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AMERICAN HEART ASSOCIATION, INC.

June 30, 2015

Financial Statements

(With Independent Auditors' Report Thereon)

AMERICAN HEART ASSOCIATION, INC.

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KPMG LLP
Suite 1400
2323 Ross Avenue
Dallas, TX 75201-2709

Independent Auditors' Report

The Board of Directors
American Heart Association, Inc.:

Report on the Financial Statements

We have audited the accompanying financial statements of the American Heart Association, Inc. (the Association), which comprise the statement of financial position as of June 30, 2015, and the related statements of activities, functional expenses and cash flows for the year then ended, and the related notes to the financial statements.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with U.S. generally accepted accounting principles; this includes the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditors' Responsibility

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

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditors' judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the organization's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the organization's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

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

Opinion

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of the American Heart Association, Inc. as of June 30, 2015, and the changes in its net assets and its cash flows for the year then ended in accordance with U.S. generally accepted accounting principles.

Report on Summarized Comparative Information

We have previously audited the American Heart Association, Inc.'s 2014 financial statements, and we expressed an unmodified audit opinion on those audited financial statements in our report dated October 31, 2014. In our opinion, the summarized comparative information presented herein as of and for the year ended June 30, 2014 is consistent, in all material respects, with the audited financial statements from which it has been derived.

KPMG LLP

October 30, 2015

Financial Statements

AMERICAN HEART ASSOCIATION, INC.

Statement of Activities
Year ended June 30, 2015
(with summarized comparative totals for the year ended June 30, 2014)
(In thousands)

	Unrestricted	Temporarily restricted	Permanently restricted	2015 Total	2014 Total
Revenue:					
Public support:					
Contributions	$ 70,310	78,116	25	148,451	131,081
Contributed services and materials	81,819	—	—	81,819	42,800
Special events	292,411	67,147	—	359,558	336,325
Less direct donor benefits	(39,354)	—	—	(39,354)	(38,222)
Bequests	65,831	13,520	967	80,318	73,614
Split-interest agreements	444	1,900	155	2,499	3,406
Federated and nonfederated fund-raising organizations	2,104	2,907	—	5,011	5,742
Total public support	473,565	163,590	1,147	638,302	554,746
Other revenue:					
Program fees	25,301	—	—	25,301	21,750
Sales of educational materials	100,102	—	—	100,102	77,592
Membership dues	3,253	—	—	3,253	3,305
Grants from government and other agencies	5,221	11	—	5,232	2,549
Interest and dividends, net of fees	10,434	776	413	11,623	10,513
Net realized and unrealized (losses) gains on investments	(3,263)	(464)	—	(3,727)	54,896
Perpetual trust distributions	5,702	1,401	—	7,103	6,893
Net unrealized (losses) gains on beneficial interest in perpetual trusts	—	—	(5,421)	(5,421)	18,492
Change in value of split-interest agreements	(687)	795	(5)	103	4,857
Royalty revenue	19,209	—	—	19,209	25,356
Miscellaneous revenue (losses), net	8,983	(1,978)	—	7,005	3,758
Total other revenue	174,255	541	(5,013)	169,783	229,961
Net assets released from restrictions:					
Satisfaction of purpose restrictions	82,262	(82,262)	—	—	—
Expiration of time restrictions	64,877	(64,829)	(48)	—	—
Total net assets released from restrictions	147,139	(147,091)	(48)	—	—
Total revenue	794,959	17,040	(3,914)	808,085	784,707

(Continued)

AMERICAN HEART ASSOCIATION, INC.

Statement of Activities

Year ended June 30, 2015

(with summarized comparative totals for the year ended June 30, 2014)

(In thousands)

		Unrestricted	Temporarily restricted	Permanently restricted	2015 Total	2014 Total
Expenses:						
Program services:						
Research – to acquire new knowledge through biomedical investigation by providing financial support to academic institutions and scientists	$	151,211	—	—	151,211	145,276
Public health education – to inform the public about the prevention and treatment of cardiovascular diseases and stroke		303,873	—	—	303,873	242,784
Professional education and training – to improve the knowledge, skills, and techniques of health professionals		121,933	—	—	121,933	94,433
Community services – to provide organized training in emergency aid, blood pressure screening, and other community-wide activities		56,934	—	—	56,934	44,804
Total program services		633,951	—	—	633,951	527,297
Supporting services:						
Management and general – to provide executive direction, financial management, overall planning, and coordination of the Association's activities		60,470	—	—	60,470	57,082
Fundraising – to secure financial support from the public		88,867	—	—	88,867	81,953
Total supporting services		149,337	—	—	149,337	139,035
Total program and supporting services expenses		783,288	—	—	783,288	666,332
Change in net assets before postretirement changes other than net periodic benefit cost		11,671	17,040	(3,914)	24,797	118,375
Postretirement changes other than net periodic benefit cost		(203)	—	—	(203)	(1,108)
Change in net assets		11,468	17,040	(3,914)	24,594	117,267
Net assets, beginning of year		394,370	274,471	194,764	863,605	746,338
Net assets, end of year	$	405,838	291,511	190,850	888,199	863,605

See accompanying notes to financial statements.

AMERICAN HEART ASSOCIATION, INC.
Statement of Functional Expenses
Year ended June 30, 2015
(with summarized comparative totals for the year ended June 30, 2014)
(In thousands)

	Research	Public health education	Professional education/ training	Community services	Subtotal program services	Management and general	Fundraising	Subtotal supporting services	2015 Total	2014 Total
Salaries, taxes and benefits	$ 3,903	147,717	36,360	25,116	213,096	40,428	53,190	93,618	306,714	275,702
Awards and grants	133,348	6,323	4,642	4,208	148,521	—	—	—	148,521	140,400
Occupancy	45	8,959	929	1,587	11,520	1,763	2,712	4,475	15,995	15,482
Printing and publication	8	86,738	25,788	8,668	121,202	3,501	8,332	11,833	133,035	81,824
Conferences, meetings and travel	607	12,256	18,041	4,116	35,020	4,647	7,347	11,994	47,014	40,546
Professional fees	12,969	17,971	30,014	9,176	70,130	2,455	6,134	8,589	78,719	63,406
Other operating expenses	178	19,912	3,925	2,931	26,946	6,516	9,799	16,315	43,261	39,765
Depreciation and amortization	153	3,997	2,234	1,132	7,516	1,160	1,353	2,513	10,029	9,207
Total functional expenses before direct donor benefits	151,211	303,873	121,933	56,934	633,951	60,470	88,867	149,337	783,288	666,332
Direct donor benefits	—	—	—	—	—	—	—	—	39,354	38,222
Total functional expenses and direct donor benefits	$ 151,211	303,873	121,933	56,934	633,951	60,470	88,867	149,337	822,642	704,554

See accompanying notes to financial statements.

