Loyola University Employees' Retirement Plan

Financial Statements

December 31, 2015

LOYOLA UNIVERSITY EMPLOYEES' RETIREMENT PLAN

FINANCIAL STATEMENTS

DECEMBER 31, 2015 AND 2014

CONTENTS

LEGACY
PROFESSIONALS LLP
CERTIFIED PUBLIC ACCOUNTANTS

REPORT OF INDEPENDENT AUDITORS

To the Participants and Retirement
Allowance Committee of
Loyola University Employees'
Retirement Plan

Report on the Financial Statements
We have audited the accompanying financial statements of Loyola University Employees' Retirement Plan (the Plan), which comprise the statements of net assets available for benefits as of December 31, 2015 and 2014, 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.

Auditors' Responsibility
Our responsibility is to express an opinion on the 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 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 purpose of expressing an opinion on the effectiveness of 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 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.

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Opinion
In our opinion, the financial statements referred to in the first paragraph present fairly, in all material respects, information regarding the net assets available for benefits of Loyola University Employees' Retirement Plan as of December 31, 2015 and changes therein for the year then ended, and its financial status as of December 31, 2014 and changes therein for the year then ended, in accordance with accounting principles generally accepted in the United States of America.

Legacy Professionals LLP

Chicago, Illinois

September 6, 2016

Loyola University Employees' Retirement Plan

Statements of Net Assets Available for Benefits

December 31, 2015 and 2014

	2015	2014
Assets		
Investments - at fair value		
Cash and cash equivalents	$ 220,479	$ 1,668,119
Corporate stocks	10,165,699	11,458,144
Bonds and notes	68,987,757	87,983,930
Registered investment companies	58,723,913	59,714,248
Pooled investment funds	36,059,546	39,811,604
Partnerships and joint ventures	1,917,289	2,846,867
Total investments	176,074,683	203,482,912
Receivables		
Employer contributions	21,368,900	5,250,000
Accrued interest and dividends	801,006	889,647
Due from broker for unsettled investment sales	158,883	1,055,681
Total receivables	22,328,789	7,195,328
Total assets	198,403,472	210,678,240
Liabilities and Net Assets		
Liabilities		
Due to broker for unsettled investment purchases	347,588	1,328,267
Accounts payable	211,554	212,946
Total liabilities	559,142	1,541,213
Net assets available for benefits	$ 197,844,330	$ 209,137,027

See accompanying notes to financial statements.

Loyola University Employees' Retirement Plan

Statements of Changes in Net Assets Available for Benefits

Years Ended December 31, 2015 and 2014

	2015	2014
Additions		
Investment income (loss)		
Net appreciation (depreciation) in fair value of investments	$ (15,785,136)	$ 4,058,660
Interest and dividends	6,029,000	6,360,139
	(9,756,136)	10,418,799
Less investment expenses	(531,976)	(612,994)
Net investment income (loss)	(10,288,112)	9,805,805
Employer contributions	21,381,000	5,250,000
Miscellaneous income	49,249	-
Total additions	11,142,137	15,055,805
Deductions		
Benefits paid to participants	19,658,965	22,423,391
Administrative expenses		
Actuarial fees	309,863	609,246
Plan termination insurance	2,112,579	1,375,836
Reimbursed administrative expenses - Loyola University	164,629	160,644
Trustee fees	147,795	153,508
Legal and audit	38,545	39,540
Other	2,458	2,761
Total administrative expenses	2,775,869	2,341,535
Total deductions	22,434,834	24,764,926
Net (decrease)	(11,292,697)	(9,709,121)
Net assets available for benefits		
Beginning of year	209,137,027	218,846,148
End of year	$ 197,844,330	$ 209,137,027

See accompanying notes to financial statements.

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Method of Accounting - The financial statements of Loyola University Employees' Retirement Plan (the Plan) have been prepared using the accrual basis of accounting.

Investments - The investments of the Plan are reported at fair value. The fair value of a financial instrument is the amount that would be received to sell that asset (or paid to transfer a liability) in an orderly transaction between market participants at the measurement date (the exit price).

Purchases and sales of the investments are reflected on a trade-date basis.

Dividend income is recorded on the ex dividend date. Interest income is recorded on the accrual basis.

Actuarial Present Value of Accumulated Plan Benefits - Accumulated plan benefits are those future periodic payments, including lump-sum distributions, that are attributable under the Plan's provisions to the service which employees have rendered. Accumulated plan benefits include benefits expected to be paid to (a) retired or terminated employees or their beneficiaries, (b) beneficiaries of employees who have died, and (c) present employees or their beneficiaries.

