

***UFCW Unions and Participating Employers
Health and Welfare Fund***

Financial Statements

For the Years Ended December 31, 2012 and 2011

**UFCW UNIONS AND PARTICIPATING EMPLOYERS HEALTH AND WELFARE FUND
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FOR THE YEARS ENDED DECEMBER 31, 2012 AND 2011**

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REPORT OF INDEPENDENT AUDITORS

Board of Trustees
UFCW Unions and Participating
Employers Health and Welfare Fund
4301 Garden City Dr., Ste. 201
Landover, MD 20785-6102

Report on the Financial Statements

We have audited the accompanying financial statements of the UFCW Unions and Participating Employers Health and Welfare Fund, which comprise the statements of net assets available for benefits as of December 31, 2012 and 2011 and the related statements of changes in net assets available for benefits for the years then ended, and the related notes to the financial statements.

Management's Responsibility for the Financial Statements

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 also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

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

REPORT OF INDEPENDENT AUDITORS

Opinion

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial status of the UFCW Unions and Participating Employers Health and Welfare Fund as of December 31, 2012 and 2011, 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.

A handwritten signature in black ink, appearing to read "Brad Beebe". The signature is fluid and cursive, with the first name "Brad" and last name "Beebe" clearly distinguishable.

A Professional Corporation

Bethesda, MD

October 15, 2013

UFCW UNIONS AND PARTICIPATING EMPLOYERS HEALTH AND WELFARE FUND
STATEMENTS OF NET ASSETS AVAILABLE FOR BENEFITS
DECEMBER 31, 2012 AND 2011

	<u>2012</u>	<u>2011</u>
ASSETS		
Investments - at fair value		
U.S. government and agency securities	\$ 4,970,578	\$ 7,191,002
Corporate bonds	8,478,382	7,714,582
Short-term investment funds	<u>1,810,549</u>	<u>3,384,136</u>
	<u>15,259,509</u>	<u>18,289,720</u>
Receivables		
Employer contributions	3,308,768	1,310,250
Prescription rebates	193,897	202,979
Accrued interest	124,102	154,028
Other	<u>184,794</u>	<u>205,826</u>
	<u>3,811,561</u>	<u>1,873,083</u>
Cash	<u>25,352</u>	<u>256,855</u>
TOTAL ASSETS	19,096,422	20,419,658
LIABILITIES		
Accounts payable and accrued expenses	<u>204,429</u>	<u>240,276</u>
NET ASSETS AVAILABLE FOR BENEFITS	<u><u>\$ 18,891,993</u></u>	<u><u>\$ 20,179,382</u></u>

UFCW UNIONS AND PARTICIPATING EMPLOYERS HEALTH AND WELFARE FUND
STATEMENTS OF CHANGES IN NET ASSETS AVAILABLE FOR BENEFITS
FOR THE YEARS ENDED DECEMBER 31, 2012 AND 2011

	<u>2012</u>	<u>2011</u>
ADDITIONS TO NET ASSETS ATTRIBUTED TO		
Contributions		
Employers	\$ 47,595,739	\$ 48,005,440
Participants	<u>1,149,940</u>	<u>1,042,948</u>
	<u>48,745,679</u>	<u>49,048,388</u>
Investment income		
Net appreciation in fair value of investments	55,498	367,523
Interest and dividend income	545,443	593,901
Investment expenses	<u>(33,828)</u>	<u>(35,633)</u>
	<u>567,113</u>	<u>925,791</u>
Other income		
Early retiree reinsurance program	-	61,545
Other	<u>4,166</u>	<u>34,626</u>
	<u>4,166</u>	<u>96,171</u>
TOTAL ADDITIONS	<u>49,316,958</u>	<u>50,070,350</u>
DEDUCTIONS FROM NET ASSETS ATTRIBUTED TO		
Benefits	<u>46,241,820</u>	<u>48,676,975</u>
Claims administration fees	<u>2,990,709</u>	<u>3,038,712</u>
Administrative expenses		
Contract administrator fees	907,736	993,473
Legal fees	162,954	285,818
Conference and meeting expenses	15,635	18,564
Audit fees	47,160	47,150
Payroll audit fees	25,850	5,421
Hospital audits	6,450	16,385
Actuary fees	20,930	31,680
Postage, printing and supplies	56,263	74,300
Bonding and insurance	22,768	34,020
Telephone	2,569	3,839
Consulting fees	93,145	136,377
Miscellaneous	<u>10,358</u>	<u>12,394</u>
	<u>1,371,818</u>	<u>1,659,421</u>
TOTAL DEDUCTIONS	<u>50,604,347</u>	<u>53,375,108</u>
NET DECREASE	(1,287,389)	(3,304,758)
NET ASSETS AVAILABLE FOR BENEFITS		
AT BEGINNING OF YEAR	<u>20,179,382</u>	<u>23,484,140</u>
NET ASSETS AVAILABLE FOR BENEFITS		
AT END OF YEAR	<u>\$ 18,891,993</u>	<u>\$ 20,179,382</u>

