Form 5500

Department of the Treasury
Internal Revenue Service

Department of Labor
Employee Benefits Security Administration

Pension Benefit Guaranty Corporation

Annual Return/Report of Employee Benefit Plan

This form is required to be filed for employee benefit plans under sections 104 and 4065 of the Employee Retirement Income Security Act of 1974 (ERISA) and sections 6057(b) and 6058(a) of the Internal Revenue Code (the Code).

▶ **Complete all entries in accordance with the instructions to the Form 5500.**

OMB Nos. 1210-0110
1210-0089

2021

This Form is Open to Public Inspection

Part I Annual Report Identification Information

For calendar plan year 2021 or fiscal plan year beginning 01/01/2021 and ending 12/31/2021

A This return/report is for:
- [ ] a multiemployer plan
- [ ] a multiple-employer plan (Filers checking this box must attach a list of participating employer information in accordance with the form instructions.)
- [X] a single-employer plan
- [ ] a DFE (specify) ____

B This return/report is:
- [ ] the first return/report
- [ ] the final return/report
- [ ] an amended return/report
- [ ] a short plan year return/report (less than 12 months)

C If the plan is a collectively-bargained plan, check here. . . . . ▶ [ ]

D Check box if filing under:
- [X] Form 5558
- [ ] automatic extension
- [ ] the DFVC program
- [ ] special extension (enter description)

E If this is a retroactively adopted plan permitted by SECURE Act section 201, check here. . . . . ▶ [ ]

Part II Basic Plan Information—enter all requested information

1a Name of plan
UNION DE LA INDUSTRIA LICORERA DE PONCE PENSION PLAN

1b Three-digit plan number (PN) ▶ 002

1c Effective date of plan 01/01/1989

2a Plan sponsor's name (employer, if for a single-employer plan)
Mailing address (include room, apt., suite no. and street, or P.O. Box)
City or town, state or province, country, and ZIP or foreign postal code (if foreign, see instructions)
DESTILERIA SERRALLES

PO BOX 198
MERCEDITA, PR 00715-0198

PO BOX 198
MERCEDITA, PR 00715-0198

2b Employer Identification Number (EIN) 66-0179709

2c Plan Sponsor's telephone number 787-840-1000

2d Business code (see instructions) 312140

Caution: A penalty for the late or incomplete filing of this return/report will be assessed unless reasonable cause is established.

Under penalties of perjury and other penalties set forth in the instructions, I declare that I have examined this return/report, including accompanying schedules, statements and attachments, as well as the electronic version of this return/report, and to the best of my knowledge and belief, it is true, correct, and complete.

SIGN HERE	Filed with authorized/valid electronic signature.	02/15/2023	ZAYLINDA VELAZQUEZ
	Signature of plan administrator	Date	Enter name of individual signing as plan administrator
SIGN HERE			
	Signature of employer/plan sponsor	Date	Enter name of individual signing as employer or plan sponsor
SIGN HERE			
	Signature of DFE	Date	Enter name of individual signing as DFE

3a Plan administrator's name and address [X] Same as Plan Sponsor	**3b** Administrator's EIN	
	3c Administrator's telephone number	

4 If the name and/or EIN of the plan sponsor or the plan name has changed since the last return/report filed for this plan, enter the plan sponsor's name, EIN, the plan name and the plan number from the last return/report: **a** Sponsor's name **c** Plan Name	**4b** EIN **4d** PN	

5 Total number of participants at the beginning of the plan year	**5**	122
6 Number of participants as of the end of the plan year unless otherwise stated (welfare plans complete only lines **6a(1), 6a(2), 6b, 6c,** and **6d**).		
a(1) Total number of active participants at the beginning of the plan year	**6a(1)**	122
a(2) Total number of active participants at the end of the plan year	**6a(2)**	119
b Retired or separated participants receiving benefits	**6b**	25
c Other retired or separated participants entitled to future benefits	**6c**	0
d Subtotal. Add lines **6a(2)**, **6b**, and **6c**	**6d**	144
e Deceased participants whose beneficiaries are receiving or are entitled to receive benefits.	**6e**	0
f Total. Add lines **6d** and **6e**	**6f**	144
g Number of participants with account balances as of the end of the plan year (only defined contribution plans complete this item)	**6g**	119
h Number of participants who terminated employment during the plan year with accrued benefits that were less than 100% vested	**6h**	0
7 Enter the total number of employers obligated to contribute to the plan (only multiemployer plans complete this item)	**7**	

