

**CEMENT MASONS PENSION TRUST
FUND FOR NORTHERN CALIFORNIA**

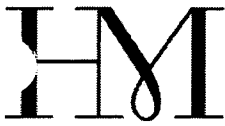
FINANCIAL STATEMENTS

August 31, 2013 and 2012

**CEMENT MASONS PENSION TRUST FUND
FOR NORTHERN CALIFORNIA
FINANCIAL STATEMENTS
August 31, 2013 and 2012**

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INDEPENDENT AUDITOR'S REPORT

Board of Trustees
Cement Masons Pension Trust Fund
for Northern California

Report on the Financial Statements

We have audited the accompanying financial statements of the Cement Masons Pension Trust Fund for Northern California (the "Trust"), which comprise the statements of net assets available for benefits as of August 31, 2013 and 2012, and the related statements of changes in net assets available for benefits for the years then ended and the related notes to the financial statements.

Management's Responsibility for the Financial Statements

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

Auditor's Responsibility

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

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



Board of Trustees
Cement Masons Pension Trust Fund
for Northern California
(Continued)

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, information regarding the Trust's net assets available for benefits as of August 31, 2013, and changes therein for the year then ended and its financial status as of August 31, 2012, and changes therein for the year then ended in conformity with accounting principles generally accepted in the United States of America.

San Francisco, California

EXHIBIT A

**CEMENT MASONS PENSION TRUST FUND FOR NORTHERN CALIFORNIA
STATEMENTS OF NET ASSETS AVAILABLE FOR BENEFITS
August 31, 2013 and 2012**

ASSETS

	<u>2013</u>	<u>2012</u>
Investments (Notes 2C and 5)	\$ 284,602,552	\$ 269,176,807
Receivables:		
Employer contributions, net of allowance for doubtful accounts of \$137,697 (2013) and \$172,266 (2012) (Notes 2B and 3A)	3,697,568	3,119,417
Due from Northern California Cement Masons Funds Administration, Inc. (Note 7)	152,061	304,807
Interest and dividends	430,791	492,241
Liquidated damages and related interest	368,511	232,838
	<u>4,648,931</u>	<u>4,149,303</u>
Cash Operating Accounts	<u>784,866</u>	<u>924,596</u>
Other Assets:		
Prepaid benefits	2,155,979	2,000,279
Prepaid expenses	193,233	188,448
	<u>2,349,212</u>	<u>2,188,727</u>
Total assets	<u>292,385,561</u>	<u>276,439,433</u>

(Continued)

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

CEMENT MASONS PENSION TRUST FUND FOR NORTHERN CALIFORNIA
STATEMENTS OF NET ASSETS AVAILABLE FOR BENEFITS - (Continued)
August 31, 2013 and 2012

	2013	2012
LIABILITIES		
Liabilities:		
Accounts payable	166,047	168,143
Cash overdraft	521,883	487,497
Due to Northern California Cement Masons Funds Administration, Inc. (Note 7)	57,506	85,891
Due to other trust funds	-	230,627
Total liabilities	745,436	972,158
 Net Assets Available for Benefits	 \$ 291,640,125	 \$ 275,467,275

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

EXHIBIT B

**CEMENT MASONS PENSION TRUST FUND FOR NORTHERN CALIFORNIA
STATEMENTS OF CHANGES IN NET ASSETS AVAILABLE FOR BENEFITS
For the Years Ended August 31, 2013 and 2012**

	2013	2012
Additions:		
Employer contributions (Notes 2B and 3A)	\$ 22,933,717	\$ 18,221,837
Liquidated damages and related interest	139,484	83,595
	23,073,201	18,305,432
Investment income:		
Realized and unrealized gains on investments, net (Note 5)	20,523,393	21,708,754
Interest and dividends	4,309,828	4,021,647
Net lease rentals	-	97,720
	24,833,221	25,828,121
Less: investment expenses	(1,026,080)	(1,187,367)
	23,807,141	24,640,754
Other income	45,448	7,012
Total additions	46,925,790	42,953,198
Deductions:		
Pension benefits (Note 1B)	29,838,163	29,364,992
Operating expenses:		
Administrative fees	365,741	354,033
Professional services:		
Legal	167,144	155,146
Actuarial	128,749	110,926
Investment consultant	127,667	102,000
Audit	22,150	22,600
Diability medical exam	-	650
	445,710	391,322

(Continued)

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

EXHIBIT B

**CEMENT MASONS PENSION TRUST FUND FOR NORTHERN CALIFORNIA
STATEMENTS OF CHANGES IN NET ASSETS AVAILABLE FOR BENEFITS - (Continued)
For the Years Ended August 31, 2013 and 2012**

