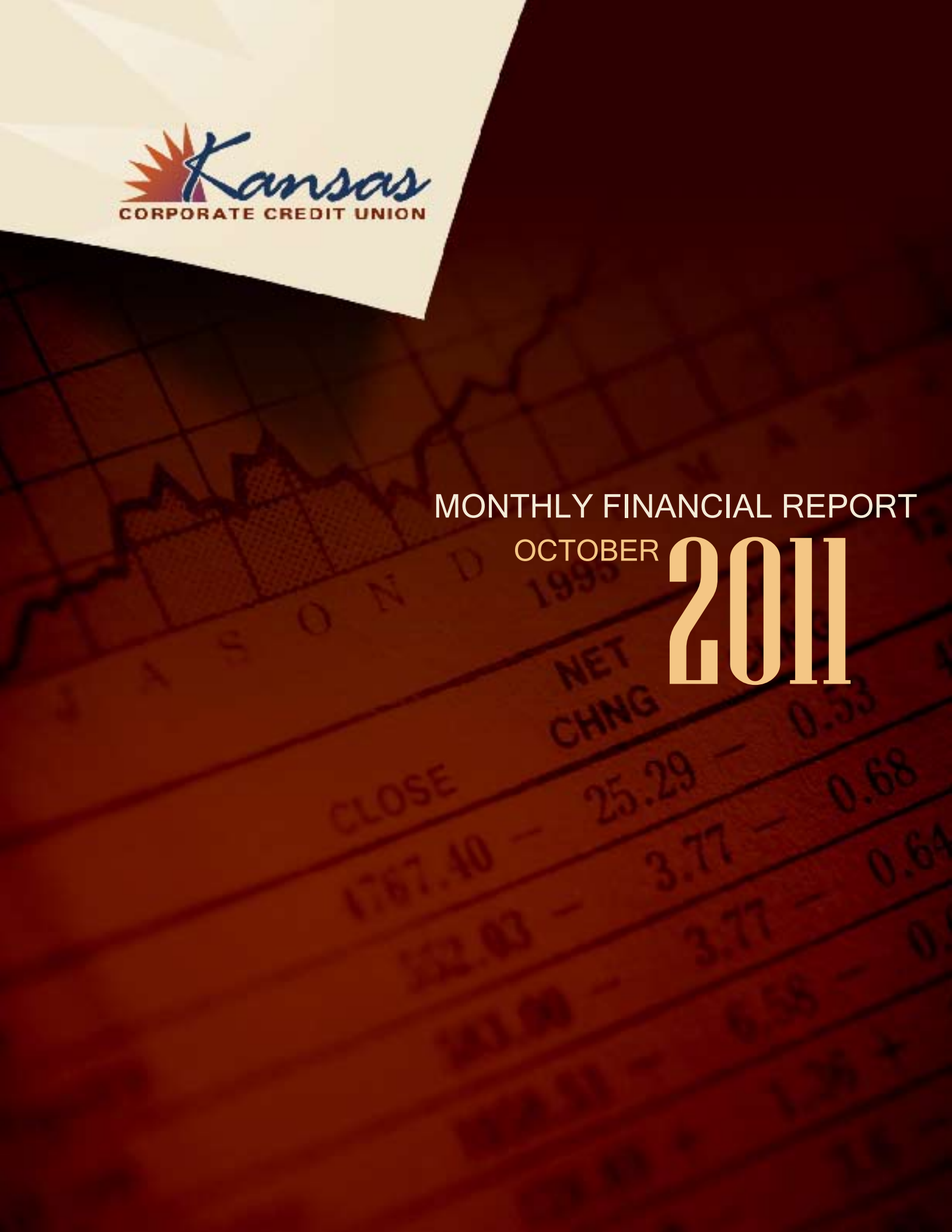




MONTHLY FINANCIAL REPORT

OCTOBER

2011



# Statement of Financial Condition

## October 31, 2011

		ASSETS		
		October 31, 2011	September 30, 2011	October 31, 2010
LOANS				
DEMAND	\$1,177,612			
LOC	0			
CLF LOAN	0			
FIXED RATE TERM LOANS	6,255,480			
TOTAL LOANS		\$7,433,092	\$11,466,407	\$2,972,756
CASH & OVERNIGHT DEPOSITS		133,806,903	133,075,285	104,179,732
ACCOUNTS RECEIVABLE		102,074	119,959	80,576
INVESTMENTS				
MARKETABLE SECURITIES		177,390,018	165,146,495	78,838,332
FAS 115 ADJ*		(340,034)	(226,964)	(7,440)
		177,049,984	164,919,531	78,830,892
USCCU		43,876,828	47,959,034	180,104,612
OTHER INVESTMENTS		10,321,405	10,321,405	10,064,605
TOTAL INVESTMENTS		231,248,218	223,199,970	269,000,109
NCUSIF DEPOSIT		252,609	252,609	275,062
TOTAL INVESTMENTS AND NCUSIF DEPOSIT		231,500,827	223,452,579	269,275,171
OTHER ASSETS				
ACC INC LOANS		10,840	10,011	12,970
ACC INC INVEST		98,582	153,532	136,628
PREPAID EXP		81,547	140,702	73,793
TOTAL OTHER ASSETS		190,969	304,245	223,391
FIXED ASSETS				
LAND		92,432	92,432	92,432
BUILDINGS & IMPROVEMENTS		467,135	469,840	499,867
DATA PROC EQUIP		149,261	122,077	28,436
FURN & FIXTURES		3,667	4,126	9,312
TOTAL FIXED ASSETS		712,494	688,474	630,047
<b>TOTAL ASSETS</b>		<b>\$373,746,360</b>	<b>\$369,106,951</b>	<b>\$377,361,673</b>
