

**TOLLGATE CROSSING METROPOLITAN
DISTRICT #2**

FINANCIAL STATEMENTS

For the Ten Month Period Ended October 31, 2024



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 ten month periods ended October 31, 2024, 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.

November 21, 2024

FINANCIAL STATEMENTS

TOLLGATE CROSSING METROPOLITAN DISTRICT #2
BALANCE SHEET - GOVERNMENTAL FUNDS
October 31, 2024

| | <u>GENERAL</u> | <u>DEBT SERVICE</u> | <u>CAPITAL REPLACEMENT</u> | <u>TOTAL GOVERNMENTAL FUNDS</u> |
|---|---------------------|-------------------------|--------------------------------|---|
| ASSETS | | | | |
| Current assets | | | | |
| Cash and investments - unrestricted | \$ 2,464,509 | \$ - | \$ 1,058,038 | \$ 3,522,547 |
| Cash and investments - restricted | - | 1,333,601 | - | 1,333,601 |
| Cash with County Treasurer | 12,316 | 4,810 | - | 17,126 |
| Property taxes receivable | 7,829 | 3,057 | - | 10,886 |
| Prepaid expense | 500 | - | - | 500 |
| Accounts receivable - fees | 4,793 | - | - | 4,793 |
| TOTAL ASSETS | <u>\$ 2,489,947</u> | <u>\$ 1,341,468</u> | <u>\$ 1,058,038</u> | <u>\$ 4,889,453</u> |
| LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES | | | | |
| Current liabilities | | | | |
| Accounts payable | \$ 22,379 | \$ - | \$ - | \$ 22,379 |
| Assessments payable to customers | 1,202 | - | - | 1,202 |
| Total liabilities | <u>23,581</u> | <u>-</u> | <u>-</u> | <u>23,581</u> |
| DEFERRED INFLOWS OF RESOURCES | | | | |
| Deferred assessments | 4,793 | - | - | 4,793 |
| Deferred property taxes | 7,829 | 3,057 | - | 10,886 |
| | <u>12,622</u> | <u>3,057</u> | <u>-</u> | <u>15,679</u> |
| FUND BALANCES | | | | |
| Nonspendable for prepaid items | 500 | - | - | 500 |
| Restricted for debt service | - | 1,338,411 | - | 1,338,411 |
| Restricted for landscape mitigation | 36,753 | - | - | 36,753 |
| Restricted for emergencies | 55,381 | - | - | 55,381 |
| Assigned for capital projects | - | - | 1,058,038 | 1,058,038 |
| Unassigned | 2,361,110 | - | - | 2,361,110 |
| Total fund balance | <u>2,453,744</u> | <u>1,338,411</u> | <u>1,058,038</u> | <u>4,850,193</u> |
| TOTAL LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES | <u>\$ 2,489,947</u> | <u>\$ 1,341,468</u> | <u>\$ 1,058,038</u> | <u>\$ 4,889,453</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 Ten Month Period Ended October 31, 2024

