

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 2027/2027 |
| Greg Patrick | Vice President | May 2025/2025 |
| George Turtle | Treasurer | May 2027/2027 |
| Charles Tash | Assistant Secretary | May 2025/2025 |
| Kael T. Russell | Assistant Secretary | May 2025/2025 |
| David Solin | Secretary | |

DATE: June 20, 2023 (Tuesday)
TIME: 1:00 p.m.
PLACE: Zoom Teleconference or Video

This meeting will be held via Zoom and can be joined through the directions below:

Join Zoom Meeting

<https://us02web.zoom.us/j/5469119353?pwd=SmtlcHJETFhCQUZEcVBBOGZVU3Fqdz09>

Meeting ID: 546 911 9353
Passcode: 912873
Dial In: 1-253-215-8782

I. ADMINISTRATIVE MATTERS

A. Present Disclosures of Potential Conflicts of Interest.

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

C. Review and approve Minutes of the April 25, 2023 Regular Meeting (enclosure), and ratify all actions taken during the meeting.

D. Discuss status of May 3, 2023 Director's Election (enclosure).

E. Consider appointment of Officers:

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

II. PUBLIC COMMENTS

A. _____

III. FINANCIAL MATTERS

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

| Fund | Period ending May 31, 2023 |
|--------------|-------------------------------|
| General | \$ 9,463.89 |
| Debt | \$ -0- |
| Capital | \$ 4,024.58 |
| Total | \$ 12,488.47 |

B. Review and accept unaudited financial statements for the period ending March 31, 2023 (enclosure).

C. Review and consider approval of 2022 draft Audit (enclosure) and authorize execution of Representations Letter.

IV. LEGAL MATTERS

A. _____

V. CAPITAL MATTERS

A. Discuss status of the Parking Structure Project.

B. Discuss status of retaining wall repair work.

- C. Discuss status of the Trail Completion Project and Retaining Wall, and take any action necessary in conjunction therewith.
-

VI. OTHER MATTERS

- A. _____

- VII. ADJOURNMENT **THE NEXT REGULAR MEETING IS SCHEDULED FOR SEPTEMBER 19, 2023.**

RECORD OF PROCEEDINGS

MINUTES OF A SPECIAL MEETING OF THE BOARD OF DIRECTORS OF THE MIDCITIES METROPOLITAN DISTRICT NO. 2 HELD APRIL 25, 2023

A Regular 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 25th day of April, 2023 at 1:00 p.m. This District Board meeting was held via Zoom without any individuals (neither District Representatives or the General Public) attending in person, and was open to the public.

ATTENDANCE

Directors In Attendance Were:

Douglas McCormick
Greg Patrick
Charles Tash
Kael T. Russell

Following discussion, upon motion duly made by Director McCormick, seconded by Director Patrick and, upon vote, unanimously carried, the absence of Director Turtle, was excused.

Also In Attendance Were:

David Solin; Special District Management Services, Inc.

Paul Cockrel, Esq.; Cockrel Ela Glesne Greher & Ruhland, P.C.

Alex Saltzgaver; Collins Engineers, Inc.

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 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 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

RECORD OF PROCEEDINGS

“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 three 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 Patrick, upon vote, unanimously carried, the Board approved the Agenda, 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 Board meetings.

Following discussion, the Board determined that this Regular Meeting will be held via Zoom. No members of the General Public were in attendance.

RECORD OF PROCEEDINGS

Minutes: The Board reviewed the Minutes of the March 21, 2023 Regular Meeting.

Following discussion, upon motion duly made by Director Tash, seconded by Director McCormick, upon vote, unanimously carried, the Board approved the Minutes of the March 21, 2023 Regular Meeting, as presented.

PUBLIC COMMENT

There was no public comment.

FINANCIAL MATTERS

Payment of Claims: The Board considered ratifying approval of the payment of claims for the periods ending as follows:

| Fund | Period ending March 31, 2023 | Period ending April __, 2023 |
|--------------|---------------------------------|---------------------------------|
| General | \$ 3,774.15 | \$,23,695.23 |
| Debt | \$ -0- | \$ -0- |
| Capital | \$ 665.83 | \$ 1,790.83 |
| Total | \$ 4,439.98 | \$ 25,486.06 |

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

2022 Audit: Review of the 2022 Draft Audit was deferred.

LEGAL MATTERS

Resolution Designating Posting Location to Post Notice: The Board reviewed the Resolution Designating Posting Location to Post Notice.

Following discussion, upon motion duly made by Director McCormick, seconded by Director Russell and, upon vote, unanimously carried, the Board adopted the Resolution Designating Posting Location to Post Notice.

CAPITAL MATTERS

Parking Structure Project: Mr. Solin updated the Board on the status of the parking structure project. Mr. Solin noted that the elevator completion is anticipated to be the final part of the project.

Retaining Wall Repair Work: Mr. Solin updated the Board on the status of the retaining wall repair work.

Retaining Wall Drain Hole Bid from Consolidated Divisions, Inc Db a CDI Environmental Contractors: The Board reviewed the retaining wall drain hole bid from Consolidated Divisions, Inc Db a CDI Environmental Contractors.

RECORD OF PROCEEDINGS

Following discussion, upon motion duly made by Director Tash, seconded by Director Russell and, upon vote, unanimously carried, the Board ratified approval of the retaining wall drain hole bid from Consolidated Divisions, Inc Dba CDI Environmental Contractors.

Trail Completion Project: Mr. Solin updated the Board on the status of the Trail Completion Project.

Following discussion, upon motion duly made by Director Tash, seconded by Director Russell and, upon vote, unanimously carried, the Board approved the proposal in the amount not to exceed \$2,800, for a photometric study by AE Design.

OTHER MATTERS

None.

ADJOURNMENT

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

Respectfully submitted,

By: _____
Secretary for the Meeting

**RESOLUTION OF DESIGNATED ELECTION OFFICIAL
REGARDING CANCELLATION OF ELECTION AND
DECLARATION DEEMING CANDIDATES ELECTED**

MIDCITIES METROPOLITAN DISTRICT NO. 2
City and County of Broomfield, Colorado

A. The Designated Election Official of the MidCities Metropolitan District No. 2 (“**District**”) has been duly authorized by the Board of Directors of the District to cancel the election and declare candidates elected at the close of business on the sixty-third (63rd) day before the election to be conducted on May 2, 2023, pursuant to that certain Resolution Calling Election attached hereto as **Exhibit A**.

B. On the sixty-third (63rd) day before the election, there were not more candidates for director than offices to be filled, including candidates filing affidavits of intent to be write-in candidates.

NOW, THEREFORE, be it resolved by the Designated Election Official of the District that:


1. The regular election to be conducted on May 2, 2023, is hereby cancelled pursuant to Section 1-13.5-513, C.R.S.

2. The following candidates are declared elected for the following terms of office:

| <u>Name</u> | <u>Term</u> |
|-------------------|-----------------------------------|
| George Turtle | Second Regular Election, May 2027 |
| Douglas McCormick | Second Regular Election, May 2027 |

DATED this 15th day of March, 2023.

MIDCITIES METROPOLITAN DISTRICT NO. 2

By: 

Peggy Ripko, Designated Election Official
MidCities Metropolitan District No. 2
141 Union Boulevard, Suite 150
Lakewood, Colorado 80228
Phone: (303) 987-0835

EXHIBIT A

Resolution Calling Election

MIDCITIES METROPOLITAN DISTRICT NO. 2

A RESOLUTION CALLING FOR THE 2023 REGULAR DISTRICT ELECTION AND APPOINTING A DESIGNATED ELECTION OFFICIAL

WHEREAS, the MidCities Metropolitan District No. 2 (the “**District**”) is a quasi-municipal corporation and political subdivision of the State of Colorado and a duly organized and existing special district pursuant to Title 32, Article 1, C.R.S.; and

WHEREAS, the terms of office of Directors McCormick and Turtle shall expire after their successors are elected at the regular special district election to be held on May 2, 2023 (the “**Election**”) and have taken office; and

WHEREAS, in accordance with the provisions of the Special District Act (the “**Act**”) and the Colorado Local Government Election Code (the “**Code**”) (the Act and the Code being referred to jointly as the “**Election Laws**”), the Election must be conducted to elect two (2) Directors to serve for a term of four (4) years.

NOW, THEREFORE, be it resolved by the Board of Directors of the MidCities Metropolitan District No. 2 in the City and County of Broomfield, State of Colorado that:

1. The regular election of the eligible electors of the District shall be held on May 2, 2023, between the hours of 7:00 a.m. and 7:00 p.m. pursuant to and in accordance with the Election Laws, and other applicable laws. At that time, two (2) Directors may be elected to serve a four-year term.

2. The Election shall be conducted as a mail ballot election in accordance with all relevant provisions of the Election Laws. The Designated Election Official shall prepare the Plan for conducting the mail ballot Election. There shall be no election precinct or polling place. All mail ballots shall be returned to the Designated Election Official at the location designated in the Mail Ballot Plan.

3. The Board of Directors (the “**Board**”) hereby designates Peggy Ripko as the Designated Election Official for the conduct of the Election on behalf of the District and she is hereby authorized and directed to proceed with any action necessary or appropriate to effectuate the provisions of this Resolution and of the Election Laws or other applicable laws. Among other matters, the Designated Election Official shall publish the call for nominations, appoint election judges as necessary, appoint the Canvass Board, arrange for the required notices of election, printing of ballots, and direct that all other appropriate actions be accomplished.

4. Self-Nomination and Acceptance forms are available at the Designated Election Official’s office located at 141 Union Boulevard, Suite 150, Lakewood,

Colorado 80228 or via email pripko@sdmsi.com. All candidates must file a Self-Nomination and Acceptance form with the Designated Election Official no earlier than January 1, 2023, nor later than the close of business on Friday, February 24, 2023.

5. If the only matter before the electors is the election of Directors of the District and if, at the close of business on February 28, 2023, there are not more candidates than offices to be filled at the Election, including candidates timely filing affidavits of intent no later than February 27, 2023, the Designated Election Official shall cancel the Election and declare the candidates elected. Notice of such cancellation shall be published and posted in accordance with the Code.

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


7. Any and all actions previously taken by the Designated Election Official, the Secretary of the Board, or any other persons acting on their behalf pursuant to the Election Laws or other applicable laws, are hereby ratified and confirmed.

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

9. The provisions of this Resolution shall take effect immediately.

ADOPTED this 15th day of November, 2022.

MIDCITIES METROPOLITAN
DISTRICT NO. 2

By 
Chairman

ATTEST:

By 
Secretary

| Check Issue Date | Check Number | Payee | Amount |
|------------------|--------------|--------------------|--------|
| 05/11/2023 | 90123 | McCormick, Douglas | 92.35 |
| 05/11/2023 | 90124 | Turtle, George | 92.35 |
| 05/11/2023 | 90125 | Patrick, Gregory | 92.35 |
| 05/11/2023 | 90126 | Tash, Charles | 92.35 |
| 05/11/2023 | 90127 | Russell, Kael T. | 92.35 |
| Grand Totals: | | | 461.75 |
| | | | 5 |

} m

Released
5/24/23

(D9)

Diana Garcia

From: Kimberly Johans <kimberly@simmonswheeler.com>
Sent: Tuesday, May 16, 2023 1:14 PM
To: Diana Garcia
Subject: RE: MidCities #2 -May AP

There are sufficient funds on hand to cover the payroll checks so you can release them when they are signed. Please just send me an email when they are released.

Thanks,

Kimberly K. Johans, CPA
Simmons & Wheeler, P.C.
304 Inverness Way South, Suite 490
Englewood, CO 80112
Office: (303) 689-0833
Cell: (720) 833-8971
kimberly@simmonswheeler.com

From: Diana Garcia <dgarcia@sdmsi.com>
Sent: Monday, May 15, 2023 12:10 PM
To: Kimberly Johans <kimberly@simmonswheeler.com>
Subject: MidCities #2 -May AP

Hi Kimberly,

The MidCities2 claims are attached and included payroll for last month's meeting. Please let me know when funding is available to release once checks are returned.

Thanks,

Diana Garcia

SDMS

Special District
Management
Services, Inc.

141 Union Boulevard, Suite 150
Lakewood, CO 80228-1898
dgarcia@sdmsi.com
Phone: 303-987-0835

The information contained in this electronic communication and any document attached hereto or transmitted herewith is confidential and intended for the exclusive use of the individual or entity named above. If the reader of this message is not the intended recipient or the employee or agent responsible for delivering it to the intended recipient, you are hereby notified that any examination, use, dissemination, distribution or copying of this communication or any part thereof is strictly prohibited. If you have received this communication in error, please immediately notify the sender by reply e-mail and destroy this communication. Thank you.

