

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



Tuesday, October 17, 2023, 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://video.cloudoffice.avaya.com/join/161846385>

You can also dial in using your phone.

United States: [+1 \(213\) 463-4500](tel:+12134634500)

Access Code: 161-846-385

Public Welcome

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

Board of Director	Title	Term Expiration
Bill Heeter	President	May 2027
Rich Stauch	Vice President	May 2025
Kevin Combs	Treasurer	May 2027
Ecton Espenlaub	Secretary	May 2025
Chris Meacham	Director	May 2025 (appointed until May 2025)

AGENDA

- 1. Call to Order**
- 2. Declaration of Quorum/Director Qualifications/Reaffirmation of Disclosures**
- 3. Approval of Agenda**
- 4. Approval of Board Meeting Minutes** – Meeting minutes of September 19, 2023 (enclosure)
- 5. Financial Update**
 - a. Review and consider approval of Unaudited Financials through September 30, 2023 (enclosure) – Kevin C
 - b. Review and consider approval of payables through the period ending October 17, 2023 (enclosure) – Kevin C
 - c. Update on 2024 Draft Budget (enclosure) – Kevin C./ Rebecca
 - d. Discuss and Consider Adoption of 2022 Restated Audited Financials and Presentation (enclosure) - Rebecca
- 6. Landscaping Issues**
 - a. Wells and Water use discussion – Ecton/ Kevin W.
 - b. Irrigation Project Update - Ecton

- c. Status of Irrigation Grant - Rebecca
- d. Fall Chipping Event Follow Up – Rebecca
- e. Discuss Pond Maintenance Issues – Ecton/ Rebecca
- f. Review and consider approval of 2024 Pond Maintenance Contract - Rebecca
- g. Status of RFP for 2024 Landscaping Contract – Rick/ Rebecca
- h. Review and Discuss Survey proposals – Kevin W

7. Lodge Management Update

- a. Review September Lodge Report (enclosure) - Shalece
- b. Continue the discussion on Event Insurance – Rebecca
- c. Proposed Additional to Rental Agreement – Bill/ Laura
 - i. Request for Petting Zoo
- d. Condition of Exterior Wood Entrance – Bill/ Rebecca
- e. Recap of Lodge Improvements – Bill

8. District Management Matters – Rebecca

- a. Discuss 4138 Foxchase Way Access Point

9. Legal Matters

- a. Discuss Mail kiosk responsibility – Bill/ Laura
- b. Discuss Barn status– Bill/ Laura
- c. Discuss Drone concern – Bill/ Laura
- d. Status of Monument Turnover from HOA to Metro

10. Other Business

- a. Milam Road Chip Sealing Update – Bill
- b. Monument and Parking Lot Lighting Issues – Bill
- c. Disposal of Excess Furniture etc. Stored in Barn - Bill

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. Adjournment – Annual 2023 Town Hall Meeting is November 21, 2023, at 5:00 PM, with the Regular Board Meeting to follow at 6:00 PM





**MINUTES OF A REGULAR MEETING
OF THE BOARD OF DIRECTORS OF THE
CATHEDRAL PINES METROPOLITAN DISTRICT
HELD SEPTEMBER 19, 2023
AT 10:00 A.M.**

Pursuant to posted notice, the regular meeting of the Board of Directors of the Cathedral Pines Metropolitan District was held on Tuesday, September 19th at 10:00 AM, at Cathedral Pines Lodge, and virtually via video/teleconference.

In attendance were Directors:

Bill Heeter
Ecton Espenlaub
Rick Stauch (excused)
Kevin Combs

Also in attendance were:

Rebecca Harris, WSDM District Managers
Rylee DeLong, WSDM District Managers
Shalece Buchholtz, VenQ
Laura Gardner, Gardner Law Firm
Kevin Kimberling, 101 Landscapes

1. Call to Order: President Heeter called the meeting to order at 10:30 a.m.

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 Agenda: Director Espenlaub moved to approve the Agenda as amended; seconded by Director Combs. Motion passed unanimously.

4. Review and consider Appointment of Vacant Position: President Heeter discussed with the board how the interview with Chris Meacham went and recommended the Board Appoint him to the vacant Director position, now that Director Stauch and himself were able to formally interview Chris Meacham. Director Espenlaub motion to appoint Chris Meacham to the Vacant Director position; seconded by Director Combs. Motion passed unanimously.

5. Approval of Board Meeting Minutes – Meeting Minutes of August 15, 2023: After review, Director Combs moved to approve the August 15, 2023 Meeting Minutes; seconded by Director Espenlaub. Motion passed unanimously.

6. Financial Update

- a. Review and consider approval of Unaudited Financials through August 31, 2023: Mrs. Harris presented the unaudited financials to the board. After review, Director Combs moved to approve the Unaudited Financials through August 31, 2023; seconded by Director Espenlaub. Motion passed unanimously.
- b. Review and consider approval of payables through the period ending September 19, 2023:

After review, Director Combs moved to approve the payables through the period ending September 19, 2023; seconded by Director Espenlaub. Motion passed unanimously.

- c. Review and Discuss Assessed Valuation Memo: Mrs. Harris discussed the Assessed Valuation Analysis with the board and to be prepared to potentially decrease mill levies based on the November 7th election deciding on Proposition HH. She presented 3 potential options for the board to consider in preparation of the Budget Hearing in November and the November Election impact.
- d. Update on Budget Process: Mrs. Harris confirmed that WSDM's office is starting the budgeting process and will coordinate with Director Combs to review the budget. She reminded the board to get ideas over to Director Combs and Mrs. Harris regarding any potential projects that may want to be planned for 2024.

7. Landscaping Issues

- a. Wells and Water use discussion: Director Espenlaub gave an update on the water use and allocation that we are almost at our maximum allotment for the Barn. Director Espenlaub also informed the board he has communicated this to the landscaper so if water is needed he will have to turn the wells back on. Mrs. Harris informed the board that Mr. Walker is still waiting to hear back from water experts.
- b. Irrigation Project Update: Mr. Kimberling updated the board on the progress of the project that they are roughly 90% completed with laying irrigation lines. They ran into an unpredictable issue when digging up the lines and finding where they were located and connected to the wells. He did request to get another 25% of the contract paid to him as the project as the project continues. The Board discussed the issuance and President Heeter motioned to approve a third payment to 101 Landscaping in the amount of \$62,400; seconded by Director Combs. Motion passed unanimously.
- c. Status of Irrigation Grant: Mrs. Harris informed the board the first \$40,000 approved funds were received earlier this month and she is still pending a decision on the second grant application.
- d. Storage Shed clean-up Recap: President Heeter let the board know the clean-up event had 4 people in attendance but was successful non the less.
- e. Seedling Thinning Event Recap: no update was given
- f. Fall Chipping Event – Scheduled for September 25th – 29th: President Heeter reminded the Board of the Chipping event and that WSDM's office will be sending out reminders. Director Espenlaub confirmed that the Storage shed area was added to the chipping event. Mrs. Harris confirmed and also informed the Board that Tall Timbers is willing to leave any piles of mulch so long as its requested a head of time. Board agreed to add the Storage Shed to that list and have two to three piles of mulch left in place of the slash collection.
- g. Update Status of RFP for 2024 Landscaping Contract: Mrs. Harris informed the board she met with Director Stauch last week to review all of his updates. She is adding the finishing touches to the RFP for Landscape services and will send out later this week. Mrs. Harris also noted that Director Stauch wanted to get the Boards feedback on adding some mowing maintenance along the trail in the El Paso County responsibility. Mrs. Harris confirmed that recorded documents give the District the authority to maintain if wanted. Board discussed this idea and decided to continue the discussion to when Director Stauch can participate.

8. Lodge Management Update

- a. Review August Lodge Report: Ms. Buchholtz presented the August and September Lodge Report.

- b. Continue the discussion on Event Insurance: Mrs. Harris informed the board that if the district chooses to provide the Event Insurance per rental at the Lodge it costs roughly \$100 per event. Director Combs discussed the possibility of the Board expensing the extra cost for one-off events at the Lodge that require the Event Insurance. The Board discussed adding additional language to those rental contracts.
- c. Grease Trap Update: President Heeter and Director Espenlaub confirmed the path moving forward is to add a heat wire that will keep is warm in the winter months.
- d. Proposed Addition to Rental Agreement: The Board discussed the potential addition to the rental agreement that allows a petting zoo and/or equine use at the Lodge.
 - i. Request for Petting Zoo: Mrs. Gardner informed the board she is still researching options for the board here as another authority has say.
- e. Condition of Exterior Wood Entrance: Mrs. Harris informed the Board that the Metro District did not varnish the front Lodge since 2021. Board discussed this being a possible expense for next year as the wood needs to be re-varnished.
- f. Recap of Lodge Improvements: President Heeter provided an update to the board on the varies items at the Lodge that has been replaced, repaired, or updated as previously discussed.
- g. Holiday Light Installation: President Heeter informed the Board the lights will be installed shortly however they confirmed they will come back out the week after or of thanksgiving to plug in to be in compliance with the HOA's rules.