	2013	2012
General Expenses:		
General insurance	17,310	18,988
PBGC insurance	40,257	41,067
Office expense	44,249	3,472
Meetings and conferences	1,510	8,997
	103,326	72,524
Total operating expenses	914,777	817,879
Total deductions	30,752,940	30,182,871
Increase in net assets available for benefits	16,172,850	12,770,327
Net Assets Available for Benefits:		
Beginning of year	275,467,275	262,696,948
End of year	\$ 291,640,125	\$ 275,467,275

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

**CEMENT MASONS PENSION TRUST FUND
FOR NORTHERN CALIFORNIA
NOTES TO THE FINANCIAL STATEMENTS**

NOTE 1 - DESCRIPTION OF THE TRUST

The following description of the Trust provides general information only. Participants should refer to the Master Trust Agreement for more specific information.

A. General:

The Cement Masons Pension Trust Fund for Northern California (the "Trust"), a defined benefit plan, was established on November 24, 1959, for the purpose of providing pension and death benefits to eligible participants of the Trust covered by the collective bargaining agreements by and between various contractor associations in Northern and Central California, The Associated General Contractors of America, Inc. and the District Council of Plasterers and Cement Masons of Northern California. The Trust is subject to the provisions of the Employee Retirement Income Security Act of 1974 (ERISA) and is exempt from federal and California taxes on income under the current provisions of the Internal Revenue Code and the California Revenue and Taxation Code, respectively.

B. Pension Benefits:

Qualified participants are entitled to either a regular, early retirement, or disability pension and are provided a joint and survivor annuity, as applicable. Pre-retirement death benefits are available for the beneficiaries of qualified participants.

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

A. Basis of Accounting:

The Trust's financial statements are prepared on the accrual basis of accounting.

The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates.

B. Employer Contributions:

Employer contributions reported in the financial statements include amounts reported to the Trust by September 30 for hours worked by active participants through August 31 plus material delinquent contributions, together with related liquidated damages which may be imposed. Allowances are made for uncollectible amounts.

**CEMENT MASONS PENSION TRUST FUND
FOR NORTHERN CALIFORNIA
NOTES TO THE FINANCIAL STATEMENTS - (Continued)**

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

B. Employer Contributions: - (Continued)

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

C. Valuation of Investments:

Corporate and Government obligations, exchange-traded funds and common and preferred stocks are recorded at fair value based upon closing market quotations at August 31. Cash equivalents are valued at cost, which equals fair value. Real estate fund is valued at the most recent independent appraised value, plus subsequent capital improvements, which equals fair market value. Limited partnerships fair value is based upon the underlying assets of the funds, which equals fair market value. The common collective funds and the 103-12 investment entity are valued based upon closing market quotations and estimates of fair market value of the underlying assets, which equals fair market value. Notes receivable are valued at principal balance due, which equals fair market value.

D. Uncertain Tax Positions:

The Trust has adopted guidance on accounting for uncertainty in income taxes issued by the Financial Accounting Standards Board. The Trust administrator believes that the Trust has not taken uncertain tax positions that require adjustment to the financial statements as a tax liability. Informational tax returns, for tax years for which the applicable statutes of limitations have not expired, are subject to examination by authorities.

**CEMENT MASONS PENSION TRUST FUND
FOR NORTHERN CALIFORNIA
NOTES TO THE FINANCIAL STATEMENTS - (Continued)**

NOTE 3 - FUNDING POLICY

A. Contributions:

The contribution rates are established by collective bargaining agreements to provide such amounts as are necessary on an actuarial basis to provide the Trust with assets sufficient to meet the benefits to be paid to the Trust participants. The contributions are designed to fund the Trust's current service costs on a current basis.

The Trust received contributions from employers at the following hourly rates for the years ended August 31, 2013 and 2012:

September 1, 2011 - June 24, 2012	\$ 7.20*
June 25, 2012 - June 23, 2013	8.80*
June 24, 2013 - August 31, 2013	9.30*

*Only the first \$3.20 per hour counts toward benefit accruals

B. Pension Protection Act of 2006:

Under the Pension Protection Act of 2006 (The Act), the Trust's actuary certified that the Trust was endangered which is considered yellow status for the year ended August 31, 2013. The Trust was funded less than 80%. The Board approved the Trust's Funding Improvement Trust (FIP) as required under the Act on June 27, 2011. The FIP increases the hourly contribution rate and the additional contributions shall be used solely to improve the funding of the Trust.

