

CUTTING EDGE FEDERAL CREDIT UNION

# ANNUAL REPORT 2018

**cutting**  
CREDIT  
UNION **edge**



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[cuttingedgefcu.org](http://cuttingedgefcu.org)



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## 2018 PRESIDENT/ CHAIRPERSON'S REPORT

Cutting Edge Credit Union had another successful year serving its members. Our membership growth is driven by your referrals of family and co-workers. Thank you for your continued confidence in your credit union and its ability to serve you and those you care about most!

Because credit unions are run by a volunteer board of directors that are elected by its members, we don't have to make huge profits that go directly into the pockets of a few shareholders. Instead, we're able to offer higher dividend rates and lower loan rates as well as significantly lower fees that benefit the entire membership.

If you love your credit union, share it with your family and co-workers! Your credit union offers a full range of loans. Look to us first when buying a car, boat, or RV. We have Visa credit cards and home equity loans too. We also have creative ways to consolidate your loans. Don't see the type of loan you need in this short list, contact us directly; we probably have a solution that works for you.

Cutting Edge Federal Credit Union was started in 1953 when ten volunteers believed a credit union would benefit the employees of Chipper Chain. We've grown steadily ever since, but have always kept the focus on working for our members and not on just earning a profit.

Today, Cutting Edge Federal Credit Union still serves the employees and families of Blount, Inc., as well as OECO Meggitt, Western Precision Products, Bob's Red Mill, Day Wireless, Vista Outdoor, Exceed Enterprises and many other companies located near our offices in Milwaukie, OR and Lewiston, ID. At the end of 2018, we had 4,172 members and total assets of just over \$45 million.

The Cutting Edge FCU Board of Directors, Management and Staff are here to serve you, our member/owners.

With appreciation,

**Brady Howe**  
President/CEO

**Ric Stallman**  
Board Chairperson

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## 2018 SUPERVISORY COMMITTEE REPORT

**The 2018 Supervisory Committee Members were  
Amity Branham, John Gush, Penni Bean and Arv Hille, Chairperson.**

Appointed by Cutting Edge FCU Board of Directors, this Committee is charged with the responsibility of overseeing the audit of the Credit Union and its employees to ensure compliance with practices, policies and procedures to safeguard our members' assets.

The Supervisory Committee retained the services of Brad Billiet and Stephanie Willis to perform our independent audits of certain agreed upon procedures to insure our records are accurate and to help insure the continued safety and soundness of our Credit Union. We are pleased to report that the Credit Union is once again operationally sound.

Respectfully submitted,

**Arv Hille**  
Supervisory Chairperson

# 2018 NOMINATING COMMITTEE REPORT

Annually the Board of Directors appoints a Nominating Committee whose responsibility is to ensure sufficient candidates are nominated to fill vacancies. This year the terms of three candidates expired: Ric Stallman, Dave Smith, and Julie Hugo.

The Nominating Committee has nominated the following individuals:

Ric Stallman      Dave Smith      Julie Hugo

No additional nominations were recommended by the Nominating Committee. Therefore, Ric Stallman, Dave Smith and Julie Hugo have been declared elected by acclamation to each serve a two-year term for 2019-2021.

Sincerely,

**Leslie O'Neill**

Nominating  
Committee  
Chairperson

**Terry Weigel**

**Linda Bergen**

## 2018-2019 CUTTING EDGE FCU STAFF & VOLUNTEERS

NAME	POSITION	YEARS WITH CEFCU
Ric Stallman	Board Chairperson	20 Years
Leslie O'Neill	Vice Chairperson	7 years
Terry Weigel	Treasurer	11 years
Dave Smith	Secretary	18 years
Denise Hafenbrack	Board of Directors	31 years
Julie Hugo	Board of Directors	9 years
Linda Bergen	Board of Directors	9 years
Arv Hille	Supervisory Committee Chairperson	15 years
Amity Branham	Supervisory Committee	6 year
John Gush	Supervisory Committee	5 year
Penni Bean	Supervisory Committee	2 year
Jerry Hill	Honorary Member Supervisory Committee	19 years
Doug McCallum	Honorary Member Supervisory Committee	34 years
Brady Howe	President/CEO	17 years
Sally Woodcock	VP of Ideas and Innovations	14 years
Ronna Idzenga	Director of Community Development	.3 years
Vickie Valieant	Branch Manager-Milwaukie	2 years
Leigh Byrne	Financial Service Specialist	6 years
Sue Rupp	Financial Service Specialist	5 years
Luiza Ostapenko	Financial Service Specialist	1 year
Keeley Lettenmaier	Financial Service Specialist	1 year
Harry Melanson-Shaw	Summer Intern	0.1 years
Jeannie Johnson	Branch Manager-Lewiston	20 years
Jessica Ongstad	Assistant Branch Manager-Lewiston	0.2 years
Mayree Gustin	Financial Service Specialist	18 years
Marla Jacobus	Financial Service Specialist	3 year
Jaycee Cameron	Financial Service Specialist	0.1 years
Kathy Robinson	Financial Service Specialist	0.1 years

## 2017 - 2018 CUTTING EDGE FCU FINANCIAL CONDITION

INCOME / EXPENSE	2017	2018
Interest on Loans	1,479,862	1,682,834
Investment Income	161,761	182,597
Other Income	474,393	769,030
Gain or Loss on Investments	-	-
<b>Total Income</b>	<b>2,116,016</b>	<b>2,634,460</b>
<b>Dividends</b>	<b>97,636</b>	<b>98,143</b>
Compensation / Benefits	793,049	865,683
Travel / Conference	29,332	38,632
Office Occupancy	107,042	114,183
Office Operations	217,521	248,532
Education / Promotion	29,637	90,980
Loan Servicing	62,162	19,373
Professional Services	418,661	434,458
Provision for Loan Loss	38,659	271,442
Member Insurance	9,253	11,141
Operating Fees	-	-
Miscellaneous Expenses	11,073	14,825
Gain on Sale of Assets	(14,131)	-
NCUSIF Stabilization Expense	-	(29,236)
<b>Total Operating Expenses</b>	<b>1,829,443</b>	<b>2,026,125</b>
<b>NET INCOME</b>	<b>272,441</b>	<b>238,749</b>
<b>FINANCIAL CONDITION</b>		
Total Loans	30,777,360	34,035,154
Loan Loss Allowance	(78,681)	(188,050)
Investments	10,668,695	7,763,000
Cash	2,980,518	1,970,725
Other Assets	-	-
<b>Total Assets</b>	<b>43,763,926</b>	<b>45,369,466</b>
Liabilities	199,508	1,128,866
Total Shares	38,312,019	39,205,329
Reserves	415,636	415,636
Undivided Earnings	4,836,763	4,619,635
<b>Total Liabilities / Equity</b>	<b>43,763,926</b>	<b>45,369,466</b>
<b>Membership</b>	<b>4,046</b>	<b>4,172</b>

## NOT FOR PROFIT MEANS YOU PROFIT

There's a Revolution underway. A Movement towards a different way of banking. It puts people ahead of profits. It means we'll spend more time with you. We'll be flexible and responsive. We'll take care of business like we've been doing since 1953. We know bold ideas can change the world. This is for everyone who believes there has to be a better way. **BE A PART OF OUR REVOLUTION.**