United Food and Commercial Workers Unions and Participating Employers Pension Fund

Financial Statements

For the Years Ended December 31, 2015 and 2014

BOND BEEBE
ACCOUNTANTS & ADVISORS

UNITED FOOD AND COMMERCIAL WORKERS UNIONS
AND PARTICIPATING EMPLOYERS PENSION FUND
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REPORT OF INDEPENDENT AUDITORS

Board of Trustees
United Food and Commercial Workers Unions
 and Participating Employers Pension Fund
c/o Associated Administrators, LLC
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 Pension 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, information regarding the United Food and Commercial Workers Unions and Participating Employers Pension Fund's net assets available for benefits as of December 31, 2015, and the changes therein for the year then ended and its financial status as of December 31, 2014, and changes therein for the years then ended in accordance with accounting principles generally accepted in the United States of America.

Bond Beebe

A Professional Corporation
Bethesda, MD
October 13, 2016

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

	2015	2014
ASSETS		
Investments - at fair value		
Collective investment funds	$ 36,357,966	$ 39,217,033
Common stocks	18,104,309	20,675,043
Corporate bonds	7,686,756	7,693,571
Government and government agency securities	2,009,977	2,187,619
Hedge funds	13,387,129	15,750,693
Pooled separate account	11,292,590	9,953,925
Real estate funds	10,908,627	7,299,485
Short-term investment funds	781,855	846,229
	100,529,209	103,623,598
Receivables		
Employer contributions	528,132	439,880
Employer withdrawal contributions	2,553,633	1,020,875
Accrued interest and dividends	133,084	133,796
Other	19,183	9,212
	3,234,032	1,603,763
Cash	923,172	825,517
TOTAL ASSETS	104,686,413	106,052,878
LIABILITIES		
Accounts payable	418,737	269,246
NET ASSETS AVAILABLE FOR BENEFITS	$ 104,267,676	$ 105,783,632

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, 2015 AND 2014

	2015	2014
ADDITIONS TO NET ASSETS ATTRIBUTED TO		
Investment income		
Net appreciation in fair value of investments	$ 780,675	$ 5,836,164
Interest	490,344	354,116
Dividends	886,079	880,525
	2,157,098	7,070,805
Investment expenses	(717,543)	(862,069)
	1,439,555	6,208,736
Employer contributions	6,707,933	5,741,061
Employer withdrawal contributions	2,488,835	2,453,239
TOTAL ADDITIONS	10,636,323	14,403,036
DEDUCTIONS FROM NET ASSETS ATTRIBUTED TO		
Benefits	10,311,525	9,536,899
Administrative expenses		
Actuarial fees	143,657	146,790
Audit fees	46,500	46,780
Contract administrator fees	716,976	696,062
Insurance and bonding	29,635	28,263
Legal fees	444,753	304,971
Meetings and conferences	27,913	15,115
Payroll audit fees	1,766	14,150
Pension Benefit Guaranty Corporation premiums	406,952	183,192
Printing, postage and miscellaneous	22,602	22,498
	1,840,754	1,457,821
TOTAL DEDUCTIONS	12,152,279	10,994,720
NET INCREASE (DECREASE)	(1,515,956)	3,408,316
NET ASSETS AVAILABLE FOR BENEFITS AT BEGINNING OF YEAR	105,783,632	102,375,316
NET ASSETS AVAILABLE FOR BENEFITS AT END OF YEAR	$ 104,267,676	$ 105,783,632

NOTE 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), as amended. 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. The Plan is funded entirely by employer contributions. 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, 2015 and March 31, 2014, the Plan's actuaries certified that for the Plan years beginning January 1, 2015 and January 1, 2014, 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.

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 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.

NOTE 2: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - continued

Valuation of Investments and Income Recognition

Investments are presented at fair value, as follows:

- Common stocks and certain government and government agency securities are valued based on quoted market prices.
- Corporate bonds, certain government and government agency securities and certain collective investment funds are valued using quoted prices of like assets, corroborated market data, indices and/or yield curves.
- Hedge funds, real estate funds, pooled separate accounts, and certain 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.

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, 2014, 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 7.

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, 2015 for potential recognition or disclosure in the financial statements. These events and transactions were evaluated through October 13, 2016, the date that the financial statements were available to be issued.

NOTE 3: FUNDING

The participating employers contribute such amounts as are specified in the collective bargaining agreements. The hourly contribution rate ranges from $0.20 to $3.05. The Plan's actuary advised that for the years ended December 31, 2015 and 2014, contributions made by the employers met the minimum funding requirements of ERISA.

NOTE 4: 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.

NOTE 5: 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 6: 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 assumptions 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.

