

WOODMEN HEIGHTS METROPOLITAN DISTRICT NOS. 1, 2 and 3

Board Meetings

Wednesday, March 2, 2022 – 1:00 p.m.

119 N. Wahsatch Avenue

Colorado Springs, Colorado 80903

And

Pursuant to Resolution of the Board, this meeting will also be held via video-conferencing and can be joined through the directions below:

<https://meet.goto.com/726448573>

United States: [+1 \(408\) 650-3123](tel:+14086503123)

Access Code: 726-448-573

Lindsay J. Case, **President** - Term to May 2023

Les Krohnfeldt, **Vice-President/Treasurer** - Term to May 2022

Randle W. Case, II, **Assistant Secretary** - Term to May 2023

James Morley, **Secretary** - Term to May 2023

Kyle Geditz, **Assistant Secretary** - Term to May 2022

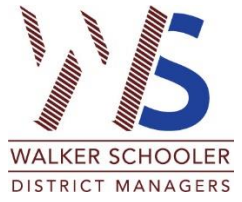
AGENDA

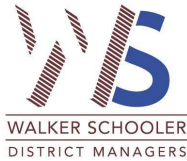
1. Call to order
2. Declaration of Quorum/ Director Qualifications/ Disclosure Matters
3. Approval of Agenda
4. Approval of the November 3, 2021 and December 22, 2021 Meeting Minutes (attached)
5. Cottages at Woodmen Heights annexation and opt-out fee discussion
6. District Manager Report
 - a. Park Update and Review
7. Development Updates
8. Public Comment (for items not already on the agenda)
9. Legal Matters
 - a. Election update
10. Financial Matters
 - a. Consider Approval of Unaudited Financial Statements and Payables - see attached
 - b. Consider adoption of BiggsKofford Audit Engagement letter for District No. 1 – 3 – (see attached)
11. Adjourn: Next Regular Meeting Date – Scheduled for April 6, 2022, at 1:00 P.M.

NOTICE OF SPECIAL MEETINGS

NOTICE IS HEREBY GIVEN That the Boards of Directors of **WOODMEN HEIGHTS METROPOLITAN DISTRICT NOS. 1, 2 and 3**, City of Colorado Springs, County of El Paso, State of Colorado, will hold their regular meetings at 1:00 p.m. on Wednesday, the 2nd day of March, 2022 at 119 N. Wahsatch Ave, in Colorado Springs, Colorado, and via tele/videoconference <https://meet.goto.com/726448573> or dial [+1 \(408\) 650-3123](tel:+14086503123) Access Code: 726-448- 573 for the purpose of conducting such business as may come before the Boards including the business on the attached agenda. Regular meetings for 2022 are on the first Wednesday of every month at 119 N. Wahsatch Ave, in Colorado Springs, Colorado, and via televideo conference so long as there is business to conduct. The regular meetings may be canceled. Please call (719) 447-1777 for meeting confirmation and information. The meeting is open to the public.

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





**MINUTES OF REGULAR MEETINGS
OF THE BOARDS OF DIRECTORS OF THE
WOODMEN HEIGHTS METROPOLITAN DISTRICT NOS. 1, 2 and 3
NOVEMBER 3, 2021 AT 1:00 P.M.**

Pursuant to posted notice, the joint meeting of the Boards of Directors of the Woodmen Heights Metropolitan District Nos. 1, 2 and 3 was held on Wednesday, November 3, 2021 at 1:00 p.m., at 119 Wahsatch Avenue, Colorado Springs, Colorado 80903, and via video and telephone conference.

In attendance were Directors:

Lindsay Case, President
Les Krohnfeldt, Vice President/Treasurer
Randle W. Case II, Asst. Secretary
James Morley, Secretary (Excused)
Kyle Geditz, Asst. Secretary

Also in attendance were:

K. Sean Allen, Esq., White Bear Ankele Tanaka & Waldron (Via phone)
Kevin Walker, WSDM
Rebecca Hardekopf, WSDM (Via phone)
Sue Gonzales, WSDM (Via phone)

Combined Meeting:

The Boards 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 1:00 p.m. by President Lindsay Case.

2. Declaration of Quorum/Director Qualifications/Disclosure Matters:

President Lindsay Case indicated that a quorum of the Boards was present and stated that each Director has been qualified as an eligible elector of the Districts pursuant to Colorado law. The Directors confirmed their qualification. Mr. Allen advised the Boards that, pursuant to Colorado law, certain disclosures might be required prior to

taking official action at the meeting. Mr. Walker 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 72 hours prior to the meeting, in accordance with Colorado law, and those disclosures were acknowledged by the Board. Mr. Allen 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 the Agenda: Director Geditz moved to approve the Agenda as presented; seconded by Director Krohnfeldt. Motion passed unanimously.
4. Approval of the October 6, 2021 Board Meeting Minutes: After review, Director Krohnfeldt moved to approve the October 6, 2021 Board Meeting Minutes; seconded by Director Randle Case II. Motion passed unanimously.
5. 2022 Budget Hearings
 - a. Public Hearing on the adoption of a Resolution approving the 2022 Budgets for Districts 1, 2, and 3: Director Geditz moved to open the Public Hearing; seconded by Director Krohnfeldt. Motion passed unanimously. After no public comment, Director Geditz moved to close the Public Hearing; seconded by Director Krohnfeldt. Motion passed unanimously. Mr. Walker presented the 2022 Budgets for Districts 1, 2, and 3. He noted the Budgets were provided to the Board last month and no changes have been made. Director Geditz moved to adopt the Resolution approving the 2022 Budgets for Districts 1, 2, and 3; seconded by Director Krohnfeldt. Director Randle Case II discussed the Woodmen Road board meeting and costs for closing out that District and if there is anything to consider for this District. Mr. Walker explained there are things to discuss in District No. 1 and he confirmed that platting fees are not committed to the bonds, they are for repayment of the tiers for construction of two parks and repayment to the City for Marksheffel Road. Mr. Walker confirmed that the land owned by Gatto is not in the Woodmen Road District, but they are paying recovery fees. The Board discussed that next year the Woodmen Heights District can anticipate that the Woodmen Road District will request that the wetlands be included in the Woodmen Heights District. There is an ongoing discussion initiated by Gatto regarding the construction of wetlands. Mr. Walker explained that the District requested that the City consider asking Gatto to be a part of the District, but the City cannot obligate them unless they are going through annexation. The motion passed unanimously.
 - b. Public Hearing on the adoption of a Resolution amending the 2021 Budget for District 2: Director Krohnfeldt moved to open the Public Hearing; seconded by Director Geditz. Motion passed unanimously. After no public comment, Director Krohnfeldt moved to close the Public Hearing; seconded by Director Geditz. Motion passed unanimously. Mr. Walker presented the 2021 Budget Amendment and noted the amendment is to adjust the appropriated funds from District No. 2 to the amount that will actually be spent. Director Geditz moved to adopt the Resolution amending the 2021 Budget for District No. 2; seconded by Director Krohnfeldt. Motion passed unanimously.

6. District Manager Report

- a. Park Update and Review: Mr. Walker reported the park was approved by the City and they are moving forward on final design. The District has requested a grant from the State and GOCO for a crew of volunteers to help build the fence and dirt bike track. He noted that Aspen View has placed 50,000 yards of dirt on the park site, so they are communicating with them on plans to move it. Director Geditz suggested contacting the person who built the memorial skate park to see if they would be interested in coordinating with the dirt bike track.
- b. Service Area development fee asks: Mr. Walker noted this item was discussed earlier under Agenda item 5.a. He also reported he has a request at the County for two properties that are in the District's service area to see if they will collect funds. Director Geditz reported that Banning Lewis North annexation was approved, and they are tying into the City water main at Mulberry Wood Drive. Mr. Walker confirmed there is a recovery agreement. Mr. Walker discussed a parcel at Quail Brush that the District has requested be included in the District No. 2. The Quail Brush HOA transaction to give the District all of the parcels was completed yesterday, and they have asked that the District sign an agreement that states the District will cooperate with their platting. Mr. Walker noted the District is obligated to do so.
- c. Bill.com: Mr. Walker reported that Bill.com has been implemented.

7. Development Updates: Mr. Walker reported he is waiting on development plans from The Monks, but he did receive notice they have submitted. Mr. Walker reported the southeast corner of Woodmen and Marksheffel is going through the development process for apartments and pad sites. The development is currently in District No. 3 and there will be a District No. 3 exclusion and District No. 2 inclusion for the apartments.

