

2020 Annual Meeting

April 21, 2021



TRI-CU CREDIT UNION

ANNUAL MEETING

APRIL 21, 2021

AGENDA

1. Call meeting to order at 6:05 P.M.
2. Introduction and Quorum Ascertained
 - i. At Least Fifteen (15) Members Present for quorum (including virtual attendance).
3. Approval of Minutes as presented for previous Annual Meeting
4. Chairman's Report
5. Supervisory Committee Report
6. Loan Report
7. Presidents Report
8. Nominations:
 - i. Nominees placed on the floor by Committee
 - ii. Committee calls for nominees from the floor
 - iii. Nominations closed by Committee
9. Elections
 - i. Election by Show of *virtual* Hands (electronic ballots distributed if more than one nominee for vacancy).
 - ii. Committee Announces When Nominee Elected by General Consensus.
10. Adjournment by Chairman
11. *Virtual* Door Prizes to be announced online (only Tri-CU Members who commented in the feed during the meeting are eligible).

April 22th , 2020 ANNUAL MEETING FOR 2019 MEETING MINUTES
Virtual "Pandemic" Meeting held with Video Conference and Facebook Live Feed

1. **Welcome:** *President Doug Wadsworth welcomed all, and gave instructions to Board Members and employees in the video conference to post for their attendance. He also welcomed all those watching the Facebook Live feed and asked them to post a comment so we have a record of their attendance and so they can be eligible for a prize as well. Doug also directed members to download and view the meeting packet on the "useful links" page of the Tri-CU website. Doug recognize all board members with a roll call: Tony Edwards, Dave Strote, Meegan Garza, Cam Uhling, Judy Kirk, all present via video conference. Then asked whether Supervisory Chair was there via facebook feed, and requested she comment in the feed. Doug then turned the floor over to the Chairman, Tony Edwards.*
2. **Call to Order:** *Chairman Tony Edwards called the meeting for 2019 to order at 6:05 pm.*
3. **Verify Quorum:** *Chairman reminded all in attendance to post to verify attendance, and ascertained with help from the president that more than 15 members were present, and there is a quorum.*
4. **Approval of Minutes:** *Chairman Tony Edwards requested a motion to approve the minutes from last meeting, as presented in the packet and shown on screen. Motion to approve by Meegan, 2nd by Dave, carried (verified by silence and posted comments).*
5. **Presentation of Reports:** *Chairman Tony Edwards directed member to the following reports: Chairman's Report , the Supervisory Committee report from chairperson Joyce Myers , and the Loan Report on 5th page. President Doug Wadsworth then reviewed the loan reports and statistics. There were no questions.*
6. **President's Report: Doug Wadsworth** *began by thanking members for their patience through this pandemic, lobby closure, and slower phone responses, and expressed excitement for when things returned to normal, and said we miss seeing our members in the lobby. Doug reminded members that if they were struggling financially to contact us, so we could help. Doug read the President's Report, asked for any questions, and allowed members to review the financial reports. There were no questions.*
7. **Nomination:** *Tony Edwards now move to Nominations and Elections, with Dave Strote of the Nominations Committee taking the floor. Dave Strote submitted the nomination of appointees Cam Uhling and Judy Kirk for election to the Board, to complete the terms of recently retired directors Carol Krueger and Diane Turney and for re-election the nominations of Tony Edwards and myself, Dave Strote. There were no additional nominations for the floor (after waiting and watching for comments posted), and nominations were closed. For the election he said that silence for several seconds is accepted as an affirmative vote and opposing votes must be posted in the video chat or facebook comments to be recognized. Cam Uhling, Judy Kirk, Tony Edwards and Dave Strote were unanimously elected, and election and voting was closed.*
8. **Adjournment:** *Chairman Tony Edwards then said that Tomorrow Tri-CU will tally all members virtually in attendance, and will conduct a random drawing for 3 winners - announced tomorrow on facebook, and thanked all for attending, and asked for a motion to Adjourn at 6:16 pm. Motion to adjourn by Jydy Kirk, 2nd by Meegan Garza, carried. Board Members requested to stay in the video conference for the board meeting.*



2020 Tri-CU Board of Directors

Judy Kirk, Meegan Garza, Tony Edwards, Cam Uhling, Dave Strote

CHAIRMAN'S REPORT

Greetings fellow members. The safety and soundness of Tri-CU is the ultimate goal of the Board of Directors, as that is how we can best help our member achieve financial success, and contribute to our community. 2020 was an interesting year, although it was our second year in the new office, the lobby was closed most of the year, due to the pandemic. Despite the unexpected economic, emotional, and health challenges of last year, Tri-CU took several significant actions to help our members through this difficult time, including waiving account fees for most of the year, and allowing hundreds of complimentary multi-month loan payments to be skipped. We also worked hard to continue lending, even offering low or zero interest loan options. We are happy to report that Tri-CU has continued to grow in financial health throughout this time.

