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| <div>Form 5500</div> <div>Department of the Treasury<br/>Internal Revenue Service</div> <div>Department of Labor<br/>Employee Benefits Security<br/>Administration</div> <div>Pension Benefit Guaranty Corporation</div> | <div>Annual Return/Report of Employee Benefit Plan</div> <div>This form is required to be filed for employee benefit plans under sections 104 and 4065 of the Employee Retirement Income Security Act of 1974 (ERISA) and sections 6047(e), and 6058(a) of the Internal Revenue Code (the Code).</div> <div>▶ Complete all entries in accordance with the instructions to the Form 5500.</div> | <div>OMB Nos. 1210-0110<br/>1210-0089</div> <div>2009</div> <div>This Form is Open to Public Inspection</div> |
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|                                                                                            |                                                                                                                                                                                                                                                                                                                   |
|--------------------------------------------------------------------------------------------|-------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| Part I                                                                                     | Annual Report Identification Information                                                                                                                                                                                                                                                                          |
| For calendar plan year 2009 or fiscal plan year beginning 01/01/2009 and ending 12/31/2009 |                                                                                                                                                                                                                                                                                                                   |
| A                                                                                          | This return/report is for: <div><div><input type="checkbox"/> a multiemployer plan;</div><div><input checked="" type="checkbox"/> a single-employer plan;</div><div><input type="checkbox"/> a multiple-employer plan; or</div><div><input type="checkbox"/> a DFE (specify) ____</div></div>                     |
| B                                                                                          | This return/report is: <div><div><input type="checkbox"/> the first return/report;</div><div><input type="checkbox"/> the final return/report;</div><div><input type="checkbox"/> an amended return/report;</div><div><input type="checkbox"/> a short plan year return/report (less than 12 months).</div></div> |
| C                                                                                          | If the plan is a collectively-bargained plan, check here. .... ▶ <input type="checkbox"/>                                                                                                                                                                                                                         |
| D                                                                                          | Check box if filing under: <div><div><input checked="" type="checkbox"/> Form 5558;</div><div><input type="checkbox"/> automatic extension;</div><div><input type="checkbox"/> the DFVC program;</div><div><input type="checkbox"/> special extension (enter description)</div></div>                             |

|         |                                                                                                                                                                                                 |
|---------|-------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| Part II | Basic Plan Information—enter all requested information                                                                                                                                          |
| 1a      | Name of plan<br>BAY FEDERAL CREDIT UNION 401(K) PLAN AND TRUST                                                                                                                                  |
| 1b      | Three-digit plan number (PN) ▶ 001                                                                                                                                                              |
| 1c      | Effective date of plan<br>05/01/1984                                                                                                                                                            |
| 2a      | Plan sponsor's name and address (employer, if for a single-employer plan)<br>(Address should include room or suite no.)<br>BAY FEDERAL CREDIT UNION<br><br>3333 CLARES ST<br>CAPITOLA, CA 95010 |
| 2b      | Employer Identification Number (EIN)<br>94-1448021                                                                                                                                              |
| 2c      | Sponsor's telephone number<br>831-479-6000                                                                                                                                                      |
| 2d      | Business code (see instructions)<br>522130                                                                                                                                                      |

Caution: A penalty for the late or incomplete filing of this return/report will be assessed unless reasonable cause is established.

Under penalties of perjury and other penalties set forth in the instructions, I declare that I have examined this return/report, including accompanying schedules, statements and attachments, as well as the electronic version of this return/report, and to the best of my knowledge and belief, it is true, correct, and complete.

|           |                                                   |            |                                                              |
|-----------|---------------------------------------------------|------------|--------------------------------------------------------------|
| SIGN HERE | Filed with authorized/valid electronic signature. | 10/05/2010 | MICHELLE HADDIX                                              |
|           | Signature of plan administrator                   | Date       | Enter name of individual signing as plan administrator       |
| SIGN HERE |                                                   |            |                                                              |
|           | Signature of employer/plan sponsor                | Date       | Enter name of individual signing as employer or plan sponsor |
| SIGN HERE |                                                   |            |                                                              |
|           | Signature of DFE                                  | Date       | Enter name of individual signing as DFE                      |

**3a** Plan administrator's name and address (if same as plan sponsor, enter "Same")

BAY FEDERAL CREDIT UNION

3333 CLARES ST  
CAPITOLA, CA 95010**3b** Administrator's EIN

94-1448021

**3c** Administrator's telephone number

831-479-6000

**4** If the name and/or EIN of the plan sponsor has changed since the last return/report filed for this plan, enter the name, EIN and the plan number from the last return/report:**a** Sponsor's name**4b** EIN**4c** PN**5** Total number of participants at the beginning of the plan year**5**

294

**6** Number of participants as of the end of the plan year (welfare plans complete only lines **6a**, **6b**, **6c**, and **6d**).**a** Active participants.....**6a**

169

**b** Retired or separated participants receiving benefits.....**6b**

0

**c** Other retired or separated participants entitled to future benefits.....**6c**

108

**d** Subtotal. Add lines **6a**, **6b**, and **6c**.....**6d**

277

**e** Deceased participants whose beneficiaries are receiving or are entitled to receive benefits.....**6e**

0

**f** Total. Add lines **6d** and **6e**.....**6f**

277

**g** Number of participants with account balances as of the end of the plan year (only defined contribution plans complete this item).....**6g**

275

**h** Number of participants that terminated employment during the plan year with accrued benefits that were less than 100% vested.....**6h**

44

**7** Enter the total number of employers obligated to contribute to the plan (only multiemployer plans complete this item) .....**7****8a** If the plan provides pension benefits, enter the applicable pension feature codes from the List of Plan Characteristic Codes in the instructions:

2E 2F 2G 2J 2K 2S 2T 3D

**b** If the plan provides welfare benefits, enter the applicable welfare feature codes from the List of Plan Characteristic Codes in the instructions:**9a** Plan funding arrangement (check all that apply)(1) ☒

Insurance

(2) ☐

Code section 412(e)(3) insurance contracts

(3) ☐

Trust

(4) ☐

General assets of the sponsor

**9b** Plan benefit arrangement (check all that apply)(1) ☒

Insurance

(2) ☐

Code section 412(e)(3) insurance contracts

(3) ☐

Trust

(4) ☐

General assets of the sponsor

**10** Check all applicable boxes in 10a and 10b to indicate which schedules are attached, and, where indicated, enter the number attached. (See instructions)**a Pension Schedules**(1) ☒**R** (Retirement Plan Information)(2) ☐**MB** (Multiemployer Defined Benefit Plan and Certain Money Purchase Plan Actuarial Information) - signed by the plan actuary(3) ☐**SB** (Single-Employer Defined Benefit Plan Actuarial Information) - signed by the plan actuary**b General Schedules**(1) ☒**H** (Financial Information)(2) ☐**I** (Financial Information - Small Plan)(3) ☒**A** (Insurance Information)(4) ☒**C** (Service Provider Information)(5) ☒**D** (DFE/Participating Plan Information)(6) ☐**G** (Financial Transaction Schedules)

|                                                                                                                                                                                                                                         |                                                                                                                                                                                                                                                                                                                                    |                                                                                                |
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| <div>SCHEDULE A<br/>(Form 5500)<br/><div>Department of the Treasury<br/>Internal Revenue Service</div><div>Department of Labor<br/>Employee Benefits Security Administration</div><div>Pension Benefit Guaranty Corporation</div></div> | <div>Insurance Information</div> <div>This schedule is required to be filed under section 104 of the Employee Retirement Income Security Act of 1974 (ERISA).</div> <div>▶ File as an attachment to Form 5500.</div> <div>▶ Insurance companies are required to provide the information pursuant to ERISA section 103(a)(2).</div> | <div>OMB No. 1210-0110</div> <div>2009</div> <div>This Form is Open to Public Inspection</div> |
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|                                                                                            |                                                      |     |
|--------------------------------------------------------------------------------------------|------------------------------------------------------|-----|
| For calendar plan year 2009 or fiscal plan year beginning 01/01/2009 and ending 12/31/2009 |                                                      |     |
| A Name of plan<br>BAY FEDERAL CREDIT UNION 401(K) PLAN AND TRUST                           | B Three-digit plan number (PN) ▶                     | 001 |
| C Plan sponsor's name as shown on line 2a of Form 5500.<br>BAY FEDERAL CREDIT UNION        | D Employer Identification Number (EIN)<br>94-1448021 |     |

|        |                                                                           |                                                                                                                                                                    |
|--------|---------------------------------------------------------------------------|--------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| Part I | Information Concerning Insurance Contract Coverage, Fees, and Commissions | Provide information for each contract on a separate Schedule A. Individual contracts grouped as a unit in Parts II and III can be reported on a single Schedule A. |
|--------|---------------------------------------------------------------------------|--------------------------------------------------------------------------------------------------------------------------------------------------------------------|

1 Coverage Information:

(a) Name of insurance carrier  
CUNA MUTUAL INSURANCE SOCIETY

| (b) EIN    | (c) NAIC code | (d) Contract or identification number | (e) Approximate number of persons covered at end of policy or contract year | Policy or contract year |            |
|------------|---------------|---------------------------------------|-----------------------------------------------------------------------------|-------------------------|------------|
|            |               |                                       |                                                                             | (f) From                | (g) To     |
| 39-0230590 | 62626         | 104-1543-6                            | 277                                                                         | 01/01/2009              | 12/31/2009 |

2 Insurance fee and commission information. Enter the total fees and total commissions paid. List in item 3 the agents, brokers, and other persons in descending order of the amount paid.

|                                      |                               |
|--------------------------------------|-------------------------------|
| (a) Total amount of commissions paid | (b) Total amount of fees paid |
| 0                                    | 0                             |

3 Persons receiving commissions and fees. (Complete as many entries as needed to report all persons).

(a) Name and address of the agent, broker, or other person to whom commissions or fees were paid

| (b) Amount of sales and base commissions paid | Fees and other commissions paid |             | (e) Organization code |
|-----------------------------------------------|---------------------------------|-------------|-----------------------|
|                                               | (c) Amount                      | (d) Purpose |                       |
|                                               |                                 |             |                       |

(a) Name and address of the agent, broker, or other person to whom commissions or fees were paid

| (b) Amount of sales and base commissions paid | Fees and other commissions paid |             | (e) Organization code |
|-----------------------------------------------|---------------------------------|-------------|-----------------------|
|                                               | (c) Amount                      | (d) Purpose |                       |
|                                               |                                 |             |                       |

(a) Name and address of the agent, broker, or other person to whom commissions or fees were paid

| (b) Amount of sales and base commissions paid | Fees and other commissions paid |             | (e) Organization code |
|-----------------------------------------------|---------------------------------|-------------|-----------------------|
|                                               | (c) Amount                      | (d) Purpose |                       |
|                                               |                                 |             |                       |

(a) Name and address of the agent, broker, or other person to whom commissions or fees were paid

| (b) Amount of sales and base commissions paid | Fees and other commissions paid |             | (e) Organization code |
|-----------------------------------------------|---------------------------------|-------------|-----------------------|
|                                               | (c) Amount                      | (d) Purpose |                       |
|                                               |                                 |             |                       |

(a) Name and address of the agent, broker, or other person to whom commissions or fees were paid

| (b) Amount of sales and base commissions paid | Fees and other commissions paid |             | (e) Organization code |
|-----------------------------------------------|---------------------------------|-------------|-----------------------|
|                                               | (c) Amount                      | (d) Purpose |                       |
|                                               |                                 |             |                       |

(a) Name and address of the agent, broker, or other person to whom commissions or fees were paid

| (b) Amount of sales and base commissions paid | Fees and other commissions paid |             | (e) Organization code |
|-----------------------------------------------|---------------------------------|-------------|-----------------------|
|                                               | (c) Amount                      | (d) Purpose |                       |
|                                               |                                 |             |                       |

(a) Name and address of the agent, broker, or other person to whom commissions or fees were paid

| (b) Amount of sales and base commissions paid | Fees and other commissions paid |             | (e) Organization code |
|-----------------------------------------------|---------------------------------|-------------|-----------------------|
|                                               | (c) Amount                      | (d) Purpose |                       |
|                                               |                                 |             |                       |

**Part II Investment and Annuity Contract Information**

Where individual contracts are provided, the entire group of such individual contracts with each carrier may be treated as a unit for purposes of this report.

|                                                                                                        |          |         |
|--------------------------------------------------------------------------------------------------------|----------|---------|
| <b>4</b> Current value of plan's interest under this contract in the general account at year end ..... | <b>4</b> | 1163899 |
| <b>5</b> Current value of plan's interest under this contract in separate accounts at year end .....   | <b>5</b> | 5959898 |

**6** Contracts With Allocated Funds:**a** State the basis of premium rates ▶

|                                                                                                                                                                                                                |           |  |
|----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-----------|--|
| <b>b</b> Premiums paid to carrier .....                                                                                                                                                                        | <b>6b</b> |  |
| <b>c</b> Premiums due but unpaid at the end of the year .....                                                                                                                                                  | <b>6c</b> |  |
| <b>d</b> If the carrier, service, or other organization incurred any specific costs in connection with the acquisition or retention of the contract or policy, enter amount. ....<br>Specify nature of costs ▶ | <b>6d</b> |  |

**e** Type of contract: (1) ☐ individual policies (2) ☐ group deferred annuity  
(3) ☐ other (specify) ▶

**f** If contract purchased, in whole or in part, to distribute benefits from a terminating plan check here ▶ ☐**7** Contracts With Unallocated Funds (Do not include portions of these contracts maintained in separate accounts)

**a** Type of contract: (1) ☒ deposit administration (2) ☐ immediate participation guarantee  
(3) ☐ guaranteed investment (4) ☐ other ▶

|                                                                                             |              |         |
|---------------------------------------------------------------------------------------------|--------------|---------|
| <b>b</b> Balance at the end of the previous year .....                                      | <b>7b</b>    | 1141062 |
| <b>c</b> Additions: (1) Contributions deposited during the year .....                       | <b>7c(1)</b> | 48831   |
| (2) Dividends and credits .....                                                             | <b>7c(2)</b> | 0       |
| (3) Interest credited during the year .....                                                 | <b>7c(3)</b> | 38807   |
| (4) Transferred from separate account .....                                                 | <b>7c(4)</b> | 520802  |
| (5) Other (specify below) .....                                                             | <b>7c(5)</b> | 0       |
| ▶                                                                                           |              |         |
| (6) Total additions .....                                                                   | <b>7c(6)</b> | 608440  |
| <b>d</b> Total of balance and additions (add <b>b</b> and <b>c(6)</b> ). ....               | <b>7d</b>    | 1749502 |
| <b>e</b> Deductions:                                                                        |              |         |
| (1) Disbursed from fund to pay benefits or purchase annuities during year .....             | <b>7e(1)</b> | 30492   |
| (2) Administration charge made by carrier .....                                             | <b>7e(2)</b> | 982     |
| (3) Transferred to separate account .....                                                   | <b>7e(3)</b> | 554129  |
| (4) Other (specify below) .....                                                             | <b>7e(4)</b> | 0       |
| ▶                                                                                           |              |         |
| (5) Total deductions .....                                                                  | <b>7e(5)</b> | 585603  |
| <b>f</b> Balance at the end of the current year (subtract <b>e(5)</b> from <b>d</b> ) ..... | <b>7f</b>    | 1163899 |

**Part III Welfare Benefit Contract Information**

If more than one contract covers the same group of employees of the same employer(s) or members of the same employee organization(s), the information may be combined for reporting purposes if such contracts are experience-rated as a unit. Where contracts cover individual employees, the entire group of such individual contracts with each carrier may be treated as a unit for purposes of this report.