8a If the plan provides pension benefits, enter the applicable pension feature codes from the List of Plan Characteristics Codes in the instructions:

2J 3C

b If the plan provides welfare benefits, enter the applicable welfare feature codes from the List of Plan Characteristics Codes in the instructions:

9a Plan funding arrangement (check all that apply)		**9b** Plan benefit arrangement (check all that apply)	
(1) Insurance	[ ]	**(1)** Insurance	[ ]
(2) Code section 412(e)(3) insurance contracts	[ ]	**(2)** Code section 412(e)(3) insurance contracts	[ ]
(3) Trust	[X]	**(3)** Trust	[X]
(4) General assets of the sponsor	[ ]	**(4)** General assets of the sponsor	[ ]

10 Check all applicable boxes in 10a and 10b to indicate which schedules are attached, and, where indicated, enter the number attached. (See instructions)

a Pension Schedules

- **(1)** [ ] **R** (Retirement Plan Information)
- **(2)** [ ] **MB** (Multiemployer Defined Benefit Plan and Certain Money Purchase Plan Actuarial Information) - signed by the plan actuary
- **(3)** [ ] **SB** (Single-Employer Defined Benefit Plan Actuarial Information) - signed by the plan actuary

b General Schedules

- **(1)** [X] **H** (Financial Information)
- **(2)** [ ] **I** (Financial Information – Small Plan)
- **(3)** [ ] ___ **A** (Insurance Information)
- **(4)** [ ] **C** (Service Provider Information)
- **(5)** [ ] **D** (DFE/Participating Plan Information)
- **(6)** [ ] **G** (Financial Transaction Schedules)

Part III Form M-1 Compliance Information (to be completed by welfare benefit plans)

11a If the plan provides welfare benefits, was the plan subject to the Form M-1 filing requirements during the plan year? (See instructions and 29 CFR 2520.101-2.) ..... ☐ Yes ☐ No

If "Yes" is checked, complete lines 11b and 11c.

11b Is the plan currently in compliance with the Form M-1 filing requirements? (See instructions and 29 CFR 2520.101-2.) ..... ☐ Yes ☐ No

11c Enter the Receipt Confirmation Code for the 2021 Form M-1 annual report. If the plan was not required to file the 2021 Form M-1 annual report, enter the Receipt Confirmation Code for the most recent Form M-1 that was required to be filed under the Form M-1 filing requirements. (Failure to enter a valid Receipt Confirmation Code will subject the Form 5500 filing to rejection as incomplete.)

Receipt Confirmation Code_____

SCHEDULE H (Form 5500)

Department of the Treasury
Internal Revenue Service

Department of Labor
Employee Benefits Security Administration

Pension Benefit Guaranty Corporation

Financial Information

This schedule is required to be filed under section 104 of the Employee Retirement Income Security Act of 1974 (ERISA), and section 6058(a) of the Internal Revenue Code (the Code).

▶ **File as an attachment to Form 5500.**

OMB No. 1210-0110

2021

This Form is Open to Public Inspection

For calendar plan year 2021 or fiscal plan year beginning 01/01/2021 and ending 12/31/2021

A Name of plan
UNION DE LA INDUSTRIA LICORERA DE PONCE PENSION PLAN

B Three-digit plan number (PN) ▶ 002

C Plan sponsor's name as shown on line 2a of Form 5500
DESTILERIA SERRALLES

D Employer Identification Number (EIN)
66-0179709

Part I Asset and Liability Statement

1 Current value of plan assets and liabilities at the beginning and end of the plan year. Combine the value of plan assets held in more than one trust. Report the value of the plan's interest in a commingled fund containing the assets of more than one plan on a line-by-line basis unless the value is reportable on lines 1c(9) through 1c(14). Do not enter the value of that portion of an insurance contract which guarantees, during this plan year, to pay a specific dollar benefit at a future date. **Round off amounts to the nearest dollar.** MTIAs, CCTs, PSAs, and 103-12 IEs do not complete lines 1b(1), 1b(2), 1c(8), 1g, 1h, and 1i. CCTs, PSAs, and 103-12 IEs also do not complete lines 1d and 1e. See instructions.

