

**BRADLEY HEIGHTS METROPOLITAN DISTRICT NOS. 1, 2 and 3**

Regular Board Meeting

Tuesday, November 12, 2024, at 9:00 AM

119 N. Wahsatch Ave.

Colorado Springs, Colorado 80903

and

Via tele/videoconference

<https://video.cloudoffice.avaya.com/join/109995525>

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

Access Code: 109-995-525



<b>Board of Director</b>	<b>Title</b>	<b>Term</b>
Randle W Case II	President	May 2027
Bryan T Long	Vice-President	May 2027
Ray O'Sullivan	Treasurer/ Secretary	May 2025
Robert Case	Assistant Secretary	May 2025
Jim Byers	Assistant Secretary	May 2027 (appointment to May 2025)

**AGENDA**

1. Call to order
2. Declaration of Quorum/Director Qualifications/ Disclosure Matters
3. Approval of Agenda
4. Approval of October 8, 2024 Meeting Minutes (enclosed)
5. Financial Matters
  - a. Approve Unaudited Financial Reports through October 31, 2024 (enclosed)
  - b. Ratify and Approve Payables through November 12, 2024 (enclosed)
  - c. Review status of past due O&M expenses
  - d. Public Hearing on 2024 Budget Amendment and 2025 Budget Adoption
    - i. Consider adoption of District No. 2 Resolution Amending the 2024 Budget (enclosed)
    - ii. Consider adoption of District No. 1, No. 2, and No. 3 Resolutions Adopting the 2025 Budgets and Certifying Mill Levies (enclosed)
6. District Manager Report
  - a. Assurance Extension Update
  - b. Discuss Drainage Channel Financing
  - c. Update on Covenants and Architectural Submissions
7. President of the Board Report
8. Detailed Discussion of Development Status Review
  - a. Engineering Update
    - i. Schedule
    - ii. Cash Flow
  - b. Plan Updates
    - i. Roadway/ Utility/ Storm Water
    - ii. Channel design

- iii. 24” and 16” water line update
    - iv. Sanitary Sewer outfall update
  - c. Construction Schedule/Construction Contracts Approval/Ratify/Pre-approval
  - d. Update on Construction Budget
  - e. Redemption Hill Church
  - f. Challenger Homes
  - g. Bradley Ridge
- 9. General/ Administrative Matters
  - a. Discuss and Approve the Regular Board Meeting Schedule for 2025
  - b. Consider Approval of 2025 Annual Administrative Resolution (under separate cover)
  - c. Consider Approval of Resolution Adopting Digital Accessibility Policy (under separate cover)
  - d. Review and consider approval of Resolution Calling the May 6, 2025, Director Election (under separate cover)
  - e. Review and Consider Approval of WSDM – District Managers Engagement Letter (enclosed)
  - f. Review and Consider Approval of District 2 BiggsKofford 2024 Audit Engagement Letter (enclosed)
  - g. Review and Consider Approval of District 3 BiggsKofford 2024 Audit Engagement Letter (enclosed)
- 10. Other Business
  - a. Next Regular Meeting scheduled: December 10, 2024, at 9:00 a.m.
- 11. Adjourn

## NOTICE OF REGULAR MEETINGS

NOTICE IS HEREBY GIVEN That the Board of Directors of **BRADLEY HEIGHTS METROPOLITAN DISTRICT NOS. 1, 2 and 3**, County of El Paso, State of Colorado, will hold a regular meeting at 9:00 AM on Tuesday, the 12<sup>th</sup> day of November, 2024, at 119 North Wahsatch Ave., Colorado Springs, CO 80903, and via tele/videoconferencing at the following: <https://video.cloudoffice.avaya.com/join/109995525> United States: +1 (213) 463-4500 Access Code: 109-995-525 for the purpose of conducting such business as may come before the Board including the business on the attached agenda. The meeting is open to the public.

BY ORDER OF THE BOARD OF DIRECTORS:  
BRADLEY HEIGHTS METROPOLITAN DISTRICT NOS. 1, 2 AND 3



**MINUTES OF THE REGULAR BOARD MEETING OF THE BOARD OF DIRECTORS OF  
THE  
BRADLEY HEIGHTS METROPOLITAN DISTRICT NOS. 1, 2, AND 3  
HELD October 8, 2024  
AT 9:00 AM**

Pursuant to posted notice, the special meetings of the Board of Directors of the Bradley Heights Metropolitan District Nos. 1, 2 and 3 were held on Tuesday, October 8, 2024, at 9:00 a.m., at 119 N. Wahsatch Avenue, Colorado Springs, CO, and via tele/videoconference:  
<https://video.cloudoffice.avaya.com/join/451389423>.

Attendance

In attendance were Directors:

Randle Case II, President  
Bryan Long, Vice President  
Robert Case, Assistant Secretary  
Ray O’Sullivan, Treasurer/Secretary  
Jim Byers, Assistant Secretary

Also in attendance were:

Rebecca Harris, WSDM District Managers  
Jeff Odor, Matrix Design Group  
Nathan Steele, ROI  
John Radcliff, ROI  
Rob Fuller  
Mike DeGrant

Combined Meeting: The Board of Directors of the Districts have determined to hold a joint meeting of the Districts and to prepare joint minutes of actions taken by the Districts in such meetings. Unless otherwise noted herein, all official action reflected in these minutes shall be deemed to be the action of all Districts. Where necessary, action taken by an individual District will be so reflected in these minutes.

1. Call to Order: The meeting was called to order at 9:00 a.m. by President Case II.
2. Declaration of Quorum/Director Qualifications/ Disclosure Matters: President Case II indicated that a quorum of the Boards was present. He stated that each Director has been qualified as an eligible elector of the Districts pursuant to Colorado law. The Directors confirmed their qualification. Ms. Harris informed the Boards that, pursuant to Colorado law, certain disclosures might be required prior to taking official action at the meeting. Ms. Harris reported that disclosures for those directors with potential or existing conflicts of interest were filed with the Secretary of State’s Office and the Boards at least 72 hours prior to the meeting, in accordance with Colorado law, and those disclosures were acknowledged by the Board. Ms. Harris inquired into whether members of the Boards had any additional disclosures of potential or existing conflicts of interest with regard to any matters scheduled for discussion at the meeting. No additional disclosures were noted. The Boards determined that the participation of the members present was necessary to obtain a quorum or to otherwise enable the Boards to act.

3. Approval of Agenda: Director Byers moved to approve the Agenda; seconded by Director Long. Motion passed unanimously.
4. Approval of September 10, 2024 Meeting Minutes and September 18, 2024, Special Meeting Minutes: Director Long moved to approve the minutes; seconded by Director Case. Motion passed unanimously.
5. Financial Matters
  - a. Approve Unaudited Financial Reports through September 30, 2024: Ms. Harris reviewed the unaudited financials, highlighting the Developer Advance receivable. Director Long motioned to approve the unaudited financials; seconded by Director Byers. Motion passed unanimously.
  - b. Ratify and Approve Payables through October 8, 2024: Ms. Harris presented the payables and highlighted the Developer Advances needed to catch up on O&M Expenses. After discussion, Director Long motioned to approve the payables as presented, seconded by Director Byers. Motion passed unanimously.
  - c. Discuss status of Contractor work and Developer Advances: Ms. Harris reported to the Boards that if the Districts do not receive payment from the developers on the Developer Advance invoices in amounts sufficient to permit the Districts to in turn make immediate payment on the outstanding, overdue, and delinquent invoices and O&M, then both WSDM (district management and accounting) and WBA (general counsel) services will need to be suspend starting November 1.
6. District Manager Report
  - a. Assurance Update: Ms. Harris informed the Board that the extension deadline for replacing the City Assurance had passed and she requested an additional extension with the City which is currently pending. She also encouraged the developers to coordinate with Tom Patton on the required documentation for the surety bond.
  - b. Drainage Channel Financing concepts: Mr. Odor and Mr. DeGrant updated the board on the current discussion and status for figuring out the funding for the Channel improvements needed.
7. President of the Board Report: President Case II reported that the project seems to be moving along great and stressed that the Developers all need to get their advances paid so legal counsel and management don't suspend services. All other updates will be covered later in the Agenda.
8. Detailed Discussion of Development Status Review
  - a. Engineering Update
    - i. Schedule: Mr. Odor presented the monthly report and provided an update on the schedule. The waterline is completed and CSU is now providing water to all of Bradley Heights customers.
    - ii. Cash Flow: Mr. Odor reviewed the cash flow and budget based on receiving funds from Ray's group, the Church, and replacement for the \$2M assurance at the City.
  - b. Plan Updates: Mr. Odor reviewed the monthly report Mr. Grundy had prepared.
    - i. Roadway/ Utility/ Storm Water:
    - ii. Channel design:
    - iii. 24" and 16" water line update:
    - iv. Sanitary Sewer outfall update:
  - c. Construction Schedule/Construction Contracts Approval/Ratify/Pre-approval: Update was provided.

