River Valley AgCredit, ACA

FIRST QUARTER 2015

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CERTIFICATION

The undersigned certify that we have reviewed the March 31, 2015 quarterly report of River Valley AgCredit, ACA, that the report has been prepared under the oversight of the Audit Committee of the Board of Directors and in accordance with all applicable statutory or regulatory requirements, and that the information contained herein is true, accurate, and complete to the best of our knowledge and belief.

Stan Brunston
Chief Executive Officer
of River Valley AgCredit, ACA

David L. Richesin
Chairman of the Board
of River Valley AgCredit, ACA

Beth Barkley
Chief Financial Officer
of River Valley AgCredit, ACA

Darren L. Grogan
Member of the Board of Directors
Chairman of the Audit Committee
of River Valley AgCredit, ACA

May 8, 2015

River Valley AgCredit, ACA

Report on Internal Control Over Financial Reporting

The Association's principal executives and principal financial officers, or persons performing similar functions, are responsible for establishing and maintaining adequate internal control over financial reporting for the Association's Consolidated Financial Statements. For purposes of this report, "internal control over financial reporting" is defined as a process designed by, or under the supervision of the Association's principal executives and principal financial officers, or persons performing similar functions, and effected by its Board of Directors, management and other personnel. This process provides reasonable assurance regarding the reliability of financial reporting information and the preparation of the Consolidated Financial Statements for external purposes in accordance with accounting principles generally accepted in the United States of America.

Internal control over financial reporting includes those policies and procedures that: (1) pertain to the maintenance of records that in reasonable detail accurately and fairly reflect the transactions and dispositions of the assets of the Association, (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial information in accordance with accounting principles generally accepted in the United States of America, and that receipts and expenditures are being made only in accordance with authorizations of management and directors of the Association, and (3) provide reasonable assurance regarding prevention or timely detection of unauthorized acquisition, use or disposition of the Association's assets that could have a material effect on its Consolidated Financial Statements.

The Association's management has completed an assessment of the effectiveness of internal control over financial reporting as of March 31, 2015. In making the assessment, management used the framework in *Internal Control — Integrated Framework (2013)*, promulgated by the Committee of Sponsoring Organizations of the Treadway Commission, commonly referred to as the "COSO" criteria.

Based on the assessment performed, the Association's management concluded that as of March 31, 2015, the internal control over financial reporting was effective based upon the COSO criteria. Additionally, based on this assessment, the Association's management determined that there were no material weaknesses in the internal control over financial reporting as of March 31, 2015.

Stan Brunston
Chief Executive Officer
of River Valley AgCredit, ACA

Beth Barkley
Chief Financial Officer
of River Valley AgCredit, ACA

May 8, 2015

River Valley AgCredit, ACA

Management's Discussion and Analysis of Financial Condition and Results of Operations

(dollars in thousands)

The following commentary reviews the financial condition and results of operations of River Valley AgCredit, ACA (Association) for the period ended March 31, 2015. These comments should be read in conjunction with the accompanying consolidated financial statements, notes to the consolidated financial statements, and the 2014 Annual Report. The accompanying consolidated financial statements were prepared under the oversight of the Audit Committee of the Board of Directors.

Effective July 1, 2012, Chattanooga, ACA, merged with and into Jackson Purchase, ACA, after the Farm Credit Administration granted final approval of the merger on June 26, 2012. Jackson Purchase, ACA, then changed its name to River Valley AgCredit, ACA. The merger was accounted for under the acquisition method of accounting guidance.

LOAN PORTFOLIO

The Association provides funds to farmers, rural homeowners and farm-related businesses for financing of short and intermediate-term loans and long-term real estate mortgage loans. The Association's loan portfolio is diversified over a range of agricultural commodities including corn, soybeans, poultry, and tobacco. Farm size varies and many of the borrowers in the region have diversified farming operations. This factor, along with the numerous opportunities for non-farm income in the area, somewhat reduces the level of dependency on any single commodity.

The gross loan volume of the Association as of March 31, 2015, was $459,502 as compared to $492,869 at December 31, 2014, a decrease of $33,367. Net loans outstanding at March 31, 2015, were $453,456 as compared to $486,829 at December 31, 2014. Net loans accounted for 95.46 percent of total assets at March 31, 2015, as compared to 93.96 percent of total assets at December 31, 2014. The decrease in gross and net loan volume during the reporting period is primarily attributable to the seasonal paydowns on operating loans.

There is an inherent risk in the extension of any type of credit. Portfolio credit quality continues to be maintained at an acceptable level and credit administration remains satisfactory. Nonaccrual loans decreased from $5,998 at December 31, 2014, to $5,849 at March 31, 2015. This decrease is primarily the result of normal nonaccrual collections.

Other property owned (OPO) consists primarily of assets once held as loan collateral that were acquired through foreclosure or deeded to the Association (or a lender group) in satisfaction of secured loans. Traditionally, OPO is primarily in the form of real estate. However, it can also include equipment and equity interests in companies or partnerships. The Association's ownership interest in certain properties is primarily in the form of a limited liability company (LLC) equity. OPO totaled $919 at March 31, 2015, compared to $919 December 31, 2014.

Association management maintains an allowance for loan losses in an amount considered sufficient to absorb possible losses in the loan portfolio based on current and expected future conditions. The allowance for loan losses at March 31, 2015, was $6,046 compared to $6,040 at December 31, 2014, and was considered by management to be adequate to cover probable losses. The increase of $6 in the allowance for loan losses was primarily the result of an increase in specific reserves and charge-offs.

RESULTS OF OPERATIONS

For the three months ended March 31, 2015

Net income for the three months ended March 31, 2015, totaled $1,340 as compared to $1,743 for the same period in 2014, a decrease of $403. Net interest income increased $53 for the three months ended March 31, 2015, as compared to the same period in 2014. This increase is attributed primarily to an increase in interest income as a result of higher loan volume.

Noninterest income for the three months ended March 31, 2015, totaled $1,089 as compared to $1,195 for the same period in 2014, a decrease of $106. This is attributed to a decrease of $35 in patronage refunds from other farm credit institutions, $9 in fee income, $52 in losses on sales of premises and equipment, $48 in other noninterest income, offset by an increase of $26 in financially related services and $12 in gains on sale of rural home loans.

Noninterest expense for the three months ended March 31, 2015, totaled $3,079 as compared to $2,712 for the same period in 2014, an increase of $367. This increase is attributed to an increase in salary and employee benefits of $76, $13 in insurance fund premiums, and a loss on OPO of $6 compared to a gain of $279 the previous year. It is offset by a decrease in occupancy and equipment of $5 and $2 in other operating expenses.

