WAREHOUSE EMPLOYEES UNION LOCAL NO. 730 AND CONTRIBUTING COMPANIES' PREPAID LEGAL SERVICES FUND

FINANCIAL STATEMENTS

DECEMBER 31, 2024

WAREHOUSE EMPLOYEES UNION LOCAL NO. 730
AND CONTRIBUTING COMPANIES'
PREPAID LEGAL SERVICES FUND

FINANCIAL STATEMENTS WITH SUPPLEMENTAL INFORMATION

DECEMBER 31, 2024 AND 2023

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Novak | Francella
LLC | CERTIFIED PUBLIC ACCOUNTANTS

INDEPENDENT AUDITOR'S REPORT

To the Board of Trustees of the
Warehouse Employees Union Local No. 730 and
Contributing Companies' Prepaid Legal Services Fund

Opinion

We have audited the financial statements of the Warehouse Employees Union Local No. 730 and Contributing Companies' Prepaid Legal Services Fund (the Plan), an employee benefit plan subject to the Employee Retirement Income Security Act of 1974 (ERISA), which comprise the statements of net assets available for benefits and benefit obligations as of December 31, 2024 and 2023, and the related statements of changes in net assets available for benefits and benefit obligations for the years then ended, and the related notes to the financial statements.

In our opinion, the accompanying financial statements present fairly, in all material respects, the net assets available for benefits and benefit obligation of the Plan as of December 31, 2024 and 2023, and the changes in its net assets available for benefits and benefit obligations for the years then ended, in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinion

We conducted our audits in accordance with auditing standards generally accepted in the United States of America (GAAS). Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of the Plan and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audits. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Responsibilities of Management for the Financial Statements

Management is responsible for the preparation and fair presentation of the financial statements in accordance with accounting principles generally accepted in the United States of America, and for the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

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In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about the Plan's ability to continue as a going concern for one year after the date the financial statements are available to be issued.

Management is also responsible for maintaining a current plan instrument, including all Plan amendments; administering the Plan; and determining that the Plan's transactions that are presented and disclosed in the financial statements are in conformity with the Plan's provisions, including maintaining sufficient records with respect to each of the participants, to determine the benefits due or which may become due to such participants.

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with GAAS will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

In performing an audit in accordance with GAAS, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.

- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Plan's internal control. Accordingly, no such opinion is expressed.

- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.

- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about the Plan's ability to continue as a going concern for a reasonable period of time.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit, significant audit findings, and certain internal control-related matters that we identified during the audit.

Report on Supplemental Information

Our audits were conducted for the purpose of forming an opinion on the financial statements as a whole. The supplemental Schedules of Administrative Expenses and Schedules of Employer Contributions are presented for the purpose of additional analysis and are not a required part of the financial statements. Such information is the responsibility of the Plan's management and was derived from and relates directly to the underlying accounting and other records used to prepare the financial statements. The information has been subjected to the auditing procedures applied in the audits of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements or to the financial statements themselves, and other additional procedures in accordance with GAAS. In our opinion, the information in the accompanying schedules is fairly stated, in all material respects, in relation to the financial statements as a whole.

Novak Francella LLC

Columbia, Maryland
July 23, 2025

Warehouse Employees Union Local No. 730
and Contributing Companies'
Prepaid Legal Services Fund

Statements of Net Assets Available for Benefits and Benefit Obligations

December 31, 2024 and 2023

	2024	2023
Net assets available for benefits		
Assets		
Investments - at fair value		
Corporate obligations	$ 212,869	$ 143,666
Registered investment companies	528,624	501,899
United States Government and Government Agency obligations	267,694	313,356
Short-term investments	61,382	42,252
	1,070,569	1,001,173
Receivables		
Employer contributions	8,066	9,970
Interest	5,771	2,517
	13,837	12,487
Prepaid expenses	4,681	2,947
Total assets	1,089,087	1,016,607
Liabilities		
Accounts payable	8,714	7,819
Total liabilities	8,714	7,819
Net assets available for benefits	1,080,373	1,008,788
Benefit obligations		
Amounts currently payable to or for participants, beneficiaries, and dependents		
Due to legal service providers	3,642	5,552
Other obligations for current benefit coverage, at estimated amounts		
Participants' continuing eligibility	16,900	12,000
Total benefit obligations	20,542	17,552
Excess of net assets available for benefits over benefit obligations	$ 1,059,831	$ 991,236

See accompanying notes to financial statements.