Assets		(a) Beginning of Year	(b) End of Year
a Total noninterest-bearing cash	1a		
b Receivables (less allowance for doubtful accounts):			
(1) Employer contributions	1b(1)		
(2) Participant contributions	1b(2)		
(3) Other	1b(3)		
c General investments:			
(1) Interest-bearing cash (include money market accounts & certificates of deposit)	1c(1)	386986	378733
(2) U.S. Government securities	1c(2)		
(3) Corporate debt instruments (other than employer securities):			
(A) Preferred	1c(3)(A)		
(B) All other	1c(3)(B)		
(4) Corporate stocks (other than employer securities):			
(A) Preferred	1c(4)(A)		
(B) Common	1c(4)(B)		
(5) Partnership/joint venture interests	1c(5)		
(6) Real estate (other than employer real property)	1c(6)		
(7) Loans (other than to participants)	1c(7)		
(8) Participant loans	1c(8)		
(9) Value of interest in common/collective trusts	1c(9)		
(10) Value of interest in pooled separate accounts	1c(10)		
(11) Value of interest in master trust investment accounts	1c(11)		
(12) Value of interest in 103-12 investment entities	1c(12)		
(13) Value of interest in registered investment companies (e.g., mutual funds)	1c(13)	1908	1902
(14) Value of funds held in insurance company general account (unallocated contracts)	1c(14)		
(15) Other	1c(15)	2018985	2038797

			(a) Beginning of Year	**(b)** End of Year
1d	Employer-related investments:			
	(1) Employer securities	1d(1)		
	(2) Employer real property	1d(2)		
e	Buildings and other property used in plan operation	1e		
f	Total assets (add all amounts in lines 1a through 1e)	1f	2407879	2419432
	Liabilities			
g	Benefit claims payable	1g		
h	Operating payables	1h		
i	Acquisition indebtedness	1i		
j	Other liabilities	1j	12086	11980
k	Total liabilities (add all amounts in lines 1g through1j)	1k	12086	11980
	Net Assets			
l	Net assets (subtract line 1k from line 1f)	1l	2395793	2407452

Part II Income and Expense Statement

2 Plan income, expenses, and changes in net assets for the year. Include all income and expenses of the plan, including any trust(s) or separately maintained fund(s) and any payments/receipts to/from insurance carriers. Round off amounts to the nearest dollar. MTIAs, CCTs, PSAs, and 103-12 IEs do not complete lines 2a, 2b(1)(E), 2e, 2f, and 2g.

	Income		**(a)** Amount	**(b)** Total
a	**Contributions:**			
	(1) Received or receivable in cash from: **(A)** Employers	2a(1)(A)	99155	
	(B) Participants	2a(1)(B)	42392	
	(C) Others (including rollovers)	2a(1)(C)		
	(2) Noncash contributions	2a(2)		
	(3) Total contributions. Add lines **2a(1)(A), (B), (C),** and line **2a(2)**	2a(3)		141547
b	**Earnings on investments:**			
	(1) Interest:			
	(A) Interest-bearing cash (including money market accounts and certificates of deposit)	2b(1)(A)	18579	
	(B) U.S. Government securities	2b(1)(B)		
	(C) Corporate debt instruments	2b(1)(C)		
	(D) Loans (other than to participants)	2b(1)(D)		
	(E) Participant loans	2b(1)(E)		
	(F) Other	2b(1)(F)		
	(G) Total interest. Add lines **2b(1)(A)** through **(F)**	2b(1)(G)		18579
	(2) Dividends: **(A)** Preferred stock	2b(2)(A)		
	(B) Common stock	2b(2)(B)		
	(C) Registered investment company shares (e.g. mutual funds)	2b(2)(C)	4875	
	(D) Total dividends. Add lines **2b(2)(A)**, **(B)**, and **(C)**	2b(2)(D)		4875
	(3) Rents	2b(3)		
	(4) Net gain (loss) on sale of assets: **(A)** Aggregate proceeds	2b(4)(A)		
	(B) Aggregate carrying amount (see instructions)	2b(4)(B)		
	(C) Subtract line **2b(4)(B)** from line **2b(4)(A)** and enter result	2b(4)(C)		0
	(5) Unrealized appreciation (depreciation) of assets: **(A)** Real estate	2b(5)(A)		
	(B) Other	2b(5)(B)		
	(C) Total unrealized appreciation of assets. Add lines **2b(5)(A)** and **(B)**	2b(5)(C)		0

