United Food and Commercial Workers Unions and Participating Employers Health and Welfare Fund

Financial Statements

For the Years Ended December 31, 2015 and 2014

BOND BEEBE
ACCOUNTANTS & ADVISORS

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REPORT OF INDEPENDENT AUDITORS

Board of Trustees
United Food and Commercial Workers 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 United Food and Commercial Workers Unions and Participating Employers Health and Welfare Fund (the Plan), which comprise the statements of net assets available for benefits as of December 31, 2015 and 2014 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.

Opinion

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial status of the United Food and Commercial Workers Unions and Participating Employers Health and Welfare Fund as of December 31, 2015 and 2014, 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 Professional Corporation
Bethesda, MD
October 17, 2016

UNITED FOOD AND COMMERCIAL WORKERS UNIONS AND PARTICIPATING EMPLOYERS HEALTH AND WELFARE FUND
STATEMENTS OF NET ASSETS AVAILABLE FOR BENEFITS
DECEMBER 31, 2015 AND 2014

	2015	2014
ASSETS		
Cash and cash equivalents	$ 1,797,368	$ 3,416,543
Investments - at fair value		
U.S. government and agency securities	1,516,502	2,702,505
Corporate bonds	2,615,381	4,100,746
	4,131,883	6,803,251
Receivables		
Employers' contributions	2,013,149	39,524
Prescription rebates	120,272	115,025
Accrued interest	33,109	49,198
Other	509,971	295,077
	2,676,501	498,824
Other assets		
Prepaid expenses	12,492	12,513
TOTAL ASSETS	8,618,244	10,731,131
LIABILITIES		
Accounts payable and accrued expenses	727,935	1,005,564
NET ASSETS AVAILABLE FOR BENEFITS	$ 7,890,309	$ 9,725,567

UNITED FOOD AND COMMERCIAL WORKERS UNIONS AND PARTICIPATING EMPLOYERS HEALTH AND WELFARE FUND
STATEMENTS OF CHANGES IN NET ASSETS AVAILABLE FOR BENEFITS
FOR THE YEARS ENDED DECEMBER 31, 2015 AND 2014

	2015	2014
ADDITIONS TO NET ASSETS ATTRIBUTED TO		
Contributions		
Employers	$ 47,808,698	$ 45,108,242
Participants	832,056	1,121,222
	48,640,754	46,229,464
Investment income		
Net appreciation (depreciation) in fair value of investments	(73,712)	67,427
Interest and dividend income	159,154	276,462
Investment expenses	(11,801)	(22,029)
	73,641	321,860
Other income	24,557	10,714
TOTAL ADDITIONS	48,738,952	46,562,038
DEDUCTIONS FROM NET ASSETS ATTRIBUTED TO		
Benefits	45,842,038	47,544,798
Claims administration fees	2,778,675	3,063,662
Administrative expenses		
Contract administrator fees	764,486	812,713
Affordable Care Act fees	398,352	585,700
Legal fees	324,532	317,517
Conference and meeting expenses	13,005	9,574
Audit fees	46,800	47,140
Payroll audit fees	6,884	3,618
Hospital audits	-	1,570
Actuary fees	26,907	28,710
Postage, printing and supplies	76,900	71,260
Bonding and insurance	31,397	29,128
Telephone	2,092	2,673
Consulting fees	240,466	147,548
Miscellaneous	21,676	17,019
	1,953,497	2,074,170
TOTAL DEDUCTIONS	50,574,210	52,682,630
NET DECREASE	(1,835,258)	(6,120,592)
NET ASSETS AVAILABLE FOR BENEFITS AT BEGINNING OF YEAR	9,725,567	15,846,159
NET ASSETS AVAILABLE FOR BENEFITS AT END OF YEAR	$ 7,890,309	$ 9,725,567

NOTE 1: PLAN DESCRIPTION

General

The United Food and Commercial Workers Unions and Participating Employers Health and Welfare Fund (the Plan) is a multiemployer health benefit plan subject to the provisions of the Employee Retirement Income Security Act of 1974 (ERISA), as amended.

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

Benefits

The Plan covers employees working in jobs covered by the collective bargaining agreements between certain employers and United Food and Commercial Workers 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, liabilities and benefit obligations and changes therein, 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.
- Cash equivalents are valued at cost, which approximates fair value.

NOTE 2: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - continued

Purchases and sales of securities are reflected on a trade-date basis. Interest income is recorded on the accrual basis. Dividend income is recorded on the ex-dividend date.

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 on the statement of changes in net assets available for benefits for the period in which it occurs.

