RiceCo, LLC

FINANCIAL STATEMENTS

March 31, 2015 and 2014

RiceCo, LLC
Table of Contents
March 31, and

CRI CARR RIGGS & INGRAM
CPAs and Advisors

Carr, Riggs & Ingram, LLC
Two Riverway, 15th Floor
Houston, TX 77056

(713) 621-8090
(713) 621-6907 (fax)
www.cricpa.com

INDEPENDENT AUDITOR'S REPORT

To the Member
RiceCo, LLC
Memphis, TN

We have audited the accompanying financial statements of RiceCo, LLC (the "Company"), a Delaware Limited Liability Company, which comprise the balance sheets as of March 31, 2015 and 2014, and the related statements of income and comprehensive income, changes in member's 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 audits to obtain reasonable assurance about whether the financial statements are free from material misstatement.

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

Opinion

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of RiceCo, LLC as of March 31, 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.

Carr, Riggs & Ingram, L.L.C.

Houston, Texas
April 16, 2015

RiceCo, LLC
Balance Sheets

March 31,	**2015**	2014
(in thousands)		
Assets		
Current assets		
Cash and cash equivalents	**$ 357**	$ 503
Trade accounts receivable	**31,717**	30,473
Accounts receivable - related parties	**647**	54
Inventories	**6,795**	7,309
Prepaid expenses and other	**199**	282
Total current assets	**39,715**	38,621
Property and equipment		
Leasehold Improvements	**21**	-
Furniture and equipment	**85**	71
Vehicles	**560**	529
Production equipment	**269**	109
	935	709
Less: accumulated depreciation	**(429)**	(395)
Net property and equipment	**506**	314
Other assets		
Intangibles and other assets, net	**3,811**	3,827
Total assets	**$ 44,032**	$ 42,762

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

RiceCo, LLC
Balance Sheets (Continued)

March 31,		**2015**		2014
(in thousands)				
Liabilities and member's equity				
Current liabilities				
Trade accounts payable	**$**	**4,988**	$	2,635
Trade accounts payable - related parties		**7,426**		8,572
Accrued expenses		**12,625**		10,143
Due to related party		**9,251**		12,000
Current maturities of long-term debt		**295**		359
Total current liabilities		**34,585**		33,709
Long-term debt				
Pension liability		**-**		839
Long-term debt, net of current maturities		**191**		336
Total long-term liabilities		**191**		1,175
Total liabilities		**34,776**		34,884
Commitments and contingencies				
Member's equity				
Contributed member's equity		**5,617**		5,617
Retained earnings		**3,639**		3,333
Accumulated other comprehensive loss		**-**		(1,072)
Total member's equity		**9,256**		7,878
Total liabilities and member's equity	**$**	**44,032**	$	42,762

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

Statements of Income and Comprehensive Income

For the years ended March 31,		**2015**		2014
(in thousands)				
Revenue, net	$	**52,319**		47,239
Cost of revenue		**43,549**		38,717
Gross profit		**8,770**		8,522
Selling, general and administrative expenses		**6,980**		5,768
Depreciation and amortization		**1,375**		1,268
Income from operations		**415**		1,486
Other income (expense)				
Interest and other income		**3**		6
Gain (loss) on disposition of assets		**5**		(32)
Interest expense		**(117)**		(183)
Total other expense		**(109)**		(209)
Income from operations before provision for income taxes		**306**		1,277
Provision for income taxes		**-**		129
Net income		**306**		1,406
Other comprehensive income				
Termination of pension plan		**1,072**		-
Change in minimum pension liability		**-**		212
Comprehensive income	$	**1,378**	$	**1,618**

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

RiceCo, LLC
Statements of Member's Equity

(in thousands)	Contributed Member's Equity	Retained Earnings	Accumulated Other Comprehensive Loss	Total
Balance, March 31, 2013	$ 5,617	$ 11,927	$ (1,284)	$ 16,260
Net income	-	1,406	-	1,406
Distributions	-	(10,000)	-	(10,000)
Change in minimum pension liability	-	-	212	212
Balance, March 31, 2014	5,617	3,333	(1,072)	7,878
Net income	-	306	-	306
Termination of pension plan	-	-	1,072	1,072
Balance, March 31, 2015	**$ 5,617**	**$ 3,639**	**$ -**	**$ 9,256**

