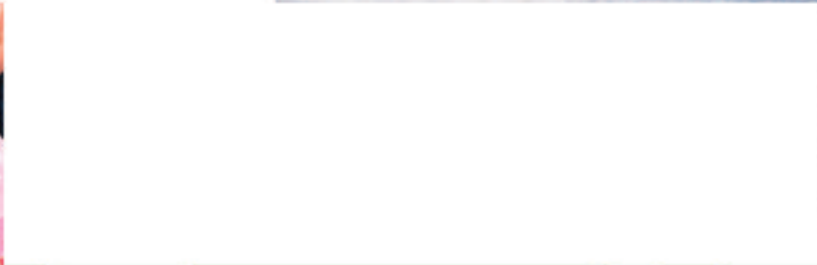


Annual Report



Park
community

federal credit union

Your life. Your money. *Your way.*

Board of Directors

Committees and Officers

Board of Directors

Bobby Willoughby, *Chairman*

Thomas Hendrix, *First Vice Chairman*

Donald Cummins, *Second Vice Chairman*

Mark Loyd, Jr., *Secretary/Treasurer*

Phyllis Hughes, *Director*

Ken Mattingly, *Director*

Dennis Munn, *Director*

Niki Spies, *Director*

Charles Williams, *Director*

James Simmons, *Director Emeritus*

Supervisory Committee

Charles R. Lockard, *Chairman*

J. Joseph Ackerman, *Member*

Warren "Rusty" Stinson, *Member*

Needham Summerlin, *Member*

Officers

David T. Eib, *President/CEO*

Jim Spradlin, *Executive Vice President*

Sandra J. Tallarico, *Sr. Vice
President/Branch Operations*



Chairman's and President's Report

Success

In a year of uncertainty for many financial institutions, your credit union remains strong and successful.

With the financial crisis fresh in everyone's mind, people are recognizing credit unions as a safer and more secure alternative for their deposits. We attribute this awareness to the credit union's \$33.3 million in savings growth for the year, as well as the addition of 8,000 new members.

We also saw growth in checking accounts. Our new HI Checking Account grew by more than 1,800 new accounts and continues to be successful in attracting new deposits for the credit union. Park Community is one of the few financial institutions offering a checking account of this type in the marketplace.

Due to many changes in the country's healthcare system, many employers are now offering High Deductible Health Care Plans to their employees. We saw this trend as an opportunity to expand our product base and meet the needs of members by offering Health Savings Accounts, or HSA's. HSA's will help our members save for their out-of-pocket medical expenses. Only a few financial institutions offered HSA's in 2009, so this product should bring us additional members in 2010.

We have also added two new voluntary insurance products for our members through our partner Cuna Mutual, a Medicare Supplemental Plan and Long Term Care Insurance.

Despite the economic climate, we had another good year of lending in 2009. To maintain a balanced and solid financial base, we sold some mortgage loans to the Federal Home Loan Bank. This allowed us to continue to accommodate the loan needs of our members, lending over \$115 million in low rate consumer loans and mortgages.

In addition, we had one of our most successful auto loan campaigns this year. In one week, in a climate where auto sales were slow, our "Monster Auto Loan Promotion" brought in more than \$6 million and 166 new members.

As one of the largest credit unions in Kentucky, we continue to be a leader in the credit union community.

Service

Throughout the year we continued to be good stewards of the community by supporting many activities that were targeted at youth. Youth Financial Literacy is important to the future of the credit union and to our communities. Our staff visited many local schools throughout the year, providing information on our youth accounts and conducting classes aimed at educating them about their financial future.

In an effort to help members who are struggling due to the economy, we gave our members access to Accel Members Financial Counseling. Accel is a free confidential counseling program where members and their family can receive help with budgeting, achieving financial goals, credit reports, and debt management. Members are able to contact Accel by phone to speak with a certified counselor or go online through our website to use the online budgeting tools they offer.

In July, as part of our financial education initiative we began a 10 month program called, "Saving Families". We interviewed and selected four families to participate in this program. These families have chosen to make lifestyle changes in order to become financially fit. We paired each of these families with a Coach from the credit union and a counselor from Accel. The counselors and coaches are working together to determine their obstacles, set up budgets, establish timelines, and help

them execute plans to get out of debt and achieve their goals. These families do not have the same goals. Some want to purchase their first home, some want to be in a position to put their children through college when the time comes, and others just need to be more financially secure when they are ready to retire. The one thing each of the families needed was to make better decisions today to ensure a secure future.

