

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



Tuesday, November 19, 2024, at 6:00 PM (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.**

<b>Board of Director</b>	<b>Title</b>	<b>Term Expiration</b>
Bill Heeter	President	May 2027
Rich Stauch	Vice President	May 2025
Kevin Combs	Treasurer	May 2027
Ecton Espenlaub	Secretary	May 2025
VACANT	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 October 15, 2024 (enclosure)
- 5. Consider the Appointment of a new Board Member- Bill**
- 6. Financial Update**
  - a. Conduct Public Hearing on the 2024 Budget Amendment and 2025 Budget Hearing
    - i.** Review and Consider approval for Resolution to Adopt the 2024 Amended Budget (enclosed)
    - ii.** Review and Consider approval for Resolution to Adopt the 2025 Budget and Mill Levy Certification (enclosed)
  - b. Review and consider approval of Unaudited Financials through October 31, 2024 (enclosure) – Kevin C
  - c. Ratify and consider approval of payables through the period ending November 19, 2024 (enclosure) – Kevin C

7. **Lodge Management Update**
  - a. Review October Lodge Report (enclosure) – Bill
  - b. Status of Seal Coat/ Crack Filling near Mail Kiosk and Lodge Entrance - Rebecca
  - c. Review and consider acceptance of Proposal to replace flooring (enclosure) - Bill
8. **Landscaping Matters**
  - a. Review and consider acceptance of LandTech 2025 Landscape contract – Rick
9. **Annual Meeting Discussion**
  - a. Discuss and determine date and time of meeting
  - b. Presentation Responsibilities
  - c. Food and Beverage
10. **Legal Matters**
  - a. Status of 101 Landscaping Letter
  - b. Update on potential sale of Barn - Rick
  - c. Transfer of Holiday decoration from HOA to Metro
  - d. Discuss and Approve the Regular Board Meeting Schedule for 2025
  - e. Review and Consider Approval of 2025 Annual Administrative Resolution (enclosed)
  - f. Review and consider approval of Resolution Calling the May 6, 2025, Election (enclosure)
  - g. Review and Consider Approval of WSDM – District Managers Engagement Letter (enclosed)
  - h. Review and Consider Approval of BiggsKofford 2024 Audit Engagement Letter (enclosed)
11. **Community Matters**
  - a. Mailbox Fencing update – Rick
  - b. Community Roads Update - Bill
12. **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)
13. **Adjournment** – The next Scheduled meeting is December 17, 2024, at 9:00 am



**MINUTES OF A REGULAR MEETING OF THE  
BOARD OF DIRECTORS OF THE  
CATHEDRAL PINES METROPOLITAN DISTRICT  
HELD OCTOBER 15, 2024, AT 9:00 A.M.**

Pursuant to posted notice, the regular meeting of the Board of Directors of the Cathedral Pines Metropolitan District was held on Tuesday, October 15, at 9:00 a.m., at 13975 Milam Rd, Colorado Springs, CO and virtually via video/teleconference.

In attendance were Directors:

Bill Heeter  
Ecton Espenlaub  
Rick Stauch  
Kevin Combs

Also in attendance were:

Rebecca Harris, WSDM District Managers  
Beth Diana, WSDM District Managers  
Laura Gardner, Gadner Law  
Scott Gassen, Resident  
Ben Blalock, Resident  
Shalece Buchholtz, Adorkably Yours, LLC

1. Call to Order: President Heeter called the meeting to order at 9:01 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: President Heeter moved to approve the Agenda; seconded by Director Combs. Motion passed unanimously.
4. Approval of Board Meeting Minutes: Director Stauch moved to approve the meeting minutes from September 17, 2024, seconded by Director Espenlaub. The motion passed unanimously.
5. Board Position Update: President Heeter provided an update that we have Mr. Blalock and Mr. Gassen are interested parties. Mr. Blalock stated he is no longer interested as he does not want to over do his work load.
6. Financial Update
  - a. Unaudited Financials through September 30, 2024: Ms. Harris presented the unaudited financials and had the Board look at the draft budget sheet presented to see the adjustments made. Board had discussion on how the Lodge Revenue and bonus for the Lodge Manager should be calculated. After discussion the Board and Ms. Harris determined to base the bonus number on the contracted events for 2024. The Board proceeded to review the draft Budget items for 2025 as well. Director Stauch moved to approve the unaudited financials; seconded by Director Espenlaub. Motion passed unanimously.
  - b. Approval of payables through the period ending October 15, 2024: After discussion Director

Stauch motioned to approve the payables as amended; seconded by Director Espenlaub. Motion passed unanimously.

7. Review and Discuss 2025 Draft Budget

- a. Capital Spending and Mill Levy Discussion: Ms. Harris reviewed the 2025 Budget and highlighted the mill levy projection. After discussion, the Board agreed to keep the mill levy the same for this coming year for the general fund. Board directed Ms. Harris to review the bond reserve requirements before deciding if we can lower the debt mill levy by 1.000 mill. Board agreed to plan on getting a reserve study done every five years.
- b. Timeline for Approval and Submittal: Ms. Harris reviewed the Budget Hearing for the Board is planned for November 19, 2024 at 6:00 pm and the mill levy certification will need to be filed with the state by December 15, 2024.

8. Lodge Management Update

- a. Review September Lodge Report: President Heeter and Ms. Buchholtz reviewed the Lodge report and activity through September.
- b. Review and consider acceptance of Asphalt proposal: President Heeter discussed the proposal for additional asphalt work that he recommends the Board consider for 2025 spring or summer time work that will address drainage concerns at the front of the Lodge.
- c. Update on New Chair Purchase: President Heeter informed the Board that the new chair order has been received but some were damaged when offloaded from the shipper; but we are getting damaged chairs replaced and he has fixed a few himself.
- d. President Heeter wanted to add a discussion item for considering an increase in Lodge rental rates. After detailed discussion, the Board agreed to increase the rates to \$5,500 for peak season weekends \$4,000 peak season week days, \$3,000 for off season week days and keep resident rates the same. The rates will go into effect for all new 2025 bookings, but reservations made in 2024 for 2025 events will be honored at the rate in effect when booked.

9. Landscape Matters:

- a. Update on Milam Median Landscaping: Director Espenlaub provided an update on the Milam landscaping and that everything is planted, growing, and flowing.
- b. Review and consider acceptance of proposal to collect and dispose of dead trees along trail: There was no update.

10. Community Matters

- a. Mailbox Fencing update: Director Stauch provided an update. After Discussion the board agreed to wait until the Annual meeting in February to receive community on potential options.
- b. Community Roads Update: President Heeter provided an update that he has reached out to the County regarding the poor asphalt work that was done this year. The county informed him they would have an Engineer come out and review the work but any additional work would not be scheduled until 2025 due to El Paso County budgetary restrictions.

11. Legal Matters

- a. Status of 101 Landscaping Issues: the board directed that Ms. Harris get her notes and bullet list to legal counsel to prepare the letter to be sent out by the end October.
- b. Review and Discuss Memo on sale of Barn: Ms. Harris presented and reviewed the preliminary research they conducted regarding potential sale of Barn. The Board discussed sending any inquiry to Villagree Homes builder and see if they would be interested if they go

through all the requirements with the county and planning.

- c. Transfer of Holiday decoration from HOA to Metro: Board discussed the holiday decorations from the HOA and would like to transfer ownership and responsibility over to the Metro District. President Heeter noted that the HOA President plans on getting in touch with our legal counsel to process.

12. Public Comment: There was no public comment

13. Adjournment: President Heeter moved to adjourn the meeting at 11:53 am, next scheduled board meeting is November 19, 2024 at 6:00 pm; seconded by Director Espenlaub. Motion passed unanimously.

Respectfully Submitted,

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By: Rebecca Harris, District Manager