Claims Payable and Claims Incurred but Not Reported

Claims 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. Claims incurred but not reported are estimated by the Plan's actuary in accordance with accepted actuarial principles based on claims data provided by the Plan.

Postretirement Benefit Obligations

The postretirement benefit obligation as of December 31, 2015 and 2014 represents the actuarial present value of those estimated future benefits that are attributed to employee service rendered to December 31, 2015 and 2014, 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.

Affordable Care Act Fees - Transitional Reinsurance

Section 1341 of the Affordable Care Act established a transitional reinsurance program to stabilize premiums in the individual market inside and outside of the marketplaces. Required contributions to the program are based on a calendar year at $44 and $63 per covered life for 2015 and 2014, respectively. Accounting standards require that this contribution be accrued as a liability at the beginning of the calendar year along with an offsetting deferred charge. The deferred charge is recognized as expense ratably through the year as coverage occurs. At December 31, 2015 and 2014, $375,584 and $562,338, respectively, is accrued and included in accounts payable and accrued expenses on the statements of net assets available for benefits.

Payment of Benefits

Benefits are recognized when paid.

NOTE 2: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - continued

Employers' Contributions Receivable

The Plan reports as employers' contributions receivable contributions due which relate to work periods 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.

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, 2015 for potential recognition or disclosure in the financial statements. These events and transactions were evaluated through October 17, 2016, the date that the financial statements were available to be issued.

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: RECENTLY ISSUED ACCOUNTING PRONOUNCEMENTS

In July 2015, the Financial Accounting Standards Board (FASB) issued Accounting Standards Update (ASU) 2015-12 "Plan Accounting: Defined Benefit Pension Plans (Topic 960), Defined Contribution Plans (Topic 962), Health and Welfare Benefit Plans (Topic 965)" (ASU 2015-12). The amendments to generally accepted accounting principles in Part I and Part III of ASU 2015-12 are not applicable to the Plan. Part II of ASU 2015-12 amends prior reporting standards and requires disaggregation of investments measured at fair value only by general type, either on the financial statements or in the notes. Part II of this ASU also eliminates the requirement to disclose the net appreciation (depreciation) in fair value of investments by general type and the requirement to disclose individual investments that represent 5% or more of net assets available for benefits. ASU 2015-12 requires retrospective application to all prior periods presented in the year of adoption. The amendments in ASU 2015-12 are effective for reporting periods beginning after December 15, 2015, but early adoption is permitted. Management has elected early adoption of ASU 2015-12 and the changes in presentation created by this ASU are reflected in these financial statements.

The early adoption of ASU 2015-12 did not have any effect on the net assets available for benefits or the changes in net assets available for benefits as of and for the years ended December 31, 2015 and 2014.

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.

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, 2015 and 2014.

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, 2015, there were no transfers in or out of levels 1, 2 or 3.

As of December 31, 2015 and 2014, assets measured at fair value on a recurring basis are summarized by level within the fair value hierarchy as follows:

	2015			
	Level 1	Level 2	Level 3	Total Fair Value
U.S. government and agency securities	$ 655,890	$ 860,612	$ -	$ 1,516,502
Corporate bonds	-	2,615,381	-	2,615,381
Cash equivalents	-	2,035,179	-	2,035,179
	$ 655,890	$ 5,511,172	$ -	$ 6,167,062

	2014			
	Level 1	Level 2	Level 3	Total Fair Value
U.S. government and agency securities	$ 1,124,496	$ 1,578,009	$ -	$ 2,702,505
Corporate bonds	-	4,100,746	-	4,100,746
Cash equivalents	-	3,391,694	-	3,391,694
	$ 1,124,496	$ 9,070,449	$ -	$ 10,194,945

NOTE 6: TAX STATUS

The Internal Revenue Service has recognized the trust that holds the assets of the Plan 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 Plan 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, 2015 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 for any tax periods in progress.

