

A large metal key is positioned diagonally across the upper half of the page. Below it, a stack of cardboard dollar signs is visible. The entire scene is set against a light gray grid background.

**Industrial
Distributors
Federal
Credit
Union**

2008 Annual Report

*Industrial Distributors Federal Credit Union
Annual Report
Year Ending December 31, 2008*

Table of Contents Here

Annual Meeting Minutes 2007	2
Report of the President 2008	17
Report of the Treasurer 2008	18
Report of the Loan Officer 2008	27
Report of Supervisory Audit Committee 2008	29
2009 Nominees	30
2009 Ballot	31

*Industrial Distributors Federal Credit Union
Annual Report
Year Ending December 31, 2008*

**INDUSTRIAL DISTRIBUTORS' FEDERAL CREDIT UNION
ANNUAL MEETING MINUTES
FOR THE YEAR ENDING DECEMBER 31, 2007**

CALL TO ORDER

The Annual Meeting of the Industrial Distributors Federal Credit Union met on January 30, 2008 at Applied Industrial Technologies Headquarters, One Applied Plaza, and Cleveland, Ohio. President, Ned Stewart, called the meeting to order at 1:00 p.m.

After welcoming members to the meeting and giving a few introductory remarks, the President asked the Secretary to call the roll to ascertain that a quorum existed:

ROLL CALL

Directors Present

Ned Stewart, President
Lecitia Chopka, 1st Vice President
Bill Leggett, 2nd Vice President
Debbie Gazdecki, Secretary
Sharon Bistricky, Treasurer
Jeff Sleva, Director
Diana Hendricks, Director

The Secretary verified that a quorum exists.

The president asked for a reading of the 2007 Annual Meeting Minutes. A motion was made by Jeff and seconded by Diana that the minutes be accepted as presented in the 2008 Annual Report. Motion was carried.

***Industrial Distributors Federal Credit Union
Annual Report
Year Ending December 31, 2008***

READING OF THE REPORTS:

PRESIDENTS REPORT

As we exit our 24th year of operations I would like to review our past years performance.

2007 saw new services added for our members.

Our largest was the new Visa Debit Card program. The board and office staff is very excited about being able to offer this new service to our members. This new service will be replacing the existing Star ATM program we currently offer. Eventually, the Star ATM program will be phased out over the coming years as our staff and members become more familiar with this new Visa Debit Card program.

Another new and exciting program was the MasterCard Gift Card program. This too was another program that we have been researching for some time and have finally come to a point where we could offer this to our members.

We changed the way we approve loans this past year. Loans are now approved by the Loan Officer or Office Manager, which allows for a faster response to the loan request. A new Loan Review Committee has been formed. They will review loans on a monthly basis or when a special review is required or requested.

Last we added GAP insurance for our new vehicle loans. This is an excellent service for those that purchase new vehicles and worry about the depreciation and if a catastrophe might happen.

Any or all of these services can be discussed in their entirety with any office staff person.

In 2007 we had our normal examinations and audits. In the 4th quarter of 2007 the National Credit Union Administration conducted its examination of our Credit Union. They have reported that we continue to be a very sound and financially strong institution. Along with this, our outside auditing firm completed their audit and came to the same conclusion.

2008 will mark our 25th anniversary. We look forward to continuing to add new services one of which we hope to add will be on-line banking. You'll be hearing more about this possible new service as the year progresses.

I would like to conclude by thanking the Board of Directors, and the various committee members who have graciously volunteered their time, also to our Manger and Office Staff for successfully completing another year. I would also like to say Thank You to all the members for having the faith in our volunteers and office staff and making us as successful as we are today.

Industrial Distributors Federal Credit Union
Annual Report
Year Ending December 31, 2008

Respectfully Submitted,

Ned Stewart
President IDFCU

It was moved by Diana and seconded by Sharon that the President's Report be accepted.
Motion carried.

The President, Ned Stewart, stated we would hear remaining reports and then entertain one motion to accept them all.

