Food Employers Labor Relations Association and United Food and Commercial Workers VEBA Fund

Financial Statements

December 31, 2018

CALIBRE
CPA GROUP

Food Employers Labor Relations Association and United Food and Commercial Workers VEBA Fund

Financial Statements

Years Ended December 31, 2018 and 2017

Contents

CALIBRE
CPA GROUP

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REPORT OF INDEPENDENT AUDITORS

The Board of Trustees of the
Food Employers Labor Relations Association and
United Food and Commercial Workers VEBA Fund

We have audited the accompanying financial statements of Food Employers Labor Relations Association and United Food and Commercial Workers VEBA Fund (the Fund), which comprise the statements of net assets available for benefits and of benefit obligations as of December 31, 2018, and the related statements of changes in net assets available for benefits and of changes in benefit obligations for the year then ended, and the related notes to the financial statements.

Management's Responsibility for the Financial Statements

The Fund's 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; 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.

Auditor's Responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. 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 auditors consider internal control relevant to the Fund'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 Fund's internal control. Accordingly, we express no such opinion. An audit 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 Fund as of December 31, 2018 and 2017 and the changes in its financial status for the years then ended in accordance with accounting principles generally accepted in the United States of America.

Report on Supplemental Information

Our audit was performed for the purpose of forming an opinion on the financial statements as a whole. The accompanying supplemental information on pages 18 through 29 as of December 31, 2018 is presented for the purpose of additional analysis and is not a required part of the basic financial statements. The supplemental information on pages 18 through 24 is supplemental information required by the Department of Labor's Rules and Regulations for Reporting and Disclosure under the Employee Retirement Security Income Security Act of 1974. Such information is the responsibility of the Fund's management and was derived from and related 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 audit of the basic 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.

Other Matter - December 31, 2017 Financial Statements

The financial statements and supplemental information of Food Employers Labor Relations Association and United Food and Commercial Workers VEBA Fund as of and for the year ended December 31, 2017, were audited by Salter & Company LLC, whose professional practice was merged with Calibre CPA Group, PLLC as of November 1, 2018, and whose report dated September 20, 2018, expressed an unmodified opinion on those financial statements.

Calibre CPA Group, PLLC

Bethesda, MD
October 3, 2019

Food Employers Labor Relations Association and United Food and Commercial Workers VEBA Fund

Statements of Net Assets Available for Benefits

December 31, 2018 and 2017

	2018	2017
Assets		
Investments - at fair value	$ 31,018,838	$ 24,862,182
Receivables		
Participating employers' contributions	19,539,384	14,047,926
Interest and dividends	95,162	118,920
Due from broker for investments sold	19,651	24,697
Prescription rebates receivable	3,456,115	4,704,978
Other receivables and prepaid expenses	34,620	31,406
Total receivables	23,144,932	18,927,927
Cash	3,068,043	11,996,803
Total assets	57,231,813	55,786,912
Liabilities and Net Assets		
Liabilities		
Accounts payable and accrued expenses	2,203,888	2,261,000
Net assets available for benefits	$ 55,027,925	$ 53,525,912

See accompanying notes to financial statements.

Food Employers Labor Relations Association
and United Food and Commercial Workers
VEBA Fund

Statements of Changes in Net Assets Available for Benefits

Years Ended December 31, 2018 and 2017

	2018	2017
Additions		
Contribution income		
Participating employers	$ 133,655,026	$ 104,740,359
Participants	4,687,818	4,683,721
Total contribution income	138,342,844	109,424,080
Investment income		
Net appreciation (depreciation) in fair value of investments	(312,480)	1,264,053
Interest and dividends	660,695	1,320,068
	348,215	2,584,121
Less: investment expenses	(101,219)	(148,842)
Net investment income	246,996	2,435,279
Other income	146,283	2,319,357
Total additions	138,736,123	114,178,716
Deductions		
Benefits paid to participants	128,587,330	129,101,165
Medical claims administration fee	3,962,349	3,339,743
Prescription administration fee	117,051	66,844
Administrative expenses	4,567,380	4,449,327
Total deductions	137,234,110	136,957,079
Net change in net assets available for benefits	1,502,013	(22,778,363)
Net assets available for benefits		
Beginning of year	53,525,912	76,304,275
End of year	$ 55,027,925	$ 53,525,912

See accompanying notes to financial statements.

Food Employers Labor Relations Association and United Food and Commercial Workers VEBA Fund

Statements of Benefit Obligations

December 31, 2018 and 2017

	2018	2017
Amounts currently payable to or for participants, beneficiaries and dependents		
Group insurance and service providers	$ 1,403,699	$ 1,293,935
Claims incurred but not reported	13,526,000	14,871,000
Total	14,929,699	16,164,935
Other obligations for current benefit coverage, at estimated amounts		
Future severance claims	41,288,109	41,009,054
Total obligations other than posretirement benefit obligations	56,217,808	57,173,989
Postretirement benefit obligations, net of amounts currently payable		
Retired participants and beneficiaries	307,502,000	310,499,000
Other participants fully eligible for benefits	54,423,000	54,953,000
Participants not yet fully eligible for benefits	812,000	819,000
Total	362,737,000	366,271,000
Total benefit obligations	$ 418,954,808	$ 423,444,989

See accompanying notes to financial statements.

Food Employers Labor Relations Association and United Food and Commercial Workers VEBA Fund

Statements of Changes in Benefit Obligations

Years Ended December 31, 2018 and 2017

	2018	2017
Amounts currently payable to or for participants beneficiaries and dependents		
Balance at beginning of year	$ 16,164,935	$ 18,093,301
Net change during the year	(1,235,236)	(1,928,366)
Balance at end of year	14,929,699	16,164,935
Other obligations for current benefit coverage at estimated amounts		
Balance at beginning of year	41,009,054	28,759,011
Net change during year		
Accumulated eligibility credits	279,055	12,250,043
Balance at end of year	41,288,109	41,009,054
Postretirement benefit obligations, net of amounts currently payable		
Balance at beginning of year	366,271,000	403,093,000
Changes in postretirement benefits		
Attributable to		
Expected benefit payments	(16,116,000)	(16,305,000)
Changes in assumptions	-	(42,083,000)
Passage of time	12,542,000	12,539,000
Benefits earned and other changes	40,000	72,000
Other changes	-	8,955,000
Balance at end of year	362,737,000	366,271,000
Total benefit obligations at end of year	$ 418,954,808	$ 423,444,989

See accompanying notes to financial statements.

