CU*ANSWERS, INC.

FINANCIAL STATEMENTS
September 30, 2015 and 2014

CU*ANSWERS, INC.
Grand Rapids, Michigan

FINANCIAL STATEMENTS
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INDEPENDENT AUDITOR'S REPORT

Board of Directors and Stockholders
CU*Answers, Inc.
Grand Rapids, Michigan

Report on the Financial Statements

We have audited the accompanying financial statements of CU*Answers, Inc., which comprise the balance sheets as of September 30, 2015 and 2014, and the related statements of income, stockholders' equity, and cash flows 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.

Auditor's Responsibility

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

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity'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 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 financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

(Continued)

Opinion

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of CU*Answers, Inc. as of September 30, 2015 and 2014, and the results of its operations and its cash flows for the years then ended in accordance with accounting principles generally accepted in the United States of America.

Other Matter

Our audits were conducted for the purpose of forming an opinion on the financial statements as a whole. The accompanying schedules of revenues, costs of goods sold, and selling, general and administrative expenses are presented for purposes of additional analysis and is not a required part of the financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the financial statements. The information has been subjected to the auditing procedures applied in the audits of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements or to the financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the information is fairly stated in all material respects in relation to the financial statements as a whole.

Crowe Horwath LLP

Crowe Horwath LLP

Grand Rapids, Michigan
November 19, 2015

	2015	2014
ASSETS		
Current assets		
Cash and cash equivalents	$ 9,906,270	$ 10,586,653
Certificates of deposit	750,224	750,214
Accounts receivable (Note 12)	806,397	838,425
Accounts receivable - related parties	63,727	80,603
Income tax receivable (Note 3)	453,200	205,100
Note receivable (Note 3)	39,469	68,154
Equipment and supplies inventory (Note 4)	120,943	279,382
Prepaid expenses		
Maintenance contracts	525,948	540,648
Insurance	170,249	121,295
Other	579,509	552,591
Total current assets	13,415,936	14,023,065
Property, equipment and software		
Equipment	5,640,964	5,044,665
Software	10,961,256	7,892,228
Furniture and fixtures	1,337,363	1,304,876
Leasehold improvements	4,195,100	3,586,328
Vehicles	129,547	93,007
Software in process	1,411,774	2,781,006
	23,676,004	20,702,110
Less accumulated depreciation and amortization	13,190,008	11,184,037
	10,485,996	9,518,073
Other assets		
Corporate owned life insurance (Note 11)	1,439,437	1,273,780
Investment in Affiliates	2,263,552	1,980,951
Other assets	33,678	20,946
Note receivable (Note 5)	100,000	44,691
	3,836,667	3,320,368
	$ 27,738,599	$ 26,861,506

(Continued)

CU*ANSWERS, INC.
BALANCE SHEETS
September 30, 2015 and 2014

	2015	2014
LIABILITIES AND STOCKHOLDERS' EQUITY		
Current liabilities		
Accounts payable - trade	$ 616,211	$ 944,436
Accounts payable - related parties	71,076	48,960
Patronage and dividend accrual	3,029,118	2,552,829
Current portion of capital lease obligation (Note 8)	488,982	416,620
Profit sharing payable (Note 10)	612,666	563,391
Deferred income taxes (Note 3)	205,400	163,600
Other liabilities	1,413,925	971,160
Total current liabilities	6,437,378	5,660,996
Long-term liabilities		
Long-term debt (Note 7)	4,970,000	5,270,000
Capital leases (Note 8)	99,694	486,865
Lease inducements	10,291	25,728
Deferred rent	671,799	630,069
Deferred compensation (Note 11)	1,799,989	1,560,677
Deferred income taxes (Note 3)	812,900	708,900
	8,364,673	8,682,239
Stockholders' equity		
Common stock - par value $10 per share; 40,000 shares authorized; shares issued and outstanding: 24,800 and 25,600 at September 30, 2015 and 2014, respectively (Note 9)	248,000	256,000
Additional paid-in capital	10,246,618	10,137,684
Retained earnings	2,441,930	2,124,587
	12,936,548	12,518,271
	$ 27,738,599	$ 26,861,506

See accompanying notes to financial statements.

