

# REGENCY METROPOLITAN DISTRICT

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

## NOTICE OF SPECIAL MEETING AND AGENDA

<u>Board of Directors</u>	<u>Office</u>	<u>Term/Expiration</u>
Thomas J. Brinkman, II	President	2022/May 2022
Lisa Brinkman	Vice President	2020/May 2020
Scott Marshall	Treasurer	2022/May 2022
James E. Marshall	Assistant Secretary	2022/May 2022
Shelley Marshall	Assistant Secretary	2020/May 2020
Ann E. Finn	Secretary	

**DATE:**        **May 24, 2019**

**TIME:**        **9:00 a.m.**

**PLACE:**        Parker Library  
                    20105 East Mainstreet  
                    Parker, Colorado 80138

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### I.        ADMINISTRATIVE MATTERS

A.        Present Disclosures of Potential Conflicts of Interest.

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

C.        Review and approve the Minutes of the October 25, 2018 and December 21, 2018 special meetings (enclosures).

D.        \_\_\_\_\_

### II.       PUBLIC COMMENT

A.        \_\_\_\_\_

### III.      FINANCIAL MATTERS

A.        Ratify engagement of Marchetti & Weaver, LLC to provide accounting services (enclosure).

- B. Review and ratify approval of payment of claims for the following periods (enclosures):

Fund	Period Ending Nov. 16, 2018	Period Ending Dec. 18, 2018
General	\$ 3,044.21	\$ 6,831.07
Debt	\$ -0-	\$ -0-
Capital	\$ -0-	\$ -0-
<b>Total</b>	<b>\$ 3,044.21</b>	<b>\$ 6,831.07</b>

- C. Review and ratify approval of claims for the period beginning February 27, 2019 through May 3, 2019, as follows (enclosure):

General Fund	\$ 18,179.69
Debt Service Fund	-0-
Capital Projects Fund	-0-
<b>Total Claims:</b>	<b><u>\$ 18,179.69</u></b>

- D. Review and accept unaudited financial statements through the period ending April 30, 2019 and updated cash position statement dated May 17, 2019 (enclosure).
- E. Consider approval of the draft 2018 Audit (enclosure) and authorization of the execution of Audit Representations Letter (to be distributed).
- F. Conduct Public Hearing to consider an Amendment to 2019 Budget and consider adoption of a Resolution No. 2019-05-\_\_ to Amend the 2019 Budget (to be distributed).

#### IV. LEGAL MATTERS

- A. Issuance of the District's General Obligation Limited Tax Refunding Bonds, Series 2019, in a maximum aggregate principal amount not to exceed \$4,500,000 ("Series 2019 Bonds"):
1. Ratify approval of Letter Agreement for Investment Banking Services between the District and D.A. Davidson & Co. Fixed Income Capital Markets (enclosure).

2. Ratify approval of the engagement of Simmons & Wheeler, P.C. to prepare a Cash Flow Analysis (enclosure).
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3. Review and consider adoption of a resolution authorizing the issuance of the District's General Obligation Limited Tax Refunding Bonds, Series 2019, in a maximum aggregate principal amount not to exceed \$4,500,000. Such resolution will also authorize the execution of an indenture of trust and all other agreements, documents, instruments, certificates, and actions necessary or appropriate in connection with the issuance of the bonds (to be distributed).
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V. OTHER MATTERS

- A. Consider scheduling special meeting on date of closing on Series 2019 Bonds.
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VI. ADJOURNMENT **THE NEXT REGULAR MEETING IS SCHEDULED FOR  
OCTOBER 8, 2019.**

## RECORD OF PROCEEDINGS

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### MINUTES OF A SPECIAL MEETING OF THE BOARD OF DIRECTORS OF THE REGENCY METROPOLITAN DISTRICT HELD OCTOBER 25, 2018

A special meeting of the Board of Directors of the Regency Metropolitan District (referred to hereafter as "Board") was convened on Thursday, the 25th day of October, 2018, at 3:00 p.m., at the offices of Special District Management Services, Inc., 141 Union Boulevard, Suite 150, Lakewood, Colorado 80228. The meeting was open to the public.

#### ATTENDANCE

##### Directors In Attendance Were:

Thomas J. Brinkman, II; President

Lisa Brinkman

James E. Marshall

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

##### Also In Attendance Were:

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

Mary Jo Dougherty, Esq.; McGeady Becher P.C.

Pam Flickinger Brooks; Representative of the Regency Homeowners Association

#### DISCLOSURE OF POTENTIAL CONFLICTS OF INTEREST

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

It was noted that a quorum was present and Attorney Dougherty requested members of the Board to disclose any potential conflicts of interest with regard to any matters scheduled for discussion at this meeting, and incorporated for the record those applicable disclosures made by the Board members prior to this meeting in accordance with the statute. Attorney Dougherty noted that Directors'

## RECORD OF PROCEEDINGS

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Disclosure Statements have been filed for all Directors by the statutory deadline. No additional conflicts were disclosed at the meeting.

### ADMINISTRATIVE MATTERS

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

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

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

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

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

Following discussion, upon motion duly made by Director Thomas Brinkman, seconded by Director Lisa Brinkman and, upon vote, unanimously carried, the Board determined that notices of meetings of the District Board required pursuant to Section 24-6-402(2)(c), C.R.S., shall be posted within the boundaries of the District at least 24 hours prior to each meeting at the intersection of Angelica Drive and Caraway Lane.

May 8, 2018 Directors' Election: Ms. Finn noted for the Board that the May 8, 2018 Directors' Election was cancelled, as allowed under Colorado law, by the Designated Election Official because there were no more candidates than positions available on the Board of Directors. Directors Lisa Brinkman and Shelley Marshall were deemed elected to 4-year terms ending in May, 2020.

Appointment of Officers: The Board entered into discussion regarding the appointment of officers.

## RECORD OF PROCEEDINGS

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Following discussion, upon motion duly made by Director Thomas Brinkman, seconded by Director Lisa Brinkman and, upon vote, unanimously carried, the following slate of officers was appointed:

President	Thomas J. Brinkman, II
Vice President	Lisa Brinkman
Treasurer	Scott Marshall
Secretary	Ann E. Finn
Assistant Secretary	James E. Marshall
Assistant Secretary	Shelley Marshall

**Minutes:** The Board reviewed the Minutes of the November 8, 2017 Special Meeting.

Following discussion, upon motion duly made by Director Thomas Brinkman, seconded by Director Lisa Brinkman and, upon vote, unanimously carried, the Minutes of the November 8, 2017 Special Meeting were approved.

**§32-1-809 C.R.S. reporting requirements, mode of eligible elector notification:** Ms. Finn discussed with the Board §32-1-809, C.R.S. reporting requirements and mode of eligible elector notification.

Following discussion, upon motion duly made by Director James Marshall, seconded by Director Thomas Brinkman and, upon vote, unanimously carried, the Board determined to post the required district transparency notice on the SDA Website.

**Resolution Establishing Regular Meeting Dates, Times and Location, and Designating Locations for Posting of 72 Hour and 24 Hour Notices:** The Board discussed Resolution No. 2018-10-01; Establishing 2019 Regular Meeting Dates, Times and Location, and Designating Locations for Posting of 72 Hour and 24 Hour Notices.

Following discussion, upon motion duly made by Director Lisa Brinkman, seconded by Director James Marshall and, upon vote, unanimously carried, the Board adopted Resolution No. 2018-10-01; Establishing 2019 Regular Meeting Dates, Times and Location, and Designating Locations for Posting of 72 Hour and 24 Hour Notices. A copy of the resolution is attached hereto and incorporated herein.

## RECORD OF PROCEEDINGS

### PUBLIC COMMENT

Ms. Flickinger Brooks addressed the Board concerning general questions regarding the District. Director James Marshall responded to the questions.

### FINANCIAL MATTERS

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

Fund	Period ending Dec. 19, 2017	Period ending Jan. 23, 2018	Period ending Feb. 20, 2018	Period ending March 19, 2018
General	\$ 28,150.92	\$ 1,976.34	\$ 2,148.69	\$ 2,199.85
Debt	\$ -0-	\$ -0-	\$ 2,000.00	\$ -0-
Capital	\$ -0-	\$ -0-	\$ -0-	\$ -0-
<b>Total</b>	<b>\$ 28,150.92</b>	<b>\$ 1,976.34</b>	<b>\$ 4,148.69</b>	<b>\$ 2,199.85</b>

Fund	Period ending April 13, 2018	Period ending May 9, 2018	Period ending June 18, 2018	Period ending July 19, 2018
General	\$ 1,264.62	\$ 1,809.24	\$ 1,216.04	\$ 822.37
Debt	\$ -0-	\$ -0-	\$ -0-	\$ -0-
Capital	\$ -0-	\$ -0-	\$ -0-	\$ -0-
<b>Total</b>	<b>\$ 1,264.62</b>	<b>\$ 1,809.24</b>	<b>\$ 1,216.04</b>	<b>\$ 822.37</b>

Fund	Period ending Aug. 20, 2018	Period ending Sept. 18, 2018
General	\$ 4,820.82	\$ 1,574.54
Debt	\$ -0-	\$ -0-
Capital	\$ -0-	\$ -0-
<b>Total</b>	<b>\$ 4,820.82</b>	<b>\$ 1,574.54</b>

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

The Board considered approval of the payment of claims through the period ending October 25, 2018 as follows:

General Fund	\$ 957.85
Debt Service Fund	-0-
Capital Projects Fund	-0-
<b>Total Claims:</b>	<b><u>\$ 957.85</u></b>

Following review and discussion, upon motion duly made by Director Thomas Brinkman, seconded by Director Lisa Brinkman and, upon vote, unanimously carried, the Board approved payment of the claims for the period ending October 25, 2018.

## RECORD OF PROCEEDINGS

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**Financial Statements/Schedule of Cash Position:** There were no Financial Statements or Schedule of Cash Position presented at this time.

**Accounting Services:** The Board reviewed an Engagement Letter from Marchetti & Weaver, LLC to perform accounting services for the District.

Following review and discussion, upon motion duly made by Director Thomas Brinkman, seconded by Director James Marshall and, upon vote, unanimously carried, the Board approved the engagement of Marchetti & Weaver, LLC to perform accounting services for the District.

**2017 Audit:** The Board reviewed the 2017 Audit.

Following review and discussion, upon motion duly made by Director Thomas Brinkman, seconded by Director Lisa Brinkman and, upon vote, unanimously carried, the Board ratified approval of the 2017 Audit and ratified execution of the Audit Representations Letter.

**2018 Audit:** The Board discussed the engagement of Simmons & Wheeler, P.C. to perform the 2018 audit.

Following discussion, upon motion duly made by Director Lisa Brinkman, seconded by Director Tom Brinkman and, upon vote, unanimously carried, the Board approved the engagement of Simmons & Wheeler, P.C. to perform the 2018 Audit, for an amount not to exceed \$4,100.

**2018 Budget Amendment Hearing:** The President opened the public hearing to consider a Resolution to Amend the 2018 Budget and discuss related issues.

It was noted that publication of Notice stating that the Board would consider adoption of a Resolution to Amend the 2018 Budget and the date, time and place of the public hearing was made in a newspaper having general circulation within the District. No written objections were received prior to this public hearing. No public comments were received and the public hearing was closed.

Following discussion, the Board determined that a 2018 Budget Amendment was not needed.

**2019 Budget:** The President opened the public hearing to consider the proposed 2019 Budget and discuss related issues.



## RECORD OF PROCEEDINGS

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It was noted that publication of Notice stating that the Board would consider adoption of the 2019 Budget and the date, time and place of the public hearing was made in a newspaper having general circulation within the District. No written objections were received prior to this public hearing. No public comments were received and the public hearing was closed.

Ms. Finn reviewed the estimated 2018 expenditures and the proposed 2019 expenditures.

Following discussion, the Board considered the adoption of Resolution No. 2018-10-02 to Adopt the 2019 Budget and Appropriate Sums of Money and Resolution No. 2018-10-03 to Set Mill Levies, (for the General Fund at 6.393 mills, for Contractual Obligations at 9.112 mills, and the Debt Service Fund at 31.782 mills, for a total mill levy of 47.287 mills). Upon motion duly made by Director Thomas Brinkman, seconded by Director Lisa Brinkman and, upon vote, unanimously carried, the Resolutions were adopted and execution of the Certification of Budget and Certification of Mill Levies was authorized, subject to receipt of final Certification of Assessed Valuation from the County on or before December 10, 2018. Ms. Finn was authorized to transmit the Certification of Mill Levies to the Board of County Commissioners of Douglas County and the Division of Local Government, not later than December 15, 2018. Ms. Finn was also authorized to transmit the Certification of Budget to the Division of Local Government not later than January 30, 2019. Copies of the adopted Resolutions are attached to these minutes and incorporated herein by this reference.

