

**TOLLGATE CROSSING METROPOLITAN
DISTRICT #2**

FINANCIAL STATEMENTS

For the Seven Month Period Ended July 31, 2022



SCHILLING & COMPANY, INC.

Certified Public Accountants

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Accountant's Compilation Report

Board of Directors
Tollgate Crossing Metropolitan District #2
Arapahoe County, Colorado

Management is responsible for the accompanying financial statements of each major fund of the Tollgate Crossing Metropolitan District #2, as of and for the one month and seven month periods ended July 31, 2022, as listed in the table of contents, in accordance with accounting principles generally accepted in the United States of America. We have performed a compilation engagement in accordance with 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 government-wide financial statements, statement of revenues, expenditures and changes in fund balances – governmental funds and substantially all of the disclosures required by accounting principles generally accepted in the United States of America. If the omitted financial statements and disclosures were included in the financial statements, they might influence the user's conclusions about the Tollgate Crossing Metropolitan District #2's financial position and results of operations. Accordingly, the financial statements are not designed for those who are not informed about such matters.

Management has omitted the management's discussion and analysis that accounting principles generally accepted in the United States of America require to be presented to supplement the basic financial statements. Such missing information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting and for placing the basic financial statements in an appropriate operational, economic, or historical context.

The supplementary information contained on page 4-8 is presented for purposes of additional analysis and is not a required part of the basic financial statements. This information is the representation of management. The information was subject to our compilation engagement however, we have not audited or reviewed the supplementary information and, accordingly, do not express an opinion, a conclusion, nor provide any form of assurance on such supplementary information.

We are not independent with respect to Tollgate Crossing Metropolitan District #2.

SCHILLING & COMPANY, INC.

August 16, 2022

FINANCIAL STATEMENTS

TOLLGATE CROSSING METROPOLITAN DISTRICT #2
BALANCE SHEET - GOVERNMENTAL FUNDS
July 31, 2022

	<u>GENERAL</u>	<u>DEBT SERVICE</u>	<u>CAPITAL REPLACEMENT</u>	<u>TOTAL GOVERNMENTAL FUNDS</u>
ASSETS				
Current assets				
Cash and investments - unrestricted	\$ 3,104,056	\$ -	\$ 636,052	\$ 3,740,108
Cash and investments - restricted	-	1,881,586	-	1,881,586
Cash with County Treasurer	19,053	5,716	-	24,769
Property taxes receivable	10,867	3,260	-	14,127
Accounts receivable - COA	17,500	-	-	17,500
Interest receivable	2,898	-	-	2,898
Accounts receivable - fees	4,667	-	-	4,667
TOTAL ASSETS	<u>\$ 3,159,041</u>	<u>\$ 1,890,562</u>	<u>\$ 636,052</u>	<u>\$ 5,685,655</u>
LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES				
Current liabilities				
Accounts payable	\$ 154,145	\$ -	\$ -	\$ 154,145
Assessments payable to customers	1,201	-	-	1,201
Total liabilities	<u>155,346</u>	<u>-</u>	<u>-</u>	<u>155,346</u>
DEFERRED INFLOWS OF RESOURCES				
Deferred assessments	4,667	-	-	4,667
Deferred property taxes	10,867	3,260	-	14,127
	<u>15,534</u>	<u>3,260</u>	<u>-</u>	<u>18,794</u>
FUND BALANCES				
Restricted for debt service	-	1,887,302	-	1,887,302
Restricted for landscape mitigation	37,253	-	-	37,253
Restricted for emergencies	35,753	-	-	35,753
Assigned for capital projects	-	-	636,052	636,052
Unassigned	2,915,155	-	-	2,915,155
Total fund balance	<u>2,988,161</u>	<u>1,887,302</u>	<u>636,052</u>	<u>5,511,515</u>
TOTAL LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES	<u>\$ 3,159,041</u>	<u>\$ 1,890,562</u>	<u>\$ 636,052</u>	<u>\$ 5,685,655</u>

These financial statements should be read only in connection
with the accompanying accountant's compilation report.

