



## Independent Auditor's Report

Board of Trustees  
Road Carriers Local 707 Pension Fund  
Hempstead, New York

### Report on the Financial Statements

We have audited the accompanying financial statements of the Road Carriers Local 707 Pension Fund (Plan), which comprise the statements of net assets available for benefits as of August 31, 2014 and 2013, and the related statements of changes in net assets available for benefits for the years then ended, and the related notes to the financial statements.

### *Management's Responsibility for the Financial Statements*

Management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in the United States of America; this includes the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

### *Auditor's Responsibility*

Our responsibility is to express an opinion on these financial statements based on our audits. We conducted our audits in accordance with auditing standards generally accepted in the United States of America. Those standards require that we plan and perform the audits to obtain reasonable assurance about whether the financial statements are free of material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

**Opinion**

In our opinion, the financial statements referred to above present fairly, in all material respects, the net assets available for benefits of the Plan as of August 31, 2014 and 2013, and the changes in net assets available for benefits for the years then ended in accordance with accounting principles generally accepted in the United States of America.

**Emphasis of a Matter**

As disclosed in Note 12 to the financial statements, the Plan's major contributing employer is currently encountering financial difficulties. The Plan and this employer entered into agreements providing for 1) a contribution deferral for contributions due in April, May, June, July, and August 2009 and 2) a non-permanent cessation of pension contributions for covered service effective August 1, 2009. The employer began remitting contributions for covered service effective June 1, 2011, at 25% of the contribution rate in effect at June 1, 2009.

**Other Matter**

**Supplementary Information**

Our audits were conducted for the purpose of forming an opinion on the financial statements as a whole. The supplemental schedule H, line 4i, schedule of assets (held at end of year), and Schedule H, Line 4j, Reportable Transactions, as of August 31, 2014, and schedules of administrative expenses for the years ended August 31, 2014 and 2013, are presented for the purpose of additional analysis and are not a required part of the financial statements but are supplementary information, some of which is required by the Department of Labor's Rules and Regulations for Reporting and Disclosure under the Employee Retirement Income Security Act of 1974. These supplemental schedules are the responsibility of the Plan's management, and we derived from and relates directly to the underlying accounting and other records used to prepare the financial statements. The supplemental schedules have been subjected to the auditing procedures applied in the audits of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements or to the financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the information is fairly stated in all material respects in relation to the basic financial statements taken as a whole.

SaxBST LLP

New York, New York  
March 30, 2015

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## Road Carriers Local 707 Pension Fund

### Statements of Net Assets Available for Benefits

	August 31,	
	2014	2013
<b>ASSETS</b>		
Investments, at fair value	\$ 80,883,448	\$ 108,682,942
<b>RECEIVABLES</b>		
Employers' contributions, net	1,427,299	1,566,386
Withdrawal liability, net	6,023,780	7,889,444
Accrued interest and dividends	138,315	305,126
Due from broker for pending security trades	-	451,997
Other	12,274	43,186
Total receivables	7,601,668	10,256,139
<b>PROPERTY ASSETS, net</b>	4,820	2,991
<b>CASH</b>	3,929,822	4,309,080
<b>PREPAID EXPENSES AND OTHER ASSETS</b>	111,992	153,064
Total assets	92,531,750	123,404,216
<b>LIABILITIES</b>		
Accounts payable and accrued expenses	117,017	159,507
Due to related entities	20,160	16,593
Due to broker for pending security trades	27,118	-
Total liabilities	164,295	176,100
<b>NET ASSETS AVAILABLE FOR BENEFITS</b>	<u>\$ 92,367,455</u>	<u>\$ 123,228,116</u>

See accompanying Notes to Financial statements.

## Road Carriers Local 707 Pension Fund

### Statements of Changes in Net Assets Available for Benefits

	Years Ended August 31,	
	2014	2013
<b>ADDITIONS (REDUCTIONS) TO NET ASSETS ATTRIBUTABLE TO</b>		
Investment income		
Net appreciation in fair value of investments	\$ 10,536,368	\$ 9,666,760
Interest	739,949	1,055,533
Dividends	704,241	1,523,743
Class action settlements	19,732	16,877
	12,000,290	12,262,913
Less investment expenses	(519,833)	(725,261)
Net investment income	11,480,457	11,537,652
<b>CONTRIBUTIONS</b>		
Employers	5,636,283	5,676,206
Withdrawal liability	433,265	567,454
Other	19,499	-
Total contributions	6,089,047	6,243,660
Total additions	17,569,504	17,781,312
<b>DEDUCTIONS</b>		
Benefits paid to participants	47,049,132	46,898,108
Administrative expenses	1,381,033	1,088,631
Total deductions	48,430,165	47,986,739
Net decrease in net assets available for benefits	(30,860,661)	(30,205,427)
<b>NET ASSETS AVAILABLE FOR BENEFITS, <i>beginning of year</i></b>	123,228,116	153,433,543
<b>NET ASSETS AVAILABLE FOR BENEFITS, <i>end of year</i></b>	\$ 92,367,455	\$ 123,228,116

See accompanying Notes to Financial statements.

# Road Carriers Local 707 Pension Fund

Notes to Financial Statements  
August 31, 2014 and 2013

## Note 1 - Plan Description and Summary of Significant Accounting Policies

### a. Plan Description

The following description of the Road Carriers Local 707 Pension Fund (Plan) is provided for the general information of Plan participants. Participants should refer to the Plan document for a more complete description of the Plan's provisions.

#### i. General

The Plan is a multi-employer, defined benefit pension plan established under the provisions of an Agreement and Declaration of Trust between the Highway and Local Motor Freight Drivers, Dockmen and Helpers, Local Union 707 (Union) affiliated with the International Brotherhood of Teamsters, Chauffeurs, Warehousemen and Helpers of America, and the various employers having collective bargaining agreements with the Union. The Plan is subject to the provisions of the Employee Retirement Income Security Act of 1974 (ERISA), as amended.

#### ii. Plan Benefits

The Plan provides regular, early retirement, service, and other types of pensions. Persons on whose behalf the employers are contributing into the Plan and who meet the requirements are eligible for benefits, are as stated in the Summary Plan Description.

#### iii. Contributions

Contribution rates have been established under collective bargaining agreements entered into between the Union and the various employers.

#### iv. Plan Amendments

Pursuant to the Pension Protection Act of 2006 (PPA), the Plan has adopted a rehabilitation plan which modified contribution rates and benefit provisions.

### b. Basis of Accounting and Financial Statement Presentation

The financial statements are prepared in conformity with accounting principles generally accepted in the United States of America (U.S. GAAP) for defined benefit pension plans.

### c. Estimates

The preparation of financial statements requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates.

### d. Valuation of Investments and Income Recognition

The Plan's investments are stated at fair value. Fair value is defined as the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants on the measurement date.

## Road Carriers Local 707 Pension Fund

Notes to Financial Statements  
August 31, 2014 and 2013

### Note 1 - Plan Description and Summary of Significant Accounting Policies - Continued

#### *d. Valuation of Investments and Income Recognition - Continued*

Purchases and sales of securities are recorded on a trade date basis. Dividends are recorded on the ex-dividend date. Interest is recorded on the accrual basis. Net appreciation (depreciation) includes the Plan's gains and losses on investments bought and sold as well as held during the year.

#### *e. Employers' Contribution Receivable*

Contributions receivable represent uncollected contributions due the Plan under the terms of the CBA between the Union and various participating employers. The carrying amount of receivables is reduced by a valuation allowance that reflects the Plan's best estimate of the amounts that will not be collected. The allowance for uncollectible contributions at August 31, 2014 and 2013, was \$3,173,414.

#### *f. Depreciation*

Property assets, which consist of furniture and computer equipment, are depreciated using the straight-line method at rates calculated to amortize the cost of the assets over their respective estimated useful lives. During 2014 and 2013, depreciation expense amounted to \$2,368 and \$2,484, respectively.

Accumulated depreciation as of August 31, 2014 and 2013, amounted to \$149,286 and \$219,232, respectively.

#### *g. Payment of Benefits*

Benefit payments to participants are recorded upon distribution.

#### *h. Subsequent Events*

The Plan has evaluated subsequent events for potential recognition or disclosure through March 30, 2015, the date the financial statements were available to be issued.

The Plan was amended to change its fiscal year end to January 31. The Plan's next reporting date will be the five months ended January 31, 2015, and will report annually thereafter.

## Road Carriers Local 707 Pension Fund

Notes to Financial Statements  
August 31, 2014 and 2013

### Note 2 - Investments and Fair Value Measurements

*a. 5% of Plan Assets*

The following table presents the Plan's investments that represent 5% or more of the Plan's net assets available for benefits:

	August 31,	
	2014	2013
Vanguard Institutional Index Fund	\$ 5,830,652	\$ 7,086,985
Vanguard Short Term Treasury	5,010,572	-
Fidelity Advisors Inflation Protected	5,058,675	-
Principal Life Insurance Company		
U.S. Property Separate Account	-	2,487,197
Collective U.S. Government STIF	10,244,802	8,557,327
Invesco - REIT	5,812,526	5,500,537

*b. Net Appreciation in Fair Value of Investments*

The Plan's investments (including investments bought, sold, and held during the year) appreciated in fair value as follows:

	Years Ended August 31,	
	2014	2013
U.S. government and governmental agencies obligations	\$ (8,801)	\$ (858,972)
Corporate bonds	(322,605)	(1,358)
Common stocks	7,253,293	8,267,993
Mutual fund	1,381,519	1,374,400
Preferred stocks	815,619	(36,894)
Pooled separate account	44,495	888,095
Short Term Investments	15,491	-
REIT	1,357,357	33,496
	<u>\$ 10,536,368</u>	<u>\$ 9,666,760</u>
Net appreciation in fair value of investments		

*c. Fair Value Measurements*

U.S. GAAP provides a framework for measuring fair value that includes a fair value hierarchy that prioritizes the inputs to valuation techniques used to measure fair value. The hierarchy gives the highest priority to unadjusted quoted prices in active markets for identical assets or liabilities (Level 1) and the lowest priority to unobservable inputs (Level 3). The fair value measurement level within the fair value hierarchy is based on the lowest level of any input that is significant to the fair value measurement. Valuation techniques used need to maximize the use of observable inputs and minimize the use of unobservable inputs.

## Road Carriers Local 707 Pension Fund

### Notes to Financial Statements

August 31, 2014 and 2013

#### Note 2 - Investments and Fair Value Measurements - Continued

##### c. Fair Value Measurements - Continued

The following three levels of inputs may be used to measure fair value:

Level 1 Inputs to the valuation methodology are unadjusted quoted prices for identical assets or liabilities in active markets that the Plan has the ability to access.

Level 2 Inputs to the valuation methodology include:

- Quoted prices for similar assets or liabilities in active markets;
- Quoted prices for identical or similar assets or liabilities in inactive markets;
- Inputs other than quoted prices that are observable for the asset or liability, and
- Inputs that are derived principally from or corroborated by observable market data by correlation or other means.

If the asset or liability has a specified (contractual) term, the Level 2 input must be observable for substantially the full term of the asset or liability.

Level 3 Inputs to the valuation methodology are unobservable and significant to the fair value measurement.

The following is a description of the valuation methodologies used for assets measured at fair value.

Corporate bonds: Valued using pricing models maximizing the use of observable inputs for similar securities. This includes basing value on yields currently available on comparable securities of issuers with similar credit ratings. When quoted prices are not available for identical or similar bonds, the bond is valued under a discounted cash flows approach that maximizes observable inputs, such as current yields of similar instruments, but includes adjustments for certain risks that may not be observable, such as credit and liquidity risks or a broker quote if available.

Mortgage-backed securities: Valued using pricing models maximizing the use of observable inputs for similar securities.

U.S. Treasuries, common and preferred stocks: Valued at the closing price reported on the active market on which the individual securities are traded.

Mutual fund: Valued at the daily closing price as reported by the fund. Mutual funds held by the Plan are registered with the Securities and Exchange Commission. These funds are required to publish their daily net asset value ("NAV") and to transact at that price. The mutual funds held by the Plan are deemed to be actively traded.

REIT and pooled separate account: Valued at the net asset value per share, without further adjustment. The NAV is based upon the fair value of the underlying investments.

Short-term investments: Valued at cost which approximates fair value.

The methods described above may produce a fair value calculation that may not be indicative of net realizable value or reflective of future fair values. Furthermore, while the Plan believes its valuation methods are appropriate and consistent with other market participants, the use of different methodologies or assumptions to determine the fair value of certain financial instruments could result in a different fair value measurement at the reporting date.

## Road Carriers Local 707 Pension Fund

Notes to Financial Statements  
August 31, 2014 and 2013

### Note 2 - Investments and Fair Value Measurements - Continued

*c. Fair Value Measurements - Continued*

The following tables set forth by level within the fair value hierarchy, the major categories of the Plan's assets measured at fair value:

	August 31, 2014			Total
	Level 1	Level 2	Level 3	
U.S. government and governmental agencies obligations				
U.S. treasuries	\$ 10,692,094	\$ -	\$ -	\$ 10,692,094
Mortgage-backed bonds	-	7,181,073	-	7,181,073
	<u>10,692,094</u>	<u>7,181,073</u>	<u>-</u>	<u>17,873,167</u>
Corporate bonds				
Rated "A" or better	-	8,064,903	-	8,064,903
Other	-	407,203	-	407,203
	<u>-</u>	<u>8,472,106</u>	<u>-</u>	<u>8,472,106</u>
Common stocks				
Large Cap Core	5,234,285	-	-	5,234,285
Large Cap Value	5,864,422	-	-	5,864,422
Large Cap Growth	5,837,509	-	-	5,837,509
International Growth	4,745,107	-	-	4,745,107
Small Cap Equity	5,910,196	-	-	5,910,196
	<u>27,591,519</u>	<u>-</u>	<u>-</u>	<u>27,591,519</u>
Mutual fund (Large blend)	<u>10,889,328</u>	<u>-</u>	<u>-</u>	<u>10,889,328</u>
REIT	<u>-</u>	<u>5,812,526</u>	<u>-</u>	<u>5,812,526</u>
Short-term investments	<u>10,244,802</u>	<u>-</u>	<u>-</u>	<u>10,244,802</u>
Total investments	<u>\$ 59,417,743</u>	<u>\$ 21,465,705</u>	<u>\$ -</u>	<u>\$ 80,883,448</u>

## Road Carriers Local 707 Pension Fund

### Notes to Financial Statements August 31, 2014 and 2013

#### Note 2 - Investments and Fair Value Measurements - Continued

##### c. Fair Value Measurements - Continued

	August 31, 2013			Total
	Level 1	Level 2	Level 3	
U.S. government and governmental agencies obligations				
U.S. treasuries	\$ 11,992,354	\$ -	\$ -	\$ 11,992,354
State/Municipal Obligations	-	-	-	-
Mortgage-backed bonds	-	14,450,088	-	14,450,088
	<u>11,992,354</u>	<u>14,450,088</u>	<u>-</u>	<u>26,442,442</u>
Corporate bonds				
Rated "A" or better	-	15,687,511	-	15,687,511
Other	-	4,244,427	-	4,244,427
	<u>-</u>	<u>19,931,938</u>	<u>-</u>	<u>19,931,938</u>
Common stocks				
Large Cap Core	5,496,735	-	-	5,496,735
Large Cap Value	5,980,652	-	-	5,980,652
Large Cap Growth	5,785,212	-	-	5,785,212
International Growth	4,238,462	-	-	4,238,462
Mid Cap Equity	11,421,928	-	-	11,421,928
Emerging Markets	4,094,912	-	-	4,094,912
	<u>37,017,901</u>	<u>-</u>	<u>-</u>	<u>37,017,901</u>
Mutual fund (Large blend)	<u>7,086,985</u>	<u>-</u>	<u>-</u>	<u>7,086,985</u>
Preferred stocks	<u>1,658,615</u>	<u>-</u>	<u>-</u>	<u>1,658,615</u>
Pooled separate account (real estate)	<u>-</u>	<u>2,487,197</u>	<u>-</u>	<u>2,487,197</u>
REIT	<u>-</u>	<u>5,500,537</u>	<u>-</u>	<u>5,500,537</u>
Short-term investments	<u>8,557,327</u>	<u>-</u>	<u>-</u>	<u>8,557,327</u>
Total investments	<u>\$ 66,313,182</u>	<u>\$ 42,369,760</u>	<u>\$ -</u>	<u>\$ 108,682,942</u>

## Road Carriers Local 707 Pension Fund

### Notes to Financial Statements August 31, 2014 and 2013

#### Note 2 - Investments and Fair Value Measurements - Continued

##### d. Fair Value of Investments that Calculate Net Asset Value

The following tables summarize investments measured at fair value based on net asset value (NAV) as of August 31, 2014 and 2013:

	August 31, 2014			
	Fair Value	Unfunded Commitments	Redemption Frequency (if currently eligible)	Redemption Notice Period
Common collective trusts				
Real estate fund (b)	5,812,526	-	Daily	N/A

	August 30, 2013			
	Fair Value	Unfunded Commitments	Redemption Frequency (if currently eligible)	Redemption Notice Period
Common collective trusts				
REIT (a)	\$ 2,487,197	\$ -	Daily	N/A
Real estate fund (b)	5,500,537	-	Daily	N/A

- a. This is an open-ended, core, commingled fund with a long-term investment objective of delivering returns representative of the real estate asset class with lower volatility than the peer universe. The strategy applies a heavy emphasis on diversification by asset, property type, and geographic region.
- b. This category includes a Real Estate Investment Trust (REIT) with the objective to achieve a higher than market return with average market risk over the long-term by investing in the universe of real estate securities within the united States of America.

#### Note 3 - Related Party Transactions

The Plan operates in a jointly administered office with the Road Carriers Local 707 Welfare Fund (Welfare Fund). Certain administrative expenses which are common to the Plan and the Welfare Fund are apportioned between them. Direct charges are made for expenses when totally applicable. The amounts allocated to the Plan from the Welfare Fund for the years ended August 31, 2014 and 2013, were \$239,633 and \$245,677, respectively.

The Plan allocates certain telephone expenses to the Union. Total reimbursement from the Union for the years ended August 31, 2014 and 2013, amounted to \$2,040 and \$2,131, respectively.

The Plan and the Welfare Fund are parties to an agreement with the Union whereby the Union provides administrative services to both plans. The Plan reimbursed the Union in the amount of \$23,019 and \$22,998 for the years ended August 31, 2014 and 2013, respectively.

## Road Carriers Local 707 Pension Fund

### Notes to Financial Statements August 31, 2014 and 2013

#### Note 4 - Lease Commitment

The Plan is party to an operating lease for office space, which was renewed as of October 4, 2013. Prior to the renewal of the lease, the Plan had been paying rent on a month-to-month basis. Rent expense for the years ended August 31, 2014 and 2013, amounted to \$35,084 and \$34,798, respectively.

Future minimum lease payments, exclusive of real estate taxes and operating expense escalations, are as follows:

For the year ending August 31,		
2015	\$	36,543
2016		<u>3,045</u>
Total future minimum lease payments	\$	<u>39,588</u>

#### Note 5 - Pension Plan

Eligible employees of the Plan are covered by the Plan. Pension expense was \$76,344 and \$73,605 for the years ended August 31, 2014 and 2013, respectively.

#### Note 6 - Actuarial Present Value of Accumulated Plan Benefits

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

The accumulated Plan benefits for active participants are based upon years of service as of the latest valuation date. Benefits payable under all circumstances (retirement, death, disability, and termination of employment) are included, to the extent they are deemed attributable to participants' service rendered to the valuation date.

The actuarial present value of accumulated Plan benefits is determined by the Plan's consulting actuary and is that amount that results from applying actuarial assumptions to adjust the accumulated Plan benefits to reflect the time value of money (through discounts for interest), and the probability of payment (by means of decrements such as death, disability, withdrawal, or retirement) between the valuation date and the expected date of payment.

