

Financial Statements

DELPHI SALARIED RETIREES ASSOCIATION BENEFIT TRUST

December 31, 2014

DELPHI SALARIED RETIREES ASSOCIATION BENEFIT TRUST

TABLE OF CONTENTS TO FINANCIAL STATEMENTS

For the Year Ended December 31, 2014

CONTENTS

	Page
Independent Auditor's Report	1-2
Financial Statements	
Statements of Net Assets Available for Benefits (Modified Cash Basis)	3
Statement of Changes in Net Assets Available for Benefits (Modified Cash Basis).....	4
Notes to Financial Statements	5-10
Supplemental Information	
Schedule 1 – Schedule of Assets (Held at End of Year).....	11
Schedule 2 – Schedule of Reportable Transactions.....	12



Independent Auditor's Report

To the Board of Directors
Delphi Salaried Retirees Association
Voluntary Employee Benefits Association

We have audited the accompanying financial statements of the Delphi Salaried Retirees Association Benefit Trust (the "Plan"), which comprise the statements of net assets available for benefits (modified cash basis) as of December 31, 2014 and 2013 and the related statement of changes in nets assets available for benefits (modified cash basis) for the year ended December 31, 2014, 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 the modified cash basis of accounting described in note 2; this includes determining that the modified cash basis of accounting is an acceptable basis for the preparation of the financial statements in the circumstances. Management is also responsible for 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 audit. We conducted our audit 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 Plan'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 purposes of expressing an opinion on the effectiveness for the Plan'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 evaluation 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 Delphi Salaried Retirees Association Benefit Trust (modified cash basis) as of December 31, 2014 and 2013, and the changes in net assets available for benefits (modified cash basis) for the year ended December 31, 2014, in accordance with the modified cash basis of accounting described in note 2.

Report on Supplemental Information

Our audit was conducted for the purpose of forming an opinion on the financial statements taken as a whole. The supplemental schedules of assets (held at end of year) and reportable transactions, together referred to as "supplemental information", are presented for the purpose of additional analysis and are not a required part of the financial statements but are supplemental information required by the Department of Labor's Rules and Regulations for Reporting and Disclosure under the Employment Retirement Income Security Act of 1974. Such information is the responsibility of the Plan's management and was derived from and relates directly to the underlying accounting and other records used to prepare the financial statements. The information has been subjected to the auditing procedures applied in the audit of the 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 accepted accounting principles generally accepted in the United States of America. In our opinion, the information is fairly stated in all material respects in relation to the financial statements taken as a whole.

Basis of Accounting

We draw attention to Note 2 to the financial statements, which describes the basis of accounting. The financial statements are prepared on the modified cash basis of accounting, which is a basis of accounting other than accounting principles generally accepted in the United States of America. Our opinion is not modified with respect to this matter.

Wittlin, Cain & Dry, LLP
Williamsville, New York
October 5, 2015

DELPHI SALARIED RETIREES ASSOCIATION BENEFIT TRUST
STATEMENTS OF NET ASSETS AVAILABLE FOR BENEFITS
(MODIFIED CASH BASIS)
December 31, 2014 and 2013

ASSETS

	<u>2014</u>	<u>2013</u>
Investments, at fair value (Note 3)		
Money market accounts	\$ 365,367	\$ 348,127
Mutual funds	<u>3,313,727</u>	<u>5,992,992</u>
Net assets available for benefits	<u>\$ 3,679,094</u>	<u>\$ 6,341,119</u>

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

DELPHI SALARIED RETIREES ASSOCIATION BENEFIT TRUST
STATEMENT OF CHANGES IN NET ASSETS AVAILABLE FOR BENEFITS
(MODIFIED CASH BASIS)
For the Year Ended December 31, 2014

Additions to Net Assets Attributed to:

Investment income	
Interest and dividends	\$ 151,354
Net depreciation in fair value of investments, mutual funds	(280,347)
Realized gain	<u>318,293</u>
Net investment income	<u>189,300</u>

Contributions:

Retiree contributions	11,134,559
Other	<u>211,828</u>
Net contributions	<u>11,346,387</u>

Total additions 11,535,687

Deductions from Net Assets Attributed to:

Hardship payments	33,500
Insurance payments	13,606,589
Contracted administrator fees	462,962
Administrative expenses	<u>94,661</u>

Total Deductions 14,197,712

Net decrease for the year (2,662,025)

Net Assets Available for Benefits:

Beginning of year	<u>6,341,119</u>
End of year	<u>\$ 3,679,094</u>

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

DELPHI SALARIED RETIREES ASSOCIATION BENEFIT TRUST
Notes to Financial Statements
December 31, 2014

Note 1 DESCRIPTION OF THE PLAN

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

General

The Delphi Salaried Retirees Association Benefit Trust (the "Plan") was established on September 1, 2009 to offer welfare benefit coverage to eligible retirees and their dependents of Delphi Salaried Retirees Association ("DSRA"), with coverage beginning on October 1, 2009, as described in the Plan document.

