

TOLLGATE CROSSING METROPOLITAN DISTRICT NO. 2
Arapahoe County, Colorado

FINANCIAL STATEMENTS
DECEMBER 31, 2019

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Dazzio & Associates, PC

Certified Public Accountants

INDEPENDENT AUDITOR'S REPORT

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

We have audited the accompanying financial statements of the governmental activities and each major fund of the Tollgate Crossing Metropolitan District No. 2 as of and for the year December 31, 2019, and the related notes to the financial statements, which collectively comprise the District's basic financial statements as listed in the table of contents.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in the United States of America; this includes the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express opinions on these financial statements based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

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Opinions

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities and each major fund of the Tollgate Crossing Metropolitan District No. 2, as of December 31, 2019, and the respective changes in financial position and the budgetary comparison for the General Fund for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Other Matters

Required Supplementary Information

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 for placing the basic financial statements in an appropriate operational, economic or historical context. Our opinion on the basic financial statements is not affected by this missing information.

Other Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise Tollgate Crossing Metropolitan District No. 2's basic financial statements. The Schedules of Revenues, Expenditures and Changes in Fund Balance – Budget and Actual, for the Debt Service and Capital Replacement Funds (the Supplemental Information) and the Summary of Assessed Valuation, Mill Levy and Property Taxes Collected and the Schedule of Debt Service Requirements to Maturity (the Other Information) are presented for purposes of additional analysis and are not a required part of the basic financial statements.

The Supplemental Information was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the Supplemental Information is fairly stated, in all material respects, in relation to the basic financial statements as a whole.

The Other Information has not been subjected to the auditing procedures applied in the audit of the basic financial statements and, accordingly, we do not express an opinion or provide any assurance on them.

Daggio & Associates, P.C.

September 15, 2020

BASIC FINANCIAL STATEMENTS

TOLLGATE CROSSING METROPOLITAN DISTRICT NO. 2
STATEMENT OF NET POSITION
GOVERNMENTAL ACTIVITIES
December 31, 2019

ASSETS

Cash deposits and investments - unrestricted	\$ 1,123,118
Cash deposits and investments - restricted	952,139
Cash with County Treasurer	13,588
Property taxes receivable	3,256,067
Accounts receivable	50,314
Prepaid expenses	400
Capital assets, not being depreciated	1,063,498
Capital assets, net of accumulated depreciation	963,847
Total assets	7,422,971

DEFERRED OUTFLOWS OF RESOURCES

Deferred loss on refunding, net	558,290
Total deferred outflows of resources	558,290

LIABILITIES

Accounts payable	38,607
Assessments due to customers	1,717
Accrued interest payable	27,793
Noncurrent liabilities:	
Due within one year	1,207,000
Due in more than one year	10,872,000
Total liabilities	12,147,117

DEFERRED INFLOWS OF RESOURCES

Deferred property taxes	3,256,067
Total deferred inflows of resources	3,256,067

NET POSITION

Net investment in capital assets	1,173,345
Restricted for emergencies	35,000
Restricted for debt service	932,504
Restricted for landscape grants	71,000
Unrestricted	(9,633,772)
Total net position	\$ (7,421,923)

These financial statements should be read only in connection with
the accompanying notes to financial statements.

TOLLGATE CROSSING METROPOLITAN DISTRICT NO. 2
STATEMENT OF ACTIVITIES
GOVERNMENTAL ACTIVITIES
Year Ended December 31, 2019

<u>Functions/Programs</u>	<u>Expenses</u>	<u>Program Revenues</u>			<u>Net (Expense) Revenue and Changes in Net Position</u>
		<u>Charges for Services</u>	<u>Operating Grants and Contributions</u>	<u>Capital Grants and Contributions</u>	
General government	\$ 883,937	\$ 6,690	\$ 187,000	\$ -	\$ (690,247)
Interest and fiscal charges	428,952	-	-	-	(428,952)
	<u>\$ 1,312,889</u>	<u>\$ 6,690</u>	<u>\$ 187,000</u>	<u>\$ -</u>	<u>(1,119,199)</u>

General revenues:

Property taxes	2,075,202
Specific ownership taxes	162,692
General operations and recreation fees - delinquent accounts	17,029
Miscellaneous	3,229
Net investment income	59,515
Total general revenues	<u>2,317,667</u>

Change in net position

Net position - Beginning	(8,620,391)
Net position - Ending	<u>\$ (7,421,923)</u>

These financial statements should be read only in connection with
the accompanying notes to financial statements.

TOLLGATE CROSSING METROPOLITAN DISTRICT NO. 2
BALANCE SHEET
GOVERNMENTAL FUNDS
December 31, 2019

	General	Debt Service	Capital Replacement	Total Governmental Funds
ASSETS				
Cash deposits and investments - unrestricted	\$ 691,917	\$ -	\$ 431,201	\$ 1,123,118
Cash deposits and investments - restricted	-	952,139	-	952,139
Cash with County Treasurer	5,430	8,158	-	13,588
Property tax receivable	1,584,020	1,672,047	-	3,256,067
Accounts receivable - fees	50,314	-	-	50,314
Prepaid expense	400	-	-	400
TOTAL ASSETS	\$ 2,332,081	\$ 2,632,344	\$ 431,201	\$ 5,395,626
LIABILITIES				
Accounts payable	\$ 38,607	\$ -	\$ -	\$ 38,607
Deferred revenue	37,567	-	-	37,567
Assessments due to customers	1,717	-	-	1,717
Total liabilities	77,891	-	-	77,891
DEFERRED INFLOWS OF RESOURCES				
Deferred property taxes	1,584,020	1,672,047	-	3,256,067
Total deferred inflows of resources	1,584,020	1,672,047	-	3,256,067
FUND BALANCES				
Nonspendable for prepaid items	400	-	-	400
Spendable:				
Restricted for emergencies	35,000	-	-	35,000
Restricted for debt service	-	960,297	-	960,297
Restricted for landscape grants	71,000	-	-	71,000
Assigned for subsequent year's expenditures	30,274	-	-	30,274
Assigned for capital projects	-	-	431,201	431,201
Unassigned	533,496	-	-	533,496
Total fund balances	670,170	960,297	431,201	2,061,668
TOTAL LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCE	\$ 2,332,081	\$ 2,632,344	\$ 431,201	

Amounts reported for governmental activities in the Statement of Net Position are different because:

Some assets used in governmental activities are not financial resources and, therefore, are not reported in the Balance Sheet - Governmental Funds.

