

**BETHEL METHODIST HOME**  
**CONSOLIDATED FINANCIAL STATEMENTS**  
**Years Ended December 31, 2015 and 2014**

# HMM, CPAs LLP

AUDIT | TAX | CONSULTING

## INDEPENDENT AUDITOR'S REPORT

To the Board of Directors of:

Bethel Methodist Home

We have audited the accompanying consolidated financial statements of Bethel Methodist Home, which comprise the consolidated statement of financial position as of December 31, 2015 and 2014 and the related consolidated statements of operations and changes in net assets and cash flows for the years then ended, and the related consolidated notes to the financial statements.

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

Management is responsible for the preparation and fair presentation of these consolidated 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 consolidated 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 consolidated 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 consolidated financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the consolidated financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the consolidated 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 consolidated 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 consolidated 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 consolidated financial statements referred to above present fairly, in all material respects, the consolidated financial position of Bethel Methodist Home as of December 31, 2015 and 2014 and the changes in its net assets and its cash flows for the years then ended in accordance with accounting principles generally accepted in the United States of America.

*HMM CPAs LLP*

HMM, CPAs LLP  
Hauppauge, NY 11788  
July 7, 2016

## INDEPENDENT AUDITOR'S REPORT

To the Board of Directors of:

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*HMM CPAs LLP*

HMM, CPAs LLP  
Hauppauge, NY 11788  
July 7, 2016

**BETHEL METHODIST HOME**

**CONSOLIDATED STATEMENT OF FINANCIAL POSITION**

**December 31, 2015 and 2014**

**ASSETS**

	<b>2015</b>	<b>2014</b>
<b>CURRENT ASSETS</b>		
Cash and cash equivalents	\$ 27,062	\$ 7,528
Prepaid expenses	34,486	72,411
Due from related parties	4,236,407	4,091,191
Contributions Receivable	-	16,900
<b>TOTAL CURRENT ASSETS</b>	<b>4,297,955</b>	<b>4,188,030</b>
PROPERTY, PLANT AND EQUIPMENT at cost, less accumulated depreciation	49,635	58,080
ASSETS LIMITED AS TO USE	121,026	121,454
<b>TOTAL ASSETS</b>	<b>\$ 4,468,616</b>	<b>\$ 4,367,564</b>

**LIABILITIES AND NET ASSETS**

<b>CURRENT LIABILITIES</b>		
Accounts Payable	\$ 394,399	\$ 428,721
Accrued payroll and taxes payable	301,485	187,520
Other accrued expenses	83,922	94,273
Current portion of long-term debt	766	3,701
<b>TOTAL CURRENT LIABILITIES</b>	<b>780,572</b>	<b>714,215</b>
Long-term debt, net of current portion	-	325
<b>TOTAL LIABILITIES</b>	<b>780,572</b>	<b>714,540</b>
<b>NET ASSETS:</b>		
Unrestricted	3,645,240	3,610,220
Permanently Restricted	80,902	80,902
Retained Earnings (Deficit)	(38,098)	(38,098)
<b>TOTAL NET ASSETS</b>	<b>3,688,044</b>	<b>3,653,024</b>
<b>TOTAL LIABILITIES AND NET ASSETS</b>	<b>\$ 4,468,616</b>	<b>\$ 4,367,564</b>

The accompanying Notes to Financial Statements are an integral part of this statement.

