

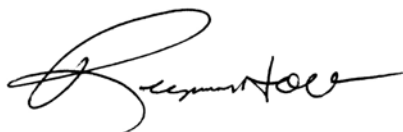
# FIRST QUARTER 2009

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## CERTIFICATION

The undersigned certify that we have reviewed the March 31, 2009 quarterly report of Farm Credit of Central Florida, ACA, that the report has been prepared under the oversight of the Audit Committee of the Board of Directors and in accordance with all applicable statutory or regulatory requirements, and that the information contained herein is true, accurate, and complete to the best of our knowledge and belief.



Reginald T. Holt  
Chief Executive Officer



Gregory D. Ellis  
Chief Financial Officer



Lewis S. Stidham  
Chairman of the Audit Committee

April 29, 2009

# Report on Internal Control Over Financial Reporting

The Association's principal executives and principal financial officers, or persons performing similar functions, are responsible for establishing and maintaining adequate internal control over financial reporting for the Association's Consolidated Financial Statements. For purposes of this report, "internal control over financial reporting" is defined as a process designed by, or under the supervision of the Association's principal executives and principal financial officers, or persons performing similar functions, and effected by its Board of Directors, management and other personnel, to provide reasonable assurance regarding the reliability of financial reporting information and the preparation of the Consolidated Financial Statements for external purposes in accordance with accounting principles generally accepted in the United States of America and includes those policies and procedures that: (1) pertain to the maintenance of records that in reasonable detail accurately and fairly reflect the transactions and dispositions of the assets of the Association, (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial information in accordance with accounting principles generally accepted in the United States of America, and that receipts and expenditures are being made only in accordance with authorizations of management and directors of the Association, and (3) provide reasonable assurance regarding prevention or timely detection of unauthorized acquisition, use or disposition of the Association's assets that could have a material effect on its Consolidated Financial Statements.

The Association's management has completed an assessment of the effectiveness of internal control over financial reporting as of March 31, 2009. In making the assessment, management used the framework in *Internal Control — Integrated Framework*, promulgated by the Committee of Sponsoring Organizations of the Treadway Commission, commonly referred to as the "COSO" criteria.

Based on the assessment performed, the Association concluded that as of March 31, 2009 the internal control over financial reporting was effective based upon the COSO criteria. Additionally, based on this assessment, the Association determined that there were no material weaknesses in the internal control over financial reporting as of March 31, 2009.



Reginald T. Holt  
Chief Executive Officer



Gregory D. Ellis  
Chief Financial Officer

April 29, 2009





# Farm Credit of Central Florida, ACA

## Consolidated Balance Sheets

<i>(dollars in thousands)</i>	<b>March 31, 2009</b> <i>(unaudited)</i>	<b>December 31, 2008</b> <i>(audited)</i>
<b>Assets</b>		
Cash	\$ 11	\$ 36
Investment securities:		
Held to maturity (fair value of \$51,994 and \$50,540 respectively)	51,810	50,376
Total investment securities	51,810	50,376
Loans	401,615	422,431
Less: allowance for loan losses	6,538	5,243
Net loans	395,077	417,188
Accrued interest receivable	2,345	2,624
Investment in other Farm Credit institutions	13,736	14,043
Premises and equipment, net	1,091	1,032
Other property owned	637	504
Due from AgFirst Farm Credit Bank	1,067	6,017
Other assets	4,944	5,128
Total assets	<b>\$ 470,718</b>	<b>\$ 496,948</b>
<b>Liabilities</b>		
Notes payable to AgFirst Farm Credit Bank	\$ 385,638	\$ 412,134
Accrued interest payable	1,064	1,253
Patronage refund payable	83	2,648
Other liabilities	6,705	4,574
Total liabilities	393,490	420,609
Commitments and contingencies		
<b>Members' Equity</b>		
Protected borrower equity	33	39
Capital stock and participation certificates	1,245	1,259
Retained earnings		
Allocated	34,325	34,758
Unallocated	41,595	40,252
Accumulated other comprehensive income (loss)	30	31
Total members' equity	77,228	76,339
Total liabilities and members' equity	<b>\$ 470,718</b>	<b>\$ 496,948</b>

