

FINANCIAL HORIZONS

CREDIT UNION

**ANNUAL
MEETING
2020**

ORDER OF BUSINESS

1. Call to order and welcome - Jim Scott, Board Chairman
2. Ascertain that a quorum is present
3. Candidates and Board Election Results
4. Remarks - Theresa Lupori, President/CEO
5. Questions regarding reports of the Board, President and
Financial Services
6. Unfinished Business
7. New Business
8. Adjournment



ACCOUNTS INSURED UP TO \$500,000



American Share Insurance insures each account up to \$250,000. Excess Share Insurance Corporation provides up to an additional \$250,000 of insurance per account. This institution is not federally insured.

MINUTES FOR FINANCIAL HORIZONS CREDIT UNION ANNUAL SHAREHOLDERS MEETING APRIL 12, 2019

Chairman James Scott called the meeting to order at 7:00 PM. Jim welcomed all in attendance and thanked the members for coming to the 72nd annual meeting. Those in attendance stood for the national anthem and the Pledge of Allegiance.

It was established that we had a quorum for the annual meeting and Jim introduced the board members present: Randy Emm, Joan Sciarani-Blake, Penny Madraso, George Gazaway, Doug Homestead, Tom Erickson, and Barbara Reuter.

Three board positions were up for election. As there were no other nominees, Doug Homestead, George Gazaway, and Joan Sciarani-Blake were reelected by proclamation.

President Theresa Lupori welcomed all to the meeting. She gave special recognition to the Lions Club for serving refreshments and to Kris Roberts for planning the night's events.

Theresa informed the membership that FHCU's goal has always been the same: to meet your financial needs and to provide you with opportunities that enable you and your family to succeed. She mentioned that in November 2018, the credit union introduced Corillan, the new home banking platform. She said that later this year we would offer Zelle, a new person to person payment platform.

Theresa explained we are always looking for ways to simplify our member's lives while bringing them services that allow the most efficient and safe use of the latest technology. The change to the hours of operation in late 2018 was discussed.

Theresa thanked the members who make it all possible. She then introduced her management team in attendance and thanked the volunteer board members.

Chairman Scott asked if there were any questions from the shareholders. There were no questions and no new business. He then introduced our special guest, comedian, Dave Bressoud.

The following members were the lucky prize winners:

Two tickets to Toby Keith	Kelly King
Escape room gift card (for four)	Corina Scott
Bluetooth photo printer	Hilary Pellett
Outdoor candle holder	Judy Yocum
Solar light string	Jay Gunter
Garden art	Chuck King

Jim thanked everyone for attending, and the meeting was adjourned at 8:20_{PM}.

Penny Madraso, Secretary

REPORT OF THE BOARD OF DIRECTORS

Financial Horizons Credit Union continues to grow at a steady pace. As of December 31, 2019 our membership has grown to 12,247, and our asset size has grown to over 197 million. The board of directors are responsible for maintaining the direction and stability of our credit union. Several new innovations and program updates have been instituted, with many more planned for the future.

The objective of the board of directors is to operate a safe and secure financial cooperative offering member-owners a full range of competitive, reasonable-priced financial products. We are committed to extraordinary service and to educating members about sound financial choices that improve the economic well-being of our diverse membership and Financial Horizons Credit Union.

There was one change on the board of directors due to George Gazaway's resignation. The board voted to appoint and welcome Barbara Reuter as his replacement. We appreciate George's dedication and time spent as a board member and would like to thank George for his valuable input and contributions to the board.

The Board of Directors continues to support education and training for the board and the staff of the credit union to keep up with ever-changing regulations and new technologies. We owe our success to our dedicated professional staff, and to our loyal members who continue to support our credit union.

Jim Scott, Chairman

Randall Emm, Vice-Chairman

Penny Madraso, Secretary

Thomas Erickson, Member

Doug Homestead, Treasurer

Joan Sciarani-Blake, Member

Barbara Reuter, Member

REPORT OF THE PRESIDENT/CEO

To reduce the unintentional spread of the COVID-19 virus to our staff or members, Financial Horizons Credit Union is canceling the social portion of the 2020 Annual Meeting on April 24. We know that members enjoy this annual event and the chance to see fellow members in a social setting, but protecting the safety and health of our credit union and the members is of utmost importance.

Not only are we in the midst of a health crisis, but also a global economic crisis. Looking back at the prosperity we enjoyed in 2019; I never guessed our nation would be facing such obstacles now in early 2020.

Regulations require us to be prepared for situations like pandemics, with tested and proven business continuity plans and procedures that ensure we can continue to serve our communities during difficult times.