**BETHEL METHODIST HOME**

**CONSOLIDATED STATEMENTS OF OPERATIONS AND CHANGES IN NET ASSETS**  
**Years Ended December 31, 2015 and 2014**

	<u>2015</u>	<u>2014</u>
	Amount	Amount
<b>UNRESTRICTED REVENUES, GAINS AND OTHER SUPPORT:</b>		
Corporate management fees	\$ 3,395,867	\$ 3,241,419
Fundraising income	7,819	70,973
Realized Gain on Assets Limited As To Use	5,306	5,018
Other operating revenue	29,400	25,480
<b>TOTAL REVENUES, GAINS AND OTHER SUPPORT</b>	<u>3,438,392</u>	<u>3,342,890</u>
<b>OPERATING EXPENSES</b>		
Administrative services	1,243,615	1,206,453
Fiscal services	1,419,709	1,344,374
Plant, operations and maintenance	236,715	257,100
Housekeeping services	87,315	86,269
Social service and admitting	233,859	173,197
Information service centers	174,658	174,027
<b>TOTAL OPERATING EXPENSES</b>	<u>3,395,871</u>	<u>3,241,420</u>
<b>EXCESS OF OPERATING REVENUES OVER OPERATING EXPENSES</b>	42,521	101,470
<b>NON-OPERATING REVENUES</b>		
Net unrealized loss on Assets Limited As To Use	(7,501)	(294)
<b>TOTAL NON-OPERATING REVENUES</b>	<u>(7,501)</u>	<u>(294)</u>
<b>CHANGE IN NET ASSETS</b>	35,020	101,176
<b>UNRESTRICTED NET ASSETS, BEGINNING OF YEAR</b>	<u>3,610,220</u>	<u>3,509,044</u>
<b>UNRESTRICTED NET ASSETS, END OF YEAR</b>	<u>\$ 3,645,240</u>	<u>\$ 3,610,220</u>

The accompanying Consolidated Notes to Financial Statements are an integral part of this statement.

**BETHEL METHODIST HOME**

**CONSOLIDATED STATEMENT OF CASH FLOWS**  
**Years Ended December 31, 2015 and 2014**

	<b>2015</b>	<b>2014</b>
<b>Cash Flows from Operating Activities:</b>		
<b>Increase in Net Assets</b>	\$ 35,020	\$ 101,176
Adjustments to reconcile change in net assets to net cash provided by operating activities:		
Depreciation and amortization	23,373	19,304
Unrealized gains	7,501	294
<b>(Increase)/decrease in:</b>		
Prepaid expenses	37,925	(15,564)
Contributions receivable	16,900	(16,900)
Due from related parties	(145,216)	(182,094)
Assets limited as to use	428	(5,954)
<b>Increase/(decrease) in:</b>		
Accounts payable	(34,322)	68,424
Accrued payroll and taxes payable	113,965	14,301
Other accrued expenses	(10,351)	32,281
<b>Net Cash Provided In Operating Activities</b>	45,223	15,268
<b>Cash Flows from Investing Activities:</b>		
Purchase of property and equipment	(14,928)	(33,152)
Marketable Securities	(7,501)	(294)
<b>Net Cash Used by Investing Activities</b>	(22,429)	(33,446)
<b>Cash Flows from Financing Activities:</b>		
Reduction of Long-term debt	(3,260)	(5,329)
<b>Net Cash Used by Financing Activities</b>	(3,260)	(5,329)
<b>Net Increase/(Decrease) in Cash and Cash Equivalents</b>	19,534	(23,507)
<b>Cash and Cash equivalent, Beginning of Year</b>	7,528	31,035
<b>Cash and Cash Equivalent, End of Year</b>	\$ 27,062	\$ 7,528
<b>Supplemental Cash Flow Disclosures</b>		
Cash payments for Interest	\$ 1,318	\$ 1,788

The accompanying Consolidated Notes to Financial Statements are an integral part of this statement.

# BETHEL METHODIST HOME

## CONSOLIDATED NOTES TO FINANCIAL STATEMENTS

Years Ended December 31, 2015 and 2014

### NOTE 1 - ORGANIZATION AND SIGNIFICANT ACCOUNTING POLICIES

#### Organization:

Bethel Methodist Home (the Home) is a not-for-profit corporation organized in New York and is one of six corporations affiliated through a common management team and some common Board members. The other not-for-profit affiliates are Bethel Springvale Nursing Home, Inc. d/b/a/ Bethel Nursing and Rehabilitation Center (the Center), The Pines at Narragansett Housing Development Fund Company, Inc. (the Pines), Living Independently for the Elderly, Inc. (LIFE, Inc.), and Bethel Nursing Home Company, Inc., (the Company). The Home is also affiliated with Angel Care Services, Inc., a for-profit C Corp. These corporations, collectively known as Bethel Homes, are located in Ossining and Croton-On-Hudson, New York. The Board of Directors of the Home is elected by the Board of BMH, Inc., which is the sole member of the Board of Directors. The Board of BMH, Inc. also elects the Board of Directors of the Company and LIFE, Inc. Springvale Operating Corp., Inc. (S.O.C., Inc.) is a wholly owned, for-profit C Corp subsidiary of Bethel Methodist Home.