- d. Update on Construction Budget: Mr. Odor provided an update on their current cash position in comparison to the Budget. He highlighted the need for the District to get money for the water line completion and replacing the assurance with the City.
  - e. Redemption Hill Church: There were no updates.
  - f. Challenger Homes: Mr. Byers stated they are making progress on filling 5 to be ready to record plats and pull building permits. They are nearing completion of filing 3 and 4 development plans. They plan to start moving dirt in January of 2025.
  - g. Bradley Ridge: no new updated were provided.
9. Legal Matters: None.
10. Other Business
- a. The Board confirmed the scheduling of the Annual Town Hall meeting and Budget Hearing for Nov. 12, 2024 at 9:00 am.
11. Adjourn: Director Byers moved to adjourn the meeting at 10:06 am; seconded by Director Long. Motion passed unanimously

Respectfully submitted,

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By: Recording Secretary





## Bradley Heights Metropolitan District No. 1

## Balance Sheet

11/06/24

As of October 31, 2024

Accrual Basis

	<u>Oct 31, 24</u>
<b>ASSETS</b>	
<b>Current Assets</b>	
Checking/Savings	
ECB - Checking	11,707.64
Total Checking/Savings	11,707.64
Accounts Receivable	
Accounts Receivable	66,774.14
Total Accounts Receivable	66,774.14
Other Current Assets	
Due From District 3	785.19
Total Other Current Assets	785.19
Total Current Assets	79,266.97
<b>TOTAL ASSETS</b>	<b><u>79,266.97</u></b>
<b>LIABILITIES &amp; EQUITY</b>	
<b>Liabilities</b>	
<b>Current Liabilities</b>	
Accounts Payable	
Accounts Payable	49,613.85
Total Accounts Payable	49,613.85
Total Current Liabilities	49,613.85
<b>Long Term Liabilities</b>	
Developer Advance - Randle Case	41,000.00
Marksheffel-Woodmen Investments	75,850.00
Total Long Term Liabilities	116,850.00
Total Liabilities	166,463.85
<b>Equity</b>	
Retained Earnings	-77,107.71
Net Income	-10,089.17
Total Equity	-87,196.88
<b>TOTAL LIABILITIES &amp; EQUITY</b>	<b><u>79,266.97</u></b>

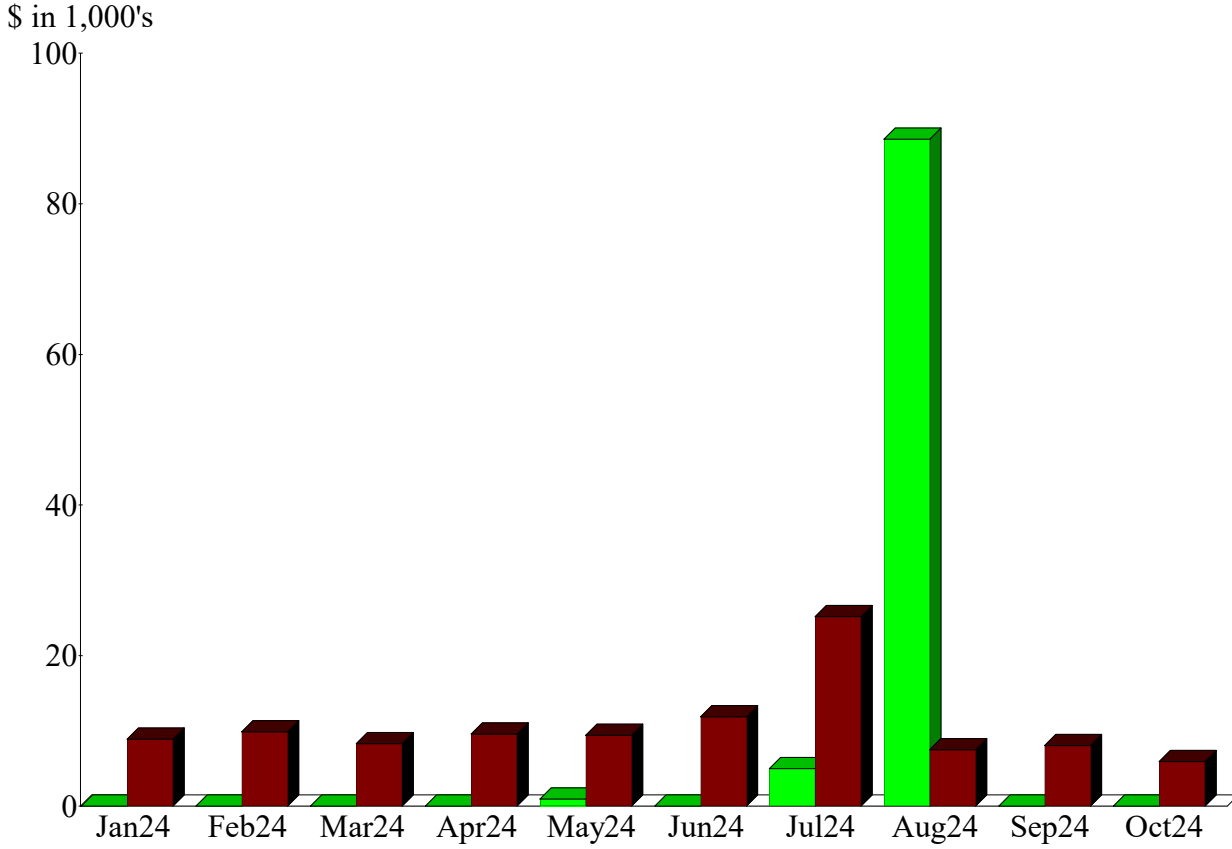
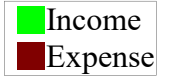
## Bradley Heights Metropolitan District No. 1

### Profit & Loss Budget vs. Actual

January through October 2024

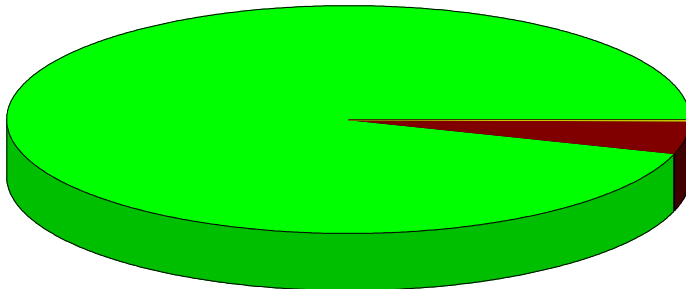
	TOTAL				
	Oct 24	Jan - Oct 24	Budget	\$ Over Budget	% of Budget
<b>Ordinary Income/Expense</b>					
<b>Income</b>					
Developer Advance	0.00	90,000.01	85,000.00	5,000.01	105.88%
Transfer From District 2-O&M	0.00	4,389.94	2,413.00	1,976.94	181.93%
Transfer From District 3-O&M	0.00	172.50			
<b>Total Income</b>	<b>0.00</b>	<b>94,562.45</b>	<b>87,413.00</b>	<b>7,149.45</b>	<b>108.18%</b>
<b>Expense</b>					
Audit	0.00	15,375.00	15,375.00	0.00	100.0%
Bank Service Charge	0.00	0.00	100.00	-100.00	0.0%
Contingency	0.00	0.00	10,000.00	-10,000.00	0.0%
Copies & Postage	0.00	575.45	500.00	75.45	115.09%
District Management	5,000.00	50,000.00	60,000.00	-10,000.00	83.33%
Dues & Subscriptions (SDA) - D1	0.00	367.01	500.00	-132.99	73.4%
Dues & Subscriptions (SDA) - D2	0.00	1,237.50	1,500.00	-262.50	82.5%
Dues & Subscriptions (SDA) - D3	0.00	225.01	500.00	-274.99	45.0%
Insurance - D1	695.00	1,290.00	2,000.00	-710.00	64.5%
Insurance - D2	0.00	2,386.00	3,000.00	-614.00	79.53%
Insurance - D3	0.00	445.00	3,000.00	-2,555.00	14.83%
Legal	238.31	32,447.43	25,000.00	7,447.43	129.79%
Miscellaneous	0.00	303.22	0.00	303.22	100.0%
<b>Total Expense</b>	<b>5,933.31</b>	<b>104,651.62</b>	<b>121,475.00</b>	<b>-16,823.38</b>	<b>86.15%</b>
<b>Net Ordinary Income</b>	<b>-5,933.31</b>	<b>-10,089.17</b>	<b>-34,062.00</b>	<b>23,972.83</b>	<b>29.62%</b>
<b>Net Income</b>	<b>-5,933.31</b>	<b>-10,089.17</b>	<b>-34,062.00</b>	<b>23,972.83</b>	<b>29.62%</b>

