



JEFFERSON COUNTY FEDERAL CREDIT UNION

A COMMUNITY CREDIT UNION

Board Packet

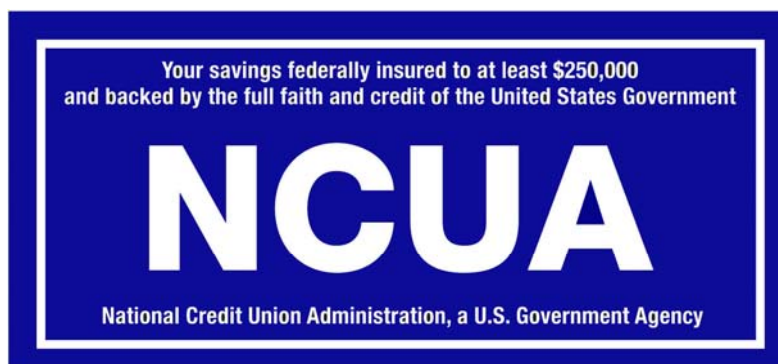


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**JEFFERSON COUNTY FEDERAL CREDIT UNION
BOARD OF DIRECTORS MEETING
AGENDA**

December 23, 2009

1. Approval of Minutes
 - a. November 21, 2009 – Board, Supervisory Committee, Nominating /Bylaws Committee *
2. Correspondence
 - a. NCUA
 - i. 09- CU 23 * Examiner Evaluation of Earnings
 - ii. 09- 03 * Supervisory Letter - Examiner Evaluation of Earnings
 - iii. 09- RA 14 * REG CC
 - iv. 09- RA 15 * SAR Activity
 - v. 09- RA 16 * CTR Exemption
 - vi. KCFCU Notices about MC and PIC Write Off*
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 (Minutes Included)
 - i. Personnel & Policy
 - j. Planning
 - k. Policy
 - l. Risk Management
 - m. Supervisory (Minutes Included)
7. Unfinished Business
 - a.
8. New Business
 - a. Loan Officer Approval *
 - b. Investment Report Approval *
 - c. Assets In Process * None
 - d. Loan Charge Off Policy Exception * - 5 for \$47,339.53
 - e. Loan Charge Off * - 23 for \$61,054.06
 - f. Review Loan Allowance Account * - No Action Recommended
 - g. Review Overdraft Loan Allowance Account * -
Forego December's scheduled Income transfer of \$125 and transfer \$250 back to income.
 - h. Declare Dividend * For 4th Quarter 2009
 - i. Planning Session Final Plan
 - j. 2010 Budget
 - k. Bramco Merger
9. Adjournment

*** Indicates Documentation Attached**

JEFFERSON COUNTY FEDERAL CREDIT UNION

MINUTES - BOARD OF DIRECTORS MEETING

DATE: November 21, 2009
TIME: 2:00 P.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)	Excused
Marilynn Hettich - Director	(MH)	Excused
Barbara Hays - Director	(BH)	Present
Susan Clifton – Supv. Comm.	(SC)	Present
Stan Robinson – Supv. Comm.	(SR)	Present
Joshua Jackson – Supv. Comm.	(JJ)	Present
Gary Fischer – Supv. Comm.	(GF)	Present
Carl Hicks - President and CEO	(CH)	Present
Gary Edelen – Sr. Vice President	(GE)	Present

Chairman Eskridge called the meeting to order at 1:30 PM.

A motion was made by BH and duly seconded by WW to approve the minutes of 10-28-09 and 11-11-09. Vote Taken – Motion Carried.

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

TREASURER'S REPORT

WW reported the following. The key ratios and other pertinent data for the most major areas impacted (before CUSIP & NCUA assessment and after) are compared below. Our YTD bottom line without the assessment expense is actually \$7,000 over YTD budgeted income. Our loan and share growth have surpassed our projections but loans only made it recently accounting for the lag in income. There was an increase in deposits from the previous month of \$32,000 leaving an increase of \$8,037,000 year to date. Loan volume for the month showed a decrease of \$268,000 and net loans showed a decrease of \$213,000 leaving an increase of \$1,900,000 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	95,120,905	120,120,905	25,000,000
Average Assets	CU-SIP	93,623,236	116,123,236	22,500,000
Investment Balance	CU-SIP	50,697,143	75,697,143	25,000,000
NET WORTH	CU-SIP	13.70%	10.85%	-2.85%
Long Term Assets	CU-SIP	23.00%	18.22%	-4.78%
Total Loans / Assets	CU-SIP	41.33%	32.73%	-8.60%
Fixed Assets	CU-SIP	1.63%	1.29%	-0.34%
INC- NET- YTD	NCUA	539,523	156,137	-383,386

A motion was made by SS and duly seconded by BH 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 NCUA assessment and how additional future hits might be handled particularly as it pertains to PIC at KCFCU.
2. A report was given on the letter received from Bramco Federal Credit Union regarding a merger. CH and GE will meet with them 12-02-09. CH discussed their status with Mel Whinstead, their NCUA examiner. He confirmed that there were no financial problems that the manager just wanted to retire and the board could not find a replacement.

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

SENIOR VICE PRESIDENT'S REPORT

GE reported that we had 68 TV and 69 radio commercials on three stations. Our business development person has been working on outside marketing and is doing some on site enrollments. We finalized a limited offer from WBKI and one of our commercials was updated as the other version was 4 years old. A special from Total Traffic including some WAVE TV spots was also contracted for four weeks next year. A motion was made by WW and duly seconded by SS 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

WW reported the committee had met and nominated the three incumbent directors to run for the upcoming vacancies at the 2009 annual meeting election held in 2010.

PERSONNEL & POLICY COMMITTEE – No Report

PLANNING COMMITTEE – No Report

POLICY COMMITTEE– No Report

RISK MANAGEMENT COMMITTEE - No Report

SUPERVISORY COMMITTEE

SC reported that the committee met and briefly reported on the following. A letter was received from a member regarding a misspelled name that was referred to staff. A letter was received from NCUA regarding a member that was displeased with the ID Recovery deduction. They responded to the member explaining our position and copied NCUA. The Third Quarter and the BSA audits were reviewed, researched and accepted. No

exceptions were noted.

UNFINISHED BUSINESS - None

NEW BUSINESS

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

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

A motion was made by SS and duly seconded by BH to adjourn at 2:30 PM. Vote Taken - Motion Carried.

Chairman

Secretary

JEFFERSON COUNTY FEDERAL CREDIT UNION
MINUTES - SUPERVISORY COMMITTEE MEETING

DATE: November 21, 2009
TIME: 8:15 A.M.
LOCATION: Board of Directors Conference Room - Main Office

Members Present

Susan Clifton	(SC) – Chair
Stan Robinson	(SR)
Gary Fischer	(GF)
Richard Koch	(RK)
Gary Fischer	(SR)

SC advised that the third quarter audit report was received from Kling. It was thoroughly reviewed and all areas reviewed were found to be in order. There were a few minor exceptions but nothing of major consequence. Documentation is attached. There was nothing else note worthy.

SC advised that the BSA audit report was received from Kling. It was thoroughly reviewed and all areas reviewed were found to be in order. There were a few minor exceptions but nothing of major consequence. Documentation is attached. There was nothing else note worthy.

A letter was received from a member (John J. Cieniawa) whose name was misspelled and that was referred to staff. The member actually closed his account before the letter was actually received.

A letter was received from NCUA regarding a member (G. K. Elmore) that complained about the ID Recovery program. We discussed it with the staff involved and drafted an answer to the member and copied the required individuals at NCUA. Staff has had at least three conversations with the member and he now understands it is a worthwhile program but was laid off and needed the money.

The expense disbursements for the last two months were reviewed. All were found to be in order.

The new and closed accounts were reviewed for the past few months and some closed accounts selected for verification. It was noted that two from the prior batch had mail returned and no issues were reported.

There being no further business SC adjourned the meeting at 9:00 AM.

Susan Clifton - Chair

November 21, 2009

Mr. Ed Davis
Secretary – Board of Directors
Jefferson County Federal Credit Union
9600 Ormsby Station Road
Louisville, KY 40223

RE: Annual Meeting Election

Dear Mr. Secretary,

The nominating committee met and discussed the upcoming vacancies for next year's election. We have met with three candidates who are agreeable to run and willing to serve if elected. We believe that they are very capable individuals and have the necessary credentials to run and represent the membership for the next three years if elected. We would respectfully nominate them to be listed on the ballot for the aforementioned election May 14, 2010.

Those individuals are

1. William Eskridge
2. Barbara Hays
3. Steve Schweitzer

If we may be of further service please advise us.

Respectfully Submitted,

Jefferson County Federal Credit Union
Nominating Committee:
Wendell Wright - Chairman
Susan Clifton
Josh Jackson

NCUA LETTERS TO CREDIT UNIONS

NATIONAL CREDIT UNION ADMINISTRATION 1775 DUKE STREET, ALEXANDRIA, VA 22314

DATE: November 2009
TO: Federally Insured Credit Unions
SUBJ: Reviewing Adequacy of Earnings
ENCL: Supervisory Letter – Reviewing Adequacy of Earnings

LETTER NO.: 09-CU-23

Dear Board of Directors:

NCUA examiners were recently provided guidance addressing the evaluation of earnings. This letter provides all federally insured credit unions with the same guidance via the attached Supervisory Letter.

NCUA continues to appreciate the delicate balance credit unions must strive to achieve between the short-term and long-term needs of the credit union. I encourage credit union officials to be committed to a conscientious and well-planned strategy to safely balance the net worth and earnings needs of the credit union with the current and future risk profile. I am confident that with an open dialogue examiners will continue to consider all the quantitative and qualitative factors available.

Guidance referenced in the attached letter was directed to NCUA examiners. State-chartered credit unions should consult with their state regulator for further guidance concerning the evaluation of earnings.

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

Sincerely – Deborah Matz, Chairman

NCUA SUPERVISORY LETTER

NATIONAL CREDIT UNION ADMINISTRATION 1775 DUKE STREET, ALEXANDRIA, VA 22314

DATE: November 2009
TO: All Field Staff
SUBJECT: Reviewing Adequacy of Earnings

Supervisory Letter No.: 09-03

The determination of an adequate earnings level continues to be a complex facet of credit union supervision. As emphasized in previous guidance, including Supervisory Letter 06-01 (August 2006), *Evaluating Earnings*, examiners must evaluate each credit union's earnings level relative to net worth needs, financial and operational risk exposures, the current economic climate, and the institution's strategic plans. Because there is no simple metric for determining what an individual credit union's earnings level should be, NCUA staff must continue to utilize a balanced approach in assessing earnings. This letter serves to re-emphasize the importance of the evaluation of earnings in relation to the overall credit unions' risk profile.

If you have any questions on this issue, please direct them to your immediate supervisor or regional management.

Enclosure: Reviewing Adequacy of Earnings

The current economic environment has created pressure on credit unions' ability to generate consistent, positive earnings. The trends for all federally insured credit unions for earnings (ROA) (The standard measurement for earnings for credit unions is the Return on Average Assets Ratio (ROA). ROA is annualized net income divided by average assets for the period and includes the NCUSIF Stabilization Expense and NCUSIF Stabilization Recovery Pass-Back Income.) and net worth ratio (NWR) (The standard measurement for net worth levels for credit unions is the Net Worth Ratio (NWR). NWR is calculated by dividing net worth by total assets. Mathematically, the NWR is affected by both changes in net worth (numerator), which are caused by net income (loss) levels, and by asset growth (denominator), which is predominantly driven by share growth.) have materially fluctuated as noted:

	Initially Reported	Adjusted 2008	June 2009
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	2008		
ROA	0.31%	-0.03%	0.28%
NWR	10.93%	10.62%	10.03%

Recent events highlight the need for examiners to look beyond the ratios and review the actual income and expense structure of the operations to assess the adequacy of earnings. Following the submission of the December 31, 2008 call reports, credit unions reported an aggregate ROA of 0.31% and net worth of 10.93%. After the NCUA Board approved and publicized the corporate stabilization efforts and the associated premium charges, many credit unions restated their call report for December 31, 2008, accounting for the expenditure in different ways. The impact of the restatements was to reduce the reported ROA for December by 34 basis points and reduce net worth by 31 basis points. The impact on income and inconsistency in reporting continues into 2009. These material changes and the fact the earnings impact spans several reporting periods will make the evaluation and trending of earnings more challenging.

This letter emphasizes previous guidance to examiners regarding the review of earnings adequacy. It also stresses the importance of communication with credit union officials and management regarding earnings deficiencies.

Examiner Assessment of Earnings

An examiner's review of earnings must consider the risk profile, operational structure, and strategic plans of the credit union. When assessing management's ability to manage earnings, examiners should consider the:

- Adequacy of net worth given the risk profile of the credit union;
- Quality and sources of the earnings structure;
- Fit with the overall strategies of the credit union;
- Future direction of earnings performance and adequacy of budget process;
- Adequacy of the Allowance for Loan and Lease Losses; and
- Ability of the credit union to realize an adequate level of earnings in a safe and sound manner.

The fact that a credit union's net income level is relatively high or low is not by itself evidence there is a problem. Rather, it is merely a trigger for a thorough review of the credit union's earnings structure to determine the underlying factors driving the performance. Letter to Federal Credit Unions 06-FCU-04 (August 2006), *Evaluation of Earnings*, provides examples of red flags which should trigger a more in-depth review of a credit union's earnings performance.

Lower ROA levels may be indicative of a sound and well-executed strategy to balance risk exposure. The credit union may have incurred costs that position the credit union to achieve longer-term growth and member service objectives consistent with their strategic plan. While there can be sound reasons for lower earnings, there also are unsound reasons. A credit union may have made strategic decisions that will adversely affect earnings and net worth over the long-term. This could include an unsound level of fixed assets that the earnings structure cannot support. It also could include a fundamental shift in the balance sheet resulting in depressed net interest margin insufficient to cover the cost of core operations.

Higher ROA levels could be the result of successfully executed strategic plans. Conversely, it is also possible for a credit union to record strong profitability levels in the short-term by assuming an unacceptable degree of credit or interest rate risk, which could negatively impact future earnings. Whatever the case may be, simply rating earnings on the level of ROA without a full evaluation is not adequate.

Effect of Corporate Stabilization Efforts

In 2009, the NCUA Board approved a series of actions designed to stabilize and support the corporate credit union system. These actions ultimately resulted in a premium assessment in 2009 for all federally insured credit unions. The timing and amount of future premiums is unknown and will be based on a number of factors. Examiners must consider the effect of these actions when evaluating a credit union's earnings.

The evaluation of earnings focuses on many factors as noted above, and exception to the amount of earnings resulting solely from these NCUA Board actions should not be taken. A credit union's earnings structure should generate sufficient earnings to maintain or grow net worth to a level commensurate with the credit union's risk profile. Examiners should address a credit union's inability to maintain sufficient earnings and net worth relative to their risk profile, after considering these premiums. When properly addressed, any earnings issues should be due to an overall weakness in the credit union's earnings capabilities rather than with any NCUA Board actions.

CAMEL Rating System

The principles of the Risk-Focused Exam program set forth in Letter to Federal Credit Unions 02-FCU-09 will continue to apply when evaluating earnings adequacy, including the impact of NCUA Board actions. The CAMEL ratings reflect the risk related to the appropriate categories rather than a benchmark contained in a matrix. ([CAMEL Rating System modified in 2007, eliminating the CAMEL matrix. NCUA Letter to Credit Unions 07-CU-12, December 2007, CAMEL Rating System.](#)) As a reminder, the purpose of the CAMEL ratings is an internal NCUA rating system to evaluate the safety and soundness of credit unions based on the degree of risk to the share insurance fund and for identifying those credit unions that require additional supervision. Reliance solely on benchmarks without adequate risk management processes could lead credit unions to make unsafe and unsound business decisions.

Examiners must assign the CAMEL ratings based on the impact material risk(s) pose to the credit union's financial position and their risk management practices, including established strategic plans. The seven risk indicator ratings in the risk-focused examination are a forward-looking assessment and should correlate to the CAMEL ratings. The impact from items such as the corporate stabilization actions are a separate consideration from the actual risk profile of the credit union and should not result in an automatic adjustment in CAMEL ratings. Each credit union's earnings and net worth level should be evaluated based on the credit union's unique risk characteristics, as well as taking into consideration the overall economic trends. Examiners should continue to document CAMEL ratings and any material adjustments based on risk within the Scope Workbook.

Conclusion

Examiners must rely on their professional judgment in assessing earnings adequacy, considering all the quantitative and qualitative factors available that affect the credit union's financial condition.

It is essential that examiners continue to promote an open dialogue between the agency and credit union representatives regarding credit union earnings and strategic direction. A healthy dialogue will help credit unions fine-tune and execute their strategies effectively. It also enables NCUA to balance the mandate to protect the share insurance fund while supporting credit unions in fulfilling their mission, to provide financial services for provident and productive purposes to all members.

