Carpenters Local Union No. 491
Annuity Plan

Financial Statements with Supplemental Information and Independent Auditor's Report

For The Years Ended December 31, 2022 And 2021

CARPENTERS LOCAL UNION NO. 491 ANNUITY PLAN

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INDEPENDENT AUDITOR'S REPORT

To the Trustees
Carpenters Local Union No. 491 Annuity Plan
Sparks, Maryland

Opinion

We have audited the accompanying financial statements of Carpenters Local Union No. 491 Annuity Plan, which comprise the statements of net assets available for benefits as of December 31, 2022 and 2021, and the related statements of changes in net assets available for benefits for the years then ended, and the related notes to the financial statements.

In our opinion, the financial statements referred to above present fairly, in all material respects, the net assets available for benefits of Carpenters Local Union No. 491 Annuity Plan as of December 31, 2022 and 2021, and the changes in its net available for benefits 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. 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 Carpenters Local Union No. 491 Annuity Plan and to meet our 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.

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 Carpenters Local Union No. 491 Annuity 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 participant's, to determine the benefits due or which may become due to such participants.

To the Trustees
Carpenters Local Union No. 491 Annuity Plan
Sparks, Maryland
(continued)

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 generally accepted auditing standards 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 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 generally accepted auditing standards 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, 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 Carpenters Local Union No. 491 Annuity 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 raises substantial doubt about Carpenters Local Union No. 491 Annuity 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.

To the Trustees
Carpenters Local Union No. 491 Annuity Plan
Sparks, Maryland
(continued)

Supplemental Schedules Required by ERISA

Our audit was conducted for the purpose of forming an opinion on the financial statements as a whole. The supplemental schedule of assets held for investment purposes and schedule of reportable transactions, together referred to as "supplemental information," are presented for the purpose of additional analysis and are not a require part of the financial statements but are supplemental information required by the Department of Labor's Rules and Regulations for Reporting and Disclosure under ERISA. Such information is the responsibility of 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 audit 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 generally accepted auditing standards.

In forming our opinion on the supplemental schedules, we evaluated whether the supplemental schedules, including their form and content, are presented in conformity with the Department of Labor's Rules and Regulations for Reporting and Disclosure under ERISA.

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, and the form and content are presented in conformity with the Department of Labor's Rules and Regulations for Reporting and Disclosure under ERISA.

Ira Marc Miller & Co., P.A.

June 6, 2023
Baltimore, Maryland

CARPENTERS LOCAL UNION NO. 491 ANNUITY PLAN
STATEMENTS OF NET ASSETS AVAILABLE FOR BENEFITS
DECEMBER 31, 2022 AND 2021

	2022	2021
ASSETS		
Investments (at fair value):		
Money market mutual fund	$ 1,223,193	$ 704,164
Equity funds	11,019,500	14,804,814
Bond and Income Funds	11,838,740	13,785,586
Total investments	24,081,433	29,294,564
Receivables:		
Participating employers' contributions	241,907	145,049
Notes receivable from participants	137,371	271,449
Accrued dividends and interest	3,524	10
Other receivables	-	4,457
Total receivables	382,802	420,965
Prepaid expenses	3,024	3,779
Cash	1,255,269	933,264
Total assets	25,722,528	30,652,572
LIABILITIES		
Due to broker for securities purchased	10,511	51,301
Accounts payable	83,050	74,275
Total liabilities	93,561	125,576
Net assets available for benefits	$ 25,628,967	$ 30,526,996

See accompanying notes to financial statements.

CARPENTERS LOCAL UNION NO. 491 ANNUITY PLAN
STATEMENTS OF CHANGES IN NET ASSETS AVAILABLE FOR BENEFITS
FOR THE YEARS ENDED DECEMBER 31, 2022 AND 2021

	2022	2021
ADDITIONS TO NET ASSETS ATTRIBUTED TO:		
Investment income:		
Dividends	$ 517,284	$ 946,361
Interest	9,931	345
Net (depreciation) appreciation in fair value of investments	(5,684,443)	1,080,166
	(5,157,228)	2,026,872
Less investment expenses	(14,540)	(13,575)
Net investment (loss) income	(5,171,768)	2,013,297
Participant loan interest	5,054	9,068
Employers' contributions	3,454,032	1,138,459
Total (subtractions) additions	(1,712,682)	3,160,824
DEDUCTIONS FROM NET ASSETS ATTRIBUTED TO:		
Benefits paid to participants	3,085,971	12,776,931
Administrative expenses:		
Audit fees	15,500	15,000
Bank charges	1,992	1,706
Contract administrator	31,847	26,529
Employer audits	926	-
Insurance	8,668	10,066
Legal fees	21,366	46,624
Programming	7,600	-
Office expense	-	261
Particicpant loan defaults	-	1,266,746
Printing and postage	11,477	5,406
Total administrative expenses	99,376	1,372,338
Total deductions	3,185,347	14,149,269
Net decrease in net assets available for benefits	(4,898,029)	(10,988,445)
NET ASSETS AVAILABLE FOR BENEFITS		
Beginning of year	30,526,996	41,515,441
End of year	$ 25,628,967	$ 30,526,996

