

SUPERVISORY COMMITTEE INTERNAL AUDIT REPORT

The purpose of this Supervisory Committee Internal Audit Report, pursuant to Paragraph 305/34 (1) of the Illinois Credit Union Act, is to verify the accuracy of the credit union's books and records. Your conscientious and thorough work can only help to ensure the safety of members' funds and promote a sound and efficient credit union. Please review the following comments prior to the start of the internal audit.

- 1) Review Paragraph 305/34 of the Illinois Credit Union Act and Section 190.130 of the Department's Rules and Regulations.
- 2) The President and staff **must not help you** with any part of this internal audit other than help you locate records or explain work they have done. Remember, you are verifying their work.
- 3) All financial data must relate to the same month and **must be within the current calendar year**. Records may be examined **as of the end of the month of your choice**, though current records may be more accessible. However, due to the high volume of work-load caused by year-end closings, the December Year-End 5300 Call Report, and tax season, **we strongly encourage you to perform the audit in the months prior to the December 31 cut off date.**
- 4) All worksheets and tapes must be kept by the Supervisory Committee members for review at a later date with an examiner from the Division of Financial Institutions.
- 5) A copy of the internal audit report is to be presented to the Board of Directors and is to be included with the minutes of that meeting, and a summary is to be given to the members at their next annual meeting.

The Supervisory Committee Internal Audit Report consists of the following pages:

Page	Page Description
1	Statement of Financial Condition
2	Statement of Income
3	Cash Programs
4	Cash Schedule
5 & 6	Loan Programs
7	Loan Schedule
8	Investment Program
9	Investment Schedule
10	Share Program
11	Share (or Savings) Schedule
12	Fixed Asset Program
13	Fixed Asset Schedule
14	Other Assets and Liabilities Program
15	Other Assets and Liabilities Schedule
16	Verification of Members' Share and Loan Accounts
17	Certification of Report

Also included with the Supervisory Committee Internal Audit Report are sample work-papers that may be used as a guide in completing the audit programs. These sample work-papers **need not be filed** with the report.

In order to complete an Internal Audit Report, the following will be necessary:

- 1) Record the credit union's general ledger account balances on the Statement of Financial Condition (page 1). The total amount of assets **must agree** with the total amount of liabilities and equity.
- 2) Record the credit union's year-to-date income and expenses on the Statement of Income (page 2). The amounts should also be obtained from the general ledger. The net income (loss) should agree with the "Year-To-Date Net Income (loss)" as shown on page 1.
- 3) Complete the procedures and schedules as outlined in each of the following areas:

Cash	pages 3 & 4
Loans	pages 5, 6 & 7
Investments	pages 8 & 9
Shares	pages 10 & 11
Fixed Assets	pages 12 & 13
Other Assets and Liabilities	pages 14 & 15
Verification of Accounts	page 16

The person completing each procedure should initial and date in the appropriate space provided. **Please note "N/A" if a certain procedure is not applicable for your credit union.**

- 4) Thoroughly read the "Verification of Accounts Information", located on pages c & d. Record the most recent account verification results in the appropriate areas on page 16. You are reminded that **an account verification must be conducted each calendar year. 100% verification is required every other year** (see 190.130 of the Illinois Credit Union Act Rules and Regulations).
- 5) Sign and notarize page 17 of the Supervisory Committee Internal Audit Report. **All current members of the Supervisory Committee must sign the Report.**
- 6) Retain a copy for your file and return a copy by March 31st to:

**Department of Financial & Professional Regulation
Division of Financial Institutions
Credit Union Section
320 W. Washington, Suite 500
Springfield, Illinois 62786**

If you have any questions or concerns with respect to this Supervisory Committee Internal Audit Report, please contact the Credit Union Section at (217) 782-2834.

VERIFICATION OF ACCOUNTS

of the Rules and Regulations (Verification of Share and Loan Accounts), the procedures that **must** be followed to conduct the internal audit, including the verification. You should read those sections carefully before commencing the verification. The procedures differ based on the credit union's assets as follows:

B) Credit Unions with total assets between \$3,000,000 and \$5,000,000 as of 12/31 of the prior year:

1) The Supervisory Committee must engage an outside registered accountant **once every three years** to perform an external audit, including verification of accounts.