FOOD EMPLOYERS LABOR RELATIONS ASSOCIATION AND UNITED FOOD AND COMMERCIAL WORKERS VEBA FUND

NOTES TO FINANCIAL STATEMENTS

YEARS ENDED DECEMBER 31, 2018 AND 2017

NOTE 1. DESCRIPTION OF PLAN

The following brief description of the Food Employers Labor Relations Association and United Food and Commercial Workers VEBA Fund (the Fund) is provided for general information purposes only. Participants should refer to the applicable summary plan description or program description for more complete information.

General - The Fund is a multi-employer collectively bargained trust fund that provides health and welfare benefits through employee welfare benefit plans that are subject to the provisions of the Employee Retirement Income Security Act of 1974 (ERISA) and cover the Fund's active participants and retirees, respectively, and also provides monthly stipends through a separate program not subject to ERISA. Effective July 17, 2015, the Fund changed its name from the Food Employers Labor Relations Association and United Food and Commercial Workers Health and Welfare Fund to the Food Employers Labor Relations Association and United Food and Commercial Workers VEBA Fund.

Plan Benefits - The Active Plan covers employees and their dependents in jobs covered by collective bargaining agreements. Under the provisions of the Consolidated Omnibus Budget Reconciliation Act of 1985 (COBRA), participants and their dependents may continue their eligibility for a certain period after they cease employment by paying their own contributions. The Active Plan provides benefits for a certain period after the occurrence of a qualifying event. The Active Plan also provides legal, scholarship and severance benefits. Benefit levels vary and are determined by the amount of the contributions as agreed to in the collective bargaining agreements. The Retiree Plan provides health and welfare benefits for certain eligible retirees who have met the age and service requirements, and their dependents and beneficiaries. Eligible retirees may elect health and welfare coverage, including prescription drug coverage, subject to Retiree Plan rules and co-payments, if applicable. Participants should refer to the applicable summary plan description for more complete information. Benefits are recorded when paid by the Plan.

Retiree Assistance Program - On December 3, 2015, the Board of Trustees (the Trustees) amended the Fund's Restated Agreement and Declaration of Trust to reflect the creation of the Retiree Assistance Program (RAP), a non-ERISA program under the Fund. In 2015, certain participating employers contributed amounts to the Fund for the purpose of funding the RAP in advance of its January 1, 2016 effective date. These contributions were deposited directly into the Fund's non-ERISA account, which was first opened in 2015. Effective January 1, 2016, the RAP provides a monthly stipend to certain eligible retirees, dependents and surviving spouses.

Note 1. Description of Plan (continued)

Contributions - Contributions to the Fund are made by the employers at rates specified in the collective bargaining agreement with each employer or, in certain situations, by participants.

Other - The income, expenses and assets of the Active Plan, Retiree Plan, and RAP are separately accounted for and the assets of one are not used to pay the liabilities of the others.

Administrative Expenses - Administrative expenses are paid by the Fund.

Stop-Loss Coverage - The Fund has a maintenance of benefit (MOB) plan design. Therefore, stop-loss coverage is not necessary.

Self-Funded Benefits - The claims for self-funded benefits are processed by the Fund's third-party claims processors under administrative services only arrangements. The claim's processor pays claims directly to or on behalf of participant and are then reimbursed by the Fund. Despite the Fund's utilization of third-party claim's processors, ultimate responsibility for payment to providers and participants is retained by the Fund.

Benefit Obligations Claims Incurred but not Reported - This benefit obligation is estimated by the Fund's actuary in accordance with accepted actuarial principles. The Trustees receive the independent actuarial and consulting firm's report and implement the recording of these obligations. The statements of benefit obligations include the actuarial estimate of claims payable and claims incurred but not reported, accumulated eligibility credit obligations, and postretirement benefit obligations which are expected to be funded by future contributions and earnings on investments.

Note 2. Summary of Significant Accounting Policies

The significant accounting principles utilized to prepare the financial statements are described as follows:

Basis of Accounting - The accompanying financial statements are prepared using the accrual basis of accounting. Under this basis, revenue is recognized when earned and expenses are recognized when incurred.

Estimates - The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amounts of assets, liabilities, benefit obligations, and changes therein, IBNR, eligibility credits, claims payable, and disclosure of contingent assets and liabilities. Accordingly, actual results may differ from those estimates.

Employer Contributions Receivable - This amount represents employer contributions received shortly after the close of the plan year. It does not include any additional amounts that may be due from delinquent contributing employers. The Trustees approved a reserve adjustment credit against future contributions, with an effective date of December 2016. As such, no receivable has been accrued for impacted employers.

Note 2. Summary of Significant Accounting Policies (continued)

Investment Valuation and Income Recognition - Investments are carried 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. The Fund's Trustees determines the Fund's valuation policies utilizing information provided by its investment advisors and custodian. See Note 3 for a 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) includes the Fund's gains and losses on investments bought and sold as well as held during the year.

Reclassifications - In order to conform to the current year form of presentation, certain reclassifications have been made to the prior year financial statements. These reclassifications had no effect on the net assets available for benefits.

Postretirement Benefit Obligation - The postretirement benefit obligation (See Note 7) represents the actuarial present value of those estimated future benefits that are attributed to employee service rendered to December 31, 2018. Postretirement benefits include future benefits expected to be paid to or for (1) currently retired employees and their beneficiaries and dependents and (2) active employees and their beneficiaries and dependents after retirement from service with their employer. Prior to an active employee's full eligibility date, the postretirement benefit obligation is the portion of the expected postretirement benefit obligation that is attributed to that employee's service rendered to the valuation date.

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 participants 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.

Benefits Currently Payable - Amounts currently payable to or for participants, beneficiaries and dependents represent actual and estimated amounts paid or payable after year end for all reported claims for benefits occurring during the respective accounting periods, days lost due to disabilities that began during those periods, payment to benefit providers for benefits in those respective periods, and other miscellaneous benefits related to services performed in those respective periods.

Employer Contributions Receivable - This amount represents contributions received shortly after the close of the Fund's plan year. Therefore, an allowance for doubtful accounts is deemed unnecessary. This amount does not include any additional income that may be due from delinquent contributing employers.

Note 3. Fair Value Measurements

Accounting standards provide the framework for measuring fair value which 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 (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 other significant observable inputs including:

- 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; and
- 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 term of the asset or liability.

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

The asset's 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 are descriptions of the valuation methodologies used for assets measured at fair value. There have been no changes in the methodologies used at December 31, 2018 and 2017.

Short-term investments: Valued at cost which approximates fair value.

