

**CAPITOL VIEW**  
*Credit Union*

Annual Report  
2016

[www.capview.com](http://www.capview.com)

# Annual Meeting Agenda

1. Election and social hour 6-7 pm
2. Dinner buffet 7 pm
3. Business meeting following dinner
  - A. Ascertain quorum
  - B. Reading and approval of 2016 minutes
  - C. Approval of officer and committee reports
    - a. Old Business
    - b. New Business
    - c. Announcement of election results by election committee
    - d. Announcement of re-organizational meeting
  - D. Adjournment
3. Drawing for cash prizes

Cash prizes will be awarded throughout the evening for members who have purchased tickets. You must be present to win and your name should be printed on the back of the ticket. A total of twenty \$25 prizes will be awarded.

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# LETTER FROM THE CHIEF EXECUTIVE OFFICER

## April 2017

Dear Members,

Welcome to the 2017 Capitol View Credit Union Annual Meeting.

Thanks to our members the credit union performed relatively well in 2016. As in recent years, 2016 presented many hurdles. The cost of implementing new regulations and new technologies continue to be a challenge for credit unions of our size. I would like to thank Ben, Linda, Kyle, Doug, Jessica and Rachel for making the operational side of the credit union a success in 2016.

Capitol View members continue to be very loyal. Callahan and Associates is a credit union consulting company who created the Return of the Member Index for credit unions looking to measure their most important asset - their members' use of the credit union. Return to the member considers return to savers, return to borrowers and usage of credit union services. Capitol View ranks 14th out of 1,091 other credit unions in our peer group for Return of the Member. Your credit union truly provides a safe haven for your savings and investments. Your savings are federally insured to at least \$250,000 and backed by the full faith and credit of the United States Government by the National Credit Union Administration. We have added to the safety and soundness of the credit union by adding to reserves and undivided earnings.

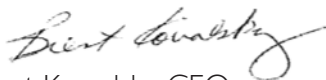
Capitol View is a very progressive credit union for our size in that we offer a full menu of online and mobile services. Those services include online banking, online bill pay, person to person and institution to institution transfers (Capview Connect), mobile app, remote deposit capture (deposit checks with your smart phone), and now mobile bill pay. We do this because we want to remain relevant to all members, but especially younger members. By the date of this annual meeting you should have the ability to pay bills on your smart phone. We offer electronic signatures for consumer loans and other documents that makes it unnecessary to mail or fax paperwork. All of our staff work very hard day in and day out to bring you the level of service you won't find many other places. If you have any stories

you would like to share about a good experience we would love to hear about.

Our goal is to make our member's financial lives better. We offer many savings and lending products, including mortgage loans that give good member value. Most of all, it is the personal service we provide to you that sets us apart from our competitors. Our policy, "once a member, always a member", continues to stand. Our field of membership includes all state employees and state contractors and all of their family members. Your words to potential members describing your positive experiences with us are priceless.

Please review our 2016 annual report. Feel free to ask myself or a board member any questions you may have. I would appreciate any suggestions on how we can improve service to you.

Sincerely,

A handwritten signature in cursive script that reads "Brent Kowalsky". The signature is written in black ink and is positioned above the printed name.

Brent Kowalsky, CEO

# REPORT OF THE CHAIRMAN

## For the Year 2016

Your Credit Union Board continued in 2016 to look at what we feel are Capitol View's strengths and weaknesses by discussing at our monthly meetings new opportunities, economic trends, possible new products and enhancements. Priorities continue to be maintaining our financial goals as evidenced by our continued high performance in comparison to credit union in our peer size; enhancing our web site, and identifying opportunities for membership growth.

Growth rates were balanced and continued to be promising with assets growing by 4.00%; loans by -1.40% and deposits by 5.84%. We need borrowers!

Legislative priorities of the Iowa Credit Union League, of which we are a member, for 2016 include maintaining the credit union tax status, tax and service equity for banks and credit unions, oppose efforts to alter payment card interchange, protect lowans' personal financial information, and provide state funding for individual development accounts. Other challenges for credit unions in 2016 were the implementation and enforcement of federal regulations. The average regulatory burden per Iowa credit union member is \$75.

We had some staff changes this year and I am very pleased with the cooperative effort of all our staff in working as a team to share knowledge and experiences. This team work is the key to making your credit union successful and to meet the needs of our members. I and the other Board members extend a special thank you to Capitol View's staff (Brent, Ben, Linda, Kyle, Doug, Jessica and Rachel) for their continued hard work.

Thank you for your continued membership and support of Capitol View Credit Union. Our common goal through all of our efforts is to help our members remain financially healthy in order to reach their goals and dreams. We greatly appreciate any referrals of family or co-workers. We want you to know that no matter what stage of life you're in, Capitol View Credit Union will remain a place you can call "home".