We strive to stay focused on our not-for-profit goal: to return profits to our members and community. We do this through improving our products, and striving to offer better service, better rates and lower fees. We also give back to our community through the sponsorship of community events and local charities. We extend a special "Thank you" to the employees for their hard work, dedication and loyalty to this Credit Union cause.

As a "member-owner," please hold us accountable. If you are pleasantly surprised by our service or products, please tell us. If you recognize an area for improvement, please bring it to our attention. We welcome your feedback. Please recommend us as the primary financial institution of choice to all of your relatives, friends, neighbors and co-workers!

Together we hope to exceed your expectations this new year, with better products, better service, and better savings for you - especially as the pandemic effects begin to ease.

Tony Edwards, Chairman

SUPERVISORY COMMITTEE REPORT

The Supervisory Committee of your credit union is responsible for auditing of the credit union records and affairs. In addition to personally auditing credit union procedures and records multiple times each year, the Committee ensures an independent review of CU operations by a certified accountant is performed annually, which includes recommendations for improvement where warranted. In the performance of these responsibilities the committee has engaged the services of CPA Daren B. Tanner, P.C. to conduct the Annual Comprehensive Audit required under Federal Regulations. This accounting audit was performed on the Credit Union Financials as of June 30, 2020. In addition, this firm conducted a "Bank Secrecy Act" compliance audit for the same date as well.

In addition to these audits completed by the CPA firm, the credit union is examined annually by the National Credit Union Administration (NCUA), our U.S. Government Federal Regulatory Agency. The NCUA conducted their examination for the month ending 3/31/2020, and found us to be well capitalized, healthy, and operating within appropriate risk levels. To the best of our knowledge the statement of financial position as of December 31, 2020 and the results of operations for the calendar year 2020, shown in the Annual Report are taken correctly from the financial records of Tri-CU Credit Union.

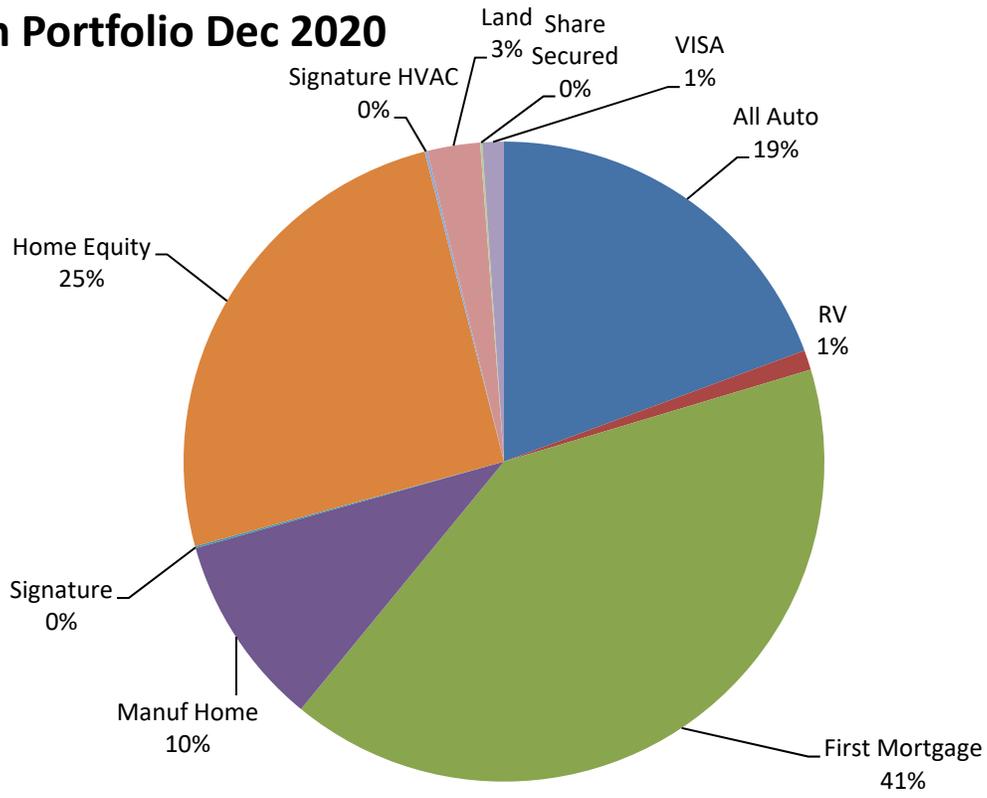
Joyce Myers (Chairperson), Mary Lamb, Lisa Ewing & Dora Poor

