BEEBE DRAW FARMS METROPOLITAN DISTRICT NO. 1

Proposal to Provide Auditing Services

September 27, 2013

SCHILLING & COMPANY, INC.
Certified Public Accountants
P.O. Box 631579
Highlands Ranch, CO 80163
Phone: 720.348.1086
Fax: 720.348.2920

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September 27, 2013

Beebe Draw Farms Metropolitan District No. 1
Board of Directors

Dear Board Members:

Thank you for giving us the opportunity to propose on performing the audit of the basic financial statements for the year ending December 31, 2013 for Beebe Draw Farms Metropolitan District No. 1 (District). We believe we can provide you with the highest quality services to meet and exceed the expectations and requirements of the Board of Directors. We are convinced that we will add value to the business operations of the District and develop a strong relationship from which we all can benefit. We are committed to the highest standards of quality and professionalism. Providing quality, timely service to our clients is our primary objective.

Understanding of Work to be Performed

We understand that the work to be performed will consist of an audit of the basic financial statements of the District, for the year ending December 31, 2013. The audit will be performed in accordance with generally accepted auditing standards. It is our understanding that we will assist with the drafting the basic financial statements, related footnotes, and any required supplemental information or supplemental information included.

We will express opinions on the fair presentation of the District's basic financial statements in conformity with generally accepted accounting principles, and an "in relation to" opinion on the supplemental information, as applicable, based on the auditing procedures applied during the audit of the basic financial statements. We will perform certain limited procedures involving supplementary information required by the Governmental Accounting Standards Board as mandated by generally accepted auditing standards.

In addition to the opinion on the basic financial statements, we may issue a separate management letter to the Board reporting any suggestions/recommendations for improvement and any significant deficiencies or material weaknesses in internal controls encountered during the course of the audit.

Our procedures will include tests of documentary evidence supporting the transactions recorded in the accounts, and may include tests of the physical existence of inventories, and direct confirmation of receivables and certain other assets and liabilities by

correspondence with selected individuals, creditors, and financial institutions. We will request written representations from your attorneys as part of the engagement, and they may bill you for responding to this inquiry. At the conclusion of our audit, we will also require certain written representations from you about the financial statements and related matters.

Our audit will include obtaining an understanding of the entity and its environment, including internal controls, sufficient to assess the risks of material misstatement of the financial statements and to design the nature, timing, and extent of further audit procedures. The audit is not designed to provide assurance on internal control or to identify deficiencies in internal control. However, during the audit, we will communicate to management and those charged with governance internal control related matters that are required to be communicated under professional standards.

Firm Background, Qualifications and Experience

Schilling & Company, Inc. (the Firm) is a small accounting firm made up of two certified public accountants, Neil Schilling and Dawn A. Schilling. The Firm was established with the objective to provide high quality audit, accounting and consulting services to small to mid-sized state and local governments and non-profit organizations in Colorado. There is a need for qualified, experienced professionals to provide audit and accounting services to this market. We can provide you with high quality service that you need and deserve. We each have over **twenty years of** experience in public accounting with a combined **thirty-eight years of** experience auditing state and local governments in Colorado. The contracted professionals also have numerous years of experience auditing state and local governments in Colorado. Additionally we contract with two other professionals to assist with the performance of audits on an as needed basis. These contract professionals are closely supervised and their work reviewed by either Neil or Dawn, who maintain the ultimate responsibility for the work performed and the client relationship.

For your information, we have attached the resumes for both Neil and Dawn to this proposal. We have also attached a list of governmental clients that have engaged Schilling & Company, Inc. to provide auditing and accounting services.

Timing of the Audit

We commit to completing the audit within the deadlines established by State Statutes.

Independence

Schilling & Company, Inc. is independent of the District as defined by Generally Accepted Auditing Standards.

Professional Memberships

Schilling & Company, Inc. is registered with the State of Colorado Board of Accountancy and is in good standing. No complaints have been filed against the Firm or its members.

The Firm is a member of the American Institute of Certified Public Accountants (AICPA) Peer Review Program which requires that we engage another independent certified public accounting firm to perform a peer review of the practice every three years. We have attached a copy of the peer review report issued in which we received no letter of comments. This means that the Firm has complied with professional standards with no exceptions noted.

The Firm is an associate member of the Special District Association of Colorado.

Professional References

The following references may be contacted as necessary:

Ms. Vanessa Shipley	Mr. Darrell Windes	Ms. Vicki Johann
Platte Canyon Water and Sanitation District	Ken-Caryl Ranch Metropolitan District	Hudson Fire Protection District
Finance Administrator	District Manager	District Administrator
303-979-2333	303-979-1876	303-536-0161

Our Commitment to You

We have made a long-term commitment to providing the highest quality service at a reasonable fee. You will be an important client to our office and every effort will be made to provide you responsive, quality services. You are guaranteed an experienced and efficient member of your team.