Sincerely,

A handwritten signature in black ink, appearing to read "Carl Martin". The signature is fluid and cursive, with the first name "Carl" and last name "Martin" clearly distinguishable.

Carl Martin, Chairman of the Board

# REPORT OF THE CREDIT COMMITTEE

## For the Year 2016

During the calendar year 2016, the credit committee received and reviewed 9 loan applications for a total of \$705,342.07. The credit committee approved 9 loans in the amount of \$705,342.07 and rejected no loans. The loan officers received and reviewed 517 loan applications for a total of \$8,115,991.36. The loan officers approved 445 loans in the amount of \$7,273,578.95 and rejected 72 loans in the amount of \$842,412.41. Of the 445 loans approved 35 were home equity or mortgage loans in the amount of \$2,179,361.20. There were a total of 38 advances made on home equity lines during 2016, for a total of \$940,728.24. In addition, the credit union helped 12 members secure first mortgage loans through the credit union directly or our partner Premier Lending Alliance in the amount of \$1,811,177.

As of December 31, 2016 there were 820 Gold MasterCard or Classic MasterCard accounts issued of which 596 had balances. The total line of credit out was \$4,314,150 and actual balances of \$1,247,607.94.

The credit union had \$25,285.05 in principal reduction payments on business loan participations. We had \$53,200 in business participation advances. Outstanding business participations balances as of December 31, 2016 were \$301,425.15.

Total new loans and advances to credit union members and business loan participations during 2016 were 1091 amounting to \$11,813,950.



Tara Ganpat-Puffett, Chairperson



Mary L. Bryant, Secretary

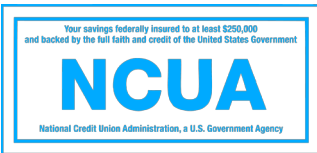


Penny Maxwell, Committee Member

# REPORT OF THE CHIEF FINANCIAL OFFICER For the Year 2016



Total shares and deposits increased from  
\$26,561,399 on December 31, 2015 to  
\$28,111,841 on December 31, 2016.



Your savings are federally insured to at least  
\$250,000.00 and backed by the full faith and  
credit of the United States Government.



There were  
**1,981**  
active members  
as of December 31, 2016.

Loans to members decreased slightly from  
\$22,374,404 on December 31, 2015 to  
\$22,039,959 on December 31, 2016.



Dividends in the amount of  
**\$131,452**  
were paid to members  
during calendar year 2016.



## Services offered to CapitolView Credit Union members are:

- Share savings account
- Money market account
- Share draft checking account
- IRA account
- Roth IRA account
- Education IRA Account
- Christmas club account
- Share certificate
- IRA share certificate
- Longer term CD's
- Direct deposit
- Direct debit
- Payroll deduction
- Visa Debit cards
- Tellers checks
- Atira gift cards (issued by VISA)
- Reloadable Visa cards
- New and used vehicle pricing information
- New and used vehicle loans
- Signature loans
- Share backed loans
- Certificate backed loans
- Private student loans through Aspire
- EMV Chip enabled Classic Gold MasterCard
- Mobile home loans
- Recreational vehicle loans
- Home equity loans and home equity lines of credit
- First mortgage loans
- Real estate lot loans
- Business loans through CBL
- Free \$1,000 accidental death and dismemberment insurance for members age 18-69 if enrolled
- Credit life and disability insurance available on loans
- Debt protection on home equity loans
- Vehicle warranty through Route 66
- GAP Insurance on vehicles
- Group auto and homeowners insurance through TruStage Insurance Agency-underwritten by Liberty Mutual
- CapitolView CLUB—for members over 60
- Free notary service
- Toll free watts line
- 24 hour a day voice response system
- Online banking with signle sign on access to eStatements
- Online bill payment
- Online MasterCard information through MyCard Info
- Mobile application which allows you to access your accounts via a compatible smartphone
- Mobile Check Deposit
- "Capview Connect" - funds transfer tool
- Mobile Bill Pay

In addition to our main office located just off the lobby of the IWD Administrative Building at 1000 East Grand Ave, we have a branch office inside the IWD 150 Des Moines Street building. We also participate in Shared Branching with over 5,000 credit unions nationwide for personal service whether you're across town or across the country. We have our own ATMs located at the State Capitol Building, Wallace Building and the 430 E Grand IWD building. In addition members may access their accounts 24 hours a day through ATM's worldwide, through our 24 hour a day voice response system, or through our website at [www.capview.com](http://www.capview.com). A mobile app is available for your smartphone and includes bill pay and remote deposit capture.

On behalf of the CapitolView Credit Union board of directors I'd like to thank the membership for their continued support and patronage.



