



# CAPITOL VIEW

## *Credit Union*

Iowa's Credit Union for State Employees

# Annual Report

# 2018



# Annual Meeting Agenda

5-6pm: Board member election and pizza

6pm: Business meeting

- Ascertain quorum
- Reading and approval of 2018 minutes
- Approval of officer and committee reports
  - Old Business
  - New Business
  - Announcement of election results by election committee
  - Announcement of re-organizational meeting
- Adjournment

Following Meeting: Drawing for cash prizes

Cash prizes will be awarded for members who attend the meeting. You must be present to win and your name should be printed on the back of the ticket provided when you checked-in, at the beginning of the event. A total of twenty \$25 prizes will be awarded.

Letter from Brent Kowalsky, CEO_____	Page 4
Report of the Chairman_____	Page 6
Report of the Credit Committee_____	Page 7
Report of the Chief Financial Officer_____	Page 8
Report of the Audit Committee_____	Page 10
Statement of Financial Condition_____	Page 11
Comparative Statement of Income and Expense_____	Page 12
2018 Board Members_____	Page 13
2018 Staff_____	Page 14

# LETTER FROM THE CHIEF EXECUTIVE OFFICER

## April 2019

Dear Members,

**WELCOME** to the 2019 CapitolView Credit Union Annual Meeting. We are celebrating 75 years this year.

### **Thanks to our members the credit union performed well in 2018.**

2018 was a unique year considering our move to our very own facility. We are happy to offer our members better parking, a drive up, a drive up ATM, safe deposit boxes and in general the space to do business. If you have not yet visited us at 623 E 12th St, Des Moines, IA please do. I would like to thank Ben, Linda, Kyle, Doug, Jessica and Rachel for making the operational side of the credit union a success in 2018.

CapitolView 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. CapitolView ranks 19th out of 1,038 other credit unions in our peer group nationally for Return of the Member which is higher than any other Iowa credit union in our peer group. 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.

CapitolView 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, mobile bill pay, remote deposit capture (deposit checks with your smart phone), fraud text alerts for debit cards. We will soon be adding fraud text alerts for our credit cards

and adding Apple Pay and Samsung Pay to our debit cards. We do this because we want to remain relevant to all members, but especially younger members.

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 2018 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 black ink that reads "Brent Kowalsky". The signature is written in a cursive, flowing style.

Brent Kowalsky, CEO

# REPORT OF THE CHAIRMAN

## For the Year 2018

Your Credit Union Board continued in 2018 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 while at the same time providing members a new facility at 623 East 12th Street, Des Moines that does include a drive up and drive up ATM, safe deposit boxes, self-service coin counter and plenty of parking. We are always interested in identifying opportunities for membership growth.

Growth rates were balanced and continued to be promising with assets growing by 5.87%; loans by 2.67% and deposits by 6.09%. We need borrowers!

Legislative priorities of the Iowa Credit Union League, of which we are a member, for 2018 include maintaining the credit union tax status, allowing the option of remote notarization, quality of life and skilled workforce initiatives, and help lowans save with prize-linked savings. In 2018 federal regulations actually became somewhat less of a burden for credit unions.

We had no 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 member. I and the other Board members extend a special thank you to Capitol View's staff including Brent, Ben, Linda, Kyle, Doug, Jessica and Rachel for their continued commitment to the credit union's success.

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', written in a cursive style.

Carl Martin, Chairman of the Board

# REPORT OF THE CREDIT COMMITTEE

## For the Year 2018

During the calendar year 2018, the credit committee received and reviewed 12 loan applications for a total of \$159,728. The credit committee approved 12 loans in the amount of \$159,728 and rejected no loans. The loan officers received and reviewed 522 loan applications for a total of \$8,682,660. The loan officers approved 454 loans in the amount of \$7,870,595 and rejected 68 loans in the amount of \$812,065. Of the 454 loans approved 33 were home equity or mortgage loans in the amount of \$1,773,895. There were a total of 19 advances made on home equity lines during 2018, for a total of \$587,963. In addition, the credit union helped 7 members secure first mortgage loans through the credit union directly or our partner Premier Lending Alliance in the amount of \$775,576.

As of December 31, 2018 there were 943 Gold MasterCard or Classic MasterCard accounts issued of which 577 had balances. The total line of credit out was \$4,986,386 and actual balances of \$1,190,952.

The credit union had \$164,126 in principal reduction payments on business loan participations. We had one business participation advance for \$234,484. Outstanding business participations balances as of December 31, 2018 were \$338,258.

Total new loans and advances to credit union members and business loan participations during 2018 were 1,108 amounting to \$12,675,244.



Tara Ganpat-Puffett, Chairperson



Mary L. Bryant, Secretary

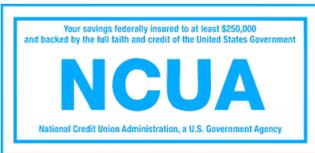


Penny Maxwell, Committee Member

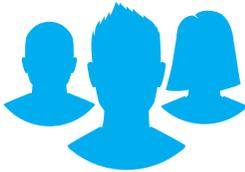
# REPORT OF THE CHIEF FINANCIAL OFFICER For the Year 2018



Total shares and deposits increased from  
\$28,876,767 on December 31, 2017 to  
\$30,632,527 on December 31, 2018.



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  
**1,983**  
active members  
as of December 31, 2018.



Loans to members increased from  
\$21,841,640 on December 31, 2017 to  
\$22,141,279 on December 31, 2018.



Dividends in the amount of  
**\$180,439**  
were paid to members  
during calendar year 2018.

