

VENTANA METROPOLITAN DISTRICT
Regular Board Meeting
Monday, December 18, 2023 – 6:00 p.m.
11007 Hidden Prairie Parkway, Fountain, CO 80817

**** Please join the meeting from your computer, tablet or smartphone****

<https://video.cloudoffice.avaya.com/join/728897121>

You can also dial in using your phone.

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Board of Director	Title	Term
Eric Farrar	President	May 2025
Christina Sparks	Vice President	May 2025
Michael Laurencelle	Treasurer/ Secretary	May 2025
Mick Schuhmacher	Assistant Secretary	May 2027
Rich Vorwaller	Assistant Secretary	May 2027

Public invited to attend

AGENDA

1. Call to Order
2. Declaration of Quorum/Director Qualifications/ Disclosure Matters
3. Approval of Agenda
4. Public Comment (Limit to 3 minutes and for items not on the agenda)
5. Regular Business Items (These items are routine and may be approved by one motion. There will be no separate discussion of these items unless requested, in which event the item will be heard immediately)
 - a. Approval of the Board Meeting Minutes from November 20, 2023 (enclosure)
 - b. Approval of the Annual Meeting Minutes from November 20, 2023 (enclosure)
 - c. Approval of Payables for the Period ending October 16, 2023 (enclosure)
 - General Fund – \$ 36,362.04
 - Bond Fund – \$ 0.00
 - **TOTAL – \$ 36,362.04**
 - d. Acceptance of Unaudited Financial Statements as of November 30, 2023, and the Schedule of Cash Position Updated as of November 30, 2023 (enclosure)
6. Legal Matters
 - a. Review and Consider Approval of Resolution Amending Park and Recreation Fees and Park Permit Fees (enclosure)
7. Financial Matters
 - a. Review and Consider Approval of 2023 Audit Engagement Proposal (enclosure)
8. Adjourn
 - a. Next regularly scheduled Board Meeting is January 15, 2024 at 6:00 p.m..





VENTANA METROPOLITAN DISTRICT

Regular Board Meeting

Monday, November 20, 2023 – 6:00 p.m.

11007 Hidden Prairie Parkway

Fountain, CO 80817

And virtually: <https://video.cloudoffice.avaya.com/join/728897121>

Eric Farrar, President - Term to May 2025

Christina Sparks, Vice President - Term to May 2025

Michael Laurencelle, Treasurer / Secretary - Term to May 2025

Mick Schuhmacher, Assistant Secretary - Term to May 2027

Rich Vorwaller, Assistant Secretary - Term to May 2027

MINUTES

1. Call to Order: President Farrar called the meeting to order at 6:00 p.m.
2. Declaration of Quorum/Director Qualifications/ Disclosure Matters: President Farrar confirmed a quorum was present. All disclosures were properly filed with the Department of Local Affairs, State of Colorado by Mr. Susemihl.

Directors in attendance were:

Eric Farrar

Michael Laurencelle

Christina Sparks

Rich Vorwaller (Excused)

Mick Schuhmacher (Excused)

Also in attendance were:

Rebecca Harris, WSDM – District Managers

Heather Smith, WSDM – District Managers

Rylee DeLong, WSDM – District Managers

Kevin Whatley, Rec Center

3. Approval of Agenda: Director Sparks moved to approve the Agenda as written; seconded by Director Laurencelle. Motion passed unanimously.
4. Public Comment: There was no public comment.
5. Regular Business Items: After review, Director Laurencelle moved to approve the Regular Business Items as presented; seconded by Director Sparks. Motion passed unanimously.
 - a. Approval of the Board Meeting Minutes from October 16, 2023