9. District Management Matters

- a. Milam Road Construction Update: The Board discussed that the project was supposed to start in early August but has been delayed due to flooding in the County and lack of staff.
- b. Discuss 4138 Foxchase Way Access Point: Mrs. Gardner and the Board discussed the concerns about the additional access point being created and has direct WSDM and Mrs. Gardner to get an estimated cost of what a survey would cost if the district pursues getting property marked.
- c. Review and consider approval for Shed Sign Proposal: The Board reviewed the proposal and decided to go a more cost effective route and President Heeter will get this sign completed.

10. Legal Matters: There was no other updates

11. Other Business: There was no other business.

12. Public Comment: There was no public comment.

13. Adjournment: The meeting was adjourned at 12:55 pm.

Respectfully Submitted,

By: Rebecca Harris, District Manager

THESE MINUTES ARE APPROVED AS THE OFFICIAL SEPTEMBER 19, 2023 MINUTES OF THE CATHEDRAL PINES METROPOLITAN DISTRICT.



Cathedral Pines Metropolitan District

Balance Sheet

As of September 30, 2023

	Sep 30, 23
ASSETS	
Current Assets	
Checking/Savings	
ECB Debt Service Fund	309,168.22
ECB General Fund	
Reserve	50,000.00
ECB General Fund - Other	187,037.06
Total ECB General Fund	237,037.06
MM - CSAFE Bond Fund UMB	0.53
1071 - Bill.com Money In Clearing	1,250.00
Total Checking/Savings	547,455.81
Accounts Receivable	
Accounts Receivable	7,650.01
Total Accounts Receivable	7,650.01
Other Current Assets	
Prop Tax Rec - Debt Svc	309.08
Prop Tax Rec - Gnl Fund	309.09
12000 - Undeposited Funds	250.00
Total Other Current Assets	868.17
Total Current Assets	555,973.99
Fixed Assets	
Community Center	
Accum Depreciation	-666,235.00
Original Cost	431,029.00
Total Community Center	-235,206.00
Equipment	
Accum Depreciation	-2,401.00
Equipment - Other	13,922.00
Total Equipment	11,521.00
Parks, Trails & Monument	
Accum Depreciation	-687,633.00
Original Cost	897,354.77
Parks, Trails & Monument - Other	1,006,155.11
Total Parks, Trails & Monument	1,215,876.88
Total Fixed Assets	992,191.88
TOTAL ASSETS	1,548,165.87
LIABILITIES & EQUITY	
Liabilities	
Current Liabilities	
Accounts Payable	
Accounts Payable (A/P)	24,939.88
Total Accounts Payable	24,939.88

12:50 PM

10/10/23

Accrual Basis

Cathedral Pines Metropolitan District

Balance Sheet

As of September 30, 2023

	Sep 30, 23
Other Current Liabilities	
Accrued Interest - DSvc	17,779.00
Deferred Revenue - Lodge Events	25,274.50
Deferred Prop Tax - DSvc	309.08
Deferred Prop Tax - Gnl	309.09
Damage Deposits- Lodge Events	750.00
Total Other Current Liabilities	44,421.67
Total Current Liabilities	69,361.55
Long Term Liabilities	
Bonds Payable 2016	
Bond Premium 2016	
A/A Bond Premium 2016	-122,598.36
Bond Premium 2016 - Other	414,881.70
Total Bond Premium 2016	292,283.34
Bonds Payable 2016 - Other	4,335,000.00
Total Bonds Payable 2016	4,627,283.34
Total Long Term Liabilities	4,627,283.34
Total Liabilities	4,696,644.89
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	-3,628,512.79
32000 - Retained Earnings	128,371.57
Net Income	153,930.20
Total Equity	-3,148,479.02
TOTAL LIABILITIES & EQUITY	1,548,165.87

Cathedral Pines Metropolitan District
Profit & Loss Budget vs. Actual
January through September 2023

	TOTAL				
	Sep 23	Jan - Sep 23	Budget	\$ Over Budget	% of Budget
Ordinary Income/Expense					
Income					
1-100 · GF INCOME					
1-105 · GF Prop Tax Revenue	5,269.85	287,908.91	288,218.00	-309.09	99.89%
1-110 · Specific Ownership Taxes	5,832.44	39,759.99	40,351.00	-591.01	98.54%
1-115 · Delinquent Tax and Interest	136.40	279.98			
1-117 · Prior Year Tax & Int Abatement	0.00	-327.79			
1-120 · Rental Income - Lodge Events	2,375.00	40,782.45	115,000.00	-74,217.55	35.46%
1-127 · Rental Income - Shed	850.00	7,650.00	10,200.00	-2,550.00	75.0%
1-140 · FEMA Funds	0.00	0.00	20,000.00	-20,000.00	0.0%
Total 1-100 · GF INCOME	14,463.69	376,053.54	473,769.00	-97,715.46	79.38%
1-180 · CVRF Grant	0.00	40,000.00			
2-100 · DS INCOME					
2-116 · Delinquent Tax & Interest	136.40	273.87			
2-115 · Delinquent Tax & Interest	0.00	6.09			
2-105 · DS Prop Tax Revenue	5,269.85	287,908.91	288,218.00	-309.09	99.89%
2-130 · DS Interest Income	1,378.96	8,859.67	1,500.00	7,359.67	590.65%
2-132 · Prior Year Tax & Int Abatement	0.00	-327.78			
Total 2-100 · DS INCOME	6,785.21	296,720.76	289,718.00	7,002.76	102.42%
Total Income	21,248.90	712,774.30	763,487.00	-50,712.70	93.36%
Gross Profit	21,248.90	712,774.30	763,487.00	-50,712.70	93.36%
Expense					
1-1000 · SERVICES					
1-1005 · Audit	0.00	9,325.00	9,500.00	-175.00	98.16%
1-1010 · Management Expense	6,426.00	57,625.50	50,715.00	6,910.50	113.63%
1-1015 · Maintenance Management	0.00	1,324.40	30,000.00	-28,675.60	4.42%
1-1012 · Meeting Expense	0.00	717.36	3,000.00	-2,282.64	23.91%
1-1020 · Legal Fees	425.00	9,462.50	15,000.00	-5,537.50	63.08%
Total 1-1000 · SERVICES	6,851.00	78,454.76	108,215.00	-29,760.24	72.5%
1-2000 · LODGE					
1-2001 · Lodge Management	3,500.00	24,562.50	34,500.00	-9,937.50	71.2%
1-2005 · Advertising/ Website	1,750.00	12,145.68	5,000.00	7,145.68	242.91%
1-2020 · Event Supplies	86.04	326.12	4,000.00	-3,673.88	8.15%
1-2025 · Cleaning	0.00	3,837.00	4,000.00	-163.00	95.93%
1-2030 · Repairs and Maintenance	5,429.40	12,783.93	10,000.00	2,783.93	127.84%
1-2035 · Utilities	39.78	4,762.23	12,000.00	-7,237.77	39.69%
1-2040 · Security	221.54	1,931.94	2,500.00	-568.06	77.28%
1-2043 · Capital Improvements - O&M	3,658.70	6,783.80	5,000.00	1,783.80	135.68%
1-2044 · Landscape Maintenance	0.00	4,806.75	12,000.00	-7,193.25	40.06%
1-2045 · Snow Removal	0.00	7,460.00	10,000.00	-2,540.00	74.6%
1-2050 · Trash	255.14	1,561.60	2,500.00	-938.40	62.46%
1-2055 · Telephone	204.99	1,844.91	2,500.00	-655.09	73.8%
1-4030 · Lodge Contingency	0.00	0.00	10,000.00	-10,000.00	0.0%
Total 1-2000 · LODGE	15,145.59	82,806.46	114,000.00	-31,193.54	72.64%