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

# Farm Credit of Central Florida, ACA

## Consolidated Statements of Income

*(unaudited)*

For the three months  
ended March 31,

*(dollars in thousands)*

	2009	2008
<b>Interest Income</b>		
Investment securities	\$ 290	\$ 350
Loans	5,619	7,092
Total interest income	5,909	7,442
<b>Interest Expense</b>		
Notes payable to AgFirst Farm Credit Bank	3,302	4,650
Net interest income	2,607	2,792
Provision for (reversal of allowance for) loan losses	1,890	600
Net interest income after provision for (reversal of allowance for) loan losses	717	2,192
<b>Noninterest Income</b>		
Loan fees	273	362
Fees for financially related services	164	100
Equity in earnings of other Farm Credit institutions	1,140	1,638
Gains (losses) on other property owned, net	—	(2)
Gains (losses) on sale of rural home loans, net	47	75
Other noninterest income	56	41
Total noninterest income	1,680	2,214
<b>Noninterest Expense</b>		
Salaries and employee benefits	1,260	1,120
Occupancy and equipment	171	159
Insurance Fund premium	172	139
Other operating expenses	404	413
Total noninterest expense	2,007	1,831
Income before income taxes	390	2,575
Provision (benefit) for income taxes	—	—
Net income	\$ 390	\$ 2,575

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

Farm Credit of Central Florida, ACA  
**Consolidated Statements of Changes in  
Members' Equity**

*(unaudited)*

*(dollars in thousands)*

	Protected Borrower Capital	Capital Stock and Participation Certificates	Retained Earnings		Accumulated Other Comprehensive Income	Total Members' Equity
			Allocated	Unallocated		
Balance at December 31, 2007	\$ 64	\$ 1,267	\$ 33,511	\$ 39,214	\$ (303)	\$ 73,753
Comprehensive income						
Net income				2,575		2,575
Employee benefit plans adjustments				(25)	70	45
Total comprehensive income						2,620
Protected borrower equity retired	(8)					(8)
Capital stock/participation certificates issued/(retired), net		(2)				(2)
Patronage distribution adjustment			(164)	288		124
Balance at March 31, 2008	\$ 56	\$ 1,265	\$ 33,347	\$ 42,052	\$ (233)	\$ 76,487
Balance at December 31, 2008	\$ 39	\$ 1,259	\$ 34,758	\$ 40,252	\$ 31	\$ 76,339
Comprehensive income						
Net income				390		390
Employee benefit plans adjustments					(1)	(1)
Total comprehensive income						389
Protected borrower equity retired	(6)					(6)
Capital stock/participation certificates issued/(retired), net		(14)				(14)
Patronage distribution adjustment			(433)	953		520
Balance at March 31, 2009	\$ 33	\$ 1,245	\$ 34,325	\$ 41,595	\$ 30	\$ 77,228

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

*Farm Credit of Central Florida, ACA*

# Notes to the Consolidated Financial Statements

*(dollars in thousands, except as noted)  
(unaudited)*

**NOTE 1 – ORGANIZATION, SIGNIFICANT ACCOUNTING POLICIES, AND RECENTLY ISSUED ACCOUNTING PRONOUNCEMENTS**

The accompanying financial statements include the accounts of Farm Credit of Central Florida, ACA (the Association). A description of the organization and operations of the Association, the significant accounting policies followed, and the financial condition and results of operations as of and for the year ended December 31, 2008, are contained in the 2008 Annual Report to Shareholders. These unaudited first quarter 2009 consolidated financial statements should be read in conjunction with the 2008 Annual Report to Shareholders.

The accompanying consolidated financial statements contain all adjustments necessary for a fair presentation of the interim financial condition and results of operations and conform with generally accepted accounting principles (GAAP) and prevailing practices within the banking industry. The results for the three months ended March 31, 2009, are not necessarily indicative of the results to be expected for the year ending December 31, 2009.

