

TREASURER'S REPORT 2009

ASSETS

TOTAL LOANS	\$35,843,683.53
LESS ALLOWANCE LOAN LOSSES	-\$335,904.19
CASH IN BANK	\$1,593,734.50
LAND AND BUILDING	\$1,524,476.14
FURNITURE & FIXTURES	\$121,213.32
INVESTMENTS	\$108,627,784.77
DEPOSIT NCUIF	\$1,002,151.41
OTHER ASSETS	\$609,587.18
CUSO INVESTMENT	\$1,383,022.92

TOTAL ASSETS \$150,369,749.58

LIABILITIES & EQUITY

ACCOUNTS PAYABLE & NOTES PAYABLE	\$23,385,324.72
DIVIDENDS PAYABLE	\$86,960.94
SHARES	\$30,723,311.30
SHARE CERTIFICATES	\$55,603,056.90
EXPANDACHEK SHARES	\$11,393,582.45
IRA SHARES	\$14,254,072.66
MONEY MARKET GOLD SHARES	\$1,950,336.28
REGULAR RESERVES	\$1,972,172.72
UNDIVIDED EARNINGS AND UNREALIZED GAIN/LOSS AVAILABLE FOR SALE SECURITIES	\$11,000,931.61

TOTAL LIABILITIES AND EQUITY \$150,369,749.58

STATEMENT OF INCOME

INTEREST ON LOANS	\$2,419,944.41
INCOME FROM INVESTMENTS	\$3,184,327.31
OTHER INCOME	\$1,133,763.26

GROSS INCOME \$6,738,034.98

OPERATING EXPENSES

SALARIES & EMPLOYEE BENEFITS	\$1,370,857.99
TRAVEL & CONFERENCE EXPENSE	\$17,229.83
ASSOCIATION DUES	\$34,840.72
OFFICE OCCUPANCY EXPENSE	\$195,179.18
OFFICE OPERATIONS EXPENSE	\$1,066,393.04
EDUCATION & PROMOTION EXPENSE	\$158,932.65
LOAN SERVICING EXPENSE	\$99,708.62
PROFESSIONAL & OUTSIDE SERVICE	\$162,140.92
PROVISION LOAN LOSSES	\$188,707.03
MEMBER INSURANCE	\$74,839.23
OPERATING FEES (STATE DEPARTMENT)	\$31,835.68
ANNUAL MEETING EXPENSE	\$15,683.37
MISC. OPERATING EXPENSE	\$10,483.34

TOTAL OPERATING EXPENSES \$3,426,831.60

DIVIDENDS TO MEMBERS	\$2,079,060.26
INTEREST ON BORROWED MONEY	\$335,174.68
NET INCOME	\$896,968.44

NCUSIF PREMIUMS	-\$737,894.23
NCUSIF REFUNDS	\$587,571.52
PAID IN CAPITAL WRITEDOWN AT KCCU	-\$698,041.41

NET INCOME AFTER ADJUSTMENTS \$48,604.32

Office Staff

Main Office

Gary Colcher, President
 Dennis Curry, Vice President
 Mary Paden, Loan Officer
 Doug Carlson, Loan Officer
 Ron Crawford, Loan Counselor
 Benita Mosher, Operations Manager
 Barbara McAlister, Receptionist/Member Services Representative
 Daylene Wittman, Member Services Representative/Marketing
 Brentt Moon, Operations Technician
 Amy Spencer, Operations Technician
 Evelyn Howard, Head Teller
 Lori Klein, Loan Account Specialist
 Heidi Gisi, Asst. Loan Account Specialist
 Beth Tindell, Receptionist/Member Service Representative
 Shari Moore, Kerri Underwood, Megan Amis, Jennifer Frickey, Shelbi Simpson, Anna Huda, Jessica Glenn, Tellers

