

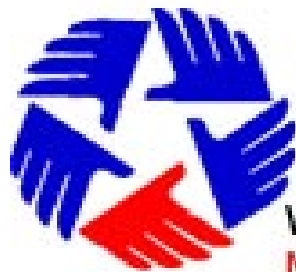


N.G.H. CREDIT UNION

ANNUAL REPORT

December 31, 2008

March 30, 2009



**NGH
Credit Union**

Where People Are Worth
MORE Than Money™



BOARD OF DIRECTORS

WALLACE HITCHCOX, SR.....	PRESIDENT
KAREN SHAW	VICE PRESIDENT
HELEN IVEY	SECRETARY
THOMAS WILLIAMS	TREASURER
SHERRI RAYMER.....	MEMBER
ELLA LAWRENCE	MEMBER

SUPERVISORY COMMITTEE

SUSAN WHITLEY	CHAIR, .N.G.H.
JOYCE BENTLY.....	B.L.T.C.
ANTHONY DRIVER	N.G.H.
WILLIAM SCRUGGS.....	B.L.T.C.

LOAN OFFICERS

ROSEY BEAN	B.L.T.C.
WILLIE HANNAH.....	N.G.H.
SHIRLEY HICKS	N.G.H.
EVELYN HOLDER	N.G.H.
TERESA JONES	B.L.T.C.
PRISCILLA NORMAN	N.G.H.
DARLENE PARKER.....	N.G.H.
DEBORAH WILLIAMS.....	B.L.T.C.

MARKETING COMMITTEE

ROBBIE NEWLIN	CHAIR, N.G.H.
MARY BENNETT.....	B.L.T.C.
ANTHONY BUSH.....	N.G.H.
JOHN COOK	B.L.T.C.
CATHY EVERETT	N.G.H.
JAN HENDERSON.....	B.L.T.C.
DARLENE PARKER.....	N.G.H.
JENNIFER PARKERSON.....	N.G.H.
MARGARET PIRTLE.....	B.L.T.C.

STAFF

PRISCILLA NORMAN.....	MANAGER
ROSEY BEAN	B.L.T.C. BRANCH MANAGER
CANDACE LEWIS.....	N.G.H. OPERATION SPECIALIST
DARLENE PARKER.....	INTERIM DATA PROCESSOR
JUDY ROSE.....	MEMBER SERVICES
DIANE BURFORD.....	MEMBER SERVICES
KATIE DYER	MEMBER SERVICES

BOARD OF DIRECTOR'S REPORT—Wallace Hitchcox, President

We are very proud to serve organizations that exhibit *integrity, care and compassion, and a real commitment to the community*. Please accept our sincere appreciation for your generous support of our efforts and thank you for helping make N.G.H. Credit Union successful.

The past few months have given us challenges. The world's financial news has been quite scary. Who would have guessed gasoline would be \$4.00 per gallon? Some of our members have experienced losses in the stock market, reduced pay and layoffs. We have always strived to make solid loan decisions and we do not make high risk sub-prime mortgage loans. N.G.H. Credit Union is a financially sound credit union. Our conservative approach has been the foundation of our success for 50 years.

Our employees provide extraordinary service to our members. We pride ourselves on our personal touch to our members and our sincere hope is that we are helping you make informed financial decisions on the way to realizing your financial dreams.

We can not imagine the changes that will occur over the next fifty years. The board will continue our plans to focus on both the human touch and technology advancements. Our employees will continue to receive training to help members make the best financial choices. We will continue to provide affordable technological services as well as loans and savings products. Our savings and loan rates remain competitive with the Nashville markets. The board reviews the Certificates of Deposits, Money Market Accounts and IRA Certificates of Deposit on a monthly basis.

Credit unions offer many unique advantages, with the single greatest being that as a member, you are an owner of your credit union. Each credit union member, regardless of how much they have on deposit, has an equal vote in elections. Credit unions are democracy in action! Get involved with YOUR credit union. To volunteer contact a board member or one of the chairs.

