

VISTAS AT WEST MESA METROPOLITAN DISTRICT

Special Board Meeting

Wednesday, January 24, 2024 at 3:00 p.m.

Via Teleconference

<https://video.cloudoffice.avaya.com/join/348696537>

Phone: (213) 463-4500 / Meeting ID: 348696537

Board of Directors	Title	Term
Jeff Powles	President	May 2027
Thomas Pucciano	Vice President	May 2025
Slade Nelson	Secretary	May 2025
Chris Musselman	Treasurer	May 2027
Vacant		May 2027

AGENDA

1. Call to Order/Declaration of Quorum
2. Conflict of Interest Disclosures
3. Approval of Agenda
4. Public Comment - Members of the public may express their views to the Board on matters that affect the District. Comments will be limited to three (3) minutes.
5. Consent Agenda - The items listed below are a group of items to be acted on with a single motion and vote by the Board. Any item may be removed from the Consent Agenda upon request of any Board member.
 - a. Approval of Meeting Minutes from November 8, 2023 (**enclosure**)
 - b. Approval of Annual Meeting Minutes from November 8, 2023 (**enclosure**)
 - c. Payment of Claims – through January 16, 2024 (**enclosure**)
 - d. Unaudited Financial Statements as of December 31, 2023 (**enclosure**)
6. Financial Matters
 - a. Conduct Public Hearing and Consider Adoption of Resolution Amending the 2024 Budget (**enclosure**)
 - b. Review and Consider Engagement of 2023 Auditor (**enclosure**)
7. Adjournment
 - a. Next Regular Meeting – February 9, 2024, at 11:00 a.m. via teleconference





**MINUTES OF A SPECIAL MEETING
OF THE BOARD OF DIRECTORS
VISTAS AT WEST MESA METROPOLITAN DISTRICT
NOVEMBER 8, 2023, AT 11:30:00 AM**

Pursuant to posted notice, the special meeting of the Board of Directors of the Vistas at West Mesa Metropolitan District was held on Wednesday, November 8, 2023 at 11:07 a.m., at 614 N. Tejon Street, Colorado Springs, CO 80903, and via video teleconference.

In attendance were Directors:

Jeff Powles, President
Thomas Pucciano, Vice President
Chris Musselman, Treasurer
Slade Nelson, Secretary (Excused)

Also, in attendance were:

Heather Smith, WSDM District Managers
Kevin Walker, WSDM District Managers
Stan Fowler, IDES
Audrey Johnson, White Bear Ankele Tanaka & Waldron

1. Call to Order/Declaration of Quorum: President Powles called the meeting to order at 11:09 a.m. and confirmed a quorum was present.
2. Conflict of Interest Disclosures: Ms. Johnson advised the Board that, pursuant to Colorado law, certain disclosures might be required prior to taking official action at the meeting. Ms. Johnson reported that disclosures for those directors that provided White Bear Ankele Tanaka & Waldron with notice of potential or existing conflicts of interest were filed with the Secretary of State's Office and the Board at least 72 hours prior to the meeting, in accordance with Colorado law, and those disclosures were acknowledged by the Board. Ms. Johnson noted that a quorum was present and inquired as to whether members of the Board had any additional disclosures of potential or existing conflicts of interest pertaining to any matters scheduled for discussion at the meeting. No additional disclosures were noted. The Board determined that the participation of the members present was necessary to obtain a quorum or to otherwise enable the Board to act.
3. Approval of the Agenda: President Powles moved to approve the Agenda as presented; seconded by Director Pucciano. Motion passed unanimously.
4. Public Comment: There was no public comment.
5. Consent Agenda: Ms. Smith introduced the items on the Consent Agenda. After review, President Powles moved to approve the Consent Agenda as presented; seconded by Director Pucciano. Motion passed unanimously.
 - a. Approval of Special Meeting Minutes from October 13, 2023

