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

INDEPENDENT AUDITORS' REPORT AND FINANCIAL STATEMENTS

FOR THE YEARS ENDED DECEMBER 31, 2017 AND 2016

Salter & Company L.L.C.

Certified Public Accountants

4600 EAST-WEST HIGHWAY ● SUITE 300
BETHESDA, MD 20814
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Salter & Company, LLC

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The Board of Trustees of the
Food Employers Labor Relations Association and United Food
and Commercial Workers VEBA Fund
c/o Associated Administrators, LLC
911 Ridgebrook Rd.
Sparks, MD 21152-9459

Independent Auditors' Report

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 plan benefit obligations as of December 31, 2017 and 2016, and the related statements of changes in net assets available for benefits and of changes in benefit obligations for the years then ended, and the related notes to the financial statements.

Management's Responsibility for the Financial Statements

The Plan's 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.

Auditor's 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 auditor's 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 entity'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 entity'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.

The Board of Trustees of the
Food Employers Labor Relations Association and United Food
and Commercial Workers VEBA Fund
c/o Associated Administrators, LLC

Opinion

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial status of the Plan as of December 31, 2017 and 2016 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 Supplementary Information

Our audits were performed for the purpose of forming an opinion on the financial statements as a whole. The accompanying supplemental schedules of assets held at end of year, reportable transactions, net assets available for benefits - by type of benefit, changes in net assets available for benefits - by type of benefit, administrative expenses, employer contributions, and benefits are presented for the purpose of additional analysis and are not a required part of the basic financial statements. Such information is the responsibility of the Plan'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 audits 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.

Salter & Company, LLC

Salter & Company, LLC
Bethesda, Maryland
September 20, 2018

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

STATEMENTS OF NET ASSETS AVAILABLE FOR BENEFITS AS OF DECEMBER 31, 2017 AND 2016

	December 31, 2017	December 31, 2016
ASSETS		
Investments - At Fair Value (Note 3)	$ 24,862,182	$ 58,179,216
Receivables		
Participating employers' contributions	14,047,926	314,024
Interest and dividends	118,920	326,265
Due from broker for investments sold	24,697	50,449
Other receivables and prepaid expenses	4,736,384	8,002,864
	18,927,927	8,693,602
Cash	11,996,803	12,239,647
TOTAL ASSETS	55,786,912	79,112,465
LIABILITIES		
Accounts payable and accrued expenses	2,261,000	2,797,837
Due to broker for investments purchased	-	10,353
TOTAL LIABILITIES	2,261,000	2,808,190
NET ASSETS AVAILABLE FOR BENEFITS	$ 53,525,912	$ 76,304,275

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

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

STATEMENTS OF CHANGES IN NET ASSETS AVAILABLE FOR BENEFITS FOR THE YEARS ENDED DECEMBER 31, 2017 AND 2016

	Year Ended December 31, 2017	2016
ADDITIONS		
CONTRIBUTION INCOME		
Participating employers	$ 104,740,359	$ 122,972,337
Participants	4,683,721	4,676,623
	109,424,080	127,648,960
INVESTMENT INCOME		
Net appreciation/(depreciation) in fair value of investments	1,264,053	1,426,432
Interest and dividends	1,320,068	1,928,528
	2,584,121	3,354,960
Less: Investment expenses	(148,842)	(202,296)
	2,435,279	3,152,664
Other Income	2,319,357	30,025
TOTAL ADDITIONS	114,178,716	130,831,649
DEDUCTIONS		
Benefits paid to participants	129,101,165	126,178,615
Medical claims administration fee	3,339,743	4,619,313
Prescription administration fee	66,844	62,091
Administrative expenses	4,449,327	4,677,614
TOTAL DEDUCTIONS	136,957,079	135,537,633
NET (DECREASE)/INCREASE	(22,778,363)	(4,705,984)
NET ASSETS AVAILABLE FOR BENEFITS:		
BEGINNING OF YEAR	76,304,275	81,010,259
END OF YEAR	$ 53,525,912	$ 76,304,275

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

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

STATEMENTS OF BENEFIT OBLIGATIONS
AS OF DECEMBER 31, 2017 AND 2016

	December 31, 2017	December 31, 2016
Amounts Currently Payable to or for Participants, Beneficiaries and Dependents		
Group insurance and service providers	$ 1,293,935	$ 1,485,301
Claims incurred but not reported	14,871,000	16,608,000
	16,164,935	18,093,301
Other Obligations for current benefit coverage, At Estimated Amounts		
Future severance claims	41,009,054	28,759,011
Total Obligations other than Postretirement Benefit Obligations	57,173,989	46,852,312
Postretirement Benefit Obligations, Net Of Amounts Currently Payable		
Retired participants and beneficiaries	310,499,000	331,167,000
Other participants fully eligible for benefits	54,953,000	70,061,000
Participants not yet fully eligible for benefits	819,000	1,865,000
	366,271,000	403,093,000
PLAN'S TOTAL BENEFIT OBLIGATION	$ 423,444,989	$ 449,945,312

