



REPORT ON CONTROLS PLACED IN OPERATION
AND TESTS OF OPERATING EFFECTIVENESS
OF DAILY VALUATION PENSION PLAN ADMINISTRATION SERVICES

FOR THE PERIOD MAY 1, 2008 THROUGH APRIL 30, 2009

Independent Pension Consultants, Ltd.
May 1, 2008 through April 30, 2009

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Report of Independent Certified Public Accountants

To the Stockholders and Board of Directors
Independent Pension Consultants Ltd.

We have examined the accompanying description of the controls related to the Daily Valuation Pension Plan Administration Services of Independent Pension Consultants, Ltd. (IPC). Our examination included procedures to obtain reasonable assurance about whether (1) the accompanying description presents fairly, in all material respects, the aspects of IPC's controls that may be relevant to a user organization's internal control structure as it relates to an audit of financial statements (2) the controls included in the description were suitably designed to achieve the control objectives specified therein, if those controls were complied with satisfactorily and user organizations applied the internal control structure policies and procedures contemplated in the design of IPC's controls and (3) such controls had been placed in operation as of April 30, 2009. The control objectives were specified by the management of IPC. IPC uses an outside service organization for (1) the initial coding and maintenance of the Relius application covered under this examination (2) to obtain information for the pricing of securities and (3) to perform various functions related to the custody of securities. Our examination was performed in accordance with standards established by the American Institute of Certified Public Accountants and included those procedures we considered necessary in the circumstances to obtain a reasonable basis for rendering our opinion.

In our opinion, the accompanying description of the aforementioned controls of IPC presents fairly, in all material respects, the relevant aspects of IPC's controls that had been placed in operation as of April 30, 2009. Also, in our opinion, the controls, as described, are suitably designed to provide reasonable assurance that the specified control objectives would be achieved if the described controls were complied with satisfactorily.

In addition to the procedures we considered necessary to render our opinion as expressed in the previous paragraph, we applied tests to specific controls, listed in our description of the tests of operating effectiveness, to obtain evidence about their effectiveness in meeting the control objectives, described in Section II, during the period from May 1, 2008 to April 30, 2009. The specific controls and the nature, timing, extent, and results of the tests are summarized in the Section II. This information has been provided to clients of IPC and to their auditors to be taken into consideration, along with information about the internal control at user organizations, when making assessments of control risk for user organizations. In our opinion, the controls that were tested, as described in Section II, were operating with sufficient effectiveness to provide reasonable, but not absolute, assurance that the control objectives specified in Section II were achieved during the period from May 1, 2008 to April 30, 2009.

The relative effectiveness and significance of specific controls at IPC and their effect on assessments of control risk at user organizations are dependent on their interaction with the controls, and other factors present at individual user organizations. We have performed no procedures to evaluate the effectiveness of internal controls at individual user organizations.

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The description of controls at IPC is as of April 30, 2009 and the information about the tests of the operating effectiveness of the specified control structure policies and procedures covers the period from May 1, 2008 to April 30, 2009. Any projection of such information to the future is subject to the risk that, because of change, the description may no longer portray the controls in existence. The potential effectiveness of specific controls at IPC is subject to inherent limitations and, accordingly, errors or fraud may occur and not be detected. Furthermore, the projection of any conclusions, based on our findings, to future periods is subject to the risk that changes may alter the validity of such conclusions.

This report is intended solely for use by the management of IPC, its clients and independent auditors of its clients.

Apple Growth Partners

Akron, Ohio
July 16, 2009

SECTION I

GENERAL DESCRIPTION OF DAILY VALUATION PENSION PLAN ADMINISTRATION
PROVIDED BY INDEPENDENT CONSULTANTS LTD.

Independent Pension Consultants, Ltd.

For the Period May 1, 2008 through April 30, 2009

I. OVERVIEW OF OPERATIONS

Independent Pension Consultants, Ltd. (the “Company” or “IPC”) located in Chaska, Minnesota provides plan and participant recordkeeping services for defined contribution plans. This report summarizes the operations and controls of recordkeeping services provided to defined contribution plans by IPC either directly or through partnerships and strategic alliances with banks, brokerage firms, investment advisors, CPA's and other institutional relationships.

IPC performs balance forward and daily valuation recordkeeping services for defined contribution plans, principally 401(a) plans with 401(k) features. As plan recordkeeper, IPC maintains individual participant records and issues periodic statements to participants reflecting employee/employer contributions, loan repayments, contribution and investment allocation changes, fund balance transfers/exchanges, outstanding loans, benefit payments and vesting/forfeitures. IPC services both plan sponsors and the participants within the plans. Some of the activities supported by IPC include:

- New Plan Implementation
- Investment Transfers
- Plan Conversions
- Benefit Payment and Loan Issuance Processing
- Transfer of Plan Assets and Account Balances
- Investment Election Changes
- Account Administration
- Trade Processing
- Enrollment
- Income Allocation
- Contribution and Loan Repayment Processing
- Participant Statements and Confirmations
- Census Updates (i.e. date and address changes)
- Valuation Reporting / Plan Accounting
- Account Maintenance
- Compliance Testing
- Regulatory Filing Assistance

To provide its clients with this wide range of services, IPC has developed partnerships with investment and trust companies including: Fidelity, Fiserv Trust Corporation (FTC) (now known as TD Ameritrade Trust), TD Ameritrade (referred to by IPC as TD Ameritrade - Retail) and MidAtlantic Trust (collectively referred to as trading platform/transfer agent, “TP”) to facilitate the daily valuation administration services.

IPC does not perform trustee functions such as settling security trades, collecting interest and dividends or executing any transactions without the implied or express approval of the plan trustees or the trustees’ designee. IPC does not serve as custodian for any assets. This report has been prepared to provide information on the Company’s control activities which may be relevant to the internal control of the retirement plans using IPC’s services and may not include all of the activities noted above. It does not extend to the control activities of retirement plan sponsors or trustees.

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The description of the controls and activities necessary to provide participant level recordkeeping services, has been prepared to provide information for use by plan sponsors, plan administrators and plan auditors in discharging their responsibilities.

Monitoring Compliance with DOL, IRS and ERISA Requirements

IPC is responsible only for compliance with such reporting and disclosure requirements imposed by the Internal Revenue Code of 1986 (the Code) and the Employee Retirement Income Security Act of 1974 (ERISA) to the extent these are imposed on a third party administrator. IPC is not responsible for compliance requirements imposed by the Code and ERISA on plan administrators, sponsors, trustees or employees; therefore, such compliance monitoring processes are not included in this report.

II. CONTROL ENVIRONMENT ELEMENTS

The overall control environment at IPC is considered fundamental to the operating effectiveness of specific internal controls. IPC's control environment reflects the overall attitude, awareness and actions of the board of directors, the management and the collective effect of various factors on establishing, maintaining, enhancing or mitigating the effectiveness of specific controls. The control environment is pervasive and sets the tone of the organization and its employees. In addition to various external influences that affect an entity's operations and practices, such as regulations and examinations by regulatory agencies, the following are key aspects of the Company's overall control environment:

- A. Management Control
- B. Standard Operating Controls
- C. Organizational Structure
- D. Plan Compliance
- E. Hiring and Personnel Practices
- F. Employee Training
- G. Standards of Conduct
- H. Security Controls

A. Management Control

Senior Management (Management) of IPC plays a significant role in ensuring that the control environment within IPC is functioning properly. The owners have daily contact with the rest of the management team, who in turn have daily contact with other personnel and are responsible for monitoring daily operations and controlling operational risk. Management's conduct of business activities established an attitude that fosters integrity. When risks are identified, Management is responsible for the evaluation and implementation of appropriate measures to manage and monitor these risks.

