

ANNUAL REPORT
(for the Year Ending December 31, 2023)

REGENCY METROPOLITAN DISTRICT
(the "DISTRICT")

(Pursuant to Section VII of the Service Plan, approved March 20, 2006, and Section 32-1-207(3)(c), C.R.S)

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 (the "PFRA"), and had caused said Improvements to be dedicated to the appropriate entities in accordance with the Service Plan.

2. 2023 Audited Financial Statements

A copy of the 2023 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 PFRA. 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

Please refer to Exhibit A.

5. 2024 Adopted Budget

A copy of the 2024 Budget is attached hereto as *Exhibit B*.

6. 2023 Residential and Commercial Development Summary

The Development was completed between 2007 and 2014 as an entirely residential community and includes approximately 192 single family homes. No additional residential development and no commercial development is anticipated.

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 were paid by the Developer or homebuilder, and no additional fees are anticipated.

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 2024 on June 5, 2024 and October 9, 2024, at 2:00 p.m., via video and phone conference.

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.

11. **Boundary Changes made**

The District has not made any changes to its boundaries in 2023.

12. **Intergovernmental agreements either proposed, entered into, or terminated as of December 31, 2023**

The District did not propose, enter into, or terminate any intergovernmental agreements in 2023.

The District previously entered into an Intergovernmental Agreement with the Town of Parker on August 21, 2006.

13. **Access information to obtain a copy of rules and regulations adopted**

The District has not adopted any rules or regulations as of 2023. In the event the District adopts rules or regulations in the future, such documents may be accessed at the offices of McGeady Becher, P.C., 450 E. 17th Street, Suite 400, Denver, CO 80203, (303) 592-4380, or on the District's website: <https://regencymd.colorado.gov/>.

14. **Summary of litigation involving the District's public improvements**

The District was not involved in any pending or threatened litigation in 2023.

15. **A list of facilities or improvements constructed by the District that were conveyed or dedicated to the Town of Parker in 2023**

No facilities or improvements were dedicated to or accepted by the Town of Parker in 2023 as development was completed in 2006 and 2014.

16. **The final assessed valuation of the District for the report year**

The District's assessed valuation for the report year is \$9,409,480.

17. **Notice of any uncured events of default by the District, which continue beyond a ninety (90) day period, under any debt instrument**

To our knowledge, there are no uncured events of default by the District which continue beyond a ninety (90) day period.

18. **Any inability of the District to pay its obligations as they come due, in accordance with the terms of such obligations, which continues beyond a ninety (90) day period**

To our knowledge, the District has been able to pay its obligations as they come due.

EXHIBIT A
2023 Audited Financial Statements

**REGENCY
METROPOLITAN DISTRICT**

Financial Statements

December 31, 2023

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, 2023, 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 the District as of December 31, 2023, 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 the 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 opinions.

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.

Required Supplementary Information

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 opinions on the basic financial statements are not affected by this missing information.

Supplementary Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the District's financial statements as a whole. The supplementary information listed in the accompanying table of contents is presented for purposes of additional analysis and are not a required part of the basic financial statements. The supplementary information is the responsibility of management and was derived from and relate directly to the underlying accounting and other records used to prepare the financial statements. The supplementary information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the 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 supplementary information is fairly stated in all material respects in relation to the financial statements as a whole.

Simmons & Wheeler P.C.

