HOD CARRIERS LOCAL NO. 166
PENSION TRUST FUND

FINANCIAL STATEMENTS

June 30, 2016 and 2015

HOD CARRIERS LOCAL NO. 166 PENSION TRUST FUND
FINANCIAL STATEMENTS
June 30, 2016 and 2015

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INDEPENDENT AUDITOR'S REPORT

Board of Trustees
Hod Carriers Local No. 166 Pension Trust Fund

Report on the Financial Statements

We have audited the accompanying financial statements of Hod Carriers Local No. 166 Pension Trust Fund (the "Trust"), which comprise the statements of net assets available for benefits as of June 30, 2016 and 2015, 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

Trust 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 Trust'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 Trust'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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Board of Trustees
Hod Carriers Local No. 166 Pension Trust Fund
(Continued)

Opinion
In our opinion, the financial statements referred to above present fairly, in all material respects, the net assets available for benefits of the Hod Carriers Local No. 166 Pension Trust Fund as of June 30, 2016, and changes therein for the year then ended and its financial status as of June 30, 2015 and changes therein for the year the ended, in accordance with accounting principles generally accepted in the United States of America.

Emphasis of Matter
As described in Note 10, the Board of Trustees has authorized the merger of the Hod Carriers Local No. 166 West Bay Pension Plan into the Hod Carriers Local No. 166 East Bay Pension Plan effective July 1, 2017. Our opinion is not modified in respect to this matter.

San Francisco, California
April 14, 2017

Hemming Morse LLP

EXHIBIT A

HOD CARRIERS LOCAL NO. 166 PENSION TRUST FUND
STATEMENTS OF NET ASSETS AVAILABLE FOR BENEFITS
June 30, 2016 and 2015

ASSETS

	2016	2015
Investments (Notes 2C and 5):		
Cash equivalents	$ 12,926	$ 912,317
Mortgages	43,984	70,903
Common collectives	6,525,748	8,020,070
Mutual funds	24,309,038	25,038,611
Limited partnership	4,018,810	3,178,197
	34,910,506	37,220,098
Receivables:		
Employer contributions (Notes 1C and 2B)	222,460	140,702
Due from other funds (Note 7)	429,392	384,524
Other receivables	6,998	7,048
	658,850	532,274
Cash	1,822,817	424,036
Prepaid Expenses	54,299	62,601
Total assets	37,446,472	38,239,009

LIABILITIES

	2016	2015
Liabilities:		
Accounts payable	22,398	26,666
Due to other funds (Note 7)	130,443	19,650
Total liabilities	152,841	46,316
Net Assets Available for Benefits	$ 37,293,631	$ 38,192,693

The accompanying notes are an integral part of the financial statements.

EXHIBIT B

HOD CARRIERS LOCAL NO. 166 PENSION TRUST FUND
STATEMENTS OF CHANGES IN NET ASSETS AVAILABLE FOR BENEFITS
FOR THE YEARS ENDED JUNE 30, 2016 and 2015

	2016	2015
Additions:		
Employer contributions (Notes 1C and 2B)	$ 2,239,581	$ 1,037,980
Liquidated damages	3,361	7,650
	2,242,942	1,045,630
Investment income:		
Realized and unrealized gains/(losses) on investments, net	(443,027)	476,244
Interest and dividends	677,174	423,853
	234,147	900,097
Less: investment expenses	(89,267)	(95,346)
	144,880	804,751
Other income	-	968
Total additions	2,387,822	1,851,349
Deductions:		
Pension benefits (Note 1B)	3,067,626	2,393,043
Operating expenses:		
Administrative fee	68,433	50,395
Professional services:		
Audit	32,868	31,311
Legal	12,152	19,244
Actuary	52,500	51,960
	97,520	102,515

(Continued)

The accompanying notes are an integral part of the financial statements.