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

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

STATEMENTS OF CHANGES IN BENEFIT OBLIGATIONS FOR THE YEARS ENDED DECEMBER 31, 2017 AND 2016

	December 31, 2017	December 31, 2016
Amounts Currently Payable to or for Participants Beneficiaries and Dependents		
Balance at beginning of year	$ 18,093,301	$ 16,541,867
Net change during the year	(1,928,366)	1,551,434
Balance at end of year	16,164,935	18,093,301
Other Obligations for current benefit coverage at estimated amounts:		
Balance at beginning of year	28,759,011	47,238,741
Net change during year:		
Accumulated eligibility credits	12,250,043	(18,479,730)
Balance at end of year	41,009,054	28,759,011
Postretirement Benefit Obligations, Net Of Amounts Currently Payable		
Balance at beginning of year	403,093,000	404,076,000
Increase (decrease) in postretirement benefits		
Attributable to:		
Expected benefit payments	(16,305,000)	(14,938,000)
Changes in assumptions	(42,083,000)	-
Plan changes		-
Passage of time	12,539,000	13,885,000
Benefits earned and other changes	72,000	70,000
Other Changes	8,955,000	-
Balance at end of year	366,271,000	403,093,000
PLAN'S TOTAL BENEFIT OBLIGATIONS AT END OF YEAR	$ 423,444,989	$ 449,945,312

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

NOTES TO FINANCIAL STATEMENTS

1. Description of plan

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

A. *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.

B. *Plan Benefits*. The Active Plan covers employees and their dependents in jobs covered by collective bargaining agreements. Under the provisions of 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.

C. *Retiree Assistance Program*. On December 3, 2015, the Board of 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.

D. *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.

E. *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.

2. Summary of Significant Accounting Policies

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

A. *Basis of Accounting.* The accompanying financial statements are prepared using the accrual basis of accounting.

B. *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.

C. *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 Board of 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.

D. *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 Board of 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 includes the Fund's gains and losses on investments bought and sold as well as held during the year.

E. *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.

F. *Postretirement Benefit Obligation.* Statement of Position 01-2, Accounting and Reporting by Health and Welfare Benefit Plans (SOP 01-2), requires the obligations be computed as the net cost to the Plans and should consider future contributions to be received from current participants during their remaining active service and postretirement periods.

2. Summary of Significant Accounting Policies (continued)

G. *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.

H. *Employer Contributions Receivable*. Participants on whose behalf contributions are made by their employer are entitled to benefits in accordance with the applicable collective bargaining agreement and, if applicable, the relevant Plan document.

I. *Accounting Changes* - In May 2015, the Financial Accounting Standards Board (FASB) issued Accounting Standards Update (ASU) 2015-07, Fair Value Measurement (Topic 820): Disclosures for Investments in Certain Entities That Calculate Net Asset Value per Share (or Its Equivalent). ASU 2015-07 removes the requirement to categorize within the fair value hierarchy all investments for which fair value is measured using net asset value per share as a practical expedient. ASU 2015-07 is effective for fiscal years beginning after December 15, 2016, with early adoption permitted, and is to be applied retrospectively. The Fund has elected to adopt early ASU 2015-07 for the year ended December 31, 2016. Fund management does not believe the adoption of the ASU had a material impact on the financial statements.

J. *Subsequent Events*. The Fund has evaluated subsequent events through September 20, 2018, the date the financial statements were available to be issued.

3. 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.

3. Fair Value Measurements (continued)

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 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 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 is a description of the valuation methodologies used for assets measured at fair value. There have been no changes in the methodologies used at December 31, 2017 and 2016.

United States Government and government agency obligations: Valued using pricing models maximizing the use of observable inputs for similar securities.

Corporate bonds: Valued using pricing models maximizing the use of observable inputs for similar securities. This includes basing value on yields currently available on comparable securities of issuers with similar credit ratings. 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: Exchange Traded Funds (ETF's) are valued at the closing price reported on the active market on which the Funds are traded.

3. Fair Value Measurements (continued)

Limited Partnerships : The fair values of limited partnerships recorded by the Fund are determined from financial statements received by the Fund from the limited partnerships or other entities in which the Fund has invested. Some of these financial statements are financial statements audited by independent accountants other than the Fund's independent auditors and some are unaudited financial statements. In addition, most of these investment vehicles operate as "fund of funds" which invest in limited partnerships and other nonmarketable investments. The entities in which the Fund invests prepare their financial statements stating their investments at fair value as determined in good faith by the general partner or by a third party valuator based on the best information available, in the absence of readily ascertainable market values.

The following table sets forth by level, within the fair value hierarchy, the Fund's assets at fair value as of December 31, 2017 and 2016:

	Assets at Fair Value as of December 31, 2017			
	Quoted Prices (Level 1)	Significant Other Observable Inputs(Level 2)	Significant Unobservable Inputs (Level 3)	Balance as of December 31, 2017
Investments measured at fair value:				
Short-term investments	$ 3,390,521	$ -	$ -	$ 3,390,521
United States 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	9,048,149	12,963,065	-	22,011,214
Investments measured at NAV:				
Limited partnerships				2,850,968
Total investments at NAV				2,850,968
Total investments				$ 24,862,182

3. Fair Value Measurements (continued)

	Assets at Fair Value as of December 31, 2016			
	Quoted Prices (Level 1)	Significant Other Observable Inputs(Level 2)	Significant Unobservable Inputs (Level 3)	Balance as of December 31, 2016
Investments measured at fair value:				
Short-term investments	$ 6,536,719	$ -	$ -	$ 6,536,719
United States Government & agency obligations	-	8,306,108	-	8,306,108
Corporate obligations	-	25,253,409	-	25,253,409
Mutual funds	13,438,059	-	-	13,438,059
Total assets in the fair value hierarchy	19,974,778	33,559,517	-	53,534,295
Investments measured at NAV:				
Limited partnerships				4,644,921
Total investments at NAV				4,644,921
Total investments				$ 58,179,216

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 significant transfers in or out of levels 1, 2 or 3.