8. Public Comment: There was no public comment.

9. Legal Matters:

- a. Resolution Calling for 2022 Director Elections: Mr. Allen presented the Resolution Calling for 2022 Director Elections. He explained that if there is not a contested election, it can be cancelled 63 days before the election date. He noted a change in state law that requires the District must email or mail to all registered electors as well as publish the Call for Nomination in the newspaper or post on the District's website. Director Krohnfeldt moved to adopt the Resolution Calling for 2022 Director Elections and post the Call for Nominations on the District's website; seconded by Director Geditz. Motion passed unanimously.

10. Financial Matters:

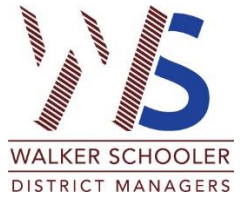
- a. Consider Approval of Unaudited Financial Statements and Payables: Mr. Walker presented the unaudited financial statements and payables. After review, Director Geditz moved to approve the unaudited financial statements and payables; seconded by Director Krohnfeldt. Motion passed unanimously.
- b. Next Regular Meeting Date – Scheduled for December 1, 2021 at 1:00 P.M.

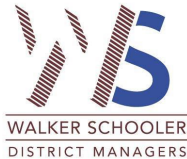
11. Adjournment: The Board adjourned the meeting at 1:37 P.M.

Respectfully Submitted,

A handwritten signature in blue ink, appearing to read 'K. Kulick', followed by a long horizontal line extending to the right.

By: Kristina Kulick for the Recording Secretary





**MINUTES OF SPECIAL MEETINGS
OF THE BOARDS OF DIRECTORS OF THE
WOODMEN HEIGHTS METROPOLITAN DISTRICT NOS. 1, 2 and 3
DECEMBER 22, 2021 AT 1:00 P.M.**

Pursuant to posted notice, the joint meeting of the Boards of Directors of the Woodmen Heights Metropolitan District Nos. 1, 2 and 3 was held on Wednesday, December 22, 2021 at 1:00 p.m., at 119 Wahsatch Avenue, Colorado Springs, Colorado 80903, and via video and telephone conference.

In attendance were Directors:

Les Krohnfeldt, Vice President/Treasurer
James Morley, Secretary
Kyle Geditz, Asst. Secretary

Excused Directors

Lindsay Case, President
Randle W. Case II, Asst. Secretary

Also in attendance were:

Kevin Walker, WSDM
Rebecca Hardekopf, WSDM (Via phone)

Combined Meeting:

The Boards 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 1:04 p.m. by Vice President Les Krohnfeldt.

2. Declaration of Quorum/Director Qualifications/Disclosure Matters:

Vice President Krohnfeldt indicated that a quorum of the Boards was present and stated that each Director has been qualified as an eligible elector of the Districts pursuant to Colorado law. The Directors confirmed their qualification. Mr. Allen advised the Boards that, pursuant to Colorado law, certain disclosures might be required prior to taking official action at the meeting. Mr. Walker 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 72 hours prior to the meeting, in accordance with Colorado law, and those disclosures were acknowledged by the Board. Mr. Allen 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 the Agenda: Mr. Walker reviewed the agenda
4. Discussion of Master Drive/Cottages Annexation and Inclusion Agreements – It was moved to have the Board enter into Executive Session pursuant to C.R.S. §24.6.402(4) (e) for the purpose of determining postings for developing negotiating positions for the fair and equitable cost considerations for the developer of the Master Drive Commons project and for instructing negotiators by Vice President Krohnfeldt, second by Director Geditz at 1:06 PM 12/22/21; the motion passed unanimously.

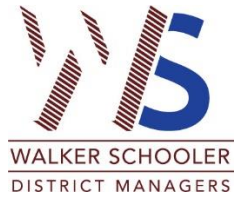
A motion to come out of executive session was made by Vice President Krohnfeldt, second by Director Geditz at 1:17 PM: that motion passed unanimously.

5. Public Comment: There was no public comment.
6. Legal Matters for 2022 Director Elections: No discussion.
7. 11. Adjournment: The Board adjourned the meeting at 1:18 P.M.

Respectfully Submitted,



By: Kristina Kulick for the Recording Secretary



Woodmen Heights Metropolitan District #1

02/23/22

Balance Sheet

Accrual Basis

As of February 23, 2022

| | Feb 23, 22 |
|--|----------------------|
| ASSETS | |
| Current Assets | |
| Checking/Savings | |
| 1110 · WHMD Wells Fargo Checking | 2,476,971.92 |
| Total Checking/Savings | 2,476,971.92 |
| Total Current Assets | 2,476,971.92 |
| Fixed Assets | |
| 1300 · Construction in Progress | |
| 1343 · Vollmer Drainage | 853,000.00 |
| 1301 · 51-1 Engineering | 1,233,786.17 |
| 1302 · 51-2 Engineering | 545,898.77 |
| 1303 · 51-3 Misc-Road/Drainage | 885,359.65 |
| 1303.1 · 51-3.1 Misc-Water/Sewer | 462,358.74 |
| 1304 · 51-4 Management-Road/Drainage | 356,630.00 |
| 1306.1 · 51-6-2 NEW Pond 2 | 369.87 |
| 1312 · 51-12 Grading | 333,128.22 |
| 1316.1 · 51-16 24" Water Main-Cedarwood | -13,224.84 |
| 1323 · 51-23 Blk Forest Impvmts/Utltly | 167,162.00 |
| 1324 · 51-24 Cowpoke Imp/San Sew/Utltly | -3,942.72 |
| 1326 · 51-26 24" Water Main-Marksheff | 75,000.19 |
| 1327 · 51-27 Black Forest Improvements | 13,833.81 |
| 1329 · 51-29 Black Forest Park | 428,566.77 |
| 1330 · 51-30 Vollmer Improvements | 15,084.54 |
| 1331 · 51-31 Sorpresa | 2,016,701.42 |
| 1332 · 51-32 Forest Meadows Ave | 2,257,467.00 |
| 1333 · 51-33 Marksheffel Road | 2,499.79 |
| 1334 · 51-34 Storm Sewer Facilities WH | 671,973.39 |
| 1336 · 51-36 Wetland Mit-Ph 1 | 291,526.23 |
| 1337 · 51-37 Landscape/Fence/Park 5.6 | 1,386,773.17 |
| 1340 · 51-40 Landscape/Fence/StreetW | 910,647.47 |
| 1341 · 51-41 Landscape/Pocket Parks | 165,522.00 |
| 1342 · 51-42 Bridge Fees | 233,268.55 |
| 1300 · Construction in Progress - Other | 1,843,803.49 |
| Total 1300 · Construction in Progress | 15,133,193.68 |
| 1540 · Accumulated Depreciation | -5,550,739.00 |
| Total Fixed Assets | 9,582,454.68 |
| TOTAL ASSETS | 12,059,426.60 |
| LIABILITIES & EQUITY | |
| Liabilities | |
| Current Liabilities | |
| Accounts Payable | |
| 2010 · Accounts Payable | 2,582.01 |
| Total Accounts Payable | 2,582.01 |
| Total Current Liabilities | 2,582.01 |
| Long Term Liabilities | |
| 2530 · RS Holding Company A1 | 245,388.84 |
| 2550 · KF 103-CV, LLC | 172,671.58 |
| 2552 · ESI-Developer Advances | 105,342.35 |
| 2590 · Advance from Morley Companies | 983,602.04 |
| Total Long Term Liabilities | 1,507,004.81 |
| Total Liabilities | 1,509,586.82 |

2:40 PM

Woodmen Heights Metropolitan District #1

02/23/22

Balance Sheet

Accrual Basis

As of February 23, 2022

| | Feb 23, 22 |
|-------------------------------|---------------|
| Equity | |
| 3000 · Opening Balance Equity | 1,001,995.57 |
| 3910 · Retained Earnings | 9,288,588.02 |
| Net Income | 259,256.19 |
| Total Equity | 10,549,839.78 |
| TOTAL LIABILITIES & EQUITY | 12,059,426.60 |