United States Government and government agency obligations and corporate obligations: Valued using pricing models maximizing the use of observable inputs for similar securities. When quoted prices are not available for identical or similar bonds, the bond is valued under a discounted cash flows approach that maximizes observable inputs, such as current yields of similar instruments, but includes adjustments for certain risks that may not be observable, such as credit and liquidity risks or a broker quote if available.

Mutual funds: Valued at the closing price reported on the active market on which the Funds are traded.

Note 3. Fair Value Measurements (continued)

Limited partnerships: Valued at net asset value (NAV). The NAV, as provided by the investment advisor, is used as a practical expedient to estimate fair value. The net asset value of these investments is based on the fair value of the underlying assets held by the fund less its liabilities.

The following table sets forth by level, within the fair value hierarchy, the Fund's assets at fair value as of December 31, 2018:

	Assets at Fair Value as of December 31, 2018			
	Total	Quoted Prices (Level 1)	Significant Other Observable Inputs (Level 2)	Significant Unobservable Inputs (Level 3)
Investments measured at fair value				
Short-term investments	$ 18,030,410	$ 18,030,410	$ -	$ -
United States Government and government agency obligations	1,784,930	-	1,784,930	-
Corporate obligations	5,542,764	-	5,542,764	-
Mutual funds	2,896,660	2,896,660	-	-
Municipal bonds	290,439	-	290,439	-
Total assets in the fair value hierarchy	28,545,203	$ 20,927,070	$ 7,327,694	$ -
Investments measured at net asset value*				
Limited partnerships	2,473,635			
Total investments	$ 31,018,838			

*In accordance with Accounting Standards Codification, investments that were measured at net asset value per share (or its equivalent) have not been classified in the fair value hierarchy. The fair value amounts presented in this table are intended to permit reconciliation of the fair value hierarchy to the line items presented in the statements of net assets available for benefits.

Note 3. 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 December 31, 2017:

	Assets at Fair Value as of December 31, 2017			
	Total	Quoted Prices (Level 1)	Significant Other Observable Inputs (Level 2)	Significant Unobservable Inputs (Level 3)
Investments measured at fair value				
Short-term investments	$ 3,390,521	$ 3,390,521	$ -	$ -
United States Government and government agency obligations	2,730,167	-	2,730,167	-
Corporate obligations	10,232,898	-	10,232,898	-
Mutual funds	5,657,628	5,657,628	-	-
Total assets in the fair value hierarchy	22,011,214	$ 9,048,149	$ 12,963,065	$ -
Investments measured at net asset value*				
Limited partnerships	2,850,968			
Total investments	$ 24,862,182			

*In accordance with Accounting Standards Codification, investments that were measured at net asset value per share (or its equivalent) have not been classified in the fair value hierarchy. The fair value amounts presented in this table are intended to permit reconciliation of the fair value hierarchy to the line items presented in the statements of net assets available for benefits.

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. In such instances, the transfer is reported at the beginning of the reporting period.

We evaluated the significance of transfers between levels based upon the nature of the financial instrument and size of the transfer relative to total net assets available for benefits. For the year ended December 31, 2017, there were no transfers in or out of Levels 1, 2 or 3.

NOTE 3. FAIR VALUE MEASUREMENTS (CONTINUED)

Fair Value of Investments that Calculate Net Asset Value

The following table summarizes investments measured at fair value based on NAV per share as of December 31, 2018 and 2017, respectively.

Investment type	Fair Value 2018	Fair Value 2017	Unfunded Commitments	Redemption Frequency (if currently eligible)	Redemption Notice Period
Limited partnerships	$ 2,473,635	$ 2,850,968	None	Discretionary	N/A

The Fund's investment in the limited partnership category consists of two individual investments. These investments seek to achieve long term-growth of capital consistent with risk reduction through diversification. These investments are subject to various restrictions on redemption and frequency.

NOTE 4. POSTRETIREMENT BENEFITS

The postretirement benefit obligation represents the total actuarial present value of those estimated future plan benefits that are attributed to employee service rendered to December 31, 2018 and 2017, reduced by the actuarial present value of contributions expected to be received in the future on behalf of current plan participants. Postretirement benefits include future benefits for (1) currently eligible retired employees and their eligible dependents and (2) active employees and their beneficiaries and dependents after retirement from service with participating employers. Prior to an active employee's full eligibility date, the postretirement benefit obligation is the portion of the expected postretirement benefit that is attributed to that employee's service in the industry rendered to the valuation date.

The actuarial present value of the expected benefit obligations 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 of 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.

On December 8, 2003, the President signed into law the Medicare Prescription Drug Improvement and Modernization Act of 2003 (the Act) for employers that sponsor postretirement health care plans that provide prescription drug benefits. The Act introduces a prescription drug benefit under Medicare (Medicare Part D) as well as a Federal subsidy to sponsors of retiree health care benefit plans that provide a benefit that is at least actuarially equivalent to Medicare Part D.

NOTE 4. POST-RETIREMENT BENEFITS (CONTINUED)

Some of the more significant actuarial assumptions used to calculate the postretirement benefit obligation at December 31, 2018 and 2017 are as follows:

Economic Assumptions	December 31, 2018	December 31, 2017
Discount Rate	3.50%	3.50%
Medical Non-Medicare	N/A	N/A
Medical Medicare Trends	Mixture of trends eventually reaching ultimate rate of 3.5% per annuum in 2032	5.75% for 2017 graded down to 3.5% in 2032
Prescription Trends	Mixture of trends eventually reaching ultimate rate of 3.5% per annuum in 2032	10.0% for 2017 graded down to 3.5% in 2032

Participant Contribution Trend: Since retiree contributions are assumed to cover a percentage of total (or Medicare only) costs, the trend is a mixture of the trends in the table above eventually reaching an ultimate rate of 3.50% per annum.

If the assumed rates increased by one percentage point in each year, it would increase the benefit obligations as of December 31, 2018 and 2017 by $46,350,000 and $44,777,000, respectively.

Demographic Assumptions

Rates of retirement: ranges from age 50 through 65. With less than 30 years of service, 8.50% at age 55 through 30% at age 65. With more than 30 years of service, 20% at age 50 through 40% at age 65.

Rates of disability: Terminations of employment for disability are assumed to be equal to 50% of the Group Long Term Disability Insurance Crude Rates of Disablement for males published in the Transactions of the Society of Actuaries, 1979.

Rate of Mortality: Active mortality is based on sex distinct RP-2000 Combined. For healthy retirees, the mortality is based upon RP-2000 Healthy Annuitant with male set forward one year. Disabled life mortality is based on RP-2000 Disabled Annuitant for ages prior to 65. The same mortality as Healthy Inactives for ages 65 and older.