Fair Value of Investments that Calculate Net Asset Value

The following table summarizes investments measured at fair value based on net asset value (NAVs) per share as of December 31, 2017 and 2016, respectively.

3. Fair Value Measurements (continued)

December 31, 2017		Fair Value	Unfunded Commitments	Redemption Frequency (if currently eligible)	Redemption Notice Period
Limited partnerships	$	2,850,968	none	n/a	n/a

December 31, 2016		Fair Value	Unfunded Commitments	Redemption Frequency (if currently eligible)	Redemption Notice Period
Limited partnerships	$	4,644,921	none	n/a	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.

4. Post Retirement 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, 2017 and 2016, 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.

4. Post Retirement Benefits (continued)

Some of the more significant actuarial assumptions used to calculate the postretirement benefit obligation at December 31, 2017 and 2016 are as follows:

Economic Assumptions	***December 31, 2016***	***December 31, 2017***
Discount Rate	3.50%	3.50%

Economic Assumptions	***December 31, 2016***	***December 31, 2017***
Medical Non-Medicare	N/A	N/A
Medical Medicare Trends	5.75% for 2017 graded down to 3.5%	5.75% for 2017 graded down to 3.5%
Prescription Trends	10.0% for 2017 graded down to 3.5%	10.0% for 2017 graded down to 3.5%

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, 2017 and 2016 by $44,777,000 and $52,770,000, 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 Health Inactives for ages 65 and older.

4. Post Retirement Benefits (continued)

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.

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.

5. Fund Continuation

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.

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 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 Board of Trustees believes that the Fund is currently designed and being operated in compliance with the applicable requirements of the Internal Revenue Code. The Board of Trustees believes 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 plan 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 plan 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, 2017. The Plan is subject to routine audits by taxing jurisdictions.

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 statement 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.

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:

	2017	2016
Net assets available for benefits per the financial statements	$ 53,525,912	$ 76,304,275
Benefit obligations currently payable	(16,164,935)	(18,093,301)
Net assets available for benefits per Form 5500	$ 37,360,977	$ 58,210,974

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, 2017 and 2016:

	2017	2016
Benefits Paid per the financial statements	$ 129,101,165	$ 126,178,615
Add: amounts currently payable at end of year	16,164,935	18,093,301
Less: amounts payable at beginning of year	(18,093,301)	(16,541,867)
Benefits paid to or for participants and dependents per the Form 5500	$ 127,172,799	$ 127,730,049

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, 2017, but not yet paid as of that date.

9. Significant Plan Amendments

Year Ended December 31, 2017

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

Year Ended December 31, 2016

- Effective March 1, 2016, Plan XX and Plan XXX part-time participants can enroll dependent children for coverage.

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

"Schedule 1"

SCHEDULE OF ASSETS (HELD AT END OF YEAR)
AS OF DECEMBER 31, 2017

Form 5500, Schedule H, Line 4i

EIN: 52-1036978

Plan No. 501

(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 GOVT MONEY MARKET	Money Market	N/A	Variable	3,390,521	$ 3,390,521	$ 3,390,521
	Total Short-Term Investments					$ 3,390,521	$ 3,390,521
	US Government & Agencies Notes and Bonds						
	FEDERAL HOME LN MTG CORP	Bonds	7/1/2029	2.50%	95,239	$ 95,041	$ 94,254
	FEDERAL HOME LN MTG CORP	Bonds	9/1/2030	3.00%	82,841	81,953	80,674
	FEDERAL HOME LN MTG CORP	Bonds	11/1/2030	3.00%	69,195	70,090	69,443
	FEDERAL HOME LN MTG CORP	Bonds	12/1/2030	3.00%	175,383	180,044	176,130
	FEDERAL HOME LN MTG CORP	Bonds	3/1/2032	3.50%	150,285	155,874	153,502
	FEDERAL NATL MTG ASSN	Bonds	4/24/2026	2.13%	150,000	146,762	144,749
	FEDERAL HOME LN MTG CORP	Bonds	10/1/2037	Variable	188	187	197
	FEDERAL HOME LN MTG CORP	Bonds	10/1/2020	5.00%	5,884	5,600	5,696
	FEDERAL HOME LN MTG CORP	Bonds	8/1/2027	2.50%	119,272	119,196	117,882
	FEDERAL NATL MTG ASSN	Bonds	9/24/2026	1.88%	70,000	66,205	65,985
	FEDERAL NATL MTG ASSN	Bonds	9/6/2024	2.63%	115,000	116,531	116,532
	FEDERAL NATL MTG ASSN	Bonds	7/1/2037	5.50%	592	568	614
	FEDERAL NATL MTG ASSN	Bonds	9/1/2037	5.50%	472	459	486
	FEDERAL NATL MTG ASSN	Bonds	7/1/2023	5.00%	11,526	11,301	11,517
	FEDERAL NATL MTG ASSN	Bonds	9/1/2041	4.50%	20,354	21,581	21,615
	FEDERAL NATL MTG ASSN	Bonds	10/1/2027	2.50%	37,182	36,582	36,797
	FEDERAL NATL MTG ASSN	Bonds	7/1/2031	3.50%	82,672	85,344	84,242
	FEDERAL NATL MTG ASSN	Bonds	5/1/2031	3.00%	166,846	173,391	167,845
	FEDERAL NATL MTG ASSN	Bonds	2/1/2034	6.00%	29,127	31,605	32,566
	FEDERAL NATL MTG ASSN	Bonds	1/1/2035	5.50%	22,649	23,542	24,702
	FEDERAL NATL MTG ASSN	Bonds	6/1/2035	7.00%	825	868	842
	FEDERAL NATL MTG ASSN	Bonds	4/1/2036	5.50%	1,729	1,673	1,825
	FEDERAL NATL MTG ASSN	Bonds	3/1/2037	7.00%	3,013	3,250	3,393
	FEDERAL NATL MTG ASSN	Bonds	3/1/2037	5.50%	552	360	402
	FEDERAL NATL MTG ASSN	Bonds	1/1/2037	5.50%	2,150	1,202	1,367
	FEDERAL NATL MTG ASSN	Bonds	9/1/2027	2.50%	18,325	17,788	18,135
	FEDERAL NATL MTG ASSN	Bonds	10/1/2023	2.50%	137,686	137,615	134,976