- b. Approval of Warranty Agreement with Grays Development Company, Inc
 - c. Approval of Second Task Order from Independent District Engineering Services, LLC for Cost Certification Services
6. Legal Matters:
- a. Annual Administrative Resolution (2024 – Ms. Smith reviewed the Annual Administrative Resolution in brief. President Powles moved to approve the Resolution as presented; seconded by Director Pucciano. Motion passed unanimously.
 - b. First Amendment to Funding and Reimbursement Agreement – Ms. Smith discussed updating the agreement to reflect the year-to-date and budgeted Developer Advance figures. Ms. Johnson confirmed the figures should be updated. After discussion, President Powles moved to approve the Agreement as amended; seconded by Director Pucciano. Motion passed unanimously.
7. Insurance Matters:
- a. Proposal for Renewal of General Liability Schedule and Limits, and Property Schedule - The Board discussed the need for updated to the Property Schedule, which are contingent on certain items on the agenda today. Directors Powles moved to authorize Management to update the Property Schedule and General Liability Schedule following the meeting, and to bind coverage for the renewal period; seconded by Director Pucciano. Motion passed unanimously.
8. Financial Matters:
- a. Public Hearing - President Powles moved to open the Public Hearing on the second Amendment to the 2023 Budget; seconded by Director Pucciano. Motion passed unanimously. Ms. Smith presented the 2023 Budget Amendment. President Powles moved to close the Public Hearing; seconded by Director Pucciano. Motion passed unanimously.
 - i. Consider Adoption of Resolution Amending the 2023 Budget – Director Musselman moved to approve the Second Resolution to Amend the 2023 Budget; seconded by Director Pucciano. Motion passed unanimously.
 - b. Public Hearing - President Powles moved to open the Public Hearing on the 2024 Budget; seconded by Director Pucciano. Motion passed unanimously. Ms. Smith presented the 2024 Budget. President Powles moved to close the Public Hearing; seconded by Director Pucciano. Motion passed unanimously.
 - i. Consider Adoption of Resolution Adopting the 2024 Budget, Appropriating Funds, and Certifying Mill Levies – President Powles moved to approve the Resolution Adopting Budget, Appropriating Funds, and Certifying Mill Levies for the Calendar Year 2024; seconded by Director Pucciano. Motion passed unanimously.
9. New Business:
- a. 2024 WSDM Engagement Letter – Director Pucciano moved to approve the Engagement of WSDM for District Management Services in 2024; seconded by President Powles. Motion passed unanimously.
10. Adjournment: The Board unanimously adjourned the meeting at 11:17 a.m.
- a. Next Regular Board Meeting – February 9, 2024, at 11:00 a.m. via teleconference.

Respectfully Submitted,

By: President

THESE MINUTES ARE APPROVED AS THE OFFICIAL NOVEMBER 8, 2023, MINUTES OF THE VISTAS AT WEST MESA METROPOLITAN DISTRICT.





MINUTES OF THE ANNUAL MEETING
PURSUANT TO §32-1-903(6), C.R.S.
OF THE BOARD OF DIRECTORS OF
VISTAS AT WEST MESA METROPOLITAN DISTRICT

Held: Wednesday, November 8, 2023 at 11:00 a.m.

The meeting was held at 614 N. Tejon St., Colorado Springs, CO 80903 and via teleconference.

Attendance

In attendance were Directors:

Jeff Powles, President
Thomas Pucciano, Vice President
Slade Nelson, Secretary (excused)
Chris Musselman, Treasurer

Also in attendance were:

Heather Smith, WSDM – District Managers
Kevin Walker, WSDM – District Managers
George Rowley, White Bear Ankele, Tanaka, Waldron
Audrey Johnson, White Bear Ankele, Tanaka, Waldron
Stan Fowler, IDES

1. Call to Order: President Powles called the meeting to order at 11:00 a.m.
2. Metro District Overview: Ms. Johnson provided a brief overview of regarding the purpose powers, and benefits of Metropolitan Districts.
3. Status of Public Infrastructure Projects: Mr. Fowler provided a presentation on the status of the public infrastructure projects with certain streets and alleyways, retaining walls, landscape, and hardscape conveyed to and accepted by the District, with additional components anticipated for conveyance in 2024.
4. Current Bond Status: Mr. Walker provided an overview of the existing bonds with Series 2023 having a balance of \$2,349,155.02 at an interest rate of 7.750% and a maturity date of December 1, 2053.
5. Unaudited Financial Statements: Ms. Smith presented a review of the current unaudited financial statements from September 30, 2023.
6. Questions: The meeting was opened for public forum. No discussion was had.
7. Adjourn: The meeting was adjourned at 11:16 a.m.

