UNITED FOOD AND COMMERCIAL WORKERS UNIONS AND PARTICIPATING EMPLOYERS PENSION FUND

Financial Statements

For the Years Ended December 31, 2017 and 2016

With Independent Auditors' Report

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AUDIT TAX ADVISORY

United Food and Commercial Workers Unions
and Participating Employers Pension Fund
For the Years Ended December 31, 2017 and 2016

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INDEPENDENT AUDITORS' REPORT

To the Committee Members
United Food and Commercial Workers Unions and Participating Employers Pension Fund:

Report on the Financial Statements

We have audited the accompanying financial statements of the United Food and Commercial Workers Unions and Participating Employers Pension Fund (the Plan), which comprise the statement of net assets available for benefits as of December 31, 2017 and the related statement of changes in net assets available for benefits for the year 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.

Auditors' Responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit 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.

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Opinion

In our opinion, the financial statements referred to above present fairly, in all material respects, information regarding the United Food and Commercial Workers Unions and Participating Employers Pension Fund's net assets available for benefits as of December 31, 2017, and the changes therein for the year then ended and its accumulated plan benefits as of December 31, 2016, and changes therein for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Other Matter – December 31, 2016 Financial Statements

The financial statements of the United Food and Commercial Workers Unions and Participating Employers Pension Fund for the year ended December 31, 2016 were audited by Bond Beebe, PC, who joined WithumSmith+Brown, PC effective September 1, 2017, and they expressed an unmodified opinion on the information regarding United Food and Commercial Workers Unions and Participating Employers Pension Fund's net assets available for benefits as of December 31, 2016 and the changes therein for the year then ended in their report dated October 10, 2017. No auditing procedures have been performed with respect to the December 31, 2016 financial statements since that date.

WithumSmith+Brown, PC

Bethesda, MD
October 15, 2018

United Food and Commercial Workers Unions and Participating Employers Pension Fund
Statements of Net Assets Available for Benefits
December 31, 2017 and 2016

	2017	2016
ASSETS		
Investments - at fair value		
Collective investment funds	38,142,024	35,715,764
Common stocks	21,671,898	19,294,917
Corporate bonds	7,896,259	7,693,667
Government and government agency securities	1,860,030	1,871,943
Hedge funds	11,879,605	8,927,847
Pooled separate account	10,964,988	11,128,980
Limited partnerships	24,435,266	11,839,493
Short-term investment funds	620,183	3,077,768
Total investments	117,470,253	99,550,379
Receivables		
Employer contributions	663,506	621,591
Employer withdrawal contributions	1,381,809	2,761,411
Accrued interest and dividends	116,851	125,753
Due from broker for securities sold	1,360,642	8,363,777
Other	10,013	8,973
Total receivables	3,532,821	11,881,505
Cash	960,945	936,468
TOTAL ASSETS	121,964,019	112,368,352
LIABILITIES		
Accounts payable	216,514	225,698
NET ASSETS AVAILABLE FOR BENEFITS	$ 121,747,505	$ 112,142,654

The notes to the Financial Statements are an integral part of these statements.

United Food and Commercial Workers Unions and Participating Employers Pension Fund
Statements of Changes in Net Assets Available for Benefits
For the Years Ended December 31, 2017 and 2016

	2017	2016
ADDITIONS TO NET ASSETS ATTRIBUTED TO		
Investment income		
Net appreciation (depreciation) in fair value of investments	$ 15,198,462	$ 5,485,742
Interest	415,633	421,919
Dividends	687,245	784,549
	16,301,340	6,692,210
Investment expenses	(627,442)	(668,023)
Total investment income	15,673,898	6,024,187
Employer contributions	6,595,551	6,249,977
Employer withdrawal contributions	262,975	6,906,600
TOTAL ADDITIONS	22,532,424	19,180,764
DEDUCTIONS FROM NET ASSETS ATTRIBUTED TO		
Benefits	11,366,805	10,828,068
Administrative expenses		
Actuarial fees	88,578	125,800
Audit fees	46,700	47,020
Contract administrator fees	615,460	680,883
Insurance and bonding	32,194	30,357
Legal fees	381,829	390,418
Meetings and conferences	6,408	20,115
Payroll audit fees	-	4,716
Pension Benefit Guaranty Corporation premiums	368,256	425,790
Printing, postage and miscellaneous	21,343	22,819
Total administrative expenses	1,560,768	1,747,918
TOTAL DEDUCTIONS	12,927,573	12,575,986
NET INCREASE BEFORE TRANSFER	9,604,851	6,604,778
NET TRANSFERS FROM UNITED FOOD AND COMMERCIAL WORKERS CONSOLIDATED PENSION FUND	-	1,270,200
NET INCREASE	9,604,851	7,874,978
NET ASSETS AVAILABLE FOR BENEFITS AT THE BEGINNING OF THE YEAR	112,142,654	104,267,676
AT THE END OF THE YEAR	$ 121,747,505	$ 112,142,654

The notes to the Financial Statements are an integral part of these statements.

