

Supervisory Committee Report

Committee members: Cindy Allen, Chairperson, Nancy Metzger, Tom Murphy and Dale Blom.

The primary objective of the Supervisory Committee is to safeguard members' assets. This objective is carried out through reviews and evaluation of SEG FCU's operating procedures, financial reporting and internal control systems. These responsibilities are administered through the combined efforts of the Supervisory Committee, Independent Credit Union Auditor and NCUA regulators. The findings and recommendations are communicated to the Supervisory Committee, Management and the Board of Directors.

The Supervisory Committee meets regularly and is responsible for several principal tasks to satisfy NCUA requirements including: (1) annual audit be conducted; (2) conduct a 100% negative account verification every other year; (3) verify new and closed accounts monthly; (4) regularly review and verify a sample of new loans; (5) conduct random cash counts; (6) meet a minimum of quarterly and maintain records of each meeting; and, (7) submit an annual report at the annual meeting of Credit Union members.

The Supervisory Committee hired Steiger CU Services to conduct the annual external audit pursuant to NCUA "Supervisory Committee Audit Guide – Minimum Procedures" audit guidelines. The Board of Directors, Supervisory Committee and President/CEO reviewed the report and recommendations.

If you have any questions or concerns, you can reach the Supervisory Committee Chairperson at: Supervisory Committee Chairperson, PO Box 44, Laurel, MT 59044.