EXHIBIT B

HOD CARRIERS LOCAL NO. 166 PENSION TRUST FUND
STATEMENTS OF CHANGES IN NET ASSETS
AVAILABLE FOR BENEFITS - (Continued)
FOR THE YEARS ENDED JUNE 30, 2016 and 2015

	2016	2015
General expenses:		
Insurance	31,485	17,619
Printing	450	924
Meetings and conferences	12,057	14,696
Bank fees	7,937	4,295
Miscellaneous	1,376	4,411
	53,305	41,945
Total operating expenses	219,258	194,855
Total deductions	3,286,884	2,587,898
Decrease in net assets	(899,062)	(736,549)
Net Assets Available for Benefits:		
Beginning of year	38,192,693	20,219,379
Transfer from Hod Carriers Local 166 South Bay Pension Plan (Note 10)	-	18,709,863
End of year	$ 37,293,631	$ 38,192,693

The accompanying notes are an integral part of the financial statements.

NOTE 1 - DESCRIPTION OF THE TRUST

The following brief description is provided for general information purposes only. Participants should refer to the Summary Plan Description for more complete information.

A. General:

The Hod Carriers Local No. 166 Pension Trust Fund (the "Trust") is a defined benefit pension plan and was established on July 1, 1976 for the purpose of providing pension benefits to eligible participants covered by collective bargaining agreements between Hod Carriers Local Union No. 166 and the Wall and Ceiling Alliance and Northern California Masonry Contractors Multi-Employer Bargaining Association. The Trust is subject to the provisions of the Employee Retirement Income Security Act of 1974 (ERISA), and is exempt from federal and state taxes on income under the current provisions of the Internal Revenue Code and the California Revenue and Taxation Code, respectively. The plan management believes that the Trust, as amended, continues to qualify and to operate in accordance with applicable provision of Internal Revenue Code for which the Trust has received a favorable tax exemption letter.

B. Plan Benefits:

Under the defined benefit plan, qualified participants are entitled to either a normal, early, or postponed retirement benefit as well as disability and death benefits. Married participants receive benefits such as a joint and survivor annuity unless otherwise elected.

C. Contributions:

During the years ended June 30, 2016 and 2015, the Trust received contributions from employers for each hour worked as determined by job classification and work location.

The principal contribution rates for the years ended June 30, 2016 and 2015 were:

July 1, 2014 – June 30, 2016	\$8.80 - \$9.77

D. Vesting:

Effective as of July 1, 1998, a participant who works at least one hour of covered employment on or after July 1, 1998 shall become vested after having earned at least five (5) years of vesting credits that had not previously been cancelled due to a permanent break in service.

For periods of covered employment prior to July 1, 1998, the prior Trust vesting rules apply. Thus, if a participant did not meet the Trust's vesting requirements in effect prior to July 1, 1998 and did not perform one hour a month of covered employment on or after July 1, 1998, he is not vested under the new vesting requirements. Immediately prior to July 1, 1998, the Trust required ten years of vesting credits to become vested.

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

A. Basis of Accounting:
The Trust's financial statements are prepared on the accrual basis of accounting.

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 and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates.

B. Employer Contributions:
Employer contributions reported in the financial statements include amounts relating to hours worked by participants through June 30, plus material delinquent contributions, together with liquidated damages which may be imposed.

The Trust has an employer payroll audit system in place in which the employers are randomly audited to verify that they are contributing in accordance with their signed agreement. Delinquencies may arise due to these payroll audits, but due to the uncertainty of collections, no estimates of the contributions will be accrued.

C. Valuation of Investments:
The Trust’s management determines valuation policies utilizing information provided by its investment advisors, managers, and custodians.

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

Cash equivalents are recorded at cost, which equals fair value.

Mutual Fund’s fair value is reported as the daily closing price as determined by the fund. These funds are required to publish their daily net asset value and to transact at that price. The mutual funds held by the Plan are deemed to be actively traded.

Mortgages are valued on the basis of their future principal and interest payments, discounted at prevailing interest rates for similar instruments at year end, which equals fair value.