		(a) Amount	(b) Total
(6) Net investment gain (loss) from common/collective trusts	2b(6)		
(7) Net investment gain (loss) from pooled separate accounts	2b(7)		
(8) Net investment gain (loss) from master trust investment accounts	2b(8)		
(9) Net investment gain (loss) from 103-12 investment entities	2b(9)		
(10) Net investment gain (loss) from registered investment companies (e.g., mutual funds)	2b(10)		
c Other income	2c		
d Total income. Add all **income** amounts in column (b) and enter total	2d		165001
Expenses			
e Benefit payment and payments to provide benefits:			
(1) Directly to participants or beneficiaries, including direct rollovers	2e(1)	141362	
(2) To insurance carriers for the provision of benefits	2e(2)		
(3) Other	2e(3)		
(4) Total benefit payments. Add lines **2e(1)** through **(3)**	2e(4)		141362
f Corrective distributions (see instructions)	2f		
g Certain deemed distributions of participant loans (see instructions)	2g		
h Interest expense	2h		
i Administrative expenses: **(1)** Professional fees	2i(1)	11980	
(2) Contract administrator fees	2i(2)		
(3) Investment advisory and management fees	2i(3)		
(4) Other	2i(4)		
(5) Total administrative expenses. Add lines **2i(1)** through **(4)**	2i(5)		11980
j Total expenses. Add all **expense** amounts in column (b) and enter total	2j		153342
Net Income and Reconciliation			
k Net income (loss). Subtract line **2j** from line **2d**	2k		11659
l Transfers of assets:			
(1) To this plan	2l(1)		
(2) From this plan	2l(2)		

Part III Accountant's Opinion

3 Complete lines 3a through 3c if the opinion of an independent qualified public accountant is attached to this Form 5500. Complete line 3d if an opinion is not attached.

a The attached opinion of an independent qualified public accountant for this plan is (see instructions):

(1) ☐ Unmodified **(2)** ☐ Qualified **(3)** ☒ Disclaimer **(4)** ☐ Adverse

b Check the appropriate box(es) to indicate whether the IQPA performed an ERISA section 103(a)(3)(C) audit. Check both boxes (1) and (2) if the audit was performed pursuant to both 29 CFR 2520.103-8 and 29 CFR 2520.103-12(d). Check box (3) if pursuant to neither.

(1) ☐ DOL Regulation 2520.103-8 **(2)** ☐ DOL Regulation 2520.103-12(d) **(3)** ☐ neither DOL Regulation 2520.103-8 nor DOL Regulation 2520.103-12(d).

c Enter the name and EIN of the accountant (or accounting firm) below:

(1) Name: JOSE E ROSARIO & CO, CPA PSC **(2)** EIN: 66-0687714

d The opinion of an independent qualified public accountant is **not attached** because:

(1) ☐ This form is filed for a CCT, PSA, or MTIA. **(2)** ☐ It will be attached to the next Form 5500 pursuant to 29 CFR 2520.104-50.

Part IV Compliance Questions

4 CCTs and PSAs do not complete Part IV. MTIAs, 103-12 IEs, and GIAs do not complete lines 4a, 4e, 4f, 4g, 4h, 4k, 4m, 4n, or 5. 103-12 IEs also do not complete lines 4j and 4l. MTIAs also do not complete line 4l.

During the plan year:

		Yes	No	Amount
a Was there a failure to transmit to the plan any participant contributions within the time period described in 29 CFR 2510.3-102? Continue to answer "Yes" for any prior year failures until fully corrected. (See instructions and DOL's Voluntary Fiduciary Correction Program.)	4a		X	

