

**TOLLGATE CROSSING METROPOLITAN DISTRICT NO. 2**  
**ANNUAL BUDGET**  
**FOR THE YEAR ENDING DECEMBER 31, 2025**



**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, 2025, including the estimate of comparative information for the year ending December 31, 2024, and the actual comparative information for the year ending December 31, 2023, 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, 2023 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, 2023. Dazzio & Associates, P.C. audited the financial statements for the year ended December 31, 2023, whose report was dated April 26, 2024.

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 4, 2024

**TOLLGATE CROSSING METROPOLITAN DISTRICT NO. 2**  
**PROPERTY TAX SUMMARY INFORMATION**  
**2025 BUDGET AS ADOPTED**  
**WITH 2023 ACTUAL AND 2024 ESTIMATED**  
**For the Years Ended and Ending December 31,**

	<u>ACTUAL 2023</u>	<u>ADOPTED BUDGET 2024</u>	<u>ADOPTED BUDGET 2025</u>
<b>ASSESSED VALUATION</b>			
Arapahoe County	\$ 41,545,953	\$ 51,917,594	\$ 52,386,946
Certified Assessed Value	<u>\$ 41,545,953</u>	<u>\$ 51,917,594</u>	<u>\$ 52,386,946</u>
<b>MILL LEVY</b>			
General Fund (operations)	47.576	49.264	47.726
Temporary mill levy reduction	(7.576)	(17.264)	(15.726)
	<u>40.000</u>	<u>32.000</u>	<u>32.000</u>
Debt Service	<u>12.000</u>	<u>12.500</u>	<u>14.000</u>
Total mill levy	<u><u>52.000</u></u>	<u><u>44.500</u></u>	<u><u>46.000</u></u>
<b>PROPERTY TAXES</b>			
General	\$ 1,661,838	\$ 1,661,363	\$ 1,676,382
Debt Service	498,551	648,970	733,417
Levied property taxes	<u>\$ 1,845,637</u>	<u>\$ 1,414,028</u>	<u>\$ 1,585,962</u>
<b>BUDGETED PROPERTY TAXES</b>			
General Fund	\$(13,844,111)	\$ (41,115,706)	\$ 1,676,382
Debt Service	(3,435,851)	(11,899,305)	733,417
	<u><u>\$(17,279,962)</u></u>	<u><u>\$ (53,015,011)</u></u>	<u><u>\$ 2,409,799</u></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**  
**2025 BUDGET AS ADOPTED**  
**WITH 2023 ACTUAL AND 2024 ESTIMATED**  
**For the Years Ended and Ending December 31,**

	<b>ACTUAL 2023</b>	<b>ESTIMATED 2024</b>	<b>ADOPTED BUDGET 2025</b>
<b>BEGINNING FUND BALANCE</b>	<u>\$ 2,520,391</u>	<u>2,310,878</u>	<u>\$ 2,352,520</u>
<b>REVENUE</b>			
Property tax	1,661,838	1,703,813	1,676,382
Specific ownership tax	108,898	100,010	100,583
Penalties and fees	102	458	-
Clubhouse rental	3,995	8,160	6,500
Grants/reimbursements	4,816	-	-
Investment income	119,506	106,887	80,000
Net increase in fair value of investments	37,532	15,735	-
HOA Newsletter Reimbursement	-	2,100	2,100
Miscellaneous/other	912	-	-
Total revenue	<u>1,937,599</u>	<u>1,937,163</u>	<u>1,865,565</u>
Total funds available	<u>4,457,990</u>	<u>4,248,041</u>	<u>4,218,085</u>
<b>EXPENDITURES</b>			
Administration:			
Accounting	21,538	26,235	28,000
Audit	4,800	5,300	5,800
Legal	14,274	23,517	25,000
Election costs	-	-	35,000
Insurance	40,510	39,034	48,000
Bank fees	843	1,188	2,000
Miscellaneous	242	5,471	-
Management fees	60,396	81,963	87,000
Management fees-special	-	-	20,000
Website Maintenance	8,395	5,000	5,000
Newsletter costs	4,733	4,923	5,250
Social committee	-	-	30,000
Treasurer's fees	24,943	25,568	25,146
Operations:			
Landscaping contract	252,800	298,224	330,000
Structural prune trees	-	-	-
Landscape projects	220,246	162,354	200,000
Utilities:			
Water	139,188	267,758	282,000
Electric & gas	24,819	27,548	32,000
Telephone and internet	4,538	4,541	5,500
Clubhouse and park maintenance	15,781	28,809	50,000
Pool services	100,750	113,090	123,000
Pool repair and maintenance	40,215	38,108	40,500
Holiday lighting	-	25,000	25,000
Utility Notification	196	767	1,800
Security patrols	61,437	62,813	80,000
Capital Outlay:			
Mitigation grants	-	-	35,753
Security System	73,750	41,210	-
Mailbox replacements	120,767	156,610	-
Pool improvements	106,591	-	-
Turf removal	-	-	400,000
Lighting projects	21,513	-	40,000
Clubhouse improvements	487,339	157,521	-
Monument marquee	-	-	100,000
Fence repairs/improvements/shed	4,350	500	40,000
Landscaping - Newbridge area	-	5,069	-
Park improvements	192,158	187,400	-
Total expenditures	<u>2,047,112</u>	<u>1,795,521</u>	<u>2,101,749</u>
Transfer to Capital Replacement Fund	100,000	100,000	100,000
Total transfers	<u>100,000</u>	<u>100,000</u>	<u>100,000</u>
Total transfers out and expenditures requiring appropriation	<u>2,147,112</u>	<u>1,895,521</u>	<u>2,201,749</u>
<b>ENDING FUND BALANCE</b>	<u>\$ 2,310,878</u>	<u>\$ 2,352,520</u>	<u>\$ 2,016,336</u>
<b>ENDING FUND BALANCE SUMMARY:</b>			
EMERGENCY RESERVE	60,000	58,052	55,904
MITIGATION GRANTS	35,753	-	-
UNRESTRICTED	2,215,125	2,294,468	1,960,432
<b>TOTAL ENDING FUND BALANCE</b>	<u>\$ 2,310,878</u>	<u>\$ 2,352,520</u>	<u>\$ 2,016,336</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  
2025 BUDGET AS ADOPTED  
WITH 2023 ACTUAL AND 2024 ESTIMATED  
For the Years Ended and Ending December 31,**

