United Food and Commercial Workers Unions and Participating Employers Pension Fund (The Fund)

2024 Audit Summary

withum
ADVISORY TAX AUDIT

HLB
WE ARE AN INDEPENDENT MEMBER OF
THE GLOBAL ADVISORY AND ACCOUNTING NETWORK

Status and Results of Our Audit

- We have substantially completed our audit of the Fund as of and for the year ended December 31, 2024, in accordance with auditing standards generally accepted in the United States of America.
- Our objective was to obtain reasonable assurance that the financial statements are free from material misstatements.
- Our audit does not relieve management or those charged with governance of their responsibilities.
- The financial statements were prepared on the accrual basis of accounting.
- Our report will express an unmodified (“clean”) opinion on the financial statements.

Financial Statement Summary – Pension Fund
Statements of Net Assets Available for Benefits

	2024	2023
Assets		
Cash	$ 1,337,362	$ 1,683,276
Investments at fair value		
Collective investment funds	20,205,388	17,017,188
Common stocks	16,586,238	13,505,221
Corporate and municipal bonds	12,251,761	17,422,187
Government and government agency securities	5,400,351	9,712,833
Hedge funds	6,063,132	6,575,132
Pooled separate account	1,817,759	1,945,705
Limited partnerships	27,886,054	29,744,075
Short-term investment funds	2,385,078	2,445,097
Total Investments at fair value	92,595,761	98,367,438
Receivables		
Employer contributions	389,458	476,067
Employer withdrawal contributions	232,972	319,227
Accrued interest and dividend	191,877	250,842
Other	26,432	30,423
Total Receivables	840,739	1,076,559
Total assets	94,773,862	101,127,273
Liabilities		
Payables		
Accounts payable	209,575	193,788
Due to broker for securities sold	433,902	658,248
Total liabilities	643,477	852,036
Net assets available for benefits	$ 94,130,385	$ 100,275,237

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Financial Statement Summary – Pension Fund
Statements of Changes in Net Assets Available for Benefits

	2024	2023
Additions		
Investment income, net		
Net appreciation in fair value of investments	$ 5,968,557	$ 6,785,968
Interest and dividends	1,553,635	1,325,766
Total investment income	7,522,192	8,111,734
Investment expenses	(529,542)	(562,596)
Total investment income, net	6,992,650	7,549,138
Employer contributions	4,304,859	5,279,285
Total additions	11,297,509	12,828,423
Deductions		
Benefits	15,854,974	15,315,805
Administrative expenses		
Actuarial fees	124,564	156,661
Audit fees	56,150	55,574
Contract administrator fees	691,061	665,442
Insurance and bonding	70,192	63,565
Legal fees	182,104	238,882
Pension Benefit Guaranty Corporation premiums	438,117	398,983
Printing, postage and miscellaneous	25,199	29,134
Total Administrative expenses	1,587,387	1,608,241
Total deductions	17,442,361	16,924,046
Net increase (decrease)	(6,144,852)	(4,095,623)
Net assets available for benefits		
Beginning of year	100,275,237	104,370,860
End of year	$ 94,130,385	$ 100,275,237

