

Report on the Firm's System of Quality Control**April, 28, 2018**

To the Owners of Baker, Overby & Moore, Inc., P.S.
and the Peer Review Committee of the Washington Society of CPAs

We have reviewed the system of quality control for the accounting and auditing practice of Baker, Overby & Moore, Inc., P.S. (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.

As 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.

Deficiency Identified in the Firm's System of Quality Control

We noted the following deficiency during our review:

The firm's quality control policies and procedures addressing engagement quality control review were not suitably complied with in relation to technical proficiency in performing an evaluation of the conclusions reached in formulating the report and considering whether the proposed report is appropriate, specifically, in the industry of state and local governments. In accordance with professional standards, it is required that the presentation of financial statements not be misleading to the users of those financial statements.

On a governmental audit engagement, subject to the Single Audit Act, we noted the firm misinterpreted the reporting requirements. On the engagement, the firm provided an unmodified opinion when it should have expressed an adverse opinion on the financial statements as a whole because there was not a complete set of basic financial statements presented.

This inaccurate expression of opinion caused the engagement to not conform to professional standards in all material respects.

Opinion

In our opinion, except for the deficiency previously described, the system of quality control for the accounting and auditing practice of Baker, Overby & Moore, Inc., P.S. 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*. Baker, Overby & Moore, Inc., P.S. has received a peer review rating of pass with deficiency.



Hinkle + Landers, PC