References

1. NCUA Letter to Federal Credit Unions 09-FCU-14, June 2009, *Corporate Stabilization Fund Implementation*
<http://www.ncua.gov/Resources/CorporateStabilization/2009/LTCUs%2009-CU-14%20Corp%20Stabilization%20Fund%20Implementation.pdf>
2. NCUA Letter to Federal Credit Unions 09-FCU-04, February 2009, *Supervision Considerations for Natural Person Credit Unions and the Announced Corporate Stabilization Efforts*
www.ncua.gov/letters/2009/FCU/09-FCU-04.pdf
3. NCUA Letter to Credit Unions 08-CU-20, August 2008, *Evaluating Current Risks to Credit Unions*
www.ncua.gov/letters/2008/CU/08-CU-20%20LCU.PDF
4. NCUA Letter to Credit Unions 07-CU-12, December 2007, *CAMEL Rating System*
<http://www.ncua.gov/letters/2007/CU/07-CU-12.pdf>
5. NCUA Letter to Federal Credit Unions 06-FCU-04, August 2006, *Evaluation of Earnings*
www.ncua.gov/letters/2006/FCU/Encl-SupLetter06-01.pdf
6. NCUA Letter to Credit Union 03-CU-04, March 2003, *CAMEL Rating System*
www.ncua.gov/letters/2003/03-CU-04.pdf
7. NCUA Letter to Federal Credit Unions 02-FCU-09, May 2002, *Risk-Focused Examination Program*
www.ncua.gov/letters/2002/02-FCU-09.html
8. Supervisory Letter 05-01, August 2005, *Evaluating Capital Adequacy*
9. NCUA *Examiner's Guide*:
 - Chapter 1 – Risk-Focused Program
 - Chapter 3 – Total Analysis Process
 - Chapter 15 – Profitability

• Chapter 16 – Net Worth and Other Equity Accounts
www.ncua.gov/GuidesManuals/examiners_guide/examguide.html

10. FDIC *Risk Management Manual of Examination Policies*, Chapter 5.1 – Earnings
www.fdic.gov/regulations/safety/manual/index.html

11. OCC *Comptroller's Handbook*, Analytical Review of Income and Expense (Section 401)
www.occ.treas.gov/handbook/SS.HTM

Sincerely – Melinda A. Love, Director, Office of Examination and Insurance

REGULATORY ALERT

NATIONAL CREDIT UNION ADMINISTRATION 1775 DUKE STREET, ALEXANDRIA, VA 22314

DATE: November 2009 NO: 09-RA-14

TO: All Federally-Insured Credit Unions

SUBJECT: Final Rule Technical Amendments to Availability of Funds and Collection of Checks (Regulation CC) (12 CFR Part 229 – Availability of Funds and Collection of Checks (Regulation CC) is available at:
<http://www.federalreserve.gov/bankinfo/reg/reglisting.htm>)

Dear Board of Directors:

The purpose of this Regulatory Alert is to notify credit unions the Board of Governors of the Federal Reserve System (Board) recently issued a final rule amending Regulation CC. Credit unions should assess the final rule's impact on their funds availability policies and schedules, and provide any required notice of changes to members. (Section 229.18(e) of Regulation CC requires banks notify account holders who are consumers within 30 days after implementing a change improving the availability of funds.) The Board believes no additional burden is imposed on a depository institution by amendments in the final rule. Depository institutions are already required to have procedures in place to notify members when a change in funds availability occurs.

The [final rule](#) amends Regulation CC's routing number guide to next-day availability checks and local checks. The routing number changes are a result of the Board restructuring check-processing operations within the Federal Reserve System. The final rule also includes advanced notice the Federal Reserve's check-processing infrastructure will become a single check-processing region in early 2010. A single check-processing region will result in checks no longer being considered nonlocal for purposes of Regulation CC. A single check-processing region will subject some checks to faster funds availability schedules.

In November 2008, the Board initially announced decreases in check volume necessitated transition to a single check-processing site. The Board's check-processing operations restructuring responds to:

- Continued nationwide decline in check usage;
- Rapidly increasing use of electronic check clearing methods; and,
- Cost recovery provisions of the Monetary Control Act of 1980.

The following chart summarizes changes to check-processing operation locations included in the final rule.

Federal Reserve Bank Check-Processing Operations Restructuring Changes**			
<u>Action</u>	<u>Transfer from Federal Reserve Bank Location</u>	<u>Transfer to Federal Reserve Bank Location</u>	<u>Effective Date</u>
Check- processing operations location transfer	From: Head Office of the Federal Reserve Bank of Dallas	To: Head Office of Federal Reserve Bank of Cleveland (<u>On August 14,</u>	October 17, 2009

		<u>2009, the Federal Reserve Banks, by letter, informed depository institutions within Dallas's check-processing region of the October 17, 2009 transfer of check-processing operations from Dallas to the Cleveland check-processing operation.)</u>	
Check- processing operations location transfer	From: Los Angeles Branch Office of the Federal Reserve Bank of San Francisco	To: Head Office of Federal Reserve Bank of Cleveland	November 14, 2009

****Note:** Restructuring changes in the table above will result in **some** checks drawn on and deposited at banks (For purposes of Regulation CC, the term "bank" includes credit unions.) located in Dallas, Los Angeles, and Cleveland check-processing regions becoming local checks subject to faster availability schedules. The final rule includes routing number guide changes to determine next-day availability checks and local checks.

If you have questions concerning these Regulation CC amendments, please do not hesitate to contact your NCUA regional office or state supervisory authority.

Sincerely – Deborah Matz, Chairman

REGULATORY ALERT

**NATIONAL CREDIT UNION ADMINISTRATION
1775 DUKE STREET, ALEXANDRIA, VA 22314**

DATE: November 2009 **NO: 09-RA-15**

TO: All Federally-Insured Credit Unions

SUBJECT: Issue 16 of the SAR Activity Review – Trends, Tips & Issues, October 2009

Dear Board of Directors:

The Financial Crimes Enforcement Network (FinCEN) published the October 2009 Issue 16 of *The SAR Activity Review – Trends, Tips & Issues*. This publication provides information relating to activity reported on Suspicious Activity Reports (SARs). Topics in this issue include:

- Section 2: Trends and Analysis – This section provides an update on the patterns of SAR filings related to mortgage loan fraud and the trends and the benefits of using FinCEN's Bank Secrecy Act (BSA) E-Filing System.
- Section 3: Law Enforcement Cases – This section provides summaries of investigations where BSA data played an important role in the successful investigation and prosecution of criminal activity. Examples include money laundering cases related to mortgage fraud, medical fraud, tax evasion, and structuring schemes.
- Section 4: Issues & Guidance – This section discusses current issues raised with regard to the preparation and filing of SARs. Two sections of interest to credit unions are *Law Enforcement Suggestions When Preparing SARs*, and *Avoiding Common Errors in SARs*.
- Section 5: Industry Forum – Representatives from the financial services industry offer insight into some aspects of compliance management and fraud prevention. This section provides an updated view of the objectives and elements an independent audit program should consider.

The SAR Activity Review – Trends, Tips & Issues is published by FinCEN on a periodic basis to provide meaningful information about the preparation, use and value of SARs filed by financial institutions. The report can be found on FinCEN's web site at: http://www.fincen.gov/news_room/rp/sar_tti.html.

Sincerely – Deborah Matz, Chairman

REGULATORY ALERT

NATIONAL CREDIT UNION ADMINISTRATION 1775 DUKE STREET, ALEXANDRIA, VA 22314

DATE: December 2009 **NO:**

09-RA-16

TO: Federally Insured Credit Unions

SUBJ: Guidance on Determining Eligibility for Exemption from Currency Transaction Reporting Requirements

Dear Board of Directors,

The Financial Crimes Enforcement Network (FinCEN) recently issued guidance to assist credit unions in determining whether a member is eligible for exemption from currency transaction reporting (CTR) requirements.

The Bank Secrecy Act (BSA) regulations require credit unions to file a CTR on any transaction in currency of more than \$10,000. The regulations also provide credit unions with the ability to exempt certain members from currency transaction reporting. FinCEN issued a final rule amending the CTR exemption requirements (final rule) in December 2008. The final rule, effective January 5, 2009, made the following changes to the previous CTR exemption system:

- Eliminated the designation and annual review requirement for most credit unions;
- Decreased the definition of "frequent reportable transactions" from eight to five transactions;
- Decreased the waiting time for CTR exemption eligibility from twelve months to two months; and
- Eliminated the CTR exemption biennial renewal requirement.

FIN-2009-G003 addresses the most frequently asked questions regarding the CTR exemption process in the following areas:

- Timing of the exemption process;
- Frequency of reportable transactions;
- Corporate structure and reorganization;
- Ineligible businesses;
- Members no longer eligible for exemption;
- Completion of the Designation of Exempt Person form;
- Exemptible transaction accounts; and
- Revocation of an exempti

This guidance is designed to assist credit unions in understanding the scope and application of the CTR exemption process. The final CTR exemption rule does not relieve credit unions of their separate obligation to conduct suspicious activity monitoring and reporting for CTR exempt members.

A complete copy of FIN-2009-G003 may be obtained at http://www.fincen.gov/statutes_regs/guidance/html/fin-2009-g003.html.

If you have any questions regarding this guidance, please contact your district examiner, regional office, or state supervisory authority.

Sincerely – Deborah Matz, Chairman

KentuckyCorporate
Federal Credit Union

\$143,217⁷⁸

To: Jefferson County Federal Credit Union
From: Jim Thompson, President/CEO
Date: December 9, 2009
Re: Paid-in Capital and Membership Capital Depletion

In the November 2, 2009 letter Update 8, NCUA/U.S. Central's unaudited third quarter financials revealed estimated OTTI losses increased by another \$320.1 million. Based on U.S. Central's depletion of our capital with them, Kentucky Corporate is forced to write-down the remaining balance of our members' Paid-in Capital (PIC) in addition to approximately 19.7% of your Membership Capital Shares (MCS). It is with a heavy heart that I must report the amount of the depletion of your Paid-in Capital PIC account is \$53,326.05 and the depletion of your Membership Capital Shares is \$89,891.73. Kentucky Corporate will debit your account by the end of day, December 30, 2009.

Although these losses were largely the product of a global economic crisis and real estate meltdown, the reality is that despite our conservative investment practices, Kentucky Corporate still had to make entries to credit union capital accounts. We are sorry for the part we played in causing your credit union any financial pain, frustration, or uncertainty during these severe economic times. Our intent is, and always has been, to serve and add value to credit unions, not the other way around. We recommend you consult with your independent auditors if you have any questions regarding the accounting treatment of these events.

As stated previously, it has been Kentucky Corporate's intent and responsibility to return any member capital accounts that have been written off back to their par value. However, there are provisions in the proposed regulation which may forbid this. Kentucky Corporate will be communicating with our members a summary of the proposed regulation in the near future. We will also be hosting several regional meetings to discuss the new regulation and how they will affect your corporate credit union. Kentucky Corporate will notify our members soon of these meeting dates.

We remain committed to you, our valued owners, and will continue to take actions to regain your confidence in us. On behalf of Kentucky Corporate, thank you for allowing us to serve you.

We will continue to inform you as developments arise. Please let me know how I may be of assistance in the interim. Please e-mail me at jthompson@kycorp.org or call me at (502) 459-6110 or 1-800-333-5285, ext. 200.

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Phone: 502.459.6110 • 1.800.333.5285 • 3615 Newburg Road • Louisville, Kentucky 40218



JEFFERSON COUNTY FEDERAL CREDIT UNION
Statement of Financial Condition -- November 2009

ASSETS		LIABILITIES	
LOANS	39,464,135.38	ACCOUNTS PAYABLE	12,346.84
ASSETS IN LIQUIDATION OF LOANS - RE	0.00	MONEY ORDERS	6,157.69
ASSETS IN LIQUIDATION OF LOANS - AU	2,186.32	TRAVELERS CHECKS	0.00
REAL ESTATE LOANS - TECUMSEH	63,524.61	AMUSEMENT PARK TICKETS	640.00
		KYCUPAC - FROM MEMBERS	19.00
		DEATH CLAIMS	476,811.46
TOTAL LOANS TO MEMBERS	39,529,846.31	EMPLOYEE 401(K) PLAN	0.00
ALLOW. FOR LOAN LOSSES	(297,059.83)	INSURANCE COMPANIES	8,275.87
ALLOW. FOR OVERDRAFT LOSSES	(1,798.93)	FLOOD DETERMINATION	108.00
		RECORDING FEES - CLERK	116.00
NET LOANS	39,230,987.55	ATTORNEY FEES	10,280.00
		APPRAISALS	(750.00)
		TOTAL ACCOUNTS PAYABLE	514,004.86
		DIVIDENDS PAYABLE	147,769.13
FIFTH THIRD	144,814.81	CLF CU SIP NOTE PAYABLE	25,000,000.00
VAULT CASH	408,890.88		
CHANGE FUND - ATM MACHINE	59,850.00	FEDERAL TAXES	726.13
PETTY CASH	50.00	KENTUCKY STATE TAXES	0.00
CASH TOTAL	613,605.69	FEDERAL & STATE UNEMPLOY.	0.00
		OCCUPATIONAL TAXES	0.00
KENTUCKY CORPORATE FCU	16,461,421.65	TAXES HELD ON DIVIDENDS	1,594.49
FEDERAL HOME LOAN BANK OF CINCINNATI	143,051.50	ACCRUED PROPERTY TAXES	(3,054.54)
DEPOSITS - OTHER FINANCIAL INSTITUTIONS	34,427,000.00	PENALTIES ON PREMATURE IRA DISTR.	0.00
SHARE ONE CUSO INVESTMENT	100,000.00	TOTAL TAXES PAYABLE	(733.92)
LOAN TO CUCKY	0.00		
CLF CU SIP INVESTMENT	25,000,000.00	ACCRUED EXPENSES	492,978.54
TOTAL INVESTMENTS	76,131,473.15	TOTAL ACCRUED EXPENSES	492,978.54
		ACCRUED NCUSIF STABILIZATION EXPENSE	119,412.23
ACCRUED INTEREST - LOANS	172,423.28	UNAPPLIED EXCEPTIONS	49,720.25
OTHER ACCRUED INCOME	72,681.69	TOTAL LIABILITIES	26,323,151.09
		CAPITAL	
TOTAL ACCRUED INCOME	245,104.97	REGULAR SHARE ACCOUNTS	17,786,875.00
		CLUB ACCOUNTS	648,053.75
PREPAID & DEFERRED EXPENSES	49,083.13	SHARE DRAFT ACCOUNTS	5,079,407.52
TOTAL PREPAID & DEFERRED	49,083.13	CASH INVESTMENT ACCOUNTS	29,354,071.59
		CORPORATE CASH INVESTMENT	2,502,787.94
LAND - MAIN & OUTER LOOP OFFICE	448,100.00	REWARDS CHECKING	2,092,329.60
BUILDING - MAIN & OUTER LOOP OFFICE	1,547,029.32	IRA - ACCUMULATION ACCOUNTS	1,531,854.64
IMPROVEMENTS - MAIN OFFICE	1,986.89	CERTIFICATES - REGULAR	18,418,468.08
IMPROVEMENTS - BRANCH 1	1,242.69	CERTIFICATES - IRA	3,938,502.53
IMPROVEMENTS - BRANCH 2	0.00	CERTIFICATES - TOTAL	22,356,970.61
IMPROVEMENTS - BRANCH 3	0.00	TOTAL SHARES	81,352,350.65
IMPROVEMENTS - BRANCH 4	0.00	REGULAR RESERVE	1,901,148.19
ACCUM. DEPR. - MAIN & OUTER LOOP OFFICE	(535,686.00)	RESERVE FOR CONTING.	0.00
FURNITURE & EQUIPMENT	59,326.32	UNDIVIDED EARNINGS	10,957,014.11
COMPUTER EQUIPMENT	25,174.89	NET INCOME	197,304.81
TOTAL FIXED ASSETS	1,547,174.11	TOTAL CAPITAL	94,407,817.76
		TOTAL CAPITAL & LIABILITIES	120,730,968.85
ACCOUNTS RECEIVABLE	0.00		
DEFERRED COMPENSATION	2,191,348.21		
CAPITAL DEPOSIT - CUCKY	65,664.00		
DEPOSIT - NCUSIF	656,528.04		
TOTAL OTHER ASSETS	2,913,540.25		
TOTAL ASSETS	120,730,968.85		