TOLLGATE CROSSING METROPOLITAN DISTRICT #2
STATEMENT OF REVENUE, EXPENDITURES AND CHANGES IN FUND BALANCE
BUDGET TO ACTUAL - GENERAL FUND
For the One Month and Seven Month Periods Ended July 31, 2022

	ONE MONTH ENDED ACTUAL	SEVEN MONTHS ENDED ACTUAL	ADOPTED BUDGET	VARIANCE WITH FINAL BUDGET POSITIVE (NEGATIVE)
REVENUE				
Property tax	\$ 8,182	\$ 2,189,514	\$ 2,200,382	\$ (10,868)
Specific ownership tax	10,795	78,533	143,025	(64,492)
Penalties, interest and fees	-	1,371	-	1,371
Uncollected fees	-	(110)	-	(110)
Clubhouse rental	-	4,885	5,000	(115)
HOA newsletter reimbursements	-	1,269	2,100	(831)
Grants/reimbursements	-	7,976	-	7,976
Interest income	1,580	3,827	2,091	1,736
Interest on investments	-	209	-	209
Net decrease in fair value of investments	3,749	(12,034)	-	(12,034)
Miscellaneous	230	270	-	270
TOTAL REVENUE	24,536	2,275,710	2,352,598	(76,888)
EXPENDITURES				
Accounting	1,182	8,847	20,000	11,153
Audit	4,400	4,400	5,000	600
Legal	1,308	10,740	19,133	8,393
Legal - collections	50	650	10,000	9,350
Election	-	27,689	30,000	2,311
Insurance	-	31,027	36,534	5,507
Bank fees	119	778	2,000	1,222
Miscellaneous	-	375	-	(375)
Landscape maintenance	22,120	148,522	370,440	221,918
Structural prune trees	-	-	108,000	108,000
Landscape projects	709	131,907	200,000	68,093
Management				
Management fees - general	4,743	33,273	60,000	26,727
Management fees - special	-	-	20,000	20,000
Newletter costs	363	2,540	5,000	2,460
Utilities				
Water usage	33,862	89,641	242,482	152,841
Electric & gas	4,000	18,352	27,500	9,148
Telephone and internet	371	2,598	3,000	402
Clubhouse and park maintenance	532	7,536	50,000	42,464
Pool services	16,465	54,311	90,558	36,247
Pool repairs and maintenance	4,387	9,399	35,000	25,601
Holiday lighting	-	-	25,000	25,000
Utility locates	23	158	1,800	1,642
Treasurer's fees	126	32,849	33,006	157
Mitigation grants	-	1,500	37,253	35,753
Security System	-	5,100	14,700	9,600
Pool improvements	-	33,860	150,000	116,140
Security patrols	7,495	17,920	150,000	132,080
Prairie dog fencing	-	-	50,000	50,000
Clubhouse improvements	-	1,426	100,000	98,574
Fence repairs	-	13,182	-	(13,182)
Landscaping - Newbridge area	-	-	150,000	150,000
ET controllers	-	225,592	100,000	(125,592)
Park Improvements	-	-	200,000	200,000
TOTAL EXPENDITURES	102,255	914,172	2,346,406	1,432,234
REVENUES OVER (UNDER) EXPENDITURES	(77,719)	1,361,538	6,192	1,355,346
OTHER FINANCING SOURCES (USES)				
Transfer to Capital Projects Fund	-	-	(150,000)	150,000
Total other financing sources (uses)	-	-	(150,000)	150,000
NET CHANGE IN FUND BALANCE	(77,719)	1,361,538	(143,808)	1,505,346
FUND BALANCE - BEGINNING OF PERIOD	3,065,880	1,626,623	1,540,774	85,849
FUND BALANCE - END OF PERIOD	\$ 2,988,161	\$ 2,988,161	\$ 1,396,966	\$ 1,591,195

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SUPPLEMENTAL INFORMATION

TOLLGATE CROSSING METROPOLITAN DISTRICT #2
SCHEDULE OF REVENUE, EXPENDITURES AND CHANGES IN FUND BALANCE
BUDGET TO ACTUAL - DEBT SERVICE FUND
For the One Month and Seven Month Periods Ended July 31, 2022

	ONE MONTH ENDED ACTUAL	SEVEN MONTHS ENDED ACTUAL	ADOPTED BUDGET	VARIANCE WITH FINAL BUDGET POSITIVE (NEGATIVE)
REVENUE				
Property tax	\$ 2,455	\$ 656,855	\$ 660,114	\$ (3,259)
Specific ownership tax	3,238	23,560	42,907	(19,347)
Net investment earnings	932	2,696	1,340	1,356
TOTAL REVENUE	<u>6,625</u>	<u>683,111</u>	<u>704,361</u>	<u>(21,250)</u>
EXPENDITURES				
Note principal - 2012A	-	-	680,000	680,000
Note Interest - 2012A	-	132,722	265,445	132,723
Paying agent	-	-	3,000	3,000
Treasurer fees	38	9,855	9,902	47
TOTAL EXPENDITURES	<u>38</u>	<u>142,577</u>	<u>958,347</u>	<u>815,770</u>
NET CHANGE IN FUND BALANCE	6,587	540,534	(253,986)	794,520
FUND BALANCE - BEGINNING OF PERIOD	<u>1,880,715</u>	<u>1,346,768</u>	<u>1,340,345</u>	<u>6,423</u>
FUND BALANCE - END OF PERIOD	<u>\$ 1,887,302</u>	<u>\$ 1,887,302</u>	<u>\$ 1,086,359</u>	<u>\$ 800,943</u>

This schedule should be read only in connection
with the accompanying accountant's compilation report.

