

SUPERVISORY COMMITTEE REPORT

- I. A supervisory committee audit was conducted as of September 30, 2011 by a team of auditors from the CPA firm of Macdonald Page & Co, LLC. The Federal Examiner performed an annual NCUA Exam as of Dec. 31, 2011. The credit union received a good rating on both the audit and the examination.
- II. A 100% verification of member accounts was conducted as of March 31, 2011 by the Supervisory Committee.
- III. The verification of closed accounts is conducted on a quarterly basis by our data processor. The maintenance of current mailing addresses is of vital importance in both verification processes. Membership assistance in keeping files current would be greatly appreciated by officers and staff.

As always, the committee wishes to thank both management and staff for their support and assistance in the conduct of the responsibilities of your Supervisory Committee.

Respectfully submitted,
Philip J. McSweeney, Chairperson
Kimberly Vdoviak
Verdell Jones

All-Purpose Clubs
ATM Machine
Christmas Clubs
Deposit Insurance (NCUSIF)
Drive-Up Window
Email Statements
Handicap Accessible
Home Equity Loans
Merchant Services
Mortgage Life Insurance
Motorcycle Loans
Notary Public Service
Online Check Images
Personal Loans
RV/Snowmobile/ATV Loans
School Savings Program
Share Draft (Checking) Accounts
Signature Guarantee Service
Traveler's Cheques
Visa Credit Cards
Visa Gift Cards

SERVICES

ATM Cards
Certificates
Credit Life and Disability Insurance
Direct Deposit
eAlerts for Online Banking
GAP Insurance
Hi-Yield Accounts
IRA Accounts
Mortgage Disability Insurance
Mortgage Payment Protection (Secure12)
Night Deposit Box
Online Banking
Overdraft Protection
Real Estate Loans
Savings Accounts
Self-Service Coin Center
Shared Branching
Teller-phone
Vehicle Loans
Visa Debit Cards
Visa Travel Cards

OFFICE LOCATION

Marion L. Healey Building
94 Highland Avenue · PO Box 55 · Winthrop, Maine 04364
(207) 377-2124 · FAX (207) 377-2767 · 1-800-511-1120
Website: www.winthropcreditunion.org
E-mail: info@winthropcreditunion.org

YOUR SAFETY & SECURITY

NCUA Insurance

Your savings are federally insured to at least \$250,000 and backed by the full faith and credit of the United States Government.

Office Hours

Monday- Thursday
8:30 AM to 5:00 PM
Friday
8:30 AM to 7:00 PM

Drive-Up Hours

Monday - Thursday
7:30 AM to 5:00 PM
Friday
7:30 AM to 7:00 PM

Dividends on your savings are accrued daily, compounded and paid monthly.
Interest on loans is calculated daily on the unpaid balance.



ANNUAL REPORT

2011



74TH ANNUAL MEETING AGENDA

Roll Call

Reading and Approval of Previous Minutes

President's Report

Report of Treasurer

Report of Supervisory Committee

Unfinished Business

New Business

Elections

Adjournment

CREDIT UNION OFFICIALS AND STAFF

Board of Directors

| | | |
|----------------|-------|---------------------|
| Garth Vdoviak | ..... | President |
| Terry Johnson | ..... | Vice President |
| Jeffrey Seguin | ..... | Treasurer/Secretary |
| Carol Whittier | ..... | Director |
| Sue Doughty | ..... | Director |
| Scott Ketchen | ..... | Director |
| Ray Convery | ..... | Director |

Staff

| | | |
|----------------|-------|-------------------------------|
| Jeffrey Seguin | ..... | CEO |
| Terri Camick | ..... | Loan Supervisor |
| Lisa Adams | ..... | Teller Supervisor |
| Angela Frost | ..... | Asst. Teller Supervisor |
| Andrea Michaud | ..... | Collections Supervisor |
| Joann Fleury | ..... | Loan Officer |
| Sandy LaBreck | ..... | Account Specialist |
| Darlene Moore | ..... | Account Specialist |
| Tammy Beland | ..... | Member Service Representative |
| Alissa Fortier | ..... | Member Service Representative |
| Stacie Dwelle | ..... | Teller |
| Melissa Wight | ..... | Teller |
| Roxanna Lutes | ..... | Part-time Teller |

