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# 2025 Inspection Haynie & Company

(Headquartered in Salt Lake City, Utah)

November 20, 2025

THIS IS A PUBLIC VERSION OF A PCAOB INSPECTION REPORT

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DOCUMENT IN ORDER TO COMPLY WITH SECTIONS 104(g)(2) AND  
105(b)(5)(A) OF THE SARBANES-OXLEY ACT OF 2002

PCAOB RELEASE NO. 104-2026-012



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## 2025 INSPECTION

In the 2025 inspection of Haynie & Company, the Public Company Accounting Oversight Board (PCAOB) assessed the firm's compliance with laws, rules, and professional standards applicable to the audits of issuers.

We selected for review three audits of issuers with fiscal years generally ending in 2023. For each issuer audit selected, we reviewed a portion of the audit. We also evaluated elements of the firm's system of quality control.

### 2025 Inspection Approach

In selecting issuer audits for review, we use a risk-based method of selection. We make selections based on (1) our internal evaluation of audits we believe have a heightened risk of material misstatement, including those with challenging audit areas, and (2) other risk-based characteristics, including issuer and firm considerations. In certain situations, we may select all of the firm's issuer audits for review.

When we review an audit, we do not review every aspect of the audit. Rather, we generally focus our attention on audit areas we believe to be of greater complexity, areas of greater significance or with a heightened risk of material misstatement to the issuer's financial statements, and areas of recurring deficiencies. We may also select some audit areas for review in a manner designed to incorporate unpredictability.

Our selection of audits for review does not necessarily constitute a representative sample of the firm's total population of issuer audits. Additionally, our inspection findings are specific to the particular portions of the issuer audits reviewed. They are not an assessment of all of the firm's audit work or of all of the audit procedures performed for the audits reviewed.

View the details on the [scope of our inspections and our inspections procedures](#).

# OVERVIEW OF THE 2025 INSPECTION AND HISTORICAL DATA BY INSPECTION YEAR

The following information provides an overview of our 2025 inspection as well as data from the previous inspection. We use a risk-based method to select audits for review and to identify areas on which we focus our review. Because our inspection process evolves over time, it can, and often does, focus on a different mix of audits and audit areas from inspection to inspection and firm to firm. Further, a firm's business, the applicable auditing standards, or other factors can change from the time of one inspection to the next. As a result of these variations, we caution that our inspection results are not necessarily comparable over time or among firms.

## Firm Data and Audits Selected for Review

	2025	2023
<b>Firm data</b>		
<b>Total issuer audit clients in which the firm was the lead/principal auditor</b>	29	24
<b>Total engagement partners on issuer audit work<sup>1</sup></b>	6	5
<b>Audits reviewed</b>		
<b>Total audits reviewed</b>	3	2
<b>Audits in which the firm was the lead/principal auditor</b>	3	2
<b>Integrated audits of financial statements and internal control over financial reporting (ICFR)</b>	0	0
<b>Audits with Part I.A deficiencies</b>	2	2
<b>Percentage of audits with Part I.A deficiencies</b>	67%	100%

If we include a deficiency in Part I.A of our report, it does not necessarily mean that the firm has not addressed the deficiency. In certain cases, the firm may have performed remedial actions after the deficiency was identified. Depending on the circumstances, remedial actions may include performing additional audit procedures, informing management of the issuer of the need for changes to the financial statements or reporting on ICFR, or taking steps to prevent reliance on prior audit reports.

<sup>1</sup> The number of engagement partners on issuer audit work represents the total number of firm personnel (not necessarily limited to personnel with an ownership interest) who had primary responsibility for an issuer audit (as defined in AS 1201, *Supervision of the Audit Engagement*) during the twelve-month period preceding the outset of the inspection.

Our inspection may include a review, on a sample basis, of the adequacy of a firm's remedial actions, either with respect to previously identified deficiencies or deficiencies identified during the current inspection. If a firm does not take appropriate actions to address deficiencies, we may criticize its system of quality control or pursue a disciplinary action.

