Quarterly Report
To Stockholders

Quarter Ended June 30, 2015

REPORT OF MANAGEMENT

The consolidated financial statements of Capital Farm Credit, ACA (the Association) are prepared by management, who is responsible for the statements' integrity and objectivity, including amounts that must necessarily be based on judgments and estimates. The consolidated financial statements have been prepared in conformity with accounting principles generally accepted in the United States of America appropriate in the circumstances. Other financial information included in the quarterly report is consistent with that in the consolidated financial statements.

To meet its responsibility for reliable financial information, management depends on the Farm Credit Bank of Texas' (Bank) and the Association's accounting and internal control systems which have been designed to provide reasonable, but not absolute, assurance that assets are safeguarded and transactions are properly authorized and recorded. The systems have been designed to recognize that the cost of controls must be related to the benefits derived. The annual consolidated financial statements are examined by PricewaterhouseCoopers LLP, independent auditors, who conduct a review of internal controls solely for the purpose of establishing a basis for reliance thereon in determining the nature, extent and timing of audit tests applied in the audit of the consolidated financial statements in accordance with auditing standards generally accepted in the United States of America. The Association is also examined by the Farm Credit Administration.

The Audit Committee of the board of directors has oversight responsibility for the Association's systems of internal controls and financial reporting. The Audit Committee consults regularly with management and the internal auditors and meets periodically with the independent auditors to review the scope and results of their work. The independent auditors and internal auditors have direct access to the Audit Committee.

The undersigned certify that this quarterly report has been reviewed and prepared in accordance with all applicable statutory or regulatory requirements, and that the information contained herein is true, accurate and complete to the best of his knowledge and belief.

Ben R. Novosad
Ben R. Novosad,
Chief Executive Officer

Phillip Munden
Phillip Munden,
Chairman, Board of Directors

Don VandeVanter
Don VandeVanter,
Chief Financial Officer

August 5, 2015

MANAGEMENT'S DISCUSSION AND ANALYSIS
OF FINANCIAL CONDITION AND RESULTS OF OPERATIONS
(Dollars in thousands)

The following commentary explains management's assessment of the principal aspects of the consolidated financial condition and results of operations of Capital Farm Credit, ACA including its wholly-owned subsidiaries, Capital Farm Credit, PCA and Capital Farm Credit, FLCA, (collectively referred to as the Association) for the quarter ended June 30, 2015. These comments should be read in conjunction with the accompanying consolidated financial statements and the December 31, 2014 Annual Report of the Association. Results for interim periods are not necessarily indicative of results to be expected for future periods.

The national economy continues to be sluggish. Improvements in unemployment levels supported by some job creation, along with improvements in the housing and construction sectors are positive. However, a strong U.S. dollar, accompanied by weak business investments has led to very slow growth. The Texas agricultural sector has benefited from much needed winter and spring rainfalls. Pasture and range conditions are much healthier and row-crop producers are more optimistic for a crop, but lower cotton and grain prices are still a concern. There has been some decline in cattle prices recently, but they continue to be at relatively high levels. The Association continues to be well-positioned for growth, with sound credit-quality and strong levels of capital.

Patronage Refunds by Association

The Association distributed its patronage refund for 2014 in March 2015. $71,979 of this distribution was paid in cash and $70,067 was distributed in the form of nonqualified allocated equity. The owners of these nonqualified distributions will not pay federal income taxes until the equities are retired. It is the board's intention with these allocations to assign ownership of the earnings of the Association, allowing the stockholders to benefit more fully from the earnings of the Association and to create a method to make future equity distributions in the form of cash. While there is not a planned retirement of these allocated equities, the board of directors will make an annual evaluation of the Association's capital position and determine if some cash retirements of these equities can be made. In March 2014, the Association made its patronage distribution for 2013, with cash distribution of $65,477 and nonqualified allocations of $78,648.

Loan Portfolio

Total loan volume was $6,085,692 at June 30, 2015. This compares with loan volume owned by the Association at December 31, 2014 of $5,886,775. This represents an increase of $198,917, or approximately 3.4 percent. Most of this increase was realized in the real estate mortgage segment, with notable growth in its communication portfolio as well. The Association has increased its marketing efforts and implemented new loan programs in an effort to continue to grow its loan portfolio.

The Association continues to see some increase in its high-risk assets with the most notable increase in nonaccrual loans. The following table summarizes the Association's components and trends of high-risk assets:

	June 30, 2015	**%**	December 31, 2014	%
Nonaccrual loans	**$ 82,281**	**82.6**	$ 76,065	80.9
Loans 90 days past due and still accruing interest	**1,104**	**1.1**	385	0.4
Formally restructured loans	**13,743**	**13.8**	13,783	14.6
Other property owned, net	**2,489**	**2.5**	3,841	4.1
Total	**$ 99,617**	**100.0**	$ 94,074	100.0

Nonaccrual loans increased $6,216 during the first six months of 2015, with increases both in the real estate mortgage and production sectors. Loans that are 90 or more days past due and still accruing interest increased $719 in the first six months of 2015. This increase was also recognized in the real estate mortgage and production sectors. Loans in this category are to customers that have a documented plan that details how and when the amount owed will be paid.

Formally restructured loans decreased $40 during the first six months of 2015 as a result of loan pay offs. The Association is cooperating with distressed borrowers to work through temporary repayment problems, where possible. These restructurings may include a modification of loan terms to accommodate the financial difficulties of the customer.

Other property owned decreased $1,352 during the first six months of 2015. The decrease resulted from the sale of several acquired properties. The Association is actively working with real estate professionals to ensure properties are accurately valued on the Association's books and that proactive marketing activities are in place.

Management also continues to routinely evaluate and monitor counterparty and collateral risks in an effort to avoid concentrations that could result in excess exposure to a single counterparty or type of collateral. The loan portfolio management practices in place have been designed to ensure loans and industries with actual or potential problems are promptly identified, monitored and addressed in a manner that allows the lending staff to work with problem customers and industries through periods of adversity.

Results of Operations

The Association's net income for the six months ended June 30, 2015 was $63,589 as compared to $73,784 for the six months ended June 30, 2014, a decrease of $10,195, or 13.8 percent.