Benefit Payments - Benefit payments to participants are recorded upon distribution.

Expenses - Certain investment related expenses are included in net appreciation (depreciation) in fair value of investments.

Estimates - The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect certain reported amounts and disclosures in the financial statements. Actual results could differ from those estimates.

Subsequent Events - Subsequent events have been evaluated through September 6, 2016, which is the date the financial statements were available to be issued.

NOTE 2. DESCRIPTION OF THE PLAN

The Plan was established October 1, 1949, to provide retirement and death benefits for eligible participants. The Plan is a multiple employer defined benefit pension plan and conforms to the provisions of the Employee Retirement Income Security Act of 1974 (ERISA), as amended.

The Plan covers regular full-time and part-time employees of certain Jesuit institutions except those employees covered under a separate defined contribution retirement plan, members of the Society of Jesus and certain other limited groups. The following employers participate in the Plan:

- Loyola University of Chicago
- Loyola Academy
- Loyola Press
- Loyola University Medical Center
- Chicago Province of the Society of Jesus
- St. Ignatius College Preparatory
- The Jesuit Retreat League of Chicago

Effective March 31, 2004, the Plan was frozen for all Loyola University Medical Center participants and most Loyola University of Chicago participants. St. Ignatius College Preparatory and The Jesuit Retreat League of Chicago elected to freeze on April 30, 2004. Loyola Academy, Loyola Press and the Chicago Province of the Society of Jesus elected to freeze on June 30, 2004. After these dates, no additional service credits are earned by the participants. Benefits will continue to be paid based upon the number of service credits earned through the respective freeze dates. The one exception is a grandfathered group of approximately 435 Loyola University of Chicago participants who were eligible to earn additional service credits for a period of up to five years, based upon individual circumstances.

Prior to the Plan being frozen, employees were eligible for participation after completing at least one thousand (1,000) hours of service during the twelve (12) month period commencing on the employee's date of hire, or if the employee had completed at least one thousand (1,000) hours of service during a Plan year ending before an entry date.

Eligible employees are entitled to annual pension benefits beginning at the normal retirement date (age 65, with some exceptions), based upon a percentage of final average compensation and years of service or 110% of the accrued benefit at December 31, 1988, whichever is greater. Early retirement benefits (at age 55, with some exceptions) are available at reduced amounts.

Retiring employees may elect to receive their retirement benefit under either a lump-sum or annuity option.

Participants should refer to the summary plan description for more complete information.

NOTE 3. PLAN ADMINISTRATION

The administration of the Plan is the responsibility of Loyola University of Chicago. The Retirement Allowance Committee (the Committee) is appointed by the President of the University. The Committee monitors the operation and administration of the Plan and sets strategic policy for the investment of Plan assets. Further, the University Treasurer's Office is responsible for investments of the Plan and Trust in accordance with the strategic investment policy established by the Committee.

The Northern Trust Company serves as trustee and master custodian of the Plan's assets. The Plan pays all costs of administration.

NOTE 4. PRIORITIES UPON TERMINATION

The Board of Trustees of Loyola University has the right to terminate the Plan subject to the provisions of the Employee Retirement Income Security Act. Termination shall not permit any part of the Plan to be used for or diverted to purposes other than the exclusive benefit of the pensioners, beneficiaries and participants. In the event of termination, the net assets of the Plan will be allocated to pay benefits in priorities as prescribed by ERISA and its related regulations. Whether or not a particular participant will receive full benefits should the Plan terminate at some future time will depend on the sufficiency of the Plan's net assets at that time and the priority of those benefits.

In addition, certain benefits under the Plan are insured by the Pension Benefit Guaranty Corporation (PBGC) if the Plan terminates. Generally, the PBGC guarantees most vested normal age retirement benefits, early retirement benefits, and certain disability and survivor's pensions. The PBGC does not guarantee all types of benefits and the amount of any individual participant's benefit protection is subject to certain limitations, particularly with respect to benefit increases as a result of plan amendments in effect for less than five years. Some benefits may be fully or partially provided, while other benefits may not be provided at all.

NOTE 5. TAX STATUS

The Plan obtained its latest determination letter dated May 20, 2013, in which the Internal Revenue Service stated that the Plan, as then designed, was in compliance with the applicable requirements under Section 401(b) of the Internal Revenue Code and was, therefore, generally exempt from federal income taxes under the provisions of Section 501(a). The Plan's administrator and the Plan's counsel believe that the Plan is currently designed and being operated in compliance with the applicable requirements of the Internal Revenue Code.

