

# Stable & Strong for Your Financial Wellness

## 2020 MANAGEMENT REPORT

We are pleased to report a successful year for TruGrocer Federal Credit Union in what has been a challenging environment as the world navigates the difficulties posed by a global pandemic. We continued to focus on our mission as a financial cooperative and fulfilling our goal of being there for you, our members. We are extremely proud that TruGrocer makes a positive difference in member lives through its cooperative structure - owned and controlled by the members who benefit and use its products and services. This makes the Credit Union unique in the financial services industry. The philosophy behind credit unions is "people helping people" and each member is an equal owner, regardless of the amount they have on deposit.

On the financial front, TruGrocer's strong position as a safe and sound financial institution helped fuel an increase in Assets to \$332mm, a 23.4% increase over 2019. Loans to Members increased to \$101mm, a 2.4% increase over 2019, all while maintaining superior loan quality as reflected in a Delinquent Loan to Total Loan Ratio of 0.03% which is well below peer average for credit unions our size.

A declining interest rate environment, and resulting decline in Investment Yield, impacted the Credit Union's Net Income leading to a modest \$467k being added to Retained Earnings. Our Capital and Reserves ended at \$52mm for the year, resulting in a Net Worth Ratio of 15.7% which is a strong capital position, one of the highest in the industry, leaving the Credit Union well-positioned for continued stability in 2021.

For 2021, TruGrocer remains committed to our mission of providing outstanding service and value, best in class service delivery channels, great technology, lower and fewer fees, and competitive rates, all while delivering strong financial performance. Our efforts will be spent on increasing our value to members through technology enhancements; making it easy and convenient for our members nationwide to tap into our offering of financial services and loans. Furthermore, we are working on expanding our lending programs to offer more robust options that meet the ever-evolving needs of our members. All while delivering superior member service.

Our former CEO, Phyllis Adkins, retired in 2020. We would like to thank Phyllis for her 43 years of service to the Credit Union. Under her leadership TruGrocer saw remarkable growth and success, helping cement a foundation for a bright future.

Many thanks also to our wonderful staff, our grocery industry Partners throughout the United States, our volunteer Board of Directors and Supervisory Committee, and our volunteer National Advisory Council for another successful year. Their dedication and willingness to serve have helped solidify TruGrocer as a financial institution our members can count on.



	2020*	2019*	2018*
<b>ASSETS</b>			
Cash and Equivalents	\$ 90,540,026	\$ 25,711,699	\$ 21,035,096
Investments	124,572,279	129,139,279	129,077,970
Loans to Members—Net	101,721,506	99,240,126	91,641,353
Accrued Interest Receivable	348,427	398,158	365,191
Property and Equipment—Net	2,773,254	3,027,580	3,160,195
Other Assets	12,162,453	11,644,834	11,446,903
	<b>\$ 332,117,945</b>	<b>\$ 269,161,676</b>	<b>\$ 256,726,708</b>
<b>LIABILITIES</b>			
Notes Payable	\$ 0	\$ 0	\$ 0
Dividends Payable	0	0	0
Other Liabilities	755,704	769,472	624,135
<b>SHARES</b>			
Share Accounts	279,049,842	216,547,384	205,198,210
Total Liabilities and Shares	279,805,546	217,316,856	205,822,345
<b>MEMBERS' EQUITY</b>			
Regular Reserves	2,567,248	2,567,248	2,567,248
Undivided Earnings	49,745,151	49,277,572	48,337,115
Total Members' Equity	52,312,399	51,844,820	50,904,363
	<b>\$ 332,117,945</b>	<b>\$ 269,161,676</b>	<b>\$ 256,726,708</b>