1. PLAN DESCRIPTION

The following brief description of the United Food and Commercial Workers Unions and Participating Employers Pension Fund (the Plan) is provided for general information purposes only. Participants should refer to the Summary Plan Description for more complete information.

General
The Plan is a multiemployer defined benefit pension plan subject to the provisions of the Employee Retirement Income Security Act of 1974 (ERISA). The Plan became effective as of January 1, 1982 as a result of a merger between the United Food and Commercial Workers Union Local 692 and Department Stores Pension Fund and the United Food and Commercial Workers Union Local 400 and Contributing Employers Pension Fund.

The purpose of the Plan is to provide retirement, disability, and death benefits for eligible participants and their beneficiaries. All employees within bargaining units represented by the United Food and Commercial Workers Union Local 27 (formerly Local 692) or by United Food and Commercial Workers Union Local 400 where the collective bargaining agreement calls for contributions to this Plan on behalf of such employees are eligible for benefits under this Plan.

On March 31, 2010, the Plan was certified by its actuary as being in "critical status" as defined by the Pension Protection Act of 2006. Based on this critical status certification, the Plan's Board of Trustees adopted a rehabilitation plan in accordance with applicable law. On March 31, 2017 and March 31, 2016, the Plan's actuaries certified that for the Plan years beginning January 1, 2017 and January 1, 2016, the Plan is in critical status.

Benefits
Four types of pensions are provided: normal, early, vested, and disability, as well as a death benefit. The participant's age, years of service, and contribution rates determine the amount of pension benefit. A more complete description of these benefits, together with eligibility and vesting requirements, is contained in the Summary Plan Description.

Effective January 1, 2016, the Plan provides for the payment of a supplemental benefit to certain participants who retire before age 65, and their surviving spouses, until the participant reaches, or would have reached, age 65. The amount of the supplemental benefit is $450 per month for eligible participants and $300 per month for their surviving spouses.

Funding
The Plan's primary sources of income are earnings from investments and payments made by contributing employers. The participating employers contribute such amounts as are specified in the collective bargaining agreements. The hourly contribution rate ranges from $0.25 to $1.25. The Plan's actuary advised that for the years ended December 31, 2017 and 2016, contributions made by the employers met the minimum funding requirements of ERISA.

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 the Plan's management to make estimates and assumptions which affect the reported amounts of assets, liabilities and the actuarial present value of accumulated plan benefits, and the disclosures of contingencies, if any, at the date of the financial statements and additions to and deductions from plan assets and accumulated plan benefits during the reporting period. Actual results could differ from those estimates.

Payment of Benefits
Benefits are recognized when paid.

Valuation of Investments and Income Recognition
Investments are reported 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. See the note on fair value measurements.

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

In accordance with the policy of stating investments at fair value, net appreciation or depreciation (realized and unrealized gains and losses) in value is reported for investments bought and sold, as well as held on the statement of changes in net assets available for benefits for the period in which it occurs.

Actuarial Present Value of Accumulated Plan Benefits
Accumulated plan benefits are those future periodic payments, including lump-sum distributions, that are attributable under the Plan's provisions to the service participants have rendered. Accumulated plan benefits include benefits expected to be paid to retired or terminated participants or their beneficiaries, beneficiaries of participants who have died, and present participants or their beneficiaries. Benefits payable under all circumstances - retirement, death, disability, and termination of employment - are included to the extent they are deemed attributable to participant service rendered to the valuation date.

The actuarial present value of accumulated plan benefits as of December 31, 2016, was determined by the Plan's actuary, and is that amount that results from applying actuarial assumptions to adjust the accumulated plan benefits to reflect the time value of money (through discounts for interest) and the probability of payment (by means of decrements such as for death, disability, withdrawals or retirement) between the valuation dates and the expected date of payment. The significant assumptions used in the determination of the actuarial present value of accumulated plan benefits are detailed in Note 3.