AMERICAN HEART ASSOCIATION, INC.

Balance Sheet

June 30, 2015

(with comparative amounts for June 30, 2014)

(In thousands)

Assets		2015	2014
Cash and cash equivalents	$	23,374	36,106
Investments		768,026	727,684
Receivables:			
Pledges, net		150,986	134,201
Exchange transactions		14,245	7,076
Other		17,997	15,306
Bequests		10,355	16,803
Split-interest agreements, net		73,288	73,867
Prepaid expenses and other assets		16,912	15,444
Beneficial interest in perpetual trusts		145,839	151,231
Land, buildings, and equipment, net		70,044	70,453
Total assets	$	1,291,066	1,248,171
Liabilities and Net Assets			
Liabilities:			
Accounts payable and accrued expenses	$	71,261	64,245
Deferred revenue		6,827	7,304
Research awards payable		288,044	275,464
Other liabilities		36,735	37,553
Total liabilities		402,867	384,566
Net assets:			
Unrestricted:			
Available for research, program, and supporting activities		335,794	323,917
Investment in land, buildings, and equipment		70,044	70,453
Total unrestricted		405,838	394,370
Temporarily restricted		291,511	274,471
Permanently restricted		190,850	194,764
Total net assets		888,199	863,605
Total liabilities and net assets	$	1,291,066	1,248,171

See accompanying notes to financial statements.

AMERICAN HEART ASSOCIATION, INC.

Statement of Cash Flows
Year ended June 30, 2015
(with comparative amounts for the year ended June 30, 2014)
(In thousands)

		2015	2014
Cash flows from operating activities:			
Change in net assets	$	24,594	117,267
Adjustments to reconcile change in net assets to net cash provided by operating activities:			
Depreciation and amortization		10,029	9,207
Net realized and unrealized losses (gains) on investments		3,727	(54,896)
Net unrealized losses (gains) on beneficial interest in perpetual trusts		5,500	(18,492)
Change in value of split-interest agreements		(103)	(4,857)
Losses (gains) on sale of fixed assets		(5,164)	83
Losses on uncollectible accounts and settlement of receivables		2,477	1,916
Contributions to endowment		(1,071)	(1,367)
Changes in operating assets and liabilities:			
Receivables		(22,674)	(13,405)
Prepaid expenses and other assets		(1,468)	6,844
Beneficial interest in perpetual trusts		(107)	(1,065)
Split-interest agreements		667	3,117
Accounts payable and accrued expenses		7,016	15,874
Deferred revenue		(477)	(1,462)
Research awards payable		12,580	10,963
Other liabilities		(463)	902
Net cash provided by operating activities		35,063	70,629
Cash flows from investing activities:			
Purchases of fixed assets		(13,549)	(8,836)
Proceeds from sale of fixed assets		9,498	455
Purchases of investments		(287,123)	(468,135)
Proceeds from sales/maturities of investments		243,054	390,600
Net cash used in investing activities		(48,120)	(85,916)
Cash flows from financing activities:			
Payments on mortgage notes payable and capital leases		(746)	(848)
Contributions to endowment		1,071	1,366
Net cash provided by financing activities		325	518
Net decrease in cash and cash equivalents		(12,732)	(14,769)
Cash and cash equivalents, beginning of year		36,106	50,875
Cash and cash equivalents, end of year	$	23,374	36,106
Supplemental cash flow information:			
Interest paid	$	286	191
Taxes paid		66	63
Contributed services and materials		81,819	42,800
Equipment purchased by capital lease		405	890

See accompanying notes to financial statements.

Notes to Financial Statements

(1) ORGANIZATION AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

(a) Organization

The American Heart Association, Inc. (the Association or AHA) has as its mission the reduction of disability and death from cardiovascular diseases and stroke.

The Association provides funding for cardiovascular and stroke research, public health education, and community services programs that inform Americans about what they can do to prevent heart disease and stroke, and for professional education programs that help healthcare professionals prevent, detect, and treat cardiovascular diseases and stroke. The Association's principal source of revenue is money contributed by the general public.

(b) Basis of Presentation

The accompanying financial statements have been prepared on the accrual basis of accounting in accordance with U.S. generally accepted accounting principles (GAAP).

The financial statement presentation follows the provisions of the Financial Accounting Standards Board Accounting Standards Codification (FASB ASC) 958, Not-for-Profit Entities. Under FASB ASC 958, the Association is required to report information regarding its financial position and activities according to three classes of net assets: unrestricted net assets, temporarily restricted net assets, and permanently restricted net assets. Net assets, revenues, gains, and losses are classified based on the existence or absence of donor-imposed restrictions. Accordingly, net assets and changes therein are classified and reported as follows:

Unrestricted net assets – net assets that are not subject to donor-imposed stipulations. Unrestricted net assets may be designated for specific purposes by action of the board of directors.

Temporarily restricted net assets – net assets that are subject to donor-imposed stipulations that may or will be met by the occurrence of a specific event or the passage of time.

Permanently restricted net assets – net assets required to be maintained in perpetuity, due to donor-imposed restrictions. Generally, the donors of these assets permit the Association to use all or part of the income earned on related investments for general or specified purposes.

(c) Cash Equivalents

Cash equivalents consist of highly liquid investments with original maturities of three months or less. The Association has classified any cash or money market accounts held by external investment managers as investments as these funds are not intended for current operations.

