CAPITAL FARM CREDIT

PART OF THE FARM CREDIT SYSTEM

Quarterly Report To Stockholders

Quarter Ended June 30, 2016

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 and there are no significant changes in the Association's internal controls or in other factors that could significantly affect such controls during the year.

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 4, 2016

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, 2016. These comments should be read in conjunction with the accompanying consolidated financial statements and the December 31, 2015 Annual Report of the Association. Results for interim periods are not necessarily indicative of results to be expected for future periods.

Plentiful rainfall in early 2016 helped to replenish water sources and create reserves. Cattle prices are significantly lower than previous years, but the livestock industry's outlook for 2016 continues to be positive. The vastness and variety of the association's territory permits a wide range of crops to be produced including corn, wheat, cotton and grain sorghum as the largest cash crops. Lower commodity prices may continue to reduce farmer revenues in 2016, creating market strain and possibly resulting in operating losses for some producers. Oil prices reversed course and have shown a slightly positive improvement when compared to first quarter of 2016. The housing market is continuing to experience improvement. Overall, Texas' general economic outlook suggests tempered economic growth for 2016.

<u>Patronage Refunds by Association</u>

The Association distributed its patronage refund for 2015 in March 2016. $56,746 of this distribution was paid in cash and $80,881 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 the allocated equity, 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 November 2015, the Association retired $39,867 in nonqualifed allocated equity, which represented all of the allocated equity issued for 2009. In March 2015, the Association made its patronage distribution for 2014, with cash distribution of $71,980 and nonqualified allocations of $70,070.

<u>Loan Portfolio</u>

Total loan volume was $6,783,434 at June 30, 2016. This compares with loan volume owned by the Association at December 31, 2015 of $6,483,896. This represents an increase of $299,538, or approximately 4.6 percent. Most of this increase was realized in the farm-related business and real estate mortgage segment, with notable growth in the energy 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 has experienced an increase its high-risk assets by almost 44.4 percent in 2016 resulting from an increase in nonaccrual loans. The following table summarizes the Association's components and trends of high-risk assets:

	June 30, 2016	**%**	December 31, 2015	%
Nonaccrual loans	**$ 92,077**	**84.4**	$ 59,966	79.4
Loans 90 days past due and still accruing interest	**3,457**	**3.2**	933	1.2
Formally restructured loans	**12,550**	**11.5**	13,522	17.9
Other property owned, net	**970**	**0.9**	1,109	1.5
Total	**$ 109,054**	**100.0**	$75,530	100.0

Nonaccrual loans increased $32,111 during the first six months of 2016. This increase was recognized primarily in the production and real estate mortgage sectors. This increase was a result of operating losses experienced by producers, driven primarily by drops in commodity prices.

Loans that are 90 or more days past due and still accruing interest increased $2,524 in the first six months of 2016. This increase was recognized mainly in the production sector. 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 $972 during the first six months of 2016 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 $139 during the first six months of 2016. The decrease resulted from the sale of 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, 2016 was $74,247 as compared to $63,589 for the six months ended June 30, 2015, an increase of $10,658, or 16.8 percent.

The increase in net income was affected by an increase in net interest income and in noninterest income, offset somewhat by an increase in the provision for loan losses. Net interest income increased by $8,825 during the first six months of 2016 compared to the same time period for 2015. An increase in average loan volume and higher average capital was the catalyst for the improvement in net interest income. The effects of changes in average volume and interest rates on net interest income in the six months ended June 30, 2016, as compared with the corresponding period of the prior year, are presented in the following tables:

	For the six months ended June 30, 2016		For the six months ended June 30, 2015	
	Average Balance	**Interest**	Average Balance	Interest
Accrual loans and investments	**$ 6,559,597**	**$ 163,580**	$ 5,866,507	$ 145,284
Interest-bearing liabilities	**5,626,016**	**56,500**	4,991,157	47,029
Impact of capital	**$ 933,581**		$ 875,350	
Net interest income		**$ 107,080**		$ 98,255

	Average Yield	Average Yield
Yield on loans	**5.01%**	4.99%
Cost of interest-bearing Liabilities	**2.02%**	1.90%
Net interest margin	**2.99%**	3.09%

