

Salter & Company, LLC
Certified Public Accountants
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Board of Trustees
Bakers Union & FELRA
Health and Welfare Trust Fund
C/o Anne-Marie Simms - Associated Administrators
911 Ridgebrook Road
Sparks, MD 21152

January 16, 2014

DECEMBER 31, 2013 AUDIT ENGAGEMENT LETTER
BAKERS UNION & FELRA – HEALTH & WELFARE TRUST

We are pleased to confirm our understanding of the services we are to provide for Bakers Union & FELRA Health and Welfare Trust Fund (Plan) for the year(s) ended December 31, 2013 in connection with its annual reporting obligation under the Employee Retirement Income Security Act of 1974 (ERISA).

We will audit the financial statements of Bakers Union & FELRA Health and Welfare Trust Fund, which comprise the statement of net assets available for benefits and of plan's benefit obligations as of December 31, 2013 and the related statement of changes in net assets available for benefits and of changes in the plan's benefit obligations for the year then ended, and the related notes to the financial statements. Also, the following supplementary information accompanying the financial statements, as applicable, will be subjected to the auditing procedures applied in our audit of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements or to the financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America, and our auditor's report will provide an opinion on it in relation to the financial statement as a whole.

1. Assets (Held at End of Year) and Assets (Acquired and Disposed of Within Year).
2. Loans or Fixed Income Obligations in Default or Classified as Uncollectible.
3. Leases in Default or Classified as Uncollectible.
4. Reportable Transactions.
5. Nonexempt Transactions.
6. Employer Contributions
7. Administrative Expenses

These financial statements and supplemental schedules "1 – 5" are required by the Department of Labor's (DOL) Rules and Regulations for Reporting and Disclosure under ERISA to be filed with Form 5500.

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Form 5500 (EFAST 2) and IRS 990

We will prepare the Plan's Form 5500 and the Form 990 for the year ended December 31, 2013. After we have completed the Plan's Form 5500 and Summary Annual Report, we will authorize the Plan to include our auditor's report on the financial statements and supplemental schedules with the Plan's Form 5500 filing. Both the Form 5500 and the IRS 990 will be filed electronically by Salter & Company, in coordination with proper Trustee obtained signing credentials

Audit Objectives

The objective of our audit is the expression of an opinion as to whether your financial statements are fairly presented, in all material respects, in conformity with U.S. generally accepted accounting principles, and whether the supplemental schedules are fairly stated in all material respects in relation to the basic financial statements taken as a whole and in conformity with the Department of Labor's Rules and Regulations for Reporting and Disclosure under ERISA. Our audit will be conducted in accordance with auditing standards generally accepted in the United States of America and will include tests of the accounting records of the Fund and other procedures we consider necessary to enable us to express such an opinion. We cannot provide assurance that an unmodified opinion will be expressed. Circumstances may arise in which it is necessary for us to modify our opinion or add an emphasis-of-matter or other-matter paragraph. If our opinion is other than unqualified, we will discuss the reasons with you in advance. If, for any reason, we are unable to complete the audit or are unable to form or have not formed an opinion, we may decline to express an opinion or to issue a report as a result of this engagement.

Audit Procedures

Our procedures will include tests of documentary evidence supporting the transactions recorded in the accounts and direct confirmation of investments, plan obligations, and certain other assets and liabilities by correspondence with financial institutions, actuaries, and other third parties. We will request written representations from your attorneys as part of the engagement, and they may bill you for responding to this inquiry. At the conclusion of our audit, we will also request certain written representations from you about the financial statements and related matters. As part of our audit procedures we will directly confirm the Funds fiduciary liability and fidelity bonding policies for the year under audit.

An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements; therefore, our audit will involve judgment about the number of transactions to be examined and the areas to be tested. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements. We will plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement, (1) whether from errors, (2) fraudulent financial reporting, (3) misappropriation of assets, or (4) violations of laws or governmental regulations, including prohibited transactions with parties in interest or other violations of ERISA rules and regulations, that are attributable to the fund or to acts by management or employees acting on behalf of the plan.