LOAN REPORT

During 2020 loan officers approved 928 loans, which represents over \$21 Million loaned to our members. This was an decrease of nearly 100 loans but still a dollar increase of \$1M. Lending was a little slower than the previous year, likely due to the pandemic. The bulk of these loans were manufactured home, HVACs and mortgages, as shown below. There was an in increase in new mortgage loans because of the historically low interest rates increasing affordability. This report does not include Credit Cards, a small number of brokered mortgages (sold on the secondary market).

Description	Loans Opend	--- Count	New Loan ---- Transactions	--- Count	Refinance ---- Transactions	Loans	Count	Add On ----- Transactions	Count	Total ----- Transactions	New Mon Wt Rate
AUTO BRAND ALLST	66	65	841,903.40		.00	1	1	20.00	66	841,923.40	7.4789
AU IND GRANDSTND	62	62	460,619.09		.00	14	14	14,816.70	76	475,435.79	17.7177
AUTO LEND PROT	24	24	562,172.26		.00			.00	24	562,172.26	10.5816
AUTO NEW	19	18	597,720.40		.00			.00	18	597,720.40	4.6786
AU IND MR CAR	27	27	259,227.19		.00			.00	27	259,227.19	17.9900
AUTO USED	189	184	2,572,525.01		.00	70	94	11,677.91	278	2,584,202.92	6.8293
HM EQTY WILD DEE	370	369	4,558,396.71		.00	61	78	5,646.45	447	4,564,043.16	3.5171
HELOC	11	9	245,000.00		.00	28	66	597,921.96	75	842,921.96	4.1365
HM EQTY 2ND MORT	10	10	328,530.99		.00	3	4	7,640.00	14	336,170.99	4.7784
LAND LOAN	8	8	545,005.33		.00	2	3	60.00	11	545,065.33	6.6583
MNFCTRD HOME	10	10	669,429.61		.00	2	2	3,997.44	12	673,427.05	6.9659
MH IND GRNTY	35	35	3,257,721.98		.00	1	1	.40	36	3,257,722.38	8.9648
PERSONAL LOC			.00		.00	8	37	15,694.62	37	15,694.62	12.1732
REAL ESTATE	33	33	5,829,796.41		.00	2	2	700.50	35	5,830,496.91	4.2320
RECREATIONAL VEH	13	13	298,982.25		.00	1	1	1,896.72	14	300,878.97	6.5700
SIGNATURE LOAN	17	17	42,739.46		.00	4	4	50.00	21	42,789.46	12.1437
A1 SIG HVAC			.00		.00	3	5	100.00	5	100.00	15.8500
SHARE SECURED	7	7	30,605.00		.00	1	1	20.00	8	30,625.00	3.1969
VISA CLASSIC CC	4		.00		.00	219	14341	772,244.14	14341	772,244.14	11.6643
VISA PLAT CC	5		.00		.00	208	15627	1,322,488.33	15627	1,322,488.33	8.8219
VISA SHARE SECUR	18		.00		.00	36	2645	86,005.50	2645	86,005.50	3.6555
	928	891	21,100,375.09		.00	664	32926	2,840,980.67	33817	23,941,355.76	6.3864

Loan Portfolio Dec 2020



PRESIDENT'S REPORT

2020. In many ways we would all like to forget last year. As mentioned in the Chairman's address, we are proud of steps we took to support our members through this difficult time. We processed probably 1,000 loan skip payments, we waived nearly all account fees for most of the year, and offered low or no interest loans or introductory terms to get members through. Despite these challenges, we have entered 2021 financially healthier and stronger than we were the year before.

We continued to expand lending for member of modest means, including manufactured homes in parks, as well as many mortgages for first time homebuyers that were unable to qualify elsewhere.



As a Not-For-Profit cooperative institution, we return profits to our members through better rates and lower fees, through improved products and services, and to our broader community through charitable donations, financial education and local sponsorships. We were excited to grant an educational scholarships last year, and to financially support charitable organizations that were key to pandemic relief, such as the Union Gospel Mission homeless shelter, Second Harvest, and the Food Bank, to name just a few. Of course I can't forget many of our devoted employee Meals on Wheels volunteers, especially during this past year when many elderly people were so isolated.



