

**Community Coordinated  
Care for Children  
401(k) Plan**

**Financial Statements and  
Supplemental Information**

**December 31, 2015**

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*Partners*

W. Ed Moss Jr.  
Joe M. Krusick  
James R. Dexter  
Cori Cameron  
Bob Marchewka  
Ric Perez

**INDEPENDENT AUDITORS' REPORT**

Plan Administrator  
Community Coordinated Care for Children 401(k) Plan  
Orlando, Florida

**Report on the Financial Statements**

We were engaged to audit the accompanying financial statements of Community Coordinated Care for Children 401(k) Plan, which comprise the statement of net assets available for benefits as of December 31, 2015, and the related statement of changes in net assets available for benefits for the year 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 these financial statements based on conducting the audit in accordance with auditing standards generally accepted in the United States of America. Because of the matter described in the Basis for Disclaimer of Opinion paragraph, however, we were not able to obtain sufficient appropriate audit evidence to provide a basis for an audit opinion.

**Basis for Disclaimer of Opinion**

As permitted by 29 CFR 2520.103-8 of the Department of Labor's Rules and Regulations for Reporting and Disclosure under the Employee Retirement Income Security Act of 1974, the plan administrator instructed us not to perform, and we did not perform, any auditing procedures with respect to the information summarized in Note C, which was certified by Minnesota Life Insurance Company, the trustee of the Plan, except for comparing the information with the related information included in the financial statements. We have been informed by the plan administrator that the trustee holds the Plan's investment assets and executes investment transactions. The plan administrator has obtained a certification from the trustee as of and for the year ended December 31, 2015, that the information provided to the plan administrator by the trustee is complete and accurate.

**Disclaimer of Opinion**

Because of the significance of the matter described in the Basis for Disclaimer of Opinion paragraph, we have not been able to obtain sufficient, appropriate audit evidence to provide a basis for an audit opinion on the 2015 financial statements. Accordingly, we do not express an opinion on the 2015 financial statements referred to in the first paragraph.

501 S. New York Ave.  
Suite 100  
Winter Park, FL 32789  
Phone: 407-644-5811  
Fax: 407-644-6022  
www.mosskrusick.com

American Institute of  
Certified Public  
Accountants

Florida Institute of  
Certified Public  
Accountants

Plan Administrator  
Community Coordinated Care for Children 401(k) Plan  
Orlando, Florida

**Other Matter**

The supplemental schedule H, line 4i – Schedule of Assets (Held At End of Year) as of December 31, 2015, is required by the Department of Labor's Rules and Regulations for Reporting and Disclosure under the Employee Retirement Income Security Act of 1974 and is presented for the purpose of additional analysis and is not a required part of the financial statements. Because of the significance of the matter described in the Basis for Disclaimer of Opinion paragraph, we do not express an opinion on the supplemental schedule referred to above.

**Other Matter—2014 Financial Statements**

The financial statements of Community Coordinated Care for Children 401(k) Plan as of December 31, 2014, were audited by predecessor auditors. As permitted by 29 CFR 2520.103-8 of the Department of Labor's Rules and Regulations for Reporting and Disclosure under the Employee Retirement Income Security Act of 1974 (ERISA), the plan administrator instructed the predecessor auditors not to perform, and they did not perform, any auditing procedures with respect to the information certified by Minnesota Life Insurance Company, the trustee of the Plan. Their report, dated October 13, 2015, indicated that (a) because of the significance of the information that they did not audit, they were unable to obtain sufficient appropriate audit evidence to provide a basis for an audit opinion and accordingly, they did not express an opinion on the financial statements and (b) the form and content of the information included in the financial statements other than that derived from the information certified by the Trustee, were presented in compliance with the Department of Labor's Rules and Regulations for Reporting and Disclosure under ERISA.

**Report on Form and Content in Compliance With DOL Rules and Regulations**

The form and content of the information included in the 2015 financial statements and supplemental schedule, other than that derived from the information certified by the trustee, have been audited by us in accordance with auditing standards generally accepted in the United States of America and, in our opinion, are presented in compliance with the Department of Labor's Rules and Regulations for Reporting and Disclosure under the Employee Retirement Income Security Act of 1974.

*Moss, Krasinski & Associates, LLC*

Winter Park, Florida  
September 13, 2016

Community Coordinated Care for Children 401(k) Plan

STATEMENTS OF NET ASSETS AVAILABLE FOR BENEFITS

December 31, 2015 and 2014

	ASSETS	
	2015	2014
Investments at fair value		
Pooled separate accounts	\$ 5,520,602	\$ 5,655,207
Guaranteed investment account	345,375	300,239
	<u>5,865,977</u>	<u>5,955,446</u>
Total investments		
Notes receivable from participants	603,809	731,046
	<u>603,809</u>	<u>731,046</u>
Net assets available for benefits	<u>\$ 6,469,786</u>	<u>\$ 6,686,492</u>

See accompanying notes to these financial statements.