If we include a deficiency in our report — other than those deficiencies for audits with incorrect opinions on the financial statements and/or ICFR — it does not necessarily mean that the issuer's financial statements are materially misstated or that undisclosed material weaknesses in ICFR exist. It is often not possible for us to reach a conclusion on those points based on our inspection procedures and related findings because, for example, we have only the information that the auditor retained and the issuer's public disclosures. We do not have direct access to the issuer's management, underlying books and records, and other information.

Our 2025 inspection procedures involved one audit for which the issuer, unrelated to our review, restated its financial statements to correct certain omitted disclosures and the firm issued an audit report on the issuer's restated financial statements.

## Audit Areas Most Frequently Reviewed

This table reflects the audit areas we have selected most frequently for review in the 2025 inspection and the previous inspection. For the issuer audits selected for review, we selected these areas because they were generally significant to the issuer's financial statements, may have included complex issues for auditors, and/or involved complex judgments in (1) estimating and auditing the reported value of related accounts and disclosures and (2) implementing and auditing the related controls.

2025		2023	
Audit area	Audits reviewed	Audit area	Audits reviewed
<b>Revenue and related accounts</b>	3	<b>Revenue and related accounts</b>	2
<b>Investments</b>	2	<b>Debt</b>	1
<b>Goodwill and intangible assets</b>	1	<b>Goodwill and intangible assets</b>	1
<b>Other assets</b>	1		

## PART I: INSPECTION OBSERVATIONS

Part I.A of our report discusses deficiencies, if any, that were of such significance that we believe the firm, at the time it issued its audit report(s), had not obtained sufficient appropriate audit evidence to support its opinion(s) on the issuer's financial statements and/or ICFR.

Part I.B discusses certain deficiencies, if any, that relate to instances of non-compliance with PCAOB standards or rules other than those where the firm had not obtained sufficient appropriate audit evidence to support its opinion(s). This section does not discuss instances of apparent non-compliance with rules related to maintaining independence.

Part I.C discusses instances of apparent non-compliance with rules related to maintaining independence.

Consistent with the Sarbanes-Oxley Act ("Act"), it is the Board's assessment that nothing in Part I of this report deals with a criticism of, or potential defect in, the firm's quality control system. We discuss any such criticisms or potential defects in Part II. Further, you should not infer from any Part I deficiency, or combination of deficiencies, that we identified a quality control finding in Part II. Section 104(g)(2) of the Act restricts us from publicly disclosing Part II deficiencies unless the firm does not address the criticisms or potential defects to the Board's satisfaction no later than 12 months after the issuance of this report.

### Classification of Audits with Part I.A Deficiencies

Within Part I.A of this report, we classify each issuer audit in one of the categories discussed below based on the Part I.A deficiency or deficiencies identified in our review.

The purpose of this classification system is to group and present issuer audits by the number of Part I.A deficiencies we identified within the audit as well as to highlight audits with an incorrect opinion on the financial statements and/or ICFR.

### Audits with an Incorrect Opinion on the Financial Statements and/or ICFR

This classification includes instances where a deficiency was identified in connection with our inspection and, as a result, an issuer's financial statements were determined to be materially misstated, and the issuer restated its financial statements. It also includes instances where a deficiency was identified in connection with our inspection and, as a result, an issuer's ICFR was determined to be ineffective, or there were additional material weaknesses that the firm did not identify, and the firm withdrew its opinion, or revised its report, on ICFR.

This classification does not include instances where, unrelated to our review, an issuer restated its financial statements and/or an issuer's ICFR was determined to be ineffective. We include any deficiencies identified in connection with our reviews of these audits in the audits with multiple deficiencies or audits with a single deficiency classification below.

## Audits with Multiple Deficiencies

This classification includes instances where multiple deficiencies were identified that related to a combination of one or more financial statement accounts, disclosures, and/or important controls in an ICFR audit.

## Audits with a Single Deficiency

This classification includes instances where a single deficiency was identified that related to a financial statement account or disclosure or to an important control in an ICFR audit.

# PART I.A: AUDITS WITH UNSUPPORTED OPINIONS

This section of our report discusses the deficiencies identified, by specific issuer audit reviewed, in the audit work supporting the firm's opinion on the issuer's financial statements.

We identify each issuer by a letter (e.g., Issuer A). Each deficiency could relate to several auditing standards, but we reference the PCAOB standard that most directly relates to the requirement with which the firm did not comply.