29th & Croco Shared Branch

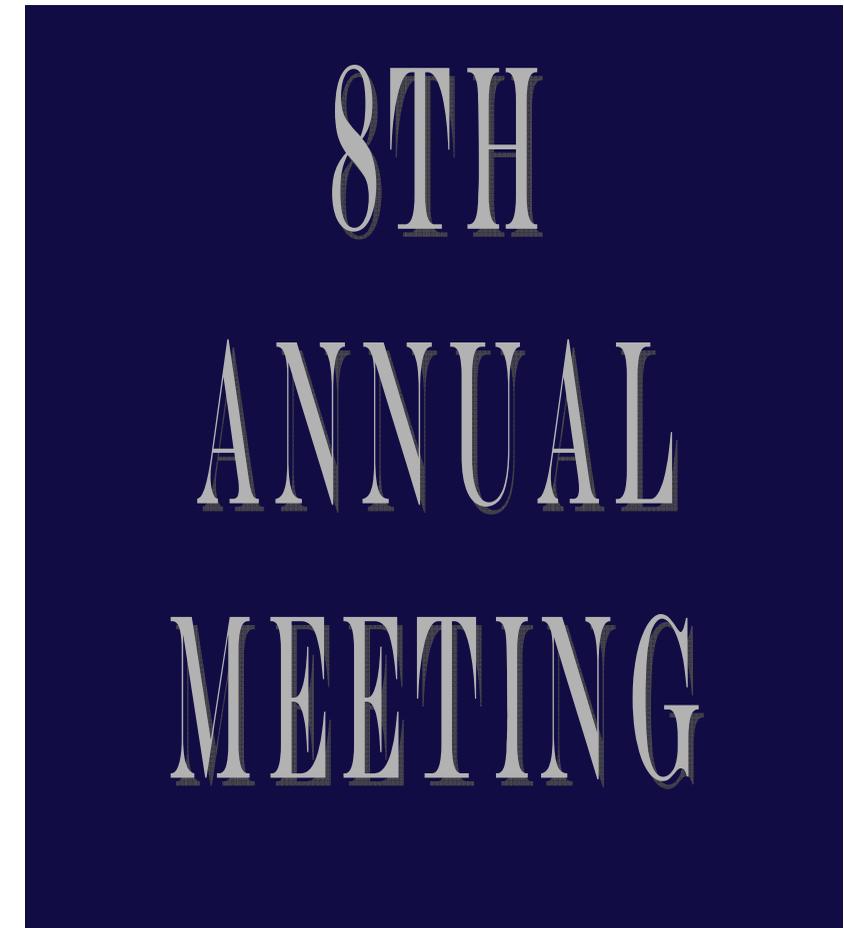
Jackie Anderson, Branch Manager
 Karen Fink, Loan Officer
 Chelle Hamilton, Loan Officer
 Nicki Jackson, New Account Representative
 Michelle Welborn, Jared Mathis,
 Nicole Rice, Melissa Weishaar, Tyler Karle, Tellers/Member Service Representative

Pittsburg Branch

Karen Crager, Branch Manager
 Cindy Minelli, Loan Officer
 Stephanie Gress, Mary Mowdy, Lori Trotnic, MSR

Credit Union Service Centers

Becky Harwick, President
 Andy Homewood, Manager Mortgage Services
 Jennifer Kratochvil, Office Manager
 Evan Bounous, Vice President of Information Technology
 Curtis Scott, Information Technology
 Jessica Puvogel, Operations Manager
 Savanna Smith, Administrative Assistant
 George Campbell, Loss prevention



March 24, 2010
7:00 p.m.
Holiday Inn Holidome

2010 Meeting Agenda

- Meeting will be called to order
- Roll call
- Minutes of 7th Annual Meeting
- Board of Directors report
- Treasurer's report
- Loan officer's report
- Supervisory committee's report
- President's report
- Nominations and elections
- Refreshments served
- Door prizes

Minutes of the 7th Annual Meeting March 25th, 2009

Meeting was called to order at 7:00 pm by Chairman B Collie.

Pledge of Allegiance to the flag was sworn by all in attendance. Also, a moment of silence was observed for Melvin Zeferjahn who had served on the Board of Directors and Credit Committee for twenty years. Chairman B. Collie gave a bio of Eleanor Price whom served as Manager for 32 years and a moment of silence was observed in her honor. Our soldiers in Iraq were given a moment of silence for prayer of their safety and fast return.

Roll call was given and all Board members were present.

Minutes of the previous meeting were approved as printed with a motion by K Bailey and a 2nd by J Dickson. M/C

Board of Directors report was approved as printed with a motion by K Surbaugh and a 2nd by J Conaway. M/C

Treasurer's report was approved as printed with a motion by K Bailey and a 2nd J Dickson. M/C

Loan Officers report was approved as printed with a motion by K Bailey and a 2nd by J Conaway. M/C.

Supervisory Committees report was approved as printed with a motion by R Meier and a 2nd by K Bailey. M/C

Introduction of the Supervisory Committee was given.

G Colcher introduced the staff and he expanded on the financial reports for the year.

D Curry introduced the nominees for the Board of Directors. Nominations from the floor were requested and with hearing none, K Bailey made a motion to cease nominations with a 2nd by J Conaway. M/C The nominees were all elected by acclamation. Elected to the Board were B Collie, G Rohrer, D Frick and G Colcher.

At this time all retirees were recognized along with E Pachosa, E Self and C Mickey for all their years of service to the Credit Union.