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

RiceCo, LLC
Statements of Cash Flows

For the years ended March 31,	**2015**	2014
(in thousands)		
Operating activities		
Net income	**$ 306**	$ 1,406
Adjustments to reconcile net income to net cash provided by operating activities		
Depreciation and amortization	**1,375**	1,268
Deferred income taxes	**-**	223
Loss (gain) on disposal of assets	**(5)**	32
Reclassification of accumulated other comprehensive loss to net periodic pension cost	**1,072**	-
Change in operating assets and liabilities		
Trade accounts receivable	**(1,244)**	(3,696)
Accounts receivable - related parties	**(593)**	1,016
Inventories	**514**	(312)
Prepaid expenses and other	**83**	(18)
Trade accounts payable	**2,353**	(408)
Trade accounts payable - related parties	**(1,146)**	6,863
Accrued expenses	**2,483**	(187)
State income tax payable	**-**	(352)
Pension liability	**(839)**	235
Net cash provided by operating activities	**4,359**	6,070
Investing activities		
Proceeds from maturity of certificates of deposit	**-**	32
Purchases of property and equipment	**(191)**	(87)
Proceeds from disposal of intangible asset	**-**	20
Cost of intangible assets	**(1,138)**	(1,237)
Net cash used in investing activities	**$ (1,329)**	$ (1,272)

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

For the years ended March 31,	**2015**	2014
(in thousands)		
Financing activities		
Net repayments on line of credit	**$ -**	$ (6,831)
Payments on long-term debt	**(426)**	(605)
Advance from related party	**9,250**	12,000
Repayments to related party	**(12,000)**	-
Distributions	**-**	(10,000)
Net cash used in financing activities	**(3,176)**	(5,436)
Net decrease in cash and cash equivalents	**(146)**	(638)
Cash and cash equivalents, beginning of period	**503**	1,141
Cash and cash equivalents, end of period	**$ 357**	$ 503
Supplemental disclosure of cash flow information		
Cash paid for interest	**$ 123**	$ 180
Noncash investing and financing activities		
Vehicles acquired via assumption of long-term debt	**$ 217**	$ 89
Disposal of fully depreciated equipment	**$ -**	$ 116
Reversal of accounts payable related to disposal of intangible asset	**$ -**	$ 178

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

NOTE 1: ORGANIZATION

RiceCo, LLC (the "Company") was founded on May 5, 1997 as a limited liability company for the purpose of domestic distribution of Propanil and other rice-related products, including other crop protection products. The Company's sole member is United Phosphorus Inc. ("UPI").

The Company's restated member agreement provides for an indefinite life of the Company unless terminated at an earlier date as provided for in the agreement; and the Member of the Company shall not be personally liable for all or any part of the debts or other obligations of the Company.

NOTE 2: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

This summary of significant accounting policies of the Company is presented to assist in understanding the financial statements. The financial statements and notes are the representations of management, who are responsible for their integrity and objectivity. These accounting policies reflect industry practices, conform to accounting principles generally accepted in the United States of America and have been consistently applied in the preparation of the financial statements. The following items comprise the significant accounting policies of the Company.

Revenue Recognition

The Company recognizes revenue when persuasive evidence of an arrangement exists, delivery has occurred or services have been rendered, the price to the customer is fixed or determinable, and collectability is reasonably assured. Appropriate accruals for discounts, volume incentives, and other allowances are recorded as reductions in revenues.

Cash Equivalents

The Company considers all highly liquid instruments with original maturities of three months or less to be cash equivalents.

Trade Accounts Receivable

Trade accounts receivable represent amounts owed to the Company which are expected to be collected within the next twelve months. Management evaluates receivables on an ongoing basis by analyzing customer relationships, customer's financial condition and previous payment histories. An allowance for doubtful accounts is established when a receivable is considered uncollectible. Receivables are written-off against the allowance for doubtful accounts after all collection efforts have failed. Certain trade accounts receivable are subject to extended payment terms based on various promotional programs. At March 31, 2015 and 2014, there is no allowance for doubtful accounts as the Company considers all receivables to be collectible.