CU*ANSWERS, INC.
STATEMENTS OF INCOME
Years ended September 30, 2015 and 2014

	2015 Amount	2015 %	2014 Amount	2014 %
Revenues (Note 12)	$ 47,142,120	100.00 %	$ 42,552,206	100.00 %
Cost of goods sold	15,225,721	32.30	13,766,724	32.35
Gross margin	31,916,399	67.70	28,785,482	67.65
Selling, general and administrative expenses	27,883,787	59.15	24,975,901	58.69
Income before other income (expense), patronage dividends and income taxes	4,032,612	8.55	3,809,581	8.96
Other income (expense)				
Interest income	45,324	0.10	38,942	0.09
Loss on disposal of assets	(17,564)	(0.04)	(4,554)	(0.01)
Interest expense	(224,005)	(0.48)	(354,930)	(0.83)
Gain (loss) from Affiliates	34,894	0.07	(362,899)	(0.85)
	(161,351)	(0.35)	(683,441)	(1.60)
Income before patronage dividends and income taxes	3,871,261	8.20	3,126,140	7.36
Patronage dividends	2,500,000	5.30	2,050,000	4.82
Income before provision for income taxes	1,371,261	2.90	1,076,140	2.54
Provision for income taxes (Note 3)	524,800	1.11	427,902	1.01
Net income	$ 846,461	1.79 %	$ 648,238	1.53 %

See accompanying notes to financial statements.

CU*ANSWERS, INC.
STATEMENTS OF STOCKHOLDERS' EQUITY
Years ended September 30, 2015 and 2014

	Common Stock Class A	Additional Paid-In Capital	Retained Earnings	Total
Balance, October 1, 2013	$ 236,000	$ 8,224,684	$ 1,979,178	$ 10,439,862
Issuance of 2,000 shares of Class A common stock	20,000	1,913,000	-	1,933,000
Dividends declared	-	-	(502,829)	(502,829)
Net income	-	-	648,238	648,238
Balance, September 30, 2014	256,000	10,137,684	2,124,587	12,518,271
Redemption of 1,600 shares of Class A common stock	(16,000)	(757,066)	-	(773,066)
Issuance of 800 shares of Class A common stock	8,000	866,000	-	874,000
Dividends declared	-	-	(529,118)	(529,118)
Net income	-	-	846,461	846,461
Balance, September 30, 2015	$ 248,000	$ 10,246,618	$ 2,441,930	$ 12,936,548

See accompanying notes to financial statements.

CU*ANSWERS, INC.
STATEMENTS OF CASH FLOWS
Years ended September 30, 2015 and 2014

	2015	2014
Cash flows from operating activities		
Net income	$ 846,461	$ 648,238
Adjustments to reconcile net income to net cash provided by operating activities		
Investments in affiliates	362,899	362,899
Depreciation and amortization	2,493,689	2,131,083
Loss on disposal of assets	17,393	4,554
Deferred income tax expense	145,800	64,200
Cash value of life insurance	(165,657)	(154,611)
Change in assets and liabilities		
Certificates of deposit	(10)	-
Accounts receivable	48,904	355,081
Income taxes	(248,100)	219,640
Prepaid expenses	(61,172)	(125,612)
Equipment and supplies inventory	158,439	(157,869)
Accounts payable	(306,109)	238,549
Other liabilities	1,207,645	937,843
Net cash from operating activities	4,500,182	4,523,995
Cash flows from investing activities		
Proceeds from sale of equipment	39,475	9,916
Certificates of deposit	-	(250,214)
Investment in affiliates	(273,170)	(100,000)
Purchases of equipment and software	(3,366,584)	(2,722,975)
Payments received on note receivable - net	-	46,663
Proceeds from dissolution of affiliate	(385,062)	96,554
Cash paid on note receivable	(26,624)	-
Net cash from investing activities	(4,011,965)	(2,920,056)
Cash flows from financing activities		
Payments on long-term debt	(300,000)	(2,364,000)
Payments on capital lease obligations	(466,705)	(406,624)
Dividends paid	(502,829)	(406,196)
Proceeds from issuance of stock	874,000	1,933,000
Payments on redemption of stock	(773,066)	-
Net cash from financing activities	(1,168,600)	(1,243,820)
Net change in cash and cash equivalents	(680,383)	360,119
Cash and cash equivalents at beginning of year	10,586,653	10,226,534
Cash and cash equivalents at end of year	$ 9,906,270	$ 10,586,653
Supplemental disclosure of cash flow information		
Cash paid during the year for		
Interest	$ 224,005	$ 354,930
Income taxes	627,100	144,062
Supplemental disclosures of noncash investing and financing activities		
Financing activity - dividends declared	$ 529,118	$ 502,829
Capital lease obligations entered into during the year	151,896	156,621

See accompanying notes to financial statements.

