Request for Proposal

Issued by:

Office of the State Auditor Jackson, Mississippi

<u>Stephanie Palmertree</u> Director, Financial and Compliance Division

Submitted by:

HORNE LLP Ridgeland, Mississippi

Patrick Gough
Partner, Public and Middle Market



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July 14, 2017

Office of the State Auditor Attn: Jason Ashley 501 North West Street Suite 801 Jackson, MS 39201

Thank you for the opportunity to submit our proposal for the performance of professional audit services in conjunction with rendering audit reports on certain selected treasury funds and Federal programs of the Mississippi Department of Rehabilitation Services ("MDRS"). With an experienced team committed to providing timely, value added solutions and a culture of continuous communication with clients, we believe HORNE LLP ("HORNE") is the right choice for the Office of the State Auditor ("OSA") and MDRS.

Our team is prepared to work alongside you as you perform the daunting task of auditing the State of Mississippi's fiscal year 2017 Comprehensive Annual Financial Report by serving as an extension of OSA for the audit of MDRS. As a Mississippi based business, HORNE shares OSA's values and commitment to our state. We hold a stake in Mississippi's success through our investment and involvement in local communities, organizations and businesses. This engagement is a personal, as well as a professional commitment by our firm.

HORNE has the knowledge and bench strength to serve you. The HORNE team's career experiences, successful work history and specialized skill set are closely aligned with your mission. Our pledge to you is that high-quality work and personal attention will remain the foundation of the services we provide to you. We are there to address any problem, business challenge or any other concern for you. With unrivaled expertise, you can continue to count on HORNE to be there with you for this project and for your future needs.

Thank you for presenting HORNE with the opportunity to continue to serve OSA and the State of Mississippi.

Sincerely, HORNE LLP

Patrick Gough, CPA

Partner, Public and Middle Market

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VALUE PROPOSITION

SCHEDULE OF PROFESSIONAL FEES & EXPENSES

At HORNE, we strive to ensure that the value of services we provide is greater than the cost of the services rendered. We have provided the following schedule of professional fees for the audit services to be provided to the Mississippi Department of Rehabilitation Services ("MDRS"). Our fees and expenses are billed monthly as work is incurred.

The total compensation for the project listed below shall not exceed the total, absent any amendments signed by the parties

MDRS (as described in Attachment K of the RFP):

	Total Hours	Quo	ted Hourly Rates	Mary 1	Total
Associate	93	\$	150	\$	13,950
Senior Associate	64	\$	162	\$	10,368
Supervisor	84	\$	196	\$	16,464
Senior Managers	65	\$	277	\$	18,005
Partners	20	\$	311	\$	6,220
Total	326			\$	65,007





Proposal for Professional Audit Services

HORNE OVERVIEW AND QUALIFICATIONS







ALABAMA

Mobile

LOUISIANA

Baton Rouge

MISSISSIPPI

Grenada Gullport Hattiesburg Lucedale Ridgeland Starkville

TENNESSEE

Jackson Memphis Nashville

TEXAS

Austin Houston

WASHINGTON D.C.

HORNE OVERVIEW

HORNE LLP was born of a vision rooted in people, driven by growth and committed to excellence. From the first office founded in 1962 by William F. Horne, we've grown into one of the top 50 accounting and business advisory firms in the nation.









Tax ID Number: 20-1941244















FINANCIAL INSTITUTIONS

FRANCHISE

GOVERNMENT SERVICES HEALTHCARE THE UNITED STATES
GOVERNMENT
ACCOUNTABILITY
OFFICE
RECOGNIZED
HORNE'S EFFORTS
IN THREE SEPARATE
REPORTS TO
CONGRESS.

GOVERNMENTAL EXPERIENCE

HORNE has been heavily involved in providing auditing, tax and consulting services for the governmental and nonprofit industry since our inception. Many of these clients require audits in accordance with Government Auditing Standards as well as compliance and internal control procedures and reports required by OMB Circular A-133, covering federal financial assistance. We serve a diversified array of clients in this area, including governmental, religious, educational, social services, foundations, trade, health care, and economic development organizations as well as organizations formed to provide services to various other industries.

