

ANNUAL REPORT
(for the Year Ending December 31, 2021)

REGENCY METROPOLITAN DISTRICT
(the "DISTRICT")

(Pursuant to Section VII of the Service Plan, approved March 20, 2006)

1. Progress of the District in the Implementation of its Service Plan.

The Developer provided funding for the District to construct certain Improvements pursuant to the Project Funding and Reimbursement Agreement between the District and BCX Development Partners #1, LLC (the Developer), approved on June 20, 2006, and had caused said Improvements to be dedicated to the appropriate entities in accordance with the Service Plan.

2. 2021 Audited Financial Statements

A copy of the 2021 Audited Financial Statements is attached hereto as *Exhibit A*.

3. Summary of Capital Expenditures Incurred by the District in the Development of Public Improvements and Proposed for the Next Five (5) Years

Construction of the Public Infrastructure Improvements set forth in Exhibit D of the Service Plan commenced in 2006. In addition to the net Bond proceeds, the Developer provided funding for the District to construct certain Improvements pursuant to the Project Funding and Reimbursement Agreement between the District and BCX Development Partners #1, LLC (the Developer), approved on June 20, 2006. The Phase I Improvements have been completed and have been dedicated to the appropriate entities in accordance with the Service Plan. No additional improvements are planned for the next five years.

4. Financial Obligations of the District

A copy of the 2021 Audited Financial Statements is attached hereto as *Exhibit A*.

5. 2022 Adopted Budget

A copy of the 2022 Budget is attached hereto as *Exhibit B*.

6. 2021 Residential and Commercial Development Summary

As of December 31, 2021, 192 lots have been sold to homebuilders and 192 homes have been built. The total number of homes sold to homeowners is 192. No commercial development has been planned for or has occurred in the District.

7. Fees, Charges and Assessments in the District

The Board imposed facilities fees at \$2,000 per single family residence in 2006. All facilities fees have been paid by the Developer.

8. District Certification/No Material Modifications

The undersigned on behalf of the Board of Directors certifies that no action, event or condition enumerated in Town Code section 10.11.060 has occurred in the report year.

9. Current Year Contact Information

A copy of the Current Year Contact Information is attached hereto as *Exhibit C*.

The District has scheduled regular meetings in 2022 on June 7, 2022 and October 11, 2022, at 2:00 p.m., via Conference Call and Zoom Meeting.

10. Certification of Compliance with Service Plan

The undersigned, on behalf of the Board of Directors, certifies that the District is in compliance with all provisions of the Service Plan.

EXHIBIT A

**REGENCY
METROPOLITAN DISTRICT**

Financial Statements

December 31, 2021

with
Independent Auditors' Report

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Independent Auditors' Report

Board of Directors
Regency Metropolitan District
Douglas County, Colorado

Opinions

We have audited the accompanying financial statements of the governmental activities and each major fund, of the Regency Metropolitan District (the "District") as of and for the year ended December 31, 2021, and the related notes to the financial statements, which collectively comprise the District's basic financial statements as listed in the table of contents.

In our opinion, the accompanying financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities and each major fund of Regency Metropolitan District as of December 31, 2021, and the respective changes in financial position and the respective budgetary comparison for the general fund for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinions

We conducted our audit in accordance with auditing standards generally accepted in the United States of America ("GAAS"). Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of District, and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Responsibilities of Management for the Financial Statements

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

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about the District's ability to continue as a going concern for twelve months beyond the financial statement date, including any currently known information that may raise substantial doubt shortly thereafter.

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinions. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with GAAS will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

In performing an audit in accordance with GAAS, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the District's internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about the District's ability to continue as a going concern for a reasonable period of time.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit, significant audit findings, and certain internal control-related matters that we identified during the audit.

Other Matters

Management has omitted the management's discussion and analysis that accounting principles generally accepted in the United States require to be presented to supplement the basic financial statements. Such missing information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. Our opinion on the basic financial statements is not affected by this missing information.

Supplementary Information

Our audit was conducted for the purpose of forming an opinion on the financial statements that collectively comprise the District's financial statements as a whole. The individual fund budgetary schedules and property tax information listed in the accompanying table of contents are presented for purposes of additional analysis and are not a required part of the basic financial statements. The individual fund budgetary schedules are the responsibility of management and were derived from and relate directly to the underlying accounting and other records used to prepare the financial statements. The budgetary schedules have been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements or to the financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the budgetary schedules are fairly stated in all material respects in relation to the financial statements as a whole.

Simmons & Wheeler P.C.

