

Form 5500

Annual Return/Report of Employee Benefit Plan

OMB Nos. 1210-0110 1210-0089

2023

This Form is Open to Public Inspection

Department of the Treasury Internal Revenue Service

Department of Labor Employee Benefits Security Administration

Pension Benefit Guaranty Corporation

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.

Part I Annual Report Identification Information

For calendar plan year 2023 or fiscal plan year beginning 10/01/2023 and ending 09/30/2024

- A This return/report is for: [X] a multiemployer plan [ ] a multiple-employer plan... B This return/report is: [ ] a single-employer plan [ ] a DFE... C If the plan is a collectively-bargained plan, check here... [X] D Check box if filing under: [X] Form 5558 [ ] automatic extension... 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 OPERATING ENGINEERS' LOCAL NO. 428 HEALTH AND WELFARE TRUST FUND 1b Three-digit plan number (PN) 501 1c Effective date of plan 06/01/1959 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) OPERATING ENGINEERS' LOCAL NO. 428 HEALTH AND WELFARE TRUST FUND 2550 W UNION HILLS DR STE 290 PHOENIX, AZ 85027-5198 2550 W UNION HILLS DR STE 290 PHOENIX, AZ 85027-5198 2b Employer Identification Number (EIN) 86-6025730 2c Plan Sponsor's telephone number 602-249-3582 2d Business code (see instructions) 525100

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.

Table with 4 columns: SIGN HERE, Signature, Date, Name. Rows for plan administrator, employer/plan sponsor, and DFE.

For Paperwork Reduction Act Notice, see the Instructions for Form 5500.

Form 5500 (2023) v. 230707

<b>3a</b> Plan administrator's name and address <input checked="" type="checkbox"/> Same as Plan Sponsor	<b>3b</b> Administrator's EIN	
	<b>3c</b> Administrator's telephone number	
<b>4</b> 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: <b>a</b> Sponsor's name <b>c</b> Plan Name	<b>4b</b> EIN	
	<b>4d</b> PN	
<b>5</b> Total number of participants at the beginning of the plan year	<b>5</b>	1558
<b>6</b> Number of participants as of the end of the plan year unless otherwise stated (welfare plans complete only lines <b>6a(1)</b> , <b>6a(2)</b> , <b>6b</b> , <b>6c</b> , and <b>6d</b> ). <b>a(1)</b> Total number of active participants at the beginning of the plan year ..... <b>a(2)</b> Total number of active participants at the end of the plan year ..... <b>b</b> Retired or separated participants receiving benefits ..... <b>c</b> Other retired or separated participants entitled to future benefits ..... <b>d</b> Subtotal. Add lines <b>6a(2)</b> , <b>6b</b> , and <b>6c</b> . ..... <b>e</b> Deceased participants whose beneficiaries are receiving or are entitled to receive benefits ..... <b>f</b> Total. Add lines <b>6d</b> and <b>6e</b> . ..... <b>g(1)</b> Number of participants with account balances as of the beginning of the plan year (only defined contribution plans complete this item) ..... <b>g(2)</b> Number of participants with account balances as of the end of the plan year (only defined contribution plans complete this item) ..... <b>h</b> Number of participants who terminated employment during the plan year with accrued benefits that were less than 100% vested.....	<b>6a(1)</b>	1486
	<b>6a(2)</b>	1681
	<b>6b</b>	51
	<b>6c</b>	
	<b>6d</b>	1732
	<b>6e</b>	
	<b>6f</b>	1732
	<b>6g(1)</b>	
<b>6g(2)</b>		
<b>6h</b>		
<b>7</b> Enter the total number of employers obligated to contribute to the plan (only multiemployer plans complete this item).....	<b>7</b>	62

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

**b** If the plan provides welfare benefits, enter the applicable welfare feature codes from the List of Plan Characteristics Codes in the instructions:  
4A 4B 4D 4E 4F

<b>9a</b> Plan funding arrangement (check all that apply)	<b>9b</b> Plan benefit arrangement (check all that apply)
(1) <input type="checkbox"/> Insurance	(1) <input checked="" type="checkbox"/> Insurance
(2) <input type="checkbox"/> Code section 412(e)(3) insurance contracts	(2) <input type="checkbox"/> Code section 412(e)(3) insurance contracts
(3) <input checked="" type="checkbox"/> Trust	(3) <input checked="" type="checkbox"/> Trust
(4) <input type="checkbox"/> General assets of the sponsor	(4) <input type="checkbox"/> 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
  - (4)  **DCG** (Individual Plan Information) – Number Attached \_\_\_\_\_
  - (5)  **MEP** (Multiple-Employer Retirement Plan Information)

- b General Schedules**
- (1)  **H** (Financial Information)
  - (2)  **I** (Financial Information – Small Plan)
  - (3)  **A** (Insurance Information) – Number Attached   3
  - (4)  **C** (Service Provider Information)
  - (5)  **D** (DFE/Participating Plan Information)
  - (6)  **G** (Financial Transaction Schedules)

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

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**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.

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

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**11c** Enter the Receipt Confirmation Code for the 2023 Form M-1 annual report. If the plan was not required to file the 2023 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 \_\_\_\_\_

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**SCHEDULE A  
(Form 5500)**

Department of the Treasury  
Internal Revenue Service

Department of Labor  
Employee Benefits Security Administration

Pension Benefit Guaranty Corporation

**Insurance Information**

This schedule is required to be filed under section 104 of the Employee Retirement Income Security Act of 1974 (ERISA).

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

▶ Insurance companies are required to provide the information pursuant to ERISA section 103(a)(2).

OMB No. 1210-0110

**2023**

**This Form is Open to Public Inspection**

For calendar plan year 2023 or fiscal plan year beginning **10/01/2023** and ending **09/30/2024**

<b>A</b> Name of plan <b>OPERATING ENGINEERS' LOCAL NO. 428 HEALTH AND WELFARE TRUST FUND</b>		<b>B</b> Three-digit plan number (PN) ▶	<b>501</b>
<b>C</b> Plan sponsor's name as shown on line 2a of Form 5500 <b>OPERATING ENGINEERS' LOCAL NO. 428 HEALTH AND WELFARE TRUST FUND</b>		<b>D</b> Employer Identification Number (EIN) <b>86-6025730</b>	

**Part I Information Concerning Insurance Contract Coverage, Fees, and Commissions** Provide information for each contract on a separate Schedule A. Individual contracts grouped as a unit in Parts II and III can be reported on a single Schedule A.

**1 Coverage Information:**

**(a)** Name of insurance carrier

**THE UNION LABOR LIFE INSURANCE COMPANY**

<b>(b)</b> EIN	<b>(c)</b> NAIC code	<b>(d)</b> Contract or identification number	<b>(e)</b> Approximate number of persons covered at end of policy or contract year	<b>Policy or contract year</b>	
				<b>(f)</b> From	<b>(g)</b> To
<b>13-1423090</b>	<b>69744</b>	<b>G2986C4275</b>	<b>1681</b>	<b>10/01/2023</b>	<b>09/30/2024</b>

**2 Insurance fee and commission information.** Enter the total fees and total commissions paid. List in line 3 the agents, brokers, and other persons in descending order of the amount paid.

<b>(a)</b> Total amount of commissions paid	<b>(b)</b> Total amount of fees paid
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**3 Persons receiving commissions and fees.** (Complete as many entries as needed to report all persons).

**(a)** Name and address of the agent, broker, or other person to whom commissions or fees were paid

<b>(b)</b> Amount of sales and base commissions paid	<b>Fees and other commissions paid</b>		<b>(e)</b> Organization code
	<b>(c)</b> Amount	<b>(d)</b> Purpose	

**(a)** Name and address of the agent, broker, or other person to whom commissions or fees were paid

<b>(b)</b> Amount of sales and base commissions paid	<b>Fees and other commissions paid</b>		<b>(e)</b> Organization code
	<b>(c)</b> Amount	<b>(d)</b> Purpose	

(a) Name and address of the agent, broker, or other person to whom commissions or fees were paid

(b) Amount of sales and base commissions paid	Fees and other commissions paid		(e) Organization code
	(c) Amount	(d) Purpose	

(a) Name and address of the agent, broker, or other person to whom commissions or fees were paid

(b) Amount of sales and base commissions paid	Fees and other commissions paid		(e) Organization code
	(c) Amount	(d) Purpose	

(a) Name and address of the agent, broker, or other person to whom commissions or fees were paid

(b) Amount of sales and base commissions paid	Fees and other commissions paid		(e) Organization code
	(c) Amount	(d) Purpose	

(a) Name and address of the agent, broker, or other person to whom commissions or fees were paid

(b) Amount of sales and base commissions paid	Fees and other commissions paid		(e) Organization code
	(c) Amount	(d) Purpose	

(a) Name and address of the agent, broker, or other person to whom commissions or fees were paid

(b) Amount of sales and base commissions paid	Fees and other commissions paid		(e) Organization code
	(c) Amount	(d) Purpose	

<b>Part II</b>	<b>Investment and Annuity Contract Information</b> Where individual contracts are provided, the entire group of such individual contracts with each carrier may be treated as a unit for purposes of this report.
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<b>4</b> Current value of plan's interest under this contract in the general account at year end .....	<b>4</b>	
<b>5</b> Current value of plan's interest under this contract in separate accounts at year end.....	<b>5</b>	

**6** Contracts With Allocated Funds:

<b>a</b> State the basis of premium rates ▶		
<b>b</b> Premiums paid to carrier .....	<b>6b</b>	
<b>c</b> Premiums due but unpaid at the end of the year.....	<b>6c</b>	
<b>d</b> If the carrier, service, or other organization incurred any specific costs in connection with the acquisition or retention of the contract or policy, enter amount. .... Specify nature of costs ▶	<b>6d</b>	
<b>e</b> Type of contract: (1) <input type="checkbox"/> individual policies                      (2) <input type="checkbox"/> group deferred annuity (3) <input type="checkbox"/> other (specify) ▶		
<b>f</b> If contract purchased, in whole or in part, to distribute benefits from a terminating plan, check here ▶ <input type="checkbox"/>		

**7** Contracts With Unallocated Funds (Do not include portions of these contracts maintained in separate accounts)

<b>a</b> Type of contract: (1) <input type="checkbox"/> deposit administration                      (2) <input type="checkbox"/> immediate participation guarantee (3) <input type="checkbox"/> guaranteed investment                      (4) <input type="checkbox"/> other ▶		
<b>b</b> Balance at the end of the previous year .....	<b>7b</b>	
<b>c</b> Additions: (1) Contributions deposited during the year .....	<b>7c(1)</b>	
	<b>7c(2)</b>	
	<b>7c(3)</b>	
	<b>7c(4)</b>	
	<b>7c(5)</b>	
(2) Dividends and credits .....		
(3) Interest credited during the year .....		
(4) Transferred from separate account.....		
(5) Other (specify below) .....		
▶		
(6) Total additions .....	<b>7c(6)</b>	
<b>d</b> Total of balance and additions (add lines <b>7b</b> and <b>7c(6)</b> ) .....	<b>7d</b>	
<b>e</b> Deductions:		
(1) Disbursed from fund to pay benefits or purchase annuities during year	<b>7e(1)</b>	
(2) Administration charge made by carrier .....	<b>7e(2)</b>	
(3) Transferred to separate account.....	<b>7e(3)</b>	
(4) Other (specify below) .....	<b>7e(4)</b>	
▶		
(5) Total deductions .....	<b>7e(5)</b>	
<b>f</b> Balance at the end of the current year (subtract line <b>7e(5)</b> from line <b>7d</b> ) .....	<b>7f</b>	

**Part III Welfare Benefit Contract Information**  
 If more than one contract covers the same group of employees of the same employer(s) or members of the same employee organizations(s), the information may be combined for reporting purposes if such contracts are experience-rated as a unit. Where contracts cover individual employees, the entire group of such individual contracts with each carrier may be treated as a unit for purposes of this report.

