American Library Association Retirement Plan

Report to the Executive Board
March 9, 2012
March 9, 2012

Executive Board
American Library Association Retirement Plan
50 E. Huron St.
Chicago, Illinois 60611

Attention: Mr. Keith Fiels, Executive Director

We are pleased to present this report related to our audit of the financial statements of American Library Association Retirement Plan for the year ended December 31, 2010. This report summarizes certain matters required by professional standards to be communicated to you in your oversight responsibility for American Library Association Retirement Plan’s financial reporting process.

This report is intended solely for the information and use of the Executive Board and management and is not intended to be and should not be used by anyone other than these specified parties. It will be our pleasure to respond to any questions you have about this report. We appreciate the opportunity to continue to be of service to American Library Association Retirement Plan.

McGladrey & Pullen, LLP
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Required Communications

Statement on Auditing Standards No. 114 requires the auditor to communicate certain matters to keep those charged with governance adequately informed about matters related to the financial statement audit that are, in our professional judgment, significant and relevant to the responsibilities of those charged with governance in overseeing the financial reporting process. The following summarizes these communications.

<table>
<thead>
<tr>
<th>Area</th>
<th>Comments</th>
</tr>
</thead>
<tbody>
<tr>
<td>Auditor’s Responsibility Under Professional Standards</td>
<td>Our responsibility under auditing standards generally accepted in the United States of America, except as permitted by 29 CFR 2520.103-8 of the United States Department of Labor’s Rules and Regulations for Reporting and Disclosure under the Employee Retirement Income Security Act of 1974, and except as limited by you consistent with Department of Labor Field Assistance Bulletin 2009-2 and except as limited by you for activity prior to January 1, 2009, has been described to you in our arrangement letter dated July 25, 2011.</td>
</tr>
<tr>
<td>Accounting Practices</td>
<td>Adoption of, or Change in, Accounting Policies</td>
</tr>
<tr>
<td></td>
<td>Management has the ultimate responsibility for the appropriateness of the accounting policies used by the Plan.</td>
</tr>
<tr>
<td></td>
<td>Following is a description of significant accounting policies or their application that were either initially selected or changed during the year.</td>
</tr>
<tr>
<td></td>
<td>In January 2010, the Financial Accounting Standards Board (FASB) issued an amendment, Fair Value Measurements and Disclosures (Topic 820) – Improving Disclosures about Fair Value Measurements (ASU 2010-06), which requires new disclosures and reasons for transfers of financial assets and liabilities between levels 1 and 2. This amendment also clarifies that fair value measurement disclosures are required for each class of financial assets and liabilities, and disclosures about inputs and valuation techniques for both Level 2 and Level 3 measurements. It further clarifies that the reconciliation of Level 3 measurements should separately present purchases, sales, issuances, and settlements instead of netting these changes. With respect to matters other than Level 3 measurements, the amendment was effective for periods beginning on or after December 31, 2009. The guidance related to Level 3 measurements is effective for periods beginning on or after December 15, 2010, and has been early adopted for the year ended December 31, 2010.</td>
</tr>
<tr>
<td>Significant or Unusual Transactions</td>
<td>Following is a description of the methods used to account for significant and unusual transactions and the effect of significant accounting policies in controversial or emerging areas for which there is a lack of authoritative guidance or consensus.</td>
</tr>
</tbody>
</table>
The Plan accounts for investment contracts issued by TIAA-CREF at contract value. Accounting principles generally accepted in the United States of America (GAAP) and the DOL rules and regulations require that certain of such contracts be reflected at fair value.

For the plan years ended December 31, 2010 and 2009, it was concluded that contract value was a reasonable approximation of fair value and accordingly, no material departure from GAAP was reported. However, this conclusion was based upon factors such as the current economic conditions, current interest rates, the credit rating of the vendors and other factors which may not support a similar conclusion in later years.

Management is encouraged to develop and implement controls over the Plan's accounting systems to accumulate the data necessary to ascertain and report on the fair value of such contracts.

**Alternative Treatments Discussed with Management**

We did not discuss with management any alternative treatments within generally accepted accounting principles for accounting policies and practices related to material items during the current audit period.

**Management's Judgments and Accounting Estimates**

Summary information about the process used by management in formulating particularly sensitive accounting estimates and about our conclusions regarding the reasonableness of those estimates is in the attached "Summary of Accounting Estimates."

**Financial Statement Disclosures**

Upon your request, we will discuss with you the neutrality, consistency, and clarity of the disclosures in the financial statements.

**Audit Adjustments**

Audit adjustments recorded by American Library Association Retirement Plan are shown on the attached "Summary of Recorded Audit Adjustments."

**Uncorrected Misstatements**

There were no uncorrected misstatements noted during our audit.

**Other Information in Documents Containing Audited Financial Statements**

Our responsibility for other information in documents containing the Plan's financial statements and our auditor's report does not extend beyond the financial information referred to in our auditor's report. However, we read the Plan's Form 5500 filing for consistency with information in the financial statements. We have provided our comments to management. We are not aware of other documents that contain the audited financial statements.
<table>
<thead>
<tr>
<th>Area</th>
<th>Comments</th>
</tr>
</thead>
<tbody>
<tr>
<td>Disagreements with Management</td>
<td>We encountered no disagreements with management over the application of significant accounting principles, the basis for management's judgments on any significant matters, the scope of the audit, or significant disclosures to be included in the financial statements.</td>
</tr>
<tr>
<td>Consultations with Other Accountants</td>
<td>We are not aware of any consultations management had with other accountants about accounting or auditing matters.</td>
</tr>
<tr>
<td>Significant Issues Discussed with Management</td>
<td>Following is a description of significant issues arising from the audit that were discussed with management.</td>
</tr>
<tr>
<td></td>
<td>Because insufficient accounting records and supporting documents relating to annuity contracts and custodial accounts that may have been issued to current and former employees prior to January 1, 2009, exist, we were unable to apply auditing procedures sufficient to determine the extent to which the financial statements and supplemental schedules may have been affected by this condition. Accordingly, we have disclaimed an opinion of the financial statements.</td>
</tr>
<tr>
<td>Difficulties Encountered in Performing the Audit</td>
<td>We did not encounter any difficulties in dealing with management during the audit.</td>
</tr>
<tr>
<td>Letter Communicating Significant Deficiencies</td>
<td>We have separately communicated the significant deficiencies identified during our audit of the financial statements, and this communication is attached as Exhibit A.</td>
</tr>
<tr>
<td>Material Written Communications Between Management and Our Firm</td>
<td>Copies of material written communications between our Firm and the management of the Plan are attached as Exhibit B.</td>
</tr>
</tbody>
</table>
American Library Association Retirement Plan