MANAGER'S REPORT—Priscilla Norman, Executive Manager

N.G.H. Credit Union Turns 50!

In 1959, Alaska and Hawaii become the forty-ninth and fiftieth states, the average income was \$5,016, the price of milk was \$1.01 per gallon, gas was \$.25 per gallon and N.G.H. Credit Union became chartered. For those of you who know about blue suede shoes, Elvis Presley met Priscilla Beaulieu in 1959.

I am sure some of our members remember that time well and can recall the day you made your first deposit into the credit union as if time stood still. Although time has moved on and prices have drastically changed, the most important thing has not –N.G.H. Credit Union's commitment to the service of our members. This milestone would not be possible without our loyal members. The staff and I would like to take this time to say, ***"Thank You for 50 years"***, it is onward and upward for 50 more!

SUPERVISORY COMMITTEE REPORT—Susan Whitley, Chair

The Supervisory Committee has conducted the activities consisting of the following: 1) Bank Statement Reconciliation, 2) Auditing of Cash Drawers, 3) Verification of cash at both branches annually, 4) Review of monthly Board Meeting Minutes, 5) Review of loans verifying completed applications, documentation of insurance and proof of collateral, 6) Review of Real Estate Loans and documentation of Insurance, taxes and current balances, 7) Review sales records of Money Orders and Traveler's Cheques including timely reporting and remittance.

The committee recommended an outside audit be performed as required by the NCUA regulations.

A membership verification and mailing of statements for the period ending December 31, 2008, was conducted. No problems were discovered.

The Supervisory Committee believes the credit union is in compliance with the By-Laws, Rules and Regulations approved by the membership.

MARKETING COMMITTEE—Robbie Newlin, Chair

During the last part of 2008 the Marketing Committee began planning for the credit union's fiftieth birthday! As we planned we kept three ideas in mind for this historic year; Members, Community and Sponsor, Nashville General Hospital at Meharry. Although, we have expanded our field of membership to Meharry Medical College, Matthew Walker Comprehensive Care Center, McKesson, Kindred and Knowles Home Assisted Living & Adult Day Care Services we felt it important to honor our original sponsor this year, as without their continued support of the credit union throughout the years, we would not have experienced much of our success! We are starting our year long 50th Birthday Bash at our Annual Meeting and hope you will stay tuned to the events we have planned!

THE NGH CREDITLINE was published quarterly. The newsletter was mailed to all members and published on the credit union website. Members of the Marketing Committee maintain a web page **www.nghcu.com**! The web page gives members online access to information about the credit union, i.e. rates, news, credit information, services, loan applications, web links of interest and access for ONLINE Banking for your personal credit union account!

N. G. H. CREDIT UNION

December 31, 2008

FINANCIAL REPORTS

ASSETS		LIABILITIES	
Cash	\$1,568,490	Accounts Payable	\$ 33,440
Investments	\$1,165,180	Regular Shares	\$ 1,403,671
Loans to Members	\$4,651,938	Certificates	\$ 1,773,090
(Allowance for Loss) \$	(22,315)	Special Shares	\$ 1,460,138
Prepaid Expenses	\$39,609	Christmas & Vacation	\$ 62,258
Fixed Assets	\$5,561	Sharedrafts	\$ 782,614
NCUA Deposit	\$59,383	IRAs	\$ 315,366
		Capital	\$ 1,637,269
TOTAL ASSETS	\$7,467,846	TOTAL LIABILITIES	\$ 7,467,846

INCOME & EXPENSE	
Interest on Loans	\$ 416,637
Investments	\$ 74,979
Other Income	\$ 299,166
TOTAL INCOME	\$ 790,782
Less:	
Expenses	\$ 670,719
Dividends Paid	\$ 117,283
NET GROWTH	\$ 2,780

