

President & Chairman's Report

On January 1, 2008 LCCU started off the year with a bang! We announced a give-back to our membership comprised of a 3% dividend bonus for the 4th quarter and a 3% interest rebate on all loan interest paid in 2008. In these tumultuous economic times, we were financially positioned to demonstrate our commitment to the membership by providing tangible support. The total amount reinvested into our community was over \$300,000.

In March of this past year we started to address the office and parking space limitations. An in-depth study was completed including the possibility of adding on to our existing building. After a thorough analysis of all the options it was determined that building a new facility would position LCCU the best to serve the membership into the future. We were able to work through all the design details and feasibility study to be prepared for a 2009 spring ground breaking ceremony. The building project is on track and expected to be complete towards the end of November.

While striving to provide improved products and services our assets have grown. Through responsible management of our members' funds, we have been able to improve the capital position in order to withstand the troubling economic times. We are capable and ready to respond to the memberships' financial needs.

At all times, but especially when people are uncertain about what and who they can trust, it is of utmost importance for them to trust the integrity of their financial institution. One of the key components necessary to building trust is to have a proven track record. LCCU has an educational component built into the service standards and that is key to helping current and new members make wise financial choices. We are a trusted financial provider.... a safe haven.....a place for every member to borrow and save wisely.

We are looking forward to using the Community Room in the new building to offer a variety of financial education sessions. LCCU is poised to be a viable option for Lincoln County residents. Whether it is a savings product, checking account, loan, or other services, we are here to make a positive difference in our members' lives. The loyalty of our members is very much appreciated!

Respectfully submitted,
Bill Bischoff | *chairman* Chari Lucas | *president*

Credit Union Officials

BOARD OF DIRECTORS

Bill Bischoff | *chairman*
Connie Everett | *vice chairman*
Devi McCully | *secretary*
Steve Lethrud | *director*
Louis Kuennen | *director*
Roy Richardson | *director*
Jan Ivers | *director*

SUPERVISORY COMMITTEE

Wilma Dotson | *chairperson*
Mark Kroll | *member*
Sarah Hogan | *member*

Credit Union Services

Savings Accounts	VISA
Checking Accounts	Debit Cards
Share Certificates	Voice Response
Money Market	Money Orders
Overdraft Privilege	Travelers Cheques
IRAs	Safe Deposit Boxes
Personal Loans	Savings Bonds
Consumer Loans	Notary Service
Real Estate Loans	Wire Transfers
Share Secured Loans	Construction Loans
Home Equity Loans	Online Account Access
Business Loans	Bill Payer



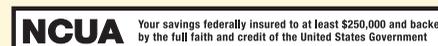
LIBBY OFFICES

120 West 5th Street
293-7771 | fax 293-3236

Rosauer's Grocery Store
293-4275 | Open 6 days a week

TROY OFFICE

Stein's Market
295-5569 | Open 6 days a week



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annualreport

2008

2009 Annual Meeting Agenda

- I CALL TO ORDER
DETERMINE A QUORUM IS PRESENT
(15 members required per Article IV, Section 5 of the bylaws)
- II READING & APPROVAL *(or correction)*
OF THE 2008 MINUTES
- III PRESIDENT & BOARD CHAIRMAN'S REPORT
- IV SUPERVISORY CHAIRMAN'S REPORT
- V ELECTION OF OFFICERS
Article V, Section 4 of the bylaws; All elections shall be determined by majority vote, and shall be by Ballot except when there is only one candidate for office.
- VI OTHER BUSINESS
- VII ADJOURNMENT
- VIII DOOR PRIZES

Supervisory Committee Report

The Supervisory Committee, appointed by the Board of Directors, plays a very important role in the Credit Union. The committee members perform a variety of auditing duties to verify that regulations, laws, and policies are adhered to.

CU Auditing was selected to conduct the 2008 Annual Audit to meet the National Credit Union Administration's requirements. The following were reviewed: verification of cash, bank reconciliations, investments, general ledgers, reserve accounts, lending and allowance for loan losses, employee and official's accounts, Bank Secrecy Act, ACH Audit, and the Red Flat/Identity Theft Program. The report stated that LCCU continued to experience substantial growth through its branches and outreach to the communities it serves. It remains well-capitalized and well-managed.