	2016 vs. 2015		
	Increase (decrease) due to		
	Volume	**Rate**	**Total**
Interest income	**$ 17,212**	**$ 1,084**	**$ 18,296**
Interest expense	**5,999**	**3,472**	**9,471**
Net interest income	**$ 11,213**	**$ (2,388)**	**$ 8,825**

Provision for loan losses was $4,289 for the period ended June 30, 2016, as compared to $3,800 for the same period in 2015. The Association added to its allowance for losses as loan volume continues to increase and credit quality declined slightly during the period. The Association's noninterest income increased from $15,054 in the first six months of 2015 to $16,955 in the first six months of 2016. The Association has received a patronage refund over the last several years from the Farm Credit Bank of Texas (Bank). This refund is paid annually to the Association in December by a direct reduction in its Note Payable to Bank. In accordance with the Bank's 2016 Capital Plan declaration the Association is accruing 0.40 percent of its average Note Payable during 2016. For the first six months, the patronage income accrued is $1,461 more in 2016 than for the same period in 2015 because of the higher Note Payable balance. In addition, loan fees increased from $1,484 in the first six months of 2015 to $1,812 in the first six months of 2016.

Noninterest expenses decreased $400, or 0.9 percent in the first six months of 2016 as compared to the same time period in 2015. This decrease is primarily attributable to a decrease of $1,383 in other expenses, a decrease of $1,118 in purchased services, offset by an increase in the Farm Credit System insurance premium of $1,156. Other expenses and purchased services decreased as the Association experienced lower legal expenses in the current year versus those incurred in the prior year. The increase in the Farm Credit Insurance Corporation (FCSIC) was due to revised premiums paid on accrual loans from 13 basis points in June 2015 to 16 basis points for the same time period in 2016.

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 $5,780,323 at June 30, 2016, as compared to $5,474,595 at December 31, 2015. This increase in note payable to the Bank since December 2015 is the result of the increase in the Association's loan portfolio. The direct loan carried a weighted average interest rate of 2.02 percent for the six months ended June 30, 2016, compared to 1.92 percent for the year ended December 31, 2015. 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.

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, 2016 the Association's note payable was within the specified limitations. The maximum amount the Association could borrow from the Bank as of June 30, 2016, was $6,701,192, 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 2016. 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 and Regulatory Matters

The Association's capital position remains strong, with total capital of $1,140,828 at June 30, 2016. This represents an increase of $74,449 from the December 31, 2015 total capital level of $1,066,379. This increase in capital is a direct result of the Association's net income for the period. Under current 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, 2016 was 14.67 percent. The Association's core surplus ratio and total surplus ratio at June 30, 2016 were 14.40 percent and 14.40 percent, respectively, which is in compliance with the FCA's minimum ratio requirements of 3.5 percent and 7.0 percent, respectively.

On March 10, 2016, the Farm Credit Administration approved a final rule to modify the regulatory capital requirements for System banks and associations. The final rule will be effective January 1, 2017. The stated objectives of the final 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 Act.

The final rule replaces existing core surplus and total surplus requirements with common equity tier 1, tier 1, and total capital (tier 1 plus tier 2) risk-based capital ratio requirements. It also adds a tier 1 leverage ratio, which requires at least 1.5 percent of risk-adjusted assets to be capitalized with unallocated retained earnings. In addition, the final rule establishes a capital conservation buffer and a leverage buffer that will need to be maintained in order to make any capital distributions, such as patronage refunds.

The effects of the final rule are still being evaluated by the Association. In general, the capital requirements will cause the Association to hold greater levels of capital relative to its assets for longer periods of time. The Association anticipates being in full compliance with the new capital ratio requirements when the new rule becomes effective.

