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Compliance Solutions, Inc.
Type 2 SOC 3
2019



SOC 3 FOR SERVICE ORGANIZATIONS REPORT

March 1, 2019 Through July 31, 2019

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SECTION 1
ASSERTION OF COMPLIANCE SOLUTIONS, INC. MANAGEMENT

ASSERTION OF Compliance Solutions, Inc. MANAGEMENT

December 12, 2019

We are responsible for designing, implementing, operating, and maintaining effective controls within Compliance Solutions, Inc.'s ('CSI' or 'the Company') Telecom Tax, USF and Regulatory Services System throughout the period March 1, 2019 through July 31, 2019, to provide reasonable assurance that CSI's service commitments and system requirements relevant to Security, Availability, Confidentiality and Processing Integrity (applicable trust services criteria) were achieved. Our description of the boundaries of the system is presented below in "Compliance Solutions, Inc.'s Description of Its Telecom Tax, USF and Regulatory Services System Throughout the Period March 1, 2019 through July 31, 2019" and identifies the aspects of the system covered by our assertion.

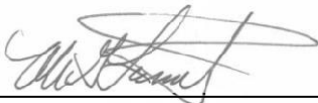
We have performed an evaluation of the effectiveness of the controls within the system throughout the period March 1, 2019 through July 31, 2019, to provide reasonable assurance that CSI's service commitments and system requirements were achieved based on the trust services criteria relevant to Security, Availability, Confidentiality, Processing Integrity and Privacy (applicable trust services criteria) set forth in TSP section 100, *2017 Trust Services Criteria for Security, Availability, Confidentiality, Processing Integrity and Privacy* (AICPA, *Trust Services Criteria*). CSI's objectives for the system in applying applicable trust services criteria are embodied in its service commitments and system requirements relevant to the applicable trust services criteria. The principal service commitments and system requirements related to the applicable trust services criteria are presented in "Compliance Solutions, Inc.'s Description of Its Telecom Tax, USF and Regulatory Services System Throughout the Period March 1, 2019 through July 31, 2019".

CSI uses Atlantic.net to provide data center and cloud operations services. The description indicates that complementary subservice organization controls that are suitably designed and operating effectively are necessary, along with controls at CSI, to achieve CSI's service commitments and system requirements based on the applicable trust services criteria. The description presents CSI's controls, the applicable trust services criteria, and the types of complementary subservice organization controls assumed in the design of CSI's controls. The description does not disclose the actual controls at the subservice organization.

The description indicates that complementary user entity controls that are suitably designed and operating effectively are necessary to achieve CSI's service commitments and system requirements based on the applicable trust services criteria. The description presents the applicable trust services criteria and the complementary user entity controls assumed in the design of CSI's controls.

There are inherent limitations in any system of internal control, including the possibility of human error and the circumvention of controls. Because of these inherent limitations, a service organization may achieve reasonable, but not absolute, assurance that its service commitments and system requirements are achieved.

We assert that the controls within the system were effective throughout the period March 1, 2019 through July 31, 2019 to provide reasonable assurance that CSI's service commitments and system requirements were achieved based on the applicable trust services criteria.



Mark Lammert
Chief Executive Officer (CEO)
Compliance Solutions, Inc.

SECTION 2
INDEPENDENT SERVICE AUDITOR'S REPORT

INDEPENDENT SERVICE AUDITOR'S REPORT

To Compliance Solutions, Inc.:

Scope

We have examined Compliance Solutions, Inc.'s ('CSI' or 'the Company') accompanying description of Telecom Tax, USF and Regulatory Services System titled "Compliance Solutions, Inc.'s Description of Its Telecom Tax, USF and Regulatory Services System Throughout the Period March 1, 2019 through July 31, 2019" (description) based on the criteria for a description of a service organization's system in DC section 200, *2018 Description Criteria for a Description of a Service Organization's System in a SOC 2® Report* (AICPA, *Description Criteria*), (description criteria) and the suitability of the design and operating effectiveness of controls stated in the description throughout the period March 1, 2019 through July 31, 2019, to provide reasonable assurance that CSI's service commitments and system requirements were achieved based on the trust services criteria relevant to Security, Availability, Processing Integrity, Confidentiality, and Privacy (applicable trust services criteria) set forth in TSP section 100, *2017 Trust Services Criteria for Security, Availability, Processing Integrity, Confidentiality, and Privacy* (AICPA, *Trust Services Criteria*).

CSI uses Atlantic.net to provide data center and cloud operations services. The description indicates that complementary subservice organization controls that are suitably designed and operating effectively are necessary, along with controls at CSI, to achieve CSI's service commitments and system requirements based on the applicable trust services criteria. The description presents CSI's controls, the applicable trust services criteria, and the types of complementary subservice organization controls assumed in the design of CSI's controls. The description does not disclose the actual controls at the subservice organization. Our examination did not include the services provided by the subservice organization, and we have not evaluated the suitability of the design or operating effectiveness of such complementary subservice organization controls.