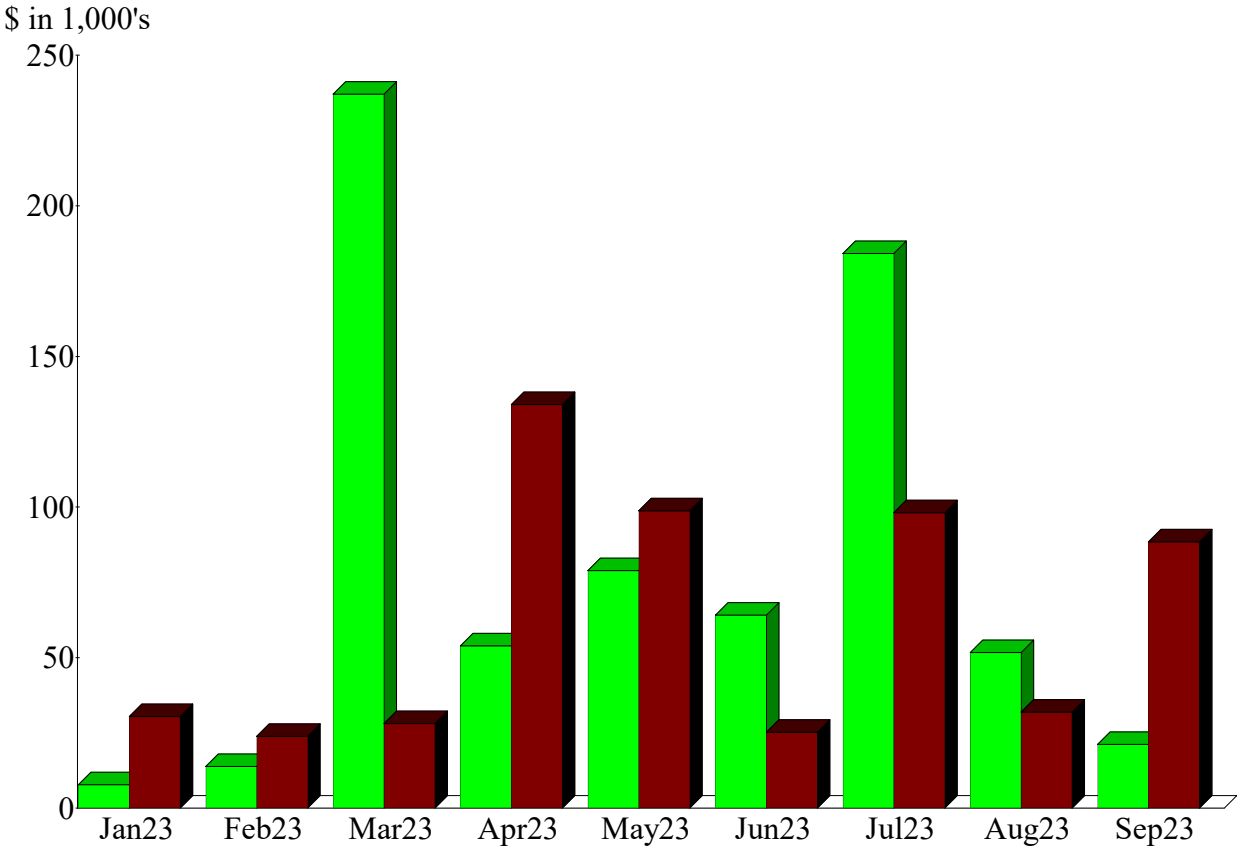
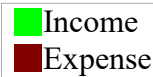
Cathedral Pines Metropolitan District

Profit & Loss Budget vs. Actual

January through September 2023

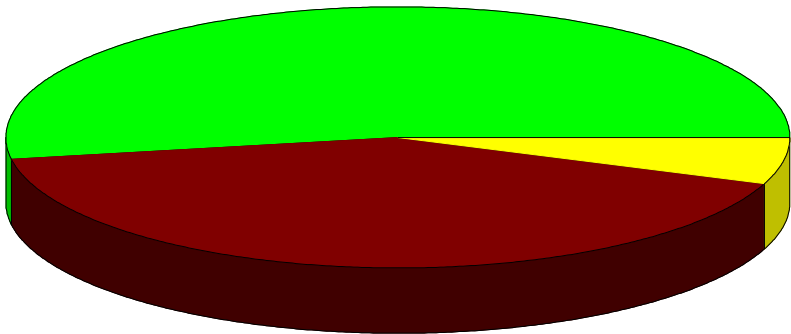
	TOTAL				
	Sep 23	Jan - Sep 23	Budget	\$ Over Budget	% of Budget
1-3000 · GF EXPENSES					
1-3002 · License & Fees	0.00	740.30			
1-3005 · Landscape Maintenance	94.43	36,629.55	50,000.00	-13,370.45	73.26%
1-3008 · Landscape Upgrade	62,400.00	199,862.14	200,000.00	-137.86	99.93%
1-3010 · Repair & Maintenance - O&M	146.32	3,287.73	30,000.00	-26,712.27	10.96%
1-3015 · Snow Removal - O&M	0.00	7,635.00	10,000.00	-2,365.00	76.35%
1-3020 · Utilities - O&M	3,605.72	16,011.56	15,000.00	1,011.56	106.74%
1-3025 · Infrastructure Replacement	0.00	0.00	10,000.00	-10,000.00	0.0%
1-3030 · Election	0.00	16,554.85	25,000.00	-8,445.15	66.22%
1-3035 · GF - Contingency	0.00	0.00	10,000.00	-10,000.00	0.0%
Total 1-3000 · GF EXPENSES	66,246.47	280,721.13	350,000.00	-69,278.87	80.21%
1-4000 · OTHER					
1-4010 · Insurance/ Fees	0.00	495.00	12,500.00	-12,005.00	3.96%
1-4015 · Office Expenses	30.97	646.05	1,500.00	-853.95	43.07%
1-4020 · Collection Fee GF(Treasurer)	81.10	4,322.86	4,323.27	-0.41	99.99%
Total 1-4000 · OTHER	112.07	5,463.91	18,323.27	-12,859.36	29.82%
2-1000 · DS EXPENSES					
2-1005 · Trustee Fees	0.00	400.00	800.00	-400.00	50.0%
2-1010 · Collection Fee DS (Treasurer)	81.09	4,322.84	4,323.00	-0.16	100.0%
2-1015 · Bond Principal Pmts	0.00	0.00	75,000.00	-75,000.00	0.0%
2-1030 · Interest Expense DS	0.00	106,675.00	213,350.00	-106,675.00	50.0%
2-1035 · DS - Contingency	0.00	0.00	5,000.00	-5,000.00	0.0%
Total 2-1000 · DS EXPENSES	81.09	111,397.84	298,473.00	-187,075.16	37.32%
Total Expense	88,436.22	558,844.10	889,011.27	-330,167.17	62.86%
Net Ordinary Income	-67,187.32	153,930.20	-125,524.27	279,454.47	-122.63%
Net Income	-67,187.32	153,930.20	-125,524.27	279,454.47	-122.63%

