

Orth, Chakler, Murnane and Company, CPAs

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April 8, 2011

To the Supervisory Committee, Board of Directors,
and Management of Kansas Corporate Credit Union

This letter is intended to inform those charged with governance about significant matters related to the conduct of the annual audit of Kansas Corporate Credit Union (the Credit Union), so that it can appropriately discharge its oversight responsibility, and so that we comply with our professional responsibilities to the Supervisory Committee.

In planning and performing our audit of the Credit Union's financial statements as of and for the year ended December 31, 2010, in accordance with auditing standards generally accepted in the United States of America, we considered the Credit Union's internal control over financial reporting as a basis for designing our auditing procedures for the purpose of expressing our opinion on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the Credit Union's internal control. Accordingly, we do not express an opinion on the effectiveness of the Credit Union's internal control.

Our consideration of internal control was for the limited purpose described in the preceding paragraph and was not designed to identify all deficiencies in internal control that might be deficiencies, significant deficiencies or material weaknesses.

Control Deficiencies

A deficiency (**D**) in internal control exists when the design or operation of the control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct misstatements on a timely basis.

A material weakness (**MW**) is a deficiency, or combination of deficiencies, in internal control, such that there is a reasonable possibility that a material misstatement of the entity's financial statements will not be prevented, or detected and corrected in a timely basis.

A significant deficiency (**SD**) is a deficiency, or combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

We did not identify any deficiencies in internal control that we consider to be material weaknesses as defined above.

Our Responsibility under U.S. Generally Accepted Auditing Standards

As stated in our engagement letter dated February 1, 2010, our responsibility, as described by professional standards, is to express an opinion about whether the financial statements prepared by management with your oversight are fairly presented, in all material respects, in conformity with accounting principles generally accepted in the United States of America. Our audit of the financial statements does not relieve you or management of your responsibilities.

Our audit of the Credit Union's financial statements for the year ended December 31, 2010, was conducted 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 of material misstatement, whether caused by error, fraudulent financial reporting, or misappropriation of assets. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. Accordingly, the audit was designed to obtain reasonable, rather than absolute, assurance about the financial statements. We believe that our audit accomplished that objective.

Planned Scope and Timing of the Audit

We performed the audit according to the planned scope and timing previously communicated to you.

Qualitative Aspects of Accounting Practices

Management is responsible for the selection and use of appropriate accounting policies. The significant accounting policies used by the Credit Union are described in the notes to the financial statements. We noted no transactions entered into by the Credit Union during the year ended December 31, 2010, for which there is a lack of authoritative guidance or consensus. There are no significant transactions that have been recognized in the financial statements in a different period than when the transactions occurred.

Accounting estimates are an integral part of the financial statements prepared by management and are based on management's knowledge and experience about past and current events and assumptions about future events. Certain accounting estimates are particularly sensitive because of their significance to the financial statements and because of the possibility that future events affecting them may differ significantly from those expected.

Investment Securities: Securities classified as available-for-sale are carried at fair value. Unrealized gains or losses are reported as a separate component of accumulated other comprehensive income/(loss). Estimated fair values for investments are obtained from quoted market prices where available. Where quoted market prices are not available, estimated fair values are based on quoted market prices of comparable instruments.

Fair Value of Other Financial Instruments: The estimated fair value amounts have been determined by the Credit Union using available market information and appropriate valuation methodologies. However, considerable judgment is necessarily required to interpret market data to develop the estimates of fair value. Accordingly, the estimates presented in the financial statements are not necessarily indicative of the amounts the Credit Union could realize in a market exchange. The use of different assumptions and/or estimation methodologies may have a material effect on the estimated fair value amounts.

Audit Adjustments

For purposes of this letter, professional standards define an audit adjustment as a proposed correction of the financial statements that, in our judgment, may not have been detected except through our auditing procedures. An audit adjustment may or may not indicate matters that could have a significant effect on the Credit Union's financial reporting process (that is, cause future financial statements to be materially misstated). There were no audit adjustments recorded to the trial balance that we were provided for the audit period.

Disagreements with Management

For purposes of this letter, professional standards define a disagreement with management as a matter, whether or not resolved to our satisfaction, concerning a financial accounting, reporting, or auditing matter that could be significant to the financial statements or the auditors' report. We encountered no disagreements with management over the application of significant accounting principles, the basis for management's judgments on any significant matters, the scope of the audit, or significant disclosures to be included in the financial statements.

Management Representations

We have requested certain representations from management that are included in the management representation letter dated April 8, 2011.

To the Supervisory Committee, Board of Directors,
and Management of Kansas Corporate Credit Union
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Consultation with Other Independent Accountants

In some cases, management may decide to consult with other accountants about auditing and accounting matters, similar to obtaining a *second opinion* on certain situations. If a consultation involves application of an accounting principle to the Credit Union's financial statements or a determination of the type of auditors' opinion that may be expressed on those statements, our professional standards require the consulting accountant to check with us to determine that the consultant has all the relevant facts. To our knowledge, there were no such consultations with other accountants.

Issues Discussed Prior to Retention of Independent Auditors

We generally discuss a variety of matters, including the application of accounting principles and auditing standards, with management each year prior to retention as the Credit Union's auditors. However, these discussions occurred in the normal course of our professional relationship and our responses were not a condition to our retention.

Difficulties Encountered in Performing the Audit

We did not encounter any difficulties in dealing with management relating to the performance of the audit.

Closing

This letter is intended solely for the use of the Supervisory Committee, Board of Directors, and management of Kansas Corporate Credit Union and is not intended to be and should not be used by anyone other than these specified parties. We appreciate this opportunity to be of service to Kansas Corporate Credit Union and wish to express our appreciation for the cooperation and assistance we received from management, and Credit Union staff during our audit. If we can be of any further assistance to the Supervisory Committee or if there are any questions regarding the contents of this report, please do not hesitate to contact us.

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INDEPENDENT AUDITORS' REPORT

April 8, 2011

To the Supervisory Committee of
Kansas Corporate Credit Union

We have audited the accompanying statements of financial condition of Kansas Corporate Credit Union as of December 31, 2010 and 2009, and the related statements of income, comprehensive income, members' equity, and cash flows for the years then ended. These financial statements are the responsibility of the Credit Union's management. Our responsibility is to express an opinion on these financial statements based on our audits.