Members can follow the families' trials and successes on WDRB (Fox) television and through their blogs on the Park Community website. When the program concludes it is our hope that not only will these four families be more financially fit, but that other members who follow the "Saving Families" program will learn valuable tips along the way. We hope to continue our educational efforts in 2010 with a new group of families.

As a result of a survey conducted early this year, our members told us that they would like to be able to receive eAlerts on their accounts. Now anyone enrolled in Online Banking can receive emails or text alerts when certain transactions or events happen on their account.

In our effort to expand and attract new members, we continued our involvement in family friendly community events and Chamber of Commerce functions. From parades to city clean-ups, we strive to make a positive impact in our communities.

Chairman's and President's Report



Safety And Soundness

As you know, it is very important that your credit union maintain a high level of financial strength. We are proud to report another year of financial success, and your credit union remains financially rock solid.

While many financial institutions have had problems due to the mortgage crisis, Park Community remained strong. Park Community never compromised our credit standards to make any of the sub-standard or sub-prime loans that affected many other financial institutions. Park Community will continue to lend as we have in the past and not put members into loans which they cannot afford.

This year brought about several new safety policies and procedures to ensure that you and your funds remain secure at Park Community. In an effort to help reduce fraudulent check activity, a new hold policy was implemented and new Fraud Detection Software was added. Check 21 was implemented to allow us to clear checks expeditiously and members to receive credit for their deposits quickly. Park Community's branches were also made more secure with updates to their security systems. We continue to work to ensure that we have procedures in place for your protection.

The 2009 ice storm and H1N1 flu brought about the need for a Disaster Recovery and Pandemic Plan to ensure that the credit union will be able to serve you should Park Community have a situation like these in the future.

While 2010 will bring new challenges with the economy, we feel that the credit union has a great opportunity to increase market share. As always, Park Community will continue to do what is in the best interest of its members.



Sincerity

Each day, our employees work hard to provide excellent service to all of our members. The Board of Directors and Supervisory Committee volunteer many hours, without compensation, to direct and safeguard credit union assets. We want to thank each and every one who strives to make our member's financial life better.

Our members are the reason that we are here, and we welcome your feedback. In order to serve you better, we send out hundreds of surveys each week to members who have given us the opportunity to serve them. We ask for your continued help in providing your opinion on those surveys. As you can see, we really do use your input to make changes so we can better serve all of our members.

It has been a pleasure to serve Park Community Federal Credit Union during 2009, and we thank each member for your support.

A handwritten signature in black ink, appearing to read 'Bobby Willoughby'.

Bobby Willoughby
Chairman

A handwritten signature in black ink, appearing to read 'David Eib'.

David Eib
President and CEO

Supervisory Committee's Report

As members of the Supervisory Committee, it is our duty and privilege to act on behalf of the membership to monitor the operations of the Credit Union. It is also our responsibility to ensure that the policies and procedures, as adopted by your Board of Directors, are followed.

Another function of the committee is to establish that adequate internal controls are in effect. To ensure that the Credit Union follows the internal controls in place, the Supervisory Committee has retained a full time internal auditor who is responsible for monthly internal testing procedures.

Further, your Supervisory Committee oversees the annual audit of the financial statements which was conducted by the accounting firm, Deming, Malone, Livesay and Ostroff in 2009. Their audit determined that the Credit Union's accounting records accurately reflect the Credit Union's financial condition.

It is the overall opinion of this Supervisory Committee that Park Community Credit Union continues to be a safe and sound financial institution. We will continue to monitor those areas for which we are responsible.