			Yes	No	Amount
b	Were any loans by the plan or fixed income obligations due the plan in default as of the close of the plan year or classified during the year as uncollectible? Disregard participant loans secured by participant's account balance. (Attach Schedule G (Form 5500) Part I if "Yes" is checked.)	**4b**		X	
c	Were any leases to which the plan was a party in default or classified during the year as uncollectible? (Attach Schedule G (Form 5500) Part II if "Yes" is checked.)	**4c**		X	
d	Were there any nonexempt transactions with any party-in-interest? (Do not include transactions reported on line 4a. Attach Schedule G (Form 5500) Part III if "Yes" is checked.)	**4d**		X	
e	Was this plan covered by a fidelity bond?	**4e**	X		500000
f	Did the plan have a loss, whether or not reimbursed by the plan's fidelity bond, that was caused by fraud or dishonesty?	**4f**		X	
g	Did the plan hold any assets whose current value was neither readily determinable on an established market nor set by an independent third party appraiser?	**4g**		X	
h	Did the plan receive any noncash contributions whose value was neither readily determinable on an established market nor set by an independent third party appraiser?	**4h**		X	
i	Did the plan have assets held for investment? (Attach schedule(s) of assets if "Yes" is checked, and see instructions for format requirements.)	**4i**	X		
j	Were any plan transactions or series of transactions in excess of 5% of the current value of plan assets? (Attach schedule of transactions if "Yes" is checked and see instructions for format requirements.)	**4j**		X	
k	Were all the plan assets either distributed to participants or beneficiaries, transferred to another plan, or brought under the control of the PBGC?	**4k**		X	
l	Has the plan failed to provide any benefit when due under the plan?	**4l**		X	
m	If this is an individual account plan, was there a blackout period? (See instructions and 29 CFR 2520.101-3.)	**4m**		X	
n	If 4m was answered "Yes," check the "Yes" box if you either provided the required notice or one of the exceptions to providing the notice applied under 29 CFR 2520.101-3	**4n**			

5a Has a resolution to terminate the plan been adopted during the plan year or any prior plan year? ☐ Yes ☒ No

If "Yes," enter the amount of any plan assets that reverted to the employer this year _____.

5b If, during this plan year, any assets or liabilities were transferred from this plan to another plan(s), identify the plan(s) to which assets or liabilities were transferred. (See instructions.)

5b(1) Name of plan(s)	**5b(2)** EIN(s)	**5b(3)** PN(s)

5c Was the plan a defined benefit plan covered under the PBGC insurance program at any time during this plan year? (See ERISA section 4021 and instructions.) ☐ Yes ☐ No ☐ Not determined

If "Yes" is checked, enter the My PAA confirmation number from the PBGC premium filing for this plan year _____.

A. Description of Plan

The following description of the Unión de la Industria Licorera de Ponce Pension Plan (the "Plan") provides only general information. Participants should refer to the Plan agreement for a more complete description of the Plan's provisions.

General

Unión De La Industria Licorera de Ponce Pension Plan was created on January 1, 1989 as part of the Master Adoption Agreement. The Plan is a trust fund under the provisions of a Collective Bargaining Agreement signed with Destilería Serralles de Puerto Rico, Inc., ("the Employer"), a related party of Unión General de Trabajadores de Puerto Rico. The Union is a labor organization authorized to represent certain employees of the Employer according to applicable laws. The aforementioned parties agreed to establish a Defined Contribution Pension Plan for the benefit of the employees covered by the Collective Bargaining Agreement.

The Trust shall be used for the purpose of providing for the employee's pension and retirement benefits as decided by the Trustees. The operation and administration of the Trust is the joint responsibility of two (2) trustees appointed by the Employer and two (2) appointed by the Union. Each employee who is a regular employee on the effective date shall be an eligible employee. For subsequent plan years, employees become eligible once they meet the following requirements: (1) must be a regular employee or occasional employee to whom the benefits of a regular employee have been extended, or (2) an employee who has been working during the week or enjoying vacation or sick leave with pay benefits.

The Plan is established to comply with the requirements of Section 1165(c) of the Puerto Rico Income Tax Act of 1994, as amended, and is subject to the provisions of the Employee Retirement Income Security Act (ERISA).

Contributions

Pursuant to the Collective Bargaining Agreement, the Employer shall contribute $18.20 on a weekly basis per regular employee with less than 20 years of service, and $20.20 on a weekly basis per regular employee with more than 20 years of service.

Participants only elect to contribute to the Plan up to a maximum of ten percent (10%) of his aggregate compensation received from the Employer while a participant under the Plan. If a participant is also covered under another qualified retirement plan of the Employer and such other plan permits the covered employees to make voluntary contributions, then the aforementioned limitations on the amount of voluntary contributions shall be reduced to the extent of the participant's voluntary contributions made under such plan. Participants may also contribute amounts representing distributions from other qualified plans (rollover) with the written consent of the Plan Administrator.

Retirement Date

Participants are eligible to receive retirement distributions upon normal retirement age of 65 years. The Plan permits early retirement at age 55 upon completing 15 years of service. Also, the Plan provides for late retirement, which date is the first day of the month on or after the date in which the participant elects to retire.