B. Standard Operating Controls

Controls have been established by Management and are communicated and disseminated to appropriate personnel, as required. Risk monitoring activities include reconciliations, reviews of operating performance, client communications, and management reports, which measure the results of various tasks involved in providing recordkeeping services to clients. Appropriate levels of management review these reports periodically, and action is taken as necessary. The organization is structured such that while reporting lines are clearly defined, each employee has direct access to

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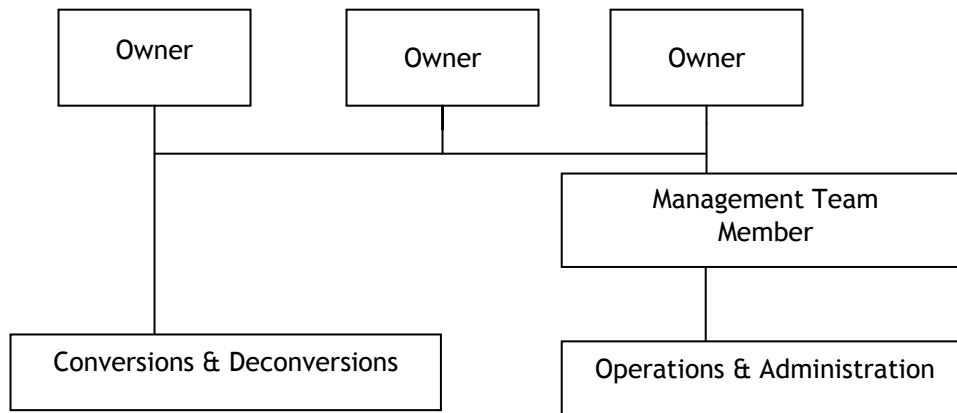
Management.

IPC has a Statement of Ethics which conveys key aspects to employees regarding the conduct of business in an ethical and legally proper manner. IPC maintains insurance coverage against major risks. Policies include errors and omissions coverage and commercial coverage. Coverage is provided by companies which IPC believes to be financially sound. Coverage is maintained at levels which IPC believes to be reasonable for the size and scope of its operations.

C. Organizational Structure and Standards

IPC consists of two sub-functional groups: Conversions & Deconversions, and Operations & Administration. Both of these operational groups are under the direct responsibility of a management team member. The management team consists of the three owners and one key employee. The management team is responsible for business and product development, as well as maintaining existing client and referral source relationships.

Set forth below is IPC's organization chart on April 30, 2009.



Segregation of Duties and Functions

Certain functions are segregated between daily recordkeeping and plan compliance. Each Plan Administrator also handles certain daily recordkeeping processes for those plans; however, all trading, reconciliation and price downloads are performed by a daily Operation Specialist or Management. Employees are cross-trained.

Conversions & Deconversions

The Conversions & Deconversions group is responsible for establishing startup plans or converting existing plans to the recordkeeping system. For startup plans, the group works directly with the client to obtain all relevant plan features, investment choices and participant confirmation, and statement features. For existing plan conversions, the group works closely with the trustee and the previous recordkeeper to transfer the plan and participant information onto IPC's recordkeeping system.

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Operations & Administration

The Operations & Administration group is responsible for the daily servicing and operational support of the retirement plans. Specifically, this group is responsible for processing participant transactions, reconciling recordkeeping activity to investment balances at the transfer agent, reviewing plan valuation reporting, and reviewing participant statements. Additional duties also include performing compliance testing and preparing IRS Form 5500, which are sent to the client for review and submission. In addition, the Administration group maintains contact with both plan sponsors and trustees to resolve problems and provide information on the daily operation of the retirement plans. This group also interacts with the daily valuation system vendor to provide routine maintenance, enhancements, and problem resolution.

The management of IPC believes its policies, procedures and promotion of ethical values ensures the integrity of processing transactions and providing client service and quality assurance.

D. Plan Compliance

Management routinely attends specialized training courses and provides training opportunities for staff. Also, IPC utilizes webinars for all staff throughout each year. Additionally, IPC uses resources such as Technical Answer Group (TAG) for assistance in answering plan compliance questions. For complicated issues, IPC consults a local ERISA attorney.

E. Hiring Practices

IPC has formal hiring practices to ensure that new employees are qualified for their job responsibilities.

F. Employee Training

Each new employee completes general orientation training as well as task specific training prior to assuming full responsibilities. This training includes a review of policies and procedures, observation of the daily process and one-on-one training.

G. Standards of Conduct

Every employee is expected to observe satisfactory standards of work conduct and general performance. These standards are designed to ensure efficiency and fairness. Failure to meet these standards will result in appropriate action being taken against the employee, up to and including termination.

IPC has a Statement of Ethics which conveys key aspects to employees regarding the conduct of business in an ethical and legally proper manner.

H. Security Controls

IPC does not have custody of any plan assets. Plan assets are maintained by an outside trust company or custodial vendor, which has been chosen by the Plan Sponsor. Deposits are sent directly to the trust company by the Plan Sponsor and at no time are they commingled with IPC accounts.

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IPC's Management has defined and analyzed the tasks comprising particular jobs. The knowledge and skills required to perform particular jobs have also been determined by management and are communicated to personnel. Formal written performance appraisals are conducted.

IPC relies on the physical and logical security of the Relius system and its ASP provider for the security of its daily recordkeeping data.

IPC's physical location is in a building with authorized and limited access during non-business hours and its office access is facilitated by a receptionist.

I. Risk Assessment

Potential risks are identified and an assessment is made regarding the levels of control and actions required. IPC reviews the SAS 70 reporting for Fidelity, TD Ameritrade Trust and Relius, assesses the user control considerations identified in these reports, and revises respective processes and procedures.

Compliance, regulatory and legal risk: IPC realizes the legal, compliance and regulatory risk associated with acting on behalf of clients. IPC obtains a written services agreement from each client that specifically authorizes and specifies which actions IPC may perform on behalf of its clients.

Market risk in the daily valuation environment is associated with timely and accurate execution and/or settlement of trading. To reduce this risk, IPC has implemented quality control procedures governing transaction processing as well as system controls to ensure personnel cannot unintentionally override transactions. The system network is secured and monitored by qualified personnel. Insurance coverage for errors and omissions is maintained. Additionally, the daily valuation processing is performed and retained in an ASP environment to facilitate back-up, retention and disaster recovery.

III. APPLICATION PROCESSING SYSTEMS

The plan/participant recordkeeping business is supported by a variety of systems as outlined below.

A. Relius Administration (Relius, or "RA")

IPC uses the Relius Administration system which is owned by SunGard Data Systems, Inc. Relius allows for all record keeping activities and is hosted in an Application Service Provider (ASP) environment. IPC also implements RA's "Straight-through-processing" (STP) to automate certain tasks. The system provides participant and transactional recordkeeping activities such as administrative changes, employee/employer contributions, loan repayments, contribution and investment allocation rate changes, fund balance transfers/exchanges, loans, benefit payments and vesting/forfeitures, and serves as a trading platform for the investments.

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B. Participant Web Site

The Participant Web Site is a licensed system product that enables participants to access their account information, initiate exchanges, change investment options, and request loans via the Internet using a Secure Socket Layer (SSL) connection and standard Internet web browsers. A statement of activity is generated from the recordkeeping system and is mailed to the participant to confirm exchanges and changes to investment elections. The Plan Sponsor can also access information via a secure web site. The information can be viewed at the plan level as well as the participant level.

C. VRU/Voicelog

The VRU, a licensed system product, enables participants to access their account information, initiate exchanges, change investment options, and request loans via the telephone. A statement of VRU activity is generated from Relius and is mailed to the participant to confirm exchanges and changes to investment elections.

D. Transfer of Information

Licensed system products, as shown below, are used for the transfer of information between IPC and the investment custodians and TP's. Examples of the types of information transferred are trades, positions, transaction history, account reports and daily price files.

- Fidelity
- Advisor Channel
- TD Ameritrade - Retail
- Veo Express
- TD Ameritrade Trust
- TD Ameritrade Trust Portal
- American Funds (the trading platform)
- STN (formerly known as MidAtlantic Transaction Services)
- Expediter

E. Relius/Hyperprep Government Compliance Reporting

Relius Government Forms software, formerly known as Hyperprep, is used for the generation of all Forms 1096, 1099 and 945.