**CATHEDRAL PINES METROPOLITAN DISTRICT  
2025 BUDGET  
GENERAL FUND**

	2023	2024	2024	2024	2025
	ACTUAL	ACTUAL 11/14/2024	PROJECTED	BUDGET	BUDGET
<b>GENERAL FUND: BEGINNING BALANCE</b>	\$ 221,779	\$ 315,751	\$ 315,751	\$ 54,429	\$ 262,894
<b>REVENUE</b>					
PROPERTY TAXES	\$ 287,909	\$ 334,542	\$ 334,542	\$ 332,881	\$ 337,373
SPECIFIC OWNERSHIP TAXES	\$ 60,340	\$ 43,993	\$ 45,000	\$ 44,151	\$ 43,503
DELINQUENT TAX AND INTEREST	\$ 336	\$ 171.00	\$ 171		
PRIOR YEAR INTEREST & ABATEMENT	\$ (328)	\$ -	\$ -		
RENTAL INCOME - THE LODGE EVENTS	\$ 70,332	\$ 62,934.34	\$ 78,000	\$ 78,000	\$ 125,000
RENTAL INCOME - SHED	\$ 10,200	\$ 9,000.00	\$ 9,000	\$ 12,000	\$ -
SALES OF MONUMENT LOGOS					
GAIN ON SALE OF ASSETS		\$ 3,053.00	\$ 3,053.00		
OTHER REVENUE					
FEMA FUNDS	\$ 5,283	\$ -	\$ -	\$ -	\$ -
GRANT	\$ 50,000	\$ -	\$ -	\$ -	\$ -
<b>TOTAL REVENUES</b>	\$ 484,072	\$ 453,693	\$ 469,766	\$ 467,031	\$ 505,876
<b>TOTAL REVENUE &amp; FUND BALANCE</b>	\$ 705,851	\$ 769,444	\$ 785,517	\$ 521,460	\$ 768,771
<b>EXPENDITURES</b>					
<b>SERVICES</b>					
AUDIT (Biggs Kofford)	\$ 9,325	\$ 9,600.00	\$ 9,600.00	\$ 9,600	\$ 10,080
MANAGEMENT (WSDM)	\$ 73,023	\$ 66,750.45	\$ 80,750.45	\$ 84,000	\$ 84,000
MAINTENANCE MANAGEMENT	\$ 1,324	\$ -	\$ -	\$ -	\$ -
LEGAL	\$ 11,375	\$ 4,750.00	\$ 8,000.00	\$ 15,000	\$ 15,000
CONSULTING SERVICES	\$ 717	\$ 500.00	\$ 500.00		
Category SubTotal	\$ 95,764	\$ 81,600	\$ 98,850	\$ 108,600	\$ 109,080
<b>LODGE</b>					
LODGE MANAGEMENT	\$ 35,174	\$ 38,450.00	\$ 68,685.00	\$ 42,000	\$ 50,000
ADVERTISING/WEBSITE	\$ 17,396	\$ 19,320.00	\$ 21,000.00	\$ 21,000	\$ 21,000
SUPPLIES	\$ 427	\$ 3,263.63	\$ 8,000.00	\$ 4,000	\$ 5,000
CLEANING	\$ 5,598	\$ 6,921.00	\$ 8,441.00	\$ 5,000	\$ 6,500
REPAIRS AND MAINTENANCE	\$ 16,530	\$ 31,261.89	\$ 31,261.89	\$ 10,000	\$ 10,000
UTILITIES	\$ 7,140	\$ 5,887.47	\$ 8,000.00	\$ 10,000	\$ 10,000
SECURITY	\$ 2,597	\$ 2,183.92	\$ 2,600.00	\$ 2,500	\$ 2,700
CAPITAL IMPROVEMENTS	\$ 6,784	\$ 4,200.00	\$ 6,600.00	\$ 3,500	\$ 12,500
SNOW REMOVAL	\$ 16,014	\$ 591.13	\$ 1,500.00	\$ 10,000	\$ -
LANDSCAPE REPAIRS & MAINTENANCE	\$ 5,036	\$ 8,184.00	\$ 10,000.00	\$ 12,000	\$ 5,000
TRASH	\$ 2,347	\$ 2,755.60	\$ 3,306.72	\$ 3,000	\$ 3,500
TELEPHONE & NETWORK	\$ 2,460	\$ 2,254.89	\$ 2,459.88	\$ 2,500	\$ 2,500
CONTINGENCY		\$ 83.55		\$ 10,000	\$ 10,000
Category SubTotal	\$ 117,502	\$ 125,357	\$ 171,854	\$ 135,500	\$ 138,700
<b>GENERAL</b>					
LANDSCAPE MAINTENANCE	\$ 52,365	\$ 65,413.58	\$ 81,535.58	\$ 65,000	\$ 50,000
REPAIRS AND MAINTENANCE	\$ 7,727	\$ 14,592.85	\$ 15,000.00	\$ 20,000	\$ 20,000
LANDSCAPE UPGRADE	\$ 894	\$ 75,000.00	\$ 75,000.00	\$ 50,000	\$ 85,000
SNOW REMOVAL	\$ 8,855	\$ 7,497.67	\$ 10,000.00	\$ 10,000	\$ 15,000
UTILITIES	\$ 20,398	\$ 22,177.06	\$ 25,000.00	\$ 15,000	\$ 25,000
CAPITAL IMPROVEMENTS					\$ 30,000
CONTINGENCY	\$ 108	\$ -	\$ -	\$ 10,000	\$ 10,000
MEETINGS	\$ -	\$ 717.51	\$ 664.13	\$ 3,000	\$ 2,000
ELECTION	\$ 16,555	\$ -	\$ -	\$ -	\$ 20,000
SUBSCRIPTIONS/ FEES	\$ 740	\$ 676.60	\$ 677.00	\$ 800	\$ 800
Category SubTotal	\$ 107,642	\$ 186,075	\$ 207,877	\$ 173,800	\$ 257,800
<b>OTHER</b>					
BANK CHARGES		\$ 20.00	\$ 20.00	\$ -	\$ 50
INSURANCE	\$ 13,851	\$ 495.00	\$ 13,500.00	\$ 13,500	\$ 14,000
OFFICE EXPENSE	\$ 1,017	\$ 401.56	\$ 500.00	\$ 1,000	\$ 1,000
COUNTY TREASURER'S FEES	\$ 4,324	\$ 5,021	\$ 5,021	\$ 4,993	\$ 5,061
Category SubTotal	\$ 19,192	\$ 5,937	\$ 19,041	\$ 19,493	\$ 20,111
<b>TOTAL EXPENDITURES</b>	\$ 340,100	\$ 398,970	\$ 497,623	\$ 437,393	\$ 525,691
<b>TRANSFERS OUT</b>					
CAPITAL REPLACEMENT RESERVE	\$ 50,000	\$ 25,000	\$ 25,000	\$ 25,000	\$ 50,000
TOTAL TRANSFERS OUT	\$ 50,000	\$ 25,000	\$ 25,000	\$ 25,000	\$ 50,000
<b>GENERAL FUND: ENDING BALANCE</b>	\$ 315,751	\$ 345,474	\$ 262,894	\$ 59,067	\$ 193,080
ASSESSED VALUATION (000'S)	\$ 15,169,380	\$ 17,520,050	\$ 17,520,050	\$ 17,520,050	17756470
MILL LEVY	19.000	19.000	19.000	19.000	19.000



**CATHEDRAL PINES METROPOLITAN DISTRICT  
2025 BUDGET  
DEBT SERVICE FUND**

	2023	2024	2024	2024	2025
	ACTUAL	ACTUAL	PROJECTED	BUDGET	BUDGET
<b>REVENUE FUND 1: BEGINNING BALANCE</b>	\$ 128,979	\$ 154,635	\$ 154,635	\$ 131,940	\$ 168,451
11/14/2024					
REVENUES					
PROPERTY TAXES	\$ 287,909	\$ 299,327	\$ 299,327	\$ 297,841	\$ 284,104
PRIOR YEAR TAXES & INTEREST ABATEMENT	\$ (328)				
DELINQUENT TAX AND INTEREST	\$ 336	\$ 130	\$ 130		
INTEREST INCOME	\$ 11,863	\$ 12,824	\$ 15,000	\$ 1,500	
TOTAL REVENUES	\$ 299,780	\$ 312,281	\$ 314,457	\$ 299,341	\$ 284,104
TOTAL REVENUE & FUND BALANCE	\$ 428,759	\$ 466,917	\$ 469,093	\$ 431,281	\$ 452,554
EXPENDITURES					
BANK CHARGES					
COUNTY TREASURER'S FEES	\$ 4,324	\$ 4,492	\$ 4,492	\$ 4,468	\$ 4,262
BOND - PRINCIPAL	\$ 75,000		\$ 85,000	\$ 85,000	\$ 85,000
BOND INTEREST	\$ 194,400	\$ 105,175	\$ 210,350	\$ 210,350	\$ 206,850
PAYING AGENT / TRUSTEE FEES	\$ 400	\$ 400	\$ 800	\$ 800	\$ 800
CONTINGENCY					
TOTAL EXPENDITURES	\$ 274,124	\$ 110,067	\$ 300,642	\$ 300,618	\$ 296,912
<b>REVENUE FUND: ENDING BALANCE</b>	<b>\$ 154,635</b>	<b>\$ 356,850</b>	<b>\$ 168,451</b>	<b>\$ 130,663</b>	<b>\$ 155,643</b>
ASSESSED VALUATION	\$ 15,169,380	\$ 17,520,050	\$ 17,520,050	\$ 17,520,050	17756470
MILL LEVY	19.000	17.000	17.000	17.000	16.000
TOTAL MILL LEVY					

**CATHEDRAL PINES METROPOLITAN DISTRICT  
2025 BUDGET  
CAPITAL RESERVE FUND**

	2023	2024	2024	2024	2025
	ACTUAL	ACTUAL	PROJECTED	BUDGET	BUDGET
<b>REVENUE FUND 1: BEGINNING BALANCE</b>	\$ -	\$ 50,000	\$ 50,000	\$ 50,000	\$ 40,969
REVENUES					
TRANSFER IN FROM GENERAL FUND	\$ 50,000	\$ 25,000	\$ 25,000	\$ 25,000	\$ 50,000
TOTAL REVENUES	\$ 50,000	\$ 25,000	\$ 25,000	\$ 25,000	\$ 50,000
TOTAL REVENUE & FUND BALANCE	\$ 50,000	\$ 75,000	\$ 75,000	\$ 75,000	\$ 90,969
EXPENDITURES					
LODGE CAPITAL REPLACEMENT		\$ 34,031	\$ 34,031		\$ 10,000
PROJECTED CAPITAL REPLACEMENT				\$ 13,054	
TOTAL EXPENDITURES	\$ -	\$ 34,031	\$ 34,031	\$ 13,054	\$ 10,000
<b>REVENUE FUND: ENDING BALANCE</b>	<b>\$ 50,000</b>	<b>\$ 40,969</b>	<b>\$ 40,969</b>	<b>\$ 61,946</b>	<b>\$ 80,969</b>

## **BUDGET MESSAGE**

(Pursuant to § 29-1-103(1) (e), C.R.S.)

### Cathedral Pines Metropolitan District

The attached 2025 Budget for Cathedral Pines Metropolitan District includes these important features:

- The primary sources of revenue for the District are tax revenues and Lodge Rental revenues.
- Payment of debt service obligations.
- Maintenance of the Lodge, Ponds, Common Space, and barn

The Budgetary basis of the accounting timing measurement method used is:

- Cash basis
- Modified accrual basis
- Encumbrance basis
- Accrual basis

The District uses funds to budget and report on the financial position and results of operations. Fund accounting is designed to demonstrate legal compliance and to aid financial management by segregating transactions related to certain governmental functions. The various funds determine the total District budget. All of the district's funds are considered Governmental Funds and are reported using the current financial resources and the modified accrual basis of accounting. Revenues are recognized when they are measurable and available. Revenues are considered available when they are collectible within 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. Expenditures, other than the interest on long-term obligations, are recorded when the liability is incurred or the long-term obligation is paid.

The services to be provided/ delivered during the budget year are the following:

- Rented space at the Lodge for various events.
- Contracted legal and management services, including state-required reporting, financial and accounting reports, billing and other services.