- 8** Benefit and contract type (check all applicable boxes)
- |  |  |   |  |
|--|--|---|--|
| <b>a</b> <input type="checkbox"/> Health (other than dental or vision)                                   | <b>b</b> <input type="checkbox"/> Dental               | <b>c</b> <input type="checkbox"/> Vision                    | <b>d</b> <input type="checkbox"/> Life insurance     |
| <b>e</b> <input type="checkbox"/> Temporary disability (accident and sickness)                           | <b>f</b> <input type="checkbox"/> Long-term disability | <b>g</b> <input type="checkbox"/> Supplemental unemployment | <b>h</b> <input type="checkbox"/> Prescription drug  |
| <b>i</b> <input type="checkbox"/> Stop loss (large deductible)   | <b>j</b> <input type="checkbox"/> HMO contract         | <b>k</b> <input type="checkbox"/> PPO contract              | <b>l</b> <input type="checkbox"/> Indemnity contract |
| <b>m</b> <input checked="" type="checkbox"/> Other (specify) ▶ <b>ACCIDENTAL DEATH AND DISMEMBERMENT</b> |  |   |  |

**9** Experience-rated contracts:

<b>a</b> Premiums: (1) Amount received .....	<b>9a(1)</b>	
(2) Increase (decrease) in amount due but unpaid.....	<b>9a(2)</b>	
(3) Increase (decrease) in unearned premium reserve .....	<b>9a(3)</b>	
(4) Earned ((1) + (2) - (3)).....	<b>9a(4)</b>	0
<b>b</b> Benefit charges (1) Claims paid.....	<b>9b(1)</b>	
(2) Increase (decrease) in claim reserves .....	<b>9b(2)</b>	
(3) Incurred claims (add (1) and (2)).....	<b>9b(3)</b>	
(4) Claims charged .....	<b>9b(4)</b>	
<b>c</b> Remainder of premium: (1) Retention charges (on an accrual basis) --		
(A) Commissions .....	<b>9c(1)(A)</b>	
(B) Administrative service or other fees .....	<b>9c(1)(B)</b>	
(C) Other specific acquisition costs .....	<b>9c(1)(C)</b>	
(D) Other expenses .....	<b>9c(1)(D)</b>	
(E) Taxes .....	<b>9c(1)(E)</b>	
(F) Charges for risks or other contingencies.....	<b>9c(1)(F)</b>	
(G) Other retention charges .....	<b>9c(1)(G)</b>	
(H) Total retention .....	<b>9c(1)(H)</b>	
(2) Dividends or retroactive rate refunds. (These amounts were <input type="checkbox"/> paid in cash, or <input type="checkbox"/> credited.) .....	<b>9c(2)</b>	
<b>d</b> Status of policyholder reserves at end of year: (1) Amount held to provide benefits after retirement .....	<b>9d(1)</b>	
(2) Claim reserves .....	<b>9d(2)</b>	
(3) Other reserves.....	<b>9d(3)</b>	
<b>e</b> Dividends or retroactive rate refunds due. (Do not include amount entered in line 9c(2).) .....	<b>9e</b>	
<b>10</b> Nonexperience-rated contracts:		
<b>a</b> Total premiums or subscription charges paid to carrier .....	<b>10a</b>	85300
<b>b</b> If the carrier, service, or other organization incurred any specific costs in connection with the acquisition or retention of the contract or policy, other than reported in Part I, line 2 above, report amount .....	<b>10b</b>	

Specify nature of costs.

**Part IV Provision of Information**

**11** Did the insurance company fail to provide any information necessary to complete Schedule A?.....  Yes  No

**12** If the answer to line 11 is "Yes," specify the information not provided. ▶

**SCHEDULE A  
(Form 5500)**

Department of the Treasury  
Internal Revenue Service

Department of Labor  
Employee Benefits Security Administration

Pension Benefit Guaranty Corporation

**Insurance Information**

This schedule is required to be filed under section 104 of the Employee Retirement Income Security Act of 1974 (ERISA).

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

▶ Insurance companies are required to provide the information pursuant to ERISA section 103(a)(2).

OMB No. 1210-0110

**2023**

**This Form is Open to Public Inspection**

For calendar plan year 2023 or fiscal plan year beginning **10/01/2023** and ending **09/30/2024**

<b>A</b> Name of plan <b>OPERATING ENGINEERS' LOCAL NO. 428 HEALTH AND WELFARE TRUST FUND</b>		<b>B</b> Three-digit plan number (PN) ▶ <b>501</b>
<b>C</b> Plan sponsor's name as shown on line 2a of Form 5500 <b>OPERATING ENGINEERS' LOCAL NO. 428 HEALTH AND WELFARE TRUST FUND</b>		<b>D</b> Employer Identification Number (EIN) <b>86-6025730</b>

**Part I Information Concerning Insurance Contract Coverage, Fees, and Commissions** Provide information for each contract on a separate Schedule A. Individual contracts grouped as a unit in Parts II and III can be reported on a single Schedule A.

**1 Coverage Information:**

**(a)** Name of insurance carrier  
**BLUE CROSS BLUE SHIELD OF ARIZONA**

<b>(b)</b> EIN	<b>(c)</b> NAIC code	<b>(d)</b> Contract or identification number	<b>(e)</b> Approximate number of persons covered at end of policy or contract year	<b>Policy or contract year</b>	
				<b>(f)</b> From	<b>(g)</b> To
<b>86-0004538</b>	<b>53558</b>		<b>1681</b>	<b>10/01/2023</b>	<b>09/30/2024</b>

**2 Insurance fee and commission information.** Enter the total fees and total commissions paid. List in line 3 the agents, brokers, and other persons in descending order of the amount paid.

<b>(a)</b> Total amount of commissions paid	<b>(b)</b> Total amount of fees paid
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**3 Persons receiving commissions and fees.** (Complete as many entries as needed to report all persons).

**(a)** Name and address of the agent, broker, or other person to whom commissions or fees were paid

<b>(b)</b> Amount of sales and base commissions paid	<b>Fees and other commissions paid</b>		<b>(e)</b> Organization code
	<b>(c)</b> Amount	<b>(d)</b> Purpose	

**(a)** Name and address of the agent, broker, or other person to whom commissions or fees were paid

<b>(b)</b> Amount of sales and base commissions paid	<b>Fees and other commissions paid</b>		<b>(e)</b> Organization code
	<b>(c)</b> Amount	<b>(d)</b> Purpose	

(a) Name and address of the agent, broker, or other person to whom commissions or fees were paid

(b) Amount of sales and base commissions paid	Fees and other commissions paid		(e) Organization code
	(c) Amount	(d) Purpose	

(a) Name and address of the agent, broker, or other person to whom commissions or fees were paid

(b) Amount of sales and base commissions paid	Fees and other commissions paid		(e) Organization code
	(c) Amount	(d) Purpose	

(a) Name and address of the agent, broker, or other person to whom commissions or fees were paid

(b) Amount of sales and base commissions paid	Fees and other commissions paid		(e) Organization code
	(c) Amount	(d) Purpose	

(a) Name and address of the agent, broker, or other person to whom commissions or fees were paid

(b) Amount of sales and base commissions paid	Fees and other commissions paid		(e) Organization code
	(c) Amount	(d) Purpose	

(a) Name and address of the agent, broker, or other person to whom commissions or fees were paid

(b) Amount of sales and base commissions paid	Fees and other commissions paid		(e) Organization code
	(c) Amount	(d) Purpose	

**Part II Investment and Annuity Contract Information**  
 Where individual contracts are provided, the entire group of such individual contracts with each carrier may be treated as a unit for purposes of this report.

<b>4</b> Current value of plan's interest under this contract in the general account at year end .....	<b>4</b>	
<b>5</b> Current value of plan's interest under this contract in separate accounts at year end.....	<b>5</b>	

**6** Contracts With Allocated Funds:

**a** State the basis of premium rates ▶

**b** Premiums paid to carrier ..... **6b**

**c** Premiums due but unpaid at the end of the year..... **6c**

**d** If the carrier, service, or other organization incurred any specific costs in connection with the acquisition or retention of the contract or policy, enter amount. .... **6d**  
 Specify nature of costs ▶

**e** Type of contract: (1)  individual policies (2)  group deferred annuity  
 (3)  other (specify) ▶

**f** If contract purchased, in whole or in part, to distribute benefits from a terminating plan, check here ▶

**7** Contracts With Unallocated Funds (Do not include portions of these contracts maintained in separate accounts)

**a** Type of contract: (1)  deposit administration (2)  immediate participation guarantee  
 (3)  guaranteed investment (4)  other ▶

**b** Balance at the end of the previous year ..... **7b**

**c** Additions: (1) Contributions deposited during the year ..... **7c(1)**  
 (2) Dividends and credits ..... **7c(2)**  
 (3) Interest credited during the year ..... **7c(3)**  
 (4) Transferred from separate account..... **7c(4)**  
 (5) Other (specify below) ..... **7c(5)**  
 ▶

(6) Total additions ..... **7c(6)**

**d** Total of balance and additions (add lines **7b** and **7c(6)**) ..... **7d**

**e** Deductions:  
 (1) Disbursed from fund to pay benefits or purchase annuities during year ..... **7e(1)**  
 (2) Administration charge made by carrier ..... **7e(2)**  
 (3) Transferred to separate account..... **7e(3)**  
 (4) Other (specify below) ..... **7e(4)**  
 ▶

(5) Total deductions ..... **7e(5)**

**f** Balance at the end of the current year (subtract line **7e(5)** from line **7d**) ..... **7f**

**Part III Welfare Benefit Contract Information**  
 If more than one contract covers the same group of employees of the same employer(s) or members of the same employee organizations(s), the information may be combined for reporting purposes if such contracts are experience-rated as a unit. Where contracts cover individual employees, the entire group of such individual contracts with each carrier may be treated as a unit for purposes of this report.

**8** Benefit and contract type (check all applicable boxes)

- a**  Health (other than dental or vision)     
 **b**  Dental     
 **c**  Vision     
 **d**  Life insurance  
**e**  Temporary disability (accident and sickness)     
 **f**  Long-term disability     
 **g**  Supplemental unemployment     
 **h**  Prescription drug  
**i**  Stop loss (large deductible)     
 **j**  HMO contract     
 **k**  PPO contract     
 **l**  Indemnity contract  
**m**  Other (specify) ▶

**9** Experience-rated contracts:

<b>a</b> Premiums: (1) Amount received .....	<b>9a(1)</b>	
(2) Increase (decrease) in amount due but unpaid.....	<b>9a(2)</b>	
(3) Increase (decrease) in unearned premium reserve .....	<b>9a(3)</b>	
(4) Earned ((1) + (2) - (3)).....		<b>9a(4)</b>
<b>b</b> Benefit charges (1) Claims paid.....	<b>9b(1)</b>	
(2) Increase (decrease) in claim reserves .....	<b>9b(2)</b>	
(3) Incurred claims (add (1) and (2)).....		<b>9b(3)</b>
(4) Claims charged .....		<b>9b(4)</b>
<b>c</b> Remainder of premium: (1) Retention charges (on an accrual basis) --		
(A) Commissions .....	<b>9c(1)(A)</b>	
(B) Administrative service or other fees .....	<b>9c(1)(B)</b>	
(C) Other specific acquisition costs .....	<b>9c(1)(C)</b>	
(D) Other expenses .....	<b>9c(1)(D)</b>	
(E) Taxes .....	<b>9c(1)(E)</b>	
(F) Charges for risks or other contingencies.....	<b>9c(1)(F)</b>	
(G) Other retention charges .....	<b>9c(1)(G)</b>	
(H) Total retention .....		<b>9c(1)(H)</b>
(2) Dividends or retroactive rate refunds. (These amounts were <input type="checkbox"/> paid in cash, or <input type="checkbox"/> credited.) .....		<b>9c(2)</b>
<b>d</b> Status of policyholder reserves at end of year: (1) Amount held to provide benefits after retirement .....		<b>9d(1)</b>
(2) Claim reserves .....		<b>9d(2)</b>
(3) Other reserves.....		<b>9d(3)</b>
<b>e</b> Dividends or retroactive rate refunds due. (Do not include amount entered in line 9c(2).) .....		<b>9e</b>

**10** Nonexperience-rated contracts:

<b>a</b> Total premiums or subscription charges paid to carrier .....	<b>10a</b>	289035
<b>b</b> If the carrier, service, or other organization incurred any specific costs in connection with the acquisition or retention of the contract or policy, other than reported in Part I, line 2 above, report amount .....	<b>10b</b>	

Specify nature of costs.

**Part IV Provision of Information**

**11** Did the insurance company fail to provide any information necessary to complete Schedule A?.....  Yes  No

**12** If the answer to line 11 is "Yes," specify the information not provided. ▶

**SCHEDULE A  
(Form 5500)**

Department of the Treasury  
Internal Revenue Service

Department of Labor  
Employee Benefits Security Administration

Pension Benefit Guaranty Corporation

**Insurance Information**

This schedule is required to be filed under section 104 of the Employee Retirement Income Security Act of 1974 (ERISA).

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

▶ Insurance companies are required to provide the information pursuant to ERISA section 103(a)(2).

