

**TOLLGATE CROSSING METROPOLITAN
DISTRICT #2**

FINANCIAL STATEMENTS

For the Three Month Period Ended March 31, 2023



SCHILLING & COMPANY, INC.

Certified Public Accountants

P.O. Box 631579
HIGHLANDS RANCH, CO 80163
PHONE: 720.348.1086
FAX: 720.348.2920

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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 three month periods ended March 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.

April 24, 2023

FINANCIAL STATEMENTS

TOLLGATE CROSSING METROPOLITAN DISTRICT #2
BALANCE SHEET - GOVERNMENTAL FUNDS
March 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	\$ 3,159,897	\$ -	\$ 795,053	\$ 3,954,950
Cash and investments - restricted	-	1,342,271	-	1,342,271
Cash with County Treasurer	52,530	15,759	-	68,289
Property taxes receivable	861,013	258,304	-	1,119,317
Accounts receivable - COA	17,500	-	-	17,500
Interest receivable	2,012	-	-	2,012
Accounts receivable - fees	4,689	-	-	4,689
TOTAL ASSETS	<u>\$ 4,097,641</u>	<u>\$ 1,616,334</u>	<u>\$ 795,053</u>	<u>\$ 6,509,028</u>
LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES				
Current liabilities				
Accounts payable	\$ 88,618	\$ -	\$ -	\$ 88,618
Assessments payable to customers	1,201	-	-	1,201
Total liabilities	<u>89,819</u>	<u>-</u>	<u>-</u>	<u>89,819</u>
DEFERRED INFLOWS OF RESOURCES				
Deferred assessments	4,689	-	-	4,689
Deferred property taxes	861,013	258,304	-	1,119,317
	<u>865,702</u>	<u>258,304</u>	<u>-</u>	<u>1,124,006</u>
FUND BALANCES				
Restricted for debt service	-	1,358,030	-	1,358,030
Restricted for landscape mitigation	37,253	-	-	37,253
Restricted for emergencies	54,709	-	-	54,709
Assigned for capital projects	-	-	795,053	795,053
Unassigned	3,050,158	-	-	3,050,158
Total fund balance	<u>3,142,120</u>	<u>1,358,030</u>	<u>795,053</u>	<u>5,295,203</u>
TOTAL LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES	<u>\$ 4,097,641</u>	<u>\$ 1,616,334</u>	<u>\$ 795,053</u>	<u>\$ 6,509,028</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 Three Month Period Ended March 31, 2023

	ONE MONTH ENDED ACTUAL	THREE MONTHS ENDED ACTUAL	ADOPTED BUDGET	VARIANCE WITH FINAL BUDGET POSITIVE (NEGATIVE)
REVENUE				
Property tax	\$ 42,518	\$ 800,824	\$ 1,661,838	\$ (861,014)
Specific ownership tax	10,650	27,513	99,710	(72,197)
Penalties, interest and fees	9	27	-	27
Uncollected fees	(9)	(27)	-	(27)
Clubhouse rental	(215)	1,485	5,000	(3,515)
HOA newsletter reimbursements	-	-	2,100	(2,100)
Interest income	2,345	3,139	55,000	(51,861)
Interest on investments	1,926	8,406	-	8,406
Net increase (decrease) in fair value	23,174	28,150	-	28,150
Miscellaneous	-	10	-	10
TOTAL REVENUE	80,398	869,527	1,823,648	(954,121)
EXPENDITURES				
Accounting	1,442	4,131	25,000	20,869
Audit	-	-	5,000	5,000
Legal	1,315	3,942	20,000	16,058
Election	-	-	35,000	35,000
Insurance	-	40,510	45,000	4,490
Bank fees	112	241	2,000	1,759
Miscellaneous	-	129	-	(129)
Landscape maintenance	42,133	63,200	400,000	336,800
Structural prune trees	-	-	50,000	50,000
Landscape projects	-	-	100,000	100,000
Management				
Management fees - general	5,089	15,396	60,000	44,604
Management fees - special	-	-	20,000	20,000
Newletter costs	395	1,162	5,000	3,838
Website maintenance	1,200	7,800	-	(7,800)
Utilities				
Water usage	1,295	2,508	242,482	239,974
Electric & gas	1,040	3,743	38,000	34,257
Telephone and internet	386	1,149	5,000	3,851
Clubhouse and park maintenance	1,574	6,283	50,000	43,717
Pool services	-	-	100,000	100,000
Pool repairs and maintenance	-	-	35,000	35,000
Lighting projects	4,400	4,400	-	(4,400)
Holiday lighting	-	-	25,000	25,000
Utility locates	24	52	1,800	1,748
Treasurer's fees	638	12,013	24,928	12,915
Mitigation grants	-	-	35,000	35,000
Security System	-	33,750	18,375	(15,375)
Mailbox replacements	-	-	200,000	200,000
Security patrols	5,187	15,412	150,000	134,588
Clubhouse improvements	17,075	17,075	500,000	482,925
Fence repairs	-	4,000	40,000	36,000
TOTAL EXPENDITURES	83,305	236,896	2,232,585	1,995,689
REVENUES OVER (UNDER) EXPENDITURES	(2,907)	632,631	(408,937)	1,041,568
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	(2,907)	632,631	(508,937)	1,141,568
FUND BALANCE - BEGINNING OF PERIOD	3,145,027	2,509,489	1,575,350	934,139
FUND BALANCE - END OF PERIOD	\$ 3,142,120	\$ 3,142,120	\$ 1,066,413	\$ 2,075,707