MidCities Metropolitan District No. 2
May-23

| Vendor | Invoice # | Date | Due Date | Amount | Expense Account | Account Number | Department |
|---|------------------|-------------|-----------------|---------------|------------------------|-----------------------|-------------------|
| Cockrel Ela Glesne Greher & Ruhland, P.C. | 3013.001 | 03/2023 | 3/31/2023 | 3/31/2023 | \$ 1,648.00 | Legal | 9300 1 |
| Collins Engineers, Inc. | 53955 | 4/30/2023 | 4/30/2023 | 4/30/2023 | \$ 3,358.75 | Engineering | 7840 2 |
| Revesco Property Services | May 2023 Fees | 5/1/2023 | 5/1/2023 | 5/1/2023 | \$ 1,000.00 | Property Mgmt/FOA | 7205 1 |
| Special District Management Service | Apr-23 | 4/30/2023 | 4/30/2023 | 4/30/2023 | \$ 765.80 | Accounting | 9050 1 |
| Special District Management Service | Apr-23 | 4/30/2023 | 4/30/2023 | 4/30/2023 | \$ 32.00 | Election expense | 9120 1 |
| Special District Management Service | Apr-23 | 4/30/2023 | 4/30/2023 | 4/30/2023 | \$ 5,540.90 | District Management | 9100 1 |
| Special District Management Service | Apr-23 | 4/30/2023 | 4/30/2023 | 4/30/2023 | \$ 15.44 | Miscellaneous | 9450 1 |
| Weathercraft Company of Colorado | 8829 | 4/25/2023 | 5/11/2023 | 5/11/2023 | \$ 665.83 | Parking Garage | 7510 2 |
| | | | | | \$13,026.72 | | |

| Check Issue Date | Check Number | Payee | Amount |
|---------------------|-----------------|--------------------|---------------|
| 05/11/2023 | 90123 | McCormick, Douglas | 92.35 |
| 05/11/2023 | 90124 | Turtle, George | 92.35 |
| 05/11/2023 | 90125 | Patrick, Gregory | 92.35 |
| 05/11/2023 | 90126 | Tash, Charles | 92.35 |
| 05/11/2023 | 90127 | Russell, Kael T. | 92.35 |
| Grand Totals: | | | <u>461.75</u> |
| | <u>5</u> | | |

MidCities Metropolitan District No. 2
May-23

| | <u>General</u> | <u>Debt</u> | <u>Capital</u> | <u>Totals</u> |
|---|-------------------|---------------|-------------------|--------------------|
| Disbursements | \$ 9,002.14 | | \$ 4,024.58 | \$ 13,026.72 |
| Payroll | 461.75 | - | | \$ 461.75 |
| | | - | | |
| Total Disbursements from Checking Acct | \$9,463.89 | \$0.00 | \$4,024.58 | \$13,488.47 |

RECORD OF PROCEEDINGS

MINUTES OF A SPECIAL MEETING OF THE BOARD OF DIRECTORS OF THE MIDCITIES METROPOLITAN DISTRICT NO. 2 HELD APRIL 25, 2023

A Regular 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 25th day of April, 2023 at 1:00 p.m. This District Board meeting was held via Zoom without any individuals (neither District Representatives or the General Public) attending in person, and was open to the public.

ATTENDANCE

Directors In Attendance Were:

Douglas McCormick
Greg Patrick
Charles Tash
Kael T. Russell

Following discussion, upon motion duly made by Director McCormick, seconded by Director Patrick and, upon vote, unanimously carried, the absence of Director Turtle, was excused.

Also In Attendance Were:

David Solin; Special District Management Services, Inc.

Paul Cockrel, Esq.; Cockrel Ela Glesne Greher & Ruhland, P.C.

Alex Saltzgaver; Collins Engineers, Inc.

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 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 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

*OK to pay
per Dave
5/5/23*



MAY 07 2023

Dist. Name _____

| G/L Code | Amount |
|---------------------|---------|
| 2-7846 | 3358.75 |
| | |
| Dist. Mgr. Initials | |

Peggy Ripko
 Midcities Metropolitan District No. 2
 141 Union Boulevard
 Suite150
 Lakewood, CO 80228

May 3, 2023
 Project No: 25-11418.03
 Invoice No: 53955

Project 25-11418.03 Midcities On-Call Engineering - 2023

Professional Services from April 1, 2023 to April 30, 2023

Professional Personnel

| | Hours | Rate | Amount | |
|-----------------------|-------|--------|----------|---------------------------|
| Engineer (E4) | | | | |
| Saltzgaver, Alexander | 12.75 | 180.00 | 2,295.00 | |
| Junior Engineer (E1) | | | | |
| Schade, Madelynn | 9.25 | 115.00 | 1,063.75 | |
| Totals | 22.00 | | 3,358.75 | |
| Total Labor | | | | 3,358.75 |
| | | | | Total this Invoice |
| | | | | <u>3,358.75</u> |

Billings to Date

| | Current | Prior | Total |
|---------------|-----------------|-----------------|-----------------|
| Labor | 3,358.75 | 1,603.75 | 4,962.50 |
| Totals | 3,358.75 | 1,603.75 | 4,962.50 |

ACH or Wire Transfer Information : When transferring funds, please reference the invoice number. Account Name Collins Engineers, Inc., Account No. 240152676, and JPMorgan Chase Routing (ABA) No. 071000013

Questions: Please contact our Accounting Department or Project Manager at (312) 704-9300 if there are any questions regarding this invoice. All invoices are due within 30 days. Thank You.



| | | | | |
|---------|-------------|--------------------------------------|---------|-------|
| Project | 25-11418.03 | Midcities On-Call Engineering - 2023 | Invoice | 53955 |
|---------|-------------|--------------------------------------|---------|-------|

Billing Backup

Collins Engineers, Inc.

Invoice 53955 Dated 5/3/2023

Wednesday, May 3, 2023

10:57:46 AM

| | | |
|---------|-------------|--------------------------------------|
| Project | 25-11418.03 | Midcities On-Call Engineering - 2023 |
|---------|-------------|--------------------------------------|

Professional Personnel

| | | | Hours | Rate | Amount |
|---------------------------|-----------------------|-----------|-------|--------|-----------------|
| Engineer (E4) | | | | | |
| 0494 | Saltzgaver, Alexander | 4/5/2023 | .25 | 180.00 | 45.00 |
| 0494 | Saltzgaver, Alexander | 4/7/2023 | .50 | 180.00 | 90.00 |
| 0494 | Saltzgaver, Alexander | 4/10/2023 | 3.00 | 180.00 | 540.00 |
| 0494 | Saltzgaver, Alexander | 4/11/2023 | 1.50 | 180.00 | 270.00 |
| 0494 | Saltzgaver, Alexander | 4/18/2023 | .25 | 180.00 | 45.00 |
| 0494 | Saltzgaver, Alexander | 4/19/2023 | 2.00 | 180.00 | 360.00 |
| 0494 | Saltzgaver, Alexander | 4/21/2023 | 1.00 | 180.00 | 180.00 |
| 0494 | Saltzgaver, Alexander | 4/25/2023 | 1.50 | 180.00 | 270.00 |
| 0494 | Saltzgaver, Alexander | 4/26/2023 | 1.50 | 180.00 | 270.00 |
| 0494 | Saltzgaver, Alexander | 4/27/2023 | 1.25 | 180.00 | 225.00 |
| Junior Engineer (E1) | | | | | |
| 1111 | Schade, Madelynn | 4/11/2023 | .50 | 115.00 | 57.50 |
| 1111 | Schade, Madelynn | 4/12/2023 | 4.50 | 115.00 | 517.50 |
| 1111 | Schade, Madelynn | 4/19/2023 | 3.00 | 115.00 | 345.00 |
| 1111 | Schade, Madelynn | 4/26/2023 | 1.00 | 115.00 | 115.00 |
| 1111 | Schade, Madelynn | 4/27/2023 | .25 | 115.00 | 28.75 |
| Totals | | | 22.00 | | 3,358.75 |
| Total Labor | | | | | 3,358.75 |
| Total this Project | | | | | 3,358.75 |
| Total this Report | | | | | 3,358.75 |

Collins EngineersTimesheet

Wednesday, May 3, 2023

Collins Engineers, Inc.

04/01/2023 To 04/30/2023

8:30:26 AM

Saltzgaver, Alexander Cox

Alexander Saltzgaver Posted Signed Saltzgaver, Alexander Cox Approved Frantz, Bryan Matthew

Week Ending: 04/15/23

| | | Total Hr | Sat 4/1 | Sun 4/2 | Mon 4/3 | Tue 4/4 | Wed 4/5 | Thu 4/6 | Fri 4/7 | Sat 4/8 | Sun 4/9 | Mon 4/10 | Tue 4/11 | Wed 4/12 | Thu 4/13 | Fri 4/14 | Sat 4/15 |
|---------------|--------------------------------------|----------|---------|---------|---------|---------|---------|---------|---------|---------|---------|----------|----------|----------|----------|----------|----------|
| 25-11418.03 | Midcities On-Call Engineering - 2023 | | | | | | | | | | | | | | | | |
| 00-905 | Project Management | | | | | | | | | | | | | | | | |
| E06 | Reg | 5.25 | | | | | .25 | | .50 | | | 3.00 | 1.50 | | | | |
| TOTALS | Reg | 5.25 | | | | | .25 | | .50 | | | 3.00 | 1.50 | | | | |

Alexander Saltzgaver Posted Signed Saltzgaver, Alexander Cox Approved Frantz, Bryan Matthew

Week Ending: 04/30/23

| | | Total Hr | Sun 4/16 | Mon 4/17 | Tue 4/18 | Wed 4/19 | Thu 4/20 | Fri 4/21 | Sat 4/22 | Sun 4/23 | Mon 4/24 | Tue 4/25 | Wed 4/26 | Thu 4/27 | Fri 4/28 | Sat 4/29 | Sun 4/30 |
|---------------|--------------------------------------|----------|----------|----------|----------|----------|----------|----------|----------|----------|----------|----------|----------|----------|----------|----------|----------|
| 25-11418.03 | Midcities On-Call Engineering - 2023 | | | | | | | | | | | | | | | | |
| 00-001 | Civil Engineering | | | | | | | | | | | | | | | | |
| E06 | Reg | 7.50 | | | .25 | 2.00 | | 1.00 | | | | 1.50 | 1.50 | 1.25 | | | |
| TOTALS | Reg | 7.50 | | | .25 | 2.00 | | 1.00 | | | | 1.50 | 1.50 | 1.25 | | | |

Schade, Madelynn Aliece

Madelynn Schade

Posted

Signed Schade, Madelynn Aliece

Approved Frantz, Bryan Matthew

Week Ending: 04/15/23

| | | Total Hr | Sat 4/1 | Sun 4/2 | Mon 4/3 | Tue 4/4 | Wed 4/5 | Thu 4/6 | Fri 4/7 | Sat 4/8 | Sun 4/9 | Mon 4/10 | Tue 4/11 | Wed 4/12 | Thu 4/13 | Fri 4/14 | Sat 4/15 |
|---------------|--------------------------------------|----------|---------|---------|---------|---------|---------|---------|---------|---------|---------|----------|----------|----------|----------|----------|----------|
| 25-11418.03 | Midcities On-Call Engineering - 2023 | | | | | | | | | | | | | | | | |
| 00-001 | Civil Engineering | | | | | | | | | | | | | | | | |
| E06 | Reg | 5.00 | | | | | | | | | | | .50 | 4.50 | | | |
| TOTALS | Reg | 5.00 | | | | | | | | | | | .50 | 4.50 | | | |

Madelynn Schade

Posted

Signed Schade, Madelynn Aliece

Approved Frantz, Bryan Matthew

Week Ending: 04/30/23

| | | Total Hr | Sun 4/16 | Mon 4/17 | Tue 4/18 | Wed 4/19 | Thu 4/20 | Fri 4/21 | Sat 4/22 | Sun 4/23 | Mon 4/24 | Tue 4/25 | Wed 4/26 | Thu 4/27 | Fri 4/28 | Sat 4/29 | Sun 4/30 |
|---------------|--------------------------------------|----------|----------|----------|----------|----------|----------|----------|----------|----------|----------|----------|----------|----------|----------|----------|----------|
| 25-11418.03 | Midcities On-Call Engineering - 2023 | | | | | | | | | | | | | | | | |
| 00-001 | Civil Engineering | | | | | | | | | | | | | | | | |
| E05 | Reg | 4.25 | | | | 3.00 | | | | | | | 1.00 | .25 | | | |
| TOTALS | Reg | 4.25 | | | | 3.00 | | | | | | | 1.00 | .25 | | | |

APR 20 2023



Shareholders
Paul R. Cockrel
Evan D. Els
Linda M. Glesne
David A. Greher
Matthew P. Ruhland

Associates
Joseph W. Norris
Harley G. Gifford
Madison D. Phillips

Paralegals
Micki Mills
Sarah Luetjen

Midcities Metropolitan District
c/o Peggy Ripko/Special District Management
141 Union Boulevard, Suite 150
Lakewood CO 80228
VIA EMAIL

FEIN Number: 87-3035567
Account No. 3013.001
Statement Date: 03/31/2023

BILLING ENTRIES ARE ATTORNEY-CLIENT PRIVILEGED COMMUNICATIONS

| PREVIOUS BALANCE | MAR. FEES | MAR. EXP. | ADVANCES | PAYMENTS | BALANCE DUE |
|-------------------|-----------------|-------------|----------|----------|-------------------|
| GENERAL 625.00 | <u>1,648.00</u> | <u>0.00</u> | 0.00 | -220.50 | <u>\$2,052.50</u> |

