

**INDEPENDENT SERVICE AUDITOR'S REPORT PROVIDED BY  
SSAE 16 PROFESSIONALS, LLP**

To the Management of Sparta Systems, Inc.:  
Hamilton, NJ

*Scope*

We have examined the description in Section 3 titled "Description of Sparta Systems, Inc.'s Stratas Services System" (description) and the suitability of the design and operating effectiveness of controls to meet the criteria for the security principle set forth in TSP section 100A, *Trust Services Principles, Criteria, and Illustrations for Security, Availability, Processing Integrity, Confidentiality, and Privacy* (AICPA, *Technical Practice Aids*) (applicable trust services criteria), for the period September 1, 2016 through August 31, 2017. Sparta Systems, Inc. ("Sparta" or the "Company" or "service organization") uses a third party service provider ("subservice organization") to supplement their services. The description in Section 3 includes only the controls and related criteria of Sparta and excludes the criteria and related controls of third party. Our examination did not extend to controls of the third party service provider. The description indicates that certain applicable trust services criteria specified in the description can be achieved only if complementary user entity controls contemplated in the design of Sparta's controls are suitably designed and operating effectively, along with related controls at Sparta. We have not evaluated the suitability of the design or operating effectiveness of such complementary user entity controls.

*Service Organization's Responsibilities*

In Section 1 of this report, Sparta has provided its assertion titled "Management of Sparta Systems, Inc.'s Assertion Regarding Its System" for the period September 1, 2016 through August 31, 2017, which is based on the criteria identified in management's assertion. Sparta is responsible for (1) preparing the description and the assertion; (2) the completeness, accuracy, and method of presentation of both the description and assertion; (3) providing the services covered by the description; (4) specifying the controls that meet the applicable trust services criteria and stating them in the description; and (5) designing, implementing, and documenting the controls to meet the applicable trust services criteria.

### *Service Auditor's Responsibilities*

Our responsibility is to express an opinion on the:

- Fairness of the presentation of the description based on the description criteria set forth in Sparta's assertion; and
- Suitability of the design and operating effectiveness of the controls to meet the applicable trust services criteria, based on our examination.

We conducted our examination 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, (1) the description is fairly presented based on the description criteria, and (2) the controls were suitably designed and operating effectively to meet the applicable trust service criteria throughout the period September 1, 2016 through August 31, 2017.

Our examination involved performing procedures to obtain evidence about the fairness of the presentation of the description based on the description criteria and the suitability of the design and operating effectiveness of those controls to meet the applicable trust services criteria. Our procedures included assessing the risks that the description is not fairly presented and that the controls were not suitably designed or operating effectively to meet the applicable trust services criteria. Our procedures also included testing the operating effectiveness of those controls that we consider necessary to provide reasonable assurance that the applicable trust services criteria were met. Our examination also included evaluating the overall presentation of the description. We believe that the evidence we obtained is sufficient and appropriate to provide a reasonable basis for our opinion.

### *Inherent Limitations*

Because of their nature and inherent limitations, controls at a service organization may not always operate effectively to meet the applicable trust services criteria. 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 meet the applicable trust services criteria is subject to risks that the system may change or that controls at a service organization may become inadequate or fail.

### *Opinion*

In our opinion, in all material respects, based on the description criteria identified in Sparta's assertion and the applicable trust services criteria:

- a. The description fairly presents the system that was designed and implemented throughout the period September 1, 2016 through August 31, 2017;

- b. The controls stated in the description were suitably designed to provide reasonable assurance that the applicable trust services criteria would be met if the controls operated effectively throughout the period September 1, 2016 through August 31, 2017; and user entities applied the complementary user entity controls contemplated in the design of Sparta's controls for the period September 1, 2016 through August 31, 2017; and
- c. The controls tested, which together with the complementary user entity controls referred to in the scope paragraph in this section, if operating effectively, were those necessary to provide reasonable assurance that the applicable trust services criteria were met and operated effectively throughout the period September 1, 2016 through August 31, 2017.

### *Description of Tests of Controls*

The specific controls we tested, the tests we performed, and the results of our tests are presented in Section 4 of this report titled "Independent Service Auditor's Description of Tests of Controls and Results of Tests".

### *Restricted Use*

This report and the description of tests of controls and results thereof are intended solely for the information and use of Sparta; user entities of Sparta's Stratas Services System during some or all of the period September 1, 2016 through August 31, 2017; and prospective user entities, independent auditors and practitioners providing services to such user entities, 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 or other parties;
- Internal control and its limitations;
- Complementary user entity controls and how they interact with related controls at the service organization to meet the applicable trust services criteria;
- the applicable trust services criteria; and
- The risks that may threaten the achievement of the applicable trust services criteria 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.

*SSAE 16 Professionals, LLP*

September 5, 2017

Orange, California