

## Supervisory Committee Report

*Bridging People and Sound Financial Decisions*

Federally chartered credit unions such as St. Helens Community Federal Credit Union are required to have a Supervisory Committee, made up of credit union members 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 to safeguard member's 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 to accurately reflect operations 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. We contract with an experienced credit union professional to conduct monthly internal audits ranging from compliance with the Bank Secrecy Act (BSA) to whether loans are being made in accordance with established procedures and lending limitations.

Written reports are submitted to the committee monthly. No major non-compliance issues were identified in 2013.

The committee also works with an accounting firm to perform a comprehensive annual financial audit. Three years ago the committee chose the firm of Moss Adams from among four firms that submitted proposals. Moss Adams conducted an audit of the Credit Union's financial statements and operations as of September 30, 2013. The audit performed led to a positive opinion and did not identify any major issues or areas of concern. The audit also determined that the Credit Union's financial statements were "fairly stated".

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

**Scott Bremmer**  
Chairman, Supervisory Committee

## Board of Directors

Tom Tussing, Chairman  
David Graham, Vice Chairman  
Michael Ismert, Secretary  
Richard Louie, Treasurer  
Steven Correll  
Seth Holmes  
Amanda Komp

## Supervisory Committee Members

Scott Bremmer, Chairman  
Marty Borrevik  
David Graham  
Gordy Jarman, Jr.  
Darrel Purkerson

## Senior Management

Brooke Van Vleet, President/CEO  
Robin Balza, Chief Operations Officer  
Randy Goshow, Chief Financial Officer  
Steve Jensen, Chief Credit Officer  
Ryann Weaver, Vice President, Marketing  
Ron Winter, Chief Technology Officer

# Building Bridges to Greater Success

2013 Annual Report



# A Message from the Chairman and CEO

*Bridging Yesterday’s Decisions to Continued Prosperity*

St. Helens Community has remained a strong part of Columbia County since 1938 with a focus toward fulfilling the financial needs of our membership. Because of that focus, we continually evaluate the needs of our members and the overall credit union.

As you and other members utilized the credit union for auto loans, home loans, credit cards, and other personal loans in 2013, we continued our focus on responsible lending, working with members to ensure affordable payments through prudent loan terms and smart lending guidelines.

**Making sound, financial decisions.** Due to the recent economic climate, and because of our focus on our members, we took a proactive approach to protect the credit union by putting a large portion of our 2013 net income into reserves. This was done to offset the possibility of any future loan losses.

On a balance sheet, this will look like a loss. In reality it’s a smart move that will continue to protect the credit union well in the future. Think of it like putting away some money for a rainy day. It’s there if we need it.

**We’re very well capitalized.** At the end of 2013, our net worth ratio was 8.48%, surpassing regulatory benchmarks. Loan programs were up with \$37.7 million in real estate loans, \$21.2 million in auto loans and another \$80.4 million in other loan categories for a total of \$139.3 million. Members also found a safe place for their finances, with shares reaching a record \$150.4 million.

Through a continued focus on stewardship of credit union resources, plans are already underway to open a new branch in St. Helens, add additional Online Banking enhancements including mobile banking with mobile deposits, and more ways to grow your savings.

As our members prosper, so does St. Helens Community, allowing us to work with wonderful causes such as CU 4 A Cause. This year’s fundraiser will benefit Amani Center, Columbia Humane Society, Columbia Food Bank, Relay for Life (ACS), CASA for Kids, Community Action Team, KidCare-Scappoose, and Sacagawea Health Center. As we work with our new members in Cowlitz and Clatsop counties, we hope to bring that spirit of people helping people to the families and organizations in need.

**Thank you for your membership.** While you are the reason we are all here, we wish to thank the employees of St. Helens Community who come in early and stay late to meet your needs. Together, we are bridging communities, raising families and working toward a future full of hope and promise.