Because of the inherent limitations of an audit, combined with the inherent limitations of internal control, and because we will not perform a detailed examination of all transactions, there is a risk that material misstatements may exist and not be detected by us, even though the audit is properly planned and performed in accordance with U.S. general accepted auditing standards. In addition, an audit is not designed to detect immaterial misstatements or violations of laws or governmental regulations that do not have a direct and material effect on the financial statements. However, we will inform the appropriate

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Audit Procedures (Continued)

level of management of any material errors or any fraudulent financial reporting or misappropriation of assets that comes to our attention. We will also inform the appropriate level of management of any violations of laws or governmental regulations that come to our attention, unless clearly inconsequential, and will include prohibited transactions in the supplemental schedule of nonexempt transactions as required by the instructions to Form 5500. Our responsibility as auditor's is limited to the period covered by our audit and does not extend to any later periods for which we are not engaged as auditors.

Our audit will include obtaining an understanding of the Plan and its environment, including internal control, sufficient to assess the risks of material misstatement of the financial statements and to design the nature, timing and extent to further audit procedures. An audit is not designed to provide assurance on internal control or to identify deficiencies in internal control. However, during the audit, we will communicate to you and those charged with governance internal control related matters that are required to be communicated under professional standards.

We may from time to time, and depending on the circumstances, use third-party service providers in serving your account. We may share confidential information about you with these service providers, but remain committed to maintaining the confidentiality and security of your information. Accordingly, we maintain internal policies, procedures, and safeguards to protect the confidentiality of your personal information. In addition, we will secure confidentiality agreements with all service providers to maintain the confidentiality of your information and we will take reasonable precautions to determine that they have appropriate procedures in place to prevent the unauthorized release of your confidential information to others. In the event that we are unable to secure an appropriate confidentiality agreement, you will be asked to provide your consent prior to the sharing of your confidential information with the third-party service provider. Furthermore, we will remain responsible for the work provided by any such third-party service providers.

In addition, we will perform certain procedures directed at considering the Fund's compliance with applicable Internal Revenue Service (IRS) requirements for tax-exempt status and ERISA plan qualification requirements. However, you should understand that our audit is not specifically designed for and should not be relied upon to disclose matters affecting plan qualifications or compliance with the ERISA and IRS requirements. If during the audit we become aware of any instances of any such matters or ways in which management practices can be improved, we will communicate them to you.

Management Responsibilities

You agree to assume all management responsibilities for the tax services and any other non-attest services we provide; oversee the services by designating an individual, preferably from senior management, with suitable skill, knowledge, and/or experience; evaluate the adequacy and results of the services; and accept responsibility for them.

You are responsible for establishing and maintaining internal controls, including monitoring ongoing activities; for the selection and application of accounting principles; for establishing an accounting and financial reporting process for determining fair value measurements and for the preparation and fair presentation in the financial statements in conformity with U.S. generally accepted accounting principles. You are also responsible for making all financial records and related information available to us and for the accuracy and completeness of that information. You are also responsible for providing us with (1) access to all information of which you are aware that is relevant to the preparation and fair presentation of the financial statements, (2) additional information that we may request for the purpose of the audit, and

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Management Responsibilities (Continued)

(3) unrestricted access to persons within the Plan from whom we determine it necessary to obtain audit evidence.

Your responsibilities include adjusting the financial statements to correct material misstatements and confirming to us in the management representation letter that the effects of any uncorrected misstatements aggregated by us during the current engagement and pertaining to the latest period presented are immaterial, both individually and in the aggregate, to the financial statements taken as a whole. We will, based on your previous instruction, submit to the third-party administrator all uncorrected financial misstatements, if any come to our attention, during our audit. The correction of these misstatements, even if immaterial, will be recorded as directed by the third-party administrator.

