

Annual Report of the
Supervisory Committee
May 15, 2008

The Supervisory Committee continued its practice of weekly meetings throughout the past calendar year in order to perform its oversight responsibilities of Credit Union operations. As we all know, 2007 has been a challenging year financially for everyone. Because of the Credit Union's very conservative approach to fiscal management, we made it through quite an interesting year. In addition, we went through a major upset by converting to a new computer system. This made it a trying year for our hard working employees, who, in spite of the conversion, continued to serve and provide the excellent service our members have come to expect and appreciate.

Management continues to diversify the loan and investment portfolios in an effort to reduce any concentration risk, and they are looking at new products and services that will benefit our members and further strengthen the Credit Union. While other credit unions reacted to the downward trend in the economy by dramatically reducing interest rates on savings portfolios, Greenwood has maintained some of the highest savings interest rates for our members.

The Credit Union's primary regulator, RI Dept of Business Regulation as well as the National Credit Union Association completed their exam as of June 2007. The Supervisory Committee again retained Root & Associates, CPAs, to perform the annual external audit of the Credit Union for the calendar year ending December 31, 2007. They have just finished the audit and we will publish the findings on our web site and display them in our lobby. As of December 31, 2007 the Credit Union's Capital to Asset Ratio is about 9% which is well in excess of the 7% which is necessary to be deemed "well capitalized" under NCUA rules and regulations. Again as in other years, the Credit Union has taken a very conservative approach to fiscal management to ensure that our member's assets are well protected from this volatile economy by diversifying the portfolios and being a well capitalized Credit Union.

The Committee supported the annual on-site visits of the National Credit Union Administration (NCUA), our insurer, and the Rhode Island State Banking Examiners. Our Internal Audit functions were performed in accordance with a formalized Annual Plan. The Supervisory Committee, along with the External Auditors, executed the Annual Audit Plan. The Committee has kept the Board of Directors and Credit Union Management apprised of all the ongoing examinations and any related recommendations we may have.

New loans were continuously reviewed, through a random sampling basis, to assure that only valid loans were recorded in the Credit Union records and that they were documented in accordance with Credit Union policy. Through a random sampling of the open and closed accounts, periodic reviews were made to insure that those accounts did exist and were accurate.

In a community based credit union such as Greenwood is, one barometer of success is in the comments of our members. I would like to share a typical comment. "I have been a member of Greenwood Credit Union since moving here from Pawt. (2 yrs.) . I have only good comments ... too many to mention. Very satisfied!! My son is my co-owner (from Colorado) & he is very happy I made this choice:". Comments like this demonstrate the outstanding effort the employees make to provide excellent and caring service for our members.

The cooperation of the Credit Union's members, directors, officers and employees is appreciated. your Supervisory Committee shall continue to perform its oversight responsibilities in the best interest of all the Credit Union members.

Respectfully submitted,



Arnold "Nick" Butziger, Chairman
Supervisory Committee