| | ONE MONTH ENDED ACTUAL | TEN MONTHS ENDED ACTUAL | ADOPTED BUDGET | VARIANCE WITH FINAL BUDGET |
|---|---|--|---------------------------|---|
| REVENUE | | | | |
| Property tax | \$ 2,581 | \$ 1,706,876 | \$ 1,661,363 | \$ 45,513 |
| Specific ownership tax | 9,621 | 81,151 | 99,682 | (18,531) |
| General operations fee assessments | 32 | 522 | | 522 |
| Clubhouse rental | 600 | 10,135 | 5,000 | 5,135 |
| HOA newsletter reimbursements | - | - | 2,100 | (2,100) |
| Interest income | 9,428 | 88,568 | 80,000 | 8,568 |
| Net increase (decrease) in fair value | (12,559) | 11,211 | - | 11,211 |
| TOTAL REVENUE | 9,703 | 1,898,463 | 1,848,145 | 50,318 |
| EXPENDITURES | | | | |
| Accounting | 2,784 | 22,159 | 26,250 | 4,091 |
| Audit | - | 5,300 | 5,300 | - |
| Legal | 2,601 | 18,729 | 20,000 | 1,271 |
| Insurance | - | 39,033 | 48,000 | 8,967 |
| Bank fees | 129 | 1,050 | 2,000 | 950 |
| Miscellaneous | 75 | 3,801 | - | (3,801) |
| Landscape maintenance | 24,852 | 248,520 | 280,000 | 31,480 |
| Structural prune trees | - | - | 50,000 | 50,000 |
| Landscape projects | 13,979 | 146,407 | 100,000 | (46,407) |
| Management | | | | |
| Management fees - general | 6,663 | 67,965 | 60,000 | (7,965) |
| Management fees - special | - | - | 20,000 | 20,000 |
| Newletter costs | 427 | 4,138 | 5,000 | 862 |
| Website maintenance | - | - | 5,000 | 5,000 |
| Utilities | | | | |
| Water usage | 12,171 | 224,924 | 242,482 | 17,558 |
| Electric & gas | 933 | 23,902 | 38,000 | 14,098 |
| Telephone and internet | 375 | 3,778 | 5,500 | 1,722 |
| Clubhouse and park maintenance | 12,710 | 34,216 | 50,000 | 15,784 |
| Pool services | 5,150 | 112,476 | 110,000 | (2,476) |
| Pool repairs and maintenance | 2,000 | 41,095 | 38,500 | (2,595) |
| Irrigation repair/maintenance | - | 300 | - | (300) |
| Lighting projects | - | - | 40,000 | 40,000 |
| Holiday lighting | - | - | 25,000 | 25,000 |
| Utility locates | 27 | 581 | 1,800 | 1,219 |
| Treasurer's fees | 41 | 25,616 | 24,920 | (696) |
| Mitigation grants | - | - | 35,000 | 35,000 |
| Security System | - | 57,310 | 40,000 | (17,310) |
| Mailbox replacements | - | 167,208 | 150,000 | (17,208) |
| Pool improvements | - | - | 75,000 | 75,000 |
| Security patrols | 5,100 | 52,100 | 80,000 | 27,900 |
| Roof/Fence/AC Repairs | - | 500 | - | (500) |
| Landscaping - Newbridge area | - | 9,062 | - | (9,062) |
| Park Improvements | - | 187,400 | 66,000 | (121,400) |
| Clubhouse improvements | 135 | 158,027 | 600,000 | 441,973 |
| TOTAL EXPENDITURES | 90,152 | 1,655,597 | 2,283,752 | 628,155 |
| REVENUES OVER (UNDER) EXPENDITURES | (80,449) | 242,866 | (435,607) | 678,473 |
| OTHER FINANCING SOURCES (USES) | | | | |
| Transfer to Capital Replacement Fund | (100,000) | (100,000) | (100,000) | - |
| Total other financing sources (uses) | (100,000) | (100,000) | (100,000) | - |
| NET CHANGE IN FUND BALANCE | (180,449) | 142,866 | (535,607) | 678,473 |
| FUND BALANCE - BEGINNING OF PERIOD | 2,634,193 | 2,310,878 | 1,917,818 | 393,060 |
| FUND BALANCE - END OF PERIOD | \$ 2,453,744 | \$ 2,453,744 | \$ 1,382,211 | \$ 1,071,533 |

These financial statements should be read only in connection
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 Ten Month Period Ended October 31, 2024