In each of the other two years, the Supervisory Committee will conduct the Internal Audit according to Section 305/34 of the Illinois Credit Union Act, selecting a month-end within the year to perform its duties.

2) In **one** of the other two years (that an internal audit is performed), a complete 100% verification of both share and loan accounts must be performed pursuant to Section 190.130 of the Rules and Regulations. This verification can be done on a negative basis (where the member must respond only if there is a disagreement). However, Par b), 2) of the Regulation requires accounts of seven different types to be verified on a positive basis. A positive basis means a response, signed by the member as to whether he/she agrees or disagrees with the balance shown, with an explanation for any disagreement **must** be returned to the credit union. (A stamped, addressed return envelope should expedite the response). Should a member not respond within a reasonable time (normally around two weeks), a second **MUST** should be sent. If there is still no response, a third requests can be sent, or the Supervisory Committee must satisfy itself that the balance is correct by other means.

The seven different types of accounts **requiring positive verification every year** are as follows:

- A) Inactive or dormant accounts – members' accounts which show no member initiated activity for at least 3 years.
- B) Accounts with recent activity following a period of at least 3 years of dormancy.
- C) Accounts that show unusually large share withdrawals.
- D) Accounts that have delinquent loans.
- E) Share and loan accounts closed or charged off since the last verification was conducted.
- F) Accounts where negative requests are returned due to an inaccurate address.
- G) Any other accounts with unusual or significant activity, or which, in the judgment of the Committee, should be done on a positive basis to verify the integrity of the negative verification requests.

If the credit union does not have any accounts applicable to the above seven (7) accounts, please indicate so on page 16, line 5 (the Verification Page).

STATEMENT OF FINANCIAL CONDITION

CREDIT UNION: _____

INTERNAL AUDIT DATE: _____

Month

Day

Year

<u>Assets</u>	<u>Detail Page</u>	(Use Whole Dollars Only)	
1. Total Loans	(7)	_____	
2. Less Allowance for Loan Losses	(7)	(_____)	
-Net Loans			_____
3. Cash - and Cash Equivalents	(4)		_____
4. Total Investments	(9)		_____
5. Fixed Assets (cost)	(13)	\$ _____	
Less - Accumulated Depreciation	(13)	(_____)	
- Book Value - Fixed Assets			_____
6. Insurance Capitalization Deposit	(15)		_____
7. Prepaid Expenses	(15)		_____
8. Other Assets	(15)		_____
9.		TOTAL ASSETS	
 <u>LIABILITIES SHARES & EQUITY</u>			
10. Accounts Payable	(15)		_____
11. Total Borrowings	(15)		_____
12. Accrued Dividends Payable	(15)		_____
13. Accrued Expenses/Other Liabilities	(15)		_____
14. Total Shares and Deposits	(11)		_____
15. Regular Reserve			_____
16. Investment Valuation Reserve			_____
17. Other Reserves			_____
18. Undivided Earnings			_____
19. Year-To-Date Net Income (Loss)	(2)		_____
20.		TOTAL LIABILITIES + EQUITY	

Comments:

STATEMENT OF INCOME

CREDIT UNION: _____

INTERNAL AUDIT DATE: _____

	Month	Day	Year
<u>OPERATING INCOME</u>		(Use Whole Dollars Only)	
			<u>Year-To-Date</u>
1. Interest on Loans			\$ _____
2. (Less) Interest Refunded			(_____)
3. Investment Income			_____
4. Fee Income			_____
5. Income (Loss) from Trading Securities			_____
6. Other Operating Income			_____
7.	TOTAL GROSS INCOME		\$ (a)
<u>OPERATING EXPENSES</u>			
8. Compensation and Benefits			\$ _____
9. Travel and Conference			_____
10. Office Occupancy			_____
11. Office Operations			_____
12. Educational and Promotional			_____
13. Loan Servicing Expense			_____
14. Professional and Outside Services			_____
15. Provision for Loan Losses			_____
16. Provision for Investment Losses			_____
17. Members Insurance and Bond			_____
18. Operating Fees (Exam and/or Supervision Fees)			_____
19. Misc. Operating Expenses			_____
20.	TOTAL OPERATING EXPENSES		\$ (b)
21.	INCOME (LOSS) FROM OPERATIONS (a) - (b) =		\$ (c)
22. Gain (Loss) on Sale of Investments (Not Trading Securities)			_____
23. Gain (Loss) on Disposition of Fixed Assets			_____
24. Other Non-Operating Gains (Losses)			_____
25.	INCOME (LOSS) BEFORE COST OF FUNDS		\$
26. Interest on Borrowed Money			_____
27. Dividends on Shares			_____
28. Interest on Deposits			_____
29.	NET INCOME (LOSS)		\$

Comments: _____

CASH PROGRAM

CREDIT UNION: _____

INTERNAL AUDIT DATE: _____

Month

Day

Year

- To determine if cash on hand and cash in checking account(s) reconcile to the general ledger balance.
- To determine whether or not cash transactions are properly recorded in a timely manner.

PROCEDURES:

Completed
by

Date
Completed

1. Count the cash on hand and reconcile it to the general ledger.

2. Review reconciliation's for all transactional accounts held at financial institutions.

a. Trace the reconciled balance to the general ledger.

b. Investigate all reconciling items in excess of sixty (60) days outstanding.

c. Trace the beginning balance(s) to the original statement(s) from the financial institution.

d. Verify that all deposits in transit are recorded on the next bank statement as received.

3. Verify that all receipts are being deposited within 48 hours for at least one test month.

4. Document the validity of the operating expenses for at least one test month.

5. Foot and cross-foot the cash receipts and cash disbursements journal(s) for one test month. Trace these footings to the general ledger.

Comments: _____

CASH SCHEDULE
(Please mark N/A if not applicable)

CREDIT UNION: _____

INTERNAL AUDIT DATE: _____

Month

Day

Year

(Use Whole Dollars Only)

CASH ON HAND

Vault Cash

\$ _____

Teller Drawer Cash

TOTAL

(a) \$

CASH IN TRANSACTIONAL BANK ACCOUNTS

Institution #1 (below)

Institution #2 (below)

Institution #3 (below)

Institution #4 (below)

Corporate Credit Union #5 (below) (not including investments
and PCB accounts which belong on Page 9)

TOTAL

(b) \$

**TOTAL CASH on hand and Transactional Accounts
from Financial Institutions**

(a + b)

(*)

(*) Balance should agree with line 3, page 1.

Institution #1

Institution #2

Institution #3

Name

Address

Account #

Institution #4

Institution #5

Name

Address

Account #

Comments:

LOAN PROGRAM

(Please mark N/A if not applicable)

CREDIT UNION: _____

INTERNAL AUDIT DATE: _____

	Month	Day	Year
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Purpose:

- To ensure that delinquent loans are being reported accurately.
- To determine proper documentation is obtained on loans.
- To verify that the aggregate amount of the subsidiary ledger(s) agree(s) with the general ledger control.
- To determine if the Reserve/Allowance for Loan Losses account is properly funded.
- To determine compliance with written lending and collection procedures.

Policies:

	Yes	No
1. Is there a Lending Policy available for use by all interested parties?	_____	_____
2. Is there a Collection Policy available for use by all interested parties?	_____	_____
3. Do the above policies indicate they have been approved by the Board of Directors?	_____	_____
3a. Date of approval for the Lending Policy? _____		
3b. Date of approval for the Collection Policy? _____		
4. Are these policies being followed by administrative personnel in conducting their daily operations?	_____	_____

Procedures:

	Completed by	Date Completed
1. Review the accuracy of the delinquent loan report by re-computing the number of months past due on various loans listed in the report.	_____	_____
2. Check at least 10% of the loans classified as current for possible delinquency (maximum of 25 loans).	_____	_____
3. Evaluate all delinquent loans for collectability and determine which loans, if any, should be charged off.	_____	_____
4. Determine the adequacy of the balance in the Allowance for Loan Losses Account in accordance with Section 190.70 of the Departmental Rules and Regulations.	_____	_____
5. Review all loans to directors, officers, and employees of the credit union and check for delinquency, proper loan documentation and approval.	_____	_____