**8** Benefit and contract type (check all applicable boxes)

- a** ☐ Health (other than dental or vision)     
**b** ☐ Dental     
**c** ☐ Vision     
**d** ☐ Life insurance  
**e** ☐ Temporary disability (accident and sickness)     
**f** ☐ Long-term disability     
**g** ☐ Supplemental unemployment     
**h** ☐ Prescription drug  
**i** ☐ Stop loss (large deductible)     
**j** ☐ HMO contract     
**k** ☐ PPO contract     
**l** ☐ Indemnity contract  
**m** ☐ Other (specify) ▶

**9** Experience-rated contracts:

|                                                                                                                                                   |                 |                 |   |
|---------------------------------------------------------------------------------------------------------------------------------------------------|-----------------|-----------------|---|
| <b>a</b> Premiums: (1) Amount received.....                                                                                                       | <b>9a(1)</b>    |                 |   |
| (2) Increase (decrease) in amount due but unpaid.....                                                                                             | <b>9a(2)</b>    |                 |   |
| (3) Increase (decrease) in unearned premium reserve.....                                                                                          | <b>9a(3)</b>    |                 |   |
| (4) Earned ((1) + (2) - (3)).....                                                                                                                 |                 | <b>9a(4)</b>    | 0 |
| <b>b</b> Benefit charges (1) Claims paid.....                                                                                                     | <b>9b(1)</b>    |                 |   |
| (2) Increase (decrease) in claim reserves.....                                                                                                    | <b>9b(2)</b>    |                 |   |
| (3) Incurred claims (add (1) and (2)).....                                                                                                        |                 | <b>9b(3)</b>    | 0 |
| (4) Claims charged.....                                                                                                                           |                 | <b>9b(4)</b>    |   |
| <b>c</b> Remainder of premium: (1) Retention charges (on an accrual basis) --                                                                     |                 |                 |   |
| (A) Commissions.....                                                                                                                              | <b>9c(1)(A)</b> |                 | 0 |
| (B) Administrative service or other fees.....                                                                                                     | <b>9c(1)(B)</b> |                 |   |
| (C) Other specific acquisition costs.....                                                                                                         | <b>9c(1)(C)</b> |                 |   |
| (D) Other expenses.....                                                                                                                           | <b>9c(1)(D)</b> |                 |   |
| (E) Taxes.....                                                                                                                                    | <b>9c(1)(E)</b> |                 |   |
| (F) Charges for risks or other contingencies.....                                                                                                 | <b>9c(1)(F)</b> |                 |   |
| (G) Other retention charges.....                                                                                                                  | <b>9c(1)(G)</b> |                 |   |
| (H) Total retention.....                                                                                                                          |                 | <b>9c(1)(H)</b> | 0 |
| (2) Dividends or retroactive rate refunds. (These amounts were <input type="checkbox"/> paid in cash, or <input type="checkbox"/> credited.)..... |                 | <b>9c(2)</b>    |   |
| <b>d</b> Status of policyholder reserves at end of year: (1) Amount held to provide benefits after retirement.....                                |                 | <b>9d(1)</b>    |   |
| (2) Claim reserves.....                                                                                                                           |                 | <b>9d(2)</b>    |   |
| (3) Other reserves.....                                                                                                                           |                 | <b>9d(3)</b>    |   |
| <b>e</b> Dividends or retroactive rate refunds due. (Do not include amount entered in c(2).).....                                                 |                 | <b>9e</b>       |   |

**10** Nonexperience-rated contracts:

|                                                                                                                                                                                                                                 |            |  |
|---------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|------------|--|
| <b>a</b> Total premiums or subscription charges paid to carrier.....                                                                                                                                                            | <b>10a</b> |  |
| <b>b</b> If the carrier, service, or other organization incurred any specific costs in connection with the acquisition or retention of the contract or policy, other than reported in Part I, item 2 above, report amount. .... | <b>10b</b> |  |

Specify nature of costs ▶

**Part IV Provision of Information**

**11** Did the insurance company fail to provide any information necessary to complete Schedule A? ..... ☐ Yes ☒ No

**12** If the answer to line 11 is "Yes," specify the information not provided. ▶

|                                                                                                                                                                                                                                              |                                                                                                                                                                                                                             |                                         |
|----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-----------------------------------------|
| <div>SCHEDULE C</div> <div>(Form 5500)</div> <div>Department of the Treasury<br/>Internal Revenue Service</div> <div>Department of Labor<br/>Employee Benefits Security Administration</div> <div>Pension Benefit Guaranty Corporation</div> | <div>Service Provider Information</div> <div>This schedule is required to be filed under section 104 of the Employee Retirement Income Security Act of 1974 (ERISA).</div> <div>▶ File as an attachment to Form 5500.</div> | OMB No. 1210-0110                       |
|                                                                                                                                                                                                                                              |                                                                                                                                                                                                                             | 2009                                    |
|                                                                                                                                                                                                                                              |                                                                                                                                                                                                                             | This Form is Open to Public Inspection. |

For calendar plan year 2009 or fiscal plan year beginning 01/01/2009 and ending 12/31/2009

|                                                                                                       |                                                                         |
|-------------------------------------------------------------------------------------------------------|-------------------------------------------------------------------------|
| <div>A Name of plan</div> <div>BAY FEDERAL CREDIT UNION 401(K) PLAN AND TRUST</div>                   | <div>B Three-digit plan number (PN)</div> <div>▶ 001</div>              |
| <div>C Plan sponsor's name as shown on line 2a of Form 5500</div> <div>BAY FEDERAL CREDIT UNION</div> | <div>D Employer Identification Number (EIN)</div> <div>94-1448021</div> |

Part I Service Provider Information (see instructions)

You must complete this Part, in accordance with the instructions, to report the information required for **each person** who received, directly or indirectly, \$5,000 or more in total compensation (i.e., money or anything else of monetary value) in connection with services rendered to the plan or the person's position with the plan during the plan year. If a person received **only** eligible indirect compensation for which the plan received the required disclosures, you are required to answer line 1 but are not required to include that person when completing the remainder of this Part.

1 Information on Persons Receiving Only Eligible Indirect Compensation

a Check "Yes" or "No" to indicate whether you are excluding a person from the remainder of this Part because they received only eligible indirect compensation for which the plan received the required disclosures (see instructions for definitions and conditions)..... ☐ Yes ☒ No

b If you answered line 1a "Yes," enter the name and EIN or address of each person providing the required disclosures for the service providers who received only eligible indirect compensation. Complete as many entries as needed (see instructions).

(b) Enter name and EIN or address of person who provided you disclosures on eligible indirect compensation

(b) Enter name and EIN or address of person who provided you disclosure on eligible indirect compensation

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(b) Enter name and EIN or address of person who provided you disclosures on eligible indirect compensation

**2. Information on Other Service Providers Receiving Direct or Indirect Compensation.** Except for those persons for whom you answered "yes" to line 1a above, complete as many entries as needed to list each person receiving, directly or indirectly, \$5,000 or more in total compensation (i.e., money or anything else of value) in connection with services rendered to the plan or their position with the plan during the plan year. (See instructions).

**(a)** Enter name and EIN or address (see instructions)

CUNA MUTUAL INSURANCE SOCIETY

5910 MINERAL POINT ROAD  
MADISON, WI 53701-2978

39-0230590

| <b>(b)</b><br>Service<br>Code(s) | <b>(c)</b><br>Relationship to<br>employer, employee<br>organization, or<br>person known to be<br>a party-in-interest | <b>(d)</b><br>Enter direct<br>compensation paid<br>by the plan. If none,<br>enter -0-. | <b>(e)</b><br>Did service provider<br>receive indirect<br>compensation? (sources<br>other than plan or plan<br>sponsor) | <b>(f)</b><br>Did indirect compensation<br>include eligible indirect<br>compensation, for which the<br>plan received the required<br>disclosures? | <b>(g)</b><br>Enter total indirect<br>compensation received by<br>service provider excluding<br>eligible indirect<br>compensation for which you<br>answered "Yes" to element<br>(f). If none, enter -0-. | <b>(h)</b><br>Did the service<br>provider give you a<br>formula instead of<br>an amount or<br>estimated amount? |
|----------------------------------|----------------------------------------------------------------------------------------------------------------------|----------------------------------------------------------------------------------------|-------------------------------------------------------------------------------------------------------------------------|---------------------------------------------------------------------------------------------------------------------------------------------------|----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-----------------------------------------------------------------------------------------------------------------|
| 15 17 34 37<br>38                | NONE                                                                                                                 | 3225                                                                                   | Yes <input checked="" type="checkbox"/> No <input type="checkbox"/>                                                     | Yes <input checked="" type="checkbox"/> No <input type="checkbox"/>                                                                               | 0                                                                                                                                                                                                        | Yes <input checked="" type="checkbox"/> No <input type="checkbox"/>                                             |

**(a)** Enter name and EIN or address (see instructions)

| <b>(b)</b><br>Service<br>Code(s) | <b>(c)</b><br>Relationship to<br>employer, employee<br>organization, or<br>person known to be<br>a party-in-interest | <b>(d)</b><br>Enter direct<br>compensation paid<br>by the plan. If none,<br>enter -0-. | <b>(e)</b><br>Did service provider<br>receive indirect<br>compensation? (sources<br>other than plan or plan<br>sponsor) | <b>(f)</b><br>Did indirect compensation<br>include eligible indirect<br>compensation, for which the<br>plan received the required<br>disclosures? | <b>(g)</b><br>Enter total indirect<br>compensation received by<br>service provider excluding<br>eligible indirect<br>compensation for which you<br>answered "Yes" to element<br>(f). If none, enter -0-. | <b>(h)</b><br>Did the service<br>provider give you a<br>formula instead of<br>an amount or<br>estimated amount? |
|----------------------------------|----------------------------------------------------------------------------------------------------------------------|----------------------------------------------------------------------------------------|-------------------------------------------------------------------------------------------------------------------------|---------------------------------------------------------------------------------------------------------------------------------------------------|----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-----------------------------------------------------------------------------------------------------------------|
|                                  |                                                                                                                      |                                                                                        | Yes <input type="checkbox"/> No <input type="checkbox"/>                                                                | Yes <input type="checkbox"/> No <input type="checkbox"/>                                                                                          |                                                                                                                                                                                                          | Yes <input type="checkbox"/> No <input type="checkbox"/>                                                        |

**(a)** Enter name and EIN or address (see instructions)

| <b>(b)</b><br>Service<br>Code(s) | <b>(c)</b><br>Relationship to<br>employer, employee<br>organization, or<br>person known to be<br>a party-in-interest | <b>(d)</b><br>Enter direct<br>compensation paid<br>by the plan. If none,<br>enter -0-. | <b>(e)</b><br>Did service provider<br>receive indirect<br>compensation? (sources<br>other than plan or plan<br>sponsor) | <b>(f)</b><br>Did indirect compensation<br>include eligible indirect<br>compensation, for which the<br>plan received the required<br>disclosures? | <b>(g)</b><br>Enter total indirect<br>compensation received by<br>service provider excluding<br>eligible indirect<br>compensation for which you<br>answered "Yes" to element<br>(f). If none, enter -0-. | <b>(h)</b><br>Did the service<br>provider give you a<br>formula instead of<br>an amount or<br>estimated amount? |
|----------------------------------|----------------------------------------------------------------------------------------------------------------------|----------------------------------------------------------------------------------------|-------------------------------------------------------------------------------------------------------------------------|---------------------------------------------------------------------------------------------------------------------------------------------------|----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-----------------------------------------------------------------------------------------------------------------|
|                                  |                                                                                                                      |                                                                                        | Yes <input type="checkbox"/> No <input type="checkbox"/>                                                                | Yes <input type="checkbox"/> No <input type="checkbox"/>                                                                                          |                                                                                                                                                                                                          | Yes <input type="checkbox"/> No <input type="checkbox"/>                                                        |