The decline in net income was affected by an increase in the provision for loan losses, and an increase in noninterest expenses, offset by an improvement in net interest income and noninterest income. Net interest income increased by $6,040 during the first six months of 2015 compared to the same time period for 2014. An increase in average loan volume and higher average capital was the catalyst for the improvement in net interest income. Noninterest income increased $3,688 during the first six months of 2015 compared to the same time period of 2014. The increase in noninterest income was mainly attributed to an increase in accrual of patronage income from the Bank. Net income was negatively affected by an increase in provision for loan losses of $8,158 during the first six months of 2015 compared to the same time period for 2014. Furthermore, noninterest expense increased $11,754 during the first six months of 2015 compared to the same time period of 2014.

The effects of changes in average volume and interest rates on net interest income in the six months ended June 30, 2015, as compared with the corresponding period of the prior year, are presented in the following tables:

	For the six months ended June 30, 2015		For the six months ended June 30, 2014	
	Average Balance	**Interest**	Average Balance	Interest
Accrual loans and investments	**$ 5,866,507**	**$ 145,284**	$ 5,396,683	$ 134,501
Interest-bearing liabilities	**4,991,157**	**47,029**	4,553,671	42,286
Impact of capital	**$ 875,350**		$ 843,012	
Net interest income		**$ 98,255**		$ 92,215

	Average Yield	Average Yield
Yield on loans	**4.99%**	5.03%
Cost of interest-bearing Liabilities	**1.90%**	1.87%
Net interest margin	**3.09%**	3.16%

	2015 vs. 2014		
	Increase (decrease) due to		
	Volume	**Rate**	**Total**
Interest income	**$ 23,549**	**$ (12,766)**	**$ 10,783**
Interest expense	**8,170**	**(3,427)**	**4,743**
Net interest income	**$ 15,379**	**$ (9,339)**	**$ 6,040**

The Association's noninterest income increased from $11,366 in the first six months of 2014 to $15,054 in the first six months of 2015. The Association has received a patronage refund over the last several years from the Bank. This refund is paid annually to the Association in December by a direct reduction in its Note Payable to Bank. For the first six months of 2014, the Association accrued a 0.30 percent of its average Note Payable balance. In its 2015 Capital Plan, the Bank declared its intention to pay 0.40 percent of the average Note Payable. Therefore, the Association will accrue 0.40 percent of its average Note Payable each quarter in 2015. For the first six months, the patronage income is $3,215 more in 2015 than for the same period in 2014. In addition, other income increased from $2,103 in the first six months of 2014 to $2,646 in the first six months of 2015. Most of the increase is income received from the Farm Credit System Association Captive Insurance Company.

Noninterest expenses increased $11,754, or 34.4 percent in the first six months of 2015 as compared to the same time period in 2014. This increase is primarily attributable to an increase of $7,895 in salary and employee benefits. The Association is accruing a quarterly estimate of its annual performance incentive in 2015, whereas historically a one-time accrual was recognized at year end. The accrual was $5,952 in the first six months of 2015. In addition, there was an increase of 25 full-time employees as compared to the same time period in 2014, as the Association hires staff in anticipation of pending retirements, new business initiatives to support future business growth and additional regulatory compliance. Furthermore, the Association's 2014 goal achievement exceeded anticipated results at year end. As a result, the incentives paid for 2014 were $794 greater than those accrued at the end of 2014. Details of the net change in salary and benefits are presented in the following table:

	Net Change from June 2014
Salaries and Benefits changes from personnel increases	**$ 855**
Quarterly incentive and related benefit accrual	**5,952**
Incentives paid for 2014 in excess of orginal estimates	**794**
Contributions to pension plan	**294**
	$ 7,895

In addition, the Association had a $1,206 increase in purchased services. This increase was the result of higher legal expenses, the purchase of software licenses that support the lending and training programs for the Association, and for management and partnership expenses for the Rural Business Investment Company (RBIC). All other noninterest expenses increased $543 for the first six months of 2015.

Liquidity and Funding Sources

The interest rate risk inherent in the Association's loan portfolio is substantially mitigated through the funding relationship with the Bank. The Bank manages interest rate risk through its direct loan pricing and asset/liability management process.

The primary source of liquidity and funding for the Association is its direct loan from the Bank. The Association had an outstanding balance of $5,139,386 at June 30, 2015, as compared to $4,922,588 at December 31, 2014. This increase in note payable to the Bank since December 2014 is the result of the increase in the Association's loan portfolio. The direct loan carried a weighted average interest rate of 1.90 percent for the six months ended June 30, 2015, compared to 1.88 percent for the year ended December 31, 2014. The indebtedness is collateralized by a pledge of substantially all of the Association's assets to the Bank and is governed by a financing agreement.

Under the Act, the Association is obligated to borrow only from the Bank unless the Bank approves borrowing from other funding sources. The Bank and FCA regulations have established limitations on the Association's ability to borrow funds based on specified factors or formulas relating primarily to credit quality and financial condition. At June 30, 2015 the Association's note payable was within the specified limitations. The maximum amount the Association could borrow from the Bank as of June 30, 2015, was $6,013,254, as defined by the general financing agreement. This borrowing limit changes as the borrowing base increases or decreases. In general the Bank funds 100 percent of all eligible acceptable and special mention loans and 75 percent of all eligible substandard loans.

The liquidity policy of the Association is to manage cash balances to maximize debt reduction, and to increase accrual loan volume. This policy will continue to be pursued during 2015. As borrower payments are received they are applied to the Association's note payable with the Bank.

The Association will continue to fund its operations through direct borrowings from the Bank, retained earnings, member stock and funds held in trust. It is management's opinion that funds available to the Association are sufficient to fund its operations for the next twelve months.

Capital Resources

The Association's capital position remains strong, with total capital of $1,084,232 at June 30, 2015. This represents an increase of $64,000 from the December 31, 2014 total capital level of $1,020,232. This increase in capital is a direct result of the Association's net income for the period. Under regulations governing minimum permanent capital adequacy and other capitalization issues, the Association is required to maintain a minimum adjusted permanent capital of 7.0 percent of risk-adjusted assets as defined by the FCA. The Association's permanent capital ratio at June 30, 2015 was 15.64 percent. The Association's core surplus ratio and total surplus ratio at June 30, 2015 were 15.34 percent and 15.34 percent, respectively, which is in compliance with the FCA's minimum ratio requirements of 3.5 percent and 7.0 percent, respectively.

