

Form **990**
Department of the Treasury
Internal Revenue Service

Return of Organization Exempt From Income Tax

Under section 501(c), 527, or 4947(a)(1) of the Internal Revenue Code (except private foundations)
▶ Do not enter social security numbers on this form as it may be made public
▶ Information about Form 990 and its instructions is at www.irs.gov/form990

OMB No 1545-0047
2017
Open to Public Inspection

A For the 2017 calendar year, or tax year beginning 01-01-2017, and ending 12-31-2017

- B** Check if applicable:
 Address change
 Name change
 Initial return
 Final return/terminated
 Amended return
 Application pending

C Name of organization
Transcend Credit Union fka Kentucky Telco Credit Union

Doing business as

Number and street (or P O box if mail is not delivered to street address) Room/suite
3740 Bardstown Road

City or town, state or province, country, and ZIP or foreign postal code
Louisville, KY 40218

D Employer identification number
61-0360420

E Telephone number
(502) 459-3000

G Gross receipts \$ 26,720,298

F Name and address of principal officer
Vickie Shellenberg
3740 Bardstown Road
Louisville, KY 40218

H(a) Is this a group return for subordinates? Yes No
H(b) Are all subordinates included? Yes No
If "No," attach a list (see instructions)
H(c) Group exemption number ▶

I Tax-exempt status 501(c)(3) 501(c) (14) ◀ (insert no) 4947(a)(1) or 527

J Website: ▶ www.transcendcu.com

K Form of organization Corporation Trust Association Other ▶

L Year of formation 1934 **M** State of legal domicile KY

Part I Summary

1 Briefly describe the organization's mission or most significant activities
THE PURPOSE OF THIS CREDIT UNION SHALL BE TO PROMOTE THRIFT AND TO PROVIDE CREDIT TO ITS MEMBERS

2 Check this box if the organization discontinued its operations or disposed of more than 25% of its net assets

| | |
|--|---------|
| 3 Number of voting members of the governing body (Part VI, line 1a) | 9 |
| 4 Number of independent voting members of the governing body (Part VI, line 1b) | 9 |
| 5 Total number of individuals employed in calendar year 2017 (Part V, line 2a) | 101 |
| 6 Total number of volunteers (estimate if necessary) | 9 |
| 7a Total unrelated business revenue from Part VIII, column (C), line 12 | 118,904 |
| 7b Net unrelated business taxable income from Form 990-T, line 34 | 54,605 |

| | Prior Year | Current Year |
|---|------------|--------------|
| 8 Contributions and grants (Part VIII, line 1h) | | 0 |
| 9 Program service revenue (Part VIII, line 2g) | 17,958,287 | 18,810,787 |
| 10 Investment income (Part VIII, column (A), lines 3, 4, and 7d) | 1,050,993 | 863,019 |
| 11 Other revenue (Part VIII, column (A), lines 5, 6d, 8c, 9c, 10c, and 11e) | 63,962 | 51,717 |
| 12 Total revenue—add lines 8 through 11 (must equal Part VIII, column (A), line 12) | 19,073,242 | 19,725,523 |
| 13 Grants and similar amounts paid (Part IX, column (A), lines 1-3) | | 0 |
| 14 Benefits paid to or for members (Part IX, column (A), line 4) | | 0 |
| 15 Salaries, other compensation, employee benefits (Part IX, column (A), lines 5-10) | 7,121,552 | 7,450,217 |
| 16a Professional fundraising fees (Part IX, column (A), line 11e) | | 0 |
| b Total fundraising expenses (Part IX, column (D), line 25) ▶ 0 | | |
| 17 Other expenses (Part IX, column (A), lines 11a-11d, 11f-24e) | 9,635,480 | 9,504,113 |
| 18 Total expenses Add lines 13-17 (must equal Part IX, column (A), line 25) | 16,757,032 | 16,954,330 |
| 19 Revenue less expenses Subtract line 18 from line 12 | 2,316,210 | 2,771,193 |

| | Beginning of Current Year | End of Year |
|---|---------------------------|-------------|
| 20 Total assets (Part X, line 16) | 387,192,991 | 393,266,738 |
| 21 Total liabilities (Part X, line 26) | 343,558,721 | 346,879,702 |
| 22 Net assets or fund balances Subtract line 21 from line 20 | 43,634,270 | 46,387,036 |

Part II Signature Block

Under penalties of perjury, I declare that I have examined this return, including accompanying schedules and statements, and to the best of my knowledge and belief, it is true, correct, and complete Declaration of preparer (other than officer) is based on all information of which preparer has any knowledge

Sign Here

Signature of officer _____ Date 2018-11-07
Vickie Shellenberg EXEC VICE PRESIDENT
Type or print name and title _____

Paid Preparer Use Only

| | | | | |
|---|-------------------------------------|------|---|-------------------|
| Print/Type preparer's name Kim Scifres | Preparer's signature Kim Scifres | Date | Check <input type="checkbox"/> if self-employed | PTIN P01316095 |
| Firm's name ▶ CROWE LLP | | | Firm's EIN ▶ 35-0921680 | |
| Firm's address ▶ 9600 Brownsboro Road Suite 400 Louisville, KY 402411122 | | | Phone no (502) 326-3996 | |

Part III Statement of Program Service Accomplishments

Check if Schedule O contains a response or note to any line in this Part III

1 Briefly describe the organization's mission
 THE PUPOSE OF THIS CREDIT UNION SHALL BE TO PROMOTE THRIFT AND TO PROVIDE CREDIT FOR ITS MEMBERS

2 Did the organization undertake any significant program services during the year which were not listed on the prior Form 990 or 990-EZ? Yes No

If "Yes," describe these new services on Schedule O

3 Did the organization cease conducting, or make significant changes in how it conducts, any program services? Yes No

If "Yes," describe these changes on Schedule O

4 Describe the organization's program service accomplishments for each of its three largest program services, as measured by expenses. Section 501(c)(3) and 501(c)(4) organizations are required to report the amount of grants and allocations to others, the total expenses, and revenue, if any, for each program service reported

4a (Code) (Expenses \$ including grants of \$) (Revenue \$)
 See Additional Data

4b (Code) (Expenses \$ including grants of \$) (Revenue \$)
 See Additional Data

4c (Code) (Expenses \$ including grants of \$) (Revenue \$)
 See Additional Data

4d Other program services (Describe in Schedule O)
 (Expenses \$ including grants of \$) (Revenue \$)

4e Total program service expenses ▶ 0

Part IV Checklist of Required Schedules

| | Yes | No |
|---|-----|----|
| 1 Is the organization described in section 501(c)(3) or 4947(a)(1) (other than a private foundation)? <i>If "Yes," complete Schedule A</i> | | No |
| 2 Is the organization required to complete <i>Schedule B, Schedule of Contributors</i> (see instructions)? | | No |
| 3 Did the organization engage in direct or indirect political campaign activities on behalf of or in opposition to candidates for public office? <i>If "Yes," complete Schedule C, Part I</i> | | No |
| 4 Section 501(c)(3) organizations. Did the organization engage in lobbying activities, or have a section 501(h) election in effect during the tax year? <i>If "Yes," complete Schedule C, Part II</i> | | |
| 5 Is the organization a section 501(c)(4), 501(c)(5), or 501(c)(6) organization that receives membership dues, assessments, or similar amounts as defined in Revenue Procedure 98-19? <i>If "Yes," complete Schedule C, Part III</i> | | No |
| 6 Did the organization maintain any donor advised funds or any similar funds or accounts for which donors have the right to provide advice on the distribution or investment of amounts in such funds or accounts? <i>If "Yes," complete Schedule D, Part I</i> | | No |
| 7 Did the organization receive or hold a conservation easement, including easements to preserve open space, the environment, historic land areas, or historic structures? <i>If "Yes," complete Schedule D, Part II</i> | | No |
| 8 Did the organization maintain collections of works of art, historical treasures, or other similar assets? <i>If "Yes," complete Schedule D, Part III</i> | | No |
| 9 Did the organization report an amount in Part X, line 21 for escrow or custodial account liability, serve as a custodian for amounts not listed in Part X, or provide credit counseling, debt management, credit repair, or debt negotiation services? <i>If "Yes," complete Schedule D, Part IV</i> | | No |
| 10 Did the organization, directly or through a related organization, hold assets in temporarily restricted endowments, permanent endowments, or quasi-endowments? <i>If "Yes," complete Schedule D, Part V</i> | | No |
| 11 If the organization's answer to any of the following questions is "Yes," then complete Schedule D, Parts VI, VII, VIII, IX, or X as applicable | | |
| a Did the organization report an amount for land, buildings, and equipment in Part X, line 10? <i>If "Yes," complete Schedule D, Part VI</i> | Yes | |
| b Did the organization report an amount for investments—other securities in Part X, line 12 that is 5% or more of its total assets reported in Part X, line 16? <i>If "Yes," complete Schedule D, Part VII</i> | | No |
| c Did the organization report an amount for investments—program related in Part X, line 13 that is 5% or more of its total assets reported in Part X, line 16? <i>If "Yes," complete Schedule D, Part VIII</i> | | No |
| d Did the organization report an amount for other assets in Part X, line 15 that is 5% or more of its total assets reported in Part X, line 16? <i>If "Yes," complete Schedule D, Part IX</i> | | No |
| e Did the organization report an amount for other liabilities in Part X, line 25? <i>If "Yes," complete Schedule D, Part X</i> | Yes | |
| f Did the organization's separate or consolidated financial statements for the tax year include a footnote that addresses the organization's liability for uncertain tax positions under FIN 48 (ASC 740)? <i>If "Yes," complete Schedule D, Part X</i> | | No |
| 12a Did the organization obtain separate, independent audited financial statements for the tax year? <i>If "Yes," complete Schedule D, Parts XI and XII</i> | Yes | |
| b Was the organization included in consolidated, independent audited financial statements for the tax year? <i>If "Yes," and if the organization answered "No" to line 12a, then completing Schedule D, Parts XI and XII is optional</i> | | No |
| 13 Is the organization a school described in section 170(b)(1)(A)(ii)? <i>If "Yes," complete Schedule E</i> | | No |
| 14a Did the organization maintain an office, employees, or agents outside of the United States? | | No |
| b Did the organization have aggregate revenues or expenses of more than \$10,000 from grantmaking, fundraising, business, investment, and program service activities outside the United States, or aggregate foreign investments valued at \$100,000 or more? <i>If "Yes," complete Schedule F, Parts I and IV</i> | | No |
| 15 Did the organization report on Part IX, column (A), line 3, more than \$5,000 of grants or other assistance to or for any foreign organization? <i>If "Yes," complete Schedule F, Parts II and IV</i> | | No |
| 16 Did the organization report on Part IX, column (A), line 3, more than \$5,000 of aggregate grants or other assistance to or for foreign individuals? <i>If "Yes," complete Schedule F, Parts III and IV</i> | | No |
| 17 Did the organization report a total of more than \$15,000 of expenses for professional fundraising services on Part IX, column (A), lines 6 and 11e? <i>If "Yes," complete Schedule G, Part I</i> (see instructions) | | No |
| 18 Did the organization report more than \$15,000 total of fundraising event gross income and contributions on Part VIII, lines 1c and 8a? <i>If "Yes," complete Schedule G, Part II</i> | | No |
| 19 Did the organization report more than \$15,000 of gross income from gaming activities on Part VIII, line 9a? <i>If "Yes," complete Schedule G, Part III</i> | | No |