Please rest assured knowing that your money is safe and sound at Financial Horizons Credit Union, and we are better capitalized than ever before. Our credit union has primary deposit coverage from American Share Insurance and supplemental deposit coverage from their subsidiary Excess Share Insurance. Meaning each and every separate account qualifies for up to \$500,000 in deposit coverage, with no limitation imposed by ASI as to the number of sub-accounts insured.

I want to thank our members for the strong financial results that we've been able to achieve because of your continued support. Your support not only builds a stronger credit union that benefits members directly through financial products and services but also contributes to supporting our communities.

Thank you to our Board of Director's who unselfishly donate their time to guide us, our management team, and staff for your dedication. It is because of each of you we accomplish all that we do!

We have a solid foundation in our board governance, finances, and staff. We will continue to strive to meet your needs. We work for you and appreciate you entrusting us with your business.

Theresa Lupori
President/CEO

FINANCIAL REPORT FOR 2019

Since 1947, Financial Horizons Credit Union has provided dependable financial services and financial education to the families, schools, and businesses in our local communities. In addition to community volunteering, the credit union helps to raise thousands of dollars each year to help fund programs and projects for our local organizations and events. We are forever proud and humbled to be able to continue these honorable traditions.

At Year-End for 2019, our credit union had 12,247 members, and the following balances:

- Total Assets \$197.3 Million
- Total Loans to Members \$102.5 Million
- Loan Delinquency \$0.283 Million
 - ◊ Or 0.28% of total loans to members
- Total Member Savings \$173.1 Million

We look forward to continuing to serve you.

Chris Schneider

Chief Financial Officer

REPORT OF THE EXECUTIVE VICE PRESIDENT

We are in this together! During these trying times, your credit union is here for you. We have many services available to help members remotely. We can send account and consumer loan documents via email so you can digitally sign from the comfort of your home. You can also access your account 24/7 using the online banking system, ATMs, drive-up, TIIM automated system, the FHCU mobile app, and bill pay. Members can also obtain an instant issue debit card at all of our locations.

Over the last year, our staff has been heavily involved in our communities. We participated in Can-Struction challenges in all four of our branches. All items used for the Can-Struction were donated to local food banks. FHCU has hosted seminars at local senior centers to help educate our elders on current scams/frauds. Each year we award scholarships to high school students in each of our local areas, and we donate to countless community organizations. Our employees volunteered their time to help with color runs, booster club, teaching financial literacy, local parades, Little League, Pop Warner, Chamber events, the Cantaloupe Festival, Night in the Country, Trunk or Treat, plus so much more. This is our way of “Building Success Together” throughout our communities!

Dawn McGhauey

Executive Vice President

BOARD ELECTIONS

Jim Scott, Chairman of the Board, has served on the FHCU Board of Directors since 1993, serving on the Asset Liability Management Committee and previously as Vice President. Before becoming a board member, Jim also served on the Loan Review Committee. As a local business owner, Jim's experience includes 40 years of financial management, personnel management, sales and strategic planning. A lifelong resident of Hawthorne, Jim served in the US Army as Company Clerk from 1961-1964 while stationed at Fort Eustis, Virginia.

Penny Madraso, Secretary, has been a member of the board since 1995. Penny's business and financial background include having worked as a bookkeeper for a CPA firm, government entities and independent businesses and manager of the senior citizens housing community in Hawthorne.

Randall Emm joined the board in 2007. Randy graduated from the University of Nevada Reno with a Bachelor Degree in Business Administration (Management/Accounting) and is currently employed with the University of Nevada as "Coordinator of Native Programs with Cooperative Extension". Randy has held many positions within the tribal community including; Economic Development Planner, Resource Planner and Tribal Livestock and Farm Manager, as well as managing his own Ranch since 1988. Currently Randy is a member of the Farm Service Agency, Nevada State Committee; and sits on the board of the Mason Valley Conservation District

Thomas Erickson joined the board in in 2011. Born & raised in Hawthorne, he graduated from Mineral County High School, attended University of Nevada, Reno, and graduated with a Bachelor of Science degree. Tom worked in Reno for three years as a Chemist/Microbiologist and moved back to Hawthorne in 1970. Tom has been employed at the Hawthorne Army Depot since 1980, primarily with the operating contractor. He has held many positions over the past 36 years including: Chemist, Environmental Manager, Director of Base Operations and is currently the Director of Safety/Health, Environment and Quality Assurance. Tom is a management and environmental professional with 16 years senior management experience, 20 years' experience in environmental compliance and program management and 8 years' experience in analytical chemistry. Tom also served on the Mount Grant General Hospital Board of Trustees for over twenty years.