Summary of Accounting Estimates
Year Ended December 31, 2010

Accounting estimates are an integral part of the preparation of financial statements and are based upon management's current judgment. The process used by management encompasses their knowledge and experience about past and current events and certain assumptions about future events. You may wish to monitor throughout the year the process used to determine and record these accounting estimates. The following describes the significant accounting estimates reflected in the Plan's December 31, 2010, financial statements:

<table>
<thead>
<tr>
<th>Area</th>
<th>Accounting Policy</th>
<th>Estimation Process</th>
<th>Comments</th>
</tr>
</thead>
<tbody>
<tr>
<td>Investment valuation and income recognition</td>
<td>Except for certain contracts held by TIAA-CREF, investments are reported at fair value. Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. Purchases and sales of securities are recorded on a trade-date basis. Interest income is recorded on the accrual basis. Dividends are recorded on the ex-dividend date. Net appreciation in fair value of investments includes the Plan’s gains and losses on investments bought and sold, as well as held during the year.</td>
<td>Guaranteed annuity contract: The fixed annuity contract is reported at contract value which approximates fair value. This determination is based on TIAA’s credit rating and yield during 2010 and 2009 being comparable to similar alternative investments and the interest rate which re-sets annually being comparable to a ten year treasury bond. Variable annuity contracts: Valued at the total of the net asset value of the shares held at year-end which is based upon the fair value of the underlying investments. The Plan’s interest in the variable annuity contracts is valued based on the information reported by the contract holder. Shares of pooled separate account: Valued at the total of the net asset value of shares held by the Plan at year-end.</td>
<td>It is the industry norm to rely on the vendor to provide values for the registered investment funds, guaranteed annuity contracts and variable annuity contracts. The insurance company is reporting the guaranteed annuity account at contract value which is applicable if the contract is fully benefit responsive and, therefore, subject to SOP 94-4. As such, it should also then be subject to FSP AAG INV-1 and SOP 94-4-1, which states that the investment should be reported at fair value with the adjustment to contract value being shown as a separate line item. If the FSP/SOP does not apply, then the investment should be shown at fair value.</td>
</tr>
<tr>
<td>Area</td>
<td>Accounting Policy</td>
<td>Estimation Process</td>
<td>Comments</td>
</tr>
<tr>
<td>-------------------------------------------</td>
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</tbody>
</table>
| Shares of registered investment companies: |                    | Valued at the quoted market price of shares held by the Plan at year-end.                                                                                                                                                                                                                                                                           | TIAA-CREF has provided information to support the assertion that contract value is a reasonable approximation of fair value, but no internal controls exist over the process used at the plan level to substantiate such assertion.  
The process and inputs used in determining fair value measurements were discussed with management and they are reasonable.  
Investments and investment income were certified by TIAA-CREF, as issuer for certain investments and as agent for JP Morgan Chase Bank, N.A., the custodian of certain other investments. |
American Library Association Retirement Plan

Summary of Recorded Audit Adjustments
Year Ended December 31, 2010

<table>
<thead>
<tr>
<th>Description</th>
<th>Assets</th>
<th>Liabilities</th>
<th>Net Assets</th>
<th>Additions</th>
<th>Deductions</th>
</tr>
</thead>
<tbody>
<tr>
<td>Organization contributions receivable</td>
<td>$36,927</td>
<td>$ -</td>
<td>$36,927</td>
<td>$36,927</td>
<td>$ -</td>
</tr>
<tr>
<td>Participant contributions receivable</td>
<td>28,282</td>
<td>$ -</td>
<td>28,282</td>
<td>28,282</td>
<td>$ -</td>
</tr>
<tr>
<td>Merger receivable</td>
<td>13,241,152</td>
<td>$ -</td>
<td>13,241,152</td>
<td>13,241,152</td>
<td>$ -</td>
</tr>
<tr>
<td><strong>Total Effect</strong></td>
<td></td>
<td></td>
<td></td>
<td><strong>$13,306,361</strong></td>
<td>$ -</td>
</tr>
</tbody>
</table>

**Effect on Net Assets**

<table>
<thead>
<tr>
<th>Description</th>
<th>Assets</th>
<th>Liabilities</th>
<th>Net Assets</th>
<th>Additions</th>
<th>Deductions</th>
</tr>
</thead>
</table>
Exhibit A – Letter Communicating Significant Deficiencies
To the Executive Board
American Library Association Retirement Plan (f.k.a. American Library Association Defined Contribution Retirement Plan)
Chicago, Illinois

Our audit was performed in accordance with auditing standards generally accepted in the United States of America, except that we did not perform any of the normal auditing procedures on asset information certified or provided by the issuer/agent under section 2520.103-8 of the United States Department of Labor’s Rules and Regulations. In planning and performing our audit of the financial statements of American Library Association Retirement Plan (the Plan) as of and for the year ended December 31, 2010, we considered the Plan’s internal control over financial reporting (internal control) as a basis for designing our auditing procedures for the purpose of expressing our opinion on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the Plan’s internal control. Accordingly, we do not express an opinion on the effectiveness of the Plan’s internal control.

Our consideration of internal control was for the limited purpose described in the preceding paragraph and was not designed to identify all deficiencies in internal control that might be significant deficiencies or material weaknesses and therefore, there can be no assurance that all deficiencies, significant deficiencies, or material weaknesses have been identified. However, as discussed below, we identified certain deficiencies in internal control that we consider to be significant deficiencies.