2020 Maturity Date of the 2015 Series Loan: The Board noted that the Maturity Date on the 2015 Series Loan is December 1, 2020 and discussed a possible refinancing of the District's debt.

Following discussion, upon motion duly made by Director Thomas Brinkman, seconded by Director Lisa Brinkman and, upon vote, unanimously carried, the Board authorized D.A. Davidson & Co. to pursue a possible refinancing.

DLG-70 Mill Levy Certification: Ms. Finn discussed with the Board the DLG-70 Mill Levy Certification form.

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

## RECORD OF PROCEEDINGS

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**2020 Budget Preparation:** The Board discussed the preparation of the 2020 Budget.

Following discussion, upon motion duly made by Director James Marshall, seconded by Director Thomas Brinkman and, upon vote, unanimously carried, the Board appointed the District Accountant to prepare the 2020 Budget.

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### **LEGAL MATTERS**

There were no legal matters to discuss at this time.

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### **ADJOURNMENT**

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

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Respectfully submitted,

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By: \_\_\_\_\_  
Secretary for the Meeting

THESE MINUTES APPROVED AS THE OFFICIAL OCTOBER 25, 2018,  
MINUTES OF THE REGENCY METROPOLITAN DISTRICT BY THE BOARD  
OF DIRECTORS SIGNING BELOW:

\_\_\_\_\_  
Thomas J. Brinkman, II

\_\_\_\_\_  
Lisa S. Brinkman

\_\_\_\_\_  
Scott Marshall

\_\_\_\_\_  
James E. Marshall

\_\_\_\_\_  
Shelley D. Marshall

RESOLUTION NO. 2018-10-01

RESOLUTION OF THE BOARD OF DIRECTORS OF  
REGENCY METROPOLITAN DISTRICT  
ESTABLISHING REGULAR MEETING DATES, TIME AND LOCATION, AND  
DESIGNATING LOCATIONS FOR POSTING OF 72-HOUR AND 24-HOUR NOTICES

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

B. Pursuant to Section 24-6-402(2)(c), C.R.S., special districts are required to designate annually at the board of directors of the district's first regular meeting of each calendar year, the place at which notice will be posted at least 24 hours prior to each meeting.

C. Pursuant to Section 32-1-903, C.R.S., special districts are required to post notices of regular and special meetings at three (3) public places within the district and at the office of the County Clerk and Recorder at least 72 hours prior to said meeting.

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

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

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

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

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

3. That regular meetings of the District Board of the Regency Metropolitan District for the year 2019 shall be held on October 8, 2019 at 3:00 p.m., at the Parker Public Library, 20105 East Mainstreet, Parker, Colorado, in Douglas County, Colorado.

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

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

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

7. Notice of Meetings of the District Board required pursuant to Section 24-6-402(2)(c), C.R.S., shall be posted within the boundaries of the District at least 24 hours prior to each meeting at the following location:

(a) Intersection of Angelica Drive and Caraway Lane

8. Notices of regular and special meetings required to be posted at three (3) public places within the District and at the office of the County Clerk and Recorder at least 72 hours prior to said meeting shall be made pursuant to Section 32-1-903, C.R.S., at the following locations:

(a) Intersection of Angelica Drive and Caraway Lane

(b) Intersection of Newlin Gulch Boulevard and Carob Circle

(c) Intersection of Carob Circle and Caraway Lane

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

RESOLUTION APPROVED AND ADOPTED on October 25, 2018.

REGENCY METROPOLITAN DISTRICT

By: 

President

Attest:

  
Secretary

RESOLUTION NO. 2018 - 10 - 02  
A RESOLUTION OF THE BOARD OF DIRECTORS  
OF THE REGENCY METROPOLITAN DISTRICT  
TO ADOPT THE 2019 BUDGET AND APPROPRIATE SUMS OF MONEY

WHEREAS, the Board of Directors of the Regency Metropolitan District ("District") has appointed the District Accountant to prepare and submit a proposed 2019 budget to the Board at the proper time; and

WHEREAS, the District Accountant has submitted a proposed budget to this Board on or before October 15, 2018, for its consideration; and

WHEREAS, upon due and proper notice, published or posted in accordance with the law, said proposed budget was open for inspection by the public at a designated place, a public hearing was held on October 25, 2018, and interested electors were given the opportunity to file or register any objections to said proposed budget; and

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

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

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

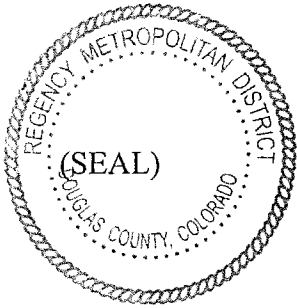
WHEREAS, it is not only required by law, but also necessary to appropriate the revenues provided in the budget to and for the purposes described below, as more fully set forth in the budget, including any interfund transfers listed therein, so as not to impair the operations of the District.

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

1. That the budget as submitted, amended, and summarized by fund, hereby is approved and adopted as the budget of the Regency Metropolitan District for the 2019 fiscal year.
2. That the budget, as hereby approved and adopted, shall be certified by the Secretary of the District to all appropriate agencies and is made a part of the public records of the District.

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

ADOPTED this 25<sup>th</sup> day of October, 2018.



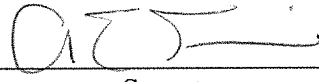
  
\_\_\_\_\_  
Secretary

EXHIBIT A  
(Budget)

# REGENCY METROPOLITAN DISTRICT

## 2019 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 2019 budget was prepared in accordance with the Local Government Budget Law of Colorado. The budget reflects the projected spending plan for the 2019 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 7.2% (decreased from 7.96%) for property taxes commencing on and after January 1, 2017, until the next property tax year that the General Assembly determines to adjust the ratio of valuation for assessment for residential real property. The Gallagher Adjustment for the District allows for a total mill levy imposition, as noted in the following paragraph, so the District's revenue is neither diminished nor enhanced.

The District's assessed value decreased 0.02% to \$6,446,390 in 2018. The District certified 47.287 mills for 2019 collection, with 40.894 mills dedicated to the Debt Service Fund and 6.393 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, 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, including the Series 2015 Loan and developer loan agreements.

The **Capital Projects Fund** is used to account for revenues and expenditures to complete capital projects such as new improvements and upgrades to existing infrastructure. As the District has completed construction, no activity is anticipated for 2019.

### **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.

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Regency Metropolitan District  
Statement of Net Position  
November 30, 2018

	General Fund	Debt Service	Capital Fund	TOTAL OPERATING FUNDS	Fixed Assets & LTD	TOTAL ALL FUNDS
<b>ASSETS</b>						
<b>CASH</b>						
FirstBank Checking	10,130			10,130		10,130
ColoTrust	172,288			172,288		172,288
US Bank - Pledge Revevue Fund		65		65		65
US Bank - Loan Payment Fund		542		542		542
US Bank - Reserve Fund		65,066		65,066		65,066
Inter-Fund Balances	(150,428)	150,428		-		-
<b>TOTAL CASH</b>	<b>31,990</b>	<b>216,100</b>	<b>-</b>	<b>248,091</b>	<b>-</b>	<b>248,091</b>
<b>OTHER CURRENT ASSETS</b>						
Due From County Treasurer	-	-		-		-
Property Taxes Receivable	-	-		-		-
Prepaid Expenses	3,431			3,431		3,431
<b>TOTAL OTHER CURRENT ASSETS</b>	<b>3,431</b>	<b>-</b>	<b>-</b>	<b>3,431</b>	<b>-</b>	<b>3,431</b>
<b>FIXED ASSETS</b>						
					24,000	24,000
Landscaping				-		-
Parks Equipment				-		-
Accumulated Depreciation				-		-
<b>TOTAL FIXED ASSETS</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>24,000</b>	<b>24,000</b>
<b>TOTAL ASSETS</b>	<b>35,421</b>	<b>216,100</b>	<b>-</b>	<b>251,521</b>	<b>24,000</b>	<b>275,521</b>
<b>LIABILITIES &amp; DEFERED INFLOWS</b>						
<b>CURRENT LIABILITIES</b>						
Accounts Payable	6,831			6,831		6,831
<b>TOTAL CURRENT LIABILITIES</b>	<b>6,831</b>	<b>-</b>	<b>-</b>	<b>6,831</b>	<b>-</b>	<b>6,831</b>
<b>DEFERRED INFLOWS</b>						
Deferred Property Taxes	-	-		-		-
<b>TOTAL DEFERRED INFLOWS</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>LONG-TERM LIABILITIES</b>						
Bonds Payable-Series 2015					3,304,000	3,304,000
Developer Advance- Ops					159,301	159,301
Developer Advance- Cap					499,942	499,942
Accrued Interest- Bonds				-		-
Accrued Interest- Dev Adv- Ops				-	90,261	90,261
Accrued Interest- Dev Adv- Cap				-	279,932	279,932
<b>TOTAL LONG-TERM LIABILITIES</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>4,333,436</b>	<b>4,333,436</b>
<b>TOTAL LIAB &amp; DEF INFLOWS</b>	<b>6,831</b>	<b>-</b>	<b>-</b>	<b>6,831</b>	<b>4,333,436</b>	<b>4,340,267</b>
<b>NET POSITION</b>						
Net Investment in Capital Assets				-	24,000	24,000
Amount to be Provided for Debt				-	(4,126,497)	(4,126,497)
Fund Balance- Restricted	1,377	216,100		217,477	(206,939)	10,538
Fund Balance- Unassigned	27,213			27,213		27,213
<b>TOTAL NET POSITION</b>	<b>28,590</b>	<b>216,100</b>	<b>-</b>	<b>244,690</b>	<b>(4,309,436)</b>	<b>(4,064,746)</b>

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

Print Date: 01/15/19

	2017 Audited Actual	2018 Adopted Budget	2018 Amended Budget	2018 Forecast	YTD Thru 11/30/18 Actual	YTD Thru 11/30/18 Budget	Variance Favorable (Unfavor)	2019 Adopted Budget	Notes/Assumptions
<b>PROPERTY TAXES</b>									
Assessed Valuation	5,968,290	6,447,520	6,447,520	6,447,520				6,446,390	Final Valuation
<b>Mill Levy Breakdown:</b>									
Mill Levy - Operations	6.769	24.483	6.329	6.329				6.393	To generate \$40K +1% for 3 yrs
Mill Levy - Debt Service	36.057	22.861	41.015	41.015				31.782	To cover 2015 Note prin & interest
Mill Levy - Contractual Obligations	0.000	0.000	0.000	0.000				9.112	35 mills, gallagherized, less above
<b>Total</b>	<b>42.826</b>	<b>47.344</b>	<b>47.344</b>	<b>47.344</b>				<b>47.287</b>	35 mills gallagherized
Property Tax Revenue - Operations	40,399	157,855	40,804	40,804				41,212	AV * Mill Levy / 1,000
Property Tax Revenue - Debt & Cont Oblig	215,199	147,397	264,447	264,447				263,619	AV * Mill Levy / 1,000
<b>Total</b>	<b>255,598</b>	<b>305,251</b>	<b>305,251</b>	<b>305,251</b>				<b>304,830</b>	
<b>COMBINED FUNDS</b>									
<b>REVENUE</b>									
Property Taxes	255,603	305,251	305,251	305,251	305,252	305,251	0	304,830	AV * Mill Levy / 1,000
Specific Ownership Taxes	28,001	18,200	31,100	31,100	26,488	15,167	11,322	30,500	10% of Taxes
Interest	2,532	2,340	5,200	5,200	4,637	2,145	2,492	5,200	Based on 2018
Loan Proceeds	-	29,000	29,000	29,000	29,000	29,000	-	-	Final draw completed in 2018
<b>TOTAL REVENUE</b>	<b>286,136</b>	<b>354,791</b>	<b>370,551</b>	<b>370,551</b>	<b>365,377</b>	<b>351,563</b>	<b>13,814</b>	<b>340,530</b>	
<b>EXPENDITURES</b>									
General Government	36,056	46,185	47,038	37,369	32,850	39,070	6,220	52,387	All non-debt expenses
Debt Service- Loan Principal & Interest	204,898	201,905	202,151	202,151	202,151	201,905	(246)	204,876	See Debt Service Fund
Debt Service- Developer Repayments	5,000	153,000	188,301	188,301	29,000	29,000	-	97,000	See General & Debt Svc Funds
<b>TOTAL EXPENDITURES</b>	<b>245,954</b>	<b>401,090</b>	<b>437,490</b>	<b>427,821</b>	<b>264,000</b>	<b>269,975</b>	<b>5,974</b>	<b>354,263</b>	
<b>CHANGE IN FUND BALANCE</b>	<b>40,182</b>	<b>(46,298)</b>	<b>(66,938)</b>	<b>(57,270)</b>	<b>101,376</b>	<b>81,588</b>	<b>19,788</b>	<b>(13,733)</b>	
<b>BEGINNING FUND BALANCE</b>	<b>103,132</b>	<b>136,085</b>	<b>143,313</b>	<b>143,313</b>	<b>143,314</b>	<b>136,085</b>	<b>7,229</b>	<b>86,044</b>	
<b>ENDING FUND BALANCE</b>	<b>143,313</b>	<b>89,787</b>	<b>76,375</b>	<b>86,044</b>	<b>244,690</b>	<b>217,673</b>	<b>27,017</b>	<b>72,311</b>	
<b>COMPONENTS OF FUND BALANCE</b>									
Nonspendable	3,477	-	-	4,100	-	-	-	4,305	Prepaid Insurance
TABOR Emergency Reserve	5,034	-	-	1,377	1,377	1,042	335	-	Budgeted as an Expense
Restricted For Debt Service	133,122	81,594	70,351	71,351	216,100	80,023	136,078	66,739	Per Debt Service Fund
Unassigned/ Other	1,680	8,193	6,024	9,216	27,213	136,609	(109,396)	1,267	Per General Fund
<b>TOTAL ENDING FUND BALANCE</b>	<b>143,313</b>	<b>89,787</b>	<b>76,375</b>	<b>86,044</b>	<b>244,690</b>	<b>217,673</b>	<b>27,017</b>	<b>72,311</b>	
	=	=	=	=	=	=	=	=	