Income and Expense by Month January through September 2023



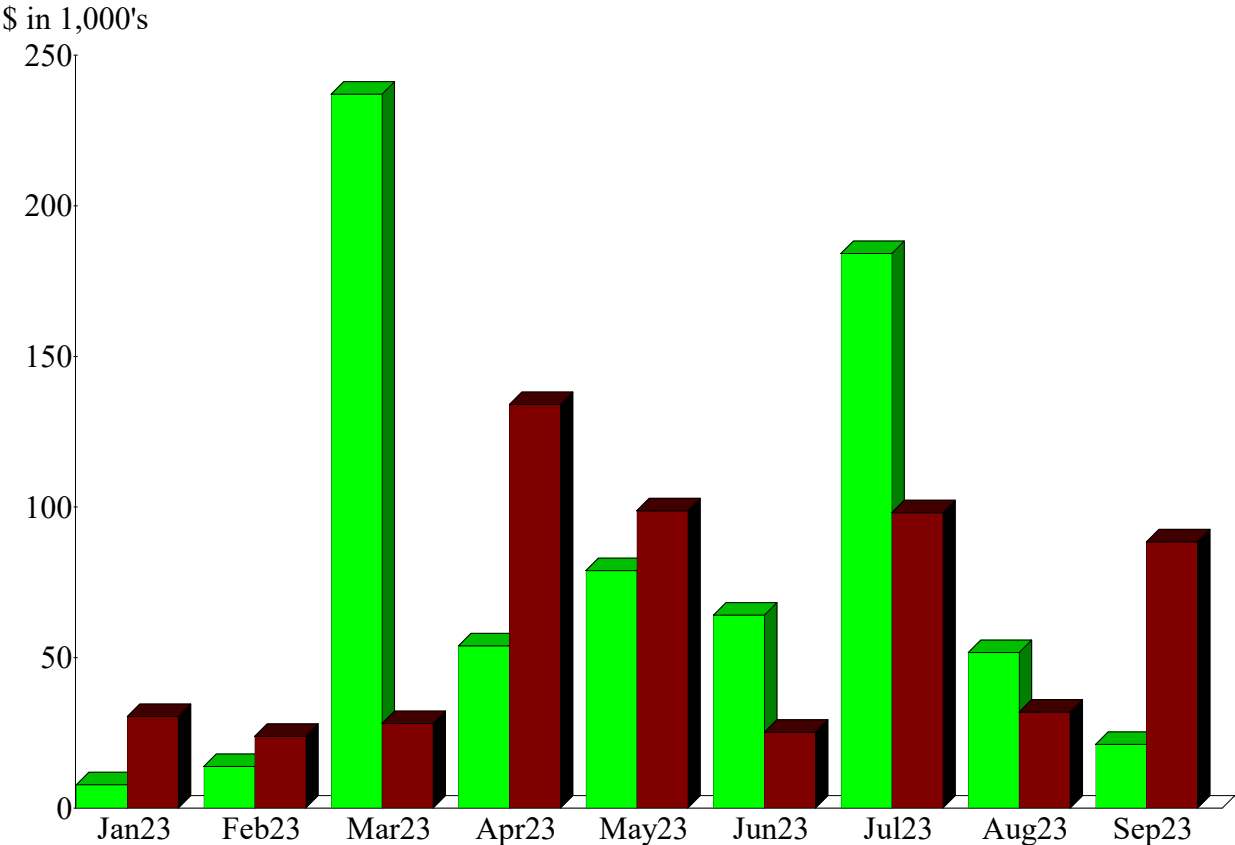
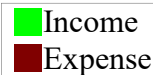
Income Summary January through September 2023

1-100 · GF INCOME	52.76%
2-100 · DS INCOME	41.63
1-180 · CVRF Grant	5.61
Total	\$712,774.30



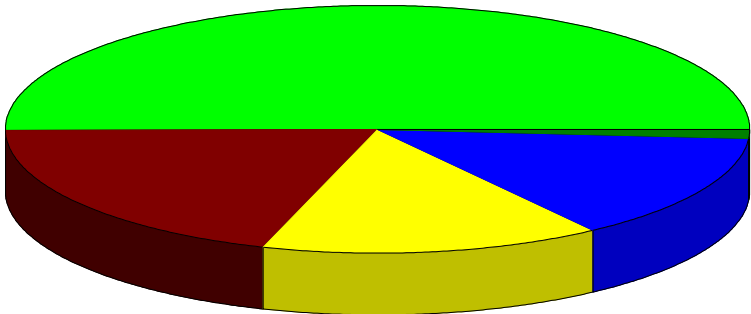
By Account

Income and Expense by Month January through September 2023



Expense Summary January through September 2023

1-3000 · GF EXPENSES	50.23%
2-1000 · DS EXPENSES	19.93
1-2000 · LODGE	14.82
1-1000 · SERVICES	14.04
1-4000 · OTHER	0.98
Total	\$558,844.10



By Account



Cathedral Pines Metropolitan District

PAYMENT REQUEST

10/10/2023

GENERAL FUND ACCOUNT

Company	Invoice	Date	Amount	Comments
A Cut Above Tree Service	29749	10/1/2023	\$ 3,329.83	
A Cut Above Tree Service	29744	9/30/2023	\$ 94.43	
101 Landscaping	101123	10/11/2023	\$ 62,400.00	
Barnhart Pump Co	21832	9/21/2023	\$ 235.00	
Black Hills Energy	90623	9/6/2023	\$ 19.89	Auto Pay
Ecton Espelaub	101023	10/10/2023	\$ 146.32	Fuel for truck, Repair & Maint. Lowes, Pioneer
EE Cleaning	10619	10/2/2023	\$ 190.00	
Mountain View Electric	360501	9/20/2023	\$ 34.00	Utilities - O&M
Mountain View Electric	360601	9/20/2023	\$ 2,775.07	Utilities - O&M
Mountain View Electric	404701	9/20/2023	\$ 52.69	Utilities - O&M
Mountain View Electric	103045401	9/20/2023	\$ 37.19	Utilities - O&M
Mountain View Electric	103047401	9/20/2023	\$ 34.00	Utilities - O&M
Mountain View Electric	103051401	9/20/2023	\$ 36.84	Utilities - O&M
Mountain View Electric	103051901	9/20/2023	\$ 34.24	Utilities - O&M
Mountain View Electric	103161601	9/20/2023	\$ 35.30	Utilities - O&M
Mountain View Electric	103162001	9/20/2023	\$ 39.21	Utilities - O&M
Mountain View Electric	103470400	9/20/2023	\$ 35.00	Utilities - O&M
Mountain View Electric	103470800	9/20/2023	\$ 36.00	Utilities - O&M
Mountain View Electric	103484500	9/20/2023	\$ 40.00	Utilities - O&M
Mountain View Electric	103043401	9/20/2023	\$ 416.18	Utilities - Lodge
Russel Williams Home Services	92023	9/20/2023	\$ 4,640.00	
Olson Plumbing & Heating	152342	9/27/2023	\$ 443.79	
Stratus IQ	100123	10/1/2023	\$ 204.99	
Tall Timbers Tree & Schrub Service	561430	10/3/2023	\$ 5,250.00	
The Gardner Law Office	10246	10/5/2023	\$ 125.00	
TWM	107156	10/1/2023	\$ 1,750.00	
Waste Connection	5315-40201078	10/1/2023	\$ 255.14	Auto Payment
William Heeter	101023	10/10/2023	\$ 813.86	Office Furniture(Desk & Cabinet) , Signs, Rugs
WSDM District Managers	7680	9/30/2023	\$ 6,426.00	
TOTAL			\$ 89,929.97	

TOTAL \$ 89,929.97

Director _____

Eastern Colorado Bank	\$	238,287.06
9/13/23 Draw	\$	(89,929.97)
Eastern Colorado Bank After Draw	\$	148,357.09