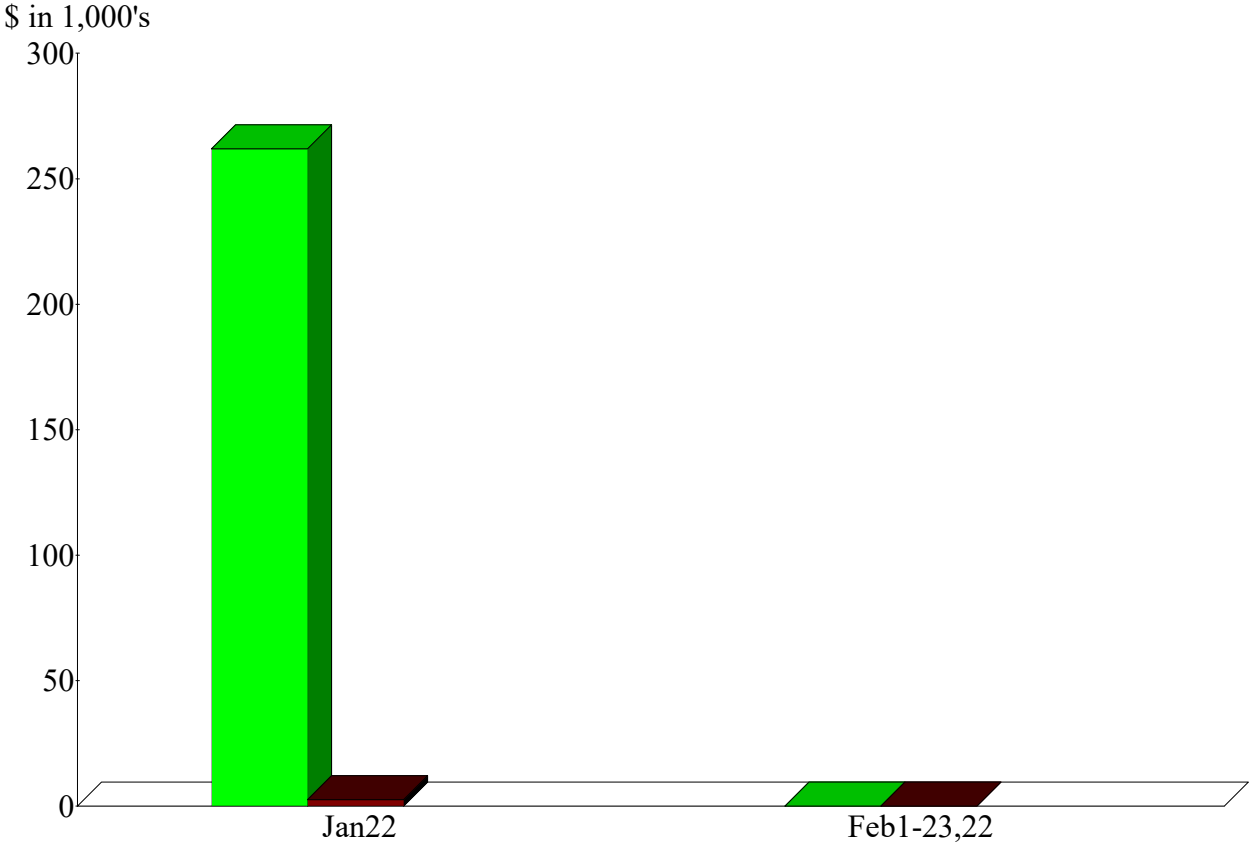
Woodmen Heights Metropolitan District #1

Profit & Loss Budget vs. Actual

January 1 through February 23, 2022

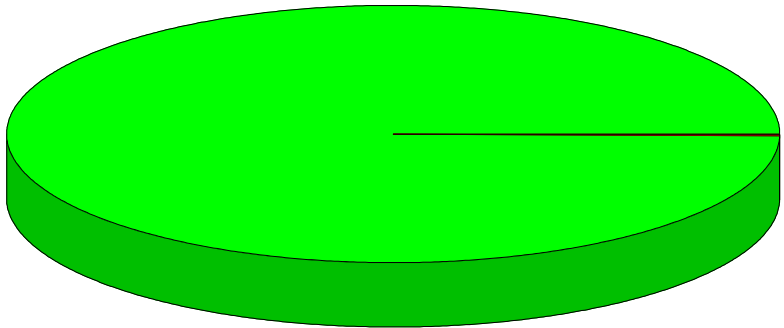
| | TOTAL | | | | |
|--------------------------------|----------------|--------------------|------------|----------------|-------------|
| | Feb 1 - 23, 22 | Jan 1 - Feb 23, 22 | Budget | \$ Over Budget | % of Budget |
| Ordinary Income/Expense | | | | | |
| Income | | | | | |
| Fees | | | | | |
| Platting Fees | | | | | |
| Tiers Fee | 0.00 | 76,692.00 | 0.00 | 76,692.00 | 100.0% |
| Rivers Park Fee | 0.00 | 34,273.10 | 0.00 | 34,273.10 | 100.0% |
| Total Platting Fees | 0.00 | 110,965.10 | 0.00 | 110,965.10 | 100.0% |
| Facility Fees | | | | | |
| East Park Fee | 0.00 | 116,528.54 | 0.00 | 116,528.54 | 100.0% |
| Bridge Fees | 0.00 | 34,273.10 | 0.00 | 34,273.10 | 100.0% |
| Total Facility Fees | 0.00 | 150,801.64 | 0.00 | 150,801.64 | 100.0% |
| Total Fees | 0.00 | 261,766.74 | 0.00 | 261,766.74 | 100.0% |
| Total Income | 0.00 | 261,766.74 | 0.00 | 261,766.74 | 100.0% |
| Gross Profit | 0.00 | 261,766.74 | 0.00 | 261,766.74 | 100.0% |
| Expense | | | | | |
| Copies & Postage | 0.00 | 0.00 | 500.00 | -500.00 | 0.0% |
| 6090 · Business License & Fees | 0.00 | 78.38 | 0.00 | 78.38 | 100.0% |
| 6155 · Directors Fees | 0.00 | 0.00 | 6,000.00 | -6,000.00 | 0.0% |
| 6170 · Election Expense | 0.00 | 0.00 | 1,000.00 | -1,000.00 | 0.0% |
| 6570 · Professional Fees | | | | | |
| District Management | 0.00 | 1,120.00 | 13,500.00 | -12,380.00 | 8.3% |
| 6571 · Accounting | 0.00 | 0.00 | 8,500.00 | -8,500.00 | 0.0% |
| 6572 · Legal Fees | 0.00 | 1,422.48 | 0.00 | 1,422.48 | 100.0% |
| Total 6570 · Professional Fees | 0.00 | 2,542.48 | 22,000.00 | -19,457.52 | 11.56% |
| 6610 · Postage and Delivery | 0.00 | 9.35 | 0.00 | 9.35 | 100.0% |
| 6612 · RE Property Taxes | 0.00 | 30.18 | 0.00 | 30.18 | 100.0% |
| Total Expense | 0.00 | 2,660.39 | 29,500.00 | -26,839.61 | 9.02% |
| Net Ordinary Income | 0.00 | 259,106.35 | -29,500.00 | 288,606.35 | -878.33% |
| Other Income/Expense | | | | | |
| Other Income | | | | | |
| 7010 · Interest Income | | | | | |
| O&M | 0.00 | 131.55 | 700.00 | -568.45 | 18.79% |
| 7010 · Interest Income - Other | 0.00 | 18.29 | 0.00 | 18.29 | 100.0% |
| Total 7010 · Interest Income | 0.00 | 149.84 | 700.00 | -550.16 | 21.41% |
| Total Other Income | 0.00 | 149.84 | 700.00 | -550.16 | 21.41% |
| Net Other Income | 0.00 | 149.84 | 700.00 | -550.16 | 21.41% |
| Net Income | 0.00 | 259,256.19 | -28,800.00 | 288,056.19 | -900.2% |

