

**TOLLGATE CROSSING METROPOLITAN
DISTRICT #2**

FINANCIAL STATEMENTS

For the Seven Month Period Ended July 31, 2023



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, 2023, 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 17, 2023

FINANCIAL STATEMENTS

TOLLGATE CROSSING METROPOLITAN DISTRICT #2
BALANCE SHEET - GOVERNMENTAL FUNDS
July 31, 2023

	<u>GENERAL</u>	<u>DEBT SERVICE</u>	<u>CAPITAL REPLACEMENT</u>	<u>TOTAL GOVERNMENTAL FUNDS</u>
ASSETS				
Current assets				
Cash and investments - unrestricted	\$ 3,644,626	\$ -	\$ 803,726	\$ 4,448,352
Cash and investments - restricted	-	1,506,305	-	1,506,305
Cash with County Treasurer	12,889	3,866	-	16,755
Property taxes receivable	14,133	4,240	-	18,373
Accounts receivable - COA	17,500	-	-	17,500
Interest receivable	2,266	-	-	2,266
Accounts receivable - fees	4,683	-	-	4,683
TOTAL ASSETS	<u>\$ 3,696,097</u>	<u>\$ 1,514,411</u>	<u>\$ 803,726</u>	<u>\$ 6,014,234</u>
LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES				
Current liabilities				
Accounts payable	\$ 52,478	\$ -	\$ -	\$ 52,478
Assessments payable to customers	1,201	-	-	1,201
Total liabilities	<u>53,679</u>	<u>-</u>	<u>-</u>	<u>53,679</u>
DEFERRED INFLOWS OF RESOURCES				
Deferred assessments	4,683	-	-	4,683
Deferred property taxes	14,133	4,240	-	18,373
	<u>18,816</u>	<u>4,240</u>	<u>-</u>	<u>23,056</u>
FUND BALANCES				
Restricted for debt service	-	1,510,171	-	1,510,171
Restricted for landscape mitigation	37,253	-	-	37,253
Restricted for emergencies	54,709	-	-	54,709
Assigned for capital projects	-	-	803,726	803,726
Unassigned	3,531,640	-	-	3,531,640
Total fund balance	<u>3,623,602</u>	<u>1,510,171</u>	<u>803,726</u>	<u>5,937,499</u>
TOTAL LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES	<u>\$ 3,696,097</u>	<u>\$ 1,514,411</u>	<u>\$ 803,726</u>	<u>\$ 6,014,234</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 Period Ended July 31, 2023

	ONE MONTH ENDED ACTUAL	SEVEN MONTHS ENDED ACTUAL	ADOPTED BUDGET	VARIANCE WITH FINAL BUDGET POSITIVE (NEGATIVE)
REVENUE				
Property tax	\$ 3,900	\$ 1,647,704	\$ 1,661,838	\$ (14,134)
Specific ownership tax	8,955	63,503	99,710	(36,207)
Penalties, interest and fees	-	27	-	27
Uncollected fees	-	75	-	75
Clubhouse rental	-	3,995	5,000	(1,005)
HOA newsletter reimbursements	-	1,858	2,100	(242)
Interest income	4,365	15,285	55,000	(39,715)
Interest on investments	2,539	20,375	-	20,375
Net increase (decrease) in fair value	(2,129)	15,939	-	15,939
Miscellaneous	427	507	-	507
TOTAL REVENUE	18,057	1,769,268	1,823,648	(54,380)
EXPENDITURES				
Accounting	2,313	13,090	25,000	11,910
Audit	-	-	5,000	5,000
Legal	600	8,986	20,000	11,014
Election	-	-	35,000	35,000
Insurance	-	40,510	45,000	4,490
Bank fees	75	557	2,000	1,443
Miscellaneous	-	129	-	(129)
Landscape maintenance	21,067	147,468	400,000	252,532
Structural prune trees	-	-	50,000	50,000
Landscape projects	975	68,976	100,000	31,024
Management				
Management fees - general	5,000	35,396	60,000	24,604
Management fees - special	-	-	20,000	20,000
Newletter costs	395	2,741	5,000	2,259
Website maintenance	-	7,800	-	(7,800)
Utilities				
Water usage	33,248	71,187	242,482	171,295
Electric & gas	4,068	14,275	38,000	23,725
Telephone and internet	376	2,654	5,000	2,346
Clubhouse and park maintenance	494	11,652	50,000	38,348
Pool services	17,325	60,650	100,000	39,350
Pool repairs and maintenance	8,048	22,806	35,000	12,194
Lighting projects	-	21,513	-	(21,513)
Holiday lighting	-	-	25,000	25,000
Utility locates	19	137	1,800	1,663
Treasurer's fees	60	24,721	24,928	207
Mitigation grants	-	-	35,000	35,000
Security System	-	33,750	18,375	(15,375)
Mailbox replacements	-	-	200,000	200,000
Security patrols	5,125	35,862	150,000	114,138
Clubhouse improvements	19,247	36,847	500,000	463,153
Fence repairs	-	4,350	40,000	35,650
TOTAL EXPENDITURES	118,435	666,057	2,232,585	1,566,528
REVENUES OVER (UNDER) EXPENDITURES	(100,378)	1,103,211	(408,937)	1,512,148
OTHER FINANCING SOURCES (USES)				
Transfer to Capital Replacement Fund	-	-	(100,000)	100,000
Total other financing sources (uses)	-	-	(100,000)	100,000
NET CHANGE IN FUND BALANCE	(100,378)	1,103,211	(508,937)	1,612,148
FUND BALANCE - BEGINNING OF PERIOD	3,723,980	2,520,391	1,575,350	945,041
FUND BALANCE - END OF PERIOD	\$ 3,623,602	\$ 3,623,602	\$ 1,066,413	\$ 2,557,189