For the trust year beginning September 1, 2013, the Trust's actuary certified the Trust is endangered which is considered a yellow status. The Trust is less than 80% funded. The Board developed the Trust's Funding Improvement Plan as required under the Act. The FIP increases the hourly contribution rate and the additional contributions shall be used solely to improve the funding of the Trust.

NOTE 4 - TRUST TERMINATION

The Trust Agreement and the related Trust may be terminated at any time by the Employer and the Union by an instrument in writing executed by mutual consent, subject to the provisions of the Trust Agreement. Upon the termination of the Trust, any monies remaining after the payment of all expenses and obligations of the Trust shall be paid or used for the continuance of one or more pension benefit in accordance with the provisions of the Trust, until such Trust is exhausted.

Certain benefits under the Trust are insured by the Pension Benefit Guaranty Corporation (PBGC) if the Trust terminates.

**CEMENT MASONS PENSION TRUST FUND
FOR NORTHERN CALIFORNIA
NOTES TO THE FINANCIAL STATEMENTS - (Continued)**

NOTE 5 – INVESTMENTS

A. General:

The investment assets of the Trust are held by US Bank under the terms of co-trustee agreement and are invested in accordance with the investment policy and program directed by the Board of Trustees and their selected financial advisor. The investment managers are selected by the Board of Trustees. The following information, included in the Trust's financial statements as of August 31, 2013 and 2012, was prepared by US Bank and Union Bank, respectively and furnished to the Administrator:

	2013		2012	
	Fair Value	Cost	Fair Value	Cost
Cash and cash equivalents	\$ 6,237,926	\$ 6,237,926	\$ 4,718,969	\$ 4,718,969
U.S. government obligations	20,847,180	21,311,888	29,081,878	28,025,103
Corporate obligations	19,847,811	20,443,351	22,108,624	21,048,750
Common and preferred stocks	53,211,136	43,268,933	68,275,412	61,537,884
Notes receivable	30,000	30,000	30,000	30,000
103-12 investment entity	18,059,634	12,998,140	8,792,260	5,949,021
Common collective funds	86,184,312	81,753,113	84,991,137	75,156,571
Other:				
Real estate fund	30,008,104	27,997,692	22,931,072	22,999,523
Exchange-traded fund	345,629	329,138	787,532	784,303
	234,771,732	\$ 214,370,181	241,716,884	\$ 220,250,124
Limited partnerships	49,830,820		27,459,923	
	\$ 284,602,552		\$ 269,176,807	

**CEMENT MASONS PENSION TRUST FUND
FOR NORTHERN CALIFORNIA
NOTES TO THE FINANCIAL STATEMENTS - (Continued)**

NOTE 5 - INVESTMENTS - (Continued)

A. General: - (Continued)

Included in investments is a note receivable of \$30,000 due from the Northern California Cement Masons Funds Administration, Inc. The note bears interest at the lesser of 10% or the Fremont Bank's prime rate plus 1%, adjusted annually on September 1.

During 2013 and 2012, the Trust's investments (including investments bought and sold, as well as held during the year) appreciated/(depreciated) in value as follows:

	<u>2013</u>	<u>2012</u>
U.S. government obligations	\$ (1,637,882)	\$ 1,206,792
Corporate obligations	(1,247,705)	745,254
Common and preferred stocks	13,502,927	8,123,379
Exchange-traded fund	101,750	23,755
Real estate	(8,598)	840,000
103-12 investment entity	2,395,182	1,328,974
Common collective funds	1,663,175	7,166,587
Real estate fund	2,078,864	2,030,254
Limited partnerships	3,675,680	243,759
	<u>\$ 20,523,393</u>	<u>\$ 21,708,754</u>

The following investments represent five percent or more of net assets available for benefits at August 31, 2013:

	<u>Fair Market Value</u>
Madison Core Propety Fund LLC	\$ 30,008,104
Intech US Lg Cap Grwth	18,059,634
EB Global Alpha I Fund	29,692,035
PanAgora Risk Parity Group Trust	28,113,471
Northern Trust Collective Russell	16,837,504

**CEMENT MASONS PENSION TRUST FUND
FOR NORTHERN CALIFORNIA
NOTES TO THE FINANCIAL STATEMENTS - (Continued)**

NOTE 5 - INVESTMENTS - (Continued)

B. Fair Value Measurement:

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

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

**CEMENT MASONS PENSION TRUST FUND
FOR NORTHERN CALIFORNIA
NOTES TO THE FINANCIAL STATEMENTS - (Continued)**

NOTE 5 - INVESTMENTS - (Continued)

