

MIDCITIES METROPOLITAN DISTRICT NO. 2

141 Union Boulevard, Suite 150
Lakewood, Colorado 80228-1898
Tel: 303-987-0835 • 800-741-3254
Fax: 303-987-2032

NOTICE OF REGULAR MEETING AND AGENDA

<u>Board of Directors:</u>	<u>Office:</u>	<u>Term/Expiration:</u>
Douglas McCormick	President	May 2023/2023
Greg Patrick	Vice President	May 2022/2022
George Turtle	Treasurer	May 2023/2023
Charles Tash	Assistant Secretary	May 2022/2022
Kael T. Russell	Assistant Secretary	May 2022/2022
David Solin	Secretary	

DATE: September 15, 2020 (Tuesday)

TIME: 1:00 p.m.

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

IF YOU WOULD LIKE TO ATTEND THIS MEETING, PLEASE CALL IN TO THE CONFERENCE BRIDGE AT 1-877-250-3814 AND WHEN PROMPTED, DIAL IN THE PASSCODE OF 5592663.

I. ADMINISTRATIVE MATTERS

A. Present Disclosures of Potential Conflicts of Interest.

B. Approve Agenda, confirm location of the meeting and posting of meeting.

C. Review and approve Minutes of the June 16, 2020 special meeting (enclosure).

II. PUBLIC COMMENTS

A. _____

III. FINANCIAL MATTERS

A.

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

	Period Ending June. 15, 2020	Period Ending July. 13, 2020	Period Ending Aug. 12, 2020
General Fund	\$ 14,400.69	\$ 21,555.61	\$ 9,350.19
Debt Service Fund	\$ -0-	\$ -0-	\$ -0-
Capital Fund	\$ 22,067.97	\$ 18,338.96	\$ 19,444.17
Total Claims	\$ 36,468.66	\$ 39,894.57	\$ 28,794.36

B. Review and consider approval of payment of claims through the period ending September 15, 2020, totaling \$ _____ (to be distributed)

C. Review and accept unaudited financial statements for the period ending June 30, 2020 (enclosure).

D. Discuss Sales Tax Report (enclosure).

E. Consider appointment of District Accountant to prepare the 2021 Budget and set date for public hearing to adopt the 2021 Budget (suggested November 17, 2020).

IV. LEGAL MATTERS

A. _____

V. CAPITAL MATTERS

A. Discuss status of the Parking Structure Project.

B. Discuss status of the Regional Trail Project.

C. Discuss status of retaining wall repair work.

VI. EXECUTIVE SESSION

- A. Receive legal advice pursuant to Section 24-6-402(4)(b). C.R.S. relating to the Parking Structure. **Adjourn into Executive Session.**
-

VII. OTHER MATTERS

- A. Discuss action on litigation settlement discussions with Aequus.
-

VIII. ADJOURNMENT **THE NEXT REGULAR MEETING IS SCHEDULED FOR NOVEMBER 17, 2020.**

RECORD OF PROCEEDINGS

MINUTES OF A SPECIAL MEETING OF THE BOARD OF DIRECTORS OF THE MIDCITIES METROPOLITAN DISTRICT NO. 2 HELD JUNE 16, 2020

A special meeting of the Board of Directors (referred to hereafter as “Board”) of the MidCities Metropolitan District No. 2 (referred to hereafter as “District”) was held on Tuesday, the 16th day of June, 2020 at 1:00 p.m. Due to concerns regarding the spread of the Coronavirus (Covid-19) and the benefits to the control of the spread of the virus by limiting in person contact, this District Board meeting was held by conference call without any individuals (neither District Representatives or the General Public) attending in person. The meeting was open to the public.

ATTENDANCE

Directors In Attendance Were:

Douglas McCormick
Greg Patrick
George Turtle
Charles Tash
Kael T. Russell

Also In Attendance Were:

David Solin; Special District Management Services, Inc.

Paul Cockrel; Collins; Cockrel & Cole, P.C.

Kimberly Johannis; Simmons & Wheeler, P.C. (for a portion)

Greg Lindsay; Murphy & Decker, P.C.

