

NINTH FARM CREDIT DISTRICT 401(k) THRIFT PLAN
FINANCIAL STATEMENTS

Years Ended December 31, 2006 and 2005



Mayer Hoffman McCann P.C.

An Independent CPA Firm

820 N. Main
Wichita, Kansas 67203
316-265-5600 ph
316-265-8021 fx
www.mhm-pc.com

INDEPENDENT AUDITORS' REPORT

To the Trust Committee of the

NINTH FARM CREDIT DISTRICT 401(k) THRIFT PLAN

We have audited the accompanying statements of net assets available for benefits of the Ninth Farm Credit District 401(k) Thrift Plan (the "Plan") as of December 31, 2006 and 2005, and the related statements of changes in net assets available for benefits for the years then ended. These financial statements are the responsibility of the Plan's management. Our responsibility is to express an opinion on these financial statements based on our audits.

We conducted our audits in accordance with U.S. generally accepted auditing standards. 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.

In our opinion, the financial statements referred to above present fairly, in all material respects, the net assets available for benefits of the Plan as of December 31, 2006 and 2005, and the changes in its net assets available for benefits for the years then ended in conformity with U.S. generally accepted accounting principles.

Mayer Hoffman McCann P.C.

Wichita, Kansas
August 20, 2007

NINTH FARM CREDIT DISTRICT 401(k) THRIFT PLAN
STATEMENTS OF NET ASSETS AVAILABLE FOR BENEFITS

December 31, 2006 and 2005

	<u>2006</u>	<u>2005</u>
<u>ASSETS</u>		
Investments, at fair value - mutual funds	\$ 143,590,500	\$ 123,013,534
Participants' loans receivable	<u>2,254,390</u>	<u>2,270,600</u>
 NET ASSETS AVAILABLE FOR BENEFITS	 <u>\$ 145,844,890</u>	 <u>\$ 125,284,134</u>

See Notes to Financial Statements

NINTH FARM CREDIT DISTRICT 401(k) THRIFT PLAN
STATEMENTS OF CHANGES IN NET ASSETS AVAILABLE FOR BENEFITS

Years Ended December 31, 2006 and 2005

	2006	2005
ADDITIONS		
Additions to net assets attributed to:		
Net appreciation in fair value of investments	\$ 9,328,943	\$ 2,393,271
Interest	850,670	754,291
Dividends	7,718,345	4,773,379
	17,897,958	7,920,941
Contributions:		
Employer	2,179,258	2,058,608
Participants	5,367,643	4,943,709
Rollover	344,036	143,742
	7,890,937	7,146,059
TOTAL ADDITIONS	25,788,895	15,067,000
DEDUCTIONS		
Deductions from net assets attributed to:		
Benefits paid to participants	5,223,610	5,549,875
Administrative expenses	4,529	3,720
TOTAL DEDUCTIONS	5,228,139	5,553,595
NET INCREASE	20,560,756	9,513,405
NET ASSETS AVAILABLE FOR BENEFITS		
Beginning of year	125,284,134	115,770,729
End of year	\$ 145,844,890	\$ 125,284,134

See Notes to Financial Statements

NINTH FARM CREDIT DISTRICT 401(k) THRIFT PLAN

NOTES TO FINANCIAL STATEMENTS

(1) **Description of plan**

The following description of the Ninth Farm Credit District 401(k) Thrift Plan (the "Plan") provides only general information. Participants should refer to the Plan agreement for a more complete description of the Plan's provisions.

General - The Plan is a defined contribution plan created under a Trust Agreement that covers all regular employees of U. S. AgBank, FCB; AgVantis Inc. and the Associations within the former Ninth Farm Credit District (the "Company"). Employees are eligible to participate in the Plan beginning on the first day of the month following one full month of employment. U.S. AgBank, FCB administers the Plan and The Ninth Farm Credit District Trust Committee serves as Trustee.