Employer contributions receivable
The Plan reports as employers' contributions receivable contributions due which relate to hours worked on or before December 31, but not received by year end. Estimates may be used if remittance reports are not received timely. No allowance for uncollectible accounts has been established, as it is believed that all receivables are collectible.

Subsequent Events
In preparing these financial statements, management of the Plan has evaluated events and transactions that occurred after December 31, 2017 for potential recognition or disclosure in the financial statements. These events and transactions were evaluated through October 15, 2018, the date that the financial statements were available to be issued, and no items have come to the attention of management that require recognition or disclosure.

3. ACCUMULATED PLAN BENEFITS

Following is the actuarial present value of accumulated plan benefits as of December 31, 2016.

Actuarial present value of accumulated plan benefits	
Vested benefits	
Active participants	$ 53,984,583
Retirees and beneficiaries	89,896,781
Terminated vested	49,556,668
Total vested benefits	193,438,032
Non-vested benefits	1,085,847
Accumulated benefits	194,523,879
Expected administrative expenses	26,260,724
Total actuarial present value of accumulated plan benefits	$ 220,784,603

The changes in the present value of accumulated plan benefits during the year ended December 31, 2016 were as follows:

Actuarial present value of accumulated plan benefits at beginning of year	$ 193,542,432
Increase (decrease) during year attributable to	
Transfers	(3,100,717)
Benefit accruals	2,066,527
Benefit payments	(10,828,068)
Increase for interest	14,507,630
Experience gains	(1,663,925)
Change in actuarial assumptions	26,128,228
Change in expected administrative expenses	132,496
Net increase	27,242,171
Actuarial present value of accumulated plan benefits at end of year	$ 220,784,603

The actuarial present value of expected administrative expenses as of December 31, 2015 ($26,128,228) was not included as a component of accumulated plan benefits in previously issued financial statements. The actuarial present value of administrative expenses has been included in the present value of accumulated plan benefits as of December 31, 2016 and the actuarial present value of administrative expenses as of December 31, 2015 has been included as a change in actuarial assumptions for the year ended December 31, 2016.

The actuarial valuation was made using the unit credit actuarial cost method. Significant assumptions underlying the actuarial computation are as follows:

Discount Rate: 7.75% compounded annually.

Rates of Mortality:

- Actives - RP-2000 Combined Healthy Annuitant mortality table (2014 base year - fully generational).
- Healthy Inactives - RP-2000 Healthy Annuitant mortality table (2014 base year - fully generational).
- Disableds - RP-2000 Disabled Annuitant without projection for ages prior to 65.
- Current Liability - 2017 Static Mortality as prescribed by IRS regulations.

Rates of Retirement:

- A. Former Meat and Poultry Participants - 100% at the later of age 62 and five years of service.
- B. All Other Participants:

Number Expected to Retire Annually Per 1,000	
Ages	Number
55 - 59	50
60 - 64	100
65 - 66	500
67 and over	1,000

Other:

Employees who terminate employment with entitlement to deferred vested pensions are assumed to commence receiving benefits when first eligible for unreduced benefits.

For both actives and healthy inactives, the mortality table has changed from the RP-2000 Healthy Annuitant mortality table set forward one year for males and no adjustment for females without projection to the RP-2000 Healthy Annuitant mortality table with base year 2014 and fully generational. No change was made to mortality table for disabled members.

The RPA '94 current liability interest rate was changed from 3.28% to 3.05% to comply with appropriate guidance. The mortality table for current liability was also updated to the 2017 Static Mortality tables for annuitants and non-annuitants.

The PBGC interest rates used to determine the funded portion of the vested liabilities was changed from 2.46% for 20 years and 2.98% thereafter to 1.98% for 20 years and 2.67% thereafter.

The above actuarial assumptions are based on the presumption that the Plan will continue. Were the Plan to terminate, different actuarial assumptions and other factors might be applicable in determining actuarial results.

Computation of the actuarial present value of accumulated plan benefits was made by the plan actuary as of January 1, 2017. Had the valuation been performed as of December 31, 2016 there would be no material differences.

4. 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 in active markets for identical assets or liabilities that the reporting entity has the ability to access at the measurement date.

Level 2
Inputs to the valuation methodology 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.

The 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.