The Home is a not-for-profit organization that held a license to operate a 112-bed residential health care facility located in Ossining, New York. On December 31, 2001, the Home sold 44 of the 112 licensed beds. During 2002, the Home sold 50 licensed beds. At December 31, 2015, 18 licensed beds were remaining, but were not in service.

Bethel Methodist Home is the corporate entity and provides management services to all subsidiaries of BMH, Inc.

#### Financial Statement Presentation:

The accompanying financial statements include only the accounts of Bethel Methodist Home and Springvale Operating Corp. Significant intercompany accounts and transactions have been eliminated in consolidation. Springvale Operating Corp. had no operating activity in 2015 and 2014.

The net assets of the Home and changes therein are classified and reported as follows:

#### Unrestricted Net Assets

All funds not restricted by a donor or grantor and assets whose use is limited through contractual or regulatory control of a third party payor or under debt agreements.

#### Temporarily Restricted Net Assets

Net assets with donor-imposed restrictions that expire with the passage of time or that can be fulfilled or removed by actions of the Home.

#### Permanently Restricted Net Assets

Net assets subject to donor-imposed stipulations will be maintained permanently. Generally, the donors of these assets permit the Home to use all of the income earned on related investments for general or specific purposes.

Revenues are reported as increases in unrestricted net assets. Expenses are reported as decreases in unrestricted net assets. Gains and losses on investments and other assets or liabilities are reported as increases or decreases in unrestricted net assets unless their use is restricted by explicit donor stipulation or by law. Expirations of temporary restrictions on net assets (i.e., the donor-stipulated purpose has been fulfilled and /or the stipulated time period has elapsed) are reported as reclassifications between the applicable classes of net assets.

BETHEL METHODIST HOME

CONSOLIDATED NOTES TO FINANCIAL STATEMENTS  
Years Ended December 31, 2015 and 2014

**NOTE 1 - ORGANIZATION AND SIGNIFICANT ACCOUNTING POLICIES (Continued)**

Cash and Cash Equivalents:

The Home considers all highly liquid debt securities, including certificates of deposit, with maturities of three months or less, when purchased, to be cash equivalents.

Financial instruments that potentially subject the facility to concentrations of credit risk consist principally of cash and cash equivalents accounts in financial institutions, which from time to time exceed the Federal depository insurance coverage limit.

Revenue Recognition:

Revenue is generated by providing management services and charging monthly management fees. Revenue is recognized as services are provided.

Equipment:

Equipment purchases are recorded at cost. Donated property is recorded at the fair market value at the date of donation. Depreciation is computed using the straight-line method over the estimated useful lives of the assets. Maintenance and repairs are charged to operations as incurred. Estimated useful lives are as follows:

Major Movable Equipment	5-15
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Assets Limited as to Use:

Assets limited as to use consists of investments.

Investments in equity securities with readily determinable fair values and all investments in debt securities are measured at fair value or quoted market prices (all Level 1 measurements). Marketable securities received as gifts and bequests are recorded at market value on the date of donation. Investment income is included in excess of revenues over expenses. Unrealized gains and losses in investments are included in changes to unrestricted net assets.

Tax status:

The Home has been recognized by the Internal Revenue Service as a not-for-profit corporation as described in Section 501(c) (3) of the Internal Revenue Code and is exempt from federal and state income taxes. The Home has determined that there are no material uncertain tax positions that require recognition or disclosure in the financial statements. Periods prior to 2012 are no longer subject to review by the taxing authorities.