Refreshments were served and door prize drawings were held at this time.

A motion to adjourn was made by K Bailey and a 2nd by J Conaway.

M/C

Board of Directors Report 2009

Welcome to our 8th Annual Meeting of Credit Unions United It is a pleasure to say that 2009 was one of the best years in the history of the Credit Union, but also a disappointment to report that it was also one of our worst years. Sounds like an oxymoron right?

Simply explained; on the positive side, the overall financials for 2009 would have made it one of our best years with a net income of around \$950,000. However, with the Corporate Credit Union Stabilization fees that were accessed by the National Credit Union Administration along with the required write down of Paid in Capital at our Corporate Credit Union the total amount subtracted was nearly \$900,000 giving us an overall net for the year of around \$50,000. Again, the best of times AND the worst of times.

As discussed at last years Annual Meeting, the total write-downs for 2009 could have amounted to around \$1,800,000; we only realized half of that in 2009, but the balance will be paid over the next 6 years. Going into each new year, we already know we have at least a \$150,000 bill due to NCUA just to catch up, and if further losses are charged to the National Credit Union Share Insurance Fund then additional fees will be accessed on top of that. Why do we have these fees? Because Credit Union members are all one family in this country and we help each other pay our own way and DON'T ask for Government Bailouts. We are helping protect the savings of over 93 million members across the country and are proud to do so. People helping people; IS what we are all about.

In 2010 we will consolidate with CU 1 of KS, making us a much larger Credit Union and giving each of us more strength together than we would have separately. This strength will help all of us in the coming years as the economy begins to flourish once again. This will give us the strength to improve our existing services and add new ones. But as always, our greatest strength is you our members, standing with us to overcome the economic problems that we have seen and any we may see in the future. As Walter Cronkite would always end his newscasts "And that's the way it was" in 2009.

Thank you once again for your continued support of your Credit Union. Without you, we could not make the difference.

Bobb Collie, Chairman George Rohrer, Vice-Chairman Robert Kahler, Treasurer, Don Frick, Secretary Joann Goedeke, Larry Scarbrough, Gary Colcher

Supervisory Committee's Report 2009

The year presented many hours devoted to the Supervisory Committee fulfilling their fiduciary responsibility to oversee and monitor the actions of the Board of Directors and operations of management. Many various tasks are required each year to fulfill guidelines set out by the National Credit Union Administration (NCUA) as the Federal Insurer for the Credit Union. As our regulator, the Kansas Department of Credit Unions (KDCU) examines the credit union yearly in order to review all regulations and see that all policies are being met.

There were two examinations conducted during the year, one being that of KDCU and one of the independent CPA firm of Jerry Tenbrink & Associates for our required Supervisory annual audit. These examinations performed were to verify that our accounting and record requirements were in compliance of regulations and accounting guidelines for credit unions. The results of both examinations were very favorable as to the operations of your credit union and we were in compliance with Federal and State regulations and accounting standards.

Some recap of what your committee monitors are as follows:

- * Monthly verifications of new and closed accounts
- * Bi-yearly verification of members accounts and balances
- * Monthly verification of loan procedures & loan file examination
- * Review of member correspondence
- * Review of monthly expenditures
- * Attend monthly board meetings
- * Contract for CPA audits

We wish to thank management and staff for their cooperation and help they have given to us this past year.

**Supervisory Committee: Dorothy Conaway, Chairperson
Ed Taylor, Rebecca Beecham, JoAnn Goedeke, Connie Fulton**

Loan Officer's Report 2009

New loan volume of almost \$15 million dollars kept the loan officers quite busy in 2009. Nearly 3,000 loans were processed to achieve this amount. Even with this new volume our total loan portfolio declined 5% as loan repayments exceeded requests for additional loans. Our loan officers look for every possible opportunity to capture loans in order to save our members money on their financing. Loans are one of the most essential sources of income for the credit union and as you can see from the numbers above, it takes a lot of new loans to stay ahead of repayments. We feel that your credit union provides the fastest service along with the best advice regarding all your financial needs. Most of our loan requests are processed on the spot meaning you normally don't have to make a return trip to sign loan documents. With our competitive rates and fast service we can get you into that new or used car faster and cheaper than most other financial institutions.

We want to thank you, our member/owners, for the continued support you give us with your loan business. Please call your Credit Union first for all your financial needs. Our loan officers and staff are here to help you in any way we can.

Loan Officers: Mary Paden, Dennis Curry, Doug Carlson, Ron Crawford, Karen Cramer, Karen Fink, Cindy Minelli, Jackie Anderson, Chelle Hamilton