## Cathedral Pines Metropolitan District

## Balance Sheet

As of October 31, 2024

11/14/24

Accrual Basis

	Oct 31, 24
<b>ASSETS</b>	
<b>Current Assets</b>	
<b>Checking/Savings</b>	
ECB Debt Service Fund	332,902.26
ECB - General Fund New Reserve	61,945.55
ECB - General Fund New - Other	177,723.09
<b>Total ECB - General Fund New</b>	239,668.64
MM - CSafe Bond Fund UMB	0.53
1071 · Bill.com Money In Clearing	2,374.33
1072 · Bill.com Money Out Clearing	650.00
<b>Total Checking/Savings</b>	575,595.76
<b>Accounts Receivable</b>	
Accounts Receivable	9,700.00
<b>Total Accounts Receivable</b>	9,700.00
<b>Total Current Assets</b>	585,295.76
<b>Fixed Assets</b>	
<b>Construction in Process</b>	261,368.00
Community Center	
Accum Depreciation	-710,712.00
Original Cost	1,328,384.00
<b>Total Community Center</b>	617,672.00
<b>Equipment</b>	
Accum Depreciation	-2,668.00
Equipment - Other	13,922.00
<b>Total Equipment</b>	11,254.00
<b>Parks, Trails &amp; Monument</b>	
Accum Depreciation	-737,941.00
Parks, Trails & Monument - Other	1,006,154.88
<b>Total Parks, Trails &amp; Monument</b>	268,213.88
<b>Streets, Signs &amp; Lights</b>	60.92
<b>Total Fixed Assets</b>	1,158,568.80
<b>TOTAL ASSETS</b>	<b>1,743,864.56</b>
<b>LIABILITIES &amp; EQUITY</b>	
<b>Liabilities</b>	
<b>Current Liabilities</b>	
<b>Accounts Payable</b>	
Accounts Payable (A/P)	226,779.26
<b>Total Accounts Payable</b>	226,779.26
<b>Other Current Liabilities</b>	
Accrued Interest - DSvc	17,529.00
Deferred Revenue - Lodge Events	74,574.75
Damage Deposits- Lodge Events	750.00
<b>Total Other Current Liabilities</b>	92,853.75
<b>Total Current Liabilities</b>	319,633.01

## Cathedral Pines Metropolitan District

11/14/24

## Balance Sheet

Accrual Basis

As of October 31, 2024

	Oct 31, 24
Long Term Liabilities	
Bonds Payable 2016	
Bond Premium 2016	
A/A Bond Premium 2016	-141,298.36
Bond Premium 2016 - Other	414,881.70
Total Bond Premium 2016	273,583.34
Bonds Payable 2016 - Other	4,260,000.00
Total Bonds Payable 2016	4,533,583.34
Total Long Term Liabilities	4,533,583.34
Total Liabilities	4,853,216.35
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	278,242.51
Net Income	43,186.49
Total Equity	-3,109,351.79
<b>TOTAL LIABILITIES &amp; EQUITY</b>	<b>1,743,864.56</b>

## Cathedral Pines Metropolitan District Profit & Loss Budget Performance

October 2024

	Oct 24	Budget	Jan - Oct 24	YTD Budget	Annual Budget
<b>Ordinary Income/Expense</b>					
<b>Income</b>					
<b>1-100 · GF INCOME</b>					
1-105 · GF Prop Tax Revenue	0.00	0.00	334,541.79	345,169.00	345,169.00
1-110 · Specific Ownership Taxes	5,208.83	4,380.00	43,993.08	41,480.00	45,780.00
1-115 · Delinquent Tax and Interest	0.00		171.85		
1-120 · Rental Income - Lodge Events	0.00	2,000.00	62,934.34	77,000.00	78,000.00
1-127 · Rental Income - Shed	0.00	1,000.00	9,000.00	10,000.00	12,000.00
1-145 · Sales of Product Income	0.00		3,053.00		
<b>Total 1-100 · GF INCOME</b>	<u>5,208.83</u>	<u>7,380.00</u>	<u>453,694.06</u>	<u>473,649.00</u>	<u>480,949.00</u>
<b>2-100 · DS INCOME</b>					
2-105 · DS Prop Tax Revenue	0.00	24,820.00	299,326.86	248,200.00	297,840.00
2-115 · Delinquent Tax & Interest	0.00		171.85		
2-130 · DS Interest Income	1,509.47	125.00	12,823.99	1,250.00	1,500.00
<b>Total 2-100 · DS INCOME</b>	<u>1,509.47</u>	<u>24,945.00</u>	<u>312,322.70</u>	<u>249,450.00</u>	<u>299,340.00</u>
<b>Total Income</b>	<u>6,718.30</u>	<u>32,325.00</u>	<u>766,016.76</u>	<u>723,099.00</u>	<u>780,289.00</u>
<b>Gross Profit</b>	6,718.30	32,325.00	766,016.76	723,099.00	780,289.00
<b>Expense</b>					
<b>TRANSFERS OUT</b>					
Capital Replacement Reserve	0.00		1,639.20		
<b>Total TRANSFERS OUT</b>	0.00		1,639.20		
<b>1-1000 · SERVICES</b>					
1-1005 · Audit	0.00	0.00	9,600.00	9,600.00	9,600.00
1-1008 · Consulting Services	0.00		500.00		
1-1010 · Management Expense	7,236.00	7,000.00	66,750.45	70,000.00	84,000.00
1-1012 · Meeting Expense	0.00		717.51		
1-1020 · Legal Fees	875.00	1,250.00	4,750.00	12,500.00	15,000.00
<b>Total 1-1000 · SERVICES</b>	<u>8,111.00</u>	<u>8,250.00</u>	<u>82,317.96</u>	<u>92,100.00</u>	<u>108,600.00</u>
<b>1-2000 · LODGE</b>					
1-2001 · Lodge Management	7,000.00	2,500.00	38,450.00	25,000.00	30,000.00
1-2005 · Advertising/ Website	1,820.00	1,750.00	17,570.00	17,500.00	21,000.00
1-2020 · Event Supplies	29.99	100.00	3,263.63	3,900.00	4,000.00
1-2025 · Cleaning	2,438.00	417.00	6,921.00	4,166.00	5,000.00
1-2030 · Repairs and Maintenance	5,380.00	600.00	26,358.99	8,800.00	10,000.00
1-2035 · Utilities	676.15	833.33	5,887.47	8,333.34	10,000.00
1-2040 · Security	241.28	208.33	2,183.92	2,083.34	2,500.00
1-2043 · Capital Improvements - O&M	0.00	292.00	36,591.50	2,916.00	3,500.00
1-2044 · Landscape Maintenance	0.00	1,000.00	8,184.00	10,000.00	12,000.00
1-2045 · Snow Removal	0.00	0.00	576.00	6,000.00	10,000.00
1-2050 · Trash	275.56	250.00	2,755.60	2,500.00	3,000.00
1-2055 · Telephone	204.99	208.00	2,049.90	2,084.00	2,500.00
1-4030 · Lodge Contingency	0.00	833.00	0.00	8,334.00	10,000.00
<b>Total 1-2000 · LODGE</b>	<u>18,065.97</u>	<u>8,991.66</u>	<u>150,792.01</u>	<u>101,616.68</u>	<u>123,500.00</u>
<b>1-3000 · GF EXPENSES</b>					
1-3002 · License & Fees	0.00	0.00	676.60	800.00	800.00
1-3005 · Landscape Maintenance	8,825.67	5,417.00	62,079.58	54,166.00	65,000.00
1-3008 · Landscape Upgrade	0.00	0.00	75,000.00	50,000.00	50,000.00
1-3010 · Repair & Maintenance - O&M	199.81	1,667.00	14,549.88	16,666.00	20,000.00
1-3015 · Snow Removal - O&M	0.00	0.00	7,497.67	6,000.00	10,000.00
1-3020 · Utilities - O&M	3,033.58	1,250.00	22,097.82	12,500.00	15,000.00
1-3035 · GF - Contingency	0.00	833.00	0.00	8,334.00	10,000.00
<b>Total 1-3000 · GF EXPENSES</b>	<u>12,059.06</u>	<u>9,167.00</u>	<u>181,901.55</u>	<u>148,466.00</u>	<u>170,800.00</u>
<b>1-4000 · OTHER</b>					
1-4005 · Bank Charges	0.00		20.00		
1-4010 · Insurance/ Fees	0.00	0.00	495.00	0.00	13,000.00
1-4015 · Office Expenses	0.00	83.00	401.56	834.00	1,000.00
1-4020 · Collection Fee GF(Treasurer)	0.00	0.00	5,020.86	5,179.00	5,179.00
<b>Total 1-4000 · OTHER</b>	0.00	83.00	5,937.42	6,013.00	19,179.00
<b>2-1000 · DS EXPENSES</b>					
2-1005 · Trustee Fees	0.00	66.66	400.00	666.60	799.92
2-1010 · Collection Fee DS (Treasurer)	0.00	372.33	4,492.34	3,723.30	4,467.96
2-1015 · Bond Principal Pmts	85,000.00	7,083.33	85,000.00	70,833.30	84,999.96
2-1030 · Interest Expense DS	105,175.00	17,529.17	210,350.00	175,291.70	210,350.04
<b>Total 2-1000 · DS EXPENSES</b>	<u>190,175.00</u>	<u>25,051.49</u>	<u>300,242.34</u>	<u>250,514.90</u>	<u>300,617.88</u>
<b>Total Expense</b>	<u>228,411.03</u>	<u>51,543.15</u>	<u>722,830.48</u>	<u>598,710.58</u>	<u>722,696.88</u>
<b>Net Ordinary Income</b>	-221,692.73	-19,218.15	43,186.28	124,388.42	57,592.12