6. Financial Matters
 - a. Approval of Payables for the Period ending November 20, 2023: After review, President Farrar moved to approve the payables for the period ending November 20, 2023; seconded by Director Laurencelle. Motion passed unanimously.
 - i. General Fund – \$ 31,368.71
 - ii. Bond Fund – \$ 0.00
 - iii. TOTAL – \$ 31,368.71
 - b. Acceptance of Unaudited Financial Statements as of October 31, 2023, and the Schedule of Cash Position Updated as of October 31, 2023: After review, Director Laurencelle moved to approve the Unaudited Financial Statements and the Schedule of Cash Position as of October 31, 2023; seconded by Director Sparks. Motion passed unanimously.
 - c. Conduct a Public Hearing on the 2023 Budget Amendment and the 2024 Budget; and Consider Adoption of Resolution Adopting the 2023 Budget Amendment, Adopting the 2024 Budget, Appropriating Funds, and Certifying Mill Levies:

President Farrar moved to open a public hearing on the 2023 Budget Amendment and the 2024 proposed Budget; seconded by Director Sparks. Motion passed unanimously.

Ms. Smith provided a detailed review of the 2023 Budget Amendment and 2024 Budget. Ms. Harris informed the Board of potential legislation that could reduce property tax revenue. After no public comment, the public hearing was closed.

Director Laurencelle moved to approve the Resolution Adopting the 2023 Budget Amendment, Adopting the 2024 Budget, Appropriating Funds, and Certifying Mill Levies, as discussed; seconded by Director Sparks. Motion passed unanimously.
7. Market Update/Construction/Operations: There was no update.
8. District Management Matters & Report
 - a. Review Managers Report: Ms. Smith presented the Managers Report.
 - b. Update on Recreation Center Operations: Mr. Whatley provided an update on Rec Center operations.
9. Legal Matters
 - a. Bond Update: Ms. Smith reported the bonds have closed and the funds have been distributed.
10. General Business
 - a. Review and Consider Approval for Fitness Equipment Service: Mr. Whatley noted this item is no longer needed and no action was taken.
 - b. Review and Consider Approval for WSDM 2024 District Management Engagement: Ms. Smith presented the WSDM 2024 District Management Engagement. Director Sparks moved to approve the WSDM 2024 District Management Engagement as presented; seconded by Director Laurencelle. Motion passed unanimously.
 - c. Review and Consider Approval for Tree Wrapping Proposal: Ms. Smith presented the tree wrapping proposal. After review, President Farrar moved to approve the tree wrapping proposal; seconded by Director Laurencelle. Motion passed unanimously.
 - d. Establish 2024 Meeting Schedule: The Board scheduled 2024 meetings for the third Monday of each month at 6:00 p.m.
11. Adjourn: Director Sparks moved to adjourn the meeting at 7:25 p.m.; seconded by President Farrar. Motion passed unanimously.
 - a. Next regularly scheduled meeting is December 18, 2023 at 6:00 p.m.

Respectfully submitted,

By: _____
Secretary for the Meeting

THESE MINUTES ARE APPROVED AS THE OFFICIAL NOVEMBER 20, 2023 MINUTES OF THE VENTANA METROPOLITAN DISTRICT BY THE BOARD OF DIRECTORS SIGNING BELOW:

Eric Farrar, President

Christina Sparks, Vice President

Michael Laurencelle, Treasurer

Mick Schuhmacher, Assistant Secretary

Rich Vorwaller, Assistant Secretary





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

Held: Monday, November 20, 2023 at 7:00 p.m.

The meeting was held at 11007 Hidden Prairie Parkway, Fountain, CO 808170
80903 and via teleconference.

