

TOLLGATE CROSSING METROPOLITAN DISTRICT NO. 2

2023 ANNUAL REPORT

Pursuant to §32-1-207(3)(c) and the Service Plan for Tollgate Crossing Metropolitan District No. 2 (the “**District**”), the District is required to provide an annual report to the City of Aurora with regard to the following matters:

For the year ending December 31, 2023, the District make the following report:

§32-1-207(3) Statutory Requirements

1. Boundary changes made.

There were no boundary changes made in 2023.

2. Intergovernmental Agreements entered into or terminated with other governmental entities.

There were no Intergovernmental Agreements entered into or proposed in 2023.

3. Access information to obtain a copy of rules and regulations adopted by the board.

The District’s rules and regulations can be obtained by visiting <https://www.tollgatecrossingmetro.org/>. No new rules and regulations were adopted in 2023.

4. A summary of litigation involving public improvements owned by the District.

To our actual knowledge, based on review of the court records in Arapahoe County, Colorado and the Public Access to Court Electronic Records (PACER), there is no litigation involving the District’s public improvements as of December 31, 2023.

5. The status of the construction of public improvements by the District.

All public improvements serving the District have been constructed. In 2023, the District undertook projects to replace community park equipment and to renovate its clubhouse. The playground replacement was completed in 2023, and the clubhouse renovation is anticipated to be completed in early 2024.

6. A list of facilities or improvements constructed by the District that were conveyed or dedicated to the county or municipality.

There were no facilities or improvements constructed that were conveyed or dedicated to the City in 2023.

7. The final assessed valuation of the District as of December 31st of the reporting year.

The Districts' final assessed valuation is \$51,917,594.

8. A copy of the current year's budget.

A copy of the 2024 Budget is attached hereto as **Exhibit A**.

9. A copy of the audited financial statements, if required by the "Colorado Local Government Audit Law", part 6 of article 1 of title 29, or the application for exemption from audit, as applicable.

The 2023 Audit is in process and will be provided as a supplement report at a later date.

10. Notice of any uncured defaults existing for more than ninety (90) days under any debt instrument of the District.

None.

11. Any inability of the District to pay its obligations as they come due under any obligation which continues beyond a ninety (90) day period.

None.

Service Plan Requirements

1. Boundary changes made.

There were no boundary changes made in 2023.

2. Intergovernmental Agreements entered into or terminated with other governmental entities.

There were no Intergovernmental Agreements entered into or proposed in 2023.

3. Access information to obtain a copy of rules and regulations adopted by the board.

The District's rules and regulations can be obtained by visiting <https://www.tollgatecrossingmetro.org/>. No new rules and regulations were adopted in 2023.

4. Changes or proposed changes in the District operations.

The District had no significant changes in operations in 2023. The District continues to operate and maintain limited public improvements throughout the District including landscaping tracts, parks, open space, and clubhouse.

5. Any changes in the financial status of the District including revenue projects or operating costs.

The District appropriated larger amounts in 2023 for playground replacement and clubhouse renovation projects. Appropriations can be found in the 2023 Budget attached hereto as **Exhibit B**.

6. A summary of litigation involving public improvements owned by the District.

To our actual knowledge, based on review of the court records in Arapahoe County, Colorado and the Public Access to Court Electronic Records (PACER), there is no litigation involving the Districts' public improvements as of December 31, 2023.

7. Proposed plans for the year immediately following the year summarized in the Annual Report.

The District plans to complete its clubhouse renovation project in 2024, and continue its regular operations and maintenance services. Evidence of appropriations for District's plans for 2024 is included in the 2024 Budget, attached hereto as **Exhibit A**.

8. The status of the construction of public improvements by the District.

All public improvements serving the District have been constructed. In 2023, the District undertook projects to replace community park equipment and to renovate its clubhouse. The playground replacement was completed in 2023, and the clubhouse renovation is anticipated to be completed in early 2024.

9. A list of facilities or improvements constructed by the District that were conveyed or dedicated to the county or municipality.