NOTE 2: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Inventories

The Company values its inventories at the lower of cost, determined by the average cost method, or market. A valuation allowance is provided for obsolete and slow-moving inventory to write cost down to net realizable value (market), if necessary. Management determines the valuation allowance based on a review of the ability to sell or use inventory. Inventories at March 31, 2015 and 2014 consist of the following (in thousands):

March 31,	**2015**	2014
Raw materials	**$ 4,507**	$ 3,551
Finished goods	**1,839**	3,454
Packaging materials	**449**	304
	$ 6,795	$ 7,309

Property and Equipment

Property and equipment are recorded at cost including betterments which materially increase the useful lives or values of the assets. Repairs and maintenance are charged to operations when incurred. When property and equipment are sold or otherwise disposed, the asset and related accumulated depreciation accounts are relieved, and any gain or loss is included in operations. Depreciation is computed using the straight-line method over the useful lives of the respective assets, as follows:

Furniture, fixtures and equipment	3 – 5 years
Vehicles	3 years
Production equipment	3 years

Depreciation expense charged to operations for the years ended March 31, 2015 and 2014 totaled $220,716 and $156,737, respectively.

Intangible Assets

The Company capitalizes costs associated with intellectual property and non-compete agreements and amortizes these costs on a straight line basis over five to fifteen years. These assets are included in intangibles and other assets on the accompanying balance sheets at March 31, 2015 and 2014.

Impairment losses are recorded when indicators of impairment are present and the carrying amount of a long-lived asset exceeds its fair value. In addition, useful lives of long-lived assets are reviewed annually. At March 31, 2015 and 2014, the Company’s assessment of long-lived assets did not indicate an impairment.

NOTE 2: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Shipping and Handling Costs

Shipping and handling fees and costs related to purchase transactions with vendors and sales transactions with customers are recorded in cost of revenue on the accompanying statements of income and comprehensive income for the years ended March 31, 2015 and 2014.

Advertising

Advertising costs are charged to operations when the advertising takes place. No direct response advertising is used by the Company. For the years ended March 31, 2015 and 2014, advertising expense totaled $41,364 and $600 respectively.

Income Taxes

During the year ended March 31, 2014, UPI began accounting for the Company's share of income taxes on their books since the tax amounts were considered immaterial. As a result, the deferred tax assets at March 31, 2013 of $223,777 and the state income taxes payable at March 31, 2013 of $351,971 were eliminated and adjusted to the provision for income tax during the year ended March 31, 2014.

The Company is a limited liability company and is not a tax paying entity for federal income tax purposes. Thus, no federal income tax provision has been recorded in the financial statements. The taxable income of the Company is included in the individual member's tax return. The Company is subject to income taxes in certain states and files a consolidated tax return is filed with UPI. During the years ended March 31, 2015 and 2014, no state tax was allocated to the Company by UPI; accordingly, no provision or liability for state income tax is recorded for the years ended March 31, 2015 and 2014.

Any uncertainties in income taxes are evaluated by UPI and uncertain tax positions, if any, are reflected in UPI's consolidated financial statements.

Rework Costs

Rework costs are dependent upon several factors including many not ascertained until the period after sale, thus making these accruals unreliable. Accordingly, the Company recognizes these expenses in the period incurred.

Fair Value Considerations

The Company uses fair value to measure financial assets and liabilities and certain nonfinancial assets and liabilities measured or disclosed at fair value on a recurring basis (at least annually). Fair value is defined as the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants. The fair value hierarchy established and prioritized fair value measurements into three levels based on the nature of the inputs. The hierarchy gives the highest priority to inputs based on market data from independent sources (observable inputs-Level 1) and the lowest priority to a reporting entity's internal assumptions based upon the best information available when external market data is limited or unavailable (unobservable inputs-Level 3).

NOTE 2: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

The fair value option allows entities to choose, at specified election dates, to measure eligible financial assets and financial liabilities at fair value that are not otherwise required to be measured at fair value. If an organization elects the fair value option for an eligible item, changes in that item's fair value in subsequent reporting periods must be recognized in current earnings. The Company did not elect the fair value option for the measurement of any eligible assets or liabilities.