Jefferson County Federal Credit Union

BUDGET REVIEW

November 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	235,535.47	242,289.00	2,550,651.99	2,615,946.00	(65,294.01)	57.18%
INVESTMENTS	65,457.53	118,032.00	962,601.10	1,261,356.00	(298,754.90)	15.89%
INTEREST ON CLF CU SIP	19,643.70	0.00	190,544.70	0.00	190,544.70	4.77%
INSURANCE RIEMB.	7,018.65	3,950.00	59,342.24	43,150.00	16,192.24	1.70%
MO & CHK FEE	402.25	425.00	4,455.67	4,675.00	(219.33)	0.10%
OVERDRAFT FEE	58,064.93	69,000.00	658,711.84	759,000.00	(100,288.16)	14.10%
WIRE TRANS. & CMO	175.50	325.00	2,714.50	3,425.00	(710.50)	0.04%
LOAN LATE FEE	5,637.20	4,400.00	54,119.27	48,400.00	5,719.27	1.37%
ATM SURCHARGE FEES	417.00	300.00	4,209.00	3,000.00	1,209.00	0.10%
SHARE DRAFT & ATM	1,897.99	2,475.00	20,680.06	26,925.00	(6,244.94)	0.46%
MISCELLANEOUS INC.	1,391.70	1,600.00	14,659.91	17,600.00	(2,940.09)	0.34%
LOCK BOX FEE	310.00	160.00	2,230.00	1,760.00	470.00	0.08%
ATM TRANSACTION FEE	519.00	800.00	6,239.00	8,800.00	(2,561.00)	0.13%
LOAN APPLICATION FEE	275.00	275.00	2,825.00	2,725.00	100.00	0.07%
MEMBERSHIP FEE	355.00	450.00	5,185.00	4,950.00	235.00	0.09%
C-CARD INCOME	0.00	250.00	2,453.60	2,450.00	3.60	0.00%
D-CARD INTERCHANGE	14,849.20	14,800.00	159,693.44	161,400.00	(1,706.56)	3.60%
TOTAL INCOME	411,950.12	459,531.00	4,701,316.32	4,965,562.00	(264,245.68)	100.00%
E X P E N S E S						
SALARIES - REGULAR	76,752.10	84,747.00	918,578.15	992,331.00	(73,752.85)	18.63%
SALARIES - OVERTIME	125.27	648.00	1,580.96	6,548.00	(4,967.04)	0.03%
CONTRACT EMPLOY.	0.00	400.00	0.00	4,400.00	(4,400.00)	0.00%
401K COSTS	3,095.39	3,672.00	40,060.07	42,952.00	(2,891.93)	0.75%
SOCIAL SECURITY TAX	5,803.05	6,533.00	69,221.89	76,414.00	(7,192.11)	1.41%
UNEMPLOYMENT TAX	50.50	475.00	5,440.16	5,225.00	215.16	0.01%
STAFF INSURANCE	15,007.61	16,200.00	159,324.48	174,600.00	(15,275.52)	3.64%
LOCAL TRAVEL	457.58	925.00	5,667.44	10,175.00	(4,507.56)	0.11%
VEHICLE MAINTENANCE	175.11	500.00	2,833.75	5,500.00	(2,666.25)	0.04%
OUT OF TOWN TRAVEL	1,215.26	900.00	4,925.98	9,900.00	(4,974.02)	0.30%
BOARD MEETING EXP.	2,988.66	1,340.00	9,795.39	14,740.00	(4,944.61)	0.73%
ASSOC. DUES & SUBSCR.	2,069.46	2,269.00	23,345.32	24,959.00	(1,613.68)	0.50%
OFFICE OCCUP. EXP.	15,167.39	14,038.00	148,222.33	160,483.00	(12,260.67)	3.68%
BLDG.-LAND IMPROV.	215.21	415.00	3,819.18	6,020.00	(2,200.82)	0.05%
TELEPHONE EXPENSE	1,609.53	1,842.00	18,816.39	20,262.00	(1,445.61)	0.39%
POSTAGE	3,855.33	6,000.00	52,428.39	64,200.00	(11,771.61)	0.94%
MAINT. OF EQUIP.	1,405.11	1,182.00	14,389.98	13,002.00	1,387.98	0.34%
STATIONARY & SUPP.	1,530.88	2,400.00	19,063.51	26,400.00	(7,336.49)	0.37%
INSURANCE	2,823.90	3,500.00	33,044.88	36,961.00	(3,916.12)	0.69%
DEPRECIATION - FUNR.	3,309.80	3,614.00	37,957.35	41,321.00	(3,363.65)	0.80%
BANK SERVICE CHARGE	23,117.25	27,103.00	273,576.71	281,888.00	(8,311.29)	5.61%
COMPUTER EXPENSE	16,058.29	18,103.00	177,323.21	193,360.00	(16,036.79)	3.90%
EDUCATIONAL & PROM.	12,820.00	9,167.00	91,636.71	100,837.00	(9,200.29)	3.11%
LOAN SERVICING EXP.	8,069.56	6,910.00	91,853.77	73,055.00	18,798.77	1.96%
PROF. & OUTSIDE EXP.	8,295.93	10,923.00	99,276.41	120,701.00	(21,424.59)	2.01%
FEDERAL SUPERVISION	1,737.74	1,596.00	18,831.66	17,556.00	1,275.66	0.42%
NCUSIF INS. PREM.	0.00	625.00	119,412.23	6,875.00	112,537.23	0.00%
NCUSIF STABILIZATION EXPENSE	0.00	0.00	453,004.35	0.00	453,004.35	0.00%
CASH OVER & SHORT	344.38	100.00	717.07	1,100.00	(382.93)	0.08%
COST-BORROWED FUND	14,506.80	0.00	140,716.26	0.00	140,716.26	3.52%
ANNUAL MEETING EXP.	700.00	700.00	7,700.00	7,700.00	0.00	0.17%
MISCELLANEOUS EXP.	629.87	3,850.00	6,154.79	42,350.00	(36,195.21)	0.15%
TOTAL OPER. EXP.	223,936.96	230,677.00	3,048,718.77	2,581,815.00	466,903.77	54.36%
ALLOWANCE - LOAN LOSS	33,050.00	27,750.00	256,711.00	203,500.00	53,211.00	8.02%
ALLOWANCE - OVERDRAFT LOSS	125.00	125.00	(818.00)	1,375.00	(2,193.00)	0.03%
DIVIDENDS	113,670.18	149,180.00	1,392,797.14	1,594,219.00	(201,421.86)	27.59%
(GAIN)LOSS ON INVESTMENTS	0.00	0.00	(4,367.00)	0.00	(4,367.00)	0.00%
OTHER NON OPERATING EXPENSE (INCOME)	0.00	0.00	(453,004.35)	0.00	(453,004.35)	0.00%
OTHER NON OPERATING EXPENSE (INCOME)- KY CC	0.00	0.00	263,973.95	0.00	263,973.95	0.00%
TOTAL EXPENSES	370,782.14	407,732.00	4,504,011.51	4,380,909.00	123,102.51	90.01%
NET INCOME	41,167.98	51,799.00	197,304.81	584,653.00	(387,348.19)	9.99%
NET INCOME - WITHOUT NCUA ASSESSMENT	41,167.98		580,690.99			

P R E S I D E N T ' S R E P O R T December 23, 2009

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. Our YTD bottom line without the assessment expense is within \$4,000 of budgeted income. Our loan and share growth have surpassed our projections. There was an increase in deposits from the previous month of \$212,000 leaving an increase of \$8,249,000 year to date. Loan volume for the month showed an increase of \$329,000 and net loans showed an increase of \$218,000 leaving an increase of \$2,100,000 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	95,730,969	120,730,969	25,000,000
Average Assets	CU-SIP	93,814,848	116,542,121	22,727,273
Investment Balance	CU-SIP	51,131,473	76,131,473	25,000,000
NET WORTH	CU-SIP	13.39%	10.62%	-2.77%
Long Term Assets	CU-SIP	22.99%	18.23%	-4.76%
Total Loans / Assets	CU-SIP	41.29%	32.74%	-8.55%
Fixed Assets	CU-SIP	1.62%	1.28%	-0.34%
INC- NET- YTD	NCUA	580,691	197,304	-383,387
Return on Average Assets	NCUA	0.68%	0.18%	-0.50%

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

As of 10-15-09	9	20,180.08
As of 11-15-09	6	14,797.48
As of 12-15-09	8	26,076.50

T O T A L	23	61,054.06
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LENDING ACTIVITY

RE LOANS - November 2009

DATE	NAME	ACCOUNT #	APPRAISAL	NEW MONEY	LOAN AMOUNT	EQUITY	TERM IN MONTHS	CREDIT LIMIT	APPROVED BY
11/8/09	Stoess	815760	246,000	104,261	121,008	196,800	180	0	CEO
11/13/09	Mapother	767200	350,000	0	209,551	280,000	180	0	CEO
TOTAL/AVG		2	596,000	104,261	330,559	476,800	180	0	

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

COMMENTS: Mapother - Refinance only to lower rate

INVESTMENT ACTIVITY**CD Purchases - November 2009**

DATE	AMOUNT	TERM	RATE	INSTITUTION	CITY	ST	CODE
11/03/09	248,000	12	0.75%	AMERICAN NATIONAL BANK	ARDMORE	OK	1
	99,000	12	1.25%	COLLIN BANK	FRISCO	TX	1
11/05/09	99,000	12	0.70%	BANK OF SIERRA	PORTERVILLE	CA	2
	100,000	12	0.65%	FIRST STATE BANK OF TENNESSEE	KNOXVILLE	TN	2
11/06/09	200,000	12	0.60%	MIDCOUNTRY BANK	MARION	IL	3
11/09/09	100,000	12	0.75%	FIRST FEDERAL S&L OF OLATHE	OLATHE	KS	2
	99,000	12	1.00%	EVANGEL CHIRISTIAN CREDIT UNION	BREA	CA	2
	100,000	12	1.30%	OLD CHARTER BANK	WESTPOINT	GA	3
11/12/09	99,000	12	0.65%	STATE BANK OF INDIA	LOS ANGELES	CA	3
	148,000	12	0.60%	LAKE FOREST BANK & TRUST	LAKE FOREST	IL	2
11/13/09	148,000	18	0.90%	SEAFORD CREDIT UNION	SEAFORD	DE	3
11/16/09	248,000	12	0.90%	FIRST CREDIT BANK	LOS ANGELES	CA	2
	149,000	12	0.85%	FIRST BANK OF PUERTO RICO	SAN JUAN	PR	2
	99,000	18	1.25%	KEYSOURCE COMMERCIAL BANK	DURHAM	NC	3
	149,000	24	2.25%	FIRST REPUBLIC BANK	CHARLOTTE	NC	2
	100,000	12	1.00%	WCLA CREDIT UNION	OLYMPIA	WA	3
11/17/09	99,000	24	2.25%	FIRST REPUBLIC BANK	CHARLOTTE	NC	2
	100,000	12	1.25%	PARK CITY BANK	DALLAS	TX	2
	100,000	12	1.25%	PARK CITY BANK	DALLAS	TX	2
	99,000	9	0.45%	WEST POINTE BANK	OSKOSH	WI	2
	149,000	6	0.42%	WEST POINTE BANK	OSKOSH	WI	2
11/18/09	149,000	24	1.25%	CONTINENTAL BANK	SALT LAKE CITY	UT	2
11/20/09	99,000	12	0.55%	METROPOLITIAN BANK	OAKLAND	CA	2
	99,000	12	0.55%	METROPOLITIAN BANK	OAKLAND	CA	2
	248,000	18	0.75%	LIBERTYVILLE BANK & TRUST	LIBERTYVILLE	IL	2
	248,000	24	1.75%	STERLING BANK	POPLAR BLUFF	MO	3
11/23/09	149,000	9	0.90%	GRAND SVINGS BANK	GROVE	OK	1
	100,000	12	0.75%	FIRST INTERNATIONAL BANK & TRUST	WATEFORD CITY	ND	2
	148,000	18	0.91%	COMMUNITY WEST BANK	GOLETA	CA	2
11/25/09	149,000	6	0.52%	GRAND BANK	HAMILTON	NJ	2
	248,000	12	1.45%	VIRTUAL BANK	PALM BEACH	FL	3
TOTAL	4,369,000	14	0.98%	31			

INVESTMENT ACTIVITY – FAILED BANKS

	AMOUNT	BANK	DATE	DISPOSITION
1.	99,000	MVB Bank	11-13-09	Taken Over By Another Bank-No Loss

QUARTERLY PROCESSING ITEMS

1. LOANS FOR TRANSFER TO ASSETS IN PROCESS OF LIQUIDATION – **NONE**
2. LOAN CHARGE OFF POLICY EXCEPTIONS – **5 for \$47,339.53**
3. LOAN CHARGE OFF – **23 for \$61,054.06**

4. QUARTERLY REVIEW OF THE "ALLOWANCE FOR LOAN LOSSES ACCOUNT" -

We are currently over funded in the amount of \$46,212 including the budget funding from December's income. I recommend we make no adjustment as our historical average increase for 2010 will increase an amount very similar to

this. This action will leave the account at an acceptable level 01-01-10 when the new ratios take effect.

5. QUARTERLY REVIEW OF THE "ALLOWANCE FOR OVERDRAFT LOAN LOSSES ACCOUNT" –
Our average monthly loss for 2008 was \$129.00. We are required to maintain a one year level that would equate to \$1,548.00. We are currently over funded in the amount of \$250. I recommend we transfer \$250.00 from this account and forego the scheduled December transfer of \$125.00 to income to bring the account to an acceptable level.
6. DIVIDEND INFORMATION & RECOMMENDATIONS

Share Category	Rate Paid 3rd Quarter - 09	APY Paid 3rd Quarter - 09	Proposed Rate 4th Quarter - 09	Proposed APY 4th Quarter - 09	Balance Ranges
Regular Shares	0.75%	0.75%	0.75%	0.75%	\$25 - >
Club Accounts	0.50%	0.50%	0.50%	0.50%	\$5 - >
IRA Accounts	1.10%	1.10%	1.10%	1.10%	\$5 - >
Escrow Accts.	0.50%	0.50%	0.50%	0.50%	\$5 - >
SCA Builder	0.50%	0.50%	0.50%	0.50%	\$5 - >
Rewards +	3.98%	4.00%	3.98%	4.00%	\$0 - 25,000 - Ach
Rewards +	0.25%	0.25%	0.25%	0.25%	\$25,001 & > - Ach
Rewards +	0.25%	0.25%	0.25%	0.25%	\$0 - > - UN-Ach
CIA and CCIA	0.75%	0.75%	0.75%	0.75%	\$1 - 2,499
CIA and CCIA	0.90%	0.90%	0.90%	0.90%	\$2,500 - 9,999
CIA and CCIA	1.04%	1.05%	1.04%	1.05%	\$10,000 - 24,999
CIA and CCIA	1.19%	1.20%	1.19%	1.20%	\$25,000 - 49,999
CIA and CCIA	1.39%	1.40%	1.39%	1.40%	\$50,000 - 99,999
CIA and CCIA	1.54%	1.55%	1.54%	1.55%	\$100,000 & >

RATES PROJECTED IN BUDGET FOR 1ST QUARTER 2010

Share Category	Rate Paid 4th Quarter - 09	APY Paid 4th Quarter - 09	Proposed Rate 1st Quarter - 10	Proposed APY 1st Quarter - 10	Balance Ranges
Regular Shares	0.75%	0.75%	0.35%	0.35%	\$25 - >
Club Accounts	0.50%	0.50%	0.15%	0.15%	\$5 - >
IRA Accounts	1.10%	1.10%	0.60%	0.60%	\$5 - >
Escrow Accts.	0.50%	0.50%	0.15%	0.15%	\$5 - >
SCA Builder	0.50%	0.50%	0.25%	0.25%	\$5 - >
Rewards +	3.98%	4.00%	1.98%	2.00%	\$0 - 25,000 - Ach
Rewards +	0.25%	0.25%	0.25%	0.25%	\$25,001 & > - Ach
Rewards +	0.25%	0.25%	0.25%	0.25%	\$0 - > - UN-Ach
CIA and CCIA	0.75%	0.75%	0.55%	0.55%	\$1 - 2,499
CIA and CCIA	0.90%	0.90%	0.70%	0.70%	\$2,500 - 9,999
CIA and CCIA	1.04%	1.05%	0.85%	0.85%	\$10,000 - 24,999
CIA and CCIA	1.19%	1.20%	0.99%	1.00%	\$25,000 - 49,999
CIA and CCIA	1.39%	1.40%	1.14%	1.15%	\$50,000 - 99,999
CIA and CCIA	1.54%	1.55%	1.34%	1.35%	\$100,000 & >

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	\$2,754
<p>1. 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</p>								

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. The sale date is 10-13-09. Our attorneys received a Chapter XIII bankruptcy notice at 09:16 AM the morning of the 12th. We will now have to go through the bankruptcy system and then go through the sale system again. 12-02-09 we received a call from member saying she went to 341 meeting & spoke to trustee & our attorney. She will pay us direct (Out Side Of Plan) 1 full payment of \$244.05 on 12-15-09, again 12-29-09, and the January payment sometime in January from her unemployment. Our arrearage is to be paid in the plan which we do not have the details on yet. I am not holding my breath. (Pictures Attached)

CHECK REGISTER & ACH DEDUCTIONS

Attached for your review.

COMMENT CARDS

Two that complained about the ID Recovery fee and I answered both of them individually explaining our position.

RECONCILIATIONS

All accounts are current and correct.

