UNITED FOOD AND COMMERCIAL WORKERS UNIONS AND CONTRIBUTING EMPLOYERS LEGAL BENEFITS FUND
Financial Statements
December 31, 2023 and 2022
With Independent Auditor's Reports

United Food and Commercial Workers Unions and Contributing Employers Legal Benefits Fund
Table of Contents
December 31, 2023 and 2022

INDEPENDENT AUDITOR'S REPORT

To the Board of Trustees of
United Food and Commercial Workers Unions and Contributing Employers Legal Benefits Fund:

Opinion

We have audited the financial statements of the United Food and Commercial Workers Unions and Contributing Employers Legal Benefits Fund, 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, 2023 and 2022, 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 obligations as of December 31, 2023 and 2022, 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 United Food and Commercial Workers Unions and Contributing Employers Legal Benefits Fund 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.

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 United Food and Commercial Workers Unions and Contributing Employers Legal Benefits Fund's ability to continue as a going concern for one year after the date that 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 United Food and Commercial Workers Unions and Contributing Employers Legal Benefits Fund'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 United Food and Commercial Workers Unions and Contributing Employers Legal Benefits Fund'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.

Date

United Food and Commercial Workers Unions and Contributing Employers Legal Benefits Fund
Statements of Net Assets Available for Benefits and Benefit Obligations
December 31, 2023 and 2022

	2023	2022
Assets		
Investments - at fair value	$ 15,659	$ 19,993
Employer contributions receivable	17,447	16,984
Prepaid expenses	3,328	1,585
Total assets	36,434	38,562
Liabilities and Benefit Obligations		
Liabilities		
Accounts payable	21,895	28,320
Net assets available for benefits	14,539	10,242
Benefit obligations		
Payable to legal service providers	26,090	26,654
(Deficit) excess of net assets available for benefits over benefit obligations	$ (11,551)	$ (16,412)

The Notes to Financial Statements are an integral part of these statements.

United Food and Commercial Workers Unions and Contributing Employers Legal Benefits Fund
Statements of Changes in Net Assets Available for Benefits and Benefit Obligations
Years Ended December 31, 2023 and 2022

	2023	2022
Additions		
Investment income		
Dividend and interest income	$ 340	$ 144
Investment expenses	(250)	(250)
Net investment income (loss)	90	(106)
Employer contributions	204,331	200,244
Total additions	204,421	200,138
Deductions		
Benefits	156,849	148,173
Administrative and other expenses		
Audit fees	14,191	15,205
Contract administrator's fee	13,750	13,532
Insurance and bonding	6,392	3,945
Legal fees	8,252	14,739
Miscellaneous	690	568
Total administrative and other expenses	43,275	47,989
Total deductions	200,124	196,162
Net change in net assets available for benefits	4,297	3,976
Net change in benefit obligations		
(Decrease) increase in payable to legal service providers	(564)	1,472
Increase in excess of net assets available for benefits over benefit obligations	4,861	2,504
(Deficit) of net assets available for benefits over benefit obligations		
Beginning of year	(16,412)	(18,916)
End of year	$ (11,551)	$ (16,412)

The Notes to Financial Statements are an integral part of these statements.

1. PLAN DESCRIPTION

The United Food and Commercial Workers Unions and Contributing Employers Legal Benefits Fund (the "Plan") is a multiemployer benefit plan subject to the provisions of the Employee Retirement Income Security Act of 1974, ("ERISA").

The Plan was established on April 1, 1980 to provide benefits for employees working in jobs covered by collective bargaining agreements between certain employers and the United Food and Commercial Workers Union Local 400. Effective June 1, 1983, employees working in jobs covered by collective bargaining agreements between certain employers and the United Food and Commercial Workers Union Local 27 were covered by the Plan The membership of Local Unions 400 and 27 cover various regions in the eastern half of the United States. Contributions to the Plan are made by the employers at rates specified in their collective bargaining agreements. The Plan provides various specified legal services to the covered employees and their eligible dependents. The Trustees of the Plan have entered into agreements with attorneys to provide the legal services and have agreed to pay the attorneys a specified amount per month for each eligible employee.

Participants in the Plan become eligible for benefits on the first day of the calendar month following three consecutive monthly contributions made on their behalf by a participating employer. Eligibility status for benefit coverage will terminate upon the occurrence of certain events specified in the Summary Plan Description, including but not limited to, the termination of employment or a change in job classification to a classification which is not covered by the Plan.

Participants should refer to the Summary Plan Description for more complete information.

The Plan is primarily funded by employer contributions made monthly in accordance with collective bargaining agreements. The average contribution rate per participant per month was $25.29 and $25.71 for the years ended December 31, 2023 and 2022, respectively.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Basis of Accounting

The accompanying financial statements have been prepared using the accrual basis of accounting in accordance with U.S. GAAP.

Use of Estimates

The preparation of financial statements in conformity with U.S. GAAP requires management to make estimates and assumptions that affect certain reported amounts of assets and liabilities, benefit obligations and changes therein, and disclosure of contingent assets and liabilities. Actual results could differ from those estimates.

Valuation of Investments and Income Recognition

The Plan's investments are reported 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. Purchases and sales of securities are reflected on a trade-date basis. Dividend income is recognized as of the ex-dividend date. Interest income is recognized as earned on the accrual basis.