Ken Cobb; JR Harris & Co. (for a portion)

Alex Saltzgaver; Collins Engineers, Inc. (for a portion)

DISCLOSURE OF POTENTIAL CONFLICTS OF INTEREST

Disclosure of Potential Conflicts of Interest: Attorney Cockrel reported that, in accordance with statutory requirements, Disclosure of Potential Conflict of Interest Statements were previously filed by Directors D. McCormick with the District and the Secretary of State disclosing potential conflicts of interest, because of such Director respective previous or current ownership, directorship and officership interests in or employment relationships with companies which previously owned and developed property within the District and/or MidCities Metropolitan District No. 2 (referred to hereafter as “District No. 2” and together with the District, the “Districts”) or which

RECORD OF PROCEEDINGS

were involved in the development of such property, including entering into various construction, funding, acquisition and reimbursement, and management contracts with the Districts, including without limitation the Funding Agreement, the Amended and Restated Reimbursement Agreement, the Parking Garage Lease Purchase Agreement and the Infrastructure Acquisition Agreement (collectively referred to hereafter as “Coalton Contracts”). Director Douglas McCormick has disclosed his former involvement as a member, officer or director of, or as owners or creditors having a direct or indirect financial interest in, Alliance Commercial Holdings I, LLC (referred to hereafter as “Alliance Holdings”), which was the manager of Coalton Associates, LLC (referred to hereafter as “Coalton Associates”), which was a member and the sole owner of Coalton Acres, LLC (referred to hereafter as “Coalton Acres”), which had, but now has sold or disposed of, various land ownership and/or development interests within the Districts. Coalton Acres also was a member of Coalton Holdings, LLC (“Coalton Holdings” and together with Coalton Acres, “Coalton”), which also had, but now has disposed of, its land ownership and/or development interests within the District.

The Disclosure of Potential Conflict of Interest Statements were incorporated into the record of the meeting and will be deemed continuing until modified or withdrawn.

All Directors present stated that the participation of at least two of them in the regular meeting was necessary to obtain a quorum of the Board or otherwise enable the Board to act; that written disclosures of such potential conflicts of interest of each Director had previously been filed with the Districts and the Secretary of State in accordance with statutory requirements; and that the nature of each Director’s private interests related to the ownership, creditor or employment relationships or directorship or officership positions in companies, including Coalton, which formerly owned and developed property within the Districts, and is a party to and has interests under the Coalton Contracts. After each Director had summarily stated for the record the fact and nature of his private interests and further stated that the determination to participate in voting or to take any other action on any contract or other matter in which a Director may have a private interest would be made in compliance with Section 24-18-201(1)(b)(V), C.R.S., on an ad hoc basis, the Board turned its attention to the agenda items. All disclosures of potential conflicts of interest of the Directors shall be deemed continuing in nature until withdrawn.

ADMINISTRATIVE MATTERS

Agenda: The Board reviewed the proposed Agenda for the District’s special meeting.

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

RECORD OF PROCEEDINGS

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 Board meetings.

Following discussion, upon motion duly made by Director McCormick seconded by Director Russell and, upon vote, unanimously carried, the Board determined that due to concerns regarding the spread of the Coronavirus (Covid-19) and the benefits to the control of the spread of the virus by limiting in person contact, this District Board meeting will be held by conference call without any individuals (neither District Representatives or the General Public) attending in person on location.

May 2020 Election: Mr. Solin noted for the Board that the May 5, 2020 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. Douglas McCormick and George Turtle were deemed elected to 3-year terms ending in May 2023. Director Kael T. Russell and Charles Tash were deemed elected to a 2-year term ending in May 2022.

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

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

President	Douglas McCormick
Vice President	Greg Patrick
Treasurer	George Turtle
Assistant Secretary	Charles Tash
Assistant Secretary	Kael T. Russell

Minutes: The Board reviewed the Minutes of the February 12, 2020 Special Meeting, March 17, 2020 Special Meeting and the May 15, 2020 Special Meeting.