TOLLGATE CROSSING METROPOLITAN DISTRICT #2
SCHEDULE OF REVENUE, EXPENDITURES AND CHANGES IN FUND BALANCE
BUDGET TO ACTUAL - CAPITAL REPLACEMENT FUND
For the One Month and Seven Month Periods Ended July 31, 2022

	ONE MONTH ENDED ACTUAL	SEVEN MONTHS ENDED ACTUAL	ADOPTED BUDGET	VARIANCE WITH FINAL BUDGET POSITIVE (NEGATIVE)
REVENUE				
Net investment income	\$ 312	\$ 1,042	\$ 635	\$ 407
TOTAL REVENUE	<u>312</u>	<u>1,042</u>	<u>635</u>	<u>407</u>
EXPENDITURES				
Capital improvements	-	-	-	-
TOTAL EXPENDITURES	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
REVENUES OVER (UNDER) EXPENDITURES	<u>312</u>	<u>1,042</u>	<u>635</u>	<u>407</u>
OTHER FINANCING SOURCES (USES)				
Transfer from General Fund	-	-	150,000	(150,000)
Total other financing sources (uses)	<u>-</u>	<u>-</u>	<u>150,000</u>	<u>(150,000)</u>
NET CHANGE IN FUND BALANCE	312	1,042	150,635	(149,593)
FUND BALANCE - BEGINNING OF PERIOD	<u>635,740</u>	<u>635,010</u>	<u>635,062</u>	<u>(52)</u>
FUND BALANCE - END OF PERIOD	<u>\$ 636,052</u>	<u>\$ 636,052</u>	<u>\$ 785,697</u>	<u>\$ (149,645)</u>

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TOLLGATE CROSSING METROPOLITAN DISTRICT #2
SCHEDULE OF CASH POSITION
July 31, 2022

<u>FINANCIAL INSTITUTION</u>	<u>FUNDS</u>
Checking - BOK Financial	\$ 156,943
Colotrust	1,653,123
BOK Investment Portfolio	3,811,628
	<u>\$ 5,621,694</u>
	<u><u>\$ 5,621,694</u></u>
Unrestricted	\$ 3,740,108
Restricted	1,881,586
	<u>\$ 5,621,694</u>
	<u><u>\$ 5,621,694</u></u>
General Fund	\$ 3,104,056
Debt Service Fund	1,881,586
Capital Replacement	636,052
	<u>\$ 5,621,694</u>
	<u><u>\$ 5,621,694</u></u>

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TOLLGATE CROSSING METROPOLITAN DISTRICT #2
SCHEDULE OF CHANGES IN LONG-TERM DEBT
For the Seven Month Period Ended July 31, 2022

	<u>Balance at January 1, 2022</u>	<u>Issuances</u>	<u>Retirements</u>	<u>Balance at July 31, 2022</u>
Tax-Free Note - Series 2012A	<u>\$ 9,795,000</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 9,795,000</u>

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**TOLLGATE CROSSING METROPOLITAN DISTRICT #2
SCHEDULE OF DEBT SERVICE REQUIREMENTS TO MATURITY**

\$10,000,000			
General Obligation Refunding Notes, Series 2012A			
Interest Rate of 2.71%, effective November 30, 2020			
Principal Due on December 1			
Year Ending December 31,	Interest Due on June 1 and December 1		
	Principal	Interest	Total
2022	\$ 680,000	\$ 265,445	\$ 945,445
2023	710,000	247,016	957,016
2024	745,000	227,775	972,775
2025	780,000	207,586	987,586
2026	820,000	186,448	1,006,448
2027	860,000	164,226	1,024,226
2028	900,000	140,920	1,040,920
2029	940,000	116,530	1,056,530
2030	990,000	91,056	1,081,056
2031	1,035,000	64,227	1,099,227
2032	1,335,000	36,179	1,371,179
	\$ 9,795,000	\$ 1,747,408	\$ 11,542,408

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