



STATEMENT OF PLAN ASSETS

Instructions: Please list below the market value of each investment as of the last day of the plan year. Please include interest accrued on investments.

1. ASSETS	As of: <u>Last Day Of Plan Year</u>
Cash	\$ _____
Money Market Funds	_____
CD's	_____
Government Securities	_____
Corporate Securities (Stock)	_____
Corporate Bonds	_____
Mutual Funds	_____
Mortgages and Loans	_____
Real Estate	_____
Cash Values of Insurance Products	_____
Participant Loans <i>(Please attach a schedule of loan payments, including interest and principal payments and outstanding balance for each loan.)</i>	_____
Other: _____	_____
TOTAL ASSETS*	\$ _____
<i>*Should equal item 7 from Statement of Trust Fund Operation</i>	
 2. LIABILITIES	
Payables	\$ _____
Acquisition Indebtedness	_____
Other: _____	_____
TOTAL LIABILITIES	\$ _____

I certify that the above information is correct and complete.

Trustee _____

Date _____



STATEMENT OF TRUST FUND OPERATION

This information should be available on the brokerage statements prepared by your investment source.

1. Beginning Trust Value – Beginning of Plan Year \$ _____

2. Contributions deposited this plan year for **PRIOR** plan years:

<i>Employer</i>	<i>Employee</i>	<i>Dates deposited</i>	
\$ _____	\$ _____	_____	
\$ _____	\$ _____	_____	
\$ _____	\$ _____	_____	
			\$ _____

3. Contributions deposited this plan year for **CURRENT** plan year:

<i>Employer</i>	<i>Employee</i>	<i>Dates deposited</i>	
\$ _____	\$ _____	_____	
\$ _____	\$ _____	_____	
\$ _____	\$ _____	_____	
\$ _____	\$ _____	_____	
			\$ _____

4. Investment Gain/(Loss):

a) Interest	\$ _____	
b) Dividends	\$ _____	
c) Realized Gain/(Loss)*	\$ _____	
d) Unrealized Gain/(Loss)*	\$ _____	
*From worksheet #1, or your own analysis (please attach)		
e) Change in Insurance Cash Values	\$ _____	

\$ _____

5. Distributions to Participants (including rollovers):

From worksheet #2, column 6

\$ _____

6. Expenses Paid by Plan Assets

a) Fees and Commissions	\$ _____	
b) Administrative Expense	\$ _____	
c) Insurance Premiums	\$ _____	

\$ _____

7. Ending Trust Value – End of Plan Year

(Should be equal to (1) + (2) + (3) + (4) - (5) - (6); should also equal Total Assets in Line 1 of Statement of Plan Assets)

\$ _____

8. Contributions deposited after the end of the plan year for the current plan year:

\$ _____	Date: _____
\$ _____	Date: _____

I certify that the above information is correct and complete.

Trustee _____

Date _____



AUDIT REQUIREMENTS

Audit requirements do not apply to plans that file Form 5500-EZ.

The audit requirement is also waived for a plan with fewer than 100 participants, but only if it satisfies one of the following conditions:

- At least 95% of plan assets are “qualifying assets”. A “qualifying asset” is an asset held by a regulated financial institution (such as a bank, insurance company, mutual fund, or registered broker-dealer), qualifying employer securities, and participant loans that are within plan and legal limits; or
- Any persons handling non-qualifying assets are bonded for the amount of assets that are not “qualifying assets.”

In addition, for any plan year for which the audit requirement is waived under one of these conditions, the Summary Annual Report (SAR) or Annual Funding Notice (AFN) for that year must include additional information.

In order for us to correctly and completely prepare Form 5500 and the SAR/AFN, please provide the following information:

1. Do you elect to have the audit requirement waived for this plan year?

- Yes *(If the answer is "yes", please answer the following questions as well.)*
 No

2. The right to waiver of the audit requirement is claimed because:

- a. At least 95% of the assets as of the beginning of the year were “qualifying assets.”
 b. All persons who handle assets that are not “qualifying assets” are bonded for the amount of non-qualifying assets.

3. If you checked 2.a. above, please list the names of all financial institutions and/or registered broker-dealers that issued or held assets at the end of the plan year and the amount held by each:

Institution	Amount
_____	_____
_____	_____
_____	_____
_____	_____

4. If you checked 2.b. above, please make sure item 6 of the Compliance Information Request Form is completed and also include a copy of the bond policy. See the attached Bonding Requirements memo for additional information.