Community Coordinated Care for Children 401(k) Plan

STATEMENT OF CHANGES IN NET ASSETS AVAILABLE FOR BENEFITS

For the year ended December 31, 2015

**ADDITIONS TO NET ASSETS**

**ATTRIBUTED TO:**

Investment income (loss):

Net depreciation in fair value of investments	\$ (19,809)
Interest and dividends	3,639
Other income	8,109
Total investment income (loss)	<u>(8,061)</u>

Interest income on notes receivable from participants 23,217

Contributions:

Participants	283,763
Employer	<u>401,655</u>

Total contributions 685,418

Total additions 700,574

**DEDUCTIONS FROM NET ASSETS**

**ATTRIBUTED TO:**

Benefits paid to participants	901,333
Administrative expenses	<u>15,947</u>

Total deductions 917,280

Decrease in net assets available for benefits (216,706)

**NET ASSETS AVAILABLE FOR BENEFITS**

Beginning of the year 6,686,492

End of the year \$ 6,469,786

See accompanying notes to these financial statements.

# Community Coordinated Care for Children 401(k) Plan

## NOTES TO FINANCIAL STATEMENTS

December 31, 2015

### NOTE A – DESCRIPTION OF PLAN

The following description of the Community Coordinated Care for Children 401(k) Plan (the Plan), as amended and restated effective July 1, 2015, provides only general information. Participants should refer to the Plan document for a more complete description of the Plan's provisions.

#### 1. General

The Plan, established on January 1, 1990, is a defined contribution plan covering all eligible employees of the Community Coordinated Care for Children, Inc. (the Company, Employer, or Plan Sponsor) who had reached the age of 21 and completed one year of service as of the next enrollment date (semi-annual). Collectively bargained employees are excluded from participating in the Plan. In general, one year of service is defined as a 12-month consecutive period after commencement of employment in which an employee works at least 1,000 hours. The Chief Executive Officer is responsible for oversight of the Plan and determines the appropriateness of the Plan's investment offerings, monitors investment performance and reports to the Plan's Board of Trustees. The Plan is subject to the provisions of the Employee Retirement Income Security Act of 1974 (ERISA).

Minnesota Life Insurance Company (Minnesota Life) has been the Plan's custodian since June 2, 2014 and is responsible for investing and managing the Plan assets (subject to the direction of the Plan participants).

#### 2. Contributions

Plan participants may voluntarily contribute, on a pre-tax basis, any amount of their qualified annual compensation, as defined by the Plan, up to the Internal Revenue Code (IRC) maximum limits. Participants may also contribute amounts representing distributions from other qualified defined benefit or defined contribution plans. Participants who have attained the age of 50 before the end of the Plan year are eligible to make "catch-up" contributions. The maximum allowable pre-tax voluntary contribution, as determined by the Internal Revenue Service (IRS), was \$18,000 with a maximum "catchup" contribution of \$6,000 for 2015. All contributions are held in trust, and invested by the Plan's custodian in accordance with the options elected by the participants (i.e. all investments are participant directed).

The Company matches 25% up to the first 4% of the participant's qualified compensation, as defined in the Plan agreement. The Company's match amounted to \$42,921 during the year ended December 31, 2015. The Company may also make discretionary matching contributions to eligible participants of the Plan who contribute to the Plan. This discretionary matching contribution may be made during the Plan year or after the year-end and may be determined as a percentage of contributions or as a uniform dollar amount. The maximum Company's match will not exceed 4% of the base compensation. The Company did not make any discretionary matching contributions for the year ended December 31, 2015. In addition, the Company also makes safe harbor contributions equal to 5% of the participants' annual compensation. The safe harbor contribution will be made whether or not the employee is making contributions to the Plan. The Company made a total of \$358,734 in safe harbor contributions during the year ended December 31, 2015. Any employer contributions made on behalf of a participant for which no investment direction is in effect shall be allocated to one of the Minnesota Life Target Age Funds based on the appropriate retirement fund for the participant, subject to the participant's right to transfer those funds in accordance with the Plan.