The description indicates that complementary user entity controls that are suitably designed and operating effectively are necessary, along with controls at CSI, to achieve CSI's service commitments and system requirements based on the applicable trust services criteria. The description presents CSI's controls, the applicable trust services criteria, and the complementary user entity controls assumed in the design of CSI's controls. Our examination did not include such complementary user entity controls and we have not evaluated the suitability of the design or operating effectiveness of such controls.

Service Organization's Responsibilities

CSI is responsible for its service commitments and system requirements and for designing, implementing, and operating effective controls within the system to provide reasonable assurance that CSI's service commitments and system requirements were achieved. CSI has provided the accompanying assertion titled "Assertion of Compliance Solutions, Inc. Management" (assertion) about the description and the suitability of design and operating effectiveness of controls stated therein. CSI is also responsible for preparing the description and assertion, including the completeness, accuracy, and method of presentation of the description and assertion; providing the services covered by the description; selecting the applicable trust services criteria and stating the related controls in the description; and identifying the risks that threaten the achievement of the service organization's service commitments and system requirements.

Service Auditor's Responsibilities

Our responsibility is to express an opinion on the description and on the suitability of design and operating effectiveness of controls stated in the description based on our examination. Our examination was conducted in accordance with attestation standards established by the American Institute of Certified Public Accountants. Those standards require that we plan and perform our examination to obtain reasonable assurance about whether, in all material respects, the description is presented in accordance with the description criteria and the controls stated therein were suitably designed and operated effectively to provide reasonable assurance that the service organization's service commitments and system requirements were achieved based on the applicable trust services criteria. We believe that the evidence we obtained is sufficient and appropriate to provide a reasonable basis for our opinion.

An examination of the description of a service organization's system and the suitability of the design and operating effectiveness of controls involves the following:

- Obtaining an understanding of the system and the service organization's service commitments and system requirements
- Assessing the risks that the description is not presented in accordance with the description criteria and that controls were not suitably designed or did not operate effectively
- Performing procedures to obtain evidence about whether the description is presented in accordance with the description criteria
- Performing procedures to obtain evidence about whether controls stated in the description were suitably designed to provide reasonable assurance that the service organization achieved its service commitments and system requirements based on the applicable trust services criteria
- Testing the operating effectiveness of controls stated in the description to provide reasonable assurance that the service organization achieved its service commitments and system requirements based on the applicable trust services criteria
- Evaluating the overall presentation of the description

Our examination also included performing such other procedures as we considered necessary in the circumstances.

Inherent Limitations

The description is prepared to meet the common needs of a broad range of report users and may not, therefore, include every aspect of the system that individual users may consider important to meet their informational needs.

There are inherent limitations in the effectiveness of any system of internal control, including the possibility of human error and the circumvention of controls.

Because of their nature, controls may not always operate effectively to provide reasonable assurance that the service organization's service commitments and system requirements are achieved based on the applicable trust services criteria. Also, the projection to the future of any conclusions about the suitability of the design and operating effectiveness of controls is subject to the risk that controls may become inadequate because of changes in conditions or that the degree of compliance with the policies or procedures may deteriorate.

Opinion

In our opinion, management's assertion that the controls within CSI's Telecom Tax, USF and Regulatory Services System were suitably designed and operating effectively throughout the period March 1, 2019 through July 31, 2019, to provide reasonable assurance that CSI's service commitments and system requirements were achieved based on the applicable trust services criteria is fairly stated, in all material respects.

The SOC logo for Service Organizations on CSI's website constitutes a symbolic representation of the contents of this report and is not intended, nor should it be construed, to provide any additional assurance.

Restricted Use

This report, is intended solely for the information and use of CSI, user entities of CSI's Telecom Tax, USF and Regulatory Services System during some or all of the period March 1, 2019 through July 31, 2019, business partners of CSI subject to risks arising from interactions with the Telecom Tax, USF and Regulatory Services System, practitioners providing services to such user entities and business partners, prospective user entities and business partners, and regulators who have sufficient knowledge and understanding of the following:

- The nature of the service provided by the service organization
- How the service organization's system interacts with user entities, business partners, subservice organizations, and other parties
- Internal control and its limitations
- Complementary user entity controls and complementary subservice organization controls and how those controls interact with the controls at the service organization to achieve the service organization's service commitments and system requirements
- User entity responsibilities and how they may affect the user entity's ability to effectively use the service organization's services
- The applicable trust services criteria
- The risks that may threaten the achievement of the service organization's service commitments and system requirements and how controls address those risks

This report is not intended to be, and should not be, used by anyone other than these specified parties.

A-LIGN ASSURANCE

December 12, 2019
Tampa, Florida

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