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

"Schedule 1"

SCHEDULE OF ASSETS (HELD AT END OF YEAR) AS OF DECEMBER 31, 2017

Form 5500, Schedule H, Line 4i

EIN: 52-1036978

Plan No. 501

(a)	(b)	(c) Description of investment, including maturity date, rate of interest, collateral, par or maturity value				(d)	(e)
	Identity of issuer, borrower, lessor or similar party	Description	Maturity Date	Rate of Interest	Par/Maturity Value or Shares	Cost	Current Value
	US Government & Agencies Notes and Bonds						
	FEDERAL NATL MTG ASSN	Bonds	6/1/2031	2.00%	188,816	$ 188,337	$ 181,399
	FEDERAL NATL MTG ASSN	Bonds	8/1/2040	4.50%	26,888	28,372	28,329
	FEDERAL NATL MTG ASSN	Bonds	12/1/2040	4.00%	23,176	23,919	24,041
	FEDERAL NATL MTG ASSN	Bonds	10/15/2039	3.00%	63,913	66,030	64,549
	FEDERAL NATL MTG ASSN	Bonds	2/25/2043	6.50%	14,064	14,486	16,337
	FEDERAL NATL MTG ASSN	Bonds	10/15/2024	5.00%	3,288	3,250	3,437
	FEDERAL NATL MTG ASSN	Bonds	7/15/2025	5.00%	22,935	21,523	24,327
	FEDERAL NATL MTG ASSN	Bonds	6/25/2042	6.50%	8,061	8,309	9,216
	FEDERAL NATL MTG ASSN	Bonds	6/25/2024	4.50%	28,708	29,480	30,244
	FEDERAL NATL MTG ASSN	Bonds	5/25/2044	6.50%	25,813	26,917	29,306
	FEDERAL NATL MTG ASSN	Bonds	8/25/2023	4.50%	3,987	3,595	4,118
	FEDERAL NATL MTG ASSN	Bonds	5/25/2020	5.26%	543	543	542
	FEDERAL NATL MTG ASSN	Bonds	8/25/2023	4.00%	4,891	4,448	4,918
	USA TREASURY NOTES	Notes	2/15/2025	2.00%	145,000	143,263	141,743
	USA TREASURY NOTES	Notes	11/15/2025	2.25%	90,000	92,228	89,209
	USA TREASURY NOTES	Notes	5/15/2020	3.50%	75,000	77,704	77,742
	USA TREASURY NOTES	Notes	6/30/2019	1.00%	75,000	74,066	74,066
	USA TREASURY NOTES	Notes	11/15/2026	2.00%	180,000	170,941	174,199
	USA TREASURY NOTES	Notes	8/15/2026	1.50%	200,000	184,281	186,077
	Total US Government & Agencies Notes and Bonds					$ 2,746,304	$ 2,730,167
	Corporate Notes & Bonds						
	ACE INA HOLDINGS	Bonds	5/15/2024	3.35%	50,000	$ 52,511	$ 51,500
	ADT CORPORATION	Bonds	10/15/2021	6.25%	115,000	125,894	125,925
	AERCAP IRELAND CAP LTD	Bonds	10/30/2020	4.63%	125,000	130,665	131,035
	AES CORPORATION	Bonds	6/1/2020	8.00%	42,000	48,857	47,040
	AES CORPORATION	Bonds	7/1/2021	7.38%	85,000	97,113	95,413
	AIRCASTLE LTD	Bonds	12/1/2019	6.25%	75,000	81,638	79,125
	AGILENT TECHNOLOGIES INC	Bonds	7/15/2020	5.00%	95,000	102,873	100,875
	ALCOA INC	Bonds	4/15/2021	5.40%	115,000	122,803	122,015

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

"Schedule 1"