Regulatory Matters

On July 25, 2014, the Farm Credit Administration published a proposed rule to revise the requirements governing the eligibility of investments for System Banks and Associations. The stated objectives of the proposed rule are as follows:

- To strengthen the safety and soundness of System Banks and Associations,
- To ensure that System Banks hold sufficient liquidity to continue operations and pay maturing obligations in the event of market disruption,
- To enhance the ability of the System Banks to supply credit to agricultural and aquatic producers,
- To comply with the requirements of section 939A of the Dodd-Frank Act,
- To modernize the investment eligibility criteria for System Banks, and
- To revise the investment regulation for System Associations to improve their investment management practices so they are more resilient to risk.

The public comment period ended on October 23, 2014.

On September 4, 2014, the Farm Credit Administration published a proposed rule to modify the regulatory capital requirements for System Banks and Associations. The stated objectives of the proposed rule are as follows:

- To modernize capital requirements while ensuring that institutions continue to hold sufficient regulatory capital to fulfill their mission as a government-sponsored enterprise,
- To ensure that the System's capital requirements are comparable to the Basel III framework and the standardized approach that the federal Banking regulatory agencies have adopted, but also to ensure that the rules recognize the cooperative structure and the organization of the System,
- To make System regulatory capital requirements more transparent, and
- To meet the requirements of section 939A of the Dodd-Frank Wall Street Reform and Consumer Protection Act.

The public comment period ended on February 16, 2015, however was reopened from June 26 to July 10, 2015. The Association will evaluate each of these regulations when finalized and adjust its investments policy and capital plan, respectively, to comply with the new regulations.

Relationship with the Farm Credit Bank of Texas

The Association's statutory obligation to borrow only from the Bank is described in the section "Liquidity and Funding Sources" of the Management's Discussion and Analysis, included in this quarterly report.

The Bank's role in mitigating the Association's exposure to interest rate risk is described in the section "Liquidity and Funding Sources" of Management's Discussion and Analysis," included in this quarterly report.

The Bank provides computer systems to support the critical operations of the Association. The Association also has operating systems and facility-based systems that are not supported by the Bank. The Bank also provides other services the Association can utilize.

The Association's financial condition may be impacted by factors that affect the Bank as discussed in Note 1 to the consolidated financial statements, "Organization and Significant Accounting Policies," included in this quarterly report. The financial condition and results of operations of the Bank may materially affect the stockholders' investment in the Association.

The Tenth Farm Credit District's (District) annual and quarterly stockholder reports are available free of charge, upon request. These reports can be obtained by writing to Farm Credit Bank of Texas, The Ag Agency, P. O. Box 202590, Austin, Texas 78720-2590 or calling (512) 483-9204. Copies of the District's annual and quarterly stockholder reports can also be requested by e-mailing *Bank@farmcreditBank.com*. The District's annual and quarterly stockholder reports are also available on its Website at *www.farmcreditBank.com*.

The Association's annual and quarterly stockholder reports are also available free of charge, upon request. These reports can be obtained by writing to Capital Farm Credit, ACA, P.O. Box 488, Hondo, Texas 78861 or calling (830) 426-4589. Copies of the Association's quarterly and annual stockholder reports are also available on its Website at *www.capitalfarmcredit.com* or can be requested by e-mailing *isela.morales@capitalfarmcredit.com*.

CAPITAL FARM CREDIT, ACA
CONSOLIDATED BALANCE SHEETS
(Dollars in thousands)

	June 30, 2015 (Unaudited)	December 31, 2014 (Audited)
ASSETS		
Loans	$ 6,085,692	$ 5,886,775
Less: Allowance for losses	(17,544)	(15,773)
Net loans	6,068,148	5,871,002
Cash	24	37
Accrued interest receivable - loans	51,850	46,502
Accrued interest receivable - investments	164	215
Investments – held-to-maturity	8,805	11,474
Investment in and receivable from the Bank:		
Capital stock	92,734	92,734
Receivable	14,618	9,937
Investments in other Farm Credit Institutions	5,142	4,798
Other property owned, net	2,489	3,841
Premises and equipment, net	16,857	17,344
Other assets	31,711	27,843
Total assets	$ 6,292,542	$ 6,085,727
LIABILITIES		
Note payable to the Bank	$ 5,139,386	$ 4,922,588
Advanced conditional payments	9,047	5,763
Accrued interest payable	8,084	7,823
Drafts outstanding	2,196	2,955
Patronage distributions payable	6	72,004
Unfunded post retirement medical obligation	23,909	23,451
Other liabilities	25,682	30,911
Total liabilities	5,208,310	5,065,495
MEMBERS' EQUITY		
Capital stock and participation certificates	23,871	23,417
Non-qualified allocated retained earnings	446,474	446,477
Unallocated retained earnings	616,971	553,366
Accumulated other comprehensive income	(3,084)	(3,028)
Total members' equity	1,084,232	1,020,232
Total liabilities and members' equity	$ 6,292,542	$ 6,085,727

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

CAPITAL FARM CREDIT, ACA
CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME
(Dollars in thousands)
(UNAUDITED)

	For the three months ended June 30, 2015	For the three months ended June 30, 2014	**For the six months ended June 30, 2015**	For the six months ended June 30, 2014
INTEREST INCOME				
Loans	**$ 73,260**	$ 67,889	**$ 145,029**	$ 134,177
Investments	**124**	158	**255**	324
Total interest income	**73,384**	68,047	**145,284**	134,501
INTEREST EXPENSE				
Note payable to the FCB and others	**24,152**	21,599	**47,029**	42,286
Net interest income	**49,232**	46,448	**98,255**	92,215
PROVISION FOR LOAN LOSSES				
Provision for (reversal of) loan losses	**2,064**	(3,783)	**3,800**	(4,358)
Net interest income after provision for losses	**47,168**	50,231	**94,455**	96,573
NONINTEREST INCOME				
Patronage income from the FCB	**5,514**	3,868	**10,833**	7,618
Loan fees	**786**	749	**1,484**	1,229
(Loss) gain on other property owned, net	**(37)**	240	**91**	416
Other income	**673**	1,734	**2,646**	2,103
Total noninterest income	**6,936**	6,591	**15,054**	11,366
NONINTEREST EXPENSES				
Salaries and employee benefits	**13,012**	9,767	**28,020**	20,125
Farm Credit System insurance premium	**1,528**	1,290	**3,029**	2,550
Purchased services and allocations	**1,034**	650	**2,328**	1,122
Occupancy and equipment	**938**	923	**2,220**	2,018
Advertising	**905**	816	**1,809**	1,597
Travel	**734**	702	**1,225**	1,255
Public and member relations	**728**	554	**1,581**	1,323
FCA supervisory and exam expense	**337**	306	**674**	612
Communications	**309**	317	**597**	601
Directors' expense	**227**	208	**453**	435
Other expenses	**2,647**	1,178	**3,960**	2,504
Total noninterest expenses	**22,399**	16,711	**45,896**	34,142
Income before federal income tax	**31,705**	40,111	**63,613**	73,797
Federal income tax	**19**	8	**24**	13
NET INCOME	**$ 31,686**	$ 40,103	**$ 63,589**	$ 73,784
Other comprehensive loss:				
Change in postretirement benefit plans	**(28)**	(81)	**(56)**	(162)
Income tax expense related to items of other comprehensive income	**-**	-	**-**	-
Other comprehensive loss, net of tax	**(28)**	(81)	**(56)**	(162)
COMPREHENSIVE INCOME	**$ 31,658**	$ 40,022	**$ 63,533**	$ 73,622