**(a)** Enter name and EIN or address (see instructions)

| <b>(b)</b><br>Service<br>Code(s) | <b>(c)</b><br>Relationship to<br>employer, employee<br>organization, or<br>person known to be<br>a party-in-interest | <b>(d)</b><br>Enter direct<br>compensation paid<br>by the plan. If none,<br>enter -0-. | <b>(e)</b><br>Did service provider<br>receive indirect<br>compensation? (sources<br>other than plan or plan<br>sponsor) | <b>(f)</b><br>Did indirect compensation<br>include eligible indirect<br>compensation, for which the<br>plan received the required<br>disclosures? | <b>(g)</b><br>Enter total indirect<br>compensation received by<br>service provider excluding<br>eligible indirect<br>compensation for which you<br>answered "Yes" to element<br>(f). If none, enter -0-. | <b>(h)</b><br>Did the service<br>provider give you a<br>formula instead of<br>an amount or<br>estimated amount? |
|----------------------------------|----------------------------------------------------------------------------------------------------------------------|----------------------------------------------------------------------------------------|-------------------------------------------------------------------------------------------------------------------------|---------------------------------------------------------------------------------------------------------------------------------------------------|----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-----------------------------------------------------------------------------------------------------------------|
|                                  |                                                                                                                      |                                                                                        | Yes <input type="checkbox"/> No <input type="checkbox"/>                                                                | Yes <input type="checkbox"/> No <input type="checkbox"/>                                                                                          |                                                                                                                                                                                                          | Yes <input type="checkbox"/> No <input type="checkbox"/>                                                        |

**(a)** Enter name and EIN or address (see instructions)

| <b>(b)</b><br>Service<br>Code(s) | <b>(c)</b><br>Relationship to<br>employer, employee<br>organization, or<br>person known to be<br>a party-in-interest | <b>(d)</b><br>Enter direct<br>compensation paid<br>by the plan. If none,<br>enter -0-. | <b>(e)</b><br>Did service provider<br>receive indirect<br>compensation? (sources<br>other than plan or plan<br>sponsor) | <b>(f)</b><br>Did indirect compensation<br>include eligible indirect<br>compensation, for which the<br>plan received the required<br>disclosures? | <b>(g)</b><br>Enter total indirect<br>compensation received by<br>service provider excluding<br>eligible indirect<br>compensation for which you<br>answered "Yes" to element<br>(f). If none, enter -0-. | <b>(h)</b><br>Did the service<br>provider give you a<br>formula instead of<br>an amount or<br>estimated amount? |
|----------------------------------|----------------------------------------------------------------------------------------------------------------------|----------------------------------------------------------------------------------------|-------------------------------------------------------------------------------------------------------------------------|---------------------------------------------------------------------------------------------------------------------------------------------------|----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-----------------------------------------------------------------------------------------------------------------|
|                                  |                                                                                                                      |                                                                                        | Yes <input type="checkbox"/> No <input type="checkbox"/>                                                                | Yes <input type="checkbox"/> No <input type="checkbox"/>                                                                                          |                                                                                                                                                                                                          | Yes <input type="checkbox"/> No <input type="checkbox"/>                                                        |

**(a)** Enter name and EIN or address (see instructions)

| <b>(b)</b><br>Service<br>Code(s) | <b>(c)</b><br>Relationship to<br>employer, employee<br>organization, or<br>person known to be<br>a party-in-interest | <b>(d)</b><br>Enter direct<br>compensation paid<br>by the plan. If none,<br>enter -0-. | <b>(e)</b><br>Did service provider<br>receive indirect<br>compensation? (sources<br>other than plan or plan<br>sponsor) | <b>(f)</b><br>Did indirect compensation<br>include eligible indirect<br>compensation, for which the<br>plan received the required<br>disclosures? | <b>(g)</b><br>Enter total indirect<br>compensation received by<br>service provider excluding<br>eligible indirect<br>compensation for which you<br>answered "Yes" to element<br>(f). If none, enter -0-. | <b>(h)</b><br>Did the service<br>provider give you a<br>formula instead of<br>an amount or<br>estimated amount? |
|----------------------------------|----------------------------------------------------------------------------------------------------------------------|----------------------------------------------------------------------------------------|-------------------------------------------------------------------------------------------------------------------------|---------------------------------------------------------------------------------------------------------------------------------------------------|----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-----------------------------------------------------------------------------------------------------------------|
|                                  |                                                                                                                      |                                                                                        | Yes <input type="checkbox"/> No <input type="checkbox"/>                                                                | Yes <input type="checkbox"/> No <input type="checkbox"/>                                                                                          |                                                                                                                                                                                                          | Yes <input type="checkbox"/> No <input type="checkbox"/>                                                        |

**Part I Service Provider Information (continued)**

**3** If you reported on line 2 receipt of indirect compensation, other than eligible indirect compensation, by a service provider, and the service provider is a fiduciary or provides contract administrator, consulting, custodial, investment advisory, investment management, broker, or recordkeeping services, answer the following questions for (a) each source from whom the service provider received \$1,000 or more in indirect compensation and (b) each source for whom the service provider gave you a formula used to determine the indirect compensation instead of an amount or estimated amount of the indirect compensation. Complete as many entries as needed to report the required information for each source.

| (a) Enter service provider name as it appears on line 2 | (b) Service Codes<br>(see instructions) | (c) Enter amount of indirect compensation |
|---------------------------------------------------------|-----------------------------------------|-------------------------------------------|
| CUNA MUTUAL INSURANCE SOCIETY                           | 60                                      | 0                                         |

| (d) Enter name and EIN (address) of source of indirect compensation | (e) Describe the indirect compensation, including any formula used to determine the service provider's eligibility for or the amount of the indirect compensation. |
|---------------------------------------------------------------------|--------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| DREYFUS<br><br>13-5673135                                           | SUB-TA FEES 25 BASIS POINTS FOR ALL FUNDS                                                                                                                          |

| (a) Enter service provider name as it appears on line 2 | (b) Service Codes<br>(see instructions) | (c) Enter amount of indirect compensation |
|---------------------------------------------------------|-----------------------------------------|-------------------------------------------|
| CUNA MUTUAL INSURANCE SOCIETY                           | 60                                      | 0                                         |

| (d) Enter name and EIN (address) of source of indirect compensation | (e) Describe the indirect compensation, including any formula used to determine the service provider's eligibility for or the amount of the indirect compensation. |
|---------------------------------------------------------------------|--------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| FRANKLIN TEMPLETON<br><br>94-3382187                                | SUB-TA FEES 10 BASIS POINTS FOR ALL FUNDS                                                                                                                          |

| (a) Enter service provider name as it appears on line 2 | (b) Service Codes<br>(see instructions) | (c) Enter amount of indirect compensation |
|---------------------------------------------------------|-----------------------------------------|-------------------------------------------|
| CUNA MUTUAL INSURANCE SOCIETY                           | 60                                      | 0                                         |

| (d) Enter name and EIN (address) of source of indirect compensation | (e) Describe the indirect compensation, including any formula used to determine the service provider's eligibility for or the amount of the indirect compensation. |
|---------------------------------------------------------------------|--------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| OPPENHEIMER<br><br>13-2527171                                       | SUB-TA FEES 10 BASIS POINTS FOR ALL FUNDS                                                                                                                          |

**Part I Service Provider Information (continued)**

**3** If you reported on line 2 receipt of indirect compensation, other than eligible indirect compensation, by a service provider, and the service provider is a fiduciary or provides contract administrator, consulting, custodial, investment advisory, investment management, broker, or recordkeeping services, answer the following questions for (a) each source from whom the service provider received \$1,000 or more in indirect compensation and (b) each source for whom the service provider gave you a formula used to determine the indirect compensation instead of an amount or estimated amount of the indirect compensation. Complete as many entries as needed to report the required information for each source.

| (a) Enter service provider name as it appears on line 2             | (b) Service Codes<br>(see instructions)                                                                                                                            | (c) Enter amount of indirect compensation |
|---------------------------------------------------------------------|--------------------------------------------------------------------------------------------------------------------------------------------------------------------|-------------------------------------------|
| CUNA MUTUAL INSURANCE SOCIETY                                       | 60                                                                                                                                                                 | 0                                         |
| (d) Enter name and EIN (address) of source of indirect compensation | (e) Describe the indirect compensation, including any formula used to determine the service provider's eligibility for or the amount of the indirect compensation. |                                           |
| PUTNAM<br><br>04-1223767                                            | SUB-TA FEES 15 BASIS POINTS FOR ALL FUNDS                                                                                                                          |                                           |
| (a) Enter service provider name as it appears on line 2             | (b) Service Codes<br>(see instructions)                                                                                                                            | (c) Enter amount of indirect compensation |
|                                                                     |                                                                                                                                                                    |                                           |
| (d) Enter name and EIN (address) of source of indirect compensation | (e) Describe the indirect compensation, including any formula used to determine the service provider's eligibility for or the amount of the indirect compensation. |                                           |
|                                                                     |                                                                                                                                                                    |                                           |
| (a) Enter service provider name as it appears on line 2             | (b) Service Codes<br>(see instructions)                                                                                                                            | (c) Enter amount of indirect compensation |
|                                                                     |                                                                                                                                                                    |                                           |
| (d) Enter name and EIN (address) of source of indirect compensation | (e) Describe the indirect compensation, including any formula used to determine the service provider's eligibility for or the amount of the indirect compensation. |                                           |
|                                                                     |                                                                                                                                                                    |                                           |

**Part II Service Providers Who Fail or Refuse to Provide Information**

**4** Provide, to the extent possible, the following information for each service provider who failed or refused to provide the information necessary to complete this Schedule.

| (a) Enter name and EIN or address of service provider (see instructions) | (b) Nature of Service Code(s) | (c) Describe the information that the service provider failed or refused to provide |
|--------------------------------------------------------------------------|-------------------------------|-------------------------------------------------------------------------------------|
|                                                                          |                               |                                                                                     |
| (a) Enter name and EIN or address of service provider (see instructions) | (b) Nature of Service Code(s) | (c) Describe the information that the service provider failed or refused to provide |
|                                                                          |                               |                                                                                     |
| (a) Enter name and EIN or address of service provider (see instructions) | (b) Nature of Service Code(s) | (c) Describe the information that the service provider failed or refused to provide |
|                                                                          |                               |                                                                                     |
| (a) Enter name and EIN or address of service provider (see instructions) | (b) Nature of Service Code(s) | (c) Describe the information that the service provider failed or refused to provide |
|                                                                          |                               |                                                                                     |
| (a) Enter name and EIN or address of service provider (see instructions) | (b) Nature of Service Code(s) | (c) Describe the information that the service provider failed or refused to provide |
|                                                                          |                               |                                                                                     |
| (a) Enter name and EIN or address of service provider (see instructions) | (b) Nature of Service Code(s) | (c) Describe the information that the service provider failed or refused to provide |
|                                                                          |                               |                                                                                     |

**Part III Termination Information on Accountants and Enrolled Actuaries (see instructions)**  
(complete as many entries as needed)

|                    |                     |
|--------------------|---------------------|
| <b>a</b> Name:     | <b>b</b> EIN:       |
| <b>c</b> Position: |                     |
| <b>d</b> Address:  | <b>e</b> Telephone: |
|                    |                     |

Explanation:

|                    |                     |
|--------------------|---------------------|
| <b>a</b> Name:     | <b>b</b> EIN:       |
| <b>c</b> Position: |                     |
| <b>d</b> Address:  | <b>e</b> Telephone: |
|                    |                     |

Explanation:

|                    |                     |
|--------------------|---------------------|
| <b>a</b> Name:     | <b>b</b> EIN:       |
| <b>c</b> Position: |                     |
| <b>d</b> Address:  | <b>e</b> Telephone: |
|                    |                     |

Explanation:

|                    |                     |
|--------------------|---------------------|
| <b>a</b> Name:     | <b>b</b> EIN:       |
| <b>c</b> Position: |                     |
| <b>d</b> Address:  | <b>e</b> Telephone: |
|                    |                     |

Explanation:

|                    |                     |
|--------------------|---------------------|
| <b>a</b> Name:     | <b>b</b> EIN:       |
| <b>c</b> Position: |                     |
| <b>d</b> Address:  | <b>e</b> Telephone: |
|                    |                     |

Explanation:



**a** Name of MTIA, CCT, PSA, or 103-12 IE:**b** Name of sponsor of entity listed in (a):**c** EIN-PN**d** Entity  
code**e** Dollar value of interest in MTIA, CCT, PSA, or  
103-12 IE at end of year (see instructions)**a** Name of MTIA, CCT, PSA, or 103-12 IE:**b** Name of sponsor of entity listed in (a):**c** EIN-PN**d** Entity  
code**e** Dollar value of interest in MTIA, CCT, PSA, or  
103-12 IE at end of year (see instructions)**a** Name of MTIA, CCT, PSA, or 103-12 IE:**b** Name of sponsor of entity listed in (a):**c** EIN-PN**d** Entity  
code**e** Dollar value of interest in MTIA, CCT, PSA, or  
103-12 IE at end of year (see instructions)**a** Name of MTIA, CCT, PSA, or 103-12 IE:**b** Name of sponsor of entity listed in (a):**c** EIN-PN**d** Entity  
code**e** Dollar value of interest in MTIA, CCT, PSA, or  
103-12 IE at end of year (see instructions)**a** Name of MTIA, CCT, PSA, or 103-12 IE:**b** Name of sponsor of entity listed in (a):**c** EIN-PN**d** Entity  
code**e** Dollar value of interest in MTIA, CCT, PSA, or  
103-12 IE at end of year (see instructions)**a** Name of MTIA, CCT, PSA, or 103-12 IE:**b** Name of sponsor of entity listed in (a):**c** EIN-PN**d** Entity  
code**e** Dollar value of interest in MTIA, CCT, PSA, or  
103-12 IE at end of year (see instructions)**a** Name of MTIA, CCT, PSA, or 103-12 IE:**b** Name of sponsor of entity listed in (a):**c** EIN-PN**d** Entity  
code**e** Dollar value of interest in MTIA, CCT, PSA, or  
103-12 IE at end of year (see instructions)**a** Name of MTIA, CCT, PSA, or 103-12 IE:**b** Name of sponsor of entity listed in (a):**c** EIN-PN**d** Entity  
code**e** Dollar value of interest in MTIA, CCT, PSA, or  
103-12 IE at end of year (see instructions)**a** Name of MTIA, CCT, PSA, or 103-12 IE:**b** Name of sponsor of entity listed in (a):**c** EIN-PN**d** Entity  
code**e** Dollar value of interest in MTIA, CCT, PSA, or  
103-12 IE at end of year (see instructions)**a** Name of MTIA, CCT, PSA, or 103-12 IE:**b** Name of sponsor of entity listed in (a):**c** EIN-PN**d** Entity  
code**e** Dollar value of interest in MTIA, CCT, PSA, or  
103-12 IE at end of year (see instructions)