Dist. Name _____

| G/L Code | Amount |
|---------------------|---------|
| 1-9300 | 1648.00 |
| Dist. Mgr. Initials | |



Shareholders
 Paul R. Cockrel
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 Matthew P. Ruhland

Associates
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Paralegals
 Micki Mills
 Sarah Luetjen

Midcities Metropolitan District
 c/o Peggy Ripko/Special District Management
 141 Union Boulevard, Suite 150
 Lakewood CO 80228
 VIA EMAIL

FEIN Number: 87-3035567
Account No. 3013.001
Statement Date: 03/31/2023

BILLING ENTRIES ARE ATTORNEY-CLIENT PRIVILEGED COMMUNICATIONS

GENERAL

PROFESSIONAL SERVICES RENDERED

| | | Hours | |
|------------|---|-------------|-----------------|
| 03/01/2023 | | | |
| PRC | Correspondence regarding Titan /MAA development license | 0.30 | |
| 03/09/2023 | | | |
| PRC | Review District correspondence and memo MAA regarding Consents to Easements and License Agreements; work on miscellaneous matters. | 0.70 | |
| 03/21/2023 | | | |
| PRC | Review Board minutes and financial statements; attend Board meeting; review Lumen correspondence and memo regarding cable easement. | 1.30 | |
| 03/27/2023 | | | |
| PRC | Review Lumen correspondence and insurance certificate and memo regarding same. | 0.40 | |
| 03/31/2023 | | | |
| PRC | Review Lumen and District correspondence and memo regarding license area. | 0.50 | |
| | FOR CURRENT SERVICES RENDERED | <u>3.20</u> | <u>1,648.00</u> |

SUMMARY OF HOURS

| <u>Timekeeper</u> | <u>Hours</u> |
|-------------------|--------------|
| Paul R. Cockrel | 3.20 |

TOTAL SERVICES FOR MONTH 1,648.00



Midcities Metropolitan District

Statement Date: 03/31/2023

Page No. 2

| | | |
|------------|--------------------|-------------------|
| | PREVIOUS BALANCE | \$625.00 |
| | PAYMENT(S) | |
| 03/23/2023 | PAYMENT ON ACCOUNT | -220.50 |
| | BALANCE DUE | <u>\$2,052.50</u> |

APR 20 2023



Diana Garcia
 Special District Management Services, Inc.
 Attn: Ann E. Finn
 141 Union Blvd., Suite 150
 Denver, CO 80202

Statement

Account p101 t0000491 Midcities Metropolitan District no. 1
Prop Name Revesco Property Services
Assigned Spaces

Date 05/01/2023
Payment \$

**Please make checks payable to:
 Revesco Property Services
 And mail to the following address:
 Revesco Property Services
 2731 17th St. Suite 300
 Denver, CO 80211**

| Date | Description | Charges | Payments | Balance |
|------------|---------------------------|----------|----------|----------|
| | Balance Forward | | | 1,000.00 |
| 05/01/2023 | Management Fees (05/2023) | 1,000.00 | 0.00 | 2,000.00 |

Dist. Name _____

| G/L Code | Amount |
|---------------------|----------|
| 1-7205 | 1,000.00 |
| | |
| Dist. Mgr. Initials | |

| 0-30 Days | 31-60 Days | 61-90 Days | Above 90 Days | Amount Due |
|-----------|------------|------------|---------------|------------|
| 2,000.00 | 0.00 | 0.00 | 0.00 | 2,000.00 |

SDMS | Special District Management Services, Inc.

141 Union Boulevard, Suite 150
 Lakewood, CO 80228-1898
 303-987-0835 | Fax: 303-987-2032
 www.sdmsi.com

MidCities Metropolitan District No. 2
 141 Union Boulevard, Suite 150
 Lakewood, CO 80228

Statement Date: 04/30/2023
 Account No. MIDC2.00

Dist. Name _____

Invoice for Services Rendered - 04/30/2023

| G/L Code | Amount |
|---------------------|---------|
| 1-9450 - Misc | 15.44 |
| 1-9120 - election | 32.00 |
| 1-9050 - Accounting | 765.80 |
| 1-9100 - management | 5540.90 |
| Dist. Mgr. Initials | |

| Previous Balance | Fees | Expenses | Advances | Payments | Balance |
|---|-----------------|--------------|-------------|--------------------|-------------------|
| MIDC2-00 | | 1-9450 | | | |
| 31.74 | 0.00 | 15.44 | 0.00 | -31.74 | \$15.44 |
| MIDC2-01 Board Meetings | | | | | |
| 969.80 | 1,223.80 | 0.00 | 0.00 | -969.80 | \$1,223.80 |
| MIDC2-02 Management Matters | | | | | |
| 1,386.80 | 3,094.20 | 0.00 | 0.00 | -1,386.80 | \$3,094.20 |
| MIDC2-03 Records Management | | | | | |
| 80.00 | 576.00 | 0.00 | 0.00 | -80.00 | \$576.00 |
| MIDC2-05 Insurance Matters | | | | | |
| 0.00 | 64.00 | 0.00 | 0.00 | 0.00 | \$64.00 |
| MIDC2-08 Election Matters | | | | | |
| 244.60 | 32.00 1-9120 | 0.00 | 0.00 | -244.60 | \$32.00 |
| MIDC2-09 Financial Matters | | | | | |
| 443.60 | 765.80 1-9050 | 0.00 | 0.00 | -443.60 | \$765.80 |
| MIDC2-13 Management-Audit Matters | | | | | |
| 61.80 | 0.00 | 0.00 | 0.00 | -61.80 | \$0.00 |
| MIDC2-19 Field Maintenance and Repair | | | | | |
| 0.00 | 582.90 | 0.00 | 0.00 | 0.00 | \$582.90 |
| MIDC2-24 Website Design and Maintenance | | | | | |
| 43.20 | 0.00 | 0.00 | 0.00 | -43.20 | \$0.00 |
| <u>3,261.54</u> | <u>6,338.70</u> | <u>15.44</u> | <u>0.00</u> | <u>-3,261.54</u> ✓ | <u>\$6,354.14</u> |

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MidCities Metropolitan District No. 2

Statement Date: 04/30/2023
Statement No. 123085
Account No. MIDC2.00

Expenses

| | | |
|------------|--------------------------|--------------|
| 04/25/2023 | Deluxe check order. | 11.35 |
| 04/30/2023 | Duplicating, April 2023. | 4.09 |
| | Total Expenses | <u>15.44</u> |
| | Total Current Work | 15.44 |
| | Previous Balance | \$31.74 |

Payments

| | | |
|------------|-------------|----------------|
| 04/20/2023 | Payment | -31.74 |
| | Balance Due | <u>\$15.44</u> |

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MidCities Metropolitan District No. 2

Statement Date: 04/30/2023
 Statement No. 123086
 Account No. MIDC2.01

Board Meetings

Fees

| | | | Hours | |
|------------|-----|---|-------|----------|
| 04/11/2023 | CE | Contact Board Members and Consultants for availability to a special meeting in April. | 0.20 | 32.00 |
| | DMS | Confer with Ms. Emery re: scheduling meeting. | 0.30 | 61.80 |
| 04/12/2023 | CE | Send Board Members and Consultants a calendar invitation to the April 25, 2023 meeting. | 0.20 | 32.00 |
| 04/13/2023 | SS | Draft agenda for April 25, 2023 special meeting. Email District Manager regarding special meeting details. Transmit Agenda and Minutes to District Manger for review. Revise Agenda with Manager comments. Revise Agenda and Minutes and transmit to paralegal. | 0.80 | 128.00 |
| | DMS | Confer with Ms. Stevens re: Agenda items. | 0.20 | 41.20 |
| | DMS | Review and revise draft Minutes and draft Agenda. | 0.70 | 144.20 |
| 04/17/2023 | SS | Receive and save 2022 draft Audit for meeting packets. Revise Agenda with attorney comments. Compile Board meeting packet for distribution to the Board. Send Agenda to District Manager for revisions. | 0.90 | 144.00 |
| | DMS | Communicate with Ms. Johanns re: meeting Agenda. | 0.10 | 20.60 |
| 04/18/2023 | SS | Receive and revise Resolution for Posting Location for meeting packets. Revise agenda for April 25, 2023 meeting. Finalize Board meeting packet for distribution to the Board. | 0.60 | 96.00 |
| | DMS | Review and revise draft Agenda. | 0.30 | 61.80 |
| 04/19/2023 | SS | Prepare and transmit Agenda for April 25, 2023 meeting on the District website. | 0.20 | 32.00 |
| 04/25/2023 | DMS | Prepare for and conduct meeting. Complete post-meeting wrap-up for transmission of file to Ms. Stevens for additional processing. | 1.70 | 350.20 |
| 04/26/2023 | SS | Draft Minutes for April 25, 2023 special meeting. | 0.50 | 80.00 |
| | | For Current Services Rendered | 6.70 | 1,223.80 |
| | | Total Current Work | | 1,223.80 |
| | | Previous Balance | | \$969.80 |

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MidCities Metropolitan District No. 2

Statement Date: 04/30/2023
Statement No. 123086
Account No. MIDC2.01

Payments

| | | |
|------------|-------------|-------------------|
| 04/20/2023 | Payment | -969.80 |
| | Balance Due | <u>\$1,223.80</u> |

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MidCities Metropolitan District No. 2

Statement Date: 04/30/2023
 Statement No. 123087
 Account No. MIDC2.02

Management Matters

Fees

| | | | Hours | |
|------------|-----|---|-------|--------|
| 04/05/2023 | DMS | Review Public Notice of Regular 2023 Meetings, as required. | 0.20 | 41.20 |
| | DMS | Communicate with Ms. Pritz re: scheduling site visit. | 0.10 | 20.60 |
| 04/06/2023 | SS | Revise 2023 Meeting Notice. Finalize Notice. Transmit for posting on the District website. | 0.30 | 48.00 |
| 04/10/2023 | DMS | Communicate with Mr. Saltzgaver re: site visit. | 0.10 | 20.60 |
| | DMS | Communicate with Director McCormick re: trail completion. | 0.10 | 20.60 |
| | DMS | Travel time to and from, and site visit re: trail completion. | 3.20 | 659.20 |
| 04/11/2023 | DMS | Teleconference re: trail project and wall repairs. | 1.00 | 206.00 |
| | DMS | Confer with Director McCormick re: trail project. | 0.30 | 61.80 |
| 04/12/2023 | DMS | Communicate with Mr. Shepherd re: elevator status. | 0.10 | 20.60 |
| 04/13/2023 | LL | Post 2023 Meeting Notice to the Website. Update District Manager information to reflect current manager. | 0.30 | 48.00 |
| | DMS | Review communications from Lumen re: easement request. Research as requested by Attorney Cockrel. | 1.30 | 267.80 |
| 04/14/2023 | DMS | Review communication from Mr. Schiffman re: bridge concerns. Communicate with Mr. Saltzgaver re: same. | 0.20 | 41.20 |
| 04/17/2023 | DMS | Communicate with various re: PDPA letter for District. Research re: same. Confer with Ms. Walter re: same. | 0.60 | 123.60 |
| 04/19/2023 | DMS | Site visit with CDI and Collins re: trail and walls. | 3.70 | 762.20 |
| | LL | Post meeting agenda for the 04.25.23 meeting to the District website. Update and reformat meeting information section on website. | 0.30 | 48.00 |
| 04/20/2023 | DMS | Communicate with Attorney Cockrel re: Lumen easement request. | 0.20 | 41.20 |
| 04/21/2023 | DMS | Communicate with Mr. Schiffman re: trail completion project. | 0.30 | 61.80 |
| | DMS | Review and respond to communication from Broomfield re: retaining wall near DSW. | 0.20 | 41.20 |
| 04/25/2023 | DMS | Coordinate scheduling site visit with Mr. Schiffman and Mr. Branyan re: trail completion project. | 0.40 | 82.40 |
| | DMS | Coordinate site visit to discuss trail completion project. | 0.20 | 41.20 |

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MidCities Metropolitan District No. 2

Statement Date: 04/30/2023
 Statement No. 123087
 Account No. MIDC2.02

| | | Hours | |
|------------|--|-------------|--------------------------|
| | DMS Confer with Ms. Saltgaver re: District projects. | 0.30 | 61.80 |
| 04/27/2023 | LL Update and reformat webpage. Create meeting section and upload documents for 2021-2023. Create information section and upload official documents. | 0.60 | 96.00 |
| | DMS Communicate with DOLA re: roofing membrane. | 0.50 | 103.00 |
| 04/28/2023 | DMS Research for information request from Broomfield. Communicate with Attorney Cockrel re: same. | 0.70 | 144.20 |
| 04/30/2023 | CE Open & distribute mail for month of April 2023. | <u>0.20</u> | <u>32.00</u> |
| | For Current Services Rendered | 15.40 | 3,094.20 |
| | Total Current Work | | 3,094.20 |
| | Previous Balance | | \$1,386.80 |
| | <u>Payments</u> | | |
| 04/20/2023 | Payment | | -1,386.80 |
| | Balance Due | | <u><u>\$3,094.20</u></u> |