NOTE 6: FAIR VALUE MEASUREMENTS - continued

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. 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
Collective investment funds	$ -	$ 21,444,524	$ 14,913,442	$ 36,357,966
Common stocks	18,104,309	-	-	18,104,309
Corporate bonds	-	7,686,756	-	7,686,756
Government and government agency securities	962,549	1,047,428	-	2,009,977
Hedge funds	-	-	13,387,129	13,387,129
Pooled separate account	-	-	11,292,590	11,292,590
Real estate funds	-	-	10,908,627	10,908,627
Short term investment funds	-	781,855	-	781,855
	$ 19,066,858	$ 30,960,563	$ 50,501,788	$ 100,529,209

	2014			
	Level 1	Level 2	Level 3	Total Fair Value
Collective investment funds	$ -	$ 24,367,753	$ 14,849,280	$ 39,217,033
Common stocks	20,675,043	-	-	20,675,043
Corporate bonds	-	7,693,571	-	7,693,571
Government and government agency securities	1,178,312	1,009,307	-	2,187,619
Hedge fund	-	-	15,750,693	15,750,693
Pooled separate account	-	-	9,953,925	9,953,925
Real estate funds	-	-	7,299,485	7,299,485
Short term investment funds	-	846,229	-	846,229
	$ 21,853,355	$ 33,916,860	$ 47,853,383	$ 103,623,598

NOTE 6: FAIR VALUE MEASUREMENTS - continued

The following table represents a reconciliation for the years ended December 31, 2015 and 2014 for assets measured at fair value on a recurring basis using Level 3 inputs:

	Collective Investment Funds	Hedge Funds	Real Estate Funds	Pooled Separate Account	Total
Balance at January 1, 2014	$ 17,710,037	$ 15,474,038	$ 6,612,118	$ 8,837,432	$ 48,633,625
Total gains or losses					
Earnings	181,766	-	-	-	181,766
Unrealized gains (losses)	(499,994)	486,797	351,567	1,218,670	1,557,040
Realized gains	534,228	-	-	-	534,228
Purchases	-	-	335,800	-	335,800
Sales	(3,076,757)	(210,142)	-	(102,177)	(3,389,076)
Balance at December 31, 2014	14,849,280	15,750,693	7,299,485	9,953,925	47,853,383
Total gains or losses					
Earnings	174,560	-	375,718	-	550,278
Unrealized gains (losses)	(68,515)	(1,782,565)	733,424	1,452,683	335,027
Realized gains	15,413	1,119,186	-	-	1,134,599
Purchases	-	1,475,285	2,500,000	-	3,975,285
Sales	(57,296)	(3,175,470)	-	(114,018)	(3,346,784)
Balance at December 31, 2015	$ 14,913,442	$ 13,387,129	$ 10,908,627	$ 11,292,590	$ 50,501,788

The fair values of the following investments as of December 31, 2015 and 2014 have been determined using the net asset value per unit of the investment:

	2015		2014	
	Fair Value	Unfunded Commitments	Fair Value	Unfunded Commitments
Collective investment funds - Equity & fixed (a)	$ 15,047,209	$ -	$ 17,587,605	$ -
Collective investment fund - International equity (b)	7,392,981	-	7,424,810	-
Collective investment fund - Opportunistic (c)	7,520,461	-	7,424,470	-
Collective investment fund - Equity (d)	6,397,315	-	6,780,148	-
Pooled separate account (e)	11,292,590	-	9,953,925	-
Real estate funds (f)	10,908,627	-	7,299,485	-
Hedge funds (g)	13,387,129	3,524,743	15,750,693	-
	$ 71,946,312	$ 3,524,743	$ 72,221,136	$ -

(a) The funds in this category 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.

(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.

NOTE 6: FAIR VALUE MEASUREMENTS - continued

(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 pooled separate account is composed of an open-end, commingled real estate account and a separate account of Principal Life Insurance Company. Withdrawals 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 Principle Life Insurance Company. The withdrawal limitation was not applied as of and for the years ended December 31, 2015 and 2014.

(f) This category includes two commingled real estate funds. The first fund 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 invests in primarily institutional quality multifamily communities throughout the Untied 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.

(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, 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 after the expiration of an initial 12-month lock-up period. A shareholder is required to provide not less than 90 days' prior written notice, and the redemption date is the last business day of the first quarter following the expiration of the notice period. For the second fund, 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.

NOTE 7: ACCUMULATED PLAN BENEFITS

Following is the actuarial present value of accumulated plan benefits as of December 31, 2014.