Deferred loss on refunding, net	558,290
Capital assets, net of accumulated depreciation	2,027,345
	2,585,635

Revenue deferred in the fund statements because it is not available to pay for the current period expenditures is earned in the government-wide statements.

37,567

Some liabilities, including bonds payable and accrued interest payable, are not due and payable in the current period and, therefore, are not reported in the Balance Sheet - Governmental Funds.

Notes payable	(12,079,000)
Accrued interest payable	(27,793)
	(12,106,793)

Net position of governmental activities

\$ (7,421,923)

These financial statements should be read only in connection with
the accompanying notes to financial statements.

TOLLGATE CROSSING METROPOLITAN DISTRICT NO. 2
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES
IN FUND BALANCES - GOVERNMENTAL FUNDS
Year Ended December 31, 2019

	<u>General</u>	<u>Debt Service</u>	<u>Capital Replacement</u>	<u>Total Governmental Funds</u>
REVENUES				
Property tax	\$ 829,273	\$ 1,245,929	\$ -	\$ 2,075,202
Specific ownership tax	65,013	97,679	-	162,692
IGA Payment - Landscape mitigation	187,000	-	-	187,000
General operation and recreation fees - delinquent accts	40,994	-	-	40,994
Penalties and fees	24,448	-	-	24,448
Clubhouse rental	6,690	-	-	6,690
Net investment income	13,611	37,357	8,547	59,515
Total revenues	<u>1,167,029</u>	<u>1,380,965</u>	<u>8,547</u>	<u>2,556,541</u>
EXPENDITURES				
Current				
Accounting and audit	18,997	-	-	18,997
Legal	14,092	-	-	14,092
Legal - collections	39,044	-	-	39,044
Management fees	82,643	-	-	82,643
Management - assessment billings	7,614	-	-	7,614
Insurance	28,754	-	-	28,754
Landscape maintenance and projects	291,296	-	-	291,296
Snowplowing	26,396	-	-	26,396
Bank fees	1,926	-	-	1,926
Miscellaneous	4,272	-	-	4,272
Utilities	173,221	-	-	173,221
Clubhouse maintenance	22,808	-	-	22,808
Pool services	68,650	-	-	68,650
Pool repairs and maintenance	16,814	-	-	16,814
Holiday lighting	7,360	-	-	7,360
County Treasurer's fees	12,443	18,694	-	31,137
Debt service				
Note principal	-	1,173,000	-	1,173,000
Note interest	-	364,088	-	364,088
Paying agent fees	-	900	-	900
Total expenditures	<u>816,330</u>	<u>1,556,682</u>	<u>-</u>	<u>2,373,012</u>
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	<u>350,699</u>	<u>(175,717)</u>	<u>8,547</u>	<u>183,529</u>
OTHER FINANCING SOURCES (USES)				
Insurance proceeds	3,229	-	-	3,229
Transfers in	-	-	50,000	50,000
Transfers out	(50,000)	-	-	(50,000)
Total other financing sources (uses)	<u>(46,771)</u>	<u>-</u>	<u>50,000</u>	<u>3,229</u>
NET CHANGE IN FUND BALANCES	303,928	(175,717)	58,547	186,758
FUND BALANCES - BEGINNING OF YEAR	366,242	1,136,014	372,654	1,874,910
FUND BALANCES - END OF YEAR	<u>\$ 670,170</u>	<u>\$ 960,297</u>	<u>\$ 431,201</u>	<u>\$ 2,061,668</u>

These financial statements should be read only in connection with
the accompanying notes to financial statements.

**TOLLGATE CROSSING METROPOLITAN DISTRICT NO. 2
RECONCILIATION OF THE STATEMENT OF REVENUES,
EXPENDITURES AND CHANGES IN FUND BALANCES OF
GOVERNMENTAL FUNDS TO THE STATEMENT OF ACTIVITIES
Year Ended December 31, 2019**

A reconciliation reflecting the differences between the governmental funds net change in fund balances and change in net position reported for governmental activities in the Statement of Activities as follows:

Net change in fund balances - Total governmental funds	<u>\$ 186,758</u>
Revenues in the statement of activities that do not provide current financial resources are not reported as revenues in the fund statements.	
Change in deferred assessments	<u>(48,413)</u>
Governmental funds report capital outlays as expenditures. However, in the Statement of Activities the cost of those assets is allocated over their estimated useful lives and reported as depreciation expense.	
Capital outlay	-
Depreciation	<u>(67,607)</u>
	<u>(67,607)</u>
Long-term debt (e.g. bonds, notes) provide current financial resources to governmental funds, while the repayment of the principal of long-term debt consumes the current financial resources of governmental funds. Neither transaction, however, has any effect on net position. Also, governmental funds report the effect of premiums, discounts, and gains/losses on refundings and similar items when debt is first issued, whereas these amounts are deferred and amortized in the Statement of Activities.	
Principal payments	1,173,000
Amortization of deferred loss on refunding	<u>(47,818)</u>
	<u>1,125,182</u>
Some expenses reported in the Statement of Activities do not require the use of current financial resources and, therefore, are not reported as expenditures in governmental funds.	
Change in accrued interest payable	<u>2,548</u>
	<u>2,548</u>
Change in net position - Governmental activities	<u><u>\$ 1,198,468</u></u>

These financial statements should be read only in connection with the accompanying notes to financial statements.

TOLLGATE CROSSING METROPOLITAN DISTRICT NO. 2
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN
FUND BALANCE - BUDGET AND ACTUAL
GENERAL FUND
Year Ended December 31, 2019