We present issuer audits below within their respective deficiency classifications (as discussed previously). Within the classifications, we generally present the audits based on our assessment as to the relative significance of the identified deficiencies, taking into account the significance of the financial statement accounts and/or disclosures affected, and/or the nature or extent of the deficiencies.

## Audits with an Incorrect Opinion on the Financial Statements and/or ICFR

None

## Audits with Multiple Deficiencies

### Issuer A

#### Type of audit and related areas affected

In our review, we identified deficiencies in the financial statement audit related to **Revenue and Related Accounts**, and **Investments**. This was the firm's initial audit of this issuer. The firm's internal inspection program had inspected this audit and reviewed the **Revenue and Related Accounts** area and also identified certain of the deficiencies below.

#### Description of the deficiencies identified

With respect to **Revenue and Related Accounts**, for which the firm identified a fraud risk:

The firm did not perform any test of details to address the fraud risk related to the occurrence of certain revenue. (AS 2301.08 and .13)

The firm did not perform procedures to test, or test controls over, the accuracy and completeness of certain system-generated reports that it used to test certain other revenue. (AS 1105.10)

The firm did not perform any substantive procedures to test deferred revenue. (AS 2301.08)

With respect to **Investments**, for which the firm identified a significant risk:

The firm's approach for substantively testing the issuer's impairment analysis for certain investments was to develop an independent expectation. The following deficiencies were identified.

- The firm did not perform procedures to demonstrate that it had a reasonable basis for the method and assumptions it used, including taking into account (1) the requirements of certain elements of the applicable financial reporting framework and (2) its understanding of the issuer's process, including the issuer's use of a flat rate for impairment, so that its independent expectation considered the factors relevant to the estimate. (AS 2501.21 and .22)
- The firm did not evaluate the significant difference between its independent expectation and the issuer's recorded impairment, beyond concluding that the issuer's recorded impairment was more conservative. (AS 2501.26; AS 2810.13)

The firm did not identify and evaluate a departure from GAAP related to the issuer's omission of a disclosure required by FASB ASC Topic 235, *Notes to Financial Statements*. (AS 2810.30 and .31)

Unrelated to our review, the issuer reevaluated its disclosures for investments and determined that a disclosure was omitted. The issuer subsequently corrected this omission in a restatement of its financial statements, and the firm issued an audit report on the issuer's restated financial statements.

## Issuer B

### Type of audit and related areas affected

In our review, we identified deficiencies in the financial statement audit related to **Revenue** and **Investments**.

### Description of the deficiencies identified

With respect to **Revenue**, for which the firm identified a fraud risk:

The firm's substantive procedures to test revenue included selecting a sample of revenue transactions for testing. The firm's sample was not representative of the population because the firm did not select any transactions for one type of revenue, without performing procedures to determine whether all revenue transactions were homogeneous based on their characteristics. (AS 2315.16)

The firm did not evaluate whether the issuer's disclosures were in compliance with the requirements of FASB Topic ASC 606, *Revenue from Contracts with Customers*, to disaggregate revenue into categories that depict how the nature, amount, timing, and uncertainty of revenue and cash flows are affected by economic factors. (AS 2301.08 and .13)

With respect to an **Investment**, for which the firm identified a significant risk:

The issuer engaged a specialist to determine the fair value of an equity investment. The firm's approach for substantively testing the fair value of the investment was to test the issuer's process, and the firm used an auditor-engaged specialist to evaluate certain significant assumptions the company's specialist used. The following deficiencies were identified.

- The firm did not evaluate the reasonableness of a certain significant assumption developed by the company's specialist. (AS 1105.A8b)
- The firm did not evaluate whether this was an investment in a variable interest entity that should have been consolidated by the issuer in accordance with FASB ASC Topic 810, *Consolidation*. (AS 2301.08 and .11)
- The firm did not evaluate whether a certain related asset was properly classified as a current asset in accordance with FASB ASC Topic 210, *Balance Sheet*. (AS 2301.08 and .11) In addition, the firm did not perform procedures to test the issuer's conclusion that no allowance was necessary for the related asset. (AS 2501.07)

## Audits with a Single Deficiency

None

## PART I.B: OTHER INSTANCES OF NON-COMPLIANCE WITH PCAOB STANDARDS OR RULES

This section of our report discusses certain deficiencies that relate to instances of non-compliance with PCAOB standards or rules other than those where the firm had not obtained sufficient appropriate audit evidence to support its opinion(s). This section does not discuss instances of apparent non-compliance with rules related to maintaining independence.

