

Salter & Company, LLC

Certified Public Accountants

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To the Board of Trustees of
Bakers Union & FELRA
Health and Welfare Trust Fund
c/o Dawn Welch, Associated Administrators
911 Ridgebrook Road
Sparks, MD 21152

June 12, 2018

Dear Board of Trustees:

Payroll Compliance Review Services - Engagement Letter – Year(s) 2018-2019

We are pleased to confirm our understanding of the services we are to provide to the Bakers Union & FELRA Health and Welfare Trust Fund ("Plan"). We will conduct employer compliance services for the Trust on a five-year rotation cycle and generally, these services will cover a three-year review period.

The procedures to be performed include a review of the pertinent provisions of the applicable agreement and the comparison of employers' payroll records to information reported to the Plan. The scope of the services will be limited to records made available by the employers, and therefore would not necessarily disclose all exceptions in employer contributions. Any compensation made to employees not disclosed to us or not part of the written record is not determinable by us.

Our procedures relate to a review of only the employers' payroll records and do not extend to any financial statements of the contributing employers. The procedures are substantially less in scope than an audit or review of the financial statements of the contributing employers, the objective of which would be the expression of an opinion on the contributing employers' financial statements. Accordingly, no such opinion will be expressed. We will conduct our reviews on a test basis.

If we detect systemic errors we will expand our employer compliance findings. If the employer compliance findings are substantial we will contact the Fund before proceeding. Our review is based on the records provided to us. There is a risk that material errors, fraud, or other illegal acts may exist and not be detected by us. Our work does not include any procedures designed to discover defalcations or other irregularities, should any exist.

Our review of the employers' records will be made in order to make a determination of whether proper contributions have been paid to the Plan for the period reviewed. Our procedures typically include utilization of the following records- payroll journals or registers, personnel records, forms W-2/W-3, Forms 1099, state unemployment reports, and contribution reports.

Any difference between the employers' calculated liability and the previously reported liability will be communicated to the Trustees in a formal report including spreadsheets calculating deficiencies noted.

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Fees for our services would be at our standard hourly rates set forth below:

Partners	\$ 190.00 to 245.00
Managers	\$ 155.00 to 189.00
Staff Accountants	\$ 95.00 to 154.00
Paraprofessionals	\$ 70.00 to 75.00

FEES - EMPLOYER PAYROLL COMPLIANCE REVIEWS

The Fee Caps below are MAXIMUMS for each company size. Should actual Work-in-Process and expenses be less, of course you will be charged the lesser amount. The Fee Quotes include the payroll examinations on-site, in the Washington, D.C. metro area, for chosen employer locations. Should the employer payroll headquarters be located greater than 50 miles outside of the D.C. metro area, it may be necessary to bill additional out-of-pocket costs using the standard IRS mileage rate for the additional mileage. Regarding airfare to other states (only if necessary); only the difference in coach airfare (using Southwest airlines; usually the most cost-efficient air carrier) would be billed as direct out-of-pocket cost.

PROVIDED AS A POTENTIAL FEE ESTIMATE RANGE SUMMARY (ONLY)

Payroll Compliance Review Fee Ranges – 2018 & 2019

NUMBER OF COMPANY-WIDE EMPLOYEES

RANGE OF FEES*

Less than 50 employees	\$ 1,650 - 2,100
50 - 100 Employees	\$ 2,200 - 2,800
100 - 500 Employees	\$ 2,900 - 3,600
500 - 1,000 Employees	\$ 3,700 - 7,250**

*The fee range could fluctuate based on the integrity of the employer hourly data provided.

** This upper fee limit is not always indicative of the actual time and billing that may be billable.

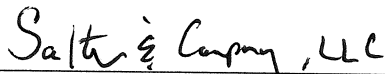
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The documentation for this engagement is our property and constitutes confidential information. However, we may be requested to make certain documentation available to the U.S. Government Agencies pursuant to authority given to it by law. If requested, access to such documentation will be provided under the supervision of our personnel. We will supply you with copies of any documentation, for which copies are given to the U.S. Government Agencies.

We appreciate the opportunity to continue to be of service to you and believe this letter accurately summarizes the significant terms of our engagement.

Sincerely,



Salter & Company, LLC

RESPONSE:

The services described above are in accordance with our requirements and are hereby agreed to by the Bakers Union & FELRA Health and Welfare Trust Fund.

By _____

By _____

Union _____

Employer _____

Date _____

Date _____