Additionally, HORNE provides assistance to state agencies with the development and strengthening of their internal controls, which includes documenting key processes and controls, assessing proper design and operating effectiveness of key controls, identifying internal control weaknesses and recommending improvements to internal control. We have built a deep understanding of the internal controls assessment tools provided by the Mississippi Department of Finance and Administration that must be utilized by state agencies when evaluating and monitoring internal controls.

In addition to our internal control projects experience, HORNE's grant compliance team has proven itself time and again in the design and execution of effective program compliance, project management and grant management in helping ensure government compliance. HORNE provides financial monitoring and federal grant oversight services within the realm of our specialized knowledge as accounting professionals. Our team partners with governmental entities by helping organize the burdens and chaos so often associated with federal grant requirements.

HORNE provides integrated accounting services, financial compliance and program management to ensure eligible spending; document grant expenses in accordance with guidelines; process reimbursement requests promptly; promote program and funding transparency; meet federal reporting requirements; review eligible/ineligible expenses; collect and review compliance documentation; and reconcile necessary payments.

The United States Government Accountability Office recognized HORNE's efforts in three separate reports to Congress. We are proud to be a part of Mississippi's compliance success and are ready to continue to use our knowledge and lessons learned in providing services to OSA and MDRS.

Because of our involvement in the governmental and nonprofit sector, we have specifically trained many of our audit professionals in this area so they are qualified to perform audits under Governmental Auditing Standards (Yellow Book). Each of these individuals must have minimum continuing education hours in auditing nonprofit and governmental entities annually to be Yellow Book qualified. We currently have 80 professionals that are certified to provide audits under Governmental Auditing Standards.

We are also a member of the American Institute of Certified Public Accountant's Governmental Audit Quality Center. This membership requires additional standards, quality controls, procedures and monitoring of the various types of governmental audits, including audits conducted under OMB Circular A-133. This membership demonstrates our commitment to providing the highest caliber of services to governmental entities.

OTHER SERVICES

GOVERNANCE, RISK AND COMPLIANCE

Risk management is more than financial controls. It is also about addressing internal and external risk through a consistent approach to internal audit, regulatory compliance, governance structures, board education and staff augmentation.

We work to understand your challenges and recommend the right governance structure to provide appropriate oversight and direction. We have the perspective to anticipate future risks from business decisions, regulatory changes and shifts in accounting standards. We also work with both public and private companies to develop compliance strategies for government and industry-mandated financial regulations.

CYBERSECURITY AND IT ASSURANCE

Cybersecurity has become one of the biggest risks in business today. Keeping your business protected often requires a dedicated cybersecurity team working alongside your IT personnel. HORNE offers a broad range of IT security solutions including regulatory compliance, cyber-security, digital forensics, ERP services, IT assurance and planning as well as advisory services.

What separates us in the marketplace is our team combines a hacker's mentality with industry expertise and the CPA's discipline to uncover vulnerabilities, assess risk and recommend action based on industry-specific knowledge of IT and business issues.

QUALITY CONTROL

HORNE's system of quality control is designed to provide reasonable assurance that HORNE and our personnel comply with professional standards and applicable regulatory and legal requirements. The elements of the system of quality control are established by the Quality Control Standards issued by the AICPA. Those standards and requirements and our system of quality control encompass:

- Leadership responsibilities for quality control within HORNE
- · Relevant ethical requirements
- Acceptance and continuance of client relationships and specific engagements
- Human resources
- Engagement performance
- Monitoring

Our latest external peer review was performed for the period ended April 30, 2015 by CliftonLarsonAllen. In connection with a peer review, firms can receive a rating of pass, pass with deficiency or fail. HORNE has received a peer review of pass. Our most recent peer review can be found in the Appendix I.

INDEPENDENCE

An effective assurance practice also requires appropriate controls for ensuring the independence of all team members is maintained in fact and appearance. We maintain stringent internal policies to ensure reasonable assurance HORNE and its personnel comply with the Code of Professional Conduct of the AICPA, the Code of Ethics of the International Federation of Accountants (IFAC), the ethics rules of all relevant state CPA societies and State Boards of Accountancy, the SEC, the PCAOB, the Independence Standards Board (ISB), the Government Accounting Office (GAO) and other regulatory authorities.

Annually, we require our professionals to complete an Independence Compliance Questionnaire confirming that they (a) have read the firm's Independence and Relationship Policies, (b) understand the applicability to their activities and (c) are, and have been for the past year, in compliance with those policies.