We propose to perform the audit of the District for the year ending December 31, 2013 for a fee not to exceed $4,900 which includes the preparation of the basic financial statements and related footnote disclosures. If we encounter time for issues that are outside of the scope of the audit, such time will be billed at our standard hourly rate of $140. Issues outside the scope of the audit will be discussed with the appropriate personnel prior to work being completed.

This proposal is a firm and irrevocable offer. Please refer all questions regarding this proposal to me, I am an owner who is authorized to make representations and contractually bind Schilling & Company, Inc. I may be contacted at 720-348-1086 or NeilSchilling@comcast.net. You may also contact Dawn Schilling at 720-348-1086 or DawnSchilling@comcast.net.

Again, thank you for the opportunity to submit this proposal for auditing services that we can provide to your District. We would be glad to meet with you to discuss our qualifications and experience in auditing state and local governments. We look forward to a long-lasting business relationship with you.

Sincerely,

Neil Schilling, CPA

NEIL SCHILLING, CPA

Professional Certification
Certified Public Accountant - Colorado 1994

Education
Bachelor of Science in Accounting and Business Administration, University of Kansas, 1991

Experience
- Perform financial statement audits of state and local governments and non-profit organizations.
- Perform single audits in accordance with OMB Circular A-133.
- Provide consulting services for clients regarding implementation issues of Governmental Accounting Standards Board Statement No. 34 and other GASB standards.
- Extensive knowledge of fund accounting, Governmental Accounting Standards Board Statements and Colorado Revised Statutes as they apply to state and local governments including Article X, Section 20 (TABOR).
- Prepare comprehensive annual financial reports on client engagements that have received the Governmental Financial Officers Association award for excellence in financial reporting.
- Perform consulting engagements with local Colorado governments including budget preparation and review, fraud investigation, and testifying as an expert witness
- Presentations to Board of Directors, City Council, etc.

Employment History
- Schilling & Company, Inc. November 2008 - Present
- Clifton Gunderson, LLP 2001- November 2008
- Van Schooneveld & Co, Inc., 1993-2001
- Two years previous auditing/accounting experience

Professional Organizations
- Colorado Society of Certified Public Accountants
- American Institute of Certified Public Accountants
- Government Finance Officers Association
- Member of the Special District Association of Colorado

DAWN A. SCHILLING, CPA

Professional Certification
Certified Public Accountant - Colorado 1995

Education
Bachelor of Science in Accounting, Colorado State University, 1992

Experience
- Perform financial statement audits of state and local governments and non-profit organizations.
- Perform single audits in accordance with OMB Circular A-133.
- Provide consulting services for clients regarding implementation issues of Governmental Accounting Standards Board Statement No. 34 and other GASB standards.
- Extensive knowledge of fund accounting, Governmental Accounting Standards Board Statements and Colorado Revised Statutes as they apply to state and local governments including Article X, Section 20 (TABOR).
- Prepare comprehensive annual financial reports on client engagements that have received the Governmental Financial Officers Association award for excellence in financial reporting.
- Assist local governments with preparation of annual budgets.
- Perform special projects such as sales tax audits, writing of accounting policies and procedures manuals, evaluating internal control systems and various other agreed upon procedures.
- Presentations to Board of Directors, City Council, etc.

Employment History
- Schilling & Company, Inc. (formerly Dawn A. Schilling, LLC) 2005-present
- Clifton Gunderson, LLP 2001-2005
- Van Schooneveld & Co, Inc., 1995-2001
- Three years previous auditing/accounting experience

Professional Organizations
- Colorado Society of Certified Public Accountants
- American Institute of Certified Public Accountants
- Government Finance Officers Association
- Member of the Special District Association of Colorado