Englewood, CO
March 22, 2022

REGENCY METROPOLITAN DISTRICT

BALANCE SHEET/STATEMENT OF NET POSITION
GOVERNMENTAL FUNDS
December 31, 2021

	<u>General</u>	<u>Debt Service</u>	<u>Total</u>	<u>Adjustments</u>	<u>Statement of Net Position</u>
ASSETS					
Cash and investments	\$ 26,006	\$ -	\$ 26,006	\$ -	\$ 26,006
Cash and investments - restricted	1,836	326,018	327,854	-	327,854
Receivable - County Treasurer	1,119	1,137	2,256	-	2,256
Property taxes receivable	172,402	168,033	340,435	-	340,435
Prepaid expenses	<u>450</u>	<u>-</u>	<u>450</u>	<u>-</u>	<u>450</u>
Total Assets	<u>201,813</u>	<u>495,188</u>	<u>697,001</u>	<u>-</u>	<u>697,001</u>
DEFERRED OUTFLOWS OF RESOURCES					
Deferred loss on refunding	<u>-</u>	<u>-</u>	<u>-</u>	<u>91,412</u>	<u>91,412</u>
Total Deferred Outflows of Resources	<u>-</u>	<u>-</u>	<u>-</u>	<u>91,412</u>	<u>91,412</u>
Total Assets and Deferred Outflows of Resources	<u>\$ 201,813</u>	<u>\$ 495,188</u>	<u>\$ 697,001</u>		
LIABILITIES					
Accounts payable	\$ 6,331	\$ -	\$ 6,331	-	6,331
Accrued interest on bonds	-	-	-	15,500	15,500
Long-term liabilities:					
Due in more than one year	<u>-</u>	<u>-</u>	<u>-</u>	<u>4,348,602</u>	<u>4,348,602</u>
Total Liabilities	<u>6,331</u>	<u>-</u>	<u>6,331</u>	<u>4,364,102</u>	<u>4,370,433</u>
DEFERRED INFLOWS OF RESOURCES					
Deferred property taxes	<u>172,402</u>	<u>168,033</u>	<u>340,435</u>	<u>-</u>	<u>340,435</u>
Total Deferred Inflows of Resources	<u>172,402</u>	<u>168,033</u>	<u>340,435</u>	<u>-</u>	<u>340,435</u>
FUND BALANCES/NET POSITION					
Fund Balances:					
Nonspendable:					
Prepays	450	-	450	(450)	-
Restricted:					
Emergencies	1,836	-	1,836	(1,836)	-
Debt service	-	327,155	327,155	(327,155)	-
Unassigned	<u>20,794</u>	<u>-</u>	<u>20,794</u>	<u>(20,794)</u>	<u>-</u>
Total Fund Balances	<u>23,080</u>	<u>327,155</u>	<u>350,235</u>	<u>(350,235)</u>	<u>-</u>
Total Liabilities, Deferred Inflows of Resources and Fund Balances	<u>\$ 201,813</u>	<u>\$ 495,188</u>	<u>\$ 697,001</u>		
Net Position:					
Net investment in capital assets				(4,257,190)	(4,257,190)
Restricted for:					
Emergencies				1,836	1,836
Debt service				311,655	311,655
Unrestricted				<u>21,244</u>	<u>21,244</u>
Total Net Position				<u>\$(3,922,455)</u>	<u>\$(3,922,455)</u>

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

REGENCY METROPOLITAN DISTRICT

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

For the Year Ended December 31, 2021

	<u>General</u>	<u>Debt Service</u>	<u>Total</u>	<u>Adjustments</u>	<u>Statement of Activities</u>
EXPENDITURES/EXPENSES					
Accounting	\$ 8,917	\$ -	\$ 8,917	\$ -	\$ 8,917
Audit	4,300	-	4,300	-	4,300
Insurance	4,348	-	4,348	-	4,348
Legal	11,339	-	11,339	-	11,339
Management fees	6,518	-	6,518	-	6,518
Miscellaneous expenses	1,070	-	1,070	-	1,070
Treasurer's fees	2,465	2,504	4,969	-	4,969
Bond interest expense	-	186,000	186,000	3,339	189,339
Paying agent fees	-	3,500	3,500	-	3,500
Developer repayment - operations	18,801	-	18,801	(18,801)	-
Developer repayment - capital	114,000	-	114,000	(114,000)	-
Developer interest	-	-	-	7,327	7,327
Total Expenditures/Expenses	<u>171,758</u>	<u>192,004</u>	<u>363,762</u>	<u>(122,135)</u>	<u>241,627</u>
GENERAL REVENUES					
Property taxes	164,294	166,979	331,273	-	331,273
Specific ownership taxes	15,844	16,103	31,947	-	31,947
Interest income	73	194	267	-	267
Total General Revenues	<u>180,211</u>	<u>183,276</u>	<u>363,487</u>	<u>-</u>	<u>363,487</u>
NET CHANGES IN FUND BALANCES	8,453	(8,728)	(275)	275	
CHANGE IN NET POSITION				121,860	121,860
FUND BALANCES/NET POSITION:					
BEGINNING OF YEAR	14,627	335,883	350,510	(4,394,825)	(4,044,315)
END OF YEAR	<u>\$ 23,080</u>	<u>\$ 327,155</u>	<u>\$ 350,235</u>	<u>\$ (4,272,690)</u>	<u>\$ (3,922,455)</u>

