



JEFFERSON COUNTY FEDERAL CREDIT UNION

A COMMUNITY CREDIT UNION

Board Packet

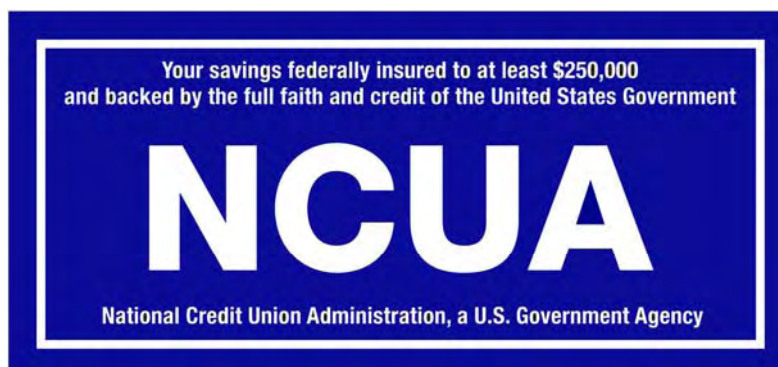


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**JEFFERSON COUNTY FEDERAL CREDIT UNION
BOARD OF DIRECTORS MEETING
AGENDA**

July 22, 2009

1. Approval of Minutes
 - a. June 24, 2009 - Board *
 - b. June 29, 2009 - Board *
 - c. July 8, 2009 - Board *
2. Correspondence
 - a. NCUA
 - i. 09- CU 11 * Extended Share Insurance Increase
 - ii. 09- CU 12 * Examination Procedures on the Military
 - iii. 09- CU 13 * Hurricane & Pandemic Planning
 - iv. 09- CU 14 * Corporate Stabilization Revision Plan
3. Treasurer's Report
 - a. Financial Statement *
 - b. P & L Statement Compared to Budget Monthly & Year-To-Date *
4. President's Report *
5. Senior Vice President Report – Marketing *
6. Report of Committees
 - a. Annual Meeting
 - b. Employee Grievance
 - c. Executive
 - d. Facilities
 - e. Investment and Asset Liability Management - (In President's Report)
 - f. Marketing
 - g. Membership
 - h. Nominating/Bylaws
 - i. Personnel & Policy
 - j. Planning
 - k. Policy
 - l. Risk Management
 - m. Supervisory
7. Unfinished Business
 - a.
8. New Business
 - a. Loan Officer Approval *
 - b. Investment Report Approval *
 - c.
9. Adjournment

*** Indicates Documentation Attached**

JEFFERSON COUNTY FEDERAL CREDIT UNION

MINUTES - BOARD OF DIRECTORS MEETING

DATE: June 24, 2009
TIME: 8:30 A.M.
LOCATION: Board Room – Main Office

Roll Call

William Eskridge - Chairman	(WE)	Present
Steve Schweitzer - Vice-Chairman	(SS)	Present
Wendell Wright – Treasurer	(WW)	Present
Ed Davis - Secretary	(ED)	Present
Larry Dodson - Director	(LD)	Present
Marilynn Hettich - Director	(MH)	Present
Barbara Hays - Director	(BH)	Excused
Susan Clifton – Supv. Comm.	(SC)	Present
Stan Robinson – Supv. Comm.	(SR)	Present
Joshua Jackson – Supv. Comm.	(JJ)	Present
Gary Fischer – Supv. Comm.	(GF)	Excused
Richard Koch – Supv. Comm.	(RK)	Excused
Carl Hicks - President and CEO	(CH)	Present

Chairman Eskridge called the meeting to order at 8:30 AM.

A motion was made by LD and duly seconded by MH to approve the minutes of 05-27-09, 06-10-09 and 05-27-09 Supervisory Committee. Vote Taken – Motion Carried.

All correspondence listed was discussed and explained to the Board's satisfaction by CH.

TREASURER'S REPORT

WW reported the key ratios and other pertinent data for the most major areas impacted (before CUSIP & NCUA assessment and after) are compared below. The operation before these changes is pretty much on target with our budget projections except for income from investments. Overdraft income has a noticeable shortfall but gained some ground this month. January was under \$10,000, February under \$31,000, March under \$27,000, April under \$12,000 and May only under \$5,500. Our loan growth projection is not on target which drives that income down some as well. Expenses are in line and within budget with the exception of the assessments. There was an increase in deposits from the previous month of \$1,459,000 and an increase of \$8,325,000 year to date. Loan volume for the month showed an increase of \$55,000 and net loans showed an increase of \$415,000 for the month and an increase of \$741,000 year to date. We will continue to closely monitor the competition and the overall operation for additional adjustments to dividend and income to benefit the members.

Major Areas of Impact	REASON	BEFORE	AFTER	Difference
Assets	CU-SIP	95,161,319	120,161,319	25,000,000
Average Assets	CU-SIP	91,521,502	111,521,502	20,000,000
Investment Balance	CU-SIP	52,513,598	77,513,598	25,000,000
NET WORTH	CU-SIP	13.77%	10.48%	-3.29%
Long Term Assets	CU-SIP	21.75%	17.23%	-4.52%
Total Loans / Assets	CU-SIP	40.10%	31.76%	-8.34%
Fixed Assets	CU-SIP	1.68%	1.33%	-0.35%

INC- NET- YTD	NCUA	245,217	-266,875	-512,092
Return on Average Assets	NCUA	0.64%	-0.57%	-1.21%

A motion was made by ED and duly seconded by SS to approve the report as printed and presented. Vote Taken - Motion Carried.

PRESIDENT'S REPORT

CH discussed and explained all of the printed report that ultimately becomes a part of these minutes as well as the additional items enumerated below.

1. An update was given regarding the write down by US Central. There will be a conference call today to hopefully explain the next chapter in the ongoing saga.
2. It was agreed that GF and JJ would attend the volunteer conference.
3. Optional alternatives for the second week meeting were discussed and it was agreed to continue with Holiday Inn on Hurstbourne Lane for now.

A motion was made by MH and duly seconded by LD to approve the entire report as printed and discussed. Vote Taken – Motion Carried.

SENIOR VICE PRESIDENT'S REPORT

CH made the report due to GE's absence. We had 63 TV commercials on three stations. Our business development person has been making cold calls and represented us at the Lyndon fair this past weekend. She indicated the response was satisfactory. A motion was made by MH and duly seconded by LD to approve as printed and discussed. Vote Taken - Motion Carried.

ANNUAL MEETING COMMITTEE - No Report

EMPLOYEE GRIEVANCE COMMITTEE - No Report

EXECUTIVE COMMITTEE – No Report

FACILITIES COMMITTEE – No Report

INVESTMENT & ASSET/LIABILITY COMMITTEE - Contained in President's report.

MARKETING COMMITTEE - Contained in President's report.

NOMINATING/BYLAWS COMMITTEE – No Report

PERSONNEL & POLICY COMMITTEE – No Report

PLANNING COMMITTEE – No Report

POLICY COMMITTEE– No Report

RISK MANAGEMENT COMMITTEE - No Report

SUPERVISORY COMMITTEE

SC reported their minutes were attached and had nothing new to report.

UNFINISHED BUSINESS - None

NEW BUSINESS

A motion was made by LD and duly seconded by SS to approve the loan officer's report. Vote Taken - Motion Carried.

A motion was made by SS and duly seconded by ED to approve the Investment & Asset Liability/Committee's report. Vote Taken - Motion Carried.

A motion was made by LD and duly seconded by WW to approve the loan charge off exception of 1 loan for \$6,883.20. Vote Taken - Motion Carried.

A motion was made by SS and duly seconded by LD to approve the loan charge off of 18 loans for \$74,852.28. Vote Taken - Motion Carried.

A motion was made by MH and duly seconded by LD to INCREASE the budgeted transfer amount from June's income for ALLL by \$16,000.00. Vote Taken - Motion Carried.

A motion was made by LD and duly seconded by SS to forego the budgeted \$125.00 transfer from June's income for allowance for loan overdraft loans and transfer \$250.00 of that account back to income. Vote Taken - Motion Carried.

A motion was made by LD and duly seconded by WW to approve the dividend rates as enumerated in the President's report for the second quarter 2009 and the CIA and CCIA rates effective 07-01-09. Vote Taken - Motion Carried.

A motion was made by ED and duly seconded by MH to adjourn at 9:05 AM. Vote Taken - Motion Carried.

Chairman

Secretary

JEFFERSON COUNTY FEDERAL CREDIT UNION

MINUTES - BOARD OF DIRECTORS SPECIAL MEETING

DATE: June 29, 2009

TIME: 3:30 P.M.

LOCATION: Via Conference Call

Directors Present

William Eskridge - Chairman	(WE)
Steve Schweitzer - Vice Chairman	(SS)
Wendell Wright – Treasurer	(WW)
Ed Davis - Secretary	(ED)
Larry Dodson - Director	(LD)
Marilynn Hettich - Director	(MH)
Barbara Hays – Director	(BH)
Carl Hicks - President	(CH)

Directors Absent

None

Chairman Eskridge called the meeting to order at 3:30 P.M.

The purpose of the meeting was to discuss a loan request for Daniel and Mary Moore, account number 892130. The request is for a first mortgage secured by their primary residence in the amount of \$440,000 in Sellersburg, Indiana. The appraisal was \$550,000. The purpose is to pay off a 1st mortgage of \$131,563, a 2nd mortgage of \$269,197 and \$38,637 proceeds to pay on two son's college tuition. A motion was made by WW and duly seconded by ED to approve as presented and discussed. Vote Taken - Motion Carried.

A motion to adjourn at 4:00 P.M. was made by ED and duly seconded by LD. Vote Taken - Motion Carried

Chairman

Secretary

**JEFFERSON COUNTY FEDERAL CREDIT UNION
MINUTES - BOARD OF DIRECTORS SPECIAL MEETING**

DATE: July 8, 2009
TIME: 8:30 A.M.
LOCATION: Holiday Inn – Hurstbourne Lane

Roll Call

William Eskridge - Chairman	(WE)	Present
Steve Schweitzer - Vice-Chairman	(SS)	Present
Wendell Wright – Treasurer	(WW)	Present
Ed Davis - Secretary	(ED)	Present
Larry Dodson - Director	(LD)	Present
Marilynn Hettich - Director	(MH)	Present
Barbara Hays – Director	(BH)	Excused
Carl Hicks – President and CEO	(CH)	Present

Chairman Eskridge called the meeting to order at 8:30 A. M. The following items were discussed and CH's report and the attachments becomes a part of these minutes.

1. **Financials** – Not available due to the timing of the meeting.
2. **Deposit Rates** – Still very competitive in all areas.
3. **NCUA/US CENTRAL Write down** – No new official info. Rumor has it however that we will be forced to reverse the March entries relative to impairment losses and use the new rules NCUA will disseminate relative to S. 896 to write off those losses over a 7 (impairment amount) and (premium assessment) 8 year period. It also appears this will shield losses from our PIC and MC with Kentucky Corporate and avoid that write down. I plan to wait until Thursday to finalize May in the event we get instructions to make changes. It seems most likely that will not come until later this month.
4. **KCUL Meetings** – Gary Fischer and Josh Jackson will attend the volunteer's conference. The annual meeting will be discussed at a future meeting.
5. **Staff Update** – Jessica Banks resigned effective 07-31-09 to join her husband in the military stationed in San Diego. Jessica has been a great staff member and we certainly hate to see her go. An ad is currently running for a replacement. Gary should begin interviewing next week while I am on vacation.
6. **HVAC at HV** – We have a coolant leak in one of the units and may have to trench and dig up the parking lot to repair.

All the above items were discussed and reviewed by the Board. There being no further business WE declared the meeting adjourned at 9:35 A.M.

Chairman

Secretary

NCUA LETTER TO CREDIT UNIONS

DATE: June 2009

LETTER NO.: 09-CU-11

TO: Federally Insured Credit Unions

SUBJ: Extended Time Frame for Temporary Increase to Standard Maximum Share Insurance Amount

Dear Board of Directors:

President Barack H. Obama signed the "Helping Families Save Their Homes Act of 2009" into law on May 20, 2009. Among several other provisions, the new law addresses the National Credit Union Administration's (NCUA) borrowing authority, the ongoing efforts to stabilize the corporate credit union system, and the expanded insurance coverage available through the National Credit Union Share Insurance Fund (NCUSIF). The purpose of this letter is to inform you of the law's provisions affecting the NCUSIF coverage available to your members.

Extension of Time Frame for Higher Coverage Limits

The "Helping Families Save Their Homes Act of 2009" extends the time frame for the temporary increase to the standard maximum share insurance amount (SMSIA). The SMSIA increase from \$100,000 to \$250,000 will now remain in effect through December 31, 2013. **(See 1)** Credit unions should note the extended time frame for the increase in the SMSIA when communicating with members.

The higher SMSIA applies to all types of share accounts, including regular shares, share drafts, money market accounts, and share certificates. The maximum coverage of \$250,000 for Individual Retirement Accounts and Keogh accounts remains unchanged and is not subject to a December 31, 2013 expiration date.