	<u>ACTUAL 2023</u>	<u>ESTIMATED 2024</u>	<u>ADOPTED BUDGET 2025</u>
<b>BEGINNING FUND BALANCE</b>	\$ 1,107,420	\$ 724,736	\$ 487,770
<b>REVENUE</b>			
Property tax	498,551	664,944	733,417
Specific ownership taxes	32,667	37,635	44,005
Interest income	50,846	46,209	40,000
Total revenue	<u>582,064</u>	<u>748,788</u>	<u>817,422</u>
Total funds available	<u>1,689,484</u>	<u>1,473,524</u>	<u>1,305,192</u>
<b>EXPENDITURES</b>			
Note principal - 2012A	710,000	745,000	780,000
Note interest - 2012A	247,016	227,776	207,586
Paying agent fees	249	3,000	3,500
Treasurer's fees	7,483	9,978	11,001
Total expenditures requiring appropriation	<u>964,748</u>	<u>985,754</u>	<u>1,002,087</u>
<b>ENDING FUND BALANCE</b>	<u>\$ 724,736</u>	<u>\$ 487,770</u>	<u>\$ 303,105</u>
<b>REQUIRED RESERVE</b>	<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  
2025 BUDGET AS ADOPTED  
WITH 2023 ACTUAL AND 2024 ESTIMATED  
For the Years Ended and Ending December 31,**

	<u>ACTUAL 2023</u>	<u>ESTIMATED 2024</u>	<u>ADOPTED BUDGET 2025</u>
<b>BEGINNING FUND BALANCE</b>	\$ 791,103	\$ 923,008	\$ 1,066,121
<b>REVENUE</b>			
Net investment income	31,905	43,113	42,000
Transfer from General Fund	100,000	100,000	100,000
Total revenue	<u>131,905</u>	<u>143,113</u>	<u>142,000</u>
 Total funds available	 <u>923,008</u>	 <u>1,066,121</u>	 <u>1,208,121</u>
<b>EXPENDITURES</b>			
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>
<b>ENDING FUND BALANCE</b>	<u>\$ 923,008</u>	<u>\$ 1,066,121</u>	<u>\$ 1,208,121</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  
2025 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 2025 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 greater 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 61.726 mills however, the Board of Directors has elected not to levy the maximum allowed in the 2025 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 4.00%.

## **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 in the 2025 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 2025, 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**

<b>Year Ending December 31,</b>	<b>Interest Due on June 1 and December 1</b>		
	<b>Principal</b>	<b>Interest</b>	<b>Total</b>
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>\$ 7,660,000</u>	<u>\$ 1,007,172</u>	<u>\$ 8,667,172</u>

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