## Community Coordinated Care for Children 401(k) Plan

### NOTES TO FINANCIAL STATEMENTS

December 31, 2015

#### NOTE A – DESCRIPTION OF PLAN (continued)

3. Participant Accounts

Each participant's account is credited with the participant's contribution, their portion of the Company's match, discretionary match, and an allocation of safe harbor contributions and Plan earnings/losses, and charged with an allocation of administrative expenses. Allocations are based on participants' contributions or account balances, as defined in the Plan agreement. The benefit to which a participant is entitled is the benefit that can be provided from the participant's vested account.

4. Vesting

Participants are vested immediately in their voluntary contributions, Employer matching and discretionary matching contributions, and Employer safe harbor contributions plus actual earnings thereon.

5. Investment Options

Upon enrollment in the Plan, a participant may direct all contributions in a variety of investment choices as more fully described in the Plan's literature. Participants can change their contribution percentage the first day of each calendar quarter. Participants may change their investment options at any time.

6. Payment of Benefits

Upon termination of service due to death, disability, or retirement, participants may elect to receive either a lump-sum amount equal to the value of their vested accounts, or receive regular installments over a period not to exceed their life expectancy. The normal retirement age, as defined by the Plan, is age 59 ½. Participants still employed who have reached age 70 ½ can defer payment of their benefits until their retirement date. If a participant terminates before retirement and has a vested account balance in excess of \$5,000, they may elect a lump sum payment or monthly, quarterly or annual installments over a specified period of time. Vested account balances less than \$5,000, will be distributed in a lump sum payment. In addition, hardship distributions are permitted if certain criteria are met. Hardship distributions are not allowed to be made from the Company's safe harbor contributions.

7. Forfeitures

As participants are fully vested upon entrance to the Plan, there are no forfeited account balances.

8. Notes Receivable from Participants

Participants may borrow from their fund accounts a minimum of \$1,000 up to the lesser of 50% of their vested account balance or \$50,000. A participant may have a maximum of five outstanding notes at any time. All notes are repaid within a period of five years, except notes for the participant's principal residence, which must be repaid in a reasonable period of time, not to exceed fifteen years. The notes are collateralized by a portion of the balance in the participant's account and bear a fixed rate of interest based on the prevailing prime rate at the date of each note (3.25% - 4.25% as of December 31, 2015), and mature through February 2024. Principal and interest are repaid ratably through bi-weekly payroll deductions.

# Community Coordinated Care for Children 401(k) Plan

## NOTES TO FINANCIAL STATEMENTS

December 31, 2015

### NOTE B – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

1. Basis of Accounting

The financial statements of the Plan are prepared on the accrual basis of accounting.

2. Investment Valuation and Income Recognition

The Plan's 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 market participants at the measurement date. The Plan Sponsor's Board of Directors determines the Plan's valuation policies utilizing information provided by the investment custodian. See Note D for discussion of fair value measurements.

The Plan has invested in a guaranteed investment account with an insurance company. Investment contracts held by a defined contribution plan are required to be reported at fair value. However, contract value is the relevant measurement attribute for that portion of the net assets available for benefits of a defined contribution plan attributable to fully benefit-responsive investment contracts because contract value is the amount participants would receive if they were to initiate permitted transactions under the terms of the Plan. The statement of net assets available for benefits presents the fair value of the investment contracts as well as the adjustment of the fully benefit-responsive investment contracts from fair value to contract value. The statement of changes in net assets available for benefits is prepared using the contract value basis for fully benefit-responsive investment contracts.

Purchases and sales of securities are recorded on a trade-date basis. Interest income is recorded on the accrual basis as earned. Net appreciation includes the Plan's gains and losses on investments bought and sold as well as held during the year.

The Plan invests in various investment securities. These 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 and the level of uncertainty related to changes in the values of the 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 participants' account balances and the amounts reported in the statements of net assets available for benefits and the statement of changes in net assets available for benefits.

3. Notes Receivable from Participants

Notes receivable from participants are measured at their unpaid principal balance plus accrued but unpaid interest. If a participant ceases to make note repayments and the Plan Administrator deems the participant note to be in default, the participant note balance is reduced and a benefit payment is recorded.

4. Use of Estimates

The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America (GAAP) requires the Plan's management to make estimates and assumptions that affect the reported amounts of net assets available for benefits and changes therein, and disclosures of contingent assets and liabilities. Actual results could differ from those estimates.

## Community Coordinated Care for Children 401(k) Plan

### NOTES TO FINANCIAL STATEMENTS

December 31, 2015

#### NOTE B – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

5. Contributions

Contributions from Plan participants and the matching and safe harbor contributions from the Plan Sponsor are recorded in the year in which the participant contributions are withheld from amounts paid. Employer discretionary matching contributions are recognized upon authorization of the Employer. All participant and Employer contributions are participant-directed.