<b>LIABILITIES AND EQUITY</b>				
LIABILITIES:				
US CENTRAL LOANS		\$0	\$0	\$684,224
CLF LOAN		0	0	0
ACC INT PAYABLE		0	0	2,657
ACC DIVIDEND PAY		113,623	106,268	133,256
ACC EXPENSES		187,011	178,878	177,183
OTHER LIABILITY		76,074	81,719	263,568
<b>TOTAL LIABILITIES</b>		<b>376,708</b>	<b>366,865</b>	<b>1,260,890</b>
EQUITY:				
PERPETUAL CONTRIBUTED CAPITAL		20,835,395	20,517,568	0
REGULAR SHARES		44,931,220	38,314,043	25,848,532
MEMBERSHIP SHARES		8,882,680	9,138,886	27,379,502
SHARE CERTIFICATES		40,828,455	49,630,455	41,359,800
MANAGED LIQUIDITY SHARES		257,070,151	250,247,394	280,849,126
		372,547,900	367,848,346	375,436,960
RETAINED EARNINGS		1,161,786	1,118,704	671,263
MEMBER PAID IN CAPITAL		1,161,786	1,118,704	671,263
RESERVES & PIC BEFORE FAS 115 ADJUSTMENT		0	0	0
		1,161,786	1,118,704	671,263
NET UNREALIZED GAINS/(LOSSES) ON AVAILABLE-FOR-SALE SECURITIES*		(340,034)	(226,964)	(7,440)
RESERVES AFTER FAS 115 ADJUSTMENT		821,752	891,740	663,823
<b>TOTAL MEMBERS EQUITY</b>		<b>373,369,652</b>	<b>368,740,086</b>	<b>376,100,783</b>
<b>TOTAL LIABILITIES &amp; EQUITY</b>		<b>\$373,746,360</b>	<b>\$369,106,951</b>	<b>\$377,361,673</b>

\* Represents unrealized gains/(losses) on available for sale securities in accordance with SFAS 115.

