CARPENTERS LOCAL NO. 491
TRAINING FUND

FINANCIAL STATEMENTS WITH SUPPLEMENTAL INFORMATION AND INDEPENDENT AUDITOR'S REPORT

FOR THE YEARS ENDED DECEMBER 31, 2019 AND 2018

CARPENTERS LOCAL NO. 491
TRAINING FUND

TABLE OF CONTENTS

IRA MARC MILLER & CO., PA
CERTIFIED PUBLIC ACCOUNTANTS

INDEPENDENT AUDITOR'S REPORT

To the Trustees
Carpenters Local No. 491 Training Fund
Sparks, Maryland

We have audited the accompanying financial statements of Carpenters Local No. 491 Training Fund, which comprise the statements of net assets available for benefits as of December 31, 2019 and 2018, 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.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in the United States of America; this includes 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.

Auditor's Responsibility

Our responsibility is to express an opinion on these financial statements based on our audits. We conducted our audit in accordance with auditing standards generally accepted in the United States of America. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the Fund's preparation and fair presentation of the financial statements 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 Fund's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

7 Church Lane, Suite 13
Baltimore, MD 21208
410-415-6807 • Fax 410-415-6809

To the Trustees
Carpenters Local No. 491 Training Fund
Sparks, Maryland
(continued)

Opinion

In our opinion, the financial statements referred to above present fairly, in all material respects, the net assets available for benefits of Carpenters Local No. 491 Training Fund as of December 31, 2019 and 2018, and the changes in net assets available for benefits for the years then ended, in accordance with accounting principles generally accepted in the United States of America.

Report on Supplemental Information

Our audits were conducted for the purpose of forming an opinion on the financial statements as a whole. The supplemental Schedule of Assets Held for Investment Purposes at End of Year, referred to as "supplemental information", is presented for the purpose of additional analysis and is not a required part of the financial statements but is supplemental information required by the Department of Labor's Rules and Regulations for Reporting and Disclosure under the Employee Retirement Income Security Act of 1974. Such information is the responsibility of the Fund'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 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 auditing standards generally accepted in the United States of America. In our opinion, the information is fairly stated in all material respects in relation to the financial statements as a whole.

Ira Marc Miller & Co., P.A.

October 7, 2020

CARPENTERS LOCAL UNION NO. 491 TRAINING FUND
STATEMENTS OF NET ASSETS AVAILABLE FOR BENEFITS
DECEMBER 31, 2019 AND 2018

	2019	2018
ASSETS		
Cash-checking	$ 23,358	$ 23,187
Receivables		
Participating employers' contributions	19,205	14,511
Total receivables	19,205	14,511
Prepaid expenses	71	2,189
Total assets	42,634	39,887
LIABILITIES		
Accounts payable	16,585	11,467
Net assets available for benefits	$ 26,049	$ 28,420

See accompanying notes to financial statements.

CARPENTERS LOCAL UNION NO. 491 TRAINING FUND
STATEMENTS OF CHANGES IN NET ASSETS AVAILABLE FOR BENEFITS
FOR THE YEARS ENDED DECEMBER 31, 2019 AND 2018

	2019	2018
Additions to Net Assets Attributed to:		
Participating employers' contributions	$ 383,211	$ 373,419
Total additions	383,211	373,419
Deductions from Net Assets Attributed to:		
Audit fees	3,000	3,000
Contract administrator	2,097	2,032
Employer audits	7,266	1,063
Insurance	2,555	2,702
Legal fees	21,244	10,363
Printing expense	5	165
Training class expense	349,415	348,970
Total deductions	385,582	368,295
Net (decrease) increase during year	(2,371)	5,124
NET ASSETS AVAILABLE FOR BENEFITS		
Beginning of year	28,420	23,296
End of year	$ 26,049	$ 28,420

See accompanying notes to financial statements.