The Invesco Balanced-Risk Allocation Trust is a common collective fund. It is valued based upon its underlying net assets which are primarily fair valued using an evaluated quote provided by an independent pricing service.

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES – (Continued)

C. Valuation of Investments: - (Continued)

The Multi-Employer Property Trust (MEPT) is a common collective fund. It is primarily valued based on fair value, where independent appraisals of the underlying assets are obtained annually and quarterly.

The Cornerstone Patriot Fund is a limited partnership. It is valued based on the value of the underlying real estate assets. Real estate values are based on independent appraisals, sales proceeds, or the general partner's opinion of value. Management of the limited partnership believes the estimates reasonably approximate fair value.

The White Oak Summit Fund LP is a limited partnership. It is valued at fair value which is determined by an independent valuation agent.

D. Uncertain Tax Positions:

The Trust has adopted guidance on accounting for uncertainty in income taxes issued by the Financial Accounting Standards Board. The Plan management believes that the Trust has not taken uncertain tax positions that require adjustment to the financial statements as a tax liability. The Plan management believes it is no longer subject to income tax examinations for fiscal years prior to June 30, 2013.

E. Concentration of Credit Risk:

The Trust maintains its cash balances at high credit quality financial institutions. Accounts at these institutions are insured by Federal Deposit Insurance Corporation up to $250,000. At times, such cash balances may be in excess of the insurance limit.

F. Reclassification:

Certain prior year amounts may have been reclassified to conform to current year financial statement presentation.

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES – (Continued)

G. Change in Accounting Standards:

In May 2015, the FASB issued ASU 2015-07, Disclosures for Investments in Certain Entities That Calculate Net Asset Value per Share (or Its Equivalent). ASU 2015-07 amended ASC 820, Fair Value Measurements and Disclosures, to remove the requirement to categorize within the fair value hierarchy all investments for which fair value is measured using the net asset value per share practical expedient. The amendment also removes the requirement to make certain disclosures for all investments that are eligible to be measured at fair value using the net asset value per share practical expedient. ASU 2015-07 is effective for fiscal years beginning after December 15, 2016 and should be applied retrospectively. Early adoption is permitted and the Trust adopted the new guidance in 2016 and applied it retrospectively for 2015.

In July 2015, the FASB issued ASU 2015-12, Plan Accounting: Defined Benefit Pension Plans (Topic 960), Defined Contribution Pension Plans (Topic 962) and Health and Welfare Benefit Plans (Topic 965): I. Fully Benefit-Responsive Investment Contracts; II. Plan Investment Disclosures; and III. Measurement Date Practical Expedient. Part I and Part III are not applicable to the Trust. Part II eliminates the requirements to disclose individual investments that represent 5 percent or more of net assets available for benefits and the net appreciation or depreciation in fair value of investments by general type. Part II also simplifies the level of disaggregation of investments that are measured using fair value. Plans will continue to disaggregate investments that are measured using fair value by general type; however, plans are no longer required to also disaggregate investments by nature, characteristics and risks. Further, the disclosure of information about fair value measurement shall be provided by general type of plan asset. The ASU is effective for fiscal years beginning after December 15, 2015 with early adoption permitted. Part II is to be applied retrospectively. The Trust has elected to adopt Part II early. Such adoption has no effect on the net assets available for benefits and changes in net assets for benefits for each of the years presented. Rather, the adoption eliminates certain disclosures relating to investments as described above.

NOTE 3 - FUNDING POLICY

A. General:

The Trust is funded by employer contributions in accordance to the rates set forth in the collective bargaining agreement. Contributions from employees are not required. The Trust's actuary has determined that employers' contributions have met the minimum funding requirements set forth by ERISA.

B. Pension Protection Act of 2006:

Under the Pension Protection Act of 2006, the Trust's actuary certified that the Trust was neither endangered nor critical status, which is considered a green status for the Trust Year beginning July 1, 2015.