The new law also provides for the NCUA Board to take the higher insured limits into account when making decisions about premiums and administering the insurance deposit adjustments mandated by the Federal Credit Union Act. NCUA will provide additional guidance about this aspect of the law in the future.

Share Insurance Information, Brochures, Posters, and Decals

The "Share Insurance Tool Kit" webpage remains a vital part of NCUA's newly updated Internet site. Credit union officials and members can access the following link for an updated version of the "Your Insured Funds" brochure as well as posters and print ads reflecting the extension of the increase in insurance coverage to \$250,000:

<http://www.ncua.gov/Resources/ShareInsuranceToolKit.aspx>

In addition, new brochures and NCUA decals will be available in the near future and can be ordered using the information found through the link:

http://www.ncua.gov/NewsPublications/Publications/PDF/pub_avail.pdf

I am pleased the new law will supplement your ongoing diligence in maintaining public confidence. Your collective efforts continue to help stabilize a challenging economic climate and will ultimately protect the long term interests of your members.

Should you have questions, please contact your district examiner, regional office, or state supervisory authority.

1. The original legislation providing for the temporary increase to the SMSIA, the "Emergency Economic Stabilization Act of 2008," called for the higher \$250,000 limit to expire after December 31, 2009.

Sincerely, Michael E. Fryzel -----

NATIONAL CREDIT UNION ADMINISTRATION
1775 Duke Street, Alexandria, VA 22314

DATE: June 2009

LETTER NO.: 09-CU-12

TO: Federally Insured Credit Unions

SUBJ: Interagency Examination Procedures on Credit Extended to the Military and their Dependents

ENCL: (1) Limitations on Terms of Consumer Credit Extended to Service Members and Dependents Exam Procedures
(2) Limits on Terms of Credit Extended to Military Checklist.xls
(3) Servicemembers' Civil Relief Act of 2003 (SCRA) Exam Procedures

(4) SCRA Checklist.xls

Dear Board of Directors:

The purpose of this letter is to provide credit unions with guidelines to assess compliance with the Department of Defense's (DoD) regulation 32 C.F.R. Part 232 "Limitations on Terms of Consumer Credit Extended to Service Members and Dependents," and, with the Servicemembers' Civil Relief Act of 2003 (SCRA).

Limitations on Terms of Consumer Credit Extended to Service Members and Dependents

The Federal Financial Institutions Examination Council (FFIEC) **(See 1)** recently issued uniform examination procedures to assess compliance with DoD's rule which became effective on October 1, 2007. We are providing you with a copy of the examination procedures to ensure you are familiar with NCUA's expectations if your credit union offers "payday loans," "vehicle title loans," and "tax refund anticipations loans," the products covered by the DoD's regulation.

DoD's regulation establishes limitations to the total fees and charges lenders may assess for the products covered by the regulation. In addition, lenders offering covered products must provide clear disclosures to the covered borrowers and refrain from practices encouraging poor debt management. Based upon the ongoing efforts of federally-insured credit unions to combat predatory lending, NCUA does not anticipate DoD's regulation will materially affect your operations. Moreover, federal credit unions are already subject to a statutory interest rate ceiling of 18 percent, **(See 2)** a limitation that has historically reinforced the affordable pricing of loan products. **(See 3)**

For additional background information, NCUA Regulatory Alert 07-RA-08 (October 2007) provides a complete discussion of DoD's rule and is available at: <http://www.ncua.gov/Resources/RegulatoryAlerts/Files/2007/07-RA-08.pdf>.

Servicemembers' Civil Relief Act of 2003

The FFIEC also recently issued uniform exam procedures to assess compliance with the SCRA. This act replaced the Soldiers' and Sailors' Civil Relief Act of 1940 and was amended by the Housing and Economic Recovery Act of 2008 (HERA). Major relief provisions of the SCRA include the following:

- Creditors must reduce the interest rate on a servicemember's debts to no more than 6 percent per year, upon receiving a written request for relief and a copy of the military orders. An interest rate reduction for a mortgage loan extends for one year after the end of the servicemember's military service.
- Contracts for purchases of real or personal property, for which the servicemember paid a deposit or made a payment before entering military service, may not be rescinded or terminated for breach of contract before or during his or her military service.
- The lessee servicemember may terminate certain residential and automobile leases after providing the lessor written notice of the request for termination along with a copy of the military orders.
- Real or personal property owned by a servicemember before military service, which secures a mortgage, trust deed, or similar security interest, cannot be sold, foreclosed upon, or seized during the military service or for 9 months thereafter, without a court order. Also, a landlord may not evict a servicemember or his or her dependents without a court order.

Creditors may not take adverse actions against servicemembers because they applied for, or received a stay, postponement, or suspension of obligations or liabilities pursuant to the SCRA. The enclosed exam procedures provide a complete discussion of the amended Servicemembers' Civil Relief Act of 2003.

If you have any questions or concerns, please contact your NCUA Regional Office or State Supervisory Authority.

- 1. Federal Financial Institutions Examination Council member agencies include Board of Governors of the Federal Reserve System, Federal Deposit Insurance Corporation, National Credit Union Administration, Office of the Comptroller of the Currency, Office of Thrift Supervision, and the State Liaison Committee.**
- 2. Under the Federal Credit Union Act, federal credit unions are subject to a 15 percent interest rate ceiling unless the NCUA Board establishes a higher rate after considering certain statutory criteria. 12 U.S.C. §1757(5)(A)(vi). Based on action taken at the January 24, 2008 meeting, the interest rate ceiling for federal credit unions is 18 percent, expressed in terms of an Annual Percentage Rate (APR), as defined by Regulation Z.**
- 3. APR computations do not include certain fees and charges, such as application fees and costs for ancillary products not directly related to the extension of credit. In contrast, the Military Annual Percentage Rate**

computed for the purpose of DoD's regulation includes all application fees, the costs associated with insurance products, and fees for credit-related ancillary products.

Sincerely, Michael E. Fryzel -----

**NATIONAL CREDIT UNION ADMINISTRATION
1775 Duke Street, Alexandria, VA 22314**

DATE: June 2009
TO: Federally Insured Credit Unions
SUBJ: Hurricane Preparedness and Pandemic Planning

LETTER NO.: 09-CU-13

Dear Board of Directors:

The purpose of this letter is to inform credit union management to update their Business Continuity and Disaster Recovery Plans because of recent announcements by the National Hurricane Center (NHC) and Pandemic events related to the H1N1 virus (swine flu).

On May 21, 2009, the NHC predicted a near-normal Atlantic hurricane season for 2009. Forecasters predicted a seventy percent chance of nine to fourteen named storms, of which four to seven could become hurricanes, with one to three major hurricanes. The outlook provided by the NHC is not only a guide to the expected seasonal activity, it is also a warning it is time to take action.

NCUA urges all federally-insured credit unions, in recognition of National Hurricane Preparedness week and the seasonal outlook provided by the NHC, to perform a review of their disaster preparedness and response plans. These plans should be commensurate with the complexity of operations and focus on minimizing interruptions of service to members and maintaining member confidence in times of an emergency. Previous disasters have provided many "lessons learned" in working through a disaster. Following are the principle "lessons learned":

- Implement pre-disaster actions to ensure a constant state of readiness and take steps to safeguard assets and vital records if an early warning is received;
- Communicate disaster preparedness and response efforts before, during, and after an emergency to keep members, volunteers, employees, and regulators fully aware of the situation;
- Utilize a cross-section of people to develop, test, and implement disaster preparedness and response plans;
- Ensure back-ups are available for not only data but also personnel, worksites, equipment, vendors, and other resources; and
- Treat disaster preparedness and response plans as "living documents" to be updated as circumstance change.

The recent events pertaining to the H1N1 virus (swine flu) highlight the importance of credit union disaster preparedness and response plans including provisions for a Pandemic event. While the recent flu epidemic was mild in the United States, the World Health Organization and Center for Disease Control are cautious about predictions the H1N1 virus will have on the normal flu season this fall and winter.

Pandemic planning, unlike most natural or technical disasters and malicious acts, presents unique challenges to credit unions. The impact of a pandemic is much more difficult to determine. As experience with the recent H1N1 flu, pandemics can be focused to specific regions of the world or the United States, but can spread quickly and cause health officials to close schools and other public gathering facilities or events. Experts believe the most significant challenge may be the severe staffing shortages likely to result from a pandemic outbreak.

Federally-insured credit unions need to review their disaster preparedness and response plans to ensure their pandemic plan is appropriate for their operation. The plan should include:

- A preventative program to reduce the likelihood the operations will be significantly affected by a pandemic event;
- A documented strategy which provides for scaling pandemic events including provisions for a possible second and third wave of a pandemic;
- A comprehensive listing of facilities, systems, or procedures to continue critical operations if a large number of staff are unavailable for prolonged periods;

- A testing program to ensure the pandemic planning practices and capabilities are effective;
- An evaluation of critical service provider plans for operating during a pandemic; and
- An oversight program to ensure ongoing review and updates are made to the pandemic plan.

NCUA provides the enclosed resources to assist you in reviewing your own disaster preparedness and response plans related to hurricane and pandemic preparedness.

If you have any questions or concerns, please contact your NCUA Regional Office or State Supervisory Authority.

Resources

NCUA Resources:

- Letter to Credit Unions 08-CU-01, Guidance on Pandemic Planning
<http://www.ncua.gov/letters/2008/CU/08-CU-01.pdf>
- Letter to Credit Unions 06-CU-12, Disaster Preparedness and Response Examination Procedures
<http://www.ncua.gov/letters/2006/CU/06-CU-12.pdf>
- Letter to Credit Unions 06-CU-11, Interagency Guidance Lessons Learned by Institutions Affected by Hurricane Katrina
<http://www.ncua.gov/letters/2006/CU/06-CU-11.pdf>
- Letter to Credit Unions 06-CU-06, Influenza Pandemic Preparedness
<http://www.ncua.gov/letters/2006/CU/06-CU-06.doc>
- Risk Alert 06-CU-01, Disaster Planning and Response
<http://www.ncua.gov/Resources/RiskAlert/2006/06-Risk-01.pdf>
- Letter to Credit Unions 01-CU-21, Disaster Recovery and Business Resumption Contingency Plans
<http://www.ncua.gov/letters/2001/01-CU-21.pdf>

Interagency Resources:

- FFIEC IT Handbook Booklet: Business Continuity Planning
http://www.ffiec.gov/ffiecinfobase/booklets/bcp/bus_continuity_plan.pdf

Other Resources:

- Ready.Gov - Business Emergency Planning Guidance <http://www.ready.gov/business/index.html>
- The National Strategy for Pandemic Influenza
<http://www.pandemicflu.gov/>
- The Department of Homeland Security (DHS) published The Pandemic Influenza Preparedness, Response, and Recovery Guide
<http://www.pandemicflu.gov/plan/pdf/cikrpandemicinfluenzaguide.pdf>

REFERENCES

In addition to resources included above, credit unions may find these web sites helpful in their planning activities:

- National Hurricane Center, <http://www.nhc.noaa.gov/>
- Department of Health and Human Services (DHHS)
<http://www.dhhs.gov/nvpo/pandemics/index.html>
- Business Pandemic Influenza Planning Checklist (DHSS)
<http://www.pandemicflu.gov/plan/pdf/businesschecklist.pdf>
- Avian Flu Website (DOD)
<http://fhq.osd.mil/factsheetDetail.jsp?fact=3>
- Centers for Disease Control (CDC)
<http://www.cdc.gov/flu/avian/index.htm>
- World Health Organization (WHO)
http://www.who.int/csr/disease/avian_influenza/en/
- Department of Agriculture (USDA)
http://www.usda.gov/wps/portal/!ut/p/.s.7.0.A/7.0.10B/.cmd/ad/.ar/sa.retrievecontent/c/6.2.1UH/ce/7.2.5JM/p/5.2.4TQ/d/0/th/J.2.9D/.s.7.0.A/7.0.10B?PC.7.2.5JM_contentid=AI05.xml#7.2.5JM
- Department of Labor Occupational Safety and Health Administration (OSHA)
<http://www.osha.gov/dsg/guidance/avian-flu.html>
- Department of State

Sincerely, Michael E. Fryzel -----

**NATIONAL CREDIT UNION ADMINISTRATION
1775 Duke Street, Alexandria, VA 22314**

DATE: June 2009 LETTER NO: 09-CU-14
TO: Federally Insured Credit Unions
SUBJ: Corporate Stabilization Fund Implementation

Dear Board of Directors:

Acting under new authority granted by Congress, the NCUA Board ("Board") took action to provide significant relief to credit unions in dealing with assessments related to corporate stabilization actions while maintaining a safe and strong National Credit Union Share Insurance Fund ("NCUSIF"). The purpose of this Letter is to outline the benefits and requirements of the new legislation; describe the actions taken to implement the legislation; and summarize the impact of the actions on the NCUSIF capitalization deposit and the premium assessment. This letter is the first of many communications we are planning with stakeholders. Additional information will be provided during the previously announced June 24th webcast. We also plan to issue answers to frequently asked questions regarding the issues addressed in this Letter in early July.