Respectfully Submitted,

Secretary



Vistas At West Mesa Metropolitan District
PAYABLES
1/16/2024
GENERAL FUND ACCOUNT

Company	Invoice	Date	Amount	Comments
HBS	FR3795343	12/31/2023	\$ 309.56	
White Bear Ankele Tanaka & Waldron	31857	12/31/2023	\$ 513.43	
WSDM District Managers	7838	12/31/2024	\$ 2,506.18	
TOTAL			\$ 3,329.17	

TOTAL FOR ALL FUNDS

\$ 3,329.17

_____, President

Bank Balance

25,560.38

Payables

(3,329.17)

Developer Advance Needed

22,231.21



Vistas At West Mesa Metro District

Balance Sheet

As of December 31, 2023

01/16/24

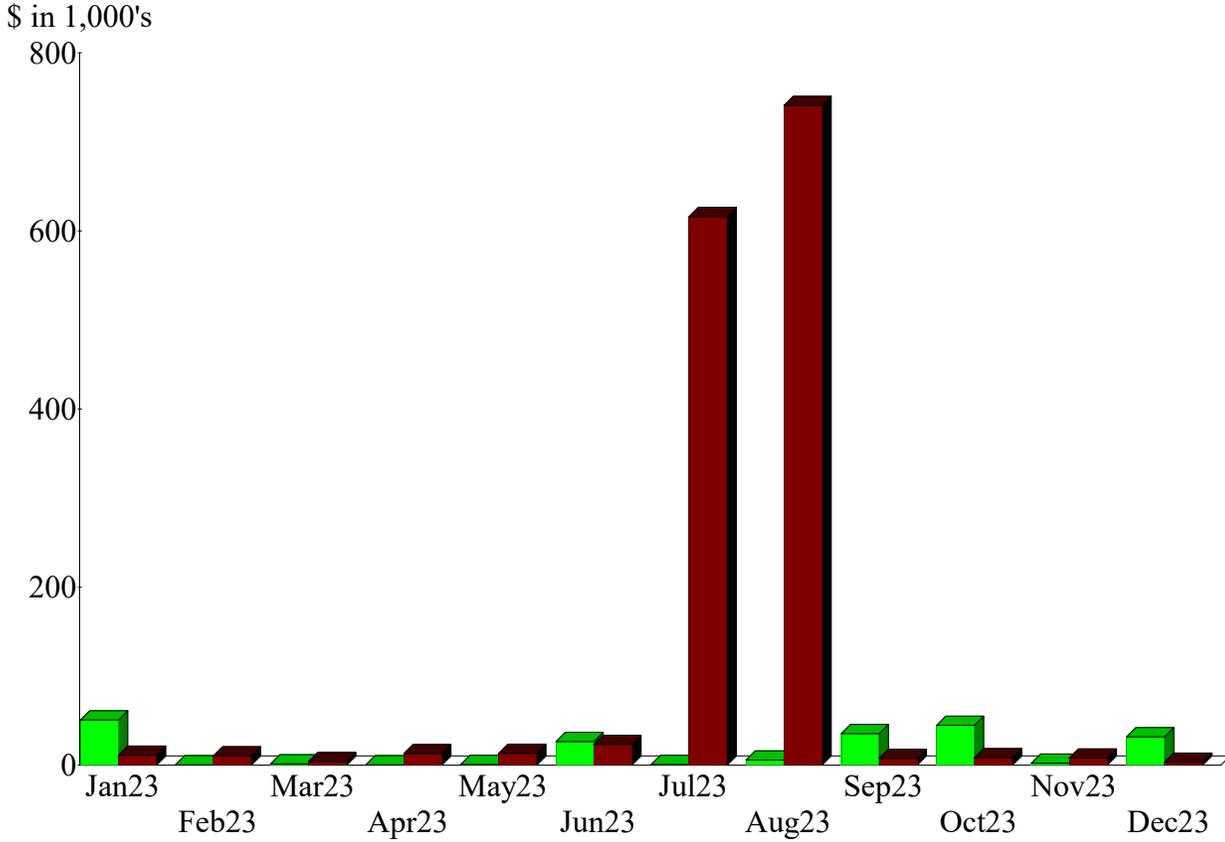
Accrual Basis

	<u>Dec 31, 23</u>
ASSETS	
Current Assets	
Checking/Savings	
Alliance Association Bank	1,776.13
Eastern Colorado Bank	34,699.54
BOK 2023 Project Fund	39,390.20
BOK 2023 Bond Fund	4,200.82
BOK Bond Fund	60.77
Total Checking/Savings	<u>80,127.46</u>
Accounts Receivable	
Accounts Receivable	28,497.19
Total Accounts Receivable	<u>28,497.19</u>
Other Current Assets	
A/R - EPC Treasurer	36.44