Englewood, CO
March 1, 2024

REGENCY METROPOLITAN DISTRICT

BALANCE SHEET/STATEMENT OF NET POSITION
GOVERNMENTAL FUNDS
December 31, 2023

	<u>General</u>	<u>Debt Service</u>	<u>Total</u>	<u>Adjustments</u>	<u>Statement of Net Position</u>
ASSETS					
Cash and investments	\$ 26,537	\$ -	\$ 26,537	\$ -	\$ 26,537
Cash and investments - restricted	5,925	334,150	340,075	-	340,075
Receivable - County Treasurer	1,042	1,003	2,045	-	2,045
Property taxes receivable	177,839	219,862	397,701	-	397,701
Prepaid expenses	<u>4,595</u>	<u>-</u>	<u>4,595</u>	<u>-</u>	<u>4,595</u>
Total Assets	<u>215,938</u>	<u>555,015</u>	<u>770,953</u>	<u>-</u>	<u>770,953</u>
DEFERRED OUTFLOWS OF RESOURCES					
Deferred loss on refunding	<u>-</u>	<u>-</u>	<u>-</u>	<u>76,178</u>	<u>76,178</u>
Total Deferred Outflows of Resources	<u>-</u>	<u>-</u>	<u>-</u>	<u>76,178</u>	<u>76,178</u>
Total Assets and Deferred Outflows of Resources	<u>\$ 215,938</u>	<u>\$ 555,015</u>	<u>\$ 770,953</u>		
LIABILITIES					
Accounts payable	\$ 1,755	\$ -	\$ 1,755	-	1,755
Accrued interest on bonds	-	-	-	15,500	15,500
Long-term liabilities:					
Due within one year	-	-	-	55,000	55,000
Due in more than one year	<u>-</u>	<u>-</u>	<u>-</u>	<u>4,021,709</u>	<u>4,021,709</u>
Total Liabilities	<u>1,755</u>	<u>-</u>	<u>1,755</u>	<u>4,092,209</u>	<u>4,093,964</u>
DEFERRED INFLOWS OF RESOURCES					
Deferred property taxes	<u>177,839</u>	<u>219,862</u>	<u>397,701</u>	<u>-</u>	<u>397,701</u>
Total Deferred Inflows of Resources	<u>177,839</u>	<u>219,862</u>	<u>397,701</u>	<u>-</u>	<u>397,701</u>
FUND BALANCES/NET POSITION					
Fund Balances:					
Nonspendable:					
Prepays	4,595	-	4,595	(4,595)	-
Restricted:					
Emergencies	5,925	-	5,925	(5,925)	-
Debt service	-	335,153	335,153	(335,153)	-
Unassigned	<u>25,824</u>	<u>-</u>	<u>25,824</u>	<u>(25,824)</u>	<u>-</u>
Total Fund Balances	<u>36,344</u>	<u>335,153</u>	<u>371,497</u>	<u>(371,497)</u>	<u>-</u>
Total Liabilities, Deferred Inflows of Resources and Fund Balances	<u>\$ 215,938</u>	<u>\$ 555,015</u>	<u>\$ 770,953</u>		
Net Position:					
Net investment in capital assets				(4,000,531)	(4,000,531)
Restricted for:					
Emergencies				5,925	5,925
Debt service				319,653	319,653
Unrestricted				<u>30,419</u>	<u>30,419</u>
Total Net Position				<u>\$ (3,644,534)</u>	<u>\$ (3,644,534)</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, 2023

	<u>General</u>	<u>Debt Service</u>	<u>Total</u>	<u>Adjustments</u>	<u>Statement of Activities</u>
EXPENDITURES/EXPENSES					
Accounting	\$ 12,691	\$ -	\$ 12,691	\$ -	\$ 12,691
Audit	4,500	-	4,500	-	4,500
Election expense	1,152	-	1,152	-	1,152
Insurance	4,404	-	4,404	-	4,404
Legal	23,043	-	23,043	-	23,043
Management fees	5,456	-	5,456	-	5,456
Miscellaneous expenses	643	-	643	-	643
Treasurer's fees	2,608	2,510	5,118	-	5,118
Bond interest expense	-	186,000	186,000	3,340	189,340
Paying agent fees	-	3,500	3,500	-	3,500
Developer repayment - operations	66,985	-	66,985	(66,985)	-
Developer repayment - capital	58,016	-	58,016	(58,016)	-
Total Expenditures/Expenses	179,498	192,010	371,508	(121,661)	249,847
GENERAL REVENUES					
Property taxes	173,809	167,284	341,093	-	341,093
Specific ownership taxes	16,118	15,513	31,631	-	31,631
Interest income	4,000	19,889	23,889	-	23,889
Total General Revenues	193,927	202,686	396,613	-	396,613
NET CHANGES IN FUND BALANCES	14,429	10,676	25,105	(25,105)	
CHANGE IN NET POSITION				146,766	146,766
FUND BALANCES/NET POSITION:					
BEGINNING OF YEAR	21,915	324,477	346,392	(4,137,692)	(3,791,300)
END OF YEAR	\$ 36,344	\$ 335,153	\$ 371,497	\$ (4,016,031)	\$ (3,644,534)

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, 2023

	Original & Final <u>Budget</u>	<u>Actual</u>	Variance Favorable (Unfavorable)
REVENUES			
Property taxes	\$ 173,808	\$ 173,809	\$ 1
Specific ownership taxes	13,905	16,118	2,213
Interest income	<u>10,000</u>	<u>4,000</u>	<u>(6,000)</u>
Total Revenues	<u>197,713</u>	<u>193,927</u>	<u>(3,786)</u>
EXPENDITURES			
Accounting	13,500	12,691	809
Audit	4,900	4,500	400
Election expense	3,500	1,152	2,348
Insurance	5,150	4,404	746
Legal	13,500	23,043	(9,543)
Management fees	11,000	5,456	5,544
Miscellaneous expenses	1,300	643	657
Treasurer's fees	2,607	2,608	(1)
Developer repayment - operations	66,986	66,985	1
Developer repayment - capital	68,014	58,016	9,998
Emergency reserve	5,931	-	5,931
Contingency	<u>7,500</u>	<u>-</u>	<u>7,500</u>
Total Expenditures	<u>203,888</u>	<u>179,498</u>	<u>24,390</u>
NET CHANGE IN FUND BALANCE	(6,175)	14,429	20,604
FUND BALANCE:			
BEGINNING OF YEAR	<u>21,304</u>	<u>21,915</u>	<u>611</u>
END OF YEAR	<u><u>\$ 15,129</u></u>	<u><u>\$ 36,344</u></u>	<u><u>\$ 21,215</u></u>

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

REGENCY METROPOLITAN DISTRICT

Notes to Financial Statements December 31, 2023

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, 2023

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, 2023

The District reports the following major governmental funds:

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

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

Budgetary Accounting

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

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

Fair Value of Financial Instruments

The District's financial instruments include cash and investments, accounts receivable and accounts payable. The District estimates that the fair value of all financial instruments at December 31, 2023, does not differ materially from the aggregate carrying values of its financial instruments recorded in the accompanying balance sheet. The carrying amount of these financial instruments approximates fair value because of the short maturity of these instruments.