Part IV Checklist of Required Schedules (continued)

| | Yes | No |
|--|-----|----|
| 20a Did the organization operate one or more hospital facilities? <i>If "Yes," complete Schedule H</i> | | No |
| b If "Yes" to line 20a, did the organization attach a copy of its audited financial statements to this return? | | |
| 21 Did the organization report more than \$5,000 of grants or other assistance to any domestic organization or domestic government on Part IX, column (A), line 1? <i>If "Yes," complete Schedule I, Parts I and II</i> | | No |
| 22 Did the organization report more than \$5,000 of grants or other assistance to or for domestic individuals on Part IX, column (A), line 2? <i>If "Yes," complete Schedule I, Parts I and III</i> | | No |
| 23 Did the organization answer "Yes" to Part VII, Section A, line 3, 4, or 5 about compensation of the organization's current and former officers, directors, trustees, key employees, and highest compensated employees? <i>If "Yes," complete Schedule J</i> | Yes | |
| 24a Did the organization have a tax-exempt bond issue with an outstanding principal amount of more than \$100,000 as of the last day of the year, that was issued after December 31, 2002? <i>If "Yes," answer lines 24b through 24d and complete Schedule K. If "No," go to line 25a</i> | | No |
| b Did the organization invest any proceeds of tax-exempt bonds beyond a temporary period exception? | | |
| c Did the organization maintain an escrow account other than a refunding escrow at any time during the year to defease any tax-exempt bonds? | | |
| d Did the organization act as an "on behalf of" issuer for bonds outstanding at any time during the year? | | |
| 25a Section 501(c)(3), 501(c)(4), and 501(c)(29) organizations. Did the organization engage in an excess benefit transaction with a disqualified person during the year? <i>If "Yes," complete Schedule L, Part I</i> | | |
| b Is the organization aware that it engaged in an excess benefit transaction with a disqualified person in a prior year, and that the transaction has not been reported on any of the organization's prior Forms 990 or 990-EZ? <i>If "Yes," complete Schedule L, Part I</i> | | |
| 26 Did the organization report any amount on Part X, line 5, 6, or 22 for receivables from or payables to any current or former officers, directors, trustees, key employees, highest compensated employees, or disqualified persons? <i>If "Yes," complete Schedule L, Part II</i> | | No |
| 27 Did the organization provide a grant or other assistance to an officer, director, trustee, key employee, substantial contributor or employee thereof, a grant selection committee member, or to a 35% controlled entity or family member of any of these persons? <i>If "Yes," complete Schedule L, Part III</i> | | No |
| 28 Was the organization a party to a business transaction with one of the following parties (see Schedule L, Part IV instructions for applicable filing thresholds, conditions, and exceptions) | | |
| a A current or former officer, director, trustee, or key employee? <i>If "Yes," complete Schedule L, Part IV</i> | | No |
| b A family member of a current or former officer, director, trustee, or key employee? <i>If "Yes," complete Schedule L, Part IV</i> | | No |
| c An entity of which a current or former officer, director, trustee, or key employee (or a family member thereof) was an officer, director, trustee, or direct or indirect owner? <i>If "Yes," complete Schedule L, Part IV</i> | | No |
| 29 Did the organization receive more than \$25,000 in non-cash contributions? <i>If "Yes," complete Schedule M</i> | | No |
| 30 Did the organization receive contributions of art, historical treasures, or other similar assets, or qualified conservation contributions? <i>If "Yes," complete Schedule M</i> | | No |
| 31 Did the organization liquidate, terminate, or dissolve and cease operations? <i>If "Yes," complete Schedule N, Part I</i> | | No |
| 32 Did the organization sell, exchange, dispose of, or transfer more than 25% of its net assets? <i>If "Yes," complete Schedule N, Part II</i> | | No |
| 33 Did the organization own 100% of an entity disregarded as separate from the organization under Regulations sections 301.7701-2 and 301.7701-3? <i>If "Yes," complete Schedule R, Part I</i> | | No |
| 34 Was the organization related to any tax-exempt or taxable entity? <i>If "Yes," complete Schedule R, Part II, III, or IV, and Part V, line 1</i> | Yes | |
| 35a Did the organization have a controlled entity within the meaning of section 512(b)(13)? | | No |
| b If "Yes" to line 35a, did the organization receive any payment from or engage in any transaction with a controlled entity within the meaning of section 512(b)(13)? <i>If "Yes," complete Schedule R, Part V, line 2</i> | | |
| 36 Section 501(c)(3) organizations. Did the organization make any transfers to an exempt non-charitable related organization? <i>If "Yes," complete Schedule R, Part V, line 2</i> | | |
| 37 Did the organization conduct more than 5% of its activities through an entity that is not a related organization and that is treated as a partnership for federal income tax purposes? <i>If "Yes," complete Schedule R, Part VI</i> | | No |
| 38 Did the organization complete Schedule O and provide explanations in Schedule O for Part VI, lines 11b and 19? Note. All Form 990 filers are required to complete Schedule O | Yes | |

Part V Statements Regarding Other IRS Filings and Tax Compliance

Check if Schedule O contains a response or note to any line in this Part V

Table with columns for question ID, question text, and Yes/No response boxes. Includes sections for backup withholding, employee reporting, foreign accounts, prohibited tax shelter transactions, deductible contributions, and 501(c)(7), (12), and (29) organizations.

Part VI Governance, Management, and Disclosure For each "Yes" response to lines 2 through 7b below, and for a "No" response to lines 8a, 8b, or 10b below, describe the circumstances, processes, or changes in Schedule O See instructions

Check if Schedule O contains a response or note to any line in this Part VI [X]

Section A. Governing Body and Management

Table with 3 columns: Question, Yes, No. Rows include: 1a (Voting members), 1b (Independent members), 2 (Family/Business relationships), 3 (Delegation of control), 4 (Changes to governing documents), 5 (Asset diversion), 6 (Members/stockholders), 7a (Election power), 7b (Reserved decisions), 8 (Meeting documentation), 8a/b (Committee authority), 9 (Officer reachability).

Section B. Policies (This Section B requests information about policies not required by the Internal Revenue Code.)

Table with 3 columns: Question, Yes, No. Rows include: 10a (Local chapters), 10b (Policies for chapters), 11a (Form 990 distribution), 11b (Review process), 12a (Conflict of interest policy), 12b (Disclosure requirements), 12c (Monitoring compliance), 13 (Whistleblower policy), 14 (Document retention), 15a/b (Compensation review), 16a (Investment/venture), 16b (Participation policy).

Section C. Disclosure

Table with 3 columns: Question, Yes, No. Rows include: 17 (States for Form 990), 18 (Public inspection methods), 19 (Governing documents availability), 20 (Books and records location).

