

Report on the Firm's System of Quality Control

October 31, 2025

To the Members of Schoedel & Schoedel, CPAS, PLLC and
the Peer Review Committee of the Colorado Society of CPAs

We have reviewed the system of quality control for the accounting and auditing practice of Schoedel & Schoedel, CPAS, PLLC in effect for the year ended December 31, 2024. 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 (Standards).

A summary of the nature, objectives, scope, limitations of, and the procedures performed in a system review as described in the Standards may be found at www.aicpa.org/prsummary. The summary also includes an explanation of how engagements identified as not performed or reported on in conformity with applicable professional standards, if any, are evaluated by a peer reviewer to determine a peer review rating.

Firm's Responsibility

The firm is responsible for designing and complying with a system of quality control to provide the firm with reasonable assurance of performing and reporting in conformity with the requirements of applicable professional standards in all material respects. The firm is also responsible for evaluating actions to promptly remediate engagements deemed as not performed or reported on in conformity with the requirements of the applicable professional standards, when appropriate, and for remediating weaknesses in its system of quality control, if any.

Peer Reviewer's Responsibility

Our responsibility is to express an opinion on the design of and compliance with the firm's system of quality control based on our review.

Required Selections and Considerations

Engagements selected for review included engagements performed under Government Auditing Standards, including a compliance audit under the Single Audit Act, and audits of employee benefit plans.

As a part of our peer review, we considered reviews by regulatory entities as communicated by the firm, if applicable, in determining the nature and extent of our procedures.

Significant Deficiency Identified in the Firm's System of Quality Control

We noted the following significant deficiency during our review:

1. The firm's quality control policies and procedures addressing engagement performance require each accounting engagement to be properly supervised and reviewed by shareholders in the firm. The firm's shareholders performed and documented supervision and review, however, the review and supervision was insufficient. Our review noted four audit engagements, including ERISA audits, audits performed under Government Auditing Standards and a compliance audit under the Single Audit Act, where the work papers did not sufficiently meet current documentation standards for both risk assessment and substantive procedures. In our opinion, this contributed to four audit engagement that did not conform to professional standards in all material respects.

Opinion

In our opinion, as a result of the significant deficiency previously described, the system of quality control for the accounting and auditing practice of Schoedel & Schoedel, CPAS, PLLC in effect for the year ended December 31, 2024, was not suitably 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*. Schoedel & Schoedel, CPAS, PLLC has received a peer review rating of *fail*.

Watson Coon Ryan, LLC

Centennial, Colorado