FUNDING SOURCES

The principal source of funds for the Association is the borrowing relationship established with AgFirst Farm Credit Bank (the Bank) through a General Financing Agreement. The General Financing Agreement utilizes the Association's credit and fiscal performance as criteria for establishing a line of credit on which the Association may draw funds. The Bank advances funds to the Association in the form of notes payable. The notes payable are segmented into variable rate and fixed rate sections. The variable rate note is utilized by the Association to fund variable rate loan advances and operating funds requirements. The fixed rate note is used specifically to fund fixed rate loan advances made by the Association. The total notes payable to the Bank at March 31, 2015, was $373,501 compared to $411,161 at December 31, 2014.

CAPITAL RESOURCES

Total members' equity at March 31, 2015, increased to $87,645 from the December 31, 2014, total of $86,679. The increase is primarily attributed to unallocated retained earnings. Total capital stock and participation certificates were $4,833 on March 31, 2015, compared to $4,872 on December 31, 2014.

Farm Credit Administration (FCA) regulations require all Farm Credit institutions to maintain minimum permanent capital, total surplus and core surplus ratios. These ratios are calculated by dividing the Association's permanent capital, total surplus and core surplus as defined in FCA regulations, by a risk-adjusted asset base. As of March 31, 2015, the Association's total surplus ratio and core surplus ratio were 18.31 percent and 16.60 percent, respectively, and the permanent capital ratio was 19.19 percent. The three ratios were well above the minimum regulatory ratios of 7.00 percent for permanent capital and total surplus ratios and 3.50 percent for the core surplus ratio.

REGULATORY MATTERS

On July 25, 2014, the FCA published a proposed rule in the Federal Register to revise the requirements governing the eligibility of investments for System banks and associations. The public comment period ended on October 23, 2014. 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.
- To revise the investment regulation for System associations to improve their investment management practices so they are more resilient to risk.

On September 4, 2014, the FCA published a proposed rule in the Federal Register to modify the regulatory capital requirements for System banks and associations. The public comment period ended on February 16, 2015. 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.
- To meet the requirements of section 939A of the Dodd-Frank Wall Street Reform and Consumer Protection Act (Dodd-Frank Act).

FINANCIAL REGULATORY REFORM

See discussion of the Dodd-Frank Act in the Financial Regulatory Reform section of the Association's 2014 Annual Report.

RECENTLY ISSUED ACCOUNTING PRONOUNCEMENTS

Please refer to Note 1, *"Organization, Significant Accounting Policies, and Recently Issued Accounting Pronouncements",* in the Notes to the Financial Statements, and the 2014 Annual Report to Shareholders for recently issued accounting pronouncements.

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NOTE: Shareholder investment in the Association is materially affected by the financial condition and results of operations of AgFirst Farm Credit Bank. Copies of AgFirst's annual and quarterly reports are available upon request free of charge by calling 1-800-845-1745, ext. 2832, or writing Susanne Caughman, AgFirst Farm Credit Bank, P.O. Box 1499, Columbia, SC 29202. Information concerning AgFirst Farm Credit Bank can also be obtained at their website, *www.agfirst.com*. Copies of the Association's annual and quarterly reports are also available upon request free of charge by calling (270) 247-5613, writing Beth Barkley, Chief Financial Officer, River Valley AgCredit, ACA, P.O. Box 309, Mayfield, KY 42066, or accessing the website, *www.rivervalleyagcredit.com*. The Association prepares a quarterly report within 40 days after the end of each fiscal quarter, except that no report need be prepared for the fiscal quarter that coincides with the end of the fiscal year of the institution.

River Valley AgCredit, ACA

Consolidated Balance Sheets

(dollars in thousands)	March 31, 2015	December 31, 2014
	(unaudited)	*(audited)*
Assets		
Cash	**$ 1,111**	$ 2,933
Investment securities:		
Held to maturity (fair value of $32 and $96, respectively)	**32**	97
Loans	**459,502**	492,869
Allowance for loan losses	**(6,046)**	(6,040)
Net loans	**453,456**	486,829
Loans held for sale	**590**	—
Accrued interest receivable	**4,826**	5,056
Investments in other Farm Credit institutions	**6,978**	7,108
Premises and equipment, net	**5,143**	5,698
Other property owned	**919**	919
Accounts receivable	**1,071**	8,283
Other assets	**912**	1,223
Total assets	**$ 475,038**	$ 518,146
Liabilities		
Notes payable to AgFirst Farm Credit Bank	**$ 373,501**	$ 411,161
Accrued interest payable	**754**	806
Patronage refunds payable	**295**	2,683
Accounts payable	**213**	483
Advanced conditional payments	**6,515**	5,936
Other liabilities	**6,115**	10,398
Total liabilities	**387,393**	431,467
Commitments and contingencies (Note 7)		
Members' Equity		
Capital stock and participation certificates	**4,833**	4,872
Additional paid-in-capital	**15,817**	15,817
Retained earnings		
Allocated	**38,911**	38,301
Unallocated	**28,084**	27,689
Total members' equity	**87,645**	86,679
Total liabilities and members' equity	**$ 475,038**	$ 518,146

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

River Valley AgCredit, ACA

Consolidated Statements of Comprehensive Income

(unaudited)

(dollars in thousands)	For the three months ended March 31, 2015	2014
Interest Income		
Loans	**$ 5,587**	$ 5,296
Investments	**—**	2
Total interest income	**5,587**	5,298
Interest Expense		
Notes payable to AgFirst Farm Credit Bank	**2,231**	1,991
Other	**16**	20
Total interest expense	**2,247**	2,011
Net interest income	**3,340**	3,287
Provision for loan losses	**10**	35
Net interest income after provision for loan losses	**3,330**	3,252
Noninterest Income		
Loan fees	**107**	116
Fees for financially related services	**113**	87
Patronage refunds from other Farm Credit institutions	**854**	889
Gains (losses) on sales of rural home loans, net	**65**	53
Gains (losses) on sales of premises and equipment, net	**(52)**	—
Other noninterest income	**2**	50
Total noninterest income	**1,089**	1,195
Noninterest Expense		
Salaries and employee benefits	**2,125**	2,049
Occupancy and equipment	**154**	159
Insurance Fund premiums	**105**	92
(Gains) losses on other property owned, net	**6**	(279)
Other operating expenses	**689**	691
Total noninterest expense	**3,079**	2,712
Income before income taxes	**1,340**	1,735
Provision (benefit) for income taxes	**—**	(8)
Net income	**1,340**	1,743
Other comprehensive income	**—**	—
Comprehensive income	**$ 1,340**	$ 1,743