We conducted our audits in accordance with auditing standards generally accepted in the United States of America. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audits provide a reasonable basis for our opinion.

Kansas Corporate Credit Union has reported members' share and certificate accounts as equity in the accompanying statements of financial condition that, in our opinion, should be reported as liabilities to conform with accounting principles generally accepted in the United States of America. If members' share and certificate accounts were properly reported, liabilities would increase and members' equity would decrease by \$300,683,367 and \$321,068,837 as of December 31, 2010 and 2009, respectively.

In our opinion, except for the classification of members' share and certificate accounts as equity as discussed in the preceding paragraph, the financial statements referred to above present fairly, in all material respects, the financial position of Kansas Corporate Credit Union as of December 31, 2010 and 2009, and the results of its operations and its cash flows for the years then ended in conformity with accounting principles generally accepted in the United States of America.

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To the Supervisory Committee of
Kansas Corporate Credit Union
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The Credit Union suffered a substantial loss due to the impairment of paid-in capital and membership capital share investments in U.S. Central Federal Credit Union during 2008. As a result, the Credit Union's retained earnings ratio does not meet regulatory requirements. On October 20, 2010, the NCUA issued a new corporate credit union regulations that require the Credit Union to meet certain capital and operating profit requirements in various stages over the next ten years. Management has analyzed the impact of the new corporate credit union regulations and developed a business plan to meet the requirements of the new regulations. The business plan has been submitted to the regulators and the Credit Union has received approval from both the Kansas Department of Credit Unions and the NCUA. The new regulations require the Credit Union to meet certain profitability requirements to build retained earnings and require the Credit Union to raise capital by converting existing member capital and/or requiring member credit unions to invest additional capital. The Credit Union is already in position to meet the interim capital requirements. See notes 7, 11, and 14 for further information on the impact of this matter on the Credit Union's financial statements.

Orth, Chakler, Murnane & Co.

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Certified Public Accountants

KANSAS CORPORATE CREDIT UNION STATEMENTS OF FINANCIAL CONDITION
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ASSETS

	As of December 31,	
	2010	2009
Cash	\$105,615,373	\$21,519,958
Investments:		
Available-for-sale	83,502,873	45,319,073
U.S. Central Bridge Corporate Federal Credit Union	90,603,116	—
U.S. Central Federal Credit Union	—	235,067,471
Other	12,617,205	11,192,605
Loans to members	8,854,366	25,024,211
Accrued interest receivable:		
Investments	108,535	276,176
Loans	8,713	67,083
Prepaid and other assets	158,284	160,666
Property and equipment	622,355	685,430
NCUSIF deposit	255,215	271,110
Total assets	\$302,346,035	\$339,583,783

LIABILITIES AND MEMBERS' EQUITY

	As of December 31,	
	2010	2009
LIABILITIES:		
Borrowed funds	\$638,577	\$17,807,034
Accrued interest on share accounts	109,317	252,464
Accrued interest on borrowed funds	2,499	54,856
Accounts payable and accrued liabilities	224,211	196,310
Total liabilities	974,604	18,310,664
Commitments and contingent liabilities	—	—
MEMBERS' EQUITY:		
Members' share and certificate accounts	273,303,865	293,689,335
Membership capital	27,379,502	27,379,502
Undivided earnings	728,793	311,169
Accumulated other comprehensive loss	(40,729)	(106,887)
Total members' equity	301,371,431	321,273,119
Total liabilities and members' equity	\$302,346,035	\$339,583,783

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

KANSAS CORPORATE CREDIT UNION STATEMENTS OF INCOME

	For the years ended	
	December 31,	
	2010	2009
INTEREST INCOME:		
Investments	\$1,767,357	\$2,547,427
Loans to members	180,094	1,663,002
Total interest income	1,947,451	4,210,429
INTEREST EXPENSE:		
Members' share and certificate accounts	797,752	1,615,612
Borrowed funds	58,712	1,414,105
Total interest expense	856,464	3,029,717
Net interest income	1,090,987	1,180,712
NON-INTEREST INCOME:		
Fees and service charges	2,027,850	1,817,313
Income from NCUSIF	—	80,733
Other	—	26,691
	3,118,837	3,105,449
NON-INTEREST EXPENSE:		
Office operating costs	1,315,090	1,183,053
Compensation and employee benefits	983,832	1,043,346
Professional and outside services	131,916	135,536
Office occupancy costs	126,188	129,402
Other	76,785	181,544
NCUA premium assessments	67,402	40,666
Impairment of NCUSIF deposit	—	80,733
Total non-interest expense	2,701,213	2,794,280
Net income	\$417,624	\$311,169

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

KANSAS CORPORATE CREDIT UNION STATEMENTS OF COMPREHENSIVE INCOME

	For the years ended December 31,	
	2010	2009
NET INCOME	\$417,624	\$311,169
OTHER COMPREHENSIVE INCOME:		
Unrealized gains on investments classified as available-for-sale	66,158	566,708
Reclassification adjustment for net losses/(gains) included in net income	—	—
Other comprehensive income	66,158	566,708
Comprehensive income	\$483,782	\$877,877

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

KANSAS CORPORATE CREDIT UNION STATEMENTS OF MEMBERS' EQUITY
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**For the years ended
December 31, 2010 and 2009**

	Corporate Reserve	Undivided Earnings	Accumulated Other Comprehensive Income/(Loss)	Total
Balance, December 31, 2008	\$5,744,039	(\$13,565,078)	(\$673,595)	(\$8,494,634)
Net income	—	311,169	—	311,169
Transfers	(5,744,039)	5,744,039	—	—
Depletion of membership capital and paid-in capital (See Note 7)	—	7,821,039	—	7,821,039
Other comprehensive income	—	—	566,708	566,708
Balance, December 31, 2009	—	311,169	(106,887)	204,282
Net income	—	417,624	—	417,624
Other comprehensive income	—	—	66,158	66,158
Balance, December 31, 2010	\$—	\$728,793	(\$40,729)	\$688,064

