

Report on the Firm's System of Quality Control

October 2, 2017

To the Owners of
Pinto Mucenski Hooper VanHouse & Co., CPA, PC
And the Peer Review Committee of the NYSSCPA

We have reviewed the system of quality control for the accounting and auditing practice of Pinto Mucenski Hooper VanHouse & Co., CPA, PC, (the firm) in effect for the year ended March 31, 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 an engagement performed under *Government Auditing Standards*, including a compliance audit 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 deficiencies during our review:

1. The firm's quality control policies and procedures addressing engagement performance have not been suitably designed or complied with to provide reasonable assurance that attest engagements are consistently performed or reported on in accordance with professional standards. The firm's policies require the engagement partner to perform a final review of the financial statements and related working papers of the engagement. During our review, we noted several instances where the final engagement partner review of the related engagement was ineffective. As a result, we noted an instance where the firm did not document its consideration of the complementary user controls at the plan sponsor. We also noted an instance where the firm did not perform required procedures in a Single Audit. In our opinion, this contributed to two engagements that did not conform with professional standard in all material respects, including one audit of an employee benefit plan and a Single Audit engagement performed under *Government Auditing Standards*. A similar deficiency was noted in the firm's previous peer review.
2. The firm's quality control policies and procedures addressing monitoring have not been suitably designed or complied with to provide reasonable assurance that the firm's monitoring is consistently performed in accordance with professional standards. The firm requires the performance of an annual inspection of its accounting and auditing engagements. Our review disclosed several instances where these monitoring procedures were not effective. If effective monitoring procedures had been performed, the items noted in deficiency 1 should have been noted and addressed prior to our review. A similar deficiency was noted in the firm's previous peer review.

Opinion

In our opinion, except for the deficiencies previously described, the system of quality control for the accounting and auditing practice of Pinto Mucenski Hooper VanHouse & Co., CPA, PC, in effect for the year ended March 31, 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*. Pinto Mucenski Hooper VanHouse & Co., CPA, PC, has received a peer review rating of *pass with deficiencies*.

EFPR Group, CPAs, PLLC

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Corning, NY