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, 2016 AND 2015

Salter & Company L.L.C.
Certified Public Accountants

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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, 2016 and 2015, 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, 2016 and 2015 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
October 3, 2017

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

STATEMENTS OF NET ASSETS AVAILABLE FOR BENEFITS AS OF DECEMBER 31, 2016 AND 2015

	December 31, 2016	December 31, 2015
ASSETS		
Investments - At Fair Value (Note 3)	$ 58,179,216	$ 59,698,896
Receivables		
Participating employers' contributions	314,024	10,909,961
Interest and dividends	326,265	382,397
Due from broker for investments sold	50,449	38,899
Other receivables and prepaid expenses	8,002,864	54,849
	8,693,602	11,386,106
Cash	12,239,647	12,966,119
TOTAL ASSETS	79,112,465	84,051,121
LIABILITIES		
Accounts payable and accrued expenses	2,797,837	3,040,862
Due to broker for investments purchased	10,353	-
TOTAL LIABILITIES	2,808,190	3,040,862
NET ASSETS AVAILABLE FOR BENEFITS	$ 76,304,275	$ 81,010,259

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, 2016 AND 2015

	Year Ended December 31, 2016	2015
ADDITIONS		
CONTRIBUTION INCOME		
Participating employers	$ 122,972,337	$ 140,740,563
Participants	4,676,623	7,417,356
	127,648,960	148,157,919
INVESTMENT INCOME		
Net appreciation/(depreciation) in fair value of investments	1,426,432	(1,165,145)
Interest and dividends	1,928,528	2,040,186
	3,354,960	875,041
Less: Investment expenses	(202,296)	(211,385)
	3,152,664	663,656
Other Income	30,025	50,583
TOTAL ADDITIONS	130,831,649	148,872,158
DEDUCTIONS		
Benefits paid to participants	126,178,615	144,390,378
Medical claims administration fee	4,619,313	5,990,820
Prescription administration fee	62,091	77,319
Administrative expenses	4,677,614	5,415,320
TOTAL DEDUCTIONS	135,537,633	155,873,837
NET (DECREASE)/INCREASE	(4,705,984)	(7,001,679)
NET ASSETS AVAILABLE FOR BENEFITS:		
BEGINNING OF YEAR	81,010,259	88,011,938
END OF YEAR	$ 76,304,275	$ 81,010,259

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, 2016 AND 2015

	December 31, 2016	December 31, 2015
Amounts Currently Payable to or for Participants, Beneficiaries and Dependents		
Group insurance and service providers	$ 1,485,301	$ 1,174,867
Claims incurred but not reported	16,608,000	15,367,000
	18,093,301	16,541,867
Other Obligations for current benefit coverage, At Estimated Amounts		
Future severance claims	28,759,011	47,238,741
Total Obligations other than Postretirement Benefit Obligations	46,852,312	63,780,608
Postretirement Benefit Obligations, Net Of Amounts Currently Payable		
Retired participants and beneficiaries	331,167,000	331,974,000
Other participants fully eligible for benefits	70,061,000	70,232,000
Participants not yet fully eligible for benefits	1,865,000	1,870,000
	403,093,000	404,076,000
PLAN'S TOTAL BENEFIT OBLIGATION	$ 449,945,312	$ 467,856,608

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, 2016 AND 2015

	December 31, 2016	December 31, 2015
Amounts Currently Payable to or for Participants Beneficiaries and Dependents		
Balance at beginning of year	$ 16,541,867	$ 18,385,529
Net change during the year	1,551,434	(1,843,662)
Balance at end of year	18,093,301	16,541,867
Other Obligations for current benefit coverage at estimated amounts:		
Balance at beginning of year	47,238,741	48,611,042
Net change during year:		
Accumulated eligibility credits	(18,479,730)	(1,372,301)
Balance at end of year	28,759,011	47,238,741
Postretirement Benefit Obligations, Net Of Amounts Currently Payable		
Balance at beginning of year	404,076,000	440,279,000
Increase (decrease) in postretirement benefits		
Attributable to:		
Expected benefit payments	(14,938,000)	(31,016,000)
Changes in assumptions	-	33,795,000
Plan changes	-	(50,897,000)
Passage of time	13,885,000	14,883,000
Benefits earned and other changes	70,000	(2,968,000)
Balance at end of year	403,093,000	404,076,000
PLAN'S TOTAL BENEFIT OBLIGATIONS AT END OF YEAR	$ 449,945,312	$ 467,856,608

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

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

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, 2015. Fund management does not believe the adoption of the ASU had a material impact on the financial statements.

In July 2015, the FASB issued ASU 2015-12, Plan Accounting: Health and Welfare Benefit Plans (Topic 965), Plan Investment Disclosures (Part II). ASU 2015-12 eliminates the requirements to disclose individual investments that represent 5 percent or more of net assets available for benefits and the net appreciation or depreciation in fair value of investments by general type. It also simplifies the level of disaggregation of investments that are measured using fair value. Plans will continue to disaggregate investments that are measured using fair value by general type; however, plans are no longer required to also disaggregate investments by nature, characteristics and risks. Further, the disclosure of information about fair value measurements shall be provided by general type of plan asset. ASU 2015-12 is effective for fiscal years beginning after December 15, 2015, with early adoption permitted, and is to be applied retrospectively. The Fund has elected to adopt early the ASU 2015-12 for the year ended December 31, 2015. 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 October 3, 2017, 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.

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, 2016 and 2015.

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.