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

REGENCY METROPOLITAN DISTRICT

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

For the Year Ended December 31, 2021

	Original & Final <u>Budget</u>	<u>Actual</u>	Variance Favorable <u>(Unfavorable)</u>
REVENUES			
Property taxes	\$ 164,293	\$ 164,294	\$ 1
Specific ownership taxes	13,143	15,844	2,701
Interest income	<u>100</u>	<u>73</u>	<u>(27)</u>
Total Revenues	<u>177,536</u>	<u>180,211</u>	<u>2,675</u>
EXPENDITURES			
Accounting	12,000	8,917	3,083
Audit	4,500	4,300	200
Insurance	4,500	4,348	152
Legal	12,000	11,339	661
Management fees	12,000	6,518	5,482
Miscellaneous expenses	500	1,070	(570)
Treasurer's fees	2,464	2,465	(1)
Developer repayment - operations	23,801	18,801	5,000
Developer repayment - capital	95,000	114,000	(19,000)
Emergency reserve	5,326	-	5,326
Contingency	<u>5,000</u>	<u>-</u>	<u>5,000</u>
Total Expenditures	<u>177,091</u>	<u>171,758</u>	<u>5,333</u>
NET CHANGE IN FUND BALANCE	445	8,453	8,008
FUND BALANCE:			
BEGINNING OF YEAR	<u>12,352</u>	<u>14,627</u>	<u>2,275</u>
END OF YEAR	<u>\$ 12,797</u>	<u>\$ 23,080</u>	<u>\$ 10,283</u>

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

REGENCY METROPOLITAN DISTRICT

Notes to Financial Statements December 31, 2021

Note 1: Summary of Significant Accounting Policies

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

Definition of Reporting Entity

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

As required by GAAP, these financial statements present the activities of the District, which is legally separate and financially independent of other state and local governments. The District follows the GASB, Statement No. 61, *The Financial Reporting Entity: Omnibus, which amended* GASB Statement No. 14, *The Financial Reporting Entity* and GASB Statement No. 39, *Determining Whether Certain Organizations are Component Units*, which provides guidance for determining which governmental activities, organizations and functions should be included within the financial reporting entity. GASB sets forth the financial accountability of a governmental organization’s elected governing body as the basic criterion for including a possible component governmental organization in a primary government’s legal entity. Financial accountability includes, but is not limited to, appointment of a voting majority of the organization’s governing body, ability to impose its will on the organization, a potential for the organization to provide specific financial benefits or burdens and fiscal dependency. The pronouncements also require including a possible component unit if it would be misleading to exclude it.

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

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

REGENCY METROPOLITAN DISTRICT

Notes to Financial Statements December 31, 2021

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.

REGENCY METROPOLITAN DISTRICT

Notes to Financial Statements December 31, 2021

The District reports the following major governmental funds:

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

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

Budgetary Accounting

Budgets are adopted on a non-GAAP basis for the governmental funds. In accordance with the State Budget Law of Colorado, the District's Board of Directors holds public hearings in the fall of each year to approve the budget and appropriate the funds for the ensuing year. The District's Board of Directors can modify the budget by line item within the total appropriation without notification. The appropriation can only be modified upon completion of notification and publication requirements. The budget includes each fund on its basis of accounting unless otherwise indicated. The appropriation is at the total fund expenditures level and lapses at year end.

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

Fair Value of Financial Instruments

The District's financial instruments include cash and cash equivalents, accounts receivable and accounts payable. The District estimates that the fair value of all financial instruments at December 31, 2021, does not differ materially from the aggregate carrying values of its financial instruments recorded in the accompanying balance sheet. The carrying amount of these financial instruments approximates fair value because of the short maturity of these instruments.

Deposits and Investments

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

The District follows the practice of pooling cash and investments of all funds to maximize investment earnings. Except when required by trust or other agreements, all cash is deposited to and disbursed from a minimum number of bank accounts. Cash in excess of immediate operating requirements is pooled for deposit and investment flexibility. Investment earnings are allocated periodically to the participating funds based upon each fund's average equity balance in the total cash.

Estimates

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

REGENCY METROPOLITAN DISTRICT

Notes to Financial Statements December 31, 2021

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.

The costs of normal maintenance and repairs that do not add to the value of the assets or materially extend the life of the asset are not capitalized. Improvements are capitalized and depreciated over the remaining useful lives of the related fixed assets, as applicable using the straight-line method. Depreciation on property that will remain assets of the District is reported on the Statement of Activities as a current charge. Improvements that will be conveyed to other governmental entities are classified as construction in progress and are not depreciated. Land and certain landscaping improvements are not depreciated. No depreciation expense was recognized during 2021.

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

REGENCY METROPOLITAN DISTRICT

Notes to Financial Statements December 31, 2021

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.

Deferred Loss on Refunding

The Deferred Loss on Refunding on the Series 2019 Bonds is being amortized over the term of the refunded loan using the straight-line method. Accumulated amortization on the loss on refunding amounted to \$46,019 at December 31, 2021.

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:

REGENCY METROPOLITAN DISTRICT

Notes to Financial Statements December 31, 2021

Nonspendable Fund Balance

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

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

Restricted Fund Balance

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

The restricted fund balance in the General Fund represents Emergency Reserves that have been provided as required by Article X, Section 20 of the Constitution of the State of Colorado. A total of \$1,836 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 \$327,155 is restricted for the payment of the debt service costs associated with the Series 2019 Bonds (see Note 4).

Committed Fund Balance

The portion of fund balance that can only be used for specific purposes pursuant to constraints imposed by a formal action of the government's highest level of decision-making authority, the Board of Directors. The constraint may be removed or changed only through formal action of the Board of Directors.