Deposits and Investments

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

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

Estimates

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

REGENCY METROPOLITAN DISTRICT

Notes to Financial Statements December 31, 2023

Deferred Outflows/Inflows of Resources

In addition to assets, the statement of net position will sometimes report a separate section for deferred outflows of resources. This separate financial statement element, *deferred outflows of resources*, represents a consumption of net assets that applies to a future period(s) and so will not be recognized as an outflow of resources (expense/expenditure) until then. The District has one type of item that qualifies for reporting in this category. It is the deferred loss on refunding reported in the government-wide Statement of Net Position. A deferred loss on refunding results from the difference in the carrying value of refunded debt and its reacquisition price. This amount is deferred and amortized over the shorter of the life of the refunded or refunding debt.

In addition to liabilities, the statement of net position will sometimes report a separate section for deferred inflows of resources. This separate financial statement element, *deferred inflows of resources*, represents an acquisition of net assets that applies to a future period(s) and so will not be recognized as an inflow of resources (revenue) until that time. The District has one type of item that qualifies for reporting in this category. Deferred property taxes are deferred and recognized as an inflow of resources in the period that the amounts become available.

Capital Assets

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

The costs of normal maintenance and repairs that do not add to the value of the assets or materially extend the life of the asset are not capitalized. Improvements are capitalized and depreciated over the remaining useful lives of the related fixed assets, as applicable using the straight-line method. Depreciation on property that will remain assets of the District is reported on the Statement of Activities as a current charge. Improvements that will be conveyed to other governmental entities are classified as construction in progress and are not depreciated. Land and certain landscaping improvements are not depreciated. No depreciation expense was recognized during 2023.

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, 2023

The playground equipment was depreciated using a straight-line method over the following estimated useful lives and was fully depreciated at of December 31, 2023:

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 \$61,253 at December 31, 2023.

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, 2023

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 \$4,595 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 \$5,925 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 \$335,153 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, 2023

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, 2023, cash and investments are classified in the accompanying financial statements as follows:

Statement of Net Position:

Cash and investments	\$ 26,537
Cash and investments - Restricted	<u>340,075</u>
Total	<u>\$ 366,612</u>

Cash and investments as of December 31, 2023, consist of the following:

Deposits with financial institutions	\$ 523
Investments - COLOTRUST	<u>366,089</u>
	<u>\$ 366,612</u>

REGENCY METROPOLITAN DISTRICT

Notes to Financial Statements December 31, 2023

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

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, 2023

As of December 31, 2023, the District had the following investments:

COLOTRUST

As of December 31, 2023, the District invested in the Colorado Local Governmental Liquid Asset Trust (“COLOTRUST”), a local governmental investment vehicle established for local governmental entities in Colorado to pool surplus funds. COLOTRUST offers three investment options, one of which is COLOTRUST PLUS+. As an investment pool, COLOTRUST operates under the Colorado Revised Statutes (24-75-701) and is overseen by the Colorado Securities Commissioner. COLOTRUST PLUS+ may invest in U.S. Treasuries, government agencies, the highest-rated commercial paper, certain corporate securities, certain money market funds, and certain repurchase agreements, and limits its investments to those allowed by State statutes. Purchases and redemptions are available daily at a net asset value (“NAV”) of \$1.00. A designated custodial bank provides safekeeping and depository services to COLOTRUST in connection with the direct investment and withdrawal function of COLOTRUST. The custodian’s internal records identify the investments owned by participating governments. COLOTRUST PLUS+ records its investment at fair value and the District records its investment in COLOTRUST PLUS+ using the next asset value. There are no unfunded commitments and there is no redemption notice period. The weighted average maturity is 60 days or less and is rated AAAM by Standard & Poor’s. At December 31, 2023, the District had \$366,089 invested in COLOTRUST PLUS+.

Note 3: Capital Assets

An analysis of the changes in fixed assets for the period ended December 31, 2023, follows:

<u>Governmental Type Activities:</u>	<u>Balance</u> <u>1/1/2023</u>	<u>Additions</u>	<u>Deletions</u>	<u>Balance</u> <u>12/31/2023</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, 2023

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

Note 4: Long-Term Debt

A description of the long-term obligations as of December 31, 2023, 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, 2023

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, 2023, the outstanding principal amount the District owed the Developer was \$0, and the total accrued interest was \$0.

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, 2023, the outstanding principal amount the District owed the Developer was \$0, and the total accrued interest was \$290,198.

