient and costly for the directors and consultants of the District in that they live and/or work outside of the twenty (20) mile radius requirement.

3. That regular meetings of the District Board for the year 2020 shall be held on June 9 and October 13, 2020 at 3:30 p.m., at the offices of Colorado Escrow and Title, 10851 S. Crossroads Drive, Suite B, Parker, CO 80134.

4. That special meetings of the District Board shall be held as often as the needs of the District require, upon notice to each director.

5. That, until circumstances change, and a future resolution of the District Board so designates, the location of all special and regular meetings of the District Board shall appear on the agenda(s) of said special and regular meetings.

6. That the residents and taxpaying electors of the District shall be given an opportunity to object to the meeting(s) location(s), and any such objections shall be considered by the District Board in setting future meetings.

7. That the District Board authorizes establishment of a District Website, if such District Website does not already exist, in order to provide full and timely notice of regular and special meetings of the District Board online pursuant to the provisions of Section 24-6-402(2)(c)(III), C.R.S.

8. That, if the District has established a District Website, the Notice of Meeting of the District Board shall be posted on the District Website at least 24 hours prior to each regular and special meeting pursuant to Section 24-6-402(2)(c)(III), C.R.S. and Section 32-1-903(2), C.R.S.

9. That, if the District has not yet established a District Website or is unable to post the Notice of Meeting on the District Website at least 24 hours prior to each meeting due to exigent or emergency circumstances, the Notice of Meeting shall be posted within the boundaries of the District at least 24 hours prior to each meeting, pursuant to Section 24-6-402(2)(c)(I) and (III), C.R.S., at the following Designated Public Place:

(a) Intersection of Angelica Drive and Caraway Lane

10. Special District Management Services, Inc., or his/her designee, is hereby appointed to post the above-referenced notices.

[SIGNATURE PAGE FOLLOWS]

[SIGNATURE PAGE TO RESOLUTION ESTABLISHING REGULAR MEETING DATES, TIME, AND LOCATION, [ESTABLISHING DISTRICT WEBSITE] AND DESIGNATING LOCATION FOR 24-HOUR NOTICES]

RESOLUTION APPROVED AND ADOPTED on OCT 8, 20 19.

REGENCY METROPOLITAN DISTRICT

By: Thomas J. Brink
President

Attest:

ATJ
Secretary

RESOLUTION NO. 2019 - 10 - 03
A RESOLUTION OF THE BOARD OF DIRECTORS
OF THE REGENCY METROPOLITAN DISTRICT
TO ADOPT THE 2020 BUDGET AND APPROPRIATE SUMS OF MONEY

WHEREAS, the Board of Directors of the Regency Metropolitan District ("District") has appointed the District Accountant to prepare and submit a proposed 2020 budget to the Board at the proper time; and

WHEREAS, the District Accountant has submitted a proposed budget to this Board on or before October 15, 2019, for its consideration; and

WHEREAS, upon due and proper notice, published or posted in accordance with the law, said proposed budget was open for inspection by the public at a designated place, a public hearing was held on October 8, 2019, and interested electors were given the opportunity to file or register any objections to said proposed budget; and

WHEREAS, the budget has been prepared to comply with all terms, limitations and exemptions, including, but not limited to, reserve transfers and expenditure exemptions, under Article X, Section 20 of the Colorado Constitution ("TABOR") and other laws or obligations which are applicable to or binding upon the District; and

WHEREAS, whatever increases may have been made in the expenditures, like increases were added to the revenues so that the budget remains in balance, as required by law.

WHEREAS, the Board of Directors of the District has made provisions therein for revenues in an amount equal to or greater than the total proposed expenditures as set forth in said budget; and

WHEREAS, it is not only required by law, but also necessary to appropriate the revenues provided in the budget to and for the purposes described below, as more fully set forth in the budget, including any interfund transfers listed therein, so as not to impair the operations of the District.

NOW, THEREFORE, BE IT RESOLVED by the Board of Directors of the Regency Metropolitan District:

1. That the budget as submitted, amended, and summarized by fund, hereby is approved and adopted as the budget of the Regency Metropolitan District for the 2020 fiscal year.
2. That the budget, as hereby approved and adopted, shall be certified by the Secretary of the District to all appropriate agencies and is made a part of the public records of the District.

3. That the sums set forth as the total expenditures of each fund in the budget attached hereto as **EXHIBIT A** and incorporated herein by reference are hereby appropriated from the revenues of each fund, within each fund, for the purposes stated.

ADOPTED this 8th day of October, 2019.



A handwritten signature in blue ink, appearing to be "AET", is written above a horizontal line.

Secretary

EXHIBIT A
(Budget)

REGENCY METROPOLITAN DISTRICT

2020 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 2020 budget was prepared in accordance with the Local Government Budget Law of Colorado. The budget reflects the projected spending plan for the 2020 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. 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 7.54% to \$6,932,360 in 2019. The District certified 47.660 mills for 2020 collection, with 25.500 mills dedicated to the Debt Service Fund and 22.160 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% 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 Net Position
August 31, 2019

	General Fund	Debt Service	Fixed Assets & LTD	TOTAL ALL FUNDS
ASSETS				
CASH				
First Bank Checking	1,462			1,462
ColoTrust	249,517			249,517
US Bank - Pledged Revenue Fund		-		-
US Bank - Loan Payment Fund		215		215
US Bank - Reserve Fund		-		-
UMB - Reserve Fund		303,361		303,361
UMB - Bond Payment Fund		16,885		16,885
Inter-Fund Balances	(214,333)	214,333		-
TOTAL CASH	36,646	534,794	-	571,440
OTHER CURRENT ASSETS				
Due From County Treasurer	-	-		-
Property Taxes Receivable	-	-		-
Prepaid Expenses	-	-		-
TOTAL OTHER CURRENT ASSETS	-	-	-	-
FIXED ASSETS				
Parks Equipment			80,000	80,000
Accumulated Depreciation			(64,000)	(64,000)
TOTAL FIXED ASSETS	-	-	16,000	16,000
DEFERRED OUTFLOWS				
Deferred Loss on Refunding			114,263	114,263
TOTAL DEFERRED INFLOWS	-	-	114,263	114,263
TOTAL ASSETS & DEF INFLOWS	36,646	534,794	130,263	701,703
LIABILITIES & DEFERED INFLOWS				
CURRENT LIABILITIES				
Accounts Payable	10,427			10,427
TOTAL CURRENT LIABILITIES	10,427	-	-	10,427
DEFERRED INFLOWS				
Deferred Property Taxes	-	-		-
TOTAL DEFERRED INFLOWS	-	-	-	-
LONG-TERM LIABILITIES				
Bonds Payable-Series 2015			-	-
Bonds Payable-Series 2019			3,720,000	3,720,000
Developer Advance- Ops			148,801	148,801
Developer Advance- Cap			351,141	351,141
Accrued Interest- Bonds			9,131	9,131
Accrued Interest- Dev Adv- Ops			105,973	105,973
Accrued Interest- Dev Adv- Cap			323,943	323,943
TOTAL LONG-TERM LIABILITIES	-	-	4,658,988	4,658,988
TOTAL LIAB & DEF INFLOWS	10,427	-	4,658,988	4,669,415
NET POSITION				
Net Investment in Capital Assets			16,000	16,000
Amount to be Provided for Debt			(4,544,725)	(4,544,725)
Fund Balance- Nonspendable	-			-
Fund Balance- Restricted	1,380	534,794	-	536,174
Fund Balance- Unassigned	24,839			24,839
TOTAL NET POSITION	26,219	534,794	(4,528,725)	(3,967,712)

No assurance is provided on these financial statements:

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

Print Date: 12/29/19

	2018 Audited Actual	2019 Adopted Budget	2019 Amended Budget	2019 Forecast	YTD Thru 08/31/19 Actual	YTD Thru 08/31/19 Budget	Variance Favorable (Unfavor)	2020 Adopted Budget	Notes/Assumptions
PROPERTY TAXES									
Assessed Valuation	6,447,520	6,446,390	6,446,390	6,446,390				6,932,360	November Final Values
Mill Levy Breakdown:									
Mill Levy - Operations	6.329	6.393	6.393	6.393				22.160	Remaining Available
Mill Levy - Debt Service	41.015	31.782	31.782	31.782				25.500	To Cover Debt Service Costs
Mill Levy - Contractual Obligations	0.000	9.112	9.112	9.112				0.000	No Longer Used
Total	47.344	47.287	47.287	47.287				47.660	35 mills gallagherized
Property Tax Revenue - Operations	40,804	41,212	41,212	41,212				153,621	AV * Mill Levy / 1,000
Property Tax Revenue - Debt & Cont Oblig	264,445	263,619	263,619	263,619				176,775	AV * Mill Levy / 1,000
Total	305,249	304,830	304,830	304,830				330,396	
COMBINED FUNDS									
REVENUE									
Property Taxes	305,252	304,830	304,830	304,828	304,831	304,830	0	330,396	AV * Mill Levy / 1,000
Specific Ownership Taxes	32,281	30,500	30,500	30,521	17,128	17,792	(664)	29,726	9% of Taxes
Interest	6,068	5,200	5,200	6,650	4,603	3,467	1,136	5,200	Based on 2019 Forecast
Loan/Bond Proceeds, Prem, & Disc	29,000	-	3,805,523	3,805,523	3,805,523	-	3,805,523	-	Bonds Refunded in 2019
TOTAL REVENUE	372,600	340,530	4,146,053	4,147,522	4,132,084	326,089	3,805,996	365,322	
EXPENDITURES									
General Government	41,539	52,387	63,387	43,235	31,953	40,415	8,462	59,886	All non-debt expenses
Debt Service- Bond Principal & Interest	203,348	204,876	3,446,873	3,446,873	3,364,205	54,938	(3,309,267)	186,000	See Debt Service Fund
Debt Service- Developer Repayments	188,301	97,000	155,000	160,000	-	-	-	120,000	See General & Debt Svc Funds
Debt Service- Cost of Issuance	-	-	259,898	257,639	257,639	-	(257,639)	-	
TOTAL EXPENDITURES	433,188	354,263	3,925,157	3,907,747	3,653,797	95,354	(3,558,444)	365,886	
CHANGE IN FUND BALANCE	(60,588)	(13,733)	220,896	239,775	478,287	230,735	247,552	(564)	
BEGINNING FUND BALANCE	143,314	86,044	87,150	82,726	82,725	86,044	(3,319)	322,501	
ENDING FUND BALANCE	82,726	72,311	308,047	322,501	561,013	316,779	244,233	321,937	
COMPONENTS OF FUND BALANCE									
Nonspendable	-	4,305	4,305	4,000	-	-	-	4,200	Prepaid Insurance
TABOR Emergency Reserve	1,384	-	-	1,380	1,380	1,019	361	-	Budgeted as an Expense
Restricted For Debt Service	72,457	66,739	302,474	316,529	534,794	291,777	243,017	316,861	Per Debt Service Fund
Unassigned/ Other	8,884	1,267	1,267	592	24,839	23,983	856	876	Per General Fund
TOTAL ENDING FUND BALANCE	82,726	72,311	308,047	322,501	561,013	316,779	244,233	321,937	

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

	2018 Audited Actual	2019 Adopted Budget	2019 Amended Budget	2019 Forecast	YTD Thru 08/31/19 Actual	YTD Thru 08/31/19 Budget	Variance Favorable (Unfavor)	2020 Adopted Budget	Notes/Assumptions
GENERAL FUND									
REVENUE									
1-510	40,806	41,212	41,212	41,212	41,212	41,212	0	153,621	AV * Mill Levy / 1,000
1-515	4,315	4,100	4,100	4,121	2,392	2,392	(76)	13,826	9% of Taxes
1-560	1,005	1,000	1,000	650	667	667	(246)	500	Based on 2019 Forecast
	46,127	46,312	46,312	45,983	43,948	44,270	(322)	167,947	
EXPENDITURES									
Administration									
1-612	13,074	7,200	7,200	7,200	5,796	5,400	(396)	7,500	Based on 2019 Forecast
1-614	5,964	6,600	6,600	8,600	6,592	4,400	(2,192)	7,000	Based on 2019 Budget
1-615	4,100	4,500	4,500	4,100	4,100	4,500	400	4,750	Based on 2019 Forecast
1-635	1,154	-	-	-	-	-	-	1,500	Assume Canceled
1-670	4,236	4,100	4,100	3,736	3,736	4,100	364	4,000	Based on 2019 Forecast
1-675	6,074	9,500	9,500	9,500	6,560	6,333	(226)	10,000	Based on 2019 Forecast
1-685	335	1,525	1,525	1,525	596	1,017	420	1,750	Based on 2019 Forecast
1-700	612	618	618	618	618	618	(0)	2,304	1.5% of property taxes
1-795	-	1,389	1,389	-	-	926	926	5,038	Emergencies- 3% of Revenues
	-	10,000	10,000	-	-	6,667	6,667	5,000	Unforseen needs
	35,550	45,433	45,433	35,279	27,998	33,961	5,964	48,843	
Debt Service									
1-710	10,500	-	-	15,000	-	-	-	120,000	Use available funds
	-	10,000	10,000	-	-	-	-	-	Ops above paid first
	-	-	-	-	-	-	-	-	Principal paid first
	-	-	-	-	-	-	-	-	Principal paid first
	10,500	10,000	10,000	15,000	-	-	-	120,000	
	46,050	55,433	55,433	50,279	27,998	33,961	5,964	168,843	
	77	(9,121)	(9,121)	(4,296)	15,951	10,309	5,642	(896)	
OTHER SOURCES / (USES)									
1-780	-	-	-	-	-	-	-	-	Transfer to Debt Service
	77	(9,121)	(9,121)	(4,296)	15,951	10,309	5,642	(896)	
CHANGE IN FUND BALANCE									
1-450	10,191	14,693	14,693	10,268	10,268	14,693	(4,425)	5,972	
	10,268	5,572	5,572	5,972	26,219	25,002	1,217	5,076	
	=	=	=	=	=	=	=	=	
COMPONENTS OF FUND BALANCE:									
	-	4,305	4,305	4,000	-	-	-	4,200	Prepaid Insurance
	1,384	-	-	1,380	1,380	464	916	-	Budgeted as an Expense
	8,884	1,267	1,267	592	24,839	24,538	301	876	
	10,268	5,572	5,572	5,972	26,219	25,002	1,217	5,076	
	=	=	=	=	=	=	=	=	

All amounts are provided on these financial statements.

I, Ann E. Finn, hereby certify that I am the duly appointed Secretary of the Regency Metropolitan District, and that the foregoing is a true and correct copy of the budget for the budget year 2020, duly adopted at a meeting of the Board of Directors of the Regency Metropolitan District held on October 8, 2019.

By: 
Secretary

RESOLUTION NO. 2019 - 10 - 04
A RESOLUTION OF THE BOARD OF DIRECTORS
OF THE REGENCY METROPOLITAN DISTRICT
TO SET MILL LEVIES

WHEREAS, the Board of Directors of the Regency Metropolitan District ("District") has adopted the 2020 annual budget in accordance with the Local Government Budget Law on October 8, 2019; and

WHEREAS, the adopted budget is attached to the Resolution of the Board of Directors to Adopt the 2020 Budget and Appropriate Sums of Money, and such budget is incorporated herein by this reference; and

WHEREAS, the amount of money necessary to balance the budget for general fund expenses from property tax revenue is identified in the budget; and

WHEREAS, the amount of money necessary to balance the budget for debt service fund expenses from property tax revenue is identified in the budget; and

NOW, THEREFORE, BE IT RESOLVED by the Board of Directors of the Regency Metropolitan District:

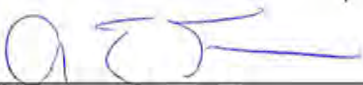
1. That for the purposes of meeting all general fund expenses of the District during the 2020 budget year, the District determined to levy mills upon each dollar of the total valuation for assessment of all taxable property within the District, as set forth in the budget, to raise the required revenue.

2. That for the purposes of meeting all debt service fund expenses of the District during the 2020 budget year, the District determined to levy mills upon each dollar of the total valuation for assessment of all taxable property within the District, as set forth in the budget, to raise the required revenue.

3. That the District Accountant of the District is hereby authorized and directed to immediately certify to the County Commissioners of Douglas County, Colorado, the mill levies for the District as set forth in the District's Certification of Tax Levies (attached hereto as **EXHIBIT A** and incorporated herein by reference), recalculated as needed upon receipt of the final certification of valuation from the County Assessor in order to comply with any applicable revenue and other budgetary limits.

ADOPTED this 8th day of October, 2019.





Secretary

EXHIBIT A
(Certification of Tax Levies)

CERTIFICATION OF TAX LEVIES for NON-SCHOOL Governments

TO: County Commissioners¹ of Douglas County, Colorado.

On behalf of the Regency Metropolitan District

(taxing entity)^A

the Board of Directors

(governing body)^B

of the Regency Metropolitan District

(local government)^C

Hereby officially certifies the following mills to be levied against the taxing entity's GROSS assessed valuation of:

\$ 6,932,360

(Gross^D assessed valuation, Line 2 of the Certification of Valuation Form DLG 57^E)

Note: If the assessor certified a NET assessed valuation (AV) different than the GROSS AV due to a Tax Increment Financing (TIF) Area^F the tax levies must be calculated using the NET AV. The taxing entity's total property tax revenue will be derived from the mill levy multiplied against the NET assessed valuation of:

\$ 6,932,360

(NET^G assessed valuation, Line 4 of the Certification of Valuation Form DLG 57)

USE VALUE FROM FINAL CERTIFICATION OF VALUATION PROVIDED BY ASSESSOR NO LATER THAN DECEMBER 10


Submitted: 12/9/2019
(not later than Dec 15) (mm/dd/yyyy)

for budget/fiscal year 2020
(yyyy)

PURPOSE (see end notes for definitions and examples)	LEVY ²	REVENUE ²
1. General Operating Expenses ^H	<u>22.160</u> mills	<u>\$ 153,621.10</u>
2. <Minus> Temporary General Property Tax Credit/ Temporary Mill Levy Rate Reduction ^I	<u>0.000</u> mills	<u>\$ -</u>
SUBTOTAL FOR GENERAL OPERATING:	<u>22.160</u> mills	<u>\$ 153,621.10</u>
3. General Obligation Bonds and Interest ^J	<u>25.500</u> mills	<u>\$ 176,775.18</u>
4. Contractual Obligations ^K	<u>0.000</u> mills	<u>\$ -</u>
5. Capital Expenditures ^L	<u>0.000</u> mills	<u>\$ -</u>
6. Refunds/Abatements ^M	<u>0.000</u> mills	<u>\$ -</u>
7. Other ^N (specify): _____	<u>0.000</u> mills	<u>\$ -</u>
	<u>0.000</u> mills	<u>\$ -</u>
TOTAL: [Sum of General Operating Subtotal and Lines 3 to 7]	<u>47.660</u> mills	<u>\$ 330,396.28</u>

Contact person: Eric Weaver
(print)

Daytime phone: (970) 926-6060 x 6

Signed: 

Title: District Accountant

Include one copy of this tax entity's completed form when filing the local government's budget by January 31st, per 29-1-113 C.R.S. with the Division of Local Government (DLG), Room 521, 1313 Sherman Street, Denver, Colorado 80203. Questions? Call DLG (303) 864-7720.

