United Food and Commercial Workers Unions and Contributing Employers Legal Benefits Fund

Financial Statements

For the Years Ended December 31, 2015 and 2014

BOND BEEBE
ACCOUNTANTS & ADVISORS

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BOND BEEBE
ACCOUNTANTS & ADVISORS

REPORT OF INDEPENDENT AUDITORS

Board of Trustees
United Food and Commercial Workers Unions
and Contributing Employers Legal Benefits Fund

Report on the Financial Statements

We have audited the accompanying financial statements of the United Food and Commercial Workers Unions and Contributing Employers Legal Benefits Fund, which comprise the statements of net assets available for benefits and benefit obligations as of December 31, 2015 and 2014 and the related statements of changes in net assets available for benefits and benefit obligations for the years then ended, and the related notes to the financial statements.

Management's Responsibility for the Financial Statements

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 audits 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 Contributing Employers Legal Benefits 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.

Bond Beebe

A Professional Corporation
Bethesda, MD
October 13, 2016

UNITED FOOD AND COMMERCIAL WORKERS UNIONS AND CONTRIBUTING EMPLOYERS LEGAL BENEFITS FUND
STATEMENTS OF NET ASSETS AVAILABLE FOR BENEFITS AND BENEFIT OBLIGATIONS
DECEMBER 31, 2015 AND 2014

	2015	2014
ASSETS		
Investments - at fair value	$ 138,106	$ 119,450
Employer contributions receivable	43,211	44,646
Prepaid expenses	1,585	1,510
TOTAL ASSETS	182,902	165,606
LIABILITIES		
Accounts payable	24,388	16,316
NET ASSETS AVAILABLE FOR BENEFITS	158,514	149,290
BENEFIT OBLIGATIONS		
Payable to legal service providers	73,123	73,548
EXCESS OF NET ASSETS AVAILABLE FOR BENEFITS OVER BENEFIT OBLIGATIONS	$ 85,391	$ 75,742

UNITED FOOD AND COMMERCIAL WORKERS UNIONS AND CONTRIBUTING EMPLOYERS LEGAL BENEFITS FUND
STATEMENTS OF CHANGES IN NET ASSETS AVAILABLE FOR BENEFITS AND BENEFIT OBLIGATIONS
FOR THE YEARS ENDED DECEMBER 31, 2015 AND 2014

	2015	2014
ADDITIONS TO NET ASSETS AVAILABLE FOR BENEFITS ATTRIBUTED TO		
Investment income		
Dividend and interest income	$ 140	$ 44
Investment expenses	(250)	(254)
	(110)	(210)
Employer contributions	526,696	534,534
TOTAL ADDITIONS	526,586	534,324
DEDUCTIONS FROM NET ASSETS AVAILABLE FOR BENEFITS ATTRIBUTED TO		
Benefits	446,047	454,430
Administrative and other expenses		
Contract administrator's fee	33,627	32,926
Audit fees	12,250	12,100
Payroll audit fees	2,494	3,789
Legal fees	16,972	5,243
Insurance and bonding	4,629	4,455
Printing and postage	1,343	889
TOTAL DEDUCTIONS	517,362	513,832
NET INCREASE IN NET ASSETS AVAILABLE FOR BENEFITS	9,224	20,492
NET CHANGE IN BENEFIT OBLIGATIONS		
Net decrease in payable to legal service providers	(425)	(2,815)
INCREASE IN EXCESS OF NET ASSETS AVAILABLE FOR BENEFITS OVER BENEFIT OBLIGATIONS	9,649	23,307
EXCESS OF NET ASSETS AVAILABLE FOR BENEFITS OVER BENEFIT OBLIGATIONS AT BEGINNING OF YEAR	75,742	52,435
EXCESS OF NET ASSETS AVAILABLE FOR BENEFITS OVER BENEFIT OBLIGATIONS AT END OF YEAR	$ 85,391	$ 75,742

See Notes to Financial Statements

NOTE 1: PLAN DESCRIPTION

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

The Plan was established April 1, 1980 to provide benefits for employees working in jobs covered by collective bargaining agreements between certain employers and the United Food and Commercial Workers Union Local 400. Effective June 1, 1983, employees working in jobs covered by collective bargaining agreements between certain employers and United Food and Commercial Workers Union Local 27 were covered by the Plan. The membership of Local Unions 400 and 27 cover various regions in the eastern half of the United States. Contributions to the Plan are made by the employers at rates specified in their collective bargaining agreements. The Plan provides various specified legal services to the covered employees and their eligible dependents. The Trustees of the Plan have entered into agreements with attorneys to provide the legal services and have agreed to pay the attorneys a specified amount per month for each eligible employee.