## 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 EMV Chip enabled
- 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
- 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
- CapitolView CLUB—for members over 60
- Group auto and homeowners insurance through TruStage Insurance Agency-underwritten by Liberty Mutual
- Free notary service
- Toll free watts line
- 24 hour a day voice response system
- Online banking with single 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

Our new office is located at 623 East 12th Street, Des Moines, IA 50309. It features ample parking, a drive up window, a drive up ATM, safe deposit boxes. We also participate in Shared Branching where CapitolView members can transact business on their Capitol View accounts at over 5,000 participating credit unions nationwide. We have ATMs in the State Capitol, Wallace Building, and the IVD Building. In addition members may access their accounts 24 hours a day through ATM's worldwide, through our online banking platform, mobile app or voice response system.

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 2018

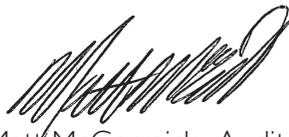
During the calendar year 2018, the Audit Committee examined the credit union financial records and verified the cash on hand. In addition, financial statements were examined, expenses were audited, closed accounts were verified and home equity loans were reviewed. Provision for loan loss account was verified as adequate to meet anticipated needs. The ACH annual audit was completed for the period of October 27th, 2017 through October 22nd, 2018. The Bank Secrecy Act annual audit was completed as of September 30th, 2018 by our CPA firm Gardiner Thomsen. Gardiner Thomsen also did an agreed upon procedures annual audit as of September 30, 2018.

An audit of all member accounts was included with the quarterly statements issued on June 30, 2018.

In our opinion, the financial statements for the year 2018 fairly represent the financial status of Capitol View Credit Union and reflect a very sound financial condition.



Justin Willier, Audit Chairperson



Matt McCormick, Audit Secretary



Beth Scheetz, Audit Member

# STATEMENT OF FINANCIAL CONDITION

## As of December 31, 2018

### Assets

	2017	2018
Loans to Members*	\$21,841,640	\$22,141,279
Allowance for Loan Loss	(\$255,926)	(\$223,498)
Cash	\$5,012,783	\$5,738,527
Investments (Book Value)	\$5,905,100	\$6,281,300
Fixed Assets	\$8,029	\$137,428
Land and Building	\$853,081	\$1,280,329
Other Assets	\$766,378	\$779,619
NCUA Capitalization Deposit	\$273,143	\$283,545
Total Assets	\$34,404,228	\$36,418,529

### Liabilities and Equity

Shares and Deposits	\$28,876,767	\$30,632,527
Notes Payable	\$0	\$0
Accounts Payable and Other	\$155,137	\$161,201
Legal Reserve & Other Reserves	\$1,118,810	\$1,133,612
Undivided Earnings	\$3,984,012	\$4,253,514
Net Income	\$269,502	\$237,675
Total Liabilities and Equity	\$34,404,228	\$36,418,529

\*Unused Lines of Credit include:

MasterCard @ \$ 3,810,848

Home Equity @ \$ 523,694

Privilege Pay @ \$ 650,673

# STATEMENT OF INCOME AND EXPENSE

## As of December 31, 2018

	2017	2018	Change
<b>Income</b>			
Interest on Loans	\$1,012,952	\$1,029,102	\$16,150
Investment Income	\$125,365	\$209,572	\$84,207
Other Income	\$448,482	\$457,020	\$8,538
Gross Income	\$1,586,799	\$1,695,694	\$108,895
<b>Expense</b>			
Employee Compensation	\$560,825	\$573,144	\$12,319
Administrative Costs	\$26,572	\$21,245	(\$5,327)
Office Rent	\$900	\$150	(\$750)
Operating Costs	\$461,736	\$569,313	\$107,577
Account Service Costs	\$77,193	\$78,851	\$1,657
Provision for Loan Losses	\$37,262	\$20,076	(\$17,186)
Legal Reserve Expense	\$6,944	\$14,801	\$7,857
Dividend Expense	\$145,930	\$180,439	\$34,509
Total Expense	\$1,317,362	\$1,458,019	\$140,656
Net Income	\$269,437	\$237,675	(\$31,761)
Gain/Loss Disposition of Assets	\$65	\$0	(\$65)
Net Income After Non Operating Gain	\$269,502	\$237,675	(\$31,826)

# CAPITOL VIEW CREDIT UNION

## 2018 BOARD MEMBERS

Mary Bryant	Retired	Term Expires 2019
Tara Ganpat-Puffett	Commerce	Term Expires 2019
Penny Maxwell	IWD	Term Expires 2019
Justin Willier	IWD	Term Expires 2020
Matt McCormick	McCormick Law	Term Expires 2020
Carl Martin	Retired	Term Expires 2020
Randal Anderson	Timberline Billing	Term Expires 2021
Anne Jackson	Retired	Term Expires 2021
Beth Scheetz	IWD	Term Expires 2021

# CAPITOL VIEW CREDIT UNION STAFF

## Member Service Representatives



*Rachel*

rachelw@capview.com



*Linda*

lindar@capview.com



*Jessica*

jessicah@capview.com

## Loan Officers



*Kyle*

kyleh@capview.com



*Doug*

douga@capview.com

## Managers



*Ben*

Assistant Manager

bens@capview.com



*Brent*

CEO

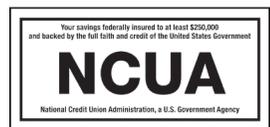
brentk@capview.com





**CAPITOL VIEW**  
*Credit Union*

623 E 12th Street. - Des Moines, IA 50309  
Website: [www.capview.com](http://www.capview.com) - Email: [cvcu@capview.com](mailto:cvcu@capview.com)



Phone: (515) 348-8350 or (800) 383-3595  
Fax: (515) 348-8351