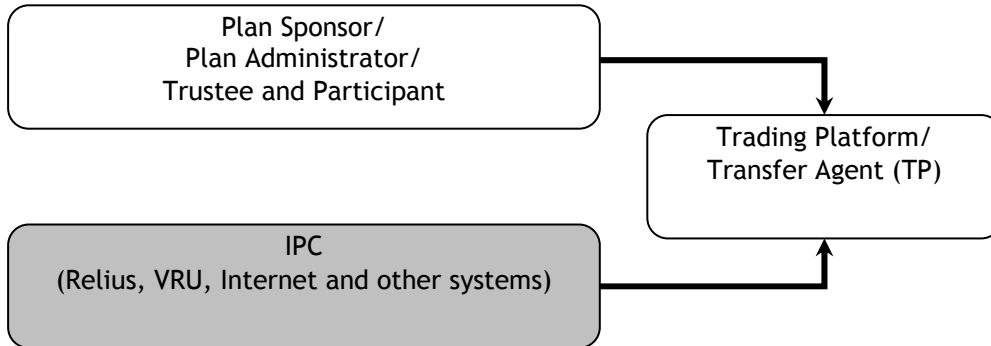
F. Ft. William Government Compliance Reporting

The software used for the generation of Forms 5500 (and attachments), and 5330 is Ft. William.

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IV. DESCRIPTION OF TRANSACTION PROCESSING

The following diagrams the relationships discussed on the following pages and identifies the components subject to review within this report.



SHADED BOX IS COVERED WITHIN THIS REPORT

Transaction Processing Controls

IPC has implemented controls to ensure that transactions are properly authorized and processed in an accurate, timely and complete manner. These controls include documented procedures, transaction checklists and a quality control process. Transactions subject to quality review include all withdrawals (loans, hardships, in-service, fees), distributions, and fund replacements.

IPC processes the following types of transactions and functions:

- A. Plan Setup
- B. Enrollments
- C. Census Data and Investment Election Changes
- D. Contributions and Loan Repayments
- E. Exchanges
- F. Distributions
- G. Investment Income
- H. Pricing
- I. Investment Processing
- J. Reconciliations
- K. Reporting

A. Plan Setup

In order for a new plan to be established on IPC's recordkeeping system, plan sponsors must provide basic plan information and a plan document to the Conversions group. Using this information, the Conversion group determines if IPC can operationally support the plan. During this time, the Conversion group is responsible for obtaining the Fee Agreement, the IPC Service Agreement, and investment instructions from the plan sponsor which must be received prior to the plan's first trade.

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Pending final IPC qualification of the plan, the Conversion group sets up an initial conference call with the client/plan sponsor. During this call, the conversion team is introduced to the client/plan sponsor and the steps for the conversion are discussed. A conversion time table is discussed, which outlines completion dates for each step in the conversion process, and is agreed upon by the client/plan sponsor and IPC.

Using the information gathered and the plan document, a conversion administrator establishes the plan on the recordkeeping system. A second conversion administrator compares the information established on the system to the source documents to verify that all required information was accurately recorded. After the plan has been established, the conversion administrator loads the plan's census data and the election period begins. If funds are not being mapped as part of the conversion, during this period, participants select their investment elections /allocations. The plan sponsor is responsible for choosing a default investment option for those participants who do not select election/allocations during the open enrollment period.

A blackout period, which may begin with the prior recordkeeper, is continued until the plan is completely reconciled on IPC's recordkeeping system. During the blackout period, no distributions, transfers, or new loans may be processed. Once the reconciliation has been performed, the conversion administrator enables participant access to the VRU and Internet. As a final step, a letter introducing the plan administrator is sent to transition the plan to Plan Services for on-going administration.

Plan Maintenance

Once a plan is out of conversion, any changes to plan provisions on the recordkeeping system are initiated upon receipt of requests from the plan sponsor. These requests are generally received in writing and are initially screened by the plan administrator or client relationship manager to verify that they are received from an authorized source and are in good order.

An example of a typical change is adding a fund or group of funds to a plan. The client relationship manager prepares the necessary paperwork and the operations group enters the change in the recordkeeping system.

B. Enrollments

Enrollments occur when newly eligible participants enroll in an existing plan. Plan sponsors are responsible for determining participant eligibility and sending census files to IPC containing all newly eligible employees. Typically, census information is originally sent to IPC on normal payroll files. If the information is not received on the payroll files, enrollment files can be sent anytime, in accordance with the plan entry dates.

Plan administrators compare data in the census file to data within Relius and identify unmatched participants. Once verified, the plan administrator updates Relius with newly eligible participants.

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C. Census Data and Investment Election Changes

Most plan sponsors provide updated census information to IPC with each payroll file. At a minimum, plan sponsors of daily valued plans provide updated addresses on a quarterly basis. All census information that is changed via a payroll file will be reported on a census import report by Relius.

Participants can also use the VRU/Internet to make changes to their investment election. Participants initially authenticate to the VRU/Internet by entering their social security number and PIN. Thereafter RA forces the participant to create a user ID that is unique from their SSN. Changes to investment elections result in a confirmation being sent to the participant. Participant address changes can be done through the plan sponsor and will be reflected in the next census file update. Address changes can be made by the participant via the internet also.

D. Contributions and Loan Repayments

Plan sponsors send participant contribution and loan repayment details to IPC via an electronic file. The payroll files should list the totals for each source of funds contained on the contribution/loan repayment file and serve as notification that the contribution/loan repayment has been funded.

Plan administrators verify that the contribution and loan repayment totals appearing on the payroll files are the same as the totals loaded into Relius. In the event that Relius identifies errors, the plan administrator can suppress the transactions if there are problems that need to be resolved.

The administrator enters relevant transaction data, such as dates into the recordkeeping system, and reconciles totals from Relius reports to the payroll files provided by the plan sponsors to ensure that all contributions/loan repayments are properly processed. Once Relius has processed a file, the corresponding trades are sent electronically the same day and posted the next day.

Plan administrators provide Loan Summary Reports to the plan sponsor on a quarterly basis. The Loan Summary Report contains specific details about each loan, such as the participant, social security number, loan balance, loan amount, rate, and payment amounts. The Statement Register Report contains a summary of loan totals for the plan, as well as other information. Prior to providing these reports to plan sponsors, plan administrators verify that the loan totals appearing on the Loan Report agree with those on the Statement Register. Any differences are researched and resolved.

E. Exchanges

Exchanges occur when a participant moves invested assets from one investment option to another. It is important to note that exchanges only move currently invested monies - future contributions are not affected. Future contribution changes require an allocation change. Participants can request an exchange via the VRU or Internet. Thereafter RA forces the participant to create a user ID that is unique from their SSN. These requests are reflected as pending and can be changed by the participant until that day's close of business. The sell transactions occur at that day's NAV. The buy transactions occur on the next business day following settlement of all sell transactions at that day's NAV.

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An independent review of VRU/Internet activity is performed by periodically comparing VRU/Internet requests to the Statement Register to verify that all trades were posted to Relius.

F. Distributions

IPC processes many different types of distributions, including but not limited to: hardship withdrawals, lump sum distributions and loans. Lump sum distributions, hardship and in-service withdrawals are submitted as hard copy requests. With some plans, loans can be initiated daily by the participant through the VRU/Internet; other plans require a written loan application.

For all withdrawals that are requested in hard copy, the participant completes the appropriate applications along with supporting documents and submits the application to the plan sponsor for review and submission to the plan sponsor. The plan sponsor reviews and submits the request to IPC. The distribution is then entered into Relius, which validates the information based on predefined plan parameters. Any issues are researched and resolved by the plan administrator prior to processing. For self-trusted plans that do not use a paying agent, a distribution report containing participant level detail and disclosure documentation is provided to the trustee the next business day. The trustee uses this information for disbursing proceeds. For plans that use a corporate trustee or a paying agent, the distribution information is forwarded to that entity (typically through a web interface) so that a check can be issued to the correct party.

Except as specifically authorized by certain plan sponsors, when the participant initiates a loan request through the VRU/Internet, the plan administrator prepares a promissory note and amortization schedule. The note and schedule are forwarded to the participant for the appropriate signatures and a copy is sent to the plan sponsor. The funds are liquidated the same business day and made available to the trustee or paying agent for distribution. For a self-trusted plan, the trustee is responsible for receiving a signed promissory note before issuing a check to the participant. If the plan uses a paying agent, the check is mailed to the plan sponsor, who is responsible for receiving the signed promissory note prior to giving the check to the participant.

G. Investment Income

IPC downloads a transaction file from Advisor Channel each day that lists all dividend and capital gain distributions. Dividends from other transfer agents are obtained manually by reviewing their individual web sites. The posting group loads and posts the shares in Relius. The posting group also keeps a daily log of all dividends and plans that receive them.