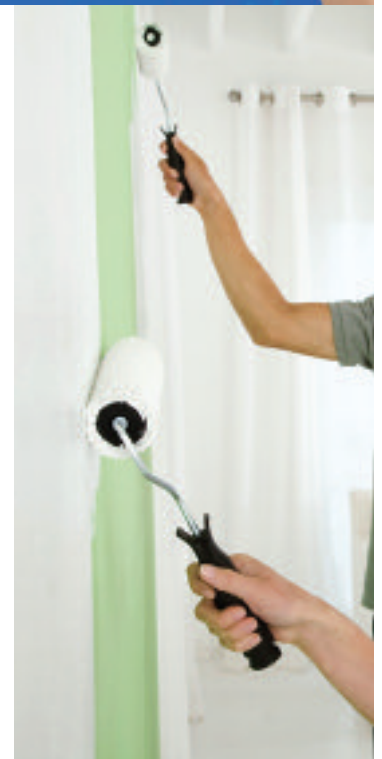
Your Supervisory Committee,

Charles Lockard, *Chairman*

J. Joseph Ackerman, *Member*

Warren "Rusty" Stinson, *Member*

Needham Summerlin, *Member*



Statement of Financial Condition

As of 12/31/08 and 12/31/09

ASSETS	2008	2009
Loans	\$330,696,499	\$328,624,263
Allowance for Loan Loss	(1,142,200)	(2,110,680)
Net Loans	\$329,554,299	\$326,513,583
Accounts Receivable	147,154	235,540
Cash	4,699,539	3,818,435
Investments	65,086,230	102,581,327
Accrued Income	1,431,896	1,455,408
Prepaid & Deferred Expenses	332,462	383,492
Fixed Assets	15,800,097	14,735,690
Other Assets	2,714,984	7,575,806
TOTAL ASSETS	\$419,766,661	\$457,299,281
LIABILITIES		
Accounts Payable	\$400,006	\$348,683
Accrued Expenses	2,101,471	341,440
Deferred Income	60,138	43,690
Notes Payable	11,000,000	15,000,000
Other Liabilities	361,783	352,469
Total Liabilities	\$13,923,398	\$16,086,282
MEMBERSHIP EQUITY		
Total Shares	\$359,263,217	\$392,561,710
Regular Reserves	8,146,365	8,146,365
Undivided Earnings	40,548,239	42,636,150
Other Comprehensive Income (2,114,558)		(2,131,226)
Total Equity	\$405,843,263	\$441,212,999
TOTAL LIABILITIES & EQUITY	\$419,766,661	\$457,299,281

Statement of Income and Expense

For the years ended 12/31/08 and 12/31/09

INTEREST INCOME	2008	2009
Interest on Loans	\$19,915,293	\$20,220,208
Income from Investments	2,530,377	1,703,163
Total Interest Income	\$22,445,670	\$21,923,371
INTEREST EXPENSE		
Dividends	9,954,519	8,155,855
Interest on Borrowed Funds	251,569	175,401
Total Interest Expense	\$10,206,088	\$8,331,256
Net Interest Income	\$12,239,582	\$13,592,115
Provision for Loan Loss	846,000	2,190,000
Net Interest Income after Provision	\$11,393,582	\$11,402,115
Other Operating Income	6,718,499	7,425,387
TOTAL INCOME	\$18,112,081	\$18,827,502
OPERATING EXPENSES:		
Compensation & Benefits	\$8,164,605	\$7,815,579
Travel & Conference	338,324	126,965
Association Dues	58,042	61,037
Office Occupancy	1,152,519	1,131,715
Office Operations	4,569,865	4,628,971
Marketing & Business Development	926,009	816,004
Loan Servicing	581,445	547,005
Professional & Outside Services	225,977	165,920
Annual Meeting	14,349	12,732
Share Account Losses	133,171	83,217
Federal Operating Fees	84,153	99,934
Other Expenses	32,551	617,650
Total Operating Expense	\$16,281,010	\$16,106,729
NET OPERATING INCOME	\$1,831,071	\$2,720,773
Non-Operating Income (Expense)	(2,672)	(503,948)
NET INCOME	\$1,828,399	\$2,216,825

Locations

Louisville, Kentucky Full-Service Locations

6101 Fern Valley Rd.
Louisville, KY 40228

2221 Goldsmith Lane
Louisville, KY 40218

2501 Blankenbaker Pkwy.
Louisville, KY 40299

515 W. Market St.
Suite 100
Louisville, KY 40202

7521 Dixie Hwy.
Louisville, KY 40258

502/968.3681

Hillview, Kentucky

134 Dr. Arla Way
Louisville, KY 40229
502/957.7600

Shepherdsville, Kentucky

415 Adam Shepherd Pkwy.
Shepherdsville, KY 40165
502/543.1066

Clarksville, Indiana

1010 Veterans Pkwy.
Clarksville, IN 47129
812/206.7190

New Albany, Indiana

Kroger-2864 Charlestown Rd.
New Albany, IN 47150
812/206.3563

Lexington, Kentucky

440 New Circle Rd.
Lexington, KY 40511
859/255.6881

Richmond, Kentucky

1300 Gibson Bay Drive
Richmond, KY 40475
859/623.0838

800/626.2870
parkcommunity.com

Berea, Kentucky

501 Walnut Meadow Road
Berea, KY 40403
859/986.0664

Decatur, Alabama

2328 Point Mallard Dr.
Decatur, AL 35601
256/353.3616

Macon, Georgia

2930 Riverside Dr.
Macon, GA 31204
478/477.9005

4630 Presidential Pkwy.
Macon, GA 31206
478/477.9005

Credit Union Service Center

2925 Goose Creek Rd.
Louisville, KY 40241