There were no facilities or improvements constructed that were conveyed or dedicated to the City in 2023.

10. The final assessed valuation of the District as of December 31st of the reporting year.

The Districts' final assessed valuation is \$51,917,594.

11. Total acreage of property within the District.

The total acreage of the property within the District is approximately 441 acres.

12. The District indebtedness (stated separately for each class of debt).

In 2023, the District had the following debt outstanding:

2012A General Obligation Refunding Note which is scheduled to mature in 2032.

13. The District debt service (stated separately for each class of debt).

In 2023, the District's debt service for each class of debt was as follows:

2012A General Obligation Refunding Note: \$967,494 (unaudited).

14. The District's tax revenue.

In 2023, the District's tax revenue was \$2,160,389 (unaudited).

15. A copy of the current year's budget.

A copy of the 2024 Budget is attached hereto as **Exhibit A**.

16. Other revenues of the District.

All revenues of the District can be found in the 2024 Budget attached hereto as **Exhibit A**.

17. Public Improvements expenditures.

In 2023, the District's public improvements expenditures (capital outlay) were \$1,297,557 (unaudited).

18. Other District expenditures.

All 2023 expenditures can found in the 2024 Budget attached hereto as **Exhibit A**.

EXHIBIT A
2024 Budget



SCHILLING & COMPANY, INC.

Certified Public Accountants

P.O. Box 631579
HIGHLANDS RANCH, CO 80163

PHONE: 720.348.1086
FAX: 720.348.2920

Accountant's Compilation Report

Board of Directors
Tollgate Crossing Metropolitan District No. 2
Arapahoe County, Colorado

Management is responsible for the accompanying budget of revenues, expenditures, and fund balances (budget) of Tollgate Crossing Metropolitan District No. 2 (District), for the year ending December 31, 2024, including the estimate of comparative information for the year ending December 31, 2023, and the actual comparative information for the year ending December 31, 2022, in the format required by Colorado Revised Statutes (C.R.S) 29-1-105. 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 American Institute of Certified Public Accountants. We did not audit or review the budget included in the prescribed format 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 the accompanying budget.

The actual comparative information for the year ending December 31, 2022 is presented for comparative purposes as required by Colorado Revised Statutes 29-1-105. Such information is taken from the audited financial statements of the District for the year ended December 31, 2022. Dazzio & Associates, P.C. audited the financial statements for the year ended December 31, 2022, whose report was dated July 15, 2023.

The budget is presented in accordance with the requirements of Colorado Revised Statutes 29-1-105, and is not intended to be a presentation in accordance with accounting principles generally accepted in the United States of America.

We are not independent with respect to the Tollgate Crossing Metropolitan District No. 2.

SCHILLING & COMPANY, INC.

Highlands Ranch, Colorado
December 12, 2023

TOLLGATE CROSSING METROPOLITAN DISTRICT NO. 2
PROPERTY TAX SUMMARY INFORMATION
2024 BUDGET AS ADOPTED
WITH 2022 ACTUAL AND 2023 ESTIMATED
For the Years Ended and Ending December 31,

	<u>ACTUAL 2022</u>	<u>ADOPTED BUDGET 2023</u>	<u>ADOPTED BUDGET 2024</u>
ASSESSED VALUATION			
Arapahoe County	\$ 55,009,537	\$ 41,545,953	\$ 51,917,594
Certified Assessed Value	<u>\$ 55,009,537</u>	<u>\$ 41,545,953</u>	<u>\$ 51,917,594</u>
MILL LEVY			
General Fund (operations)	40.000	40.000	32.000
Debt Service	12.000	12.000	12.500
Refunds and abatements	0.000	0.000	0.000
Total mill levy	<u>52.000</u>	<u>52.000</u>	<u>44.500</u>
PROPERTY TAXES			
General	\$ 2,200,381	\$ 1,661,838	\$ 1,661,363
Debt Service	660,114	498,551	648,970
Levied property taxes	<u>\$ 2,860,495</u>	<u>\$ 2,160,389</u>	<u>\$ 2,310,333</u>
BUDGETED PROPERTY TAXES			
General Fund	\$ 2,200,381	\$ 1,661,838	\$ 1,661,363
Debt Service	660,114	498,551	648,970
	<u>\$ 2,860,495</u>	<u>\$ 2,160,389</u>	<u>\$ 2,310,333</u>

This financial information should be read only in connection with the accompanying accountant's compilation report and the summary of significant assumptions.

