

**CATHEDRAL PINES METROPOLITAN DISTRICT
NOTICE OF SPECIAL MEETING
BOARD OF DIRECTORS**

Monday, June 20, 2022 at 10:00 AM (MST)
Cathedral Pines Lodge
13975 Milam Rd.
Colorado Springs, CO 80908
Or

Please join meeting from your computer, tablet or smartphone.

<https://meet.goto.com/167017405>

You can also dial in using your phone.

United States: +1 (571) 317-3129

Access Code: 167-017-405

Public Welcome

***We encourage our attendees to participate in person; however, if you choose to join virtually please have your camera on so we are able to get to know everyone a little better. Please do not use Chat option to submit questions.**

Board of Director	Title	Term
Bill Heeter	President	May 2023
Rich Stauch	Vice President	May 2025
Debbie Perry	Treasurer	May 2025
Ecton Espenlaub	Secretary	May 2025
Lynn Shepherd	Assistant Secretary	May 2023

AGENDA

- 1. Call to Order**
- 2. Declaration of Quorum/Director Qualifications/Reaffirmation of Disclosures**
- 3. Approval of Agenda**
- 4. Approval of Board Meeting Minutes** – Regular meeting on May 17, 2022 (see attached)
- 5. Financial Update – Rebecca H. / Debbie P.**
 - a. Review and approve the 2021 Audited Financials(see attached) – Braden Hammond
 - b. Review and approval of Unaudited Financial Statements as of May 31, 2022 (see attached) – Rebecca
 - c. Approval of Payables for the Period Ending June 20, 2022 (see attached) – Rebecca
 - d. FEMA funds update – Kevin W.
 - e. Reserve Study Update - Jamie
- 6. Lodge Management Update – Lynn/VenQ**
 - a. Current Performance Update – Megan/ Lynn
 - b. Update on Patio Lights – Megan/ Ecton/ Lynn/ Bill
 - c. Magnolia Sound System Update – Brandon/ Megan
 - d. Fire Alarm Update – Rick
 - e. Additional Storage Requirements – Megan
 - f. Sale of Kitchen Assets - All

- 7. Landscaping Issues – Bill**
 - a. Milam/ Milhaven Roundabout Clean-up – Bill
 - b. Milam/ Saxton Intersection Plan – Bill
 - c. Irrigation Discussion – Current System Plan and RFP Status (see attached) – Jamie/ Bill
 - d. Update on Speed Limit Signs on Community Roads – Bill
 - e. Timing of Stocking of Fish and Pond Levels – Jamie
 - f. Recap of Community Chipping Event - Jamie

- 8. Management Matters – Bill**
 - a. Update on definition of “Community Events” for Lodge – Subcommittee
 - b. Update on business cards – Rebecca
 - c. Sale of Trailer at Barn – Ecton/ Kevin
 - d. Discuss status of Bylaws - Rebecca

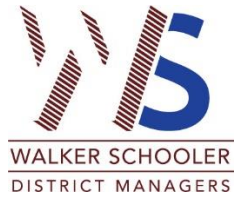
- 9. Cathedral Pines HOA Update – Frank/ Jamie**

- 10. Legal Matters**
 - a. Update on Hiring New Legal Counsel – Kevin W.

- 11. Public Comment** (Items Not on the Agenda Only. Comments are limited to 5 minutes per person and taken in the order in which they appear on the sign-up sheet or if joined virtually in order as they appear on the host screen)

- 12. Other Business**
 - a. Dates for Future Meetings

- 13. Adjournment** – July 19, 2022 meeting cancelled, Next Regular Board Meeting scheduled for August 16, 2022 at 6:00 P.M. (unless decided otherwise today)





**MINUTES OF A SPECIAL MEETING
OF THE BOARD OF DIRECTORS OF THE
CATHEDRAL PINES METROPOLITAN DISTRICT
HELD MAY 17, 2022
AT 6:00 P.M.**

Pursuant to posted notice, the special meeting of the Board of Directors of the Cathedral Pines Metropolitan District was held on Tuesday, May 17th at 6:00 PM, at 13975 Milam Road, Colorado Springs, CO, and via telephone and video conference call.

In attendance were Directors:

Bill Heeter
Lynn Shepherd
Ecton Espenlaub
Rick Stauch
Debbie Perry

Also in attendance were:

Kevin Walker, Walker Schooler District Managers
Rebecca Hardekopf, Walker Schooler District Managers
Jamie Adams, Warren Management
Megan Riviezzo, VenQ
Brandon Nichols, Lodge Team
Kevin Ehlers, Cathedral Pines HOA
Members of the Public

1. Call to Order: President Heeter called the meeting to order at 6:00 PM.
2. Declaration of Quorum/Director Qualifications/Reaffirmation of Disclosures: President Heeter confirmed a quorum was present. There were no additional disclosures made by Board Members.
3. Approval of the Agenda: The Board added a discussion item regarding the district credit card. Director Shepherd moved to approve the Agenda as amended; seconded by Director Espenlaub. Motion passed unanimously.
4. Approval of Board Meeting Minutes – Regular Meeting on April 19, 2022: After review, Director Stauch moved to approve the April 19, 2022 Board Meeting Minutes; seconded by Director Shepherd. Motion passed unanimously.
5. Oath of Office for Newly Elected Directors: Ms. Hardekopf reported the newly elected directors completed their Oath of Office and were properly submitted to both the State and County for recording prior to the meeting.
6. Appointment for Director’s Office: The Board discussed the roles of the officer positions. Ms. Hardekopf and President Heeter both explained the different responsibilities of each role of the Directors. Director Stauch motioned to appoint Mr. Heeter as President, seconded by Director Shepherd. Motion passes unanimously. Director Shepherd motioned to appoint Mr. Stauch as Vice

President, seconded by Director Espenlaub. Motion passes unanimously. Director Shepherd motioned to appoint Mr. Espenlaub as Secretary, seconded by Director Stauch. Motion passes unanimously. Director Espenlaub motioned to appoint Mrs. Perry as Treasurer, seconded by Director Shepherd. Motion passes unanimously. Director Stauch motioned to appoint Mrs. Shepherd as Assistant Secretary, seconded by Director Espenlaub. Motion passes unanimously.

7. Financial Update

- a. Review of Unaudited Financial Statements as of April 30, 2022: Ms. Hardekopf presented the Unaudited Financial Statements as of April 30, 2022. Director Perry had additional questions regarding the Profit and Loss items, answered by Ms. Hardekopf. Mrs. Hardekopf addressed the election expense does not include Mr. Williams DEO invoice as we are still pending. President Heeter asked if we have a good, estimated number that invoice will be. Mr. Walker is thinking the invoice will be in the \$10,000 range. Director Espenlaub moved to approve the Unaudited Financial Statements as of April 30, 2022; seconded by President Heeter. Motion passed unanimously.
- b. Approval of Payables for the Period Ending May 17, 2022: Ms. Hardekopf presented the Payables for the period ending May 17, 2022. Director Perry had questions for clarifications on the vendors the district is paying, answered by Ms. Hardekopf. After review, Director Shepherd moved to approve the Payables as presented; seconded by Director Espenlaub. Motion passed unanimously.
- c. Future Possibilities for Recovery Grants/Loans: President Heeter noted there is still an outstanding reimbursement due from FEMA. Mr. Walker reported the district did not qualify for funds at the moment, for the irrigation landscape improvement, but we will continue to look for grant opportunities.
- d. Reserve Study Update: Ms. Adams reported she has a meeting to discuss a reserve study for the District to help budget for capital improvements.

8. Lodge Management Update:

- a. Current Performance Update: Director Shepherd presented the Lodge Management report and discussed the current performance. She noted that social media engagement is climbing. They are putting together packages for holiday parties for the end of the year. Director Shepherd discussed a marketing event as an opportunity for promotion and vendors to check out the Lodge.
- b. Update on the Lodge Furniture: Director Shepherd reported the chairs are purchased and they are waiting on delivery. There is a possibility to sell the old chairs as well. President Heeter noted to the board that the high-top tables were ordered, and the chair delivery is being scheduled, he may just need some volunteers to help unload.
- c. Update on Patio Lights: Mrs. Adams presented some new quotes for posts to be installed for the lights, the Board discussed post options for patio lights and not liking the current drawing presented. This item is still a work in progress.
- d. Magnolia Sound System Update: Director Shepherd reported that quotes have been received from Magnolia and Best Buy we just need to clarify if they are two separate quotes, two processes, or one.
- e. Fire Alarm Update: Director Stauch discussed the new fire alarm system that was installed last week. There was one false alarm due to a circuit issue that has now been replaced. The Board discussed the installation and directed Director Stauch to reach out and get a quote to move the fire panel to the inside of the room rather than an eye sore on the wall entrance. The Board discussed security and whether to continue doing business with ADT as we reach our annual date to drop out of the contract. Director Shepherd discussed creating a security list of

authorized persons to be kept at the Lodge for the Sheriff to have a reference when alarms go off. President Heeter suggested business cards for Board members and the Board discussed this option. Mr. Walker noted that we can get quotes for that possibility.

- f. Additional Storage Requirements: The Board discussed additional storage required for the new chairs and other event equipment. Director Shepherd discussed selling the large commercial kitchen equipment that is not often used to utilize that space rather than getting a shed installed. Board decided to keep this as a topic of discussion moving forward.

9. Landscaping Issues:

- a. Landscaping Survey – Next Steps: President Heeter discussed the priorities identified by the survey. The Board will discuss the landscaping priorities further at the upcoming meetings for 2023.
- b. Recap of Vessey Ponds Clean-up: Director Espenlaub reported that the Vessey Ponds cleanup was a success, and a lot of work was done. He noted Tall Timbers did additional work that was very helpful, before the work day.
- c. Irrigation Discussion – Current System Plan and RFP Status: Ms. Adams reported she is working on bids for the irrigation system and the RFP has been distributed to multiple companies. She is noticing that several companies are unable to bid mainly because of labor shortages. As of today, she has received feedback from Robertson's and A Cut Above for the irrigation repairs.
- d. Speed Limit Signs on Community Roads: President Heeter reported that he had spoken with Chuck and was told the speed limit signs cannot be replaced right now due to a labor shortage at the County.
- e. Stocking of Fish in Lodge Ponds: Ms. Adams reported they are having issues with the lower pond water levels due to evaporation. She spoke with the fire department about an option of reversing the flow of the hydrants. Solitude Lake Management provided a proposal for stocking fish in the ponds for \$2,675. President Heeter moved to approve the proposal from Solitude Lake Management for stocking the fish in the ponds pending weather and the ability to fill the ponds; seconded by Director Stauch. Motion passed unanimously.