Following discussion, upon motion duly made by Director Turtle, seconded by Director Patrick and, upon vote, unanimously carried, the Board approved the Minutes of the February 12, 2020 Special Meeting, March 17, 2020 Special Meeting and the May 15, 2020 Special Meeting, as presented.

PUBLIC COMMENTS

Public Comments: There were no public comments.

RECORD OF PROCEEDINGS

FINANCIAL MATTERS

Claims: The Board considered ratification of the payment of claims through the period ending as follows:

Fund	Period ending Dec. 19, 2019	Period ending Jan. 17, 2020	Period ending Feb. 7, 2020	Period ending March 11, 2020
General	\$ 34,574.30	\$ 10,920.63	\$ 21,601.41	\$ 8,825.26
Debt	\$ -0-	\$ 605.00	\$ 5,000.00	\$ -0-
Capital	\$ 1,419.00	\$ -0-	\$ -0-	\$ -0-
Total	\$ 35,993.30	\$ 11,525.63	\$ 26,601.41	\$ 8,825.26

Fund	Period ending April 14, 2020	Period ending May 12, 2020
General	\$ 26,472.28	\$ 60,488.08
Capital	\$ 28,442.83	\$ 67,714.98
Total	\$ 54,915.11	\$ 128,203.04

Following discussion, upon motion duly made by Director Russel, seconded by Director Patrick and, upon vote, unanimously carried, the Board approved the payment of claims, as presented.

2019 Audit: Ms. Johanns reviewed with the Board the 2019 draft Audited Financial Statements.

Following review and discussion, upon motion duly made by Director McCormick, seconded by Director Turtle and, upon vote, unanimously carried, the Board approved the 2019 Audited Financial Statements, subject to legal review, and appointed Director Turtle for final district review and authorized execution of the Representations Letter.

Sales Tax Report: There was no report at this time.

LEGAL MATTERS

Request for Exclusion: Lot 2 Filing 1 has been acquired for apartments, and is requesting exclusion. The Board and Attorney Cockrel discussed the possible imposition of fees. The Board wants to review a PILOT or FIL in the approximate amount of 3 mills.

CAPITAL MATTERS

Status of the Parking Structure Project: The Board discussed the status of the status of the Parking Structure Project. The Board directed Mr. Solin to prepare a Project Schedule for review by the Board.

Status of the Regional Trail Project: There were no updates at this time.

RECORD OF PROCEEDINGS

Status of Cut-off Wall Project for the Greystar Retaining Wall: Mr. Saltzgaver updated the Board on the project's completion and observations since completion.

Status of Retaining Wall Repair Work: Alex updated the Board on the need for testing by a Geotechnical Soils Engineer.

EXECUTIVE SESSION

Executive session was not necessary at this time.

OTHER MATTERS

Litigation settlement discussions with Aequus: Attorney Lindsay discussed with the Board the action on the litigation settlement discussions with Aequus.

ADJOURNMENT

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

Respectfully submitted,

By: _____
Secretary for the Meeting

Check No and Date	Payee	Invoice No	GL Account Title	GL Acct	Amount	Total
1353						
06/15/2020	A W Architectural Workshop	2021-01	Parking Garage Structure	3-762	11,250.00	11,250.00
Total 1353:						11,250.00
1354						
06/15/2020	Collins Cockrel & Cole	3013M 4/20	Legal	1-675	5,115.00	5,115.00
06/15/2020	Collins Cockrel & Cole	3013M 5/20	Legal	1-675	3,544.50	3,544.50
06/15/2020	Collins Cockrel & Cole	3013M 5/20	Legal	3-675	5,393.50	5,393.50
Total 1354:						14,053.00
1355						
06/15/2020	Collins Engineers, Inc.	47876	Retaining Wall	3-763	1,740.00	1,740.00
06/15/2020	Collins Engineers, Inc.	48009	Retaining Wall	3-763	652.50	652.50
Total 1355:						2,392.50
1356						
06/15/2020	Harris Kocher Smith	200501.1	Parking Garage Structure	3-762	647.50	647.50
Total 1356:						647.50
1357						
06/15/2020	Norris Design Inc	01-58845	Parking Garage Structure	3-762	2,384.47	2,384.47
Total 1357:						2,384.47
1358						
06/15/2020	Special Dist Management Srvs	71473	Miscellaneous Expense	1-685	143.44	143.44
06/15/2020	Special Dist Management Srvs	71473	Election Expense	1-635	340.00	340.00
06/15/2020	Special Dist Management Srvs	71473	Accounting	1-612	672.00	672.00
06/15/2020	Special Dist Management Srvs	71473	Audit	1-615	56.00	56.00
06/15/2020	Special Dist Management Srvs	71473	District Management	1-614	3,068.00	3,068.00
Total 1358:						4,279.44
1359						
06/15/2020	Tiarna Real Estate Services, Inc.	2020-06-01	Property Mgt/FOA	1-705	1,000.00	1,000.00
Total 1359:						1,000.00
Grand Totals:						36,006.91