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

River Valley AgCredit, ACA

Consolidated Statements of Changes in Members’ Equity

(unaudited)

(dollars in thousands)	Capital Stock and Participation Certificates	Additional Paid-in-Capital	Retained Earnings Allocated	Retained Earnings Unallocated	Total Members' Equity
Balance at December 31, 2013	$ 4,989	$ 15,817	$ 36,490	$ 24,529	$ 81,825
Comprehensive income				1,743	1,743
Capital stock/participation certificates issued/(retired), net	(46)				(46)
Patronage distribution adjustment			(296)	(543)	(839)
Balance at March 31, 2014	$ 4,943	$ 15,817	$ 36,194	$ 25,729	$ 82,683
Balance at December 31, 2014	**$ 4,872**	**$ 15,817**	**$ 38,301**	**$ 27,689**	**$ 86,679**
Comprehensive income				**1,340**	**1,340**
Capital stock/participation certificates issued/(retired), net	**(39)**				**(39)**
Retained earnings retired			**(1)**		**(1)**
Patronage distribution adjustment			**611**	**(945)**	**(334)**
Balance at March 31, 2015	**$ 4,833**	**$ 15,817**	**$ 38,911**	**$ 28,084**	**$ 87,645**

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

River Valley AgCredit, ACA

Notes to the Consolidated Financial Statements

(dollars in thousands, except as noted)
(unaudited)

Note 1 — Organization, Significant Accounting Policies, and Recently Issued Accounting Pronouncements

Organization
The accompanying financial statements include the accounts of River Valley AgCredit, ACA (the Association). A description of the organization and operations, the significant accounting policies followed, and the financial condition and results of operations for the Association as of and for the year ended December 31, 2014, are contained in the 2014 Annual Report to Shareholders. These unaudited interim consolidated financial statements should be read in conjunction with the latest Annual Report to Shareholders.

Effective July 1, 2012, Chattanooga, ACA merged with and into Jackson Purchase, ACA. The merged associations now operate under the name of River Valley AgCredit, ACA.

Basis of Presentation
In the opinion of management, the accompanying consolidated financial statements contain all adjustments necessary for a fair statement of results for the periods presented. These adjustments are of a normal recurring nature, unless otherwise disclosed.

Certain amounts in the prior period's consolidated financial statements may have been reclassified to conform to the current period presentation. Such reclassifications had no effect on the prior period net income or total capital as previously reported.

The results of any interim period are not necessarily indicative of those to be expected for a full year.

Significant Accounting Policies
The Association's accounting and reporting policies conform with U.S. generally accepted accounting principles (GAAP) and practices in the financial services industry. To prepare the financial statements in conformity with GAAP, management must make estimates based on assumptions about future economic and market conditions (for example, unemployment, market liquidity, real estate prices, etc.) that affect the reported amounts of assets and liabilities at the date of the financial statements, income and expenses during the reporting period, and the related disclosures. Although these estimates contemplate current conditions and expectations of change in the future, it is reasonably possible that actual conditions may be different than anticipated, which could materially affect results of operations and financial condition.

Management has made significant estimates in several areas, including loans and allowance for loan losses (Note 2, *Loans and Allowance for Loan Losses*), investment securities and other-than-temporary impairment (Note 3, *Investments*), and financial instruments (Note 5, *Fair Value Measurement*). Actual results could differ from those estimates.

Accounting Standards Effective During the Period
There were no changes in the accounting principles applied from the latest Annual Report, other than any discussed below. For further details of significant accounting policies, see Note 2, *Summary of Significant Accounting Policies*, from the latest Annual Report.

No recently adopted accounting guidance issued by the Financial Accounting Standards Board (FASB) had a significant effect on the current period reporting. See the most recent Annual Report for a detailed description of each of the standards below:

- 2014-14 Classification of Certain Government-Guaranteed Mortgage Loans – The Association did not have a significant amount of loans that met the criteria of the guidance.
- 2014-11 Repurchase-to-Maturity Transactions – The Association did not have a significant amount of transactions that met the criteria of the guidance.
- 2014-08 Discontinued Operations – The Association has not had and does not anticipate any significant disposals.
- 2014-04 Reclassification of Consumer Mortgage Loans – The criteria of the standard were not significantly different from the Association's policy in place at adoption. See Note 2, *Loans and Allowance for Loan Losses*, for the additional disclosures required by this guidance.

Note 2 — Loans and Allowance for Loan Losses

The Association maintains an allowance for loan losses at a level considered adequate by management to provide for probable and estimable losses inherent in the loan portfolio as of the report date. The allowance for loan losses is increased through provisions for loan losses and loan recoveries and is decreased through loan charge-offs and allowance reversals. A review of individual loans in each respective portfolio is performed periodically to determine the appropriateness of risk ratings and to ensure loss exposure to the Association has been identified. See Note 3, *Loans and Allowance for Loan Losses*, from the latest Annual Report for further discussion.

Credit risk arises from the potential inability of an obligor to meet its repayment obligation. The Association manages credit risk associated with lending activities through an assessment of the credit risk profile of an individual obligor. The Association sets its own underwriting standards and lending policies that provide direction to loan officers and are approved by the board of directors.

A summary of loans outstanding at period end follows:

	March 31, 2015	December 31, 2014
Real estate mortgage	$ 242,319	$ 241,294
Production and intermediate-term	180,023	212,684
Loans to cooperatives	2,983	3,075
Processing and marketing	8,005	8,651
Farm-related business	4,395	4,399
Rural residential real estate	14,237	14,896
Other (including Mission Related)	7,540	7,870
Total Loans	$ 459,502	$ 492,869

A substantial portion of the Association's lending activities is collateralized, and exposure to credit loss associated with lending activities is reduced accordingly.

