Pressmen Welfare Fund

Financial Statements

December 31, 2020

Pressmen Welfare Fund

Financial Statements

Years Ended December 31, 2020 and 2019

Contents

REPORT OF INDEPENDENT AUDITORS

Board of Trustees
Pressmen Welfare Fund
Sparks, Maryland

We have audited the accompanying financial statements of Pressmen Welfare Fund (the Plan), which comprise the statements of net assets available for benefits and of benefit obligations as of December 31, 2020 and 2019, and the related statements of changes in net assets available for benefits and of changes in benefit obligations 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 the 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 audits 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 Plan'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 Plan'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.

Opinion

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial status of the Plan as of December 31, 2020 and 2019, and the changes in its financial status 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 taken as a whole. The schedules of administrative expenses as of December 31, 2020 and 2019 are present for additional analysis and are not a required part of the basis financial statements. The supplemental schedule of assets (held at end of year) for the year ended December 31, 2020 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 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 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 taken as whole.

Bethesda, MD
TBD

Pressmen Welfare Fund

Statements of Net Assets Available for Benefits

December 31, 2020 and 2019

	2020	2019
Assets		
Investments - at fair value	$ 906,819	$ 1,097,000
Receivables		
Employer contributions	118,832	133,468
Participant contributions	34,907	63,315
Interest and other	7,490	8,885
Other	-	-
Total receivables	161,229	205,668
Prepaid expenses	6,893	650
Cash	803,601	867,416
Total assets	1,878,542	2,170,734
Liabilities and Net Assets		
Liabilities		
Accounts payable	2,435	9,084
Net assets available for benefits	$ 1,876,107	$ 2,161,650

See accompanying notes to financial statements.

Pressmen Welfare Fund

Statements of Changes in Net Assets Available for Benefits

Years Ended December 31, 2020 and 2019

	2020	2019
Additions		
Contribution income		
Participating employers	$ 1,419,169	$ 1,691,717
Participating self-pay contributions	93,396	442,153
Liquidated damages	368	13,523
Litigation proceeds	-	18,685
Interest on delinquency	28	207
Total contribution income	1,512,961	2,166,285
Investment income		
Net appreciation in fair value of investments	98,639	130,781
Dividends and interest	20,578	20,210
	119,217	150,991
Less: investment expenses	-	(6,250)
Net investment income	119,217	144,741
Total additions	1,632,178	2,311,026
Deductions		
Benefits		
Health care premiums	1,705,432	1,930,649
Disability and AD&D premiums	31,433	22,164
Total cost of benefits	1,736,865	1,952,813
Administrative expenses	180,856	185,857
Total deductions	1,917,721	2,138,670
Net change	(285,543)	172,356
Net assets available for benefits		
Beginning of year	2,161,650	1,989,294
End of year	$ 1,876,107	$ 2,161,650

See accompanying notes to financial statements.

Pressmen Welfare Fund

Statements of Benefit Obligations

December 31, 2020 and 2019

	2020	2019
Postretirement benefit obligations		
Retired participants	$ 8,897	$ 14,756
Active participants fully eligible for benefits	148,461	167,615
Participants not yet fully eligible for benefits	152,160	116,015
Total postretirement benefit obligations	309,518	298,386
Total benefit obligations	$ 309,518	$ 298,386

See accompanying notes to financial statements.

Pressmen Welfare Fund

Statements of Changes in Benefit Obligations

Years Ended December 31, 2020 and 2019

	2020	2019
Postretirement benefit obligations		
Balance at beginning of year	$ 298,386	$ 336,961
Change during the year attributable to		
Changes in actuarial assumptions	74,675	(24)
Benefit accumulation and other changes	37,973	38,953
Benefits paid	(6,513)	(7,466)
Plan amendments		
Gain	(95,003)	(70,038)
Balance at end of year	309,518	298,386
Total benefit obligations	$ 309,518	$ 298,386

See accompanying notes to financial statements.

Pressmen Welfare Fund

Notes to Financial Statements

Years Ended December 31, 2020 and 2019

Note 1. Description of Plan

Pressmen Welfare Fund (the Plan) was created pursuant to an agreement and declaration of trust dated January 20, 1971.

The following description of the Plan provides only general information. Participants should refer to the Summary Plan Description for a complete description of the Plan's provisions.

General - The Plan covers employees in jobs covered by a collective bargaining agreement with the Graphic Communication International Union Local 72-C. This Plan also covers eligible dependents of active employees and retirees. Unemployed participants, retired employees, employees' widows, widowers or orphaned children are allowed to continue their eligibility by paying their own contributions. The Plan is subject to the provisions of the Employee Retirement Income Security Act of 1974 (ERISA), as amended.

