

Report on the Firm's System of Quality Control

November 28, 2017

To To the Partners of Anderson, Marx & Bohl, P.C.
 and the Peer Review Committee of the TSCPA

We have reviewed the system of quality control for the accounting and auditing practice of Anderson, Marx & Bohl, P.C. (the firm) in effect for the year ended April 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 and audits of employee benefit plans.

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 deficiency during our review:

- 1) The firm's quality control manual addresses the element of engagement performance. However, during our review we noted that third party practice aids were not consistently utilized in order to provide reasonable assurance that audit engagements are consistently performed in accordance with professional standards. During our review we noted the following:

- a) The auditor failed to adequately document a clear understanding of the entity, its process and key internal controls, and proper walk-throughs of controls performed.
- b) Due to the inconsistent application of third-party practice aids, control risk was assessed less than high for key audit areas, and was bit any linkage to testing of controls to support the assessment.

Opinion

In our opinion, except for the deficiencies previously described, the system of quality control for the accounting and auditing practice of Anderson, Marx & Bohl, P.C.in effect for the year ended April 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*. Anderson, Marx & Bohl, P.C.has received a peer review rating of *pass with a deficiency*.

Gollob Morgan Peddy PC

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