6. Payment of Benefits

Benefits are recorded when paid.

7. Administrative Expenses

All reasonable expenses related to Plan administration are paid from Plan assets, except to the extent the expenses are paid (or reimbursed) by the Employer. If the Employer does not pay Plan related expenses, such fees or expenses will generally be allocated to the accounts of participants either proportionally based on the value of account balances or as an equal dollar amount based on the number of participants in the Plan. Loan origination fees are charged to the individual borrower/participant.

8. Income Taxes

GAAP requires Plan management to evaluate tax positions taken by the Plan, and recognize a tax liability (or asset) if the Plan has taken any uncertain tax positions that more likely than not would be sustained upon examination by a tax authority. Management evaluated the Plan's tax positions and concluded that the Plan had maintained its tax-exempt status and had taken no uncertain tax positions that require adjustment to the financial statements. Therefore, no provision or liability for income taxes has been included in the financial statements. With few exceptions, the Plan is no longer subject to income tax examinations by U.S. federal, state, or local tax authorities for years before 2012.

9. Adoption of New Accounting Pronouncement

In May 2015, the Financial Accounting Standards Board (FASB) issued Accounting Standards Update (ASU) No. 2015-07, *Fair Value Measurement (Topic 820): Disclosures for Investments in Certain Entities That Calculate Net Asset Value per Share (or Its Equivalent)*. The amendments in this Update remove the requirement to categorize within the fair value hierarchy all investments for which fair value is measured using the net asset value per share practical expedient. However, sufficient information must be provided to permit reconciliation of the fair value of assets categorized within the fair value hierarchy to the amounts presented in the statement of financial position. The amendments also remove the requirement to make certain disclosures for all investments that are eligible to be measured at fair value using the net asset value per share practical expedient. The amendments in this Update are effective for the Plan for fiscal years beginning after December 15, 2016. Early adoption is permitted. Upon adoption, the amendments shall be applied retrospectively to all periods presented. Plan management is currently evaluating the impact this Update will have on the Plan's financial statements.

In July 2015, the FASB issued ASU No. 2015-12, *Plan Accounting: Defined Benefit Pension Plans (Topic 960), Defined Contribution Pension Plans (Topic 962), Health and Welfare Benefit Plans (Topic 965) – (I) Fully Benefit-Responsive Investment Contracts, (II) Plan Investment*

## Community Coordinated Care for Children 401(k) Plan

### NOTES TO FINANCIAL STATEMENTS

December 31, 2015

#### NOTE B – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

*Disclosures, and (III) Measurement Date Practical Expedient (a consensus of the FASB Emerging Issues Task Force).* The purpose of this Update is to simplify plan accounting. The amendments in Part I of this Update designate contract value as the only required measure for direct investments in fully benefit-responsive investment contracts. Fully benefit-responsive investment contracts will be presented at contract value; accordingly there will no longer be an adjustment from fair value to contract value on the face of the financial statements. The amendments in Part II of this Update will eliminate the requirements for plans to disclose (1) individual investments that represent 5% or more of net assets available for benefits and (2) the net appreciation or depreciation for investments by general type for both participant-directed investments and nonparticipant-directed investments. The net appreciation or depreciation in investments for the period will still be required to be presented in the aggregate. The amendments in Part II of this Update will also require that investments (both participant-directed and nonparticipant-directed investments) of employee benefit plans be grouped only by general type, eliminating the need to disaggregate the investments in multiple ways. In addition, if an investment is measured using the net asset value per share (or its equivalent) practical expedient in Topic 820 and that investment is in a fund that files a U.S. Department of Labor Form 5500, Annual Return/Report of Employee Benefit Plan, as a direct filing entity, disclosure of that investment's strategy will no longer be required. The amendments in Part III of this Update reduce complexity in employee benefit plan accounting by providing a practical expedient that permits plans to measure investments and investment related accounts as of a month-end date that is closest to the plan's fiscal year-end, when the fiscal period does not coincide with month-end.

The Update may be adopted in whole or by part (I, II, and III), as applicable. The amendments in this Update are effective for fiscal years beginning after December 15, 2015. Early adoption is permitted. Upon adoption, the amendments in Parts I and II shall be applied retrospectively to all periods presented; the amendments in Part III shall be applied prospectively. Plan management is currently evaluating the impact this Update will have on the Plan's financial statements.

#### 10. Subsequent Events

The Plan Administrator has evaluated subsequent events through September 13, 2016, which is the date of the financial statements were available to be issued.