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 98% and 97% of total contributions for the years ended December 31, 2015 and 2014, respectively, with two employers with common ownership representing 51% and 46%, 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, 2015 and 2014 are determined by the Plan's management. Information regarding amounts amounts incurred but not reported and the present value of the Plan's benefit obligations as of December 31, 2015 and 2014, is determined by the Plan's actuaries. Information regarding the present value of the Plan's benefit obligations as of December 31, 2015 and 2014, is shown below:

	2015	2014
Amounts currently payable to or for participants, beneficiaries, and dependents		
Claims payable and claims incurred but not reported	$ 5,281,862	$ 4,499,745
Group insurance and service providers payable	142,557	15,929
	5,424,419	4,515,674
Benefit obligations		
Current retirees	52,900,000	59,100,000
Other participants fully eligible for benefits	32,700,000	36,600,000
Participants not fully eligible for benefits	37,800,000	49,600,000
	123,400,000	145,300,000
Total benefit obligations	$ 128,824,419	$ 149,815,674

NOTE 9: BENEFIT OBLIGATIONS - continued

Information regarding the changes in benefit obligations for the years ended December 31, 2015 and 2014 is shown below:

	2015	2014
Amounts currently payable to or for participants, beneficiaries, and dependents		
Balance at beginning of year	$ 4,515,674	$ 3,839,038
Increase (decrease) during year attributable to		
Changes in claims payable and claims incurred but not reported	782,117	699,745
Changes in group insurance and service providers payable	126,628	(23,109)
Balance at end of year	5,424,419	4,515,674
Postretirement benefit obligations		
Balance at beginning of year	145,300,000	167,300,000
Increase (decrease) during year attributable to		
Changes due to passage of time	6,600,000	7,500,000
Benefits paid	(3,700,000)	(5,000,000)
Changes in actuarial assumptions	(10,800,000)	-
Benefits earned	2,700,000	2,600,000
Plan amendments	-	(27,100,000)
Other changes*	(16,700,000)	-
Balance at end of year	123,400,000	145,300,000
Total plan benefit obligations	$ 128,824,419	$ 149,815,674

*Primarily due to a decrease in the number of participants.

Some of the more significant actuarial assumptions used to calculate the benefit obligations at December 31, 2015 and 2014 are as follows:

- Discount Rate - 3.5% for 2015 and 4.5% for 2014.
- Medical trend for Medicare - For 2015, 5.75% for the initial year grading to 3.50% for 2023 and later. For 2014, 6.0% for the initial year grading to 4% for 2029 to 2030 and later.
- Medical trend for non-Medicare - For 2015, 5.75% for the initial year grading to 3.50% for 2032 and later. For 2014, 8.0% for the initial year grading to 4% for 2030 and later.
- Medical trend for Drug - For 2015, 10% for the initial year grading to 3.50% for 2032 and later. For 2014, 8.0% for the initial year grading to 4% for 2030 and later.
- Rates of mortality for active participants - For 2015 and 2014, based on the RP-2000 combined healthy mortality table for males and females.
- Rates of mortality for healthy inactive participants - For 2015, based on the RP-2000 healthy annuitant mortality table projected 2 years to 12/31/15 with Scale AA and projected on a generational basis thereafter. For 2014, based on the RP-2000 healthy annuitant mortality table set forward one year for males and no adjustment for females.

NOTE 9: BENEFIT OBLIGATIONS - continued

- Rates of mortality for disabled participants - For 2015 and 2014, based on the RP-2000 disabled annuitant mortality table for ages prior to 65 The same mortality as healthy inactives for ages 65 and older.
- Rates of retirement: For 2015 and 2014, 5% for ages 55-59, 10% for ages 60-54, 50% for ages 65-66, and 100% for ages 67 and older.
- Plan amendments - Effective January 1, 2016, certain benefits for certain non-Medicare retirees and dependents are no longer provided by the Plan. In addition, Medicare retirees from a certain employer will contribute $20 per month for single, $40 for employee plus spouse, and $60 for full family coverage.

The benefit obligations are reported net of the present value of estimated contributions expected to be paid by retirees of $36,600,000 and $42,800,000 as of December 31, 2015 and 2014, 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, 2015 and 2014 by $23,100,000 and $25,800,000, respectively.

The Plan made prescription drug benefit payments of $6,545,795 and $9,555,834 during the years ended December 31, 2015 and 2014, respectively. The Plan received $125,565 and $243,445 of Medicare subsidy during the years ended December 31, 2015 and 2014, 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 2015 and 2014 financial statements to the Form 5500:

	2015	2014
Net assets available for benefits per the financial statements	$ 7,890,309	$ 9,725,567
Amounts currently payable to or for participants, beneficiaries, and dependents at end of year	(5,424,419)	(4,515,674)
Net assets per Form 5500	$ 2,465,890	$ 5,209,893

The following is a reconciliation of benefits paid per the financial statements to the Form 5500 for the year ended December 31, 2015:

Benefits paid per the financial statements	$ 45,842,038
Amounts currently payable to or for participants, beneficiaries, and dependents at end of year	5,424,419
Amounts currently payable to or for participants, beneficiaries, and dependents at beginning of year	(4,515,674)
Benefits paid per Form 5500	$ 46,750,783

Benefits paid recorded on the Form 5500 include benefit claims that have been processed and approved for payment prior to December 31, 2015 but not yet paid as of that date, and claims incurred but not reported at the end of the Plan year.