B. Fair Value Measurement: - (Continued)

The following is a summary of the inputs used as of August 31, 2013 in valuing the Trust's investments carried at fair value:

	Level 1	Level 2	Level 3	Total 2013
Cash and cash equivalents	\$ 6,237,926	\$ -	\$ -	\$ 6,237,926
U.S. government obligations	18,866,752	-	-	18,866,752
Corporate obligations	17,527,159	-	-	17,527,159
Foreign corporate issues	2,320,652	-	-	2,320,652
Domestic common stock	51,340,332	-	-	51,340,332
Foreign stock	1,870,804	-	-	1,870,804
Municipal issues	1,980,428	-	-	1,980,428
Notes receivable	-	-	30,000	30,000
103-12 investment entity:				
Intech US Lg Cap Grwth	-	18,059,634	-	18,059,634
Common collective funds:				
EB Global Alpha I Fund	-	29,692,035	-	29,692,035
PanAgora Risk Parity Group Trust	-	28,113,471	-	28,113,471
Northern Trust Collective Russell	-	16,837,504	-	16,837,504
Invesco Balanced Risked Commodity Trust	-	11,541,302	-	11,541,302
Other:				
Limited partnerships:				
IFM Global Infrastructure	-	-	14,456,705	14,456,705
MacKay Shields High Yield Active	-	-	14,158,142	14,158,142
PIMCO Loan Interests and Credit	-	-	14,490,502	14,490,502
White Oak Pinnacle Fund LP	-	-	6,725,471	6,725,471
Real estate fund:				
Madison Core Propety Fund LLC	-	-	30,008,104	30,008,104
Exchange traded fund:				
Spdr S&P 500 Eff Trust	345,629	-	-	345,629
Total	\$ 100,489,682	\$ 104,243,946	\$ 79,868,924	\$ 284,602,552

**CEMENT MASONS PENSION TRUST FUND
FOR NORTHERN CALIFORNIA
NOTES TO THE FINANCIAL STATEMENTS - (Continued)**

NOTE 5 - INVESTMENTS - (Continued)

B. Fair Value Measurement: - (Continued)

	Fair Value Measurement Using Significant Unobservable Inputs (Level 3)				Ending Balance
	Beginning Balance	(Un)realized Gains/ (Losses)	Purchases	Sales	
Notes receivable	30,000	-	-	-	30,000
IFM Global Infrastructure	13,045,593	1,515,018	252,246	(356,152)	14,456,705
MacKay Shields High Yield Active	-	-	14,584,347	(426,205)	14,158,142
PIMCO Loan Interests and Credit	13,172,260	1,318,242	-	-	14,490,502
White Oak Pinnacle Fund LP	1,242,070	219,597	8,445,111	(3,181,307)	6,725,471
Madison Core Propety Fund LLC	22,931,072	2,078,864	4,998,168	-	30,008,104
Total	<u>50,420,995</u>	<u>5,131,721</u>	<u>28,279,872</u>	<u>(3,963,664)</u>	<u>79,868,924</u>

NOTE 6 - ACTUARIAL PRESENT VALUE OF ACCUMULATED PLAN BENEFITS

Accumulated plan benefits are those future periodic payments, including lump-sum distributions that are attributable under the Trust'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 or participants who have died, and (c) active participants or their beneficiaries.

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

**CEMENT MASONS PENSION TRUST FUND
FOR NORTHERN CALIFORNIA
NOTES TO THE FINANCIAL STATEMENTS - (Continued)**

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

The significant actuarial assumptions used in the valuation performed by the actuary at August 31, 2012 the most recent valuation, were (a) life expectancy of participants (RP-2000 Combined Healthy Blue Collar Table, projected 25 years); (b) retirement age assumptions (the assumed average retirement age was 58.7); and (c) investment return (assumed at 7.5% per annum). The foregoing actuarial assumptions were based on the presumption that the Trust will continue. Were the Trust to terminate, different actuarial assumptions and other factors might be applicable in determining the actuarial present value of accumulated plan benefits.