SCHEDULE OF ASSETS (HELD AT END OF YEAR) AS OF DECEMBER 31, 2017

Form 5500, Schedule H, Line 4i

EIN: 52-1036978

Plan No. 501

(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
	Corporate Notes & Bonds (continued)						
	AMEREN CORPORATION	Bonds	11/15/2020	2.70%	60,000	$ 60,319	$ 60,198
	AMEREN ILLINOIS COMPANY	Bonds	9/1/2022	2.70%	45,000	46,379	45,137
	AMERICAN AIRLINES	Bonds	11/1/2028	3.38%	83,472	83,499	83,384
	AMERICAN EXPRESS CREDIT	Bonds	5/26/2020	2.38%	85,000	84,940	84,901
	ANTERO RESOURCES FINANCE	Bonds	11/1/2021	5.38%	120,000	122,783	123,000
	AMERICAN TOWER CORP	Bonds	6/1/2020	2.80%	80,000	81,461	80,498
	AMERICAN WATER CAPITAL	Bonds	3/1/2025	3.40%	70,000	73,895	72,135
	AMPHENOL CORPORATION	Bonds	1/30/2019	2.55%	95,000	96,349	95,323
	ARCELORMITTAL	Bonds	3/1/2021	6.00%	115,000	120,621	124,200
	ARC PROPERTIES	Bonds	2/6/2019	3.00%	115,000	111,670	115,553
	AUTOMATIC DATA PROCESSING	Bonds	9/15/2020	2.25%	65,000	65,774	65,167
	ARIZONA PUBLIC SERVICE	Bonds	6/15/2024	3.35%	75,000	76,890	76,787
	AT&T BROADBAND CORP	Bonds	11/15/2022	9.46%	65,000	92,685	84,928
	AT&T INC	Bonds	6/30/2022	3.00%	55,000	53,908	55,098
	BANK OF AMERICA CREDIT CARD TRUST	Bonds	8/15/2022	1.95%	190,000	189,945	189,149
	BAXTER INTERNATIONAL INC	Bonds	8/15/2022	2.40%	85,000	80,473	83,557
	BURLINGTON NORTH SANTE FE	Bonds	9/1/2023	3.85%	70,000	75,210	74,004
	CANADIAN NATIONAL RAILWAY	Bonds	12/15/2021	2.85%	50,000	50,129	50,569
	CANADIAN PACIFIC RR CO	Bonds	5/15/2019	7.25%	65,000	78,405	69,163
	CAPITAL ONE MULTI-ASSET	Bonds	7/17/2023	1.99%	90,000	89,993	89,430
	CARNIVAL CORPORATION	Bonds	10/15/2020	3.95%	85,000	89,458	88,741
	CBS CORP	Bonds	8/15/2019	2.30%	90,000	89,785	89,937
	CENTENE CORPORATION	Bonds	2/15/2021	5.63%	125,000	129,763	128,438
	CCP HOLDINGS LLC	Bonds	9/30/2022	5.25%	95,000	97,564	97,375
	CHURCH & DWIGHT CO	Bonds	8/1/2022	2.45%	85,000	85,016	83,959
	CIT GROUP INC	Bonds	5/15/2020	5.38%	115,000	123,694	121,469
	CNH INDUSTRIAL CAPITAL LLC	Bonds	11/6/2020	4.38%	125,000	127,560	129,688
	CNH EQUIPMENT TRUST	Bonds	2/18/2020	1.26%	30,120	30,117	30,062
	DR PEPPER SNAPPLE GROUP	Bonds	11/15/2021	3.20%	100,000	102,514	102,031
	COMMONWEALTH EDISON CO	Bonds	9/1/2021	3.40%	65,000	67,616	66,893

Form 5500, Schedule H, Line 4i

EIN: 52-1036978

Plan No. 501

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	Corporate Notes & Bonds (continued)						
	COCA-COLA COMPANY/THE	Bonds	10/27/2025	2.88%	80,000	$ 81,023	$ 80,003
	CONNECTICUT LIGHT & POWER	Bonds	1/15/2023	2.50%	45,000	45,302	44,635
	CONNECTICUT LIGHT & POWER	Bonds	12/15/2026	3.20%	30,000	29,981	30,429
	CONTINENTAL AIRLINES	Bonds	1/12/2021	4.75%	82,450	87,166	86,340
	CONTINENTAL AIRLINES	Bonds	4/29/2026	4.00%	59,808	64,144	62,340
	COUNTRYWIDE HOME LOANS	Bonds	5/20/2036	Variable	19,419	17,179	16,340
	CONSOLIDATED EDISON CO	Bonds	12/1/2024	3.30%	60,000	60,338	61,543
	CVS CAREMARK CORPORATION	Bonds	8/12/2024	3.38%	55,000	57,841	55,296
	DCP MIDSTREAM OPERATING COMPANY	Bonds	4/1/2019	2.70%	80,000	79,769	79,500
	DELMARVA POWER & LIGHT COMPANY	Bonds	11/15/2023	3.50%	55,000	59,223	56,829
	DISH DBS CORPORATION	Bonds	5/1/2020	5.13%	125,000	128,069	127,656
	DOW CHEMICAL COMPANY/THE	Bonds	5/15/2019	8.55%	76,000	92,854	82,322
	DTE ELECTRIC COMPANY	Bonds	6/15/2022	2.65%	85,000	85,608	85,094
	EASTMAN CHEMICAL CO	Bonds	1/15/2020	2.70%	70,000	70,471	70,452
	EATON CORPORATION	Bonds	11/2/2022	2.75%	40,000	40,446	40,117
	EMC CORPORATION	Bonds	6/1/2020	2.65%	115,000	110,538	113,543
	ENERGY TRANSFER EQUITY	Bonds	10/15/2020	7.50%	115,000	129,186	126,500
	EQUINIX INC	Bonds	1/1/2022	5.38%	125,000	131,160	130,000
	ESTEE LAUDER COMPANY INC	Bonds	5/10/2021	1.70%	85,000	84,500	83,212
	EXXON MOBIL CORPORATION	Bonds	3/1/2021	2.22%	55,000	55,110	54,877
	EMERSON ELECRIC CO	Bonds	10/15/2019	4.88%	80,000	85,330	83,614
	FEDEX CORPORATION	Bonds	2/1/2025	3.20%	75,000	75,569	75,956
	FIAT CHRYSLER AUTOMOBILE	Bonds	4/15/2020	4.50%	125,000	128,359	128,231
	FLORIDA POWER & LIGHT COMPANY	Bonds	6/1/2024	3.25%	40,000	41,685	41,121
	GEORGIA POWER CO	Bonds	9/8/2020	2.00%	75,000	74,922	74,569
	GENERAL ELECTRIC CORPORATION	Bonds	10/17/2021	4.65%	20,000	22,729	21,533
	GENERAL MOTORS COMPANY	Bonds	10/2/2018	3.50%	115,000	115,746	116,196
	GFI GROUP INC	Bonds	7/19/2018	8.38%	125,000	136,354	128,125
	GANNETT CO INC	Bonds	10/15/2019	5.13%	72,000	74,545	73,037
	GLP CAPITAL LP	Bonds	4/15/2021	4.38%	125,000	127,732	128,438

