



A-LIGN



Compliance Solutions, Inc.
Type 2 SOC 2
2020



**REPORT ON COMPLIANCE SOLUTIONS, INC.'S DESCRIPTION OF ITS SYSTEM
AND ON THE SUITABILITY OF THE DESIGN AND OPERATING EFFECTIVENESS
OF ITS CONTROLS RELEVANT TO SECURITY, AVAILABILITY, PROCESSING
INTEGRITY, AND CONFIDENTIALITY**

**Pursuant to Reporting on System and Organization Controls 2 (SOC 2)
Type 2 examination performed under AT-C 105 and AT-C 205**

January 1, 2020 To November 30, 2020

SECTION 1
ASSERTION OF COMPLIANCE SOLUTIONS, INC. MANAGEMENT

ASSERTION OF COMPLIANCE SOLUTIONS, INC. MANAGEMENT

February 28, 2021

We have prepared the accompanying description of Compliance Solutions, Inc.'s ('Compliance Solutions' or 'the Company') 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 January 1, 2020 to November 30, 2020" (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). The description is intended to provide report users with information about the Telecom Tax, USF and Regulatory Services System that may be useful when assessing the risks arising from interactions with Compliance Solutions' system, particularly information about system controls that Compliance Solutions has designed, implemented, and operated to provide reasonable assurance that its service commitments and system requirements were achieved based on the trust services criteria relevant to Security, Availability, Processing Integrity, and Confidentiality (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*).

Compliance Solutions uses Atlantic.net (subservice organization) to provide data center hosting services. The description indicates that complementary subservice organization controls that are suitably designed and operating effectively are necessary, along with controls at Compliance Solutions, to achieve Compliance Solutions' service commitments and system requirements based on the applicable trust services criteria. The description presents Compliance Solutions' controls, the applicable trust services criteria, and the types of complementary subservice organization controls assumed in the design of Compliance Solutions' 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, along with controls at Compliance Solutions, to achieve Compliance Solutions' service commitments and system requirements based on the applicable trust services criteria. The description presents Compliance Solutions' controls, the applicable trust services criteria, and the complementary user entity controls assumed in the design of Compliance Solutions' controls.

We confirm, to the best of our knowledge and belief, that

- a. the description presents Compliance Solutions' Telecom Tax, USF and Regulatory Services System that was designed and implemented throughout the period January 1, 2020 to November 30, 2020, in accordance with the description criteria.
- b. the controls stated in the description were suitably designed throughout the period January 1, 2020 to November 30, 2020, to provide reasonable assurance that Compliance Solutions' service commitments and system requirements would be achieved based on the applicable trust services criteria, if its controls operated effectively throughout that period, and if the subservice organization and user entities applied the complementary controls assumed in the design of Compliance Solutions' controls throughout that period.
- c. the controls stated in the description operated effectively throughout the period January 1, 2020 to November 30, 2020, to provide reasonable assurance that Compliance Solutions' service commitments and system requirements were achieved based on the applicable trust services criteria, if complementary subservice organization controls and complementary user entity controls assumed in the design of Compliance Solutions' controls operated effectively throughout that period.



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' accompanying description of its 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 January 1, 2020 to November 30, 2020" (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 January 1, 2020 to November 30, 2020, to provide reasonable assurance that Compliance Solutions' service commitments and system requirements were achieved based on the trust services criteria relevant to Security, Availability, Processing Integrity, and Confidentiality (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*).

Compliance Solutions uses Atlantic.net to provide data center hosting services. The description indicates that complementary subservice organization controls that are suitably designed and operating effectively are necessary, along with controls at Compliance Solutions, to achieve Compliance Solutions' service commitments and system requirements based on the applicable trust services criteria. The description presents Compliance Solutions' controls, the applicable trust services criteria, and the types of complementary subservice organization controls assumed in the design of Compliance Solutions' 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 Compliance Solutions, to achieve Compliance Solutions' service commitments and system requirements based on the applicable trust services criteria. The description presents Compliance Solutions' controls, the applicable trust services criteria, and the complementary user entity controls assumed in the design of Compliance Solutions' 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.

The information included in Section 5, "Other Information Provided by The Service Organization That Is Not Covered by the Service Auditor's Report," is presented by Compliance Solutions management to provide additional information and is not a part of the description. Information about Compliance Solutions' management's response to testing exceptions has not been subjected to the procedures applied in the examination of the description, the suitability of the design of controls, and the operating effectiveness of the controls to achieve Compliance Solutions' service commitments and system requirements based on the applicable trust services criteria.

Service Organization's Responsibilities

Compliance Solutions 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 Compliance Solutions' service commitments and system requirements were achieved. Compliance Solutions 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. Compliance Solutions 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.

Description of Tests of Controls

The specific controls we tested and the nature, timing, and results of those tests are listed in Section 4.

Opinion

In our opinion, in all material respects,

- a. the description presents Compliance Solutions' Telecom Tax, USF and Regulatory Services System that was designed and implemented throughout the period January 1, 2020 to November 30, 2020, in accordance with the description criteria.
- b. the controls stated in the description were suitably designed throughout the period January 1, 2020 to November 30, 2020, to provide reasonable assurance that Compliance Solutions' service commitments and system requirements would be achieved based on the applicable trust services criteria, if its controls operated effectively throughout that period and if the subservice organization and user entities applied the complementary controls assumed in the design of Compliance Solutions' controls throughout that period.
- c. the controls stated in the description operated effectively throughout the period January 1, 2020 to November 30, 2020, to provide reasonable assurance that Compliance Solutions' service commitments and system requirements were achieved based on the applicable trust services criteria, if complementary subservice organization controls and complementary user entity controls assumed in the design of Compliance Solutions' controls operated effectively throughout that period.

Restricted Use

This report, including the description of tests of controls and results thereof in Section 4, is intended solely for the information and use of Compliance Solutions, user entities of Compliance Solutions' Telecom Tax, USF and Regulatory Services System during some or all of the period January 1, 2020 to November 30, 2020, business partners of Compliance Solutions 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
Tampa, Florida
February 28, 2021