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, 2016 (Unaudited)	December 31, 2015 (Audited)
ASSETS		
Loans	**$ 6,783,434**	$ 6,483,896
Less: Allowance for losses	**(27,884)**	(23,328)
Net loans	**6,755,550**	6,460,568
Cash	**34**	52
Accrued interest receivable - loans	**58,816**	52,669
Accrued interest receivable - investments	**140**	92
Investments – held-to-maturity	**7,548**	8,098
Investment in and receivable from the Bank:		
Capital stock	**102,014**	102,014
Receivable	**17,184**	12,716
Investments in other Farm Credit Institutions	**6,331**	6,414
Other property owned, net	**970**	1,109
Premises and equipment, net	**16,132**	16,603
Other assets	**18,982**	16,525
Total assets	**$ 6,983,701**	$ 6,676,860
LIABILITIES		
Note payable to the Bank	**$ 5,780,323**	$ 5,474,595
Advanced conditional payments	**6,133**	6,214
Accrued interest payable	**9,564**	9,018
Drafts outstanding	**1,600**	4,397
Patronage distributions payable	**6**	56,746
Unfunded post retirement medical obligation	**22,259**	21,870
Other liabilities	**22,988**	37,641
Total liabilities	**5,842,873**	5,610,481
MEMBERS' EQUITY		
Capital stock and participation certificates	**24,809**	24,419
Non-qualified allocated retained earnings	**487,485**	487,489
Unallocated retained earnings	**629,303**	555,052
Accumulated other comprehensive loss	**(769)**	(581)
Total members' equity	**1,140,828**	1,066,379
Total liabilities and members' equity	**$ 6,983,701**	$ 6,676,860

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, 2016	For the three months ended June 30, 2015	**For the six months ended June 30, 2016**	For the six months ended June 30, 2015
INTEREST INCOME				
Loans	**$ 83,373**	$ 73,260	**$ 163,385**	$ 145,029
Investments	**95**	124	**195**	255
Total interest income	**83,468**	73,384	**163,580**	145,284
INTEREST EXPENSE				
Note payable to the FCB and others	**28,744**	24,152	**56,500**	47,029
Net interest income	**54,724**	49,232	**107,080**	98,255
PROVISION FOR LOAN LOSSES				
Provision for loan losses	**109**	2,064	**4,289**	3,800
Net interest income after provision for losses	**54,615**	47,168	**102,791**	94,455
NONINTEREST INCOME				
Patronage income from the FCB	**6,234**	5,514	**12,294**	10,833
Loan fees	**907**	786	**1,812**	1,484
(Loss) gain on other property owned, net	**(22)**	(37)	**10**	91
Other income	**788**	673	**2,839**	2,646
Total noninterest income	**7,907**	6,936	**16,955**	15,054
NONINTEREST EXPENSES				
Salaries and employee benefits	**13,953**	13,012	**28,525**	28,020
Farm Credit System insurance premium	**2,130**	1,528	**4,185**	3,029
Occupancy and equipment	**961**	938	**2,253**	2,220
Advertising	**955**	905	**1,987**	1,809
Public and member relations	**850**	728	**1,617**	1,581
Travel	**706**	734	**1,387**	1,225
FCA supervisory and exam expense	**368**	337	**737**	674
Communications	**291**	309	**607**	597
Purchased services and allocations	**236**	1,034	**1,210**	2,328
Directors' expense	**193**	227	**411**	453
Other expenses	**1,180**	2,647	**2,577**	3,960
Total noninterest expenses	**21,823**	22,399	**45,496**	45,896
Income before federal income tax	**40,699**	31,705	**74,250**	63,613
Provision for federal income tax	**15**	19	**3**	24
NET INCOME	**$ 40,684**	$ 31,686	**$ 74,247**	$ 63,589
Other comprehensive loss:				
Change in postretirement benefit plans	**(94)**	(28)	**(188)**	(56)
Income tax expense related to items of other comprehensive income	**-**	-	**-**	-
Other comprehensive loss, net of tax	**(94)**	(28)	**(188)**	(56)
COMPREHENSIVE INCOME	**$ 40,590**	$ 31,658	**$ 74,059**	$ 63,533

