

# Supervisory Committee Report

## Strength through Checks-and-Balances

Federally chartered credit unions such as St. Helens Community Federal Credit Union are required to have a Supervisory Committee, appointed by the Board of Directors. The committee is responsible for ensuring that the board and management: 1) meet financial reporting objectives, and 2) establish practices and procedures that safeguard members' assets. To achieve these goals the committee meets monthly to determine if management and staff are conducting the affairs of the credit union in such a way as to:

- Establish and maintain effective internal controls;
- Promptly prepare accounting records and financial reports accurately reflect operation and results;
- Properly administer relevant plans, policies and control procedures established by the Board of Directors;
- Establish policies and control procedures that safeguard against error, carelessness, self-dealing and fraud.

In order to carry out these responsibilities, the Supervisory Committee relies on outside auditors that report directly to the committee. Written reports are submitted to the committee monthly. No major non-compliance issues were identified in 2012.

The committee also works with an accounting firm Moss Adams, to perform a comprehensive annual financial audit. Moss Adams conducted an audit of the Credit Union's financial statements and operations as of September 30, 2012. The audit performed led to a positive opinion and did not identify any "material weaknesses." The audit also determined that the Credit Union's financial statements were "in conformity with accounting principles generally accepted in the United States of America."

Based on our work during the past year we are confident that the St. Helens Community Federal Credit Union has met its financial objectives and that members' assets are being adequately safeguarded.

**Scott Bremmer**  
2013 Supervisory Committee Chair

## Board of Directors

Lea Chitwood, Chair  
Tom Tussing, Vice Chair  
Marty Borrevik, Secretary  
Mike Hafeman, Treasurer  
Michael Ismert  
David Graham  
Richard Louie

