

CAPITOL VIEW *Credit Union*

Iowa's Credit Union for State Employees

2019 Annual Report



Annual Meeting Agenda

2pm: Business meeting

- Ascertain quorum
- Reading and approval of 2019 minutes
- Approval of officer and committee reports
 - Old Business
 - New Business
 - Announcement of election results by election committee
 - Announcement of re-organizational meeting
- Adjournment

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LETTER FROM THE CHIEF EXECUTIVE OFFICER

April 2019

Dear Members,

WELCOME to the 2020 Capitol View Credit Union Annual Meeting!

Thanks to our members, our credit union performed well

in 2019. This was the first full year in our new facility. I would like to thank Ben, Kyle, Doug, Jessica, Rachel, and Alyse for making the operational side of the credit union a success in 2019.

Capitol View members continue to be loyal. Your credit union provides a safe haven for your savings and investments in a tumultuous market. Your savings are federally insured up to \$250,000, and are backed by the full faith and credit of the United States Government by the National Credit Union Administration. We have also bolstered the safety and soundness of the credit union by adding to reserves and undivided earnings.

Capitol View is a progressive credit union for our size; we offer a full menu of online and mobile services. Those services include online banking, online bill pay, and person-to-person and institution-to-institution transfers via Capview Connect. We also have a mobile app with mobile bill pay and mobile deposit capture. We provide text alerts for possible fraud on debit cards and credit cards, and offer Apple Pay and Samsung Pay with our debit cards. We do this because we want to remain relevant to our members and competitive in the ever-changing world of electronic banking.

Our goal is to make our member's financial lives better. To this end, we offer many savings and lending products, including mortgage loans, that give our members great value. Most of all, it is the personal service

we provide to you that sets us apart from our competitors. While our field of membership includes all state employees and state contractors and all of their family members, our policy, is "once a member, always a member." Your words to potential members describing your positive experiences with us are priceless.

Please review our 2019 annual report. Feel free to direct any questions to me or any of our board members. I always 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 2019

In 2019, your credit union board continued to look at Capitol View's strengths and areas for improvement. At our monthly meetings, we discussed new opportunities, economic trends, and possible new products and enhancements. Our priorities remain to be maintaining our financial goals and providing members the products and services they need. Additionally, we are always interested in identifying opportunities for membership growth.

Total loans were up in 2019, and we also added \$276,577 to our reserves. This helps to add greater stability to the credit union.

Capitol View Credit Union is a member of the Iowa Credit Union League. In this League, legislative priorities include maintaining the credit union tax status; addressing the "child care cliff effect" for working parents; encouraging affordable housing, quality of life, and skilled workforce initiatives; and helping Iowans save with prize-linked savings.

I am very pleased with the cooperative effort of our staff, working as a team, and sharing knowledge and experiences. This teamwork is the key to making your credit union successful and to meeting the needs of our members. The board members and I extend a special thank you to Capitol View's staff, Brent, Ben, Kyle, Doug, Jessica, Rachel, and Alyse, for their continued commitment to the credit union's success.

Thank you for your continued membership and support of Capitol View Credit Union. Our goal is to help our members remain financially healthy so they may reach their goals and dreams. We greatly appreciate any referrals of family or coworkers. 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 2019

During the calendar year 2019, the credit committee received and reviewed 18 loan applications for a total of \$809,775. The credit committee approved 17 loans in the amount of \$801,775 and rejected one loan for \$8,000. The loan officers received and reviewed 514 loan applications for a total of \$8,166,727. The loan officers approved 421 loans in the amount of \$6,780,260 and rejected 93 loans in the amount of \$1,386,467. Of the 421 loans approved 29 were home equity or mortgage loans in the amount of \$2,307,363. There were a total of 27 advances made on home equity lines during 2019, for a total of \$495,987. In addition, the credit union helped 10 members secure first mortgage loans through the credit union directly or our partner Premier Lending Alliance in the amount of \$1,812,155.


As of December 31, 2019 there were 760 Gold MasterCard or Classic MasterCard accounts issued of which 584 had balances. The total line of credit out was \$4,064,031 and actual balances of \$1,201,466.

The credit union had \$33,726 in principal reduction payments on business loan participations. We had no business participation advances in 2019. Outstanding business participations balances as of December 31, 2019 were \$304,532.

Total new loans and advances to credit union members and business loan participations during 2019 were 1,081 amounting to \$12,011,594.



Beth Scheetz, Chairperson



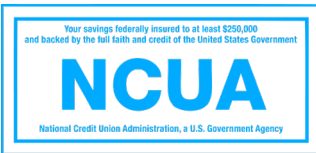
Matt McCormick, Secretary



Alison Radl, Committee Member

REPORT OF THE CHIEF FINANCIAL OFFICER For the Year 2019

Total shares and deposits decreased slightly from \$30,632,527 on December 31, 2018 to \$30,055,530 on December 31, 2019.



