



ANNUAL REPORT

2019



President & Chairperson's Report

Investing is a choice. A commitment. An action.

In 2019, IHMVCU invested in our members, our team members, and our communities; and you responded by:

- joining IHMVCU – making us nearly 130,000 members strong (HELLO to our more than 15,000 new members!)
- using our Member Advantage program and saving nearly \$110,000

Our investments didn't stop there. We turned your deposits into community improvement by lending more than \$616 million dollars through 28,700 consumer loans. We worked with local suppliers and businesses, and employed more than 600 local trades men and women, when building our new headquarters. And we continued to attract and retain nearly 400 team members who work every day to meet your financial goals.

We improved your credit union – from the completion of our Rock Island Financial Center and expanding our video teller locations (Kimberly Road in Davenport, Moline Avenue of the Cities, Moline River Drive, Rock Island and Silvis) to a concerted effort to improve your experience with the Contact Center (reducing wait times from 5 minutes and 46 seconds in 2018 to 2 minutes and 38 seconds). Rest assured, we're still not satisfied with those numbers and will continue to work to make your experience better.

We invested \$200,000 in our communities by donating and supporting organizations that matter most to you and our mission. We also partnered with the Quad-City Times to highlight everyday people doing extraordinary things with the Quad-Citizen Award. We were honored and humbled to learn how Michele Allison, Gwen Ballard-Patton, Marlys "Marty" Brunsvold, Rev. Rich Hendricks, John Kessler, Michael Stratford and Mad-die Vinson were making their communities – our communities – a better place.

All of these investments underscore our commitment to be your Pathfinder, your trusted financial partner, for every step of your financial journey. We're in this together today, tomorrow and beyond.

Move up with us,


Brian Laufenberg
President & CEO


Tom Terronez
Board of Directors, Chair

Supervisory Committee Report

Appointed by the Board of Directors, your Supervisory Committee met throughout the year with IHMVCU management to ensure the effectiveness of internal controls, adherence to established policies and procedures, compliance with regulatory requirements and propriety of financial accounting and reporting.

Based on the results of the 2019 annual audit performed by certified public accountants CliftonLarsonAllen LLP, as well as audits conducted by the National Credit Union Administration and the Department of Financial Institutions, we conclude that IHMVCU has adequate financial controls and is financially sound.

Respectfully submitted,


Megan Early
Supervisory Committee, Chair

We're committed to holding IHMVCU to the highest standards

Board of Directors

Tom Terronez, Chair
Ajay Singh, Vice Chair
Sam Kupresin, Secretary/Treasurer
Jeff Carr
Tim Considine
Megan Early
Kristen Glass
Chip Irwin
Tom Kale, Jr.
Larry Wiemers

Supervisory Committee

Megan Early, Chair
Larry Wiemers, Secretary
Tim Considine
Kristin Glass
Melissa Pepper

Statement of Financial Income

Assets

Loans to Members	\$1,244,863,563	\$1,123,856,846
Accrued Interest	\$3,862,920	\$3,570,914
Reserve for Loan Loss	\$(15,503,460)	\$(11,899,173)
Cash	\$22,390,885	\$47,570,413
Government Securities	\$92,368,412	\$93,572,356
Equity Investments	\$6,201,804	\$3,291,244
Investments in Alloya Corporate CU	\$300,000	\$300,000
Furniture and Fixtures (net of depreciation)	\$10,965,906	\$2,695,287
Building and Land (net of depreciation)	\$41,684,047	\$17,923,669
NCUA Insurance Fund	\$10,883,876	\$10,072,415
Other Assets	<u>\$56,924,702</u>	<u>\$48,288,523</u>
Total Assets	<u>\$1,474,942,655</u>	<u>\$1,339,242,494</u>

Liabilities and Members Equity

Shares of Members	\$807,288,730	\$760,677,367
Term Deposits	\$429,665,351	\$386,490,590
Accrued Certificate Dividends Payable	\$422,068	\$342,917
Other Liabilities	<u>\$109,763,258</u>	<u>\$78,041,486</u>
Total Liabilities and Shares	<u>\$1,347,139,407</u>	<u>\$1,225,552,360</u>

Regular Reserve	\$18,545,372	\$18,545,372
Secondary Capital	\$600,000	\$800,000
Undivided Earnings	\$94,509,008	\$83,374,875
Other Reserves	\$2,537,958	\$(164,245)
YTD Net Income	<u>\$11,610,910</u>	<u>\$11,134,132</u>
Total Members Equity	<u>\$127,803,248</u>	<u>\$113,690,134</u>

Total Liabilities, Shares & Members Equity	<u>\$1,474,942,655</u>	<u>\$1,339,242,494</u>
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Income Statement	2019	2018
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Income

Interest on Member Loans	\$63,642,996	\$56,350,717
Interest on Investments	\$2,851,611	\$2,233,597
Other Income	<u>\$29,283,213</u>	<u>\$27,705,020</u>
Total Income	<u>\$95,777,820</u>	<u>\$86,289,334</u>

Expenses

Dividend and Interest Expense	\$15,198,298	\$11,546,019
Other Expenses	<u>\$68,968,612</u>	<u>\$63,609,182</u>
Total Expenses	<u>\$84,166,910</u>	<u>\$75,155,202</u>
Net Income	<u>\$11,610,910</u>	<u>\$11,134,132</u>