The Association may purchase or sell participation interests with other parties in order to diversify risk, manage loan volume, and comply with Farm Credit Administration (FCA) regulations. The following tables present participation loan balances at periods ended:

	March 31, 2015							
	Within AgFirst District		Within Farm Credit System		Outside Farm Credit System		Total	
	Participations Purchased	Participations Sold	Participations Purchased	Participations Sold	Participations Purchased	Participations Sold	Participations Purchased	Participations Sold
Real estate mortgage	$ –	$ 12,944	$ –	$ –	$ 2,119	$ 1,424	$ 2,119	$ 14,368
Production and intermediate-term	5,317	10,193	–	–	10,590	726	15,907	10,919
Loans to cooperatives	–	–	–	–	2,983	–	2,983	–
Processing and marketing	7,076	–	446	–	419	–	7,941	–
Farm-related business	–	682	–	–	–	–	–	682
Other (including Mission Related)	–	–	–	–	7,291	–	7,291	–
Total	$ 12,393	$ 23,819	$ 446	$ –	$ 23,402	$ 2,150	$ 36,241	$ 25,969

	December 31, 2014							
	Within AgFirst District		Within Farm Credit System		Outside Farm Credit System		Total	
	Participations Purchased	Participations Sold	Participations Purchased	Participations Sold	Participations Purchased	Participations Sold	Participations Purchased	Participations Sold
Real estate mortgage	$ –	$ 13,952	$ –	$ –	$ 915	$ 1,216	$ 915	$ 15,168
Production and intermediate-term	5,321	10,831	–	–	10,286	796	15,607	11,627
Loans to cooperatives	–	–	–	–	3,075	–	3,075	–
Processing and marketing	7,514	–	501	–	419	–	8,434	–
Farm-related business	–	811	–	–	–	–	–	811
Other (including Mission Related)	–	–	–	–	7,623	–	7,623	–
Total	$ 12,835	$ 25,594	$ 501	$ –	$ 22,318	$ 2,012	$ 35,654	$ 27,606

A significant source of liquidity for the Association is the repayments of loans. The following table presents the contractual maturity distribution of loans by loan type at the latest period end:

	March 31, 2015			
	Due less than 1 year	Due 1 Through 5 years	Due after 5 years	Total
Real estate mortgage	$ 9,866	$ 24,109	$ 208,344	$ 242,319
Production and intermediate-term	44,161	81,246	54,616	180,023
Loans to cooperatives	494	1,490	999	2,983
Processing and marketing	–	4,344	3,661	8,005
Farm-related business	1,986	208	2,201	4,395
Rural residential real estate	1,650	2,325	10,262	14,237
Other (including Mission Related)	7	1,229	6,304	7,540
Total Loans	$ 58,164	$ 114,951	$ 286,387	$ 459,502
Percentage	12.66%	25.02%	62.32%	100.00%

The recorded investment in a receivable is the face amount increased or decreased by applicable accrued interest, unamortized premium, discount, finance charges, or acquisition costs and may also reflect a previous direct write-down of the investment.

The following table shows the recorded investment of loans, classified under the FCA Uniform Loan Classification System, as a percentage of the recorded investment of total loans by loan type as of:

	March 31, 2015	December 31, 2014
Real estate mortgage:		
Acceptable	98.04%	97.88%
OAEM	0.67	0.80
Substandard/doubtful/loss	1.29	1.32
	100.00%	100.00%
Production and intermediate-term:		
Acceptable	97.60%	97.58%
OAEM	1.12	1.27
Substandard/doubtful/loss	1.28	1.15
	100.00%	100.00%
Loans to cooperatives:		
Acceptable	100.00%	100.00%
OAEM	–	–
Substandard/doubtful/loss	–	–
	100.00%	100.00%
Processing and marketing:		
Acceptable	100.00%	100.00%
OAEM	–	–
Substandard/doubtful/loss	–	–
	100.00%	100.00%

	March 31, 2015	December 31, 2014
Farm-related business:		
Acceptable	64.13%	63.27%
OAEM	35.87	36.73
Substandard/doubtful/loss	–	–
	100.00%	100.00%
Rural residential real estate:		
Acceptable	96.19%	96.19%
OAEM	0.48	0.47
Substandard/doubtful/loss	3.33	3.34
	100.00%	100.00%
Other (including Mission Related)		
Acceptable	100.00%	100.00%
OAEM	–	–
Substandard/doubtful/loss	–	–
	100.00%	100.00%
Total Loans:		
Acceptable	97.57%	97.48%
OAEM	1.15	1.28
Substandard/doubtful/loss	1.28	1.24
	100.00%	100.00%

The following tables provide an age analysis of the recorded investment of past due loans as of:

	March 31, 2015					
	30 Through 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	Recorded Investment 90 Days or More Past Due and Accruing Interest
Real estate mortgage	$ 2,066	$ 2,702	$ 4,768	$ 239,963	$ 244,731	$ –
Production and intermediate-term	787	1,783	2,570	179,695	182,265	–
Loans to cooperatives	–	–	–	3,010	3,010	–
Processing and marketing	–	–	–	8,026	8,026	–
Farm-related business	–	–	–	4,416	4,416	–
Rural residential real estate	349	57	406	13,900	14,306	–
Other (including Mission Related)	153	–	153	7,421	7,574	–
Total	$ 3,355	$ 4,542	$ 7,897	$ 456,431	$ 464,328	$ –

	December 31, 2014					
	30 Through 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	Recorded Investment 90 Days or More Past Due and Accruing Interest
Real estate mortgage	$ 1,188	$ 2,927	$ 4,115	$ 239,597	$ 243,712	$ 36
Production and intermediate-term	64	1,821	1,885	213,310	215,195	69
Loans to cooperatives	–	–	–	3,102	3,102	–
Processing and marketing	–	–	–	8,666	8,666	–
Farm-related business	–	–	–	4,404	4,404	–
Rural residential real estate	237	60	297	14,647	14,944	–
Other (including Mission Related)	–	–	–	7,902	7,902	–
Total	$ 1,489	$ 4,808	$ 6,297	$ 491,628	$ 497,925	$ 105

Nonperforming assets (including the recorded investment for loans) and related credit quality statistics at period end were as follows:

	March 31, 2015	December 31, 2014
Nonaccrual loans:		
Real estate mortgage	$ 2,999	$ 3,115
Production and intermediate-term	2,700	2,704
Rural residential real estate	150	179
Total	$ 5,849	$ 5,998
Accruing restructured loans:		
Real estate mortgage	$ 2,053	$ 2,081
Production and intermediate-term	909	974
Rural residential real estate	26	26
Total	$ 2,988	$ 3,081
Accruing loans 90 days or more past due:		
Real estate mortgage	$ –	$ 36
Production and intermediate-term	–	69
Total	$ –	$ 105
Total nonperforming loans	$ 8,837	$ 9,184
Other property owned	919	919
Total nonperforming assets	$ 9,756	$ 10,103
Nonaccrual loans as a percentage of total loans	1.27%	1.22%
Nonperforming assets as a percentage of total loans and other property owned	2.12%	2.05%
Nonperforming assets as a percentage of capital	11.13%	11.66%

The following table presents information related to the recorded investment of impaired loans at period end. Impaired loans are loans for which it is probable that all principal and interest will not be collected according to the contractual terms of the loan.