Certain amounts in the prior period's consolidated financial statements may have been reclassified to conform to the current period's consolidated financial statement presentation. Such reclassifications had no effect on the prior period net income or total capital as previously reported.

The Association maintains an allowance for loan losses in accordance with GAAP. The loan portfolio is reviewed quarterly to determine the adequacy of the allowance for losses. As of March 31, 2009, the allowance for losses is adequate in management's opinion to provide for possible losses on existing loans.

In addition to the recently issued accounting pronouncements discussed in the 2008 Annual Report to Shareholders, effective January 1, 2009, the Association adopted Financial Accounting Standards Board (FASB) Statement of Position (FSP) No. 157-2, "Effective Date of FASB Statement No. 157." This FSP delayed the effective date of Statement No. 157 for nonfinancial assets and nonfinancial liabilities until fiscal years beginning after November 15, 2008. The impact of adoption requires additional fair value disclosures, if applicable, but does not have an impact on the Association's financial condition or results of operations.

**NOTE 2 – ALLOWANCE FOR LOAN LOSSES AND IMPAIRED LOANS**

An analysis of the allowance for loan losses follows:

	<b>For the three months ended March 31,</b>	
	<b>2009</b>	<b>2008</b>
Balance at beginning of period	\$ 5,243	\$ 1,473
Provision for (reversal of) loan losses	1,890	600
Charge-offs	(595)	-
Recoveries	-	-
<b>Balance at end of period</b>	<b>\$ 6,538</b>	<b>\$ 2,073</b>

The following table presents information concerning impaired loans as of March 31,

	<b>2009</b>	<b>2008</b>
Impaired loans with related allowance	\$ 13,475	\$ 1,872
Impaired loans with no related allowance	9,179	5,586
<b>Total impaired loans</b>	<b>\$ 22,654</b>	<b>\$ 7,458</b>
 Allowance on impaired loans	 \$ 4,870	 \$ 445

The following table summarizes impaired loan information for the three months ended March 31,

	<b>2009</b>	<b>2008</b>
Average impaired loans	\$ 13,298	\$ 5,168
Interest income recognized on impaired loans	16	9

**NOTE 3 – EMPLOYEE BENEFIT PLANS**

The following is a table of retirement and other postretirement benefit expenses for the Association:

	<b>For the three months ended March 31,</b>	
	<b>2009</b>	<b>2008</b>
Pension	\$ 353	\$ 148
401(k)	33	42
Other postretirement benefits	44	42
<b>Total</b>	<b>\$ 430</b>	<b>\$ 232</b>

The following is a table of retirement and other postretirement benefit contributions for the Association:

	Actual YTD Through 3/31/09	Projected Contributions For Remainder of 2009	Projected Total Contributions 2009
Pension	\$ 5	\$ 17	\$ 22
Other postretirement benefits	31	85	116
Total	\$ 36	\$ 102	\$ 138

Actuarial calculations as of the last plan measurement date (December 31, 2008) projected contributions of \$22 to the pension plan for 2009. However, market conditions could impact discount rates and return on plan assets which could make additional contributions necessary before the next plan measurement date of December 31, 2009.

Further details regarding employee benefit plans are contained in the 2008 Annual Report to Shareholders.

#### NOTE 4 – FAIR VALUE MEASUREMENT

Effective January 1, 2008, the Association adopted Statement of Financial Accounting Standards No. 157, "Fair Value Measurements" (SFAS No. 157). This Statement defines fair value, establishes a framework for measuring fair value and expands disclosures about fair value measurements for certain assets and liabilities measured at fair value on a recurring and non-recurring basis. These assets and liabilities primarily consist of assets held in trust funds, standby letters of credit, impaired loans, and other property owned.

SFAS No. 157 defines fair value as the exchange price that would be received for an asset or paid to transfer a liability in an orderly transaction between market participants in the principal or most advantageous market for the asset or liability.