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 (Loss)	Total Members' Equity
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
Net income	-	-	75,713	-	75,713
Other comprehensive loss	-	-	-	2,503	2,503
Capital stock/participation certificates issued	2,029	-	-	-	2,029
Capital stock/participation certificates/ allocated equities retired	(1,481)	(39,867)	-	-	(41,348)
Patronage distributions declared:					
Cash	-	-	(56,746)	-	(56,746)
Nonqualified allocations	-	80,885	(80,885)	-	-
Other adjustments	-	(3)	(1)	-	(4)
Balance at December 31, 2015	24,419	487,489	555,052	(581)	1,066,379
Net income	-	-	74,247	-	74,247
Other comprehensive loss	-	-	-	(188)	(188)
Capital stock/participation certificates issued	2,088	-	-	-	2,088
Capital stock/participation certificates/ allocated equities retired	(1,698)	-	-	-	(1,698)
Other adjustments	-	(4)	4	-	-
Balance at June 30, 2016	**$ 24,809**	**$ 487,485**	**$ 629,303**	**$ (769)**	**$ 1,140,828**

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, 2015 are contained in the 2015 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, 2015 as contained in the 2015 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, 2016. Descriptions of the significant accounting policies are included in the 2015 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 June 2016, the Financial Accounting Standards Board (FASB) issued guidance entitled "Measurement of Credit Losses on Financial Instruments." The guidance replaces the current incurred loss impairment methodology with a methodology that reflects expected credit losses and requires consideration of a broader range of reasonable and supportable information to estimate credit losses. Credit losses relating to available-for-sale securities would also be recorded through an allowance for credit losses. For public business entities that are not U.S. Securities and Exchange Commission filers, this guidance becomes effective for interim and annual periods beginning after December 15, 2020, with early application permitted. The Association is currently evaluating the impact of adoption on its financial condition and results of operations.

In February 2016, the FASB issued guidance entitled "Leases." The guidance requires the recognition by lessees of lease assets and lease liabilities on the balance sheet for the rights and obligations created by those leases. Leases with lease terms of more than 12 months are impacted by this guidance. This guidance becomes effective for interim and annual periods beginning after December 15, 2018, with early application permitted. The Association is currently evaluating the impact of adoption on its financial condition and results of operations.

In January 2016, the FASB issued guidance entitled "Recognition and Measurement of Financial Assets and Liabilities." The guidance affects, among other things, the presentation and disclosure requirements for financial instruments. For public entities, the guidance eliminates the requirement to disclose the methods and significant assumptions used to estimate the fair value of financial instruments carried at amortized cost. This guidance becomes effective for interim and annual periods beginning after December 15, 2017. The adoption of this guidance is not expected to impact the Association's financial condition or its results of operations.

In August 2014, the 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 the Association's contracts would be excluded from the scope of this new guidance. In August 2015, the FASB issued an update that defers this guidance by one year, which results in the new revenue standard becoming effective for interim and annual reporting periods beginning 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, 2016	Amortized Cost	Gross Unrealized Gains	Gross Unrealized Losses	Fair Value	Weighted Average Yield	Weighted Average Life (Years)
Agricultural mortgage-backed securities	$ 7,548	$ 145	$ -	$ 7,693	4.91%	3.43

December 31, 2015	Amortized Cost	Gross Unrealized Gains	Gross Unrealized Losses	Fair Value	Weighted Average Yield	Weighted Average Life (Years)
Agricultural mortgage-backed securities	$ 8,098	$ 43	$ -	$ 8,141	4.93%	2.82

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, 2016	%	December 31, 2015	%
Real estate mortgage	**$ 5,049,189**	**74.4**	$ 4,853,855	74.9
Production and intermediate-term	**820,049**	**12.1**	827,061	12.8
Farm-related business	**612,687**	**9.0**	543,010	8.4
Rural residential real estate	**152,674**	**2.3**	144,470	2.2
Energy	**72,247**	**1.1**	46,489	0.7
Communication	**60,790**	**0.9**	53,063	0.8
Mission-related investments	**8,146**	**0.1**	8,127	0.1
Lease receivables	**5,988**	**0.1**	6,028	0.1
Water and waste disposal	**1,664**	**0.0**	1,793	0.0
Total	**$ 6,783,434**	**100.0**	$ 6,483,896	100.0