H. Pricing

Updated prices are provided by STN, an affiliate of Relius, and by Fidelity for all funds being traded, except for certain stable value funds not priced by either source, on a daily basis via STP. Prices for such specific stable value funds are received from the respective TP and uploaded into RA on a daily basis. STN and Fidelity (via Reliance) receives a direct feed from the National Securities Clearing Corporation ("NSCC") for processing of trade and income information through the NSCC's Fund/SERV system.

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I. Investment Processing

The Operations and Administration groups are responsible for processing and posting trades and have established documented procedures for daily processing. All trades created during the day's processing are transmitted to the trading platforms via either their individual web sites or their proprietary software. Each web site or proprietary software product contains programmed controls to prevent the transmission of duplicate trades. The trading group researches duplicate transaction warning messages and resolves possible duplicate trades. A comparison of trade types by plan is performed. The trading group reviews the Communication Log, or other confirmation, from each trading platform. The individual logs show the order numbers, rejected transactions, the accepted transactions, and any associated error messages. The trading group reviews the Communications Log to identify rejected trades and to ensure that the trade file was received properly. The trading group attempts to resolve rejected trades before the market closes. Any unresolved rejected trades are forwarded to Operations for resolution. The operations group researches and if appropriate, submits manual trades. The posting group then monitors the submitted trades via the reconciliation process which is performed the following business day. The administration group performs a reconciliation of share balances on the recordkeeping system to share balances at the transfer agents.

J. Reconciliations

The administration group reconciles each plan's total participant assets posted in the recordkeeping system to those reported by the transfer agent. Each day, the administration group compares the trust balance from Relius and the fund positions received from the transfer agents through an electronic reconciliation process. If a fund is out of balance, the plan administrator works with a manager to resolve the discrepancy.

K. Reporting

IPC produces and sends valuations to clients/plan sponsors on a quarterly, semiannual, or annual basis. Participants receive confirmations for investment election changes and exchanges. Participants also receive statements on a quarterly, semiannual, or annual basis. Statements and confirmations are printed and mailed by IPC or the plan sponsor.

Valuations and Statements

Prior to producing statements a plan valuation is prepared. Quarterly statements are mailed or made available to each participant who has or had a balance during the quarter. The statements are reviewed prior to release.

Confirmations

Participant confirmations of VRU/Internet trade activity are generated each day. The operations group runs a VRU/Internet Log Report each day approximately 50 minutes prior to the market close. All allocation change, existing balance change, PIN change, PIN reminder, and loan request confirmations are mailed directly to the applicable participant's home address. A confirmation is also generated if the participant deletes a change request.

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V. GENERAL COMPUTER CONTROLS

General computer controls support the development, maintenance and operation of applications used by IPC. These controls contribute to the reliability of information processing and encompass the following:

- A. Systems Development and Maintenance
- B. Information Security
- C. Computer Operations
- D. Business Continuity Planning

A. Systems Development and Maintenance

IPC utilizes systems that have been developed by other software vendors. Vendor software is utilized “as delivered” and cannot be modified by IPC personnel.

B. Information Security

Information security encompasses those internal controls that prevent and detect unauthorized logical access to information and physical access to facilities.

Logical Security

Each Relius user accesses the system through a Remote Desktop Connection (RDC). The RDC requires a unique user id and password. The password must be changed every 30 days. The user then uses their individual Remote Security Access key fob along with a PIN to complete the logon process. Once the user has gained access to the ASP, he/she must login to Relius using a unique user id and password. Relius date stamps each program and records the user’s unique ID.

Physical Security

The computer room is kept locked during all non-business hours. Access to the computer room is limited to essential personnel.

C. Computer Operations

Operations personnel are responsible for executing computer programs and creating copies of programs and data for back-up purposes. The operations group notifies support personnel when problems arise, and all problems are closely monitored until resolved.

D. Business Continuity Planning

All of IPC’s systems are backed up on a daily basis and weekly backups are stored at an offsite location. The data on Relius is backed up daily and stored by the ASP. Recovery procedures exist for all applications and involve the use of these backups and/or vendor provided installation disks. IPC has a formal procedure with an outsourced technology firm to provide support and maintenance to the IPC computer system. In the event that a catastrophic disaster causes irreparable damage to IPC’s data center, IPC’s business continuity plan includes the reconfiguration of test servers over a

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period of several days via these backups and tapes and the relocation of essential personnel to an alternate site.

VI. USER CONTROL CONSIDERATIONS

Customer Control Consideration - IPC processing of transactions, compliance testing and the controls over that processing were designed with the assumption that certain internal controls would be placed in operation at plan sponsor organizations. In addition to the controls described throughout Section II of this report, additional controls should be in operation at the user organization to complement the IPC controls. These user organization controls have been considered in the development of IPC's controls described in this report. In order for plan sponsors to rely on the controls reported on herein, each plan sponsor must evaluate its own internal controls to determine if the following controls are in place. Furthermore, the following list of controls is intended to address only those controls surrounding the interface and communication between each plan sponsor and IPC. Accordingly, this list does not purport to be, and is not a complete listing of the controls that provide a basis for the assertions underlying the financial statements of plan sponsors:

- Communications:
 - Inform participants to keep their PIN and password confidential
 - Inform participants to review their account information for accuracy and completeness
 - Instructions and information provided to IPC from plan sponsors should be in accordance with the provisions of the servicing agreement or other applicable governing agreements or documents between IPC and the plan sponsor.
 - Appropriate plan sponsor personnel should perform timely review of reports provided by IPC of account balances, and written notice should be provided to IPC of discrepancies.
 - Notifying IPC of any proposed changes to plan document features.
- Logical Access
 - Sufficient controls over physical and logical access to plan sponsor's payroll systems should be established, monitored and maintained by the client.
 - Implementing, maintaining and monitoring sufficient controls over logical and physical access to IPC's systems.
 - Additions, changes and terminations of client personnel and associated job responsibilities result in timely communication to IPC.
- Participant Indicative Data
 - Adequate controls over submission of participant data by plan sponsors should be in place to help ensure data integrity.
 - Inform IPC of participant demographic changes.
 - Beneficiary designations
 - Name changes in writing supported by marriage certificate or death certificate, as appropriate
 - Provide IPC with accurate and timely data regarding employee hours, compensation and status information.

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- Participant Enrollment
 - Proper enrollment of all newly eligible participants.
 - Review each enrollment form to determine that each form is complete and accurate prior to submission to IPC.
- Contributions and Cash Receipts
 - Authorize any ACH transactions executed by IPC and monitoring all transactions.
 - Providing timely contribution information and ensuring the assets are available to order via ACH.
 - Adequate controls over the accurate and timely submission of contribution information to IPC should be established.
- Distributions and Loans
 - Approve all distributions including loans, hardships, required minimum distribution
 - Forward written notification of terminations and death
 - Verify spousal consent is received for applicable distributions
 - Adequate controls over the accurate and timely submission of termination and distribution information to IPC should be established.
- Compliance
 - Operating the plan in a method that complies with the plan document and all relevant regulations.
 - Reviewing reports issued by IPC and notifying IPC of any changes or discrepancies in a timely manner.
 - Reviewing other correspondence issued by IPC.
 - Making all relevant decisions with appropriate professional advisors concerning plan investment funds and policies.

Participant Control Considerations - The plan participants also have certain responsibilities that serve as controls:

- Participants have access to daily transactions via the Web. If a change or a discrepancy is noted, the participant is responsible for notifying IPC in writing and in a timely manner of the change.
- Participants are responsible for reviewing quarterly reports and annual reports provided by IPC. If a change or a discrepancy is noted, the participant is responsible for notifying IPC in writing and in a timely manner of the change.
- All mutual funds are publicly traded and, depending on the share class, the values can be confirmed from a number of public sources.
- Participants should confirm that the amount of deferral withheld from paychecks is equivalent to the amount deposited to the participant's account.
- Participants receive confirmation of changes via a confirmation number on the internet or VRU at the time the change is executed.

