

2019 CHAIR'S REPORT - Don Wirth, Board Chair

As Greater Iowa Credit Union has continued to grow, there is the constant focus on not losing touch with our communities or the individuals we serve each day. The financial success of each individual member is paramount to the success of the collective organization.

Your Board of Directors' primary focus is to ensure the well-being of Greater Iowa Credit Union for today, tomorrow and for years to come. We keep our member-owners' best interest at the forefront, and along with the Senior Leadership Team, we make decisions throughout the year to strengthen and grow the Credit Union. We are your representatives and take our responsibilities to you seriously. Your Board has complete trust in our Credit Union's Senior Leadership Team and their ability to make sound decisions for our future success. We're confident Greater Iowa Credit Union is a safe, stable and beneficial financial institution.

This year's performance reflects Greater Iowa Credit Union's dedication to meeting the growing and diverse financial needs of our expanding member base. On a continued path to building a better credit union, we saw improvement in operational processes, expansion in the flexibility of our products, better accessibility being provided, new strength in our teams across the organization and strong commitment within the communities we serve. The results reflect the significant attention and efforts of our entire team to lift service delivery across the Credit Union. With these marked accomplishments, we can even more consistently meet and exceed our members' expectations in service delivery, product quality and pricing.

On a personal note, this represents the end of my nine-year tenure on the Greater Iowa Board of Directors. During the last two years, I have had the honor to serve as the board chair.

During my years on the board I have learned a great deal about the operation of Greater Iowa. But more importantly, I have learned more about the importance of Greater Iowa to the well-being of our members.

In addition to learning, I hope that I have taught Greater Iowa something about inclusion. As probably the first blind board member and board chair, staff had to learn new ways to communicate with me to ensure that I could successfully fulfill my duties on the board. I believe we succeeded in that process.

I hope my experience on the board has encouraged all Greater Iowa staff to look beyond the wheelchair, different languages, and, in my case, the white cane to see the potential of the member in whatever capacity they are working with the Credit Union. While it is in our core values to treat all members equally, it is the ability to look beyond first impressions to see the full potential of a member that takes us to the next level of service. I hope the practical experience of working with me has helped further us on that path.

I hope that I have been successful enough in my time on the board to encourage others who are outside the "norm" to serve Greater Iowa.

I would like to thank the Board of Directors, the Board Committees, and especially, the entire Credit Union staff for making 2019 such a rewarding and successful year.



BOARD OF DIRECTORS 2019 - 2020
Front Row: MaryAnn Grapp, Annie Arbuckle, Jennifer Tebbe, Michael Wahlin and Carla Sacco
Back Row: Don Wirth, Mike Welter, Rob Tebben and Bill McKim

HEROES HELPING HEROES BLOOD DRIVE



WAUKEE MIRACLE LEAGUE SPONSORSHIP



FINANCIAL STATEMENT OF CONDITION

STATEMENT OF CONDITION AS OF 12/31/2019

| ASSETS | |
|--|----------------------|
| Gross Loans | \$492,713,199 |
| Less: Allowance for Loan Losses | (\$2,124,478) |
| Net Loans | \$490,588,721 |
| Cash and Cash Equivalents | \$4,635,174 |
| Investments and Overnight Funds | \$14,531,009 |
| Accrued Interest | \$1,115,649 |
| Buildings, Land, Land Improvements, and Equipment, net | \$17,056,936 |
| Collateral Pending Liquidation | \$192,439 |
| Mortgages in Process | \$1,208,273 |
| Share Insurance Fund | \$4,062,121 |
| Other Assets | \$4,320,363 |
| TOTAL ASSETS | \$537,710,685 |
| LIABILITIES | |
| Total Member Deposits | \$477,342,597 |
| Notes Payable | \$11,650,000 |
| Accounts Payable & Other Liabilities | \$5,130,257 |
| TOTAL LIABILITIES | \$494,122,854 |
| EQUITY | |
| Legal Reserves | \$17,398,119 |
| Undivided Earnings | \$22,017,270 |
| Unrealized Gain/Loss on AFS | \$40,995 |
| YTD Net Income | \$4,131,447 |
| TOTAL EQUITY | \$43,587,831 |
| TOTAL LIABILITIES AND EQUITY | \$537,710,685 |

Management represents, to the best of its knowledge, that this year-end financial statement and related reports, present fairly in all material respects, the financial position of the Greater Iowa Credit Union.

The Greater Iowa Credit Union's Chair and Treasurer acknowledge receipt and review of this report.

Federally insured by NCUA.

TREASURER'S REPORT - Mike Welter, Treasurer

The Asset/Liability Committee (ALCO) is appointed by the Board of Directors to appropriately identify, measure, monitor and control specific elements of balance sheet risk, including the pricing of loans and deposits. The committee is pleased to report that impressive milestones were achieved in 2019 by Greater Iowa Credit Union realizing record-high assets, member deposits and loan portfolios along with net income. The Credit Union ended 2019 with a regulatory capital ratio of 8.10 percent, which was greater than the National Credit Union Association's (NCUA) highest rating of "well-capitalized." The Credit Union completed the year with total assets of \$538 million, total member loans of \$493 million and total member deposits of \$477 million. The Credit Union continued to maintain a low delinquency and charge-off ratio. The Credit Union's net interest margin remained healthy at 3.10 percent. These numbers are telling of the true commitment the entire 'Greater Iowa Team' has given to help achieve a net income of \$4.1 million along with strong member engagement.