The significant actuarial assumptions used in the valuation as of September 1, 2013 and 2012, are as follows:

Life expectancy:	RP-2000 healthy/disabled mortality set forward 3 years
Investment return:	5.75%
Withdrawal:	Crocker-Sarason-Straight T-3
Disability:	SOA 1973 Transactions, XXVI

## Road Carriers Local 707 Pension Fund

Notes to Financial Statements  
August 31, 2014 and 2013

### Note 6 - Actuarial Present Value of Accumulated Plan Benefits - Continued

Retirement age:  
Actives:

Actives: Sample rates as follows with an additional 70% when participant is first eligible for an unreduced Early Retirement:

<u>Age</u>	<u>Rate</u>	<u>Age</u>	<u>Rate</u>
55	2%	61	10%
56	2%	62	30%
57	20%	63	10%
58	5%	64	10%
59	5%	65	100%
60	10%		

Inactive Vested:

Based upon Pension Service as follows:

- Less than 15 years: age 65
- 15-25 years: age 60
- 25 or more years: age 57 or immediately if over age 57

Administrative Expenses:

2013: \$1,300,000; 2012: \$1,300,000

Actuarial Cost Method:

Traditional Unit Credit.

The actuary has determined the actuarial present value of accumulated Plan benefits is as follows:

	September 1,	
	2014	2013
Vested		
Current pensioners and beneficiaries	\$ 461,445,675	\$ 436,689,007
Other vested employees	214,763,610	188,319,463
	676,209,285	625,008,470
Nonvested employees	205,643	9,310,112
Total actuarial present value of accumulated Plan benefits	\$ 676,414,928	\$ 634,318,582

## Road Carriers Local 707 Pension Fund

Notes to Financial Statements  
August 31, 2014 and 2013

### Note 6 - Actuarial Present Value of Accumulated Plan Benefits - Continued

The changes in the accumulated Plan benefits from September 1, 2012 to September 1, 2013, were as follows:

Actuarial present value of accumulated Plan benefits, <i>beginning of year</i>	\$ 634,318,582
Additions (deductions) during the year were attributable to	
Benefits accumulated (including the effect of noninvestment experience)	891,226
Benefits paid	(46,898,108)
Assumption changes	46,872,520
Passage of time	<u>41,230,708</u>
Actuarial present value of accumulated Plan benefits, <i>end of year</i>	<u>\$ 676,414,928</u>

The Plan's consulting actuary has advised that the Plan has not met the minimum funding standards requirements of ERISA and that there is an accumulated funding deficiency as of September 1, 2013.

### Note 7 - Rehabilitation Plan Under the Pension Protection Act of 2006 (PPA)

The Plan has been determined to be in critical status, pursuant to the Pension Protection Act of 2006 (PPA).

As required under the PPA, the Trustees have adopted a rehabilitation plan designed to improve the financial condition of the Plan in accordance with the standards set forth in the PPA. The rehabilitation plan includes two schedules, a Non-default Schedule and a Default Schedule.

A summary of the rehabilitation plan is as follows:

*a. Non-default Schedule*

Applicability

The Non-default Schedule will apply to participants whose contributing employers agree to comply with this Non-default Schedule effective as of January 1, 2009.

## Road Carriers Local 707 Pension Fund

Notes to Financial Statements  
August 31, 2014 and 2013

### Note 7 - Rehabilitation Plan Under the Pension Protection Act of 2006 (PPA) - Continued

#### a. Non-default Schedule - Continued

##### Contributions

Compliance with the Non-default Schedule requires the contributing employer's contribution rate to increase, effective August 1, 2008, increasing annually each August 1st, as follows:

<u>Year</u>	<u>Increase</u>
August 1, 2008	10.614%
2009	9.596%
2010	8.755%
2011	8.051%
2012	7.451%
2013	5.944%
2014	5.610%
2015	5.312%
2016	5.044%
2017	4.802%

##### Future Benefit Accruals

Future benefit accrual for the Normal Retirement Pension will be 0.6% of the employer contribution required to be made on behalf of the participant for the first year the Non-default Schedule is in place, and the rate of future benefit accrual will be adjusted in the following years to provide a 4.0% annual benefit increase until the maximum benefit of \$115 is reached. This adjustment will be effective annually on January 1. The previous cap on a contributing employer's contribution rate (i.e., \$4.3975 per hour, or if lower, the rate in effect on December 31, 2004) is eliminated.

##### Benefit Adjustments

- (i) Under the Non-default Schedule, participants shall have the following adjustable benefits reduced:
- (1) A Service Pension is available to participants with at least 25 pension credits who have attained age 57, or participants with 30 pension credits at any age. The Service Pension replaces the Twenty-five Year Service Pension.
  - (2) A reduced Service Pension is available to participants with at least 25 pension credits who have not yet attained age 57. In this case, the amount of the reduced Service Pension is the Normal Retirement Pension reduced by 0.5% for each whole calendar month by which the commencement of benefits precedes the first day of the month coinciding with or next following the date the participant attains age 65.
  - (3) The Supplemental Pension Benefit is available to participants with at least 25 pension credits who have attained age 57 or participants with 30 pension credits at any age, where at least 18 pension credits are attributable to service under the Plan.

## Road Carriers Local 707 Pension Fund

Notes to Financial Statements  
August 31, 2014 and 2013

### Note 7 - Rehabilitation Plan Under the Pension Protection Act of 2006 (PPA) – Continued

#### Benefit Adjustments - Continued

(ii) Under the Non-default Schedule, the following adjustable benefits are eliminated:

- (1) Disability Pension
- (2) Supplemental Lump Sum Post-retirement Death Benefit
- (3) Thirty-year Service Lump Sum Post-retirement Death Benefit
- (4) Five-year Period Certain Life Annuity

Notwithstanding the foregoing, nothing shall be construed to reduce the level of a participant's accrued benefit payable at normal retirement age.

#### *b. Default Schedule*

##### Applicability

With regard to participants whose contributing employers agree to comply with this Default Schedule (or who become subject to the Default Schedule due to a failure to achieve an agreement to accept the Non-default Schedule within the time period prescribed by Section 305(c)(3)(C) of ERISA and the Default Schedule is imposed by law) the benefit formulas, levels, and payment options in effect on December 31, 2008, will remain in effect except, upon the effective date that the Default Schedule applies to a contributing employer, there shall be an increase in the contributing employer's contribution rate, and benefit adjustments in excess of those required under the Non-Default Schedule.

##### Contributions

Compliance with the Default Schedule requires the contributing employer's contribution rate to increase, effective on the anniversary of the contributing employer's collective bargaining agreement, as follows:

<u>Year</u>	<u>Increase</u>
August 1, 2008	10.60%
2009	9.60%
2010	8.80%
2011	8.10%
2012	7.50%
2013	6.00%
2014	5.60%
2015	5.30%
2016	5.00%
2017	4.80%

## Road Carriers Local 707 Pension Fund

Notes to Financial Statements  
August 31, 2014 and 2013

### Note 7 - Rehabilitation Plan Under the Pension Protection Act of 2006 (PPA) - Continued

#### *b. Default Schedule - Continued*

##### Future Benefit Accruals

For participants whose contributing employers agree to comply with the Default Schedule, or for whom the Default Schedule is imposed by law, the future benefit accrual for the Normal Retirement Pension is unchanged (i.e., the rate of future benefit accrual will be 1.0% of the employer contribution required to be made on behalf of the participant; provided that the contributing employer's contribution rate shall not exceed \$4.3975 per hour, or the rate in effect on December 31, 2004, for contributing employers who are obligated to contribute to the Plan at a rate lower than the contribution rate established under the National Master Freight Agreement).

##### Benefit Adjustments

Participants whose contributing employers agree to comply with the Default Schedule, or for whom the Default Schedule is imposed by law, shall have the following adjustable benefits eliminated:

- i. Twenty-five Year Service Pension
- ii. Disability Pension
- iii. Supplemental Lump Sum Post-retirement Death Benefit
- iv. Thirty-year Service Lump Sum Post-retirement Death Benefit
- v. Five-year Period Certain Life Annuity

Provided, however, nothing shall be construed to reduce the level of a participant's accrued benefit payable at normal retirement age.

### Note 8 - Tax Status

The Plan is a qualified pension trust under Section 401(a) of the Internal Revenue Code and is exempt from Federal income taxes under Section 501(a). The Plan has been amended and restated and has received a favorable determination letter dated April 7, 2014, from the Internal Revenue Service (IRS).

The Plan's management evaluates tax positions taken by the Plan and recognizes a tax liability or asset if an uncertain tax position was taken and it is more likely than not that the tax position would not be sustained upon examination by taxing authorities. The Plan is subject to routine audits by taxing jurisdictions. The Plan is no longer subject to income tax examinations for the years ended August 31, 2010, and prior.

## Road Carriers Local 707 Pension Fund

Notes to Financial Statements  
August 31, 2014 and 2013

### Note 9 - Procedure Upon Termination of the Plan

In the event the Plan terminates, the net assets of the Plan will be allocated, as prescribed by ERISA and its related regulations, generally to provide the following benefits in the order indicated:

- Pension benefits.
- Benefits guaranteed by the Pension Benefit Guaranty Corporation, up to applicable limitations.
- All other benefits that are nonforfeitable under this Plan.
- All other benefits under this Plan.

### Note 10 - Risks and Uncertainties

The Plan invests in various investment securities. Investment securities are exposed to various risks such as interest rates, market, and credit risks. Due to the level of risk associated with certain investment securities, it is at least reasonably possible that changes in the values of investment securities will occur in the near term and that such changes could materially affect the amounts reported in the statements of net assets available for benefits.

Plan contributions are made and the actuarial present value of accumulated Plan benefits are reported based on certain assumptions pertaining to interest rates, inflation rates, and employee demographics, all of which are subject to change.

### Note 11 - Concentrations of Credit Risk

Financial instruments that subject the Plan to concentrations of credit risk include cash, short-term investments, and employers' contributions. The Plan maintains accounts at high quality financial institutions. While the Plan attempts to limit its financial exposure, its deposit balances may, at times, exceed federally-insured limits. The Plan has not experienced any losses on such accounts. Receivables consist of contributions due from employers in the trucking industry.

Three employers' contributions represented approximately 87% and 85% of total contributions received for the years ended August 31, 2014 and 2013, respectively. At August 31, 2014 and 2013, one employer represented approximately 81% and 82% of the total contributions receivable, respectively. As discussed in Note 12, this employer is experiencing financial difficulties and has entered into a contribution deferral agreement with the Plan for the period March 2009 through June 2009, and in addition, a memorandum of understanding which called for a temporary cessation of contributions effective August 1, 2009.

## Road Carriers Local 707 Pension Fund

### Notes to Financial Statements August 31, 2014 and 2013

#### Note 12 - Contribution Deferral Agreement

The Plan's primary contributing employer is YRC Worldwide, Inc. (YRCW). Under a Contribution Deferral Agreement (CDA), dated June 17, 2009 and February 5, 2010, as amended, entered into between YRCW and certain of its affiliates, and Central States, Southeast and Southwest Areas Pension Fund, YRCW's obligation to submit certain monthly contributions due in the months of March, April, May, and June 2009, for employee service worked in the preceding month are deferred and will be repaid with: (1) a one-time payment of approximately \$3,500,000 in June 2009, and (2) in thirty-six (36) equal monthly installments, including accrued interest, commencing on December 31, 2011.

Additionally, YRCW provided a first and second lien on certain assets to secure repayment of the deferred contributions. The CDA also provides for payments to the various pension funds with monies derived from the sale of the pledged assets. The Plan is to share, on a pro rata basis (approximately 3.4%), the proceeds from the sale of the pledged assets. The CDA has been subsequently amended to provide for only first lien property to secure repayment.

On July 22, 2011, the Plan entered into an Amended and Restated Contribution Deferral Agreement, which called for 10% interest on the outstanding balance with all amounts due March 31, 2015. On January 1, 2014, the Plan entered into a Second Amended and Restated Contribution Deferral Agreement which delayed the final payment until December 31, 2019. As of August 31, 2014, the balance due under the CDA was approximately \$4,200,000 and approximately \$4,300,000 as of August 31, 2013. With respect to the deferred pension contribution receivable, the Plan recorded a provision for employer contributions deemed doubtful of collection in the amount of \$3,173,414 as of August 31, 2014 and 2013.

The Plan received interest of approximately \$430,000 during each of the years ended August 31, 2014 and 2013.

In July 2009, the Teamsters National Freight Industry Negotiating Committee of the International Brotherhood of Teamsters and YRCW entered into a Memorandum of Understanding (MOU) on the Job Security Plan. The terms of the MOU were developed for the express purpose of allowing YRCW the ability to compete and provide job security for teamster bargaining unit employees. The MOU, among other things, called for a temporary contribution cessation effective August 1, 2009. Consequently, YRCW participation in the Plan was terminated and benefit accruals for YRCW employees ceased.

Effective for covered service on or after June 1, 2011, YRCW has begun contributing to the Plan at a reduced rate of \$1.83 per hour.

#### Note 13 - Multi-Employer Pension Plan Amendments Act of 1980 (MPPAA)

The Plan is subject to the provisions of the Multi-employer Pension Plan Amendments Act of 1980 (MPPAA). As such, the Plan is required to determine if a withdrawing employer has a withdrawal liability under the computation method defined in the Plan. If it is determined that a withdrawing employer has a withdrawal liability, the Plan is required to issue a demand letter to such employer assessing it for the amount due. Such assessment may be made against employers who withdraw either partially or completely.

## Road Carriers Local 707 Pension Fund

Notes to Financial Statements  
August 31, 2014 and 2013

### Note 13 - Multi-Employer Pension Plan Amendments Act of 1980 (MPPAA) - Continued

During the year ended August 31, 2008, the Plan assessed a withdrawing employer \$22,092,127, which represented the employer's share of the Plan's unfunded liabilities as determined by the Plan's consulting actuary. As per an agreement dated November 8, 2011, the parties signed a settlement agreement amending the initial agreement, whereby the employer agreed to pay the Plan \$15,599,201 retroactive to August 31, 2008. Pursuant to the agreement, this amount will be paid in monthly installments of \$191,577 for 107 months with a final payment of \$124,154. The total payments due from the withdrawing employer, including interest, totals \$20,622,938. The present value of these payments at the discount rate of 7.75% was \$6,023,780 and \$7,889,444 as of August 31, 2014 and 2013, respectively. Management has deemed that no allowance is necessary as of August 31, 2014 and 2013.

The following table summarizes the assessed withdrawal liability receivable due to the Plan:

For the years ending August 31,	
2015	\$ 2,010,253
2016	2,153,939
2017	<u>1,859,588</u>
	<u>\$ 6,023,780</u>

Interest earned during the years ended August 31, 2014 and 2013, totaled \$433,265 and \$567,454, respectively.

# Road Carriers Local 707 Pension Fund

## Supplemental Schedule Required Under ERISA and Department of Labor Regulations Schedule H August 31, 2014

### Line 4i - Schedule of Assets (Held at end of Year)

(a)	(b)(c) Identity of Issue, Borrower, Lessor, or Similar Party Description of Investment Including Maturity Date, Rate of Interest, Collateral, or Par	Currency	Par Value/ Shares	Market Price	(d) Cost Value	(e) Market Value
<b>Corporate Bonds</b>						
	APPLE INC	1.000% 05/03/2018 DD 05/03/13	USD	425,000	98 S 411,421	S 416,657
	BANK OF MONTREAL	1.450% 04/09/2018 DD 04/09/13	USD	420,000	99 418,567	416,393
	BANK OF NEW YORK MELLON CORP/T	5.450% 05/15/2019 DD 05/12/09	USD	360,000	115 414,468	412,912
	BANK OF NOVA SCOTIA	1.450% 04/25/2018 DD 04/25/13	USD	420,000	99 413,721	415,888
	BERKSHIRE HATHAWAY FINANCE COR	5.400% 05/15/2018 DD 11/15/08	USD	360,000	113 414,623	407,203
	CATERPILLAR INC	7.900% 12/15/2018 DD 12/05/08	USD	305,000	124 399,583	378,128
	CHARLES SCHWAB CORP/THE	2.200% 07/25/2018 DD 07/25/13	USD	400,000	102 405,904	408,703
	CHUBB CORP/THE	5.750% 05/15/2018 DD 05/06/08	USD	355,000	114 436,648	404,446
	CISCO SYSTEMS INC	2.125% 03/01/2019 DD 03/03/14	USD	410,000	101 410,275	412,836
	CORP ANDINA DE FOMENTO	3.750% 01/15/2016 DD 07/14/10	USD	390,000	104 408,752	404,713
	EMC CORP/MA	1.875% 06/01/2018 DD 06/05/13	USD	415,000	100 413,988	416,071
	GENERAL ELECTRIC CAPITAL CORP	6.000% 08/07/2019 DD 08/07/09	USD	350,000	118 413,763	412,138
	INTEL CORP	1.350% 12/15/2017 DD 12/11/12	USD	400,000	100 393,404	399,755
	JOHN DEERE CAPITAL CORP	2.250% 06/07/2016 DD 06/07/11	USD	375,000	103 388,553	385,530
	ORACLE CORP	VAR RT 10/08/2019 DD 07/08/14	USD	400,000	100 401,668	401,200
	SIMON PROPERTY GROUP LP	2.200% 02/01/2019 DD 01/21/14	USD	400,000	101 405,040	404,728
	STATE STREET CORP	2.875% 03/07/2016 DD 03/07/11	USD	375,000	104 393,690	388,185
	TORONTO-DOMINION BANK	2.125% 07/02/2019 DD 07/02/14	USD	410,000	100 409,000	409,094
	TRAVELERS COS INC/THE	5.750% 12/15/2017 DD 05/29/07	USD	340,000	114 408,142	385,976
	WACHOVIA CORP	5.750% 02/01/2018 DD 01/31/08	USD	340,000	114 404,699	386,458
	WESTPAC BANKING CORP	2.250% 07/30/2018 DD 07/30/13	USD	400,000	102 407,096	407,180
	<b>Total Corporate Bonds</b>				<b>8,578,383</b>	<b>8,472,106</b>
<b>Common Stocks</b>						
	ABBOTT LABORATORIES		USD	2,360,000	42.2400	99,886
	ACCENTURE PLC		USD	2,793,000	81.0600	226,401
	ACE LIMITED SHS		USD	684,000	106.3300	72,730
	ACTIVISION BLIZZARD INC		USD	2,420,000	23.5400	56,967
	ADVANCE AUTO PARTS INC		USD	972,000	136.4200	132,600
	AGRIUM INC		USD	400,000	94.6300	37,852
	ALASKA AIR GROUP INC		USD	2,058,000	46.3400	95,368
	ALLECOIN PLC		USD	933,000	51.4300	47,894
	ALLERGAN INC/UNITED STATES		USD	1,267,000	163.6800	207,383
	ALLERGAN INC/UNITED STATES		USD	570,000	163.6800	93,298
	ALLSTATE CORP/THE		USD	814,000	61.4900	50,053
	AMERICAN EXPRESS CO		USD	1,098,000	89.5500	98,326
	AMETEK INC		USD	1,830,000	52.9400	96,880
	AMPHENOL CORP		USD	493,000	103.0100	50,784
	ANIXTER INTERNATIONAL INC		USD	2,500,000	89.2300	223,075
	APACHE CORP		USD	1,924,000	101.8300	195,921
	APPLE INC		USD	1,999,000	102.5000	204,898
	APPLE INC		USD	1,134,000	102.5000	116,235
	ARCHER-DANIELS-MIDLAND CO		USD	2,162,000	49.8600	107,797
	ARROW ELECTRONICS INC		USD	4,635,000	62.2500	288,529
	ARROW ELECTRONICS INC		USD	1,720,000	62.2500	107,070
	ASPEN TECHNOLOGY INC		USD	1,001,000	41.0900	41,131
	AUTOZONE INC		USD	181,000	538.8400	97,530
	AVERY DENNISON CORP		USD	3,800,000	48.1300	182,094
	AXA SA		USD	2,125,000	24.8290	52,762
	BAKER HUGHES INC		USD	1,374,000	69.1400	94,998
	BASF SE		USD	1,250,000	103.1230	128,904
	BAXTER INTERNATIONAL INC		USD	2,072,000	74.9800	155,359
	BECTON DICKINSON AND CO		USD	851,000	117.1700	99,712
	BERKSHIRE HATHAWAY INC		USD	1,563,000	137.2500	213,149
	BERKSHIRE HATHAWAY INC		USD	1,525,000	137.2500	210,679

See Independent Auditor's Report.

