International Association of Machinists Motor City Pension Fund
EIN/Plan #: 38-6237143/001
Checklist Item #39 – 7.09 Copy of Rehabilitation Plan and 2 Most Recent Actuarial Valuations

Does the application include the most recently updated rehabilitation plan? See section 7.09.

Document 39.1 provides a complete history of the rehabilitation plan including the most recent update. The rehabilitation plan has only one schedule, the Default Schedule, and one contribution rate increase schedule.

Document 39.2(1) and 39.2(2) provide a copy of the two most recent actuarial valuation reports, which are the July 1, 2015 and July 1, 2016 actuarial valuations. They are included here because we did not see otherwise where they should be attached.

International Association of Machinists Motor City Pension Fund
EIN/Plan #: 38-6237143/001
Checklist Item #39 – 7.09 Copy of Rehabilitation Plan and 2 Most Recent Actuarial Valuations

Document 39.1

The Most Recently Updated
Rehabilitation Plan

Please refer to the following pages.

<u>Proposed Resolution</u>

Resolved, with respect to the existing rehabilitation plan, upon review of all available factors, there are no more reasonable measures available to the trustees to forestall insolvency, that the existing rehabilitation plan is extended for 2 additional years with contribution increases to continue at the 10.3% per year rate where possible, but minimally to continue with all increases currently in place.

The factors reviewed by the trustees included the following:

(i) plan provisions reducing or eliminating various benefits to the extent possible,

(ii) the contribution increases pursuant to the rehabilitation plan adopted in 2008,

(iii) the impact to the plan that could result from contributing employers withdrawing from the plan were additional increases to be mandated, including Ryder and YRC each of which agreed to continue based on specific agreements maintaining current contribution amounts,

(iv) there being no realistic likelihood of the union negotiating additional contribution increases at this time,

(v) the limited number of contributing employers and the possibility of a mass withdrawal in the event additional employers withdraw,

(vi) the study undertaken by the trustees regarding the feasibility of petitioning the PBGC for a partition and

(vii) efforts made in pursuing a merger with another financially sound pension plan.

It is the conclusion of the trustees that mandating further benefit reductions or contribution rate increases at this time would be counterproductive and would not constitute reasonable measures to be adopted.

Redacted by the U.S. Department of the Treasury [redacted]

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Redacted by the U.S. Department of the Treasury [redacted]

Redacted by the U.S. Department of the Treasury [redacted]

**INTERNATIONAL ASSOCIATION OF MACHINISTS
MOTOR CITY PENSION FUND
REHABILITATION PLAN ADOPTED OCTOBER 23, 2008**

Rehabilitation Period: July 1, 2010 – June 30, 2031

Default Schedule

<table>
<tr><td>Benefit changes effective January 1, 2009</td><td>

Eliminate the 25 & out unreduced early retirement benefit and increase the early retirement reduction factor to 5/9 of 1% for the first 72 months and 3/10 of 1% for the next 84 months – Participants eligible for the 25 & out on the effective date are grandfathered and not affected.
Reduce normal form from 5-year certain and life to life annuity with no guarantee
Eliminate the temporary disability benefit
Eliminate all pre-retirement death benefits – The death benefit of 75% of a joint & 75% survivor payable at the participant's earliest retirement age would still be available, but participants would have to pay for coverage with a reduction in their accrued benefit according to the following schedule:
<table>
<tr><th>Age Range</th><th>Percent Reduction Per Month Covered</th></tr>
<tr><td>35-44</td><td>0.003%</td></tr>
<tr><td>45-49</td><td>0.006%</td></tr>
<tr><td>50-54</td><td>0.011%</td></tr>
<tr><td>55-59</td><td>0.024%</td></tr>
<tr><td>60-65</td><td>0.064%</td></tr>
</table>

Eliminate the lump sum post-retirement death benefit which paid from $3,000 to $6,000 based on participant's service

</td></tr>
<tr><td>Funding changes</td><td>Non-credited contribution rate increases according to the individual schedules outlined below</td></tr>
</table>

ABC Paving Company (#1100):

Date	For PY	Contribution Rate	Increase	Negotiated?
As of 7/1/2008		$ 211.00		
8/1/2008	2008-09	221.00	4.74%	Yes
8/1/2009	2009-10	231.00	4.52%	Yes
8/1/2010	2010-11	254.79	10.30%	Not yet
8/1/2011	2011-12	281.04	10.30%	Not yet
8/1/2012	2012-13	309.98	10.30%	Not yet

George P. Johnson (#1150):

Date	For PY	Contribution Rate	Increase	Negotiated?
As of 7/1/2008		$ 23.76		
2/1/2009	2008-09	26.14	10.00%	Yes
2/1/2010	2009-10	28.75	9.98%	Yes
2/1/2011	2010-11	31.71	10.30%	Not yet
2/1/2012	2011-12	34.98	10.30%	Not yet
2/1/2013	2012-13	38.58	10.30%	Not yet

Superior Materials LLC (#7655) and Concrete Delivery (#1803):

Date	For PY	Contribution Rate	Increase	Negotiated?
As of 7/1/2008		$ 134.31		
6/1/2009	2008-09	145.06	8.00%	Yes
6/1/2010	2009-10	156.67	8.00%	Yes
6/1/2011	2010-11	172.81	10.30%	Not yet
6/1/2012	2011-12	190.61	10.30%	Not yet
6/1/2013	2012-13	210.24	10.30%	Not yet

Delta Trucking (#2103), Eagle Trucking Co. (#2603), Gravel Trucking Co. (#3303), and Stacey Trucking Co. (#7450):

Date	For PY	Contribution Rate	Increase	Negotiated?
As of 7/1/2008		$ 102.00		
7/1/2009	2009-10	112.51	10.30%	Not yet
7/1/2010	2010-11	124.09	10.30%	Not yet
7/1/2011	2011-12	136.88	10.30%	Not yet
7/1/2012	2012-13	150.97	10.30%	Not yet

Doan Companies (#2700) and Koenig Fuel & Supply Co. (#4600):

Date	For PY	Contribution Rate	Increase	Negotiated?
As of 7/1/2008		$ 175.78		
6/1/2009	2008-09	189.84	8.00%	Yes
6/7/2010	2009-10	205.03	8.00%	Yes
6/6/2011	2010-11	226.15	10.30%	Not yet
6/4/2012	2011-12	249.44	10.30%	Not yet
6/3/2013	2012-13	275.13	10.30%	Not yet

Faygo Trucking Co. (#3003):

Date	For PY	Contribution Rate	Increase	Negotiated?
As of 7/1/2008		$ 134.01		
11/1/2008	2008-09	134.01	0.00%	Yes
11/1/2009	2009-10	147.81	10.30%	Not yet
11/1/2010	2010-11	163.04	10.30%	Not yet
11/1/2011	2011-12	179.83	10.30%	Not yet
11/1/2012	2012-13	198.35	10.30%	Not yet

Holland Motor Express USF (#3900) and Roadway Express (#6900):

Date	For PY	Contribution Rate	Increase	Negotiated?
As of 7/1/2008		$ 238.37		
5/1/2009	2008-09	262.21	10.00%	Yes
5/1/2010	2009-10	288.43	10.00%	Yes
5/1/2011	2010-11	317.27	10.00%	Yes
5/1/2012	2011-12	349.95	10.30%	Not yet
5/1/2013	2012-13	385.99	10.30%	Not yet

Edward C. Levy Co. (#4703):

Date	For PY	Contribution Rate	Increase	Negotiated?
As of 7/1/2008		$ 103.00		
6/1/2009	2008-09	113.00	9.71%	Yes
6/1/2010	2009-10	124.64	10.30%	Not yet
6/1/2011	2010-11	137.48	10.30%	Not yet
6/1/2012	2011-12	151.64	10.30%	Not yet
6/1/2013	2012-13	167.26	10.30%	Not yet

Motor City Electric (#5700):

Date	For PY	Contribution Rate	Increase	Negotiated?
As of 7/1/2008		$ 317.70		
11/1/2008	2008-09	322.70	1.57%	Yes
11/1/2009	2009-10	355.94	10.30%	Not yet
11/1/2010	2010-11	392.60	10.30%	Not yet
11/1/2011	2011-12	433.04	10.30%	Not yet
11/1/2012	2012-13	477.64	10.30%	Not yet

Penske Truck Leasing (#6050):

Date	For PY	Contribution Rate	Increase	Negotiated?
As of 7/1/2008		$ 129.69		
11/1/2008	2008-09	143.05	10.30%	Yes
11/1/2009	2009-10	157.78	10.30%	Not yet
11/1/2010	2010-11	174.04	10.30%	Not yet
11/1/2011	2011-12	191.96	10.30%	Not yet
11/1/2012	2012-13	211.73	10.30%	Not yet

Ryder Transportation – Saunder-Taylor (#7103):

Date	For PY	Contribution Rate	Increase	Negotiated?
As of 7/1/2008		$ 88.00		
9/15/2008	2008-09	92.00	4.54%	Yes
9/15/2009	2009-10	101.48	10.30%	Not yet
9/15/2010	2010-11	111.93	10.30%	Not yet
9/15/2011	2011-12	123.46	10.30%	Not yet
9/15/2012	2012-13	136.17	10.30%	Not yet

Ryder Transportation – Highland Park (#7104):

Date	For PY	Contribution Rate	Increase	Negotiated?
As of 7/1/2008		$ 75.00		
12/1/2008	2008-09	82.73	10.30%	Not yet
12/1/2009	2009-10	91.25	10.30%	Not yet
12/1/2010	2010-11	100.64	10.30%	Not yet
12/1/2011	2011-12	111.01	10.30%	Not yet
12/1/2012	2012-13	122.44	10.30%	Not yet

Ryder Transportation – Truck Lease Division (#7300):

Date	For PY	Contribution Rate	Increase	Negotiated?
As of 7/1/2008		$ 92.00		
4/1/2009	2008-09	101.48	10.30%	Not yet
4/1/2010	2009-10	111.93	10.30%	Not yet
4/1/2011	2010-11	123.46	10.30%	Not yet
4/1/2012	2011-12	136.17	10.30%	Not yet
4/1/2013	2012-13	150.20	10.30%	Not yet

Ryder Transportation – Sherwood (#7313):

Date	For PY	Contribution Rate	Increase	Negotiated?
As of 7/1/2008		$ 82.50		
2/1/2009	2008-09	90.75	10.00%	Yes
2/1/2010	2009-10	99.82	10.00%	Yes
2/1/2011	2010-11	110.10	10.30%	Not yet
2/1/2012	2011-12	121.44	10.30%	Not yet
2/1/2013	2012-13	133.95	10.30%	Not yet

Wink Chevrolet (#7703):

Date	For PY	Contribution Rate	Increase	Negotiated?
As of 7/1/2008		$ 33.00		
2/1/2009	2008-09	36.30	10.00%	Yes
2/1/2010	2009-10	39.93	10.00%	Yes
2/1/2011	2010-11	44.04	10.30%	Not yet
2/1/2012	2011-12	48.58	10.30%	Not yet
2/1/2013	2012-13	53.58	10.30%	Not yet

Yellow Freight System (#7750 and #7800):

Date	For PY	Contribution Rate	Increase	Negotiated?
As of 7/1/2008		$ 230.70		
5/1/2009	2008-09	254.46	10.30%	Not yet
5/1/2010	2009-10	280.67	10.30%	Not yet
5/1/2011	2010-11	309.58	10.30%	Not yet
5/1/2012	2011-12	341.47	10.30%	Not yet
5/1/2013	2012-13	376.64	10.30%	Not yet

Automatic 431(d) amortization extension	No
Assumed return on assets	-4.91% for 2007-08; 8.0% thereafter
Assumed future weeks	16,169
2008 PPA status	Critical/Red
Length of critical status	21 years [IRC §432(e)(3)(A)(ii) exercised]
Projected status at close of rehabilitation period	Healthy (99% funded, no projected deficiencies)

Annual Standards for Meeting Requirements of Default Schedule:

Date	Credit Balance		Date	Credit Balance
6/30/2011	$ 1,084,611		6/30/2022	$ (9,961,467)
6/30/2012	332,937		6/30/2023	(9,393,532)
6/30/2013	(805,864)		6/30/2024	(9,454,088)
6/30/2014	(2,255,206)		6/30/2025	(9,141,950)
6/30/2015	(4,359,213)		6/30/2026	(8,532,574)
6/30/2016	(6,986,462)		6/30/2027	(7,659,737)
6/30/2017	(8,729,557)		6/30/2028	(6,103,376)
6/30/2018	(10,131,231)		6/30/2029	(4,027,306)
6/30/2019	(10,689,998)		6/30/2030	(1,508,224)
6/30/2020	(10,689,833)		6/30/2031	1,393,375
6/30/2021	(10,524,258)			

IN WITNESS WHEREOF, we have approved and adopted this Rehabilitation Plan this 23 day of October, 2008.

APPROVED:

MANAGEMENT TRUSTEES:

Redacted by the U.S. Department of the Treasury

[redacted]

UNION TRUSTEES:

Redacted by the U.S. Department of the Treasury

[redacted]

Document 39.2(1)

The July 1, 2015 Actuarial Valuation Report

Please refer to the following pages.

INTERNATIONAL ASSOCIATION OF MACHINISTS MOTOR CITY PENSION FUND

Actuarial Valuation Report
For Plan Year Commencing
July 1, 2015

United Actuarial Services, Inc.
Actuaries and Consultants

December 3, 2015

Board of Trustees
International Association of Machinists
Motor City Pension Fund

Dear Trustees:

We have been retained by the Board of Trustees of the International Association of Machinists Motor City Pension Fund to perform annual actuarial valuations of the pension plan. This report presents the results of our actuarial valuation for the plan year beginning July 1, 2015. The valuation results contained herein are based on current plan provisions summarized in Appendix A, the actuarial assumptions and methods listed in Appendix B and on financial statements audited by Wrubel, Wesley & Company. Participant data was provided by BeneSys, Inc. While we have reviewed the data for reasonableness in accordance with Actuarial Standards of Practice No. 23, we have not audited it. The data was relied on as being both accurate and comprehensive.

This report has been prepared in order to (1) assist the Trustees in evaluating the current actuarial position of the plan, (2) determine the minimum required and maximum deductible contribution amounts under Internal Revenue Code §431 and §404, (3) provide the fund's auditor with information necessary to comply with Accounting Standards Codification 960, and (4) document the plan's certified status under Internal Revenue Code §432 for the current year and provide the basis to certify such status for the subsequent year. In addition, information contained in this report will be used to prepare Schedule MB of Form 5500 that is filed annually with the IRS and could be used to calculate employer withdrawal liability. We are not responsible, for the use of, or reliance upon this report for any other purpose.

We have prepared this report in accordance with generally accepted actuarial principles and practices and have performed such tests as we considered necessary to assure the accuracy of the results. The results have been determined on the basis of actuarial assumptions that, in my opinion, are appropriate for the purposes of this report, are individually reasonable and in combination represent my best estimate of anticipated experience under the plan. Actuarial assumptions may be changed from previous valuations due to changes in mandated requirements, plan experience resulting in changes in expectations about the future, and/or other factors. An assumption change does not indicate that prior assumptions were unreasonable when made. For purposes of current liability calculations, assumptions are prescribed by regulation or statute. By relying on this valuation report, the Trustees confirm they have accepted the assumptions contained in the report.

The results are based on my best interpretation of existing laws and regulations and are subject to revision based on future regulatory or other guidance.

Future actuarial measurements may differ significantly from the current measurements presented in this report due to such factors as the following: plan experience differing from that anticipated by the economic or demographic assumptions, changes in economic

11590 North Meridian Street, Suite 610 ▪ Carmel, Indiana 46032-4529 ▪ (317) 580-8670 ▪ Fax (317) 580-8651

or demographic assumptions, increases or decreases expected as part of the natural operation of the methodology used for these measurements (such as the end of an amortization period or additional cost or contribution requirements based on the plan's funded status), and changes in plan provisions or applicable law.

United Actuarial Services, Inc. does not provide, nor charge for, investment, tax or legal advice. None of the comments made herein should be construed as constituting such advice. We are not aware of any direct or material indirect financial interest or relationship that could create a conflict of interest that would impair the objectivity of our work.

The undersigned actuary meets the Qualification Standards of the American Academy of Actuaries to render the actuarial opinion contained in this report.

We are available to respond to any questions you may have about this report.

UNITED ACTUARIAL SERVICES, INC.

Enrolled Actuary
Redacted by the U.S. Department of the Treasury

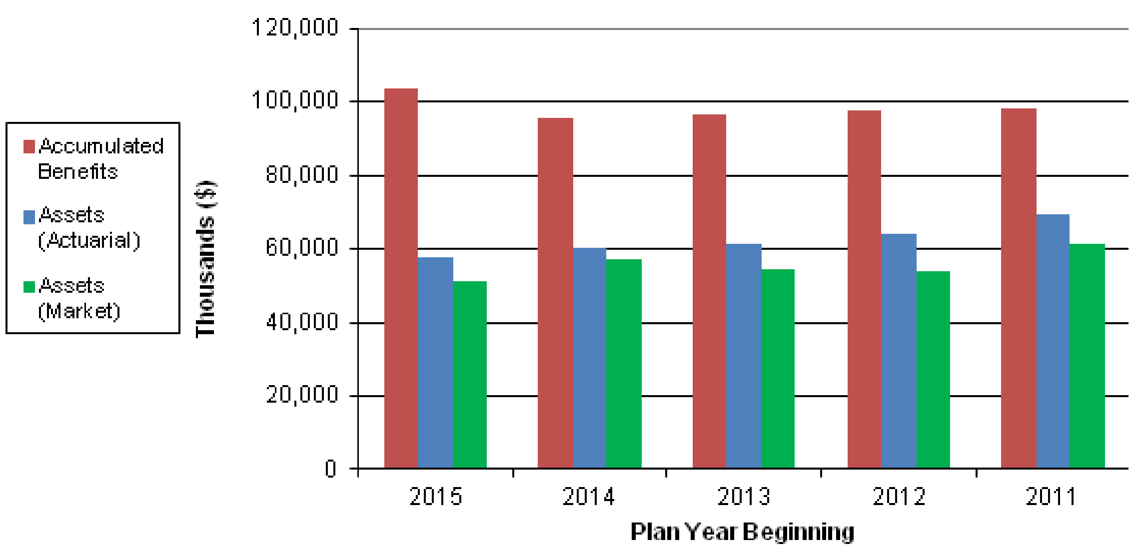
Paul Bullock, ASA, EA, MAAA
Vice President

TABLE OF CONTENTS

PART I: SUMMARY OF RESULTS

5 - YEAR SUMMARY OF VALUATION RESULTS

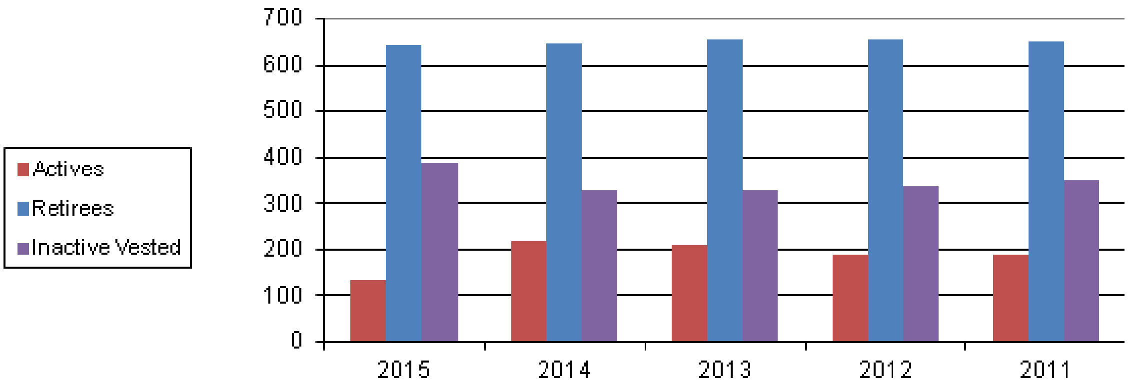
Actuarial Study as of July 1,	*2015*	*2014*	*2013*	*2012*	*2011*
PPA funded status	Crit. & Decl.	Critical	Critical	Critical	Critical
Progress under FIP/RP	Yes	Yes	No	No	Yes
Funded ratio					
PPA certification	0.61	0.63	0.64	0.66	0.70
Valuation report	0.56	0.63	0.63	0.66	0.70
Date of first projected funding deficiency					
PPA certification	6/30/16	6/30/15	6/30/14	6/30/12	6/30/12
Valuation report	6/30/16*	6/30/15	6/30/14	6/30/13	6/30/12
Asset values ($ 000)					
Market	50,999	57,104	54,250	54,122	61,178
Actuarial	57,793	60,051	61,187	63,986	69,237
Accumulated ben. ($ 000)	103,418	95,774	96,373	97,452	98,472



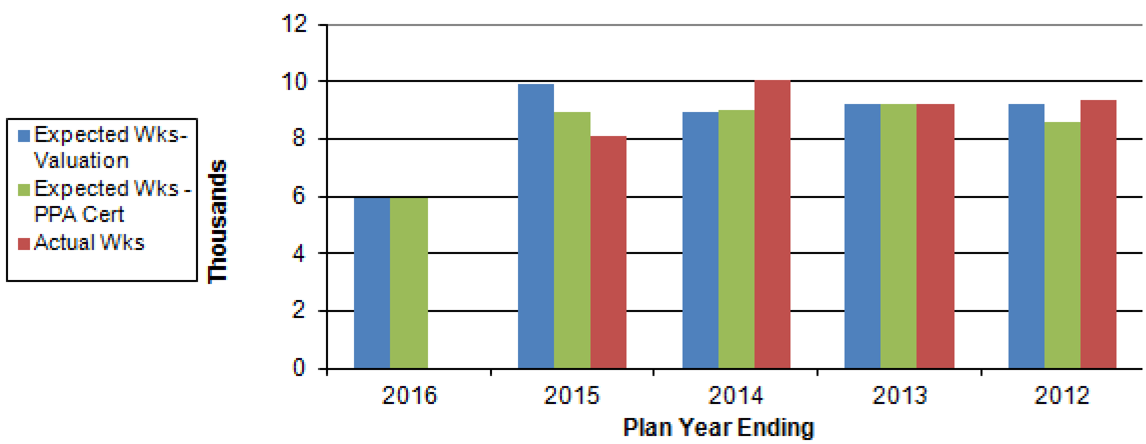
* Based on assumptions used for the credit balance projection graph as shown on page B-6

5 - Year Summary of Demographics

Actuarial Study as of July 1,	2015	2014	2013	2012	2011
Active	133	219	208	188	188
Inactive vested	387	329	332	339	351
Receiving benefits	644	649	657	655	652
Total	1,164	1,197	1,197	1,182	1,191
Active/retiree ratio	0.21	0.34	0.32	0.29	0.29
Active/inactive ratio	0.13	0.22	0.21	0.19	0.19
Unrecorded dates of birth	-	3	15	-	-
Average entry age	30.9	30.2	30.8	31.0	30.1
Average attained age	44.1	44.1	45.3	47.2	46.7



History of Weeks



CHANGES FROM PRIOR STUDY

Changes in Plan Provisions

The plan provisions underlying this valuation are the same as those valued last year.

Changes in Actuarial Assumptions and Methods

The actuarial assumptions and methods used in this valuation differ from those used in the prior valuation in the following respects:

- We updated the assumed contribution rates to those shown in Appendix A.

- The assumed healthy mortality rates were changed from the RP-2000 Combined Healthy Generational Mortality Table projected using scale AA with blue collar adjustment and a 2-year set forward to the RP-2014 Blue Collar Generational Mortality Table for employees and healthy annuitants with a 2-year set forward projected using the MP-2014 projection scale. This change was made in order to better reflect anticipated improvements in mortality rates for each future year due to medical advances and lifestyle changes.

- The assumed disabled mortality rates were changed from the RP-2000 Combined Disabled Generational Mortality Table using scale AA with blue collar adjustment and a 2-year set forward to the RP-2014 Disabled Generational Mortality Table with a 2-year set forward projected using the MP-2014 projection scale. This change was made in order to better reflect anticipated improvements in mortality rates for each future year due to medical advances and lifestyle changes.

- The assumed withdrawal rates were changed to add a select rate of 15% for participants with three or less years of service and also to otherwise lower rates at younger ages and raise rates at older ages. Additionally, the withdrawal rates now include disablement experience, so the disablement rates were eliminated. These changes reflect our best estimate of future withdrawal patterns based on recent plan experience.

- The pop-up load was increased on liabilities for retirees receiving a joint and survivor form of benefit who retired before 2009 from 1.5% to 2.3%.

- The ERISA rate of return assumption used to value liabilities was changed from 8.00% to 7.50% to provide our best estimate of the future rate of net investment return based on the Plan's current investment policy and asset allocation.

- The current liability interest rate was changed from 3.59% to 3.34%. The new rate is within established statutory guidelines.

History of Major Assumptions

Assumption	Actuarial Study as of July 1, 2015	2014	2013	2012	2011
Future rate of net investment return	7.50%	8.00%	8.00%	8.00%	8.00%
Mortality table	RP-2014G w/BCA +2 & MP-2014	RP-2000G w/BCA +2	RP-2000G w/BCA +2	RP-2000G w/BCA +2	RP-2000G w/BCA +2
Future expenses	$ 240,000	$ 240,000	$ 240,000	$ 240,000	$ 240,000
Average future weekly contribution rate*					
Credited	$124.34	$105.85	$107.82	$109.36	$111.44
Non-credited	144.70	110.50	104.11	93.33	72.48
Total	$269.04	$216.35	$211.93	$202.69	$183.92
Average future annual weeks*	45	45	43	49	49
Average expected retirement age**					
Actives	63.1	62.9	60.1	60.1	59.9
Inactive vested	60.5	60.3	64.7	64.7	64.6

* Actual average derived from application of assumptions specified in Appendix B.