**Tom Tussing**  
Chairman, Board of Directors

**Brooke Van Vleet**  
President/CEO

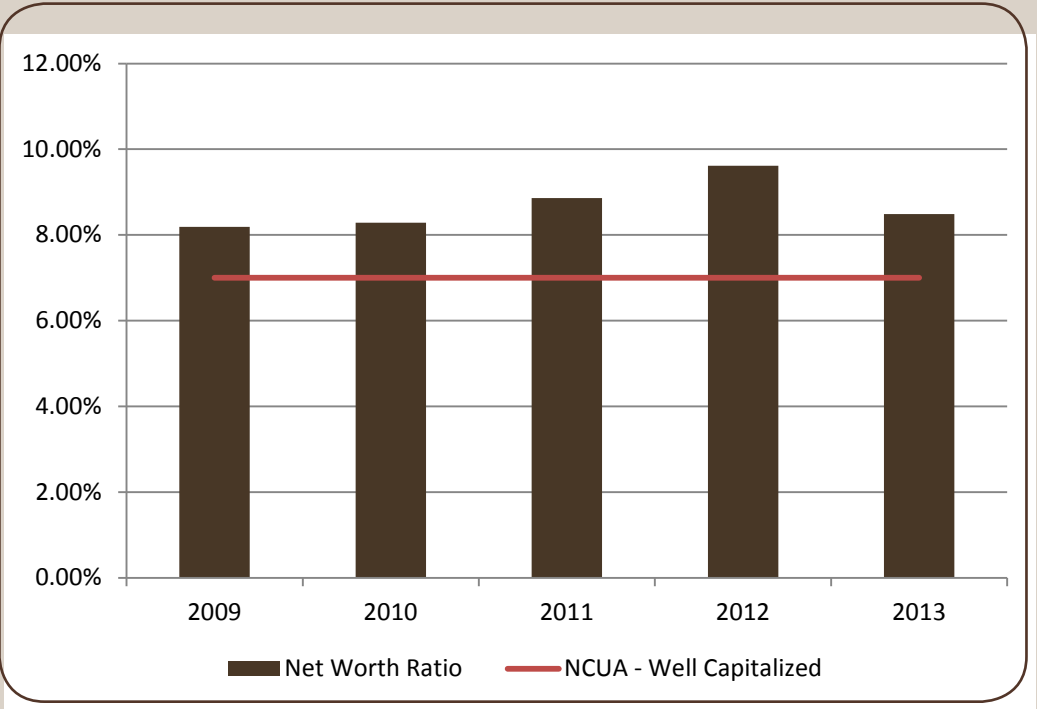
## Financial Report

Statement of Financial Condition	2013	2012
<b>Assets</b>		
Cash and Cash Equivalents	16,231,950	12,629,608
Investments	2,502,377	2,768,727
Loans to Members, Net Allow. for Loan Loss	135,531,919	134,622,011
Fixed Assets	2,452,161	2,410,137
Other Assets	14,192,595	9,302,805
<b>Total Assets</b>	<b>170,911,002</b>	<b>161,733,288</b>
<b>Liabilities and Equity</b>		
Members’ Shares	150,436,138	139,743,356
Borrowed Funds	5,000,000	5,000,000
Other Liabilities	970,570	1,435,667
Total Liabilities	156,406,708	146,179,023
Regular Reserves	4,157,102	4,157,102
Undivided Earnings	10,329,415	11,383,854
Unrealized Gain/Loss on Investments	17,777	13,309
Total Equity	14,504,294	15,554,265
<b>Total Liabilities and Equity</b>	<b>170,911,002</b>	<b>161,733,288</b>

Statement of Income	2013	2012
Loans to Members	7,577,268	8,151,197
Investment and Cash Equivalents	332,253	239,176
<b>Total Interest Income</b>	<b>7,909,521</b>	<b>8,390,373</b>
<b>Interest Expense</b>		
Dividends on Member Shares	696,376	793,607
Interest on Borrowed Funds	32,425	48,475
Total Interest Expense	728,801	842,082
Net Interest Income	7,180,720	7,548,291
Provision for Loan Loss	2,647,470*	1,348,518
Net Interest Income After Provision	4,533,250	6,199,773
Non-Interest Income	2,317,535	2,513,809
<b>Non-Interest Expense</b>		
Salaries and Benefits	3,863,502	3,646,861
Office Operations	2,174,386	2,062,074
Other Operating Expenses	1,337,810	1,219,468
Loss of Sale of Assets	412,846	296,035
Total Non-Interest Expense	7,788,544	7,224,438
Income Before NCUA Assessment	(937,759)	1,489,144
NCUA Assessment	(116,680)	(135,658)
<b>Net Income</b>	<b>(1,054,439)*</b>	<b>1,353,486</b>

\* The credit union allocated an additional \$1,425,865 to the provision for loan loss in 2013. Had we not made the additional provision, net income for 2013 would have been \$371,426.

### Net Worth Ratio



### Balance Sheet Trends

