June 25, 2013

Board of Directors
UNAVCO, Inc.
Boulder, Colorado

We have audited the financial statements of UNAVCO, Inc. for the year ended December 31, 2012, and have issued our report thereon dated June 25, 2013. We have previously communicated to you information about our responsibilities under auditing standards generally accepted in the United States of America, Government Auditing Standards, and OMB Circular A-133, as well as certain information related to the planned scope and timing of our audit. Professional standards also require that we communicate to you the following information related to our audit.

**Significant audit findings**

**Qualitative aspects of accounting practices**

**Accounting policies**
Management is responsible for the selection and use of appropriate accounting policies. The significant accounting policies used by UNAVCO, Inc. are described in Note 1 to the financial statements.

No new accounting policies were adopted and the application of existing policies was not changed during 2012.

We noted no transactions entered into by the entity during the year for which there is a lack of authoritative guidance or consensus. All significant transactions have been recognized in the financial statements in the proper period.

**Accounting estimates**
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 estimate affecting the financial statements was:

- Management’s estimate of the depreciation of capital assets is based on their estimated useful lives, which range from three to five years. We evaluated the key factors and assumptions used to develop the depreciation in determining that it is reasonable in relation to the financial statements taken as a whole.
Financial statement disclosures
Certain financial statement disclosures are particularly sensitive because of their significance to financial statement users. There were no particularly sensitive financial statement disclosures.

The financial statement disclosures are neutral, consistent, and clear.

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

Uncorrected misstatement
Professional standards require us to accumulate all misstatements identified during the audit, other than those that are clearly trivial, and communicate them to the appropriate level of management. The attached Exhibit B summarizes the uncorrected misstatement of the financial statements. Management has determined that its effects is immaterial to the financial statements taken as a whole.

Corrected misstatement
The attached Exhibit A summarizes the material misstatement detected as a result of audit procedures that was corrected by management.

Disagreements with management
For purposes of this letter, a disagreement with management is 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. No such disagreements arose during our audit.

Management representations
We have requested certain representations from management that are included in the attached Exhibit C, management representation letter dated June 25, 2013.

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 application of an accounting principle to the 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.

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

Other audit findings or issues
We have provided a separate letter to you dated June 25, 2013, communicating internal control related matters identified during the audit.
Our auditors’ opinion, the audited financial statements, and the notes to financial statements should only be used in their entirety. Inclusion of the audited financial statements in a document you prepare, such as an annual report, should be done only with our prior approval and review of the document.

* * *

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

CliftonLarsonAllen LLP

Greenwood Village, Colorado
June 25, 2013
EXHIBIT A - CORRECTED MISSTATEMENTS
UNAVCO, INC.
Year Ended December 31, 2012

Adjusting Journal Entries JE # 1
To reclassify cash advance recorded a result of the conversion to ACM$ from accounts receivable to deferred revenue.

<table>
<thead>
<tr>
<th>Account Code</th>
<th>Description</th>
<th>Debit</th>
<th>Credit</th>
</tr>
</thead>
<tbody>
<tr>
<td>11000-030-D</td>
<td>Grants Receivable</td>
<td>$ 733,481</td>
<td>-</td>
</tr>
<tr>
<td>21000 - CLA</td>
<td>Deferred Rev</td>
<td>-</td>
<td>$ 733,481</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td></td>
<td><strong>$ 733,481</strong></td>
<td><strong>$ 733,481</strong></td>
</tr>
</tbody>
</table>

Adjusting Journal Entries JE # 2
Client prepared entry to reclassify GeoPentech 2013 revenue to deferred revenue.