Benefits and Responsibilities of the New Legislation. On May 20, 2009, Congress enacted and the President signed into law the *Helping Families Save Their Homes Act of 2009* ("Helping Families Act"). The legislation amended the Federal Credit Union Act providing several provisions favorable to credit unions:

- Create a Temporary Corporate Credit Union Stabilization Fund ("Stabilization Fund") to mitigate near-term corporate stabilization costs with Board authority to assess premiums over 7 years;
- Extend through 2013 the \$250,000 share and deposit insurance ceiling Congress had enacted as part of the Emergency Economic Stabilization Act of 2008;
- Provide the NCUSIF authority to assess premiums over 8 years to rebuild the equity ratio should the ratio fall below 1.20%;
- Increase NCUA borrowing authority to \$6 billion; and
- Establish NCUA emergency borrowing authority of \$30 billion.

The Stabilization Fund provides an immediate opportunity to mitigate the onetime assessment burden on insured credit unions for corporate credit union stabilization actions. The authorities and obligations of the Stabilization Fund are summarized below:

- The Stabilization Fund is administered by the NCUA and is separate from the NCUSIF.
- The Stabilization Fund may borrow from the Treasury to make expenditures only in connection with the conservatorship, liquidation or threatened conservatorship or liquidation of a corporate credit union.
- The Stabilization Fund must repay all advances plus interest to the Treasury within seven years from the time of the first advance, unless the Board, with Treasury's approval, extends the final repayment date.
- The Board has discretion in setting the time and amount of repayments. At least 90 days prior to each repayment to Treasury, the Board will determine if the Stabilization Fund has sufficient funds to make the repayment. If the Stabilization Fund does not have sufficient funds, it must assess each federally insured credit union an aggregate amount necessary to make the payment to Treasury. The charge will be stated as a percent of insured shares as represented on the credit union's previous call report.
- The NCUSIF is prohibited from paying dividends to federally insured credit unions while the Stabilization Fund has an outstanding advance from the Treasury. Instead, the amount that would normally be paid as a dividend will be distributed to the Stabilization Fund.
- The Stabilization Fund is subject to the same administrative provisions as the NCUSIF including the preparation of an annual budget and audited financial statements.

Through a series of actions described below, the new Stabilization Fund allows the Board to improve the NCUSIF's equity ratio to better position the NCUSIF to cover future insurance losses. **Essentially, it means insured credit unions will not bear a significant, current, concentrated, onetime burden for stabilizing the corporate system. The September 2009 NCUSIF billing to insured credit unions will be significantly reduced.** While the Board has recognized the corporate stabilization costs under the Stabilization Fund, the Board at its discretion determines if, and

when, to assess premiums over the next seven years. Credit unions will recognize assessments when levied by the Board.

Implementation of the Stabilization Fund. With the June 18, 2009 action, the Board authorized staff to establish the corporate governance structure of the Stabilization Fund. The Board has delegated operational oversight and provided authority to staff to borrow funds, invest, and approve assistance to corporate credit unions subject to limitations. Stabilization Fund staff will prepare an operating plan, a budget, a financial reporting structure, and other corporate governance oversight mechanisms as appropriate. Annual financial statement audits will be conducted for transparent financial reporting to the federal government and the credit union industry.

On June 18, 2009, the Board approved the following actions to legally obligate the Stabilization Fund for the costs of stabilizing the corporate system. In the process, the NCUSIF will be legally released from its present obligations related to corporate stabilization actions.

- The Stabilization Fund will pay the NCUSIF \$1 billion for assignment of the full right, title and interest in the outstanding capital note extended to U.S. Central Federal Credit Union executed on January 28, 2009.
- Appropriate steps will be taken to legally obligate the Stabilization Fund for any liability arising from the Temporary Corporate Credit Union Share Guarantee Program ("TCCUSGP") and the Temporary Corporate Credit Union Liquidity Guarantee Program ("TCCULGP"). To the extent that any liability from the TCCUSGP or TCCULGP exceeds funds available from the Stabilization Fund, funds shall be made available from the NCUSIF.

Recapitalization of NCUSIF Deposit. The Board took additional actions that result in a fully restored and fully refundable NCUSIF capitalization deposit. Due to the financial and regulatory reporting implications of these issues, these actions and their impact on credit unions are discussed more fully in Enclosures A and B. Credit unions and their licensed, independent accountants will need to review this new information as they reevaluate expense estimates presently and into the immediate future.

Adjustments to the NCUSIF Capitalization Deposit for the Increase in the Share Insurance Limit. The Helping Families Act extended the \$250,000 share and deposit insurance ceiling through 2013 and provided the authority to base assessments and the NCUSIF capitalization deposit balance on the higher maximum insurance amount. Accordingly, credit unions need to consider the impact of this higher assessment base on their expected insurance billing and plan for the increased cash needed to fund the capitalization deposit adjustment. Credit unions with \$50 million or more in assets will receive their normal, semiannual NCUSIF capitalization deposit adjustment notice in the fall based on the June 30, 2009 report of insured shares. Credit unions with less than \$50 million in assets will not receive their adjustment notice until the spring of 2010 and it will be based on insured shares reported as of December 31, 2009.

Reduction in Premium Assessment Billing Estimate. The implementation of the new legislation has provided greater discretion in the imposition of premiums; however, the bill for losses in both natural person credit unions and corporate credit unions will have to be paid. The Board will have to balance the need to maintain the NCUSIF's strength, against the desire to reduce the burden on credit unions during difficult economic times, while not creating long-term adverse financial consequences for credit unions from higher assessments over an extended period.

As part of the January corporate stabilization program action, the Board declared a premium assessment, to be collected later this year, sufficient to restore the NCUSIF equity ratio to 1.30 percent. In September the Board will evaluate all of the factors that impact the measures of strength of the NCUSIF and approve the level of premium necessary to maintain a strong NCUSIF that promotes confidence. When the one percent NCUSIF capitalization deposits are adjusted for the increase in the maximum insurance amount, the NCUSIF's equity ratio will decline. Additionally, losses incurred in the resolution of problems at natural person credit unions during this difficult time are expected to reduce the equity ratio.

Most credit unions have already recorded an estimated expense and contingent liability for the premium assessment based upon the expectation of a 0.30 percent of insured shares premium. Credit unions should adjust this premium expense estimate amount to 0.15 percent of insured shares which is the current estimate of the actual premium billing including potential assessments for the Stabilization Fund. The estimate is subject to change between now and September.

Prompt Corrective Action Implications. A credit union's obligations under Prompt Corrective Action ("PCA") will not change as a result of the stabilization expense entries made in either December 31, 2008 or March 31, 2009. As

Enclosure A to this Letter states, "These new actions do not negate or cure impairment reported in past quarters or calendar year-end financial or regulatory reports." Except as explained below, credit unions having net worth between 6 and 6.99 percent are subject to an earnings retention requirement, and credit unions having net worth of less than 6 percent, must timely submit a Net Worth Restoration Plan ("NWRP") for approval.

A credit union having net worth between 6 and 6.99 percent may apply for a waiver of the earnings retention requirement by demonstrating that it is necessary to avoid a significant redemption of shares and will further the purpose of PCA. A credit union having net worth of less than 6 percent may incorporate a waiver of the earnings retention requirement in the NWRP it is required to submit for NCUA approval. NCUA will be receptive to granting a waiver under the following conditions:

1. The primary reason the credit union fell below 7 percent net worth is due to the recorded stabilization expense; and
2. Once the credit union records the entries as discussed in Enclosure A, the net worth ratio will exceed 6.99 percent.

A credit union seeking a waiver of the earnings retention requirement is urged to contact their district examiner or regional office.

NCUA will be receptive to approving NWRPs that allow maximum flexibility to the credit union, under the following conditions:

1. The stabilization expense is the reason for the decline to a lower PCA category; and
2. Recording the entries in Enclosure A restores the net worth ratio above 5.99 percent.

Under these conditions, an NWRP may merit approval if it consists of the single step of recording the entries addressed in Enclosure A and pro forma financial statements covering the next two years showing the net worth ratio remains above 6 percent for four consecutive quarters. Credit unions are again encouraged to contact their district examiner or regional office to discuss the content of an NWRP.

Conclusion. Congressional action enabled the creation of the Corporate Stabilization Fund to assist the credit union industry with managing the costs of stabilizing the corporate system. With the isolation of the corporate credit union stabilization costs in the Stabilization Fund, the result is improved capital for credit unions to meet the economic and financial challenges facing our nation.

In its first Letter to Credit Unions on the corporate stabilization actions, the Board indicated it would "*use its full rulemaking and supervisory authority and with the full participation of the credit union community, seek the lowest cost option to stabilize the corporate system.*" In its March Letter notification to the industry that it had conserved U.S. Central Federal Credit Union and Western Corporate Federal Credit Union, the Board reaffirmed "*NCUA's primary goal is to minimize the adverse impact on natural person credit unions and their members so credit unions remain a vibrant and healthy sector of the U.S. financial system.*" The NCUA Board has remained committed to this end and has acted accordingly.

If you have any questions related to this Letter, you should contact your regional office, district examiner, or appropriate state supervisory authority.

Sincerely, Michael E. Fryzel -----

Enclosure A

Regulatory Reporting of 2009 Insurance Expenses

This communication provides *new information* that credit unions should consider to adjust current and forward-looking estimates in their financial and regulatory reports in consultation with their licensed, independent accountant as applied to their individual facts and circumstances. The new information affects financial and regulatory reporting *currently and into the future*; it does not permit restatement of past quarters' or calendar year's financial or regulatory reports. The Board's actions did not reverse any previous deposit impairment or premium expenses properly recognized to date under U.S. generally accepted accounting principles ("GAAP").

Your credit union's past regulatory reports should transparently reflect the NCUSIF deposit was impaired and not fully refundable during the period January 28, 2009 through implementation of this action as of June 30, 2009. A premium

estimate based on then-existing facts of 0.30 percent was necessary during this period as well. These new actions do not negate or repair impairment reported in past quarters or calendar yearend financial or regulatory reports.

The Board actions described in this Letter to Credit Unions ("LTCUs") allows the Board to improve the NCUSIF's equity ratio thus better positioning the NCUSIF to cover future insurance losses. Since a credit union's estimate of its NCUSIF deposit impairment (and/or refundability) and estimated premium liability is directly related to the equity ratio of the NCUSIF at any given reporting date, a discussion of the described Board actions in relation to the NCUSIF equity ratio is relevant.

Changing NCUSIF Equity Ratio Based on Chronology of Events. The NCUSIF began the 2009 calendar year with an equity ratio of 1.27 percent of insured shares comprised of a 1.00 percent capitalization deposit and .27 percent retained earnings component. The capitalization deposit at 1.00 percent was fully refundable consistent with NCUA Rules & Regulations.

The Board took a series of actions on January 28, 2009 described in LTCUs No. 09-CU-02 to stabilize the corporate credit union system. As a result of these actions, the (see: http://www.ncua.gov/Resources/CorporateStabilization/LCU_09-CU-02CorporateCreditUnionStrategy.pdf) the NCUSIF equity ratio dropped to .49 percent of insured shares comprised of the capitalization deposit alone. The initial costs of stabilizing the corporate credit union system depleted the NCUSIF's retained earnings and took an additional 51 percent of the then-existing capitalization deposit.

The Board took further actions on March 19, 2009 placing two corporate credit unions into conservatorship and conducting additional analysis of the corporate credit union system mortgage-backed assets. These actions were described in LTCUs No. 09-CU-06, (see: <http://www.ncua.gov/letters/2009/CU/09-CU-06.pdf>). With these actions, the NCUSIF equity ratio dropped further to .31 percent of December 31, 2009 insured shares. The capitalization deposit was depleted further.

The cumulative effect of the Board's first quarter 2009 actions affected credit unions' regulatory reports for the quarter ending March 31, 2009. **(See 1)** The NCUSIF deposit was depleted to .31 percent of December 31, 2008 insured shares and refundable only to that amount. Accordingly, credit unions had to recognize a deposit impairment at .69 percent of insured shares based on the December 31, 2008 reporting date (\$100,000 per account). In addition, since the Board made an assessment to be billed and collected later in 2009 at its January meeting in an amount to raise the equity ratio of the NCUSIF back to its 1.30 normal operating level, credit unions had to establish a .30 percent premium liability based on estimated insured shares to comply with the Board's action. The assessment is to be billed and collected by the NCUSIF later in 2009.

NCUSIF Equity Accts	Beg. Jan 2009	After Jan 28, 2009	After March 19, 2009
Capitalization Deposit	1.000 percent	.490 percent	.310 percent
Retained Earnings	.270 percent	-0-	-0-
Total Equity Ratio***	1.270 percent	.490 percent	.310 percent
Estimated Total Billing	--	.810 percent	.990 percent

*** - The presentation does not include Unrealized Gains/Losses on Available for Sale Securities as these Other Comprehensive Income accounts are not part of the NCUSIF equity ratio.