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

KANSAS CORPORATE CREDIT UNION STATEMENTS OF CASH FLOWS

	For the years ended December 31,	
	2010	2009
CASH FLOWS FROM OPERATING ACTIVITIES:		
Net income	\$417,624	\$311,169
Adjustments:		
Depreciation	67,550	74,253
Amortization of investment premiums/discounts	(322,343)	28,753
Changes in operating assets and liabilities:		
Prepaid and other assets	2,382	(63,224)
Accrued interest receivable	226,011	613,286
Accrued interest payable	(195,504)	(498,136)
Accounts payable and accrued liabilities	27,901	(664,730)
	223,621	(198,629)
CASH FLOWS FROM INVESTING ACTIVITIES:		
Proceeds from available-for-sale securities	33,996,772	27,735,305
Purchases of available-for-sale securities	(71,792,071)	(32,320,854)
Net change in U.S. Central Bridge Corporate Federal Credit Union	(90,603,116)	—
Net change in U.S. Central Federal Credit Union	235,067,471	(67,089,707)
Net change in other investments	(1,424,600)	(5,238,754)
Net change in loans to members'	16,169,845	42,297,262
Expenditures for property and equipment	(4,475)	(43,594)
Change in NCUSIF deposit	15,895	(148,289)
	121,425,721	(34,808,631)

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

KANSAS CORPORATE CREDIT UNION STATEMENTS OF CASH FLOWS

Cash Flows: (continued)

	For the years ended December 31,	
	2010	2009
CASH FLOWS FROM FINANCING ACTIVITIES:		
Repayment of borrowed funds	(17,168,457)	(36,402,457)
Net change in members' share and certificate accounts	(20,385,470)	92,033,732
Net cash (used in)/provided by financing activities	(37,553,927)	55,631,275
Net change in cash	84,095,415	20,624,015
Cash at beginning of year	21,519,958	895,943
Cash at end of year	\$105,615,373	\$21,519,958
 SUPPLEMENTAL CASH FLOWS DISCLOSURES:		
Interest paid	\$1,051,968	\$3,527,853
 SCHEDULE OF NON-CASH TRANSACTIONS:		
Unrealized gains on investments classified as available-for-sale	\$66,158	\$566,708

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

<p style="text-align: center;">KANSAS CORPORATE CREDIT UNION NOTES TO THE FINANCIAL STATEMENTS</p>
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***NOTE 1: SIGNIFICANT ACCOUNTING
POLICIES***

ORGANIZATION

Kansas Corporate Credit Union (the "Credit Union") is a cooperative association organized in accordance with the provisions of the Kansas Credit Union Act for the purpose of providing correspondent banking services as well as investment products and a source of credit for its member credit unions. The Credit Union is a cooperative that is owned and directed by its member credit unions. Membership is available to retail credit unions and approved affiliates located in the 50 United States and the District of Columbia; however, a majority of the members are located in Kansas.

FINANCIAL STATEMENTS/USE OF ESTIMATES

The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and the disclosure of contingent assets and liabilities as of the dates of the financial statements and the reported amounts of revenues and expenses for the periods then ended. Actual results could differ from those estimates. Estimates that are particularly susceptible to change relate to the fair value of financial instruments. The significant accounting principles and policies used in the preparation of these financial statements, together with certain related information, are summarized below.

CASH

Cash includes amounts due from the Federal Reserve Bank, Federal Home Loan Bank, other banks and credit unions as well as cash in transit to member credit unions. Amounts due from banks and credit unions may, at times, exceed federally insured limits.

INVESTMENTS

Investments are classified into the following categories: available-for-sale and other. Investment securities classified as available-for-sale are measured at market value as of the statement of financial condition date. Unrealized gains and losses for available-for-sale investments are reported as a separate component of members' equity. Realized gains and losses on disposition, if any, are computed using the specific identification method. Investments are adjusted for amortization of premiums and accretion of discounts over the term of the investment by a method that approximates the interest method. Adjustments are recognized to interest income on investments.

The Credit Union has elected to classify certain cash equivalents as other investments. This election is available to the Credit Union according to the terms of the Statement of Cash Flows Topic of the FASB Accounting Standards Codification.

<p style="text-align: center;">KANSAS CORPORATE CREDIT UNION NOTES TO THE FINANCIAL STATEMENTS</p>
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Note 1: (continued)

U.S. Central Bridge Corporate Federal Credit Union is a federally chartered financial services cooperative which operates for the benefit of its members (primarily corporate credit unions) under the Federal Credit Union Act. During 2009, U.S. Central Federal Credit Union (USC) was conserved by the NCUA as part of the corporate credit union stabilization plan. As part of the stabilization plan, the NCUA sold the toxic assets of USC to its asset management company. Additionally, the non-toxic assets as well as the correspondent banking services were moved to the newly formed U.S. Central Bridge Corporate Federal Credit Union (USC Bridge) on November 1, 2010. USC Bridge was chartered for two years and must seek a merger partner, reform as a new corporate credit union, or liquidate within the chartered period.

The principal activity of USC and USC Bridge is to provide wholesale investment, liquidity, custody and payment-system services to its member corporate credit unions. USC and USC Bridge investments are generally interest bearing with various maturity dates. The investments are carried at cost. Based on actions taken by the NCUA in 2009 and 2010, the remaining investments in excess of insurable limits maintained at USC and USC Bridge were temporarily guaranteed through December 31, 2012. As of December 31, 2010, the Credit Union maintained approximately \$40,405,000 of investments at USC Bridge with maturity dates beyond the temporary guarantee period of December 31, 2012.

FEDERAL HOME LOAN BANK (FHLB) STOCK

As a member of the FHLB, the Credit Union is required to invest in stock of the FHLB. The Credit Union's minimum stock investment is based on a formula developed by the FHLB that considers the Credit Union's total assets and outstanding advances from the FHLB. The FHLB stock is carried at cost within other investments and its disposition is restricted. No ready market exists for the FHLB stock, and it has no quoted market value.

LOANS TO MEMBERS

Loans to members are stated at the amount of unpaid principal. Interest on loans is calculated using the simple-interest method on principal amounts outstanding. The accrual of interest is discontinued when management believes that collection of interest is doubtful.