Assigned Fund Balance

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

Unassigned Fund Balance

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

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

REGENCY METROPOLITAN DISTRICT

Notes to Financial Statements
December 31, 2021

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, 2021, cash and investments are classified in the accompanying financial statements as follows:

Statement of Net Position:

Cash and investments	\$ 26,006
Cash and investments - Restricted	<u>327,854</u>
Total	<u>\$ 353,860</u>

Cash and investments as of December 31, 2021, consist of the following:

Deposits with financial institutions	\$ 8,321
Investments - COLOTRUST	<u>345,539</u>
	<u>\$ 353,860</u>

REGENCY METROPOLITAN DISTRICT

Notes to Financial Statements December 31, 2021

Deposits

Custodial Credit Risk

The Colorado Public Deposit Protection Act, (“PDPA”) requires that all units of local government deposit cash in eligible public depositories. State regulators determine eligibility. Amounts on deposit in excess of federal insurance levels must be collateralized. The eligible collateral is determined by the PDPA. PDPA allows the institution to create a single collateral pool for all public funds. The pool is to be maintained by another institution or held in trust for all the uninsured public deposits as a group. The market value of the collateral must be at least equal to 102% the aggregate uninsured deposits. The State Commissioners for banks and financial services are required by statute to monitor the naming of eligible depositories and reporting of the uninsured deposits and assets maintained in the collateral pools.

The District follows state statutes for deposits. None of the District’s deposits were exposed to custodial credit risk.

Investments

Investments

Investment Valuation

Certain investments are measured at fair value within the fair value hierarchy established by generally accepted accounting principles. The hierarchy is based on the valuation inputs used to measure the fair value of the asset. Level 1 inputs are quoted prices in active markets for identical assets; Level 2 inputs are significant other observable inputs; Level 3 inputs are significant unobservable inputs. The District’s investment is not required to be categorized within the fair value hierarchy. This investment’s value is calculated using the net asset value method (NAV) per share.

Credit risk

The District has adopted a formal investment policy and follows the state statutes regarding investments. Colorado statutes specify types of investments meeting defined rating and risk criteria in which local governments may invest. These investments include obligations of the United States and certain U.S. government agency entities, certain money market funds, guaranteed investment contracts, and local government investment pools.

Custodial and Concentration of Credit Risk

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

Interest Rate Risk

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

REGENCY METROPOLITAN DISTRICT

Notes to Financial Statements
December 31, 2021

As of December 31, 2021, 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, 2021, the District had \$345,539 invested in COLOTRUST.

Note 3: Capital Assets

An analysis of the changes in fixed assets for the period ended December 31, 2021, follows:

<u>Governmental Type Activities:</u>	<u>Balance 1/1/2021</u>	<u>Additions</u>	<u>Deletions</u>	<u>Balance 12/31/2021</u>
<u>Capital assets being depreciated:</u>				
Parks, equipment	\$ 80,000	\$ -	\$ -	\$ 80,000
Total capital assets being depreciated	80,000	-	-	80,000
<u>Accumulated Depreciation:</u>				
Parks, equipment	(80,000)	-	-	(80,000)
Total accumulated depreciation	(80,000)	-	-	(80,000)
Net capital assets being depreciated	-	-	-	-
Government type assets, net	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

REGENCY METROPOLITAN DISTRICT

Notes to Financial Statements
December 31, 2021

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, 2021, is as follows:

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

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

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

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

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

REGENCY METROPOLITAN DISTRICT

Notes to Financial Statements December 31, 2021

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, 2021, the outstanding principal amount the District owed the Developer was \$0, and the total accrued interest was \$114,985.

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

Project Funding and Reimbursement Agreement

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

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

As of December 31, 2021, the outstanding principal amount the District owed the Developer was \$92,139, and the total accrued interest was \$346,412.

REGENCY METROPOLITAN DISTRICT

Notes to Financial Statements
December 31, 2021

The following is an analysis of changes in long-term debt for the period ended December 31, 2021:

	Balance 1/1/2021	Additions	Deletions	Balance 12/31/2021	Current Portion
<u>General Obligation Bonds:</u>					
Series 2019 Bonds	\$ 3,720,000	\$ -	\$ -	\$ 3,720,000	\$ -
Series 2019 Bonds - Premium	79,344	-	4,278	75,066	-
	3,799,344	-	4,278	3,795,066	-
<u>Other</u>					
Devel Adv - Operating	18,801	-	18,801	-	-
Accrued Int.	114,633	352	-	114,985	-
Devel Adv - Capital	206,139	-	114,000	92,139	-
Accrued Int.	339,437	6,975	-	346,412	-
	679,010	7,327	132,801	553,536	-
Total	<u>4,478,354</u>	<u>\$ 7,327</u>	<u>\$ 137,079</u>	<u>\$ 4,348,602</u>	<u>\$ -</u>

There are no unused Lines of Credit as of December 31, 2021.

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, 2021:

	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2022	\$ -	\$ 186,000	\$ 186,000
2023	-	186,000	186,000
2024	55,000	186,000	241,000
2025	60,000	183,250	243,250
2026	70,000	180,250	250,250
2027 - 2031	455,000	842,000	1,297,000
2032 - 2036	650,000	709,250	1,359,250
2037 - 2041	895,000	523,500	1,418,500
2042 - 2046	<u>1,535,000</u>	<u>267,750</u>	<u>1,802,750</u>
	<u>\$ 3,720,000</u>	<u>\$ 3,264,000</u>	<u>\$ 6,984,000</u>

REGENCY METROPOLITAN DISTRICT

Notes to Financial Statements December 31, 2021

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 2022.