#### NOTE C – INVESTMENT INFORMATION CERTIFIED AND PROVIDED BY CUSTODIAN

The following is a summary of the Plan's asset information as of December 31, 2015 and 2014, and for the year ended December 31, 2015, included in the Plan's financial statements and supplemental schedule, that was prepared by or derived from information provided by Minnesota Life, the custodian under the Plan, and furnished to the Plan Administrator. The Plan Administrator has obtained certifications from the custodian that information provided to the Plan Administrator by the custodian related to the following assets and asset activity is complete and accurate to the best of their knowledge. Accordingly, as permitted by 29 CFR 2520.103-8 of the United States Department of Labor's Rules and Regulations for Reporting and Disclosure under ERISA, the Plan Administrator instructed the Plan's independent auditors not to perform any auditing procedures with respect to the information that appears throughout the financial statements and supplemental schedule related to the following assets.

## Community Coordinated Care for Children 401(k) Plan

### NOTES TO FINANCIAL STATEMENTS

December 31, 2015

#### NOTE C – INVESTMENT INFORMATION CERTIFIED AND PROVIDED BY CUSTODIAN (continued)

The following table presents the assets held by the Plan, at fair value, as of December 31, 2015 and 2014, which were certified by the custodian. Single assets representing more than 5% of the Plan's net assets are separately identified:

	December 31,	
	2015	2014
<b>Investments, at Fair Value:</b>		
Pooled separate accounts:		
Advantus S&P 500 Index Fund	\$ 2,166,077	\$ 2,289,329
Vanguard Total Bond Market Index Adm Fund	909,623	917,376
Vanguard Interm Bond Index Adm Fund	884,685	889,051
Vanguard Extended Market Adm Fund	663,710	710,326
Vanguard Developed Market Index Adm Fund	669,614	638,791
Other funds	226,893	210,334
Guaranteed investment account	345,375	300,239*
	<b>\$ 5,865,977</b>	<b>\$ 5,955,446</b>
Notes receivable from participants*	<b>\$ 603,809</b>	<b>\$ 731,046</b>

\*Amount represents less than 5% of Plan's net assets for the year presented.

Minnesota Life also certified to the completeness and accuracy of \$19,809 of net depreciation in fair value of investments, \$3,639 of interest and dividends related to aforementioned Plan assets, \$8,109 of other income pooled separate accounts, and \$23,217 of interest related to notes receivable from participants for the year ended December 31, 2015.

#### NOTE D – FAIR VALUE MEASUREMENTS

The framework for measuring fair value provides 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 under are described below:

- Level 1 - Inputs to the valuation methodology are unadjusted quoted prices for identical assets or liabilities in active markets that the Plan has the ability to access.
- Level 2 - Inputs to the valuation methodology Include:
  - 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 are observable for the asset or liability;
  - Inputs that are derived principally from or corroborated by observable market data by correlation or other means.

## Community Coordinated Care for Children 401(k) Plan

### NOTES TO FINANCIAL STATEMENTS

December 31, 2015

#### NOTE D – FAIR VALUE MEASUREMENTS (continued)

If the asset or liability has a specified (contractual) term, the Level 2 input must be observable for substantially the full term of the asset or liability.

- Level 3 - Inputs to the valuation methodology are unobservable and significant to the fair value measurement.

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. There have been no changes in the methodologies used at December 31, 2015 and 2014.

Following is a description of the valuation methodologies used for assets measured at fair value:

Pooled separate accounts: Valued at the observable net asset value (NAV) of the underlying investments as reported by the insurance company.

Guaranteed investment account: Valued at fair value by the insurance company by discounting the related cash flows based on current yields of similar instruments with comparable durations considering the credit-worthiness of the issuer (see Note E). As the participants transact at contract value, fair value is determined annually for financial statement reporting purposes only. In determining the reasonableness of the methodology, the Company's Board of Directors evaluates a variety of factors including review of existing contracts, economic conditions, industry and market developments, and overall credit ratings. Certain unobservable inputs are assessed through review of contract terms while others are substantiated utilizing available market data.