	Final Budgeted Amounts	Actual	Variance with Final Budget - Positive (Negative)
REVENUES			
Property tax	\$ 829,279	\$ 829,273	\$ (6)
Specific ownership taxes	58,050	65,013	6,963
IGA Payment - Landscape mitigation	-	187,000	187,000
General operation and recreation fees - delinquent accts	40,000	40,994	994
Penalties and fees	10,000	24,448	14,448
Clubhouse rental	7,500	6,690	(810)
Net investment income	7,851	13,611	5,760
Insurance proceeds	-	3,229	3,229
Total Revenues	<u>952,680</u>	<u>1,170,258</u>	<u>217,578</u>
EXPENDITURES			
Accounting and audit	22,740	18,997	3,743
Legal	17,510	14,092	3,418
Legal - collections	10,000	39,044	(29,044)
Management fees	63,000	64,237	(1,237)
Management fees - special	5,150	18,406	(13,256)
Management - assessment billings	5,000	7,614	(2,614)
Insurance	28,142	28,754	(612)
Landscape maintenance	158,500	158,500	-
Landscape projects	110,000	99,678	10,322
Irrigation repair and maintenance	45,156	33,118	12,038
Snowplowing	37,853	26,396	11,457
Bank fees	2,000	1,926	74
Miscellaneous	-	4,272	(4,272)
Utilities	258,632	173,221	85,411
Clubhouse maintenance	30,900	22,808	8,092
Pool services	66,500	68,650	(2,150)
Pool repairs and maintenance	36,050	16,814	19,236
Holiday lighting	8,240	7,360	880
County Treasurer's fees	12,440	12,443	(3)
Total Expenditures	<u>917,813</u>	<u>816,330</u>	<u>101,483</u>
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	<u>34,867</u>	<u>353,928</u>	<u>319,061</u>
OTHER FINANCING SOURCES (USES)			
Transfers out	(50,000)	(50,000)	-
Total other financing sources (uses)	<u>(50,000)</u>	<u>(50,000)</u>	<u>-</u>
NET CHANGE IN FUND BALANCE	(15,133)	303,928	319,061
FUND BALANCE - BEGINNING OF YEAR	348,955	366,242	17,287
FUND BALANCE - END OF YEAR	<u>\$ 333,822</u>	<u>\$ 670,170</u>	<u>\$ 336,348</u>

These financial statements should be read only in connection with the
accompanying notes to financial statements.

TOLLGATE CROSSING METROPOLITAN DISTRICT NO. 2
NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2019

NOTE 1 – DEFINITION OF REPORTING ENTITY

Tollgate Crossing Metropolitan District No. 2 (District), a quasi-municipal corporation and political subdivision of the State of Colorado, is governed pursuant to the provisions of the Colorado Special District Act. The District's service area is located in Arapahoe County, Colorado. The District was established to provide for the design, acquisition, construction, installation and financing of water, sanitation, streets, traffic, safety control and park and recreation facilities.

The District was organized concurrently with Tollgate Crossing Metropolitan District No. 1. In May 2008, District No. 1 was dissolved and its assets, liabilities and fund balances were transferred to District No. 2.

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

The District follows the Governmental Accounting Standards Board (GASB) accounting pronouncements which provide guidance for determining which governmental activities, organizations and functions should be included within the financial reporting entity. GASB pronouncements set forth the financial accountability of a governmental organization's elected governing body as the basic criterion for including a possible component governmental organization in a primary government's legal entity. Financial accountability includes, but is not limited to, appointment of a voting majority of the organization's governing body, ability to impose its will on the organization, a potential for the organization to provide specific financial benefits or burdens and fiscal dependency.

The District is not financially accountable for any other organization, nor is the District a component unit of any other primary governmental entity.

NOTE 2 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The more significant accounting policies of the District are described as follows:

Government-wide and Fund Financial Statements

The government-wide financial statements include the statement of net position and the statement of activities. These financial statements include all of the activities of the District. For the most part, the effect of interfund activity has been removed from these statements. Governmental activities are normally supported by taxes and assessment revenues.

The statement of net position reports all financial and capital resources of the District, the difference between the assets and deferred outflows of resources, and liabilities and deferred inflows of resources of the District being reported as net position.

The statement of activities demonstrates the degree to which the direct and indirect expenses of a given function or segment are offset by program revenues. Direct expenses are those that are clearly identifiable with a specific function or segment. Program revenues include 1) charges to customers or applicants who purchase, use, or directly benefit from goods, services or privileges provided by a given function or segment and 2) grants and contributions that are restricted to meeting the operational or capital requirements of a particular function or segment.

TOLLGATE CROSSING METROPOLITAN DISTRICT NO. 2
NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2019

Taxes and other items not properly included among program revenues are reported instead as general revenues.

Major individual governmental funds are reported as separate columns in the fund financial statements.

Measurement Focus, Basis of Accounting, and Financial Statement Presentation

The government-wide financial statements are reported using the economic resources measurement focus and the accrual basis of accounting. Revenues are recorded when earned and expenses are recorded when a liability is incurred, regardless of the timing of related cash flows. Grants and similar items are recognized as revenues as soon as all eligibility requirements imposed by the provider have been met. Depreciation is computed and recorded as an operating expense. Expenditures for capital assets are shown as increases in assets and redemption of bonds and notes are recorded as a reduction in liabilities.

Governmental fund financial statements are reported using the current financial resources measurement focus and the modified accrual basis of accounting. Revenues are recognized as soon as they are both measurable and available. Revenues are considered to be available when they are collectible within the current period or soon enough thereafter to pay liabilities of the current period. For this purpose, the government considers revenues to be available if they are collected within 60 days of the end of the current fiscal period. The major sources of revenue susceptible to accrual are property taxes and general operations and recreation assessments. Expenditures, other than interest on long-term obligations, are recorded when the liability is incurred or the long-term obligation paid. All other revenue items are considered to be measurable and available only when cash is received by the District.

The District reports the following major governmental funds:

The General Fund is the District's primary operating fund. It accounts for all financial resources of the general government, except those required to be accounted for in another fund.

The Debt Service Fund accounts for the resources accumulated and payments made for principal and interest on long-term general obligation debt of the governmental funds.

The Capital Replacement Fund accounts for the resources accumulated for capital replacement as determined by the Board of Directors.

When both restricted and unrestricted resources are available for use, it is the government's policy to use restricted resources first, then unrestricted resources as they are needed.

Budgets

In accordance with the Local Government Budget Law of Colorado, the District's Board of Directors holds public hearings in the fall each year to approve the budget and appropriate the funds for the ensuing year. The appropriation is at the total fund expenditures level and lapses at year end. The District's Board of Directors can modify the budget by line item within the total

TOLLGATE CROSSING METROPOLITAN DISTRICT NO. 2
NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2019

appropriation without notification. The appropriation can only be modified upon completion of notification and publication requirements. The budget includes each fund on its basis of accounting unless otherwise indicated.

Pooled Cash and Investments

The District follows the practice of pooling cash and investments of all funds to maximize investment earnings. Except when required by trust or other agreements, all cash is deposited to and disbursed from a single bank account. Cash in excess of immediate operating requirements is pooled for deposit and investment flexibility. Investment earnings are allocated periodically to the participating funds based upon each funds' average equity balance in total cash.

Capital Assets

Capital assets, which include landscaping, pool and clubhouse, fencing, etc. are reported in the government-wide financial statements. Capital assets are defined by the District as assets with an initial, individual cost of more than \$5,000. Such assets are recorded at historical cost or estimated historical cost if purchased or constructed. Donated capital assets are recorded at estimated fair value at the date of donation.