Warehouse Employees Union Local No. 730
and Contributing Companies'
Prepaid Legal Services Fund

Statements of Changes in Net Assets Available for Benefits and Benefit Obligations

Years Ended December 31, 2024 and 2023

	2024	2023
Changes in net assets available for benefits		
Additions		
Employer contributions	$ 104,858	$ 101,322
Investment income		
Net appreciation in fair value of investments	5,465	24,943
Interest and dividends	47,437	34,903
Less: investment expenses	(5,264)	(5,258)
Investment income - net	47,638	54,588
Total additions	152,496	155,910
Deductions		
Benefits paid for participants		
Legal services provider fees	40,529	28,865
Administrative expenses	40,382	61,608
Total deductions	80,911	90,473
Net increase in net assets available for benefits	71,585	65,437
Changes in benefit obligations		
Change due to legal service providers	1,910	325
Change in participants' continuing eligibility	(4,900)	1,200
Net decrease (increase) in benefit obligations	(2,990)	1,525
Excess of net assets available for benefits over benefit obligations		
Net increase	68,595	66,962
Excess		
Beginning of year	991,236	924,274
End of year	$ 1,059,831	$ 991,236

See accompanying notes to financial statements.

NOTE 1. DESCRIPTION OF THE PLAN

The following brief description of the Warehouse Employees Union Local No. 730 and Contributing Companies' Prepaid Legal Services Fund (the Plan), is provided for general information purposes only. Participants should refer to the Summary Plan Description for more complete information.

The Plan, which began operations in November 1976, covers employees covered by collective bargaining agreements between certain employers in the Washington, D.C. area and the following unions: Warehouse Employees' Union Local No. 730 and Teamsters Local Union No. 922. In addition, employees of Local Union No 730 are covered.

The contributions to the Plan are made by the employers' rates specified in their collective bargaining agreement. The Plan provides certain specified legal services to the covered employees, the legal spouse residing with the employee, and dependent children of the employee. The Plan has entered into agreements with attorneys to provide the legal services and has agreed to pay the attorneys for expenses incurred in providing benefits under the Plan.

NOTE 2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Method of Accounting - The financial statements are prepared using the accrual basis of accounting.

Valuation of Investments and Recognition of Income - The registered investment companies are carried at fair value which generally represents the net asset value of the funds as provided by the investment custodian as of the last business day of the year. Investments in United States Government and Government Agency obligations and corporate obligations are carried at estimated fair value as reported by the investment manager or as provided by the custodial bank. Short-term investments are carried at cost which approximates fair value.

Purchases and sales of investments are recorded on a trade-date basis. Interest and dividend income are recorded on the accrual basis. Net appreciation includes the Plan's gains and losses on investments bought and sold, as well as held during the year.

Funding Policy and Revenue Recognition - Benefits are primarily funded through employer contributions pursuant to collective bargaining agreements between various employers and the Union. Employer contributions are accounted for as exchange transactions. The contributions are due on a monthly basis. It is the policy of the Trustees to pursue monies due.

NOTE 2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Employer contributions receivable are accrued based on an analysis of subsequent employer reports and remittances. No allowance for credit losses is considered necessary.

Benefits Payable to Legal Service Providers - The due to legal service provider is based on services provided applicable to the years ended December 31, 2024 and 2023 and paid subsequent to year end.

Participants' Continuing Eligibility - At year end, participants were eligible for benefits during the subsequent five months based on prior credited employment. The amount recorded for participants' continuing eligibility is based on historical benefit experience.

Estimates - The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect certain reported amounts and disclosures in the financial statements. Actual results could differ from those estimates.

NOTE 3. FAIR VALUE MEASUREMENTS

The framework for measuring fair value provides a fair value hierarchy that prioritizes the inputs to valuation techniques used to measure fair value. The hierarchy gives the highest priority to unadjusted quoted prices in active markets for identical assets or liabilities (Level 1) and the lowest priority to unobservable inputs (Level 3). The three levels of the fair value hierarchy are described as follows:

Basis of Fair Value Measurement:

Level 1 - Inputs to the valuation methodology are unadjusted quoted prices for identical assets or liabilities in active markets that the Plan has the ability to access.

Level 2 - Inputs to the valuation methodology include: quoted prices for similar assets or liabilities in active markets; quoted prices for identical or similar assets or liabilities in inactive markets; inputs other than quoted prices that are observable for the asset or liability; inputs that are derived principally from or corroborated by observable market data by correlation or other means.

If the asset or liability has a specified (contractual) term, the level 2 input must be observable for substantially the full term of the asset or liability.

Level 3 - Inputs to the valuation methodology are unobservable and significant to the fair value measurement.

The asset's or liability's fair value measurement level within the fair value hierarchy is based on the lowest level of any input that is significant to the fair value measurement. Valuation techniques maximize the use of relevant observable inputs and minimize the use of unobservable inputs.

NOTE 3. FAIR VALUE MEASUREMENTS (continued)

The availability of observable market data is monitored to assess the appropriate classification of financial instruments within the fair value hierarchy.

Changes in economic conditions or model-based valuation techniques may require the transfer of financial instruments from one fair value level to another.