¹ If the taxing entity's boundaries include more than one county, you must certify the levies to each county. Use a separate form for each county and certify the same levies uniformly to each county per Article X, Section 3 of the Colorado Constitution.

² Levies must be rounded to three decimal places and revenue must be calculated from the total NET assessed valuation (Line 4 of Form DLG57 on the County Assessor's FINAL certification of valuation).

CERTIFICATION OF TAX LEVIES, continued

THIS SECTION APPLIES TO TITLE 32, ARTICLE 1 SPECIAL DISTRICTS THAT LEVY TAXES FOR PAYMENT OF GENERAL OBLIGATION DEBT (32-1-603 C.R.S.). Taxing entities that are

Special Districts or Subdistricts of Special Districts must certify separate mill levies and revenue to the Board of County Commissioners, one each for the funding requirements of each debt (32-1-603, C.R.S.) Use additional pages as necessary. The Special District's or Subdistrict's total levies for general obligation bonds and total levies for contractual obligations should be recorded on Page 1, Lines 3 and 4 respectively.

CERTIFY A SEPARATE MILL LEVY FOR EACH BOND OR CONTRACT:

BONDS^J:

- 1. Purpose of Issue: Refunding of 2015 Loan
Series: 2019 General Obligation Limited Tax Refunding Bonds
Date of Issue: June 21, 2019
Coupon rate: 5.00%
Maturity Date: December 1, 2046
Levy: 25.500
Revenue: \$176,775.18

- 2. Purpose of Issue: _____
Series: _____
Date of Issue: _____
Coupon rate: _____
Maturity Date: _____
Levy: _____
Revenue: _____

CONTRACTS^K:

- 3. Purpose of Contract: _____
Title: _____
Date: _____
Principal Amount: _____
Maturity Date: _____
Levy: _____
Revenue: _____

- 4. Purpose of Contract: _____
Title: _____
Date: _____
Principal Amount: _____
Maturity Date: _____
Levy: _____
Revenue: _____

Use multiple copies of this page as necessary to separately report all bond and contractual obligations per 32-1-1603, C.R.S.

RESOLUTION NO. 2019-10-___

**A RESOLUTION OF THE BOARD OF DIRECTORS OF
REGENCY METROPOLITAN DISTRICT
CALLING A REGULAR ELECTION FOR DIRECTORS
ON MAY 5, 2020**

A. The terms of the offices of Directors Lisa S. Brinkman and Shelley D. Marshall shall expire upon the election of their successors at the regular election, to be held on May 5, 2020 (“**Election**”), and upon such successors taking office.

B. In accordance with the provisions of the Special District Act (“**Act**”) and the Uniform Election Code (“**Code**”), the Election must be conducted to elect two (2) Directors to serve until the second regular election, to occur May 2, 2023.

NOW, THEREFORE, BE IT RESOLVED by the Board of Directors of the Regency Metropolitan District of the Town of Parker, Douglas County, Colorado (the “**District**”):

1. Date and Time of Election. The Election shall be held on May 5, 2020, between the hours of 7:00 a.m. and 7:00 p.m. pursuant to and in accordance with the Act, Code, and other applicable laws. At that time, two (2) Directors shall be elected to serve until the second regular election, to occur May 2, 2023.

2. Precinct. The District shall consist of one (1) election precinct for the convenience of the eligible electors of the District.

3. Conduct of Election. The Election shall be conducted as an independent mail ballot election in accordance with all relevant provisions of the Code. The Designated Election Official shall have on file, no later than fifty-five (55) days prior to the Election, a plan for conducting the independent mail ballot Election.

4. Designated Election Official. Ann E. Finn shall be the Designated Election Official and is hereby authorized and directed to proceed with any action necessary or appropriate to effectuate the provisions of this Resolution and of the Act, Code or other applicable laws. The Election shall be conducted in accordance with the Act, Code and other applicable laws. Among other matters, the Designated Election Official shall appoint election judges as necessary, arrange for the required notices of election (either by mail or publication) and printing of ballots, and direct that all other appropriate actions be accomplished.

5. Mail-in Ballot Applications. NOTICE IS FURTHER GIVEN, pursuant to Section 1-8-104, C.R.S., that applications for and return of mail-in ballots may be filed with the Designated Election Official of the District, at 141 Union Blvd., Suite 150, Lakewood, Colorado 80228, between the hours of 8:00 a.m. and 5:00 p.m., until the close of business on the Friday immediately preceding the Election (May 1, 2020), except that if the applicant wishes to receive the mail-in ballot by mail, the application shall be filed no later than the close of business on the seventh (7th) day before the Election (April 28, 2020).

6. Self-Nomination and Acceptance Forms. Self-nomination and acceptance forms are available at the office of the Designated Election Official located at the above address. All candidates must file a self-nomination and acceptance form with the Designated Election Official no later than 3:00 p.m. on February 28, 2020.

7. Cancellation of Election. If the only matter before the electors is the election of Directors of the District and if, at 5:00 p.m. on March 3, 2020, there are not more candidates than offices to be filled at the Election, including candidates timely filing affidavits of intent, the Designated Election Official shall cancel the Election and declare the candidates elected. Notice of such cancellation shall be published and posted in accordance with law.

8. Severability. If any part or provision of this Resolution is adjudged to be unenforceable or invalid, such judgment shall not affect, impair or invalidate the remaining provisions of this Resolution, it being the Board of Director's intention that the various provisions hereof are severable.

9. Repealer. All acts, orders and resolutions, or parts thereof, of the Board of Directors which are inconsistent or in conflict with this Resolution are hereby repealed to the extent only of such inconsistency or conflict.

10. Effective Date. The provisions of this Resolution shall take effect as of the date adopted and approved by the Board of Directors of the District.

[SIGNATURE PAGE FOLLOWS]


**[SIGNATURE PAGE TO RESOLUTION
CALLING A REGULAR ELECTION FOR DIRECTORS ON MAY 5, 2020]**

RESOLUTION APPROVED AND ADOPTED on October 8, 2019.

REGENCY METROPOLITAN DISTRICT

By: Thomas J. Bennis II
President

Attest:


Secretary

RECORD OF PROCEEDINGS

McGeady Becher P.C. Document Retention Policy

Types of Documents

In representing you we will or may take possession of, create, and/or keep various types of documents. These consist of documents you provide to us, documents which constitute the District's official public record, and internal documents we create to assist us in providing services to you.

Documents You Provide to Us

It is our policy to copy and return original documents you provide to us as soon as practicable. Exceptions to this policy are original documents which should be kept as part of the District's official public record, instances where we must have an original document to represent you, or cases where we have affirmatively agreed retain a document for safekeeping.

The District's Record

As a part our engagement, we will maintain the District's official public Record (the "**Record**"). The Record is a highly useful and detailed compilation of documents reflecting the official actions of the District and serves multiple functions. First, it collects those documents which the public is entitled to inspect and copy under various state and federal public records and freedom of information statutes. Second, it organizes the records of the District – such as its contracts, land and title records, and easements - in a manner which is useful in conducting the ongoing business of the District. Third, the Record helps expedite the District's annual audit process. Fourth, in the event you should change legal counsel or employ in-house counsel, the Record will enable that counsel to understand the status and assume representation of the District with maximum efficiency.

The Record includes the District's organizational documents, fully executed agreements which are still in effect, rules, regulations, resolutions adopted by the District, official minutes books, meeting notices, agendas, insurance policies, District maps, election records, bond documents, audit documents, and many more. A comprehensive list of documents comprising the Record is available from us at any time upon request.

Creating and maintaining the Record is an important and complex task, and you agree to pay our actual costs and hourly fees associated with doing this.

Supplemental Documents

All other documents created in course of representing you are referred to as Supplemental Documents. These include our notes, drafts, memoranda, worksheets, electronic communications, and other electronic documents stored in various media or file servers.

Documents We Retain

Except as provided in this Document Retention Policy or an amendment thereto, we will keep the Record and any original documents accepted by us for safekeeping so long as we represent you.