S.O.C., Inc operates as a corporation for income tax purposes and consequently are taxed by the IRS and NYS prescribed rates. For New York State, the franchise tax may be assessed based on one of four alternative computations. The NYS tax computed on the taxable net income for 2015 and 2014 was \$25 and \$25, respectively. The federal tax for 2015 and 2014 was \$0 and \$0, respectively.

Use of Estimates:

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



## BETHEL METHODIST HOME

### CONSOLIDATED NOTES TO FINANCIAL STATEMENTS

Years Ended December 31, 2015 and 2014

#### NOTE 1 - ORGANIZATION AND SIGNIFICANT ACCOUNTING POLICIES (Continued)

##### Worker's Compensation Insurance:

The Home participated in a self-insurance trust administered through NYAHSA along with other New York facilities to supplement its worker's compensation insurance. Under the terms of the policy, the policy holders are responsible for the obligations of the trust. Premiums paid represent a portion of the potential liability, as determined for the group. The policy is written on a claims first made basis and has a component of reinsurance. Management has not recorded any liabilities related to this policy as they are not aware of any underfunding within the pool. Effective January 1, 2012, the Home obtained a guaranteed cost plan that determines cost as a percentage of salaries.

##### Basis of Consolidation:

The accompanying consolidated financial statements present the consolidated financial position and changes in net assets and cash flows of the Home. The consolidated financial statements also include the net assets and operations of Springvale Operating Corp., Inc., a wholly owned subsidiary. All significant intra-organizational accounts and transactions have been eliminated.

##### Reclassifications:

Certain reclassifications have been made to the 2014 financial statement presentation to correspond to the current year's format. Net Assets and Changes in Net Assets are unchanged due to these reclassifications.

##### Subsequent Events:

In preparing these financial statements, the Home has evaluated events and transactions for the potential recognition or disclosure through July 7, 2016, the date the financial statements were available to be issued.

#### NOTE 2 - PROPERTY, PLANT AND EQUIPMENT

A summary of property, plant, and equipment follows:

	Estimated Useful Life	Amount	
	5 - 15 Years	2015	2014
Moveable Equipment		\$ 259,897	\$ 244,970
Less accumulated depreciation		(210,262)	(186,890)
Net Property, Plant and Equipment		\$ 49,635	\$ 58,080

Depreciation charged to operations for the years ended December 31, 2015 and 2014 was \$23,373 and \$19,304, respectively. The depreciation policies followed by the companies are described in Note (1).

#### NOTE 3 - ASSETS LIMITED AS TO USE

Assets limited as to use, consisting of equity securities, mutual funds, and money market funds, are carried at fair value based on quoted prices in active markets (all Level 1 measurements) and consist of the following at December 31, 2015 and 2014:

	2015	2014
Permanently Restricted - Horberg Fund	\$ 46,300	\$ 46,463
Permanently Restricted - Freeman Fund	74,726	74,991
Total Assets limited as to use	\$ 121,026	\$ 121,454

## BETHEL METHODIST HOME

### CONSOLIDATED NOTES TO FINANCIAL STATEMENTS Years Ended December 31, 2015 and 2014

#### NOTE 3 - ASSETS LIMITED AS TO USE (Continued)

Total expenses relating to assets limited as to use, including custodial and investment advisory fees, amounted to \$1,387 and \$1,261 for the years ended December 31, 2015 and 2014.

Income related to Assets Limited As To Use, consisting of dividends and capital distributions, amounted to \$2,365 and \$2,491 for the years ended December 31, 2015 and 2014, respectively. Net unrealized capital losses totaled \$7,501 and \$294 for the years ended December 31, 2015 and 2014, respectively. Realized gains totaled \$5,306 and \$5,018 for the years ended December 31, 2015 and 2014, respectively.

Investment securities are carried at fair value based on quoted prices in active markets (all Level 1 Measurements) and consist of the following at December 31, 2015 and 2014, respectively:

	2015	
	Cost	Fair Value
Mutual Funds	\$ 98,447	\$ 121,026
Total	\$ 98,447	\$ 121,026
	2014	
	Cost	Fair Value
Cash	\$ 6,706	\$ 6,706
Mutual Funds	84,667	114,748
Total	\$ 91,373	\$ 121,454

A summary of return on investments consists of the following for the years ended December 31, 2015 and 2014, respectively.