NOTE 3 - FUNDING POLICY – (Continued)

B. Pension Protection Act of 2006: - (Continued)
For the Trust Year beginning July 1, 2016, the Trust's actuary certified the Trust will be neither endangered nor critical status, which is considered a green status. The Trust will be more than 80% funded for the upcoming year.

NOTE 4 - TRUST TERMINATION

Upon the termination or partial termination of the Trust as determined under applicable provisions of ERISA, the right of all Participants and their Beneficiaries to benefits accrued to the date of such termination shall be nonforfeitable (to the extent required by the Internal Revenue Code) and upon occurrence of such event, the assets of the Trust shall be allocated among the Participants and their Beneficiaries.

Certain benefits under the Plan are covered by the insurance protection of the Pension Benefit Guaranty Corporation ("PBGC") if the Plan terminates. The PBGC does not guarantee all benefits under the Plan, and the amount of protection is subject to certain limitations. Whether participants receive the full amount of benefits to which they are entitled should the Plan terminate at some future time will depend on the sufficient of the Plan's net assets on the date of payment to provide for accumulated benefit obligations and may also depend on the financial condition of the Plan and the level of benefits guaranteed by the PBGC.

NOTE 5 - INVESTMENTS

A. General:
The investment assets of the Trust are held by U.S. Bank under the terms of a co-trustee agreement. Assets are invested in accordance with a program directed by the investment manager.

The following information, included in the Trust's financial statements as of June 30, 2016 and 2015, was prepared by U.S. Bank and furnished to the administrator.

	2016		2015	
	Fair Value	Cost	Fair Value	Cost
Cash & equivalents	$ 12,926	$ 10,777	$ 912,317	$ 910,168
Mortgages	43,984	43,984	70,903	70,903
Common collectives	6,525,748	4,713,733	8,020,070	6,461,529
Mutual funds	24,309,038	19,541,521	25,038,611	18,742,465
Limited partnership	4,018,810	3,175,050	3,178,197	2,293,037
Total	$ 34,910,506	$ 27,485,065	$ 37,220,098	$ 28,478,102

NOTE 5 – INVESTMENTS – (Continued)

B. Fair Value Measurement:

The Trust has adopted the Fair Value Measurement Topic of the Financial Accounting Standards Board Accounting Standards Codification No. 820 (ASC 820). In accordance with ASC 820, fair value is defined as the price that the Plan would receive upon selling an investment in a timely transaction to an independent buyer in the principal or most advantageous market of the investment. As amended, ASC 820 permits entities to use Net Asset Value (NAV) as a practical expedient to measure fair value when the investment does not have a readily determinable fair value and the net asset value is calculated in a manner consistent with the investment company accounting. ASC 820 established a three-tier hierarchy to maximize the use of observable market data and minimize the use of unobservable inputs and to establish classification of fair value measurements for disclosure purposes. Inputs refer broadly to the assumptions that market participants would use in pricing the asset or liability, including assumptions about risk, for example, the risk inherent in a particular valuation technique used to measure fair value including such a pricing model and/or the risk inherent in the inputs to the valuation technique. Inputs may be observable or unobservable.

Observable inputs are inputs that reflect the assumptions market participants would use in pricing the asset or liability developed based on market data obtained from sources independent of the reporting entity. Unobservable inputs are inputs that reflect the reporting entity's own assumptions about the assumptions market participants would use in pricing the asset or liability developed based on the best information available in the circumstances. The three-tier hierarchy of inputs is summarized in the three broad Levels listed below.