(d) Investments and Related Income

Investments primarily include assets invested for long-term capital appreciation, but also include short-term investments available for operations, totaling $209 million and $193 million as of June 30, 2015 and 2014, respectively. All investments are carried at fair value with the related gains and losses included in the statement of activities. The fair value of equity securities, debt securities, and derivatives with readily determinable fair values approximates quoted market prices. The fair value of real estate and other held as investments is estimated using private valuations of the properties held. Investments with limited marketability, including investments in certain partnerships, are stated at fair value as estimated by the general partner and reviewed by management. As a practical expedient to determine fair value, investments in fund of funds are reported using net asset values of the underlying funds as provided by the individual fund managers. The fund of funds manager reserves the right to adjust the reported net asset value if it is deemed not to be reflective of fair value. Because of the inherent uncertainty of valuations of investments in the underlying funds, their estimated values may differ significantly from the values that would have been used had a ready market for the underlying funds existed, and the difference could be material. Management relies upon the audited financial statements of the fund of funds performed by a third party auditor. Interest and dividend income is presented net of investment advisory/management fees and is reflected as net interest and dividends in the statement of activities. All investment income is reported as unrestricted unless otherwise restricted by the donor or required by accounting convention. All appreciation/depreciation earned on investments is reported as a change in unrestricted net assets unless otherwise restricted by the donor, applicable law, or accounting convention.

(e) Contributions and Bequests

All contributions are considered available for the general programs of the Association, unless specifically restricted by the donor. The Association reports monetary gifts as temporarily restricted support if they are received with donor stipulations that limit their use or are subject to time restrictions. A donor restriction expires when a stipulated time restriction ends or when a purpose restriction is accomplished. Upon expiration of the restriction, temporarily restricted net assets are reclassified to unrestricted net assets and reported in the statement of activities as net assets released from restrictions.

The Association is the beneficiary under various wills and trust agreements. Such amounts are recorded when a will is declared valid by a probate court and the proceeds are measurable.

The Association records unconditional promises to give that are expected to be collected within one year at net realizable value. Unconditional promises to give that are expected to be collected in more than one year are recorded at the present value of their estimated future cash flows. The discounts on those amounts are computed at the date of gift using risk-adjusted interest rates applicable to the years in which the promises are expected to be received, with rates ranging from 0.28% to 3.66%. Accretion of the discounts is recognized as contribution revenue using the effective interest method.

The Association recognizes conditional promises to give when the conditions stipulated by the donor are substantially met. A conditional promise to give is considered unconditional if the possibility that the condition will not be met is remote.

(f) Research Awards and Grants

The Association awards funds each year to support cardiovascular and related research projects. The projects generally extend over a period of one to five years. The liability and related expenses are recorded when the recipients are notified of their awards, and the liability is reported as research awards payable in the balance sheet.

Awards that are expected to be paid in future years are recorded at the present value of their estimated future cash flows. The discounts on those amounts are computed at the date of award using interest rates applicable to the years in which awards are granted, ranging from 0.6% to 2.4%. Accretion of the discounts is recognized as research – awards and grants expense, using the effective interest method, in the statement of functional expenses.

(g) Exchange Transactions and Deferred Revenue

The Association records revenues from exchange transactions as increases in unrestricted net assets to the extent that the earnings process is complete. These transactions primarily include conferences, subscriptions, royalty revenues, licensing fees, and advertising fees from journal publications. Receivables from exchange transactions are expected to be collected within one year and are recorded at net realizable value.

Resources received in exchange transactions are recognized as deferred revenue to the extent that the earnings process has not been completed. These resources are recorded as unrestricted revenues when the related obligations have been satisfied.

(h) Land, Buildings, and Equipment

Donated property and equipment are recorded at fair value at date of receipt, and expenditures for land, buildings, and equipment are capitalized and stated at cost. Depreciation of buildings and equipment is provided on a half-year convention basis over estimated useful lives of the assets, ranging from 2 to 40 years (land leasehold – length of the leasehold interest; building and improvements – 5 to 40 years; and furniture and equipment – 2 to 7 years).

(i) Contributed Services and Materials

The Association recognizes contributions of materials at their estimated fair value at date of donation. The Association reports gifts of land, buildings, equipment, and other nonmonetary contributions as unrestricted support unless explicit donor stipulations specify how the donated assets must be used. Gifts of long-lived assets with explicit restrictions that specify how and how long the assets are to be used and gifts of cash or other assets that must be used to acquire long-lived assets are reported as temporarily restricted support.

Absent explicit donor stipulations about how long those long-lived assets must be maintained, the Association reports expirations of donor restrictions when the donated or acquired long-lived assets are placed in service.

Contributed materials reported in the statement of activities were allocated as follows in 2015 and 2014 (in thousands):

		2015	2014
Public health education	$	70,077	31,404
Professional education		2,070	2,873
Community services		2	5
Management and general		14	5
Fundraising		91	53
Total contributed materials	$	72,254	34,340

The Association recognizes contributions of services received if such services (a) create or enhance nonfinancial assets, or (b) require specialized skills, and are provided by individuals possessing those skills and would typically need to be purchased if not contributed.

Contributed services reported in the statement of activities were allocated as follows in 2015 and 2014 (in thousands):

		2015	2014
Research	$	6,682	6,879
Public health education		2,147	569
Professional education		509	695
Community services		—	1
Management and general		137	41
Fundraising		90	275
Total contributed services	$	9,565	8,460

Public service announcements of approximately $70,052,000 and $31,362,000 were included in contributed materials revenue on the statement of activities and printing and publication on the statement of functional expenses for the years ended June 30, 2015 and 2014, respectively.

In addition, the Association receives services from a large number of volunteers who give significant amounts of their time to the Association's programs, fundraising campaigns, and management. No amounts have been reflected for these types of donated services, as they do not meet the criteria for recognition.

(j) Net Assets

Public support and other revenues received during the fiscal year are used to fund research awards, programs, and operations. A portion of unrestricted net assets is available for unfunded commitments, program supplementation, and operating contingencies directed by specific action of the board of directors and is reserved for the continuity of the Association's general activities and to meet emergency demands.

(k) Functional Allocation of Expenses

The costs of providing the various programs and supporting services are summarized on a functional basis in the statement of functional expenses. Certain costs are allocated among the program and supporting services benefited.