Participants in the Plan become eligible for benefits on the first day of the calendar month following three consecutive monthly contributions made on their behalf by a participating employer. Eligibility status for benefit coverage will terminate upon the occurrence of certain events specified in the Summary Plan Description, including but not limited to, the termination of employment or a change in job classification to a classification which is not covered by the Plan.

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.

Investments

The Fidelity Money Market Institutional Class Fund is a money market mutual fund and is carried 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 is recognized as earned on the accrual basis.

In accordance with the policy of stating investments at fair value, appreciation or depreciation in value is reflected on the statement of changes in net assets available for benefits and benefit obligations for the period in which it occurs.

Use of Estimates in the Preparation of Financial Statements

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

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: INVESTMENTS

The Plan's investments are held by a custodial bank which also acts as an investment manager. The following summary presents investments that represent 5% or more of net assets available for benefits as of December 31:

	2015	2014
Fidelity Money Market Institutional Class Fund	$ 138,106	$ 119,450

NOTE 4: FAIR VALUE

Generally accepted accounting principles in the United States 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.

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
Fidelity Money Market Institutional Class Fund	$ -	$ 138,106	$ -	$ 138,106

	2014			
	Level 1	Level 2	Level 3	Total Fair Value
Fidelity Money Market Institutional Class Fund	$ -	$ 119,450	$ -	$ 119,450

NOTE 5: TAX STATUS

On November 28, 1994, the Internal Revenue Service advised that the trust qualified under Section 501(c)(9) of the Internal Revenue Code (the IRC) and therefore, is not subject to federal income taxes. The Plan has been amended since receiving the determination letter; however, management believes that the Plan is currently designed and being operated in compliance with the applicable requirements of the IRC.

Generally accepted accounting principles in the United States 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 in progress for any tax periods.

NOTE 6: PRIORITIES UPON TERMINATION

It is the intent of the Trustees to continue the Plan in full force and effect; however, 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 to be used for or diverted to purposes other than the exclusive benefit of the participants.

NOTE 7: MAJOR EMPLOYER

The Plan has one employer that accounts for approximately 96% and 95% of employer contributions for the years ended December 31, 2015 and 2014, respectively. In the event this employer suspends contributions, the Plan would terminate coverage to the employer's participants as required by the Plan document. The Plan would retain the risk of current fixed administrative expenses until the appropriate adjustments were made.

NOTE 8: FUNDING POLICY

The Plan is primarily funded by employer contributions made monthly in accordance with collective bargaining agreements. The average contribution rate was $22.08 per participant per month for the years ended December 31, 2015 and 2014.

NOTE 9: RISKS AND UNCERTAINTIES

The Plan invests in one investment security. 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 and benefit obligations.

REPORT OF INDEPENDENT AUDITORS ON SUPPLEMENTAL INFORMATION REQUIRED BY THE DEPARTMENT OF LABOR'S RULES AND REGULATIONS FOR REPORTING AND DISCLOSURE UNDER THE EMPLOYEE RETIREMENT INCOME SECURITY ACT OF 1974

Board of Trustees
United Food and Commercial Workers
Unions and Contributing Employers
Legal Benefits Fund

We have audited the financial statements of United Food and Commercial Workers Unions and Contributing Employers Legal Benefits Fund as of and for the year ended December 31, 2015, 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 supplemental schedules of assets (held at end of year) and reportable transactions are presented for purposes of additional analysis and are not a required part of the financial statements but are supplementary information required by the Department of Labor's Rules and Regulations for Reporting and Disclosure under the Employee Retirement Income Security Act of 1974. Such information is the responsibility of the Plan's 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 Legal Benefits Plan
EIN 52-1228768
Plan Number 501
Plan Year Ended December 31, 2015

Form 5500, Schedule H, Part IV, Line 4i
Schedule of Assets (Held at End of Year)

