

2020 Annual Report



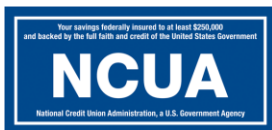
70th ANNUAL MEETING

ORDER OF BUSINESS

MARCH 13, 2021

1. Call to order by Board President Rick Edwards
2. Ascertain that a quorum is present (at least 15 members in attendance)
3. Introductions of Volunteers and Staff
4. Reading and approval of 69th Annual Meeting Minutes * (pg. 2)
5. Report of Directors (pg. 3)
6. Report of Management (pg. 4)
7. Financial Reports (pg. 5 - 6)
8. Report of Supervisory Committee (pg. 7)
9. List of Staff and Volunteers (pg. 8)
10. Unfinished Business – None
11. New Business:
 - Nominations and Elections (Ballot on pg. 9)
 - Thank you to all in attendance
12. Adjournment

*Members assembled at the annual meeting may dispense with the reading of the minutes from the previous meeting upon a two-thirds vote.



Cheney FCU
2020 Annual Report



Minutes of the 69th Annual Credit Union Meeting

March 14, 2020

The 69th Annual Meeting of Cheney Federal Credit Union was held on March 14, 2020, in the CFCU lobby in Cheney. (The change of venue and format of the meeting was precipitated by COVID-19 precautions.) Board President Rick Edwards called the business meeting to order at 10:00 a.m.

The following Board Members were present: Rick Edwards, Earl Overlie, Laurie Hale and Mike Cummings. The Supervisory Committee was represented by Leslie Mowatt. A total of 26 members signed in attendance.

President Edwards ascertained that a quorum of at least 15 members were present. He then called everyone's attention to the Annual Report packet. President Edwards asked for a reading of the 2019 Annual Meeting Minutes. Angela Newberg moved to dispense with the reading of the minutes and approve them as prepared. Laurie Hale seconded the motion. Motion passed.

President Edwards turned the floor over to CEO, JoAn Sanders. JoAn directed everyone's attention to each of the reports included in the packet. She offered to answer any questions. There were no questions.

Proceeding to Board elections, JoAn then turned the floor back to President Edwards who read the slate of nominees for the three open board positions. JoAn explained that the slate is usually read by Jeri Morgan, but she was under the weather and unable to attend. The following slate of candidates was announced: For Board of Director Position 1 – Laurie Hale, Position 2 – Rick Edwards, and Position 3 – Mike Cummings. There was a call for nominations from the floor (once, twice, three times). There being no additional nominations, President Edwards called for a motion to approve the uncontested ballot. LaRoy Sanders moved and Paul Holloway seconded. The slate was approved by unanimous vote.

President Edwards then turned the floor back to JoAn. JoAn thanked everyone for coming and thanked the dedicated volunteers for their service. She spoke briefly about the Plan being developed to deal with the current COVID-19 pandemic stating, "as of today we are business as usual, but that could change quickly as the situation changes." She again thanked everyone for coming.

There being no further business, President Edwards adjourned the meeting at 10:10.

Rick Edwards

Rick Edwards, President

Lynn Mount

Lynn Mount, (Acting) Secretary

March 13, 2021

Welcome to CFCU's 2021 annual meeting.

As we arrive at 70 years since our charter in February of 1951, we face challenges that are unforeseen.

Despite our masked facial expressions, please know CFCU staff care for you, your physical and financial health. We are sincerely happy to be serving you.

CFCU, its staff and management, is continually working with those who have personal, job and/or economic loss as we anticipate more prosperous times ahead. We thrive off of the principle that serving you well, with kindness and compassion in tough times will return loyalty.

Thank you! to all our members for your patience as we deal with business restrictions brought on by the pandemic response. It has also made it difficult for our staff dealing with sickness, family sickness and care for their children.

Yet, even now, CFCU continues to grow and maintain great financial strength that you have been relying on for so many years.

Thanks again,

Rick Edwards

Rick Edwards
CFCU Board President



March 13, 2021

Welcome Members to the **70th** Annual Meeting of Cheney FCU!

As I reflect on the past 12 months, I feel a sense of gratitude. Certainly 2020 presented us with many challenges. Dealing with the variety of obstacles thrust upon us by the Covid-19 pandemic has been, and continues to be, no easy task. Yet, I am so thankful to the credit union team that has shown up to work each day, to the Board of Directors that has helped me make some very difficult decisions, and to you, the membership, that have endured the lobby closures and learning to use our electronic services. I am hopeful that there is a light at the end of this very long tunnel. One day soon we hope to reopen our lobbies and get back to some semblance of normalcy. (Watch for updates on our website.)

Throughout this turbulent time, CFCU continued to show financial strength. During 2020 CFCU's membership grew to 6,072. Loan Officers disbursed 600 loans totaling over \$26 million. At year-end 2020, CFCU topped \$133 million in assets! (For more information on the financials please see pages 5-6 of this packet.)