(l) Income Taxes

The Association is exempt from federal income taxes on related income under Section 501(a) of the Internal Revenue Code (IRC) of 1986, as amended, as an organization described in IRC Section 501(c)(3). Further, the Association has been classified as an organization that is not a private foundation under IRC Section 509(a) and, as such, contributions to the Association qualify for deduction as charitable contributions. However, income generated from activities unrelated to the Association's exempt purpose is subject to tax under IRC Section 511. The Association did not have any material unrelated business income tax liability for the years ended June 30, 2015 and 2014. The Association believes that it has taken no significant uncertain tax positions.

(m) Fair Value of Financial Instruments

The Association utilizes valuation techniques that maximize the use of observable inputs and minimize the use of unobservable inputs to the extent possible. The Association determines fair value based on assumptions that market participants would use in pricing an asset or a liability in the principal or most advantageous market. When considering market participant assumptions in fair value measurements, the following fair value hierarchy distinguishes between observable and unobservable inputs, which are categorized in one of the following levels (see note 3):

Level 1 – unadjusted quoted prices in active markets for identical assets or liabilities, such as publicly traded equity securities.

Level 2 – inputs other than quoted prices included in Level 1 that are observable, either directly or indirectly. Such inputs may include quoted prices for similar assets, observable inputs other than quoted prices (interest rates, yield curves, etc.), or inputs derived principally from or corroborated by observable market data by correlation or other means.

Level 3 – inputs are unobservable data points for the asset or liability, and include situations where there is little, if any, market activity for the asset or liability. The inputs reflect the Association's assumptions based on the best information available in the circumstances. Inputs and valuation techniques used to measure fair value of Level 3 assets include reported fair value at the time of a gift, independent appraisals, published multiples of similar securities, or face value. At June 30, 2015, less than 1% of investment values are based upon Level 3 inputs. Split-interest agreements and perpetual trusts are revalued annually based on investment statements provided by third party trustees.

Inputs generally refer to the assumptions that market participants use to make valuation decisions. The inputs or methods used for valuing investments are not necessarily an indication of the risk associated with those investments. The valuation methodologies used may involve a significant degree of judgment. Because the Association is under no compulsion to dispose of its investments, the estimated values may not reflect amounts that could be realized upon immediate sale nor amounts that may ultimately be realized.

The categorization of the investments valued at NAV within the fair value hierarchy is based upon the availability of reported net asset values and liquidity and do not necessarily correspond to the investment manager's perceived risk of the investments. Those funds redeemable at or near the balance sheet are classified as Level 2. Generally, the underlying funds are open-end and offer subscription and redemption options to shareholders. Redemption provisions vary by fund but are typically monthly or quarterly.

For the fund of funds investment, which is valued at NAV, there were no redemption restrictions in place at June 30, 2015. Potential interests in "side pockets" (that is, a portion of an underlying fund's portfolio segregated for purposes of allocating gains and losses) could result in assets classified as Level 3. There were no side pockets in place in the fund of funds investment as of June 30, 2015.

(n) Split-Interest Agreements

The Association has received as contributions various types of split-interest agreements, including charitable gift annuities, pooled income funds, charitable remainder trusts, and perpetual trusts.

Under the charitable gift annuity arrangement, the Association has recorded the assets at fair value and the liabilities to the donor or his/her beneficiaries at the present value of the estimated future payments to be distributed by the Association to such individuals. The amount of the contribution is the difference between the asset and the liability and is recorded as unrestricted revenue, unless otherwise restricted by the donor.

Under the pooled income fund and charitable remainder trust arrangements, the Association has recorded the contribution as temporarily restricted contribution revenue at the present value of the estimated future benefits to be received. Subsequent changes in fair value for charitable remainder trusts are recorded as changes in value of split-interest agreements in the temporarily restricted net asset class and are reported as changes in value of split-interest agreements in the statement of activities. The discount rates used for split-interest agreements at June 30, 2015 and 2014 were 3.6% and 4.3%, respectively.

Under the perpetual trust arrangement, the Association has recorded the asset and has recognized permanently restricted contribution revenue at the fair value of the Association's beneficial interest in the trust assets. Investments in oil and gas interests, which have a limited marketability, are stated at fair value, as estimated based on a multiple of annual revenues. Distributions received on the trust assets are recorded as unrestricted revenue in the statement of activities, unless otherwise restricted by the donor. Subsequent changes in fair value of the beneficial interest in the trust assets are recorded as net unrealized gains or losses on beneficial interest in perpetual trusts in the permanently restricted net asset class.

(o) Use of Estimates

The preparation of financial statements in conformity with GAAP requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates. Significant items subject to such estimates and assumptions include the discounts for long-term receivables, research awards payables and split-interest agreements, the useful lives of fixed assets, the collectability of receivables, the valuation of split-interest agreements, investments and perpetual trusts, the postretirement benefits liability, the allocation of joint costs, and the functionalization of expenses.

(p) Summarized Comparative Totals

The financial statements include certain prior year summarized comparative information that does not include sufficient detail to constitute a presentation in conformity with GAAP. Accordingly, such information should be read in conjunction with the Association's financial statements for the year ended June 30, 2014, from which the summarized information was derived.

(q) Reclassifications

Certain reclassifications of prior year amounts have been made to conform to the current year presentation. Specifically, certain receivables, other assets and liabilities on the Balance Sheet and certain expenses on the Statement of Functional Expenses have been combined.

(2) INVESTMENTS

Investments at June 30, 2015 and 2014, and related returns for the years then ended consisted of the following (in thousands):

	June 30, 2015		
	Interest and dividends (expenses)	Realized and unrealized gains (losses)	Fair value
Equity securities	$ 6,849	1,005	302,788
Governmental securities	369	45	85,076
Corporate bonds	4,575	(2,020)	82,728
Mortgage-backed securities	57	(54)	11,622
Other asset-backed securities	368	(127)	70,473
Fixed Income Mutual/Commingled Funds	785	(1,284)	61,865
Derivatives	(6)	(145)	—
Fund of funds	—	(218)	63,718
Real estate and other	203	166	6,763
Short-term investments	164	38	77,965
Unsettled trades and other receivables, net	75	(1,133)	5,028
Investment expenses	(1,816)	—	—
Total	$ 11,623	(3,727)	768,026