REPORT OF THE TREASURER

The Industrial Distributors Federal Credit Union had net income after dividends of \$4,272.00 for 2007. An examination by the National Credit Union Administration and an outside audit performed by George Hanks reflected that our credit union is well capitalized and operating in a safe and sound manner.

The National Credit Union Administration's Financial Performance Report as of Sept. 30, 2007, listed key ratios of financial trends and operating results of Industrial Distributors Federal Credit Union. Our net worth ratio, net worth divided by total assets, is 31.02%. This is above the average percentage of credit unions in our peer group at 16.63%.

Our dollar value per share is \$1.50, an increase of \$.03 over last year. Net assets as of December 31, 2007, are \$3,533,979.00.

The Investment Committee reviewed twenty-eight investments for 2007. Total investments as of December 31, 2007, are \$1,999,118.00.

Respectfully submitted,

Sharon Bistricky
Treasurer

Industrial Distributors Federal Credit Union
Annual Report
Year Ending December 31, 2008

Statements of Condition

Year Ended December 31,

	<u>2007</u>	<u>2006</u>
Assets		
Cash	\$17,434	\$16,904
Investments	2,231,220	2,239,274
Loans to Members	1,330,870	1,455,732
Allowance for Loan Losses	(53,363)	(52,859)
Property and Equipment – Net	1,023	820
Other	<u>6,795</u>	<u>5,330</u>
TOTAL ASSETS	<u>\$3,533,979</u>	<u>\$3,665,201</u>
Liabilities		
Accounts payable and accrued expenses	<u>\$51,493</u>	<u>\$52,366</u>
TOTAL LIABILITIES	\$51,493	\$52,366
Savings		
Members' shares	\$2,135,115	\$2,230,151
Share draft accounts	<u>188,020</u>	<u>227,605</u>
TOTAL SAVINGS	\$2,323,135	\$2,457,756
Equity		

**Industrial Distributors Federal Credit Union
Annual Report
Year Ending December 31, 2008**

Statutory reserve	\$312,737	\$312,737
Undivided earnings	846,614	842,342
TOTAL EQUITY	\$1,159,350	\$1,155,078
TOTAL LIABILITY, SAVINGS & EQUITY	\$3,533,979	\$3,665,201

Statements of Income and Retained Earnings

Year Ended December 31,

	<u>2007</u>	<u>2006</u>
INTEREST INCOME		
Loans to individual members	\$109,320	\$101,053
Investments	111,416	106,426
Other	52,695	50,282
TOTAL GROSS INCOME	\$273,431	\$257,761
EXPENSES		
Travel and Conference	\$479	\$671
Employee benefits	100	20
Association dues	2,020	2,010
Office expense	140,082	141,310
Depreciation expense	3,142	388
Annual meeting expense		1,491
Credit bureau	1,549	1,993

**Industrial Distributors Federal Credit Union
Annual Report
Year Ending December 31, 2008**

Provision for loan losses	62,693	24,000
Insurance expense	5,362	4,707
Credit card expense	4,368	4,830
Marketing expense	1,200	1,200
Operating fees	619	449
Maintenance of equipment	1,291	1,084
Collection expense	66	1,070
ATM expense	11,716	14,193
TOTAL EXPENSES	<u>\$234,687</u>	<u>\$199,416</u>
NET INCOME BEFORE DIVIDENDS	\$38,743	\$58,345
APPROPRIATIONS TO RESERVES		
Statutory reserves	<u>\$(27,343)</u>	<u>\$(25,776)</u>
Amount transferred to retained earnings	1,400	32,569
Retained earnings at beginning of year	<u>343,633</u>	<u>343,086</u>
	345,033	375,655
Dividends	<u>(34,471)</u>	<u>(32,022)</u>
RETAINED EARNINGS AT YEAR END	<u><u>\$310,562</u></u>	<u><u>\$343,633</u></u>

Industrial Distributors Federal Credit Union
Annual Report
Year Ending December 31, 2008