NOTE A – DESCRIPTION OF FUND

The Fund provides for the training of apprentice and journeymen carpenters as determined by the Trustees under their authority under the Trust Agreement; said Trust Agreement having been established under the terms of the collective bargaining agreement between Carpenters Local Union No. 491 and the participating employers. Each participating employer is required under the collective bargaining agreement to contribute a collectively bargained rate per employee member hour worked (50 cents effective September 1, 2018 and 50 cents effective September 1, 2017) into the Training Fund. The Fund is subject to the provisions of the Employee Retirement Income Security Act of 1974 (ERISA).

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

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

C. Expenses – All operating expenses of the Fund are paid by the Fund.

NOTE C – TAX EXEMPT STATUS

The Internal Revenue Service (IRS) has determined and informed the Carpenters Local Union No. 491 Training Fund by a letter dated April 1, 1994, that the Fund is designed in accordance with applicable sections of the Internal Revenue Code (IRC). The Fund has been amended since receiving the determination letter. However, the Fund Administrator and the Fund's tax counsel believe that the Fund 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 Fund administrator to evaluate tax positions taken by the Fund and recognize a tax liability for any uncertain position that more likely than not would not be sustained upon examination by the IRS. The Fund is subject to routine audits by tax authorities; however, there are currently no audits for any tax periods in progress. The Fund administrator believes the Fund is no longer subject to income tax examinations for years prior to December 31, 2016.

NOTE D – FUND TERMINATION

In the event the Fund terminates, net assets are to be used to provide for the payment of any and all obligations of the Fund. Such payment shall be for the exclusive benefit of the employees, their families, dependents or beneficiaries, and the administrative expenses of the Fund.

NOTE E – PLAN NAME CHANGE

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

NOTE F – DATE OF MANAGEMENT'S 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 and notes. On March 11, 2020, the World Health Organization characterized coronavirus (COVID-19) as a pandemic, and on March 13, 2020, the President of the United States declared a national emergency relating to the disease. In addition to the President's declaration, state and local authorities have recommended social distancing and have imposed quarantine and isolation measures on large portions of the population including mandatory business reductions and closures. These measures are designed to protect the overall public health, however, are expected to have adverse material impacts on domestic and foreign economies and may result in the United States entering a period of recession. The trade show industry has been adversely impacted by the pandemic, with very few, if any, shows being held. This has resulted in a large reduction of the Carpenters Local Union No. 491 member work hours and a corresponding reduction in employer contributions to the Training Fund. The Training Fund has projected it has approximately one year of operating cash reserves. These projected reserves could change based on how the pandemic affects contributions to the Fund. While governments and central banks have reacted to stabilize economic conditions, the duration and extent of the impact of the COVID-19 outbreak, as well as the effectiveness of government and central bank responses, remains unclear. It is difficult to predict when the pandemic will be over and when the trade show industry will begin to have shows operating again. The Fund trustees are hoping for the trade show industry to begin operating again to some extent sometime in 2021. The Fund trustees will continue to monitor the Training Funds cash balance and do whatever it considers necessary to enable the Fund to continue operating as a going concern and continue to provide carpenters apprentice and journeymen training. The above events are considered non-adjusting events and therefore are not reflected in the December 31, 2019 financial statements of the Carpenters Local Union No. 491 Training Fund.

CARPENTERS LOCAL UNION NO. 491 TRAINING FUND
2017 FORM 5500
SCHEDULE OF ASSETS HELD FOR INVESTMENTS PURPOSES AT END OF YEAR
E.I.N. 52-1848916 PLAN 502
SCHEDULE H, PART IV, LINE 4i
DECEMBER 31, 2019

(a)	(b) Identity of issue	(c) Description		(d) Cost		(e) Current value
	Bank of America Business Economy Checking	Cash No interest paid on funds No Maturity Date	$	23,358	$	23,358

Note: column (a) is blank as there were no parties-in-interest

See accompanying notes to financial statements.