

**MIDCITIES METROPOLITAN DISTRICT NO. 2**  
**2022**  
**BUDGET MESSAGE**

Attached please find a copy of the adopted 2022 budget for the MidCities Metropolitan District No. 2.

The MidCities Metropolitan District No. 2 has three funds, a General Fund to provide for the payment of operating and maintenance expenditures; a Capital Projects Fund to provide for the estimated infrastructure costs that are to be built for the benefit of the district; and a Debt Service Fund to provide for payments on the general obligation debt.

The district's accountants have utilized the modified accrual basis of accounting and the budget has been adopted after proper postings, publications and public hearing.

The primary sources of revenue for the district in 2022 will be property taxes, specific ownership taxes, bond proceeds and sales tax revenues. The district intends to impose a 41.901 mill levy on the property within the district in 2022, of which 3.000 mills will be dedicated to the General Fund and the balance of 38.901 mills will be allocated to the Debt Service Fund.

**MidCities Metropolitan District No. 2**  
**Adopted Budget**  
**General Fund**  
**For the Year ended December 31, 2022**

|                                   | Actual<br><u>2020</u> | Adopted<br>Budget<br><u>2021</u> | Actual<br><u>6/30/2021</u> | Estimate<br><u>2021</u> | Adopted<br>Budget<br><u>2022</u> |
|-----------------------------------|-----------------------|----------------------------------|----------------------------|-------------------------|----------------------------------|
| Beginning fund balance            | \$ 1,556,896          | \$ 1,569,742                     | \$ 1,737,973               | \$ 1,737,973            | \$ 1,208,146                     |
| Revenues:                         |                       |                                  |                            |                         |                                  |
| Property Taxes                    | 137,269               | 139,350                          | 131,135                    | 139,350                 | 144,103                          |
| Specific Ownership Taxes          | 136,694               | 119,979                          | 67,291                     | 135,000                 | 139,923                          |
| PILOT Revenues                    | 120,756               | 120,000                          | 94,506                     | 120,756                 | 120,000                          |
| Interest Income                   | 11,377                | 20,000                           | 550                        | 1,000                   | 2,000                            |
| Miscellaneous Income              | 296                   | 1,000                            | -                          | 1,000                   | 1,000                            |
|                                   | <u>406,392</u>        | <u>400,329</u>                   | <u>293,482</u>             | <u>397,106</u>          | <u>407,026</u>                   |
| Total revenues                    |                       |                                  |                            |                         |                                  |
|                                   | <u>406,392</u>        | <u>400,329</u>                   | <u>293,482</u>             | <u>397,106</u>          | <u>407,026</u>                   |
| Total funds available             | <u>1,963,288</u>      | <u>1,970,071</u>                 | <u>2,031,455</u>           | <u>2,135,079</u>        | <u>1,615,172</u>                 |
| Expenditures:                     |                       |                                  |                            |                         |                                  |
| Accounting                        | 18,774                | 26,000                           | 9,316                      | 26,000                  | 27,000                           |
| District Management               | 19,126                | 45,000                           | 9,908                      | 45,000                  | 46,000                           |
| Audit                             | 4,838                 | 5,000                            | -                          | 5,000                   | 5,300                            |
| Director's Fees                   | 3,200                 | 3,600                            | 2,000                      | 3,600                   | 3,600                            |
| Election Expense                  | 1,244                 | -                                | -                          | -                       | 10,000                           |
| Insurance/SDA                     | 26,642                | 28,000                           | 26,819                     | 28,000                  | 30,000                           |
| Legal                             | 23,129                | 15,000                           | 24,830                     | 50,000                  | 50,000                           |
| Engineering                       | 46,989                | 10,000                           | -                          | 10,000                  | 10,000                           |
| Miscellaneous Expense             | 1,526                 | 2,000                            | 672                        | 1,500                   | 3,000                            |
| Payroll Taxes                     | 245                   | 300                              | 153                        | 300                     | 300                              |
| Treasurer's Fees                  | 2,061                 | 2,090                            | 1,968                      | 2,090                   | 2,160                            |
| Property Management/FOA           | 77,541                | 100,000                          | 34,553                     | 100,000                 | 100,000                          |
| Repairs and Maintenance           | -                     | 50,000                           | 2,450                      | 50,000                  | 50,000                           |
| Transfer to Capital Projects Fund | -                     | -                                | -                          | 605,443                 | 564,000                          |
| Contingency                       | -                     | 1,674,471                        | -                          | -                       | 703,691                          |
| Emergency Reserve (3%)            | -                     | 8,610                            | -                          | -                       | 10,121                           |
|                                   | <u>225,315</u>        | <u>1,970,071</u>                 | <u>112,669</u>             | <u>926,933</u>          | <u>1,615,172</u>                 |
| Total expenditures                |                       |                                  |                            |                         |                                  |
|                                   | <u>225,315</u>        | <u>1,970,071</u>                 | <u>112,669</u>             | <u>926,933</u>          | <u>1,615,172</u>                 |
| Ending fund balance               | <u>\$ 1,737,973</u>   | <u>\$ -</u>                      | <u>\$ 1,918,786</u>        | <u>\$ 1,208,146</u>     | <u>\$ -</u>                      |
| Assessed valuation                |                       | <u>\$ 46,449,890</u>             |                            |                         | <u>\$ 48,034,047</u>             |
| Mill Levy                         |                       | 3.000                            |                            |                         | 3.000                            |
| Abatement Mill Levy               |                       | -                                |                            |                         | -                                |
| Total Mill Levy                   |                       | <u>3.000</u>                     |                            |                         | <u>3.000</u>                     |

