

2019 in Review

President's message: Building on Change

The credit union had a big year in 2019 and looking back we completed some big projects along with making big progress towards the future. This has become even more relevant as we have seen in the 2020 with the current COVID-19 event.

First, the credit union completed the conversion to our new data processor (Fiserv) providing great benefits to the credit union and its members:

- Improved security...through Fiserv hosted security features.
- Improved stability...through redundant web-hosted process making services available even if the credit union is down.
- Improved features...the new platform will provide access to new member services now and in the future.
- Fiserv provides services to roughly 30% of all financial institutions and accounts for about \$75 trillion in financial transactions every year and over 140 patents in the industry.

The credit union added new services as well:

- Upgraded our Visa credit card services through the 24 hour call center (live person).
- Added our Visa debitcard services through our 24 hour call center (live person).
- Added two new add-on CD specials for members
- Added financial help for members through Family Means (www.familymeans.org 651-789-4014) to provide help with payments, credit counseling, medical, family, shelter, food, rent/mortgage, and other help.

The credit union continues to offer many fantastic services:

- Auto purchasing through Integrity Autosource, Inc. (to save money and time for members)
- 50,000+ fee free ATMs nationwide
- Free online Bill Pay (if you have never used you should)...the best way to pay your bills.
- Card Valet (to protect yourself from fraud for both credit and debit cards)
- Remote check deposit through our TouchBanking mobile banking app
- A large host of online banking and cell phone features...
- Great loan rates
- Visa credit cards with excellent fixed rates and rewards
- The credit union saved members an estimated over \$500,000 in banking fees compared to the average bank (based on CUNA studies)

The credit union is growing:

- Assets were up to \$30,240,718 as of 2019 (\$900,000 in growth)
- Loans were up to \$17,291,661 as of 2019 (\$250,000 in growth)
- Income was up to \$62,239 for 2019.

The credit union just completed a state audit at the end of January 2020 and the report to the Supervisory Committee and Board shows the credit union is well capitalized, stable and secure and meets the regulatory requirements for the state of Minnesota

We would like to thank the members for another great year for 2019. We appreciate your business and hope you see the great benefits of being part of the not-for-profit credit union.

CITIES CREDIT UNION STATEMENT OF FINANCIAL CONDITION

	<u>DECEMBER 2019</u>	<u>DECEMBER 2018</u>
<u>ASSETS</u>		
Loans to Members	\$ 17,291,660.75	\$ 17,041,417.28
Allowances for Loan Loss	(177,311.05)	(120,159.17)
Receivables	82,000.00	82,000.00
Cash	207,478.92	189,598.89
Investments	11,378,621.33	10,665,613.21
Prepaid Expenses & Deferred Charges	21,475.63	37,461.56
Fixed Assets	794,185.28	808,368.46
Accrued Income	74,461.95	66,263.27
Deposit in NCUSIF	264,276.30	266,793.70
Other Assets	<u>303,361.10</u>	<u>303,361.10</u>
TOTAL ASSETS	\$ 30,240,210.21	\$ 29,340,718.30
<u>LIABILITIES & EQUITY</u>		
Accounts Payable	(\$ 5020.19)	\$ 6,882.42
Notes Payable	0.00	0.00
Dividends Payable	0.00	0.15
Taxes Payable	967.13	3,449.02
Total Unapplied Data Processing Exceptions	44,448.87	0.00
Accrued Expenses	<u>127,251.24</u>	<u>107,241.75</u>
TOTAL LIABILITIS	\$167,647.05	117,573.34
<u>MEMBER EQUITY</u>		
Regular Shares	\$ 9,814,688.19	\$ 9,578,217.67
Share Drafts	5,480,463.78	5,293,852.17
IRAs	886,676.17	1,099,156.96
Share Certificates	3,433,258.04	2,731,680.56
Other Shares	7,826,143.14	7,831,570.43
TOTAL LIABILITIES	\$ 27,608,856.37	\$ 26,771,603.09
TOTAL CAPITAL	\$ 2,631,353.84	\$ 2,569,115.21
TOTAL LIABILITIES & EQUITY	\$ 30,240,210.21	\$ 29,340,718.30