- Common stocks and certain government and government agency securities are valued based on quoted market prices.
- Corporate bonds, certain government and government agency securities are valued using quoted prices of like assets, corroborated market data, indices and/or yield curves.
- Hedge funds, limited partnerships, pooled separate accounts, and collective investment funds are valued at net asset value ("NAV") per share, which is based on the underlying assets which include a combination of quoted market prices and mathematical models and is being used as a practical expedient to estimate fair value.
- Short-term investment funds are presented at cost, which approximates fair value.

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. For the year ended December 31, 2017, there were no transfers in or out of levels 1, 2 or 3.

As of December 31, 2017 and 2016, assets measured at fair value on a recurring basis are summarized by level within the fair value hierarchy as follows:

2017	Level 1	Level 2	Level 3	Total Fair Value
Common stocks	$21,671,898	$ -	$ -	$ 21,671,898
Corporate bonds	-	7,896,259	-	7,896,259
U.S. Government and government agency securities	811,801	1,048,229	-	1,860,030
Short term investment funds	-	620,183	-	$ 620,183
Total investments at fair value hierarchy	$ 22,483,699	$ 9,564,671	$ -	32,048,370
Investments measured at net asset value				85,421,883
Total investments at fair value				$ 117,470,253

2016	Level 1	Level 2	Level 3	Total Fair Value
Common stocks	$19,294,917	$ -	$ -	$ 19,294,917
Corporate bonds	-	7,693,667	-	7,693,667
U.S. Government and government agency securities	617,974	1,253,969	-	1,871,943
Short term investment funds	-	3,077,768	-	$ 3,077,768
Total investments at fair value hierarchy	$ 19,912,891	$12,025,404	$ -	31,938,295
Investments measured at net asset value				67,612,084
Total investments at fair value				$ 99,550,379

The fair values of the following investments as of December 31, 2017 and 2016 have been determined using the net asset value per unit of the investment:

	2017		2016	
	Fair Value	Unfunded Commitments	Fair Value	Unfunded Commitments
Collective investment fund - Equity & fixed (a)	$ 18,153,147	-	$ 16,076,167	$ -
Collective investment fund - International equity (b)	10,793,003	-	7,852,055	-
Collective investment fund - Opportunistic (c)	3,074,039	-	5,243,662	-
Collective investment fund - Equity (d)	6,121,835	-	6,543,880	-
Pooled separate account (e)	10,964,988	-	11,128,980	-
Limited partnerships (f)	24,435,266	-	11,839,493	-
Hedge funds (g)	11,879,605	47,776	8,927,847	2,325,747
	$ 85,421,883	$ 47,776	$ 67,612,084	$ 2,325,747

(a) There are two funds in this category that can be redeemed daily, as of the close of business on any business day with three days advanced written notice signed by an authorized signer. One fund had a total fair value of $5.8 million and $5.2 million at December 31, 2017 and 2016, respectively. The other fund had a total fair value of $12.3 million and $10.8 million at December 31, 2017 and 2016, respectively.

(b) The fund in this category trusts can be redeemed monthly on the first business day of each month with at least fifteen days advanced written notice.

(c) The fund in this category can be redeemed on a monthly basis with at least 30 calendar days advanced notice. Admissions to and withdrawals from the trust can be made in cash or securities-in-kind and are based on the net asset value per unit as determined as of the end of each month.

(d) The fund in this category can be redeemed on any business day with advanced written notice of at least five business days prior to the applicable withdrawal date.

(e) The fund in this category has withdrawals that are subject to the group annuity contract and may be delayed for up to three years. Because of the illiquid nature of the assets, the Trustee reserves the right to defer payments that could exceed the amount of cash and other liquid assets held in the account, reduced by any amounts committed to purchase properties or for operating expenses, referred to as "withdrawal limitation." If the withdrawal limitation were applied, withdrawal requests included within the withdrawal limitation would be paid on a pro-rata basis as cash becomes available for distribution, as determined by Principal Life Insurance Company. The withdrawal limitation was not applied as of and for the years ended December 31, 2017 and 2016, respectively.