I would like to take this opportunity to say thank you to all of our volunteers. During 2020 they have endured zoom meetings and distance protocols and somehow have maintained positive attitudes and their sense of dedication to the credit union. With this meeting we are saying goodbye to one of our longest serving volunteers. Dan Myers has served in several volunteer capacities over the past 35+ years. He served for many years on the Credit Committee and the last 22 years on the Board of Directors. Always a voice of reason, Dan will truly be missed.

As we move forward into 2021, we will remain focused on delivering exceptional member service and products that fit your needs. All of us at your credit union appreciate your patience as we continue to navigate these tumultuous times. We thank you for trusting CFCU as your financial partner.

Sincerely,

JoAn Sanders

JoAn Sanders
CEO

Cheney Federal Credit Union
STATEMENT OF FINANCIAL CONDITION
as of December 31, 2020

ASSETS	<u>2020</u>	<u>2019</u>	LIABILITIES	<u>2020</u>	<u>2019</u>
LOANS	63,606,709	57,847,399	ACCOUNTS PAYABLE	(325,948)	74,323
LESS: ALLOWANCE FOR LOAN LOSSES	(369,642)	(223,539)	DIVIDENDS/CLEARING ACCTS	138,704	145,573
CASH	738,430	536,240	ALL OTHER LIABILITIES	982,492	732,526
INVESTMENTS	65,186,962	49,423,178			
LAND AND BUILDING (net)	2,210,414	2,244,857	TOTAL LIABILITIES	795,248	952,422
OTHER FIXED ASSETS (net)	165,067	230,176			
OTHER ASSETS	648,453	624,582	EQUITY/SAVINGS		
NCUA RESERVE DEPOSIT	1,097,549	908,092	SHARES/SHARE DRAFTS/SSMMA/		
			IRA's/CERTIFICATES	120,963,590	99,532,502
			REGULAR RESERVES	2,483,478	2,483,478
			UNDIVIDED EARNINGS	9,041,626	8,622,583
			ACCUM.UNREALIZED GAIN/LOSS	0	0
			TOTAL EQUITY/SAVINGS	132,488,694	110,638,563
TOTAL ASSETS	133,283,942	111,590,985	TOTAL LIABILITIES & EQUITY/SAVINGS	133,283,942	111,590,985

STATEMENT OF INCOME

GROSS INCOME	<u>2020</u>	<u>2019</u>	OPERATING EXPENSES	<u>2020</u>	<u>2019</u>
INTEREST ON LOANS	2,282,130	2,208,991	COMPENSATION & BENEFITS	1,199,928	1,110,447
INCOME FROM INVESTMENTS	886,703	928,910	TRAVEL AND CONFERENCE	3,736	8,361
OTHER INCOME	775,216	576,279	OFFICE OCCUPANCY EXPENSE	112,607	99,701
			OFFICE OPERATIONS EXPENSE	347,990	344,478
TOTAL GROSS INCOME	3,944,049	3,714,180	EDUCATION & PROMOTION	59,479	62,530
			LOAN SERVICING	171,699	197,465
LESS OPERATING EXPENSES	(2,831,618)	(2,561,249)	PROFESSIONAL & OUTSIDE SERVICES	601,719	584,404
NET INCOME BEFORE DIVIDENDS	1,112,431	1,152,931	PROVISION FOR LOAN LOSSES	265,000	96,000
LESS DIVIDENDS	(693,388)	(649,566)	FED SUPERVISORY FEES	37,363	25,565
TOTAL NET INCOME	419,043	503,365	MISC. OPERATING EXPENSES	32,074	32,179
			INTEREST ON BORROWED MONEY	23	119
TRANSFER TO REGULAR RESERVES	0	0	Other Misc Expenses	0	0
TRANSFER TO UNDIVIDED EARNINGS	419,043	503,365	TOTAL OPERATING EXPENSE	2,831,618	2,561,249