	June 30, 2014		
	Interest and dividends (expenses)	Realized and unrealized gains (losses)	Fair value
Equity securities	$ 6,057	54,738	286,142
Governmental securities	676	(139)	58,179
Corporate bonds	4,967	1,411	164,288
Mortgage-backed securities	49	190	255
Other asset-backed securities	248	114	54,173
Derivatives	(427)	(425)	(9)
Fund of funds	—	587	53,205
Real estate and other	167	19	5,094
Short-term investments	457	23	93,789
Unsettled trades and other receivables, net	100	(1,622)	12,568
Investment expenses	(1,781)	—	—
Total	$ 10,513	54,896	727,684

(a) Derivative Financial Instruments

The Association's assets include publicly traded equity and fixed income investments whose purpose is to attempt to allow for appreciation and growth of the assets to offset erosion in asset values as a result of inflation. These investments are exposed to various risks, including:

1. *Volatility risk,* the risk that stock prices will decrease, reducing the fair value of AHA's equity investments
2. *Interest rate risk,* the risk that interest rates will increase, reducing the fair value of AHA's fixed income investments
3. *Credit (default) risk,* the risk that a company may default on its bonds, reducing the value of AHA's fixed income investments
4. *Exchange rate risk,* the risk that foreign exchange rates will change relative to the U.S. Dollar, reducing the value of AHA's foreign equity investments

Management believes it is prudent to mitigate the effect of these risks to the extent practicable, and to maintain exposure to various segments of the securities markets in order to meet the short-term and long-term needs of the Association. In connection with the Association's investments, AHA investment policies allow for limited use of derivatives, provided the derivatives are used to control, manage, or hedge investment risk at the portfolio level. The policy indicates that any derivatives must be used with adequate diversification and as part of a total portfolio strategy that is nonspeculative. Derivative use must be consistent with the Association's derivative requirements and the investment manager's stated investment approach. By nature, a liquid market for these instruments exists and can reasonably be expected to continue to exist even under adverse conditions.

Derivatives typically used by AHA's investment managers include futures, forward contracts, options, and swaps. The managers employ various control measures to attempt to prevent losses caused by derivatives. For example, net long futures, forwards, or swaps positions are backed with high-grade, liquid debt securities. The fair values of the derivatives are included in the fair value of the overall portfolio.

(3) FAIR VALUE MEASUREMENTS

The following tables present information about the Association's assets that are measured at fair value on a recurring basis as of June 30, 2015 and 2014, and indicates the fair value hierarchy of the valuation techniques used to determine such fair value:

	Balance	Fair value measurements at reporting date using		
Assets	**Balance June 30, 2015**	**Level 1**	**Level 2**	**Level 3**
1. Equity securities:				
a. Domestic stocks	$ 234,288	234,288	—	—
b. International stocks	67,601	67,601	—	—
c. Nonpublic corporations	899	—	—	899
2. Debt securities:				
a. Governmental securities	85,076	—	85,076	—
b. Corporate bonds	82,728	—	82,728	—
c. Mortgage-backed securities	11,622	—	11,622	—
d. Other asset-backed securities	70,473	—	70,473	—
3. Fixed Income Mutual/Commingled Funds	61,865	—	61,865	—
4. Fund of funds	63,718	—	63,718	—
5. Real estate and other	6,763	—	4,404	2,359
6. Short-term investments	77,965	20,653	57,312	—
7. Unsettled trades and other receivables, net	5,028	5,028	—	—
Investment subtotals	768,026	327,570	437,198	3,258
Split-interest agreements receivable, net	73,288	—	—	73,288
Beneficial interest in perpetual trusts	145,839	—	—	145,839
	$ 987,153	327,570	437,198	222,385
Liabilities				
1. Gift annuity obligations	$ 14,815	—	—	14,815

Assets		Balance June 30, 2014	Fair value measurements at reporting date using Level 1	Level 2	Level 3
1. Equity securities:					
a. Domestic stocks	$	222,251	222,251	—	—
b. International stocks		62,992	62,992	—	—
c. Nonpublic corporations		899	—	—	899
2. Debt securities:					
a. Governmental securities		58,179	—	58,079	100
b. Corporate bonds		164,288	—	164,288	—
c. Mortgage-backed securities		255	—	255	—
d. Other asset-backed securities		54,173	—	54,173	—
3. Derivatives		(9)	—	(9)	—
4. Fund of funds		53,205	—	53,205	—
5. Real estate and other		5,094	—	2,582	2,512
6. Short-term investments		93,789	31,264	62,525	—
7. Unsettled trades and other receivables, net		12,568	12,568	—	—
Investment subtotals		727,684	329,075	395,098	3,511
Split-interest agreements receivable, net		73,867	—	—	73,867
Beneficial interest in perpetual trusts		151,231	—	—	151,231
	$	952,782	329,075	395,098	228,609
Liabilities					
1. Gift annuity obligations	$	14,827	—	—	14,827

There were no transfers between Level 1 and Level 2 during fiscal years ended June 30, 2015 or 2014.

The following summarizes the nature of investments that are reported at estimated fair value using net asset value as of June 30, 2015 (in thousands):

		Fair value	Unfunded commitments	Redemption frequency	Redemption notice period
Fund of funds	$	63,718	—	Various	30–90 days
Real estate fund		4,404	9,901	Quarterly	45 days
Fixed Income Mutual/Commingled Funds		61,865	—	Daily monthly	1–30 days

The following summarizes the nature of investments that are reported at estimated fair value using net asset value as of June 30, 2014 (in thousands):

		Fair value	Unfunded commitments	Redemption frequency	Redemption notice period
Fund of funds	$	53,205	—	Various	30–90 days
Real estate fund		2,572	11,408	Quarterly	45 days

The commingled fixed income fund invests in obligations of varying maturities, including corporate bonds, asset-backed securities, and government and agency securities. The fund may also invest in non-investment grade securities in addition to securities denominated in foreign currencies and foreign securities denominated in US dollars. Redemptions are allowed weekly.

The fund of funds is a multi-strategy hedge fund investment whose strategies include, but are not limited to, hedged equity, global macro, commodity trading advisor, event driven, credit, and equity market neutral. Redemptions are allowed monthly, quarterly, and annually.

The real estate fund is an open-end fund that has residential, retail, office, and industrial properties. Unfunded commitments represent invested assets to be allocated to the real estate fund at the time such commitments are called by the fund manager. Redemptions are allowed quarterly with notice required 45 days prior to calendar quarter-end provided that the interest has been held for at least 180 days.