10. Management Matters:

- a. Update on definition of "Community Events" for Lodge: The Board tabled this item to give the subcommittee additional time to meet.
- b. Participation in Community Chipping Event: The community chipping event is scheduled to start on Monday. The District will not be contributing to the cost of the recycling event, the HOA will be paying for it. Director Espenlaub moved to approve the District will pay for the entire cost of the chipping event instead of sharing the cost with the HOA; seconded by Director Stauch. Motion passed unanimously.
- c. Joint Civic Engagement Committee Update: Director Stauch reported low turnout at the April meeting and there was not a lot of response from Flying Horse North. The committee is working on a presentation for the County Commissioners in regard to the master plan. Director Stauch noted that the town hall scheduled with the County Commissioner candidates was cancelled and they will draft questions for the candidates to answer and will be published.
- d. Credit Card Discussion: President Heeter discussed the need for a District credit card. Ms. Hardekopf discussed potential administrative issues with a credit card including additional management, receipts, and monthly payment times and late fees. She would recommend a set spending limit and autopay to prevent late fees, if the Board chooses to proceed. The Board discussed the pros and cons to setting up a credit card for the Board of Directors. The Board

decided to not pursue getting a credit card and rather provide more detailed notes on the payables for reimbursement to the Board of Directors.

11. Cathedral Pines HOA Update: Mr. Ehlers with the HOA Board provided an update.

12. Legal Matters

- a. Update on Hiring New Legal Counsel: Mr. Walker explained that most of the district law firms are in Denver or affiliated with large corporate firms and may not be a good fit for the District. Mr. Walker noted Jason Downie who works with Pete Susemihl is a local option that may be available. If Mr. Downie is available, Mr. Walker will arrange an interview with the Board.

13. Public Comment: There was no public comment.

14. Other Business

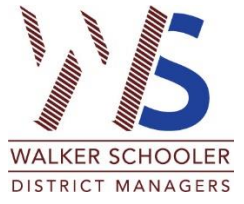
- a. Dates for Future Meetings: Director Perry brought up her conflicts with the current meeting dates and times. The Board discussed changing the regular scheduled meeting dates and times for future meetings. The Board decided that the Directors will send their availability schedules to Ms. Hardekopf and the Board will work to find a day and time that works for everyone. Until then they will continue their regular scheduled meeting.
- b. Next Regular Board Meeting scheduled for June 21, 2022, at 10:00 AM.

15. Adjournment: Director Espenlaub moved to adjourn the meeting at 8:38 PM; seconded by Director Stauch. Motion passed unanimously.

Respectfully Submitted,

By: Rebecca Hardekopf, District Manager

THESE MINUTES ARE APPROVED AS THE OFFICIAL MAY 17, 2022 MINUTES OF THE CATHEDRAL PINES METROPOLITAN DISTRICT.



CATHEDRAL PINES METROPOLITAN DISTRICT

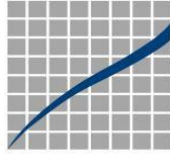
FINANCIAL STATEMENTS

DECEMBER 31, 2021

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BiggsKofford
CERTIFIED PUBLIC ACCOUNTANTS

INDEPENDENT AUDITOR'S REPORT

Board of Directors
Cathedral Pines Metropolitan District
Colorado Springs, Colorado

Opinions

We have audited the accompanying financial statements of the governmental activities and each major fund of Cathedral Pines Metropolitan District ("District"), as of and for the year ended December 31, 2021, and the related notes to the financial statements, which collectively comprise the District's basic financial statements as listed in the table of contents.

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 District as of December 31, 2021, 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.

Basis for Opinions

We conducted our audit in accordance with auditing standards generally accepted in the United States of America. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of the report. We are required to be independent of the District and to meet our other ethical responsibilities in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

Responsibilities of Management for the Financial Statements

Management is responsible for the preparation and fair presentation of the financial statements in accordance with accounting principles generally accepted in the United States of America, and for 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.

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about the District's ability to continue as a going concern within one year after the date that the financial statements are available to be issued.

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinions. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with auditing standards generally accepted in the United States of America will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

In performing an audit in accordance with auditing standards generally accepted in the United States of America, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit 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 District's internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about the District's ability to continue as a going concern for a reasonable period of time.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit, significant audit findings, and certain internal control related matters that we identified during the audit.

Other Matters

Required Supplementary Information

Management has omitted 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 which 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 opinions on the basic financial statements are not affected by this missing information.

Supplementary Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the District's basic financial statements. The supplementary information, as identified in the table of contents, is presented for purposes of additional analysis and is not a required part of the basic financial statements. Such information is the responsibility of management and 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 supplementary information is fairly stated, in all material respects, in relation to the basic financial statements as a whole.

DRAFT - NOT FOR DISTRIBUTION

Colorado Springs, Colorado

[REPORT DATE]

BASIC FINANCIAL STATEMENTS

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CATHEDRAL PINES METROPOLITAN DISTRICT
STATEMENT OF NET POSITION
DECEMBER 31, 2021

	Governmental Activities
<u>ASSETS</u>	
Cash and investments	\$ 255,241
Cash and investments - restricted	136,635
Receivable from County Treasurer	4,787
Property taxes receivable	585,734
Capital assets:	
Capital assets, net	1,062,208
Total assets	2,044,605
<u>LIABILITIES</u>	
Accounts payable	30,195
Accrued interest	18,029
Rental deposits	2,950
Noncurrent liabilities:	
Due within one year	75,000
Due in more than one year	4,646,247
Total liabilities	4,772,421
<u>DEFERRED INFLOWS OF RESOURCES</u>	
Unearned rental revenues	12,904
Deferred property tax revenues	585,734
Total deferred inflows of resources	598,638
<u>NET POSITION</u>	
Net investments in capital assets	(3,584,039)
Restricted for:	
Debt service	110,158
Emergency reserve	8,500
Unrestricted	138,927
Total net position	\$ (3,326,454)

The accompanying notes and independent auditor's report
should be read with these financial statements.

CATHEDRAL PINES METROPOLITAN DISTRICT
STATEMENT OF ACTIVITIES
YEAR ENDED DECEMBER 31, 2021

	<u>Expenses</u>	<u>Program Revenues</u>		<u>Net (Expenses) Revenue and Changes in Net Position</u>	
		<u>Charges for Services</u>	<u>Operating Grants and Contributions</u>		<u>Capital Grants and Contributions</u>
				<u>Governmental Activities</u>	
FUNCTIONS/PROGRAMS					
<u>PRIMARY GOVERNMENT</u>					
General government	\$ 378,774	\$ -	\$ -	\$ -	\$ (378,774)
Interest and related costs on long-term debt	198,635	-	-	-	(198,635)
Total governmental activities	\$ 577,409	\$ -	\$ -	\$ -	(577,409)
<u>GENERAL REVENUES</u>					
Property taxes					510,406
Specific ownership taxes					60,658
Rental revenues					107,745
Other income					2,800
Investment income					127
Total general revenues					681,736
Change in net position					104,327
Net position, beginning of year					(3,430,781)
Net position, end of year					\$ (3,326,454)

The accompanying notes and independent auditor's report should be read with these financial statements.

**CATHEDRAL PINES METROPOLITAN DISTRICT
BALANCE SHEETS
GOVERNMENTAL FUNDS
DECEMBER 31, 2021**

	<u>General Fund</u>	<u>Debt Service Fund</u>	<u>Total Governmental Funds</u>
<u>ASSETS</u>			
Cash and investments	\$ 255,241	\$ -	\$ 255,241
Cash and investments - restricted	8,448	128,187	136,635
Receivable from County Treasurer	4,787	-	4,787
Property taxes receivable	292,867	292,867	585,734
Total assets	\$ 561,343	\$ 421,054	982,397
<u>LIABILITIES</u>			
Accounts payable	\$ 30,195	\$ -	30,195
Rental deposits	2,950	-	2,950
Total liabilities	33,145	-	33,145
<u>DEFERRED INFLOWS OF RESOURCES</u>			
Unearned rental revenues	12,904	-	12,904
Deferred property tax revenues	292,867	292,867	585,734
Total deferred inflows of resources	305,771	292,867	598,638
<u>FUND BALANCES</u>			
Restricted for:			
Debt service	-	128,187	128,187
Emergency reserve	8,500	-	8,500
Unassigned:			
General government	213,927	-	213,927
Total fund balances	222,427	128,187	350,614
Total liabilities and fund balances	\$ 561,343	\$ 421,054	

Amounts reported in governmental activities in the statement of net position are different because:

Capital assets are recorded as assets on the statement of net position, but are recorded as expenditures in the funds:

Capital assets, net	1,062,208
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Long-term liabilities, including bonds payable, are not due and payable in the current period and, therefore, are not reported in the funds:

Bonds payable	(4,721,247)
Accrued interest payable	(18,029)

Net position of governmental activities	\$ (3,326,454)
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The accompanying notes and independent auditor's report
should be read with these financial statements.

**CATHEDRAL PINES METROPOLITAN DISTRICT
STATEMENTS OF REVENUES, EXPENDITURES AND CHANGES IN
FUND BALANCES
GOVERNMENTAL FUNDS
YEAR ENDED DECEMBER 31, 2021**

	General Fund	Debt Service Fund	Total Governmental Funds
<u>REVENUES</u>			
Property taxes	\$ 255,203	\$ 255,203	\$ 510,406
Specific ownership taxes	60,658	-	60,658
Rental revenues	107,745	-	107,745
Other income	2,800	-	2,800
Investment income	-	127	127
Total revenues	426,406	255,330	681,736
<u>EXPENDITURES</u>			
County Treasurer's fees	3,861	3,862	7,723
Event expenses	2,107	-	2,107
Insurance	19,529	-	19,529
Landscape maintenance	50,648	-	50,648
Management expense	79,100	-	79,100
Office expense	1,612	-	1,612
Professional fees	15,471	-	15,471
Repairs and maintenance	59,561	-	59,561
Security	2,175	-	2,175
Snow removal	15,018	-	15,018
Telephone	2,884	-	2,884
Trash	1,809	-	1,809
Utilities	27,793	-	27,793
Debt service:			
Bond principal	-	65,000	65,000
Interest expense	-	218,056	218,056
Trustee fees	-	400	400
Total expenditures	281,568	287,318	568,886
Net change in fund balances	144,838	(31,988)	112,850
Fund balances, beginning of year	77,589	160,175	237,764
Fund balances, end of year	\$ 222,427	\$ 128,187	\$ 350,614

The accompanying notes and independent auditor's report
should be read with these financial statements.

**CATHEDRAL PINES METROPOLITAN DISTRICT
RECONCILIATION OF THE STATEMENTS OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCES OF GOVERNMENTAL FUNDS TO THE
STATEMENT OF ACTIVITIES
YEAR ENDED DECEMBER 31, 2021**

<u>Net change in fund balances - governmental funds</u>	\$	112,850
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Amounts reported for governmental activities in the statement of activities are different because:

Governmental funds report capital outlays as expenditures. In the statement of activities, capital outlay is not reported as an expenditure. However, the statement of activities will report as depreciation expense the allocations of the cost of any depreciable assets over the estimated useful lives of the assets. The effect of these differences is as follows:

<u>Depreciation expense</u>		(93,345)
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The issuance of long-term debt provides 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 and discounts when debt is first issued, whereas these amounts are deferred and amortized in the statement of activities. The effect of these differences is as follows:

<u>Bond principal payment</u>		65,000
<u>Amortization of bond premium</u>		19,113

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. The effect of these differences is as follows:

<u>Accrued interest payable on bonds payable - change in liability</u>		<u>709</u>
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<u>Change in net position of governmental activities</u>	<u>\$</u>	<u>104,327</u>
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The accompanying notes and independent auditor's report should be read with these financial statements.