<u>Check Issue Date</u>	<u>Check Number</u>	<u>Payee</u>	<u>Amount</u>
06/15/2020	90058	McCormick, Douglas	92.35
06/15/2020	90059	Turtle, George	92.35
06/15/2020	90060	Patrick, Gregory	92.35
06/15/2020	90061	Tash, Charles	92.35
06/15/2020	90062	Russell, Kael T.	92.35
Grand Totals:			
	<u>5</u>		<u>461.75</u>

MidCities Metropolitan District No. 2
June-20

	General	Debt	Capital	Totals
Disbursements	\$ 13,938.94		\$ 22,067.97	\$ 36,006.91
Payroll	461.75	-		\$ 461.75
		-		
Total Disbursements from Checking Acct	\$14,400.69	\$0.00	\$22,067.97	\$36,468.66

Check No and Date	Payee	Invoice No	GL Account Title	GL Acct	Amount	Total
1360						
07/13/2020	AE Design	4943.00-01	Parking Garage Structure	3-762	3,100.00	3,100.00
Total 1360:						3,100.00
1361						
07/13/2020	Architectural Workshop LLC	2021-02	Parking Garage Structure	3-762	8,205.00	8,205.00
Total 1361:						8,205.00
1362						
07/13/2020	Collins Engineers, Inc.	48150	Retaining Wall	3-763	157.13	157.13
Total 1362:						157.13
1363						
07/13/2020	Flatiron Owners Association	002583 Q3	Property Mgt/FOA	1-705	8,058.11	8,058.11
07/13/2020	Flatiron Owners Association	002611 Q3	Property Mgt/FOA	1-705	792.80	792.80
07/13/2020	Flatiron Owners Association	002612 Q3	Property Mgt/FOA	1-705	1,216.42	1,216.42
07/13/2020	Flatiron Owners Association	002613 Q3	Property Mgt/FOA	1-705	3,709.02	3,709.02
07/13/2020	Flatiron Owners Association	002732 Q3	Property Mgt/FOA	1-705	860.52	860.52
07/13/2020	Flatiron Owners Association	002964 Q3	Property Mgt/FOA	1-705	320.04	320.04
07/13/2020	Flatiron Owners Association	003767 Q3	Property Mgt/FOA	1-705	3,072.92	3,072.92
Total 1363:						18,029.83
1364						
07/13/2020	Harris Kocher Smith	200501.2	Parking Garage Structure	3-762	5,875.00	5,875.00
Total 1364:						5,875.00
1365						
07/13/2020	Special Dist Management Svcs	73355	Miscellaneous Expense	1-685	82.03	82.03
07/13/2020	Special Dist Management Svcs	73355	Accounting	1-612	686.00	686.00
07/13/2020	Special Dist Management Svcs	73355	Audit	1-615	154.00	154.00
07/13/2020	Special Dist Management Svcs	73355	District Management	1-614	2,142.00	2,142.00
07/13/2020	Special Dist Management Svcs	73355	Parking Garage Structure	3-762	336.00	336.00
Total 1365:						3,400.03
1366						
07/13/2020	Weathercraft Company of Colora	3000326801	Parking Garage Structure	3-762	665.83	665.83
Total 1366:						665.83
Grand Totals:						39,432.82