NOTE 11: BENEFIT REIMBURSEMENT ARRANGEMENT

The Plan has two employers that negotiate 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 2015 and 2014 are as follows:

	2015	2014
Benefits paid	$ 23,223,800	$ 23,747,663
Reimbursements received	22,715,395	23,454,152
Net amounts due (to) from employers	$ 508,405	$ 293,511

Benefits paid and reimbursements received or accrued are recorded as benefits and employer contributions, respectively, on the statements of changes in net assets available for benefits. The net amounts advanced by, or due from, the employers are recorded as employer deposits or other receivables on the statements of net assets available for benefits for 2015 and 2014, respectively.

NOTE 12: PLAN AMENDMENT

Effective January 1, 2016, certain pre-Medicare retirees and their dependents and certain pre-Medicare dependents of Medicare retirees are no longer eligible for medical and prescription coverage through the Plan.

NOTE 13: RECLASSIFICATION

Certain items in the 2014 financial statements have been reclassified to conform to the 2015 presentation. On the statement of net assets available for benefits as of December 31, 2014, $3,391,694 previously reflected as short-term investment funds has been reclassified to cash and cash equivalents. This reclassification had no impact on the amount of net assets as of December 31, 2014 or changes in net assets for the year then ended as reflected in previously issued financial statements.

REPORT OF INDEPENDENT AUDITORS ON SUPPLEMENTAL INFORMATION

Board of Trustees
United Food and Commercial Workers 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 United Food and Commercial Workers Unions and Participating Employers Health and Welfare Fund as of and for the years ended December 31, 2015 and 2014, and our report thereon dated October 17, 2016 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 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.

Bond Beebe

A Professional Corporation
Bethesda, MD
October 17, 2016

UNITED FOOD AND COMMERCIAL WORKERS UNIONS AND PARTICIPATING EMPLOYERS HEALTH AND WELFARE FUND
SCHEDULES OF CONTRIBUTIONS
FOR THE YEARS ENDED DECEMBER 31, 2015 AND 2014

	2015	2014
EMPLOYER CONTRIBUTIONS		
Associated Administrators, LLC	$ 65,530	$ 63,603
Retail Brand Alliance	10,539	150,788
David Prosten Associates	-	2,432
Delmarva United Food and Commercial Workers	17,865	18,130
Kel-Co Federal Credit Union	111,408	114,171
Kroger Food Stores	22,930,290	23,266,569
Metro	5,661,496	5,265,126
Safeway	85,631	76,685
Shoppers Food Warehouse	18,925,034	16,118,868
United Food and Commercial Workers Local 400	905	31,870
	47,808,698	45,108,242
INDIVIDUAL PARTICIPANT CONTRIBUTIONS	832,056	1,121,222
	$ 48,640,754	$ 46,229,464

UNITED FOOD AND COMMERCIAL WORKERS UNIONS AND PARTICIPATING EMPLOYERS HEALTH AND WELFARE FUND
SCHEDULES OF BENEFITS
FOR THE YEARS ENDED DECEMBER 31, 2015 AND 2014

	2015	2014
MEDICAL BENEFITS PAID DIRECTLY BY THE PLAN		
Health claims	$ 25,883,329	$ 24,722,882
Accident and sickness	1,639,203	1,580,696
	27,522,532	26,303,578
BENEFITS AND ADMINISTRATIVE FEES PAID TO SERVICE PROVIDERS		
Pharmaceutical		
Informed RX	6,006,657	7,796,898
Kroger	198,495	1,387,810
Optical		
Fidelity	277,405	288,830
Fidelity - Richmond Tidewater	44,358	47,007
Mental Health and Substance Abuse Benefits		
Value Options	685,807	643,110
Other Medical		
Anthem Health Insurance - Kroger	7,653,904	7,552,569
	14,866,626	17,716,224
INSURANCE PREMIUMS		
Dental		
Group Dental Services, Inc.	2,086,669	2,133,418
Health Maintenance Organizations		
Aetna U.S. Healthcare - Richmond Tidewater	362,284	366,489
Kaiser Permanente	748,560	791,187
Life, AD&D insurance		
Reliastar	132,472	154,616
Metlife	122,895	79,286
	3,452,880	3,524,996
TOTAL BENEFITS	$ 45,842,038	$ 47,544,798