Income and Expense by Month  
January through October 2024



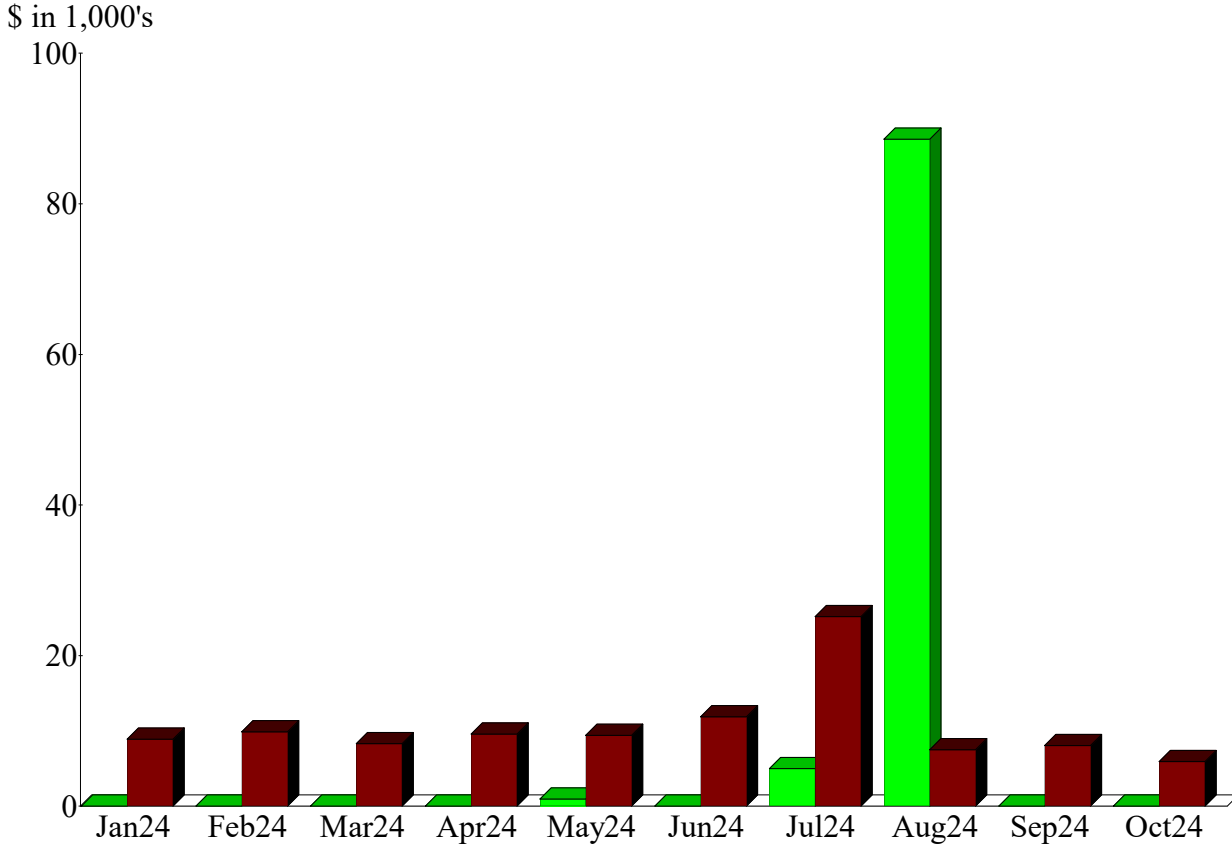
Income Summary  
January through October 2024

Developer Advance	95.18%
Transfer From District 2-O&M	4.64
Transfer From District 3-O&M	0.18
<b>Total</b>	<b>\$94,562.45</b>



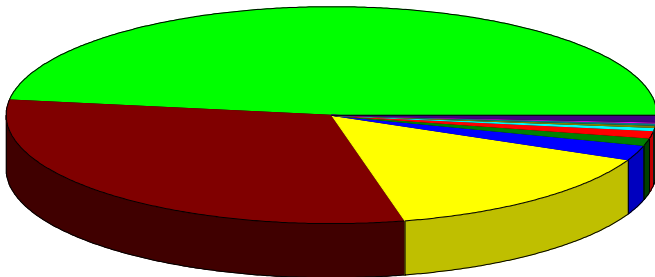
By Account

Income and Expense by Month  
January through October 2024



Expense Summary  
January through October 2024

District Management	47.78%
Legal	31.01
Audit	14.69
Insurance - D2	2.28
Insurance - D1	1.23
Dues & Subscriptions (SDA) - D2	1.18
Copies & Postage	0.55
Insurance - D3	0.43
Dues & Subscriptions (SDA) - D1	0.35
Miscellaneous	0.29
Dues & Subscriptions (SDA) - D3	0.22
<b>Total</b>	<b>\$104,651.62</b>



By Account

## Bradley Heights Metropolitan District No. 2

## Balance Sheet

11/06/24

As of October 31, 2024

Accrual Basis

	Oct 31, 24
<b>ASSETS</b>	
<b>Current Assets</b>	
<b>Checking/Savings</b>	
ECB Checking	70,120.70
UMB Bond Account 156470.1	308,206.75
UMB - Project Fund 156470.2	1,379,750.96
<b>Total Checking/Savings</b>	1,758,078.41
<b>Accounts Receivable</b>	
Accounts Receivable	512,999.00
<b>Total Accounts Receivable</b>	512,999.00
<b>Other Current Assets</b>	
Due from District No 3	9.00
Accounts Receivable Other	39.00
<b>Total Other Current Assets</b>	48.00
<b>Total Current Assets</b>	2,271,125.41
<b>Fixed Assets</b>	
Construction in Progress	33,970,464.58
<b>Total Fixed Assets</b>	33,970,464.58
<b>TOTAL ASSETS</b>	<b>36,241,589.99</b>
<b>LIABILITIES &amp; EQUITY</b>	
<b>Liabilities</b>	
<b>Current Liabilities</b>	
Accounts Payable	
Accounts Payable	66,512.06
<b>Total Accounts Payable</b>	66,512.06
<b>Other Current Liabilities</b>	
Retainage Payable	1,351,005.00
Accrued Interest	4,000,957.00
<b>Total Other Current Liabilities</b>	5,351,962.00
<b>Total Current Liabilities</b>	5,418,474.06
<b>Long Term Liabilities</b>	
Series 2021A Bonds	35,000,000.00
<b>Total Long Term Liabilities</b>	35,000,000.00
<b>Total Liabilities</b>	40,418,474.06
<b>Equity</b>	
Retained Earnings	-3,853,191.17
Net Income	-323,692.90
<b>Total Equity</b>	-4,176,884.07
<b>TOTAL LIABILITIES &amp; EQUITY</b>	<b>36,241,589.99</b>

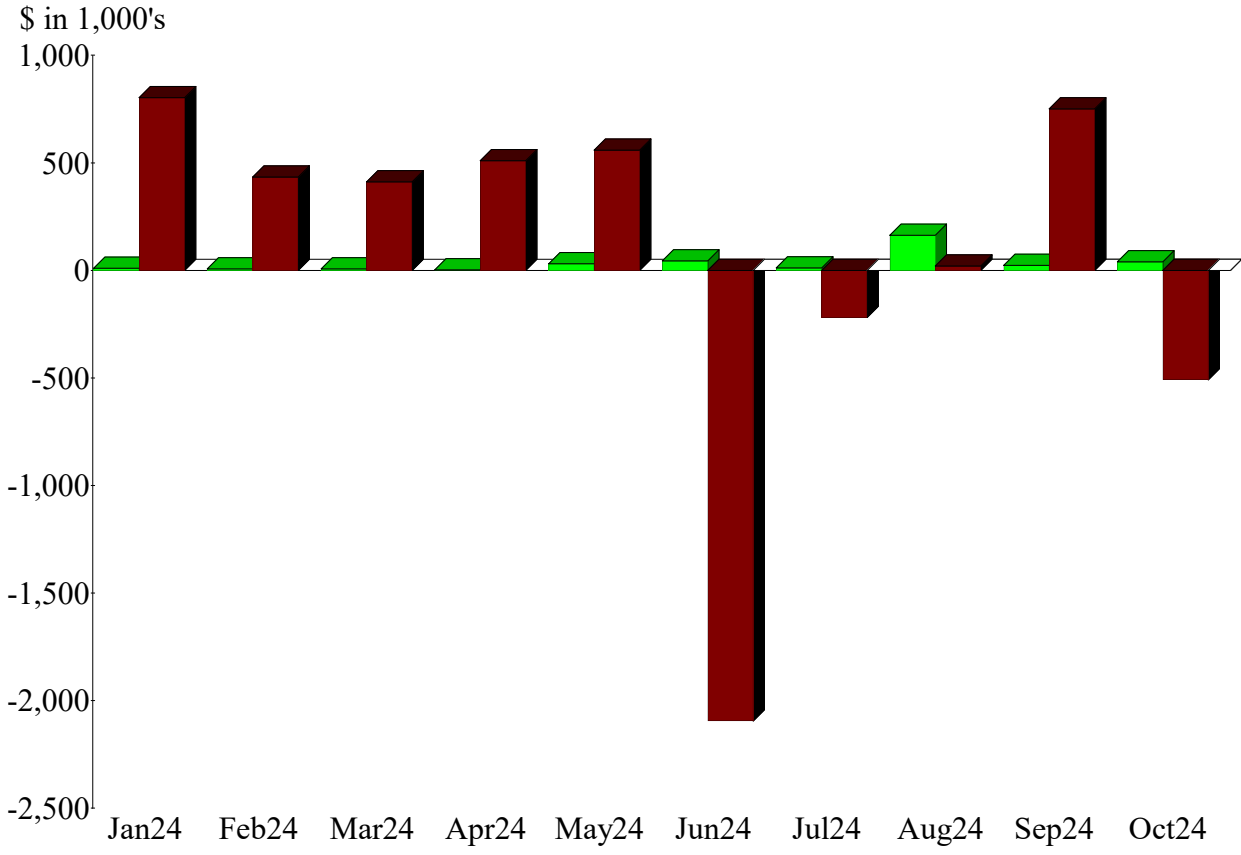
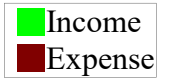
## Bradley Heights Metropolitan District No. 2