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

"Schedule 1"

SCHEDULE OF ASSETS (HELD AT END OF YEAR)
AS OF DECEMBER 31, 2017

Form 5500, Schedule H, Line 4i

EIN: 52-1036978

Plan No. 501

(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
	Corporate Notes & Bonds (continued)						
	GMAC MORTGAGE CORPORATION	Bonds	12/25/2037	6.05%	8,399	$ 7,097	$ 8,211
	GROUP 1 AUTOMOTIVE INC	Bonds	6/1/2022	5.00%	85,000	87,881	87,550
	HCA INC	Bonds	3/15/2019	3.75%	115,000	117,409	116,006
	ICAHN ENTERPRISES/FIN	Bonds	8/1/2020	6.00%	125,000	123,176	128,554
	ILLINOIS TOOL WORKS INC	Bonds	11/15/2026	2.65%	60,000	58,824	58,568
	JOHN DEERE OWNER TRUST	Bonds	6/17/2019	1.32%	34,656	34,661	34,623
	JOHN DEERE OWNER TRUST	Bonds	6/15/2020	1.25%	150,000	148,898	149,069
	KIMBERLY-CLARK CORPORATION	Bonds	8/15/2020	2.15%	85,000	85,270	84,555
	LOUISVILLE GAS & ELECTRIC	Bonds	10/1/2025	3.30%	10,000	10,573	10,253
	LENNAR CORPORATION	Bonds	11/15/2019	4.50%	125,000	130,378	128,281
	LEVEL 3 FINANCING INC	Bonds	8/15/2022	5.38%	70,000	70,963	70,896
	MAGELLAN MIDSTREAM PARTNERS	Bonds	2/1/2021	4.25%	70,000	74,918	73,043
	MIDAMERICAN ENERGY CO	Bonds	10/15/2024	3.50%	55,000	58,482	57,390
	MERCK & COMPANY INC	Bonds	5/18/2023	2.80%	60,000	61,836	60,500
	MICROSOFT CORPORATION	Bonds	11/3/2022	2.65%	30,000	30,283	30,220
	MGM RESORTS INTL	Bonds	2/1/2019	8.63%	115,000	125,569	121,900
	NIELSEN FINANCE LLC	Bonds	10/1/2020	4.50%	130,000	132,763	130,975
	NORFOLK SOUTHERN CORP	Bonds	12/1/2021	3.25%	90,000	93,285	92,221
	ONCOR ELECTRIC DELIVERY	Bonds	9/1/2022	7.00%	65,000	79,556	76,805
	PACKAGING CORP OF AMERICA	Bonds	12/15/2020	2.45%	65,000	64,996	65,091
	PACIFICORP	Bonds	4/1/2024	3.60%	30,000	32,665	31,361
	PORTLAND GENERAL ELEC	Bonds	4/15/2019	6.10%	90,000	105,077	94,082
	PITNEY BOWES INC	Bonds	10/1/2021	3.38%	85,000	82,555	79,050
	ROYAL CARIBBEAN CRUISES	Bonds	11/28/2020	2.65%	75,000	75,122	74,945
	PROCTER & GAMBLE COMPANY/THE	Bonds	8/15/2023	3.10%	25,000	26,296	25,750
	PROGRESS ENERGY CAROLINA	Bonds	5/15/2022	2.80%	80,000	80,624	80,746
	PUBLIC SERVICE COLORADO	Bonds	5/15/2025	2.90%	45,000	47,405	44,734
	PUBLIC SERVICE ELECTRIC	Bonds	11/15/2024	3.05%	65,000	68,063	65,401
	REPUBLIC SERVICES INC	Bonds	5/15/2023	4.75%	80,000	88,726	86,913
	QUEST DIAGNOSTIC INC	Bonds	1/30/2020	4.75%	30,000	31,437	31,350

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

"Schedule 1"