A deficiency in internal control exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct misstatements on a timely basis. A material weakness is a deficiency, or combination of deficiencies, in internal control, such that there is a reasonable possibility that a material misstatement of the financial statements will not be prevented, or detected and corrected on a timely basis.

A significant deficiency is a deficiency, or combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance. We consider the following deficiencies in internal control to be significant deficiencies:

INVESTMENT UNDERSTANDING AND VALUATION

Observation:
Accounting principles generally accepted in the United States of America require that the Plan’s investments be reported at fair value. Fair value is defined under Financial Accounting Standards Board Accounting Standards Codification Topic 820 as the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date.

Investments held by TIAA-CREF were reported to Plan management on the contract value. Currently, Plan management does not have processes or controls in place to evaluate or determine if these contracts are fully benefit responsive or whether contract value approximates fair value.

Although plan management may outsource investment management activities and obtain pricing information from third parties, plan management is ultimately responsible for the valuation of investments as presented in the plan’s financial statements and to consider how third party input is used in estimating or determining fair value. This responsibility cannot be delegated to a party outside of management, even in situations where the plan’s trustee or custodian or insurance company certifies the completeness and accuracy of the investments.
Recommendation:
Plan management should establish procedures and controls designed to allow plan management to understand and document the pricing inputs and methodologies used to value the Plan’s investments in order to properly report and disclose this information.

MONITORING OF SERVICE PROVIDER

Observation:
During our audit procedures, we noted that the Plan’s recordkeeper and custodian, TIAA-CREF, processes transactions and provides reports to the Plan Sponsor on a periodic basis. The Plan Sponsor is not performing timely reviews of Plan information to ensure transactions such as benefit withdrawal calculation and payment, contribution processing and other transactions are processed accurately and in accordance with the Plan’s provisions. The Plan Sponsor is responsible for the prudent oversight and review of all services provided by third parties to the Plan.

Recommendation:
We recommend that the Plan Sponsor perform various periodic reviews and reconciliations of information provided by your third-party service provider including (a) reconciling total Plan assets per the participant detail (the sum of the individual participant account balances) provided by the Plan’s recordkeeper to total plan assets reported by the Plan custodian, (b) reconcile total contributions made to the Plan per the respective payroll registers to total contributions received by the Plan per the custodian, and (c) agree individual demographic data included in new employee personnel files to the corresponding information included in the participant detail provided by the Plan’s recordkeeper.

This communication is intended solely for the information and use of the Plan Administrator, Executive Board, management, and others within the Plan, and is not intended to be and should not be used by anyone other than these specified parties.

McAdory & Allen, LLP

Schaumburg, Illinois
March 9, 2012
Exhibit B – Material Written Communications Between Management and Our Firm
American Library Association Defined Contribution Retirement Plan  
50 E. Huron Street  
Chicago, Illinois 60611

Attention: Greg Calloway

This letter is to explain our understanding of the arrangements for the services McGladrey & Pullen, LLP (the Firm) is to perform for the American Library Association Defined Contribution Retirement Plan (the Plan) as of December 31, 2010, and for the year ended December 31, 2010. We ask that you confirm this understanding.

Our acceptance of this engagement is subject to our satisfactorily completing our normal engagement acceptance procedures. We will notify you promptly if we become aware of anything during our acceptance procedures or the review of audit documentation that results in our not being able to continue this engagement.

Audit Services

Except as noted in the following paragraphs, we will perform an audit of the Plan’s financial statements as of December 31, 2010, and for the year ended December 31, 2010. We understand that the Plan’s financial statements will be prepared in accordance with accounting principles generally accepted in the United States of America.

You have informed us that the plan’s financial statements and the scope of our audit services shall not encompass certain contracts that you, or your advisor, have concluded satisfy the terms and conditions of the Employee Benefits Security Administration’s Field Assistance Bulletin 2009-02, as follows:

- The contract or account was issued to a current or former employee before January 1, 2009.
- The employer ceased to have any obligation to make contributions (including employee salary reduction contributions), and in fact ceased making contributions to the contract or account before January 1, 2009.
- All of the rights and benefits under the contract or account are legally enforceable against the insurer or custodian by the individual owner of the contract or account without any involvement by the employer.
- The individual owner of the contract is fully vested in the contract or account.

In addition, you have informed us that historical books and records associated with plan assets held by TIAA-CREF are not available and accordingly have not been retained by the Plan Administrator prior to
January 1, 2009. As a result, the scope of our audit services will not encompass these plan assets and related activities.

With respect to any plan activity that has not been excluded under the [two] preceding paragraph(s), we will conduct the audits in accordance with auditing standards generally accepted in the United States of America except that, as permitted by Regulation 2520.103-8 of the DOL's Rules and Regulations for Reporting and Disclosure under the Employee Retirement Income Security Act of 1974 (ERISA) and as instructed by you, we will not perform any auditing procedures with respect to investment information certified or provided by TIAA CREF, the trustees/custodians, other than comparing that information with the related information included in the financial statements and supplemental schedules. Under ERISA, the Plan Administrator is generally responsible to the plan participants for the financial information and the ability of the certifying entities to issue such ERISA certification.

Because of the significance of the information that we will not audit, we will not express an opinion on the financial statements and schedules.

Other circumstances may arise in which it is necessary for us to further modify our report or withdraw from the engagement. In such circumstances, our findings or reasons for withdrawal will be communicated to you.

An audit of financial statements includes obtaining an understanding of the Plan and its environment, including its internal control, sufficient to assess the risks of material misstatement of the financial statements and to design the nature, timing, and extent of further audit procedures. An audit is not designed to provide assurance on internal control or to identify significant deficiencies or material weaknesses. However, we will communicate to management and the Plan Committee any significant deficiencies or material weaknesses that become known to us during the course of the audits.