Note 5: Related Parties

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

Note 6: Tax Spending and Debt Limitations

Article X, Section 20 of the Colorado Constitution, commonly known as the Taxpayer Bill of Rights (“TABOR”), contains tax, spending, revenue and debt limitations which apply to the State of Colorado and all local governments.

Spending and revenue limits are determined based on the prior year’s Fiscal Year Spending adjusted for allowable increases based upon inflation and local growth. Fiscal Year Spending is generally defined as expenditures plus reserve increases with certain exceptions. Revenue in excess of the Fiscal Year Spending limit must be refunded unless the voters approve retention of such revenue.

TABOR requires local governments to establish Emergency Reserves. These reserves must be at least 3% of Fiscal Year Spending (excluding bonded debt service). Local governments are not allowed to use the emergency reserves to compensate for economic conditions, revenue shortfalls, or salary or benefit increases.

The District’s management believes it is in compliance with the provisions of TABOR. However, TABOR is complex and subject to interpretation. Many of the provisions, including the interpretation of how to calculate Fiscal Year Spending limits will require judicial interpretation.

On May 2, 2006, a majority of the District’s electors authorized the District to collect and spend or retain in a reserve all currently levied taxes and fees of the District without regard to any limitations under Article X, Section 20, of the Colorado Constitution.

REGENCY METROPOLITAN DISTRICT

Notes to Financial Statements December 31, 2021

Note 7: Risk Management

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

The District pays annual premiums to the Pool for auto, public officials’ liability, and property and general liability coverage. In the event aggregated losses incurred by the Pool exceed its amounts recoverable from reinsurance contracts and its accumulated reserves, the District may be called upon to make additional contributions to the Pool on the basis proportionate to other members. Any excess funds which the Pool determines are not needed for purposes of the Pool may be returned to the members pursuant to a distribution formula.

Note 8: Reconciliation of government-wide financial statements and fund financial statements

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

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

REGENCY METROPOLITAN DISTRICT

Notes to Financial Statements December 31, 2021

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.

SUPPLEMENTAL INFORMATION

REGENCY METROPOLITAN DISTRICT

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

For the Year Ended December 31, 2021

	Original & Final		Variance
	Budget	Actual	Favorable (Unfavorable)
REVENUES			
Property taxes	\$ 166,979	\$ 166,979	\$ -
Specific ownership taxes	13,300	16,103	2,803
Interest income	800	194	(606)
Total Revenues	181,079	183,276	2,197
EXPENDITURES			
Bond interest expense	186,000	186,000	-
Paying agent fees	4,000	3,500	500
Contingency	3,324	-	3,324
Treasurer's fees	2,505	2,504	1
Total Expenditures	195,829	192,004	3,825
NET CHANGE IN FUND BALANCE	(14,750)	(8,728)	6,022
FUND BALANCE:			
BEGINNING OF YEAR	334,243	335,883	1,640
END OF YEAR	\$ 319,493	\$ 327,155	\$ 7,662

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

REGENCY METROPOLITAN DISTRICT

SUMMARY OF ASSESSED VALUATION, MILL LEVY AND PROPERTY TAXES COLLECTED

December 31, 2021

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

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.

EXHIBIT B

REGENCY METROPOLITAN DISTRICT

2022 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 2022 budget was prepared in accordance with the Local Government Budget Law of Colorado. The budget reflects the projected spending plan for the 2022 fiscal year based on available revenues. This budget provides for the annual debt service on the District's general obligation debt as well as the general operation of the District. The Board of Directors authorized adjustment of the District mill levy in accordance with the Colorado Constitution, Article X, Section 3 (the "Gallagher Adjustment"). The Gallagher Adjustment and the District's Service Plan authorize an adjustment of the Maximum Debt Mill Levy in the event that the method of calculating assessed valuation is changed after January 1, 2000, by any change in law, change in method of calculation, or in the event of any legislation or constitutionally mandated tax credit, cut, or abatement. The adjustment to the Maximum Debt Mill Levy is determined by the Board so that, to the extent possible, the actual tax revenues generated by the mill levy, as adjusted, are neither diminished nor enhanced as a result of such changes. The Colorado General Assembly passed House Bill 17-1349 setting the ratio of valuation for assessment for real residential property at 7.15% (decreased from 7.20%) for property taxes commencing on and after January 1, 2019, until the next property tax year that the General Assembly determines to adjust the ratio of valuation for assessment for residential real property. In November 2020, voters agreed to Repeal the Gallagher Amendment by approving Amendment B. The Gallagher Adjustment for the District allows for a total mill levy imposition, as noted in the following paragraph, so the District's revenue is neither diminished nor enhanced.

The District's assessed value increased 2.77% to \$7,150,330 for 2022. The District certified 47.611 mills for 2022 collection, with 23.500 mills dedicated to the Debt Service Fund and 24.111 mills dedicated to the General Fund.

Budgetary Basis of Accounting

The District uses funds to budget and report on the financial position and results of operations. Fund accounting is designed to demonstrate legal compliance and to aid financial management by segregating transactions related to certain governmental functions. The various funds determine the total District budget. All of the District's funds are considered Governmental Funds and are reported using the current financial resources and the modified accrual basis of accounting. Revenues are recognized when they are measurable and available. Revenues are considered available when they are collectible within the current period. For this purpose, the District considers revenues to be available if they are collected within 60 days of the end of the current fiscal period. Expenditures, other than the interest on long term obligations, are recorded when the liability is incurred or the long-term obligation paid.