At June 30, 2016, the Association held five transactions, which are reported as loans on the consolidated balance sheet totaling $6,479 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, 2016:

	Other Farm Credit Institutions		Non-Farm Credit Institutions		Total	
	Participations Purchased	Participations Sold	Participations Purchased	Participations Sold	Participations Purchased	Participations Sold
Real estate mortgage	$ 110,315	$ 388,263	$ 9,015	$ -	$ 119,330	$ 388,263
Production and intermediate-term	149,411	375,299	-	-	149,411	375,299
Farm-related business	457,092	54,243	-	-	457,092	54,243
Energy	72,247	-	-	-	72,247	-
Communication	60,790	-	-	-	60,790	-
Mission-related investments	2,209	-	4,270	-	6,479	-
Lease receivables	5,988	-	-	-	5,988	-
Water and waste disposal	1,464	-	-	-	1,464	-
Total	$ 859,516	$ 817,805	$ 13,285	$ -	$ 872,801	$ 817,805

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

	June 30, 2016	December 31, 2015
Nonaccrual loans:		
Real estate mortgage	**$ 59,066**	$ 47,524
Production and intermediate-term	**30,799**	10,947
Farm-related business	**1,657**	1,011
Rural residential real estate	**547**	468
Lease receivable	**8**	16
Total nonaccrual loans	**$ 92,077**	$ 59,966
Accruing restructured loans:		
Real estate mortgage	**$ 7,810**	$ 4,642
Production and intermediate-term	**2,607**	6,542
Rural residential real estate	**-**	155
Mission-related investments	**2,232**	2,282
Total accruing restructured loans	**$ 12,649**	$ 13,621
Accruing loans 90 days or more past due:		
Real estate mortgage	**$ 746**	$ 295
Production and intermediate-term	**2,757**	583
Rural residential real estate	**-**	92
Total accruing loans 90 days or more past due	**$ 3,503**	$ 970
Total nonperforming loans	**$ 108,229**	$ 74,557
Other property owned	**970**	1,109
Total nonperforming assets	**$ 109,199**	$ 75,666

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, 2016	December 31, 2015
Real estate mortgage		
Acceptable	**97.1%**	97.1%
OAEM	**1.2%**	1.4%
Substandard/doubtful	**1.7%**	1.5%
	100.0%	100.0%
Production and intermediate-term		
Acceptable	**90.5%**	93.6%
OAEM	**3.6%**	2.9%
Substandard/doubtful	**5.9%**	3.5%
	100.0%	100.0%
Farm-related business		
Acceptable	**96.4%**	95.2%
OAEM	**1.8%**	3.1%
Substandard/doubtful	**1.8%**	1.7%
	100.0%	100.0%
Rural residential real estate		
Acceptable	**97.9%**	97.7%
OAEM	**1.3%**	1.3%
Substandard/doubtful	**0.8%**	1.0%
	100.0%	100.0%
Energy		
Acceptable	**94.5%**	100.0%
OAEM	**5.5%**	-
Substandard/doubtful	**-**	-
	100.0%	100.0%
Communication		
Acceptable	**100.0%**	100.0%
OAEM	**-**	-
Substandard/doubtful	**-**	-
	100.0%	100.0%
Mission-related investments		
Acceptable	**100.0%**	100.0%
OAEM	-	-
Substandard/doubtful	-	-
	100.0%	100.0%
Lease receivables		
Acceptable	**99.9%**	99.7%
OAEM	-	-
Substandard/doubtful	**0.1%**	0.3%
	100.0%	100.0%
Water and waste disposal		
Acceptable	**100.0%**	100.0%
OAEM	**-**	-
Substandard/doubtful	**-**	-
	100.0%	100.0%
Total Loans		
Acceptable	**96.3%**	96.6%
OAEM	**1.6%**	1.7%
Substandard/doubtful	**2.1%**	1.7%
	100.0%	100.0%