**Part II Information on Participating Plans (to be completed by DFEs)**

(Complete as many entries as needed to report all participating plans)

**a** Plan name**b** Name of  
plan sponsor**c** EIN-PN**a** Plan name**b** Name of  
plan sponsor**c** EIN-PN**a** Plan name**b** Name of  
plan sponsor**c** EIN-PN**a** Plan name**b** Name of  
plan sponsor**c** EIN-PN**a** Plan name**b** Name of  
plan sponsor**c** EIN-PN**a** Plan name**b** Name of  
plan sponsor**c** EIN-PN**a** Plan name**b** Name of  
plan sponsor**c** EIN-PN**a** Plan name**b** Name of  
plan sponsor**c** EIN-PN**a** Plan name**b** Name of  
plan sponsor**c** EIN-PN**a** Plan name**b** Name of  
plan sponsor**c** EIN-PN**a** Plan name**b** Name of  
plan sponsor**c** EIN-PN**a** Plan name**b** Name of  
plan sponsor**c** EIN-PN

|                                                                                                                                                                                                               |                                                                                                                                                                                                                                                                      |                                               |
|---------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-----------------------------------------------|
| <b>SCHEDULE H</b><br><b>(Form 5500)</b><br>Department of the Treasury<br>Internal Revenue Service<br>Department of Labor<br>Employee Benefits Security Administration<br>Pension Benefit Guaranty Corporation | <b>Financial Information</b><br>This schedule is required to be filed under section 104 of the Employee Retirement Income Security Act of 1974 (ERISA), and section 6058(a) of the Internal Revenue Code (the Code).<br><b>► File as an attachment to Form 5500.</b> | OMB No. 1210-0110                             |
|                                                                                                                                                                                                               |                                                                                                                                                                                                                                                                      | <b>2009</b>                                   |
|                                                                                                                                                                                                               |                                                                                                                                                                                                                                                                      | <b>This Form is Open to Public Inspection</b> |

For calendar plan year 2009 or fiscal plan year beginning 01/01/2009 and ending 12/31/2009

|                                                                                                  |                                                                    |
|--------------------------------------------------------------------------------------------------|--------------------------------------------------------------------|
| <b>A</b> Name of plan<br><u>BAY FEDERAL CREDIT UNION 401(K) PLAN AND TRUST</u>                   | <b>B</b> Three-digit plan number (PN) <u>001</u>                   |
| <b>C</b> Plan sponsor's name as shown on line 2a of Form 5500<br><u>BAY FEDERAL CREDIT UNION</u> | <b>D</b> Employer Identification Number (EIN)<br><u>94-1448021</u> |

|               |                                      |
|---------------|--------------------------------------|
| <b>Part I</b> | <b>Asset and Liability Statement</b> |
|---------------|--------------------------------------|

**1** Current value of plan assets and liabilities at the beginning and end of the plan year. Combine the value of plan assets held in more than one trust. Report the value of the plan's interest in a commingled fund containing the assets of more than one plan on a line-by-line basis unless the value is reportable on lines 1c(9) through 1c(14). Do not enter the value of that portion of an insurance contract which guarantees, during this plan year, to pay a specific dollar benefit at a future date. **Round off amounts to the nearest dollar.** MTIAs, CCTs, PSAs, and 103-12 IEs do not complete lines 1b(1), 1b(2), 1c(8), 1g, 1h, and 1i. CCTs, PSAs, and 103-12 IEs also do not complete lines 1d and 1e. See instructions.

| Assets                                                                                             |                 | (a) Beginning of Year | (b) End of Year |
|----------------------------------------------------------------------------------------------------|-----------------|-----------------------|-----------------|
| <b>a</b> Total noninterest-bearing cash .....                                                      | <b>1a</b>       |                       |                 |
| <b>b</b> Receivables (less allowance for doubtful accounts):                                       |                 |                       |                 |
| <b>(1)</b> Employer contributions .....                                                            | <b>1b(1)</b>    |                       | <u>14293</u>    |
| <b>(2)</b> Participant contributions .....                                                         | <b>1b(2)</b>    |                       | <u>14016</u>    |
| <b>(3)</b> Other .....                                                                             | <b>1b(3)</b>    |                       |                 |
| <b>c</b> General investments:                                                                      |                 |                       |                 |
| <b>(1)</b> Interest-bearing cash (include money market accounts & certificates of deposit) .....   | <b>1c(1)</b>    |                       |                 |
| <b>(2)</b> U.S. Government securities .....                                                        | <b>1c(2)</b>    |                       |                 |
| <b>(3)</b> Corporate debt instruments (other than employer securities):                            |                 |                       |                 |
| <b>(A)</b> Preferred .....                                                                         | <b>1c(3)(A)</b> |                       |                 |
| <b>(B)</b> All other .....                                                                         | <b>1c(3)(B)</b> |                       |                 |
| <b>(4)</b> Corporate stocks (other than employer securities):                                      |                 |                       |                 |
| <b>(A)</b> Preferred .....                                                                         | <b>1c(4)(A)</b> |                       |                 |
| <b>(B)</b> Common .....                                                                            | <b>1c(4)(B)</b> |                       |                 |
| <b>(5)</b> Partnership/joint venture interests .....                                               | <b>1c(5)</b>    |                       |                 |
| <b>(6)</b> Real estate (other than employer real property) .....                                   | <b>1c(6)</b>    |                       |                 |
| <b>(7)</b> Loans (other than to participants) .....                                                | <b>1c(7)</b>    |                       |                 |
| <b>(8)</b> Participant loans .....                                                                 | <b>1c(8)</b>    | <u>301626</u>         | <u>312433</u>   |
| <b>(9)</b> Value of interest in common/collective trusts .....                                     | <b>1c(9)</b>    |                       |                 |
| <b>(10)</b> Value of interest in pooled separate accounts .....                                    | <b>1c(10)</b>   |                       |                 |
| <b>(11)</b> Value of interest in master trust investment accounts .....                            | <b>1c(11)</b>   |                       |                 |
| <b>(12)</b> Value of interest in 103-12 investment entities .....                                  | <b>1c(12)</b>   |                       |                 |
| <b>(13)</b> Value of interest in registered investment companies (e.g., mutual funds) .....        | <b>1c(13)</b>   | <u>4216224</u>        | <u>5959898</u>  |
| <b>(14)</b> Value of funds held in insurance company general account (unallocated contracts) ..... | <b>1c(14)</b>   | <u>1141062</u>        | <u>1163899</u>  |
| <b>(15)</b> Other .....                                                                            | <b>1c(15)</b>   |                       |                 |

**1d** Employer-related investments:

|                                                                      |              | (a) Beginning of Year | (b) End of Year |
|----------------------------------------------------------------------|--------------|-----------------------|-----------------|
| (1) Employer securities .....                                        | <b>1d(1)</b> |                       |                 |
| (2) Employer real property .....                                     | <b>1d(2)</b> |                       |                 |
| <b>e</b> Buildings and other property used in plan operation .....   | <b>1e</b>    |                       |                 |
| <b>f</b> Total assets (add all amounts in lines 1a through 1e) ..... | <b>1f</b>    | 5658912               | 7464539         |

**Liabilities**

|                                                                           |           |   |   |
|---------------------------------------------------------------------------|-----------|---|---|
| <b>g</b> Benefit claims payable .....                                     | <b>1g</b> |   |   |
| <b>h</b> Operating payables .....                                         | <b>1h</b> |   |   |
| <b>i</b> Acquisition indebtedness .....                                   | <b>1i</b> |   |   |
| <b>j</b> Other liabilities .....                                          | <b>1j</b> |   |   |
| <b>k</b> Total liabilities (add all amounts in lines 1g through 1j) ..... | <b>1k</b> | 0 | 0 |

**Net Assets**

|                                                           |           |         |         |
|-----------------------------------------------------------|-----------|---------|---------|
| <b>l</b> Net assets (subtract line 1k from line 1f) ..... | <b>1l</b> | 5658912 | 7464539 |
|-----------------------------------------------------------|-----------|---------|---------|

**Part II Income and Expense Statement**

**2** Plan income, expenses, and changes in net assets for the year. Include all income and expenses of the plan, including any trust(s) or separately maintained fund(s) and any payments/receipts to/from insurance carriers. Round off amounts to the nearest dollar. MTIAs, CCTs, PSAs, and 103-12 IEs do not complete lines 2a, 2b(1)(E), 2e, 2f, and 2g.

**Income**

|                                                                                                            |                 | (a) Amount | (b) Total |
|------------------------------------------------------------------------------------------------------------|-----------------|------------|-----------|
| <b>a Contributions:</b>                                                                                    |                 |            |           |
| (1) Received or receivable in cash from: <b>(A)</b> Employers .....                                        | <b>2a(1)(A)</b> | 217282     |           |
| <b>(B)</b> Participants .....                                                                              | <b>2a(1)(B)</b> | 531524     |           |
| <b>(C)</b> Others (including rollovers) .....                                                              | <b>2a(1)(C)</b> | 184375     |           |
| (2) Noncash contributions .....                                                                            | <b>2a(2)</b>    |            |           |
| (3) Total contributions. Add lines <b>2a(1)(A)</b> , <b>(B)</b> , <b>(C)</b> , and line <b>2a(2)</b> ..... | <b>2a(3)</b>    |            | 933181    |
| <b>b Earnings on investments:</b>                                                                          |                 |            |           |
| (1) Interest:                                                                                              |                 |            |           |
| <b>(A)</b> Interest-bearing cash (including money market accounts and certificates of deposit) .....       | <b>2b(1)(A)</b> |            |           |
| <b>(B)</b> U.S. Government securities .....                                                                | <b>2b(1)(B)</b> |            |           |
| <b>(C)</b> Corporate debt instruments .....                                                                | <b>2b(1)(C)</b> |            |           |
| <b>(D)</b> Loans (other than to participants) .....                                                        | <b>2b(1)(D)</b> |            |           |
| <b>(E)</b> Participant loans .....                                                                         | <b>2b(1)(E)</b> | 10062      |           |
| <b>(F)</b> Other .....                                                                                     | <b>2b(1)(F)</b> | 38807      |           |
| <b>(G)</b> Total interest. Add lines <b>2b(1)(A)</b> through <b>(F)</b> .....                              | <b>2b(1)(G)</b> |            | 48869     |
| (2) Dividends: <b>(A)</b> Preferred stock .....                                                            | <b>2b(2)(A)</b> |            |           |
| <b>(B)</b> Common stock .....                                                                              | <b>2b(2)(B)</b> |            |           |
| <b>(C)</b> Registered investment company shares (e.g. mutual funds) .....                                  | <b>2b(2)(C)</b> |            |           |
| <b>(D)</b> Total dividends. Add lines <b>2b(2)(A)</b> , <b>(B)</b> , and <b>(C)</b> .....                  | <b>2b(2)(D)</b> |            | 0         |
| (3) Rents .....                                                                                            | <b>2b(3)</b>    |            |           |
| (4) Net gain (loss) on sale of assets: <b>(A)</b> Aggregate proceeds .....                                 | <b>2b(4)(A)</b> |            |           |
| <b>(B)</b> Aggregate carrying amount (see instructions) .....                                              | <b>2b(4)(B)</b> |            |           |
| <b>(C)</b> Subtract line <b>2b(4)(B)</b> from line <b>2b(4)(A)</b> and enter result .....                  | <b>2b(4)(C)</b> |            | 0         |

|                                                                                                   |                 | (a) Amount | (b) Total |
|---------------------------------------------------------------------------------------------------|-----------------|------------|-----------|
| <b>2b</b> (5) Unrealized appreciation (depreciation) of assets: (A) Real estate.....              | <b>2b(5)(A)</b> |            |           |
| (B) Other .....                                                                                   | <b>2b(5)(B)</b> |            |           |
| (C) Total unrealized appreciation of assets.<br>Add lines <b>2b(5)(A)</b> and <b>(B)</b> .....    | <b>2b(5)(C)</b> |            | 0         |
| (6) Net investment gain (loss) from common/collective trusts .....                                | <b>2b(6)</b>    |            |           |
| (7) Net investment gain (loss) from pooled separate accounts .....                                | <b>2b(7)</b>    |            |           |
| (8) Net investment gain (loss) from master trust investment accounts .....                        | <b>2b(8)</b>    |            |           |
| (9) Net investment gain (loss) from 103-12 investment entities .....                              | <b>2b(9)</b>    |            |           |
| (10) Net investment gain (loss) from registered investment<br>companies (e.g., mutual funds)..... | <b>2b(10)</b>   |            | 1289534   |
| <b>c</b> Other income.....                                                                        | <b>2c</b>       |            |           |
| <b>d</b> Total income. Add all <b>income</b> amounts in column (b) and enter total.....           | <b>2d</b>       |            | 2271584   |