**CATHEDRAL PINES METROPOLITAN DISTRICT
GENERAL FUND
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
BUDGET AND ACTUAL
YEAR ENDED DECEMBER 31, 2021**

	Budget Original and Final	Actual Amounts	Variance
<u>REVENUES</u>			
Property taxes	\$ 258,217	\$ 255,203	\$ (3,014)
Specific ownership taxes	36,150	60,658	24,508
Rental revenues	95,000	107,745	12,745
Other income	1,600	2,800	1,200
Total revenues	390,967	426,406	35,439
<u>EXPENDITURES</u>			
Bank charges	500	-	500
Capital outlay	30,000	-	30,000
Cleaning	2,500	-	2,500
Contingency	20,000	-	20,000
County Treasurer's fees	3,873	3,861	12
Event expenses	-	2,107	(2,107)
Insurance	12,000	19,529	(7,529)
Landscape maintenance	50,000	50,648	(648)
Management expense	86,100	79,100	7,000
Miscellaneous	3,000	-	3,000
Office expense	500	1,612	(1,112)
Professional fees	19,498	15,471	4,027
Repairs and maintenance	60,000	59,561	439
Security	3,000	2,175	825
Snow removal	35,000	15,018	19,982
Telephone	3,300	2,884	416
Trash	6,000	1,809	4,191
Utilities	28,000	27,793	207
Total expenditures	363,271	281,568	81,703
Excess of revenues over (under) expenditures	27,696	144,838	(46,264)
<u>OTHER FINANCING SOURCES (USES)</u>			
Transfer (to) from other funds	(25,000)	-	25,000
Total other financing sources (uses)	(25,000)	-	25,000
Net change in fund balance	\$ 2,696	144,838	\$ 142,142
Fund balance, beginning of year		77,589	
Fund balance, end of year		\$ 222,427	

The accompanying notes and independent auditor's report
should be read with these financial statements.

CATHEDRAL PINES METROPOLITAN DISTRICT
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2021

1. DEFINITION OF REPORTING ENTITY

Cathedral Pines Metropolitan District ("District"), a quasi-municipal corporation and political subdivision of the state of Colorado, was formed in November 2004, and is governed pursuant to provisions of the Colorado Special District Act. The District's service area is located in El Paso County, Colorado ("County"). The District was organized to design, acquire, and construct street improvements, and the related safety protection devices including, but not limited to, bridges, fencing, trails, lighting, landscaping, traffic and safety controls and devices.

The District follows 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 and 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.

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

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

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. Material interfund activity has been removed from these statements. Governmental activities are normally supported by taxes and intergovernmental revenues.

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

See independent auditor's report.

CATHEDRAL PINES METROPOLITAN DISTRICT
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2021

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Government-wide and fund financial statements (continued)

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: a) charges to customers or applicants who purchase, use, or directly benefit from goods, services or privileges provided by a given function or segment; and b) grants and contributions that are restricted to meet the operational or capital requirements of a particular function or segment. Taxes and other items are properly excluded from program revenues and are reported as general revenues.

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

Measurement focus, basis of accounting and financial statement position

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.

Governmental fund financial statements are reported using the current financial resources measurement focus and the modified accrual basis of accounting. Revenues are recognized when they are both measurable and available. Revenues are considered to be available when they are collectable within the current period or soon enough thereafter to pay liabilities of the current period. For this purpose, the District 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. All other revenue items are considered to be measurable and available only when cash is received by the District. Expenditures, other than interest on long-term obligations, are recorded when the liability is incurred or the long-term obligation is due.

The District reports the following major governmental funds:

General fund - The general fund accounts for all financial resources of the District except those required to be accounted for in another fund.

Debt service fund - The debt service fund accounts for the servicing of general long-term debt and revenues generated and received by the District to be used in payment of long-term debt.

See independent auditor's report.

CATHEDRAL PINES METROPOLITAN DISTRICT
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2021

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Budgets

In accordance with state budget law, the District holds public hearings in the fall each year to approve the budget and appropriate funds for the ensuing year. The appropriation is at the total fund expenditures, fund balance remaining, and other financing uses level, and lapses at year end. The District's board of directors can modify the budget by line item within the total 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.

The District incurred expenditures in excess of appropriations for the year ended December 31, 2021 in the debt service fund, which may be a violation of state budget law.

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 fund's average balance in the total cash.

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 normally set by December 15 and attaches as an enforceable lien 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 or, at the taxpayer's election, in February and June in equal installments. Delinquent taxpayers are notified in August and sales of the tax liens on delinquent properties are generally held in November or December. The County Treasurer remits the taxes collected to the District monthly.

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

See independent auditor's report.

CATHEDRAL PINES METROPOLITAN DISTRICT
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2021

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Capital assets

Capital assets, which include property, equipment and infrastructure assets (e.g., roads, sidewalks and similar items), are reported in the applicable governmental activities column 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 and a useful life greater than one year. Such assets are recorded at historical cost or estimated historical cost if purchased or constructed. Contributed capital assets are recorded at estimated acquisition value at the date of contribution.

Depreciation expense has been computed using the straight-line method over the estimated economic useful lives of the assets, which range from 20 to 30 years.

Maintenance and repairs are charged to expense as incurred. At the time of retirement or disposition of depreciable assets, the related cost and accumulated depreciation are removed from the accounts, and the resulting gain or loss, if any, is reflected in revenues or expenses.

Deferred inflows of resources

In addition to liabilities, the statement of net position reports a separate section for deferred inflows of resources. This separate financial statement element represents an acquisition of net position that applies to a future period and so will not be recognized as an inflow of resources (revenues) until that time. The District has one item that qualifies for reporting in this category. Accordingly, that item, deferred property tax revenues, is deferred and recognized as an inflow of resources in the period that the amounts become available.

Net position

For government-wide presentation purposes, when both restricted and unrestricted resources are available for use, it is the District's practice to use restricted resources first, then unrestricted resources as they are needed.

See independent auditor's report.

CATHEDRAL PINES METROPOLITAN DISTRICT
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2021

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Fund balances

Fund balance for governmental funds is reported in classifications that comprise a hierarchy based on the extent to which the government is bound to honor constraints on the specific purposes for which spending can occur. Governmental funds report up to five classifications of fund balance: nonspendable, restricted, committed, assigned, and unassigned. Because circumstances differ among governments, not every government or every governmental fund will present all of these components. The following classifications describe the relative strength of the spending constraints:

Nonspendable fund balance - The portion of fund balance that cannot be spent because it is either not in spendable form (such as prepaid amounts or inventory) or is legally or contractually required to be maintained intact.

Restricted fund balance - The portion of fund balance that is constrained to being used for a specific purpose by external parties (such as bondholders), constitutional provisions, or enabling legislation.

Committed fund balance - The portion of fund balance that can only be used for specific purposes pursuant to constraints imposed by formal action of the government's highest level of decision-making authority, the board of directors. The constraint may be removed or changed only through formal action of the board of directors.

Assigned fund balance - The portion of fund balance that is constrained by the government's intent to be used for specific purposes, but is neither restricted nor committed. Intent is expressed by the board of directors to be used for a specific purpose. Constraints imposed on the use of assigned amounts are more easily removed or modified than those imposed on amounts that are classified as committed.

Unassigned fund balance - The residual portion of fund balance that does not meet any of the criteria described above.

If more than one classification of fund balance is available for use when an expenditure is incurred, it is the District's policy to use the most restrictive classification first.

See independent auditor's report.

CATHEDRAL PINES METROPOLITAN DISTRICT
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2021

3. CASH AND INVESTMENTS

Cash and investments as of December 31, 2021, are classified in the accompanying financial statements as follows:

Statement of net position:

Cash and investments	\$ 255,241
Cash and investments - restricted	<u>136,635</u>
	<u><u>\$ 391,876</u></u>

The carrying amounts of cash and investments, which equal estimated fair value, as of December 31, 2021, are as follows:

Deposits with financial institutions	\$ 269,240
Investments	<u>122,636</u>
	<u><u>\$ 391,876</u></u>

Deposits with financial institutions

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 must be collateralized. The eligible collateral is determined by the PDPA. The 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 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.

As of December 31, 2021, the District's cash deposits had a bank balance of \$271,240 and a book balance of \$269,240.

Investments

The District has not adopted a formal investment policy; however, the District follows state statutes regarding investments.

See independent auditor's report.

CATHEDRAL PINES METROPOLITAN DISTRICT
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2021

3. CASH AND INVESTMENTS (CONTINUED)

Investments (continued)

The District generally limits its concentration of investments to those below which are believed to have minimal credit risk, minimal interest rate risk, and no foreign currency risk. Additionally, the District is not subject to concentration risk disclosure requirements or subject to investment custodial credit risk for investments that are in the possession of another party.

Colorado revised statutes limit investment maturities to five years or less unless otherwise formally approved by the board of directors. Such actions are generally associated with a debt service reserve or sinking fund requirements.

Colorado statutes specify investment instruments meeting defined rating and risk criteria in which local governments may invest which include:

- Obligations of the US and certain US government agency securities
- Certain international agency securities
- General obligation and revenue bonds of US local government entities
- Bankers' acceptances of certain banks
- Commercial paper
- Written repurchase agreements collateralized by certain authorized securities
- Certificates of deposit in Colorado PDPA approved banks or savings banks
- Certain money market funds
- Guaranteed investment contracts
- Local government investment pools

As of December 31, 2021, the Districts had the following in investments:

<u>Investment</u>	<u>Maturity</u>	<u>Amount</u>
Eastern Colorado Bank money markets	Weighted average under 60 days	<u>\$ 122,636</u>

The Eastern Colorado Bank Money Markets is a money market fund that is managed by Eastern Colorado Bank and each share is equal in value to \$1. The fund is rated AAAM and invests in high quality short-term United States government securities. The average maturity of the underlying securities is 90 days or less.

See independent auditor's report.

CATHEDRAL PINES METROPOLITAN DISTRICT
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2021

4. CAPITAL ASSETS

Capital asset activity for the year ended December 31, 2021, is as follows:

	<u>Balance 1/1/21</u>	<u>Additions/ Reclass- ifications</u>	<u>Dispositions/ Reclass- ifications</u>	<u>Balance 12/31/21</u>
Governmental activities				
Community building	\$ 1,328,384	\$ -	\$ -	\$ 1,328,384
Parks, trails and monuments	981,035	-	-	981,035
Equipment	13,922	-	-	13,922
Less accumulated depreciation	<u>(1,167,788)</u>	<u>(93,345)</u>	<u>-</u>	<u>(1,261,133)</u>
Capital assets, net	<u>\$ 1,155,553</u>	<u>\$ (93,345)</u>	<u>\$ -</u>	<u>\$ 1,062,208</u>

Depreciation expense for the year ended December 31, 2021 totaled \$93,345.

5. LONG-TERM OBLIGATIONS

The following is a summary of changes in long-term obligations of the District during the year ended December 31, 2021:

	<u>Balance 1/1/21</u>	<u>Additions</u>	<u>Repayments/ Amortization</u>	<u>Balance 12/31/21</u>	<u>Due within one year</u>
Series 2016					
Bonds	\$ 4,475,000	\$ -	\$ (65,000)	\$ 4,410,000	\$ 75,000
Unamortized portion of premium	<u>330,360</u>	<u>-</u>	<u>(19,113)</u>	<u>311,247</u>	<u>-</u>
	<u>\$ 4,805,360</u>	<u>\$ -</u>	<u>\$ (84,113)</u>	<u>\$ 4,721,247</u>	<u>\$ 75,000</u>

See independent auditor's report.