- Level 1 – quoted prices in active markets for identical investments
- Level 2 – other significant observable inputs (including quoted prices for similar investments, interest rates, prepayment speeds, credit risk, etc.)
- Level 3 – significant unobservable inputs (including the Trust's own assumptions in determining the fair value of investments)

NOTE 5 – INVESTMENTS – (Continued)

B. Fair Value Measurement: - (Continued)

The following is a summary of the inputs used as of June 30, 2016 in valuing the Trust's investments carried at fair value:

	Level 1	Level 2	Level 3	Total 2016
Cash & equivalents	$ 12,926	$ -	$ -	$ 12,926
Mortgages	-	-	43,984	43,984
Mutual funds	24,309,039	-	-	24,309,039
Total	$ 24,321,965	$ -	$ 43,984	$ 24,365,949
Investments measured at net asset value (*)				$ 10,544,557
Investments at fair value				$ 34,910,506

(*) In accordance with Subtopic 820-10, certain investments that were measured at net asset value per share (or its equivalent) have not been classified in the fair value hierarchy. The fair value amounts presented in this table are intended to permit reconciliation of the fair value hierarchy to the line items presented in the statement of net assets available for benefits.

The following is a summary of the inputs used as of June 30, 2015 in valuing the Trust's investments carried at fair value:

	Level 1	Level 2	Level 3	Total 2015
Cash & equivalents	$ 912,317	$ -	$ -	$ 912,317
Mortgages	-	-	70,903	70,903
Mutual funds	25,038,611	-	-	25,038,611
Total	$ 25,950,928	$ -	$ 70,903	$ 26,021,831
Investments measured at net asset value (*)				$ 11,198,267
Investments at fair value				$ 37,220,098

(*) In accordance with Subtopic 820-10, certain investments that were measured at net asset value per share (or its equivalent) have not been classified in the fair value hierarchy. The fair value amounts presented in this table are intended to permit reconciliation of the fair value hierarchy to the line items presented in the statement of net assets available for benefits.

NOTE 5 – INVESTMENTS – (Continued)

B. Fair Value Measurement: - (Continued)

Level 3 investment activity for the year ended June 30, 2016 is as follows:

	Fair Value Measurement Using Significant Unobservable Inputs (Level 3)					
	Fair Value at June 30, 2015	Purchases	Sales/ Redemptions	Realized and Unrealized gains/(losses)	Transfer In/(Out) of Level 3	Fair Value at June 30, 2016
Liberty Lending	$ 70,903	$ -	$ (26,919)	$ -	$ -	$ 43,984
	$ 70,903	$ -	$ (26,919)	$ -	$ -	$ 43,984

Level 3 investment activity for the year ended June 30, 2015 is as follows:

	Fair Value Measurement Using Significant Unobservable Inputs (Level 3)					
	Fair Value at June 30, 2014	Purchases	Sales/ Redemptions	Realized and Unrealized gains/(losses)	Transfer In/(Out) of Level 3	Fair Value at June 30, 2015
Liberty Lending	$ 96,449	$ -	$ (25,546)	$ -	$ -	$ 70,903
	$ 96,449	$ -	$ (25,546)	$ -	$ -	$ 70,903

The following table summarizes the valuation methods and inputs used to determine fair value at June 30, 2016 for assets and liabilities measured at fair value on a recurring basis using unobservable inputs (Level 3 inputs):

	June 30, 2016				
	Fair Value	Valuation Technique	Significant Unobservable Inputs	Range Low and High	Weighted Average Low and High
Liberty Lending	$ 43,984	Discounted cash flows	Discount rate	5.50% - 9.50%	6.22% - 7.11%
		Discounted cash flows	Exit cap rate	4.25% - 9.25%	5.03% - 6.43%

NOTE 5 – INVESTMENTS – (Continued)

B. Fair Value Measurement: - (Continued)

The following table summarizes the valuation methods and inputs used to determine fair value at June 30, 2015 for assets and liabilities measured at fair value on a recurring basis using unobservable inputs (Level 3 inputs):

	June 30, 2015				
	Fair Value	Valuation Technique	Significant Unobservable Inputs	Range Low and High	Weighted Average Low and High
Liberty Lending	$ 70,903	Discounted cash flows	Discount rate	n/a	n/a

The Trust hold shares or interests in investment companies at year end whereby the fair value of the investment held is estimated based on the net asset value per share (or its equivalent) of the investment company.