Part VII Compensation of Officers, Directors, Trustees, Key Employees, Highest Compensated Employees, and Independent Contractors

Check if Schedule O contains a response or note to any line in this Part VII

Section A. Officers, Directors, Trustees, Key Employees, and Highest Compensated Employees

1a Complete this table for all persons required to be listed Report compensation for the calendar year ending with or within the organization's tax year

- List all of the organization's **current** officers, directors, trustees (whether individuals or organizations), regardless of amount of compensation Enter -0- in columns (D), (E), and (F) if no compensation was paid

- List all of the organization's **current** key employees, if any See instructions for definition of "key employee "

- List the organization's five **current** highest compensated employees (other than an officer, director, trustee or key employee) who received reportable compensation (Box 5 of Form W-2 and/or Box 7 of Form 1099-MISC) of more than \$100,000 from the organization and any related organizations

- List all of the organization's **former** officers, key employees, or highest compensated employees who received more than \$100,000 of reportable compensation from the organization and any related organizations

- List all of the organization's **former directors or trustees** that received, in the capacity as a former director or trustee of the organization, more than \$10,000 of reportable compensation from the organization and any related organizations

List persons in the following order individual trustees or directors, institutional trustees, officers, key employees, highest compensated employees, and former such persons

Check this box if neither the organization nor any related organization compensated any current officer, director, or trustee

| (A) Name and Title | (B) Average hours per week (list any hours for related organizations below dotted line) | (C) Position (do not check more than one box, unless person is both an officer and a director/trustee) | | | | | | (D) Reportable compensation from the organization (W-2/1099-MISC) | (E) Reportable compensation from related organizations (W-2/1099-MISC) | (F) Estimated amount of other compensation from the organization and related organizations |
|---|--|---|-----------------------|---------|--------------|------------------------------|--------|--|---|---|
| | | Individual trustee or director | Institutional Trustee | Officer | Key employee | Highest compensated employee | Former | | | |
| (1) MARK BOOKER CHAIR | 1 0 | X | | X | | | | 0 | 0 | 0 |
| (2) NAOMI CHRISTIAN VICE CHAIR | 1 0 | X | | X | | | | 0 | 0 | 0 |
| (3) RICHARD DOWDELL TREASURER | 1 0 | X | | X | | | | 0 | 0 | 0 |
| (4) JACKIE WHITE SECRETARY | 1 0 | X | | X | | | | 0 | 0 | 0 |
| (5) CORA BROWN BOARD MEMBER | 1 0 | X | | | | | | 0 | 0 | 0 |
| (6) KEVIN ROBERTS BOARD MEMBER | 1 0 | X | | | | | | 0 | 0 | 0 |
| (7) TOM MUELLER BOARD MEMBER | 1 0 | X | | | | | | 0 | 0 | 0 |
| (8) CINDY HALL BOARD MEMBER | 1 0 | X | | | | | | 0 | 0 | 0 |
| (9) SHERYL DISTLER BOARD MEMBER | 1 0 | X | | | | | | 0 | 0 | 0 |
| (10) RICHARD REESE PRESIDENT/CEO | 40 0 | | | X | | | | 485,639 | 0 | 549,436 |
| (11) VICKIE SHELLENBERG EXECUTIVE VICE PRESIDENT | 40 0 | | | X | | | | 255,206 | 0 | 68,217 |
| (12) DONNA WORKMAN SENIOR VICE PRESIDENT/CFO | 40 0 | | | X | | | | 193,952 | 0 | 47,559 |
| (13) KEITH ESKRIDGE SENIOR VICE PRESIDENT OF LENDING | 40 0 | | | X | | | | 216,582 | 0 | 46,350 |
| (14) BRANDEN BLEDSOE VICE PRESIDENT OF OPERATIONS | 40 0 | | | X | | | | 136,176 | 0 | 32,487 |
| (15) TERRI BERG REGIONAL BRANCH MANAGER | 40 0 | | | | | X | | 116,949 | 0 | 13,853 |
| (16) ADAM REYNOLDS DIRECTOR OF CONSUMER LENDING | 40 0 | | | | | X | | 108,553 | 0 | 15,217 |
| (17) CHRISTINE WILDER DIRECTOR OF IT | 40 0 | | | | | X | | 122,112 | 0 | 10,447 |

Part VIII Statement of Revenue

Check if Schedule O contains a response or note to any line in this Part VIII

| | | (A) Total revenue | (B) Related or exempt function revenue | (C) Unrelated business revenue | (D) Revenue excluded from tax under sections 512-514 | |
|--|---|--|--|---|--|--|
| Contributions, Gifts, Grants and Other Similar Amounts | 1a Federated campaigns | 1a | | | | |
| | b Membership dues | 1b | | | | |
| | c Fundraising events | 1c | | | | |
| | d Related organizations | 1d | | | | |
| | e Government grants (contributions) | 1e | | | | |
| | f All other contributions, gifts, grants, and similar amounts not included above | 1f | | | | |
| | g Noncash contributions included in lines 1a-1f \$ _____ | | | | | |
| | h Total. Add lines 1a-1f | | 0 | | | |
| Program Service Revenue | | Business Code | | | | |
| | 2a INTEREST ON LOANS | 522291 | 10,761,988 | 10,761,988 | | |
| | b FEES AND SERVICE CHARGES | 522299 | 4,272,284 | 4,235,452 | 36,832 | |
| | c DEBIT/CREDIT CARD INTERCHANGE INCOME | 522100 | 2,292,205 | 2,292,205 | | |
| | d INSURANCE/WARRANTY/OTHER INCOME | 524113 | 532,196 | 454,826 | 77,370 | |
| | e CREDIT LIFE DISABILITY INCOME | 524113 | 743,331 | 743,331 | | |
| | f All other program service revenue | | 208,783 | 208,783 | 0 | |
| g Total. Add lines 2a-2f | | 18,810,787 | | | | |
| Other Revenue | 3 Investment income (including dividends, interest, and other similar amounts) | | 865,004 | | 865,004 | |
| | 4 Income from investment of tax-exempt bond proceeds | | | | | |
| | 5 Royalties | | | | | |
| | 6a Gross rents | (i) Real | | | | |
| | | (ii) Personal | | | | |
| | | b Less rental expenses | | | | |
| | | c Rental income or (loss) | 0 | 0 | | |
| | d Net rental income or (loss) | | | | | |
| | 7a Gross amount from sales of assets other than inventory | (i) Securities | 6,992,790 | | | |
| | | (ii) Other | | 0 | | |
| | | b Less cost or other basis and sales expenses | 6,994,340 | 435 | | |
| | | c Gain or (loss) | -1,550 | -435 | | |
| | d Net gain or (loss) | | -1,985 | | -1,985 | |
| | 8a Gross income from fundraising events (not including \$ _____ of contributions reported on line 1c) See Part IV, line 18 | a | | | | |
| | | b Less direct expenses | | | | |
| c Net income or (loss) from fundraising events | | | | | | |
| 9a Gross income from gaming activities See Part IV, line 19 | a | | | | | |
| | b Less direct expenses | | | | | |
| | c Net income or (loss) from gaming activities | | | | | |
| 10a Gross sales of inventory, less returns and allowances | a | | | | | |
| | b Less cost of goods sold | | | | | |
| | c Net income or (loss) from sales of inventory | | | | | |
| Miscellaneous Revenue | Business Code | | | | | |
| 11a MISCELLANEOUS INCOME | 522299 | 47,015 | 47,015 | | | |
| b NON-MEMBER INCOME | 522299 | 4,702 | | 4,702 | | |
| c | | | | | | |
| d All other revenue | | 0 | 0 | 0 | | |
| e Total. Add lines 11a-11d | | 51,717 | | | | |
| 12 Total revenue. See Instructions | | 19,725,523 | 18,743,600 | 118,904 | 863,019 | |

Part IX Statement of Functional Expenses

Section 501(c)(3) and 501(c)(4) organizations must complete all columns. All other organizations must complete column (A).