STATEMENT OF FINANCIAL CONDITION

ASSETS

	2019	2018
Cash	\$14,206,114	\$13,893,242
Investment Securities		
Available for Sale	47,144,941	47,398,278
Held to Maturity	20,627,000	8,920,000
Loans to Members, net of allowance for loan loss	101,890,872	107,748,296
Accrued Interest Receivable	631,188	538,147
Property and Equipment	5,050,200	5,129,827
Other Assets		
Deposit Share Insurance	2,415,148	2,484,263
Property acquired for loans	338,500	26,500
Other	<u>5,016,155</u>	<u>4,603,019</u>
TOTAL ASSETS	\$197,320,118	\$190,741,572

LIABILITIES AND MEMBERS EQUITY

LIABILITIES

Members' Share Accounts	\$173,096,253	\$169,624,466
Accrued Interest Payable	2,138	2,320
Borrowings	---	---
Accounts payable and other Liabilities	<u>490,455</u>	<u>811,563</u>
TOTAL LIABILITIES	\$173,588,846	\$170,438,349
MEMBERS' EQUITY	<u>\$23,731,272</u>	<u>\$20,303,223</u>
TOTAL LIABILITIES AND EQUITY	\$197,320,118	\$190,741,572

STATEMENT OF INCOME

INTEREST INCOME

	2019	2018
Interest Earned on Loans	\$4,873,843	\$4,936,173
Interest Earned on Investments	<u>1,778,306</u>	<u>1,500,176</u>
Total interest income	6,652,149	6,436,349

Interest Expense

Dividends paid on Member's Shares	718,817	610,053
Interest on Borrowed Money	<u>150</u>	<u>21,476</u>
Net interest income	718,967	631,529

Provision for Loan Losses	323,539	170,912
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Net Interest income	5,609,643	5,633,908
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NON-INTEREST INCOME

Fees and Charges	1,908,635	1,850,185
Gain (loss) on Investments	-	-
Gain (loss) on Disposition Fixed Assets	-	-
Other non-operating income (expense)	<u>(20,850)</u>	<u>-</u>
Total non-interest income	1,887,785	1,850,185

Non-Interest Expense

Compensation & benefits	2,504,684	2,743,566
Occupancy	342,932	349,752
Other	<u>2,676,391</u>	<u>2,530,906</u>
Total non-interest expense	5,524,007	5,624,224

Net Income	<u>\$1,973,421</u>	<u>\$1,859,869</u>
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*Financials are unaudited at time of publication.

BOARD OF DIRECTORS

Jim Scott, Chairman
Randall Emm , Vice Chairman
Penny Madraso, Secretary
Joan Sciarani-Blake - Member
Doug Homestead, Treasurer
Thomas Erickson - Member
Barbara Reuter - Member

MANAGEMENT & STAFF

Theresa Lupori - *President/CEO*
Chris Schneider- *Chief Financial Officer*
Patty Gunn - *Director of Asset Recovery*
Lindsey Ives - *Director of HR*
Ron Bryant - *Branch Manager Yerington*
Angela Guthrie - *Branch Manager Fallon*
Dawn McGhauey - *Executive Vice President*
Kris Roberts - *Vice President of Marketing*
Andrea Cavanaugh - *Director of Training*
Shelly Rich - *Accounting Manager*
Michele Hart - *Branch Manager Hawthorne*
Tammy Cruz - *Branch Manager Winnemucca*

ADMINISTRATION

Oralia Sandoval
Asset Recovery Specialist

Melissa Breault
Debit Card Specialist

Brittany Muniz
Servicing Specialist

Sarah Larramendy
Executive Assistant

MORTGAGE SERVICES

Cindy Kellison
*Mortgage Loan /
Commercial Lending Specialist*

Cynthia Frank
Mortgage Loan Originator

FINANCIAL SERVICES

Arcelia Arellano
Yaneth Castillo
Stacey Holton
Talyn Geiger
Sue Payne
Crystal Rodrigues
Carina Ruvalcaba
Erica Smith
Sonia Zuniga

OPERATIONS

Stephanie Johnson - *Supervisor Hawthorne*
Kim Long - *Supervisor Winnemucca*
Sherri Pope - *Supervisor Yerington*
Jessica Thompson - *Supervisor Fallon*

May Arata
Michelle Castillo
Stacey Echeto
Diana Fisher
Lizett Hernandez
Ashley Martinez
Julie McFatridge
Lynette Morris
Maren Leal
Brandi Oberhansli
Thea Virgil
Kourtney Wambeke
Sarah Williamson

ACCOUNTING

Brianna Lee-Hanson
Shani Holley
Patty Thyne