OMB No. 1210-0110

**2023**

**This Form is Open to Public Inspection**

For calendar plan year 2023 or fiscal plan year beginning **10/01/2023** and ending **09/30/2024**

**A** Name of plan  
**OPERATING ENGINEERS' LOCAL NO. 428 HEALTH AND WELFARE TRUST FUND**

**B** Three-digit plan number (PN) ▶ **501**

**C** Plan sponsor's name as shown on line 2a of Form 5500  
**OPERATING ENGINEERS' LOCAL NO. 428 HEALTH AND WELFARE TRUST FUND**

**D** Employer Identification Number (EIN)  
**86-6025730**

**Part I Information Concerning Insurance Contract Coverage, Fees, and Commissions** Provide information for each contract on a separate Schedule A. Individual contracts grouped as a unit in Parts II and III can be reported on a single Schedule A.

**1** Coverage Information:

**(a)** Name of insurance carrier  
**VISION SERVICE PLAN**

<b>(b)</b> EIN	<b>(c)</b> NAIC code	<b>(d)</b> Contract or identification number	<b>(e)</b> Approximate number of persons covered at end of policy or contract year	<b>Policy or contract year</b>	
				<b>(f)</b> From	<b>(g)</b> To
<b>06-1227840</b>	<b>39616</b>	<b>121380880001</b>	<b>1681</b>	<b>10/01/2023</b>	<b>10/30/2024</b>

**2** Insurance fee and commission information. Enter the total fees and total commissions paid. List in line 3 the agents, brokers, and other persons in descending order of the amount paid.

**(a)** Total amount of commissions paid

**(b)** Total amount of fees paid

**3** Persons receiving commissions and fees. (Complete as many entries as needed to report all persons).

**(a)** Name and address of the agent, broker, or other person to whom commissions or fees were paid

<b>(b)</b> Amount of sales and base commissions paid	<b>Fees and other commissions paid</b>		<b>(e)</b> Organization code
	<b>(c)</b> Amount	<b>(d)</b> Purpose	

**(a)** Name and address of the agent, broker, or other person to whom commissions or fees were paid

<b>(b)</b> Amount of sales and base commissions paid	<b>Fees and other commissions paid</b>		<b>(e)</b> Organization code
	<b>(c)</b> Amount	<b>(d)</b> Purpose	

(a) Name and address of the agent, broker, or other person to whom commissions or fees were paid

(b) Amount of sales and base commissions paid	Fees and other commissions paid		(e) Organization code
	(c) Amount	(d) Purpose	

(a) Name and address of the agent, broker, or other person to whom commissions or fees were paid

(b) Amount of sales and base commissions paid	Fees and other commissions paid		(e) Organization code
	(c) Amount	(d) Purpose	

(a) Name and address of the agent, broker, or other person to whom commissions or fees were paid

(b) Amount of sales and base commissions paid	Fees and other commissions paid		(e) Organization code
	(c) Amount	(d) Purpose	

(a) Name and address of the agent, broker, or other person to whom commissions or fees were paid

(b) Amount of sales and base commissions paid	Fees and other commissions paid		(e) Organization code
	(c) Amount	(d) Purpose	

(a) Name and address of the agent, broker, or other person to whom commissions or fees were paid

(b) Amount of sales and base commissions paid	Fees and other commissions paid		(e) Organization code
	(c) Amount	(d) Purpose	

<b>Part II</b>	<b>Investment and Annuity Contract Information</b> Where individual contracts are provided, the entire group of such individual contracts with each carrier may be treated as a unit for purposes of this report.
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<b>4</b> Current value of plan's interest under this contract in the general account at year end .....	<b>4</b>	
<b>5</b> Current value of plan's interest under this contract in separate accounts at year end.....	<b>5</b>	

**6** Contracts With Allocated Funds:

<b>a</b> State the basis of premium rates ▶		
<b>b</b> Premiums paid to carrier .....	<b>6b</b>	
<b>c</b> Premiums due but unpaid at the end of the year.....	<b>6c</b>	
<b>d</b> If the carrier, service, or other organization incurred any specific costs in connection with the acquisition or retention of the contract or policy, enter amount. .... Specify nature of costs ▶	<b>6d</b>	
<b>e</b> Type of contract: (1) <input type="checkbox"/> individual policies                      (2) <input type="checkbox"/> group deferred annuity (3) <input type="checkbox"/> other (specify) ▶		
<b>f</b> If contract purchased, in whole or in part, to distribute benefits from a terminating plan, check here ▶ <input type="checkbox"/>		

**7** Contracts With Unallocated Funds (Do not include portions of these contracts maintained in separate accounts)

<b>a</b> Type of contract: (1) <input type="checkbox"/> deposit administration                      (2) <input type="checkbox"/> immediate participation guarantee (3) <input type="checkbox"/> guaranteed investment                      (4) <input type="checkbox"/> other ▶		
<b>b</b> Balance at the end of the previous year .....	<b>7b</b>	
<b>c</b> Additions: (1) Contributions deposited during the year .....	<b>7c(1)</b>	
	<b>7c(2)</b>	
	<b>7c(3)</b>	
	<b>7c(4)</b>	
	<b>7c(5)</b>	
	<b>7c(6)</b>	
(6) Total additions .....	<b>7c(6)</b>	
<b>d</b> Total of balance and additions (add lines <b>7b</b> and <b>7c(6)</b> ) .....	<b>7d</b>	
<b>e</b> Deductions: (1) Disbursed from fund to pay benefits or purchase annuities during year .....	<b>7e(1)</b>	
	<b>7e(2)</b>	
	<b>7e(3)</b>	
	<b>7e(4)</b>	
	<b>7e(5)</b>	
(5) Total deductions .....	<b>7e(5)</b>	
<b>f</b> Balance at the end of the current year (subtract line <b>7e(5)</b> from line <b>7d</b> ) .....	<b>7f</b>	

**Part III Welfare Benefit Contract Information**  
 If more than one contract covers the same group of employees of the same employer(s) or members of the same employee organizations(s), the information may be combined for reporting purposes if such contracts are experience-rated as a unit. Where contracts cover individual employees, the entire group of such individual contracts with each carrier may be treated as a unit for purposes of this report.

**8** Benefit and contract type (check all applicable boxes)

- a**  Health (other than dental or vision)
- b**  Dental
- c**  Vision
- d**  Life insurance
- e**  Temporary disability (accident and sickness)
- f**  Long-term disability
- g**  Supplemental unemployment
- h**  Prescription drug
- i**  Stop loss (large deductible)
- j**  HMO contract
- k**  PPO contract
- l**  Indemnity contract
- m**  Other (specify) ▶

**9** Experience-rated contracts:

<b>a</b>	Premiums: (1) Amount received .....	<b>9a(1)</b>	
	(2) Increase (decrease) in amount due but unpaid.....	<b>9a(2)</b>	
	(3) Increase (decrease) in unearned premium reserve .....	<b>9a(3)</b>	
	(4) Earned ((1) + (2) - (3)).....		<b>9a(4)</b>
<b>b</b>	Benefit charges (1) Claims paid.....	<b>9b(1)</b>	
	(2) Increase (decrease) in claim reserves .....	<b>9b(2)</b>	
	(3) Incurred claims (add (1) and (2)).....		<b>9b(3)</b>
	(4) Claims charged .....		<b>9b(4)</b>
<b>c</b>	Remainder of premium: (1) Retention charges (on an accrual basis) --		
	(A) Commissions .....	<b>9c(1)(A)</b>	
	(B) Administrative service or other fees .....	<b>9c(1)(B)</b>	
	(C) Other specific acquisition costs .....	<b>9c(1)(C)</b>	
	(D) Other expenses .....	<b>9c(1)(D)</b>	
	(E) Taxes .....	<b>9c(1)(E)</b>	
	(F) Charges for risks or other contingencies.....	<b>9c(1)(F)</b>	
	(G) Other retention charges .....	<b>9c(1)(G)</b>	
	(H) Total retention .....		<b>9c(1)(H)</b>
	(2) Dividends or retroactive rate refunds. (These amounts were <input type="checkbox"/> paid in cash, or <input type="checkbox"/> credited.) .....		<b>9c(2)</b>
<b>d</b>	Status of policyholder reserves at end of year: (1) Amount held to provide benefits after retirement .....		<b>9d(1)</b>
	(2) Claim reserves .....		<b>9d(2)</b>
	(3) Other reserves.....		<b>9d(3)</b>
<b>e</b>	Dividends or retroactive rate refunds due. (Do not include amount entered in line 9c(2).) .....		<b>9e</b>

**10** Nonexperience-rated contracts:

<b>a</b>	Total premiums or subscription charges paid to carrier .....	<b>10a</b>	20825
<b>b</b>	If the carrier, service, or other organization incurred any specific costs in connection with the acquisition or retention of the contract or policy, other than reported in Part I, line 2 above, report amount .....	<b>10b</b>	

Specify nature of costs.

**Part IV Provision of Information**

**11** Did the insurance company fail to provide any information necessary to complete Schedule A?.....  Yes  No

**12** If the answer to line 11 is "Yes," specify the information not provided. ▶

<b>SCHEDULE C</b> <b>(Form 5500)</b>  <small>Department of the Treasury Internal Revenue Service</small>  <small>Department of Labor Employee Benefits Security Administration</small>  <small>Pension Benefit Guaranty Corporation</small>	<b>Service Provider Information</b>  This schedule is required to be filed under section 104 of the Employee Retirement Income Security Act of 1974 (ERISA).  <b>▶ File as an attachment to Form 5500.</b>	<small>OMB No. 1210-0110</small>  <b>2023</b>  <b>This Form is Open to Public Inspection.</b>
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For calendar plan year 2023 or fiscal plan year beginning **10/01/2023** and ending **09/30/2024**

<b>A</b> Name of plan <b>OPERATING ENGINEERS' LOCAL NO. 428 HEALTH AND WELFARE TRUST FUND</b>	<b>B</b> Three-digit plan number (PN) ▶	<b>501</b>
<b>C</b> Plan sponsor's name as shown on line 2a of Form 5500 <b>OPERATING ENGINEERS' LOCAL NO. 428 HEALTH AND WELFARE TRUST FUND</b>	<b>D</b> Employer Identification Number (EIN) <b>86-6025730</b>	

**Part I Service Provider Information (see instructions)**

You must complete this Part, in accordance with the instructions, to report the information required for **each person** who received, directly or indirectly, \$5,000 or more in total compensation (i.e., money or anything else of monetary value) in connection with services rendered to the plan or the person's position with the plan during the plan year. If a person received **only** eligible indirect compensation for which the plan received the required disclosures, you are required to answer line 1 but are not required to include that person when completing the remainder of this Part.

**1 Information on Persons Receiving Only Eligible Indirect Compensation**

**a** Check "Yes" or "No" to indicate whether you are excluding a person from the remainder of this Part because they received only eligible indirect compensation for which the plan received the required disclosures (see instructions for definitions and conditions).....  Yes  No

**b** If you answered line 1a "Yes," enter the name and EIN or address of each person providing the required disclosures for the service providers who received only eligible indirect compensation. Complete as many entries as needed (see instructions).

**(b)** Enter name and EIN or address of person who provided you disclosures on eligible indirect compensation

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**(b)** Enter name and EIN or address of person who provided you disclosures on eligible indirect compensation

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**(b)** Enter name and EIN or address of person who provided you disclosures on eligible indirect compensation

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**2. Information on Other Service Providers Receiving Direct or Indirect Compensation.** Except for those persons for whom you answered "Yes" to line 1a above, complete as many entries as needed to list each person receiving, directly or indirectly, \$5,000 or more in total compensation (i.e., money or anything else of value) in connection with services rendered to the plan or their position with the plan during the plan year. (See instructions).