An audit is planned and performed to obtain reasonable assurance that material misstatements, whether caused by error or fraud, are detected. Absolute assurance is not attainable because of the nature of audit evidence and the characteristics of fraud. Therefore, there is a risk that material errors or fraud (including fraud that may be an illegal act) may exist and not be detected by an audit performed in accordance with generally accepted auditing standards.

To the extent that they come to our attention, we will also communicate to the Plan Committee (a) any fraud involving senior management and fraud (whether caused by senior management or other employees) that causes a material misstatement of the financial statements that becomes known to us during the audits, (b) any illegal acts that we become aware of during the audits (unless they are clearly inconsequential), (c) various matters related to the Plan's accounting policies and financial statements, and (d) should any arise, any disagreements with management and other serious difficulties encountered in performing the audits.

American Library Association Defined Contribution Retirement Plan’s Responsibilities

The Plan Administrator is responsible for the financial statements, including the selection and application of accounting policies, adjusting the financial statements to correct material misstatements, and for making all financial records and related information available to us. The Plan Administrator is responsible for providing us with a written management representation letter confirming certain representations made during the course of our audits of the financial statements and affirming to us that it believes the effects of any uncorrected misstatements aggregated by us during the current engagement and pertaining to the
latest period presented are immaterial, both individually and in the aggregate, to the financial statements taken as a whole.

The Plan Administrator is responsible for establishing and maintaining effective internal control over financial reporting and for informing us of all significant deficiencies and material weaknesses in the design or operation of such controls of which it has knowledge.

The Plan Administrator is responsible for identifying and ensuring that the Plan complies with the laws and regulations applicable to its activities, and for informing us about all known material violations of such laws or regulations. In addition, the Plan Administrator is responsible for the design and implementation of programs and controls to prevent and detect fraud, and for informing us about all known or suspected fraud affecting the Plan involving management, employees who have significant roles in internal control, and others where the fraud could have a material effect on the financial statements. The Plan Administrator is also responsible for informing us of its knowledge of any allegations of fraud or suspected fraud affecting the Plan received in communications from employees, former employees, participants, regulators, beneficiaries, service providers, third-party administrators, or others.

The Plan Committee is responsible for informing us of its views about the risks of fraud within the Plan, and its knowledge of any fraud or suspected fraud affecting the Plan.

You agree that you will not include our reports, or otherwise make reference to us, in any public or private securities offering without first obtaining our consent. Any request to consent is a matter for which separate arrangements will be necessary. After obtaining our consent, you also agree to provide us with printer's proofs or masters of such offering documents for our review and approval before printing and with a copy of the final reproduced material for our approval before it is distributed. In the event our auditor/client relationship has been terminated when the Plan seeks such consent, we will be under no obligation to grant such consent or approval.

Because the Firm will rely on the Plan sponsor and its management and Plan Committee to discharge the foregoing responsibilities, the Plan sponsor holds harmless and releases the Firm, its partners, and employees from all claims, liabilities, losses, and costs arising in circumstances where there has been a knowing misrepresentation by a member of the Plan sponsor's management that has caused, in any respect, the Firm's breach of contract or negligence. This provision shall survive the termination of this arrangement for services.

Records and Assistance

If circumstances arise relating to the condition of the Plan's records, the availability of appropriate audit evidence, or indications of a significant risk of material misstatement of the financial statements because of error, fraudulent financial reporting, or misappropriation of assets which in our professional judgment, prevent us from completing the audits, we retain the unilateral right to take any course of action permitted by professional standards, including declining to issue a report or withdrawal from the engagement.

During the course of our engagement, we may accumulate records containing data that should be reflected in the Plan's books and records. You will determine that all such data, if necessary, will be so reflected. Accordingly, you will not expect us to maintain copies of such records in our possession.

The assistance to be supplied by Plan sponsor personnel, including the preparation of schedules and analyses of accounts, has been discussed and coordinated with you. The timely and accurate completion of this work is an essential condition to the completion of the audits and issuance of our audit report.
If, in connection with our audits, you request us to perform accounting services necessary for the preparation of the financial statements (such as drafting the financial statements), you agree to designate an appropriate individual to oversee the services, make all management decisions involved in those services, evaluate the adequacy and results of the services, and accept responsibility for the results of those services. This would be billed at a separately agreed upon fee.

From time to time and depending upon the circumstances, we may use third-party service providers to assist us in providing professional services to you. In such circumstances, it may be necessary for us to disclose confidential client information to them. We enter into confidentiality agreements with all third-party service providers and we are satisfied that they have appropriate procedures in place to prevent the unauthorized release of your confidential information to others.

Other Terms of Our Engagement

We will not render an opinion on the Plan's qualification for tax-exempt status or compliance with provisions of ERISA. However, as a part of our audits, we will perform certain procedures, as required by auditing standards generally accepted in the United States of America, directed at considering the Plan's compliance with applicable Internal Revenue Code requirements for tax-exempt status. As we conduct our audits, we will be aware of the possibility that events affecting the Plan's tax status may have occurred. Similarly, we will be aware of the possibility that events affecting the Plan's compliance with the requirements of ERISA may have occurred. We will inform you of any instances of tax or ERISA potential noncompliance that come to our attention during the course of our audits. You should recognize, however, that an audit is not designed to nor is it intended to determine the Plan's overall compliance with applicable provisions of the Internal Revenue Code or ERISA.

As you know, our Firm's partners are co-employed by RSM McGladrey, Inc., an indirectly wholly-owned subsidiary of H&R Block, Inc., whose securities are publicly traded on the New York Stock Exchange. The Department of Labor has informed us that our independence would be adversely affected if the Plan or the Plan Sponsor were to have a direct or material indirect financial interest in H&R Block, Inc. Therefore, as a condition of this engagement, the Plan and the Plan Sponsor agree not to own a direct or material indirect financial interest in H&R Block, Inc. while we are engaged as auditor. At the conclusion of the audits, we will request written representation to that effect from the Plan Administrator.