Overall Impact of Stabilization Fund Actions on the NCUSIF Equity Ratio. The LTCUs included herein describes the Board actions to create and implement the Stabilization Fund. The actions legally obligated the Stabilization Fund for the costs of stabilizing the corporate system and legally released the NCUSIF from its present stabilization obligations. The NCUSIF's equity position improved as the Board acted.

The NCUSIF will receive \$1 billion from the Stabilization Fund for the assignment of full right, title and interest in the outstanding capital note extended to U.S. Central Federal Credit Union executed on January 28, 2009. The NCUSIF had established a 100 percent estimated loss reserve on the Note. Accordingly, the collection (for its assignment) of the full outstanding amount owing on the Note previously estimated as fully uncollectible improved the retained earnings of the NCUSIF by \$1 billion.

Additional actions improved the equity ratio of the NCUSIF. The LTCUs indicates appropriate steps were taken to legally obligate the Stabilization Fund for any liability arising from the TCCUSGP and the TCCULGP. Related to these actions, specific corporate loss reserves were assumed by the Stabilization Fund. Contingent losses and guarantee liabilities were resolved. These actions, scheduled to be completed by June 30, 2009, will improve the retained earnings of the NCUSIF by an additional \$4.9 billion.

The result of the above described Board actions will improve the equity ratio of the NCUSIF from .31 percent to 1.257 percent based on December 31, 2008 insured shares (\$100,000 per account). The NCUSIF will have recovered earnings in the amount of .947 percent of insured shares. (Refer to table next paragraph).

The Board took additional action to pass-back to insured credit unions an amount from the improved or recovered retained earnings to recapitalize the NCUSIF. Specifically, an amount equal to 0.69 percent of each insured credit union's December 31, 2008 insured shares (\$100,000 per account) will be passed-back and credited to each insured credit union's NCUSIF deposit account as a recapitalized NCUSIF deposit. The equity ratio of the NCUSIF reflects the Board's action:

NCUSIF Equity Accts	Without New Fund	After New Fund	Pass-Back, & Recap
Capitalization Deposit	.310 percent	.310 percent	1.000 percent
Retained Earnings	-0-	.947 percent	.257 percent
Total Equity Ratio***	.310 percent	1.257 percent	1.257 percent

Estimated based on 4/30/2009 financial highlights and insured shares at \$100,000 per account: **

So through these Board actions, we see the full life cycle of 2009 events on the NCUSIF equity ratio based on current information. The effect of these actions on the anticipated premium billing necessary to return the NCUSIF to a 1.30 equity level has also evolved (See latter section on Regulatory Reporting of the NCUSIF Premium Assessment).

Regulatory Reporting of the NCUSIF Capitalization Deposit. Prior to staff implementation of this Board action, each federally-insured credit union should be reflecting a refundable deposit asset at 0.31 percent of December 31, 2008 insured shares (\$100,000 per account). A sixty-nine percent asset impairment in the first quarter 2009 regulatory reports was necessary to comply with GAAP.

Statement of Position ("SOP") 01-6, *Accounting by Certain Entities (Including Entities with Trade Receivables) That Lend to or Finance the Activities of Others*, paragraph 11(a), provides (emphasis added):

"NCUSIF Deposit. Amounts deposited with the NCUSIF should be accounted for and reported as assets as long as such amounts are fully refundable. The refundability of NCUSIF deposits should be reviewed for impairment. When the refundability of a deposit is evaluated, the financial condition of both the credit union and of the NCUSIF should be considered. Deposits may be returned to solvent credit unions for a number of reasons, including termination of insurance coverage, conversion to insurance coverage from another source, or transfer of operations of the insurance fund from the NCUA Board. However, insolvent or bankrupt credit unions are not entitled to a return of their deposits. To the extent that NCUSIF deposits are not refundable, they should be charged to expense in the period in which the deposits are made or the assets become impaired."

The Board's new action -- the NCUSIF earnings recovery through legal release from obligations, pass-back of income to credit unions, and recapitalization of the capitalization deposit on their behalf -- results in a fully restored and fully refundable 1 percent of insured shares deposit asset on each insured credit union's regulatory reports as of June 30, 2009. This benefit to insured credit unions -- passing back funds and simultaneously recapitalizing their deposit without their additional cash outlay -- is income, not the reversal of a previous impairment. The previous impairment is not reversed; but the recapitalization is recorded. The transaction is essentially the Board's return of cash income to the credit union and their simultaneous reinvestment of that cash back into the NCUSIF as a fully refundable NCUSIF deposit. **(See 2)** Accordingly, no deposit collection will be necessary. Based on refundability, the deposit was impaired but will be recapitalized as follows:

Deposit Refundability (as a percentage of insured shares)			
CY 2008-1/27/2009	1/28 - 3/18, 2009	3/19 - 6/30, 2009	Approx 6/30/2009 forward
1.00 percent	.49 percent	.31 percent	1.00 percent

Current regulatory reports should include the recovery of NCUSIF earnings passed-back to insured credit unions and the recapitalization of its NCUSIF deposit on their behalf as fully refundable with implementation of these completed Board actions expected by June 30, 2009. Every insured credit union will receive an informational notice this July providing the dollar amount of the recovered NCUSIF earnings passed-back and recapitalized as a fully refundable deposit. See the enclosed example informational notice.

Regulatory Reporting of the NCUSIF Premium Estimate. Most credit unions have already recorded an estimated expense and contingent liability for the premium assessment based upon the expectation of a 0.30 percent of insured

shares premium collection (\$100,000 per account). The applicable accounting guidance is set forth in SOP 01-6, paragraph 11(c) (emphasis added):

In years in which the insurance premiums are not waived by the NCUA Board, the premiums should be expensed in the period to which they relate. To the extent that the NCUA Board assesses premiums to cover prior operating losses of the insurance fund or to increase the fund balance to "normal operating levels," credit unions should expense those premiums when assessed.

The premium was assessed in the first quarter 2009. Based on the new information included in this LTCUs, credit unions should adjust this premium expense estimate amount to 0.15 percent of insured shares (\$250,000 per account) which is the current estimate of the actual premium billing including potential repayments for the Stabilization Fund. **(See 3)** The estimate is subject to change between now and its collection depending on a number of factors.

- Semiannual June 30, 2009 billing adjustment (level of insured shares not known);
- Adjustment to \$250,000 per account from \$100,000 per account;
- Losses incurred in the resolution of natural person credit union failures; and
- Prior to the premium billing, NCUA anticipates obtaining an updated estimate of credit risk in the mortgage backed securities portfolios of corporate credit unions. This analysis will be integral to staff's recommendation to the Board on the needed premium billing.

These factors together will bear on the amount and timing of the NCUSIF billing. In September the Board will approve the level of premium that will be charged to all credit unions based on insured shares reported as of the applicable annual or semiannual reporting period.

Resulting Reduction in Estimated Billing. Credit unions must transparently reflect in their regulatory reports the information as set forth above. The overall effect of these current Board actions has been to substantially reduce the credit unions' 2009 expenses related to the 2009 NCUSIF assessment.

The Board mandate to collect amounts necessary to restore the NCUSIF to its normal operating level of 1.30 percent remains intact. However, the billing necessary to achieve that mandate has been substantially reduced:

Estimated Billing:**	Estimate Before Stabilization Fund	Estimate Based on <u>New Information</u> from Completed Board Action
Deposit	.69 percent	-0-
Premium	.30 percent	.15 percent
TOTAL	.99 percent	.15 percent
	\$100,000 per account	\$250,000 per account

** -- As a reminder in adjusting your estimate, the reporting period to determine the insured shares base on which to apply the assessment rate differs depending on a credit union's asset size – see the NCUA Rules and Regulations § 741.4(b)(5) and (c).

Assets less than \$50 million	Assets equal to or greater than \$50 million
Insured shares at 12/31/2008	Insured shares at 6/30/2009

NCUA staff will continue to work with practitioners and their client credit unions to understand the Board's actions and the implications of those actions on the credit union's deposit assets and their estimated premium liability. Regulatory reporting matters will continue to be addressed as part of our continuing communications efforts.

1. Some credit unions choose to reflect these expenses on their December 31, 2008 regulatory reports to be consistent with their licensed, independent accountant's treatment of the items (subsequent events) in their yearend audited financial statements.
2. Credit unions debit the NCUSIF Deposit asset and credit Income.
3. Credit unions reduce the liability estimate by debiting the Liability and crediting Expense.



National Credit Union Share Insurance Fund Capitalization Deposit
Informational Notice – June 30, 2009

MORRIS SHEPPARD TEXARKANA
 FEDERAL CREDIT UNION
 419 W 4TH ST
 TEXARKANA, TX 75501-5642

Charter: 1

The purpose of this informational notice is to confirm that your National Credit Union Share Insurance Fund (“NCUSIF”) Capitalization Deposit balance is fully capitalized and refundable as of June 30, 2009, as provided by Section 202 of the Federal Credit Union Act (12 USC 1782(c)(1)(B)(i)-(iv)) and Section 741.4 the NCUA Rules and Regulations (12 CFR § 741.4(j)).

Total Insured Shares and Deposits as of December 31, 2008*	\$ 5,672,666
Refundable percentage	0.31%
Refundable balance as of June 17, 2009	\$ 17,585.26
 Total Insured Shares and Deposits as of December 31, 2008*	 \$ 5,672,666
Pass-back and recapitalization percentage	0.69%
Recapitalization amount as of June 30, 2009	\$ 39,141.40

Total NCUSIF Capitalization Deposit** Balance as of June 30, 2009	\$ 56,726.66
--	---------------------

**Total Insured Shares and Deposits* on this notice reflect the amount of your credit union’s insured shares and deposits up to \$100,000 and IRA/KEOGH accounts insured up to \$250,000 based on total insured shares and deposits as of December 31, 2008, plus any insured shares and deposits acquired through mergers occurring between December 31, 2008, and the date of this notice.

**The *NCUSIF Capitalization Deposit* balance on this notice is based on total insured shares and deposits as of December 31, 2008, plus any insured shares acquired through mergers between December 31, 2008, and the date of this notice, and reflects all amounts due/refunded included on the Capitalization Deposit Invoice dated April 15, 2009.

If you have any questions concerning this informational notice, please contact the regional office, your district examiner or appropriate state supervisory authority.

THIS IS NOT AN INVOICE



JEFFERSON COUNTY FEDERAL CREDIT UNION

Statement of Financial Condition -- June 2009

ASSETS		LIABILITIES	
LOANS	37,977,740.00	ACCOUNTS PAYABLE	1,085.06
ASSETS IN LIQUIDATION OF LOANS - RE	0.00	MONEY ORDERS	4,928.32
ASSETS IN LIQUIDATION OF LOANS - AU	0.00	TRAVELERS CHECKS	0.00
REAL ESTATE LOANS - TECUMSEH	64,283.85	AMUSEMENT PARK TICKETS	4,836.52
		KYCUPAC - FROM MEMBERS	10.00
		DEATH CLAIMS	360,341.82
TOTAL LOANS TO MEMBERS	38,042,023.85	EMPLOYEE 401(K) PLAN	0.00
ALLOW. FOR LOAN LOSSES	(219,881.52)	INSURANCE COMPANIES	10,622.71
ALLOW. FOR OVERDRAFT LOSSES	(1,548.93)	FLOOD DETERMINATION	60.00
		RECORDING FEES - CLERK	455.00
		ATTORNEY FEES	10,547.00
		APPRAISALS	(2,825.00)
NET LOANS	37,820,593.40	TOTAL ACCOUNTS PAYABLE	390,061.43
		DIVIDENDS PAYABLE	10,160.19
		CLF CU SIP NOTE PAYABLE	25,000,000.00
FIFTH THIRD	298,327.91	FEDERAL TAXES	0.00
VAULT CASH	408,612.98	KENTUCKY STATE TAXES	0.00
CHANGE FUND - ATM MACHINE	50,550.00	FEDERAL & STATE UNEMPLOY.	0.00
PETTY CASH	50.00	OCCUPATIONAL TAXES	0.00
		TAXES HELD ON DIVIDENDS	860.61
CASH TOTAL	757,540.89	ACCRUED PROPERTY TAXES	8,697.31
		PENALTIES ON PREMATURE IRA DISTR.	0.00
KENTUCKY CORPORATE FCU	16,767,032.14	TOTAL TAXES PAYABLE	9,557.92
FEDERAL HOME LOAN BANK OF CINCINNATI	141,433.84	ACCRUED EXPENSES	448,974.60
DEPOSITS - OTHER FINANCIAL INSTITUTIONS	35,917,000.00	TOTAL ACCRUED EXPENSES	448,974.60
SHARE ONE CUSO INVESTMENT	100,000.00	ACCRUED NCUSIF STABILIZATION EXPENSE	119,412.23
LOAN TO CUCKY	0.00	UNAPPLIED EXCEPTIONS	33,396.97
CLF CU SIP INVESTMENT	25,000,000.00	TOTAL LIABILITIES	26,011,563.34
		CAPITAL	
TOTAL INVESTMENTS	77,925,465.98	REGULAR SHARE ACCOUNTS	18,126,397.72
		CLUB ACCOUNTS	886,481.57
ACCRUED INTEREST - LOANS	167,456.31	SHARE DRAFT ACCOUNTS	4,766,809.21
OTHER ACCRUED INCOME	90,361.02	CASH INVESTMENT ACCOUNTS	29,105,521.84
		CORPORATE CASH INVESTMENT	2,673,124.17
TOTAL ACCRUED INCOME	257,817.33	REWARDS CHECKING	1,784,069.04
		IRA - ACCUMULATION ACCOUNTS	1,567,185.06
PREPAID & DEFERRED EXPENSES	69,647.62	CERTIFICATES - REGULAR	19,468,443.99
TOTAL PREPAID & DEFERRED	69,647.62	CERTIFICATES - IRA	3,855,487.39
LAND - MAIN & OUTER LOOP OFFICE	448,100.00	CERTIFICATES - TOTAL	23,323,931.38
BUILDING - MAIN & OUTER LOOP OFFICE	1,547,029.32	TOTAL SHARES	82,233,519.99
IMPROVEMENTS - MAIN OFFICE	3,124.89	REGULAR RESERVE	1,901,148.19
IMPROVEMENTS - BRANCH 1	1,553.39	RESERVE FOR CONTING.	0.00
IMPROVEMENTS - BRANCH 2	0.00	UNDIVIDED EARNINGS	10,957,014.11
IMPROVEMENTS - BRANCH 3	0.00	NET INCOME	176,561.73
IMPROVEMENTS - BRANCH 4	0.00		
ACCUM. DEPR. - MAIN & OUTER LOOP OFFICE	(513,087.25)	TOTAL CAPITAL	95,268,244.02
FURNITURE & EQUIPMENT	74,910.16		
COMPUTER EQUIPMENT	26,681.44		
TOTAL FIXED ASSETS	1,588,311.95		
ACCOUNTS RECEIVABLE	0.00		
DEFERRED COMPENSATION	2,138,238.15		
CAPITAL DEPOSIT - CUCKY	65,664.00		
DEPOSIT - NCUSIF	656,528.04		
TOTAL OTHER ASSETS	2,860,430.19		
TOTAL ASSETS	121,279,807.36	TOTAL CAPITAL & LIABILITIES	121,279,807.36