(a) Enter name and EIN or address (see instructions)

LETTERSTREAM

8551 E ANDERSON DR 108  
SCOTTSDALE, AZ 85255

(b) Service Code(s)	(c) Relationship to employer, employee organization, or person known to be a party-in-interest	(d) Enter direct compensation paid by the plan. If none, enter -0-.	(e) Did service provider receive indirect compensation? (sources other than plan or plan sponsor)	(f) Did indirect compensation include eligible indirect compensation, for which the plan received the required disclosures?	(g) Enter total indirect compensation received by service provider excluding eligible indirect compensation for which you answered "Yes" to element (f). If none, enter -0-.	(h) Did the service provider give you a formula instead of an amount or estimated amount?
36	NONE OTHER THAN CONTRACT	12538	Yes <input type="checkbox"/> No <input checked="" type="checkbox"/>	Yes <input type="checkbox"/> No <input type="checkbox"/>		Yes <input type="checkbox"/> No <input type="checkbox"/>

(a) Enter name and EIN or address (see instructions)

SPENCER FANE

370 17TH STREET 4800  
DENVER, CO 80202

(b) Service Code(s)	(c) Relationship to employer, employee organization, or person known to be a party-in-interest	(d) Enter direct compensation paid by the plan. If none, enter -0-.	(e) Did service provider receive indirect compensation? (sources other than plan or plan sponsor)	(f) Did indirect compensation include eligible indirect compensation, for which the plan received the required disclosures?	(g) Enter total indirect compensation received by service provider excluding eligible indirect compensation for which you answered "Yes" to element (f). If none, enter -0-.	(h) Did the service provider give you a formula instead of an amount or estimated amount?
29	NONE OTHER THAN CONTRACT	37855	Yes <input type="checkbox"/> No <input checked="" type="checkbox"/>	Yes <input type="checkbox"/> No <input type="checkbox"/>		Yes <input type="checkbox"/> No <input type="checkbox"/>

(a) Enter name and EIN or address (see instructions)

SOUTHWEST SERVICE ADMINISTRATORS

86-6951948

(b) Service Code(s)	(c) Relationship to employer, employee organization, or person known to be a party-in-interest	(d) Enter direct compensation paid by the plan. If none, enter -0-.	(e) Did service provider receive indirect compensation? (sources other than plan or plan sponsor)	(f) Did indirect compensation include eligible indirect compensation, for which the plan received the required disclosures?	(g) Enter total indirect compensation received by service provider excluding eligible indirect compensation for which you answered "Yes" to element (f). If none, enter -0-.	(h) Did the service provider give you a formula instead of an amount or estimated amount?
13	NONE OTHER THAN CONTRACT	290631	Yes <input type="checkbox"/> No <input checked="" type="checkbox"/>	Yes <input type="checkbox"/> No <input type="checkbox"/>		Yes <input type="checkbox"/> No <input type="checkbox"/>

**2. Information on Other Service Providers Receiving Direct or Indirect Compensation.** Except for those persons for whom you answered "Yes" to line 1a above, complete as many entries as needed to list each person receiving, directly or indirectly, \$5,000 or more in total compensation (i.e., money or anything else of value) in connection with services rendered to the plan or their position with the plan during the plan year. (See instructions).

(a) Enter name and EIN or address (see instructions)

LSV ASSET MANAGEMENT

155 N WACKER DRIVE  
CHICAGO, IL 60606

(b) Service Code(s)	(c) Relationship to employer, employee organization, or person known to be a party-in-interest	(d) Enter direct compensation paid by the plan. If none, enter -0-.	(e) Did service provider receive indirect compensation? (sources other than plan or plan sponsor)	(f) Did indirect compensation include eligible indirect compensation, for which the plan received the required disclosures?	(g) Enter total indirect compensation received by service provider excluding eligible indirect compensation for which you answered "Yes" to element (f). If none, enter -0-.	(h) Did the service provider give you a formula instead of an amount or estimated amount?
28	NONE OTHER THAN CONTRACT	34900	Yes <input type="checkbox"/> No <input checked="" type="checkbox"/>	Yes <input type="checkbox"/> No <input type="checkbox"/>		Yes <input type="checkbox"/> No <input type="checkbox"/>

(a) Enter name and EIN or address (see instructions)

BLUE CROSS BLUE SHIELD

86-0004538

(b) Service Code(s)	(c) Relationship to employer, employee organization, or person known to be a party-in-interest	(d) Enter direct compensation paid by the plan. If none, enter -0-.	(e) Did service provider receive indirect compensation? (sources other than plan or plan sponsor)	(f) Did indirect compensation include eligible indirect compensation, for which the plan received the required disclosures?	(g) Enter total indirect compensation received by service provider excluding eligible indirect compensation for which you answered "Yes" to element (f). If none, enter -0-.	(h) Did the service provider give you a formula instead of an amount or estimated amount?
23	NONE OTHER THAN CONTRACT	863030	Yes <input type="checkbox"/> No <input checked="" type="checkbox"/>	Yes <input type="checkbox"/> No <input type="checkbox"/>		Yes <input type="checkbox"/> No <input type="checkbox"/>

(a) Enter name and EIN or address (see instructions)

DELTA DENTAL

14850 N SCOTTSDALE RD  
SCOTTSDALE, AZ 85254

(b) Service Code(s)	(c) Relationship to employer, employee organization, or person known to be a party-in-interest	(d) Enter direct compensation paid by the plan. If none, enter -0-.	(e) Did service provider receive indirect compensation? (sources other than plan or plan sponsor)	(f) Did indirect compensation include eligible indirect compensation, for which the plan received the required disclosures?	(g) Enter total indirect compensation received by service provider excluding eligible indirect compensation for which you answered "Yes" to element (f). If none, enter -0-.	(h) Did the service provider give you a formula instead of an amount or estimated amount?
12	NONE OTHER THAN CONTRACT	76915	Yes <input type="checkbox"/> No <input checked="" type="checkbox"/>	Yes <input type="checkbox"/> No <input type="checkbox"/>		Yes <input type="checkbox"/> No <input type="checkbox"/>

**2. Information on Other Service Providers Receiving Direct or Indirect Compensation.** Except for those persons for whom you answered "Yes" to line 1a above, complete as many entries as needed to list each person receiving, directly or indirectly, \$5,000 or more in total compensation (i.e., money or anything else of value) in connection with services rendered to the plan or their position with the plan during the plan year. (See instructions).

(a) Enter name and EIN or address (see instructions)

BALDWIN MOFFITT BEHM LLP

46-4370753

(b) Service Code(s)	(c) Relationship to employer, employee organization, or person known to be a party-in-interest	(d) Enter direct compensation paid by the plan. If none, enter -0-.	(e) Did service provider receive indirect compensation? (sources other than plan or plan sponsor)	(f) Did indirect compensation include eligible indirect compensation, for which the plan received the required disclosures?	(g) Enter total indirect compensation received by service provider excluding eligible indirect compensation for which you answered "Yes" to element (f). If none, enter -0-.	(h) Did the service provider give you a formula instead of an amount or estimated amount?
10	NONE OTHER THAN CONTRACT	17623	Yes <input type="checkbox"/> No <input checked="" type="checkbox"/>	Yes <input type="checkbox"/> No <input type="checkbox"/>		Yes <input type="checkbox"/> No <input type="checkbox"/>

(a) Enter name and EIN or address (see instructions)

THE SEGAL COMPANY

94-1503999

(b) Service Code(s)	(c) Relationship to employer, employee organization, or person known to be a party-in-interest	(d) Enter direct compensation paid by the plan. If none, enter -0-.	(e) Did service provider receive indirect compensation? (sources other than plan or plan sponsor)	(f) Did indirect compensation include eligible indirect compensation, for which the plan received the required disclosures?	(g) Enter total indirect compensation received by service provider excluding eligible indirect compensation for which you answered "Yes" to element (f). If none, enter -0-.	(h) Did the service provider give you a formula instead of an amount or estimated amount?
16	NONE OTHER THAN CONTRACT	106412	Yes <input type="checkbox"/> No <input checked="" type="checkbox"/>	Yes <input type="checkbox"/> No <input type="checkbox"/>		Yes <input type="checkbox"/> No <input type="checkbox"/>

(a) Enter name and EIN or address (see instructions)

SEGAL SELECT INSURANCE BROKERAGE

46-0061919

(b) Service Code(s)	(c) Relationship to employer, employee organization, or person known to be a party-in-interest	(d) Enter direct compensation paid by the plan. If none, enter -0-.	(e) Did service provider receive indirect compensation? (sources other than plan or plan sponsor)	(f) Did indirect compensation include eligible indirect compensation, for which the plan received the required disclosures?	(g) Enter total indirect compensation received by service provider excluding eligible indirect compensation for which you answered "Yes" to element (f). If none, enter -0-.	(h) Did the service provider give you a formula instead of an amount or estimated amount?
53	NONE OTHER THAN CONTRACT	22690	Yes <input type="checkbox"/> No <input checked="" type="checkbox"/>	Yes <input type="checkbox"/> No <input type="checkbox"/>		Yes <input type="checkbox"/> No <input type="checkbox"/>

**2. Information on Other Service Providers Receiving Direct or Indirect Compensation.** Except for those persons for whom you answered "Yes" to line 1a above, complete as many entries as needed to list each person receiving, directly or indirectly, \$5,000 or more in total compensation (i.e., money or anything else of value) in connection with services rendered to the plan or their position with the plan during the plan year. (See instructions).

(a) Enter name and EIN or address (see instructions)

VERUS

91-1320111

(b) Service Code(s)	(c) Relationship to employer, employee organization, or person known to be a party-in-interest	(d) Enter direct compensation paid by the plan. If none, enter -0-.	(e) Did service provider receive indirect compensation? (sources other than plan or plan sponsor)	(f) Did indirect compensation include eligible indirect compensation, for which the plan received the required disclosures?	(g) Enter total indirect compensation received by service provider excluding eligible indirect compensation for which you answered "Yes" to element (f). If none, enter -0-.	(h) Did the service provider give you a formula instead of an amount or estimated amount?
27	NONE OTHER THAN CONTRACT	33480	Yes <input type="checkbox"/> No <input checked="" type="checkbox"/>	Yes <input type="checkbox"/> No <input type="checkbox"/>		Yes <input type="checkbox"/> No <input type="checkbox"/>

(a) Enter name and EIN or address (see instructions)

(b) Service Code(s)	(c) Relationship to employer, employee organization, or person known to be a party-in-interest	(d) Enter direct compensation paid by the plan. If none, enter -0-.	(e) Did service provider receive indirect compensation? (sources other than plan or plan sponsor)	(f) Did indirect compensation include eligible indirect compensation, for which the plan received the required disclosures?	(g) Enter total indirect compensation received by service provider excluding eligible indirect compensation for which you answered "Yes" to element (f). If none, enter -0-.	(h) Did the service provider give you a formula instead of an amount or estimated amount?
			Yes <input type="checkbox"/> No <input type="checkbox"/>	Yes <input type="checkbox"/> No <input type="checkbox"/>		Yes <input type="checkbox"/> No <input type="checkbox"/>

(a) Enter name and EIN or address (see instructions)

(b) Service Code(s)	(c) Relationship to employer, employee organization, or person known to be a party-in-interest	(d) Enter direct compensation paid by the plan. If none, enter -0-.	(e) Did service provider receive indirect compensation? (sources other than plan or plan sponsor)	(f) Did indirect compensation include eligible indirect compensation, for which the plan received the required disclosures?	(g) Enter total indirect compensation received by service provider excluding eligible indirect compensation for which you answered "Yes" to element (f). If none, enter -0-.	(h) Did the service provider give you a formula instead of an amount or estimated amount?
			Yes <input type="checkbox"/> No <input type="checkbox"/>	Yes <input type="checkbox"/> No <input type="checkbox"/>		Yes <input type="checkbox"/> No <input type="checkbox"/>

**Part I Service Provider Information (continued)**

3. If you reported on line 2 receipt of indirect compensation, other than eligible indirect compensation, by a service provider, and the service provider is a fiduciary or provides contract administrator, consulting, custodial, investment advisory, investment management, broker, or recordkeeping services, answer the following questions for (a) each source from whom the service provider received \$1,000 or more in indirect compensation and (b) each source for whom the service provider gave you a formula used to determine the indirect compensation instead of an amount or estimated amount of the indirect compensation. Complete as many entries as needed to report the required information for each source.

<b>(a)</b> Enter service provider name as it appears on line 2	<b>(b)</b> Service Codes (see instructions)	<b>(c)</b> Enter amount of indirect compensation
<b>(d)</b> Enter name and EIN (address) of source of indirect compensation	<b>(e)</b> Describe the indirect compensation, including any formula used to determine the service provider's eligibility for or the amount of the indirect compensation.	
<b>(a)</b> Enter service provider name as it appears on line 2	<b>(b)</b> Service Codes (see instructions)	<b>(c)</b> Enter amount of indirect compensation
<b>(d)</b> Enter name and EIN (address) of source of indirect compensation	<b>(e)</b> Describe the indirect compensation, including any formula used to determine the service provider's eligibility for or the amount of the indirect compensation.	
<b>(a)</b> Enter service provider name as it appears on line 2	<b>(b)</b> Service Codes (see instructions)	<b>(c)</b> Enter amount of indirect compensation
<b>(d)</b> Enter name and EIN (address) of source of indirect compensation	<b>(e)</b> Describe the indirect compensation, including any formula used to determine the service provider's eligibility for or the amount of the indirect compensation.	