LOAN PROGRAM
 (Please mark N/A if not applicable)

CREDIT UNION: _____

INTERNAL AUDIT DATE: _____

	Month	Day	Year
		Completed By	Date Completed
6. Test sample a number of loan files for adequate documentation and compliance with written lending policies. At least 10% of all loan files should be tested (maximum of 25).	_____	_____	_____
7. Compare the aggregate amount of the individual account totals (subsidiary ledgers) to the general ledger balance by running an adding machine tape. If on computer, compare the trial balance total to the general ledger.	_____	_____	_____
8. Review the collection activities for each delinquent loan and verify compliance with written collection policies.	_____	_____	_____
9. Review files of charged off loans to determine if collection effort is continuing.	_____	_____	_____
10. Is there a record of all charged off loans? __ Yes __ No	_____	_____	_____
11. Have all collection efforts been exhausted? __ Yes __ No	_____	_____	_____
11. Is management alert to actions needed to protect the credit union's assets when a member files bankruptcy? __ Yes __ No	_____	_____	_____
12. Do the lending and collection policies adequately cover the issue of credit cards? __ Yes __ No	_____	_____	_____
13. List below any recommendations for improvement in the credit union's current written lending and collection procedures.	_____	_____	_____
_____	_____	_____	_____
_____	_____	_____	_____
_____	_____	_____	_____

LOAN SCHEDULE
(Please mark N/A if not applicable)

CREDIT UNION: _____

INTERNAL AUDIT DATE: _____

Month

Day

Year

(Use Whole Dollars Only)

<u>TYPE OF LOAN</u>	<u>Number</u>	<u>Amount</u>
1. Unsecured Credit Card Loans	_____	_____
2. All Other Unsecured Loans	_____	_____
3. Share Secured Loans	_____	_____
4. New Vehicle Loans	_____	_____
5. Used Vehicle Loans	_____	_____
6. First Mortgage Loans	_____	_____
7. Subordinate Mortgage Loans	_____	_____
8. Insured or Pledged Loans	_____	_____
9. Other (Purchased or Non-Member Loans)	_____	_____
10. Commercial & Agricultural Loans	_____	_____
TOTAL LOANS	□	□

<u>DELINQUENT LOANS</u>	<u>Number</u>	<u>Amount</u>
10. "Slow" Loans (2 - less than 6 months)	_____	_____
11. "Doubtful" Loans (6 - less than 12 months)	_____	_____
12. "Loss" Loans (12 months or over)	_____	_____
13. Other Delinquent Loans due to Bankruptcy	_____	_____
TOTAL DELINQUENT LOANS	□	□

Comments: _____

INVESTMENT PROGRAM

(Please mark N/A if not applicable)

CREDIT UNION: _____

INTERNAL AUDIT DATE: _____

Month

Day

Year

Purpose:

- To verify investment activity is carried out in accordance with written policy.
- Confirm that current investments exist in the amount(s) shown in the general ledger.
- Ensure that all investments are legally within the guidelines of Paragraph 305/59 of the Illinois Credit Union Act.
- To confirm that the credit union is categorizing investments according to (SFAS) 115.

Policies:

Yes

No

1. Is there an Investment Policy available for use by all interested parties?

2. Has the Investment Policy been updated to reflect the requirements of FASB 115?

3. Does this policy indicate it has been approved by the Board of Directors?
3a. What was the date of approval? _____

4. Is the policy being followed by administrative personnel in conducting daily operations?

Procedures:

Completed by

Date Completed

1. Verify all investment balances in writing, unless they can be confirmed by the original statement, passbook, etc.

2. Confirm that all investments are allowable under Section 305/59 of the Illinois Credit Union Act.

3. Review current written investment policies to determine if all investment activity is in compliance with the policies.