Percent of Retirees Electing Coverage: It is assumed that 100% of new Non-Medicare retirees and 80% of new Medicare eligible retirees elect to join the program.

NOTE 4. POST-RETIREMENT BENEFITS (CONTINUED)

Family Composition: 50% of future retirees are assumed to be married and elect spouse coverage. Male spouses are assumed to be 3 years older than female spouses.

The foregoing assumptions are based on the assumption that the Fund will continue. Were the Fund to terminate, or the benefits provided there under modified, amended or terminated, in whole or in part, different actuarial assumptions and other factors might be applicable in determining the actuarial present value of the postretirement benefit obligation.

NOTE 5. PRIORITIES UPON TERMINATION

It is the present intent of the Trustees to continue the Fund and its Plans indefinitely. However, in order to safeguard against any unforeseen contingencies, the right to discontinue the Fund and its Plans is reserved to the Trustees. In the event of termination of the Fund and its Plans, the Trustees shall first satisfy or make provisions to satisfy the obligations of the Fund and its Plans. Any remaining plan assets will be distributed in such manner as will, in the opinion of the trustees, bring about purpose of the Fund and its Plans. Termination shall not permit any part of the plan assets to be used for or diverted to purposes other than the exclusive benefit of the participants. However, as stated under the terms of the Fund and its Plans, the Trustees and/or collective bargaining parties reserve the right to amend, modify or terminate the Fund and its Plans and benefits provided there under, in whole or in part, at any time.

NOTE 6. TAX STATUS

The Internal Revenue Service advised the Fund by letter dated April 15, 2015, that it qualifies under Section 501(c)(9) of the Internal Revenue Code (IRC) as a Voluntary Employees' Benefit Association and is, therefore, not subject to tax under present income tax laws. The Fund and its Plans have been amended since receiving the exemption letter. The Fund's Trustees believe that the Fund is currently designed and being operated in compliance with the applicable requirements of the IRC. The Trustees believe that the Fund is qualified, and the related Trust was tax-exempt as of the financial statement date.

Accounting principles generally accepted in the United States of America require plan management to evaluate tax positions taken by the Fund and recognize a tax liability (or asset) if the organization has taken an uncertain position that more likely than not would not be sustained upon examination. The Fund's administrator is not aware of any uncertain positions taken or expected to be taken that would require recognition of a liability (or asset) or disclosure in the financial statements as of December 31, 2018. The Fund is subject to routine audits by taxing jurisdictions.

Note 7. 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 statements of net assets available for benefits.

The actuarial present value of benefit obligations is reported based on certain assumptions pertaining to interest rates, health care 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 8. Reconciliation of Financial Statements to Form 5500

The following is a reconciliation of the Fund's net assets available for benefits per the accompanying financial statements to Form 5500:

	2018	2017
Net assets available for benefits per the financial statements	$ 55,027,925	$ 53,525,912
Benefit obligations currently payable	(14,929,699)	(16,164,935)
Net assets available for benefits per Form 5500	$ 40,098,226	$ 37,360,977

The following is a reconciliation of benefits paid to or for participants and dependents as per the financial statements to Form 5500 for the years ended December 31, 2018 and 2017:

	2018	2017
Benefits paid per the financial statements	$ 128,587,330	$ 129,101,165
Add: amounts currently payable at end of year	14,929,699	16,164,935
Less: amounts payable at beginning of year	(16,164,935)	(18,093,301)
Benefits paid to or for participants and dependents per the Form 5500	$ 127,352,094	$ 127,172,799

Benefits paid to or for participants and dependents recorded on Form 5500 include benefit claims that have been processed and approved for payment prior to December 31, 2018, but not yet paid as of that date.

Note 9. Significant Plan Amendments

Year ended December 31, 2018

- No plan amendments were adopted during the year ended December 31, 2018.

Year ended December 31, 2017

- Effective April 12, 2017, change in initial eligibility rule for Plan XXX and Plan XL participants.

Note 10. Subsequent Events

Subsequent events have been evaluated through October 3, 2019, which is the date the financial statements were available to be issued. This review and evaluation revealed no material event or transaction which would require an adjustment to or disclosure in the accompanying financial statements.

Supplemental Information

Food Employers Labor Relations Association
and United Food and Commercial Workers
VEBA Fund

Schedule of Assets (Held at End of Year)