PROPERTY AND EQUIPMENT

Land is carried at cost. Property and equipment are carried at cost less accumulated depreciation and amortization. Buildings, and furniture and equipment are depreciated using the straight-line method over the estimated useful lives of the assets. The cost of leasehold improvements is amortized using the straight-line method over the term of the lease, or the estimated life of the asset, whichever is less. The Credit Union reviews property and equipment (long-lived assets) for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable.

NCUSIF DEPOSIT

The deposit in the National Credit Union Share Insurance Fund (NCUSIF) is in accordance with National Credit Union Administration (NCUA) regulations, which require the maintenance of a deposit by each insured credit union. The deposit would be refunded to the Credit Union if its insurance coverage is terminated, it converts to insurance coverage from another source, or the operations of the fund are transferred from the NCUA Board. **(See Note 13)**

<p style="text-align: center;">KANSAS CORPORATE CREDIT UNION NOTES TO THE FINANCIAL STATEMENTS</p>
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Note 1: (continued)

NCUSIF INSURANCE PREMIUM AND CORPORATE STABILIZATION ASSESSMENT

During 2009, the NCUA Board assessed a combined 15.0 basis point NCUSIF insurance premium and Corporate stabilization assessment on insured deposits as of June 30, 2009. During 2010, the NCUA Board assessed a 13.4 basis point Corporate stabilization assessment on insured deposits as of March 31, 2010, and a 12.42 basis point NCUSIF insurance premium on insured deposits as of June 30, 2010. (See Note 13)

MEMBERS' SHARE AND CERTIFICATE ACCOUNTS

Members' shares are subordinated to all other liabilities of the Credit Union other than membership capital share deposits upon liquidation. Interest rates on members' share and certificate accounts are set by management based on a daily assessment of available earnings and are not guaranteed by the Credit Union.

MEMBERSHIP CAPITAL SHARE DEPOSITS

Membership capital share deposits require a notification term of three years prior to their withdrawal from the Credit Union. In the event of the Credit Union's liquidation, membership capital share deposits are payable only after satisfaction of all liabilities of the Credit Union, including uninsured share obligations to members and the NCUSIF, but excluding paid-in capital deposits. (See Notes 7, 13 and 14)

BORROWED FUNDS

The Credit Union has borrowed funds outstanding from the USC and USC Bridge as of December 31, 2010 and 2009, respectively. Borrowed funds are secured by qualified collateral, as defined in the agreement.

MEMBERS' EQUITY

The Credit Union is required to maintain a statutory reserve (corporate reserve) in accordance with the Kansas Credit Union Act and NCUA's Rules and Regulations. This statutory reserve represents a regulatory restriction and is not available for the payment of interest.

FEDERAL AND STATE TAX EXEMPTION

The Credit Union is exempt from most federal, state, and local taxes.

SUBSEQUENT EVENTS

Management has evaluated subsequent events through April 8, 2011, the date the financial statements were available to be issued. Management has not identified any items requiring recognition or disclosure.

KANSAS CORPORATE CREDIT UNION NOTES TO THE FINANCIAL STATEMENTS
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NOTE 2: INVESTMENTS

The amortized cost and estimated market value of investments are as follows:

	As of December 31, 2010			Market Value
	Amortized Cost	Gross Unrealized Gains	Gross Unrealized Losses	
<u>Available-for-sale:</u>				
U.S. government and agency securities:				
Mortgage-backed securities	\$60,747,288	\$237,716	(\$28,211)	\$60,956,793
Small business administration	17,527,492	—	(141,921)	17,385,571
Agency bonds	5,008,160	—	(3,960)	5,004,200
Private-issue security	260,662	—	(104,353)	156,309
	<u>\$83,543,602</u>	<u>\$237,716</u>	<u>(\$278,445)</u>	<u>\$83,502,873</u>

	As of December 31, 2009			Market Value
	Amortized Cost	Gross Unrealized Gains	Gross Unrealized Losses	
<u>Available-for-sale:</u>				
U.S. government and agency securities:				
Mortgage-backed securities	\$45,145,082	\$91,996	(\$58,365)	\$45,178,713
Private-issue security	280,878	—	(140,518)	140,360
	<u>\$45,425,960</u>	<u>\$91,996</u>	<u>(\$198,883)</u>	<u>\$45,319,073</u>

The amortized cost and estimated market value of investments by contractual maturity are shown below. Expected maturities may differ from contractual maturities because issuers may have the right to call or prepay certain obligations without call or prepayment penalties.

	As of December 31, 2010	
	<u>Available-for-sale</u>	
	Amortized Cost	Market Value
1 to 5 years	5,008,160	5,004,200
Mortgaged-backed securities	60,747,288	60,956,793
Small business administration	17,527,492	17,385,571
Private-issue security	260,662	156,309
	<u>\$83,543,602</u>	<u>\$83,502,873</u>

KANSAS CORPORATE CREDIT UNION NOTES TO THE FINANCIAL STATEMENTS
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Note 2: (continued)

The following tables show the gross unrealized losses and fair value of investments, aggregated by length of time that individual securities have been in a continuous unrealized loss position.

As of December 31, 2010						
Available-for-sale						
	<u><i>Less than 12 Months</i></u>		<u><i>12 Months or Longer</i></u>		<u><i>Total</i></u>	
	Fair	Gross	Fair	Gross	Fair	Gross
	Value	Unrealized	Value	Unrealized	Value	Unrealized
		Losses		Losses		Losses
U.S. government and agency securities:						
Mortgaged-backed securities	\$17,670,253	(\$25,826)	\$1,205,055	(\$2,385)	\$18,875,308	(\$28,211)
Small business administration	17,385,571	(141,921)	—	—	17,385,571	(141,921)
Agency bonds	5,004,200	(3,960)	—	—	5,004,200	(3,960)
Private-issue security	—	—	156,309	(104,353)	156,309	(104,353)
	<u>\$40,060,024</u>	<u>(\$171,707)</u>	<u>\$1,361,364</u>	<u>(\$106,738)</u>	<u>\$41,421,388</u>	<u>(\$278,445)</u>