Property Tax Receivable	139,881.00
Total Other Current Assets	<u>139,917.44</u>
Total Current Assets	248,542.09
Fixed Assets	
Capital Assets	1,025,518.00
Total Fixed Assets	<u>1,025,518.00</u>
TOTAL ASSETS	<u>1,274,060.09</u>
LIABILITIES & EQUITY	
Liabilities	
Current Liabilities	
Accounts Payable	
Accounts Payable	12,504.77
Total Accounts Payable	12,504.77
Other Current Liabilities	
Accrued Interest Payable	9,094.00
Deferred Prop Tax Rev	139,881.00
Prepaid Assessment	308.34
Total Other Current Liabilities	<u>149,283.34</u>
Total Current Liabilities	161,788.11
Long Term Liabilities	
Developer Advance Pay - Lokal	50,000.00
Series 2023 Bond	2,635,000.00
Total Long Term Liabilities	<u>2,685,000.00</u>
Total Liabilities	2,846,788.11
Equity	
Retained Earnings	-314,441.16
Net Income	-1,258,286.86
Total Equity	<u>-1,572,728.02</u>
TOTAL LIABILITIES & EQUITY	<u>1,274,060.09</u>

Vistas At West Mesa Metro District Profit & Loss Budget vs. Actual January through December 2023