ANNUAL TRENDS

	12/31/2008	12/31/2007	12/31/2006	12/31/2005	12/31/2004
ASSETS	7,467,847 \$	8,014,526 \$	7,974,545 \$	777,692 \$	7,584,511 \$
DEPOSITS	5,797,137 \$	6,340,940 \$	6,322,645 \$	6,191,084 \$	6,117,934 \$
LOANS	4,620,458 \$	4,736,388 \$	5,259,365 \$	5,660,677 \$	5,553,215 \$
CAPITAL	1,648,952 \$	1,634,489 \$	1,604,903 \$	1,524,414 \$	1,413,658 \$
MEMBERS	2,920	2719	2542	2412	2344
LOANS / DEPOSITS	79.70%	74.70%	83.18%	91.43%	90.77%
DEPOSITS / ASSETS	77.63%	79.12%	79.28%	79.60%	80.66%
CAPITAL / ASSETS	22.08%	20.39%	20.12%	19.60%	18.64%

LOAN TRENDS

	2008	2007	2006	2005	2004
Number of Loans Approved	1,552 \$	1,455 \$	1,402	1528	1797
Amount of Loans Approved	2,400,131 \$	2,385,219 \$	2,254,494 \$	2,928,020 \$	3,092,649
Number of Loans Charged Off	70	56	69	71	62
Amount of Loans Charged Off	120,341 \$	125,327 \$	76,946 \$	101,674 \$	113,614
Percent of Total Loans CO/Approved	4.51%	3.85%	4.92%	4.65%	3.45%
Percent of Amount Loans CO/Approved	5.01%	5.25%	3.41%	3.47%	3.67%
Recovered on Charged off Loans	22,374 \$	53,074 \$	50,338 \$	47,551 \$	56,870
Balances at 12/31					
Real Estate Loans	1,384,189 \$	1,471,092 \$	1,775,590 \$	1,960,695 \$	1,907,805
Car Loans	2,246,444 \$	2,259,284 \$	2,552,713 \$	2,709,482 \$	2,532,581
Share Secured Loans	71,035 \$	74,070 \$	56,363 \$	65,105 \$	86,658
Unsecured Loans	943,314 \$	924,751 \$	868,024 \$	908,522 \$	1,001,804
Other Collateral Loans	6,956 \$	7,191 \$	6,675 \$	16,873 \$	24,367
Total Loans	4,651,938 \$	4,736,388 \$	5,259,365 \$	5,660,677 \$	5,553,215
Less Allowance for Loan Loss	(22,315) \$	(72,227) \$	(99,011) \$	(77,219) \$	(67,118)
Total Net Loans	4,629,623 \$	4,664,161 \$	5,160,354 \$	5,583,458 \$	5,486,097

N.G.H. Credit Union Annual Meeting
March 27, 2008

The meeting was called to order at 6:00 p.m.

Mr. Wallace Hitchcox opened the meeting and thanked everyone for their attendance and recognized past board members, committee members and the current board members.

There were no previous minutes to approve.

Ms. Colleen Morton served as Parliamentarian for the meeting.

The meeting was certified by Ms. Priscilla Norman who announced 68 members were present.

Mr. Wallace Hitchcox and Ms. Priscilla Norman presented the Board of Director's and the Manager's reports. The committee reports were included in the member's packet.

Old Business—Ms. Helen Ivey stated there was no old business.

New Business—Ms. Susan Whitley, Supervisory Committee Chair, announced the results of the election: Mr. Wallace Hitchcox, Mr. Thomas Williams and Ms. Helen Ivey were reelected as board members.

There being no further new business, Mr. Hitchcox turned the meeting over to Ms. Robbie Newlin, Marketing Chair.

Ms. Newlin and Marketing Committee Members drew door prizes and awarded the prizes to members in attendance.

Mr. Hitchcox asked if there was any further business, being none he asked for a motion to adjourn. Ms. Newlin made the motion to adjourn. Motion approved. The meeting adjourned at 6:45 p.m.

Recorded by:

Helen Ivey
Secretary