NOTE 1 - NATURE OF BUSINESS

Nature of Business: CU*Answers, Inc. (CU*Answers or "the Corporation") provides automated processing services for credit unions throughout the United States. CU*Answers, Inc. also markets a software product and provides support to customers throughout the country with a concentration in Michigan. Revenue is recognized based on the number of members for each of its credit union customers as services are performed. Additionally, CU*Answers, Inc. receives revenue from sales of certain software and computer hardware products as they are sold. CU*Answers, Inc. is organized as a credit union service organization (CUSO) and a co-operative.

NOTE 2 - SIGNIFICANT ACCOUNTING POLICIES

Statement of Cash Flows: For the purpose of the statement of cash flows, cash and cash equivalents includes demand deposit accounts, savings accounts, money market accounts and instruments purchased with a maturity of three months or less. The Corporation frequently has deposits in excess of $250,000 at various financial institutions, some of which are also shareholders.

Certificates of Deposit: Certificates of deposit consist of bank time deposits with original maturity dates greater than 90 days and with remaining maturity dates of less than 365 days. These certificates of deposit have a fixed rate of interest which is paid upon maturity. They may not be redeemed before the maturity date without a penalty and are not transferable.

Accounts Receivable: The Corporation sells to customers using credit terms customary in their industry. Interest is not normally charged on receivables. Management establishes a reserve for losses on their accounts based on historic loss experience and current economic conditions. Losses are charged off to the reserve when management deems further collection efforts will not produce additional recoveries. These financial statements contain no allowance for losses since management expects that all accounts receivable are fully collectible at September 30, 2015 and 2014, respectively.

Equipment and Supplies Inventory: Inventories, which consist primarily of equipment and supplies for sale, are stated at the lower of cost or market, with cost determined by using the specific identification method.

Advertising Costs: The Corporation expenses advertising costs as incurred. Advertising costs for the years ended September 30, 2015 and 2014 were $782,397 and $723,291.

Property and Equipment: Property and equipment are stated at cost less accumulated depreciation. Depreciation is provided by use of straight-line and accelerated methods over the estimated useful lives of the assets. Leasehold improvements are depreciated over the estimated life or lease term, whichever is less. When properties are retired or otherwise disposed of, the appropriate accounts are relieved of cost and accumulated depreciation, and any resulting gain or loss is recognized.

Computer Software: The Corporation accounts for development costs related to software products to be sold, leased, or otherwise marketed as follows: software development costs are expensed as incurred until technological feasibility has been established, at which time such costs are capitalized until the product is available for general release to customers. These capitalized costs are subject to an ongoing assessment of recoverability based on anticipated future revenues and changes in hardware and software technologies. Costs that are capitalized include direct labor and consulting fees.

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NOTE 2 - SIGNIFICANT ACCOUNTING POLICIES (Continued)

Amortization of capitalized software development costs begins when the product is available for general release to customers. Amortization is computed as the greater of (1) the ratio of current gross revenues for a product to the total of current and anticipated future gross revenues for the product or (2) the straight-line method over the estimated economic life of the product.

Unamortized costs were approximately $3,633,000 and $1,666,000 at September 30, 2015 and 2014. Amortization expense was approximately $932,000 and $714,000 for the years ended September 30, 2015 and 2014, respectively.

Long-Lived Assets: The Corporation reviews property, equipment and computer software for impairment whenever events or changes in circumstances indicate that the carrying amount of an asset may not be recoverable. If it is determined that an impairment loss has occurred based on expected future undiscounted cash flows from operations, a current charge to income is recognized, and the carrying amount of the long-lived asset is adjusted.

