

**TOLLGATE CROSSING METROPOLITAN
DISTRICT #2**

FINANCIAL STATEMENTS

For the Eight Month Period Ended August 31, 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 eight month periods ended August 31, 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.

September 23, 2022

FINANCIAL STATEMENTS

TOLLGATE CROSSING METROPOLITAN DISTRICT #2
BALANCE SHEET - GOVERNMENTAL FUNDS
August 31, 2022

	<u>GENERAL</u>	<u>DEBT SERVICE</u>	<u>CAPITAL REPLACEMENT</u>	<u>TOTAL GOVERNMENTAL FUNDS</u>
ASSETS				
Current assets				
Cash and investments - unrestricted	\$ 2,927,612	\$ -	\$ 636,591	\$ 3,564,203
Cash and investments - restricted	-	1,888,900	-	1,888,900
Cash with County Treasurer	18,980	5,694	-	24,674
Property taxes receivable	6,116	1,835	-	7,951
Accounts receivable - COA	17,500	-	-	17,500
Interest receivable	2,786	-	-	2,786
Accounts receivable - fees	4,648	-	-	4,648
TOTAL ASSETS	<u>\$ 2,977,642</u>	<u>\$ 1,896,429</u>	<u>\$ 636,591</u>	<u>\$ 5,510,662</u>
LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES				
Current liabilities				
Accounts payable	\$ 56,037	\$ -	\$ -	\$ 56,037
Assessments payable to customers	1,201	-	-	1,201
Total liabilities	<u>57,238</u>	<u>-</u>	<u>-</u>	<u>57,238</u>
DEFERRED INFLOWS OF RESOURCES				
Deferred assessments	4,648	-	-	4,648
Deferred property taxes	6,116	1,835	-	7,951
	<u>10,764</u>	<u>1,835</u>	<u>-</u>	<u>12,599</u>
FUND BALANCES				
Restricted for debt service	-	1,894,594	-	1,894,594
Restricted for landscape mitigation	37,253	-	-	37,253
Restricted for emergencies	35,753	-	-	35,753
Assigned for capital projects	-	-	636,591	636,591
Unassigned	2,836,634	-	-	2,836,634
Total fund balance	<u>2,909,640</u>	<u>1,894,594</u>	<u>636,591</u>	<u>5,440,825</u>
TOTAL LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES	<u>\$ 2,977,642</u>	<u>\$ 1,896,429</u>	<u>\$ 636,591</u>	<u>\$ 5,510,662</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 Eight Month Periods Ended August 31, 2022

	ONE MONTH ENDED ACTUAL	EIGHT MONTHS ENDED ACTUAL	ADOPTED BUDGET	VARIANCE WITH FINAL BUDGET POSITIVE (NEGATIVE)
REVENUE				
Property tax	\$ 4,752	\$ 2,194,266	\$ 2,200,382	\$ (6,116)
Specific ownership tax	14,156	92,689	143,025	(50,336)
Penalties, interest and fees	19	1,390	-	1,390
Uncollected fees	19	(91)	-	(91)
Clubhouse rental	530	5,415	5,000	415
HOA newsletter reimbursements	-	1,269	2,100	(831)
Grants/reimbursements	-	7,976	-	7,976
Interest income	1,126	4,953	2,091	2,862
Interest on investments	1,576	1,785	-	1,785
Net decrease in fair value of investments	(15,727)	(27,761)	-	(27,761)
Miscellaneous	163	433	-	433
TOTAL REVENUE	6,614	2,282,324	2,352,598	(70,274)
EXPENDITURES				
Accounting	1,211	10,058	20,000	9,942
Audit	-	4,400	5,000	600
Legal	513	11,253	19,133	7,880
Legal - collections	-	650	10,000	9,350
Election	-	27,688	30,000	2,312
Insurance	-	31,027	36,534	5,507
Bank fees	117	896	2,000	1,104
Miscellaneous	-	375	-	(375)
Landscape maintenance	-	148,520	370,440	221,920
Structural prune trees	-	-	108,000	108,000
Landscape projects	1,006	132,205	200,000	67,795
Management				
Management fees - general	4,742	38,016	60,000	21,984
Management fees - special	-	-	20,000	20,000
Newletter costs	372	2,911	5,000	2,089
Utilities				
Water usage	35,215	124,856	242,482	117,626
Electric & gas	569	23,412	27,500	4,088
Telephone and internet	371	2,971	3,000	29
Clubhouse and park maintenance	4,460	11,246	50,000	38,754
Pool services	16,465	70,776	90,558	19,782
Pool repairs and maintenance	7,276	16,675	35,000	18,325
Holiday lighting	-	-	25,000	25,000
Utility locates	47	204	1,800	1,596
Treasurer's fees	73	32,922	33,006	84
Mitigation grants	-	1,500	37,253	35,753
Security System	-	-	14,700	14,700
Pool improvements	-	33,860	150,000	116,140
Security patrols	5,100	28,120	150,000	121,880
Prairie dog fencing	-	-	50,000	50,000
Clubhouse improvements	3,038	4,464	100,000	95,536
Fence repairs	1,528	14,710	-	(14,710)
Landscaping - Newbridge area	-	-	150,000	150,000
ET controllers	-	225,592	100,000	(125,592)
Park Improvements	-	-	200,000	200,000
TOTAL EXPENDITURES	82,103	999,307	2,346,406	1,347,099
REVENUES OVER (UNDER) EXPENDITURES	(75,489)	1,283,017	6,192	1,276,825
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	(75,489)	1,283,017	(143,808)	1,426,825
FUND BALANCE - BEGINNING OF PERIOD	2,985,129	1,626,623	1,540,774	85,849
FUND BALANCE - END OF PERIOD	\$ 2,909,640	\$ 2,909,640	\$ 1,396,966	\$ 1,512,674

