ASSOCIATED GENERAL CONTRACTORS
HEALTH BENEFIT TRUST

FINANCIAL STATEMENTS AND
SUPPLEMENTAL INFORMATION

YEARS ENDED MARCH 31, 2019 AND 2018

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CliftonLarsonAllen LLP
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INDEPENDENT AUDITORS' REPORT

Board of Trustees
Associated General Contractors Health Benefit Trust
Wilsonville, Oregon

Report on the Financial Statements

We have audited the accompanying financial statements of Associated General Contractors Health Benefit Trust (the Plan), which comprise the statements of benefit obligations and net assets available for benefits as of March 31, 2019 and 2018, and the related statements of changes in benefit obligations and net assets available for benefits for the years then ended, and the related notes to the financial statements.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in the United States of America; this includes 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.

Auditors' Responsibility

Our responsibility is to express an opinion on these financial statements based on our audits. We conducted our audits in accordance with auditing standards generally accepted in the United States of America. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditors' judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the Plan's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Plan's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial status of the Plan as of March 31, 2019 and 2018, and the changes in financial status for the years then ended, in accordance with accounting principles generally accepted in the United States of America.

Report on Supplementary Information

Our audits were conducted for the purpose of forming an opinion on the financial statements as a whole. The supplemental schedule of assets (held at end of year) as of March 31, 2019, and schedules of administrative expenses for the years ended March 31, 2019 and 2018 are presented for the purpose of additional analysis and are not a required part of the financial statements. The schedule of assets (held at end of year) is supplementary information required by the Department of Labor's Rules and Regulations for Reporting and Disclosure under the Employee Retirement Income Security Act of 1974. Such information is the responsibility of the Plan's management and was derived from and relates directly to the underlying accounting and other records used to prepare the financial statements. The information has been subjected to the auditing procedures applied in the audits of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements or to the financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the information is fairly stated in all material respects in relation to the financial statements as a whole.

CliftonLarsonAllen LLP

CliftonLarsonAllen LLP

Bellevue, Washington
January 9, 2020

ASSOCIATED GENERAL CONTRACTORS HEALTH BENEFIT TRUST
STATEMENTS OF BENEFIT OBLIGATIONS AND
NET ASSETS AVAILABLE FOR BENEFITS
MARCH 31, 2019 AND 2018

	2019	2018
BENEFIT OBLIGATIONS		
PREMIUMS PAYABLE	$ 35,465	$ 47,506
DOLLAR BANK OBLIGATION	85,282	54,607
TOTAL BENEFIT OBLIGATIONS	120,747	102,113
NET ASSETS AVAILABLE FOR BENEFITS		
ASSETS		
INVESTMENTS (at Fair Value)		
Mutual Funds	1,092,456	1,056,246
CASH	139,693	210,875
RECEIVABLES		
Employer Contributions	45,580	8,292
Total Assets	1,277,729	1,275,413
LIABILITIES		
ACCOUNTS PAYABLE	7,108	657
DEFERRED INCOME	72,782	77,380
Total Liabilities	79,890	78,037
NET ASSETS AVAILABLE FOR BENEFITS	1,197,839	1,197,376
EXCESS OF NET ASSETS AVAILABLE FOR BENEFITS OVER BENEFIT OBLIGATIONS	$ 1,077,092	$ 1,095,263

See accompanying Notes to Financial Statements.

ASSOCIATED GENERAL CONTRACTORS HEALTH BENEFIT TRUST
STATEMENTS OF CHANGES IN BENEFIT OBLIGATIONS AND NET ASSETS AVAILABLE FOR BENEFITS
YEARS ENDED MARCH 31, 2019 AND 2018

	2019	2018
NET INCREASE (DECREASE) IN BENEFIT OBLIGATIONS		
Change in Premiums Payable	$ (12,041)	$ 25,968
Change in Dollar Bank Obligation	30,675	(2,715)
Total Net Increase (Decrease) in Benefit Obligations	18,634	23,253
ADDITIONS:		
INVESTMENT INCOME		
Interest and Dividends	31,235	17,081
Net Appreciation in Fair Value of Investments	4,974	11,488
Total Investment Income	36,209	28,569
CONTRIBUTIONS		
Employer	12,241,989	10,584,315
Participant	87,183	64,905
Total Contributions	12,329,172	10,649,220
OTHER INCOME	9,006	2,939
Total Additions	12,374,387	10,680,728
DEDUCTIONS:		
INSURANCE PREMIUMS	11,576,980	9,964,987
ADMINISTRATIVE EXPENSES	796,944	715,104
Total Deductions	12,373,924	10,680,091
NET INCREASE IN NET ASSETS AVAILABLE FOR BENEFITS	463	637
NET (DECREASE) IN EXCESS OF NET ASSETS AVAILABLE FOR BENEFITS OVER BENEFIT OBLIGATIONS	(18,171)	(22,616)
EXCESS OF NET ASSETS AVAILABLE FOR BENEFITS OVER BENEFIT OBLIGATIONS		
Beginning of Year	1,095,263	1,117,879
End of Year	$ 1,077,092	$ 1,095,263