**Part II Service Providers Who Fail or Refuse to Provide Information**

**4** Provide, to the extent possible, the following information for each service provider who failed or refused to provide the information necessary to complete this Schedule.

<b>(a)</b> Enter name and EIN or address of service provider (see instructions)	<b>(b)</b> Nature of Service Code(s)	<b>(c)</b> Describe the information that the service provider failed or refused to provide

<b>(a)</b> Enter name and EIN or address of service provider (see instructions)	<b>(b)</b> Nature of Service Code(s)	<b>(c)</b> Describe the information that the service provider failed or refused to provide

<b>(a)</b> Enter name and EIN or address of service provider (see instructions)	<b>(b)</b> Nature of Service Code(s)	<b>(c)</b> Describe the information that the service provider failed or refused to provide

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<b>(a)</b> Enter name and EIN or address of service provider (see instructions)	<b>(b)</b> Nature of Service Code(s)	<b>(c)</b> Describe the information that the service provider failed or refused to provide

**Part III Termination Information on Accountants and Enrolled Actuaries (see instructions)**  
(complete as many entries as needed)

<b>a</b> Name:	<b>b</b> EIN:
<b>c</b> Position:	
<b>d</b> Address:	<b>e</b> Telephone:

Explanation:

<b>a</b> Name:	<b>b</b> EIN:
<b>c</b> Position:	
<b>d</b> Address:	<b>e</b> Telephone:

Explanation:

<b>a</b> Name:	<b>b</b> EIN:
<b>c</b> Position:	
<b>d</b> Address:	<b>e</b> Telephone:

Explanation:

<b>a</b> Name:	<b>b</b> EIN:
<b>c</b> Position:	
<b>d</b> Address:	<b>e</b> Telephone:

Explanation:

<b>a</b> Name:	<b>b</b> EIN:
<b>c</b> Position:	
<b>d</b> Address:	<b>e</b> Telephone:

Explanation:

<b>SCHEDULE H</b> <b>(Form 5500)</b>  <small>Department of the Treasury Internal Revenue Service</small>  <small>Department of Labor Employee Benefits Security Administration</small>  <small>Pension Benefit Guaranty Corporation</small>	<b>Financial Information</b>  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).  <b>► File as an attachment to Form 5500.</b>	<small>OMB No. 1210-0110</small>  <b>2023</b>  <b>This Form is Open to Public Inspection</b>
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For calendar plan year 2023 or fiscal plan year beginning <b>10/01/2023</b> and ending <b>09/30/2024</b>	
<b>A</b> Name of plan <b>OPERATING ENGINEERS' LOCAL NO. 428 HEALTH AND WELFARE TRUST FUND</b>	<b>B</b> Three-digit plan number (PN) <b>501</b>
<b>C</b> Plan sponsor's name as shown on line 2a of Form 5500 <b>OPERATING ENGINEERS' LOCAL NO. 428 HEALTH AND WELFARE TRUST FUND</b>	<b>D</b> Employer Identification Number (EIN) <b>86-6025730</b>

<b>Part I</b>	<b>Asset and Liability Statement</b>
---------------	--------------------------------------

**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.

		(a) Beginning of Year	(b) End of Year
<b>Assets</b>			
<b>a</b> Total noninterest-bearing cash .....	<b>1a</b>	498855	2751065
<b>b</b> Receivables (less allowance for doubtful accounts):			
<b>(1)</b> Employer contributions .....	<b>1b(1)</b>	2250322	1876862
<b>(2)</b> Participant contributions .....	<b>1b(2)</b>	600	100
<b>(3)</b> Other .....	<b>1b(3)</b>	664377	2541816
<b>c</b> General investments:			
<b>(1)</b> Interest-bearing cash (include money market accounts & certificates of deposit) .....	<b>1c(1)</b>	1860727	2495688
<b>(2)</b> U.S. Government securities .....	<b>1c(2)</b>		
<b>(3)</b> Corporate debt instruments (other than employer securities):			
<b>(A)</b> Preferred .....	<b>1c(3)(A)</b>		
<b>(B)</b> All other .....	<b>1c(3)(B)</b>		
<b>(4)</b> Corporate stocks (other than employer securities):			
<b>(A)</b> Preferred .....	<b>1c(4)(A)</b>		
<b>(B)</b> Common .....	<b>1c(4)(B)</b>		
<b>(5)</b> Partnership/joint venture interests .....	<b>1c(5)</b>	3770944	5797488
<b>(6)</b> Real estate (other than employer real property) .....	<b>1c(6)</b>		
<b>(7)</b> Loans (other than to participants) .....	<b>1c(7)</b>		
<b>(8)</b> Participant loans .....	<b>1c(8)</b>		
<b>(9)</b> Value of interest in common/collective trusts .....	<b>1c(9)</b>		
<b>(10)</b> Value of interest in pooled separate accounts .....	<b>1c(10)</b>		
<b>(11)</b> Value of interest in master trust investment accounts .....	<b>1c(11)</b>		
<b>(12)</b> Value of interest in 103-12 investment entities .....	<b>1c(12)</b>		
<b>(13)</b> Value of interest in registered investment companies (e.g., mutual funds) .....	<b>1c(13)</b>	39142821	47184509
<b>(14)</b> Value of funds held in insurance company general account (unallocated contracts) .....	<b>1c(14)</b>		
<b>(15)</b> Other .....	<b>1c(15)</b>		

1d Employer-related investments:		(a) Beginning of Year	(b) End of Year
(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	48188646	62647528
<b>Liabilities</b>			
g Benefit claims payable .....	1g	11206961	12763226
h Operating payables .....	1h	448036	239623
i Acquisition indebtedness .....	1i		
j Other liabilities .....	1j		
k Total liabilities (add all amounts in lines 1g through 1j) .....	1k	11654997	13002849
<b>Net Assets</b>			
l Net assets (subtract line 1k from line 1f) .....	1l	36533649	49644679

**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.

<b>Income</b>		(a) Amount	(b) Total
<b>a Contributions:</b>			
(1) Received or receivable in cash from: (A) Employers .....	2a(1)(A)	23914476	
(B) Participants .....	2a(1)(B)	70448	
(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)		23984924
<b>b Earnings on investments:</b>			
(1) Interest:			
(A) Interest-bearing cash (including money market accounts and certificates of deposit) .....	2b(1)(A)	120635	
(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)		120635
(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)	2025230	
(D) Total dividends. Add lines 2b(2)(A), (B), and (C) .....	2b(2)(D)		2025230
(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)		
(5) Unrealized appreciation (depreciation) of assets:			
(A) Real estate .....	2b(5)(A)		
(B) Other .....	2b(5)(B)	1026544	
(C) Total unrealized appreciation of assets. Add lines 2b(5)(A) and (B) .....	2b(5)(C)		

		(a) Amount	(b) Total
(6) Net investment gain (loss) from common/collective trusts.....	<b>2b(6)</b>		
(7) Net investment gain (loss) from pooled separate accounts.....	<b>2b(7)</b>		
(8) Net investment gain (loss) from master trust investment accounts.....	<b>2b(8)</b>		
(9) Net investment gain (loss) from 103-12 investment entities.....	<b>2b(9)</b>		
(10) Net investment gain (loss) from registered investment companies (e.g., mutual funds) .....	<b>2b(10)</b>		6149560
<b>c</b> Other income .....	<b>2c</b>		
<b>d</b> Total income. Add all <b>income</b> amounts in column (b) and enter total .....	<b>2d</b>		33306893

**Expenses**

<b>e</b> Benefit payment and payments to provide benefits:			
(1) Directly to participants or beneficiaries, including direct rollovers .....	<b>2e(1)</b>	18239515	
(2) To insurance carriers for the provision of benefits.....	<b>2e(2)</b>	404696	
(3) Other.....	<b>2e(3)</b>		
(4) Total benefit payments. Add lines <b>2e(1)</b> through <b>(3)</b> .....	<b>2e(4)</b>		18644211
<b>f</b> Corrective distributions (see instructions).....	<b>2f</b>		
<b>g</b> Certain deemed distributions of participant loans (see instructions) .....	<b>2g</b>		
<b>h</b> Interest expense .....	<b>2h</b>		
<b>i</b> Administrative expenses:			
(1) Salaries and allowances.....	<b>2i(1)</b>		
(2) Contract administrator fees.....	<b>2i(2)</b>	287490	
(3) Recordkeeping fees.....	<b>2i(3)</b>		
(4) IQPA audit fees.....	<b>2i(4)</b>	17623	
(5) Investment advisory and investment management fees .....	<b>2i(5)</b>	68380	
(6) Bank or trust company trustee/custodial fees .....	<b>2i(6)</b>	9196	
(7) Actuarial fees .....	<b>2i(7)</b>	106412	
(8) Legal fees .....	<b>2i(8)</b>	42383	
(9) Valuation/appraisal fees .....	<b>2i(9)</b>		
(10) Other trustee fees and expenses .....	<b>2i(10)</b>		
(11) Other expenses .....	<b>2i(11)</b>	1020168	
(12) Total administrative expenses. Add lines <b>2i(1)</b> through <b>(11)</b> .....	<b>2i(12)</b>		1551652
<b>j</b> Total expenses. Add all <b>expense</b> amounts in column (b) and enter total .....	<b>2j</b>		20195863

**Net Income and Reconciliation**

<b>k</b> Net income (loss). Subtract line <b>2j</b> from line <b>2d</b> .....	<b>2k</b>		13111030
<b>l</b> Transfers of assets:			
(1) To this plan .....	<b>2l(1)</b>		
(2) From this plan .....	<b>2l(2)</b>		

**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: **BALDWIN MOFFITT BEHM LLP**

(2) EIN: **46-4370753**

**d** The opinion of an independent qualified public accountant is **not attached** as part of Schedule H because:

(1)  This form is filed for a CCT, PSA, DCG 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. DCGs do not complete lines 4e, 4f, 4k, 4l, and 5, and DCGs generally complete the rest of Part IV collectively for all plans in the DCG, except as otherwise provided (see instructions).

During the plan year:

	Yes	No	Amount
<b>a</b> 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.) .....		X	
<b>b</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.).....		X	
<b>c</b> 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.) .....		X	
<b>d</b> 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.).....		X	
<b>e</b> Was this plan covered by a fidelity bond?.....	X		2000000
<b>f</b> Did the plan have a loss, whether or not reimbursed by the plan's fidelity bond, that was caused by fraud or dishonesty? .....		X	
<b>g</b> 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? .....		X	
<b>h</b> 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?.....		X	
<b>i</b> Did the plan have assets held for investment? (Attach schedule(s) of assets if "Yes" is checked, and see instructions for format requirements.).....	X		
<b>j</b> 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.).....	X		
<b>k</b> Were all the plan assets either distributed to participants or beneficiaries, transferred to another plan, or brought under the control of the PBGC? .....		X	
<b>l</b> Has the plan failed to provide any benefit when due under the plan? .....		X	
<b>m</b> If this is an individual account plan, was there a blackout period? (See instructions and 29 CFR 2520.101-3.).....		X	
<b>n</b> 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. ....			

**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.)

<b>5b(1)</b> Name of plan(s)	<b>5b(2)</b> EIN(s)	<b>5b(3)</b> 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 \_\_\_\_\_.

**OPERATING ENGINEERS' LOCAL NO. 428  
HEALTH & WELFARE TRUST FUND**

**Financial Statements and Independent Auditors' Report**

**For the Years Ended September 30, 2024 and 2023**

**OPERATING ENGINEERS' LOCAL NO. 428 HEALTH & WELFARE TRUST FUND**

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## INDEPENDENT AUDITORS' REPORT

To the Board of Trustees of  
Operating Engineers' Local No. 428 Health and Welfare Trust Fund

### **Opinion**

We have audited the accompanying financial statements of Operating Engineers' Local No. 428 Health and Welfare Trust 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 of plan benefit obligations as of September 30, 2024 and 2023, and the related statements of changes in net assets available for benefits and of changes in plan benefit obligations for the years then ended, and the related notes to the financial statements.

In our opinion, the financial statements referred to above present fairly, in all material respects, the net assets available for benefits of Operating Engineers' Local No. 428 Health and Welfare Trust Fund as of September 30, 2024 and 2023, and the changes in its net assets available for benefits for the years then ended in accordance with accounting principles generally accepted in the United States of America.

### **Basis of Opinion**

We conducted our audits in accordance with auditing standards generally accepted in the United States of America. Our responsibilities under those standards are further described in the Auditors' Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of Operating Engineers' Local No. 428 Health and Welfare Trust 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 Operating Engineers' Local No. 428 Health and Welfare Trust Fund'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 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.