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

Print Date: 01/15/19

	2017 Audited Actual	2018 Adopted Budget	2018 Amended Budget	2018 Forecast	YTD Thru 11/30/18 Actual	YTD Thru 11/30/18 Budget	Variance Favorable (Unfavor)	2019 Adopted Budget	Notes/Assumptions
<b>GENERAL FUND</b>									
<b>REVENUE</b>									
1-510 Property Taxes	40,404	157,855	40,804	40,804	40,806	157,855	(117,048)	41,212	AV * Mill Levy / 1,000
1-515 Specific Ownership Taxes	4,426	9,800	4,100	4,100	3,541	8,167	(4,626)	4,100	10% of Taxes
1-560 Interest Income	172	140	1,000	1,000	933	128	804	1,000	Based on 2018
<b>TOTAL REVENUE</b>	<b>45,002</b>	<b>167,795</b>	<b>45,904</b>	<b>45,904</b>	<b>45,280</b>	<b>166,150</b>	<b>(120,870)</b>	<b>46,312</b>	
<b>EXPENDITURES</b>									
<b>Administration</b>									
1-612 Accounting	6,480	7,200	7,200	11,000	8,660	6,600	(2,060)	7,200	Based on 2018 Budget
1-614 District Management	5,922	6,600	6,600	6,000	4,784	6,050	1,266	6,600	Based on 2018 Budget
1-615 Audit	4,291	4,500	4,500	4,100	4,100	4,500	400	4,500	Based on 2018 Budget
1-635 Election	27	1,000	1,000	1,154	1,154	1,000	(154)	-	Only in Even Years
1-670 Insurance & SDA Dues	3,756	4,100	4,100	4,236	4,236	4,100	(136)	4,100	Based on 2018 Budget
1-675 Legal	9,317	9,500	9,500	4,000	3,084	8,708	5,625	9,500	Based on 2018 Budget
1-685 Miscellaneous Expense	207	1,525	1,525	300	251	1,398	1,147	1,525	Based on 2018 Budget
1-700 Treasurer's Fees	606	2,368	612	612	612	2,368	1,755	618	1.5% of property taxes
1-795 Emergencies	-	5,034	5,034	-	-	-	-	1,389	Emergencies- 3% of Revenues
Contingency	-	-	-	-	-	-	-	10,000	Unforeseen needs
<b>Total Administration</b>	<b>30,607</b>	<b>41,827</b>	<b>40,071</b>	<b>31,402</b>	<b>26,882</b>	<b>34,724</b>	<b>7,842</b>	<b>45,433</b>	
<b>Debt Service</b>									
1-710 Developer Repayment- Ops Principal	5,000	124,000	10,000	10,000	-	-	-	-	Paid off in 2018
Developer Repayment- Cap Principal	-	-	-	-	-	-	-	10,000	Use available funds
Developer Repayment- Ops Interest	-	-	-	-	-	-	-	-	Principal paid first
Developer Repayment- Cap Interest	-	-	-	-	-	-	-	-	Principal paid first
<b>Total Debt Service</b>	<b>5,000</b>	<b>124,000</b>	<b>10,000</b>	<b>10,000</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>10,000</b>	
<b>TOTAL EXPENDITURES</b>	<b>35,607</b>	<b>165,827</b>	<b>50,071</b>	<b>41,402</b>	<b>26,882</b>	<b>34,724</b>	<b>7,842</b>	<b>55,433</b>	
<b>REVENUE OVER / (UNDER) EXP</b>	<b>9,395</b>	<b>1,968</b>	<b>(4,167)</b>	<b>4,502</b>	<b>18,399</b>	<b>131,426</b>	<b>(113,027)</b>	<b>(9,121)</b>	
<b>OTHER SOURCES / (USES)</b>									
1-780 Transfer to Debt Service	-	-	-	-	-	-	-	-	
<b>TOTAL OTHER SOURCES / (USES)</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	
<b>CHANGE IN FUND BALANCE</b>	<b>9,395</b>	<b>1,968</b>	<b>(4,167)</b>	<b>4,502</b>	<b>18,399</b>	<b>131,426</b>	<b>(113,027)</b>	<b>(9,121)</b>	
1-450 <b>BEGINNING FUND BALANCE</b>	<b>797</b>	<b>6,225</b>	<b>10,191</b>	<b>10,191</b>	<b>10,191</b>	<b>6,225</b>	<b>3,966</b>	<b>14,693</b>	
<b>ENDING FUND BALANCE</b>	<b>10,191</b>	<b>8,193</b>	<b>6,024</b>	<b>14,693</b>	<b>28,590</b>	<b>137,651</b>	<b>(109,061)</b>	<b>5,572</b>	
<b>COMPONENTS OF FUND BALANCE:</b>	<b>=</b>	<b>=</b>	<b>=</b>		<b>=</b>	<b>=</b>	<b>=</b>	<b>=</b>	
Nonspendable	3,477	-	-	4,100				4,305	Prepaid Insurance
Restricted for Emergencies	5,034	-	-	1,377				-	Budgeted as an Expense
Unassigned	1,680	8,193	6,024	9,216				1,267	
<b>TOTAL FUND BALANCE</b>	<b>10,191</b>	<b>8,193</b>	<b>6,024</b>	<b>14,693</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>5,572</b>	

Regency Metropolitan District  
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	2017 Audited Actual	2018 Adopted Budget	2018 Amended Budget	2018 Forecast	YTD Thru 11/30/18 Actual	YTD Thru 11/30/18 Budget	Variance Favorable (Unfavor)	2019 Adopted Budget	Notes/Assumptions
<b>DEBT SERVICE FUND</b>									
<b>REVENUE</b>									
2-510 Property Taxes	215,199	147,397	264,447	264,447	264,445	147,397	117,049	263,619	AV * Mill Levy / 1,000
2-515 Specific Ownership Taxes	23,576	8,400	27,000	27,000	22,947	7,000	15,947	26,400	10% of Taxes
2-560 Interest Income	2,360	2,200	4,200	4,200	3,704	2,017	1,687	4,200	Based on 2018
2-523 Loan Proceeds		29,000	29,000	29,000	29,000	29,000	-	-	Final draw completed in 2018
<b>TOTAL REVENUE</b>	<b>241,134</b>	<b>186,997</b>	<b>324,647</b>	<b>324,647</b>	<b>320,097</b>	<b>185,413</b>	<b>134,683</b>	<b>294,219</b>	
<b>EXPENDITURES</b>									
2-605 Note Principal- 2015	90,000	90,000	90,000	90,000	90,000	90,000	-	95,000	Per Amortization Schedule
2-606 Note Interest- 2015	114,898	111,905	112,151	112,151	112,151	111,905	(246)	109,876	Per Amortization Schedule
2-610 Developer Repayment- Ops Principal		-	149,301	149,301	-	-	-	-	Paid off in 2018
2-615 Developer Repayment- Cap Principal		-	29,000	29,000	29,000	-	(29,000)	87,000	Excess funds available
2-620 Developer Repayment- Ops Interest	-	-	-	-	-	-	-	-	Principal paid first
2-625 Developer Repayment- Cap Interest	-	-	-	-	-	-	-	-	Principal paid first
2-607 Non-Use Fees	220	147	-	-	-	135	135	-	Final draw completed in 2018
2-668 Paying Agent Fees	2,000	2,000	2,000	2,000	2,000	2,000	-	2,000	Based on 2018 Forecast
2-700 Treasurer's Fees	3,229	2,211	3,967	3,967	3,968	2,211	(1,757)	3,954	1.5% of property taxes
Contingency		-	1,000	-				1,000	
<b>TOTAL EXPENDITURES</b>	<b>210,347</b>	<b>206,263</b>	<b>387,419</b>	<b>386,419</b>	<b>237,119</b>	<b>206,251</b>	<b>(30,868)</b>	<b>298,831</b>	
<b>REVENUE OVER / (UNDER) EXP</b>	<b>30,787</b>	<b>(19,266)</b>	<b>(62,771)</b>	<b>(61,772)</b>	<b>82,978</b>	<b>(20,837)</b>	<b>103,815</b>	<b>(4,612)</b>	
<b>OTHER SOURCES / (USES)</b>									
2-894 Transfer to Capital Fund	-	(29,000)	-	-	-	(29,000)	29,000	-	
<b>TOTAL OTHER SOURCES / (USES)</b>	<b>-</b>	<b>(29,000)</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>(29,000)</b>	<b>29,000</b>	<b>-</b>	
<b>CHANGE IN FUND BALANCE</b>	<b>30,787</b>	<b>(48,266)</b>	<b>(62,771)</b>	<b>(61,772)</b>	<b>82,978</b>	<b>(49,837)</b>	<b>132,815</b>	<b>(4,612)</b>	
2-450 <b>BEGINNING FUND BALANCE</b>	<b>102,335</b>	<b>129,860</b>	<b>133,122</b>	<b>133,122</b>	<b>133,123</b>	<b>129,860</b>	<b>3,263</b>	<b>71,351</b>	
<b>ENDING FUND BALANCE</b>	<b>133,122</b>	<b>81,594</b>	<b>70,351</b>	<b>71,351</b>	<b>216,100</b>	<b>80,023</b>	<b>136,078</b>	<b>66,739</b>	
<b>COMPONENTS OF FUND BALANCE:</b>									
Reserve Fund	65,000	65,000	65,000	65,000	65,000	65,000	-	65,000	Required by Loan
Restricted for Debt Service	68,122	16,594	5,351	6,351	151,100	15,023	136,078	1,739	1 Month of SO Taxes
<b>TOTAL FUND BALANCE</b>	<b>133,122</b>	<b>81,594</b>	<b>70,351</b>	<b>71,351</b>	<b>216,100</b>	<b>80,023</b>	<b>136,078</b>	<b>66,739</b>	
Balance of 2015 Loan (Beginning of Year)	3,455,000	3,365,000	3,365,000	3,365,000				3,304,000	
Assessed Valuation	5,968,290	6,447,520	6,447,520	6,447,520				6,446,390	
<b>Debt to Assessed Ratio (Beg of Year)</b>	<b>58%</b>	<b>52%</b>	<b>52%</b>	<b>52%</b>				<b>51%</b>	See release notes below

Mill Levy is capped at 35 mills total, gallagherized, until the District hits 50% Debt/Assessed  
Cap increases to 55 mills, gallagherized, when debt/assessed is between 40% and 50%  
Cap is eliminated when debt/assessed drops below 40%

Regency Metropolitan District  
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<b>CAPITAL PROJECTS FUND</b>									
<b>REVENUE</b>									
Interest Income	-	-	-	-		-	-	-	-
<b>TOTAL REVENUE</b>	-	-	-	-	-	-	-	-	
<b>EXPENDITURES</b>									
3-710 Developer Repayment- Ops Principal	-	29,000	-	-	-	29,000	29,000	-	Accounted for in debt service fund
<b>TOTAL EXPENDITURES</b>	-	29,000	-	-	-	29,000	29,000	-	
<b>REVENUE OVER / (UNDER) EXP</b>	-	(29,000)	-	-	-	(29,000)	29,000	-	
<b>OTHER SOURCES / (USES)</b>									
3-570 Transfer from Debt Service Fund	-	29,000	-	-	-	29,000	(29,000)	-	
<b>TOTAL OTHER SOURCES / (USES)</b>	-	29,000	-	-	-	29,000	(29,000)	-	
<b>CHANGE IN FUND BALANCE</b>	-	-	-	-	-	-	-	-	
3-450 <b>BEGINNING FUND BALANCE</b>	-	-	-	-	-	-	-	-	
<b>ENDING FUND BALANCE</b>	-	-	-	-	-	-	-	-	
	=	=	=		=	=	=	=	

I, Ann E. Finn, hereby certify that I am the duly appointed Secretary of the Regency Metropolitan District, and that the foregoing is a true and correct copy of the budget for the budget year 2019, duly adopted at a meeting of the Board of Directors of the Regency Metropolitan District held on October 25, 2018.