Income and Expense by Month
January 1 through February 23, 2022



Income Summary
January 1 through February 23, 2022

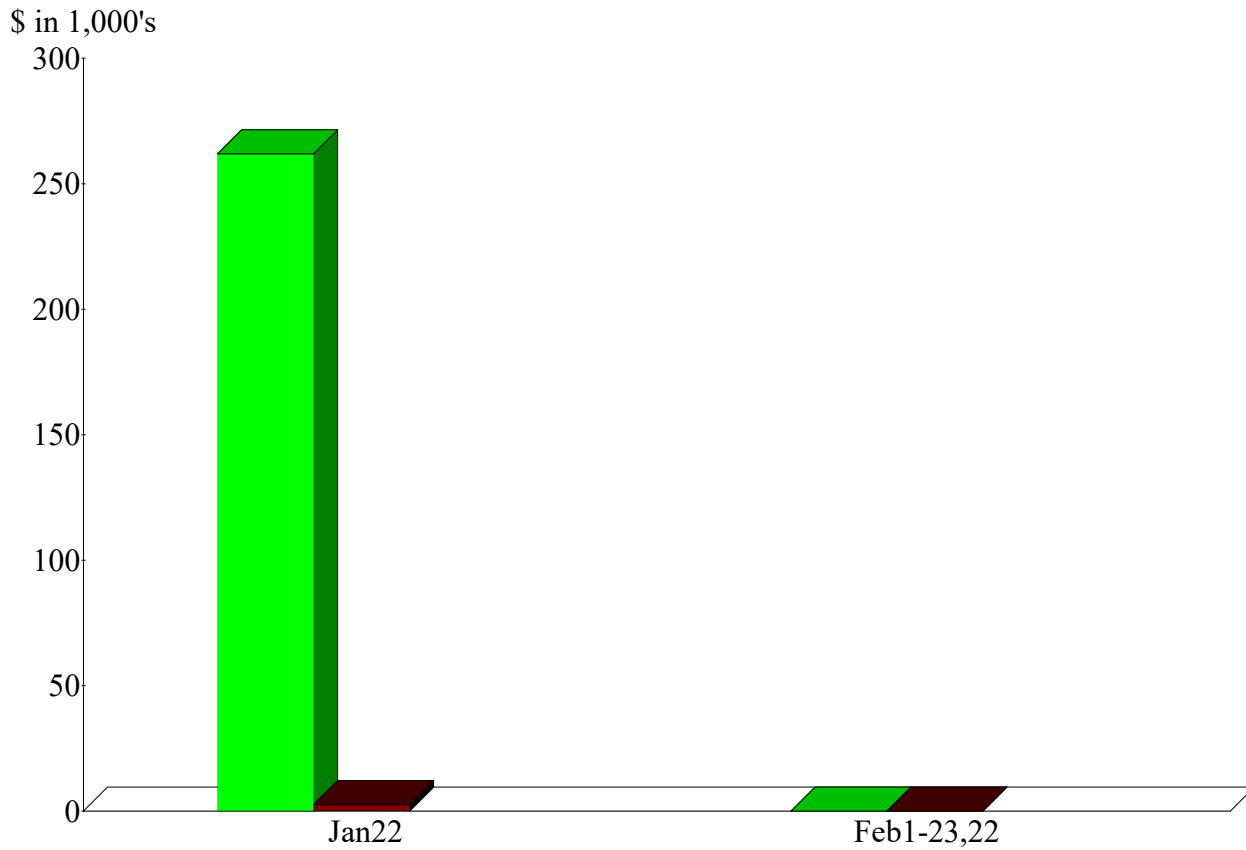
| | |
|------------------------|--------------|
| Fees | 99.94% |
| 7010 - Interest Income | 0.06 |
| Total | \$261,916.58 |



By Account

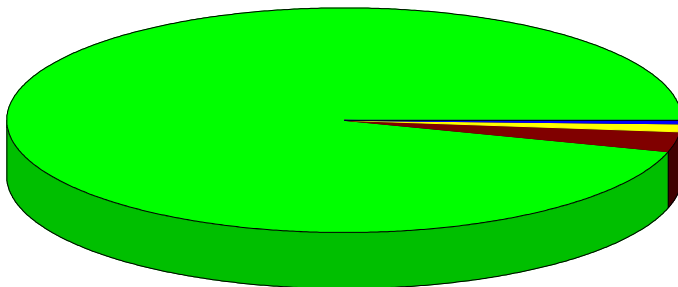
Income and Expense by Month January 1 through February 23, 2022

Income
Expense



Expense Summary January 1 through February 23, 2022

| | |
|--------------------------------|------------|
| 6570 · Professional Fees | 95.57% |
| 6090 · Business License & Fees | 2.95 |
| 6612 · RE Property Taxes | 1.13 |
| 6610 · Postage and Delivery | 0.35 |
| Total | \$2,660.39 |



By Account

Woodmen Heights Metropolitan District #2

02/23/22

Balance Sheet

Accrual Basis

As of February 23, 2022

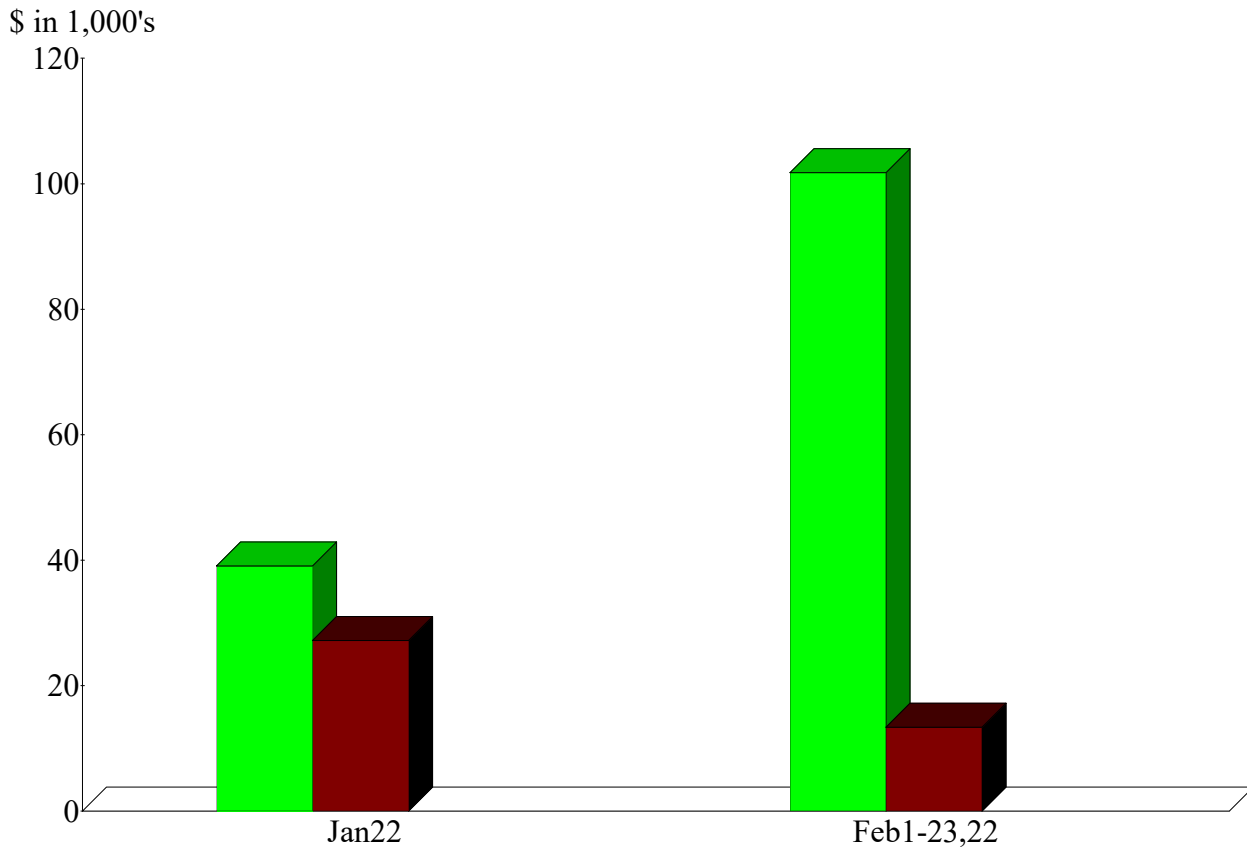
| | Feb 23, 22 |
|---------------------------------------|---------------------|
| ASSETS | |
| Current Assets | |
| Checking/Savings | |
| ECB - Operating | 1,539,311.34 |
| 1112 · PNC Bank Reserve 9339 | 1,130,952.39 |
| 1111 · PNC Bank Loan 9048 | 72,520.55 |
| UMB 2020B-1 Bond 394.1 | 0.98 |
| UMB 2020B-1 Reserve 394.2 | 297,404.58 |
| Total Checking/Savings | 3,040,189.84 |
| Accounts Receivable | |
| 1210 · Accounts Receivable | 97,706.54 |
| 1230 · Property Taxes Receivable WH2 | 2,779,524.76 |
| Total Accounts Receivable | 2,877,231.30 |
| Other Current Assets | |
| 1390 · Undeposited Funds | 9,503.68 |
| Total Other Current Assets | 9,503.68 |
| Total Current Assets | 5,926,924.82 |
| Other Assets | |
| 1990 Suspense | 61,528.84 |
| Total Other Assets | 61,528.84 |
| TOTAL ASSETS | 5,988,453.66 |
| LIABILITIES & EQUITY | |
| Liabilities | |
| Current Liabilities | |
| Accounts Payable | |
| 2010 · Accounts Payable | 281,477.79 |
| Total Accounts Payable | 281,477.79 |
| Other Current Liabilities | |
| 2022 · Deferred Property Tax Rev WH2 | 2,779,524.76 |
| Total Other Current Liabilities | 2,779,524.76 |
| Total Current Liabilities | 3,061,002.55 |
| Long Term Liabilities | |
| 2650 · Series 2020A Loan | 33,865,000.00 |
| 2640 · Series 2020B-2 Bond | 6,714,000.00 |
| 2630 · Series 2020B-1 Bond | 7,310,000.00 |
| Total Long Term Liabilities | 47,889,000.00 |
| Total Liabilities | 50,950,002.55 |
| Equity | |
| 3910 · Retained Earnings | -45,061,825.41 |
| Net Income | 100,276.52 |
| Total Equity | -44,961,548.89 |
| TOTAL LIABILITIES & EQUITY | 5,988,453.66 |