Prepared by: JoAn Sanders, CEO

Historical Data

	2020	2019	2018	2017	2016	2015	2014	2013
MEMBER SHARE ACTIVITY:								
Number of Members	6072	5964	5682	5279	5048	4912	4900	4791
Total dollars on deposit	\$120,963,590	\$99,532,502	\$90,239,888	\$85,328,062	\$81,815,993	\$77,913,852	\$75,479,453	\$77,767,942
MEMBER LOAN ACTIVITY:								
Number New Loans Granted	600	689	837	621	627	474	448	490
Total New Loans Disbursed	\$26,085,248	\$16,368,592	\$25,829,618	\$16,960,334	\$15,415,260	\$10,822,884	\$8,381,405	\$12,047,090
Number of Outstanding Loans	3487	3477	3313	2911	2718	2437	2523	2570
Outstanding Loan Dollars	\$63,606,709	\$57,847,399	\$54,852,801	\$43,213,417	\$38,474,251	\$33,831,105	\$34,451,044	\$36,581,713
CREDIT UNION INCOME:								
Gross Income	\$3,944,049	\$3,714,181	\$3,154,456	\$2,594,571	\$2,466,916	\$2,302,295	\$2,403,315	\$2,593,811
Less Operating Expenses	<u>-\$2,831,616</u>	<u>-\$2,561,249</u>	<u>-\$2,383,531</u>	<u>-\$1,993,927</u>	<u>-\$1,788,098</u>	<u>-\$1,753,472</u>	<u>-\$1,575,475</u>	<u>-\$1,648,898</u>
Net Income before Dividends	\$1,112,433	\$1,152,932	\$770,925	\$600,644	\$678,818	\$548,823	\$827,840	\$944,913
Average Net Income per share dollar	0.009	0.012	0.009	0.007	0.008	0.007	0.011	0.012
DIVIDENDS:								
Share Savings Dividend/apy								
March 31	0.20/0.20	0.20/0.20	0.20/0.20	0.20/0.20	0.20/0.20	0.20/0.20	0.20/0.20	0.20/0.20
June 30	0.20/0.20	0.20/0.20	0.20/0.20	0.20/0.20	0.20/0.20	0.20/0.20	0.20/0.20	0.20/0.20
September 30	0.15/0.15	0.20/0.20	0.20/0.20	0.20/0.20	0.20/0.20	0.20/0.20	0.20/0.20	0.20/0.20
December 31	0.15/0.15	0.20/0.20	0.20/0.20	0.20/0.20	0.20/0.20	0.20/0.20	0.20/0.20	0.20/0.20
Dividends Paid (all account types)	\$693,388	\$649,566	\$413,401	\$322,505	\$292,543	\$293,917	\$315,883	\$381,647
Net Income:	\$419,045	\$503,366	\$357,524	\$278,139	\$386,275	\$254,906	\$511,957	\$563,266
TOTAL ASSETS:	\$133,283,941	\$111,590,984	\$101,954,739	\$96,435,201	\$92,672,375	\$87,984,433	\$85,238,882	\$86,709,398

This information is also available online at www.ncua.gov under "Research a Credit Union".

Prepared by: JoAn Sanders, CEO



March 3, 2021

Dear members of Cheney Federal Credit Union:

The supervisory committee is comprised of member-volunteers. I thank the following members for contributing their time to the committee in 2020: Leslie Mowatt, Ken Johnson, Randy Suess and Judith Personett.

The supervisory committee and the CPA firm of Anastasi, Moore and Martin audit the credit union's business practices, internal controls and compliance with federal regulations and policies set by the credit union's board of directors. No significant problems were found and the committee will monitor follow up on the few recommendations that were made.

We are currently seeking new supervisory committee members. Credit union members in good standing who have business experience of any kind are encouraged to apply. We schedule monthly two-hour work sessions at the Cheney location and are invited to attend the monthly board of directors' meetings. These activities happen during the credit union's normal business hours. If you are interested, please schedule a brief interview by calling the credit union at either 509-235-6533 or 888-901-2328.

To contact us about other concerns or questions please write to us at CFCU Supervisory Committee, PO Box 415, Cheney WA 99004.

Sincerely,

A handwritten signature in black ink that reads "Jeri Morgan". The signature is fluid and cursive, with the first name "Jeri" and last name "Morgan" clearly distinguishable. Below the signature is a thin, horizontal line.

Jeri Morgan, Supervisory Committee Chair



Current Staff and Volunteers

Staff (start date) – Job Title

JoAn Sanders (1991) – Chief Executive Officer
Lynn Mount (1992) – Chief Operations Officer
Angela Newberg (1993) – Senior Loan Officer
Sandy Mangis (1999) – Accounting/IT Supervisor
Kristi Ray (2004) – Member Service Officer
Margaret Holloway (2011) – Member Service / Loan Processor
Shelby Ray (2014) – Member Service / Card Specialist
Annette Dodd (2016) – Branch Manager/Loan Officer (Westbow)
Bailee Palmer (2018) – Member Service Specialist
Erin Statzer (2018) – Member Service Specialist
Alyssa Raffini (2018) – Member Service Specialist
Sara Elithorp (2019) – Member Service Specialist
Lisa Lauderdale (2020) – Training and Development Specialist
Tina Smeltzer (2020) – Support Specialist / Collections
Heidi Dennstaedt (2021) – Member Service Specialist
Alex Mowatt (2021) – Member Service Specialist
Jason Hale (2021) – Member Service Specialist

Volunteer Board of Directors

Rick Edwards – President
Mike Cummings – Vice President
Laurie Hale – Secretary
Dan Myers – Treasurer
Jan Bliss
Les Harris
Earl Overlie

Volunteer Supervisory Committee

Jeri Morgan – Chairperson
Leslie Mowatt
Ken Johnson
Randy Suess
Judith Personett

A big **THANK YOU** goes out to all the hard working, dedicated staff and volunteers!!



70th Annual Meeting **2021 Ballot**

Board of Directors

Position 1:

Les Harris (Incumbent – Board member since 1996)

Position 2:

Earl Overlie (Incumbent – Board member since 1995)

Position 3:

Janis Bliss (Incumbent – Board member since 2004)

Position 4:

Leslie Mowatt (Supervisory Committee member since 2017)