## Supervisory Committee Members

Scott Bremmer, Chair  
David Graham  
Darrel Purkerson

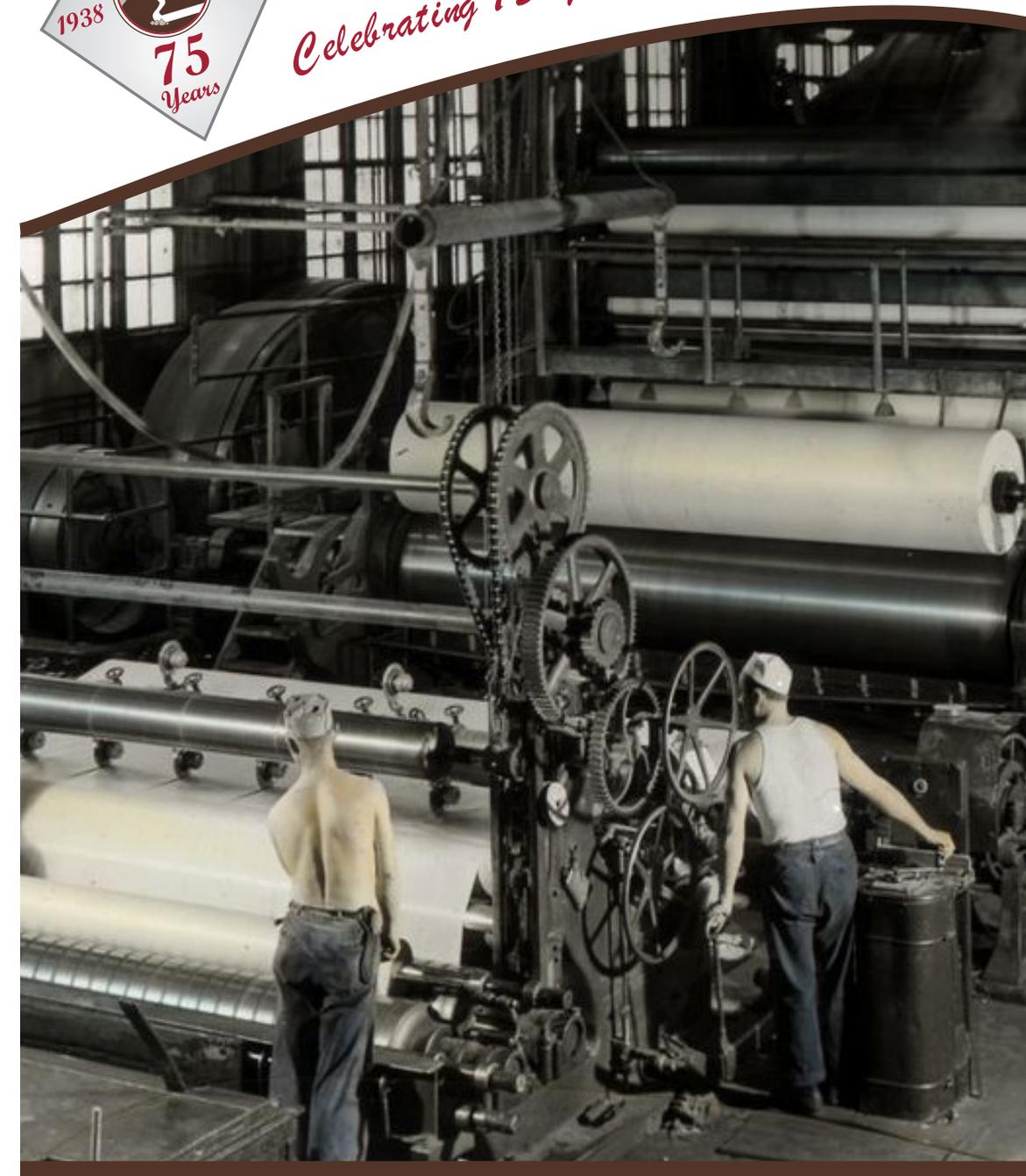


ST. HELENS COMMUNITY  
FEDERAL CREDIT UNION

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*Celebrating 75 Years of Member Service*



**St. Helens Community FCU**  
**Annual Report 2012**

# A Message from the Chair and CEO

**Always Strengthening Our Commitment to You.** Through the years, there have been a lot of changes in our community. SHCU has been there every step of the way to serve you, whether you were buying a home, financing a car, sending someone off to college, or simply planning for retirement.

Every member who utilized the Credit Union, and every business that succeeded in 2012, helped the economy grow. It also grew thanks to volunteerism and support from within the Credit Union. The CU 4 A Cause campaign is a great example. We're honored to be able to make a difference in the communities we serve and are fortunate to have a number of outstanding local charities that care for those in need.

**We're listening.** To answer member questions and ensure the longevity of the credit union, a new strategic direction was taken in 2012. This move, along with a new CEO and enhancements to our corporate governance will help establishing long-term growth amid strong leadership and guidelines. As you review the 2012 financial statement, you'll see that we continued to build financial strength, with increased loan growth over the year before, retention of our strong home loan portfolio, and an increase in overall membership product and service penetration.

**Celebrating 75 years!** As we celebrate this wonderful milestone, we want to thank the many volunteers who have given so much of their time and energy to SHCU. In addition, we would be amiss if we did not thank our employees who give 110% every day.

And finally, we want to thank you. You can be sure we'll be here to serve your financial needs with the strength of the entire SHCU community for decades to come.

**Lea Chitwood**  
Chair, Board of Directors



Lea Chitwood, Chair

**Brooke Van Vleet**  
President/CEO



Brooke Van Vleet, CEO

# Financial Report

Statement of Financial Condition	2012	2011
<b>Assets</b>		
Cash and Cash Equivalents	12,629,608	11,258,023
Investments	2,768,727	3,174,460
Loans to Mbrs, Net Allow. for Losses	134,622,011	133,274,630
Fixed Assets	2,410,137	2,449,310
Other Assets	9,302,805	9,826,020
<b>Total Assets</b>	<b>161,733,288</b>	<b>159,982,443</b>
<b>Liabilities and Equity</b>		
Members' Shares	139,743,356	138,933,104
Borrowed Funds	5,000,000	5,000,000
Other Liabilities	1,435,667	1,864,519
Total Liabilities	146,179,023	145,797,623
Regular Reserves	4,157,102	4,157,102
Undivided Earnings	11,383,854	10,030,423
Unrealized Gain/Loss on Investments	13,309	-2,705
Total Equity	15,554,265	14,184,820
<b>Total Liabilities and Equity</b>	<b>161,733,288</b>	<b>159,982,443</b>

Statement of Income	2012	2011
Loans to Members	8,151,197	7,904,204
Investment and Cash Equivalents	239,176	315,520
<b>Total Interest Income</b>	<b>8,390,373</b>	<b>8,219,724</b>
<b>Interest Expense</b>		
Dividends on Member Shares	793,607	918,762
Interest on Borrowed Funds	48,475	57,478
Total Interest Expense	842,082	976,240
Net Interest Income	7,548,291	7,243,484
Provision for Loan Losses	1,348,518	1,176,425
Net Interest Income after Provision	6,199,773	6,067,059
Non-Interest Income	2,513,809	2,595,697
<b>Non-Interest Expense</b>		
Salaries and Benefits	3,646,861	3,870,248
Office Operations	2,062,074	1,942,908
Other Operating Expenses	1,219,468	1,190,104
Loss of Sale of Assets	296,035	262,564
Total Non-Interest Expense	7,224,438	7,265,824
Income Before NCUA Assessment	1,489,144	1,396,932
NCUA Assessment	-135,658	-344,264
<b>Net Income</b>	<b>1,353,486</b>	<b>1,052,668</b>