Statements of Cash Flow

Year Ended December 31,

	<u>2007</u>	<u>2006</u>
Cash Flow from Operating Activities:		
Net Income	\$38,743	\$58,345
Adjustment to reconcile net cash provided by operating activities:		
Depreciation	3,142	388
Provision for loan losses	62,693	24,000
Prior year adjustment to retained earnings		
Changes in assets and liabilities:		
(Increase)/Decrease		
Other assets	1,465	(1,816)
Other liabilities	873	(3,735)
Net cash provided by operation activities:	106,916	77,182
Cash dividend paid	(34,471)	(32,022)
Cash flow from Financing Activities:		
Net (increase)/decrease in member share accounts	95,036	159,146
Net cash provided (used) by financing activities	95,036	159,146
Net Cash Flow from Investing Activities:		
Net (increase)/decrease in loans to members	125,366	(176,690)

**Industrial Distributors Federal Credit Union
Annual Report
Year Ending December 31, 2008**

Net (increase)/decrease in investments	8,054	294,817
Capital expenditures	1,668	2,417
Net cash provided (used) by investing activities	135,088	120,544
Net Increase/(Decrease) in Cash	530	(466)
Cash at the beginning of the year	16,904	17,350
Cash at the end of the year	\$17,434	\$16,904

Notes to Consolidated Financial Statements

1.) Description of Industrial Distributors Federal Credit Union and a Summary of Significant Accounting Policies

Industrial Distributors Federal Credit Union, formerly Bearings, Inc. Employees' Federal Credit union, was chartered June 27, 1983 to act as a credit union for the benefit of its membership. The principle activity is to provide service to its membership.

Property and equipment are stated at cost. Depreciation is computed on the straight-line method over the estimated useful lives of the assets.

Short-term investments are stated at cost and are certificates of deposit purchased from federally insured financial institutions.

Computer software is recorded at cost and amortized on the straight-line method over five years.

**Industrial Distributors Federal Credit Union
Annual Report
Year Ending December 31, 2008**

2.) Investments

Year Ended December 31,

	<u>2007</u>	<u>2006</u>
Corporate One Credit Union Overnight Investments	\$174,538	\$383,209
Permanent Capital Based Share	32,987	34,032
	207,525	417,241
U.S. Government and agency obligations share insurance capitalization deposit	24,578	26,033
Certificates of deposit with Federally Insured financial institutions	1,999,118	1,796,000
TOTAL	\$2,231,221	\$2,239,274

3.) Furniture & Fixtures

Year Ended December 31,

	<u>2007</u>	<u>2006</u>
Furniture and fixtures	\$3,800	\$3,800
Computer equipment and software	24,954	24,377
	28,754	28,177
Less accumulated depreciation	27,731	27,357
TOTAL	\$1,023	\$820