REGENCY METROPOLITAN DISTRICT

Notes to Financial Statements
December 31, 2023

The following is an analysis of changes in long-term debt for the period ended December 31, 2023:

	Balance 1/1/2023	Additions	Deletions	Balance 12/31/2023	Current Portion
<u>General Obligation Bonds:</u>					
Series 2019 Bonds	\$ 3,720,000	\$ -	\$ -	\$ 3,720,000	\$ 55,000
Series 2019 Bonds - Premium	70,788	-	4,277	66,511	-
	<u>3,790,788</u>	-	4,277	3,786,511	55,000
<u>Other</u>					
Devel Adv - Operating					
Accrued Int.	66,985	-	66,985	-	-
Devel Adv - Capital					
Accrued Int.	348,214	-	58,016	290,198	-
	415,199	-	125,001	290,198	-
Total	<u>4,205,987</u>	<u>\$ -</u>	<u>\$ 129,278</u>	<u>\$ 4,076,709</u>	<u>\$ 55,000</u>

There are no unused Lines of Credit as of December 31, 2023.

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, 2023:

	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2024	\$ 55,000	\$ 186,000	\$ 241,000
2025	60,000	183,250	243,250
2026	70,000	180,250	250,250
2027	75,000	176,750	251,750
2028	85,000	173,000	258,000
2029 - 2033	530,000	794,500	1,324,500
2034 - 2038	740,000	642,250	1,382,250
2039 - 2043	1,020,000	430,750	1,450,750
2044 - 2046	1,085,000	125,250	1,210,250
	<u>\$ 3,720,000</u>	<u>\$ 2,892,000</u>	<u>\$ 6,612,000</u>

REGENCY METROPOLITAN DISTRICT

Notes to Financial Statements December 31, 2023

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 2024.

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, 2023

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 can 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, 2023

The Governmental Funds Statement of Revenues, Expenditures, and Changes in Fund Balances/Statement of Activities includes an adjustments column. The adjustments can 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.

SUPPLEMENTARY 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, 2023

	Original & Final		Variance
	Budget	Actual	Favorable (Unfavorable)
REVENUES			
Property taxes	\$ 167,284	\$ 167,284	\$ -
Specific ownership taxes	13,300	15,513	2,213
Interest income	11,000	19,889	8,889
Total Revenues	191,584	202,686	11,102
EXPENDITURES			
Bond interest expense	186,000	186,000	-
Paying agent fees	3,500	3,500	-
Contingency	2,500	-	2,500
Treasurer's fees	2,509	2,510	(1)
Total Expenditures	194,509	192,010	2,499
NET CHANGE IN FUND BALANCE	(2,925)	10,676	13,601
FUND BALANCE:			
BEGINNING OF YEAR	321,567	324,477	2,910
END OF YEAR	\$ 318,642	\$ 335,153	\$ 16,511

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, 2023

Year Ended	Prior Year Assessed Valuation for Current Year Property	Mills Levied		Total Property Tax		Percent Collected to Levied
		General Fund	Debt Service	Levied	Collected	
<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%
2022	\$ 7,150,330	24.111	23.500	\$ 340,435	\$ 340,435	100.00%
2023	\$ 6,970,180	24.936	24.000	\$ 341,092	\$ 341,093	100.00%
Estimated for year ending December 31, 2024	\$ 9,409,480	18.900	23.366	\$ 397,701		

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
2024 Budget

REGENCY METROPOLITAN DISTRICT

January 15, 2024

Division of Local Government
1313 Sherman Street, Room 521
Denver, CO 80203

RE: Regency Metropolitan District LG ID# 65557

Attached is the 2024 Budget for the Regency Metropolitan District in Douglas County, Colorado, submitted pursuant to Section 29-1-116, C.R.S. This Budget was adopted on October 10, 2023. If there are any questions regarding the budget, please contact Mr. Eric Weaver, telephone number 970-926-6060.

The mill levy certified to the County Commissioners of Douglas County is 27.369 mills for all general operating purposes, subject to statutory and/or TABOR limitations; 23.366 mills for G.O. bonds; 0.000 mills for refund/abatement; and (8.469) mills for Temporary Tax Credit/Mill Levy Reduction. Based on an assessed valuation of \$9,409,480 the total property tax revenue is \$397,701. Copies of the certification of mill levies sent to the County Commissioners for Douglas County are enclosed.

I hereby certify that the enclosed is a true and accurate copy of the budget and certification of tax levies to the Board of County Commissioners of Douglas County, Colorado.

Sincerely,



Eric Weaver
District Accountant

Enclosure(s)

Financial Management Provided By Marchetti & Weaver, LLC

Mountain Office
28 Second Street, Suite 213
Edwards, CO 81632
(970) 926-6060

Website & Email
www.mwcpaa.com
Admin@mwcpaa.com

Front Range Office
245 Century Circle, Suite 103
Louisville, CO 80027
(720) 210-9136

RESOLUTION NO. 2023-10-02

**RESOLUTION TO ADOPT BUDGET AND APPROPRIATE SUMS OF MONEY
RESOLUTION OF THE BOARD OF DIRECTORS OF REGENCY METROPOLITAN
DISTRICT, DOUGLAS COUNTY, COLORADO, PURSUANT TO SECTION 29-1-108,
C.R.S., SUMMARIZING EXPENDITURES AND REVENUES FOR EACH FUND,
ADOPTING A BUDGET AND APPROPRIATING SUMS OF MONEY FOR THE
BUDGET YEAR 2024**

A. The Board of Directors of Regency Metropolitan District (the “**District**”) has appointed the District Accountant to prepare and submit a proposed budget to said governing body at the proper time.