See accompanying notes to financial statements.

CARPENTERS LOCAL UNION NO. 491 ANNUITY PLAN
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2022 AND 2021

NOTE A – DESCRIPTION OF PLAN

The following brief description of the Carpenters Local Union No. 491 Annuity Plan (the Plan) is provided for general information purposes only. Participants should refer to the Summary Plan Description for more complete information.

A. General – The Plan is a money purchase non-participant directed pension plan covering all persons who are employed under a collective bargaining agreement entered into between an Employer and Carpenters Local Union No. 491 which requires the Employer to make contributions to the Plan. It is subject to the provisions of the Employee Retirement Income Security Act of 1974 (ERISA). A participant in the Plan (or his beneficiary) may become eligible for normal retirement, disability retirement and death benefits. There is no waiting period for a member of Carpenters Local Union No. 491 to become a participant.

B. Contributions – The Employers make contributions to the Plan monthly based upon requirements in the Collective Bargaining Agreement at an hourly rate based on an employee's hours worked. No employee contributions are permitted. The rate per hour worked contributed to the Plan by the participating employers is

   $5.50 per hour worked for the period November 1, 2020 through April 30, 2021,
   $6.00 per hour worked for the period May 1, 2021 through October 31, 2021,
   $6.00 per hour worked for the period November 1, 2021 through April 30, 2022,
   $6.30 per hour worked for the period May 1, 2022 through October 31, 2022, and
   $6.60 per hour worked for the period November 1, 2022 through April 30, 2023.

C. Participant Accounts – Each participant's account is credited with the employer's contributions and an allocation of earnings, gains, losses and expenses. A participant is immediately 100% vested in their account balance and there are no forfeitures in any participant account.

D. Death and Disability Benefits – If a participant becomes permanently and totally disabled, disability benefits equal to the balance of the participant's account as of the date of disability can be paid as permitted under the Plan. If a participant dies prior to commencement of retirement benefits, the beneficiary is entitled to receive a benefit equal to the participant's account balance. If a participant dies after payment of retirement benefits have begun, the beneficiary may be entitled to receive certain benefits, depending on the method of payment which was selected at the time of retirement.

E. Normal Retirement Benefits – The Plan permits commencement of retirement benefits at termination of employment as described in the Plan document. The Administrator of the Plan will direct that retirement benefits be paid in a lump sum or installments.

   A participant who attains his normal retirement age under this Plan shall be entitled once per plan year to receive a distribution from the Plan even if the participant remains in the employment of an employer after his retirement age.

NOTE A – DESCRIPTION OF PLAN (continued)

F. Forfeitures – Participants are immediately 100% vested in their respective accounts once the employer makes the collectively bargained contribution. The participant is entitled to the entire balance in their account and therefore there are no forfeitures.

G. Notes Receivable from Participants – Participants may borrow from their annuity accounts up to 50% of their account balance, not to exceed $50,000. A new loan will not be made to a participant if the participant has one or more loans outstanding. Loans are made pursuant to repayment terms and conditions that the Plan management deems appropriate. Participant loans are written off when deemed so by management after correspondence with the participant, therefore no allowance is considered necessary. Participant loan interest totaled $5,054 and $9,068, for the years ended December 31, 2022 and 2021, respectively.

Due to COVID 19 and under the Coronavirus Aid, Relief, and Economic Security Act (CARES) and emergency loan provision was made. Participants could borrow from their annuity accounts up to 50% of their account balance, not to exceed $5,000.

NOTE B – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

A. Basis of Accounting – The accompanying financial statements are prepared on the accrual basis of accounting whereby income and expenses and the related assets and liabilities are recognized when the income is earned, or the obligation is incurred.

The Plan prepares its annual information returns on the same basis as the financial statements.

C. Investment Valuation and Income Recognition – The Plans investments are stated 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 fashion between market participants at the measurement date. See Note F for discussion of fair value measurements.