CATHEDRAL PINES METROPOLITAN DISTRICT
2024 BUDGET
GENERAL FUND

	2022	2023	2023	2023	2024	2024	
	ACTUAL	ACTUAL	AMEND/PROJ	BUDGET	BUDGET	Proposition	
		9/26/2023				H.H.	
GENERAL FUND: BEGINNING BALANCE	\$ 222,427	\$ 221,779	\$ 221,779	\$ 237,903	\$ 27,409	\$	27,409
REVENUE							
PROPERTY TAXES	\$ 292,867	\$ 282,639	\$ 288,218	\$ 288,218	\$ 345,169	\$	310,652
SPECIFIC OWNERSHIP TAXES	\$ 60,904	\$ 33,928	\$ 40,351	\$ 40,351	\$ 45,780	\$	43,491
DELINQUENT TAX AND INTEREST	\$ 298	\$ 144	\$ 144	\$ -			
PRIOR YEAR INTEREST & ABATEMENT	\$ -	\$ (328)	\$ (328)	\$ -			
RENTAL INCOME - THE LODGE EVENTS	\$ 68,007	\$ 38,407	\$ 55,000	\$ 115,000	\$ 78,000	\$	78,000
RENTAL INCOME - SHED	\$ 9,167	\$ 10,200	\$ 10,200	\$ 10,200	\$ 12,000	\$	12,000
SALES OF MONUMENT LOGOS	\$ -		\$ -	\$ -			
GAIN ON SALE OF ASSETS	\$ 4,800						
OTHER REVENUE							
FEMA FUNDS	\$ -		\$ 5,283	\$ 20,000	\$ -	\$	-
GRANT	\$ -	\$ 40,000	\$ 50,000	\$ -			
TOTAL REVENUES	\$ 436,043	\$ 404,990	\$ 448,868	\$ 473,769	\$ 480,949	\$	444,143
TOTAL REVENUE & FUND BALANCE	\$ 658,470	\$ 626,769	\$ 670,647	\$ 711,672	\$ 508,358	\$	471,552
EXPENDITURES							
SERVICES							
AUDIT (Biggs Kofford)	\$ 8,825	\$ 9,325	\$ 9,325	\$ 9,500	\$ 9,605	\$	9,605
MANAGEMENT (WSDM)	\$ 44,201	\$ 51,199	\$ 77,112	\$ 50,715	\$ 84,000	\$	84,000
MAINTENANCE MANAGEMENT (WARREN)	\$ 32,616	\$ 1,324	\$ 1,324	\$ 30,000	\$ -	\$	-
LEGAL	\$ 4,623	\$ 9,463	\$ 15,000	\$ 15,000	\$ 15,000	\$	15,000
CONSULTING SERVICES	\$ 2,156			\$ -			
Category SubTotal	\$ 92,421	\$ 71,311	\$ 102,761	\$ 105,215	\$ 108,605	\$	108,605
LODGE							
LODGE MANAGEMENT	\$ 47,757	\$ 24,563	\$ 34,500	\$ 34,500	\$ 42,000	\$	42,000
ADVERTISING/WEBSITE	\$ 3,340	\$ 12,146	\$ 17,396	\$ 5,000	\$ 21,000	\$	21,000
SUPPLIES	\$ 3,484	\$ 326	\$ 1,000	\$ 4,000	\$ 4,000	\$	4,000
CLEANING	\$ 4,121	\$ 3,837	\$ 5,000	\$ 4,000	\$ 5,000	\$	5,000
REPAIRS AND MAINTENANCE	\$ 10,314	\$ 7,465	\$ 10,000	\$ 10,000	\$ 10,000	\$	10,000
UTILITIES	\$ 7,718	\$ 4,742	\$ 10,000	\$ 12,000	\$ 10,000	\$	10,000
SECURITY	\$ 2,413	\$ 1,710	\$ 2,500	\$ 2,500	\$ 2,500	\$	2,500
CAPITAL IMPROVEMENTS	\$ 44,111	\$ 6,784	\$ 10,000	\$ 5,000	\$ 12,000	\$	12,000
SNOW REMOVAL	\$ 5,380	\$ 7,460	\$ 10,000	\$ 10,000	\$ 10,000	\$	10,000
LANDSCAPE REPAIRS & MAINTENANCE	\$ 8,491	\$ 4,807	\$ 10,000	\$ 12,000	\$ 15,000	\$	15,000
TRASH	\$ 3,096	\$ 1,562	\$ 2,500	\$ 2,500	\$ 3,000	\$	3,000
TELEPHONE & NETWORK	\$ 2,730	\$ 1,845	\$ 2,500	\$ 2,500	\$ 2,500	\$	2,500
SALE OF LODGE				\$ -			
CONTINGENCY	\$ 87			\$ 10,000.00	\$ 10,000	\$	10,000
Category SubTotal	\$ 143,042	\$ 77,247	\$ 115,396	\$ 114,000	\$ 147,000	\$	147,000
GENERAL							
LANDSCAPE MAINTENANCE	\$ 66,544	\$ 36,535	\$ 50,000	\$ 50,000	\$ 65,000	\$	65,000
REPAIRS AND MAINTENANCE	\$ 22,290	\$ 3,141	\$ 15,000	\$ 30,000	\$ 20,000	\$	20,000
LANDSCAPE UPGRADE		\$ 199,862	\$ 249,600	\$ 200,000	\$ 50,000	\$	50,000
SNOW REMOVAL	\$ 5,400	\$ 7,635	\$ 10,000	\$ 10,000	\$ 10,000	\$	10,000
UTILITIES	\$ 14,681	\$ 12,406	\$ 15,000	\$ 15,000	\$ 15,000	\$	15,000
INFRASTRUCTURE REPLACEMENT	\$ 44,034			\$ 10,000			
CONTINGENCY	\$ -			\$ 10,000	\$ 10,000	\$	10,000
MEETINGS	\$ -	\$ 717	\$ 717	\$ 3,000	\$ 3,000	\$	3,000
ELECTION	\$ 30,457	\$ 16,555	\$ 16,555	\$ 25,000	\$ -	\$	-
SUBSCRIPTIONS/ FEES	\$ -	\$ 740	\$ 740		\$ 800	\$	800
Category SubTotal	\$ 183,406	\$ 277,591	\$ 357,612	\$ 353,000	\$ 173,800	\$	173,800
OTHER							
BANK CHARGES	\$ 20			\$ -	\$ -	\$	-
INSURANCE	\$ 12,573	\$ 495	\$ 12,500	\$ 12,500	\$ 13,000	\$	13,000
OFFICE EXPENSE	\$ 831	\$ 646	\$ 646	\$ 1,500	\$ 1,000	\$	1,000
COUNTY TREASURER'S FEES	\$ 4,398	\$ 4,272	\$ 4,323	\$ 4,323	\$ 5,178	\$	4,660
Category SubTotal	\$ 17,822	\$ 5,413	\$ 17,469	\$ 18,323	\$ 19,178	\$	18,660
TOTAL EXPENDITURES	\$ 436,691	\$ 431,562	\$ 593,238	\$ 590,538	\$ 448,582	\$	448,065
TRANSFERS OUT							
CAPITAL REPLACEMENT RESERVE	\$ -	\$ -	\$ 50,000	\$ -	\$ 25,000	\$	25,000
TOTAL TRANSFERS OUT	\$ -	\$ -	\$ 50,000	\$ -	\$ 25,000	\$	25,000
GENERAL FUND: ENDING BALANCE	\$ 221,779	\$ 195,207	\$ 27,409	\$ 121,133	\$ 34,776	\$	(1,512)
ASSESSED VALUATION (000'S)	\$ 15,414,060	\$ 15,169,380	\$ 15,169,380	\$ 15,169,380	\$ 18,166,790		16,350,111
MILL LEVY	19.000	19.000	19.000	19.000	19.000		19.000

CATHEDRAL PINES METROPOLITAN DISTRICT
2024 BUDGET

DEBT SERVICE FUND						
	2022	2023	2023	2023	2024	2024
	ACTUAL	ACTUAL	AMEND/PROJ	BUDGET	BUDGET	Proposition
		9/26/2023				H.H.
REVENUE FUND 1: BEGINNING BALANCE	\$ 128,187	\$ 128,979	\$ 128,979	\$ 123,147	\$ 131,940	\$ 131,940
REVENUES						
PROPERTY TAXES	\$ 292,867	\$ 282,639	\$ 288,218	\$ 288,218	\$ 308,835	\$ 310,652
PRIOR YEAR TAXES & INTEREST ABATEMENT	\$ -	\$ (328)	\$ (328)	\$ -		
DELINQUENT TAX AND INTEREST	\$ 298	\$ 144	\$ 144	\$ -		
INTEREST INCOME	\$ 3,775	\$ 7,481	\$ 8,000	\$ 1,500	\$ 1,500	\$ 1,500
TOTAL REVENUES	\$ 296,940	\$ 289,936	\$ 296,034	\$ 289,718	\$ 310,335	\$ 312,152
TOTAL REVENUE & FUND BALANCE	\$ 425,127	\$ 418,915	\$ 425,013	\$ 412,865	\$ 442,275	\$ 444,092
EXPENDITURES						
BANK CHARGES						
COUNTY TREASURER'S FEES	\$ 4,398	\$ 4,242	\$ 4,323	\$ 4,323	\$ 4,633	\$ 4,660
BOND - PRINCIPAL	\$ 75,000		\$ 75,000	\$ 75,000	\$ 85,000	\$ 85,000
BOND INTEREST	\$ 216,350	\$ 106,675	\$ 213,350	\$ 213,350	\$ 210,350	\$ 210,350
PAYING AGENT / TRUSTEE FEES	\$ 400	\$ 400	\$ 400	\$ 800	\$ 800	\$ 800
CONTINGENCY				\$ 5,000		
TOTAL EXPENDITURES	\$ 296,148	\$ 111,317	\$ 293,073	\$ 298,473	\$ 300,783	\$ 300,810
REVENUE FUND: ENDING BALANCE	\$ 128,979	\$ 307,598	\$ 131,940	\$ 114,392	\$ 141,493	\$ 143,282
ASSESSED VALUATION	\$ 15,414,060	\$ 15,169,380	\$ 15,169,380	\$ 15,169,380	\$ 18,166,790	\$ 16,350,111
MILL LEVY	19.000	19.000	19.000	19.000	17.000	19.000
TOTAL MILL LEVY						

