

Cities Credit Union

See the difference:

Board of Directors

- Dan Pederson - Chair
- Jerry Morri - Vice Chair
- Jim Walker - Secretary
- Tom Brockway
- Roger DeBace

Supervisory Committee

- Michael Peterson - Chair
- Bob Bieniek
- Melissa Ripplie

Cities Credit Union Staff

- Mike Enright - President
- Kristine Heuer - Vice President
- April Stephenson - Manager of Operations & Network Administration
- Karen Knutson - Marketing Director & Website/Online Administrator
- Janet Frank - Loan Officer
- Brenda White - Loan Officer
- Barb Tesch - Member Services Specialist
- Teresa Watson - Member Services Specialist

- Checking accounts with no monthly maintenance fees

- Our savings and loan rates beat the big banks and even other credit unions

- Access to nearly 48,000 fee-free ATMs nationally with MoneyPass and CO-OP networks

- First mortgage loans available for purchase or refinance through CU Companies Mortgage and First Class Mortgage

- Free car purchasing consultant/broker for both new and used cars with Integrity Autosource

- Free online/mobile banking with bill-pay

- Free shred events in April and October

- Visa card with uChoose Rewards™ with fixed rates starting as low as 8.95%

- Member referral program that rewards members to tell their friends/family/co-workers about us



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Seasons of change



2016 Annual Report

Seasons of Change: President's Message

by Mike Enright, CEO and President

"Everything has seasons, and we have to be able to recognize when something's time has passed and be able to move into the next season." - Henry Cloud

Improvement and change were the big themes for Cities Credit Union in 2016. And like Henry Cloud's quote, the Board and Management of the credit union realized "the time had passed" on a few of our products and services and that we needed to move into the next season. Thus, we kicked off each season in 2016 by adding a new or improved service or product to the mix here at Cities:



Winter 2016: New WinCentive™ prize-linked savings account

When Cities Credit Union was approached by the Minnesota Credit Union Network about the opportunity to add a new savings account option to the mix of products, we jumped at the chance. Thirty-seven members deposited \$22,165.87 in their WinCentive accounts, and \$975 in additional prize money was won by our members.



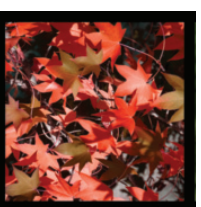
Spring 2016: New and improved bill pay system: Check Free

We kicked off spring by replacing the old online Pay Traxx bill pay system with the state-of-the-art Check Free bill pay system. Check Free offers members next-day payments, Popmoney (person-to-person transfers), and cross-account transfers. With enhanced support, this system is a winner.



Summer 2016: New rewards Visa® credit cards with uChoose Rewards™ program

In July, Cities Credit Union transitioned our Visa® credit cards to a new platinum card with chip technology for security and a robust rewards program called uChoose Rewards™. The rewards program offers members 24 rewards categories from cash back and travel rewards to gift cards and event tickets.



Fall 2016: Issuing and reissuing debit cards with EMV chip technology

After a brief testing period, Cities Credit Union began issuing EMV chip debit cards on new checking accounts and reissuing chip cards in controlled "waves" to current checking account holders. These new chip cards have added safeguards to protect against fraud at point-of-sale terminals.

Looking ahead: more positive changes to benefit our members.

We are anticipating another busy and productive year in 2017. We are changing our Visa gift card program to include travel cards (a great alternative to using a debit card) and reloadable cards (great for college students or those who do not qualify or want a checking account). The future continues to look bright throughout 2017 and beyond.

We appreciate your support as we strive for a better credit union experience--for now and the future.

Statement of Financial Condition

	<u>DECEMBER 2016</u>	<u>DECEMBER 2015</u>
ASSETS		
Loans to Members	\$ 15,933,958.18	\$ 16,250,540.74
Allowances for Loan Loss	(126,783.67)	(176,746.66)
Receivables	80,000.00	31,000.00
Cash	181,541.27	150,929.86
Investments	11,719,088.62	10,536,125.84
Prepaid Expenses & Deferred Charges	87,830.47	51,512.67
Fixed Assets	705,327.71	750,997.67
Accrued Income	112,912.91	124,588.27
Deposit in NCSIF	253,995.17	244,174.26
Other Assets	<u>24,361.10</u>	<u>4,361.10</u>
TOTAL ASSETS	<u>\$ 28,972,231.76</u>	<u>\$ 27,967,483.75</u>
LIABILITIES & EQUITY		
Accounts Payable	\$ 14,490.70	\$ 9,746.51
Notes Payable	0.00	0.00
Dividends Payable	0.00	0.00
Taxes Payable	1,000.00	5,120.76
Accrued Expenses	85,953.29	99,777.60
Other Liabilities	<u>94,335.93</u>	<u>48,655.67</u>
TOTAL LIABILITIES	<u>\$ 195,779.92</u>	<u>\$ 163,300.54</u>
MEMBER EQUITY		
Regular Shares	\$ 8,948,667.20	\$ 8,152,590.67
Share Drafts	4,858,126.49	4,567,345.80
IRAs	1,379,551.61	1,399,847.86
Share Certificates	3,322,633.97	3,481,644.18
Other Shares	<u>7,833,962.03</u>	<u>7,807,719.63</u>
TOTAL MEMBER EQUITY	<u>\$ 26,342,941.30</u>	<u>\$ 25,409,148.14</u>
TOTAL CAPITAL	<u>\$ 2,433,510.54</u>	<u>\$ 2,395,035.07</u>
TOTAL LIABILITIES & EQUITY	<u>\$ 28,972,231.76</u>	<u>\$ 27,967,483.75</u>