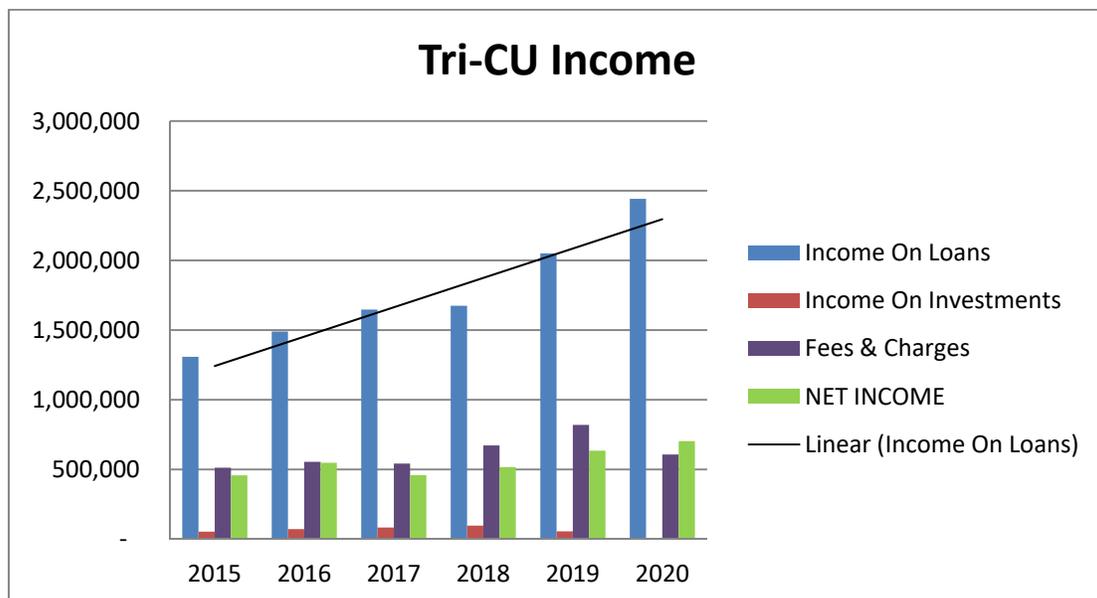
I would like to again express appreciation to our Volunteer Directors, who ensure we stay focused on helping our members. I would also like to give thanks to our Volunteer Supervisory Committee, who provide the valuable audit services as needed - remotely lately.

Lastly, a “thank you” to the employees who maintain our focus on giving legendary friendly service. I am honored to serve as the President, and look forward to another year of growth and service to our members and this community -as we have **for over 51 years!**

We are hopeful that soon these masks will fade into history, and we can see and share smiling faces again.

Sincerely,
Doug Wadsworth, President

Tri-CU Income Statement History						
	2015	2016	2017	2018	2019	2020
OPERATING INCOME						
Income On Loans	1,308,299	1,489,836	1,646,889	\$ 1,675,084	\$ 2,050,224	\$ 2,442,223
Income On Investments	53,046	71,821	82,878	\$ 96,594	\$ 54,912	\$ 2,597
Fees & Charges	512,435	554,554	542,356	\$ 672,179	\$ 819,839	\$ 606,991
TOTAL OPERATING INCOME	1,873,780	2,116,211	2,272,123	\$ 2,443,857	\$ 2,924,975	\$ 3,051,811
DIVIDENDS ON ACCOUNTS	51,137	61,022	84,597	\$ 82,885	\$ 156,341	\$ 100,100
OPERATING EXPENSES						
Employee Comp & Benefits	702,001	751,748	882,803	\$ 1,038,837	\$ 1,149,639	\$ 1,198,531
Travel & Conference	16,132	14,708	28,539	\$ 19,260	\$ 26,362	\$ 19,698
Association Dues	11,159	11,396	14,142	\$ 20,104	\$ 22,783	\$ 23,528
Office Occupancy	47,146	67,667	78,293	\$ 97,020	\$ 208,699	\$ 221,356
Office Operations	388,543	393,296	400,110	\$ 458,190	\$ 424,104	\$ 489,108
Educational & Promotion	41,972	62,059	49,314	\$ 64,976	\$ 74,428	\$ 47,655
Loan Servicing	110,015	96,276	85,515	\$ 96,525	\$ 126,982	\$ 163,064
Professional & Outside Services	12,701	11,226	18,806	\$ 20,643	\$ 19,090	\$ 21,380
Provision for Loan Losses	9,000	186,000	126,200	\$ 17,500	\$ 70,000	\$ 103,580
Member Insurances	-	-	-	\$ (19,000)		\$ -
Misc Expenses	21,095	22,401	40,883	\$ 18,091	\$ 26,772	\$ 24,421
TOTAL OPERATING EXPENSE	1,359,764	1,616,777	1,724,605	\$ 1,832,146	\$ 2,148,859	\$ 2,312,321
NET OPERATING INCOME (LOSS)	462,879	438,413	462,921	\$ 528,826	\$ 619,775	\$ 639,390
NON OPERATING GAINS/(LOSSES)	(5,019)	109,214	(4,917)	\$ (11,909)	\$ 14,376	\$ 63,684
NET INCOME	457,860	547,627	458,004	\$ 516,917	\$ 634,151	\$ 703,074



