

# CONSERVATION EMPLOYEES' CREDIT UNION

## 2019 ANNUAL REPORT

### Statement of Condition

#### Assets

Loans to Members (net)	89,364,122.15
Accounts Receivable	225.00
Non-Interest Earning Cash	155,241.63
Corporate/.Investmetns	24,012,722.34
Unrealized Gain/Loss Investments	-109,767.27
Furniture/Equipment	50,288.73
Building/Land	899,177.28
Accrued Income	216,579.35
PrePaid & Deferred Expenses	1,612,535.59
NCUSIF Share Insurance	1,000,189.91
<u>Other Assets</u>	<u>50,572.62</u>
Total Assets	117,251,887.33

#### Liabilities/Equity

Accts Payable	386,378.79
Dividends	82,731.85
All Other Liabilities	513,290.63
Members' Shares	38,717,762.57
Members' Share Drafts	16,530,809.74
Members' Share Certificates	27,281,923.88
Members' IRA Certificates	3,811,663.38
Members' IRA Shares	4,254,930.10
Members' Money Market Shares	14,357,563.94
<u>Life Savings</u>	<u>37,823.50</u>
Total	105,974,878.38

Pension Other Comprehensive	-925,095.00
Regular Reserves	3,161,143.70
Unrealized Gain(Loss) on Investment	-109,767.27
<u>Undivided Earnings</u>	<u>9,150,727.52</u>
Total	11,277,008.95

Total Liabilities/Members Equity 117,251,887.33

### Statement of Earnings

#### Income

Interest from Member Loans	3,406,672.99
VISA Interchange Income	277,486.15
Debit Interchange Income	265,402.06
Interest from Investments	473,651.56
Life and CDI	138,479.08
<u>Other Income</u>	<u>131,630.98</u>
Total Income	4,693,322.82

#### Operating Expenses

Salary and Benefits	1,460,532.05
Travel & Conference	28,397.58
Association Dues	30,153.55
Office Occupancy	34,078.37
Office Operations	213,925.03
Education/Marketing	66,193.78
Loan Servicing	457,960.42
Professional Outside Services	841,837.14
Supervision and Examinations	15,865.69
Depreciation Expense	79,109.57
Provision for Loan Loss	114,821.19
(Gain)/Loss on Sale of Assets	2,482.04
Other Non-Operating (Gain)/Loss	-6,474.19
<u>Misc.</u>	<u>61,554.45</u>
Total Operating Expenses	3,400,436.67

#### Interest Expense

Interest on Borrowed Money	328.20
Share/Sharedraft Dividends	170,459.43
Money Market Shares	128,061.91
IRA Shares and Certificates	129,544.43
<u>Share Certificates</u>	<u>450,395.51</u>
Total Cost of Funds	878,789.48

Total Expenses 4,279,226.15

#### Net Income 2019

Net Income 414,096.67



Conservation Employees' Credit Union

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# Chairman of the Board of Directors and President's Report 2019

Times like these are unprecedented. As we write this, COVID-19 has disrupted businesses, schools, the stock market and our daily schedules. The challenges we face are tough, but they are also opportunities for us to draw strength from one another. Times like these are exactly why credit unions are so important.

As we have always been, Conservation Employees' Credit Union (CECU) is a community of people helping people. And we can do just that, because we are in a strong financial position.

Because you trusted us with your investments, loans and checking, we ended 2019 with \$117 million in assets, which is 4.65% higher than last year. Due primarily to auto financing, CECU also enjoyed loan growth of 2.07%. Net worth is at 10.50%, up by 3.48%, which means we are well-capitalized and financially strong. Membership grew to 8,510 – we added 251 members to our credit union family!

During the past year, CECU focused on several key services and benefits to ensure that you would get the most from your membership. Credit card usage was just one of these areas. By offering lower rates, charging fewer fees and offering cash back rewards, we knew we could help our members save money. We're pleased to report that we opened 96 new Visa® credit card accounts in 2019, increased overall usage and offered a record \$152,500 in rewards during the past year.

In fact, members used all our products more during the past year. We opened checking accounts for 40% of our new members, and many of them signed up for at least four services within 90 days of joining CECU.

Part of these achievements is due to enhancements we've made to our online and security systems. In October, we improved the Virtual Branch online banking experience, and we hope you're enjoying the new layout along with the convenient services you count on. Conservation Employees' Credit Union also invested in a company developing Distributed Ledger Technology.

Based on the same technology as bitcoin, distributed ledgers use independent computers to record, share and coordinate transactions in their corresponding ledgers, as opposed to transactions being centralized in a conventional ledger. Ultimately, this technology cannot be hacked by outside entities and will help us ensure your security as we interact with you.

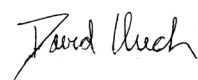
The past year also included some exciting financial opportunities for members. We financed more than \$1 million with a low-rate 10-year fixed rate mortgage loan, helped you consolidate debt and enjoy your summer with a 6.0% personal loan offer, and made 46 holiday loans totaling just under \$90,000. Plus, we served 246 members with our annual Skip-A-Pay program – more than ever before.