See accompanying Notes to Financial Statements.

NOTE 1 DESCRIPTION OF PLAN

Nature of Operations

The following description of Associated General Contractors Health Benefit Trust (the Plan) provides only general information. Participants should refer to the Plan document for a more complete description of the Plan's provisions.

General

The Plan and trust became effective January 1, 1971, as a result of an agreement between the Oregon-Columbia Chapter, The Associated General Contractors of America, Inc. (Plan Sponsor), and its employer members for the benefit of the members' employees. It is subject to the provisions of the Employee Retirement Income Security Act of 1974 (ERISA), as amended.

Benefits

The Plan provides medical, dental, prescription drug, vision, life, accidental death and dismemberment, short-term disability, wellness, and EAP benefits through group insurance policies for eligible members as specified in the Plan. Each participating employer elects the eligibility provisions for their employees from pre-defined options at annual contract renewal.

Contributions

Participating employers make monthly contributions to the Plan to provide benefits for employees based on specified rates. Terminated participants may contribute to the Plan under the provisions of COBRA to maintain coverage.

NOTE 2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Basis of Accounting

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

Valuation of Investments

Investments are reported at fair value. Fair value is the price that would be received to sell an asset in an orderly transaction between market participants at the measurement date. See Note 5 for discussion of fair value measurements. Purchases and sales are recorded on a trade-date basis. Interest income is recorded on an accrual basis. Dividends are recorded on the ex-dividend date. Net appreciation includes the Plan's gains and losses on investments bought and sold as well as held during the year.

Use of Estimates

The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires the Plan administrator 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 at the date of the financial statements. Actual results could differ from those estimates.

NOTE 2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Benefit Obligations

Participating employers may elect to contribute dollars in excess of those necessary to provide current insurance coverage. Such contributions are held in a dollar bank for the employee and are used to provide continuing coverage under the Plan when the employee's hours counted for eligibility to receive coverage fall below the level required for coverage paid with current employer contributions. These future benefits can be accumulated for each employee for up to a maximum of 18 months of health insurance coverage. The obligation calculation is the actual amount of eligible contributions held in the dollar bank and not used for benefits as of year-end.

Premiums payable is based on actual payments to insurance carriers subsequent to year-end for coverage prior to the years ended March 31, 2019 and 2018.

Premiums

Premiums are recorded when paid.

Administrative Expenses

All expenses of maintaining the Plan are paid by the Plan.

Concentration of Credit Risk

The Plan's cash balances are held at one financial institution. Accounts at this institution are insured by a government agency up to $250,000. At times, the balances in the account may exceed the insured limit.

Subsequent Events

In preparing these financial statements, the Plan has evaluated events and transactions for potential recognition or disclosure through January 9, 2020, the date the financial statements were available to be issued.

NOTE 3 PLAN TERMINATION

Although it has not expressed any intention to do so, the Plan Sponsor has the right under the Plan to modify the benefits provided to, and contributions required of participants, to discontinue its contributions at any time and to terminate the Plan subject to the provisions of ERISA. In the event of termination of the Plan, remaining assets will be applied in a uniform and nondiscriminatory manner toward the provision of benefits or for on account of the participants. No assets of the Plan may revert to the Plan Sponsor or be used for purposes other than for the exclusive benefit of the Plan's participants.

NOTE 4 TAX STATUS

The trust established under the Plan to hold the Plan's assets is intended to qualify pursuant to Section 501(c)(9) of the Internal Revenue Code (IRC) and, accordingly, the trust's net investment income is exempt from income taxes. The trust has obtained a favorable tax exemption letter on February 28, 1972, in which the Internal Revenue Service (IRS) stated that the trust, as then designed, was in compliance with the applicable requirements of the IRC. The Plan administrator believes that the trust, as amended, continues to qualify and to operate in accordance with the applicable provisions of the IRC.