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

CAPITAL FARM CREDIT, ACA
CONSOLIDATED STATEMENT OF CHANGES IN MEMBERS' EQUITY
(Dollars in thousands)
(UNAUDITED)

	Capital Stock/ Participation Certificates	Retained Earnings Non-qualified Allocated	Retained Earnings Unallocated	Accumulated Other Comprehensive Income	Total Members' Equity
Balance at December 31, 2013	$ 22,651	$ 376,634	$ 551,319	$ 1,992	$ 952,596
Net income	-	-	73,784	-	73,784
Other comprehensive loss	-	-	-	(162)	(162)
Capital stock/participation certificates issued	1,760	-	-	-	1,760
Capital stock/participation certificates/ allocated equities retired	(1,452)	-	-	-	(1,452)
Other adjustments	-	(227)	30	-	(197)
Balance at June 30, 2014	22,959	376,407	625,133	1,830	1,026,329
Net income	-	-	70,299	-	70,299
Other comprehensive loss	-	-	-	(4,858)	(4,858)
Capital stock/participation certificates issued	1,893	-	-	-	1,893
Capital stock/participation certificates/ allocated equities retired	(1,435)	-	-	-	(1,435)
Patronage distributions declared:					
Cash	-	-	(71,995)	-	(71,995)
Nonqualified allocations	-	70,070	(70,070)	-	-
Other adjustments	-	-	(1)	-	(1)
Balance at December 31, 2014	23,417	446,477	553,366	(3,028)	1,020,232
Net income	-	-	63,589	-	63,589
Other comprehensive loss	-	-	-	(56)	(56)
Capital stock/participation certificates issued	2,039	-	-	-	2,039
Capital stock/participation certificates/ allocated equities retired	(1,585)	-	-	-	(1,585)
Other adjustments	-	(3)	16	-	13
Balance at June 30, 2015	**$ 23,871**	**$ 446,474**	**$ 616,971**	**$ (3,084)**	**$ 1,084,232**

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

CAPITAL FARM CREDIT, ACA

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
(Dollars in thousands)
(UNAUDITED)

NOTE 1 — ORGANIZATION AND SIGNIFICANT ACCOUNTING POLICIES:

Capital Farm Credit, ACA including its wholly owned subsidiaries, Capital Farm Credit, PCA and Capital Farm Credit, FLCA, (collectively called the "Association"), is a member-owned cooperative which provides credit and credit-related services to, or for the benefit of, eligible borrowers/stockholders for qualified agricultural purposes in 192 counties in the state of Texas.

The Association is a lending institution of the Farm Credit System (System) which was established by acts of Congress and is subject to the provisions of the Farm Credit Act of 1971, as amended (Act.)

A description of the organization and operations of the Association, the significant accounting policies followed, and the financial condition and results of operations as of December 31, 2014 are contained in the 2014 Annual Report to Stockholders.

The accompanying unaudited financial statements have been prepared in accordance with accounting principles generally accepted in the U.S. (GAAP) for interim financial information. Accordingly, they do not include all of the disclosures required by GAAP for annual financial statements and should be read in conjunction with the audited financial statements as of and for the year ended December 31, 2014 as contained in the 2014 Annual Report to Stockholders.

The Bank and its related Associations are collectively referred to as the "District." The Association's financial condition may be affected by factors that affect the Bank. The financial condition and results of operations of the Bank may materially affect stockholders' investment in the Association. Upon request, stockholders of the Association will be provided the Tenth Farm Credit District's Annual Report to Stockholders, which includes the combined financial statements of the Bank and all of the District Associations. The District's annual report discusses the material aspects of the financial condition, changes in financial condition, and results of operations for the Bank and the District. In addition, the District's annual report identifies favorable and unfavorable trends, significant events, uncertainties and the impact of activities of the Farm Credit System Insurance Corporation.

In the opinion of management, the unaudited financial information is complete and reflects, all adjustments, consisting of normal recurring adjustments, necessary for a fair statement of results for the interim periods. The preparation of financial statements in accordance with GAAP requires management to make estimates and assumptions that affect the amounts reported in the financial statements and accompanying notes. Actual results could differ from those estimates. The results of operations for interim periods are not necessarily indicative of the results to be expected for the full year ending December 31, 2015. Descriptions of the significant accounting policies are included in the 2014 Annual Report to Stockholders. In the opinion of management, these policies and the presentation of the interim financial condition and results of operations conform with GAAP and prevailing practices within the Banking industry.

In August 2014, the Financial Accounting Standards Board (FASB) issued guidance entitled "Presentation of Financial Statements — Going Concern." The guidance governs management's responsibility to evaluate whether there is substantial doubt about an entity's ability to continue as a going concern and to provide related footnote disclosures. This guidance requires management to perform interim and annual assessments of an entity's ability to continue as a going concern within one year after the date the financial statements are issued or within one year after the financial statements are available to be issued, when applicable. Substantial doubt exists if it is probable that the entity will be unable to meet its obligations for the assessed period. This guidance becomes effective for interim and annual periods ending after December 15, 2016, and early application is permitted. Management will be required to make its initial assessment as of December 31, 2016, and expects the Association to continue as a going concern.