Through it all, our staff has been committed to offering helpful personal service to each and every member. We've doubled email communications to keep you informed, connected with you on Facebook, and offered important updates through our website, [cecuonline.org](http://cecuonline.org). We are honored to serve you – both during 2019 and in the weeks and months to come.

If you haven't done so already, we encourage you to get a free personal finance review from Roger Luebbert, Certified Financial Planner & Certified Public Accountant at CECU Wealth Management. Because of Roger's extensive financial training and personal experience with the Missouri Department of Conservation, he is uniquely qualified to help you pursue short-term and long-term goals.

Thank you for your continued support and participation. You've helped us achieve financial strength in the past year, and we're here to help you do the same as we move forward. Together.

We wish you a safe, healthy and secure 2020.



# Supervisory Committee Report

The Supervisory Committee is responsible for reviewing procedures and examining the business operations of Conservation Employees' Credit Union (CECU). The Supervisory Committee has met monthly throughout the past year and is happy to report another year of great performance by CECU leadership and employees.

Committee activities for 2019 included:

- Conduct periodic surprise cash drawer audits.
- Reviewed CECU employee monthly VISA bills.
- Participated in the CECU annual planning session.
- Maintained the “Supervisory Committee Internal Control Checklist” document. This is a living document that helps guide the Supervisory Committee through its duties and provides consistency with year to year reporting.
- Reviewed CECU vehicle expense records.
- All Supervisory Committee members attended Bank Secrecy Act Compliance training.
- Conducted physical equipment inventory.

The Chairperson of the Supervisory Committee or a substitute, if needed, attended the monthly Board meetings throughout the year. That member then shared pertinent information on the actions of the Board with the Supervisory Committee members for their review.

I would like to recognize Supervisory Committee members Pam Porting, Julie Love and Lisa Dunham for their dedicated service on this committee throughout 2019.

I would also like to thank CECU President Kevin Brueseke and his entire staff for their support and willingness to help our committee whenever needed.

Best Regards,  
Sandy Dorge  
Supervisory Committee Chairperson

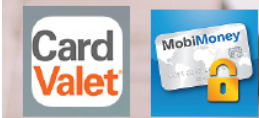
## Loan Report 2019 Business Year

Conservation Employees' Credit Union assisted members during 2019 by loaning a total of \$29,799,393.66 The following data indicates the areas in which CECU assisted members during the year.

<u>LOAN TYPE</u>	<u>NUMBER</u>
New Vehicles	61
Used Vehicles	882
Mortgage	4
Morgage-10 yr. Fixed	9
Mortgage-10 yr. Balloon	6
Home Equity	644
Land Equity	45
Unimproved Land	5
Land-10 yr. Fixed	8
Recreation	123
Farm/Industrial	83
LOC/Overdraft	3,987
Adjustable Rate LOC	930
Student	199
Share Secured	21
Signature	169
Promotion Signature	56
Co-Maker	20
Payday	100
Other	6
<b>Total</b>	<b>7,358</b>



## YOUR CARD UNDER YOUR CONTROL



We offer two mobile apps – CardValet for credit cards and MobiMoney for debit cards – to manage your cards anytime, anywhere.

Download these FREE tools that allow you to control your cards. Turn them off and back on, set purchase limits, and control where your cards can be used! For example, you can prevent online purchases, or purchases being made when your mobile device and card aren't in the same location. To get an idea of how these services work, visit [cecuonline.org](http://cecuonline.org) and view our video tutorials. Go to Loans/Cards, then Visa Credit Cards for Card Valet, or Visa Debit Cards for MobiMoney.

### Board of Directors

David Urich, Chairman  
Dennis Steward, Vice-Chairman  
Mary Lyon, Secretary/Treasurer  
Dean Harre, Director  
Todd Larivee, Director  
Tim Smith, Director  
Tamie Yegge, Director

### Supervisory Committee

Sandra Dorge, Chairperson  
Pam Porting Dorge, Member  
Julie Love, Member  
Lisa Dunham, Member

### Credit Union Staff

Kevin Brueseke, President  
Cathy Adams, Vice Pres. of Operations  
Kathy Kliethermes, Dir. of Office Admin  
Jessica Stuenkel, Branch Manager  
Maureen Ball, Loan Officer  
Ronda LePage, Loan Officer  
JoAnn Pointer, Loan Officer  
Dawn Ellis, Card Services Coordinator  
Stacia Peters, Financial Services Specialist  
Bethany Poe, Financial Services Specialist  
Carol Kimball, Loan Processor  
Harley Onstott, Support Specialist  
Sharon Bax, Support Specialist  
Nick Bateman, Member Services Rep.  
Mike Smith, Member Services Rep.  
Gary Standiford, Member Services Rep.  
Lisa Woodland, Member Services Rep.  
Roger Luebbert, Financial Advisor