Woodmen Heights Metropolitan District #2
Profit & Loss Budget vs. Actual
January 1 through February 23, 2022

| | TOTAL | | | | |
|-------------------------------|----------------|--------------------|--------------|----------------|-------------|
| | Feb 1 - 23, 22 | Jan 1 - Feb 23, 22 | Budget | \$ Over Budget | % of Budget |
| Ordinary Income/Expense | | | | | |
| Income | | | | | |
| Fees | | | | | |
| Facility Fees | | | | | |
| Bridge Fee | 0.00 | 0.00 | 27,500.00 | -27,500.00 | 0.0% |
| East Park Fee | 0.00 | 0.00 | 93,500.00 | -93,500.00 | 0.0% |
| Facility Fees - Other | 39,915.50 | 78,999.40 | 0.00 | 78,999.40 | 100.0% |
| Total Facility Fees | 39,915.50 | 78,999.40 | 121,000.00 | -42,000.60 | 65.29% |
| Impact Fees | | | | | |
| Impact Fees Res Multi | 0.00 | 0.00 | 74,841.60 | -74,841.60 | 0.0% |
| Impact Fees Residential | 0.00 | 0.00 | 415,786.00 | -415,786.00 | 0.0% |
| Total Impact Fees | 0.00 | 0.00 | 490,627.60 | -490,627.60 | 0.0% |
| Platting Fees | | | | | |
| Rivers Park Fee | 0.00 | 0.00 | 27,500.00 | -27,500.00 | 0.0% |
| Tiers Fee | 0.00 | 0.00 | 275,000.00 | -275,000.00 | 0.0% |
| Total Platting Fees | 0.00 | 0.00 | 302,500.00 | -302,500.00 | 0.0% |
| Taxes | | | | | |
| Current Year - O&M | 11,307.29 | 11,307.29 | 807,266.70 | -795,959.41 | 1.4% |
| Spec Own Tax - O&M | 6,562.91 | 6,562.91 | 56,508.67 | -49,945.76 | 11.61% |
| Current Year - Debt | 27,817.24 | 27,817.24 | 1,985,968.91 | -1,958,151.67 | 1.4% |
| Spec Own Tax - Debt | 16,145.53 | 16,145.53 | 0.00 | 16,145.53 | 100.0% |
| Total Taxes | 61,832.97 | 61,832.97 | 2,849,744.28 | -2,787,911.31 | 2.17% |
| Fees - Other | 0.00 | 0.00 | 182,103.64 | -182,103.64 | 0.0% |
| Total Fees | 101,748.47 | 140,832.37 | 3,945,975.52 | -3,805,143.15 | 3.57% |
| Total Income | 101,748.47 | 140,832.37 | 3,945,975.52 | -3,805,143.15 | 3.57% |
| Gross Profit | 101,748.47 | 140,832.37 | 3,945,975.52 | -3,805,143.15 | 3.57% |
| Expense | | | | | |
| Bank Service Charges | 0.00 | 111.55 | 0.00 | 111.55 | 100.0% |
| Bond Expense | | | | | |
| Debt Service | 0.00 | 0.00 | 870,000.00 | -870,000.00 | 0.0% |
| Debt Service Interest | 0.00 | 0.00 | 1,418,641.00 | -1,418,641.00 | 0.0% |
| Total Bond Expense | 0.00 | 0.00 | 2,288,641.00 | -2,288,641.00 | 0.0% |
| Capital Facilities | 0.00 | 0.00 | 100,000.00 | -100,000.00 | 0.0% |
| Contingency | 0.00 | 0.00 | 40,000.00 | -40,000.00 | 0.0% |
| Dues and Subscriptions | 0.00 | 0.00 | 500.00 | -500.00 | 0.0% |
| Election | 0.00 | 0.00 | 7,500.00 | -7,500.00 | 0.0% |
| Fees Due | | | | | |
| Storm Water | 0.00 | 872.79 | 7,500.00 | -6,627.21 | 11.64% |
| Total Fees Due | 0.00 | 872.79 | 7,500.00 | -6,627.21 | 11.64% |
| Insurance | 0.00 | 0.00 | 12,000.00 | -12,000.00 | 0.0% |
| Miscellaneous | 6.99 | 6.99 | 1,000.00 | -993.01 | 0.7% |
| Professional Fees | | | | | |
| Audit | 0.00 | 0.00 | 19,000.00 | -19,000.00 | 0.0% |
| District Management | 0.00 | 8,960.00 | 120,000.00 | -111,040.00 | 7.47% |
| Landscaping Maintenance | 12,769.11 | 28,508.87 | 425,000.00 | -396,491.13 | 6.71% |
| Legal Fees | 0.00 | 283.30 | 30,000.00 | -29,716.70 | 0.94% |
| Total Professional Fees | 12,769.11 | 37,752.17 | 594,000.00 | -556,247.83 | 6.36% |
| Postage and Delivery | 0.00 | 0.00 | 200.00 | -200.00 | 0.0% |
| Repairs | 0.00 | 1,240.00 | 50,000.00 | -48,760.00 | 2.48% |
| Repay Developer Advance | 0.00 | 0.00 | 275,000.00 | -275,000.00 | 0.0% |
| Treasurer Collection Fee Debt | 417.26 | 417.26 | 29,789.53 | -29,372.27 | 1.4% |
| Treasurer Collection Fee O&M | 169.61 | 169.61 | 12,109.00 | -11,939.39 | 1.4% |
| Total Expense | 13,362.97 | 40,570.37 | 3,418,239.53 | -3,377,669.16 | 1.19% |
| Net Ordinary Income | 88,385.50 | 100,262.00 | 527,735.99 | -427,473.99 | 19.0% |
| Other Income/Expense | | | | | |
| Other Income | | | | | |
| Interest Income | 0.98 | 14.52 | 96.00 | -81.48 | 15.13% |
| Total Other Income | 0.98 | 14.52 | 96.00 | -81.48 | 15.13% |
| Net Other Income | 0.98 | 14.52 | 96.00 | -81.48 | 15.13% |
| Net Income | 88,386.48 | 100,276.52 | 527,831.99 | -427,555.47 | 19.0% |

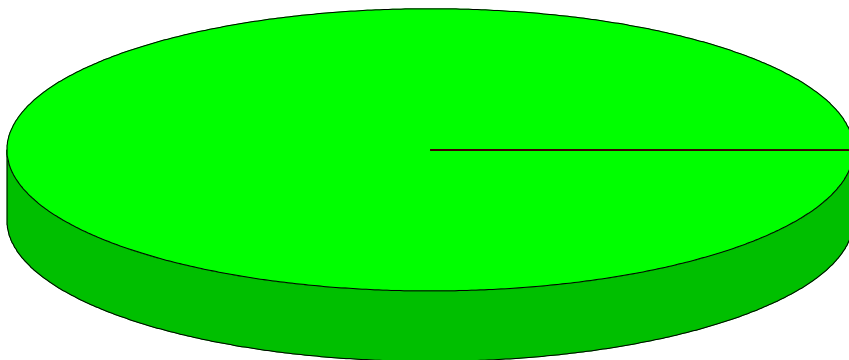
Income and Expense by Month January 1 through February 23, 2022