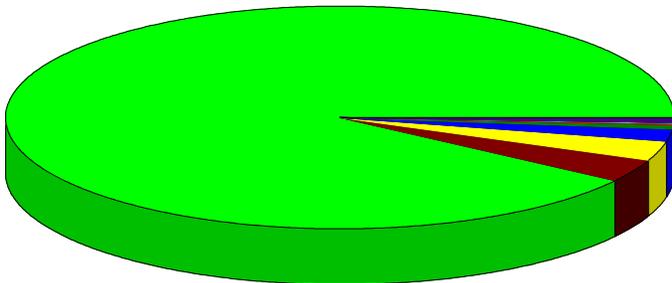
	TOTAL				
	Dec 23	Jan - Dec 23	Budget	\$ Over Budget	% of Budget
Ordinary Income/Expense					
Income					
Developer Advance - O&M	30,000.00	183,247.19	55,000.00	128,247.19	333.18%
Homeowner Fees	1,375.00	1,375.00			
Unit Charges	446.77	6,826.73	23,314.00	-16,487.27	29.28%
CY Property Tax - O&M	0.00	634.56	635.00	-0.44	99.93%
Specific Ownership Tax - O&M	11.11	67.02	102.00	-34.98	65.71%
Delinquent Interest - O&M	0.00	10.00			
CY Property Tax - Debt	0.00	3,807.36	3,807.00	0.36	100.01%
Specifice Ownership Tax - Debt	66.66	402.12	305.00	97.12	131.84%
Delinquent Interest - Debt	0.00	60.00			
Impact Fees	0.00	100.00			
Total Income	31,899.54	196,529.98	83,163.00	113,366.98	236.32%
Expense					
Audit	0.00	8,500.00	6,000.00	2,500.00	141.67%
Insurance	0.00	5,197.00	4,500.00	697.00	115.49%
Accounting/Management	0.00	21,497.30	15,000.00	6,497.30	143.32%
SDA Dues	0.00	1,237.50	500.00	737.50	247.5%
Treasurer Collection Fee - O&M	0.00	9.68	10.00	-0.32	96.8%
Bond Expense					
Interest Expense	0.00	112,251.49			
Cost Certification	0.00	8,371.00			
Cost of Issuance	0.00	490,544.80	170,000.00	320,544.80	288.56%
Treasurer Collection Fee - Debt	0.00	57.99	57.00	0.99	101.74%
Trustee Fees	0.00	7,500.00			
Total Bond Expense	0.00	618,725.28	170,057.00	448,668.28	363.83%
District Management					
Election Expense	0.00	1,069.08	1,250.00	-180.92	85.53%
Legal	513.43	44,451.73	25,000.00	19,451.73	177.81%
District Management - Other	2,500.00	7,500.00	15,000.00	-7,500.00	50.0%
Total District Management	3,013.43	53,020.81	41,250.00	11,770.81	128.54%
Operations					
Bank Fees	0.00	20.00	63.00	-43.00	31.75%
Detention Pond - R&M	0.00	0.00	750.00	-750.00	0.0%
Electricity	0.00	0.00	750.00	-750.00	0.0%
General - R&M	0.00	0.00	750.00	-750.00	0.0%
Grounds Maintenance	0.00	1,121.80	6,250.00	-5,128.20	17.95%
Miscellaneous	0.00	0.00	1,248.00	-1,248.00	0.0%
Office Supplies	6.18	84.52			
Road - R&M	0.00	0.00	1,750.00	-1,750.00	0.0%
Snow Removal	0.00	0.00	6,250.00	-6,250.00	0.0%
Street Sweeping	0.00	0.00	300.00	-300.00	0.0%
Trash Service	309.56	1,739.64	4,725.00	-2,985.36	36.82%
Water	0.00	0.00	3,625.00	-3,625.00	0.0%
Reserve Funding	0.00	0.00	4,625.00	-4,625.00	0.0%
Total Operations	315.74	2,965.96	31,086.00	-28,120.04	9.54%
Capital Outlay	0.00	749,592.23			
Total Expense	3,329.17	1,460,745.76	268,403.00	1,192,342.76	544.24%
Net Ordinary Income	28,570.37	-1,264,215.78	-185,240.00	-1,078,975.78	682.48%
Other Income					
Interest Income - Debt	0.03	5,928.92			
Total Other Income	0.03	5,928.92			
Net Income	28,570.40	-1,258,286.86	-185,240.00	-1,073,046.86	679.27%