### Cathedral Pines Metropolitan District Profit & Loss Budget Performance

Accrual Basis

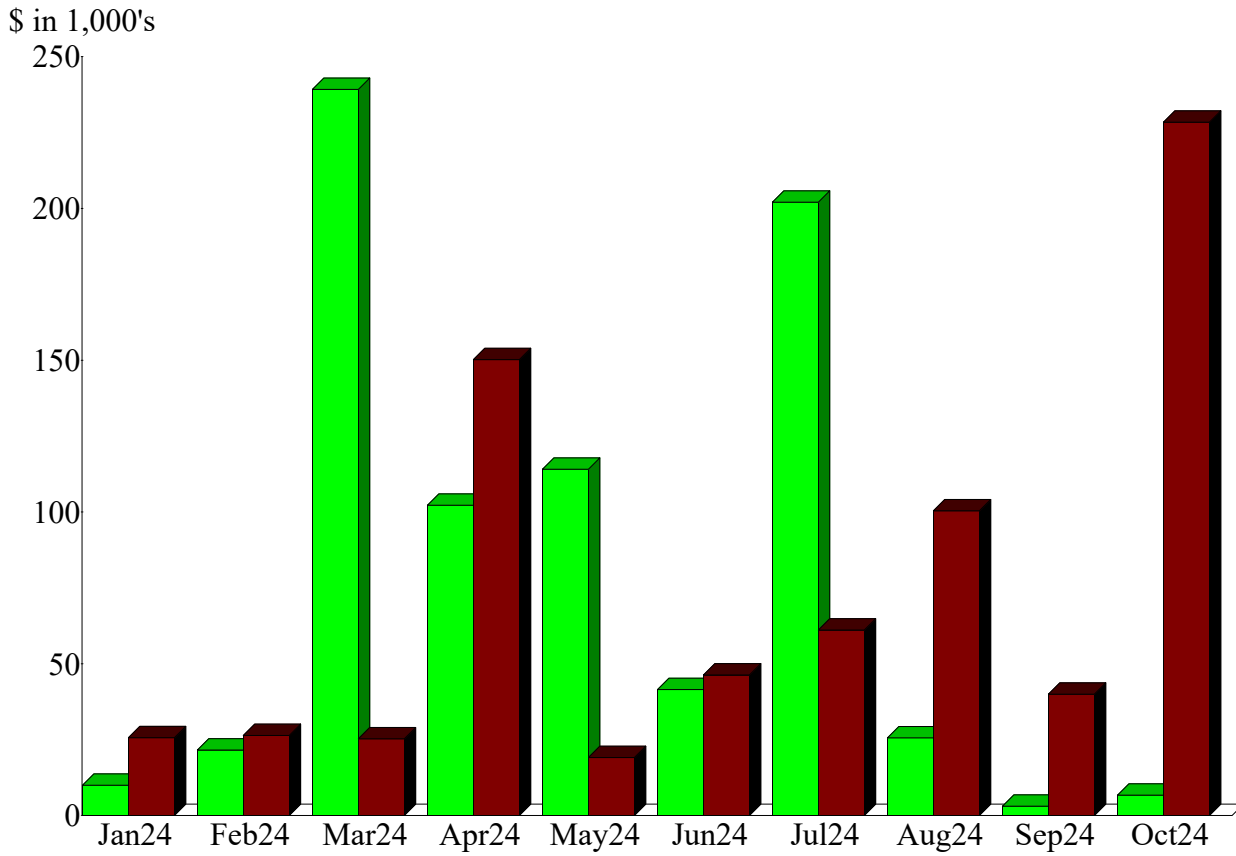
October 2024

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	<u>Oct 24</u>	<u>Budget</u>	<u>Jan - Oct 24</u>	<u>YTD Budget</u>	<u>Annual Budget</u>
<b>Other Income/Expense</b>					
Other Expense					
Other Miscellaneous Expense	-0.21		-0.21		
<b>Total Other Expense</b>	<u>-0.21</u>		<u>-0.21</u>		
<b>Net Other Income</b>	<u>0.21</u>		<u>0.21</u>		
<b>Net Income</b>	<u><u>-221,692.52</u></u>	<u><u>-19,218.15</u></u>	<u><u>43,186.49</u></u>	<u><u>124,388.42</u></u>	<u><u>57,592.12</u></u>

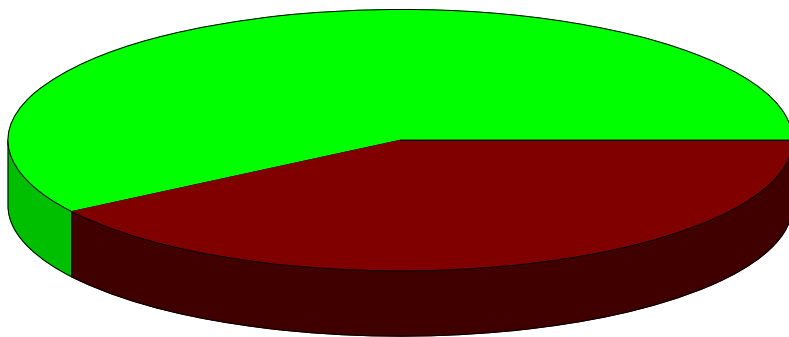
Income and Expense by Month  
January through October 2024

Income  
Expense



Income Summary  
January through October 2024

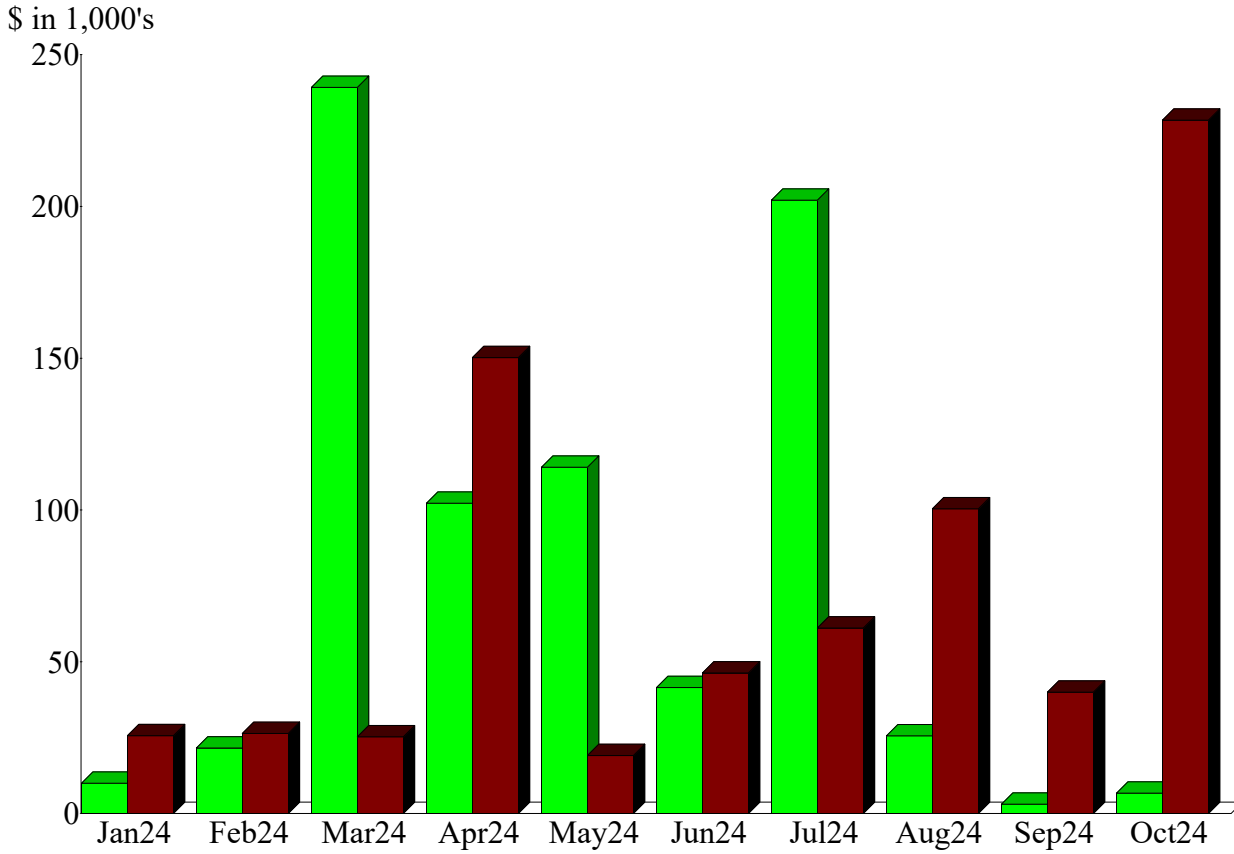
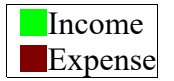
1-100 · GF INCOME	59.23%
2-100 · DS INCOME	40.77
Total	\$766,016.76



By Account

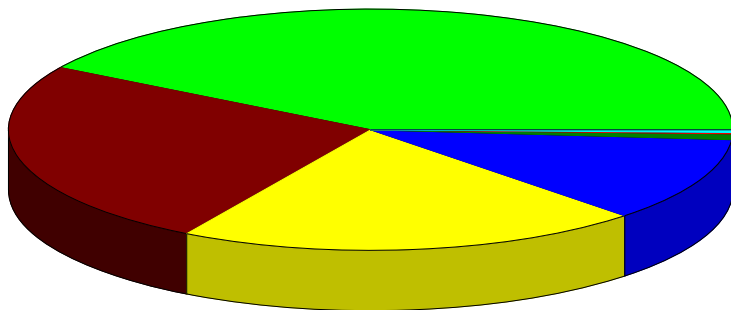


Income and Expense by Month  
January through October 2024



Expense Summary  
January through October 2024

2-1000 · DS EXPENSES	41.54%
1-3000 · GF EXPENSES	25.17
1-2000 · LODGE	20.86
1-1000 · SERVICES	11.39
1-4000 · OTHER	0.82
TRANSFERS OUT	0.23
Other Miscellaneous Expense	\$-0.21
Sub-Total	\$722,830.27



By Account



# Cathedral Pines Metropolitan District

## PAYMENT REQUEST

11/19/2024

### GENERAL FUND ACCOUNT

Company	Invoice	Date	Amount	Comments
Black Hills Energy	5715886192	11/25/2024	\$ 79.24	Auto Pay
EE Cleaning	11845	10/31/2024	\$ 570.00	
Fountain Valley Mechanical	73435	7/3/2024	\$ 5,799.00	
J&E Electric	470305	11/1/2024	\$ 260.00	
LandTech	11911	11/1/2024	\$ 3,334.00	
Mr . Rooter	155872039	10/7/2024	\$ 200.00	
Mountain View Electric	Various	10/23/2024	\$ 631.58	Utilities - Lodge
Mountain View Electric	Various	10/23/2024	\$ 3,033.58	Utilities - O&M
Olson Plumbing & Heating	178530	10/18/2024	\$ 4,650.00	
Olson Plumbing & Heating	178541	10/17/2024	\$ 270.00	
Russel Williams Home Services	112459	11/1/2024	\$ 4,890.00	
Shalece Buchholtz	110124	11/1/2024	\$ 3,599.99	Auto-Pay
Stratus IQ	01897 C0272	11/1/2024	\$ 204.99	
The Gardner Law Office	10394	10/15/2024	\$ 875.00	
TWM	107901	11/1/2024	\$ 1,750.00	
Waste Connection			\$ 275.56	Auto Payment
William Heeter		11/12/2024	\$ 154.55	Reimbursement For mic, sign post, ice melt, blue prints
William Heeter	13181806	10/8/2024	\$ 199.81	Reimbursement For Parking Signs
WSDM District Managers	463	10/31/2024	\$ 7,236.00	
TOTAL			<b>\$ 38,013.30</b>	