Financial Statement History						
Assets	2015	2016	2017	2018	2019	2020
Loans to Members	22,951,853	26,362,244	\$ 28,835,527	\$ 32,277,249	\$ 39,403,794	\$ 44,579,726
Allowance for Loan Loss	(51,076)	(119,458)	\$ (123,253)	\$ (84,079)	\$ (82,232)	\$ (111,612)
Cash	940,656	555,360	\$ 643,736	\$ 606,323	\$ 912,925	\$ 941,109
Investments	6,377,364	7,005,534	\$ 8,013,878	\$ 5,192,297	\$ 858,226	\$ 4,066,365
Fixed Assets	245,657	1,190,050	\$ 1,422,327	\$ 4,333,758	\$ 4,351,177	\$ 4,217,593
Accrued Income	74,207	89,219	\$ 84,150	\$ 92,295	\$ 111,096	\$ 129,973
NCUSIF	241,516	246,853	\$ 284,241	\$ 307,047	\$ 315,593	\$ 380,869
Pre-Paid Expenses	59,358	61,954	\$ 127,975	\$ 128,422	\$ 149,779	\$ 143,577
Total Assets	30,839,535	35,391,757	\$ 39,288,581	\$ 42,853,312	\$ 46,020,358	\$ 54,347,600
Liabilities						
Accounts Payable	1,754	(7,465)	\$ (16,294)	\$ 14,238	\$ (9,792)	\$ (13,959)
Accrued Expenses	27,121	(111,896)	\$ (98,500)	\$ 51,832	\$ (92,361)	\$ 76,132
Other Liabilities	418,203	435,607	\$ 430,030	\$ 201,022	\$ 407,347	\$ 380,264
Total Liability	447,078	316,245	\$ 315,236	\$ 267,092	\$ 305,194	\$ 442,437
Member Equity						
Regular Shares	10,736,758	12,896,935	\$ 13,555,922	\$ 15,203,035	\$ 16,771,686	\$ 20,251,862
Share Drafts	5,184,051	5,363,890	\$ 6,393,933	\$ 6,548,429	\$ 6,713,667	\$ 9,717,916
IRAs	1,911,579	1,722,246	\$ 1,678,301	\$ 1,334,039	\$ 1,292,512	\$ 1,207,874
Share Certificates	979,981	2,846,269	\$ 3,039,499	\$ 3,877,243	\$ 3,205,864	\$ 1,893,746
Other shares	8,236,441	8,354,897	\$ 9,956,411	\$ 10,757,277	\$ 12,231,089	\$ 14,630,343
Total Member Equity	27,048,810	31,184,237	\$ 34,624,066	\$ 37,720,023	\$ 40,214,818	\$ 47,701,741
Reserves & Und Earnings						
Regular Reserves	431,664	431,664	\$ 431,664	\$ 431,664	\$ 431,664	\$ 431,666
Undivided Earnings	2,911,984	3,459,611	\$ 3,917,615	\$ 4,434,532	\$ 5,068,684	\$ 5,771,758
Total Capital	3,343,648	3,891,275	\$ 4,349,279	\$ 4,866,196	\$ 5,500,348	\$ 6,203,424
Total Liabilities & Equity	30,839,536	35,391,757	\$ 39,288,581	\$ 42,853,311	\$ 46,020,360	\$ 54,347,602
Annual Net Income	457,860	547,627	\$ 458,004	\$ 516,917	\$ 634,151	\$ 703,074
Net Worth Ratio	10.84%	10.99%	11.07%	11.36%	11.95%	11.41%