4. Review the credit union's method of accounting for premiums and discounts on investment securities, if applicable.

5. Obtain the market value and maturity of all investments.

6. Verify that accounting for investments separates them into "Held to Maturity", "Available for Sale", and/or "Trading Securities".

7. Determine that "Available for Sale" and/or "Trading Securities" are re-priced regularly and the balances in the general ledger reflect market price.

INVESTMENT SCHEDULE

(Please mark N/A if not applicable)

CREDIT UNION: _____

INTERNAL AUDIT DATE: _____

Month

Day

Year

(Use Whole Dollars Only)

INVESTMENT TYPE:

Book Value

Market Value

1. U.S. Government Obligations	_____	_____
2. Federal Agency Securities	_____	_____
3. Mutual Funds & Common Trust Investments ¹	_____	_____
4. Corporate Credit Unions	_____	_____
5. Commercial Banks, S & L's, Mutual Savings Banks	_____	_____
6. Credit Unions-Deposits In and Loans To	_____	_____
7. Other Investments	_____	_____
TOTAL INVESTMENTS	\$ (*)	\$

Note: Insurance Capitalization Deposit is listed on Page 15.

CLASSIFICATION OF INVESTMENTS:

	A. < 1 Year	B. 1-3 Years	C. 3-10 Years	D. > 10 Years	E. Total Amount
1. Held to Maturity					
2. Available for Sale					
3. Trading					
4. Non-SFAS 115 Investments ²					
5. TOTALS					(*)

(*) Balance Should Agree with Page 1, Line 4.

Notes:

¹ Mutual Funds & Common Trust Investments must be either categorized as Available for Sale or Trading Securities.

² CD's with Corporate Credit Unions, Commercial or Savings Banks, or with other Credit Unions must be treated as Non-SFAS 115 Investments.

SHARE PROGRAM

CREDIT UNION: _____

INTERNAL AUDIT DATE: _____

Month

Day

Year

Purpose:

- To verify that the aggregate amount of the subsidiary ledgers agrees with the general ledger control.
- To determine if dividends are being paid ratably within each share type and in accordance with board policy.
- To ensure that new members are within the credit union's field of membership.

Policies:

Yes

No

1. Is the Credit Union making appropriate efforts to maintain contact with members with inactive accounts?
2. Is the Credit Union turning over to the Unclaimed Property Division all accounts dormant for greater than five (5) years?

Procedures:

Completed
By

Date
Completed

1. Compare the aggregate amount of the individual account totals (subsidiary ledger) to the general ledger balance by running an adding machine tape. If on computer, compare the trial balance total to the general ledger.
2. Test the accuracy of the dividend computation under the new "TIS" ruling for each type of share held. The number tested should be at least five (5) accounts for each type of share.
3. Select a list of new members from the Board minutes (5-10 names). Verify the membership qualifications by reviewing the information contained on the membership cards.
4. Verify that all closed accounts are reported to the Board and any balances are properly reconciled and/or paid.
5. Verify that the credit union has a plan to cover all certificates and/or non-member deposits at their dates of maturity.

SHARE (OR SAVINGS) SCHEDULE

CREDIT UNION: _____

INTERNAL AUDIT DATE: _____

Month

Day

Year

(Use Whole Dollars Only)

Dividend Information

Distribution of Savings	Total # of Accts.	Amount less than 1 Year	Amount 1-3 Years	Amount More than 3 Years	TOTAL	Last Payment			Accrual ⁽²⁾
						Rate ⁽¹⁾	Date Paid	Freq.	
1. Share Drafts									
2. Regular Shares									
3. Money Market Shares									
4. Share Certificates									
5. IRA/KEOUGH Accounts									
6. All Other Shares									
7. TOTAL SHARES									
8. Non-Member Deposits									
9. TOTAL Shares and Deposits									(*)

⁽¹⁾ Dividend Rate should be that which was paid at the most recent payment date to the majority of shareholders.

⁽²⁾ Accrual - Indicate whether dividends are being accrued from the last dividend payment date (yes or no).

^(*) Balance should agree with Page 1, Line 14.