SCHEDULE OF ASSETS (HELD AT END OF YEAR)
AS OF DECEMBER 31, 2017

Form 5500, Schedule H, Line 4i

EIN: 52-1036978

Plan No. 501

(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
	Corporate Notes & Bonds (continued)								
	SABINE PASS LIQUEFACTION	Bonds	2/1/2021	5.63%	120,000	$	128,626	$	128,647
	SLM CORPORATION	Bonds	1/15/2019	5.50%	115,000		118,318		117,013
	SLM CORPORATION	Bonds	4/5/2022	5.13%	65,000		65,000		67,600
	STARBUCKS CORPORATION	Bonds	2/4/2021	2.10%	80,000		80,423		79,486
	STARWOOD PROPERTY TRUST	Bonds	12/15/2021	5.00%	125,000		130,625		129,688
	STEEL DYNAMICS INC	Bonds	10/1/2021	5.13%	45,000		46,328		46,125
	TARGA RESOURCES PARTNERS LP	Bonds	11/15/2019	4.13%	120,000		121,612		120,750
	TEXAS INSTRUMENTS INC	Bonds	3/12/2021	2.75%	55,000		56,355		55,728
	THE ESCROW CORP	Bonds	10/1/2020	6.00%	115,000		123,170		121,590
	T-MOBILE USA INC	Bonds	1/15/2022	6.13%	125,000		132,578		128,938
	UNITED PARCEL SERVICE	Bonds	5/16/2022	2.35%	50,000		50,023		49,776
	TRAVELERS COS INC	Bonds	6/2/2019	5.90%	80,000		89,897		84,010
	TWIN REEFS PASS-THROUGH	Bonds	12/31/2049	Variable	100,000		101,283		200
	UNION PACIFIC RR COMPANY	Bonds	5/14/2026	3.23%	112,100		112,948		114,311
	VALERO ENERGY CORPORATION	Bonds	2/1/2020	6.13%	75,000		84,135		80,775
	VIRGINIA ELECTRIC & POWER COMPANY	Bonds	2/15/2024	3.45%	60,000		63,011		61,954
	WILLIAMS PARTNERS LP	Bonds	3/15/2020	5.25%	80,000		86,126		84,505
	WALT DISNEY COMPANY/THE	Bonds	2/12/2021	2.30%	60,000		61,547		59,918
	WASTE MANAGEMENT INC	Bonds	5/15/2024	3.50%	85,000		86,495		88,006
	WISCONSIN ELECTRIC POWER	Bonds	6/1/2025	3.10%	75,000		76,511		75,482
	WORLD FINANCIAL NETWORK CREDIT	Bonds	8/15/2024	2.31%	55,000		54,992		54,769
	Total Corporate Notes & Bonds					$	9,938,439	$	9,719,864
	Municipal Bonds								
	CALIFORNIA ST DEPT OF WATER	Municipal	5/1/2021	1.71%	177,202	$	177,202	$	174,141
	CALIFORNIA ST HIGH-SPEED	Municipal	4/1/2021	2.63%	60,000		60,915		60,571
	DISTRICT COLUMBIA INCOME TAX	Municipal	12/1/2018	4.34%	75,000		75,000		76,604
	NEW YORK STATE DORM AUTHORITY	Municipal	2/15/2018	1.55%	125,000		125,875		124,988
	UNIVERSITY TEX UNIV	Municipal	8/15/2019	3.31%	35,000		35,000		35,670
	UTAH ST BUILD AMERICA	Municipal	7/1/2020	3.29%	40,000		40,525		41,060
	Total Municipal Bonds					$	514,517	$	513,034

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

"Schedule 1"

SCHEDULE OF ASSETS (HELD AT END OF YEAR) AS OF DECEMBER 31, 2017

Form 5500, Schedule H, Line 4i

EIN: 52-1036978

Plan No. 501

(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
	Mutual Funds						
	VANGUARD INDEX TR TOTAL STK MKT	RIC	N/A	N/A	84,784	$ 4,328,936	$ 5,657,628
	Total Mutual Funds					$ 4,328,936	$ 5,657,628
	Limited Partnerships						
	MERIDAN DIVERSIFIED ERISA FUND	LP	N/A	N/A	599	$ 83,290	$ 71,000
	AMERICAN CORE REALTY FUND	LP	N/A	N/A	23	2,482,767	2,779,968
	Total Limited Partnerships					$ 2,566,057	$ 2,850,968
	Total assets (held at end of year)					$ 23,484,774	$ 24,862,182

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

"Schedule 2"

SCHEDULE OF REPORTABLE (5%) TRANSACTIONS
YEAR ENDING DECEMBER 31, 2017

Form 5500, Schedule H, Line 4j

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) Description	(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	$ 166,507,025	$ N/A	$ N/A	$ 166,507,025	$ N/A
N/A	PNC Govt. Money Market	N/A	169,435,971	169,435,971	N/A	-
N/A	Vanguard Index TR Total Stk Mkt	N/A	9,310,000	7,987,634	N/A	1,322,366

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

SCHEDULE OF NET ASSETS AVAILABLE FOR BENEFITS - BY TYPE OF BENEFIT
AS OF DECEMBER 31, 2017

	Health and Welfare	Legal	Severance	Scholarship	TOTAL
ASSETS					
Investments - At Fair Value					
Temporary	$ 2,792,264	$ 230,145	$ 344,343	$ 23,769	$ 3,390,521
U.S. government agencies notes and bonds	2,730,167	-	-	-	2,730,167
Corporate obligations	9,719,864	-	-	-	9,719,864
Limited partnerships	2,850,968	-	-	-	2,850,968
Mutual funds	5,657,628	-	-	-	5,657,628
Municipal bonds	513,034		-		513,034
	24,263,925	230,145	344,343	23,769	24,862,182
Allocated share of investments	(1,084,055)	228,097	647,134	208,824	-
	23,179,870	458,242	991,477	232,593	24,862,182
Receivables					
Interfund transfers	-	-	-	-	-
Participating employers' contributions	9,851,837	475,357	3,720,732	-	14,047,926
Interest and dividends	118,302	152	448	18	118,920
Due from broker for investments sold	24,697	-	-	-	24,697
Other receivables and prepaid expenses	31,406	-	-	-	31,406
Prescription rebate receivable	4,704,978	-	-	-	4,704,978
	14,731,220	475,509	3,721,180	18	18,927,927
Cash	11,996,823	-	(20)	-	11,996,803
TOTAL ASSETS	$ 49,907,913	$ 933,751	$ 4,712,637	$ 232,611	$ 55,786,912
LIABILITIES					
Accounts payable and accrued expenses	$ 2,178,180	$ 69,726	$ 5,784	$ 7,310	$ 2,261,000
Due to broker for investments purchased	-	-	-	-	-
TOTAL LIABILITIES	$ 2,178,180	$ 69,726	$ 5,784	$ 7,310	$ 2,261,000
NET ASSETS AVAILABLE FOR BENEFITS	$ 47,729,733	$ 864,025	$ 4,706,853	$ 225,301	$ 53,525,912