3. Fair Value Measurements (continued)

Mutual Funds: Exchange Traded Funds (ETF's) are valued at the closing price reported on the active market on which the Funds are traded.

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, 2016 and 2015:

	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

3. Fair Value Measurements (continued)

	Assets at Fair Value as of December 31, 2015			
	Quoted Prices (Level 1)	Significant Other Observable Inputs(Level 2)	Significant Unobservable Inputs (Level 3)	Balance as of December 31, 2015
Investments measured at fair value:				
Short-term investments	$ 5,046,799	$ -	$ -	$ 5,046,799
United States Government & agency obligations	-	10,121,555	-	10,121,555
Corporate obligations	-	26,424,804	-	26,424,804
Mutual funds	13,686,141	-	-	13,686,141
Total assets in the fair value hierarchy	18,732,940	36,546,359	-	55,279,299
Investments measured at NAV:				
Limited partnerships				4,419,597
Total investments at NAV				4,419,597
Total investments				$ 59,698,896

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, 2016, 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, 2016 and 2015, respectively.

3. Fair Value Measurements (continued)

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

December 31, 2015		Fair Value	Unfunded Commitments	Redemption Frequency (if currently eligible)	Redemption Notice Period
Limited partnerships	$	4,419,597	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, 2016 and 2015, 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, 2016 and 2015 are as follows:

Economic Assumptions	***December 31, 2015***	***December 31, 2016***
Discount Rate	3.50%	3.50%

Economic Assumptions	***December 31, 2015***	***December 31, 2016***
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, 2016 and 2015 by $52,770,000 and $52,898,000, 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.

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.

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.

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, 2016. 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:

	2016	2015
Net assets available for benefits per the financial statements	$ 76,304,275	$ 81,010,259
Benefit obligations currently payable	(18,093,301)	(16,541,867)
Net assets available for benefits per Form 5500	$ 58,210,974	$ 64,468,392

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, 2016 and 2015:

	2016	2015
Benefits Paid per the financial statements	$ 126,178,615	$ 144,390,378
Add: amounts currently payable at end of year	18,093,301	16,541,867
Less: amounts payable at beginning of year	(16,541,867)	(18,385,529)
Benefits paid to or for participants and dependents per the Form 5500	$ 127,730,049	$ 142,546,716

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, 2016, but not yet paid as of that date.

9. Significant Plan Amendments

Year Ended December 31, 2016

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

Year Ended December 31, 2015

- Effective January 1, 2015, separate out-of-pocket maximums apply for comprehensive medical benefits and prescription drug benefits as follows:

  Plan I and Plan X - $4,000 medical, per individual, $8,000 per family. $2,600 prescription, per individual, $5,200 per family.

  Plan XX - $5,000 medical, per individual, $10,000 per family. $1,600 prescription, per individual, $3,200 per family.

  Plan XXX - $5,000 medical, per individual, $10,000 per family. $1,600 prescription, per individual, $3,200 per family.

- Effective December 31, 2015, health and welfare benefits, under the Retiree Plan for non-Medicare retirees will terminate and eligible non-Medicare eligible retirees and non-Medicare eligible dependents and surviving spouses of retirees will receive a monthly stipend, under the RAP, a non-ERISA program of the Fund.

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, 2016

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
	Short-Term Investments						
	PNC GOVT MONEY MARKET	Money Market	N/A	Variable	6,536,719	$ 6,536,719	$ 6,536,719
	Total Short-Term Investments					$ 6,536,719	$ 6,536,719
	US Government & Agencies Notes and Bonds						
	FEDERAL HOME LN MTG CORP	Bonds	12/1/2030	3.00%	203,928	$ 212,308	$ 209,373
	FEDERAL HOME LN MTG CORP	Bonds	9/1/2030	3.00%	94,786	98,070	97,349
	FEDERAL HOME LN MTG CORP	Bonds	12/1/2025	4.00%	26,894	27,584	28,111
	FEDERAL HOME LN MTG CORP	Bonds	10/1/2029	3.00%	253,092	263,117	259,893
	FEDERAL HOME LN MTG CORP	Bonds	2/1/2041	4.00%	77,157	77,578	81,631
	FEDERAL HOME LN MTG CORP	Bonds	12/1/2024	4.50%	21,613	22,718	22,831
	FEDERAL HOME LN MTG CORP	Bonds	10/1/2037	Variable	1,702	1,701	1,800
	FEDERAL HOME LN MTG CORP	Bonds	10/1/2020	5.00%	10,165	10,215	10,565
	FEDERAL HOME LN MTG CORP	Bonds	8/1/2027	2.50%	143,147	145,475	143,584
	FEDERAL HOME LN MTG CORP	Bonds	3/27/2019	3.75%	235,000	256,554	247,558
	FEDERAL HOME LN MTG CORP	Bonds	1/13/2022	2.38%	355,000	366,261	360,826
	FEDERAL HOME LN MTG CORP	Bonds	10/2/2019	1.25%	375,000	375,112	372,806
	FEDERAL HOME LN MTG CORP	Bonds	8/12/2021	1.13%	180,000	177,743	173,297
	FEDERAL NATL MTG ASSN	Bonds	2/26/2021	1.38%	400,000	402,091	392,204
	FEDERAL NATL MTG ASSN	Bonds	4/24/2026	2.13%	200,000	201,341	189,138
	FEDERAL NATL MTG ASSN	Bonds	2/8/2018	0.88%	355,000	350,273	354,759
	FEDERAL NATL MTG ASSN	Bonds	9/6/2024	2.63%	425,000	434,206	429,114
	FEDERAL NATL MTG ASSN	Bonds	7/1/2037	5.50%	1,402	1,351	1,509
	FEDERAL NATL MTG ASSN	Bonds	9/1/2037	5.50%	1,562	1,523	1,695
	FEDERAL NATL MTG ASSN	Bonds	7/1/2023	5.00%	15,414	15,874	16,422
	FEDERAL NATL MTG ASSN	Bonds	9/1/2041	4.50%	24,657	26,510	26,619
	FEDERAL NATL MTG ASSN	Bonds	12/1/2025	3.50%	80,227	82,860	81,738
	FEDERAL NATL MTG ASSN	Bonds	5/1/2041	4.50%	16,341	17,621	17,628
	FEDERAL NATL MTG ASSN	Bonds	10/1/2027	2.50%	43,884	43,850	44,022
	FEDERAL NATL MTG ASSN	Bonds	8/1/2027	3.00%	116,340	120,521	119,628
	FEDERAL NATL MTG ASSN	Bonds	10/1/2027	3.50%	107,765	113,961	112,370
	FEDERAL NATL MTG ASSN	Bonds	1/1/2027	3.00%	50,757	52,593	52,194