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MidCities Metropolitan District No. 2

Statement Date: 04/30/2023
 Statement No. 123088
 Account No. MIDC2.03

Records Management

Fees

| | | | Hours | |
|------------|-----|---|-----------------|-----------------|
| 04/07/2023 | AP | Receive and record acceptance of the 2023 Annual Budget from the Department of Local Government to electronic systems. Transmit to Attorney. | 0.10 | 16.00 |
| 04/14/2023 | AP | Confirm publication and posting of the Notice of Cancellation of the May 2, 2023 Election. Update system tracking sheet. | 0.10 | 16.00 |
| 04/17/2023 | SS | Draft District documents/agreements spreadsheet. | 2.10 | 336.00 |
| | SS | Send 2022 Minutes to Simmons & Wheeler, P.C. for 2022 Audit | 0.20 | 32.00 |
| 04/18/2023 | CLW | Research record files and online website for PDPA Public Deposit Protection Act number. | 0.70 | 112.00 |
| 04/24/2023 | AP | Receive and record acceptance of the Boundary Map Letter from the Department of Local Government to electronic systems. Transmit to Attorney. | 0.10 | 16.00 |
| | AP | Receive and record acceptance of the Resolution to Amend the 2022 Budget from the Department of Local Government to electronic systems. Transmit to Attorney. | 0.10 | 16.00 |
| 04/27/2023 | AP | Receive and record acceptance of the Notice and Resolution Cancelling the May 2, 2023 Election from the Department of Local Government to electronic systems. Transmit to Attorney. | 0.10 | 16.00 |
| 04/28/2023 | SS | Update and transmit Board and District information regarding new Director terms. | <u>0.10</u> | <u>16.00</u> |
| | | For Current Services Rendered | 3.60 | 576.00 |
| | | Total Current Work | | 576.00 |
| | | Previous Balance | | \$80.00 |
| | | | <u>Payments</u> | |
| 04/20/2023 | | Payment | | -80.00 |
| | | Balance Due | | <u>\$576.00</u> |

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MidCities Metropolitan District No. 2

Statement Date: 04/30/2023
 Statement No. 123089
 Account No. MIDC2.05

Insurance Matters

Fees

| | | | Hours | |
|------------|----|--|-------|----------------|
| 04/27/2023 | AP | Review Member Representative Designation Form for the Colorado Special Districts Property and Liability Pool. Transmit revisions to TCW Risk Management. | 0.10 | 16.00 |
| | AP | Complete District Member Representative Form from TCW Risk Management. Transmit for execution. | 0.20 | 32.00 |
| 04/28/2023 | AP | Receive and record Safety and Loss Prevention Grant Allocations to electronic systems. Transmit to District Manager. | 0.10 | 16.00 |
| | | For Current Services Rendered | 0.40 | 64.00 |
| | | Total Current Work | | 64.00 |
| | | Balance Due | | <u>\$64.00</u> |

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Statement Date: 04/30/2023
 Statement No. 123090
 Account No. MIDC2.08

MidCities Metropolitan District No. 2

Election Matters

Fees

| | | | Hours | |
|------------|----|---|-------------|--------------|
| 04/19/2023 | AP | Update tracking spreadsheet with new Directors. | 0.10 | 16.00 |
| 04/26/2023 | AP | Correspondence with Paralegal in regards to the Oath of Director. | <u>0.10</u> | <u>16.00</u> |
| | | For Current Services Rendered | 0.20 | 32.00 |
| | | Total Current Work | | 32.00 |
| | | Previous Balance | | \$244.60 |

Payments

| | | | | |
|------------|--|-------------|--|-----------------------|
| 04/20/2023 | | Payment | | -244.60 |
| | | Balance Due | | <u><u>\$32.00</u></u> |

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MidCities Metropolitan District No. 2

Statement Date: 04/30/2023
 Statement No. 123091
 Account No. MIDC2.09

Financial Matters

Fees

| | | | Hours | |
|------------|-----|--|-------|--------|
| 04/04/2023 | DG | Print and file invoices for current month's accounts payable. | 0.30 | 48.00 |
| 04/10/2023 | DG | Compile, code, and input invoices for April payments. Transmit invoices to District Manager for review and approval. | 0.80 | 128.00 |
| | DMS | Confer with Ms. Garcia re: account payable. | 0.10 | 20.60 |
| 04/17/2023 | DG | Scan invoices, upload into Bill.Com and input invoice detail. Create unpaid invoice report and save to E-Drive. Process payroll checks. Prepare accounts payable list. Scan and assemble payables. Transmit information to accountant. Prepare cash disbursement packet. Prepare transmittal letter to Board members requesting signatures. Distribute checks for signature. | 1.30 | 208.00 |
| | SB | Research and assist Mrs. Walter with documentation regarding the PPDA registration for the District. | 0.30 | 48.00 |
| 04/18/2023 | DG | Send reminder email to Bill.Com approvers on outstanding invoice approvals. | 0.10 | 16.00 |
| 04/19/2023 | DMS | Review accounts payable. | 0.20 | 41.20 |
| | DG | Review Bill.com approval for April. Confirm payables are scheduled for release. | 0.10 | 16.00 |
| 04/24/2023 | DG | Review outstanding invoices statement from Weathercraft Company of Colorado. Confirm invoice has been processed and paid. | 0.10 | 16.00 |
| 04/26/2023 | DG | Scan and assemble payroll checks. Prepare cash disbursement packet. Prepare transmittal letter to Board members requesting signatures. Distribute checks for signature. Update general ledger. | 0.40 | 64.00 |
| | DG | Prepare quarterly federal tax return. Confer with District Manager re: signature. Transmit to Mr. Beck for review and signature. | 0.60 | 96.00 |
| 04/27/2023 | CLW | Scan and save 941 to E-drive and transmit. | 0.10 | 16.00 |
| | SB | Review, verify, approve and sign the Q1 2023 F941 and authorize payment. | 0.10 | 16.00 |
| 04/28/2023 | DG | Review Bill.com account and update vendor list. Archive unused vendors and users. | 0.20 | 32.00 |
| | | For Current Services Rendered | 4.70 | 765.80 |
| | | Total Current Work | | 765.80 |

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Statement Date: 04/30/2023
Statement No. 123091
Account No. MIDC2.09

MidCities Metropolitan District No. 2

| | | | |
|------------|------------------|-----------------|-----------------|
| | Previous Balance | | \$443.60 |
| | | <u>Payments</u> | |
| 04/20/2023 | Payment | | -443.60 |
| | Balance Due | | <u>\$765.80</u> |

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MidCities Metropolitan District No. 2

Statement Date: 04/30/2023
Statement No. 123092
Account No. MIDC2.13

Management-Audit Matters

| | | | |
|------------|------------------|-----------------|---------------|
| | Previous Balance | | \$61.80 |
| | | <u>Payments</u> | |
| 04/20/2023 | Payment | | -61.80 |
| | Balance Due | | <u>\$0.00</u> |

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MidCities Metropolitan District No. 2

Statement Date: 04/30/2023
 Statement No. 123093
 Account No. MIDC2.19

Field Maintenance and Repair

Fees

| | | | Hours | |
|------------|----|---|-------------|-----------------|
| 04/10/2023 | JH | In-person meeting with District Manager regarding meeting with City of Broomfield. Travel to district and meet with City of Broomfield engineers regarding bike path and shrubbery plans. | 3.70 | 321.90 |
| 04/11/2023 | JH | Teleconference with District Manager, CDI and engineers regarding wall and sidewalk project. | 0.70 | 60.90 |
| 04/19/2023 | JH | Travel to district for in person meeting with engineers regarding path and retaining wall project. | <u>2.30</u> | <u>200.10</u> |
| | | For Current Services Rendered | 6.70 | 582.90 |
| | | Total Current Work | | 582.90 |
| | | Balance Due | | <u>\$582.90</u> |

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MidCities Metropolitan District No. 2

Statement Date: 04/30/2023
Statement No. 123094
Account No. MIDC2.24

Website Design and Maintenance

| | | | |
|------------|------------------|-----------------|---------------|
| | Previous Balance | | \$43.20 |
| | | <u>Payments</u> | |
| 04/20/2023 | Payment | | -43.20 |
| | Balance Due | | <u>\$0.00</u> |

MAY 07 2023



Weathercraft Colorado Spring

PO Box 16039
Colorado Springs, CO 80935
Phone: (719) 382-8511

Invoice

| |
|-----------------------|
| Invoice Number |
| 8829 |
| Invoice Date |
| 4/25/2023 |

Bill To: Midcities Metropolitan Dist. 2
141 Union Blvd Ste 150

Lakewood, CO 80228

Re: Midcities Plaza - Roof Repairs
549 Flatiron Blvd

Broomfield, CO 80021

| Job No | Customer Job No | Purchase Order No | Terms | Due Date |
|-------------|-----------------|-------------------|-------------|-----------|
| 180040 | | 0425 | Net 30 Days | 5/25/2023 |
| Description | | | | |

Description

Extended Price

180040-Midcities Plaza
Storage Billign for April 2023

665.83

Dist. Name _____

| G/L Code | Amount |
|---------------------|--------|
| 2-7510 | 665.83 |
| | |
| Dist. Mgr. Initials | |

| | | |
|------------------------|----|------------|
| Original Contract | \$ | 7,990.00 |
| Change Orders | \$ | 7,990.00 |
| Revised Contract Amt | \$ | 15,980.00 |
| Work Completed to Date | \$ | 183,221.71 |
| Less Previously Billed | \$ | 182,555.88 |
| Current Billing | \$ | 665.83 |
| Less Retainage | \$ | 0.00 |

Total Due this Invoice \$ 665.83

Thank you for your business!

MidCities Metropolitan District No. 2
Financial Statements

March 31, 2023

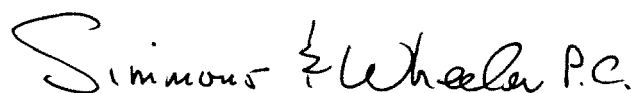
ACCOUNTANT'S COMPILATION REPORT

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 March 31, 2023, 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 three 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.

Handwritten signature of Simmons & Wheeler P.C. in cursive script.

May 31, 2023
Englewood, Colorado

MidCities Metropolitan District No. 2
Balance Sheet - Governmental Funds and Account Groups
March 31, 2023

See Accountant's Compilation Report

| | <u>General Fund</u> | <u>Capital Projects Fund</u> | <u>Debt Service Fund</u> | <u>Account Groups</u> | <u>Total All Funds</u> |
|--|-------------------------|--------------------------------------|----------------------------------|---------------------------|----------------------------|
| Assets | | | | | |
| Current assets | | | | | |
| Checking | \$ 29,179 | 1,604 | \$ 1,041 | \$ - | \$ 31,824 |
| Colostrust | 1,811,572 | 187 | - | - | 1,811,759 |
| UMB | - | - | 1,669,364 | - | 1,669,364 |
| Taxes due from County | 16,207 | - | 58,249 | - | 74,456 |
| Sales Taxes Receivable | - | - | 576,051 | - | 576,051 |
| | <u>1,856,958</u> | <u>1,791</u> | <u>2,304,705</u> | <u>-</u> | <u>4,163,454</u> |
| Other assets | | | | | |
| Fixed assets | - | - | - | 11,680,545 | 11,680,545 |
| Amount available in debt service fund | - | - | - | 2,303,664 | 2,303,664 |
| Amount to be provided for retirement of debt | - | - | - | 43,739,336 | 43,739,336 |
| | <u>-</u> | <u>-</u> | <u>-</u> | <u>57,723,545</u> | <u>57,723,545</u> |
| | <u>\$ 1,856,958</u> | <u>\$ 1,791</u> | <u>\$ 2,304,705</u> | <u>\$ 57,723,545</u> | <u>\$ 61,886,999</u> |
| Liabilities and Equity | | | | | |
| Current liabilities | | | | | |
| Accounts payable | \$ 8,674 | \$ 1,791 | \$ - | \$ - | \$ 10,465 |
| Taxes due to County | - | - | 1,041 | - | 1,041 |
| Payroll taxes payable | 311 | - | - | - | 311 |
| | <u>8,985</u> | <u>1,791</u> | <u>1,041</u> | <u>-</u> | <u>11,817</u> |
| Long Term liabilities | | | | | |
| General Obligation Bonds - 2022 | - | - | - | 46,043,000 | 46,043,000 |
| | <u>-</u> | <u>-</u> | <u>-</u> | <u>46,043,000</u> | <u>46,043,000</u> |
| Total liabilities | <u>8,985</u> | <u>1,791</u> | <u>1,041</u> | <u>46,043,000</u> | <u>46,054,817</u> |
| Fund Equity | | | | | |
| Investment in fixed assets | - | - | - | 11,680,545 | 11,680,545 |
| Fund balance (deficit) | 1,847,973 | - | 2,303,664 | - | 4,151,637 |
| | <u>1,847,973</u> | <u>-</u> | <u>2,303,664</u> | <u>11,680,545</u> | <u>15,832,182</u> |
| | <u>\$ 1,856,958</u> | <u>\$ 1,791</u> | <u>\$ 2,304,705</u> | <u>\$ 57,723,545</u> | <u>\$ 61,886,999</u> |