### Profit & Loss Budget vs. Actual

January through October 2024

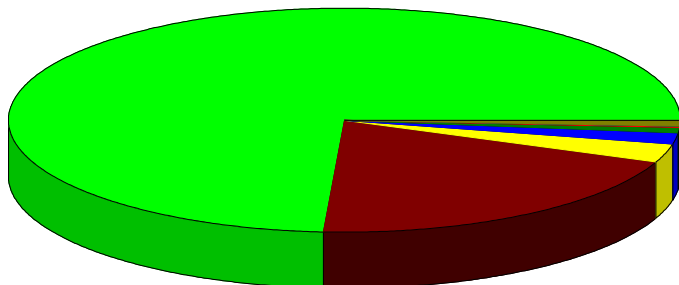
	TOTAL				
	Oct 24	Jan - Oct 24	Budget	\$ Over Budget	% of Budget
<b>Ordinary Income/Expense</b>					
<b>Income</b>					
Trash Service	1,141.31	5,782.31			
Transfer From D3 DS Taxes	0.00	517.19	523.00	-5.81	98.89%
CY Property Tax - O&M	0.00	3,291.84	4,712.00	-1,420.16	69.86%
Specific Ownership Tax - O&M	27.07	228.62	330.00	-101.38	69.28%
CY Property Tax - Debt	0.00	9,875.53	8,397.00	1,478.53	117.61%
Specifice Ownership Tax - Debt	81.20	685.84	588.00	97.84	116.64%
<b>Impact Fees</b>					
Capital Facility Fees-Platting	32,989.00	259,913.00	119,960.00	139,953.00	216.67%
<b>Total Impact Fees</b>	<u>32,989.00</u>	<u>259,913.00</u>	<u>119,960.00</u>	<u>139,953.00</u>	<u>216.67%</u>
<b>Total Income</b>	<u>34,238.58</u>	<u>280,294.33</u>	<u>134,510.00</u>	<u>145,784.33</u>	<u>208.38%</u>
<b>Expense</b>					
<b>Bond Expense</b>					
Bank Fees	425.82	3,830.36			
Debt Service Interest	0.00	0.00	119,960.00	-119,960.00	0.0%
Paying Agent Fee	0.00	0.00	4,000.00	-4,000.00	0.0%
<b>Total Bond Expense</b>	<u>425.82</u>	<u>3,830.36</u>	<u>123,960.00</u>	<u>-120,129.64</u>	<u>3.09%</u>
<b>Capital Outlay</b>					
Legal Expense	0.00	120.31			
Construction Coordination	0.00	427,380.10			
Capital Construction	0.00	225,754.58	2,076,963.00	-1,851,208.42	10.87%
Engineering/Planning	0.00	407,832.13			
Project Management	0.00	113,171.55			
Capital Outlay - Other	-510,000.00	-510,000.00			
<b>Total Capital Outlay</b>	<u>-510,000.00</u>	<u>664,258.67</u>	<u>2,076,963.00</u>	<u>-1,412,704.33</u>	<u>31.98%</u>
Transfer to District 1	0.00	3,416.81			
Trash Expense	525.00	1,585.45			
Treasurer Collection Fee - O&M	0.00	49.01	71.00	-21.99	69.03%
Treasurer Collection Fee - Debt	0.00	147.02	126.00	21.02	116.68%
Utilities	9.06	9.06			
<b>Total Expense</b>	<u>-509,040.12</u>	<u>673,296.38</u>	<u>2,201,120.00</u>	<u>-1,527,823.62</u>	<u>30.59%</u>
<b>Net Ordinary Income</b>	<u>543,278.70</u>	<u>-393,002.05</u>	<u>-2,066,610.00</u>	<u>1,673,607.95</u>	<u>19.02%</u>
<b>Other Income/Expense</b>					
<b>Other Income</b>					
Interest Income - Debt	6,541.06	70,282.28	100,000.00	-29,717.72	70.28%
<b>Total Other Income</b>	<u>6,541.06</u>	<u>70,282.28</u>	<u>100,000.00</u>	<u>-29,717.72</u>	<u>70.28%</u>
<b>Other Expense</b>					
<b>Other Expense</b>					
Transfer to Dist 1 - Gen Fund	0.00	973.13	2,413.00	-1,439.87	40.33%
<b>Total Other Expense</b>	<u>0.00</u>	<u>973.13</u>	<u>2,413.00</u>	<u>-1,439.87</u>	<u>40.33%</u>
<b>Total Other Expense</b>	<u>0.00</u>	<u>973.13</u>	<u>2,413.00</u>	<u>-1,439.87</u>	<u>40.33%</u>
<b>Net Other Income</b>	<u>6,541.06</u>	<u>69,309.15</u>	<u>97,587.00</u>	<u>-28,277.85</u>	<u>71.02%</u>
<b>Net Income</b>	<u><u>549,819.76</u></u>	<u><u>-323,692.90</u></u>	<u><u>-1,969,023.00</u></u>	<u><u>1,645,330.10</u></u>	<u><u>16.44%</u></u>

Income and Expense by Month  
January through October 2024



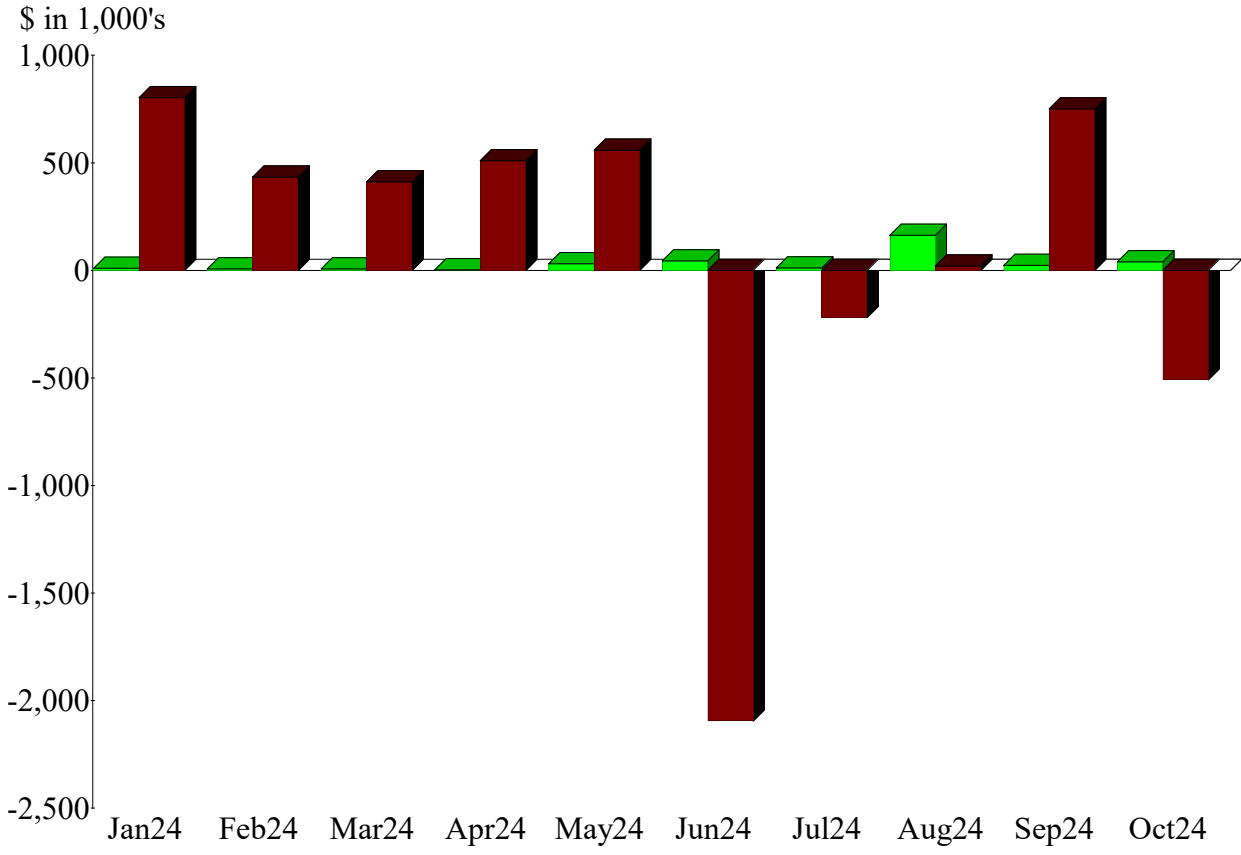
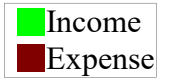
Income Summary  
January through October 2024