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, 2016

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
	US Government & Agencies Notes and Bonds						
	FEDERAL NATL MTG ASSN	Bonds	5/1/2031	3.00%	190,186	$ 200,141	$ 195,217
	FEDERAL NATL MTG ASSN	Bonds	8/1/2031	3.00%	218,271	229,832	224,130
	FEDERAL NATL MTG ASSN	Bonds	11/1/2029	3.00%	187,772	195,019	192,819
	FEDERAL NATL MTG ASSN	Bonds	4/1/2031	2.50%	214,816	222,871	215,249
	FEDERAL NATL MTG ASSN	Bonds	2/1/2034	6.00%	35,702	39,389	41,097
	FEDERAL NATL MTG ASSN	Bonds	1/1/2035	5.50%	28,133	29,769	31,553
	FEDERAL NATL MTG ASSN	Bonds	8/1/2017	6.50%	208	218	205
	FEDERAL NATL MTG ASSN	Bonds	10/1/2035	5.00%	22,932	24,625	25,048
	FEDERAL NATL MTG ASSN	Bonds	6/1/2035	7.00%	845	891	871
	FEDERAL NATL MTG ASSN	Bonds	4/1/2036	5.50%	2,130	2,066	2,268
	FEDERAL NATL MTG ASSN	Bonds	10/15/2039	3.00%	82,259	84,984	84,060
	FEDERAL NATL MTG ASSN	Bonds	2/25/2043	6.50%	15,442	15,904	17,864
	FEDERAL NATL MTG ASSN	Bonds	10/15/2024	5.00%	4,415	4,364	4,725
	FEDERAL NATL MTG ASSN	Bonds	7/15/2025	5.00%	29,811	27,976	32,197
	FEDERAL NATL MTG ASSN	Bonds	6/25/2042	6.50%	9,079	9,358	10,581
	FEDERAL NATL MTG ASSN	Bonds	6/25/2024	4.50%	40,846	41,944	43,412
	FEDERAL NATL MTG ASSN	Bonds	5/25/2044	6.50%	28,954	30,192	33,285
	FEDERAL NATL MTG ASSN	Bonds	8/25/2023	4.50%	5,452	4,916	5,736
	FEDERAL NATL MTG ASSN	Bonds	5/25/2020	5.26%	5,049	5,049	5,108
	FEDERAL NATL MTG ASSN	Bonds	8/25/2023	4.00%	10,928	9,938	11,242
	FEDERAL NATL MTG ASSN	Bonds	3/1/2037	7.00%	3,654	4,091	4,229
	FEDERAL NATL MTG ASSN	Bonds	3/1/2037	5.50%	1,647	1,603	1,791
	FEDERAL NATL MTG ASSN	Bonds	1/1/2037	5.50%	3,682	3,566	3,997
	FEDERAL NATL MTG ASSN	Bonds	9/1/2027	2.50%	21,832	21,528	21,905
	FEDERAL NATL MTG ASSN	Bonds	10/1/2023	2.50%	178,950	183,377	182,873
	FEDERAL NATL MTG ASSN	Bonds	6/1/2031	2.00%	209,269	211,591	203,875
	FEDERAL NATL MTG ASSN	Bonds	8/1/2040	4.50%	32,785	35,148	35,331
	FEDERAL NATL MTG ASSN	Bonds	12/1/2040	4.00%	27,895	29,416	29,562
	USA TREASURY NOTES	Notes	2/15/2023	2.00%	140,000	141,593	138,846
	USA TREASURY NOTES	Notes	6/30/2019	1.00%	235,000	229,133	233,165
	USA TREASURY NOTES	Notes	2/15/2025	2.00%	470,000	464,369	457,442