RECORD OF PROCEEDINGS

Delivery of the Record

Once a matter is concluded or our has representation terminated, we deliver the original, printed Record, together with any original documents we have accepted for safekeeping, to you or the District's designee, provided our fees and costs have been paid in full. If you do not designate someone to receive these records, we will deliver them to a then-current officer or director of the District. If we are unable to deliver these documents because of your failure to designate a recipient, we may retain, destroy, or otherwise dispose of them in manner which assures their continued confidentiality within thirty (30) days following the conclusion of a matter or the termination of our representation.

We will also confidentially destroy the Record of any District in our possession if a final order of dissolution of the District is entered.

All other documents, including all Supplemental Documents, are routinely, periodically, confidentially, and permanently purged by us once they are no longer useful to us in providing services to you.

Regency Metropolitan District
 Payment of Claims
 May 31, 2020

GENERAL FUND PAYMENTS TO BE RATIFIED

<u>Payee</u>	<u>Description</u>	<u>Amount</u>
Colorado Community Media	Advertising Budgets & Elections	\$46.24
First Bank	Bank Fees - Oct-May	\$100.00
CO Special Dist Property & Liability Pool	Workers Compensation	\$395.00
	Liability Insurance	\$2,671.00
Marchetti & Weaver, LLC	Accounting - August	\$202.19
	Accounting - September	\$520.21
	Accounting - October	\$2,255.36
	Accounting - November	\$641.56
	Accounting - December	\$1,347.32
	Accounting - January	\$552.37
	Accounting - February	\$3,365.84
	Accounting - March	\$364.97
McGeady Becher, P.C	Legal - October	\$2,226.28
	Legal - November	\$180.50
	Legal - December	\$94.13
	Legal - January	\$877.34
	Legal - February	\$621.35
	Legal - March	\$999.29
RLI Surety	Director Bonds	\$250.00
Simmons & Wheeler	2019 Audit	\$4,300.00
Special District Association	2020 Dues	\$411.42
Special District Management Services, Inc	District Management - September	\$591.52
	District Management - October	\$1,381.92
	District Management - November	\$198.40
	District Management - December	\$494.43
	District Management - January	\$1,263.19
	District Management - February	\$1,400.39
	District Management - March	\$906.49
	District Management - April	\$2,170.79
T Charles Wilson Insurance	Insurance	\$775.00
TOTAL GENERAL FUND PAYMENTS TO BE RATIFIED & APPROVED		<u>\$31,604.50</u>

DEBT SERVICE PAYMENTS TO BE RATIFIED

<u>Date of Invoice</u>	<u>Amount</u>	<u>Payee</u>
P & S Investments	Developer Reimbursement	\$145,000.00
UMB Bank N.A.	Bond Interest	\$93,000.00
	Paying Agent Fees	\$3,000.00
TOTAL DEBT SERVICE PAYMENTS TO BE RATIFIED & APPROVED		<u>96,000.00</u>

TOTAL TO BE RATIFIED & APPROVED

\$272,604.50

Regency Metropolitan District
Statement of Net Position
May 31, 2020

	General Fund	Debt Service	Fixed Assets & LTD	TOTAL ALL FUNDS
ASSETS				
CASH				
First Bank Checking	4,597			4,597
ColoTrust	95,399			95,399
US Bank- Loan Payment Fund		215		215
UMB - Reserve Fund		302,005		302,005
UMB - Bond Payment Fund		115,239		115,239
Inter-Fund Balances	(20,284)	20,284		-
TOTAL CASH	79,712	437,743	-	517,455
OTHER CURRENT ASSETS				
Due From County Treasurer	-	-		-
Property Taxes Receivable	67,225	77,357		144,582
Accounts Receivable	-	-		-
Prepaid Expenses	-	-		-
TOTAL OTHER CURRENT ASSETS	67,225	77,357	-	144,582
FIXED ASSETS				
Parks Equipment			80,000	80,000
Accumulated Depreciation			(72,000)	(72,000)
TOTAL FIXED ASSETS	-	-	8,000	8,000
DEFERRED OUTFLOWS				
Deferred Loss on Refunding			106,646	106,646
TOTAL DEFERRED INFLOWS	-	-	106,646	106,646
TOTAL ASSETS & DEF INFLOWS	146,937	515,100	114,646	776,683
LIABILITIES & DEFERED INFLOWS				
CURRENT LIABILITIES				
Accounts Payable	5,656			5,656
TOTAL CURRENT LIABILITIES	5,656	-	-	5,656
DEFERRED INFLOWS				
Deferred Property Taxes	67,225	77,357		144,582
TOTAL DEFERRED INFLOWS	67,225	77,357	-	144,582
LONG-TERM LIABILITIES				
Bonds Payable-Series 2015			-	-
Bonds Payable-Series 2019			3,720,000	3,720,000
Developer Advance- Ops			133,801	133,801
Developer Advance- Cap			206,141	206,141
Accrued Interest- Bonds			15,500	15,500
Accrued Interest- Dev Adv- Ops			108,835	108,835
Accrued Interest- Dev Adv- Cap			330,049	330,049
Deferred Bond Premium			83,622	83,622
TOTAL LONG-TERM LIABILITIES	-	-	4,597,947	4,597,947
TOTAL LIAB & DEF INFLOWS	72,881	77,357	4,597,947	4,748,185
NET POSITION				
Net Investment in Capital Assets			8,000	8,000
Amount to be Provided for Debt			(4,491,301)	(4,491,301)
Fund Balance- Nonspendable	-			-
Fund Balance- Restricted	5,039	437,743	-	442,782
Fund Balance- Unassigned	69,017			69,017
TOTAL NET POSITION	74,056	437,743	(4,483,301)	(3,971,502)

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

Print Date:

Print Date: 06/02/20

	2019 Prelim Actual	2020 Adopted Budget	Variance Favorable (Unfavor)	2020 Forecast	YTD Thru 05/31/20 Actual	YTD Thru 05/31/20 Budget	Variance Favorable (Unfavor)	2021 Preliminary Budget	Notes/Assumptions
PROPERTY TAXES									
Assessed Valuation	6,446,390	6,932,360		6,932,360	6,932,360		6,932,360	Assume no Change	
Mill Levy Breakdown:									
Mill Levy - Operations	6.393	22.160		22.160	22.160		22.160	Remaining Available	
Mill Levy - Debt Service	521.874	25.500		25.500	25.500		25.500	To Cover Debt Service Costs	
Mill Levy - Contractual Obligations	(480.980)	0.000		0.000	0.000		0.000	No Longer Used	
Total	47.287	47.660		47.660	47.660		47.660	35 mills gallagherized	
Property Tax Revenue - Operations	41,212	153,621		153,621	153,621		153,621	AV * Mill Levy / 1,000	
Property Tax Revenue - Debt & Cont Oblig	263,619	176,775		176,775	176,775		176,775	AV * Mill Levy / 1,000	
Total	304,830	330,396		330,396	330,396		330,396		
COMBINED FUNDS									
REVENUE									
Property Taxes	304,831	330,396	-	330,396	185,814	247,797	(61,983)	330,396	AV * Mill Levy / 1,000
Specific Ownership Taxes	30,574	29,726	-	29,726	8,393	9,909	(1,515)	29,726	9% of Taxes
Interest	7,997	5,200	-	5,200	2,286	2,167	119	3,800	Based on 2020 Forecast
Loan/Bond Proceeds, Prem, & Disc	3,805,523	-	-	-	-	-	-	-	Bonds Refunded in 2019
TOTAL REVENUE	4,148,925	365,322	-	365,322	196,494	259,873	(63,379)	363,922	
EXPENDITURES									
General Government	37,022	59,886	6,428	53,458	26,178	29,712	3,534	63,318	All non-debt expenses
Debt Service- Bond Principal & Interest	3,446,872	186,000	-	186,000	-	-	-	186,000	See Debt Service Fund
Debt Service- Developer Repayments	160,000	120,000	-	120,000	-	-	-	113,801	See General & Debt Svc Funds
Debt Service- Cost of Issuance	246,274	-	-	-	-	-	-	-	
TOTAL EXPENDITURES	3,890,167	365,886	6,428	359,458	26,178	29,712	3,534	363,119	
CHANGE IN FUND BALANCE	258,758	(564)	6,428	5,864	170,316	230,160	(59,845)	803	
BEGINNING FUND BALANCE	82,725	322,501	18,982	341,483	341,483	322,501	18,982	347,348	
ENDING FUND BALANCE	341,483	321,937	25,411	347,348	511,799	552,661	(40,862)	348,150	
COMPONENTS OF FUND BALANCE	=	=	=	=	=	=	=	=	
Nonspendable	-	4,200	300	4,500	-	-	-	4,725	Prepaid Insurance
TABOR Emergency Reserve	1,381	-	5,039	5,039	5,039	832	4,207	-	Budgeted as an Expense
Restricted For Debt Service	333,270	316,861	21,133	337,993	437,743	454,380	(16,637)	337,993	Per Debt Service Fund
Unassigned/ Other	6,833	876	(1,061)	(185)	69,017	97,450	(28,433)	5,433	Per General Fund
TOTAL ENDING FUND BALANCE	341,483	321,937	25,411	347,348	511,799	552,661	(40,862)	348,150	
	=	=	=	=	=	=	=	=	