The Company's financial instruments (primarily cash and cash equivalents, certificates of deposit, receivables, payables and debt) are carried in the accompanying financial statements at amounts which reasonably approximate fair value.

Comprehensive Income

Comprehensive income includes net earnings plus other comprehensive loss, which represents the change in pension liability and termination of the pension plan.

Estimates

In preparing the financial statements in conformity with accounting principles generally accepted in the United States of America, management is required to make estimates and assumptions that affect the reported amounts of assets and liabilities and the disclosure of contingent assets and liabilities at the date of the financial statements. Actual results could differ from those estimates. Estimates that have the most impact on financial position of the Company primarily relate to the collectability of receivables, valuation of inventory, the useful lives and recoverability of intangible assets and property and equipment and certain accrued liabilities. Management believes these estimates and assumptions provide a reasonable basis for the fair presentation of the financial statements.

Subsequent Events

The Company has evaluated subsequent events through the date the financial statements were available for issuance on April 16, 2015. No matters were identified affecting the accompanying financial statements or related disclosures that have not been disclosed elsewhere.

NOTE 3: INTANGIBLE ASSETS

The Company has considered the nature of its intangible assets and concluded none had indefinite lives.

Intangible assets at March 31, 2015 and 2014 consist of the following (in thousands):

March 31,		**2015**		2014
Intellectual property	**$**	**22,259**	$	21,121
Non-compete agreement		**1,183**		1,183
		23,442		22,304
Less: accumulated amortization		**(19,631)**		(18,477)
Intangible assets, net	**$**	**3,811**	$	3,827

These assets are being amortized on a straight-line basis over five to fifteen years. For the years ended March 31, 2015 and 2014, amortization expense totaled $1,153,866 and $1,111,227, respectively.

Total estimated amortization expense for the next five years and thereafter is as follows (in thousands):

For the year ending March 31,		
2016	$	1,060
2017		976
2018		739
2019		496
2020		224
Thereafter		316
	$	3,811

NOTE 4: CONCENTRATION OF CREDIT RISK

The Company maintains bank balances in separate accounts at various financial institutions which from time to time may exceed the Federal Deposit Insurance Corporation's limit of $250,000. The Company manages risk by maintaining these deposits in high quality financial institutions and periodically performs an evaluation of the relative credit standing of each financial institution. The Company has not experienced any losses from maintaining cash deposits in excess of the federally insured limit. Management believes that is not exposed to any significant credit risk on cash and cash equivalents.

NOTE 4: CONCENTRATION OF CREDIT RISK (Continued)

The Company's customer base includes distributors of agricultural products. Trade accounts receivable at any point in time may be concentrated in a relatively small number of customer accounts. Certain accounts receivable are covered by credit insurance up to 90% of the outstanding balance. The Company performs ongoing credit evaluations as to the financial condition of its customers. Generally no collateral is required as condition of a sale. For the year ended March 31, 2015, three customers comprised 47% of total revenues and five customers represented 80% of trade accounts receivable at March 31, 2015. For the year ended March 31, 2014, four customers comprised 66% of total revenues and five customers represented 80% of trade accounts receivable at March 31, 2014.

For the year ended March 31, 2015, one related party comprised 60% of total inventory purchases. At March 31, 2015, two related parties comprised 60% of trade accounts payable. For the year ended March 31, 2014, one related party comprised 70% of total purchases. At March 31, 2014, three related parties comprised 79% of trade accounts payable.

NOTE 5: REVOLVING LINE OF CREDIT

At March 31, 2015 and 2014, the Company had a revolving line of credit agreement with U.S. Bancorp Ag Credit, Inc. (the "Lender") which provides for a maximum line of credit of $35,000,000 through the maturity date of December 29, 2015, secured by accounts receivable and inventories. The line of credit bears interest at the greater of prime less 1.25% or the Daily One Month London Interbank Offered Rate (LIBOR) plus 1.375% (2.0% at March 31, 2015 and 2014). At March 31, 2015 and 2014, the Company had no outstanding borrowings on the line of credit.