Anne Jackson  
Chief Financial Officer

# REPORT OF THE AUDIT COMMITTEE

## For the Year 2016


During the calendar year 2016, the Audit Committee examined the credit union financial records and verified the cash on hand. In addition, financial statements were examined, expenses were audited, closed accounts were verified and home equity loans were reviewed. Provision for loan loss account was verified as adequate to meet anticipated needs. The ACH annual audit was completed as of November 29th 2016. The Bank Secrecy Act annual audit was completed on October 31st, 2016 by our CPA firm Gardiner Thomsen. Gardiner Thomsen also did an agreed upon procedures annual audit as of September 30, 2016.

An audit of all member accounts was included with the quarterly statements issued on December 31, 2016.

In our opinion, the financial statements for the year 2016 fairly represent the financial status of Capitol View Credit Union and reflect a very sound financial condition.



Justin Willier, Audit Chairperson



Suzanne Hutton, Audit Member



Matt McCormick, Audit Member

# STATEMENT OF FINANCIAL CONDITION

## As of December 31, 2016

### Assets

	2015	2016
Loans to Members*	\$22,374,404	\$22,039,959
Allowance for Loan Loss	(\$200,602)	(\$246,087)
Cash	\$2,855,524	\$4,632,117
Investments (Book Value)	\$6,002,400	\$5,403,500
Fixed Assets	\$5,777	\$14,143
Land and Building	\$0	\$485,836
Other Assets	\$764,272	\$751,666
NCUA Capitalization Deposit	\$259,750	\$263,151
Total Assets	\$32,061,525	\$33,344,285

### Liabilities and Equity

Shares and Deposits	\$26,561,399	\$28,111,841
Notes Payable	\$500,000	\$0
Accounts Payable and Other	\$110,800	\$136,565
Legal Reserve & Other Reserves	\$1,105,428	\$1,111,867
Undivided Earnings	\$3,540,647	\$3,783,898
Net Income	\$243,251	\$200,114
Total Liabilities and Equity	\$32,061,525	\$33,344,285

\*Unused Lines of Credit include:

MasterCard @ \$ 3,063,969

Home Equity @ \$ 593,768

Privilege Pay @ \$ 636,750

# STATEMENT OF INCOME AND EXPENSE

## As of December 31, 2016

	2015	2016	Change
<b>Income</b>			
Interest on Loans	\$978,576	\$997,811	\$19,235
Investment Income	\$83,847	\$82,711	(\$1,136)
Other Income	\$430,135	\$430,253	\$118
Gross Income	\$1,492,558	\$1,510,775	\$18,217
 <b>Expense</b>			
Employee Compensation	\$519,079	\$534,332	\$15,253
Administrative Costs	\$25,220	\$27,689	\$2,469
Office Rent	\$900	\$900	\$0
Operating Costs	\$413,890	\$422,705	\$8,815
Account Service Costs	\$56,791	\$57,293	\$502
Provision for Loan Losses	\$59,858	\$129,851	\$69,993
Legal Reserve Expense	\$49,899	\$6,439	(\$43,460)
Dividend Expense	\$123,870	\$131,452	\$7,582
Total Expense	\$1,249,288	\$1,310,661	\$61,373
Net Income	\$243,051	\$200,114	(\$42,937)
Gain/Loss Disposition of Assets	\$200	\$0	(\$200)
Net Income After Non Operating Gain	\$243,251	\$200,114	(\$43,137)

# CAPITOL VIEW CREDIT UNION

## 2016 BOARD MEMBERS

Carl Martin	Retired	Term Expires 2017
Justin Willier	IWD	Term Expires 2017
Matt McCormick	Member	Term Expires 2017
Anne Jackson	Retired	Term Expires 2018
Suzanne Hutton	Retired	Term Expires 2018
Randal Anderson	Iowa Lottery	Term Expires 2018
Mary Bryant	Retired	Term Expires 2019
Tara Ganpat-Puffett	Commerce	Term Expires 2019
Penny Maxwell	IWD	Term Expires 2019

# CAPITOL VIEW CREDIT UNION STAFF

## Member Service Representatives



*Rachel*

rachelh@dwx.com  
725-2167



*Linda*

lindar@dwx.com  
725-2167



*Jessica*

jessicah@dwx.com  
725-2167

## Loan Officers



*Kyle*

kyleh@dwx.com  
725-2192



*Doug*

douga@dwx.com  
725-2178

## Marketing & Management



*Ben*

Assistant Manager  
bens@dwx.com  
867-1487



*Brent*

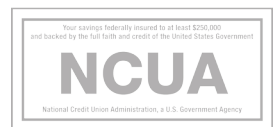
CEO  
brentk@dwx.com  
725-2189





**CAPITOL VIEW**  
*Credit Union*

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