Check if Schedule O contains a response or note to any line in this Part IX

| Do not include amounts reported on lines 6b, 7b, 8b, 9b, and 10b of Part VIII. | (A) Total expenses | (B) Program service expenses | (C) Management and general expenses | (D) Fundraising expenses |
|---|------------------------------|--|---|------------------------------------|
| 1 Grants and other assistance to domestic organizations and domestic governments. See Part IV, line 21. | | | | |
| 2 Grants and other assistance to domestic individuals. See Part IV, line 22. | | | | |
| 3 Grants and other assistance to foreign organizations, foreign governments, and foreign individuals. See Part IV, line 15 and 16. | | | | |
| 4 Benefits paid to or for members. | | | | |
| 5 Compensation of current officers, directors, trustees, and key employees. | 1,552,456 | | | |
| 6 Compensation not included above, to disqualified persons (as defined under section 4958(f)(1)) and persons described in section 4958(c)(3)(B). | | | | |
| 7 Other salaries and wages. | 4,274,796 | | | |
| 8 Pension plan accruals and contributions (include section 401 (k) and 403(b) employer contributions). | 732,456 | | | |
| 9 Other employee benefits. | 532,246 | | | |
| 10 Payroll taxes. | 358,263 | | | |
| 11 Fees for services (non-employees) | | | | |
| a Management. | | | | |
| b Legal. | 98,778 | | | |
| c Accounting. | 76,571 | | | |
| d Lobbying. | | | | |
| e Professional fundraising services. See Part IV, line 17. | | | | |
| f Investment management fees. | 43,835 | | | |
| g Other (If line 11g amount exceeds 10% of line 25, column (A) amount, list line 11g expenses on Schedule O). | 69,021 | 0 | 0 | 0 |
| 12 Advertising and promotion. | 303,198 | | | |
| 13 Office expenses. | 448,667 | | | |
| 14 Information technology. | 225,887 | | | |
| 15 Royalties. | | | | |
| 16 Occupancy. | 1,142,371 | | | |
| 17 Travel. | 29,225 | | | |
| 18 Payments of travel or entertainment expenses for any federal, state, or local public officials. | | | | |
| 19 Conferences, conventions, and meetings. | | | | |
| 20 Interest. | 2,321,349 | | | |
| 21 Payments to affiliates. | | | | |
| 22 Depreciation, depletion, and amortization. | 638,580 | | | |
| 23 Insurance. | | | | |
| 24 Other expenses. Itemize expenses not covered above (List miscellaneous expenses in line 24e. If line 24e amount exceeds 10% of line 25, column (A) amount, list line 24e expenses on Schedule O.) | | | | |
| a PROVISION FOR LOAN LOSS | 1,207,084 | | | |
| b LOAN SERVICING | 1,006,468 | | | |
| c OPERATIONAL EXPENSE | 876,218 | | | |
| d DEBIT CARD/ATM EXPENSE | 915,130 | | | |
| e All other expenses | 101,731 | 0 | 0 | 0 |
| 25 Total functional expenses. Add lines 1 through 24e. | 16,954,330 | 0 | 0 | 0 |
| 26 Joint costs. Complete this line only if the organization reported in column (B) joint costs from a combined educational campaign and fundraising solicitation. Check here <input type="checkbox"/> if following SOP 98-2 (ASC 958-720). | | | | |

Part X Balance Sheet

Check if Schedule O contains a response or note to any line in this Part IX

| | | (A) Beginning of year | | (B) End of year |
|---|---|--------------------------|-------------|----------------------|
| Assets | 1 Cash—non-interest-bearing | 21,002,897 | 1 | 33,639,157 |
| | 2 Savings and temporary cash investments | 68,920,789 | 2 | 52,547,000 |
| | 3 Pledges and grants receivable, net | | 3 | |
| | 4 Accounts receivable, net | 677,491 | 4 | 554,196 |
| | 5 Loans and other receivables from current and former officers, directors, trustees, key employees, and highest compensated employees Complete Part II of Schedule L | 0 | 5 | 0 |
| | 6 Loans and other receivables from other disqualified persons (as defined under section 4958(f)(1)), persons described in section 4958(c)(3)(B), and contributing employers and sponsoring organizations of section 501(c)(9) voluntary employees' beneficiary organizations (see instructions) Complete Part II of Schedule L | | 6 | 0 |
| | 7 Notes and loans receivable, net | 263,359,074 | 7 | 287,261,958 |
| | 8 Inventories for sale or use | | 8 | |
| | 9 Prepaid expenses and deferred charges | 373,564 | 9 | 510,551 |
| | 10a Land, buildings, and equipment cost or other basis Complete Part VI of Schedule D | 10a 15,588,624 | | |
| | b Less accumulated depreciation | 10b 6,479,316 | 9,249,882 | 10c 9,109,308 |
| | 11 Investments—publicly traded securities | 877,300 | 11 | 934,600 |
| | 12 Investments—other securities See Part IV, line 11 | 14,461,248 | 12 | 366,861 |
| | 13 Investments—program-related See Part IV, line 11 | 0 | 13 | |
| | 14 Intangible assets | | 14 | |
| | 15 Other assets See Part IV, line 11 | 8,270,746 | 15 | 8,343,107 |
| 16 Total assets. Add lines 1 through 15 (must equal line 34) | 387,192,991 | 16 | 393,266,738 | |
| Liabilities | 17 Accounts payable and accrued expenses | 1,760,017 | 17 | 2,731,496 |
| | 18 Grants payable | | 18 | |
| | 19 Deferred revenue | | 19 | |
| | 20 Tax-exempt bond liabilities | | 20 | |
| | 21 Escrow or custodial account liability Complete Part IV of Schedule D | | 21 | |
| | 22 Loans and other payables to current and former officers, directors, trustees, key employees, highest compensated employees, and disqualified persons Complete Part II of Schedule L | | 22 | 0 |
| | 23 Secured mortgages and notes payable to unrelated third parties | 22,647,889 | 23 | 23,477,633 |
| | 24 Unsecured notes and loans payable to unrelated third parties | | 24 | |
| | 25 Other liabilities (including federal income tax, payables to related third parties, and other liabilities not included on lines 17-24) Complete Part X of Schedule D | 319,150,815 | 25 | 320,670,573 |
| | 26 Total liabilities. Add lines 17 through 25 | 343,558,721 | 26 | 346,879,702 |
| Net Assets or Fund Balances | 27 Organizations that follow SFAS 117 (ASC 958), check here <input type="checkbox"/> and complete lines 27 through 29, and lines 33 and 34. Unrestricted net assets | | 27 | |
| | 28 Temporarily restricted net assets | | 28 | |
| | 29 Permanently restricted net assets | | 29 | |
| | 30 Organizations that do not follow SFAS 117 (ASC 958), check here <input checked="" type="checkbox"/> and complete lines 30 through 34. Capital stock or trust principal, or current funds | | 30 | |
| | 31 Paid-in or capital surplus, or land, building or equipment fund | | 31 | |
| | 32 Retained earnings, endowment, accumulated income, or other funds | 43,634,270 | 32 | 46,387,036 |
| | 33 Total net assets or fund balances | 43,634,270 | 33 | 46,387,036 |
| | 34 Total liabilities and net assets/fund balances | 387,192,991 | 34 | 393,266,738 |

Part XI Reconciliation of Net Assets

Check if Schedule O contains a response or note to any line in this Part XI

| | | | |
|-----------|---|-----------|------------|
| 1 | Total revenue (must equal Part VIII, column (A), line 12) | 1 | 19,725,523 |
| 2 | Total expenses (must equal Part IX, column (A), line 25) | 2 | 16,954,330 |
| 3 | Revenue less expenses Subtract line 2 from line 1 | 3 | 2,771,193 |
| 4 | Net assets or fund balances at beginning of year (must equal Part X, line 33, column (A)) | 4 | 43,634,270 |
| 5 | Net unrealized gains (losses) on investments | 5 | -18,427 |
| 6 | Donated services and use of facilities | 6 | |
| 7 | Investment expenses | 7 | |
| 8 | Prior period adjustments | 8 | |
| 9 | Other changes in net assets or fund balances (explain in Schedule O) | 9 | 0 |
| 10 | Net assets or fund balances at end of year Combine lines 3 through 9 (must equal Part X, line 33, column (B)) | 10 | 46,387,036 |

Part XII Financial Statements and Reporting

Check if Schedule O contains a response or note to any line in this Part XII

| | | Yes | No |
|---|-----------|-----|----|
| <p>1 Accounting method used to prepare the Form 990 <input type="checkbox"/> Cash <input checked="" type="checkbox"/> Accrual <input type="checkbox"/> Other _____ If the organization changed its method of accounting from a prior year or checked "Other," explain in Schedule O</p> | | | |
| <p>2a Were the organization's financial statements compiled or reviewed by an independent accountant? If 'Yes,' check a box below to indicate whether the financial statements for the year were compiled or reviewed on a separate basis, consolidated basis, or both <input type="checkbox"/> Separate basis <input type="checkbox"/> Consolidated basis <input type="checkbox"/> Both consolidated and separate basis</p> | 2a | | No |
| <p>b Were the organization's financial statements audited by an independent accountant? If 'Yes,' check a box below to indicate whether the financial statements for the year were audited on a separate basis, consolidated basis, or both <input checked="" type="checkbox"/> Separate basis <input type="checkbox"/> Consolidated basis <input type="checkbox"/> Both consolidated and separate basis</p> | 2b | Yes | |
| <p>c If "Yes," to line 2a or 2b, does the organization have a committee that assumes responsibility for oversight of the audit, review, or compilation of its financial statements and selection of an independent accountant? If the organization changed either its oversight process or selection process during the tax year, explain in Schedule O</p> | 2c | Yes | |
| <p>3a As a result of a federal award, was the organization required to undergo an audit or audits as set forth in the Single Audit Act and OMB Circular A-133?</p> | 3a | | No |
| <p>b If "Yes," did the organization undergo the required audit or audits? If the organization did not undergo the required audit or audits, explain why in Schedule O and describe any steps taken to undergo such audits</p> | 3b | | |

Additional Data

Software ID: 17005876

Software Version: 2017v2.2

EIN: 61-0360420

Name: Transcend Credit Union fka Kentucky Telco Credit Union

Form 990 (2017)

Form 990, Part III, Line 4a:

TRANSCEND CREDIT UNION (THE "CREDIT UNION") IS A STATE CHARTERED COOPERATIVE ASSOCIATION ORGANIZED FOR THE PURPOSE OF PROMOTING THRIFT AMONG AND CREATING A SOURCE OF CREDIT FOR ITS MEMBERS. THE CREDIT UNION PROVIDES MORTGAGE, VEHICLE AND OTHER CONSUMER LOANS TO ITS MEMBERS. THE CREDIT UNION ALSO OFFERS A VARIETY OF ACCOUNTS FOR MEMBERS TO TRANSACT AND SAVE, INCLUDING SHARE DRAFT ACCOUNTS AND SHARE CERTIFICATES. AS A MEMBER-OWNED ORGANIZATION, THE CREDIT UNION STRIVES TO PROVIDE COMPETITIVE INTEREST AND DIVIDEND RATES TO ITS MEMBERS AND CONVENIENT WAYS FOR MEMBERS TO ACCESS THEIR ACCOUNTS, INCLUDING ONLINE AND MOBILE BANKING AND SHARED BRANCHING SERVICES.