**Expenses**

|                                                                                            |              |        |        |
|--------------------------------------------------------------------------------------------|--------------|--------|--------|
| <b>e</b> Benefit payment and payments to provide benefits:                                 |              |        |        |
| (1) Directly to participants or beneficiaries, including direct rollovers .....            | <b>2e(1)</b> | 462732 |        |
| (2) To insurance carriers for the provision of benefits .....                              | <b>2e(2)</b> |        |        |
| (3) Other .....                                                                            | <b>2e(3)</b> |        |        |
| (4) Total benefit payments. Add lines <b>2e(1)</b> through <b>(3)</b> .....                | <b>2e(4)</b> |        | 462732 |
| <b>f</b> Corrective distributions (see instructions) .....                                 | <b>2f</b>    |        |        |
| <b>g</b> Certain deemed distributions of participant loans (see instructions).....         | <b>2g</b>    |        |        |
| <b>h</b> Interest expense.....                                                             | <b>2h</b>    |        |        |
| <b>i</b> Administrative expenses: (1) Professional fees .....                              | <b>2i(1)</b> |        |        |
| (2) Contract administrator fees .....                                                      | <b>2i(2)</b> | 3225   |        |
| (3) Investment advisory and management fees .....                                          | <b>2i(3)</b> |        |        |
| (4) Other .....                                                                            | <b>2i(4)</b> |        |        |
| (5) Total administrative expenses. Add lines <b>2i(1)</b> through <b>(4)</b> .....         | <b>2i(5)</b> |        | 3225   |
| <b>j</b> Total expenses. Add all <b>expense</b> amounts in column (b) and enter total..... | <b>2j</b>    |        | 465957 |

**Net Income and Reconciliation**

|                                                                               |              |  |         |
|-------------------------------------------------------------------------------|--------------|--|---------|
| <b>k</b> Net income (loss). Subtract line <b>2j</b> from line <b>2d</b> ..... | <b>2k</b>    |  | 1805627 |
| <b>l</b> Transfers of assets:                                                 |              |  |         |
| (1) To this plan.....                                                         | <b>2l(1)</b> |  |         |
| (2) From this plan .....                                                      | <b>2l(2)</b> |  |         |

**Part III Accountant's Opinion**

**3** Complete lines 3a through 3c if the opinion of an independent qualified public accountant is attached to this Form 5500. Complete line 3d if an opinion is not attached.

**a** The attached opinion of an independent qualified public accountant for this plan is (see instructions):

(1) ☐ Unqualified (2) ☐ Qualified (3) ☒ Disclaimer (4) ☐ Adverse

**b** Did the accountant perform a limited scope audit pursuant to 29 CFR 2520.103-8 and/or 103-12(d)? ☒ Yes ☐ No

**c** Enter the name and EIN of the accountant (or accounting firm) below:

(1) Name: HUTCHINSON & BLOODGOOD LLP

(2) EIN: 94-0858589

**d** The opinion of an independent qualified public accountant is **not attached** because:

(1) ☐ This form is filed for a CCT, PSA, or MTIA. (2) ☐ It will be attached to the next Form 5500 pursuant to 29 CFR 2520.104-50.

**Part IV Compliance Questions**

- 4** CCTs and PSAs do not complete Part IV. MTIAs, 103-12 IEs, and GIAs do not complete 4a, 4e, 4f, 4g, 4h, 4k, 4m, 4n, or 5. 103-12 IEs also do not complete 4j and 4l. MTIAs also do not complete 4l.

During the plan year:

|                                                                                                                                                                                                                                                                                                                 | Yes | No | Amount  |
|-----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-----|----|---------|
| <b>a</b> Was there a failure to transmit to the plan any participant contributions within the time period described in 29 CFR 2510.3-102? Continue to answer "Yes" for any prior year failures until fully corrected. (See instructions and DOL's Voluntary Fiduciary Correction Program.).....                 |     | X  |         |
| <b>b</b> Were any loans by the plan or fixed income obligations due the plan in default as of the close of the plan year or classified during the year as uncollectible? Disregard participant loans secured by participant's account balance. (Attach Schedule G (Form 5500) Part I if "Yes" is checked.)..... |     | X  |         |
| <b>c</b> Were any leases to which the plan was a party in default or classified during the year as uncollectible? (Attach Schedule G (Form 5500) Part II if "Yes" is checked.) .....                                                                                                                            |     | X  |         |
| <b>d</b> Were there any nonexempt transactions with any party-in-interest? (Do not include transactions reported on line 4a. Attach Schedule G (Form 5500) Part III if "Yes" is checked.).....                                                                                                                  |     | X  |         |
| <b>e</b> Was this plan covered by a fidelity bond?.....                                                                                                                                                                                                                                                         | X   |    | 6000000 |
| <b>f</b> Did the plan have a loss, whether or not reimbursed by the plan's fidelity bond, that was caused by fraud or dishonesty? .....                                                                                                                                                                         |     | X  |         |
| <b>g</b> Did the plan hold any assets whose current value was neither readily determinable on an established market nor set by an independent third party appraiser? .....                                                                                                                                      |     | X  |         |
| <b>h</b> Did the plan receive any noncash contributions whose value was neither readily determinable on an established market nor set by an independent third party appraiser? .....                                                                                                                            |     | X  |         |
| <b>i</b> Did the plan have assets held for investment? (Attach schedule(s) of assets if "Yes" is checked, and see instructions for format requirements.).....                                                                                                                                                   | X   |    |         |
| <b>j</b> Were any plan transactions or series of transactions in excess of 5% of the current value of plan assets? (Attach schedule of transactions if "Yes" is checked, and see instructions for format requirements.).....                                                                                    |     | X  |         |
| <b>k</b> Were all the plan assets either distributed to participants or beneficiaries, transferred to another plan, or brought under the control of the PBGC?.....                                                                                                                                              |     | X  |         |
| <b>l</b> Has the plan failed to provide any benefit when due under the plan? .....                                                                                                                                                                                                                              |     | X  |         |
| <b>m</b> If this is an individual account plan, was there a blackout period? (See instructions and 29 CFR 2520.101-3.).....                                                                                                                                                                                     |     | X  |         |
| <b>n</b> If 4m was answered "Yes," check the "Yes" box if you either provided the required notice or one of the exceptions to providing the notice applied under 29 CFR 2520.101-3. ....                                                                                                                        |     | X  |         |

- 5a** Has a resolution to terminate the plan been adopted during the plan year or any prior plan year?  
If yes, enter the amount of any plan assets that reverted to the employer this year ..... ☐ Yes ☒ No Amount:

- 5b** If, during this plan year, any assets or liabilities were transferred from this plan to another plan(s), identify the plan(s) to which assets or liabilities were transferred. (See instructions.)

**5b(1)** Name of plan(s)

**5b(2)** EIN(s)

**5b(3)** PN(s)

| 5b(1) Name of plan(s) | 5b(2) EIN(s) | 5b(3) PN(s) |
|-----------------------|--------------|-------------|
|                       |              |             |
|                       |              |             |
|                       |              |             |
|                       |              |             |

|                                                                                                                                                                                                                           |                                                                                                                                                                                                                                                                                            |                                                                                            |
|---------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|--------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|--------------------------------------------------------------------------------------------|
| <b>SCHEDULE R</b><br><b>(Form 5500)</b><br><br>Department of the Treasury<br>Internal Revenue Service<br><br>Department of Labor<br>Employee Benefits Security Administration<br><br>Pension Benefit Guaranty Corporation | <b>Retirement Plan Information</b><br><br>This schedule is required to be filed under section 104 and 4065 of the Employee Retirement Income Security Act of 1974 (ERISA) and section 6058(a) of the Internal Revenue Code (the Code).<br><br>▶ <b>File as an attachment to Form 5500.</b> | OMB No. 1210-0110<br><br><b>2009</b><br><br><b>This Form is Open to Public Inspection.</b> |
|---------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|--------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|--------------------------------------------------------------------------------------------|

For calendar plan year 2009 or fiscal plan year beginning 01/01/2009 and ending 12/31/2009

|                                                                                                  |                                                                    |
|--------------------------------------------------------------------------------------------------|--------------------------------------------------------------------|
| <b>A</b> Name of plan<br><u>BAY FEDERAL CREDIT UNION 401(K) PLAN AND TRUST</u>                   | <b>B</b> Three-digit plan number (PN) ▶<br><u>001</u>              |
| <b>C</b> Plan sponsor's name as shown on line 2a of Form 5500<br><u>BAY FEDERAL CREDIT UNION</u> | <b>D</b> Employer Identification Number (EIN)<br><u>94-1448021</u> |

|               |                      |
|---------------|----------------------|
| <b>Part I</b> | <b>Distributions</b> |
|---------------|----------------------|

All references to distributions relate only to payments of benefits during the plan year.

|                                                                                                                                                                                                                                                                    |          |          |
|--------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|----------|----------|
| <b>1</b> Total value of distributions paid in property other than in cash or the forms of property specified in the instructions.....                                                                                                                              | <b>1</b> | <u>0</u> |
| <b>2</b> Enter the EIN(s) of payor(s) who paid benefits on behalf of the plan to participants or beneficiaries during the year (if more than two, enter EINs of the two payors who paid the greatest dollar amounts of benefits):<br><br>EIN(s): <u>39-0230590</u> |          |          |
| Profit-sharing plans, ESOPs, and stock bonus plans, skip line 3.                                                                                                                                                                                                   |          |          |
| <b>3</b> Number of participants (living or deceased) whose benefits were distributed in a single sum, during the plan year.....                                                                                                                                    | <b>3</b> |          |

|                |                                                                                                                                                                              |
|----------------|------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| <b>Part II</b> | <b>Funding Information</b> (If the plan is not subject to the minimum funding requirements of section 412 of the Internal Revenue Code or ERISA section 302, skip this Part) |
|----------------|------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|

|                                                                                                                                                                                                                                                         |                                                                                                                         |                             |                              |
|---------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-------------------------------------------------------------------------------------------------------------------------|-----------------------------|------------------------------|
| <b>4</b> Is the plan administrator making an election under Code section 412(d)(2) or ERISA section 302(d)(2)?.....                                                                                                                                     | <input type="checkbox"/> Yes                                                                                            | <input type="checkbox"/> No | <input type="checkbox"/> N/A |
| If the plan is a defined benefit plan, go to line 8.                                                                                                                                                                                                    |                                                                                                                         |                             |                              |
| <b>5</b> If a waiver of the minimum funding standard for a prior year is being amortized in this plan year, see instructions and enter the date of the ruling letter granting the waiver. Date: Month _____ Day _____ Year _____                        | If you completed line 5, complete lines 3, 9, and 10 of Schedule MB and do not complete the remainder of this schedule. |                             |                              |
| <b>6 a</b> Enter the minimum required contribution for this plan year .....                                                                                                                                                                             | <b>6a</b>                                                                                                               |                             |                              |
| <b>b</b> Enter the amount contributed by the employer to the plan for this plan year .....                                                                                                                                                              | <b>6b</b>                                                                                                               |                             |                              |
| <b>c</b> Subtract the amount in line 6b from the amount in line 6a. Enter the result (enter a minus sign to the left of a negative amount).....                                                                                                         | <b>6c</b>                                                                                                               |                             |                              |
| If you completed line 6c, skip lines 8 and 9.                                                                                                                                                                                                           |                                                                                                                         |                             |                              |
| <b>7</b> Will the minimum funding amount reported on line 6c be met by the funding deadline? .....                                                                                                                                                      | <input type="checkbox"/> Yes                                                                                            | <input type="checkbox"/> No | <input type="checkbox"/> N/A |
| <b>8</b> If a change in actuarial cost method was made for this plan year pursuant to a revenue procedure providing automatic approval for the change or a class ruling letter, does the plan sponsor or plan administrator agree with the change?..... | <input type="checkbox"/> Yes                                                                                            | <input type="checkbox"/> No | <input type="checkbox"/> N/A |

|                 |                   |
|-----------------|-------------------|
| <b>Part III</b> | <b>Amendments</b> |
|-----------------|-------------------|

|                                                                                                                                                                                                                                |                                   |                                   |                               |                             |
|--------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-----------------------------------|-----------------------------------|-------------------------------|-----------------------------|
| <b>9</b> If this is a defined benefit pension plan, were any amendments adopted during this plan year that increased or decreased the value of benefits? If yes, check the appropriate box(es). If no, check the "No" box..... | <input type="checkbox"/> Increase | <input type="checkbox"/> Decrease | <input type="checkbox"/> Both | <input type="checkbox"/> No |
|--------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-----------------------------------|-----------------------------------|-------------------------------|-----------------------------|

|                |                                                                                                                                                   |
|----------------|---------------------------------------------------------------------------------------------------------------------------------------------------|
| <b>Part IV</b> | <b>ESOPs</b> (see instructions). If this is not a plan described under Section 409(a) or 4975(e)(7) of the Internal Revenue Code, skip this Part. |
|----------------|---------------------------------------------------------------------------------------------------------------------------------------------------|

|                                                                                                                                                                                              |                              |                             |
|----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|------------------------------|-----------------------------|
| <b>10</b> Were unallocated employer securities or proceeds from the sale of unallocated securities used to repay any exempt loan?.....                                                       | <input type="checkbox"/> Yes | <input type="checkbox"/> No |
| <b>11 a</b> Does the ESOP hold any preferred stock? .....                                                                                                                                    | <input type="checkbox"/> Yes | <input type="checkbox"/> No |
| <b>b</b> If the ESOP has an outstanding exempt loan with the employer as lender, is such loan part of a "back-to-back" loan? (See instructions for definition of "back-to-back" loan.) ..... | <input type="checkbox"/> Yes | <input type="checkbox"/> No |
| <b>12</b> Does the ESOP hold any stock that is not readily tradable on an established securities market? .....                                                                               | <input type="checkbox"/> Yes | <input type="checkbox"/> No |

For Paperwork Reduction Act Notice and OMB Control Numbers, see the instructions for Form 5500.