CATHEDRAL PINES METROPOLITAN DISTRICT
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2021

5. LONG-TERM OBLIGATIONS (CONTINUED)

Series 2016 General Obligation Refunding Bonds

On July 26, 2016, the District issued Series 2016 General Obligation Refunding Bonds ("Series 2016 Bonds") for the purpose of: (i) funding capitalized interest and reserves to the extent provided by the sale certificate; (ii) paying the costs of refunding previously issued bonds; and (iii) paying issuance and other costs in connection with the bonds and the refunding of the previously issued bonds. The Series 2016 Bonds were issued in the amount of \$4,660,000, plus an original issue premium of \$414,882. The bonds bear interest at interest rates set forth below, calculated on the basis of a 360-day year of twelve 30-day months, payable to the extent of pledged revenues available on each June 1 and December 1, and mature on December 1 in the years and amounts as follows:

<u>Maturity</u>	<u>Principal Amount</u>	<u>Interest Rate</u>
2026	\$ 415,000	4.000%
2031	580,000	5.000%
2037	1,010,000	5.000%
2046	2,405,000	5.000%

The Series 2016 Bonds are secured and payable from pledged revenue consisting of monies derived by the District from the following sources, net of any collection costs: (a) the required mill levy of a minimum of 28.50 mills or such lesser mill levy which, when combined with other pledged revenue then held in the bond fund, will permit the District to fully fund the bond fund for the next bond year and pay the bonds as they come due, and to fund the surplus fund up to maximum surplus amount; and (b) any other legally available monies which the District determines to be treated as pledged revenue. Required mill levy means an ad valorem mill levy imposed upon all taxable property within the District each year in an amount sufficient to pay the principal, premium, and interest on the bonds as they become due and payable. The required mill levy is adjusted for changes in the ratio of actual value to assessed value of property within the District. For collection year 2021, the District levied 19.000 mills for the debt service fund.

The District is required to maintain bond and surplus cash accounts. The purpose of the surplus cash account is to provide adequate reserves to meet principal and interest requirements if the bond account does not have enough funding. The surplus account is required to be maintained as long as the bonds are outstanding.

See independent auditor's report.

CATHEDRAL PINES METROPOLITAN DISTRICT
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2021

5. LONG-TERM OBLIGATIONS (CONTINUED)

Series 2016 General Obligation Refunding Bonds (continued)

Optional redemption

The bonds are subject to redemption prior to maturity at the discretion of the District, as a whole or in integral multiples of \$5,000, in any order of maturity and in whole or partial maturities, on December 1, 2026 or on any date thereafter, upon payment of par and accrued interest, without redemption premium.

Events of default

The occurrence of any one or more of the following events or the existence of any one or more of the following conditions constitutes an event of default under the indenture:

- i. The payment of the principal of or redemption premium on any bond is not made by the District when due;
- ii. The payment of any interest on any bond is not made by the District when due;
- iii. The District defaults in the performance of any other of its material covenants in the bond resolution, and such default continues for 60 days after written notice specifying such default and requiring the same to be remedied is given to the District by the owners of 25% in aggregate principal amount of the bonds then outstanding; or
- iv. The District files a petition under the federal bankruptcy laws or other applicable bankruptcy laws seeking to adjust the obligation represented by the bonds.

Upon the occurrence and continuance of an event of default, the owner of any bond may proceed to protect and enforce the rights of any owner under the bond resolution by mandamus or such other suit, action, or special proceedings in equity or at law, in any court of competent jurisdiction; provided however, that so long as the bond insurer is not in default of its payment obligations under a policy, it shall have the right to control all remedies upon an event of default. All such proceedings shall be instituted, had, and maintained for the equal benefit of all owners of the bonds then outstanding.

There is no provision for acceleration of maturity of the principal of the bonds in the event of a default in the payment of principal of or interest on the bonds. Consequently, remedies available to the owners of the bonds may have to be enforced from year to year.

See independent auditor's report.

CATHEDRAL PINES METROPOLITAN DISTRICT
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2021

5. LONG-TERM OBLIGATIONS (CONTINUED)

Series 2016 General Obligation Refunding Bonds (continued)

The District's long-term obligations on the 2016 Series Bonds mature as follows:

Year Ending December 31,	Principal	Interest	Total
2022	\$ 75,000	\$ 216,350	\$ 291,350
2023	75,000	213,350	288,350
2024	85,000	210,350	295,350
2025	85,000	206,950	291,950
2026-2030	545,000	970,800	1,515,800
2031-2035	760,000	815,250	1,575,250
2036-2040	1,045,000	598,000	1,643,000
2041-2045	1,405,000	303,250	1,708,250
2046	335,000	16,750	351,750
Total	<u>\$ 4,410,000</u>	<u>\$ 3,551,050</u>	<u>\$ 7,961,050</u>

6. NET POSITION

The District has net position consisting of three components: invested in capital assets, net of related debt; restricted; and unrestricted.

Net position invested in capital assets, net of related debt consists of capital assets, net of accumulated depreciation and reduced by the outstanding balance of debt that is attributable to the acquisition, construction, or improvement of those assets.

As of December 31, 2021, the District had net position invested in capital assets, net of related debt as follows:

Invested in capital assets, net of related debt:	
Capital assets, net	\$ 1,062,208
Related long-term obligations	<u>(4,646,247)</u>
Invested in capital assets, net of related debt	<u>\$ (3,584,039)</u>

See independent auditor's report.

CATHEDRAL PINES METROPOLITAN DISTRICT
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2021

6. NET POSITION (CONTINUED)

Restricted net position includes balances with external restrictions 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 a restricted net position as of December 31, 2021 as

Restricted net position:

Debt service (Note 5)	\$ 110,158
Emergencies (Note 8)	<u>8,500</u>
	<u><u>\$ 118,658</u></u>

The District's unrestricted net position as of December 31, 2021, totaled a deficit of \$138,927. This deficit amount was a result of the District being responsible for the repayment of general obligation bonds issued to refinance the previously issued bonds and to fund the costs of certain public improvements within the District.

7. RELATED PARTIES

The members of the board of directors of the District are employees, owners of or otherwise associated with the developers and may have conflicts of interest in dealing with the District.

8. RISK MANAGEMENT

The District is 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") as of December 31, 2021. 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 and public officials' liability 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.

See independent auditor's report.

CATHEDRAL PINES METROPOLITAN DISTRICT
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2021

9. 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 which apply to the state of Colorado and all local governments within the state of Colorado.

Spending and revenue limits are determined based on the prior 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. Revenues in excess of the fiscal year spending limit must be refunded unless the voters approve retention of such revenues. The District's voters approved a ballot issue allowing the District to retain all revenues.

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.

District management believes the District 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 likely require judicial interpretation.

* * * * *

See independent auditor's report.

SUPPLEMENTARY INFORMATION

DRAFT

**CATHEDRAL PINES METROPOLITAN DISTRICT
DEBT SERVICE FUND
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
BUDGET AND ACTUAL
YEAR ENDED DECEMBER 31, 2021**

	Budget Original and Final	Actual Amounts	Variance
<u>REVENUES</u>			
Property taxes	\$ 258,217	\$ 255,203	\$ (3,014)
Investment income	-	127	127
Total revenues	258,217	255,330	(2,887)
<u>EXPENDITURES</u>			
Bond principal	65,000	65,000	-
Contingency	1,000	-	1,000
County Treasurer's fees	-	3,862	(3,862)
Interest expense	218,056	218,056	-
Trustee fees	800	400	400
Total expenditures	284,856	287,318	(2,462)
Net change in fund balance	\$ (26,639)	(31,988)	\$ (5,349)
Fund balance, beginning of year		160,175	
Fund balance, end of year		\$ 128,187	

See independent auditor's report

CATHEDRAL PINES METROPOLITAN DISTRICT

BiggsKofford, P.C.
630 Southpointe Court, Suite 200
Colorado Springs, CO 80906

This representation letter is provided in connection with your audit of the financial statements of Cathedral Pines Metropolitan District (“District”), which comprise the respective financial position of the governmental activities and each major fund as of December 31, 2021, and the respective changes in financial position, and the respective budgetary comparison for the general fund for the year then ended, and the related notes to the financial statements, for the purpose of expressing opinions as to whether the financial statements are presented fairly, in all material respects, in accordance with accounting principles generally accepted in the United States of America (“US GAAP”).

Certain representations in this letter are described as being limited to matters that are material. Items are considered material, regardless of size, if they involve an omission or misstatement of accounting information that, in light of surrounding circumstances, makes it probable that the judgment of a reasonable person relying on the information would be changed or influenced by the omission or misstatement. An omission or misstatement that is monetarily small in amount could be considered material as a result of qualitative factors.

We confirm, to the best of our knowledge and belief, the following representations made to you during your audit. These representations are effective as of the date of your report.

General

1. Regarding the non-attest services performed by you; we have—
 - a. Assumed all management responsibilities.
 - b. Designated an individual (within senior management) with suitable skill, knowledge, or experience to oversee the services.
 - c. Evaluated the adequacy and results of the services performed.
 - d. Accepted responsibility for the results of these services.

Financial Statements

2. We have fulfilled our responsibilities, as set out in the terms of the audit engagement letter dated January 26, 2022, including our responsibility for the preparation and fair presentation of the financial statements in accordance with US GAAP and for preparation of the supplementary information in accordance with the applicable criteria.
3. The financial statements referred to above are fairly presented, in all material respects, in conformity with US GAAP and include all properly classified funds and other financial

Adjusting Journal Entries JE # 2

ADJUSTING: To record the amortization of the Series 2016 bond premium.

24020	Bonds Payable 2016:Bond Premium 2016:A/A Bond Premium 2016	19,113.00	
50405	2-1000 -+ DS EXPENSES:2-1030 -+ Interest Expense DS		19,113.00
Total		<u>19,113.00</u>	<u>19,113.00</u>

Adjusting Journal Entries JE # 8

ADJUSTING: To record the current year's depreciation expense.

92000	Depreciation Expense	93,345.00	
14180	Parks, Trails & Monument:Accum Depreciation		48,480.00
14185	Community Center:Accum Depreciation		44,598.00
14186	Equipment:Accum Depreciation		267.00
Total		<u>93,345.00</u>	<u>93,345.00</u>

Adjusting Journal Entries JE # 9

ADJUSTING: To adjust beginning fund balance and agree to prior year audited financial statements.

22100	Damage Deposits- Lodge Events	28,387.00	
2925	Deferred Revenue - Lodge Events	28,376.00	
32000	32000 -+ Retained Earnings	54,588.00	
40305	1-100 -+ GF INCOME:1-120 -+ Rental Income - Lodge Events	1,173.00	
30020	Gov't Wide Fund Balance		112,524.00
Total		<u>112,524.00</u>	<u>112,524.00</u>

Adjusting Journal Entries JE # 11

ADJUSTING: To remove the immaterial credit balance from AR.