December 31, 2018

EIN: 52-1036978

Form 5500, Schedule H, Line 4i — Plan No. 001

(a)	(b) Identity of issuer, borrower, lessor or similar party	(c) Description of investment, including maturity date, rate of interest, collateral, par or maturity value: Description	Maturity Date	Rate of Interest	Par/Maturity Value or Shares	(d) Cost	(e) Current Value
	Short-Term Investments						
	PNC Government Fund	Money Market	N/A	N/A	18,030,410	$ 18,030,410	$ 18,030,410
	United States Government and Goverenemt Agencies Obligations						
	Federal Hm Ln Mtg Corp Gld Pl G11769	Bonds	10/01/2020	05.000%	2,594	2,607	2,638
	Federal Hm Ln Mtg Corp Gld Pl G15144	Bonds	07/01/2029	02.500%	78,341	79,369	77,468
	Federal Hm Ln Mtg Corp Gld Pl G18575	Bonds	11/01/2030	03.000%	57,710	59,333	57,534
	Federal Hm Ln Mtg Corp Gld Pl J20129	Bonds	08/01/2027	02.500%	97,025	98,602	95,945
	Federal Hm Ln Mtg Corp Pl 1G2247	Bonds	10/01/2037	VAR%	182	182	191
	Federal Home Loan Mtg Corp	Bonds	02/15/2022	01.625%	18,715	18,274	18,425
	Federal Home Loan Mtg Corp	Bonds	10/15/2024	05.000%	2,378	2,350	2,429
	Federal Home Loan Mtg Corp	Bonds	07/15/2025	05.000%	17,017	15,970	17,456
	Federal Home Loan Mtg Corp	Bonds	10/15/2039	03.000%	49,343	50,978	49,630
	Federal Home Loan Mtg Corp	Bonds	02/25/2043	06.500%	12,853	13,238	14,693
	Federal Natl Mtg Assn	Bonds	08/25/2023	04.500%	2,861	2,580	2,902
	Federal Natl Mtg Assn	Bonds	08/25/2023	04.000%	84	1,077	1,182
	Federal Natl Mtg Assn	Bonds	06/25/2024	04.500%	20,927	21,489	21,576
	Federal Natl Mtg Assn	Bonds	09/06/2024	02.625%	60,000	60,245	59,791
	Federal Natl Mtg Assn	Bonds	09/24/2026	01.875%	95,000	89,016	88,393
	Federal Natl Mtg Assn	Bonds	06/25/2042	06.500%	7,057	7,274	7,944
	Federal Natl Mtg Assn	Bonds	05/25/2044	06.500%	22,824	23,800	25,466
	Federal Natl Mtg Assn	Bonds	01/052022	02.000'%	50,000	48,932	49,260
	Federal Natl Mtg Assn Pl 256808	Bonds	07/01/2037	05.500%	370	357	384
	Federal Natl Mtg Assn Pl 256900	Bonds	09/01/2037	05.500%	152	148	154
	Federal Natl Mtg Assn Pl 257275	Bonds	07/01/2023	05.000%	7,883	8,118	8,063
	Federal Natl Mtg Assn Pl 725162	Bonds	02/01/2034	06.000%	24,267	26,773	26,462
	Federal Natl Mtg Assn Pl 735141	Bonds	01/01/2035	05.500%	18,709	19,797	20,144
	Federal Natl Mtg Assn Pl 821639	Bonds	06/01/2035	07.000%	801	844	814
	Federal Natl Mtg Assn Pl 880871	Bonds	04/01/2036	05.500%	1,328	1,288	1,399
	Federal Natl Mtg Assn Pl 899303	Bonds	03/01/2037	05.500%	279,266	259	279
	Federal Natl Mtg Assn Pl 922386	Bonds	01/01/2037	05.500%	1,202	1,165	1,262
	Federal Natl Mtg Assn Pl AB6192	Bonds	09/01/2027	02.500%	15,179	14,968	14,976
	Federal Natl Mtg Assn Pl AE0217	Bonds	08/01/2040	04.500%	22,687	24,323	23,763
	Federal Natl Mtg Assn Pl AE8748	Bonds	12/01/2040	04.000%	19,940	21,027	20,503
	Federal Natl Mtg Assn Pl AJ1413	Bonds	09/01/2041	04.500%	16,960	18,235	17,762
	Federal Natl Mtg Assn Pl Al2460	Bonds	10/01/2027	02.500%	30,325	30,301	29,918

Food Employers Labor Relations Association and United Food and Commercial Workers VEBA Fund

Schedule of Assets (Held at End of Year), continued

December 31, 2018

EIN: 52-1036978

Form 5500, Schedule H, Line 4i — Plan No. 001

(a)	(b) Identity of issuer, borrower, lessor or similar party	(c) Description of investment, including maturity date, rate of interest, collateral, par or maturity value: Description	Maturity Date	Rate of Interest	Par/Maturity Value or Shares	(d) Cost	(e) Current Value
	Federal Natl Mtg Assn Pl Al9809	Bonds	07/01/2031	03.500%	63,757	$ 67,044	$ 64,642
	Federal Natl Mtg Assn Pl MA3427	Bonds	07/01/2033	04.000%	56,112	57,716	57,488
	Federal Natl Mtg Assn Pl MA3463	Bonds	08/01/2033	04.000%	61,916	63,595	63,540
	FHLMC Multifamily Structured P	Bonds	10/25/2022	02.682%	40,000	39,445	39,704
	FHLMC Multifamily Structured P	Bonds	08/25/2023	03.458%	40,000	40,594	40,803
	FHLMC Multifamily Structured P	Bonds	08/25/2024	VAR%	61,000	60,394	61,165
	USA Treasury Notes	Notes	08/31/2020	02.625%	40,000	40,039	40,053
	USA Treasury Notes	Notes	07/31/2022	01.875%	60,000	58,316	58,756
	USA Treasury Notes	Notes	02/15/2023	02.000%	25,000	24,288	24,513
	USA Treasury Notes	Notes	11/15/2023	02.750%	40,000	39,925	40,438
	USA Treasury Notes	Notes	08/15/2024	02.375%	35,000	34,098	34,679
	USA Treasury Notes	Notes	02/15/2025	02.000%	120,000	116,267	116,077
	USA Treasury Notes	Notes	11/15/2025	02.250%	90,000	90,140	88,014
	USA Treasury Notes	Notes	08/15/2026	01.500%	100,000	91,849	92,250
	USA Treasury Notes	Notes	11/15/2026	02.000%	140,000	132,954	133,640
	USA Treasury Notes	Notes	02/15/2028	02.750'%	70,000	69,269	70,361
	Total United States Government and Government Agencies Obligations					1,788,852	1,784,929
	Corporate Obligations						
	Ace Ina Holdings	Bonds	05/15/2024	3.350%	55,000	57,549	54,647
	ADT Corp	Bonds	10/15/2021	6.250%	60,000	65,478	60,825
	Aercap Ireland Cap Ltd	Bonds	10/30/2020	4.625%	55,000	57,493	55,384
	AES Corp/VA	Bonds	03/15/2021	4.000%	65,000	65,291	63,862
	Aircastle Ltd	Bonds	12/01/2019	6.250%	55,000	59,868	56,310
	Alcoa Inc	Bonds	04/15/2021	5.400%	55,000	58,598	55,550
	Ambac Assurance Corp	Bonds	06/07/2020	5.100%	696	1	925
	Ambac Lsni LLC	Bonds	02/12/2023	VAR%	3,015	1	3,019
	Amerer Illinois Co	Bonds	09/01/2022	2.700%	25,000	25,476	24,551
	American Airlines 15-1 A Ptt	Bonds	11/01/2028	3.375%	16,562	16,567	15,739
	American Express Credit	Bonds	05/26/2020	2.375%	55,000	54,961	54,423
	Antero Resources Finance	Bonds	11/01/2021	5.375%	55,000	56,208	53,075
	Arcelormittal	Bonds	03/01/2021	6.000%	55,000	57,688	56,567
	Arizona Public Service	Bonds	06/15/2024	3.350%	45,000	46,134	44,932
	AT&T Broadband Corp	Bonds	11/15/2022	9.455%	50,000	71,296	60,747
	Avery	Bonds	12/06/2028	4.875%	40,000	39,800	40,353
	Ballcorp	Bonds	03/15/2022	5.000%	55,000	56,708	55,275