Income and Expense by Month
January through December 2023



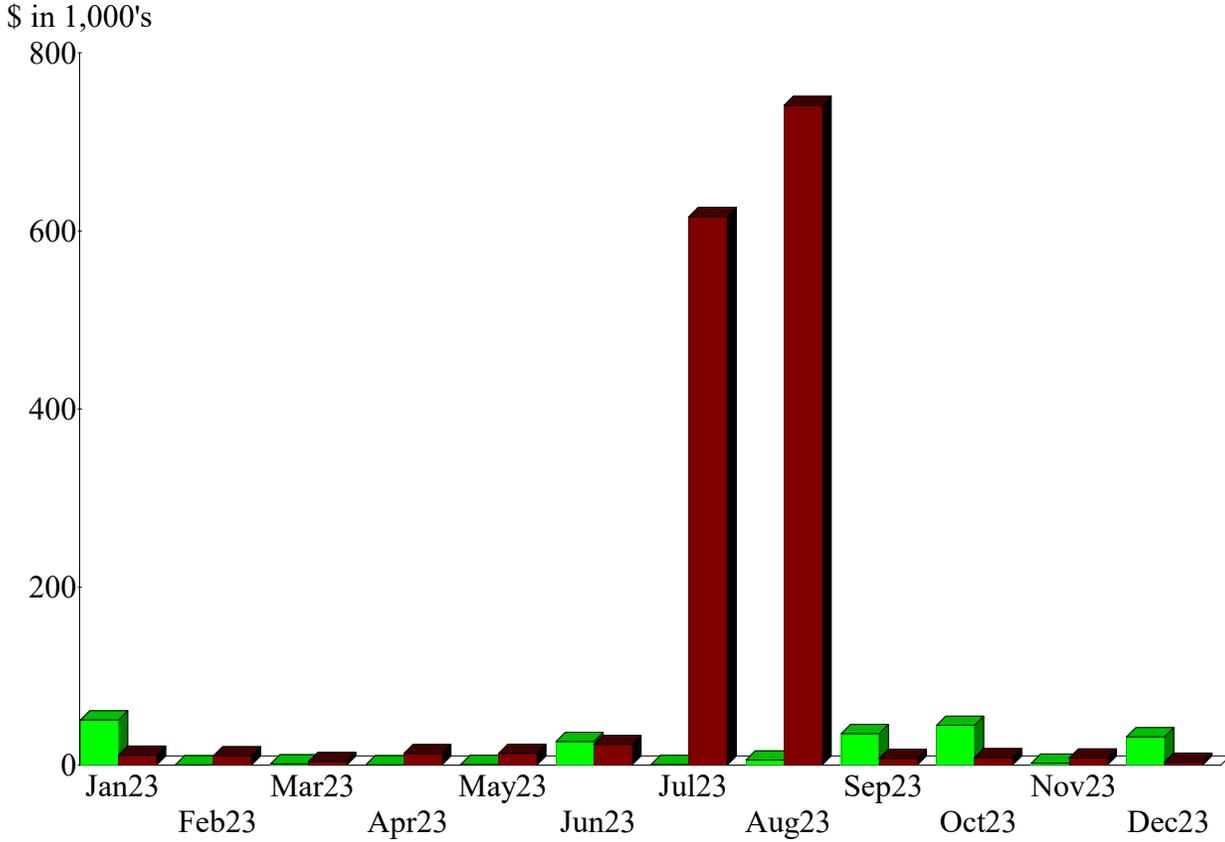
Income Summary
January through December 2023

Developer Advance - O&M	90.51%
Unit Charges	3.37
Interest Income - Debt	2.93
CY Property Tax - Debt	1.88
Homeowner Fees	0.68
CY Property Tax - O&M	0.31
Specifice Ownership Tax - Debt	0.20
Impact Fees	0.05
Specific Ownership Tax - O&M	0.03
Delinquent Interest - Debt	0.03
Delinquent Interest - O&M	0.01
Total	\$202,458.90



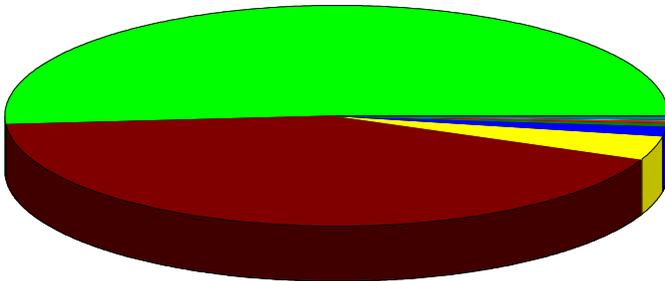
By Account

Income and Expense by Month
January through December 2023



Expense Summary
January through December 2023

Capital Outlay	51.32%
Bond Expense	42.36
District Management	3.63
Accounting/Management	1.47
Audit	0.58
Insurance	0.36
Operations	0.20
SDA Dues	0.08
Treasurer Collection Fee - O&M	0.01
Total	\$1,460,745.76



By Account



	MISCELLANEOUS	-	66	-	-
	RESERVE FUNDING	-	4,625	5,000	5,000
	CONTINGENCY	-	-	5,000	5,000
	TOTAL EXPENDITURES	62,940	98,351	125,176	125,176
	CAPITAL RESERVE TRANSFER	-	-		
	ENDING FUND BALANCE	(12,940)	22,619	54,206	26,206
	EMERGENCY RESERVE 3%	1,888	2,951	3,755	3,755
	ASSESSED VALUATION	500	126,900	1,998,290	1,998,290
	MILL LEVY	5.000	5.000	20.000	20.000

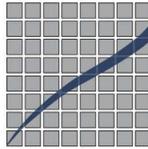
VISTA AT WEST MESA METROPOLITAN DISTRICT