Form 990, Part III, Line 4b:

THE CREDIT UNION OFFERS CREDIT LIFE AND DISABILITY INSURANCE TO ITS MEMBERS WHEN THEY FINANCE A VEHICLE OR OPEN A CREDIT CARD THIS INSURANCE
WOULD PAY OFF THE LOAN IN THE CASE OF A DEATH OR DISABILITY

Form 990, Part III, Line 4c:

THE CREDIT UNION OFFERS AUTO WARRANTIES AT FAIR PRICES TO ITS MEMBERS THESE WARRANTIES ARE COMPREHENSIVE AND HELP WITH THE COSTS OF REPAIR OF THE VEHICLE

SCHEDULE D
(Form 990)

Department of the Treasury
Internal Revenue Service

Supplemental Financial Statements
▶ Complete if the organization answered "Yes," on Form 990, Part IV, line 6, 7, 8, 9, 10, 11a, 11b, 11c, 11d, 11e, 11f, 12a, or 12b.
▶ Attach to Form 990.
Information about Schedule D (Form 990) and its instructions is at www.irs.gov/form990.

OMB No 1545-0047
2017
Open to Public Inspection

Name of the organization
Transcend Credit Union fka Kentucky Telco Credit Union

Employer identification number
61-0360420

Part I Organizations Maintaining Donor Advised Funds or Other Similar Funds or Accounts.
Complete if the organization answered "Yes" on Form 990, Part IV, line 6.

| | (a) Donor advised funds | (b) Funds and other accounts |
|--|-------------------------|--|
| 1 Total number at end of year | | |
| 2 Aggregate value of contributions to (during year) | | |
| 3 Aggregate value of grants from (during year) | | |
| 4 Aggregate value at end of year | | |
| 5 Did the organization inform all donors and donor advisors in writing that the assets held in donor advised funds are the organization's property, subject to the organization's exclusive legal control? | | <input type="checkbox"/> Yes <input type="checkbox"/> No |
| 6 Did the organization inform all grantees, donors, and donor advisors in writing that grant funds can be used only for charitable purposes and not for the benefit of the donor or donor advisor, or for any other purpose conferring impermissible private benefit? | | <input type="checkbox"/> Yes <input type="checkbox"/> No |

Part II Conservation Easements. Complete if the organization answered "Yes" on Form 990, Part IV, line 7.

1 Purpose(s) of conservation easements held by the organization (check all that apply)

Preservation of land for public use (e g , recreation or education) Preservation of an historically important land area

Protection of natural habitat Preservation of a certified historic structure

Preservation of open space

2 Complete lines 2a through 2d if the organization held a qualified conservation contribution in the form of a conservation easement on the last day of the tax year

| | Held at the End of the Year | |
|---|-----------------------------|--|
| a Total number of conservation easements | 2a | |
| b Total acreage restricted by conservation easements | 2b | |
| c Number of conservation easements on a certified historic structure included in (a) | 2c | |
| d Number of conservation easements included in (c) acquired after 8/17/06, and not on a historic structure listed in the National Register | 2d | |

3 Number of conservation easements modified, transferred, released, extinguished, or terminated by the organization during the tax year ▶ _____

4 Number of states where property subject to conservation easement is located ▶ _____

5 Does the organization have a written policy regarding the periodic monitoring, inspection, handling of violations, and enforcement of the conservation easements it holds? Yes No

6 Staff and volunteer hours devoted to monitoring, inspecting, handling of violations, and enforcing conservation easements during the year ▶ _____

7 Amount of expenses incurred in monitoring, inspecting, handling of violations, and enforcing conservation easements during the year ▶ \$ _____

8 Does each conservation easement reported on line 2(d) above satisfy the requirements of section 170(h)(4)(B)(i) and section 170(h)(4)(B)(ii)? Yes No

9 In Part XIII, describe how the organization reports conservation easements in its revenue and expense statement, and balance sheet, and include, if applicable, the text of the footnote to the organization's financial statements that describes the organization's accounting for conservation easements

Part III Organizations Maintaining Collections of Art, Historical Treasures, or Other Similar Assets.
Complete if the organization answered "Yes" on Form 990, Part IV, line 8.

1a If the organization elected, as permitted under SFAS 116 (ASC 958), not to report in its revenue statement and balance sheet works of art, historical treasures, or other similar assets held for public exhibition, education, or research in furtherance of public service, provide, in Part XIII, the text of the footnote to its financial statements that describes these items

b If the organization elected, as permitted under SFAS 116 (ASC 958), to report in its revenue statement and balance sheet works of art, historical treasures, or other similar assets held for public exhibition, education, or research in furtherance of public service, provide the following amounts relating to these items

(i) Revenue included on Form 990, Part VIII, line 1 ▶ \$ _____

(ii) Assets included in Form 990, Part X ▶ \$ _____

2 If the organization received or held works of art, historical treasures, or other similar assets for financial gain, provide the following amounts required to be reported under SFAS 116 (ASC 958) relating to these items

a Revenue included on Form 990, Part VIII, line 1 ▶ \$ _____

b Assets included in Form 990, Part X ▶ \$ _____

Part III Organizations Maintaining Collections of Art, Historical Treasures, or Other Similar Assets *(continued)*

- 3** Using the organization's acquisition, accession, and other records, check any of the following that are a significant use of its collection items (check all that apply)
- a** Public exhibition
 - b** Scholarly research
 - c** Preservation for future generations
 - d** Loan or exchange programs
 - e** Other
- 4** Provide a description of the organization's collections and explain how they further the organization's exempt purpose in Part XIII
- 5** During the year, did the organization solicit or receive donations of art, historical treasures or other similar assets to be sold to raise funds rather than to be maintained as part of the organization's collection? Yes No

Part IV Escrow and Custodial Arrangements.

Complete if the organization answered "Yes" on Form 990, Part IV, line 9, or reported an amount on Form 990, Part X, line 21.

- 1a** Is the organization an agent, trustee, custodian or other intermediary for contributions or other assets not included on Form 990, Part X? Yes No
- b** If "Yes," explain the arrangement in Part XIII and complete the following table
- | | Amount |
|--|--------|
| c Beginning balance | |
| d Additions during the year | |
| e Distributions during the year | |
| f Ending balance | |
- 2a** Did the organization include an amount on Form 990, Part X, line 21, for escrow or custodial account liability? Yes No
- b** If "Yes," explain the arrangement in Part XIII Check here if the explanation has been provided in Part XIII

Part V Endowment Funds. Complete if the organization answered "Yes" on Form 990, Part IV, line 10.

| | (a) Current year | (b) Prior year | (c) Two years back | (d) Three years back | (e) Four years back |
|---|------------------|----------------|--------------------|----------------------|---------------------|
| 1a Beginning of year balance | | | | | |
| b Contributions | | | | | |
| c Net investment earnings, gains, and losses | | | | | |
| d Grants or scholarships | | | | | |
| e Other expenditures for facilities and programs | | | | | |
| f Administrative expenses | | | | | |
| g End of year balance | | | | | |

- 2** Provide the estimated percentage of the current year end balance (line 1g, column (a)) held as
- a** Board designated or quasi-endowment ▶
 - b** Permanent endowment ▶
 - c** Temporarily restricted endowment ▶
- The percentages on lines 2a, 2b, and 2c should equal 100%
- 3a** Are there endowment funds not in the possession of the organization that are held and administered for the organization by
- | | Yes | No |
|--|---------------|----|
| (i) unrelated organizations | 3a(i) | |
| (ii) related organizations | 3a(ii) | |
| b If "Yes" on 3a(ii), are the related organizations listed as required on Schedule R? | 3b | |
- 4** Describe in Part XIII the intended uses of the organization's endowment funds

Part VI Land, Buildings, and Equipment.