Fund Summaries

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

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

Emergency Reserve

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

Regency Metropolitan District
Statement of Net Position
August 31, 2021

	General Fund	Debt Service	Fixed Assets & LTD	TOTAL ALL FUNDS
ASSETS				
CASH				
First Bank Checking	1,573			1,573
ColoTrust	142,020			142,020
UMB - Reserve Fund		302,025		302,025
UMB - Bond Payment Fund		39,832		39,832
Inter-Fund Balances	(71,774)	71,774		-
TOTAL CASH	71,818	413,631	-	485,450
OTHER CURRENT ASSETS				
Due From County Treasurer	-	-		-
Property Taxes Receivable	(0)	(0)		(0)
Accounts Receivable	-	-		-
Prepaid Expenses	-	-		-
TOTAL OTHER CURRENT ASSETS	(0)	(0)	-	(0)
FIXED ASSETS				
Parks Equipment			80,000	80,000
Accumulated Depreciation			(80,000)	(80,000)
TOTAL FIXED ASSETS	-	-	-	-
DEFERRED OUTFLOWS				
Deferred Loss on Refunding			99,029	99,029
TOTAL DEFERRED INFLOWS	-	-	99,029	99,029
TOTAL ASSETS & DEF INFLOWS	71,818	413,631	99,029	584,478
LIABILITIES & DEFERED INFLOWS				
CURRENT LIABILITIES				
Accounts Payable	1,424			1,424
TOTAL CURRENT LIABILITIES	1,424	-	-	1,424
DEFERRED INFLOWS				
Deferred Property Taxes	(0)	(0)		(0)
TOTAL DEFERRED INFLOWS	(0)	(0)	-	(0)
LONG-TERM LIABILITIES				
Bonds Payable-Series 2019			3,720,000	3,720,000
Developer Advance- Ops			-	-
Developer Advance- Cap			136,141	136,141
Accrued Interest- Bonds			15,500	15,500
Accrued Interest- Dev Adv- Ops			114,633	114,633
Accrued Interest- Dev Adv- Cap			339,435	339,435
Deferred Bond Premium			79,344	79,344
TOTAL LONG-TERM LIABILITIES	-	-	4,405,052	4,405,052
TOTAL LIAB & DEF INFLOWS	1,423	(0)	4,405,052	4,406,475
NET POSITION				
Net Investment in Capital Assets			-	-
Amount to be Provided for Debt			(4,306,023)	(4,306,023)
Fund Balance- Nonspendable	-			-
Fund Balance- Restricted	1,487	413,631	-	415,118
Fund Balance- Unassigned	68,908			68,908
TOTAL NET POSITION	70,395	413,631	(4,306,023)	(3,821,997)

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

Print Date: 12/06/21

	2020 Audited Actual	2021 Adopted Budget	Variance Favorable (Unfavor)	2021 Forecast	YTD Thru 08/31/21 Actual	YTD Thru 08/31/21 Budget	Variance Favorable (Unfavor)	2022 Adopted Budget	Notes/Assumptions
PROPERTY TAXES									
Assessed Valuation	6,932,360	6,957,460		6,957,460	6,957,460		7,150,330	November Final AV Per County	
Mill Levy Breakdown:									
Mill Levy - Operations	22.160	23.614		23.614	23.614		24.111	Remaining Available	
Mill Levy - Debt Service	25.500	24.000		24.000	24.000		23.500	Lower To Use Excess Funds	
Mill Levy - Contractual Obligations	0.000	0.000		0.000	0.000		0.000	No Longer Used	
Total	47.660	47.614		47.614	47.614		47.611	35 mills gallagherized	
Property Tax Revenue - Operations	153,621	164,293		164,293	164,293		172,402	AV * Mill Levy / 1,000	
Property Tax Revenue - Debt & Cont Obl	176,775	166,979		166,979	166,979		168,033	AV * Mill Levy / 1,000	
Total	330,396	331,273		331,273	331,273		340,434		
COMBINED FUNDS									
REVENUE									
Property Taxes	330,397	331,273	-	331,273	331,273	331,273	0	340,434	AV * Mill Levy / 1,000
Specific Ownership Taxes	28,499	26,443	2,522	28,965	19,069	15,425	3,644	27,192	8% of Taxes
Interest	3,204	900	(550)	350	227	600	(373)	5,200	Budget High to avoid amendment
Loan/Bond Proceeds, Prem, & Disc	-	-	-	-	-	-	-	-	Notes Refunded in 2019
TOTAL REVENUE	362,100	358,616	1,972	360,588	350,569	347,298	3,271	372,826	
EXPENDITURES									
General Government	52,073	68,119	14,202	53,917	35,252	43,964	8,712	77,312	All non-debt expenses
Debt Service- Bond Principal & Interest	186,000	186,000	-	186,000	93,000	93,000	-	186,000	See Debt Service Fund
Debt Service- Developer Repayments	115,000	118,801	(10,000)	128,801	88,801	88,801	-	130,000	See General & Debt Svc Funds
Debt Service- Cost of Issuance	-	-	-	-	-	-	-	-	-
TOTAL EXPENDITURES	353,073	372,920	4,202	368,718	217,053	225,765	8,712	393,312	
CHANGE IN FUND BALANCE	9,027	(14,305)	6,174	(8,131)	133,516	121,532	11,984	(20,486)	
BEGINNING FUND BALANCE	341,483	346,596	3,915	350,510	350,510	346,596	3,915	342,380	
ENDING FUND BALANCE	350,510	332,291	10,089	342,380	484,026	468,128	15,898	321,894	
COMPONENTS OF FUND BALANCE									
Nonspendable	3,929	4,725	145	4,870	-	-	-	5,200	Prepaid Insurance
TABOR Emergency Reserve	1,571	-	1,487	1,487	1,487	3,738	(2,251)	-	Budgeted as an Expenditure
Restricted For Debt Service	335,883	319,494	6,614	326,108	413,631	408,347	5,284	306,720	Per Debt Service Fund
Unassigned/ Other	9,127	8,072	1,843	9,915	68,908	56,043	12,865	9,974	Per General Fund
TOTAL ENDING FUND BALANCE	350,510	332,291	10,089	342,380	484,026	468,128	15,898	321,894	
=	=	=	=	=	=	=	=	=	