### **Auditors' Responsibility 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 auditors' 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 there is a substantial likelihood that, individually or in the aggregate, they would influence the judgement made by a reasonable user based on the 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 Operating Engineers' Local No. 428 Health and Welfare Trust 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 judgement, there are conditions or events, considered in the aggregate, that raise substantial doubt about Operating Engineers' Local No. 428 Health and Welfare Trust 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.

### **Supplemental Schedules Required by ERISA**

Our audits were conducted for the purpose of forming an opinion on the financial statements as a whole. The supplemental schedules of *Schedule of Assets (Held at End of Year)* as of September 30, 2024 and *Schedule of Reportable Transactions* for the year ended September 30, 2024, are presented for the 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 the ERISA. Such information is the responsibility of the 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.

In forming our opinion on the supplemental schedules, we evaluated whether the supplemental schedules, 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.

July 11, 2025

*Baldwin Moffitt Behm LLP*  
CERTIFIED PUBLIC ACCOUNTANTS  
Scottsdale, Arizona

**OPERATING ENGINEERS' LOCAL NO. 428 HEALTH & WELFARE TRUST FUND**  
**Statements of Net Assets Available for Benefits**  
**September 30, 2024 and 2023**

	<u>2024</u>	<u>2023</u>
<b>ASSETS</b>		
Investments, at fair value:		
Mutual funds	\$ 47,184,509	\$ 39,142,821
Limited partnership	5,797,488	3,770,944
Cash and equivalents	<u>2,495,688</u>	<u>1,860,727</u>
Total investments	<u>55,477,685</u>	<u>44,774,492</u>
Receivables:		
Employers' contributions	1,876,862	2,250,322
Participants' and retirees' contributions	100	600
Interest and dividends	104,240	83,474
Prescription rebates	2,277,986	387,433
Due from other funds	<u>6,577</u>	<u>2,236</u>
Total receivables	<u>4,265,765</u>	<u>2,724,065</u>
Prepaid expenses	36,558	32,308
Deposits	116,455	158,926
Cash	<u>2,751,065</u>	<u>498,855</u>
Total assets	<u>62,647,528</u>	<u>48,188,646</u>
<b>LIABILITIES</b>		
Cash overdraft	-	347,354
Accounts payable	203,230	100,682
Due to other funds	<u>36,393</u>	<u>-</u>
Total liabilities	<u>239,623</u>	<u>448,036</u>
Net assets available for benefits	<u>\$ 62,407,905</u>	<u>\$ 47,740,610</u>

**OPERATING ENGINEERS' LOCAL NO. 428 HEALTH & WELFARE TRUST FUND**  
**Statements of Changes in Net Assets Available for Benefits**  
**For the Years Ended September 30, 2024 and 2023**

	2024	2023
<b>ADDITIONS TO NET ASSETS</b>		
Investment income:		
Net appreciation in fair value of investments	\$ 7,176,104	\$ 1,729,540
Interest and dividend income	1,754,240	1,202,069
Capital gains distributions	391,625	120,354
	9,321,969	3,051,963
Less: investment expenses	(73,957)	(55,215)
	9,248,012	2,996,748
 Contributions:		
Employers'	23,914,476	21,783,006
Participants' and retirees'	70,448	82,694
	23,984,924	21,865,700
 Total contributions	23,984,924	21,865,700
 Total additions	33,232,936	24,862,448
 <b>DEDUCTIONS FROM NET ASSETS</b>		
Benefits payments:		
Claims paid	16,696,737	12,749,499
Insurance premiums	391,209	360,258
	17,087,946	13,109,757
 Total benefit payments	17,087,946	13,109,757
 Administrative expenses	1,477,695	1,435,233
 Total deductions	18,565,641	14,544,990
 Net increase	14,667,295	10,317,458
 Net assets available for benefits:		
Beginning of year	47,740,610	37,423,152
End of year	\$ 62,407,905	\$ 47,740,610

The accompanying notes are an integral part of these financial statements.

**OPERATING ENGINEERS' LOCAL NO. 428 HEALTH & WELFARE TRUST FUND**  
**Statements of Plan Benefit Obligation**  
**For the Years Ended September 30, 2024 and 2023**

	<u>2024</u>	<u>2023</u>
<b>AMOUNTS CURRENTLY PAYABLE</b>		
Premiums due to insurers	\$ 147,674	\$ 134,187
Claims payable and claims incurred but not reported	4,834,652	4,454,974
Accumulated eligibility credits	<u>7,780,900</u>	<u>6,617,800</u>
	<u>12,763,226</u>	<u>11,206,961</u>
 <b>POSTRETIREMENT BENEFIT OBLIGATIONS, NET OF AMOUNTS CURRENTLY PAYABLE</b>		
Current retirees	1,555,379	1,871,165
Other participants fully eligible for benefits	5,644,562	3,593,592
Participants not yet fully eligible for benefits	<u>14,105,743</u>	<u>13,014,805</u>
	<u>21,305,684</u>	<u>18,479,562</u>
 Plan's total benefit obligations	 <u>\$ 34,068,910</u>	 <u>\$ 29,686,523</u>

The accompanying notes are an integral part of these financial statements.

**OPERATING ENGINEERS' LOCAL NO. 428 HEALTH & WELFARE TRUST FUND**  
**Statements of Changes in Plan Benefit Obligations**  
**For the Years Ended September 30, 2024 and 2023**

	2024	2023
<b>AMOUNTS CURRENTLY PAYABLE</b>		
Premiums payable:		
Premiums due at the beginning of the year	\$ 134,187	\$ 153,542
Premiums reported	404,696	340,903
Premiums paid	(391,209)	(360,258)
Premiums due at the end of the year	147,674	134,187
Claims liability payable:		
Claims due at the beginning of the year	4,454,974	2,579,363
Claims reported	17,076,415	14,625,110
Claims paid	(16,696,737)	(12,749,499)
Claims due at the end of the year	4,834,652	4,454,974
Accumulated eligibility credits:		
Estimate of benefits due for hours worked at beginning of year	6,617,800	5,897,600
Increase in liability for hours worked	1,163,100	720,200
Estimate of benefits due for hours worked at end of year	7,780,900	6,617,800
Balance at end of year	\$ 12,763,226	\$ 11,206,961
<b>POSTRETIREMENT BENEFIT OBLIGATIONS, NET OF AMOUNTS CURRENTLY PAYABLE</b>		
Balance at beginning of year	\$ 18,479,562	\$ 14,297,016
Increase (decrease) in post retirement benefits attributed to:		
Benefits earned net of benefits paid	1,272,135	678,859
Changes in actuarial assumptions	1,553,987	(1,191,444)
Actuarial experience loss	-	4,695,131
Balance at end of year	21,305,684	18,479,562
Plan's total benefit obligations at end of year	\$ 34,068,910	\$ 29,686,523

The accompanying notes are an integral part of these financial statements.

## **OPERATING ENGINEERS' LOCAL NO. 428 HEALTH & WELFARE TRUST FUND**

### **Notes to Financial Statements**

**For the Years Ended September 30, 2024 and 2023**

#### **NOTE A – DESCRIPTION OF THE FUND**

The following description of the Operating Engineers' Local No. 428 Health & Welfare Trust Fund (Fund) provides only general information purposes only. Participants should refer to the Plan agreement for a complete description of the Fund's provisions.

**General** – The Fund is a multiemployer defined benefit health and welfare fund that was established in 1959, pursuant to a collective bargaining agreement (CBA) between the members of the Arizona Chapter of the Associated General Contractors and any other individual contractors, members or non-members, who are signatory and the International Union of Operating Engineers, Local Union No. 428 (Union). Effective July 22, 2024, the International Union of Operating Engineers, Local Union No. 428 (Local 428) merged into the International Union of Operating Engineers, Local Union No. 12 (Local 12). On March 13, 2025, the trust and plan agreements were amended to reflect this change as of July 22, 2024. The trust agreement provides, among other things, for employers of participants to make contributions to the Fund for each hour worked by covered participants. The employee can be a union member, but union membership is not required for participation. The Fund provides benefits for eligible participants and their beneficiaries and is subject to the provisions of the Employee Retirement Income Security Act of 1974 (ERISA), as amended.

Administration of the Fund is the responsibility of the Board of Trustees (Trustees) and is governed by a joint board consisting of equal representation from the participating employers and the Union.

**Eligibility** – Under the Plan, participants become eligible for benefits the second month following the month in which the member meets the eligibility requirements (three consecutive months in which the participant worked at least 300 hours for which contributions have been paid). Once the eligibility requirements are met, certain eligible dependents are also covered under the Fund upon submission of the applicable enrollment form and supporting documents to the Fund Administrator.

Generally, a participant will remain eligible as long as actively employed with a participating employer. Participants may also continue to remain eligible for benefits through the use of accumulated eligibility credits (expressed in hours) for times of unemployment (less than full time) (up to a maximum of four months) and upon termination of employment through the Consolidated Omnibus Budget Reconciliation Act (COBRA).

Retired employees are entitled to medical and vision benefits if they are retired and receiving a pension (other than a pro rata pension) from the Operating Engineers Local No. 428 Pension Trust Fund and/or the companion Annuity Trust Fund, are credited with or earned a minimum of 10 years of Health and Welfare services credits, have had 1,200 or more hours reported for covered employment during the 48 consecutive month period prior to retirement, and are between the ages of 60 and 65.

**Contributions** – Under the terms of the CBA, participating employers make monthly contributions to the Fund based on hours worked by covered participants. Participant contributions are allowed to provide COBRA benefits, and retiree benefits.

## OPERATING ENGINEERS' LOCAL NO. 428 HEALTH & WELFARE TRUST FUND

### Notes to Financial Statements

For the Years Ended September 30, 2024 and 2023

#### NOTE A – DESCRIPTION OF THE FUND – continued

**Benefits** – A plan of benefit coverage (Plan) provides for health benefits (medical, vision, dental, and prescription drugs), life insurance, and accidental death and dismemberment benefits. Eligible retired employees are entitled to similar health benefits (excluding dental). Additionally, the Plan provides similar benefits during periods of unemployment (accumulated eligibility credits) or upon termination of employment through COBRA.

**Insured benefits** – The Plan fully insures the life insurance benefits and accidental death and disability benefits and some of the dental, vision and employee assistance programs. In addition, the plan purchases stop loss insurance to actively manage catastrophic medical claims.

**Self-insured benefits** – All other Plan benefits are self-insured. The claims for self-insured benefits are processed by the Plan's third-party administrator. The claims processors pay claims directly to or on behalf of participants. The Fund uses a pharmacy benefit manager (PBM), which periodically makes refunds to the Fund based on the Fund's actual utilization pattern of specific drugs.

#### NOTE B – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

**Basis of accounting** – The accompanying financial statements have been prepared using the accrual basis of accounting.

The Fund maintains its financial records using the modified cash basis of accounting, under which additions and deductions to net assets available for benefits are recognized when measurable and available to finance expenditures of the current period. Expenditures are generally recorded when the liability is paid. Adjustments are prepared at each year-end to adjust the financial records to the accrual method of accounting.

**Use of estimates** – The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America (US GAAP) requires management to make estimates and assumptions that affect the reported amounts of assets, liabilities, benefit obligations and changes therein, and disclosure of contingent assets and liabilities. Actual results could differ from those estimates.

**Payment of benefits** – Premiums paid are recorded as premium payments in the accompanying statements of changes in net assets available for benefits. Claims payments are recorded when submitted to the Fund. Claims paid by the claims processor prior to year-end or claim payments submitted to the Fund that are not yet paid are recorded as an amount currently payable in the accompanying statements of plan benefit obligations. Premiums not yet paid at year-end are included as an amount currently payable in the accompanying statements of plan benefit obligations.

**Refunds and rebates** – Prescription refunds due from the Fund's PBM are recorded when earned. Refunds due at year-end are recorded as a receivable in the statements of net assets available for benefits, with the offset being netted against claims paid. Pharmacy rebates totaling \$2,278,026 and \$1,101,519 have been netted with claims paid in the accompanying statements of changes in net assets available for benefits for the years ended September 30, 2024 and 2023, respectively.

**OPERATING ENGINEERS' LOCAL NO. 428 HEALTH & WELFARE TRUST FUND**

**Notes to Financial Statements**

**For the Years Ended September 30, 2024 and 2023**

**NOTE B – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES – continued**

**Stop loss** – Claims that were already paid from the Fund that exceeded the stop-loss coverage and are due to the Fund at year-end are recorded as a receivable. Premiums for stop-loss insurance are included in premiums payments in the accompanying statements of changes in net assets available for benefits. The Fund has not received any stop-loss refunds for the years ended September 30, 2024 and 2023.