**Industrial Distributors Federal Credit Union
Annual Report
Year Ending December 31, 2008**

Credit Committee 2007

Month	Signature Loans	New Vehicles	Used Vehicles	Secured Other	Fully Secured	All Specials	Credit Cards	Total Approved	Total Denied	Actual Disbursed
January	7,827.44 2	21,953.28 1	7,800.00 1	0.00 0	0.00 0	1,700.00 2	5,000.00 1	6	8	37,953.28
February	10,000.00 3	25,155.73 1	0.00 0	0.00 0	330.00 1	0.00 0	2,200.00 2	5	5	35,485.73
March	18,900.00 5	0.00 0	6,295.00 1	0.00 0	0.00 0	2,500.00 1	5,000.00 1	7	2	27,695.00
April	19,774.32 3	11,221.51 1	0.00 0	0.00 0	1,256.58 1	18,000.00 7	0.00 0	12	8	42,578.09
May	30,341.06 4	21,300.80 1	0.00 0	0.00 0	1,697.18 1	11,100.00 5	0.00 0	11	2	53,597.98
June	48,361.63 8	26,536.00 1	14,150.00 1	0.00 0	800.00 1	15,800.00 6	0.00 0	17	5	79,586.00
July	8,548.02 2	0.00 0	0.00 0	0.00 0	4,000.00 1	40,000.00 8	0.00 0	11	13	47,500.00
August	24,083.46 3	0.00 0	16,500.00 1	0.00 0	0.00 0	43,700.00 13	0.00 0	17	10	76,200.00
September	20,220.00 3	0.00 0	0.00 0	0.00 0	780.00 1	11,500.00 3	0.00 0	7	4	32,500.00
October	6,915.52 1	27,593.67 1	31,904.00 2	0.00 0	20,000.00 1	14,000.00 3	0.00 0	8	9	97,497.67
November	34,192.10 5	0.00 0	0.00 0	0.00 0	0.00 0	8,700.00 5	0.00 0	10	8	25,000.00
December	19,853.96 3	0.00 0	32,743.27 3	0.00 0	0.00 0	3,600.00 3	2,500.00 1	9	7	41,843.27
Number of Loans	42	6	9	0	7	56	5	120	81	597,437.02
								Total		Total Amount

**Industrial Distributors Federal Credit Union
Annual Report
Year Ending December 31, 2008**

Total Amount of Loans	249,017.51	133,760.99	109,392.27	0.00	28,863.76	170,600.00	14,700.00	Reviewed	206	Loans *	\$ 691,634.53
* Total does not include credit card loans										Total Amount	
										Credit Cards	\$ 14,700.00

***Industrial Distributors Federal Credit Union
Annual Report
Year Ending December 31, 2008***

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Industrial Distributors Federal Credit Union
Annual Report
Year Ending December 31, 2008

Credit Committee 2007

Type of Loans	Total Number of Loans	Percent of Total Loans	Dollars Loaned	Percent of Total Dollars
Signature	42	35%	249,017.51	36.00%
Auto Loans				
New	6	40%	133,760.99	
Used	9	60%	109,392.27	
Total	15	100%	243,153.26	35.16%
Other (Specials)	56	47%	170,600.00	24.67%
Fully Secured	7	6%	28,863.76	4.17%
Total Loans Approved	201			
	120	100%	691,634.53	100%
Credit Cards	5	100%	14,700.00	
Actual Monies Disbursed	597,437.02			
Total Loans Viewed	206			

*Industrial Distributors Federal Credit Union
Annual Report
Year Ending December 31, 2008*

Report of the Supervisory Audit Committee

During fiscal 2007, statistical analysis was performed in the area of auto loans and savings instruments. Each month national investment rates and loan rates are examined in order to determine the need to adjust current rates offered to Credit Union members.

Comparative data found on the web site Bankrate.com is used to identify any current interest rate trends and to compute average market rates each month. These rates are matched with Credit Union rates to determine the competitiveness of our auto loans and savings instruments.

This analysis has resulted in several positive adjustments to Credit Union rates throughout this fiscal year. Currently our loan rates are more competitive and our savings rates are within one percentage point of national rate average.

ACCEPTANCE OF ALL REPORTS:

It was moved by Leticia and seconded by Debbie that all reports be accepted as presented. Motion carried.

UNFINISHED BUSINESS:

There was no unfinished business.

NEW BUSINESS:

There was no new business.

PRESENTATION OF NOMINEES/ELECTION OF OFFICERS:

The President called Vince Carl, Nominating Committee Chairperson, for his report. Vince reported the following nominations:

Board of Directors

1 year term (1 position available):	Leticia Chopka
3 year term (3 positions available):	Claudia Lipscomb Jim Langmead Nancy Danisek

The President asked the members to mark their ballots and place them in the ballot box.

During the counting of the ballots, the President took a minute to give recognition to all those who have donated their time during the past year and have contributed to our

**Industrial Distributors Federal Credit Union
Annual Report
Year Ending December 31, 2008**

success. He also extended our appreciation to the entire office staff, Nancy Danisek, Anne Stewart, and Arvanders Harris.