	March 31, 2015	December 31, 2014
Impaired nonaccrual loans:		
Current as to principal and interest	$ 1,023	$ 1,046
Past due	4,826	4,952
Total	5,849	5,998
Impaired accrual loans:		
Restructured	2,988	3,081
90 days or more past due	–	105
Total	2,988	3,186
Total impaired loans	$ 8,837	$ 9,184

The following tables present additional impaired loan information at period end. Unpaid principal balance represents the contractual principal balance of the loan.

	March 31, 2015			Quarter Ended March 31, 2015	
Impaired loans:	**Recorded Investment**	**Unpaid Principal Balance**	**Related Allowance**	**Average Impaired Loans**	**Interest Income Recognized on Impaired Loans**
With a related allowance for credit losses:					
Real estate mortgage	$ 72	$ 96	$ 41	$ 74	$ 1
Production and intermediate-term	699	713	161	713	4
Rural residential real estate	69	106	24	71	–
Total	$ 840	$ 915	$ 226	$ 858	$ 5
With no related allowance for credit losses:					
Real estate mortgage	$ 4,980	$ 5,196	$ –	$ 5,087	$ 28
Production and intermediate-term	2,910	2,926	–	2,974	17
Rural residential real estate	107	119	–	109	1
Total	$ 7,997	$ 8,241	$ –	$ 8,170	$ 46
Total:					
Real estate mortgage	$ 5,052	$ 5,292	$ 41	$ 5,161	$ 29
Production and intermediate-term	3,609	3,639	161	3,687	21
Rural residential real estate	176	225	24	180	1
Total	$ 8,837	$ 9,156	$ 226	$ 9,028	$ 51

Impaired loans:	December 31, 2014 Recorded Investment	Unpaid Principal Balance	Related Allowance	Year Ended December 31, 2014 Average Impaired Loans	Interest Income Recognized on Impaired Loans
With a related allowance for credit losses:					
Real estate mortgage	$ 126	$ 150	$ 44	$ 147	$ 7
Production and intermediate-term	460	475	152	536	25
Rural residential real estate	71	108	24	83	4
Total	$ 657	$ 733	$ 220	$ 766	36
With no related allowance for credit losses:					
Real estate mortgage	$ 5,106	$ 5,296	$ –	$ 5,951	$ 278
Production and intermediate-term	3,287	3,308	–	3,832	180
Rural residential real estate	134	145	–	156	7
Total	$ 8,527	$ 8,749	$ –	$ 9,939	$ 465
Total:					
Real estate mortgage	$ 5,232	$ 5,446	$ 44	$ 6,098	$ 285
Production and intermediate-term	3,747	3,783	152	4,368	205
Rural residential real estate	205	253	24	239	11
Total	$ 9,184	$ 9,482	$ 220	$ 10,705	$ 501

There were no material commitments to lend additional funds to debtors whose loans were classified as impaired at each reporting period.

A summary of changes in the allowance for loan losses and recorded investment in loans for each reporting period follows:

	Real Estate Mortgage	Production and Intermediate -term	Agribusiness*	Rural Residential Real Estate	Other (including Mission Related)	Total
Activity related to the allowance for credit losses:						
Balance at December 31, 2014	$ 2,542	$ 2,490	$ 863	$ 145	$ –	$ 6,040
Charge-offs	(2)	(3)	–	(2)	–	(7)
Recoveries	–	3	–	–	–	3
Provision for loan losses	(1)	9	–	2	–	10
Balance at March 31, 2015	$ 2,539	$ 2,499	$ 863	$ 145	$ –	$ 6,046
Balance at December 31, 2013	$ 2,428	$ 2,827	$ 827	$ 100	$ 16	$ 6,198
Charge-offs	(79)	(20)	–	(1)	–	(100)
Recoveries	–	1	–	–	–	1
Provision for loan losses	(2)	36	–	1	–	35
Balance at March 31, 2014	$ 2,347	$ 2,844	$ 827	$ 100	$ 16	$ 6,134
Allowance on loans evaluated for impairment:						
Individually	$ 41	$ 161	$ –	$ 24	$ –	$ 226
Collectively	2,498	2,338	863	121	–	5,820
PCI**	–	–	–	–	–	–
Balance at March 31, 2015	$ 2,539	$ 2,499	$ 863	$ 145	$ –	$ 6,046
Individually	$ 44	$ 152	$ –	$ 24	$ –	$ 220
Collectively	2,498	2,338	863	121	–	5,820
PCI**	–	–	–	–	–	–
Balance at December 31, 2014	$ 2,542	$ 2,490	$ 863	$ 145	$ –	$ 6,040
Recorded investment in loans evaluated for impairment:						
Individually	$ 3,907	$ 3,080	$ –	$ 120	$ –	$ 7,107
Collectively	239,483	178,656	15,452	14,118	7,574	455,283
PCI**	1,341	529	–	68	–	1,938
Balance at March 31, 2015	$ 244,731	$ 182,265	$ 15,452	$ 14,306	$ 7,574	$ 464,328
Individually	$ 3,951	$ 3,204	$ –	$ 145	$ –	$ 7,300
Collectively	238,280	211,436	16,172	14,727	7,902	488,517
PCI**	1,481	555	–	72	–	2,108
Balance at December 31, 2014	$ 243,712	$ 215,195	$ 16,172	$ 14,944	$ 7,902	$ 497,925

**Includes the loan types; Loans to cooperatives, Processing and marketing, and Farm-related business.*
***Purchased credit impaired loans.*

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. The following tables present additional information about pre-modification and post-modification outstanding recorded investment and the effects of the modifications that occurred during the periods presented. There were no TDRs that occurred during the three months ended March 31, 2015.

	Three months ended March 31, 2014				
Outstanding Recorded Investment	Interest Concessions	Principal Concessions	Other Concessions	Total	Charge-offs
Pre-modification:					
Real estate mortgage	$ –	$ 198	$ –	$ 198	
Production and intermediate-term	–	940	–	940	
Total	$ –	$ 1,138	$ –	$ 1,138	
Post-modification:					
Real estate mortgage	$ –	$ 198	$ –	$ 198	$ –
Production and intermediate-term	–	940	–	940	–
Total	$ –	$ 1,138	$ –	$ 1,138	$ –

Interest concessions may include interest forgiveness and interest deferment. Principal concessions may include principal forgiveness, principal deferment, and maturity extension. Other concessions may include additional compensation received which might be in the form of cash or other assets.