### BONDS REVENUE FUND ACCOUNT

Description	Date	Amount	Comments
UMB Bank NA	12/1/2024	\$ 190,175.00	Interest Payment
TOTAL		<b>\$ 190,175.00</b>	

**TOTAL \$ 228,188.30**

Director \_\_\_\_\_

Eastern Colorado Bank Balance	\$	439,377.69
This Months Payables	\$	(228,188.30)
Eastern Colorado Bank After Draw	<b>\$</b>	<b>211,189.39</b>





6385 CORPORATE DRIVE, SUITE 101 COLORADO SPRINGS, CO 80919  
PHONE: (719) 591-2141 FAX: (719) 591-8138

November 4, 2024

## Proposal

The Lodge at Cathedral Pines  
Attn: Bill Heeter

### **Project: The Lodge at Cathedral Pines – Bridal Suite Rooms**

#### **Notes:**

- Demolition & disposal of existing luxury vinyl tile flooring to be replaced by new.
  - \*On-site dumpster must be provided by owner for the demolished materials.
- Minor Floor Prep as determined necessary by HW Commercial Interiors.
  - \*Minor Floor Prep includes small cracks or holes, minor adhesive removal or minor imperfections within the concrete subfloor; Major Floor Prep would include self-leveling, grinding, subfloor restoration due to excessive damage or providing an approved subfloor due to chemicals or other foreign materials that may react with our manufacturer's approved adhesives. If Major Floor Prep is required, a change order will be issued.
- Applicable taxes: **Tax Exempt (0.00%)**
- The following materials per request:

#### **Resilient**

- LVT-1: vanGelder 7”X48” luxury vinyl tile installed where shown
  - Style: Natures View - Rustique
  - Color: Canyon Dust Cross-Cut

#### **Price for the above**

**\$4,595.00**

#### **Clarifications:**

- Material has been included using standard lead times. Quick ship premiums are NOT included.
- Minor floor preparations have been included, but major floor preparations are NOT included. If any “waves” or unevenness in the subfloor shows through the product, it is not the responsibility of HW Commercial Interiors. If a flat subfloor is desired, this can be addressed after a full assessment of the subfloor with a change order contract.
- All manufacturers’ warranties and a labor warranty of 1 year from the date of completion have been included.
- HW Commercial Interiors LLC proposal must be recognized as an official exhibit within the subcontract agreement.
- Clean-up of HW Commercial Interiors work is included as a daily practice. Dedicated persons, from HW Commercial Interiors, for use by the general contractor for “general clean-up” is NOT included.
- We assume the existing subfloor is concrete and have not included any underlayment. If we discover that the subfloor is not concrete, then we will issue a change order for any products that may require an approved underlayment.
- Material payment is due prior to ordering and the rest is due upon the completion of the project.
- Down payments are Non-Refundable once an order has been placed.
- There will be a 2.9% processing fee for all credit card payments.

#### **Exclusions:**

Major floor prep | Furniture moving | Hoisting, lifting or crane operators for materials | Expansion joints or joint sealer | Quick ship premiums | LEED requirements | Buy American requirements | Overtime labor (nights or weekends) | Shift work | Drywall patch, removal, or replacement | Repair or protection of existing | Underlayment | FRP | Corner guards | Bumper guards | Chair rail | Cement board | Painting | Final cleaning including vacuuming, sealing, polishing, and waxing | Protection of products after installation | Liquidated damages due to the fault of other trades | Pre-formed base corners | Carpet | Wood base | Wood | Sealed or polished concrete | Corian transitions | Slabs | Stone work | Exterior work | Ceramic/porcelain tile | Mock-ups | Moisture mitigation | Abatement | Dust containment | Bonds | Parking fees | Any items not mentioned above

#### **Terms & Conditions:**

Any modification of the project schedule differing from the bid schedule shall allow Subcontractor a reasonable time to complete Subcontractor’s Work in an efficient manner. Subcontractor shall be entitled to an equitable adjustment in the price of the work, including but not limited to any increased costs of labor, supervision, equipment or materials, and



**COMMERCIAL INTERIORS LLC**

6385 CORPORATE DRIVE, SUITE 101 COLORADO SPRINGS, CO 80919  
PHONE: (719) 591-2141 FAX: (719) 591-8138

reasonable overhead and profit, for any change of schedule, acceleration, out of sequence work or delays not caused by Subcontractor, its sub-subcontractors, their employees or others for whose acts they may be liable. Subcontract shall not be required to commence or continue work unless sufficient areas are ready to ensure continuous work.

In the extent of any subsequent agreement for work on this contract between General Contractor and or Owner with HW Commercial Interiors LLC, all inclusions, clarifications and exclusions within this proposal prevails.

No back charges or claim of Customer for services shall be valid except by an agreement in writing by Subcontractor before the work is executed except in the case of the Subcontractor's failure to meet any requirement of the subcontract. In such event, Customer shall notify Subcontractor of such default, in writing, and allow Subcontractor reasonable time to correct any deficiency before incurring any costs chargeable to Subcontractor. No back charge shall be valid unless billing is rendered no later than the 15<sup>th</sup> day of the month following the charge being incurred. Furthermore, any payments withheld under claim of Subcontractor default shall be reasonably calculated to cover the anticipated liability and all remaining payment amounts not in dispute shall be promptly paid.

HW Commercial Interiors LLC does not warrant the adequacy, sufficiency, suitability or building code compliance of the plans, specifications, or other Contract Documents including, without limitation, any specified sole source or brand-name products, equipment, or materials, and Customer accepts the manufacturer's warranty as its sole recourse with regards to such items.

**This proposal may be withdrawn by us if not accepted within 30 days.** Also, HW Commercial Interiors LLC shall be entitled to recover reasonable costs and attorney fees incurred if the customer is in breach of this invoice/contract by failure to timely pay the amounts due, or otherwise. Additionally, the undersigned party hereby agrees to pay interest calculated at the rate of 18% per annum (annual percentage rate) on all sums which remain due and owing after 30 days.

All material is guaranteed to be as specified. All work will be completed in a workman-like manner according to standard practices. Any alteration or deviation from the above specifications will be executed upon the receipt of a written change order and will become an extra cost over and above the proposed amount. Agreements are contingent upon strikes, accidents or delays beyond our control.

**Acceptance of Proposal:**

The above prices, specifications and conditions are satisfactory and hereby accepted. Payment will be made as outlined.

Signature:

Date of Acceptance:



# Lodge at Cathedral Pines Bridal Suites

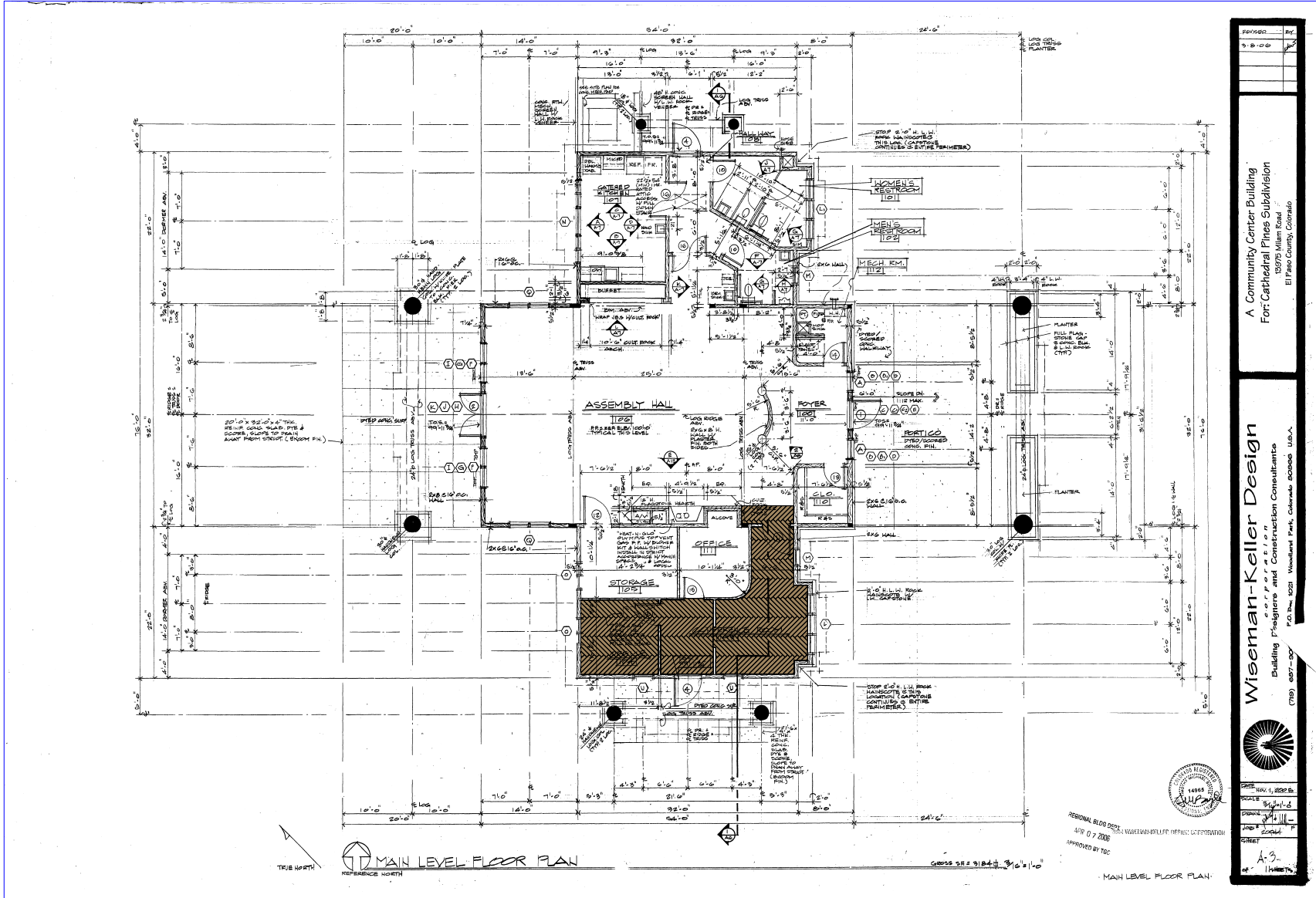
04 November 2024 : Lodge at Cathedral Pines\_Bridal Suites  
13977 Milam Rd  
COS, CO 80908