MidCities Metropolitan District No. 2
Statement of Revenues, Expenditures and Changes in Fund Balance
Budget and Actual - Governmental Funds
For the Three Months Ended March 31, 2023
General Fund

See Accountant's Compilation Report

| | <u>Annual</u> <u>Budget</u> | <u>Actual</u> | <u>Variance</u> <u>Favorable</u> <u>(Unfavorable)</u> |
|---|--------------------------------|---------------------|---|
| Revenues | | | |
| Property taxes | \$ 155,134 | \$ 50,582 | \$ (104,552) |
| Specific ownership taxes | 135,000 | 31,256 | (103,744) |
| PILOT revenue | 120,000 | 96,125 | (23,875) |
| Interest Income | 16,000 | 20,262 | 4,262 |
| Miscellaneous Income | 1,000 | - | (1,000) |
| | <u>427,134</u> | <u>198,225</u> | <u>(228,909)</u> |
| Expenditures | | | |
| Accounting | 27,000 | 5,346 | 21,654 |
| District Management | 35,000 | 3,923 | 31,077 |
| Audit | 5,000 | - | 5,000 |
| Director's Fees | 3,600 | 400 | 3,200 |
| Election Expense | 3,000 | 651 | 2,349 |
| Insurance/SDA | 30,000 | 30,181 | (181) |
| Legal | 30,000 | 2,273 | 27,727 |
| Engineering | 10,000 | - | 10,000 |
| Miscellaneous Expense | 1,000 | 120 | 880 |
| Payroll Taxes | 300 | 31 | 269 |
| Treasurer's fees | 2,327 | 759 | 1,568 |
| Property Mgt/FOA | 100,000 | 20,424 | 79,576 |
| Repairs and Maintenance | 50,000 | - | 50,000 |
| Contingency | 477,851 | - | 477,851 |
| Emergency reserve | 8,917 | - | 8,917 |
| Transfer to Capital Projects Fund | 1,150,000 | 3,600 | 1,146,400 |
| | <u>1,933,995</u> | <u>67,708</u> | <u>1,866,287</u> |
| Excess (deficiency) of revenues over expenditures | (1,506,861) | 130,517 | 1,637,378 |
| Fund balance beginning | <u>1,506,861</u> | <u>1,717,456</u> | <u>210,595</u> |
| Fund balance ending | <u>\$ -</u> | <u>\$ 1,847,973</u> | <u>\$ 1,847,973</u> |

MidCities Metropolitan District No. 2
Statement of Revenues, Expenditures and Changes in Fund Balance
Budget and Actual - Governmental Funds
For the Three Months Ended March 31, 2023
Capital Projects Fund
See Accountant's Compilation Report

| | <u>Annual Budget</u> | <u>Actual</u> | <u>Variance Favorable (Unfavorable)</u> |
|--|--------------------------|---------------|---|
| Revenues | | | |
| Interest Income | \$ - | \$ 2 | \$ 2 |
| Transfer from General Fund | 1,150,000 | 3,600 | (1,146,400) |
| | <u>1,150,000</u> | <u>3,602</u> | <u>(1,146,398)</u> |
| Expenditures | | | |
| Trails | 900,000 | - | 900,000 |
| Engineering | - | 1,604 | (1,604) |
| Parking Garage Structure | - | 1,998 | (1,998) |
| Retaining Wall - 505 Zang Street | 200,000 | - | 200,000 |
| Miscellaneous Improvements | 50,000 | - | 50,000 |
| | <u>1,150,000</u> | <u>3,602</u> | <u>1,146,398</u> |
| Excess (deficiency) of revenues over expenditures | - | - | - |
| Fund balance beginning | - | - | - |
| Fund balance (deficit) ending | <u>\$ -</u> | <u>\$ -</u> | <u>\$ -</u> |

MidCities Metropolitan District No. 2
Statement of Revenues, Expenditures and Changes in Fund Balance
Budget and Actual - Governmental Funds
For the Three Months Ended March 31, 2023
Debt Service Fund
See Accountant's Compilation Report

| | <u>Amended</u> <u>Budget</u> | <u>Actual</u> | <u>Variance</u> <u>Favorable</u> <u>(Unfavorable)</u> |
|--|---------------------------------|---------------------|---|
| Revenues | | | |
| Property Taxes | \$ 1,718,623 | \$ 560,361 | \$ (1,158,262) |
| Property Taxes - Greystar | 291,356 | 143,786 | (147,570) |
| Property Taxes - Pathfinder Exclusion | 134,816 | 66,540 | (68,276) |
| Property Taxes - Filing 15 | 81,747 | 40,759 | (40,988) |
| Property Taxes - CPIII Exclusion | 153,565 | - | (153,565) |
| Sales Tax Revenue | 2,700,000 | 575,605 | (2,124,395) |
| Interest Income | 40,000 | 9,981 | (30,019) |
| | <u>5,120,107</u> | <u>1,397,032</u> | <u>(3,723,075)</u> |
| Expenditures | | | |
| 2022 Bond Interest | 2,146,800 | - | 2,146,800 |
| 2022 Bond Principal | 1,495,000 | - | 1,495,000 |
| Trustee/Paying Agent Fees | 6,000 | - | 6,000 |
| Miscellaneous | 5,000 | - | 5,000 |
| Treasurer's Fees | 35,237 | 12,172 | 23,065 |
| | <u>3,688,037</u> | <u>12,172</u> | <u>3,675,865</u> |
| Excess (deficiency) of revenues over expenditures | 1,432,070 | 1,384,860 | (47,210) |
| Fund balance beginning | <u>2,654,358</u> | <u>918,804</u> | <u>(1,735,554)</u> |
| Fund balance (deficit) ending | <u>\$ 4,086,428</u> | <u>\$ 2,303,664</u> | <u>\$ (1,782,764)</u> |

DRAFT 3/23/23 Pending CD Tables

MIDCITIES METROPOLITAN DISTRICT NO. 2

Financial Statements

Year Ended December 31, 2022

with

Independent Auditor's Report

DRAFT 3/23/23 Pending CD Tables

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MIDCITIES METROPOLITAN DISTRICT NO. 2

BALANCE SHEET/STATEMENT OF NET POSITION GOVERNMENTAL FUNDS December 31, 2022

| | General | Debt Service | Capital Projects | Total | Adjustments | Statement of Net Position |
|---|---------------------|---------------------|------------------|---------------------|------------------------|---------------------------|
| ASSETS | | | | | | |
| Cash and investments | \$ 1,677,474 | \$ - | \$ - | \$ 1,677,474 | \$ - | \$ 1,677,474 |
| Cash and investments - restricted | 8,917 | 492,381 | 666 | 501,964 | - | 501,964 |
| Accounts receivable: | | | | | | |
| County Treasurer | 8,646 | - | - | 8,646 | - | 8,646 |
| Sales/use taxes | - | 428,304 | - | 428,304 | - | 428,304 |
| Property taxes | 155,134 | 2,380,107 | - | 2,535,241 | - | 2,535,241 |
| Prepaid expenses | 28,997 | - | - | 28,997 | - | 28,997 |
| Prepaid debt insurance, net of accumulated amortization | - | - | - | - | 290,476 | 290,476 |
| Capital assets, net of accumulated depreciation | - | - | - | - | 6,765,537 | 6,765,537 |
| Capital assets, not being depreciated | - | - | - | - | 4,617,651 | 4,617,651 |
| Total Assets | \$ 1,879,168 | \$ 3,300,792 | \$ 666 | \$ 5,180,626 | 11,673,664 | 16,854,290 |
| LIABILITIES | | | | | | |
| Accounts payable | \$ 6,578 | \$ 1,881 | \$ 666 | \$ 9,125 | - | 9,125 |
| Accrued interest on bonds | - | - | - | - | 172,710 | 172,710 |
| Long-term liabilities: | | | | | | |
| Due within one year | - | - | - | - | 1,495,000 | 1,495,000 |
| Due in more than one year | - | - | - | - | 45,200,877 | 45,200,877 |
| Total Liabilities | 6,578 | 1,881 | 666 | 9,125 | 46,868,587 | 46,877,712 |
| DEFERRED INFLOWS OF RESOURCES | | | | | | |
| Deferred property taxes | 155,134 | 2,380,107 | - | 2,535,241 | - | 2,535,241 |
| Total Deferred Inflows of Resources | 155,134 | 2,380,107 | - | 2,535,241 | - | 2,535,241 |
| FUND BALANCES/NET POSITION | | | | | | |
| Fund Balances: | | | | | | |
| Nonspendable: | | | | | | |
| Prepays | 28,997 | - | - | 28,997 | (28,997) | - |
| Restricted: | | | | | | |
| Emergencies | 8,917 | - | - | 8,917 | (8,917) | - |
| Debt service | - | 918,804 | - | 918,804 | (918,804) | - |
| Unassigned | 1,679,542 | - | - | 1,679,542 | (1,679,542) | - |
| Total Fund Balances | 1,717,456 | 918,804 | - | 2,636,260 | (2,636,260) | - |
| Total Liabilities, Deferred Inflows of Resources and Fund Balances | \$ 1,879,168 | \$ 3,300,792 | \$ 666 | \$ 5,180,626 | | |
| Net Position: | | | | | | |
| Restricted for: | | | | | | |
| Emergencies | | | | | 8,917 | 8,917 |
| Debt service | | | | | 746,094 | 746,094 |
| Unrestricted | | | | | (33,313,674) | (33,313,674) |
| Total Net Position | | | | | \$ (32,558,663) | \$ (32,558,663) |

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

DRAFT 3/23/23 Pending CD Tables

MIDCITIES METROPOLITAN DISTRICT NO. 2

STATEMENT OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCES/STATEMENT OF ACTIVITIES
GOVERNMENTAL FUNDS
For the Year Ended December 31, 2022

| | <u>General</u> | <u>Debt Service</u> | <u>Capital Projects</u> | <u>Total</u> | <u>Adjustments</u> | <u>Statement of Activities</u> |
|--|---------------------|-------------------------|-----------------------------|---------------------|-----------------------|--|
| EXPENDITURES | | | | | | |
| General expenses: | | | | | | |
| Accounting | \$ 17,915 | \$ - | \$ - | \$ 17,915 | \$ - | \$ 17,915 |
| Audit | 4,600 | - | - | 4,600 | - | 4,600 |
| Property management | 80,809 | - | - | 80,809 | - | 80,809 |
| District management | 15,462 | - | - | 15,462 | - | 15,462 |
| Repair and maintenance | 385 | - | - | 385 | - | 385 |
| Directors fees | 1,900 | - | - | 1,900 | - | 1,900 |
| Election expense | 816 | - | - | 816 | - | 816 |
| Payroll taxes | 145 | - | - | 145 | - | 145 |
| Insurance | 26,598 | - | - | 26,598 | - | 26,598 |
| Miscellaneous expense | 393 | 78 | - | 471 | - | 471 |
| Legal | 17,515 | - | - | 17,515 | - | 17,515 |
| Treasurer's fees | 2,134 | 39,052 | - | 41,186 | - | 41,186 |
| Capital outlay | - | - | 10,351 | 10,351 | (10,351) | - |
| Depreciation expense | - | - | - | - | 307,709 | 307,709 |
| Debt service: | | | | | | |
| Bond principal | - | 59,854,000 | - | 59,854,000 | (59,854,000) | - |
| Bond interest expense | - | 1,944,764 | - | 1,944,764 | 37,492 | 1,982,256 |
| Bond issuance costs | - | 1,020,095 | - | 1,020,095 | (298,545) | 721,550 |
| Bond redemption premium | - | 287,610 | - | 287,610 | - | 287,610 |
| Paying agent fees | - | 3,500 | - | 3,500 | - | 3,500 |
| Amortize bond insurance | - | - | - | - | 8,069 | 8,069 |
| Total Expenditures | <u>168,672</u> | <u>63,149,099</u> | <u>10,351</u> | <u>63,328,122</u> | <u>(59,809,626)</u> | <u>3,518,496</u> |
| GENERAL REVENUES | | | | | | |
| Property taxes | 142,475 | 2,606,442 | - | 2,748,917 | - | 2,748,917 |
| Specific ownership taxes | 137,773 | - | - | 137,773 | - | 137,773 |
| PILOT revenue | 120,756 | - | - | 120,756 | - | 120,756 |
| Sales tax revenue | - | 2,714,476 | - | 2,714,476 | - | 2,714,476 |
| Interest income | 28,510 | 66,699 | 3 | 95,212 | - | 95,212 |
| Total General Revenues | <u>429,514</u> | <u>5,387,617</u> | <u>3</u> | <u>5,817,134</u> | <u>-</u> | <u>5,817,134</u> |
| EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES | | | | | | |
| | 260,842 | (57,761,482) | (10,348) | (57,510,988) | 59,809,626 | 2,298,638 |
| OTHER FINANCING SOURCES (USES) | | | | | | |
| Transfer from other funds | (10,348) | - | 10,348 | - | - | - |
| Bond proceeds | - | 50,185,000 | - | 50,185,000 | (50,185,000) | - |
| Bond premium | - | 690,332 | - | 690,332 | (690,332) | - |
| Total Other Financing Sources (Uses) | <u>(10,348)</u> | <u>50,875,332</u> | <u>10,348</u> | <u>50,875,332</u> | <u>(50,875,332)</u> | <u>-</u> |
| NET CHANGES IN FUND BALANCES | | | | | | |
| | 250,494 | (6,886,150) | - | (6,635,656) | 6,635,656 | |
| CHANGE IN NET POSITION | | | | | | |
| | | | | | 2,298,638 | 2,298,638 |
| FUND BALANCES/NET POSITION: | | | | | | |
| BEGINNING OF YEAR | <u>1,466,962</u> | <u>7,804,954</u> | <u>-</u> | <u>9,271,916</u> | <u>(44,129,217)</u> | <u>(34,857,301)</u> |
| END OF YEAR | <u>\$ 1,717,456</u> | <u>\$ 918,804</u> | <u>\$ -</u> | <u>\$ 2,636,260</u> | <u>\$(35,194,923)</u> | <u>\$(32,558,663)</u> |