## Road Carriers Local 707 Pension Fund

### Supplemental Schedule Required Under ERISA and Department of Labor Regulations Schedule H August 31, 2014

#### Line 4i - Schedule of Assets (Held at end of Year) - Continued

(a)	(b)/(c) Identity of Issue, Borrower, Lessor, or Similar Party Description of Investment Including Maturity Date, Rate of Interest, Collateral, or Par	Currency	Par Value/ Shares	Market Price	(d) Cost Value	(e) Market Value
<b>Common Stocks - Continued</b>						
	BHP BILLITON LTD	USD	3,300,000	68.6300	222,171	226,478
	BIOGEN IDEC INC	USD	384,000	343.0400	71,352	131,726
	BIOGEN IDEC INC	USD	332,000	343.0400	82,277	113,888
	BLACKROCK INC	USD	300,000	330.5300	67,424	99,158
	BLACKROCK INC	USD	327,000	330.5300	61,840	108,082
	BLACKROCK INC	USD	956,000	126.8000	80,113	121,220
	BOEING CO/THE	USD	751,000	126.8000	51,271	95,226
	BOEING CO/THE	USD	1,561,000	62.1900	79,959	97,078
	BORGWARNER INC	USD	1,225,000	118.4200	73,989	145,065
	BRITISH AMERICAN TOBACCO PLC	USD	7,350,000	42.5400	158,889	312,669
	BROADRIDGE FINANCIAL SOLUTIONS	USD	4,016,000	47.7500	132,842	191,764
	BROOKFIELD ASSET MANAGEMENT IN	USD	1,275,000	47.7500	31,938	60,881
	BROOKFIELD ASSET MANAGEMENT IN	USD	3,713,000	32.6200	117,338	121,118
	BROWN & BROWN INC	USD	1,497,000	74.3300	95,799	111,272
	CAMERON INTERNATIONAL CORP	USD	4,200,000	71.8800	126,680	301,812
	CANADIAN NATIONAL RAILWAY CO	USD	3,750,000	49.5500	134,090	163,313
	CANADIAN NATURAL RESOURCES LTD	USD	1,800,000	200.8000	100,043	361,080
	CANADIAN PACIFIC RAILWAY LTD	USD	445,000	82.0600	36,189	130,568
	CAPITAL ONE FINANCIAL CORP	USD	1,575,000	82.9000	43,034	152,484
	CARLISLE COS INC	USD	2,910,000	52.4000	111,414	137,902
	CARMAX INC	USD	950,000	145.1600	54,981	200,074
	CIMAREX ENERGY CO	USD	3,025,000	66.1400	73,012	215,159
	CINTAS CORP	USD	3,932,000	54.7200	94,431	160,326
	COMCAST CORP	USD	1,800,000	89.0700	130,763	83,749
	COMPASS MINERALS INTERNATIONAL	USD	681,000	122.9800	94,807	159,790
	COPA HOLDINGS S A CL A	USD	4,641,000	34.4300	126,876	78,995
	COPART INC	USD	500,000	157.9900	35,479	98,680
	CORE LABORATORIES NV	USD	815,000	121.0800	92,671	220,080
	COSTCO WHOLESALE CORP	USD	2,800,000	78.6000	163,131	95,192
	CULLEN/FROST BANKERS INC	USD	656,000	145.1100	83,835	170,420
	CUMMINS INC	USD	2,145,000	79.4500	101,468	103,047
	CVS HEALTH CORPORATION	USD	1,297,000	79.4500	50,341	55,389
	CVS HEALTH CORPORATION	USD	723,000	76.6100	46,450	173,139
	DANAHER CORP	USD	2,260,000	76.6100	143,965	103,040
	DANAHER CORP	USD	1,345,000	76.6100	71,700	57,272
	DANAHER CORP	USD	1,447,000	39.5800	50,803	57,159
	DELTA AIR LINES INC	USD	876,000	65	42,076	213,369
	DIGITAL REALTY TRUST INC	USD	1,760,000	119.8700	189,085	149,838
	DIAGEO PLC	USD	1,250,000	119.8700	79,340	81,428
	DIAGEO PLC	USD	1,175,000	69.3000	67,652	149,650
	DRESSER-RAND GROUP INC	USD	1,275,000	117.3800	94,245	148,346
	DUN & BRADSTREET CORP	USD	2,125,000	69.8100	116,696	233,933
	EATON CORP PLC	USD	4,215,000	55.5000	216,487	108,116
	EBAY INC	USD	1,701,000	63.5600	99,497	35,672
	ELI LILLY & CO	USD	1,208,000	29.5300	35,728	111,594
	EMC CORP/MA	USD	3,779,000	29.5300	47,874	98,436
	EMC CORP/MA	USD	1,950,000	50.4800	113,603	99,953
	ENSCO PLC	USD	1,352,000	73.9300	105,426	173,558
	EXPRESS SCRIPTS HOLDING CO	USD	1,745,000	99.4600	125,891	52,036
	EXXON MOBIL CORP	USD	419,000	124.1900	44,572	117,484
	FS NETWORKS INC	USD	946,000	124.1900	84,281	115,731
	FS NETWORKS INC	USD	3,425,000	33.7800	103,249	86,794
	FLIR SYSTEMS INC	USD	1,875,000	46.2900	60,012	104,166
	FORWARD AIR CORP	USD	1,843,000	56.5200	73,092	113,160
	FRANKLIN RESOURCES INC	USD	2,452,000	46.1500	110,862	92,437
	GAP INC/THE	USD	3,558,000	25.9800	95,088	235,770
	GENERAL ELECTRIC CO	USD	13,550,000	17.4000	231,650	235,341
	GENPACT LTD	USD	2,188,000	107.5600	123,120	104,979
	GILEAD SCIENCES INC	USD	976,000	107.5600	17,332	59,741
	GILEAD SCIENCES INC	USD	157,000	571.6000	57,099	54,742
	GOOGLE INC	USD	94,000	562.3600	28,179	53,730
	GOOGLE INC	USD	94,000	571.6000	28,116	50,390
	GOOGLE INC	USD	1,983,000	25.6700	47,249	129,143
	GREAT PLAINS ENERGY INC	USD	3,775,000	34.2100	93,180	123,011
	GREENLIGHT CAPITAL RE LTD CL A	USD	1,198,000	102.6800	59,189	43,680
	HANESBRANDS INC	USD	1,950,000	22.4000	66,075	
	HANGER INC					

See Independent Auditor's Report.

**Road Carriers Local 707 Pension Fund**  
**Supplemental Schedule Required Under ERISA and**  
**Department of Labor Regulations**  
**Schedule H**  
**August 31, 2014**

**Line 4i - Schedule of Assets (Held at end of Year) - Continued**

LINE 4i - SCHEDULE OF ASSETS (HELD AT END OF YEAR)  
(b)/(c)

(a)	Identity of Issue, Borrower, Lessor, or Similar Party Description of Investment Including Maturity Date, Rate of Interest, Collateral, or Par	Currency	Par Value/ Shares	Market Price	(d) Cost Value	(e) Market Value
<b>Common Stocks - Continued</b>						
	HB FULLER CO	USD	4,250	47	155,517	199,920
	HESS CORP	USD	851	101	85,600	86,036
	HOME DEPOT INC/THE	USD	1,191	94	67,111	111,359
	HOME DEPOT INC/THE	USD	1,179	94	88,416	110,237
	INGERSOLL-RAND PUBLIC LIMITED	USD	2,800	60	80,474	168,560
	INNOVPHOS HOLDINGS INC	USD	2,100	58	104,256	122,115
	INTEL CORP	USD	1,755	35	54,489	61,285
	INTERPUBLIC GROUP OF COS INC/T	USD	9,650	20	175,920	192,371
	JACOBS ENGINEERING GROUP INC	USD	4,195	54	216,318	226,152
	JOHNSON & JOHNSON	USD	965	104	58,348	100,099
	JOHNSON & JOHNSON	USD	526	104	51,623	55,599
	KENNAMETAL INC	USD	2,500	45	100,805	112,025
	KIRBY CORP	USD	882	119	100,192	105,214
	KIRBY CORP	USD	1,350	119	60,733	161,042
	KLA-TENCOR CORP	USD	1,521	76	75,841	116,235
	LAM RESEARCH CORP	USD	1,709	72	91,782	122,894
	LIBERTY INTERACTIVE CORP	USD	1,980	30	29,201	57,859
	LINDSAY CORP	USD	1,575	78	124,871	122,504
	LINEAR TECHNOLOGY CORP	USD	1,234	45	56,539	55,666
	LOWE'S COS INC	USD	2,059	53	98,440	108,118
	M&T BANK CORP	USD	964	124	76,288	119,179
	MACY'S INC	USD	1,649	62	55,850	102,716
	MANULIFE FINANCIAL CORP	USD	1,850	20	32,675	37,333
	MARATHON OIL CORP	USD	2,173	42	81,660	90,592
	MARKEL CORP	USD	290	660	115,781	191,342
	MCDONALD'S CORP	USD	1,804	94	165,069	169,071
	MCKESSON CORP	USD	565	195	43,894	110,192
	MEDTRONIC INC	USD	1,556	64	95,832	99,351
	MEDTRONIC INC	USD	1,641	64	61,842	104,778
	MERCK & CO INC	USD	1,483	60	68,104	89,143
	MICROSOFT CORP	USD	2,340	45	67,095	106,306
	MICROSOFT CORP	USD	2,365	45	68,470	107,442
	MICROSOFT CORP	USD	2,018	45	80,776	91,678
	MKS INSTRUMENTS INC	USD	3,975	34	107,157	134,912
	MONSIEUR BEVERAGE CORP	USD	782	RR	42,444	69,137
	MSC INDUSTRIAL DIRECT CO	USD	1,225	90	97,051	110,422
	NABORS INDUSTRIES LTD SHS	USD	7,225	27	139,306	198,592
	NATIONAL OILWELL VARCO INC	USD	1,225	86	85,784	105,877
	NESTLE SA	USD	2,850	78	132,236	221,721
	NESTLE SA	USD	2,370	78	146,975	184,379
	NETAPP INC	USD	2,535	42	81,587	108,870
	NOBLE CORP PLC	USD	5,575	28	176,131	158,665
	NORDSTROM INC	USD	2,345	69	143,848	162,391
	NORFOLK SOUTHERN CORP	USD	344	107	36,724	36,808
	NORTHERN TRUST CORP	USD	2,307	69	113,950	159,990
	NOVARTIS AG	USD	1,425	90	67,716	128,022
	NVIDIA CORP	USD	3,078	19	55,740	59,867
	NVR INC	USD	116	1,173	116,792	136,090
	OCCIDENTAL PETROLEUM CORP	USD	494	104	47,440	51,243
	ORACLE CORP	USD	4,733	42	152,472	196,661
	ORACLE CORP	USD	2,399	42	34,758	99,630
	O'REILLY AUTOMOTIVE INC	USD	648	156	59,559	101,075
	PACCAR INC	USD	2,795	63	150,951	175,554
	PACKAGING CORP OF AMERICA	USD	1,449	68	92,072	98,518
	PARAGON OFFSHORE PLC	USD	1,858	9	25,101	17,317
	PARTNERRE HLDGS LTD BERMUDA	USD	425	112	31,099	47,468
	PATTERSON COS INC	USD	5,075	40	122,694	204,370
	PFIZER INC	USD	5,696	29	171,073	167,405
	PHILIP MORRIS INTERNATIONAL IN	USD	1,622	85	144,886	138,811
	POLARIS INDUSTRIES INC	USD	327	145	34,482	47,539
	POTASH CORP OF SASKATCHEWAN IN	USD	4,225	35	142,304	148,551
	PPG INDUSTRIES INC	USD	496	206	50,738	102,107
	PROGRESS SOFTWARE CORP	USD	4,050	23	89,806	93,798
	PROGRESSIVE CORP/THE	USD	7,004	25	170,032	175,240
	PULTEGROUP INC	USD	5,159	19	110,619	99,156
	QUALCOMM INC	USD	1,228	76	66,136	93,451
	QUALCOMM INC	USD	1,535	76	73,829	116,814
	RAYTHEON CO	USD	1,123	96	104,198	108,190

See Independent Auditor's Report.

## Road Carriers Local 707 Pension Fund

### Supplemental Schedule Required Under ERISA and Department of Labor Regulations Schedule H August 31, 2014

#### Line 4i - Schedule of Assets (Held at end of Year) - Continued

(a)	(b)(c) Identify of Issue, Borrower, Lessor, or Similar Party Description of Investment Including Maturity Date, Rate of Interest, Collateral, or Par	Currency	Par Value/ Shares	Market Price	(d) Cost Value	(e) Market Value
<b>Common Stocks - Continued</b>						
	ROBERT HALF INTERNATIONAL INC	USD	409	50	52,359	100,420
	ROCKWELL AUTOMATION INC	USD	1,829	117	35,379	42,329
	ROCKWELL COLLINS INC	USD	866	77	150,622	154,422
	ROYAL CARIBBEAN CRUISES LTD	USD	423	64	37,660	37,618
	RPM CORP	USD	4,300	15	135,839	122,659
	RYDER SYSTEM INC	USD	2,027	90	64,900	130,993
	SANDISK CORP	USD	1,450	98	59,444	100,605
	SCANSOURCE INC	USD	3,250	39	107,227	150,384
	SCHLUMBERGER LTD	USD	3,145	110	178,984	306,992
	SCRIPPS NETWORKS INTERACTIVE I	USD	5,200	80	29,016	42,167
	SKYWORKS SOLUTIONS INC	USD	1,675	57	47,086	122,612
	SOCIEDAD QUIMICA Y MINERA DE C	USD	3,900	27	205,339	186,184
	SOUTHWEST AIRLINES CO	USD	7,261	32	108,151	113,860
	STURM RUGER & CO INC	USD	9,000	50	46,907	47,890
	SUNCOR ENERGY INC	USD	1,103	41	178,639	235,240
	SYNOPSYS INC	USD	1,430	41	87,173	106,667
	TALISMAN ENERGY INC	USD	2,785	10	32,343	19,888
	TD AMERITRADE HOLDING CORP	USD	1,100	33	99,912	109,230
	TE CONNECTIVITY LTD	USD	3,015	63	71,601	97,593
	TECK RESOURCES LTD	USD	7,225	23	65,441	42,069
	TENARIS SA	USD	4,959	48	99,336	192,705
	TEXAS INSTRUMENTS INC	USD	3,150	44	61,256	102,238
	THE PRICELINE GROUP INC/THE	USD	3,025	1,244	61,101	99,545
	THE PRICELINE GROUP INC/THE	USD	2,089	148	108,522	108,255
	TIME WARNER CABLE INC	USD	2,535	77	38,215	119,232
	TIME WARNER INC	USD	1,569	60	174,631	47,682
	TJX COS INC	USD	1,523	18	58,355	193,733
	UBS AG SHS NEW	USD	4,200	97	64,225	42,069
	UNIFIRST CORP/MA	USD	2,777	42	73,388	60,594
	UNILEVER NV	USD	4,250	105	38,726	109,305
	UNION PACIFIC CORP	USD	6,175	97	96,273	107,165
	UNITED PARCEL SERVICE INC	USD	871	87	111,436	95,091
	UNITEDHEALTH GROUP INC	USD	493	42	97,295	174,574
	US BANCORP	USD	2,550	13	217,483	165,103
	VALE SA	USD	2,737	141	174,781	99,593
	VALMONT INDUSTRIES INC	USD	1,575	85	179,498	206,381
	VARIAN MEDICAL SYSTEMS INC	USD	900	85	117,795	166,174
	VARIAN MEDICAL SYSTEMS INC	USD	2,815	50	181,532	135,607
	VERIZON COMMUNICATIONS INC	USD	3,300	81	30,473	183,537
	VIACOM INC	USD	6,648	213	140,344	45,687
	VISA INC	USD	2,248	213	76,306	158,327
	VISA INC	USD	857	213	17,901	101,585
	VISA INC	USD	270	90	51,033	52,917
	WALT DISNEY CO/THE	USD	5,204	90	98,413	58,512
	WALT DISNEY CO/THE	USD	4,425	24	210,185	109,654
	WEATHERFORD INTL PLC ORD SHS	USD	1,400	117	108,976	318,038
	WELLPOINT INC	USD	2,200	51	83,935	107,539
	WELLS FARGO & CO	USD	1,200	103	22,864	135,442
	WESTERN DIGITAL CORP	USD	475	45	53,768	112,693
	WISCONSIN ENERGY CORP	USD	6,475	52	137,149	54,804
	WOODWARD INC	USD	1,650	48	42,016	167,136
	WR BERKLEY CORP	USD	937	48	98,344	44,047
	WR BERKLEY CORP	USD	1,495	81	54,440	186,148
	WYNDHAM WORLDWIDE CORP	USD	1,240	14	54,567	57,953
	XEROX CORP	USD	1,479	50	6,518	56,041
	YARA INTERNATIONAL ASA	USD	1,708	29	78,288	10,069
	ZIONS BANCCORPORATION	USD				98,348
	<b>Total Common Stocks</b>				<b>20,543,039</b>	<b>27,591,519</b>

See Independent Auditor's Report.

## Road Carriers Local 707 Pension Fund

### Supplemental Schedule Required Under ERISA and Department of Labor Regulations Schedule H August 31, 2014

#### Line 4i - Schedule of Assets (Held at end of Year) - Continued

LINE 4i - SCHEDULE OF ASSETS (HELD AT END OF YEAR)						
(b)(c)						
(a)	Identity of Issue, Borrower, Lessor, or Similar Party Description of Investment Including Maturity Date, Rate of Interest, Collateral, or Par	Currency	Par Value/ Shares	Market Price	(d) Cost Value	(e) Market Value
<b>U.S. Government and Governmental Agencies Obligations</b>						
	FEDERAL HOME LN MTG CORP	USD	400,000	101	415,150	404,832
	FEDERAL NATL MTG ASSN	USD	825,000	103	875,780	850,649
	FEDERAL NATL MTG ASSN	USD	1,350,000	100	1,351,085	1,351,472
	FEDERAL NATL MTG ASSN	USD	1,100,000	100	1,100,232	1,101,188
	FEDERAL NATL MTG ASSN	USD	725,000	99	709,776	714,995
	FEDERAL NATL MTG ASSN	USD	550,000	98	534,012	539,616
	FEDERAL NATL MTG ASSN	USD	1,120,000	102	1,174,780	1,142,176
	FHLMC POOL #G1-4649	USD	528,670	101	533,709	536,092
	FHLMC POOL #J2-3303	USD	532,576	101	536,736	540,453
	U S TREASURY NOTE	USD	1,200,000	104	1,259,373	1,244,292
	U S TREASURY NOTE	USD	1,300,000	101	1,319,957	1,319,396
	U S TREASURY NOTE	USD	820,000	104	863,008	853,636
	U S TREASURY NOTE	USD	900,000	101	906,750	908,082
	U S TREASURY NOTE	USD	1,350,000	100	1,350,316	1,356,116
	VANGUARD SHORT-TERM TREASURY F	USD	468,278	11	5,005,893	5,010,572
	<b>Total U.S. Government and Governmental Agencies Obligations</b>				<u>17,936,559</u>	<u>17,873,167</u>
<b>Mutual Fund</b>						
	VANGUARD INSTITUTIONAL INDEX F	USD	31,644	184	4,019,730	5,830,653
	FIDELITY ADV INFL	USD	404,694	13	5,002,035	5,058,675
	<b>Total Mutual Funds</b>				<u>9,021,765</u>	<u>10,889,328</u>
<b>REIT</b>						
	EQUITY REAL ESTATE SECURITIES	USD	51,420	113	4,004,596	5,812,526
					<u>4,004,596</u>	<u>5,812,526</u>
<b>Short-term Investments</b>						
	COLLECTIVE US GOV'T STIF 20	USD	10,244,802	1	10,244,802	10,244,802
	<b>Total Investments</b>				<u>\$ 70,324,744</u>	<u>\$ 80,883,448</u>

## Road Carriers Local 707 Pension Fund

Supplemental Schedule Required Under ERISA and  
Department of Labor Regulations  
Schedule H  
August 31, 2014