As of December 31, 2009						
Available-for-sale						
	<u><i>Less than 12 Months</i></u>		<u><i>12 Months or Longer</i></u>		<u><i>Total</i></u>	
	Fair	Gross	Fair	Gross	Fair	Gross
	Value	Unrealized	Value	Unrealized	Value	Unrealized
		Losses		Losses		Losses
U.S. government and agency securities:						
Mortgaged-backed securities	\$16,365,540	(\$20,306)	\$6,542,775	(\$38,059)	\$22,908,315	(\$58,365)
Private-issue security	—	—	140,360	(140,518)	140,360	(140,518)
	<u>\$16,365,540</u>	<u>(\$20,306)</u>	<u>\$6,683,135</u>	<u>(\$178,577)</u>	<u>\$23,048,675</u>	<u>(\$198,883)</u>

No other-than-temporary impairment has been recognized on the private-issue security as management and an outside third party have reviewed and determined that there is no potential credit losses on the security as of December 31, 2010. The market loss on the private-issue security has been recorded through accumulated comprehensive loss and represents the interest rate differential between the expected yield on the security and the book yield. The fair value of this security is expected to be recovered as the market for this type of security improves and/or this security approaches its maturity date. Management has the ability and intent to hold this security through to recovery of fair value, which may be maturity.

KANSAS CORPORATE CREDIT UNION NOTES TO THE FINANCIAL STATEMENTS
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Note 2: (continued)

Unrealized losses on securities issued by the U.S. Government and its Agencies, including the mortgage-backed securities, have not been recognized into income because of the implicit guarantee of the principal balances of these securities by the U.S. Government. Additionally, the decline in the fair values of the U.S. Government and Agency securities is expected to be recovered as the market for these securities improves and/or these securities approach their maturity dates. Management has the ability and intent to hold these securities through the recovery of fair value, which may be maturity.

U.S. Central Bridge Corporate Federal Credit Union:

	As of December 31,	
	2010	2009
Certificates of deposit	\$67,573,737	\$—
Daily accounts	22,029,379	—
Community investment fund	1,000,000	—
	\$90,603,116	\$—

U.S. Central Federal Credit Union:

	As of December 31,	
	2010	2009
Certificates of deposit	\$—	\$110,955,802
Daily accounts	—	123,101,669
Community investment fund	—	1,010,000
	\$—	\$235,067,471

Other investments:

	As of December 31,	
	2010	2009
Certificates of deposit	\$11,503,000	\$10,148,000
FHLB stock	682,200	612,600
CUSOs	220,000	220,000
Other	212,005	212,005
	\$12,617,205	\$11,192,605

NOTE 3: LOANS TO MEMBERS

The composition of loans to members is as follows:

	As of December 31,	
	2010	2009
Loans outstanding:		
Fixed rate term loans	\$5,643,241	\$24,972,424
Demand loans	3,211,125	51,787
	\$8,854,366	\$25,024,211

KANSAS CORPORATE CREDIT UNION NOTES TO THE FINANCIAL STATEMENTS
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NOTE 4: PROPERTY AND EQUIPMENT

A summary of the Credit Union's property and equipment is as follows:

	As of December 31,	
	2010	2009
Land	\$92,432	\$92,432
Building	763,480	763,480
Furniture and equipment	514,128	509,621
Leasehold improvements	25,654	25,654
	1,395,694	1,391,187
Less accumulated depreciation	(773,339)	(705,757)
	\$622,355	\$685,430

**NOTE 5: MEMBERS' SHARE
AND CERTIFICATE ACCOUNTS**

Members' share and certificate accounts are summarized as follows:

	As of December 31,	
	2010	2009
Daily shares	\$65,275,241	\$66,639,799
Managed liquidity shares	162,377,641	174,825,898
CIF deposit	510,000	510,000
Certificates	45,140,983	51,713,638
	\$273,303,865	\$293,689,335

The aggregate amount of members' time deposit accounts in denominations of \$100,000 or more was approximately \$44,938,000 and \$51,126,000 as of December 31, 2010 and 2009, respectively.

Scheduled maturities of certificates are as follows:

	As of December 31, 2010
Within 1 year	\$39,708,050
1 to 2 years	4,848,000
2 to 3 years	400,000
3 to 4 years	100,000
4 to 5 years	84,933
	\$45,140,983

SHARE INSURANCE

Members' shares are generally insured by the NCUSIF to a maximum of \$250,000 for each member. However, NCUA has provided a temporary guarantee whereby all deposits in excess of insurable limits maintained at corporate credit unions, other than membership capital and paid-in capital, will be guaranteed through December 31, 2012.

KANSAS CORPORATE CREDIT UNION NOTES TO THE FINANCIAL STATEMENTS
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NOTE 6: BORROWED FUNDS

The Credit Union maintained borrowed funds from USC Bridge which are summarized in the following table. (See Note 15)

Interest Type	Interest Rate	Final Maturity Date	Payment Description	As of December 31, 2010
Fixed	3.90%	September 1, 2011	Monthly	\$107,143
Fixed	4.75%	November 1, 2019	Monthly	531,434
				\$638,577

The Credit Union maintained borrowed funds from USC which are summarized in the following table.

Interest Type	Interest Rate	Final Maturity Date	Payment Description	As of December 31, 2009
Fixed	3.71%	January 11, 2010	Balloon	\$1,992,000
Fixed	3.70%	January 11, 2010	Balloon	1,996,000
Fixed	3.71%	January 11, 2010	Balloon	999,000
Fixed	3.71%	January 11, 2010	Balloon	997,000
Fixed	3.61%	January 14, 2010	Balloon	4,990,000
Fixed	3.61%	January 14, 2010	Balloon	1,996,000
Fixed	3.61%	January 14, 2010	Balloon	1,996,000
Fixed	3.50%	January 15, 2010	Balloon	1,000,000
Fixed	2.68%	March 15, 2010	Balloon	1,000,000
Fixed	3.90%	September 1, 2011	Monthly	250,000
Fixed	4.75%	November 1, 2019	Monthly	591,034
				\$17,807,034

***NOTE 7: PAID-IN CAPITAL AND
MEMBERSHIP CAPITAL***

Under section 704.2 of the NCUA Rules and Regulations, paid-in capital and membership capital share accounts are available to cover losses that exceed retained earnings (corporate reserves and undivided earnings). In May 2009, the NCUA published Letter to Credit Unions 09-CU-10, reinforcing the regulatory requirement in section 704.2 of the NCUA Rules and Regulations, stating that paid-in capital and membership capital must be depleted to the extent necessary to eliminate any accumulated deficit in undivided earnings. As a result of a net loss for the year ended December 31, 2008, the Credit Union's retained earnings fell below zero as of December 31, 2008. Therefore, as of January 1, 2009, the Credit Union depleted membership capital and paid-in capital by approximately \$7,821,000. No depletion of membership capital occurred during 2010 as the Credit Union maintained positive retained earnings during the year ended December 31, 2010.