<u>Check Issue Date</u>	<u>Check Number</u>	<u>Payee</u>	<u>Amount</u>
07/13/2020	90063	McCormick, Douglas	92.35
07/13/2020	90064	Turtle, George	92.35
07/13/2020	90065	Patrick, Gregory	92.35
07/13/2020	90066	Tash, Charles	92.35
07/13/2020	90067	Russell, Kael T.	92.35
Grand Totals:			
	<u>5</u>		<u>461.75</u>

MidCities Metropolitan District No. 2
July-20

	General	Debt	Capital	Totals
Disbursements	\$ 21,093.86		\$ 18,338.96	\$ 39,432.82
Payroll	461.75	-		\$ 461.75
		-		
Total Disbursements from Checking Acct	\$21,555.61	\$0.00	\$18,338.96	\$39,894.57

Check No and Date	Payee	Invoice No	GL Account Title	GL Acct	Amount	Total
1367						
08/12/2020	AE Design	4943.00-02	Parking Garage Structure	3-762	1,600.00	1,600.00
Total 1367:						1,600.00
1368						
08/12/2020	Architectural Workshop LLC	2021-03	Parking Garage Structure	3-762	6,245.00	6,245.00
Total 1368:						6,245.00
1369						
08/12/2020	Collins Cockrel & Cole	3013M 6/20	Legal	3-675	1,290.50	1,290.50
08/12/2020	Collins Cockrel & Cole	3013M 6/20	Legal	1-675	2,993.50	2,993.50
Total 1369:						4,284.00
1370						
08/12/2020	Harris Kocher Smith	200501.3	Parking Garage Structure	3-762	3,297.50	3,297.50
Total 1370:						3,297.50
1371						
08/12/2020	Norris Design Inc	01-59344	Parking Garage Structure	3-762	2,019.00	2,019.00
08/12/2020	Norris Design Inc	01-59878	Parking Garage Structure	3-762	3,343.34	3,343.34
Total 1371:						5,362.34
1372						
08/12/2020	Restruction Corporation	19338-2	Parking Garage Structure	3-762	311.00	311.00
Total 1372:						311.00
1373						
08/12/2020	Simmons & Wheeler, PC	26435	Accounting	1-612	1,406.25	1,406.25
08/12/2020	Simmons & Wheeler, PC	26611	Accounting	1-612	906.25	906.25
08/12/2020	Simmons & Wheeler, PC	26809	Accounting	1-612	1,013.75	1,013.75
Total 1373:						3,326.25
1374						
08/12/2020	Special Dist Management Svcs	73766	Miscellaneous Expense	1-685	162.44	162.44
08/12/2020	Special Dist Management Svcs	73766	Election Expense	1-635	140.00	140.00
08/12/2020	Special Dist Management Svcs	73766	Accounting	1-612	490.00	490.00
08/12/2020	Special Dist Management Svcs	73766	Audit	1-615	28.00	28.00
08/12/2020	Special Dist Management Svcs	73766	District Management	1-614	210.00	210.00
08/12/2020	Special Dist Management Svcs	73766	Parking Garage Structure	3-762	672.00	672.00
Total 1374:						1,702.44
1375						
08/12/2020	Tiarna Real Estate Services, Inc.	2020-07-01	Property Mgt/FOA	1-705	1,000.00	1,000.00
08/12/2020	Tiarna Real Estate Services, Inc.	2020-08-01	Property Mgt/FOA	1-705	1,000.00	1,000.00
Total 1375:						2,000.00
1376						
08/12/2020	Weathercraft Company of Colora	6937	Parking Garage Structure	3-762	665.83	665.83

Check No and Date	Payee	Invoice No	GL Account Title	GL Acct	Amount	Total
Total 1376:						665.83
Grand Totals:						28,794.36