Corporate Owned Life Insurance: The Corporation owns life insurance policies on individuals. Corporate owned life insurance is reported at its cash surrender value, less outstanding policy loans, or the amount that can be realized.

Lease Inducements and Escalating Base Rent: Lease inducements consisting of improvements to leased property provided by or reimbursed by the landlord, are deferred and accounted for as a reduction of rent expense on a straight-line basis over the term of the related lease. The Corporation recognizes rent expense on a straight-line basis over the term of related lease for leases that include escalating minimum base rents and records a deferred rent liability for the difference between straight-line expense and rent payments. The liabilities for deferred lease inducements and deferred rent are included in other liabilities.

Customer Deposits: Customer deposits represent advance payments received from customers for software purchases and installation. Revenue related to these contracts is recognized upon successful installation. The Corporation has included deferred revenue of approximately $862,000 and $466,000 at September 30, 2015 and 2014, respectively, in other liabilities on the balance sheet.

Patronage Dividends: Patronage dividends reflect discretionary distributions to shareholders, as approved by the Board of Directors. These distributions are limited to a portion of the net earnings of the Corporation from business done with their shareholders, and are allocated to individual shareholders based upon the volume of business done with the Corporation.

Income Taxes: The Corporation records income tax expense based on the amount of taxes due on their tax returns plus deferred taxes computed based on the expected future tax consequences of temporary differences between the carrying amounts and tax bases of assets and liabilities, using enacted tax rates. A valuation allowance, if needed, reduces deferred tax assets to the amount expected to be realized.

Uncertain tax positions are recognized and measured under provisions of FASB ASC 740. These provisions require the Corporation to recognize a tax benefit only if it is “more likely than not” that the tax position would be sustained in a tax examination, with a tax examination being presumed to occur. The amount recognized is the largest amount of tax benefit that is greater than 50% likely of being realized on examination. For tax positions not meeting the more likely than not test, no tax benefit is recorded.

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NOTE 2 - SIGNIFICANT ACCOUNTING POLICIES (Continued)

The Corporation recognizes interest and penalties related to unrecognized tax benefits in interest and income tax expense, respectively. There were no amounts expensed or accrued as of and for the years ended September 30, 2015 and 2014, respectively, for tax related interest and penalties.

The Corporation is no longer subject to examination for federal tax years before 2011 and for state income taxes before 2010. The Corporation does not expect that total amount of unrecognized tax benefits to significantly increase or decrease in the next 12 months.

Use of Estimates: The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and reported amounts of revenues and expenses during the reporting period. These estimates and assumptions may change in the near future resulting in different actual results. Estimates associated with allowance for doubtful accounts, deferred income taxes, lives of fixed assets and intangible assets, and the value of the investment in affiliates are particularly susceptible to material change in the near term.

Subsequent Events: Management has performed an analysis of the activities and transactions subsequent to September 30, 2015 to determine the need for any adjustments to and/or disclosures within these financial statements for the year ended September 30, 2015. Management has performed their analysis through November 19, 2015, the date the financial statements were available for issuance and has determined that there are no subsequent events to disclose.

NOTE 3 - INCOME TAXES

The provision for income taxes consists of the following:

	2015	2014
Current state tax expense	$ 44,500	$ 39,100
Current federal tax expense	334,500	324,602
Deferred tax expense	145,800	64,200
	$ 524,800	$ 427,902

Deferred tax assets and liabilities are as follows:

	2015	2014
Deferred tax assets	$ 1,792,800	$ 1,746,600
Deferred tax liabilities	(2,222,000)	(2,022,700)
Valuation allowance	(589,100)	(596,400)
	$(1,018,300)	$ (872,500)

(Continued)

NOTE 3 - INCOME TAXES (Continued)

Income tax expense differs from expense at statutory rates due to the effect of graduated tax rates and nondeductible expenses. Significant temporary differences between financial statements and tax returns include investments, intangible assets, accumulated depreciation, accumulated amortization, prepaid expenses, deferred revenue, and deferred compensation.

The valuation allowance reduces deferred tax assets to the amount expected to be realized, and relates to the Corporation's investment in eDOC Innovations, Inc. The Corporation has recorded a deferred tax asset and related valuation allowance for the basis difference between financial statements and tax returns for the investment in eDOC Innovations, Inc., as it is unlikely that the asset will be realized.