**TOLLGATE CROSSING METROPOLITAN DISTRICT NO. 2
GENERAL FUND
2024 BUDGET AS ADOPTED
WITH 2022 ACTUAL AND 2023 ESTIMATED
For the Years Ended and Ending December 31,**

	ACTUAL 2022	ESTIMATED 2023	ADOPTED BUDGET 2024
BEGINNING FUND BALANCE	\$ 1,626,623	2,520,391	\$ 1,917,818
REVENUE			
Property tax	2,200,393	1,661,838	1,661,363
Specific ownership tax	138,920	111,039	99,682
Penalties and fees	1,406	101	-
Clubhouse rental	7,515	3,995	5,000
Grants/reimbursements	9,246	1,858	-
Investment income	35,280	77,573	80,000
Net decrease in fair value of investments	(38,059)	19,431	-
HOA Newsletter Reimbursement	-	-	2,100
Miscellaneous/other	943	757	-
Total revenue	<u>2,355,644</u>	<u>1,876,592</u>	<u>1,848,145</u>
Total funds available	<u>3,982,267</u>	<u>4,396,983</u>	<u>3,765,963</u>
EXPENDITURES			
Administration:			
Accounting	14,142	22,496	26,250
Audit	4,400	4,800	5,300
Legal	15,368	14,550	20,000
Legal- collections	675	-	-
Election costs	27,688	-	-
Insurance	31,027	40,511	48,000
Bank fees	1,336	950	2,000
Miscellaneous	375	194	-
Landscaping contract	254,293	252,800	280,000
Structural prune trees	-	45,000	50,000
Landscape projects	79,547	196,103	100,000
Management fees	57,168	60,594	60,000
Management fees-special	-	-	20,000
Website Maintenance	-	7,800	5,000
Newsletter costs	4,027	4,707	5,000
Treasurer's fees	33,020	24,936	24,920
Operations:			
Utilities:			
Water	153,833	156,440	242,482
Electric & gas	26,671	26,522	38,000
Telephone and internet	4,457	4,548	5,500
Clubhouse and park maintenance	24,228	18,278	50,000
Pool services	84,943	100,000	110,000
Pool repair and maintenance	18,136	35,186	38,500
Holiday lighting	15,564	25,000	25,000
Utility Notification	330	233	1,800
Capital Outlay:			
Mitigation grants	1,000	35,000	35,000
Security System	-	53,750	40,000
Mailbox replacements	-	120,000	150,000
Pool improvements	33,860	32,836	75,000
Security patrols	48,570	61,443	80,000
Lighting projects	23,198	21,513	40,000
Clubhouse improvements	26,910	592,975	600,000
Fence repairs	29,745	40,000	40,000
Landscaping - Newbridge area	71,773	-	-
ET controllers	225,592	-	-
Park improvements	-	380,000	66,000
Total expenditures	<u>1,311,876</u>	<u>2,379,165</u>	<u>2,283,752</u>
Transfer to Capital Replacement Fund	150,000	100,000	100,000
Total transfers	<u>150,000</u>	<u>100,000</u>	<u>100,000</u>
Total transfers out and expenditures requiring appropriation	<u>1,461,876</u>	<u>2,479,165</u>	<u>2,383,752</u>
ENDING FUND BALANCE	<u>\$ 2,520,391</u>	<u>\$ 1,917,818</u>	<u>\$ 1,382,211</u>
ENDING FUND BALANCE SUMMARY:			
EMERGENCY RESERVE	71,000	56,298	55,381
MITIGATION GRANTS	35,753	-	36,753
UNRESTRICTED	2,413,638	1,861,520	1,290,077
TOTAL ENDING FUND BALANCE	<u>\$ 2,520,391</u>	<u>\$ 1,917,818</u>	<u>\$ 1,382,211</u>

This financial information should be read only in connection with the accompanying accountant's compilation report and the summary of significant assumptions.