The methods described above may produce a fair value calculation that may not be indicative of net realizable value or reflective of future fair values. Furthermore, while 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 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 assets at fair value as of December 31, 2015 and 2014:

	Assets at Fair Value as of December 31, 2015			
	Level 1	Level 2	Level 3	Total
Pooled separate accounts:				
Equity funds				
Large cap	\$ -	\$ 2,180,654	\$ -	\$ 2,180,652
Mid cap	-	707,558	-	707,558
Small cap	-	33,526	-	33,526
International	-	684,754	-	684,754
Sector	-	108,990	-	108,990
Fixed income funds	-	1,805,120	-	1,805,120
Guaranteed investment account	-	-	345,375	345,375
Total	\$ -	\$ 5,520,602	\$ 345,375	\$ 5,865,977

**Community Coordinated Care for Children 401(k) Plan**

**NOTES TO FINANCIAL STATEMENTS**

**December 31, 2015**

**NOTE D – FAIR VALUE MEASUREMENTS (continued)**

	Assets at Fair Value as of December 31, 2014			
	Level 1	Level 2	Level 3	Total
Pooled separate accounts:				
Equity funds				
Large cap	\$ -	\$ 2,300,521	\$ -	\$ 2,300,521
Mid cap	-	764,221	-	764,221
Small cap	-	9,964	-	9,964
International	-	669,890	-	669,890
Sector	-	94,146	-	94,146
Fixed income funds	-	1,816,465	-	1,816,465
Guaranteed investment account	-	-	300,239	300,239
<b>Total</b>	<b>\$ -</b>	<b>\$ 5,665,207</b>	<b>\$ 300,239</b>	<b>\$ 5,955,446</b>

The following tables set forth additional disclosures of the Plan's investments whose fair value is estimated using the NAV per share (or its equivalent) as of December 31, 2015 and 2014:

	2015	Unfunded Commitment	Redemption Frequency	Other	
	Fair Value			Redemption Restrictions	Redemption Notice Period
Pooled separate accounts:					
Equity funds					
Large cap (b)	\$ 2,180,654	-	Twice a Month	None	None
Mid cap (c)	707,558	-	Twice a Month	None	None
Small cap (d)	33,526	-	Twice a Month	None	None
International (e)	684,754	-	Twice a Month	None	None
Sector (f)	108,990	-	Twice a Month	None	None
Fixed income funds (g)	1,805,120	-	Twice a Month	None	None
Guaranteed investment account (a)	<u>345,375</u>	-	Twice a Month	None	None
	<u>\$ 5,865,977</u>				

	2014	Unfunded Commitment	Redemption Frequency	Other	
	Fair Value			Redemption Restrictions	Redemption Notice Period
Pooled separate accounts:					
Equity funds					
Large cap (b)	\$ 2,300,521	-	Twice a Month	None	None
Mid cap (c)	764,221	-	Twice a Month	None	None
International (e)	669,890	-	Twice a Month	None	None
Sector (f)	94,146	-	Twice a Month	None	None
Small cap (d)	9,964	-	Twice a Month	None	None
Fixed income funds (g)	1,816,465	-	Twice a Month	None	None
Guaranteed investment account (a)	<u>300,239</u>	-	Twice a Month	None	None
	<u>\$ 5,955,446</u>				

## Community Coordinated Care for Children 401(k) Plan

### NOTES TO FINANCIAL STATEMENTS

December 31, 2015

#### NOTE D – FAIR VALUE MEASUREMENTS (continued)

(a) The guaranteed investment account seeks to provide preservation of principal and accrued interest and to maintain a stable interest rate with balances at contract value.

(b) The pooled separate accounts in this category seek long-term growth by primarily investing in common stocks of U.S. companies with large market capitalization. Investments from this category are normally from stocks in the top 70% of the capitalization of the U.S. equity market.

(c) The pooled separate accounts in this category primarily invest in U.S. stocks of various sizes and styles, giving it a middle-of-the-road profile. Investments from this category typically fall between \$1 billion - \$8 billion and represent 20% of the total capitalization of the U.S. equity market.

(d) The pooled separate accounts in this category seek long-term growth by primarily investing in U.S. equity securities of companies with small size market capitalization. Investments from this category are in the bottom 10% of the capitalization of the U.S. equity market.

(e) The pooled separate accounts in this category seek long-term growth by investing in common stocks of non-U.S. companies with large market capitalization. Investments are normally diversified across different countries and regions of the world.

(f) The pooled separate accounts in this category invest in real estate, health and financial industries. Real estate portfolios invest primarily in real-estate investment trusts (REITs) of various types, which are companies that develop and manage real-estate properties. These include apartment, factory-outlet, healthcare, hotel, industrial, mortgage, office and shopping center REITs. Health portfolios focus on the medical and healthcare industries, including pharmaceutical and medical-device makers, HMOs, hospitals and nursing homes. Financial portfolios seek capital appreciation by investing primarily in equity securities of U.S. or non-U.S. financial services companies, including banks, brokerage firms, insurance companies, and consumer credit providers.