NOTE 4 - NOTE RECEIVABLE

Note receivable consists of the following:

	2015	2014
Note receivable from a company; dated November 9, 2010; due in monthly installments including interest of $6,594 until paid in full; interest at 9.50% per annum; secured by equipment.	$ 19,469	$ 92,845
Note receivable from a company; dated December 18, 2013, due in full plus accrued interest at 2% on December 31, 2015.	20,000	20,000
Note receivable from a company; dated April 12, 2015, including interest of 6% due quarterly per annum. Converting to a three year note on April 12, 2020, including interest of 6%, with principal and interest due monthly, matures on April 12, 2023.	100,000	-
Less current portion	(39,469)	(68,154)
Note receivable long-term portion	$ 100,000	$ 44,691

Maturities of note receivable are as follows:

2016	$ 39,469
2017	-
2018	-
2019	-
2020	13,889
Thereafter	86,111
	$ 139,469

NOTE 5 - INVESTMENT IN AFFILIATES

CU*Answers, Inc. is a minority shareholder in eDOC Innovations, Inc. with a 48.612% ownership interest as of September 30, 2015 and 2014, respectively. The investment is accounted for under the equity method.

Condensed audited financial information of eDOC Innovations, Inc. as of and for the years ended September 30, 2015 and 2014 is presented as follows:

	Year ended September 30, 2015	Year ended September 30, 2014
Total assets	$ 5,634,267	$ 5,322,524
Total liabilities	$ 1,585,198	$ 1,303,196
Members'/stockholders' equity	4,049,069	4,019,328
	$ 5,634,267	$ 5,322,524
Net sales	$ 4,159,762	$ 3,913,673
Expenses	4,130,020	4,223,060
Net income (loss)	$ 29,742	$ (309,387)

CU*Answers, Inc. purchased 12.5% ownership in Cooperative Payroll Solutions, LLC ("CPS") in October 2012. CPS provides certain payroll processing services to CU*Answers and CU*Answers customer credit unions. The investment of $150,000 is accounted for under the cost method. During 2014, the Company sold this investment for $96,554 and realized a loss of $53,446.

CU*Answers, Inc. purchased 1.18% ownership in Buffalo Pacific in August 2013. Buffalo Pacific provides teleprescence services to CU*Answers customer credit unions. The investment of $100,000 is accounted for under the cost method. During 2014, the Company wrote off this investment as it is not expected to be realized.

CU*Answers, Inc. purchased 15% investment in Chatter Yak in May 2014. Chatter Yak provides marketing services to CU*Answers customers. The initial investment of $100,000 is accounted for under the cost method and was written down to $50,000 as of September 30, 2014 to the expected amount to be realized. During the year ended September 30, 2015 no impairment was recorded.

CU*Answers, Inc. purchased 4% investment in Payveris in September 2015. Payveris provides licensing services to CU*Answers customers. The initial investment of $260,438 is accounted for under the cost method. During the year ended September 30, 2015 no impairment was recorded.

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NOTE 6 - LINE OF CREDIT

CU*Answers, Inc. has available a revolving line of credit with Central Corporate Credit Union (CenCorp), dated December 27, 2000, with no set maturity date. The agreement provides for maximum borrowings of $100,000 with interest payable monthly based upon CenCorp's standard rate. The available line of credit is secured by specific assets of CU*Answers, Inc. There were no borrowings on the line at September 30, 2015 and 2014.

NOTE 7 - LONG-TERM DEBT

Long-term debt consists of the following:

	2015	2014
2012 debenture offerings; 87 - $60,000 debentures, 1 - $30,000 debenture, and 1 - $20,000 debenture at September 30, 2014; 82 - $60,000 debentures, 1 - $30,000 debenture, and 1 - $20,000 debenture at September 30, 2015 payable in full on June 30, 2017; interest payable quarterly at prime plus 0.5%. Interest rates are adjusted annually and are limited to a 1% adjustment with a 7.0% ceiling and 3.0% floor.	$ 4,970,000	$ 5,270,000
Less current portion of long-term debt	-	-
	$ 4,970,000	$ 5,270,000

Principal of $4,970,000 on 2012 debenture offerings is due in full at June 30, 2017.