** Resulting from the application of the retirement probabilities shown in Appendix B to active participants.

EXPERIENCE VS. ASSUMPTIONS

Comparing the prior year's experience to assumptions provides indications as to why overall results may differ from those expected

Actuarial assumptions are used to project certain future events related to the pension plan (e.g. deaths, withdrawals, investment income, expenses, etc.). While actual results for a single plan year will rarely match expected experience, it is intended that the assumptions will provide a reasonable long term estimate of developing experience.

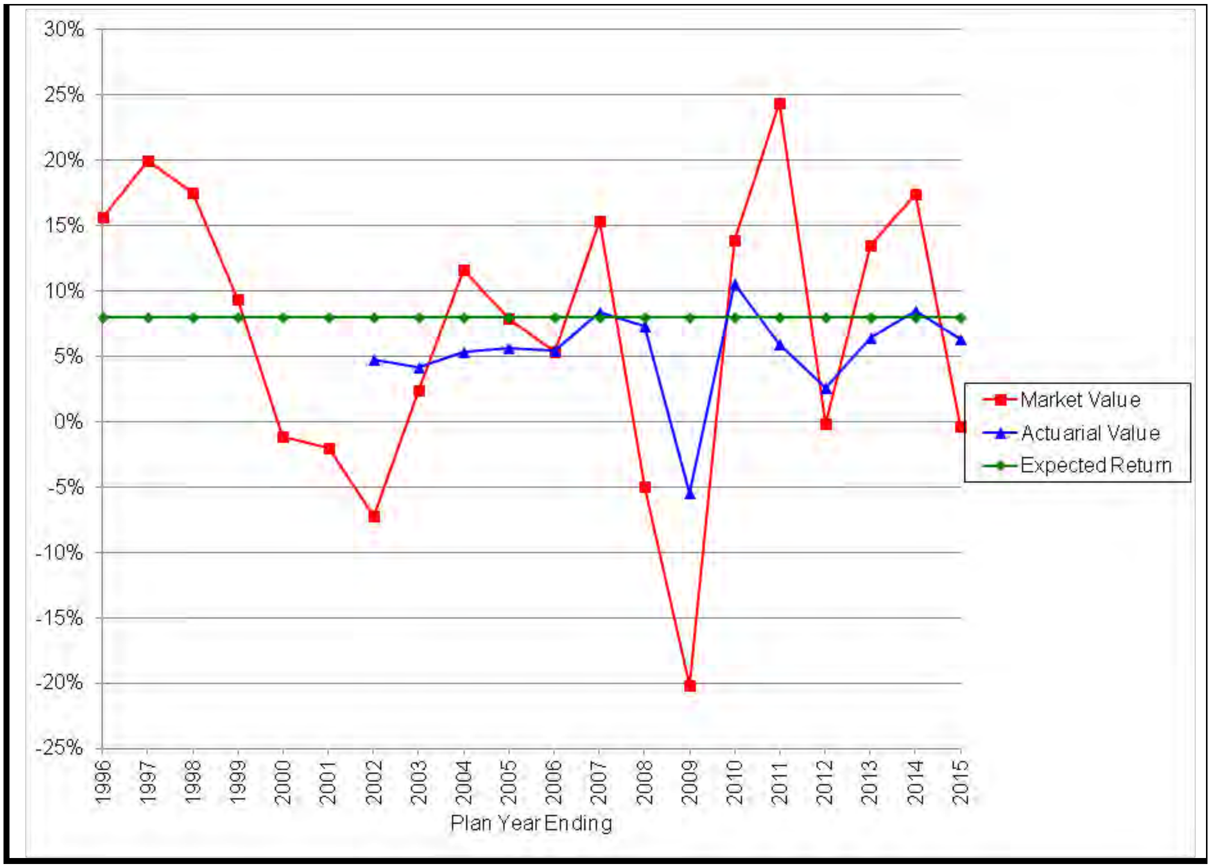
The following table provides a comparison of expected outcomes for the prior plan year with the actual experience observed during the same period. This display may provide insight as to why the plan's overall actuarial position may be different from expected.

Plan Year Ending June 30, 2015	*Expected*	*Actual*
Decrements		
Terminations		99
less*: Rehires*		-
Terminations (net of rehires)	6.7	99
Retirements	4.1	5
Disabilities	2.2	-
Deaths - pre-retirement	2.2	2
Deaths - post-retirement	29.3	25
Asset assumptions		
Rate of net investment return on actuarial value	8.00%	6.37%
Net expenses	$ 240,000	$ 227,660
Other demographic assumptions		
Average retirement age from active (new retirees)	60.5	60.2
*Average retirement age from inactive (new retirees)**	60.3	61.2
Average entry age (new entrants)	30.2	34.7
Weeks worked per vested active	45	49
Weeks worked per non-vested active	-	39
Total weeks worked (valuation assumption)	9,935	8,106
Total weeks worked (PPA certification assumption)	8,946	8,106
Unfunded liability (gain)/loss		
(Gain)/loss due to asset experience		$ 931,923
(Gain)/loss due to liability experience		264,917
Total (gain)/loss		$ 1,196,840

* Expected average based on the average for the total group of participants.

RATE OF RETURN ON FUND ASSETS

Historical Rates of Net Investment Return



Average Rates of Net Investment Return (dollar weighted)

Period	Return on Market Value Period Ending June 30, 2015	Return on Market Value Period Ending June 30, 2014	Return on Actuarial Value Period Ending June 30, 2015	Return on Actuarial Value Period Ending June 30, 2014
One year	-0.39%	17.39%	6.37%	8.46%
5 years	11.26%	13.63%	5.81%	6.87%
10 years	4.90%	5.62%	4.18%	4.26%
15 years	3.52%	3.18%	n/a	n/a
20 years	6.64%	7.69%	n/a	n/a

UNFUNDED VESTED BENEFITS/EMPLOYER WITHDRAWAL LIABILITY

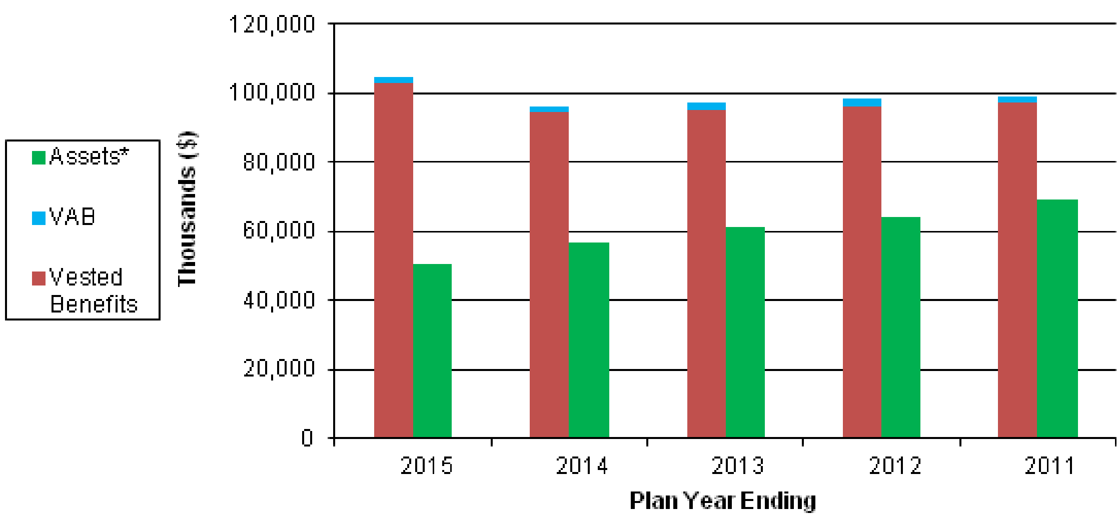
An employer withdrawing during the coming year may have withdrawal liability

The following table shows a history of the plan's unfunded vested benefits (UVB) required to compute a specific employer withdrawal liability under the rolling 5 method.

In accordance with IRC Section 432(e)(9)(A) and PBGC Technical Update 10-3, the impact of reducing adjustable benefits is reflected by adding the unamortized portion of the value of affected benefits (VAB) to the most recent year's unfunded vested benefits pool.

Rolling 5 Method ($ 000)

June 30,	*2015*	*2014*	*2013*	*2012*	*2011*
Vested benefits interest	7.50%	8.00%	8.00%	8.00%	8.00%
Vested benefits	103,136	94,669	95,368	96,321	97,203
less: Asset value*	50,999	57,104	61,187	63,986	69,237
UVB	52,137	37,565	34,181	32,335	27,966
Unamortized VAB	1,680	1,805	1,920	2,027	2,126



* Actuarial Value through 2013, Market Value thereafter

TERMINATION BY MASS WITHDRAWAL

Under mass withdrawal assumptions, plan assets do not exceed plan liabilities

If all employers were to cease to have an obligation to contribute to the plan, the plan would be considered "terminated due to mass withdrawal." In this event, the Trustees would have the option of distributing plan assets in satisfaction of all plan liabilities through the purchase of annuities from insurance carriers or payment of lump sums. If assets are insufficient to cover liabilities, a special actuarial valuation pursuant to Section 4281 of ERISA would be performed as of the end of the plan year in which the mass withdrawal occurred. If the Section 4281 valuation indicates the value of nonforfeitable benefits exceeds the value of plan assets, employer withdrawal liability would be assessed.

The ERISA Section 4281 valuation described above uses required actuarial assumptions that are typically more conservative than those used for valuing an on-going plan. In order to illustrate the impact of the mass withdrawal assumptions, we performed an illustrative Section 4281 valuation as if mass withdrawal had occurred during the prior plan year. The value of assets used below is market value without any adjustments for outstanding employer withdrawal liability claims. As required by regulation, interest rates of 2.71% for the first 20 years and 2.78% for each year thereafter and the GAM 94 Basic Table projected to 2025 mortality table were used.

Illustrative Section 4281 Valuation as of June 30, 2015

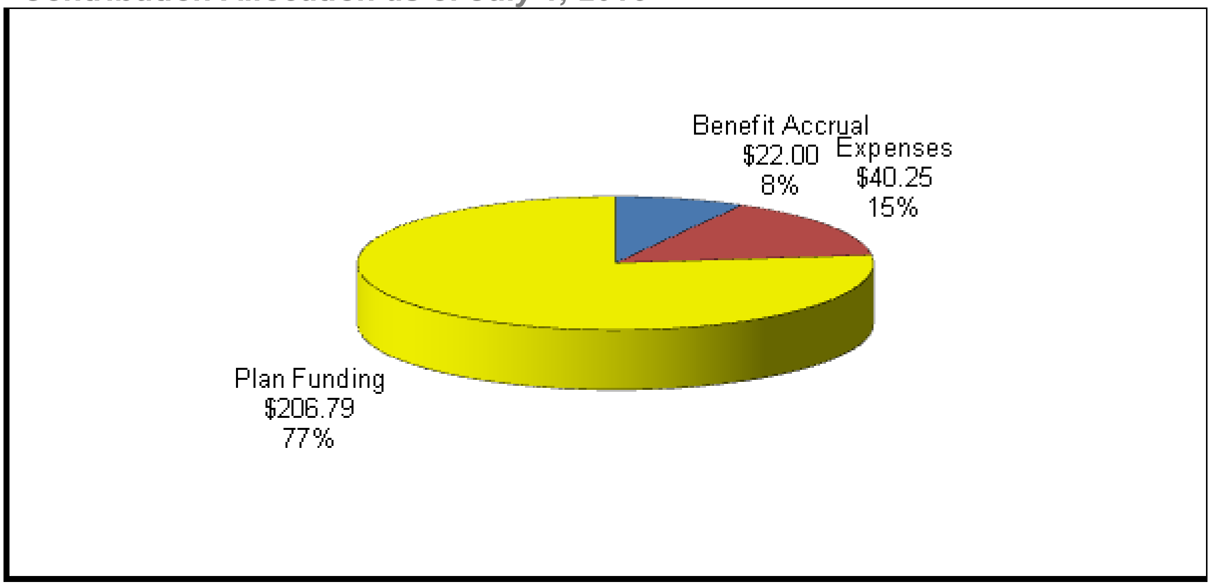
Value of nonforfeitable benefits		
Participants currently receiving benefits	$	126,710,981
Inactive vested participants		35,251,645
Active participants		12,699,410
Expenses (per Section 4281 of ERISA)		1,141,347
		175,803,383
less: Fund assets (market value)		50,999,106
Value of nonforfeitable benefits in excess of (less than) fund assets	$	124,804,277

CONTRIBUTION ALLOCATION

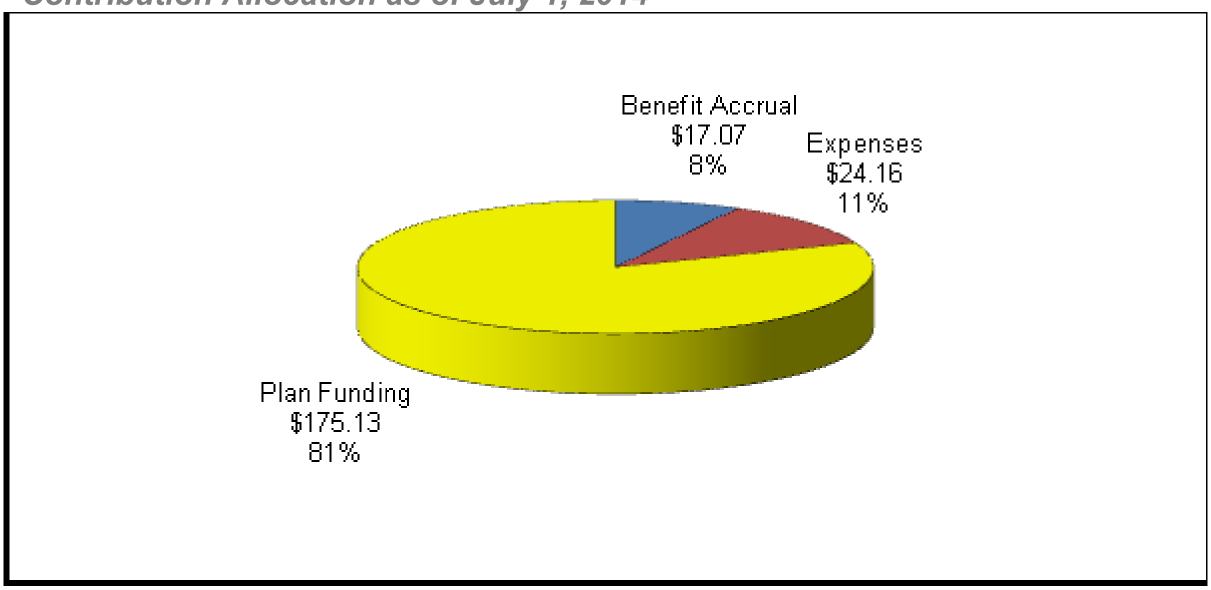
These graphs show how the contributions are being spent

The following allocation charts illustrate how the expected contribution rate for the coming plan year will be "spent" to pay for benefits being earned in the current year, plan expenses, and funding of past unfunded liabilities.

Contribution Allocation as of July 1, 2015



Contribution Allocation as of July 1, 2014



FUNDED RATIOS

The funded ratio can be used as an indication of ongoing funding progress

The present value of vested accumulated benefits is the amount that would have to be invested as of the valuation date in order to pay, when due, the benefits accrued and vested as of the valuation date. This calculation assumes fund assets will earn interest at the assumed rate and all other aspects of the fund's experience will follow the actuarial assumptions. Similarly, the present value of all accumulated benefits is the amount necessary to fund all benefits accrued as of the valuation date.

The extent to which the value of vested, accumulated benefits and total accumulated benefits are funded provides a "snapshot" measure of the plan's funded status as of the valuation date.

Present Value of Accumulated Benefits/ Funded Ratios Actuarial Study as of July 1,		*2015*		*2014*
Present value of vested accumulated benefits				
Participants currently receiving benefits	$	81,113,698	$	75,230,024
Inactive vested participants		16,492,151		12,673,235
Active participants		5,530,478		6,766,131
Total		103,136,327		94,669,390
Nonvested accumulated benefits		281,382		1,104,432
Present value of all accumulated benefits	$	103,417,709	$	95,773,822
Actuarial value of assets	$	57,793,092	$	60,050,741
Market value of assets	$	50,999,106	$	57,103,528
Funded ratios (Actuarial value used for PPA)				
Vested benefits		0.56		0.63
All accumulated benefits		0.56		0.63
Funded ratios (Market value)				
Vested benefits		0.49		0.60
All accumulated benefits		0.49		0.60
Interest rate used to value benefits		7.50%		8.00%

FUNDING STANDARD ACCOUNT

The minimum funding requirements have not been met for the most recent plan year

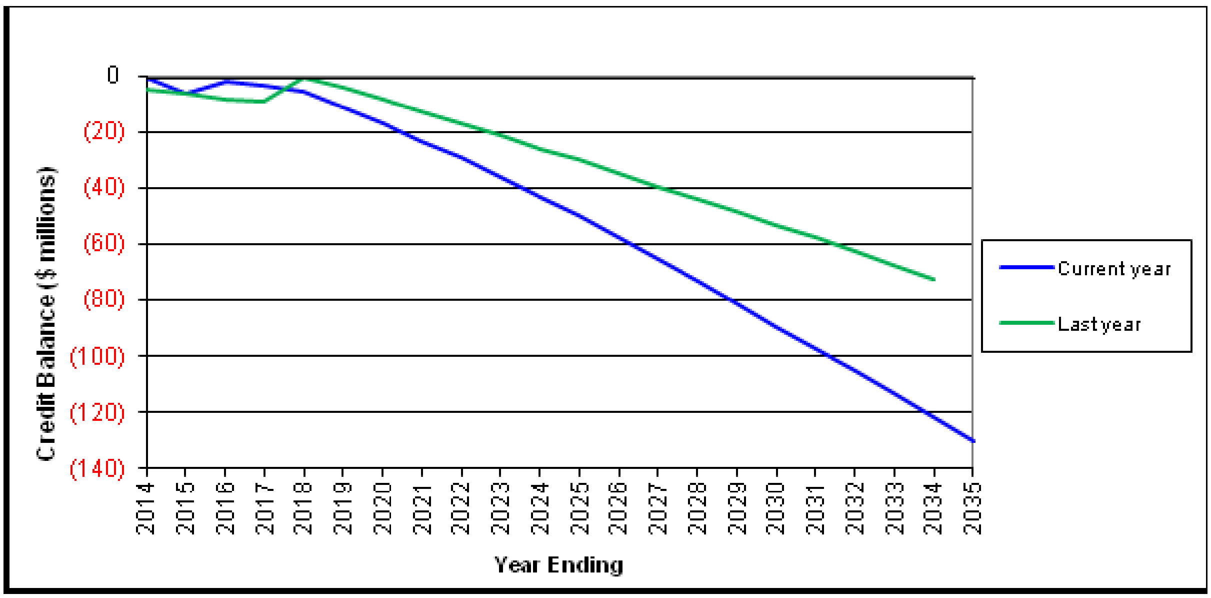
The Funding Standard Account is used to determine whether the plan meets the minimum funding requirements established by ERISA. Such a determination is done by subtracting the year's charges from the credits. A positive result establishes a credit balance that represents the amount the plan is in excess of the minimum required contribution on a cumulative basis. A negative result represents a funding deficiency which could produce excise taxes (except under certain circumstances when the plan is following a funding a rehabilitation plan). The projected values use the assumptions summarized on page B-6 of the appendix.

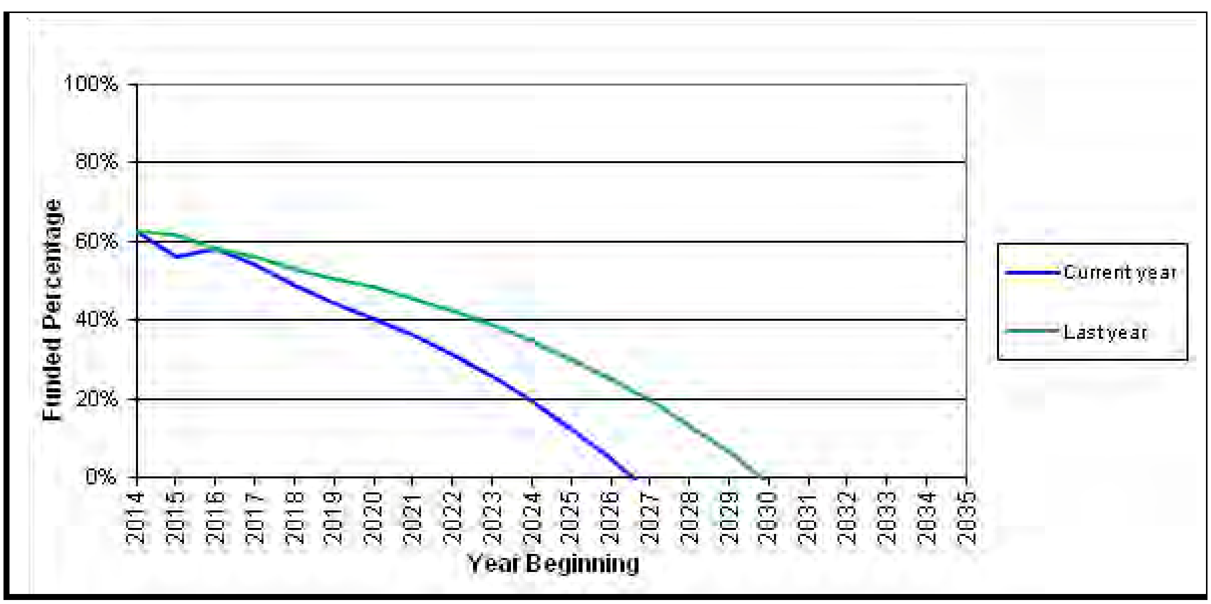
Funding Standard Account Plan Year Ending June 30,	*2016 (Projected)*	*2015 (Final)*
Charges		
Prior year funding deficiency	$ 6,028,373	$ 4,879,063
Normal cost (including expenses)	357,760	393,849
Amortization charges (see Appendix C)	9,605,099	8,702,177
Interest on above	1,199,344	1,118,010
Total charges	17,190,576	15,093,099
Credits		
Prior year credit balance	-	-
Employer contributions	9,220,047	2,971,865
Amortization credits (see Appendix C)	5,494,743	5,531,469
Interest on above	757,858	561,392
ERISA full funding credit	-	-
Total credits	15,472,648	9,064,726
Credit balance (credits less charges)	$ (1,717,928)	$ (6,028,373)

PROJECTION OF CREDIT BALANCE AND FUNDED RATIO

These graphs show projections of the two biggest drivers of PPA status

The following graphs provide more information about the two most important statistics used in the determination of the PPA Funded Status. The first graph shows the ERISA credit balance (a negative credit balance indicates a projected funding deficiency). The second graph shows the funded ratio. Both graphs illustrate projected results for the next 20 years using the assumptions summarized on page B-6 of the appendix.





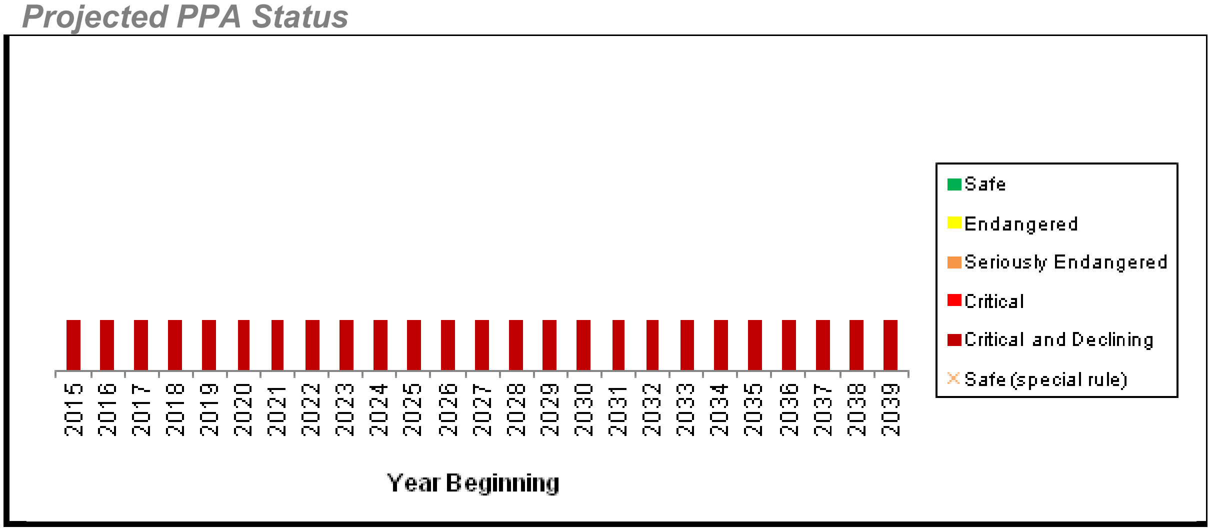
PPA Funding Status Report

The plan is in Critical and Declining status for 2015

The Pension Protection Act of 2006 (PPA), as amended by the Multiemployer Pension Reform Act of 2014 ("MPRA"), requires all multiemployer pension plans to obtain an annual status certification. The possible statuses are: "Endangered", "Seriously Endangered", "Critical", "Critical and Declining" or none of these. As the plan's actuary, we must complete the status certification within 90 days of the beginning of the plan year, and we must also certify whether or not the plan has made scheduled progress if its funding improvement or rehabilitation period has begun. The criteria for these determinations are outlined in Appendix D. Due to the timing requirement affecting PPA certifications, they are performed based on data different from that used in this report (see certification letter for additional details). The results are summarized below. The projection graph uses the assumptions summarized on page B-6 of the appendix.