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, 2016

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
	US Government & Agencies Notes and Bonds						
	USA TREASURY NOTES	Notes	11/15/2023	2.75%	355,000	$ 370,621	$ 366,704
	USA TREASURY NOTES	Notes	5/15/2022	1.75%	220,000	215,200	216,768
	USA TREASURY NOTES	Notes	11/15/2025	2.25%	455,000	474,144	449,171
	USA TREASURY NOTES	Notes	5/15/2020	3.50%	115,000	125,430	122,237
	USA TREASURY NOTES	Notes	5/15/2021	3.13%	160,000	170,710	168,606
	USA TREASURY NOTES	Notes	8/15/2021	2.13%	415,000	426,697	418,938
	USA TREASURY NOTES	Notes	8/15/2026	1.50%	245,000	225,188	225,337
	Total US Government & Agencies Notes and Bonds					$ 8,411,862	$ 8,306,108
	Corporate Notes & Bonds						
	3M COMPANY	Bonds	6/15/2019	1.63%	110,000	$ 110,614	$ 109,915
	3M COMPANY	Bonds	6/26/2017	1.00%	100,000	100,293	99,912
	ABBOTT LABORATORIES	Bonds	11/31/2021	2.90%	110,000	109,805	109,687
	ACE INA HOLDINGS	Bonds	5/15/2024	3.35%	50,000	53,168	50,940
	ACTAVIS FUNDING	Bonds	3/12/2018	2.35%	235,000	236,545	236,358
	ADT CORPORATION	Bonds	10/15/2021	6.25%	55,000	59,606	59,675
	AERCAP IRELAND CAP LTD	Bonds	10/30/2020	4.63%	100,000	104,125	104,000
	AES CORPORATION	Bonds	6/1/2020	8.00%	285,000	332,293	331,313
	AGILENT TECHNOLOGIES INC	Bonds	7/15/2020	5.00%	75,000	81,185	80,932
	AIRCAST LE LTD	Bonds	4/15/2017	6.75%	345,000	371,664	348,450
	AIRGAS INC	Bonds	2/15/2018	1.65%	205,000	203,900	205,381
	ALBEMARLE CORPORATION	Bonds	12/1/2019	3.00%	100,000	102,896	102,270
	AMEREN CORPORATION	Bonds	11/15/2020	2.70%	175,000	175,929	175,940
	AMEREN ILLINOIS COMPANY	Bonds	6/1/2022	2.70%	35,000	36,344	35,105
	AMERICAN AIRLINES	Bonds	11/1/2028	3.38%	144,030	144,077	141,870
	AMERICAN EXPRESS CREDIT	Bonds	5/26/2020	2.38%	205,000	204,834	204,885
	AMERICAN WATER CAP CORPORATION	Bonds	10/15/2017	6.09%	70,000	77,244	72,580
	AMERICAN WATER CAPITAL	Bonds	3/1/2025	3.40%	60,000	64,208	61,401
	APACHE CORPORATION	Bonds	2/1/2021	3.63%	120,000	125,109	124,440
	APPLE INC	Bonds	5/3/2023	2.40%	95,000	92,065	92,503

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

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	Corporate Notes & Bonds (continued)						
	AMPHENOL CORPORATION	Bonds	12/30/2018	2.55%	145,000	$ 147,059	$ 146,740
	ARCELORMITTAL	Bonds	8/5/2020	4.25%	165,000	168,992	179,438
	ARCELORMITTAL	Bonds	3/1/2021	6.00%	175,000	182,881	191,625
	ARC PROPERTIES	Bonds	2/6/2019	3.00%	345,000	334,091	344,138
	ARCHER DANIELS MIDLAND	Bonds	3/1/2021	4.48%	85,000	95,218	92,088
	ARIZONA PUBLIC SERVICE	Bonds	6/15/2024	3.35%	40,000	41,151	40,815
	AT&T BROADBAND CORP	Bonds	11/15/2022	9.46%	80,000	114,572	108,280
	AT&T INC	Bonds	6/30/2022	3.00%	150,000	147,021	147,242
	AVALONBAY COMMUNITIES INC	Bonds	12/15/2023	4.20%	110,000	118,583	116,285
	BAXTER INTERNATIONAL INC	Bonds	8/15/2022	2.40%	215,000	203,549	209,042
	BEST BUY COMPANY INC	Bonds	3/15/2021	5.50%	55,000	61,131	59,950
	CANADIAN NATIONAL RAILWAY	Bonds	12/15/2021	2.85%	35,000	34,861	35,524
	CANADIAN PACIFIC RR CO	Bonds	5/15/2019	7.25%	105,000	126,654	117,504
	CAPITAL ONE MULTI-ASSET	Bonds	1/15/2020	1.26%	225,000	225,776	225,124
	CARNIVAL CORPORATION	Bonds	10/15/2020	3.95%	240,000	252,933	253,099
	CATERPILLAR FINANCIAL SERVICES	Bonds	2/15/2019	7.15%	120,000	138,018	132,857
	CBS CORP	Bonds	8/15/2019	2.30%	185,000	184,454	185,614
	CENTENE CORPORATION	Bonds	2/15/2021	5.63%	210,000	217,750	220,794
	CENTERPOINT ENERGY	Bonds	8/1/2019	5.17%	63,073	67,240	63,490
	CENTURYLINK INC	Bonds	6/15/2017	5.15%	345,000	367,009	350,175
	CHEVRON CORP	Bonds	3/3/2019	4.95%	185,000	209,122	197,685
	CHS/COMMUNITY HEALTH	Bonds	8/15/2018	5.13%	175,000	179,383	171,500
	CHUBB CORPORATION	Bonds	5/15/2018	5.75%	160,000	179,460	168,843
	CIT GROUP INC	Bonds	5/15/2017	5.00%	345,000	359,605	348,881
	CLOROX COMPANY	Bonds	9/15/2022	3.05%	50,000	51,763	50,699
	CNH INDUSTRIAL CAPITAL LLC	Bonds	11/6/2020	4.38%	315,000	321,450	323,269
	CNH EQUIPMENT TRUST	Bonds	5/15/2019	0.91%	109,568	109,319	109,530
	CNH EQUIPMENT TRUST	Bonds	2/18/2020	1.26%	60,000	59,995	59,911
	COLGATE PALMOLIVE	Bonds	11/1/2020	2.95%	35,000	35,900	36,014
	COLGATE PALMOLIVE COMPANY	Bonds	5/3/2022	2.30%	60,000	59,507	59,447
	COMMERCIAL METALS CO	Bonds	7/15/2017	6.50%	346,000	370,870	352,920