Income
Expense



Income Summary January 1 through February 23, 2022

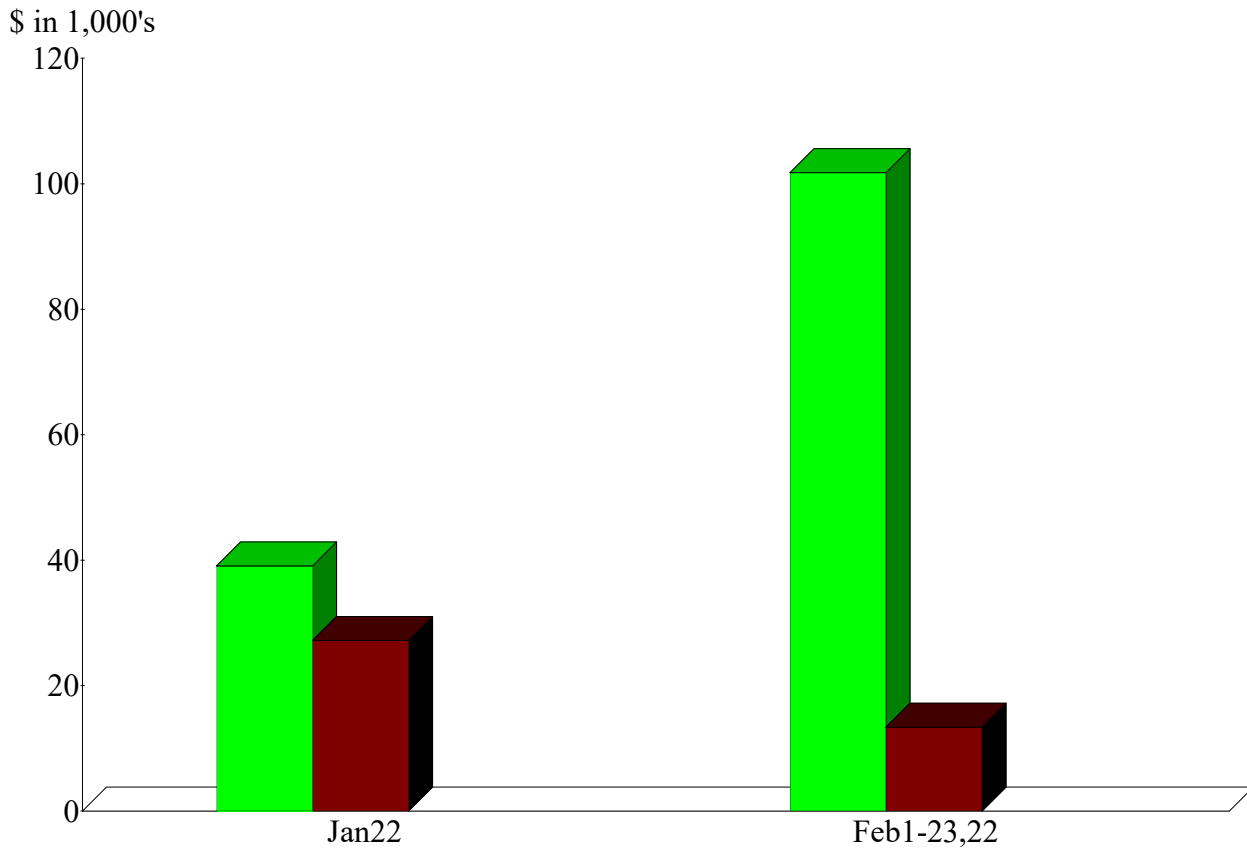
| | |
|-----------------|--------------|
| Fees | 99.99% |
| Interest Income | 0.01 |
| Total | \$140,846.89 |



By Account

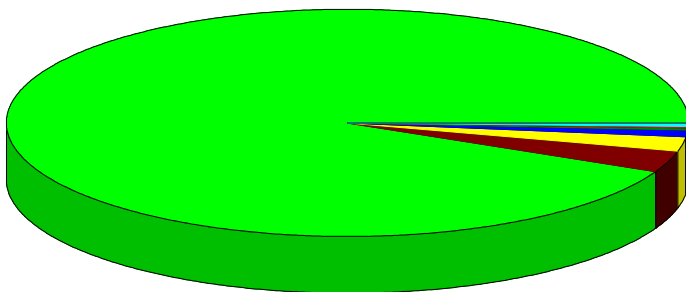
Income and Expense by Month January 1 through February 23, 2022

Income
Expense



Expense Summary January 1 through February 23, 2022

| | |
|-------------------------------|-------------|
| Professional Fees | 93.05% |
| Repairs | 3.06 |
| Fees Due | 2.15 |
| Treasurer Collection Fee Debt | 1.03 |
| Treasurer Collection Fee O&M | 0.42 |
| Bank Service Charges | 0.27 |
| Miscellaneous | 0.02 |
| Total | \$40,570.37 |



By Account

Woodmen Heights Metropolitan District #3

02/23/22

Balance Sheet

Accrual Basis

As of February 23, 2022

| | Feb 23, 22 |
|---------------------------------------|-------------------|
| ASSETS | |
| Current Assets | |
| Checking/Savings | |
| ECB - Operating | 85,077.19 |
| Total Checking/Savings | 85,077.19 |
| Accounts Receivable | |
| 1211 · AR Couty Treasurer | 242,776.79 |
| Total Accounts Receivable | 242,776.79 |
| Total Current Assets | 327,853.98 |
| TOTAL ASSETS | 327,853.98 |
| LIABILITIES & EQUITY | |
| Liabilities | |
| Current Liabilities | |
| Accounts Payable | |
| 2010 · Accounts Payable | 1,378.30 |
| Total Accounts Payable | 1,378.30 |
| Other Current Liabilities | |
| 2025 · Deferred Property Tax Rev WH3 | 242,776.79 |
| Total Other Current Liabilities | 242,776.79 |
| Total Current Liabilities | 244,155.09 |
| Total Liabilities | 244,155.09 |
| Equity | |
| 3910 · Retained Earnings | 83,103.46 |
| Net Income | 595.43 |
| Total Equity | 83,698.89 |
| TOTAL LIABILITIES & EQUITY | 327,853.98 |

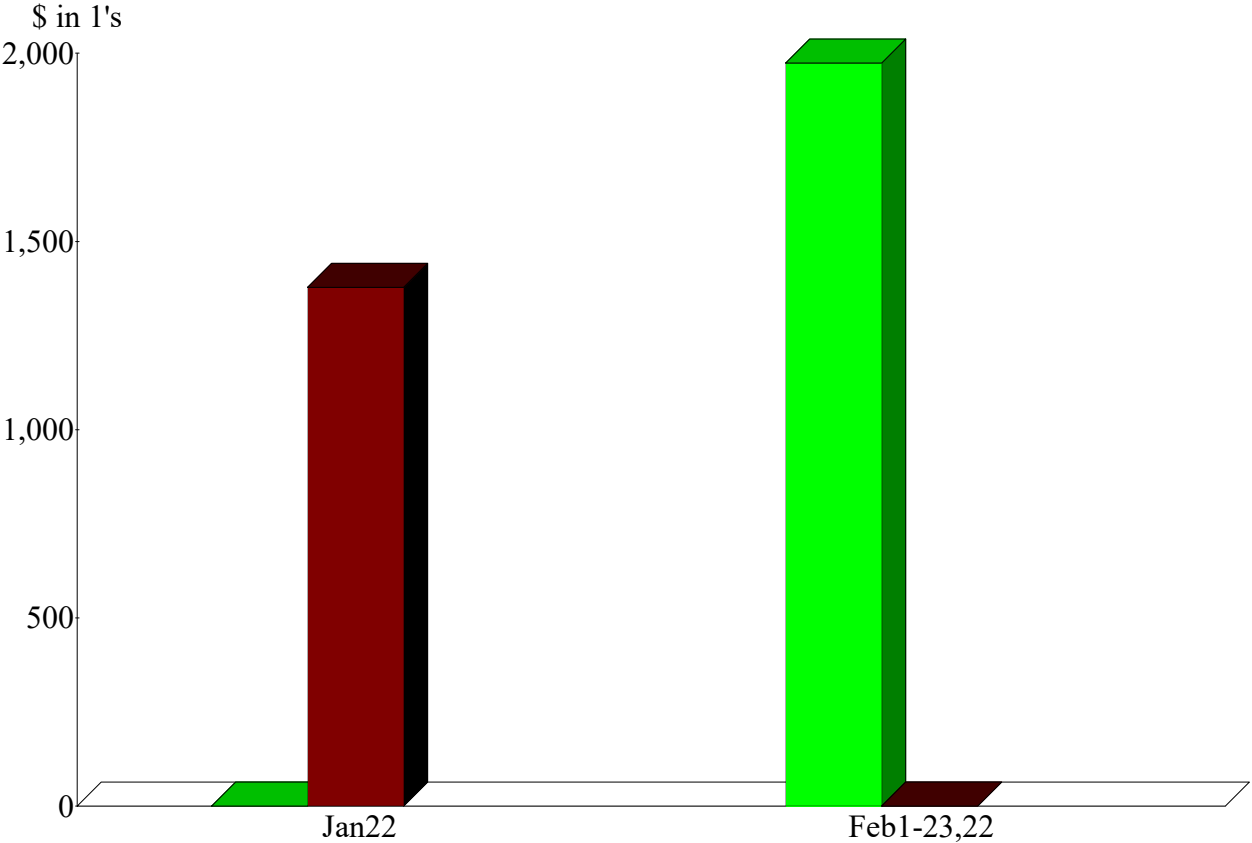
Woodmen Heights Metropolitan District #3