B. The District Accountant has submitted a proposed budget to this governing body on or before October 15, 2023 for its consideration.

C. 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 10, 2023, and interested taxpayers were given the opportunity to file or register any objections to said proposed budget.

D. 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 IV, Section 20 of the Colorado Constitution (“**TABOR**”) and other laws or obligations which are applicable to or binding upon the District.

E. 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.

F. The Board of Directors has made provision therein for revenues in an amount equal to or greater than the total proposed expenditures as set forth in said budget.

G. 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, thereby establishing a limitation on expenditures for the operations of the District.

NOW, THEREFORE, BE IT RESOLVED BY THE BOARD OF DIRECTORS OF REGENCY METROPOLITAN DISTRICT, DOUGLAS COUNTY, COLORADO:

1. The budget, as submitted, amended, and summarized by fund, is hereby approved and adopted as the budget of the District for the year stated above.

2. The budget is 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. 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.

**☐SIGNATURE PAGE TO RESOLUTION TO ADOPT
BUDGET AND APPROPRIATE SUMS OF MONEY☐**

RESOLUTION APPROVED AND ADOPTED on October 10, 2023.

REGENCY METROPOLITAN DISTRICT

By: Thomas J Brinkman *SD*
President

Attest:

By: Lisa Jacoby
Secretary

EXHIBIT A

Budget

REGENCY METROPOLITAN DISTRICT
2024 BUDGET MESSAGE

Regency Metropolitan District is a quasi-municipal corporation organized and operated pursuant to provisions set forth in the Colorado Special District Act.

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

The following budget is prepared on the modified accrual basis of accounting.

Budget Strategy

The District was formed to provide for all or part of the Public Improvements, as defined in the District's Service Plan, for the use and benefit of all inhabitants and taxpayers of the District. The primary purpose of the district is to finance the construction of these Public Improvements.

Revenues

In 2024 the District will impose a total of 42.266 mills. Of this total mill levy, 23.366 mills are dedicated to debt service on the Series 2019 Bonds and the remaining 18.900 mills (27.369 mills less a temporary mill levy rate reduction of 8.469 mills) are levied as an operating mill levy that will generate property tax revenue to cover General Fund expenditures.

Expenditures

The District has adopted two separate funds: 1) a General Fund to provide for general operating expenditures and repayment of developer advances and; 2) a Debt Service Fund to provide for debt service on the Series 2019 Bonds.

The District has budgeted for an Emergencies reserve in the General Fund in accordance with the TABOR Amendment.

**Regency Metropolitan District
Statement of Net Position
August 31, 2023**

	General Fund	Debt Service	Fixed Assets & LTD	TOTAL ALL FUNDS
ASSETS				
CASH				
First Bank Checking	337			337
ColoTrust	160,879			160,879
UMB - Reserve Fund		306,032		306,032
UMB - Bond Payment Fund		20,610		20,610
Inter-Fund Balances	(86,446)	86,446		-
TOTAL CASH	74,769	413,089	-	487,858
OTHER CURRENT ASSETS				
Due From County Treasurer	-	-		-
Property Taxes Receivable	1,675	1,612		3,287
Accounts Receivable	-	-		-
Prepaid Expenses	450			450
TOTAL OTHER CURRENT ASSETS	2,125	1,612	-	3,737
FIXED ASSETS				
Parks Equipment			80,000	80,000
Accumulated Depreciation			(80,000)	(80,000)
TOTAL FIXED ASSETS	-	-	-	-
DEFERRED OUTFLOWS				
Deferred Loss on Refunding			83,795	83,795
TOTAL DEFERRED INFLOWS	-	-	83,795	83,795
TOTAL ASSETS & DEF INFLOWS	76,894	414,701	83,795	575,390
LIABILITIES & DEFERED INFLOWS				
CURRENT LIABILITIES				
Accounts Payable	8,479			8,479
TOTAL CURRENT LIABILITIES	8,479	-	-	8,479
DEFERRED INFLOWS				
Deferred Property Taxes	1,675	1,612		3,287
TOTAL DEFERRED INFLOWS	1,675	1,612	-	3,287
LONG-TERM LIABILITIES				
Bonds Payable-Series 2019			3,720,000	3,720,000
Developer Advance- Ops			-	-
Developer Advance- Cap			-	-
Accrued Interest- Bonds			15,500	15,500
Accrued Interest- Dev Adv- Ops			-	-
Accrued Interest- Dev Adv- Cap			315,198	315,198
Deferred Bond Premium			70,788	70,788
TOTAL LONG-TERM LIABILITIES	-	-	4,121,486	4,121,486
TOTAL LIAB & DEF INFLOWS	10,153	1,612	4,121,486	4,133,251
NET POSITION				
Net Investment in Capital Assets			-	-
Amount to be Provided for Debt			(4,037,691)	(4,037,691)
Fund Balance- Nonspendable	450			450
Fund Balance- Restricted	5,721	413,089	-	418,810
Fund Balance- Unassigned	60,569			60,569
TOTAL NET POSITION	66,741	413,089	(4,037,691)	(3,557,861)
	=	=	=	=

