



## Chairperson and President's Report

To achieve our mission to improve our members' social and economic position, we use four guiding principles to shape our strategic and operational decisions: Safety and Soundness, Strategic Positioning, Quality Personal Service, and High Return to Members. Below are just a few of our noteworthy accomplishments for 2023 in each of these areas:

### Safety and soundness:

SELCO generated solid earnings and produced an ROA (return on assets) that met projections and a year-end capital ratio of 10.92%. This ratio is considered well capitalized per the industry's standards for a safe and sound credit union as determined by the NCUA, the credit union industry's federal regulatory body. In 2023, state and federal examiners provided SELCO with a fully favorable examination report.

### Strategic Positioning:

SELCO continued its push throughout 2023 to position the organization and our members for continued success. Member feedback drove the thought process behind several enhancements to our dynamic digital banking platform. And in the high interest-rate environment that dominated 2023, we revamped and expanded our deposit offerings—with Link Digital Checking, Cultivate Savings, Vault Savings, and Certificate Rewards—to meet our members' evolving needs and help them get even more out of their money.

### Quality Personal Service:

SELCO branches processed more than 1 million transactions for our membership, which reached 151,505 at year's end. We funded 15,920 loans totaling \$420 million, SELCO Mortgage funded 428 mortgages totaling \$156 million, SELCO Insurance Services wrote 3,032 policies, and SELCO Investment & Retirement Services managed \$374 million in member investments.

### High Return to Members:

SELCO provided direct benefits to members through lower account fees, higher interest rates on savings and checking accounts, and competitive rates in a high-interest-rate loan environment. Coupled with these industry-leading rates, our comprehensive product and service offerings continued to help SELCO members borrow sensibly, save smarter, and invest wisely.

Thank you for choosing SELCO as your financial partner. We couldn't have accomplished any of this without you.

Carol Beckley  
*Chair, SELCO Community Credit Union  
Board of Directors*

Bob Newcomb  
*President/CEO  
The SELCO Companies*

# Treasurer's Report

## SELCO Community Credit Union Consolidated Statement of Financial Condition

Unaudited – as of December 31, 2023

### Assets

Cash and cash equivalents	\$301,882,887
Certificates of deposit	656,000
Marketable equity securities, at fair value	28,175,923
Securities available-for-sale, at fair value	444,018,579
Restricted equity securities	2,073,955
Loans receivable, net	1,872,013,195
Accrued interest receivable	7,915,944
National Credit Union Share Insurance Fund (NCUSIF) deposit	23,290,088
Foreclosed and repossessed assets	659,843
Property and equipment, net	42,637,841
Other assets	3,505,096
<b>Total Assets</b>	<b>\$2,726,829,351</b>

### Liabilities

Members' share and savings accounts	\$2,442,257,502
Long-term borrowings	–
Other liabilities	30,429,289
<b>Total Liabilities</b>	<b>\$2,472,686,791</b>

### Members' Equity

Undivided earnings	\$297,690,078
Equity acquired in merger	125,000
Accumulated other comprehensive income (loss)	(43,672,518)
<b>Total members' equity</b>	<b>254,142,560</b>
<b>Total liabilities and members' equity</b>	<b>\$2,726,829,351</b>

## SELCO Community Credit Union Consolidated Statement of Operations

Unaudited – as of December 31, 2023

### Interest Income

Interest on loans	\$84,135,858
Interest on investments and interest-bearing deposits	25,594,717
<b>Total interest income</b>	<b>\$109,730,575</b>

### Interest Expense

Members' share and savings accounts	\$39,568,002
Borrowings	297,592
<b>Total interest expense</b>	<b>\$39,865,594</b>

### Net Interest Income

<b>Net interest income</b>	<b>\$69,864,981</b>
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### Provision for Loan Losses

Provision for loan losses	\$5,191,650
<b>Net interest income after provision for loan losses</b>	<b>\$64,673,331</b>

### Non-Interest Income

Service charges and fees	\$16,781,943
Interchange income	9,975,597
Gain (loss) on sale of investments, available-for-sale	(83,837)
Gain (loss) on sale of property and equipment	1,778,076
Realized gains (losses) on trading securities	(15,660)
Unrealized holding gains on trading securities	1,439,751
Other non-interest income	378,608
<b>Total non-interest income</b>	<b>\$30,254,478</b>

### Non-Interest Expense

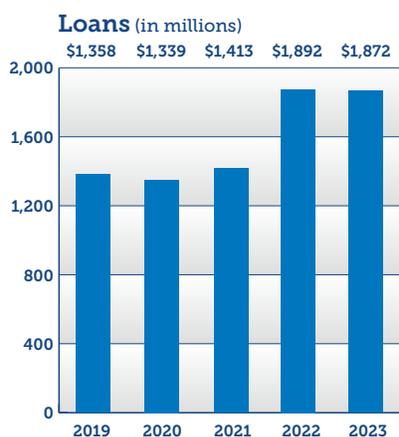
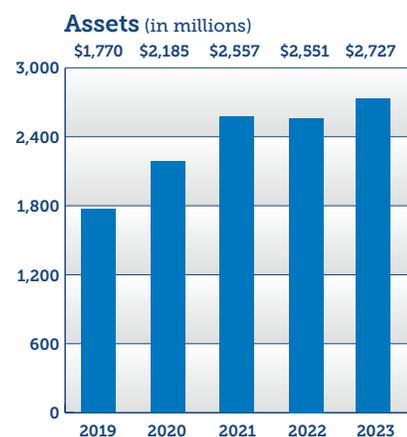
Compensation and benefits	\$51,051,778
Office operations	12,526,094
Office occupancy	3,602,137
Member education and promotion	2,420,328
Loan servicing	2,670,993
Other non-interest expense	3,279,094
<b>Total non-interest expense</b>	<b>75,550,424</b>
<b>Net income</b>	<b>\$19,377,385</b>

