

NOTE 11. RECONCILIATION OF FINANCIAL STATEMENTS TO FORM 5500 (continued)

The net assets of the 401(h) account included in Form 5500 are not available to pay pension benefits but can be used only to pay retiree medical benefits. In accordance with ASC 960, “Plan Accounting - Defined Benefit Pension Plans”, the accompanying financial statements do not reflect accrued retirement benefits payable. Under prevailing Department of Labor regulations, such payable amount is shown as Fund Claims in the Fund’s Annual Return on Form 5500.

The following is a reconciliation of total additions and benefits paid per the financial statements to the Form 5500 for the year ending December 31, 2022:

Total additions per the financial statements	\$ (223,309,583)
Reclassified investment expenses for Form 5500	5,554,513
Adjustment from cost to fair value for condominium	-
Total additions per Form 5500	<u><u>\$ (217,755,070)</u></u>
Benefits paid per the financial statements	\$ 134,663,701
Add net assets held in 401(h) account included as assets in Form 5500 at beginning of year	6,137,258
Less net assets held in 401(h) account included as assets in Form 5500 at end of year	(5,270,129)
Less accrued retirement benefits at beginning of year	(9,177,870)
Add accrued retirement benefits at end of year	10,472,169
Benefits paid to participants per Form 5500	<u><u>\$ 136,825,129</u></u>

NOTE 12. COMMITMENTS AND CONTINGENCIES

The Fund is involved in various legal actions to collect delinquent contributions and withdrawal liability payments, and other matters arising out of the normal course of its operations, the final outcome of which cannot presently be determined. The Fund has recorded a reserve for collections in its financial statements for the years ended 2022 and 2021. Fund management is of the opinion that the ultimate liability, if any, with respect to these matters will not have a material adverse effect on the Fund’s statements of net assets available for benefits.

NOTE 13. RISKS AND UNCERTAINTIES

The Fund invests in various investments. Investments are exposed to various risks such as economic, interest rate, market and sector risks. Due to the level of risk associated with certain investments, it is at least reasonably possible that changes in the values of investments will occur in the near term and that such changes could materially affect the amounts reported in the Statement of Net Assets Available for Benefits.