The Plan provides participants specified medical, prescription drug, vision, and dental benefits. By virtue of being offered through a Voluntary Employee Beneficiary Association ("VEBA"), the component benefit programs offered for those under 65 years of age are intended to be qualified to take advantage of Health Coverage Tax Credits ("HCTC") available under the Internal Revenue Service ("IRS"). The HCTC was not in effect for 2014, and not utilized by the plan participants. The Plan also offers alternative coverage for eligible retirees who are or who become Medicare eligible.

The Plan is subject to the provisions of the Employee Retirement Income Security Act of 1974 ("ERISA"), as amended.

Administration of the Plan

The DSRA VEBA is the Plan sponsor and its Board of Directors ("VBOD") administers the plan. The VBOD has contracted with two third parties, Mercer, Inc. And Blue Cross Blue Shield of Michigan, to administer the benefits under the plan, and Comerica Bank ("Comerica") serves as custodian for the trust.

Blue Cross Blue Shield of Michigan provides healthcare, prescription drugs, dental, and under 65 Medicare claims through insurance. Superior Vision Services, Inc., MetLife, Hartford, and Benistar Administrative Services provide vision claims, over 65 life insurance, Medicare supplemental insurance, and Medicare Part D coverage through insurance, respectively. Hardship payments are administered by a committee of the VBOD.

See Independent Auditor's Report.

DELPHI SALARIED RETIREES ASSOCIATION BENEFIT TRUST

Notes to Financial Statements

December 31, 2014

Note 1 DESCRIPTION OF PLAN - Continued

Contributions

The Plan is funded through a VEBA Trust set up by the Official Delphi Section 1114 Committee ("1114 Committee") with monies obtained solely from Delphi Corporation ("Delphi") pursuant to a Stipulation and Agreed Order entered between Delphi and the 1114 Committee (entered in Case No. 05-4481, United States Bankruptcy Court S.D. New York, as may be modified from time to time) (hereinafter referred to as the "Settlement Agreement") and by premium contributions from eligible retirees.

Contributions - Continued

The IRS HCTC Department processes HCTC payments. Eligible retirees pay any residual premiums to the extent not covered by Delphi and HCTC payments. The premium rates are set by the VBOD after consultations with the insurance providers. Terminated employees may elect to continue their coverage (as provided under Consolidated Omnibus Budget Reconciliation Act of 1985 regulations) by making contributions to cover the full cost of their insurance premiums.

The Early Retiree Reinsurance Program (ERRP) was established by the Patient Protection and Affordable Care Act. Congress appropriated funding of \$5 billion for this temporary ERRP to provide financial assistance to employers, union, and state and local governments to help them maintain coverage for early retirees age 55 and older who are not yet eligible for Medicare, including their spouses, surviving spouses, and dependents.

All ERRP funds were distributed to participants by the end of December 2013.

Note 2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Benefits

The Plan provides for specified medical, prescription drug, vision, life insurance, and dental benefits through insurance arrangements. The Plan also provides for hardship payments to eligible participants to reimburse residual premiums.

Basis of Accounting

The financial statements have been prepared using the modified cash basis of accounting, which is a comprehensive basis of accounting other than U.S. generally accepted accounting principles. Under the modified cash basis of accounting, contributions and income are recorded when received and distributions and expenses are recorded when paid.

See Independent Auditor's Report.

DELPHI SALARIED RETIREES ASSOCIATION BENEFIT TRUST
Notes to Financial Statements
December 31, 2014

Note 2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - Continued

Estimates

The preparation of financial statements in conformity with the modified cash basis of accounting requires management to make estimates and assumptions that affect the reported amounts and disclosures that are included in these financial statements. Actual results could differ from management's estimates and assumptions.

Investments

Investments are reported at fair value. Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between knowledgeable unrelated parties at the measurement date. See Note 3 for discussion of fair value instruments. Purchases and sales of securities are recorded on a trade-date basis. Dividends are recorded on the ex-dividend date.