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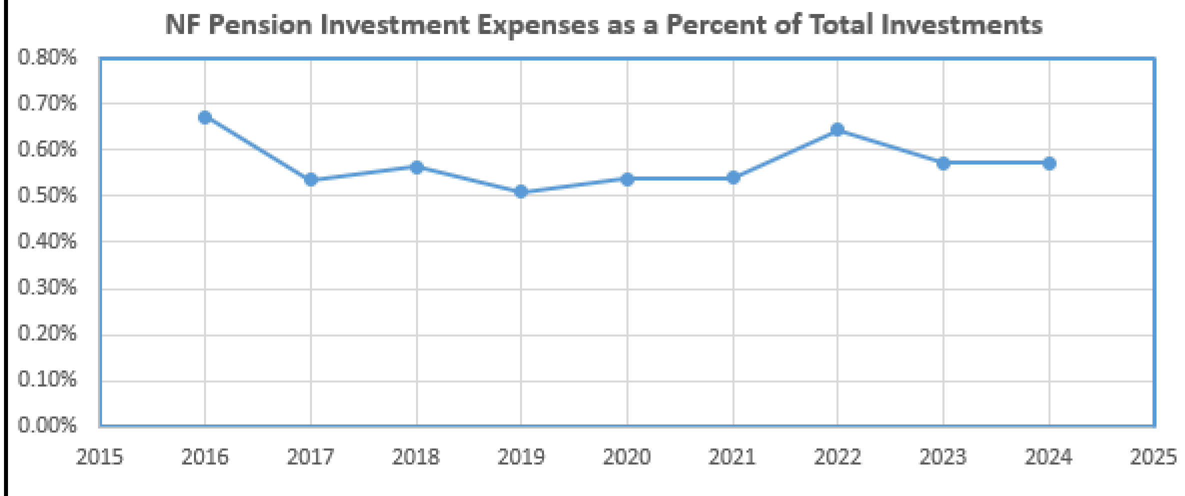
Schedules of Employer Contributions

		2024		2023
Employer Contributions				
Allegany County Human Resources Development Commission, Inc.	$	83,882	$	81,024
Associated Administrators, Inc.		387,027		373,542
Metro Food Market		873,387		909,918
Shoppers Food Warehouse		2,548,244		3,543,348
United Food and Commercial Workers Local 27		184,430		157,440
United Food and Commerical Workers Local 400		227,889		214,013
Total Employer Contributions		4,304,859		5,279,285

Investment Expenses as a Percent of Total Investments

Year	Investment Expenses as a Percent of Total Investments	Total Investments	Investment Expenses
2016	0.67%	99,550,379	668,023
2017	0.53%	117,470,253	627,442
2018	0.56%	107,115,054	603,609
2019	0.51%	121,606,050	617,997
2020	0.54%	124,411,804	669,044
2021	0.54%	130,453,694	703,707
2022	0.64%	102,604,865	660,748
2023	0.57%	98,367,438	562,596
2024	0.57%	92,595,761	529,542