You have not engaged us or RSM McGladrey, Inc. to prepare or review the Plans' Forms 5500 filing with the Internal Revenue Service and Department of Labor, however, the audited financial statements of the Plan are required to be filed with the Form 5500. Professional standards require that we read the Plan's Form 5500 prior to its filing. The purpose of this procedure is to consider whether such information, or the manner of its presentation, is materially inconsistent with the information, or the manner of its presentation, appearing in the financial statements. These procedures are not sufficient nor are they intended to ensure that the form is completely and accurately prepared. In the event that our auditor's report is issued prior to our having read the Plan's Form 5500, you agree not to attach such auditor's report to the financial statements included with the Form 5500 filing until we have read the completed Form 5500.

Fees, Costs, and Access to Workpapers

Our fees for this engagement will be $10,000 plus out of pocket expenses. The fee estimate will be subject to adjustments based on unanticipated changes in the scope of our work and/or the incomplete or untimely receipt by us of the information on the client participation list. Examples include discovery of significant recordkeeping problems or operational errors, determination that there are other contracts or
investments that become subject to the audits, SAS 70 reports that are qualified or otherwise cannot be relied upon, suspected violations of ERISA or Department of Labor regulations, or issues that cause the Plans' qualified tax status to be questioned. All other provisions of this letter will survive any fee adjustment. Interim billings will be submitted as work progresses and as expenses are incurred. Billings are due upon submission.

This fee estimate is based on our understanding that the Plan holds individual annuity contracts with TIAA CREF. Our fees above assume that plan management will obtain all of the contracts, participants data and activity in those contracts, analysis as to the benefit responsiveness of the contract, and that they will be included in the participants registers and the plan summary information. It is also assumed that we will obtain asset certifications from each of these entities.

Our professional standards require that we perform certain additional procedures, on current and previous years' engagements, whenever a partner or professional employee leaves the firm and is subsequently employed by or associated with a client. Accordingly, the Plan sponsor agrees it will compensate the Firm for any additional costs incurred as a result of the employment of a partner or professional employee of the Firm.

In the event we are requested or authorized by the Plan or are required by government regulation, subpoena, or other legal process to produce our documents or our personnel as witnesses with respect to our engagements for the Plan, the Plan to the extent permitted by law or Plan sponsor, as applicable, will, so long as we are not a party to the proceeding in which the information is sought, reimburse us for our professional time and expenses, as well as the fees and expenses of our counsel, incurred in responding to such requests.

The audit documentation for this engagement is the property of the Firm and constitutes confidential information. However, as required by ERISA, we are required to make certain audit documentation available to the Department of Labor upon request for their regulatory oversight purposes. Access to the requested audit documentation will be provided to the Department of Labor under the supervision of the Firm audit personnel and at a location designated by our Firm. The fees associated with providing access to this audit documentation will be billed at our standard rates.

In the event that an inquiry is received from the Department of Labor or Internal Revenue Service regarding the Form 5500 or the financial statements that are made a part of that filing, you agree to provide a copy of such inquiry to us as soon as possible following its receipt. Further, you agree to provide us with a draft of your response to any such correspondence prior to mailing.

Claim Resolution
The Plan and the Firm agree that no claim arising out of services rendered pursuant to this agreement shall be filed more than two years after the date of the audit report issued by the Firm or the date of this arrangement letter if no report has been issued. The Plan waives any claim for punitive damages. The Firm's liability for all claims, damages, and costs of the Plan arising from this engagement is limited to the amount of fees paid by the Plan to the Firm for the services rendered under this arrangement letter.

This letter constitutes the complete and exclusive statement of the agreement between the Firm and the Plan, superseding all proposals, oral or written, and all other communication, with respect to the terms of the engagement, between the parties.
Greg Calloway  
American Library Association Defined Contribution Retirement Plan  
July 25, 2011  
Page 6  

If this letter defines the arrangements as you understand them, please sign and date the enclosed copy and return it to us.

McGladrey & Pullen, LLP

James Moyna  
Partner

Confirmed on behalf of the addressee:

Signature

Title  

Date  

8/16/11
In connection with your audits of the statements of net assets available for benefits of American Library Association Retirement Plan (f.k.a. American Library Association Defined Contribution Retirement Plan) (the Plan) as of December 31, 2010 and 2009 and the related statement of changes in net assets available for benefits for the year ended December 31, 2010, we confirm that we are responsible for the fair presentation in the financial statements of net assets and change in net assets in conformity with accounting principles generally accepted in the United States of America applied on a consistent basis and with the reporting requirements of the Employee Retirement Income Security Act of 1974 (ERISA) and whether the supplemental schedule is fairly stated in all material respects in relation to the basic financial statements.

We confirm, to the best of our knowledge and belief, as of the date of this letter, the following representations made to you during your audits.

1. Except as described at 11.h., 27., and 28. below, the financial statements and supplemental schedule referenced to above are fairly presented in conformity with accounting principles generally accepted in the United States of America and with the reporting requirements of ERISA.

2. We have answered your questions about the Plan's tax compliance to the best of our knowledge and belief.

3. We have determined that Teachers Insurance and Annuity Association of American and College Retirement Equities Fund (TIAA-CREF) as issuer for certain investments and as agent for JPMorgan Chase Bank, N.A., a custodian of certain other investments, qualifies to issue a certification of the Plan's asset activity under section 2520.103-5 of the United States Department of Labor's Rules and Regulations. As a result, we instructed you not to perform any audit procedures over the asset information certified or provided by TIAA-CREF.