Benefits

Hardship payments and insurance premium payments are recorded when paid.

Administrative Expenses

Administrative expenses associated with the Plan are paid by the Plan as permissible by the Plan's provisions.

Events Occurring After Reporting Date

The Plan has evaluated events and transactions that occurred between December 31, 2014 and October 5, 2015, which is the date the financial statements and restated financial statements were available to be issued, for possible disclosure and recognition in the financial statements.

Note 3 FAIR VALUE MEASUREMENTS

The Plan uses a fair value hierarchy that prioritizes the valuation assumptions used to measure fair value. This hierarchy consists of three broad levels: **Level 1** - assumptions rely on quoted prices in an active market for identical assets and must be used when available, **Level 2** - assumptions rely on quoted prices for similar, but not identical, assets, and **Level 3** - assumptions generally are developed by the reporting entity, and may only be utilized when Level 1 and Level 2 information is not available. The Plan uses appropriate valuation techniques on the available information to measure the fair value of its investments. When available, the Plan measures fair value using Level 1 inputs because they generally provide the most reliable evidence of fair value. No Level 2 or Level 3 inputs were used by the Plan.

See Independent Auditor's Report.

DELPHI SALARIED RETIREES ASSOCIATION BENEFIT TRUST
Notes to Financial Statements
December 31, 2014

Note 3 FAIR VALUE MEASUREMENTS - Continued

Following is a description of the valuation methodologies used for assets measured at fair value. There have been no changes in methodologies used at December 31, 2014.

Level 1 Fair Value Measurements

The fair value of money market funds and mutual funds is based on quoted net asset values of the shares held by the Plan at year-end.

The following tables set forth, by level with the fair value hierarchy, the Plan's assets (all Level 1) at fair value as of December 31, 2014.

	<u>2014</u>
Money Market Accounts	\$ 365,367
Mutual Funds	
Short-term bond	1,222,699
Intermediated-term bond	1,251,170
Large cap growth	271,363
Large cap value	238,935
High-yield	201,477
Mid cap value	38,470
Mid cap growth	38,246
Small cap growth	25,528
Small blend	<u>25,839</u>
Total assets at fair value	<u>\$ 3,679,094</u>

The preceding methods described may produce a fair value calculation that may not be indicative of net realizable value or reflective of future fair values. Furthermore, although 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.

See Independent Auditor's Report.

DELPHI SALARIED RETIREES ASSOCIATION BENEFIT TRUST

Notes to Financial Statements

December 31, 2014

Note 4 INVESTMENTS

The Plan's investments are held by Comerica, the custodian for the trust that holds the Plan's assets. The following table presents the fair values of the Plan's investments that represent 5% or more of the Plan's net assets:

Money Market Accounts	
Invesco AIM Premier Portfolio	\$ 365,367
Mutual Funds	
T. Rowe Price Growth Stock Fund	239,813
T. Rowe Price Equity Inc. Fund	238,935
T. Rowe Price New Income Fund	1,251,170
T. Row Price Short-Term Bond Fund	1,222,699
T. Row Price High Yield Fund	201,477
All other investments less than 5%	<u>159,633</u>
Total assets at fair value	<u>\$ 3,679,094</u>

Note 5 RELATED PARTY TRANSACTIONS

The Plan invests in shares of mutual funds managed by T. Rowe Price, the Plan's investment advisor. Transactions in such investments qualify as party-in-interest transactions, which are exempt from the prohibited transaction rules.

Note 6 TAX STATUS

The trust established under the Plan, to hold the Plan's net assets, is qualified pursuant to Section 501c (9) of the internal Revenue Code as a VEBA and, accordingly, the trust's net investment income is exempt from income taxes. The Plan and trust are required to operate in conformity with the Internal Revenue Code to maintain the tax-exempt status of the trust. The trust has received a favorable tax exemption letter from the IRS and the DSRA VBOD believes that the trust continues to qualify and operate as designed.

Plan management evaluates tax positions taken by the Plan and recognizes a tax liability (or asset) if the Plan has taken an uncertain position that more likely than not would not be sustained upon examination by the Internal Revenue Service. The plan administration has analyzed the tax positions taken by the Plan, and has concluded that as of December 31, 2014 there are no uncertain positions taken or expected to be taken that would require recognition of a liability (or asset) or disclosure in the financial statements. The Plan is subject to routine audits by taxing jurisdictions; however, there are currently not audits for any tax periods in progress.