**Line 4j - Schedule of Reportable Transactions**

(b)/(c) Identity of Party Involved/ Description of Assets	(c) Purchase Price	(d) Selling Price	(g) Cost	(h) Current Value of Assets on Transaction Date	(i) Net Gain or (Loss)
<b>Single Transactions Exceeding 5% of Plan Assets:</b>					
Collective US Govt Stif 4	\$ 7,755,903	\$ -	\$ 7,755,903	\$ 7,755,903	\$ -
Collective US Govt Stif 4	6,766,000		6,766,000	6,766,000	-
Collective US Govt Stif 4	-	5,652,706	5,652,706	5,652,706	-
Collective US Govt Stif 4	9,679,897	-	9,679,897	9,679,897	-
Collective US Govt Stif 4	6,448,721	-	6,448,721	6,448,721	-
Collective US Govt Stif 4	9,243,481	-	9,243,481	9,243,481	-
Collective US Govt Stif 4	-	19,243,481	19,243,481	19,243,481	-
<b>Series of Transactions Exceeding 5% of Plan Assets:</b>					
Collective US Govt Stif 4	\$ 9,637,108	\$ -	\$ 9,637,108	\$ 9,637,108	\$ -
Collective US Govt Stif 4	-	18,194,436	18,194,436	18,194,436	-
Collective US Govt Stif 4	104,266,817	-	104,266,817	104,266,817	-
Collective US Govt Stif 4	-	94,022,017	94,022,017	94,022,017	-
Commit to Pur Mutual Fund	10,000,000	-	10,000,000	10,000,000	-
Commit to Pur Mutual Fund	-	10,000,000	10,000,000	10,000,000	-

*See Independent Auditor's Report.*

## Road Carriers Local 707 Pension Fund

### Supplementary Information - Schedules of Administrative Expenses

	Years Ended August 31,	
	2014	2013
Insurance	\$ 478,007	\$ 355,426
Legal fees	309,416	191,676
Payroll	116,212	122,020
Accounting and audit fees	103,482	103,258
Actuarial and pension consulting	103,235	63,980
Employee benefits	66,297	66,713
Pension Benefit Guaranty Corporation premiums	56,527	43,829
Rent	35,084	34,798
Data processing	23,073	21,738
Administrator reimbursement	23,020	22,998
Stationery, printing, and office supplies	20,761	19,528
Trustees' meetings expense	12,286	6,094
Payroll taxes	10,786	10,292
Postage	7,192	9,156
Telephone	5,461	5,831
Compliance payroll audits	5,038	5,425
Depreciation	2,368	2,484
Conferences	1,835	3,385
Office equipment rental	953	-
	<b>\$ 1,381,033</b>	<b>\$ 1,088,631</b>

*See Independent Auditor's Report.*

Schedule MB (2013), Line 5 -  
 Reorganization Status Worksheet  
 Road Carriers Local 707 Pension Plan  
 EIN: 51-6106510 PN: 001

**Reorganization (IRC Section 418)**

Reorganization status is determined based on whether or not the amortization of unfunded vested benefits is greater than the net charge to the Funding Standard Account. The unfunded vested benefits are calculated using adjusted assets and the vested benefit liability as of the end of the Base Year. The Base Year is determined based on a two prong test:

Test

1. The Plan year ending at least six months prior a "relevant CBA" start date. A relevant CBA is one in effect for at least six months of the current Plan year but not in effect for more than 36 months. Or, if there is no relevant CBA,
2. The Plan year ending at least 12 months prior to the beginning of the current Plan year, (8/31/2012 for the Plan Year ending 8/31/2014)

The earliest relevant CBA is with Hudson News Newburgh, effective 3/1/2013. Therefore the Base Plan Year is the Plan Year ending 8/31/2012.

As of 8/31/2012 (End of the Base Year)

	Vested Benefit Liability	Adjusted Assets	Unfunded Vested Benefit Liability	Vested Benefits Amortization Charge
A. Retired	\$436,689,007	\$136,694,135	\$299,994,872	\$38,088,219
B. Non-retired	<u>188,319,463</u>	<u>-</u>	<u>188,319,463</u>	<u>13,601,414</u>
C. Total	\$ 625,008,470	\$136,694,135	\$488,314,335	\$51,689,633

Net charge to the Funding Standard Account

D. Normal Cost	\$ 4,394,659
E. Amortization Charges	59,861,926
F. Amortization Credits	<u>(12,999,215)</u>
G. Total	\$51,257,370
H. Reorganization Index (C - G)	\$ 432,263

Schedule MB (2013), Line 4c --  
Documentation Regarding Progress Under Rehabilitation Plan

Road Carriers Local 707 Pension Plan  
EIN: 51-6106510 PN: 001

Therefore, after considering and rejecting as unfeasible various scenarios intended to meet the benchmarks of the Pension Protection Act, the Trustees selected a Rehabilitation Plan intended to comply with the provisions of IRC §432(e)(3)(A)(ii) in order to forestall insolvency. The Plan has taken reasonable measures to improve its funding status.

As per IRC §432(b)(3)(A)(ii), we have certified the Plan is meeting its scheduled progress.

Schedule MB (2013)  
Statement By Enrolled Actuary

Road Carriers Local 707 Pension Plan  
EIN: 51-6106510 PN: 001

***Employer Contributions (line 3)***

The employer contributions shown in line 3 of the Schedule MB were contributed or accrued throughout the plan year for work performed during the plan year and were assumed to be paid at the end of the month.

***Illustration Supporting Actuarial Certification of Status (line 4a)***

Attached is a copy of the PPA Zone Certification along with a graph showing the Plan's funded percentage and a projection of the funding standard account.

***Documentation Regarding Progress under Rehabilitation Plan (line 4c)***

See attached.

***Reorganization Status Explanation and Worksheet (line 5)***

Attached is documentation regarding the Plan's reorganization status.

***Actuarial Assumptions and Methods (line 6)***

Attached is a summary of the actuarial assumptions and methods used to perform the most recent valuation. The actuarial assumptions and methods used in this valuation differ from those used in the prior valuation in the following respects:

- The interest rate assumption was changed from 6.5% to 5.75%.
- Administrative expenses were decreased from \$1,400,000 to \$1,300,000.

***Plan Provisions (line 6)***

Attached is a summary of the plan provisions valued. The plan provisions underlying this valuation do not differ from those underlying the prior valuation.

***Schedule of Active Participant Data (line 8b)***

Attached is a schedule of active participant data.

***Schedule of Funding Standard Account Bases (line 9)***

Attached is a schedule of minimum funding amortization bases maintained pursuant to IRC Section 431.

***Justification for Change in Actuarial Assumption (line 11)***

***Actuary's Statement of Reliance***

In completing this Schedule MB, the enrolled actuary has relied upon the correctness of the financial information presented in the pension fund audit and upon the accuracy and completeness of participant census data provided by the Plan administrator.

**SCHEDULE MB  
(Form 5500)**

Department of the Treasury  
Internal Revenue Service  
Department of Labor  
Employee Benefits Security Administration  
Pension Benefit Guaranty Corporation

**Multiemployer Defined Benefit Plan and Certain  
Money Purchase Plan Actuarial Information**

This schedule is required to be filed under section 104 of the Employee Retirement Income Security Act of 1974 (ERISA) and section 6059 of the Internal Revenue Code (the Code).

► File as an attachment to Form 5500 or 5500-SF.

OMB No. 1210-0110

**2013**

This Form is Open to Public Inspection

For calendar plan year 2013 or fiscal plan year beginning 09/01/2013 and ending 08/31/2014

► Round off amounts to nearest dollar.

► Caution: A penalty of \$1,000 will be assessed for late filing of this report unless reasonable cause is established.

A Name of plan  The Road Carriers - Local 707 Pension Plan	B Three-digit plan number (PN) ►	001
	D Employer Identification Number (EIN)	51-6106510
C Plan sponsor's name as shown on line 2a of Form 5500 or 5500-SF  Board Of Trustees Road Carriers Local 707 Pension Fund		

E Type of plan: (1)  Multiemployer Defined Benefit (2)  Money Purchase (see instructions)

1a Enter the valuation date: Month 9 Day 1 Year 2013

**b Assets**

(1) Current value of assets ..... 1b(1) 115,338,672  
(2) Actuarial value of assets for funding standard account..... 1b(2) 114,727,566

**c (1) Accrued liability for plan using immediate gain methods ..... 1c(1) 676,414,928**

(2) Information for plans using spread gain methods:

(a) Unfunded liability for methods with bases ..... 1c(2)(a)

(b) Accrued liability under entry age normal method..... 1c(2)(b)

(c) Normal cost under entry age normal method ..... 1c(2)(c)

(3) Accrued liability under unit credit cost method ..... 1c(3) 676,414,928

**d Information on current liabilities of the plan:**

(1) Amount excluded from current liability attributable to pre-participation service (see instructions) ..... 1d(1)

(2) "RPA '94" information:

(a) Current liability..... 1d(2)(a) 893,583,171

(b) Expected increase in current liability due to benefits accruing during the plan year..... 1d(2)(b) 4,327,532

(c) Expected release from "RPA '94" current liability for the plan year..... 1d(2)(c)

(3) Expected plan disbursements for the plan year..... 1d(3) 47,367,089

**Statement by Enrolled Actuary**

To the best of my knowledge, the information supplied in this schedule and accompanying schedules, statements and attachments, if any, is complete and accurate. Each prescribed assumption was applied in accordance with applicable law and regulations. In my opinion, each other assumption is reasonable (taking into account the experience of the plan and reasonable expectations) and such other assumptions, in combination, offer my best estimate of anticipated experience under the plan.

SIGN HERE	Redacted by the U.S. Department of the Treasury	3/17/2015
	Craig A. Voelker	Date 14-05537
Redacted by the U.S. Department of the Treasury	Type or print name of actuary	Most recent enrollment number Redacted by the
Redacted by the U.S. Department of the Treasury	Firm name	Telephone number (including area code)
Redacted by the U.S. Department of the Treasury	Address of the firm NJ 08034	

If the actuary has not fully reflected any regulation or ruling promulgated under the statute in completing this schedule, check the box and see instructions

For Paperwork Reduction Act Notice and OMB Control Numbers, see the instructions for Form 5500 or Form 5500-SF.

Schedule MB (Form 5500) 2013  
v. 130118

Schedule MB (2013), Line 11 –  
Justification For Change In Actuarial Assumptions

Road Carriers Local 707 Pension Plan  
EIN: 51-6106510 PN: 001

The interest rate assumption was changed from 6.5% to 5.75% in order to better reflect anticipated returns on investments.

The administrative expense assumption was changed from \$1,400,000 to \$1,300,000 in order to better model future expenses.

Schedule MB (2013) Lines 9c and 9h -  
Schedule of Funding Standard Account Bases

Road Carriers Local 707 Pension Plan  
EIN: 51-6106510 PN: 001

**Amortization Charges as of September 1, 2013**

Date Established: <u>September 1</u>	<u>Base Type</u>	<u>Outstanding Balance</u>	<u>Years Remaining</u>	<u>Amortization Amount</u>
1990	Combined Bases	\$ 33,587,511	6	\$ 6,408,403
1991	Plan Amendment	13,992,864	13	1,472,940
1991	Method Change	3,928,570	8	592,337
1992	Plan Amendment	5,749,231	14	575,879
1992	Assumption Change	1,841,196	14	184,426
1994	Plan Amendment	6,054,754	16	556,867
1994	Loss	337,648	1	337,648
1996	Plan Amendment	4,289,963	18	367,661
1997	Plan Amendment	4,608,354	19	382,950
1997	Assumption Change	1,528,142	19	126,987
1998	Plan Amendment	15,804,698	20	1,276,683
1998	Assumption Change	12,674,273	20	1,023,812
1998	Loss	6,412,418	5	1,429,737
1999	Plan Amendment	3,255,545	21	256,213
2000	Plan Amendment	29,854,431	22	2,293,762
2000	Assumption Change	388,937	22	29,883
2001	Loss	41,006,763	8	6,182,861
2002	Loss	37,529,323	9	5,161,007
2004	Loss	22,595,799	11	2,674,675
2005	Loss	21,254,019	12	2,364,526
2006	Loss	12,530,743	13	1,319,032
2007	Loss	1,493,051	14	149,553
2008	Loss	2,578,970	15	247,014
2008	Assumption Change	21,866,524	15	2,094,379
2009	Loss	37,141,836	11	4,396,496
2010	Loss	14,177,437	12	1,577,251
2010	Assumption Change	20,749,959	12	2,308,449
2011	Loss	10,789,766	13	1,135,770
2011	Assumption Change	65,680,718	13	6,913,792
2012	Loss	10,414,487	14	1,043,179
2013	Loss	5,098,103	15	488,297
2013	Assumption Change	<u>46,872,520</u>	15	<u>4,489,457</u>
<b>Total Charges</b>		<b>\$ 516,088,553</b>		<b>\$ 59,861,926</b>

Schedule MB (2013) Lines 9c and 9h --  
 Schedule of Funding Standard Account Bases

Road Carriers Local 707 Pension Plan  
 EIN: 51-6106510 PN: 001

**Amortization Credits as of September 1, 2013**

Date Established: <u>September 1</u>	<u>Base Type</u>	<u>Outstanding Balance</u>	<u>Years Remaining</u>	<u>Amortization Amount</u>
1991	Assumption Change	\$(12,239,495)	8	\$(1,845,430)
1999	Gain	(2,447,847)	1	(2,447,847)
1999	Assumption Change	(3,031,186)	16	(278,784)
2000	Gain	(3,645,291)	2	(1,873,582)
2003	Gain	(1,273,659)	5	(283,980)
2004	Plan Amendment	(6,001,051)	21	(472,286)
2005	Plan Amendment	(7,485,321)	22	(575,109)
2008	Method Change	(18,543,590)	10	(2,354,348)
2009	Plan Amendment	(24,227,746)	11	(2,867,849)
Total Credits		\$(78,895,186)		\$(12,999,215)
Net Charges/(Credits)		\$ 437,193,367		\$ 46,862,711

**Equation of Balance**

A. Net Outstanding Balance of Bases	\$ 437,193,367
B. Credit Balance	<u>\$(124,493,995)</u>
C. Unfunded Actuarial Accrued Liability (A-B)	\$ 561,687,362





Schedule MB (2013), Line #6  
Summary of Plan Provisions

Road Carriers Local 707 Pension Plan  
EIN: 51-6106510 PN: 001

**Normal Retirement Pension:**

Eligibility Age 65 with 5 years of plan participation.

Amount As accrued through 12/31/2004 plus 0.6% of hourly contributions with no cap and decreasing annually. When combined with the required contribution increases, target accruals increase 4% per year until equivalent to \$115 per hour as follows:

Eff. Jan. 1	Accrual Rate
2009	0.6000%
2010	0.5694%
2011	0.5445%
2012	0.5241%
2013	0.5072%
2014	0.4979%
2015	0.4903%
2016	0.4842%
2017	0.4610%
2018	0.4399%

Normal Form Life only

**Early Pension:**

Eligibility Age 55 with 15 years of pension service. Must have at least two quarters under Local 707.

Amount Normal Retirement Pension benefit reduced 1/2 of 1% for each month prior to Normal Pension date.

**Service Pension:**

Eligibility 25 Pension Credits who have attained age 57 or Participants with 30 Pension Credits at any age.

Amount Normal Retirement Pension benefit unreduced at age 57. Reduced by 1/2% for each month by which retirement precedes age 57.

**Bridge Benefit:**

Eligibility Must meet one of the two rules below:

- 30 years of pension service
- Age 57 and 25 years of pension service

At least 18 years of service must be under Local 707.

Amount \$200 plus \$100 for each full year of pension service after the later of eligibility or 1/1/2005. Payable until age 65 or death if earlier.

Schedule MB (2013), Line #6  
Summary of Plan Provisions

Road Carriers Local 707 Pension Plan  
EIN: 51-6106510 PN: 001

**Disability:**

Eligibility Eliminated as of 1/1/2009 pursuant to Rehabilitation Plan.

**Vested Pension:**

Eligibility 5 years of vesting service.

Amount Normal Retirement Pension deferred to Normal Retirement Pension age.

**Pre-Pension Surviving Spouse Pension:**

Eligibility Vested and married for one year at death.

Amount 50% of the benefit the participant would have received had he or she retired the day before he or she died and elected the joint and 50% survivor option. If the participant died prior to eligibility for an early retirement pension, the spouse's benefit is deferred to the participant's earliest retirement date.

**Post-Pension \$10,000 Death Benefit:**

Eligibility Eliminated as of 1/1/2009 pursuant to Rehabilitation Plan.

**Post-Pension \$2,500 Death Benefit:**

Eligibility Eliminated as of 1/1/2009 pursuant to Rehabilitation Plan.

**Grandfathering:** A participant with pension service earned after 2004 has all optional forms reduced for actuarial equivalence using 7% interest and unisex mortality as in Revenue Ruling 95-6 (except lump sums calculated on the Code Section 417(c)(3) basis). In no event is the optional form less than that calculated as of 1/1/05.

A participant who has no pension service earned after 2004 has husband and wife options calculated using the formula stated in the plan document.

**Optional Forms of Benefit:** The following optional forms of benefit are actuarial equivalent to the normal form of benefit

- 50% J&S
- 50% J&S with "Pop-Up"
- 75% J&S
- 75% J&S with "Pop-Up"
- 100% J&S
- 100% J&S with "Pop-Up"

Schedule MB (2013), Line #6 --  
Statement of Actuarial Assumptions & Methods

Road Carriers Local 707 Pension Plan  
EIN: 51-6106510 PN: 001

Summary of Assumptions

Mortality																													
Healthy	RP-2000 healthy mortality set forward three years using Scale BB improvement from 2000																												
Disability	RP-2000 disabled mortality set forward three years using Scale BB improvement from 2000																												
Withdrawal	Crocker-Sarason-Straight T-3																												
Disability	SOA 1973 Transactions, XXVI																												
Retirement Age																													
Actives	Sample rates as follows with an additional 70% when participant is first eligible for an unreduced Early Retirement:																												
	<table border="0" style="margin-left: auto; margin-right: auto;"> <thead> <tr> <th style="text-decoration: underline;">Age</th> <th style="text-decoration: underline;">Rate</th> <th style="text-decoration: underline;">Age</th> <th style="text-decoration: underline;">Rate</th> </tr> </thead> <tbody> <tr> <td>55</td> <td>2%</td> <td>61</td> <td>10%</td> </tr> <tr> <td>56</td> <td>2%</td> <td>62</td> <td>30%</td> </tr> <tr> <td>57</td> <td>20%</td> <td>63</td> <td>10%</td> </tr> <tr> <td>58</td> <td>5%</td> <td>64</td> <td>10%</td> </tr> <tr> <td>59</td> <td>5%</td> <td>65</td> <td>100%</td> </tr> <tr> <td>60</td> <td>10%</td> <td></td> <td></td> </tr> </tbody> </table>	Age	Rate	Age	Rate	55	2%	61	10%	56	2%	62	30%	57	20%	63	10%	58	5%	64	10%	59	5%	65	100%	60	10%		
Age	Rate	Age	Rate																										
55	2%	61	10%																										
56	2%	62	30%																										
57	20%	63	10%																										
58	5%	64	10%																										
59	5%	65	100%																										
60	10%																												
Inactive Vested	Based upon Pension Service as follows: <ul style="list-style-type: none"> <li>• Less than 15 years: age 65</li> <li>• 15-25 years: age 60</li> <li>• 25 or more years: age 57 or immediately if over age 57</li> </ul>																												
Future Employment	1,629,375 total hours (1,875 per active)																												
Definition of Active	Any participant completing 250 hours of service in covered employment in a calendar year, excluding those who have retired as of the valuation date																												
Percent Married	80%																												
Age of Spouse	Females are 3 years younger than their spouses																												
Net Investment Return	5.75%																												
Administrative Expenses	\$1,300,000 payable in the middle of the year																												
Load	A 5% load to active liabilities and normal cost to cover reciprocal retirements.																												

Schedule MB (2013), Line #6 --  
Statement of Actuarial Assumptions & Methods

Road Carriers Local 707 Pension Plan  
EIN: 51-6106510 PN: 001

Actuarial Value of Assets      The market value of assets less unrecognized returns in each of the last four years. Unrecognized return is equal to the difference between the actual market return and the expected return on the market value, and is recognized over a four year period. The actuarial value is further adjusted, if necessary, to be within 20% of the market value.