Improvements not conveyed either to the City of Aurora or other governmental entities for ownership and maintenance, are owned and maintained by the District.

The costs of normal maintenance and repairs that do not add to the value of the asset or materially extend the life of the asset are not capitalized. Improvements are capitalized and depreciated over the remaining useful lives of the related fixed assets, as applicable. Depreciation expense has been computed using the straight-line method over the estimated economic useful lives:

Pool and clubhouse	10-30 years	Fencing	20 years
Irrigation systems	10 years	Entrance bridge	30 years
Detention pond	30 years		

Property Taxes

Property taxes are levied by the District's Board of Directors. The levy is based on assessed valuations determined by the County Assessor generally as of January 1 of each year. The levy is set by December 15 by certification to the County Commissioners to put the tax lien on the individual properties as of January 1 of the following year. The County Treasurer collects the determined taxes during the ensuing calendar year. The taxes are payable by April 30 or if in equal installments, at the taxpayer's election, in February and June. Delinquent taxpayers are notified in August and generally sales of the tax liens on delinquent properties are held in November or December. The County Treasurer remits the taxes collected monthly to the District.

Property taxes, net of estimated uncollectible taxes, are recorded initially as deferred inflows of resources in the year they are levied and measurable. The deferred property tax revenues are recorded as revenue in the year they are available or collected.

TOLLGATE CROSSING METROPOLITAN DISTRICT NO. 2
NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2019

General Operation and Recreation Fees

The District charges a general operations fee in the amount of \$40 per month per platted lot to pay costs associated with the day-to-day operational requirements of the District. A recreation fee in the amount of \$8 per month per residential unit is charged to pay costs associated with the District's recreation facilities. Due to the broad collection powers of the District, no allowance for uncollectible accounts has been established. Effective January 1, 2019, the District discontinued the general operations and recreation fee.

Debt Issue Costs and Original Issue Discount/Premium

In the government-wide financial statements, debt premiums and discounts are deferred and amortized over the life of the issue using the percentage of current principal payments to total debt issue. Debt issuance costs are expensed when incurred.

In the fund financial statements, governmental fund types recognize debt premiums and discounts, as well as debt issuance costs, during the current period. The face amount of debt issued is reported as other financing sources. Premiums received on debt issuances are reported as other financing sources while discounts on debt issuances are reported as other financing uses. Issuance costs, whether or not withheld from the actual debt proceeds received, are reported as debt service expenditures.

Estimates

The preparation of financial statements in conformity with generally accepted account principles in the United States requires the District's management to make estimates and assumptions that affect certain reported amounts and disclosures. Accordingly, actual results could differ from those estimates.

Fund Balances – Governmental Funds

The District's governmental fund balances may consist of five classifications based on the relative strength of the spending constraints:

Nonspendable fund balance—the amount of fund balance that is not in spendable form (such as inventory or prepaid items) or is legally or contractually required to be maintained intact.

Restricted fund balance—the amounts constrained to specific purposes by their providers (such as grantors, bondholders, and higher levels of government), through constitutional provisions, or by enabling legislation.

Committed fund balance—amounts constrained to specific purposes by the District itself, using its highest level of decision-making authority (i.e., Board of Directors). To be reported as committed, amounts cannot be used for any other purpose unless the District takes the same highest level action to remove or change the constraint.

Assigned fund balance—amounts the District intends to use for a specific purpose. Intent can be expressed by the District Board of Directors or by an official or body to which the District Board of Directors delegates the authority.

TOLLGATE CROSSING METROPOLITAN DISTRICT NO. 2
NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2019

Unassigned fund balance—amounts that are available for any purpose. Positive amounts are reported only in the General Fund.

When an expenditure is incurred for purposes for which both restricted and unrestricted fund balance is available, the District considers restricted funds to have been spent first. When an expenditure is incurred for which committed, assigned, or unassigned fund balances are available, the District considers amounts to have been spent first out of committed funds, then assigned funds, and finally unassigned funds, as needed, unless the District's Board of Directors has provided otherwise in its commitment or assignment actions.

NOTE 3 – CASH DEPOSITS AND INVESTMENTS

Cash deposits and investments as of December 31, 2019 are classified in the accompanying financial statements as follows:

Cash deposits and investments – Unrestricted	\$ 1,123,118
Cash deposits and investments – Restricted	<u>952,139</u>
	<u>\$ 2,075,257</u>

Cash deposits and investments as of December 31, 2019 consist of the following:

Deposits with financial institutions	\$ 214,820
Investments	<u>1,860,437</u>
	<u>\$ 2,075,257</u>

Cash Deposits – Custodial Credit Risk

Custodial risk for deposits is the risk that, in the event of a failure of a depository financial institution, the District will not be able to recover its deposits or will not be able to recover collateral securities that are in possession of an outside party. The Colorado Public Deposit Protection Act (PDPA) requires that all units of local government deposit cash in eligible public depositories. Eligibility is determined by state regulators. Amounts on deposit in excess of federal insurance levels (\$250,000) must be collateralized. The eligible collateral is determined by the PDPA. PDPA allows the institution to create a single collateral pool for all public funds. The pool for all the uninsured public deposits as a group is to be maintained by another institution or held in trust. The market value of the collateral must be at least equal to 102% of the aggregate uninsured deposits. The State Commissioners for banks and financial services are required by Statute to monitor the naming of eligible depositories and reporting of the uninsured deposits and assets maintained in the collateral pools.

At December 31, 2019, the District's cash deposits had a bank balance of \$217,416 and carrying balance of \$214,820, respectively, which were fully insured by federal depository insurance.

TOLLGATE CROSSING METROPOLITAN DISTRICT NO. 2
NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2019

Investments

The District's formal investment policy is to follow Colorado State Statutes which specify investment instruments meeting defined rating and risk criteria in which local governments may invest which include:

- . Obligations of the United States and certain U.S. government agency securities and the World Bank
- . General obligation and revenue bonds of U.S. local government entities
- . Bankers' acceptances of certain banks
- . Commercial paper
- . Certain reverse repurchase agreements
- . Certain securities lending agreements
- . Certain corporate bonds
- . Written repurchase agreements collateralized by certain authorized securities
- . Certain money market funds
- . Guaranteed investment contracts
- . Local government investment pools

The District generally limits its concentration of investments to Local Government Investment Pools which are believed to have minimal credit risk; minimal interest rate risk and no foreign currency risk.

