

Statements of Income — Years Ended December 31, 2008 and 2007

Interest and dividend income	2008	2007
Loans	\$ 4,005,226	\$ 4,674,802
Securities	433,997	140,611
Federal funds sold	105,077	329,529
Interest bearing time deposits and other	1,009,749	1,189,254
Total interest and dividend income	5,554,049	6,334,196
Interest and dividend expense		
Share accounts	1,468,604	1,918,651
Borrowings	24,812	9,007
Total interest and dividend expense	1,493,416	1,927,658
Net interest income	4,060,633	4,406,538
Provision for loan losses	86,020	225,000
Net interest income after provision for loan losses	3,974,613	4,181,538
Noninterest income		
Fees and charges	1,926,772	2,094,971
Interchange fees	394,959	336,787
Gain (loss) on disposition of other real estate owned	—	(37,925)
Impairment of WesCorp capital certificates	(131,188)	—
Other	181,614	103,547
Total noninterest income	2,372,157	2,497,380
Noninterest expense		
Compensation and benefits	2,756,855	2,601,585
Office operations	1,049,774	1,014,517
Service processing charges	993,458	1,017,427
Depreciation and amortization	349,654	359,191
Occupancy	445,320	420,951
Member education and promotion	329,205	378,086
Professional fees	147,672	154,411
Director and dues expenses	144,557	117,563
Insurance	43,800	34,677
Other	198,929	320,661
Total noninterest expense	6,459,224	6,419,069
Net income (loss)	\$ (112,454)	\$ 259,849

Statements of Changes in Members' Equity — Years Ended December 31, 2008 and 2007

	Appropriated Statutory Reserve	Retained Earnings	Accumulated Other Comprehensive Income (loss)	Total Members' Equity
Balance, January 1, 2007	\$ 3,450,160	\$ 7,276,354	\$ (66,651)	\$ 10,659,863
Merger of Lakewood Schools Credit Union	79,073	297,892	—	376,965
Appropriation of retained earnings	8,433	(8,433)	—	—
Comprehensive income				
Net income	—	259,849	—	259,849
Other comprehensive income	—	—	91,705	91,705
Total comprehensive income				351,554
Balance, December 31, 2007	3,537,666	7,825,662	25,054	11,388,382
Appropriation of retained earnings	22,956	(22,956)	—	—
Comprehensive income (loss)				
Net loss	—	(112,454)	—	(112,454)
Other comprehensive loss	—	—	(85,907)	(85,907)
Total comprehensive loss				(198,361)
Balance, December 31, 2008	\$ 3,560,622	\$ 7,690,252	\$ (60,853)	\$ 11,190,021