Description	Values Used for PPA Certification 2015	2014
Funded ratio	0.61	0.63
Date of first projected funding deficiency	6/30/2016	6/30/2015
Years of benefit payments in assets	8+	8+
Certified PPA status	Critical and Declining	Critical
Making progress under FIP/RP	Yes	Yes

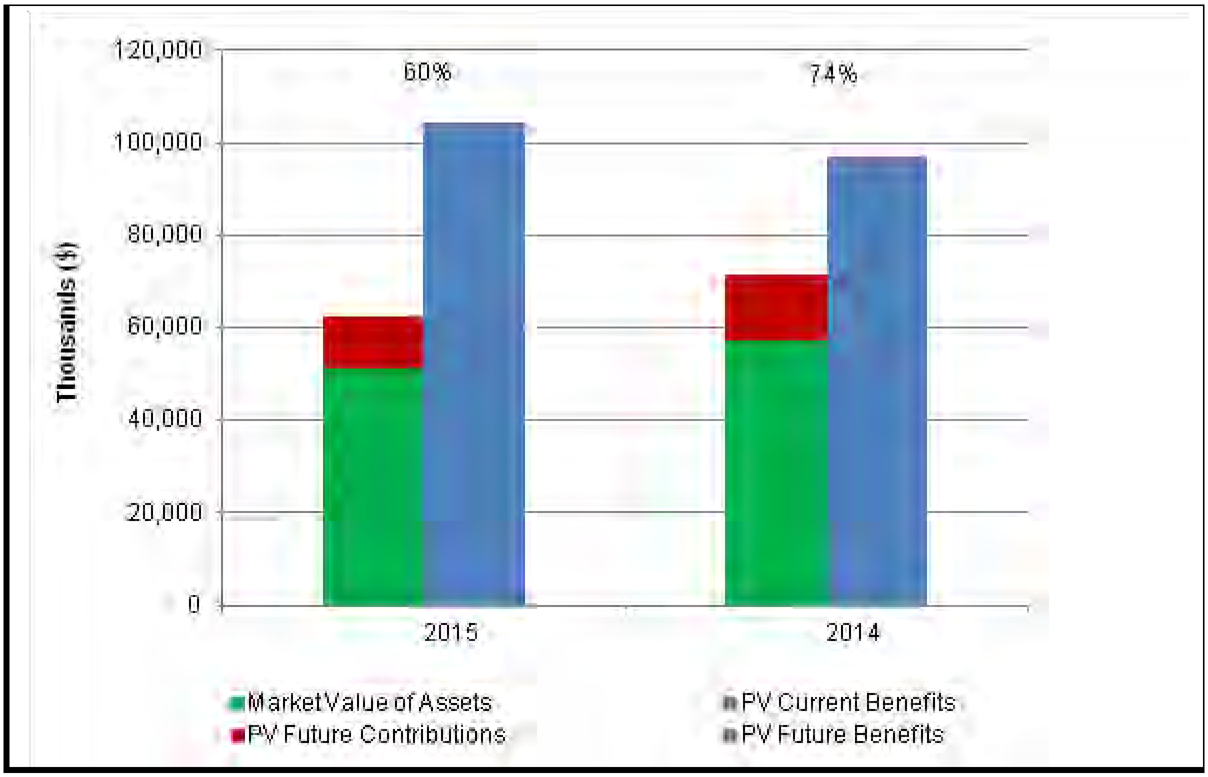
Projected PPA Status



ULTIMATE FUNDED STATUS

Ultimate funded status is a snapshot measure of contribution sufficiency

The ultimate funded status is a measure used to see how well funded the current population is. It compares the present value of benefits for both past and future service to the current market value of assets plus the present value of future contributions. The ultimate funded status for the two most recent plan years is shown in the graph below. The present values of benefits and contributions include only current participants and assume no future contribution rate increases. The percentage above the bars is the ratio of assets and future contributions to the value of total benefits.



SENSITIVITY ANALYSIS

The table below illustrates the impact on the plan when experience varies from key assumptions

Currently, the plan is projected to become insolvent during the 2026-27 plan year, 11 years away. Considering that experience rarely matches our assumptions exactly, we developed the table below to demonstrate the impact that variations in certain key assumptions would have on the projected insolvency date. We examined future weeks assumptions equal to the baseline (as stated on page B-6 of the report), 5% lower, and 5% higher. We examined asset returns for the 2015-16 plan year of 10.00%, 6.75%, 3.50%, and 0.00%.

Weeks Assumption		Return for the 2015-16 PY (6.75% Thereafter*)			
		10.00%	6.75%	3.50%	0.00%
5% Lower 5,664 in all years	Projected plan year of insolvency: Years to insolvency:	2026-27 11 years	2026-27 11 years	2025-26 10 years	2025-26 10 years
Baseline 5,962 in all years	Projected plan year of insolvency: Years to insolvency:	2027-28 12 years	**2026-27** **11 years**	2026-27 11 years	2025-26 10 years
5% Higher 6,260 in all years	Projected plan year of insolvency: Years to insolvency:	2027-28 12 years	2026-27 11 years	2026-27 11 years	2025-26 10 years

* Return for plan year ending 6/30/2026 and thereafter assumed to be 7.50%.

PART II: SUPPLEMENTAL STATISTICS

PARTICIPANT DATA RECONCILIATION

The participant data reconciliation table below provides information as to how the plan's covered population changed since the prior actuarial study. Such factors as the number of participants retiring, withdrawing and returning to work have an impact on the actuarial position of the pension fund.

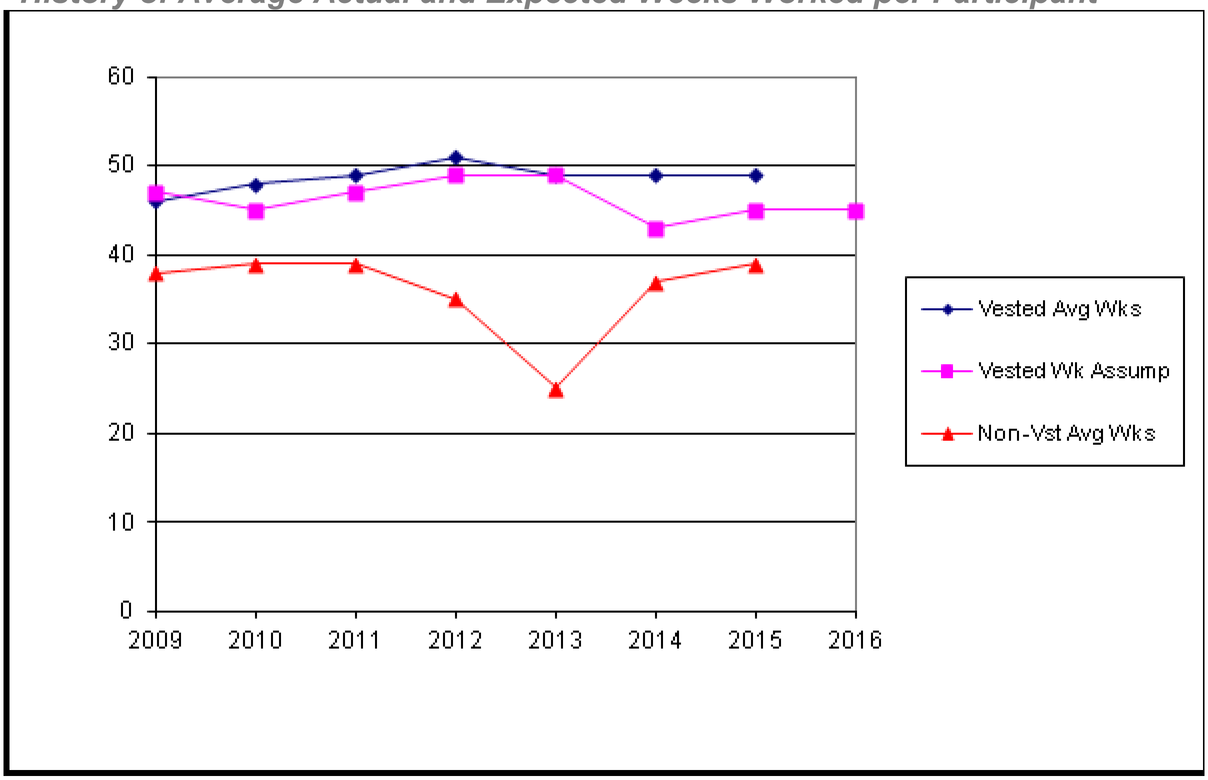
Participants Valued As	Active	Inactive Vested	Receiving Benefits	Total Valued
July 1, 2014	219	329	649	1,197
Change due to:				
New hire	18	-	-	18
Rehire	-	-	-	-
Termination	(99)	66	-	(33)
Disablement	-	-	-	-
Retirement	(5)	(8)	13	-
Death/cash out	-	(2)	(25)	(27)
New beneficiary	-	1	7	8
Certain pd. expired	-	-	-	-
Data adjustment	-	1 *	-	1
Net change	(86)	58	(5)	(33)
July 1, 2015	133	387	644	1,164

* Includes one QDRO who is now a deferred beneficiary.

WEEKS WORKED DURING PLAN YEAR

Plan Year Ending June 30, 2015	Number	Weeks Worked	Average Weeks Worked
Actives			
Vested	81	3,951	49
Non-vested, continuing	34	1,568	46
Non-vested, new entrant	18	443	25
Total active	133	5,962	45
Others	88	2,144	24
Total for plan year	221	8,106	37

History of Average Actual and Expected Weeks Worked per Participant



CONTRIBUTIONS MADE DURING PLAN YEAR

Employer Credited Contributions Reported in Employee Data

Plan Year Ending June 30, 2015	Number		Credited Contributions Reported
Actives			
Vested	81	$	498,562
Non-vested, continuing	34		187,578
Non-vested, new entrant	18		55,426
Total valued as active	133		741,566
Others	88		165,953
Total for plan year	221	$	907,519

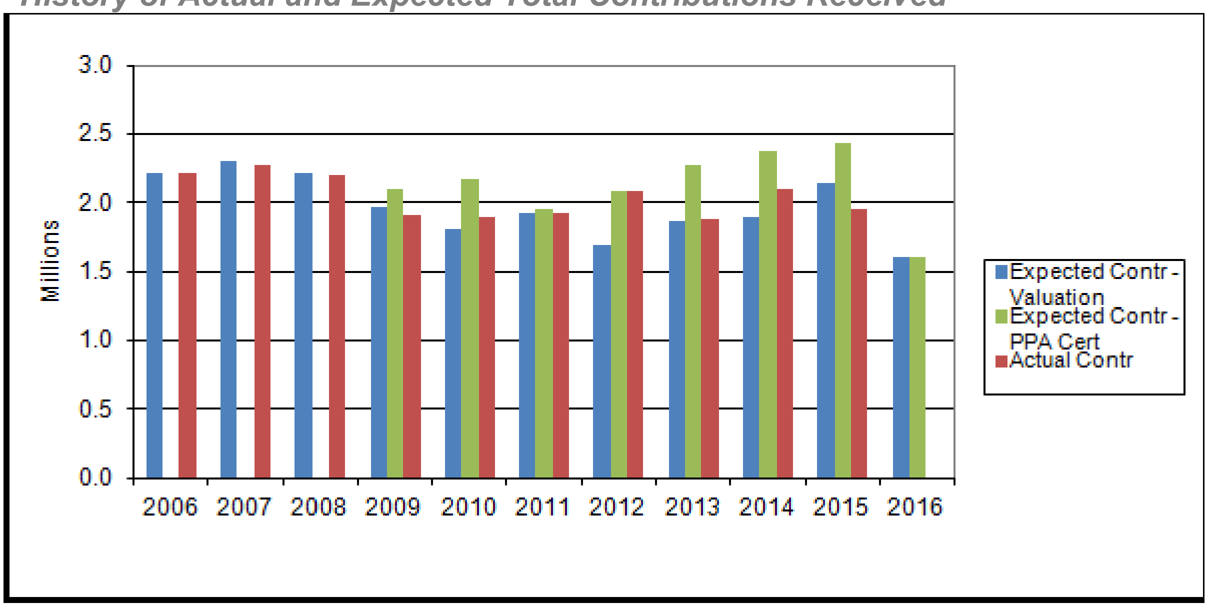
Average credited weekly contribution rate	$	111.96

Comparison with Audited Employer Contributions

Employer credited contributions reported in data		907,519
Adjusted total employer contributions reported		1,875,634
Total audited employer contributions*	$	1,949,053
Percent reported		96%

* Excludes employer withdrawal liability payments.

History of Actual and Expected Total Contributions Received*



* Excludes employer withdrawal liability payments.

ACTIVE INFORMATION

Active Participants by Age and Service as of July 1, 2015

Age	Years of Service										
	<1	1-4	5-9	10-14	15-19	20-24	25-29	30-34	35-39	40+	Total
< 25	1	11	-	-	-	-	-	-	-	-	12
25-29	3	12	-	-	-	-	-	-	-	-	15
30-34	-	6	1	4	-	-	-	-	-	-	11
35-39	3	1	2	2	4	-	-	-	-	-	12
40-44	1	1	1	2	5	2	-	-	-	-	12
45-49	1	2	1	4	2	4	-	1	-	-	15
50-54	1	4	-	3	1	1	5	4	-	-	19
55-59	-	4	2	6	3	4	4	2	2	1	28
60-64	-	1	-	3	2	1	-	1	1	-	9
65-69	-	-	-	-	-	-	-	-	-	-	-
70+	-	-	-	-	-	-	-	-	-	-	-
Totals	10	42	7	24	17	12	9	8	3	1	133
Unrecorded DOB	-	-	-	-	-	-	-	-	-	-	-
Total Active Lives	10	42	7	24	17	12	9	8	3	1	133

INACTIVE VESTED INFORMATION

Inactive Vested Participants by Age as of July 1, 2015

Age Group	Number	Estimated Deferred Vested Benefits*
< 30	-	$ -
30-34	13	4,010
35-39	20	5,528
40-44	48	23,706
45-49	61	31,584
50-54	87	51,121
55-59	79	33,227
60-64	66	29,986
65-69	10	7,197
70+	3	1,573
Totals	387	187,932
Unrecorded birth date	-	-
Total inactive vested lives	387	$ 187,932

* Amount payable at assumed retirement age as used in the valuation process.

RETIREE INFORMATION

Benefits Being Paid by Form of Payment as of July 1, 2015

Form of Payment	Number	Monthly Benefits Being Paid: Total	Average	Smallest	Largest
Life only	172	$ 118,337	$ 688	$ 47	$ 3,530
Certain & life	70	129,174	1,845	167	3,793
Joint & survivor	226	260,029	1,151	55	3,892
Disability	14	24,712	1,765	385	4,102
Beneficiaries	162	73,854	456	23	2,292
Totals	644	$ 606,106	$ 941	$ 23	$ 4,102

Retirees by Age and Form of Payment as of July 1, 2015

Age Group	Form of Benefits Being Paid: Life Only	Certain & Life	Joint & Survivor	Disability	Total
< 40	-	-	-	-	-
40-44	-	-	-	-	-
45-49	-	-	-	1	1
50-54	2	1	3	1	7
55-59	17	14	23	2	56
60-64	25	17	37	5	84
65-69	38	22	58	3	121
70-74	27	10	34	2	73
75-79	23	5	42	-	70
80-84	18	1	20	-	39
85-89	14	-	8	-	22
90-94	5	-	1	-	6
95+	3	-	-	-	3
Totals	172	70	226	14	482
plus: Beneficiaries					162
Total receiving benefits					644

RETIREE INFORMATION (CONT.)

Age of Participants Retired During Last 5 Plan Years
(excludes beneficiaries and disability retirements)

Age at Retirement	Plan Year Ending June 30, 2015	2014	2013	2012	2011
< 51	-	-	-	-	-
51	-	-	1	-	-
52	1	1	-	1	1
53	1	-	1	1	3
54	-	2	-	1	1
55	1	-	2	-	2
56	-	-	1	-	-
57	1	-	-	-	3
58	-	1	1	1	-
59	1	-	1	1	-
60	1	-	-	2	2
61	-	1	3	2	1
62	2	2	4	4	4
63	1	2	1	1	1
64	-	1	-	-	1
65	2	2	-	5	1
66+	2	-	2	1	-
Totals	13	12	17	20	20

History of Average Retirement Ages
(excludes beneficiaries and disability retirements)

Retirement During Plan Year Ending In:	Number	Average Retirement Age
2015	13	60.8
2014	12	60.7
2013	17	60.0
2012	20	61.4
2011	20	58.8

PART III: ASSET INFORMATION

MARKET AND ACTUARIAL FUND VALUES

Asset information extracted from the fund's financial statements audited by Wrubel, Wesley & Company.

Market/Actuarial Value of Fund Investments as of June 30,		2015		2014		2013
Invested assets						
Common stocks and REITS	$	22,857,869	$	29,558,719	$	27,514,062
Common/collective trusts		9,173,105		8,539,385		6,857,710
Mutual funds		14,781,590		11,604,043		9,240,158
Corporate debt		-		3,072,233		3,125,045
U.S. gov't securities		20		884,512		3,096,037
Cash		4,595,054		3,190,010		2,059,612
Prepaid insurance		7,246		71,777		7,473
		51,414,884		56,920,679		51,900,097
Net receivables*		(415,778)		182,849		2,350,391
Market value	$	50,999,106	$	57,103,528	$	54,250,488
Fund assets - Actuarial value						
Market value	$	50,999,106	$	57,103,528	$	54,250,488
less*: Deferred investment gains and (losses)*		(6,793,986)		(2,947,213)		(6,936,890)
Actuarial value	$	57,793,092	$	60,050,741	$	61,187,378
Actuarial value as a percentage of market value		113.32%		105.16%		112.79%

* Equals receivables, less any liabilities

FLOW OF FUNDS

Asset information extracted from the fund's financial statements audited by Wrubel, Wesley & Company.

Plan Year Ending June 30,		*2015*		*2014*		*2013*
Market value at beginning of plan year	$	57,103,528	$	54,250,488	$	54,121,727
Additions						
Employer contributions		2,971,865		2,897,977		2,276,215
*Net investment income**		(210,398)		8,908,395		6,846,840
Other income		23,432		3,710		10,863
		2,784,899		11,810,082		9,133,918
Deductions						
Benefits paid		8,661,661		8,777,479		8,825,264
*Net expenses**		227,660		179,563		179,893
		8,889,321		8,957,042		9,005,157
Net increase (decrease)		(6,104,422)		2,853,040		128,761
Adjustment		-		-		-
Market value at end of plan year	$	50,999,106	$	57,103,528	$	54,250,488
Cashflow						
Contr.-ben.-exp.		(5,917,456)		(6,059,065)		(6,728,942)
Percent of assets		-11.60%		-10.61%		-12.40%
Estimated net investment return						
On market value		-0.39%		17.39%		13.49%
On actuarial value		6.37%		8.46%		6.47%

* Investment expenses have been offset against gross investment income.

INVESTMENT GAIN AND LOSS

Investment Gain or Loss
Plan Year Ending June 30, 2015

Expected market value at end of plan year		
Market value at beginning of plan year	$	57,103,528
Employer contributions and non-investment income		2,995,297
Benefits and expenses paid		(8,889,321)
Expected investment income (at 8.00% rate of return)		4,332,521
		55,542,025
Actual market value at end of plan year		50,999,106
less: Expected market value		55,542,025
Investment gain or (loss)	$	(4,542,919)

History of Gains and (Losses)

Plan Year Ending June 30,		Investment Gain or (Loss)
2015	$	(4,542,919)
2014		4,810,570
2013		2,785,825
2012		(4,693,794)
2011		8,528,863
2009		(20,738,548)
Total	$	(13,850,003)

Deferred Investment Gains and (Losses)*

Plan Year Ending June 30,	Amount of Gain or (Loss) Deferred as of June 30,							
		2015*		2016		2017		2018
2015	$	(3,634,335)	$	(2,725,751)	$	(1,817,168)	$	(908,584)
2014		2,886,342		1,924,228		962,114		-
2013		1,114,330		557,165		-		-
2012		(938,759)		-		-		-
2009		(6,221,564)		(4,147,710)		(2,073,855)		-
Totals	$	(6,793,986)	$	(4,392,068)	$	(2,928,909)	$	(908,584)

* 10-year smoothing was elected with respect to the loss incurred during plan year ending 2009.

PART IV: ENROLLED ACTUARY'S REPORT

NORMAL COST/ACTUARIAL LIABILITY

Normal Cost as of July 1,		*2015*		*2014*
Active participants - service prior to valuation date	$	-	$	-
Active participants - service after valuation date		126,435		163,080
Anticipated administrative expenses (beg. of year)		231,325		230,769
Total normal cost	$	357,760	$	393,849

Unfunded Actuarial Liability as of July 1,		*2015*		*2014*
Actuarial liability				
Participants currently receiving benefits	$	81,113,698	$	75,230,024
Inactive vested participants		16,730,680		12,673,238
Active participants - service prior to val. date		5,573,331		7,870,560
Active participants - service after val. date		-		-
		103,417,709		95,773,822
less: Fund assets (actuarial value)		57,793,092		60,050,741
Unfunded actuarial liability (not less than 0)	$	45,624,617	$	35,723,081

ACTUARIAL LIABILITY RECONCILIATION/PROJECTION

Reconciliation of Unfunded Actuarial Liability

Expected unfunded actuarial liability as of June 30, 2015		
Unfunded actuarial liability as of July 1, 2014	$	35,723,081
Normal cost (including expenses)		393,849
Actual contributions		(2,971,865)
Interest to end of plan year		2,770,477
		35,915,542
Increase (decrease) due to:		
Experience (gain) or loss		1,196,840
Plan amendment		-
Change in actuarial assumptions		8,512,235
Change in actuarial method		-
Net increase (decrease)		9,709,075
Unfunded actuarial liability as of July 1, 2015	$	45,624,617

Projection of Actuarial Liability to Year End

Actuarial liability as of July 1, 2015	$	103,417,709
Expected increase (decrease) due to:		
Normal cost (excluding expenses)		126,435
Benefits paid		(9,383,683)
Interest on above		(342,405)
Interest on actuarial liability		7,756,328
Net expected increase (decrease)		(1,843,325)
Expected actuarial liability as of June 30, 2016	$	101,574,384

FUNDING PERIOD

Funding Period Calculation *Actuarial Study as of July 1,*		*2015*		*2014*
Unfunded actuarial liability				
Actuarial liability	$	103,778,717	$	96,205,465
less: *Fund assets (actuarial value)*		57,793,092		60,050,741
		45,985,625		36,154,724
Funds available to amortize unfunded				
Anticipated contributions (beg. of yr.)		1,546,067		2,066,810
less: *Normal cost (including expenses)*		346,351		378,798
	$	1,199,716	$	1,688,012
Funding period (years)		*		*

* Anticipated contributions are insufficient to pay normal cost and amortize unfunded liability.

CURRENT LIABILITY

Current Liability as of July 1, 2015

Vested current liability		
Participants currently receiving benefits	$	116,482,173
Inactive vested participants		31,411,339
Active participants		11,302,828
		159,196,340
Nonvested current liability		
Inactive vested participants		285,119
Active participants		119,877
		404,996
Total current liability	$	159,601,336

Projection of Current Liability to Year End

Current liability as of July 1, 2015	$	159,601,336
Expected increase (decrease) due to:		
Benefits accruing		284,741
Benefits paid		(9,383,683)
Interest on above		(147,197)
Interest on current liability		5,330,685
Net expected increase (decrease)		(3,915,454)
Expected current liability as of June 30, 2016	$	155,685,882

FULL FUNDING LIMIT

Projection of Assets for Full Funding Limit		*Market Value*		*Actuarial Value*
Asset value as of July 1, 2015	$	50,999,106	$	57,793,092
Expected increase (decrease) due to:				
Investment income		3,464,045		3,973,594
Benefits paid		(9,383,683)		(9,383,683)
Expenses		(240,000)		(240,000)
Net expected increase (decrease)		(6,159,638)		(5,650,089)
Expected value as of June 30, 2016*	$	44,839,468	$	52,143,003

* Ignoring expected employer contributions (as required by regulation).

Full Funding Limit as of June 30, 2016		*For Minimum Required*		*For Maximum Deductible*
ERISA full funding limit (not less than 0)				
Actuarial liability	$	101,574,384	$	101,574,384
less: *Assets (lesser of market or actuarial)*		44,839,468		44,839,468
plus: *Credit balance (w/interest to year end)*		-		n/a
		56,734,916		56,734,916
Full funding limit override (not less than 0)				
90% of current liability		140,117,294		140,117,294
less: *Assets (actuarial value)*		52,143,003		52,143,003
		87,974,291		87,974,291
Full funding limit (greater of ERISA limit and full funding override)	$	87,974,291	$	87,974,291

MINIMUM REQUIRED CONTRIBUTION AND FULL FUNDING CREDIT

Minimum Required Contribution Plan Year Beginning July 1, 2015

Minimum funding cost		
Normal cost (including expenses)	$	357,760
Net amortization of unfunded liabilities		4,110,356
Interest to end of plan year		335,110
		4,803,226
Full funding limit		87,974,291
Net charge to funding std. acct. (lesser of above)		4,803,226
less: *Credit balance with interest to year end*		(6,480,501)
Minimum Required Contribution (not less than 0)*	$	11,283,727

* Excise taxes that would otherwise apply in the case of a negative credit balance are waived if the provisions of the rehabilitation plan are followed and the plan continues to make scheduled progress

Full Funding Credit to Funding Standard Account Plan Year Ending June 30, 2016

Full funding credit (not less than 0)		
Minimum funding cost (n.c., amort., int.)	$	4,803,226
less*: full funding limit*		87,974,291
	$	-

MAXIMUM DEDUCTIBLE CONTRIBUTION

The maximum amount of tax-deductible employer contributions made to a pension plan is determined in accordance with Section 404(a) of the Internal Revenue Code. For a multiemployer pension plan, Section 413(b)(7) of the Internal Revenue Code and IRS Announcement 98-1 provide that, if anticipated employer contributions are less than the deductible limit for a plan year, then all employer contributions paid during the year are guaranteed to be deductible. If anticipated employer contributions exceed the deductible limit, the Trustees have two years from the close of the plan year in question to retroactively improve benefits to alleviate the problem.