By:                     A E F                      
Secretary

RESOLUTION NO. 2018 - 10 - 03  
A RESOLUTION OF THE BOARD OF DIRECTORS  
OF THE REGENCY METROPOLITAN DISTRICT  
TO SET MILL LEVIES

WHEREAS, the Board of Directors of the Regency Metropolitan District ("District") has adopted the 2019 annual budget in accordance with the Local Government Budget Law on October 25, 2018; and

WHEREAS, the adopted budget is attached to the Resolution of the Board of Directors to Adopt the 2019 Budget and Appropriate Sums of Money, and such budget is incorporated herein by this reference; and

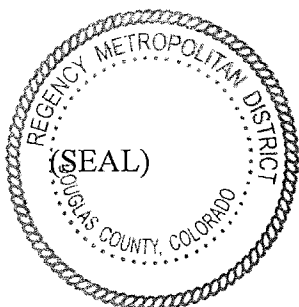
WHEREAS, the amount of money necessary to balance the budget for general fund expenses from property tax revenue is identified in the budget; and

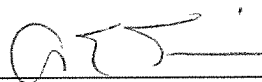
WHEREAS, the amount of money necessary to balance the budget for debt service fund expenses from property tax revenue is identified in the budget; and

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

1. That for the purposes of meeting all general fund expenses of the District during the 2019 budget year, the District determined to levy mills upon each dollar of the total valuation for assessment of all taxable property within the District, as set forth in the budget, to raise the required revenue.
2. That for the purposes of meeting all debt service fund expenses of the District during the 2019 budget year, the District determined to levy mills upon each dollar of the total valuation for assessment of all taxable property within the District, as set forth in the budget, to raise the required revenue.
3. That the District Accountant of the District is hereby authorized and directed to immediately certify to the County Commissioners of Douglas County, Colorado, the mill levies for the District as set forth in the District's Certification of Tax Levies (attached hereto as **EXHIBIT A** and incorporated herein by reference), recalculated as needed upon receipt of the final certification of valuation from the County Assessor in order to comply with any applicable revenue and other budgetary limits.

ADOPTED this 25th day of October, 2018.



  
\_\_\_\_\_  
Secretary



**EXHIBIT A**  
(Certification of Tax Levies)

# CERTIFICATION OF TAX LEVIES for NON-SCHOOL Governments

TO: County Commissioners<sup>1</sup> of Douglas County, Colorado.

On behalf of the Regency Metropolitan District

(taxing entity)<sup>A</sup>

the Board of Directors

(governing body)<sup>B</sup>

of the Regency Metropolitan District

(local government)<sup>C</sup>

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

\$ 6,446,390

(Gross<sup>D</sup> assessed valuation, Line 2 of the Certification of Valuation Form DLG 57<sup>E</sup>)

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

\$ 6,446,390

(NET<sup>G</sup> assessed valuation, Line 4 of the Certification of Valuation Form DLG 57)

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

**Submitted:** 12/11/2018  
(not later than Dec 15) (mm/dd/yyyy)

for budget/fiscal year 2019  
(yyyy)

PURPOSE (see end notes for definitions and examples)	LEVY <sup>2</sup>		REVENUE <sup>2</sup>
1. General Operating Expenses <sup>H</sup>	<u>6.393</u>	mills	\$ <u>41,211.77</u>
2. <Minus> Temporary General Property Tax Credit/ Temporary Mill Levy Rate Reduction <sup>I</sup>	<u>0.000</u>	mills	\$ <u>-</u>
<b>SUBTOTAL FOR GENERAL OPERATING:</b>	<u>6.393</u>	mills	\$ <u>41,211.77</u>
3. General Obligation Bonds and Interest <sup>J</sup>	<u>31.782</u>	mills	\$ <u>204,879.17</u>
4. Contractual Obligations <sup>K</sup>	<u>9.112</u>	mills	\$ <u>58,739.51</u>
5. Capital Expenditures <sup>L</sup>	<u>0.000</u>	mills	\$ <u>-</u>
6. Refunds/Abatements <sup>M</sup>	<u>0.000</u>	mills	\$ <u>-</u>
7. Other <sup>N</sup> (specify): _____	<u>0.000</u>	mills	\$ <u>-</u>
	<u>0.000</u>	mills	\$ <u>-</u>
<b>TOTAL:</b> [ Sum of General Operating Subtotal and Lines 3 to 7 ]	<u>47.287</u>	mills	\$ <u>304,830.45</u>

Contact person:

(print)

Eric Weaver

Daytime

phone:

(970) 926-6060 x 6

Signed:

Title:

District Accountant

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

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

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

**CERTIFICATION OF TAX LEVIES, continued**

**THIS SECTION APPLIES TO TITLE 32, ARTICLE 1 SPECIAL DISTRICTS THAT LEVY TAXES FOR PAYMENT OF GENERAL OBLIGATION DEBT (32-1-603 C.R.S.).** Taxing entities that are Special Districts or Subdistricts of Special Districts must certify separate mill levies and revenue to the Board of County Commissioners, one each for the funding requirements of each debt (32-1-603, C.R.S.) Use additional pages as necessary. The Special District's or Subdistrict's total levies for general obligation bonds and total levies for contractual obligations should be recorded on Page 1, Lines 3 and 4 respectively.

**CERTIFY A SEPARATE MILL LEVY FOR EACH BOND OR CONTRACT:**

**BONDS<sup>J</sup>:**

- |       |                   |   |
|-------|-------------------|---|
| 1.    | Purpose of Issue: | Advance Refunding of Series 2006 General Obligation Bonds |
|       | Series:           | 2015 Loan Agreement with US Bank                          |
|       | Date of Issue:    | December 15, 2015   |
|       | Coupon rate:      | 3.28%   |
|       | Maturity Date:    | December 1, 2020  |
|       | Levy:             | 31.782  |
|       | Revenue:          | \$204,879.17  |
| <hr/> |                   |   |
| 2.    | Purpose of Issue: |   |
|       | Series:           |   |
|       | Date of Issue:    |   |
|       | Coupon rate:      |   |
|       | Maturity Date:    |   |
|       | Levy:             |   |
|       | Revenue:          |   |

**CONTRACTS<sup>K</sup>:**

- |       |                      |   |
|-------|----------------------|---|
| 3.    | Purpose of Contract: | Provide Funding for Construction of Public Improvements |
|       | Title:               | Project Funding & Reimbursement Agreement               |
|       | Date:                | June 20, 2006   |
|       | Principal Amount:    | Prime + 1%  |
|       | Maturity Date:       | None Specified  |
|       | Levy:                | 6.894   |
|       | Revenue:             | \$44,441.41   |
| <hr/> |                      |   |
| 4.    | Purpose of Contract: | Provide Funding for Operations and Maintenance Expenses |
|       | Title:               | Operation Funding Agreement                             |
|       | Date:                | June 20, 2006   |
|       | Principal Amount:    | Prime + 1%  |
|       | Maturity Date:       | None Specified  |
|       | Levy:                | 2.218   |
|       | Revenue:             | \$14,298.09   |

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

## RECORD OF PROCEEDINGS

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### MINUTES OF A SPECIAL MEETING OF THE BOARD OF DIRECTORS OF THE REGENCY METROPOLITAN DISTRICT HELD DECEMBER 21, 2018

A special meeting of the Board of Directors of the Regency Metropolitan District (referred to hereafter as "Board") was convened on Friday, the 21<sup>st</sup> day of December, 2018, at 11:00 a.m., at the offices of Special District Management Services, Inc., 141 Union Boulevard, Suite 150, Lakewood, Colorado 80228. The meeting was open to the public.

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#### ATTENDANCE

#### Directors In Attendance Were:

Scott Marshall  
James E. Marshall  
Shelley Marshall

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

#### Also In Attendance Were:

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

Mary Jo Dougherty, Esq.; McGeady Becher P.C. (via speakerphone)

Eric Weaver; Marchetti & Weaver, LLC

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#### DISCLOSURE OF POTENTIAL CONFLICTS OF INTEREST

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

It was noted that a quorum was present and Attorney Dougherty requested members of the Board to disclose any potential conflicts of interest with regard to any matters scheduled for discussion at this meeting, and incorporated for the record those applicable disclosures made by the Board members prior to this meeting in accordance with the statute. Attorney Dougherty noted that Directors' Disclosure Statements have been filed for all Directors by the statutory deadline. No additional conflicts were disclosed at the meeting.

## RECORD OF PROCEEDINGS

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### ADMINISTRATIVE MATTERS

**Agenda:** Ms. Finn distributed for the Board's review and approval a proposed Agenda for the District's special meeting.

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

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

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

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### FINANCIAL MATTERS

**2018 Budget Amendment Hearing:** The President opened the public hearing to consider a Resolution to Amend the 2018 Budget and discuss related issues.

It was noted that publication of Notice stating that the Board would consider adoption of a Resolution to Amend the 2018 Budget and the date, time and place of the public hearing was made in a newspaper having general circulation within the District. No written objections were received prior to this public hearing. No public comments were received and the public hearing was closed.

Following review and discussion, Director James Marshall moved to adopt Resolution No. 2018-12-01 to Amend the 2018 Budget, Director Scott Marshall seconded the motion and, upon vote, unanimously carried, the Board adopted Resolution No. 2018-12-01 to Amend the 2018 Budget. A copy of the adopted Resolution is attached hereto and incorporated herein by this reference.

**Positive Pay and Bill.Com:** Mr. Weaver discussed with the Board the use of bill.com for processing accounts payable.

Following discussion, upon motion duly made by Director Scott Marshall, seconded by Director James Marshall and, upon vote, unanimously carried, the Board authorized the use of bill.com.

## RECORD OF PROCEEDINGS

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### OTHER MATTERS

There were no other matters to discuss at this time.

\_\_\_\_\_

### ADJOURNMENT

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

Respectfully submitted,

By: \_\_\_\_\_  
Secretary for the Meeting

---

THESE MINUTES APPROVED AS THE OFFICIAL DECEMBER 21, 2018,  
MINUTES OF THE REGENCY METROPOLITAN DISTRICT BY THE BOARD  
OF DIRECTORS SIGNING BELOW:

---

\_\_\_\_\_  
Thomas J. Brinkman, II

\_\_\_\_\_  
Lisa S. Brinkman

\_\_\_\_\_  
Scott Marshall

\_\_\_\_\_  
James E. Marshall

\_\_\_\_\_  
Shelley D. Marshall

RESOLUTION AMENDING THE 2018 BUDGET  
REGENCY METROPOLITAN DISTRICT

WHEREAS, the Board of Directors of the Regency Metropolitan District adopted an amended budget and appropriated funds for the fiscal year 2018 as follows:

General Fund:	\$ 165,827
Debt Service Fund:	\$ 235,263
Capital Projects Fund:	\$ 29,000

WHEREAS, the necessity has arisen for additional expenditures in the Debt Service Fund requiring the unanticipated expenditure of funds in excess of those appropriated for the fiscal year 2018; and

WHEREAS, the expenditure of such funds is a contingency which could not have been reasonably foreseen at the time of adoption of the budget; and

WHEREAS, funds are available for such expenditures in the Debt Service Fund from the property taxes, specific ownership taxes and interest income.

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NOW, THEREFORE, BE IT RESOLVED that the Board of Directors of the Regency Metropolitan District shall and hereby does amend the adopted Budget for the fiscal year 2018 and adopts a supplemental budget and appropriation for the Debt Service Fund a for the fiscal year 2018, as follows:

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General Fund	\$ 50,071
Debt Service Fund	\$ 387,419

BE IT FURTHER RESOLVED, that such sums are hereby appropriated from the revenues of the District to the proper funds for the purposes stated.

DATED this 21st day of November, 2018.

REGENCY METROPOLITAN DISTRICT

By: \_\_\_\_\_



Secretary



October 30, 2018

To the Board of Directors  
Regency Metropolitan District

You have requested that we prepare the financial statements of Regency Metropolitan District, which comprise interim balance sheets and the related statements of revenues, expenditures and changes in fund balance for the periods then ended and budgeted and forecasted statements of revenues, expenditures and changes in fund balance for future fiscal periods. This engagement shall continue during subsequent years until terminated by either party. This engagement may be terminated by you or by us upon 30 days advance notice provided by the party desiring to terminate.

The financial statements we prepare may not include the statement of net position, the statement of activities, management discussion and analysis and related notes to the financial statements. It is hereby noted that such disclosures will be included in the District's annual audited financial statements. The summary of significant accounting policies required by the guidelines for presentation of a forecast established by the American Institute of Certified Public Accountants (AICPA) may also be omitted.