Attendance

In attendance were Directors:

Eric Farrar, President
Michael Laurencelle,
Christina Sparks

Also in attendance were:

Rebecca Harris, WSDM – District Managers
Heather Smith, WSDM – District Managers
Rylee DeLong, WSDM – District Managers
Clinton Milroy, Resident

1. Call to Order: Ms. Smith called the meeting to order at 7:25 p.m.
2. Status of Public Infrastructure Projects: Ms. Smith provided a presentation on the status of the public infrastructure projects with repairs to the Rec Center roof, pool surface, and pool equipment coming in 2024; mulch replenishment for the playground in spring of 2024; and tree replacements to be phased in over the next few years.
3. Current Bond Status: Ms. Smith provided a provided an overview of the existing bonds with Series 2023A having a balance of \$10,550,000 at an interest rate of 6.5% and Series 2023B having a balance of \$2,828,000 at an interest rate of 5.5%.
4. Unaudited Financial Statements: Ms. Smith presented a review of the current unaudited financial statements from October 31, 2023.
5. Questions: The meeting was opened for public forum. No discussion was had.
6. Adjourn: The meeting was adjourned at 7:29 p.m.

Respectfully Submitted,

Secretary



Ventana Metropolitan District
PAYMENT REQUEST
12/13/2023
GENERAL FUND ACCOUNT

Company	Invoice	Date		Comments
Black Hills Energy	5322274450	11/30/2023	229.63	Auto Pay
Cintas	OF47573624	11/14/2023	1,007.13	
Cintas	8406567385	11/30/2023	140.00	
City of Fountain Utilities	10005472-02	11/17/2023	1,749.74	Auto Pay - Rec
City of Fountain Utilities	10005630-03	11/17/2023	1,193.08	Auto Pay - Park
City of Fountain Utilities	10005686-02	11/17/2023	379.30	Auto Pay - Tract
City of Fountain Utilities	10006794-01	11/17/2023	122.26	Auto Pay - Tract
City of Fountain Utilities	10006795-00	11/17/2023	25.60	Auto Pay - Tract
Colorado Springs Cleaning Supplies	93157	11/30/2023	239.38	
Comcast	849790010058248	12/2/2023	376.34	Auto Pay
Datavoice	9558	11/2/2023	684.25	
HBS	FR3707501	11/30/2023	7,838.71	
HD Supply	9220851976	11/21/2023	163.30	
HD Supply	9220897117	11/22/2023	15.04	
Mailing Services Inc	18730	11/10/2023	78.98	
Signal 88, LLC	3694968	12/5/2023	843.57	
Urban Landscapes, LLC	3	12/4/2023	1,060.00	
Weisburg Landscape Maintenance	52631	11/30/2023	4,843.00	
Weisburg Landscape Maintenance	52703	11/22/2023	2,131.50	
WSDM District Managers	7786	11/30/2023	7,506.18	
TOTAL			\$ 30,626.99	



Ventana Metropolitan District
Balance Sheet
As of November 30, 2023

	Nov 30, 23
ASSETS	
Current Assets	
Checking/Savings	
1105 · Eastern Colorado Bank -Checking	152,882.98
1106 · Eastern Colorado Bank - Savings	447,184.29
2002 · UMB - Bond Fund	422,879.17
2003 · UMB - Debt Service Reserve Fund	487,312.50
2004 · UMB - Cost of Issuance	50,500.00
Total Checking/Savings	1,560,758.94
Accounts Receivable	
1-1230 · Property Taxes Receivable	441.64
Total Accounts Receivable	441.64
Other Current Assets	
1310 · Due from Developer	32,741.59
1390 · Undeposited Funds	882.20
Total Other Current Assets	33,623.79
Total Current Assets	1,594,824.37
Fixed Assets	
Property and Equipment	
Community Improvements	7,368,932.95
Total Property and Equipment	7,368,932.95
1505 · Parks	1,500,000.00
1510 · Pool	732,344.00
1540 · Accumulated Depreciation	-246,780.00
Total Fixed Assets	9,354,496.95
TOTAL ASSETS	10,949,321.32
LIABILITIES & EQUITY	
Liabilities	
Current Liabilities	
Accounts Payable	
2010 · Accounts Payable	32,227.52
Total Accounts Payable	32,227.52
Other Current Liabilities	
2022 · Deferred Property Tax Revenue	441.64
2100 · Payroll Liabilities	1,150.48
2110 · Direct Deposit Liabilities	-1,882.04
Total Other Current Liabilities	-289.92
Total Current Liabilities	31,937.60
Long Term Liabilities	
2700 · Series 2023A Bonds	10,550,000.00
2702 · Series 2023B Bonds	2,828,000.00
Total Long Term Liabilities	13,378,000.00
Total Liabilities	13,409,937.60
Equity	
3000 · Opening Balance Equity	24,298.52
3910 · Retained Earnings	-4,528,008.16
Net Income	2,043,093.36
Total Equity	-2,460,616.28
TOTAL LIABILITIES & EQUITY	10,949,321.32