COLOTRUST

At December 31, 2019, the District has invested \$1,860,437 in the Colorado Local Government Liquid Asset Trust (the Trust), an investment vehicle established for local government entities in Colorado to pool surplus funds. The State Securities Commissioner administers and enforces all State statutes governing the Trust. The Trust operates similarly to a money market fund. The Trust offers shares in two portfolios, COLOTRUST PRIME and COLOTRUST PLUS+. Both portfolios may invest in U.S. Treasury securities, repurchase agreements collateralized by U.S. Treasury securities, certain obligations of U.S. government agencies and instrumentalities, and repurchase agreements collateralized with certain U.S. government agencies or instrumentalities. COLOTRUST PLUS+ may also invest in the highest rated commercial paper. Both the COLOTRUST PRIME and COLOTRUST PLUS+ portfolios are rated AAAM by Standard and Poor's.

Investment Valuation

Certain investments are measured at fair value on a recurring basis are categorized within the fair value hierarchy established by generally accepted accounting principles. The hierarchy is based on the valuation inputs used to measure an asset's fair value: Level 1 inputs are quoted prices in active markets for identical assets; Level 2 inputs are significant other observable inputs; Level 3 inputs are significant unobservable inputs.

However, the investments held by the District are not required to be categorized within the fair value hierarchy. These investments are measured at amortized cost or in certain circumstances the value is calculated using the net asset value (NAV) per share, or its equivalent of the investment. These investments include 2a7-like external investment pools and money market investments such as COLOTRUST.

TOLLGATE CROSSING METROPOLITAN DISTRICT NO. 2
NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2019

COLOTRUST determines the NAV of the shares of each portfolio as of the close of business of each day. The NAV per share of each portfolio is computed by dividing the total value of the securities and other assets of the portfolios, less any liabilities, by the total outstanding shares of the portfolios. Liabilities, which include all expenses and fees of COLOTRUST, are accrued daily. The NAV is calculated at fair value using various inputs in determine value in accordance with FASB guidance. It is the goal of the Trust to maintain a NAV of \$1.00 per share, however changes in interest rates may affect the fair value of the securities held by COLOTRUST and there can be no assurance that the NAV will not vary from \$1.00 per share.

Restricted Cash and Investments

At December 31, 2019, cash deposits and investments in the amount of \$952,139 are restricted for debt service. \$250,000 of the restricted cash in the Debt Service Fund is the reserve required by the bond documents (NOTE 5).

NOTE 4 - CAPITAL ASSETS

An analysis of the changes in capital assets for the year ended December 31, 2019:

	<u>Balance at December 31, 2018</u>	<u>Increases</u>	<u>Decreases</u>	<u>Balance at December 31, 2019</u>
Capital assets, not being depreciated:				
Landscaping	\$ 1,063,498	\$ -	\$ -	\$ 1,063,498
Total capital assets, not being depreciated	<u>1,063,498</u>	<u>-</u>	<u>-</u>	<u>1,063,498</u>
Capital assets, being depreciated:				
Pool and clubhouse	1,366,145	-	-	1,366,145
Irrigation systems	340,685	-	-	340,685
Detention pond	17,720	-	-	17,720
Fencing	176,438	-	-	176,438
Entrance bridge	<u>345,193</u>	<u>-</u>	<u>-</u>	<u>345,193</u>
Total capital assets, being depreciated	<u>2,246,181</u>	<u>-</u>	<u>-</u>	<u>2,246,181</u>
Less accumulated depreciation for:				
Pool and clubhouse	(560,255)	(46,688)	-	(606,943)
Irrigation systems	(340,685)	-	-	(340,685)
Detention pond	(8,860)	(591)	-	(9,451)
Fencing	(132,328)	(8,822)	-	(141,150)
Entrance bridge	<u>(172,599)</u>	<u>(11,506)</u>	<u>-</u>	<u>(184,105)</u>
	<u>(1,214,727)</u>	<u>(67,607)</u>	<u>-</u>	<u>(1,282,334)</u>
Total capital assets, being depreciated, net	<u>1,031,454</u>	<u>(67,607)</u>	<u>-</u>	<u>963,847</u>
Capital assets, net	<u>\$ 2,094,952</u>	<u>\$ (67,607)</u>	<u>\$ -</u>	<u>\$ 2,027,345</u>

Depreciation expense is charged to the general government function.

TOLLGATE CROSSING METROPOLITAN DISTRICT NO. 2
NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2019

NOTE 5 – LONG-TERM OBLIGATIONS

The following is an analysis of the changes in the District’s long-term obligations for the year ended December 31, 2019.

	Balance at December 31,			Balance at December 31,		Due Within
	2018	New Issues	Retirements	2019	One Year	
G.O. Refunding Notes - 2012A	\$ 10,000,000	\$ -	\$ -	\$ 10,000,000	\$ -	-
G.O. Refunding Notes - 2012B	1,985,000	-	760,000	1,225,000	785,000	785,000
G.O. Refunding Notes - 2017	1,267,000	-	413,000	854,000	422,000	422,000
	<u>\$ 13,252,000</u>	<u>\$ -</u>	<u>\$ 1,173,000</u>	<u>\$ 12,079,000</u>	<u>\$ 1,207,000</u>	<u>\$ 1,207,000</u>

General Obligation Refunding Notes, Series 2012A and 2012B

On August 29, 2012 the District entered into a Tax-Free Loan in the principal amount of \$16,130,000 with Colorado Business Bank, to refund and pay the Limited Tax G.O. Bonds, Series 2004 Bonds in the principal amount of \$14,340,225. The Tax-Free Loan is evidenced by the issuance of the General Obligation Refunding Notes Series 2012A (2012A Notes) in the principal amount of \$10,000,000 and the Taxable Convertible to Tax-Exempt General Obligation Refunding Notes, Series 2012B (2012B Notes) in the principal amount of \$6,130,000. On January 1, 2013, the Series 2012B Notes converted to Tax-Exempt.

The 2012A Notes bear interest of 2.8% from the date of issuance to November 30, 2020 and thereafter until maturity at a rate of the sum of 3.5% plus USD 7 year LIBOR Swap Rate times 65%. The 2012A Notes are subject to redemption or prepayment prior to maturity, at the option of the District, in whole or in part, on any date, upon payment of part and accrued interest plus a redemption premium as further described in the First Sale Certificate. The Series 2012A Notes are subject to mandatory sinking fund redemption prior to maturity on December 1, 2021 and each December 1 thereafter to December 1, 2031 in varying amounts. The final maturity on the 2012A Notes is December 1, 2032.