Purchase 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 includes the Plan's gains and losses on investments bought and sold as well as held during the year.

The Plan has invested in Goldman Financial Treasury Obligation Fund. The net asset value is used as an estimate of fair value as the plan has the ability to redeem its investment at net asset value as of the measurement date.

C. Use of Estimates – The preparation of financial statements in accordance with accounting principles generally accepted in the United States of America ("GAAP") requires the Plan administrator to make estimates and assumptions that affect the reported amounts of assets and liabilities and changes therein, and disclosures of contingent assets and liabilities. Accordingly, actual results may differ from those estimates.

NOTE B – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

D. Payment of Benefits – Benefits are recorded when paid.

E. Expenses – All operating expenses of the plan are paid by the Plan.

F. Notes Receivable from Participants – Notes receivable from participants are measured at their unpaid principal balance plus any accrued but unpaid interest. Delinquent participant loans are reclassified as distributions based on the terms of the Plan document.

NOTE C – TAX EXEMPT STATUS

The Internal Revenue Service (IRS) has determined and informed the Carpenters Local Union No. 491 Annuity Plan by a letter dated September 22, 2015 that the Plan and related trust are designed in accordance with applicable sections of the Internal Revenue Code (IRC). The Plan has been amended since receiving the determination letter. However, the Plan Administrator and the Plan's tax counsel believe that the Plan is designed and is currently being operated in compliance with the applicable requirements of IRC.

Accounting principles generally accepted in the United States of America require the plan administrator to evaluate tax positions taken by the Plan and recognize a tax liability for any uncertain position that more likely than not would not be sustained upon examination by the IRS. The Plan is subject to routine audits by tax authorities; however, there are currently no audits for any tax periods in progress. The Plan administrator believes the Plan is no longer subject to income tax examinations for years prior to December 31, 2019.

NOTE D – PLAN TERMINATION

Although the Plan Trustees have not expressed any intent to do so, the Trustees have the right under the Plan to terminate the Plan subject to the provisions of ERISA. In the event the Plan is terminated, net assets are to be used to provide for the payment of any and all obligations of the Plan, subject to the provisions of ERISA. Such payment shall be for the exclusive benefit of the employees, their families, dependents or beneficiaries, and the administrative expenses of the Plan.

NOTE E – INVESTMENTS

During the years ended December 31, 2022 and 2021, the Plan's investments (including investments bought, sold, as well as held during the year) depreciated in value by $5,684,443 and appreciated in value $1,080,166, respectively as follows:

	2022	2021
Mutual funds - bond and income	$ (2,265,159)	$ (799,491)
Mutual funds - equity	(3,419,284)	1,879,657
	$ (5,684,443)	$ 1,080,166

NOTE F – FAIR VALUE MEASUREMENTS

The Plan's investments are reported at fair value in the accompanying statements of net assets available for benefits. The methods used to measure fair value may produce an amount that may not be indicative of net realizable value or reflective of future fair values. Furthermore, although the Plan believes its valuation methods are appropriate and consistent with other market participants, the use of different methodologies or assumptions to determine the fair value of certain financial instruments could result in a different fair value measurement at the reporting date.

	Fair Value	(Level 1)	(Level 2)
December 31, 2022			
Goldman Financial Square Treasury Obligation	$ 1,223,193	$ 1,223,193	$ -
Mutual funds - bond and income	11,019,500	11,019,500	-
Mutual funds - equity	11,838,740	11,838,740	-
Total	$ 24,081,433	$ 24,081,433	$ -
December 31, 2021			
Goldman Financial Square Treasury Obligation	$ 704,164	$ 704,164	$ -
Mutual funds - bond and income	13,785,586	13,785,586	-
Mutual funds - equity	14,804,814	14,804,814	-
Total	$ 29,294,564	$ 29,294,564	$ -

The fair value measurements accounting literature establishes a fair value hierarchy that prioritizes the inputs to valuation techniques used to measure fair value. This hierarchy consists of three broad levels: Level 1 inputs consist of unadjusted quoted prices in active markets for identical assets and have the highest priority, Level 2 inputs consist of significant other observable inputs other than quoted prices for identical assets, and Level 3 inputs are unobservable and have the lowest priority. The Plan uses appropriate valuation techniques based on the available inputs to measure the fair value of its investments. When available, the Plan measures fair value using Level 1 inputs because they generally provide the most reliable evidence of fair value. Level 2 inputs were used only when Level 1 inputs were not available.