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with the accompanying accountant's compilation report.

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 Period Ended July 31, 2023

	ONE MONTH ENDED ACTUAL	SEVEN MONTHS ENDED ACTUAL	ADOPTED BUDGET	VARIANCE WITH FINAL BUDGET POSITIVE (NEGATIVE)
REVENUE				
Property tax	\$ 1,170	\$ 494,313	\$ 498,551	\$ (4,238)
Specific ownership tax	2,686	19,047	29,913	(10,866)
Net investment earnings	2,857	20,314	36,000	(15,686)
TOTAL REVENUE	<u>6,713</u>	<u>533,674</u>	<u>564,464</u>	<u>(30,790)</u>
EXPENDITURES				
Note principal - 2012A	-	-	710,000	710,000
Note Interest - 2012A	-	123,508	247,016	123,508
Paying agent	-	-	3,000	3,000
Treasurer fees	17	7,415	7,478	63
TOTAL EXPENDITURES	<u>17</u>	<u>130,923</u>	<u>967,494</u>	<u>836,571</u>
NET CHANGE IN FUND BALANCE	6,696	402,751	(403,030)	805,781
FUND BALANCE - BEGINNING OF PERIOD	<u>1,503,475</u>	<u>1,107,420</u>	<u>1,098,776</u>	<u>8,644</u>
FUND BALANCE - END OF PERIOD	<u>\$ 1,510,171</u>	<u>\$ 1,510,171</u>	<u>\$ 695,746</u>	<u>\$ 814,425</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 Period Ended July 31, 2023

	ONE MONTH ENDED ACTUAL	SEVEN MONTHS ENDED ACTUAL	ADOPTED BUDGET	VARIANCE WITH FINAL BUDGET POSITIVE (NEGATIVE)
REVENUE				
Net investment income	\$ 1,611	\$ 12,623	\$ 23,778	\$ (11,155)
TOTAL REVENUE	<u>1,611</u>	<u>12,623</u>	<u>23,778</u>	<u>(11,155)</u>
EXPENDITURES				
Capital improvements	-	-	-	-
TOTAL EXPENDITURES	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
REVENUES OVER (UNDER) EXPENDITURES	<u>1,611</u>	<u>12,623</u>	<u>23,778</u>	<u>(11,155)</u>
OTHER FINANCING SOURCES (USES)				
Transfer from General Fund	-	-	100,000	(100,000)
Total other financing sources (uses)	<u>-</u>	<u>-</u>	<u>100,000</u>	<u>(100,000)</u>
NET CHANGE IN FUND BALANCE	1,611	12,623	123,778	(111,155)
FUND BALANCE - BEGINNING OF PERIOD	<u>802,115</u>	<u>791,103</u>	<u>792,591</u>	<u>(1,488)</u>
FUND BALANCE - END OF PERIOD	<u><u>\$ 803,726</u></u>	<u><u>\$ 803,726</u></u>	<u><u>\$ 916,369</u></u>	<u><u>\$ (112,643)</u></u>

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TOLLGATE CROSSING METROPOLITAN DISTRICT #2
SCHEDULE OF CASH POSITION
July 31, 2023

<u>FINANCIAL INSTITUTION</u>	<u>FUNDS</u>
Checking - BOK Financial	\$ 323,838
Colotrust	2,164,244
BOK Investment Portfolio	3,466,575
	<u>\$ 5,954,657</u>
	<u><u>\$ 5,954,657</u></u>
Unrestricted	\$ 4,448,352
Restricted	1,506,305
	<u>\$ 5,954,657</u>
	<u><u>\$ 5,954,657</u></u>
General Fund	\$ 3,644,626
Debt Service Fund	1,506,305
Capital Replacement	803,726
	<u>\$ 5,954,657</u>
	<u><u>\$ 5,954,657</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, 2023

	<u>Balance at January 1, 2023</u>	<u>Issuances</u>	<u>Retirements</u>	<u>Balance at July 31, 2023</u>
Tax-Free Note - Series 2012A	\$ 9,115,000	\$ -	\$ -	\$ 9,115,000

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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
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
	\$ 9,115,000	\$ 1,481,963	\$ 10,596,963

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