The actuarial present value of accumulated plan benefits, as developed by the Trust's actuary at August 31, 2012 and 2011 and for the years then ended, follows:

STATEMENTS OF ACCUMULATED PLAN BENEFITS

(as of August 31, 2012 and 2011)

	<u>2012</u>	<u>2011</u>
Vested benefits:		
Pensioners and beneficiaries	\$ 261,039,012	\$ 253,561,393
Other vested benefits	<u>183,045,294</u>	<u>179,428,515</u>
	444,084,306	432,989,908
Nonvested benefits	<u>22,315,996</u>	<u>23,563,963</u>
	<u>\$ 466,400,302</u>	<u>\$ 456,553,871</u>

**CEMENT MASONS PENSION TRUST FUND
FOR NORTHERN CALIFORNIA
NOTES TO THE FINANCIAL STATEMENTS - (Continued)**

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

STATEMENTS OF CHANGES IN ACCUMULATED PLAN BENEFITS

(years ended August 31, 2012 and 2011)

	<u>2012</u>	<u>2011</u>
Actuarial present value of accumulated plan benefits, as of beginning of year	\$ <u>456,553,871</u>	\$ <u>444,872,466</u>
Increase (decrease) during year due to:		
Interest and other factors	33,140,353	32,309,486
Benefits accumulated	6,071,070	6,176,653
Changes in actuarial assumptions	-	1,353,904 *
Benefits paid	<u>(29,364,992)</u>	<u>(28,158,638)</u>
Net increase	<u>9,846,431</u>	<u>11,681,405</u>
Actuarial present value of accumulated plan benefits, as of end of year	\$ <u>466,400,302</u>	\$ <u>456,553,871</u>

*Based on past experience, future expectations, and statutory requirements, the following actuarial assumptions were changed: Mortality for healthy lives was changed to Healthy: RP-2000 Combined Healthy Blue Collar Table, projected 25 years using Scale AA, Benefit election was changed to the assumption that 65% of future retirees will elect the 50% Husband-and-Wife Pension and the other 35% will elect the Single-Life Pension with a Three-Year Guarantee, and the liability interest rate was changed to 4.44%.

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

In 1964 the Trust entered into an agreement with the Northern California Cement Masons Funds Administration, Inc. to have it act in the capacity of an administrative office on behalf of the Trust, and to provide general services. At August 31, 2013 and 2012, \$57,506 and \$85,891, respectively, was due to Northern California Cement Masons Funds Administration, Inc. At August 31, 2013 and 2012, \$152,061 and \$304,807, respectively, was due from Northern California Cement Masons Funds Administration, Inc.

**CEMENT MASONS PENSION TRUST FUND
FOR NORTHERN CALIFORNIA
NOTES TO THE FINANCIAL STATEMENTS - (Continued)**

NOTE 8 –EMPLOYER WITHDRAWAL LIABILITY

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

As of year-end, the Trust is in withdrawal liability status. However, there have not been any employers that have withdrawn from this Trust during the withdrawal liability period and therefore no liability to the employer to contribute to the Trust has been assessed.

NOTE 9 – CONCENTRATION OF RISK

The following footnote is a general description of the deposit insurance as outlined by The Federal Deposit Insurance Corporation (FDIC). The FDIC is an independent agency of the United States government that protects against the loss of insured deposits if an FDIC insured bank or savings association fails. Effective July 21, 2010, the FDIC deposit insurance coverage permanently increased to \$250,000 per depositor. For some employee benefit plans, the FDIC provides coverage known as “pass-through” insurance in which the coverage passes through the trust administrator to each participant’s interest or share. Additionally, the FDIC established the Temporary Liquidity Guarantee Program (TLG Program). The TLG Program provides an unlimited coverage for noninterest-bearing transaction accounts. This coverage became effective October 14, 2008 and will continue through December 31, 2010. Section 343 of the Dodd-Frank Wall Street Reform and Consumer Protection Act extended the unlimited coverage from December 31, 2010 through December 31, 2012. Effective January 1, 2013, noninterest-bearing transaction accounts will be added to any of a depositor’s other accounts at the same FDIC-insured depository institution, and the aggregate balance insured up to at least the standard maximum deposit insurance amount of \$250,000. The rules are a general description and may be applied differently to specific Trust Funds and specific situations.

NOTE 10 – RISKS AND UNCERTAINTIES

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

**CEMENT MASONS PENSION TRUST FUND
FOR NORTHERN CALIFORNIA
NOTES TO THE FINANCIAL STATEMENTS - (Continued)**

NOTE 11 – COMMITMENTS

In the course of investing, the Trust has committed assets to invest with a new investment manager. Below is a list of the total commitment as well as how much the investment manager has drawn down on that commitment as of year ended August 31, 2013:

Investment Manager	<u>Total Commitment</u>	<u>Drawn to Date</u>	<u>Remaining Commitment</u>
White Oak Pinnacle Fund LP	\$ 13,000,000	\$ 5,744,086	\$ 7,255,914

NOTE 12 – SUBSEQUENT EVENTS

The Trust has evaluated subsequent events through the audit opinion date of the financial statements. No material subsequent events have occurred since August 31, 2013 that required recognition or disclosure in the financial statements.