Our automated client acceptance process requires all partners to acknowledge any existing and/or past relationships they or their immediate family members have with new clients. All relationships identified must be resolved and responses received before the respective client can be accepted.

You have our commitment that we will take all necessary steps to ensure our independence with respect to MDRS. We are not aware of any potential conflicts of interest in providing services to the agency at this time.

EXPERIENCE WITH PROJECTS OF SIMILAR SCOPE AND REFERENCES

HORNE has performed assurance services on several federal and state projects during the past five years. Below are a few project examples:

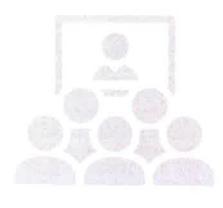
OFFICE OF THE STATE AUDITOR

OSA contracted with HORNE in 2015 to perform an initial assessment of the internal financial and technical controls of Mississippi's Accountability System for Government Information and Collaboration ("MAGIC"). Our procedures were designed to identify and evaluate the financial and technical controls in place specific to the Mississippi Department of Finance and Administration's configuration, use and monitoring of MAGIC and the technology environment supporting MAGIC.

The specific activities we performed in relation to this assessment of internal controls include:

- Examined, reviewed and documented the information technology general controls and significant application controls related to MAGIC
- Identified all significant functions and sub-functions currently used in the MAGIC system
- Collaborated with OSA regarding areas deemed high risk by OSA

In 2017, HORNE was contracted by OSA to perform a subsequent assessment of the internal and technical controls of MAGIC. The focus of this assessment was to evaluate the progress made toward improving the findings from the initial assessment.



MISSISSIPPI DEPARTMENT OF MARINE RESOURCES

The Mississippi Department of Marine Resources (MDMR) contracted with HORNE in 2013 to perform an assessment of the agency's operations, internal controls and structure in response to the fraud investigation by the Mississippi Office of the State Auditor and the FBI that resulted in eleven indictments of agency employees. Our procedures were designed to gain an understanding of the agency's current state of operations, assessment of internal controls and identified deficiencies, and recommendations for improving processes and controls to ensure proper safeguards are in place to secure current and future state and federal grant funds.

We were contracted by MDMR after the completion of our agency assessment in 2013 through 2015 to perform additional procedures, as listed below, in assisting the agency to implement the recommendations outlined in our assessment report. The specific activities we performed for strengthening agency processes and controls included:

- Assist with and oversee the updating of financial policies and procedures to ensure compliance with respective laws and regulations.
- Review grants and grant activities to ensure proper drawdown of funding, including administrative costs.
- Assist with and oversee the implementation of a restructured grant management team and processes.
- Assist with and oversee the setup of grant and project accounting, tracking and reporting.
- Augment MDMR accounting management in providing technical assistance or expertise relating to accounting and budgeting activities.

MISSISSIPPI HOME CORPORATION

The Mississippi Home Corporation has contracted with HORNE for over a decade to perform a financial statement audit and program compliance. Our procedures are designed to obtain evidence about the amounts and disclosures in the financial statements, including an assessment of the risks of material misstatements, whether due to fraud or error. In making those assessments, we consider internal controls relevant to the financial statements. We have also been engaged since 2007 to obtain assurance regarding whether noncompliance with the types of compliance requirements contained in OMB Circular A-133, Audits of States, Local Governments and Non-Project Organizations could have a direct and material effect on a major federal program occurred and issue a report of Schedule of Findings and Questioned Costs.

SOUTHERN PINE ELECTRIC POWER ASSOCIATION

Southern Pine Electric Power Association contracted with HORNE to perform a financial statement audit in accordance with auditing standards generally accepted in the US and standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Our procedures were designed to gain an understanding of the association's current state of compliance, perform an assessment of internal controls and identify deficiencies, and present a schedule of findings and responses as a part of the standards applicable to financial audits contained in *Government Auditing Standards*. We also were contracted in 2011 to obtain assurance regarding whether noncompliance with the types of compliance requirements contained in OMB Circular A-133, *Audits of States, Local Governments and Non-Project Organizations* could have a direct and material effect on a major federal program occurred and issue a report of Schedule of Expenditures of Federal Awards and Schedule of Findings and Questioned Costs.