There were no TDRs that occurred during the previous twelve months and for which there was a subsequent payment default during the periods presented. Payment default is defined as a payment that was thirty days or more past due.

The following table provides information at period end on outstanding loans restructured in troubled debt restructurings. These loans are included as impaired loans in the impaired loan table:

	Total TDRs		Nonaccrual TDRs	
	March 31, 2015	December 31, 2014	March 31, 2015	December 31, 2014
Real estate mortgage	$ 4,045	$ 4,185	$ 1,992	$ 2,104
Production and intermediate-term	1,326	1,427	417	453
Rural residential real estate	83	86	57	60
Total Loans	$ 5,454	$ 5,698	$ 2,466	$ 2,617
Additional commitments to lend	$ –	$ –		

The following table presents information as of period end:

	March 31, 2015
Carrying amount of foreclosed residential real estate properties held as a result of obtaining physical possession	$ 113
Recorded investment of consumer mortgage loans secured by residential real estate for which formal foreclosure proceedings are in process	$ –

Purchased Credit Impaired (PCI) Loans

River Valley acquires loans individually and in groups or portfolios. For certain acquired loans that experienced deterioration in credit quality between origination and acquisition, the amount paid for the loan will reflect this fact. At acquisition, each loan is reviewed to determine whether there is evidence of deterioration of credit quality since origination and if it is probable that the Association would be unable to collect all amounts due according to the loan's contractual terms. If both conditions exist, the purchaser determines whether each such loan is to be accounted for individually or whether such loans would be assembled into pools of loans based on common risk characteristics (credit score, loan type, and date of origination, for example). Considerations of value should include expected prepayments, the estimated amount and timing of undiscounted expected principal, interest, and other cash flows (expected at acquisition) for each loan and the subsequently aggregated pool of loans. Any excess of the loan's or pool's scheduled principal and contractual interest payments over all of the cash flows expected at acquisition is an amount that should not be accreted to income (nonaccretable difference). The remaining amount, representing the excess of the loan's cash flows expected to be collected over the amount paid, is accreted into interest income over the remaining life of the loan or pool (accretable yield).

Accounting guidance requires that the purchaser continue to estimate cash flows expected to be collected over the life of the loan or pool. It then evaluates at the balance sheet date whether the present value of its loans, determined using the effective interest rate, has decreased and if so, recognizes a loss. For loans or pools that are not accounted for as debt securities, the present value of any subsequent increase in the loan's or pool's actual cash flows or cash flows expected to be collected is used first to reverse any existing valuation allowance for that loan or pool. For any remaining increases in cash flows expected to be collected, or for loans or pools accounted for as debt securities, a purchaser adjusts the amount of accretable yield recognized on a prospective basis over the loan's or pool's remaining life.

Valuation allowances for all PCI loans reflect only those losses incurred after acquisition, that is, the present value of cash flows expected at acquisition that are not expected to be collected. Valuation allowances are established only subsequent to acquisition of the loans.

The carrying amounts of loans acquired in a 2012 business combination included in the balance sheet amounts of loans receivable at period end were as follows:

	March 31, 2015	December 31, 2014
Real estate mortgage	$ 1,341	$ 1,481
Production and intermediate-term	529	555
Rural residential real estate	68	72
Total Loans	$ 1,938	$ 2,108

There was no allowance for loan losses related to these loans at either March 31, 2015 or December 31, 2014. During the three month period ended March 31, 2015, there was no provision for loan losses on these loans compared with an expense of $1 for the three month period ended March 31, 2014. See above for a summary of changes in the total allowance for loan losses for the period ended March 31, 2015. There were no other loans acquired during 2015 or 2014 for which it was probable at acquisition that all contractually required payments would not be collected.

Certain of the loans acquired by the Association in the business combination that were within the scope of PCI loan guidance are accounted for using a cash basis method of income recognition because the Association cannot reasonably estimate cash flows expected to be collected. Substantially all of the loans acquired were real estate collateral dependent loans. As discussed previously, the real estate market is unpredictable, making the estimation of the amount and timing of a sale of loan collateral in essentially the same condition as received upon foreclosure indeterminate. As such, the Association does not have the information necessary to reasonably estimate cash flows expected to be collected to compute its yield. Management determined a nonaccrual classification would be the most appropriate and that no income would be recognized on these loans as is allowed under accounting guidance.

Note 3 — Investments

Investment Securities

The Association's investments consist primarily of asset-backed securities (ABSs). These ABSs are issued through the Small Business Administration and are guaranteed by the full faith and credit of the United States government. They are held for managing short-term surplus funds and reducing interest rate risk. These securities meet the applicable FCA regulatory guidelines related to government agency guaranteed investments.

A summary of the amortized cost and fair value of investment securities held-to-maturity follows:

	March 31, 2015				
	Amortized Cost	Gross Unrealized Gains	Gross Unrealized Losses	Fair Value	Yield
ABSs	$ 32	$ –	$ –	$ 32	0.70%

	December 31, 2014				
	Amortized Cost	Gross Unrealized Gains	Gross Unrealized Losses	Fair Value	Yield
ABSs	$ 97	$ –	$ (1)	$ 96	1.39%

A summary of the contractual maturity, amortized cost and estimated fair value of investment securities held-to-maturity follows:

	March 31, 2015		
	Amortized Cost	Fair Value	Weighted Average Yield
In one year or less	$ 31	$ 31	0.70%
After one year through five years	1	1	0.71
After five years through ten years	–	–	–
After ten years	–	–	–
Total	$ 32	$ 32	0.70%

Expected maturities for these types of securities can differ from contractual maturities because borrowers may have the right to prepay obligations with or without prepayment penalties.

An investment is considered impaired if its fair value is less than its cost. The following tables show the fair value and gross unrealized losses for investments that were in a continuous unrealized loss position aggregated by investment category at each reporting period. A continuous unrealized loss position for an investment is measured from the date the impairment was first identified. There were no securities in a continuous unrealized loss position at March 31, 2015.

	December 31, 2014			
	Less than 12 Months		12 Months or Greater	
	Fair Value	Unrealized Losses	Fair Value	Unrealized Losses
ABSs	$ –	$ –	$ 96	$ (1)

The recording of an impairment is predicated on: (1) whether or not management intends to sell the security, (2) whether it is more likely than not that management would be required to sell the security before recovering its costs, and (3) whether management expects to recover the security's entire amortized cost basis (even if there is no intention to sell). If the Association intends to sell the security or it is more likely than not that it would be required to sell the security, the impairment loss equals the full difference between amortized cost and fair value of the security. When the Association does not intend to sell securities in an unrealized loss position and it is not more likely than not that it would be required to sell the securities, other-than-temporary impairment loss is separated into credit loss and non-credit loss. Credit loss is defined as the shortfall of the present value of the cash flows expected to be collected in relation to the amortized cost basis.