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

June 30, 2016	30-89 Days Past Due	90 Days or More Past Due	Total Past Due	Not Past Due or less than 30 Days Past Due	Total Loans	Loans > 90 Days and Accruing
Real estate mortgage	$ 35,333	$26,538	61,871	$ 5,029,237	5,091,108	$ 746
Production and intermediate-term	5,008	9,900	14,908	819,022	833,930	2,757
Farm-related business	1,224	-	1,224	613,537	614,761	-
Rural residential real estate	953	155	1,108	152,181	153,289	-
Energy	-	-	-	72,379	72,379	-
Communication	-	-	-	60,823	60,823	-
Mission-related investments	-	-	-	8,217	8,217	-
Lease receivables	563	-	563	5,516	6,079	-
Water and waste disposal	-	-	-	1,664	1,664	-
Total	$ 43,081	$36,593	$ 79,674	$ 6,762,576	$ 6,842,250	$ 3,503

December 31, 2015	30-89 Days Past Due	90 Days or More Past Due	Total Past Due	Not Past Due or less than 30 Days Past Due	Total Loans	Loans > 90 Days and Accruing
Real estate mortgage	$ 25,908	$16,812	$ 42,720	$ 4,850,922	$ 4,893,642	$ 295
Production and intermediate-term	14,549	6,349	20,898	816,438	837,336	583
Farm-related business	6,633	-	6,633	538,129	544,762	-
Rural residential real estate	300	92	392	144,695	145,087	92
Energy	-	-	-	46,543	46,543	-
Communication	-	-	-	53,104	53,104	-
Mission-related investments	-	-	-	8,189	8,189	-
Lease receivables	-	-	-	6,108	6,108	-
Water and waste disposal	-	-	-	1,794	1,794	-
Total	$ 47,390	$23,253	$ 70,643	$ 6,465,922	$ 6,536,565	$ 970

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, 2016 the total troubled debt restructured loans was $14,070, including $1,420 classified as nonaccrual and $12,649 classified as accrual, with specific allowance for loan losses of $85. As of June 30, 2016 commitments to lend funds to borrowers whose loan terms have been modified in a troubled debt restructuring were $53.

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			
	2016		2015	
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
Rural residential real estate	-	-	161	159
Total	$ -	$ -	$ 1,112	$ 676

The Association had one loan that met the accounting criteria as troubled debt restructuring and that occurred during the previous twelve months, and for which there was an extension of term during that same period.

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, 2016			At December 31, 2015		
	Loan Balance	Unpaid Principal Balance	Related Specific Allowance	Loan Balance	Unpaid Principal Balance	Related Specific Allowance
Impaired loans with a related allowance for loan losses:						
Real estate mortgage	$ 6,255	$ 6,334	$ 849	$ 1,425	$ 1,456	$ 259
Production and intermediate-term	17,580	17,789	3,152	5,649	5,650	1,881
Farm-related business	750	750	115	-	-	-
Mission-related investments	2,209	2,209	85	2,258	2,258	84
Total	$ 26,794	$ 27,082	$ 4,201	$ 9,332	$ 9,364	$ 2,224
Impaired loans with no related allowance for loan losses:						
Real estate mortgage	$ 61,328	$ 64,485	$ -	$ 51,019	$ 54,505	$ -
Production and intermediate-term	18,499	21,391	-	12,330	15,228	-
Farm-related business	907	19,707	-	1,011	20,083	-
Rural residential real estate	547	682	-	713	857	-
Lease receivables	8	8	-	16	16	-
Total	$ 81,289	$ 106,273	$ -	$ 65,089	$ 90,689	$ -
Total impaired loans:						
Real estate mortgage	$ 67,583	$ 70,819	$ 849	$ 52,444	$ 55,961	$ 259
Production and intermediate-term	36,079	39,180	3,152	17,979	20,878	1,881
Farm-related business	1,657	20,457	115	1,011	20,083	-
Rural residential real estate	547	682	-	713	857	-
Mission-related investments	2,209	2,209	85	2,258	2,258	84
Lease receivables	8	8	-	16	16	-
Total	$ 108,083	$ 133,355	$ 4,201	$ 74,421	$ 100,053	$ 2,224

Unpaid principal balance represents the recorded principal balance of the loan.