MISSISSIPPI PUBLIC SERVICE COMMISSION

The Mississippi Public Service Commission has contracted HORNE from 2008-2009 and from 2012 through 2016 to express an opinion on Entergy Mississippi's Schedule of Allowable Fuel and Purchased Energy Costs to ensure that all costs that are included in the Rider ECR-4 are allowable to be passed on to the customer in accordance with the Mississippi Code Annotated 1972, Section 77-3-42 and Rules 17 and 19 of the *Public Utilities rules of Practice and Procedure*. As required, we perform procedures to obtain audit evidence about the amounts and disclosures in the Schedule, including the assessment of risks of material misstatement of the Schedule, whether due to fraud or error.

MISSISSIPPI OFFICE OF THE SECRETARY OF STATE

Beginning in 2012 and continuing through 2016, HORNE provided risk assessment and internal controls consulting services consisting of documentation of internal controls, an assessment of the internal control structure to determine if it is functioning properly and in accordance with the agency's internal control, assists with the identification of internal control weaknesses, and recommendations for improvements in internal controls.

MEMORIAL HOSPITAL

Memorial Hospital at Gulfport contracted with HORNE beginning in 2009 to perform a financial statement audit in accordance with auditing standards generally accepted in the United States and standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Our procedures were designed to gain an understanding of the association's current state of compliance, perform an assessment of internal controls and identify deficiencies, and present a schedule of findings and responses as a part of the standards applicable to financial audits contained in Government Auditing Standards. We also were engaged in 2010 and 2015 to obtain assurance regarding whether noncompliance with the types of compliance requirements contained in OMB Circular A-133, *Audits of States, Local Governments and Non-Project Organizations* could have a direct and material effect on a major federal program occurred and issue a report of Schedule of Findings and Questioned Costs.

GREENWOOD LEFLORE HOSPITAL

The Greenwood Leflore Hospital has been a client since 2009. HORNE was engaged to perform a financial statement audit under standards applicable to financial audits contained in *Governmental Auditing Standards*, issued by the Comptroller General of the United States. Our procedures are designed to obtain evidence about the amounts and disclosures in the financial statements, including an assessment of the risks of material misstatements, whether due to fraud or error. In making those assessments, we consider internal controls relevant to the financial statements. In 2015, HORNE was engaged to obtain assurance regarding whether noncompliance with the types of compliance requirements contained in OMB Circular A-133, *Audits of States, Local Governments and Non-Project Organizations* could have a direct and material effect on a major federal program occurred and issue a report of Schedule of Findings and Questioned Costs.

CLIENT REFERENCES

At HORNE, we pride ourselves on providing our clients with an unrivaled service experience. We believe that as your business partner, we should be accessible when you need us and foster a relationship of continuous collaboration. We are so confident in our track record for delivering outstanding client service, that we encourage you to speak to our clients and listen to their testimony on our team's commitment to going above and beyond in helping them realize their full potential. Please feel free to contact the below client references at any time:

MISSISSIPPI OFFICE OF THE SECRETARY OF STATE

Doug Davis
Chief of Staff
601.359.5122

MISSISSIPPI DEPARTMENT OF MARINE RESOURCES

Jamie Miller
Executive Director
228.374.5000

MISSISSIPPI HOME CORPORATION

Debbie Purvis
Chief Financial Officer
601.718.4642





HORNE'S APPROACH

VALUE ADDED AUDIT SERVICES

Clients expect services rendered by their external audit firm to go beyond the traditional audit services. We understand the needs and expectations of our clients and welcome the opportunity to serve not only as external auditors and accountants, but also as business advisors. As part of our commitment to client service, we have developed a business advisory approach to audit services. This approach emphasizes looking beyond the accounting entries to the underlying transactions and business systems.

Throughout our audit planning processes, we place substantial emphasis on the need to thoroughly understand operations and fundamental business strategies. Although our primary objective is to render an opinion on the financial statements, we are keenly interested in an entity's overall success.

Communication – frequent, substantive and responsive – is a key part of our business advisory approach to audit services. We want to develop a sound communication process with key personnel at OSA, and MDRS throughout the year so that we can be best prepared to tackle the current challenges each entity is facing.

The design of our audit approach and risk assessment process incorporates the involvement of management and provides us the opportunity to understand and make recommendations about internal controls, operating and accounting procedures, and other important matters. Because this process is driven in part by what management deems as key business risks, the information and areas of focus of the audit should be consistent with what is already emphasized in the organization.