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

Print Date: 01/03/24

	2022 Audited Actual	2023 Adopted Budget	Variance Favorable (Unfavor)	2023 Forecast	YTD Thru 08/31/23 Actual	YTD Thru 08/31/23 Budget	Variance Favorable (Unfavor)	2024 Adopted Budget	Notes/Assumptions
PROPERTY TAXES									
Assessed Valuation	7,150,330	6,970,180		6,970,180				9,409,480	Dec Final AV per County
Mill Levy Breakdown:									
Mill Levy - Operations	24.111	24.936		24.936				27.369	Maximum Allowed
Mill Levy - Temporary Reduction	0.000	0.000		0.000				(8.469)	Reduced To Provide Temp Taxpayer Relief
Mill Levy - Debt Service	23.500	24.000		24.000				23.366	To Roughly Balance Debt Service Fund
Mill Levy - Contractual Obligations	0.000	0.000		0.000				0.000	No Longer Used
Total	47.611	48.936		48.936				42.266	35 mills Adjusted, Net of Temp Reduction
Property Tax Revenue - Operations	172,402	173,808		173,808				177,839	Max Allowed, Net of Temp Credit
Property Tax Revenue - Debt & Cont Oblig	168,033	167,284		167,284				219,862	To Roughly Balance Debt Service Fund
Total	340,434	341,093		341,093				397,701	35 mills Adjusted, Net of Temp Reduction
COMBINED FUNDS									
REVENUE									
Property Taxes	340,435	341,093	-	341,093	337,805	341,093	(3,288)	397,701	35 mills Adjusted, Net of Temp Reduction
State Property Tax Backfill	-	-	-	-	-	-	-	7,758	65% of Lost Taxes From SB 22-238
Specific Ownership Taxes	30,105	27,205	-	27,205	18,545	15,870	2,676	19,792	5% of Taxes
Interest	7,552	21,000	-	21,000	15,599	14,000	1,599	26,000	Based on 2023 Forecast
Loan/Bond Proceeds, Prem, & Disc	-	-	-	-	-	-	-	-	Notes Refunded in 2019
TOTAL REVENUE	378,091	389,298	-	389,298	371,949	370,962	987	451,251	
EXPENDITURES									
General Government	55,795	77,397	7,425	69,972	45,511	49,616	4,105	76,816	All non-debt expenses
Debt Service- Bond Principal & Interest	186,000	186,000	-	186,000	93,000	93,000	-	241,000	See Debt Service Fund
Debt Service- Developer Repayments	140,139	135,000	10,000	125,000	100,000	100,993	993	125,000	See General & Debt Svc Funds
Debt Service- Cost of Issuance	-	-	-	-	-	-	-	-	
TOTAL EXPENDITURES	381,934	398,397	17,425	380,972	238,511	243,609	5,098	442,816	
CHANGE IN FUND BALANCE	(3,843)	(9,100)	17,425	8,325	133,438	127,353	6,084	8,435	
BEGINNING FUND BALANCE	350,235	342,871	3,521	346,392	346,392	342,871	3,521	354,717	
ENDING FUND BALANCE	346,392	333,771	20,946	354,717	479,830	470,224	9,605	363,153	
COMPONENTS OF FUND BALANCE									
Nonspendable	450	5,500	(800)	4,700	450	-	450	5,600	Prepaid Insurance
TABOR Emergency Reserve	5,931	0	5,721	5,721	5,721	4,300	1,421	5,925	3% of General Fund Revenues
Restricted For Debt Service	324,477	318,642	12,409	331,052	413,089	403,684	9,405	332,016	Per Debt Service Fund
Unassigned/ Other	15,534	9,629	3,616	13,244	60,569	62,240	(1,670)	19,612	Per General Fund
TOTAL ENDING FUND BALANCE	346,392	333,771	20,946	354,717	479,830	470,224	9,605	363,153	
=	=	=	=	=	=	=	=	=	