CATHEDRAL PINES METROPOLITAN DISTRICT
2024 BUDGET

CAPITAL RESERVE FUND						
	2022	2023	2023	2023	2024	2024
	ACTUAL	ACTUAL	AMEND/PROJ	BUDGET	BUDGET	H.H.
REVENUE FUND 1: BEGINNING BALANCE	\$ -	\$ -	\$ -	\$ -	\$ 50,000	\$ 50,000
REVENUES						
TRANSFER IN FROM GENERAL FUND	\$ -	\$ -	\$ 50,000	\$ 50,000	\$ 25,000	\$ 25,000
TOTAL REVENUES	\$ -	\$ -	\$ 50,000	\$ 50,000	\$ 25,000	\$ 25,000
TOTAL REVENUE & FUND BALANCE	\$ -	\$ -	\$ 50,000	\$ 50,000	\$ 75,000	\$ 75,000
EXPENDITURES						
PROJECTED CAPITAL REPLACEMENT	\$ -			\$ -		
TOTAL EXPENDITURES	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
REVENUE FUND: ENDING BALANCE	\$ -	\$ -	\$ 50,000	\$ 50,000	\$ 75,000	\$ 75,000



CATHEDRAL PINES METROPOLITAN DISTRICT

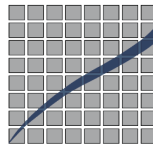
EL PASO COUNTY, COLORADO

FINANCIAL STATEMENTS

DECEMBER 31, 2022

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BiggsKofford

CERTIFIED PUBLIC ACCOUNTANTS

INDEPENDENT AUDITOR'S REPORT

Board of Directors
Cathedral Pines Metropolitan District
El Paso County, Colorado

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, 2022, 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, 2022, 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.

Emphasis of Matter

As discussed in Note 9, these financial statements have been restated to properly reflect specific ownership taxes in the general fund. Our opinion is not modified with respect to that matter.

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 ONLY—NOT FOR DISTRIBUTION

Colorado Springs, Colorado

[DATE PENDING]

DRAFT

CATHEDRAL PINES METROPOLITAN DISTRICT

STATEMENT OF NET POSITION

DECEMBER 31, 2022

	Governmental Activities
<u>ASSETS</u>	
Cash and investments	\$ 285,125
Cash and investments - restricted	123,809
Accounts receivable	1,093
Receivable from County Treasurer	4,980
Property taxes receivable	576,436
Capital assets, net	992,192
Total assets	1,983,635
<u>LIABILITIES</u>	
Accounts payable	56,374
Accrued liabilities	750
Accrued interest	17,779
Noncurrent liabilities:	
Due within one year	75,000
Due in more than one year	4,552,284
Total liabilities	4,702,187
<u>DEFERRED INFLOWS OF RESOURCES</u>	
Deferred property taxes	576,436
Deferred revenues	7,125
Total deferred inflows of resources	583,561
<u>NET POSITION</u>	
Net investment in capital assets	(1,356,269)
Restricted for:	
Debt service	128,979
Emergency reserve	13,200
Unrestricted	(2,088,023)
Total net position	\$ (3,302,113)

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, 2022

		Program Revenues			Net (Expenses) Revenues and Changes in Net Position
			Operating	Capital Grants	
	Expenses	Charges for	Grants and	and	Governmental
		Services	Contributions	Contributions	Activities
<u>FUNCTIONS / PROGRAMS</u>					
Primary government					
Government activities:					
General government	\$ 511,105	\$ 77,174	\$ -	\$ -	\$ (433,931)
Interest and related cost on long-term debt	197,537	-	-	-	(197,537)
Total government activities	<u>\$ 708,642</u>	<u>\$ 77,174</u>	<u>\$ -</u>	<u>\$ -</u>	<u>(631,468)</u>
<u>GENERAL REVENUES</u>					
Property taxes					586,330
Specific ownership taxes					60,904
Other income					4,800
Investment income					3,775
Total general revenues					<u>655,809</u>
Change in net position					24,341
Net position, beginning of year					<u>(3,326,454)</u>
Net position, end of year					<u>\$ (3,302,113)</u>

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, 2022

	General Fund	Debt Service Fund	Total Governmental Funds
<u>ASSETS</u>			
Cash and investments	\$ 282,445	\$ 2,680	\$ 285,125
Cash and investments - restricted	-	123,809	123,809
Accounts receivable	1,093	-	1,093
Receivable from County Treasurer	2,490	2,490	4,980
Property taxes receivable	288,218	288,218	576,436
Total assets	\$ 574,246	\$ 417,197	\$ 991,443
<u>LIABILITIES</u>			
Accounts payable	\$ 56,374	-	\$ 56,374
Accrued liabilities	750	-	750
Total liabilities	57,124	-	57,124
<u>DEFERRED INFLOWS OF RESOURCES</u>			
Deferred property taxes	288,218	288,218	576,436
Deferred revenues	7,125	-	7,125
Total deferred inflows of resources	295,343	288,218	583,561
<u>FUND BALANCES</u>			
Restricted for:			
Debt service	-	128,979	128,979
Emergency reserve	13,200	-	13,200
Unassigned:			
Unrestricted	208,579	-	208,579
Total net position	221,779	128,979	350,758
Total liabilities, deferred inflows of resources, and fund balances	\$ 574,246	\$ 417,197	

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

Capital assets used in governmental activities are not financial resources and, therefore, are not reported in the funds:

Capital assets, net	992,192
---------------------	---------

Long-term liabilities are not due and payable in the current period and, therefore, are not reported in the funds:

Bonds payable	(4,627,284)
Accrued interest on bonds payable	(17,779)

Net position of governmental activities	\$ (3,302,113)
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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, 2022

	General Fund	Debt Service Fund	Total Governmental Funds
REVENUES			
Rental revenues	\$ 77,174	\$ -	\$ 77,174
Property taxes	293,165	293,165	586,330
Specific ownership taxes	60,904	-	60,904
Other income	4,800	-	4,800
Investment income	-	3,775	3,775
Total revenues	436,043	296,940	732,983
EXPENDITURES			
Current:			
Bank charges	20	-	20
Cleaning services	4,121	-	4,121
Contingency	87	-	87
County Treasurer fees	4,398	4,398	8,796
Election	30,457	-	30,457
Insurance	12,573	-	12,573
Landscaping and maintenance	66,544	-	66,544
Marketing	3,340	-	3,340
Office expense	831	-	831
Management fees	91,958	-	91,958
Professional fees	23,100	-	23,100
Repairs and maintenance	129,240	-	129,240
Security	2,413	-	2,413
Snow removal	10,780	-	10,780
Supplies	3,484	-	3,484
Telephone	2,730	-	2,730
Trash service expense	3,096	-	3,096
Utilities	22,399	-	22,399
Debt service:			
Bond principal payments	-	75,000	75,000
Bond interest payments	-	216,350	216,350
Other expense	-	400	400
Capital outlay	25,120	-	25,120
Total expenditures	436,691	296,148	732,839
Excess of revenues over expenditures	(648)	792	144
Net change in fund balances	(648)	792	144
Fund balances, beginning of year	222,427	128,187	350,614
Fund balances, end of year	\$ 221,779	\$ 128,979	\$ 350,758

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, 2022

Net change in fund balances	\$	144
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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 allocation of the cost of any depreciable assets over the estimated useful lives of the assets. Capital outlay, the conveyance of capital assets to other governments, and depreciation expense in the current period are as follows:

Capital outlay		25,120
Depreciation		(95,136)

The issuance of long-term debt (such as bonds, leases, and developer advances) provides current financial resources to governmental funds, while the repayment of long-term debt consumes the current financial resources of governmental funds. Neither transaction, however, has any effect on net position. Also, governmental funds report the effect of premiums, discounts, and similar items when debt is first issued, whereas these amounts are deferred and amortized in the statement of activities.

Bond principal payments		75,000
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Some items in the statement of activities do not provide or require the use of current financial resources and, therefore, are not reported as expenditures in governmental funds.