The following table emphasizes our audit approach and the value we bring to our clients:

TRADITIONAL AUDIT	HORNE'S AUDIT	THE VALUE WE BRING TO OUR CLIENTS		
Historical financial statements focus	Value focus Business risks are Interpreted and resolved	Business insights Market intelligence Knowledge sharing		
Audit experience	Significant governmental experience at local level with core team coordination and communications	Industry leading practices Access to expertise		
Engagement focus	Total organizational focus Continuous improvement	Ideas Early warning alerts Assurance		
Driven by auditors' methodology	Driven by client's business processes	Performance enhancements opportunities		
Chain of command orientation	Teaming approach Intensive partner and management involvement	Business risk focus Seamless team integration		
 Decisions cleared with regional and national office 	Local partners has full decision making authority	Timely decisions Limited controversy		
Limited technology support	Extensive use of technology for efficiency and knowledge sharing Significant use of computer-assisted audit techniques	Timely decisions Effectiveness		



Proposal for Professional Audit Services

THE RIGHT TEAM



At HORNE, every team member is responsible for creating value and making a difference. We do this by working to understand our clients' vision. We know that each organization is different and requires a unique solution to their needs.

As a result, we focus everything we do on creating value for our clients, our team members and our community. Our philosophy is very simple – recruit the best people, empower them to make a difference, deliver on our promises and above all, always do the right thing.

HORNE's proposed engagement team consists of Ridgeland, MS based professionals with extensive experience in managing large and complex audit engagements.

The following is a summary of our key team members on the engagement.



PATRICK GOUGH, CPA Engagement Partner, Ridgeland, MS

Patrick will serve as the engagement partner. He will serve as the primary point of contact for the engagement and will have responsibility for all audit services provided to you. He will be responsible for ensuring seamless coordination and exceeding your expectations. Patrick has more than 18 years of combined assurance and governmental experience.

He joined HORNE in 2002 and his experience in public accounting includes serving public and middle market clients in a variety of industries including government, manufacturing, real estate, telecommunications, technology and agribusiness. Patrick also has a significant level of experience in assisting clients with Sarbanes-Oxley, Section 404 compliance and other internal control consulting engagements. Before joining HORNE, Patrick worked for a number of years with an international accounting firm.

Patrick received his Bachelor of Accountancy and Master of Accountancy from the University of Mississippi.



KEN MCDONALD, CPA Consulting Partner, Ridgeland, MS

Ken will be responsible for ensuring that the audit plan and its execution meets or exceeds the quality standards of our Firm and the profession, and that our reporting is appropriate. He will be available throughout the engagement for the audit team to consult on any matters. His 25 years of audit experience will ensure a quality product.

Ken serves HORNE as partner and firmwide director of assurance quality. His current practice includes pre-issuance report reviews, assurance training and internal inspections. His industry specific knowledge includes not-for-profit, manufacturing, governmental, transportation, consumer products, construction, telecommunications and OMB Circular A-133 audits. He also provides quality control for the firm's accounting and audit practice.

Ken earned a Bachelor of Accountancy from Mississippi State University.



JUSTIN DOGGETT, CPA Engagement Senior Manager, Ridgeland, MS

Justin will serve as the senior manager on the engagements and will oversee the day-to-day activities of the project. Justin's assurance experience, which includes specific audit engagements conducted in accordance with *Government Auditing Standards*, will be immensely valuable in providing OSA and MDRS with a first-class audit. He will work with the engagement team and partners to ensure that all of the goals of the engagement are being met.

Justin is an assurance services senior manager for HORNE LLP, where he has ten years of experience in public accounting serving clients in a variety of industries including governmental, not-for-profit, insurance, transportation, manufacturing, technology and agriculture.

Justin provides audit, consulting, and other assurance services to large private and publicly-traded companies and governmental agencies within the aforementioned industries. His experience includes leading financial audit engagements, internal audit outsourcing and co-sourcing engagements, and Sarbanes-Oxley compliance. Additionally, he has served agencies in the State of Mississippi as they take steps to ensure processes and controls are designed and implemented.

He graduated from Mississippi State University with a Bachelor of Accountancy.



