

**TOLLGATE CROSSING METROPOLITAN
DISTRICT #2**

FINANCIAL STATEMENTS

For the Six Month Period Ended June 30, 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 six month periods ended June 30, 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.

July 22, 2022

FINANCIAL STATEMENTS

TOLLGATE CROSSING METROPOLITAN DISTRICT #2
BALANCE SHEET - GOVERNMENTAL FUNDS
June 30, 2022

	<u>GENERAL</u>	<u>DEBT SERVICE</u>	<u>CAPITAL REPLACEMENT</u>	<u>TOTAL GOVERNMENTAL FUNDS</u>
ASSETS				
Current assets				
Cash and investments - unrestricted	\$ 2,512,905	\$ -	\$ 635,740	\$ 3,148,645
Cash and investments - restricted	-	1,671,706	-	1,671,706
Cash with County Treasurer	696,698	209,009	-	905,707
Property taxes receivable	19,049	5,714	-	24,763
Accounts receivable - COA	17,500	-	-	17,500
Interest receivable	1,407	-	-	1,407
Accounts receivable - fees	4,842	-	-	4,842
TOTAL ASSETS	<u>\$ 3,252,401</u>	<u>\$ 1,886,429</u>	<u>\$ 635,740</u>	<u>\$ 5,774,570</u>
LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES				
Current liabilities				
Accounts payable	\$ 161,429	\$ -	\$ -	\$ 161,429
Assessments payable to customers	1,201	-	-	1,201
Total liabilities	<u>162,630</u>	<u>-</u>	<u>-</u>	<u>162,630</u>
DEFERRED INFLOWS OF RESOURCES				
Deferred assessments	4,842	-	-	4,842
Deferred property taxes	19,049	5,714	-	24,763
	<u>23,891</u>	<u>5,714</u>	<u>-</u>	<u>29,605</u>
FUND BALANCES				
Restricted for debt service	-	1,880,715	-	1,880,715
Restricted for landscape mitigation	37,253	-	-	37,253
Restricted for emergencies	35,753	-	-	35,753
Assigned for capital projects	-	-	635,740	635,740
Unassigned	2,992,874	-	-	2,992,874
Total fund balance	<u>3,065,880</u>	<u>1,880,715</u>	<u>635,740</u>	<u>5,582,335</u>
TOTAL LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES	<u>\$ 3,252,401</u>	<u>\$ 1,886,429</u>	<u>\$ 635,740</u>	<u>\$ 5,774,570</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 Six Month Periods Ended June 30, 2022

	ONE MONTH ENDED ACTUAL	SIX MONTHS ENDED ACTUAL	ADOPTED BUDGET	VARIANCE WITH FINAL BUDGET POSITIVE (NEGATIVE)
REVENUE				
Property tax	\$ 696,019	\$ 2,181,332	\$ 2,200,382	\$ (19,050)
Specific ownership tax	10,993	67,738	143,025	(75,287)
Penalties, interest and fees	25	1,371	-	1,371
Uncollected fees	70	(110)	-	(110)
Clubhouse rental	1,200	4,885	5,000	(115)
HOA newsletter reimbursements	1,269	1,269	2,100	(831)
Grants/reimbursements	-	7,976	-	7,976
Interest income	851	2,247	2,091	156
Interest on investments	27	209	-	209
Net decrease in fair value of investments	(15,031)	(15,783)	-	(15,783)
Miscellaneous	-	40	-	40
TOTAL REVENUE	695,423	2,251,174	2,352,598	(101,424)
EXPENDITURES				
Accounting	1,783	7,665	20,000	12,335
Audit	-	-	5,000	5,000
Legal	1,077	9,432	19,133	9,701
Legal - collections	50	600	10,000	9,400
Election	43	27,689	30,000	2,311
Insurance	-	31,027	36,534	5,507
Bank fees	106	659	2,000	1,341
Miscellaneous	-	375	-	(375)
Landscape maintenance	21,067	126,402	370,440	244,038
Structural prune trees	-	-	108,000	108,000
Landscape projects	78,297	131,198	200,000	68,802
Management				
Management fees - general	4,754	28,530	60,000	31,470
Management fees - special	-	-	20,000	20,000
Newletter costs	363	2,177	5,000	2,823
Utilities				
Water usage	32,812	55,779	242,482	186,703
Electric & gas	5,263	14,352	27,500	13,148
Telephone and internet	371	2,227	3,000	773
Clubhouse and park maintenance	1,176	7,004	50,000	42,996
Pool services	16,465	37,846	90,558	52,712
Pool repairs and maintenance	4,797	5,012	35,000	29,988
Holiday lighting	-	-	25,000	25,000
Utility locates	29	135	1,800	1,665
Treasurer's fees	10,442	32,723	33,006	283
Mitigation grants	-	1,500	37,253	35,753
Security System	5,100	5,100	14,700	9,600
Pool improvements	-	33,860	150,000	116,140
Security patrols	-	10,425	150,000	139,575
Prairie dog fencing	-	-	50,000	50,000
Clubhouse improvements	1,426	1,426	100,000	98,574
Fence repairs	13,182	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	198,603	811,917	2,346,406	1,534,489
REVENUES OVER (UNDER) EXPENDITURES	496,820	1,439,257	6,192	1,433,065
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	496,820	1,439,257	(143,808)	1,583,065
FUND BALANCE - BEGINNING OF PERIOD	2,569,060	1,626,623	1,540,774	85,849
FUND BALANCE - END OF PERIOD	\$ 3,065,880	\$ 3,065,880	\$ 1,396,966	\$ 1,668,914