We are pleased to confirm our acceptance and our understanding of this engagement to prepare the above described financial statements of Regency Metropolitan District.

#### **Our Responsibilities**

The objective of our engagement is to prepare financial statements in accordance with accounting principles generally accepted in the United States of America based on information provided by you and from accounting records we maintain. We will conduct our engagement in accordance with Statements on Standards for Accounting and Review Services (SSARs) promulgated by the Accounting and Review Services Committee of the AICPA and comply with the AICPA's Code of Professional Conduct, including the ethical principles of integrity, objectivity, professional competence, and due care. We are not required to, and will not, verify the accuracy or completeness of the information you will provide to us for the engagement or otherwise gather evidence for the purpose of expressing an opinion or a conclusion. Accordingly, we will not express an opinion or a conclusion or provide any assurance on the financial statements.

Our engagement cannot be relied upon to identify or disclose any financial statement misstatements, including those caused by fraud or error, or to identify or disclose any wrongdoing within the entity or noncompliance with laws and regulations.

#### **The Board's Responsibilities**

The engagement to be performed is conducted on the basis that the Board acknowledges and understands that our role is to prepare financial statements in accordance with accounting principles generally accepted in the United States of America. The Board has the following overall responsibilities that are fundamental to our undertaking the engagement to prepare your financial statements in accordance with SSARs:



# MARCHETTI & WEAVER, LLC

Regency Metropolitan District  
October 30, 2018  
Page 2

- a) For prevention and detection of fraud
- b) To ensure that the entity complies with the laws and regulations applicable to its activities
- c) For the accuracy and completeness of the records, documents, explanations, and other information, including significant judgments, you provide to us for the engagement to prepare financial statements
- d) To provide us with:
  - i) Documentation, and other related information that is relevant to the preparation and presentation of the financial statements,
  - ii) Additional information that may be requested for the purpose of the preparation of the financial statements, and
  - iii) Unrestricted access to persons within Regency Metropolitan District of whom we determine necessary to communicate.

The financial statements will not be accompanied by a report. However, you agree that the financial statements will clearly indicate that no assurance is provided on them.

## Other Relevant Information

In addition to the preparation of financial statements, it is anticipated that we will provide additional services to the District including but not limited to:

- a) Limited accounting services including but not limited to cash and investment management and bank account reconciliations
- b) Audit coordination, workpaper preparation, assisting the independent auditors, report review, and preparation of the Management's Discussion and Analysis
- c) Preparation and filing of annual budget documents
- d) Bond/loan issuance assistance and ongoing reporting
- e) Other services as requested by the Board

Our fees for these services will be billed on an hourly rate basis based on our actual time incurred at our standard billing rates. Current billing rates may be increased commensurate with inflation for 2019 and future years. We may also charge for out-of-pocket expenses incurred, including but not limited to, computer and copy expenses, long distance telephone charges, office supplies used directly by the District (such as personalized checks) and travel expenses for District business.

Marchetti & Weaver, LLC hereby states that as of the date of this letter, it does not knowingly employ or contract with an illegal alien who will perform work under this agreement and that it will participate in the "E-Verify Program" or "Department Program" (as defined in §8-17.5-101 & 102, C.R.S.) in order to confirm the employment eligibility of all employees who are newly hired for employment to perform work under this agreement. The provisions of §8-17.5-102 (2) (b), C.R.S. are incorporated herein by this reference. If we fail to comply with any provision of §8-17.5-101 & 102, C.R.S., the District may terminate this agreement for breach of contract, and we shall be liable for actual and consequential damages to the District. We shall comply with any reasonable request of the Colorado Department of Labor and Employment made in the course of an investigation pursuant to §8-117-102.

We will be pleased to discuss this letter with you at any time.

Respectfully,

MARCHETTI & WEAVER, LLC



Principal

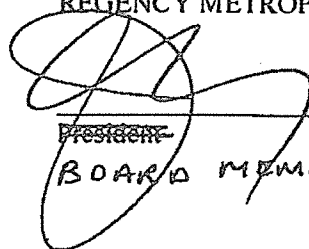
# MARCHETTI & WEAVER, LLC

Regency Metropolitan District  
October 30, 2018  
Page 3

## RESPONSE:

This proposal is accepted and agreed to and correctly sets forth the understanding between Marchetti & Weaver, LLC and Regency Metropolitan District.

REGENCY METROPOLITAN DISTRICT

  
~~President~~  
BOARD MEMBER

11/1/18  
Date

Check No and Date	Payee	Invoice No	GL Account Title	GL Acct	Amount	Total
1447						
11/16/2018	Colorado Community Media	186198	Miscellaneous	1-685	18.72	18.72
Total 1447:						18.72
1448						
11/16/2018	McGeady Becher P.C.	823M 10/18	Legal	1-675	17.50	17.50
Total 1448:						17.50
1449						
11/16/2018	Special Dist Management Servic	41327	Management	1-614	1,542.09	1,542.09
11/16/2018	Special Dist Management Servic	41327	Accounting	1-612	1,452.20	1,452.20
11/16/2018	Special Dist Management Servic	41327	Election	1-635	13.70	13.70
Total 1449:						3,007.99
Grand Totals:						3,044.21

Regency Metropolitan District  
November-18

	General	Debt	Capital	Totals
Disbursements	\$ 3,044.21	\$ -	\$ -	\$ 3,044.21
	-	-	-	-
<b>Total Disbursements</b>	<b>\$ 3,044.21</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ 3,044.21</b>

Check No and Date	Payee	Invoice No	GL Account Title	GL Acct	Amount	Total
1450						
12/18/2018	Colorado Special Districts P&L	32C60038-691	Prepaid Expenses	1-142	2,655.64	2,655.64
Total 1450:						2,655.64
1451						
12/18/2018	Marchetti & Weaver, LLC	15317	Accounting	1-612	700.50	700.50
Total 1451:						700.50
1452						
12/18/2018	McGeady Becher P.C.	823M 11/18	Legal	1-675	1,488.95	1,488.95
Total 1452:						1,488.95
1453						
12/18/2018	Special Dist Management Servic	42140	Management	1-614	452.10	452.10
12/18/2018	Special Dist Management Servic	42140	Accounting	1-612	739.80	739.80
12/18/2018	Special Dist Management Servic	42140	Management	1-614	19.08	19.08
Total 1453:						1,210.98
1454						
12/18/2018	T Charles Wilson Insurance	6992	Prepaid Expenses	1-142	775.00	775.00
Total 1454:						775.00
Grand Totals:						6,831.07

Regency Metropolitan District  
December-18

	General	Debt	Capital	Totals
Disbursements	\$ 6,831.07	\$ -	\$ -	\$ 6,831.07
	-	-	-	-
Total Disbursements	\$ 6,831.07	\$ -	\$ -	\$ 6,831.07

# Regency Metropolitan District

## Ratification of 2019 Payables Through May 3, 2019

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Process Date	Vendor	Amount	Description
2/27/2019	Marchetti & Weaver, LLC	4,734.80	December & January Accounting
2/27/2019	McGeady Becher, P.C.	2,973.24	December Legal
2/27/2019	Special District Managment Services, Inc	2,106.35	December & January Management
4/25/2019	McGeady Becher, P.C.	386.97	January Legal
4/25/2019	Special District Association	305.09	SDA Dues
4/25/2019	Special District Managment Services, Inc	935.64	February Management
4/26/2019	Marchetti & Weaver, LLC	1,825.11	February Accounting
5/3/2019	McGeady Becher, P.C.	3,400.96	February Legal
5/3/2019	Special District Managment Services, Inc	1,351.53	March Management
	Multiple First Bank	160.00	January- April Bank Fees
TOTAL		<u><u>18,179.69</u></u>	

Regency Metropolitan District  
Statement of Net Position  
April 30, 2019

	General Fund	Debt Service	Fixed Assets & LTD	TOTAL ALL FUNDS
<b>ASSETS</b>				
<b>CASH</b>				
FirstBank Checking	4,805			4,805
ColoTrust	160,577			160,577
US Bank - Pledged Revenue Fund		0		0
US Bank - Loan Payment Fund		585		585
US Bank - Reserve Fund		65,521		65,521
Inter-Fund Balances	(141,981)	141,981		-
<b>TOTAL CASH</b>	<b>23,401</b>	<b>208,086</b>	<b>-</b>	<b>231,488</b>
<b>OTHER CURRENT ASSETS</b>				
Due From County Treasurer	-	(131,020)		(131,020)
Property Taxes Receivable	20,729	263,619		284,348
Prepaid Expenses	-			-
<b>TOTAL OTHER CURRENT ASSETS</b>	<b>20,729</b>	<b>132,599</b>	<b>-</b>	<b>153,328</b>
<b>FIXED ASSETS</b>				
Parks Equipment			80,000	80,000
Accumulated Depreciation			(64,000)	(64,000)
<b>TOTAL FIXED ASSETS</b>	<b>-</b>		<b>16,000</b>	<b>16,000</b>
<b>DEFERRED OUTFLOWS</b>				
Deferred Loss on Refunding			114,263	114,263
<b>TOTAL DEFERRED INFLOWS</b>	<b>-</b>	<b>-</b>	<b>114,263</b>	<b>114,263</b>
<b>TOTAL ASSETS &amp; DEF INFLOWS</b>	<b>44,131</b>	<b>340,685</b>	<b>130,263</b>	<b>515,079</b>
<b>LIABILITIES &amp; DEFERED INFLOWS</b>				
<b>CURRENT LIABILITIES</b>				
Accounts Payable	6,446			6,446
<b>TOTAL CURRENT LIABILITIES</b>	<b>6,446</b>	<b>-</b>	<b>-</b>	<b>6,446</b>
<b>DEFERRED INFLOWS</b>				
Deferred Property Taxes	20,729	132,599		153,328
<b>TOTAL DEFERRED INFLOWS</b>	<b>20,729</b>	<b>132,599</b>	<b>-</b>	<b>153,328</b>
<b>LONG-TERM LIABILITIES</b>				
Bonds Payable-Series 2015			3,304,000	3,304,000
Developer Advance- Ops			148,801	148,801
Developer Advance- Cap			351,141	351,141
Accrued Interest- Bonds			-	-
Accrued Interest- Dev Adv- Ops			102,715	102,715
Accrued Interest- Dev Adv- Cap			316,251	316,251
<b>TOTAL LONG-TERM LIABILITIES</b>	<b>-</b>		<b>4,222,908</b>	<b>4,222,908</b>
<b>TOTAL LIAB &amp; DEF INFLOWS</b>	<b>27,175</b>	<b>132,599</b>	<b>4,222,908</b>	<b>4,382,682</b>
<b>NET POSITION</b>				
Net Investment in Capital Assets			16,000	16,000
Amount to be Provided for Debt			(4,108,645)	(4,108,645)
Fund Balance- Nonspendable	-			-
Fund Balance- Restricted	1,390	208,086	-	209,476
Fund Balance- Unassigned	15,565			15,565
<b>TOTAL NET POSITION</b>	<b>16,955</b>	<b>208,086</b>	<b>(4,092,645)</b>	<b>(3,867,603)</b>

No assurance is provided on these financial statements;



## Statement of Revenues, Expenditures, &amp; Changes In Fund Balance

Modified Accrual Basis For the Period Indicated

	2018 Prelim Actual	2019 Adopted Budget	YTD Thru 04/30/19 Actual	YTD Thru 04/30/19 Budget	Variance Favorable (Unfavor)
<b>PROPERTY TAXES</b>					
Assessed Valuation	6,447,520	6,446,390			
Mill Levy Breakdown:					
Mill Levy - Operations	6.329	6.393			
Mill Levy - Debt Service	41.015	31.782			
Mill Levy - Contractual Obligations	0.000	9.112			
<b>Total</b>	<b>47.344</b>	<b>47.287</b>			
Property Tax Revenue - Operations	40,804	41,212			
Property Tax Revenue - Debt & Cont Oblig	264,445	263,619			
<b>Total</b>	<b>305,249</b>	<b>304,830</b>			
<b>COMBINED FUNDS</b>					
<b>REVENUE</b>					
Property Taxes	305,252	304,830	151,503	149,367	2,136
Specific Ownership Taxes	32,281	30,500	6,682	7,625	(943)
Interest	6,068	5,200	1,085	1,733	(648)
Loan Proceeds	29,000	-	-	-	-
<b>TOTAL REVENUE</b>	<b>372,600</b>	<b>340,530</b>	<b>159,269</b>	<b>158,725</b>	<b>544</b>
<b>EXPENDITURES</b>					
General Government	41,539	52,387	16,953	19,012	2,059
Debt Service- Loan Principal & Interest	203,348	204,876	-	-	-
Debt Service- Developer Repayments	188,301	97,000	-	-	-
<b>TOTAL EXPENDITURES</b>	<b>433,188</b>	<b>354,263</b>	<b>16,953</b>	<b>19,012</b>	<b>2,059</b>
<b>CHANGE IN FUND BALANCE</b>	<b>(60,588)</b>	<b>(13,733)</b>	<b>142,316</b>	<b>139,713</b>	<b>2,603</b>
<b>BEGINNING FUND BALANCE</b>	<b>143,314</b>	<b>86,044</b>	<b>82,726</b>	<b>86,044</b>	<b>(3,318)</b>
<b>ENDING FUND BALANCE</b>	<b>82,726</b>	<b>72,311</b>	<b>225,042</b>	<b>225,757</b>	<b>(716)</b>
<b>COMPONENTS OF FUND BALANCE</b>					
Nonspendable	-	4,305	-	-	-
TABOR Emergency Reserve	1,384	-	1,390	512	878
Restricted For Debt Service	72,457	66,739	208,086	206,586	1,500
Unassigned/ Other	8,884	1,267	15,565	18,659	(3,093)
<b>TOTAL ENDING FUND BALANCE</b>	<b>82,726</b>	<b>72,311</b>	<b>225,042</b>	<b>225,757</b>	<b>(716)</b>
	=	=	=	=	=