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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 Three Month Period Ended March 31, 2023

	ONE MONTH ENDED ACTUAL	THREE MONTHS ENDED ACTUAL	ADOPTED BUDGET	VARIANCE WITH FINAL BUDGET POSITIVE (NEGATIVE)
REVENUE				
Property tax	\$ 12,755	\$ 240,248	\$ 498,551	\$ (258,303)
Specific ownership tax	3,195	8,253	29,913	(21,660)
Net investment earnings	1,874	5,712	36,000	(30,288)
TOTAL REVENUE	<u>17,824</u>	<u>254,213</u>	<u>564,464</u>	<u>(310,251)</u>
EXPENDITURES				
Note principal - 2012A	-	-	710,000	710,000
Note Interest - 2012A	-	-	247,016	247,016
Paying agent	-	-	3,000	3,000
Treasurer fees	191	3,603	7,478	3,875
TOTAL EXPENDITURES	<u>191</u>	<u>3,603</u>	<u>967,494</u>	<u>963,891</u>
NET CHANGE IN FUND BALANCE	17,633	250,610	(403,030)	653,640
FUND BALANCE - BEGINNING OF PERIOD	<u>1,340,397</u>	<u>1,107,420</u>	<u>1,098,776</u>	<u>8,644</u>
FUND BALANCE - END OF PERIOD	<u>\$ 1,358,030</u>	<u>\$ 1,358,030</u>	<u>\$ 695,746</u>	<u>\$ 662,284</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 Three Month Period Ended March 31, 2023

	ONE MONTH ENDED ACTUAL	THREE MONTHS ENDED ACTUAL	ADOPTED BUDGET	VARIANCE WITH FINAL BUDGET POSITIVE (NEGATIVE)
REVENUE				
Net investment income	\$ 1,211	\$ 3,950	\$ 23,778	\$ (19,828)
TOTAL REVENUE	<u>1,211</u>	<u>3,950</u>	<u>23,778</u>	<u>(19,828)</u>
EXPENDITURES				
Capital improvements	-	-	-	-
TOTAL EXPENDITURES	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
REVENUES OVER (UNDER) EXPENDITURES	<u>1,211</u>	<u>3,950</u>	<u>23,778</u>	<u>(19,828)</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	1,211	3,950	123,778	(119,828)
FUND BALANCE - BEGINNING OF PERIOD	<u>793,842</u>	<u>791,103</u>	<u>792,591</u>	<u>(1,488)</u>
FUND BALANCE - END OF PERIOD	<u><u>\$ 795,053</u></u>	<u><u>\$ 795,053</u></u>	<u><u>\$ 916,369</u></u>	<u><u>\$ (121,316)</u></u>

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

FINANCIAL INSTITUTION

Checking - BOK Financial
Colotrust
BOK Investment Portfolio

FUNDS

\$ 434,036
1,598,398
3,264,787
\$ 5,297,221

Unrestricted \$ 3,954,950
Restricted 1,342,271
\$ 5,297,221

General Fund \$ 3,159,897
Debt Service Fund 1,342,271
Capital Replacement 795,053
\$ 5,297,221

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TOLLGATE CROSSING METROPOLITAN DISTRICT #2
SCHEDULE OF CHANGES IN LONG-TERM DEBT
For the Three Month Period Ended March 31, 2023

	<u>Balance at January 1, 2023</u>	<u>Issuances</u>	<u>Retirements</u>	<u>Balance at March 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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