**TOLLGATE CROSSING METROPOLITAN DISTRICT NO. 2
DEBT SERVICE FUND
2024 BUDGET AS ADOPTED
WITH 2022 ACTUAL AND 2023 ESTIMATED
For the Years Ended and Ending December 31,**

	<u>ACTUAL 2022</u>	<u>ESTIMATED 2023</u>	<u>ADOPTED BUDGET 2024</u>
BEGINNING FUND BALANCE	\$ 1,346,768	\$ 1,107,420	\$ 712,312
REVENUE			
Property tax	660,126	498,551	648,970
Specific ownership taxes	41,676	33,306	38,938
Interest income	14,450	40,529	45,000
Total revenue	<u>716,252</u>	<u>572,386</u>	<u>732,908</u>
Total funds available	<u>2,063,020</u>	<u>1,679,806</u>	<u>1,445,220</u>
EXPENDITURES			
Note principal - 2012A	680,000	710,000	745,000
Note interest - 2012A	265,445	247,016	227,775
Paying agent fees	250	3,000	3,500
Treasurer's fees	9,905	7,478	9,735
Total expenditures requiring appropriation	<u>955,600</u>	<u>967,494</u>	<u>986,010</u>
ENDING FUND BALANCE	<u>\$ 1,107,420</u>	<u>\$ 712,312</u>	<u>\$ 459,210</u>
REQUIRED RESERVE	<u>\$ 250,000</u>	<u>\$ 250,000</u>	<u>\$ 250,000</u>

This financial information should be read only in connection with the accompanying accountant's compilation report and the summary of significant assumptions.

**TOLLGATE CROSSING METROPOLITAN DISTRICT NO. 2
CAPITAL REPLACEMENT FUND
2024 BUDGET AS ADOPTED
WITH 2022 ACTUAL AND 2023 ESTIMATED
For the Years Ended and Ending December 31,**

	<u>ACTUAL 2022</u>	<u>ESTIMATED 2023</u>	<u>ADOPTED BUDGET 2024</u>
BEGINNING FUND BALANCE	\$ 635,010	\$ 791,103	\$ 915,334
REVENUE			
Net investment income	6,093	24,231	45,767
Transfer from General Fund	150,000	100,000	100,000
Total revenue	<u>156,093</u>	<u>124,231</u>	<u>145,767</u>
 Total funds available	 <u>791,103</u>	 <u>915,334</u>	 <u>1,061,101</u>
EXPENDITURES			
Capital improvements	<u>-</u>	<u>-</u>	<u>-</u>
	<u>-</u>	<u>-</u>	<u>-</u>
 Total expenditures and transfers out requiring appropriation	 <u>-</u>	 <u>-</u>	 <u>-</u>
ENDING FUND BALANCE	<u>\$ 791,103</u>	<u>\$ 915,334</u>	<u>\$ 1,061,101</u>

This financial information should be read only in connection with the accompanying accountant's compilation report and the summary of significant assumptions.

**TOLLGATE CROSSING METROPOLITAN DISTRICT NO. 2
2024 BUDGET
SUMMARY OF SIGNIFICANT ASSUMPTIONS**

Disclosures contained in this summary as presented by management, are those that are believed to be significant as of the date of the compilation report and are not intended to be all-inclusive. The disclosures are intended to describe assumptions used during the preparation of the 2024 annual budget. Actual results may differ from the prospective results contained in the budget.

SERVICES PROVIDED

Tollgate Crossing Metropolitan District No. 2 (District), a quasi-municipal corporation and political subdivision of the State of Colorado was organized in 2001 and is governed pursuant to provisions of the Colorado Special District Act. The District's service area is located in Arapahoe County, Colorado. The District was established to manage the financing, construction, operation and maintenance of the facilities located within the District.