SCHILLING & COMPANY, INC.
CLIENT LISTING

Client Name	Service Provided
Aspen Historical Park and Recreation District	Audit
Aurora Centretech Metro District	Audit
Aurora High Point at DIA Metropolitan District	Audit
Bear Creek Water and Sanitation District	Audit
BMP Metropolitan District	Audit
Bow Mar Water and Sanitation District	Audit
Bowles Metropolitan District	Audit
Brittany Place Metropolitan District	Audit
Cherry Creek Corporate Center Metropolitan District	Audit
Cherry Creek Village Water District	Audit
Cherry Hills Village Sanitation District	Audit
Colorado International Center No. 14 Metropolitan District	Audit
Colorado International Center No. 3 Metropolitan District	Audit
Colorado Science and Technology Park District	Audit
Conservatory Metropolitan District	Audit
Cottonwood Metropolitan District	Audit
Denver High Point at DIA Metropolitan District	Audit
East Smoky Hill Metropolitan District No. 2	Audit
Elbert and Highway 86 Commercial Metro	Audit
Elbert and Highway 86 Metropolitan District	Audit
Elbert County Communications Authority (Fire Dispatch)	Audit
Elizabeth Fire Protection District	Audit
Elkhorn Ranch Metropolitan District No. 1	Audit
Fairways Metropolitan District	Audit
Forest View Acres Water District	Audit
Goldsmith Gulch Sanitation District	Audit
HighPointe Park Metropolitan District	Audit
Hillcrest Water and Sanitation District	Audit
Horse Creek Metropolitan District	Audit
Hudson Fire Protection District	Audit
Indian Mountain Metropolitan Recreation & Park District	Audit
Jefferson-Como Fire Protection District	Audit
Ken-Caryl Ranch Metropolitan District	Audit
Lakehurst Water and Sanitation District	Audit
Larkspur Fire Protection District	Audit
Marshall Lake Metropolitan District	Audit
Mead Western Meadows Metropolitan District	Audit
Meadows Metropolitan District No. 1	Audit
Meadows Metropolitan District No. 2	Audit
Meadows Metropolitan District No. 4	Audit

Client Name	Service Provided
Meadows Metropolitan District No. 5	Audit
Meadows Metropolitan District No. 6	Audit
Meadows Metropolitan District No. 7	Audit
Niwot Sanitation District	Audit
Northwest Lakewood Sanitation District	Audit
Olde Town Metropolitan District	Audit
Perry Park Metropolitan District	Audit
Platte Canyon Water and Sanitation District	Audit
Riverdale Peaks II Metropolitan District	Audit
Robinson Ranch Metropolitan District	Audit
Silver Peaks Metropolitan District No. 2	Audit
Southwest Metropolitan Water & Sanitation District	Audit
Southwest Suburban Denver Water & Sanitation	Audit
Stoneridge Metropolitan District	Audit
Tabernash Meadows Water and Sanitation District	Audit
TrailMark Metropolitan District	Audit
United Water and Sanitation District	Audit
Valley Sanitation District	Audit
Vista Ridge Metropolitan District	Audit
West Meadows Metropolitan District	Audit
Willowbrook Metropolitan District	Audit
Arapahoe Lake Public Park District	Accounting
Cherry Creek Vista Park and Recreation District	Accounting
Clearwater Metropolitan District	Accounting
Colfax Business Improvement District	Accounting
Cuchares Ranch Metropolitan District	Accounting
Deer Trails Metropolitan District	Accounting
Highway 119 Metropolitan District No. 1	Accounting
Highway 119 Metropolitan District No. 2	Accounting
Indiana Valley Metropolitan District	Accounting
Louviers Water and Sanitation District	Accounting
North Park Hospital District	Accounting
North Pines Metropolitan District	Accounting
Perry Park Water and Sanitation District	Accounting
Sable-Altura Fire Protection District	Accounting
Todd Creek Farms Metropolitan District No. 2	Accounting
Tollgate Metropolitan District No. 2	Accounting
Town of Lakeside	Accounting
Arvada West Town Center Business Improvement District	Exemption
Deer Creek Water District	Exemption
East Arapahoe Metropolitan District	Exemption
East Lakewood Sanitation District	Exemption
PLA Metropolitan District	Exemption

ANDERSON & WHITNEY

A Professional Corporation of
Certified Public Accountants

System Review Report

To the Owners of
Schilling & Company, Inc.
and the Peer Review Board of the Colorado Society of CPA's

We have reviewed the system of quality control for the accounting and auditing practice of Schilling & Company, Inc. in effect for the year ended September 30, 2012. Our peer review was conducted in accordance with the Standards for Performing and Reporting on Peer Reviews established by the Peer Review Board of the American Institute of Certified Public Accountants. As part of our peer review, we considered reviews by regulatory entities, if applicable, in determining the nature and extent of our procedures. The firm is responsible for designing a system of quality control and complying with it to provide the firm with reasonable assurance of performing and reporting in conformity with applicable professional standards in all material respects. Our responsibility is to express an opinion on the design of the system of quality control and the firm's compliance therewith based on our review. The nature, objectives, scope, limitations of, and the procedures performed in a System Review are described in the standards at www.aicpa.org/prsummary.

In our opinion, the system of quality control for the accounting and auditing practice of Schilling & Company, Inc. in effect for the year ended September 30, 2012, has been suitably designed and complied with to provide the firm with reasonable assurance of performing and reporting in conformity with applicable professional standards in all material respects. Firms can receive a rating of *pass, pass with deficiency(ies)* or *fail*. Schilling & Company, Inc. has received a peer review rating of *pass*.

Anderson & Whitney, P.C.

February 4, 2013

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