Actuarial Cost Method      Traditional Unit Credit.

RPA '94 Current Liability Assumptions

Interest      3.61%

Mortality

Healthy      Mortality: RP-2000 per IRC §1.430(h)(3)-1  
Disabled      Mortality: RP-2000 per IRC §1.430(h)(3)-1

Assumption Changes

Net Investment Return      From 6.5% last year to 5.75%.

Schedule MB (2013), Line 5 –  
 Reorganization Status Worksheet  
 Road Carriers Local 707 Pension Plan  
 EIN: 51-6106510 PN: 001

**Reorganization (IRC Section 418)**

Reorganization status is determined based on whether or not the amortization of unfunded vested benefits is greater than the net charge to the Funding Standard Account. The unfunded vested benefits are calculated using adjusted assets and the vested benefit liability as of the end of the Base Year. The Base Year is determined based on a two prong test:

Test

- 
1. The Plan year ending at least six months prior a “relevant CBA” start date. A relevant CBA is one in effect for at least six months of the current Plan year but not in effect for more than 36 months. Or, if there is no relevant CBA,
  2. The Plan year ending at least 12 months prior to the beginning of the current Plan year, (8/31/2012 for the Plan Year ending 8/31/2014)

The earliest relevant CBA is with Hudson News Newburgh, effective 3/1/2013. Therefore the Base Plan Year is the Plan Year ending 8/31/2012.

As of 8/31/2012 (End of the Base Year)

	Vested Benefit <u>Liability</u>	Adjusted <u>Assets</u>	Unfunded Vested Benefit <u>Liability</u>	Vested Benefits Amortization <u>Charge</u>
A. Retired	\$436,689,007	\$136,694,135	\$299,994,872	\$38,088,219
B. Non-retired	<u>188,319,463</u>	-	<u>188,319,463</u>	<u>13,601,414</u>
C. Total	\$ 625,008,470	\$136,694,135	\$488,314,335	\$51,689,633

Net charge to the Funding Standard Account

D. Normal Cost	\$ 4,394,659
E. Amortization Charges	59,861,926
F. Amortization Credits	<u>(12,999,215)</u>
G. Total	\$51,257,370

H. Reorganization Index (C - G)      \$ 432,263

Schedule MB (2013), LINE #4a –  
Illustration Supporting Actuarial Certification of Status

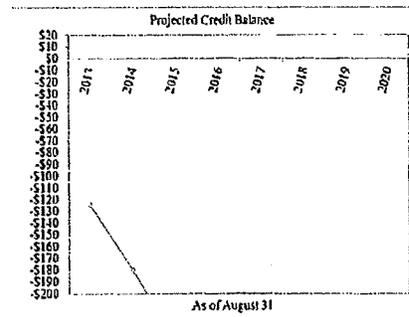
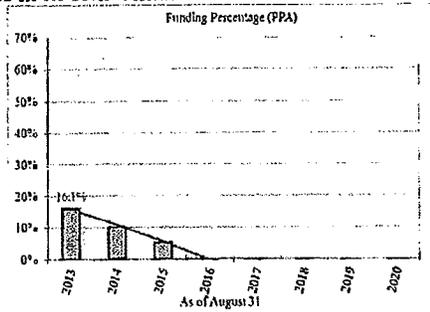
**Zone Certification**  
**as of September 1, 2013 for**  
**Road Carriers Local 707 Pension Plan**  
**EIN: 51-6106510/PN: 001**

Initial Critical Zone Certification: September 1, 2008  
Adoption Period: 11/30/2008 – 8/31/2011  
Rehabilitation Period: 9/1/2011 – 8/31/2024

Based on the following actuarial measures, the Plan is classified as “Critical” (Red Zone) as per the Pension Protection Act.

- The Plan has not passed the “Emergence Test.” The Plan is projected to have a funding deficiency within the nine years succeeding the current Plan year.

After considering and rejecting as unreasonable various scenarios intended to meet the benchmarks of the Pension Protection Act, the Trustees selected a Rehabilitation Plan intended to comply with the provisions of IRC §432(e)(3)(A)(ii). Based upon the provisions of IRC §432(e)(3)(A)(ii), the Plan is making required progress in its Rehabilitation Plan.



This certification was prepared on behalf of the Road Carriers Local 707 Pension Plan based on employee data, asset statements and plan documents provided by the Plan Sponsor or its representatives. We relied upon the data as submitted, without formal audit. However, the data was tested for reasonableness, and we have no reason to believe that any other information which would have had a material effect on the results of this valuation was overlooked.

Therefore, to the best of our knowledge and belief, the information presented in this certification is complete and accurate, and each assumption used represents our best estimate of anticipated experience under the Plan.

The assumptions used are those used in the August 31, 2012 actuarial valuation.

**Certified by:**

Redacted by the U.S.  
Department of the Treasury

Craig A. Voelker, FSA, MAAA, EA  
Redacted by the U.S. Department of  
the Treasury

November 29, 2013

**On Behalf of Plan Sponsor:**

Board of Trustees  
Road Carriers Local 707 Pension Plan  
14 Front Street  
Hempstead, NY 11550  
Phone (516) 560-8501

## Road Carriers Local 707 Pension Fund

Supplemental Schedule Required Under ERISA and  
Department of Labor Regulations  
Schedule H  
August 31, 2014

### Line 4j - Schedule of Reportable Transactions

(b)/(c) Identity of Party Involved/ Description of Assets	(c) Purchase Price	(d) Selling Price	(g) Cost	(h) Current Value of Assets on Transaction Date	(i) Net Gain or (Loss)
<b>Single Transactions Exceeding 5% of Plan Assets:</b>					
Collective US Govt Stif 4	\$ 7,755,903	\$ -	\$ 7,755,903	\$ 7,755,903	\$ -
Collective US Govt Stif 4	6,766,000		6,766,000	6,766,000	-
Collective US Govt Stif 4	-	5,652,706	5,652,706	5,652,706	-
Collective US Govt Stif 4	9,679,897	-	9,679,897	9,679,897	-
Collective US Govt Stif 4	6,448,721	-	6,448,721	6,448,721	-
Collective US Govt Stif 4	9,243,481	-	9,243,481	9,243,481	-
Collective US Govt Stif 4	-	19,243,481	19,243,481	19,243,481	-
<b>Series of Transactions Exceeding 5% of Plan Assets:</b>					
Collective US Govt Stif 4	\$ 9,637,108	\$ -	\$ 9,637,108	\$ 9,637,108	\$ -
Collective US Govt Stif 4	-	18,194,436	18,194,436	18,194,436	-
Collective US Govt Stif 4	104,266,817	-	104,266,817	104,266,817	-
Collective US Govt Stif 4	-	94,022,017	94,022,017	94,022,017	-
Commit to Pur Mutual Fund	10,000,000	-	10,000,000	10,000,000	-
Commit to Pur Mutual Fund	-	10,000,000	10,000,000	10,000,000	-

See Independent Auditor's Report.

**Road Carriers Local 707 Pension Fund**  
**Supplemental Schedule Required Under ERISA and**  
**Department of Labor Regulations**  
**Schedule H**  
**August 31, 2014**

**Line 4i - Schedule of Assets (Held at end of Year)**

(a)	(b)(c) Identify of Issue, Borrower, Lessor, or Similar Party Description of Investment Including Maturity Date, Rate of Interest, Collateral, or Par	Currency	Par Value/ Shares	Market Price	(d) Cost Value	(e) Market Value
<b>Corporate Bonds</b>						
	APPLE INC		425,000	98	\$ 411,421	\$ 416,657
	BANK OF MONTREAL		420,000	99	418,567	416,303
	BANK OF NEW YORK MELLON CORP/T		360,000	115	414,468	412,912
	BANK OF NOVA SCOTIA		420,000	99	413,721	415,888
	BERKSHIRE HATHAWAY FINANCE COR		360,000	113	414,623	407,203
	CATERPILLAR INC		305,000	124	399,583	378,128
	CHARLES SCHWAB CORP/THE		400,000	102	405,904	406,703
	CHUBB CORP/THE		355,000	114	436,648	404,446
	CISCO SYSTEMS INC		410,000	101	410,275	412,896
	CORP ANDINA DE FOMENTO		390,000	104	409,752	404,713
	EMC CORP/MA		415,000	100	413,868	416,071
	GENERAL ELECTRIC CAPITAL CORP		350,000	118	413,763	412,138
	INTEL CORP		400,000	100	393,404	399,765
	JOHN DEERE CAPITAL CORP		375,000	103	388,553	385,530
	ORACLE CORP		400,000	100	401,668	401,200
	SIMON PROPERTY GROUP LP		400,000	101	405,040	404,723
	STATE STREET CORP		375,000	104	393,690	388,185
	TORONTO-DOMINION BANK		410,000	100	409,000	409,094
	TRAVELERS COS INC/THE		340,000	114	408,142	385,978
	WACHOVIA CORP		340,000	114	404,689	386,458
	WESTPAC BANKING CORP		400,000	102	407,095	407,180
	<b>Total Corporate Bonds</b>				<b>8,573,983</b>	<b>8,472,106</b>
<b>Common Stocks</b>						
	ABBOTT LABORATORIES	USD	2,360,000	42.2400	85,542	99,686
	ACCENTURE PLC	USD	2,793,000	81.0600	173,730	226,401
	ACE LIMITED SHS	USD	684,000	106.3300	37,432	72,730
	ACTIVISION BLIZZARD INC	USD	2,420,000	23.5400	54,406	56,967
	ADVANCE AUTO PARTS INC	USD	972,000	136.4200	79,945	132,600
	AGRILUM INC	USD	400,000	94.6300	26,002	37,852
	ALASKA AIR GROUP INC	USD	2,058,000	46.3400	81,207	95,388
	ALLEGION PLC	USD	933,000	51.4300	20,034	47,904
	ALLERGAN INC/UNITED STATES	USD	1,267,000	163.6800	165,030	207,363
	ALLERGAN INC/UNITED STATES	USD	570,000	163.6800	55,474	93,298
	ALLSTATE CORP/THE	USD	814,000	61.4900	41,707	50,053
	AMERICAN EXPRESS CO	USD	1,098,000	89.5500	45,199	98,326
	AMETEK INC	USD	1,830,000	52.9400	91,340	96,880
	AMPHENOL CORP	USD	493,000	103.0100	39,663	50,784
	ANIXTER INTERNATIONAL INC	USD	2,500,000	89.2300	164,521	223,075
	APACHE CORP	USD	1,924,000	101.8300	161,861	195,921
	APPLE INC	USD	1,999,000	102.5000	127,522	204,898
	APPLE INC	USD	1,134,000	102.5000	37,533	116,235
	ARCHER-DANIELS-MIDLAND CO	USD	2,162,000	49.8600	88,162	107,797
	ARROW ELECTRONICS INC	USD	4,635,000	62.2500	122,349	288,529
	ARROW ELECTRONICS INC	USD	1,720,000	62.2500	105,850	107,070
	ASPEN TECHNOLOGY INC	USD	1,001,000	41.0900	30,444	41,131
	AUTOZONE INC	USD	181,000	538.8400	19,009	97,530
	AVERY DENNISON CORP	USD	3,800,000	48.1300	117,878	162,894
	AXA SA	USD	2,125,000	24.8290	34,326	52,762
	BAKER HUGHES INC	USD	1,374,000	69.1400	102,412	94,998
	BASF SE	USD	1,250,000	103.1230	67,735	128,904
	BAXTER INTERNATIONAL INC	USD	2,072,000	74.9800	138,305	155,359
	BECTON DICKINSON AND CO	USD	851,000	117.1700	78,437	99,712
	BERKSHIRE HATHAWAY INC	USD	1,553,000	137.2500	143,135	213,149
	BERKSHIRE HATHAWAY INC	USD	1,535,000	137.2500	122,216	210,679

See Independent Auditor's Report.

# Road Carriers Local 707 Pension Fund

## Supplemental Schedule Required Under ERISA and Department of Labor Regulations Schedule H August 31, 2014

### Line 4i - Schedule of Assets (Held at end of Year) - Continued

(a)	(b)/(c) Identity of Issue, Borrower, Lessor, or Similar Party Description of Investment Including Maturity Date, Rate of Interest, Collateral, or Par	Currency	Par Value/ Shares	Market Price	(d) Cost Value	(e) Market Value
<b>Common Stocks - Continued</b>						
	BHP BILLITON LTD	USD	3,300,000	68.6300	222,171	226,478
	BIOGEN IDEC INC	USD	384,000	343.0400	71,352	131,726
	BIOGEN IDEC INC	USD	332,000	343.0400	82,277	113,888
	BLACKROCK INC	USD	300,000	330.5300	67,424	98,158
	BLACKROCK INC	USD	327,000	330.5300	61,840	108,082
	BOEING CO/THE	USD	956,000	128.8000	80,113	121,220
	BOEING CO/THE	USD	751,000	128.8000	51,271	95,226
	BORGWARNER INC	USD	1,561,000	62.1900	79,959	97,078
	BRITISH AMERICAN TOBACCO PLC	USD	1,225,000	118.4200	73,989	145,085
	BROADRIDGE FINANCIAL SOLUTIONS	USD	7,350,000	42.5400	158,899	312,689
	BROOKFIELD ASSET MANAGEMENT IN	USD	4,016,000	47.7500	132,842	191,764
	BROOKFIELD ASSET MANAGEMENT IN	USD	1,275,000	47.7500	31,938	60,881
	BROWN & BROWN INC	USD	3,713,000	32.6200	117,335	121,118
	CAMERON INTERNATIONAL CORP	USD	1,497,000	74.3300	95,798	111,272
	CANADIAN NATIONAL RAILWAY CO	USD	4,200,000	71.8600	128,690	301,812
	CANADIAN NATURAL RESOURCES LTD	USD	3,760,000	43.5500	134,090	163,313
	CANADIAN PACIFIC RAILWAY LTD	USD	1,800,000	200.6000	100,043	361,080
	CAPITAL ONE FINANCIAL CORP	USD	445,000	82.0600	36,189	36,517
	CARLISLE COS INC	USD	1,575,000	82.9000	43,034	130,568
	CARMAX INC	USD	2,910,000	52.4000	111,414	152,484
	CIMAREX ENERGY CO	USD	950,000	145.1600	54,981	137,902
	CINTAS CORP	USD	3,025,000	66.1400	73,012	200,074
	COMCAST CORP	USD	3,932,000	54.7200	94,431	215,159
	COMCAST CORP	USD	1,800,000	89.0700	130,763	160,326
	COMPASS MINERALS INTERNATIONAL	USD	681,000	122.9800	94,807	83,749
	COPA HOLDINGS S A CL A	USD	4,641,000	34.4300	128,876	159,790
	COPART INC	USD	500,000	157.9500	35,479	78,995
	CORE LABORATORIES NV	USD	815,000	121.0800	92,671	98,680
	COSTCO WHOLESALE CORP	USD	2,800,000	78.6000	183,131	220,080
	CULLEN/FROST BANKERS INC	USD	656,000	145.1100	83,835	95,192
	CUMMINS INC	USD	2,145,000	79.4500	101,466	170,420
	CVS HEALTH CORPORATION	USD	1,297,000	78.4500	50,341	103,047
	CVS HEALTH CORPORATION	USD	723,000	76.6100	46,450	55,389
	DANAHER CORP	USD	2,280,000	76.6100	143,965	173,139
	DANAHER CORP	USD	1,345,000	76.6100	71,766	103,040
	DANAHER CORP	USD	1,447,000	39.5900	50,803	57,272
	DELTA AIR LINES INC	USD	876,000	65	42,076	57,159
	DIGITAL REALTY TRUST INC	USD	1,780,000	119.8700	189,085	213,389
	DIAGEO PLC	USD	1,250,000	119.8700	79,340	149,838
	DIAGEO PLC	USD	1,175,000	69.3000	67,652	81,428
	DRESSER-RAND GROUP INC	USD	1,275,000	117.3800	94,245	149,650
	DUN & BRADSTREET CORP	USD	2,125,000	69.8100	116,686	148,346
	EATON CORP PLC	USD	4,215,000	55.5000	216,467	233,933
	EBAY INC	USD	1,701,000	63.5600	99,497	108,116
	ELI LILLY & CO	USD	1,208,000	29.5300	35,726	35,672
	EMC CORP/IMA	USD	3,779,000	29.5300	47,874	111,594
	EMC CORP/IMA	USD	1,950,000	50.4800	113,603	98,436
	ENSCO PLC	USD	1,352,000	73.9300	105,426	99,953
	EXPRESS SCRIPTS HOLDING CO	USD	1,745,000	99.4600	125,891	173,558
	EXXON MOBIL CORP	USD	419,000	124.1900	44,572	52,036
	F5 NETWORKS INC	USD	946,000	124.1900	84,281	117,484
	F5 NETWORKS INC	USD	3,425,000	33.7900	103,249	115,731
	FLIR SYSTEMS INC	USD	1,875,000	46.2900	60,012	86,794
	FORWARD AIR CORP	USD	1,843,000	56.5200	73,092	104,166
	FRANKLIN RESOURCES INC	USD	2,452,000	46.1500	110,862	113,160
	GAP INC/THE	USD	3,558,000	25.9800	95,088	92,437
	GENERAL ELECTRIC CO	USD	13,550,000	17.4000	231,650	235,770
	GENPACT LTD	USD	2,188,000	107.5600	123,120	235,341
	GILEAD SCIENCES INC	USD	976,000	107.5600	17,332	104,979
	GILEAD SCIENCES INC	USD	137,000	571.6000	57,089	89,741
	GOOGLE INC	USD	94,000	592.3600	28,179	54,742
	GOOGLE INC	USD	94,000	571.6000	26,116	53,730
	GOOGLE INC	USD	1,963,000	25.6700	47,249	50,390
	GREAT PLAINS ENERGY INC	USD	3,775,000	34.2100	93,180	129,143
	GREENLIGHT CAPITAL RE LTD CL A	USD	1,198,000	102.6800	59,189	123,011
	HANESBRANDS INC	USD	1,950,000	22.4000	66,075	43,680
	HANGER INC	USD				

See Independent Auditor's Report.