Greater Iowa Credit Union continues to be in a strong financial position and remains poised to provide its 33,000 plus members a path to better their lives and businesses in the years ahead.

ALCO board members MaryAnn Grapp, Rob Tebben, Mike Wahlin, associate director Lara Olson and I thank our management and staff, without whom we wouldn't have been able to achieve such growth and success. And, as always, thank you to our members for your continued support.

CREDIT COMMITTEE REPORT - Rob Tebben, Committee Chair

Greater Iowa Credit Union is committed to being a safe and stable financial institution for our members. The Credit Committee met regularly throughout 2019 to ensure the Credit Union is operating within established lending policies and guidelines.

During 2019, Greater Iowa Credit Union funded \$72 million in consumer direct loans, \$112 million in consumer indirect loans, \$77 million in first mortgage loans, \$10 million in participation loans and \$14 million in business loans. The total loan portfolio grew by \$117 million to \$493 million, which is a record year in the history of the Credit Union.

This success would not have been possible without you, our members, who utilize our loan and deposit services and the efforts of our Credit Union staff! We appreciate your support. I, along with Credit Committee board member Carla Sacco and associate director Linda Ashby, thank you for making a difference in helping our Credit Union remain strong. Being the "first choice" for your borrowing needs is our goal. Going forward, Greater Iowa Credit Union will remain committed to offering new loan products, services and delivery channels that meet our members' financial needs and service expectations.

AUDIT COMMITTEE REPORT - Jennifer Tebbe, Committee Chair

The Audit Committee's major responsibilities are to safeguard our members' assets, ensure an independent audit is performed annually and verify members' accounts. In 2019, the committee performed its duties in collaboration with the Credit Union's internal audit compliance officer, certified public accountants, the State of Iowa Department of Commerce Credit Union Division and the National Credit Union Administration (NCUA).

The Audit Committee engaged the auditing firm of Petersen & Associates, CPA to perform the annual independent audit of Greater Iowa Credit Union's financial statements. We are pleased to inform you that the audit as December 31, 2018 was completed successfully. Greater Iowa Credit Union's financial statements comply with generally accepted accounting principles and fairly represent the financial condition of the Credit Union.

Based on the results of the annual financial audit, Greater Iowa's internal audits and examinations conducted by the State of Iowa and the NCUA, the committee finds that Greater Iowa Credit Union is a financially sound organization, dedicated to serving its members. In addition, the committee commends the President / CEO, senior management team, all other staff and board of directors for their diligence and support.

Serving with me on the Audit Committee are board members Mike Wahlin and Mike Welter. The committee continues to fulfill its duties to protect your interests in strict compliance with policy and all relevant laws and regulations.

As your President / CEO, I want to say thank you and to let you know what a pleasure it is to serve Greater Iowa Credit Union. On behalf of the senior management and staff of Greater Iowa Credit Union I want to acknowledge that because of your trust and involvement, your Credit Union is able to thrive and provide many important benefits, not only to you, our members, but to our communities. As a financial cooperative, our success is your success. When you participate in the Credit Union, you are contributing to its growth. And because of our cooperative structure, we are able to return our profits back to you, the member-owners, by offering competitive rates, new products, enhanced services, and additional points of service.



In 2019, Greater Iowa Credit Union reached several all-time high levels, including both in total assets and net income. Total Assets grew by \$81,111,314 or 18% finishing at \$537,710,684 with a net income of \$4,131,447. The Credit Union also financially maintained a solid capital position, ending the year with a ratio of 8.10% - surpassing the 7% level the regulatory authority requires for a "well capitalized" designation.

Additional record-breaking performances were seen in loans and deposits. Total loans net position grew by \$117,371,704 or 31%, while net charge-offs dropped by 0.20% to 0.53%. Total deposits increased by \$87,222,832 or 22%. And, operating expenses were below budget at 3.66%.

To expand our geographic footprint, meet the needs of our growing membership and make doing business with Greater Iowa Credit Union even more convenient, we moved our Southgate branch to a new location in South Ames which provides more privacy to members utilizing branch services, better lease arrangements and access to an Interactive Teller Machine located in the parking lot. The East Des Moines Branch remodel design has been completed. This included the purchase of an adjacent house which will provide better member access into the branch location. The remodel of the branch and drive-thru service will begin first quarter of 2020. An Ankeny property purchase agreement will be completed with closing in August 2020. This will be a new Greater Iowa Credit Union branch location.

