

ANNUAL MEMBERSHIP REPORT 2015



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PRESIDENT'S REPORT

Valley Credit Union has been serving its member for close to 60 years. We are a financial cooperative that is owned by and operated for the benefit of the membership. The Board of Directors is made up of members who are passionate about the credit union business model and want nothing more than to accomplish the following objectives:



- To protect, preserve and safeguard the assets of the member-owners.
- To offer financial service(s) of high quality at fair rates.
- To educate members in sensible money management that improves their financial condition.
- To promote the credit union philosophy of people helping people.

Your credit union has built a firm financial foundation which will allow it to grow and continue to offer the products and services that our current and future members will need. Valley is well capitalized which means that there are plenty of reserve funds set aside for future growth. Our current capital ratio is 10.1% which far exceeds the 7% threshold that the State Regulators want the credit union to have to be considered well capitalized.

Valley provides a full array of lending and deposit products that are competitively priced compared to other financial institutions in the banking industry. Our knowledgeable and experienced staff are ready to help our members with all of their borrowing needs, from a credit card or auto loan to real estate products such as mortgages and home equity lines of credit. Valley also offers checking, savings, IRA and certificate accounts that allow you to better manage your funds.

At Valley, we have been quick to provide the most current electronic services such as on line banking, eStatements and remote deposit capture using your mobile device. Our members also benefit from being a part of a nationwide network that offers 30,000 surcharge-free ATMs.

Valley Credit Union exists so that people can help people. Credit unions are organizations of people, not of money. This is reflected in the democratic structure, process and control, including one vote per member, regardless of the amount of business you conduct. I have had the pleasure of working for 27 years in the credit union industry and I'm very excited to be a part of an organization that is so focused on helping our members achieve their financial goals.

A handwritten signature in black ink that reads "Pat Force". The signature is fluid and cursive.

Pat Force
President and CEO

SUMMARY OF FINANCIAL CONDITION

BALANCE SHEET	December 31, 2015	December 31, 2014
ASSETS:		
Loans	41,720,820	39,026,825
Allowance for Loan Losses	(880,015)	(730,078)
Cash & Investments	23,436,271	22,339,549
Fixed Assets	2,354,790	2,191,326
Other Assets	1,283,545	393,228
TOTAL ASSETS	67,915,410	63,220,850
LIABILITIES & CAPITAL:		
Accounts Payable & Accruals	431,015	248,760
Shares & Certificates	60,616,228	56,415,590
Capital	6,868,167	6,556,500
TOTAL LIABILITIES & CAPITAL	67,915,410	63,220,850
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INCOME STATEMENT	December 31, 2015	December 31, 2014
Interest Income	2,607,290	2,647,707
Non Interest Income	688,774	635,763
TOTAL INCOME	3,296,064	3,283,470
Operating Expenses	2,415,757	2,262,454
Provision for Loan Losses	300,000	204,167
Interest Expenses	240,230	264,456
Non Operating Expenses	28,409	32,882
TOTAL EXPENSES	2,984,397	2,763,959
NET INCOME	311,667	519,511

SPECIAL THANKS TO:

- You, our Valley Credit Union members
- Our volunteer Board of Directors
- Our volunteer Supervisory Committee
- Our community and business partners
- Northwest Credit Union Association
- Our local and national legislators for their support of the credit union movement

MEMBER SERVICE TEAM

Heather Brammeier
Jody Clark
Katie Clark
Jason Diaz
Jennifer Dose
Pat Force
Renee Gehring
Terri Lucas
Shellie Martin
Victoria Moreno
Carla Ottosen
Linda Pastorino
Autumn Pedroli
Rachel Shaver
Katie Strye
Brittany Whitted

BOARD

Patrick Vance, *Chair*
Kathleen Noll, *Vice Chair*
Denny Nielsen
Rob Kansky, *Supervisory Chair*
Marilyn Bacon
Tyler Clark
Adam Tallinger
Mike Long
Jeff Scofield

SUPERVISORY COMMITTEE REPORT



Your Credit Union's Supervisory Committee is responsible for protecting members' funds and interests while ensuring the effectiveness of the internal control structure within the credit union. This is accomplished by conducting periodic reviews of operations,

attending monthly board meetings, and providing input on general business practices and observations.

The Committee also oversees the internal audit function and engages independent auditors to conduct annual examinations of the credit union and its practices. As of March 2016, the Supervisory Committee oversaw the completion of Valley's BSA/AML Annual Audit, ACH Compliance Annual Audit and Supervisory Audited Financial Statements performed by Moss Adams. The audits found Valley Credit Union to be in excellent financial condition with policies and practices at or above industry standards. A confidential PO Box was created as well for the members to contact the committee or the board directly. Based on the results of the audits, regulatory examinations, and observations, the Supervisory Committee is satisfied that adequate internal controls exist to protect member accounts and that the financial statements accurately reflect the positive performance and condition of the credit union.

Thank you to my fellow Supervisory Committee members for a job well done this past year. Your support will ensure a safe and strong Credit Union for many years to come.



Rob Kansky

Chairman, Supervisory Committee