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Other Control Considerations- The user auditors should also review:

- Report on Controls Placed in Operation and Tests of Operating Effectiveness for Relius Administration, Voice and Web Applications for the Period January 1, 2008 through December 31, 2008.
 - Report on Controls Placed in Operation and Tests of Operating Effectiveness for TD Ameritrade Trust from January 1, 2008 through December 31, 2008.
 - Report on Controls Placed in Operation and Tests of Operating Effectiveness for Reliance from January 1, 2008 through December 31, 2008.

SECTION II

DESCRIPTION OF GENERAL CONTROLS
AND TESTS OF OPERATING EFFECTIVENESS

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TESTS OF OPERATING EFFECTIVENESS

This report on the controls placed in operation and tests of operating effectiveness is intended to provide interested parties with information about controls relative to the administration of daily valuation retirement plans that may be relevant to a client organization's internal control.

Our tests of operating effectiveness of controls included such tests as we considered necessary in the circumstances to evaluate whether those controls, and the extent of compliance with them, were sufficient to provide reasonable, but not absolute, assurance that the specified control objectives were achieved during the period from May 1, 2008 through April 30, 2009. Our tests of the operating effectiveness of controls were designed to cover the period from May 1, 2008 through April 30, 2009 for each of the controls listed in the matrix in Section II, which are designed to achieve the specified control objectives. In selecting particular tests of operating effectiveness of controls, we considered (a) the nature of the controls being tested; (b) the types and competence of available evidential matter; and (c) the control objective to be achieved.

Description of Testing Procedures Performed

Test procedures performed in connection with determining the operational effectiveness of controls detailed in Section III are described below:

Test	Description
<i>Inquiry</i>	Inquired of appropriate IPC personnel seeking representations and relevant information to obtain an understanding of the control; corroborating evidence of the control and additional information.
<i>Observation</i>	Observed application or existence of control as represented by management.
<i>Inspection</i>	Inspected documents, records or other substantiation indicating performance of controls.
<i>Reperformance</i>	Reperformed the control or processing application to ensure the accuracy of its operation. Reperformance includes verification of mathematical calculations, processing transactions in a test environment, matching and comparing records and reconciling items.

The results of the testing of the control environment and controls were sufficient to conclude that the controls were operating effectively to provide reasonable, but not absolute, assurance that the control objectives were achieved during the period of May 1, 2008 through April 30, 2009.

Additionally, we read and obtained an understanding of:

- Report on Controls Placed in Operation and Tests of Operating Effectiveness for Relius Administration, Voice and Web Applications for the Period January 1, 2008 through December 31, 2008.
- Service Auditor's Report - FiServ Trust Company, Denver Colorado, December 31, 2008.

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MANAGEMENT CONTROLS		
<p><u>Control Objective #1</u> <i>Controls provide reasonable assurance that appropriate policies and procedures are in place to maintain adequate levels of management oversight.</i></p>		
Controls Specified by IPC	Testing	Testing Results
<p>1.1 Management meets regularly to review and approve corporate plans and policies and to monitor business activities.</p>	<p>Inquiry of management regarding responsibilities.</p>	<p>No relevant exceptions noted.</p>
<p>1.2 Management of daily operations seeks input from other service areas within the firm and attends training on all aspects of daily valuation.</p>	<p>Inquiry of management and inspection of substantiation of training.</p>	<p>No relevant exceptions noted.</p>
<p>1.3 Duties are segregated wherever possible.</p>	<p>Inspection of Table of Organization and inquiry of management.</p>	<p>No relevant exceptions noted.</p>
<p>1.4 Management routinely monitors risk assessment and takes appropriate actions.</p>	<p>Inquiry of management.</p>	<p>No relevant exceptions noted.</p>

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PERSONNEL CONTROLS		
<p><u>Control Objective #2</u> <i>Controls provide reasonable assurance that controls are adequate to ensure that the organizational structure and related assignment of responsibility and effective use of resources in accordance with IPC expectations, authorization and organization policy provides for adequate segregation and accountability of duties performed.</i></p>		
Controls Specified by IPC	Testing	Testing Results
<p>2.1 Table of Organization exists and is followed.</p>	<p>Corroboration with management that procedure was operating effectively throughout the period.</p> <p>Observed Table of Organization and inquired that the Organizational Chart and related responsibilities are understood and that administrative policies follow the Table.</p>	<p>No relevant exceptions noted.</p>
<p>2.2 An Employee Handbook as given to each employee at hiring and as Handbook is updated.</p>	<p>Inspected Handbook and determined there were no updates to Handbook.</p>	<p>No relevant exceptions noted.</p>
<p>2.3 Training is provided via educational web casts and continuing certifications through the ASPPA credentialing process.</p>	<p>Inquired of sample of staff as to educational opportunities.</p> <p>Inspected substantiation of education.</p>	<p>No relevant exceptions noted.</p>
<p>2.4 Annual performance appraisals are conducted.</p>	<p>Inspected a sample of annual performance appraisals.</p>	<p>No relevant exceptions noted.</p>

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INFORMATION SECURITY		
<p><u>Control Objective #3</u> <i>Controls provide reasonable assurance that logical and physical security tools are implemented and configured to restrict access to programs, data and other information resources to authorized individuals requiring such access to perform their job functions.</i></p>		
Controls Specified by IPC	Testing	Testing Results
<p>3.1 Authorized users are granted access to various modules in Relius.</p>	<p>Inspected the system administrator profiles with management.</p>	<p>No relevant exceptions noted.</p>
<p>3.2 Access to RA cannot be obtained without an authorizing passkey.</p>	<p>Observed.</p>	<p>No relevant exceptions noted.</p>
<p>3.3 Based on required access consistent with employee job functions, a unique recordkeeping systems user ID is established for each employee. User ID's are limited to specific modules and plans within the recordkeeping systems.</p>	<p>Inspected the user IDs established for RS. Observed Relius access.</p>	<p>No relevant exceptions noted.</p>
<p>3.4 Restrictions to sensitive functions are maintained and reviewed periodically by management.</p>	<p>Inquired of management about the maintenance and review of the employee security profiles.</p>	<p>No relevant exceptions noted.</p>
<p>3.5 User IDs for terminated employees are removed from the recordkeeping systems.</p>	<p>Reviewed employee profiles to ensure terminated employees have been removed.</p>	<p>No relevant exceptions noted.</p>

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INFORMATION SECURITY (Continued)		
<i>Control Objective #4</i>		
<i>Controls provide reasonable assurance that information resources are protected against environmental hazards and related damage.</i>		
Controls Specified by IPC	Testing	Testing Results
4.1 The data center is supported by an uninterruptible power supply (UPS) system to supply backup power in the event of an electrical power outage.	Observed the use of the uninterruptible power supply (UPS) in the company's data center.	No relevant exceptions noted.
4.2 The building is secured by an alarm system that requires access by a passkey before 7 a.m. and after 6 p.m.	Inquired with management about policies regarding passkey and applicable time restraints. Observed notification of building security policy as posted by the building management.	No relevant exceptions noted.
4.3 Passkeys are authorized by management and are returned to management when an employee terminates.	Inspected the list of employees on the current passkey list and compared to active employee roster.	No relevant exceptions noted.
4.4 The only access to the office is maintained by a receptionist.	Observed access to office.	No relevant exceptions noted.
4.5 Both the plan sponsor and participant websites are encrypted by VeriSign.	Inspected the Veri Sign certificate on the website and current certificate registration with Veri Sign.	No relevant exceptions noted.
4.6 Symantec Anti-Virus is installed on the server and each workstation.	Inspected the Symantec Anti-Virus software in use on central server. Inspected individual Anti-Virus software on individual personal computer workstations.	No relevant exceptions noted.
4.7 A procedure exists with an outsourced IT vendor to provide support and maintenance for the computer system.	Inquired of management to determine that the outsourced arrangement is working.	No relevant exceptions noted.

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COMPUTER OPERATIONS		
<i><u>Control Objective #5</u></i> <i>Controls provide reasonable assurance that backup and recovery procedures are available to preserve the integrity of records if problems arise and are performed on a daily basis and retained to enable retrieval.</i>		
Controls Specified by IPC	Testing	Testing Results
5.1 Full systems backups are performed for all IPC systems on a daily basis and are stored off-site on a weekly basis.	Inquiry of management about the backup procedures. Observed backup process. Inspected the backup parameters to determine the backup is to occur daily. Inspected the backup logs to ensure backups occurred on a daily (5 day week) basis.	No relevant exceptions noted.

