

**MORGAN HILL METROPOLITAN DISTRICT NO. 3  
GOVERNMENTAL FUND**

|   | 2020                |       | 2021                |                                | 2022 BUDGET         |                     |                     |                     |
|---|---------------------|-------|---------------------|--------------------------------|---------------------|---------------------|---------------------|---------------------|
|   | Actual              | Final | Original Budget     | Amended Budget (if applicable) | Projected Final     | General Fund Budget | Debt Service Budget | Total Budget        |
| <b>REVENUES</b>                                     |                     |       |                     |                                |                     |                     |                     |                     |
| Taxes   |                     |       |                     |                                |                     |                     |                     |                     |
| Property  | \$ 2,667,193        |       | \$ 1,037,872        | \$ 1,037,872                   | \$ 1,037,872        | \$ -                | \$ 312,085          | \$ 312,085          |
| Specific ownership                                  | 126,600             |       | 62,272              | 51,957                         | 51,957              | -                   | 15,604              | 15,604              |
| TIF   | -                   |       | -                   | -                              | -                   | -                   | -                   | -                   |
| Intergovernmental                                   |                     |       |                     |                                |                     |                     |                     |                     |
| Transfers from Morgan Hill MD No. 1                 | 77,437              |       | 3,600,000           | 1,953                          | 1,953               | -                   | 86,887              | 86,887              |
| Transfers from Morgan Hill MD No. 2                 | -                   |       | 2,000,000           | -                              | -                   | 1,400,000           | 237,571             | 1,637,571           |
| Investment income                                   | 23,039              |       | -                   | 4,267                          | 4,267               | -                   | -                   | -                   |
| Other   | -                   |       | -                   | -                              | -                   | -                   | -                   | -                   |
| <b>Total revenue</b>                                | <b>\$ 2,894,269</b> |       | <b>\$ 6,700,145</b> | <b>\$ 1,096,049</b>            | <b>\$ 1,096,049</b> | <b>\$ 1,400,000</b> | <b>\$ 652,148</b>   | <b>\$ 2,052,148</b> |
| <b>EXPENDITURES</b>                                 |                     |       |                     |                                |                     |                     |                     |                     |
| Current   |                     |       |                     |                                |                     |                     |                     |                     |
| County Treasurer's fees                             | 40,184              |       | 15,568              | 15,568                         | 15,568              | -                   | 4,681               | 4,681               |
| Letter of credit fees                               | 91,853              |       | 91,900              | 92,986                         | 92,986              | -                   | -                   | -                   |
| Insurance   | 2,386               |       | 2,500               | 2,161                          | 2,161               | -                   | -                   | -                   |
| Accounting  | 6,576               |       | 15,000              | 38,562                         | 38,562              | -                   | -                   | -                   |
| Audit   | 6,405               |       | 7,000               | 6,720                          | 6,720               | -                   | -                   | -                   |
| Legal   | -                   |       | 1,500               | -                              | -                   | -                   | -                   | -                   |
| Other   | 2,206               |       | 5,000               | 1,769                          | 1,769               | -                   | -                   | -                   |
| <b>Subtotal current</b>                             | <b>149,610</b>      |       | <b>138,468</b>      | <b>157,766</b>                 | <b>157,766</b>      | <b>-</b>            | <b>4,681</b>        | <b>4,681</b>        |
| Capital outlay                                      |                     |       |                     |                                |                     |                     |                     |                     |
| Work in process                                     | 589,322             |       | 11,650,000          | 5,735,686                      | 5,735,686           | 14,254,845          | -                   | 14,254,845          |
| <b>Subtotal capital outlay</b>                      | <b>589,322</b>      |       | <b>11,650,000</b>   | <b>5,735,686</b>               | <b>5,735,686</b>    | <b>14,254,845</b>   | <b>-</b>            | <b>14,254,845</b>   |
| Intergovernmental                                   |                     |       |                     |                                |                     |                     |                     |                     |
| Transfers to Morgan Hill MD No. 1                   | 53,000              |       | -                   | -                              | -                   | -                   | -                   | -                   |
| Transfers to Morgan Hill MD No. 2                   | -                   |       | -                   | -                              | -                   | -                   | -                   | -                   |
| <b>Subtotal intergovernmental</b>                   | <b>53,000</b>       |       | <b>-</b>            | <b>-</b>                       | <b>-</b>            | <b>-</b>            | <b>-</b>            | <b>-</b>            |
| Debt Service  |                     |       |                     |                                |                     |                     |                     |                     |
| Loan origination fees                               | -                   |       | -                   | 761,968                        | 761,968             | -                   | -                   | -                   |
| Trustee fees  | -                   |       | -                   | 9,000                          | 9,000               | -                   | 8,000               | 8,000               |
| Principal   |                     |       |                     |                                |                     |                     |                     |                     |
| Limited Tax Revenue Bonds, Series 2018A             | -                   |       | 4,000,000           | 4,000,000                      | 4,000,000           | -                   | -                   | -                   |
| Subordinate Limited Tax Revenue Note, Series 2018B  | -                   |       | 3,200,000           | 16,349,623                     | 16,349,623          | -                   | -                   | -                   |
| Limited Tax Revenue Bonds, Series 2020A             | -                   |       | -                   | -                              | -                   | -                   | -                   | -                   |
| Subordinate Limited Tax Revenue Bonds, Series 2020B | -                   |       | -                   | -                              | -                   | -                   | -                   | -                   |
| Subordinate Limited Tax Revenue Note, Series 2020C  | -                   |       | -                   | -                              | -                   | -                   | -                   | -                   |
| Interest  |                     |       |                     |                                |                     |                     |                     |                     |
| Limited Tax Revenue Bonds, Series 2018A             | 220,000             |       | 110,000             | 133,833                        | 133,833             | -                   | -                   | -                   |