The District has no employees and all operations and administrative functions are contracted.

The District prepares its budget on the modified accrual basis of accounting.

REVENUE

Property Tax

A significant source of revenue is property taxes. Property taxes are based on the mill levy adopted applied to the annual assessed valuation. The calculation of the taxes levied is displayed on page 2.

On May 8, 2018, the District's electors approved an increase in taxes of \$655,000 annually or by such lesser annual amount as may be necessary to pay the District's administration, operations, maintenance, capital replacement and other similar expenses; such taxes to consist of a general fund ad valorem property tax levy imposed with such limitations as exist in the District's service plan, as it currently exists or may be amended, or other applicable law. The maximum total mill levy that can be levied by the District is 57.556 unless the method in calculating the assessed valuation changes on or after January 1, 2019. The method in calculating the assessed valuation changed to allow the District to levy 61.764 mills however, the Board of Directors has elected not to levy the maximum allowed in the 2024 Budget.

Specific Ownership Taxes

Specific ownership taxes are set by the State and collected by the County Treasurer, primarily on vehicle licensing within the County as a whole. The specific ownership taxes are allocated by the County Treasurer to all taxing entities within the County. The budget assumes that the District's share will be consistent with amounts collected during 2024 by the General Fund and Debt Service Fund in total.

Investment Income

Interest earned on the District's available funds has been estimated based on an average interest rate of approximately 5.00%.

EXPENDITURES

Administrative Expenditures

Administrative expenditures include the services necessary to maintain the District's administrative viability such as legal, accounting, management, insurance, landscape maintenance, utilities and other administrative expenses.

Debt Service

The debt service payments for the District are budgeted based upon the debt amortization schedules for the 2012 Tax-Free Notes Series A. The 2012A Notes bear interest of 2.71%. The District's debt amortization schedule is on page 8. The District has no outstanding operating or capital leases.

Capital Outlay

The District has appropriated significant funds in the 2024 Budget for capital improvements in General Fund as well in the Capital Replacement Fund.

FUND BALANCE RESTRICTIONS/ASSIGNMENTS

The District has provided for an emergency reserve fund of at least 3% of fiscal year spending for 2024, as defined under TABOR. Such emergency reserve is an integral part of ending fund balance in the General Fund.

The District has provided for a debt service reserve fund in the amount of \$250,000 as required by the 2012 Tax-Free Notes Series A in the Debt Service Fund.

The ending fund balance in the Capital Replacement Fund is assigned for capital repairs/projects as determined annually by the District.

This information is an integral part of the accompanying budget.

**TOLLGATE CROSSING METROPOLITAN DISTRICT NO. 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

This financial information should be read only in connection with the accompanying accountant's compilation report and the summary of significant assumptions.

EXHIBIT B
2023 Budget



SCHILLING & COMPANY, INC.

Certified Public Accountants

P.O. Box 631579
HIGHLANDS RANCH, CO 80163

PHONE: 720.348.1086
FAX: 720.348.2920

Accountant's Compilation Report

Board of Directors
Tollgate Crossing Metropolitan District No. 2
Arapahoe County, Colorado

Management is responsible for the accompanying budget of revenues, expenditures, and fund balances (budget) of Tollgate Crossing Metropolitan District No. 2 (District), for the year ending December 31, 2023, including the estimate of comparative information for the year ending December 31, 2022, and the actual comparative information for the year ending December 31, 2021, in the format required by Colorado Revised Statutes (C.R.S) 29-1-105. 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 American Institute of Certified Public Accountants. We did not audit or review the budget included in the prescribed format 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 the accompanying budget.

The actual comparative information for the year ending December 31, 2021 is presented for comparative purposes as required by Colorado Revised Statutes 29-1-105. Such information is taken from the audited financial statements of the District for the year ended December 31, 2021. Dazzio & Associates, P.C. audited the financial statements for the year ended December 31, 2021, whose report was dated July 15, 2022.