UFCW UNIONS AND PARTICIPATING EMPLOYERS HEALTH AND WELFARE FUND
NOTES TO FINANCIAL STATEMENTS
FOR THE YEARS ENDED DECEMBER 31, 2012 AND 2011

NOTE 1: PLAN DESCRIPTION

General

The UFCW Unions and Participating Employers Health and Welfare Fund (the Plan) is a multi-employer collectively bargained health benefit plan subject to the provisions of the Employee Retirement Income Security Act of 1974 (ERISA).

Effective September 1, 2012, the Board of Trustees of the Plan approved separation of the health and welfare program for active participants and the health and welfare program for retirees by establishment of two separate plans under the Trust. The active plan is called the UFCW Unions and Participating Employers Active Health Plan and the retiree plan is called the UFCW Unions and Participating Employers Retiree Health Plan. The assets, liabilities, income and expenses of these two plans are separately accounted for and all activity of these two plans have been combined in these financial statements.

Benefits

The Plan covers employees working in jobs covered by the collective bargaining agreements between certain employers and UFCW Local Unions 400 and 27, and participating employers for which contributions are required to be made to the Plan. The Plan provides benefits such as medical, hospitalization, surgical, mental health/substance abuse, life and accidental death and dismemberment insurance, accident and sickness, prescription drug, dental and optical benefits. Benefit levels vary, and are determined by the amount of the contributions as agreed to in the collective bargaining agreements. Under the provisions of COBRA, participants and their dependents may continue their eligibility for benefits under the Plan for a certain period after the occurrence of a qualifying event.

Eligible retirees may elect health and welfare coverage, including prescription drug coverage, subject to Plan rules and co-payments, if applicable.

Participants should refer to the Summary Plan Description for more complete information.

NOTE 2: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Basis of Accounting

The accompanying financial statements have been prepared using the accrual basis of accounting in accordance with accounting principles generally accepted in the United States of America.

Accounting Estimates

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

Valuation of Investments and Income Recognition

Investments are presented at fair value, as follows:

- Certain U.S government and agency securities are valued based on quoted market prices.
- Certain U.S. government and agency securities and corporate bonds are valued using quoted prices of similar assets, corroborated market data, indices and/or yield curves.
- Short-term investment funds are valued at cost, which approximates fair value.

Purchases and sales of securities are reflected on a trade-date basis. Interest and dividend income is recognized as earned.

NOTE 2: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - continued

In accordance with the policy of stating investments at fair value, net appreciation or depreciation includes the Plan's gains and losses on investments bought and sold as well as held during the period.

Claims Payable and Amounts Incurred but Not Reported

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, and other miscellaneous benefits related to services performed in those respective periods.

Postretirement Benefit Obligations

The postretirement benefit obligation represents the actuarial present value of those estimated future benefits that are attributed to employee service rendered to December 31, 2012 and 2011, reduced by the actuarial present value of contributions expected to be received in the future from or on behalf of current plan participants. Postretirement benefits include future benefits for (1) currently eligible retired employees and their beneficiaries and dependents and (2) active employees and their beneficiaries and dependents after retirement from service with participating employers. The postretirement benefit obligation represents the amount that is to be funded by contributions from the plan's participating employers and from existing plan assets. Prior to an active employee's full eligibility date, the postretirement benefit is the portion of the expected postretirement benefit that is attributed to that employee's service in the industry rendered to the valuation date. However, as stated under the terms of the Plan, the Trustees and/or collective bargaining parties reserve the right to amend, modify, or terminate the Plan and the benefits provided thereunder, in whole or in part, at any time.