Benefits - The Plan provides health benefits (medical, hospital, surgical, major medical, and dental), life insurance coverage, short-term disability benefits, and accidental death and dismemberment benefits. The Plan provides these benefits through either insurance or indemnity arrangements with the following companies:

Group Dental Services, Incorporated
Mutual of Omaha
Kaiser Permanente

Contributions - Employers subject to the collective bargaining agreement remit monthly contributions on behalf of each covered employee employed by the tenth day of each month. Covered employees are required to make monthly contributions. Retirees electing coverage under this plan pay monthly premiums by the first day each month for which coverage is sought. All employer contribution monies are used exclusively for providing benefits and paying of all expenses incurred with respect to the operations of the Plan.

The current premiums effective October 1, 2019 (still in effect as of December 31, 2020) are as follows:

Plan	Retiree
HMO Signature	$ 1,307
DHMO Signature	$ 884
DHMO Select	$ 1,764
Min Value DHMO	$ 664

Note 1. Description of Plan (continued)

The active employee co-pays effective October 1, 2019 (still in effect as of December 31, 2020) are as follows:

Plan	Employer @ $804	Employer @ $866	Employer @ $874	Employer @ $899
HMO Signature	$ 520	$ 458	$ 450	$ 425
DHMO Signature	115	53	45	20
DHMO Select	959	897	889	864
Min Value DHMO	N/A	N/A	N/A	N/A

Plan	Employer @ $929	Employer @ $944	Employer @ $1,200
HMO Signature	$ 395	$ 380	$ 124
DHMO Signature	N/A	N/A	N/A
DHMO Select	834	819	563
Min Value DHMO	N/A	N/A	N/A

Plan Modifications - The Plan's Board of Trustees (Trustees), as Sponsor, has the right under the Plan to change, modify or eliminate any of the benefits offered by the Plan at any time, subject to the provisions set forth in ERISA.

Note 2. Summary of Significant Accounting Policies

The significant accounting principles and practices utilized to prepare the financial statements are described as follows:

Basis of Accounting - The accompanying financial statements have been prepared using the accrual basis of accounting. Under this basis, revenue is recognized when earned and expenses are recognized when incurred.

Use of Estimates - The preparation of financial statements in conformity with U.S. generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amounts of assets, liabilities, benefit obligations, and changes therein, IBNR (incurred but not reported), eligibility credits, claims payable, and disclosure of contingent assets and liabilities. Accordingly, actual results may differ from those estimates.

Uninsured Cash Balances - The cash balances are insured by the Federal Deposit Insurance Corporation (FDIC) up to $250,000 in a single financial institution per beneficial owner. As of December 31, 2020 and 2019, the Plan had approximately $555,000 and $809,000, respectively, in uninsured cash balances. The Plan has not experienced any losses in its cash balances and does not believe that it is exposed to any significant credit risk.

Note 2. Summary of Significant Accounting Policies (continued)

Investments - Investments are carried 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. The Plan's Trustees determines the Plan's valuation policies utilizing information provided by its investment advisers and custodians. See Note 4 for a discussion of fair value measurements. 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 (depreciation) includes the Plan's gains and losses on investments bought and sold as well as held during the year.

Employer Contributions Receivable - This amount represents contributions received shortly after the close of the Plan's year end. Therefore, an allowance for doubtful accounts is deemed unnecessary. The amount does not include any additional amounts that may be due from delinquent contributing employers.

Reclassifications - When applicable, certain reclassifications may have been made to conform to current year financial statement presentation. These reclassifications had no effect on the net assets available for benefits.

Note 3. Postretirement Benefits

The amount reported as the postretirement benefit obligation represents the actuarial present value of those estimated future benefits that are attributed by the terms of the plan to employees' service rendered to the date of the financial statements, reduced by the actuarial present value of contributions expected to be received in the future from current plan participants. Postretirement benefits include future benefits expected to be paid to or for (1) currently retired or terminated employees and their beneficiaries and dependents and (2) active employees and their beneficiaries and dependents after retirement from service with the participating employers. The postretirement benefit obligation represents the amount that is to be funded by contributions from the Plan's participating employers and from existing plan assets.

The actuarial present value of the expected postretirement benefit obligation is determined by an actuary from McKeogh Company, and is the amount that results from applying actuarial assumptions to historical claims-cost data to estimate future annual incurred claims costs per participant and to adjust such estimates for the time value of money (through discounts for interest) and the probability of payment (by means of decrements such as those for death, disability, withdrawal, or retirement) between the valuation date and the expected date of payment.