## Statement of Revenues, Expenditures, &amp; Changes In Fund Balance

Modified Accrual Basis For the Period Indicated

		2018 Prelim Actual	2019 Adopted Budget	YTD Thru 04/30/19 Actual	YTD Thru 04/30/19 Budget	Variance Favorable (Unfavor)
<b>GENERAL FUND</b>						
<b>REVENUE</b>						
1-510	Property Taxes	40,806	41,212	20,483	20,194	289
1-515	Specific Ownership Taxes	4,315	4,100	903	1,025	(122)
1-560	Interest Income	1,005	1,000	289	333	(44)
<b>TOTAL REVENUE</b>		<b>46,127</b>	<b>46,312</b>	<b>21,675</b>	<b>21,552</b>	<b>123</b>
<b>EXPENDITURES</b>						
<b>Administration</b>						
1-612	Accounting	13,074	7,200	3,724	3,000	(724)
1-614	District Management	5,964	6,600	3,191	2,200	(991)
1-615	Audit	4,100	4,500	-	-	-
1-635	Election	1,154	-	-	-	-
1-670	Insurance & SDA Dues	4,236	4,100	3,736	4,100	364
1-675	Legal	6,074	9,500	3,869	3,167	(703)
1-685	Miscellaneous Expense	335	1,525	160	508	348
1-700	Treasurer's Fees	612	618	307	303	(4)
1-795	Emergencies	-	1,389	-	463	463
	Contingency		10,000		3,333	3,333
<b>Total Administration</b>		<b>35,550</b>	<b>45,433</b>	<b>14,988</b>	<b>17,074</b>	<b>2,087</b>
<b>Debt Service</b>						
1-710	Developer Repayment- Ops Principal	10,500	-	-	-	-
	Developer Repayment- Cap Principal		10,000		-	-
	Developer Repayment- Ops Interest		-		-	-
	Developer Repayment- Cap Interest		-		-	-
<b>Total Debt Service</b>		<b>10,500</b>	<b>10,000</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>TOTAL EXPENDITURES</b>		<b>46,050</b>	<b>55,433</b>	<b>14,988</b>	<b>17,074</b>	<b>2,087</b>
<b>REVENUE OVER / (UNDER) EXP</b>		<b>77</b>	<b>(9,121)</b>	<b>6,687</b>	<b>4,478</b>	<b>2,209</b>
<b>OTHER SOURCES / (USES)</b>						
1-780	Transfer to Debt Service		-		-	-
<b>TOTAL OTHER SOURCES / (USES)</b>		<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>CHANGE IN FUND BALANCE</b>		<b>77</b>	<b>(9,121)</b>	<b>6,687</b>	<b>4,478</b>	<b>2,209</b>
1-450	<b>BEGINNING FUND BALANCE</b>	10,191	14,693	10,268	14,693	(4,425)
<b>ENDING FUND BALANCE</b>		<b>10,268</b>	<b>5,572</b>	<b>16,955</b>	<b>19,171</b>	<b>(2,216)</b>
<b>COMPONENTS OF FUND BALANCE:</b>						
	Nonspendable	-	4,305	-		
	Restricted for Emergencies	1,384	-	1,390		
	Unassigned	8,884	1,267	15,565		
<b>TOTAL FUND BALANCE</b>		<b>10,268</b>	<b>5,572</b>	<b>16,955</b>	<b>-</b>	<b>-</b>

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## Statement of Revenues, Expenditures, &amp; Changes In Fund Balance

Modified Accrual Basis For the Period Indicated

	2018 Prelim Actual	2019 Adopted Budget	YTD Thru 04/30/19 Actual	YTD Thru 04/30/19 Budget	Variance Favorable (Unfavor)
<b>DEBT SERVICE FUND</b>					
<b>REVENUE</b>					
2-510 Property Taxes	264,445	263,619	131,020	129,173	1,847
2-515 Specific Ownership Taxes	27,965	26,400	5,778	6,600	(822)
2-560 Interest Income	5,063	4,200	796	1,400	(604)
2-523 Loan Proceeds	29,000	-	-	-	-
<b>TOTAL REVENUE</b>	<b>326,473</b>	<b>294,219</b>	<b>137,594</b>	<b>137,173</b>	<b>421</b>
<b>EXPENDITURES</b>					
2-605 Note Principal- 2015	90,000	95,000	-	-	-
2-606 Note Interest- 2015	113,348	109,876	-	-	-
2-610 Developer Repayment- Ops Principal	-	-	-	-	-
2-615 Developer Repayment- Cap Principal	177,801	87,000	-	-	-
2-620 Developer Repayment- Ops Interest	-	-	-	-	-
2-625 Developer Repayment- Cap Interest	-	-	-	-	-
2-607 Non-Use Fees	21	-	-	-	-
2-668 Paying Agent Fees	2,000	2,000	-	-	-
2-700 Treasurer's Fees	3,968	3,954	1,965	1,938	(28)
Contingency	-	1,000	-	-	-
<b>TOTAL EXPENDITURES</b>	<b>387,138</b>	<b>298,831</b>	<b>1,965</b>	<b>1,938</b>	<b>(28)</b>
<b>REVENUE OVER / (UNDER) EXP</b>	<b>(60,665.29)</b>	<b>(4,612)</b>	<b>135,629</b>	<b>135,236</b>	<b>394</b>
<b>OTHER SOURCES / (USES)</b>					
2-894 Transfer to Capital Fund	-	-	-	-	-
<b>TOTAL OTHER SOURCES / (USES)</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>CHANGE IN FUND BALANCE</b>	<b>(60,665)</b>	<b>(4,612)</b>	<b>135,629</b>	<b>135,236</b>	<b>394</b>
2-450 <b>BEGINNING FUND BALANCE</b>	<b>133,123</b>	<b>71,351</b>	<b>72,457</b>	<b>71,351</b>	<b>1,106</b>
<b>ENDING FUND BALANCE</b>	<b>72,457</b>	<b>66,739</b>	<b>208,086</b>	<b>206,586</b>	<b>1,500</b>
<b>COMPONENTS OF FUND BALANCE:</b>					
Reserve Fund	65,000	65,000	65,000	65,000	-
Restricted for Debt Service	7,457	1,739	143,086	141,586	1,500
<b>TOTAL FUND BALANCE</b>	<b>72,457</b>	<b>66,739</b>	<b>208,086</b>	<b>206,586</b>	<b>1,500</b>
<b>Balance of 2015 Loan (Beginning of Year)</b>					
Assessed Valuation	3,365,000	3,365,000	=	=	=
<b>Debt to Assessed Ratio (Beg of Year)</b>	<b>52%</b>	<b>52%</b>			

Mill Levy is capped at 35 mills total, gallagherized, until the District hits 50% Debt/Assessed

Cap increases to 55 mills, gallagherized, when debt/assessed is between 40% and 50%

Cap is eliminated when debt/assessed drops below 40%

DRAFT 5/20/2019

**REGENCY  
METROPOLITAN DISTRICT**

Financial Statements

December 31, 2018

with  
Independent Auditors' Report

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## REGENCY METROPOLITAN DISTRICT

### BALANCE SHEET/STATEMENT OF NET POSITION GOVERNMENTAL FUNDS December 31, 2018

	<u>General</u>	<u>Debt Service</u>	<u>Total</u>	<u>Adjustments</u>	<u>Statement of Net Position</u>
<b>ASSETS</b>					
Cash and investments	\$ 13,660	\$ -	\$ 13,660	\$ -	\$ 13,660
Cash and investments - restricted	1,389	69,782	71,171	-	71,171
Receivable - County Treasurer	411	2,675	3,086	-	3,086
Property taxes receivable	41,212	263,618	304,830	-	304,830
Prepaid expenses	3,431	-	3,431	-	3,431
Capital assets, net of accumulated depreciation	-	-	-	16,000	16,000
Total Assets	<u>60,103</u>	<u>336,075</u>	<u>396,178</u>	<u>16,000</u>	<u>412,178</u>
<b>DEFERRED OUTFLOWS OF RESOURCES</b>					
Deferred loss on refunding	-	-	-	114,263	114,263
Total Deferred Outflows of Resources	-	-	-	114,263	114,263
Total Assets and Deferred Outflows of Resources	<u>\$ 60,103</u>	<u>\$ 336,075</u>	<u>\$ 396,178</u>		
<b>LIABILITIES</b>					
Accounts payable	\$ 8,623	\$ -	\$ 8,623	-	8,623
Accrued interest on bonds	-	-	-	9,131	9,131
Long-term liabilities:					
Due within one year	-	-	-	95,000	95,000
Due in more than one year	-	-	-	4,117,225	4,117,225
Total Liabilities	<u>8,623</u>	<u>-</u>	<u>8,623</u>	<u>4,221,356</u>	<u>4,229,979</u>
<b>DEFERRED INFLOWS OF RESOURCES</b>					
Deferred property taxes	41,212	263,618	304,830	-	304,830
Total Deferred Inflows of Resources	<u>41,212</u>	<u>263,618</u>	<u>304,830</u>	<u>-</u>	<u>304,830</u>
<b>FUND BALANCES/NET POSITION</b>					
Fund Balances:					
Nonspendable:					
Prepays	3,431	-	3,431	(3,431)	-
Restricted:					
Emergencies	1,389	-	1,389	(1,389)	-
Debt service	-	72,457	72,457	(72,457)	-
Unassigned	5,448	-	5,448	(5,448)	-
Total Fund Balances	<u>10,268</u>	<u>72,457</u>	<u>82,725</u>	<u>(82,725)</u>	<u>-</u>
Total Liabilities, Deferred Inflows of Resources and Fund Balances	<u>\$ 60,103</u>	<u>\$ 336,075</u>	<u>\$ 396,178</u>		
Net Position:					
Net investment in capital assets				(4,081,962)	(4,081,962)
Restricted for:					
Emergencies				1,389	1,389
Debt service				63,326	63,326
Unrestricted				<u>8,879</u>	<u>8,879</u>
Total Net Position				<u>\$ (4,008,368)</u>	<u>\$ (4,008,368)</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, 2018

	<u>General</u>	<u>Debt Service</u>	<u>Total</u>	<u>Adjustments</u>	<u>Statement of Activities</u>
<b>EXPENDITURES</b>					
Accounting	\$ 13,074	\$ -	\$ 13,074	\$ -	\$ 13,074
Audit	4,100	-	4,100	-	4,100
Election expense	1,154	-	1,154	-	1,154
Insurance	4,236	-	4,236	-	4,236
Legal	6,074	-	6,074	-	6,074
Management fees	5,964	-	5,964	-	5,964
Miscellaneous expenses	335	-	335	-	335
Treasurer's fees	612	3,968	4,580	-	4,580
Loan principal	-	90,000	90,000	(90,000)	-
Interest expense	-	113,348	113,348	45,458	158,806
Non-Use fee	-	21	21	-	21
Paying agent fees	-	2,000	2,000	-	2,000
Payment to Developer - Operations	10,500	-	10,500	(10,500)	-
Payment to Developer - Capital	-	177,801	177,801	(177,801)	-
Depreciation	-	-	-	8,000	8,000
Total Expenditures	<u>46,049</u>	<u>387,138</u>	<u>433,187</u>	<u>(224,843)</u>	<u>208,344</u>
<b>GENERAL REVENUES</b>					
Property taxes	40,806	264,445	305,251	-	305,251
Specific ownership taxes	4,315	27,965	32,280	-	32,280
Interest income	<u>1,005</u>	<u>5,063</u>	<u>6,068</u>	<u>-</u>	<u>6,068</u>
Total General Revenues	<u>46,126</u>	<u>297,473</u>	<u>343,599</u>	<u>-</u>	<u>343,599</u>
<b>EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES</b>					
	77	(89,665)	(89,588)	224,843	135,255
<b>OTHER FINANCING SOURCES (USES)</b>					
Loan Proceeds	<u>-</u>	<u>29,000</u>	<u>29,000</u>	<u>(29,000)</u>	<u>-</u>
Total Other Financing Sources (Uses)	<u>-</u>	<u>29,000</u>	<u>29,000</u>	<u>(29,000)</u>	<u>-</u>
<b>NET CHANGES IN FUND BALANCES</b>					
	77	(60,665)	(60,588)	60,588	
<b>CHANGE IN NET POSITION</b>					
				135,255	135,255
<b>FUND BALANCES/NET POSITION:</b>					
BEGINNING OF YEAR	<u>10,191</u>	<u>133,122</u>	<u>143,313</u>	<u>(4,286,936)</u>	<u>(4,143,623)</u>
END OF YEAR	<u>\$ 10,268</u>	<u>\$ 72,457</u>	<u>\$ 82,725</u>	<u>\$ (4,091,093)</u>	<u>\$ (4,008,368)</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, 2018