Impact Fees	74.14%
Interest Income - Debt	20.05
CY Property Tax - Debt	2.82
Trash Service	1.65
CY Property Tax - O&M	0.94
Specifice Ownership Tax - Debt	0.20
Transfer From D3 DS Taxes	0.15
Specific Ownership Tax - O&M	0.07
<b>Total</b>	<b>\$350,576.61</b>



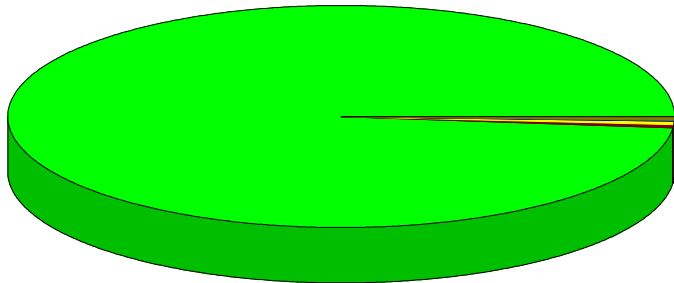
By Account

Income and Expense by Month  
January through October 2024



Expense Summary  
January through October 2024

Capital Outlay	98.52%
Bond Expense	0.57
Transfer to District 1	0.51
Trash Expense	0.24
Other Expense	0.14
Treasurer Collection Fee - Debt	0.02
Treasurer Collection Fee - O&M	0.01
Utilities	0.01
<b>Total</b>	<b>\$674,269.51</b>



By Account



## Bradley Heights Metropolitan District No. 3

## Balance Sheet

11/06/24

As of October 31, 2024

Accrual Basis

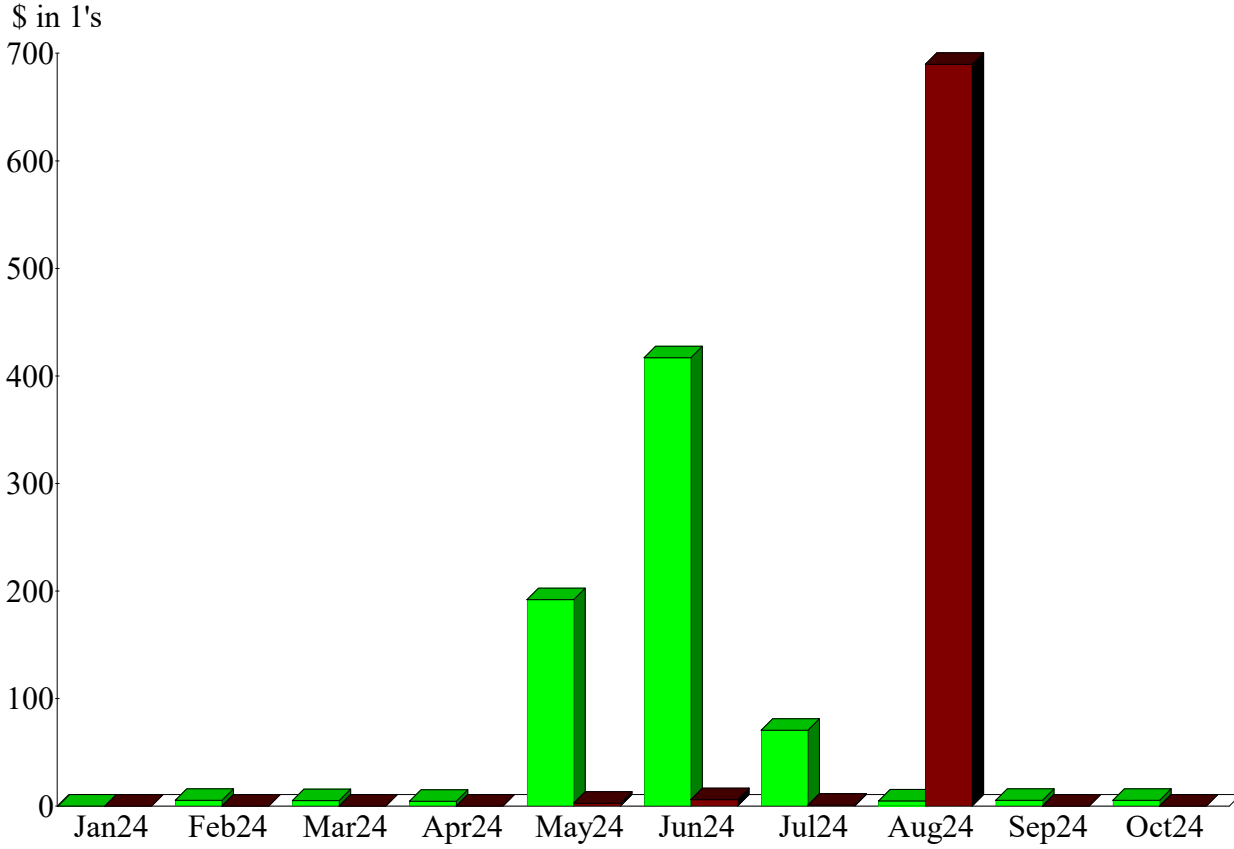
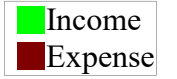
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	<u>Oct 31, 24</u>
<b>ASSETS</b>	
Current Assets	
Checking/Savings	
ECB Checking	381.87
Total Checking/Savings	381.87
Total Current Assets	381.87
<b>TOTAL ASSETS</b>	<b>381.87</b>
<b>LIABILITIES &amp; EQUITY</b>	
Liabilities	
Current Liabilities	
Other Current Liabilities	
Due To District 1	794.19
Total Other Current Liabilities	794.19
Total Current Liabilities	794.19
Total Liabilities	794.19
Equity	
Retained Earnings	-423.47
Net Income	11.15
Total Equity	-412.32
<b>TOTAL LIABILITIES &amp; EQUITY</b>	<b>381.87</b>

**Bradley Heights Metropolitan District No. 3**  
**Profit & Loss Budget vs. Actual**  
 January through October 2024

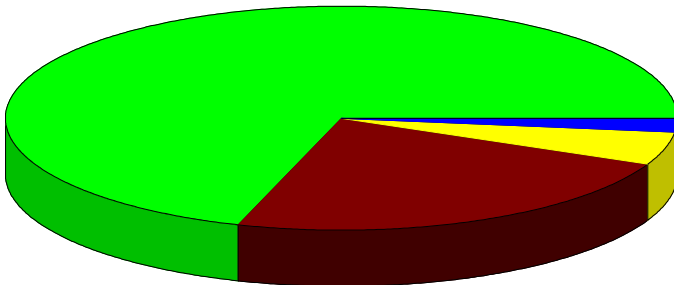
	TOTAL				
	Oct 24	Jan - Oct 24	Budget	\$ Over Budget	% of Budget
<b>Ordinary Income/Expense</b>					
<b>Income</b>					
CY Property Tax - O&M	0.00	166.14	249.00	-82.86	66.72%
Specific Ownership Tax - O&M	1.36	11.48	17.00	-5.52	67.53%
CY Property Tax - Debt	0.00	498.70	746.00	-247.30	66.85%
Specifice Ownership Tax - Debt	4.07	34.40	52.00	-17.60	66.15%
<b>Total Income</b>	<u>5.43</u>	<u>710.72</u>	<u>1,064.00</u>	<u>-353.28</u>	<u>66.8%</u>
<b>Expense</b>					
Transfer to D2 DS Taxes	0.00	517.19	787.00	-269.81	65.72%
Transfer to District 1	0.00	172.50			
Treasurer Collection Fee - O&M	0.00	2.47	4.00	-1.53	61.75%
Treasurer Collection Fee - Debt	0.00	7.41	11.00	-3.59	67.36%
<b>Total Expense</b>	<u>0.00</u>	<u>699.57</u>	<u>802.00</u>	<u>-102.43</u>	<u>87.23%</u>
<b>Net Ordinary Income</b>	<u>5.43</u>	<u>11.15</u>	<u>262.00</u>	<u>-250.85</u>	<u>4.26%</u>
<b>Net Income</b>	<u><u>5.43</u></u>	<u><u>11.15</u></u>	<u><u>262.00</u></u>	<u><u>-250.85</u></u>	<u><u>4.26%</u></u>