In such instances, the transfer is reported at the beginning of the period. For the years ended December 31, 2024 and 2023, there were no transfers in or out of levels 1, 2 or 3.

There have been no changes in valuation methodologies used at December 31, 2024 and 2023.

	Fair Value Measurements at December 31, 2024			
	Total	Level 1	Level 2	Level 3
Corporate obligations	$ 212,869	$ -	$ 212,869	$ -
Registered investment company	528,624	528,624	-	-
United States Government and Government Agency obligations	267,694	184,177	83,517	-
Short-term investments	61,382	61,382	-	-
	$ 1,070,569	$ 774,183	$ 296,386	$ -

	Fair Value Measurements at December 31, 2023			
	Total	Level 1	Level 2	Level 3
Corporate obligations	$ 143,666	$ -	$ 143,666	$ -
Registered investment companies	501,899	501,899	-	-
United States Government and Government Agency obligations	313,356	212,612	100,744	-
Short-term investments	42,252	42,252	-	-
	$ 1,001,173	$ 756,763	$ 244,410	$ -

NOTE 4. PRIORITIES UPON TERMINATION

It is the intent of the Trustees to continue the Plan in full force and effect. However, to safeguard against any unforeseen contingencies, the right to discontinue the Plan is reserved to the Trustees. In the event of termination, the Trustees shall first satisfy or make provisions to satisfy the obligations of the Plan. Any remaining Plan assets will be distributed in such manner as will in the opinion of the Trustees bring about the purpose of the Plan. Termination shall not permit any part of the Plan to be used for or diverted to purposes other than the exclusive benefit of the participants.

NOTE 5. TAX STATUS

On February 14, 1995, the Internal Revenue Service advised that the Trust qualified under Section 501(c)(9) of the Internal Revenue Code and was, therefore, exempt from Federal income taxes.

Accounting principles generally accepted in the United States of America require Plan management to evaluate tax positions taken by the Plan and recognize a tax liability if the Plan has taken an uncertain position that, more likely than not, would not be sustained upon examination by the U.S. Federal, state, or local taxing authorities. The Plan is subject to routine audits by taxing jurisdictions; however, there are currently no audits for any tax periods in progress. Typically, plan tax years will remain open for three years; however, this may differ depending upon the circumstances of the Plan.

NOTE 6. RISKS AND UNCERTAINTIES

The Plan invests in various investments. Investments are exposed to various risks such as economic, interest rate, market and sector risks. Due to the level of risk associated with certain investments, it is at least reasonably possible that changes in the values of investments will occur in the near term and that such changes could materially affect the amounts reported in the statements of net assets available for benefits and benefit obligations.

Benefit obligations are based on certain estimates and assumptions. Due to uncertainties inherent in the process, it is at least reasonably possible that changes in these estimates and assumptions in the near-term would-be material to these financial statements.

NOTE 7. PARTY-IN-INTEREST TRANSACTIONS

The money market fund is managed by PNC. PNC is the Custodian, as defined by the Plan, and therefore, these transactions qualify as party-in-interest transactions. These transactions have been denoted as such on the supplemental schedules of assets held at end of year and reportable transactions. These transactions qualify as party-in-interest transactions which are exempt from the prohibited transaction rules of ERISA. For the years ended December 31, 2024 and 2023, the Plan paid custodial fees of $1,046 and $1,840, respectively, to PNC.

NOTE 8. SUBSEQUENT EVENTS

The Plan has evaluated subsequent events through July 23, 2025, the date the financial statements were available to be issued, and they have been evaluated in accordance with relevant accounting standards.

SUPPLEMENTAL INFORMATION

Warehouse Employees Union Local No. 730
and Contributing Companies'
Prepaid Legal Services Fund

Schedules of Administrative Expenses

Years Ended December 31, 2024 and 2023

	2024	2023
Accounting and auditing fees	$ 7,400	$ 23,325
Contract administrator fees	19,522	18,741
Insurance	4,262	6,567
Legal fees	5,937	10,090
Membership dues	1,425	1,360
Printing, postage and stationary	1,836	1,497
Trustees' meetings and travel	-	28
Total	$ 40,382	$ 61,608

Warehouse Employees Union Local No. 730 and Contributing Companies' Prepaid Legal Services Fund

Schedules of Employer Contributions

Years Ended December 31, 2024 and 2023

	2024	2023
Canada Dry	$ 33,504	$ 30,865
Canteen Vending	14,832	13,847
Distribution Plus	6,953	7,743
Eight O'Clock Coffee	8,242	7,324
Giant Cardboard	3,573	2,996
Giant Local No. 922	3,002	3,489
Giant Warehouse 730-1	34,472	34,702
Washington Food and Supply, Inc.	280	356
Total	$ 104,858	$ 101,322