When we review an audit, we do not review every aspect of the audit. As a result, the areas below were not necessarily reviewed on every audit. In some cases, we assess the firm's compliance with specific PCAOB standards or rules on other audits that were not reviewed and include any instances of non-compliance below.

The deficiencies below are presented in numerical order based on the PCAOB standard or rule with which the firm did not comply. We identified the following deficiencies:

- In one of three audits reviewed, the firm did not assemble a complete and final set of audit documentation for retention by the required documentation completion date. In this instance, the firm was non-compliant with AS 1215, *Audit Documentation*.
- In one of three audits reviewed, the firm did not obtain the engagement quality reviewer's concurring approval of issuance of the audit report prior to its issuance. In this instance, the firm was non-compliant with AS 1220, *Engagement Quality Review*.
- In two of three audits reviewed, the work papers did not contain sufficient information to enable an experienced auditor, having no previous connection with the engagement, to understand all of the procedures performed by the engagement quality reviewer, including the procedures that the engagement quality reviewer performed to evaluate the engagement team's responses to the significant risks identified. In these instances, the documentation of the engagement quality review was non-compliant with AS 1220, *Engagement Quality Review*.
- In one of three audits reviewed, the firm did not make certain required communications to the audit committee related to (1) significant accounting policies and practices and (2) the critical accounting policies and practices. In these instances, the firm was non-compliant with AS 1301, *Communications with Audit Committees*.
- In two of three audits reviewed, the firm did not make a required communication to the audit committee related to critical accounting estimates. In these instances, the firm was non-compliant with AS 1301, *Communications with Audit Committees*.
- In two of three audits reviewed, the firm did not make a required communication to the audit committee related to the results of the audit prior to the issuance of the auditor's report. In these instances, the firm was non-compliant with AS 1301, *Communications with Audit Committees*.
- In one of three audits reviewed, the firm did not evaluate whether certain control deficiencies individually, or in combination, represented a material weakness that required communication to management and the audit committee. In this instance, the firm was non-compliant with AS 1305, *Communications About Control Deficiencies in an Audit of Financial Statements*.
- In one of three audits reviewed, the firm, when testing journal entries for evidence of possible material misstatement due to fraud, did not have an appropriate rationale for limiting its testing of entries it identified as having certain fraud risk characteristics to certain entries. In this instance, the firm was non-compliant with AS 2401, *Consideration of Fraud in a Financial Statement Audit*.
- In one of three audits reviewed, the firm did not make a required communication to management related to identified misstatements. In this instance, the firm was non-compliant with AS 2810, *Evaluating Audit Results*.
- In one audit, the firm's audit report did not include an explanatory paragraph related to a material change in accounting principle. In this instance, the firm was non-compliant with AS 2820, *Evaluating Consistency of Financial Statements*.

- In one of three audits reviewed, the firm's communication of a certain critical audit matter in the audit report included a description of an audit procedure that the firm did not perform. In this instance, the firm was non-compliant with AS 3101, *The Auditor's Report on an Audit of Financial Statements When the Auditor Expresses an Unqualified Opinion*.
- In three audits, the firm did not file its report on Form AP by the relevant deadline. In these instances, the firm was non-compliant with PCAOB Rule 3211, *Auditor Reporting of Certain Audit Participants*.

## PART I.C: INDEPENDENCE

PCAOB Rule 3520, *Auditor Independence*, requires a firm and its personnel to be independent of the firm's audit clients. This requirement encompasses not only an obligation to satisfy the independence criteria set out in PCAOB rules and standards but also an obligation to satisfy all other independence criteria applicable to an engagement, including the independence criteria set out by the SEC in Regulation S-X, 17 C.F.R. § 210.2-01, *Qualifications of Accountants*.