<table>
<thead>
<tr>
<th>Account Code</th>
<th>Description</th>
<th>Debit</th>
<th>Credit</th>
</tr>
</thead>
<tbody>
<tr>
<td>30300-030-D</td>
<td>Management Fee Revenue (Other)</td>
<td>$ 14,861</td>
<td>-</td>
</tr>
<tr>
<td>31190-000-0</td>
<td>Other Revenue</td>
<td>17,929</td>
<td>-</td>
</tr>
<tr>
<td>24300-000-0</td>
<td>Commercial Deferred Rev</td>
<td>-</td>
<td>32,790</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td></td>
<td><strong>$ 32,790</strong></td>
<td><strong>$ 32,790</strong></td>
</tr>
</tbody>
</table>
### EXHIBIT B - PASSED ADJUSTMENT SUMMARY

**UNAVCO, INC.**

**Year Ended December 31, 2012**

<table>
<thead>
<tr>
<th>Description</th>
<th>Assets</th>
<th>Liabilities</th>
<th>Net Assets</th>
<th>Change in Net Assets</th>
</tr>
</thead>
<tbody>
<tr>
<td>To reclassify the proceeds from the sale of government equipment recorded as a credit to expense and record as credit to revenue.</td>
<td>$</td>
<td>$</td>
<td>$</td>
<td>$ (41,944)</td>
</tr>
<tr>
<td>Total misstatements</td>
<td>$</td>
<td>$</td>
<td>$</td>
<td>$</td>
</tr>
</tbody>
</table>

Note: The above amounts are listed as either debits or (credits).
June 25, 2013

CliftonLarsonAllen LLP
8390 East Crescent Parkway
Suite 600
Greenwood Village, Colorado 80111

This representation letter is provided in connection with your audit of the financial statements of UNAVCO, Inc., which comprise the statement of financial position as of December 31, 2012, and the related statements of activities and cash flows for the year then ended, and the related notes to the financial statements, for the purpose of expressing an opinion on whether the financial statements are presented fairly, in all material respects, in accordance with accounting principles generally accepted in the United States of America (U.S. GAAP).

Certain representations in this letter are described as being limited to matters that are material. Items are considered material, regardless of size, if they involve an omission or misstatement of accounting information that, in light of surrounding circumstances, makes it probable that the judgment of a reasonable person relying on the information would be changed or influenced by the omission or misstatement.

We confirm, to the best of our knowledge and belief, as of June 25, 2013, the following representations made to you during your audit.

Financial Statements

- We have fulfilled our responsibilities, as set out in the terms of the audit engagement letter dated January 24, 2013, for the preparation and fair presentation of the financial statements in accordance with U.S. GAAP.

- We acknowledge and have fulfilled our responsibility for the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

- We acknowledge our responsibility for the design, implementation, and maintenance of internal control to prevent and detect fraud.

- We have identified all accounting estimates that could be material to the financial statements, including the key factors and significant assumptions used in making those estimates, and we believe the estimates and the significant assumptions used in making those accounting estimates are reasonable.

- Related party relationships and transactions, including, but not limited to, accounts receivable or payable, sales, purchases, loans, transfers, leasing arrangements, and guarantees, have been appropriately accounted for and disclosed in accordance with the requirements of U.S. GAAP.
• No events, including instances of noncompliance, have occurred subsequent to the financial statement date and through the date of this letter that would require adjustment to, or disclosure in, the financial statements or in the schedule of findings and questioned costs.

• The effect of the uncorrected misstatements is immaterial to the financial statements as a whole. The uncorrected misstatement is attached to his letter.

• We are not aware of any pending or threatened litigation, claims, or assessments or unasserted claims or assessments that are required to be accrued or disclosed in the financial statements in accordance with U.S. GAAP, or which would affect federal award programs, and we have not consulted a lawyer concerning litigation, claims, or assessments.

• Material concentrations have been properly disclosed in accordance with U.S. GAAP. Concentrations refer to individual or group concentrations of contributors, grantors, clients, customers, suppliers, lenders, products, services, fund-raising events, sources of labor or materials, licenses or other rights, or operating areas or markets for which events could occur that would significantly disrupt normal finances within the next year.

• Receivables recorded in the financial statements represent valid claims against debtors for sales or other charges arising on or before the financial statement date and have been reduced to their estimated net realizable value.