SCHEDULE OF ASSETS (HELD AT END OF YEAR), CONTINUED

DECEMBER 31, 2018

EIN: 52-1036978
FORM 5500, SCHEDULE H, LINE 4I — PLAN NO. 001

(a)	(b) Identity of issuer, borrower, lessor or similar party	(c) Description of investment, including maturity date, rate of interest, collateral, par or maturity value: Description	Maturity Date	Rate of Interest	Par/Maturity Value or Shares	(d) Cost	(e) Current Value
	Baxter International Inc	Bonds	08/15/2022	2.400%	45,000	$ 42,603	$ 43,229
	BP Cap Markets America	Bonds	09/21/2025	3.796%	45,000	44,730	45,217
	Burlington North Santa Fe	Bonds	09/01/2023	3.850%	50,000	53,510	51,348
	California St Dept of Wtr Resource	Bonds	05/01/2021	1.713%	173,653	173,653	169,610
	Canadian Nail Railway	Bonds	12/15/2021	2.850%	4,000	65,040	64,557
	Capital One Multi Asset Execute	Bonds	07/17/2023	1.990%	90,000	89,993	88,602
	Carnival Corp	Bonds	10/15/2020	3.950%	55,000	56,974	55,709
	Caterpillar Inc	Bonds	05/15/2024	3.400%	50,000	49,761	50,212
	CCO Hldgs LLC	Bonds	09/30/2022	5.250%	60,000	61,562	59,475
	Centene Corp	Bonds	02/15/2021	5.163%	55,000	57,034	55,137
	Chevron	Bonds	06/24/2023	3.191%	55,000	54,574	54,914
	Church & Dwight Co Inc	Bonds	08/01/2022	2.450%	55,000	55,010	53,155
	Cit Group Inc	Bonds	08/15/2022	5.000%	60,000	60,272	59,175
	CME Group Inc	Bonds	09/15/2022	3.000%	50,000	49,528	49,835
	CNH Equipment Trust	Bonds	07/17/2023	3.120%	60,000	59,987	60,175
	CNH Industrial Capital LLC	Bonds	11/06/2020	4.138%	65,000	66,367	65,357
	Coca-Cola Co	Bonds	10/27/2025	2.875%	55,000	55,704	52,951
	Connecticut Light & Power	Bonds	01/15/2023	2.500%	50,000	50,123	49,063
	Contental Airlines	Bonds	01/12/2021	4.750%	32,354	34,204	32,791
	Contl Airlines 2012-2 A	Bonds	04/29/2026	4.001%	18,711	20,068	18,477
	Countrywide Home Loans	Bonds	05/20/2036	VAR%	16,251	14,325	15,077
	Crown America Captl Corp IV	Bonds	01/15/2023	4.500%	60,000	60,334	58,575
	DCP Midstream Operat Ng	Bonds	04/01/2019	2.700%	65,000	64,794	64,472
	Delmarva Light Co	Bonds	11/15/2023	3.500%	25,000	26,920	25,135
	Dowdupont Inc	Bonds	11/15/2023	4.205%	4,000	35,000	35,775
	Dr Pepper Snapple Group	Bonds	11/15/2021	3.200%	30,000	30,754	29,477
	DTE Electric Co	Bonds	06/15/2022	2.650%	55,000	55,045	53,677
	Dynegyinc	Bonds	11/01/2022	7.138%	55,000	57,718	56,787
	Eastman Chemical Co	Bonds	01/15/2020	2.700%	25,000	25,009	24,816
	Eato	Bonds	11/02/2022	2.750%	40,000	40,446	38,904
	EMC Corp	Bonds	06/01/2020	2.650%	65,000	62,514	62,427
	Energytran	Bonds	10/15/2020	7.500%	55,000	61,545	57,200
	Enterprise Products Oper	Bonds	02/15/2021	2.800%	45,000	44,813	44,528
	Equinixinc	Bonds	01/01/2022	5.375%	55,000	57,651	55,412
	Estee Lauder Co Inc	Bonds	05/10/2021	1.700%	55,000	54,677	53,492
	Exxon Mobil Corporation	Bonds	03/01/2021	2.112%	40,000	39,845	39,424

Food Employers Labor Relations Association and United Food and Commercial Workers VEBA Fund

Schedule of Assets (Held at End of Year), continued

December 31, 2018

EIN: 52-1036978

Form 5500, Schedule H, Line 4i — Plan No. 001

(a)	(b) Identity of issuer, borrower, lessor or similar party	(c) Description of investment, including maturity date, rate of interest, collateral, par or maturity value: Description	Maturity Date	Rate of Interest	Par/Maturity Value or Shares	(d) Cost	(e) Current Value
	Fedex Corp	Bonds	02/01/2025	3.200%	55,000	$ 55,418	$ 53,203
	Fiat Chrysler Automobile	Bonds	04/15/2020	4.500%	65,000	66,666	65,078
	Florida Power & Light Co	Bonds	06/01/2024	3.250%	25,000	26,053	24,941
	Gannett Co	Bonds	10/15/2019	5.125%	57,000	59,015	56,973
	Glaxosmithkline Cap Inc	Bonds	05/15/2023	3.375%	60,000	59,765	60,229
	GLP Capital LP	Bonds	04/15/2021	4.375%	60,000	61,225	59,756
	Gmac Mortgage Corp Loan Trust	Bonds	12/25/2037	6.054%	6,498	5,423	6,328
	Group 1 Automotive	Bonds	06/01/2022	5.000%	65,000	67,021	61,587
	HCA Inc	Bonds	03/15/2022	5.875%	55,000	58,396	56,375
	Icahn Enterprises	Bonds	08/01/2020	6.000%	55,000	54,347	54,931
	Illinois Tool Works Inc	Bonds	11/15/2026	2.650%	60,000	58,824	55,753
	Indiana Michigan Power	Bonds	05/15/2028	3.850%	40,000	39,892	40,226
	Istar Inc	Bonds	09/15/2020	4.625%	65,000	66,123	63,375
	John Deere Owner Trust	Bonds	11/15/2022	3.080%	40,000	39,997	40,195
	Kimberly-clark Corp	Bonds	08/15/2020	2.150%	30,000	30,095	29,651
	Kimberly-clark Corp	Bonds	11/01/2028	3.950%	20,000	19,999	20,690
	Lennar Corp	Bonds	11/15/2019	4.500%	60,000	62,581	59,550
	Level 3 L Financing Inc	Bonds	08/15/2022	5.375%	55,000	55,742	53,926
	Magellan Midstream Partner	Bonds	02/01/2021	4.250%	55,000	58,701	55,801
	Merck & Co Inc	Bonds	05/18/2023	2.800%	60,000	61,836	59,192
	MGM Resorts Intl	Bonds	02/01/2019	8.625%	60,000	65,514	60,075
	Microsoft Corp	Bonds	11/03/2022	2.650%	4,000	35,197	34,710
	Moody's Corporation	Bonds	06/07/2021	3.250%	4,000	34,932	34,865
	Norfolk Southern Corp	Bonds	12/01/2021	3.250%	40,000	41,460	40,105
	Occomm On	Bonds	09/01/2021	3.400%	25,000	26,006	25,135
	Oncor Electric Delivery	Bonds	09/01/2022	7.000%	115,000	41,690	39,441
	Paccar Financial Corp	Bonds	08/09/2021	3.150%	50,000	50,006	50,110
	Pacificorp	Bonds	04/01/2024	3.600%	10,000	10,888	10,095
	Packaging Corp of America	Bonds	12/15/2020	2.450%	50,000	49,981	49,093
	Pepsico Inc	Bonds	03/01/2023	2.750%	25,000	24,270	24,632
	Pitney Bowes Inc	Bonds	10/01/2021	3.375%	65,000	63,126	60,856
	Polyone Corp	Bonds	03/15/2023	5.250%	50,000	51,006	48,250
	Praxair II	Bonds	09/01/2021	3.000%	115,000	34,775	35,029
	Procter & Gamble Co	Bonds	08/15/2023	3.100%	35,000	35,885	35,316
	Progress Energy Carolina	Bonds	05/15/2022	2.800%	60,000	60,468	59,191
	Public Service Electric	Bonds	11/15/2024	3.050%	65,000	68,063	63,526