The actuarial present value of the expected benefit obligations is determined by the Plan's actuary and is the amount that results from applying actuarial assumptions to historical claims-cost data to estimate future annual incurred claims cost per participant and to adjust such estimates for the time value of money (through discounts for interest) and the probability of payment (by means of decrements such as those for death, disability, withdrawal, or retirement) between the valuation date and the expected date of payment.

Payment of Benefits

Benefits are recognized when paid.

Contributions from employers

Contributions from employers are accrued based upon subsequent employer remittance reports and cash receipts. Accordingly, no provisions for uncollectible amounts are recorded.

Contributions from participants

Participant contributions represent premium copayments received from current retirees. All retirees are required to pay for Medicare Part B when they become eligible for that benefit.

Subsequent Events

In preparing these financial statements, management of the Plan has evaluated events and transactions that occurred after December 31, 2012 for potential recognition or disclosure in the financial statements. These events and transactions were evaluated through October 15, 2013, the date that the financial statements were available to be issued.

NOTES TO FINANCIAL STATEMENTS

NOTE 3: RISKS AND UNCERTAINTIES

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

The actuarial present value of benefit obligations is reported based on certain assumptions pertaining to interest rates, health care inflation rates and employee demographics, all of which are subject to change. Due to uncertainties inherent in the estimation and assumption process, it is at least reasonably possible that changes in these estimates and assumptions in the near term could materially affect the amounts reported and disclosed in the financial statements.

NOTE 4: INVESTMENTS

The following summary presents the cost and fair value for investments held at the end of the year. Investments representing 5% or more of the Plan's net assets available for benefits are separately identified:

	2012		2011	
	Cost	Fair Value	Cost	Fair Value
Short-term investment funds				
PNC Government Money Market				
Fund #405	\$ 1,427,333	\$ 1,427,333	\$ 3,312,071	\$ 3,312,071
Other	383,216	383,216	72,065	72,065
U.S government and agency securities	4,724,806	4,970,578	6,809,050	7,191,002
Corporate bonds	8,018,977	8,478,382	7,203,978	7,714,582
	<u>\$ 14,554,332</u>	<u>\$ 15,259,509</u>	<u>\$ 17,397,164</u>	<u>\$ 18,289,720</u>

During 2012 and 2011, the Plan's investments (including investments bought, sold and held during the year) appreciated (depreciated) in fair value as follows:

	2012	2011
U.S. government and agency securities	\$ (40,276)	\$ 145,264
Corporate bonds	95,774	222,259
	<u>\$ 55,498</u>	<u>\$ 367,523</u>

NOTE 5: FAIR VALUE MEASUREMENTS

Generally accepted accounting principles define fair value as 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, establish a fair value reporting hierarchy and define three broad levels of inputs (the assumption that market participants would use in pricing the asset or liability) as noted below:

Level 1

Inputs are unadjusted quoted prices in active markets for identical assets or liabilities that the reporting entity has the ability to access at the measurement date.

NOTES TO FINANCIAL STATEMENTS

NOTE 5: FAIR VALUE MEASUREMENTS - continued

Level 2

Inputs are quoted prices for similar assets or liabilities in active markets, quoted prices for identical or similar assets or liabilities in markets that are not active or inputs that are derived principally from or corroborated by observable market data by correlation or other means.

Level 3

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

A financial instrument's level within the fair value hierarchy is based on the lowest level of any input that is significant to the fair value measurement. See Note 2 for more specific detail on valuation methodology. There have been no changes in the valuation methodology used at December 31, 2012 and 2011.

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 end of the reporting period.

Management evaluates 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, 2012, there were no significant transfers in or out of levels 1, 2 or 3.