## SELCO Community Credit Union Consolidated Statement of Changes in Members' Equity

Unaudited – as of December 31, 2023

	Undivided Earnings	Equity Acquired in Merger	Accumulated Other Comprehensive Income (Loss)	Total Members' Equity
Balance, December 31, 2022	\$280,573,618	\$125,000	\$(53,796,285)	\$226,902,333
Net income	19,377,385	–	–	19,377,385
Comprehensive income	–	–	10,123,767	10,123,767
Effect of accounting change	(2,260,925)	–	–	(2,260,925)
Balance, December 31, 2023	\$297,690,078	\$125,000	\$(43,672,518)	\$254,142,560

### Other 2023 Results



## **SELCO Community Credit Union Official Family**

### **Senior Leadership Team**

President/CEO: Bob Newcomb  
Executive VP of Finance & Operations: Tiffany Washington  
Senior VP of Lending & Business Banking: Craig Carpenter  
Senior VP of Enterprise Risk & General Counsel: Steve McIntire  
Senior VP of Information Services & Technology: Kirk Letourneau  
VP of Marketing: Shelley Riley

### **Board of Directors**

Carol Beckley, Chair  
Anthony K. Saxman, Vice Chair  
Curt Heimuller, Director  
Tammi Miller, Director  
Jim Antonini, Director

### **Operations & Marketing Committee**

Antonio Huerta, Chair  
Jim Antonini, Committee Member  
Tammi Miller, Committee Member  
Tanner Little, Committee Member  
Shelley Riley, Staff Liaison  
Craig Carpenter, Staff Liaison

### **Supervisory Committee**

Jane Vered, Chair  
Brian Beck, Committee Member  
Todd Nelson, Committee Member  
Jim Garner, Committee Member  
Rob Robnett, Committee Member  
Steve McIntire, Staff Liaison

### **Executive & Finance Committee**

Carol Beckley, Chair  
Anthony K. Saxman, Vice Chair  
Curt Heimuller, Committee Member  
Bob Newcomb, Staff Liaison  
Tiffany Washington, Staff Liaison  
Steve McIntire, Staff Liaison

### **SELCO Group, Inc.**

Bob Newcomb, Chair  
Jim Antonini, Vice Chair  
Antonio Huerta, Director  
Troy Slonecker, Director  
Tiffany Washington, Secretary/Treasurer  
Steve McIntire, COO



# Notice of Officials Compensation

November 21, 2023

SELCO Community Credit Union (SELCO) has established a Compensation Policy to provide reasonable compensation for its Board of Directors, Supervisory Committee members and members of Board committees (Officials) as allowed by Oregon law and the Credit Union’s Bylaws. The SELCO Board believes the payment of compensation to Officials will enhance the Credit Union’s ability to attract and retain qualified Officials to represent the members.

### Responsibilities of Officials

The Board of Directors is responsible for the general direction and control of the Credit Union. The Directors serve on multiple committees and meet monthly. The Board establishes the strategic plan, annual budget and policies, and reviews the Credit Union’s financial performance. The Supervisory Committee is responsible for overseeing internal controls, conducting an annual Supervisory Audit of the financial statements, and verifying the accuracy of members’ accounts. The size and complexity of SELCO requires Officials with financial knowledge, diverse skills and dedication to meet the management demands of a competitive and highly regulated financial services industry. The time demands of Officials’ meetings, meeting preparation, regulatory training and continuing education warrants fair and reasonable compensation.

### SELCO’s Financial Performance

SELCO has consistently achieved strong financial performance that supports reasonable compensation. SELCO delivers competitive financial services to our members while ensuring safety and soundness of SELCO. To ensure a sound future, SELCO has built net worth that exceeds the levels required by its regulators to be classified as well capitalized and achieved strong net income to maintain or grow net worth and manage the risks within its operations. For more information about SELCO’s financial performance, please visit our website at [selco.org](http://selco.org).

### Due Diligence

The SELCO Board has conducted due diligence research on compensation structures and compensation levels of credit unions of proportional size, complexity, mission and financial performance as SELCO. The Board reviewed the peer group compensation data and market information of peer credit unions for a comparative analysis of reasonable compensation in SELCO’s regional and national market. Based on SELCO’s strong financial condition and progressive mission the Board has established a compensation schedule for the SELCO Officials that is reasonable and compared to peer credit unions.

### Compensation Schedule

The Credit Union provides reasonable compensation in the form of an annual stipend, paid monthly, based on the leadership and position held. This structure provides compensation commensurate with the respective time demands of the different positions. The following compensation was approved for the following Officials for 2024:

Board Chair .....	\$30,000
Director .....	\$25,000
Supervisory Committee Chair .....	\$10,000
Supervisory Committee Member .....	\$6,000
Other Committee Members.....	\$3,000

The Board elects the Board officers following the Annual Meeting held each April.