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, 2016

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%	60,000	$ 62,293	$ 59,209
	CONNECTICUT LIGHT & POWER	Bonds	1/15/2023	2.50%	40,000	40,288	39,156
	CONSOLIDATED EDISON COMPANY	Bonds	12/1/2024	3.30%	135,000	135,760	137,218
	CONTINENTAL AIRLINES	Bonds	1/12/2021	4.75%	93,542	98,892	98,686
	CONTINENTAL AIRLINES	Bonds	4/29/2026	4.00%	63,540	68,147	64,970
	COUNTRYWIDE HOME LOANS	Bonds	5/20/2036	Variable	26,462	23,422	21,877
	CUMMINS INC	Bonds	10/1/2023	3.65%	55,000	57,728	56,920
	CVS CAREMARK CORPORATION	Bonds	8/12/2024	3.38%	75,000	78,874	75,232
	DCP MIDSTREAM OPERATING COMPANY	Bonds	12/1/2017	2.50%	335,000	328,381	333,325
	DELMARVA POWER & LIGHT COMPANY	Bonds	11/15/2023	3.50%	55,000	59,223	56,587
	DISH DBS CORPORATION	Bonds	5/1/2020	5.13%	345,000	353,307	357,075
	DOW CHEMICAL COMPANY/THE	Bonds	5/15/2019	8.55%	181,000	221,138	207,440
	DTE ELECTRIC COMPANY	Bonds	3/15/2024	3.65%	35,000	38,654	36,475
	EASTMAN CHEMICAL CO	Bonds	1/15/2020	2.70%	230,000	231,549	231,346
	EATON CORPORATION	Bonds	11/2/2022	2.75%	185,000	187,065	183,230
	EMC CORPORATION	Bonds	6/1/2020	2.65%	325,000	312,125	317,194
	EMERSON ELECTRIC COMPANY	Bonds	10/15/2019	4.88%	210,000	237,367	226,556
	EQUINIX INC	Bonds	4/15/2020	4.88%	315,000	324,309	324,450
	ESTEE LAUDER COMPANY INC	Bonds	5/10/2021	1.70%	140,000	139,978	136,447
	EXXON MOBIL CORPORATION	Bonds	3/1/2026	3.04%	105,000	106,777	104,858
	FEDEX CORPORATION	Bonds	2/1/2020	2.30%	110,000	110,032	110,130
	FEDEX CORPORATION	Bonds	2/1/2025	3.20%	110,000	109,704	109,786
	FIRST HORIZON ALTERNATIVE	Bonds	9/25/2035	5.41%	15,457	13,834	13,630
	FLORIDA POWER & LIGHT	Bonds	11/1/2017	5.55%	139,000	158,610	143,881
	FLORIDA POWER & LIGHT COMPANY	Bonds	6/1/2024	3.25%	55,000	59,115	56,126
	FORD MOTOR COMPANY	Bonds	8/1/2018	6.50%	170,000	197,238	181,314
	FRONTIER COMMUNICATIONS	Bonds	4/15/2020	8.50%	345,000	361,250	362,250
	GENERAL ELECTRIC CORPORATION	Bonds	9/16/2020	4.38%	115,000	126,739	123,608
	GENERAL ELECTRIC CORPORATION	Bonds	10/17/2021	4.65%	100,000	113,644	109,694
	GENERAL MOTORS COMPANY	Bonds	10/2/2018	3.50%	195,000	195,485	198,881
	GFI GROUP INC	Bonds	7/19/2018	8.38%	345,000	376,338	370,875

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

"Schedule 1"

