

2021



Annual Report

*"Strengthening our Community,
Neighbor to Neighbor".*

2021 Board of Directors Nominations

INCUMBENT:

Sharon Lienhard — Moscow, Idaho

Membership: Since the 1970’s

Occupation: Retired

Community Involvement: Serving on a Credit Committee of Potlatch Community CU, before merging with Latah Federal CU. Sharon also previously served on the Supervisory Committee before becoming a Board Member for Latah Credit Union. She has a passion to have an active part in overseeing our mission for Latah Credit Union.

Hobbies & Interests: Sharon spends most her time working in her and her sister’s yards. Sharon also loves fishing with her brother.

INCUMBENT:

Name: Bob Ouderkerken

Year of Membership: 2006

Occupation: Retired

Community Involvement:

I have been retired for the third time and am trying to make it stick this time. We have a ranch in Kendrick.

Hobbies & Interests:

I enjoy fishing, old tractors and old engines.

Latah Credit Union Board of Directors

Chance Chacon	Chair	2023
Steven Fischer	Vice Chair	2023
Matt Jensen	Secretary/Treasurer	2022
Erik Anderson	Director	2022
Mark Corrao	Director	2022
Sharon Lienhard	Director	2021
Bob Ouderkerken	Director	2021

Latah Credit Union Supervisory Committee

David Drown	Chair	2022
Megan Landers	Member	2023
Joe Gilmore	Member	2024

Latah Credit Union Staff

Caitlin Carver	Member Service Representative I
Emily Kittell-Queller	Member Service Representative I
Meagan Wilson	Member Service Representative I
Kennidy Davies	Member Service Representative I
Brittany Stoor	Member Service Representative I
Samantha Donohoo	Member Service Representative I

Annual Meeting Agenda

June 24th, 2021
912 S Washington St.
Moscow, ID 83843

- ◆ Call to Order
- ◆ Welcome
- ◆ Appointment of Parliamentarian
- ◆ Roll Call
- ◆ Minutes of 2020 Meeting
- ◆ Reports:
 - Board of Directors Report
 - President's Report
 - Supervisory Committee's Report
- ◆ Unfinished Business
- ◆ New Business
- ◆ Scholarship Awards
- ◆ Employee Recognition
- ◆ Election of Board Members
- ◆ Final Comment
- ◆ Adjournment

Minutes of 2020 Annual Meeting

Call to Order & Welcome

Chance Chacon, Board Chairman called to order the 2020 Annual Meeting reporting results for the year ending 2019 of Latah Credit Union via Facebook Live because of the current COVID restrictions for group attendance. Chance then welcomed the Board, Supervisory Committee Members, Latah Credit Union Members, Employees & Guests.

Appointment of Parliamentarian

In keeping with meeting etiquette, Chance asked Carol Feldman to serve as Parliamentarian and Karen Zacharisen to act in the roll as Recording Secretary.

Roll Call

Chance stated the By-Laws of Latah Credit Union call for 15 members to be present for a quorum. Karen Zacharisen stated we have 21 members present. The quorum is met.

Minutes of 2019 Annual Meeting

Chance asked everyone to take a moment to review the minutes from the last meeting. Chance then asked if there were any corrections or discussions of the minutes. Chance then entertained a motion to approve the minutes. Carol Feldman moved that the minutes be accepted as recorded in the Annual report, Steve Fischer seconded the motion. Motion passed.

Chance reported that the Board of Directors report, President's report, Supervisory Committee's report are all printed in the program.

Unfinished Business

There was no unfinished business for discussion.

New Business

There was no new business for discussion.

Glenda Hart Scholarship Awards

In 2010 the Glenda Hart Educational Scholarship was established to help students who might otherwise not be able to afford to attend college. The Board has directed the award of \$1,000 to a graduating high school senior to begin their college education and \$1,000 to a continuing college student.