Ventana Metropolitan District

Profit & Loss Budget vs. Actual

January through November 2023

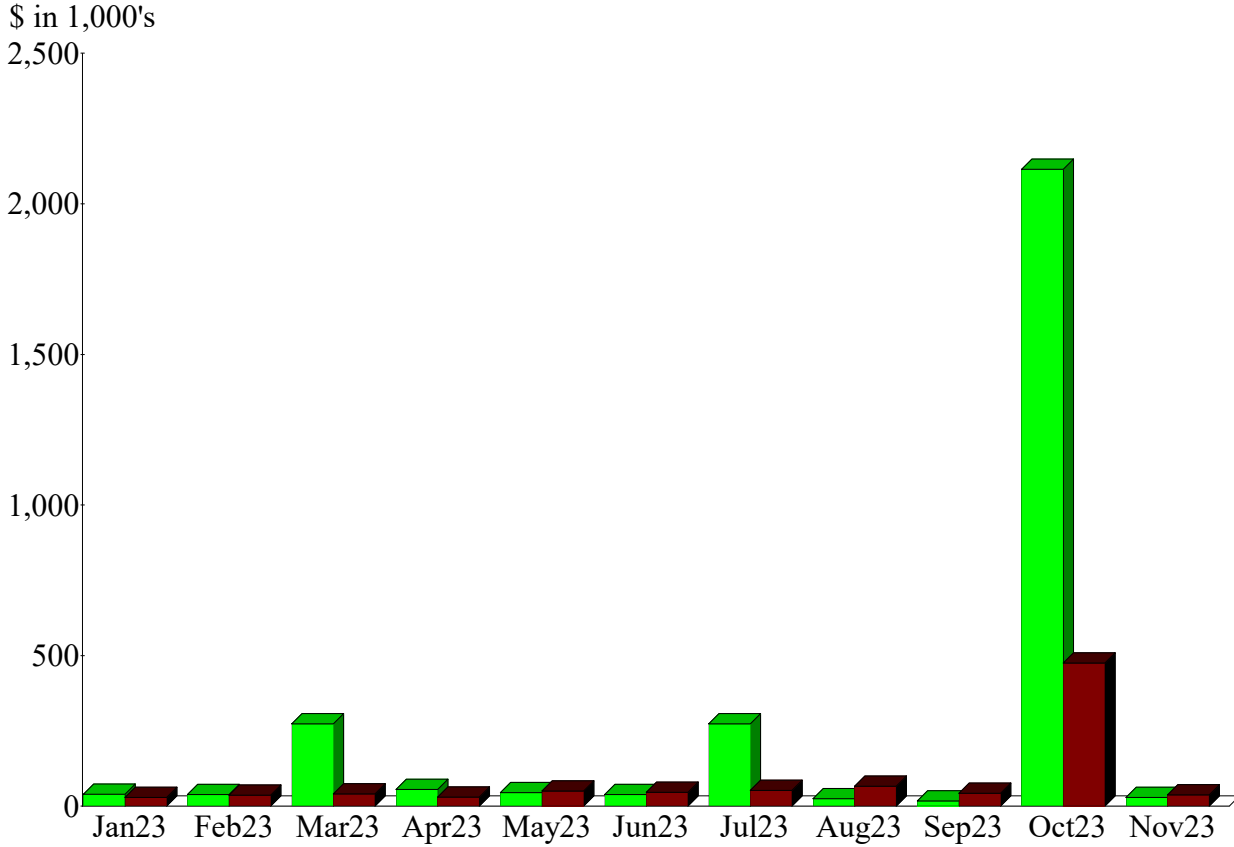
	TOTAL				
	Nov 23	Jan - Nov 23	Budget	\$ Over Budget	% of Budget
Ordinary Income/Expense					
Income					
1-100 · General Fund Income					
1-1000 · Late Fee	276.07	2,196.75			
1-1100 · Recreation Center Dues					
1-1105 · Ventana Residents	18,924.81	230,111.02	200,000.00	30,111.02	115.06%
Total 1-1100 · Recreation Center Dues	18,924.81	230,111.02	200,000.00	30,111.02	115.06%
1-1200 · Trash Service	4,471.72	72,514.41	90,000.00	-17,485.59	80.57%
1-1300 · Rental Security Deposit	0.00	0.00	2,000.00	-2,000.00	0.0%
1-1310 · Permit Use Fee	0.00	110.00			
1-1401 · Treasurer Tax Income					
1-1400 · Current - O&M	93.35	97,805.30	97,829.70	-24.40	99.98%
1-1500 · Specific Ownership - O&M	909.06	8,563.52	6,848.08	1,715.44	125.05%
1-1520 · Delinquent Int - O&M	4.67	12.08			
Total 1-1401 · Treasurer Tax Income	1,007.08	106,380.90	104,677.78	1,703.12	101.63%
1-1600 · Park Fee Advance	0.00	12,060.00			
1-180 · Covenant Violation Fine	0.00	310.00			
1-100 · General Fund Income - Other	-345.55	-345.55			
Total 1-100 · General Fund Income	24,334.13	423,337.53	396,677.78	26,659.75	106.72%
2-100 · Debt Service Fund Income					
Treasurer Taxes					