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AS OF DECEMBER 31, 2016

Form 5500, Schedule H, Line 4i

EIN: 52-1036978
Plan No. 501

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	Corporate Notes & Bonds (continued)						
	GANNETT CO INC	Bonds	10/15/2019	5.13%	290,000	$ 300,402	$ 297,613
	GLP CAPITAL LP	Bonds	4/15/2021	4.38%	265,000	270,686	274,938
	GMAC MORTGAGE CORPORATION	Bonds	12/25/2037	6.05%	10,929	9,235	10,697
	GREIF INC	Bonds	2/1/2017	6.75%	345,000	372,195	345,863
	HCA INC	Bonds	3/15/2019	3.75%	315,000	321,685	323,663
	HOST HOTELS & RESORTS	Bonds	3/1/2023	4.75%	55,000	59,383	57,286
	IAC/INTERACTIVECORP	Bonds	11/30/2018	4.88%	286,000	294,072	290,648
	ICAHN ENTERPRISES/FIN	Bonds	8/1/2020	6.00%	345,000	338,963	352,331
	ILLINOIS TOOL WORKS INC	Bonds	4/1/2019	6.25%	234,000	273,368	255,945
	INTL LEASE FINANCE CORP	Bonds	3/15/2017	8.75%	245,000	275,322	248,369
	JOHN DEERE OWNER TRUST	Bonds	6/17/2019	1.32%	115,000	115,018	115,029
	JOHN DEERE OWNER TRUST	Bonds	4/16/2018	0.92%	3,781	3,786	3,779
	JOHNSON & JOHNSON	Bonds	8/15/2017	5.55%	105,000	116,985	107,894
	KANSAS CITY SOUTHERN	Bonds	6/1/2026	3.13%	60,000	61,082	57,145
	KIMBERLY-CLARK CORPORATION	Bonds	8/15/2020	2.15%	35,000	34,985	35,001
	KINDER MORGAN ENERGY PARTNERS	Bonds	9/15/2020	5.30%	100,000	98,578	107,413
	KRAFT FOODS GROUP INC	Bonds	6/6/2022	3.50%	100,000	101,564	101,697
	KROGER COMPANY/THE	Bonds	8/1/2023	3.85%	120,000	124,140	124,607
	LENNAR CORPORATION	Bonds	11/15/2019	4.50%	340,000	355,156	353,175
	LOUISVILLE GAS & ELECTRIC	Bonds	10/1/2025	3.30%	60,000	64,055	60,561
	MAGELLAN MIDSTREAM PARTNERS	Bonds	2/1/2021	4.25%	70,000	74,918	74,213
	MCDONALD'S CORP	Bonds	7/15/2020	3.50%	145,000	152,895	150,775
	MERCK & COMPANY INC	Bonds	5/18/2023	2.80%	75,000	77,836	75,290
	MICROSOFT CORPORATION	Bonds	11/3/2020	2.00%	245,000	248,425	245,255
	MIDAMERICAN ENERGY COMPANY	Bonds	10/15/2024	3.50%	65,000	69,569	67,187
	NBCUNIVERSAL MEDIA LLC	Bonds	4/30/2020	5.15%	50,000	57,116	54,676
	NISOURCE FINANCING CORPORATION	Bonds	3/1/2022	6.13%	115,000	138,145	132,626
	NORFOLK SOUTHERN CORP	Bonds	12/1/2021	3.25%	135,000	140,237	138,646
	NRG ENERGY INC	Bonds	1/15/2018	7.63%	188,000	204,670	198,810
	OCCIDENTAL PETROLEUM CORPORATION	Bonds	2/1/2021	4.10%	135,000	143,964	143,406
	OMNICOM GROUP INC	Bonds	8/15/2020	4.45%	140,000	153,381	148,919

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, 2016

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
	Corporate Notes & Bonds (continued)						
	NEWSTAR FINANCIAL INC	Bonds	5/1/2020	7.25%	340,000	$ 336,634	$ 338,300
	ONCOR ELECTRIC DELIVERY	Bonds	9/1/2022	7.00%	90,000	110,317	109,851
	O'REILLY AUTOMOTIVE INC	Bonds	3/15/2026	3.55%	65,000	65,258	64,575
	PACIFICORP	Bonds	4/1/2024	3.60%	60,000	65,765	62,401
	PBF HOLDING COMPANY LLC	Bonds	2/15/2020	8.25%	345,000	365,842	353,625
	PECO ENERGY COMPANY	Bonds	9/15/2022	2.38%	35,000	35,523	34,372
	PENTAIR FINANCE SA	Bonds	9/15/2018	2.90%	75,000	76,097	75,867
	PEPSICO INC	Bonds	10/14/2020	2.15%	220,000	223,751	220,389
	PORTLAND GENERAL ELEC	Bonds	4/15/2019	6.10%	155,000	180,965	169,066
	PRECISION CASTPARTS CORPORATION	Bonds	1/15/2018	1.25%	145,000	143,977	144,713
	PROCTER & GAMBLE COMPANY/THE	Bonds	8/15/2023	3.10%	155,000	163,034	159,586
	PROGRESS ENERGY CAROLINA	Bonds	5/15/2022	2.80%	205,000	206,599	207,278
	PUBLIC SERVICE COLORADO	Bonds	5/15/2025	2.90%	45,000	47,405	44,557
	PUBLIC SERVICE ELECTRIC	Bonds	11/15/2024	3.05%	65,000	68,063	65,510
	REPUBLIC SERVICES INC	Bonds	5/15/2023	4.75%	55,000	61,528	60,069
	REPUBLIC SERVICES INC	Bonds	6/1/2022	3.55%	175,000	179,688	181,790
	SABINE PASS LIQUEFACTION	Bonds	2/1/2021	5.63%	245,000	262,494	262,150
	SHELL INTERNATIONAL FINANCIAL	Bonds	3/25/2020	4.38%	180,000	196,163	192,287
	SLM CORPORATION	Bonds	1/15/2019	5.50%	325,000	334,606	337,188
	SOUTHERN CALIFORNIA GAS COMPANY	Bonds	6/15/2025	3.20%	55,000	59,002	55,965
	SOUTHERN POWER COMPANY	Bonds	12/1/2017	1.85%	120,000	120,004	120,317
	SOUTHWEST AIRLINES COMPANY	Bonds	11/15/2026	3.00%	50,000	49,614	47,128
	SOUTHWEST PUBLIC SERV	Bonds	6/15/2024	3.30%	55,000	58,346	55,686
	ST. JUDE MEDICAL INC	Bonds	9/15/2018	2.00%	125,000	124,797	125,176
	STANLEY BLACK & DECKER	Bonds	11/17/2018	2.45%	130,000	130,040	131,114
	SUNOCO LP/FINANCE CORPORATION	Bonds	8/1/2020	5.50%	235,000	238,013	239,700
	TARGA RESOURCES PARTNERS LP	Bonds	11/15/2019	4.13%	325,000	329,470	329,063
	TEEKAY OFFSHORE PARTNERS	Bonds	7/30/2019	6.00%	270,000	258,328	226,800
	TENET HEALTHCARE CORPORATION	Bonds	11/1/2018	6.25%	345,000	373,335	363,975
	TEREX CORPORATION	Bonds	5/15/2021	6.00%	315,000	323,638	322,088
	T-MOBILE USA INC	Bonds	9/1/2018	5.25%	350,000	363,073	355,250