Income and Expense by Month  
January through October 2024



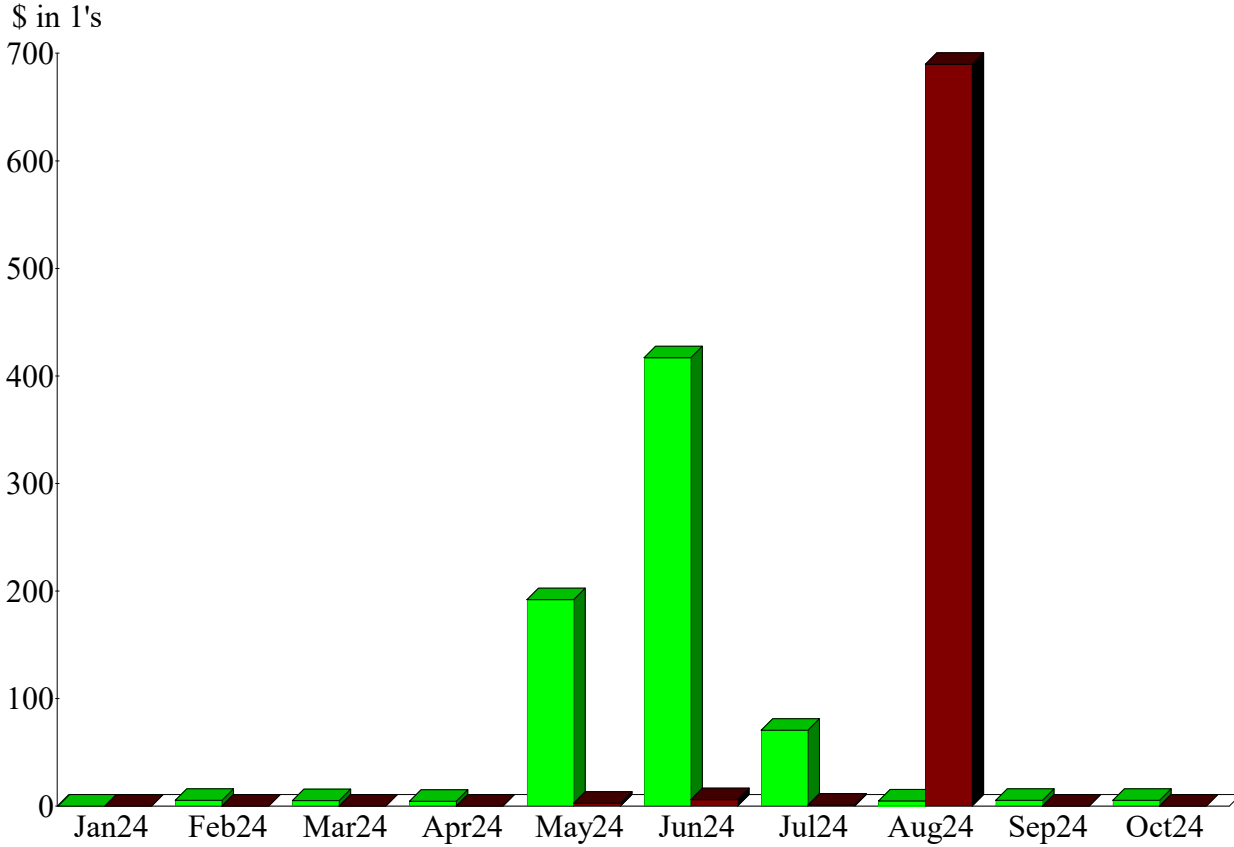
Income Summary  
January through October 2024

CY Property Tax - Debt	70.17%
CY Property Tax - O&M	23.38
Specifice Ownership Tax - Debt	4.84
Specific Ownership Tax - O&M	1.62
<b>Total</b>	<b>\$710.72</b>



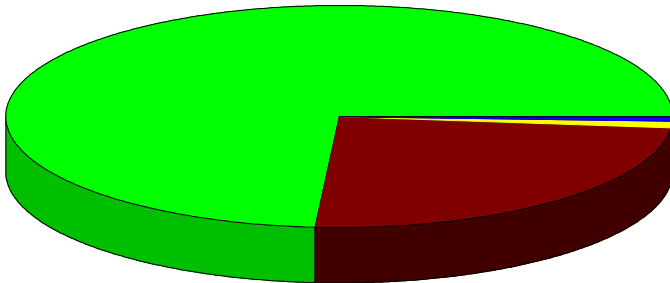
By Account

Income and Expense by Month  
January through October 2024



Expense Summary  
January through October 2024

Transfer to D2 DS Taxes	73.93%
Transfer to District 1	24.66
Treasurer Collection Fee - Debt	1.06
Treasurer Collection Fee - O&M	0.35
<b>Total</b>	<b>\$699.57</b>



By Account



# Bradley Heights Metropolitan District No. 1

## PAYMENT REQUEST

11/12/2024

### GENERAL FUND ACCOUNT

Company	Invoice	Date	Amount	Comments
Biggs Kofford	116410	7/30/2024	\$ 9,600.00	Approved - remains unpaid
Biggs Kofford	116411	7/30/2024	\$ 5,775.00	Approved - remains unpaid
CO Special Dist Prop & Liability F	25PL-606121130	9/25/2024	\$ 1,941.00	
TCW Risk Management	13969	10/3/2024	\$ 695.00	
White Bear Anekele	37434	10/31/2024	\$ 238.31	
White Bear Anekele	36942	9/30/2024	\$ 1,119.30	
WSDM District Managers	7932	3/31/2024	\$ 5,024.00	Approved - remains unpaid
WSDM District Managers	7974	4/30/2024	\$ 5,044.25	Approved - remains unpaid
WSDM District Managers	8016	5/31/2024	\$ 5,049.30	Approved - remains unpaid
WSDM District Managers	8057	6/30/2024	\$ 5,117.10	Approved - remains unpaid
WSDM District Managers	434	9/30/2024	\$ 5,010.59	Approved - remains unpaid
WSDM District Managers	460	10/31/2024	5,000.00	
<b>TOTAL</b>			<b>\$ 49,613.85</b>	

\$49,613.85

\_\_\_\_\_  
Bradley Heights Metropolitan District

Balance Per Bank 11/6/24	11,707.64
Current Payables	(49,613.85)
<b>Outstanding Dev Advance</b>	<b>66,774.14</b>
Funds Needed	28,867.93

# Bradley Heights Metropolitan District No. 2

## PAYMENT REQUEST

11/12/2024

### GENERAL FUND ACCOUNT

Company	Invoice	Date	Amount	Comments
HBS Trash	FR4750243	10/31/2024	\$ 525.00	
MVEC	106055500	10/9/2024	\$ 9.06	
UMB Bank	100124	10/1/2024	\$ 20,993.00	Pledged Revenue Permits
UMB Bank	102524	10/25/2024	44,985.00	Pledged Revenue Permits
<b>TOTAL</b>			<b>\$ 66,512.06</b>	

\$66,512.06

Bradley Heights Metropolitan District

Balance Per Bank 10/31/2024	<b>70,180.70</b>
Current Payables	<u>(66,512.06)</u>
Funds Needed	3,668.64