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

Print Date:

Print Date: 06/02/20

	2019 Prelim Actual	2020 Adopted Budget	Variance Favorable (Unfavor)	2020 Forecast	YTD Thru 05/31/20 Actual	YTD Thru 05/31/20 Budget	Variance Favorable (Unfavor)	2021 Preliminary Budget	Notes/Assumptions	
GENERAL FUND										
REVENUE										
1-510	Property Taxes	41,212	153,621	-	153,621	86,396	115,216	(28,820)	153,621	AV * Mill Levy / 1,000
1-515	Specific Ownership Taxes	4,134	13,826	-	13,826	3,903	4,609	(706)	13,826	9% of Taxes
1-560	Interest Income	666	500	-	500	230	208	22	500	Based on 2020 Forecast
TOTAL REVENUE		46,012	167,947	-	167,947	90,529	120,033	(29,504)	167,947	
EXPENDITURES										
Administration										
1-612	Accounting	10,892	7,500	(1,500)	9,000	5,283	3,750	(1,533)	10,000	Based on 2020 Forecast
1-614	District Management	9,258	7,000	(3,000)	10,000	6,377	2,917	(3,460)	10,000	Based on 2020 Budget
1-615	Audit	4,100	4,750	-	4,750	4,300	4,750	450	4,750	Based on 2020 Forecast
1-635	Election	-	1,500	750	750	584	1,500	916	-	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	-	10,000	2,498	4,167	1,669	10,000	Based on 2020 Forecast
1-685	Miscellaneous Expense	517	1,750	-	1,750	96	729	633	1,750	Based on 2020 Forecast
1-700	Treasurer's Fees	618	2,304	-	2,304	1,296	1,728	432	2,304	1.5% of property taxes
1-795	Emergencies	-	5,038	5,038	-	-	2,099	2,099	5,038	Emergencies- 3% of Revenues
	Contingency	-	5,000	1,000	4,000	-	2,083	2,083	5,000	Unforeseen needs
Total Administration		33,066	48,843	2,036	46,806	24,687	27,723	3,037	53,343	
Debt Service										
1-710	Developer Repayment- Ops Principal	15,000	120,000	-	120,000	-	-	-	12,801	Pay off Remaining Balance
	Developer Repayment- Cap Principal	-	-	-	-	-	-	-	101,000	Ops above paid first
	Developer Repayment- Ops Interest	-	-	-	-	-	-	-	-	Principal paid first
	Developer Repayment- Cap Interest	-	-	-	-	-	-	-	-	Principal paid first
Total Debt Service		15,000	120,000	-	120,000	-	-	-	113,801	
TOTAL EXPENDITURES		48,066	168,843	4,073	166,806	24,687	27,723	3,037	167,144	
REVENUE OVER / (UNDER) EXP		(2,055)	(896)	(4,073)	1,141	65,842	92,309	(26,467)	803	
OTHER SOURCES / (USES)										
1-780	Transfer to Debt Service	-	-	-	-	-	-	-	-	
TOTAL OTHER SOURCES / (USES)		-	-	-	-	-	-	-	-	
CHANGE IN FUND BALANCE		(2,055)	(896)	2,036	1,141	65,842	92,309	(26,467)	803	
1-450	BEGINNING FUND BALANCE	10,268	5,972	2,242	8,214	8,214	5,972	2,242	9,354	
ENDING FUND BALANCE		8,214	5,076	4,278	9,354	74,056	98,281	(24,225)	10,158	
COMPONENTS OF FUND BALANCE:										
	Nonspendable	-	4,200	300	4,500	-	-	-	4,725	Prepaid Insurance
	Restricted for Emergencies	1,381	-	5,039	5,039	5,039	1,680	3,359	-	Budgeted as an Expense
	Unassigned	6,833	876	(1,061)	(185)	69,017	128,940	(59,923)	5,433	
TOTAL FUND BALANCE		8,214	5,076	4,278	9,354	74,056	130,620	(56,564)	10,158	

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:

Print Date: 06/02/20

	2019 Prelim Actual	2020 Adopted Budget	Variance Favorable (Unfavor)	2020 Forecast	YTD Thru 05/31/20 Actual	YTD Thru 05/31/20 Budget	Variance Favorable (Unfavor)	2021 Preliminary Budget	Notes/Assumptions	
DEBT SERVICE FUND										
REVENUE										
2-510	Property Taxes	263,619	176,775	-	176,775	99,418	132,581	(33,163)	176,775	AV * Mill Levy / 1,000
2-515	Specific Ownership Taxes	26,441	15,900	-	15,900	4,491	5,300	(809)	15,900	9% of Taxes
2-560	Interest Income	7,331	4,700	-	4,700	2,056	1,958	98	3,300	1% of Beginning Fund Balance
TOTAL REVENUE		297,390	197,375	-	197,375	105,965	139,840	(33,875)	195,975	
EXPENDITURES										
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	-	-	-	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	-	-	-	4,000	Per Financial Model
2-700	Treasurer's Fees	3,956	2,652	-	2,652	1,491	1,989	497	2,652	1.5% of property taxes
2-618	Bond Cost of Issuance	246,274	-	-	-	-	-	-	-	
	Contingency	-	4,392	4,392	-	-	-	-	3,324	Unforeseen needs/ rev shortfalls
TOTAL EXPENDITURES		3,842,101	197,044	4,392	192,652	1,491	1,989	497	195,976	
REVENUE OVER / (UNDER) EXP		(3,544,710)	332	4,392	4,724	104,474	137,851	(33,377)	(0)	
OTHER SOURCES / (USES)										
2-523	Bond / Loan Proceeds	3,720,000	-	-	-	-	-	-	-	
2-525	Bond Premium	85,523	-	-	-	-	-	-	-	
2-894	Transfer to Capital Fund	-	-	-	-	-	-	-	-	
TOTAL OTHER SOURCES / (USES)		3,805,523	-	-	-	-	-	-	-	
CHANGE IN FUND BALANCE		260,812	332	4,392	4,724	104,474	137,851	(33,377)	(0)	
2-450	BEGINNING FUND BALANCE	72,457	316,529	16,741	333,270	333,270	316,529	16,741	337,993	
ENDING FUND BALANCE		333,270	316,861	21,133	337,993	437,743	454,380	(16,637)	337,993	
COMPONENTS OF FUND BALANCE:										
	Reserve Fund	302,000	65,000	237,000	302,000	302,000	65,000	237,000	302,000	Required by Loan
	Restricted for Debt Service	31,270	251,861	(215,867)	35,993	135,743	389,380	(253,637)	35,993	
TOTAL FUND BALANCE		333,270	316,861	21,133	337,993	437,743	454,380	(16,637)	337,993	
Balance of Loan/Bond (Beginning of Year)		3,720,000	3,720,000	3,720,000	3,720,000	3,720,000	3,720,000	3,720,000	3,720,000	
Assessed Valuation		6,446,390	6,932,360	6,932,360	6,932,360	6,932,360	6,932,360	6,932,360	6,932,360	
Debt to Assessed Ratio (Beg of Year)		58%	54%	54%	54%	54%	54%	54%	54%	

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**REGENCY
METROPOLITAN DISTRICT**

Financial Statements

December 31, 2019

with
Independent Auditors' Report

DRAFT 6/1/2020

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REGENCY METROPOLITAN DISTRICT

BALANCE SHEET/STATEMENT OF NET POSITION GOVERNMENTAL FUNDS December 31, 2019

	<u>General</u>	<u>Debt Service</u>	<u>Total</u>	<u>Adjustments</u>	<u>Statement of Net Position</u>
ASSETS					
Cash and investments	\$ 6,884	\$ -	\$ 6,884	\$ -	\$ 6,884
Cash and investments - restricted	5,038	327,873	332,911	-	332,911
Receivable - County Treasurer	375	2,397	2,772	-	2,772
Receivable - Other	991	3,000	3,991	-	3,991
Property taxes receivable	153,621	176,775	330,396	-	330,396
Prepaid expenses	394	-	394	-	394
Capital assets, net of accumulated depreciation	-	-	-	8,000	8,000
Total Assets	<u>167,303</u>	<u>510,045</u>	<u>677,348</u>	<u>8,000</u>	<u>685,348</u>
DEFERRED OUTFLOWS OF RESOURCES					
Deferred loss on refunding	-	-	-	106,646	106,646
Total Deferred Outflows of Resources	<u>-</u>	<u>-</u>	<u>-</u>	<u>106,646</u>	<u>106,646</u>
Total Assets and Deferred Outflows of Resources	<u>\$ 167,303</u>	<u>\$ 510,045</u>	<u>\$ 677,348</u>		
LIABILITIES					
Accounts payable	\$ 5,468	\$ -	\$ 5,468	-	5,468
Accrued interest on bonds	-	-	-	15,500	15,500
Long-term liabilities:					
Due in more than one year	-	-	-	4,582,448	4,582,448
Total Liabilities	<u>5,468</u>	<u>-</u>	<u>5,468</u>	<u>4,597,948</u>	<u>4,603,416</u>
DEFERRED INFLOWS OF RESOURCES					
Deferred property taxes	153,621	176,775	330,396	-	330,396
Total Deferred Inflows of Resources	<u>153,621</u>	<u>176,775</u>	<u>330,396</u>	<u>-</u>	<u>330,396</u>
FUND BALANCES/NET POSITION					
Fund Balances:					
Nonspendable:					
Prepays	394	-	394	(394)	-
Restricted:					
Emergencies	5,038	-	5,038	(5,038)	-
Debt service	-	333,270	333,270	(333,270)	-
Unassigned	2,782	-	2,782	(2,782)	-
Total Fund Balances	<u>8,214</u>	<u>333,270</u>	<u>341,484</u>	<u>(341,484)</u>	<u>-</u>
Total Liabilities, Deferred Inflows of Resources and Fund Balances	<u>\$ 167,303</u>	<u>\$ 510,045</u>	<u>\$ 677,348</u>		
Net Position:					
Net investment in capital assets				(4,467,802)	(4,467,802)
Restricted for:					
Emergencies				5,038	5,038
Debt service				317,770	317,770
Unrestricted				3,176	3,176
Total Net Position				<u>\$(4,141,818)</u>	<u>\$(4,141,818)</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, 2019