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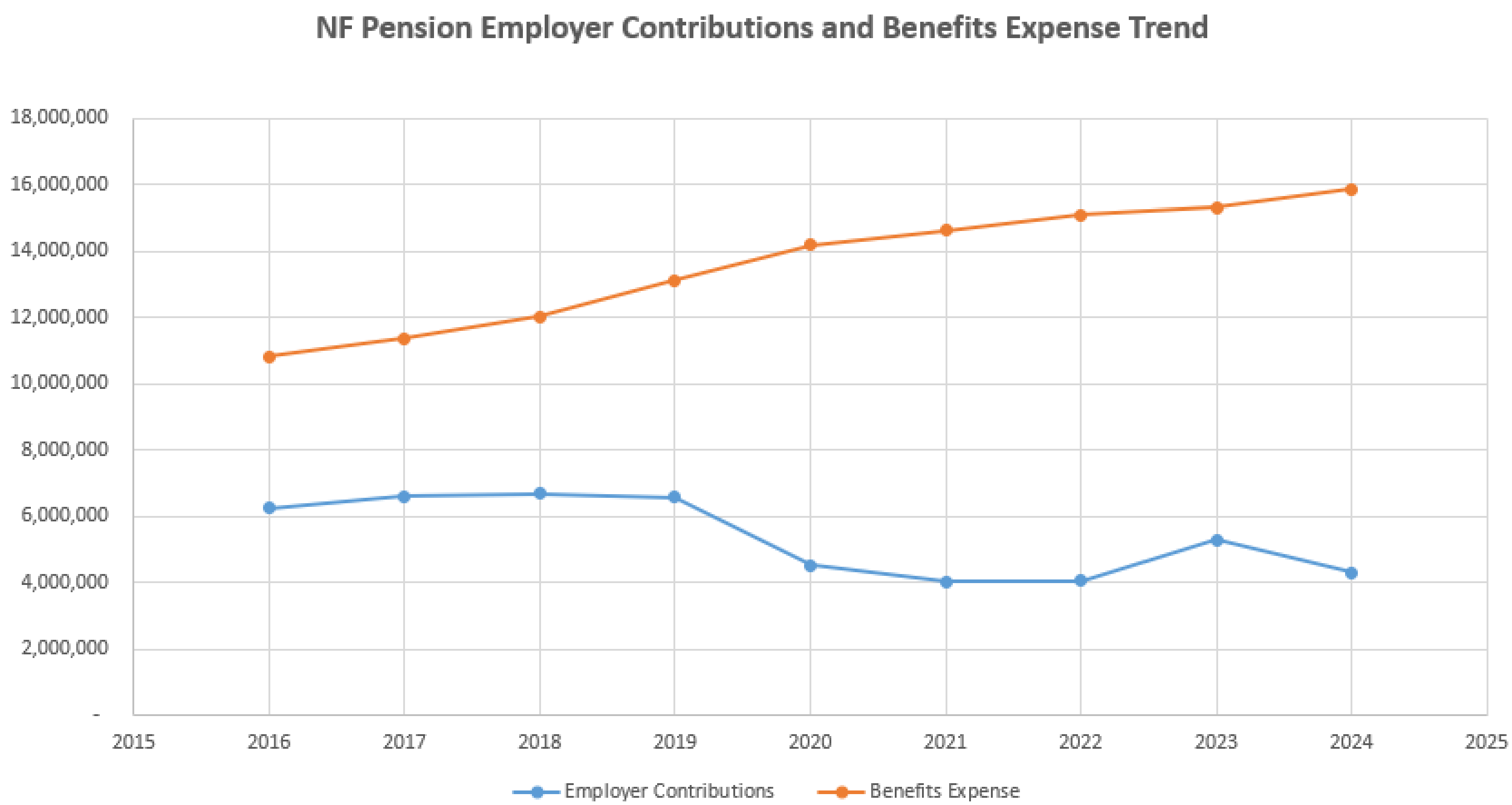
Employer Contributions and Benefits Expense Trend



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Required Audit Communications

Required Audit Communications

We are required by professional auditing standards to communicate the following matters to the individuals responsible for the oversight of the financial reporting process:

REQUIRED COMMUNICATIONS	COMMENTS
Auditor's Responsibilities	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. Our audit of the financial statements does not relieve management or those charged with governance of their responsibilities. We are also responsible for communicating significant matters related to the audit that are, in our professional judgment, relevant to your responsibilities in overseeing the financial reporting process. However, we are not required to design procedures for the purpose of identifying other matters to communicate to you.
Our judgments about the quality of significant accounting policies and changes in significant accounting policies	Management has the responsibility to select and use appropriate accounting policies. A summary of the significant accounting policies adopted by the Fund is included in Note 2 to the financial statements. There have been no initial selection of accounting policies and no changes in significant accounting policies or their application during fiscal year 2024. No matters have come to our attention that would require us, under professional standards, to inform you about (1) the methods used to account for significant unusual transactions and (2) the effect of significant accounting policies in controversial or emerging areas for which there is a lack of authoritative guidance or consensus.
Management's judgments and accounting estimates	The financial statements contain estimates; therefore, actual results may differ from those estimates. Management's more significant judgments and estimates include the following: • Management's estimate of the fair value of alternative investments based on information supplied by investment advisors. • Management estimates of the actuarial present value of accumulated plan benefits that is determined with the assistance of an independent third-party actuary using plan data, actuarial methods and assumptions. We evaluated the key factors and assumptions used to develop these estimates in determining that they are reasonable in relation to the financial statements taken as a whole.

Required Audit Communications (cont.)