<p style="text-align: center;">KANSAS CORPORATE CREDIT UNION NOTES TO THE FINANCIAL STATEMENTS</p>
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NOTE 8: EMPLOYEE BENEFITS

401(k) AND PROFIT SHARING PLAN

During the year ended December 31, 2010, the Credit Union maintained a 401(k) pension plan that allowed employees to defer a portion of their salary into the 401(k) plan. Employees are eligible to participate in the plan after one year of service. The Credit Union contributes up to 5% of employees' annual salary. Participants become 20% vested in employer contributions and become 100% vested after five years of credited service. The 401(k) plan expense was approximately \$33,000 and \$43,000 for the years ended December 31, 2010 and 2009, respectively.

***NOTE 9: COMMITMENTS
AND CONTINGENT LIABILITIES***

LINES OF CREDIT:

As of December 31, 2010, the Credit Union maintained a \$110,000,000 line-of-credit agreement with USC Bridge. The terms of the agreement require the pledging of all share accounts, share certificate accounts, or other accounts maintained with USC Bridge as security for obligations under this line-of-credit agreement. The Credit Union is also required to pledge any securities held in safekeeping by USC Bridge. As of December 31, 2010, the unused line of credit was approximately \$109,361,000.

The Credit Union has access to a pre-approved secured line-of-credit with the FHLB. The Credit Union has the capacity to borrow up to a certain percentage of the value of its qualified collateral, as defined in the FHLB Statement of Credit Policy. As of December 31, 2010, there were no outstanding advances under this agreement.

The Credit Union has access to a pre-approved unsecured line-of-credit with Pacific Coast Bankers' Bank of approximately \$75,000,000. This particular line-of-credit is guaranteed by NCUA as part of the Temporary Corporate Credit Union Liquidity Guarantee Program (TCCULGP). As of December 31, 2010, there were no outstanding advances under this agreement.

As of December 31, 2010, the Credit Union maintained a \$10,000,000 advised line-of-credit agreement with SunTrust Bank. As of December 31, 2010, there were no outstanding advances under this agreement.

***NOTE 10: OFF-BALANCE-SHEET RISK
AND CONCENTRATIONS OF CREDIT RISK***

The Credit Union is a party to financial instruments with off-balance-sheet risk in the normal course of business to meet the financing needs of its member credit unions and to reduce its own exposure to fluctuations in interest rates. These financial instruments include commitments to extend credit. These instruments involve, to varying degrees, elements of credit and interest-rate risk in excess of the amount recognized in the statements of financial condition. The Credit Union's exposure to credit loss in the event of nonperformance by the other party to the financial instrument for commitments to extend credit is represented by the contractual amount of those instruments.

<p style="text-align: center;">KANSAS CORPORATE CREDIT UNION NOTES TO THE FINANCIAL STATEMENTS</p>
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Note 10: (continued)

Commitments to extend credit are agreements to lend to a member credit union as long as there is no violation of any condition established in the contract. Commitments generally have fixed expiration dates or other termination clauses. Since many of the commitments may expire without being fully drawn upon, the total commitment amounts do not necessarily represent future cash requirements. As of December 31, 2010, the Credit Union's unfunded commitments approximated \$188,840,000. The Credit Union evaluates each member credit union's creditworthiness on a case-by-case basis. The amount of collateral obtained, if any, is based on management's credit evaluation of the member.

The Credit Union may be exposed to credit risk from a regional economic standpoint, since a significant concentration of its funded and unfunded loans are made primarily to member credit unions in the state of Kansas. In addition, as a normal course of business operation, the Credit Union maintains a significant amount of its investments with USC Bridge. All remaining investments at USC Bridge are fully guaranteed by the National Credit Union Administration's Temporary Corporate Credit Union Share Guarantee Program through December 31, 2012. (See Note 13)

NOTE 11: REGULATORY CAPITAL

The Credit Union is subject to various regulatory capital requirements administered by the NCUA. Failure to meet minimum capital requirements can initiate certain mandatory, and possibly additional discretionary, actions by regulators that, if undertaken, could have a direct material effect on the Credit Union's financial statements. Failure to meet minimum capital requirements would require the Credit Union to submit a plan of action to correct the shortfall. Additionally, NCUA could require an increase in capital to specific levels, reduction of interest, and ceasing or limiting the Credit Union's ability to accept deposits.

Corporate credit unions must maintain a minimum capital ratio of 4% of its daily average net assets. A corporate credit union's capital consists of retained earnings as well as membership capital and paid-in capital deposits. Corporate credit unions that maintain a retained earnings ratio of less than 2% of daily average net assets must meet certain minimum earnings requirements as established by the NCUA.

KANSAS CORPORATE CREDIT UNION NOTES TO THE FINANCIAL STATEMENTS
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Note 11: (continued)

The Credit Union's actual and required capital and retained earnings ratios are as follows:

	As of		As of	
	December 31, 2010		December 31, 2009	
	Amount	Ratio	Amount	Ratio
<u>Capital ratio:</u>				
Actual capital:				
Retained earnings	\$728,793		\$311,169	
Membership capital	27,379,502		27,379,502	
	<u>\$28,108,295</u>	7.95%	<u>\$27,690,671</u>	7.48%
Capital requirement	<u>\$13,677,759</u>	4.00%	<u>\$14,640,670</u>	4.00%
<u>Retained earnings ratio:</u>				
Retained earnings	<u>\$728,793</u>	0.21%	<u>\$311,169</u>	0.09%
Retained earnings requirement	<u>\$6,838,880</u>	2.00%	<u>\$7,320,335</u>	2.00%

The Credit Union's capital ratio was compliant with the NCUA's capital requirement; however, the retained earnings ratio was not compliant with the NCUA's retained earnings ratio requirement as of December 31, 2010 or 2009. However, on April 21, 2009, the NCUA Board approved an order permitting corporate credit unions to use capital levels as reported on the November 30, 2008, Call Report for regulatory compliance. Kansas Corporate Credit Union was in compliance with both the capital requirement and retained earnings requirement as of November 30, 2008. This exception is expected to remain in place until the requirements of the new corporate credit union regulations take effect in 2011.

