

## **I. INDEPENDENT SERVICE AUDITOR'S REPORT**

To Management of Pickford Services Company:

### **Scope**

We have examined Pickford Services Company's (the "Company" or "Pickford") description of its escrow system entitled "Description of Pickford Services Company's Escrow System" for processing user entities' transactions throughout the period July 1, 2019 to June 30, 2020, (description) and the suitability of the design and operating effectiveness of controls included in the description to achieve the related control objectives stated in the description, based on the criteria identified in "Pickford Services Company's Assertion" (assertion). The controls and control objectives included in the description are those that management of Pickford Services Company believes are likely to be relevant to user entities' internal control over financial reporting, and the description does not include those aspects of the escrow system that are not likely to be relevant to user entities' internal control over financial reporting.

Pickford Services Company uses subservice organization Zayo Group, LLC for its system backup and subservice organization Datto Inc. for its disaster recovery. The description in Section III of this report includes only the control objectives and related controls of Pickford Services Company and excludes the control objectives and related controls of Zayo Group LLC or Datto, Inc. The description also indicates that certain control objectives specified by Pickford Services Company can be achieved only if complementary subservice organization controls assumed in the design of Pickford Services Company's controls are suitably designed and operating effectively, along with the related controls at Pickford Services Company. Our examination did not extend to controls of Zayo Group LLC or Datto, Inc., and we have not evaluated the suitability of the design or operating effectiveness of such complementary subservice organization controls.

The description indicates that certain control objectives specified in the description can be achieved only if complementary user entity controls assumed in the design of Pickford Escrow Service's controls are suitably designed and operating effectively, along with related controls at the service organization. Our examination did not extend to such complementary user entity controls, and we have not evaluated the suitability of the design or operating effectiveness of such complementary user entity controls.

### **Service Organization's Responsibilities**

In Section II, Pickford Services Company has provided an assertion about the fairness of the presentation of the description and suitability of the design and operating effectiveness of the controls to achieve the related control objectives stated in the description. Pickford Services Company is responsible for preparing the description and its assertion, including the completeness, accuracy, and method of presentation of the description and assertion, providing the services covered by the description, specifying the control objectives and stating them in the description, identifying the risks that threaten the achievement of the control objectives, selecting the criteria stated in the assertion, and designing, implementing, and documenting controls that are suitably designed and operating effectively to achieve the related control objectives stated in the description.



## **Service Auditor's Responsibilities**

Our responsibility is to express an opinion on the fairness of the presentation of the description and on the suitability of the design and operating effectiveness of the controls to achieve the related control objectives 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 the examination to obtain reasonable assurance about whether, in all material respects, based on the criteria in management's assertion, the description is fairly presented and the controls were suitably designed and operating effectively to achieve the related control objectives stated in the description throughout the period July 1, 2019 to June 30, 2020. We believe that the evidence we obtained is sufficient and appropriate to provide a reasonable basis for our opinion.

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

- performing procedures to obtain evidence about the fairness of the presentation of the description and the suitability of the design and operating effectiveness of the controls to achieve the related control objectives stated in the description, based on the criteria in management's assertion.
- assessing the risks that the description is not fairly presented and that the controls were not suitably designed or operating effectively to achieve the related control objectives stated in the description.
- testing the operating effectiveness of those controls that management considers necessary to provide reasonable assurance that the related control objectives stated in the description were achieved.
- evaluating the overall presentation of the description, suitability of the control objectives stated therein, and suitability of the criteria specified by the service organization in its assertion.

## **Inherent Limitations**

The description is prepared to meet the common needs of a broad range of user entities and their auditors who audit and report on user entities' financial statements and may not, therefore, include every aspect of the system that each individual user entity may consider important in its own particular environment. Because of their nature, controls at a service organization may not prevent, or detect and correct, all misstatements in processing or reporting transactions. Also, the projection to the future of any evaluation of the fairness of the presentation of the description, or conclusions about the suitability of the design or operating effectiveness of the controls to achieve the related control objectives, is subject to the risk that controls at a service organization may become ineffective.



## **Description of Test of Controls**

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

## **Opinion**

In our opinion, in all material respects, based on the criteria described in the Company's assertion

- a. The description fairly presents the escrow system that was designed and implemented throughout the period July 1, 2019 to June 30, 2020.
- b. The controls related to the control objectives stated in the description were suitably designed to provide reasonable assurance that the control objectives would be achieved if the controls operated effectively throughout the period July 1, 2019 to June 30, 2020, and subservice organization (Zayo Group LLC and Datto, Inc.) and user entities applied the complementary controls assumed in the design of Pickford Services Company's controls throughout the period July 1, 2019 to June 30, 2020.
- c. The controls operated effectively to provide reasonable assurance that the control objectives stated in the description were achieved throughout the period July 1, 2019 to June 30, 2020, if complementary subservice organization (Zayo Group LLC and Datto, Inc.) and user entity controls assumed in the design of Pickford Services Company's controls operated effectively throughout the period July 1, 2019 to June 30, 2020.