(a)	Identity of issue, borrower, lessor, or similar party (b)	Description of investment (c)	Cost (d)	Current Value (e)
Registered Investment Company				
	Fidelity Money Market Insitutional Class Fund	138,106 Shares	$ 138,106	$ 138,106
			$ 138,106	$ 138,106

United Food and Commercial Workers Unions and Contributing Employers Legal Benefits Plan
EIN 52-1228786
Plan No. 501
Plan Year Ended December 31, 2015

Form 5500, Schedule H, Part IV, Line 4j
Schedule of Reportable Transactions

Identity of party involved (a)	Description of asset (b)	Purchase price (c)	Selling price (d)	Lease rental (e)	Expense incurred with transaction (f)	Cost of asset (g)	Current value of asset on transaction date (h)	Net gain or (loss) (i)
Single transaction								
PNC Bank	Fidelity Money Market Institutional Class Fund	N/A	36,632	N/A	N/A	36,632	36,632	-
PNC Bank	Fidelity Money Market Institutional Class Fund	N/A	37,610	N/A	N/A	37,610	37,610	-
PNC Bank	Fidelity Money Market Institutional Class Fund	N/A	37,442	N/A	N/A	37,442	37,442	-
PNC Bank	Fidelity Money Market Institutional Class Fund	N/A	36,887	N/A	N/A	36,887	36,887	-
PNC Bank	Fidelity Money Market Institutional Class Fund	N/A	37,189	N/A	N/A	37,189	37,189	
PNC Bank	Fidelity Money Market Institutional Class Fund	N/A	37,584	N/A	N/A	37,584	37,584	-
PNC Bank	Fidelity Money Market Institutional Class Fund	N/A	37,472	N/A	N/A	37,472	37,472	-
PNC Bank	Fidelity Money Market Institutional Class Fund	N/A	37,442	N/A	N/A	37,442	37,442	-
PNC Bank	Fidelity Money Market Institutional Class Fund	N/A	14,032	N/A	N/A	14,032	14,032	-
PNC Bank	Fidelity Money Market Institutional Class Fund	N/A	37,503	N/A	N/A	37,503	37,503	-
PNC Bank	Fidelity Money Market Institutional Class Fund	N/A	37,341	N/A	N/A	37,341	37,341	-
PNC Bank	Fidelity Money Market Institutional Class Fund	N/A	37,024	N/A	N/A	37,024	37,024	-
PNC Bank	Fidelity Money Market Institutional Class Fund	N/A	37,059	N/A	N/A	37,059	37,059	-
PNC Bank	Fidelity Money Market Institutional Class Fund	42,879	N/A	N/A	N/A	42,879	42,879	-
PNC Bank	Fidelity Money Market Institutional Class Fund	43,078	N/A	N/A	N/A	43,078	43,078	-
PNC Bank	Fidelity Money Market Institutional Class Fund	42,703	N/A	N/A	N/A	42,703	42,703	-
PNC Bank	Fidelity Money Market Institutional Class Fund	42,901	N/A	N/A	N/A	42,901	42,901	-
PNC Bank	Fidelity Money Market Institutional Class Fund	42,614	N/A	N/A	N/A	42,614	42,614	-
PNC Bank	Fidelity Money Market Institutional Class Fund	42,438	N/A	N/A	N/A	42,438	42,438	-
PNC Bank	Fidelity Money Market Institutional Class Fund	42,460	N/A	N/A	N/A	42,460	42,460	-
PNC Bank	Fidelity Money Market Institutional Class Fund	42,040	N/A	N/A	N/A	42,040	42,040	-
PNC Bank	Fidelity Money Market Institutional Class Fund	42,129	N/A	N/A	N/A	42,129	42,129	-
PNC Bank	Fidelity Money Market Institutional Class Fund	41,643	N/A	N/A	N/A	41,643	41,643	-
PNC Bank	Fidelity Money Market Institutional Class Fund	41,930	N/A	N/A	N/A	41,930	41,930	-
PNC Bank	Fidelity Money Market Institutional Class Fund	41,775	N/A	N/A	N/A	41,775	41,775	-
Series of transactions:								
PNC Bank	Fidelity Money Market Institutional Class Fund	508,590	N/A	N/A	N/A	508,590	508,590	N/A
PNC Bank	Fidelity Money Market Institutional Class Fund	N/A	461,217	N/A	N/A	461,217	461,217	-