The budget is presented in accordance with the requirements of Colorado Revised Statutes 29-1-105, and is not intended to be a presentation in accordance with accounting principles generally accepted in the United States of America.

We are not independent with respect to the Tollgate Crossing Metropolitan District No. 2.

SCHILLING & COMPANY, INC.

Highlands Ranch, CO
December 8, 2022

TOLLGATE CROSSING METROPOLITAN DISTRICT NO. 2
PROPERTY TAX SUMMARY INFORMATION
2023 BUDGET AS ADOPTED
WITH 2021 ACTUAL AND 2022 ESTIMATED
For the Years Ended and Ending December 31,

	ACTUAL 2021	ADOPTED BUDGET 2022	ADOPTED BUDGET 2023
ASSESSED VALUATION			
Arapahoe County	\$ 52,378,827	\$ 55,009,537	\$ 41,545,953
Certified Assessed Value	\$ 52,378,827	\$ 55,009,537	\$ 41,545,953
MILL LEVY			
General Fund (operations)	30.000	40.000	40.000
Debt Service	27.556	12.000	12.000
Refunds and abatements	0.000	0.000	0.000
Total mill levy	57.556	52.000	52.000
PROPERTY TAXES			
General	\$ 1,571,365	\$ 2,200,382	\$ 1,661,838
Debt Service	1,443,351	660,114	498,551
Levied property taxes	\$ 3,014,716	\$ 2,860,496	\$ 2,160,389
BUDGETED PROPERTY TAXES			
General Fund	\$ 1,571,365	\$ 2,200,382	\$ 1,661,838
Debt Service	1,443,351	660,114	498,551
	\$ 3,014,716	\$ 2,860,496	\$ 2,160,389

This financial information should be read only in connection with the accompanying accountant's compilation report and the summary of significant assumptions.

TOLLGATE CROSSING METROPOLITAN DISTRICT NO. 2
GENERAL FUND
2023 BUDGET AS ADOPTED
WITH 2021 ACTUAL AND 2022 ESTIMATED
For the Years Ended and Ending December 31,

	ACTUAL	ESTIMATED	ADOPTED
	2021	2022	BUDGET
	2021	2022	2023
BEGINNING FUND BALANCE	<u>\$ 1,169,272</u>	<u>1,626,623</u>	<u>\$ 1,575,350</u>
REVENUE			
Property tax	1,571,350	2,194,266	1,661,838
Specific ownership tax	108,300	139,034	99,710
Delinquent accounts collected	7,461	(91)	-
Penalties and fees	8,394	1,390	-
Clubhouse rental	5,640	8,123	5,000
Grants/reimbursements	398	7,976	-
Investment income	1,310	19,019	55,000
Net decrease in fair value of investments	-	(27,761)	-
HOA Newsletter Reimbursement	3,680	1,269	2,100
Miscellaneous/other	50,000	433	-
Total revenue	<u>1,756,533</u>	<u>2,343,658</u>	<u>1,823,648</u>
Total funds available	<u>2,925,805</u>	<u>3,970,281</u>	<u>3,398,998</u>
EXPENDITURES			
Accounting	12,821	15,087	25,000
Audit	4,400	4,400	5,000
Legal	6,001	16,880	20,000
Legal- collections	7,643	975	-
Election costs	-	27,688	35,000
Insurance	33,713	31,027	45,000
Bank fees	1,377	1,344	2,000
Miscellaneous	-	563	-
Landscaping contract	252,800	370,440	400,000
Structural prune trees	-	108,000	50,000
Landscape projects	381,157	200,000	100,000
Management fees	57,136	57,024	60,000
Management fees-special	-	20,000	20,000
Newsletter costs	4,617	4,367	5,000
Utilities:			
Water	190,110	187,284	242,482
Electric & gas	22,347	35,118	38,000
Telephone and internet	3,337	4,457	5,000
Clubhouse and park maintenance	44,819	16,869	50,000
Pool services	84,360	90,558	100,000
Pool repair and maintenance	18,058	35,000	35,000
Holiday lighting	12,650	25,000	25,000
Utility Notification	441	306	1,800
Treasurer's fees	23,579	32,922	24,928
Mitigation grants	2,247	1,500	35,000
Security System	20,000	14,700	18,375
Mailbox replacements	-	-	200,000
Manager's office remodel	15,569	-	-
Pool improvements	-	150,000	-
Security patrols	-	103,120	150,000
Prairie dog fencing	-	-	-
Clubhouse improvements	-	100,000	500,000
Fence repairs	-	14,710	40,000
Landscaping - Newbridge area	-	150,000	-
ET controllers	-	225,592	-
Park improvements	-	200,000	-
Total expenditures	<u>1,199,182</u>	<u>2,244,931</u>	<u>2,232,585</u>
Transfer to Capital Replacement Fund	100,000	150,000	100,000
Total transfers	<u>100,000</u>	<u>150,000</u>	<u>100,000</u>
Total transfers out and expenditures requiring appropriation	<u>1,299,182</u>	<u>2,394,931</u>	<u>2,332,585</u>
ENDING FUND BALANCE	<u>\$ 1,626,623</u>	<u>\$ 1,575,350</u>	<u>\$ 1,066,413</u>