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, 2016

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)						
	STARBUCKS CORPORATION	Bonds	2/4/2021	2.10%	55,000	$ 55,762	$ 54,824
	TRAVELERS COS INC	Bonds	6/2/2019	5.90%	95,000	109,263	103,558
	TWIN REEFS PASS-THROUGH	Bonds	12/31/2049	Variable	100,000	101,283	200
	UNION PACIFIC RR COMPANY	Bonds	5/14/2026	3.23%	186,240	187,649	183,711
	VALERO ENERGY CORPORATION	Bonds	2/1/2020	6.13%	70,000	78,997	77,261
	VERIZON COMMUNICATIONS	Bonds	9/15/2020	4.50%	140,000	153,923	149,815
	VIRGINIA ELECTRIC & POWER COMPANY	Bonds	2/15/2024	3.45%	65,000	68,863	66,796
	VISA INC	Bonds	12/14/2020	2.20%	180,000	185,247	180,560
	WALGREEN COMPANY	Bonds	09/15/2022	3.10%	130,000	127,949	129,981
	WALT DISNEY COMPANY/THE	Bonds	2/12/2021	2.30%	155,000	159,094	155,777
	WASTE MANAGEMENT INC	Bonds	5/15/2024	3.50%	165,000	167,161	170,122
	WISCONSIN ELECTRIC POWER	Bonds	6/1/2025	3.10%	60,000	62,590	59,886
	WISCONSIN ENERGY CORPORATION	Bonds	6/15/2020	2.45%	40,000	40,572	40,025
	WORLD FINANCIAL NETWORK CREDIT	Bonds	8/15/2022	2.23%	150,000	152,768	151,364
	Total Corporate Notes & Bonds					$ 25,132,793	$ 24,627,679
	Municipal Bonds						
	CALIFORNIA ST DEPT OF WATER	Municipal	5/1/2021	1.71%	180,000	$ 180,000	$ 176,144
	DISTRICT COLUMBIA INCOME TAX	Municipal	12/1/2018	4.34%	75,000	75,000	78,625
	NEW YORK STATE DORM AUTHORITY	Municipal	2/15/2018	1.55%	125,000	125,875	125,063
	PFLUGERVILLE TX INDEP SCH DIST	Municipal	2/15/2018	5.00%	135,000	151,157	140,539
	UNIVERSITY TEX UNIV	Municipal	8/15/2019	3.31%	35,000	35,000	36,262
	UTAH ST BUILD AMERICA	Municipal	7/1/2020	3.29%	40,000	40,525	41,681
	VIRGINIA COLLEGE BLDG AUTH	Municipal	2/1/2030	4.83%	25,000	22,556	27,416
	Total Municipal Bonds					$ 630,113	$ 625,730
	Mutual Funds						
	VANGUARD INDEX TR TOTAL STK MKT	RIC	N/A	N/A	239,580	12,183,099	13,438,059
	Total Mutual Funds					$ 12,183,099	$ 13,438,059

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

"Schedule I"

SCHEDULE OF ASSETS (HELD AT END OF YEAR)
AS OF DECEMBER 31, 2016

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
	Limited Partnerships						
	MERIDAN DIVERSIFIED ERISA FUND	LP	N/A	N/A	964	$ 114,161	$ 108,628
	AMERICAN CORE REALTY FUND	LP	N/A	N/A	38	4,078,245	4,536,293
	Total Limited Partnerships					$ 4,192,406	$ 4,644,921
	Total assets (held at end of year)					$ 57,086,992	$ 58,179,216

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

"Schedule 2"

SCHEDULE OF REPORTABLE (5%) TRANSACTIONS
YEAR ENDING DECEMBER 31, 2016

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	$ 149,318,872	$ N/A	$ N/A	$ 149,318,872	$ N/A
N/A	PNC Govt. Money Market	N/A	148,046,208	148,046,208	N/A	-

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, 2016

	Health and Welfare	Legal	Severance	Scholarship	TOTAL
ASSETS					
Investments - At Fair Value					
Temporary	$ 5,582,990	$ 382,362	$ 561,135	$ 10,232	$ 6,536,719
U.S. government agencies notes and bonds	8,306,108	-	-	-	8,306,108
Corporate obligations	24,627,679	-	-	-	24,627,679
Limited partnerships	4,644,921	-	-	-	4,644,921
Mutual funds	13,438,059	-	-	-	13,438,059
Municipal bonds	625,730		-		625,730
	57,225,487	382,362	561,135	10,232	58,179,216
Allocated share of investments	(2,395,162)	222,160	1,897,595	275,407	-
	54,830,325	604,522	2,458,730	285,639	58,179,216
Receivables					
Interfund transfers	-	-	-	-	-
Participating employers' contributions	830	310,780	2,414	-	314,024
Interest and dividends	326,150	-	112	3	326,265
Due from broker for investments sold	50,449	-	-	-	50,449
Other receivables and prepaid expenses	31,218	34	-	-	31,252
Prescription rebate receivable	7,971,612	-	-	-	7,971,612
	8,380,259	310,814	2,526	3	8,693,602
Cash	12,239,687	-	(40)	-	12,239,647
TOTAL ASSETS	$ 75,450,271	$ 915,336	$ 2,461,216	$ 285,642	$ 79,112,465
LIABILITIES					
Accounts payable and accrued expenses	$ 2,721,335	$ 68,322	$ 4,562	$ 3,618	$ 2,797,837
Due to broker for investments purchased	10,353	-	-	-	10,353
TOTAL LIABILITIES	$ 2,731,688	$ 68,322	$ 4,562	$ 3,618	$ 2,808,190
NET ASSETS AVAILABLE FOR BENEFITS	$ 72,718,583	$ 847,014	$ 2,456,654	$ 282,024	$ 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