Maximum Deductible Contribution
Plan Year Beginning July 1, 2015

Preliminary deductible limit		
Normal cost (including expenses)	$	357,760
10-year limit adjustment (using "fresh start" alternative)		6,183,130
Interest to end of plan year		490,567
		7,031,457
Full funding limit		87,974,291
Maximum deductible contribution override		
140% of vested current liability projected to June 30, 2016		217,407,150
less*: Actuarial value of assets projected to June 30, 2016*		52,143,003
		165,264,147
Maximum deductible contribution*	$	165,264,147
Anticipated employer contributions	$	1,604,045

* Equals the lesser of the preliminary deductible limit and the full funding limit, but not less than the maximum deductible contribution override.

HISTORY OF UNFUNDED VESTED BENEFITS

Rolling 5 Method

June 30,	Vested Benefits Interest Rate	Value of Vested Benefits	Asset Value*	Unfunded Vested Benefits	Unamortized Portion of VAB
2002	8.00%	80,873,218	93,269,833	(12,396,615)	
2003	8.00%	88,169,646	92,413,923	(4,244,277)	
2004	8.00%	91,983,102	92,018,520	(35,418)	
2005	8.00%	100,539,192	91,949,502	8,589,690	
2006	8.00%	104,000,933	83,833,612	20,167,321	
2007	8.00%	104,880,517	84,233,041	20,647,476	
2008	8.00%	101,057,014	83,197,623	17,859,391	
2009	8.00%	99,394,341	66,487,122	32,907,219	2,302,376
2010	8.00%	98,001,346	72,317,856	25,683,490	2,217,581
2011	8.00%	97,203,242	69,237,352	27,965,890	2,126,001
2012	8.00%	96,320,994	63,985,663	32,335,331	2,027,096
2013	8.00%	95,368,138	61,187,378	34,180,760	1,920,278
2014	8.00%	94,669,390	57,103,528	37,565,862	1,804,915
2015	7.50%	103,136,327	50,999,106	52,137,221	1,680,323

* Actuarial value through 2013, market value thereafter

Example of Calculation of Employer Liability Upon Withdrawal

Years	Ratio of Withdrawing Employer's Contributions to Total Employer Contributions
7-1-2010 to 6-30-2015	1.0%

Employer withdraws during 7-1-2015 through 6-30-2016:
Withdrawal Liability = ($ 52,137,221 + $1,680,323) X 1.0% = $538,175
Withdrawal Liability after DeMinimis = $538,175

Example assumes there are no reasonably collectible employer withdrawal liability contributions to deduct from the unfunded vested benefits.

ASC 960 INFORMATION

The following displays are intended to assist the fund's auditor in complying with Accounting Standards Codification 960. The results shown are not necessarily indicative of the plan's potential liability upon termination.

Present Value of Accumulated Benefits ***Actuarial Study as of July 1,***		***2015***		***2014***
Present value of vested accumulated benefits				
Participants currently receiving benefits	$	81,113,698	$	75,230,024
Other participants		22,022,629		19,439,366
		103,136,327		94,669,390
Nonvested accumulated benefits		281,382		1,104,432
Present value of all accumulated benefits	$	103,417,709	$	95,773,822
Market value of plan assets	$	50,999,106	$	57,103,528
Interest rate used to value benefits		7.50%		8.00%

Changes in Present Value of Accumulated Benefits		
Present value of accumulated benefits as of July 1, 2014	$	95,773,822
Increase (decrease) due to:		
Plan amendment		-
Change in actuarial assumptions		8,512,235
Benefits accumulated and experience gain or loss		131,407
Interest due to decrease in discount period		7,661,906
Benefits paid		(8,661,661)
Net increase (decrease)		7,643,887
Present value of accumulated benefits as of July 1, 2015	$	103,417,709

APPENDICES

PLAN HISTORY

Origins/Purpose

The International Association of Machinists Motor City Pension Plan was established effective June 1, 1955. Its purpose is to provide retirement income to covered employees. Payments of retirement income under the Plan are made from the International Association of Machinists Motor City Trust Fund. The Pension Plan is administered in accordance with the Taft-Hartley Act by a Board of Trustees.

Employer Contributions

The Pension Plan is financed entirely by contributions from the employers as specified in the Collective Bargaining Agreement. Following is a listing of weekly pension contribution rates by employer.

Employer Number	Employer	Weekly Contribution Rate Credited	Weekly Contribution Rate Non-Credited	Effective Date
2700	Doan Construction	$134.70	$114.74	06/04/2012
		$134.70	$140.43	06/06/2013
3003	Faygo Trucking Co.	$121.55	$ 58.27	11/01/2011
		$121.55	$ 76.80	11/01/2012
1150	Johnson, George P.	$ 21.60	$ 13.38	02/01/2012
		$ 21.60	$ 16.98	02/01/2013
4600	Koenig Fuel & Supply Co.	$134.70	$114.74	06/07/2012
		$134.70	$140.43	06/07/2013
5700	Motor City Electric	$302.70	$130.34	11/01/2011
		$302.70	$174.94	11/01/2012
6050	Penske Truck Leasing Co.	$106.60	$126.94	11/01/2014
		$106.60	$150.99	01/01/2015
3900, 6900	YRC Trucking Inc.	$173.00	$144.27	05/01/2011
	(Roadway and USF Holland)	$173.00	$176.95	05/01/2012
7800	YRC Trucking Inc.	$164.70	$152.57	05/01/2011
	(Yellow Freight)	$164.70	$185.25	05/01/2012

SUMMARY OF PLAN PROVISIONS

Participation

Satisfaction of requirements in the collective bargaining agreement

Credited service

Beginning 7-1-1990, based on weeks of contributions in a plan year according to the following schedule:

Weeks of contribution in a plan year	Credited service
0-5	0
6-15	¼
16-25	½
26-35	¾
36 or more	1

Vesting service

1 year of vesting service for each plan year during which the employee earns at least ½ of a year of credited service.

Break in service

Plan year in which participant earns less than ¼ of a year of credited service.

Normal retirement benefit

Eligibility

Age 65

Monthly amount

3.50% of employer contributions prior to July 1, 2004 plus 2.00% of employer contributions made on or after July 1, 2004 to June 30, 2006, plus 0.50% of credited employer contributions made on or after July 1, 2006. Payable for life. Retirees prior to January 1, 2009 are guaranteed a minimum of 60 payments.*

Early retirement benefit

Eligibility

Age 52 and 5 years of credited service

Monthly amount

Retirements on or after January 1, 2009:
Normal reduced 5/9% for each full month which payments begin prior to age 65 for 72 months and 3/10% for each full month thereafter. Payable same as normal.

Retirements prior to January 1, 2009 and grandfathered retirements on or after January 1, 2009:
Normal reduced 5/9% for each full month which payments begin prior to age 62 for 24 months and 1/3% for each full month thereafter. Payable same as normal.

* If retiree dies before 60 payments are made, the surviving spouse or named beneficiary in the absence of a surviving spouse will receive payments for the balance of the 60 months.

SUMMARY OF PLAN PROVISIONS (CONT.)

Disability benefit	
Eligibility	5 years of credited service.
Monthly amount	Normal. Payable until age 65, recovery or death. This benefit is eliminated effective January 1, 2009.
Vested benefit	
Eligibility	5 years of service, termination of employment
Monthly amount	Accrued benefit payable at normal retirement age or after age 52 with benefit reduced 5/9% for each of the first 96 months and by 5/18% for each of the next 60 months by which payments begin prior to age 65. Payable same as normal.
Optional forms of payment	• 50% joint and survivor with pop-up* • 75% joint and survivor with pop-up* • Social security leveler • Life and 5 years certain *Subsidy removed January 1, 2009
Pre-retirement death benefit	
Eligibility	Death of vested participant with surviving spouse
Monthly amount	75% of participant's qualified joint and 75% survivor annuity payable to spouse over spouse's lifetime commencing at participant's earliest retirement date, or deferred to normal if spouse elects. Spouse may also elect a reduced actuarial equivalent immediate benefit or an actuarial equivalent lump sum. Effective January 1, 2009, this benefit is only available if participants pay for coverage with a reduction in their accrued benefit.
Lump sum death benefit	
Eligibility	Death of participant with at least 5 years of credited service with contributions after July 1, 2000 and no spouse. This benefit is eliminated effective January 1, 2009.
Lump sum amount	100% of employer contributions. If eligible to commence benefits, the lump sum amount will be an actuarial equivalent of 60 months of retirement benefit commencing at date of death.

SUMMARY OF PLAN PROVISIONS (CONT.)

Post-retirement death benefit

Eligibility

Death after retirement (except from vested benefit), and contributions after 1/1/1980. This benefit is eliminated effective January 1, 2009.

Lump sum amount

Based on the following schedule

Credited service	Lump sum amount
0 – 9	$ 0
10 – 19	$3,000
20 – 24	$4,500
25+	$6,000

HISTORICAL PLAN MODIFICATIONS

Normal Retirement Benefit	
Effective date	July 1, 2004
Adoption date	May 20, 2004
Provisions	3.50% of employer contributions prior to July 1, 2004 plus 2.0% of employer contributions made on or after July 1, 2004.
Normal Retirement Benefit	
Effective date	July 1, 2006
Adoption date	June 1, 2006
Provisions	Accrual rate was lowered to .5% of employer contributions. Contribution rate increases made on or after January 1, 2006 are deemed non-credited.
Lump Sum Post-Retirement Death Benefit	
Effective date	January 1, 2009
Adoption date	October 23, 2008
Provisions	The Lump Sum Post-Retirement Death Benefit is eliminated effective January 1, 2009.
Early Retirement Benefit	
Effective date	January 1, 2009
Adoption date	October 23, 2008
Provisions	Eliminated the 25 & out unreduced early retirement benefit for non-retired participants with less than 25 years of service as of January 1, 2009, and increased the early retirement reduction factor to 5/9 of 1% for the first 72 months and 3/10 of 1% for the next 84 months for participants under age 65 as of January 1, 2009.

HISTORICAL PLAN MODIFICATIONS (CONT.)

Normal Retirement Benefit	
Effective date	January 1, 2009
Adoption date	October 23, 2008
Provisions	Eliminated the 60 month guarantee for the normal form for retirements on or after January 1, 2009.
Pre-Retirement Death Benefits	
Effective date	March 1, 2009
Adoption date	October 23, 2008
Provisions	Effective March 1, 2009, participants will pay for pre-retirement death benefits with a reduction in benefits upon retirement, unless waived.
Disability Benefit	
Effective date	January 1, 2009
Adoption date	October 23, 2008
Provisions	Eliminated the Disability benefit.
Pop-up Subsidy	
Effective date	January 1, 2009
Adoption date	October 23, 2008
Provisions	The pop-up subsidy was removed for participants retiring on and after January 1, 2009.

ACTUARIAL ASSUMPTIONS

The following assumptions are used throughout this report except as specifically noted herein.

Valuation date	July 1, 2015
Interest rates	
ERISA rate of return used to value liabilities	7.50% per year after investment expenses
Current liability	3.34% (in accordance with Section 431(c)(6) of the Internal Revenue Code)
Operational expenses	$240,000 per year excluding investment expenses
Pop-up load	Liabilities for retirees and disabled participants with joint and survivor option who retired before January 1, 2009 with contributions after May 1, 1998 are loaded 2.3%.
Mortality	
Assumed plan mortality	RP 2014 Generational Blue Collar Mortality Tables for employees and healthy annuitants projected using the MP-2014 projection scale, set forward 2 years for males and females.
Post-disablement mortality	RP 2014 Generational Blue Collar Mortality Tables for disabled annuitants projected using the MP-2014 projection scale, set forward 2 years for males and females.
Current liability	Separate annuitant and non-annuitant rates based on the RP-2000 Mortality Tables Report developed for males and females as prescribed by Section 431(c)(6) of the Internal Revenue Code.

ACTUARIAL ASSUMPTIONS (CONT.)

Withdrawal

T-3 Turnover Table from The Actuary's Pension Handbook (less GAM 51 mortality) – specimen rates shown below:

Age	Withdrawal Rate
25	.0527
30	.0483
35	.0447
40	.0384
45	.0321
50	.0152

Select rates for the first 3 years of employment are shown below:

Year	Select Withdrawal Rate
First	.15
Second	.15
Third	.15

ACTUARIAL ASSUMPTIONS (CONT.)

Future retirement rates

Active lives

According to the following schedule:

Age	Participants not Grandfathered	Grandfathered with 25 years of credited service as of June 30, 2009*
46-51	.00	.08
52-60	.01	.08
61	.15	.15
62	.40	.40
63-64	.25	.25
65	.85	.85
66	.42	.42
67	.71	.71
68	.80	.80
69	.90	.90
70	1.00	1.00

*First year eligible with 25 years of service assumes at least a 50% retirement rate.

Resulting in an average expected retirement age of 63.1

Inactive vested lives

Age 60, or current age if older (earliest unreduced retirement age if grandfathered)

Future annual weeks

Same number of weeks as previous plan year.

Future weekly contribution rate

Average negotiated weekly rate for current plan year.

Age of participants with unrecorded birth dates

Based on average entry age of participants with recorded birth dates and same vesting status.

Marriage assumptions

80% assumed married with the male spouse 3 years older than his wife

ACTUARIAL ASSUMPTIONS (CONT.)

Inactive vested lives over age 70	Continuing inactive vested participants over age 70 are assumed deceased and are not valued.
QDRO benefits	Benefits to alternate payee included with participant's benefit until payment commences
Section 415 limit assumptions	
Dollar limit	$210,000 per year
Assumed form of payment for those limited by Section 415	Qualified joint and 75% survivor annuity
Benefits not valued	None

RATIONALE FOR SELECTION OF ACTUARIAL ASSUMPTIONS

The non prescribed actuarial assumptions were selected to provide a reasonable long term estimate of developing experience. The assumptions are reviewed annually, including a comparison to actual experience. The following describes our rationale for the selection of each non-prescribed assumption that has a significant effect on the valuation results.

ERISA rate of return used to value liabilities	Future rates of return were modeled based on the Plan's current investment policy asset allocation and composite, long-term capital market assumptions taken from Horizon Actuarial's 2015 survey of investment consultants. Based on this analysis, we selected a final assumed rate of 7.50%, which we feel is reasonable. This rate may not be appropriate for other purposes such as settlement of liabilities.
Mortality	The RP 2014 Generational Blue Collar Mortality Tables for employees and healthy annuitants projected using the MP-2014 projection scale was chosen as the base table for this population. The blue collar table was chosen based on the industry of plan participants. Finally, a 2-year set forward was applied in order to more closely match projected deaths for the coming plan year to extrapolated deaths derived from a study of retiree deaths from July 1, 2010 through June 30, 2015.
Retirement	Actual rates of retirement by age were last studied for this plan from July 1, 2011 through June 30, 2014. The assumed future rates of retirement were selected based on the results of this study.
Withdrawal	Actual rates of withdrawal by age were last studied for this plan from July 1, 2010 through June 30, 2015. The study excluded experience from employers that have completely withdrawn. The assumed future rates of withdrawal were selected based on the results of this study.
Future weeks worked	Based on review of recent plan experience adjusted for anticipated future changes in workforce.

ACTUARIAL ASSUMPTIONS USED FOR PROJECTIONS

The assumptions used for the credit balance and funding ratio projections are the same as used throughout the report with the following exceptions.

Assumed return on fund assets	
Current year projections	6.75% for the first 10 years (7/1/2015-6/30/2025) 7.50% thereafter
Prior year projections	8.00% annually
Future total weeks worked	
Current year projections	5,962 weeks annually
Prior year projections	9,935 weeks annually
Contribution Rate Increases	
Current year projections	None
Prior year projections	None
Plan Changes	
Current year projections	None
Prior year projections	None
Contributions from Withdrawn Employers	
Current year projections	Any future reasonably collectible contributions are included.
Prior year projections	Any future reasonably collectible contributions are included.

ACTUARIAL METHODS

Funding method	
ERISA funding	Traditional Unit Credit method (effective July 1, 2007)
Funding period	Individual Entry Age Normal with costs spread as a level dollar amount over service.
Population valued	
Actives	Eligible employees with at least one week worked during the preceding plan year.
Inactive vested	Vested participants with no weeks reported during the preceding plan year.
Retirees	Participants and beneficiaries in pay status as of the valuation date.
Asset valuation method	
Actual value	Smoothed market value without phase-in effective July 1, 2006. Gains and Losses are amortized over a period of 5 years. The actuarial value is limited to not less than 80% and not more than 120% of the actual market value of assets in any plan year.
Unfunded vested benefits	For the rolling-5 method, market value is used.
Pension Relief Act of 2010	• 10-year smoothing was elected with respect to the loss incurred during the plan year ended in 2009. • The 130% cap on actuarial value of assets was elected for the plan years beginning in 2009 and 2010.

Date Established	Source of Change in Unfunded Liability	Original Amount	Original Period	Remaining Period		7/1/2015 Outstanding Balance	7/1/2015 Amortization Payment
				Years	Months		
Charges							
1/1/1989	Amendment	4,603,500	30	3	6	1,207,064	377,438
1/1/1990	Amendment	2,152,100	30	4	6	700,113	176,132
1/1/1990	Amendment	645,000	30	4	6	209,910	52,809
6/30/1991	Amendment	640,667	29	4	11	210,410	49,082
6/30/1992	Amendment	308,404	29	5	11	117,242	23,506
6/30/1993	Amendment	428,714	29	6	11	183,574	32,549
6/30/1994	Amendment	2,080,046	29	7	11	983,149	157,395
6/30/1995	Amendment	1,715,262	29	8	11	881,302	129,402
6/30/1996	Amendment	703,466	29	9	11	388,214	52,923
7/1/1996	Amendment	713,576	30	11	0	452,506	57,541
7/1/1997	Amendment	3,757,051	30	12	0	2,514,987	302,448
7/1/1998	Amendment	4,432,443	30	13	0	3,111,882	356,243
7/1/1999	Amendment	3,124,741	30	14	0	2,288,278	250,747
7/1/2000	Amendment	2,049,736	30	15	0	1,558,443	164,234
7/1/2001	Amendment	1,367,712	30	16	0	1,075,365	109,428
7/1/2001	Amendment	229,637	30	16	0	180,554	18,373
7/1/2001	Experience Loss	316,241	15	1	0	34,193	34,193
7/1/2002	Amendment	2,031,517	30	17	0	1,646,051	162,308
7/1/2002	Amendment	1,044,545	30	17	0	846,349	83,454
7/1/2002	Experience Loss	3,349,162	15	2	0	697,759	361,490
7/1/2003	Amendment	354,406	30	18	0	295,035	28,276
7/1/2003	Assumptions	551,321	30	18	0	458,953	43,986
7/1/2003	Experience Loss	4,633,054	15	3	0	1,394,920	498,976
7/1/2004	Amendment	72,126	30	19	0	61,523	5,747
7/1/2004	Experience Loss	3,012,006	15	4	0	1,165,512	323,706
7/1/2005	Assumptions	6,239,179	30	20	0	5,441,306	496,511
7/1/2005	Experience Loss	1,588,635	15	5	0	741,052	170,383
7/1/2006	Assumptions	696,852	30	21	0	620,043	55,388
7/1/2006	Experience Loss	3,023,311	15	6	0	1,632,859	323,602
7/1/2006	Method	7,467,360	10	1	0	1,030,421	1,030,421
7/1/2007	Method	584,386	10	2	0	155,303	80,458
7/1/2009	Experience Loss	17,168,384	15	9	0	12,529,845	1,827,226
7/1/2011	Assumptions	139,773	15	11	0	116,575	14,824
7/1/2011	Experience Loss	1,366,458	15	11	0	1,139,688	144,923
7/1/2012	Assumptions	84,203	15	12	0	74,133	8,915

Date Established	Source of Change in Unfunded Liability	Original Amount	Original Period	Remaining Period Years	Remaining Period Months	7/1/2015 Outstanding Balance	7/1/2015 Amortization Payment
7/1/2012	Experience Loss	3,544,308	15	12	0	3,120,539	375,271
7/1/2013	Experience Loss	970,596	15	13	0	896,242	102,600
7/1/2014	Assumptions	938,147	15	14	0	903,595	99,015
7/1/2015	Assumptions	8,512,235	15	15	0	8,512,235	897,049
7/1/2015	Experience Loss	1,196,840	15	15	0	1,196,840	126,127
				Total Charges:		**60,773,964**	**9,605,099**

Credits

Date Established	Source of Change in Unfunded Liability	Original Amount	Original Period	Remaining Period Years	Remaining Period Months	7/1/2015 Outstanding Balance	7/1/2015 Amortization Payment
7/1/2008	Combined Credits	25,183,056	10	3	0	9,671,891	3,459,727
1/1/2009	Amendment	8,798,427	15	8	6	6,194,379	941,831
7/1/2009	Method (Relief)	5,540,594	10	4	0	2,734,861	759,573
7/1/2010	Assumptions	405,265	15	10	0	317,702	43,056
7/1/2010	Experience Gain	2,115,767	15	10	0	1,658,626	224,780
7/1/2014	Experience Gain	623,213	15	14	0	600,261	65,776
				Total Credits:		**21,177,720**	**5,494,743**

Net Charges:	**39,596,244**	**4,110,356**
Less Credit Balance:	-6,028,373	
Less Reconciliation Balance:	0	
Unfunded Actuarial Liability:	**45,624,617**	

RULES FOR ENDANGERED AND CRITICAL STATUS

Background

The Pension Protection Act of 2006 ("PPA"), enacted in August 2006, established special rules for plans in "Endangered" or "Critical" status. These rules become effective with the plan year beginning in 2008 and were originally scheduled to "sunset" in 2015.

The Multiemployer Pension Reform Act of 2014 ("MPRA"), enacted in December 2014, made the provisions contained in the PPA permanent. MPRA also made numerous changes to the PPA rules, including adding a new status for deeply troubled plans: Critical and Declining.

Informally, Critical Status is often referred to as "red zone" and Endangered Status as "yellow zone." A plan that is neither Critical nor Endangered is said to be "green zone."

Criteria for Endangered and Critical

The table below summarizes the criteria for these categorizations. Projected deficiencies are calculated as of the last day of each plan year and are based on contribution rates codified in bargaining agreements and, if applicable, wage allocations.

Critical Status ("Red Zone")	*Endangered Status ("Yellow Zone")*
GETTING IN:	
Plan is Critical if it is described in one or more of the following: • Funded percentage is less than 65%, and, inability to pay benefits and expenses for next 7 years, or • Projected funding deficiency (not recognizing extensions) in the current year or next 3 years (next 4 years if funded at less than 65%), or • (1) Contributions are less than current year costs (i.e. "normal cost") plus interest on any unfunded past liabilities, and, (2) value of vested benefits for non-actives is greater than for actives, and, (3) projected funding deficiency (not recognizing extensions) in the current year or next 4 years, or • Inability to pay benefits and expenses for next 5 years.	Plan is Endangered if it is not Critical and it is described in one of the following: • Funded percentage is less than 80%, or • Projected funding deficiency in the current year or next 6 years. A non-critical plan that meets both of the preceding criteria is considered "Seriously Endangered" A plan that meets one of the two Endangered Status criteria above, but was not in Critical or Endangered for the preceding year, will remain not Critical or Endangered (i.e. it will be in "green zone") provided it is not projected to meet either of the two Endangered Status criteria as of the end of the 10th plan year following the certification year

RULES FOR ENDANGERED AND CRITICAL STATUS (CONT.)

Critical Status ("Red Zone")	*Endangered Status ("Yellow Zone")*
GETTING IN (cont.):	
A plan with a 5-year amortization extension under IRC Section 431(d) that previously emerged from Critical Status in PYB 2015 or later will re-enter Critical Status only if it is described in one of the following: • Projected funding deficiency in the current year or next 9 years (including amortization extensions), or, • Projected insolvency within the next 30 years	
GETTING OUT:	
Plan emerges from Critical Status when it meets all of the following: • No longer meets any of the Critical Status tests, and, • No projected funding deficiencies in the current year or next 9 years (including amortization extensions), and, • No projected insolvencies in the next 30 years A plan with a 5-year amortization extension under IRC Section 431(d) emerges from Critical Status when it meets all the following: • No projected funding deficiencies in the current year or next 9 years (including amortization extensions), and, • No projected insolvencies in the next 30 years	Plan emerges from Endangered Status when it no longer meets the requirements to be classified as Endangered or when it enters Critical Status

RULES FOR ENDANGERED AND CRITICAL STATUS (CONT.)

Restrictions for Endangered and Critical Plans

The Trustees of a plan that is in Endangered or Critical status face a number of restrictions in plan improvements that can be adopted and bargaining agreements that can be accepted.

Period	*Endangered/Critical Restrictions*
Date of first certification through adoption of funding improvement/rehabilitation plan ("plan adoption period")	• No reduction in level of contributions for any participants • No suspension of contributions • No exclusion of new or younger employees • No amendment that increases the liabilities of the plan by reason of any increase in benefits, change in accrual, or change in vesting unless required by law
After adoption of a funding improvement/rehabilitation plan until end of funding improvement/rehabilitation period	• Cannot be amended so as to be inconsistent with funding improvement/rehabilitation plan • No amendment that increases benefits, including future accruals, unless actuary certifies as being paid for with contributions not contemplated in funding improvement/ rehabilitation plan and still expected to meet applicable benchmark after considering the amendment

Additionally, Critical status plans cannot pay benefits greater than the single life annuity once the initial red zone notice is sent unless the benefit is eligible for automatic cash-out.

Critical and Declining Plans

Beginning in 2015, plans that are in Critical Status and are projecting insolvency within the next 15 years (20 years in some circumstances) are certified by the actuary as being in "Critical and Declining." These plans may have access to new tools that will allow them to reduce many previously-untouchable benefits, including benefits for participants in pay status. However, these expanded benefit reductions require government approval, must not be rejected by a majority of all participants through a vote, and are subject to a number of other requirements and limitations.