At June 30, 2016, the fair value, unfunded commitments, and redemption rules of those investments is as follows:

	June 30, 2016			
	Fair Value	Unfunded Commitment	Redemption Frequency	Redemption Notice
Cornerstone Patriot Fund, L.P.	$ 2,628,293	$ -	Quarterly	30 days
Invesco Balanced-Risk Allocation Trust	3,507,267	-	Daily	n/a
Multi-Employer Property Trust	3,018,481	-	Quarterly	365 days
White Oak Summit Fund, L.P.	1,390,516	2,109,483	n/a	n/a
Total	$ 10,544,557	$ 2,109,483		

At June 30, 2015, the fair value, unfunded commitments, and redemption rules of those investments is as follows:

	June 30, 2015			
	Fair Value	Unfunded Commitment	Redemption Frequency	Redemption Notice
Cornerstone Patriot Fund, L.P.	$ 3,178,197	$ -	Quarterly	30 days
Invesco Balanced-Risk Allocation Trust	5,295,409	-	Daily	n/a
Multi-Employer Property Trust	2,724,661	-	Quarterly	365 days
Total	$ 11,198,267	$ -		

NOTE 5 – INVESTMENTS – (Continued)

B. Fair Value Measurement: - (Continued)

The Cornerstone Patriot Fund, L.P. seeks to provide attractive total returns with reduced risk. The Patriot Fund has both relative and real return objectives over the longer term: its relative performance objective is to exceed the NCREIF Fund Index-Open-End Diversified Core Equity (NFI-ODCE), and its return objective is to achieve at least a 5% real rate of return, before advisory fees.

The White Oak Summit Fund L.P. seeks to originate, acquire, hold and dispose of partnership investments on behalf of the limited partners in the manner determined by the manager in its sole and absolute discretion pending utilization or disbursement of funds, to make temporary investments, and to engage in any lawful activity for which limited partnerships may be organized under the laws of the state of Delaware as the general partner deems necessary or desirable for the accomplishment of the above purposes or the furtherance of any of the powers herein set forth and to do every other act and thing incident thereto or connected therewith.

NOTE 6 - ACTUARIAL PRESENT VALUE OF ACCUMULATED PLAN BENEFITS

Accumulated plan benefits are those future payments that are attributable under the Trust's provisions to the service the participants have rendered. Accumulated plan benefits include benefits expected to be paid to: (a) retired or terminated participants or their beneficiaries, (b) beneficiaries of participants who have died, and (c) present participants or their beneficiaries.

The actuarial present value of accumulated benefits 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 reductions such as for death, disability, withdrawal or retirement) between the valuation date and the expected date of payment. The significant actuarial assumptions used in the valuation performed by the actuary at July 1, 2015, the most recent valuation, were (a) investment return (assumed at 6.00% per annum), (b) retirement age assumptions (the assumed average retirement age was 62 and vested or age 65 and attainment of the 5^{th} anniversary of participation in the plan) and (c) life expectancy of participants (1983 Group Annuity Mortality Table).

NOTE 6 - ACTUARIAL PRESENT VALUE OF ACCUMULATED PLAN BENEFITS – (Continued)

The actuarial present value of accumulated plan benefits, as developed by the Trust's actuary as of July 1, 2015, follows:

STATEMENT OF ACCUMULATED PLAN BENEFITS
(as of July 1, 2015)

		2015
Actuarial present value of accumulated plan benefits at end of the plan year:		
Vested benefits in a payment status	$	26,837,998
Other participants' vested benefits		14,487,529
Total vested benefits		41,325,527
Nonvested benefits		702,152
Total year end actuarial present value	$	42,027,679

STATEMENT OF CHANGES IN ACCUMULATED PLAN BENEFITS
(for year ended July 1, 2015)