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SYSTEMS DEVELOPMENT AND MAINTENANCE		
<p><u>Control Objective #6</u> <i>Controls provide reasonable assurance that production program changes are executed by authorized personnel in a complete and timely manner.</i></p>		
Controls Specified by IPC	Testing	Testing Results
<p>6.1 RS pushes changes to users via the ASP.</p>	<p>Observed that RS pushes changes to users via the ASP.</p> <p>Inspected the Report on Controls Placed in Operation and Tests of Operating Effectiveness for Relius Administration, Voice and Web Applications for the Period January 1, 2008 through December 31, 2008.</p> <p>Obtained comfort letter from Relius that there were no material changes to controls, procedures or processes since December 31, 2008.</p>	<p>No relevant exceptions noted.</p>

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BUSINESS CONTINUATION		
<i><u>Control Objective #7</u></i> <i>Controls provide reasonable assurance that critical processing activities can be continued or restored to an acceptable level without prolonged delay or loss of service in the event of description.</i>		
Controls Specified by IPC	Testing	Testing Results
<p>7.1 All recordkeeping and investment data is stored on the servers and backup media of the ASP service providers. Storage policies of the ASP vendors assure that the daily, weekly and monthly tapes are available. Internal weekly and monthly backup drives are stored offsite.</p>	<p>Observed weekly backup being changed and taken offsite.</p> <p>Inquiry of management regarding the offsite storage process.</p> <p>Inspected the contractual agreement with Relius.</p> <p>Inspected the Report on Controls Placed in Operation and Tests of Operating Effectiveness for Relius from January 1, 2008 through December 31, 2008.</p> <p>Inspected the Report on Controls Placed in Operation and Tests of Operating Effectiveness for FiServ from January 1, 2008 through December 31, 2008.</p> <p>Inspected the Report on Controls Placed in Operation and Tests of Operating Effectiveness for Reliance from January 1, 2008 through December 31, 2008.</p>	<p>No relevant exceptions noted.</p>
<p>7.2 Outsourced IT group provides support for the file server within 4 business hours.</p>	<p>Inquiry of management that support for the file server is still provided.</p>	<p>No relevant exceptions noted.</p>
<p>7.3 In the event of a disaster, relocation of essential personnel to alternate site is feasible.</p>	<p>Inquiry of management regarding the availability of a third party site to complete work.</p>	<p>No relevant exceptions noted.</p>

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PLAN SETUP AND MAINTENANCE		
<i>Control Objective #8</i>		
<i>Controls provide reasonable assurance that new plans are properly authorized and established in a complete, accurate and timely manner.</i>		
Controls Specified by IPC	Testing	Testing Results
8.1 During the conversion period, no activity is processed in participants' accounts (other than contributions) until all plan assets are received and reconciled.	Inquired of management that procedure was operating effectively throughout the period. Observed application of control as represented by management. Verified that no activity is processed by reviewing transaction history. Obtained copy of blackout notice indicating that nothing can be done until conversion is reconciled.	No relevant exceptions noted.
8.2 An Engagement Letter must be executed between IPC and the plan sponsor prior to IPC processing transactions. The Conversion group monitors plans in conversion to ensure that service agreements are received.	Inspected sample of engagement letters to determine existence and client authorization.	No relevant exceptions noted.
8.3 The conversion administrator obtains the plan document and enters the plan parameters into the recordkeeping system (RS).	Inspected sample of document files and plan parameters for completeness.	No relevant exceptions noted.
8.4 A conversion timeline is created with the plan sponsor and trustee. The conversion administrator reviews the timeline periodically and compares the timeline.	Inspected handwritten timeline, including what was done and who was involved.	No relevant exceptions noted.
8.5 The Conversion team reconciles each of the plan's assets, including company stock, if applicable, with the prior record keeper statements and electronic data files. Reconciling items are identified, researched and resolved.	Inspected sample of conversion transaction records to verify accuracy. Inspected sample of converted loans to verify accuracy.	No relevant exceptions noted.

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PLAN SETUP AND MAINTENANCE -(Continued)		
<i>Control Objective #8</i> <i>Controls provide reasonable assurance that new plans are properly authorized and established in a complete, accurate and timely manner.</i>		
Controls Specified by IPC	Testing	Testing Results
<p>8.6 Various edit checks are performed in the RS that identifies missing, duplicate and inaccurate plan and participant data. The RS automatically rejects invalid or incomplete census data. Rejected data is researched and resolved by the Conversion administrator.</p>	<p>Observed TSM edit checks and various reports.</p> <p>Reviewed system generated reports for missing participants/information.</p> <p>Inspected a sample of reports; noted rejected data and related resolution.</p>	No relevant exceptions noted.
<p>8.7 Changes to existing plans are initiated upon receipt of addenda / authorized requests from the plan sponsor. The relationship manager or the plan administrator reviews the information to verify that a change to the RS is needed. The plan administrator enters the change to the plan parameters in the recordkeeping system.</p>	<p>Inspected sample of document change requests and corresponding amendments.</p>	No relevant exceptions noted.
<p>8.8 Changes to the fund line-up may be initiated at any time by the broker and/or Plan Sponsor. This includes fund additions, fund replacements and freezes. The appropriate checklist for these changes is followed by the plan administrator. Fund changes initiated by the fund company are monitored through communication with Fidelity and appropriate action is taken.</p>	<p>Inspected correspondence between broker and IPC.</p> <p>Inspected a sample of checklists for completeness. Confirmed that batch reports reconcile.</p>	No relevant exceptions noted.

USER CONTROLS: *The plan sponsor is responsible for completing all documentation required for plan installation. Documentation should be reviewed and approved by the plan sponsor. The plan sponsor is responsible for determining participant eligibility. At the time of conversion, the plan sponsor is responsible for reconciling the cash accounts of the plan to the custodian records. Timely written notification of changes to the plan and other pertinent plan-related information is communicated to IPC by an authorized party. The plan sponsor and plan participants have web access to view the converted assets and enrollment and are responsible for notifying IPC of any discrepancies. Quarterly statements from both the converted asset provider and IPC are sent to the participants and plan sponsor for review.*

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ENROLLMENTS		
<u>Control Objective #9</u> <i>Controls provide reasonable assurance that enrollments are properly authorized and processed in a complete, accurate and timely manner.</i>		
Controls Specified by IPC	Testing	Testing Results
9.1 Various edit checks are performed in the RS that identifies invalid or incomplete census data. Errors are reviewed and resolved by a plan administrator prior to processing.	<p>Inspected sample of enrollment forms and compared to RS allocation reports.</p> <p>Observed RS generated reports for missing/invalid information.</p> <p>Inspected a sample of correspondence with plan sponsor regarding omissions/errors.</p>	No relevant exceptions noted.

USER CONTROL: The plan sponsor is responsible for determining the eligibility of participants and submitting enrollment information for any new participants accurately and in a timely manner.

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CENSUS DATA AND INVESTMENT ELECTION CHANGES		
<u>Control Objective #10</u> <i>Controls provide reasonable assurance that census data and investment election changes are properly authorized and recorded in a complete, accurate and timely manner.</i>		
Controls Specified by IPC	Testing	Testing Results
10.1 For the VRU/Internet, participants are authenticated by entering their social security number and Personal Identification Number (PIN) prior to processing.	Unsuccessfully attempted to log into an account through the Internet website and Voice Response Unit (VRU) using an invalid user id/pin sequence.	No relevant exceptions noted.
10.2 The plan sponsor on the payroll file sent to IPC reports most address changes.	Inspected sample of sponsor spreadsheets and RS participant demographic change reports.	No relevant exceptions noted.
10.3 Various edit checks are performed in RS that identifies invalid or incomplete census data. Errors are reviewed and resolved by a plan administrator prior to processing.	Observed the creation of RS generated reports for missing/invalid information. Inspected correspondence w/plan sponsor regarding omissions/errors.	No relevant exceptions noted.
10.4 The participant must authorize all participant-initiated transfers, changes in investment allocations, and other change requests by submitting a manually signed transfer request form or via the VRU/Internet.	Inspected sample of transfer transaction reports for participant authorization and accuracy.	No relevant exceptions noted.
10.5 The ability to perform these activities through VRU/Internet is limited to authorized participants through the use of social security numbers and a personal identification number ("PIN"). Invalid attempts to access and perform functions within the VRU/Internet are rejected.	Unsuccessfully attempted to log into an account through the Internet website using an invalid user id/pin sequence.	No relevant exceptions noted.
10.6 Participant originated allocations for current and future investment percentages must equal 100% before being accepted for processing.	Reperformed, unsuccessfully attempted to allocate an invalid percentage of both current and future investment percentages using the Internet website. Reperformed, unsuccessfully attempted to allocate an invalid percentage of both current and future investment percentages using the VRU.	No relevant exceptions noted.