(g) The pooled separate accounts in this category invest primarily in investments that provide a high level of current income consistent with the maintenance of principal and liquidity. The fund invests in investment grade debt securities, but may invest up to 10% of total assets in high yield securities. There is focus on corporate bonds and U.S. government bonds with varying maturities.

To assess the appropriate classification of investments within the fair value hierarchy, the availability of market data is monitored. Changes in economic conditions or valuation techniques may require the transfer of investments from one fair value level to another. In such instances, the transfer is reported at the beginning of the reporting period. The Plan evaluates the significance of transfers between levels based upon the nature of the investment and size of the transfer relative to total net assets available for benefits. For the year ended December 31, 2015, there was approximately \$140,000 transferred from Level 2 into Level 3.

**Community Coordinated Care for Children 401(k) Plan**

**NOTES TO FINANCIAL STATEMENTS**

**December 31, 2015**

**NOTE D – FAIR VALUE MEASUREMENTS (continued)**

The table below sets forth a summary of changes in fair value of the Plan's Level 3 assets for the year ended December 31, 2015:

	<u>Guaranteed Investment Account</u>	
Balance, beginning of year	\$	300,239
Transfers into Level 3		140,026
Contributions		34,369
Loan interest and principal payments		4,791
Distributions		(121,393)
Administration fee		(657)
Loans issued		(12,000)
Balance, end of year	\$	<u>345,375</u>

Unrealized gains from the guaranteed investment account are not included in the statement of changes in net assets available for benefits as the contract is recorded at contract value for purposes of the net assets available for benefits.

The following table represents the Plan's Level 3 financial instruments, the valuation techniques used to measure fair value of those financial instruments, and the significant unobservable inputs and the ranges of values for those inputs as of December 31, 2015:

<u>Instrument</u>	<u>Fair Value</u>	<u>Principal Valuation Technique</u>	<u>Unobservable Inputs</u>	<u>Range of Significant Input Values</u>
Guaranteed investment account	\$ 345,375	Discounted cash flow	Discount rate	1.38%-1.49%

In estimating fair value of the investment in Level 3, the Company's Board of Directors may use third-party pricing sources and appraisers. In substantiating the reasonableness of the pricing data provided by third-parties, the Investment Committee evaluates a variety of factors including review of methods and assumptions used by external sources, recently executed transactions, existing contracts, economic and market developments, and overall credit ratings.

## Community Coordinated Care for Children 401(k) Plan

### NOTES TO FINANCIAL STATEMENTS

December 31, 2015

#### NOTE E – GUARANTEED INVESTMENT CONTRACT WITH MINNESOTA LIFE INSURANCE COMPANY

The Plan has a fully benefit-responsive guaranteed investment account with Minnesota Life Insurance Company (Minnesota Life). Minnesota Life maintains the contributions in a general account. The account is credited with earnings on the underlying investments and charged for participant withdrawals and administrative expenses. The guaranteed investment contract issuer is contractually obligated to repay principal and a specified interest rate that is guaranteed to the Plan.

Because the guaranteed investment account is fully benefit-responsive, contract value is the relevant measure attribute for that portion of the net assets available for benefits attributable to the guaranteed investment account. The guaranteed investment account is presented on the face of the statement of net assets available for benefits at fair value with an adjustment to contract value in arriving at net assets available for benefits. Contract value, as reported to the Plan by Minnesota Life, represents contributions made under the contract, plus earnings, less participant withdrawals and administrative expenses. Participants may ordinarily direct the withdrawal or transfer of all or a portion of their investment at contract value. No adjustment from fair value to contract value is necessary as Minnesota Life and the Plan estimate that fair value approximates contract value.

There are no reserves against contract value for credit risk of the contract issuer or otherwise. The fair value of the investment contract at December 31, 2015, was \$345,375. The crediting interest rate is based on a formula agreed upon with the issuer and guaranteed not to be less than 1%. Such interest rates are reviewed on a quarterly basis for resetting.

Certain events may limit the ability of the Plan to transact at contract value. Such events include, but may not be limited to, the following: (a) amendments to the Plan documents (including complete or partial plan termination or merger with another plan); (b) changes to the Plan's prohibition on competing investment options or deletion of equity provisions; (c) bankruptcy of the Plan Sponsor or other Plan Sponsor events that cause a significant withdrawal from the plan; or (d) the failure of the trust to qualify for exemption from federal income taxes or any required prohibited transaction exemption under ERISA. The Plan Administrator does not believe that any events which would limit the Plan's ability to transact at contract value with participants are probable of occurring.