As of December 31, 2012 and 2011, assets measured at fair value on a recurring basis are summarized by level within the fair value hierarchy as follows:

	2012			
	Level 1	Level 2	Level 3	Total Fair Value
U.S. government and agency securities	\$ 1,605,752	\$ 3,364,826	\$ -	\$ 4,970,578
Corporate bonds	-	8,478,382	-	8,478,382
Short-term investment funds	-	1,810,549	-	1,810,549
	<u>\$ 1,605,752</u>	<u>\$ 13,653,757</u>	<u>\$ -</u>	<u>\$ 15,259,509</u>

	2011			
	Level 1	Level 2	Level 3	Total Fair Value
U.S. government and agency securities	\$ 2,278,581	\$ 4,912,421	\$ -	\$ 7,191,002
Corporate bonds	-	7,714,582	-	7,714,582
Short-term investment funds	-	3,384,136	-	3,384,136
	<u>\$ 2,278,581</u>	<u>\$ 16,011,139</u>	<u>\$ -</u>	<u>\$ 18,289,720</u>

NOTES TO FINANCIAL STATEMENTS

NOTE 6: TAX STATUS

The Internal Revenue Service has recognized the trust as exempt from federal income taxation under Section 501(a) of the Internal Revenue Code, as described at Section 501(c)(9), as stated in its latest determination letter in 1994. The Internal Revenue Service stated the Plan, as then designed, was in compliance with the applicable requirements of the Internal Revenue Code (the Code). The Plan has been amended since receiving the determination letter. However, the Plan's Trustees believe that the Plan is currently designed and being operated in compliance with the applicable requirements of the Code.

Generally accepted accounting principles require management to evaluate tax positions taken and recognize a tax liability if the organization has taken an uncertain position that more likely than not would not be sustained upon examination by the Internal Revenue Service. Management has evaluated the tax positions taken by the Plan and concluded that as of December 31, 2012 there are no uncertain positions taken or expected to be taken that would require recognition of a liability or disclosure in the financial statements. The Plan is subject to routine audits by taxing jurisdictions; however, there are currently no audits for any tax periods in progress. Management believes that the Plan is no longer subject to tax examinations for years prior to 2009.

NOTE 7: PRIORITIES UPON TERMINATION

It is the intent of the Trustees to continue the Plan in full force and effect. However, in order to safeguard against any unforeseen contingencies, the right to discontinue the Plan is reserved to the Trustees. In the event of termination, the Trustees shall first satisfy or make provisions to satisfy the obligations of the Plan. Any remaining plan assets will be distributed in such manner as will, in the opinion of the Trustees, bring about the purpose of the Plan. 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.

NOTE 8: CONTRIBUTIONS FROM MAJOR EMPLOYERS

Three employers accounted for approximately 95% of total contributions for the years ended December 31, 2012 and 2011, with two employers with common ownership representing 47% and 53%, respectively, of total contributions for those years.

NOTE 9: BENEFIT OBLIGATIONS

The Plan reports its benefit obligations in conformity with generally accepted accounting principles. Information regarding amounts currently payable to or for participants, beneficiaries, and dependents for service providers and insurance premiums as of December 31, 2012 and 2011 are determined by the Plan's management. Information regarding amounts incurred but not reported and the present value of the Plan's benefit obligations as of December 31, 2012 and 2011, is determined by the Plan's actuaries. Information regarding the present value of the Plan's benefit obligations as of December 31, 2012 and 2011, is shown below:

	2012	2011
Amounts currently payable to or for participants, beneficiaries, and dependents		
Claims currently payable and amounts incurred but not reported	\$ 6,500,000	\$ 5,300,000
Group insurance and service providers payable	50,117	20,542
	<u>6,550,117</u>	<u>5,320,542</u>
Benefit obligations		
Current retirees	61,700,000	59,500,000
Other participants fully eligible for benefits	30,900,000	29,800,000
Participants not fully eligible for benefits	58,100,000	56,100,000
	<u>150,700,000</u>	<u>145,400,000</u>
Total benefit obligations	<u>\$ 157,250,117</u>	<u>\$ 150,720,542</u>

NOTES TO FINANCIAL STATEMENTS

NOTE 9: BENEFIT OBLIGATIONS - continued

Information regarding the changes in benefit obligations for the years ended December 31, 2012 and 2011 is shown below:

	<u>2012</u>	<u>2011</u>
Amounts currently payable to or for participants, beneficiaries, and dependents		
Balance at beginning of year	\$ 5,320,542	\$ 6,290,115
Increase (decrease) during year attributable to		
Changes in medical claims and claims incurred but not reported	1,200,000	(700,000)
Changes in group insurance and service providers payable	<u>29,575</u>	<u>(269,573)</u>
Balance at end of year	<u>6,550,117</u>	<u>5,320,542</u>
Postretirement benefit obligations		
Balance at beginning of year	145,400,000	130,800,000
Increase (decrease) during year attributable to		
Changes in actuarial assumptions	-	7,900,000
Changes due to passage of time	6,600,000	7,700,000
Benefits paid	(4,500,000)	(3,800,000)
Other changes	<u>3,200,000</u>	<u>2,800,000</u>
Balance at end of year	<u>150,700,000</u>	<u>145,400,000</u>
Total plan benefit obligations	<u>\$ 157,250,117</u>	<u>\$ 150,720,542</u>

Some of the more significant actuarial assumptions used to calculate the benefit obligations at December 31, 2012 and 2011 are as follows:

Economic Assumptions

- Discount Rate - 4.5% for 2012 and 2011.
- Medical trend for Medicare: For 2012 and 2011: 6.0% for the change from 2012 to 2013 grading to 4% for 2027 to 2028 and later.
- Medical trend for non-Medicare and drug: For 2012 and 2011: 8.0% for the change from 2012 to 2013 grading to 4% for 2027 to 2028 and later.

NOTES TO FINANCIAL STATEMENTS

NOTE 9: BENEFIT OBLIGATIONS - continued

Rate of Mortality

- For 2012 and 2011: Based on the RP-2000 combined healthy mortality table for males and females.

The benefit obligations are reported net of the present value of estimated contributions expected to be paid by retirees of \$42,000,000 and \$41,300,000 as of December 31, 2012 and 2011, respectively. The medical trend rate has a significant effect on the amounts reported. If the assumed rates increased by one-percentage point in each year, that would increase (decrease) the benefit obligations as of December 31, 2012 and 2011 by \$24,000,000 and \$23,200,000, respectively.

The Plan made prescription drug benefit payments of \$6,970,092 and \$7,271,335 during the years ended December 31, 2012 and 2011, respectively. The Plan received \$28,350 and \$225,517 of Medicare subsidy during the years ended December 31, 2012 and 2011, respectively. Medicare subsidies are netted with benefits that are shown on the statements of changes in net assets available for benefits.

NOTE 10: RECONCILIATION OF FINANCIAL STATEMENTS TO FORM 5500

The following is a reconciliation of the Plan's net assets available for benefits per the accompanying 2012 and 2011 financial statements to the Form 5500:

	<u>2012</u>	<u>2011</u>
Net assets available for benefits per the financial statements	\$ 18,891,993	\$ 20,179,382
Amounts currently payable to or for participants, beneficiaries, and dependents at end of year	<u>(6,550,117)</u>	<u>(5,320,542)</u>
Net assets available for benefits per Form 5500	<u>\$ 12,341,876</u>	<u>\$ 14,858,840</u>

The following is a reconciliation of benefits paid per the financial statements to the Form 5500 for the year ended December 31, 2012:

Benefits paid per the financial statements	\$ 46,241,820
Amounts currently payable to or for participants, beneficiaries, and dependents at end of year	6,550,117
Amounts currently payable to or for participants, beneficiaries, and dependents at beginning of year	<u>(5,320,542)</u>
Benefits paid per Form 5500	<u>\$ 47,471,395</u>

Benefits paid recorded on the Form 5500 include benefit claims that have been processed and approved for payment prior to December 31, 2012 but not yet paid as of that date, and claims incurred but not reported at the end of the Plan year.

NOTES TO FINANCIAL STATEMENTS

NOTE 11: BENEFIT REIMBURSEMENT ARRANGEMENT

The Plan has one employer that negotiates a collective bargaining agreement establishing a 100% benefit reimbursement arrangement, whereby the employer pays all the health benefit costs of its employees, plus an administrative fee. The benefits paid and reimbursements received for 2012 and 2011 are as follows:

	<u>2012</u>	<u>2011</u>
Benefits paid	\$ 9,847,824	\$ 7,537,206
Reimbursements received	<u>9,664,596</u>	<u>7,332,946</u>
Net amounts due from employer	<u>\$ 183,228</u>	<u>\$ 204,260</u>

Benefits paid and reimbursements received or accrued are recorded as benefits and employer contributions, respectively, in the statements of changes in net assets available for benefits. The net amounts advanced by, or due from, the employer are recorded as deposits or other receivables on the statements of net assets available for benefits for 2012 and 2011, respectively.