SAFE LANDING AND OVERDRAFT LOAN CHARGE OFF FOR – November 2009

NONE

SUSPICIOUS ACTIVITY REPORTS (SARS) – November 2009

1 for \$6,671.00

FIFTH THIRD CORRESPONDENCE

No word from their legal department or Tom Canary. Tom will give a follow up call per our conversation 12-14-09.

POTENTIAL MERGER CANDIDATE

GE went back 12-16-09 to review the loan portfolio. After a thorough review he believes we can hold our losses to less than their reserves. The takeover also opens the door to some new local members as well as OOT members. They only have loans, regular shares and CDs now. We should pick up some checking/debit business as well as RE and other type loans they do not offer. I recommend proceeding with the transaction. It is my intention to have them put all of their reserves in the ALLL account prior to merger. We will carry an additional line item (Reserve for Bramco Loans), (above our required calculation on JCFCU portfolio) on our ALLL calculation form until we see what our actual losses will be. Within a year the remainder can be migrated back to income for us.

KENTUCKY CORPORATE FCU

NCUA/USC required us to write off \$143,217.78 of our paid in capital with them leaving us \$366,000 in membership capital that is not federally insured.

BUDGET FOR 2010

Attached for your review and adoption.

FOR YOUR INFORMATION

- ✓ **Filene study finds bank fees dwarf those of credit unions** - WASHINGTON (11/23/09)--Bank customers pay substantially more in overdraft fees and other account fees than credit union members, with low-balance bank customers taking the brunt of that burden, a recently released Filene Research Institute study has found. The study, which was authored by University of California, Davis assistant professor of economics Victor Stango and

Dartmouth College associate professor of economics Jonathan Zinman, draws information on transaction account fees from the account data of a panel of consumers. While some of the cost differences "can be attributed to behavior," the study concluded that "much of the difference simply stems from banks' higher prices." "The largest driver of the bank/credit union fee difference is the overdraft fee, which on average is roughly one-third lower at credit unions than at banks. Credit unions also charge significantly lower ATM foreign fees," the study added. Overall, the study found that while credit union members paid \$35 in overdraft fees over the course of a year, bank customers on average paid \$132 in overdraft fees over the same time period, almost four times the amount paid by credit union members. The report also found that while credit union members pay an annual average of \$73 in total transaction fees, including ATM foreign fees, ATM surcharges, and other fees, bank-customer households pay \$183 in fees during the same time period. Low-balance accountholders, which the study defines as accounts with a balance under \$1,500, paid \$165 per year in overdraft fees if they were customers of a bank, whereas low-balance credit union members paid \$42 in those same fees. General account fees were also higher for low-balance bank customers, with a reported \$218 in fees being paid on a yearly basis. Credit union members paid \$80, the study found. Sixty-nine percent of bank customers and 75% of credit union members surveyed fell below the "low-balance" threshold. The majority of accountholders surveyed had an average account balance of \$500 or less.

- ✓ **CU 2010 assessment may be 0.15%-0.4% - ALEXANDRIA, Va. (11/20/09)**—The credit union assessment to fund the National Credit Union Share Insurance Fund (NCUSIF) and the corporate credit union stabilization fund could range from 0.15% and 0.4% of insured shares in 2010, the National Credit Union Administration (NCUA) estimated Thursday. At the agency's open board meeting, Melinda Love, director of examination and insurance, predicted that NCUSIF losses for the coming year could range from \$450 million to \$1.68 billion — a substantially wide range. Those losses, she said, could require a 0.1% to 0.25% premium, and the assessment to fund the NCUA's Corporate Stabilization Fund could be between 0.05% and 0.15% of insured shares.
- ✓ **Bank collapses push FDIC fund over \$8B into the red - WASHINGTON (11/25/09)**--The net worth of the Federal Deposit Insurance Fund during the third quarter of fiscal 2009 declined to negative \$8.2 billion, the Federal Deposit Insurance Company (FDIC) reported on Wednesday. This is the third time since 1992 that the net worth of the fund has fallen below zero, and the loss reflects a contingent loss reserve of \$38.9 billion that the FDIC has "set aside to cover estimated losses over the next year," according to the FDIC. The National Credit Union Administration (NCUA) also reported on the status of its own insurance fund at its recently held November meeting. While the National Credit Union Share Insurance Fund (NCUSIF) remains well capitalized at 1.28% of insured shares with over \$8.3 billion in total equity as of Oct. 31, the agency estimated that an NCUSIF assessment in the range of 0.10% and 0.25% of insured shares could be sought in 2010 to replenish projected expenses. Melinda Love, NCUA director of examination and insurance, recently predicted that NCUSIF losses for the coming year could range from \$450 million to \$1.68 billion. The FDIC also reported that the number of institutions on its "Problem List" rose to 552 as of Sept. 31, the highest level since 575 institutions were reported in late 1993. These problem institutions accounted for a total of \$345.9 billion in assets, according to the FDIC. Fifty institutions failed during the most recent quarter, increasing the number of failed institutions reported during 2009 to 95. "For now, the credit adversity we have been observing for some time remains with us, and we expect that it will be at least a couple of more quarters before we see a meaningful improvement in that trend," Chairman Sheila Bair said. "Despite the challenges, depending on the economy, I am optimistic that if we address these problems head-on we will see clear signs of improvement in bank earnings and lending in 2010," she added.
- ✓ **The number of distressed U.S. banks rose to 552 at the end of September**--the highest level in 16 years, according to a Federal Deposit Insurance Corp. (FDIC) report released Tuesday. The tally is up from 416 at the end of June and 305 at the end of March. The September mark is the largest number of banks on FDIC's "problem list" since the end of 1993. The FDIC said its Deposit Insurance Fund has sustained an \$8.2 billion loss, which the agency said it hopes will be covered by advance payments of \$45 billion in deposit insurance premium fees (*MarketWatch* Nov. 24).
- ✓ **U.S. bankruptcy filings rose 19.6% from a year earlier, court records indicate, because the recession and job cuts caused more Americans to seek protection from their creditors, analysts said.** Total filings for individuals and companies in the month rose to 115,000, according to data tallied by Automated Access to Court Electronic Records. So far this year, there have been 1.3 million bankruptcies, the company's figures show. The largest number of bankruptcy filings per capita were in Nevada, followed by Tennessee and Georgia. States with the fastest-rising bankruptcy rates were Nevada, Arizona and California (*Delawareonline.com* Dec. 5).
- ✓ **CUs' savings is fastest growth since 2001 -MADISON, Wis. (12/4/09)**--Through October, year-to-date credit union savings balances rose 10.2%, setting up credit unions for the fastest growth since 2001, according to a Credit

Union National Association (CUNA) economist's analysis of CUNA's monthly sample of credit unions. Credit union savings balances increased 1.6% in October 2009 and 10.3% during the first 10 months of 2009. During October, share drafts rose 7.3%, followed by regular shares (2.6%), and money market accounts (1.8%). One-year certificates increased 0.8%, while individual retirement accounts decreased 0.6%. "With members in no mood to take on additional debt, credit union investment portfolios rose almost 30% so far this year," Steve Rick, CUNA senior economist, told *News Now*. "This will put downward pressure on asset yields and net income as the asset mix shifts towards low-interest-rate investments and away from higher yielding loans." Credit union loans outstanding decreased 0.1% during October 2009, but rose 1.8% during the first 10 months of 2009, down from a 6.1% increase during the same period of 2008. During October, home equity loans led loan growth, rising 2.3%, followed by used-auto loans (0.2%) and credit card loans (0.1%). Adjustable-rate mortgages decreased 0.1%, fixed-rate mortgages fell 0.4%, and unsecured personal loans declined 0.6%. New-auto loans and other mortgages decreased by 0.6% and 2.1%, respectively. "Credit union loan balances were essentially unchanged in October from September," Rick said. "Mortgage, new-auto and unsecured loan balances all declined in October. The underlying loan growth trend cycle is now around 0.2% per month, the lowest since the recession of 1991. Loan growth will be weak in 2010--about 3% to 4%--due to low consumer confidence, a weak labor market and falling home prices." Concerning asset quality, credit union 60-plus-day delinquencies remained roughly constant at 1.8% in October. "Credit union overall loan delinquency rates rose to 1.81% in October, up from 1.76% in September and 1.14% one year ago," Rick said. "The jobless economic expansion and further declines in home prices will keep upward pressure on loan delinquency and charge-off numbers through the first half of 2010. "We believe net job creation and home-price stabilization will occur in the second half of 2010, slowing the deterioration in loan quality," he added. The credit union movement's overall capital-to-asset ratio remained constant at 10% in October. The total dollar amount of capital is \$90 billion. The loan-to-savings ratio decreased to 76.9% in October. The liquidity ratio--the ratio of surplus funds maturing in less than one year to borrowings plus other liabilities--increased to 20% from 19% in September.

- ✓ **CU files suit against CUMIS - MADISON, Wis. (12/8/09)**--A Maryland-based credit union affected by fraud at U.S. Mortgage/CU National Mortgage Corp. has filed a civil suit against CUNA Mutual Insurance Society (CUMIS) to recover losses under a bond issued by CUMIS. In the complaint, Education Systems FCU, Greenbelt, said it purchased the bond to protect it from losses incurred under events such as the CU National Mortgage Corp. fraud. However, "the specific circumstances of this claim aren't covered by our bond," Phil Tschudy, CUNA Mutual Group media relations manager, told *News Now*. "We believe other entities have liability for the losses the credit unions have suffered and we are continuing to look for ways to assist the affected credit unions in seeking compensation for those losses," he added. Madison, Wis.-based CUMIS filed two declaratory judgment actions in June and August in Wisconsin state court asking the court to declare that the bond did not cover the losses suffered by Education Systems FCU. Education Systems FCU said it was served with the August 31 action on Nov. 23. "The declaratory judgment action we filed seeks only to have the court resolve the question around coverage," Tschudy said. "The action doesn't seek damages against the credit union. "We were hoping not to have to move forward with the litigation and have been working toward that end," he added. "However, in fairness to all of our policyholders, we need to abide by and defend the limits of our coverage to avoid having some credit unions subsidize the inactions of others. We remain hopeful this can be resolved in a manner that is fair for everyone." Education Systems FCU experienced losses when a servicing contractor hired to collect mortgage loan payments sold the loans to a third party without Educational Systems' authorization and kept the proceeds, the complaint said. Education Systems FCU was one of 19 credit unions defrauded by CU National Mortgage, which closed this year after filing for bankruptcy in February. Its president, Michael McGrath, pleaded guilty in June to defrauding about \$139.6 million from the credit unions and Fannie Mae. McGrath admitted to conspiring with others to fraudulently sell credit union loans and use the proceeds to finance U.S. Mortgage's operations and investments for himself and the company (*News Now* June 12).

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	81,140,189	81,352,351	212,162	8,249,922
Regular CDs	20,987,276	18,661,862	18,418,468	-243,394	(2,568,808)
IRA Cds	3,667,761	3,908,663	3,938,503	29,840	270,742
Total CDs	24,655,037	22,570,525	22,356,971	-213,554	(2,298,066)
Loan Balance	37,420,917	39,311,550	39,529,846	218,296	2,108,929
Loans Made	15,292,094	1,046,796	1,375,982	329,186	15,652,087
Members	13,505	13,564	13,526	-38	21
Accounts	22,685	22,717	22,593	-124	(92)
Delinquent Percent	0.53%	0.29%	0.24%	-0.05%	-0.29%
E-Statements	1,184	1,517	1,554	37	370
Bill Payer	1,067	1,235	1,248	13	181
Info-Teller Inquiries	187,027	15,025	14,199	-826	156,255
Website Inquiries	418,620	36,384	31,784	-4,600	398,664
HB -Members Used	2,539	2,620	2,599	-21	60
Overdrawn Accounts	41,820	24,181	24,907	726	(16,913)
CIA - #	879	886	874	-12	(5)
CIA - \$	22,552,171	28,529,430	29,354,072	824,642	6,801,901
CCIA - #	41	40	40	0	(1)
CCIA - \$	1,965,519	2,532,423	2,502,788	-29,635	537,269
Rewards - #	174	169	173	4	(1)
Rewards - \$	1,183,310	2,050,747	2,092,330	41,583	909,020
Rewards - Surcharge Ref.	854	150	179	29	1,716
Rewards - Cost	24,626	5,160	5,143	-17	49,893
Regular Checking - #	4,629	4,634	4,580	-54	(49)
Regular Checking - \$	4,442,852	5,067,485	5,079,408	11,923	636,556
TOTAL CHECKING - #	5,723	5,729	5,667	-62	(56)
TOTAL CHECKING - \$	30,143,852	38,180,085	39,028,598	848,513	8,884,746
Trans - MO	56,671	5,184	5,613	429	49,898
Trans - HV	37,557	3,428	3,297	-131	36,034
Trans - DT	31,735	2,435	2,303	-132	26,440
Trans - UR	29,684	2,363	2,038	-325	24,219
Trans - IN	41,619	3,729	3,815	86	36,668
Trans - INFO	12,843	1,021	983	-38	10,987
Trans - HB	87,003	7,215	6,951	-264	78,543
Trans - SB	50,510	3,900	3,779	-121	43,029
Trans - Total YTD	347,622	29,275	28,779	-496	305,818
DELINQUENCY	Number	Balance			
2 - 5 Months	17	39,994			
6 -11 Months	4	25,178			
12 Months & Over	3	28,811			
Total	24	93,983			