In May 2014, the FASB issued guidance entitled, "Revenue from Contracts with Customers." The guidance governs revenue recognition from contracts with customers and requires an entity to recognize revenue to depict the transfer of promised goods or services to customers in an amount that reflects the consideration to which the entity expects to be entitled in exchange for those goods or services. Financial instruments and other contractual rights within the scope of other guidance issued by the FASB are excluded from the scope of this new revenue recognition guidance. In this regard, a majority of our contracts would be excluded from the scope of this new guidance. In April 2015, this guidance was deferred by one year and results in the new revenue standard becoming effective for interim and annual reporting periods ending after December 15, 2017. The Association is in the process of reviewing contracts to determine the effect, if any, on their financial condition or results of operations. Management anticipates the adoption of this guidance to have very little impact to the financial condition or results of operations for the Association.

Certain amounts in the prior period's financial statements have been reclassified to conform to the current period's financial statement presentation.

NOTE 2 — INVESTMENTS:

Investments Held-to-Maturity

The Association's held-to-maturity investment consists of Farmer Mac guaranteed agricultural mortgage-backed securities (AMBS). A summary of the amortized cost and fair value of investment securities held-to-maturity is as follows:

June 30, 2015	Amortized Cost	Gross Unrealized Gains	Gross Unrealized Losses	Fair Value	Weighted Average Yield	Weighted Average Life (Years)
Agricultural mortgage-backed securities	$ 8,805	$ 85	$ -	$ 8,890	4.95%	2.98

December 31, 2014	Amortized Cost	Gross Unrealized Gains	Gross Unrealized Losses	Fair Value	Weighted Average Yield	Weighted Average Life (Years)
Agricultural mortgage-backed securities	$ 11,474	$ 115	$ -	$ 11,589	4.99%	3.11

The Farmer Mac AMBS were received in exchange for mortgage loans which were previously covered under the long-term standby commitment to purchase agreement with Farmer Mac. No gain or loss was recognized in the financial statements upon completion of the exchange transactions. The Association continues to service the loans included in the transaction.

NOTE 3 — LOANS AND ALLOWANCE FOR LOAN LOSSES:

A summary of loans follows:

Industry	**June 30, 2015**	%	December 31, 2014	%
Production agriculture:				
Real estate mortgage	**$ 4,722,924**	**77.6**	$ 4,547,614	77.3
Production and intermediate term	**712,409**	**11.7**	710,391	12.1
Agribusiness	**401,708**	**6.6**	402,344	6.8
Rural residential real estate	**125,395**	**2.1**	119,731	2.0
Communication	**58,838**	**1.0**	41,766	0.7
Energy	**50,545**	**0.8**	50,183	0.9
Mission related investments	**8,274**	**0.1**	8,410	0.1
Lease receivables	**3,402**	**0.1**	3,763	0.1
Water and waste disposal	**2,197**	**0.0**	2,573	0.0
Total	**$ 6,085,692**	**100.0**	$ 5,886,775	100.0

At June 30, 2015, the Association held four transactions, which are reported as loans on the consolidated balance sheet totaling $6,608 and with $44 in remaining commitments extended under the Rural America Bond Program approved by the FCA. The program is designed to meet the growing and changing needs of agricultural enterprises, agribusinesses and rural communities by providing investment in rural areas.

The Association purchases or sells participation interests with other parties in order to diversify risk, manage loan volume and comply with Farm Credit Administration regulations. The following table presents information regarding the balances of participations purchased and sold as of June 30, 2015:

	Other Farm Credit Institutions		Non-Farm Credit Institutions		Total	
	Participations Purchased	Participations Sold	Participations Purchased	Participations Sold	Participations Purchased	Participations Sold
Real estate mortgage	$ 96,198	$ 61,092	$ 2,430	$ -	$ 98,628	$ 61,092
Production and intermediate term	158,865	471,673	-	-	158,865	471,673
Agribusiness	283,241	29,141	2,763	-	286,004	29,141
Communication	58,838	-	-	-	58,838	-
Energy	50,545	-	-	-	50,545	-
Water and waste disposal	1,985	-	-	-	1,985	-
Lease receivables	3,402	-	-	-	3,402	-
Mission related investments	2,261	-	4,347	-	6,608	-
Total	$ 655,335	$ 561,906	$ 9,540	$ -	$ 664,875	$ 561,906

Nonperforming assets (including related accrued interest) and related credit quality statistics are as follows:

	June 30, 2015	December 31, 2014
Nonaccrual loans:		
Real estate mortgage	**$ 69,065**	$ 65,336
Production and intermediate-term	**10,020**	6,212
Agribusiness	**2,657**	4,301
Residential Real Estate	**515**	184
Lease receivable	**24**	32
Total nonaccrual loans	**$ 82,281**	$ 76,065
Accruing restructured loans:		
Real estate mortgage	**$ 4,620**	$ 4,960
Production and intermediate-term	**6,778**	6,533
Mission related investments	**2,284**	2,334
Residential real estate	**159**	80
Total accruing restructured loans	**$ 13,841**	$ 13,907
Accruing loans 90 days or more past due:		
Real estate mortgage	**$ 1,059**	$ 234
Production and intermediate-term	**105**	-
Agribusiness	**-**	1
Residential Real Estate	**-**	157
Total accruing loans 90 days or more past due	**$ 1,164**	$ 392
Total nonperforming loans	**$ 97,286**	$ 90,364
Other property owned	**2,489**	3,841
Total nonperforming assets	**$ 99,775**	$ 94,205

One credit quality indicator utilized by the Association is the Farm Credit Administration Uniform Loan Classification System that categorizes loans into five categories. The categories are defined as follows:

- Acceptable – assets are expected to be fully collectible and represent the highest quality,
- Other assets especially mentioned (OAEM) – assets are currently collectible but exhibit some potential weakness,
- Substandard – assets exhibit some serious weakness in repayment capacity, equity, and/or collateral pledged on the loan,
- Doubtful – assets exhibit similar weaknesses to substandard assets; however, doubtful assets have additional weaknesses in existing factors, conditions and values that make collection in full highly questionable, and
- Loss – assets are considered uncollectible.