Benefits
Payments to legal service providers for the provision of benefits are recorded when paid. Amounts due to legal service providers that have not yet been paid are recorded as benefit obligations payable to legal service providers on the statements of net assets available for benefits and benefit obligations.

Reclassification
Certain reclassifications of amounts previously reported have been made to the accompanying financial statements to maintain consistency between periods presented. The reclassifications had no impact on previously reported net assets.

Accounting Pronouncements Currently Adopted
In June 2016, the FASB issued an Accounting Standards Update (“ASU”) amending the accounting for credit losses on financial statements. This methodology replaced the incurred loss methodology with the expected credit losses using a wide range of reasonable and supportable information. The amendment affects loans, debt securities, trade receivables, net investment in leases, off-balance-sheet credit exposure and other financial instruments recorded at amortized cost. The Plan adopted the new standard effective January 1, 2023, using the modified retrospective approach. Upon adoption, there was no cumulative-effect adjustment to the opening balance of net assets available for benefits.

Subsequent Events
In preparing these financial statements, management of the Plan has evaluated events and transactions that occurred after December 31, 2023 for potential recognition or disclosure in the financial statements. These events and transactions were evaluated through DATE, the date that the financial statements were available to be issued, and no items have come to the attention of management that require recognition or disclosure.

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:

Level 1 - Inputs are unadjusted quoted prices in active markets for identical assets or liabilities that the reporting entity has the ability to access at the measurement date.

Level 2 - Inputs are quoted prices for similar assets or liabilities in active markets, quoted prices for identical or similar assets or liabilities in markets that are not active or inputs that are derived principally from or corroborated by observable market data by correlation or other means.

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

Following is a description of the methodology used for assets measured at fair value:

The Fidelity Government Market Institutional Class Fund: Is a money market mutual fund and is valued based on quoted market prices.

The valuation methodology used at December 31, 2023 was not changed from the methodology used at December 31, 2022.

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 end of the reporting period. For the years ended December 31, 2023 and 2022, there were no transfers in or out of Levels 3.

As of December 31, 2023 and 2022, assets measured at fair value on a recurring basis are summarized by level within the fair value hierarchy as follows:

	2023			
	Level 1	Level 2	Level 3	Total Fair Value
Fidelity Government Market Institutional Class Fund	$ 15,659	$ -	$ -	$ 15,659

	2022			
	Level 1	Level 2	Level 3	Total Fair Value
Fidelity Government Market Institutional Class Fund	$ 19,993	$ -	$ -	$ 19,993

4. TAX STATUS

On November 28, 1994, the Internal Revenue Service ("IRS") advised that the Trust qualified under Section 501(c)(9) of the Internal Revenue Code (the "IRC") and therefore, was not subject to federal income taxes. The Plan has been amended since receiving the determination letter; however, management believes that the Plan is currently designed and being operated in compliance with the applicable requirements of the IRC and the Trust is not subject to federal income taxes.

Accounting principles generally accepted in the United States of America require management to evaluate tax positions taken 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 IRS. Management has evaluated the tax positions taken by the Plan and concluded that as of December 31, 2023 and 2022 there are no uncertain positions taken or expected to be taken that would require recognition in the financial statements. The Plan is subject to routine audits by taxing jurisdictions; however, there are currently no audits in progress for any tax periods. In addition, there have been no tax related interest or penalties for the periods presented in these financial statements.

5. 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 by 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.

6. MAJOR EMPLOYER

The Plan has one employer, Shoppers, that accounts for approximately 95% of employer contributions for the years ended December 31, 2023 and 2022.

7. RISKS AND UNCERTAINTIES

The Plan invests in one investment security. 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 that such changes could materially affect the amounts reported on the statements of net assets available for benefits and benefit obligations.

8. PARTY-IN-INTEREST TRANSACTIONS

The Plan invests in an investment fund with PNC Financial Services Group, the Plan's custodian, which is considered a party-in-interest under ERISA. These transactions qualify for an exemption from the prohibited transaction rules under ERISA and, therefore, are not prohibited transactions under ERISA.

SUPPLEMENTARY INFORMATION

REPORT ON SUPPLEMENTARY INFORMATION

INDEPENDENT AUDITOR'S REPORT

To the Board of Trustees of
United Food and Commercial Workers Unions and Contributing Employers Legal Benefits Fund:

We have audited the financial statements of the United Food and Commercial Workers Unions and Contributing Employers Legal Benefits Fund as of and for the years ended December 31, 2023 and 2022, and our report thereon dated DATE, which expressed an unmodified opinion on those financial statements, appears on pages 1 and 2. Our audits were conducted for the purpose of forming an opinion on the financial statements as a whole. The accompanying schedules of employer contributions for the years ended December 31, 2023 and 2022, are presented for the purpose of additional analysis and are not a required part of the financial statements. 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 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 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.

DATE

United Food and Commercial Workers Unions and Contributing Employers Legal Benefits Fund
Schedules of Employer Contributions
Years Ended December 31, 2023 and 2022

	2023	2022
Shoppers Food Warehouse	$ 194,530	$ 190,897
United Food and Commercial Workers Union Local 400	9,801	9,347
Total employer contributions	$ 204,331	$ 200,244

See Independent Auditor’s Report on Supplementary Information.