

**TOLLGATE CROSSING METROPOLITAN
DISTRICT #2**

FINANCIAL STATEMENTS

For the Five Month Period Ended May 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 five month periods ended May 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.

June 22, 2023

FINANCIAL STATEMENTS

TOLLGATE CROSSING METROPOLITAN DISTRICT #2
BALANCE SHEET - GOVERNMENTAL FUNDS
May 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	\$ 3,128,607	\$ -	\$ 800,479	\$ 3,929,086
Cash and investments - restricted	-	1,270,013	-	1,270,013
Cash with County Treasurer	134,998	40,499	-	175,497
Property taxes receivable	653,019	195,905	-	848,924
Accounts receivable - COA	17,500	-	-	17,500
Interest receivable	2,265	-	-	2,265
Accounts receivable - fees	4,758	-	-	4,758
TOTAL ASSETS	<u>\$ 3,941,147</u>	<u>\$ 1,506,417</u>	<u>\$ 800,479</u>	<u>\$ 6,248,043</u>
LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES				
Current liabilities				
Accounts payable	\$ 90,428	\$ -	\$ -	\$ 90,428
Assessments payable to customers	1,201	-	-	1,201
Total liabilities	<u>91,629</u>	<u>-</u>	<u>-</u>	<u>91,629</u>
DEFERRED INFLOWS OF RESOURCES				
Deferred assessments	4,758	-	-	4,758
Deferred property taxes	653,018	195,905	-	848,923
	<u>657,776</u>	<u>195,905</u>	<u>-</u>	<u>853,681</u>
FUND BALANCES				
Restricted for debt service	-	1,310,512	-	1,310,512
Restricted for landscape mitigation	37,253	-	-	37,253
Restricted for emergencies	54,709	-	-	54,709
Assigned for capital projects	-	-	800,479	800,479
Unassigned	3,099,780	-	-	3,099,780
Total fund balance	<u>3,191,742</u>	<u>1,310,512</u>	<u>800,479</u>	<u>5,302,733</u>
TOTAL LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES	<u>\$ 3,941,147</u>	<u>\$ 1,506,417</u>	<u>\$ 800,479</u>	<u>\$ 6,248,043</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 Five Month Period Ended May 31, 2023

	ONE MONTH ENDED ACTUAL	FIVE MONTHS ENDED ACTUAL	ADOPTED BUDGET	VARIANCE WITH FINAL BUDGET POSITIVE (NEGATIVE)
REVENUE				
Property tax	\$ 127,185	\$ 1,008,819	\$ 1,661,838	\$ (653,019)
Specific ownership tax	9,631	45,705	99,710	(54,005)
Penalties, interest and fees	-	27	-	27
Uncollected fees	32	6	-	6
Clubhouse rental	500	3,995	5,000	(1,005)
HOA newsletter reimbursements	-	1,858	2,100	(242)
Interest income	5,466	9,484	55,000	(45,516)
Interest on investments	7,622	12,750	-	12,750
Net increase (decrease) in fair value	(6,890)	16,737	-	16,737
Miscellaneous	70	80	-	80
TOTAL REVENUE	143,616	1,099,461	1,823,648	(724,187)
EXPENDITURES				
Accounting	2,170	7,803	25,000	17,197
Audit	-	-	5,000	5,000
Legal	2,874	7,867	20,000	12,133
Election	-	-	35,000	35,000
Insurance	-	40,510	45,000	4,490
Bank fees	78	378	2,000	1,622
Miscellaneous	-	129	-	(129)
Landscape maintenance	21,067	105,334	400,000	294,666
Structural prune trees	-	-	50,000	50,000
Landscape projects	32,185	47,560	100,000	52,440
Management				
Management fees - general	5,000	25,396	60,000	34,604
Management fees - special	-	-	20,000	20,000
Newsletter costs	395	1,951	5,000	3,049
Website maintenance	-	7,800	-	(7,800)
Utilities				
Water usage	15,651	19,571	242,482	222,911
Electric & gas	827	5,350	38,000	32,650
Telephone and internet	376	1,902	5,000	3,098
Clubhouse and park maintenance	2,558	9,753	50,000	40,247
Pool services	21,669	26,000	100,000	74,000
Pool repairs and maintenance	2,865	3,077	35,000	31,923
Lighting projects	8,613	21,513	-	(21,513)
Holiday lighting	-	-	25,000	25,000
Utility locates	19	95	1,800	1,705
Treasurer's fees	1,909	15,134	24,928	9,794
Mitigation grants	-	-	35,000	35,000
Security System	-	33,750	18,375	(15,375)
Mailbox replacements	-	-	200,000	200,000
Security patrols	5,125	25,637	150,000	124,363
Clubhouse improvements	-	17,600	500,000	482,400
Fence repairs	-	4,000	40,000	36,000
TOTAL EXPENDITURES	123,381	428,110	2,232,585	1,804,475
REVENUES OVER (UNDER) EXPENDITURES	20,235	671,351	(408,937)	1,080,288
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	20,235	671,351	(508,937)	1,180,288
FUND BALANCE - BEGINNING OF PERIOD	3,171,507	2,520,391	1,575,350	945,041
FUND BALANCE - END OF PERIOD	\$ 3,191,742	\$ 3,191,742	\$ 1,066,413	\$ 2,125,329