Plan Administrator _____ **Date** _____

The Employee Retirement Income Security Act passed by Congress in 1974, generally requires that, with respect to an employee benefit plan, every fiduciary (such as the Trustee and Administrator) as well as any other person who handles plan assets or funds be bonded. The bonding requirement is to protect against the risk that plan assets could be lost in the event of fraud or dishonesty. (Plans that file Form 5500-EZ are not subject to this requirement.)



BONDING REQUIREMENTS

Since the bonding requirement applies to all persons who “handle” plan assets, the key question is: what does “handling” mean for this purpose? The answer is that a person is considered to “handle” plan assets if he or she has:

1. Physical contact or possession of plan assets;
2. Power to withdraw or otherwise gain access to plan assets;
3. Power to transfer plan assets;
4. Power to negotiate for the value any plan assets;
5. Authority to disburse plan assets (i.e., pay benefits to eligible participants);
6. Authority to sign or endorse checks or negotiable instruments with respect to plan funds; or,
7. Supervisory authority over any other person who has authority or power to do any of the above.

For all plans a fidelity bond must be obtained at the start of each plan year from an acceptable surety company for at least 10 percent of the value of those plan assets handled the previous plan year, but need not be for more than \$500,000. The minimum bond required is \$1,000, and there can be no deductible. The bond must be purchased and in effect before plan assets are handled. Be sure that the plan is named as the loss payee so that it receives any proceeds. The bond must be for a discovery period of at least one (1) year. A blanket bond is acceptable.

The bond must be a fidelity bond, not a fiduciary bond. Note that fiduciary insurance may not be adequate since it may not cover all persons who “handle” funds, or may not cover certain events which must be covered, such as fraud.

For a plan with fewer than 100 participants that wishes to avoid an independent CPA Form 5500 audit by using the bonding exception, the amount of the bond must be at least the amount of non-qualifying assets at the end of the prior plan year. The bond must be in effect as of the first day of the plan year. It cannot be retroactive. (Plans that file Form 5500-EZ are not subject to this requirement.)

Additionally, do not procure your bonds from any surety or other company or agency or brokerage firm in which the person to be bonded has any interest, whether direct or indirect, without first consulting us, as to do so might be illegal.

Please inform your insurance agent about your bonding requirements so that your agent may maintain an annual check-up on these requirements. Often an existing business policy can be endorsed to cover these bonding requirements at little or no extra cost.

If you have any questions about the bonding requirements or any other provisions of the plan or trust, please do not hesitate to contact us at your convenience.



INSURANCE INFORMATION

Your plan contains insurance products. In order to complete the valuation and the 5500 series forms, we must receive the information listed below. **Your insurance agent should be able to provide this information.**

The insurance company must also provide the information necessary to complete the Schedule A to Form 5500; please forward this information to us when you receive it. This information is necessary to complete the annual Form 5500 filing. Pension law requires that the insurer provide this information to the plan administrator within 120 days after the end of the plan year.

Please note: In the past, we have been able to contact many insurance companies directly to request Schedule A information. Most companies will no longer release this information to us due to new privacy policies. Please contact your insurer directly if you have not received Schedule A information. Contact your consultant if you are unable to obtain this information.

If your plan has **individual policies for participants**, we will need the following information for each policy as of the plan anniversary date:

1. Face amount of the policy.
2. Cash value at retirement.
3. Current cash value.
4. Amount of annual premiums paid during the past year.
5. Amount of annual dividends credited for the past year.
6. Type of policy (universal life, whole life, term, etc.).
7. Commissions paid from the account.

If your plan has **group contracts or annuities**, your insurance agent should provide the following information:

1. Balance at the beginning of the year.
2. Contributions to the account.
3. Benefits paid from the account, including a list of the amounts paid to each participant.
4. Fees charged to the account.
5. Commissions paid from the account.
6. Interest/earnings credited to the account.
7. Balance at the end of the year.

Please note that in most cases, we cannot begin the administration until the above information is received. Your prompt action in getting this information to us will enable us to prepare your annual valuation and report in a timely manner.

You may also want to let your insurance agent know what will be required in advance so that information can be prepared as soon as possible after the plan year end.