Profit & Loss Budget vs. Actual

January 1 through February 23, 2022

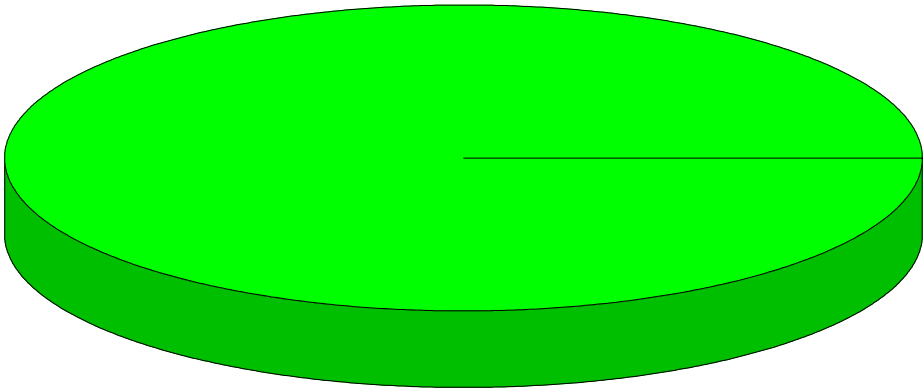
| | TOTAL | | | | |
|--------------------------------|----------------|--------------------|------------|----------------|-------------|
| | Feb 1 - 23, 22 | Jan 1 - Feb 23, 22 | Budget | \$ Over Budget | % of Budget |
| Ordinary Income/Expense | | | | | |
| Income | | | | | |
| Fees | | | | | |
| Taxes | | | | | |
| Current Year - O&M | 0.00 | 0.00 | 70,166.70 | -70,166.70 | 0.0% |
| Spec Own Tax - O&M | 570.44 | 570.44 | 4,911.67 | -4,341.23 | 11.61% |
| Current Year - Debt | 0.00 | 0.00 | 172,610.08 | -172,610.08 | 0.0% |
| Spec Own Tax - Debt | 1,403.29 | 1,403.29 | 12,082.71 | -10,679.42 | 11.61% |
| Total Taxes | 1,973.73 | 1,973.73 | 259,771.16 | -257,797.43 | 0.76% |
| Total Fees | 1,973.73 | 1,973.73 | 259,771.16 | -257,797.43 | 0.76% |
| Total Income | 1,973.73 | 1,973.73 | 259,771.16 | -257,797.43 | 0.76% |
| Gross Profit | 1,973.73 | 1,973.73 | 259,771.16 | -257,797.43 | 0.76% |
| Expense | | | | | |
| Contingency | 0.00 | 0.00 | 1,500.00 | -1,500.00 | 0.0% |
| Copies & Postage | 0.00 | 0.00 | 300.00 | -300.00 | 0.0% |
| Dues and Subscriptions | 0.00 | 0.00 | 500.00 | -500.00 | 0.0% |
| Due to District 2 - Taxes | 0.00 | 0.00 | 182,103.64 | -182,103.64 | 0.0% |
| Election Expense | 0.00 | 0.00 | 1,000.00 | -1,000.00 | 0.0% |
| Insurance | 0.00 | 0.00 | 5,000.00 | -5,000.00 | 0.0% |
| Miscellaneous | 0.00 | 0.00 | 1,500.00 | -1,500.00 | 0.0% |
| Professional Fees | | | | | |
| District Management | 0.00 | 1,120.00 | 15,000.00 | -13,880.00 | 7.47% |
| Legal Fees | 0.00 | 258.30 | 2,500.00 | -2,241.70 | 10.33% |
| Total Professional Fees | 0.00 | 1,378.30 | 17,500.00 | -16,121.70 | 7.88% |
| Stormwater & Facilities Maint | 0.00 | 0.00 | 35,000.00 | -35,000.00 | 0.0% |
| Treasurer's Collection Fee-O&M | 0.00 | 0.00 | 1,052.50 | -1,052.50 | 0.0% |
| Treasurers Collection Fee-Debt | 0.00 | 0.00 | 2,589.15 | -2,589.15 | 0.0% |
| Total Expense | 0.00 | 1,378.30 | 248,045.29 | -246,666.99 | 0.56% |
| Net Ordinary Income | 1,973.73 | 595.43 | 11,725.87 | -11,130.44 | 5.08% |
| Net Income | 1,973.73 | 595.43 | 11,725.87 | -11,130.44 | 5.08% |

Income and Expense by Month
January 1 through February 23, 2022



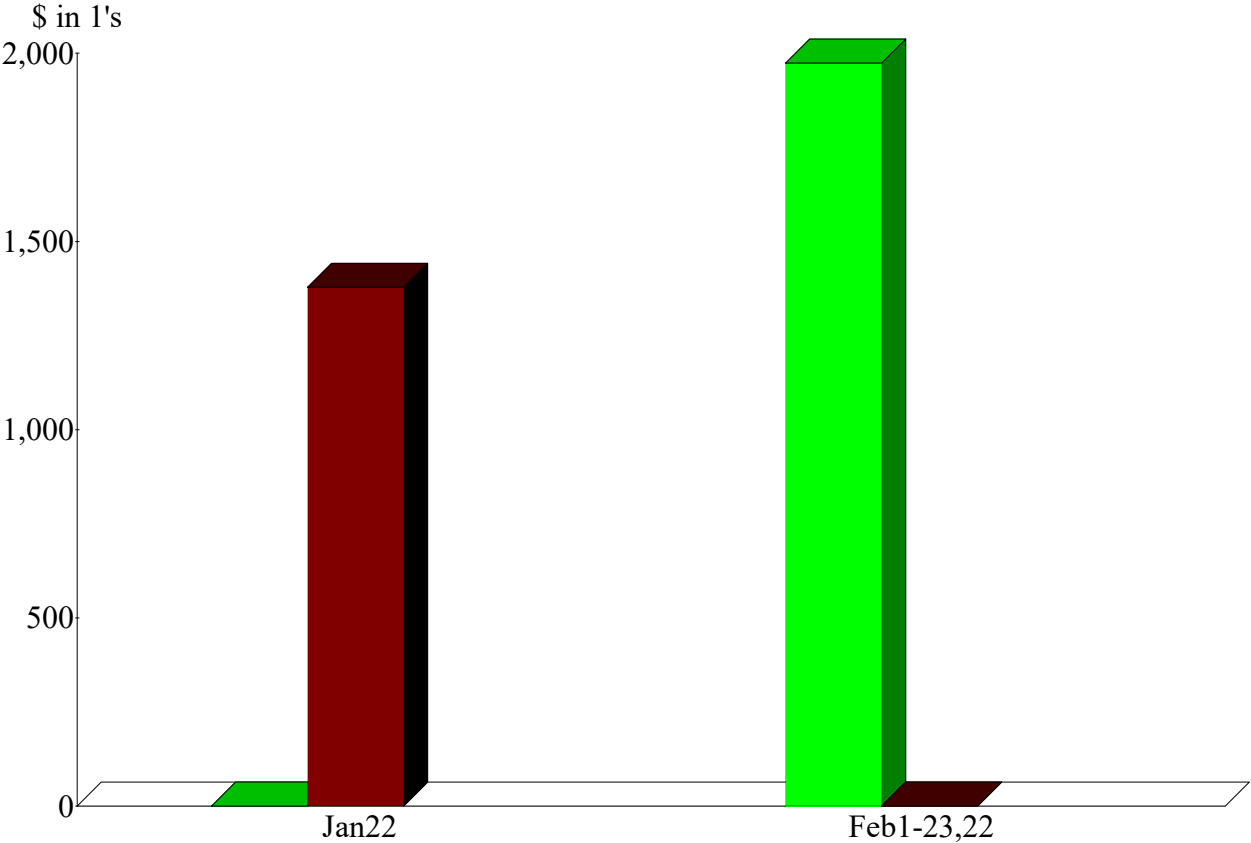
Income Summary
January 1 through February 23, 2022