The Plan is commonly known as a Code Section 401(k) profit sharing plan. Due to the fact that the Farm Credit System was created under federal law and all of the employers in the Plan are members of the Farm Credit System (which is considered to be a government sponsored enterprise (GSE)), the Plan is also considered to be a "governmental plan". As a governmental plan, the Plan is not subject to the provisions of Title 1 of the Employee Retirement Income Security Act of 1974 ("ERISA") and it is not subject to regulations issued by the Department of Labor. The Plan is subject to the provisions of the Internal Revenue Code (the "Code"); however, the application of certain provisions of the Code to governmental plans may differ from their application to plans maintained by private employers.

Contributions - Each year, participants may contribute up to 75% of pretax and/or after tax annual compensation, as defined in the Plan. Participants may also contribute amounts representing distributions from other qualified defined benefit or contribution plans. Participants direct the investment of their contributions into various investment options offered by the Plan. The Plan currently offers thirteen mutual funds and a trust fund as investment options for participants. The Company contributes 100% of the first 3% of annual compensation that a participant contributes to the Plan plus an additional 50% of participant contributions in excess of 3% up to 5%. Additional profit sharing amounts may be contributed at the option of the Company's board of directors as "nonelective contributions". Contributions are subject to certain limitations.

Vesting - Participants are immediately vested in their contributions plus actual earnings thereon. Participants are also fully vested in the Company's contribution portion of their accounts at the date of participation.

Participant accounts - Each participant's account is credited with the participant's contribution and allocations of (a) the Company's contribution and, (b) Plan earnings, and charged with an allocation of administrative expenses. Allocations are based on participant earnings or account balances, as defined. The benefit to which a participant is entitled is the benefit that can be provided from the participant's vested account.

NINTH FARM CREDIT DISTRICT 401(k) THRIFT PLAN

NOTES TO FINANCIAL STATEMENTS

(1) Description of plan (continued)

Participant loans - Participants may borrow from their fund accounts a minimum of \$1,000 up to a maximum equal to the lesser of \$50,000 or 50% of their account balance. The loans are secured by up to 50% of the balance in the participant's account and bear interest at rates based on the prime rate as published in the Wall Street Journal. The loan term shall not exceed five years unless the loan qualifies as a "home loan." Principal and interest is paid ratably through bi-weekly payroll deductions.

Payment of benefits - On termination of service, a participant with an account valued at less than or equal to \$1,000 shall receive a lump sum distribution. If the balance is greater than \$1,000 but less than or equal to \$5,000, it is automatically rolled over unless the participant directs otherwise. For accounts exceeding \$5,000 the participant may elect to receive an amount equal to the value of the participant's vested interest in his or her account in either a lump-sum amount, installment payments not to extend beyond the life expectancy of the participant or his or her spouse, or a partial distribution of participant's non-forfeitable interest in his or her remaining accounts, limited to one election per calendar quarter in amounts of at least \$250. Participants may also choose to leave his or her vested interest in the Plan. For termination of service due to death, the Plan is required to pay out the entire balance of a participant's account within five years after death if beneficiary is other than spouse, unless benefits had already commenced prior to his or her death or if benefits are commenced to his or her beneficiary within one year of his or her death.

(2) Summary of significant accounting policies

Basis of accounting - The financial statements of the Plan are prepared under the accrual method of accounting.

Use of Estimates - The preparation of financial statements in conformity with generally accepted accounting principles requires the plan administrator to make estimates and assumptions that affect certain reported amounts of assets and liabilities and changes therein, and disclosures of contingent assets and liabilities. Accordingly, actual results may differ from those estimates.

Payment of benefits - Benefits are recorded when paid.

Administrative expenses - Certain expenses of the Plan are paid by the Company and are not included in the statements of changes in net assets available for benefits.

Investment valuation and income recognition - The Plan's investments are stated at fair value. Shares of registered investment companies are valued at quoted market prices which represent the net asset value of shares held by the Plan at year-end. Units of the Retirement Savings Trust are valued at net asset value at year-end. Participant loan receivables are valued at cost which approximates fair value.

Purchases and sales of securities are recorded on a trade-date basis. Dividends are recorded on the ex-dividend date. Capital gain distributions are included in dividend income.

