

ACCOUNTANTS' COMPILATION REPORT

To the Board of Trustees of
National Stabilization Agreement of the
Sheet Metal Industry Trust Fund

Management is responsible for the accompanying combining financial statements of National Stabilization Agreement of the Sheet Metal Industry Trust Fund, which comprise the combining statements of net assets available for benefits as of December 31, 2018 and 2017, and the related combining statements of changes in net assets available for benefits for the years then ended. We have performed a compilation engagement in accordance with Statements on Standards for Accounting and Review Services promulgated by the Accounting and Review Services Committee of the American Institute of Certified Public Accountants. We did not audit or review the financial statements nor were we required to perform any procedures to verify the accuracy or completeness of the information provided by management. Accordingly, we do not express an opinion, a conclusion, nor provide any form of assurance on these financial statements.

Management has elected to omit substantially all of the disclosures required by accounting principles generally accepted in the United States of America. If the omitted disclosures were included in the financial statements, they might influence the user's conclusions about the Trust's combined assets, liabilities, net assets available for benefits, additions and deductions. Accordingly, these financial statements are not designed for those who are not informed about such matters.

Legacy Professionals LLP

Westchester, Illinois

October 9, 2019

**NATIONAL STABILIZATION AGREEMENT OF THE
SHEET METAL INDUSTRY TRUST FUND**

COMBINING STATEMENTS OF NET ASSETS AVAILABLE FOR BENEFITS

DECEMBER 31, 2018 AND 2017

	2018			2017		
	Active Plan	Retiree Plan	Total	Active Plan	Retiree Plan	Total
ASSETS						
INVESTMENTS - at fair value						
Plan interest in master trust	\$ 608,050,585	\$ 284,865,830	\$ 892,916,415	\$ 621,394,779	\$ 276,145,697	\$ 897,540,476
RECEIVABLES						
Employer contributions - net	3,401,875	2,983,620	6,385,495	3,363,108	2,899,257	6,262,365
Due from related organizations	142,560	-	142,560	-	-	-
Total receivables	3,544,435	2,983,620	6,528,055	3,363,108	2,899,257	6,262,365
PREPAID EXPENSES	29,959	-	29,959	110,484	-	110,484
PROPERTY AND EQUIPMENT - NET	9,707	-	9,707	14,942	-	14,942
Total assets	611,634,686	287,849,450	899,484,136	624,883,313	279,044,954	903,928,267
LIABILITIES AND NET ASSETS						
LIABILITIES						
Cash overdraft	10,743	-	10,743	50,044	-	50,044
Accounts payable and accrued expenses	814,000	-	814,000	828,513	-	828,513
Due to related organizations - net	-	-	-	136,644	-	136,644
Total liabilities	824,743	-	824,743	1,015,201	-	1,015,201
NET ASSETS AVAILABLE FOR BENEFITS	\$ 610,809,943	\$ 287,849,450	\$ 898,659,393	\$ 623,868,112	\$ 279,044,954	\$ 902,913,066

See Accountants' Compilation Report.

**NATIONAL STABILIZATION AGREEMENT OF THE
SHEET METAL INDUSTRY TRUST FUND**

COMBINING STATEMENTS OF CHANGES IN NET ASSETS AVAILABLE FOR BENEFITS

YEARS ENDED DECEMBER 31, 2018 AND 2017

	2018			2017		
	Active Plan	Retiree Plan	Total	Active Plan	Retiree Plan	Total
ADDITIONS						
Change in plan interest in master trust	\$ (21,865,535)	\$ (10,736,243)	\$ (32,601,778)	\$ 73,451,620	\$ 30,609,861	\$ 104,061,481
Employer contributions - net	<u>35,826,009</u>	<u>31,330,027</u>	<u>67,156,036</u>	<u>33,610,047</u>	<u>29,041,166</u>	<u>62,651,213</u>
Total additions	<u>13,960,474</u>	<u>20,593,784</u>	<u>34,554,258</u>	<u>107,061,667</u>	<u>59,651,027</u>	<u>166,712,694</u>
DEDUCTIONS						
Cost of benefits						
Severance	12,138,019	-	12,138,019	12,595,473	-	12,595,473
HCRA distributions	-	9,352,707	9,352,707	-	8,697,498	8,697,498
Supplemental unemployment and underemployment	9,845,608	-	9,845,608	8,547,704	-	8,547,704
Supplemental health and welfare premiums	2,781,696	-	2,781,696	3,229,952	-	3,229,952
Retiree health premium reimbursements	-	1,260,458	1,260,458	-	1,691,734	1,691,734
Death	755,000	-	755,000	240,000	-	240,000
Travel	<u>136,032</u>	<u>-</u>	<u>136,032</u>	<u>131,803</u>	<u>-</u>	<u>131,803</u>
Total cost of benefits	25,656,355	10,613,165	36,269,520	24,744,932	10,389,232	35,134,164
Administrative expenses - net	<u>1,362,288</u>	<u>1,176,123</u>	<u>2,538,411</u>	<u>1,446,362</u>	<u>1,248,711</u>	<u>2,695,073</u>
Total deductions	<u>27,018,643</u>	<u>11,789,288</u>	<u>38,807,931</u>	<u>26,191,294</u>	<u>11,637,943</u>	<u>37,829,237</u>
NET INCREASE (DECREASE)	(13,058,169)	8,804,496	(4,253,673)	80,870,373	48,013,084	128,883,457
NET ASSETS AVAILABLE FOR BENEFITS						
Beginning of year	<u>623,868,112</u>	<u>279,044,954</u>	<u>902,913,066</u>	<u>542,997,739</u>	<u>231,031,870</u>	<u>774,029,609</u>
End of year	<u>\$ 610,809,943</u>	<u>\$ 287,849,450</u>	<u>\$ 898,659,393</u>	<u>\$ 623,868,112</u>	<u>\$ 279,044,954</u>	<u>\$ 902,913,066</u>

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