	Original <u>Budget</u>	Original <u>Budget</u>	<u>Actual</u>	Variance Favorable (Unfavorable)
<b>REVENUES</b>				
Property taxes	\$ 157,855	\$ 40,804	\$ 40,806	\$ 2
Specific ownership taxes	9,800	4,100	4,315	215
Interest income	<u>141</u>	<u>1,000</u>	<u>1,005</u>	<u>5</u>
Total Revenues	<u>167,796</u>	<u>45,904</u>	<u>46,126</u>	<u>222</u>
<b>EXPENDITURES</b>				
Accounting	7,200	7,200	13,074	(5,874)
Audit	4,500	4,500	4,100	400
Insurance	4,100	4,100	4,236	(136)
Legal	9,500	9,500	6,074	3,426
Management fees	6,600	6,600	5,964	636
Miscellaneous expenses	1,525	1,525	335	1,190
Treasurer's fees	2,368	612	612	-
Election	1,000	1,000	1,154	(154)
Payment to Developer	124,000	10,000	10,500	(500)
Emergency reserve	<u>5,034</u>	<u>5,034</u>	<u>-</u>	<u>5,034</u>
Total Expenditures	<u>165,827</u>	<u>50,071</u>	<u>46,049</u>	<u>4,022</u>
<b>EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES</b>				
	1,969	(4,167)	77	4,244
<b>FUND BALANCE:</b>				
BEGINNING OF YEAR	<u>6,225</u>	<u>10,191</u>	<u>10,191</u>	<u>-</u>
END OF YEAR	<u>\$ 8,194</u>	<u>\$ 6,024</u>	<u>\$ 10,268</u>	<u>\$ 4,244</u>

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



## REGENCY METROPOLITAN DISTRICT

Notes to Financial Statements  
December 31, 2018

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, 2018

### 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, 2018

The District reports the following major governmental funds:

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

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

#### Budgetary Accounting

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

In November 2018, the District amended its total appropriations in the General Fund from \$165,827 to \$50,071 due to fund allocations of payments to the developer, and the Debt Fund from \$235,263 to \$387,419 due to fund allocations of payments to the developer.

#### 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, 2018, 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.

## REGENCY METROPOLITAN DISTRICT

### Notes to Financial Statements December 31, 2018

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

#### Estimates

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

#### Deferred Outflows/Inflows of Resources

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

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

#### Capital Assets

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

## REGENCY METROPOLITAN DISTRICT

### Notes to Financial Statements December 31, 2018

The costs of normal maintenance and repairs that do not add to the value of the assets or materially extend the life of the asset are not capitalized. Improvements are capitalized and depreciated over the remaining useful lives of the related fixed assets, as applicable using the straight-line method. Depreciation on property that will remain assets of the District is reported on the Statement of Activities as a current charge. Improvements that will be conveyed to other governmental entities are classified as construction in progress and are not depreciated. Land and certain landscaping improvements are not depreciated. Depreciation expense of \$8,000 was recognized during 2018.

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

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

Parks, equipment:	10 years
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#### Property Taxes

Property taxes are levied by the District's Board of Directors. The levy is based on assessed valuations determined by the County Assessor generally as of January 1 of each year. The levy is normally set by December 15 by certification to the County Commissioners to put the tax lien on the individual properties as of January 1 of the following year. The County Treasurer collects the determined taxes during the ensuing calendar year. The taxes are payable by April or if in equal installments, at the taxpayers' election, in February and June. Delinquent taxpayers are notified in July or August and the sales of the resultant tax liens on delinquent properties are generally held in November or December. The County Treasurer remits the taxes collected monthly to the District.

Property taxes, net of estimated uncollectible taxes, are recorded initially as deferred inflows in the year they are levied and measurable since they are not normally available nor are they budgeted as a resource until the subsequent year. The deferred property taxes are recorded as revenue in the subsequent year when they are available or collected.

#### Long-Term Obligations

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

## REGENCY METROPOLITAN DISTRICT

### Notes to Financial Statements December 31, 2018

#### Deferred Loss on Refunding

The Deferred Loss on Refunding on the 2015 Loan is being amortized over the term of the 2015 Loan using the straight-line method. Accumulated amortization on the loss on refunding amounted to \$23,168 at December 31, 2018.

#### Fund Equity

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

#### Nonspendable Fund Balance

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

The nonspendable fund balance in the General Fund in the amount of \$3,431 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 \$1,389 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 \$72,457 is restricted for the payment of the debt service costs associated with the Series 2015 Loan (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.

## REGENCY METROPOLITAN DISTRICT

Notes to Financial Statements  
December 31, 2018

### Unassigned Fund Balance

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

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

### Net Position

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

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

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

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

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

### Note 2: Cash and Investments

As of December 31, 2018, cash and investments are classified in the accompanying financial statements as follows:

#### Statement of Net Position:

Cash and investments	\$ 13,660
Cash and investments - Restricted	<u>71,171</u>
Total	\$ <u>84,831</u>

## REGENCY METROPOLITAN DISTRICT

### Notes to Financial Statements December 31, 2018

Cash and investments as of December 31, 2018, consist of the following:

Deposits with financial institutions	\$ 68,943
Investments - COLOTRUST	<u>15,888</u>
	\$ <u>84,831</u>

#### Deposits

##### Custodial Credit Risk

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

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

#### Investments

##### Investments

##### Investment Valuation

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

##### Credit risk

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

##### Custodial and Concentration of Credit Risk

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



## REGENCY METROPOLITAN DISTRICT

Notes to Financial Statements  
December 31, 2018Interest Rate Risk

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

As of December 31, 2018, 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, a Level 2 investment under the fair value hierarchy. COLOTRUST is an investment trust/joint ventures 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 trusts operate 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 trusts. Substantially all securities owned by the trusts 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, 2018, the District had \$15,888 invested in COLOTRUST.

Note 3: Capital Assets

An analysis of the changes in fixed assets for the period ended December 31, 2018 follows:

<u>Governmental Type Activities:</u>	<u>Balance</u> <u>01-01-18</u>	<u>Additions</u>	<u>Deletions</u>	<u>Balance</u> <u>12-31-18</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	(56,000)	(8,000)	-	(64,000)
Total accumulated depreciation	(56,000)	(8,000)	-	(64,000)
Net capital assets being depreciated	24,000	(8,000)	-	16,000
Government type assets, net	\$ 24,000	\$ (8,000)	\$ -	\$ 16,000

## REGENCY METROPOLITAN DISTRICT

### Notes to Financial Statements December 31, 2018

The Town of Parker has accepted conveyance of the street improvements. The District 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, 2018, is as follows:

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

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

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

## REGENCY METROPOLITAN DISTRICT

### Notes to Financial Statements December 31, 2018

The pledged revenue for the repayment of the 2015 Loan consists of: (a) a required mill levy (RML); (b) that portion of ownership taxes allocable to the amount of the RML; and (c) any other legally available monies, which the Board in its discretion determines to apply as pledged revenue. The amount of the RML depends upon the debt-to-assessed value (D:AV) ratio. When the D:AV ratio is 50% or less, the RML is an amount sufficient, when combined with the Loan Payment Fund (as defined in the Loan Agreement and Custodial Agreement), to pay estimated debt requirements, less the operations mill levy (OML), and less the number of mills necessary to pay unlimited mill levy debt, but not in excess of 35 mills; provided that the limitation of 35 mills shall be adjusted such that the tax revenues generated are neither enhanced nor diminished. The OML is the number of mills necessary to produce the Operations Deduction, which was \$40,000 for 2016, and subject to a 1% increase annually thereafter. For 2018, the D:AV was 50% or less, and the total adjusted mill levy was 47.344 mills (with 6.329 mills levied for operations expenses and 31.015 mills levied for debt service). When the D:AV ratio is 50% or less but greater than 40%, the RML is an amount sufficient, when combined with the Loan Payment Fund, to pay estimated debt requirements, less the OML, and less the number of mills necessary to pay unlimited mill levy debt, but not in excess of 55 mills; provided that the limitation of 55 mills shall be adjusted such that the tax revenues generated are neither enhanced nor diminished. When the D:AV ratio is 40% or less, the RML is an amount sufficient, when combined with the Loan Payment Fund, to pay estimated debt requirements, without limitation of rate and in amounts sufficient to pay the estimated debt requirements; provided that: (a) the debt service mill levy imposed for the purpose of paying the Loan in the calendar year prior to the Maturity Date, and any debt service mill levy imposed in any year for the purpose of paying the Loan after the Maturity Date, shall not be required to exceed 55 mills; and (b) the foregoing mill levy limitation of 55 mills shall be adjusted such that the tax revenues generated are neither enhanced nor diminished.

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

#### 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.

## REGENCY METROPOLITAN DISTRICT

### Notes to Financial Statements December 31, 2018

As of December 31, 2018 the outstanding principal amount the District owed the Developer was \$148,801, and the total accrued interest was \$99,535.

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, 2018 the outstanding principal amount the District owed the Developer was \$351,140, and the total accrued interest was \$308,749.

## REGENCY METROPOLITAN DISTRICT

### Notes to Financial Statements December 31, 2018

The following is an analysis of changes in long-term debt for the period ended December 31, 2018:

	<u>Balance</u> <u>1/1/2018</u>	<u>Additions</u>	<u>Deletions</u>	<u>Balance</u> <u>12/31/2018</u>	<u>Current</u> <u>Portion</u>
Series 2015 Loan	\$ 3,365,000	\$ 29,000	\$ 90,000	\$ 3,304,000	\$ 95,000
Devel Adv - Operating	159,301	-	10,500	148,801	-
Accrued Int.	90,261	9,274	-	99,535	-
Devel Adv - Capital	528,942	-	177,801	351,140	-
Accrued Int.	<u>279,932</u>	<u>28,816</u>	<u>-</u>	<u>308,749</u>	<u>-</u>
Total	<u>\$ 4,423,436</u>	<u>\$ 67,090</u>	<u>\$ 278,301</u>	<u>\$ 4,212,225</u>	<u>\$ 95,000</u>

The following is a summary of the annual long-term debt principal and interest payment requirements for the 2015 Series loan as of December 31, 2018:

	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2019 \$	95,000	\$ 109,876	\$ 204,876
2020	<u>3,209,000</u>	<u>107,009</u>	<u>3,316,009</u>
	<u>\$ 3,304,000</u>	<u>\$ 216,885</u>	<u>\$ 3,520,885</u>

#### Debt Authorization

At elections held in 2006, a majority of the qualified electors of the District who voted in the elections authorized the issuance of general obligation indebtedness, for public improvements and operations and maintenance, in an amount not to exceed \$3,400,000. The District currently has \$200,119 in authorized but unissued debt. The District did not budget for any issuance of debt in 2019.

In the future, the District may issue a portion or all of the remaining authorized but unissued general obligation debt for purposes of providing public improvements to support development as it occurs within the District's service area, however, as of the date of this audit, the amount and timing of any debt issuances is not determinable.