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: 01/03/24

	2022 Audited Actual	2023 Adopted Budget	Variance Favorable (Unfavor)	2023 Forecast	YTD Thru 08/31/23 Actual	YTD Thru 08/31/23 Budget	Variance Favorable (Unfavor)	2024 Adopted Budget	Notes/Assumptions
GENERAL FUND									
REVENUE									
Property Taxes	172,402	173,808	-	173,808	172,133	173,808	(1,675)	177,839	Max Allowed, Net of Temp Credit
State Property Tax Backfill								7,758	65% of Lost Taxes From SB 22-238
Specific Ownership Taxes	15,246	13,905	-	13,905	9,450	8,111	1,339	8,892	5% of Taxes
Interest Income	1,101	10,000	(7,000)	3,000	2,768	6,667	(3,898)	3,000	Based on 2023 Forecast
TOTAL REVENUE	188,749	197,713	(7,000)	190,713	184,351	188,586	(4,235)	197,489	
EXPENDITURES									
Administration									
Accounting	9,403	13,500	(3,500)	17,000	8,591	9,000	409	19,000	Now handling all accounting functions
District Management	8,174	11,000	3,500	7,500	5,456	7,333	1,877	-	Consolidated into accounting/legal
Legal	18,150	13,500	(4,500)	18,000	12,384	9,000	(3,384)	21,000	Now handling administration as well
Audit	4,300	4,900	400	4,500	4,500	4,900	400	4,700	Based on 2023 Forecast with 5% Increase
Election	1,304	3,500	2,348	1,152	1,152	3,500	2,348	1,000	Prep Work for May 2025 Election
Insurance & SDA Dues	4,716	5,150	746	4,404	4,404	5,150	746	5,300	Based on 2023 Forecast + Add'l Cyber
Miscellaneous Expense	1,142	1,300	-	1,300	458	867	408	1,350	Based on 2023 Forecast with 3% Increase
Treasurer's Fees	2,586	2,607	-	2,607	2,582	2,607	25	2,668	1.5% of property taxes
Emergencies	-	5,931	5,931	-	-	-	-	-	Held in Reserve
Contingency	-	7,500	-	7,500	-	-	-	10,000	Unforeseen needs
Total Administration	49,775	68,888	4,925	63,963	39,526	42,357	2,831	65,018	
Debt Service									
Developer Repayment- Cap Principal	92,139	-	-	-	-	-	-	-	Paid off in 2022
Developer Repayment- Ops Interest	48,000	66,986	-	66,986	66,986	66,986	-	-	Pay off in 2023
Developer Repayment- Cap Interest	-	68,014	10,000	58,014	33,014	34,007	993	125,000	Continue Paying Down In 2024- Target \$125K
Total Debt Service	140,139	135,000	10,000	125,000	100,000	100,993	993	125,000	
TOTAL EXPENDITURES	189,914	203,888	14,925	188,963	139,526	143,350	3,824	190,018	
REVENUE OVER / (UNDER) EXP	(1,165)	(6,175)	(21,925)	1,750	44,825	45,237	(411)	7,471	
OTHER SOURCES / (USES)									
Transfer to Debt Service	-	-	-	-	-	-	-	-	
TOTAL OTHER SOURCES / (USES)	-	-	-	-	-	-	-	-	
CHANGE IN FUND BALANCE	(1,165)	(6,175)	7,925	1,750	44,825	45,237	(411)	7,471	
BEGINNING FUND BALANCE	23,080	21,304	612	21,915	21,915	21,304	612	23,666	
ENDING FUND BALANCE	21,915	15,129	8,537	23,666	66,741	66,540	200	31,137	
COMPONENTS OF FUND BALANCE:	=	=	=	=	=	=	=	=	
Nonspendable	450	5,500	(800)	4,700	450	-	-	5,600	Prepaid Insurance
Restricted for Emergencies	5,931	0	5,721	5,721	5,721	-	-	5,925	3% of General Fund Revenues
Unassigned	15,534	9,629	3,616	13,244	60,569	-	-	19,612	
TOTAL FUND BALANCE	21,915	15,129	8,537	23,666	66,741	66,540	200	31,137	

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: 01/03/24

	2022 Audited Actual	2023 Adopted Budget	Variance Favorable (Unfavor)	2023 Forecast	YTD Thru 08/31/23 Actual	YTD Thru 08/31/23 Budget	Variance Favorable (Unfavor)	2024 Adopted Budget	Notes/Assumptions
DEBT SERVICE FUND									
REVENUE									
Property Taxes	168,033	167,284	-	167,284	165,672	167,284	(1,612)	219,862	To Roughly Balance Debt Service Fund 5% of Taxes Based on a 2023 Forecast +\$5K Contingency
Specific Ownership Taxes	14,859	13,300	-	13,300	9,095	7,758	1,337	10,900	
Interest Income	6,450	11,000	7,000	18,000	12,830	7,333	5,497	23,000	
TOTAL REVENUE	189,342	191,584	7,000	198,584	187,598	182,376	5,222	253,762	
EXPENDITURES									
Bond Principal- 2019		-	-	-				55,000	Per Amortization Schedule
Bond Interest- 2019	186,000	186,000	-	186,000	93,000	93,000	-	186,000	Per Amortization Schedule- 5.000% Rate
Trustee / Paying Agent Fees	3,500	3,500	-	3,500	3,500	3,500	-	3,500	Based on 2022 Forecast
Treasurer's Fees	2,521	2,509	-	2,509	2,485	2,509	24	3,298	1.5% of property taxes
Contingency		2,500	2,500	-		1,250	1,250	5,000	Unforeseen needs
TOTAL EXPENDITURES	192,021	194,509	2,500	192,009	98,985	100,259	1,274	252,798	
REVENUE OVER / (UNDER) EXP	(2,678)	(2,925)	9,500	6,575	88,612	82,117	6,495	964	
CHANGE IN FUND BALANCE	(2,678.38)	(2,925)	9,500	6,575	88,612	82,117	6,495	964	
BEGINNING FUND BALANCE	327,155	321,567	2,909	324,477	324,477	321,567	2,909	331,052	
ENDING FUND BALANCE	324,477	318,642	12,409	331,052	413,089	403,684	9,405	332,016	
	=	=	=	=	=	=	=	=	
COMPONENTS OF FUND BALANCE:									
Reserve Fund	302,000	302,000	-	302,000	306,032			302,000	\$302,000 Required by Loan
Restricted for Debt Service	22,477	16,642	12,409	29,052	107,057			30,016	
TOTAL FUND BALANCE	324,477	318,642	12,409	331,052	413,089			332,016	
	=	=	=	=	=			=	
Balance of Loan/Bond (Beg of Year)	3,720,000	3,720,000		3,720,000				3,720,000	
Assessed Valuation	7,150,330	6,970,180		6,970,180				9,409,480	
Debt to Assessed Ratio (Beg of Year)	52%	53%		53%				40%	