The meeting was turned over to Diana Hendricks, she said a quick thank you and awarded all the door prizes.

The chair asked Vince Carl, the Nominating Committee Chairperson, to give the results of the election:

Board of Directors

1 year term (1 position available): Leticia Chopka
3 year term (3 positions available): Claudia Lipscomb
Jim Langmead
Nancy Danisek

Ned opened the floor for any nominees who challenged the ballots. No one challenged the ballots. It was moved by Sharon and seconded by Bill that the ballots be destroyed. The motion carried.

With the business portion of the meeting completed, the floor was then open for any questions and/or comments.

Ned requested the newly elected Board members and Credit Committee members to meet with the established Board at the end of the meeting. She also extended an invitation to all members to further their support of the Credit Union by becoming a member of one of the various committees. He thanked all the current Board members for the past year.

It was moved and seconded that the meeting be adjourned. Motion carried. The 22nd Annual meeting of the Industrial Distributors Federal Credit Union was adjourned at 1:45 p.m.

Ned Stewart, President

Date

Diana Hendricks, Secretary

Date

Industrial Distributors Federal Credit Union
Annual Report
Year Ending December 31, 2008

REPORT OF THE PRESIDENT 2008

On June 23, 1983, several associates from Applied Industrial Technologies (formerly Bearings, Inc.) decided to pool their money together and make loans. They formed the Bearings Incorporated Employees Federal Credit Union, which today over 25 years later is known as the Industrial Distributors Federal Credit Union (IDFCU)

Did you know that one in every three Americans belongs to a credit union? That's 89 million or more people belonging to one of more than 10,000 credit unions, with approximately 500 billion in collective assets. When it comes to personal attention, high-quality service and low fees, IDFCU continues to rank superior to other providers of financial services. Credit unions have topped the consumer satisfaction ratings in American Banker's annual survey for several years consecutively.

And another interesting fact about credit unions: not one penny of insured savings has ever been lost by a member of a federally insured credit union.

On behalf of the board of directors I am pleased to announce that IDFCU ended yet another year as a financially sound institution.

In August of 2008 our outside auditing firm performed their annual audit and reported that IDFCU continues to be financially sound.

2008 saw several changes and enhancements to IDFCU. First and most important we began our Online Banking program. This was a major undertaking and special thanks to our office staff for their hard work and due diligence to see this project through. We started with just a handful of members testing this service and today we have several of our members using it on almost a daily basis. We continuously monitor this and hope to make new additions to this program as funding becomes available. Second we combined our ATM and Debit card program into just a single card program for our members and discontinued our Star ATM program.

As we go into 2009 we will continue to look for better ways to improve our current services and look into new services to offer our members.

I would like to thank the board of directors and office staff for their continued hard work and thank you the member for putting your trust into IDFCU.

Respectfully Submitted,

Ned Stewart
President IDFCU

*Industrial Distributors Federal Credit Union
Annual Report
Year Ending December 31, 2008*

REPORT OF THE TREASURER 2008

The Industrial Distributors Federal Credit Union had net income after dividends of \$11,789.44 for 2008 an increase of \$7,517.44 from 2007. An examination by the National Credit Union Administration and an outside audit performed by George Hanks reflected that our credit union is well capitalized and operating in a safe and sound manner.

The National Credit Union Administration's Financial Performance Report as of Sept. 30, 2007, listed key ratios of financial trends and operating results of Industrial Distributors Federal Credit Union. Our net worth ratio, net worth divided by total assets, is 32.49%. This is above the average percentage of credit unions in our peer group at 16.21%.

Our dollar value per share is \$1.54, an increase of \$.04 over last year. Net assets as of December 31, 2007, are \$3,377,127.00.