## **Restricted Use**

This report, including the description of tests of controls and results thereof in Section IV, is intended solely for the information and use of Pickford Services Company, user entities of Pickford Services Company's escrow system during some or all the period July 1, 2019 to June 30, 2020, and their auditors who audit and report on such user entities' financial statements or internal control over financial reporting and have a sufficient understanding to consider it, along with other information, including information about controls implemented by user entities themselves, when assessing the risks of material misstatement of user entities' financial statements. This report is not intended to be and should not be used by anyone other than these specified parties.

## **SQUAR MILNER LLP**

Irvine, California  
October 22, 2020

## II. PICKFORD SERVICES COMPANY'S ASSERTION

We have prepared the description of Pickford Services Company's escrow system entitled "Description of Pickford Services Company's Escrow System" for processing user entities' transactions throughout the period July 1, 2019 to June 30, 2020, (description) for user entities of the system during some or all the period July 1, 2019 to June 30, 2020, and their user auditors who audit and report on such user entities' financial statements or internal control over financial reporting and have a sufficient understanding to consider it, along with other information, including information about controls implemented by the subservice organizations and user entities of the system themselves, when assessing the risks of material misstatements of user entities' financial statements.

Pickford Services Company uses subservice organization Zayo Group, LLC for its system backup and subservice organization Datto, Inc. for its disaster recovery. The description includes only the control objectives and related controls of Pickford Services Company and excludes the control objectives and related controls of the subservice organizations (Zayo Group LLC. And Datto, Inc.). The description also indicates that certain control objectives specified by Pickford Services Company can be achieved only if complementary subservice organization controls assumed in the design of Pickford Services Company's controls are suitably designed and operating effectively, along with the related controls at Pickford Services Company. The description does not extend to controls of subservice organizations Zayo Group LLC and Datto Inc.

The description indicates that certain control objectives specified in the description can be achieved only if complementary user entity controls assumed in the design of Pickford Services Company's controls are suitably designed and operating effectively, along with related controls at the service organization. The description does not extend to controls of the user entities.

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

- a. The description fairly presents the escrow system made available to user entities of the system during some or all the period July 1, 2019 to June 30, 2020, for processing their transactions as it relates to controls that are likely to be relevant to user entities' internal control over financial reporting. The criteria we used in making this assertion were that the description:
  - i. Presents how the system made available to user entities of the system was designed and implemented to process relevant user entity transactions, including, if applicable,
    1. The types of services provided including, as appropriate, the classes of transactions processed.
    2. The procedures, within both automated and manual systems, by which those services are provided, including, as appropriate, procedures by which transactions are initiated, authorized, recorded, processed, corrected as necessary, and transferred to the reports and other information prepared for user entities of the system.
    3. The information used in the performance of the procedures, including, if applicable, related accounting records, whether electronic or manual, and supporting information involved in initiating, authorizing, recording, processing, and reporting transactions; this includes the correction of incorrect information and how information is transferred to the reports and other information prepared for user entities.
    4. How the system captures and addresses significant events and conditions other than transactions.
    5. The process used to prepare reports and other information for user entities.
    6. Services performed by a subservice organization, if any, including whether the inclusive method or the carve-out method has been used in relation to them.



7. The specified control objectives and controls designed to achieve those objectives, including, as applicable, complementary user entity controls assumed in the design of the service organization's controls.
  8. Other aspects of our control environment, risk assessment process, information and communications (including the related business processes), control activities, and monitoring activities that are relevant to the services provided.
- ii. Includes relevant details of changes to the service organization's system during the period covered by the description.
  - iii. Does not omit or distort information relevant to the service organization's system, while acknowledging that the description is prepared to meet the common needs of a broad range of user entities of the system and their user auditors, and may not, therefore, include every aspect of the escrow system that each individual user entity of the system and its auditor may consider important in its own particular environment.
- b. The controls related to the control objectives stated in the description were suitably designed and operating effectively throughout the period July 1, 2019 to June 30, 2020, to achieve those control objectives if the subservice organizations (Zayo Group LLC and Datto, Inc.) and user entities applied the complementary controls assumed in the design of Pickford Services Company's controls throughout the period July 1, 2019 to June 30, 2020. The criteria we used in making this assertion were that:
- i. The risks that threaten the achievement of the control objectives stated in the description have been identified by management of the service organization.
  - ii. The controls identified in the description would, if operating effectively, provide reasonable assurance that those risks would not prevent the control objectives stated in the description from being achieved.
  - iii. The controls were consistently applied as designed, including whether manual controls were applied by individuals who have the appropriate competence and authority.

**Pickford Services Company**  
October 22, 2020