Selected Other MPRA Changes (effective with 2015 plan years)

- Plans projected to be Critical within the next 5 years can elect to be in Critical Status immediately
- New contribution rate increases required by a funding improvement or rehabilitation plan are not considered in calculating an employer's withdrawal liability or payment schedule
- If, upon the expiration of a collective bargaining agreement under a funding improvement or rehabilitation plan, bargaining parties do not adopt a new agreement consistent with an updated schedule, the Trustees must implement the update to the schedule previously adopted.
- PBGC premium doubled and indexed
- PBGC ability to facilitate mergers and partitions expanded

GLOSSARY OF COMMON PENSION TERMS

Benefits

Accrued Benefit: A benefit that an employee has earned (or accrued) through past participation in the plan. It is the amount payable at normal retirement age.

Why it matters: Under the law, Accrued Benefits generally may not be reduced by plan amendment (note that special rules allowing for limited reduction and/or suspension of accrued benefits apply to critical status, critical and declining status and insolvent plans).

Actuarial Equivalence: Given a set of actuarial assumptions, when two different sets of payment scenarios have an equal present value.

Early Retirement Reduction Factor: A retirement benefit that begins before normal retirement age may be reduced. The plan document defines the amount of the reduction by formula or a table of factors. This reduction may or may not be actuarially equivalent, but its present value can be no less than actuarially equivalent to the benefit payable at normal retirement age.

Benefit Crediting (Accrual) Rate: A general reference to the calculation of the amount of monthly retirement benefit earned per dollar contributed or per year or hour worked.

Assets

Market Value of Assets: The market value of all assets in the fund including on an accrued, not cash basis (matching the plan audit).

Actuarial Value of Assets: The amount of assets recognized for actuarial valuation purposes. Recent changes in market value may be partially recognized (there are variations allowed on the exact recognition). Generally the actuarial value is limited to not be less than 80% or more than 120% of the market value.

Why it matters: Many funding calculations use this "smoothed" asset value method to lessen the impact of volatility in the market value of plan assets.

Assumed Rate of Return: Long term assumption of the rate of return on assets based upon the diversification mix of invested assets.

Why it matters: This assumption is used in calculating the present values discussed in the Liabilities section below. The Assumed Rate of Return has an inverse relationship with plan liabilities. In other words, a lower Assumed Rate of Return increases liabilities, while a higher Assumed Rate of Return decreases plan Liabilities.

GLOSSARY OF COMMON PENSION TERMS (CONT.)

Liabilities

Present Value of Accrued Benefits: The discounted value of benefit payments due in the future but based only on the current Accrued Benefits of each participant. The value is based on actuarial assumptions including an assumed rate of investment return.

Why it matters: This liability is one of the primary factors in determining a plan's annual PPA funded status (see Funded Ratio).

Present Value of Vested Benefits: The discounted value of Accrued Benefits that are considered vested (non-forfeitable). Benefits that are not vested include those of participants who have not satisfied the plan vesting requirement (usually five years of service). In addition under the law some death and temporary disability benefits are also considered non-vested regardless of service because they are not considered protected benefits.

Why it matters: This liability is the primary driver of a plan's Employer Withdrawal Liability.

Actuarial (Accrued) Liability: For inactive members this is the same as the Present Value of Accrued Benefits above. For active members this depends on the cost method selected by the actuary. Under the accrued benefit or traditional unit credit cost method this is also the same as the Present Value of Accrued Benefits. Under other cost methods (including most commonly entry age normal) this represents an alternate allocation of projected benefit cost over the working lifetime of active members. Under the entry age normal cost method, the active Actuarial Liability is larger than the Present Value of Accrued Benefits.

Unfunded Actuarial Liability: The Actuarial Liability less the Actuarial Value of Assets.

Current Liability: This is similar to the Present Value of Accrued Benefits, but uses a statutory, significantly lower, interest rate (equivalent to an expected rate of return on a bond only-type portfolio) and statutory mortality tables. The lower interest rate means that Current Liability tends to be significantly higher than the Present Value of Accrued Benefits. This number has very little impact on multiemployer plans.

Normal Cost: The present value of all benefits that are expected to accrue or to be earned under the plan during the plan year. The way in which a benefit is considered to be earned varies with the actuarial cost method.

GLOSSARY OF COMMON PENSION TERMS (CONT.)

Funding

Funded Ratio (Funded Percentage): Present Value of Accrued Benefits divided by the Actuarial Value of Assets. This is one of two key measures used to determine a plan's annual PPA funded status. This may also be referred to as PPA Funded Ratio. This must be greater than 80% to avoid endangered status.

Credit Balance: The accumulated excess of actual contributions over legally required minimum contributions as maintained in the funding standard account. The funding standard account is maintained by the actuary in the valuation process and reported annually in schedule MB to the Form 5500 filing.

Accumulated Funding Deficiency: A negative credit balance, indicating an excess of total charges to the funding standard account over the total credits to such account. Prior to PPA, an accumulated funding deficiency caused an immediate excise tax (waiver under PPA if certain conditions are met). After PPA, a current or projected funding deficiency is one of the two main criteria used in determining the annual PPA status. It can eventually trigger an excise tax levied on contributing employers.

Funding Period: The estimated number of years it would take to pay off the Plan's unfunded liabilities (and be 100% funded). This calculation is based on the entry age normal liability basis. This is determined by taking the excess of expected contributions over expected normal cost and comparing it to the unfunded entry age accrued liability. This is a good single measure of plan health that looks at both current levels of funding and future expectations. It is also a good indicator of the level of risk the plan is taking in funding its future benefits.

Withdrawal Liability

Unfunded Vested Benefits (UVB): Present Value of Vested Benefits less the value of plan assets determined on either an actuarial or market value basis. The selection of asset measurement is part of the withdrawal liability method of the Plan.

Employer Withdrawal Liability (EWL): An employer that withdraws from a multiemployer plan is liable for its proportionate share of Unfunded Vested Benefits, determined as of the date of withdrawal.

Why it matters: If a contributing employer leaves the plan with Unfunded Vested Benefits liability, that employer's allocated share of Employer Withdrawal Liability is either assessed, as applicable, or reallocated among the plan's remaining active contributing employers. Employer Withdrawal Liability has both advantages and disadvantages to the plan. The main upside of Employer Withdrawal Liability is that its presence may encourage contributing employers to remain in the plan, helping other contributing employers. The disadvantage is that EWL may make it more difficult for a contributing employer to sell the company, and possibly may make it more challenging to secure loans and other lines of credit.

International Association of Machinists Motor City Pension Fund
EIN/Plan #: 38-6237143/001
Checklist Item #39 – 7.09 Copy of Rehabilitation Plan and 2 Most Recent Actuarial Valuations

Document 39.2(2)

The July 1, 2016 Actuarial Valuation Report

Please refer to the following pages.

International Association of Machinists Motor City Pension Fund

Actuarial Valuation Report
For Plan Year Commencing
July 1, 2016

United Actuarial Services, Inc.
Actuaries and Consultants

December 15, 2016

Board of Trustees
International Association of Machinists
Motor City Pension Fund

Dear Trustees:

We have been retained by the Board of Trustees of the International Association of Machinists Motor City Pension Fund to perform annual actuarial valuations of the pension plan. This report presents the results of our actuarial valuation for the plan year beginning July 1, 2016. The valuation results contained herein are based on current plan provisions summarized in Appendix A, the actuarial assumptions and methods listed in Appendix B and on financial statements audited by Wrubel, Wesley & Company. Participant data was provided by BeneSys, Inc. While we have reviewed the data for reasonableness in accordance with Actuarial Standards of Practice No. 23, we have not audited it. The data was relied on as being both accurate and comprehensive.

This report has been prepared in order to (1) assist the Trustees in evaluating the current actuarial position of the plan, (2) determine the minimum required and maximum deductible contribution amounts under Internal Revenue Code §431 and §404, (3) provide the fund's auditor with information necessary to comply with Accounting Standards Codification 960, and (4) document the plan's certified status under Internal Revenue Code §432 for the current year and provide the basis to certify such status for the subsequent year. In addition, information contained in this report will be used to prepare Schedule MB of Form 5500 that is filed annually with the IRS and could be used to calculate employer withdrawal liability. We are not responsible for the use of, or reliance upon, this report for any other purpose.

We have prepared this report in accordance with generally accepted actuarial principles and practices and have performed such tests as we considered necessary to assure the accuracy of the results. The results have been determined on the basis of actuarial assumptions that, in my opinion, are appropriate for the purposes of this report, are individually reasonable and in combination represent my best estimate of anticipated experience under the plan. Actuarial assumptions may be changed from previous valuations due to changes in mandated requirements, plan experience resulting in changes in expectations about the future, and/or other factors. An assumption change does not indicate that prior assumptions were unreasonable when made. For purposes of current liability calculations, assumptions are prescribed by regulation or statute. By relying on this valuation report, the Trustees confirm they have accepted the assumptions contained in the report.

The results are based on my best interpretation of existing laws and regulations and are subject to revision based on future regulatory or other guidance.

Future actuarial measurements may differ significantly from the current measurements presented in this report due to such factors as the following: plan experience differing from that anticipated by the economic or demographic assumptions, changes in economic or demographic assumptions, increases or decreases expected as part of the natural operation of the methodology used for these measurements (such as the end of an amortization period or additional cost or contribution requirements based on the plan's funded status), and changes in plan provisions or applicable law.

United Actuarial Services, Inc. does not provide, nor charge for, investment, tax or legal advice. None of the comments made herein should be construed as constituting such advice. We are not aware of any direct or material indirect financial interest or relationship that could create a conflict of interest that would impair the objectivity of our work.

The undersigned actuary meets the Qualification Standards of the American Academy of Actuaries to render the actuarial opinion contained in this report.

We are available to respond to any questions you may have about this report.

UNITED ACTUARIAL SERVICES, INC.

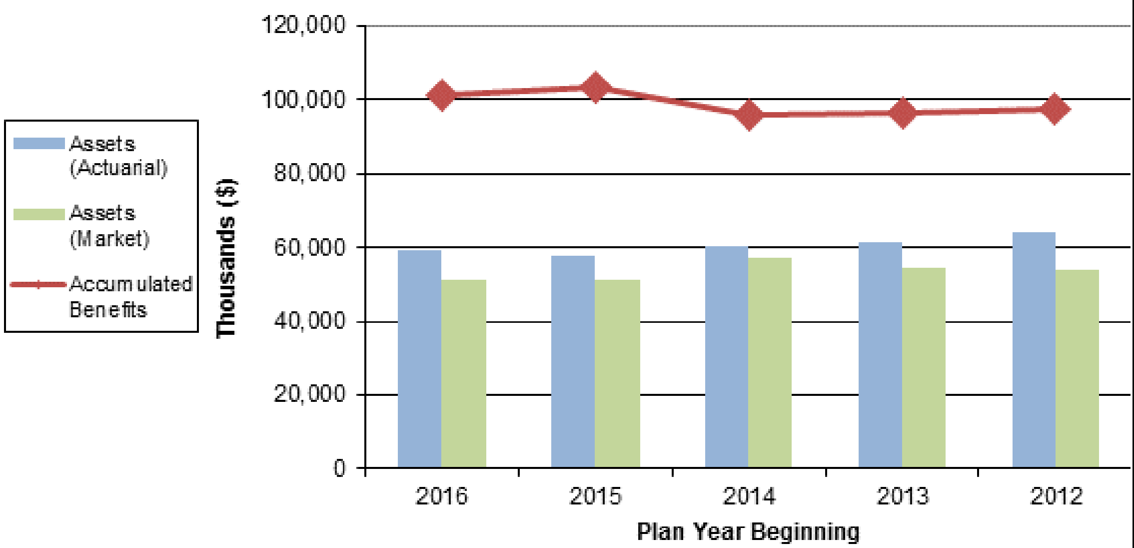
Enrolled Actuary
Redacted by the U.S. Department of the Treasury
[redacted]
Paul Bullock, ASA, EA, MAAA
Vice President

TABLE OF CONTENTS

PART I: SUMMARY OF RESULTS

5 - YEAR SUMMARY OF VALUATION RESULTS

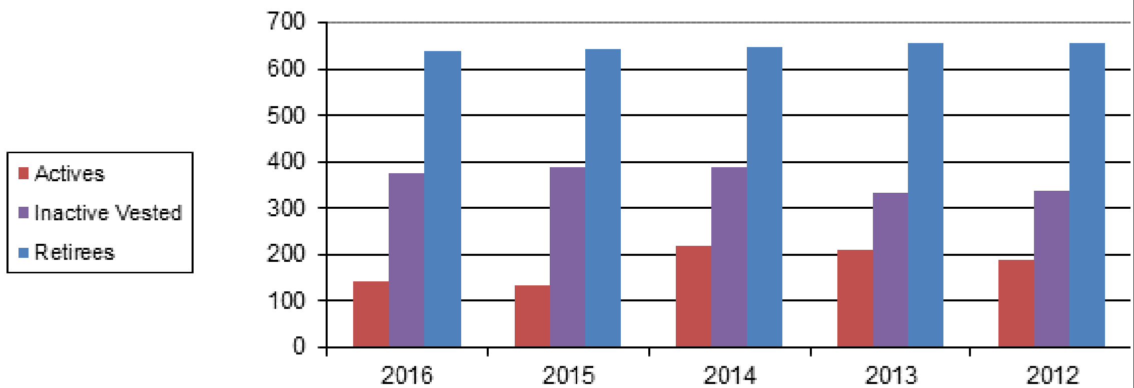
Actuarial Study as of July 1,	*2015*	*2014*	*2013*	*2012*	*2011*
PPA funded status	Crit. & Decl.	Crit. & Decl.	Critical	Critical	Critical
Progress under FIP/RP	Yes	Yes	Yes	No	No
Funded ratio					
PPA certification	57.9%	61.2%	63.2%	63.5%	65.9%
Valuation report	58.6%	55.9%	62.7%	63.5%	65.7%
Date of first projected funding deficiency					
PPA certification	6/30/17	6/30/16	6/30/15	6/30/14	6/30/12
Valuation report	6/30/17*	6/30/16	6/30/15	6/30/14	6/30/13
Asset values ($ 000)					
Market	51,182	50,999	57,104	54,250	54,122
Actuarial	59,207	57,793	60,051	61,187	63,986
Accumulated ben. ($ 000)	100,968	103,418	95,774	96,373	97,452



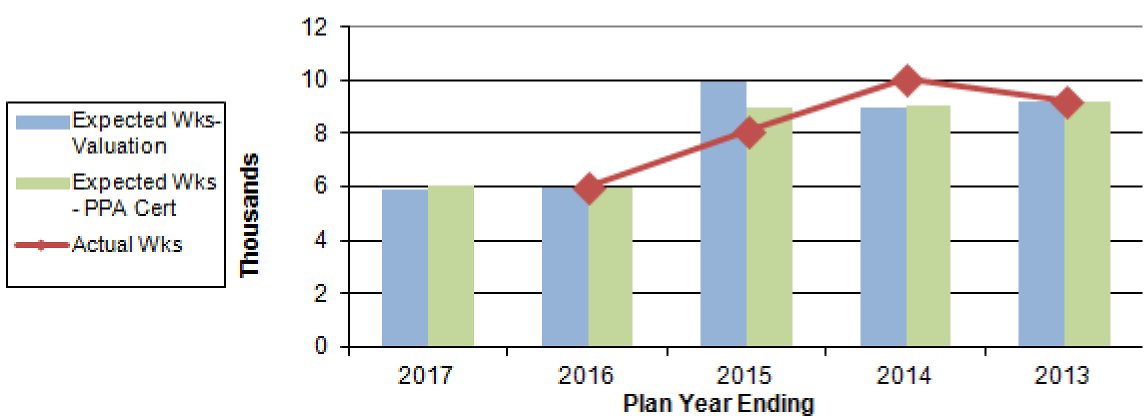
* Based on assumptions used for the credit balance projection graph as shown on page B-6

5 - YEAR SUMMARY OF DEMOGRAPHICS

Actuarial Study as of July 1,	*2016*	*2015*	*2014*	*2013*	*2012*
Active	141	133	219	208	188
Inactive vested	377	387	329	332	339
Receiving benefits	638	644	649	657	655
Total	1,156	1,164	1,197	1,197	1,182
Active/retiree ratio	0.22	0.21	0.34	0.32	0.29
Active/inactive ratio	0.14	0.13	0.22	0.21	0.19
Unrecorded dates of birth	-	-	3	15	-
Average entry age	30.6	30.9	30.2	30.8	31.0
Average attained age	42.4	44.1	44.1	45.3	47.2



History of Weeks



CHANGES FROM PRIOR STUDY

Changes in Plan Provisions

The plan provisions underlying this valuation are the same as those valued last year.

Changes in Actuarial Assumptions and Methods

The actuarial assumptions and methods used in this valuation differ from those used in the prior valuation in the following respects:

- The assumed mortality rates were changed from the RP-2014 Blue Collar Generational Mortality Table for employees and healthy annuitants with a 2-year set forward projected using the MP-2014 projection scale to 110% of the RP-2014 Blue Collar Mortality Table for employees and healthy annuitants adjusted backward to 2006 with the MP-2014 projection scale and projected forward using the MP-2016 projection scale. This change was made in order to better reflect anticipated improvements in mortality rates for each future year due to medical advances and lifestyle changes.

- The assumed withdrawal rates were changed from 3-year select rates of 15%, to 4-year select rates of 20%, 20%, 20% and 10%. Also withdrawal rates by age after the select period were also increased according to the table in Appendix B. This change reflects our best estimate of future withdrawal patterns based on recent plan experience.

- The assumed retirement rates were changed according to the schedule in Appendix B to represent our best estimate of future retirement patterns based on recent plan experience.

- The pop-up load for non-disabled retirees was removed. The actual value of the pop-up is now measured for each individual retiree.

- The pop-up load was decreased for disabled retirees receiving a joint and survivor form of benefit who retired after January 1, 2009 from 1.2% to 0.7%. This load remains because our software still cannot directly value a disabled benefit pop-up.

- We changed the optional form assumption from 100% of married participants electing a life only form of benefit at retirement to 25% of married participants assumed to elect a joint and 50% form of benefit, 30% of married participants assumed to elect a joint and 75% form of benefit and 45% of married participants assumed to elect a life only form of benefit. This change is based on recent benefit election experience and reflects our best estimate.

- The percentage of participants assumed married was changed from 80% to 75%. This is based on recent experience at retirement and represents our best estimate.

- The current liability interest rate was changed from 3.34% to 3.18%. The new rate is within established statutory guidelines.

HISTORY OF MAJOR ASSUMPTIONS

Assumption	Actuarial Study as of July 1, 2016	2015	2014	2013	2012
Future rate of net investment return	7.50%	7.50%	8.00%	8.00%	8.00%
Mortality table	RP 2014	RP-2014	RP-2000	RP-2000	RP-2000
Adjustment	110%	2 yr. sf.	2 yr. sf.	2 yr. sf.	2 yr. sf.
Projection Scale	MP-2016	MP-2014	AA	AA	AA
Future expenses	$ 240,000	$ 240,000	$ 240,000	$ 240,000	$ 240,000
Average future weekly contribution rate*					
Credited	$122.34	$124.34	$105.85	$107.82	$109.36
Non-credited	143.56	144.70	110.50	104.11	93.33
Total	$265.90	$269.04	$216.35	$211.93	$202.69
*Average future annual weeks**	42	45	45	43	49
Average expected retirement age**					
Actives	62.3	63.1	62.9	60.1	60.1
Inactive vested	60.6	60.5	60.3	64.7	64.7

* Actual average derived from application of assumptions specified in Appendix B.
** Resulting from the application of the retirement probabilities shown in Appendix B to active participants.

EXPERIENCE VS. ASSUMPTIONS

Comparing the prior year's experience to assumptions provides indications as to why overall results may differ from those expected

Actuarial assumptions are used to project certain future events related to the pension plan (e.g. deaths, withdrawals, investment income, expenses, etc.). While actual results for a single plan year will rarely match expected experience, it is intended that the assumptions will provide a reasonable long term estimate of developing experience.

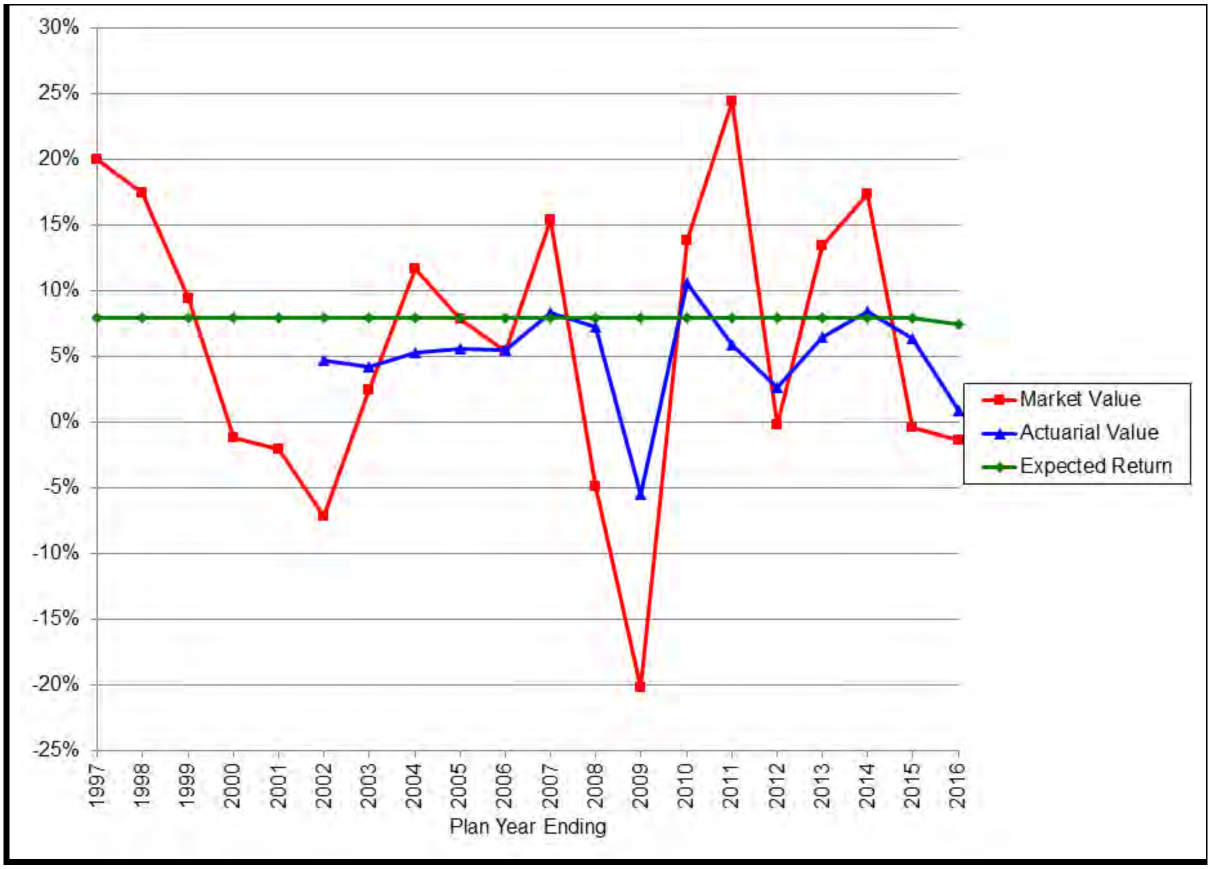
The following table provides a comparison of expected outcomes for the prior plan year with the actual experience observed during the same period. This display may provide insight as to why the plan's overall actuarial position may be different from expected.

Plan Year Ending June 30, 2016	Expected	Actual
Decrements		
Terminations		22
less*: Rehires*		2
Terminations (net of rehires)	6.9	20
Retirements	2.5	4
Disabilities	-	-
Deaths - pre-retirement	2.8	2
Deaths - post-retirement	25.3	30
Asset assumptions		
Rate of net investment return on actuarial value	7.50%	0.94%
Net expenses	$ 240,000	$ 250,224
Other demographic assumptions		
Average retirement age from active (new retirees)	60.4	60.4
*Average retirement age from inactive (new retirees)**	60.5	59.6
Average entry age (new entrants)	30.9	30.3
Weeks worked per active	45	42
Total weeks worked (valuation assumption)	5,962	5,993
Total weeks worked (PPA certification assumption)	5,962	5,993
Unfunded liability (gain)/loss		
(Gain)/loss due to asset experience		$ 3,819,676
(Gain)/loss due to liability experience		(188,836)
Total (gain)/loss		$ 3,630,840

* Expected average based on the average for the total group of participants.

RATE OF RETURN ON FUND ASSETS

Historical Rates of Net Investment Return



Average Rates of Net Investment Return (dollar weighted)

Period	Return on Market Value Period Ending June 30, 2016	Return on Market Value Period Ending June 30, 2015	Return on Actuarial Value Period Ending June 30, 2016	Return on Actuarial Value Period Ending June 30, 2015
One year	-1.33%	-0.39%	0.94%	6.37%
5 years	5.72%	11.26%	4.94%	5.81%
10 years	4.43%	4.90%	5.11%	4.18%
15 years	3.97%	3.52%	4.35%	n/a
20 years	5.74%	6.64%	n/a	n/a

UNFUNDED VESTED BENEFITS/EMPLOYER WITHDRAWAL LIABILITY

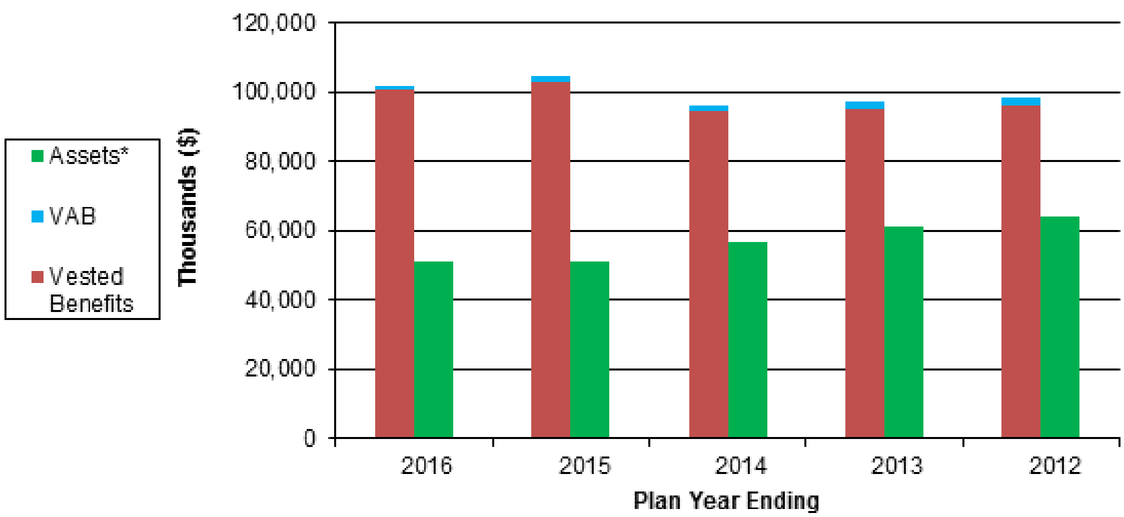
An employer withdrawing during the coming year may have withdrawal liability

The following table shows a history of the plan's unfunded vested benefits (UVB) required to compute a specific employer withdrawal liability under the rolling 5 method.