Jefferson County Federal Credit Union

BUDGET REVIEW

June 30, 2009

	ACTUAL CURRENT	BUDGETED CURRENT	ACTUAL Y-T-D	BUDGETED Y-T-D	DIFFERENCE Y-T-D	PERCENT TOT INCOME
I N C O M E						
INTEREST ON LOANS	227,557.41	237,797.00	1,362,513.08	1,413,520.00	(51,006.92)	52.87%
INVESTMENTS	85,910.24	114,649.00	588,221.51	678,000.00	(89,778.49)	19.96%
INTEREST ON CLF CU SIP	19,643.70	0.00	90,361.02	0.00	90,361.02	4.56%
INSURANCE REIMB.	5,848.84	3,900.00	27,865.42	23,400.00	4,465.42	1.36%
MO & CHK FEE	436.25	425.00	2,410.42	2,550.00	(139.58)	0.10%
OVERDRAFT FEE	64,120.18	69,000.00	323,824.02	414,000.00	(90,175.98)	14.90%
WIRE TRANS. & CMO	298.00	300.00	1,415.00	1,800.00	(385.00)	0.07%
LOAN LATE FEE	5,371.25	4,400.00	26,555.48	26,400.00	155.48	1.25%
ATM SURCHARGE FEES	438.00	275.00	2,190.00	1,550.00	640.00	0.10%
SHARE DRAFT & ATM	1,734.42	2,450.00	11,534.48	14,600.00	(3,065.52)	0.40%
MISCELLANEOUS INC.	1,386.51	1,600.00	7,575.99	9,600.00	(2,024.01)	0.32%
LOCK BOX FEE	200.00	160.00	1,100.00	960.00	140.00	0.05%
ATM TRANSACTION FEE	712.00	800.00	3,310.00	4,800.00	(1,490.00)	0.17%
LOAN APPLICATION FEE	250.00	250.00	1,325.00	1,400.00	(75.00)	0.06%
MEMBERSHIP FEE	430.00	450.00	2,625.00	2,700.00	(75.00)	0.10%
C-CARD INCOME	0.00	225.00	1,136.80	1,250.00	(113.20)	0.00%
D-CARD INTERCHANGE	16,069.51	14,750.00	85,538.34	87,500.00	(1,961.66)	3.73%
TOTAL INCOME	430,406.31	451,431.00	2,539,501.56	2,684,030.00	(144,528.44)	100.00%
E X P E N S E S						
SALARIES - REGULAR	76,202.43	83,050.00	492,551.77	529,348.00	(36,796.23)	17.70%
SALARIES - OVERTIME	151.80	641.00	1,081.82	2,987.00	(1,905.18)	0.04%
CONTRACT EMPLOY.	0.00	400.00	0.00	2,400.00	(2,400.00)	0.00%
401K COSTS	3,394.57	3,599.00	22,290.17	22,891.00	(600.83)	0.79%
SOCIAL SECURITY TAX	5,763.03	6,402.00	37,022.08	40,722.00	(3,699.92)	1.34%
UNEMPLOYMENT TAX	90.28	475.00	4,971.08	2,850.00	2,121.08	0.02%
STAFF INSURANCE	14,609.52	15,600.00	85,268.03	93,600.00	(8,331.97)	3.39%
LOCAL TRAVEL	710.85	925.00	2,744.91	5,550.00	(2,805.09)	0.17%
VEHICLE MAINTENANCE	394.32	500.00	1,585.62	3,000.00	(1,414.38)	0.09%
OUT OF TOWN TRAVEL	404.91	900.00	2,219.15	5,400.00	(3,180.85)	0.09%
BOARD MEETING EXP.	581.10	1,340.00	2,798.76	8,040.00	(5,241.24)	0.14%
ASSOC. DUES & SUBSCR.	2,439.46	2,269.00	13,301.84	13,614.00	(312.16)	0.57%
OFFICE OCCUP. EXP.	12,761.65	14,511.00	82,813.15	87,523.00	(4,709.85)	2.97%
BLDG.-LAND IMPROV.	395.08	595.00	2,370.48	3,570.00	(1,199.52)	0.09%
TELEPHONE EXPENSE	1,590.91	1,842.00	9,286.60	11,052.00	(1,765.40)	0.37%
POSTAGE	3,801.49	5,800.00	25,954.13	34,500.00	(8,545.87)	0.88%
MAINT. OF EQUIP.	832.64	1,182.00	7,649.43	7,092.00	557.43	0.19%
STATIONARY & SUPP.	1,186.64	2,400.00	8,197.87	14,400.00	(6,202.13)	0.28%
INSURANCE	2,823.90	3,500.00	17,739.40	19,461.00	(1,721.60)	0.66%
DEPRECIATION - FURN.	3,356.93	3,686.00	21,439.01	23,254.00	(1,814.99)	0.78%
BANK SERVICE CHARGE	23,941.32	26,273.00	152,516.55	147,508.00	5,008.55	5.56%
COMPUTER EXPENSE	14,950.76	17,479.00	91,534.20	104,692.00	(13,157.80)	3.47%
EDUCATIONAL & PROM.	7,615.00	9,167.00	45,053.09	55,002.00	(9,948.91)	1.77%
LOAN SERVICING EXP.	8,777.73	6,595.00	50,913.39	38,985.00	11,928.39	2.04%
PROF. & OUTSIDE EXP.	11,371.46	10,888.00	56,555.56	66,131.00	(9,575.44)	2.64%
FEDERAL SUPERVISION	1,737.74	1,596.00	10,142.96	9,576.00	566.96	0.40%
NCUSIF INS. PREM.	60,324.71	625.00	119,412.23	3,750.00	115,662.23	14.02%
NCUSIF STABILIZATION EXPENSE	(453,004.35)	0.00	0.00	0.00	0.00	-105.25%
CASH OVER & SHORT	(73.65)	100.00	162.02	600.00	(437.98)	-0.02%
COST-BORROWED FUND	14,506.80	0.00	66,731.28	0.00	66,731.28	3.37%
ANNUAL MEETING EXP.	700.00	700.00	4,200.00	4,200.00	0.00	0.16%
MISCELLANEOUS EXP.	36.84	3,850.00	2,363.53	23,100.00	(20,736.47)	0.01%
TOTAL OPER. EXP.	(177,624.13)	226,890.00	1,440,870.11	1,384,798.00	56,072.11	-41.27%
ALLOWANCE - LOAN LOSS	34,500.00	18,500.00	126,911.00	111,000.00	15,911.00	8.02%
ALLOWANCE - OVERDRAFT LOSS	(250.00)	125.00	(1,068.00)	750.00	(1,818.00)	-0.06%
DIVIDENDS	130,343.39	144,905.00	800,593.72	856,919.00	(56,325.28)	30.28%
(GAIN)LOSS ON INVESTMENTS	0.00	0.00	(4,367.00)	0.00	(4,367.00)	0.00%
TOTAL EXPENSES	(13,030.74)	390,420.00	2,362,939.83	2,353,467.00	9,472.83	-3.03%
NET INCOME	443,437.05	61,011.00	176,561.73	330,563.00	(154,001.27)	103.03%
NET INCOME -						
WITHOUT NCUA ASSESSMENT	50,757.41		295,973.96			

P R E S I D E N T ' S R E P O R T J u l y 2 2 , 2 0 0 9

MEETING SCHEDULE - 2009

MONTH	DATE	DAY	TIME	TYPE	LOCATION
August	08-12-09	Wednesday	08:30 AM	Executive	Holiday Inn – Hurstbourne Lane
August	08-26-09	Wednesday	08:30 AM	Regular	Main Office
September	09-09-09	Wednesday	08:30 AM	Executive	Holiday Inn – Hurstbourne Lane
September	09-23-09	Wednesday	08:30 AM	Regular	Main Office
October	10-14-09	Wednesday	08:30 AM	Executive	Holiday Inn – Hurstbourne Lane
October	10-28-09	Wednesday	08:30 AM	Regular	Main Office
November	11-21-09	Saturday	09:00 AM	Planning	Main Office

STATISTICAL REPORTS

Key Ratios, Operating Statistics, Delinquency, Loan Losses, Loan Officer Report, Suspicious Activity, and Long Term Assets, Monthly Comparison are attached for your review monthly. Delinquency Analysis, ALLL Analysis, and Doubtful Loans are available quarterly. GAP, Cash Flow, Rate Shocks, other ALM reports are available semi annually.

FINANCIAL SUMMARY FOR THE MONTH

The key ratios and other pertinent data for the most major areas impacted (before CUSIP & NCUA assessment and after) are compared below. The operation before the assessment is within 10% of our budget income. Income from overdraft fees, investments and loans are the big lagers. Our loan growth projection is not on target and rates have not been increased as we thought the economy would allow. Expenses even with the assessment are only 3% over budget. There was an increase in deposits from the previous month of \$805,000 and an increase of \$9,131,000 year to date. Loan volume for the month showed a decrease of \$300,000 and net loans showed a decrease of \$120,000 for the month and an increase of \$621,000 year to date. We will continue to closely monitor the competition and the overall operation for additional adjustments to dividend and income to benefit the members.