NOTE 8 - LEASE COMMITMENTS

The Corporation is obligated under various capital lease agreements for computer related equipment. Lease payments are generally due monthly and expire at various dates through January, 2016. Assets recorded under capital leases amount to the following:

	2015	2014
Equipment	$ 1,586,017	$ 1,434,121
Accumulated depreciation	(1,069,735)	(581,000)
	$ 516,282	$ 853,121

The Corporation has entered into numerous noncancelable operating lease agreements for various facilities and equipment with lease terms expiring at various dates through the year 2027. Rent expense under these leases for the years ended September 30, 2015 and 2014 was $787,504 and $768,089, respectively.

NOTE 8 - LEASE COMMITMENTS (Continued)

Future minimum payments due under operating and capital leases with initial or remaining noncancelable lease terms in excess of one year are as follows:

	Operating Leases	Capital Leases
2016	$ 715,440	$ 502,561
2017	722,948	90,214
2018	728,143	11,026
2019	729,846	-
2020	735,853	-
Thereafter	4,973,553	-
Total minimum lease payments	$ 8,605,783	603,801
Less amounts representing interest		(15,125)
		588,676
Current portion of capital lease obligations		488,982
Long term portion of capital lease obligations		$ 99,694

NOTE 9 - CAPITAL STOCK

CU*Answers, Inc. can issue Class A and Class B stock. Only Class A shares carry voting rights and only holders of Class A shares can purchase Class B shares. All shares contain transfer restrictions.

CU*Answers, Inc. is obligated to pay dividends on both classes of stock. The rate for Class A is between 4% and 8% of book value and the rate for Class B is between 4% and 8% of the par value of the shares. The rate paid is at the discretion of the board of directors.

CU*Answers, Inc. is obligated to purchase shares of stock of withdrawing stockholders. Payment for Class A and Class B shares is required within 30 days. The purchase price for both classes of stock is the book value of the stock as of the end of the prior fiscal year. The Company does not have any purchase obligations as of September 30, 2015.

NOTE 10 - RETIREMENT PLANS

CU*Answers, Inc. maintains a 401(k) plan in which substantially all of its employees may participate. The plan includes a provision for CU*Answers, Inc. to match a percentage of the employees' contributions at a rate prescribed in the plan agreement. CU*Answers, Inc.'s contributions to the plan resulted in expense of $609,373 and $563,391 for the years ended September 30, 2015 and 2014, respectively.

NOTE 11 - DEFERRED COMPENSATION AGREEMENTS

CU*Answers, Inc. maintains supplemental retirement plans for selected officers. CU*Answers, Inc. has purchased insurance contracts on the lives of certain participants in the supplemental retirement plans and has named CU*Answers, Inc. as the beneficiary. CU*Answers is recording an expense equal to the projected present value of the payments due at retirement based on the projected remaining years of service. The obligation under the plans was $1,799,989 and $1,560,677 at September 30, 2015 and 2014, respectively. The expense attributable to the plans, included in salaries and employee benefits, was $239,312 and $215,388 in 2015 and 2014, respectively. The cash surrender value of the Corporate owned life insurance was $1,439,437 and $1,273,780 at September 30, 2015 and 2014, respectively.

NOTE 12 - RELATED PARTY TRANSACTIONS

CU*Answers, Inc. provides services to all of its shareholders. Revenues from transactions with shareholders constituted 78% and 64% of total revenues during fiscal 2015 and 2014, respectively. At September 30, 2015 and 2014, 54% and 56%, respectively, of the CU*Answers, Inc.'s accounts receivable were from its shareholders. Cash and cash equivalents held at shareholder credit unions totaled approximately $3,268,383 and $2,919,000 at September 30, 2015 and 2014, respectively.

CU*Answers, Inc. is a minority shareholder of Xtend, Inc. (Xtend). Xtend provides managerial, operational and technical planning and consulting, outsourcing of technical and human resources, and coordination of marketing efforts for financial services. CU*Answers, Inc. provides operational support services including the use of office space, computer equipment and various human resources. Revenue received by CU*Answers, Inc. for these operational support services totaled $193,188 and $183,048 for the years ended September 30, 2015 and 2014, respectively. The investment in Xtend is accounted for using the cost method.

