

RICHARDS & ASSOCIATES
Certified Public Accountants

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January 19, 2007

Board of Directors and Supervisory Committee
Lacamas Community Credit Union and Subsidiary
Camas, Washington

To the Membership:

We have audited the accompanying statements of financial condition of Lacamas Community Credit Union and its wholly-owned subsidiary, Lacamas Financial Services Corporation as of December 31, 2006 and 2005, and the related statements of income, members' equity, and cash flows for the years then ended. These financial statements are the responsibility of the Credit Union's Management. Our responsibility is to express an opinion on these financial statements based on our audits.

We conducted our audit in accordance with auditing standards generally accepted in the United States of America. Those standards require that we plan and perform the audits to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by Management, as well as evaluating the overall financial statement presentation. We believe that our audits provide a reasonable basis for our opinion.

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial condition of the Lacamas Community Credit Union and subsidiary as of December 31, 2006 and 2005, and the results of its operations and its cash flows for the years then ended in conformity with accounting principles generally accepted in the United States of America.

Respectfully,

RICHARDS AND ASSOCIATES
Certified Public Accountants

Michael E. Richards, CPA

annual report
2006



LACAMAS
COMMUNITY CREDIT UNION
Strength, Stability and Service



STRENGTH—*An enduring legacy and a promising future.*

STABILITY—*The first Credit Union in Clark County, established in 1936.*

SERVICE—*Providing solutions at the first point of contact.*



LACAMAS
COMMUNITY CREDIT UNION

Strength, Stability and Service

financial statements



Statement of Income	2006	2005
INTEREST INCOME		
Loans	\$6,196,169	\$5,500,291
Investments	1,499,537	1,289,535
TOTAL INTEREST INCOME	7,695,706	6,789,826
INTEREST EXPENSE		
Members' Share and Savings Accounts	3,011,400	2,210,916
Borrowed funds	--	16,218
TOTAL INTEREST EXPENSE	3,011,400	2,227,134
NET INTEREST INCOME	4,684,306	4,562,692
PROVISION FOR LOAN LOSSES	43,504	(69,787)
NET INTEREST INCOME AFTER PROVISION FOR LOAN LOSSES	4,640,802	4,632,479
NON-INTEREST INCOME		
Service charges and other income	2,396,443	2,313,749
Gain (Loss) on sale of property and equipment	--	7,759
TOTAL NON-INTEREST INCOME	2,396,443	2,321,508
NON-INTEREST EXPENSE		
General and administrative expense		
Compensation and benefits	3,180,200	2,755,091
Office operations	1,077,574	1,090,381
Other expenses	1,676,244	1,451,262
TOTAL NON-INTEREST EXPENSE	5,934,018	5,296,734
NET INCOME	\$1,103,227	\$1,657,253

and Service



December 31, 2006

Statement of Financial Condition	2006	2005
ASSETS		
Cash & Cash Equivalents	\$14,206,685	\$7,370,371
Investments	35,293,626	38,659,911
Net Loans to Members	96,805,469	95,037,002
Net Property & Equipment	4,808,154	3,796,167
Accrued Interest Receivable	655,082	555,666
NCUSIF Deposit	1,274,903	1,248,373
Prepaid Expenses and Other Assets	175,137	132,972
TOTAL ASSETS	\$153,219,056	\$146,800,462
LIABILITIES & EQUITY		
Members' Deposits	\$134,795,109	\$131,399,573
Accounts Payable	2,633,771	981,632
Notes Payable	-	-
TOTAL LIABILITIES	137,428,880	132,381,205
MEMBERS' EQUITY		
Regular Reserve	2,244,140	2,244,140
Undivided Earnings	13,757,308	12,654,081
Net Unrealized Gain (Loss) on Securities	(211,272)	(478,964)
TOTAL MEMBERS' EQUITY	15,790,176	14,419,257
TOTAL LIABILITIES & EQUITY	\$153,219,056	\$146,800,462

Strength, Stability



As Lacamas Community Credit Union enters its 71st year of service, we are a strong, stable and revitalized financial institution. I use the word "revitalized" to describe our Credit Union and the many exciting changes we've experienced over the past year.

Last year, we proudly celebrated our 70th Anniversary as the first Credit Union in Clark County, and recognized the loyal members who've allowed us to serve them since 1936. Throughout 2006, we emphasized this legacy of service and our continued commitment to providing solutions at the first point of contact.

In 2006, we generated new loan opportunities and implemented Credit Union Direct Lending to streamline the auto loan application process for our members. While interest rates held fairly steady, LCCU funded 2,593 new consumer loans for more than \$41 million, and brokered almost \$23 million in mortgage loans. Our net worth at year end was 10.51%. We have successfully positioned LCCU as a financial institution which offers our members reliably competitive products and rates.