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	121,031,227	121,224,368	119,968,543	120,120,905	120,730,969		34,364,243
Deposits		73,102,429	74,221,189	76,665,091	77,897,382	79,968,639	81,429,411	82,233,520	81,814,646	81,957,277	81,107,318	81,140,189	81,352,351		8,249,922
Investment Balance		43,185,859	44,911,138	79,593,710	74,406,580	76,110,844	77,513,598	77,925,466	76,822,238	76,865,321	75,123,091	75,697,143	76,131,473		32,945,614
Cash Balance		1,272,429	844,738	463,448	414,159	543,487	414,191	757,540	723,186	344,449	775,324	634,645	613,610		(658,819)
Loan Balance		37,420,917	37,527,807	36,810,817	37,093,747	37,746,402	38,162,336	38,042,024	38,926,382	39,571,203	39,588,809	39,311,550	39,529,846		2,108,929
Loans Made		1,209,689	942,195	1,167,548	1,278,928	1,684,003	1,739,015	1,438,494	2,023,241	1,640,356	1,315,528	1,046,796	1,375,982		15,652,086
Members		13,505	13,485	13,489	13,499	13,509	13,503	13,508	13,500	13,506	13,590	13,564	13,526		21
Accounts		22,685	22,657	22,662	22,686	22,700	22,673	22,679	22,674	22,679	22,750	22,717	22,593		(92)
DEL - 2-5 Months		187,983	206,403	198,613	84,134	85,713	57,379	47,514	55,324	95,257	55,839	71,083	39,994		(147,989)
DEL - 6-11 Months		3,866	12,249	37,000	20,065	26,770	50,359	33,977	41,868	31,967	31,865	31,805	25,178		21,312
DEL - 12 Months & >		8,033	8,033	7,618	7,307	7,187	7,003	6,883	5,743	15,482	10,395	10,395	28,811		20,778
Delinquent Amount		199,882	226,685	243,231	111,506	119,670	114,741	88,374	102,935	142,706	98,099	113,283	93,983		(105,899)
Delinquent Percent	< 1.30%	0.53%	0.60%	0.66%	0.30%	0.32%	0.30%	0.23%	0.26%	0.36%	0.25%	0.29%	0.24%		-0.30%
Info-Teller		15,573	14,471	14,026	14,203	14,022	14,102	14,025	14,271	14,106	13,805	15,025	14,199		156,255
Website Inquiries		39,072	36,609	38,039	40,863	39,223	38,299	34,150	33,304	34,964	35,045	36,384	31,784		398,664
Bill Payer		1,067	1,088	1,106	1,124	1,144	1,158	1,171	1,190	1,202	1,222	1,235	1,248		181
E-Statements		1,184	1,217	1,242	1,260	1,306	1,326	1,357	1,396	1,423	1,445	1,517	1,554		370
Home Branch Access		2,539	2,543	2,584	2,596	2,615	2,615	2,570	2,596	2,610	2,958	2,620	2,599		2,599
Overdrawn Accounts		41,820	21,551	12,723	26,923	34,167	26,835	34,632	28,764	27,830	36,520	24,181	24,907		24,907
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	9,604,156	9,395,745	9,015,545	9,360,000	9,184,125		
INC - Loans YTD		2,695,524	234,871	444,153	674,907	899,289	1,134,956	1,362,513	1,602,076	1,840,948	2,074,273	2,315,117	2,550,652		
INC - Investments YTD		1,524,870	110,862	226,397	311,135	413,883	502,311	588,222	667,880	747,459	826,541	897,144	962,601		
INC - Other YTD		1,121,675	82,079	146,008	253,573	360,070	471,828	588,767	714,845	826,717	946,824	1,077,106	1,188,063		
INC - Total YTD		5,342,069	427,812	816,558	1,239,615	1,673,242	2,109,095	2,539,502	2,984,801	3,415,124	3,847,638	4,289,367	4,701,316		
EXP - ALLL YTD		244,000	22,111	40,611	64,661	92,411	92,411	126,911	145,411	163,911	213,661	223,661	256,711		
EXP - ALLL - OD YTD		978	125	250	(1,068)	(943)	(818)	(1,068)	(943)	(818)	(1,068)	(943)	(818)		
EXP - Dividend YTD		2,043,551	140,439	264,076	403,499	534,086	670,250	800,594	925,560	1,048,806	1,160,954	1,279,127	1,392,797		
EXP - Operating YTD		2,500,742	205,842	425,323	1,111,678	1,344,317	1,618,494	1,440,870	2,113,551	2,335,348	2,555,352	2,824,782	3,048,719		
EXP - (G)/L on Invest. YTD		(2,538)	0	0	0	(4,367)	(4,367)	(4,367)	(4,367)	(4,367)	(4,367)	-4,367	-4,367		
Other Non Operating (Inc)		0	0	0	0	0	0	0	(453,004)	(453,004)	(189,030)	(189,030)	(189,030)		-
EXP - Total YTD - \$		4,786,733	368,517	730,260	1,578,770	1,965,504	2,375,970	2,362,940	2,726,208	3,089,876	3,735,502	4,133,230	4,504,012		
INC- NET- YTD		555,336	59,295	86,298	(339,155)	(292,262)	(266,875)	176,562	258,593	325,248	112,136	156,137	197,304		
Operating Exp. YTD - %	< 5.00%	2.91%	2.84%	2.51%	4.18%	3.69%	3.48%	2.55%	3.17%	3.04%	2.95%	2.92%	2.85%		
Net Interest Margin / AA	> 3.00%	2.53%	2.83%	2.40%	2.19%	2.14%	2.08%	2.03%	2.02%	2.01%	2.01%	2.00%	1.98%		
Return on Average Assets	0.70%	0.65%	0.82%	0.51%	-1.28%	-0.80%	-0.57%	0.31%	0.39%	0.42%	0.13%	0.16%	0.18%		
Net Worth - \$		12,883,162	12,914,457	12,944,460	12,511,091	12,565,901	12,591,287	13,034,724	13,116,755	13,183,410	12,970,299	13,029,299	12,822,659		
Total Resv. / Curr. Assets	> 9.00%	14.92%	14.72%	11.23%	10.79%	10.61%	10.48%	10.75%	10.84%	10.88%	10.81%	10.85%	10.62%		
Average Assets - \$		85,989,400	87,061,886	101,524,389	106,333,710	109,361,548	111,521,502	113,147,886	114,274,078	115,142,864	115,679,050	116,123,236	116,542,121		
Net Charge Off - \$		220,359	0	0	52,684	0	0	63,792	0	0	57,449	0	0		173,925
Net Charge Off / AA - %	< .45%	0.26%	0.00%	0.00%	0.05%	0.00%	0.00%	0.06%	0.00%	0.00%	0.05%	0.00%	0.00%		0.16%
Long Term Assets - \$		21,264,716	20,603,600	19,922,004	19,821,392	20,320,411	20,698,440	21,282,060	21,684,847	22,042,663	22,069,746	21,883,458	22,012,682		
Net Long Term Asset / A - %	< 35.00%	24.62%	23.48%	17.28%	17.09%	17.16%	17.23%	17.55%	17.92%	18.18%	18.40%	18.22%	18.23%		
Total Loans / Assets - %	< 90.00%	43.33%	42.76%	31.93%	31.99%	31.87%	31.76%	31.37%	32.16%	32.64%	33.00%	32.73%	32.74%		
Share Growth - %	7.00%	13.28%	1.53%	4.87%	6.56%	9.39%	11.39%	12.49%	11.92%	12.11%	10.95%	11.00%	11.29%		
Loan Growth - %	4.00%	8.14%	0.29%	-1.63%	-0.87%	0.87%	1.98%	1.66%	4.02%	5.75%	5.79%	5.05%	5.64%		
CD Deposits - \$		24,655,037	24,179,789	23,693,423	23,810,493	23,681,190	23,244,206	23,323,931	23,239,953	23,410,580	22,821,997	22,570,525	22,356,971		
Share Deposits - \$		48,447,392	50,041,400	52,971,668	54,086,889	56,287,449	58,185,205	58,909,589	58,574,693	58,546,697	58,285,321	58,569,664	58,995,380		
Loan To Total Share - %		77.24%	74.99%	69.49%	68.58%	67.06%	65.59%	64.58%	66.46%	67.59%	67.92%	67.12%	67.00%		
Loan To Total Deposit - %		51.19%	50.56%	48.02%	47.62%	47.20%	46.87%	46.26%	47.58%	48.28%	48.81%	48.45%	48.59%		
Fixed Assets - \$		1,641,838	1,635,009	1,625,166	1,615,323	1,607,550	1,597,931	1,588,312	1,578,693	1,571,450	1,591,957	1,553,329	1,547,174		
Fixed Assets - %	< 5.00%	1.90%	1.86%	1.41%	1.39%	1.36%	1.33%	1.31%	1.30%	1.30%	1.33%	1.29%	1.28%		

	Year	Count	Balance	Monthly Installments	Amount to Reprice In 3 Years
CU Channels		2	63,524.61		63,524.61
Variable Rate		20	454,332.99		454,332.99
Maturities of 3 Years & Less	2009-2012	27	225,162.92		225,162.92
Maturities of 4 Years	2013	20	390,409.99		390,409.99
Maturities of 5 Years	2014	30	715,690.24		715,690.24
Maturities of 6 Years	2015	18	534,884.87		534,884.87
Maturities of 7 Years	2016	22	964,731.61		964,731.61
Maturities of 8 Years	2017	20	683,232.54	9,699.74	174,595.32
Maturities of 9 Years	2018	46	2,156,879.96	27,892.27	502,060.86
Maturities of 10 Years	2019	27	1,149,711.82	13,309.80	239,576.40
Maturities of 11Years	2020	25	1,451,800.69	16,484.00	296,712.00
Maturities of 12Years	2021	43	1,954,230.78	20,204.55	363,681.90
Maturities of 13Years	2022	52	3,456,788.29	33,350.36	600,306.48
Maturities of 14Years	2023	65	5,197,499.50	46,984.15	845,714.70
Maturities of 15Years	2024	73	5,681,613.95	48,127.43	866,293.74
Maturities of 16-19 Years	2025	0	0.00	0.00	0.00
Maturities of > Than 20 Years					0.00
		490	25,080,494.76		7,237,678.63
Net Long Term Loans			17,842,816.13		
Fixed Assets			1,547,174.11		
NCUSIF Deposit			656,528.04		
LLC			500.00		
Deferred Compensation			1,800,000.00		
CUSO Investments			165,664.00		
Total Long Term Assets			22,012,682.28		

LOAN OFFICERS REPORT 2009
JEFFERSON COUNTY FEDERAL CREDIT UNION

November , **2009**

Loans Approved	248	\$1,294,355.21
Credit Limits Approved * includes updates & increases	5	\$17,500.00
Loans Disbursed	254	\$1,368,772.65
Indirect Lending	18	\$330,896.92
Equity Checks	5	\$4,150.00
Tecumseh Mortgages	0	\$0.00
Universal Approved Loans (100% Real Estate Loans)	1	\$20,417.78
Requests Denied	48	\$398,355.82

J. Kevin Lush
Preparer

December 3, 2009
Date

RECOMMENDED LOAN CHARGE OFF FOURTH QUARTER 2009

ACCOUNT NUMBER	MEMBER NAME	CURRENT BALANCE	LOAN SUFFIX	LOAN TYPE	MDR	AUDR	DATE PAID	DATE DUE	MEMBER GROUP	LOAN OFFICER	Comments	REASON
738090	Richard Mix	\$2,340.60	5	Open End	52%	53%	07/09/09	08/05/09	Collins Chevy	KL	Moved to Indianapolis - ABL	Employed & RTP
749900	Ronald Morris	\$2,911.98	4	Note	31%	31%	07/02/09	08/05/09	Louisville Metro	KL	Sending to ABL For Suit	Unemployed
758160	Joshua Emily	\$2,537.57	1	Note	0%	8%	06/26/09	07/05/09	Unspecified	PD	Sending to ABL For Suit	Employed & RTP
768400	Shelia Bennett	\$1,762.38	5	Open End	7%	7%	08/21/09	08/05/09	Regional Airport Auth	TW	Sending to ABL For Suit	Unemployed
819090	Terry Thomas	\$1,915.72	5	Open End	22%	29%	07/20/09	08/05/09	Burns Janitorial	GSE	Sending to ABL For Suit	Unemployed
820020	Christina Wright	\$1,510.90	4	Note	28%	29%	07/16/09	07/05/09	Dayton Walther	TW	Sending to ABL For Suit	Skip - RTP
838580	Arthur Haydon	\$2,186.32	1	Other	20%	20%	06/19/09	05/05/09	Place Of Residence	TW	Sending to ABL For Suit	Def Balance - Unemployed
890330	Michelle Mucker	\$4,893.20	1	Note	30%	33%	08/03/09	08/05/09	Place Of Residence	KL	Sending to ABL For Suit	Employed & RTP
700202195	Patricia Wiseman	\$121.41	3	Note	21%	28%	08/03/09	08/05/09	Census Bureau	PD	Sending to ABL For Suit	Skip - RTP
TOTALS	For October	\$20,180.08		9								
695690	Leon Joyner	\$2,041.71	1	Auto	21%	22%	06/24/09	06/05/09	Bob Hook Chevy	KL	Sending to ABL For Suit	Employed & RTP
707960	Courtney Lucas Jr	\$4,882.22	5	Open End	37%	40%	08/07/09	09/05/09	Louisville Metro	KL	Sending to ABL For Suit	Employed & RTP
734020	Kathy Satterly	\$2,597.19	5	Open End	37%	42%	07/31/09	08/05/09	Logo's Unlimited	GSE	Unsecured - Not Reaf - ABL	RTP - Filing Ch-7 Bankruptcy
834430	Marvin Bishop Sr.	\$598.02	5	Open End	17%	24%	09/08/09	11/05/09	Louisville Metro	GSE	Unsecured - No Joint Owner	Deceased Member
882110	Shereen Ball	\$1,200.72	2	Note	37%	37%	08/10/09	09/05/09	Place Of Residence	TW	Unsecured - Not Reaf - ABL	RTP - Filing Ch-7 Bankruptcy
700930650	Mae Cochran	\$3,477.62	5	Open End	31%	32%	07/01/09	08/05/09	Census Bureau	TW	Unsecured - Not Reaffirming	CH-7 Bankruptcy
TOTAL	For November	\$14,797.48		6								
678200	Maureen Mumford	\$2,361.42	5	Open End	43%	44%	10/05/09	11/05/09	IED Inc	GSE	Unsecured & Not Reaffirming	CH-7 Bankruptcy
743050	Ronnie Cherry	\$4,398.80	5	Open End	32%	36%	07/11/08	08/05/08	KelleyTechnical Co.	CH	Unsecured & Paying in Plan	CH-13 Bankruptcy
870940	Kevin A Cromwell	\$1,942.27	2	Note	44%	44%	10/28/09	12/05/09	Place Of Residence	GSE	Unsecured & Paying in Plan	CH-13 Bankruptcy
883660	Erdenetsetseg Thaxton	\$3,410.78	2	Note	65%	47%	09/02/09	10/05/09	Place Of Residence	KL	Unsecured & Not Reaffirming	CH-7 Bankruptcy
885560	Tera England	\$3,312.14	1	Auto	40%	47%	09/25/09	09/05/09	Place Of Residence	KI	Sending to ABL For Suit	Def Balance - Unemployed
921600	Jerry Varney	\$2,044.57	5	Open End	40%	43%	11/05/09	12/05/09	Waste Management	GSE	Unsecured & Not Reaffirming	CH-7 Bankruptcy
700201306	Cheryl Lynch	\$4,679.03	5	Open End	20%	22%	11/02/09	10/05/09	Census Bureau	GSE	Sending to ABL For Suit	Employed & RTP
700946050	Sandra Caudill	\$3,927.49	3	Note	48%	50%	10/05/09	11/05/09	Census Bureau	KL	Unsecured & Paying in Plan	CH-13 Bankruptcy
TOTAL	For December	\$26,076.50		8								
TOTAL	ACCOUNTS	23										
TOTAL	FOR QUARTER	\$61,054.06										

CHARGE OFF BREAKDOWN	
Real Estate	\$0.00
Auto	\$5,353.85
Other	\$2,186.32
Unsecured	\$53,513.89
TOTAL	\$61,054.06

PRIOR MO. MNR TOTALS*	
Real Estate	\$25,041,605.61
Auto	\$11,144,097.07
Other	\$360,094.14
Unsecured	\$2,984,049.49
TOTAL	\$39,529,846.31

*Includes Tecumseh

Doubtful Loans December 2009

Account	Name	Type	Doubtful	Doubtful	Doubtful	Doubtful	Doubtful	Doubtful	Doubt	Doubt	Doubt	Doubt
Number		R-A-O-U	Balance	Amount	Balance	Auto	Other	U/S	Amount	Auto	Other	U/S
Potentials												
733250 L-1	Olena Jones	A	\$14,040.93	\$4,040.93		\$14,040.93				\$4,040.93		
740680	Jay Burke	U	\$3,325.85	\$3,325.85				\$3,325.85				\$3,325.85
839010	Jpseph Ashbaugh	U	\$1,078.75	\$1,053.75				\$1,078.75				\$1,053.75
845440 I-1	Robert Whittenberg	A	\$3,421.22	\$421.22		\$3,421.22				\$421.22		
880510 L-1	Malissa Crouch	A	\$6,285.31	\$1,285.31		\$6,285.31				\$1,285.31		
888260 L-1	Robert Thomas	A	\$7,909.36	\$1,909.36		\$7,909.36				\$1,909.36		
896310 L-1	Thomas White	A	\$10,283.70	\$3,283.70		\$10,283.70				\$3,283.70		
	Total		\$46,345.12	\$15,320.12		\$41,940.52	\$0.00	\$4,404.60	\$0.00	\$10,940.52	\$0.00	\$4,379.60
	Accounts		7	7	0	5	0	2	0	5	0	2
2-5 Months												
710300 L-1	Albert Zehner	A	\$4,572.71	\$1,572.71		\$4,572.71				\$1,572.71		
833450 L-1	Rodney Griffin	A	\$5,537.47	\$1,537.47		\$5,537.47				\$1,537.47		
833450 L-2	Rodney Griffin	U	\$1,481.17	\$481.17				\$1,481.17				\$481.17
841570 L-1	Anthony Miller	A	\$5,168.36	\$2,168.36		\$5,168.36				\$2,168.36		
856720 L-5	Tammy Hatfield	U	\$4,999.51	\$3,999.51				\$4,999.51				\$3,999.51
866940 L-1	Kenneth Luckett	A	\$5,089.76	\$2,089.76		\$5,089.76				\$2,089.76		
883090 L-1	Melamie Razer	A	\$13,576.79	\$4,576.79		\$13,576.79				\$4,576.79		
887620 L-1	James Bartoszek	A	\$17,412.04	\$4,412.04		\$17,412.04				\$4,412.04		
887760 L-1	Danny Walters	A	\$836.71	\$336.71		\$836.71				\$336.71		
	Total		\$58,674.52	\$21,174.52	\$0.00	\$52,193.84	\$0.00	\$6,480.68	\$0.00	\$16,693.84	\$0.00	\$4,480.68
	Accounts		9	9	0	7	0	2	0	7	0	2
6-11 Months												
827510 L-2	Robin Vaughan	A	\$6,738.00	\$1,738.00		\$6,738.00				\$1,738.00		
827510 L-6	Robin Vaughan	A	\$8,653.57	\$2,653.57		\$8,653.57				\$2,653.57		
842940 L-1	Erica Thomas	A	\$7,535.35	\$2,722.53		\$7,535.35				\$2,722.53		
	Total		\$22,926.92	\$7,114.10	\$0.00	\$22,926.92	\$0.00	\$0.00	\$0.00	\$7,114.10	\$0.00	\$0.00
	Accounts		3	3	0	3	0	0	0	3	0	0
12+ Months												
743050 L-3	Ronnie Cherry	A	\$270.56	\$110.00		\$270.56				\$110.00		
	Total		\$270.56	\$110.00	\$0.00	\$270.56	\$0.00	\$0.00	\$0.00	\$110.00	\$0.00	\$0.00
	Accounts	0	1	1	0	1	0	0	0	1	0	0
Grand Totals			\$128,217.12	\$43,718.74	\$0.00	\$117,331.84	\$0.00	\$10,885.28	\$0.00	\$34,858.46	\$0.00	\$8,860.28
Accounts			20	20	0	16	0	4	0	16	0	4
Total Doubtful Bal					\$128,217.12				Total Doubtful Amt \$43,718.74			

FOURTH QUARTER 2009

ASSETS IN PROCESS OF PROCESS OF LIQUIDATION

Account No	Sfx	Name	Balance
TOTAL			AMOUNT
0			\$0.00

CHARGE OFF POLICY EXCEPTIONS

Account No	Sfx	Name	Balance
743050	3	Ronnie Cherry	\$270.56
		Chapter XIII-Paying in plan	
852730	1	Kimberly Townsend	\$24,142.05
		Chapter XIII- Paying outside of plan	
		Paying arrearage inside of plan	
842940	1	Erica Thomas	\$7,535.35
		Chapter XIII-Paying in plan	
827510	2	Robin Vaughn	\$6,738.00
	6	Chapter XIII-Paying in plan	\$8,653.57
TOTAL			AMOUNT
5			\$47,339.53

ALLOWANCE FOR LOAN & LEASE LOSSES RESERVING STRUCTURE

Allowance for Loan and Lease Losses will be calculated using the formula below. The data will be reported in the format below and submitted to the President prior to the 15th of the month of the calendar quarter. The minimum acceptable level for this category will be the amount on "Line I". Adjustments of less than \$3,000.00 will not be made to item "L". This uses a 3 year historical average.