**MidCities Metropolitan District No. 2**  
**Adopted Budget**  
**Capital Projects Fund**  
**For the Year ended December 31, 2022**

|                            | Estimate<br><u>2020</u> | Adopted<br>Budget<br><u>2021</u> | Actual<br><u>6/30/2021</u> | Estimate<br><u>2021</u> | Adopted<br>Budget<br><u>2022</u> |
|----------------------------|-------------------------|----------------------------------|----------------------------|-------------------------|----------------------------------|
| Beginning fund balance     | \$ 1,443,814            | \$ 1,125,000                     | \$ 1,191,371               | \$ 1,191,371            | \$ -                             |
| Revenues:                  |                         |                                  |                            |                         |                                  |
| Transfer from General Fund | -                       | -                                | -                          | 605,443                 | 564,000                          |
| Interest income            | <u>7,884</u>            | <u>15,000</u>                    | <u>314</u>                 | <u>1,000</u>            | <u>1,000</u>                     |
| Total revenues             | <u>7,884</u>            | <u>15,000</u>                    | <u>314</u>                 | <u>606,443</u>          | <u>565,000</u>                   |
| Total funds available      | <u>1,451,698</u>        | <u>1,140,000</u>                 | <u>1,191,685</u>           | <u>1,797,814</u>        | <u>565,000</u>                   |
| Expenditures:              |                         |                                  |                            |                         |                                  |
| Trails                     | -                       | 315,000                          | -                          | -                       | 315,000                          |
| Legal                      | 38,493                  | 35,000                           | 32,933                     | 45,000                  | -                                |
| District Management        | 1,802                   | -                                | -                          | -                       | -                                |
| Parking Garage Structure   | 124,313                 | 600,000                          | 13,296                     | 1,735,000               | -                                |
| Retaining Wall             |                         |                                  |                            |                         |                                  |
| Graystar                   | 95,719                  | -                                | -                          | -                       | -                                |
| 505 Zang Street            | -                       | 175,000                          | -                          | -                       | 200,000                          |
| Miscellaneous Improvements | <u>-</u>                | <u>15,000</u>                    | <u>-</u>                   | <u>17,814</u>           | <u>50,000</u>                    |
| Total expenditures         | <u>260,327</u>          | <u>1,140,000</u>                 | <u>46,229</u>              | <u>1,797,814</u>        | <u>565,000</u>                   |
| Ending fund balance        | <u>\$ 1,191,371</u>     | <u>\$ -</u>                      | <u>\$ 1,145,456</u>        | <u>\$ -</u>             | <u>\$ -</u>                      |

**MidCities Metropolitan District No. 2**  
**Adopted Budget**  
**Debt Service Fund**  
**For the Year ended December 31, 2022**