Amortization of bond premium		18,963
Change in accrued interest on bonds payable		250

Change in net position	\$	24,341
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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, 2022

	Original and Final Budget	Actual	Variance
REVENUES			
Rental revenues	\$ 104,996	\$ 77,174	\$ (27,822)
Property taxes	292,867	293,165	298
Specific ownership taxes	41,001	60,904	19,903
Other income	-	4,800	4,800
Total revenues	438,864	436,043	(2,821)
EXPENDITURES			
Bank charges	500	20	480
Cleaning services	500	4,121	(3,621)
Contingency	20,000	87	19,913
County Treasurer fees	4,393	4,398	(5)
Election	10,000	30,457	(20,457)
Insurance	11,000	12,573	(1,573)
Landscaping and maintenance	55,000	66,544	(11,544)
Marketing	5,000	3,340	1,660
Office expense	500	831	(331)
Management fees	46,305	91,958	(45,653)
Professional fees	76,000	23,100	52,900
Repairs and maintenance	136,250	129,240	7,010
Security	3,000	2,413	587
Snow removal	35,000	10,780	24,220
Supplies	3,000	3,484	(484)
Telephone	3,300	2,730	570
Trash service expense	6,000	3,096	2,904
Utilities	30,000	22,399	7,601
Capital outlay	-	25,120	(25,120)
Total expenditures	445,748	436,691	9,057
Excess of revenues over expenditures	(6,884)	(648)	6,236
Net change in fund balance	\$ (6,884)	(648)	\$ 6,236
Fund balance, beginning of year		222,427	
Fund balance, end of year		\$ 221,779	

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, 2022

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 plus deferred outflows of resources and the liabilities plus deferred inflows of resources is reported as net position.

The statement of activities demonstrates the degree to which the direct and indirect expenses of a given function or segment are offset by program revenues. Direct expenses are those that are clearly identifiable with a specific function or segment. Program revenues include charges to customers or applicants who purchase, use, or directly benefit from goods, services, or privileges provided by a given function or segment; and 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.

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.

See independent auditor's report

CATHEDRAL PINES METROPOLITAN DISTRICT

NOTES TO FINANCIAL STATEMENTS

DECEMBER 31, 2022

The District reports the following major governmental funds:

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

The *debt service fund* accounts for the servicing of general long-term debt and revenues generated and received by the District that are required to be used for repayment of debt.

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 amended its annual budget for the year ended December 31, 2022.

Pooled cash and investments

The District follows the practice of pooling cash and investments of funds to maximize investment earnings. Except when required by trust or other agreements, 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.

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 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 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 amounts, 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.

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 cost or estimated 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 40 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.

Capital assets which are anticipated to be conveyed to other governmental entities are not depreciated or included in the calculation of net investment in capital assets component of the District's net position.

See independent auditor's report

CATHEDRAL PINES METROPOLITAN DISTRICT

NOTES TO FINANCIAL STATEMENTS

DECEMBER 31, 2022

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. Accordingly, property taxes are deferred and recognized as an inflow of resources in the period that the amounts become available.

Interfund balances and transactions

The District reports interfund balances and transfers that are representative of lending and borrowing arrangements between funds in the fund financial statements as due to other funds and due from other funds, respectively. The interfund balances have been eliminated in the government-wide statements.

Net position and fund balances

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.

Fund balances

Fund balances for governmental funds are 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. 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:

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

The *restricted fund balance* is 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.

The *committed fund balance* is 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.

The *assigned fund balance* is 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.

The *unassigned fund balance* is the residual portion of fund balance that does not meet any of the criteria described above.

For fund presentation purposes, 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.

CATHEDRAL PINES METROPOLITAN DISTRICT

NOTES TO FINANCIAL STATEMENTS

DECEMBER 31, 2022

3. CASH AND INVESTMENTS

Cash and investments as of December 31, 2022, are classified in the accompanying financial statements as follows:

Statement of net position:

Cash and investments	\$ 285,125
Cash and investments - restricted	<u>123,809</u>
	<u>\$ 408,934</u>

The carrying amounts of cash and investments, which equal estimated fair value, as of December 31, 2022, are as follows:

Deposits with financial institutions	\$ 285,125
Investments	<u>123,809</u>
	<u>\$ 408,934</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, 2022, the District's cash deposits had a bank balance of \$280,999 and a carrying balance of \$285,125.

Investments

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

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. 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

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CATHEDRAL PINES METROPOLITAN DISTRICT

NOTES TO FINANCIAL STATEMENTS

DECEMBER 31, 2022

As of December 31, 2022, the District had the following in investments:

Investment	Maturity	Amount
Eastern Colorado Bank money markets	Weighted average under 60 days	\$ 123,809

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.

4. CAPITAL ASSETS

Capital asset activity for the year ended December 31, 2022, is as follows:

	Balance 01-01-22	Additions	Dispositions	Reclassifications	Balance 12-31-22
<u>Governmental activities</u>					
Capital assets, depreciable:					
Community building	\$ 1,328,384	\$ -	\$ -	\$ -	\$ 1,328,384
Parks, trails, and monuments	981,035	25,120	-	-	1,006,155
Equipment	13,922	-	-	-	13,922
Total capital assets, depreciable	2,323,341	25,120	-	-	2,348,461
Less accumulated depreciation	(1,261,133)	(95,136)	-	-	(1,356,269)
Capital assets, net	\$ 1,062,208	\$ (70,016)	\$ -	\$ -	\$ 992,192

Depreciation expense for the year ended December 31, 2022, totaled \$95,136.

5. LONG-TERM OBLIGATIONS

The following is a summary of long-term debt of the District during the year ended December 31, 2022:

	Balance 01-01-22	Additions	Repayments / Amortization	Balance 12-31-22	Due Within One Year
<u>Governmental activities</u>					
Bonds payable:					
Series 2016 Bonds	\$ 4,410,000	\$ -	\$ (75,000)	\$ 4,335,000	\$ 75,000
Unamortized portion of premium	311,247	-	(18,963)	292,284	-
Total long-term obligations	\$ 4,721,247	\$ -	\$ (93,963)	\$ 4,627,284	\$ 75,000

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CATHEDRAL PINES METROPOLITAN DISTRICT

NOTES TO FINANCIAL STATEMENTS

DECEMBER 31, 2022

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%

Pledged revenues

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 mill levy is adjusted for changes in the ratio of actual value to assessed value of property within the District.

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.

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.

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

<u>Year Ending December 31,</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2023	\$ 75,000	\$ 213,350	\$ 288,350
2024	85,000	210,350	295,350
2025	85,000	206,950	291,950
2026	95,000	203,550	298,550
2027	100,000	199,750	299,750
2028 - 2032	625,000	915,500	1,540,500
2033 - 2037	865,000	736,500	1,601,500
2038 - 2042	1,175,000	490,500	1,665,500
2043 - 2047	1,230,000	158,250	1,388,250
Total	<u>\$ 4,335,000</u>	<u>\$ 3,334,700</u>	<u>\$ 7,669,700</u>

See independent auditor's report

CATHEDRAL PINES METROPOLITAN DISTRICT

NOTES TO FINANCIAL STATEMENTS

DECEMBER 31, 2022

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.

6. NET POSITION

The District has net position consisting of: 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, 2022, 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	\$ 992,192
Related long-term obligations	<u>(2,348,461)</u>

Invested in capital assets, net of related debt \$ (1,356,269)

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, 2022 as follows:

Restricted net position:

Debt service (Note 5)	\$ 128,979
Emergency reserve (Note 8)	<u>13,200</u>
	<u>\$ 142,179</u>

The District's unrestricted net position as of December 31, 2022, totaled a deficit of \$2,088,023.

See independent auditor's report

CATHEDRAL PINES METROPOLITAN DISTRICT

NOTES TO FINANCIAL STATEMENTS

DECEMBER 31, 2022

7. 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"). 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.

8. 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.

9. CORRECTION OF ERROR ON PREVIOUSLY ISSUED FINANCIAL STATEMENTS

The District discovered that specific ownership taxes had been erroneously allocated between the general fund and the debt service fund in previously issued financial statements. The error has been corrected by restating each of the affected financial statement line items as follows:

	As Previously Reported	Adjustment	As Restated
Government-wide financial statements:			
Net position			
Net position - restricted for debt service	\$ 159,431	\$ (30,452)	\$ 128,979
Net position - unrestricted	(2,118,475)	30,452	(2,088,023)
Governmental fund financial statements:			
Assets			
Cash and investments - debt service fund	33,132	(30,452)	2,680
Cash and investments - general fund	251,993	30,452	282,445
Fund balances			
Debt service fund - restricted for debt service	159,431	(30,452)	128,979
General fund - unrestricted	178,127	30,452	208,579
Revenues			
Debt service fund - specific ownership taxes	30,452	(30,452)	-
General fund - specific ownership taxes	30,452	30,452	60,904

* * * * *

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, 2022

	Original and Final Budget	Actual	Variance
<u>REVENUES</u>			
Property taxes	\$ 292,867	\$ 293,165	\$ 298
Investment income	-	3,775	3,775
Total revenues	292,867	296,940	4,073
<u>EXPENDITURES</u>			
Contingency	1,000	-	1,000
County Treasurer fees	4,500	4,398	102
Bond principal payments	75,000	75,000	-
Bond interest payments	216,350	216,350	-
Other expense	800	400	400
Total expenditures	297,650	296,148	1,502
Excess of revenues over expenditures	(4,783)	792	5,575
Net change in fund balance	\$ (4,783)	792	\$ 5,575
Fund balance, beginning of year		128,187	
Fund balance, end of year		\$ 128,979	

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, 2022, and the respective changes in financial position, the respective budgetary comparison for the general fund 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 October 13, 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 information

of the primary government and all component units required by US GAAP to be included in the financial reporting entity.