Food Employers Labor Relations Association and United Food and Commercial Workers VEBA Fund

Schedule of Assets (Held at End of Year), continued

December 31, 2018

EIN: 52-1036978

Form 5500, Schedule H, Line 4i | Plan No. 001

(a)	(b) Identity of issuer, borrower, lessor or similar party	(c) Description of investment, including maturity date, rate of interest, collateral, par or maturity value: Description	Maturity Date	Rate of Interest	Par/Maturity Value or Shares	(d) Cost	(e) Current Value
	Public Storage	Bonds	09/15/2022	2.370%	55,000	$ 52,968	$ 53,119
	Quest Diagnostic Inc	Bonds	01/30/2020	4.750%	60,000	62,288	60,966
	Republic Services Inc	Bonds	05/15/2023	4.750%	50,000	55,454	52,337
	Roper Technologies Inc	Bonds	09/15/2023	3.650%	50,000	49,991	50,037
	Royal Caribbean Cruises	Bonds	11/28/2020	2.650%	40,000	40,060	39,266
	Sabine Pass Liquefaction	Bonds	02/01/2021	5.625%	55,000	58,953	56,668
	Sabra Health Captl Corp	Bonds	02/01/2021	5.500%	55,000	56,500	55,137
	SLM Corp	Bonds	04/05/2022	5.125%	65,000	65,000	63,050
	Starwood Property Trust	Bonds	12/15/2021	5.000%	65,000	67,925	63,863
	Steel Dynamics Inc	Bonds	10/01/2021	5.125%	4,000	66,656	64,919
	Sunoco LP Finance Corp	Bonds	01/15/2023	4.875%	5,000	4,863	4,875
	Targa Resources Partners Lp	Bonds	11/15/2019	4.125%	4,406	65,873	64,431
	THC Escrow Corp	Bonds	10/01/2020	6.000%	55,000	58,907	55,688
	T-mobile Usa Inc	Bonds	04/15/2022	4.000%	60,000	59,754	58,500
	Twin Reefs Pass-through	Bonds	12/31/2049	VAR%	100,000	101,283	200
	Union Pacific RR Co	Bonds	05/14/2026	3.227%	73,304	73,859	71,979
	United Parcel Service	Bonds	05/16/2022	2.350%	60,000	59,635	58,540
	United Rentals North Am	Bonds	07/15/2023	4.625%	50,000	49,606	49,063
	Valero Energy Corp	Bonds	02/01/2020	6.125%	50,000	56,090	51,461
	Verizon Owner Trust	Bonds	04/20/2023	3.230%	45,000	44,999	45,276
	Virginia Elec & Power Co	Bonds	02/15/2024	3.450%	60,000	63,011	59,933
	Waste Management Inc	Bonds	05/15/2024	3.500%	60,000	61,055	59,936
	Williams Partners LP	Bonds	03/15/2020	5.250%	55,000	59,211	56,093
	Wisconsin Eectric Power	Bonds	06/01/2025	3.100%	50,000	51,008	48,887
	Total Corporate Obligations					5,806,539	5,542,764
	Municipal Bonds						
	California St	Municipal	04/01/2021	02.625%	60,000	60,915	59,720
	Great Lakes MI Wtr Auth Sewage	Municipal	07/01/2023	03.500%	45,000	45,000	46,501
	New York St Urban Dev Corp Rev	Municipal	03/15/2028	03.270%	45,000	44,032	43,952
	Port Auth of New York & NE	Municipal	09/15/2020	02.477%	30,000	30,000	29,850
	Regl Transportation Auth IL	Municipal	05/29/2020	03.013%	4,000	35,000	34,998
	University Tex Univ Revs	Municipal	08/15/2019	03.305%	4,000	35,000	35,097
	Utah St	Municipal	07/01/2020	03.289%	40,000	40,525	40,322
	Total Municipal Bonds					290,472	290,440

FOOD EMPLOYERS LABOR RELATIONS ASSOCIATION
AND UNITED FOOD AND COMMERCIAL WORKERS
VEBA FUND

SCHEDULE OF ASSETS (HELD AT END OF YEAR), CONTINUED

DECEMBER 31, 2018

EIN: 52-1036978

FORM 5500, SCHEDULE H, LINE 4I — PLAN NO. 001

		(c) Description of investment, including maturity date, rate of interest, collateral, par or maturity value					
(a)	(b) Identity of issuer, borrower, lessor or similar party	Description	Maturity Date	Rate of Interest	Par/Maturity Value or Shares	(d) Cost	(e) Current Value
	Registered Investment Companies						
	Vanguard Total Stk Mkt Indx #585	Mutual Fund	N/A	N/A	44,653	$ 2,395,483	$ 2,896,660
	Limited Partnership						
	American Core Realty Fund 11	LP	N/A	N/A	20	2,174,642	2,473,635
	Total Assets (Held at End of Year)					$ 30,486,398	$ 31,018,838

Food Employers Labor Relations Association
And United Food and Commercial Workers
VEBA Fund