|                                       | Actual              | Adopted              | Actual              | Estimate                  | Adopted              |
|---------------------------------------|---------------------|----------------------|---------------------|---------------------------|----------------------|
|                                       | <u>2020</u>         | <u>2021</u>          | <u>6/30/2021</u>    | <u>2021</u>               | <u>2022</u>          |
| Beginning fund balance                | \$ 5,149,141        | \$ 5,605,210         | \$ 6,519,848        | \$ 6,519,848              | \$ 7,773,860         |
| Revenues:                             |                     |                      |                     |                           |                      |
| Property Taxes                        | 1,779,964           | 1,806,947            | 1,700,426           | 1,806,947                 | 1,868,572            |
| Property Taxes - Greystar             | 271,374             | 272,653              | 272,653             | 272,653                   | 335,349              |
| Property Taxes - Pathfinder Exclusion | 20,163              | 102,685              | 102,684             | 102,685                   | 158,604              |
| Property Taxes - Filing 15            | 93,782              | 94,105               | 94,105              | 94,105                    | 94,581               |
| Property Taxes - CPIII Exclusion      | 148,071             | 147,931              | 147,931             | 147,931                   | 176,947              |
| Bond Proceeds                         | -                   | 55,000,000           | -                   | -                         | 55,000,000           |
| Sales Tax Revenue                     | 2,117,305           | 2,200,000            | 1,000,739           | 2,200,000                 | 2,200,000            |
| Interest income                       | 31,459              | 45,657               | 1,935               | 4,000                     | 3,010                |
| Total revenues                        | <u>4,462,118</u>    | <u>59,669,978</u>    | <u>3,320,473</u>    | <u>4,628,321</u>          | <u>59,837,063</u>    |
| Total funds available                 | <u>9,611,259</u>    | <u>65,275,188</u>    | <u>9,840,321</u>    | <u>11,148,169</u>         | <u>67,610,923</u>    |
| Expenditures:                         |                     |                      |                     |                           |                      |
| 2016A Loan and Swap Interest          | 1,665,586           | 1,627,444            | 806,778             | 1,627,444                 | 405,000              |
| 2016A Loan Principal                  | 1,375,000           | 46,125,000           | -                   | -                         | 46,125,000           |
| 2016B Bond Interest                   | -                   | 900,000              | -                   | 1,690,000                 | 200,000              |
| 2016B Bond Principal                  | -                   | 10,000,000           | -                   | -                         | 10,000,000           |
| 2021 Bond Interest                    | -                   | -                    | -                   | -                         | 2,750,000            |
| Investment Advisor                    | 5,000               | 5,000                | -                   | 5,000                     | -                    |
| Bond Issuance Costs                   | -                   | 1,650,000            | -                   | -                         | 1,650,000            |
| Trustee /Paying Agent Fees            | 11,105              | 10,500               | 8,760               | 10,500                    | 6,000                |
| Miscellaneous                         | -                   | 5,000                | -                   | 5,000                     | 5,000                |
| Treasurer's fees                      | 34,720              | 36,300               | 34,774              | 36,365                    | 39,496               |
| Total expenditures                    | <u>3,091,411</u>    | <u>60,359,244</u>    | <u>850,312</u>      | <u>3,374,309</u>          | <u>61,180,496</u>    |
| Ending fund balance                   | <u>\$ 6,519,848</u> | <u>\$ 4,915,944</u>  | <u>\$ 8,990,009</u> | <u>\$ 7,773,860</u>       | <u>\$ 6,430,427</u>  |
| Assessed valuation                    |                     |                      |                     |                           |                      |
| Debt Service                          |                     | <u>\$ 46,449,890</u> |                     | Debt Service              | <u>\$ 48,034,047</u> |
| DSF-Greystar Excl                     |                     | <u>\$ 8,830,860</u>  |                     | DSF-Greystar Excl         | <u>\$ 10,861,490</u> |
| Pathfinder Exclusion                  |                     | <u>\$ 2,702,230</u>  |                     | Pathfinder Exclusion      | <u>\$ 4,173,800</u>  |
| DSF - Filing 15 Exclusion             |                     | <u>\$ 2,476,440</u>  |                     | DSF - Filing 15 Exclusion | <u>\$ 2,488,980</u>  |
| CPIII Exclusion                       |                     | <u>\$ 3,892,920</u>  |                     | CPIII Exclusion           | <u>\$ 4,656,490</u>  |
| Total Debt Mill Levy                  |                     |                      |                     |                           |                      |
| Debt Service                          |                     | <u>38.901</u>        |                     | Debt Service              | <u>38.901</u>        |
| DSF-Greystar Excl                     |                     | <u>30.875</u>        |                     | DSF-Greystar Excl         | <u>30.875</u>        |
| DSF - Filing 15 Exclusion             |                     | <u>38.000</u>        |                     | DSF - Filing 15 Exclusion | <u>38.000</u>        |
| Pathfinder Exclusion                  |                     | <u>38.000</u>        |                     | Pathfinder Exclusion      | <u>38.000</u>        |
| CPIII Exclusion                       |                     | <u>38.000</u>        |                     | CPIII Exclusion           | <u>38.000</u>        |
| Total Mill Levy                       |                     | <u>41.901</u>        |                     |                           | <u>41.901</u>        |