A. Description of Plan (Cont'd)

Participant's Accounts

An account is maintained for each participant, credited with the participant's contribution and allocation of: (i) the Employer's contribution, (ii) plan earnings, and (iii) forfeitures of terminated participant's nonvested accounts and is charged with the allocation of administrative expenses. Allocations are based on the participant's immediately preceding valuation date, a defined.

Vesting

Each participant shall have at all times a fully vested, nonforfeitable right to the value of his voluntary contribution, rollover, and qualified voluntary rollover accounts. Regarding Employer's contributions, participants shall have full rights to their account after six (6) years of employment. In the event of termination of any plan participant for reasons other than retirement or disability prior to completion of six (6) years of service, such an employee shall be entitled to a portion of his account balance in accordance with following schedule:

Year of Service	Vested Percentage
Less than two years	0%
2 years	20%
3 years	40%
4 years	60%
5 years	80%
6 years	100%

Participant's Loans

Participant loans are not permitted.

Forfeited Accounts

Forfeitures shall be allocated in the same manner Employer Contributions. The non-vested portion of a Participant's Employer Contributions shall be forfeited as of the first anniversary date coinciding with or subsequent to the time a participant has previously terminated employment.

Benefit Payments

Upon termination of service due to death, disability, or retirement, a participant or his/her beneficiary may elect to receive the participant's vested interest in his/her account; either in a lump sum amount, installment , or an annuity, which must be nontransferable. For termination of service for other reasons participant may receive the value of the vested interest in his/her account in a lump sum distribution.

A. Description of Plan (Cont'd)

Plan termination

Although it has not expressed any intent to do so, the Employer has the right, under the Plan, to discontinue its contributions at any time and to terminate the Plan subject to the provisions of ERISA. Such termination shall be effected by an instrument in writing executed by the Employer and filed with the Trustee and the Plan Administrator. In the event of plan termination, all participants shall be fully vested and nonforfeitable in the accrued benefits as of the date of the termination.

B. Summary of Accounting Policies

Basis of Accounting

The financial statements of the Plan are prepared using the accrual basis of accounting.

Use of Estimates

The preparation of financial statements in conformity with generally accepted accounting principles requires the plan administrator to make estimates and assumptions that affect certain reported amounts of assets and liabilities and changes therein, and disclosure of contingent assets and liabilities. Actual results may differ from these estimates.

In March 2020, the World Health Organization declared the outbreak of a new strain of coronavirus (COVID-19) a pandemic. The COVID-19 pandemic has negatively impacted the global economy, disrupted global supply chains and created significant volatility and disruption of financial markets. The extent of the impact of the COVID-19 pandemic on the Plan's operations and financial performance will depend on future developments, including the duration and spread of the pandemic, all of which are uncertain and cannot be predicted at this time. The Plan will continue to monitor the evolving COVID-19 pandemic along with the effect on the business and review the estimates for recoverability of the assets and the valuation of the obligations.

Investment Valuation and Income Recognition

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. See note F for 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 includes the plan's gains and losses on investments bought and sold as well as held during the year.

Contributions

Contributions are recognized when withheld from participants and properly matched with Employer contributions.

B. Summary of Accounting Policies (Cont'd)

Payment of Benefits

Benefits payments to participants are recorded upon distribution.

Administrative Expenses

Administrative expenses of the Plan are paid by the Plan as provided in the Plan Document.

C. Fair Value Measurements

FASB ASC 820 establishes a fair value hierarchy that prioritizes the input 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 measurement) and the lowest priority to unobservable inputs (level 3 measurements). The three levels of the fair value hierarchy under FASB ASC 820 are described below:

Level 1	Unadjusted quoted prices in active markets that are accessible at the measurement date for identical, unrestricted assets or liabilities.
Level 2	Quoted prices in markets that are not considered to be active or financial instruments for which all significant inputs are observable, either directly or indirectly.
Level 3	Prices or valuations that require inputs that are both significant to the fair value measurement and unobservable.

The assets or liabilities fair value measurement level within the fair value hierarchy is based on the lowest level of any input that is significant to their value measurement. Valuation techniques used to maximize the use of observable inputs and minimize the use of unobservable inputs.