See Independent Auditor's Report.

DELPHI SALARIED RETIREES ASSOCIATION BENEFIT TRUST
Notes to Financial Statements
December 31, 2014

Note 7 TERMINATION OF THE PLAN

Although it has not expressed any intention to do so, the DSRA VEBA reserves the right to amend, modify, or terminate the Plan at any time. In the event the Plan is terminated, the trust assets, to the extent they exist, are to be applied first to reasonable and necessary expenses in connection with the termination; second, to provide benefits to participants and beneficiaries with respect to claims arising prior to the date of termination, or such earlier date as the trustees may designate; and the balance, if any, to provide benefits permitted by Internal Revenue Code Section 501c (9), as the Plan manager may determine.

Note 8 RISKS AND UNCERTAINTIES

The Plan 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 the amounts reported in the statement of net assets available for benefits.

See Independent Auditor's Report.

DELPHI SALARIED RETIREES ASSOCIATION BENEFIT TRUST
SCHEDULE OF ASSETS (HELD AT END OF YEAR)
For The Year Ended December 31, 2014

(a)	(b) Identity of issue, borrower, lessor, or similar party	(c) Description of investment including maturity date, rate of interest, collateral, par, or maturity value	(d) Cost	(e) Current Value
	Invesco AIM Premier Portfolio	Money market account	\$ 361,367	\$ 361,367
*	T. Rowe Price Summit Funds, Inc. Cash	Money market account	4,000	4,000
	Total money market accounts			<u>365,367</u>
*	T. Rowe Price Short Term Bond Fund	Mutual fund	1,250,476	1,222,699
*	T. Rowe Price New Income Fund	Mutual fund	1,266,165	1,251,170
*	T. Rowe Price Equity Inc. Fund	Mutual fund	154,530	238,935
*	T. Rowe Price Growth Stock Fund	Mutual fund	128,185	239,813
*	T. Rowe Price High-Yield Fund	Mutual fund	205,840	201,477
*	T. Rowe Price Mid Cap Value Fund	Mutual fund	27,622	38,470
*	T. Rowe Price Spectrum Growth Fund	Mutual fund	24,585	31,550
*	T. Rowe Price Mid Cap Growth	Mutual fund	25,351	38,246
*	T. Rowe Price New Horizons Fund Inc.	Mutual fund	16,108	25,528
*	T. Rowe Price Small Cap Value Fund	Mutual fund	16,620	25,839
	Total mutual funds			<u>3,313,727</u>
	Total assets available for benefits			<u>\$ 3,679,094</u>
*	Party-in-interest			

See Independent Auditor's Report.

**DELPHI SALARIED RETIREES ASSOCIATION BENEFIT TRUST
SCHEDULE OF REPORTABLE TRANSACTIONS
For The Year Ended December 31, 2014**

**Schedule H, Line 4j-SCHEDULE OF REPORTABLE TRANSACTIONS
FEDERAL EIN# 26-4594868
PLAN # 501**

(b) Identity of party involved	(b) Description of asset (include interest rate and maturity in case of a loan)	(c) Purchase Price	(d) Selling Price	(g) Cost of asset	(h) Current value of asset on transaction date	(i) Net gain or (loss)
Single transactions (Category (i)) that amount to more than 5% of the beginning value of Plan assets						
None		\$ -	\$ -	\$ -	\$ -	\$ -
Series of transactions (Category (iii)) with respect to securities of the same issue that amount, in the aggregate, to more than 5% of the beginning value of Plan assets.						
Invesco	AIM Premier Portfolio					
	Purchases-55 transactions	\$ 2,833,032	\$ -	\$ -	\$ -	\$ -
	Sales-49 transactions	-	2,803,037	2,803,037	2,803,037	-
T. Rowe Price	T. Rowe Price Growth St Fund					
	Purchases-0 transactions	-	-	-	-	-
	Sales-9 transactions	-	367,000	361,877	367,000	5,123
T. Rowe Price	T. Rowe Price New Inc Fund					
	Purchases-0 transactions	-	-	-	-	-
	Sales-12 transactions	-	890,000	870,093	890,000	19,907
T. Rowe Price	T. Rowe Price Sh Term Bd Fund					
	Purchases-0 transactions	-	-	-	-	-
	Sales-13 transactions	-	965,000	965,331	965,000	(331)

See Independent Auditor's Report.