**Employers' contributions and related receivables** – Employers' contributions receivable is based upon actual contributions received subsequent to September 30, for hours worked prior to September 30; therefore there is no allowance for uncollectible receivables. No provision has been made for subsequent receipt of additional delinquent moneys covering hours worked during September or prior months, as the financial effect is expected to be immaterial. Employers' contributions are due by the 15<sup>th</sup> of the month following the month in which the hours were worked, amounts not paid by then are deemed to be delinquent.

**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 (depreciation) in fair value of investments includes the Fund's gains and losses on investments bought and sold as well as held during the year.

**Subsequent events** – Management has evaluated subsequent events through July 11, 2025, the date the financial statements were available to be issued.

**NOTE C – POSTRETIREMENT BENEFIT OBLIGATIONS**

A postretirement benefit obligation has been recognized for future benefits expected to be paid 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 participating employers. These benefit obligations represent the actuarial present value of those estimated future benefits that are attributed by the terms of the Plan to participant 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 retirees of the Plan. The obligations represent the amounts that are expected to be funded by contributions from participating employers and from existing assets of the Fund.

The actuarial present value of the expected postretirement benefit obligation is determined by an actuary 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.

**OPERATING ENGINEERS' LOCAL NO. 428 HEALTH & WELFARE TRUST FUND**

**Notes to Financial Statements**

**For the Years Ended September 30, 2024 and 2023**

**NOTE C – POSTRETIREMENT BENEFIT OBLIGATIONS – continued**

For measurement purposes for 2024, a 6.75% weighted-average annual rate of increase in the average per capita cost of non-Medicare medical benefits was assumed for 2024; the rate was assumed to decrease gradually to 4.5% over 9 years and remain at that level thereafter, a 10.00% weighted-average annual rate of increase in the per capita cost of non-Medicare prescription drugs was assumed for 2024 and the rate is assumed to decrease gradually to 4.5% over 11 years and remain at that level thereafter, a 7.75% weighted-average annual rate of increase in the per capita cost of Medicare medical benefits was assumed for 2024 and the rate is assumed to decrease gradually to 4.5% over 13 years and remain at that level thereafter, a 7.75% weighted-average annual rate of increase in the per capita cost of Medicare prescription drugs was assumed for 2024 and the rate is assumed to decrease gradually to 4.5% over 13 years and remain at that level thereafter, a 3.0% annual rate increase in the per capita cost of vision was assumed for 2024.

For measurement purposes for 2023, a 7% weighted-average annual rate of increase in the average per capita cost of non-Medicare medical benefits was assumed for 2023; the rate was assumed to decrease gradually to 4.5% over 10 years and remain at that level thereafter, a 10.50% weighted-average annual rate of increase in the per capita cost of non-Medicare prescription drugs was assumed for 2023 and the rate is assumed to decrease gradually to 4.5% over 12 years and remain at that level thereafter, an 8% weighted-average annual rate of increase in the per capita cost of Medicare medical benefits was assumed for 2023 and the rate is assumed to decrease gradually to 4.5% over 14 years and remain at that level thereafter, an 8% weighted-average annual rate of increase in the per capita cost of Medicare prescription drugs was assumed for 2023 and the rate is assumed to decrease gradually to 4.5% over 14 years and remain at that level thereafter, a 3.0% annual rate increase in the per capita cost of vision was assumed for 2023.

The weighted-average health care cost-trend rate assumption has a significant effect on the amounts reported as postretirement benefit obligations. If the assumed rates increased by 1 percentage point in each year, it would increase the obligation as of September 30, 2024 and 2023 by \$1,902,115 and \$1,475,146, respectively.

The following were other significant assumptions used to determine the postretirement benefit obligations as of September 30, 2024 and 2023:

Weighted-average discount rate	2024--4.50%; 2023--5.50%
Average retirement age rates	Various rates ranging from 30% at age 60 to 100% at age 70
Mortality and disability:	
Health	2024--Pri-2012 Blue Collar Annuitant Headcount- Weighted Mortality Tables, with generational projection using Scale MP2021 from 2012
	2023--Pri-2012 Blue Collar Annuitant Headcount- Weighted Mortality Tables, with generational projection using Scale MP2021 from 2012

**OPERATING ENGINEERS' LOCAL NO. 428 HEALTH & WELFARE TRUST FUND**

**Notes to Financial Statements**

**For the Years Ended September 30, 2024 and 2023**

**NOTE C – POSTRETIREMENT BENEFIT OBLIGATIONS – continued**

During the year ended September 30, 2024, the actuary changed the following assumption: lowered the discount rate from 5.50% to 4.50%. The net effect of this change increased the obligations by \$1,553,987, and they are included in the statements of plan benefit obligations and changes in plan benefit obligations.

During the year ended September 30, 2023, the actuary changed the following assumptions: increased the discount rate from 5.00% to 5.50%, modified turnover rates, and updated future trends based on valuation-year per capita health costs. The net effect of these changes decreased the obligations by \$1,191,444, and they are included in the statements of plan benefit obligations and changes in plan benefit obligations.

The foregoing assumptions are based on the assumption that the Fund will continue. Were the Fund to terminate, different actuarial assumptions, and other factors might not be applicable in determining the actuarial present value of the postretirement benefit obligation.

**NOTE D – CLAIMS INCURRED BUT NOT REPORTED**

Benefit obligations other than postretirement benefit and postemployment benefit obligations include claims currently payable, claims incurred but not yet reported, and premiums due to insurers. Claims approved for payment that are not paid by the Fund as of year-end are recorded as claims payable and included in claims payable and claims incurred but not reported on the statements of plan benefit obligations. Premiums not yet paid by the Fund related to coverage at or before year-end are included in premiums due to insurers in the statements of plan benefit obligations.

Claims incurred but not yet reported are estimated based on claims data accumulated by the Fund's third-party administrator subsequent to year-end. These amounts are paid by the Fund only if claims are submitted and approved for payment.

**NOTE E – ACCUMULATED ELIGIBILITY CREDITS**

The liability for accumulated future eligibility credits reflects the estimated cost to provide benefits for eligible employees who have accumulated eligibility hours for future month's coverage. In addition, future eligibility credits include the estimated liability for benefits based on delinquent contributions reported for hours worked prior to September 30, 2024 and 2023, and which are included in employers' contributions receivable at September 30, 2024 and 2023.

No provision has been made in the accompanying financial statements for any liability which may arise as a result of the subsequent receipt of additional delinquent reports covering hours worked during September 30, 2024 and 2023, or prior months. The financial effects of any such reports which are received are expected to be immaterial.

# OPERATING ENGINEERS' LOCAL NO. 428 HEALTH & WELFARE TRUST FUND

## Notes to Financial Statements

For the Years Ended September 30, 2024 and 2023

### NOTE F – 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 to the valuation methodology are unadjusted quoted prices for identical assets or liabilities in active markets that the Fund 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
  - Inputs other than quoted prices that are observable for the asset or liability
  - Inputs that are derived principally from or corroborated by observable market data by correlation or other meansIf 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 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 is a description of the valuation methodologies used for assets measured at fair value. There have been no changes in the methodologies used at September 30, 2024 and 2023.

- *Mutual funds* – Valued at the daily closing price as reported by the fund. Mutual funds held by the Fund are open-ended mutual funds that are registered with the SEC. These funds are required to publish their daily net asset value (NAV) and to transact at that price. The mutual funds held by the Fund are deemed to be actively traded.
- *Limited partnership* – Valued based on the Fund's percentage of ownership of the net assets of the entity (NAV) per share (or its equivalent) of the partnership based on audited financial statements of the partnership, with adjustments to account for partnership activity and other applicable valuation adjustments, where applicable.
- *Cash and equivalents* – Valued at the closing price reported in the active market in which the individual security is traded.

**OPERATING ENGINEERS' LOCAL NO. 428 HEALTH & WELFARE TRUST FUND**

**Notes to Financial Statements**

**For the Years Ended September 30, 2024 and 2023**

**NOTE F – FAIR VALUE MEASUREMENTS – continued**

The following table sets forth by level, within the fair value hierarchy, the Fund's assets at fair value as of September 30, 2024 and 2023:

	Assets at Fair Value as of September 30, 2024			
	Level 1	Level 2	Level 3	Total
Mutual funds	\$47,184,509	\$ -	\$ -	\$47,184,509
Cash and equivalents	2,495,688	-	-	2,495,688
Total assets in the fair value hierarchy	49,680,197	-	-	49,680,197
Investments measured at NAV:				
Limited partnership	-	-	-	5,797,488
Total investments, at fair value	\$49,680,197	\$ -	\$ -	\$55,477,685

  

	Assets at Fair Value as of September 30, 2023			
	Level 1	Level 2	Level 3	Total
Mutual funds	\$39,142,821	\$ -	\$ -	\$39,142,821
Cash and equivalents	1,860,727	-	-	1,860,727
Total assets in the fair value hierarchy	41,003,548	-	-	41,003,548
Investments measured at NAV:				
Limited partnership	-	-	-	3,770,944
Total investments, at fair value	\$41,003,548	\$ -	\$ -	\$44,774,492

**Transfers between levels** – 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.

The Fund evaluates the significant transfers between levels based upon the nature of the financial instrument and size of the transfer relative to total net assets available for benefits.

**Fair value of investments that calculate net asset value** – The following table summarizes investments measured at fair value based on NAVs per share as of September 30, 2024 and 2023:

	Fair Value		Unfunded Commitments	Redemption Frequency (if currently eligible)	Redemption Notice Period
	2024	2023			
Limited partnership (a)	\$ 5,797,488	\$ 3,770,944	\$ -	Monthly	15 Days

## **OPERATING ENGINEERS' LOCAL NO. 428 HEALTH & WELFARE TRUST FUND**

### **Notes to Financial Statements**

**For the Years Ended September 30, 2024 and 2023**

#### **NOTE F – FAIR VALUE MEASUREMENTS – continued**

(a) *Limited partnership.* The limited partnership's objective is to outperform the MSCI All Country World Ex-US Index, net of dividend withholding taxes, by investing in a portfolio of non-US, developed market and emerging market equities. The Fund can redeem monthly from the partnership (15 days prior to month end) at the net asset value at the time of redemption.

#### **NOTE G – CONTINGENCIES**

Additional benefits must, with certain limitations, be provided for each one hundred thirty-five hours reported for each eligible employee. Ineligible employee hours are not included in the basis for computing the present liability of future benefits. With the addition of hours worked after September 30, 2024 and 2023, however, these hours may become the basis for additional benefits. The attributable cost which would be due if all such hours subsequently become eligible is estimated to be \$372,000 and \$280,000 at September 30, 2024 and 2023, respectively. Such contingency would become an actual liability only to the extent that such hours, together with additional hours included in delinquent reports, would qualify those employees for additional benefit coverage.

#### **NOTE H – TAX STATUS**

An original determination letter from the Internal Revenue Service (IRS) dated February 19, 1970, exempted the Fund from Federal income taxes under the provisions of section 501(c)(9) of the Internal Revenue Code. The Fund has been amended since receiving its original determination letter from the Internal Revenue Service. However, the Fund administrator (Trustees) and the Fund's counsel believe that the Fund is currently designed and being operated in compliance with the applicable requirements of the Internal Revenue Code. They believe that the Fund was qualified and the related trust was exempted from income taxes as of the financial statement date. No federal or state income taxes have been recorded in September 30, 2024 and 2023 for unrelated business taxable income.

Accounting principles generally accepted in the United States of America require management to evaluate tax positions taken by the Fund and recognize a tax liability (or asset) if it has taken an uncertain position that more likely than not would not be sustained upon examination by the IRS. The Fund is subject to routine audits by taxing jurisdictions; however, there are currently no audits for any tax periods in progress.

#### **NOTE I – PRIORITIES UPON TERMINATION**

Although the board of trustees has not been any expressed intent to discontinue the Fund, they may do so at any time subject to the provisions of ERISA and the terms of the CBA. In the event of termination of the Fund, the assets of the Fund would continue to be used to pay reasonable administrative expenses and to distribute and apply remaining surplus as the trustees so determine, until no assets remain.