The guaranteed investment account does not permit the insurance company to terminate the agreement prior to the scheduled maturity date. The average yield for the year ended December 31, 2015, was 1.43%. The actual yield and the yield credited to participants is the same under this contract.

#### NOTE F – PARTIES-IN-INTEREST

Minnesota Life is the custodian of the Plan, and NFP Securities, Inc. provided investment advisory services to the Plan; therefore, transactions with the custodian and investment advisor qualify as party-in-interest transactions. Total fees paid by the Plan for administration and investment advisory services amounted to \$15,947 for the year ended December 31, 2015. The Plan Sponsor also paid certain administrative expenses of the Plan that are not reflected in these financial statements of the Plan.

#### NOTE G – PLAN TERMINATION AND AMENDMENT

Although they have not expressed any intent to do so, the Company has the right under the Plan to discontinue its contributions at any time and to terminate the Plan subject to the provisions of ERISA.

## **Community Coordinated Care for Children 401(k) Plan**

### **NOTES TO FINANCIAL STATEMENTS**

**December 31, 2015**

#### **NOTE H – INCOME TAX STATUS**

The Plan has adopted a standardized form of a volume submitter prototype plan sponsored by Minnesota Life Insurance Company. The volume submitter prototype plan has received an opinion letter, dated March 31, 2014, from the Internal Revenue Service (IRS) as to the volume submitter prototype plan's qualified status. The volume submitter prototype plan opinion letter has been relied upon by this Plan. The Plan Administrator believes the Plan is designed and is being operated in compliance with the applicable requirements of the Internal Revenue Code and therefore believes that the Plan is qualified and the related trust is tax exempt.

## **SUPPLEMENTAL INFORMATION**

**Community Coordinated Care for Children 401(k) Plan**  
**EIN #59-1371754 Plan #001**  
**Schedule H, line 4i - Schedule of Assets (Held at End of Year)**

**For the Year Ended December 31, 2015**

(a)	(b) Identity of Issuer, Borrower, Lessor, or Similar Party	(c) Description of Investment Including Maturity Date, Rate or Interest, Collateral, Par, or Maturity Value	(d) Cost	(e) Current Value
#	Pooled separate accounts:			
*	Minnesota Life Insurance Co.	Advantus S&P 500 Index Fund	**	\$ 2,166,077
*	Minnesota Life Insurance Co.	Vanguard Total Bond Market Index Adm Fund	**	909,623
*	Minnesota Life Insurance Co.	Vanguard Interm Bond Index Adm Fund	**	884,685
*	Minnesota Life Insurance Co.	Vanguard Developed Market Index Adm Fund	**	669,614
*	Minnesota Life Insurance Co.	Vanguard Extended Market Adm Fund	**	663,710
*	Minnesota Life Insurance Co.	T. Rowe Price Health Sciences Fund	**	73,196
*	Minnesota Life Insurance Co.	Vanguard Mid-Cap Index Adm Fund	**	37,944
*	Minnesota Life Insurance Co.	GW&K Small Cap Growth Fund	**	33,526
*	Minnesota Life Insurance Co.	Ivy Science & Tech Fund CL & Y Fund	**	30,989
*	Minnesota Life Insurance Co.	GMO Intl Large/Mid Cap Eq III Fund	**	12,547
*	Minnesota Life Insurance Co.	American Century Discipline Gr	**	9,777
*	Minnesota Life Insurance Co.	Met West Total Return Bond M	**	7,453
*	Minnesota Life Insurance Co.	Fidelity VIP Real Estate Init Fund	**	4,805
*	Minnesota Life Insurance Co.	T. Rowe Price Large Cap Value Fund	**	4,488
*	Minnesota Life Insurance Co.	American Funds New Perspective Fund, R6	**	4,475
*	Minnesota Life Insurance Co.	Baron Emerging Markets Institutional Fund	**	4,022
*	Minnesota Life Insurance Co.	Dodge & Cox Income Fund	**	3,359
*	Minnesota Life Insurance Co.	Dodge & Cox Stock Fund	**	312
#	Guaranteed investment account:			
*	Minnesota Life Insurance Co.	Minnesota Life Insurance Co. Guaranteed Investment	**	345,375
* #	Participants	Notes receivable from participants Interest rates ranging from 3.25% to 4.25%; maturity through February 2024		<u>603,809</u>
Total				<u>\$ 6,469,786</u>

\* Indicates a party-in interest as defined by ERISA,

\*\* Cost information is not required for participant-directed investments

# This information has been certified by Minnesota Life Insurance Company, the custodian, to be complete and accurate.

See Independent Auditors' Report.