With 15,400 members and growing, our Credit Union gave back \$3 million in dividends to its members in 2006. This success is the result of our strength as a cooperative and our sound management.

At LCCU, the protection of our members' information continues to be a top priority. Because our members enjoy our convenient

eServices, such as Lacamas Online banking, Online Bill Payer, eStatements and eNews, we continue to test, monitor and upgrade our security systems. We upgraded a server and software to further automate virus scanning, updating, and removal as well as adding tamper-protection, detection and removal of spy-ware. Recent firewall updates ensure that we are running the most secure software to preserve the integrity of member data. Our new Integrated Security router keeps us at the forefront of continuing security updates. The required implementation of Multi-Factor Authentication has provided our members with greater protection from fraudulent activity.

With the roll-out of our new logo and web site in February 2007, we proudly embraced a visually appealing identity reflected throughout our organization. We added the tagline, "Strength, Stability and Service" to our logo, in recognition of the foundation upon which our Credit Union is formed. We unveiled our redesigned web site to enhance our members' online experience. These changes have been positively received, and our progress has been recognized within the community.

As President/CEO of Lacamas Community Credit Union, I am privileged to serve you. I appreciate the continued support of our Board of Directors, and the work of our Credit Union's executive team, management and employees. But the real key to our success is YOU—our loyal members.

Kathleen Romane
President/CEO

chairman's report



As we reflect on 71 years of serving members, I am reminded once again of the reasons why credit unions—and Lacamas Community Credit Union in particular—are so important.

Our Credit Union is a partnership in the true sense of the word. It was formed by members to pool their resources, lend to one another and help each other achieve their financial goals. Our Credit Union provides access to a wide variety of low-cost financial solutions to meet the increasingly complex needs of our members. We continue to offer highly competitive loan and deposit products, along with convenient eServices, which our members rely on every day. In today's world, our Credit Union is more important than ever.

LCCU exists to serve you. We put members before profit, and everything we do, we do for the benefit of our members. For example, in 2006, we remodeled our Washougal branch to enhance member privacy and create more visibility to reach out to the community. Additionally, we announced that we will open our new Sifton Branch in August 2007. These improvements expand the depth and breadth of our service to members.

Because Lacamas Community Credit Union is a well-capitalized financial institution, we were in a position to give back to our members through reduction of fees. I am happy to report that we have

eliminated the fees for Money Market Accounts, except for charging for an overdrawn account. We have also eliminated a number of our Checking Account fees. These significant changes make our products and services an even greater value to our members.

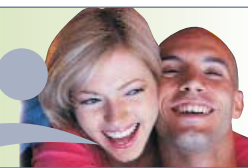
Throughout 2006, our members benefited from free Online Bill Payer and free eStatements, while some institutions charge members for these services. Our goal is to be the financial institution that provides the maximum service and value to our members.

We continue to give back to the communities we serve, through fundraising and staff volunteerism. In 2006, we supported these non-profit organizations: the American Cancer Society, American Heart Association, Camas-Washougal Community Chest, Evergreen School District Foundation and The Parks Foundation.

Your Board of Directors and Supervisory Committee are volunteers who believe in the credit union philosophy and mission, and in Lacamas Community Credit Union. It is my pleasure to serve as a member of your board of directors, and with the support of the other directors, we pledge our continued commitment to the credit union philosophy and the continued good health and growth of your Credit Union.

Jim Askey
Chairman, Board of Directors

supervisory committee's report



The purpose of LCCU's Supervisory Committee is to serve as a check and balance to the Credit Union's Board of Directors.

The Supervisory Committee is responsible for keeping informed on such matters as the financial condition of the Credit Union and the decisions made by the Credit Union's Board of Directors.

We are also responsible for performing or authorizing an annual audit of the Credit Union, and reporting our findings of the audit, along with any recommendations, to the Credit Union's Board of Directors. It is our role to make a report to LCCU members at each annual membership meeting.

We retain an outside accounting firm, Richards & Associates, CPAs, to perform LCCU's financial audit. This independent firm's audit found the 2006 financial statements present fairly, in all material respects, the financial condition of the Credit Union.

The Washington State Department of Financial Institutions: Division of Credit Unions conducts periodic examinations of credit unions. We are pleased to report that their most recent exam of LCCU's records found us to be financially safe and sound.

As the Chairperson of the Supervisory Committee, I am pleased to report that we believe LCCU's continued financial soundness can be attributed to its Board of Directors, strong management team, employees and members.

Arlys Borjesson
Chairperson, Supervisory Committee