Sarah Hogan has recently been appointed to the Committee. We are pleased to have her on-board. I want to thank Mark Kroll for his commitment and the time he volunteers.

Respectfully submitted,
Wilma Dotson | *chairperson*

2008 Annual Meeting Minutes

June 6, 2008

The 51st Annual Meeting of Lincoln County Credit Union was held Friday, June 6, 2008 at the Ponderosa Room. An open house began at 4:00 with light refreshments being served. Duane Laflin, a local magician performed various slight of hand illusions for members in attendance.

The business session was called to order at 5:30 by Chairman Bill Bischoff. It was determined a quorum was present. The volunteer Board of Directors and Supervisory Committee members were introduced.

Attention was directed to the Supervisory Committee report, and the minutes of the previous meeting which were made available at each table. It was moved and seconded to approve the reports. Motion carried.

President's Report: **Credit Union Philosophy:** Key differences between banks and credit unions were presented. Credit unions exist not for charity, not for profit, but for service. Volunteers set the direction of the credit union to ensure that we are providing valuable benefit to the membership. The C.U.'s earnings are returned to the members in the form of higher dividend rates, lower loan rates, lower fees, and improved products and service. Banks are owned by stockholders who receive voting capacity and monetary benefit. **Financial Literacy:** LCCU sponsored Financial Peace University, which is a 13 week financial literacy course. It is our desire to educate consumers about financial products and options. **New Reward Accounts:** A few new deposit accounts were introduced to reward members who use LCCU for core products. The Savings Builder, Emergency Fund, and Golden Savings accounts proved to be popular. **Appreciation:** The Board and Staff are grateful for loyal members who have placed trust in their local Credit Union. The volunteer time Board of Directors and Supervisory Members devote to LCCU is sincerely appreciated. A special thanks to all of the staff for the standard of service provided.

Election: Bill read Article 5, Section 4 of the bylaws. It states that all elections shall be determined by majority ballot, except where there is only one candidate for each open position. Lou Kuennen will serve another three year term.

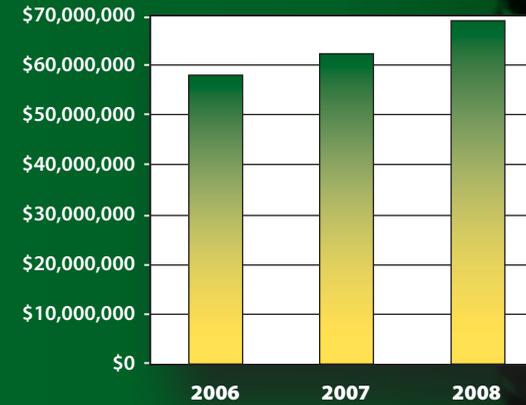
Bill called for any old or new business. None came to the floor.

Following the business session drawings were held for ten \$50.00 share deposits.

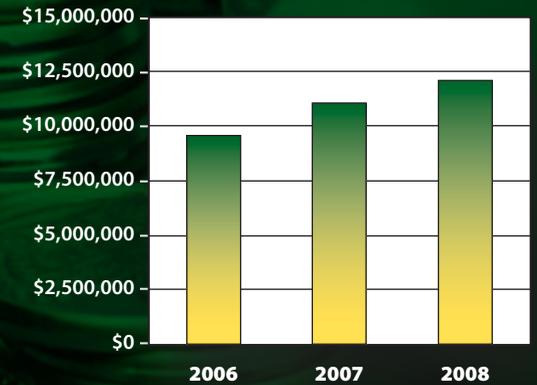
Respectfully submitted,
Devi McCully | *secretary* Bill Bischoff | *chairman*

Financial Statistics

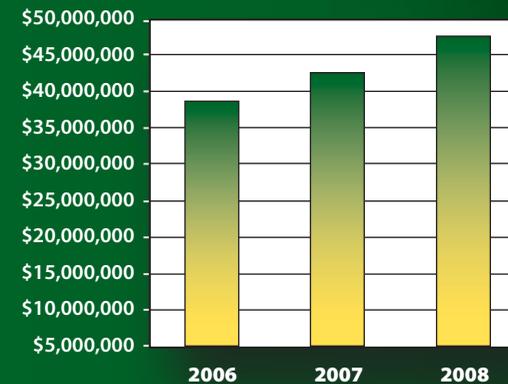
ASSETS



CAPITAL



LOANS



SHARES