Following is a description of the valuation methodologies used for assets at fair value. There have been no changes in the methodologies used at December 31, 2021 and 2020

***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 Security 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.

A financial instrument's level within the fair value hierarchy is based on the lowest level of any input that is significant to the fair value measurement.

C. Fair Value Measurements (Cont'd)

The following table sets forth by level within that fair value hierarchy the Plan investment assets at fair value, as of December 31, 2021, and 2020. As required by FASB ASC 820, assets are classified in their entirely based on the lowest level of input that is significant to the fair value measurement.

	Investment Assets at Fair Value as of December 31, 2021			
	Level 1	Level 2	Level 3	Total
Mutual funds	1,902	-	-	$ 1,902
Total assets at fair value	$ 1,902	$ -	$ -	$ 1,902

	Investment Assets at Fair Value as of December 31, 2020			
	Level 1	Level 2	Level 3	Total
Mutual funds	1,908	-	-	$ 1,908
Total assets at fair value	$ 1,908	$ -	$ -	$ 1,908

D. Annuity Investment Contracts

In 2012 and 2014, the Plan entered into two allocated annuity investments contracts, #0101103851 and #0103121178, respectively, with National Western Life Insurance Company ("National"), in the amount of $1,500,000 and $473,298 respectively, with a contract value at December 31, 2021 of $1,518,743 and $520,054, respectively. The terms of the annuity insurance contracts state that the annuitant is the Union's President and the beneficiary of the annuities is the Union and not the Plan.

FASB ASC 960 325 35 3 states that whether or not the plan is subject to ERISA, insurance contracts should be presented in the same manner as specified in the annual report filed by a plan with certain government entities (DOL). Based on generally accepted accounting principles these contracts are considered allocated contracts and should be excluded from the plan assets. However, the plan management considers these contracts as part of the plan assets and have determined that they should be presented in the financial statements of the plan.

E. Tax Status

Effective February 2, 2021, the Plan was amended in order to comply with the new PR Internal Revenue Code of 2011 Section 1081.01, which includes the same provisions and benefits of the previous code and provides the tax exempt status for the plan.

Accounting principles generally accepted in the United States of America require the plan management evaluate tax positions taken by the Plan and recognize a tax liability (or asset) if the Plan has taken an uncertain position that more likely than not would not be sustained upon examination by the Treasury Department of Puerto Rico.

The Plan Administrator believe the Plan is being operated in compliance with the applicable requirements of the Puerto Rico Code and, therefore, believes that the Plan is qualified and the related Trust is tax exempt.

F. Risk and Uncertainties

The Plan invests in various investment securities. 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 participants' account balances and the amounts reported in the statement of net assets available for benefits.

G. Related Party Transactions and Party in Interest Transactions

Consultiva Internacional, Inc., investment advisor of the plan, manages the Plan investment transactions. Retirement Strategies, Inc., serves as record-keeper of the Plan's assets. Certain administrative fees related to the administration of the plan were paid by the Plan. These transactions qualify as party-in-interest transactions. Fees paid by the plan for services rendered amounted to $11,980 and $13,624 for the years ended December 31, 2021 and 2020, respectively.

H. Subsequent Events

The Plan did not have any subsequent events through February 7, 2023, which is the date the financial statements were available to be issued for events requiring recording or disclosure in the financial statements for the year ended December 31, 2021.

UNIÓN DE LA INDUSTRIA LICORERA DE PONCE PENSION PLAN
SUPPLEMENTAL SCHEDULES
DECEMBER 31, 2021 AND 2020

DECEMBER 31, 2021

a) Party-in-interest	b) Identify of Issue	Description of Investments (No. of Units)	d) Cost	e) Current Value
*	Annuity investment contract #0101303851	Annuity Date December 6, 2071; credit interest rate is based on a formula agreed upon with the issuer, but it may not be less than 1%	$ 1,500,000	$ 1,518,743
*	Annuity investment contract #0101321178	Annuity Date December 6, 2071; credit interest rate is based on a formula agreed upon with the issuer, but it may not be less than 1%	473,298	520,054
	Money Market	Money Market	386,982	378,733
	Dodge & Cox Income FD	Mutual Funds - 119.783 shares	1,902	1,902
	Total		**$ 2,362,182**	**$ 2,419,432**