NINTH FARM CREDIT DISTRICT 401(k) THRIFT PLAN

NOTES TO FINANCIAL STATEMENTS

(3) Investments

The following table presents the fair value of investments. Investments that represent 5% or more of the Plan's net assets are separately identified:

	December 31,	
	2006	2005
Funds, at fair value as determined		
by quoted market price:		
** Vanguard Wellington Fund	* \$ 29,335,539	* \$ 26,070,348
** Vanguard Index 500 Portfolio	* 10,812,950	* 9,477,811
** Vanguard PRIMECAP Fund	* 22,813,724	* 20,056,792
** Vanguard Windsor II Fund	* 28,588,443	* 24,931,903
** Vanguard Intern't'l Growth Portfolio	* 10,149,583	6,623,977
** Vanguard Retirement Savings Trust	* 18,450,643	* 16,565,007
** Vanguard LifeStrategy Cons Grwth Fund	1,084,950	866,520
** Vanguard LifeStrategy Growth Fund	2,820,709	2,547,379
** Vanguard LifeStrategy Income Fund	390,384	380,441
** Vanguard LifeStrategy Mod Grwth Fund	2,375,481	1,558,372
** Vanguard Total Bond Market Index Fund	2,999,360	2,315,542
** Vanguard Ttl Stk Mkt Indes Fd Invest Shs	2,864,665	2,648,347
Baron Growth Fund	2,348,063	1,688,440
Loomis Sayles Small Cap Value Fd	* 8,556,006	* 7,282,655
	\$ 143,590,500	\$ 123,013,534

* - Represents investments that exceeded 5% of net assets available for benefits.

** - Represents a related party.

During 2006 and 2005, the Plan's investments consisted of mutual funds (including gains and losses on investments bought and sold, as well as held during the year). As of December 31, 2006 and 2005, these funds appreciated in value by \$9,328,943 and \$2,393,271, respectively.

NINTH FARM CREDIT DISTRICT 401(k) THRIFT PLAN

NOTES TO FINANCIAL STATEMENTS

(4) Related party transactions

The Plan invests in shares of mutual funds managed by an affiliate of Vanguard Fiduciary Trust Company ("VFTC"). VFTC acts as trustee for only those investments as defined by the Plan. Transactions in such investments qualify as related party transactions which are exempt from the prohibited transaction rules.

(5) Plan merger

On August 6, 2006, the Board of Trustees of the Plan, voted to merge the employee benefit plans of the Company with AgriBank, FCB and its affiliated Associations. Effective January 1, 2007, U.S. AgBank, FCB and its affiliated Associations, AgriBank, FCB and its affiliated Associations, and certain other Farm Credit System employers will enter into the Farm Credit System Administrative Agreement Regarding Employee Benefit Plans in order to provide a common set of employee benefit plans to their employees and their eligible dependents. As a result, the Company's employee benefit plans (or a portion thereof) will be amended, and/or restated or terminated.

Effective January 1, 2007, the Ninth Farm Credit District 401(k) Thrift Plan ("Ninth District Plan") will merge with the Farm Credit Consolidated Benefit Plan – 401(k) and Employer Contribution Plan ("Consolidated Plan"). Upon the merger of the two plans, the Ninth District Plan was designated as the surviving plan, the name of the Plan was changed to the Farm Credit Foundations Defined Contribution / 401(k) Plan, and the Plan was restated using this Plan document. The Farm Credit Foundations Trust Committee will serve as the new trustee.

(6) Tax status

The Internal Revenue Service has determined and informed the Company by a letter dated July 10, 2002, that the Plan and related trust are designed in accordance with applicable sections of the Internal Revenue Code (IRC). Although the Plan has been amended since receiving the determination letter, the Plan administrator and the Plan's tax counsel believe that the Plan is designed and is currently being operated in compliance with the applicable requirements of the IRC. The Plan also qualifies as a governmental plan exempt from the requirements of the Employee Retirement Income Securities Act of 1974 (ERISA).