User Control: The plan sponsor is responsible for determining the eligibility of participants and submitting enrollment information for any new participants in a timely manner. Plan sponsors and participants have access to transactions on a daily basis via the Web. Participants are responsible for maintaining the confidentiality of their sign-on identification numbers and PINs. Historic information may be accessed with proper authorization. History is available on website to participants and plan sponsors. Participants receive quarterly statements which describes participant responsibility to review the statement.

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CONTRIBUTIONS AND LOAN REPAYMENTS		
<u>Control Objective #11</u>		
<i>Controls provide reasonable assurance that contributions and loan repayments are properly authorized and processed in a complete, accurate and timely manner.</i>		
Controls Specified by IPC	Testing	Testing Results
11.1 All incoming contribution and loan repayment files are verified for completeness and compliance with proper format.	Inspected a sample of contribution transaction reports for completeness and accuracy.	No relevant exceptions noted.
11.2 Various edit checks are performed in RS that identifies invalid or incomplete contribution transactions. Rejected transactions are reviewed and resolved by a plan administrator prior to processing.	Observed RS generated error reports.	No relevant exceptions noted.
11.3 RS reports provide total contribution amounts by source. The plan administrator verifies that the contribution totals equal the totals reported on the payroll file or reports from the plan sponsor. Any discrepancies are researched and resolved prior to file processing.	Observed IPC personnel spot check contributions by source for selected participants between the payroll file and RS. Inspected sample of contribution transaction reports for completeness and accuracy.	No relevant exceptions noted.
11.4 The plan administrator performs a reconciliation of share balances on RS to share balances at the TP. Reconciling items are identified, researched, and resolved on a daily basis. Management reviews reconciliation on a regular basis.	See Control 16.2.	No relevant exceptions noted.

USER CONTROLS: *The plan sponsor is responsible for establishing control activities to ensure that employee payroll information, including salary levels and deferrals, sent to the Company for contributions (both employer and employee) and loan repayments are accurate, complete and received by the Company in a timely manner. The plan sponsor is responsible for submitting contribution data (i.e., contribution allocations, enrollment and investment election data for new participants) in advance of the actual deposit of funds. The plan sponsor is responsible for ensuring timely deposits of employee deferrals and loan payments. The plan sponsor is responsible for declaring a participant's loan in default and notifying the Company in a complete, accurate and timely manner. The plan sponsor is responsible for verifying rollover contributions are received from a qualified source. The plan sponsor is responsible for submitting the accurate loan payments that correspond with the amortization schedule.*

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EXCHANGES		
<u>Control Objective #12</u> <i>Controls provide reasonable assurance that exchanges are properly authorized and processed in a complete, accurate and timely manner.</i>		
Controls Specified by IPC	Testing	Testing Results
12.1 For the VRU / Internet, participants are authenticated by entering their social security number and Personal Identification Number (PIN) prior to processing.	See Control 10.1.	No relevant exceptions noted.
12.2 The VRU/Internet repeats the requested transaction back to the participant and prompts the user to approve the transaction before processing.	Observed confirmation of fund change percentages through the Internet. Observed confirmation of fund change percentages using the VRU.	No relevant exceptions noted.
12.3 The decision to change funds at the plan level is made by the broker and/or plan sponsor. The Fund Change Checklist is used to establish the replacement fund(s). Exchange transactions are then executed by IPC.	Inspected, from a sample of fund replacements, fund replacement checklist for completeness. Inspected, from a sample of fund replacements, authorization from broker and/or plan sponsor to IPC for the fund replacement.	No relevant exceptions noted.
12.4 Excluding participant-initiated automatic rebalancing, confirmation statements are distributed to participants detailing exchange transactions.	Inspected, from a sample of participant initiated transfers over the VRU/Internet, copies of confirmations mailed to participants.	No relevant exceptions noted.
12.5 Plan administrators review the reconciliation reports to identify uninvested cash. These items are researched and resolved on a timely basis.	Inquired with appropriate personnel that the procedure was operating effectively throughout the period. See Control 16.2.	No relevant exceptions noted.

USER CONTROLS: Plan sponsors are responsible for communicating to participants the importance of establishing and maintaining security over their PIN. Plan sponsors are responsible for notifying IPC of any confirmation discrepancies in a timely manner.

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DISTRIBUTIONS		
<u>Control Objective #13</u> <i>Distributions and new loans are properly authorized and recorded in a complete, accurate and timely manner.</i>		
Controls Specified by IPC	Testing	Testing Results
13.1 Distribution election forms must be received directly from the plan's trustee. The plan administrator reviews distribution forms prior to processing the distribution request, to ensure that the form was received from an authorized source. Forms are also verified by operations personnel.	Observed that disbursements are entered into RA based on written requests signed and authorized by the participant and the Plan Sponsor. Inspected a sample of distribution forms for appropriate authorization.	No relevant exceptions noted.
13.2 The plan administrator reviews the distribution election form received from the trustee for good order. Requests found to be in good order are entered directly into RS by the plan administrator. For requests found not to be in good order, the trustee is contacted for instructions prior to processing.	Inspected a sample of distribution files for participant signatures or authorization, vesting and distribution method information.	No relevant exceptions noted.
13.3 Various edit checks are performed by RS that identifies invalid or incomplete disbursement transactions. Rejected transactions are reviewed and resolved by a plan administrator prior to processing.	Inquired with appropriate personnel that procedure was operating effectively throughout the period. Observed RS generate edit checks.	No relevant exceptions noted.
13.4 RS automatically notifies the plan administrator if the new loan amounts exceed \$50,000 or 50% (regulatory limits) of the participant's vested balance.	Observed plan setup specifications which prevents loans in excess of limits. Inquired of appropriate personnel that procedure was operating effectively throughout the period.	No relevant exceptions noted.
13.5 RS automatically calculates forfeitures by comparing the participant's vesting percentage to the plan parameters. The plan sponsor through the submission of census data files updates the participant's vesting percentages.	Inspected a sample of distributions noting that RS recalculated vesting automatically. Inspected RS report of Controls.	No relevant exceptions noted.
13.6 Plan administrators review requests for forfeiture allocations for proper authorization.	Inquired, corroboratively, with appropriate personnel that controls were operating effectively throughout the period.	No relevant exceptions noted.

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DISTRIBUTIONS (Continued)		
<i>Control Objective #13</i>		
<i>Distributions and new loans are properly authorized and recorded in a complete, accurate and timely manner.</i>		
Controls Specified by IPC	Testing	Testing Results
13.7 RS holds forfeiture dollars in a suspense account and reinvests the dollars based on predefined parameters.	Inquired with appropriate personnel that procedure was operating effectively throughout the period. Inquired with appropriate personnel on the procedure to process service fees, including how to pay plan expenses through the suspense account.	No relevant exceptions noted.
13.8 Benefit payment detail that includes plan, payee, and amount is generated from RS and sent to the TP.	Inspected a sample of distribution statements noting such detail	No relevant exceptions noted.
13.9 A manager, prior to trades being processed, reviews all withdrawal requests and transactions.	Inquired with appropriate personnel that procedure was operating effectively throughout the period.	No relevant exceptions noted.
13.10 Plan administrator reviews substantiation for the payment of plan expenses from the plans assets and processes the disbursement accurately	Inspected a sample of plan expenses for sufficient substantiation and that the disbursement equals the balance due per substantiation.	No relevant exceptions noted.

USER CONTROLS: The plan sponsor is responsible for ensuring disbursement requests submitted for processing are complete and properly distributed. The plan sponsor is responsible for providing a current list of authorized signors. The plan sponsor is responsible for obtaining spousal consent for distribution amounts. The plan sponsor is responsible for reviewing invoices charged to each plan.