You are responsible for the design and implementation of programs and controls to prevent and detect fraud, and for informing us about all known or suspected fraud affecting the plan involving (1) plan management, (2) employees who have significant roles in internal control, and (3) others where the fraud could have a material effect on the financial statements. Your responsibilities include informing us of your knowledge of any allegations of fraud or suspected fraud affecting the plan received in communications from employers, former employees, regulators, or others. In addition, you are also responsible for identifying and ensuring that the plan complies with applicable laws and regulations. You are also responsible for preparing the supplementary information in conformity with the Department of Labor's Rules and Regulations for Reporting and Disclosure under the Employee Retirement Income Security Act of 1974. You agree to include our report on the supplementary information in any document that contains, and indicates that we have reported on, the supplementary information. You also agree to include the audited financial statements with any presentation of the supplementary information that includes our report thereon.

We understand that your third party administrator – Associated Administrators, Inc. may prepare or assist us in preparing schedules, analyses and confirmations for mailing, as well as assist us in locating any invoices or other documents selected for testing.

Engagement Administration, Fees, and Other

The workpapers for this engagement are the property of Salter & Company, LLC and constitute confidential information. It is our policy to keep records related to this engagement for seven years. However, we may be requested to make certain workpapers available to the U.S. Department of Labor pursuant to authority given to it by law. If requested, access to such audit documentation will be provided under the supervision of Salter & Company, LLC's personnel. Furthermore, upon request, we may provide copies of selected audit documentation to the U.S. Department of Labor. The U.S. Department of Labor may intend, or decide, to distribute the copies of information contained therein to others, including other governmental agencies.

Our firm, as well as other accounting firms, participates in the AICPA's peer review program covering our audit and accounting practices. Under this program, our system of quality control is subjected to a peer review by a team of certified public accountants by the state administering entity. As part of this peer review, the team will review a sample of our work. It is possible that the work we perform for you may be selected for their review. If it is, the team is bound by professional standards to keep all information confidential.

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Engagement Administration, Fees, and Other (continued)

Joseph Herishen, CPA is the engagement partner and is responsible for supervising the engagement and signing the report.

We estimate that our fees for these services will not exceed \$9,750 (minimal increase of \$350 over prior year). Should actual hours produce a lower fee, we will, of course, bill you for the lesser amount. The fee estimate is based on anticipated cooperation from your personnel and the assumption that unexpected circumstances will not be encountered during the audit. If significant additional time is necessary, we will discuss it with you and arrive at a new fee estimate before we incur the additional costs. Our invoices for these fees may be rendered as work progresses and are payable on presentation.

Should the Trustees desire any additional accounting, tax or consulting services rendered outside of the scope of the annual audit, these services will be billed at the appropriate rate for the personnel used for the engagement, as outlined below.

Our hourly rate structure is as follows:

Partners	\$ 170.00 to \$ 225.00
Managers	\$ 140.00 to \$ 169.00
Staff Accountants	\$ 90.00 to \$ 139.00
Paraprofessionals	\$ 65.00

Our fees for these services will be based on the actual time spent at our standard hourly rates, plus out-of-pocket costs. Our standard hourly rates vary according to the degree of responsibility involved and the experience level of the personnel assigned to your audit. Our invoices for these services will be rendered as work progresses.

We appreciate the opportunity to be of service to Bakers Union & FELRA Health and Welfare Trust Fund and believe this letter accurately summarizes the significant terms of our engagement. If you have any questions, please let us know. If you agree with the terms of our engagement as described in this letter, please sign the enclosed copy and return it to us.

Sincerely,


Salter & Company, LLC

RESPONSE:

This letter correctly sets forth the understanding of Bakers Union & FELRA Health and Welfare Trust Fund.

Signed: _____
Union Trustee

Signed: _____
Employer Trustee

Date: _____

Date: _____