This financial information should be read only in connection with the accompanying accountant's compilation report and the summary of significant assumptions.

TOLLGATE CROSSING METROPOLITAN DISTRICT NO. 2
DEBT SERVICE FUND
2023 BUDGET AS ADOPTED
WITH 2021 ACTUAL AND 2022 ESTIMATED
For the Years Ended and Ending December 31,

	ACTUAL 2021	ESTIMATED 2022	ADOPTED BUDGET 2023
BEGINNING FUND BALANCE	\$ 1,194,828	\$ 1,346,768	\$ 1,098,776
REVENUE			
Property tax	1,443,339	658,280	498,551
Specific ownership taxes	99,475	41,711	29,913
Interest income	1,328	10,338	36,000
Total revenue	<u>1,544,142</u>	<u>710,329</u>	<u>564,464</u>
Total funds available	<u>2,738,970</u>	<u>2,057,097</u>	<u>1,663,240</u>
EXPENDITURES			
Note principal - 2012A	645,000	680,000	710,000
Note interest - 2012A	282,924	265,444	247,016
Note principal - 2017	432,000	-	-
Note interest - 2017	9,720	-	-
Paying agent fees	900	3,000	3,000
Treasurer's fees	21,658	9,877	7,478
Total expenditures requiring appropriation	<u>1,392,202</u>	<u>958,321</u>	<u>967,494</u>
ENDING FUND BALANCE	<u>\$ 1,346,768</u>	<u>\$ 1,098,776</u>	<u>\$ 695,746</u>
REQUIRED RESERVE	<u>\$ 250,000</u>	<u>\$ 250,000</u>	<u>\$ 250,000</u>

This financial information should be read only in connection with the accompanying accountant's compilation report and the summary of significant assumptions.

TOLLGATE CROSSING METROPOLITAN DISTRICT NO. 2
CAPITAL REPLACEMENT FUND
2023 BUDGET AS ADOPTED
WITH 2021 ACTUAL AND 2022 ESTIMATED
For the Years Ended and Ending December 31,

	ACTUAL 2021	ESTIMATED 2022	ADOPTED BUDGET 2023
BEGINNING FUND BALANCE	\$ 534,735	\$ 635,010	\$ 792,591
REVENUE			
Net investment income	275	7,581	23,778
Transfer from General Fund	100,000	150,000	100,000
Total revenue	<u>100,275</u>	<u>157,581</u>	<u>123,778</u>
Total funds available	<u>635,010</u>	<u>792,591</u>	<u>916,369</u>
EXPENDITURES			
Capital improvements	-	-	-
Total expenditures and transfers out requiring appropriation	<u>-</u>	<u>-</u>	<u>-</u>
ENDING FUND BALANCE	<u>\$ 635,010</u>	<u>\$ 792,591</u>	<u>\$ 916,369</u>

This financial information should be read only in connection with the accompanying accountant's compilation report and the summary of significant assumptions.