The following table shows loans and related accrued interest classified under the Farm Credit Administration's Uniform Loan Classification System as a percentage of total loans and related accrued interest receivable by loan type as of:

	June 30, 2015	December 31, 2014
Real estate mortgage		
Acceptable	**96.8%**	96.8%
OAEM	**1.1%**	1.3%
Substandard/doubtful	**2.1%**	1.9%
	100.0%	100.0%
Production and intermediate-term		
Acceptable	**94.6%**	95.2%
OAEM	**2.2%**	2.2%
Substandard/doubtful	**3.2%**	2.6%
	100.0%	100.0%
Agribusiness		
Acceptable	**95.5%**	94.9%
OAEM	**3.7%**	4.0%
Substandard/doubtful	**0.8%**	1.1%
	100.0%	100.0%
Energy		
Acceptable	**100.0%**	100.0%
OAEM	**-**	-
Substandard/doubtful	**-**	-
	100.0%	100.0%
Water and waste disposal		
Acceptable	**100.0%**	100.0%
OAEM	**-**	-
Substandard/doubtful	**-**	-
	100.0%	100.0%
Communication		
Acceptable	**100.0%**	100.0%
OAEM	**-**	-
Substandard/doubtful	**-**	-
	100.0%	100.0%
Rural residential real estate		
Acceptable	**97.7%**	97.8%
OAEM	**1.3%**	1.4%
Substandard/doubtful	**1.0%**	0.8%
	100.0%	100.0%
Lease receivables		
Acceptable	**93.6%**	93.3%
OAEM	**5.5%**	5.7%
Substandard/doubtful	**0.9%**	1.0%
	100.0%	100.0%
Mission related investments		
Acceptable	**100.0%**	100.0%
OAEM	**-**	-
Substandard/doubtful	**-**	-
	100.0%	100.0%
Total Loans		
Acceptable	**96.5%**	96.6%
OAEM	**1.4%**	1.6%
Substandard/doubtful	**2.1%**	1.8%
	100.0%	100.0%

The following table provides an age analysis of past due loans (including accrued interest) as of:

June 30, 2015	30-89 Days Past	90 Days or More	Total Past Due	Not Past Due or less than 30	Total Loans	Loans > 90 Days and Accruing
Real estate mortgage	$ 34,724	$25,504	$ 60,228	$ 4,687,841	$ 4,748,069	$ 1,059
Production and intermediate term	8,892	6,213	15,105	708,847	723,952	105
Agribusiness	1,421	1,143	2,564	400,515	403,079	-
Communication	-	-	-	58,893	58,893	-
Energy	-	-	-	50,585	50,585	-
Water and waste disposal	-	-	-	2,198	2,198	-
Rural residential real estate	641	1	642	138,292	138,934	-
Lease receivables	-	-	-	3,487	3,487	-
Mission related investments	-	-	-	8,345	8,345	-
Total	$ 45,678	$32,861	$ 78,539	$ 6,059,003	$ 6,137,542	$ 1,164

December 31, 2014	30-89 Days Past	90 Days or More	Total Past Due	Not Past Due or less than 30	Total Loans	Loans > 90 Days and Accruing
Real estate mortgage	$ 26,065	$36,353	$ 62,418	$ 4,507,398	$ 4,569,816	$ 234
Production and intermediate term	9,344	1,778	11,122	707,566	718,688	-
Agribusiness	8,775	2,030	10,805	392,822	403,627	1
Communication	-	-	-	41,810	41,810	-
Energy	-	-	-	50,223	50,223	-
Water and waste disposal	-	-	-	2,573	2,573	-
Rural residential real estate	1,499	166	1,665	132,553	134,218	157
Lease receivables	-	-	-	3,849	3,849	-
Mission related investments	-	-	-	8,473	8,473	-
Total	$ 45,683	$40,327	$ 86,010	$ 5,847,267	$ 5,933,277	$ 392

A restructuring of a debt constitutes a troubled debt restructuring (TDR) if the creditor for economic or legal reasons related to the debtor's financial difficulties grants a concession to the debtor that it would not otherwise consider. Troubled debt restructurings are undertaken in order to improve the likelihood of recovery on the loan and may include, but are not limited to, forgiveness of principal or interest, interest rate reductions that are lower than the current market rate for new debt with similar risk, or significant term or payment extensions.

As of June 30, 2015 the total troubled debt restructured loans was $16,014, including $2,172 classified as nonaccrual and $13,842 classified as accrual, with specific allowance for loan losses of $85. As of June 30, 2015 commitments to lend funds to borrowers whose loan terms have been modified in a troubled debt restructuring were $113.

The following table presents additional information regarding troubled debt restructurings, which includes both accrual and nonaccrual loans with troubled debt restructuring designation that occurred. Balance of Pre-TDR designation represents quarter-end loans just prior to restructuring and post-TDR represents the quarter-end loans immediately following the restructuring.

	Troubled Debt Restructuring Activity			
	2015		2014	
Quarter ended June 30:	Pre-TDR Designation Balance	Post-TDR Designation Balance	Pre-TDR Designation Balance	Post-TDR Designation Balance
Rural residential real estate	$ 161	$ 159	$ -	$ -
Total	$ 161	$ 159	$ -	$ -
Six months ended June 30:	Balance	Balance	Balance	Balance
Real Estate Mortgage	$ 71	$ 70	$ -	$ -
Production and intermediate term	880	447	10	10
Rural residential real estate	161	159	94	91
Total	$ 1,112	$ 676	$ 104	$ 101

The Association had no loans that met the accounting criteria as a troubled debt restructuring and that occurred during the previous twelve months, and for which there was a payment default during that same period. A payment default is defined as a payment that is 30 days past due after the date the loan was restructured.

In restructurings where principal is forgiven, the amount of the forgiveness is immediately charged off. In restructurings where accrued interest is forgiven, the interest is reversed (if current year interest) or charged off (if prior year interest).