Comments: _____

FIXED ASSET PROGRAM

CREDIT UNION: _____

INTERNAL AUDIT DATE: _____

Month

Day

Year

Purpose:

- To verify the existence of fixed assets owned by the credit union.
- To determine whether or not fixed assets are being properly depreciated.
- To determine if the disposition of fixed assets, including all gains and losses, are correctly recorded.

Procedures:

	Completed By	Date Completed
1. Obtain a listing of fixed assets owned by the credit union and sight all items listed. (Sample 10% if over 50 items are listed).	_____	_____
2. Review the invoices and canceled checks of any fixed assets purchased since the last audit to determine proper recording.	_____	_____
3. Check the depreciation computation for all fixed assets to determine accuracy. (Sample 10% if over 50 items are listed, including all items reviewed in #2 above).	_____	_____
4. Trace the balances shown on the credit union's depreciation schedule to the general ledger.	_____	_____
5. Check the removal from the records including the computations of all gains and losses on the disposition of every fixed asset. (Sample no more than 10%).	_____	_____
6. Determine that items on lease are properly identified and accounted for.	_____	_____
7. Verify that property and casualty insurance is adequate to cover all property owned and/or leased, including computer records.	_____	_____
8. Review transactions involving repossessed collateral (if any) for proper accounting and safekeeping. Sight test all items listed. Trace recordings of all collateral items sold to cash receipts journal and members' loan accounts.	_____	_____

Comments:

FIXED ASSET SCHEDULE

CREDIT UNION: _____

INTERNAL AUDIT DATE: _____

Month

Day

Year

(Use Whole Dollars Only)

ITEM	Original Cost	Accumulated Depreciation	Book Value
Land			
Building			
Leasehold Improvements			
Furniture and Equipment			
Autos			
Computer Equipment			
TOTAL			
	(*)	(*)	(*)

(*) Column Balances Should Agree with Page 1, Line 5.

Comments: _____

OTHER ASSETS AND LIABILITIES PROGRAM

CREDIT UNION: _____

INTERNAL AUDIT DATE: _____

Month

Day

Year

Purpose:

- To confirm that other assets and liabilities are proper and correctly accounted for.

Procedure:

	Date Completed	Completed By
1. Verify all beginning balances in prepaid expense accounts by examining paid invoices and/or canceled checks to determine validity.	_____	_____
2. Test the credit union's amortization computations for each prepaid asset to insure accuracy and timeliness.	_____	_____
3. Verify all liabilities in writing unless they can be confirmed through an outside source (statement, unpaid invoice, etc.).	_____	_____
4. Test the accuracy and reasonableness of all accrued expense (asset accounts) and accrued income (liability accounts).	_____	_____
5. Review all other assets and liabilities to determine correct financial statement presentation, existence, ownership and proper valuation.	_____	_____
6. Verify that payroll taxes are accrued for all employees and paid when due.	_____	_____

Comments: _____

OTHER ASSETS AND LIABILITIES SCHEDULE

CREDIT UNION: _____

INTERNAL AUDIT DATE: _____

Month

Day

Year

(Use Whole Dollars Only)

OTHER ASSETS:

<u>ITEM:</u>	NCUA <input type="checkbox"/>	ASI <input type="checkbox"/>	(*) Reference	<u>BALANCE</u>
Insurance Capitalization Deposit			Line 6(*)	_____
Prepaid Expenses			Line 7(*)	_____
Accrued Interest Receivable - Loans			Total	_____
Accrued Interest Receivable - Investments			{ Equals Line 8, Pg. 1 (*)	_____
Other Assets				_____
TOTAL OTHER ASSETS				<div style="border: 1px solid black; width: 100px; height: 15px; margin: 0 auto;"></div>

LIABILITIES:

<u>ITEM:</u>		(*) Reference	<u>BALANCE</u>	
Accounts Payable		Line 10 (*)	_____	
Total Borrowings		Line 11 (*)	_____	
Accrued Dividends Payable		Line 12 (*)	_____	
Payroll Taxes Payable		Total	_____	
Accrued Expenses		{ Equals Line 13, Pg. 1 (*)	_____	
Other Liabilities			_____	
TOTAL OTHER LIABILITIES				<div style="border: 1px solid black; width: 100px; height: 15px; margin: 0 auto;"></div>

(*) Totals on these lines should agree with corresponding lines on Page 1.

