# ***COUNTY TECHNICAL SERVICES, INC.***

*AUDITOR COMMUNICATIONS*

*DECEMBER 31, 2018*

RubinBrown LLP
*Certified Public Accountants &*
*Business Consultants*

1900 Sixteenth Street
Suite 300
Denver, CO 80202

**T** 303.698.1883
**F** 303.777.4458

**W** rubinbrown.com
**E** info@rubinbrown.com

Board of Directors and Management
County Technical Services, Inc.
Denver, Colorado

We have audited the financial statements of County Technical Services, Inc. (CTSI) as of and for the year ended December 31, 2018 and 2017, and have issued our report thereon dated March 26, 2018. Professional standards require that we provide you with the following information related to our audits.

## Our Responsibility Under U.S. Generally Accepted Auditing Standards

As stated in our engagement letter dated December 10, 2018, our responsibility, as described by professional standards, is to express an opinion about whether the financial statements prepared by management with your oversight are fairly presented, in all material respects, in conformity with U.S. generally accepted accounting principles. Our audit of the financial statements does not relieve you or management of responsibility for the accuracy of the financial statements.

## Other Information In Documents Containing Audited Financial Statements

To our knowledge, the 2018 audited financial statements are not included within any other documents.

## Planned Scope And Timing Of The Audit

We performed the audit according to the planned scope and timing previously communicated to you on December 24, 2018 via letter regarding the nature, timing and extent of our audit procedures.

## Significant Audit Findings

*Qualitative Aspects of Accounting Practices*

Management is responsible for the selection and use of appropriate accounting policies. In accordance with the terms of our engagement letter, we will advise management about the appropriateness of accounting policies and their application. The significant accounting policies used by CTSI are described in Note 1 to the financial statements. As described in Note 1 to the financial statements, during the year, CTSI adopted the provisions of the Financial Accounting Standards Board Accounting Standards Update 2016-14, *Not-for-Profit Entities (Topic 958). Presentation of Financial Statements of Not-for-Profit Entities.* We noted no transactions entered into by CTSI during this year for which there was a lack of authoritative guidance or consensus. There are no significant transactions that have been recognized in the financial statements in a different period than when the transactions occurred.

Accounting estimates are an integral part of the financial statements prepared by management and are based on management's knowledge and experience about past and current events and assumptions about future events. Certain accounting estimates are particularly sensitive because of their significance to the financial statements and because of the possibility that future events affecting them may differ significantly from those expected. The most sensitive accounting estimates affecting the financial statements are related to the determination of fair value for level 2 investments and depreciation expense. Management's estimate related to the determination of fair value for level 2 investments is based on values reported by CTSI's trust agent, which uses inputs based on an evaluated bid methodology. Management's estimate of depreciation expense is based on capitalized property and equipment costing over $5,000 being depreciated over the useful life on a straight-line basis. We evaluated the key factors and assumptions used to develop depreciation expense and determined that it is reasonable in relation to the basic financial statements taken as a whole.

The disclosures to the financial statements are neutral, consistent and clear. Certain financial statement disclosures are particularly sensitive because of their significance to the financial statement users. The most sensitive disclosure affecting the financial statements relate to fair value estimates of level 2 investments in Note 3, which is based upon a hierarchy that prioritizes the inputs to valuation techniques used to measure fair value.

*Difficulties Encountered in Performing the Audit*

We encountered no significant difficulties in dealing with management in performing and completing our audit.

*Corrected and Uncorrected Misstatements*

For purposes of this communication, professional standards require us to accumulate all known and likely misstatements identified during the audit, other than those that we believe are trivial, and communicate them to the appropriate level of management. Further, professional standards require us to also communicate the effect of uncorrected misstatements related to prior periods on the relevant classes of transactions, account balances or disclosures, and the financial statements as a whole. Management has corrected all identified misstatements.

In addition, professional standards require us to communicate to you all material, corrected misstatements that were brought to the attention of management as a result of our audit procedures. None of the misstatements identified by us as a result of our audit procedures and corrected by management were material, either individually or in the aggregate, to the financial statements taken as a whole.

*Disagreements with Management*

For purposes of this letter, professional standards define a disagreement with management as a financial accounting, reporting or auditing matter, whether or not resolved to our satisfaction, that could be significant to the financial statements or the auditors' report. We are pleased to report that no such disagreements arose during the course of our audit.

*Management Representations*

We have requested certain representations from management that are included in the management representation letter dated March 20, 2019, a copy of which is attached.

*Management Consultations with Other Independent Accountants*

In some cases, management may decide to consult with other accountants about auditing and accounting matters, similar to obtaining a "second opinion" on certain situations. If a consultation involves the application of an accounting principle to an entity's financial statements or a determination of the type of auditors' opinion that may be expressed on those statements, our professional standards require the consulting accountant to check with us to determine that the consultant has all the relevant facts. To our knowledge, there were no such consultations with other accountants.

*Other Audit Findings or Issues*

We generally discuss a variety of matters, including the application of accounting principles and auditing standards, with management each year prior to retention as CTSI's auditors. However, these discussions occurred in the normal course of our professional relationship, and our responses were not a condition to our retention.

This information is intended solely for the use of the Board of Directors and management of CTSI and is not intended to be, and should not be, used by anyone other than these specified parties.

Very truly yours,

RubinBrown LLP

March 26, 2019

Attachment