TOLLGATE CROSSING METROPOLITAN DISTRICT NO. 2
2023 BUDGET
SUMMARY OF SIGNIFICANT ASSUMPTIONS

Disclosures contained in this summary as presented by management, are those that are believed to be significant as of the date of the compilation report and are not intended to be all-inclusive. The disclosures are intended to describe assumptions used during the preparation of the 2023 annual budget. Actual results may differ from the prospective results contained in the budget.

SERVICES PROVIDED

Tollgate Crossing Metropolitan District No. 2 (District), a quasi-municipal corporation and political subdivision of the State of Colorado was organized in 2001 and is governed pursuant to provisions of the Colorado Special District Act. The District's service area is located in Arapahoe County, Colorado. The District was established to manage the financing, construction, operation and maintenance of the facilities located within the District.

The District has no employees and all operations and administrative functions are contracted.

The District prepares its budget on the modified accrual basis of accounting.

REVENUE

Property Tax

A significant source of revenue is property taxes. Property taxes are based on the mill levy adopted applied to the annual assessed valuation. The calculation of the taxes levied is displayed on page 2 at the adopted mill levy of 52.000.

On May 8, 2018, the District's electors approved an increase in taxes of \$655,000 annually or by such lesser annual amount as may be necessary to pay the District's administration, operations, maintenance, capital replacement and other similar expenses; such taxes to consist of a general fund ad valorem property tax levy imposed with such limitations as exist in the District's service plan, as it currently exists or may be amended, or other applicable law. The maximum total mill levy that can be levied by the District is 57.556 unless the method in calculating the residential assessed valuation changes on or after January 1, 2019. The method in calculating the residential assessed valuation changed during 2019 and 2022 which would allow the District to levy a total of 57.576 mills however, the Board of Directors has elected not to adjust the mill levy for the changes in the 2023 Budget.

Specific Ownership Taxes

Specific ownership taxes are set by the State and collected by the County Treasurer, primarily on vehicle licensing within the County as a whole. The specific ownership taxes are allocated by the County Treasurer to all taxing entities within the County. The budget assumes that the District's share will be consistent with amounts collected during 2023 by the General Fund and Debt Service Fund in total.

Investment Income

Interest earned on the District's available funds has been estimated based on an average interest rate of approximately 3.00%.

EXPENDITURES

Administrative Expenditures

Administrative expenditures include the services necessary to maintain the District's administrative viability such as legal, accounting, management, insurance, landscape maintenance, utilities and other administrative expenses.

Debt Service

The debt service payments for the District are budgeted based upon the debt amortization schedules for the 2012 Tax-Free Notes Series A. The 2012A Notes bear interest of 2.8% through December 1, 2021 and 3.5% plus 7-year LIBOR x 65% through the final maturity date of December 1, 2032 which has been calculated as 2.71%. The District's debt amortization schedule is on page 8. The District has no outstanding operating or capital leases.

Capital Outlay

The District has appropriated any significant funds in the 2023 Budget for capital improvements in General Fund.

FUND BALANCE RESTRICTIONS/ASSIGNMENTS

The District has provided for an emergency reserve fund of at least 3% of fiscal year spending for 2023, as defined under TABOR. Such emergency reserve is an integral part of ending fund balance in the General Fund.

The District has provided for a debt service reserve fund in the amount of \$250,000 as required by the 2012 Tax-Free Notes Series A in the Debt Service Fund.

The ending fund balance in the Capital Replacement Fund is assigned for capital repairs/projects as determined annually by the District.

This information is an integral part of the accompanying budget.

**TOLLGATE CROSSING METROPOLITAN DISTRICT NO. 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
	<u>\$ 9,115,000</u>	<u>\$ 1,481,963</u>	<u>\$ 10,596,963</u>

This financial information should be read only in connection with the accompanying accountant's compilation report and the summary of significant assumptions.