EMILY RHODUS, CPA Consulting Senior Manager, Ridgeland, MS

Emily will provide engagement support and will assist in the coordination and execution of the single audit portions of the contract. She has focused experience in grant management and compliance and collaborates with organizations regarding their internal controls to ensure federal grants are used appropriately. Her experience working with federal funds gives her key knowledge that will be leveraged throughout the engagement process.

Emily is an assurances services senior manager for HORNE LLP. She provides internal and external audit and advisory services to large private companies and nonprofits. She has 10 years of experience providing a variety of compliance audits, including employee benefit plan audits and OMB Circular A-133 audits. Emily has assisted organizations with grant compliance and led training sessions.

She graduated from Mississippi State University with a Bachelor of Accountancy and a Master of Professional Accountancy.



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HANNAH LEWIS, CPA Supervisor, Ridgeland, MS

Hannah will serve as the audit supervisor and will be responsible for the execution of the audit plan. Hannah will have close interaction with OSA and MDRS personnel and will be involved in almost every aspect of the detailed testing of the engagements.

Hannah is a public and middle market supervisor at HORNE LLP where she specializes in both internal and external audits in the governmental, transportation, oil and gas, energy, manufacturing and insurance industries. She has significant experience in compliance with Section 404 of the Sarbanes-Oxley Act for publicly traded clients as well as experience supervising employee benefit plans.

Hannah earned a Bachelor of Accountancy from Mississippi State University and a Master of Business Administration with an emphasis in accounting from Mississippi College.

TEAM TRAINING AND CONTINUITY

Each team member will be required to read MDRS' previous audit reports as well as this proposal. Additionally, we will ensure that all associates understand the applicable GASB rules and unique business aspects of MDRS.

We dedicate significant resources to ensuring that all team members are knowledgeable of technical matters in the different industries we serve. We participate in many industry specific seminars and training each year. Our team includes active members with the Mississippi Society of Certified Public Accountants.

We encourage all team members to develop knowledge leadership. We base our assurance practice on the principle that knowledge gained is knowledge shared. We are dedicated to the education of our clients and constantly look for new ways to communicate our knowledge leadership.

Staff continuity is a key objective to quality of service and impacts both your time, as well as ours. The process of staff turnover can be a strain on your resources. A highly knowledgeable team of professionals with experience in serving your needs increases the efficiency and effectiveness of an audit and reduces the interruptions and time requirements of your personnel. Accordingly, we commit to maximizing the use of our engagement team's experience by maintaining the same team members from year-to-year to the extent possible. Obviously, it will be necessary to include new personnel on the engagement team from time-to-time. However, we will strive to keep such changes to a minimum.

This commitment reinforces our focus on relationships as a component of our professional services. Retention and team member continuity is a prominent factor in our scheduling process each year. Responsiveness and efficiency are our goals which are achieved through continuity of knowledge and experience.

We will not replace an engagement team member without your express written permission (or at your request). HORNE LLP is an Equal Employment Opportunity employer. We are committed to diversity and inclusion in all employment practices. We do not discriminate against any employee on the basis of race, ethnicity, gender, sexual orientation, gender identity, religion, disability, veteran status or any other characteristic protected by law.

APPENDIX 1:
PEER REVIEW
REPORT

CliftonLarsonAllen LLP CLAconnect.com

SYSTEM REVIEW REPORT

To the Partners of Horne LLP and the National Peer Review Committee

We have reviewed the system of quality control for the accounting and auditing practice of Horne LLP (the firm) applicable to engagements not subject to PCAOB permanent inspection in effect for the year ended April 30, 2015. 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. As a part of our peer review, we considered reviews by regulatory entities, if applicable, in determining the nature and extent of our procedures. 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. 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. The nature, objectives, scope, limitations of, and the procedures performed in a System Review are described in the standards at www.aicpa.org/prsummary.

As required by the standards, engagements selected for review included engagements performed under *Government Auditing Standards*, audits of employee benefit plans, audits performed under the Federal Deposit Insurance Corporation Improvement Act (FDICIA), and examinations of service organizations Service Organization Control (SOC) 2 engagements.

In our opinion, the system of quality control for the accounting and auditing practice of Horne LLP applicable to engagements not subject to PCAOB permanent inspection in effect for the year ended April 30, 2015, 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. Horne LLP has received a peer review rating of pass.

CliftonLarsonAllen LLP

Peoria, Illinois August 21, 2015



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