#### 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).

## REGENCY METROPOLITAN DISTRICT

Notes to Financial Statements  
December 31, 2018

Note 6: Tax Spending and Debt Limitations

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

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

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

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

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

Note 7: Risk Management

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

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

## REGENCY METROPOLITAN DISTRICT

Notes to Financial Statements  
December 31, 2018

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

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

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

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

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

DRAFT 5/20/2019

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, 2018

	Original <u>Budget</u>	Final <u>Budget</u>	<u>Actual</u>	Variance Favorable (Unfavorable)
REVENUES				
Property taxes	\$ 147,397	\$ 264,447	\$ 264,445	\$ (2)
Specific ownership taxes	8,400	27,000	27,965	965
Interest income	<u>2,200</u>	<u>4,201</u>	<u>5,063</u>	<u>862</u>
Total Revenues	<u>157,997</u>	<u>295,648</u>	<u>297,473</u>	<u>1,825</u>
EXPENDITURES				
Loan principal	90,000	90,000	90,000	-
Interest expense	111,905	112,151	113,348	(1,197)
Non-Use Fee	147	-	21	(21)
Paying agent fees	2,000	2,000	2,000	-
Transfer to Capital Fund	29,000	-	-	-
Payment to Developer	-	178,301	177,801	500
Contingency	-	1,000	-	1,000
Treasurer's fees	<u>2,211</u>	<u>3,967</u>	<u>3,968</u>	<u>(1)</u>
Total Expenditures	<u>235,263</u>	<u>387,419</u>	<u>387,138</u>	<u>281</u>
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	(77,266)	(91,771)	(89,665)	2,106
OTHER FINANCING SOURCES (USES)				
Loan Proceeds	<u>29,000</u>	<u>29,000</u>	<u>29,000</u>	<u>-</u>
Total Other Financing Sources (Uses)	<u>29,000</u>	<u>29,000</u>	<u>29,000</u>	<u>-</u>
NET CHANGE IN FUND BALANCE	(48,266)	(62,771)	(60,665)	2,106
FUND BALANCE:				
BEGINNING OF YEAR	<u>129,860</u>	<u>133,122</u>	<u>133,122</u>	<u>-</u>
END OF YEAR	<u>\$ 81,594</u>	<u>\$ 70,351</u>	<u>\$ 72,457</u>	<u>\$ 2,106</u>

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, 2018

Year Ended	Prior Year Assessed Valuation for Current Year Property	Mills Levied		Total Property Tax		Percent Collected
	Tax Levy	General	Debt	Levied	Collected	to Levied
		Fund	Service			
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	24.483	22.861	\$ 305,251	\$ 305,251	100.00%
Estimated for year ending December 31, 2019	\$ 6,446,390	6.393	40.894	\$ 304,830		

#### 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.

January 28, 2019

Regency Metropolitan District  
c/o MaryAnn McGeady  
McGeady Becher P.C.  
450 E. 17th Avenue, Suite 400  
Denver, CO 80203

**RE: Letter Agreement for Investment Banking Services to  
Regency Metropolitan District**

District Board,

This letter agreement confirms the terms and conditions upon which D.A. Davidson & Co. Fixed Income Capital Markets ("Davidson"), its successors or assigns will provide investment banking services to Regency Metropolitan District (the "Client").

The investment banking services rendered by Davidson under this agreement may include:

- Analysis of the project's credit quality
- Analysis of the capital markets, including interest rates and terms available in the market
- Evaluating potential strategies to achieve the Client's goals
- Working with the Client's consultants and attorneys to determine the feasibility of various borrowing or restructuring options
- Advising the Client on the structure and terms of a restructured bond or a new bond or loan
- Coordinating with the Client's attorneys and consultants, the dissemination of financial data
- Negotiating the structure and terms of the Bonds/loan with the purchaser on behalf of the Client
- Underwriting or privately placing Bonds on behalf of the Client or assisting the Client in obtaining a direct, tax exempt loan
- Under the direction and legal advice of nationally recognized bond counsel, assist and supervise the steps necessary to be taken to close the transaction

Delivered with this letter are the disclosures required by MSRB Rule G-17 regarding our role, duties and interests as an underwriter of the Bonds. By signing this letter agreement, the Client acknowledges and agrees that: (i) the transaction contemplated by this Agreement will be an arm's length, commercial transaction between the Client and the purchaser, in which Davidson may be acting as an agent or as an underwriter, but not as a municipal advisor, financial advisor or fiduciary to the Issuer; (ii) Davidson has not assumed any fiduciary responsibility to the Client with respect to the transaction contemplated hereby and the discussions, undertakings and procedures leading thereto; (iii) the only obligations Davidson will have to the Client with respect to the transaction contemplated hereby are expressly set forth in this letter agreement; and (iv) the Issuer has consulted and will continue to consult with its own legal, accounting, tax, financial and other advisors, as

applicable, to the extent it deems appropriate. The representative of the Client signing this letter agreement has been duly authorized to execute this letter agreement and to act hereunder.

This letter agreement shall remain in full force and effect until such time as the Client notifies Davidson in writing of its intent to terminate this letter agreement. Davidson may resign and terminate this letter agreement by providing written notification with no less than 30 days prior notice to the Client.

At such time as arrangements for the sale of Bonds or other borrowing have been completed, Davidson shall be paid as shown below, or \$30,000, whichever is greater:

- 1.0% of par for the structuring and placement of Bonds (senior or subordinate) with the developer
- 2.0% of par for underwriting/placement of non-rated senior Bonds
- 3.0% of par for underwriting/placement of subordinate Bonds

In addition to such compensation, the following shall be paid by Client as a component of the cost of issuance of the Bonds or placement of the debt: (i) legal fees incurred by Davidson's engagement of underwriter's counsel or placement agent's counsel in connection with the issuance of Bonds or placement of the debt, as applicable; and (ii) legal fees related to third-party review of past continuing disclosure compliance. Unless otherwise agreed to by Client, Client's payment of the foregoing is contingent upon the sale of Bonds or placement of debt.

This letter agreement is not an offer to purchase Bonds. If the sale of Bonds or other borrowing does not occur, Davidson shall not be owed compensation. Please indicate by your signature below your desire to engage D.A. Davidson & Co. Fixed Income Capital Markets to provide investment banking services on these terms.


Respectfully submitted,

*D.A. Davidson & Co. Fixed Income Capital Markets*



Samuel Sharp  
Managing Director

ACCEPTED this 7TH day of FEBRUARY 2018.



Authorized Officer  
Regency Metropolitan District



**D.A. DAVIDSON**  
D.A. Davidson & Co. member SIPC

## EXHIBIT A

D.A. Davidson & Co. (hereinafter referred to as “Davidson” or “underwriter”) intends/ proposes to serve as an underwriter, and not as a financial advisor or municipal advisor, in connection with the issuance of the Bonds.

As part of our services as underwriter/senior managing underwriter, Davidson may provide advice concerning the structure, timing, terms, and other similar matters concerning the issuance of the Bonds.

### **Disclosures Concerning the Underwriters Role:**

- (i) MSRB Rule G-17 requires an underwriter to deal fairly at all times with both municipal issuers and investors.
- (ii) The underwriters' primary role is to purchase the Bonds with a view to distribution in an arm's-length transaction with the Issuer. The underwriters financial and other interests that may differ from those of the Issuer.
- (iii) Unlike a municipal advisor, the underwriters do not have a fiduciary duty to the Issuer under the federal securities laws and are, therefore, not required by federal law to act in the best interests of the Issuer without regard to their own financial or other interests.
- (iv) The underwriters have a duty to purchase the Bonds from the Issuer at a fair and reasonable price, but must balance that duty with their duty to sell the Bonds to investors at prices that are fair and reasonable.
- (v) The underwriter will review the official statement for the Bonds in accordance with, and as part of, their respective responsibilities to investors under the federal securities laws, as applied to the facts and circumstances of this transaction.

### **Disclosures Concerning the Underwriters Compensation:**

As underwriter, Davidson will be compensated by a fee and/or an underwriting discount that will be set forth in the bond purchase agreement to be negotiated and entered into in connection with the issuance of the Bonds. Payment or receipt of the underwriting fee or discount will be contingent on the closing of the transaction and the amount of the fee or discount may be based, in whole or in part, on a percentage of the principal amount of the Bonds. While this form of compensation is customary in the municipal securities market, it presents a conflict of interest since the underwriter may have an incentive to recommend to the Issuer a transaction that is unnecessary or to recommend that the size of the transaction be larger than is necessary.

### **Additional Conflicts Disclosure:**

Davidson has not identified any additional potential or actual material conflicts that require disclosure.



May 20, 2019

Board of Directors  
Regency Metropolitan District

This letter is to confirm our understanding of the terms and objectives of our engagement and the nature and limitations of the services we will provide.

You have requested that we prepare the forecast of the Regency Metropolitan District, which comprises the forecasted statements of sources and uses of cash of Regency Metropolitan District and the related schedules of forecasted absorption, market values, assessed valuation and debt service schedules for the years ending December 31, 2019 through 2050 including the related summaries of significant assumptions and accounting policies (forecast), and perform a compilation engagement with respect to the forecast.

A forecast presents, to the best of management's knowledge and belief, the District's expected cash flows for the forecast period assuming different assumptions as to absorption, market valuation, inflation and changes in other assumptions. It is based on management's assumptions reflecting conditions it expects to exist and the course of action it expects would be taken during the forecast period. The forecast is designed to be used in a Limited Offering Memorandum related to proposed debt issued by the District and might not be useful for other purposes.

### **Our Responsibilities**

The objective of our engagement is to—

1. prepare the forecast in accordance with the guidelines for presentation of a forecast established by the American Institute of Certified Public Accountants (AICPA) based on information provided by you, and
2. apply accounting and financial reporting expertise to assist you in the presentation of the forecast without undertaking to obtain or provide any assurance that there are no material modifications that should be made to the forecast in order for it to be in accordance with guidelines for presentation of a forecast established by the AICPA.

We will conduct our compilation engagement in accordance with Statements on Standards for Accounting and Review Services (SSARS) promulgated by the Accounting and Review Services Committee of the AICPA and comply with the AICPA's Code of Professional Conduct, including the ethical principles of integrity, objectivity, professional competence, and due care.

We are not required to, and will not, verify the accuracy or completeness of the information you will provide to us for the engagement or otherwise gather evidence for the purpose of expressing an opinion or a conclusion. Accordingly, we will not express an opinion or a conclusion or provide any assurance on the forecast.

Our engagement cannot be relied upon to identify or disclose any misstatements in the forecast, including those caused by fraud or error, or to identify or disclose any wrongdoing within the entity or noncompliance with laws and regulations.

We, in our sole professional judgment, reserve the right to refuse to perform any procedure or take any action that could be construed as assuming management responsibilities.

### **Your Responsibilities**

The engagement to be performed is conducted on the basis that you acknowledge and understand that our role is to prepare the forecast in accordance with guidelines for presentation of a forecast established by the AICPA and assist you in developing the presentation of the forecast in accordance with guidelines for presentation of a forecast established by the AICPA. You have the following overall responsibilities that are fundamental to our undertaking the engagement in accordance with SSARS:

1. The selection of accounting principles to be applied in the preparation of the forecast.
2. The preparation and presentation of the forecast in accordance with guidelines for presentation of a forecast established by the AICPA and the inclusion of all informative disclosures that are appropriate for the forecast under those guidelines.
3. The design, implementation, and maintenance of internal control relevant to the preparation and presentation of the forecast and that it is free from material misstatement whether due to fraud or error.
4. The prevention and detection of fraud.
5. To ensure that Regency Metropolitan District complies with the laws and regulations applicable to its activities.
6. The accuracy and completeness of the records, documents, explanations, and other information, including significant judgments, you provide to us for the engagement.
7. To provide us with access to all information of which you are aware is relevant to the preparation and presentation of the forecast, such as records, documentation, and other matters. Additional information that we may request from you for the purpose of the compilation engagement.

You are also responsible for all management decisions and responsibilities and for designating an individual with suitable skills, knowledge, and experience to oversee our preparation of your forecast. You are responsible for evaluating the adequacy and results of the services performed and accepting responsibility for such services.

**Our Report**

As part of our engagement, we will issue a report that will state that we did not examine or review the forecast and that, accordingly, we do not express an opinion, a conclusion, nor provide any assurance on it. It will also state that (1) even if the hypothetical assumptions occurred, there will usually be differences between the forecasted and actual results because events and circumstances frequently do not occur as expected, and those differences may be material; and (2) we have no responsibility to update the report for events and circumstances occurring after the date of the report.

There may be circumstances in which the report differs from the expected form and content.

You agree to include our compilation report in any document containing the forecast that indicates that we have performed a compilation engagement on the forecast and, prior to inclusion of the report, to ask our permission to do so.

**Other Relevant Information**

Our fee for the compilation of the forecast will be based on a fee of \$12,000 and will be payable upon the closing of the Series 2019 Bonds. Should the Series 2019 Bonds not be issued, our fee will be based the actual hours expensed on the compilation at our standard hourly rates. The fee estimate is based on anticipated cooperation from your personnel and the assumption that unexpected circumstances will not be encountered during the engagement. If significant additional time is necessary, we will discuss it with you and arrive at a new fee estimate before we incur the additional costs.

We appreciate the opportunity to be of service to you and believe this letter accurately summarizes the significant terms of our engagement. If you have any questions, please let us know. If you agree with the terms of our engagement as described in this letter, please sign the enclosed copy to confirm your understanding, and return it to us.

Sincerely,

*Simmons & Wheeler P.C.*

**RESPONSE:**

This letter correctly sets forth our understanding of this engagement.

Signature: \_\_\_\_\_

Title: \_\_\_\_\_

Date: \_\_\_\_\_