Supervisory Committee

| | | |
|---------------------|-------|----------|
| Philip J. McSweeney | ..... | Chairman |
| Kimberly Vdoviak | ..... | Member |
| Verdell Jones | ..... | Member |

TREASURER'S REPORT STATEMENT OF FINANCIAL CONDITION

December 31, 2011

ASSETS

| | | |
|---------------------------------|-------------|-------------|
| | 2011 | 2010 |
| Loans to Members | 30,505,361 | 31,024,632 |
| Less: Allowance for Loan Losses | (33,249) | (64,961) |

TOTAL LOANS

| | | |
|---------------------------------|------------|------------|
| Cash on Hand | 595,169 | 774,963 |
| Cash on Deposit in Corporate CU | 3,357,411 | 4,354,387 |
| Investments | 19,594,000 | 16,998,000 |
| Fixed Assets | 892,701 | 897,845 |
| Other Assets | 986,073 | 816,613 |

TOTAL ASSETS

LIABILITIES & EQUITY

| | | |
|--------------------------------------|------------|------------|
| Accounts Payable & other Liabilities | 180,712 | 242,206 |
| Shares | 9,153,942 | 7,799,870 |
| Share Drafts | 3,970,916 | 3,736,558 |
| Hi-Yield: Shares | 12,768,867 | 11,477,329 |
| Share Certificates | 19,360,689 | 21,782,013 |
| IRA Certificates/IRA Clubs | 5,222,478 | 4,680,753 |
| Regular Reserves | 1,202,600 | 1,202,600 |
| Undivided Earnings | 4,037,262 | 3,880,150 |

TOTAL LIABILITIES/EQUITY

STATEMENT OF INCOME AND EXPENDITURES

December 31, 2011

INCOME

| | | |
|-------------------------|-------------|-------------|
| | 2011 | 2010 |
| Interest on Loans | 1,693,681 | 1,782,687 |
| Income from Investments | 267,226 | 321,665 |
| Misc. Operating Income | 349,804 | 205,080 |

TOTAL INCOME

OPERATING EXPENSES

| | | |
|--|---------|---------|
| Compensation/ Employee Benefits | 641,312 | 631,488 |
| Travel, Conference & Directors Expense | 11,326 | 8,908 |
| Office Occupancy | 108,312 | 106,253 |
| Office Operations | 294,780 | 146,669 |
| Advertising and Promotional | 72,344 | 63,005 |
| Loan Servicing | 34,284 | 19,620 |
| Professional & Outside Services | 143,210 | 135,697 |
| Provision for Loan Losses | 18,000 | 42,000 |
| Miscellaneous Operating Expenses | 50,553 | 51,934 |

TOTAL OPERATING EXPENSE

DIVIDEND EXPENSE

TOTAL EXPENSES

| | | |
|---------------------------------|---------|---------|
| Loss on Investments-Tricorp FCU | 29,000 | -0- |
| NCUSIF Stabilization Expense | 123,160 | 120,438 |

NET INCOME (LOSS)

STATISTICAL INFORMATION

| | 2011 | 2010 | Increase/(Decrease) |
|---------|------------|------------|---------------------|
| Loans | 30,505,361 | 31,024,632 | (1.67%) |
| Assets | 55,897,466 | 54,801,479 | 2.00% |
| Shares | 50,476,892 | 49,476,523 | 2.02% |
| Members | 5,870 | 5,922 | (0.88%) |

STATISTICAL INFORMATION

| | 2011 | 2010 | Increase/(Decrease) |
|-------------------|-----------|-----------|---------------------|
| Total Income | 2,310,711 | 2,309,432 | -0- |
| Total Expenses | 1,374,121 | 1,205,574 | 13.99% |
| Dividends | 627,319 | 736,950 | (14.88%) |
| Net Income (Loss) | 157,111 | 246,470 | (36.26%) |