## Summary Report

HW Commercial Interiors

LVT(Herringbone): van Gelder (7"X48") Natures View - Rustique Canyon Dust - Cross Cut

Scale 1:260 (original drawing scale 1:15)







**WSDM – District Managers**  
614 N Tejon St  
Colorado Springs Colorado  
Phone: (719) 447-1777  
Fax: (719) 867-4013  
Website: wsdistricts.co



**CATHEDRAL PINES METROPOLITAN DISTRICT**

Re: Management Contract 2025

Dear sir/madame:

We are pleased to present this continued management services agreement for the Cathedral Pines Metropolitan Districts “the District”. By signing below the District accepts this engagement for ongoing Management Services.

**Scope of Services-**

We will engage in the day-to-day management of the District at the direction of its board of directors. Specifically, we will undertake those areas of responsibility listed in “Exhibit A.” We will perform these services in the most professional and efficient manner possible, per the scope of services “Exhibit B”.

**Service fee-**

Based upon the scope or work for the District, we will provide all the applicable services for a monthly fee of not to exceed \$7,000 per month. This sum represents our best estimate of the number of hours of work required for the management of the District. We will invoice for our services on a monthly basis, and they will be due within 30 days of invoice. Invoices 60 days or older will accumulate 1% financing charges compounded monthly.

**Hourly Rates**

Principal	\$ 225.00
Senior Manager	\$ 180.00
Senior Accountant	\$ 190.00
Assistant Manager	\$ 150.00
Bookkeeper	\$ 75.00
Administrative/ Supporting Staff	\$ 50.00
Website Administration	\$ 50.00
<i>*Closing request fee – collected at the closing from title company</i>	<i>\$ 100.00</i>

**Disclosure**

From time to time during our discussions with potential new clients we may be asked to provide a dossier regarding our services. We would love to be able to mention our work for you. Please let us know if you would like for us to not disclose our services to the District.

**Renewal/ Termination**

This agreement shall be for one year in duration effective on 01/01/2025. If either WSDM or the District wishes to terminate the management agreement, 30 days of notice shall be provided in writing. In the event that no notice is provided by either party this agreement shall renew automatically for 1 year. Should any adjustments be needed regarding any portion of this agreement, we will consult with you and formalize those changes in writing.

*- Signature page to follow -*

Thank you for the opportunity. Please contact us if you have any questions about our engagement.

Respectfully,

Approved:

\_\_\_\_\_

\_\_\_\_\_

Rebecca Harris, President/ CEO

Cathedral Pines Metropolitan District, Board President

Date: \_\_\_\_\_

Date: \_\_\_\_\_

**EXHIBIT - A**

**Designation of WSDM responsibilities**

	WSDM	Legal	Other
<b><u>Board Meetings</u></b>			
Meeting Agenda	X		
Meeting Support Materials	X		
Board Meeting Posting/Notice	X		
Meeting Minutes	X		
Annual posting of Meetings	X		
Annual Set of Resolutions (Admin, notice, online, fees, budget, CORA, election, etc.)		X	
Filing Conflicts	X		
<b><u>Budgets</u></b>			
Budget Hearing Advertisement	X		
Draft Budget Distributed	X		
Annual State Reporting	X		
Mill Levy Certification	X		
<b><u>Legal Notices</u></b>			
Drafting		X	
Review/Approval		X	
Record		X	
Inclusions/Exclusions Process	X	X	
<b><u>Elections</u></b>			
			X
<b><u>Reporting</u></b>			
Budget Development and Filing	X	X	
Debt notice	X		
Quinquennial Finding	X		
Annual Report – County/ City	X		
Annual Report - State	X		
Annual Map Filing	X		
Transparency Notice (SDA, etc.)	X		
Non-rated Public Securities Report	X		
Agent Address/Notification	X		
Unclaimed Property Report	X		
<b><u>Insurance</u></b>			
Renewal	X		

**Finance/ Bookkeeping**

General Accounting Services	X		
Budget Reporting and Management	X		
Accounts Payable/Receivable	X		
Audit/Audit Exemption	X		
Monthly Financial Reporting	X		
Bond issue support	X	X	
Bank Relationships	X		
Bond Continuing Disclosure Report	X	X	

**Billing Services**

Regular Billing	NA		
Collections	NA		
Maintain/publish Fees and charges	X	X	

**Covenant Enforcement**

Enforcement of Violations	NA		
Customer Service	NA		
Collections	NA		
Reviews of plans	NA		

**Customer Service**

Point of Contact	X		
Website Management	X		

## EXHIBIT - B

### SCOPE OF SERVICES:

#### Management Services

1. Meeting and Reporting Services – WSDM will provide the following services:
  - a. Coordinate Board meetings, prepare and distribute meeting agenda. Preparation, filing and posting of legal notices required in conjunction with the meeting.
  - b. Ensure meeting notices are properly and timely posted.
  - c. Contact Board members 72 hours prior to a scheduled meeting to ensure a quorum will be present. In the event of a cancelation of a meeting, contact and advise all parties of the cancelation and any changes to the meeting date, time and place, if available.
  - d. Meeting packets will be distributed by U.S. Mail and/or email, as determined by the Board
  - e. Prepare for and attend regular and special meetings of the Board.
  - f. Draft, revise and finalize the minutes of the meeting and circulate for review and comment to ensure all statutory requirements have been met.
  - g. Prepare and maintain a record of all Board members, consultants and vendors. Direct and oversee all service providers, consultants and employees.
  - h. Prepare and make annual compliance filings (but not judicial filings) with the various State and County officials, as required. Coordinate review and approval of annual compliance filings with the attorney.
  - i. Respond to inquiries made by various officials, property owners or consultants in a timely and professional manner.
  - j. Set up and maintain the official records of the District and service as official custodian for same pursuant to the Colorado Open Records Act.
  - k. Monitor requirements pertaining to HB 1343 (Illegal Aliens).
  - l. Insurance administration, including evaluating risks, comparing coverage, process claims, completing applications, monitoring expiration dates, processing routine written and telephone correspondence. Ensure that all District contractors and subcontractors maintain required coverage for the District's benefit. Obtain quotes for insurance annually.
2. Elections – Service as a Designated Election Official (DEO) for district elections with familiarity with various laws, including, but not limited to the Special District Act, the Colorado Local Government Election Code, the Uniform Election Code of 1992, to the extent not in conflict with the Colorado Local Government Election Code, and Article X, § 20 of the Colorado Constitution ("TABOR")
3. Construction Oversight – we may provide extensive construction management. Our current experience principals have funded and managed over \$100,000,000 in public infrastructure including roads, water, wastewater, electric, gas, telecommunications and stormwater facilities.
4. Website Administration – extensive experience with creating and updating the District websites, specifically including the State Internet Portal Authority funded sites (SIPA). Or hosting the district website under [www.wsdistricts.co](http://www.wsdistricts.co).
5. Employee management – management of full or part time employees including Operators in Responsible Control (ORC), field and operations employees, administrative employees, part time seasonal employees, Certified Pool Operators, etc. Maintain compliance with Human Resource aspects like; labor statutes, insurance, training, safety, etc. issues. Also, automated payroll services
6. Covenant enforcement and CCR Management – WSDM will provide the following services:
  - a. Management of Architectural Control Committees or Design Review Committees, including, but not limited to, coordination of meetings and preparation of meetings.
  - b. Community inspections and review of proposed improvements or architectural requests.
  - c. Provide enforcement of the recorded CCRs (Covenant, Conditions, and Restrictions) and Design Guidelines including, but not limited to, violation tracking and imposition of fines.

7. Insurance – WSDM will be the liaison for the annual insurance renewal and payment, as well coordination for any insurance claims, as needed, and complete the annual insurance audit to ensure the district is properly covered.
8. Inclusion/ Exclusions of Property – WSDM will provide, assistance with Legal Counsel, to coordinate any property inclusions into the District Boundaries or any property exclusions out of the District Boundaries. Determine property eligibility, present to the Board for approval, and file with proper local governing body.