4. We have made available to you:
   a. The currently effective version of the Plan document, including specimen plan document and adoption agreement, the custodial agreements or insurance contracts and all related amendments. The Plan was most recently amended on December 30, 2010 with an effective date of December 31, 2010.
   b. All correspondence, filings, reports, and determinations with the Internal Revenue Service (IRS) and the Department of Labor (DOL) relating to the Plan's compliance with ERISA and the maintenance of its tax advantaged status.
   c. All Plan financial records and related data, except as described in items 27., and 28., below. In that regard, the payroll information we provided you covered all employees that were eligible to participate in the Plan.
5. We have no knowledge of fraud or suspected fraud affecting the Plan involving:
   a. Management or employees who have significant roles in the internal control.
   b. Others where the fraud could have a material effect on the financial statements.
6. We acknowledge our responsibility for the design and implementation of programs and controls to
   provide reasonable assurance that fraud is prevented and detected.
7. We have no knowledge of any allegations of fraud or suspected fraud affecting the Plan received in
   communications from employees, former employees, participants, regulators, beneficiaries, service
   providers, third-party administrators, or others.
8. Other than as you have communicated to us, we have informed you of all significant deficiencies,
   including material weaknesses, in the design or operation of internal controls that could adversely
   affect the Plan's ability to record, process, summarize, and report financial data.
9. There have been no communications from regulatory agencies concerning noncompliance with, or
   deficiencies in, financial reporting practices, except the correspondence from the DOL dated January
   5, 2012, related to the incomplete Form 5500 filing for 2010.
10. We have no plans or intentions that may materially affect the carrying value or classification of assets
    and liabilities.
11. The following have been properly recorded and/or disclosed in the financial statements or
    supplemental schedule, as appropriate:
   a. Related-party transactions, including transactions with parties-in-interest, as defined in ERISA
      section 3(14) and regulations thereunder, including sales, purchases, loans, transfers, leasing
      arrangements and guarantees, and amounts receivable from or payable to related parties.
   b. All significant estimates and material concentrations known to management that are to be
      disclosed in accordance with the Risk and Uncertainties Topic of the FASB Accounting Standards
      Codification. Significant estimates are estimates at the statement of net assets date that could
      change materially within the next year. Concentrations refer to nature and type of investments
      held by the Plan, or markets in which events could occur that would significantly disrupt normal
      finances within the next year.
   c. A description of the Plan.
   d. Assets held for investment.
   e. Concentrations of credit risk.
   f. Amendments to the plan instrument.
   g. Exempt party in interest transactions.
   h. Assets are measured at fair value in accordance with the Fair Value Measurements and
      Disclosures Topic of the FASB Accounting Standards Codification, except for the TIAA Traditional
      Fixed Annuity Investment contracts which are included in the statements of net assets available
      for benefits at contract value as reported by TIAA-CREF. TIAA-CREF indicates that contract
      value approximates fair value for these investments at December 31, 2010 and 2009.

Accounting principles generally accepted in the United States of America require that the financial
statements present investment securities and contracts at their fair value. We were able to obtain
information from TIAA-CREF in sufficient detail to properly assess the valuation of these
contracts as contract value approximately equal to fair value. The Plan's financial statements may
not be presented in accordance with accounting principles generally accepted in the United
States of America and the Department of Labor’s Rules and Regulations. We have determined that the difference between fair value and contract value is not material to the financial statements.

i. We advise you that to the best of our ability and belief the valuation techniques (market, income or cost approach), used to value investments, are appropriate in the circumstances, are based on sufficient data and have been applied consistently. The level designations within the fair value hierarchy required by GAAP are appropriate based on our analysis and understanding of the underlying markets and valuation inputs. For Level 2 and 3 investments in certain entities that calculate the net asset value per share as the investment’s fair value measurement, we have disclosed the nature of risks associated with such investments as well as whether it’s probable those investments will be sold at amounts different from their reported net asset value per share based on redemption restrictions, if any. In addition, investments were appropriately classified by major security type. The methods and significant assumptions used to estimate the fair values of financial instruments are as follows:

Guaranteed annuity contract: The fixed annuity contract is reported at contract value which approximates fair value. This determination is based on TIAA’s credit rating and yield during 2010 and 2009 being comparable to similar alternative investments and the interest rate which re-sets annually being comparable to a ten-year treasury bond.

Variable annuity contracts: Valued at the total of the net asset value ("NAV") of the shares held at year-end which is based upon the fair value of the underlying investments. The Plan’s interest in the variable annuity contracts is based on the information reported by the contract holder.

Shares of pooled separate account: Valued at the total of the NAV of shares held by the Plan at year-end.

Shares of registered investment companies: Valued at the quoted market price of shares held by the Plan at year-end.

j. In May 2011, the FASB issued Accounting Standards Updated (ASU) 2011-04, Amendments to Achieve Common Fair Value Measurements and Disclosure Requirements in U.S. GAAP and IFRSs, (ASU 2011-04). ASU 2011-04 amended ASC 820, Fair Value Measurements and Disclosures, to converge the fair value measurement guidance in GAAP and International Financial Reporting Standards (IFRSs). Some of the amendments clarify the application of existing fair value measurement requirements, while other amendments change a particular principle in ASC 820. In addition, ASU 2011-04 requires additional fair value disclosures. The amendments are to be applied prospectively and are effective for annual periods beginning after December 15, 2011. We are currently evaluating the effect that the provisions of ASU 2011-04 will have on the Plan’s financial statement disclosures.

12. We are responsible for making the accounting estimates included in the financial statements. Those estimates reflect our judgment based on our knowledge and experience about past and current events and our assumptions about conditions we expect to exist and courses of action we expect to take.

13. There are no:

a. Material transactions that have not been properly recorded in the accounting records underlying the financial statements, except as may be associated with assets excluded as described in 25. below.
b. Violations or possible violations of laws or regulations whose effects should be considered for disclosure in the financial statements or as a basis for recording a loss contingency.

c. Other material liabilities or gain or loss contingencies that are required to be accrued or disclosed by the Contingencies Topic of the FASB Accounting Standards Codification.

d. Nonexempt (prohibited) party in interest transactions. In that regard, the Plan has complied with the DOL’s regulations concerning the timely remittance of participant contributions to the custodial or annuity contracts holding assets for the Plan.

e. Arrangements with financial institutions involving compensating balances or other arrangements involving restrictions on cash balances and lines of credit or similar arrangements.

f. Agreements to repurchase assets previously sold.

g. Assets pledged or encumbered other than policy loans made available to plan participants by TIAA-CREF, as authorized by the Plan.

h. Amounts of contractual obligations, liens, or encumbrances on assets or security agreements in effect under the Uniform Commercial Code not included in the liabilities recorded on the books.

i. Liabilities that are subordinated to any other actual or possible liabilities of the Plan.

j. Lease obligations by the Plan.

k. Reportable transactions

l. Financial instruments with off-balance-sheet market or credit risk.

m. Derivative financial instruments.

n. Other receivables in default or considered to be uncollectible.

o. Guarantees, whether written or oral, under which the Plan is contingently liable to a bank or other lending institution.

p. Minutes of the meetings held pertaining to the Plan.