The 2012B Notes bear interest of 2.8% from the tax-exempt reissuance date of January 1, 2013 to November 30, 2020 and thereafter until maturity at a rate of the sum of 3.5% plus USD 7 year LIBOR Swap Rate times 65%. The 2012B Notes are subject to redemption or prepayment prior to maturity, at the option of the District, in whole or in part, on any date, upon payment of part and accrued interest plus a redemption premium as further described in the First Sale Certificate. The Series 2012B Notes are subject to mandatory sinking fund redemption prior to maturity on December 1, 2013 and each December 1 thereafter to December 1, 2020, in varying amounts. The final maturity on the 2012B Notes is December 1, 2021.

General Obligation Notes, Series 2017

On February 2, 2017 the District entered into a Tax-Free Loan in the principal amount of \$2,000,000 with Colorado Business Bank, to reimburse Westside Tollgate, LLC for certain infrastructure constructed (NOTE 9 – Filing 6B Revitalization). The Tax-Free Loan is evidenced by the issuance of the General Obligation Refunding Notes, Series 2017 (2017 Notes). The 2017 Notes bear interest of 2.25% from the date of issuance to December 1, 2021. The 2017

TOLLGATE CROSSING METROPOLITAN DISTRICT NO. 2
NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2019

Notes are not subject to redemption or prepayment prior to maturity. The 2017 Notes are subject to mandatory sinking fund redemption prior to maturity on December 1, 2017 and each December 1 thereafter to December 1, 2021, in varying amounts. The final maturity on the 2017 Notes is December 1, 2021.

The District is required to establish and maintain a reserve fund of \$250,000 for the 2012A, 2012B and 2017 Notes. At December 31, 2019, the District was in compliance with the reserve requirement.

The 2012A, 2012B and 2017 Notes are payable from pledged revenue, which includes the District's covenant to levy a mill levy on all taxable property within the District sufficient to pay for debt scheduled payments as well as a portion of specific ownership taxes collected by the District as a result of the imposition of the debt service mill levy without limitation.

The District's long-term obligations will mature as follows:

	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2020	\$ 1,207,000	\$ 333,515	\$ 1,540,515
2021	1,077,000	511,884	1,588,884
2022	680,000	471,140	1,151,140
2023	710,000	438,431	1,148,431
2024	745,000	404,281	1,149,281
2025-2029	4,300,000	1,447,810	5,747,810
2030-2032	3,360,000	339,826	3,699,826
	<u>\$ 12,079,000</u>	<u>\$ 3,946,887</u>	<u>\$ 16,025,887</u>

NOTE 6 – DEBT AUTHORIZATION

On November 6, 2001, a majority of the qualified electors of the District authorized the issuance of indebtedness in an amount not to exceed \$37,500,000 at an interest rate not to exceed 18% per annum.

	<u>Authorized November 6, 2001 Election</u>	<u>Authorization Used</u>	<u>Remaining at December 31, 2019</u>
Street improvements	\$ 10,000,000	\$ 8,937,582	\$ 1,062,418
Safety protection	500,000	-	500,000
Water improvements	1,000,000	1,000,000	-
Sanitation	3,500,000	3,500,000	-
Park and recreation	4,500,000	702,419	3,797,581
Operations	1,000,000	-	1,000,000
Refunding	17,000,000	16,130,000	870,000
	<u>\$ 37,500,000</u>	<u>\$ 30,270,001</u>	<u>\$ 7,229,999</u>

In the future, the District may issue a portion or all of the remaining authorized, but unissued general obligation debt for purposes of providing public improvements to support development as it occurs within the District's service area; however, the amount and timing of any debt issuances is not determinable.

TOLLGATE CROSSING METROPOLITAN DISTRICT NO. 2
NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2019

NOTE 7 - FUND EQUITY

At December 31, 2019, the District reported the following classifications of fund equity.

Nonspendable Fund Balance

The nonspendable fund balance in the General Fund in the amount of \$400 is comprised of prepaid amounts which are not in spendable form.

Restricted Fund Balance

The restricted fund balance in the General Fund in the amount of \$35,000 is comprised of the Emergency Reserves that have been provided for as required by Article X, Section 20 of the Constitution of the State of Colorado (NOTE 10).

The restricted fund balance in the General Fund in the amount of \$71,000 is to be used by residents of the District who have potentially been impacted visually or by connectivity as a result of a transmission line project by Xcel Energy. (NOTE 12).

The restricted fund balance in the Debt Service Fund in the amount of \$960,297 is to be used exclusively for debt service requirements (NOTE 5).

Assigned Fund Balance

The assigned fund balance in the General Fund in the amount of \$30,274 is comprised of amounts assigned by the Board of Directors by a resolution to eliminate the projected budgetary deficit in the subsequent year's budget.

The assigned fund balance in the Capital Replacement Fund in the amount of \$431,201 is comprised of amounts assigned by the Board of Directors by resolution for capital needs of the District.

NOTE 8 - NET POSITION

The District has net position consisting of three components – net investment in capital assets, restricted and unrestricted.

Net investment in capital assets consists of capital assets, net of accumulated depreciation and reduced by the outstanding balances of bonds, mortgages, notes, or other borrowings that are attributable to the acquisition, construction, or improvement of those assets. As of December 31, 2019, the District had net investment in capital assets of \$1,173,345.

Restricted net position includes amounts that are restricted for use either externally imposed by creditors, grantors, contributors, or laws and regulations of other governments or imposed by law through constitutional provisions or enabling legislation. The District had restricted net position as of December 31, 2019 as follows:

TOLLGATE CROSSING METROPOLITAN DISTRICT NO. 2
NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2019

Restricted net position:

Emergency reserves (see Note 10)	\$ 35,000
Debt Service	932,504
Landscape grants	71,000
	<u>\$ 1,038,504</u>

The District's unrestricted net position at December 31, 2019 totaled (\$9,633,772). This deficit amount was a result of the District being responsible for repayment of debt issued for public improvements conveyed to other governmental entities.

NOTE 9 – CONTINGENCIES

Risk Management

Except as provided in the Colorado Governmental Immunity Act, 24-10-101, et seq., C.R.S. the District may be exposed to various risks of loss related to torts, thefts of, damage to, or destruction of assets; errors or omissions; injuries to employees or acts of God.

The District is a member of the Colorado Special Districts Property and Liability Pool (Pool). The Pool is an organization created by intergovernmental agreement to provide property, liability, public officials' liability, boiler and machinery and workers compensation coverage to its members. Settled claims have not exceeded this coverage in any of the past three fiscal years.

The District pays annual premiums to the Pool for liability, property, public officials' liability and workers compensation coverage. In the event aggregated losses incurred by the Pool exceed amounts recoverable from reinsurance contracts and funds accumulated by the Pool, the Pool may require additional contributions from the Pool members. Any excess funds which the Pool determines are not needed for purposes of the Pool may be returned to the members pursuant to a distribution formula.