### **Accounting and bookkeeping**

1. Standard Service – WSDM will provide the following services (with a Certified Public Accountant):
  - a. Accounting:
    - i. Prepare monthly, quarterly and annual financial statements for the monthly meeting packets.
    - ii. Reconcile bank statements and trustee statements on a monthly basis.
    - iii. Coordinate bank account setup and maintenance of signature cards.
    - iv. Prepare and file Continuing Disclosure Notices with the Trustee and other required parties. Coordinate review with legal counsel.
    - v. Coordinate capital project draws and requisitions.
    - vi. Prepare and review all payments of claims prior to release to ensure funds are available.
    - vii. Monthly review email of all expenditures and coordinate preparation and distribution of same with the manager for the District to monitor the district is on track with the budget and appropriated expenditures.
  - b. Accounts Payable:
    - i. Receive and review invoices for accuracy and appropriateness for payment. Code the invoices in accordance with the budgeted line item.
    - ii. Prepare issuance of checks (or virtual checks) to be paid by the Board for monthly disbursement.
    - iii. Prepare funding requests, if required.
    - iv. Release checks to vendors when all approvals and funding have been received.
  - c. Accounts Receivable:
    - i. Process deposit of revenues
    - ii. Process bank charges and other miscellaneous accounts receivable matters.
  - d. Financial Projections:
    - i. Provide multi-year forecasting on Board request
    - ii. Provide a Utility consumption versus rate analysis, and possible water loss calculations
    - iii. Provide commercial billing and rate structure analysis.
  - e. Budgets:
    - i. Prepare annual budget and budget message for approval by the Board and coordinate with legal counsel for same.
    - ii. Prepare or assist in the preparation of supplemental and/or amended budgets and accompanying documents, if required.
    - iii. Prepare and assist in the compliance of filing the annual Budget, or amendment, as needed.
  - f. Conservation Trust Fund (Greater outdoor of Colorado - GoCo Funds) Management and associated compliance reporting.
  - g. Audits:
    - i. Obtain proposals for conducting the annual audit for consideration at budget hearing meeting. Proposals should be included in the meeting packet.
    - ii. Coordinate and participate in audit bids, engagements, fieldwork and audit draft review.
    - iii. Assist the auditor in performing the annual audit, to accomplish timely completion and filing by statutory deadline.
    - iv. Help present the Annual Audit for approval by the Board to be filed in compliance with State, local, and federal requirements.
    - v. Submit application to state requesting exemption from audit.
  - h. Bonds:
    - i. Monitor and comply with Bond documents, State Statute, and Auditing requirements
    - ii. Transfer debt obligated funds to correct Reserve Funding accounts as applicable
    - iii. Coordinate principal and interest payments as required by the governing documents.
    - iv. Coordinate with Bond counsel to issue bonds as directed by the Board of Directors

- v. Coordinate the proper compliance filing including but not limited to the DLG-30, etc.
- i. Developer Reimbursements/ Advances:
  - i. Coordinate with Developers to ensure all advances are received, tracked, or accounted for to fund the district as needed.
  - ii. Monitor and comply with Developer Reimbursement agreements and Auditing requirements
  - iii. Coordinate principal and interest payments required by the Reimbursement agreement

## **Billing and Collections**

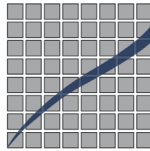
1. Standard Services—WSDM may implement billing with either of two potential billing software systems for the residents, BILL billing software, or QuickBooks billing software—as seen applicable.
  - a. CUSI system is compatible with the Automatic Meter Reading (AMR), Badger Beacon systems as well as state of the art integration with direct payment options (Customer Web Portals, ACH, and Credit Card).
  - b. CINC system is compatible with direct payment options, customer account tracking, violation processing, and bank access.
2. Additional Standard Services will include:
  - a. Provide resolution of re-reads for meter reads, if necessary.
  - b. Customize billing system to download meter readings directly into accounting software to allow for automatic updates to customer accounts.
  - c. Produce and transmit customer invoices to a mailing facility or perform the mailing in house, whichever is more economical.
  - d. Process and make daily deposits of all receipts mailed directly to the billing company, as necessary.
  - e. Communicate with customers and transmit Automated Clearing House ("ACH") authorization forms allowing the District to initiate an ACH withdrawal of the customer bill directly from their checking or savings account. Initiate ACH batches using dual controls.
  - f. Coordinate and provide correspondence regarding terminations, delinquencies, payment plans and shut-off notices in compliance with the District's collection policies and in coordination with the District's legal counsel.
  - g. Process payoff requests from title company for closings and set up new ownership information.
  - h. Collect transfer fee due upon the transfer of an account or property.
  - i. Process payment arrangements for customers facing economic hardship at the direction of the Board.
  - j. Process and transmit delinquent notices.
  - k. Process shutoff notices and direct the District's operator to proceed with shutoff.
  - l. Certify delinquent accounts with the County, as applicable, in coordination with the District's legal counsel.
  - m. Coordinate processing of statements of liens with the District's legal counsel, and release of liens as accounts are paid current.
  - n. Respond to customer calls and inquiries in a timely and professional manner.
  - o. Track tap fee payments and coordinate with the Water Operator to provide installation of a new Tap for water utility.

## **Customer Service**

1. WSDM may provide customer service support by phone, email, social media, text messaging, and fax to help all customers with their inquiries, questions, or request for information.
2. WSDM will provide access to a 24-hour emergency number at 719-447-4840.
3. WSDM will collaborate with security teams and monitor any security camera's as needed.
4. All customer inquiries will have a response to them within 1 hour during regular business hours or immediately the following business day, if not an emergency.







**BiggsKofford**

CERTIFIED PUBLIC ACCOUNTANTS

October 17, 2024

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

We are pleased to confirm our understanding of the services we are to provide for Cathedral Pines Metropolitan District ("District") as of and for the year ended December 31, 2024.

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### **Audit Scope and Objectives**

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We will audit the financial statements of the governmental activities and each major fund, including the related notes to the financial statements, which collectively comprise the basic financial statements of the District as of and for the year ended December 31, 2024. Accounting principles generally accepted in the United States of America ("US GAAP") provide for certain required supplementary information ("RSI"), such as management's discussion and analysis ("MD&A") to supplement the District's basic financial statements. Such 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. As part of our engagement, we will apply certain limited procedures to the District's RSI in accordance with auditing standards generally accepted in the United States of America ("US GAAS"). These limited procedures will consist of inquiries of management regarding the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge obtained during our audit of the basic financial statements. We will not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance. The following RSI is required by US GAAP and will be subjected to certain limited procedures, but will not be audited:

- You have informed us that the MD&A will be omitted. Our report will be modified accordingly.

We have also been engaged to report on supplementary information ("SI") other than RSI that accompanies the District's financial statements, as applicable. We will subject the SI to the auditing procedures applied in our 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 financial statements or to the financial statements themselves, and other additional procedures in accordance with US GAAS, and will provide an opinion on it in relation to the basic financial statements as a whole.

- Schedule(s) of revenues, expenditures, and changes in fund balances – budget and actual for governmental funds, as applicable

In connection with our audit of the basic financial statements, we will read any other information included with the financial statements and consider whether a material inconsistency exists between the other information and the basic financial statements, or the other information otherwise appears to be materially misstated. If, based on the work performed, we conclude that an uncorrected material misstatement of the other information exists, we are required to describe it in our report.

The objectives of our audit are to obtain reasonable assurance as to whether the financial statements as a whole are free from material misstatement, whether due to fraud or error; issue an auditor's report that includes our opinions about whether your financial statements are fairly presented, in all material respects, in conformity with US

GAAP; and report on the fairness of the SI referred to above when considered in relation to the financial statements as a whole. 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 US GAAS will always detect a material misstatement when it exists. Misstatements, including omissions, can arise from fraud or error and are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment of a reasonable user made based on the financial statements.

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### **Users of the Financial Statements**

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We understand that these financial statements will be used by the State of Colorado and El Paso County to assist with regulatory oversight, and by management to provide assurance on the financial statements to enhance management decision-making. You agree that you will discuss the suitability of this presentation with us if you intend to submit these financial statements to other users or to any of the identified users for different purposes.

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### **Auditor's Responsibilities for the Audit of the Financial Statements**

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We will conduct our audit in accordance with US GAAS and will include tests of your accounting records and other procedures we consider necessary to enable us to express such opinions. As part of an audit in accordance with US GAAS, we exercise professional judgment and maintain professional skepticism throughout the audit.

We will evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management. We will also evaluate the overall presentation of the financial statements, including the disclosures, and determine whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation. We will plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement, whether from (1) errors, (2) fraudulent financial reporting, (3) misappropriation of assets, or (4) violations of laws or governmental regulations that are attributable to the District or to acts by management or employees acting on behalf of the District.

Because of the inherent limitations of an audit, combined with the inherent limitations of internal control, and because we will not perform a detailed examination of all transactions, there is an unavoidable risk that some material misstatements may not be detected by us, even though the audit is properly planned and performed in accordance with US GAAS. In addition, an audit is not designed to detect immaterial misstatements or violations of laws or governmental regulations that do not have a direct material effect on the financial statements. However, we will inform the appropriate level of management of any material errors, fraudulent financial reporting, or misappropriation of assets that come to our attention. Our responsibility as auditors is limited to the period covered by our audit and does not extend to any later periods for which we are not engaged as auditors.

We will also conclude, based on the audit evidence obtained, 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 for a reasonable period of time.

Our procedures will include tests of documentary evidence supporting the transactions recorded in the accounts and direct confirmation of receivables and certain assets and liabilities by correspondence with selected customers, creditors, and financial institutions. We may also request representations from your attorneys as part of the engagement and they may bill you for responding to this inquiry.

If circumstances occur which, in our professional judgment, prevent us from completing the audit or forming opinions on the financial statements, we retain the right to withdraw from the engagement without issuing opinions or a report, as permitted by our professional standards.

We may from time to time, and depending on the circumstances, use third-party service providers in serving your account. We may share confidential information about you with these service providers but remain committed to maintaining the confidentiality and security of your information. Accordingly, we maintain internal policies, procedures, and safeguards to protect the confidentiality of your personal information. In addition, we will secure confidentiality agreements with all service providers to maintain the confidentiality of your information and we will take reasonable precautions to determine that they have appropriate procedures in place to prevent the unauthorized release of your confidential information to others. In the event that we are unable to secure an appropriate confidentiality agreement, you will be asked to provide your consent prior to the sharing of your

confidential information with the third-party service provider. Furthermore, we will remain responsible for the work provided by any such third-party service providers.

Our audit of the financial statements does not relieve you of your responsibilities.

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### **Audit Procedures – Internal Control**

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We will obtain an understanding of the District and its environment, including the system of internal control, sufficient to identify and assess the risks of material misstatement of the financial statements, whether due to error or fraud, and to design and perform audit procedures responsive to those risks and obtain evidence that is sufficient and appropriate to provide a basis for our opinions. 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, misrepresentation, or the override of internal control. An audit is not designed to provide assurance on internal control or to identify deficiencies in internal control. Accordingly, we will express no such opinion. However, during the audit, we will communicate to you and those charged with governance any matters related to internal control that are required to be communicated under professional standards.

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### **Audit Procedures – Compliance**

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As part of obtaining reasonable assurance about whether the financial statements are free of material misstatement, we will perform tests of the District's compliance with the provisions of applicable laws, regulations, contracts, and agreements. However, the objective of our audit will not be to provide an opinion on overall compliance, and we will not express such an opinion.