In accordance with IRC Section 432(e)(9)(A) and PBGC Technical Update 10-3, the impact of reducing adjustable benefits is reflected by adding the unamortized portion of the value of affected benefits (VAB) to the most recent year's unfunded vested benefits pool.

Rolling 5 Method ($ 000)

June 30,	*2016*	*2015*	*2014*	*2013*	*2012*
Vested benefits interest	7.50%	7.50%	8.00%	8.00%	8.00%
Vested benefits	100,620	103,136	94,669	95,368	96,321
less: Asset value*	51,182	50,999	57,104	61,187	63,986
UVB	49,438	52,137	37,565	34,181	32,335
Unamortized VAB	1,546	1,680	1,805	1,920	2,027



* Actuarial value through 2013, market value thereafter

TERMINATION BY MASS WITHDRAWAL

Under mass withdrawal assumptions, plan assets do not exceed plan liabilities

If all employers were to cease to have an obligation to contribute to the plan, the plan would be considered "terminated due to mass withdrawal." In this event, the Trustees would have the option of distributing plan assets in satisfaction of all plan liabilities through the purchase of annuities from insurance carriers or payment of lump sums. If assets are insufficient to cover liabilities, a special actuarial valuation pursuant to Section 4281 of ERISA would be performed as of the end of the plan year in which the mass withdrawal occurred. If the Section 4281 valuation indicates the value of nonforfeitable benefits exceeds the value of plan assets, employer withdrawal liability would be assessed.

The ERISA Section 4281 valuation described above uses required actuarial assumptions that are typically more conservative than those used for valuing an on-going plan. In order to illustrate the impact of the mass withdrawal assumptions, we performed an illustrative Section 4281 valuation as if mass withdrawal had occurred during the prior plan year. The value of assets used below is market value without any adjustments for outstanding employer withdrawal liability claims. As required by regulation, interest rates of 2.77% for the first 20 years and 2.86% for each year thereafter and the GAM 94 Basic Table projected to 2026 mortality table were used.

Illustrative Section 4281 Valuation as of June 30, 2016

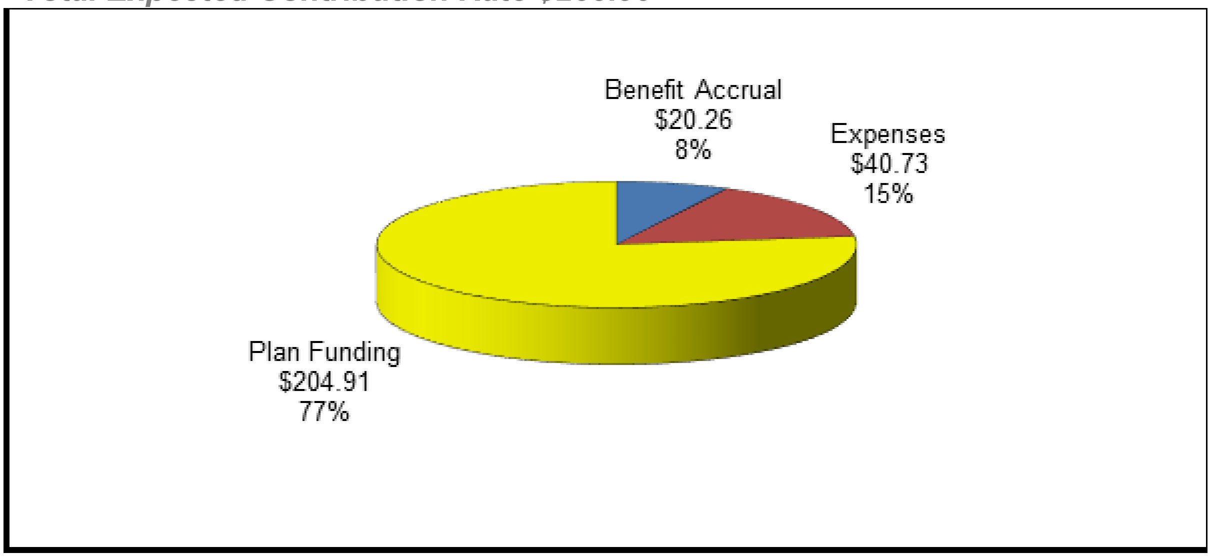
Value of nonforfeitable benefits		
Participants currently receiving benefits	$	123,562,171
Inactive vested participants		34,761,341
Active participants		10,906,899
Expenses (per Section 4281 of ERISA)		1,119,190
		170,349,601
less: Fund assets (market value)		51,181,760
Value of nonforfeitable benefits in excess of (less than) fund assets	$	119,167,841

CONTRIBUTION ALLOCATION

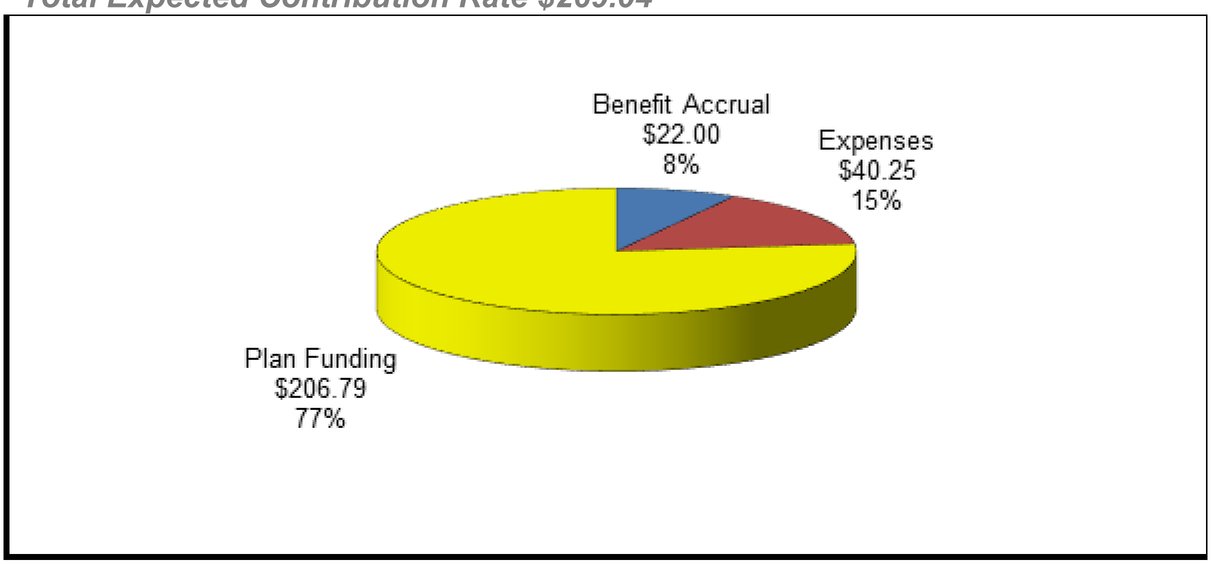
These graphs show how the contributions are being spent

The following allocation charts illustrate how the expected contribution rate for the coming plan year will be “spent” to pay for benefits being earned in the current year, plan expenses, and funding of past unfunded liabilities.

Contribution Allocation as of July 1, 2016
Total Expected Contribution Rate $265.90



Contribution Allocation as of July 1, 2015
Total Expected Contribution Rate $269.04



FUNDED RATIOS

The funded ratio can be used as an indication of ongoing funding progress

The present value of vested accumulated benefits is the amount that would have to be invested as of the valuation date in order to pay, when due, the benefits accrued and vested as of the valuation date. This calculation assumes fund assets will earn interest at the assumed rate and all other aspects of the fund's experience will follow the actuarial assumptions. Similarly, the present value of all accumulated benefits is the amount necessary to fund all benefits accrued as of the valuation date.

The extent to which the value of vested, accumulated benefits and total accumulated benefits are funded provides a "snapshot" measure of the plan's funded status as of the valuation date.

Present Value of Accumulated Benefits/ Funded Ratios Actuarial Study as of July 1,		***2016***		***2015***
Present value of vested accumulated benefits				
Participants currently receiving benefits	$	79,245,612	$	81,113,698
Inactive vested participants		16,577,026		16,492,151
Active participants		4,797,630		5,530,478
Total		100,620,268		103,136,327
Nonvested accumulated benefits		347,617		281,382
Present value of all accumulated benefits	$	100,967,885	$	103,417,709
Actuarial value of assets	$	59,206,665	$	57,793,092
Market value of assets	$	51,181,760	$	50,999,106
Funded ratios (Actuarial value used for PPA)				
Vested benefits		58.8%		56.0%
All accumulated benefits		58.6%		55.9%
Funded ratios (Market value)				
Vested benefits		50.9%		49.4%
All accumulated benefits		50.7%		49.3%
Interest rate used to value benefits		7.50%		7.50%

FUNDING STANDARD ACCOUNT

The minimum funding requirements have not been met for the most recent plan year

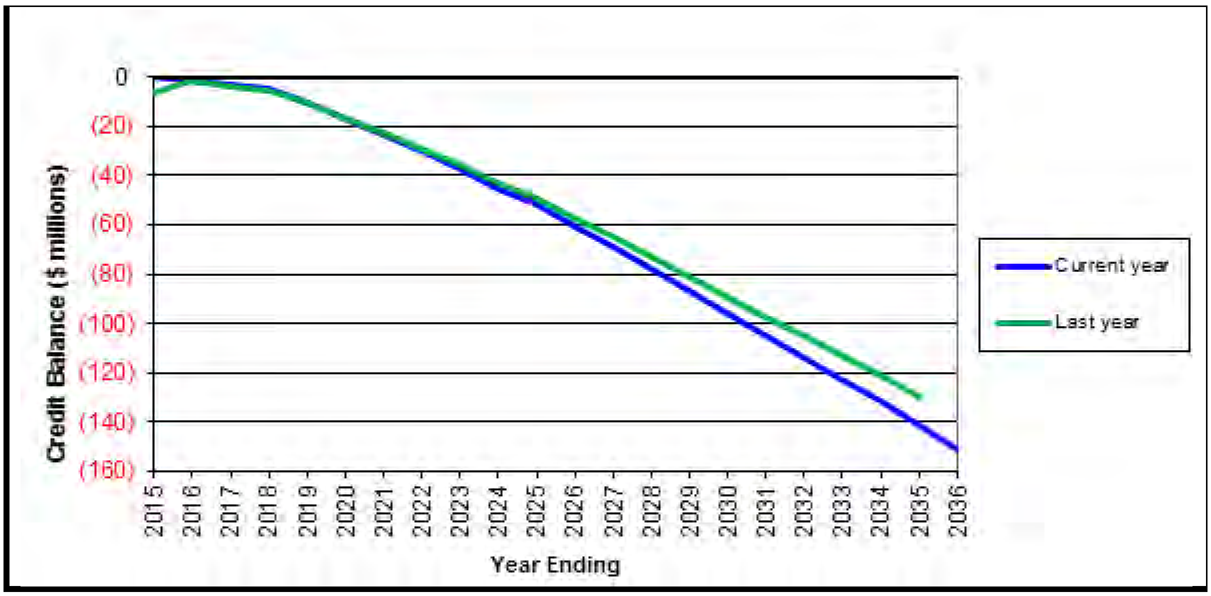
The Funding Standard Account is used to determine whether the plan meets the minimum funding requirements established by ERISA. Such a determination is done by subtracting the year's charges from the credits. A positive result establishes a credit balance that represents the amount the plan is in excess of the minimum required contribution on a cumulative basis. A negative result represents a funding deficiency which could produce excise taxes (except under certain circumstances when the plan is following a funding improvement plan or a rehabilitation plan). The projected values use the assumptions summarized on page B-6 of the appendix.

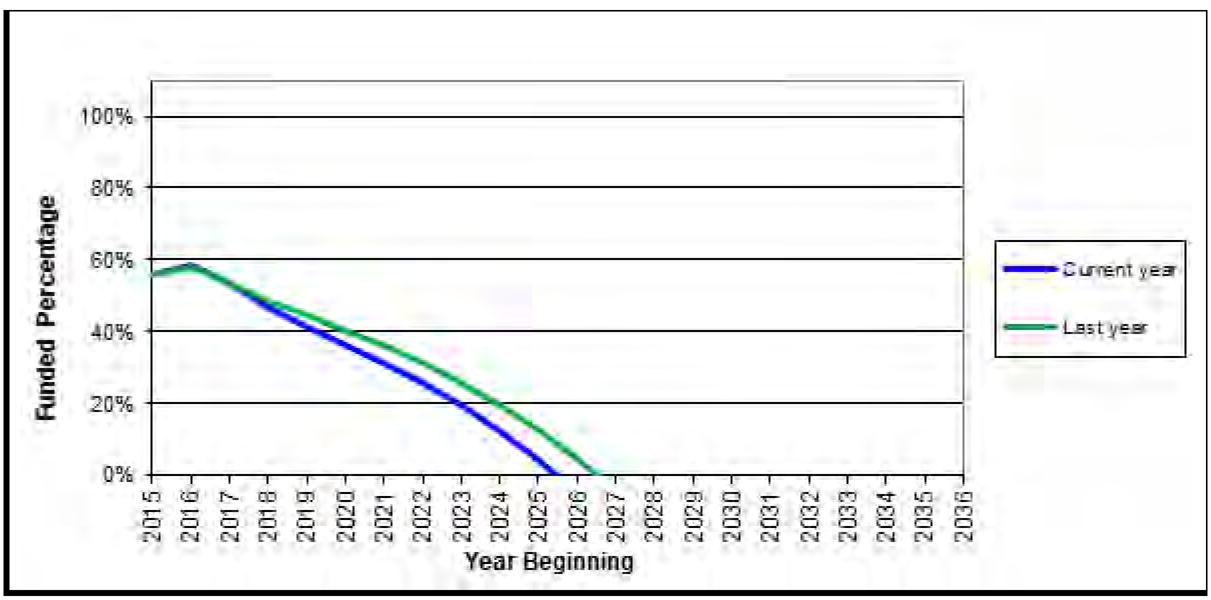
Funding Standard Account Plan Year Ending June 30,	*2017 (Projected)*	*2016 (Final)*
Charges		
Prior year funding deficiency	$ 1,120,642	$ 6,028,373
Normal cost (including expenses)	442,751	357,760
Amortization charges (see Appendix C)	8,923,116	9,605,099
Interest on above	786,489	1,199,344
Total charges	11,272,998	17,190,576
Credits		
Prior year credit balance	-	-
Employer contributions	2,192,835	9,795,745
Amortization credits (see Appendix C)	5,614,626	5,494,743
Interest on above	503,328	779,446
ERISA full funding credit	-	-
Total credits	8,310,789	16,069,934
Credit balance (credits less charges)	$ (2,962,209)	$ (1,120,642)

PROJECTION OF CREDIT BALANCE AND FUNDED RATIO

These graphs show projections of the two biggest drivers of PPA status

The following graphs provide more information about the two most important statistics used in the determination of the PPA Funded Status. The first graph shows the ERISA credit balance (a negative credit balance indicates a projected funding deficiency). The second graph shows the funded ratio. Both graphs illustrate projected results for the next 20 years using the assumptions summarized on page B-6 of the appendix.





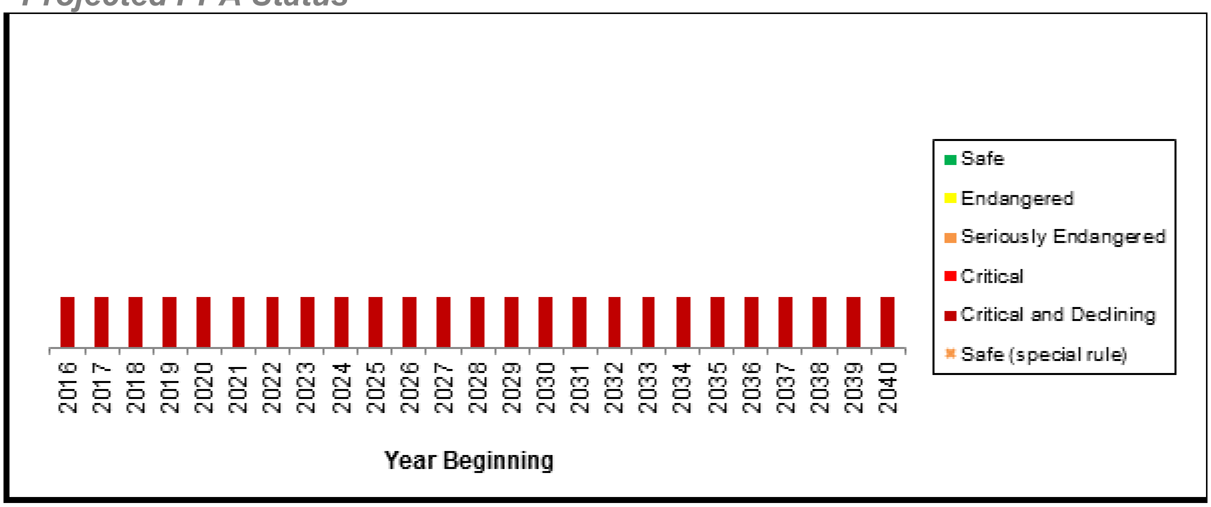
PPA Funding Status Report

The plan is in Critical and Declining status for 2016

The Pension Protection Act of 2006 (PPA), as amended by the Multiemployer Pension Reform Act of 2014 ("MPRA"), requires all multiemployer pension plans to obtain an annual status certification. The possible statuses are: "Endangered", "Seriously Endangered", "Critical", "Critical and Declining" or none of these. As the plan's actuary, we must complete the status certification within 90 days of the beginning of the plan year, and we must also certify whether or not the plan has made scheduled progress if its funding improvement or rehabilitation period has begun. The criteria for these determinations are outlined in Appendix D. Due to the timing requirement affecting PPA certifications, they are performed based on data different from that used in this report (see certification letter for additional details). The results are summarized below. The projection graph uses the assumptions summarized on page B-6 of the appendix.

Description	Values Used for PPA Certification	
	2016	2015
Funded ratio	57.9%	61.2%
Date of first projected funding deficiency	6/30/2017	6/30/2016
Years of benefit payments in assets	8+	8+
Year of projected insolvency	2025-26 plan year	2027-28 plan year
Ratio of inactive to active participants	7.75	4.47
Certified PPA status	Critical & Declining	Critical & Declining
Making progress under FIP/RP	Yes	Yes

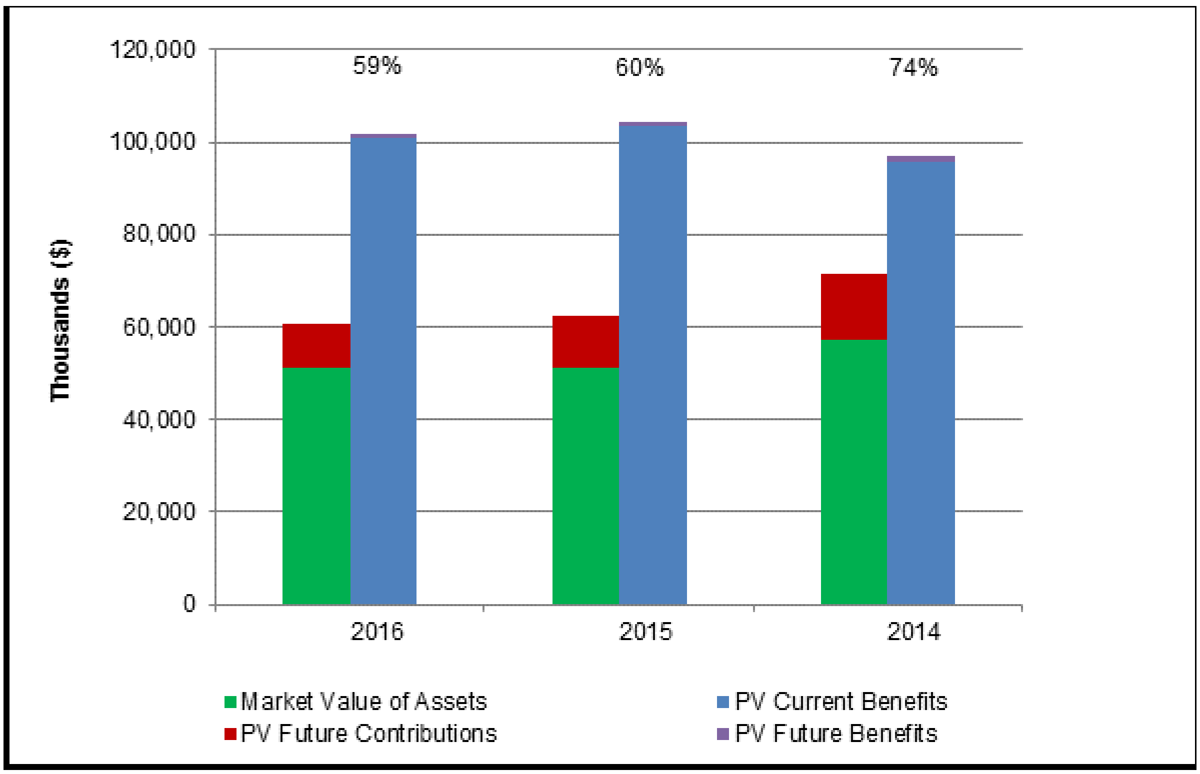
Projected PPA Status



ULTIMATE FUNDED STATUS

Ultimate funded status is a snapshot measure of contribution sufficiency

The ultimate funded status is a measure used to see how well funded the current population is. It compares the present value of benefits for both past and future service to the current market value of assets plus the present value of future contributions. The ultimate funded status for the two most recent plan years is shown in the graph below. The present values of benefits and contributions include only current participants and assume no future contribution rate increases. The percentage above the bars is the ratio of assets and future contributions to the value of total benefits.



SENSITIVITY ANALYSIS

The table below illustrates the impact on the plan when experience varies from key assumptions

Currently, the plan is projected to become insolvent in the 2025-26 plan year or about 9 years out. Considering that experience rarely matches our assumptions exactly, we developed the table below to demonstrate the impact that variations in certain key assumptions would have on the plan's projected plan year of insolvency. We examined future weeks assumptions equal to the baseline (as stated on page B-6 of the report), 10% lower, and 10% higher. We examined asset returns for the 2016-17 plan year of 10.00%, 7.50%, 4.00%, and 0.00%.

Weeks Assumption		Return for the 2016-17 PY (6.75% Thereafter*)			
		10.00%	6.75%	4.00%	0.00%
5% Lower 5,597 in all years	First insolvent plan year	2025-26 (9 years out)	2025-26 (9 years out)	2025-26 (9 years out)	2024-25 (8 years out)
Baseline 5,892 in all years	First insolvent plan year	2025-26 (9 years out)	2025-26 (9 years out)	2025-26 (9 years out)	2024-25 (8 years out)
5% Higher 6,187 in all years	First insolvent plan year	2026-27 (10 years out)	2025-26 (9 years out)	2025-26 (9 years out)	2024-25 (8 years out)

*The rate of return is assumed to be 6.75% through the end of the 2025-26 plan year. Afterwards, it reverts to the 7.50% assumption.

PART II: SUPPLEMENTAL STATISTICS

PARTICIPANT DATA RECONCILIATION

The participant data reconciliation table below provides information as to how the plan's covered population changed since the prior actuarial study. Such factors as the number of participants retiring, withdrawing and returning to work have an impact on the actuarial position of the pension fund.