SCHEDULE OF CHANGES IN NET ASSETS AVAILABLE FOR BENEFITS - BY TYPE OF BENEFIT
FOR YEAR ENDING DECEMBER 31, 2016

	Health and Welfare	Legal	Severance	Scholarship	TOTAL
ADDITIONS					
CONTRIBUTION INCOME					
Participating employers	$ 108,659,656	$ 3,887,825	$ 10,424,856	$ -	$ 122,972,337
Participants	4,676,623	-	-	-	4,676,623
	113,336,279	3,887,825	10,424,856	-	127,648,960
INVESTMENT INCOME					
Net appreciation/(depreciation) in fair value of investments	1,306,059	6,048	97,399	16,926	1,426,432
Allocation of investment income	-	-	-	-	-
Interest and dividends	1,926,990	206	1,316	16	1,928,528
	3,233,049	6,254	98,715	16,942	3,354,960
Less: Investment expenses	(201,530)	(308)	(411)	(47)	(202,296)
	3,031,519	5,946	98,304	16,895	3,152,664
Other income	26,996	-	3,029	-	30,025
	26,996	-	3,029	-	30,025
TOTAL ADDITIONS	$ 116,394,794	$ 3,893,771	$ 10,526,189	$ 16,895	$ 130,831,649
DEDUCTIONS					
Benefits Paid to Participants	$ 110,530,202	$ 3,678,193	$ 11,945,999	$ 24,221	$ 126,178,615
Medical claims Administration fee	4,619,313	-	-	-	4,619,313
Prescription administration fee	62,091	-	-	-	62,091
Administrative expenses - Schedule "5"	3,961,372	325,493	344,494	46,255	4,677,614
TOTAL DEDUCTIONS	$ 119,172,978	$ 4,003,686	$ 12,290,493	$ 70,476	$ 135,537,633
NET INCREASE/(DECREASE)	(2,778,184)	(109,915)	(1,764,304)	(53,581)	(4,705,984)
NET ASSETS AVAILABLE FOR BENEFITS:					
BEGINNING OF YEAR	75,496,767	956,929	4,220,958	335,605	81,010,259
END OF YEAR	$ 72,718,583	$ 847,014	$ 2,456,654	$ 282,024	$ 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

"Schedule 5"

SCHEDULE OF ADMINISTRATIVE EXPENSES FOR THE YEARS ENDED DECEMBER 31, 2016 AND 2015

	Year Ended December 31, 2016	Year Ended December 31, 2015
DESCRIPTION		
Contract administrator fees	$ 3,351,873	$ 3,433,187
Trustee meetings and expenses	8,866	34,819
Legal	509,587	1,226,668
Actuary and consulting fees	272,282	276,606
Audit and compliance audit fees	83,356	73,500
Postage, printing and miscellaneous	301,411	193,966
Insurance - fidelity and fiduciary policies	57,984	57,357
Telephone	8,133	8,848
Prescription audit	84,122	110,369
Total Administrative Expenses	$ 4,677,614	$ 5,415,320

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, 2016 AND 2015

	Year Ended December 31, 2016	2015
EMPLOYER		
Associated Administrators	$ 775,686	$ 860,972
Basics/Metro	202,346	207,123
Chessie Federal Credit Union	890	1,149
Food-A-Rama	-	2,032
Giant Food	80,529,585	91,683,874
Safeway Stores	41,424,557	48,857,403
UFCW Local 400	15,667	17,476
UFCW Local 27	20,622	18,454
Wepco Federal Credit Union	2,984	2,955
Adjustment: VEBA RAP Funding	-	(910,875)
Total Employer Contributions	$ 122,972,337	$ 140,740,563

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

"Schedule 7"

SCHEDULE OF BENEFITS
FOR THE YEARS ENDED DECEMBER 31, 2016 AND 2015

	Year Ended December 31, 2016	2015
SELF FUNDED CLAIMS		
Hospital, medical and surgical	$ 43,967,310	$ 49,994,696
Accident & sickness	5,427,055	6,368,634
Scholarship expense	28,643	25,490
Severance	11,945,999	7,085,391
Prescription Drug programs	26,278,180	31,243,093
INSURANCE COMPANIES AND SERVICE PROVIDERS		
Legal provider premiums	3,678,193	3,978,926
Dental insurance premiums	6,893,570	7,474,944
HMO		
Cigna HealthCare	1,364,044	12,313,052
Kaiser Permanente	8,826,771	9,562,907
Well Care Choice Health	553	552
CareFirst	13,962,314	12,620,985
Life insurance	180,300	191,335
Optical	948,539	1,049,328
Other medical		
Value Options/Value Behavioral Health	2,677,144	2,480,420
Other Expenses	-	625
	$ 126,178,615	$ 144,390,378