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

DRAFT 3/23/23 Pending CD Tables

MIDCITIES METROPOLITAN DISTRICT NO. 2

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

For the Year Ended December 31, 2022

| | Original & Final | | Variance |
|--|------------------|---------------------|-----------------------------------|
| | <u>Budget</u> | <u>Actual</u> | Favorable <u>(Unfavorable)</u> |
| REVENUES | | | |
| Property taxes | \$ 144,103 | \$ 142,475 | \$ (1,628) |
| Specific ownership taxes | 139,923 | 137,773 | (2,150) |
| PILOT revenue | 120,000 | 120,756 | 756 |
| Interest income | 2,000 | 28,510 | 26,510 |
| Miscellaneous income | <u>1,000</u> | <u>-</u> | <u>(1,000)</u> |
| Total Revenues | <u>407,026</u> | <u>429,514</u> | <u>22,488</u> |
| EXPENDITURES | | | |
| Accounting | 27,000 | 17,915 | 9,085 |
| Audit | 5,300 | 4,600 | 700 |
| Property management | 100,000 | 80,809 | 19,191 |
| District management | 46,000 | 15,462 | 30,538 |
| Repair and maintenance | 50,000 | 385 | 49,615 |
| Directors fees | 3,600 | 1,900 | 1,700 |
| Election expense | 10,000 | 816 | 9,184 |
| Payroll taxes | 300 | 145 | 155 |
| Insurance | 30,000 | 26,598 | 3,402 |
| Miscellaneous expense | 3,000 | 393 | 2,607 |
| Legal | 50,000 | 17,515 | 32,485 |
| Engineering | 10,000 | - | 10,000 |
| Treasurer's fees | 2,160 | 2,134 | 26 |
| Contingency | 703,691 | - | 703,691 |
| Emergency reserve | <u>10,121</u> | <u>-</u> | <u>10,121</u> |
| Total Expenditures | <u>1,051,172</u> | <u>168,672</u> | <u>882,500</u> |
| EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES | | | |
| | (644,146) | 260,842 | 904,988 |
| OTHER FINANCING SOURCES (USES) | | | |
| Transfer from other funds | <u>(564,000)</u> | <u>(10,348)</u> | <u>553,652</u> |
| Total Other Financing Sources (Uses) | <u>(564,000)</u> | <u>(10,348)</u> | <u>553,652</u> |
| NET CHANGE IN FUND BALANCE | (1,208,146) | 250,494 | 1,458,640 |
| FUND BALANCE: | | | |
| BEGINNING OF YEAR | <u>1,208,146</u> | <u>1,466,962</u> | <u>258,816</u> |
| END OF YEAR | <u>\$ -</u> | <u>\$ 1,717,456</u> | <u>\$ 1,717,456</u> |

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

DRAFT 3/23/23 Pending CD Tables

MIDCITIES METROPOLITAN DISTRICT NO. 2

Notes to Financial Statements
December 31, 2022

Note 1: Summary of Significant Accounting Policies

The accounting policies of MidCities Metropolitan District No. 2, (“District”), located in the City and County of Broomfield, Colorado, (“County”) conform to accounting principles generally accepted in the United States of America (“GAAP”) as applicable to governments. 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 November 6, 1998, as a quasi-municipal organization established under the State of Colorado Special District Act to pay for various services and facilities which were previously provided by MidCities Metropolitan District No. 1 (“District No. 1”). The two districts worked together to serve the development and to provide the necessary public improvements and services as required by the Development Agreement. District No. 1 is referred to in both Service Plans as the “Service District” and the District is referred to as the “Tax District”. The Districts were established to finance and construct certain public infrastructure improvements that benefit the citizens of the District. The District is required to generate property tax revenue sufficient to pay the costs of operations and some of the debt service for public improvements. The District is governed by an elected Board of Directors.

During 2017 MidCities Metropolitan District No. 1 was dissolved and all functions and obligations were assigned to the District.

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 pronouncements, which provide 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.

DRAFT 3/23/23 Pending CD Tables

MIDCITIES METROPOLITAN DISTRICT NO. 2

Notes to Financial Statements
December 31, 2022

Basis of Presentation

The accompanying financial statements are presented per GASB Statement No. 34 - Special Purpose Governments.

The government-wide financial statements (i.e. the governmental funds balance sheet/statement of net position and the governmental funds statement of revenues, expenditures, and changes in fund balances/statement of activities) report information on all of the governmental activities of the District. The statement of net position reports all financial and capital resources of the District. The difference between the (a) assets and deferred outflows of resources and the (b) liabilities and deferred inflows of resources of the District is reported as net position. The statement of activities demonstrates the degree to which expenditures/expenses of the governmental funds are supported by general revenues. For the most part, the effect of interfund activity has been removed from these statements.

The statement of activities demonstrates the degree to which the direct and indirect expenses of a given function or segment are offset by program revenues. *Direct expenses* are those that are clearly identifiable with a specific function or segment. *Program revenues* include 1) charges to customers or applicants who purchase, use or directly benefit from goods, services, or privileges provided by a given function or segment and 2) grants and contributions that are restricted to meeting the operational or capital requirements of a particular function or segment. Taxes and other items not properly included among program revenues are reported instead as *general revenues*.

Major individual governmental funds are reported as separate columns in the fund financial statements.

Measurement Focus, Basis of Accounting and Financial Statement Presentation

The government-wide financial statements are reported using the *economic resources measurement focus* and the *accrual basis of accounting*. Revenues are recorded when earned and expenses are recorded when a liability is incurred, regardless of the timing of the related cash flows. Property taxes are recognized as revenues in the year for which they are collected.

Governmental fund financial statements are reported using the *current financial resources measurement focus* and the *modified accrual basis of accounting*. Revenues are recognized as soon as they are both measurable and available. Revenues are considered to be *available* when they are collectible within the current period or soon enough thereafter to pay liabilities of the current period. For this purpose, the District considers revenues to be available if they are collected within 60 days of the end of the current fiscal period. The material sources of revenue subject to accrual are property taxes and interest. Expenditures, other than interest on long-term obligations, are recorded when the liability is incurred or the long-term obligation is paid.

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MIDCITIES METROPOLITAN DISTRICT NO. 2

Notes to Financial Statements
December 31, 2022

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.

Capital Projects Fund – The Capital Projects Fund is used to account for all financial resources that are restricted, committed or assigned to expenditures for capital outlays, including the acquisition or construction of capital facilities and other assets.

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 total 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.

During November 2022 the District amended its appropriations in the Debt Service Fund from \$61,180,496 to \$64,000,000 primarily due to increased costs related to the 2022 Bonds (See Note 4).

Assets, Liabilities and Net Position:

Fair Value of Financial Instruments

The District's financial instruments include cash and investments, accounts receivable and accounts payable. The District estimates that the fair value of all financial instruments at December 31, 2022, does not differ materially from the aggregate carrying values of its financial instruments recorded in the accompanying balance sheet. The carrying amount of these financial instruments approximates fair value because of the short maturity of these instruments.

Deposits and Investments

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

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MIDCITIES METROPOLITAN DISTRICT NO. 2

Notes to Financial Statements
December 31, 2022

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 no items that qualify for reporting in this category.

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 only has one 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.

Original Issue Premium and Prepaid Debt Insurance

Original Issue Premium from the Series 2022 Bonds is being amortized over the term of the bonds using the effective interest method. Prepaid Debt Insurance from the Series 2022 Bonds is being amortized over the term of the bonds using the straight-line method. Accumulated amortization of original issue premium and prepaid debt insurance amounted to \$37,455 and \$8,069, respectively, at December 31, 2022.

Capital Assets

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

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MIDCITIES METROPOLITAN DISTRICT NO. 2

Notes to Financial Statements
December 31, 2022

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 capital 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.

Property, plant and equipment are depreciated using the straight-line method over the following estimated useful lives:

| | |
|--|----------|
| Infrastructure including trails, walls, streets, storm drainage and parking structures: | 40 years |
| Monuments: | 10 years |

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 30 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.

Property owners within the boundaries of the District have been assessed \$2,535,241 for 2022. Since these taxes are not normally available to the District in 2022, they are classified as deferred income until 2023.

Long-Term Obligations

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

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MIDCITIES METROPOLITAN DISTRICT NO. 2

Notes to Financial Statements
December 31, 2022

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 \$28,997 represents prepaid insurance 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 \$8,917 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 \$918,804 is restricted for the payment of the debt service costs associated with the 2022 Bonds (see Note 4).

Committed Fund Balance

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

Assigned Fund Balance

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

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MIDCITIES METROPOLITAN DISTRICT NO. 2

Notes to Financial Statements
December 31, 2022

Unassigned Fund Balance

Unassigned fund balance includes amounts that are available for any purpose. Positive amounts are reported only in the General Fund, all 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 can report up to 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, 2022, cash and investments are classified in the accompanying financial statements as follows:

| | |
|-----------------------------------|---------------------|
| Statement of Net Position: | |
| Cash and investments | \$ 1,677,474 |
| Cash and investments – Restricted | <u>501,964</u> |
| Total | <u>\$ 2,179,438</u> |

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MIDCITIES METROPOLITAN DISTRICT NO. 2

Notes to Financial Statements
December 31, 2022

Cash and investments as of December 31, 2022, consist of the following:

| | |
|--------------------------------------|---------------------|
| Deposits with financial institutions | \$ 16,245 |
| Investments - COLOTRUST | 1,672,693 |
| Investments - CSAFE | <u>490,500</u> |
| | <u>\$ 2,179,438</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% of 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 adopted a policy to comply with state statutes for deposits. None of the District’s deposits were exposed to custodial credit risk.

Investments:

Investment Valuation

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

Credit Risk

The District’s investment policy requires that the District follow state statutes for investments. Colorado statutes specify the types of investments meeting defined rating and risk criteria in which local governments may invest. These investments include obligations of the United States and certain U.S. Government agency entities, certain money market funds, guaranteed investment contracts, and local government investment pools.

Custodial and Concentration of Credit Risk

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

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MIDCITIES METROPOLITAN DISTRICT NO. 2

Notes to Financial Statements
December 31, 2022

Interest Rate Risk

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

As of December 31, 2022, the District had the following investments:

COLOTRUST

As of December 31, 2022, the District invested in the Colorado Local Governmental Liquid Asset Trust (“COLOTRUST”), a local governmental investment vehicle established for local governmental entities in Colorado to pool surplus funds. COLOTRUST offers three investment options, one of which is COLOTRUST PLUS+. As an investment pool, COLOTRUST operates under the Colorado Revised Statutes (24-75-701) and is overseen by the Colorado Securities Commissioner. COLOTRUST PLUS+ may invest in U.S. Treasuries, government agencies, the highest-rated commercial paper, certain corporate securities, certain money market funds, and certain repurchase agreements, and limits its investments to those allowed by State statutes. Purchases and redemptions are available daily at a net asset value (“NAV”) of \$1.00. A designated custodial bank provides safekeeping and depository services to COLOTRUST in connection with the direct investment and withdrawal function of COLOTRUST. The custodian’s internal records identify the investments owned by participating governments. COLOTRUST Plus+ records its investment at fair value and the District records its investment in COLOTRUST PLUS+ using the next asset value. There are no unfunded commitments and there is no redemption notice period. The weighted average maturity is 60 days or less and is rated AAAM by Standard & Poor’s. At December 31, 2022, the District had \$1,672,693 invested in COLOTRUST PLUS+.