The change in the fair value of the Association's assets and liabilities valued using significant unobservable inputs (Level 3) is shown below (in thousands):

		Investments	Split-interest agreements	Perpetual trusts	Gift annuity obligations
Balance June 30, 2013	$	3,620	69,272	131,674	(11,972)
Total net (losses) gains		(90)	8,337	18,492	(2,218)
Acquisitions		—	1,248	1,129	(1,181)
Settlements		(19)	(4,990)	(64)	544
Balance June 30, 2014		3,511	73,867	151,231	(14,827)
Total net (losses) gains		(79)	922	(5,500)	1,066
Acquisitions		—	1,822	156	(966)
Settlements		(74)	(3,323)	(48)	(88)
Sales		(100)	—	—	—
Balance June 30, 2015	$	3,258	73,288	145,839	(14,815)

The change in value of split-interest agreements valued using significant unobservable inputs is included in change in value of split-interest agreements in the accompanying statement of activities. The change in value of perpetual trusts using significant unobservable inputs is included in the net unrealized gains (losses) on beneficial interest in perpetual trusts in the accompanying statement of activities. The change in unrealized gains/(losses) relating to assets still held at the reporting date is approximately ($4,602,000.)

The Association independently assesses the valuation for assets classified as Level 3. Unobservable inputs are internally developed for certain asset categories, which include oil and gas interests and split-interest agreements. Oil and gas interests are valued annually using revenue multiples of comparable companies and an appropriate marketability discount. Split-interest agreements are valued on a discounted cash flow basis utilizing asset values reported by third party trustees and appropriate growth and discount factors. Gift annuity obligations are valued on a discounted cash flow basis using an applicable interest rate and life expectancy tables.

Quantitative information regarding unobservable inputs developed by the Association and assumptions used to measure the fair value of the related assets and liabilities of oil and gas interests, split-interest agreements and gift annuity obligations as of June 30, 2015 follows:

Type		Fair value (In thousands)	Valuation technique	Significant unobservable inputs	Range (weighted average)
Oil and gas interests	$	189	Market Comparable Companies	Business Enterprise Value to Revenue Multiple	10.6x-15.7x (12.9x)
				Marketability Discount	20%-30% (25%)
Split-interest agreements	$	73,288	Discounted cash flow	Growth Rate/ Discount Rate	3.2%-4.07% * 3.66%
Gift annuity obligations	$	14,815	Discounted cash flow	Discount Rate	1%-9.6% 3.8%

* These percentages represent the low and high growth rate ranges plus a risk premium from July 1, 2014 – June 30, 2015.

The fair values of the equity in a nonpublic corporation and real estate are based upon periodic third party valuations.

Significant increases (decreases) in the revenue multiples, in isolation, applied would increase (decrease) the estimated fair value of oil and gas interests. A significant increase (decrease) in the marketability discount, in isolation, would (decrease) increase the estimated fair value.

Increases in the discount rate applied to the future anticipated cash flows from split-interest agreements would result in a lower estimated fair value. Conversely, decreases in the discount rate applied would result in a higher estimated fair value. However, the projected growth rate assumptions utilized by management are the same as the discount rate assumptions and, accordingly, the impact on the estimated fair value would be insignificant.

Increases in the discount rate applied to the future anticipated payments associated with gift annuity obligations would result in a lower estimated fair value of the liability. Conversely, decreases in the discount rate applied would result in a higher estimated fair value of the liability.

(4) ENDOWMENTS

The Association's endowment program consists of donor-restricted endowment funds, and does not include any funds designated by the Board of Directors to function as endowments. The endowment program is subject to the New York Prudent Management of Institutional Funds Act (NYPMIFA).

Absent explicit donor stipulations to the contrary, the Association classifies the original value of gifts donated to the permanent endowment as well as accumulations to the permanent endowment made at the direction of the donor as permanently restricted net assets. The remaining portion of the donor-restricted endowment fund that is not classified in permanently restricted net assets is classified as temporarily restricted net assets until those amounts are appropriated for expenditure by the Association in a manner consistent with the standard of prudence prescribed by NYPMIFA.

In accordance with NYPMIFA, the Association considers the following factors in making a determination to appropriate or accumulate donor-restricted endowment funds:

1. The duration and preservation of the endowment fund
2. The purposes of the Association and the donor-restricted endowment fund
3. General economic conditions
4. The possible effect of inflation or deflation
5. The expected total return from income and appreciation of investments
6. Other resources of the Association
7. Where appropriate and circumstances would otherwise warrant, alternatives to expenditure of the endowment fund, giving due consideration to the effect that such alternatives may have on the Association
8. The investment policy of the Association

Changes in endowment net assets exclusive of beneficial interests in perpetual and other trusts for the years ended June 30, 2015 and 2014 are as follows (in thousands):

		Unrestricted	Temporarily restricted	Permanently restricted	Total
Endowment net assets, June 30, 2013	$	(205)	10,414	41,717	51,926
Investment return:					
Investment income		—	1,297	52	1,349
Net appreciation		205	5,862	—	6,067
Contributions		—	161	1,367	1,528
Reclassifications and others		—	120	—	120
Appropriation for expenditure		—	(1,742)	—	(1,742)
Endowment net assets, June 30, 2014		—	16,112	43,136	59,248
Investment return:					
Investment income		—	775	413	1,188
Net depreciation		—	(463)	—	(463)
Contributions		—	9	992	1,001
Appropriation for expenditure		—	(2,185)	—	(2,185)
Endowment net assets, June 30, 2015	$	—	14,248	44,541	58,789

From time to time, the fair value of assets associated with an individual donor-restricted endowment fund may fall below the original value of the fund. If applicable, deficiencies of this nature are reported in unrestricted net assets. There were no deficiencies as of June 30, 2015 or June 30, 2014. The Association has adopted investment and spending policies for endowment assets that attempt to provide a predictable stream of funding to programs supported by its endowments while seeking to maintain the purchasing power of the endowment assets. Under these policies, as approved by the Board of Directors, the endowment assets are invested in a manner that seeks to produce results that exceed the price and yield results of a mix of relevant benchmarks, while assuming a moderate level of investment risk.