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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 Six Month Periods Ended June 30, 2022

	ONE MONTH ENDED ACTUAL	SIX MONTHS ENDED ACTUAL	ADOPTED BUDGET	VARIANCE WITH FINAL BUDGET POSITIVE (NEGATIVE)
REVENUE				
Property tax	\$ 208,806	\$ 654,400	\$ 660,114	\$ (5,714)
Specific ownership tax	3,298	20,322	42,907	(22,585)
Net investment earnings	562	1,764	1,340	424
TOTAL REVENUE	<u>212,666</u>	<u>676,486</u>	<u>704,361</u>	<u>(27,875)</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	3,132	9,817	9,902	85
TOTAL EXPENDITURES	<u>3,132</u>	<u>142,539</u>	<u>958,347</u>	<u>815,808</u>
NET CHANGE IN FUND BALANCE	209,534	533,947	(253,986)	787,933
FUND BALANCE - BEGINNING OF PERIOD	<u>1,671,181</u>	<u>1,346,768</u>	<u>1,340,345</u>	<u>6,423</u>
FUND BALANCE - END OF PERIOD	<u>\$ 1,880,715</u>	<u>\$ 1,880,715</u>	<u>\$ 1,086,359</u>	<u>\$ 794,356</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 Six Month Periods Ended June 30, 2022

	ONE MONTH ENDED ACTUAL	SIX MONTHS ENDED ACTUAL	ADOPTED BUDGET	VARIANCE WITH FINAL BUDGET POSITIVE (NEGATIVE)
REVENUE				
Net investment income	\$ 211	\$ 730	\$ 635	\$ 95
TOTAL REVENUE	<u>211</u>	<u>730</u>	<u>635</u>	<u>95</u>
EXPENDITURES				
Capital improvements	-	-	-	-
TOTAL EXPENDITURES	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
REVENUES OVER (UNDER) EXPENDITURES	<u>211</u>	<u>730</u>	<u>635</u>	<u>95</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	211	730	150,635	(149,905)
FUND BALANCE - BEGINNING OF PERIOD	<u>635,529</u>	<u>635,010</u>	<u>635,062</u>	<u>(52)</u>
FUND BALANCE - END OF PERIOD	<u>\$ 635,740</u>	<u>\$ 635,740</u>	<u>\$ 785,697</u>	<u>\$ (149,957)</u>

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TOLLGATE CROSSING METROPOLITAN DISTRICT #2
SCHEDULE OF CASH POSITION
June 30, 2022

<u>FINANCIAL INSTITUTION</u>	<u>FUNDS</u>
Checking - BOK Financial	\$ 57,587
Colotrust	1,644,854
BOK Investment Portfolio	3,117,910
	<u>\$ 4,820,351</u>
	<u><u>\$ 4,820,351</u></u>
Unrestricted	\$ 3,148,645
Restricted	1,671,706
	<u>\$ 4,820,351</u>
	<u><u>\$ 4,820,351</u></u>
General Fund	\$ 2,512,905
Debt Service Fund	1,671,706
Capital Replacement	635,740
	<u>\$ 4,820,351</u>
	<u><u>\$ 4,820,351</u></u>

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TOLLGATE CROSSING METROPOLITAN DISTRICT #2
SCHEDULE OF CHANGES IN LONG-TERM DEBT
For the Six Month Period Ended June 30, 2022

	Balance at January 1, 2022	Issuances	Retirements	Balance at June 30, 2022
Tax-Free Note - Series 2012A	\$ 9,795,000	\$ -	\$ -	\$ 9,795,000

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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
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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