FINANCIAL DETAIL COMPARISON

Major Areas of Impact	REASON	BEFORE	AFTER	Difference
Assets	CU-SIP	96,279,807	121,279,807	25,000,000
Average Assets	CU-SIP	92,314,553	113,147,886	20,833,333
Investment Balance	CU-SIP	52,925,456	77,925,466	25,000,010
NET WORTH	CU-SIP	13.54%	10.75%	-2.79%
Long Term Assets	CU-SIP	22.10%	17.55%	-4.55%
Total Loans / Assets	CU-SIP	39.51%	31.37%	-8.14%
Fixed Assets	CU-SIP	1.65%	1.31%	-0.34%
INC- NET- YTD	NCUA	295,974	176,562	-119,412
Return on Average Assets	NCUA	0.64%	0.31%	-0.33%

LOAN LOSSES FOR YOUR REVIEW – (SEE ATTACHED REPORT FOR DETAIL)

As of 07-15-09 6 18,260.73
 As of 08-15-09
 As of 09-15-09

T O T A L 6 18,260.73

LENDING ACTIVITY

RE LOANS - June 2009

DATE	NAME	ACCOUNT #	APPRAISAL	NEW MONEY	LOAN AMOUNT	EQUITY	TERM IN MONTHS	CREDIT LIMIT	APPROVED BY
6/2/09	Bailey	700360	212,000	169,600	169,600	169,600	180	0	CEO
6/19/09	Fountain	940060	260,000	437	157,143	208,000	180	0	CEO
6/23/09	James	654690	125,000	62,731	100,000	100,000	180	0	CEO
	Conner	637270	186,500	8,424	55,604	149,200	180	0	CEO
6/30/09	Moore	892130	550,000	440,000	440,000	440,000	84	0	B of D
TOTAL/AVG		5	1,333,500	681,192	922,347	1,066,800	161	0	

A '0' in the equity column indicates > 80% LTV

COMMENTS: NONE

INVESTMENT ACTIVITY

CD Purchases - June 2009

DATE	AMOUNT	TERM	RATE	INSTITUTION	CITY	ST	CODE
06/01/09	149,000	18	1.40%	MORRIS BANK	DUBLIN	GA	3
	148,000	24	1.90%	GULF COAST BANK & TRUST	NEW ORLEANS	LA	2
06/03/09	48,000	18	1.40%	STEARNS NATIONAL BANK	ST. CLOUD	MN	2
	99,000	12	1.50%	TENNESSEE COMMERCE BANK	FRANKLIN	TN	3
	148,000	18	1.15%	SHELBY COUNTY BANK	SHELBYVILLE	IN	2
06/05/09	99,000	18	1.27%	PLANTERS BANK	HOPKINSVILLE	KY	2
06/08/09	100,000	12	0.87%	TOWN BANK	HARTLAND	WI	2
06/12/09	99,000	12	1.15%	FIRST UTAH BANK	SALT LAKE CITY	UT	2
06/15/09	248,000	12	1.15%	RELIANCE BANK	DES PERES	MO	3
	100,000	12	1.10%	WEBSTERS SAVINGS BANK	WEBSTER	MA	2
06/16/09	248,000	12	1.28%	GREYSTONE BANK	RALEIGH	NC	3
	200,000	6	0.62%	KCFCU			
06/17/09	149,000	12	1.30%	GE CAPITAL FINANCIAL	SALT LAKE CITY	UT	3
06/18/09	99,000	12	1.10%	GLOBAL COMMERCE BANK	DORAVILLE	GA	3
06/23/09	148,000	12	1.25%	TELESIS COMMUNITY CREDIT UNION	CHATSWORTH	CA	3
06/24/09	99,000	12	1.30%	GULF COAST COMMUNITY BANK	PENNSICOLA	FL	2
	50,000	9	1.10%	SAN LUIS TRUST BANK	SAN LUIS OBISPO	CA	2
06/26/09	99,000	24	2.27%	BANK OF WASHINGTON	WASHINGTON	MO	2
	99,000	12	1.35%	MIDCITY BANK	OMAHA	NE	2
	99,000	12	1.05%	CITIZENS BANK OF EFFINGHAM	SPRINGFIELD	GA	2
	248,000	18	1.55%	NORTH SHORE COMMUNITY BANK	WILMETTE	IL	2
06/30/09	248,000	6	1.00%	FIRST BANK OF TROY	TROY	NC	1
	99,000	12	1.72%	DECATUR FIRST BANK	DECATUR	GA	2
TOTAL	3,123,000	14	1.29%	23			

INVESTMENT ACTIVITY – FAILED BANKS

	AMOUNT	BANK	DATE	DISPOSTION
1.	\$248,000	Cooperative Bank of NC	06-30-09	Paid 06-30-09 due to P&A by First Bank of Troy

REAL ESTATE PROBLEM LOANS

Acct. #	Name	Address	Zip	Balance	Appraisal	Year	Pamt.	Due
1. 852730	Townsend, K.	1218 W. Woodlawn.	40215	\$24,142	\$84,500	05-06	\$244	\$1,778
01-14-09 Member was laid off from a 3+ year job and had satisfactory credit when the loan was made. She is drawing unemployment. The								

insurance is still in force but taxes are delinquent in the amount of \$1,098 for 2008. There are no other mortgages that we are aware of. There are other taxes showing up – totaling \$5,300 that we cut checks for as loan proceeds but she converted. We have asked 5/3 to reimburse us for their errors. That will reduce our exposure to some degree and they can pursue her criminally in lieu of us having to do it. The initial foreclosure letter was authorized on 01-16-09. The PVA assessment is \$84,360. 02-23-09. 05-28-09 - The motion for judgment was filed on May 21, 2009. Pursuant to local court rules, the motion is automatically referred to the Master Commissioner for recommendation as to whether the judgment should be entered. That process can take up to 30 days. If the Master Commissioner recommends that the judge sign the order, it can take several weeks for us to receive the signed judgment, depending on the judge's docket at the time.

CHECK REGISTER & ACH DEDUCTIONS

Attached for your review.

COMMENT CARDS

Attached for your review.

RECONCILIATIONS

All accounts are current and correct.

SAFE LANDING AND OVERDRAFT LOAN CHARGE OFF FOR – June 2009

None

SUSPICIOUS ACTIVITY REPORTS (SARS) – June 2009

1 For \$10,000.00

KCUL 2009 Functions

1. Annual Meeting & Education Session 11-04 to 11-06, 2009 Ft. Mitchell, KY

FOR YOUR INFORMATION

- ✓ **House resolution salutes 75 years of FCU Act - WASHINGTON (6/22/09)**--Praising credit unions for exemplifying the "American values of thrift, self help, and volunteerism," a trio of house Democrats this week introduced a resolution celebrating the 75th anniversary of the enactment of the Federal Credit Union Act. The resolution, which was co-signed by Reps. John Larson (D-Ct.), Paul Kanjorski (D-Pa.) and Jim Himes (D-Ct.), cited the "instrumental role" that credit unions played in helping Americans recover following the great depression as well as the valuable service that credit unions continue to provide in the face of today's economic challenges. The resolution, which is currently in the House Committee on Financial Services, also supported credit unions for their continued commitment to the core philosophy of "people helping people." This Friday, June 26, will mark 75 years from the date that President Franklin Roosevelt signed the Federal Credit Union Act, which enabled credit unions nationwide to organize under a federal charter.
- ✓ **New-car tax credit now applies in all states - BOSTON (6/22/09)**--That new-car smell just got better, thanks to legislation that provides tax incentives to new-car buyers. The U.S. Department of Treasury recently announced that the American Recovery and Reinvestment Act of 2009's new-car tax deduction now extends to consumers in states without a sales or excise tax (*boston.com* June 17). These states include Alaska, Delaware, Hawaii, Montana, New Hampshire and Oregon. If you live in any of the other 44 states, you're still able to deduct state or local sales or excise taxes paid on the qualifying vehicle purchase (*ustreas.gov* June 11). Here's what you need to know to qualify for this special tax deduction:
 - *Purchase deadline.* The new car, light truck, motor home or motorcycle must be purchased after Feb. 16, and before January 1, 2010.
 - *When to file.* The deduction applies only to your 2009 federal tax return, which you'll file in 2010.
 - *Itemized or not.* You can claim the special deduction regardless of whether you itemize deductions on your federal tax return.
 - *Price limit.* Your deduction is limited to fees or taxes you paid on up to \$49,500 of the vehicle's purchase price.

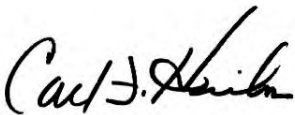
- **Phase-out.** The deduction begins to get smaller if your modified adjusted gross income is at \$125,000, and the deduction is exhausted at \$135,000 for individual filers. For joint filers, the special tax deduction is phased out at between \$250,000 and \$260,000 of your modified adjusted gross income.
- ✓ **Fed keeps rates the same: cites 'subdued' inflation** - MADISON, Wis. (6/25/09)--The Federal Open Market Committee on Wednesday voted unanimously to keep the target for the federal funds rate at a record-low range of zero to 0.25%. In a statement following the meeting, the Fed said "economic conditions are likely to warrant exceptionally low levels of the federal funds rate for an extended period of time." The discount rate was also left unchanged, at 0.5%. The Fed noted that prices of energy and other commodities have increased recently. "However, substantial resource slack is likely to dampen cost pressures, and the Committee expects that inflation will remain subdued for some time." Recent data suggest the economic contraction is beginning to ease, said Fed policymakers. "Household spending has shown further signs of stabilizing but remains constrained by ongoing job losses, lower housing wealth, and tight credit," they said. "Wednesday's FOMC statement provided little clarity to what has become the big question facing the financial markets: What is the Federal Reserve's exit strategy regarding their near zero interest rate policy, their new unconventional lending facilities, along with their recent efforts to monetize the recession," Steve Rick, senior economist for the Credit Union National Association, told *News Now*. "The fed funds future market is currently pricing in a 25 basis point increase in the fed funds interest rate by January 2010," he added. "The futures market is also pricing in a fed funds interest rate of 2% by January 2011. Consensus economic forecasts have the economy expanding slowly by the fourth quarter of 2009. This should allow the Fed to reverse monetary policy and begin withdrawing the massive amounts of liquidity injected recently into the credit markets. This should allay the growing fears of possible future high rates of inflation." The Fed also reiterated that it plans to purchase as much as \$1.25 trillion of agency mortgage-backed securities and as much as \$200 billion of agency debt by year end, as well as up to \$300 billion of Treasury securities by autumn. "The Committee will continue to evaluate the timing and overall amounts of its purchases of securities in light of the evolving economic outlook and conditions in financial markets. The Federal Reserve is monitoring the size and composition of its balance sheet and will make adjustments to its credit and liquidity programs as warranted."
- ✓ **CU capital and savings grow** - MADISON, Wis. (7/7/09)--Credit unions' capital formation and savings balances are both on the rise, according to a Credit Union National Association (CUNA) economist's evaluation of CUNA's May monthly sample of credit unions. "Credit unions resumed capital formation in May after five consecutive months of decline," Steve Rick, CUNA senior economist, told *News Now*. "The credit union movement's capital level grew 0.5% in May, reaching \$83.6 billion. This is 7.1% lower than a year earlier and \$7.28 billion below the high-water mark set in November 2008." Credit union savings balances increased 0.8% in May, but grew 7.3% during the first five months of 2009. Share drafts grew the fastest with a 2.5% increase, followed by money market accounts (2.4%), regular shares (1.0%), and individual retirement accounts (0.8%). One-year certificates declined 0.6% during May. "Credit union savings balances rose 7.3% in the first five months of this year, up from 6.8% for the similar period last year, and above the recent 16-year average of 4.8%," Rick said. "Members' concerns over job security have reduced their proclivity to spend and increased their desire to save current income. Precautionary savings balances are on the rise as witnessed by the 7.5% increase in regular shares over the last five months. "With interest rates bottoming out, the speculative demand for money is also on the rise, as witnessed by the 12% jump in money market accounts so far this year," he added. "When market interest rates turn the corner and begin to rise over the next year, funds from both of these products will flow back into share certificates." Credit union loans outstanding increased 0.2% in May and 0.5% during the first five months of 2009, down from a 2% increase during the same period of 2008. Credit card loans led growth, rising 1.2%, followed by fixed-rate mortgages (0.7%), other loans (0.6%), and used-auto loans (0.5%). "Credit union loan balance growth was very weak in the first five months of 2009; in fact it was the slowest pace since the 1992 recession," Rick said. "During the first five months of 2009, loan balances increased only 0.51%, down from 2% for the similar period last year and lower than the past 16-year average of 2.7%. "Credit union members are deleveraging their balance sheets by paying down their consumer loans," he added. "So far this year, credit card, unsecured and new-auto loan balances fell 2.1%, 3.8% and 2.2%, respectively. The fastest growing loan category was used-auto lending at 2.8%, followed by adjustable-rate mortgages at 2.4%." Declining during May were unsecured personal loans (-0.1%), new-auto loans (-0.3%), and adjustable-rate mortgages (-0.4%). Other mortgages and home equity loans led the decline in May (-0.4% and -1%, respectively). Credit union 60-plus-day delinquencies grew to 1.7% in May from 1.6% in April. "Rising unemployment rates and falling home prices are the major contributing factors to the recent rise in credit union loan delinquency rates," Rick said. "In May, 1.7% of all credit union loans were delinquent, up from 1% a year earlier. With both economic indicators expected to deteriorate for another year, credit unions should plan for further weakening in their credit quality." The loan-to-savings ratio decreased slightly to 78% in May 2009. The liquidity ratio--the ratio of surplus funds maturing in less than one year to borrowings plus other liabilities-- increased slightly to 20% from 19% in April. The movement's overall capital-to-asset ratio remains at 9.5%. The total amount of capital is \$84 billion.