	2015	2014
Interest and dividends	\$ 2,365	\$ 2,491
Net realized gain	5,306	5,018
Net Unrealized loss	(7,501)	(294)
Advisory fees	(598)	(1,261)
Total return	\$ (428)	\$ 5,954

Investment securities and cash investments in the amount of \$121,026 at fair value (\$98,447 at cost) and \$121,454 at fair value (\$91,373 at cost) at December 31, 2015 and 2014, respectively, have been set aside by the Board of Directors as an investment fund.

#### NOTE 4 - DUE FROM RELATED PARTIES

The Company, LIFE, the Center, the Home, the Pines and Angel Care Services share certain services to minimize the overall cost of operations. Shared services are recorded on the cost-to-provider basis. When services are provided by the Company, LIFE, the Center, the Pines and Angel Care Services to the Home they are included in operating expenses of the Home.

## BETHEL METHODIST HOME

### CONSOLIDATED NOTES TO FINANCIAL STATEMENTS

Years Ended December 31, 2015 and 2014

#### NOTE 4 - DUE FROM RELATED PARTIES (Continued)

Due from related parties consists of:

	2015	2014
Due to LIFE, Inc.	\$ (944,985)	\$ (742,472)
Due from Bethel Nursing Home	3,767,472	4,389,252
Due from Bethel Springvale Nursing Home, Inc.	2,295,318	1,083,041
Due from Angel Care Services	118,279	119,106
Due to The Pines at Narragansett	(999,677)	(757,736)
Due from Related Parties	\$ 4,236,407	\$ 4,091,191

Bethel Methodist Home is the corporate entity. As such, Bethel Methodist Home incurs the management related costs and charges a Corporate Management Fee to all the entities. The fee for LIFE Inc. is defined by a specific management services contract. The balance of the expenses is charged to the remaining organizations based on time spent for the years ended December 31, 2015 and 2014, respectively.

Management fees charged to each related party for the years ended December 31, 2015 and 2014 are:

	2015	2014
LIFE, Inc.	\$ 720,000	\$ 720,000
Bethel Nursing Home	317,678	251,257
Bethel Springvale Nursing Home, Inc.	2,189,896	2,090,943
Angel Care Services	37,405	55,792
The Pines at Narragansett	130,888	123,427
Total Management Fees Revenue	\$ 3,395,867	\$ 3,241,419

#### NOTE 5 - LONG-TERM DEBT

The Home is a guarantor for a \$2,750,000 construction loan that has been entered into by The Pines at Narragansett. The balance of the loan at December 31, 2015 and 2014 was \$2,507,333 and \$2,539,372, respectively.

Long-term debt consisted of the following:

	2015	2014
18.12% Capital Lease payable in 36 equal monthly installments of \$105.02 (including principal and interest) maturing January 2016.	\$ 104	\$ 1,230
6.28% Capital Lease payable in 36 equal monthly installments of \$223 (including principal and interest) maturing January 2016.	662	2,796
<b>Total long-term debt</b>	766	4,026
<b>Less Amount Due Within One Year</b>	766	3,701
<b>Total Non-Current Debt</b>	\$ -	\$ 325

# BETHEL METHODIST HOME

## CONSOLIDATED NOTES TO FINANCIAL STATEMENTS Years Ended December 31, 2015 and 2014

### NOTE 5 - LONG-TERM DEBT (Continued)

Maturity requirements on the long-term debt are as follows:

2016	\$	766
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Interest expense was \$1,318 and \$1,788 for the years ended December 31, 2015 and 2014, respectively.

The following is a summary of property held under capital leases:

Equipment	\$	10,200
Accumulated amortization		(5,100)
Net	\$	<u>5,100</u>

### NOTE 6 - PENSION PLANS

#### 401(k) PENSION PLAN

As of January 1, 1997, the Home adopted a Salary Deferral 401K and Savings Profit Sharing Plan (the Plan) covering substantially all of its employees not subject to collective bargaining agreements. Each year, the Home can contribute to the Plan, a discretionary contribution and makes a matching contribution equal to 100% of the Compensation (as defined in the Plan) that each participant elects to defer (up to 3% of the participant's Compensation) and contribute to the Plan. For 2015 and 2014, the Home recorded \$39,207 and \$8,964, respectively to the Plan representing employer match and expenses related to the plan.