NOTE 10 - TAX, SPENDING AND DEBT LIMITATIONS

Article X, Section 20 of the Colorado Constitution, commonly known as the Taxpayer's Bill of Rights (TABOR), contains tax, spending, revenue and debt limitations that apply to the State of Colorado and all local governments.

Spending and revenue limits are determined based on the prior year's Fiscal Year Spending adjusted for allowable increases based upon inflation and local growth. Fiscal Year Spending is generally defined as expenditures plus reserve increases with certain exceptions. Revenue in excess of the Fiscal Year Spending limit must be refunded unless the voters approve retention of such revenue.

TABOR requires local governments to establish Emergency Reserves. These reserves must be at least 3% of Fiscal Year Spending (excluding bonded debt service). Local governments are not allowed to use the emergency reserves to compensate for economic conditions, revenue shortfalls, or salary or benefit increases.

TOLLGATE CROSSING METROPOLITAN DISTRICT NO. 2
NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2019

The District's management believes it is in compliance with the provisions of TABOR. However, TABOR is complex and subject to interpretation. Many of the provisions, including the interpretation of how to calculate Fiscal Year Spending limits will require judicial interpretation.

On November 6, 2001, the District's electors approved the following ballot issues:

Shall District taxes be increased \$150,000 annually or by such lesser annual amount as may be necessary to pay the District's operations, maintenance, and other expenses: such taxes to consist of an ad valorem mill levy imposed without limitation of rate or with such limitations as may be determined by the Board, to be used for the purpose of paying the District's operations, maintenance, and other expenses: and shall the proceeds of such taxes and investment income thereon constitute voter-approved revenue changes and be collected and spent by the District in 2001 and in each year thereafter without regard to any spending, revenue-raising, or other limitation contained within Article X, Section 20 of the Colorado Constitution or Section 29-1-301, Colorado Revised Statutes?

Shall the District be authorized to collect, retain, and spend the amount of \$1,000,000 annually from any revenue sources other than ad valorem taxes, including but not limited to tap fees, facility fees, service charges, inspection charges, administrative charges, grants, or any other fee, rate toll, penalty, income or charge imposed, collected, or authorized by law to be imposed or collected by the District, and shall such revenues be collected and spent by the District as a voter approved revenue change without regard to any spending, revenue-raising, or other limitation contained within Article X, Section 20 of the Colorado Constitution, and without limiting in any year the amount of other revenues that may be collected and spent by the District?

On May 8, 2018, the District's electors approved the following ballot issue:

Shall Tollgate Crossing Metropolitan District No. 2 taxes be increased \$655,000 annually (for collection in calendar year 2019), or by such lesser or 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, and as may be determined by the District, and by the following limitation: the property tax increase set forth above shall be reduced or eliminated, but shall not be below zero, if the total mill levy imposed by the Tollgate Crossing Metropolitan District No. 2 for all purposes would otherwise exceed 57.556 mills, provided that if on or after January 1, 2019, if there are changes in the method of calculating residential assessed valuation, such mill levy limit shall be increased or decreased so that to the extent possible, the actual tax revenues as adjusted for such changes are neither diminished nor enhanced as a result of such changes; and shall the proceeds of such taxes and investment income thereon constitute voter-approved revenue changes and be collected and spent by the District in 2019 and in each year thereafter without regard to any spending, revenue-raising, or other limitation contained within Article X, Section 20 of the Colorado Constitution, or Section 29-1-301, Colorado Revised Statutes?

NOTE 11 – INTERFUND TRANSFERS

The Capital Replacement Fund received a transfer of \$50,000 from the General Fund to accumulate funds for capital replacement purposes.

TOLLGATE CROSSING METROPOLITAN DISTRICT NO. 2
NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2019

NOTE 12 – INTERGOVERNMENTAL AGREEMENT

On September 16, 2019, the District entered into an Intergovernmental Agreement (IGA) with the City of Aurora (City) regarding Transmission Line Project Impacts. In 2017, Xcel Energy notified the City of its plan to construct the Pawnee to Daniels Park 35-KV Transmission Line Project within its transmission line corridor and within the City's jurisdictional boundaries. The City has identified properties adjacent to the project that may be potentially impacted visually or by connectivity as a result of the project, and, therefore, eligible to received designated mitigation program funds.

The IGA outlines a Residence Landscape Screening Program which provides funds for owners of single-family residential lots adjacent to the project. Qualified lot owners may be eligible for reimbursement up to \$500 for the installation of new trees and/or other appropriate landscaping to help create ground-level screening of the project. The City has allocated \$71,000 to the Residence Landscape Screening Program.

The City has also allocated and paid \$116,000 to the District for vegetation growth enhancement. The District will use the funds to increase the viability of plant material and native species grasses along selected segments of the project.

This information is an integral part of the accompanying financial statements.

SUPPLEMENTAL INFORMATION

TOLLGATE CROSSING METROPOLITAN DISTRICT NO. 2
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN
FUND BALANCE - BUDGET AND ACTUAL
DEBT SERVICE FUND
Year Ended December 31, 2019

	Original and Final Budgeted Amounts	Actual	Variance with Final Budget - Positive (Negative)
REVENUES			
Property taxes	\$ 1,245,939	\$ 1,245,929	\$ (10)
Specific ownership taxes	87,216	97,679	10,463
Net investment income	25,326	37,357	12,031
Total Revenues	<u>1,358,481</u>	<u>1,380,965</u>	<u>22,484</u>
EXPENDITURES			
County treasurer's fees	18,690	18,694	(4)
Note principal	1,173,000	1,173,000	-
Note interest	364,088	364,088	-
Paying agent fees	3,000	900	2,100
Total Expenditures	<u>1,558,778</u>	<u>1,556,682</u>	<u>2,096</u>
NET CHANGE IN FUND BALANCE	(200,297)	(175,717)	24,580
FUND BALANCE - BEGINNING OF YEAR	<u>1,125,619</u>	<u>1,136,014</u>	<u>10,395</u>
FUND BALANCE - END OF YEAR	<u>\$ 925,322</u>	<u>\$ 960,297</u>	<u>\$ 34,975</u>

**TOLLGATE CROSSING METROPOLITAN DISTRICT NO. 2
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN
FUND BALANCE - BUDGET AND ACTUAL
CAPITAL REPLACEMENT FUND
Year Ended December 31, 2019**