NOTE 6: EMPLOYMENT AGREEMENT

Effective January 1, 2011, the Company entered into an employment agreement with an officer expiring in December 2015. The agreement provides for a base salary, fringe benefits, and discretionary incentive pay based upon achieving certain performance parameters. The discretionary incentive pay will accrue for the first three years and become payable during 2014. Thereafter, any discretionary incentive pay will be payable annually. Upon expiration in December 2015, the agreement will automatically renew for one year terms unless either party provides written notice of their intent not to renew. As of March 31, 2015 and 2014, the Company has accrued costs of $280,000 and $800,000, respectively, for the discretionary incentive pay.

NOTE 7: LONG-TERM DEBT

Long-term debt at March 31, 2015 and 2014 consists of the following (balances in thousands):

March 31,	**2015**	2014
Note payable to a company in annual installments of $500,000 through 2014, $375,000 for 2015, and $250,000 for 2016, including imputed interest at 7.07%, unsecured and subordinated to the revolving line of credit (see Note 5)	**$ 248**	$ 582
Note payable to a financial institution in monthly installments of $776 including interest at 6.24% through maturity in February 2019, secured by a vehicle	**32**	40
Note payable to a financial institution in monthly installments of $920 including interest at 4.99% through maturity in December 2019, secured by a vehicle	**47**	-
Note payable to a financial institution in monthly installments of $672 including interest at 6.59% through maturity in November 2019, secured by a vehicle	**32**	-
Note payable to a financial institution in monthly installments of $652 including interest at 6.59% through maturity in November 2019, secured by a vehicle	**32**	-
Note payable to a financial institution in monthly installments of $693 including interest at 6.59% through maturity in November 2019, secured by a vehicle	**32**	-
Note payable to a financial institution in monthly installments of $672 including interest at 6.59% through maturity in November 2019, secured by a vehicle	**33**	-
Note payable to a financial institution in monthly installments of $611 including interest at 6.59% through maturity in November 2019, secured by a vehicle	**30**	-

NOTE 7: LONG-TERM DEBT (Continued)

March 31,		**2015**		2014
Note payable to a financial institution in monthly installments of $766 including interest at 0.00% through maturity in January 2017, secured by a vehicle		-		25
Note payable to a financial institution in monthly installments of $547 including interest at 6.74% through maturity in December 2018, secured by a vehicle		-		27
Note payable to a financial institution in monthly installments of $427 including interest at 6.74% through maturity in December 2018, secured by a vehicle		-		21
		486		695
Less: current maturities		**(295)**		(359)
Long-term debt	**$**	**191**	$	336

Future principal payments are summarized below (in thousands):

For the year ending March 31,		
2016	$	295
2017		49
2018		53
2019		55
2020		34
	$	486

NOTE 8: RELATED PARTY TRANSACTIONS

During the years ended March 31, 2015 and 2014, the Company purchased $24,340,683 and $24,322,245 of finished goods from RiceCo International, Inc. (“RII”). The Company owed RII $4,703,490 and $5,803,546 at March 31, 2015 and 2014, respectively, related to these purchases which is included in accounts payable – related parties on the accompanying balance sheets.

During the years ended March 31, 2015 and 2014, the Company sold inventory of $942,244 and $595,894 to RII, of which $646,906 and $48,439 was owed to the Company as of March 31, 2015 and 2014. These amounts owed to the Company are included in accounts receivable - related parties on the accompanying balance sheets.

NOTE 8: RELATED PARTY TRANSACTIONS (Continued)

During the year ended March 31, 2014, the Company sold inventory totaling $6,044 to UPI. As of March 31, 2014, UPI owed the Company $6,044, which is included in accounts receivable – related parties on the accompanying balance sheet. There were no sales for the year ended March 31, 2015.

During the years ended March 31, 2015 and 2014, UPI charged the Company $963,000 and $969,578 for management services performed on behalf of the Company which is included in selling, general, and administrative expenses on the accompanying statements of income and comprehensive income. At March 31, 2015 and 2014, the Company owed UPI $963,000 and $974,066, respectively for such services which is included in accounts payable – related parties on the accompanying balance sheets.