During 2010, the NCUA issued new regulations for corporate credit unions. These regulations will be phased in beginning in October 2011. Corporate credit unions will be required to build retained earnings as well as convert existing member capital and/or solicit new capital contributions. Member credit unions must decide to either convert existing membership capital to perpetual contributed capital or non perpetual capital accounts or to put existing member capital shares on three-year notice. The following is a chart showing the future capital requirements:

Ratio	Capital	Denominator	Minimum level to be classified as adequately capitalized	Minimum level to be classified as well capitalized
Leverage Ratio	RE + PCC	DANA	4.0%	5.0%
Tier-One Risk Based Capital Ratio	RE + PCC	DANRA	4.0%	6.0%
Total Risk Based Capital Ratio	RE + PCC + NCA	DANRA	8.0%	10.0%

RE = Retained earnings
PCC = Perpetual contributed capital
NCA = Non perpetual capital
DANA = Daily average net assets
DANRA = Daily average net risk assets

<p style="text-align: center;">KANSAS CORPORATE CREDIT UNION NOTES TO THE FINANCIAL STATEMENTS</p>
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Note 11: (continued)

The Credit Union will be required to meet the new interim Leverage, Tier-One Risk Based Capital, and Total Risk Based Capital Ratios by October 2011 and the Credit Union is positioned to do so based on the existing retained earnings and membership capital as of December 31, 2010.

**NOTE 12: FAIR VALUES OF FINANCIAL
INSTRUMENTS**

The Credit Union adopted the Fair Value Measurements and Disclosures Topic of the FASB Accounting Standards Codification, which provides a framework for measuring fair value and requires an entity to derive fair value from the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date within its principal market for the asset or liability, or in the absence of a principal market, the most advantageous market for the asset or liability. To increase consistency and comparability in fair value measurements and related disclosures, a three-level hierarchy prioritizes the inputs to valuation techniques used to measure fair value with the highest priority to unadjusted quoted prices in active markets for identical assets or liabilities (Level 1) and the lowest priority to unobservable inputs (Level 3) as further described below:

LEVEL 1

Level 1 inputs are quoted prices (unadjusted) in active markets for identical assets or liabilities that the Credit Union has the ability to access at the measurement date. An active market for the asset or liability is a market in which transactions for the asset or liability occur with sufficient frequency and volume to provide pricing information on an ongoing basis.

LEVEL 2

Level 2 inputs are inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly or indirectly. If the asset or liability has a specified (contractual) term, a Level 2 input must be observable for substantially the full term of the asset or liability. Level 2 inputs include: quoted prices for similar assets or liabilities in active markets; quoted prices for identical or similar assets or liabilities in markets that are inactive; inputs other than quoted prices that are observable for the asset or liability; inputs that are derived principally from or corroborated by observable market data by correlation or other means.

LEVEL 3

Level 3 inputs are unobservable inputs for the asset or liability which reflect the Credit Union's own assumptions about the assumptions that market participants would use in pricing the asset or liability. Assumptions about risk include risk inherent in a particular valuation technique used to measure fair value, typically pricing models and/or discounted cash flow methodologies.

KANSAS CORPORATE CREDIT UNION NOTES TO THE FINANCIAL STATEMENTS
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Note 12: (continued)

The methodologies and associated inputs used may produce a fair value calculation that may not be indicative of net realizable value or reflective of future fair values. Furthermore, while the Credit Union believes its valuation methods and associated inputs are appropriate and consistent with other market participants, the use of different methodologies or assumptions to determine the fair value of certain financial instruments could result in a different fair value measurement at the reporting date.

The following table sets forth by level, within the fair value hierarchy, the Credit Union's financial instruments at fair value:

Assets at Fair Value as of December 31, 2010				
	Quoted Prices Active Markets Identical	Significant Other Observable Inputs	Significant Unobservable Inputs	
	Level 1	Level 2	Level 3	Total
Assets:				
Available-for-sale securities:				
U.S. government issued				
Mortgaged-backed securities	\$—	\$60,956,793	\$—	\$60,956,793
Small business administration	—	17,385,571	—	17,385,571
U.S. government agencies	—	5,004,200	—	5,004,200
Private-issue security	—	156,309	—	156,309
	\$—	\$83,502,873	\$—	\$83,502,873

Assets at Fair Value as of December 31, 2009				
	Quoted Prices Active Markets Identical	Significant Other Observable Inputs	Significant Unobservable Inputs	
	Level 1	Level 2	Level 3	Total
Assets:				
Available-for-sale securities:				
U.S. government issued				
Mortgage-backed securities	\$—	\$45,178,713	\$—	\$45,178,713
Private-issue security	—	140,360	—	140,360
	\$—	\$45,319,073	\$—	\$45,319,073

<p style="text-align: center;">KANSAS CORPORATE CREDIT UNION NOTES TO THE FINANCIAL STATEMENTS</p>
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Note 12: (continued)

The estimated fair value amounts have been determined using available market information and appropriate valuation methodologies. However, considerable judgment is required to interpret market data to develop the estimates of fair value. Accordingly, the estimates presented are not necessarily indicative of amounts that could be realized in a market exchange. The use of different assumptions and estimation methodologies may have a material effect on the estimated fair value amounts. The following methods and assumptions were used to estimate fair value of each of the financial instruments for which it is practicable to estimate.

CASH

The carrying amount is a reasonable estimation of fair value.

INVESTMENTS

Estimated fair values for investments are obtained from quoted market prices where available. The fair value of fixed-maturity certificates of deposit was estimated by discounting the estimated cash flows using the current rate at which similar certificates would be issued.

LOANS TO MEMBERS

The estimated fair value for lines of credit is the current carrying amount due to the short-term, variable-rate nature of these instruments.

ACCRUED INTEREST RECEIVABLE

The carrying amount is a reasonable estimation of fair value.