		2015
Actuarial present value of accumulated plan benefits at beginning of year	$	23,047,241
Increase/(decrease) during year due to:		
Benefits accumulated		529,883
Increase for interest		1,312,089
Benefits paid		(2,393,043)
Merger with Hod South Bay		19,531,509
		18,980,438
Actuarial present value of accumulated plan benefits at end of year	$	42,027,679

NOTE 7 - AGREEMENTS AND TRANSACTIONS WITH PERSONS KNOWN TO BE PARTIES IN INTEREST

The Hod Carriers Local 166 Health and Welfare Plan receives contributions and liquidated damages on behalf of the Hod Carriers Local 166 Plans. These contributions are allocated based on each plan's contribution rate and are transferred monthly to the respective plan. At June 30, 2016 and 2015, $414,102 and $384,524 was due from the Hod Carriers Local 166 Health and Welfare Plan to the Trust respectively.

The Hod Carriers Local 166 Health and Welfare Plan inadvertently overpaid the Trust for an expense reimbursement that the Trust paid on the Hod Carriers Local 166 Health and Welfare Plan's behalf. The Trust subsequently reimbursed the Hod Carriers Local 166 Health and Welfare Plan in the following year. At June 30, 2015, the Trust owed $470 to the Hod Carriers Local 166 Health and Welfare Plan.

The Trust inadvertently paid the Hod Carriers Local 166 West Bay Pension Plan for actuarial services which have not been reimbursed. At June 30, 2016, $15,290 was due from the Hod Carriers Local 166 West Bay Pension Plan to the Trust.

The Hod Carriers Local 166 Money Purchase Pension Plan inadvertently paid expenses on behalf of the Trust which were subsequently reimbursed in the following year. At June 30, 2016 and 2015, $39,946 and $19,180 was due to the Hod Carriers Local 166 Money Purchase Pension Plan, respectively.

The Hod Carriers Local 166 West Bay Pension Plan receives contributions from the Trust. They are first transferred from the lockbox to the Trust, and then the Trust transfers over the corresponding funds to the Hod Carriers Local 166 West Bay Pension Plan. At June 30, 2016, $90,497 was due to the Hod Carriers Local 166 West Bay Pension Plan from the Trust for contributions received but not yet transferred.

NOTE 8 – RISK AND UNCERTAINTIES

The Trust 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 amounts reported in the statements of net assets available for benefits.

NOTE 9 – EMPLOYER WITHDRAWAL LIABILITY

The Multi-Employer Pension Plan Amendments Act of 1980, as amended by the Deficit Reduction Act of 1984 imposes a liability on employers that withdraw from the Trust. The amount due to the Trust from a withdrawn employer is based on the history of contributions to the Trust and the related unfunded vested benefits.

As of years ended June 30, 2016, and 2015, the Trust is in withdrawal liability status. However, there have not been any employers that have withdrawn from this Trust during the withdrawal liability period and therefore no liability to the employer to contribution to the Trust has been assessed.

NOTE 10 – TRUST MERGER

The Board of Trustees has authorized the merger of the Hod Carriers Local No. 166 West Bay Pension Plan into the Hod Carriers Local No. 166 East Bay Pension Plan. The merger is effective with the transfer of net assets and Trust Fund operations effective July 1, 2017. The asset transfer will occur July 1, 2017.

The Board of Trustees authorized the merger of the Hod Carriers Local 166 South Bay Pension Plan into the Hod Carriers Local 166 East Bay Pension Plan to become the Hod Carriers Local No. 166 Pension Trust Fund. The merger was effective with the transfer of net assets and Plan operations effective January 1, 2015. All assets were transferred by January 14, 2015 totaling $18,709,863.

NOTE 11 – SUBSEQUENT EVENTS

Management has evaluated subsequent events through the date on which the financial statements were available to be issued. This date is approximately the same as the independent auditor’s report date. Management has concluded that no material subsequent events have occurred since June 30, 2016 that required recognition or disclosure in the financial statements.