Schedule R (Form 5500) 2009  
v.092308.1

**Part V Additional Information for Multiemployer Defined Benefit Pension Plans**

**13** Enter the following information for each employer that contributed more than 5% of total contributions to the plan during the plan year (measured in dollars). See instructions. *Complete as many entries as needed to report all applicable employers.*

**a** Name of contributing employer

**b** EIN

**c** Dollar amount contributed by employer

**d** Date collective bargaining agreement expires (If employer contributes under more than one collective bargaining agreement, check box ☐ and see instructions regarding required attachment. Otherwise, enter the applicable date.) Month \_\_\_\_\_ Day \_\_\_\_\_ Year \_\_\_\_\_

**e** Contribution rate information (If more than one rate applies, check this box ☐ and see instructions regarding required attachment. Otherwise, complete items 13e(1) and 13e(2).)

(1) Contribution rate (in dollars and cents) \_\_\_\_\_

(2) Base unit measure: ☐ Hourly ☐ Weekly ☐ Unit of production ☐ Other (specify): \_\_\_\_\_

**a** Name of contributing employer

**b** EIN

**c** Dollar amount contributed by employer

**d** Date collective bargaining agreement expires (If employer contributes under more than one collective bargaining agreement, check box ☐ and see instructions regarding required attachment. Otherwise, enter the applicable date.) Month \_\_\_\_\_ Day \_\_\_\_\_ Year \_\_\_\_\_

**e** Contribution rate information (If more than one rate applies, check this box ☐ and see instructions regarding required attachment. Otherwise, complete items 13e(1) and 13e(2).)

(1) Contribution rate (in dollars and cents) \_\_\_\_\_

(2) Base unit measure: ☐ Hourly ☐ Weekly ☐ Unit of production ☐ Other (specify): \_\_\_\_\_

**a** Name of contributing employer

**b** EIN

**c** Dollar amount contributed by employer

**d** Date collective bargaining agreement expires (If employer contributes under more than one collective bargaining agreement, check box ☐ and see instructions regarding required attachment. Otherwise, enter the applicable date.) Month \_\_\_\_\_ Day \_\_\_\_\_ Year \_\_\_\_\_

**e** Contribution rate information (If more than one rate applies, check this box ☐ and see instructions regarding required attachment. Otherwise, complete items 13e(1) and 13e(2).)

(1) Contribution rate (in dollars and cents) \_\_\_\_\_

(2) Base unit measure: ☐ Hourly ☐ Weekly ☐ Unit of production ☐ Other (specify): \_\_\_\_\_

**a** Name of contributing employer

**b** EIN

**c** Dollar amount contributed by employer

**d** Date collective bargaining agreement expires (If employer contributes under more than one collective bargaining agreement, check box ☐ and see instructions regarding required attachment. Otherwise, enter the applicable date.) Month \_\_\_\_\_ Day \_\_\_\_\_ Year \_\_\_\_\_

**e** Contribution rate information (If more than one rate applies, check this box ☐ and see instructions regarding required attachment. Otherwise, complete items 13e(1) and 13e(2).)

(1) Contribution rate (in dollars and cents) \_\_\_\_\_

(2) Base unit measure: ☐ Hourly ☐ Weekly ☐ Unit of production ☐ Other (specify): \_\_\_\_\_

**a** Name of contributing employer

**b** EIN

**c** Dollar amount contributed by employer

**d** Date collective bargaining agreement expires (If employer contributes under more than one collective bargaining agreement, check box ☐ and see instructions regarding required attachment. Otherwise, enter the applicable date.) Month \_\_\_\_\_ Day \_\_\_\_\_ Year \_\_\_\_\_

**e** Contribution rate information (If more than one rate applies, check this box ☐ and see instructions regarding required attachment. Otherwise, complete items 13e(1) and 13e(2).)

(1) Contribution rate (in dollars and cents) \_\_\_\_\_

(2) Base unit measure: ☐ Hourly ☐ Weekly ☐ Unit of production ☐ Other (specify): \_\_\_\_\_

**a** Name of contributing employer

**b** EIN

**c** Dollar amount contributed by employer

**d** Date collective bargaining agreement expires (If employer contributes under more than one collective bargaining agreement, check box ☐ and see instructions regarding required attachment. Otherwise, enter the applicable date.) Month \_\_\_\_\_ Day \_\_\_\_\_ Year \_\_\_\_\_

**e** Contribution rate information (If more than one rate applies, check this box ☐ and see instructions regarding required attachment. Otherwise, complete items 13e(1) and 13e(2).)

(1) Contribution rate (in dollars and cents) \_\_\_\_\_

(2) Base unit measure: ☐ Hourly ☐ Weekly ☐ Unit of production ☐ Other (specify): \_\_\_\_\_

- 14** Enter the number of participants on whose behalf no contributions were made by an employer as an employer of the participant for:

|                                                                          |            |  |
|--------------------------------------------------------------------------|------------|--|
| <b>a</b> The current year .....                                          | <b>14a</b> |  |
| <b>b</b> The plan year immediately preceding the current plan year ..... | <b>14b</b> |  |
| <b>c</b> The second preceding plan year .....                            | <b>14c</b> |  |

- 15** Enter the ratio of the number of participants under the plan on whose behalf no employer had an obligation to make an employer contribution during the current plan year to:

|                                                                                                       |            |  |
|-------------------------------------------------------------------------------------------------------|------------|--|
| <b>a</b> The corresponding number for the plan year immediately preceding the current plan year ..... | <b>15a</b> |  |
| <b>b</b> The corresponding number for the second preceding plan year .....                            | <b>15b</b> |  |

- 16** Information with respect to any employers who withdrew from the plan during the preceding plan year:

|                                                                                                                                                                        |            |  |
|------------------------------------------------------------------------------------------------------------------------------------------------------------------------|------------|--|
| <b>a</b> Enter the number of employers who withdrew during the preceding plan year .....                                                                               | <b>16a</b> |  |
| <b>b</b> If item 16a is greater than 0, enter the aggregate amount of withdrawal liability assessed or estimated to be assessed against such withdrawn employers ..... | <b>16b</b> |  |

- 17** If assets and liabilities from another plan have been transferred to or merged with this plan during the plan year, check box and see instructions regarding supplemental information to be included as an attachment. .... ☐

**Part VI Additional Information for Single-Employer and Multiemployer Defined Benefit Pension Plans**

- 18** If any liabilities to participants or their beneficiaries under the plan as of the end of the plan year consist (in whole or in part) of liabilities to such participants and beneficiaries under two or more pension plans as of immediately before such plan year, check box and see instructions regarding supplemental information to be included as an attachment ..... ☐

- 19** If the total number of participants is 1,000 or more, complete items (a) through (c)

**a** Enter the percentage of plan assets held as:  
 Stock: \_\_\_\_\_% Investment-Grade Debt: \_\_\_\_\_% High-Yield Debt: \_\_\_\_\_% Real Estate: \_\_\_\_\_% Other: \_\_\_\_\_%

**b** Provide the average duration of the combined investment-grade and high-yield debt:  
☐ 0-3 years ☐ 3-6 years ☐ 6-9 years ☐ 9-12 years ☐ 12-15 years ☐ 15-18 years ☐ 18-21 years ☐ 21 years or more

**c** What duration measure was used to calculate item 19(b)?  
☐ Effective duration ☐ Macaulay duration ☐ Modified duration ☐ Other (specify): \_\_\_\_\_

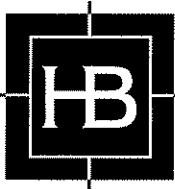
**BAY FEDERAL CREDIT UNION  
401(K) PLAN AND TRUST**

**FINANCIAL REPORT**

**Years Ended December 31, 2009 and 2008**

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**HUTCHINSON and**

**BLOODGOOD LLP**

CERTIFIED PUBLIC ACCOUNTANTS AND CONSULTANTS

579 Auto Center Drive  
Watsonville, CA 95076-3727  
t 831.724.2441 f 831.761.2136  
www.hblp.com

## INDEPENDENT AUDITORS' REPORT

To the Administrator  
Bay Federal Credit Union 401(k) Plan and Trust  
Capitola, California

We were engaged to audit the statements of net assets available for benefits of the Bay Federal Credit Union 401(k) Plan and Trust (the Plan) as of December 31, 2009 and 2008 and the statements of changes in net assets available for benefits for the years then ended and the supplemental schedule for the year ended December 31, 2009, as listed in the accompanying table of contents. These financial statements and the supplemental schedule are the responsibility of the Plan's management.

As permitted by Section 29 CFR 2520.103-8 of the Department of Labor's Rules and Regulations for Reporting and Disclosure under the Employee Retirement Income Security Act of 1974, the plan administrator instructed us not to perform, and we did not perform, any auditing procedures with respect to the information summarized in Note 5, which was certified by CUNA Mutual Insurance Society, the custodian of the Plan, except for comparing the information with the related information included in the financial statements and supplemental schedule. We have been informed by the Plan Administrator that the custodian holds the Plan's investment assets and executes investment transactions at the direction of the Plan Administrator. The Plan Administrator has obtained a certification from the trustees as of and for the years ended December 31, 2009 and 2008, that the information provided to the Plan Administrator by the trustees is complete and accurate.

Because of the significance of the information that we did not audit, we are unable to, and do not, express an opinion on the accompanying financial statements and supplemental schedule taken as a whole. The form and content of the information included in the financial statements and supplemental schedule, other than that derived from the information certified by the custodian, have been audited by us in accordance with auditing standards generally accepted in the United States of America and, in our opinion, are presented in compliance with the Department of Labor's Rules and Regulations for Reporting and Disclosure under the Employee Retirement Income Security Act of 1974.

*Hutchinson and Bloodgood LLP*

September 15, 2010  
Watsonville, California

# BAY FEDERAL CREDIT UNION 401(k) PLAN AND TRUST

## STATEMENTS OF NET ASSETS AVAILABLE FOR BENEFITS

December 31, 2009 and 2008

| ASSETS                                                                                             |    | 2009                       | 2008                       |
|----------------------------------------------------------------------------------------------------|----|----------------------------|----------------------------|
| <b>INVESTMENTS, AT FAIR VALUE:</b>                                                                 |    |                            |                            |
| Ultra Series Conservative Allocation                                                               | \$ | 72,739                     | \$ 45,068                  |
| Ultra Series Moderate Allocation                                                                   |    | 292,111                    | 196,021                    |
| Ultra Series Aggressive Allocation                                                                 |    | 200,548                    | 161,519                    |
| Ultra Series Target Retirement 2020                                                                |    | 1,378                      | 1,612                      |
| Ultra Series Target Retirement 2030                                                                |    | 5,308                      | 3,419                      |
| Ultra Series Target Retirement 2040                                                                |    | 41,209                     | 783                        |
| Ultra Series Bond                                                                                  |    | 646,044                    | 646,393                    |
| Putnam High Yield                                                                                  |    | 255,045                    | 88,159                     |
| Ultra Series Diversified Income                                                                    |    | 374,364                    | 411,641                    |
| Ultra Series Large Cap Value                                                                       |    | 584,515                    | 473,938                    |
| Vanguard Equity Index                                                                              |    | 330,007                    | 223,243                    |
| Ultra Series Large Cap Growth                                                                      |    | 746,467                    | 498,096                    |
| Ultra Series Mid Cap Value                                                                         |    | 271,481                    | 192,038                    |
| Ultra Series Mid Cap Growth                                                                        |    | 533,889                    | 352,238                    |
| Dreyfus Socially Responsible                                                                       |    | 70,022                     | 48,947                     |
| Oppenheimer International Growth                                                                   |    | 700,768                    | 486,486                    |
| Franklin Templeton Developing Markets                                                              |    | 834,003                    | 386,623                    |
| Stable Value Fund                                                                                  |    | 1,156,906                  | 1,130,888                  |
| Guaranteed Investment Contracts                                                                    |    | 7,336                      | 8,923                      |
| Loan Fund                                                                                          |    | 312,433                    | 301,626                    |
| Total investments                                                                                  |    | <u>7,436,573</u>           | <u>5,657,661</u>           |
| <b>RECEIVABLES:</b>                                                                                |    |                            |                            |
| Employer contributions receivable                                                                  |    | 14,293                     | --                         |
| Employee contributions receivable                                                                  |    | 14,016                     | --                         |
| Total receivables                                                                                  |    | <u>28,309</u>              | <u>--</u>                  |
| <b>NET ASSETS AVAILABLE FOR BENEFITS,<br/>AT FAIR VALUE</b>                                        |    | 7,464,882                  | 5,657,661                  |
| Adjustments from fair value to contract value for fully<br>benefit-responsive investment contracts |    | <u>(343)</u>               | <u>1,251</u>               |
| <b>NET ASSETS AVAILABLE FOR BENEFITS</b>                                                           |    | <u><u>\$ 7,464,539</u></u> | <u><u>\$ 5,658,912</u></u> |

The accompanying notes are an integral part of these financial statements.