To satisfy its long-term rate-of-return objectives, the Association relies on a total return strategy in which investment returns are achieved through both capital appreciation (realized and unrealized) and current yield (interest and dividends). The Association targets a diversified asset allocation to achieve its long-term return objectives within prudent risk constraints.

The Association has a policy of appropriating for distribution each year an amount not to exceed 4% of each endowment's average fair market value over the prior five years through the fiscal year-end preceding the fiscal year in which the distribution is planned. In establishing this policy, the Association considered the long-term expected return on its endowments, mentioned above.

(5) UNCONDITIONAL PROMISES

As of June 30, 2015 and 2014, the Association has received unconditional promises to give, consisting primarily of pledges, split-interest agreements, and bequests, which are scheduled to be received as follows (in thousands):

		2015	2014
Less than one year	$	105,880	112,020
One to five years		61,724	45,358
More than five years		112,185	123,846
Subtotal		279,789	281,224
Allowance for uncollectible accounts		(3,493)	(3,614)
Discount		(39,814)	(50,407)
Total	$	236,482	227,203

The Association maintains an allowance for doubtful accounts for estimated credit losses resulting from collection risks, including the inability of donors to make required payments under contractual agreements. The allowance for doubtful accounts is reported as a reduction of receivables in the balance sheet. The adequacy of this allowance is determined by evaluating historical delinquency and write-off trends, specific known collection risks, historical payment trends, as well as current economic conditions.

(6) LAND, BUILDINGS, AND EQUIPMENT

At June 30, 2015 and 2014, land, buildings, and equipment, and the related accumulated depreciation and amortization were as follows (in thousands):

		2015	2014
Land and leasehold improvements	$	15,985	17,368
Buildings and improvements		75,368	82,467
Equipment and furniture		114,257	104,167
Total		205,610	204,002
Less accumulated depreciation and amortization		(135,566)	(133,549)
Land, buildings, and equipment, net	$	70,044	70,453

(7) LEASES

(a) Operating Leases

The Association has operating lease agreements for office space and equipment. Future annual minimum lease payments due under noncancelable leases as of June 30, 2015 are as follows (in thousands):

2016	$	10,126
2017		9,461
2018		8,692
2019		5,244
2020		2,426
Thereafter		1,820
Total	$	37,769

Total operating lease expense for the years ended June 30, 2015 and 2014 was approximately $10,424,000 and $9,578,000, respectively.

(b) Capital Leases

The Association leases office equipment under capital lease agreements expiring on various dates through 2019. As of June 30, 2015, the future minimum lease payments under capital leases were as follows (in thousands):

2016	$	546
2017		412
2018		227
2019		44
Total		1,229
Less:		
Amount representing interest, support and maintenance		(55)
Present value of lease obligation, included in other liabilities	$	1,174

(8) RETIREMENT PLANS

The Association has a 401(a) defined-contribution plan (the Plan). Eligible participants include employees who are at least 21 years of age and have at least two years of service with an accumulation of at least 1,000 hours per year. A year of service is defined as a period of 12 consecutive months beginning on an employee's date of hire. Employees are 100% vested upon satisfaction of the eligibility period. Participants are not permitted to contribute to the Plan.

The Association contributes to the Plan an amount equal to the following percentages of base salary, as defined by the Plan, depending upon the participant's years of service:

Participant's years of service	Contribution percentage
2 to 5	6%
Greater than 5 but less than 10	8
10 or more	10

In addition, the Association contributes to the Plan an employer matching contribution, equal to 100% of each participant's elective contribution up to 4% of base salary to a 403(b) plan also sponsored by the Association. These elective contributions may be made by an employee beginning the first of the month following two years of service.

Total retirement plan costs for the years ended June 30, 2015 and 2014 were approximately $19,063,000 and $17,738,000, respectively.

(9) CONFLICT OF INTEREST POLICY AND STANDARDS

Included among the Association's officers, board, and committee members are volunteers from the business, medical, and scientific community who provide valuable assistance to the Association in the development of policies and programs and in the evaluation of research awards and grants and business relationships. The Association has adopted a conflict of interest policy and standards whereby volunteers are required to abstain from participating in or otherwise attempting to influence decisions in which they have a personal, professional, or business interest.

(10) ALLOCATION OF JOINT COSTS

The Association conducts joint activities (activities benefiting multiple programs and/or supporting services) that include fundraising appeals. Those activities primarily include direct mail campaigns and special events. The costs of conducting those joint activities were allocated as follows in 2015 and 2014 (in thousands):

		2015	2014
Public health education	$	128,094	118,074
Professional education and training		2,906	1,476
Community services		1,102	763
Management and general		25,041	22,353
Fundraising		47,493	43,466
Total joint costs	$	204,636	186,132

(11) RESEARCH AWARDS PAYABLE

The activity in research awards payable during the years ended June 30, 2015 and 2014 and the amounts payable by year are summarized below (in thousands):

		2015	2014
Beginning balance, July 1	$	275,464	264,501
Awards expense:			
New awards		152,465	150,818
Cancellations, declinations, and refunds		(18,134)	(20,303)
Research awards expense before discount		134,331	130,515
Change in discount		(983)	(1,058)
Total research awards expense		133,348	129,457
Payments		(120,768)	(118,494)
Ending balance, June 30	$	288,044	275,464

Payable in year ending June 30:		
2016	$	124,111
2017		91,004
2018		48,456
2019		22,723
2020		5,414
Thereafter		397
Total		292,105
Less unamortized discount		(4,061)
Net research awards payable	$	288,044

(12) POSTRETIREMENT BENEFITS

The Association provides postretirement benefits to eligible past and present employees. Eligibility includes those who have retired or will retire at age 55 or thereafter, and who have been employed by the Association for at least 10 years of service prior to retirement. The Association provides eligible employees who retire prior to age 65 with medical, dental, and life insurance. Dental and life insurance terminate at age 65.

During fiscal year 2009, eligibility requirements for the postretirement benefit plan were amended. As of the March 1, 2009 effective date, present employees (a) who had at least 10 years of continuous service with the Association, or (b) whose age and years of continuous service with the Association summed to at least 50, maintained their eligibility. As of the March 1, 2009 effective date, present employees who did not meet either of these eligibility requirements may still participate in the plan upon retirement prior to age 65, but will be responsible for 100% of the cost. New employees joining the Association after March 1, 2009 are not eligible for postretirement benefits.

