BKD LLP
CPAs & Advisors

111 S. Tejon Street, Suite 800 // Colorado Springs, CO 80903-2286
719.471.4290 // fax 719.632.8087 // bkd.com

October 27, 2014

Ms. Divena Mortimeyer, CPA
Senior Accountant
c/o Special District Management Services, Inc.
141 Union Boulevard // Suite 150
Lakewood, CO 80228

Re: Beebe Draw Farms Authority

DEAR MS. MORTIMEYER:

By coordinating public projects designed to help improve and maintain infrastructure and economic development, Beebe Draw Farms Authority (Beebe Draw Farms) demonstrates your dedication to providing services and amenities that enhance the quality of life for the many residents throughout your communities. With many governmental entities facing unprecedented budgetary challenges, accurate financial reporting is key to demonstrating the strength of your fiscal operations. As you consider the value of a fresh look in the audit of your financial statements, selecting the right CPA and advisory firm is an important consideration. With knowledgeable professionals experienced in working with governmental entities throughout Colorado and our commitment to providing **The BKD Experience** of unmatched client service, we believe **BKD, LLP** is the right choice to provide Beebe Draw Farms with high-quality, cost-effective audit services.

Working with hundreds of governmental clients across the country, BKD National Governmental Group can offer the resources, guidance and expertise of a national firm along with the accessibility of a local firm. While audit services may look alike on paper, you will often find the quality of the process, timeliness of deliverables and suggestions to help improve operational efficiencies can vary significantly among providers. Our extensive experience includes working with many special districts similar to Beebe Draw Farms, so we understand special districts are unique entities requiring an understanding of a number of accounting and reporting nuances. We can leverage our broad base of knowledge of and experience serving clients in the public sector to provider tailored, proactive solutions that can help provide confidence in your ability to demonstrate financial transparency and avoid unwanted surprises.

We believe our proposal will help you select our firm for timely, efficient and objective services delivered by experienced professionals. We will call you soon to answer questions you may have about this proposal, or you may reach us by phone at 719.471.4290 or by email as provided below.

Sincerely,

Christopher J. Telli

Christopher J. Telli, CPA
Partner
ctelli@bkd.com

Paul R Masar

Paul R. Masar, CPA
Senior Manager
pmasar@bkd.com

Praxity
MEMBER
GLOBAL ALLIANCE OF INDEPENDENT FIRMS

SERVICE DESCRIPTION

FINANCIAL STATEMENT AUDIT

BKD's audit focuses on areas of higher risk—the unique characteristics of Beebe Draw Farms' operating environment, the design effectiveness of your internal controls and your financial statement amounts and disclosures. The objective is to express an opinion on the conformity of your financial statements, in all material respects, with accounting principles generally accepted in the United States of America.

BKD is well prepared to meet Beebe Draw Farms' specific needs, as our audit tools, resources and infrastructure are designed to efficiently manage and disseminate our industry knowledge.

We can ramp up quickly on industry-specific trends and issues because, from associate level to partner, we are exposed to your industry's issues day in, day out rather than just periodically. Any audit we perform involves a high level of engagement executive involvement, and BKD team members assigned to Beebe Draw Farms' audit will have a deep understanding of and technical training in the governmental industry.

YOUR INVESTMENT

BKD knows our clients do not like fee surprises. Neither do we. Our goal is to be candid and timely, and we want to answer your questions about fees upfront. We determine our fees by evaluating a number of variables: the complexity of the work, the project's scope, the time we will spend and the level of professional staff needed.

PROPOSED FEES

Beebe Draw Farms Authority

For the Year Ending December 31	2014
Financial Statement Audit	$4,900

In addition, you will be billed travel costs, if any, and an administrative fee of 4 percent to cover items such as copies, postage and other delivery charges, supplies, technology-related costs, such as computer processing, software licensing, research and library databases, and similar expense items. Our fees may increase if our duties or responsibilities change because of new rules, regulations and accounting or auditing standards. We will consult with you should this happen.

Our estimate of fees does not include any time that may be required to address a restatement of the previously audited financial statements. Accordingly, any such work will be billed based on our hourly rates, which we can provide upon request.

YOUR BKD ENGAGEMENT TEAM

The most critical factor in providing you with high-quality service is choosing your engagement team. We take team selection seriously and have the appropriate team of advisors to meet your needs.

Christopher J. Telli, CPA
Partner
Engagement Role: Lead Audit Partner

Chris has approximately 16 years of experience in accounting and audit services, including three years as an internal auditor for a large not-for-profit organization. As a member of BKD National Governmental Group, he assists governmental and not-for-profit entities with audit and general business consulting. Chris leads the governmental practice in Colorado, working with a variety of governmental clients, including municipalities, authorities, state agencies, school districts and higher education institutions.

He has conducted presentations for internal and external BKD seminars, as well as for other organizations, on governmental and not-for-profit accounting issues and standards. Chris also has written articles on a variety of governmental and compliance-related topics.

Chris is a member of the American Institute of CPAs, Government Finance Officers Association (GFOA) and Association of Certified Fraud Examiners. He also is a member and is active with the Colorado Society of Certified Public Accountants (COCPA), where he co-chairs the Governmental Issues Forum and sits on the Planning Committee for COCPA's Governmental Conference. In addition, he is a member of the GFOA's Committee on Accounting, Auditing, and Financial Reporting (CAAFR).

He serves as treasurer for the American Red Cross Pikes Peak Chapter and on the finance council of the Colorado Springs Regional Business Alliance (formerly The Greater Colorado Springs Chamber of Commerce).