- ✓ **Class action suit filed against CU over investments - MIAMI (7/7/09)**--Attorneys for a Florida woman have filed a class action lawsuit against a Boca Raton-based credit union and four individuals that alleges they lost millions of dollars by investing in a now-defunct company that the suit terms was "a bucket shop rife with fraud." The case-- filed on behalf of Boca Raton resident and former IBM employee Claudia Schorrig against IBM Southeast Employees' FCU--"highlights the problem with respected financial institutions referring their clients to other firms without doing the necessary due diligence or closing their eyes to obvious red flags," according to the plaintiff's counsel. The complaint expressly states that it is not accusing the credit union of fraud or of knowing about the alleged fraud. The complaint was filed June 30 in the U.S. District Court for the Southern District of Florida, West Palm Beach division by three Florida law firms--Dimond Kaplan & Rothstein of Coconut Grove; Blum & Silver of Coral Springs; and Sallah & Cox LLC of Boca Raton. In addition to the credit union, defendants include Lary B. McCants, president/CEO of the credit union; and three financial services representatives of Wellstone--Christi Seay, Jay Jones and Barbara Leschander. The complaint alleges that the credit union "negligently solicited and referred" its members to Wellstone Securities LLP, a now-defunct broker-dealer. Wellstone Securities recommended and sold bonds issued by Cornerstone Ministries Investments Inc. to credit union members. Cornerstone is now in bankruptcy, having collapsed under a fraud scheme. Members who purchased the securities lost millions of dollars, said the complaint. The suit alleges that upon the credit union's recommendation, Schorrig paid \$60,000 for two bonds issued by Cornerstone through Wellstone and "with the active solicitation of the credit union and at least one of the individual defendants." Schorrig lost that money when the company folded. According to the court records, the complaint maintains that had the credit union performed due diligence it would have found that Cornerstone lied in an SEC registration statement that it was approved for listing on the Chicago Stock Exchange and that several state regulators had brought action against Cornerstone for misrepresenting its stock. The credit union's law firm maintains that the complaint is misdirected and full of inaccuracies, such as the representation of the Wellstone employees as credit union employees. The credit union and its CEO is denying the allegations and intend to vigorously defend themselves in court. The lawsuit, it said, stems from a growing tide of legal actions by victims of fraud, bad judgment, or the economy who look for the nearest deep pockets to blame.

BUSINESS DEVELOPMENT & MARKETING

GE will report.

Respectfully Submitted,



Carl F. Hicks
President and CEO

CATEGORY	Year End 2008	Prior Month	Current Month	Difference	Year-To-Date
Deposits	73,102,429	81,427,964	82,233,520	805,556	9,131,091
Regular CDs	20,987,276	19,418,697	19,468,444	49,747	(1,518,832)
IRA CDs	3,667,761	3,825,509	3,855,487	29,978	187,726
Total CDs	24,655,037	23,244,206	23,323,931	79,725	(1,331,106)
Loan Balance	37,420,917	38,162,336	38,042,024	(120,312)	621,107
Loans Made	15,292,094	1,739,015	1,438,494	(300,521)	8,250,183
Members	13,505	13,503	13,508	5	3
Accounts	22,685	22,673	22,679	6	(6)
Delinquent Percent	0.53%	0.30%	0.23%	-0.07%	-0.30%
E-Statements	1184	1326	1357	31	173
Bill Payer	1067	1158	1171	13	104
Info-Teller Inquiries	187,027	14,102	14,025	(77)	84,849
Website Inquiries	418,620	38,299	34,150	(4,149)	227,183
HB -Members Used	2,539	2,615	2,570	(45)	31
Overdrawn Accounts	41,820	26,835	34,632	7,797	(7,188)
CIA - #	879	874	886	12	7
CIA - \$	22,552,171	28,236,977	29,105,522	868,545	6,553,351
CCIA - #	41	41	43	2	2
CCIA - \$	1,965,519	2,431,295	2,673,124	241,829	707,605
Rewards - #	174	211	157	(54)	(17)
Rewards - \$	1,183,310	1,727,337	1,784,069	56,732	600,759
Rewards - Surcharge Ref.	854	175	211	36	880
Rewards - Cost	24,626	4,257	4,222	(35)	25,522
Regular Checking - #	4,629	4,591	4,642	51	13
Regular Checking - \$	4,442,852	5,212,108	4,766,809	(445,299)	323,957
TOTAL CHECKING - #	5,723	5,717	5,728	11	5
TOTAL CHECKING - \$	30,143,852	37,607,717	38,329,524	721,807	8,185,672
Trans - MO	56,671	4,154	4,322	168	25,449
Trans - HV	37,557	3,316	3,396	80	19,398
Trans - DT	31,735	2,330	2,469	139	14,390
Trans - UR	29,684	2,184	2,310	126	13,437
Trans - IN	41,619	3,140	3,459	319	19,234
Trans - INFO	12,843	1,247	1,045	(202)	6,126
Trans - HB	87,003	7,167	7,074	(93)	43,114
Trans - SB	50,510	3,691	4,167	476	23,603
Trans - Total YTD	347,622	27,229	28,242	1,013	164,751
DELINQUENCY	Number	Balance			
2 - 5 Months	8	47,514			
6 -11 Months	4	33,977			
12 Months & Over	1	6,883			
Total	13	88,374			

Monthly Statistics - Year To Date Statistics - Key Ratios - 2009

Category	%	Y/E 2008	JAN	FEB	MAR	APR	MAY	JUNE	JUL	AUG	SEP	OCT	NOV	DEC	YTD
Assets		86,366,726	87,757,046	115,291,732	115,952,351	118,445,061	120,161,319	121,279,807							34,913,081
Deposits		73,102,429	74,221,189	76,665,091	77,897,382	79,968,639	81,429,411	82,233,520							9,131,091
Investment Balance		43,185,859	44,911,138	79,593,710	74,406,580	76,110,844	77,513,598	77,925,466							34,739,607
Cash Balance		1,272,429	844,738	463,448	414,159	543,487	414,191	757,540							(514,889)
Loan Balance		37,420,917	37,527,807	36,810,817	37,093,747	37,746,402	38,162,336	38,042,024							621,107
Loans Made		1,209,689	942,195	1,167,548	1,278,928	1,684,003	1,739,015	1,438,494							8,250,183
Members		13,505	13,485	13,489	13,499	13,509	13,503	13,508							3
Accounts		22,685	22,657	22,662	22,686	22,700	22,673	22,679							(6)
DEL - 2-5 Months		187,983	206,403	198,613	84,134	85,713	57,379	47,514							(140,469)
DEL - 6-11 Months		3,866	12,249	37,000	20,065	26,770	50,359	33,977							30,111
DEL - 12 Months & >		8,033	8,033	7,618	7,307	7,187	7,003	6,883							(1,150)
Delinquent Amount		199,882	226,685	243,231	111,506	119,670	114,741	88,374							(111,508)
Delinquent Percent	< 1.30%	0.53%	0.60%	0.66%	0.30%	0.32%	0.30%	0.23%							-0.30%
Info-Teller		15,573	14,471	14,026	14,203	14,022	14,102	14,025							84,849
Website Inquiries		39,072	36,609	38,039	40,863	39,223	38,299	34,150							227,183
Bill Payer		1,067	1,088	1,106	1,124	1,144	1,158	1,171							104
E-Statements		1,184	1,217	1,242	1,260	1,306	1,326	1,357							173
Home Branch Access		2,539	2,543	2,584	2,596	2,615	2,615	2,570							2,570
Overdrawn Accounts		41,820	21,551	12,723	26,923	34,167	26,835	34,632							34,632
Share Bal. \$5,000 & <		8,909,888	9,548,838	10,195,480	9,577,336	9,438,864	9,759,495	9,312,113							
INC - Loans YTD		2,695,524	234,871	444,153	674,907	899,289	1,134,956	1,362,513							
INC - Investments YTD		1,524,870	110,862	226,397	311,135	413,883	502,311	588,222							
INC - Other YTD		1,121,675	82,079	146,008	253,573	360,070	471,828	588,767							
INC - Total YTD		5,342,069	427,812	816,558	1,239,615	1,673,242	2,109,095	2,539,502							
EXP - ALLL YTD		244,000	22,111	40,611	64,661	92,411	92,411	126,911							
EXP - ALLL - OD YTD		978	125	250	(1,068)	(943)	(818)	(1,068)							
EXP - Dividend YTD		2,043,551	140,439	264,076	403,499	534,086	670,250	800,594							
EXP - Operating YTD		2,500,742	205,842	425,323	1,111,678	1,344,317	1,618,494	1,440,870							
EXP -(G)/L on Invest. YTD		(2,538)	0	0	0	(4,367)	(4,367)	(4,367)							-
EXP - Total YTD - \$		4,786,733	368,517	730,260	1,578,770	1,965,504	2,375,970	2,362,940							
INC- NET- YTD		555,336	59,295	86,298	(339,155)	(292,262)	(266,875)	176,562							
Operating Exp. YTD - %	< 5.00%	2.91%	2.84%	2.51%	4.18%	3.69%	3.48%	2.55%							
Net Interest Margin / AA	> 3.00%	2.53%	2.83%	2.40%	2.19%	2.14%	2.08%	2.03%							
Return on Average Assets	0.70%	0.65%	0.82%	0.51%	-1.28%	-0.80%	-0.57%	0.31%							
Net Worth - \$		12,883,162	12,914,457	12,944,460	12,511,091	12,565,901	12,591,287	13,034,724							
Total Resv. / Curr. Assets	> 9.00%	14.92%	14.72%	11.23%	10.79%	10.61%	10.48%	10.75%							
Average Assets - \$		85,989,400	87,061,886	101,524,389	106,333,710	109,361,548	111,521,502	113,147,886							
Net Charge Off - \$		220,359	0	0	52,684	0	0	63,792							116,476
Net Charge Off / AA - %	< .45%	0.26%	0.00%	0.00%	0.05%	0.00%	0.00%	0.06%							0.11%
Long Term Assets - \$		21,264,716	20,603,600	19,922,004	19,821,392	20,320,411	20,698,440	21,282,060							
Net Long Term Asset / A - %	< 35.00%	24.62%	23.48%	17.28%	17.09%	17.16%	17.23%	17.55%							
Total Loans / Assets - %	< 90.00%	43.33%	42.76%	31.93%	31.99%	31.87%	31.76%	31.37%							
Share Growth - %	7.00%	13.28%	1.53%	4.87%	6.56%	9.39%	11.39%	12.49%							
Loan Growth - %	4.00%	8.14%	0.29%	-1.63%	-0.87%	0.87%	1.98%	1.66%							
CD Deposits - \$		24,655,037	24,179,789	23,693,423	23,810,493	23,681,190	23,244,206	23,323,931							
Share Deposits - \$		48,447,392	50,041,400	52,971,668	54,086,889	56,287,449	58,185,205	58,909,589							
Loan To Total Share - %		77.24%	74.99%	69.49%	68.58%	67.06%	65.59%	64.58%							
Loan To Total Deposit - %		51.19%	50.56%	48.02%	47.62%	47.20%	46.87%	46.26%							
Fixed Assets - \$		1,641,838	1,635,009	1,625,166	1,615,323	1,607,550	1,597,931	1,588,312							
Fixed Assets - %	< 5.00%	1.90%	1.86%	1.41%	1.39%	1.36%	1.33%	1.31%							

	Year	Count	Balance	Monthly Installments	Amount to Reprice In 3 Years
Tecumseh		2	64,283.85		64,283.85
Variable Rate		22	479,127.37		479,127.37
Maturities of 3 Years & Less	2009-2012	31	293,061.76		293,061.76
Maturities of 4 Years	2013	21	441,135.16		441,135.16
Maturities of 5 Years	2014	22	436,595.12		436,595.12
Maturities of 6 Years	2015	19	522,089.41		522,089.41
Maturities of 7 Years	2016	20	464,863.04		464,863.04
Maturities of 8 Years	2017	22	765,183.56	10,776.31	193,973.58
Maturities of 9 Years	2018	53	2,371,483.29	29,679.45	534,230.10
Maturities of 10 Years	2019	20	844,297.69	9,587.98	172,583.64
Maturities of 11Years	2020	28	1,599,688.72	18,095.83	325,724.94
Maturities of 12Years	2021	47	2,361,643.98	23,782.48	428,084.64
Maturities of 13Years	2022	56	3,705,280.59	35,101.31	631,823.58
Maturities of 14Years	2023	68	5,508,418.03	48,752.53	877,545.54
Maturities of 15Years	2024	46	3,620,236.81	30,067.26	541,210.68
Maturities of 16-19 Years	2025	0	0.00	0.00	0.00
Maturities of > Than 20 Years					0.00
		477	23,477,388.38		6,406,332.41
Net Long Term Loans			17,071,055.97		
Fixed Assets			1,588,311.95		
NCUSIF Deposit			656,528.04		
LLC			500.00		
Deferred Compensation			1,800,000.00		
CUSO Investments			165,664.00		
Total Long Term Assets			21,282,059.96		

LOAN OFFICERS REPORT 2009
JEFFERSON COUNTY FEDERAL CREDIT UNION

June , **2009**

Loans Approved	237	\$1,375,842.13
Credit Limits Approved * includes updates & increases	9	\$35,500.00
Loans Disbursed	244	\$1,431,311.04
Indirect Lending	20	\$285,198.00
Equity Checks	2	\$8,106.00
Tecumseh Mortgages	0	\$0.00
Universal Approved Loans (100% Real Estate Loans)	1	\$19,859.00
Requests Denied	52	\$534,868.01

Preparer

July 9, 2009

Date

**RECOMMENDED LOAN CHARGE OFF
THIRD QUARTER 2009**

ACCOUNT NUMBER	MEMBER NAME	CURRENT BALANCE	LOAN SUFFIX	LOAN TYPE	MDR	AUDR	DATE PAID	DATE DUE	MEMBER GROUP	LOAN OFFICER	Comments	REASON
681140	Judy Emily	\$4,867.38	5	Open End	37%	43%	05/29/09	06/05/09	Dr. Bizers	GSE	Unsecured -Paying In Plan	CH-13 Bankruptcy
712400	Luis Bracero	\$1,459.97	3	Note	2%	4%	04/29/09	05/05/09	Minor	TW	Unable to Pay - Sending to ABL	Unemployed
822830	Danny Knotts	\$5,086.87	2	Motocycle	12%	28%	07/10/08	08/05/08	Dayton Walther	KL	Sending to ABL	Unemployed - Def Bal
829800	Hope Finley	\$5,000.30	5	Open End	24%	25%	03/27/09	04/05/09	Lou Metro	GSE	Joint Owner Employed - ABL	Unemployed
836490	Judy Jones	\$694.53	1	Note	41%	43%	04/05/09	04/05/09	Place Of Residence	KL	Incapacitated & Unable to Pay	In Hosp had Stroke in 08
700200258	June Howard	\$1,151.68	5	Open End	33%	36%	06/19/09	08/05/09	Census Bureau	KL	Unsecured & Not Reaffirming	CH-7 Bankruptcy

TOTALS	For July	\$18,260.73	6									
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TOTAL	For August	\$0.00	0									
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TOTAL	For September	\$0.00	0									
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TOTAL ACCOUNTS 6

TOTAL FOR QUARTER \$18,260.73

SAR

June

2009

Suspicious Activity Report

[illegible]

Total Activities =	1
Total Dollar Amount =	\$ 10,000.00

By:
Date:

JCFCU GUESTBOOK was signed Tuesday 7/14/2009 11:23:12

Last name : Harden

First name : Charkisha

member : yes

email : khtaylor822@yahoo.com

Comments : Thanks for being a great credit union....