Actuarial present value of accumulated plan benefits		
Vested benefits		
Active participants	$	52,346,441
Retirees and beneficiaries		80,582,973
Terminated vested		39,399,479
		172,328,893
Non-vested benefits		2,149,151
Total actuarial present value of accumulated plan benefits	$	174,478,044

The changes in the present value of accumulated plan benefits during the year ended December 31, 2014 were as follows:

Actuarial present value of accumulated plan benefits at beginning of year	$	168,351,908
Increase (decrease) during year attributable to		
Benefit accruals		2,634,204
Benefit payments		(9,536,899)
Increase for interest		13,304,752
Experience gains		(275,921)
Net increase		6,126,136
Actuarial present value of accumulated plan benefits at end of year	$	174,478,044

Significant assumptions underlying the actuarial computation are as follows:

The actuarial valuation was made using the unit credit actuarial cost method.

Rates of Mortality

- Actives - RP-2000 Combined Healthy mortality table for males and females without projection.
- Healthy Inactives - RP-2000 Healthy Annuitant mortality table set forward one year for males and no adjustment for females.
- Disableds - RP-2000 Disabled Annuitant without projection for ages prior to 65. The same mortality as Healthy Inactives for ages 65 and older.
- Current Liability - 2015 Static Mortality as prescribed by IRS regulations.

NOTE 7: ACCUMULATED PLAN BENEFITS - continued

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	
Age	Number
55	50
56	50
57	50
58	50
59	50
60	100
61	100
62	100
63	100
64	100
65	500
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.

Investment Rate of Return - 8% compounded annually.

The RPA '94 current liability interest rate was changed from 3.64% to 3.51% to comply with appropriate guidance. The mortality table for current liability was also updated to the 2015 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 3.00% for 20 years and 3.31% thereafter to 3.10% for 20 years and 3.29% 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, 2015. Had the valuation been performed as of December 31, 2014 there would be no material differences.

NOTE 8: TAX STATUS

The Plan obtained its latest determination letter dated November 30, 2010, 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.

NOTE 8: TAX STATUS - continued

Generally accepted accounting principles 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, 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 in progress for any tax periods.

NOTE 9: 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.

NOTE 10: MAJOR EMPLOYERS

The Plan has two employers with common ownership that accounted for approximately 79% and 75% of employer contributions for the years ended December 31, 2015 and 2014, respectively.

NOTE 11: 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 2015, the Plan assessed withdrawal liability against a former contributing employer to the Plan relating to the employer's partial withdrawal from the Plan as of December 31, 2012 and its complete withdrawal from the Plan as of December 31, 2013. The assessment for the 2012 partial withdrawal totaled $2,031,321, payable in a lump sum or 18 quarterly payments. The assessment for the 2013 complete withdrawal totaled $315,015, payable in a lump sum or 3 quarterly payments. During 2014, the Plan received withdrawal liability payments totaling $1,391,274 and $536,487 from two employers in connection with their withdrawal liabilities.

As of December 31, 2015 and 2014, the Plan recognized a withdrawal liability receivable of $2,553,633 and $1,020,875, respectively.

NOTE 12: SOCIAL SECURITY SUPPLEMENTAL BENEFIT

On December 10, 2015, the Trustees approved an amendment to the Plan document, effective January 1, 2016, which 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.

NOTE 13: SUBSEQUENT EVENT

In 2016, the Plan assessed withdrawal liability against five employers relating to the employers' complete withdrawal from the Plan. The total assessment for the withdrawals was approximately $4.2 million, payable in a lump sum or installments, representing the employers' share of the Plan's unfunded vested benefits liability.

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.

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

BOND BEEBE
ACCOUNTANTS & ADVISORS

REPORT OF INDEPENDENT AUDITORS ON SUPPLEMENTAL INFORMATION

Board of Trustees
United Food and Commercial
Workers Unions and
Participating Employers Pension
Fund
c/o Associated Administrators, LLC
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 Pension Fund as of and for the years ended December 31, 2015 and 2014, and our report thereon dated October 13, 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 employer contributions 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 13, 2016

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

	2015	2014
EMPLOYER CONTRIBUTIONS		
Allegany County Human Resources Development Commission, Inc.	$ 30,669	$ 28,881
Associated Administrators, Inc.	221,908	201,919
Bestway M.D. Supermarket	-	847
Boar's Head Provisions	273,050	289,635
Commodore Corporation	-	41,106
Delmarva United Food and Commercial Workers Health and Welfare Fund	15,002	3,120
G & G Eddies, Inc.	5,614	6,864
Kel Co. F.C.U.	-	28
Kroger Food Stores	614,961	607,387
Lions Manor Nursing Home	33,866	34,038
Metro Food Market	1,672,245	1,327,998
Metropolitan Poultry	-	43,004
Shoppers Food Warehouse	3,617,080	2,978,104
United Food and Commercial Workers Local 27	113,256	113,953
United Food and Commercial Workers Local 400	110,282	64,009
WEPCO Employees F.C.U.	-	168
	$ 6,707,933	$ 5,741,061