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
1,969
active members
as of December 31, 2019.



Loans to members increased from \$22,141,279 on December 31, 2018 to \$22,290,759 on December 31, 2019.



Dividends in the amount of
\$240,239
were paid to members
during calendar year 2019.

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
- Depreciation protection on vehicles
- Vehicle protection plan
- 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
- ApplePay
- SamsungPay

Our office is located at 623 East 12th Street, Des Moines, IA 50309. It features ample parking, a drive up window, a drive up ATM, and 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 2019

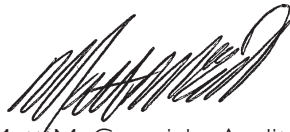
During the calendar year 2019, the Audit Committee examined the credit union financial records and verified the cash on hand. In addition, financial statements were examined, expenses were audited, closed accounts were verified and home equity loans were reviewed. Provision for loan loss account was verified as adequate to meet anticipated needs. The ACH annual audit was completed for the period of November 1, 2018 through June 1, 2019. The Bank Secrecy Act annual audit was completed as of September 30th, 2019 by our CPA firm Gardiner Thomsen. Gardiner Thomsen also did an agreed upon procedures annual audit as of September 30, 2019.

An audit of all member accounts was included with the quarterly statements issued on June 30, 2019.

In our opinion, the financial statements for the year 2019 fairly represent the financial status of Capitol View Credit Union and reflect a very sound financial condition.



Randal Anderson, Audit Chairperson



Matt McCormick, Audit Secretary



Justin Willier, Audit Member

STATEMENT OF FINANCIAL CONDITION

As of December 31, 2019

Assets

	2018	2019
Loans to Members*	\$22,141,279	\$22,290,759
Allowance for Loan Loss	(\$223,498)	(\$196,914)
Cash	\$5,738,527	\$5,317,604
Investments (Book Value)	\$6,281,300	\$6,283,800
Fixed Assets	\$137,428	\$120,043
Land and Building	\$1,280,329	\$1,224,613
Other Assets	\$779,619	\$715,775
NCUA Capitalization Deposit	\$283,545	\$296,043
Total Assets	\$36,418,529	\$36,051,723

Liabilities and Equity

Shares and Deposits	\$30,632,527	\$30,055,530
Notes Payable	\$0	\$0
Accounts Payable and Other	\$161,201	\$140,133
Legal Reserve & Other Reserves	\$1,133,612	\$1,172,493
Undivided Earnings	\$4,253,514	\$4,491,190
Net Income	\$237,675	\$192,377
Total Liabilities and Equity	\$36,418,529	\$36,051,723

*Unused Lines of Credit include:

MasterCard @ \$2,862,565

Home Equity @ \$522,361

Privilege Pay @ \$583,324

STATEMENT OF INCOME AND EXPENSE

As of December 31, 2019

	2018	2019	Change
Income			
Interest on Loans	\$1,029,102	\$1,127,861	\$98,759
Investment Income	\$209,572	\$284,167	\$74,595
Other Income	\$457,020	\$425,285	(\$31,735)
Gross Income	\$1,695,694	\$1,837,313	\$141,619
 Expense			
Employee Compensation	\$573,144	\$591,583	\$18,439
Administrative Costs	\$21,245	\$16,350	(\$4,895)
Office Occupancy Costs	\$58,031	\$82,019	\$24,138
Operating Costs	\$511,432	\$504,026	(\$7,406)
Account Service Costs	\$78,851	\$85,925	\$7,074
Provision for Loan Losses	\$20,076	\$53,960	(\$33,884)
Legal Reserve Expense	\$14,801	\$38,881	\$24,080
Dividend Expense	\$180,439	\$240,239	\$ 59,800
Total Expense	\$1,612,983	\$1,458,019	\$154,964
Net Income	\$224,330	\$237,675	(\$13,345)
Gain/Loss Disposition of Assets	\$31,953	\$0	\$31,953
Net Income After Non Operating Gain	\$192,377	\$237,675	(\$45,298)

CAPITOL VIEW CREDIT UNION

2019 BOARD MEMBERS

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
Lisa Kolontar	IWD	Term Expires 2022
Alison Radl	Office of the CIO	Term Expires 2022
Sherry Van Vugt	IWD	Term Expires 2022

CAPITOL VIEW CREDIT UNION STAFF

Member Service Representatives



Alyse

alyseg@capview.com



Rachel

rachelw@capview.com



Jessica

jessicah@capview.com

Loan Officers



Kyle

kyleh@capview.com



Doug

douga@capview.com

Managers



Ben

Assistant Manager

bens@capview.com



Brent

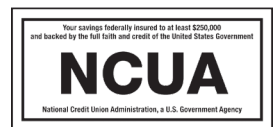
CEO

brentk@capview.com



CAPITOL VIEW
Credit Union

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