(f) This category includes three commingled real estate funds and one opportunistic fund that invests primarily in credit instruments. The first fund (total fair value of $6.7 million and $6.3 million at December 31, 2017 and 2016, respectively) invests in operating, income producing core commercial real estate and seeks to provide returns that are attractive relative to other asset classes with stable income and the potential for market appreciation. Requests for redemptions of units may be made at any time and are effective at the end of the calendar quarter in which the request is received. The units that are subject to a redemption notice may be redeemed in full or in installments on a pro-rata basis as funds become available. The second fund (total fair value of $3.0 million and $2.8 million at December 31, 2017 and 2016, respectively) invests in primarily institutional quality multifamily communities throughout the United States and seeks to create diversification through investments in a variety of markets as well as through acquisitions of residential rental communities. Redemptions are permitted upon written notice to the General Partner and payouts are paid pro rata based on availability of funds and may be deferred for up to 27 months at the discretion of the General Partner. The third fund (total fair value of $2.9 million and $2.7 at December 31, 2017 and 2016, respectively) invests primarily in real estate primarily leased to the U.S. federal government either through the General Services Administration or other federal government agencies. Each limited partner may request that the Partnership redeem some or all of its units by providing the General Partner with at least sixty days written notice prior to a calendar quarter end. The last fund (total fair value of $11.7 million at December 31, 2017) invests primarily in a broad range of public and private credit instruments, with an expected emphasis on corporate credit securities, asset-backed securities, mortgage-backed securities, commercial real estate, structured credit and collateralized loan obligations, though at times, the Fund may have exposure to other assets, instruments and markets. Redemptions are permitted upon providing the Fund with at least sixty five days' written notice prior to a calendar quarter end. Withdrawals may amount up to, but not exceeding, 25% of the balance of any capital account as of such withdrawal date.

(g) This category consists of two hedge funds which seek above-average rates of return and long-term capital growth by investing in a diversified portfolio of private investment entities and/or separately managed accounts and in a select group of funds and investment vehicles that are generally expected to be illiquid. For the first fund (total fair value of $6.3 million and $5.8 million at December 31, 2017 and 2016, respectively), shareholders have the right to redeem a portion of shares having a value of up to a maximum of 50% of the NAV of their shares as of the last day of any calendar quarter, or any other date determined by the Board of Directors in its sole discretion. A shareholder is required to provide not less than 90 days' prior written notice. For the second fund (total fair value of $5.5 million and $3.1 million at December 31, 2017 and 2016, respectively), shareholders have the right to redeem all or a portion of the applicable shares to the maximum extent permitted by the terms relating to the investments in underlying investment vehicles. Redemptions shall take place as of close of business on the last day of any calendar quarter, or any other date determined by the Board of Directors in its sole discretion. In order to effect a redemption, a shareholder is required to provide not less than 95 days' prior written notice of any such redemption request.

5. 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.

Actuarial present value of accumulated plan benefits is reported based on certain assumptions pertaining to interest rates, 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.

6. TAX STATUS

The Plan obtained its latest determination letter dated July 9, 2015, in which the Internal Revenue Service stated that the plan, as then designed, was in compliance with the applicable requirements of the Internal Revenue Code (the IRC). The Plan has been amended since receiving the determination letter. However, the plan administrator believes that the plan is currently designed and being operated in compliance with the applicable requirements of the IRC, and therefore believes that the Plan is qualified and the related trust that holds the assets of the Plan is exempt from income tax.

Accounting principles generally accepted in the United States of America require management to evaluate tax positions taken and recognize a tax liability if the entity 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, 2017 there are no uncertain positions taken or expected to be taken that would require recognition in the financial statements. The Plan is subject to routine audits by taxing jurisdictions; however, there are currently no audits in progress for any tax periods. In addition, there have been no tax related interest or penalties for the periods presented in these financial statements.

7. PRIORITIES UPON TERMINATION

It is the intent of the Trustees to continue the Plan in full force and effect. However, the right to discontinue the Plan is reserved to the Trustees. Termination shall not permit any part of the Plan's assets to be used for or diverted to purposes other than the exclusive benefit of the pensioners, beneficiaries and participants. In the event the Plan terminates, the net assets of the Plan will be allocated as prescribed by ERISA and its related regulations.

Whether all participants receive their benefits should the Plan terminate at some future time will depend on the sufficiency, at the time, of the Plan's net assets to provide those benefits and may also depend on the level of benefits guaranteed by the Pension Benefit Guaranty Corporation (PBGC). The PBGC provides financial assistance to plans to help them avoid insolvency. Should a plan become insolvent, the PBGC guarantees certain benefits to participants; however, the benefits guaranteed are generally only a portion of the normal pension benefit. In addition, no benefit increases as a result of plan amendments in effect less than 5 years are guaranteed.

8. MAJOR EMPLOYERS

The Plan has two employers with common ownership that accounted for approximately 92% and 90% of employer contributions for the years ended December 31, 2017 and 2016, respectively.