Remote IP Address : 161.38.1.246

8581	367.40	6/1/2009	GARY S. EDELEN
8582	2,108.40	6/1/2009	UNIVERSAL ASSURORS
8583	913.50	6/1/2009	ALLIED SOLUTIONS GAP
8584	5,723.99	6/2/2009	MINNESOTA MUTUAL
8585	7.15	6/2/2009	JACKIE HARRIS
8586	7.15	6/2/2009	MABLE STRANGE
8587	300.00	6/3/2009	THE CRUSADE FOR CHILDREN
8588	199.00	6/3/2009	SATURN OF LOUISVILLE
8589	24.00	6/4/2009	CLARK COUNTY CLERK
8590	227.00	6/4/2009	GRACE TITLE GROUP
8591	32.00	6/4/2009	JEFFERSON COUNTY CLERK
8592	135.00	6/4/2009	GRACE TITLE GROUP
8593	233.00	6/4/2009	COYLE DODGE
8594	97.00	6/4/2009	DOWNTOWN FORD
8595	4,119.97	6/5/2009	KYCUL SERVICES
8596	135.00	6/5/2009	GRACE TITLE GROUP
8597	32.00	6/5/2009	JEFFERSON COUNTY CLERK
8598	70.22	6/8/2009	FIRST SERVICE GROUP
8599	135.00	6/8/2009	GRACE TITLE GROUP
8600	38.00	6/8/2009	JEFFERSON COUNTY CLERK
8601	191.00	6/9/2009	BOB HOOK CHEVROLET
8602	115.00	6/9/2009	KEVIN GOSS
8603	210.00	6/9/2009	GRACE TITLE GROUP
8604	56.00	6/9/2009	CLARK COUNTY CLERK
8605	132.00	6/10/2009	OXMOOR TOYOTA
8606	300.00	6/10/2009	BOB HOOK CHEVROLET
8607	54.00	6/11/2009	KYCUPAC
8608	1,436.00	6/11/2009	KYCUPAC
8609	73.50	6/11/2009	WASHINGTON NATIONAL LIFE INS
8610	628.25	6/11/2009	DIRECT RESPONSE
8611	1,264.70	6/11/2009	AMERICAN HERITAGE
8612	163.76	6/11/2009	PROFESSIONAL INSURANCE CO
8613	163.76	6/11/2009	PROFESSIONAL INSURANCE CO
8614	1,092.06	6/11/2009	LIFE INVESTORS INSURANCE
8615	252.00	6/11/2009	BYERLY FORD NISSAN
8616	135.00	6/11/2009	GRACE TITLE GROUP
8617	32.00	6/11/2009	JEFFERSON COUNTY CLERK
8618	150.00	6/12/2009	STAMLER MACHINE
8619	135.00	6/12/2009	GRACE TITLE GROUP
8620	135.00	6/12/2009	GRACE TITLE GROUP
8621	32.00	6/12/2009	JEFFERSON COUNTY CLERK
8622	32.00	6/12/2009	JEFFERSON COUNTY CLERK
8623	329.00	6/12/2009	COYLE DODGE
8624	66.00	6/12/2009	BULLITT COUNTY CLERK
8625	22.00	6/12/2009	HENRY COUNTY CLERK
8626	40.00	6/12/2009	VEVAY LICENSE BRANCH
8627	500.00	6/15/2009	KOONS RECOVERY SERVICE
8628	150.25	6/16/2009	KROGER CATERING SERVICE
8629	141.00	6/16/2009	VOLVO OF LOUISVILLE
8630	182.00	6/16/2009	DAVID'S CARS
8631	151.00	6/17/2009	CRAIG & LANDRETH
8632	75.00	6/18/2009	LABA
8633	120.29	6/18/2009	INDUSTRIAL DISPOSAL
8634	1,866.00	6/18/2009	COURTESY CLEANING
8635	15.00	6/18/2009	OKOLONA PEST CONTROL
8636	284.06	6/18/2009	ACCO INC
8637	125.00	6/18/2009	VIC NORDMAN
8638	50.00	6/18/2009	LINDSAY MARIE IRRIGATION
8639	56.16	6/18/2009	LOUISVILLE/JEFFERSON CO METRO
8640	31.17	6/18/2009	DUPLICATOR SALES & SERVICE
8641	915.75	6/18/2009	ARROW ELECTRIC
8642	194.42	6/18/2009	ADT SECURITY
8643	639.85	6/18/2009	BLUEGRASS.NET
8644	5,229.00	6/18/2009	FORTRESS NETWORK
8645	7,315.00	6/18/2009	ADMAN MARKETING
8646	0.00	6/18/2009	VOID
8647	0.00	6/18/2009	VOID
8648	0.00	6/18/2009	VOID
8649	0.00	6/18/2009	VOID
8650	0.00	6/18/2009	VOID
8651	0.00	6/18/2009	VOID
8652	0.00	6/18/2009	VOID
8653	0.00	6/18/2009	VOID
8654	0.00	6/18/2009	VOID
8655	0.00	6/18/2009	VOID
8656	0.00	6/18/2009	VOID
8657	0.00	6/18/2009	VOID
8658	0.00	6/18/2009	VOID

8659	0.00	6/18/2009	VOID
8660	0.00	6/18/2009	VOID
8661	0.00	6/18/2009	VOID
8662	285.00	6/18/2009	CREDIT UNION CONNECTION
8663	189.00	6/18/2009	ROUTEONE
8664	168.00	6/18/2009	PCI SERVICES
8665	576.00	6/18/2009	NADA
8666	1,712.50	6/18/2009	TRANS UNION
8667	20.00	6/18/2009	MAPOTHER & MAPOTHER
8668	2,068.31	6/18/2009	PRINTING SERVICES II
8669	2,600.00	6/18/2009	CHOICEPOINT
8670	672.45	6/18/2009	GARDA CL CENTRAL
8671	1,225.00	6/18/2009	DAVID WATERMAN
8672	541.66	6/18/2009	CNBS
8673	800.00	6/18/2009	ASCENSUS
8674	283.36	6/18/2009	DIGITALMAILER
8675	10.00	6/18/2009	MACO INVESTIGATIONS
8676	646.00	6/18/2009	CHEXSYSTEMS
8677	40.00	6/18/2009	OXMOOR TOYOTA
8678	381.00	6/18/2009	CAPITAL FUNDING
8679	3,109.57	6/19/2009	STEPHANIE KATHERINE MILLER
8680	51.72	6/22/2009	BOBBIE HOLSCLOW
8681	68.15	6/22/2009	THE ESTATE OF GLENDA DIRCK
8682	200.00	6/22/2009	STAMLER MACHINE
8683	10.00	6/22/2009	LOUISVILLE METRO GOVT
8684	60.00	6/22/2009	A PLACE LIKE HOME
8685	80.55	6/22/2009	MINNESOTA MUTUAL
8686	31,633.33	6/23/2009	EVELYN DUGAN TRUSTEE
8687	0.00	6/24/2009	VOID
8688	0.00	6/24/2009	VOID
8689	350.60	6/24/2009	CARL HICKS
8690	430.21	6/24/2009	GENERAL SERVICES ADMINISTRATION
8691	15,091.92	6/24/2009	LOUISVILLE METRO GOVT
8692	90,801.44	6/24/2009	THE ESTATE OF JAMES FORD
8693	8.00	6/24/2009	LABA
8694	162.00	6/25/2009	OXMOOR TOYOTA
8695	135.00	6/25/2009	OXMOOR TOYOTA
8696	221.00	6/25/2009	SATURN OF LOUISVILLE
8697	167.00	6/25/2009	SATURN OF LOUISVILLE
8698	191.00	6/25/2009	COYLE DODGE
8699	264.91	6/25/2009	ALLIED SOLUTIONS AUTO CPI
8700	421.25	6/26/2009	DIRECT RESPONSE
8701	160.00	6/26/2009	GRACE TITLE GROUP
8702	135.00	6/26/2009	GRACE TITLE GROUP
8703	32.00	6/26/2009	BULLITT COUNTY CLERK
8704	32.00	6/26/2009	JEFFERSON COUNTY CLERK
8705	8,369.40	6/26/2009	THE ESTATE OF GWENDOLYN HARDIN
8706	110.00	6/30/2009	LARRY DODSON
8707	29.15	6/30/2009	ED DAVIS
8708	125.40	6/30/2009	STEVE SCHWEITZER
8709	72.60	6/30/2009	DON FRITTS
8710	9.90	6/30/2009	BARBARA BRIGGS
8711	1,575.00	6/30/2009	GENERAL SERVICES COMPANY
8712	1,125.00	6/30/2009	ACME TREE SERVICE
8713	50.00	6/30/2009	SHRED IT
8714	2,450.35	6/30/2009	FISERV
8715	1,175.00	6/30/2009	DAVID WATERMAN
8716	525.00	6/30/2009	MARVIN SCHMIDT
8717	780.20	6/30/2009	ZIP EXPRESS COURIER SERVICE
8718	375.00	6/30/2009	WEBER & ROSE
8719	1,150.00	6/30/2009	PUBLISHERS PRESS
8720	31.90	6/30/2009	CATHY PENNELL
8721	190.00	6/30/2009	PARC
8722	538.14	6/30/2009	LINCOLN NATIONAL LIFE INS CO
8723	44.00	6/30/2009	POSTMASTER
8724	0.50	6/30/2009	LINDSAY STINSON
8725	30.25	6/30/2009	LINDSAY STINSON
8726	236.50	6/30/2009	RACHEL LEE
8727	281.94	6/30/2009	VISA
8728	1,503.23	6/30/2009	MASTERCARD
8729	32.00	6/30/2009	CLAPP VOLKSWAGEN
8730	115.00	6/30/2009	JAMIE WILCOXSON
8731	256.00	6/30/2009	BYERLY FORD NISSAN
Total	217,402.15		151

JUNE 2009

OPERATING ACCOUNT GL #733000 PAYOUTS

ACH Amount	Payable To:	Reason
1,381.91	AT&T	Phones - MO & HV
997.59	Louisville Gas & Electric - MO	Office Occupancy
348.34	Louisville Gas & Electric - HV	Office Occupancy
2,000.00	Postage	Postage
532.72	Louisville Water Co. - MO	Office Occupancy
467.89	Louisville Water Co. - HV	Office Occupancy
7,722.72	Share One	Computer
11.79	AT&T	Internet - Indiana
Total	13,462.96	

Month	June 2009																																			
Stations / Spots	WAVE-TV 3 (A - 11)											WHAS-TV 11 (B - 25)										WLKY-TV 32 (C - 31)														
Date	May 31	June 1	2	3	4	5	6	7	8	9	10	11	12	13	14	15	16	17	18	19	20	21	22	23	24	25	26	27	28	29	30	31	Jul 1	2	3	
Day	S	M	T	W	T	F	S	S	M	T	W	T	F	S	S	M	T	W	T	F	S	S	M	T	W	T	F	S	S	M	T	W	T	F	S	
AM																																				
12:00 - 12:59		B																																		
1:00 - 1:59								B	B			B	B					C																		
2:00 - 2:59													C				C																			
3:00 - 3:59				C				C	C										C																	
4:00 - 4:59					C							C																	C							
5:00 - 5:59																														B						
6:00 - 6:59		A			B	CC	B			A		B	BC C		B					AC C										B	B					
7:00 - 7:59				B		B	AB		B	B				AB							A						CC									
8:00 - 8:59			B				BB							B	B																					
9:00 - 9:59																																				
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Total Spots = 67