MidCities Metropolitan District No. 2
August-20

	<u>General</u>	<u>Debt</u>	<u>Capital</u>	<u>Totals</u>
Disbursements	\$ 9,350.19		\$ 19,444.17	\$ 28,794.36
Payroll		-		\$ -
		-		
Total Disbursements from Checking Acct	\$9,350.19	\$0.00	\$19,444.17	\$28,794.36

MidCities Metropolitan District No. 2
Financial Statements

June 30, 2020

ACCOUNTANT'S COMPILATION REPORT

Board of Directors
MidCities Metropolitan District No. 2

Management is responsible for the accompanying financial statements of each major fund of MidCities Metropolitan District No. 2, as of and for the period ended June 30, 2020, which are comprised of the Balance Sheet and the related Statement of Revenues, Expenditures and Changes in Fund Balance – Budget and Actual – Governmental Funds and account groups for the six months then ended in accordance with accounting principles generally accepted in the United States of America. We have performed a compilation engagement in accordance with the Statements on Standards for Accounting and Review Services promulgated by the Accounting and Review Services Committee of the AICPA. We did not audit or review the financial statements nor were we required to perform any procedures to verify the accuracy or completeness of the information provided by management. Accordingly, we do not express an opinion, a conclusion, nor provide any form of assurance on these financial statements.

Management has elected to omit the Statement of Net Position, Statement of Activities, Management Discussion and Analysis and all of the disclosures required by accounting principles generally accepted in the United States of America. If the omitted disclosures were included in the financial statements, they might influence the user's conclusions about the District's financial position and results of operations. Accordingly, the financial statements are not designed for those who are not informed about such matters.

We are not independent with respect to MidCities Metropolitan District No. 2 because we performed certain accounting services that impaired our independence.

Simmons & Wheeler P.C.

August 21, 2020
Englewood, Colorado

MidCities Metropolitan District No. 2
Balance Sheet - Governmental Funds and Account Groups
June 30, 2020

See Accountant's Compilation Report

	<u>General</u> <u>Fund</u>	<u>Capital</u> <u>Projects</u> <u>Fund</u>	<u>Debt</u> <u>Service</u> <u>Fund</u>	<u>Account</u> <u>Groups</u>	<u>Total</u> <u>All Funds</u>
Assets					
Current assets					
Checking	\$ 80,689	\$ -	\$ -	\$ -	\$ 80,689
Colostrust	1,452,468	182	5	-	1,452,655
UMB	-	1,432,147	6,610,327	-	8,042,474
Taxes due from County	50,257	-	657,126	-	707,383
Sales Taxes Receivable	-	-	342,874	-	342,874
Account Receivable -Other	13,125	-	-	-	13,125
Due (to)/from other funds	102,021	(99,810)	(2,211)	-	-
	<u>1,698,560</u>	<u>1,332,519</u>	<u>7,608,121</u>	<u>-</u>	<u>10,639,200</u>
Other assets					
Fixed assets	-	-	-	10,259,348	10,259,348
Amount available in debt service fund	-	-	-	7,608,121	7,608,121
Amount to be provided for retirement of debt	-	-	-	49,478,879	49,478,879
	<u>-</u>	<u>-</u>	<u>-</u>	<u>67,346,348</u>	<u>67,346,348</u>
	<u>\$ 1,698,560</u>	<u>\$ 1,332,519</u>	<u>\$ 7,608,121</u>	<u>\$ 67,346,348</u>	<u>\$ 77,985,548</u>
Liabilities and Equity					
Current liabilities					
Accounts payable	\$ 9,846	\$ 21,959	\$ -	\$ -	\$ 31,805
Payroll taxes payable	556	-	-	-	556
	<u>10,402</u>	<u>21,959</u>	<u>-</u>	<u>-</u>	<u>32,361</u>
Long Term liabilities					
General Obligation Bonds - 2016A	-	-	-	47,500,000	47,500,000
General Obligation Bonds - 2016B	-	-	-	9,587,000	9,587,000
	<u>10,402</u>	<u>21,959</u>	<u>-</u>	<u>57,087,000</u>	<u>57,119,361</u>
Fund Equity					
Investment in fixed assets	-	-	-	10,259,348	10,259,348
Fund balance (deficit)	1,688,158	1,310,560	7,608,121	-	10,606,839
	<u>1,688,158</u>	<u>1,310,560</u>	<u>7,608,121</u>	<u>10,259,348</u>	<u>20,866,187</u>
	<u>\$ 1,698,560</u>	<u>\$ 1,332,519</u>	<u>\$ 7,608,121</u>	<u>\$ 67,346,348</u>	<u>\$ 77,985,548</u>