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INVESTMENTS		
<p><u>Control Objective #14</u> <i>Controls provide reasonable assurance that pricing, investment income and fee sweeps are accurate and complete. Controls provide reasonable assurance that fund model reallocations are processed according to instructions of investment advisor as approved by Plan Sponsor and are processed accurately, completely and on a timely basis.</i></p>		
Controls Specified by IPC	Testing	Testing Results
<p>14.1 Share prices of all mutual funds are imported via STP into RA from data each morning at a specified time. The fair value of the assets (net asset value - NAV) of mutual funds and common collective trusts is determined daily. The initial pricing is from a National Securities Clearing Corporation (NSCC) feed initially through SunGard Transaction Network (STN), an affiliate of Relius, and the last NSCC feed from Fidelity. Where there is a conflict of pricing, the Fidelity price supersedes, as its pricing feed is obtained later than the STN feed.</p>	<p>Inspected RS Report on Controls.</p> <p>Inspected price files for a sample of days, and tested a sample of fund prices (Money market and stable value funds excluded).</p>	<p>No relevant exceptions noted.</p>
<p>14.2 For price files not automatically imported from the TP, IPC reformats the price files received electronically, which are then loaded into RS by Operations staff daily and consistently at the beginning of every business day.</p>	<p>Observed the download of fund prices from TP.</p> <p>Observed that manual prices to be imported are derived from the TP and properly communicated from the person with rights to view the prices to the person who's responsible to input such prices into RS.</p> <p>Inquired with the Director of Administration that all price files manually imported from the TP are money market and stable value funds.</p>	<p>No relevant exceptions noted.</p>
<p>14.3 For mutual fund income, the posting staff downloads reported data from the TP and posts in RS.</p>	<p>Inquired of Daily Operations Specialist on the procedures to download mutual fund income.</p> <p>Inspected a sample of dividends, and traced for trade date and price to outside sources.</p>	<p>No relevant exceptions noted.</p>

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INVESTMENTS (Continued)		
<p><u>Control Objective #14</u> <i>Controls provide reasonable assurance that pricing, investment income and fee sweeps are accurate and complete. Controls provide reasonable assurance that fund model reallocations are processed according to instructions of investment advisor as approved by Plan Sponsor and are processed accurately, completely and on a timely basis.</i></p>		
Controls Specified by IPC	Testing	Testing Results
<p>14.4 Fee sweeps are entered in RS with the respective funds being liquidated. Fees that are swept are described in the engagement letter which is mutually executed by IPC and Plan Sponsor prior to services commencing.</p>	<p>Inquired, corroboratively, with appropriate personnel to ascertain the compliance of the control.</p> <p>Inspected a sample of service agreements noting both the language regarding fee sweeps, and signature from the Plan Sponsor.</p>	<p>No relevant exceptions noted.</p>
<p>14.5 Fund models are rebalanced at the direction of investment advisors and/or Plan Supervisors. Participant blackout periods are kept below 3 days so as to not require 30 day notice.</p>	<p>Inquired with the Director of Administration that controls are operating effectively through the operating period.</p> <p>Inspected a sample of model rebalancing noting that checklists to document the process was completed, that the rebalancing request was properly authorized, and that either 1) the process was completed within 3 days, 2) IPC provided a 30 day notice to participants, or 3) the investment advisor or plan sponsor assumed responsibility to inform the participants.</p>	<p>No relevant exceptions noted.</p>

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INVESTMENT PROCESSING		
<u>Control Objective #15</u> <i>Controls provide reasonable assurance that investment transactions are recorded in a complete, accurate and timely manner.</i>		
Controls Specified by IPC	Testing	Testing Results
15.1 The trading staff verifies the number of trades transmitted electronically by comparing the number of trades exported from RS to the number of transactions on the trading checklists. The trading staff researches transaction warning messages prior to submission to the investment custodians and resolves possible trade errors.	Observed trading procedures performed by appropriate personnel. Inquired, corroboratively, with appropriate personnel that procedures were operating effectively throughout the operating period.	No relevant exceptions noted.
15.2 TP's provide settlement information (NAVs, units or dollars at which trades were executed). Confirmations are compared to trades expected. The posting staff and/or management research and resolve all discrepancies.	Inspected, from a sample of business days, either confirmations received from TP's or RS noting that no transaction occurred (American Funds, the TP and not the mutual funds, is excluded). Observed that IPC personnel receives daily reports, researches and resolves all discrepancies.	No relevant exceptions noted.
15.3 The plan administrator performs a periodic reconciliation of share balances on the RS to share balances at the transfer agents reported by the transfer agent. Reconciling items are identified, researched, and resolved.	See Control 16.2.	No relevant exceptions noted.

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RECONCILIATIONS		
<u>Control Objective #16</u>		
<i>Controls provide reasonable assurance that differences between the recordkeeping system and the transfer agent are identified and resolved in a complete, accurate and timely manner.</i>		
Controls Specified by IPC	Testing	Testing Results
<p>16.1 Excluding non-participant directed investments, reconciliation of cash and fund positions are performed each day for every plan that had activity in the prior business day. The reconciling is done in Excel and compares the RS positions with the positions reported by the custodian. Any discrepancies of cash more than \$1, and positions more than 0.5 shares are researched and resolved. Any issues that can not be resolved are brought to the attention of management. Management reviews reconciliations on a regular basis, and fund position reconciliations of Fidelity plans are archived with the reviewers' initials.</p>	<p>Observed reconciliation of cash and fund positions being performed.</p> <p>Inquired with the Plan Administrator responsible for reviewing cash reconciliations performed on the process.</p> <p>Inspected, from a sample of business days and plans, daily cash and position reconciliations performed by IPC personnel. Additionally, inspected Fidelity plans from the same sample noting a reviewer's signature.</p> <p>Reperformed one sample daily reconciliation for each TP by examining IPC's description of reconciling items and inspecting activity reports from the TP noting that IPC's descriptions are not contradictory.</p>	<p>Exception: For 1 out of 25 cash and position reconciliations, the plan was not fully completed. It was for the same plan, unresolved issues, and time period relating to the exception at Control 16.2.</p>
<p>16.2 The plan administrator performs a periodic reconciliation (including non-participant directed investments) of share balances on the RS to share balances at the transfer agents reported by the transfer agent. Reconciling items are identified, researched, and resolved.</p>	<p>Inquired of Plan Administrator that a reconciliation of share balances on RS is made to share balances of the TP.</p> <p>Inspected, from a sample of quarters and plans, quarterly cash and position reconciliations performed by the Plan Administrator.</p>	<p>Exception: For 1 out of 10 quarters, cash and position reconciliations were not completed.</p> <p>Management Response: Once brought to the attention of management by IPC personnel, the differences were resolved before the end of the service period.</p>

USER CONTROL: The plan administrator is responsible for reconciling the cash accounts of the plan and reconciling unit balances of the plan to the custodian records.

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REPORTING		
<p><u>Control Objective #17</u> <i>Statements and confirmations are provided to participants and/or plan sponsors in a complete, accurate and timely manner.</i></p>		
Controls Specified by IPC	Testing	Testing Results
<p>17.1 Prior to producing the participant and plan sponsor statements, a Statement Verification Checklist indicating that certain items including asset reconciliation and participant rate of return have been checked at the plan level and for a sample of participants must be completed.</p>	<p>Inspected a sample of the Statement Verification Checklists.</p>	<p>No relevant exceptions noted.</p>
<p>17.2 The participant statements are prepared on a quarterly, semi-annual, or annual basis, depending on the plan sponsor's wishes. The plan administrator reviews the participant statements for accuracy and selects a sample for detailed inspection.</p>	<p>Inspected a sample of Statement Verification Checklists and the sample selection.</p>	<p>No relevant exceptions noted.</p>
<p>17.3 Statements/Reports are sent to plan sponsor on a quarterly, semi-annual or annual basis. Reports include Fund Reports by each fund, register and loan report.</p>	<p>Inspected sample of quarterly reports and the related Statement of Verification Checklist.</p>	<p>No relevant exceptions noted.</p>

USER CONTROL: The plan sponsor and individual participants are responsible for reviewing reports and notifying IPC of any discrepancies in a timely manner.