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

Print Date: 12/06/21

	2020 Audited Actual	2021 Adopted Budget	Variance Favorable (Unfavor)	2021 Forecast	YTD Thru 08/31/21 Actual	YTD Thru 08/31/21 Budget	Variance Favorable (Unfavor)	2022 Adopted Budget	Notes/Assumptions	
GENERAL FUND										
REVENUE										
1-510	Property Taxes	153,621	164,293	-	164,293	164,294	164,293	0	172,402	AV * Mill Levy / 1,000
1-515	Specific Ownership Taxes	13,251	13,143	822	13,965	9,457	7,667	1,790	13,792	8% of Taxes
1-560	Interest Income	461	100	-	100	65	67	(2)	5,000	Budget High to avoid amendment
TOTAL REVENUE		167,334	177,536	822	178,358	173,816	172,027	1,789	191,194	
EXPENDITURES										
Administration										
1-612	Accounting	11,017	12,000	-	12,000	6,619	8,000	1,381	12,500	Based on 2021 Forecast
1-614	District Management	12,140	12,000	-	12,000	4,103	8,000	3,897	12,500	Based on 2021 Forecast
1-615	Audit	4,300	4,500	200	4,300	4,300	4,500	200	4,500	Based on 2021 Forecast
1-635	Election	816	-	-	-	-	-	-	3,500	Assume Canceled
1-670	Insurance & SDA Dues	4,252	4,500	152	4,348	4,348	4,500	152	4,870	Based on 2021 Forecast
1-675	Legal	10,865	12,000	-	12,000	6,794	8,000	1,206	12,500	Based on 2021 Forecast
1-685	Miscellaneous Expense	224	500	(300)	800	617	333	(283)	1,000	Based on 2021 Forecast
1-700	Treasurer's Fees	2,305	2,464	-	2,464	2,465	2,464	(0)	2,586	1.5% of property taxes
1-795	Emergencies	-	5,326	5,326	-	-	-	-	1,836	3% TABOR Reserve
	Contingency	-	5,000	5,000	-	-	-	-	6,500	Unforeseen needs
Total Administration		45,920	58,290	10,378	47,912	29,247	35,798	6,551	62,292	
Debt Service										
1-710	Developer Repayment- Ops Principal	115,000	23,801	5,000	18,801	18,801	23,801	5,000	-	Pay off in 2021
1-720	Developer Repayment- Cap Principal	-	95,000	(15,000)	110,000	70,000	65,000	(5,000)	96,141	Pay off Remaining Balance
	Developer Repayment- Ops Interest	-	-	-	-	-	-	-	33,860	Begin Paying Down Interest
	Developer Repayment- Cap Interest	-	-	-	-	-	-	-	-	Ops Interest Paid First
Total Debt Service		115,000	118,801	(10,000)	128,801	88,801	88,801	-	130,000	
TOTAL EXPENDITURES		160,920	177,091	378	176,713	118,048	124,599	6,551	192,292	
REVENUE OVER / (UNDER) EXP		6,413	445	444	1,645	55,768	47,428	8,340	(1,098)	
OTHER SOURCES / (USES)										
1-780	Transfer to Debt Service	-	-	-	-	-	-	-	-	
TOTAL OTHER SOURCES / (USES)		-	-	-	-	-	-	-	-	
CHANGE IN FUND BALANCE		6,413	445	1,200	1,645	55,768	47,428	8,340	(1,098)	
1-450	BEGINNING FUND BALANCE	8,214	12,352	2,275	14,627	14,627	12,352	2,275	16,272	
ENDING FUND BALANCE		14,627	12,797	3,475	16,272	70,395	59,781	10,614	15,174	
		=	=	=	=	=	=	=	=	
COMPONENTS OF FUND BALANCE:										
1-142	Nonspendable	3,929	4,725	145	4,870	-	-	-	5,200	Prepaid Insurance
	Restricted for Emergencies	1,571	-	1,487	1,487	1,487	5,327	(3,840)	-	Budgeted as an Expenditure
	Unassigned	9,127	8,072	1,843	9,915	68,908	54,454	14,454	9,974	
TOTAL FUND BALANCE		14,627	12,797	3,475	16,272	70,395	59,781	10,614	15,174	