	<u>General</u>	<u>Debt Service</u>	<u>Total</u>	<u>Adjustments</u>	<u>Statement of Activities</u>
EXPENDITURES					
Accounting	\$ 10,892	\$ -	\$ 10,892	\$ -	\$ 10,892
Audit	4,100	-	4,100	-	4,100
Insurance	3,986	-	3,986	-	3,986
Legal	3,696	-	3,696	-	3,696
Management fees	9,258	-	9,258	-	9,258
Miscellaneous expenses	516	-	516	-	516
Treasurer's fees	618	3,956	4,574	-	4,574
Loan principal	-	3,304,000	3,304,000	(3,304,000)	-
Loan Interest expense	-	60,205	60,205	(1,514)	58,691
Bond interest expense	-	82,667	82,667	13,599	96,266
Bond Issuance Cost	-	246,274	246,274	-	246,274
Payment to Developer - Operations	15,000	-	15,000	(15,000)	-
Payment to Developer - Capital	-	145,000	145,000	(145,000)	-
Developer interest	-	-	-	30,601	30,601
Depreciation	-	-	-	8,000	8,000
Total Expenditures	<u>48,066</u>	<u>3,842,102</u>	<u>3,890,168</u>	<u>(3,413,314)</u>	<u>476,854</u>
GENERAL REVENUES					
Property taxes	41,212	263,619	304,831	-	304,831
Specific ownership taxes	4,134	26,441	30,575	-	30,575
Interest income	666	7,332	7,998	-	7,998
Total General Revenues	<u>46,012</u>	<u>297,392</u>	<u>343,404</u>	<u>-</u>	<u>343,404</u>
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES					
	(2,054)	(3,544,710)	(3,546,764)	3,413,314	(133,450)
OTHER FINANCING SOURCES (USES)					
Bond proceeds	-	3,720,000	3,720,000	(3,720,000)	-
Bond premium	-	85,523	85,523	(85,523)	-
Total Other Financing Sources (Uses)	<u>-</u>	<u>3,805,523</u>	<u>3,805,523</u>	<u>(3,805,523)</u>	<u>-</u>
NET CHANGES IN FUND BALANCES					
	(2,054)	260,813	258,759	(258,759)	
CHANGE IN NET POSITION					
				(133,450)	(133,450)
FUND BALANCES/NET POSITION:					
BEGINNING OF YEAR	<u>10,268</u>	<u>72,457</u>	<u>82,725</u>	<u>(4,091,093)</u>	<u>(4,008,368)</u>
END OF YEAR	<u>\$ 8,214</u>	<u>\$ 333,270</u>	<u>\$ 341,484</u>	<u>\$ (4,483,302)</u>	<u>\$ (4,141,818)</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, 2019

	Original & Final		Variance
	<u>Budget</u>	<u>Actual</u>	<u>Favorable</u> <u>(Unfavorable)</u>
REVENUES			
Property taxes	\$ 41,212	\$ 41,212	\$ -
Specific ownership taxes	4,100	4,134	34
Interest income	<u>1,000</u>	<u>666</u>	<u>(334)</u>
Total Revenues	<u>46,312</u>	<u>46,012</u>	<u>(300)</u>
EXPENDITURES			
Accounting	7,200	10,892	(3,692)
Audit	4,500	4,100	400
Insurance	4,100	3,986	114
Legal	9,500	3,696	5,804
Management fees	6,600	9,258	(2,658)
Miscellaneous expenses	1,526	516	1,010
Treasurer's fees	618	618	-
Payment to Developer	10,000	15,000	(5,000)
Emergency reserve	1,389	-	1,389
Contingency	<u>10,000</u>	<u>-</u>	<u>10,000</u>
Total Expenditures	<u>55,433</u>	<u>48,066</u>	<u>7,367</u>
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES			
	(9,121)	(2,054)	7,067
FUND BALANCE:			
BEGINNING OF YEAR	<u>14,693</u>	<u>10,268</u>	<u>(4,425)</u>
END OF YEAR	<u>\$ 5,572</u>	<u>\$ 8,214</u>	<u>\$ 2,642</u>

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

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REGENCY METROPOLITAN DISTRICT

Notes to Financial Statements
December 31, 2019

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.

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REGENCY METROPOLITAN DISTRICT

Notes to Financial Statements December 31, 2019

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, 2019

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.

In May 2019, the District amended its total appropriations in the Debt Service Fund from \$298,831 to \$3,869,725 due to the refunding of the Series 2015 Loan and the issuance of the Series 2019 Bonds (see Note 4).

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

Fair Value of Financial Instruments

The District's financial instruments include cash and cash equivalents, accounts receivable and accounts payable. The District estimates that the fair value of all financial instruments at December 31, 2019, does not differ materially from the aggregate carrying values of its financial instruments recorded in the accompanying balance sheet. The carrying amount of these financial instruments approximates fair value because of the short maturity of these instruments.

Deposits and Investments

The District's cash and cash equivalents are considered to be cash on hand and short-term investments with maturities of three months or less from the date of acquisition. Investments for the government are reported at fair value.

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REGENCY METROPOLITAN DISTRICT

Notes to Financial Statements December 31, 2019

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.

Deferred Outflows/Inflows of Resources

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

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REGENCY METROPOLITAN DISTRICT

Notes to Financial Statements December 31, 2019

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. Depreciation expense of \$8,000 was recognized during 2019.

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.

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

Parks, equipment:	10 years
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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.

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REGENCY METROPOLITAN DISTRICT

Notes to Financial Statements December 31, 2019

Deferred Loss on Refunding

The Deferred Loss on Refunding on the 2015 Loan is being amortized over the term of the 2015 Loan using the straight-line method. Accumulated amortization on the loss on refunding amounted to \$30,785 at December 31, 2019.

Fund Equity

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

Nonspendable Fund Balance

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 \$394 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 \$5,038 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 \$333,270 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.

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REGENCY METROPOLITAN DISTRICT

Notes to Financial Statements December 31, 2019

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.

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, 2019, cash and investments are classified in the accompanying financial statements as follows:

Statement of Net Position:

Cash and investments	\$ 6,884
Cash and investments - Restricted	<u>332,911</u>
Total	<u>\$ 339,795</u>

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REGENCY METROPOLITAN DISTRICT

Notes to Financial Statements December 31, 2019

Cash and investments as of December 31, 2019, consist of the following:

Deposits with financial institutions	\$ 8,629
Investments - COLOTRUST	<u>331,166</u>
	\$ <u>339,795</u>

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.

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REGENCY METROPOLITAN DISTRICT

Notes to Financial Statements December 31, 2019

Interest Rate Risk

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

As of December 31, 2019, the District had the following investments:

COLOTRUST

The local government investment pool, Colorado Local Government Liquid Asset Trust (“COLOTRUST”) is rated AAAM by Standard & Poor’s with a weighted average maturity of under 60 days. COLOTRUST is an investment trust/joint venture established for local government entities in Colorado to pool surplus funds. The State Securities Commissioner administers and enforces all State statutes governing the Trust. The trust operates similarly to a money market fund with each share maintaining a value of \$1.00. The Trust offers shares in two portfolios, COLOTRUST PRIME and COLOTRUST PLUS+. Both investments consist of U.S. Treasury bills and notes and repurchase agreements collateralized by U.S. Treasury securities. COLOTRUST PLUS+ may also invest in certain obligations of U.S. government agencies, highest rated commercial paper and repurchase agreements collateralized by certain obligations of U.S. government agencies. Designated custodian banks provide safekeeping and depository services to the trust. Substantially all securities owned by the trust are held by the Federal Reserve Bank in the accounts maintained for the custodian banks. The custodians’ internal records identify the investments owned by COLOTRUST. At December 31, 2019, the District had \$331,166 invested in COLOTRUST.