**DECEMBER
2009**

A.	25,041,606	"Real Estate" Loan Balance from prior month Balance Sheet
	0	- "Real Estate" Current Balance to be charged off this period
	0	- "Real Estate" Current Balances Classified this period
	25,041,606	= "Real Estate" - NET Balance for Historical Loss Calculation
	11,144,097	"Auto" Loan Balance from prior month Balance Sheet
	5,354	- "Auto" Current Balance to be charged off this period
	117,332	- "Auto" Current Balances Classified this period
	11,021,411	= "Auto" - NET Balance for Historical Loss Calculation
	360,094	"Other Chattel" Loan Balance from prior month Balance Sheet
	2,186	- "Other Chattel" Current Balance to be charged off this period
	0	- "Other Chattel" Current Balances Classified this period
	357,908	= "Other Chattel" - NET Balance for Historical Loss Calculation
	2,984,049	"Unsecured" Loan Balance from prior month Balance Sheet
	53,514	- "Unsecured" Current Balance to be charged off this period
	10,885	- "Unsecured" Current Balances Classified this period
	2,919,650	= "Unsecured" - NET Balance for Historical Loss Calculation
B.	39,340,575	= NET TOTAL LOANS - After Adjustments
C.	0.03%	Prior 3 Year's Average loss factor in the "Real Estate" portfolio
	0.63%	Prior 3 Year's Average loss factor in the "Auto" portfolio
	0.77%	Prior 3 Year's Average loss factor in the "Other Chattel" portfolio
	3.03%	Prior 3 Year's Average loss factor in the "Unsecured" portfolio
D.	7,859	+ "Real Estate" Loan Historical Loss Value Required in ALLL Account
	69,141	+ "Auto" Loan Historical Loss Value Required in ALLL Account
	2,743	+ "Other Chattel" Loan Historical Loss Value Required in ALLL Account
	88,433	+ "Unsecured" Loan Historical Loss Value Required in ALLL Account
E.	43,719	+ Doubtful Loan Amounts from the attached report
F.	0	+ Balance of Loans listed in Special Reserves detailed on the attached report
G.	211,894	= TOTAL LOSS EXPOSURE (Excluding Recommended Charge Off)
H.	61,054	- Amount to be Charged Off This Quarter
I.	272,948	= TOTAL REQUIRED Balance for the ALLL Account - (Before This Chargeoff)
J.	23,800	- Amount to be transferred from this month's income
K.	291,760	+ Allowance balance from prior month's balance sheet
L.	42,612	= Amount overfunded or (underfunded)

SAR

November

2009

Suspicious Activity Report

[illegible]

Total Activities =	1
Total Dollar Amount =	\$ 6,671.00

By:

Date:

NOVEMBER 2009

OPERATING ACCOUNT GL #733000 PAYOUTS

Check #	Amount	Date	Payable To:	Reason
9273	135.00	11/2/2009	GRACE TITLE GROUP	PROFESSIONAL/OUTSIDE
9274	32.00	11/2/2009	JEFFERSON COUNTY CLERK	MORTGAGE RECORDING
9277	40.00	11/2/2009	COOK & REEVES CARS INC	LOAN SERVICING
9278	31.00	11/2/2009	JEFFERSON COUNTY CLERK	REPO TITLE FEE
9279	243.60	11/2/2009	ALLIED SLOUTIONS GAP	GAP INSURANCE
9280	2,044.25	11/2/2009	PHOENIX UNDERWRITING	INSURANCE
9281	5,682.12	11/2/2009	MINNESOTA MUTUAL	100% R E LOANS
9282	208.50	11/3/2009	GRACE TITLE GROUP	PROFESSIONAL/OUTSIDE
9283	28.00	11/3/2009	CLARK COUNTY RECORDER	MORTGAGE RECORDING
9284	430.00	11/3/2009	OXMOOR TOYOTA	LOAN SERVICING
9285	73.50	11/4/2009	WASHINGTON NATIONAL LIFE INS	INSURANCE
9286	70.22	11/4/2009	FIRST SERVICE GROUP	INSURANCE
9287	164.26	11/4/2009	PROFESSIONAL INSURANCE CO	INSURANCE
9288	663.25	11/4/2009	DIRECT RESPONSE	INSURANCE
9289	75.00	11/4/2009	AUTO-BACK RECOVERY	COLLECTION EXPENSE
9290	145.00	11/5/2009	S WILSON'S AUTO SALES	LOAN SERVICING
9291	297.00	11/5/2009	BOB HOOK CHEVROLET	LOAN SERVICING
9292	330.00	11/6/2009	COYLE CHEVROLET	LOAN SERVICING
9293	25.00	11/10/2009	BULLIT COUNTY CLERK	REPO TITLE FEE
9294	160.00	11/10/2009	GRACE TITLE GROUP	PROFESSIONAL/OUTSIDE
9295	32.00	11/10/2009	OLDHAM COUNTY CLERK	MORTGAGE RECORDING
9296	250.00	11/12/2009	AUTO-BACK RECOVERY	REPO FEE
9297	174.00	11/12/2009	CAPITAL FUNDING INC	LOAN SERVICING
9298	207.00	11/12/2009	CRAIG & LANDRETH, INC	LOAN SERVICING
9299	135.00	11/12/2009	GRACE TITLE GROUP	PROFESSIONAL/OUTSIDE
9300	32.00	11/12/2009	JEFFERSON CO CLERK	MORTGAGE RECORDING
9301	200.00	11/12/2009	AUTOTRUCK FED CREDIT UNION	MEMBERSHIP & DUES
9302	352.00	11/12/2009	CROSS MOTORS	LOAN SERVICING
9303	115.00	11/12/2009	TODD ISENBERG	LOAN SERVICING
9304	8,420.00	11/13/2009	ADMAN MARKETING	ADVERTISING
9305	66.35	11/13/2009	DUPLICATOR SALES & SERVICE	OFFICE SUPPLIES
9306	5,427.06	11/13/2009	FORTRESS NETWORK SECURITY	COMPUTER
9307	20,606.39	11/13/2009	JEFFERSON CO SHERIFF'S OFFICE	PROPERTY TAXES
9308	300.00	11/13/2009	ASCENSUS	PROFESSIONAL/OUTSIDE
9309	825.60	11/13/2009	TRANS UNION LLC	PROFESSIONAL/OUTSIDE
9310	1,257.92	11/13/2009	PRINTING SERVICES II	OFFICE SUPPLIES
9311	250.00	11/13/2009	AUTOTRUCK FED CREDIT UNION	DONATIONS
9312	705.55	11/13/2009	GARDA CL CENTRAL	PROFESSIONAL/OUTSIDE
9313	328.68	11/13/2009	DIGITALMAILER INC	OTHER PROFESSIONAL
9314	541.66	11/13/2009	CNBS LLC	PROFESSIONAL/OUTSIDE
9315	50.00	11/13/2009	SHRED-IT	PROFESSIONAL/OUTSIDE
9316	90.23	11/13/2009	INDUSTRIAL DISPOSAL	BLDG/LAND MAINTENANCE
9317	15.00	11/13/2009	OPC	BLDG/LAND MAINTENANCE
9318	42.00	11/13/2009	ROUTE ONE	LOAN SERVICING
9319	108.00	11/13/2009	PCI SERVICES, INC	LOAN SERVICING
9320	500.00	11/13/2009	MARVIN SCHMIDT	APPRAISALS
9321	925.00	11/13/2009	DAVID WATERMAN LLC	APPRAISALS
9322	39.00	11/13/2009	AWARDS AMERICA	STATIONARY & SUPPLIES
9323	14.45	11/13/2009	BEST STAMP & SEAL CO, INC	STATIONARY & SUPPLIES
9324	55.00	11/13/2009	EDWIN DAVIS	BOARD EXPENSE
9325	934.50	11/13/2009	AAA SYSTEMS	FURNITURE & EQUIPMENT
9326	10,051.66	11/13/2009	SHARE ONE, INC	COMPUTER
9327	500.00	11/13/2009	KENNETH KLING, CPA PSC	PROFESSIONAL/OUTSIDE
9328	691.90	11/13/2009	BLUEGRASS NET	LOAN SERVICING
9329	363.00	11/13/2009	THOMPSON BROS PLUMBING INC	BLDG/LAND MAINTENANCE
9330	785.38	11/13/2009	ZIP EXPRESS COURIER	PROFESSIONAL/OUTSIDE
9331	135.00	11/13/2009	GRACE TITLE GROUP	PROFESSIONAL/OUTSIDE
9332	32.00	11/13/2009	JEFFERSON CO CLERK	MORTGAGE RECORDING
9333	260.00	11/13/2009	CRAIG & LANDRETH, INC	LOAN SERVICING
9334	208.50	11/16/2009	GRACE TITLE GROUP	PROFESSIONAL/OUTSIDE
9335	24.00	11/16/2009	HARRISON CO CLERK	LEIN RECORDING
9336	193.00	11/16/2009	CRAIG & LANDRETH, INC	LOAN SERVICING
9337	250.00	11/17/2009	AUTO-BACK RECOVERY	REPO FEE
9338	60.00	11/17/2009	AUTO-BACK RECOVERY	REPO FEE
9339	2,627.40	11/17/2009	NXG STRATEGIES, LLC	ID SAFECHOICE
9340	421.00	11/17/2009	BYERLY FORD NISSAN INC	LOAN SERVICING
9341	222.00	11/17/2009	CAPITAL FUNDING INC	LOAN SERVICING
9342	380.25	11/17/2009	DIRECT RESPONSE	INSURANCE
9343	75.00	11/17/2009	AUTO-BACK RECOVERY	REPO FEE
9344	161.00	11/18/2009	CLAPP VOLKSWAGON OLDS	LOAN SERVICING
9345	115.00	11/18/2009	JAMIE WILCOXSON	LOAN SERVICING
9346	193.00	11/18/2009	OXMOOR TOYOTA	LOAN SERVICING
9347	381.00	11/18/2009	COYLE CHEVROLET	LOAN SERVICING
9348	226.00	11/20/2009	GORDON MOTOR SPORTS	LOAN SERVICING

9349	135.00	11/20/2009	GRACE TITLE GROUP	PROFESSIONAL/OUTSIDE
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NOVEMBER 2009

OPERATING ACCOUNT PAYOUTS

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Check #		Date	Payable To:	Reason
9350	160.00	11/20/2009	GRACE TITLE GROUP	PROFESSIONAL/OUTSIDE
9351	32.00	11/20/2009	JEFFERSON COUNTY CLERK	MORTGAGE RECORDING
9352	32.00	11/20/2009	OLDHAM CO CLERK	MORTGAGE RECORDING
9353	22.00	11/20/2009	BULLITT COUNTY CLERK	LIEN RECORDING
9354	340.00	11/23/2009	CAPITAL FUNDING INC	LOAN SERVICING
9355	400.00	11/23/2009	DAVID WATERMAN LLC	APPRAISALS
9356	208.50	11/23/2009	GRACE TITLE GROUP	PROFESSIONAL/OUTSIDE
9357	24.00	11/23/2009	FLOYD COUNTY RECORDER	MORTGAGE RECORDING
9358	1,205.39	11/23/2009	AMERICAN HERITAGE	INSURANCE
9359	63,520.01	11/23/2009	JEFFERSON COUNTY SHERIFF'S OFFICE	PROPERTY TAXES
9360	208.50	11/23/2009	GRACE TITLE GROUP	PROFESSIONAL/OUTSIDE
9361	24.00	11/23/2009	CLARK COUNTY CLERK	MORTGAGE RECORDING
9362	430.21	11/24/2009	GENERAL SERVICES ADMINISTRATION	INDIANA RENT
9363	15,483.58	11/24/2009	LOUISVILLE METRO H R	EMPLOYEE INSURANCE
9364	481.28	11/25/2009	CARL HICKS	MISC
9365	2,474.58	11/25/2009	ALLIED SOLUTIONS, LLC/AUTO CP	INSURANCE
9366	10.00	11/27/2009	KENTUCKY SECRETARY OF STATE	LIEN RECORDING
9367	22.00	11/27/2009	TRIMBLE CO CLERK	LIEN RECORDING
9368	22.00	11/27/2009	SPENCER COUNTY CLERK	LIEN RECORDING
9369	22.00	11/27/2009	BULLITT COUNTY CLERK	LIEN RECORDING
9370	12.00	11/27/2009	FLOYD COUNTY RECORDER	MORTGAGE RECORDING
9371	24.00	11/27/2009	CLARK COUNTY CLERK	MORTGAGE RELEASE
9372	26.00	11/27/2009	OLDHAM CO CLERK	MORTGAGE RELEASE
9373	26.00	11/27/2009	NELSON COUNTY CLERK	MORTGAGE RELEASE
9374	78.00	11/27/2009	JEFFERSON COUNTY CLERK	MORTGAGE RELEASE
9375	333.00	11/27/2009	CAPITAL FUNDING INC	LOAN SERVICING
9376	22.83	11/27/2009	CATHY PENNELL	TRAVEL LOCAL
9377	82.50	11/30/2009	STEPHEN SCHWEITZER	BOARD MEETING
9378	800.00	11/30/2009	MARVIN SCHMIDT	APPRAISALS
9379	650.00	11/30/2009	DAVID WATERMAN LLC	APPRAISALS
9380	150.00	11/30/2009	THE DREAM FACTORY	EDUCATION
9381	190.00	11/30/2009	PARC	EMPLOYEE PARKING DT
9382	544.57	11/30/2009	LINCOLN NAT'L LIFE INSURANCE	INSURANCE
9383	2,559.93	11/30/2009	FISERV	POSTAGE & FEES
9384	1,050.00	11/30/2009	KENNETH KLING, CPA PSC	AUDIT EXPENSE
9385	68.77	11/30/2009	MAPOTHER & MAPOTHER	LOAN SERVICING
9386	65.00	11/30/2009	PRINTING SERVICES II	STATIONARY & SUPPLIES
9387	772.35	11/30/2009	CHEXSYSTEMS INC	PROFESSIONAL/OUTSIDE
9388	317.17	11/30/2009	MCPC	STATIONARY & SUPPLIES
9389	516.98	11/30/2009	STAPLES CREDIT PLAN	STATIONARY & SUPPLIES
9390	76.50	11/30/2009	COOK'S LOCKSMITH	MAINTENANCE
9391	56.95	11/30/2009	LOUISVILLE/JEFFERSON CO METRO	TELEPHONE
9392	369.81	11/30/2009	ADT SECURITY SERVICES	MAINTENANCE-BLDG & LAND
9393	2,260.00	11/30/2009	GENERAL SERCIES CO, INC	MAINTENANCE-BLDG & LAND
9394	664.30	11/30/2009	ACCO INC	MAINTENANCE-FURN & EQUIP
9395	1,866.00	11/30/2009	COURTESY CLEANING SERV INC	MAINTENANCE-BLDG & LAND
9396	136.81	11/30/2009	INDUSTRIAL DISPOSAL	MAINTENANCE-BLDG & LAND
9397	1,610.00	11/30/2009	ISC KENTUCKY	COMPUTER HARDWARE
9398	56.65	11/30/2009	DON FRITTS	TRAVEL LOCAL
9399	178.20	11/30/2009	RACHAEL LEE	TRAVEL LOCAL
9400	250.00	11/30/2009	AUTO-BACK RECOVERY	REPO EXPENSE
9401	9.90	11/30/2009	LEAH WILKERSON	TRAVEL LOCAL
9402	135.00	11/30/2009	GRACE TITLE GROUP	PROFESSIONAL/OUTSIDE
9403	32.00	11/30/2009	JEFFERSON COUNTY CLERK	MORTGAGE RELEASE
9404	135.00	11/30/2009	GRACE TITLE GROUP	PROFESSIONAL/OUTSIDE
9405	32.00	11/30/2009	JEFFERSON COUNTY CLERK	MORTGAGE RELEASE
9406	8.18	11/30/2009	LINDSAY STINSON	PETTY CASH
Total	173,656.63		133	