The Association performs periodic credit reviews, including other-than-temporary impairment analyses, on its investment securities portfolio. The objective is to quantify future possible loss of principal or interest due on securities in the portfolio. Factors considered in determining whether an impairment is other-than-temporary include among others: (1) the length of time and the extent to which the fair value is less than cost, (2) adverse conditions specifically related to the industry, (3) geographic area and the condition of the underlying collateral, (4) payment structure of the security, (5) ratings by rating agencies, (6) the credit worthiness of bond insurers, and (7) volatility of the fair value changes.

The Association uses the present value of cash flows expected to be collected from each debt security to determine the amount of credit loss. This technique requires assumptions related to the underlying collateral, including default rates, amount and timing of prepayments, and loss severity. Assumptions can vary widely from security to security and are influenced by such factors as loan interest rate, geographical location of the borrower, borrower characteristics, and collateral type.

Significant inputs used to estimate the amount of credit loss include, but are not limited to, performance indicators of the underlying assets in the security (including default rates, delinquency rates, and percentage of nonperforming assets), loan-to-collateral value ratios, third-party guarantees, current levels of subordination, vintage, geographic concentration, and credit ratings. The Association may obtain assumptions for the default rate, prepayment rate, and loss severity rate from an independent third party, or generate the assumptions internally.

The Association has not recognized any credit losses as any impairments were deemed temporary and resulted from non-credit related factors. The Association has the ability and intent to hold these temporarily impaired investments until a recovery of unrealized losses occurs, which may be at maturity, and at this time expects to collect the full principal amount and interest due on these securities, especially after considering credit enhancements.

A substantial portion of these investments was in U.S. government agency securities and the Association expects these securities would not be settled at a price less than their amortized cost. All securities continue to perform at period end.

Investments in other Farm Credit Institutions

The Association is required to maintain ownership in AgFirst Farm Credit Bank (AgFirst or the Bank) of Class B and Class C stock as determined by the Bank. The Bank may require additional capital contributions to maintain its capital requirements. The Association owns 2.67 percent of the issued stock of the Bank as of March 31, 2015 net of any reciprocal investment. As of that date, the Bank's assets totaled $28.9 billion and shareholders' equity totaled $2.3 billion. The Bank's earnings were $83 million for the first three months of 2015. In addition, the Association has an investment of $85 related to other Farm Credit institutions.

Note 4 — Debt

Notes Payable to AgFirst Farm Credit Bank

The Association's indebtedness to the Bank represents borrowings by the Association to fund its earning assets. This indebtedness is collateralized by a pledge of substantially all of the Association's assets. The contractual terms of the revolving line of credit are contained in the General Financing Agreement (GFA). The GFA also defines Association performance criteria for borrowing from the Bank, which includes borrowing base margin, earnings and capital covenants, among others.

Note 5 — Fair Value Measurement

Fair value is defined 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.

Accounting guidance establishes a hierarchy for disclosure of fair value measurements to maximize the use of observable inputs, that is, inputs that reflect the assumptions market participants would use in pricing an asset or liability based on market data obtained from sources independent of the reporting entity. The hierarchy is based upon the transparency of inputs to the valuation of an asset or liability as of the measurement date. A financial instrument's categorization within the hierarchy tiers is based upon the lowest level of input that is significant to the fair value measurement.

Estimating the fair value of the Association's investment in the Bank and Other Farm Credit Institutions is not practicable because the stock is not traded. The net investment is a requirement of borrowing from the Bank and is carried at cost plus allocated equities in the accompanying Consolidated Balance Sheets.

The classifications of the Association's financial instruments within the fair value hierarchy are as follows:

Level 1 inputs to the valuation methodology are unadjusted quoted prices for identical assets or liabilities in active markets.

Level 2 inputs include quoted prices for similar assets and liabilities in active markets; quoted prices in markets that are not active; and inputs that are observable, or can be corroborated, for substantially the full term of the asset or liability.

Level 3 inputs are unobservable and supported by little or no market activity. Valuation is determined using pricing models, discounted cash flow methodologies, or similar techniques, and could include significant management judgment or estimation. Level 3 assets and liabilities also could include instruments whose price has been adjusted based on dealer quoted pricing that is different than the third-party valuation or internal model pricing.

For a complete discussion of the inputs and other assumptions considered in assigning various assets and liabilities to the fair value hierarchy levels, see the latest Annual Report to Shareholders.

There were no Level 3 assets or liabilities measured at fair value on a recurring basis for the periods presented. The Association had no transfers of assets or liabilities into or out of Level 1 or Level 2 during the periods presented.

SENSITIVITY TO CHANGES IN SIGNIFICANT UNOBSERVABLE INPUTS

Discounted cash flow or similar modeling techniques are generally used to determine the recurring fair value measurements for Level 3 assets and liabilities. Use of these techniques requires determination of relevant inputs and assumptions, some of which represent significant unobservable inputs as indicated in the tables that follow. Accordingly, changes in these unobservable inputs may have a significant impact on fair value.

Certain of these unobservable inputs will (in isolation) have a directionally consistent impact on the fair value of the instrument for a given change in that input. Alternatively, the fair value of the instrument may move in an opposite direction for a given change in another input. Where multiple inputs are used within the valuation technique of an asset or liability, a change in one input in a certain direction may be offset by an opposite change in another input having a potentially muted impact to the overall fair value of that particular instrument. Additionally, a change in one unobservable input may result in a change to another unobservable input (that is, changes in certain inputs are interrelated with one another), which may counteract or magnify the fair value impact.

Investment Securities

The fair values of predominantly all Level 3 investment securities have consistent inputs, valuation techniques and correlation to changes in underlying inputs. The models used to determine fair value for these instruments use certain significant unobservable inputs within a discounted cash flow or market comparable pricing valuation technique. Such inputs generally include discount rate components including risk premiums, prepayment estimates, default estimates and loss severities.

These Level 3 assets would decrease (increase) in value based upon an increase (decrease) in discount rates, defaults, or loss severities. Conversely, the fair value of these assets would generally increase (decrease) in value if the prepayment input were to increase (decrease).