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

I, Lisa Jacoby, 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 2024, duly adopted at a meeting of the Board of Directors of the Regency Metropolitan District held on October 10, 2023.

Lisa Jacoby

Secretary

CERTIFICATION OF TAX LEVIES for NON-SCHOOL Governments

**TO The County Commissioners of Douglas County, Colorado
 On behalf of the Regency Metro District
 the Board of Directors
 of the Regency Metropolitan District**

Hereby officially certifies the following mills to be levied against the taxing entity's **GROSS** assessed valuation of: **\$9,409,480** Note: If the assessor certified a NET assessed valuation (AV) different than the GROSS AV due to a Tax Increment Financing (TIF) Area 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: **\$9,409,480**

Submitted: *Eric Weaver* for budget/fiscal year 2024

PURPOSE	LEVY	REVENUE
1. General Operating Expenses	27.369 mills	\$257,528
2. <Minus> Temporary General Property Tax Credit/ Temporary Mill Levy Rate Reduction	-8.469 mills	-\$79,689
SUBTOTAL FOR GENERAL OPERATING:	18.900 mills	\$177,839
3. General Obligation Bonds and Interest	23.366 mills	\$219,862
4. Contractual Obligations	0.000 mills	\$0
5. Capital Expenditures	0.000 mills	\$0
6. Refunds/Abatements	0.000 mills	\$0
7. Other	0.000 mills	\$0
8. Judgment	0.000 mills	\$0
TOTAL:	42.266 mills	\$397,701

THIS SECTION APPLIES TO TITLE 32, ARTICLE 1 SPECIAL DISTRICTS THAT LEVY TAXES FOR PAYMENT OF GENERAL OBLIGATION DEBT (32-1-1603 C.R.S.). Taxing entities that are Special Districts or Subdistricts of Special Districts must certify separate mill levies and revenues to the Board of County Commissioners, one each for the funding requirements of each debt (32-1-1603, 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, CONTRACT, OTHER, AND/OR JUDGMENT:

BONDS

- Purpose of Issue: Refunding of 2015 Loan
 Series: 2019 General Obligation Limited Tax Refunding Bonds
 Date of Issue: 2019-06-21
 Coupon Rate: 5.00

Maturity Date:	2046-12-01
Levy:	23.366
Revenue:	\$219,862

CONTRACTS

No Contracts Available

OTHER

No Other Available

JUDGMENT

No Judgment Available

Explanation of Change:

Generated On Wed, 03 Jan 2024

EXHIBIT C

BOARD OF DIRECTORS REGENCY METROPOLITAN DISTRICT

As of 08/07/2024

Directors:	
<p>Thomas J. Brinkman II, President c/o McGeady Becher P.C. 450 East 17th Avenue, Suite 400 Denver, Colorado 80203-1254 Phone: (303) 592-4380</p>	<p>James E. Marshall, Treasurer c/o McGeady Becher P.C. 450 East 17th Avenue, Suite 400 Denver, Colorado 80203-1254 Phone: (303) 592-4380</p>
<p>Lisa S. Brinkman, Assistant Secretary c/o McGeady Becher P.C. 450 East 17th Avenue, Suite 400 Denver, Colorado 80203-1254 Phone: (303) 592-4380</p>	<p>Matthew Hanson, Assistant Secretary c/o McGeady Becher P.C. 450 East 17th Avenue, Suite 400 Denver, Colorado 80203-1254 Phone: (303) 592-4380</p>
<p>Shelley D. Marshall, Assistant Secretary c/o McGeady Becher P.C. 450 East 17th Avenue, Suite 400 Denver, Colorado 80203-1254 Phone: (303) 592-4380</p>	
<p>District Manager/Board Secretary: Lisa Jacoby McGeady Becher P.C. 450 East 17th Avenue, Suite 400 Denver, Colorado 80203-1254 Phone: (303) 592-4380</p>	<p>General Counsel: Suzanne M. Meintzer, Esq. McGeady Becher P.C. 450 East 17th Avenue, Suite 400 Denver, Colorado 80203-1254 Phone: (303) 592-4380</p>
<p>Accountant: Eric Weaver Marchetti & Weaver, LLC, Mountain Office 28 Second Street, Suite 213 Edwards, Colorado 81632 Phone: (970) 926-6060</p>	