Chris is a graduate of Regis University, Colorado Springs, Colorado, with a B.S. degree in accounting, and the University of Colorado, Colorado Springs, with an M.B.A. degree in finance.

Paul R. Masar, CPA

Senior Manager
Engagement Role: Audit Senior Manager

Paul has more than 25 years of experience in private and public accounting. In addition to his public accounting experience, he held positions as a bank operations officer and a controller at two for-profit companies. As a member of BKD National Governmental Group, he provides audit services to a wide variety of clients, including municipalities, special districts, tribal governments and not-for-profit organizations. He also serves clients in the casino industry, including for-profit gaming organizations and tribal gaming entities.

In addition, Paul advises clients on compliance issues with states' gaming regulations and the National Indian Gaming Commission. He manages audit teams on engagements and procedures. He has conducted presentations for internal and external BKD seminars and has written articles on various governmental topics. In 2005, The Clute Institute for Academic Research awarded Paul their Best Paper Award, which was subsequently published in the **Journal of Business & Economics Research**.

He serves in the community as vice chair of the board of directors of the Better Business Bureau of Southern Colorado. Paul is a member of the American Institute of CPAs, the Colorado Society of CPAs (COCPA) and The Institute of Internal Auditors.

Paul is a graduate of University of Colorado, Boulder, with a B.S. degree in finance, and University of Colorado, Colorado Springs, with an M.B.A. degree in accounting.

WHY CHOOSE BKD

BKD DELIVERS VALUE

It is important to monitor expenditures and receive exceptional value for your investments. However, informed consumers understand value is about more than just price. Value from a professional CPA and advisory firm is about the quality of the work and the merit of the advice. Expect BKD's work to be accurate and insightful. We stand behind it. Our Public Company Accounting Oversight Board (PCAOB) and American Institute of CPAs (AICPA) peer reviews demonstrate the firm's record of excellence.

As evidenced by our inclusion in **INSIDE Public Accounting**'s 2014, 2013, 2012 and 2011 Best of the Best Firms lists, we also offer long-term consistency, exceptional performance and a national network of support and resources. BKD is large enough to help Beebe Draw Farms address a variety of financial issues. At the same time, we pride ourselves on hard work and low overhead, which keep our fees competitive. With our reputation, size, service and experience, you can consider us a good value.

INSIDE Public Accounting 2014 BEST OF THE BEST FIRMS

GOVERNMENT EXPERTISE

BKD National Governmental Group works with approximately 400 government clients nationwide, including state agencies, municipalities, counties, public utilities, public universities and airports. We can leverage best practices learned from working with other government entities to help Beebe Draw Farms identify areas that may require attention and increase operational efficiencies.

In addition, our commitment to governmental entities includes being a leader in national and state associations, as well as in the development of governmental accounting and auditing standards. Our experience also has enabled us to establish connections with:

- Governmental Accounting Standards Board
- Office of Management and Budget
- U.S. Government Accountability Office
- AICPA Governmental Audit Quality Center, as a member

Governmental Audit Quality Center
AICPA

We have the expertise needed to help Beebe Draw Farms in such areas as fiscal accountability, resource management, performance measurement, budgeting and debt administration.

SPECIAL DISTRICT EXPERTISE

BKD performs audits and agreed-upon procedures engagements for approximately 200 municipal utility districts and other special districts annually. Our advisors with special district experience understand the industry's challenges and can provide professional expertise and support, helping you remain current on industry issues affecting your district.

A STRONG LOCAL PRESENCE

Our client-centered focus brings the local, personal attention you desire with the national-level expertise and resources to help you satisfy your business needs. BKD's Colorado offices were formed in 1993, with offices in Colorado Springs and Denver. There are approximately 100 professionals in these offices, with many working across geographical lines. According to **ColoradoBiz** magazine, BKD is one of Colorado's 10 largest accounting firms. With specialized resources located in BKD's Colorado offices, Beebe Draw Farms can be confident we have the right people with the right training and experience assigned to your engagement.

COLORADO CO EMPLOYER

PROACTIVE PLANNING

One of the first things you will notice about BKD is our industry professionals are in communication with you frequently. We pay careful attention to the challenges you face to offer timely, proactive advice resulting in a better client relationship. This knowledge sharing between your team and ours can prove beneficial in identifying effective and proactive solutions.

THOUGHT LEADERSHIP

BKD advisors are serious about reinforcing and strengthening their positions as thought leaders in the industries they serve. To keep you informed about emerging issues in your industry, as well as changes in regulations and accounting and tax methods, we provide **BKD Thoughtware**® webinars, seminars and articles. Many of these are eligible for continuing professional education credit. Recent topics include:

- GASB Proposal Would Expand Fair Value Measurement
- GASB Standards Effective for 2014
- Fraud in Governmental Entities: Lessons from the Trenches

UNMATCHED CLIENT SERVICE

You want trusted advisors who will deliver exceptional client service, focus on your needs and take the time to address your unique challenges. BKD understands. We take our commitment so seriously, we penned five standards of unmatched client service and supporting guidelines in **The BKD Experience: Unmatched Client Service**, a book that sets the firm's expectations for serving clients. Those five standards are Integrity First, True Expertise, Professional Demeanor, Responsive Reliability and Principled Innovation.

Our acceptance of this engagement is subject to completion of our normal client acceptance procedures. Upon acceptance, the actual terms of our engagement will be documented in a separate letter to be signed by you and us. All information contained within this proposal is proprietary and confidential. The information provided in this proposal is intended for informational purposes only and may not be copied, used or modified, in whole or in part, without BKD's prior written approval. All information in this proposal is as of October 1, 2014, adjusted for current acquisitions, unless otherwise noted.