Note 3: Capital Assets

An analysis of the changes in fixed assets for the period ended December 31, 2019 follows:

<u>Governmental Type Activities:</u>	<u>Balance</u> <u>01-01-19</u>	<u>Additions</u>	<u>Deletions</u>	<u>Balance</u> <u>12-31-19</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	(64,000)	(8,000)	-	(72,000)
Total accumulated depreciation	(64,000)	(8,000)	-	(72,000)
Net capital assets being depreciated	16,000	(8,000)	-	8,000
Government type assets, net	\$ 16,000	\$ (8,000)	\$ -	\$ 8,000

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REGENCY METROPOLITAN DISTRICT

Notes to Financial Statements December 31, 2019

The Town of Parker has accepted conveyance of the street improvements. The HOA 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, 2019, is as follows:

\$3,569,000 Refunding and Improvement Loan, Series 2015

On December 10, 2015 the District authorized the issuance of its Refunding and Improvement Loan, Series 2015, dated December 15, 2015 in the amount of \$3,569,000 (“Series 2015 Loan”) primarily for refunding of the outstanding Limited Tax General Obligation Bonds Series 2006. The Loan is a tax exempt Loan due on December 1, 2020. The Loan bears interest at a fixed rate of 3.28% per annum calculated on the basis of a 360-day year and the actual number of days elapsed in the applicable accrual period. The Loan is payable semiannually on each June 1 and December 1, commencing on June 1, 2016. Net loan proceeds were used to refund the outstanding Series 2006 Bonds, fund the reserve account in the amount of \$65,000 and to pay capital project costs.

As a result of the refunding, the Series 2006 Refunded Bonds are considered to be defeased and the liability has been removed from the governmental activities column of the statement of net position. The reacquisition price exceeded the net carrying amount of the old debt by \$137,431. This amount is recorded as a deferred inflow and is being amortized over the remaining life of the new debt issued. This advance refunding was undertaken to reduce total debt service payments over the remaining life of the old debt at the time of the refunding by \$3,121,852 and resulted in an economic gain of \$14,485.

The pledged revenue for the repayment of the 2015 Loan consists of: (a) a required mill levy (RML); (b) that portion of ownership taxes allocable to the amount of the RML; and (c) any other legally available monies, which the Board in its discretion determines to apply as pledged revenue.

There is also a Reserve Requirement established by the provisions of the Custodial Agreement in the amount of \$65,000. The 2015 Loan requires that a Loan Payment Fund be credited an amount of Pledged Revenue each loan year which is equal to the loan requirements for the then current year. The 2015 Loan is secured by collateral made up of (a) the Pledged Revenue, (b) all amounts on deposit in the Loan Payment Fund; and (c) all moneys of the District legally available.

The Series 2015 was fully refunded by the issuance of the Series 2019 Bonds on June 21, 2019.

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REGENCY METROPOLITAN DISTRICT

Notes to Financial Statements December 31, 2019

\$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.

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, 2019, the outstanding principal amount the District owed the Developer was \$133,801, and the total accrued interest was \$108,835.

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.

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REGENCY METROPOLITAN DISTRICT

Notes to Financial Statements December 31, 2019

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, 2019, the outstanding principal amount the District owed the Developer was \$206,139, and the total accrued interest was \$330,051.

The following is an analysis of changes in long-term debt for the period ended December 31, 2019:

	<u>Balance</u> <u>1/1/2019</u>	<u>Additions</u>	<u>Deletions</u>	<u>Balance</u> <u>12/31/2019</u>	<u>Current</u> <u>Portion</u>
Series 2015 Loan	\$ 3,304,000		\$ 3,304,000	\$ -	\$ -
Series 2019 Bonds	-	3,720,000	-	3,720,000	-
Devel Adv - Operating	148,801	-	15,000	133,801	-
Accrued Int.	99,535	9,300	-	108,835	-
Devel Adv - Capital	351,140	-	145,000	206,139	-
Accrued Int.	308,749	21,301	-	330,051	-
	<u>4,212,225</u>	<u>3,750,601</u>	<u>3,464,000</u>	<u>4,498,826</u>	<u>-</u>
Series 2019 Bonds - Premium	-	85,523	1,901	83,622	-
Total	<u>\$ 4,212,225</u>	<u>\$ 3,836,124</u>	<u>\$ 3,465,901</u>	<u>\$ 4,582,448</u>	<u>\$ -</u>

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REGENCY METROPOLITAN DISTRICT

Notes to Financial Statements December 31, 2019

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, 2019:

	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2020	\$ -	\$ 186,000	\$ 186,000
2021	-	186,000	186,000
2022	-	186,000	186,000
2023	-	186,000	186,000
2024	55,000	186,000	241,000
2025 - 2029	380,000	882,000	1,262,000
2030 - 2034	570,000	768,000	1,338,000
2035 - 2039	790,000	605,250	1,395,250
2040 - 2044	1,085,000	379,750	1,464,750
2045 - 2046	<u>840,000</u>	<u>71,000</u>	<u>911,000</u>
	<u>\$ 3,720,000</u>	<u>\$ 3,636,000</u>	<u>\$ 7,356,000</u>

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 2020.

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).

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REGENCY METROPOLITAN DISTRICT

Notes to Financial Statements December 31, 2019

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.

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.

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REGENCY METROPOLITAN DISTRICT

Notes to Financial Statements December 31, 2019

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.

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

DRAFT 6/1/2020

REGENCY METROPOLITAN DISTRICT

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

DEBT SERVICE FUND

For the Year Ended December 31, 2019

	Original <u>Budget</u>	Final <u>Budget</u>	<u>Actual</u>	Variance Favorable <u>(Unfavorable)</u>
REVENUES				
Property taxes	\$ 263,619	\$ 263,619	\$ 263,619	\$ -
Specific ownership taxes	26,400	26,400	26,441	41
Interest income	<u>4,200</u>	<u>4,200</u>	<u>7,332</u>	<u>3,132</u>
Total Revenues	<u>294,219</u>	<u>294,219</u>	<u>297,392</u>	<u>3,173</u>
EXPENDITURES				
Loan principal	95,000	3,304,000	3,304,000	-
Loan Interest expense	109,876	60,206	60,205	1
Bond interest expense	-	82,667	82,667	-
Paying agent fees	2,000	4,000	-	4,000
Issuance Costs	-	259,898	246,274	13,624
Payment to Developer	87,000	145,000	145,000	-
Contingency	1,000	10,000	-	10,000
Treasurer's fees	<u>3,955</u>	<u>3,954</u>	<u>3,956</u>	<u>(2)</u>
Total Expenditures	<u>298,831</u>	<u>3,869,725</u>	<u>3,842,102</u>	<u>27,623</u>
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES				
	(4,612)	(3,575,506)	(3,544,710)	30,796
OTHER FINANCING SOURCES (USES)				
Bond proceeds	-	3,720,000	3,720,000	-
Bond premium	<u>-</u>	<u>85,523</u>	<u>85,523</u>	<u>-</u>
Total Other Financing Sources (Uses)	<u>-</u>	<u>3,805,523</u>	<u>3,805,523</u>	<u>-</u>
NET CHANGE IN FUND BALANCE	(4,612)	230,017	260,813	30,796
FUND BALANCE:				
BEGINNING OF YEAR	<u>71,351</u>	<u>72,457</u>	<u>72,457</u>	<u>-</u>
END OF YEAR	<u>\$ 66,739</u>	<u>\$ 302,474</u>	<u>\$ 333,270</u>	<u>\$ 30,796</u>

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

DRAFT 6/1/2020

REGENCY METROPOLITAN DISTRICT

SUMMARY OF ASSESSED VALUATION, MILL LEVY AND PROPERTY TAXES COLLECTED

December 31, 2019

<u>Year Ended</u> <u>December 31,</u>	Prior Year Assessed Valuation for Current Year Property Tax Levy	<u>Mills Levied</u>		<u>Total Property Tax</u>		Percent Collected to Levied
		<u>General Fund</u>	<u>Debt Service</u>	<u>Levied</u>	<u>Collected</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%
Estimated for year ending December 31, 2020	\$ 6,932,360	22.160	25.500	\$ 330,396		

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.

REGENCY METROPOLITAN DISTRICT

February 25, 2020

Simmons & Wheeler, P.C.
304 Inverness Way South, Suite 490
Englewood, Colorado 80112

This representation letter is provided in connection with your audit of the financial statements of the Regency Metropolitan District, which comprise the respective financial position of the governmental activities, the business-type activities, the aggregate discretely presented component units, each major fund, and the aggregate remaining fund information (where applicable) as of December 31, 2019, and the respective changes in financial position and, where applicable, cash flows for the year then ended, and the related notes to the financial statements, for the purpose of expressing opinions as to whether the financial statements are presented fairly, in all material respects, in accordance with accounting principles generally accepted in the United States of America.

Certain representations in this letter are described as being limited to matters that are material. Items are considered material, regardless of size, if they involve an omission or misstatement of accounting information that, in light of surrounding circumstances, makes it probable that the judgment of a reasonable person relying on the information would be changed or influenced by the omission or misstatement. An omission or misstatement that is monetarily small in amount could be considered material as a result of qualitative factors.