MidCities Metropolitan District No. 2
Statement of Revenues, Expenditures and Changes in Fund Balance
Budget and Actual - Governmental Funds
For the Six Months Ended June 30, 2020
General Fund
See Accountant's Compilation Report

	Annual <u>Budget</u>	<u>Actual</u>	Variance Favorable <u>(Unfavorable)</u>
Revenues			
Property taxes	\$ 137,553	\$ 134,524	\$ (3,029)
Specific ownership taxes	135,916	60,513	(75,403)
PILOT revenue	125,000	94,506	(30,494)
Interest Income	25,000	9,554	(15,446)
Miscellaneous Income	3,000	-	(3,000)
	<u>426,469</u>	<u>299,097</u>	<u>(127,372)</u>
Expenditures			
Accounting	25,000	10,577	14,423
District Management	45,000	13,848	31,152
Audit	4,800	560	4,240
Director's Fees	3,600	1,800	1,800
Election Expense	5,000	1,104	3,896
Insurance/SDA	31,000	26,643	4,357
Legal	25,000	27,898	(2,898)
Engineering	5,000	46,989	(41,989)
Miscellaneous Expense	1,000	788	212
Payroll Taxes	300	138	162
Treasurer's fees	2,063	2,018	45
Property Mgt/FOA	100,000	35,472	64,528
Repairs and Maintenance	50,000	-	50,000
Contingency	1,549,279	-	1,549,279
Emergency reserve	8,933	-	8,933
	<u>1,855,975</u>	<u>167,835</u>	<u>1,688,140</u>
Excess (deficiency) of revenues over expenditures	(1,429,506)	131,262	1,560,768
Fund balance beginning	<u>1,429,506</u>	<u>1,556,896</u>	<u>127,390</u>
Fund balance ending	<u>\$ -</u>	<u>\$ 1,688,158</u>	<u>\$ 1,688,158</u>

MidCities Metropolitan District No. 2
Statement of Revenues, Expenditures and Changes in Fund Balance
Budget and Actual - Governmental Funds
For the Six Months Ended June 30, 2020
Capital Projects Fund
See Accountant's Compilation Report

	<u>Annual Budget</u>	<u>Actual</u>	<u>Variance Favorable (Unfavorable)</u>
Revenues			
Interest Income	\$ 30,000	\$ 6,981	\$ (23,019)
	<u>30,000</u>	<u>6,981</u>	<u>(23,019)</u>
Expenditures			
Trails	350,000	-	350,000
Legal	45,000	6,684	38,316
District Management	5,000	1,802	3,198
Engineering	75,000	-	75,000
Parking Garage Structure	700,000	36,175	663,825
Retaining Wall - Greystar	-	95,574	(95,574)
Retaining Wall - 505 Zang Street	175,000	-	175,000
Miscellaneous Improvements	105,000	-	105,000
	<u>1,455,000</u>	<u>140,235</u>	<u>1,314,765</u>
Excess (deficiency) of revenues over expenditures	(1,425,000)	(133,254)	1,291,746
Fund balance beginning	<u>1,425,000</u>	<u>1,443,814</u>	<u>18,814</u>
Fund balance (deficit) ending	<u>\$ -</u>	<u>\$ 1,310,560</u>	<u>\$ 1,310,560</u>

MidCities Metropolitan District No. 2
Statement of Revenues, Expenditures and Changes in Fund Balance
Budget and Actual - Governmental Funds
For the Six Months Ended June 30, 2020
Debt Service Fund
See Accountant's Compilation Report