The Medicare Prescription Drug Improvement and Modernization Act of 2003 (the Act) provides for a prescription drug benefit under Medicare (Medicare Part D) as well as a Federal subsidy to sponsors of retiree health care benefit plans that provide a benefit that is at least actuarially equivalent to Medicare Part D. The Plan's postretirement benefit obligations do not reflect any amount associated with the subsidy related to this Act.

Note 3. Postretirement Benefits (continued)

The actuarial cost method used to determine the postretirement benefit obligation was the Projected Unit Credit Cost Method. Benefits were attributed to each employee's service up to the date on which he attains full eligibility for the benefits.

Some of the more significant actuarial assumptions used to calculate the postretirement benefit obligation as of December 31, 2020 and 2019 are as follows:

Discount Rate: 5.00% per year.

Mortality: RP-2014 Blue Collar Mortality projected to 2020 with Scale MP-2014 2019 with Scale MP-2014.

Withdrawal Rates Varying by Age as Illustrated:

Age	Withdrawal Rate
25	0.099
35	0.050
45	0.017

Retirement Age
Eligible participants are assumed to retire in accordance with the rates shown:

Age	Probability
55-61	0.05
62	0.30
63-64	0.10
65	1.00

Disability Incidence Rates Varying by Age as Illustrated:

Age	Disability Incidence
25	.002
35	.003
45	.006

Family Composition: Actual data was used for retirees. Costs for retired participants with family coverage are based on the assumption that the family unit consists of the retiree and spouse only.

Note 3. Postretirement Benefits (continued)

Participation:	The percentage of eligible retirees assumed to participate is 20%. Of these, 50% are assumed to be both married and elect coverage for their spouse.
Administrative Expenses:	A load of 4.2% was applied to the gross medical premiums to estimate the annual adminstrative expense cost.

The premium assumptions were based on the actual premium rates in effect as of the valuation date. The premium for the various coverage plans available were blended and a weighted average premium was used in the valuation. The trend rate was based on the expectation of future growth and grades down to a 5% ultimate rate over a period of six years.

The effect of a one percentage increase in the assumed health care cost-trend rate would increase the postretirement obligation as of December 31, 2020 and 2019 to $334,554 and $321,182, respectively.

The foregoing assumptions are based on the presumption that the Plan will continue. Were the Plan to terminate, or the benefits provided thereunder modified, amended or terminated, in whole or part, different actuarial assumptions and other factors might be applicable in determining the actuarial present value of the postretirement benefit obligation.

These benefits are not guaranteed or vested and the Plan's Trustees, as Sponsor, has the right under the Plan to modify the benefits provided to participants.

Note 4. Fair Value Measurements

Accounting standards provide the framework for measuring fair value which 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 inputs) and the lowest priority to unobservable inputs (Level 3 inputs). The three levels of the fair value hierarchy are described below:

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;

Note 4. Fair Value Measurements (continued)

- inputs other than quoted prices that are observable for the asset or liability; and
- 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 used need to maximize the use of observable inputs and minimize the use of unobservable inputs.

Following are descriptions of the valuation methodologies used for assets measured at fair value. There have been no changes in the methodologies used at December 31, 2020 and 2019.

Short-term investments: Certificates of deposit are held at banking institutions. Cost approximates market value. They are federally insured by the Federal Deposit Insurance Corporation up to $250,000 per institution. The Plan has diversified amongst individual banking institutions and all certificates of deposit are fully insured.

Mutual funds: Valued at the daily closing price as reported by the fund. Mutual funds held by the Plan are open-end mutual funds that are registered with the Securities and Exchange Commission. These funds are required to publish their daily net asset value (NAV) and to transact at that price. The mutual funds held by the Plan are deemed to be actively traded.

The preceding methods may produce a fair value calculation 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.

NOTE 4. FAIR VALUE MEASUREMENTS (CONTINUED)

The following tables set forth by level, within the fair value hierarchy, the Plan's assets at fair value as of December 31, 2020 and 2019:

Description	Assets at Fair Value as of December 31, 2020 Total	Level 1	Level 2	Level 3
Short-term investments	$ 200,000	$ 200,000	$ -	$ -
Mutual funds	706,819	706,819	-	-
Total assets at fair value	$ 906,819	$ 906,819	$ -	$ -

Description	Assets at Fair Value as of December 31, 2019 Total	Level 1	Level 2	Level 3
Short-term investments	$ 500,000	$ 500,000	$ -	$ -
Mutual funds	597,000	597,000	-	-
Total assets at fair value	$ 1,097,000	$ 1,097,000	$ -	$ -

NOTE 5. INCOME TAX STATUS

The Internal Revenue Service (IRS) has advised that the Plan qualifies under Section 501(c)(9) of the Internal Revenue Code (IRC) and is, therefore not subject to tax under present income tax laws.