	For the Three Months Ended				For the Six Months Ended			
	June 30, 2016		June 30, 2015		June 30, 2016		June 30, 2015	
	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	$ 4,184	$ 46	$ 1,263	$ 24	$ 3,132	$ 79	$ 1,119	$ 1
Production and intermediate term	14,637	64	3,510	7	11,321	89	3,532	10
Farm-related business	250	11	31	-	125	19	501	-
Rural residential real estate	-	-	3	-	-	-	5	-
Mission related investments	2,225	34	2,277	35	2,241	69	2,293	71
Total	$ 21,296	$ 155	$ 7,084	$ 66	$ 16,819	$ 256	$ 7,450	$ 82
Impaired loans with no related allowance for loan losses:								
Real estate mortgage	$ 59,246	$ 1,655	$ 70,258	$ 207	$ 56,798	$ 1,938	$ 69,535	$ 383
Production and intermediate term	16,040	242	14,279	231	13,271	443	12,509	564
Farm-related business	907	1	2,774	-	924	1	2,992	-
Rural residential real estate	550	2	624	2	580	4	450	15
Lease receivables	10	-	25	-	12	-	27	-
Mission related investments	-	-	-	-	-	-	72	-
Total	$ 76,753	$ 1,900	$ 87,960	$ 440	$ 71,585	$ 2,386	$ 85,585	$ 962
Total impaired loans:								
Real estate mortgage	$ 63,430	$ 1,701	$ 71,521	$ 231	$ 59,930	$ 2,017	$ 70,654	$ 384
Production and intermediate term	30,677	306	17,789	238	24,592	532	16,041	574
Farm-related business	1,157	12	2,805	-	1,049	20	3,493	-
Rural residential real estate	550	2	627	2	580	4	455	15
Lease receivables	10	-	25	-	12	-	27	-
Mission related investments	2,225	34	2,277	35	2,241	69	2,365	71
Total	$ 98,049	$ 2,055	$ 95,044	$ 506	$ 88,404	$ 2,642	$ 93,035	$ 1,044

