

Report on the Firm's System of Quality Control

November 21, 2017

To PMB Helin Donovan, LLP
and the National Peer Review Committee

We have reviewed the system of quality control for the accounting and auditing practice of PMB Helin Donovan, LLP (the firm) applicable to engagements not subject to permanent PCAOB inspection in effect for the year ended June 30, 2017. 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 (Standards). A summary of the nature, objectives, scope, limitations of, and the procedures performed in a System Review as described in the Standards may be found at www.aicpa.org/prsummary. The summary also includes an explanation of how engagements identified as not performed or reported in conformity with applicable professional standards, if any, are evaluated by a peer reviewer to determine a peer review rating.

Firm's Responsibility

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. The firm is also responsible for evaluating actions to promptly remediate engagements deemed as not performed or reported in conformity with professional standards, when appropriate, and for remediating weaknesses in its system of quality control, if any.

Peer Reviewer's Responsibility

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.

Required Selections and Considerations

Engagements selected for review included engagements performed under *Government Auditing Standards* including compliance audits under the Single Audit Act, an audit of an employee benefit plan and an audit of a non-carrying broker dealer, and an examination of a service organization (SOC 1 engagement).

As a part of our peer review, we considered reviews by regulatory entities as communicated by the firm, if applicable, in determining the nature and extent of our procedures.

Deficiencies Identified in the Firm's System of Quality Control

We noted the following deficiencies during our review:

1. The firm's quality control policies and procedures require completion of all applicable audit procedures called for on work programs used and documentation of all applicable audit procedures performed. However, during our reviews of an ERISA audit, and two audits of nonprofit organizations performed pursuant to Uniform Guidance and *Government Auditing Standards* (one of which was a HUD project), we noted inadequate partner reviews which allowed procedures that had not been adequately documented to go undetected rendering the audits nonconforming:
2. The firm's monitoring system is not appropriately designed as those conducting inspection procedures were not familiar with all applicable professional standards. As a result, internal inspections performed did not detect a number of the findings noted above. Further, a number of findings that were detected during the inspection process were not corrected and therefore detected during our review as well.

Opinion

In our opinion, except for the deficiencies previously described, the system of quality control for the accounting and auditing practice of PMB Helin Donovan, LLP applicable to engagements not subject to permanent PCAOB inspection in effect for the year ended June 30, 2017, 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*. PMB Helin Donovan, LLP has received a peer review rating of *pass with deficiencies*.

David Kinard & Co, PC

Certified Public Accountants