2-1000 · Current- Debt	378.62	396,811.86	396,787.48	24.38	100.01%
2-1200 · Specific Ownership - Debt	3,687.04	34,732.79	27,775.12	6,957.67	125.05%
2-1220 · Delinquent Int - Debt	18.93	48.97			
Total Treasurer Taxes	4,084.59	431,593.62	424,562.60	7,031.02	101.66%
2-2000 · Debt Forgiveness	0.00	2,074,101.25			
Total 2-100 · Debt Service Fund Income	4,084.59	2,505,694.87	424,562.60	2,081,132.27	590.18%
3-100 · Capital Project Fund					
3-1300 · Park Permit Fee	0.00	21,816.04			
Total 3-100 · Capital Project Fund	0.00	21,816.04			
Total Income	28,418.72	2,950,848.44	821,240.38	2,129,608.06	359.32%
Expense					
1-200 · General Fund Expense					
1-1450 · O&M-Treasurer's Collection Fee	1.47	1,467.63	1,467.45	0.18	100.01%
1-1700 · Audit	0.00	9,325.00	9,250.00	75.00	100.81%
1-1705 · Bank Fees	0.00	7.00			
1-1800 · Board Election	0.00	889.95	8,000.00	-7,110.05	11.12%
1-1900 · Copies & Postage	85.16	3,166.40			
1-2000 · Recreation Center					
1-2300 · Utilities	725.98	41,600.37	40,000.00	1,600.37	104.0%
1-2305 · Security	816.79	8,998.08	14,000.00	-5,001.92	64.27%
1-2306 · Maintenance/ Repairs	163.75	10,861.57	10,000.00	861.57	108.62%
1-2310 · Supplies	1,386.51	5,669.58	4,000.00	1,669.58	141.74%
Total 1-2000 · Recreation Center	3,093.03	67,129.60	68,000.00	-870.40	98.72%