REPORT OF INDEPENDENT AUDITORS ON SUPPLEMENTAL INFORMATION

Board of Trustees
UFCW Unions and Participating Employers Health
and Welfare Fund
4301 Garden City Dr., Ste. 201
Landover, MD 20785-6102

We have audited the financial statements of UFCW Unions and Participating Employers Health and Welfare Fund as of and for the years ended December 31, 2012 and 2011, and our report thereon dated October 15, 2013 which expressed an unqualified opinion on those financial statements, appears on page 1. Our audit was conducted for the purpose of forming an opinion on the financial statements as a whole. The accompanying schedules of contributions and benefits are presented for purposes of additional analysis and are not a required part of the financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the financial statements. The information has been subjected to the auditing procedures applied in the audit of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements or to the financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the information is fairly stated in all material respects in relation to the financial statements as a whole.



A Professional Corporation
Bethesda, MD
October 15, 2013

UFCW UNIONS AND PARTICIPATING EMPLOYERS HEALTH AND WELFARE FUND
SCHEDULES OF CONTRIBUTIONS
FOR THE YEARS ENDED DECEMBER 31, 2012 AND 2011

	<u>2012</u>	<u>2011</u>
EMPLOYER CONTRIBUTIONS		
Associated Administrators, LLC	\$ 73,480	\$ 75,649
Perkins Management Services	33,545	28,514
Retail Brand Alliance	192,944	186,477
David Prosten Associates	29,185	28,928
Delmarva UFCW	29,008	27,317
 Kel-Co Federal Credit Union	 125,219	 138,110
Kroger Food Stores	23,425,129	20,479,080
Magruders	790,753	766,496
Metro	5,506,221	7,038,813
Safeway	120,001	145,630
 Shoppers Food Warehouse	 17,189,420	 18,997,831
UFCW Local 400	80,834	92,595
	<u>47,595,739</u>	<u>48,005,440</u>
 INDIVIDUAL PARTICIPANT CONTRIBUTIONS	 <u>1,149,940</u>	 <u>1,042,948</u>
	<u><u>\$ 48,745,679</u></u>	<u><u>\$ 49,048,388</u></u>

UFCW UNIONS AND PARTICIPATING EMPLOYERS HEALTH AND WELFARE FUND
SCHEDULES OF BENEFITS
FOR THE YEARS ENDED DECEMBER 31, 2012 AND 2011

	<u>2012</u>	<u>2011</u>
MEDICAL BENEFITS PAID DIRECTLY BY THE PLAN		
Accident and sickness benefits	\$ 1,593,127	\$ 1,897,251
Health claims	<u>25,593,455</u>	<u>28,974,733</u>
	<u>27,186,582</u>	<u>30,871,984</u>
 BENEFITS AND ADMINISTRATIVE FEES PAID TO SERVICE PROVIDERS		
Pharmaceutical		
Informed RX	5,752,945	6,057,299
Kroger	951,512	729,024
Optical		
Fidelity	315,964	339,399
Fidelity - Richmond Tidewater	50,308	47,447
VSP - Kroger	-	15,359
Mental Health and Substance Abuse Benefits		
Value Options	722,544	724,779
Other Medical		
Anthem Health Insurance - Kroger	<u>7,497,351</u>	<u>5,333,167</u>
	<u>15,290,624</u>	<u>13,246,474</u>
 INSURANCE PREMIUMS		
Dental		
Group Dental Services, Inc.	2,168,305	2,405,084
Health Maintenance Organizations		
Aetna U.S. Healthcare - Richmond Tidewater	440,902	392,499
Kaiser Permanente	914,043	1,484,134
Life, AD&D insurance		
Reliastar	165,071	201,321
Metlife	<u>76,293</u>	<u>75,479</u>
	<u>3,764,614</u>	<u>4,558,517</u>
 TOTAL BENEFITS	<u><u>\$ 46,241,820</u></u>	<u><u>\$ 48,676,975</u></u>