CSAFE

The local government investment pool Colorado Surplus Asset Fund Trust (“CSAFE”), is rated AAAM by Standard and Poor’s with a weighted average maturity of under 60 days. CSAFE records its investments at amortized cost and the District records its investments in CSAFE using the amortized cost method. CSAFE is an investment vehicle established by state statute for local government entities to pool surplus assets. The State Securities Commissioner administers and enforces all State statutes governing CSAFE. CSAFE is similar to a money market fund, with each share valued at \$1.00. CSAFE may invest in U.S. Treasury securities, repurchase agreements collateralized by U.S. Treasury securities, certain money market funds, and highest rated commercial paper. A designated custodial bank serves as custodian for CSAFE’s portfolio pursuant to custodian agreements. The custodian acts as safekeeping agent for CSAFE’s investment portfolio and provides services as the depository in connection with direct investments and withdrawals. The custodians’ internal records identify the investments owned by CSAFE. At December 31, 2022, the District had \$490,500 invested in CSAFE.

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MIDCITIES METROPOLITAN DISTRICT NO. 2

Notes to Financial Statements
December 31, 2022

Note 3: Capital Assets

An analysis of the changes in capital assets for the year ended December 31, 2022, is as follows:

| | Balance 1/1/2022 | Additions | Retirements | Balance 12/31/2022 |
|---|----------------------|---------------------|-------------|-----------------------|
| <u>Capital assets, being depreciated:</u> | | | | |
| Regional trails | \$ 366,424 | \$ - | \$ - | \$ 366,424 |
| Retaining walls | 2,861,398 | - | - | 2,861,398 |
| Monuments | 763,133 | - | - | 763,133 |
| Streets | 2,093,701 | - | - | 2,093,701 |
| Parking lot | 1,123,265 | - | - | 1,123,265 |
| Storm drainage | 1,442,747 | - | - | 1,442,747 |
| Parking garage | 4,420,818 | - | - | 4,420,818 |
| Total infrastructure | <u>13,071,486</u> | <u>-</u> | <u>-</u> | <u>13,071,486</u> |
| Accumulated depreciation | <u>(5,998,240)</u> | <u>(307,709)</u> | <u>-</u> | <u>(6,305,949)</u> |
| Total capital assets being depreciated: | <u>7,073,246</u> | <u>(307,709)</u> | <u>-</u> | <u>6,765,537</u> |
| <u>Capital assets, not being depreciated:</u> | | | | |
| Construction in progress | 2,197,712 | 10,351 | - | 2,208,063 |
| Land and easements | 2,409,588 | - | - | 2,409,588 |
| Total capital assets not being depreciated: | <u>4,607,300</u> | <u>10,351</u> | <u>-</u> | <u>4,617,651</u> |
| Total capital assets | <u>\$ 11,680,546</u> | <u>\$ (297,358)</u> | <u>\$ -</u> | <u>\$ 11,383,188</u> |

In 2007, District No. 1 conveyed some of its capital assets to the City and County of Broomfield, Colorado. During 2017, District No. 1 conveyed to the District its remaining assets, some of which had already been partially depreciated by District No. 1 and current depreciation on these assets were recorded by the District starting in 2018. The capital assets will be maintained by the District with the exception of any construction in progress that is anticipated to be conveyed to other governmental entities. The parking garage will be conveyed to a third party upon completion of repairs as per the Settlement Agreement (see Note 5).

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MIDCITIES METROPOLITAN DISTRICT NO. 2

Notes to Financial Statements December 31, 2022

Note 4: Long-Term Debt

The following is an analysis of changes in long-term obligations for the year ended December 31, 2022:

| | Balance 1/1/2022 | Additions | Deletions | Balance 12/31/2022 | Current Portion |
|---|----------------------|----------------------|----------------------|-----------------------|---------------------|
| <u>Bonds from direct borrowing and</u> <u>direct placements:</u> | | | | | |
| Special Revenue Refunding and Improvement Bonds, Series 2016A | \$ 46,125,000 | \$ - | \$ 46,125,000 | \$ - | \$ - |
| Subordinate Special Revenue Refunding Bonds, Series 2016B | 9,587,000 | - | 9,587,000 | - | - |
| Special Revenue Refunding Bonds, Series 2022 | - | 50,185,000 | 4,142,000 | 46,043,000 | 1,495,000 |
| Subtotal | <u>55,712,000</u> | <u>50,185,000</u> | <u>59,854,000</u> | <u>46,043,000</u> | <u>1,495,000</u> |
| Original issue premium - Series 2022 Bonds | - | 690,332 | 37,455 | 652,877 | - |
| Total Long-term debt | <u>\$ 55,712,000</u> | <u>\$ 50,875,332</u> | <u>\$ 59,891,455</u> | <u>\$ 46,695,877</u> | <u>\$ 1,495,000</u> |

A description of the long-term obligations as of December 31, 2022, is as follows:

General Obligation Refunding and Improvement Bonds, Series 2006

On July 12, 2006 the District issued \$24,400,000 of General Obligation Refunding and Improvements Bonds Series 2006 (“Bonds”). The purpose of the Bonds was to 1) refund all of the District’s outstanding general obligation debt; 2) finance the acquisition of land and the construction and acquisition of public improvements; 3) fund capitalized interest; 4) fund the Reserve Fund and 5) pay for the costs of issuing the bonds. The interest rate varied from 4.000% to 5.125% consisting of serial bonds due annually commencing on December 1, 2010. Interest was paid semi-annually on June 1st and December 1st commencing on December 1, 2006. The Bonds were secured by pledged revenues derived by the required mill levy on the property. Additionally, the Bonds and interest were insured as to repayment by Radian Asset Assurance, Inc. (“Radian”). During March 2016, Standard & Poor’s upgraded the rating of Radian to “BBB-”.

The Series 2006 Bonds were defeased on October 3, 2016, in conjunction with the issuance of the Series 2016A and Series 2016B Bonds.

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MIDCITIES METROPOLITAN DISTRICT NO. 2

Notes to Financial Statements
December 31, 2022

Special Revenue Refunding and Improvement Bonds, Series 2016A

On October 3, 2016, the District issued \$51,975,000 of Special Revenue Refunding and Improvement Bonds, Series 2016A, (“Series 2016A Bonds”) dated October 3, 2016, for the purpose (a) paying Project Costs, (b) paying the costs of refunding all of the Series 2006 Bonds of District No. 2 and some of the 2004 Bonds of District No. 1, (c) funding the Reserve Fund in the amount of the Reserve Requirement and (d) paying other costs in connection with the issuance of the Series 2016A Bonds. The bonds bear interest at the rate of 1.64% plus 70% of the One Month LIBOR Rate, payable monthly on the first New York Business Day of every month, commencing on November 1, 2016. In order to effectively convert this variable rate to a fixed rate, the District entered into a SWAP agreement to achieve a “synthetic” interest rate of 3.48% (See Note 5). The Series 2016A Bonds mature on December 1, 2021, are subject to a mandatory sinking fund redemption commencing on December 1, 2016, and are subject to early redemption at the option of the District on any date prior to the Maturity Date with a prepayment fee. The 2016A Bonds are secured by Pledged Revenues including (i) the Required Mill Levy, (ii) all amounts received from the City pursuant to the City Agreement (sales and use taxes), (iii) all Counterparty Net Regularly Scheduled Swap payments received by the District from the Exchange Agreement Provider under the 2016 Exchange Agreement (see Note 5), (iv) any Termination payments received the by District, and (v) any other legally available monies which the District determines, in its absolute discretion, to credit to the Bond Fund.

Current refunding of debt

The 2016A Bonds were issued to provide resources to purchase securities to be placed in an irrevocable trust for the purpose of generating resources for all future debt service payments of the Series 2006 Bonds. As a result, the 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 \$1,069,607. This amount was recorded as a deferred outflow and amortized over remaining life of the new debt issued. The amount was fully amortized as of December 31, 2021. The refunding resulted in an economic gain of \$922,271 due to the average interest rate of the Series 2016 Bonds being lower than the refunded bonds.

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MIDCITIES METROPOLITAN DISTRICT NO. 2

Notes to Financial Statements
December 31, 2022

Events of Default as defined in the Series 2016A Bond Indenture are 1) the failure of the District to impose the Required Mill levy, or to apply the Pledged Revenue as required by the Indenture, 2) the failure of the District to pay the principal of or redemption premium or Prepayment Fee, if applicable, when due, 3) the default by the District in the performance or observance of any other of the covenants, agreements, or conditions of the Indenture or the Bond Resolution, and failure to remedy the same after notice thereof, provided, however, that any draw on the Surplus Fund or the Reserve Fund shall not constitute an Event of Default, 4) the filing of a petition under the federal bankruptcy laws or other applicable laws seeking to adjust the obligations represented by the Bonds, 5) determination, decision, or decree by the IRS or other court which results in interest payable on the Series 2016A Bonds becoming includable in the gross income of an owner, unless appealed or contested in good faith by the District, and 6) receipt by the Trustee of written notice from the purchaser stating that an "Event of Default" has occurred and is continuing under the Continuing Covenant Agreement. Remedies available in the Event of Default include 1) receivership, 2) suit for judgment, and 3) other suits. Acceleration of the Series 2016A Bonds is not an available remedy for an Event of Default.

The series 2016A Bonds were refunded on April 27, 2022, with the issuance of the Series 2022 Bonds.

Subordinate Special Revenue Refunding Bonds, Series 2016B

On October 3, 2016, the District issued \$9,725,000 of Subordinate Special Revenue Refunding Bonds, Series 2016B, ("Series 2016B Bonds") dated October 3, 2016, for the purpose of (a) paying a portion of the costs of refunding District No. 1's Series 2004 Bonds and (b) paying the costs of issuing the bonds. The Series 2016B Bonds bear interest at the rate of 7.75%, payable to the extent of Subordinate Pledged Revenue available annually on each December 15, commencing on December 15, 2016, and mature on December 15, 2046. The Series 2016B Bonds are subject to early redemption at the option of the District and are also subject to mandatory redemption under certain circumstances as set forth in the Trust Indenture.

Events of Default as defined in the Series 2016B Bond Indenture are 1) the failure of the District to impose the Required Mill levy, or to apply the Pledged Revenue as required by the Indenture, 2) the default by the District in the performance or observance of any other of the covenants, agreements, or conditions of the Indenture or the Bond Resolution, and failure to remedy the same after notice thereof pursuant to the Indenture, and 3) the filing of a petition under the federal bankruptcy laws or other applicable laws seeking to adjust the obligations represented by the Bonds. Remedies available in the Event of Default include 1) receivership, 2) suit for judgment, and 3) other suits. Acceleration of the Series 2016B Bonds is not an available remedy for an Event of Default nor shall the District be subject to punitive or consequential damages.

The series 2016B Bonds were refunded on April 27, 2022, with the issuance of the Series 2022 Bonds.

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MIDCITIES METROPOLITAN DISTRICT NO. 2

Notes to Financial Statements
December 31, 2022

First Amendment to Indenture of Trust

In November 2021, the District entered into the First Amendment to Indenture of Trust with UMB Bank, N.A. (the “Trustee”) which modified the original Indenture of Trust to extend the Maturity Date of the Series 2016 Bonds to March 1, 2022 with interest at 81.15% of the Term Secured Overnight Financing Rate (“SOFR”) plus an applicable spread (as defined by the agreement). No principal is contemplated under this agreement until maturity, but interest is payable monthly on the first of each month.

During 2022, the District negotiated with UMB Bank as Trustee to further extend the maturity date of the Series 2016A Bonds to April 30, 2022. On April 27, 2022, the District issued \$50,185,000 in Special Revenue Refunding Bonds, Series 2022 (“Series 2022 Bonds”). The proceeds of the Series 2022 Bonds were used in conjunction with funds held by the District to fully refund the Series 2016A Bonds and Series 2016B Bonds, purchase a Bond Insurance Policy, purchase a 2022 Reserve Policy and pay the costs of issuing the Series 2022 Bonds.

Special Revenue Refunding Bonds, Series 2022

On April 27, 2022, the District issued \$50,185,000 of Special Revenue Refunding Bonds, Series 2022, (“Series 2022 Bonds”) dated April 27, 2022, for the purpose of (a) paying a portion of the costs of refunding the 2016A and 2016B Bonds, (b) purchasing the Insurance Policy and the 2022 Reserve Policy, and (c) paying other costs in connection with the issuance of the Series 2022 Bonds. The Series 2022 Bonds bear interest at a rate of 4.00% to 5.00% payable semi-annually on June 1 and December 1 commencing December 1, 2022, and mature on December 1, 2046, unless redeemed earlier. The Series 2022 Bonds constitute special revenue obligations of the District payable solely from and to the extent of the Pledged Revenue which includes a) the Required Mill Levy, b) all amounts received pursuant to the Sales and Use Tax Agreement, and c) any other legally available moneys which the District determines to transfer to the Trustee. The Bonds are also secured by the Reserve Fund which has been funded by the issuance of the 2022 Reserve Policy. Certain maturities of the 2022 Bonds are subject to optional, mandatory sinking fund redemption and extraordinary mandatory redemption prior to maturity. The scheduled payment of the principal and interest on the 2022 Bonds when due is guaranteed under a municipal bond insurance policy.