12140	Accounts Receivable	392.00	
2925	Deferred Revenue - Lodge Events		392.00
Total		<u>392.00</u>	<u>392.00</u>

Reclassifying Journal Entries

Reclassifying Journal Entries JE # 6

RECLASSIFYING: To eliminate government-wide funds to present the governmental fund types on the modified cash basis.

14180	Parks, Trails & Monument:Accum Depreciation	637,121.00	
14185	Community Center:Accum Depreciation	620,795.00	
14186	Equipment:Accum Depreciation	3,217.00	
21227	Accrued Interest- Debt Service Fund	18,029.00	
24010	Bonds Payable 2016	4,410,000.00	
24015	Bonds Payable 2016:Bond Premium 2016	414,882.00	
50405	2-1000 -+ DS EXPENSES:2-1030 -+ Interest Expense DS	19,112.00	
50405	2-1000 -+ DS EXPENSES:2-1030 -+ Interest Expense DS	709.00	
90005	Bond Principal Payment	65,000.00	
14100	Community Center:Original Cost		1,328,384.00
14150	Parks, Trails & Monument		981,035.00
14155	Equipment		13,922.00
24020	Bonds Payable 2016:Bond Premium 2016:A/A Bond Premium 2016		103,635.00
30020	Gov't Wide Fund Balance		3,668,544.00
92000	Depreciation Expense		93,345.00
Total		<u>6,188,865.00</u>	<u>6,188,865.00</u>

Reclassifying Journal Entries JE # 10

RECLASSIFYING: To reclassify amounts classified as capital improvements to repairs and maintenance

50855	1-2000 -+ LODGE:1-2030 -+ Repairs and Maintenance	10,579.00	
2043	1-2000 -+ LODGE:1-2043 -+ Capital Improvements - O&M		10,579.00
Total		<u>10,579.00</u>	<u>10,579.00</u>

Federal Tax Journal Entries

Federal Tax Journal Entries JE # 3

RECLASSIFYING: To reclassify the current portion of long-term debt.

24010	Bonds Payable 2016	75,000.00	
24005	Bonds Payable - Current		75,000.00
Total		<u>75,000.00</u>	<u>75,000.00</u>

Federal Tax Journal Entries JE # 7

REVERSING: To reverse RJE #6

14100	Community Center:Original Cost	1,328,384.00	
14150	Parks, Trails & Monument	981,035.00	
14155	Equipment	13,922.00	
24020	Bonds Payable 2016:Bond Premium 2016:A/A Bond Premium 2016	103,635.00	
30020	Gov't Wide Fund Balance	3,668,544.00	
92000	Depreciation Expense	93,345.00	
14180	Parks, Trails & Monument:Accum Depreciation		637,121.00
14185	Community Center:Accum Depreciation		620,795.00
14186	Equipment:Accum Depreciation		3,217.00
21227	Accrued Interest- Debt Service Fund		18,029.00
24010	Bonds Payable 2016		4,410,000.00
24015	Bonds Payable 2016:Bond Premium 2016		414,882.00
50405	2-1000 -+ DS EXPENSES:2-1030 -+ Interest Expense DS		19,112.00
50405	2-1000 -+ DS EXPENSES:2-1030 -+ Interest Expense DS		709.00
90005	Bond Principal Payment		65,000.00
Total		<u>6,188,865.00</u>	<u>6,188,865.00</u>

Information Provided

12. We have provided you with:

- a. Access to all information, of which we are aware, that is relevant to the preparation and fair presentation of the financial statements, such as records, documentation, and other matters.
- b. Additional information that you have requested from us for the purpose of the audit.
- c. Unrestricted access to persons within the District from whom you determined it necessary to obtain audit evidence.
- d. Minutes of meetings of the District's directors or summaries of actions of recent meetings for which minutes have not yet been prepared.

13. All material transactions have been recorded in the accounting records and are reflected in the financial statements.

14. We have disclosed to you the results of our assessment of the risk that the financial statements may be materially misstated as a result of fraud.

15. We have no knowledge of any fraud or suspected fraud that affects the District and involves:

- a. Management,

- b. Employees who have significant roles in internal control, or
 - c. Others where the fraud could have a material effect on the financial statements.
16. We have no knowledge of any allegations of fraud or suspected fraud affecting the District's financial statements communicated by employees, former employees, analysts, regulators, or others.
 17. We have no knowledge of instances of noncompliance or suspected noncompliance with provisions of laws, regulations, contracts, or grant agreements, or abuse, whose effects should be considered when preparing financial statements.
 18. We have disclosed to you all known actual or possible litigation, claims, and assessments whose effects should be considered when preparing the financial statements.
 19. We have disclosed to you the names of the District's related parties and all the related party relationships and transactions of which we are aware.

Government—specific

20. There have been no communications from regulatory agencies concerning noncompliance with, or deficiencies in, financial reporting practices.
21. We have identified to you any previous audits, attestation engagements, and other studies related to the audit objectives and whether related recommendations have been implemented.
22. We have identified to you any investigations or legal proceedings that have been initiated with respect to the period under audit.
23. The District has no plans or intentions that may materially affect the carrying value or classification of assets, deferred outflows of resources, liabilities, deferred inflows of resources, fund balance or net position, as applicable.
24. We are responsible for compliance with the laws, regulations, and provisions of contracts and grant agreements applicable to us, including tax or debt limits and debt contracts; and legal and contractual provisions for reporting specific activities in separate funds.
25. We have identified and disclosed to you all instances, which have occurred or are likely to have occurred, of fraud and noncompliance with provisions of laws and regulations that we believe have a material effect on the financial statements or other financial data significant to the audit objectives, and any other instances that warrant the attention of those charged with governance.
26. We have identified and disclosed to you all instances of identified and suspected fraud and noncompliance with provisions of laws, regulations, contracts, and grant agreements that we believe have a material effect on the financial statements.
27. There are no violations or possible violations of budget ordinances, laws and regulations (including those pertaining to adopting, approving, and amending budgets), provisions of contracts and grant agreements, tax or debt limits, and any related debt covenants whose

effects should be considered for disclosure in the financial statements, or as a basis for recording a loss contingency, or for reporting on noncompliance.

28. As part of your audit, you assisted with the preparation of the financial statements and related notes. We acknowledge our responsibility as it relates to those non-audit services, including that we assume all management responsibilities; oversee the services by designating an individual, preferably within senior management, who possesses suitable skill, knowledge, or experience; evaluate the adequacy and results of the services performed; and accept responsibility for the results of the services. We have reviewed, approved, and accepted responsibility for those financial statements and disclosures.
29. The District has satisfactory title to all owned assets, and there are no liens or encumbrances on such assets nor has any asset been pledged as collateral.
30. The District has complied with all aspects of contractual agreements that would have a material effect on the financial statements in the event of noncompliance.
31. The financial statements include all component units as well as joint ventures with an equity interest, and properly disclose all other joint ventures and other related organizations.
32. The financial statements properly classify all funds and activities in accordance with GASB Statement No. 34, as amended, and GASB Statement No. 84.
33. All funds that meet the quantitative criteria in GASB Statement Nos. 34 and 37 for presentation as major are identified and presented as such and all other funds that are presented as major are particularly important to financial statement users.
34. Components of net position (net investment in capital assets; restricted; and unrestricted), and components of fund balance (nonspendable, restricted, committed, assigned, and unassigned) are properly classified and, if applicable, approved.
35. Provisions for uncollectible receivables have been properly identified and recorded.
36. Expenses have been appropriately classified in or allocated to functions and programs in the statement of activities, and allocations have been made on a reasonable basis.
37. Revenues are appropriately classified in the statement of activities within program revenues, general revenues, contributions to term or permanent endowments, or contributions to permanent fund principal.
38. Interfund, internal, and intra-entity activity and balances have been appropriately classified and reported.
39. Deposits and investment securities and derivative instruments are properly classified as to risk and are properly disclosed.
40. Capital assets, including infrastructure and intangible assets, are properly capitalized, reported, and, if applicable, depreciated or amortized.

41. We have appropriately disclosed the District's policy regarding whether to first apply restricted or unrestricted resources when an expense is incurred for purposes for which both restricted and unrestricted net position is available and have determined that the net position is properly recognized under the policy.
42. We are following our established accounting policy regarding which resources (that is, restricted, committed, assigned, or unassigned) are considered to be spent first for expenditures for which more than one resource classification is available. That policy determines the fund balance classifications for financial reporting purposes.
43. The financial statement disclosures related to insurance coverage are accurate for all periods presented.
44. We acknowledge our responsibility for the required supplementary information. The required supplementary information is measured and presented within prescribed guidelines and the methods of measurement, and the presentation have not changed those used in the prior period. We have disclosed to you any significant assumptions and interpretations underlying the measurement and presentation of the required supplementary information.
45. We acknowledge that Management's Discussion and Analysis is required supplementary information which has been omitted from the financial statements and that your report will be modified accordingly.
46. With respect to the supplementary information as identified in the table of contents:
 - a. We acknowledge our responsible for presenting the supplementary information in accordance with US GAAP, and we believe the supplementary information, including its form and content, is fairly presented in accordance with US GAAP. The methods of measurement and presentation of the supplementary information have not changed from those used in the prior period, and we have disclosed to you any significant assumptions or interpretations underlying the measurement and presentation of the supplementary information.
 - b. If the supplementary information is not presented with the audited financial statements, we will make the audited financial statements readily available to the intended users of the supplementary information no later than the date we issue the supplementary information and the auditor's report thereon.

Cathedral Pines Metropolitan District

Board Member Signature

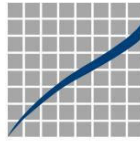
Printed Name

Title

Manager Signature

Printed Name

Title



BiggsKofford

CERTIFIED PUBLIC ACCOUNTANTS

June 21, 2022

Board of Directors

Cathedral Pines Metropolitan District

Via email: bheeter2@aol.com; ecton.espenlaub@gmail.com; lynn@docshepherd.com;
rmstauch@gmail.com; kjaycombs@outlook.com

We have audited the financial statements of Cathedral Pines Metropolitan District ("District"). Professional standards require that we provide you with information about our responsibilities under auditing standards generally accepted in the United States of America ("US GAAS"), as well as certain information related to the planned scope and timing of our audit. We have communicated such information in our letter to you dated March 18, 2022. Professional standards also require that we communicate to you the following related to our audit.

Significant Audit Matters

Qualitative Aspects of Accounting Practices

Management is responsible for the selection and use of appropriate accounting policies. The significant accounting policies used by the District are described in Note 2 to the financial statements. The District adopted GASB Statement No. 88, *Certain Disclosures Related to Debt, Including Direct Borrowing and Direct Placements*. We noted no transactions entered into by the District during the year for which there is a lack of authoritative guidance or consensus. All significant transactions have been recognized in the financial statements in the proper period.