UPI and the Company have entered into an uncommitted loan facility agreement. Advances under this agreement may be in any amount and are generally payable in one year. Interest accrues at the six-month LIBOR rate plus 2.50% per annum and is payable quarterly. As of March 31, 2015, the Company owed UPI $9,250,000 plus accrued interest of $1,151. On April 7, 2015, the Company repaid UPI the outstanding balance plus accrued interest. As of March 31, 2014, the Company owed UPI $12,000,000 plus accrued interest of $2,713. On April 4, 2014, the Company repaid UPI the outstanding balance plus accrued interest.

During the year ended March 31, 2015 and 2014, the Company purchased finished goods from United Phosphorus Gibralter, a related party, totaling $1,759,400 and $1,794,750 which was included in trade accounts payable-related parties on the accompanying balance sheets.

During the years ended March 31, 2015 and 2014, Company advanced an employee $23,525 and $11,876, respectively. During the year ended March 31, 2015, $90,579 was repaid to the Company. These advances are interest free and are expected to be fully repaid by March 31, 2016. At March 31, 2015 and 2014, the Company was due $22,800 and $89,854, respectively, from this employee which are included in prepaid expenses and other on the accompanying balance sheets.

There were no distributions paid during the year ended March 31, 2015. During the year ended March 31, 2014, the Company paid distributions to UPI in the amount of $10,000,000.

NOTE 9: OPERATING LEASES

The Company is obligated under non-cancelable operating leases, expiring in 2019, principally covering office space and equipment. Rental expense for the years ended March 31, 2015 and 2014, totaled $218,282 and $208,275, respectively.

NOTE 9: OPERATING LEASES (Continued)

Minimum future rental commitments under the leases are as follows (in thousands):

For the year ending March 31,		
2016	$	169
2017		169
2018		158
2019		110
	$	606

NOTE 10: RETIREMENT PLANS

Defined Benefit Pension Plan

In May 2014, the Company's member voted to terminate the defined benefit pension plan effective July 31, 2014. All plan participants were notified of the termination, the securities the plan held were liquidated, and an annuity contract was purchased in December 2014 to cover the remaining pension liability for those participants not electing a lump sum final payment. The Company had a defined benefit pension plan which covered all full-time employees of the Company. Funding of the plan was made through payment to various funds managed by a third party and was in accordance with the funding requirements of the Employee Retirement Income Security Act of 1974 ("ERISA"). As of March 31, 2015, all distributions were made to all participants.

The change in the benefit obligation based on actuarial valuation as of March 31, 2015 and 2014 is as follows (in thousands):

March 31,		**2015**		2014
Benefit obligation, beginning of period	**$**	**3,597**	$	3,356
Service cost		**65**		179
Interest cost		**118**		130
Settlement gain		**(466)**		-
Benefits paid		**(72)**		(132)
Settlement payments		**(3,242)**		-
Actuarial loss		**-**		64
Benefit obligation, end of period	**$**	**-**	$	3,597

NOTE 10: RETIREMENT PLANS (Continued)

The following details the change in plan assets at March 31, 2015 and 2014 (in thousands):

March 31,	**2015**	2014
Fair value of plan assets, beginning of period	**$ 2,758**	$ 2,540
Actual return	**50**	350
Employer contribution	**506**	-
Benefits paid	**(72)**	(132)
Settlement payments	**(3,242)**	-
Fair value of plan assets, end of period	**$ -**	$ 2,758

The reconciliation of funded status as of March 31, 2015 and 2014 is as follows (in thousands):

March 31,	**2015**	2014
Accumulated benefit obligation	**$ -**	$ (3,315)
Projected benefit obligation	**$ -**	$ (3,597)
Plan assets at fair value	**-**	2,758
Funded status of plan	**$ -**	$ (839)

The following details the net periodic benefit cost at March 31, 2015 and 2014 (in thousands):

March 31,	**2015**	2014
Service cost	**$ 65**	$ 179
Interest cost	**118**	130
Expected return on plan assets	**(140)**	(166)
Amortization of net (gain)/loss	**50**	92
Settlement loss	**645**	-
Net periodic pension cost	**$ 738**	$ 235