14. We have provided to you all documentation, including correspondence, with lawyers utilized by us for any Plan matters. There are no unasserted claims or assessments that our lawyer has advised us are probable of assertion and must be disclosed in accordance with the Contingencies Topic of the FASB Accounting Standards Codification.

15. Title to insurance annuity contracts and custodial contracts is consistent with the requirements of Section 403(b) of the Internal Revenue Code and the associated regulations.

16. We have complied with (a) all aspects of contractual agreements, including provisions of the Plan, that would have a material effect on the financial statements in the event of noncompliance, (b) the fidelity bonding requirements of ERISA, (c) all participant eligibility and coverage requirements of the Plan, ERISA, and the Internal Revenue Code and (d) the filing requirements of appropriate agencies except that the December 31, 2010 Form 5500 filing did not include audited financial statements. An amended Form 5500 will be filed upon completion of the audit.

17. The Plan has been drafted to qualify under Section 403(b) of the Internal Revenue Code (the Code). The terms of the Plan have been prepared to conform to the sample language provided by the Internal Revenue Service (IRS) in Revenue Procedure 2007-71. We believe that the Plan is designed and is currently being operated in compliance with the applicable requirements of the Code and is therefore exempt from income taxes. No provision for income taxes has been included in the Plan’s financial statements.
Management evaluated the Plan's tax positions and concluded that the Plan had maintained its tax exempt status and had taken no uncertain tax positions that require adjustment to the financial statements. Therefore, no provision or liability for income taxes has been included in the financial statements. With few exceptions, the Plan is no longer subject to income tax examinations by U.S. federal, state, or local tax authorities for years before 2007.

16. As of the close of business on December 31, 2010 the American Library Association elected to merge the American Library Association Tax-Deferred Annuity Plan into the Plan. All assets and liabilities of the American Library Association Tax-Deferred Annuity Plan were merged into the Plan as of the close of business on December 31, 2010.

19. In conjunction with the plan merger the name of the Plan was changed from the American Library Association Defined Contribution Retirement Plan to the American Library Association Retirement Plan. The plan sequence # on the adoption agreement effective December 31, 2010 of #003 will be corrected to indicate #001. A note has been made to make sure that the 2011 Form 5500 reflects the proper plan number.

20. There is no present intention to terminate the Plan.

21. We have reviewed the user control considerations of the Independent Auditors Review of Control Policies and Procedures for Teachers Insurance and Annuity Association-College Retirement Equities Fund (TIAA-CREF) as of April 14, 2011 for the year ended December 31, 2010 and we believe all applicable controls are in place.

22. We have reviewed the user control considerations of the Independent Auditors Review of Control Policies and Procedures for Ultimate Software Group, Inc. as of November 15, 2010 for the year ended September 30, 2010 and we believe all applicable controls are in place through December 31, 2010.

23. We understand that the Form 5500 for the year ended December 31, 2010, was previously due and filed without the required financial statements and auditor's report attached. As a result, the DOL could consider such Form 5500 to be a delinquent filing or nonfiling. We understand that, upon delivery of the audit report, it is the responsibility of the Plan Administrator to file an amended Form 5500 and attach the required financial statements and auditor's report to the filing.

24. We are responsible for determining that significant events or transactions that have occurred since the statement of net assets available for benefits date and through the date of this letter, have been recognized or disclosed in the financial statements. No events or transactions have occurred subsequent to the statement of net assets available for benefits date and through the date of this letter that would require adjustment to, or disclosure in, the financial statements. We further represent that as of the date of this letter, the financial statements were complete in a form and format that complied with accounting principles generally accepted in the United States of America and with the reporting requirements of ERISA and that all approvals necessary for issuance of the financial statements have been obtained.

25. During the period covered by your engagement and through the current date, neither the Plan nor the Plan Sponsor or any of its affiliates has owned a direct or material indirect financial interest in H & R Block, Inc.

26. During the course of your audits, you may have accumulated records containing data that should be reflected in our books and records. All such data have been so reflected. Accordingly, copies of such records in your possession are no longer needed by us.

27. We have made a good faith effort to transition to ERISA's annual reporting requirements for 403(b) plans. The current vendor that we have identified that holds annuity contracts and custodial accounts
of the Plan is TIAA-CREF. We are not aware of any additional current or former vendors that hold annuity contracts and custodial accounts of the Plan. There may be additional vendors that hold annuity contracts and custodial accounts of the Plan, but we are unable to make this determination. All annuity contracts and custodial accounts that we have identified have been reported in the statements of net assets available for benefits.

28. We understand that because the Plan has not maintained sufficient accounting records and supporting documents relating to certain annuity contracts and custodial accounts issued to current and former employees prior to January 1, 2009, that are included in the financial statements you are unable to apply auditing procedures sufficient to determine the extent to which the financial statements and supplemental schedule may have been affected by this absence of records.

Russell Swedowski, Controller

Cynthia Vivian, HR Director & Plan Administrator
American Library Association Retirement Plan
(formerly known as American Library Association Defined Contribution Retirement Plan)

Financial Report
December 31, 2010
Independent Auditor’s Report

To the Executive Board
American Library Association Retirement Plan
(formerly known as American Library Association Defined Contribution Retirement Plan)
Chicago, Illinois

We were engaged to audit the accompanying statements of net assets available for benefits of American Library Association Retirement Plan (the Plan) as of December 31, 2010 and 2009, and the related statement of changes in net assets available for benefits for the year ended December 31, 2010, and the supplemental schedule of assets (held at end of year) as of December 31, 2010. These financial statements and supplemental schedule are the responsibility of the Plan’s management.