Ventana Metropolitan District Profit & Loss Budget vs. Actual January through November 2023

	TOTAL				
	Nov 23	Jan - Nov 23	Budget	\$ Over Budget	% of Budget
1-2001 · Pool Expense					
1-2010 · Season Start Up/ Finish	0.00	0.00	3,000.00	-3,000.00	0.0%
1-2020 · Chemicals	0.00	3,920.59	10,000.00	-6,079.41	39.21%
1-2040 · Water	0.00	295.00	250.00	45.00	118.0%
1-2050 · Repair/ Maintenance	266.24	3,541.41	5,000.00	-1,458.59	70.83%
Total 1-2001 · Pool Expense	266.24	7,757.00	18,250.00	-10,493.00	42.5%
1-6160 · Dues and Subscriptions	0.00	1,237.50	1,000.00	237.50	123.75%
1-6180 · Insurance	1,322.00	729.00	15,000.00	-14,271.00	4.86%
1-6200 · Park/ Landscape					
1-6205 · Maintenance	6,974.50	82,828.25	85,000.00	-2,171.75	97.45%
1-6210 · Utilities	3,469.98	17,659.98	70,000.00	-52,340.02	25.23%
Total 1-6200 · Park/ Landscape	10,444.48	100,488.23	155,000.00	-54,511.77	64.83%
1-6240 · Miscellaneous	0.00	0.00	10,000.00	-10,000.00	0.0%
1-6490 · Office Supplies	684.25	2,129.82	8,000.00	-5,870.18	26.62%
1-6570 · Professional Fees					
1-2500 · Trash Service	7,838.71	82,067.24	65,000.00	17,067.24	126.26%
1-2701 · District Management	4,200.00	44,952.10	54,000.00	-9,047.90	83.25%
1-2705 · VCC - Covenant Enforcement	3,300.00	33,058.50	36,000.00	-2,941.50	91.83%
1-6572 · Legal Fees	0.00	11,083.55	15,000.00	-3,916.45	73.89%
1-6573 · Engineering O&M	0.00	95.00			
Total 1-6570 · Professional Fees	15,338.71	171,256.39	170,000.00	1,256.39	100.74%
1-6620 · Rental Security Deposit Refund	0.00	3,600.00	2,000.00	1,600.00	180.0%
6560 · Payroll Expenses	6,362.12	79,011.14	75,000.00	4,011.14	105.35%
Total 1-200 · General Fund Expense	37,597.46	448,194.66	540,967.45	-92,772.79	82.85%
2-200 · Debt Service Expense					
Treasurer's Fee					
2-1050 · Debt-Treasurer's Collection Fee	5.96	5,952.54	5,951.81	0.73	100.01%
Total Treasurer's Fee	5.96	5,952.54	5,951.81	0.73	100.01%
2-6075 · Bond Expense					
Cost of Issuance	0.00	443,920.00	589,000.00	-145,080.00	75.37%
Paying Agent Fee	0.00	0.00	4,000.00	-4,000.00	0.0%
2-6083 · Trustee Fee	0.00	5,000.00			
Total 2-6075 · Bond Expense	0.00	448,920.00	593,000.00	-144,080.00	75.7%
Total 2-200 · Debt Service Expense	5.96	454,872.54	598,951.81	-144,079.27	75.95%
3-200 · Capital Project Fund Expense					
2-6000 · Capital Improvements	0.00	5,671.75			
Total 3-200 · Capital Project Fund Expense	0.00	5,671.75			
Total Expense	37,603.42	908,738.95	1,139,919.26	-231,180.31	79.72%
Net Ordinary Income	-9,184.70	2,042,109.49	-318,678.88	2,360,788.37	-640.81%
Other Income					
2-7010 · Interest Income - Debt	275.49	983.87			
Total Other Income	275.49	983.87			
Net Income	-8,909.21	2,043,093.36	-318,678.88	2,361,772.24	-641.11%