Accounting estimates are an integral part of the financial statements prepared by management and are based on management's knowledge and experience about past and current events and assumptions about future events. Certain accounting estimates are particularly sensitive because of their significance to the financial statements and because of the possibility that future events affecting them may differ significantly from those expected. The most sensitive estimates affecting the financial statements were:

- Management's estimate of the depreciation expense and accumulated depreciation is based on the straight-line method over the estimated economic useful lives. We evaluated the key factors and assumptions used to develop the depreciation expense and accumulated depreciation in determining that it is reasonable in relation to the financial statements taken as a whole.
- Management's estimate of the property taxes receivable and deferred property tax revenues is based on the Mill Levy Certificate from the Accounting Administrator for El Paso County Treasurer's Office in the year they are levied and measurable. The property tax revenues are recorded as revenue in the year they are available or collected. We evaluated the key factors and assumptions used to develop the property taxes receivable and deferred property tax revenues in determining that it is reasonable in relation to the financial statements taken as a whole.

Certain financial statement disclosures are particularly sensitive because of their significance to financial statement users. The most sensitive disclosures affecting the financial statements were:

- The disclosures of capital assets and debt balances.

The financial statement disclosures are neutral, consistent, and clear.

Difficulties Encountered in Performing the Audit

We encountered no significant difficulties in dealing with management in performing and completing our audit.

Corrected and Uncorrected Misstatements

Professional standards require us to accumulate all misstatements identified during the audit, other than those that are clearly trivial, and communicate them to the appropriate level of management. The attached schedule summarizes misstatements detected as a result of audit procedures. The adjusting journal entries include those corrected by management.

Disagreements with Management

For purposes of this letter, a disagreement with management is a disagreement on a financial accounting, reporting, or auditing matter, whether or not resolved to our satisfaction, that could be significant to the financial statements or the auditor's report. We are pleased to report that no such disagreements arose during the course of our audit.

Management Representations

We have requested certain representations from management that are included in the management representation letter.

Management Consultations with Other Independent Accountants

In some cases, management may decide to consult with other accountants about auditing and accounting matters, similar to obtaining a "second opinion" on certain situations. If a consultation involves application of an accounting principle to the District's financial statements or a determination of the type of auditor's opinion that may be expressed on those statements, our professional standards require the consulting accountant to check with us to determine that the consultant has all the relevant facts. To our knowledge, there were no such consultations with other accountants.

Other Audit Findings or Issues

We generally discuss a variety of matters, including the application of accounting principles and auditing standards with management each year prior to retention as the District's auditors. However, these discussions occurred in the normal course of our professional relationship and our responses were not a condition to our retention.

Other Matters

Supplementary Information

We were engaged to report on the supplementary information, as identified in the table of contents to the financial statements ("SI"), which accompany the financial statements but are not RSI. With respect to this SI, we made certain inquiries of management and evaluated the form, content, and methods of preparing the information to determine that the information complies with accounting principles generally accepted in the United States of America, the method of preparing it has not changed from the prior period, and the information is appropriate and complete in relation to our audit of the financial statements. We compared and reconciled the supplementary information to the underlying accounting records used to prepare the financial statements or to the financial statements themselves.

Internal Controls

In planning and performing our audit of the financial statements of the District as of and for the year ended December 31, 2021, in accordance with US GAAS, we considered the District's internal control over financial reporting ("internal control") as a basis for designing audit procedures that are appropriate in the circumstances and for the purpose of expressing our opinion on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the District's internal control. Accordingly, we do not express an opinion on the effectiveness of the District's internal control.

A deficiency in internal control exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, misstatements on a timely basis. A material weakness is a deficiency, or a combination of deficiencies in internal control, such that there is a reasonable possibility that a material misstatement of the District's financial statements will not be prevented, or detected and corrected, on a timely basis. A significant deficiency is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

Our consideration of internal control was for the limited purpose described above and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies and, therefore, material weaknesses or significant deficiencies may exist that were not identified.

- **Segregation of Duties:** As expected in smaller organizations, due to the limited number of people performing work for the District, many critical duties are combined and assigned to the available employees. To the extent possible, duties should be segregated to serve as a check and balance on employee integrity and to maintain the best control system possible. We suggest that the segregation of duties be reviewed and adjusted where possible to strengthen the system of internal controls. At a minimum, we recommend that members of the board of directors be provided with monthly bank statements including check images directly from the bank (or via direct online access), to enable them to verify that all disbursements were made for approved expenditures. Ideally a record of the board members' regular review would be maintained (e.g., printed statements with their initials and the date of their review).

- *Management Override of Controls:* Our audit procedures revealed that management has the ability to override internal controls. Internal controls are designed and implemented in order to prevent and detect errors and fraud in financial reporting. The ability of management to override and circumvent certain controls increases the risks to the District for errors to exist in the financial statements, whether by mistake or fraud. Those charged with governance should be aware of this possibility in performing their role in overseeing the District.

Sincerely,

BiggsKofford, P.C.

BiggsKofford, P.C.

DRAFT

Adjusting Journal Entries

Adjusting Journal Entries

Adjusting Journal Entries JE # 1

ADJUSTING: To record accrued interest as of December 31, 2021.

50405	2-1000 -+ DS EXPENSES:2-1030 -+ Interest Expense DS	18,029.00	
21227	Accrued Interest- Debt Service Fund		18,029.00
Total		18,029.00	18,029.00

Adjusting Journal Entries JE # 2

ADJUSTING: To record the amortization of the Series 2016 bond premium.

24020	Bonds Payable 2016:Bond Premium 2016:A/A Bond Premium 2016	19,113.00	
50405	2-1000 -+ DS EXPENSES:2-1030 -+ Interest Expense DS		19,113.00
Total		19,113.00	19,113.00

Adjusting Journal Entries JE # 8

ADJUSTING: To record the current year's depreciation expense.

92000	Depreciation Expense	93,345.00	
14180	Parks, Trails & Monument:Accum Depreciation		48,480.00
14185	Community Center:Accum Depreciation		44,598.00
14186	Equipment:Accum Depreciation		267.00
Total		93,345.00	93,345.00

Adjusting Journal Entries JE # 9

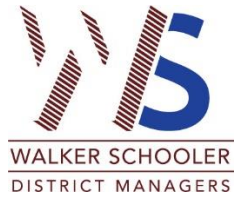
ADJUSTING: To adjust beginning fund balance and agree to prior year audited financial statements.

22100	Damage Deposits- Lodge Events	28,387.00	
2925	Deferred Revenue - Lodge Events	28,376.00	
32000	32000 -+ Retained Earnings	54,588.00	
40305	1-100 -+ GF INCOME:1-120 -+ Rental Income - Lodge Events	1,173.00	
30020	Gov't Wide Fund Balance		112,524.00
Total		112,524.00	112,524.00

Adjusting Journal Entries JE # 11

ADJUSTING: To remove the immaterial credit balance from AR.

12140	Accounts Receivable	392.00	
2925	Deferred Revenue - Lodge Events		392.00
Total		392.00	392.00



Cathedral Pines Metropolitan District

06/14/22

Balance Sheet

Accrual Basis

As of May 31, 2022

	May 31, 22
ASSETS	
Current Assets	
Checking/Savings	
ECB Debt Service Fund	197,385.58
ECB General Fund	361,146.77
MM - CSafe Bond Fund UMB	0.53
Total Checking/Savings	558,532.88
Accounts Receivable	0.00
Other Current Assets	
Prop Tax Rec - Debt Svc	136,373.21
Prop Tax Rec - Gnl Fund	136,373.21
Total Other Current Assets	272,746.42
Total Current Assets	831,279.30
Fixed Assets	
Community Center	
Accum Depreciation	-576,197.00
Original Cost	1,328,384.00
Total Community Center	752,187.00
Equipment	
Accum Depreciation	-2,950.00
Equipment - Other	13,922.00
Total Equipment	10,972.00
Parks, Trails & Monument	
Accum Depreciation	-588,641.00
Original Cost	897,354.77
Parks, Trails & Monument - Other	101,620.11
Total Parks, Trails & Monument	410,333.88
Total Fixed Assets	1,173,492.88
TOTAL ASSETS	2,004,772.18
LIABILITIES & EQUITY	
Liabilities	
Current Liabilities	
Accounts Payable	
Accounts Payable (A/P)	51,545.88
Total Accounts Payable	51,545.88
Other Current Liabilities	
Deferred Revenue - Lodge Events	48,288.50
Deferred Prop Tax - DSvc	136,373.21
Deferred Prop Tax - Gnl	136,373.21
Damage Deposits- Lodge Events	30,437.00
Total Other Current Liabilities	351,471.92
Total Current Liabilities	403,017.80
Long Term Liabilities	
Bonds Payable 2016	
Bond Premium 2016	
A/A Bond Premium 2016	-84,522.36
Bond Premium 2016 - Other	414,881.70
Total Bond Premium 2016	330,359.34

Cathedral Pines Metropolitan District

06/14/22

Balance Sheet

Accrual Basis

As of May 31, 2022

	<u>May 31, 22</u>
Bonds Payable 2016 - Other	4,410,000.00
Total Bonds Payable 2016	<u>4,740,359.34</u>
Total Long Term Liabilities	<u>4,740,359.34</u>
Total Liabilities	5,143,377.14
Equity	
Debt Svc / Cap Proj Funds	155,805.00
General Fund-Restricted	8,054.00
General Fund-Unrestricted	33,873.00
Gov't Wide Fund Balance	-3,741,036.79
32000 - Retained Earnings	251,387.16
Net Income	153,312.67
Total Equity	<u>-3,138,604.96</u>
TOTAL LIABILITIES & EQUITY	<u><u>2,004,772.18</u></u>

Cathedral Pines Metropolitan District Profit & Loss Budget vs. Actual January through May 2022