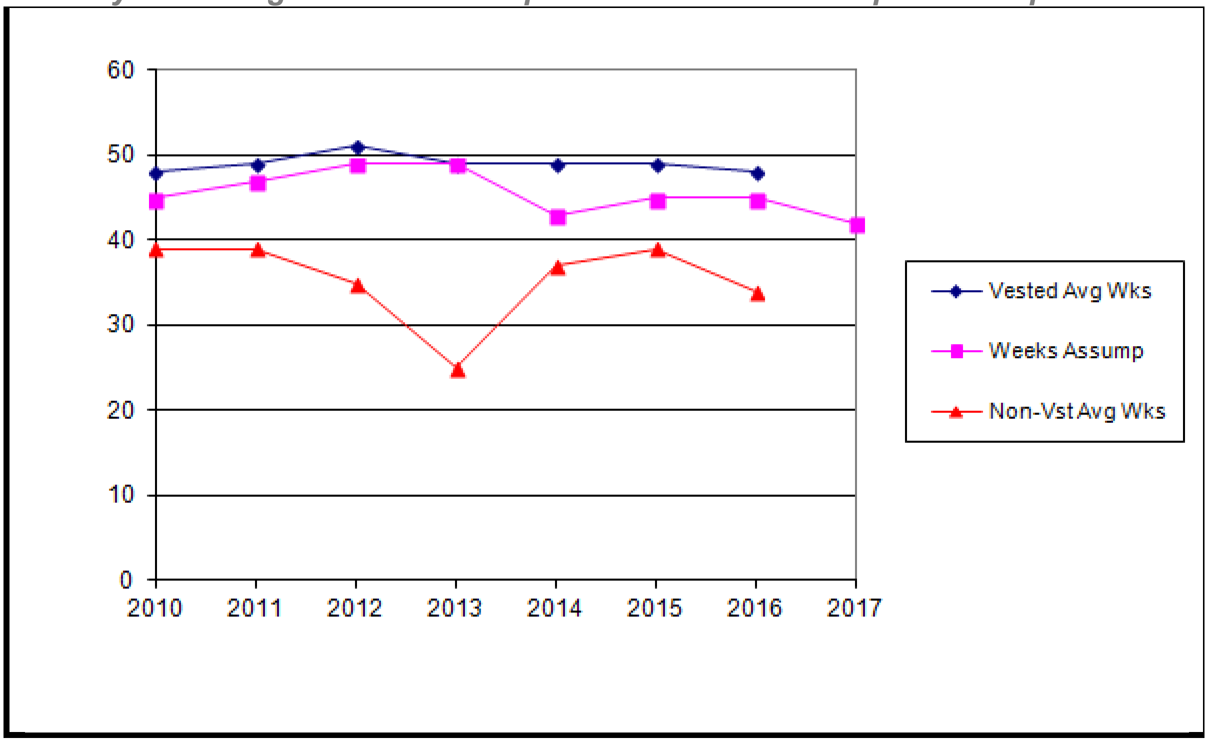
Participants Valued As	*Active*	*Inactive Vested*	*Receiving Benefits*	*Total Valued*
July 1, 2015	133	387	644	1,164
Change due to:				
New hire	32	-	-	32
Rehire	2	(2)	-	-
Termination	(22)	7	-	(15)
Disablement	-	-	-	-
Retirement	(4)	(12)	16	-
Death	-	(2)	(30)	(32)
Cash out	-	-	-	-
New beneficiary	-	1	8	10
Certain pd. expired	-	-	-	-
Data adjustment	-	(2)*	-	(3)
Net change	8	(10)	(6)	(8)
July 1, 2016	141	377	638	1,156

* Includes 2 participants who are over age 70 and now assumed to be dead.

WEEKS WORKED DURING PLAN YEAR

Plan Year Ending June 30, 2016	Number	Weeks Worked	Average Weeks Worked
Actives			
Vested	77	3,731	48
Non-vested, continuing	32	1,427	45
Non-vested, new entrant	32	734	23
Total active	141	5,892	42
Others	8	101	13
Total for plan year	149	5,993	40

History of Average Actual and Expected Weeks Worked per Participant



CONTRIBUTIONS MADE DURING PLAN YEAR

Employer Credited Contributions Reported in Employee Data

Plan Year Ending June 30, 2016	Number		Credited Contributions Reported
Actives			
Vested	77	$	455,628
Non-vested, continuing	32		180,193
Non-vested, new entrant	32		88,953
Total valued as active	141		724,774
Others	8		16,862
Total for plan year	149	$	741,636

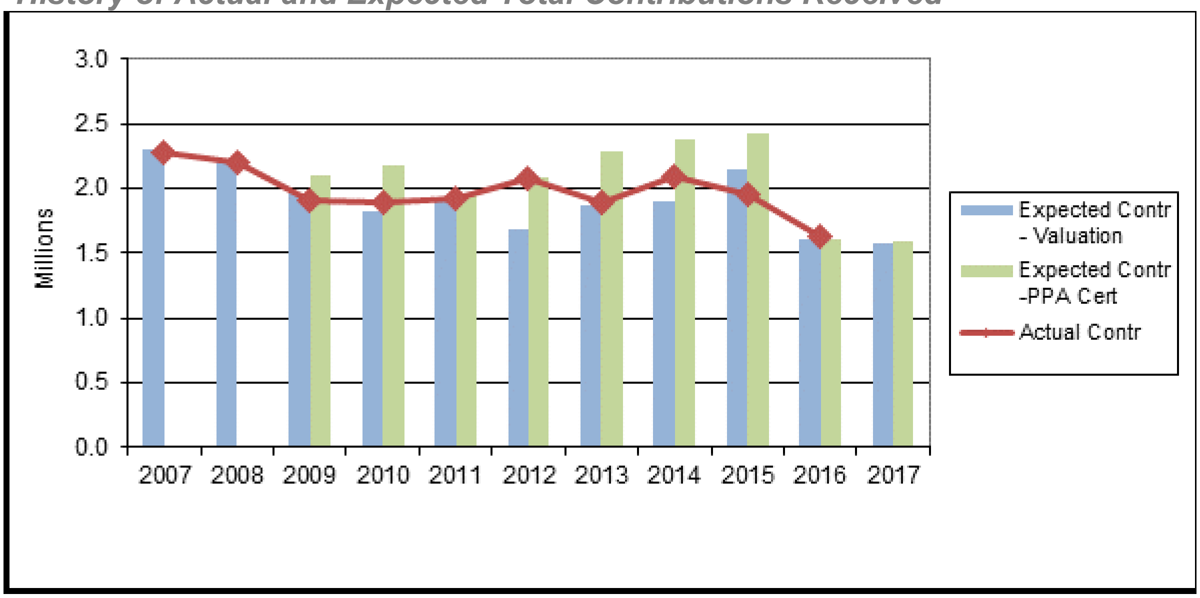
Average credited weekly contribution rate	$	123.75

Comparison with Audited Employer Contributions

Employer credited contributions reported in data	$	741,636
Adjusted total employer contributions reported	$	1,605,626
Total audited employer contributions*	$	1,635,146
Percent reported		98%

* Excludes employer withdrawal liability payments.

History of Actual and Expected Total Contributions Received*



* Excludes employer withdrawal liability payments.

ACTIVE INFORMATION

Active Participants by Age and Service as of July 1, 2016

Age	Years of Service										
	<1	1-4	5-9	10-14	15-19	20-24	25-29	30-34	35-39	40+	Total
< 25	6	10	-	-	-	-	-	-	-	-	16
25-29	3	20	-	-	-	-	-	-	-	-	23
30-34	1	4	1	2	2	-	-	-	-	-	10
35-39	1	4	2	3	3	-	-	-	-	-	13
40-44	2	-	1	1	4	4	-	-	-	-	12
45-49	-	3	1	3	5	2	-	1	-	-	15
50-54	1	5	2	1	2	2	2	4	-	-	19
55-59	-	3	3	2	5	1	4	3	-	2	23
60-64	-	1	-	1	4	1	1	-	2	-	10
65-69	-	-	-	-	-	-	-	-	-	-	-
70+	-	-	-	-	-	-	-	-	-	-	-
Totals	14	50	10	13	25	10	7	8	2	2	141
Unrecorded DOB	-	-	-	-	-	-	-	-	-	-	-
Total Active Lives	14	50	10	13	25	10	7	8	2	2	141

INACTIVE VESTED INFORMATION

Inactive Vested Participants by Age as of July 1, 2016

Age Group	Number	Estimated Deferred Vested Benefits*
< 30	-	$ -
30-34	9	2,442
35-39	20	6,418
40-44	38	19,762
45-49	60	39,488
50-54	77	56,771
55-59	86	46,679
60-64	69	37,101
65-69	17	8,907
70+	1	226
Totals	377	217,794
Unrecorded birth date	-	-
Total inactive vested lives	377	$ 217,794

* Amount payable at assumed retirement age as used in the valuation process.

RETIREE INFORMATION

Benefits Being Paid by Form of Payment as of July 1, 2016

Form of Payment	Number	Monthly Benefits Being Paid: Total	Average	Smallest	Largest
Life only	173	$ 136,052	$ 786	$ 47	$ 4,699
Certain & life	70	170,635	2,438	184	5,091
Joint & survivor	223	314,651	1,411	55	4,626
Disability	14	24,712	1,765	385	4,102
Beneficiaries	158	79,945	506	23	3,057
Totals	638	$ 725,995	$ 1,138	$ 23	$ 5,091

Retirees by Age and Form of Payment as of July 1, 2016

Age Group	Form of Benefits Being Paid: Life Only	Certain & Life	Joint & Survivor	Disability	Total
< 45	-	-	-	-	-
45-49	1	-	-	-	1
50-54	2	-	4	1	7
55-59	15	11	17	1	44
60-64	25	18	31	6	80
65-69	45	22	62	3	132
70-74	26	11	37	3	77
75-79	22	7	36	-	65
80-84	16	-	24	-	40
85-89	13	1	12	-	26
90-94	5	-	-	-	5
95+	3	-	-	-	3
Totals	173	70	223	14	480
plus: Beneficiaries					158
Total receiving benefits					638

RETIREE INFORMATION (CONT.)

Age of Participants Retired During Last 5 Plan Years
(excludes beneficiaries and disability retirements)

Age at Retirement	Plan Year Ending June 30, 2016	2015	2014	2013	2012
< 49	-	-	-	-	-
49	1	-	-	-	-
50	-	-	-	-	-
51	-	-	-	1	-
52	2	1	1	-	1
53	-	1	-	1	1
54	-	-	2	-	1
55	-	1	-	2	-
56	-	-	-	1	-
57	-	1	-	-	-
58	2	-	1	1	1
59	-	1	-	1	1
60	1	1	-	-	2
61	1	-	1	3	2
62	5	2	2	4	4
63	1	1	2	1	1
64	1	-	1	-	-
65	1	2	2	-	5
66+	-	2	-	2	1
Totals	15	13	12	17	20

History of Average Retirement Ages
(excludes beneficiaries and disability retirements)

Retirement During Plan Year Ending In:	Number	Average Retirement Age
2016	15	59.8
2015	13	60.8
2014	12	60.7
2013	17	60.0
2012	20	61.4

PART III: ASSET INFORMATION

MARKET AND ACTUARIAL FUND VALUES

Asset information extracted from the fund's financial statements audited by Wrubel, Wesley & Company.

Market/Actuarial Value of Fund Investments as of June 30,	*2016*	*2015*	*2014*
Invested assets			
Common stocks and REITS	$ 20,979,668	$ 22,857,869	$ 29,558,719
Common/collective trusts	9,529,411	9,173,105	8,539,385
Mutual funds	15,038,088	14,781,590	11,604,043
Corporate debt	-	-	3,072,233
U.S. gov't securities	8	20	884,512
Cash	5,484,248	4,595,054	3,190,010
Prepaid insurance	8,414	7,246	71,777
	51,039,837	51,414,884	56,920,679
Net receivables*	141,923	(415,778)	182,849
Market value	$ 51,181,760	$ 50,999,106	$ 57,103,528
Fund assets - Actuarial value			
Market value	$ 51,181,760	$ 50,999,106	$ 57,103,528
less*: Deferred investment gains and (losses)*	(8,024,905)	(6,793,986)	(2,947,213)
Actuarial value	$ 59,206,665	$ 57,793,092	$ 60,050,741
Actuarial value as a percentage of market value	115.68%	113.32%	105.16%

* Equals receivables, less any liabilities

FLOW OF FUNDS

Asset information extracted from the fund's financial statements audited by Wrubel, Wesley & Company.

Plan Year Ending June 30,		*2016*		*2015*		*2014*
Market value at beginning of plan year	$	50,999,106	$	57,103,528	$	54,250,488
Additions						
Employer contributions		9,795,745		2,971,865		2,897,977
*Net investment income**		(683,628)		(210,398)		8,908,395
Other income		6,428		23,432		3,710
		9,118,545		2,784,899		11,810,082
Deductions						
Benefits paid		8,685,665		8,661,661		8,777,479
*Net expenses**		250,224		227,660		179,563
		8,935,889		8,889,321		8,957,042
Net increase (decrease)		182,656		(6,104,422)		2,853,040
Adjustment		(2)		-		-
Market value at end of plan year	$	51,181,760	$	50,999,106	$	57,103,528
Cashflow**						
Contr.-ben.-exp.		859,856		(5,917,456)		(6,059,065)
Percent of assets		1.68%		-11.60%		-10.61%
Estimated net investment return						
On market value		-1.33%		-0.39%		17.39%
On actuarial value		0.94%		6.37%		8.46%

* Investment expenses have been offset against gross investment income.
** Cash flow for 2016 was skewed due to a large EWL payoff made during the plan year

INVESTMENT GAIN AND LOSS

Investment Gain or Loss
Plan Year Ending June 30, 2016

Expected market value at end of plan year		
Market value at beginning of plan year	$	50,999,106
Employer contributions and non-investment income		9,802,171
Benefits and expenses paid		(8,935,889)
Expected investment income (at 7.50% rate of return)		3,857,418
		55,722,806
Actual market value at end of plan year		51,181,760
less: Expected market value		55,722,806
Investment gain or (loss)	$	(4,541,046)

History of Gains and (Losses)

Plan Year Ending June 30,		Investment Gain or (Loss)
2016	$	(4,541,046)
2015		(4,542,919)
2014		4,810,570
2013		2,785,825
2009		(20,738,548)

Deferred Investment Gains and (Losses)*

Plan Year Ending June 30,	Amount of Gain or (Loss) Deferred as of June 30, 2016		2017		2018		2019	
2016	$	(3,632,837)	$	(2,724,628)	$	(1,816,418)	$	(908,209)
2015		(2,725,751)		(1,817,168)		(908,584)		-
2014		1,924,228		962,114		-		-
2013		557,165		-		-		-
2009		(4,147,710)		(2,073,855)		-		-
Totals	$	(8,024,905)	$	(5,653,537)	$	(2,725,002)	$	(908,209)

* 10-year smoothing was elected with respect to the loss incurred during plan year ending 2009. Gains and losses for the 2010, 2011, and 2012 plan year have been fully recognized.

PART IV: ENROLLED ACTUARY'S REPORT

NORMAL COST/ACTUARIAL LIABILITY

Normal Cost as of July 1,		*2016*		*2015*
Active participants - service prior to valuation date	$	-	$	-
Active participants - service after valuation date		115,040		126,435
Anticipated administrative expenses (beg. of year)		231,325		231,325
Total normal cost	$	346,365	$	357,760

Unfunded Actuarial Liability as of July 1,		*2016*		*2015*
Actuarial liability				
Participants currently receiving benefits	$	79,245,612	$	81,113,698
Inactive vested participants		16,788,255		16,730,680
Active participants - service prior to val. date		4,934,018		5,573,331
Active participants - service after val. date		-		-
		100,967,885		103,417,709
less: Fund assets (actuarial value)		59,206,665		57,793,092
Unfunded actuarial liability (not less than 0)	$	41,761,220	$	45,624,617

ACTUARIAL LIABILITY RECONCILIATION/PROJECTION

Reconciliation of Unfunded Actuarial Liability

Expected unfunded actuarial liability as of June 30, 2016		
Unfunded actuarial liability as of July 1, 2015	$	45,624,617
Normal cost (including expenses)		357,760
Actual contributions		(9,795,745)
Interest to end of plan year		3,081,336
		39,267,968
Increase (decrease) due to:		
Experience (gain) or loss		3,630,840
Plan amendment		-
Change in actuarial assumptions		(1,137,588)
Change in actuarial method		-
Net increase (decrease)		2,493,252
Unfunded actuarial liability as of July 1, 2016	$	41,761,220

Projection of Actuarial Liability to Year End

Actuarial liability as of July 1, 2016	$	100,967,885
Expected increase (decrease) due to:		
Normal cost (excluding expenses)		115,040
Benefits paid		(9,365,111)
Interest on above		(342,564)
Interest on actuarial liability		7,572,591
Net expected increase (decrease)		(2,020,044)
Expected actuarial liability as of June 30, 2017	$	98,947,841

FUNDING PERIOD

Funding Period Calculation *Actuarial Study as of July 1,*		*2016*		*2015*
Unfunded actuarial liability				
Actuarial liability	$	101,329,774	$	103,778,717
less: *Fund assets (actuarial value)*		59,206,665		57,793,092
		42,123,109		45,985,625
Funds available to amortize unfunded				
Anticipated contributions (beg. of yr.)		1,510,046		1,546,067
less: *Normal cost (including expenses)*		318,600		346,351
	$	1,191,446	$	1,199,716
Funding period (years)		*		*

* Anticipated contributions are insufficient to pay normal cost and amortize unfunded liability.

CURRENT LIABILITY

Current Liability as of July 1, 2016

Vested current liability		
Participants currently receiving benefits	$	116,172,803
Inactive vested participants		32,120,966
Active participants		10,078,556
		158,372,325
Nonvested current liability		
Inactive vested participants		163,052
Active participants		208,903
		371,955
Total current liability	$	158,744,280

Projection of Current Liability to Year End

Current liability as of July 1, 2016	$	158,744,280
Expected increase (decrease) due to:		
Benefits accruing		265,676
Benefits paid		(9,365,111)
Interest on above		(140,457)
Interest on current liability		5,048,068
Net expected increase (decrease)		(4,191,824)
Expected current liability as of June 30, 2017	$	154,552,456

FULL FUNDING LIMIT

Projection of Assets for Full Funding Limit		Market Value		Actuarial Value
Asset value as of July 1, 2016	$	51,181,760	$	59,206,665
Expected increase (decrease) due to:				
Investment income		3,478,440		4,080,308
Benefits paid		(9,365,111)		(9,365,111)
Expenses		(240,000)		(240,000)
Net expected increase (decrease)		(6,126,671)		(5,524,803)
Expected value as of June 30, 2017*	$	45,055,089	$	53,681,862

* Ignoring expected employer contributions (as required by regulation).

Full Funding Limit as of June 30, 2017		For Minimum Required		For Maximum Deductible
ERISA full funding limit (not less than 0)				
Actuarial liability	$	98,947,841	$	98,947,841
less: *Assets (lesser of market or actuarial)*		45,055,089		45,055,089
plus: *Credit balance (w/interest to year end)*		-		n/a
		53,892,752		53,892,752
Full funding limit override (not less than 0)				
90% of current liability		139,097,210		139,097,210
less: *Assets (actuarial value)*		53,681,862		53,681,862
		85,415,348		85,415,348
Full funding limit (greater of ERISA limit and full funding override)	$	85,415,348	$	85,415,348

Minimum Required Contribution and Full Funding Credit

Minimum Required Contribution Plan Year Beginning July 1, 2016

Minimum funding cost		
Normal cost (including expenses)	$	346,365
Net amortization of unfunded liabilities		3,308,490
Interest to end of plan year		274,115
		3,928,970
Full funding limit		85,415,348
Net charge to funding std. acct. (lesser of above)		3,928,970
less: *Credit balance with interest to year end*		(1,204,690)
Minimum Required Contribution (not less than 0)*	$	5,133,660

* Excise taxes that would otherwise apply in the case of a negative credit balance are waived if the provisions of the rehabilitation plan are followed and the plan continues to make scheduled progress

Full Funding Credit to Funding Standard Account Plan Year Ending June 30, 2017

Full funding credit (not less than 0)		
Minimum funding cost (n.c., amort., int.)	$	3,928,970
less: *full funding limit*		85,415,348
	$	-

MAXIMUM DEDUCTIBLE CONTRIBUTION

The maximum amount of tax-deductible employer contributions made to a pension plan is determined in accordance with Section 404(a) of the Internal Revenue Code. For a multiemployer pension plan, Section 413(b)(7) of the Internal Revenue Code and IRS Announcement 98-1 provide that, if anticipated employer contributions are less than the deductible limit for a plan year, then all employer contributions paid during the year are guaranteed to be deductible. If anticipated employer contributions exceed the deductible limit, the Trustees have two years from the close of the plan year in question to retroactively improve benefits to alleviate the problem.

Maximum Deductible Contribution
Plan Year Beginning July 1, 2016

Preliminary deductible limit		
Normal cost (including expenses)	$	346,365
10-year limit adjustment (using "fresh start" alternative)		5,659,555
Interest to end of plan year		450,444
		6,456,364
Full funding limit		85,415,348
Maximum deductible contribution override		
140% of vested current liability projected to June 30, 2017		215,866,452
less*: Actuarial value of assets projected to June 30, 2017*		53,681,862
		162,184,590
Maximum deductible contribution*	$	162,184,590
Anticipated employer contributions	$	1,566,673

* Equals the lesser of the preliminary deductible limit and the full funding limit, but not less than the maximum deductible contribution override.

HISTORY OF UNFUNDED VESTED BENEFITS

Rolling 5 Method

June 30,	Vested Benefits Interest Rate	Value of Vested Benefits	Asset Value*	Unfunded Vested Benefits	Unamortized Portion of VAB
2002	8.00%	80,873,218	93,269,833	(12,396,615)	
2003	8.00%	88,169,646	92,413,923	(4,244,277)	
2004	8.00%	91,983,102	92,018,520	(35,418)	
2005	8.00%	100,539,192	91,949,502	8,589,690	
2006	8.00%	104,000,933	83,833,612	20,167,321	
2007	8.00%	104,880,517	84,233,041	20,647,476	
2008	8.00%	101,057,014	83,197,623	17,859,391	
2009	8.00%	99,394,341	66,487,122	32,907,219	2,302,376
2010	8.00%	98,001,346	72,317,856	25,683,490	2,217,581
2011	8.00%	97,203,242	69,237,352	27,965,890	2,126,001
2012	8.00%	96,320,994	63,985,663	32,335,331	2,027,096
2013	8.00%	95,368,138	61,187,378	34,180,760	1,920,278
2014	8.00%	94,669,390	57,103,528	37,565,862	1,804,915
2015	7.50%	103,136,327	50,999,106	52,137,221	1,680,323
2016	7.50%	100,620,268	51,181,760	49,438,508	1,545,763

* Actuarial value through 2013, market value thereafter

Example of Calculation of Employer Liability Upon Withdrawal

Years	Ratio of Withdrawing Employer's Contributions to Total Employer Contributions
7-1-2011 to 6-30-2016	1.0%

Employer withdraws during 7-1-2016 through 6-30-2017:
Withdrawal Liability = ($ 49,438,508 + $1,545,763) x 1.0% = $509,843
Withdrawal Liability after De Minimis = $509,843

Example assumes there are no reasonably collectible employer withdrawal liability contributions to deduct from the unfunded vested benefits.

ASC 960 INFORMATION

The following displays are intended to assist the fund's auditor in complying with Accounting Standards Codification 960. The results shown are not necessarily indicative of the plan's potential liability upon termination.

Present Value of Accumulated Benefits Actuarial Study as of July 1,		*2016*		*2015*
Present value of vested accumulated benefits				
Participants currently receiving benefits	$	79,245,612	$	81,113,698
Other participants		21,374,656		22,022,629
		100,620,268		103,136,327
Nonvested accumulated benefits		347,617		281,382
Present value of all accumulated benefits	$	100,967,885	$	103,417,709
Market value of plan assets	$	51,181,760	$	50,999,106
Interest rate used to value benefits		7.50%		7.50%

Changes in Present Value of Accumulated Benefits		
Present value of accumulated benefits as of July 1, 2015	$	103,417,709
Increase (decrease) due to:		
Plan amendment		-
Change in actuarial assumptions		(1,137,588)
Benefits accumulated and experience gain or loss		(382,899)
Interest due to decrease in discount period		7,756,328
Benefits paid		(8,685,665)
Net increase (decrease)		(2,449,824)
Present value of accumulated benefits as of July 1, 2016	$	100,967,885

APPENDICES

PLAN HISTORY

Origins/Purpose

The International Association of Machinists Motor City Pension Plan was established effective June 1, 1955. Its purpose is to provide retirement income to covered employees. Payments of retirement income under the Plan are made from the International Association of Machinists Motor City Trust Fund. The Pension Plan is administered in accordance with the Taft-Hartley Act by a Board of Trustees.

Employer Contributions

The Pension Plan is financed entirely by contributions from the employers as specified in the Collective Bargaining Agreement. Following is a listing of weekly pension contribution rates by employer.

Employer Number	Employer	Weekly Contribution Rate Credited	Non-Credited	Effective Date
2700	Doan Construction	$134.70	$114.74	06/04/2012
		$134.70	$140.43	06/06/2013
3003	Faygo Trucking Co.	$121.55	$ 58.27	11/01/2011
		$121.55	$ 76.80	11/01/2012
1150	Johnson, George P.	$ 21.60	$ 13.38	02/01/2012
		$ 21.60	$ 16.98	02/01/2013
5700	Motor City Electric	$302.70	$130.34	11/01/2011
		$302.70	$174.94	11/01/2012
6050	Penske Truck Leasing Co.	$106.60	$126.94	11/01/2014
		$106.60	$150.99	01/01/2015
3900, 6900	YRC Trucking Inc.	$173.00	$144.27	05/01/2011
	(Roadway and USF Holland)	$173.00	$176.95	05/01/2012
7800	YRC Trucking Inc.	$164.70	$152.57	05/01/2011
	(Yellow Freight)	$164.70	$185.25	05/01/2012

SUMMARY OF PLAN PROVISIONS

Participation

Satisfaction of requirements in the collective bargaining agreement

Credited service

Beginning 7-1-1990, based on weeks of contributions in a plan year according to the following schedule:

Weeks of contribution in a plan year	Credited service
0-5	0
6-15	¼
16-25	½
26-35	¾
36 or more	1

Vesting service

1 year of vesting service for each plan year during which the employee earns at least ½ of a year of credited service.

Break in service

Plan year in which participant earns less than ¼ of a year of credited service.

Normal retirement benefit

Eligibility

Age 65

Monthly amount

3.50% of employer contributions prior to July 1, 2004 plus 2.00% of employer contributions made on or after July 1, 2004 to June 30, 2006, plus 0.50% of credited employer contributions made on or after July 1, 2006. Payable for life. Retirees prior to January 1, 2009 are guaranteed a minimum of 60 payments.*

Early retirement benefit

Eligibility

Age 52 and 5 years of credited service

Monthly amount

Retirements on or after January 1, 2009:
Normal reduced 5/9% for each full month which payments begin prior to age 65 for 72 months and 3/10% for each full month thereafter. Payable same as normal.