**BRADLEY HEIGHTS METROPOLITAN DISTRICT NO. 1  
2025 BUDGET  
GENERAL FUND**

	2023	2024	2024	2024	2025
	ACTUAL	ACTUAL	PROJECTED	BUDGET	BUDGET
		8/28/2024			
<b>GENERAL FUND</b>	\$ 5,660	\$ 71,128	\$ 71,128	\$ 3,129	\$ 72,032
<b>REVENUES</b>					
DEVELOPER ADVANCES	\$ 163,249	\$ 116,994	\$ 116,994	\$ 85,000	\$ 85,000
REIEMBURSEMENT - PRIOR YEAR					
TRANSFER FROM DISTRICT 2	\$	\$ 3,494	\$ 5,042	\$ 2,413	\$ 52,020
TRANSFER FROM DISTRICT 3	\$ 135	\$ 173	\$ 176	\$ -	\$ 612
<b>TOTAL REVENUES</b>	<b>\$ 169,043</b>	<b>\$ 191,789</b>	<b>\$ 193,340</b>	<b>\$ 90,542</b>	<b>\$ 209,664</b>
<b>EXPENDITURES</b>					
AUDIT	\$ 14,825	\$ 15,375	\$ 15,375	\$ 15,375	\$ 16,144
BANK SERVICE CHARGES			\$ -	\$ 100	\$ 100
COPIES/POSTAGE	\$ 2	\$ 565	\$ 600	\$ 500	\$ 1,000
ELECTIONS	\$ 2,273		\$	\$ -	\$ 10,000
INSURANCE D1	\$ 2,141	\$ 595	\$ 2,200	\$ 2,000	\$ 2,500
INSURANCE D2	\$ 250	\$ 445	\$ 3,000	\$ 3,000	\$ 5,000
INSURANCE D3	\$ 5,292	\$ 445	\$ 3,000	\$ 3,000	\$ 3,000
LEGAL	\$ 34,177	\$ 29,521	\$ 35,000	\$ 25,000	\$ 30,000
DISTRICT MANAGEMENT	\$ 37,131	\$ 40,000	\$ 60,000	\$ 60,000	\$ 66,000
MISCELLANEOUS	\$ 46	\$ 303	\$ 303		
DUES AND SUBSCRIPTIONS (SDA) D1	\$ 316	\$ 367	\$ 367	\$ 500	\$ 500
DUES AND SUBSCRIPTIONS (SDA) D2	\$ 1,238	\$ 1,238	\$ 1,238	\$ 1,500	\$ 1,500
DUES AND SUBSCRIPTIONS (SDA) D3	\$ 225	\$ 225	\$ 225	\$ 500	\$ 500
CONTINGENCY			\$	\$ 10,000	\$ 10,000
TRANSFER TO D1 DEBT SERVICE FUND					
<b>TOTAL EXPENDITURES</b>	<b>\$ 97,916</b>	<b>\$ 89,079</b>	<b>\$ 121,308</b>	<b>\$ 121,475</b>	<b>\$ 146,244</b>
<b>GENERAL FUND: ENDING BALANCE</b>	<b>\$ 71,128</b>	<b>\$ 102,710</b>	<b>\$ 72,032</b>	<b>\$ (30,933)</b>	<b>\$ 63,421</b>
EMERGENCY RESERVE: State Required at 3%	\$ 2,937	\$ 2,672	\$ 3,639	\$ 3,644	\$ 4,387
ASSESSED VALUATION	\$ 30	\$ 30	\$	\$ 30	
MILL LEVY - O&M	0.000			0.000	
MILL LEVY - DEBT	0.000			0.000	
TOTAL MILL LEVY	0.000			0.000	

DRAFT

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

Bradley Heights Metropolitan District No. 1

The attached 2025 Budget for Bradley Heights Metropolitan District No. 1 includes these important features:

- The primary sources of revenue for the district is tax revenue transferred from Bradley Heights Metropolitan District No. 2 and District No. 3.
- Developer Advance payments are the primary fund for the shortfall on O&M property tax revenue.
- Development of a capital construction plan and construction of priority projects with the use of borrowed funds.

The Budgetary basis of 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:

- Contracted legal and management services including state required reporting, financial and accounting reports, billing and other services.



614 N. Tejon St  
Colorado Springs, CO 80903  
(719) 447-1777

**BRADLEY HEIGHTS METROPOLITAN DISTRICT NO. 2  
2025 BUDGET  
GENERAL FUND**

	2023	2024	2024	2024	2025
	ACTUAL	ACTUAL	PROJECTED	BUDGET	BUDGET
<b>GENERAL FUND</b>	<b>\$ 358</b>	<b>\$ 1,452</b>	<b>\$ 1,451.70</b>	<b>\$ 1,452</b>	<b>\$ 8,403</b>
REVENUES					
PROPERTY TAXES	\$ 930	\$ 3,292	\$ 4,712	\$ 4,712	\$ 51,251
SPECIFIC OWNERSHIP TAXES	\$ 161	\$ 202	\$ 330	\$ 330	\$ 769
INTERGOVERNMENTAL REVENUE	\$ -				
TRASH SERVICE	\$ -	\$ 4,421	\$ 4,500		\$ 11,728
MISCELLANEOUS	\$ 17				
TOTAL REVENUES	<b>\$ 1,108</b>	<b>\$ 7,915</b>	<b>\$ 9,542</b>	<b>\$ 5,042</b>	<b>\$ 63,748</b>
EXPENDITURES					
INSURANCE					
TRASH SERVICE		\$ 317	\$ 1,618		\$ 11,728
TREASURER'S FEES	\$ 14	\$ 49		\$ 71	\$ 769
TOTAL EXPENDITURES	<b>\$ 14</b>	<b>\$ 366</b>	<b>\$ 1,618</b>	<b>\$ 71</b>	<b>\$ 12,497</b>
TRANSFER TO DISTRICT 1 GENERAL FUND		\$ 973	\$ 973	\$ 2,413	
GENERAL FUND: ENDING BALANCE	<b>\$ 1,452</b>	<b>\$ 8,028</b>	<b>\$ 8,403</b>	<b>\$ 4,010</b>	<b>\$ 59,655</b>
EMERGENCY RESERVE: State Required at 3%	\$ 0	\$ 11	\$ 49	\$ 2	\$ 375
ASSESSED VALUATION	\$ 156,520	\$ 235,600	\$ 235,600	\$ 235,600	2562570
MILL LEVY - O&M	10.000	20.000	20.000	20.000	20.000
MILL LEVY - DEBT	30.000	35.642	35.642	35.642	35.642
TOTAL MILL LEVY	40.000	55.642	55.642	55.642	55.642

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**BRADLEY HEIGHTS METROPOLITAN DISTRICT NO. 2  
2025 BUDGET  
DEBT SERVICE FUND**

	2023	2024	2024	2024	2025
	ACTUAL	ACTUAL	PROJECTED	BUDGET	BUDGET
		9/25/2024			
<b>DEBT SERVICE BEGINNING BALANCE</b>	\$ 0	\$ 26,997	\$ 26,997	\$ 1,896	\$ 33,865
SERIES 2021: REVENUE					
REVENUE SERIES 2021A BONDS					
PROPERTY TAXES	\$ 2,789	\$ 9,876	\$ 9,876	\$ 8,397	\$ 91,335
SPECIFIC OWNERSHIP TAXES	\$ 484	\$ 605	\$ 605	\$ 588	\$ 6,393
DELINQUENT TAX AND INTEREST	\$ -				
INTEREST INCOME					
DEVELOPER ADVANCE					
TRANSFER FROM DISTRICT 3	\$ 774	\$ 517	\$ 534	\$ 523	\$ 458
FACILITY FEES	\$ 77,974	\$ 214,928	\$ 214,928	\$ 119,960	\$ 535,752
IMPACT FEES					\$ 106,943
<b>TOTAL REVENUES</b>	<b>\$ 82,021</b>	<b>\$ 225,926</b>	<b>\$ 225,943</b>	<b>\$ 129,468</b>	<b>\$ 740,881</b>
EXPENDITURES					
TRANSFER TO CAPITAL PROJECT FUND	\$ -	\$ -	\$ -	\$ -	\$ 106,943
TRANSFER TO DEBT SERVICE RESERVE FUN	\$ 13,508	\$ 214,928	\$ 214,928	\$ 119,960.00	\$ 535,752
COST OF ISSUANCE					
DEBT SERVICE	\$ 37,475				
CO TREASURER'S FEE	\$ 42	\$ 147	\$ 147	\$ 126	\$ 1,370
TRUSTEE FEES	\$ 4,000		\$ 4,000	\$ 4,000	\$ 4,000
CONTINGENCY					
INSURANCE	\$ -				\$ -
<b>TOTAL EXPENDITURES</b>	<b>\$ 55,025</b>	<b>\$ 215,075</b>	<b>\$ 219,075</b>	<b>\$ 124,086</b>	<b>\$ 648,065</b>
<b>ENDING FUND BALANCE</b>	<b>\$ 26,997</b>	<b>\$ 37,848</b>	<b>\$ 33,865</b>	<b>\$ 7,278</b>	<b>\$ 126,681</b>
ASSESSED VALUATION	\$ 156,520	\$ 235,600	\$ 235,600	\$ 235,600	\$ 256,2570
MILL LEVY - O&M	10.000	20.000	20.000	20.000	20.000
MILL LEVY - DEBT	30.000	35.642	35.642	35.642	35.642
TOTAL MILL LEVY	40.000	55.642	55.642	55.642	55.642