**BAY FEDERAL CREDIT UNION 401(k) PLAN AND TRUST**

**STATEMENTS OF CHANGES IN NET ASSETS AVAILABLE FOR BENEFITS**  
**Years Ended December 31, 2009 and 2008**

| <b>ADDITIONS</b>                                             |                     |                     |
|--------------------------------------------------------------|---------------------|---------------------|
| Additions (reductions) to net assets attributed to:          | <b>2009</b>         | <b>2008</b>         |
| Investment income (loss):                                    |                     |                     |
| Net appreciation (depreciation) in fair value of investments | \$ 1,289,534        | \$(2,291,500)       |
| Interest income, stable value/money market funds             | 38,807              | 46,573              |
| Interest income, participant loans                           | 10,062              | 11,842              |
|                                                              | <u>1,338,403</u>    | <u>(2,233,085)</u>  |
| Contributions:                                               |                     |                     |
| Participants                                                 | 715,899             | 735,102             |
| Employer                                                     | 217,282             | 542,367             |
|                                                              | <u>933,181</u>      | <u>1,277,469</u>    |
| Total additions (reductions)                                 | <u>2,271,584</u>    | <u>(955,616)</u>    |
| <b>DEDUCTIONS</b>                                            |                     |                     |
| Deductions from net assets attributed to:                    |                     |                     |
| Benefits paid to participants                                | 462,732             | 1,125,740           |
| Administrative expenses                                      | 3,225               | 2,475               |
|                                                              | <u>465,957</u>      | <u>1,128,215</u>    |
| Net increase (decrease)                                      | 1,805,627           | (2,083,831)         |
| <b>NET ASSETS AVAILABLE FOR BENEFITS</b>                     |                     |                     |
| Beginning of year                                            | <u>5,658,912</u>    | <u>7,742,743</u>    |
| End of year                                                  | <u>\$ 7,464,539</u> | <u>\$ 5,658,912</u> |

The accompanying notes are an integral part of these financial statements.

## **BAY FEDERAL CREDIT UNION 401(k) PLAN AND TRUST**

### **NOTES TO FINANCIAL STATEMENTS Years Ended December 31, 2009 and 2008**

#### **Note 1. DESCRIPTION OF THE PLAN**

The following description of the Bay Federal Credit Union 401(k) Plan and Trust ("the Plan") provides only general information. Participants should refer to the Plan agreement for a more complete description of the Plan's provisions.

##### ***General***

The Plan is a defined contribution plan covering all employees of Bay Federal Credit Union (the Employer), who are over the age of 20 and have completed six months of service. The Plan is subject to the provisions of the Employee Retirement Income Security Act of 1974 (ERISA). The Plan was amended effective January 1, 2009, with the following modification: The Employer will no longer make a safe harbor, non-elective contribution of at least 3% of employees' eligible compensation and additionally match up to 2% of employees' eligible compensation during the Plan year. Instead, a new safe harbor plan instituting a Qualified Automatic Contribution Arrangement ("QACA") was put into effect as of January 1, 2009 which matches up to 4% of participants' eligible compensation and automatically enrolls employees who are not already Plan participants unless they formally elect to not participate in the Plan prior to their Plan eligibility date. For those participants automatically enrolled in the QACA, 3% of their eligible compensation will be deferred into the plan during their first year of participation. These participants will have their deferral amount increased 1% each subsequent January after their enrollment date until either their deferral amount reaches 6% or they formally change their contribution percentage, or withdraw from the plan. In addition, participants become fully vested in matching contributions under the new plan after completing two years of service.

##### ***Contributions***

The Employer can match and make discretionary payments to the Plan at the option of the Board of Directors. Participants may elect to contribute up to the maximum amount allowable, not to exceed \$16,500 in 2009 (\$22,000 if over 50 years of age) and \$15,500 in 2008 (\$20,500 if over 50 years of age). Salary reductions of up to 4% of a participant's compensation will be matched by the Employer as QACA safe harbor contributions.

##### ***Participant Accounts***

Individual accounts are maintained for each Plan participant. Each participant's account is credited with the participant's contribution, the Employer's matching contribution, and Plan earnings, and charged with withdrawals and Plan losses. Allocations are based on participant earnings or account balances, as defined. The benefit to which a participant is entitled is the benefit that can be provided from the participant's vested account.

## **BAY FEDERAL CREDIT UNION 401(k) PLAN AND TRUST**

### **NOTES TO FINANCIAL STATEMENTS Years Ended December 31, 2009 and 2008**

#### **Note 1. DESCRIPTION OF PLAN (Continued)**

##### ***Investments***

Participants direct the investment of their contributions into various investment options offered by the Plan. The Plan currently offers a variety of CUNA Mutual Pension Saver Accounts, including Guaranteed Investment Contracts, Fixed Deposit Administration Account, and the following mutual fund categories: Managed Portfolio, Stable Value/Money Market, Conservative Bond, Aggressive Bond, Conservative Stock, Moderate Stock, and Aggressive Stock, which includes target retirement date, socially responsible, international growth, and developing markets portfolios.

##### ***Plan Administration Costs***

The Employer absorbs certain Plan administration costs, including the annual fee paid to the custodian, CUNA Mutual Group ("CUNA"), and the cost of the annual financial statement audit.

##### ***Vesting***

Participants are immediately vested in the Employer's safe harbor contributions and their own contributions, plus actual earnings thereon. For the portion of their accounts which represent the Employer's matching contributions prior to January 2009, plus actual earnings thereon, vesting is based on years of continuous service whereby participants are 100% vested after five years of credited service, at the rate of 20% per year. For QACA safe harbor matching contributions after January 1, 2009, vesting is based on years of continuous service whereby participants become 100% vested only after completing two years of credited service.

##### ***Forfeited Accounts***

At December 31, 2009 and 2008, unallocated non-vested accounts totaled \$5,580 and \$68,176, respectively. Amounts forfeited by terminated participants will be used to reduce future employer contributions. During the years ended December 31, 2009 and 2008, forfeitures of \$75,195 and \$0 were used to reduce employer contributions.

##### ***Participant Loans***

Participants may borrow from their fund accounts a minimum of \$1,000, up to a maximum of \$50,000, or 50% of their vested account balance, whichever is less. The current rate of interest on loans is the Internal Revenue Service's Applicable Federal Rate which is appropriate for the term of the loan; that rate changes from month to month. The balance in the participant's account secures the loans. All balances are due and payable in their entirety upon a participant's termination, retirement or death.

## **BAY FEDERAL CREDIT UNION 401(k) PLAN AND TRUST**

### **NOTES TO FINANCIAL STATEMENTS**

**Years Ended December 31, 2009 and 2008**

#### **Note 1. DESCRIPTION OF PLAN (Continued)**

##### ***Distributions***

The Plan may make distributions to the participants in the event of termination of employment, retirement, attainment of age 59 ½, death, disability, or financial hardship.

On termination of service before retirement a participant will only be entitled to that portion of the vested interest in their account. If the vested interest is over \$1,000, the participant may leave his/her funds in the Plan until he/she elects to have a distribution. If the terminated participant's vested account is not over \$1,000, the Plan may distribute that portion in a lump-sum amount without the participant's consent.

The participant may choose to receive payment in the form of a lump-sum distribution of the participant's vested account balance, installments, or any other form of payment that is permitted under the Plan.

#### **Note 2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

##### ***Basis of Accounting***

The financial statements of the Plan have been prepared in conformity with accounting principles generally accepted in the United States of America.

##### ***Investment Valuation***

The Plan's investments are stated at fair value. Investments in mutual funds are valued at the closing composite price published for the last business day of the year. The fair value of the guaranteed investment contract ("GIC") is calculated by discounting the expected cash flows to the valuation date using current credited rates for similar GICs issued by CUNA. Participant loans are valued at their outstanding balances, which approximates fair value.

##### ***Investment Transactions and Income Recognition***

Investment transactions are accounted for on the trade date. Dividend income is accounted for on the ex-dividend date. Interest income is recorded on the accrual basis as earned. Total income of each fund is allocated monthly to participants' accounts within the fund based on the participant's relative beginning balance.

##### ***Payment of Benefits***

Benefits are recorded when paid.

# BAY FEDERAL CREDIT UNION 401(k) PLAN AND TRUST

## NOTES TO FINANCIAL STATEMENTS Years Ended December 31, 2009 and 2008

### Note 2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

#### *Use of Estimates*

The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect the reported amounts of assets, liabilities, and changes therein, and disclosure of contingent assets and liabilities. Accordingly, actual results may differ from those estimates.

#### *Risks and Uncertainties*

The Plan provides for various investment options in investment securities. Investment securities are exposed to various risks, such as interest rate, market and credit risk. Due to the level of risk associated with certain investment securities and the level or uncertainty related to changes in the value of investment securities, it is at least reasonably possible that changes in the values of investment securities will occur in the near term and that such changes could materially affect participants' account balances and the amounts reported in the statement of net assets available for benefits and the statement of changes in net assets available for benefits.

### Note 3. INVESTMENTS

The individual investments that represent 5% or more of the Plan's net assets at fair value at December 31 are as follows:

|                                       | 2009                | 2008                |
|---------------------------------------|---------------------|---------------------|
| Mutual funds:                         |                     |                     |
| CUNA Mutual Life Insurance Company:   |                     |                     |
| Franklin Templeton Developing Markets | \$ 834,003          | \$ 386,623          |
| Oppenheimer International Growth      | 700,767             | 486,486             |
| Ultra Series Bond                     | 646,044             | 646,393             |
| Ultra Series Large Cap Growth         | 746,467             | 498,096             |
| Ultra Series Large Cap Value          | 584,515             | 473,938             |
| Ultra Series Mid Cap Growth           | 533,889             | 352,238             |
| Ultra Series Diversified Income       | 374,364             | 411,641             |
| Guaranteed investment contracts:      |                     |                     |
| CUNA Mutual Insurance Society:        |                     |                     |
| Stable Value Account                  | 1,156,906           | 1,130,888           |
| Loan fund                             | --                  | 301,626             |
|                                       | <u>\$ 5,576,955</u> | <u>\$ 4,687,929</u> |

## BAY FEDERAL CREDIT UNION 401(k) PLAN AND TRUST

### NOTES TO FINANCIAL STATEMENTS

Years Ended December 31, 2009 and 2008

#### Note 4. FAIR VALUE MEASUREMENTS

As of the beginning of the plan year ended December 31, 2008, the Plan implemented a fair value hierarchy that prioritizes the inputs to valuation techniques used to measure fair value. The hierarchy gives the highest priority to unadjusted quoted prices in active markets for identical assets or liabilities (Level 1 measurements) and the lowest priority to unobservable inputs (Level 3 measurements). The three levels of fair value hierarchy are described below:

Level 1: Unadjusted quoted market prices in active markets that are accessible at the measurement date for identical, unrestricted assets or liabilities.

Level 2: Quoted prices in markets that are not considered to be active or financial instruments for which all significant inputs are observable.

Level 3: Prices or valuations that require inputs that are both significant to the fair value measurement are unobservable.

The asset's or liability's fair value measurement level within the fair value hierarchy is based on the lowest level of any input that is significant to the fair value measurements. Valuation techniques used need to maximize the use of observable inputs and minimize the use of unobservable inputs.

Following is a description of the valuation methodologies used for assets measured at fair value:

*Mutual Funds:* Valued at the net asset value ("NAV") of shares held by the Plan at year end.

*Deposit administration contracts:* Accounts are valued at cost plus accrued interest which approximates fair value.

*Participant loans:* Valued at amortized cost, which approximates fair value.

The preceding methods described may produce a fair value calculation that may not be indicative of net realizable value or reflective of future fair values. Furthermore, although the Plan believes its valuation methods are appropriate and consistent with other market participants, the use of different methodologies or assumptions to determine the fair value of certain financial instruments could result in a different fair value measurement at the reporting date.

# BAY FEDERAL CREDIT UNION 401(k) PLAN AND TRUST

## NOTES TO FINANCIAL STATEMENTS Years Ended December 31, 2009 and 2008

### Note 4. FAIR VALUE MEASUREMENTS (Continued)

The following table sets forth by level, within the fair value hierarchy, the Plan's assets at fair value as of December 31, 2009:

|                                  | <u>Level 1</u>    | <u>Level 2</u>    | <u>Level 3</u>    |
|----------------------------------|-------------------|-------------------|-------------------|
| Investments, at fair value:      |                   |                   |                   |
| Mutual funds                     | \$ --             | \$ 5,959,898      | \$ --             |
| Deposit administration contracts | --                | --                | 1,163,899         |
| Loan fund                        | --                | --                | 312,433           |
|                                  | <u>          </u> | <u>          </u> | <u>          </u> |
| Total investments                | \$ --             | \$ 5,959,898      | \$ 1,476,332      |

The following table sets forth a summary of changes in the fair value of the Plan's Level 3 investments:

| <u>Description</u>                                                                                                                                                                                | <u>Fair Value Measurements Using<br/>Significant Unobservable Inputs<br/>(Level 3)</u> |                      |                   |
|---------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|----------------------------------------------------------------------------------------|----------------------|-------------------|
|                                                                                                                                                                                                   | <u>Deposit<br/>administration<br/>contracts</u>                                        | <u>Loan<br/>fund</u> | <u>Total</u>      |
| Beginning balance                                                                                                                                                                                 | \$ 1,139,811                                                                           | \$ 301,626           | \$ 1,441,437      |
| Unrealized gains related to investments<br>held at reporting date                                                                                                                                 | 38,807                                                                                 | --                   | 38,807            |
| Purchases, issuances, and settlements                                                                                                                                                             | (14,719)                                                                               | 10,807               | (3,912)           |
|                                                                                                                                                                                                   | <u>          </u>                                                                      | <u>          </u>    | <u>          </u> |
| Ending balance                                                                                                                                                                                    | \$ 1,163,899                                                                           | \$ 312,433           | \$ 1,476,332      |
|                                                                                                                                                                                                   | <u>          </u>                                                                      | <u>          </u>    | <u>          </u> |
| The amount of total investment income<br>for the period included in earnings<br>attributable to the change in unrealized<br>gains or losses relating to assets still<br>held at December 31, 2009 | \$ 38,807                                                                              |                      | \$ 38,807         |
|                                                                                                                                                                                                   | <u>          </u>                                                                      |                      | <u>          </u> |

## **BAY FEDERAL CREDIT UNION 401(k) PLAN AND TRUST**

### **NOTES TO FINANCIAL STATEMENTS**

**Years Ended December 31, 2009 and 2008**

#### **Note 5. CERTIFIED INFORMATION**

The financial information included in the Plan's financial statements as it relates to investment assets, investment transactions, investment income, and the schedule of assets held for investment purposes at end of year have been derived from information certified as complete and accurate by CUNA Mutual Insurance Society, the trustee of the Plan, in accordance with Section 29 CFR 2520.103-5 of the Department of Labor's Rules and Regulations for Reporting and Disclosure under the Employee Retirement Security Act of 1974.