Additional impaired loan information is as follows:

	At June 30, 2015			At December 31, 2014		
	Loan Balance	Unpaid Principal Balance[a]	Related Specific Allowance	Loan Balance	Unpaid Principal Balance[a]	Related Specific Allowance
Impaired loans with a related allowance for loan losses:						
Real estate mortgage	$ 1,832	$ 2,256	$ 471	$ 986	$ 1,292	$ 18
Production and intermediate term	3,748	3,808	1,047	3,743	3,946	1,378
Processing and marketing	-	-	-	983	1,488	123
Rural residential real estate	2	60	1	10	61	1
Mission related investments	2,261	2,261	82	2,310	2,310	81
Total	$ 7,843	$ 8,385	$ 1,601	$ 8,032	$ 9,097	$ 1,601
Impaired loans with no related allowance for loan losses:						
Real estate mortgage	$ 72,845	$ 79,678	$ -	$ 69,522	$ 75,812	$ -
Production and intermediate term	13,087	16,730	-	8,921	12,667	-
Processing and marketing	2,651	21,698	-	3,309	22,236	-
Farm-related business	6	343	-	10	373	-
Rural residential real estate	673	760	-	407	499	-
Lease receivables	23	23	-	32	32	-
Total	$ 89,285	$ 119,232	$ -	$ 82,201	$ 111,619	$ -
Total impaired loans:						
Real estate mortgage	$ 74,677	$ 81,934	$ 471	$ 70,508	$ 77,104	$ 18
Production and intermediate term	16,835	20,538	1,047	12,664	16,613	1,378
Processing and marketing	2,651	21,698	-	4,292	23,724	123
Farm-related business	6	343	-	10	373	-
Rural residential real estate	675	820	1	417	560	1
Lease receivables	23	23	-	32	32	-
Mission related investments	2,261	2,261	82	2,310	2,310	81
Total	$ 97,128	$ 127,617	$ 1,601	$ 90,233	$ 120,716	$ 1,601

[a]Unpaid principal balance represents the recorded principal balance of the loan.

	For the Three Months Ended				For the Six Months Ended			
	June 30, 2015		June 30, 2014		June 30, 2015		June 30, 2014	
	Average Impaired Loans**	Interest Income Recognized	Average Impaired Loans	Interest Income Recognized	Average Impaired Loans**	Interest Income Recognized	Average Impaired Loans	Interest Income Recognized
Impaired loans with a related allowance for loan losses:								
Real estate mortgage	$ 1,263	$ 24	$ 10,175	$ -	$ 1,119	$ 1	$ 12,440	$ -
Production and intermediate term	3,510	7	7,246	2	3,532	10	7,014	37
Processing and marketing	31	-	1,685	-	501	-	2,125	-
Rural residential real estate	3	-	1	-	5	-	15	-
Mission related investments	2,277	35	2,327	36	2,293	71	2,329	72
Total	$ 7,084	$ 66	$ 21,434	$ 38	$ 7,450	$ 82	$ 23,923	$ 109
Impaired loans with no related allowance for loan losses:								
Real estate mortgage	$ 70,258	$ 207	$ 41,489	$ 97	$ 69,535	$ 383	$ 39,250	$ 305
Production and intermediate term	14,279	231	5,721	41	12,509	564	5,823	160
Processing and marketing	2,767	-	3,460	-	2,984	-	3,381	-
Farm-related business	7	-	16	20	8	-	16	41
Rural residential real estate	624	2	359	3	450	15	401	4
Lease receivables	25	-	41	-	27	-	43	-
Mission related investments	-	-	-	-	72	-	-	-
Total	$ 87,960	$ 440	$ 51,086	$ 161	$ 85,585	$ 962	$ 48,914	$ 510
Total impaired loans:								
Real estate mortgage	$ 71,521	$ 231	$ 51,664	$ 97	$ 70,654	$ 384	$ 51,690	$ 305
Production and intermediate term	17,789	238	12,967	43	16,041	574	12,837	197
Processing and marketing	2,798	-	5,145	-	3,485	-	5,506	-
Farm-related business	7	-	16	20	8	-	16	41
Rural residential real estate	627	2	360	3	455	15	416	4
Lease receivables	25	-	41	-	27	-	43	-
Mission related investments	2,277	35	2,327	36	2,365	71	2,329	72
Total	$ 95,044	$ 506	$ 72,520	$ 199	$ 93,035	$ 1,044	$ 72,837	$ 619

A summary of changes in the allowance for loan losses and the ending balance including accrued interest of loans outstanding are as follows:

	Real Estate Mortgage	Production and Intermediate Term	Agribusiness	Communication	Energy and water/waste water	Rural Residential Real Estate	Lease Receivable	Mission Related Investments	Total
Allowance for loan losses:									
Balance at March 31, 2015	$ 7,356	$ 6,138	$ 1,740	$ 123	$ 185	$ 199	$ 21	$ 82	$ 15,844
Charge-offs	(475)	(81)	-	-	-	-	-	-	(556)
Recoveries	4	81	71	36	-	-	-	-	192
Provision for loan losses	1,395	714	(48)	(23)	9	13	3	1	2,064
Balance at June 30, 2015	$ 8,280	$ 6,852	$ 1,763	$ 136	$ 194	$ 212	$ 24	$ 83	$ 17,544
Balance at December 31, 2014	$ 6,993	$ 6,662	$ 1,511	$ 133	$ 178	$ 191	$ 23	$ 82	$ 15,773
Charge-offs	(478)	(81)	-	-	-	(7)	-	-	(566)
Recoveries	7	114	176	36	-	-	-	-	333
Provision for loan losses	1,758	157	1,872	(33)	16	28	1	1	3,800
Adjustment due to merger	-	-	-	-	-	-	-	-	-
*Other	-	-	(1,796)	-	-	-	-	-	(1,796)
Balance at June 30, 2015	$ 8,280	$ 6,852	$ 1,763	$ 136	$ 194	$ 212	$ 24	$ 83	$ 17,544
Allowance for loan losses:									
Ending Balance at June 30, 2015									
Individually evaluated for impairment	$ 1,047	$ 471	$ -	$ -	$ -	$ 1	$ -	$ 82	$ 1,601
Allowance for loan losses:									
Collectively evaluated for impairment	$ 7,233	$ 6,381	$ 1,763	$ 136	$ 194	$ 211	$ 24	$ 1	$ 15,943
Balance at March 31, 2014	$ 10,439	$ 5,868	$ 1,831	$ 98	$ 317	$ 216	$ 28	$ 102	$ 18,899
Charge-offs	(55)	(88)	(51)	-	-	(74)	-	-	(268)
Recoveries	71	-	54	-	-	-	-	-	125
Provision for loan losses	(4,710)	958	(47)	27	(10)	11	(1)	(11)	(3,783)
Balance at June 30, 2014	$ 5,745	$ 6,738	$ 1,787	$ 125	$ 307	$ 153	$ 27	$ 91	$ 14,973
Balance at December 31, 2013	$ 9,284	$ 4,968	$ 4,326	$ 104	$ 502	$ 211	$ 26	$ 105	$ 19,526
Charge-offs	(124)	(143)	(51)	-	-	(74)	-	-	(392)
Recoveries	79	63	55	-	-	-	-	-	197
Provision for loan losses	(3,494)	1,850	(2,543)	21	(195)	16	1	(14)	(4,358)
Balance at June 30, 2014	$ 5,745	$ 6,738	$ 1,787	$ 125	$ 307	$ 153	$ 27	$ 91	$ 14,973
Allowance for loan losses:									
Ending Balance at December 31, 2014									
individually evaluated for impairment	$ 18	$ 1,378	$ 123	$ -	$ -	$ 1	$ -	$ 81	$ 1,601
Allowance for loan losses:									
collectively evaluated for impairment	$ 6,975	$ 5,284	$ 1,388	$ 133	$ 178	$ 190	$ 23	$ 1	$ 14,172
Recorded Investments in Loans Outstanding:									
Ending Balance at June 30, 2015	$ 4,748,069	$ 723,952	$ 403,079	$ 58,893	$ 52,783	$ 138,934	$ 3,487	$ 8,345	$ 6,137,542
Individually evaluated for impairment	$ 74,677	$ 16,835	$ 2,657	$ -	$ -	$ 674	$ 24	$ 2,261	$ 97,128
Collectively evaluated for impairment	$ 4,673,392	$ 707,117	$ 400,422	$ 58,893	$ 52,783	$ 138,260	$ 3,463	$ 6,084	$ 6,040,414
Ending Balance at December 31, 2014	$ 4,569,816	$ 718,688	$ 403,627	$ 41,810	$ 52,796	$ 134,218	$ 3,849	$ 8,473	$ 5,933,277
Individually evaluated for impairment	$ 70,508	$ 12,664	$ 4,302	$ -	$ -	$ 417	$ 32	$ 2,310	$ 90,233
Collectively evaluated for impairment	$ 4,499,308	# $ 706,024	$ 399,325	$ 41,810	$ 52,796	$ 133,801	$ 3,817	$ 6,163	$ 5,843,044