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: 12/06/21

	2020 Audited Actual	2021 Adopted Budget	Variance Favorable (Unfavor)	2021 Forecast	YTD Thru 08/31/21 Actual	YTD Thru 08/31/21 Budget	Variance Favorable (Unfavor)	2022 Adopted Budget	Notes/Assumptions	
DEBT SERVICE FUND										
REVENUE										
2-510	Property Taxes	176,775	166,979	-	166,979	166,979	166,979	0	168,033	AV * Mill Levy / 1,000
2-515	Specific Ownership Taxes	15,248	13,300	1,700	15,000	9,612	7,758	1,853	13,400	8% of Taxes
2-560	Interest Income	2,743	800	(550)	250	162	533	(371)	200	0.05% of Beginning Fund Balance
TOTAL REVENUE		194,766	181,079	1,150	182,229	176,753	175,271	1,482	181,633	
EXPENDITURES										
2-605	Note Principal- 2015	-	-	-	-	-	-	-	-	Notes Refunded in 2019
2-606	Note Interest- 2015	-	-	-	-	-	-	-	-	Notes Refunded in 2019
	Bond Principal- 2019	-	-	-	-	-	-	-	-	Per Amortization Schedule
2-608	Bond Interest- 2019	186,000	186,000	-	186,000	93,000	93,000	-	186,000	Per Amortization Schedule
2-610	Developer Repayment- Ops Principal	-	-	-	-	-	-	-	-	Now in General Fund
2-615	Developer Repayment- Cap Principal	-	-	-	-	-	-	-	-	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	3,500	4,000	500	3,500	3,500	4,000	500	3,500	Based on 2021 Forecast
2-700	Treasurer's Fees	2,653	2,505	-	2,505	2,505	2,505	(0)	2,520	1.5% of property taxes
2-618	Bond Cost of Issuance	-	-	-	-	-	-	-	-	
	Contingency	-	3,324	3,324	-	-	1,662	1,662	9,000	Unforeseen needs/ rev shortfalls
TOTAL EXPENDITURES		192,153	195,829	3,824	192,005	99,005	101,167	2,162	201,020	
REVENUE OVER / (UNDER) EXP		2,614	(14,750)	4,974	(9,776)	77,748	74,104	3,644	(19,388)	
OTHER SOURCES / (USES)										
2-523	Bond / Loan Proceeds	-	-	-	-	-	-	-	-	
2-525	Bond Premium	-	-	-	-	-	-	-	-	
2-894	Transfer to Capital Fund	-	-	-	-	-	-	-	-	
TOTAL OTHER SOURCES / (USES)		-	-	-	-	-	-	-	-	
CHANGE IN FUND BALANCE		2,614	(14,750)	4,974	(9,776)	77,748	74,104	3,644	(19,388)	
2-450	BEGINNING FUND BALANCE	333,270	334,243	1,640	335,883	335,883	334,243	1,640	326,108	
ENDING FUND BALANCE		335,883	319,494	6,614	326,108	413,631	408,347	5,284	306,720	
COMPONENTS OF FUND BALANCE:										
	Reserve Fund	302,000	302,000	-	302,000	302,000	302,000	-	302,000	\$302,000 Required by Loan
	Restricted for Debt Service	33,883	17,494	6,614	24,108	111,631	106,347	5,284	4,720	
TOTAL FUND BALANCE		335,883	319,494	6,614	326,108	413,631	408,347	5,284	306,720	
		=	=	=	=	=	=	=	=	
	Balance of Loan/Bond (Beginning of Year)	3,720,000	3,720,000	-	3,720,000				3,720,000	
	Assessed Valuation	6,932,360	6,957,460		6,957,460				7,150,330	
	Debt to Assessed Ratio (Beg of Year)	54%	53%		53%				52%	

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

I, Ann 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 2022, duly adopted at a meeting of the Board of Directors of the Regency Metropolitan District held on October 12, 2021.

By: Ann Finn
Secretary

EXHIBIT C

BOARD OF DIRECTORS REGENCY METROPOLITAN DISTRICT

As of 07/06/2022

Directors Thomas J. Brinkman II, President c/o Special District Management Services, Inc. 141 Union Blvd., Suite 150 Lakewood, CO 80228-1898 Phone: (303) 793-0220	
Lisa S. Brinkman, Assistant Secretary c/o Special District Management Services, Inc. 141 Union Blvd., Suite 150 Lakewood, CO 80228-1898 Office: (303) 793-0220	
James E. Marshall, Treasurer c/o Special District Management Services, Inc. 141 Union Blvd., Suite 150 Lakewood, CO 80228-1898 Phone: (303) 793-0220	
Shelley D. Marshall, Assistant Secretary c/o Special District Management Services, Inc. 141 Union Blvd., Suite 150 Lakewood, CO 80228-1898 Phone: (303) 793-0220	
District Manager/Board Secretary: Ann E. Finn Special District Management Services, Inc. 141 Union Boulevard, Suite 150 Lakewood, Colorado 80228 Phone: (303) 987-0835	General Counsel: MaryAnn M. McGeady, Esq. McGeady Becher, P.C. 450 East 17th Avenue, Suite 400 Denver, Colorado 80203-1254 Phone: (303) 592-4380
Accountant Eric Weaver Marchetti & Weaver, LLC, Mountain Office 28 Second Street, Suite 213 Edwards, Colorado 81632 Phone: (970) 926-6060	