We confirm, to the best of our knowledge and belief, as of the date of the audit report, the following representations made to you during your audit:

Financial Statements

1. We have fulfilled our responsibilities, as set out in the terms of the audit engagement letter, including (where applicable) our responsibility for the preparation and fair presentation of the financial statements in accordance with U.S. GAAP and for the preparation of the supplementary information in accordance with the applicable criteria.
2. The financial statements referred to above are fairly presented in conformity with U.S. generally accepted accounting principles and include all properly classified funds and other financial information of the primary government and all component units, where applicable, as required by generally accepted accounting principles to be included in the financial reporting entity.
3. We acknowledge our responsibility 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.

4. We acknowledge our responsibility for the design, implementation, and maintenance of internal control to prevent and detect fraud.
5. Significant assumptions we used in making accounting estimates, including those measured at fair value, are reasonable.
6. Related party relationships and transactions, including revenues, expenditures/expenses, loans, transfers, leasing arrangements, and guarantees, and amounts receivable from or payable to related parties have been appropriately accounted for and disclosed in accordance with the requirements of U.S. GAAP.
7. Adjustments or disclosures have been made for all events, including instances of noncompliance, subsequent to the date of the financial statements that would require adjustment to or disclosure in the financial statements (or in the schedule of findings and questioned costs, if applicable).
8. The effects of uncorrected misstatements are immaterial, both individually and in the aggregate, to the financial statements as a whole for each opinion unit. A list of the uncorrected misstatements, where applicable, is attached to the representation letter.
9. The effects of all known actual or possible litigation, claims, and assessments have been accounted for and disclosed in accordance with U.S. GAAP.
10. Guarantees, whether written or oral, under which the entity is contingently liable, if any, have been recorded and disclosed.

Information Provided

11. We have provided you with:
 - (a) Access to all information, of which we are aware, that is relevant to the preparation and fair presentation of the financial statements, such as records, documentation, and other matters (and all audit or relevant monitoring reports, if any, received from funding sources).
 - (b) Additional information that you have requested from us for the purpose of the audit.
 - (c) Unrestricted access to persons within the entity from whom you determined it necessary to obtain audit evidence.
 - (d) Minutes of the meetings of the Board of Directors, or summaries of actions of recent meetings for which minutes have not yet been prepared.
12. All material transactions have been recorded in the accounting records and are reflected in the financial statements.
13. We have disclosed to you the results of our assessment of the risk that the financial statements may be materially misstated as a result of fraud.

14. We have no knowledge of any fraud or suspected fraud affecting the entity involving:
 - (a) Management,
 - (b) Employees who have significant roles in internal control, or
 - (c) Others where the fraud could have a material effect on the financial statements.
15. We have no knowledge of any allegations of fraud or suspected fraud affecting the entity's financial statements communicated by employees, former employees, regulators, or others.
16. We have no knowledge of instances of noncompliance or suspected noncompliance with provisions of laws, regulations, contracts, or grant agreements, or abuse, whose effects should be considered when preparing financial statements.
17. We have disclosed to you all known actual or possible litigation, claims, and assessments whose effects should be considered when preparing the financial statements.
18. We have disclosed to you the identity of the entity's related parties and all the related party relationships and transactions of which we are aware.
19. We have made available to you all financial records and related data, and, all audit or relevant monitoring reports, if any, received from funding sources.

Government Specific

20. There have been no communications from regulatory agencies concerning noncompliance with, or deficiencies in, financial reporting practices.
21. Where applicable, we have taken timely and appropriate steps to remedy fraud, noncompliance with provisions of laws, regulations, contracts, or grant agreements, or abuse that you have reported to us.
22. Where applicable, we have a process to track the status of audit findings and recommendations.
23. We have identified to you any previous audits, attestation engagements, and other studies related to the audit objectives and whether related recommendations have been implemented.
24. The District has no plans or intentions that may materially affect the carrying value or classification of assets, liabilities, or equity.
25. Where applicable, we have provided our views on reported findings, conclusions, and recommendations, as well as our planned corrective actions, for the report.
26. We are responsible for compliance with the laws, regulations, and provisions of contracts and grant agreements applicable to us, including tax or debt limits and debt contracts, and legal and contractual provisions for reporting specific activities in separate funds.

27. We have identified and disclosed to you all instances that have occurred or are likely to have occurred, of fraud and noncompliance with provisions of laws and regulations that we believe have a material effect on the financial statements or other financial data significant to the audit objectives, and any other instances that warrant the attention of those charged with governance.

28. We have identified and disclosed to you all instances, which have occurred or are likely to have occurred, of noncompliance with provisions of contracts and grant agreements that we believe have a material effect on the determination of financial statement amounts or other financial data significant to the audit objectives.

29. We have identified and disclosed to you all instances that have occurred or are likely to have occurred, of abuse that could be quantitatively or qualitatively material to the financial statements or other financial data significant to the audit objectives.

30. There are no violations or possible violations of budget ordinances, laws and regulations (including those pertaining to adopting, approving, and amending budgets), provisions of contracts and agreements, tax or debt limits, and any related debt covenants whose effects should be considered for disclosure in the financial statements, or as a basis for recording a loss contingency, or for reporting on noncompliance.

31. Where applicable, as part of your audit, you assisted with preparation of the financial statements and related notes. We acknowledge our responsibility as it relates to those nonaudit services, including that we assume all management responsibilities; oversee the services by designating an individual, preferably within senior management, who possesses suitable skill, knowledge, or experience; evaluate the adequacy and results of the services performed; and accept responsibility for the results of the services. We have reviewed, approved, and accepted responsibility for those financial statements and related notes.

32. The entity has satisfactory title to all owned assets, and there are no liens or encumbrances on such assets nor has any asset been pledged as collateral except as noted in the financial statements.

33. The entity has complied with all aspects of contractual agreements that would have a material effect on the financial statements in the event of noncompliance.

34. We have followed all applicable laws and regulation in adopting, approving and amending budgets.

35. Where applicable, the financial statements include all component units as well as joint ventures with an equity interest, and properly disclose all other joint ventures and other related organizations.

36. The financial statements properly classify all funds and activities in accordance with GASB Statement No. 34.

37. All funds that meet the quantitative criteria in GASB Statement Nos. 34 and 37 for presentation as major are identified and presented as such and all other funds that are presented as major are particularly important to financial statement users.
38. Components of net position (net investment in capital assets; restricted; and unrestricted) and classifications of fund balance (nonspendable, restricted, committed, assigned, and unassigned) are properly classified and, if applicable, approved.
39. Where applicable, investments, derivative transactions, and land and other real estate held by endowments are properly valued.
40. Provisions for uncollectible receivables have been properly identified and recorded.
41. Expenses have been appropriately classified in or allocated to functions and programs in the statement of activities, and allocations have been made on a reasonable basis.
42. Revenues are appropriately classified in the statement of activities within program revenues, general revenues, contributions to term or permanent endowments, or contributions to permanent fund principal.
43. Interfund, internal, and intra-entity activity and balances have been appropriately classified and reported.
44. Special and extraordinary items are appropriately classified and reported, if applicable.
45. Deposits and investment securities and derivative transactions are properly classified as to risk and are properly disclosed.
46. Capital assets, including infrastructure and intangible assets, are properly capitalized, reported, and, if applicable, depreciated.
47. The entity meets the GASB-established requirements for accounting for eligible infrastructure assets using the modified approach if applicable.
48. We have appropriately disclosed the entity's policy regarding whether to first apply restricted or unrestricted resources when an expense is incurred for purposes for which both restricted and unrestricted net position is available and have determined that net position is properly recognized under the policy. We are following our established accounting policy regarding which resources (that is, restricted, committed, assigned, or unassigned) are considered to be spent first for expenditures for which more than one resource classification is available. That policy determines the fund balance classifications for financial reporting purposes.

49. We are following our established accounting policy regarding resources (that is, restricted, committed, assigned or unassigned) are considered to be spent first for expenditures for which more than one resource classification is available. That policy determines the fund balance classifications for financial reporting purposes.

50. We acknowledge our responsibility for the required supplementary information (RSI). The RSI is measured and presented within prescribed guidelines and the methods of measurement and presentation have not changed from those used in the prior period. We have disclosed to you any significant assumptions and interpretations underlying the measurement and presentation of the RSI.

51. Where applicable, with respect to the supplementary information:

(a) We acknowledge our responsibility for presenting the supplementary information, as defined in the table of contents of the financial statements, in accordance with accounting principles generally accepted in the United States of America, and we believe the supplementary information, including its form and content, is fairly presented in accordance with accounting principles generally accepted in the United States of America. The methods of measurement and presentation of the supplementary information have not changed from those used in the prior period, and we have disclosed to you any significant assumptions or interpretations underlying the measurement and presentation of the supplementary information.

(b) If the supplementary information is not presented with the audited financial statements, we will make the audited financial statements readily available to the intended users of the supplementary information no later than the date we issue the supplementary information and the auditor's report thereon.

52. We have evaluated the entity's ability to continue as a going concern and have included appropriate disclosures, as necessary, in the financial statements.

53. The entity understands that TABOR (Section 20 of Article X of the Colorado Constitution) is complex and subject to interpretation and that many of the provisions will require judicial interpretation. We have reviewed the various provisions and interpretations and believe to the best of our knowledge at this time, the entity is in compliance.

REGENCY METROPOLITAN DISTRICT

Signed: _____

Title: _____

Signed: _____

Title: _____