The Plan does derive unrelated business income from certain investments. Unrelated business income tax of $360 and $213 for 2015 and 2014, respectively is included in other administrative expenses in the statements of changes in net assets available for benefits.

The Plan files Form 990-T, *Exempt Organization Business Income Tax Return*, and Form 5500, *Annual Return/Report of Employee Benefit Plan*. The Plan's returns are subject to examination by the Internal Revenue Service until the applicable statute of limitations expires.

NOTE 6. ACTUARIAL INFORMATION

An actuarial valuation of the Plan was made by Aon Hewitt as of December 31, 2014. Information in the report included the following:

Actuarial present value of accumulated plan benefits:	
Vested benefits:	
Participants currently receiving payments	$ 72,979,562
Other participants	167,978,089
Total	240,957,651
Nonvested benefits	2,134,254
Total actuarial present value of accumulated plan benefits	$ 243,091,905

As reported by the actuary, the changes in the present value of the accumulated plan benefits for the year ended December 31, 2014 were as follows:

Actuarial present value of accumulated plan benefits at beginning of year		$ 233,917,250
Increase (decrease) during the year attributable to:		
Benefits accumulated and net experience gain or loss	$ 4,723,897	
Change in assumptions *	11,271,487	
Interest	15,602,662	
Benefits paid	(22,423,391)	
Net increase		9,174,655
Actuarial present value of accumulated plan benefits at end of year		$ 243,091,905

* Assumption changes include changes to the mortality tables, termination rates, retirement age of terminated vested employees and optional payment form election percentages.

Costs and liabilities for all Plan benefits (including ancillary benefits) were determined using the standard unit credit cost method. Some of the more significant actuarial assumptions used in the valuation were:

- Life expectancy of participants - 2015 Static Mortality Table for Annuitants and Non-Annuitants per §1.430(h)(3)-1(e).
- Retirement age assumptions - a table of annual rates of retirement per 100 eligible participants by attained ages ranging from age 55 through age 75 plus.
- Net investment return - 7% per annum.

NOTE 6. ACTUARIAL INFORMATION (CONTINUED)

The above actuarial assumptions are based on the presumption that the Plan will continue. If the Plan was to terminate, different actuarial assumptions and other factors might be applicable in determining actuarial results.

Since information on the accumulated plan benefits at December 31, 2015 and the changes therein for the year then ended are not included above, these financial statements do not purport to present a complete presentation of the financial status of the Plan as of December 31, 2015, and the changes in its financial status for the year then ended, but a presentation of the net assets available for benefits and the changes therein as of and for the year ended December 31, 2015. The complete financial status is presented as of December 31, 2014.

NOTE 7. FUNDING POLICY

The participating employers contribute such amounts as shall be required under accepted actuarial principles to meet the minimum funding standards of ERISA or at the discretion of the employers if those standards have been met. No credits or refunds are allowed to the employers when benefits are canceled at termination of employment.

Prior to October 1, 1982, participants in the Plan were required to contribute 3-1/2% of the first $4,200 plus 5% of the excess over $4,200 of compensation received during each calendar year. Effective October 1, 1982, participants were given a one-time option of discontinuing their contributions to the Plan. Employees entering the Plan on or after October 1, 1982 are not permitted to make contributions. Effective January 1, 1989, all participants were required to discontinue contributions under the Plan. Beginning after 1988, interest is credited on employee contributions at 120% of the federal midterm rate in effect in the first month of the Plan year. Employees' contributions with interest were approximately $6,299,000 and $6,472,000 as of December 31, 2015 and 2014, respectively.

NOTE 8. INVESTMENTS

The following summary presents the fair value for each of the investment categories. Investments that represent 5% or more of the Plan's net assets available for benefits are separately identified.