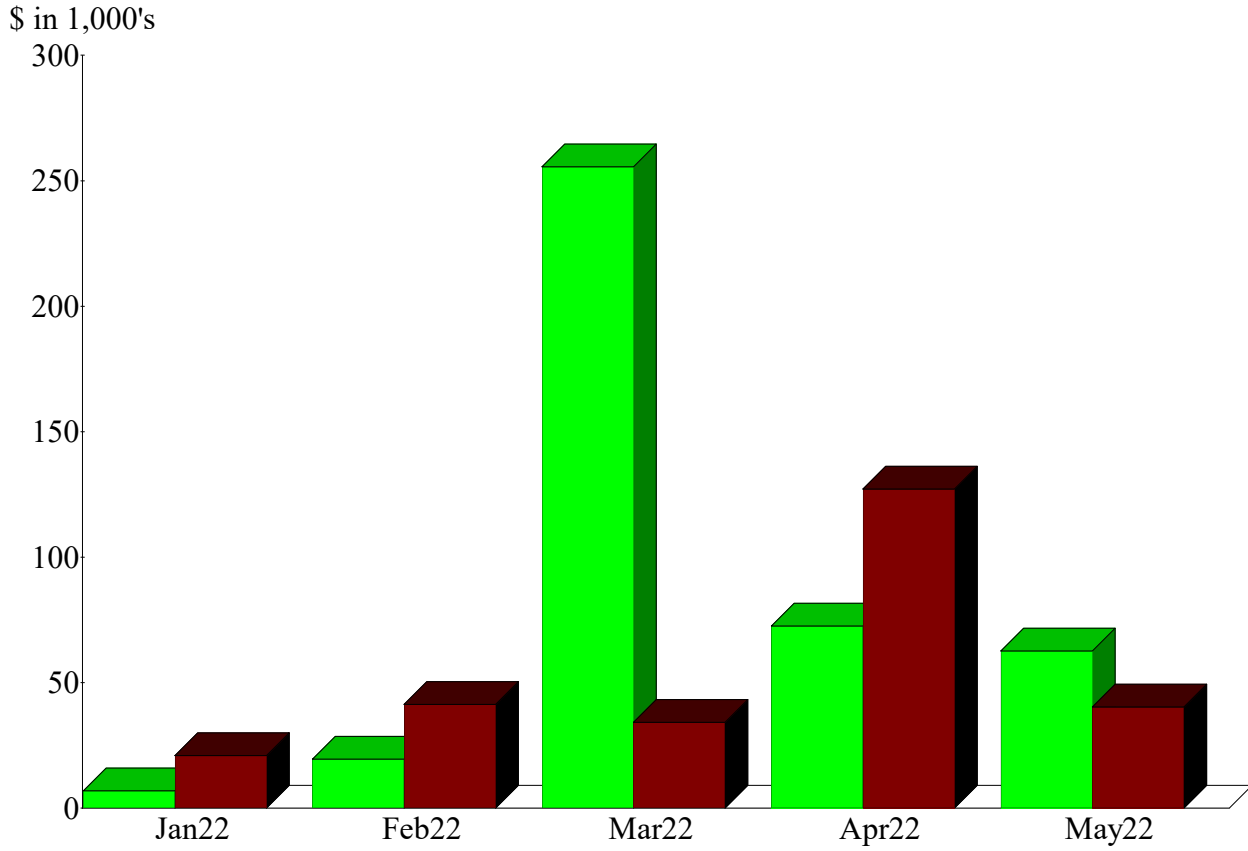
	TOTAL				
	May 22	Jan - May 22	Budget	\$ Over Budget	% of Budget
Ordinary Income/Expense					
Income					
1-100 · GF INCOME					
1-105 · GF Prop Tax Revenue	28,952.50	185,446.29	292,867.00	-107,420.71	63.32%
1-110 · Specific Ownership Taxes	4,613.77	19,411.36	41,001.00	-21,589.64	47.34%
1-115 · Delinquent Tax and Interest	26.17	26.17			
1-120 · Rental Income - Lodge Events	0.00	23,463.00	75,000.00	-51,537.00	31.28%
1-127 · Rental Income - Shed	0.00	3,333.32	9,996.00	-6,662.68	33.35%
1-140 · FEMA Funds	0.00	0.00	20,000.00	-20,000.00	0.0%
Total 1-100 · GF INCOME	<u>33,592.44</u>	<u>231,680.14</u>	<u>438,864.00</u>	<u>-207,183.86</u>	<u>52.79%</u>
2-100 · DS INCOME					
2-115 · Delinquent Tax & Interest	26.17	26.17			
2-105 · DS Prop Tax Revenue	28,952.50	185,446.29	292,867.00	-107,420.71	63.32%
2-130 · DS Interest Income	100.73	234.96			
Total 2-100 · DS INCOME	<u>29,079.40</u>	<u>185,707.42</u>	<u>292,867.00</u>	<u>-107,159.58</u>	<u>63.41%</u>
Total Income	<u>62,671.84</u>	<u>417,387.56</u>	<u>731,731.00</u>	<u>-314,343.44</u>	<u>57.04%</u>
Gross Profit	62,671.84	417,387.56	731,731.00	-314,343.44	57.04%
Expense					
TRANSFERS OUT					
Capital Replacement Reserve	0.00	0.00	25,000.00	-25,000.00	0.0%
Total TRANSFERS OUT	<u>0.00</u>	<u>0.00</u>	<u>25,000.00</u>	<u>-25,000.00</u>	<u>0.0%</u>
1-1000 · SERVICES					
1-1005 · Audit	0.00	0.00	9,000.00	-9,000.00	0.0%
1-1008 · Consulting Services	0.00	2,295.00	10,000.00	-7,705.00	22.95%
1-1010 · Management Expense	3,675.00	18,375.00	46,305.00	-27,930.00	39.68%
1-1015 · Maintenance Management	3,297.17	12,657.87	26,250.00	-13,592.13	48.22%
1-1020 · Legal Fees	0.00	1,835.15	15,000.00	-13,164.85	12.23%
Total 1-1000 · SERVICES	<u>6,972.17</u>	<u>35,163.02</u>	<u>106,555.00</u>	<u>-71,391.98</u>	<u>33.0%</u>
1-2000 · LODGE					
1-2001 · Lodge Management	6,000.00	21,357.08	42,000.00	-20,642.92	50.85%
1-2005 · Advertising/ Website	665.50	688.50			
1-2010 · Booking Fee	0.00	0.00	5,000.00	-5,000.00	0.0%
1-2020 · Event Supplies	0.00	3,110.18	3,000.00	110.18	103.67%
1-2025 · Cleaning	0.00	0.00	500.00	-500.00	0.0%
1-2030 · Repairs and Maintenance	647.31	2,130.61	15,000.00	-12,869.39	14.2%
1-2035 · Utilities	189.63	2,917.79	10,000.00	-7,082.21	29.18%
1-2040 · Security	200.07	1,000.35	3,000.00	-1,999.65	33.35%
1-2043 · Capital Improvements - O&M	651.74	26,123.94	60,000.00	-33,876.06	43.54%
1-2044 · Landscape Maintenance	0.00	742.52	10,000.00	-9,257.48	7.43%
1-2045 · Snow Removal	0.00	4,880.00	10,000.00	-5,120.00	48.8%
1-2050 · Trash	389.50	1,006.01	6,000.00	-4,993.99	16.77%
1-2055 · Telephone	244.30	1,217.50	3,300.00	-2,082.50	36.89%
1-4030 · Lodge Contingency	0.00	87.12	10,000.00	-9,912.88	0.87%
Total 1-2000 · LODGE	<u>8,988.05</u>	<u>65,261.60</u>	<u>177,800.00</u>	<u>-112,538.40</u>	<u>36.71%</u>

Cathedral Pines Metropolitan District
Profit & Loss Budget vs. Actual
January through May 2022

	TOTAL				
	May 22	Jan - May 22	Budget	\$ Over Budget	% of Budget
1-3000 · GF EXPENSES					
License & Fees	0.00	678.87			
1-3005 · Landscape Maintenance	2,000.00	8,837.64	45,000.00	-36,162.36	19.64%
1-3010 · Repair & Maintenance - O&M	308.55	1,426.62	25,000.00	-23,573.38	5.71%
1-3015 · Snow Removal - O&M	0.00	4,510.00	25,000.00	-20,490.00	18.04%
1-3020 · Utilities - O&M	1,024.99	3,411.17	20,000.00	-16,588.83	17.06%
1-3025 · Infrastructure Replacement	0.00	0.00	10,000.00	-10,000.00	0.0%
1-3030 · Election	20,091.79	28,737.87	10,000.00	18,737.87	287.38%
1-3035 · GF - Contingency	0.00	1,051.30	10,000.00	-8,948.70	10.51%
Total 1-3000 · GF EXPENSES	<u>23,425.33</u>	<u>48,653.47</u>	<u>145,000.00</u>	<u>-96,346.53</u>	<u>33.55%</u>
1-4000 · OTHER					
1-4005 · Bank Charges	0.00	0.00	500.00	-500.00	0.0%
1-4010 · Insurance/ Fees	0.00	778.00	11,000.00	-10,222.00	7.07%
1-4015 · Office Expenses	37.80	479.58	500.00	-20.42	95.92%
1-4020 · Collection Fee GF(Treasurer)	434.69	2,782.10	4,393.00	-1,610.90	63.33%
Total 1-4000 · OTHER	<u>472.49</u>	<u>4,039.68</u>	<u>16,393.00</u>	<u>-12,353.32</u>	<u>24.64%</u>
2-1000 · DS EXPENSES					
2-1005 · Trustee Fees	0.00	0.00	800.00	-800.00	0.0%
2-1010 · Collection Fee DS (Treasurer)	434.69	2,782.12	4,500.00	-1,717.88	61.83%
2-1015 · Bond Principal Pmts	0.00	0.00	75,000.00	-75,000.00	0.0%
2-1030 · Interest Expense DS	0.00	108,175.00	216,350.00	-108,175.00	50.0%
2-1035 · DS - Contingency	0.00	0.00	1,000.00	-1,000.00	0.0%
Total 2-1000 · DS EXPENSES	<u>434.69</u>	<u>110,957.12</u>	<u>297,650.00</u>	<u>-186,692.88</u>	<u>37.28%</u>
Total Expense	<u>40,292.73</u>	<u>264,074.89</u>	<u>768,398.00</u>	<u>-504,323.11</u>	<u>34.37%</u>
Net Ordinary Income	<u>22,379.11</u>	<u>153,312.67</u>	<u>-36,667.00</u>	<u>189,979.67</u>	<u>-418.12%</u>
Net Income	<u><u>22,379.11</u></u>	<u><u>153,312.67</u></u>	<u><u>-36,667.00</u></u>	<u><u>189,979.67</u></u>	<u><u>-418.12%</u></u>

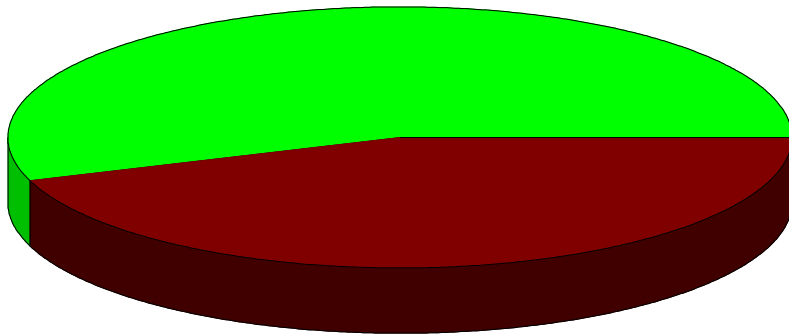
Income and Expense by Month
January through May 2022