9. EMPLOYER WITHDRAWAL LIABILITY

The Plan complies with provisions of the Multiemployer Pension Plan Amendments Act of 1980 that require imposition of "Withdrawal Liability" on a contributing employer that partially or totally withdraws from the Plan.

During 2017, the Plan assessed withdrawal liability against one former contributing employer to the Plan relating to the employer’s complete withdrawal from the Plan. The assessment for the withdrawal totaled $175,894, payable in a lump sum or 80 quarterly payments.

During 2016, the Plan assessed withdrawal liability against six former contributing employers to the Plan relating to the employers' complete withdrawal from the Plan. During 2016 and 2017, the Plan received payments totaling $5,904,607 and $931,457, respectively, from four of these employers in full satisfaction of their respective withdrawal liability amounts. The assessments for the remaining two complete withdrawals totaled $119,458 and $79,636, payable in lump sums or in 51 and 31 quarterly payments, respectively.

As of December 31, 2017 and 2016, the Plan recognized a withdrawal liability receivable of $1,381,809 and $2,761,411, respectively.

10. NET TRANSFER FROM UNITED FOOD AND COMMERCIAL WORKERS CONSOLIDATED FUND

On June 30, 2016, the Plan assets and accumulated plan benefits attributable to Kroger were transferred from the Plan to the United Food and Commercial Workers Consolidated Pension Fund. As a result of this transfer, $2,470,932 was due from the Plan to the United Food and Commercial Workers Consolidated Pension Fund. The Plan's obligation for accumulated plan benefits decreased by approximately $7,300,000 as a result of this transfer. This transfer satisfied the withdrawal liability for Kroger.

On June 30, 2016, the United Food and Commercial Workers Consolidated Pension Fund assets and accumulated plan benefits attributable to SuperValu were transferred to the Plan from the United Food and Commercial Workers Consolidated Pension Fund. As a result of this transfer, $3,741,132 was due to the Plan from the United Food and Commercial Workers Consolidated Pension Fund. The Plan's obligation for accumulated plan benefits increased by approximately $3,600,000 as a result of this transfer.

As a result of these transfers, the net amount of $1,270,200 was transferred from the United Food and Commercial Workers Consolidated Pension Fund to the Plan on June 30, 2016 and is reflected on the statement of changes in net assets available for benefits for the year ended December 31, 2016 as Net Transfers from United Food and Commercial Workers Consolidated Pension Fund.

SUPPLEMENTARY INFORMATION

INDEPENDENT AUDITORS' REPORT ON SUPPLEMENTARY INFORMATION

To the Executive Board
United Food and Commercial Workers Unions and Participating Employers Pension Fund:

We have audited the financial statements of United Food and Commercial Workers Unions and Participating Employers Pension Fund as of and for the year ended December 31, 2017, and our report thereon dated October 15, 2018 which expressed an unmodified opinion on those financial statements, appears on pages 1 - 2. Our audit was conducted for the purpose of forming an opinion on the financial statements as a whole. The accompanying schedule of employer contributions is presented for purposes of additional analysis and is 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.

The accompanying schedule of employer contributions for the year ended December 31, 2016 was subjected to the auditing procedures applied in the audit of the financial statements for the year ended December 31, 2016 by Bond Beebe, PC, who joined WithumSmith+Brown, PC effective September 1, 2017, and their report on such information, dated October 10, 2017, stated that it was fairly stated in all material respects in relation to the 2016 financial statements as a whole. No auditing procedures have been performed with respect to the 2016 financial statements since that date.

WithumSmith+Brown, PC

Bethesda, MD
October 15, 2018

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United Food and Commercial Workers Unions and Participating Employers Pension Fund
Schedule of Employer Contributions
For the Years Ended December 31, 2017 and 2016

	2017	2016
EMPLOYER CONTRIBUTIONS		
Allegany County Human Resources Development Commission, Inc.	$ 53,539	$ 34,774
Associated Administrators, Inc.	246,942	225,187
Best Way Piney Branch	6,579	-
Boar's Head Provisions	-	100,091
Delmarva United Food and Commercial Workers Health and Welfare Fund	-	1,098
G & G Eddies, Inc.	751	6,960
Lions Manor Nursing Home	32,126	38,244
Metro Food Market	1,830,306	1,766,575
Shoppers Food Warehouse	4,207,497	3,845,141
United Food and Commercial Workers Local 27	113,711	114,437
United Food and Commercial Workers Local 400	104,100	117,470
	$ 6,595,551	$ 6,249,977

See Independent Auditors' Report on Supplementary Information.