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

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
FOR YEAR ENDING DECEMBER 31, 2017

	Health and Welfare	Legal	Severance	Scholarship	TOTAL
ADDITIONS					
CONTRIBUTION INCOME					
Participating employers	$ 93,966,544	$ 3,684,134	$ 7,089,681	$ -	$ 104,740,359
Participants	4,683,721	-	-	-	4,683,721
	98,650,265	3,684,134	7,089,681	-	109,424,080
INVESTMENT INCOME					
Net appreciation/(depreciation) in fair value of investments	1,192,204	6,055	52,377	13,417	1,264,053
Allocation of investment income	-	-	-	-	-
Interest and dividends	1,313,780	1,089	5,072	127	1,320,068
	2,505,984	7,144	57,449	13,544	2,584,121
Less: Investment expenses	(148,142)	(304)	(358)	(38)	(148,842)
	2,357,842	6,840	57,091	13,506	2,435,279
Other income	2,318,921	-	436	-	2,319,357
	2,318,921	-	436	-	2,319,357
TOTAL ADDITIONS	$ 103,327,028	$ 3,690,974	$ 7,147,208	$ 13,506	$ 114,178,716
DEDUCTIONS					
Benefits Paid to Participants	$ 121,146,070	$ 3,390,067	$ 4,543,498	$ 21,530	$ 129,101,165
Medical claims Administration fee	3,339,743	-	-	-	3,339,743
Prescription administration fee	66,844	-	-	-	66,844
Administrative expenses - Schedule "5"	3,763,221	283,896	353,511	48,699	4,449,327
TOTAL DEDUCTIONS	$ 128,315,878	$ 3,673,963	$ 4,897,009	$ 70,229	$ 136,957,079
NET INCREASE/(DECREASE)	(24,988,850)	17,011	2,250,199	(56,723)	(22,778,363)
NET ASSETS AVAILABLE FOR BENEFITS:					
BEGINNING OF YEAR	72,718,583	847,014	2,456,654	282,024	76,304,275
END OF YEAR	$ 47,729,733	$ 864,025	$ 4,706,853	$ 225,301	$ 53,525,912

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

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

"Schedule 5"

SCHEDULE OF ADMINISTRATIVE EXPENSES
FOR THE YEARS ENDED DECEMBER 31, 2017 AND 2016

	Year Ended December 31, 2017	Year Ended December 31, 2016
DESCRIPTION		
Contract administrator fees	$ 3,375,444	$ 3,351,873
Trustee meetings and expenses	17,526	8,866
Legal	451,951	509,587
Actuary and consulting fees	182,596	272,282
Audit and compliance audit fees	108,308	83,356
Postage, printing and miscellaneous	140,991	301,411
Insurance - fidelity and fiduciary policies	59,878	57,984
Telephone	6,657	8,133
Prescription audit	105,976	84,122
Total Administrative Expenses	$ 4,449,327	$ 4,677,614

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

"Schedule 6"

SCHEDULE OF EMPLOYER CONTRIBUTIONS FOR THE YEARS ENDED DECEMBER 31, 2017 AND 2016

	Year Ended December 31, 2017	Year Ended December 31, 2016
EMPLOYER		
Associated Administrators	$ 716,247	$ 775,686
Basics/Metro	189,246	202,346
Chessie Federal Credit Union	890	890
Food-A-Rama	2,090	-
Giant Food	70,716,972	84,892,529
Safeway Stores	40,236,433	43,912,697
UFCW Local 400	37,213	15,667
UFCW Local 27	48,672	20,622
Wepco Federal Credit Union	2,854	2,984
Adjustment: VEBA RAP Funding	(7,210,258)	(6,851,084)
Total Employer Contributions	$ 104,740,359	$ 122,972,337

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

"Schedule 7"

SCHEDULE OF BENEFITS
FOR THE YEARS ENDED DECEMBER 31, 2017 AND 2016

	Year Ended December 31, 2017	2016
SELF FUNDED CLAIMS		
Hospital, medical and surgical	$ 51,091,613	$ 43,967,310
Accident & sickness	5,436,946	5,427,055
Scholarship expense	26,460	28,643
Severance	4,543,498	11,945,999
Prescription Drug programs	31,322,655	26,278,180
INSURANCE COMPANIES AND SERVICE PROVIDERS		
Legal provider premiums	3,390,067	3,678,193
Dental insurance premiums	6,391,962	6,893,570
HMO		
Cigna HealthCare	-	1,364,044
Kaiser Permanente	8,513,050	8,826,771
Well Care Choice Health	-	553
CareFirst	14,471,654	13,962,314
Life insurance	173,347	180,300
Optical	914,540	948,539
Other medical		
Value Options/Value Behavioral Health	2,825,373	2,677,144
Other Expenses	-	-
	$ 129,101,165	$ 126,178,615