ACH OPERATING ACCOUNT PAYOUTS	Debited By:	Reason
1,186.07	AT&T	Phones - MO & HV
2,882.44	Credit Card	MasterCard
412.69	Louisville Water Company - MO	Office Occupancy
2,000.00	Postage	Postage
139.54	AT&T	Internet - Indiana
1,417.24	LG&E	Gas & Electric
Total	8,037.98	

Month	November 2009																																			
Stations / Spots	WAVE-TV 3 (A - 15)														WHAS-TV 11 (B - 22)							WLKY-TV 32 (C - 28)														
Date	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	Jan 1	2	3	4	5	
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	
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Month	November 2009																																		
Stations / Spots	WAMZ - FM (A -108)																																		
Date	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	Jan 1	2	3	4	5
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
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JEFFERSON COUNTY FEDERAL CREDIT UNION
BUDGET STATISTICS, AVERAGES & PROJECTIONS FOR 2007-2008-2009-2010

	ACTUAL YTD 2007	APPROVED BUDGET 2008	ACTUAL YTD 2008	APPROVED BUDGET 2009	ACTUAL YTD 11-30-09	PROJECTED ANNUAL 2009	DIFFERENCE of Proj. Annual & Budget 2009	DIFFERENCE of Budget 2009 & Budget 2010	APPROVED BUDGET 2010
I N C O M E									
INTEREST ON LOANS	2,625,085	2,734,541	2,695,524	2,859,144	2,550,652	2,782,529	(76,615)	(21,895)	2,837,249
INVESTMENTS	1,293,724	1,801,526	1,524,870	1,380,077	962,601	1,050,110	(329,966)	(689,988)	690,088
INTEREST ON CLF CU SIP	0	0	0	0	190,545	64,737	64,737	0	0
INSURANCE REIMBURSEMENT	39,000	47,400	48,907	47,100	59,342	64,737	17,637	42,900	90,000
MONEY ORDER & CHECK FEES	5,640	5,100	5,142	5,100	4,456	4,861	(239)	0	5,100
OVERDRAFT CHARGES	780,000	786,000	764,384	828,000	658,712	718,595	(109,405)	(108,000)	720,000
WIRE TRANSFER & CMO FEES	3,450	3,900	3,556	3,750	2,715	2,961	(789)	(750)	3,000
LATE FEES - LOAN	55,200	57,300	51,773	52,800	54,119	59,039	6,239	4,800	57,600
ATM SURCHARGE FEES	3,000	2,550	3,290	3,300	4,209	4,592	1,292	1,200	4,500
SHARE DRAFT & ATM FEES	33,600	29,700	27,640	29,400	20,680	22,560	(6,840)	(6,600)	22,800
MISCELLANEOUS INCOME	10,800	18,000	20,160	19,200	14,660	15,993	(3,207)	(3,000)	16,200
LOCK BOX FEE	1,380	1,500	2,195	1,920	2,230	2,433	513	480	2,400
ATM TRANSACTION FEE	12,600	13,800	9,242	9,600	6,239	6,806	(2,794)	(2,700)	6,900
LOAN APPLICATION FEES	3,450	2,700	2,775	3,000	2,825	3,082	82	0	3,000
MEMBERSHIP FEES	4,380	5,100	5,390	5,400	5,185	5,656	256	300	5,700
CREDIT CARD INCOME	2,130	2,700	2,274	2,700	2,454	2,677	(23)	300	3,000
DEBIT CARD INTERCHANGE	144,000	165,000	174,949	176,200	159,693	174,211	(1,989)	0	176,200
TOTAL INCOME	5,017,439	5,676,817	5,342,069	5,426,691	4,701,316	4,985,579	(441,112)	(782,953)	4,643,737
E X P E N S E S									
SALARIES - REGULAR	1,049,677	1,078,666	982,778	1,077,078	918,578	1,002,085	(74,993)	(34,491)	1,042,587
SALARIES - OVERTIME	4,313	7,178	1,252	7,196	1,581	1,725	(5,471)	(122)	7,074
CONTRACT EMPLOYMENT	5,400	5,400	920	4,800	0	0	(4,800)	(1,200)	3,600
401-K COSTS	39,888	46,691	45,707	46,624	40,060	43,702	(2,922)	(1,489)	45,135
SOCIAL SECURITY	80,300	83,067	74,109	82,947	69,222	75,515	(7,432)	(2,648)	80,299
UNEMPLOYMENT TAX	6,900	6,000	4,254	5,700	5,440	5,935	235	60	5,760
STAFF INSURANCE	122,000	138,500	121,029	190,800	159,324	173,809	(16,991)	(26,400)	164,400
LOCAL TRAVEL	5,760	5,760	8,648	11,100	5,667	6,183	(4,917)	(3,900)	7,200
VEHICLE MAINTENANCE	6,600	6,600	5,310	6,000	2,834	3,091	(2,909)	(1,200)	4,800
OUT OF TOWN EXPENSE	12,300	12,300	6,455	10,800	4,926	5,374	(5,426)	(2,100)	8,700
BOARD MEETING EXPENSE	17,400	17,400	13,142	16,080	9,795	10,686	(5,394)	(3,300)	12,780
ASSOC. DUES & SUBCR.	30,444	30,513	32,199	27,228	23,345	25,468	(1,760)	(516)	26,712
OFFICE OCCUPANCY EXPENSE	180,127	192,189	139,409	175,171	148,222	161,697	(13,474)	9,906	185,077
BLDG. & LAND IMPROVEMENT	6,672	6,212	4,657	6,435	3,819	4,166	(2,269)	(1,828)	4,607
TELEPHONE EXPENSE	21,732	23,208	18,779	22,104	18,816	20,527	(1,577)	(456)	21,648
POSTAGE EXPENSE	76,380	72,300	65,261	70,200	52,428	57,195	(13,005)	(5,400)	64,800
MAINT. OF EQUIPMENT	11,256	11,016	14,861	14,184	14,390	15,698	1,514	(864)	13,320
STATIONERY & SUPPLIES	31,200	27,600	25,284	28,800	19,064	20,797	(8,003)	(3,600)	25,200
INSURANCE EXPENSE	36,012	42,000	31,265	40,461	33,045	36,049	(4,412)	(5,373)	35,088
DEPREC. - FURN. & EQUIP.	44,447	35,600	35,172	44,936	37,957	41,408	(3,528)	(16,669)	28,267
BANK SERVICE CHARGE	308,700	324,036	296,411	309,006	273,577	298,447	(10,559)	(452)	308,554
COMPUTER EXPENSE	203,142	204,263	195,883	211,464	177,323	193,444	(18,020)	(3,035)	208,429
EDUCATION & PROMOTION	138,180	138,156	121,480	110,004	91,637	99,967	(10,037)	(33,240)	76,764
LOAN SERV. EXPENSE	111,640	80,130	77,881	79,965	91,854	100,204	20,239	20,175	100,140
PROFESSIONAL & OUTSIDE EXP.	127,894	138,386	142,727	131,624	99,276	108,302	(23,322)	(15,594)	116,030
FEDERAL SUPERVISION	14,460	14,712	17,247	19,152	18,832	20,544	1,392	1,728	20,880
NCUSIF INSURANCE PREMIUM	0	0	0	7,500	119,412	130,268	122,768	313,608	321,108
NCUSIF STABILIZATION EXPENSE	0	0	0	0	453,004	0	0	0	0
CASH OUTGAGES	2,400	2,400	-151	1,200	717	782	(418)	0	1,200
COST-BORROWED FUND	0	0	0	0	140,716	153,509	153,509	0	0
ANNUAL MEETING EXPENSE	8,100	8,100	8,100	8,400	7,700	8,400	0	0	8,400
MISCELLANEOUS EXPENSE	19,980	45,600	10,673	46,200	6,155	7,386	(38,814)	300	46,500
TOTAL OPERATING EXPENSE	2,723,304	2,803,984	2,500,742	2,813,159	3,048,719	2,832,360	19,201	181,900	2,995,059
ALLOWANCE FOR LOAN LOSSES	222,000	210,000	244,000	222,000	256,711	280,048	58,048	18,000	240,000
ALLOWANCE FOR OVERDRAFT LOSSES	18,000	3,180	978	1,500	(818)	(892)	(2,392)	(600)	900
DIVIDEND EXPENSE	1,513,045	2,025,409	2,043,551	1,744,270	1,392,797	1,519,415	(224,855)	(740,807)	1,003,463
(GAIN) LOSS ON INVESTMENTS	0	0	(2,538)	0	(4,367)	(4,764)	(4,764)	0	0
OTHER NON OPERATING EXPENSE (INCOME)	0	0	0	0	(453,004)	(494,187)	(494,187)	0	0
OTHER NON OPERATING EXPENSE (INCOME)- KY C	0	0	0	0	263,974	287,972	287,972	0	0
TOTAL EXPENSE	4,476,349	5,042,573	4,786,733	4,780,929	4,504,012	4,419,952	(360,977)	(541,507)	4,239,422
NET INCOME	541,090	634,244	555,336	645,762	197,305	565,627	(80,135)	(241,446)	404,316
WITHOUT NCUA ASSESSMENT	0	0	0	0	580,691	0	0	0	404,316



SIMPLIFY YOUR LIFE

OUR 'FEE FREE' CHECKING ACCOUNT INCLUDES 'FREE'

ATM ACCESS *
BILL PAYER
DEBIT CARD
E-STATEMENTS
ON-LINE ACCESS
ON-LINE CHECK COPIES
TELEPHONE ACCESS

*SURCHARGE FREE ATM ACCESS IS LIMITED TO MACHINES DISPLAYING THE ALLIANCE ONE LOGO OR FIFTH THIRD BANK JEANIE MACHINES. FIRST SEVEN FREE PER CALENDAR MONTH. CHECKING ACCOUNT DOES NOT INCLUDE COST OF CHECKS AND THEY MUST BE PURCHASED FROM OUR VENDOR.

A Request From Our Auditors

Your credit union is required by federal law to ask you periodically to confirm your account balances with us to an outside auditing firm. Your balances are listed on your year-end statement. Please take a moment and verify the accuracy of your statement ending balances. If there are any differences, please respond directly to the auditors at the address below. Your prompt attention to this matter is appreciated.

KENNETH KLING, CPA PSC
P.O. Box 22143
Louisville, KY 40252-22143

**NOTE: DO NOT SEND ANY OTHER
JCFCU MAIL TO THIS ADDRESS**

JEFFERSON COUNTY FEDERAL CREDIT UNION

A COMMUNITY CREDIT UNION

Persons who live, work, worship, or attend school in, and businesses and other legal entities located in Bullitt, Henry, Jefferson, Oldham, Shelby, Spencer and Trimble Counties, Kentucky and Clark and Floyd Counties, Indiana are eligible to join.

Check Our Low Loan Rates

New Auto Loans	4.99%	APR
Used Auto Loans	5.49%	APR
Signature Loans	9.75%	APR
Equity (HELOC)	4.25%	APR
Real Estate (Fixed)	4.85%	APR

Auto Repay Terms Up to 84 Months

Auto Financing Up to 110% of MSRP

Real Estate Terms up to 300 Months

Real Estate Financing Up to 100%

Actual Rates & Terms may vary and are based on a credit score and repayment term. Call for full details and other information.

NEW LOW COST ID THEFT RECOVERY SERVICE

Beginning October 1st, of last year we offered this new benefit at the low rate of \$1.95 per family per month. The fee is deducted from your checking account. In the event that you have multiple checking accounts with JCFCU you pay only one fee. **This service covers any identity theft problem you have anywhere, not just on JCFCU accounts.**

If you do not have a checking account with us open one today and begin enjoying this benefit along with free debit cards, bill payer, e-statements, online access and check copies and surcharge free ATMs.

Rewards # PLUS # Checking

EARN **2.00%** APY DIVIDEND
ON YOUR CHECKING ACCOUNT
GET UP TO **\$15** PER MONTH IN
FOREIGN ATM SURCHARGE REFUNDS
NO MINIMUM BALANCE
CALL FOR DETAILS

Season's Greetings



TO YOU AND YOUR FAMILY FROM
YOUR CREDIT UNION FAMILY. HAVE
A HAPPY and PROSPEROUS 2010

WE PAY GREAT RATES ON CERTIFICATE\$ OF DEPO\$IT IRA CD\$ Available Too!

CURRENT RATE INFORMATION IS AVAILABLE ON HOME
BRANCH, INFO TELLER AND AT OUR OFFICES



CHECKING ACCOUNT SERVICE REMINDER

E-MAIL ALERTS - When you visit Home Branch you can set up your own personal E Alert(s). The only requirement is that you provide us with your e-mail address. You can choose to be notified about several things. When the designated event occurs, an email will be sent to you.

MEMBER TRANSFER - You can transfer funds to the account of any member of JCFCU via Home Branch. All you need to know is their account number. You do not have to be a joint owner on the account to complete this transaction..

For full details on these and other 24/7 convenient services go to our website and then click on Home Branch.

OFFICIAL NOTICE TO ALL MEMBERS Board of Directors Election Procedure

The Nominating Committee: In accordance with the credit union bylaws (Article V, Section 1) the Chairman of the Board will appoint a nominating committee of not fewer than three members. Board Chairman William Eskridge has made the following appointments: Wendell Wright - Chairman, Susan Clifton and Josh Jackson.

Nominations by the Nominating Committee: As directed by the credit union by laws (Article V, Section 1) it is the duty of the nominating committee to nominate at least one member for each vacancy, including any unexpired term vacancy, for which elections are being held, and to determine that the members nominated are agreeable to the placing of their names in nomination and will accept office if elected. The Committee nominates the following for a three (3) year term: William Eskridge, Barbara Hays and Steve Schweitzer.

Nominations by Petition Procedure: In addition to candidates nominated by the Nominating Committee, qualified members may be nominated by petition. The petition must nominate a member and include a written description of their qualifications and must be signed by the nominee and signed by 1% (currently 140) of the members with a minimum of 20 and a maximum of 500. The petition forms must be on credit union forms and are available at the main office during regular business hours. Any signed petitions must be received by the credit union's secretary or President and CEO prior to close of business February 5, 2010 at 9600 Ormsby Station Road, Louisville, KY 40223. A letter signed by the candidate certifying a willingness to serve for the term for which the member is being nominated must accompany the petition.

Election Procedure: Article V, Section 2 states that "all persons nominated by either the nominating committee or by petition must be placed before the members. All elections are determined by plurality vote and will be by ballot except where there is only one nominee for each position to be filled." When only one nominee is nominated for each position to be filled, the chair may take a voice vote or declare each nominee elected by general consent or acclamation at the Annual Meeting. Nominations cannot be made from the floor unless insufficient nominations have been made by the nominating committee or by petition to provide for one nominee for each position to be filled or circumstances prevent the candidacy of the one nominee for a position to be filled. Only those positions without a nominee are subject to nominations from the floor.

Qualifications For Holding Office, Signing Petitions and Voting at the Annual Meeting: In order for any member to run for an elected office of the credit union, or be eligible to vote or sign petitions, that member must comply with all bylaws and regulations governing the credit union including but not limited to the following: A member proposed to hold office must be at least eighteen (18) years of age, in good standing with the credit union, (good standing is defined as being current on all obligations, eligible for loans, share drafts and all controlled services that are offered by the credit union), cannot be an employee of the credit union or a former employee in the past two (2) years, or an immediate family member of an employee, former employee or official (as defined in the personnel policy, Section V, G, 2). Voting members must be a member in good standing, at least sixteen (16) years of age, have valid picture identification and must be present. Members that have not attained the age of majority wishing to vote that do not possess

the aforementioned identification must be accompanied by an adult member of the credit union. Applications for membership will not be accepted for the purpose of voting at the Annual Meeting or for holding office after the close of business on Friday, May 7, 2010. Associations, corporations or lodges must have a resolution for voting purposes. The resolution must designate the individual authorized to cast the vote for the organization. A parliamentarian appointed by the Chairman shall address all questions involving disputes according to the principles of Robert's Rules of Order and the bylaws, rules and regulations of the credit union and all governing bodies. A member of the credit union that represents them self as being qualified to run for office and is elected, and shall later prove to be unqualified, will be referred to the Supervisory Committee for determination of suitability, and/or removal from office under the terms that govern the credit union.

HOLIDAY



EXPENSE LOANS

We've Got 'Em

**Pay Off Those 2009 Expenses
Call and Arrange Yours Today**

Christmas Club 2010

It's time to start a Christmas Club account for next year. If you wish us to send you a check for this year's proceeds please call our main office or drop by any office to withdraw the funds in person. Increase your payroll deductions now for next year's shopping. And don't forget, this account earns dividend. If you aren't receiving a check this year, be sure to open your account so you will in 2010! Call us or stop by anytime after October 15th and we'll make your funds available or mail your check.