| | |
|-------|------------|
| Fees | 100.00% |
| Total | \$1,973.73 |



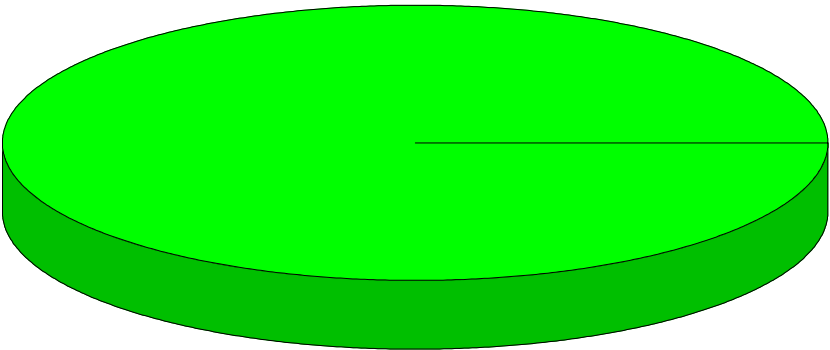
By Account

Income and Expense by Month
January 1 through February 23, 2022

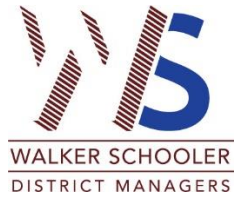


Expense Summary
January 1 through February 23, 2022

| | |
|-------------------|------------|
| Professional Fees | 100.00% |
| Total | \$1,378.30 |



By Account



Woodmen Heights Metropolitan District #1

GENERAL FUND ACCOUNT

2/16/2022

| Company | Invoice | Date | Amount | Comments |
|-----------------------------------|--------------|-----------|-------------|----------|
| El Paso County Treasurer | 53053-22-023 | 1/8/2022 | \$ 10.44 | |
| El Paso County Treasurer | 53053-22-024 | 1/8/2022 | \$ 19.74 | |
| Walker Schooler District Managers | 6987 | 1/31/2022 | \$ 1,129.35 | |
| White Bear Ankele Tanka Waldron | 20100 | 1/31/2022 | \$ 1,422.48 | |

Woodmen Heights Metropolitan District, Director

\$ 2,582.01

Woodmen Heights Metropolitan District #2

GENERAL FUND ACCOUNT

2/16/2022

| Company | Invoice | Date | Amount | Comments |
|-----------------------------------|------------------|-----------|---------------------|----------|
| Colorado Springs Utilities | CSUVarious 9/21 | 2/7/2022 | 1,994.58 | |
| City of Colorado Springs | CCSVarious.10/21 | 1/31/2022 | 586.59 | |
| El Paso County Treasurer | 53043-08-062 | 9/24/1956 | 6.99 | |
| Walker Schooler District Managers | 6988 | 1/31/2022 | 8,960.00 | |
| Weisburg Landscape Maintenance | 44867 | 2/3/2022 | 140.00 | |
| Weisburg Landscape Maintenance | 44916 | 2/10/2022 | 6,800.00 | |
| Weisburg Landscape Maintenance | 44914 | 2/9/2022 | 450.00 | |
| Weisburg Landscape Maintenance | 44912 | 2/8/2022 | 55.00 | |
| Weisburg Landscape Maintenance | 44867 | 2/3/2022 | 320.78 | |
| Weisburg Landscape Maintenance | 44847 | 2/2/2022 | 3,008.75 | |
| Weisburg Landscape Maintenance | 44684 | 1/28/2022 | 75.00 | |
| Weisburg Landscape Maintenance | 44769 | 1/31/2022 | 555.00 | |
| Weisburg Landscape Maintenance | 44760 | 1/31/2022 | 1,185.00 | |
| Weisburg Landscape Maintenance | 44678 | 1/26/2022 | 75.00 | |
| Weisburg Landscape Maintenance | 44617 | 1/25/2022 | \$ 601.25 | |
| White Bear Ankele Tanka Waldron | 20131 | 1/31/2022 | 283.30 | |
| TOTAL | | | \$ 25,097.24 | |

BOND FUND ACCOUNT

| Company | Date | Amount | Comments | |
|----------------------------------|---------|---------------------|---|---------------------|
| El Paso County Taxes: DISTRICT 2 | January | \$ 43,545.50 | | |
| El Paso County Taxes: DISTRICT 3 | January | \$ 1,403.29 | | |
| TOTAL | | \$ 44,948.79 | | |
| | | | | |
| | | | | |
| | | | Woodmen Heights Metropolitan District, Director | |
| | | | | |
| | | | | |
| | | | | |
| | | | | \$ 70,046.03 |

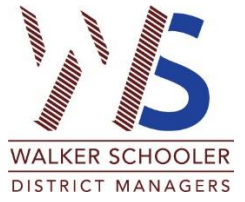
Woodmen Heights Metropolitan District #3
GENERAL FUND ACCOUNT

2/16/2022

| Company | Invoice | Date | Amount | Comments |
|-----------------------------------|---------|-----------|-------------|----------|
| Walker Schooler District Managers | 6989 | 1/31/2022 | \$ 1,120.00 | |
| White Bear Ankele Tanka Waldron | 20132 | 1/31/2022 | \$ 258.30 | |
| Woodmen Heights Metro District #1 | | | | |
| TOTAL | | | \$ 1,378.30 | |

Woodmen Heights Metropolitan District, Director

\$ 1,378.30





January 26, 2022

Woodmen Heights Metropolitan District No. 1
Board of Directors
Via email: rebecca.h@wsdistricts.co

We are pleased to confirm our understanding of the services we are to provide for Woodmen Heights Metropolitan District No. 1 ("District") as of and for the year ended December 31, 2021.

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, 2021. 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

Other information accompanying the financial statements will not be subjected to the auditing procedures applied in our audit of the financial statements, and our auditor's report will not provide an opinion or any other assurance on that other information. If we conclude that an uncorrected material misstatement of the other information exists, we are required to describe it in our report.

We understand that the following people or entities will use these financial statements for the enumerated purposes:

USER

PURPOSE

State of Colorado

To provide assurance that the financial statements adhere to US GAAP

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.

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 opinion 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.

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 an opinion. 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 comes 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 an opinion on the financial statements, we retain the right to withdraw from the engagement without issuing an opinion or 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.

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 opinion. 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.

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, 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 any 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, 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 partner 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, P.C. 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 \$8,825. 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.

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 opinion, 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 opinion is 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 an opinion, we may decline to express an opinion 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 Woodmen Heights Metropolitan District No. 1.

Authorized signature: _____ Title: _____ Date: _____



January 26, 2022

Woodmen Heights Metropolitan District No. 2
Board of Directors
Via email: rebecca.h@wsdistricts.co

We are pleased to confirm our understanding of the services we are to provide for Woodmen Heights Metropolitan District No. 2 ("District") as of and for the year ended December 31, 2021.

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, 2021. 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

Other information accompanying the financial statements will not be subjected to the auditing procedures applied in our audit of the financial statements, and our auditor's report will not provide an opinion or any other assurance on that other information. If we conclude that an uncorrected material misstatement of the other information exists, we are required to describe it in our report.

We understand that the following people or entities will use these financial statements for the enumerated purposes:

USER

PURPOSE

State of Colorado

To provide assurance that the financial statements adhere to US GAAP

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.

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 opinion 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.

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 an opinion. 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 comes 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 an opinion on the financial statements, we retain the right to withdraw from the engagement without issuing an opinion or 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.

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 opinion. 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.

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, 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 any 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, 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 partner before entering into any substantive employment discussions with any of our personnel.

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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.

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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.

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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 \$8,825. 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.

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 opinion, 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 opinion is 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 an opinion, we may decline to express an opinion 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 Woodmen Heights Metropolitan District No. 2.

Authorized signature: _____ Title: _____ Date: _____