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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 Eight Month Periods Ended August 31, 2022

	ONE MONTH ENDED ACTUAL	EIGHT MONTHS ENDED ACTUAL	ADOPTED BUDGET	VARIANCE WITH FINAL BUDGET POSITIVE (NEGATIVE)
REVENUE				
Property tax	\$ 1,425	\$ 658,280	\$ 660,114	\$ (1,834)
Specific ownership tax	4,247	27,807	42,907	(15,100)
Net investment earnings	1,642	4,338	1,340	2,998
TOTAL REVENUE	<u>7,314</u>	<u>690,425</u>	<u>704,361</u>	<u>(13,936)</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	22	9,877	9,902	25
TOTAL EXPENDITURES	<u>22</u>	<u>142,599</u>	<u>958,347</u>	<u>815,748</u>
NET CHANGE IN FUND BALANCE	7,292	547,826	(253,986)	801,812
FUND BALANCE - BEGINNING OF PERIOD	<u>1,887,302</u>	<u>1,346,768</u>	<u>1,340,345</u>	<u>6,423</u>
FUND BALANCE - END OF PERIOD	<u>\$ 1,894,594</u>	<u>\$ 1,894,594</u>	<u>\$ 1,086,359</u>	<u>\$ 808,235</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 Eight Month Periods Ended August 31, 2022

	ONE MONTH ENDED ACTUAL	EIGHT MONTHS ENDED ACTUAL	ADOPTED BUDGET	VARIANCE WITH FINAL BUDGET POSITIVE (NEGATIVE)
REVENUE				
Net investment income	\$ 539	\$ 1,581	\$ 635	\$ 946
TOTAL REVENUE	<u>539</u>	<u>1,581</u>	<u>635</u>	<u>946</u>
EXPENDITURES				
Capital improvements	-	-	-	-
TOTAL EXPENDITURES	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
REVENUES OVER (UNDER) EXPENDITURES	<u>539</u>	<u>1,581</u>	<u>635</u>	<u>946</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	539	1,581	150,635	(149,054)
FUND BALANCE - BEGINNING OF PERIOD	<u>636,052</u>	<u>635,010</u>	<u>635,062</u>	<u>(52)</u>
FUND BALANCE - END OF PERIOD	<u>\$ 636,591</u>	<u>\$ 636,591</u>	<u>\$ 785,697</u>	<u>\$ (149,106)</u>

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TOLLGATE CROSSING METROPOLITAN DISTRICT #2
SCHEDULE OF CASH POSITION
August 31, 2022

<u>FINANCIAL INSTITUTION</u>	<u>FUNDS</u>
Checking - BOK Financial	\$ 126,192
Colotrust	1,531,009
BOK Investment Portfolio	3,795,902
	<u>\$ 5,453,103</u>
	<u><u>\$ 5,453,103</u></u>
Unrestricted	\$ 3,564,203
Restricted	1,888,900
	<u>\$ 5,453,103</u>
	<u><u>\$ 5,453,103</u></u>
General Fund	\$ 2,927,612
Debt Service Fund	1,888,900
Capital Replacement	636,591
	<u>\$ 5,453,103</u>
	<u><u>\$ 5,453,103</u></u>

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TOLLGATE CROSSING METROPOLITAN DISTRICT #2
SCHEDULE OF CHANGES IN LONG-TERM DEBT
For the Eight Month Period Ended August 31, 2022

	<u>Balance at January 1, 2022</u>	<u>Issuances</u>	<u>Retirements</u>	<u>Balance at August 31, 2022</u>
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
	<u>\$ 9,795,000</u>	<u>\$ 1,747,408</u>	<u>\$ 11,542,408</u>

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