Comments:

ANNUAL VERIFICATION OF MEMBERS' SHARE AND LOAN ACCOUNTS

See Article 190.130 of the Rules & Regulations for detailed instructions

CREDIT UNION NAME: _____

NOTICE

This Section, concerning the Annual Verification of Members' Share and Loan Accounts, must be completed when filing the Annual Supervisory Committee Internal Audit Report.

As of the previous December 31:

- | | Yes | No |
|--|-------|-------|
| 1) Were your total assets over \$5 million? If so, you MUST engage a Professional Accountant to perform an External Audit and Verification of Accounts. | _____ | _____ |
| 2) Were your total assets below \$3 million?
If so, the Supervisory Committee may perform the verification of accounts (with the assistance of an outside professional accountant if desired). | _____ | _____ |
| 3) Was 100% Verification of Members' Share & Loan Accounts for last year's report? If yes, then a reasonable percentage verification of members' share and loan accounts may be performed. If no, then 100% Verification MUST be completed. | _____ | _____ |
| 4) For positive verification not returned after 2nd or 3rd requests, did the committee satisfy itself that the balances are correct? | _____ | _____ |
| 5) Does the credit union have any accounts that must be verified positive per 190.130 (2)? | _____ | _____ |

***Note: Please refer to pages c & d of this report for information and requirements for Verification of Accounts.**

REPORT OF VERIFICATION RESULTS:

	Credit Union Account Types	POSITIVE METHOD - # of Accounts verified - requires a direct reply or attestation by the member as to the correctness or the balances. See 190.130 for account types that must be verified by Postive Method every year.			Replies Received to Positive Verifications		NEGATIVE METHOD - # of Accounts Verified - which require replies only if the information listed is incorrect*	Replies received from Negative Verification	Accounts not verified - returned due to unknown or incorrect address
					Member did not Comment	Member included Comments			
Indicate:	Total Number of Accounts	# sent in 1st mailing	# sent 2nd mailing (required)	# sent 3rd mailing (if app.)	# Received	# Received	Total # Sent	# Received	# not verified
Share Accounts									
Loan Accounts									

*in the members opinion, is incorrect.

Indicate Cut-Off Date Used for Last Verification of Members' Accounts: _____

If a Registered Public Accountant was employed to make the Annual Verification of Member's Share and Loan Accounts for the Supervisory Committee or the annual audit and preparation of this verification, show below the name of the accountant, the firm name, address and phone number:

Name: _____ Firm Name: _____

Address: _____ City: _____

State: _____ Zip: _____ Phone: _____

CERTIFICATION PAGE

CREDIT UNION NAME: _____

STATE OF ILLINOIS)
) ss
 COUNTY OF _____)

We, the undersigned, being all of the members of the Supervisory Committee of the above stated Credit Union and being duly sworn on oath, depose and say, each for themselves, under penalty of perjury, that they are a member of the Supervisory Committee of the above stated credit union; that they have caused an annual audit to be made, as provided in Paragraph 305/34 of the Illinois Credit Union Act; and they attest this report is the result of such audit; that the statements herein contained have been examined by them and are true and correct to the best of their knowledge and belief.

Number of Members on Supervisory Committee _____

Subscribed and sworn to before me this

_____ Day Month Year

 Notary Signature

(Seal)

Signature _____
 Chairperson, Supervisory Committee

Signature _____
 Member, Supervisory Committee

Signature _____
 Member, Supervisory Committee

Signature _____
 Member, Supervisory Committee

Signature _____
 Member, Supervisory Committee

Please Note: ALL members of the Supervisory Committee are REQUIRED to sign. Also, if any member of the Supervisory Committee has changed since the last Organizational Meeting, please indicate (new) after their signature.

Credit Union Mailing Address: _____

City, State, Zip: _____

Phone Number: _____ ext. _____

Hours of Operation: Mon. _____
 Tues. _____
 Wed. _____
 Thurs. _____
 Fri. _____