**BRADLEY HEIGHTS METROPOLITAN DISTRICT NO. 2  
CAPITAL PROJECTS FUND  
2025 BUDGET**

	2023	2024	2024	2024	2025
	ACTUAL	ACTUAL	PROJECTED	BUDGET	BUDGET
<b>PROJECT/CAPITAL FUND: BEGINNING BALANCE</b>	<b>\$ 24,279,413</b>	<b>\$ 2,966,479</b>	<b>\$ 2,966,479</b>	<b>\$ 2,076,963</b>	<b>\$ 448,301</b>
REVENUES - BONDS					
LOAN FROM GENERAL (O&M) FUND					
TRANSFER FROM IMPACT FEE					\$ 106,943
PROJECT BOND FUND					
INTEREST INCOME	\$ 709,537	\$ 54,430	\$ 55,000	\$ 100,000	
<b>TOTAL REVENUES</b>	<b>\$ 709,537</b>	<b>\$ 54,430</b>	<b>\$ 55,000</b>	<b>\$ 100,000</b>	<b>\$ -</b>
<b>TOTAL REVENUE &amp; FUND BALANCE</b>	<b>\$ 24,988,950</b>	<b>\$ 3,020,909</b>	<b>\$ 3,021,479</b>	<b>\$ 2,176,963</b>	<b>\$ 448,301</b>
EXPENDITURES					
CAPITAL CONSTRUCTION	\$ 21,127,709	\$ (70,472)	\$ 2,076,963	\$ 2,076,963	
ENGINEERING/PLANNING	\$ 639,147	\$ 395,622	\$ 395,622		
PROJECT MANAGEMENT	\$ 178,235	\$ 97,593	\$ 97,593		
DEVELOPER REIMBURSEMENTS					
CONSTRUCTION MISC	\$ 38,690				
BANK FEES	\$ 38,690	\$ 2,955	\$ 3,000		\$ 3,000.00
<b>TOTAL EXPENDITURES</b>	<b>\$ 22,022,471</b>	<b>\$ 425,698</b>	<b>\$ 2,573,178</b>	<b>\$ 2,076,963</b>	<b>\$ 3,000</b>
OTHER FINANCING SOURCES					
TRANSFER IN: DEBT SERVICE FUND D2					
<b>CAPITAL FUND: ENDING BALANCE</b>	<b>\$ 2,966,479</b>	<b>\$ 2,595,211</b>	<b>\$ 448,301</b>	<b>\$ 100,000</b>	<b>\$ 445,301</b>

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

Bradley Heights Metropolitan District No. 2

The attached 2025 Budget for Bradley Heights Metropolitan District No. 2 includes these important features:

- The primary sources of revenue for the district are tax revenues.
- Development of a capital construction plan and construction of priority projects with the use of borrowed funds.
- Payment of debt service obligations.

The Budgetary basis of 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:

- Contracted legal and management services including state required reporting, financial and accounting reports, billing and other services.
- Capital construction for roadways, drainage channel, and storm ponds within the district.



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Colorado Springs, CO 80903  
(719) 447-1777

**BRADLEY HEIGHTS METROPOLITAN DISTRICT NO. 3  
2025 BUDGET  
GENERAL FUND**

	2023 ACTUAL	2024 ACTUAL	2024 PROJECTED	2024 BUDGET	2025 BUDGET
<b>GENERAL FUND</b>	\$ 327	\$ 460	\$ 460	\$ 464	\$ 460
REVENUES					
PROPERTY TAXES	\$ 249	\$ 166	\$ 166	\$ 165	\$ 145
SPECIFIC OWNERSHIP TAXES	\$ 23	\$ 9	\$ 12	\$ 12	\$ 10
DELINQUENT INTEREST	\$ -				
MISCELLANEOUS					
<b>TOTAL REVENUES</b>	<b>\$ 272</b>	<b>\$ 175</b>	<b>\$ 178</b>	<b>\$ 177</b>	<b>\$ 155</b>
EXPENDITURES					
INSURANCE					
COUNTY TREASURES COLLECTION FEE	\$ 4	\$ 2	\$ 2	\$ 2	\$ 2
<b>TOTAL EXPENDITURES</b>	<b>\$ 4</b>	<b>\$ 2</b>	<b>\$ 2</b>	<b>\$ 2</b>	<b>\$ 2</b>
TRANSFER TO DISTRICT 1 GENERAL FUND	\$ 135	\$ 173	\$ 176	-	612
<b>GENERAL FUND: ENDING BALANCE</b>	<b>\$ 460</b>	<b>\$ 460</b>	<b>\$ 460</b>	<b>\$ 638</b>	<b>\$ -</b>
EMERGENCY RESERVE: State Required at 3%	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0
ASSESSED VALUATION	\$ 24,900	\$ 16,510	\$ 16,510	16,510	14460
MILL LEVY - O&M	10.000	10.000	10.000	10.000	10.000

**BRADLEY HEIGHTS METROPOLITAN DISTRICT NO. 3  
2025 BUDGET  
DEBT SERVICE FUND**

	2023 ACTUAL	2024 ACTUAL	2024 PROJECTED	2024 BUDGET	2025 BUDGET
<b>DEBT SERVICE BEGINNING BALANCE</b>	\$ -	\$ 32	\$ 32	\$ -	\$ -
REVENUES					
D2- PROPERTY TAXES	\$ 747	\$ 499	\$ 499	\$ 495	\$ 434
D2- SPECIFIC OWNERSHIP TAXES	\$ 70	\$ 26	\$ 35	\$ 35	\$ 30
D2- DELINQUENT TAX AND INTEREST	\$ -				
D2- IMPACT FEES	\$ -			\$ -	
<b>TOTAL REVENUES</b>	<b>\$ 817</b>	<b>\$ 525</b>	<b>\$ 534</b>	<b>\$ 530</b>	<b>\$ 464</b>
EXPENDITURES					
CO TREASURER'S FEE	\$ 11	\$ 7	\$ 7	\$ 7	\$ 7
INTERGOVERNMENTAL					
MISCELLANEOUS	\$ -			\$ -	
<b>TOTAL EXPENDITURES</b>	<b>\$ 11</b>	<b>\$ 7</b>	<b>\$ 7</b>	<b>\$ 7</b>	<b>\$ 7</b>
TRANSFER TO DISTRICT 2 DEBT SERVICE FU	\$ 774	\$ 517	\$ 527	\$ 523	\$ 458
<b>ENDING FUND BALANCE</b>	<b>\$ 32</b>	<b>\$ 1</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>
ASSESSED VALUATION	\$ 24,900	\$ 16,510	\$ 16,510	16,510	14,460.00
MILL LEVY - O&M	10.000	10.000	10.000	10.000	10.000
MILL LEVY - DEBT	30.000	30.000	30.000	30.000	30.000
TOTAL MILL LEVY	40.000	40.000	40.000	40.000	40.000

**DRAFT**

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

Bradley Heights Metropolitan District No. 3

The attached 2025 Budget for Bradley Heights Metropolitan District No. 3 includes these important features:

- The primary sources of revenue for the district are tax revenues.
- Development of a capital construction plan and construction of priority projects with the use of borrowed funds.

The Budgetary basis of 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:

- Contracted legal and management services including state required reporting, financial and accounting reports, billing and other services.



614 N. Tejon St  
Colorado Springs, CO 80903  
(719) 447-1777





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



**BRADLEY HEIGHTS METROPOLITAN DISTRICT NOS. 1, 2, AND 3**

Re: Management Contract 2025

Dear sir/madame:

We are pleased to present this continued management services agreement for the Bradley Heights Metropolitan District Nos. 1, 2, and 3 “the Districts”. 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 Districts 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 Districts, we will provide all the applicable services for a fixed monthly fee of \$5,500 per month. This sum represents our best estimate of the number of hours of work required for the management of the Districts. 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 Districts.

**Renewal/ Termination**

This agreement shall be for one year in duration effective on 01/01/2025. If either WSDM or the Districts 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

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Bradley Heights Metropolitan District No. 1, 2, and 3  
, Board President

Date:

---

Date:

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**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	X	
Mill Levy Certification	X	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	X		
Customer Service	X		
Collections	X		
Reviews of plans	X		X

**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

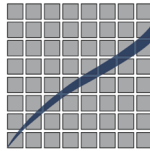
- v. Coordinate the proper compliance filing including but not limited to the DLG-30, etc.
- i. Developer Reimbursements/ Advances:
  - i. Coordinate with Developers to ensure all advances are received, tracked, or accounted for to fund the district as needed.
  - ii. Monitor and comply with Developer 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

**Bradley Heights Metropolitan District No. 2**

El Paso County, Colorado

We are pleased to confirm our understanding of the services we are to provide for Bradley Heights Metropolitan District No. 2 ("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 any travel or 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 when we begin final field work, 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,

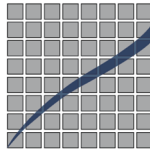
*BiggsKofford, P.C.*

BiggsKofford, P.C.

**RESPONSE:**

**This letter correctly sets forth the understanding of Bradley Heights Metropolitan District No. 2.**

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



**BiggsKofford**  
CERTIFIED PUBLIC ACCOUNTANTS

October 17, 2024

Board of Directors  
**Bradley Heights Metropolitan District No. 3**  
El Paso County, Colorado

We are pleased to confirm our understanding of the services we are to provide for Bradley Heights Metropolitan District No. 3 ("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 \$6,500. You will also be billed for any travel or 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 when we begin final field work, 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 Bradley Heights Metropolitan District No. 3.**

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