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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 Five Month Period Ended May 31, 2023

	ONE MONTH ENDED ACTUAL	FIVE MONTHS ENDED ACTUAL	ADOPTED BUDGET	VARIANCE WITH FINAL BUDGET POSITIVE (NEGATIVE)
REVENUE				
Property tax	\$ 38,156	\$ 302,647	\$ 498,551	\$ (195,904)
Specific ownership tax	2,889	13,708	29,913	(16,205)
Net investment earnings	5,510	14,785	36,000	(21,215)
TOTAL REVENUE	<u>46,555</u>	<u>331,140</u>	<u>564,464</u>	<u>(233,324)</u>
EXPENDITURES				
Note principal - 2012A	-	-	710,000	710,000
Note Interest - 2012A	123,508	123,508	247,016	123,508
Paying agent	-	-	3,000	3,000
Treasurer fees	573	4,540	7,478	2,938
TOTAL EXPENDITURES	<u>124,081</u>	<u>128,048</u>	<u>967,494</u>	<u>839,446</u>
NET CHANGE IN FUND BALANCE	(77,526)	203,092	(403,030)	606,122
FUND BALANCE - BEGINNING OF PERIOD	<u>1,388,038</u>	<u>1,107,420</u>	<u>1,098,776</u>	<u>8,644</u>
FUND BALANCE - END OF PERIOD	<u>\$ 1,310,512</u>	<u>\$ 1,310,512</u>	<u>\$ 695,746</u>	<u>\$ 614,766</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 Five Month Period Ended May 31, 2023

	ONE MONTH ENDED ACTUAL	FIVE MONTHS ENDED ACTUAL	ADOPTED BUDGET	VARIANCE WITH FINAL BUDGET POSITIVE (NEGATIVE)
REVENUE				
Net investment income	\$ 3,328	\$ 9,376	\$ 23,778	\$ (14,402)
TOTAL REVENUE	<u>3,328</u>	<u>9,376</u>	<u>23,778</u>	<u>(14,402)</u>
EXPENDITURES				
Capital improvements	-	-	-	-
TOTAL EXPENDITURES	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
REVENUES OVER (UNDER) EXPENDITURES	<u>3,328</u>	<u>9,376</u>	<u>23,778</u>	<u>(14,402)</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	3,328	9,376	123,778	(114,402)
FUND BALANCE - BEGINNING OF PERIOD	<u>797,151</u>	<u>791,103</u>	<u>792,591</u>	<u>(1,488)</u>
FUND BALANCE - END OF PERIOD	<u>\$ 800,479</u>	<u>\$ 800,479</u>	<u>\$ 916,369</u>	<u>\$ (115,890)</u>

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

<u>FINANCIAL INSTITUTION</u>	<u>FUNDS</u>
Checking - BOK Financial	\$ 366,717
Colotrust	1,169,697
BOK Investment Portfolio	3,662,685
	<u>\$ 5,199,099</u>
	<u><u>\$ 5,199,099</u></u>
Unrestricted	\$ 3,929,086
Restricted	1,270,013
	<u>\$ 5,199,099</u>
	<u><u>\$ 5,199,099</u></u>
General Fund	\$ 3,128,607
Debt Service Fund	1,270,013
Capital Replacement	800,479
	<u>\$ 5,199,099</u>
	<u><u>\$ 5,199,099</u></u>

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

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