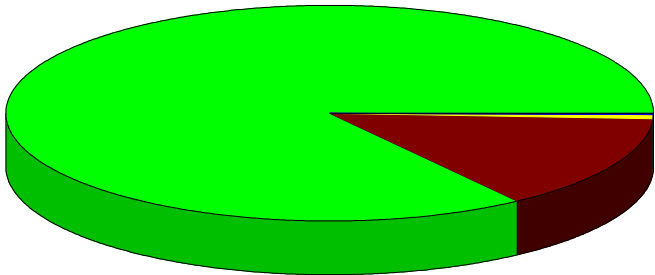
Income and Expense by Month
January through November 2023

Income
Expense



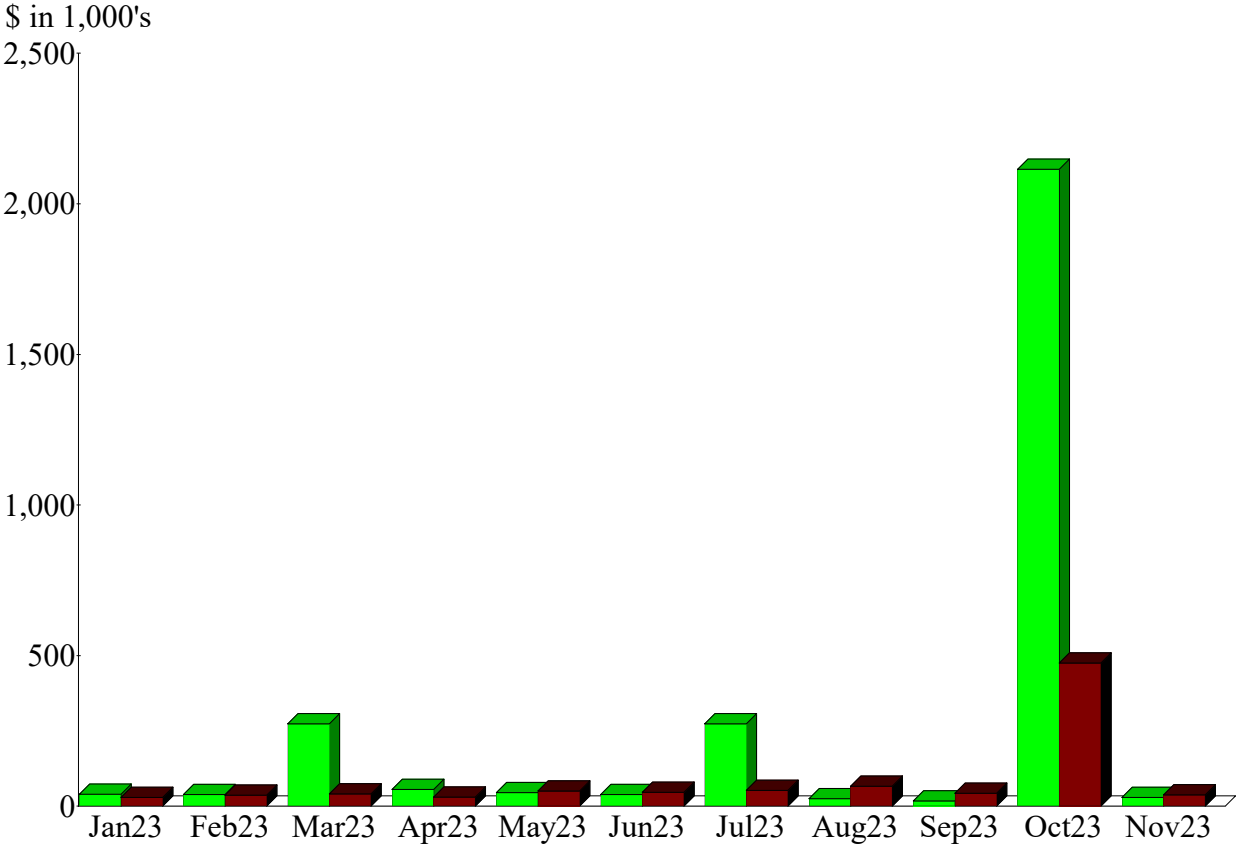
Income Summary
January through November 2023