The Investment Committee reviewed twenty-two investments for 2008. Total investments as of December 31, 2008, are \$1,745,514.70

Respectfully submitted,

Nancy Danisek

Treasurer

Industrial Distributors Federal Credit Union
Annual Report
Year Ending December 31, 2008

Statements of Condition

Year Ended December 31,

	<u>2008</u>	<u>2007</u>
Assets		
Cash	\$53,500	\$17,434
Investments	2,120,928	2,231,220
Loans to Members	1,256,556	1,330,870
Allowance for Loan Losses	(60,125)	(53,363)
Property and Equipment – Net	883	1,023
Other	<u>5,385</u>	<u>6,795</u>
TOTAL ASSETS	<u>\$3,377,127</u>	<u>\$3,533,979</u>
Liabilities		
Accounts payable and accrued expenses	<u>\$51,585</u>	<u>\$51,493</u>
TOTAL LIABILITIES	\$51,585	\$51,493

Industrial Distributors Federal Credit Union
Annual Report
Year Ending December 31, 2008

Savings

Members' shares	\$2,013,276	\$2,135,115
Share draft accounts	<u>141,125</u>	<u>188,020</u>
TOTAL SAVINGS	\$2,154,401	\$2,323,135

Equity

Statutory reserve	\$312,737	\$312,737
Undivided earnings	<u>858,404</u>	<u>846,614</u>
TOTAL EQUITY	<u>\$1,171,141</u>	<u>\$1,159,350</u>

TOTAL LIABILITY, SAVINGS & EQUITY	<u><u>\$3,377,127</u></u>	<u><u>\$3,533,979</u></u>
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Industrial Distributors Federal Credit Union
Annual Report
Year Ending December 31, 2008

Statements of Income and Retained Earnings

Year Ended December 31,

	<u>2008</u>	<u>2007</u>
INTEREST INCOME		
Loans to individual members	\$108,311	\$109,320
Investments	88,781	111,416
Other	53,054	52,695
TOTAL GROSS INCOME	\$250,146	\$273,431
EXPENSES		
Travel and Conference	\$143	\$479
Employee benefits	100	100
Association dues	2,083	2,020
Office expense	146,263	140,082
Depreciation expense	4,072	3,142
Annual meeting expense	335	
Credit bureau	1,910	1,549
Provision for loan losses	26,350	62,693
Insurance expense	5,399	5,362
Credit card expense	4,568	4,368
Marketing expense	1,358	1,200
Operating fees	776	619
Maintenance of equipment	1,295	1,291

Industrial Distributors Federal Credit Union
Annual Report
Year Ending December 31, 2008

Collection expense	66	
ATM expense	<u>16,753</u>	<u>11,716</u>
TOTAL EXPENSES	<u>\$211,405</u>	<u>\$234,687</u>
NET INCOME BEFORE DIVIDENDS	\$38,741	\$38,743
APPROPRIATIONS TO RESERVES		
Statutory reserves	<u>\$(25,015)</u>	<u>\$(27,343)</u>
Amount transferred to retained earnings	13,726	1,400
Retained earnings at beginning of year	<u>310,562</u>	<u>343,633</u>
	324,288	345,033
Dividends	<u>(26,951)</u>	<u>(34,471)</u>
RETAINED EARNINGS AT YEAR END	<u>\$297,337</u>	<u>\$310,562</u>

Industrial Distributors Federal Credit Union
Annual Report
Year Ending December 31, 2008

Statements of Cash Flow

Year Ended December 31,

	<u>2008</u>	<u>2007</u>
Cash Flow from Operating Activities:		
Net Income	\$38,741	\$38,743
Adjustment to reconcile net cash provided by operating activities:		
Depreciation	4,072	3,142
Provision for loan losses	26,350	62,693
Prior year adjustment to retained earnings	10,000	
Changes in assets and liabilities:		
(Increase)/Decrease		
Other assets	(1,409)	1,465
Other liabilities	(92)	873
Net cash provided by operation activities:	77,661	106,916
Cash dividend paid	(26,951)	(34,471)
Cash flow from Financing Activities:		
Net (increase)/decrease in member share accounts	121,839	95,036
Net cash provided (used) by financing activities	121,839	95,036
Net Cash Flow from Investing Activities:		
Net (increase)/decrease in loans to members	81,076	125,366