Complete if the organization answered "Yes" on Form 990, Part IV, line 11a. See Form 990, Part X, line 10.

| Description of property | (a) Cost or other basis (investment) | (b) Cost or other basis (other) | (c) Accumulated depreciation | (d) Book value |
|--|--------------------------------------|---------------------------------|------------------------------|----------------|
| 1a Land | | 4,075,834 | | 4,075,834 |
| b Buildings | | 5,149,318 | 1,846,981 | 3,302,337 |
| c Leasehold improvements | | 333,552 | 292,155 | 41,397 |
| d Equipment | | 6,029,920 | 4,340,180 | 1,689,740 |
| e Other | | | | |
| Total. Add lines 1a through 1e (Column (d) must equal Form 990, Part X, column (B), line 10(c)) . . . ▶ | | | | 9,109,308 |

Part VII Investments—Other Securities. Complete if the organization answered "Yes" on Form 990, Part IV, line 11b. See Form 990, Part X, line 12.

| (a) Description of security or category (including name of security) | (b) Book value | (c) Method of valuation Cost or end-of-year market value |
|--|----------------------|---|
| (1) Financial derivatives | | |
| (2) Closely-held equity interests | | |
| (3) Other _____ | | |
| (A) | | |
| (B) | | |
| (C) | | |
| (D) | | |
| (E) | | |
| (F) | | |
| (G) | | |
| (H) | | |
| Total. (Column (b) must equal Form 990, Part X, col (B) line 12) | ▶ | |

Part VIII Investments—Program Related. Complete if the organization answered 'Yes' on Form 990, Part IV, line 11c. See Form 990, Part X, line 13.

| (a) Description of investment | (b) Book value | (c) Method of valuation Cost or end-of-year market value |
|--|----------------|---|
| (1) | | |
| (2) | | |
| (3) | | |
| (4) | | |
| (5) | | |
| (6) | | |
| (7) | | |
| (8) | | |
| (9) | | |
| Total. (Column (b) must equal Form 990, Part X, col (B) line 13) | ▶ | |

Part IX Other Assets. Complete if the organization answered 'Yes' on Form 990, Part IV, line 11d. See Form 990, Part X, line 15

| (a) Description | (b) Book value |
|--|----------------|
| (1) | |
| (2) | |
| (3) | |
| (4) | |
| (5) | |
| (6) | |
| (7) | |
| (8) | |
| (9) | |
| Total. (Column (b) must equal Form 990, Part X, col (B) line 15) | ▶ |

Part X Other Liabilities. Complete if the organization answered 'Yes' on Form 990, Part IV, line 11e or 11f. See Form 990, Part X, line 25.

| 1. (a) Description of liability | (b) Book value |
|--|----------------|
| (1) Federal income taxes | |
| MISCELLANEOUS LIABILITIES | 133,280 |
| MEMBERS SHARE AND DEPOSITS | 320,537,293 |
| (3) | |
| (4) | |
| (5) | |
| (6) | |
| (7) | |
| (8) | |
| (9) | |
| Total. (Column (b) must equal Form 990, Part X, col (B) line 25) | ▶ 320,670,573 |

2. Liability for uncertain tax positions In Part XIII, provide the text of the footnote to the organization's financial statements that reports the organization's liability for uncertain tax positions under FIN 48 (ASC 740) Check here if the text of the footnote has been provided in Part XIII

Part XI Reconciliation of Revenue per Audited Financial Statements With Revenue per Return

Complete if the organization answered 'Yes' on Form 990, Part IV, line 12a.

| | | | | |
|----------|---|-----------|-----------|------------|
| 1 | Total revenue, gains, and other support per audited financial statements | | 1 | 19,727,508 |
| 2 | Amounts included on line 1 but not on Form 990, Part VIII, line 12 | | | |
| a | Net unrealized gains (losses) on investments | 2a | | |
| b | Donated services and use of facilities | 2b | | |
| c | Recoveries of prior year grants | 2c | | |
| d | Other (Describe in Part XIII) | 2d | 1,985 | |
| e | Add lines 2a through 2d | | 2e | 1,985 |
| 3 | Subtract line 2e from line 1 | | 3 | 19,725,523 |
| 4 | Amounts included on Form 990, Part VIII, line 12, but not on line 1 | | | |
| a | Investment expenses not included on Form 990, Part VIII, line 7b | 4a | | |
| b | Other (Describe in Part XIII) | 4b | 0 | |
| c | Add lines 4a and 4b | | 4c | 0 |
| 5 | Total revenue Add lines 3 and 4c . (This must equal Form 990, Part I, line 12) | | 5 | 19,725,523 |

Part XII Reconciliation of Expenses per Audited Financial Statements With Expenses per Return.

Complete if the organization answered 'Yes' on Form 990, Part IV, line 12a.

| | | | | |
|----------|--|-----------|-----------|------------|
| 1 | Total expenses and losses per audited financial statements | | 1 | 16,956,315 |
| 2 | Amounts included on line 1 but not on Form 990, Part IX, line 25 | | | |
| a | Donated services and use of facilities | 2a | | |
| b | Prior year adjustments | 2b | | |
| c | Other losses | 2c | | |
| d | Other (Describe in Part XIII) | 2d | 1,985 | |
| e | Add lines 2a through 2d | | 2e | 1,985 |
| 3 | Subtract line 2e from line 1 | | 3 | 16,954,330 |
| 4 | Amounts included on Form 990, Part IX, line 25, but not on line 1: | | | |
| a | Investment expenses not included on Form 990, Part VIII, line 7b | 4a | | |
| b | Other (Describe in Part XIII) | 4b | 0 | |
| c | Add lines 4a and 4b | | 4c | 0 |
| 5 | Total expenses Add lines 3 and 4c . (This must equal Form 990, Part I, line 18) | | 5 | 16,954,330 |

Part XIII Supplemental Information

Provide the descriptions required for Part II, lines 3, 5, and 9, Part III, lines 1a and 4, Part IV, lines 1b and 2b, Part V, line 4, Part X, line 2, Part XI, lines 2d and 4b, and Part XII, lines 2d and 4b Also complete this part to provide any additional information

| Return Reference | Explanation |
|---------------------------|-------------|
| See Additional Data Table | |
| | |
| | |
| | |
| | |
| | |

Part XIII Supplemental Information *(continued)*

| Return Reference | Explanation |
|------------------|-------------|
| | |
| | |
| | |
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| | |
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| | |

Additional Data

Software ID: 17005876

Software Version: 2017v2.2

EIN: 61-0360420

Name: Transcend Credit Union fka Kentucky Telco Credit Union

Supplemental Information

| Return Reference | Explanation |
|--|-----------------------------------|
| Schedule D, Part XI, Line 2(d) Other revenues in audited financial statements not in form 990 | RECLASS OF REALIZED LOSSES - 1985 |

Supplemental Information

| Return Reference | Explanation |
|---|-----------------------------------|
| Schedule D, Part XII, Line 2(d) Other expenses in audited financial statements not in form 990 | RECLASS OF REALIZED LOSSES - 1985 |

Schedule J
(Form 990)

Department of the Treasury
Internal Revenue Service

Compensation Information

For certain Officers, Directors, Trustees, Key Employees, and Highest Compensated Employees

▶ **Complete if the organization answered "Yes" on Form 990, Part IV, line 23.**
▶ **Attach to Form 990.**
▶ **Information about Schedule J (Form 990) and its instructions is at www.irs.gov/form990.**