Latah Credit Union Staff

Marlys Wilson	President/CEO
Don Belisle	Chief Financial Officer
Carol Rawlsky-Feldman	Chief Lending Officer
Erika Odenborg	Chief Operations Officer
Catie Lowry	BSA / Compliance Officer
Bryan Crossland	IT Manager
Karen Zacharisen	Executive Assistant
Jami Brown	EFT Processor / Bookkeeper
Bethanne Maxwell	Item Processor
Tomi Andres	Loan Officer II
Stephanie Cox	Loan Officer I
DeeDee Moore	Loan Officer I
Jennifer Parkins	MSR Supervisor
Vivian Coy	Member Service Representative III
Wilma Summers	Member Service Representative III
Sarah Meshell	Member Service Representative III
J'Nene Murray	Member Service Representative III
Angie Coulson	Member Service Representative III
Rachel Stambaugh	Member Service Representative III
Tara Heath	Member Service Representative III

Income Statement as of 12/31/2020

INCOME STATEMENT**

INCOME

Income From Loans	\$2,999,342
Income From Investments	\$ 625,276
Fees & Other Income	\$ 715,606

TOTAL INCOME **\$4,340,224**

DIVIDENDS ON SHARES **(\$321,913)**

INCOME BEFORE OPERATIONS **\$4,018,311**

OPERATING EXPENSES

Compensation & Benefits	(\$1,502,699)
Office Operations	(\$992,874)
Other Expenses	(\$661,478)
Provision for Loan Losses	(\$124,000)

TOTAL OPERATING EXPENSES **(\$3,281,051)**

NET INCOME **\$737,260**

Minutes of 2020 Annual Meeting

This year's awards go to:

1. High School Winner —Miranda Bunney from Potlatch High School. She will be attending Lewis-Clark State College in the nursing program.
2. College Winner—Felicity Pollard attending Wellesley College with a degree in Neuroscience.

Congratulations to both winners and they will be recognized in the Latah Credit Union's June newsletter of their awards.

Employee Recognitions

Marlys introduced the following Board Members

Chance Chacon, Board Chair
Steve Fischer, Vice Chair
Matt Jensen, Secretary / Treasurer
Erik Anderson, Assets Liability Management Committee Member
Sharon Lienhard
Mark Corrao

Supervisory Committee Members are:

David Drown, Chairman
Megan Landers
Joe Gilmore

Employee Recognition

Last year we started recognizing the staff for their length of service with the credit union for 5, 10, 15, 20, 25, 30 years and beyond. This year we have two employees to recognize. Stephanie Cox for 5 years of service and Vivian Coy who is not in attendance at this meeting, has been with the Credit Union 25 years. Cheryl Kreid will be retiring from the Credit Union on July 31, 2020 with 31 years of service. We appreciate all she has done for the Credit Union and the membership. Stop by the Potlatch office on July 31st, 2020 for cake and to wish Cheryl congratulations on years of service at Latah Credit Union.

Minutes of 2020 Annual Meeting cont.

Other members of our team:

Carol Feldman, Erika Odenborg, Don Belisle, Bryan Crossland, Jodie Frederick, Catie Phelps, Karen Zacharisen, Jami Brown, Bethanne Maxwell, Tomi Andres, Cheyanna Jones, Willie Summers, Sarah Meshell, J'Nene Murray, Angie Coulson, Cristina Bales, Dee Dee Moore, Rachel Stambaugh, Tara Heath and Jennifer Parkins.

I would like to thank all of the employees for their dedication to the members and credit union this last year. Especially for the positivity they brought to work and willingness to adapt to the rapidly changing environment these last few months.

Elections of Board Members

The terms for Chance Chacon and Steve Fischer are up this year. They have both agreed to serve another 3 year term. At this time Chance asked if there are any nominations from the floor. Having been no other names placed in nomination, the nominations are now closed.

Robert's Rules of Order allows for election by acclamation, and Latah Credit Union has used the acclamation method in the past elections for its Director position when the slate of candidates is running unopposed, and the ability to elect by acclamation appears in the written By-Laws of the Credit Union, Article 5, Section 2, the aforementioned nominees are hereby elected by acclamation, each to 3 year terms.

Final Comments

Chance asked if there are any questions from the floor or Face Book Live. No questions, were presented.

Chance thanked everyone for adapting to this year's meeting restrictions because of the COVID conditions for group attendance. He hopes everything will be back to normal next year.

Meeting adjourned at 6:07 pm.

