



REPORT ON

KTRADE'S

DESCRIPTION OF ITS RETIREMENT PLAN RECORDKEEPING
SYSTEM AND ON THE SUITABILITY OF THE DESIGN AND
OPERATING EFFECTIVENESS OF ITS CONTROLS

DECEMBER 1, 2019 TO NOVEMBER 30, 2020

MARCUM
ACCOUNTANTS ▲ ADVISORS



Independent Service Auditors' Report

To: KTRADE

Scope

We have examined KTRADE's (the "Company" or the "Service Organization") description of its Retirement Plan Recordkeeping System entitled "KTRADE's Description of its Retirement Plan Recordkeeping System" for processing user entities' transactions throughout the period December 1, 2019 to November 30, 2020 (description) and the suitability of the design and operating effectiveness of controls included in the description to achieve the related control objectives stated in the description, based on the criteria identified in "Assertion of the Management of KTRADE" (assertion). The controls and control objectives included in the description are those that management of KTRADE believes are likely to be relevant to user entities' internal control over financial reporting, and the description does not include those aspects of the Retirement Plan Recordkeeping System that are not likely to be relevant to user entities' internal control over financial reporting.

KTRADE uses subservice organizations to provide recordkeeping software, workflow automation and secure client document management services. The description includes only the control objectives and related controls of KTRADE and excludes the control objectives and related controls of the subservice organizations. The description also indicates that certain control objectives specified by KTRADE can be achieved only if complementary subservice organization controls assumed in the design of KTRADE's controls are suitably designed and operating effectively, along with the related controls at KTRADE. Our examination did not extend to controls of the subservice organizations and we have not evaluated the suitability of the design or operating effectiveness of such complementary subservice organization controls.

The description indicates that certain control objectives specified in the description can be achieved only if complementary user entity controls contemplated in the design of KTRADE's controls are suitably designed and operating effectively, along with related controls at the service organization. Our examination did not extend to such complementary user entity controls and we have not evaluated the suitability of the design or operating effectiveness of such complementary user entity controls.

Service Organization's Responsibilities

In Section 1 of this report, KTRADE has provided an assertion about the fairness of the presentation of the description and the suitability of the design and operating effectiveness of the controls to achieve the related control objectives stated in the description. KTRADE is responsible for preparing the description and assertion, including the completeness, accuracy and method of presentation of the description and assertion; providing the services covered by the description;



specifying the control objectives and stating them in the description; identifying the risks that threaten the achievement of the control objectives; selecting the criteria stated in the assertion; and designing, implementing, and documenting controls that are suitably designed and operating effectively to achieve the related control objectives stated in the description.

Service Auditors' Responsibilities

Our responsibility is to express an opinion on the fairness of the presentation of the description and on the suitability of the design and operating effectiveness of the controls to achieve the related control objectives stated in the description, based on our examination.

Our examination was conducted in accordance with attestation standards established by the AICPA. Those standards require that we plan and perform our examination to obtain reasonable assurance about whether, in all material respects, based on the criteria in management's assertion, the description is fairly presented and the controls were suitably designed and operating effectively to achieve the related control objectives stated in the description throughout the period of December 1, 2019 to November 30, 2020. We believe that the evidence we obtained is sufficient and appropriate to provide a reasonable basis for our opinion.

An examination of a description of a service organization's system and the suitability of the design and operating effectiveness of the service organization's controls involves:

- Performing procedures to obtain evidence about the fairness of the presentation of the description and the suitability of the design and operating effectiveness of those controls to achieve the related control objectives stated in the description, based on the criteria in management's assertion.
- Assessing the risks that the description is not fairly presented and that the controls were not suitably designed or operating effectively to achieve the related control objectives stated in the description.
- Testing the operating effectiveness of those controls that management considers necessary to provide reasonable assurance that the related control objectives stated in the description were achieved.
- Evaluating the overall presentation of the description, suitability of the control objectives stated in the description, and suitability of the criteria specified by the service organization in its assertion.

Inherent Limitations

The description is prepared to meet the common needs of a broad range of user entities and their auditors who audit and report on user entities' financial statements and may not, therefore, include every aspect of the system that each individual user entity may consider important in its own particular environment. Because of their nature, controls at a service organization may not prevent, or detect and correct, all misstatements in processing or reporting transactions. Also, the projection

to the future of any evaluation of the fairness of the presentation of the description, or conclusions about the suitability of the design or operating effectiveness of the controls to achieve the related control objectives, is subject to the risk that controls at a service organization may become ineffective.

Description of Tests of Controls

The specific controls we tested and the nature, timing, and results of those tests are listed in section 4.

Opinion

In our opinion, in all material respects, based on the criteria described in KTRADE's assertion:

- a. The description fairly presents KTRADE's Retirement Plan Recordkeeping System that was designed and implemented throughout the period December 1, 2019 to November 30, 2020.
- b. The controls related to the control objectives stated in the description were suitably designed to provide reasonable assurance that the control objectives would be achieved if the controls operated effectively throughout the period December 1, 2019 to November 30, 2020 and the subservice organizations and user entities applied the complementary controls assumed in the design of KTRADE's controls throughout the period December 1, 2019 to November 30, 2020.
- c. The controls operated effectively to provide reasonable assurance that the control objectives stated in the description were achieved throughout the period December 1, 2019 to November 30, 2020, if the complementary subservice organization controls and user entity controls assumed in the design of KTRADE's controls operated effectively throughout the period December 1, 2019 to November 30, 2020.

Restricted Use

This report, including the description of tests of controls and results thereof in section 4, is intended solely for the information and use of KTRADE, user entities of KTRADE's Retirement Plan Recordkeeping System during some or all of the period December 1, 2019 to November 30, 2020, and their auditors who audit and report on such user entities' financial statements or internal control over financial reporting and have a sufficient understanding to consider it, along with other information, including information about the controls implemented by user entities themselves, when assessing the risks of material misstatements of user entities' financial statements. This report is not intended to be and should not be used by anyone other than those specified parties.

Marcum LLP

Marcum LLP

May 18, 2021
Tampa, Florida