The commitment of Greater Iowa Credit Union staff also plays an important role in building member relationships. Our ability to provide members with exceptional service and value is part of the strong foundation of Greater Iowa's financial stability. I believe this is what drives each Credit Union employee to provide the best possible service to you at all times when helping with your financial well-being. We survey our members throughout the year, and in 2019 members gave Greater Iowa Credit Union another high vote of confidence with a service quality score of 4.53 (out of a maximum of 5.0). At the close of 2019, we served 33,300 plus members. Realizing our members have more options in the marketplace than ever, Greater Iowa Credit Union works diligently to meet or outperform the competition by ensuring our local service remains the best that it can be with excellent loan and deposit rates. Thank You Staff...for none of our accomplishments could be possible without your hard work and dedication!

In addition, we are committed to being a valued partner to improve each of our communities, urban and rural, where we are a part of the families who live, work and play. Our commitment to financial education, youth, basic needs and arts and culture was evident in our collaboration with our communities. In 2019, these alliances included sponsoring or participating local events, and contributing more than \$347,000 to our member communities through corporate sponsorships, team grants, scholarships, financial education grants and charitable donations.

As we celebrated 2019 with an achievement of 105% on the Scorecard, we saw that maintaining an interconnection around a shared process contributed greatly to our organizational health and financial success. We've worked diligently to develop and maintain an energetic dynamic between all areas of the Credit Union, including our board, board committees, senior leadership team and staff through the development of a 5-year rolling Strategic Plan process beginning in 2020. Moving from a 3-year plan, this new process will continue to serve us well in our ability to expand for growth, safety and soundness. This in turn will help fulfill the cooperative Credit Union model of 'People Helping People' by giving ongoing and increased benefits to our members.

In closing, I can say with confidence your Credit Union is in good hands now and in the future. To our members, we thank you for continuing to place your trust in us. We know you have many choices, and we appreciate you choosing to be a member at Greater Iowa Credit Union.

The 87th annual business meeting of the Greater Iowa Credit Union was held on Monday, February 25, 2019 at the Operations Center at 1509 Baltimore Drive in Ames Iowa. Directors present were Annie Arbuckle, Bob Haug, MaryAnn Grapp, Bill McKim, Jennifer Tebbe (serving as Governance Committee Chair), Mike Welter and Don Wirth. Also present was Associate Director Linda Ashby. Absent were Ashraf Bastawros and Carla Sacco.

After the ascertainment of a quorum of 72 primary voting members present from board secretary Bill McKim, Chair Don Wirth called the meeting to order at 4:35 p.m. Hearing no objections, Wirth declared the agenda approved as presented.

Welter moved to approve the minutes of the 86th annual business meeting of Greater Iowa held on February 10, 2018. Haug 2nd. Minutes approved as written and presented.

Governance Committee Chair Tebbe presented slate of candidates as published and approved by the Greater Iowa Credit Union Board of Directors on December 17, 2018:

- Ann Arbuckle**, Incumbent, Executive Director of the Ames Education Foundation – Ames
- Linda Ashby**, GICU Associate Director, Former Board Member, Independent Contractor/Sales Associate Berkshire Hathaway Home Services First Realty - West Des Moines
- Robert Haug**, Incumbent, Retired Executive Director of the Iowa Association of Municipal Utilities – Ames
- Lara Olson**, Continuous Improvement Keystone Electrical Manufacturing – Urbandale
- Robert Tebben**, Reliability and Maintenance Engineer Bayer Crop Science - Polk City
- Michael Wahlin**, Assistant Vice President of Investments Iowa State University Foundation – Ames

Call for candidate notification, announcement of the annual meeting notification and voting procedure were in compliance with Chapter 533 of the Iowa Code and Chapter 189 of the Administrative Rulings. Online voting was caused by Credit Union Executive Society (CUES) eVote.

Board Chair Wirth, on behalf of the executive committee, presented the 2018 chairperson's report for acceptance as presented in the 2018 Annual Report. Motion to accept by Tebbe. McKim 2nd. Accepted.

The 2018 Board Committee Reports were accepted by the membership as printed in the 2018 Annual Report. Reports were given by Audit Committee Chair Tebbe; Treasurer Welter on behalf of the ALCO; and Credit Committee member Haug.

Scott Zahnle, President/CEO presented his Chief Executive Officer report for acceptance as printed in the 2018 Annual Report. Motion to accept by Haug. Tebbe 2nd. Accepted.

Governance Committee Chair Tebbe received the ballot results from Election Committee Chair Zahnle as compiled by Credit Union Executive Society eVote, a secure platform for online voting. Elected to serve three-year terms were Annie Arbuckle, Robert Tebben and Michael Wahlin. Tebbe announced that the ballots will be destroyed after 60 days according to the by-laws. As Election Committee Chair, Zahnle administered the oath of office to the Board of Directors for 2019-2020.

Hearing no unfinished business or new business brought forth by the membership, Chair Wirth declared the 87th Annual Meeting of Greater Iowa Credit Union adjourned at 4:56 pm.

Respectfully submitted,
Cathy Krebs, Recording Board Secretary
Executive Assistant to President / CEO

ANNUAL REPORT 2019



Greater Iowa Credit Union

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Greater Iowa
CREDIT UNION