# Road Carriers Local 707 Pension Fund

## Supplemental Schedule Required Under ERISA and Department of Labor Regulations Schedule H August 31, 2014

### Line 4i - Schedule of Assets (Held at end of Year) - Continued

LINE 4i - SCHEDULE OF ASSETS (HELD AT END OF YEAR)

(a)	(b)/(c) Identity of Issue, Borrower, Lessor, or Similar Party Description of Investment Including Maturity Date, Rate of Interest, Collateral, or Par	Currency	Par Value/ Shares	Market Price	(d) Cost Value	(e) Market Value
<b>Common Stocks - Continued</b>						
	HB FULLER CO	USD	4,250	47	155,517	199,920
	HESS CORP	USD	851	101	85,600	86,036
	HOME DEPOT INC/THE	USD	1,191	94	67,111	111,359
	HOME DEPOT INC/THE	USD	1,179	94	86,416	110,237
	INGERSOLL-RAND PUBLIC LIMITED	USD	2,800	60	80,474	168,550
	INNOPHOS HOLDINGS INC	USD	2,100	58	104,256	122,115
	INTEL CORP	USD	1,755	35	54,469	61,285
	INTERPUBLIC GROUP OF COS INC/T	USD	9,850	20	175,920	192,371
	JACOBS ENGINEERING GROUP INC	USD	4,195	54	216,318	226,152
	JOHNSON & JOHNSON	USD	965	104	58,348	100,099
	JOHNSON & JOHNSON	USD	536	104	51,623	55,599
	KENAMETAL INC	USD	2,500	45	100,805	112,025
	KIRBY CORP	USD	882	119	100,192	105,214
	KIRBY CORP	USD	1,350	119	60,733	161,042
	KLA-TENCOR CORP	USD	1,621	76	75,941	116,235
	LAM RESEARCH CORP	USD	1,709	72	91,762	122,894
	LIBERTY INTERACTIVE CORP	USD	1,960	30	29,201	57,859
	LINDSAY CORP	USD	1,575	78	124,071	122,504
	LINEAR TECHNOLOGY CORP	USD	1,234	45	56,539	55,666
	LOWE'S COS INC	USD	2,059	53	98,440	108,118
	M&T BANK CORP	USD	964	124	76,288	119,179
	MACY'S INC	USD	1,649	62	55,850	102,716
	MANULIFE FINANCIAL CORP	USD	1,850	20	32,675	37,333
	MARATHON OIL CORP	USD	2,173	42	81,660	90,592
	MARKEL CORP	USD	290	660	115,781	191,342
	MCDONALD'S CORP	USD	1,804	94	165,869	169,071
	MCKESSON CORP	USD	565	195	43,884	110,192
	MEDTRONIC INC	USD	1,556	64	95,852	99,351
	MEDTRONIC INC	USD	1,641	64	61,842	104,778
	MEDTRONIC INC	USD	1,483	60	68,104	89,143
	MERCK & CO INC	USD	2,340	45	67,095	106,306
	MICROSOFT CORP	USD	2,365	45	68,470	107,442
	MICROSOFT CORP	USD	2,018	45	80,776	91,678
	MICROSOFT CORP	USD	3,975	34	107,157	134,912
	MKS INSTRUMENTS INC	USD	782	88	42,444	89,137
	MONSTER BEVERAGE CORP	USD	1,225	90	97,051	110,422
	MSC INDUSTRIAL DIRECT CO	USD	7,225	27	139,306	196,592
	NABORS INDUSTRIES LTD SHS	USD	1,225	86	86,784	105,877
	NATIONAL OILWELL VARCO INC	USD	2,850	78	132,236	221,721
	NESTLE SA	USD	2,370	78	146,975	184,979
	NESTLE SA	USD	2,535	42	81,587	106,876
	NETAPP INC	USD	5,575	28	176,131	158,665
	NOBLE CORP PLC	USD	2,345	69	143,848	162,391
	NORDSTROM INC	USD	344	107	36,724	36,808
	NORFOLK SOUTHERN CORP	USD	2,307	69	113,950	159,990
	NORTHERN TRUST CORP	USD	1,425	90	67,716	128,022
	NOVARTIS AG	USD	3,078	19	55,740	59,867
	NVIDIA CORP	USD	116	1,173	116,792	136,090
	NVR INC	USD	494	104	47,440	51,243
	OCCIDENTAL PETROLEUM CORP	USD	4,733	42	152,472	196,561
	ORACLE CORP	USD	2,399	42	34,758	99,630
	ORACLE CORP	USD	848	156	59,559	101,075
	O'REILLY AUTOMOTIVE INC	USD	2,795	63	150,951	175,554
	PACCAR INC	USD	1,449	68	92,072	98,518
	PACKAGING CORP OF AMERICA	USD	1,858	9	25,101	17,317
	PARAGON OFFSHORE PLC	USD	425	112	31,099	47,468
	PARTNERRE HLDGS LTD BERMUDA	USD	5,075	40	122,694	204,370
	PATTERSON COS INC	USD	5,696	29	171,073	167,405
	PFIZER INC	USD	1,622	86	144,886	138,811
	PHILIP MORRIS INTERNATIONAL IN	USD	327	145	34,482	47,539
	POLARIS INDUSTRIES INC	USD	4,225	35	142,304	148,651
	POTASH CORP OF SASKATCHEWAN IN	USD	496	206	50,738	102,107
	PROGRESS SOFTWARE CORP	USD	4,050	23	89,805	93,798
	PROGRESSIVE CORP/THE	USD	7,004	25	170,032	175,240
	PULTEGROUP INC	USD	5,169	19	110,619	99,156
	QUALCOMM INC	USD	1,228	76	66,136	93,451
	QUALCOMM INC	USD	1,535	76	73,629	116,814
	RAYTHEON CO	USD	1,123	96	104,198	108,190

See Independent Auditor's Report.

**Road Carriers Local 707 Pension Fund**  
Supplemental Schedule Required Under ERISA and  
Department of Labor Regulations  
Schedule H  
August 31, 2014

**Line 4i - Schedule of Assets (Held at end of Year) - Continued**

(a)	(b)(c) Identity of Issue, Borrower, Lessor, or Similar Party Description of Investment Including Maturity Date, Rate of Interest, Collateral, or Par	Currency	Par Value/ Shares	Market Price	(d) Cost Value	(e) Market Value
<b>Common Stocks - Continued</b>						
	ROBERT HALF INTERNATIONAL INC	USD	409	50	52,359	100,420
	ROCKWELL AUTOMATION INC	USD	1,829	117	35,379	42,329
	ROCKWELL COLLINS INC	USD	888	77	150,622	154,422
	ROYAL CARIBBEAN CRUISES LTD	USD	423	64	37,560	37,618
	RPX CORP	USD	4,300	15	135,839	122,659
	RYDER SYSTEM INC	USD	2,027	90	64,900	130,993
	SANDISK CORP	USD	1,450	98	59,444	100,605
	SCANSOURCE INC	USD	3,250	39	107,227	150,384
	SCHLUMBERGER LTD	USD	3,145	110	178,984	306,992
	SCRIPPS NETWORKS INTERACTIVE I	USD	5,200	80	29,015	42,167
	SKYWORKS SOLUTIONS INC	USD	1,675	57	47,086	122,612
	SOCIEDAD QUIMICA Y MINERA DE C	USD	3,900	27	205,339	106,184
	SOUTHWEST AIRLINES CO	USD	7,281	32	108,151	113,860
	STURM RUGER & CO INC	USD	9,000	50	46,907	47,890
	SUNCOR ENERGY INC	USD	1,103	41	178,639	235,240
	SYNOPSIS INC	USD	1,430	41	87,173	106,667
	TALISMAN ENERGY INC	USD	2,765	10	32,343	19,888
	TD AMERITRADE HOLDING CORP	USD	1,100	33	99,912	109,230
	TE CONNECTIVITY LTD	USD	3,015	63	71,601	97,593
	TECK RESOURCES LTD	USD	7,225	23	65,441	42,089
	TENARIS SA	USD	693	44	165,432	192,705
	TEXAS INSTRUMENTS INC	USD	4,959	48	99,336	102,238
	THE PRICELINE GROUP INC/THE	USD	3,150	1,244	61,236	99,545
	THE PRICELINE GROUP INC/THE	USD	3,025	1,244	61,101	108,255
	TIME WARNER CABLE INC/THE	USD	2,089	148	108,522	119,232
	TIME WARNER CABLE INC	USD	2,535	77	38,215	47,682
	TIME WARNER INC	USD	1,559	60	174,831	193,733
	TJX COS INC	USD	1,523	18	58,355	42,069
	UBS AG SHS NEW	USD	4,200	97	64,225	60,594
	UNIFIRST CORP/MA	USD	2,777	42	73,388	109,305
	UNILEVER NV	USD	4,250	105	98,726	107,165
	UNION PACIFIC CORP	USD	6,175	97	96,273	95,091
	UNITED PARCEL SERVICE INC	USD	871	87	111,436	174,574
	UNITEDHEALTH GROUP INC	USD	493	42	97,295	105,103
	UG BANCORP	USD	2,550	13	217,483	99,583
	VALE SA	USD	2,737	141	174,781	165,381
	VALMONT INDUSTRIES INC	USD	1,575	85	179,498	206,174
	VARIAN MEDICAL SYSTEMS INC	USD	900	85	117,795	135,607
	VARIAN MEDICAL SYSTEMS INC	USD	2,815	50	181,532	183,537
	VERIZON COMMUNICATIONS INC	USD	3,300	81	30,473	45,687
	VIACOM INC	USD	6,648	213	140,344	158,327
	VISA INC	USD	2,248	213	76,308	101,505
	VISA INC	USD	857	213	17,901	52,917
	WALT DISNEY CO/THE	USD	270	90	51,033	58,512
	WALT DISNEY CO/THE	USD	5,204	90	98,413	109,654
	WEATHERFORD INTL PLC ORD SHS	USD	4,425	24	210,185	318,038
	WELLPOINT INC	USD	1,400	117	106,976	107,539
	WELLS FARGO & CO	USD	2,200	51	83,935	135,442
	WESTERN DIGITAL CORP	USD	1,200	103	22,964	112,693
	WISCONSIN ENERGY CORP	USD	475	45	53,768	64,804
	WOODWARD INC	USD	6,475	52	137,149	187,136
	WR BERKLEY CORP	USD	1,650	48	42,016	44,047
	WR BERKLEY CORP	USD	937	48	98,344	186,148
	WR BERKLEY CORP	USD	1,495	81	54,440	57,953
	WYNDHAM WORLDWIDE CORP	USD	1,240	14	54,567	56,041
	XEROX CORP	USD	1,479	50	6,518	10,089
	YARA INTERNATIONAL ASA	USD	1,708	29	76,268	98,348
	ZIONS BANCORPORATION	USD				
	<b>Total Common Stocks</b>				<b>20,543,039</b>	<b>27,581,519</b>

See Independent Auditor's Report.

**Road Carriers Local 707 Pension Fund**  
 Supplemental Schedule Required Under ERISA and  
 Department of Labor Regulations  
 Schedule H  
 August 31, 2014

**Line 4i - Schedule of Assets (Held at end of Year) - Continued**

LINE 4i - SCHEDULE OF ASSETS (HELD AT END OF YEAR)

(a)	(b)(c) Identity of Issue, Borrower, Lessor, or Similar Party Description of Investment Including Maturity Date, Rate of Interest, Collateral, or Par	Currency	Par Value/ Shares	Market Price	(d) Cost Value	(e) Market Value
<u>U.S. Government and Governmental Agencies Obligations</u>						
	FEDERAL HOME LN MTG CORP		400,000	101	415,150	404,832
	FEDERAL NATL MTG ASSN		825,000	103	875,780	850,649
	FEDERAL NATL MTG ASSN		1,350,000	100	1,351,086	1,351,472
	FEDERAL NATL MTG ASSN		1,100,000	100	1,100,232	1,101,188
	FEDERAL NATL MTG ASSN		725,000	99	709,776	714,995
	FEDERAL NATL MTG ASSN		550,000	98	534,012	539,616
	FEDERAL NATL MTG ASSN		1,120,000	102	1,174,780	1,142,176
	FEDERAL NATL MTG ASSN		528,670	101	533,709	536,092
	FHLMC POOL #G1-4649		532,576	101	536,736	540,053
	FHLMC POOL #J2-3303		1,200,000	104	1,258,373	1,244,292
	U S TREASURY NOTE		1,300,000	101	1,319,957	1,319,396
	U S TREASURY NOTE		620,000	101	663,008	653,636
	U S TREASURY NOTE		900,000	100	906,750	908,082
	U S TREASURY NOTE		1,350,000	100	1,350,316	1,356,116
	VANGUARD SHORT-TERM TREASURY F		468,278	11	5,005,893	5,010,572
	<b>Total U.S. Government and Governmental Agencies Obligations</b>				<u>17,936,559</u>	<u>17,673,167</u>
<u>Mutual Fund</u>						
	VANGUARD INSTITUTIONAL INDEX F	USD	31,644	184	4,019,730	5,830,653
	FIDELITY ADV INFL	USD	404,684	13	5,002,035	5,058,675
	<b>Total Mutual Funds</b>				<u>9,021,765</u>	<u>10,889,328</u>
<u>REIT</u>						
	EQUITY REAL ESTATE SECURITIES	USD	51,420	113	4,004,596	5,812,526
					<u>4,004,596</u>	<u>5,812,526</u>
<u>Short-term Investments</u>						
	COLLECTIVE US GOV'T STIF 20	USD	10,244,802	1	10,244,802	10,244,802
	<b>Total Investments</b>				<u>\$ 70,324,744</u>	<u>\$ 80,083,440</u>

**SCHEDULE MB  
(Form 5500)**

Department of the Treasury  
Internal Revenue Service  
Department of Labor  
Employee Benefits Security Administration  
Pension Benefit Guaranty Corporation

**Multiemployer Defined Benefit Plan and Certain  
Money Purchase Plan Actuarial Information**

This schedule is required to be filed under section 104 of the Employee Retirement Income Security Act of 1974 (ERISA) and section 6059 of the Internal Revenue Code (the Code).

▶ File as an attachment to Form 5500 or 5500-SF.

OMB No. 1210-0110

**2013**

This Form is Open to Public Inspection

For calendar plan year 2013 or fiscal plan year beginning 09/01/2013 and ending 08/31/2014

▶ Round off amounts to nearest dollar.

▶ Caution: A penalty of \$1,000 will be assessed for late filing of this report unless reasonable cause is established.

<b>A</b> Name of plan  The Road Carriers - Local 707 Pension Plan	<b>B</b> Three-digit plan number (PN) ▶	001
	<b>D</b> Employer identification number (EIN)	51-6106510

**C** Plan sponsor's name as shown on line 2a of Form 5500 or 5500-SF  
Board Of Trustees Road Carriers Local 707 Pension Fund

**E** Type of plan: (1)  Multiemployer Defined Benefit (2)  Money Purchase (see instructions)

**1a** Enter the valuation date: Month 9 Day 1 Year 2013

<b>b</b> Assets		
(1) Current value of assets .....	1b(1)	115,338,672
(2) Actuarial value of assets for funding standard account .....	1b(2)	114,727,566
<b>c</b> (1) Accrued liability for plan using immediate gain methods .....	1c(1)	676,414,928
(2) Information for plans using spread gain methods:		
(a) Unfunded liability for methods with bases .....	1c(2)(a)	
(b) Accrued liability under entry age normal method .....	1c(2)(b)	
(c) Normal cost under entry age normal method .....	1c(2)(c)	
(3) Accrued liability under unit credit cost method .....	1c(3)	676,414,928
<b>d</b> Information on current liabilities of the plan:		
(1) Amount excluded from current liability attributable to pre-participation service (see instructions) .....	1d(1)	
(2) "RPA '94" information:		
(a) Current liability .....	1d(2)(a)	893,583,171
(b) Expected increase in current liability due to benefits accruing during the plan year .....	1d(2)(b)	4,327,532
(c) Expected release from "RPA '94" current liability for the plan year .....	1d(2)(c)	
(3) Expected plan disbursements for the plan year .....	1d(3)	47,367,089

**Statement by Enrolled Actuary**

To the best of my knowledge, the information supplied in this schedule and accompanying schedules, statements and attachments, if any, is complete and accurate. Each prescribed assumption was applied in accordance with applicable law and regulations. In my opinion, each other assumption is reasonable (taking into account the experience of the plan and reasonable expectations) and such other assumptions, in combination, offer my best estimate of anticipated experience under the plan.

**SIGN  
HERE**

Redacted by the U.S. Department of the Treasury

3/17/2015

Craig A. Voelker

Signature of actuary

Date

14-05537

Type or print name of actuary

Most recent enrollment number

Redacted by the U.S. Department of the Treasury

Firm name

Redacted by the U.S.

Telephone number (including area code)

Address of the firm

NJ 08034

If the actuary has not fully reflected any regulation or ruling promulgated under the statute in completing this schedule, check the box and see instructions

For Paperwork Reduction Act Notice and OMB Control Numbers, see the instructions for Form 5500 or Form 5500-SF.

Schedule MB (Form 5500) 2013  
v 130118

Schedule MB (2013)  
Statement By Enrolled Actuary

Road Carriers Local 707 Pension Plan  
EIN: 51-6106510 PN: 001

***Employer Contributions (line 3)***

The employer contributions shown in line 3 of the Schedule MB were contributed or accrued throughout the plan year for work performed during the plan year and were assumed to be paid at the end of the month.

***Illustration Supporting Actuarial Certification of Status (line 4a)***

Attached is a copy of the PPA Zone Certification along with a graph showing the Plan's funded percentage and a projection of the funding standard account.

***Documentation Regarding Progress under Rehabilitation Plan (line 4c)***

See attached.

***Reorganization Status Explanation and Worksheet (line 5)***

Attached is documentation regarding the Plan's reorganization status.

***Actuarial Assumptions and Methods (line 6)***

Attached is a summary of the actuarial assumptions and methods used to perform the most recent valuation. The actuarial assumptions and methods used in this valuation differ from those used in the prior valuation in the following respects:

- The interest rate assumption was changed from 6.5% to 5.75%.
- Administrative expenses were decreased from \$1,400,000 to \$1,300,000.

***Plan Provisions (line 6)***

Attached is a summary of the plan provisions valued. The plan provisions underlying this valuation do not differ from those underlying the prior valuation.

***Schedule of Active Participant Data (line 8b)***

Attached is a schedule of active participant data.

***Schedule of Funding Standard Account Bases (line 9)***

Attached is a schedule of minimum funding amortization bases maintained pursuant to IRC Section 431.

***Justification for Change in Actuarial Assumption (line 11)***

***Actuary's Statement of Reliance***

In completing this Schedule MB, the enrolled actuary has relied upon the correctness of the financial information presented in the pension fund audit and upon the accuracy and completeness of participant census data provided by the Plan administrator.

Schedule MB (2013), Line 4c --  
Documentation Regarding Progress Under Rehabilitation Plan

Road Carriers Local 707 Pension Plan  
EIN: 51-6106510 PN: 001

Therefore, after considering and rejecting as unfeasible various scenarios intended to meet the benchmarks of the Pension Protection Act, the Trustees selected a Rehabilitation Plan intended to comply with the provisions of IRC §432(e)(3)(A)(ii) in order to forestall insolvency. The Plan has taken reasonable measures to improve its funding status.

As per IRC §432(b)(3)(A)(ii), we have certified the Plan is meeting its scheduled progress.

Schedule MB (2013), Line 5 -  
 Reorganization Status Worksheet  
 Road Carriers Local 707 Pension Plan  
 EIN: 51-6106510 PN: 001

**Reorganization (IRC Section 418)**

Reorganization status is determined based on whether or not the amortization of unfunded vested benefits is greater than the net charge to the Funding Standard Account. The unfunded vested benefits are calculated using adjusted assets and the vested benefit liability as of the end of the Base Year. The Base Year is determined based on a two prong test:

Test

1. The Plan year ending at least six months prior a "relevant CBA" start date. A relevant CBA is one in effect for at least six months of the current Plan year but not in effect for more than 36 months. Or, if there is no relevant CBA,
2. The Plan year ending at least 12 months prior to the beginning of the current Plan year, (8/31/2012 for the Plan Year ending 8/31/2014)

The earliest relevant CBA is with Hudson News Newburgh, effective 3/1/2013. Therefore the Base Plan Year is the Plan Year ending 8/31/2012.

As of 8/31/2012 (End of the Base Year)

	Vested Benefit Liability	Adjusted Assets	Unfunded Vested Benefit Liability	Vested Benefits Amortization Charge
A. Retired	\$436,689,007	\$136,694,135	\$299,994,872	\$38,088,219
B. Non-retired	<u>188,319,463</u>	<u>-</u>	<u>188,319,463</u>	<u>13,601,414</u>
C. Total	\$ 625,008,470	\$136,694,135	\$488,314,335	\$51,689,633

Net charge to the Funding Standard Account

D. Normal Cost	\$ 4,394,659
E. Amortization Charges	59,861,926
F. Amortization Credits	<u>(12,999,215)</u>
G. Total	\$51,257,370
H. Reorganization Index (C - G)	\$ 432,263

Schedule MB (2013), Line 11 –  
Justification For Change In Actuarial Assumptions

Road Carriers Local 707 Pension Plan  
EIN: 51-6106510 PN: 001

The interest rate assumption was changed from 6.5% to 5.75% in order to better reflect anticipated returns on investments.

The administrative expense assumption was changed from \$1,400,000 to \$1,300,000 in order to better model future expenses.