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

NOTE 5 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 Plan has the ability to access.

Level 2 – Inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly or indirectly, such as:

- 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 means.

If 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 market 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.

NOTE 5 FAIR VALUE MEASUREMENTS (CONTINUED)

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 March 31, 2019 and 2018.

Mutual Funds: Valued at the daily closing price as reported by the fund. Mutual funds held by the Plan are open-ended mutual funds that are registered with the Securities and Exchange Commission. These funds are required to publish their daily net asset value (NAV) and to transact at that price. The mutual funds held by the Plan are deemed to be actively traded.

The following tables set forth by level, within the fair value hierarchy, the Plan's assets at fair value as of March 31:

	2019			
	Level 1	Level 2	Level 3	Total
Mutual Funds	$ 1,092,456	$ -	$ -	$ 1,092,456

	2018			
	Level 1	Level 2	Level 3	Total
Mutual Funds	$ 1,056,246	$ -	$ -	$ 1,056,246

NOTE 6 RISKS AND UNCERTAINTIES

The Plan invests in various investment securities. Investment securities are exposed to various risks such as interest rate, market, and credit risks. Due to the level of risk associated with certain investment securities, it is at least reasonably possible that changes in the values of the investment securities will occur in the near term and that such changes could materially affect the amounts reported in the statements of net assets available for benefits.

The liability for the dollar bank obligation at March 31, 2019 and 2018, was estimated based on actual contributions remitted prior to March 31 but not applied to benefits before March 31. The liability for premiums payable at March 31, 2019 and 2018, was estimated using actual payments to insurance carriers subsequent to year-end. 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 7 PARTY-IN-INTEREST AND RELATED PARTY TRANSACTIONS

Columbia Management Investment Services Corp. is the custodian as defined by the Plan and, therefore, certain transactions qualify as party-in-interest transactions.

The Plan Sponsor provides certain administrative services to the Plan for which fees are charged based on customary and reasonable rates for such services. Fees incurred relative to services performed by the Plan Sponsor were $996 and $4,034 for the years ended March 31, 2019 and 2018, respectively.

NOTE 8 RECONCILIATION OF FINANCIAL STATEMENTS TO FORM 5500

The following is a reconciliation of net assets available for benefits per the financial statements to Form 5500 at March 31:

	2019	2018
Net Assets Available for Benefits per the Financial Statements	$ 1,197,839	$ 1,197,376
Less: Total Benefit Obligations	(120,747)	(102,113)
Net Assets Available for Benefits per Form 5500	$ 1,077,092	$ 1,095,263

The following is a reconciliation of the costs of benefits provided per the financial statements to Form 5500 for the year ended March 31, 2019:

Net Increase in Net Assets Available for Benefits per the Financial Statements	$ 463
Less: Total Benefit Obligations at March 31, 2019	(120,747)
Add Back: Total Benefit Obligations at March 31, 2018	102,113
Net Loss per Form 5500	$ (18,171)

ASSOCIATED GENERAL CONTRACTORS HEALTH BENEFIT TRUST
E.I.N. 23-7170147 PLAN NO. 501
SCHEDULE H, LINE 4i—SCHEDULE OF ASSETS (HELD AT END OF YEAR)
MARCH 31, 2019

(a)	(b) Identity of Issue, Borrower, Lessor, or Similar Party	(c) Description of Investment Including Maturity Date, Rate of Interest, Collateral, Par, or Maturity Value	(d) Cost	(e) Current Value
	Mutual Funds:			
*	Columbia Management	Short-Term Bond Fund	$ 347,871	$ 362,305
*	Columbia Management	Balanced Fund	340,465	372,022
*	Columbia Management	Money Market Fund	357,839	358,129
		Total Investments	$ 1,046,175	$ 1,092,456

* *Indicates party-in-interest*

ASSOCIATED GENERAL CONTRACTORS HEALTH BENEFIT TRUST
SCHEDULES OF ADMINISTRATIVE EXPENSES
YEARS ENDED MARCH 31, 2019 AND 2018

	2019	2018
Administrative Agent and Broker Fees	$ 668,064	$ 591,103
Vimly Benefit Solutions, Inc. Administrative Fees	107,044	100,460
Audit and Tax Fees	15,030	14,450
AGC Chapter Administrative Fees	996	4,034
Legal Fees	5,810	3,642
Website Expenses	-	80
Travel and Conferences	-	49
Postage	-	956
Printing Expense	-	330
Total Administrative Expenses	$ 796,944	$ 715,104