Schedule of Reportable Transactions

Year Ended December 31, 2018

Form 5500, Schedule H, Line 4i

EIN: 52-1036978
Plan No. 501

(a) Identity of Party Involved	(b) Description of asset (include interest rate and maturity in case of a loan)	(c) Purchase Price	(d) Selling Price	(g) Cost of Asset	(h) Current Value of Asset on Transaction Date	(i) Net Gain or (Loss)
N/A	PNC Govt. Money Market	$ 152,314,452	N/A	N/A	$ 152,314,452	N/A
N/A	PNC Govt. Money Market	N/A	$ 137,674,563	$ 137,674,563	N/A	$ -
N/A	FELRA & UFCW VEBA Core Bond Fund	N/A	3,825,000	3,399,107	N/A	425,893

Food Employers Labor Relations Association And United Food and Commercial Workers VEBA Fund

Schedule of Net assets Available for Benefits - by Type of Benefit

December 31, 2018

	Health and Welfare	Legal	Severance	Scholarship	Total
Assets					
Investments - at fair value					
Short-term investments	$ 15,317,577	$ 219,500	$ 2,487,011	$ 6,322	$ 18,030,410
United States Government and government agencies obligations	1,481,553	-	-	-	1,481,553
Corporate obligations	5,846,141	-	-	-	5,846,141
Limited partnerships	2,473,635	-	-	-	2,473,635
Mutual funds	2,896,660	-	-	-	2,896,660
Municipal bonds	290,439	-	-	-	290,439
Total investments	28,306,005	219,500	2,487,011	6,322	31,018,838
Allocated share of investments	(805,616)	231,117	450,604	123,895	-
	27,500,389	450,617	2,937,615	130,217	31,018,838
Receivables					
Participating employers' contributions	18,176,468	450,158	912,758	-	19,539,384
Interest and dividends	90,855	331	3,964	12	95,162
Dues from broker for investments sold	19,651	-	-	-	19,651
Prescription related receivable	3,490,735	-	-	-	3,490,735
Total receivables	21,777,709	450,489	916,722	12	23,144,932
Cash	3,068,043	-	-	-	3,068,043
Total assets	52,346,141	901,106	3,854,337	130,229	57,231,813
Liabilities and Net Assets					
Liabilities					
Accounts payable and accrued expenses	2,157,645	22,781	17,929	5,533	2,203,888
Net assets available for benefits	$ 50,188,496	$ 878,325	$ 3,836,408	$ 124,696	$ 55,027,925

Food Employers Labor Relations Association And United Food and Commercial Workers VEBA Fund

Schedule of Changes in Net assets Available for Benefits - by Type of Benefit

Year Ended December 31, 2018

	Health and Welfare	Legal	Severance	Scholarship	Total
ADDITIONS					
Contribution income					
Participating employers	$ 125,056,073	$ 3,476,639	$ 5,122,314	$ -	$ 133,655,026
Participants	4,687,818	-	-	-	4,687,818
Total contribution income	129,743,891	3,476,639	5,122,314	-	138,342,844
Investment income					
Net appreciation (depreciation) in fair value of investments value of investments	(300,492)	3,199	19,748	(34,935)	(312,480)
Allocation of investment income	-	-	-	-	-
Interest and dividends	643,993	2,729	13,747	226	660,695
	343,501	5,928	33,495	(34,709)	348,215
Less: investment expenses	(100,478)	(283)	(441)	(17)	(101,219)
Net investment income (loss)	243,023	5,645	33,054	(34,726)	246,996
Other income	145,580	-	703	-	146,283
Total additions	130,132,494	3,482,284	5,156,071	(34,726)	138,736,123
DEDUCTIONS					
Benefits paid to participants	119,809,372	3,183,117	5,578,693	16,148	128,587,330
Medical claims administration fee	3,962,349	-	-	-	3,962,349
Prescription administration fee	117,051	-	-	-	117,051
Administrative expenses	3,784,959	284,867	447,823	49,731	4,567,380
Total deductions	127,673,731	3,467,984	6,026,516	65,879	137,234,110
NET CHANGE	2,458,763	14,300	(870,445)	(100,605)	1,502,013
NET ASSETS AVAILABLE FOR BENEFITS					
Beginning of year	47,729,733	864,025	4,706,853	225,301	53,525,912

Food Employers Labor Relations Association
And United Food and Commercial Workers
VEBA Fund

Schedules of Administrative Expenses

Years Ended December 31, 2018 and 2017

	2018	2017
Contract administrator fees	$ 3,420,211	$3,375,444
Trustee meetings and expenses	25,089	17,526
Legal	504,862	451,951
Actuary and consulting fees	188,362	182,596
Audit and compliance audit fees	92,384	108,308
Postage, printing and miscellaneous	177,556	140,991
Insurance - life insurance premiums	30,109	-
Insurance - fidelity and fiduciary policies	58,697	59,878
Telephone	6,936	6,657
Prescription audit	63,174	105,976
Total	$ 4,567,380	$4,449,327

Food Employers Labor Relations Association
And United Food and Commercial Workers
VEBA Fund

Schedules of Employer Contributions

Years Ended December 31, 2018 and 2017

	2018	2017
Associated Administrators	$ 971,839	$ 716,247
Basics/Metro	173,195	189,246
Chessie Federal Credit Union	874	890
Food-A-Rama	1,753	2,090
Giant Food	90,245,828	70,716,972
Safeway Stores	48,595,261	40,236,433
UFCW Local 400	41,699	37,213
UFCW Local 27	22,090	48,672
Wepco Federal Credit Union	2,741	2,854
Adjustment: VEBA RAP Funding	(6,400,254)	(7,210,258)
Total	$ 133,655,026	$ 104,740,359

Food Employers Labor Relations Association
And United Food and Commercial Workers
VEBA Fund

Schedules of Benefits

Years Ended December 31, 2018 and 2017

	2018	2017
Self funded claims		
Hospital, medical and surgical	$ 53,216,975	$ 51,091,613
Accident and sickness	5,333,912	5,436,946
Scholarship expense	19,112	26,460
Severance	5,578,693	4,543,498
Prescription drug programs	28,094,430	31,322,655
Insurance companies and service providers		
Legal provider premiums	3,183,117	3,390,067
Dental insurance premiums	6,328,182	6,391,962
HMO		
Kaiser Permanente	8,095,109	8,513,050
CareFirst	15,253,733	14,471,654
Life insurance	188,003	173,347
Optical	891,424	914,540
Other medical		
Value Options/Value Behavioral Health	2,404,640	2,825,373
	$ 128,587,330	$ 129,101,165