As permitted by 29 CFR 2520.103-8 of the United States Department of Labor Rules and Regulations for Reporting and Disclosure under the Employee Retirement Income Security Act of 1974, the Plan Administrator instructed us not to perform and we did not perform, any auditing procedures with respect to the information summarized in Note 3, which was certified or provided by Teachers Insurance and Annuity Association of America and College Retirement Equities Fund (TIAA-CREF) as issuer for certain investments and as agent for JPMorgan Chase Bank, N.A., the custodian of certain other investments, except for comparing the information with the related information included in the financial statements and supplemental schedule. We have been informed by the Plan Administrator that the issuer or custodian holds the Plan’s assets and executes transactions. The Plan Administrator has obtained certifications from the issuer/agent regarding the completeness and accuracy of the information summarized in Note 3 that was provided to the Plan Administrator by the issuer/agent as of and for the year ended December 31, 2010, and as of December 31, 2009.

In addition, the Plan has not maintained sufficient accounting records and supporting documents relating to annuity and custodial accounts issued to current and former employees prior to January 1, 2009. Accordingly, we were unable to apply auditing procedures sufficiently to determine the extent to which the financial statements may have been affected by these conditions.

Further, as described in Note 10, the Plan has excluded from investments in the accompanying statements of net assets available for benefits certain annuity and custodial accounts issued to current and former employees prior to January 1, 2009, as permitted by the Department of Labor’s Field Assistance Bulletin No. 2009-02, Annual Reporting Requirements for 403(b) Plans. The investment income and distributions related to such accounts have also been excluded from the accompanying statement of changes in net assets available for benefits. The amount of these excluded annuity and custodial accounts and the related income and distributions are not determinable. Accounting principles generally accepted in the United States of America require that these accounts and the related income and distributions be included in the accompanying financial statements.
Because we were not able to apply auditing procedures to satisfy ourselves as to the appropriateness and completeness of the Plan's net assets available for benefits as of December 31, 2010 and 2009, and changes in net assets available for benefits for the year ended December 31, 2010, as described in the third and fourth paragraphs above, and because of the significance of the information in the financial statements related to the Plan's assets that we did not audit as described in the second paragraph above, the scope of our work was not sufficient to enable us to express, and we do not express, an opinion on the accompanying financial statements and supplemental schedule taken as a whole.

As discussed in Note 13 to the financial statements, the assets and liabilities of the American Library Association Tax-Deferred Annuity Plan were merged into the Plan as of the close of business on December 31, 2010.

Schaumburg, Illinois
February 8, 2012
Independent Auditor's Report

To the Executive Board
American Library Association Tax-Deferred Annuity Plan
Chicago, Illinois

We were engaged to audit the accompanying statements of net assets available for benefits of American Library Association Tax Deferred Annuity Plan (the Plan) as of December 31, 2010 and 2009, and the related statement of changes in net assets available for benefits for the year ended December 31, 2010, and the supplemental schedule of assets (held at end of year) as of December 31, 2010. These financial statements and supplemental schedule are the responsibility of the Plan's management.

As permitted by 29 CFR 2520.103-8 of the United States Department of Labor Rules and Regulations for Reporting and Disclosure under the Employee Retirement Income Security Act of 1974, the Plan Administrator instructed us not to perform and we did not perform, any auditing procedures with respect to the information summarized in Note 3, which was certified or provided by Teachers Insurance and Annuity Association of America and College Retirement Equities Fund (TIAA-CREF) as issuer for certain investments and as agent for JPMorgan Chase Bank, N.A., the custodian of certain other investments, except for comparing the information with the related information included in the financial statements and supplemental schedule. We have been informed by the Plan Administrator that the issuer or custodian holds the Plan’s assets and executes transactions. The Plan Administrator has obtained certifications from the issuer/agent regarding the completeness and accuracy of the information summarized in Note 3 that was provided to the Plan Administrator by the issuer/agent as of and for the year ended December 31, 2010, and as of December 31, 2009.

In addition, the Plan has not maintained sufficient accounting records and supporting documents relating to annuity and custodial accounts issued to current and former employees prior to January 1, 2009. Accordingly, we were unable to apply auditing procedures sufficiently to determine the extent to which the financial statements may have been affected by these conditions.

Further, as described in Note 11, the Plan has excluded from investments in the accompanying statements of net assets available for benefits certain annuity and custodial accounts issued to current and former employees prior to January 1, 2009, as permitted by the Department of Labor’s Field Assistance Bulletin No. 2009-02, Annual Reporting Requirements for 403(b) Plans. The investment income and distributions related to such accounts have also been excluded from the accompanying statement of changes in net assets available for benefits. The amount of these excluded annuity and custodial accounts and the related income and distributions are not determinable. Accounting principles generally accepted in the United States of America require that these accounts and the related income and distributions be included in the accompanying financial statements.

Because we were not able to apply auditing procedures to satisfy ourselves as to the appropriateness and completeness of the Plan’s net assets available for benefits as of December 31, 2010 and 2009, and changes in net assets available for benefits for the year ended December 31, 2010, as described in the third and fourth paragraphs above, and because of the significance of the information in the financial statements related to the Plan’s assets that we did not audit as described in the second paragraph above, the scope of our work was not sufficient to enable us to express, and we do not express, an opinion on the accompanying financial statements and supplemental schedule taken as a whole.

As discussed in Note 14 to the financial statements, the assets and liabilities of the Plan were merged into the American Library Association Retirement Plan as of the close of business on December 31, 2010.

Schaumburg, Illinois
February 8, 2011

McGladrey & Pullen, LLP

Member of the RSM International network of independent accounting, tax and consulting firms.