Schedule MB (2013) Lines 9c and 9h -  
Schedule of Funding Standard Account Bases

Road Carriers Local 707 Pension Plan  
EIN: 51-6106510 PN: 001

Amortization Charges as of September 1, 2013

Date Established: <u>September 1</u>	<u>Base Type</u>	<u>Outstanding Balance</u>	<u>Years Remaining</u>	<u>Amortization Amount</u>
1990	Combined Bases	\$ 33,587,511	6	\$ 6,408,403
1991	Plan Amendment	13,992,864	13	1,472,940
1991	Method Change	3,928,570	8	592,337
1992	Plan Amendment	5,749,231	14	575,879
1992	Assumption Change	1,841,196	14	184,426
1994	Plan Amendment	6,054,754	16	556,867
1994	Loss	337,648	1	337,648
1996	Plan Amendment	4,289,963	18	367,661
1997	Plan Amendment	4,608,354	19	382,950
1997	Assumption Change	1,528,142	19	126,987
1998	Plan Amendment	15,804,698	20	1,276,683
1998	Assumption Change	12,674,273	20	1,023,812
1998	Loss	6,412,418	5	1,429,737
1999	Plan Amendment	3,255,545	21	256,213
2000	Plan Amendment	29,854,431	22	2,293,762
2000	Assumption Change	388,937	22	29,883
2001	Loss	41,006,763	8	6,182,861
2002	Loss	37,529,323	9	5,161,007
2004	Loss	22,595,799	11	2,674,675
2005	Loss	21,254,019	12	2,364,526
2006	Loss	12,530,743	13	1,319,032
2007	Loss	1,493,051	14	149,553
2008	Loss	2,578,970	15	247,014
2008	Assumption Change	21,866,524	15	2,094,379
2009	Loss	37,141,836	11	4,396,496
2010	Loss	14,177,437	12	1,577,251
2010	Assumption Change	20,749,959	12	2,308,449
2011	Loss	10,789,766	13	1,135,770
2011	Assumption Change	65,680,718	13	6,913,792
2012	Loss	10,414,487	14	1,043,179
2013	Loss	5,098,103	15	488,297
2013	Assumption Change	<u>46,872,520</u>	15	<u>4,489,457</u>
Total Charges		\$ 516,088,553		\$ 59,861,926

Schedule MB (2013) Lines 9c and 9h  
Schedule of Funding Standard Account Bases

Road Carriers Local 707 Pension Plan  
EIN: 51-6106510 PN: 001

**Amortization Credits as of September 1, 2013**

Date Established: <u>September 1</u>	<u>Base Type</u>	<u>Outstanding Balance</u>	<u>Years Remaining</u>	<u>Amortization Amount</u>
1991	Assumption Change	\$(12,239,495)	8	\$(1,845,430)
1999	Gain	(2,447,847)	1	(2,447,847)
1999	Assumption Change	(3,031,186)	16	(278,784)
2000	Gain	(3,645,291)	2	(1,873,582)
2003	Gain	(1,273,659)	5	(283,980)
2004	Plan Amendment	(6,001,051)	21	(472,286)
2005	Plan Amendment	(7,485,321)	22	(575,109)
2008	Method Change	(18,543,590)	10	(2,354,348)
2009	Plan Amendment	<u>(24,227,746)</u>	11	<u>(2,867,849)</u>
Total Credits		\$(78,895,186)		\$(12,999,215)
Net Charges/(Credits)		\$ 437,193,367		\$ 46,862,711

**Equation of Balance**

A. Net Outstanding Balance of Bases	\$ 437,193,367
B. Credit Balance	<u>\$ (124,493,995)</u>
C. Unfunded Actuarial Accrued Liability (A-B)	\$ 561,687,362



Schedule MB (2013), Line #6  
Summary of Plan Provisions

Road Carriers Local 707 Pension Plan  
EIN: 51-6106510 PN: 001

<b>Plan Year:</b>	September 1 through August 31.
<b>Participant</b>	Entry date on January 1st following completion of 250 hours of service in covered employment in a calendar year.
<b>Vesting Service</b>	
<u>Time Period</u>	<u>Vesting Service Earned</u>
Before 8/1/1976	One year for each plan year in which at least 1,000 hours of service were completed.
8/1/1976 and After	One for each plan year in which at least 1,000 hours of service or related service were completed.
<b>Pension Service</b>	
<u>Time Period</u>	<u>Benefit Service Earned</u>
9/1/1950 to 7/31/1954	1/4 of a year for each plan year quarter in which the employer was required to contribute for at least 36 days worked.
8/1/1954 to 7/31/1976	1/4 of a year for each plan year quarter in which the employer was required to contribute for at least 25 days worked.
8/1/1976 to 7/31/1982	1/4 of a year for each 250 hours of pension service in a plan year, up to one year.
8/1/1982 to 12/1/1982	1/4 of a year for each 200 hours of pension service in a plan year, up to a half year.
1/1/1983 and After	1/4 of a year for each 250 hours of pension service in a plan year, up to one year.
<b>Vesting</b>	100% after 5 years of vesting service.
<b>Break Year</b>	<p>A break year is a year in which fewer than 250 hours of vesting service are credited. A non-vested participant who incurs a break year forfeits participation and service (subject to ERISA restoration rights).</p> <p>A permanent break in service is after consecutive break years that equal the greater of five years or the years of vesting service before the first of those break years. Service earned previously can then be restored only if the participant subsequently earns ten consecutive years of pension service under only the Local 707 Pension Plan.</p> <p>The benefit unit is "frozen" after a break year for his pre-break pension service until the participant earns more pension service under only the Local 707 Pension Plan than his break years. However, if the participant first incurs a permanent break in service the benefit unit is "frozen" until he subsequently earns ten consecutive years of pension service under only the Local 707 Pension Plan.</p>

Schedule MB (2013), Line #6  
Summary of Plan Provisions

Road Carriers Local 707 Pension Plan  
EIN: 51-6106510 PN: 001

**Normal Retirement Pension:**

**Eligibility** Age 65 with 5 years of plan participation.

**Amount** As accrued through 12/31/2004 plus 0.6% of hourly contributions with no cap and decreasing annually. When combined with the required contribution increases, target accruals increase 4% per year until equivalent to \$115 per hour as follows:

Eff. <u>Jan. 1</u>	Accrual <u>Rate</u>
2009	0.6000%
2010	0.5694%
2011	0.5445%
2012	0.5241%
2013	0.5072%
2014	0.4979%
2015	0.4903%
2016	0.4842%
2017	0.4610%
2018	0.4399%

**Normal Form** Life only

**Early Pension:**

**Eligibility** Age 55 with 15 years of pension service. Must have at least two quarters under Local 707.

**Amount** Normal Retirement Pension benefit reduced 1/2 of 1% for each month prior to Normal Pension date.

**Service Pension:**

**Eligibility** 25 Pension Credits who have attained age 57 or Participants with 30 Pension Credits at any age.

**Amount** Normal Retirement Pension benefit unreduced at age 57. Reduced by 1/2% for each month by which retirement precedes age 57.

**Bridge Benefit:**

**Eligibility** Must meet one of the two rules below:

- 30 years of pension service
- Age 57 and 25 years of pension service

At least 18 years of service must be under Local 707.

**Amount** \$200 plus \$100 for each full year of pension service after the later of eligibility or 1/1/2005. Payable until age 65 or death if earlier.

Schedule MB (2013), Line #6  
Summary of Plan Provisions

Road Carriers Local 707 Pension Plan  
EIN: 51-6106510 PN: 001

**Disability:**

Eligibility Eliminated as of 1/1/2009 pursuant to Rehabilitation Plan.

**Vested Pension:**

Eligibility 5 years of vesting service.

Amount Normal Retirement Pension deferred to Normal Retirement Pension age.

**Pre-Pension Surviving Spouse Pension:**

Eligibility Vested and married for one year at death.

Amount 50% of the benefit the participant would have received had he or she retired the day before he or she died and elected the joint and 50% survivor option. If the participant died prior to eligibility for an early retirement pension, the spouse's benefit is deferred to the participant's earliest retirement date.

**Post-Pension \$10,000 Death Benefit:**

Eligibility Eliminated as of 1/1/2009 pursuant to Rehabilitation Plan.

**Post-Pension \$2,500 Death Benefit:**

Eligibility Eliminated as of 1/1/2009 pursuant to Rehabilitation Plan.

**Grandfathering:** A participant with pension service earned after 2004 has all optional forms reduced for actuarial equivalence using 7% interest and unisex mortality as in Revenue Ruling 95-6 (except lump sums calculated on the Code Section 417(e)(3) basis). In no event is the optional form less than that calculated as of 1/1/05.

A participant who has no pension service earned after 2004 has husband and wife options calculated using the formula stated in the plan document.

**Optional Forms of Benefit:** The following optional forms of benefit are actuarial equivalent to the normal form of benefit

- 50% J&S
- 50% J&S with "Pop-Up"
- 75% J&S
- 75% J&S with "Pop-Up"
- 100% J&S
- 100% J&S with "Pop-Up"

Schedule MB (2013), Line #6 –  
Statement of Actuarial Assumptions & Methods

Road Carriers Local 707 Pension Plan  
EIN: 51-6106510 PN: 001

Summary of Assumptions

Mortality																													
Healthy	RP-2000 healthy mortality set forward three years using Scale BB improvement from 2000																												
Disability	RP-2000 disabled mortality set forward three years using Scale BB improvement from 2000																												
Withdrawal	Crocker-Sarason-Straight T-3																												
Disability	SOA 1973 Transactions, XXVI																												
Retirement Age																													
Actives	Sample rates as follows with an additional 70% when participant is first eligible for an unreduced Early Retirement:																												
	<table border="0" style="margin-left: auto; margin-right: auto;"> <thead> <tr> <th style="text-decoration: underline;">Age</th> <th style="text-decoration: underline;">Rate</th> <th style="text-decoration: underline;">Age</th> <th style="text-decoration: underline;">Rate</th> </tr> </thead> <tbody> <tr> <td>55</td> <td>2%</td> <td>61</td> <td>10%</td> </tr> <tr> <td>56</td> <td>2%</td> <td>62</td> <td>30%</td> </tr> <tr> <td>57</td> <td>20%</td> <td>63</td> <td>10%</td> </tr> <tr> <td>58</td> <td>5%</td> <td>64</td> <td>10%</td> </tr> <tr> <td>59</td> <td>5%</td> <td>65</td> <td>100%</td> </tr> <tr> <td>60</td> <td>10%</td> <td></td> <td></td> </tr> </tbody> </table>	Age	Rate	Age	Rate	55	2%	61	10%	56	2%	62	30%	57	20%	63	10%	58	5%	64	10%	59	5%	65	100%	60	10%		
Age	Rate	Age	Rate																										
55	2%	61	10%																										
56	2%	62	30%																										
57	20%	63	10%																										
58	5%	64	10%																										
59	5%	65	100%																										
60	10%																												
Inactive Vested	Based upon Pension Service as follows: <ul style="list-style-type: none"> <li>• Less than 15 years: age 65</li> <li>• 15-25 years: age 60</li> <li>• 25 or more years: age 57 or immediately if over age 57</li> </ul>																												
Future Employment	1,629,375 total hours (1,875 per active)																												
Definition of Active	Any participant completing 250 hours of service in covered employment in a calendar year, excluding those who have retired as of the valuation date																												
Percent Married	80%																												
Age of Spouse	Females are 3 years younger than their spouses																												
Net Investment Return	5.75%																												
Administrative Expenses	\$1,300,000 payable in the middle of the year																												
Load	A 5% load to active liabilities and normal cost to cover reciprocal retirements.																												

Schedule MB (2013), Line #6 -  
Statement of Actuarial Assumptions & Methods

Road Carriers Local 707 Pension Plan  
EIN: 51-6106510 PN: 001

Actuarial Value of Assets      The market value of assets less unrecognized returns in each of the last four years. Unrecognized return is equal to the difference between the actual market return and the expected return on the market value, and is recognized over a four year period. The actuarial value is further adjusted, if necessary, to be within 20% of the market value.

Actuarial Cost Method      Traditional Unit Credit.

RPA '94 Current Liability Assumptions

Interest      3.61%

Mortality

Healthy      Mortality: RP-2000 per IRC §1.430(h)(3)-1  
Disabled      Mortality: RP-2000 per IRC §1.430(h)(3)-1

Assumption Changes

Net Investment Return      From 6.5% last year to 5.75%.

Schedule MB (2013), Line 5 -  
 Reorganization Status Worksheet  
 Road Carriers Local 707 Pension Plan  
 EIN: 51-6106510 PN: 001

**Reorganization (IRC Section 418)**

Reorganization status is determined based on whether or not the amortization of unfunded vested benefits is greater than the net charge to the Funding Standard Account. The unfunded vested benefits are calculated using adjusted assets and the vested benefit liability as of the end of the Base Year. The Base Year is determined based on a two prong test:

Test

1. The Plan year ending at least six months prior a "relevant CBA" start date. A relevant CBA is one in effect for at least six months of the current Plan year but not in effect for more than 36 months. Or, if there is no relevant CBA,
2. The Plan year ending at least 12 months prior to the beginning of the current Plan year, (8/31/2012 for the Plan Year ending 8/31/2014)

The earliest relevant CBA is with Hudson News Newburgh, effective 3/1/2013. Therefore the Base Plan Year is the Plan Year ending 8/31/2012.

As of 8/31/2012 (End of the Base Year)

	Vested Benefit Liability	Adjusted Assets	Unfunded Vested Benefit Liability	Vested Benefits Amortization Charge
A. Retired	\$436,689,007	\$136,694,135	\$299,994,872	\$38,088,219
B. Non-retired	<u>188,319,463</u>	-	<u>188,319,463</u>	<u>13,601,414</u>
C. Total	\$ 625,008,470	\$136,694,135	\$488,314,335	\$51,689,633

Net charge to the Funding Standard Account

D. Normal Cost	\$ 4,394,659
E. Amortization Charges	59,861,926
F. Amortization Credits	<u>(12,999,215)</u>
G. Total	\$51,257,370
H. Reorganization Index (C - G)	\$ 432,263

Schedule MB (2013), LINE #4a –  
Illustration Supporting Actuarial Certification of Status

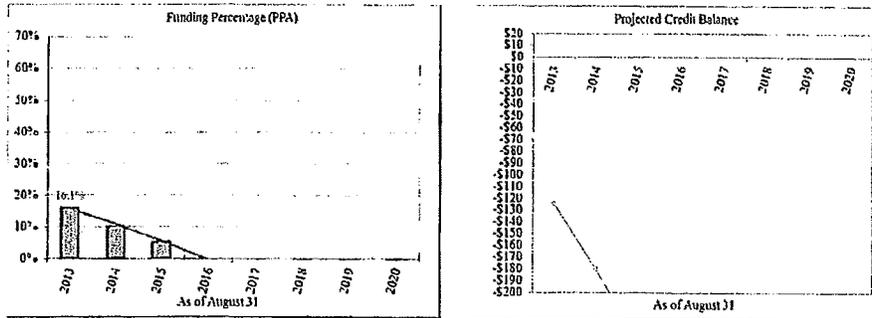
**Zone Certification**  
**as of September 1, 2013 for**  
**Road Carriers Local 707 Pension Plan**  
**EIN: 51-6106510/PN: 001**

Initial Critical Zone Certification: September 1, 2008  
Adoption Period: 11/30/2008 – 8/31/2011  
Rehabilitation Period: 9/1/2011 – 8/31/2024

Based on the following actuarial measures, the Plan is classified as “Critical” (Red Zone) as per the Pension Protection Act.

- The Plan has not passed the “Emergence Test.” The Plan is projected to have a funding deficiency within the nine years succeeding the current Plan year.

After considering and rejecting as unreasonable various scenarios intended to meet the benchmarks of the Pension Protection Act, the Trustees selected a Rehabilitation Plan intended to comply with the provisions of IRC §432(e)(3)(A)(ii). Based upon the provisions of IRC §432(e)(3)(A)(ii), the Plan is making required progress in its Rehabilitation Plan.



This certification was prepared on behalf of the Road Carriers Local 707 Pension Plan based on employee data, asset statements and plan documents provided by the Plan Sponsor or its representatives. We relied upon the data as submitted, without formal audit. However, the data was tested for reasonableness, and we have no reason to believe that any other information which would have had a material effect on the results of this valuation was overlooked.

Therefore, to the best of our knowledge and belief, the information presented in this certification is complete and accurate, and each assumption used represents our best estimate of anticipated experience under the Plan.

The assumptions used are those used in the August 31, 2012 actuarial valuation.

**Certified by:**

Redacted by the U.S. Department of the Treasury

Craig A. Voelker, FSA, MAAA, EA

Redacted by the U.S. Department of the Treasury

November 29, 2013

**On Behalf of Plan Sponsor:**

Board of Trustees  
Road Carriers Local 707 Pension Plan  
14 Front Street  
Hempstead, NY 11550  
Phone (516) 560-8501

## Road Carriers Local 707 Pension Fund

Supplemental Schedule Required Under ERISA and  
Department of Labor Regulations  
Schedule H  
August 31, 2014

### Line 4j - Schedule of Reportable Transactions

(b)/(c) Identity of Party Involved/ Description of Assets	(c) Purchase Price	(d) Selling Price	(g) Cost	(h) Current Value of Assets on Transaction Date	(i) Net Gain or (Loss)
<b>Single Transactions Exceeding 5% of Plan Assets:</b>					
Collective US Govt Stif 4	\$ 7,755,903	\$ -	\$ 7,755,903	\$ 7,755,903	\$ -
Collective US Govt Stif 4	6,766,000		6,766,000	6,766,000	-
Collective US Govt Stif 4	-	5,652,706	5,652,706	5,652,706	-
Collective US Govt Stif 4	9,679,897	-	9,679,897	9,679,897	-
Collective US Govt Stif 4	6,448,721	-	6,448,721	6,448,721	-
Collective US Govt Stif 4	9,243,481	-	9,243,481	9,243,481	-
Collective US Govt Stif 4	-	19,243,481	19,243,481	19,243,481	-
<b>Series of Transactions Exceeding 5% of Plan Assets:</b>					
Collective US Govt Stif 4	\$ 9,637,108	\$ -	\$ 9,637,108	\$ 9,637,108	\$ -
Collective US Govt Stif 4	-	18,194,436	18,194,436	18,194,436	-
Collective US Govt Stif 4	104,266,817	-	104,266,817	104,266,817	-
Collective US Govt Stif 4	-	94,022,017	94,022,017	94,022,017	-
Commit to Pur Mutual Fund	10,000,000	-	10,000,000	10,000,000	-
Commit to Pur Mutual Fund	-	10,000,000	10,000,000	10,000,000	-

See Independent Auditor's Report.