As of June 30, 2015 and 2014, the accumulated postretirement benefit obligation (APBO) is calculated using a discount rate of 4.20% and 4.05%, respectively. The following table presents information with respect to the postretirement benefit plans as of and for the years ended June 30, 2015 and 2014 (in thousands):

		2015	2014
Changes in accumulated postretirement benefit obligation:			
APBO, beginning of year	$	12,612	12,054
Service cost		398	424
Interest cost		494	548
Actuarial loss		187	361
Participant contributions		236	250
Benefits paid		(1,054)	(1,025)
APBO, end of year		12,873	12,612
Changes in plan assets:			
Fair value of plan assets, beginning of year		—	—
Employer contributions		818	775
Participant contributions		236	250
Benefits paid		(1,054)	(1,025)
Fair value of plan assets, end of year		—	—
Funded status:			
Unfunded benefit obligation, June 30 – included in other liabilities	$	12,873	12,612

		2015	2014
Changes in prior service credit:			
Prior service credit, beginning of year	$	(17)	(60)
Amortization of prior service credit		16	43
Prior service credit, end of year	$	(1)	(17)
Changes in net actuarial (gain) loss:			
Net actuarial gain, beginning of year	$	(866)	(1,230)
Amortization of net actuarial gain		—	2
Actuarial loss		187	362
Unrecognized net actuarial gain, end of year	$	(679)	(866)

		2015	2014
Components of net periodic benefit cost:			
Service cost	$	398	424
Interest cost		494	548
Amortization of prior service credit		(16)	(43)
Amortization of net actuarial gain		—	(2)
Net periodic benefit cost	$	876	927
Amounts expected to be recognized as components of net periodic benefit cost during the next fiscal year:			
Amortization of prior service credit	$	(16)	(43)
Amortization of unrecognized net actuarial gain		—	(2)
Total	$	(16)	(45)

The assumed healthcare cost trend rates as of June 30, 2015 and 2014 are as follows:

	2015	2014
Healthcare cost trend rate assumed for next year	7.5%	8.0%
Rate to which the cost trend rate is assumed to decline (the ultimate trend rate)	5.0	5.0
Year that the rate reaches the ultimate trend rate	2031	2031

The healthcare cost trend rate assumption has a significant impact on the postretirement benefit costs and obligations. The effect of a 1% change in the assumed healthcare cost trend rate at June 30, 2015 would have resulted in an increase of approximately $922,100 or a decrease of approximately $839,000 in the accumulated postretirement benefit obligation and an increase of approximately $90,500 or a decrease of approximately $80,757 in the fiscal year 2015 benefit expense.

(13) RESTRICTED NET ASSETS

Temporarily and permanently restricted net assets as of June 30, 2015 and 2014 have been restricted by donors as follows (in thousands):

		Temporarily restricted		Permanently restricted	
		2015	2014	2015	2014
Research	$	35,552	17,972	—	—
Other programs		86,041	98,921	—	—
Split-interest agreements		54,361	54,911	470	397
Beneficial interest in perpetual trusts		—	—	145,839	151,231
Time restrictions		101,309	86,555	—	—
Endowment funds		14,248	16,112	44,541	43,136
Total restricted net assets	$	291,511	274,471	190,850	194,764

(14) NEW ACCOUNTING PRONOUNCEMENTS

(a) ASU 2014-09, Revenue from Contracts with Customers

In May 2014, the FASB issued ASU No. 2014-09, Revenue from Contracts with Customers (Topic 606), which requires an entity to recognize the amount of revenue to which it expects to be entitled for the transfer of promised goods or services to customers. The ASU will replace most existing revenue recognition guidance in U.S. GAAP when it becomes effective. The standard permits the use of either the retrospective or cumulative effect transition method.

In August 2015, the FASB issued ASU No. 2015-14, Revenue from Contracts with Customers (Topic 606), which deferred the effective date of the new revenue recognition standard for one year. The new standard is effective for the Association July 1, 2018. Early application is permitted for the Association. The Association is evaluating the effect that ASU 2014-09 will have on its consolidated financial statements and related disclosures.

(b) ASU 2015-02, Consolidation

In February 2015, the F ASB issued ASU No. 2015-02, Consolidation (Topic 810), to improve targeted areas of the consolidation guidance and reduce the number of consolidation models. The new consolidation standard changes the way reporting enterprises evaluate whether (a) they should consolidate limited partnerships and similar entities, (b) fees paid to a decision maker or service provider are variable interests in a variable interest entity (VIE), and (c) variable interests in a VIE held by related parties of the reporting enterprise require the reporting enterprise to consolidate the VIE. It also eliminates the VIE consolidation model based on majority exposure to variability that applied to certain investment companies and similar entities. The guidance is effective for annual and interim periods in fiscal years beginning after December 15, 2016. Early adoption is allowed, including early adoption in an interim period. A reporting enterprise is permitted to apply either a modified retrospective approach or full retrospective application. The Association is evaluating the effect that ASU 2015-02 will have on its consolidated financial statements and related disclosures.

(c) ASU 2015-07, Fair Value Measurement (Topic 820)

In May 2015, the FASB issued ASU No. 2015-07, Fair Value Measurement (Topic 820) to address the diversity in practice related to how certain investments measured at net asset value with redemption dates in the future (including periodic redemption dates) are categorized within the fair value hierarchy. This Update removes the requirement to categorize within the fair value hierarchy all investments for which fair value is measured using the net asset value per share practical expedient. Early application is permitted for the Association. The Association is evaluating the effect that ASU 2015-07 will have on its consolidated financial statements and related disclosures.

(15) COMMITMENTS AND CONTINGENCIES

During the normal course of business, the Association is involved in various claims and lawsuits. In the opinion of management, the potential loss on any claims and lawsuits, net of insurance proceeds, will not be significant to the Association’s financial position or changes in net assets.

(16) SUBSEQUENT EVENTS

The Association evaluated subsequent events after the balance sheet date of June 30, 2015 through October 30, 2015, which was the date the financial statements were issued, and concluded that no additional disclosures are required.