

Supervisory Committee Report

Federally chartered credit unions such as St. Helens Community 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, monthly reports are submitted to the committee. No major non-compliance issues were identified in 2016.

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 June 2016. 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
2016 Supervisory Committee Chairman



Board of Directors

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

Supervisory Committee

Scott Bremmer, Chairman, **David Graham**, **Gordy Jarman, Jr.**, **Sandra Nicholson**, **Christy Settle**

Senior Management

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



PO Box 537, St. Helens, OR 97051 | 503.397.2376 | shcu.org

Community Cornerstone Annual Report 2016



Message from the Chairman and CEO

Proud to be a Community Cornerstone

Every year is another opportunity to serve our members and support the local community. It's what we strive toward each and every day, whether it's charitable giving, new products and services, or technological updates that save members time, money, and make life easier.

When it comes to community support, the credit union donated over \$30,000 last year. That money went to youth sports teams, a financial literacy program for 738 high school students, as well as support for local non-profits such as Columbia Humane Society, Columbia Pacific Food Bank, CASA, Toy & Joy, Amani Center, and a long list of others.

Beyond monetary support, St. Helens Community employees logged hundreds of volunteer hours, and gave their time and energy to local non-profit organizations, such as assembling hundreds of personal toiletry bags for Community Action Team.

A Vision for Tomorrow

Another way we invest in our local community and help members achieve their financial goals and dreams is by offering loans that meet their needs. In 2016, we exceeded all of our previous records and expectations with over \$69 million in new loans. These loans helped fund cars, homes and lifelong dreams, as well as business aspirations and local job growth.

In 2016, ECONorthwest, an independent firm, completed an analysis of all Northwest credit unions, including St. Helens Community. The results can be seen on the adjacent page. In that report, it's clear that we have a direct impact on the local economy, personal income, and total output for the area.

Thank You

It's important to thank those on our volunteer Board of Directors, Supervisory Committee, our employees, and our members. Because of your hard work, dedication, and membership, the credit union is a safe and strong community cornerstone. Together anything can happen as we venture forth into another outstanding year of opportunity.

Tom Tussing
Chairman, Board of Directors

Brooke Van Vleet
President/CEO

Community Impact



\$69 MILLION

In 2016, St. Helens Community funded over \$69M in loans. Those loans had a positive effect on the local economy and the entire community.



\$1.3 MILLION

St. Helens Community delivered \$1,366,000 of direct benefit value to its members in 2016 through lower fees and more favorable rates.



\$30 THOUSAND

St. Helens Community donated over \$30,000 to local non-profit organizations.



\$88 PER MEMBER

St. Helens Community delivered an average of \$88 per member of direct benefit value in 2016. Members realized this value in the form of lower account fees, higher interest rates on savings and checking accounts, and lower interest rates on loans.



738 STUDENTS

738 local kids are on the path towards financial literacy thanks to St. Helens Community. Our financial education programs are helping to shape them into money-smart financial dynamos.

Financials

STATEMENT OF INCOME	2016	2015
Interest Income		
Loans to Members	6,970,251	6,964,246
Investment and Cash Equivalents	605,848	274,311
Total Interest Income	7,576,099	7,238,557
Interest Expense		
Dividends on Member Shares	510,185	598,549
Interest on Borrowed Funds	7	0
Total Interest Expense	510,192	598,549
Net Interest Income	7,065,907	6,640,008
Provision for Loan Losses	(38,616)	(375,421)
Net interest Income After Prov for Loan Losses	7,104,523	7,015,429
Non-Interest Income	2,181,785	2,526,846
Non-Interest Expense		
Salaries and Benefits	4,508,921	4,503,120
Occupancy, Equipment and Operations	2,399,632	2,623,755
Other Operating Expenses	1,338,925	1,279,301
Total Non-Interest Expense	8,247,478	8,406,176
Net Income	1,038,830	1,136,099

STATEMENT OF FINANCIAL CONDITION	2016	2015
Assets		
Cash and Cash Equivalents	16,862,497	18,388,011
Investments	22,611,801	16,877,032
Loans to Members	155,984,667	141,571,068
Allowance for Loan Loss	(1,256,426)	(3,257,225)
Fixed Assets	3,823,753	4,101,289
Other Assets	11,839,266	11,916,052
Total Assets	209,865,558	189,596,227
Liabilities and Equity		
Member Shares	192,653,072	173,362,012
Borrowed Funds	0	0
Other Liabilities	1,728,483	1,539,887
Total Liabilities	194,381,555	174,901,899
Regular Reserves	4,157,102	4,157,102
Undivided Earnings	11,627,661	10,588,831
Unrealized Gain/Loss on Investments	(300,760)	(51,605)
Total Equity	15,484,003	14,694,328
Total Liabilities and Equity	209,865,558	189,596,227