Level 1 Fair Value Measurements

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. The fair values of equity and bond and income mutual funds are based on quoted market prices from active markets.

The Plan has invested in Goldman Financial Treasury Obligation Fund. The net asset value is used as an estimate of fair value as the plan has the ability to redeem its investment at net asset value as of the measurement date.

Gains and losses (realized and unrealized) included in the statements of changes in net assets available for benefits for the years ended December 31, 2022 and 2021 are reported in net appreciation in fair value of investments. The Plan's policy is to recognize transfers into and out of Level 3 at the end of the reporting period. For the years ended December 31, 2022 and 2021, there were no significant transfers into or out of Level 3. There have been no changes in valuation techniques for the years ended December 31, 2022 and 2021.

NOTE G – REPORTABLE TRANSACTIONS

The provisions of ERISA require presentation of a schedule of transactions which exceed 5% of the net assets available for benefits. See pages 12 and 13 of the financial statements for reportable transactions in 2022.

NOTE H – PLAN NAME CHANGE

The name of the Plan and Trust was changed to the Carpenters Local No. 491 Annuity Plan effective January 1, 2004. The previous name of the Plan and Trust was Cabinetmakers' Local No. 974 and Carpenters' Local No. 1110 Annuity Plan or Trust.

NOTE I – PARTY IN INTEREST TRANSACTIONS

Party in interest transactions consist of audit fees of $15,500, legal fees of $21,366, contract administrator fees of $31,847 and investment expenses of $14,540 and are reflected on the Statements of Changes in Net Assets Available for Benefits.

NOTE J – RISKS AND UNCERTAINTIES

The Plan invests in various investment securities. Investment securities are exposed to various risks such as interest rate, market, and credit risks. Due to the level of risk associated with certain investment securities, it is at least reasonably possible that changes in the values of investment securities will occur in the near term and such changes could materially affect participants' account balances reported in the statements of net assets available for benefits.

Cash is held at banking institutions which are insured up to $250,000 by the Federal Deposit Insurance Corporation (FDIC). The Plan had $994,757 and $535,615 of uninsured balances as of December 31, 2022 and 2021, respectively.

NOTE K – DATE OF MANAGEMENTS REVIEW OF SUBSEQUENT EVENTS

Events that occur after the date of the financial statements, but before the financial statements were available to be issued must be evaluated for recognition or disclosure. The effects of subsequent events that provide evidence about conditions that existed at the date of the statement of net assets available for benefits are recognized in the accompanying financial statements. Management evaluated the activity of the Plan through June 6, 2023, and concluded that no subsequent events have occurred that would require recognition or disclosure in the financial statements.

CARPENTERS LOCAL UNION NO. 491 ANNUITY PLAN
2020 FORM 5500
SCHEDULE OF ASSETS HELD FOR INVESTMENTS PURPOSES AT END OF YEAR
E.I.N. 52-1840473 PLAN 002
SCHEDULE H, LINE 4i
FOR THE YEAR ENDED DECEMBER 31, 2022

(a)	(b) Identity of issue	(c) Description		(d) Cost	(e) Fair Value
	Amalgamated Bank of Chicago Custodian Account 1554890008				
		Goldman Treasury Square Treasury Obligation	$	1,223,193	1,223,193
		Dodge and Cox Income Fund		3,566,285	3,101,885
		Legg Mason Western Asset Core Plus Bond Fund Inst Class		3,584,571	2,832,230
		DFA Real Estate Securites Portfolio		1,403,558	994,517
		American Europacific Growth Class R6		3,003,359	2,285,732
		Fidelity Extended Market Index Fund		2,982,795	2,164,570
		Vanguard Total Bond market Index Inst Shares		6,953,043	5,904,625
		Vanguard Institutional Index Fund #94		7,016,725	5,574,681
		Subtotal		29,733,529	24,081,433
	Notes receivable from participants maturing through December 2028 with an interest rate of 5% **				137,371
		Total		$	24,218,804

* *Nonparticipant-directed*

** *A party-in-interest as defined by ERISA*

See accompanying notes to financial statements.

CARPENTERS LOCAL UNION NO. 491 ANNUITY PLAN
SCHEDULE OF REPORTABLE TRANSACTIONS
FORM 5500, SCHEDULE H, LINE 4j
E.I.N. 52-1840473 PLAN 002
DECEMBER 31, 2022

Transaction date	Description of asset	Shares	Purchase price	Selling price	FMV at 12/31/22 or purchase cost of asset	Net gain or (loss)

No reportable transactions.