NOTE 10: RETIREMENT PLANS (Continued)

Amounts recognized in accumulated other comprehensive income at March 31, 2015 and 2014 consists of (in thousands):

March 31,	**2015**	2014
Accumulated other comprehensive loss	**$ -**	$ 1,072

Other changes in plan assets and benefit obligations previously recognized in changes in accumulated other comprehensive income consist of the following at March 31, 2015 and 2014 (in thousands):

March 31,	**2015**	2014
Net (gain) or loss	**$ (1,072)**	$ (212)
Amortization of prior service cost	**-**	-
Total recognized in accumulated other comprehensive income	**(1,072)**	(212)
Net periodic pension cost	**738**	235
Total recognized in net periodic benefit cost and accumulated other comprehensive income	**$ (334)**	$ 23

The actuarial assumptions used at March 31, 2015 and 2014 are as follows:

March 31,	**2015**	2014
Discount rate projected benefit obligation	**N/A**	4.50%
Rate of increase in compensation levels	**N/A**	3.00%
Expected long-term rate of return on assets	**N/A**	6.75%

There were no changes in the actuarial assumptions used from March 31, 2014 to the plan termination date.

NOTE 10: RETIREMENT PLANS (Continued)

At March 31, 2015 and 2014, the following is an analysis of plan assets by category:

March 31,	**2015**	2014
Equity securities	**N/A**	61%
Debt securities	**N/A**	39%
Other	**N/A**	0%
Total	**N/A**	100%

The following table sets forth by level, within the fair value hierarchy, the Company's pension plan assets, by asset category, at fair value as of March 31, 2015 and 2014 (in thousands):

	Quoted Market Prices in Active Active Markets (Level 1)	Other Observable Inputs (Level 2)	Unobservable Inputs (Level 3)
March 31, 2015			
Equity Securities (1)	**$ -**	**$ -**	**$ -**
Debt Securities (2)	**-**	**-**	**-**
Other (3)	**-**	**-**	**-**
Total	**$ -**	**$ -**	**$ -**
March 31, 2014			
Equity Securities (1)	$ -	$ 1,677	$ -
Debt Securities (2)	-	1,081	-
Other (3)	-	-	-
Total	$ -	$ 2,758	$ -

The plan's assets consisted of pooled separate accounts that are valued at the net asset value (NAV) per unit based on either the observable NAV of the underlying investment or the NAV of the underlying pool of securities. NAV is based on the value of the underlying assets owned by the fund, minus its liabilities, divided by the number of share outstanding. There were no redemption restrictions on these investments. Included in the separate accounts were money market funds which were valued at cost which approximates fair value.

NOTE 10: RETIREMENT PLANS (Continued)

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 management believes the plan's valuation methods are appropriate and consistent with other market participants, the use of different methodologies or assumptions to determine fair value of certain financial instruments could result in a different fair value measurement at the reporting date.

The pooled separate accounts have been classified based on the general characteristic of the investment focus and strategy with further clarification below:

(1) The strategy is focused on maximizing capital growth utilizing underlying investments with a high composition of equity or equity related securities.

(2) The strategy is focused on maximizing total return by utilizing underlying investments that are mostly investment grade debt securities.

(3) The strategy is designed to maximize current income and preserve capital through various fixed income securities.

Profit Sharing Thrift Plan

The Company sponsors a restated profit sharing thrift plan designed to conform to Internal Revenue Code Section 401(k) and to the requirements of ERISA. The plan, which covers all full-time employees, allows participants to contribute up to the maximum permitted by law, through salary reductions. The Company's contributions to the plan are based on a percentage of the participant's contributions, and the Company may make additional contributions to the plan at the discretion of the Board of Directors. For the years ended March 31, 2015 and 2014, Company contributions totaled $237,507 and $200,345, respectively.

NOTE 11: INCOME TAX

The provision for state income tax for the years ended March 31, 2015 and 2014 is summarized as follows (in thousands):

March 31,	**2015**	2014
State income taxes		
Current (benefit) provision	**$** -	$ (352)
Deferred provision	-	223
Total	**$** -	$ (129)