2-100 · Debt Service Fund Income	84.89%
1-100 · General Fund Income	14.34
3-100 · Capital Project Fund	0.74
2-7010 · Interest Income - Debt	0.03
Total	\$2,951,832.31



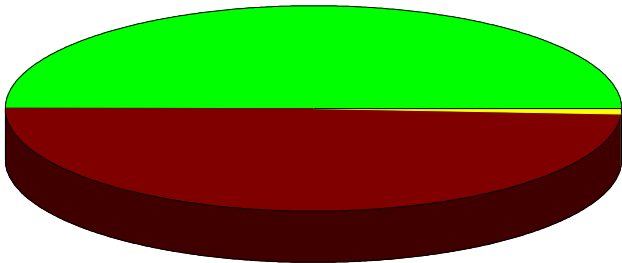
By Account

Income and Expense by Month
January through November 2023



Expense Summary
January through November 2023

2-200 · Debt Service Expense	50.06%
1-200 · General Fund Expense	49.32
3-200 · Capital Project Fund Expense	0.62
Total	\$908,738.95



By Account



RESOLUTION OF THE BOARD OF DIRECTORS OF
VENTANA METROPOLITAN DISTRICT
AMENDING PARK AND RECREATION FEES AND PARK
PERMIT FEES

WHEREAS, Ventana Metropolitan District, El Paso County, Colorado (the “District”), is a quasi-municipal corporation duly organized and existing as a metropolitan district under the laws of the State of Colorado (the “State”), including particularly Title 32, Article 1, C.R.S. (the “Special District Act”); and

WHEREAS, the District is authorized by the Special District Act and its Service Plan to provide and operate park and recreational facilities, finance and build road infrastructure along with traffic control within the District; and

WHEREAS, pursuant to Section 32-1-1001(1)(j), C.R.S., the District is authorized to fix, and from time to time increase or decrease, fees, rates, tolls, penalties, or charges for services, programs or facilities furnished by the District which, until paid, shall constitute a perpetual lien on and against the property served, and which lien may be foreclosed in the same manner as provided by the laws of the State for the foreclosure of mechanics’ liens; and

WHEREAS, the District has previously adopted a Recreational Fee of \$30.00 per home per month and previously adopted a one-time Park Permit Fee of \$2,412.00; and

WHEREAS, the District now intends to amend the Recreational Fee and modify the use of the usage of the Park Permit Fee.

NOW, THEREFORE, BE IT RESOLVED BY THE BOARD OF DIRECTORS OF VENTANA METROPOLITAN DISTRICT, EL PASO COUNTY, COLORADO, AS FOLLOWS:

Section 1. The Recreational Fee is increased to \$38.00 per home per month commencing with the date of this Resolution.

Section 2. The Park Permit Fee, which has historically been used in part to pay interest on the developer advances, shall henceforth be allocated to the Operating Account in order to pay the expenses associated with the maintenance of the park, trails, and open spaces.

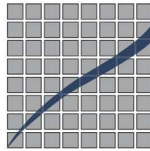
ADOPTED AND APPROVED this 18th day of December 2023.

President

ATTEST:

Secretary





BiggsKofford

CERTIFIED PUBLIC ACCOUNTANTS

November 13, 2023

Board of Directors

Ventana Metropolitan District

El Paso County, Colorado

We are pleased to confirm our understanding of the services we are to provide for Ventana 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 Ventana Metropolitan District.

Officer signature: _____ Title: _____ Date: _____