MEMBERS' SHARE AND CERTIFICATE ACCOUNTS

The estimated fair value of demand deposit accounts is the carrying amount. The fair value of fixed-rate certificates of deposit was estimated by discounting the estimated cash flows using the current rate at which similar certificates would be issued.

MEMBERSHIP CAPITAL

The estimated fair value of membership capital is the carrying amount for purposes of disclosure. However, these balances are not insured or guaranteed by the NCUA, are subject to three-year withdrawal notification period and would be used to absorb any deficit in retained earnings should the Credit Union incur an operating loss in excess of the balance of retained earnings.

BORROWED FUNDS

The estimated fair value of borrowed funds was estimated by discounting the estimated cash flows using similar interest rates and terms at which funds could be borrowed.

ACCRUED INTEREST PAYABLE

The carrying amount is a reasonable estimation of fair value.

COMMITMENTS TO EXTEND CREDIT

The fair value of commitments to extend credit is equivalent to the amount of credit extended since the Credit Union does not charge fees to enter into these commitments and the commitments are not stated at fixed rates.

KANSAS CORPORATE CREDIT UNION NOTES TO THE FINANCIAL STATEMENTS
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Note 12: (continued)

The carrying value and estimated fair value of the Credit Union's financial instruments are as follows:

	As of December 31, 2010		As of December 31, 2009	
	Carrying Amount	Fair Value	Carrying Amount	Fair Value
<i>Financial assets:</i>				
Cash	\$105,615,373	\$105,615,373	\$21,519,958	\$21,519,958
Investments:				
Available-for-sale	\$83,502,873	\$83,502,873	\$45,319,073	\$45,319,073
U.S. Central Bridge Corporate FCU	\$90,603,116	\$90,603,116	\$—	\$—
U.S. Central FCU	\$—	\$—	\$235,067,471	\$235,067,471
Other	\$12,617,205	\$12,617,205	\$11,192,605	\$11,192,605
Loans to members	\$8,854,366	\$8,973,261	\$25,024,211	\$25,189,300
Accrued interest receivable	\$117,248	\$117,248	\$343,259	\$343,259
<i>Financial liabilities:</i>				
Members' share and certificate accounts	\$273,303,865	\$274,268,742	\$293,689,335	\$293,914,366
Membership capital	\$27,379,502	\$27,379,502	\$27,379,502	\$27,379,502
Borrowed funds	\$638,577	\$686,674	\$17,807,034	\$17,865,824
Accrued interest payable	\$111,816	\$111,816	\$307,320	\$307,320
<i>Unrecognized financial instruments:</i>				
Commitments to extend credit	\$—	\$188,840,000	\$—	\$180,121,000

NOTE 13: INDUSTRY EVENTS

In January 2009, the NCUA informed federally-insured credit unions that it was taking actions to enhance and support the corporate credit union system as well as the NCUSIF. In addition to placing USC into conservatorship, the NCUA established the Temporary Corporate Credit Union Share Guarantee Program, whereby all deposits in excess of insurable limits maintained at corporate credit unions, other than membership capital and paid-in capital, will be guaranteed through December 31, 2012.

In connection with the conservatorship of USC, the NCUA depleted all of the paid-in capital and membership capital shares maintained by corporate credit unions in USC. The losses incurred by corporate credit unions on their at-risk investments with USC, along with other in-house investment securities showing other-than-temporary impairment, resulted in significant operating losses throughout the corporate credit union system (Kansas Corporate Credit Union did not record any other-than-temporary impairments on in-house investments). These operating losses resulted in a material negative impact on the level of retained earnings and regulatory capital ratios at most corporate credit unions. As a result, many corporate credit unions were forced to deplete some or all of their members' paid-in capital and membership capital.

**KANSAS CORPORATE CREDIT UNION
NOTES TO THE FINANCIAL STATEMENTS**

Note 13: (continued)

These actions lead to material reductions in the earnings and retained earnings of many natural person credit unions. In some cases, the losses recognized by natural person credit unions from their at-risk investments in corporate credit unions, coupled with high loan losses and other non-corporate investment losses, resulted in regulatory actions by the NCUA, including conservatorship, assisted mergers, and liquidations. All of these factors contributed to significant losses to the NCUSIF and resulted in the assessment of insurance premiums by the NCUA Board during 2009 and 2010 to increase the NCUSIF's equity ratio to above 1.20%.

During May 2009, legislation was created to establish a Temporary Corporate Credit Union Stabilization Fund (Stabilization Fund) to absorb the corporate stabilization costs by borrowing money from the U.S. Treasury. During September 2010, the NCUA received approval from the U.S. Treasury to extend the life of the Stabilization Fund to June 2021. The funds borrowed from the U.S. Treasury will be repaid from assessments authorized by the NCUA Board. The NCUA Board has levied assessments during 2009 and 2010 to repay borrowed funds to the U.S. Treasury. It is anticipated that the NCUA Board will be making annual assessments over at least the next five years to cover costs associated with the corporate credit union system.

NOTE 14: CAPITAL RESTORATION PLAN

The Credit Union has suffered substantial losses due to the impairment of paid-in capital and membership capital share investments in USC. As a result, the Credit Union became undercapitalized in accordance with regulatory standards during 2008. On October 20, 2010, the NCUA issued new corporate credit union regulations that require the Credit Union to meet certain capital and operating profit requirements in various stages over the next ten years. Therefore, each corporate credit union was required to submit a capital restoration plan to the state regulators and the NCUA. The Credit Union received approval from the Kansas Department of Credit Unions on January 7, 2011 and by the NCUA on March 2, 2011.

Management has analyzed the impact of the new corporate credit union regulation and developed a business model to manage the Credit Union's balance sheet within the constraints of the new regulations. Additionally, management has developed a plan to convert existing member capital and/or solicit capital contributions from member credit unions to recapitalize the Credit Union.

Management plans to begin the process of converting member capital to perpetual contributed capital and raising additional capital to conform with the new corporate credit union regulations during 2011. Management expects to be compliant with the new corporate credit union regulations; however, in the unlikely event that the Credit Union be unable to convert and/or raise sufficient capital to adequately capitalize the Credit Union by the required deadline, the Credit Union would need to either amend its business model to conform with the balance of capital raised or liquidate.

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