Income
Expense



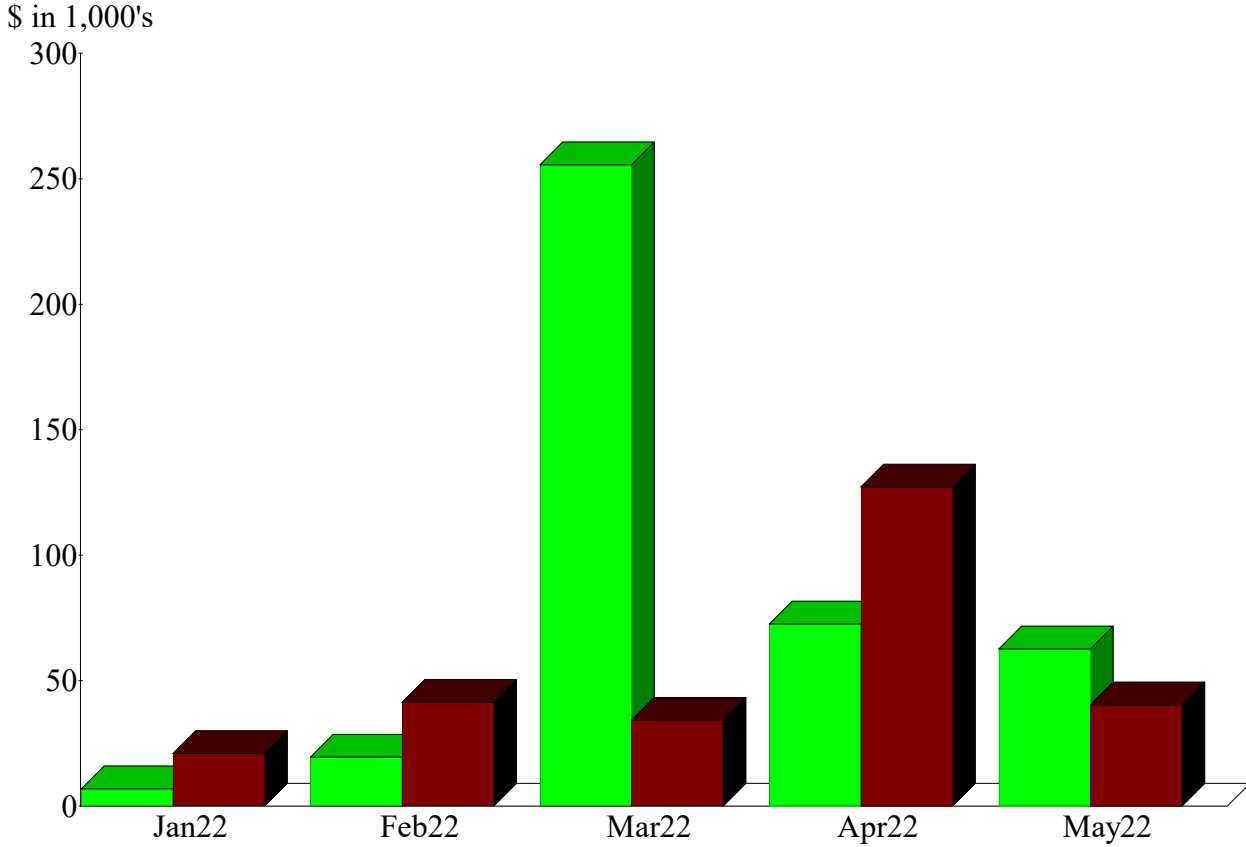
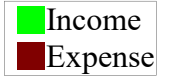
Income Summary
January through May 2022

1-100 · GF INCOME	55.51%
2-100 · DS INCOME	44.49
Total	\$417,387.56



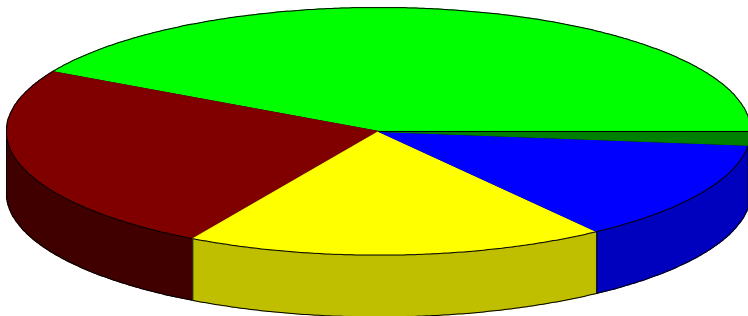
By Account

Income and Expense by Month
January through May 2022



Expense Summary
January through May 2022

2-1000 · DS EXPENSES	42.02%
1-2000 · LODGE	24.71
1-3000 · GF EXPENSES	18.42
1-1000 · SERVICES	13.32
1-4000 · OTHER	1.53
Total	\$264,074.89



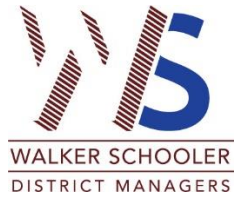
By Account

Cathedral Pines Metropolitan District
PAYMENT REQUEST
6/20/2022
GENERAL FUND ACCOUNT

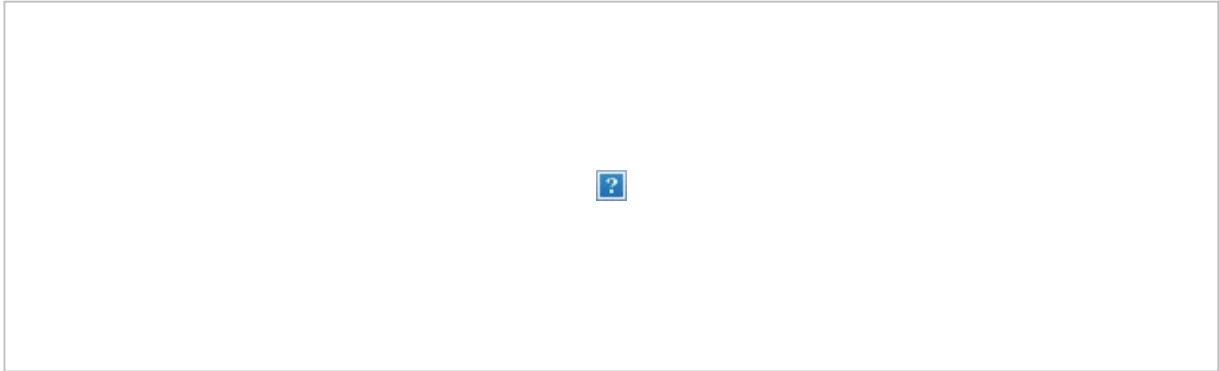
Company	Invoice	Date	Amount	Comments
ADT	51622	5/16/2022	148.08	Security
ADT	52022	5/20/2022	51.99	Security
Black Hills Energy	5715886192	6/3/2022	129.71	
Ecton Espelaub	41822	4/15/1901	471.17	Bolts for Sign Repair, Rock for Trails, Diesel
Ecton Espelaub	50522	5/5/2022	194.83	Diesel, Signs, Steet Lights, Week Killer for Trail
Kimley Horn	196305000-1121	1/1/2022	5,025.76	
Law Offices of Wayne Williams	1081	5/16/2022	19,783.79	
Mountain View Electric	136515	3/23/2022	34.00	Utilities - O&M
Mountain View Electric	135430	3/23/2022	83.92	Utilities - O&M
Mountain View Electric	133152	3/23/2022	34.35	Utilities - O&M
Mountain View Electric	134333	3/23/2022	34.12	Utilities - O&M
Mountain View Electric	135331	3/23/2022	35.00	Utilities - O&M
Mountain View Electric	132214	3/23/2022	35.30	Utilities - O&M
Mountain View Electric	133146	3/23/2022	38.61	Utilities - O&M
Mountain View Electric	133210	3/23/2022	36.60	Utilities - O&M
Mountain View Electric	136159	3/23/2022	35.77	Utilities - O&M
Mountain View Electric	134231	3/23/2022	1.00	Utilities - O&M
Mountain View Electric	133118	3/23/2022	41.45	Utilities - O&M
Mountain View Electric	189478	3/23/2022	132.73	Utilities - O&M
Mountain View Electric	189479	3/23/2022	442.14	Utilities - Lodge
Refrigeration Plus	130386	5/19/2022	647.31	
Rick Stauch	7/9/2066	6/8/2022	39.26	
Solitude Lake Management	PI-A00821096	6/11/2022	662.18	
Stratus IQ	60122	6/1/2022	244.30	
Tall Timbers Tree & Schrub Services	59764	4/18/2022	2,000.00	
Tall Timbers Tree & Schrub Services	60592	5/13/2022	2,000.00	
The Warren Management Group, Inc.	17564	5/31/2022	2,635.00	
VenQ	4	6/1/2022	6,180.54	
Walker Schooler District Managers	782	5/31/2022	3,712.80	
Waste Connections of CO, Inc	531540201078	5/13/2022	389.50	
William Heeter	33122	3/31/2022	15.98	Cookies for Meeting
William Heeter	50822	5/8/2022	651.74	White Board, Folding Table
William Heeter	60222	6/2/2022	113.72	Parts from Lowes
William Heeter	21234391	6/1/2022	122.17	Refrigerator Drawer
William Heeter	112-9765480-8149809	6/14/2022	83.04	Water Replacement Filter
TOTAL			46,287.86	

TOTAL \$ 46,287.86

Director _____



From: [Office of Congressman Doug Lamborn \(imailagent\)](#)
To: [Kevin Walker](#)
Subject: Response from FEMA (Intranet Quorum IMA00109781)
Date: Saturday, June 04, 2022 5:49:48 PM
Attachments: [IQFormatFile.txt](#)



June 4, 2022

Mr. Kevin Walker
13977 Milam Rd
Colorado Springs, CO 80908-6916

Dear Mr. Walker,

In response to my inquiry on your behalf, I received the following information from the Federal Emergency Management Agency:

Congressman Lamborn:

I have been able to talk with our program staff and do have some additional information on this. Unfortunately, it isn't going to be helpful to Mr. Walker in the short term. And I understand completely why he is persistent in asking about this.

The original time frames that I had given you way back when Mr. Walker first inquired were based on pre-pandemic averages. Unfortunately the pandemic had a huge impact on the ability to conduct the required reviews and move these projects. The backlog that existed prior to the pandemic grew. Significantly.

Our program staff has been in contact with the state, as the state is the recipient of the grants that are then disbursed to subrecipients such as Mr. Walker. The current guidance provided to us is that Colorado would like us to continue to work the projects in chronological order, so in the order in which they have been submitted. Unfortunately there are still a number of 2019 closeouts to complete.

I did ask if there is any update on time frame. As you can imagine, they are reluctant to speculate. The project, PW 324, is on our radar, and the state is correct in that it is still in our queue. I understand this is not what Mr. Walker is hoping for as far as a status update, and I am sorry for the circumstances. If you have additional questions, please let us know.

Warm regards,

Congressional Affairs

External Affairs | Region 8
Federal Emergency Management Agency
fema.gov

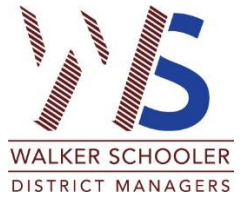
Regrettably, I am unable alter, influence or force an agency to change a response. I am only able to ensure that an agency carefully review an inquiry, consider any new information that may be presented, and to give my constituent's request their highest consideration, and do so in a timely manner.

If you have any other questions or concerns of a federal nature, please feel free to contact my office again.

Sincerely,



Doug Lamborn
Member of Congress



CATHEDRAL PINES METRO DISTRICT
Preliminary Irrigation System Replacement Timetable
a/o June 20, 2022

Send out Initial Request for Proposals (RFPs)	5/01/22
Receive Preliminary RFPs	6/01/22
Send Second Request for RFPs	6/15/22
Second Request RFPs Due	7/15/22
Review RFPs/Request Clarifications	7/15-8/12/22
Revised RFPs Due	8/12/22
Select Recommended Contractor (at Metro Board Meeting)	8/16/22
File for Financing/State Loan	9/02/22
File County "Work in Right of Way Application"	9/02/22
Board Approval of Final Plan/Proposed Budget/Financing (at Metro Board Meeting)	10/18/22
Community Review/Approval of Plan	Annual Meeting
Initiate Project	5/01/23