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### **Other Services**

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We will also prepare the financial statements of the entity in conformity with US GAAP based on information provided by you. We will perform the services in accordance with applicable professional standards.

We, in our sole professional judgment, reserve the right to refuse to perform any procedure or take any action that could be construed as assuming management responsibilities.

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### **Responsibilities of Management for the Financial Statements**

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Our audit will be conducted on the basis that you acknowledge and understand your responsibility for designing, implementing, and maintaining internal controls relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error, including monitoring ongoing activities; for the selection and application of accounting principles; and for the preparation and fair presentation of the financial statements in conformity with US GAAP with the oversight of those charged with governance.

Management is responsible for making drafts of the financial statements, all financial records, and related information available to us; for the accuracy and completeness of that information (including information from outside of the general and subsidiary ledgers); and for the evaluation of whether there are any conditions or events, considered in the aggregate, that raise substantial doubt about the District's ability to continue as a going concern for the 12 months after the financial statements date or shortly thereafter. You are also responsible for providing us with (1) access to all information of which you are aware that is relevant to the preparation and fair presentation of the financial statements, such as records, documentation, identification of all related parties and all related-party relationships and transactions, and other matters; (2) additional information that we may request for the purpose of the audit; and (3) unrestricted access to persons within the District from whom we determine it necessary to obtain audit evidence. At the conclusion of our audit, we will require certain written representations from you about the financial statements and related matters.

Your responsibilities include adjusting the financial statements to correct material misstatements and confirming to us in the management representation letter that the effects of any uncorrected misstatements aggregated by us during the current engagement and pertaining to the latest period presented are immaterial, both individually and in the aggregate, to the financial statements of each opinion unit taken as a whole.

You are responsible for the design and implementation of programs and controls to prevent and detect fraud, and for informing us about all known or suspected fraud affecting the District involving (1) management, (2) employees who have significant roles in internal control, and (3) others where the fraud could have a material effect on the financial statements. Your responsibilities include informing us of your knowledge of any allegations of fraud or suspected fraud affecting the District received in communications from employees, former employees, grantors, regulators, or others. In addition, you are responsible for identifying and ensuring that the District complies with applicable laws and regulations.

With regard to including the auditor's report in an offering document, you agree that the aforementioned auditor's report, or reference to BiggsKofford, P.C., will not be included in any such offering document without our prior permission or consent. Any agreement to perform work in connection with an offering document, including an agreement to provide permission or consent, will be a separate engagement.

You are responsible for the preparation of the SI in conformity with US GAAP. You agree to include our report on the SI in any document that contains, and indicates that we have reported on, the SI. You also agree to include the audited financial statements with any presentation of the SI that includes our report thereon. Your responsibilities include acknowledging to us in the representation letter that (1) you are responsible for the presentation of the SI in accordance with US GAAP; (2) you believe the SI, including its form and content, is fairly presented in accordance with US GAAP; (3) the methods of measurement or presentation have not changed from those used in the prior period (or, if they have changed, the reasons for such changes); and (4) you have disclosed to us any significant assumptions or interpretations underlying the measurement or presentation of the SI.

You agree to assume all management responsibilities for the other services listed above and any other non-attest services we provide; oversee the services by designating an individual, preferably from senior management, with suitable skill, knowledge, or experience; evaluate the adequacy and results of the services; and accept responsibility for them.

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### **Engagement Administration, Fees, and Other**

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You are responsible to notify us in advance of your intent to reproduce our report for any reason, in whole or in part, and to give us the opportunity to review any printed material containing our report before its issuance. Such notification does not constitute an acknowledgement on our part of any third party's intent to rely on the financial statements. With regard to financial statements published electronically or on your internet website(s), you understand that electronic sites are a means to reproduce and distribute information. We are not required to read the information contained in your sites, or to consider the consistency of other information in the electronic site with the original document.

You agree that you will not use our firm's name or the name of an employee of the firm in a communication containing a financial presentation without the written permission of our firm. If you do use our firm name or the name of an employee of the firm in a communication containing a financial presentation, you agree to include an "accountant's report" or a "disclaimer" on the financial presentation(s) which we specify. Further, you agree to provide us with printers' proofs or masters of any document that contains our firm name or the name of an employee of the firm and a financial presentation for our review and approval before printing/publishing of the document. You also agree to provide us with a copy of the final reproduced material that contains either our firm's name and/or the name of an employee of the firm and a financial presentation for our approval before it is distributed.

We value each and every one of our clients as well as each and every one of our employees. We have spent a great deal of time and resources to locate, train, and retain our employees. We respectfully request that you not solicit our employees to work for you. You agree that if you or your agents do hire one of our employees within three months of when they last worked for BiggsKofford, P.C., we will be due a finder's fee equal to 50% of the greater of the annual salary they were earning as of their last day of employment or their starting salary with the District. Payment will be due within 10 days of your receipt of our invoice. To ensure that our independence is not impaired under the AICPA *Code of Professional Conduct*, you agree to inform the engagement principal before entering into any substantive employment discussions with any of our personnel.

You understand that we provide clients with services specifically focused on identifying and addressing deficiencies in internal controls, and on searching for the existence of fraud within the entity. If you would like us to perform

these services, we would be happy to discuss that opportunity with you. However, you acknowledge that those services are outside the scope of this engagement and are not included in the fees detailed below.

It is our policy to retain engagement documentation for a period of at least five years, after which time we may commence the process of destroying the contents of our engagement files. To the extent we accumulate any of your original records during the engagement, those documents will be returned to you promptly upon completion of the engagement. The balance of our engagement file, other than the compiled financial statement, which we will provide you at the conclusion of the engagement, is our property, and we will provide copies of such documents at our discretion and if compensated for any time and costs associated with the effort.

In the event we are required to respond to a subpoena, court order or other legal process for the production of documents and/or testimony related to information we obtained and/or prepared during the course of this engagement, you agree to compensate us at our standard hourly rates for the time we expend in connection with such response, and to reimburse us for all related out-of-pocket costs incurred.

You and BiggsKofford, P.C. both agree that any dispute that may arise from this engagement will, prior to resorting to litigation, be submitted for mediation before the American Arbitration Association. Both parties further agree that any such mediation shall be administered within El Paso County, Colorado, and the results of any such mediation shall be binding upon agreement of each party to be bound. Further, both parties agree that any potential legal action between you and BiggsKofford, P.C. shall be resolved in El Paso County District Court according to Colorado law. Our engagement ends on delivery of our audit report and any claim made concerning our services will be limited to the fees charged for those services. You agree to indemnify, defend, and hold BiggsKofford and its owners, heirs, executors, personal representatives, successors, and assigns harmless from any liability and costs resulting from knowing misrepresentations by management.

This engagement letter is contractual in nature and includes all of the relevant terms that will govern the engagement for which it has been prepared. The terms of this letter supersede any prior oral or written representations or commitments by or between the parties. Any material changes or additions to the terms set forth in this letter will only become effective if evidenced by a written amendment to this letter, signed by all parties.

We want you to clearly understand that this type of financial statement presentation is not designed for, and should not be used for, any purpose subject to regulation by the United States Securities and Exchange Commission ("SEC") or the securities division of any state.

We understand that your employees will prepare all cash, accounts receivable, and other confirmations we request and will locate any documents selected by us for testing.

The audit documentation for this engagement is the property of BiggsKofford, P.C. and constitutes confidential information. However, subject to applicable laws and regulations, audit documentation and appropriate individuals will be made available upon request and in a timely manner to Colorado Office of the State Auditor or its designee. We will notify you of any such request. If requested, access to such audit documentation will be provided under the supervision of BiggsKofford, P.C. personnel. Furthermore, upon request, we may provide copies of selected audit documentation to Colorado Office of the State Auditor or its designee. The Colorado Office of the State Auditor or its designee may intend or decide to distribute the copies or information contained therein to others, including other governmental agencies.

Chris Jorgensen is the engagement principal and is responsible for supervising the engagement and for signing the report or authorizing another individual to sign it.

Our fees for this engagement are not contingent on the results of our services. We estimate that our fees for these services will be \$10,275. You will also be billed for travel and other out-of-pocket expenses. The fee estimate is based on anticipated cooperation from your personnel and the assumption that unexpected circumstances will not be encountered during the audit. If significant additional time is necessary, we will keep you informed of any problems we encounter, and our fees will be adjusted accordingly. Our invoices for these fees will be rendered semi-monthly as work progresses and are payable on presentation. Any remaining balance will be due upon delivery of your financial statements. In accordance with our firm policies, work may be suspended if your account becomes overdue and will not be resumed until your account is paid in full. If we elect to terminate our services for nonpayment or for any other reason provided for in this letter, our engagement will be deemed to have been

completed upon written notification of termination, even if we have not completed our report. You will be obligated to compensate us for all time expended and to reimburse us for all out-of-pocket expenses through the date of the termination. This engagement letter was drafted under the assumption that WSDM District Managers is the manager for the District. In the event this is not the case, the terms of this engagement letter are subject to revision. This engagement letter is valid for 30 days from the date of this letter and is subject to revision or withdrawal if an executed copy is not received by BiggsKofford, P.C. within that timeframe.

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### Reporting

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We will issue a written report upon completion of our audit of the District's financial statements. Our report will be addressed to the board of directors of the District. Circumstances may arise in which our report may differ from its expected content based on the results of our audit. Depending on the nature of these circumstances, it may be necessary for us to modify our opinions, add a separate section, or add an emphasis-of-matter or other-matter paragraph to our auditor's report or, if necessary, withdraw from this engagement. If our opinions are other than unmodified, we will discuss the reasons with you in advance. If, for any reason, we are unable to complete the audit or are unable to form or have not formed opinions, we may decline to express opinions or withdraw from this engagement.

We appreciate the opportunity to be of service to you and believe this letter accurately summarizes the significant terms of our engagement. If you have any questions, please let us know. If you agree with the terms of our engagement as described in this letter, **PLEASE INITIAL EACH PAGE, SIGN THE LAST PAGE**, and return a copy to us.

Sincerely,

*BiggsKofford, P.C.*

BiggsKofford, P.C.

**RESPONSE:**

**This letter correctly sets forth the understanding of Cathedral Pines Metropolitan District.**

Officer signature: \_\_\_\_\_ Title: \_\_\_\_\_ Date: \_\_\_\_\_