OMB No 1545-0047

2017

Open to Public Inspection

Name of the organization
Transcend Credit Union fka Kentucky Telco Credit Union

Employer identification number
61-0360420

Part I Questions Regarding Compensation

| | | Yes | No | | |
|---|--|--|----|--|--|
| <p>1a Check the appropriate box(es) if the organization provided any of the following to or for a person listed on Form 990, Part VII, Section A, line 1a. Complete Part III to provide any relevant information regarding these items.</p> <table style="width: 100%; border: none;"> <tr> <td style="width: 50%; vertical-align: top;"> <input type="checkbox"/> First-class or charter travel <input checked="" type="checkbox"/> Travel for companions <input type="checkbox"/> Tax indemnification and gross-up payments <input type="checkbox"/> Discretionary spending account </td> <td style="width: 50%; vertical-align: top;"> <input type="checkbox"/> Housing allowance or residence for personal use <input type="checkbox"/> Payments for business use of personal residence <input type="checkbox"/> Health or social club dues or initiation fees <input type="checkbox"/> Personal services (e.g., maid, chauffeur, chef) </td> </tr> </table> | <input type="checkbox"/> First-class or charter travel <input checked="" type="checkbox"/> Travel for companions <input type="checkbox"/> Tax indemnification and gross-up payments <input type="checkbox"/> Discretionary spending account | <input type="checkbox"/> Housing allowance or residence for personal use <input type="checkbox"/> Payments for business use of personal residence <input type="checkbox"/> Health or social club dues or initiation fees <input type="checkbox"/> Personal services (e.g., maid, chauffeur, chef) | | | |
| <input type="checkbox"/> First-class or charter travel <input checked="" type="checkbox"/> Travel for companions <input type="checkbox"/> Tax indemnification and gross-up payments <input type="checkbox"/> Discretionary spending account | <input type="checkbox"/> Housing allowance or residence for personal use <input type="checkbox"/> Payments for business use of personal residence <input type="checkbox"/> Health or social club dues or initiation fees <input type="checkbox"/> Personal services (e.g., maid, chauffeur, chef) | | | | |
| <p>b If any of the boxes in line 1a are checked, did the organization follow a written policy regarding payment or reimbursement or provision of all of the expenses described above? If "No," complete Part III to explain.</p> | 1b | Yes | | | |
| <p>2 Did the organization require substantiation prior to reimbursing or allowing expenses incurred by all directors, trustees, officers, including the CEO/Executive Director, regarding the items checked in line 1a?</p> | 2 | Yes | | | |
| <p>3 Indicate which, if any, of the following the filing organization used to establish the compensation of the organization's CEO/Executive Director. Check all that apply. Do not check any boxes for methods used by a related organization to establish compensation of the CEO/Executive Director, but explain in Part III.</p> <table style="width: 100%; border: none;"> <tr> <td style="width: 50%; vertical-align: top;"> <input checked="" type="checkbox"/> Compensation committee <input checked="" type="checkbox"/> Independent compensation consultant <input type="checkbox"/> Form 990 of other organizations </td> <td style="width: 50%; vertical-align: top;"> <input type="checkbox"/> Written employment contract <input checked="" type="checkbox"/> Compensation survey or study <input checked="" type="checkbox"/> Approval by the board or compensation committee </td> </tr> </table> | <input checked="" type="checkbox"/> Compensation committee <input checked="" type="checkbox"/> Independent compensation consultant <input type="checkbox"/> Form 990 of other organizations | <input type="checkbox"/> Written employment contract <input checked="" type="checkbox"/> Compensation survey or study <input checked="" type="checkbox"/> Approval by the board or compensation committee | | | |
| <input checked="" type="checkbox"/> Compensation committee <input checked="" type="checkbox"/> Independent compensation consultant <input type="checkbox"/> Form 990 of other organizations | <input type="checkbox"/> Written employment contract <input checked="" type="checkbox"/> Compensation survey or study <input checked="" type="checkbox"/> Approval by the board or compensation committee | | | | |
| <p>4 During the year, did any person listed on Form 990, Part VII, Section A, line 1a, with respect to the filing organization or a related organization:</p> <p>a Receive a severance payment or change-of-control payment?</p> <p>b Participate in, or receive payment from, a supplemental nonqualified retirement plan?</p> <p>c Participate in, or receive payment from, an equity-based compensation arrangement?</p> <p>If "Yes" to any of lines 4a-c, list the persons and provide the applicable amounts for each item in Part III.</p> | 4a | | No | | |
| | 4b | Yes | | | |
| | 4c | | No | | |
| <p>Only 501(c)(3), 501(c)(4), and 501(c)(29) organizations must complete lines 5-9.</p> <p>5 For persons listed on Form 990, Part VII, Section A, line 1a, did the organization pay or accrue any compensation contingent on the revenues of:</p> <p>a The organization?</p> <p>b Any related organization?</p> <p>If "Yes," on line 5a or 5b, describe in Part III.</p> | 5a | | | | |
| | 5b | | | | |
| <p>6 For persons listed on Form 990, Part VII, Section A, line 1a, did the organization pay or accrue any compensation contingent on the net earnings of:</p> <p>a The organization?</p> <p>b Any related organization?</p> <p>If "Yes," on line 6a or 6b, describe in Part III.</p> | 6a | | | | |
| | 6b | | | | |
| <p>7 For persons listed on Form 990, Part VII, Section A, line 1a, did the organization provide any nonfixed payments not described in lines 5 and 6? If "Yes," describe in Part III.</p> | 7 | | | | |
| <p>8 Were any amounts reported on Form 990, Part VII, paid or accrued pursuant to a contract that was subject to the initial contract exception described in Regulations section 53.4958-4(a)(3)? If "Yes," describe in Part III.</p> | 8 | | | | |
| <p>9 If "Yes" on line 8, did the organization also follow the rebuttable presumption procedure described in Regulations section 53.4958-6(c)?</p> | 9 | | | | |

Part II Officers, Directors, Trustees, Key Employees, and Highest Compensated Employees. Use duplicate copies if additional space is needed.

For each individual whose compensation must be reported on Schedule J, report compensation from the organization on row (i) and from related organizations, described in the instructions, on row (ii). Do not list any individuals that are not listed on Form 990, Part VII

Note. The sum of columns (B)(i)-(iii) for each listed individual must equal the total amount of Form 990, Part VII, Section A, line 1a, applicable column (D) and (E) amounts for that individual

| (A) Name and Title | | (B) Breakdown of W-2 and/or 1099-MISC compensation | | | (C) Retirement and other deferred compensation | (D) Nontaxable benefits | (E) Total of columns (B)(i)-(D) | (F) Compensation in column (B) reported as deferred on prior Form 990 |
|---|------|--|-------------------------------------|-------------------------------------|--|-------------------------|---------------------------------|---|
| | | (i) Base compensation | (ii) Bonus & incentive compensation | (iii) Other reportable compensation | | | | |
| 1 RICHARD REESE PRESIDENT/CEO | (i) | 373,382 | 99,066 | 13,191 | 532,749 | 16,687 | 1,035,075 | 0 |
| | (ii) | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| 2 VICKIE SHELLENBERG EXECUTIVE VICE PRESIDENT | (i) | 197,288 | 45,000 | 12,918 | 44,554 | 23,663 | 323,423 | 0 |
| | (ii) | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| 3 DONNA WORKMAN SENIOR VICE PRESIDENT/CFO | (i) | 152,207 | 23,200 | 18,545 | 32,610 | 14,949 | 241,511 | 0 |
| | (ii) | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| 4 KEITH ESKRIDGE SENIOR VICE PRESIDENT OF LENDING | (i) | 115,473 | 58,000 | 43,109 | 30,740 | 15,610 | 262,932 | 0 |
| | (ii) | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| 5 BRANDEN BLEDSOE VICE PRESIDENT OF OPERATIONS | (i) | 90,884 | 21,000 | 24,292 | 9,466 | 23,021 | 168,663 | 0 |
| | (ii) | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
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Part III Supplemental Information

Provide the information, explanation, or descriptions required for Part I, lines 1a, 1b, 3, 4a, 4b, 4c, 5a, 5b, 6a, 6b, 7, and 8, and for Part II. Also complete this part for any additional information.

| Return Reference | Explanation |
|--|---|
| Schedule J, Part I, Line 1a Travel for companions | SPOUSE/GUEST TRAVEL BRANDEN BLEDSOE TAXABLE TO BRANDEN BLEDSOE SPOUSE/GUEST TRAVEL BOARD MEMBER SHERYL DISTLER NOT TAXABLE PER IRS GUIDELINES |
| Schedule J, Part I, Line 4b Supplemental nonqualified retirement plan | RICHARD REESE \$479,148 IS THE SERP ACCRUAL FOR THE YEAR |

SCHEDULE O
(Form 990 or 990-EZ)

Supplemental Information to Form 990 or 990-EZ

OMB No 1545-0047

Complete to provide information for responses to specific questions on Form 990 or 990-EZ or to provide any additional information.

▶ Attach to Form 990 or 990-EZ.

▶ Information about Schedule O (Form 990 or 990-EZ) and its instructions is at www.irs.gov/form990.

2017

Open to Public Inspection

Department of the Treasury
Internal Revenue Service

Name of the organization

Transcend Credit Union fka Kentucky Telco Credit Union

Employer identification number

61-0360420

990 Schedule O, Supplemental Information

| Return Reference | Explanation |
|---|--|
| Form 990, Part IV, Line 9 CREDIT COUNSELING (FREE) | THE FILING ORGANIZATION PROVIDES FREE CREDIT COUNSELING TO ALL MEMBERS |

990 Schedule O, Supplemental Information

| Return Reference | Explanation |
|--|--|
| Form 990, Part VI, Line 1a Delegate broad authority to a committee | The Board may appoint an executive committee consisting of not less than three (3) directors Subject to any limitations or conditions prescribed by the Board or otherwise set forth in KRS Chapter 286 6 and applicable laws governing nonprofit corporations, the executive committee may be authorized to act for the Board in any capacity the Board may otherwise act The Board may authorize other committees to transact specified business on their behalf, this authority is limited to the scope and parameters set by the Board and must be clearly stated at the onset of the assignment |

990 Schedule O, Supplemental Information

| Return Reference | Explanation |
|--|--|
| Form 990, Part VI, Line 6 Classes of members or stockholders | The credit union shall have members A person shall not be eligible for membership unless they satisfy the field of membership requirements set forth herein The field of membership of this credit union is limited to Bullitt, Henry, Jefferson, Oldham, Shelby, Spencer, Trimble, Daviess, Anderson, Franklin, Woodford, Mercer, Boyle, Lincoln, Garrard, Jessamine, Fayette, Scott, Harrison, Bourbon, Nicholas, Clark, Madison, Powell, and Estill Counties, in Kentucky |

990 Schedule O, Supplemental Information

| Return Reference | Explanation |
|---|---|
| Form 990, Part VI, Line 7a Members or stockholders electing members of governing body | The initial board of directors shall be selected by the subscribers to the Articles of Incorporation of the credit union and shall serve until the first annual meeting of members or until the election of their successors, whichever is later. All subsequent directors shall be elected by the members at the annual meeting. |