REQUIRED COMMUNICATIONS	COMMENTS
Consultation with other accountants	We are not aware of such consultations between management and other accountants.
Responsibility for information in other documents containing audited financial statements and auditors' report	Management is responsible for informing us on a timely basis about other published information, which will include the audited financial statements. We are responsible for reading the document in its entirety and ensuring that there is no information contradictory to the financial statements or knowledge gained during the conduct of our audit. Management has not informed us of this for the 2024 financial statements.
Major issues discussed with management prior to retention	None to report.
Difficulties encountered in performing the audit, irregularities or illegal acts	We are not aware of any fraud or any illegal acts involving senior management or any fraud or illegal acts that are material to the financial statements.
Material weaknesses in the internal control environment over financial reporting	Investment Transactions and Reconciliations During our review of the investment transactions account, we noted cost amounts were not recorded consistently and investment reconciliations for each account were not maintained. We recommend that management review this account detail at year-end to determine which amounts have settled and to properly reflect investment transactions and their related income and expense for the year then ended by maintaining investment reconciliations.
Disagreements with management	None to report.
Independence	Relating to our audit of the financial statements of the Fund as of December 31, 2024 and for the year then ended, we are independent certified public accountants with respect to the Fund within the meaning of the applicable published rules and regulations of the American Institute of Certified Public Accountants' Code of Professional Conduct and its interpretations and rulings. We are not aware of any relationships between WithumSmith+Brown, P.C. and the Fund, that, in our professional judgment, may reasonably be thought to bear on our independence.

Areas of Audit Emphasis

Below is a summary of some key areas over which audit procedures were performed and the results of those procedures:

AUDIT AREA/SIGNIFICANT RISKS	PROCEDURES & CONCLUSION	COMMENTS
Cash and Investments and fair value measurements	We performed substantive procedures over bank reconciliations, significant cash related transactions and disbursements. We tested the existence and valuation of investments verifying the investments held are appropriately valued, disclosed and classified, including amounts due to or from the broker at year-end. We inquired about investment related policies and management of the account.	See material weakness noted on slide 10.
Revenue and Receivables	We performed substantive testing over withdrawal liabilities, employer and participant contributions, and other miscellaneous income as well as testing the related receivables outstanding. Analytical procedures were performed where there were relationships to the revenues and other financial accounts.	No findings noted.
Accounts payable, accrued expenses and expenditure cutoff	We performed substantive testing over expenditures including cutoff procedures to ensure that expenditures are reported in the period in which they were incurred, are properly charged to an appropriate expense account, and are supported by appropriate documentation.	No findings noted.
Benefits Paid and Administrative Expenses	We performed substantive testing over benefits paid and administrative expenses. Analytical procedures were performed where there were relationships to the revenues and other financial accounts.	No findings noted.
Fraud, illegal acts and noncompliance	We performed inquiry procedures, disbursement testing procedures and other substantive procedures to address the risk of fraud, illegal acts and noncompliance noting no issues.	No findings noted

Final Items of Discussion

ITEM	DETAILS
Payroll Audit Compliance Program	There were no payroll audits performed on contributing employers during 2024 and 2023. We observed that the Fund does not have a system of internal controls in place to determine that all employee and employer contributions due to the Plan are received and to verify that information received from participating employers, including census information used for administration of eligibility, participation and regulatory compliance, is complete and accurate. Such internal controls may consist of payroll audits or other alternate procedures to verify the completeness and accuracy of participant data and contributions provided by employers. We recommend that management implement a payroll compliance audit program to make sure participant information is complete and includes the entire population of eligible and participating participants.
Special Financial Assistance Funding	On March 11, 2021, the American Rescue Plan Act of 2021 ("ARPA") was signed into law. Under the ARPA, eligible plans such as the Fund may seek special financial assistance ("SFA") from the federal government. The Fund filed a revised application for SFA in March 2025. The Pension Benefit Guaranty Corporation ("PBGC") approved the Fund's SFA application in June 2025. On August 25, 2025, the Fund received the SFA principal and interest in the amount of $187,670,305. SFA assets are managed in accordance with the requirements of the American Rescue Plan, and the regulations promulgated by the PBGC in 29 CFR Part 4262 (the "SFA Final Rule").

Questions?