**Industrial Distributors Federal Credit Union
Annual Report
Year Ending December 31, 2008**

Net (increase)/decrease in investments	110,293	8,054
Capital expenditures	(1,550)	1,668
Net cash provided (used) by investing activities	189,819	135,088
Net Increase/(Decrease) in Cash	36,066	530
Cash at the beginning of the year	17,434	16,904
Cash at the end of the year	\$53,500	\$17,434

Notes to Consolidated Financial Statements

1.) Description of Industrial Distributors Federal Credit Union and a Summary of Significant Accounting Policies

Industrial Distributors Federal Credit Union, formerly Bearings, Inc. Employees' Federal Credit union, was chartered June 27, 1983 to act as a credit union for the benefit of its membership. The principle activity is to provide service to its membership.

Property and equipment are stated at cost. Depreciation is computed on the straight-line method over the estimated useful lives of the assets.

Short-term investments are stated at cost and are certificates of deposit purchased from federally insured financial institutions.

Computer software is recorded at cost and amortized on the straight-line method over five years.

2.) Investments

Year Ended December 31,

	<u>2008</u>	<u>2007</u>
Corporate One Credit Union		
Overnight Investments	\$320,376	\$174,538

**Industrial Distributors Federal Credit Union
Annual Report
Year Ending December 31, 2008**

Permanent Capital Based Share	31,806	32,987
	352,182	207,525
U.S. Government and agency obligations share	23,231	24,578
insurance capitalization deposit		
Certificates of deposit with Federally Insured financial institutions	1,745,515	1,999,118
TOTAL	\$2,120,928	\$2,231,221

3.) Furniture & Fixtures

Year Ended December 31,

	<u>2008</u>	<u>2007</u>
Furniture and fixtures	\$3,800	\$3,800
Computer equipment and software	19,729	24,954
	23,529	28,754
Less accumulated depreciation	22,646	27,731
TOTAL	\$883	\$1,023

***Industrial Distributors Federal Credit Union
Annual Report
Year Ending December 31, 2008***

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**Industrial Distributors Federal Credit Union
Annual Report
Year Ending December 31, 2008**

REPORT OF THE LOAN OFFICER 2008

Month	Signature Loans	New Vehicles	Used Vehicles	Secured Other	Fully Secured	All Specials	Credit Cards	Total Approved	Total Denied	Actual Disbursed
January	28,634.49 5	0.00 0	21,950.00 1	0.00 0	3,111.83 2	0.00 0	3,500.00 1	8	5	37,953.28
February	32,944.09 6	0.00 0	0.00 0	0.00 0	6,292.00 1	21,250.00 4B	0.00 0	50	3	35,485.73
March	18,527.44 2	104,716.94 2	23,875.00 1	0.00 0	0.00 0	19,300.00 7	0.00 0	12	5	27,695.00
April	28,608.62 5	54,861.51 2	11,942.00 1	0.00 0	4,500.00 2	37,640.50 10	0.00 0	20	5	42,578.09
May	29,158.90 4	0.00 0	0.00 0	0.00 0	1,000.08 1	16,700.00 6	0.00 0	11	1	53,597.98
June	2,332.58 1	45,844.87 3	14,770.00 1	0.00 0	0.00 0	4,500.00 2	0.00 0	7	10	79,586.00
July	23,814.56 3	8,500.00 1	21,669.11 1	0.00 0	3,201.35 2	23,500.00 7	0.00 0	14	4	47,500.00
August	33,934.42 4	15,000.00 1	0.00 0	0.00 0	0.00 0	23,000.00 7	0.00 0	12	2	76,200.00
September	7,939.68 1	43,695.78 2	0.00 0	0.00 0	0.00 0	23,000.00 5	0.00 0	8	8	32,500.00
October	0.00 0	0.00 0	0.00 0	0.00 0	0.00 0	19,000.00 6	0.00 0	6	5	97,497.67
November	10,761.67 3	0.00 0	0.00 0	0.00 0	334.00 1	3,800.00 3	0.00 0	7	6	25,000.00
December	50,313.89 6	30,354.31 2	0.00 0	0.00 0	3,838.73 2	3,150.00 3	0.00 0	13	3	41,843.27
Number of Loans	40	13	5	0	11	99	1	168	57	597,437.02
Total Amount of Loans	266,970.34	302,973.41	94,206.11	0.00	22,377.99	194,640.50	3,500.00	Total Reviewed	225	Total Amount Loans * Total Amount Credit Cards
* Total does not include credit card loans										\$ 881,168.35 \$ 3,500.00