Events of Default as defined in the Series 2022 Bond Indenture are 1) the failure of the District to impose the Required Mill levy, or to apply the Pledged Revenue as required by the Indenture, 2) the default by the District in the performance or observance of any other of the covenants, agreements, or conditions of the Indenture or the Bond Resolution, and failure to remedy the same after notice thereof pursuant to the Indenture, and 3) the filing of a petition under the federal bankruptcy laws or other applicable laws seeking to adjust the obligations represented by the Bonds. Remedies available in the Event of Default include 1) receivership, 2) suit for judgment, and 3) other suits. Acceleration of the Series 2022 Bonds is not an available remedy for an Event of Default.

The District had no unused lines of credit as of December 31, 2022.

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MIDCITIES METROPOLITAN DISTRICT NO. 2

Notes to Financial Statements
December 31, 2022

Note 5: Other Agreements

Interest Rate Exchange Agreement

On October 3, 2016, the District entered into an Interest Rate Exchange Agreement (“Swap Agreement”) with U.S. Bank N.A. Under the Swap Agreement, the District pays a fixed interest rate of 1.84% plus an incremental amount to equal 3.48%, for the period from October 3, 2016, through December 1, 2046 plus a swap advisory fee. The effective date of the Swap Agreement was October 3, 2016, and the termination date is December 1, 2046. The purpose of the Swap Agreement is for the District to create a synthetic fixed interest rate on its variable rate loan of 3.48%. The original notional amount of the Swap Agreement was \$51,975,000. The Swap Agreement was terminated at par on December 1, 2021, as of the original maturity date of the related Series 2016A Bonds (see Note 4)

Settlement Agreement

On August 13, 2021, the District and Aequus Partners, LLC (“Aequus”) entered into a Settlement Agreement which set forth the conditions and obligations related to the Parking Garage owned by the District. Pursuant to this agreement, the District shall pay Aequus \$1,667,042 by depositing such funds into an escrow account as per conditions set forth in the Improvements Delivery Agreement dated August 4, 2021 (“Delivery Agreement”). The District also shall convey fee title to the Parking Garage by special warranty deed. Conveyance is expected to occur during 2023. During August 2021, the District deposited the required funds into the escrow account and the lawsuit was dismissed.

Note 6: Debt Authorization:

At elections held November 3, 1998; November 2, 1999, November 6, 2000 and November 2, 2004, a majority of the qualified electors of the District who voted in the elections authorized the issuance of general obligation indebtedness in an amount not to exceed \$119,230,000 for providing public improvements and \$128,080,000 for refunding of previously issued indebtedness. After the issuance of the 2022 Bonds, the District has approximately \$98,576,664 in public infrastructure authorization remaining. The District has not budgeted to issue debt during 2023.

Note 7: Related Party Transactions:

One of the members of the Board of Directors was formerly employed by the developer of the development or was formerly employed by entities which conduct business with such developer or are former development partners or officers of such developer. Such director, therefore, may have potential conflicts of interest with respect to matters which come before the Board of Directors with respect to any prior agreements with such developer.

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MIDCITIES METROPOLITAN DISTRICT NO. 2

Notes to Financial Statements
December 31, 2022

Note 8: Commitments:

Sales and Use Tax Reimbursement Agreement

On November 30, 2004, the District entered into a Sales and Use Tax Reimbursement Agreement with District No. 1 and the City and County of Broomfield, Colorado (“City”). City payments under the agreement are pledged to the repayment of the Series 2004A and 2004B Bonds of District No. 1. The City payment consists of 65% of the 3.5% Sales Tax that is collected within the boundaries of the District and 50% of the 3.5% Use Tax levied on commercial buildings and construction materials. The City agrees to deposit the revenues into a Special Fund of the City. The termination date of this agreement is the earlier of (i) the date which all of the District No. 1 bonds, any associated liabilities, and any reimbursements due from the District are no longer outstanding, or (ii) July 9, 2032. On October 3, 2016, the District approved the Amended and Restated Sales and Use Tax Reimbursement Agreement which replaced this agreement.

Amended and Restated Sales and Use Tax Reimbursement Agreement

On October 3, 2016, the District, District No. 1 and the City entered into an Amended and Restated Sales and Use Tax Reimbursement Agreement. City payments under the agreement are pledged to the repayment of the Series 2016A Bonds and Series 2016B Bonds issued by the District, as well as any District bonds subsequently issued to refund the 2016 Bonds. The City payment consists of 65% of the 3.5% Sales Tax that is collected within the boundaries of the Districts and 50% of the 3.5% Use Tax levied on commercial buildings and construction materials. The City agrees to deposit the revenues into a Special Fund maintained the City. The Original Reimbursement Obligation to the City has been extended from July 10, 2031, through July 9, 2041, provided that the District imposes a debt service mill levy to repay the City under this agreement. The termination of this agreement is the later of (i) the date on which all of the District Bonds are no longer outstanding under any Indenture and any amounts owing to the issuer of any letter of credit, liquidity, facility, standby bond purchase agreement, insurance policy or other credit or liquidity instrument issued in connection with any District Bonds have been paid and (ii) the Extended Reimbursement Obligation has been repaid to the City.

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MIDCITIES METROPOLITAN DISTRICT NO. 2

Notes to Financial Statements
December 31, 2022

Amended and Restated Master Intergovernmental Agreement (“Master IGA”)

Dated November 30, 2004, this Master IGA establishes the obligations of MidCities Metropolitan Districts No. 1 and No. 2. District No. 1 shall acquire, construct, complete, manage, operate, maintain and repair any public improvements owned by District No.1 and shall generally administer the operations and business of the Districts, including, without limitation, the payment of all costs associated therewith. The District agrees to budget and appropriate that amount from legally available funds and impose a mill levy no greater than 3.000 mills to fund such amounts. The District shall impose a mill levy sufficient to pay all current or past due interest and principal amounts due on the District’s Bonds. All specific ownership taxes imposed by a mill levy in the District shall be transferred to District No. 1 to pay the administrative and operating expenses of the Districts. Additionally, the District shall impose a mill levy without limitation as to the rate to fulfill the District’s debt service obligations and District No. 1’s obligations to maintain the reserve requirements on the Series 2004A and Series 2004B Bonds, if the proceeds from the Sales and Use taxes are not sufficient for such purposes. As part of District No. 1’s LOC extension related to its Series 2004A and Series 2004B Bonds, the District was required to certify an additional debt service mill levy of 9 mills. These funds were budgeted and transferred to District No. 1.

On September 26, 2016, this agreement was modified by the Second Amended and Restated Master Intergovernmental Agreement which further detailed the methods and procedures for the cooperation between the Districts in conjunction with the refunding all the Districts bonds.

Intergovernmental Agreement with the City and County of Broomfield

MidCities Metropolitan Districts Nos. 1 & 2 and the City and County of Broomfield entered into an Intergovernmental Agreement which outlines the Districts’ obligations for the financing and construction of the public infrastructure within the boundaries of the Districts. It was amended on December 12, 2000 to include the issuance of additional debt of approximately \$15,000,000 for the District. On October 19, 2001, it was again amended to authorize the issuance of additional bonds by the Districts in 2001 and the redemption of the District No. 1’s 1998 bonds. On June 27, 2006 it was amended again to include the issuance of the District’s bonds for \$24,400,000 and the redemption of the Series 2000 and Series 2001A bonds. On October 3, 2016, it was amended again to authorize the consolidation of all outstanding indebtedness of the Districts by refunding at a lower interest rate the District’s outstanding Series 2006 Bonds and the District No. 1’s Series 2004A and Series 2004B Bonds, causing the termination of the District’s general obligation regarding the guarantee the payment of all Series 2004 Bonds, improving, completing, repairing and replacing the Districts’ public infrastructure and paying the costs of the issuance of all Series 2016 Bonds. This amendment also limited the total debt of the Districts to \$74,000,000 unless approved by the City, and in conjunction with the issuance on the 2016 Bonds, the City agreed to extend the term of the Tax Reimbursement Agreement for an additional 10 years subject to additional terms as per the Amended and Restated Tax Reimbursement Agreement with the City.

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MIDCITIES METROPOLITAN DISTRICT NO. 2

Notes to Financial Statements
December 31, 2022

Note 9: 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.

Note 10: Risk Management

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

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

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MIDCITIES METROPOLITAN DISTRICT NO. 2

Notes to Financial Statements
December 31, 2022

Note 11: Interfund and Operating Transfers

The transfer of \$10,348 from the General Fund to the Capital Projects Fund was transferred for the purpose of funding capital expenditures.

Note 12: 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) unamortized debt insurance and original issue premium are not financial resources and, therefore are not reported in the funds;
- 2) capital improvements used in government activities are not financial resources and, therefore are not reported in the funds; and
- 3) 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 capital outlays as expenditures, however, in the statement of activities, the costs of those assets are held as construction in process pending transfer to other governmental entities or depreciated over their useful lives;
- 2) 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; and,
- 3) governmental funds report long-term debt payments as expenditures, however, in the statement of activities, the payment of long-term debt is recorded as a decrease of long-term liabilities.

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SUPPLEMENTAL INFORMATION

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MIDCITIES METROPOLITAN DISTRICT NO. 2

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

For the Year Ended December 31, 2022

| | Original <u>Budget</u> | Final <u>Budget</u> | <u>Actual</u> | Variance Favorable <u>(Unfavorable)</u> |
|--|---------------------------|------------------------|-------------------|---|
| REVENUES | | | | |
| Property taxes | \$ 2,634,053 | \$ 2,634,053 | \$ 2,606,442 | \$ (27,611) |
| Sales tax revenue | 2,200,000 | 2,200,000 | 2,714,476 | 514,476 |
| Interest income | <u>3,010</u> | <u>3,010</u> | <u>66,699</u> | <u>63,689</u> |
| Total Revenues | <u>4,837,063</u> | <u>4,837,063</u> | <u>5,387,617</u> | <u>550,554</u> |
| EXPENDITURES | | | | |
| Bond principal | 56,125,000 | 60,225,000 | 59,854,000 | 371,000 |
| Bond interest expense | 3,355,000 | 2,227,004 | 1,944,764 | 282,240 |
| Paying agent fees | 6,000 | 3,500 | 3,500 | - |
| Bond issuance costs | 1,650,000 | 1,200,000 | 1,020,095 | 179,905 |
| Bond redemption premium | - | 300,000 | 287,610 | 12,390 |
| Miscellaneous expenses | 5,000 | 5,000 | 78 | 4,922 |
| Treasurer's fees | <u>39,496</u> | <u>39,496</u> | <u>39,052</u> | <u>444</u> |
| Total Expenditures | <u>61,180,496</u> | <u>64,000,000</u> | <u>63,149,099</u> | <u>850,901</u> |
| EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES | | | | |
| | (56,343,433) | (59,162,937) | (57,761,482) | 1,401,455 |
| OTHER FINANCING SOURCES (USES) | | | | |
| Bond proceeds | 55,000,000 | 55,000,000 | 50,185,000 | (4,815,000) |
| Bond premium | <u>-</u> | <u>-</u> | <u>690,332</u> | <u>690,332</u> |
| Total Other Financing Sources (Uses) | <u>55,000,000</u> | <u>55,000,000</u> | <u>50,875,332</u> | <u>(4,124,668)</u> |
| NET CHANGE IN FUND BALANCE | | | | |
| | (1,343,433) | (4,162,937) | (6,886,150) | (2,723,213) |
| FUND BALANCE: | | | | |
| BEGINNING OF YEAR | <u>7,773,860</u> | <u>7,773,860</u> | <u>7,804,954</u> | <u>31,094</u> |
| END OF YEAR | <u>\$ 6,430,427</u> | <u>\$ 3,610,923</u> | <u>\$ 918,804</u> | <u>\$ (2,692,119)</u> |

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

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MIDCITIES METROPOLITAN DISTRICT NO. 2

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

For the Year Ended December 31, 2022

| | Original & Final <u>Budget</u> | <u>Actual</u> | Variance Favorable <u>(Unfavorable)</u> |
|--|-----------------------------------|---------------|---|
| REVENUES | | | |
| Interest income | \$ 1,000 | \$ 3 | \$ (997) |
| Total Revenues | <u>1,000</u> | <u>3</u> | <u>(997)</u> |
| EXPENDITURES | | | |
| Capital outlay | <u>565,000</u> | <u>10,351</u> | <u>554,649</u> |
| Total Expenditures | <u>565,000</u> | <u>10,351</u> | <u>554,649</u> |
| EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES | (564,000) | (10,348) | 553,652 |
| OTHER FINANCING SOURCES (USES) | | | |
| Transfer from other funds | <u>564,000</u> | <u>10,348</u> | <u>(553,652)</u> |
| Total Other Financing Sources (Uses) | <u>564,000</u> | <u>10,348</u> | <u>(553,652)</u> |
| NET CHANGE IN FUND BALANCE | - | - | - |
| FUND BALANCE: | | | |
| BEGINNING OF YEAR | <u>-</u> | <u>-</u> | <u>-</u> |
| END OF YEAR | <u>\$ -</u> | <u>\$ -</u> | <u>\$ -</u> |

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

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CONTINUING DISCLOSURE ANNUAL FINANCIAL INFORMATION – UNAUDITED