	<u>Annual</u>		<u>Variance</u>
	<u>Budget</u>	<u>Actual</u>	<u>Favorable</u>
			<u>(Unfavorable)</u>
Revenues			
Property Taxes	\$ 1,783,661	\$ 1,744,373	\$ (39,288)
Property Taxes - Greystar	271,374	271,374	-
Property Taxes - Pathfinder Exclusion	20,163	20,163	-
Property Taxes - Filing 15	93,782	93,782	-
Property Taxes - CPIII Exclusion	148,071	148,071	-
Sales Tax Revenue	2,600,000	1,030,703	(1,569,297)
Interest Income	80,000	25,757	(54,243)
	<u>4,997,051</u>	<u>3,334,223</u>	<u>(1,662,828)</u>
Expenditures			
2016A Bond and SWAP Interest	1,680,550	832,594	847,956
2016A Bond Principal	1,375,000	-	1,375,000
2016B Bond Interest	900,000	-	900,000
Investment Advisor	5,000	-	5,000
Trustee/Paying Agent Fees	10,500	8,480	2,020
Miscellaneous	5,000	-	5,000
Treasurer's Fees	34,932	34,169	763
	<u>4,010,982</u>	<u>875,243</u>	<u>3,135,739</u>
Excess (deficiency) of revenues over expenditures	986,069	2,458,980	1,472,911
Fund balance beginning	<u>4,667,485</u>	<u>5,149,141</u>	<u>481,656</u>
Fund balance (deficit) ending	<u>\$ 5,653,554</u>	<u>\$ 7,608,121</u>	<u>\$ 1,954,567</u>

MIDCITIES METROPOLITAN DISTRICT NO. 2

SALES & USE TAX REVENUE COMPARISON

Accrual Basis Collections	<u>2016</u>	<u>2017</u>	<u>2018</u>	<u>2019</u>	<u>2020</u>	2020			
						Month. Var. from 2019	%	Cum. Var. from 2019	%
<u>Sales Tax</u>									
January	144,138	153,069	170,777	174,708	181,318	6,610	3.9%	6,610	3.6%
February	144,178	143,474	158,948	166,310	176,744	10,434	6.6%	17,044	4.8%
March	150,734	165,726	193,834	189,931	182,364	(7,567)	-3.9%	9,477	1.8%
April	157,156	168,652	185,564	86,745	144,427	57,682	31.1%	67,159	9.8%
May	181,870	190,739	208,369	451,652	170,219	(281,433)	-135.1%	(214,274)	-25.1%
June	184,835	197,701	214,456	209,280	172,307	(36,973)	-17.2%	(251,247)	-24.5%
July	182,595	195,958	214,928	293,741	182,796	(110,945)	-51.6%	(362,192)	-29.9%
August	185,713	208,436	226,142	231,261			0.0%		0.0%
September	171,839	194,445	198,761	212,109			0.0%	-	0.0%
October	179,684	191,391	205,093	217,294			0.0%	-	0.0%
November	170,282	178,699	192,352	188,820			0.0%	-	0.0%
December	193,250	213,847	215,607	201,279			0.0%	-	0.0%
Subtotal Sales Tax	2,046,275	2,202,139	2,384,831	2,623,129	1,210,174	(362,192)		-	-24.5%
<u>Use Tax</u>	145,730	58,486	14,740	277,988	1,601			\$ (276,387)	-99.4%
<u>Special Warranty Deed - Shortfall Payments</u>									
Salon Republic (HREG-Flatiron, LLC)									
1st Quarter	13,125	13,125	13,125	13,125					
2nd Quarter	13,125	13,125	13,125	13,125					
3rd Quarter	13,125	13,125	13,125	13,125					
4th Quarter	13,125	13,124	13,125	13,125					
Total Use Tax, and PILOT	198,230	110,985	67,240	330,488	1,601				
TOTAL REVENUE	2,244,505	2,313,124	2,452,071	2,953,617	1,211,776				