* Party in interest to the Plan

UNIÓN DE LA INDUSTRIA LICORERA DE PONCE PENSION PLAN
TABLE OF CONTENTS

	Pages
Independent Auditors' Report	1-2
Financial Statements	
Statements of net assets available for benefits	3
Statements of changes in net assets available for benefits	4
Notes to financial statements	5-10
Supplemental Schedules	11
Schedule H, Line 4i - Schedule of Assets (Held at End of Year)	12-13

José E. Rosario & Co., CPA, P.S.C.
Certified Public Accountants & Consultants

INDEPENDENT AUDITORS' REPORT

To the Participants and Administrator of
Unión de la Industria Licorera de Ponce Pension Plan

Opinion on the 2021 Financial Statements

We have audited the accompanying financial statements of Unión de la Industria Licorera de Ponce Pension Plan (the Plan), an employee benefit plan subject to the Employee Retirement Income Security Act of 1974 (ERISA), which comprise the statement of net assets available for benefits as of December 31, 2021, and the related statement of changes in net assets available for benefits for the year then ended, and the related notes to the financial statements.

In our opinion, except for the effects as described in the Basis for Opinion on the 2021 financial statements, the financial statements referred to above present fairly, in all material respects, the net assets available for benefits of Unión de la Industria Licorera de Ponce Pension Plan as of December 31, 2021, and the changes in its net assets available for benefits for the year then ended, in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinion on the 2021 Financial Statements

We conducted our audit in accordance with auditing standards generally accepted in the United States of America. As more fully described in Note E to the financial statements, investments in annuity contracts amounting to $2,038,797 and $2,018,985 as of December 31, 2021 and 2020, respectively, should not be presented as part of the plan assets as required by accounting principles generally accepted in the United States of America. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the 2021 Financial Statements section of our report. We are required to be independent of Unión de la Industria Licorera de Ponce Pension Plan and to meet our other ethical responsibilities in accordance with the relevant ethical requirements relating to our audit. 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 2021 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 Unión de la Industria Licorera de Ponce Pension Plan's ability to continue as a going concern for one year after the date 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 2021 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 generally accepted auditing standards 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, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users made on the basis of these financial statements.

In performing an audit in accordance with generally accepted auditing standards, 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 Unión de la Industria Licorera de Ponce Pension Plan'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 Unión de la Industria Licorera de Ponce Pension Plan'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.

2021 Supplemental Schedule Required by ERISA

Our audit was conducted for the purpose of forming an opinion on the financial statements as a whole. The supplemental schedules of Assets (Held at End of Year) as of December 31, 2021 is presented for purposes of additional analysis and are not a required part of the financial statements but are supplementary information required by the Department of Labor's Rules and Regulations for Reporting and Disclosure under ERISA. 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 generally accepted auditing standards.

2021 Supplemental Schedules Required by ERISA (Cont'd)

In forming our opinion on the supplemental schedule, we evaluated whether the supplemental schedule, including their form and content, are presented in conformity with the Department of Labor's Rules and Regulations for Reporting and Disclosure under ERISA.

In our opinion, the information in the accompanying schedules is fairly stated, in all material respects, in relation to the financial statements as a whole, and the form and content are presented in conformity with the Department of Labor's Rules and Regulations for Reporting and Disclosure under ERISA.

Auditor's Report on the 2020 Financial Statements

We were engaged to audit the 2020 financial statements of Unión de la Industria Licorera de Ponce Pension Plan. In our report dated October 14, 2021, we expressed a qualified opinion because the investments in annuity contracts amounting to $2,018,985 should not be presented as part of the plan assets as required by accounting principles generally accepted in the United States of America.

José E. Rosario & Co., CPA, P.S.C.
License No. 176
Expires December 1, 2024

February 7, 2023
San Juan, Puerto Rico



UNIÓN DE LA INDUSTRIA LICORERA DE PONCE PENSION PLAN
STATEMENTS OF NET ASSETS AVAILABLE FOR BENEFITS
Years ended December 31, 2021 and 2020

	2021	2020
Assets		
Investments, at fair value	$ 1,902	$ 1,908
Investments, at contract value	2,038,797	2,018,985
Other receivables	-	-
Money market	378,733	386,982
Total assets	$ 2,419,432	$ 2,407,875
Liabilities		
Accrued expenses	$ 11,980	$ 12,086
Total liabilities	11,980	12,086
Net assets available for benefits	$ 2,407,452	$ 2,395,789

See accompanying notes to the financial statements.