

ANNUAL REPORT

**Louisiana
Federal**



CREDIT UNION

2007



2007 marked another extraordinary year for Louisiana Federal Credit Union. Several high-level projects were completed allowing the Credit Union to offer world-class service to our members while positioning Louisiana FCU for future success.

Our focus in 2007 centered on the security of our network infrastructure, fine tuning our business continuity plan, community leadership and involvement, staff training, and service to our members.

Two very important initiatives were recognized in 2007 and have become a priority for Louisiana FCU. The first is financial education. Our mission has always been to teach our members the importance of managing credit while saving for their future. We learned that over 21% of our members are using payday lenders and have become victims of predatory lending practices. At the end of 2007, we finalized a small dollar loan program at the Credit Union that offers an alternative for our members. In conjunction with the payday loan alternative, our members can be "empowered" through our financial education program.

The second initiative is convenience and personal service. While the majority of our members enjoy all the convenience that is offered through our online products, debit/credit cards, CALL 24, and website, they still want to "feel" that their Credit Union personally takes care of their needs. We have developed a program around personal service that will ensure the world-class service that our members have come to expect.

Financially, Louisiana FCU remains strong. We ended the year

at a very strong net worth position of 9.6%. We accomplished this by monitoring our net interest margin while offering competitive rates on share certificates and money market accounts. The Board and Leadership of Louisiana FCU are committed to prudently managing the financial landscape of your Credit Union and continuing to offer competitive savings products and loan products.

During last year's strategic planning, the Board of Directors, Supervisory Committee, and Leadership affirmed the vision for the Credit Union. This vision has been the core of who we are for the past 73 years. Our vision focuses on education, diversification, growth, and enhancement. We will continue to be a leader in our community in the realm of financial education. We are committed to improving the lives of our members by educating them and empowering them to take charge of their financial future. We will strive to diversify our staff and volunteers and continue to seek products and services that will meet and exceed the needs of our members. We plan to grow within our membership by ensuring that each member takes advantage of the full array of products and services that we offer. Finally, we will enhance our member relationships by continuing to provide world-class service!

We thank you for the opportunity to serve you another year and look forward to a very promising year to come!

H.E. "Budd" Manuel, Jr., Chairman
Rhonda Hotard, President & CEO

FINANCIAL PERFORMANCE

BALANCE SHEET

ASSETS	12/31/2007	12/31/2006
Cash and Cash Equivalents	\$ 15,662,413	\$ 11,820,268
Time and Interest Bearing Deposits	971,586	1,000,000
Investment Securities - Held to Maturity	12,184,009	14,629,013
Investment in Credit Union Service Organization	100,000	100,000
Loans Receivable, Net of Allowance for Loan Losses	71,494,000	64,630,701
Accrued Interest Receivable	296,898	340,758
Property and Equipment, Net	2,629,192	2,647,306
NCUSIF Deposit	858,581	878,977
Assets Held in Liquidation of Loans	36,266	24,799
Other Assets	449,131	425,562
Total Assets	\$104,682,076	\$96,497,384

LIABILITIES AND MEMBERS' EQUITY

Members' Shares and Savings Accounts	\$94,160,808	\$87,015,842
Accrued Expenses and Other Liabilities	414,869	408,072
Total Liabilities	94,575,677	87,423,914
Members' Equity, Substantially Restricted		
Regular Reserve	1,927,051	1,927,051
Undivided Earnings	8,179,348	7,146,419
Total Members' Equity	10,106,399	9,073,470
Total Liabilities and Members' Equity	\$104,682,076	\$96,497,384

INCOME STATEMENT

	12/31/2007	12/31/2006
Interest Income		
Loans Receivable	\$5,095,440	\$4,147,567
Investments Receivable	1,272,429	1,552,264
Total Interest Income	6,367,869	5,699,831
Interest Expense		
Interest on Borrowed Funds	223	990
Members' Shares and Savings Accounts	2,009,576	1,418,710
Net Interest Income	4,358,070	4,280,131
Provision for Loan Losses	313,199	292,456
Net Interest Income after Provision for Loan Losses	4,044,871	3,987,675
Non-Interest Income	2,276,234	1,876,362
Non-Interest Expense		
General and Administrative	5,288,176	4,815,044
Net Income	\$1,032,929	\$1,048,993

C O M M U N I T Y

Louisiana FCU actively supports the following organizations & initiatives either by donation, collaboration, or participation:

- American Cancer Society
- Andouille Run
- Chamber of Commerce, Hammond
- Chamber of Commerce, Ponchatoula
- Chamber of Commerce, River Region
- East St John Wildcat Student-Run Branch
- Ed Reed/Valero St Charles Golf Classic
- Frisco Fest
- Junior Achievement
- Louisiana FCU Financial Literacy Program
- Louisiana FCU's Finance Fest
- Louisiana Jump\$tart Coalition
- Real World
- River Parishes Tools for Schools
- Ronald E Thomas Memorial Scholarship
- Rotary Club of LaPlace
- Second Harvesters Food Bank
- Special Olympics
- St John Community Expo
- St John Honor Roll Round Up
- United Way



BOARD OF DIRECTORS

H.E. "Budd" Manuel, Jr., *Chairman* • William "Bill" Collins, *1st Vice Chairman*
Jeff Lind, *2nd Vice Chairman* • Bodin Hugger, *Secretary*
Frank Granier, *Treasurer* • Donald Brady, *Director*
Richard "Dick" Sickels, *Director* • LaNard Robinet, *Director*
Zigmund "Ziggy" Sobolewski, *Director*

LEADERSHIP

Rhonda Hotard, *President & CEO* • Deborah Varnam, *Executive Vice President*
Kim St. Amant, *HR Manager* • Jill Zeringue, *Branch Operations Manager*
Jacquelyn Fluence, *Comptroller* • Arneadra Zeno, *Risk Management Officer*
Anthony Landreneau, *Director of IT*
Mia Perez, *Director of Marketing & Business Development*



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