Accounting principles generally accepted in the United States of America require the Plan's management to evaluate tax positions taken by the Plan and recognize a tax liability (or asset) if the organization has taken an uncertain position that more likely than not would not be sustained upon examination. The Plan's administrator is not aware of any uncertain positions taken or expected to be taken that would require recognition of a liability (or asset) or disclosure in the financial statements as of December 31, 2020. The Plan is subject to routine audits by taxing jurisdictions; however, there are currently no audits for any tax periods in progress.

NOTE 6. LITIGATION

Based on advice of the Plan's counsel, there is no litigation either pending or threatened which would have a material adverse effect on the Plan's financial position.

Note 7. Significant Plan Amendments

No significant plan amendments were adopted during 2020.

Note 8. Material Lease Commitments, Other Commitments and Contingent Liabilities

There were no material lease commitments, other commitments, or contingent liabilities during 2020.

Note 9. Plan Termination

The Trustees reserve the right to terminate or amend the Plan. In the event of the final termination of the Agreement and Declaration of Trust and the Plan, the Trustees may proceed with the termination of the Plan or take such other action as permitted by law. If the Plan is terminated, the Trustees shall have full authority to take any and all action required by law in connection with such termination and any other action permitted by law deemed by them to be necessary to accomplish the prompt and equitable completion of matters relating to such termination. The Trustees shall continue to serve as trustees and Plan assets shall continue to be held in trust until all matters relating to termination have been completed.

Upon termination, after payment of all pending benefit claims, reasonable expenses, taxes, and proper charges, Plan assets shall be allocated and distributed in the manner, and to the persons, that the Trustees determined will best effectuate the purposes hereof, provided that such allocation and distribution shall be in the best interests of eligible employees and eligible dependents, shall not unduly impair the benefit rights of such eligible persons existing at the time of termination, and shall be consistent with the provisions of ERISA, the IRC, and other applicable law.

Note 10. Significant Uncertainties

The COVID-19 pandemic, whose effects first became known in January 2020, is having a broad and negative impact on commerce and financial markets around the world. The extent of the impact of the pandemic on the Plan's operational and financial performance will depend on certain developments, including the duration and spread of the outbreak and its impacts on the Plan's participants, employees and vendors, all of which, at present, cannot be determined. Accordingly, the extent to which the pandemic may impact the Plan's net assets available for benefits and changes in net assets available for benefits is uncertain, and the accompanying financial statements include no adjustments relating to the effects of this pandemic.

Note 11. Party-In-Interest Transactions

As described in Note 2, the Plan paid certain expenses related to plan operations and investment activity to various service providers. These transactions qualify as party-in-interest transactions, which are exempt from the prohibited transaction rules of ERISA.

Note 12. Subsequent Events

Subsequent events have been evaluated through TBD, 2021, which is the date the financial statements were available to be issued. This review and evaluation revealed no material event or transaction which would require an adjustment to or disclosure in the accompanying financial statements.

Supplemental Information

Pressmen Welfare Fund

Schedule of Assets (Held at End of Year)

December 31, 2020

Form 5500, Schedule H, Line 4i

EIN: 23-7092745
Plan No. 501

(a)	(b) Identity of issuer, borrower, lessor or similar party	(c) Description of investment, including maturity date, rate of interest, collateral, par or maturity value: Description	Maturity Date	Rate of Interest	Par/Maturity Value or Shares	(d) Cost	(e) Current Value
	Short-term investments						
	TD Bank	CD	03/25/20	1.95%	N/A	$ 100,000	$ 100,000
	TD Bank	CD	05/26/20	2.25%	N/A	100,000	100,000
	Total short-term investments					200,000	200,000
	Mutual funds						
	Spartan 500 Index Fd Inv Cl		N/A	N/A	5,429	330,673	706,819
	Total assets (held at end of year)					$ 530,673	$ 906,819

Pressmen Welfare Fund

Schedules of Administrative Expenses

Years Ended December 31, 2020 and 2019

	2020	2019
Professional fees		
Administrative fees	120,009	109,007
Audit (including payroll audit fees)	13,365	30,833
Actuarial fees	7,500	7,241
Legal fees	26,526	9,841
	167,400	156,922
Other administrative		
Bank service charges	4,429	4,122
Dues and subscriptions	-	633
Insurance		
Fiduciary responsibility insurance	-	6,119
Cyber liability insurance	1,211	1,960
Bonding	(238)	358
Postage	1,346	962
Printing and office supplies	332	2,239
Trustee expenses		
Meeting	324	491
Conference registration fees	6,052	6,161
Travel, lodging, and meals	-	5,890
	13,456	28,935
Total administrative expenses	$ 180,856	$ 185,857