4. We acknowledge our responsibility 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.
5. We acknowledge our responsibility for the design, implementation, and maintenance of internal control to prevent and detect fraud.
6. Significant assumptions we used in making accounting estimates, including those measured at fair value, are reasonable.
7. Related party relationships and transactions, including revenues, expenditures/expenses, loans, transfers, leasing arrangements, and guarantees, and amounts receivable from or payable to related parties have been appropriately accounted for and disclosed in accordance with US GAAP.
8. Adjustments or disclosures have been made for all events, including instances of noncompliance, subsequent to the date of the financial statements that would require adjustment to or disclosure in the financial statements.
9. We are not aware of any pending or threatened litigation, claims, or assessments or unasserted claims or assessments that are required to be accrued or disclosed in the financial statements in accordance with US GAAP, and we have not consulted a lawyer concerning litigation, claims, or assessments.
10. Guarantees, whether written or oral, under which the District is contingently liable, if any, have been properly recorded or disclosed.
11. We are in agreement with the adjusting and reclassifying entries you have proposed, and the adjusting journal entries have been posted to the internal accounts. A list of adjusting and reclassifying entries is as follows:

Adjusting Journal Entries			
Adjusting Journal Entries JE # 1			
ADJUSTING: To roll-forward retained earnings from the prior year.			
4030			
5	GF INCOME:1-120 -+ Rental Income - Lodge Events	2,331.00	
5031			
0	LODGE:1-2020 Event Supplies	963.00	
3200			
0	Retained Earnings		3,294.00
Total		3,294.00	3,294.00

Adjusting Journal Entries JE # 2

ADJUSTING: To combine Parks, Trails, & Monument original capital assets and additions into one account.

1415			
0	Parks, Trails & Monument	897,355.00	
1416			
0	Parks, Trails & Monument:Original Cost		897,355.00
Total		897,355.00	897,355.00

Adjusting Journal Entries JE # 4

ADJUSTING: To record depreciation expense for 2022.

1418			
6	Equipment:Accum Depreciation	816.00	
9200			
0	Depreciation Expense	95,136.00	
1418			
0	Parks, Trails & Monument:Accum Depreciation		50,512.00
1418			
5	Community Center:Accum Depreciation		45,440.00
Total		95,952.00	95,952.00

Adjusting Journal Entries JE # 5

ADJUSTING: To record current year amortization of the premium on the Series 2016 Bonds.

2402	Bonds Payable 2016:Bond Premium 2016:A/A Bond Premium		
0	2016	18,963.00	
5040			
5	DS EXPENSES:2-1030 Interest Expense DS		18,963.00
Total		18,963.00	18,963.00

Adjusting Journal Entries JE # 6

ADJUSTING: To record accrued interest on the District's Series 2016 Bonds as of December 31, 2022.

5040			
5	DS EXPENSES:2-1030 Interest Expense DS	17,779.00	
2122			
7	Accrued Interest- Debt Service Fund		17,779.00
Total		17,779.00	17,779.00

Adjusting Journal Entries JE # 7

ADJUSTING: To reduce deferred revenues as of December 31, 2022.

2925	Deferred Revenue - Lodge Events	25,263.00	
1214			
0	Accounts Receivable		4,875.00
4030			
5	GF INCOME:1-120 -+ Rental Income - Lodge Events		20,388.00
Total		25,263.00	25,263.00

12. We understand the financial statements have been restated to properly reflect specific ownership taxes as revenues in the general fund. We will ensure an the corrected financial statements are provided to all users (including but not limited to the Office of the State Auditor) who received the previously issued version.

Information Provided

13. 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.
14. All material transactions have been recorded in the accounting records and are reflected in the financial statements.
15. 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.
16. 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.
17. 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.
18. 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.
19. We have disclosed to you all known actual or possible litigation, claims, and assessments whose effects should be considered when preparing the financial statements.
20. 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

21. There have been no communications from regulatory agencies concerning noncompliance with, or deficiencies in, financial reporting practices.
22. 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.
23. We have identified to you any investigations or legal proceedings that have been initiated with respect to the period under audit.
24. 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.
25. 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.
26. 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.
27. 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.
28. 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.
29. 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.
30. 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.
31. 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.

32. 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.
33. The financial statements properly classify all funds and activities in accordance with GASB Statement No. 34, as amended, and GASB Statement No. 84.
34. 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.
35. 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.
36. Provisions for uncollectible receivables have been properly identified and recorded.
37. 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.
38. 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.
39. Interfund, internal, and intra-entity activity and balances have been appropriately classified and reported.
40. Deposits and investment securities and derivative instruments are properly classified as to risk and are properly disclosed.
41. Capital assets, including infrastructure and intangible assets, are properly capitalized, reported, and, if applicable, depreciated or amortized.
42. 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.
43. 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.
44. The financial statement disclosures related to insurance coverage are accurate for all periods presented.
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



Lodge Traffic September 2023

Venue Tours

#	<u>Tour Name</u>	<u>Tour Date</u>	<u>Schedule Method</u>	<u>Desired Date</u>	<u>Anticipated Guest Count</u>	<u>Booked?</u>	<u>Date Booked</u>	<u>Notes</u>
1	Abi Rarick	September 3, 2023	Website	August 13, 2024	>75	No	-	Canceled tour; too expensive
2	Samantha Burklund	September 10, 2023	Website	Undecided	125			
3	Jill Corry	September 10, 2023	Email	October 12, 2024	75-100	Yes	October 12, 2024	Second tour
4	Hailey Hayes	September 22, 2023	Website	Between January and April 2024	101 max	Yes	March 28, 2023	Venue only
5	Callie Ammonds	September 22, 2023	Website	Open to different dates but am interested in January-February 2024	50	Possibly	-	Possible corporate returning events
6	Katherine Howard	September 23, 2023	Website	October 19, 2024	100	-	-	Canceled tour; found another venue
7	Allison Clark	September 23, 2023	Website	Off-season 2024/2025, no specific month yet	60			
8	Shaya & Noah Love	September 24, 2023	Website	August 2024	80-100	-	-	Canceled due to illness, rescheduled to October 8th

9	Jaylee Hepner	September 25, 2023	Website	Outdoor wedding on October 5	70	-	-	Canceled tour, found another venue
10	Nicole Nunez	September 28, 2023	Website	Any Thursday or Friday in April-June 2024	130	-	-	Duplicate from October 3, 2023; canceled tour, couldn't get time off work

Resident Tours

Tour Name	Tour Date	Event Date	Resident Sponsor
Lisa Dulski	September 13, 2023	September 15, 2023	Lisa Dulski
Lisa Ratnakant	September 21, 2023	October 2023	Lisa Ratnakant

Resident Events

Event Name	Event Date	Event Type	Resident Sponsor
Pine Creek High School Cross Country Team Dinner	September 15, 2023	Student Dinner	Lisa Dulski
Resident Miller Event	September 18, 2023	Business Gathering	Ruth Miller

Outside Events

Event Name	Event Date	Event Type	Rental Type
Murphy/Elder Wedding	September 9, 2023	Wedding	AIP
Rutkin/Welker Wedding	September 30, 2023	Wedding	AIP

Community Events

Event Type	Event Date	Resident Sponsor
HOA/ACC Meeting	September 5, 2023	HOA

HOA Governance Review Committee	September 11, 2023	HOA
HOA Bunco Night	September 13, 2023	HOA/Gwail Ehlers
Metro Board Meeting	September 19, 2023	Metro Board
HOA Board Meeting	September 20, 2023	HOA
HOA Poker Night	September 17, 2023	HOA/Kevin Ehlers

Bookings

Event Type	Renter Name	Event Date	Rental Type	Resident Sponsor	Date Booked
Wedding	Jill Corry	October 12, 2024	Venue Only	-	September 14, 2023
Wedding	Hailey Hayes	March 28, 2023	Venue Only	-	September