FOURTH QUARTER STAFF SERVICE ANNIVERSARIES

LINDSAY STINSON Vice President Accounting	3	YEARS
JIM ANDREW Branch Manager - Downtown	13	YEARS
TIFFANY DEVINE Lending Specialist - Main Office	13	YEARS
JACKIE HARRIS Branch Manager - Urban	13	YEARS
MARIE STRANGE Member Service Rep. - Urban	10	YEARS
LINDA MILLER Member Service Rep. - Main Office	4	YEARS

OFFICE LOCATIONS

***** **MAIN OFFICE** *****
9600 Ormsby Station Road
Lou., KY 40223 * 502.429.4955
1.800-288-5228 (Toll Free)
Hours: M-T-W-T 9:00 AM - 4:30 PM
Friday - 9:00 AM - 6:30 PM

***** **HIGHVIEW BRANCH** *****
Outer Loop & Smyrna Road
6446 Outer Loop - Lou., KY 40228
502.964.9899 * Hours - Same as Main Office

***** **DOWNTOWN BRANCH** *****
Court House Annex Building
Suite 104 - 517 Court Place - Lou., KY 40202
502.574.6445 * Hours: 8:30 AM - 4:30 PM Daily

***** **URBAN BRANCH** *****
Urban Government Center
Suite 105 - 810 Barret Ave. - Lou., KY 40204
502.574.6213 - Hours: 8:30 AM - 4:30 PM Daily

***** **INDIANA BRANCH** *****
Federal Building - 'A' Wing - Rm. 157
1201 E. 10th St. - Jeffersonville, IN 47130
812.218.2848 - Hours: 8:30 AM - 4:30 PM Daily

***** **CREDIT UNION SERVICE CENTERS** *****
(1) 4917-B Dixie Hwy. Louisville 40216
(2) 2925 Goose Creek Rd. Louisville 40241
Hours: 9 - 7 Daily and 9 - 2 Saturday

WEBSITE - www.jcfcu.org

E-MAIL - mail@jcfcu.org

INFO TELLER Same Phone as Main Office & Press 1



3,900 LOCATIONS NATION WIDE
Go to www.creditunion.net for full details.

OFFICE CLOSINGS - 2010

Monday	JAN 18	M. L. King Day *
Monday	FEB 15	President's Day *
Monday	MAY 31	Memorial Day
Monday	JUL 05	Independence Day
Monday	SEP 06	Labor Day
Monday	OCT 11	Columbus Day *
Thursday	NOV 11	Veterans Day *
Thursday	NOV 25	Thanksgiving Day
Thursday	DEC 23	Christmas Eve (Close At 12:30 P.M.)
Friday	DEC 24	Christmas Day
Thursday	DEC 30	Year End Processing (Close At 12:30 P.M.)
Friday	DEC 31	New Years Day

* LOUISVILLE SHARED BRANCH LOCATIONS OPEN

IMPORTANT INFORMATION

MEMBERSHIP REQUIREMENT: A MINIMUM BALANCE OF \$25.00 IS REQUIRED IN YOUR SHARE 1 ACCOUNT TO BE A MEMBER IN GOOD STANDING. IF YOURS IS BELOW THAT REMIT THE AMOUNT REQUIRED TO CORRECT IT IMMEDIATELY. ANY ACCOUNTS THAT REMAIN UNDER REQUIRED MINIMUMS WILL NOT RECEIVE STATEMENTS. AFTER 90 DAYS THESE ACCOUNTS WILL BE ASSESSED A FEE AND CLOSED.

STATUS CHANGE: REPORT ANY CHANGES IN YOUR NAME, ADDRESS, PHONE # OR TIN TO US IN WRITING SO WE CAN KEEP OUR RECORDS CURRENT AND GET YOUR MAIL TO YOU.

RATE INFORMATION: ALL DEPOSIT AND LENDING RATES ARE AVAILABLE VIA INFO-TELLER, OUR OFFICES OR WEBSITE.



Your Savings Federally Insured to at Least \$250,000 and Backed by the Full Faith and Credit of the United States Government

STRATEGIC PLAN

FOR



November 21, 2009



Facilitated by
Kathy Furlong
Kentucky Credit Union League

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AGENDA

Saturday, November 21, 2009

8:30 am Continental Breakfast

9:00 am

The Review

Changes Since last Year
Goals
The Environment
Current Financial Conditions

Determining Strategic Direction for the future

Key Issues for 2009 Strategic Plan

Writing the Strategic Plan

Objectives
Strategies
Goals

2:30 pm

Wrap up and Evaluation

BSA Training immediately following the planning session

STRATEGIC PLANNING PARTICIPANTS

	Participants
William Eskridge	✓
Steve Schweitzer	✓
Wendell Wright	✓
Ed Davis	✓
Marilynn Hettich	
Larry Dodson	
Barbara Hays	✓

Susan Clifton	✓
Stan Robinson	✓
Gary Fischer	✓
Josh Jackson	✓

Carl Hicks	✓
Gary Edelen	✓

CHANGES SINCE THE LAST PLANNING SESSION

Corporate Stabilization

Economy

Implemented the ID Theft Recovery Program

Supervisory Committee member retire

On-off open end loan disclosures

Partnered with Fifth Third Bank for credit card program

Added on-system loan documents

DP added the ability to transfer from one account to another, not necessarily a joint account

GOALS UPDATE

KEY AREA: FINANCIAL

OBJECTIVE: Remain financially sound

KEY RATIOS	Long Term Target 2008-2012	Oct 2009	
Operating Expenses to Avg. Assets	Not Greater Than 3.90%	3.87%	✓
Net Interest Margin to Avg. Assets	Not Less Than 3.00%	4.72%	✓
Return on Assets (< R. Trans. & PLL)	Not Less Than 1.00%	.54%	✓
Net Worth (RR + UD to Avg. Assets)	Not Less Than 9.00%	13.68%	✓
Net Charge Off to Loans	Not Greater Than .45%	.45%	✓
Net Long Term Asset to Assets	Not Greater Than 35.00%	22.99%	✓
Total Loans to Assets	40-90%	41.33%	✓
Fixed Assets	Not Greater Than 5.00%	1.62%	✓
Projected Deposit Growth	4.00%	10.94%	✓
Projected Loan Growth	6.00%	4.96%	✓
Return On Assets (>R. Trans. & PLL)	.80%	.23%	✓

These Projections Do Not Include CUSIP Funds

GOALS UPDATE

KEY AREA: MEMBERSHIP GROWTH

OBJECTIVE: Promote JCFCU membership to all persons in the community.

Goals:	Timeframe	Comments
1. Continue the plan created in 2006 to penetrate the community with the timeframe: Clark & Floyd Counties Oldham Bullitt & Spencer Trimble Henry & Shelby	2008-2009 2009 2008-2009 2008-2009 2009-2011	Continue with goal but move date back one year for 2010 Census branch increased 88 accounts in September...but Census Bureau didn't hire as anticipated
2. Continue and expand TV/radio and telephone book ads in the community area	On-Going	Continuing radio ads
3. Monitor growth options for membership regardless of location when opportunity occurs	On-Going	Meeting with Bramco to discuss merger 12-2-09

KEY AREA: MEMBERSHIP MARKETING

OBJECTIVE: Continue to strengthen marketing of services to membership, promoting the versatility and professional image of the credit union.

Goals:	Timeframe	Comments
1. Focus on aggressive marketing/development around high member/high visibility offices	On-going	Focusing on membership by Highview and Main Offices
2. Other counties as opportunity presents itself	On-going	

GOALS UPDATE

KEY AREA: SECURITY/ TECHNOLOGY

OBJECTIVE: Maintain security and technology to enhance member service, staff efficiency and keep the credit union safe and compliant.

Goals:	Timeframe	Comments
1. Research Kiosks as an option for downtown office	On-going	
2. Replace aging data processing equipment as needed	On-going	Replaced PCs in 2008 & 2009

KEY AREA: PERSONNEL

OBJECTIVE: Enhance Personnel

Goals:	Timeframe	Comments
1. Research shared compliance program and consider hiring a BSA assistant as compliance support	2009	Shared Compliance Program through the league didn't materialize due to cost.
2. Compliance Person (decision whether to combine with HR, initially	Revisit 2009	Revisit in 2011-2013
3. Consider hiring a Human Resource Director	2011-2013	

GOALS UPDATE

KEY AREA: PRODUCTS AND SERVICES

OBJECTIVE: Enhance services for the members for use in a fast paced environment

Goals:	Timeframe	Comments
1. Consider Saturday hours (Drive thru only) 9-12 with loans by appointment	Continue monitoring until Highview branch usage and demand increases	Seeing a little growth at Highview right now...not ready to open on Saturday yet.
2. Stay up to date on mobile banking and consider as technology becomes available	E alerts 2009 Text alerts 2010 Cell phone 2011	Members are getting email Mobile banking is next step
3. Monitor services and enhance as needed for membership satisfaction	On-Going	

KEY AREA: FACILITIES

OBJECTIVE: Assess the present brick and mortar branches

Goals:	Timeframe	Comments
1. Monitor branches, especially downtown and Indiana to keep up to date and meet the needs of the members	On-going	
2. If feasible, consider kiosk or ATM as an alternative to low volume branches	On-going	

GOALS UPDATE

KEY AREA: BOARD CONTINUATION

OBJECTIVE: Maintain a quality board for the future success of the credit union

Goals:

Timeframe

Comments

Research opportunities for volunteers on Supervisory Committee to prepare for future board positions as needed.	On-going	
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THE ENVIRONMENT & ECONOMIC OUTLOOK

WHAT MAY IMPACT YOU IN THE NEXT 5 YEARS

Economy:

1. Painful recovery for at least 2 more years
2. Car industry usually sells 14.6 million. In 2008, 10 million cars were sold, mostly because of cash for clunkers
3. Commercial real estate may be the next “bubble”. Low price 3-5 year leases are now coming due and being released due to the economic times.

Overdraft regulation

1. July 10-2010 ...date for required written “opt in” for ATM and POS transactions in order to charge OD fees.
2. Courtesy pay restrictions may dramatically reduce income.
3. Other proposed changes could result in demise of program
 - a. reducing income to cost only
 - b. restricting number of OD transactions to 6 per year (unlikely)

Corporate Stabilization

1. Caused write of Paid in Capital and most of Member Capital
2. Could still write off rest of Member Capital
3. Replenishment of the NCUSIF Chair D. Matz discussing giving some \$\$ back but not definite

Other Regulations:

1. Credit Card Act provision for 21 day payment notice changed to credit cards only.
2. Mortgage cramdown
3. Member Business Lending possible change from 12.5% to 25%
4. Regulatory restructuring to combine all agencies under same roof...CUNA opposed...wants NCUA separate

,

THE ENVIRONMENT & ECONOMIC OUTLOOK

The Economic Times:

1. The “New Normal”
 - pretty flat
 - Loans harder to make
 - Savings---control ...possible rate decreases
2. Bottom line.....Lower but still positive
3. Fees.....Increase...pay for service
4. Marketing..... More emphasisthink out of the box

Impact of environment on Jefferson County FCU:

1. Overdraft Regulation increased postage (\$1,500- \$3,000) & programs expenses
2. Corporate stabilization means write off of remainder of Member Capital and 15%- 40% expense to replenish NCUSIF
3. The next several years will create challenges in bottom line and net worth.
 - a. Potential layoffs in the government sector results in higher delinquency, losses and foreclosures
 - b. High dollar loans may decline
 - c. Savings balance will continue to increase
4. More consumer regulations will create more compliance burden for staff
5. Tough time for 2010 – 2011 - 2012

Key to Survival

- ⇒ Marketing – Creative, out of the box and cost effective
- ⇒ Financial Stability

FINANCIAL PROJECTIONS

FINANCIAL PROJECTIONS 2006-2014
See Section 2

KEY AREAS

FOR THIS YEAR'S STRATEGIC PLAN

Succession Planning

1. Board
2. Key Management

Generating Revenue

Monitoring:

1. Expenses
2. Income

Regulatory Mandates

Financial Stability

AFTER THE SESSION

- Board approves plan at next Board meeting
- Management team performs cost analysis on all new programs and reports to Board
- Management team writes goals/ action plan (optional) if not written in the strategic plan
- Board approved action plan (if written)
- Board reviews plan's progress quarterly

THE STRATEGIC PLAN

FOR



**Created
November 2009**

MISSION STATEMENT

The Jefferson County Federal Credit Union
pledges to provide quality financial services,
in a personal way, that meets our members' needs

VISION

- ★ High Standards
- ★ Technology
- ★ Fulfill service needs of membership, though shared branching, technology or convenience services, with additional brick and mortar offices as the last resort
- ★ Expand into other counties and SEGs

YOUR STRATEGIC PLAN

LONG TERM OBJECTIVES

Key Area	Objective	Comments
Financial	Remain financially sound	On-going
Membership Growth	Promote JCFCU membership to all persons in the community.	On-going
Marketing	Continue to strengthen marketing of services to membership, promoting the versatility and professional image of the credit union.	On-going
Security/ Technology	Research equipment available to enhance member service, staff efficiency and keep the credit union safe and compliant	On-going
Personnel	Enhance Personnel	On-going
Products and Services	Enhance services for the members for use in a fast paced environment	On-going
Facilities	Assess the present brick and mortar branches	On-going
Board Continuation	Maintain a quality board for the future success of the credit union.	On-going

YOUR STRATEGIC PLAN

KEY AREA: FINANCIAL

OBJECTIVE: Remain financially sound

Goals:	Timeframe
KEY RATIOS	Long Term Target 2010-2014
Operating Expenses to Avg. Assets	Not Greater Than 5.00%
Net Interest Margin to Avg. Assets	Not Less Than 1.50%
Return on Assets (< R. Trans. & PLL)	Not Less Than .60%
Net Worth (RR + UD to Avg. Assets)	Not Less Than 9.00%
Net Charge Off to Loans	Not Greater Than .65%
Net Long Term Asset to Assets	Not Greater Than 35%
Total Loans to Assets	40 - 90%
Fixed Assets	Not Greater Than 5.00%
Projected Deposit Growth	Greater than or equal to 8.00%
Projected Loan Growth	Greater than or equal to 4.00%
Return On Assets (>R. Trans. & PLL)	.40%

YOUR STRATEGIC PLAN

KEY AREA: SUCCESSION PLANNING

Goal:

1. Key Management to discuss and commit to tentative retirement date with 6-12 months lead time.

KEY AREA: GENERATING REVENUE

Goal:

1. Review income and expense items to generate income and maintain ROA.

KEY AREA: REGULATORY MANDATES

Goal:

1. Comply as required.

YOUR STRATEGIC PLAN

ON-GOING FROM 2009:

KEY AREA: MEMBERSHIP GROWTH

OBJECTIVE: Promote JCFCU membership to all persons in the community.

Goals:

Timeframe

1. Continue the plan created in 2006 to penetrate the community with the timeframe: Clark & Floyd Counties Oldham Bullitt & Spencer Trimble Henry & Shelby	2010 2010 2011-2012 2011-2012 2011-2012
2. Continue and expand TV/radio and telephone book ads in the community area	On-Going
3. Monitor growth options for membership regardless of location when opportunity occurs	On-Going

KEY AREA: MEMBERSHIP MARKETING

OBJECTIVE: Continue to strengthen marketing of services to membership, promoting the versatility and professional image of the credit union.

Goals:

Timeframe

1. Focus on aggressive marketing/development around high member/high visibility offices	On-going For 2010: Focus on membership around Highview and Main office
2. Other counties as opportunity presents itself	On-going

YOUR STRATEGIC PLAN

ON-GOING FROM 2009:

KEY AREA: SECURITY/ TECHNOLOGY

OBJECTIVE: Maintain security and technology to enhance member service, staff efficiency and keep the credit union safe and compliant.

Goals:

Timeframe:

1. Monitor any updates on DP and Security/ technology features as needed	On-going
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KEY AREA: PERSONNEL

OBJECTIVE: Enhance Personnel

Goals:

Timeframe

2. Compliance Person (decision whether to combine with HR, initially	2011- 2013
3. Consider hiring a Human Resource Director	2011-2013

KEY AREA: PRODUCTS AND SERVICES

OBJECTIVE: Enhance services for the members for use in a fast paced environment

Goals:

Timeframe

1. Consider Saturday hours (Drive thru only) 9-12 with loans by appointment	Continue monitoring until Highview branch usage and demand increases
2. Monitor services and enhance as needed for membership satisfaction	On-Going

YOUR STRATEGIC PLAN

ON-GOING FROM 2009:

KEY AREA: FACILITIES

OBJECTIVE: Assess the present brick and mortar branches

Goals:

Timeframe

3. Monitor branches to keep up to date and meet the needs of the members	On-going
4. If feasible, consider kiosk or ATM as an alternative to low volume branches. DT & UR	On-going

SAMPLE ACTION PLAN

Key Area _____

Goal: _____

Action Step	Person Responsible	Completion Date	Status
1.			
2.			
3.			
4.			
5.			
6.			
7.			
8.			
9.			