| | ONE MONTH ENDED ACTUAL | TEN MONTHS ENDED ACTUAL | ADOPTED BUDGET | VARIANCE WITH FINAL BUDGET |
|---|---|--|---------------------------|---|
| REVENUE | | | | |
| Property tax | \$ 1,008 | \$ 666,750 | \$ 648,970 | \$ 17,780 |
| Specific ownership tax | 3,758 | 31,699 | 38,938 | (7,239) |
| Net investment earnings | 4,833 | 39,369 | 45,000 | (5,631) |
| TOTAL REVENUE | <u>9,599</u> | <u>737,818</u> | <u>732,908</u> | <u>4,910</u> |
| EXPENDITURES | | | | |
| Note principal - 2012A | - | - | 745,000 | 745,000 |
| Note Interest - 2012A | - | 113,888 | 227,775 | 113,887 |
| Paying agent | - | 250 | 3,500 | 3,250 |
| Treasurer fees | 16 | 10,005 | 9,735 | (270) |
| TOTAL EXPENDITURES | <u>16</u> | <u>124,143</u> | <u>986,010</u> | <u>861,867</u> |
| NET CHANGE IN FUND BALANCE | 9,583 | 613,675 | (253,102) | 866,777 |
| FUND BALANCE - BEGINNING OF PERIOD | <u>1,328,828</u> | <u>724,736</u> | <u>712,312</u> | <u>12,424</u> |
| FUND BALANCE - END OF PERIOD | <u>\$ 1,338,411</u> | <u>\$ 1,338,411</u> | <u>\$ 459,210</u> | <u>\$ 879,201</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 Ten Month Period Ended October 31, 2024

| | ONE MONTH ENDED ACTUAL | EIGHT MONTHS ENDED ACTUAL | ADOPTED BUDGET | VARIANCE WITH FINAL BUDGET |
|---|---|--|---------------------------|---|
| REVENUE | | | | |
| Net investment income | \$ 3,611 | \$ 35,030 | \$ 45,767 | \$ (10,737) |
| TOTAL REVENUE | <u>3,611</u> | <u>35,030</u> | <u>45,767</u> | <u>(10,737)</u> |
| EXPENDITURES | | | | |
| Capital improvements | - | - | - | - |
| TOTAL EXPENDITURES | <u>-</u> | <u>-</u> | <u>-</u> | <u>-</u> |
| REVENUES OVER (UNDER) EXPENDITURES | <u>3,611</u> | <u>35,030</u> | <u>45,767</u> | <u>(10,737)</u> |
| OTHER FINANCING SOURCES (USES) | | | | |
| Transfer from General Fund | 100,000 | 100,000 | 100,000 | - |
| Total other financing sources (uses) | <u>100,000</u> | <u>100,000</u> | <u>100,000</u> | <u>-</u> |
| NET CHANGE IN FUND BALANCE | 103,611 | 135,030 | 145,767 | (10,737) |
| FUND BALANCE - BEGINNING OF PERIOD | <u>954,427</u> | <u>923,008</u> | <u>915,334</u> | <u>7,674</u> |
| FUND BALANCE - END OF PERIOD | <u>\$ 1,058,038</u> | <u>\$ 1,058,038</u> | <u>\$ 1,061,101</u> | <u>\$ (3,063)</u> |

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TOLLGATE CROSSING METROPOLITAN DISTRICT #2
SCHEDULE OF CASH POSITION
October 31, 2024

| FINANCIAL INSTITUTION | FUNDS |
|------------------------------|--------------|
| Checking - BOK Financial | \$ 59,150 |
| Colotrust | 3,131,346 |
| BOK Investment Portfolio | 1,665,652 |
| | \$ 4,856,148 |
| Unrestricted | \$ 3,522,547 |
| Restricted | 1,333,601 |
| | \$ 4,856,148 |
| General Fund | \$ 2,464,509 |
| Debt Service Fund | 1,333,601 |
| Capital Replacement | 1,058,038 |
| | \$ 4,856,148 |

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TOLLGATE CROSSING METROPOLITAN DISTRICT #2
SCHEDULE OF CHANGES IN LONG-TERM DEBT
For the Ten Month Period Ended October 31, 2024

| | <u>Balance at January 1, 2024</u> | <u>Issuances</u> | <u>Retirements</u> | <u>Balance at October 31, 2024</u> |
|------------------------------|---|------------------|--------------------|--|
| Tax-Free Note - Series 2012A | <u>\$ 8,405,000</u> | <u>\$ -</u> | <u>\$ -</u> | <u>\$ 8,405,000</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 |
| 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 |
| | \$ 8,405,000 | \$ 1,234,947 | \$ 9,639,947 |

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