|  |                      |                        |                        |                        |                        |                     |                        |
|--|----------------------|------------------------|------------------------|------------------------|------------------------|---------------------|------------------------|
| Subordinate Limited Tax Revenue Note, Series 2018B   | 334,428              | 1,174,260              | 1,208,262              | 1,208,262              | -                      | -                   | -                      |
| Limited Tax Revenue Bonds, Series 2021A              | -                    | -                      | -                      | -                      | -                      | 796,131             | 796,131                |
| Subordinate Limited Tax Revenue Bonds, Series 2021B  | -                    | -                      | -                      | -                      | -                      | 102,082             | 102,082                |
| Subordinate Limited Tax Revenue Note, Series 2021C   | -                    | -                      | -                      | -                      | -                      | 547,072             | 547,072                |
| <b>Subtotal debt service</b>                         | <b>554,428</b>       | <b>8,484,260</b>       | <b>22,462,687</b>      | <b>22,462,687</b>      | <b>-</b>               | <b>1,453,286</b>    | <b>1,453,286</b>       |
| <b>Total expenditures</b>                            | <b>\$ 1,346,360</b>  | <b>\$ 20,272,728</b>   | <b>\$ 28,356,140</b>   | <b>\$ 28,356,140</b>   | <b>\$ 14,254,845</b>   | <b>\$ 1,457,967</b> | <b>\$ 15,712,812</b>   |
| <b>(DEFICIENCY) OF REVENUE<br/>OVER EXPENDITURES</b> | <b>\$ 1,547,909</b>  | <b>\$ (13,572,584)</b> | <b>\$ (27,260,091)</b> | <b>\$ (27,260,091)</b> | <b>\$ (12,854,845)</b> | <b>\$ (805,819)</b> | <b>\$ (13,660,664)</b> |
| <b>OTHER FINANCING SOURCES</b>                       |                      |                        |                        |                        |                        |                     |                        |
| Debt proceeds  | 12,169,273           | -                      | 26,166,324             | 26,166,324             | 4,000,000              | -                   | 4,000,000              |
| Developer advances received                          | -                    | -                      | -                      | -                      | -                      | -                   | -                      |
| Change in working capital                            | (24,578)             | -                      | 330,949                | 330,949                | -                      | -                   | -                      |
| <b>Total other financing sources</b>                 | <b>\$ 12,144,695</b> | <b>\$ -</b>            | <b>\$ 26,497,273</b>   | <b>\$ 26,497,273</b>   | <b>\$ 4,000,000</b>    | <b>\$ -</b>         | <b>\$ 4,000,000</b>    |
| <b>NET CHANGE IN FUND BALANCE</b>                    | <b>13,692,605</b>    | <b>(13,572,584)</b>    | <b>(762,817)</b>       | <b>(762,817)</b>       | <b>(8,854,845)</b>     | <b>(805,819)</b>    | <b>(9,660,664)</b>     |
| <b>FUND BALANCE - BEGINNING OF YEAR</b>              | <b>1,852,500</b>     | <b>15,545,105</b>      | <b>15,545,105</b>      | <b>15,545,105</b>      | <b>11,134,521</b>      | <b>3,647,767</b>    | <b>14,782,287</b>      |
| <b>FUND BALANCE - END OF CURRENT PERIOD</b>          | <b>\$ 15,545,105</b> | <b>\$ 1,972,521</b>    | <b>\$ 14,782,287</b>   | <b>\$ 14,782,287</b>   | <b>\$ 2,279,676</b>    | <b>\$ 2,841,948</b> | <b>\$ 5,121,623</b>    |

| MORGAN HILL MD NO. 3<br>2022 REVENUE PROJECTION |                     | 2021 AV, Collected in 2022  |                      |                       |
|---|---------------------|-----------------------------|----------------------|-----------------------|
|   |                     | Certified<br>Assessed Value | Total Mill Levy      | Ad Valorem<br>Revenue |
| Vacant Land                                     | 1,950               | 55.663                      | 108.54               |                       |
| Residential                                     | -                   | 55.663                      | -                    |                       |
| Commercial                                      | -                   | 55.663                      | -                    |                       |
| Agricultural                                    | 2,150               | 55.663                      | 119.68               |                       |
| Oil & Gas                                       | 5,571,290           | 55.663                      | 310,114.72           |                       |
| State Assessed                                  | 31,300              | 55.663                      | 1,742.25             |                       |
|   | <b>\$ 5,606,690</b> | <b>55.663</b>               | <b>\$ 312,085.19</b> |                       |

| 2022 MILL LEVY APPROPRIATION |                       |                       |                     |                     |
|------------------------------|-----------------------|-----------------------|---------------------|---------------------|
|                              | Levy<br>Appropriation | Ad Valorem<br>Revenue | S.O. Revenue        | Treasurer's<br>Fees |
|                              |                       | <b>312,085.19</b>     | <b>5.00%</b>        | <b>1.50%</b>        |
| General Fund                 | 0.000                 | -                     | -                   | -                   |
| Debt Service                 | 55.663                | 312,085.19            | 15,604.26           | 4,681.28            |
|                              | <b>55.663</b>         | <b>\$ 312,085.19</b>  | <b>\$ 15,604.26</b> | <b>\$ 4,681.28</b>  |