In the 2025 inspection, we did not identify, and the firm did not bring to our attention, any instances of apparent non-compliance with PCAOB Rule 3520. Although this section does not include any instances of apparent non-compliance with PCAOB Rule 3520 that we identified or the firm brought to our attention, there may be instances of non-compliance with rules related to independence that were not identified through our procedures or the firm's monitoring activities.

While the firm did not bring to our attention any instances of apparent non-compliance with PCAOB Rule 3520, the number, large or small, of firm-identified instances of apparent non-compliance may be reflective of the size of the firm, including the number of associated firms; the design and effectiveness of the firm's independence monitoring activities; and the size and/or complexity of the issuers it audits, including the number of affiliates of those issuers. Therefore, we caution against making any comparison of firm-identified instances of apparent non-compliance across firms.

## PART II: OBSERVATIONS RELATED TO QUALITY CONTROL

Part II of our report discusses criticisms of, and potential defects in, the firm's system of quality control.

We include deficiencies in Part II if an analysis of the inspection results, including the results of the reviews of individual audits, indicates that the firm's system of quality control does not provide reasonable assurance that firm personnel will comply with applicable professional standards and requirements. Generally, the report's description of quality control criticisms is based on observations from our inspection procedures.

This report does not reflect changes or improvements to the firm's system of quality control that the firm may have made subsequent to the period covered by our inspection. The Board does consider such changes or improvements in assessing whether the firm has satisfactorily addressed the quality control criticisms or defects no later than 12 months after the issuance of this report.

When we issue our reports, we do not make public criticisms of, and potential defects in, the firm's system of quality control, to the extent any are identified. If a firm does not address to the Board's satisfaction any criticism of, or potential defect in, the firm's system of quality control within 12 months after the issuance of our report, we will make public any such deficiency.

## APPENDIX A: FIRM'S RESPONSE TO THE DRAFT INSPECTION REPORT

Pursuant to Section 104(f) of the Act, 15 U.S.C. § 7214(f), and PCAOB Rule 4007(a), the firm provided a written response to a draft of this report. Pursuant to Section 104(f) of the Act and PCAOB Rule 4007(b), the firm's response, excluding any portion granted confidential treatment, is attached hereto and made part of this final inspection report.

The Board does not make public any of a firm's comments that address a nonpublic portion of the report unless a firm specifically requests otherwise. In some cases, the result may be that none of a firm's response is made publicly available.

In addition, pursuant to Section 104(f) of the Act, 15 U.S.C. § 7214(f), and PCAOB Rule 4007(b), if a firm requests, and the Board grants, confidential treatment for any of the firm's comments on a draft report, the Board does not include those comments in the final report. The Board routinely grants confidential treatment, if requested, for any portion of a firm's response that addresses any point in the draft that the Board omits from, or any inaccurate statement in the draft that the Board corrects in, the final report.



1785 West 2320 South  
Salt Lake City, UT 84119

801-972-4800

801-972-8941

[www.HaynieCPAs.com](http://www.HaynieCPAs.com)

October 16, 2025

Ms. Christine Gunia  
Director  
Division of Registration and Inspections  
Public Company Accounting Oversight Board  
1666 K Street, N.W.  
Washington, DC 20006

Dear Ms. Gunia:

We are appreciative of the opportunity to provide our response to Part I of the Draft Report of the Public Company Accounting Oversight Board (PCAOB) 2025 inspection of Haynie & Company.

We have considered and taken action, as appropriate, to address the matters identified in Part I of the draft Report, specifically those considerations included in AS 2901, *Consideration of Omitted Procedures After the Report Date*, and AS 2905, *Subsequent Discovery of Facts Existing at the date of the Auditor's Report*.

Haynie & Company remains dedicated to continuous improvement in our audit-engagement performance and our system of quality control, including implementing changes to our policies and procedures to enhance audit quality. We are confident that the investments we have made and are continuing to make in our people, processes, and methodologies are resulting in significant enhancements to our audit quality.

We appreciate the professionalism that the inspection team has and continues to demonstrate. We look forward to any dialogue with the inspection staff to ensure Haynie & Company maintains its goal of delivering audits of the highest quality.

Respectfully Submitted,

  
Haynie & Company

Firm #457