# Income Statement

For the Period Ended October 31, 2011

	CURRENT MONTH	PRIOR MONTH	ACTUAL YR-TO-DATE	BUDGETED YR-TO-DATE	VARIANCE YR-TO-DATE	VARIANCE % YR-TO-DATE
<b>INTEREST INCOME:</b>						
<b>INVESTMENTS</b>						
U.S. Central & Other Financial Institutions	\$ 42,505	\$ 40,645	\$ 614,103	\$ 733,688	\$ (119,585)	-16.3%
Marketable Securities	72,191	67,255	609,499	660,000	(50,501)	-7.7%
CUNA Mutual Notes	-	-	-	-	-	0.0%
Loans	9,574	8,181	85,088	57,446	27,642	48.1%
<b>Total Interest Income</b>	<b>124,269</b>	<b>116,081</b>	<b>1,308,688</b>	<b>1,451,134</b>	<b>(142,445)</b>	<b>-9.8%</b>
<b>INTEREST EXPENSE:</b>						
Members' Accounts	34,580	42,085	466,617	505,192	(38,575)	-7.6%
<b>BORROWINGS:</b>						
US Central Loans	64	-	9,163	40,532	(31,369)	-77.4%
<b>Total Interest Expense</b>	<b>34,644</b>	<b>42,085</b>	<b>475,779</b>	<b>545,724</b>	<b>(69,944)</b>	<b>-12.8%</b>
<b>NET INTEREST INCOME</b>	<b>89,627</b>	<b>73,996</b>	<b>832,909</b>	<b>905,410</b>	<b>(72,501)</b>	<b>-8.0%</b>
<b>FEE INCOME</b>						
ALM Income	14,997	21,397	175,844	166,667	9,177	5.5%
FRB Pass Through Fees	39,364	39,535	363,601	375,000	(11,399)	-3.0%
Coin & Currency Fees	26,897	26,734	258,214	246,667	11,547	4.7%
Wire Income	10,883	11,618	109,617	111,667	(2,050)	-1.8%
Other Service Income	50,315	49,568	459,919	416,667	43,252	10.4%
Commission Income	56,930	47,168	342,499	383,333	(40,835)	-10.7%
Rental Income	2,078	2,078	20,781	24,822	(4,041)	-16.3%
TSG Income	793	594	3,584	6,250	(2,666)	-42.7%
Excess Balance Earnings	0	124,381	124,437	0	124,437	N/A
<b>TOTAL FEE INCOME</b>	<b>202,259</b>	<b>323,073</b>	<b>1,858,494</b>	<b>1,731,072</b>	<b>127,423</b>	<b>7.4%</b>
<b>TOTAL OPERATING INCOME</b>	<b>291,884</b>	<b>397,069</b>	<b>2,691,404</b>	<b>2,636,482</b>	<b>54,923</b>	<b>2.1%</b>
<b>OPERATING EXPENSE</b>						
Advertising	255	386	6,045	6,000	45	0.8%
Annual Meeting	-	-	5,082	3,000	2,082	69.4%
Association Dues	833	833	8,330	8,330	-	0.0%
Financial Services	72,990	70,842	666,108	652,250	13,858	2.1%
Contributions	250	-	1,100	1,000	100	10.0%
Data Processing	16,241	16,501	153,675	146,875	6,800	4.6%
Depreciation	3,908	1,996	22,662	23,652	(990)	-4.2%
Employee Development	-	-	269	1,667	(1,398)	-83.9%
Insurance	5,717	5,717	56,531	57,292	(761)	-1.3%
Volunteer Meetings	153	5,267	11,550	6,250	5,300	84.8%
Office Occupancy	6,896	8,515	74,659	75,088	(429)	-0.6%
Office Operations	6,480	5,348	45,467	36,854	8,612	23.4%
Professional Services	12,131	8,451	95,581	87,229	8,352	9.6%
Salaries & Benefits	93,411	89,786	820,723	820,519	204	0.0%
Staff Travel	2,279	13,593	31,828	13,333	18,494	138.7%
Coin & Currency Expense	24,620	23,315	227,106	213,333	13,773	6.5%
Miscellaneous	-	-	-	-	-	-
<b>TOTAL OPERATING EXPENSE</b>	<b>246,164</b>	<b>250,549</b>	<b>2,226,715</b>	<b>2,152,670</b>	<b>74,045</b>	<b>3.4%</b>
NCUSIF Stabilization (Expense)	-	(16,253)	(63,153)	(64,000)	847	-1.3%
Gain on disposition of Marketable Securities	-	-	34,177	-	34,177	N/A
<b>NET INCOME BEFORE PIC DIVIDENDS</b>	<b>45,720</b>	<b>130,267</b>	<b>435,713</b>	<b>419,812</b>	<b>15,902</b>	<b>3.8%</b>
PPC Dividends	2,638	84	2,723	2,395	328	13.7%
<b>NET INCOME</b>	<b>\$ 43,082</b>	<b>\$ 130,183</b>	<b>\$ 432,990</b>	<b>\$ 417,417</b>	<b>\$ 15,574</b>	<b>3.7%</b>
<b>TRANSFER TO RESERVES &amp; UNDIVIDED EARNINGS</b>	<b>\$ 43,082</b>	<b>\$ 130,183</b>	<b>\$ 432,990</b>			

## Product & Service Offerings

### Correspondent Services

Kansas Corporate offers a comprehensive suite of correspondent services that not only allow you to serve your member needs today but tomorrow as well. ACH receipt and origination, currency and coin delivery, wire and western union transfers, and a complete international service package are but a few of the correspondent services available through Kansas Corporate.

### Investment Solutions

Providing a full-menu of investment offerings is one of the critical initiatives Kansas Corporate practices to ensure members achieve their financial goals. Members can diversify their investment portfolio doing business with one partner, Kansas Corporate. Credit unions have access to the CD market through SimpliCD, marketable securities through ISI, as well as investment offerings available from Kansas Corporate including Term Certificates, Fixed Callable, Step-Up Certificates, and ACP Offerings. Security settlement and safekeeping is also available for member credit unions.

### Liquidity Solutions

Kansas Corporate offers a variety of liquidity solutions to ensure meeting the varying liquidity needs of member credit unions. Members choose their funding method be it an overnight, term or asset-backed loan.

### Technology Services

Kansas Corporate, through partnerships with industry experts, provides technology solutions beyond compare in today's market. Development of the Technology Services Group to aid member credit unions with technology initiatives has fostered growth for members statewide. Other services include web development, bill payment, voice and data solutions, and security assessments.

For more information about Kansas Corporate and the services we provide, contact Circe Gleeson, Marketing Manager, at 800.721.2677 | Ext. 106 or email [marketing@kansascorporate.org](mailto:marketing@kansascorporate.org).

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Controller