• We have no plans or intentions that may materially affect the carrying value or classification of assets, liabilities, or net asset balances.

• We have reviewed long-lived assets and certain identifiable intangibles to be held and used for impairment whenever events or changes in circumstances have indicated that the carrying amount of assets might not be recoverable and, when necessary, have appropriately recorded the adjustment.

Information Provided
• We have provided you with:

  o Access to all information, of which we are aware, that is relevant to the preparation and fair presentation of the financial statements such as records, documentation, and other matters.

  o Additional information that you have requested from us for the purpose of the audit.

  o Unrestricted access to persons within the entity from whom you determined it necessary to obtain audit evidence.

  o Complete minutes of the meetings of the governing board and related committees, or summaries of actions of recent meetings for which minutes have not yet been prepared.
- Access to all audit or relevant monitoring reports, if any, received from funding sources.

- All material transactions have been recorded in the accounting records and are reflected in the financial statements and the schedule of expenditures of federal awards.

- We have no knowledge of any fraud or suspected fraud that affects the entity and involves:
  - Management;
  - Employees who have significant roles in internal control; or
  - Others when the fraud could have a material effect on the financial statements.

- We have no knowledge of any allegations of fraud, or suspected fraud, affecting the entity's financial statements communicated by employees, former employees, grantors, regulators, or others.

- We have no knowledge of any instances of noncompliance or suspected noncompliance with provisions of laws, regulations, contracts, and grant agreements, or abuse whose effects should be considered when preparing financial statements.

- We are not aware of any pending or threatened litigation, claims, or assessments, or unasserted claims or assessments, that are required to be accrued or disclosed in the financial statements in accordance with U.S. GAAP, or which would affect federal award programs, and we have not consulted a lawyer concerning litigation, claims, or assessments.

- There are no other material liabilities or gain or loss contingencies that are required to be accrued or disclosed in accordance with U.S. GAAP.

- We have disclosed to you the identity of the entity's related parties and all the related party relationships and transactions of which we are aware.

- The entity has satisfactory title to all owned assets, and there are no liens or encumbrances on such assets, nor has any asset been pledged as collateral, except as made known to you and disclosed in the financial statements.

- We are responsible for compliance with the laws, regulations, and provisions of contracts and grant agreements applicable to UNAVCO, Inc.; and we have identified and disclosed to you all laws, regulations, and provisions of contracts and grant agreements that we believe have a direct and material effect on the determination of financial statement amounts or other financial data significant to the audit objectives.

- We have complied with all restrictions on resources and all aspects of contractual and grant agreements that would have a material effect on the financial statements in the event of noncompliance.
• UNAVCO, Inc. is an exempt organization under Section 501(c)(3) of the Internal Revenue Code. Any activities of which we are aware that would jeopardize the entity's tax-exempt status, and all activities subject to tax on unrelated business income or excise or other tax, have been disclosed to you. All required filings with tax authorities are up-to-date.

• With respect to federal award programs:
  
  o We are responsible for understanding and complying with, and have complied with the requirements of OMB Circular A-133, Audits of States, Local Governments, and Non-Profit Organizations, including requirements relating to preparation of the schedule of expenditures of federal awards.

  o We acknowledge our responsibility for presenting the schedule of expenditures of federal awards (SEFA) in accordance with the requirements of OMB Circular A-133 §310.b, and we believe the SEFA, including its form and content, is fairly presented in accordance with OMB Circular A-133 §310.b. The methods of measurement and presentation of the SEFA have not changed from those used in the prior period and we have disclosed to you any significant assumptions and interpretations underlying the measurement and presentation of the SEFA.

  o We have identified and disclosed to you all of our government programs and related activities subject to OMB Circular A-133, and included in the SEFA expenditures made during the audit period for all awards provided by federal agencies in the form of grants, federal cost-reimbursement contracts, loans, loan guarantees, property (including donated surplus property), cooperative agreements, interest subsidies, insurance, food commodities, direct appropriations, and other direct assistance.