990 Schedule O, Supplemental Information

| Return Reference | Explanation |
|--|--|
| Form 990, Part VI, Line 11b Review of form 990 by governing body | THE FORM 990 IS PREPARED BY AN OUTSIDE ACCOUNTING FIRM AND REVIEWED BY THE EVP AND CFO PRIOR TO PROVIDING A COPY TO THE REMAINDER OF THE BOARD AFTER REVIEW AND DISCUSSION &/OR QUESTIONS AND CORRECTIONS, THE COMPLETE AND FINAL FORM 990 IS EFILED |

990 Schedule O, Supplemental Information

| Return Reference | Explanation |
|---|--|
| Form 990, Part VI, Line 12c Conflict of interest policy | THE ORGANIZATION HAS AN ANNUAL FORM TO DISCLOSE ALL CONFLICTS OF INTEREST FOR EACH BOARD MEMBER TO COMPLETE THE ORGANIZATION ALSO HAS A FORM TO COMPLETE THROUGHOUT THE YEAR AS APPLICABLE |

990 Schedule O, Supplemental Information

| Return Reference | Explanation |
|--|--|
| Form 990, Part VI, Line 15a Process to establish compensation of top management official | THE COMPENSATION OF THE PRESIDENT/CEO IS DETERMINED ON AN ANNUAL BASIS THE COMPENSATION WAS REVIEWED AND APPROVED BY THE BOARD OF DIRECTORS PRIOR TO MAKING ITS DETERMINATION, THE BOARD OF DIRECTORS OBTAINED AND RELIED UPON A STUDY CONDUCTED BY D HILTON ASSOCIATES, INC., WHICH IS DETERMINED TO BE APPROPRIATE DATA AS TO COMPARABILITY THE BASIS FOR DETERMINATION WAS ADEQUATELY DOCUMENTED IN THE MINUTES |

990 Schedule O, Supplemental Information

| Return Reference | Explanation |
|--|---|
| Form 990, Part VI, Line 15b Process to establish compensation of other employees | THE COMPENSATION FOR OTHER OFFICERS OF THE ORGANIZATION ARE DETERMINED ON AN ANNUAL BASIS THE OFFICER COMPENSATION WAS REVIEWED AND APPROVED BY THE CEO PRIOR TO MAKING THE DETERMINATION, THE CEO OBTAINED AND RELIED UPON COMPENSATION REPORTS REGARDING SIMILAR POSITIONS , WHICH IS DETERMINED TO BE APPROPRIATE DATA AS TO COMPARABILITY THE BASIS FOR DETERMINATION WAS ADEQUATELY DOCUMENTED |

990 Schedule O, Supplemental Information

| Return Reference | Explanation |
|--|---|
| Form 990, Part VI, Line 19 Required documents available to the public | THE ORGANIZATION MAKES ITS GOVERNING DOCUMENTS, CONFLICT OF INTEREST POLICY AND FINANCIAL STATEMENTS AVAILABLE TO THE PUBLIC UPON REQUEST |

990 Schedule O, Supplemental Information

| Return Reference | Explanation |
|---|--|
| Form 990, Part VIII, Line 2f Other Program Service Revenue | NET MORTGAGE LOAN SALES - Total Revenue 208783, Related or Exempt Function Revenue 20878 3, Unrelated Business Revenue , Revenue Excluded from Tax Under Sections 512, 513, or 514 , |

**SCHEDULE R
(Form 990)**

Related Organizations and Unrelated Partnerships

OMB No 1545-0047

2017

Open to Public Inspection

- ▶ Complete if the organization answered "Yes" on Form 990, Part IV, line 33, 34, 35b, 36, or 37.
- ▶ Attach to Form 990.
- ▶ Information about Schedule R (Form 990) and its instructions is at www.irs.gov/form990.

Department of the Treasury
Internal Revenue Service

Name of the organization
Transcend Credit Union fka Kentucky Telco Credit Union

Employer identification number

61-0360420

Part I Identification of Disregarded Entities Complete if the organization answered "Yes" on Form 990, Part IV, line 33.

| (a) Name, address, and EIN (if applicable) of disregarded entity | (b) Primary activity | (c) Legal domicile (state or foreign country) | (d) Total income | (e) End-of-year assets | (f) Direct controlling entity |
|---|-------------------------|--|---------------------|---------------------------|----------------------------------|
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Part II Identification of Related Tax-Exempt Organizations Complete if the organization answered "Yes" on Form 990, Part IV, line 34 because it had one or more related tax-exempt organizations during the tax year.

| (a) Name, address, and EIN of related organization | (b) Primary activity | (c) Legal domicile (state or foreign country) | (d) Exempt Code section | (e) Public charity status (if section 501(c)(3)) | (f) Direct controlling entity | (g) Section 512(b)(13) controlled entity? | |
|---|-------------------------|--|----------------------------|---|----------------------------------|--|----|
| | | | | | | Yes | No |
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Part III Identification of Related Organizations Taxable as a Partnership Complete if the organization answered "Yes" on Form 990, Part IV, line 34 because it had one or more related organizations treated as a partnership during the tax year.

| (a) Name, address, and EIN of related organization | (b) Primary activity | (c) Legal domicile (state or foreign country) | (d) Direct controlling entity | (e) Predominant income(related, unrelated, excluded from tax under sections 512-514) | (f) Share of total income | (g) Share of end-of-year assets | (h) Disproportionate allocations? | | (i) Code V-UBI amount in box 20 of Schedule K-1 (Form 1065) | (j) General or managing partner? | | (k) Percentage ownership |
|---|--------------------------|--|----------------------------------|---|------------------------------|------------------------------------|--------------------------------------|----|--|-------------------------------------|----|-----------------------------|
| | | | | | | | Yes | No | | Yes | No | |
| (1) CREDIT UNION CENTERS OF KENTUCKY LLC C/O KENTUCKY CREDIT UNION LEAGUE LOUISVILLE, KY 40218 61-1332750 | SERVICE TO CREDIT UNIONS | KY | NA | Unrelated | -3,322 | 146,208 | | No | | | No | 12.49 % |
| (2) ALLIANCE SERVICES GROUP LLC 201 WEST DEYOUNG STREET SUITE B MARION, IL 62959 26-1632390 | SERVICE TO CREDIT UNIONS | IL | NA | Unrelated | 30,129 | 90,680 | | No | | Yes | | 16.67 % |
| | | | | | | | | | | | | |
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Part IV Identification of Related Organizations Taxable as a Corporation or Trust Complete if the organization answered "Yes" on Form 990, Part IV, line 34 because it had one or more related organizations treated as a corporation or trust during the tax year.

| (a) Name, address, and EIN of related organization | (b) Primary activity | (c) Legal domicile (state or foreign country) | (d) Direct controlling entity | (e) Type of entity (C corp, S corp, or trust) | (f) Share of total income | (g) Share of end-of-year assets | (h) Percentage ownership | (i) Section 512(b)(13) controlled entity? | |
|---|-------------------------|--|----------------------------------|--|------------------------------|------------------------------------|-----------------------------|--|----|
| | | | | | | | | Yes | No |
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Part V Transactions With Related Organizations Complete if the organization answered "Yes" on Form 990, Part IV, line 34, 35b, or 36.

Note. Complete line 1 if any entity is listed in Parts II, III, or IV of this schedule

| | | Yes | No |
|--|---|-----------|-----|
| 1 During the tax year, did the organization engage in any of the following transactions with one or more related organizations listed in Parts II-IV? | | | |
| a | Receipt of (i) interest, (ii) annuities, (iii) royalties, or (iv) rent from a controlled entity | 1a | No |
| b | Gift, grant, or capital contribution to related organization(s) | 1b | No |
| c | Gift, grant, or capital contribution from related organization(s) | 1c | No |
| d | Loans or loan guarantees to or for related organization(s) | 1d | No |
| e | Loans or loan guarantees by related organization(s) | 1e | No |
| f | Dividends from related organization(s) | 1f | No |
| g | Sale of assets to related organization(s) | 1g | No |
| h | Purchase of assets from related organization(s) | 1h | No |
| i | Exchange of assets with related organization(s) | 1i | No |
| j | Lease of facilities, equipment, or other assets to related organization(s) | 1j | No |
| k | Lease of facilities, equipment, or other assets from related organization(s) | 1k | No |
| l | Performance of services or membership or fundraising solicitations for related organization(s) | 1l | No |
| m | Performance of services or membership or fundraising solicitations by related organization(s) | 1m | Yes |
| n | Sharing of facilities, equipment, mailing lists, or other assets with related organization(s) | 1n | No |
| o | Sharing of paid employees with related organization(s) | 1o | No |
| p | Reimbursement paid to related organization(s) for expenses | 1p | No |
| q | Reimbursement paid by related organization(s) for expenses | 1q | No |
| r | Other transfer of cash or property to related organization(s) | 1r | No |
| s | Other transfer of cash or property from related organization(s) | 1s | No |

2 If the answer to any of the above is "Yes," see the instructions for information on who must complete this line, including covered relationships and transaction thresholds

| (a) Name of related organization | (b) Transaction type (a-s) | (c) Amount involved | (d) Method of determining amount involved |
|-------------------------------------|-------------------------------|------------------------|--|
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Part VII **Supplemental Information**

Provide additional information for responses to questions on Schedule R (see instructions)