Retirements prior to January 1, 2009 and grandfathered retirements on or after January 1, 2009:
Normal reduced 5/9% for each full month which payments begin prior to age 62 for 24 months and 1/3% for each full month thereafter. Payable same as normal.

* If retiree dies before 60 payments are made, the surviving spouse or named beneficiary in the absence of a surviving spouse will receive payments for the balance of the 60 months.

SUMMARY OF PLAN PROVISIONS (CONT.)

Disability benefit	
Eligibility	5 years of credited service.
Monthly amount	Normal. Payable until age 65, recovery or death. This benefit is eliminated effective January 1, 2009.
Vested benefit	
Eligibility	5 years of service, termination of employment
Monthly amount	Accrued benefit payable at normal retirement age or after age 52 with benefit reduced 5/9% for each of the first 96 months and by 5/18% for each of the next 60 months by which payments begin prior to age 65. Payable same as normal.
Optional forms of payment	• 50% joint and survivor with pop-up* • 75% joint and survivor with pop-up* • Social security leveler • Life and 5 years certain *Subsidy removed January 1, 2009
Pre-retirement death benefit	
Eligibility	Death of vested participant with surviving spouse
Monthly amount	75% of participant's qualified joint and 75% survivor annuity payable to spouse over spouse's lifetime commencing at participant's earliest retirement date, or deferred to normal if spouse elects. Spouse may also elect a reduced actuarial equivalent immediate benefit or an actuarial equivalent lump sum. Effective January 1, 2009, this benefit is only available if participants pay for coverage with a reduction in their accrued benefit.
Lump sum death benefit	
Eligibility	Death of participant with at least 5 years of credited service with contributions after July 1, 2000 and no spouse. This benefit is eliminated effective January 1, 2009.
Lump sum amount	100% of employer contributions. If eligible to commence benefits, the lump sum amount will be an actuarial equivalent of 60 months of retirement benefit commencing at date of death.

SUMMARY OF PLAN PROVISIONS (CONT.)

Post-retirement death benefit

Eligibility

Death after retirement (except from vested benefit), and contributions after 1/1/1980. This benefit is eliminated effective January 1, 2009.

Lump sum amount

Based on the following schedule

Credited service	Lump sum amount
0 – 9	$ 0
10 – 19	$3,000
20 – 24	$4,500
25+	$6,000

HISTORICAL PLAN MODIFICATIONS

Normal Retirement Benefit	
Effective date	July 1, 2004
Adoption date	May 20, 2004
Provisions	3.50% of employer contributions prior to July 1, 2004 plus 2.0% of employer contributions made on or after July 1, 2004.
Normal Retirement Benefit	
Effective date	July 1, 2006
Adoption date	June 1, 2006
Provisions	Accrual rate was lowered to .5% of employer contributions. Contribution rate increases made on or after January 1, 2006 are deemed non-credited.
Lump Sum Post-Retirement Death Benefit	
Effective date	January 1, 2009
Adoption date	October 23, 2008
Provisions	The Lump Sum Post-Retirement Death Benefit is eliminated effective January 1, 2009.
Early Retirement Benefit	
Effective date	January 1, 2009
Adoption date	October 23, 2008
Provisions	Eliminated the 25 & out unreduced early retirement benefit for non-retired participants with less than 25 years of service as of January 1, 2009, and increased the early retirement reduction factor to 5/9 of 1% for the first 72 months and 3/10 of 1% for the next 84 months for participants under age 65 as of January 1, 2009.

HISTORICAL PLAN MODIFICATIONS (CONT.)

Normal Retirement Benefit

Effective date	January 1, 2009
Adoption date	October 23, 2008
Provisions	Eliminated the 60 month guarantee for the normal form for retirements on or after January 1, 2009.

Pre-Retirement Death Benefits

Effective date	March 1, 2009
Adoption date	October 23, 2008
Provisions	Effective March 1, 2009, participants will pay for pre-retirement death benefits with a reduction in benefits upon retirement, unless waived.

Disability Benefit

Effective date	January 1, 2009
Adoption date	October 23, 2008
Provisions	Eliminated the Disability benefit.

Pop-up Subsidy

Effective date	January 1, 2009
Adoption date	October 23, 2008
Provisions	The pop-up subsidy was removed for participants retiring on and after January 1, 2009.

ACTUARIAL ASSUMPTIONS

The following assumptions are used throughout this report except as specifically noted herein.

Valuation date	July 1, 2016
Interest rates	
ERISA rate of return used to value liabilities	7.50% per year after investment expenses
Current liability	3.18% (in accordance with Section 431(c)(6) of the Internal Revenue Code)
Operational expenses	$240,000 per year excluding investment expenses
Pop-up load	Liabilities for disabled participants with a joint and survivor option with contributions after May 1, 1998 are loaded 0.7%.
Mortality	
Assumed plan mortality	110% of the RP 2014 Generational Blue Collar Mortality Tables for employees and healthy annuitants adjusted backward to 2006 with the MP-2014 projection scale and projected forward using the MP-2016 projection scale.
Post-disablement mortality	110% of the RP 2014 Generational Blue Collar Mortality Tables for disabled annuitants adjusted backward to 2006 with the MP-2014 projection scale and projected forward using the MP-2016 projection scale.
Current liability	Separate annuitant and non-annuitant rates based on the RP-2000 Mortality Tables Report developed for males and females as prescribed by Section 431(c)(6) of the Internal Revenue Code.

ACTUARIAL ASSUMPTIONS (CONT.)

Withdrawal

T-6 Turnover Table from The Actuary's Pension Handbook (less GAM 51 mortality) – specimen rates shown below:

Age	Withdrawal Rate
25	.0772
30	.0740
35	.0686
40	.0611
45	.0516
50	.0362

Select rates for the first 4 years of employment are shown below:

Year	Select Withdrawal Rate
First	.20
Second	.20
Third	.20
Fourth	.10

Future retirement rates

Active lives

According to the following schedule:

Age	Participants not Grandfathered	Grandfathered with 25 years of credited service as of June 30, 2009*
46-51	.00	.10
52-59	.01	.10
60-61	.20	.10
62	.40	.50
63-66	.50	.50
67	1.00	1.00

*First year eligible with 25 years of service assumes at least a 50% retirement rate.

Resulting in an average expected retirement age of 62.3

Inactive vested lives

Age 60, or current age if older (earliest unreduced retirement age if grandfathered)

ACTUARIAL ASSUMPTIONS (CONT.)

Future annual weeks	Same number of weeks as previous plan year.
Future weekly contribution rate	Average negotiated weekly rate for current plan year.
Age of participants with unrecorded birth dates	Based on average entry age of participants with recorded birth dates and same vesting status.
Marriage assumptions	75% assumed married with the male spouse 3 years older than his wife
Optional form assumption	For the portion of non-retired participants assumed to be married, the following table shows the percent assumed to elect an optional form at retirement.

Form of Benefit	Percent Electing
Life Only	45%
Joint and 50%	25%
Joint and 75%	30%

The portion of non-retired participants assumed to be unmarried are assumed to elect the single life annuity.

Inactive vested lives over age 70	Continuing inactive vested participants over age 70 are assumed deceased and are not valued.
QDRO benefits	Benefits to alternate payee included with participant's benefit until payment commences
Section 415 limit assumptions	
Dollar limit	$210,000 per year
Assumed form of payment for those limited by Section 415	Qualified joint and 75% survivor annuity
Benefits not valued	None

RATIONALE FOR SELECTION OF ACTUARIAL ASSUMPTIONS

The non prescribed actuarial assumptions were selected to provide a reasonable long term estimate of developing experience. The assumptions are reviewed annually, including a comparison to actual experience. The following describes our rationale for the selection of each non-prescribed assumption that has a significant effect on the valuation results.

ERISA rate of return used to value liabilities	Future rates of return were modeled based on the Plan's current investment policy asset allocation and composite, long-term capital market assumptions taken from Horizon Actuarial's 2016 survey of investment consultants. Based on this analysis, we selected a final assumed rate of 7.50%, which we feel is reasonable. This rate may not be appropriate for other purposes such as settlement of liabilities.
Mortality	The RP-2014 Blue Collar Mortality Tables for employees and healthy annuitants adjusted backward to 2006 with the MP-2014 projection scale and projected forward using the MP-2016 projection scale was chosen as the base table for this population. The blue collar table was chosen based on the industry of plan participants. Finally, a 110% multiplier was applied in order to more closely match projected deaths to actual post-retirement death experience. The period of actual data studied to develop this multiplier was from July 1, 2011 to June 30, 2016 for this plan, blended with a study of deaths for larger plans in similar industries.
Retirement	Actual rates of retirement by age were last studied for this plan from July 1, 2011 through June 30, 2016. The assumed future rates of retirement were selected based on the results of this study.
Withdrawal	Actual rates of withdrawal by age were last studied for this plan from July 1, 2011 through June 30, 2016. The study excluded experience from employers that have completely withdrawn. The assumed future rates of withdrawal were selected based on the results of this study.
Future weeks worked	Based on review of recent plan experience adjusted for anticipated future changes in workforce.

ACTUARIAL ASSUMPTIONS USED FOR PROJECTIONS

The assumptions used for the credit balance and funding ratio projections are the same as used throughout the report with the following exceptions.

Assumed return on fund assets	
Current year projections	6.75% for the first 10 years (7/1/2016-6/30/2026) 7.50% thereafter
Prior year projections	6.75% for the first 10 years (7/1/2015-6/30/2025) 7.50% thereafter
Expenses	
Current year projections	$240,000 in the 2016-17 plan year increasing by 2% per year annually plus an additional $100,000 in the 2016-17 and 2017-18 plan year
Prior year projections	$240,000 per year
Future total weeks worked	
Current year projections	5,892 weeks annually
Prior year projections	5,962 weeks annually
Contribution Rate Increases	
Current year projections	None
Prior year projections	None
Plan Changes	
Current year projections	None
Prior year projections	None
Contributions from Withdrawn Employers	
Current year projections	Any future reasonably collectible contributions are included.
Prior year projections	Any future reasonably collectible contributions are included.

ACTUARIAL METHODS

Funding method	
ERISA funding	Traditional Unit Credit method (effective July 1, 2007)
Funding period	Individual Entry Age Normal with costs spread as a level dollar amount over service.
Population valued	
Actives	Eligible employees with at least one week worked during the preceding plan year.
Inactive vested	Vested participants with no weeks reported during the preceding plan year.
Retirees	Participants and beneficiaries in pay status as of the valuation date.
Asset valuation method	
Actuarial value	Smoothed market value without phase-in effective July 1, 2006. Gains and Losses are amortized over a period of 5 years. The actuarial value is limited to not less than 80% and not more than 120% of the actual market value of assets in any plan year.
Unfunded vested benefits	For the rolling-5 method, market value is used.
Pension Relief Act of 2010	• 10-year smoothing was elected with respect to the loss incurred during the plan year ended in 2009. • The 130% cap on actuarial value of assets was elected for the plan years beginning in 2009 and 2010.

Date Established	Source of Change in Unfunded Liability	Original Amount	Original Period	Remaining Period Years	Remaining Period Months	7/1/2016 Outstanding Balance	7/1/2016 Amortization Payment
Charges							
1/1/1989	Amendment	4,603,500	30	2	6	891,848	377,438
1/1/1990	Amendment	2,152,100	30	3	6	563,279	176,132
1/1/1990	Amendment	645,000	30	3	6	168,883	52,809
6/30/1991	Amendment	640,667	29	3	11	173,428	49,082
6/30/1992	Amendment	308,404	29	4	11	100,766	23,506
6/30/1993	Amendment	428,714	29	5	11	162,352	32,549
6/30/1994	Amendment	2,080,046	29	6	11	887,685	157,395
6/30/1995	Amendment	1,715,262	29	7	11	808,293	129,402
6/30/1996	Amendment	703,466	29	8	11	360,438	52,923
7/1/1996	Amendment	713,576	30	10	0	424,587	57,541
7/1/1997	Amendment	3,757,051	30	11	0	2,378,479	302,448
7/1/1998	Amendment	4,432,443	30	12	0	2,962,312	356,243
7/1/1999	Amendment	3,124,741	30	13	0	2,190,346	250,747
7/1/2000	Amendment	2,049,736	30	14	0	1,498,774	164,234
7/1/2001	Amendment	229,637	30	15	0	174,345	18,373
7/1/2001	Amendment	1,367,712	30	15	0	1,038,382	109,428
7/1/2002	Amendment	2,031,517	30	16	0	1,595,024	162,308
7/1/2002	Amendment	1,044,545	30	16	0	820,112	83,454
7/1/2002	Experience Loss	3,349,162	15	1	0	361,489	361,489
7/1/2003	Amendment	354,406	30	17	0	286,766	28,276
7/1/2003	Assumptions	551,321	30	17	0	446,089	43,986
7/1/2003	Experience Loss	4,633,054	15	2	0	963,140	498,976
7/1/2004	Amendment	72,126	30	18	0	59,959	5,747
7/1/2004	Experience Loss	3,012,006	15	3	0	904,941	323,706
7/1/2005	Assumptions	6,239,179	30	19	0	5,315,655	496,511
7/1/2005	Experience Loss	1,588,635	15	4	0	613,469	170,383
7/1/2006	Assumptions	696,852	30	20	0	607,004	55,388
7/1/2006	Experience Loss	3,023,311	15	5	0	1,407,451	323,602
7/1/2007	Method	584,386	10	1	0	80,459	80,459
7/1/2009	Experience Loss	17,168,384	15	8	0	11,505,315	1,827,226
7/1/2011	Assumptions	139,773	15	10	0	109,382	14,824
7/1/2011	Experience Loss	1,366,458	15	10	0	1,069,373	144,923
7/1/2012	Assumptions	84,203	15	11	0	70,109	8,915
7/1/2012	Experience Loss	3,544,308	15	11	0	2,951,163	375,271
7/1/2013	Experience Loss	970,596	15	12	0	853,165	102,600

Date Established	Source of Change in Unfunded Liability	Original Amount	Original Period	Remaining Period Years	Remaining Period Months	7/1/2016 Outstanding Balance	7/1/2016 Amortization Payment
7/1/2014	Assumptions	938,147	15	13	0	864,924	99,015
7/1/2015	Assumptions	8,512,235	15	14	0	8,186,325	897,049
7/1/2015	Experience Loss	1,196,840	15	14	0	1,151,016	126,127
7/1/2016	Experience Loss	3,630,840	15	15	0	3,630,840	382,631
				Total Charges:		**58,637,367**	**8,923,116**

Credits

7/1/2008	Combined Credits	25,183,056	10	2	0	6,678,076	3,459,727
1/1/2009	Amendment	8,798,427	15	7	6	5,646,489	941,831
7/1/2009	Method (Relief)	5,540,594	10	3	0	2,123,435	759,573
7/1/2010	Assumptions	405,265	15	9	0	295,245	43,056
7/1/2010	Experience Gain	2,115,767	15	9	0	1,541,384	224,780
7/1/2014	Experience Gain	623,213	15	13	0	574,572	65,776
7/1/2016	Assumptions	1,137,588	15	15	0	1,137,588	119,883
				Total Credits:		**17,996,789**	**5,614,626**

Net Charges:	**40,640,578**	**3,308,490**
Less Credit Balance:	-1,120,642	
Less Reconciliation Balance:	0	
Unfunded Actuarial Liability:	**41,761,220**	

RULES FOR ENDANGERED AND CRITICAL STATUS

Background

The Pension Protection Act of 2006 ("PPA"), enacted in August 2006, established special rules for plans in "Endangered" or "Critical" status. These rules become effective with the plan year beginning in 2008 and were originally scheduled to "sunset" in 2015.

The Multiemployer Pension Reform Act of 2014 ("MPRA"), enacted in December 2014, made the provisions contained in the PPA permanent. MPRA also made numerous changes to the PPA rules, including adding a new status for deeply troubled plans: Critical and Declining.

Informally, Critical Status is often referred to as "red zone" and Endangered Status as "yellow zone." A plan that is neither Critical nor Endangered is said to be "green zone."

Criteria for Endangered and Critical

The table below summarizes the criteria for these categorizations. Projected deficiencies are calculated as of the last day of each plan year and are based on contribution rates codified in bargaining agreements and, if applicable, wage allocations.

Critical Status ("Red Zone")	*Endangered Status ("Yellow Zone")*
GETTING IN:	
Plan is Critical if it is described in one or more of the following: • Funded percentage is less than 65%, and, inability to pay benefits and expenses for next 7 years, or • Projected funding deficiency (not recognizing extensions) in the current year or next 3 years (next 4 years if funded at less than 65%), or • (1) Contributions are less than current year costs (i.e. "normal cost") plus interest on any unfunded past liabilities, and, (2) value of vested benefits for non-actives is greater than for actives, and, (3) projected funding deficiency (not recognizing extensions) in the current year or next 4 years, or • Inability to pay benefits and expenses for next 5 years.	Plan is Endangered if it is not Critical and it is described in one of the following: • Funded percentage is less than 80%, or • Projected funding deficiency in the current year or next 6 years. A non-critical plan that meets both of the preceding criteria is considered "Seriously Endangered" A plan that meets one of the two Endangered Status criteria above, but was not in Critical or Endangered for the preceding year, will remain not Critical or Endangered (i.e. it will be in "green zone") provided it is not projected to meet either of the two Endangered Status criteria as of the end of the 10^{th} plan year following the certification year

RULES FOR ENDANGERED AND CRITICAL STATUS (CONT.)

Critical Status ("Red Zone")	*Endangered Status ("Yellow Zone")*
GETTING IN (cont.):	
A plan with a 5-year amortization extension under IRC Section 431(d) that previously emerged from Critical Status in PYB 2015 or later will re-enter Critical Status only if it is described in one of the following: • Projected funding deficiency in the current year or next 9 years (including amortization extensions), or, • Projected insolvency within the next 30 years	
GETTING OUT:	
Plan emerges from Critical Status when it meets all of the following: • No longer meets any of the Critical Status tests, and, • No projected funding deficiencies in the current year or next 9 years (including amortization extensions), and, • No projected insolvencies in the next 30 years A plan with a 5-year amortization extension under IRC Section 431(d) emerges from Critical Status when it meets all the following: • No projected funding deficiencies in the current year or next 9 years (including amortization extensions), and, • No projected insolvencies in the next 30 years	Plan emerges from Endangered Status when it no longer meets the requirements to be classified as Endangered or when it enters Critical Status

RULES FOR ENDANGERED AND CRITICAL STATUS (CONT.)

Restrictions for Endangered and Critical Plans

The Trustees of a plan that is in Endangered or Critical status face a number of restrictions in plan improvements that can be adopted and bargaining agreements that can be accepted.

Period	Endangered/Critical Restrictions
Date of first certification through adoption of funding improvement/rehabilitation plan ("plan adoption period")	• No reduction in level of contributions for any participants • No suspension of contributions • No exclusion of new or younger employees • No amendment that increases the liabilities of the plan by reason of any increase in benefits, change in accrual, or change in vesting unless required by law
After adoption of a funding improvement/rehabilitation plan until end of funding improvement/rehabilitation period	• Cannot be amended so as to be inconsistent with funding improvement/rehabilitation plan • No amendment that increases benefits, including future accruals, unless actuary certifies as being paid for with contributions not contemplated in funding improvement/ rehabilitation plan and still expected to meet applicable benchmark after considering the amendment

Additionally, Critical status plans cannot pay benefits greater than the single life annuity once the initial red zone notice is sent unless the benefit is eligible for automatic cash-out.

Critical and Declining Plans

Beginning in 2015, plans that are in Critical Status and are projecting insolvency within the next 15 years (20 years in some circumstances) are certified by the actuary as being in "Critical and Declining." These plans may have access to new tools that will allow them to reduce many previously-untouchable benefits, including benefits for participants in pay status. However, these expanded benefit reductions require government approval, must not be rejected by a majority of all participants through a vote, and are subject to a number of other requirements and limitations.

Selected Other MPRA Changes (effective with 2015 plan years)

- Plans projected to be Critical within the next 5 years can elect to be in Critical Status immediately
- New contribution rate increases required by a funding improvement or rehabilitation plan are not considered in calculating an employer's withdrawal liability or payment schedule
- If, upon the expiration of a collective bargaining agreement under a funding improvement or rehabilitation plan, bargaining parties do not adopt a new agreement consistent with an updated schedule, the Trustees must implement the update to the schedule previously adopted.
- PBGC premium doubled and indexed
- PBGC ability to facilitate mergers and partitions expanded

GLOSSARY OF COMMON PENSION TERMS

Benefits

Accrued Benefit: A benefit that an employee has earned (or accrued) through past participation in the plan. It is the amount payable at normal retirement age.

Why it matters: Under the law, Accrued Benefits generally may not be reduced by plan amendment (note that special rules allowing for limited reduction and/or suspension of accrued benefits apply to critical status, critical and declining status and insolvent plans).

Actuarial Equivalence: Given a set of actuarial assumptions, when two different sets of payment scenarios have an equal present value.

Early Retirement Reduction Factor: A retirement benefit that begins before normal retirement age may be reduced. The plan document defines the amount of the reduction by formula or a table of factors. This reduction may or may not be actuarially equivalent, but its present value can be no less than actuarially equivalent to the benefit payable at normal retirement age.

Benefit Crediting (Accrual) Rate: A general reference to the calculation of the amount of monthly retirement benefit earned per dollar contributed.

Assets

Market Value of Assets: The market value of all assets in the fund including on an accrued, not cash basis (matching the plan audit).

Actuarial Value of Assets: The amount of assets recognized for actuarial valuation purposes. Recent changes in market value may be partially recognized (there are variations allowed on the exact recognition). Generally the actuarial value is limited to not be less than 80% or more than 120% of the market value.

Why it matters: Many funding calculations use this "smoothed" asset value method to lessen the impact of volatility in the market value of plan assets.

Assumed Rate of Return: Long term assumption of the rate of return on assets based upon the diversification mix of invested assets.

Why it matters: This assumption is used in calculating the present values discussed in the Liabilities section below. The Assumed Rate of Return has an inverse relationship with plan liabilities. In other words, a lower Assumed Rate of Return increases liabilities, while a higher Assumed Rate of Return decreases plan Liabilities.

GLOSSARY OF COMMON PENSION TERMS (CONT.)

Liabilities

Present Value of Accrued Benefits: The discounted value of benefit payments due in the future but based only on the current Accrued Benefits of each participant. The value is based on actuarial assumptions including an assumed rate of investment return.

Why it matters: This liability is one of the primary factors in determining a plan's annual PPA funded status (see Funded Ratio).

Present Value of Vested Benefits: The discounted value of Accrued Benefits that are considered vested (non-forfeitable). Benefits that are not vested include those of participants who have not satisfied the plan vesting requirement (usually five years of service). In addition under the law some death and temporary disability benefits are also considered non-vested regardless of service because they are not considered protected benefits.

Why it matters: This liability is the primary driver of a plan's Employer Withdrawal Liability.

Actuarial (Accrued) Liability: For inactive members this is the same as the Present Value of Accrued Benefits above. For active members this depends on the cost method selected by the actuary. Under the accrued benefit or traditional unit credit cost method this is also the same as the Present Value of Accrued Benefits. Under other cost methods (including most commonly entry age normal) this represents an alternate allocation of projected benefit cost over the working lifetime of active members. Under the entry age normal cost method, the active Actuarial Liability is larger than the Present Value of Accrued Benefits.

Unfunded Actuarial Liability: The Actuarial Liability less the Actuarial Value of Assets.

Current Liability: This is similar to the Present Value of Accrued Benefits, but uses a statutory, significantly lower, interest rate (equivalent to an expected rate of return on a bond only-type portfolio) and statutory mortality tables. The lower interest rate means that Current Liability tends to be significantly higher than the Present Value of Accrued Benefits. This number has very little impact on multiemployer plans.

Normal Cost: The present value of all benefits that are expected to accrue or to be earned under the plan during the plan year. The way in which a benefit is considered to be earned varies with the actuarial cost method.

GLOSSARY OF COMMON PENSION TERMS (CONT.)

Funding

Funded Ratio (Funded Percentage): Actuarial Value of Assets divided by the Present Value of Accrued Benefits. This is one of two key measures used to determine a plan's annual PPA funded status. This may also be referred to as PPA Funded Ratio. This must be greater than 80% to avoid endangered status.

Credit Balance: The accumulated excess of actual contributions over legally required minimum contributions as maintained in the funding standard account. The funding standard account is maintained by the actuary in the valuation process and reported annually in schedule MB to the Form 5500 filing.

Accumulated Funding Deficiency: A negative credit balance, indicating an excess of total charges to the funding standard account over the total credits to such account. Prior to PPA, an accumulated funding deficiency caused an immediate excise tax (waiver under PPA if certain conditions are met). After PPA, a current or projected funding deficiency is one of the two main criteria used in determining the annual PPA status. It can eventually trigger an excise tax levied on contributing employers.

Funding Period: The estimated number of years it would take to pay off the Plan's unfunded liabilities (and be 100% funded). This calculation is based on the entry age normal liability basis. This is determined by taking the excess of expected contributions over expected normal cost and comparing it to the unfunded entry age accrued liability. This is a good single measure of plan health that looks at both current levels of funding and future expectations. It is also a good indicator of the level of risk the plan is taking in funding its future benefits.

Withdrawal Liability

Unfunded Vested Benefits (UVB): Present Value of Vested Benefits less the value of plan assets determined on either an actuarial or market value basis. The selection of asset measurement is part of the withdrawal liability method of the Plan.

Employer Withdrawal Liability (EWL): An employer that withdraws from a multiemployer plan is liable for its proportionate share of Unfunded Vested Benefits, determined as of the date of withdrawal.

Why it matters: If a contributing employer leaves the plan while it has Unfunded Vested Benefits liability, that employer's allocated share of Employer Withdrawal Liability is assessed. Small amounts (under $150,000) are generally reduced or eliminated pursuant to the "de minimis rule."