CU*Answers, Inc. is a minority shareholder of eDOC Innovations, Inc. (eDOC). eDOC provides software and specialized consulting services, specifically relating to document management systems, to credit unions and savings and loan institutions throughout the United States. CU*Answers, Inc. provided operational support services including the use of office space, computer equipment and various human resources. Revenue received by CU*Answers, Inc. for these operational support services totaled $144,000 and $144,000 for the years ended September 30, 2015 and 2014. The investment in eDOC is accounted for using the equity method, see Note 5 for further discussion of this investment.

NOTE 13 - FAIR VALUE

Statement 157 (FASB ASC 820 under new codification) establishes a fair value hierarchy which requires an entity to maximize the use of observable inputs and minimize the use of unobservable inputs when measuring fair value. The standard describes three levels of inputs that may be used to measure fair value:

Level 1: Quoted prices (unadjusted) for identical assets or liabilities in active markets that the entity has the ability to access as of the measurement date.

Level 2: Significant other observable inputs other than Level 1 prices such as quoted prices for similar assets or liabilities; quoted prices in markets that are not active; or other inputs that are observable or can be corroborated by observable market data.

Level 3: Significant unobservable inputs that reflect a reporting entity's own assumptions about the assumptions that market participants would use in pricing an asset or liability.

(Continued)

NOTE 13 - FAIR VALUE (Continued)

The fair values of money market accounts, included in cash and cash equivalents, are determined based upon their quoted redemption prices and recent transaction prices of $1.00 per share (Level 2 inputs), with no discounts for credit quality or liquidity restriction. Money market accounts are measured at fair value on a recurring basis and total $9,126,211 and $10,464,815 at September 30, 2015 and 2014, respectively.

SUPPLEMENTARY INFORMATION

CU*ANSWERS, INC.
SCHEDULES OF REVENUES, COST OF GOODS SOLD, AND SELLING,
GENERAL AND ADMINISTRATIVE EXPENSES
Years ended September 30, 2015 and 2014

	2015 Amount	2015 %	2014 Amount	2014 %
Revenues				
On-line	$ 34,857,145	73.94 %	$ 31,888,042	74.94 %
Self processing	2,633,762	5.59	2,346,217	5.51
CNS	6,975,577	14.79	5,918,380	13.91
External	2,675,636	5.68	2,399,567	5.64
	47,142,120	100.00	42,552,206	100.00
Cost of goods sold				
On-line	10,490,257	22.25	9,749,721	22.91
Self processing	963,018	2.04	934,099	2.20
CNS	3,103,440	6.58	2,567,685	6.03
External	669,006	1.42	515,219	1.21
	15,225,721	32.29	13,766,724	32.35
Gross margin	$ 31,916,399	67.71 %	$ 28,785,482	67.65 %
Selling, general and administrative expenses				
Salaries and wages	$ 13,170,719	27.94 %	$ 11,487,825	27.00 %
Bonuses and commissions	2,352,456	4.99	2,251,214	5.29
Employee benefits	4,019,501	8.53	3,520,987	8.27
Office and computer supplies	292,788	0.62	294,744	0.69
Utilities	468,211	0.99	487,576	1.15
Property taxes	63,000	0.13	48,000	0.11
Repairs and maintenance	1,492,347	3.17	1,380,680	3.24
Rent	787,504	1.67	768,089	1.81
Insurance	92,604	0.20	82,622	0.19
Depreciation and amortization	2,493,689	5.29	2,131,083	5.01
Professional services	373,357	0.79	391,398	0.92
Purchased services	356,117	0.76	308,949	0.73
Disaster recovery fees	87,183	0.18	88,620	0.21
Travel and entertainment	722,197	1.53	690,551	1.62
Advertising and promotion	782,397	1.66	723,291	1.70
Postage and freight	49,384	0.10	56,918	0.13
Donations	2,192	0.01	2,766	0.01
Miscellaneous	278,141	0.59	260,588	0.61
	$ 27,883,787	59.15 %	$ 24,975,901	58.69 %