#### 457(b) DEFERRED COMPENSATION PLAN

The Home also maintains a 457(b) Deferred Compensation Plan for select Executive Officers. Under the plan, the Home or plan participants can contribute pre-tax funds to the plan, up to the IRS specified limit. During 2015 and 2014, the Home made no contributions to the plan.

### NOTE 7- FUNCTIONAL EXPENSES

Bethel Methodist Home provides management services to an affiliated group of Long Term Healthcare providers. Expenses related to providing these services are as follows:

	<u>2015</u>	<u>2014</u>
General and Administrative	\$ 1,243,615	\$ 1,206,453
Management Services	2,152,256	2,034,967
Total Operating Expenses	<u>\$ 3,395,871</u>	<u>\$ 3,241,420</u>

### NOTE 8- FAIR VALUE OF ASSETS AND LIABILITIES

Financial Accounting Standards Board (FASB) Accounting Standard Codification (ASC) 820, as amended by ASU 2011-04, Fair Value Measurement, establishes a framework for measuring fair value and develops common requirements for measuring fair value and disclosing information about fair value measurements in accordance with U.S. generally accepted accounting principles (GAAP) and International Financial Reporting Standards (IFRS). That framework provides a fair value hierarchy that prioritizes the inputs to valuation techniques used to measure fair value. ASC 820 was amended by ASU No. 2010-06, *Fair Value Measurements and Disclosures: Improving Disclosures about Fair Value Measurement*, to improve the transparency in financial reporting of fair value measurements. The amendments in ASU No. 2010-06 are effective for interim and annual reporting periods beginning after December 15, 2009, except for the disclosures about purchases, sales, issuance, and settlements in the

## BETHEL METHODIST HOME

### CONSOLIDATED NOTES TO FINANCIAL STATEMENTS Years Ended December 31, 2015 and 2014

#### NOTE 8- FAIR VALUE OF ASSETS AND LIABILITIES (Continued)

roll-forward of activity in level 3 fair value measurements. This ASU requires the transfer between levels 1 and 2 to be disclosed as well as a reconciliation of the activity in level 3 measurements.

The ASU requires reporting entities to provide fair value measurements for each class of assets and liabilities. The hierarchy gives the highest priority to unadjusted quoted prices in active markets for identical assets or liabilities (level 1 measurement) and the lowest priority to unobservable inputs (level 3 measurements). The three levels of the fair value hierarchy under FASB ASC 820-10 are described as follows:

- Level 1 inputs to the valuation methodology are unadjusted quoted prices for identical assets or liabilities in active markets that the Home has the ability to access.
- Level 2 inputs to the valuation methodology include the following:
  - 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 is observable for the asset or liability.
  - Inputs that are derived principally from, or corroborated by, observable market data by correlation or other means.
- Level 3 inputs to the valuation methodology are unobservable and significant to the fair value measurements.

The asset's or liability's 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.

Following is a description of the valuation methodologies used for assets measured at fair value. There have been no changes in the methodologies used at December 31, 2015 and 2014

- Cash and Money Market - Valued at the net asset value of shares held at year-end.
- Mutual Funds - Valued at the net asset value of shares held at year-end.

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 Home 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.

Fair value of assets measured at December 31, 2015 and 2014 are as follows:

	Fair Value Measurements at the end of the Reporting Period Using Observable Inputs (Level 1)			
	2015		2014	
	Fair Value	Level 1	Fair Value	Level 1
<u>Assets Limited As To Use:</u>				
Amounts maturing in:				
Cash and Money Markets	\$ -	\$ -	\$ 6,706	\$ 6,706
Equity Securities	121,026	121,026	114,748	114,748
Totals	\$ 121,026	\$ 121,026	\$ 121,454	\$ 121,454