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	Farm related business	Rural Residential Real Estate	Communication	Energy	Mission Related Investments	Lease Receivable	Total
Allowance for credit losses:									
Balance at March 31, 2016	$ 10,599	$ 12,229	$ 3,410	$ 311	$ 158	$ 447	$ 89	$ 24	$ 27,267
Charge-offs	(49)	(2)	-	-	-	-	-	-	(51)
Recoveries	391	50	102	3	13	-	-	-	559
Provision for loan losses	(755)	458	207	(11)	4	207	-	(1)	109
Other *	-	-	-	-	-	-	-	-	-
Balance at June 30, 2016	$ 10,186	$ 12,735	$ 3,719	$ 303	$ 175	$ 654	$ 89	$ 23	$ 27,884
Balance at December 31, 2015	$ 10,053	$ 10,465	$ 2,023	$ 289	$ 141	$ 247	$ 89	$ 21	$ 23,328
Charge-offs	(49)	(418)	-	-	-	-	-	-	(467)
Recoveries	462	102	153	4	13	-	-	-	734
Provision for loan losses	(280)	2,586	1,543	10	21	407	-	2	4,289
Other *	-	-	-	-	-	-	-	-	-
Balance at June 30, 2016	$ 10,186	$ 12,735	$ 3,719	$ 303	$ 175	$ 654	$ 89	$ 23	$ 27,884
Allowance for loan losses:									
Ending Balance at June 30, 2016									
Individually evaluated for impairment	$ 849	$ 3,152	$ 115	$ -	$ -	$ -	$ 85	$ -	$ 4,201
Allowance for loan losses:									
Collectively evaluated for impairment	$ 9,337	$ 9,583	$ 3,604	$ 303	$ 175	$ 654	$ 4	$ 23	$ 23,683
Balance at March 31, 2015	$ 7,356	$ 6,138	$ 1,740	$ 199	$ 123	$ 185	$ 82	$ 21	$ 15,844
Charge-offs	(475)	(81)	-	-	-	-	-	-	(556)
Recoveries	4	81	71	-	36	-	-	-	192
Provision for loan losses	1,395	714	(48)	13	(23)	9	1	3	2,064
Balance at June 30, 2015	$ 8,280	$ 6,852	$ 1,763	$ 212	$ 136	$ 194	$ 83	$ 24	$ 17,544
Balance at December 31, 2014	$ 6,993	$ 6,662	$ 1,511	$ 191	$ 133	$ 178	$ 82	$ 23	$ 15,773
Charge-offs	(478)	(81)	-	(7)	-	-	-	-	(566)
Recoveries	7	114	176	-	36	-	-	-	333
Provision for loan losses	1,758	157	1,872	28	(33)	16	1	1	3,800
Other	-	-	(1,796)	-	-	-	-	-	(1,796)
Balance at June 30, 2015	$ 8,280	$ 6,852	$ 1,763	$ 212	$ 136	$ 194	$ 83	$ 24	$ 17,544
Allowance for loan losses:									
Ending Balance at December 31, 2015									
individually evaluated for impairment	$ 259	$ 1,881	$ -	$ -	$ -	$ -	$ 84	$ -	$ 2,224
Allowance for loan losses:									
collectively evaluated for impairment	$ 9,794	$ 8,584	$ 2,023	$ 289	$ 141	$ 247	$ 5	$ 21	$ 21,104
Recorded Investments in Loans Outstanding:									
Ending Balance at June 30, 2016	$ 5,091,107	$ 833,929	$ 614,761	$ 153,290	$ 60,823	$ 74,044	$ 8,217	$ 6,079	$ 6,842,250
Individually evaluated for impairment	$ 67,583	$ 36,079	$ 1,657	$ 547	$ -	$ -	$ 2,209	$ 8	$ 108,083
Collectively evaluated for impairment	$ 5,023,524	$ 797,850	$ 613,104	$ 152,743	$ 60,823	$ 74,044	$ 6,008	$ 6,071	$ 6,734,167
Ending Balance at December 31, 2015	$ 4,893,644	$ 837,335	$ 544,762	$ 145,087	$ 53,104	$ 48,336	$ 8,189	$ 6,108	$ 6,536,565
Individually evaluated for impairment	$ 52,444	$ 17,979	$ 1,011	$ 713	$ -	$ -	$ 2,258	$ 16	$ 74,421
Collectively evaluated for impairment	$ 4,841,200	$ 819,356	$ 543,751	$ 144,374	$ 53,104	$ 48,336	$ 5,931	$ 6,092	$ 6,462,144

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 2015 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, 2016	**Total Fair Value December 31, 2015**
Beginning Balance	**$ 5,496**	**$ 5,097**
Transfers In	**393**	**351**
Other Market Changes	**(157)**	**48**
Assets held in non-qualified benefits trusts	**$ 5,732**	**$ 5,496**

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, 2016	Total Fair Value December 31, 2015
Impaired Loans	**$ 22,593**	$ 7,108
Other property owned	**970**	1,109
Total	**$ 23,563**	$ 8,217

NOTE 5 — MEMBERS EQUITY:

The board of directors approved a $137,631 patronage distribution for 2015. $56,746 of this distribution was to be paid in cash in March 2016. $80,885 was to be distributed in the form of nonqualified allocated equity. In March 2016 the Association finalized the computation of these distributions which resulted in a reduction in nonqualified allocations of $4 resulting in an actual allocation of $80,881. 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 2014, the board of directors approved a $142,065 patronage distribution for 2014, with cash patronage payable of $71,995 and $70,070 in nonqualified allocations. In March 2015 the Association finalized the computation of these distributions which resulted in a reduction in cash patronage payable of $15 for an actual cash distribution of $71,980, and nonqualified allocations remained unchanged.

NOTE 6 — EMPLOYEE BENEFIT PLANS:

The Association expects to contribute $4,637 to its pension plan in 2016, which will be $272 more than the 2015 contribution. Pension plan funding expense was $2,319 and $2,182 for the six months ended June 30, 2016 and 2015 respectively.

NOTE 7 — SUBSEQUENT EVENTS:

The Association has evaluated subsequent events through August 4, 2016 which is the date the financial statements were issued and there are no significant events requiring disclosure as of this date.