#### **Note 6. PLAN TERMINATION**

Although it has not expressed any intent to do so, the Employer has the right under the Plan to terminate the Plan subject to the provisions of ERISA.

#### **Note 7. TAX STATUS**

The Internal Revenue Service has determined and informed the Sponsor by a letter dated July 16, 2010, that the form of the Plan is designed in accordance with applicable sections of the Internal Revenue Code. Therefore, no provision for income taxes has been included in the Plan's financial statements.

FASB has issued guidance on accounting for uncertainty in income taxes effective for reporting periods beginning after December 2008. The guidance clarifies the accounting for uncertainty in income taxes recognized in the Plan's financial statements. In addition, the guidance prescribes a comprehensive model for recognizing, measuring, presenting, and disclosing in the financial statements tax positions taken or expected to be taken on a tax return, including positions that the Plan is not subject to income taxes. In addition, it provides guidance on derecognition, classification, interest and penalties, accounting for interim periods, disclosure, and transition. Only tax positions that meet the more likely than not recognition threshold at the effective date may be recognized upon adoption of guidance.

During 2009 the Plan adopted the provisions of the guidance which did not have a material impact on the financial statements. As a result, there are no unrecognized tax benefits reflected in the financial statements. The Plan's tax years 2007 through 2009 remain open and could be subject to examination by tax jurisdictions.

## **BAY FEDERAL CREDIT UNION 401(k) PLAN AND TRUST**

### **NOTES TO FINANCIAL STATEMENTS**

**Years Ended December 31, 2009 and 2008**

#### **Note 8. EXEMPT PARTY-IN-INTEREST TRANSACTIONS**

The Plan's investments are invested with CUNA Mutual Life Insurance Company and CUNA Mutual Insurance Society which are both part of CUNA Mutual Group (CUNA). CUNA is the trustee as defined by the Plan, and, therefore, these transactions qualify as party-in-interest transactions. Fees incurred for investment management services, if any, were paid by the Plan.

Certain officers and employees of the Company (who may also be participants in the Plan) perform administrative services related to the operation and financial reporting of the Plan. The Company pays these individuals salaries and also pays other administrative expense on behalf of the Plan. Certain fees, to the extent not paid by the Company, are paid by the Plan.

These transactions are not deemed prohibited party-in-interest transactions, because they are covered by statutory and administrative exemptions from the Code and ERISA's rules on prohibited transactions.

#### **Note 9. INVESTMENT CONTRACT WITH INSURANCE COMPANY**

The plan has entered into benefit-responsive investment contracts with CUNA Mutual Insurance Society ("the Issuer") which were composed of a Deposit Administration Account and a Guaranteed Investment Account. The Issuer maintains contributions to these accounts in a general account. The accounts are credited with earnings on the underlying investments and charged for participant withdrawals and administrative expenses. The Issuer is contractually obligated to repay the principal and a specific interest rate that is guaranteed to the Plan.

Because the guaranteed investment contracts are fully benefit responsive, contract value is the relevant measurement attribute for that portion of the net assets available for benefits attributable to the guaranteed investment contracts.

Contract value, as reported to the Plan by CUNA, represents contributions made under the contract, plus earnings, less participant withdrawals and administrative expenses. Participants may ordinarily direct the withdrawal or transfer of all or a portion of their investment at contract value. The fair value of the Deposit Administration Account at December 31, 2009 and 2008 was \$1,156,906, and \$1,130,888, respectively. The average yield and crediting interest rates for this account in 2009 and 2008 were 3.43% and 4.10% respectively. The fair value of the Guaranteed Investment Account at December 31, 2009 and 2008 was \$7,336 and \$8,923, respectively. The average yield and crediting interest rates for this account in 2009 and 2008 were 3.80% and 4.14% respectively.

There are no reserves against contract value for credit risk of the Issuer or otherwise. The crediting interest rate is based on a formula agreed upon with the issuer.

## **BAY FEDERAL CREDIT UNION 401(k) PLAN AND TRUST**

### **NOTES TO FINANCIAL STATEMENTS**

**Years Ended December 31, 2009 and 2008**

#### **Note 9. INVESTMENT CONTRACT WITH INSURANCE COMPANY (Continued)**

Certain events limit the Plan's ability to transact at contract value with the Issuer. Such events include the following: (a) amendments to the plan documents (including complete or partial plan termination or merger with another plan), (b) changes to plan's prohibition on competing investment options or deletion of equity wash provisions, (c) bankruptcy of the plan sponsor or other plan sponsor events (for example, divestitures or spin-offs of a subsidiary) that cause a significant withdrawal from the plan, or (d) the failure of the trust to qualify for exemption from federal income taxes or any required prohibited transaction exemption under Employee Retirement Income Security Act of 1974. The Plan administrator does not believe that the occurrence of any such value event, which would limit the Plan's ability to transact at contract value with Plan participants, is probable.

The guaranteed investment contract does not permit the insurance company to terminate the agreement prior to the scheduled maturity date.

#### **Note 10. SUBSEQUENT EVENTS**

The Plan was amended to remove safe harbor provisions effective January 1, 2010. The Employer will discontinue making QACA matching contributions effective January 1, 2010, and will therefore be subject to ADP/ACP testing with regards to highly compensated employees.

The Plan's management has evaluated subsequent events through September 15, 2010 the date of issuance of the financial statements.

## **SUPPLEMENTAL SCHEDULE**

# BAY FEDERAL CREDIT UNION 401(k) PLAN AND TRUST

## SCHEDULE H ITEM 4(i) - SCHEDULE OF ASSETS (HELD AT END OF YEAR) December 31, 2009

FEIN 94-1448021

PN 001

| (a) | (b)                                                              | (c)                                   | (d)  | (e)                 |
|-----|------------------------------------------------------------------|---------------------------------------|------|---------------------|
|     | Identity                                                         | Description Including Maturity        |      | Current             |
|     | of Party                                                         | Date and Interest Rate                | Cost | Value               |
|     | Mutual funds:                                                    |                                       |      |                     |
| *   | CUNA Mutual Life Insurance Company:                              |                                       |      |                     |
|     |                                                                  | Ultra Series Conservative Allocation  | **   | \$ 72,739           |
|     |                                                                  | Ultra Series Moderate Allocation      | **   | 292,111             |
|     |                                                                  | Ultra Series Aggressive Allocation    | **   | 200,548             |
|     |                                                                  | Ultra Series Target Retirement 2020   | **   | 1,378               |
|     |                                                                  | Ultra Series Target Retirement 2030   | **   | 5,308               |
|     |                                                                  | Ultra Series Target Retirement 2040   | **   | 41,209              |
|     |                                                                  | Ultra Series Bond                     | **   | 646,044             |
|     |                                                                  | Putnam High Yield                     | **   | 255,045             |
|     |                                                                  | Ultra Series Diversified Income       | **   | 374,364             |
|     |                                                                  | Ultra Series Large Cap Value          | **   | 584,515             |
|     |                                                                  | Vanguard Equity Index                 | **   | 330,007             |
|     |                                                                  | Ultra Series Large Cap Growth         | **   | 746,467             |
|     |                                                                  | Ultra Series Mid Cap Value            | **   | 271,481             |
|     |                                                                  | Ultra Series Mid Cap Growth           | **   | 533,889             |
|     |                                                                  | Dreyfus Socially Responsible          | **   | 70,022              |
|     |                                                                  | Oppenheimer International Growth      | **   | 700,768             |
|     |                                                                  | Franklin Templeton Developing Markets | **   | 834,003             |
| *   | Deposit administration contracts:                                |                                       |      |                     |
|     |                                                                  | Stable Value Fund                     | **   | 1,156,906           |
|     |                                                                  | Guaranteed Investment Contracts       | **   | 6,993               |
| *   | Loans to Various Participants                                    |                                       |      |                     |
|     | Loans have interest rates ranging from 0.69% to 5.09% and mature |                                       |      |                     |
|     | April 2010 through September 2021 (43 loans outstanding)         |                                       |      |                     |
|     |                                                                  |                                       |      | <u>312,433</u>      |
|     |                                                                  |                                       |      | <u>\$ 7,436,230</u> |

\* Represents a party-in-interest to the plan.

\*\* Individual accounts are participant directed; cost information is not required.

**Financial Schedule**  
**Attach to 2009 Form 5500**

|                                                                       |  |                                                     |  |
|-----------------------------------------------------------------------|--|-----------------------------------------------------|--|
| <b>For fiscal plan year beginning</b>                                 |  | <b>and ending</b>                                   |  |
| 1/1/2009                                                              |  | 12/31/2009                                          |  |
| <b>Name of plan sponsor</b><br>Bay Federal Credit Union               |  | <b>Employer identification number</b><br>94-1448021 |  |
| <b>Name of plan</b><br>Bay Federal Credit Union 401(k) Plan and Trust |  | <b>Three-digit plan number</b><br>001               |  |

Schedule of Assets Held for Investment Purposes—See Schedule H, Item 4i.

| (a) | (b)<br>Identity of issue, borrower, lessor, or similar party | (c)<br>Description of investment including maturity date, rate of interest, collateral, per or maturity value | (d)<br>Cost | (e)<br>Current value |
|-----|--------------------------------------------------------------|---------------------------------------------------------------------------------------------------------------|-------------|----------------------|
| *   | CUNA MUTUAL INSURANCE SOCIETY                                | DEPOSIT ADMINISTRATION CONTRACT CURRENT INT. RATE 3.43%                                                       |             | 1,163,900            |
| *   | CUNA MUTUAL INSURANCE SOCIETY                                | VARIABLE ANNUITY CONTRACT INT RATE BASED UPON INVESTMENT EXPERIENCE                                           |             | 5,959,898            |
|     | PARTICIPANT LOANS                                            | RATE 0.69% TO 5.09%                                                                                           |             | 312,433              |

## 2009 Form 5500

## Schedule C Line 2(h) Formula Description

| Investment Account         | Manager            | Asset Category     | Sub-TA Fee Formula |
|----------------------------|--------------------|--------------------|--------------------|
| Government Securities      | AIM                | Conservative Bond  | 0.15%              |
| Government Securities II   | AIM                | Conservative Bond  | 0.15%              |
| Core Equity II             | AIM                | Conservative Stock | 0.15%              |
| Large Cap Growth II        | AIM                | Moderate Stock     | 0.15%              |
| Capital Development        | AIM                | Aggressive Stock   | 0.15%              |
| Global Real Estate II      | AIM                | Aggressive Stock   | 0.15%              |
| International Growth II    | AIM                | Aggressive Stock   | 0.15%              |
| Mid Cap Core Equity II     | AIM                | Aggressive Stock   | 0.15%              |
| Small Cap Equity II        | AIM                | Aggressive Stock   | 0.15%              |
| Large Cap Value V.I. 2     | BlackRock          | Conservative Stock | 0.25%              |
| Value Opport V.I. 3        | BlackRock          | Aggressive Stock   | 0.25%              |
| Developing Leaders         | Dreyfus            | Aggressive Stock   | 0.25%              |
| Socially Responsible       | Dreyfus            | Aggressive Stock   | 0.25%              |
| Global Bond Sec Cl 2       | Franklin Templeton | Aggressive Bond    | 0.10%              |
| Income Securities Cl 2     | Franklin Templeton | Conservative Stock | 0.10%              |
| Mutual Shares Sec Cl 2     | Franklin Templeton | Conservative Stock | 0.10%              |
| Developing Markets         | Franklin Templeton | Aggressive Stock   | 0.10%              |
| Small Cap Value Sec Cl 2   | Franklin Templeton | Aggressive Stock   | 0.10%              |
| All Value VC               | Lord Abbett        | Conservative Stock | 0.10%              |
| Research Bond Series       | MFS                | Conservative Bond  | 0.20%              |
| Total Return               | MFS                | Conservative Stock | 0.20%              |
| Utilities Series           | MFS                | Conservative Stock | 0.20%              |
| Utilities Series SC        | MFS                | Conservative Stock | 0.20%              |
| New Discovery Series       | MFS                | Aggressive Stock   | 0.20%              |
| US Mid Cap Value II        | Morgan Stanley     | Moderate Stock     | 0.25%              |
| Emerging Markets Equity II | Morgan Stanley     | Aggressive Stock   | 0.30%              |
| US Real Estate II          | Morgan Stanley     | Aggressive Stock   | 0.10%              |
| Mid Cap Growth S           | Neuberger Berman   | Aggressive Stock   | 0.10%              |
| Social Responsive S        | Neuberger Berman   | Aggressive Stock   | 0.10%              |
| Capital Appreciation       | Oppenheimer        | Moderate Stock     | 0.10%              |
| Main Street                | Oppenheimer        | Moderate Stock     | 0.10%              |
| International Growth       | Oppenheimer        | Aggressive Stock   | 0.10%              |
| Small Cap                  | Oppenheimer        | Aggressive Stock   | 0.10%              |
| Real Return Advisor        | PIMCO              | Conservative Bond  | 0.10%              |
| Total Return Bond Adv      | PIMCO              | Conservative Bond  | 0.10%              |
| High Yield                 | Putnam             | Aggressive Bond    | 0.15%              |
| Equity Income              | T Rowe Price       | Conservative Stock | 0.15%              |
| Blue Chip Growth           | T Rowe Price       | Moderate Stock     | 0.15%              |
| Blue Chip Growth II        | T Rowe Price       | Moderate Stock     | 0.15%              |
| Health Sciences II         | T Rowe Price       | Aggressive Stock   | 0.15%              |