**OPERATING ENGINEERS' LOCAL NO. 428 HEALTH & WELFARE TRUST FUND**

**Notes to Financial Statements**

**For the Years Ended September 30, 2024 and 2023**

**NOTE J – PARTY IN INTEREST TRANSACTIONS**

The Fund pays fees for several arrangements with service providers, including a third-party administrator, attorneys, actuaries, consultants, and auditors. These transactions are considered exempt party in interest transactions under ERISA.

**NOTE K – RISKS AND UNCERTAINTIES**

The Fund 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 the amounts reported in the statement of net assets available for benefits.

Cash consists of monies held in non-interest-bearing transaction accounts. The Fund places its cash with financial institutions deemed to be creditworthy. Balances are insured by the FDIC up to \$250,000. At September 30, 2024 and 2023, the Fund's cash exceeded federally insured limits by approximately \$2,681,800 and \$253,000, respectively.

The actuarial present value of postretirement benefit obligations is reported based on certain assumptions pertaining to interest rates, inflation rates and employee demographics, all of which are subject to change. Due to uncertainties inherent in the estimations and assumptions process, it is at least reasonably possible that changes in these estimates and assumptions in the near-term would-be material to the financial statements.

**NOTE L – INVESTMENT AND ADMINISTRATIVE EXPENSES**

The Fund recorded the following investment and administrative expenses for the years ended September 30, 2024 and 2023:

	<u>2024</u>	<u>2023</u>
Investment expenses:		
Monitoring fees	\$ 33,480	\$ 24,000
Investment management fees	34,900	26,715
Custodial agent fees	<u>5,577</u>	<u>4,500</u>
 Total investment expenses	 <u>\$ 73,957</u>	 <u>\$ 55,215</u>

**OPERATING ENGINEERS' LOCAL NO. 428 HEALTH & WELFARE TRUST FUND**

**Notes to Financial Statements**

**For the Years Ended September 30, 2024 and 2023**

**NOTE L – INVESTMENT AND ADMINISTRATIVE EXPENSES – continued**

	<u>2024</u>	<u>2023</u>
Administrative expenses:		
Administrative fees	\$ 287,490	\$ 308,550
Audit fees	17,623	22,686
Bank analysis fees	3,619	11,825
Consultant fees	106,412	85,619
Claims administrative fees	961,773	841,214
Dues and expenses	9,346	2,408
Insurance	22,690	20,165
Legal fees	42,383	116,221
Miscellaneous expenses	955	292
Postage and mailing	9,732	8,029
Preservation of records	-	179
Printing and supplies	6,787	9,338
Tabulating expenses	-	600
Taxes	8,885	8,107
	<u>                    </u>	<u>                    </u>
Total administrative expenses:	<u>\$ 1,477,695</u>	<u>\$ 1,435,233</u>

**NOTE M – RECONCILIATION OF FINANCIAL STATEMENTS TO FORM 5500**

The following is a reconciliation of net assets available for benefits per the financial statements to the Form 5500 as of September 30, 2024 and 2023:

	<u>2024</u>	<u>2023</u>
Net assets available for benefits per the financial statements	\$ 62,407,905	\$ 47,740,610
Premiums due to insurers	(147,674)	(134,187)
Claims payable, claims incurred but not reported	(4,834,652)	(4,454,974)
Accumulated eligibility credits	(7,780,900)	(6,617,800)
	<u>                    </u>	<u>                    </u>
Net assets available for benefits per Schedule H the Form 5500	<u>\$ 49,644,679</u>	<u>\$ 36,533,649</u>

**OPERATING ENGINEERS' LOCAL NO. 428 HEALTH & WELFARE TRUST FUND**

**Notes to Financial Statements**

**For the Years Ended September 30, 2024 and 2023**

**NOTE M – RECONCILIATION OF FINANCIAL STATEMENTS TO FORM 5500 –  
continued**

The following is a reconciliation of benefits paid to participants per the financial statements to the Form 5500 for the years ended September 30, 2024 and 2023:

	<u>2024</u>	<u>2023</u>
Benefits paid to participants per the financial statements	\$ 16,696,737	\$ 12,749,499
Change in accumulated eligibility credits	1,163,100	720,200
Add: Amounts currently payable at end of year	4,834,652	4,454,974
Less: Amounts currently payable at beginning of year	<u>(4,454,974)</u>	<u>(2,579,363)</u>
Benefits paid for claims per Schedule H of Form 5500	<u>\$ 18,239,515</u>	<u>\$ 15,345,310</u>

The following is a reconciliation of benefits paid to insurance carriers per the financial statements to the Form 5500 for the years ended September 30, 2024 and 2023:

	<u>2024</u>	<u>2023</u>
Benefits paid to insurance carriers per the financial statements	\$ 391,209	\$ 360,258
Add: amounts payable at end of year	147,674	134,187
Less: amounts payable at beginning of year	<u>(134,187)</u>	<u>(153,542)</u>
Benefits paid for premiums per Schedule H of Form 5500	<u>\$ 404,696</u>	<u>\$ 340,903</u>

Claims and premiums that have been processed and approved for payment at year-end, but not paid, and claims incurred but not reported, are not considered liabilities under US GAAP; therefore, these claims and premiums are not presented as liabilities or claims, and premiums paid in the accompanying financial statements but are recorded on the Form 5500 as a liability.

**SUPPLEMENTAL INFORMATION**

**OPERATING ENGINEERS' LOCAL NO. 428 HEALTH & WELFARE TRUST FUND**  
**Supplemental Information**  
**Schedule of Assets (Held at End of Year)**  
**September 30, 2024**

EIN 86-6025730 - Plan 501

Form 5500 Schedule H - Line 4i:

(A)	(B)	(C)		(D)	(E)
Description	Maturity Date	Interest Rate	Units or Par Value	Ending Balance - Cost	Current Value
<b>CASH AND EQUIVALENTS:</b>					
Fidelity Treasury Port - IS Fd 2644	N/A	N/A	2,495,688	\$ 2,495,688	\$ 2,495,688
<b>Total Cash and Equivalents</b>				<u>2,495,688</u>	<u>2,495,688</u>
<b>MUTUAL FUNDS</b>					
Vanguard Institutional Index Fund	N/A	N/A	25,399	6,827,528	12,042,952
American Europacific Growth Fund	N/A	N/A	92,127	5,086,150	5,560,807
Dodge & Cox Income Fund	N/A	N/A	1,144,380	14,989,533	14,808,281
Metropolitan West Total Return Bond Fund	N/A	N/A	1,688,282	14,840,000	14,772,469
<b>Total Mutual Funds</b>				<u>41,743,211</u>	<u>47,184,509</u>
<b>LIMITED PARTNERSHIP</b>					
LSV International (Ac) Value Equity Fund, LP	N/A	N/A	21,251	4,300,000	5,797,488
<b>Total Limited Partnership</b>				<u>4,300,000</u>	<u>5,797,488</u>
<b>TOTAL INVESTMENTS</b>				<u>\$ 48,538,899</u>	<u>\$ 55,477,685</u>

**OPERATING ENGINEERS' LOCAL NO. 428 HEALTH & WELFARE TRUST FUND**  
**Supplemental Information**  
**Schedule of Reportable Transactions**  
**For the Year Ended September 30, 2024**

**EIN 86-6025730 - Plan 501**  
**Form 5500 Schedule H - Line 4j:**

(A)	(B)	(C)	(D)	(E)	(F)	(G)	(H)	(I)
Identity	Description	Purchase Price	Selling Price	Lease Rental	Expenses Incurred	Cost of Asset	Value on Date of Transaction	Net Gain or (Loss)
GS Fin SQ Gov #466	Cash and equivalent	\$ 2,660,500	\$ -	\$ -	\$ -	\$ 2,660,500	\$ 2,660,500	\$ -
GS Fin SQ Gov #466	Cash and equivalent	\$ -	\$ 4,521,227	\$ -	\$ -	\$ 4,521,227	\$ 4,521,227	\$ -
Fidelity Treasury Port - IS Fd 2644	Cash and equivalent	\$ 6,783,839	\$ -	\$ -	\$ -	\$ 6,783,839	\$ 6,783,839	\$ -
Fidelity Treasury Port - IS Fd 2644	Cash and equivalent	\$ -	\$ 4,288,151	\$ -	\$ -	\$ 4,288,151	\$ 4,288,151	\$ -
Metropolitan West FDS Total Return CL I	Mutual Fund	\$ 3,068,868	\$ -	\$ -	\$ -	\$ 3,068,868	\$ 3,068,868	\$ -
Metropolitan West FDS Total Return CL I	Mutual Fund	\$ -	\$29,689,079	\$ -	\$ -	\$32,213,113	\$ 29,689,079	\$(2,524,034)
Metropolitan West Total Return Bond Fund	Mutual Fund	\$14,840,000	\$ -	\$ -	\$ -	\$14,840,000	\$ 14,840,000	\$ -
Dodge & Cox Income Fund	Mutual Fund	\$14,989,533	\$ -	\$ -	\$ -	\$14,989,533	\$ 14,989,533	\$ -

**OPERATING ENGINEERS' LOCAL NO. 428 HEALTH & WELFARE TRUST FUND**  
**Supplemental Information**  
**Schedule of Assets (Held at End of Year)**  
**September 30, 2024**

EIN 86-6025730 - Plan 501

Form 5500 Schedule H - Line 4i:

(A)	(B)	(C)		(D)	(E)
Description	Maturity Date	Interest Rate	Units or Par Value	Ending Balance - Cost	Current Value
<b>CASH AND EQUIVALENTS:</b>					
Fidelity Treasury Port - IS Fd 2644	N/A	N/A	2,495,688	\$ 2,495,688	\$ 2,495,688
<b>Total Cash and Equivalents</b>				<u>2,495,688</u>	<u>2,495,688</u>
<b>MUTUAL FUNDS</b>					
Vanguard Institutional Index Fund	N/A	N/A	25,399	6,827,528	12,042,952
American Europacific Growth Fund	N/A	N/A	92,127	5,086,150	5,560,807
Dodge & Cox Income Fund	N/A	N/A	1,144,380	14,989,533	14,808,281
Metropolitan West Total Return Bond Fund	N/A	N/A	1,688,282	14,840,000	14,772,469
<b>Total Mutual Funds</b>				<u>41,743,211</u>	<u>47,184,509</u>
<b>LIMITED PARTNERSHIP</b>					
LSV International (Ac) Value Equity Fund, LP	N/A	N/A	21,251	4,300,000	5,797,488
<b>Total Limited Partnership</b>				<u>4,300,000</u>	<u>5,797,488</u>
<b>TOTAL INVESTMENTS</b>				<u>\$ 48,538,899</u>	<u>\$ 55,477,685</u>

**OPERATING ENGINEERS' LOCAL NO. 428 HEALTH & WELFARE TRUST FUND**  
**Supplemental Information**  
**Schedule of Reportable Transactions**  
**For the Year Ended September 30, 2024**

**EIN 86-6025730 - Plan 501**  
**Form 5500 Schedule H - Line 4j:**

(A)	(B)	(C)	(D)	(E)	(F)	(G)	(H)	(I)
Identity	Description	Purchase Price	Selling Price	Lease Rental	Expenses Incurred	Cost of Asset	Value on Date of Transaction	Net Gain or (Loss)
GS Fin SQ Gov #466	Cash and equivalent	\$ 2,660,500	\$ -	\$ -	\$ -	\$ 2,660,500	\$ 2,660,500	\$ -
GS Fin SQ Gov #466	Cash and equivalent	\$ -	\$ 4,521,227	\$ -	\$ -	\$ 4,521,227	\$ 4,521,227	\$ -
Fidelity Treasury Port - IS Fd 2644	Cash and equivalent	\$ 6,783,839	\$ -	\$ -	\$ -	\$ 6,783,839	\$ 6,783,839	\$ -
Fidelity Treasury Port - IS Fd 2644	Cash and equivalent	\$ -	\$ 4,288,151	\$ -	\$ -	\$ 4,288,151	\$ 4,288,151	\$ -
Metropolitan West FDS Total Return CL I	Mutual Fund	\$ 3,068,868	\$ -	\$ -	\$ -	\$ 3,068,868	\$ 3,068,868	\$ -
Metropolitan West FDS Total Return CL I	Mutual Fund	\$ -	\$ 29,689,079	\$ -	\$ -	\$ 32,213,113	\$ 29,689,079	\$(2,524,034)
Metropolitan West Total Return Bond Fund	Mutual Fund	\$ 14,840,000	\$ -	\$ -	\$ -	\$ 14,840,000	\$ 14,840,000	\$ -
Dodge & Cox Income Fund	Mutual Fund	\$ 14,989,533	\$ -	\$ -	\$ -	\$ 14,989,533	\$ 14,989,533	\$ -