Statement of Financial Condition as of 12/31/2020

ASSETS

Cash and Cash Equivalents	\$23,681,350
Investments	\$33,762,123
Loans (Net of Allowance for Loan Losses)	\$71,637,569
Property & Equipment	\$2,508,635
Share Insurance Deposit	\$1,277,229
Foreclosed & Repossessed Assets	\$ -0-
Other Assets	<u>\$717,369</u>

TOTAL ASSETS **\$133,584,275**

LIABILITIES & EQUITY

Member Shares	\$123,429,458
Accrued Dividends	\$21,314
Other Liabilities	<u>\$1,117,992</u>

TOTAL LIABILITIES **\$124,568,764**

Members' Equity	
Regular Reserve	\$793,045
Undivided Earnings	<u>\$9,655,772</u>
	\$10,448,817
Other Comprehensive Income*	<u>(\$1,433,306)</u>

TOTAL MEMBERS' EQUITY **\$9,015,511**

TOTAL LIABILITIES AND EQUITY **\$133,584,275**

*Other comprehensive Income is comprised of Unrealized Investment Gains of **\$356,749** and an "net gain / loss of the defined benefit plan" of **(\$1,790,055)**.

Supervisory Committee Annual Report 2020

As the Chair of the Supervisory Committee, it is my pleasure to report we completed our annual independent CPA Opinion Audit performed by Richards and Associates. An opinion audit not only evaluates the accuracy of reported financial condition of the Credit Union, it also evaluates policies and tests internal controls for the safe handling of cash and account information.

The findings, as reported by Richards and Associates to the Supervisory Committee of Latah Credit Union are as follows:

“In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of Latah Credit Union as of December 31, 2020 and 2019, and the results of its operations and its cash flows for the years then ended in accordance with accounting principles generally accepted in the United States of America”.

The Committee also conducted random surprise cash counts at all branches and reviewed randomly selected loan approval documentation to ensure all required steps were being followed. All of these inspections revealed everything was in order. I want to thank the Committee Members for their efforts and commitments to fulfilling the duties outlined in the NCUA Supervisory Committee Manual.

Sincerely,

David Drown, PH.D., P.E.
Supervisory Committee Chair

REPORT OF THE PRESIDENT 2021

2020, A Year of Resilience and Community!

First and foremost, I would like to thank the membership for your support with all the changes that were made early in the year. From service through our drive ups and by appointment in our lobbies, along with all the COVID-19 protocols. We are happy that we have been able to offer you safe and full service access to your branches since May, 2020 while other financial institutions remained closed to full service.

Despite the challenges of 2020, we added more than 600 new members and loaned more than \$15M to our members. In addition, we supported members who were laid off or who needed assistance with flexible programs. We are still here for continued assistance to our members.

Our credit union continues to grow. Assets increased to finish the year at \$133.6M along with strong loan increases to \$72M. We continue to see strong growth into 2021.

This coming year you will notice property expansion at the Moscow branch. This project adds much needed staff office space and expanded member access from the north parking lot and additional parking.

From all the staff at Latah Credit Union, we want to “THANK YOU” for your continued support and for being our member.

Report of the President 2021 cont.

Mission Statement

“It is the mission of Latah Credit Union to strengthen communities, build assets and improve the lives of our members by providing access to affordable, high - quality financial products and services.”

Vision Statement

To create a positive impact in the lives we touch by:

Hiring the best people...
Investing in our people...
Empowering our people...and,
Delivering 100% effort in member service.

Thank you,

Marlys Wilson
President/CEO

Report of the Board of Directors 2021

Report of the Board of Directors 2021

The last year may be one of the most challenging in the 52 years Latah Credit Union has been in the business of serving its members. The COVID-19 global pandemic, coupled with historically low interest rates and an increasingly challenging investment environment has kept our volunteer board of directors continually engaged in the vigilance so essential to the successful continuation of our organization.

Latah Credit Union's asset base has grown nearly 70% over the last five years, and increased over 20% in just the last year. This level of growth bodes well for our future, but presents specific challenges in order to maintain crucial financial ratios that our regulators and insurers use to gauge the overall health of our organization.

Along with our volunteer members who perform regular internal audits and oversight of our assets and liability risk management, your all volunteer board of directors has provided countless hours of selfless service in the interest of improving the credit union's ability to continue to provide high quality, low cost financial services to all members. Your board of directors also managed to efficiently perform this task while mostly meeting remotely for over a year. Our extraordinary management and member services staff have persevered through this same climate; endeavoring to keep our employees and members safe, all while continuing to provide essential financial services to our members. I am once again honored to work with this exemplary team.

We have recently begun the long-needed expansion of our main branch which is scheduled for completion later this fall. This additional space will allow us to better serve our growing evolving regulatory environment.

In spite of the trials presented over the last year, I am pleased to report that the state of our credit union is still strong. I look forward to helping navigate our organization into the future. My hope is that all of our members benefit from, and are proud to be part of this unique and local institution.

Sincerely,

Chance Chacon, Board Chair