  o We are responsible for understanding and complying with, and have complied with, the requirements of laws, regulations, and the provisions of contracts and grant agreements related to each of our federal programs and have identified and disclosed to you the requirements of laws, regulations, and the provisions of contracts and grant agreements that are considered to have a direct and material effect on each major program.

  o We are responsible for establishing and maintaining, and have established and maintained, effective internal control over compliance requirements applicable to federal programs that provides reasonable assurance that we are managing our federal awards in compliance with laws, regulations, and the provisions of contracts and grant agreements that could have a material effect on our federal programs. We believe the internal control system is adequate and is functioning as intended.

  o We have made available to you all contracts and grant agreements (including amendments, if any) and any other correspondence with federal agencies or pass-through entities relevant to federal programs and related activities.

  o We have received no requests from a federal agency to audit one or more specific programs as a major program.
We have complied with the direct and material compliance requirements, including when applicable, those set forth in the OMB Circular A-133 Compliance Supplement, relating to federal awards and have identified and disclosed to you all amounts questioned and all known noncompliance with the direct and material compliance requirements of federal awards.

Amounts claimed or used for matching were determined in accordance with relevant guidelines in OMB Circular A-122, Cost Principles for Nonprofit Organizations.

We have made available to you all documentation related to compliance with the direct and material compliance requirements, including information related to federal program financial reports and claims for advances and reimbursements.

We have disclosed to you whether any changes in internal control over compliance or other factors that might significantly affect internal control, including any corrective action we have taken regarding significant deficiencies and/or material weaknesses in internal control over compliance, have occurred subsequent to the date as of which compliance was audited.

Federal program financial reports and claims for advances and reimbursements are supported by the books and records from which the basic financial statements have been prepared.

The copies of federal program financial reports provided to you are true copies of the reports submitted, or electronically transmitted, to the respective federal agency or pass-through entity, as applicable.

We have monitored subrecipients to determine that they have expended pass-through assistance in accordance with applicable laws and regulations and have met the requirements of OMB Circular A-133.

We have taken appropriate action, including issuing management decisions, on a timely basis after receipt of subrecipients’ auditors’ reports that identified noncompliance with laws, regulations, or the provisions of contracts or grant agreements, and have ensured that subrecipients have taken the appropriate and timely corrective action on findings.

We have considered the results of subrecipient audits and have made any necessary adjustments to our books and records.

We have charged costs to federal awards in accordance with applicable cost principles.

We are responsible for and have accurately prepared the summary schedule of prior audit findings to include all findings required to be included by OMB Circular A-133, and we have provided you with all information on the status of the follow-up on prior audit findings by federal awarding agencies and pass-through entities, including all management decisions.
We are responsible for and have accurately prepared the auditee section of the Data Collection Form as required by OMB Circular A-133.

We are responsible for preparing a corrective action plan and taking corrective action on each audit finding.

We have disclosed to you all contracts or other agreements with service organizations, and we have disclosed to you all communications from the service organizations relating to noncompliance at the service organizations.

We have a process to track the status of audit findings and recommendations.

We have identified to you any previous audits, attestation engagements, and other studies related to the audit objectives and whether related recommendations have been implemented.

- In December 2012, we drew down monies from a federal agency of which a portion of the draw down was to cover the compensated absences liability of $634,100. We understand that this liability will be paid and over time and no additional funds will be drawn down to cover payment.

- As part of your audit, you prepared the draft financial statements and related notes. We have designated an individual who possesses suitable skill, knowledge, and/or experience to understand and oversee your services; have made all management judgments and decisions; and have assumed all management responsibilities. We have evaluated the adequacy and results of the service. We have reviewed, approved, and accepted responsibility for those financial statements and related notes.

__________________________________________
President

__________________________________________
Controller

__________________________________________
Business Affairs Director