*The Association recognized a provision for loan loss of $1,796 on unfunded commitments in the first quarter 2015. Because this loss is recognized on a letter of credit that has yet to be funded, it is included in Other Liabilities in the Consolidated Balance Sheet as of June 30, 2015.

NOTE 4 — FAIR VALUE MEASUREMENTS:

Accounting guidance defines fair value as the exchange price that would be received for an asset or paid to transfer a liability in an orderly transaction between market participants in the principal or most advantageous market for the asset or liability. See Note 14 "Fair Value Measurements" of the 2014 Annual Report to stockholders for a more complete description.

Assets held in nonqualified benefits trusts related to deferred compensation and supplemental retirement plans are classified as Level 1. Level 1 valuation utilizes quoted prices in active markets for identical assets or liabilities that the reporting entity has the ability to access at the measurement date. The trust funds include investments that are actually traded and have quoted net assets values that are quoted in the marketplace. These assets are measured at fair value on a recurring basis and are summarized below:

	Total Fair Value June 30, 2015	Total Fair Value December 31, 2014
Beginning Balance	**$ 5,097**	**$ 4,402**
Transfers In	**333**	**217**
Other Market Changes	**219**	**478**
Assets held in non-qualified benefits trusts	**$ 5,649**	**$ 5,097**

Sensitivity to Changes in Significant Unobservable Inputs

For recurring fair value measurements categorized within Level 3 of the fair value hierarchy, the significant unobservable inputs used in the fair value measurement of the mortgage-backed securities are prepayment rates, probability of default, and loss severity in the event of default. Significant increases (decreases) in any of those inputs in isolation would result in a significantly lower (higher) fair value measurement.

Generally, a change in the assumption used for the probability of default is accompanied by a directionally similar change in the assumption used for the loss severity and a directionally opposite change in the assumption used for prepayment rates.

Quoted market prices are generally not available for the instruments presented below. Accordingly, fair values are based on internal models that consider judgments regarding anticipated cash flows, future expected loss experience, current economic conditions, risk characteristics of various financial instruments, and other factors. These estimates involve uncertainties and matters of judgment, and therefore cannot be determined with precision. Changes in assumptions could significantly affect the estimates.

With regard to impaired loans and other property owned, it is not practicable to provide specific information on inputs as each collateral property is unique. The Association utilizes appraisals to value these loans and other property owned and take into account unobservable inputs such as income and expense, comparable sales, replacement cost and comparability adjustments.

These assets are measured at fair value on a nonrecurring basis and are summarized below:

	Total Fair Value June 30, 2015	Total Fair Value December 31, 2014
Impaired Loans	**$ 6,242**	$ 6,431
Other property owned	**2,489**	3,841
Total	**$ 8,731**	$ 10,272

NOTE 5 — MEMBERS EQUITY:

The board of directors approved a $142,065 patronage distribution for 2014. $71,995 of this distribution was to be paid in cash in March 2015. $70,070 was to be distributed in the form of nonqualified allocated equity. In March 2015 the Association finalized the computation of these distributions which resulted in a reduction in cash patronage payable of $16 for an actual cash distribution of $71,979. In addition, nonqualified allocations were also adjusted by a reduction of $3 resulting in an actual allocation of $70,067. The owners of these nonqualified distributions will not pay federal income taxes until the equities are retired. It is the board's intention with these allocations to assign ownership of the earnings of the Association, allowing the stockholders to benefit more fully from the earnings of the Association and to create a method to make future equity distributions in the form of cash. While there is not a planned retirement of these allocated equities, the board of directors will make an annual evaluation of the Association's capital position and determine if some cash retirements of these equities can be made. In 2013, the board of directors approved a $144,361 patronage distribution for 2013, with cash patronage payable of $65,486 and $78,875 in nonqualified allocations. In March 2014 the Association finalized the computation of these distributions which resulted in a reduction in cash patronage payable of $29 for an actual cash distribution of $65,477. In addition, nonqualified allocations were also adjusted by a reduction of $227 resulting in an actual allocation of $78,648.

NOTE 6 — EMPLOYEE BENEFIT PLANS:

The Association expects to contribute $4,365 to its pension plan in 2015, which will be $588 more than the 2014 contribution. Pension plan funding expense was $2,182 and $1,888 for the six months ended June 30, 2015 and 2014 respectively.

NOTE 7 — SUBSEQUENT EVENTS:

The Association has evaluated subsequent events through August 5, 2015 which is the date the financial statements were issued and there are no significant events requiring disclosure as of this date.