	2015		2014
Cash and cash equivalents	$ 220,479		$ 1,668,119
Corporate stocks	10,165,699		11,458,144
Bonds and notes:			
UBS E-Tracs Alerian MLP Infrastructure ETN	3,821,619	*	15,028,902
Others	65,166,138		72,955,028
Registered investment companies:			
Doubleline Total Return Bond Fund	12,988,066		13,668,507
Vanguard Total International Stock Fund	13,456,338		14,052,487
Vanguard Institutional Index Fund	10,791,988		10,645,884
TCW Emerging Markets Income Fund	11,248,464		11,533,987
Others	10,239,057		9,813,383
Pooled investment funds:			
Oaktree Capital Management High Yield Trust	11,952,963		14,652,701
Invesco International Growth Equity Trust	10,871,733		14,027,874
Others	13,234,850		11,131,029
Partnerships and joint ventures	1,917,289		2,846,867
Total	$ 176,074,683		$ 203,482,912

* Not 5%

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

	2015	2014
Corporate stocks	$ 35,665	$ 1,687,496
Bonds and notes	(7,677,009)	4,277,058
Registered investment companies	(5,897,448)	(3,474,568)
Pooled investment funds	(1,970,437)	1,300,042
Partnerships and joint ventures	(275,907)	268,632
Total	$ (15,785,136)	$ 4,058,660

NOTE 9. DERIVATIVE FINANCIAL INSTRUMENTS

From time to time, the Plan may utilize derivative financial instruments to implement certain investment strategies, and futures and options may be used at the discretion of certain investment managers. Derivatives are not used for tactical or speculative purposes.

These financial instruments totaled ($28,050) and ($47,284) at December 31, 2015 and 2014, respectively and are carried at fair value on the statements of net assets available for benefits as part of general investments. Net investment income (loss) on derivatives of $210,040 in 2015 and ($821,512) in 2014 are recognized and recorded in the statements of changes in net assets available for benefits.

NOTE 10. FAIR VALUE MEASUREMENTS

The *Fair Value Measurements and Disclosures* Topic of the FASB Accounting Standards Codification established 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 measurements) and the lowest priority to unobservable inputs (Level 3 measurements). The three levels of the fair value hierarchy are described below:

Basis of Fair Value Measurement

Level 1	Unadjusted quoted prices in active markets that are accessible at the measurement date for identical, unrestricted assets or liabilities
Level 2	Quoted prices in markets that are not considered to be active or financial instruments for which all significant inputs are observable, either directly or indirectly
Level 3	Prices or valuations that require inputs that are both significant to the fair value measurement and unobservable

The methods used to measure fair value may produce an amount 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 those of 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.

The following tables set forth, by level within the fair value hierarchy, the Plan's investment assets at fair value as of December 31, 2015 and 2014. As required, assets and liabilities are classified in their entirety based on the lowest level of input that is significant to the fair value measurement. At December 31, 2015 and 2014, total Plan investment assets at fair value classified within Level 3 were $1,917,289 and $2,846,867 respectively. Such amounts were approximately 1% of the Plan's total investments as reported on the statements of net assets available for benefits at fair value as of December 31, 2015 and 2014.

NOTE 10. FAIR VALUE MEASUREMENTS (CONTINUED)

		Fair Value Measurements at 12/31/15 Using		
	Total	Quoted Prices in Active Markets for Identical Assets (Level 1)	Significant Other Observable Inputs (Level 2)	Significant Unobservable Inputs (Level 3)
Cash and cash equivalents	$ 220,479	$ 220,479	$ -	$ -
Corporate stocks:				
Basic industries	194,640	194,640	-	-
Capital goods	937,082	937,082	-	-
Communications	265,874	265,874	-	-
Consumer durables	194,640	194,640	-	-
Consumer non-durables	368,211	368,211	-	-
Consumer services	799,630	799,630	-	-
Energy	635,089	635,089	-	-
Finance	2,847,364	2,847,364	-	-
Health care	1,912,193	1,912,193	-	-
Technology	2,010,976	2,010,976	-	-
Bonds and notes:				
U.S. Treasury obligations	2,311,289	2,311,289	-	-
Corporate - domestic	49,868,604	-	49,868,604	-
Corporate - foreign	12,888,177	3,821,619	9,066,558	-
Municipal obligations	3,919,687	-	3,919,687	-
Registered investment companies:				
Fixed income - domestic	12,988,066	12,988,066	-	-
Fixed income - emerging markets	11,248,464	11,248,464	-	-
Equity - international	13,456,338	13,456,338	-	-
Equity - natural resources	6,085,222	6,085,222	-	-
Equity - domestic	10,791,988	10,791,988	-	-
Real estate	4,153,835	4,153,835	-	-
Pooled investment funds:				
Domestic equities	6,589,737	-	6,589,737	-
Foreign equities	10,871,733	-	10,871,733	-
U.S. fixed income	11,952,963	-	11,952,963	-
Equity and equity total return swaps	5,703,600	-	5,703,600	-
Short-term investment	941,513	-	941,513	-
Partnerships and joint ventures:				
Venture capital	1,057,632	-	-	1,057,632
Leveraged buy outs	830,119	-	-	830,119
Real estate	29,538	-	-	29,538
	$ 176,074,683	$ 75,242,999	$ 98,914,395	$ 1,917,289