Generally, a change in the assumption used for defaults is accompanied by a directionally similar change in the risk premium component of the discount rate (specifically, the portion related to credit risk) and a directionally opposite change in the assumption used for prepayments. Unobservable inputs for loss severities do not normally increase or decrease based on movements in the other significant unobservable inputs for these Level 3 assets.

Inputs to Valuation Techniques

Management determines the Association's valuation policies and procedures. The Bank performs the majority of the Association's valuations, and its valuation processes are calibrated annually by an independent consultant. The fair value measurements are analyzed on a quarterly basis. For other valuations, documentation is obtained for third party information, such as pricing, and periodically evaluated alongside internal information and pricing that is available.

Quoted market prices are generally not available for the instruments presented below. Accordingly fair values are based on 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.

Quantitative Information about Recurring and Nonrecurring Level 3 Fair Value Measurements

	Fair Value	Valuation Technique(s)	Unobservable Input	Range
Impaired loans and other property owned	$ 9,625	Appraisal	Income and expense	*
			Comparable sales	*
			Replacement costs	*
			Comparability adjustments	*

** Ranges for this type of input are not useful because each collateral property is unique.*

Information about Other Financial Instrument Fair Value Measurements

	Valuation Technique(s)	Input
Cash	Carrying Value	Par/Principal and appropriate interest yield
Loans	Discounted cash flow	Prepayment forecasts Probability of default Loss severity
Investment securities, held-to-maturity	Vendor priced	**
Notes payable to AgFirst Farm Credit Bank	Discounted cash flow	Prepayment forecasts Probability of default Loss severity

*** The significant unobservable inputs used to estimate fair value for assets and liabilities that are obtained from third party vendors are not included in the table as the specific inputs applied are not provided by the vendor.*

Fair values are estimated at each period end date for assets and liabilities measured at fair value on a recurring basis. Fair values are estimated at least annually, or when information suggests a significant change in value, for assets measured at fair value on a nonrecurring basis. Other Financial Instruments are not measured at fair value in the statement of financial position, but their fair values are estimated as of each period end date. The following tables summarize the carrying amounts of these assets and liabilities at period end, and their related fair values.

At or for the Three months Ended March 31, 2015

	Total Carrying Amount	Level 1	Level 2	Level 3	Total Fair Value	Fair Value Effects On Earnings
Recurring Measurements						
Assets:						
Recurring Assets	$ –	$ –	$ –	$ –	$ –	
Liabilities:						
Recurring Liabilities	$ –	$ –	$ –	$ –	$ –	
Nonrecurring Measurements						
Assets:						
Impaired loans	$ 8,611	$ –	$ –	$ 8,611	$ 8,611	$ (10)
Other property owned	919	–	–	1,014	1,014	–
Nonrecurring Assets	$ 9,530	$ –	$ –	$ 9,625	$ 9,625	$ (10)
Other Financial Instruments						
Assets:						
Cash	$ 1,111	$ 1,111	$ –	$ –	$ 1,111	
Investment securities, held-to-maturity	32	–	–	32	32	
Loans	445,435	–	–	441,481	441,481	
Other Financial Assets	$ 446,578	$ 1,111	$ –	$ 441,513	$ 442,624	
Liabilities:						
Notes payable to AgFirst Farm Credit Bank	$ 373,501	$ –	$ –	$ 369,854	$ 369,854	
Other Financial Liabilities	$ 373,501	$ –	$ –	$ 369,854	$ 369,854	

At or for the Year Ended December 31, 2014

	Total Carrying Amount	Level 1	Level 2	Level 3	Total Fair Value	Fair Value Effects On Earnings
Recurring Measurements						
Assets:						
Recurring Assets	$ –	$ –	$ –	$ –	$ –	
Liabilities:						
Recurring Liabilities	$ –	$ –	$ –	$ –	$ –	
Nonrecurring Measurements						
Assets:						
Impaired loans	$ 8,964	$ –	$ –	$ 8,964	$ 8,964	$ 588
Other property owned	919	–	–	1,012	1,012	8
Nonrecurring Assets	$ 9,883	$ –	$ –	$ 9,976	$ 9,976	$ 596
Other Financial Instruments						
Assets:						
Cash	$ 2,933	$ 2,933	$ –	$ –	$ 2,933	
Investment securities, held-to-maturity	97	–	–	96	96	
Loans	477,865	–	–	472,417	472,417	
Other Financial Assets	$ 480,895	$ 2,933	$ –	$ 472,513	$ 475,446	
Liabilities:						
Notes payable to AgFirst Farm Credit Bank	$ 411,161	$ –	$ –	$ 405,727	$ 405,727	
Other Financial Liabilities	$ 411,161	$ –	$ –	$ 405,727	$ 405,727	

Note 6 — Employee Benefit Plans

The following is a table of retirement and other postretirement benefit expenses for the Association:

	For the three months ended March 31, 2015	For the three months ended March 31, 2014
Pension	$ 316	$ 294
401(k)	80	66
Other postretirement benefits	122	87
Total	$ 518	$ 447

The following is a table of retirement and other postretirement benefit contributions for the Association:

	Actual YTD Through 3/31/15	Projected Contributions For Remainder of 2015	Projected Total Contributions 2015
Pension	$ –	$ 1,954	$ 1,954
Other postretirement benefits	26	80	106
Total	$ 26	$ 2,034	$ 2,060

Contributions in the above table include allocated estimates of funding for multi-employer plans in which the Association participates. These amounts may change when a total funding amount and allocation is determined by the respective Plan's Sponsor Committee. Also, market conditions could impact discount rates and return on plan assets which could change contributions necessary before the next plan measurement date of December 31, 2015.

Further details regarding employee benefit plans are contained in the 2014 Annual Report to Shareholders, including a discussion of benefit plan changes related to the termination of the AgFirst Farm Credit Cash Balance Retirement Plan.

Note 7 — Commitments and Contingent Liabilities

From time to time, legal actions are pending against the Association in which claims for money damages are asserted. On at least a quarterly basis, the Association assesses its liabilities and contingencies in connection with outstanding legal proceedings utilizing the latest information available. While the outcome of legal proceedings is inherently uncertain, on the basis of information presently available, management, after consultation with legal counsel, is of the opinion that the ultimate liability, if any, from these actions, would not be material in relation to the financial position of the Association. Because it is not probable that the Association will incur a loss or the loss is not estimable, no liability has been recorded for any claims that may be pending.

Note 8 — Subsequent Events

The Association evaluated subsequent events and determined there were none requiring disclosure through May 8, 2015, which was the date the financial statements were issued.