## Road Carriers Local 707 Pension Fund

### Supplemental Schedule Required Under ERISA and Department of Labor Regulations Schedule H August 31, 2014

#### Line 4i - Schedule of Assets (Held at end of Year)

(a)	(b)/(c) Identity of Issue, Borrower, Lessor, or Similar Party Description of Investment Including Maturity Date, Rate of Interest, Collateral, or Par	Currency	Par Value/ Shares	Market Price	(d) Cost Value	(e) Market Value
<b>Corporate Bonds</b>						
	APPLE INC		425,000	98	\$ 411,421	\$ 416,657
	BANK OF MONTREAL		420,000	99	418,567	416,303
	BANK OF NEW YORK MELLON CORP/T		360,000	115	414,468	412,912
	BANK OF NOVA SCOTIA		420,000	99	413,721	415,888
	BERKSHIRE HATHAWAY FINANCE COR		360,000	113	414,623	407,203
	CATERPILLAR INC		305,000	124	399,583	378,128
	CHARLES SCHWAB CORP/THE		400,000	102	405,904	406,703
	CHUBB CORP/THE		355,000	114	436,648	404,446
	CISCO SYSTEMS INC		410,000	101	410,275	412,836
	CORP ANDINA DE FOMENTO		390,000	104	409,752	404,713
	EMC CORP/MA		415,000	100	413,968	416,071
	GENERAL ELECTRIC CAPITAL CORP		350,000	118	413,763	412,138
	INTEL CORP		400,000	100	393,404	399,755
	JOHN DEERE CAPITAL CORP		375,000	103	388,553	385,530
	ORACLE CORP		400,000	100	401,668	401,200
	SIMON PROPERTY GROUP LP		400,000	101	405,040	404,728
	STATE STREET CORP		375,000	104	393,690	388,185
	TORONTO-DOMINION BANK		410,000	100	409,000	409,094
	TRAVELERS COS INC/THE		340,000	114	408,142	385,978
	WACHOVIA CORP		340,000	114	404,699	386,458
	WESTPAC BANKING CORP		400,000	102	407,096	407,180
	<b>Total Corporate Bonds</b>				<b>6,573,983</b>	<b>6,472,105</b>
<b>Common Stocks</b>						
	ABBOTT LABORATORIES	USD	2,360,000	42.2400	85,542	99,686
	ACCENTURE PLC	USD	2,793,000	81.0600	173,730	226,401
	ACE LIMITED SHS	USD	684,000	106.3300	37,432	72,730
	ACTIVISION BLIZZARD INC	USD	2,420,000	23.5400	54,406	56,967
	ADVANCE AUTO PARTS INC	USD	972,000	136.4200	79,945	132,600
	AGRIUM INC	USD	400,000	94.6300	26,902	37,852
	ALASKA AIR GROUP INC	USD	2,058,000	46.3400	81,207	95,368
	ALLEGION PLC	USD	933,000	51.4300	20,334	47,984
	ALLERGAN INC/UNITED STATES	USD	1,267,000	163.6800	155,030	207,383
	ALLERGAN INC/UNITED STATES	USD	570,000	163.6800	55,474	93,298
	ALLSTATE CORP/THE	USD	814,000	61.4900	41,707	50,053
	AMERICAN EXPRESS CO	USD	1,098,000	89.5500	45,199	98,326
	AMETEK INC	USD	1,030,000	52.9400	91,340	96,880
	AMPHENOL CORP	USD	493,000	103.0100	39,663	50,784
	ANIXTER INTERNATIONAL INC	USD	2,500,000	89.2300	164,521	223,075
	APACHE CORP	USD	1,924,000	101.8300	161,861	195,921
	APPLE INC	USD	1,999,000	102.5000	127,522	204,899
	APPLE INC	USD	1,134,000	102.5000	37,533	116,235
	ARCHER-DANIELS-MIDLAND CO	USD	2,162,000	49.8800	88,162	107,797
	ARROW ELECTRONICS INC	USD	4,635,000	62.2500	122,349	288,529
	ARROW ELECTRONICS INC	USD	1,720,000	62.2500	105,850	109,070
	ASPEN TECHNOLOGY INC	USD	1,001,000	41.0900	30,444	41,131
	AUTOZONE INC	USD	181,000	538.8400	19,009	97,530
	AVERY DENNISON CORP	USD	3,800,000	48.1300	117,878	182,894
	AXA SA	USD	2,125,000	24.8290	34,326	52,762
	BAKER HUGHES INC	USD	1,374,000	69.1400	102,412	94,898
	BASF SE	USD	1,250,000	103.1230	67,735	128,904
	BAXTER INTERNATIONAL INC	USD	2,072,000	74.9800	138,305	155,359
	BECTON DICKINSON AND CO	USD	854,000	117.1700	78,437	99,712
	BERKSHIRE HATHAWAY INC	USD	1,553,000	137.2500	143,135	213,149
	BERKSHIRE HATHAWAY INC	USD	1,535,000	137.2500	122,216	210,679

See Independent Auditor's Report.

## Road Carriers Local 707 Pension Fund

Supplemental Schedule Required Under ERISA and  
Department of Labor Regulations

Schedule H  
August 31, 2014

### Line 4i - Schedule of Assets (Held at end of Year) - Continued

(a)	(b)(c) Identity of Issue, Borrower, Lessor, or Similar Party Description of Investment Including Maturity Date, Rate of Interest, Collateral, or Par	Currency	Par Value/ Shares	Market Price	(d) Cost Value	(e) Market Value
<u>Common Stocks - Continued</u>						
	BHP BILLITON LTD	USD	3,300.000	68.6300	222,171	226,478
	BIOGEN IDEC INC	USD	384.000	343.0400	71,352	131,726
	BIOGEN IDEC INC	USD	332.000	343.0400	82,277	113,888
	BLACKROCK INC	USD	300.000	330.5300	67,424	99,158
	BLACKROCK INC	USD	327.000	330.5300	61,840	108,082
	BOEING CO/THE	USD	956.000	126.8000	80,113	121,220
	BOEING CO/THE	USD	751.000	126.8000	51,271	95,226
	BORGWARNER INC	USD	1,561.000	62.1800	79,959	97,078
	BRITISH AMERICAN TOBACCO PLC	USD	1,225.000	118.4200	73,889	145,085
	BROADRIDGE FINANCIAL SOLUTIONS	USD	7,350.000	42.5400	158,889	312,689
	BROOKFIELD ASSET MANAGEMENT IN	USD	4,016.000	47.7500	132,842	191,764
	BROOKFIELD ASSET MANAGEMENT IN	USD	1,275.000	47.7500	31,938	60,881
	BROWN & BROWN INC	USD	3,713.000	32.6200	117,338	121,118
	CAMERON INTERNATIONAL CORP	USD	1,487.000	74.3300	95,798	111,272
	CANADIAN NATIONAL RAILWAY CO	USD	4,200.000	71.8800	128,890	301,812
	CANADIAN NATURAL RESOURCES LTD	USD	3,750.000	43.5500	134,000	163,313
	CANADIAN PACIFIC RAILWAY LTD	USD	1,800.000	200.6000	100,043	361,080
	CAPITAL ONE FINANCIAL CORP	USD	445.000	82.0600	36,189	36,517
	CARLISLE COS INC	USD	1,575.000	82.9000	43,034	130,568
	CARMAX INC	USD	2,910.000	52.4000	111,414	152,484
	CIMAREX ENERGY CO	USD	950.000	145.1600	54,981	137,902
	CINTAS CORP	USD	3,025.000	66.1400	73,012	200,074
	COMCAST CORP	USD	3,932.000	54.7200	94,431	215,169
	COMPASS MINERALS INTERNATIONAL	USD	1,800.000	89.0700	130,763	160,326
	COPA HOLDINGS S A CL A	USD	681.000	122.9800	94,807	87,749
	COPART INC	USD	4,641.000	34.4300	126,876	159,790
	CORE LABORATORIES NV	USD	500.000	157.9900	35,479	78,995
	COSTCO WHOLESALE CORP	USD	815.000	121.0800	92,871	98,680
	CULLEN/FROST BANKERS INC	USD	2,800.000	78.6000	183,131	220,080
	CUMMINS INC	USD	656.000	145.1100	83,835	95,192
	CVS HEALTH CORPORATION	USD	2,145.000	79.4500	101,466	170,420
	CVS HEALTH CORPORATION	USD	1,297.000	79.4500	50,341	103,047
	DANAHER CORP	USD	723.000	76.6100	46,450	55,389
	DANAHER CORP	USD	2,280.000	76.6100	143,965	173,139
	DANAHER CORP	USD	1,345.000	76.6100	71,766	103,040
	DELTA AIR LINES INC	USD	1,447.000	39.5800	50,803	57,272
	DIGITAL REALTY TRUST INC	USD	876.000	65	42,076	57,159
	DIAGEO PLC	USD	1,780.000	119.8700	189,085	213,389
	DIAGEO PLC	USD	1,250.000	119.8700	79,340	149,838
	DRESSER-RAND GROUP INC	USD	1,175.000	69.3000	67,652	81,428
	DUN & BRADSTREET CORP	USD	1,275.000	117.3800	94,245	149,680
	EATON CORP PLC	USD	2,125.000	69.8100	116,886	148,346
	EBAY INC	USD	4,215.000	55.5000	216,487	233,933
	ELI LILLY & CO	USD	1,701.000	63.5600	99,497	108,116
	EMC CORP/IMA	USD	1,208.000	29.5300	35,726	35,672
	EMC CORP/IMA	USD	3,779.000	29.5300	47,074	111,594
	ENSCO PLC	USD	1,950.000	50.4800	113,603	98,436
	EXPRESS SCRIPTS HOLDING CO	USD	1,352.000	73.9300	105,426	99,953
	EXXON MOBIL CORP	USD	1,745.000	99.4600	125,891	173,558
	F5 NETWORKS INC	USD	419.000	124.1900	44,572	52,036
	F5 NETWORKS INC	USD	946.000	124.1900	84,281	117,484
	FLIR SYSTEMS INC	USD	3,425.000	33.7900	103,249	115,731
	FORWARD AIR CORP	USD	1,875.000	46.2900	60,012	66,794
	FRANKLIN RESOURCES INC	USD	1,843.000	56.5200	73,082	104,166
	GAP INC/THE	USD	2,452.000	46.1500	110,862	113,160
	GENERAL ELECTRIC CO	USD	3,558.000	25.9800	95,088	92,437
	GENPACT LTD	USD	13,550.000	17.4000	231,850	235,770
	GILEAD SCIENCES INC	USD	2,188.000	107.5600	123,120	235,341
	GILEAD SCIENCES INC	USD	976.000	107.5600	17,332	104,979
	GOOGLE INC	USD	157.000	571.8000	57,089	89,741
	GOOGLE INC	USD	94.000	582.3600	28,179	54,742
	GOOGLE INC	USD	84.000	571.6000	28,116	53,730
	GREAT PLAINS ENERGY INC	USD	1,963.000	25.6700	47,249	50,390
	GREENLIGHT CAPITAL RE LTD CL A	USD	3,775.000	34.2100	93,180	129,143
	HANESBRANDS INC	USD	1,198.000	102.6800	59,189	123,011
	HANGER INC	USD	1,950.000	22.4000	66,075	43,680

See Independent Auditor's Report.

**Road Carriers Local 707 Pension Fund**  
Supplemental Schedule Required Under ERISA and  
Department of Labor Regulations  
Schedule H  
August 31, 2014

**Line 4i - Schedule of Assets (Held at end of Year) - Continued**

LINE 4i - SCHEDULE OF ASSETS (HELD AT END OF YEAR)						
(b)(c)						
Identity of Issue, Borrower, Lessor, or Similar Party						
Description of Investment Including Maturity Date,						
(a)	Rate of Interest, Collateral, or Par	Currency	Par Value/ Shares	Market Price	(d) Cost Value	(e) Market Value
<b>Common Stocks - Continued</b>						
		USD	4,250	47	155,517	199,920
		USD	851	101	85,600	86,036
		USD	1,191	94	67,111	111,359
		USD	1,179	94	89,416	110,237
		USD	2,800	60	80,474	168,560
		USD	2,100	58	104,256	122,115
		USD	1,755	35	54,489	61,285
		USD	9,850	20	175,920	192,371
		USD	4,195	51	216,318	226,152
		USD	965	104	58,348	100,099
		USD	536	104	51,623	55,599
		USD	2,500	45	100,805	112,025
		USD	882	119	100,192	105,214
		USD	1,350	119	60,733	161,042
		USD	1,521	76	75,941	116,235
		USD	1,709	72	91,762	122,894
		USD	1,960	30	29,201	57,859
		USD	1,575	78	124,671	122,504
		USD	1,234	45	56,539	65,666
		USD	2,059	53	98,440	108,118
		USD	964	124	76,288	119,179
		USD	1,649	62	55,850	102,716
		USD	1,850	20	32,675	37,393
		USD	2,173	42	81,650	80,592
		USD	290	660	115,781	191,342
		USD	1,804	94	165,869	169,071
		USD	565	195	43,894	110,192
		USD	1,556	64	95,852	99,351
		USD	1,641	64	61,842	104,778
		USD	1,483	60	68,104	89,143
		USD	2,340	45	67,095	106,306
		USD	2,365	45	68,470	107,442
		USD	2,018	45	80,776	91,678
		USD	3,975	34	107,157	134,912
		USD	782	88	42,444	69,137
		USD	1,225	90	97,051	110,422
		USD	7,225	27	139,306	196,592
		USD	1,225	96	86,784	105,877
		USD	2,850	78	132,236	221,721
		USD	2,370	78	146,975	184,379
		USD	2,535	42	81,587	106,876
		USD	5,575	28	176,131	158,665
		USD	2,345	69	143,848	162,391
		USD	344	107	36,724	36,808
		USD	2,307	69	113,950	159,990
		USD	1,425	90	67,716	128,022
		USD	3,078	19	55,740	59,667
		USD	116	1,173	116,792	136,090
		USD	494	104	47,440	51,243
		USD	4,733	42	152,472	196,561
		USD	2,399	42	34,768	99,630
		USD	648	156	59,559	101,075
		USD	2,795	63	150,951	175,554
		USD	1,449	68	92,072	98,518
		USD	1,858	9	25,101	17,317
		USD	425	112	31,099	47,468
		USD	5,675	40	122,694	204,370
		USD	5,696	29	171,073	167,405
		USD	1,622	86	144,866	138,811
		USD	327	145	34,482	47,539
		USD	4,225	35	142,304	148,551
		USD	496	206	50,738	102,107
		USD	4,050	23	89,806	93,798
		USD	7,004	25	170,032	175,240
		USD	5,159	19	110,619	98,156
		USD	1,228	76	66,136	93,451
		USD	1,535	76	73,629	116,814
		USD	1,123	96	104,198	108,190

See Independent Auditor's Report.

## Road Carriers Local 707 Pension Fund

### Supplemental Schedule Required Under ERISA and Department of Labor Regulations Schedule H August 31, 2014

#### Line 4i - Schedule of Assets (Held at end of Year) - Continued

(b)	(b)/(c) Identity of Issue, Borrower, Lessor, or Similar Party Description of Investment Including Maturity Date, Rate of Interest, Collateral, or Par	Currency	Par Value/ Shares	Market Price	(d) Cost Value	(e) Market Value
<b>Common Stocks - Continued</b>						
	ROBERT HALF INTERNATIONAL INC	USD	409	50	52,359	100,420
	ROCKWELL AUTOMATION INC	USD	1,829	117	35,379	42,329
	ROCKWELL COLLINS INC	USD	868	77	150,622	154,422
	ROYAL CARIBBEAN CRUISES LTD	USD	423	64	37,560	37,618
	RPX CORP	USD	4,300	15	135,839	122,659
	RYDER SYSTEM INC	USD	2,027	90	64,900	130,993
	SANDISK CORP	USD	1,450	98	59,444	100,605
	SCANSOURCE INC	USD	3,250	39	107,227	150,384
	SCHLUMBERGER LTD	USD	3,145	110	178,994	306,992
	SCRIPPS NETWORKS INTERACTIVE I	USD	5,200	80	29,015	42,167
	SKYWORKS SOLUTIONS INC	USD	1,675	57	47,086	122,512
	SOCIEDAD QUIMICA Y MINERA DE C	USD	3,800	27	205,339	186,184
	SOUTHWEST AIRLINES CO	USD	7,261	32	109,151	113,860
	STURM RUGER & CO INC	USD	9,000	50	46,907	47,890
	SUNCOR ENERGY INC	USD	1,103	41	178,639	235,240
	SYNOPSIS INC	USD	1,430	41	87,173	106,667
	TALISMAN ENERGY INC	USD	2,765	10	32,343	19,888
	TD AMERITRADE HOLDING CORP	USD	1,100	33	99,912	109,230
	TE CONNECTIVITY LTD	USD	3,015	63	71,601	97,593
	TECK RESOURCES LTD	USD	7,225	23	65,441	42,069
	TENARIS SA	USD	693	44	165,432	192,705
	TEXAS INSTRUMENTS INC	USD	4,959	48	99,336	102,236
	THE PRICELINE GROUP INC/THE	USD	3,150	1,244	61,236	99,545
	THE PRICELINE GROUP INC/THE	USD	3,025	1,244	61,101	108,255
	TIME WARNER CABLE INC	USD	2,089	148	108,522	119,232
	TIME WARNER INC	USD	2,535	77	38,215	47,682
	TJX COS INC	USD	1,669	60	174,631	193,733
	UBS AG SHS NEW	USD	1,523	18	58,355	42,069
	UNIFIRST CORP/MA	USD	4,200	97	64,225	60,594
	UNILEVER NV	USD	2,777	42	73,388	109,305
	UNION PACIFIC CORP	USD	4,250	105	38,726	107,165
	UNITED PARCEL SERVICE INC	USD	6,175	97	98,273	95,091
	UNITEDHEALTH GROUP INC	USD	871	87	111,436	174,574
	US BANCORP	USD	493	42	97,295	185,103
	VALE SA	USD	2,950	13	217,483	99,993
	VALMONT INDUSTRIES INC	USD	2,737	141	174,781	165,381
	VARIAN MEDICAL SYSTEMS INC	USD	1,575	85	179,498	206,174
	VARIAN MEDICAL SYSTEMS INC	USD	900	85	117,795	135,607
	VERIZON COMMUNICATIONS INC	USD	2,815	50	181,532	189,537
	VIACOM INC	USD	3,300	81	30,479	45,687
	VISA INC	USD	6,648	213	140,344	158,327
	VISA INC	USD	2,248	213	76,306	101,585
	VISA INC	USD	857	213	17,901	52,917
	WALT DISNEY CO/THE	USD	270	90	51,033	58,512
	WALT DISNEY CO/THE	USD	5,204	90	98,413	109,654
	WEATHERFORD INTL PLC ORD SHS	USD	4,425	24	210,185	318,038
	WELLPOINT INC	USD	1,400	117	106,976	107,539
	WELLS FARGO & CO	USD	2,200	51	89,935	135,442
	WESTERN DIGITAL CORP	USD	1,200	103	22,984	112,693
	WISCONSIN ENERGY CORP	USD	475	45	53,768	54,804
	WOODWARD INC	USD	6,475	52	137,149	167,136
	WR BERKLEY CORP	USD	1,650	48	42,016	44,047
	WR BERKLEY CORP	USD	937	48	98,344	186,148
	WYNDHAM WORLDWIDE CORP	USD	1,495	81	54,440	57,953
	XEROX CORP	USD	1,240	14	54,567	56,041
	YARA INTERNATIONAL ASA	USD	1,479	50	6,518	10,069
	ZIONS BANCORPORATION	USD	1,708	29	76,268	98,348
	<b>Total Common Stocks</b>				<b>20,543,039</b>	<b>27,591,519</b>

See Independent Auditor's Report.

## Road Carriers Local 707 Pension Fund

### Supplemental Schedule Required Under ERISA and Department of Labor Regulations Schedule H August 31, 2014

#### Line 4i - Schedule of Assets (Held at end of Year) - Continued

LINE 4i - SCHEDULE OF ASSETS (HELD AT END OF YEAR)

(a)	(b)/(c) Identity of Issue, Borrower, Lessor, or Similar Party Description of Investment Including Maturity Date, Rate of Interest, Collateral, or Par	Currency	Par Value/ Shares	Market Price	(d) Cost Value	(e) Market Value
<u>U.S. Government and Governmental Agencies Obligations</u>						
	FEDERAL HOME LN MTG CORP		400,000	101	415,150	404,832
	FEDERAL NATL MTG ASSN		825,000	103	875,780	850,649
	FEDERAL NATL MTG ASSN		1,350,000	100	1,351,086	1,351,472
	FEDERAL NATL MTG ASSN		1,100,000	100	1,100,232	1,101,188
	FEDERAL NATL MTG ASSN		725,000	99	709,776	714,995
	FEDERAL NATL MTG ASSN		550,000	98	534,012	539,616
	FEDERAL NATL MTG ASSN		1,120,000	102	1,174,780	1,142,176
	FHLMC POOL #G1-4649		528,670	101	538,709	538,092
	FHLMC POOL #J2-3303		532,576	101	538,736	540,059
	U S TREASURY NOTE		1,200,000	104	1,259,373	1,244,292
	U S TREASURY NOTE		1,300,000	101	1,319,957	1,319,396
	U S TREASURY NOTE		820,000	104	853,008	853,636
	U S TREASURY NOTE		900,000	101	906,750	908,082
	U S TREASURY NOTE		1,350,000	100	1,350,316	1,356,116
	VANGUARD SHORT-TERM TREASURY F		468,278	11	5,005,893	5,010,572
	<b>Total U.S. Government and Governmental Agencies Obligations</b>				<u>17,936,559</u>	<u>17,873,167</u>
<u>Mutual Fund</u>						
	VANGUARD INSTITUTIONAL INDEX F	USD	31,644	184	4,019,730	5,830,653
	FIDELITY ADV INFL	USD	404,694	13	5,002,035	5,058,675
	<b>Total Mutual Funds</b>				<u>9,021,765</u>	<u>10,889,328</u>
<u>REIT</u>						
	EQUITY REAL ESTATE SECURITIES	USD	51,420	113	4,004,586	5,812,526
					<u>4,004,586</u>	<u>5,812,526</u>
<u>Short-term investments</u>						
	COLLECTIVE US GOV'T STIF 20	USD	10,244,802	1	10,244,802	10,244,802
	<b>Total Investments</b>				<u>\$ 70,324,744</u>	<u>\$ 80,083,448</u>

See Independent Auditor's Report.