NOTE 10. FAIR VALUE MEASUREMENTS (CONTINUED)

	Total	Fair Value Measurements at 12/31/14 Using: Quoted Prices in Active Markets for Identical Assets (Level 1)	Significant Other Observable Inputs (Level 2)	Significant Unobservable Inputs (Level 3)
Cash and cash equivalents	$ 1,668,119	$ 1,668,119	$ -	$ -
Corporate stocks:				
Basic industries	143,150	143,150	-	-
Capital goods	693,151	693,151	-	-
Communications	343,473	343,473	-	-
Consumer durables	237,020	237,020	-	-
Consumer non-durables	503,714	503,714	-	-
Consumer services	964,914	964,914	-	-
Energy	920,077	920,077	-	-
Finance	3,295,817	3,295,817	-	-
Health care	1,868,137	1,868,137	-	-
REIT's	368	368	-	-
Technology	2,488,323	2,488,323	-	-
Bonds and notes:				
U.S. Treasury obligations	1,529,798	1,529,798	-	-
U.S. Government Agency obligations	430,406	-	430,406	-
Corporate - domestic	58,672,767	-	58,672,767	-
Corporate - foreign	23,848,811	15,028,902	8,819,909	-
Municipal obligations	3,502,148	-	3,502,148	-
Registered investment companies:				
Fixed income - domestic	13,668,507	13,668,507	-	-
Fixed income - emerging markets	11,533,987	11,533,987	-	-
Equity - international	14,052,487	14,052,487	-	-
Equity - natural resources	9,813,383	9,813,383	-	-
Equity - domestic	10,645,884	10,645,884	-	-
Pooled investment funds:				
Domestic equities	9,422,477	-	9,422,477	-
Foreign equities	14,027,874	-	14,027,874	-
U.S. fixed income	14,652,701	-	14,652,701	-
Short-term investment	1,708,552	-	1,708,552	-
Partnerships and joint ventures:				
Venture capital	1,500,492	-	-	1,500,492
Leveraged buy outs	1,313,886	-	-	1,313,886
Real estate	32,489	-	-	32,489
Total	$ 203,482,912	$ 89,399,211	$ 111,236,834	$ 2,846,867

NOTE 10. FAIR VALUE MEASUREMENTS (CONTINUED)

Level 1 Measurements

Cash and cash equivalents are carried at cost which approximates fair value.

Most corporate stocks, U.S. treasury obligations and the UBS exchange-traded note are traded in active markets on national and international securities exchanges and are valued at closing prices on the last business day of each period presented.

The fair value of the registered investment companies are determined by reference to the funds' underlying assets. Shares held in the registered investment companies are valued at the net asset value as of the last business day of each period presented.

Level 2 Measurements

Most U.S. Government Agency obligations, municipal obligations and corporate fixed income (bonds and notes) securities are generally valued by benchmarking model-derived prices to quoted market prices and trade data for identical or comparable securities. To the extent that quoted prices are not available, fair value is determined based on valuation models that include inputs such as interest rate yield curves and credit spreads. Securities traded in markets that are not considered active are valued based on quoted market prices, broker or dealer quotations, or alternative pricing sources with reasonable levels of price transparency. Securities that trade infrequently and therefore have little or no price transparency are valued using the investment manager's best estimates.

The Plan's holdings of bonds and notes at December 31, 2015 and 2014 collectively had an effective duration of 8.6 and 8.3 years and an effective maturity of 14.3 and 13.1 years, with a collective yield to effective maturity of 4.4% and 3.6%, respectively. These securities had a weighted average credit rating of BBB at December 31, 2015 and 2014.

Units held in pooled investment funds are valued at the unit value as reported by their respective custodians as of December 31, 2015 and 2014 with exception of the limited liability company investment fund. These pooled investment funds consist primarily of stocks of U.S. and foreign corporations and fixed income instruments and short-term investments. The fair values of the investments in this category have been estimated by the respective investment managers using the net asset value per share of the investments.

The fair value of the limited liability company pooled investment fund is equal to $5,703,600 at December 31, 2015, is determined by reference to the fund's underlying assets, which are principally equities securities and equity total return swaps. The value of interests held in this fund is determined by the investment manager. Redemptions are available on a monthly basis with 30 days notice.