Industrial Distributors Federal Credit Union
Annual Report
Year Ending December 31, 2008

REPORT OF THE LOAN OFFICER 2008

Type of Loans	Total Number of Loans		Percent of Total Loans	Dollars Loaned	Percent of Total Dollars
Signature	40		24%	266,970.34	30.30%
Auto Loans					
New	13	72%		302,973.41	
Used	5	28%		94,206.11	
Total	18	100%	11%	397,179.52	45.07%
Other (Specials)	99		59%	194,640.50	22.09%
Fully Secured	11		7%	22,377.99	2.54%
Total Loans Approved	225 168		100%	881,168.35	100%
Credit Cards	1		100%	3,500.00	
Actual Monies Disbursed	766,466.37				
Total Loans Viewed	225				

***Industrial Distributors Federal Credit Union
Annual Report
Year Ending December 31, 2008***

REPORT OF THE SUPERVISORY AUDIT COMMITTEE

An audit of the Industrial Distributor's Federal Credit Union was conducted, with a review of related statements of income and financial condition for the year ending December 31, 2008. Our examinations were made in accordance with generally accepted auditing and included such tests of the accounting records and procedures, as we deemed necessary.

Monthly audits of Cash boxes and random selection of loans were conducted. Various processes and procedures were audited on a random basis to test adherence to Federal Credit Union Guidelines.

In our opinion, the financial statements represented the financial position of our credit union and it is operating properly and in a business-like manner.

Industrial Distributors Federal Credit Union
Annual Report
Year Ending December 31, 2008

2009 NOMINEES

Board of Directors 3-year term

Ned Stewart has been with Applied Industrial Technologies for 29 years. He is currently the Manager of Field Operations. Ned has been with the Credit Union as a member for 25 years and served on the board of directors for 15 years. Currently, he is the President of IDFCU and has been since 1996.

In his spare time Ned enjoys fishing, computers and working on his old car.

Ned and his wife Anne have 5 children, 3 from Anne's previous marriage, Brandi, Melissa and Ronnie and 2 from Ned's previous marriage, Chris and Tony. In September 2008 they just had their first grandchild Khloe that lives in Atlanta, GA with the proud parents, Jake and Melissa Hulse.

Leticia Chopka has been with Applied Industrial Technologies for a total of 15 years. Her first 5 years were in Vendor Auditing she then moved to Las Vegas, NV for 3 years and worked for Caesar's Palace in the Finance Depart & Hotel Admin. She returned to the Applied Industrial Technology family and worked in Trade Credit for 5 years. She currently works in General Accounting where she has been for the last 5 years.

Leticia has been a Credit Union Member for 8 years. Her first position on the Credit Union Board of Directors was Marketing Director she has since then moved to Special Events & currently is Membership/1st Vice President.

Leticia has been married for 17 years & has two daughters Arielle age 15 and Meridith age 12. Her daughters are very involved in many sports and excel in school. Leticia and her family stay very busy and enjoy spending time with family and friends.

*Industrial Distributors Federal Credit Union
Annual Report
Year Ending December 31, 2008*

2009 Ballot

Board of Directors 3-year terms

(Select Two)

- _____ Ned Stewart
- _____ Leticia Chopka