SFAS No. 157 establishes a fair value hierarchy for disclosure of fair value measurements to maximize the use of observable inputs, that is, inputs that reflect the assumptions market participants would use in pricing an asset or liability based on market data obtained from sources independent of the reporting entity. The valuation hierarchy is based upon the transparency of inputs to the valuation of an asset or liability as of the measurement date. A financial instrument's categorization within the valuation hierarchy is based upon the lowest level of input that is significant to the fair value measurement.

The three levels of inputs and the classification of the Association's financial instruments within the fair value hierarchy are as follows:

#### Level 1

Level 1 inputs to the valuation methodology are unadjusted quoted prices for identical assets or liabilities in active markets. The Association's Level 1 assets at March 31, 2009 consist of assets held in trust funds related to a supplemental retirement plan. The trust funds include investments in securities that are actively traded and have quoted net asset value prices that are directly observable in the marketplace.

#### Level 2

Level 2 inputs to the valuation methodology include quoted prices for similar assets and liabilities in active markets; quoted prices in markets that are not active; and inputs that are observable, or can be corroborated, for substantially the full term of the asset or liability. The Association has no Level 2 assets or liabilities measured at fair value on a recurring basis at March 31, 2009.

#### Level 3

Level 3 inputs to the valuation methodology are unobservable and supported by little or no market activity. Valuation is determined using pricing models, discounted cash flow methodologies, or similar techniques, and could include significant management judgment or estimation. Level 3 assets and liabilities include instruments whose price has been adjusted based on dealer quoted pricing that is different than the third-party valuation or internal model pricing. Level 3 assets at March 31, 2009 include impaired loans which represent the fair value of certain loans that were evaluated for impairment under SFAS No. 114. The fair value was based upon the underlying collateral since these were collateral-dependent loans. The fair value measurement process uses independent appraisals and other market-based information, but in many cases it also requires significant input based on management's knowledge of and judgment about current market conditions, specific issues relating to the collateral and other matters. As a result, these fair value measurements fall within Level 3 of the hierarchy. When the value of the collateral, less estimated costs to sell, is less than the principal balance of the loan, a specific reserve is established. Other property owned is classified as a level 3 asset at March 31, 2009. The fair value for other property owned is based upon the collateral less estimated costs to sell. Level 3 liabilities at March 31, 2009 include standby letters of credit whose market value is internally calculated based on information that is not observable either directly or indirectly in the marketplace.

## Assets and Liabilities Measured at Fair Value on a Recurring Basis

The following table presents the assets and liabilities that are measured at fair value on a recurring basis at March 31, 2009 for each of the fair value hierarchy levels:

March 31, 2009				
	Level 1	Level 2	Level 3	Total Fair Value
<b>Assets:</b>				
Assets held in trust funds	\$ 126	\$ -	\$ -	\$ 126
Total Assets	\$ 126	\$ -	\$ -	\$ 126
<b>Liabilities:</b>				
Standby letters of credit	\$ -	\$ -	\$ 107	\$ 107
Total Liabilities	\$ -	\$ -	\$ 107	\$ 107

The following table presents the changes in Level 3 assets and liabilities measured at fair value on a recurring basis:

	Standby Letters Of Credit
Balance at January 1, 2009	\$ 110
<b>Total gains or (losses) realized/unrealized:</b>	
Included in earnings	-
Included in other comprehensive loss	-
Purchases, sales, issuances and settlements, net	(3)
Transfers in and/or out of level 3	-
Balance at March 31, 2009	\$ 107

## Assets and Liabilities Measured at Fair Value on a Non-recurring Basis

Assets and liabilities measured at fair value on a non-recurring basis at March 31, 2009 for each of the fair value hierarchy values are summarized below:

March 31, 2009					
	Level 1	Level 2	Level 3	Total Fair Value	YTD Total Gains (Losses)
<b>Assets:</b>					
Impaired loans	\$ -	\$ -	\$ 8,605	\$ 8,605	\$ (1,296)
Other property owned	\$ -	\$ -	\$ 637	\$ 637	\$ -