NOTE 10. FAIR VALUE MEASUREMENTS (CONTINUED)

Level 3 Measurements

The Plan's real estate pooled investment fund is valued at the unit value as reported by the investment manager as of December 31, 2014. The fair value of this investment is estimated using the net asset value per share of the investment held at the end of each calendar quarter. The real estate pooled investment was liquidated in 2014.

Partnerships and joint ventures represent ownership interests in real estate and private equity funds. The fair value of these investments is determined by reference to the funds' underlying assets, which are principally private companies. The value of interests held in partnerships and joint ventures are determined by the general partner which the Plan has not adjusted based on the value of the portfolio funds as of December 31, 2015 and 2014. The Plan cannot make redemption requests on partnerships and joint ventures but rather distributions are made at the discretion of the general partner.

The tables below set forth a summary of changes in the fair value of the Plan's Level 3 assets for the years ended December 31, 2015 and 2014.

	Fair Value Measurements Using Significant Unobservable Inputs (Level 3)		
	Pooled Investment Fund	Partnerships and Joint Ventures	Total
Balance at 1/1/15	$ -	$ 2,846,867	$ 2,846,867
Net (depreciation)	-	(275,907)	(275,907)
Purchases	-	-	-
(Sales)	-	(653,671)	(653,671)
Balance at 12/31/15	$ -	$ 1,917,289	$ 1,917,289

	Fair Value Measurements Using Significant Unobservable Inputs (Level 3)		
	Pooled Investment Fund	Partnerships and Joint Ventures	Total
Balance at 1/1/14	$ 7,657	$ 5,100,768	$ 5,108,425
Net appreciation	306	268,632	268,938
Purchases	-	20,000	20,000
(Sales)	(7,963)	(2,542,533)	(2,550,496)
Balance at 12/31/14	$ -	$ 2,846,867	$ 2,846,867

NOTE 11. COMMITTED CASH

The Plan has entered into investment arrangements with various limited partnerships. As of December 31, 2015, the Plan has approximately $2,017,000 in outstanding capital commitments to these partnerships. At December 31, 2015, most limited partnerships with capital commitments are liquidating or are not seeking additional contributed capital. Therefore, management does not believe a significant amount of the commitment will be called.

NOTE 12. 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 statements of net assets available for benefits.

Due to inherent uncertainties involved in the valuations of investments that are not publicly traded, estimated fair values may differ materially from the values that would have been used had a ready market for the underlying securities existed. The current economic environment has increased the degree of uncertainty inherent in these estimates and assumptions.

The actuarial present value of accumulated plan benefits is reported based on certain assumptions pertaining to interest rates, inflation rates and employee demographics, all of which are subject to change. Due to uncertainties inherent in the estimations and assumptions process, it is at least reasonably possible that changes in these estimates and assumptions in the near term would be material to the financial statements.

NOTE 13. OTHER MATTER

It was determined during 2013 that pension calculations had been calculated incorrectly for participants who retired after the age of 65 from 2004 through 2012. The adjustments made to participants who commenced benefits after age 65 were not actuarially adjusted as required under the 2004 Plan amendment. During 2014 management corrected the 2012 errors using the Internal Revenue Service's Self-Correction Program and paid approximately $422,000 in benefits including interest. Management corrected the calculation errors made prior to 2012 through the Internal Revenue Service's Voluntary Correction Program which was approved in December 2015 and required the Plan to pay approximately 300 individuals, a total of $4,448,590 which included $3,741,037 in benefits and $707,553 in interest. Subsequent to year end, the Plan paid approximately $4,300,000 of the total amount approved under the correction program. The intent of the participating employers is to reimburse the Plan for all corrective payments through annual Plan contributions. The Plan's benefit calculator has since been updated to calculate benefits for any participant who commences benefits after age 65.

NOTE 14. RECONCILIATION OF FINANCIAL STATEMENTS TO FORM 5500

The following is a reconciliation of net assets available for benefits per the financial statements to the Form 5500:

	2015	2014
Net assets available for benefits per the financial statements	$ 197,844,330	$ 209,137,027
Less - benefit obligations currently payable	(4,448,590)	-
Net assets available for benefits per the Form 5500	$ 193,395,740	$ 209,137,027

The following is a reconciliation of benefits paid to or for participants per the financial statements to the Form 5500 for the year ended December 31, 2015:

Benefits paid to participants per the financial statements	$ 19,658,965
Add - amounts currently payable at end of year	4,448,590
Benefits paid to participants per the Form 5500	$ 24,107,555