	<u>Original and Final Budgeted Amounts</u>	<u>Actual</u>	<u>Variance with Final Budget - Positive (Negative)</u>
REVENUE			
Net investment income	\$ 8,364	\$ 8,547	\$ 183
	<u>8,364</u>	<u>8,547</u>	<u>183</u>
EXPENDITURES			
Pool improvements	-	-	-
Total Expenditures	<u>-</u>	<u>-</u>	<u>-</u>
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	<u>8,364</u>	<u>8,547</u>	<u>183</u>
OTHER FINANCING SOURCES (USES)			
Transfers in	50,000	50,000	-
Total other financing sources (uses)	<u>50,000</u>	<u>50,000</u>	<u>-</u>
NET CHANGE IN FUND BALANCE	58,364	58,547	183
FUND BALANCE - BEGINNING OF YEAR	<u>371,728</u>	<u>372,654</u>	<u>926</u>
FUND BALANCE - END OF YEAR	<u>\$ 430,092</u>	<u>\$ 431,201</u>	<u>\$ 1,109</u>

OTHER INFORMATION

**TOLLGATE CROSSING METROPOLITAN DISTRICT NO. 2
SUMMARY OF ASSESSED VALUATION , MILL LEVY
AND PROPERTY TAXES COLLECTED
December 31, 2019**

<u>Year Ended December 31,</u>	<u>Prior Year Assessed Valuation for Current Year Property Tax Levy</u>	<u>Mills Levied</u>		<u>Property Taxes</u>		<u>Percentage Collected to Levied</u>
		<u>General</u>	<u>Debt</u>	<u>Levied</u>	<u>Collected</u>	
2009	\$ 21,566,880	5.000	47.060	\$ 1,122,771	\$ 1,115,460	99.3%
2010	\$ 19,393,380	5.000	47.060	\$ 1,009,619	\$ 1,009,615	100.0%
2011	\$ 20,796,960	2.409 *	50.000	\$ 1,089,948	\$ 1,090,289	100.0%
2012	\$ 20,633,830	2.060	50.000	\$ 1,074,198	\$ 1,074,192	100.0%
2013	\$ 21,845,570	6.866	45.194	\$ 1,137,281	\$ 1,137,373	100.0%
2014	\$ 22,343,380	6.710	45.350	\$ 1,163,196	\$ 1,160,887	99.8%
2015	\$ 22,976,536	6.528	45.532	\$ 1,196,159	\$ 1,195,155	99.9%
2016	\$ 29,117,091	5.151	46.909	\$ 1,515,836	\$ 1,515,684	100.0%
2017	\$ 30,985,716	4.840	47.220	\$ 1,613,117	\$ 1,613,272	100.0%
2018	\$ 35,518,252	4.223	45.777	\$ 1,775,913	\$ 1,775,913	100.0%
2019	\$ 36,055,639	23.000	34.556	\$ 2,075,218	\$ 2,075,202	100.0%
Estimated for year ending December 31, 2020	\$ 56,572,166	28.000	29.556	\$ 3,256,067		

NOTE: Property taxes collected in any one year may include collection of delinquent property taxes levied in prior years. Information received from the County Treasurer does not permit identification of specific year of levy.

* Includes refund and abatement levy of .349.

**TOLLGATE CROSSING METROPOLITAN DISTRICT NO. 2
SCHEDULE OF DEBT SERVICE REQUIREMENTS TO MATURITY
December 31, 2019**

\$10,000,000

General Obligation Refunding Notes, Series 2012A

Dated August 29, 2012

Interest Rate of 2.8%

Principal Due December 1

Interest Due June 1 and December 1

<u>Year Ending December 31,</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2020	\$ -	\$ 280,000	\$ 280,000
2021	205,000	481,000	686,000
2022	680,000	471,140	1,151,140
2023	710,000	438,431	1,148,431
2024	745,000	404,281	1,149,281
2025	780,000	368,446	1,148,446
2026	820,000	330,928	1,150,928
2027	860,000	291,486	1,151,486
2028	900,000	250,120	1,150,120
2029	940,000	206,830	1,146,830
2030	990,000	161,616	1,151,616
2031	1,035,000	113,997	1,148,997
2032	1,335,000	64,213	1,399,213
	<u>\$ 10,000,000</u>	<u>\$ 3,862,488</u>	<u>\$ 13,862,488</u>

(continued)

(continued)

\$6,130,000
General Obligation Refunding Notes, Series 2012B
Dated August 29, 2012
Interest Rate of 2.8%

<u>Year Ending December 31,</u>	<u>Principal Due December 1</u> <u>Interest Due June 1 and December 1</u>		
	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2020	\$ 785,000	\$ 34,300	\$ 819,300
2021	440,000	21,164	461,164
2022	-	-	-
2023	-	-	-
2024	-	-	-
2025	-	-	-
2026	-	-	-
2027	-	-	-
2028	-	-	-
2029	-	-	-
2030	-	-	-
2031	-	-	-
2032	-	-	-
	<u>\$ 1,225,000</u>	<u>\$ 55,464</u>	<u>\$ 1,280,464</u>

(continued)

(continued)

\$2,000,000
General Obligation Notes, Series 2017
Dated February 2, 2017
Interest Rate of 2.250%
Principal Due December 1
Interest Due June 1 and December 1

<u>Year Ending</u> <u>December 31,</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2020	\$ 422,000	\$ 19,215	\$ 441,215
2021	432,000	9,720	441,720
2022	-	-	-
2023	-	-	-
2024	-	-	-
2025	-	-	-
2026	-	-	-
2027	-	-	-
2028	-	-	-
2029	-	-	-
2030	-	-	-
2031	-	-	-
2032	-	-	-
	<u>\$ 854,000</u>	<u>\$ 28,935</u>	<u>\$ 882,935</u>

(continued)

(continued)

Year Ending December 31,	TOTALS		
	Principal	Interest	Total
2020	\$ 1,207,000	\$ 333,515	\$ 1,540,515
2021	1,077,000	511,884	1,588,884
2022	680,000	471,140	1,151,140
2023	710,000	438,431	1,148,431
2024	745,000	404,281	1,149,281
2025	780,000	368,446	1,148,446
2026	820,000	330,928	1,150,928
2027	860,000	291,486	1,151,486
2028	900,000	250,120	1,150,120
2029	940,000	206,830	1,146,830
2030	990,000	161,616	1,151,616
2031	1,035,000	113,997	1,148,997
2032	1,335,000	64,213	1,399,213
	<u>\$ 12,079,000</u>	<u>\$ 3,946,887</u>	<u>\$ 16,025,887</u>