2024 BUDGET

DEBT SERVICE FUND

	2022 ACUTAL	2023 2nd-AMENDMENT	2024 BUDGET	2024 AMEND OPTION 1
DEBT SERVICE FUND BEGINNING BALANCE	-	3	(468)	(468)
REVENUES				
SERIES 2022 BOND ISSUE	1,381,000	-	-	-
SERIES 2023 BOND ISSUE	-	2,635,000	-	-
PROPERTY TAX	10,535	3,807	59,949	99,915
SPECIFIC OWNERSHIP TAX	-	305	4,796	7,993
DELINQUENT INTEREST	-	60	-	-
TRANSFERS IN	-	-	-	-
INTEREST INCOME	-	6,800	-	-
TOTAL REVENUES	1,391,535	2,645,972	64,745	107,908
EXPENDITURES				
TRANSFER TO CAPITAL PROJECT FUND	1,141,474	649,169	-	-
TRANSFER TO CAPITALIZED INTEREST FUND	-	-	-	-
TRANSFER TO DEBT SERVICE RESERVE FUND	-	-	-	-
OTHER COST OF ISSUANCES	234,421	204,700	-	-
UNDERWRITERS DISCOUNT	-	285,845	-	-
BOND PRINCIPAL PAYMENT 2022	-	1,381,000	-	-
BOND INTEREST PAYMENT 2022	4,637	112,251	-	-
BOND PRINCIPAL PAYMENT 2023	-	-	-	-
BOND INTEREST PAYMENT 2023	-	-	56,435	56,435
TREASURERS FEE	-	58	899	1,499
TRUSTEES FEE	11,000	7,500	7,500	7,500
BANK CHARGE	-	-	-	-
COST CERTIFICATION	-	5,920	-	-
CONTINGENCY	-	-	-	-
TOTAL EXPENSES	1,391,532	2,646,443	64,834	65,434
ENDING FUND BALANCE	3	(468)	(558)	42,006
ASSESSED VALUATION	500	126,900	1,998,290	1,998,290
DEBT SERVICE MILL LEVY	30.000	30.000	30.000	50.000
TOTAL MILL LEVY	35.000	35.000	50.000	70.000





BiggsKofford

CERTIFIED PUBLIC ACCOUNTANTS

January 16, 2024

Board of Directors

Vistas at West Mesa Metropolitan District

El Paso County, Colorado

We are pleased to confirm our understanding of the services we are to provide for Vistas at West Mesa Metropolitan District ("District") as of and for the year ended December 31, 2023.

Audit Scope and Objectives

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, 2023. 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.

Users of the Financial Statements

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.

Auditor's Responsibilities for the Audit of the Financial Statements

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.

Audit Procedures – Internal Control

We will obtain an understanding of the District and its environment, including internal control relevant to the audit, 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.

Audit Procedures – Compliance

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.

Other Services

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.

Responsibilities of Management for the Financial Statements

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 and for the accuracy and completeness of that information (including information from outside of the general and subsidiary ledgers). 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 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.

Engagement Administration, Fees, and Other

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.

Braden Hammond 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 \$9,600. You will also be billed for travel and other out-of-pocket expenses. The fee estimate is based on anticipated cooperation from your personnel and the assumption that unexpected circumstances will not be encountered during the audit. If significant additional time is necessary, we will keep you informed of any problems we encounter, and our fees will be adjusted accordingly. Our invoices for these fees will be rendered semi-monthly as work progresses and are payable on presentation. Any remaining balance will be due upon delivery of your financial statements. In accordance with our firm policies, work may be suspended if your account becomes overdue and will not be resumed until your account is paid in full. If we elect to terminate our services for nonpayment or for any other reason provided for in this letter, our engagement will be deemed to have been

completed upon written notification of termination, even if we have not completed our report. You will be obligated to compensate us for all time expended and to reimburse us for all out-of-pocket expenses through the date of the termination.

We understand this engagement letter is contingent on Walker Schooler District Managers acting as the manager for the District and, in the event of a change in manager, the terms outlined in this letter are subject to revision. This engagement letter is valid for 60 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.

Reporting

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 Vistas at West Mesa Metropolitan District.

Officer signature: _____ Title: _____ Date: _____