	2020*	2019*	2018*
<b>INTEREST INCOME:</b>			
Interest on Loans	\$ 3,721,703	\$ 3,691,171	\$ 3,356,588
Interest from Investments	2,895,348	3,620,839	2,976,269
	<b>6,617,051</b>	<b>7,312,010</b>	<b>6,332,857</b>
Dividend and Interest Expense	1,445,109	1,568,644	1,112,875
<b>NET INTEREST INCOME</b>	<b>5,171,942</b>	<b>5,743,366</b>	<b>5,219,982</b>
Provision for Loan Losses	(42,483)	97,734	109,203
<b>NET INTEREST INCOME AFTER PROVISION FOR LOAN LOSSES</b>	<b>5,214,425</b>	<b>5,645,632</b>	<b>5,110,779</b>
<b>Fees and Other Revenues</b>	<b>2,178,010</b>	<b>2,318,830</b>	<b>2,471,802</b>
<b>OPERATING EXPENSES:</b>			
Compensation and Benefits	3,178,631	3,080,761	2,920,792
Other Operating Expenses	3,741,724	3,976,869	3,658,536
	<b>6,920,355</b>	<b>7,057,630</b>	<b>6,579,328</b>
<b>NON-OPERATING INCOME/EXPENSES:</b>			
Other Non-Operating (Income)/Expense	0	(32,012)	0
Disposition of Assets	4,501	(1,614)	(344)
<b>NET EARNINGS</b>	<b>\$ 467,579</b>	<b>\$ 940,458</b>	<b>\$ 1,003,597</b>

\*Taken from Audited Financial Statements

## SUPERVISORY COMMITTEE REPORT

The Supervisory Committee has ongoing responsibilities to appraise policies, review operational procedures and ensure the performance of internal audits designed to verify the accounting records accurately reflect the operations of the Credit Union. The Supervisory Committee verifies that there are adequate internal controls in place to protect the Credit Union, its members, management and employees.

The Supervisory Committee selected Eide Bailly LLP to conduct an independent audit of the Credit Union for calendar year 2020. The audit included examination, on a test basis, of evidence supporting the amounts and disclosures in the financial statements. The audit also included members' account verification, review of share and loan balances, review of loan delinquency and the adequacy of the allowance for loan losses account, review of internal controls and procedures and confirmation of credit union investments.

The Supervisory Committee received a copy of the Independent Auditors' Report for the year ended December 31, 2020 and a copy of this report is available at the Boise Credit Union Office for members to review. It is the opinion of the Supervisory Committee that TruGrocer Federal Credit Union is operating effectively, that the financial statements present fairly its financial position and that operations are handled in accordance with generally accepted accounting principles and related federal regulations.

### Devon Hart

Chair, Supervisory Committee

## BOARD OF DIRECTORS

Robert P. Baker, Chair	Michele Koci, Treasurer	Mark Lavin
Bill Carter, Vice Chair	Doug Gibson, Secretary	John McMurdie
Peggy Jones, Vice Chair	Cynthia Forsch	Matt McKinlay

## CREDIT UNION OFFICIALS AND MANAGEMENT STAFF

Javier Rosado, President & CEO
Michael S. Vickery, Executive Vice President & COO
Ken Smith, Senior Vice President, Technology & Risk
Chris Demaray, Vice President, Branch Operations & Human Resources
Nick Button, Vice President, Lending
Karen Dawson, Chief Financial Officer
Bryan Foreman, Loan Manager
Leo Francis, Regulatory Compliance Officer
Denise Bardwell, Orlando Branch Manager
Chalyce Ward, Dallas/Fort Worth Branch Manager
Laura Sotelo, Los Angeles Branch Manager
Rene Gutierrez, Meridian Branch Manager
Claire Urquhart, Wells Branch Manager
Heston Charlton, Phoenix Branch Manager

## SUPERVISORY COMMITTEE

Devon Hart, Chair	Joel Monsen	Thomas Muguira	Matt McKenney
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## MEMBER SERVICES

### DEPOSITS:

- Share Draft Checking
- Free Cashier's Checks
- Payroll Deduction
- Direct Deposit- Government & Payroll
- Savings Accounts
- Vacation & Christmas Club Accounts
- IRAs & Roth IRAs
- Money Market Accounts
- Time Share Certificates
- Health Savings Accounts (HSAs)
- Account Access through the CU Service Centers Network
- NCUA Deposit Insurance
- Excess Share Insurance Coverage up to \$500,000 per member—No charge to members

### LOANS:

- Online Loan Applications
- VISA Credit Cards with 1% Purchase Rebate
- Personal Loans
- Real Estate Loans
- Home Equity Lines of Credit (HELOC's)

### Home Improvement Loans

- Automobile Loans
- RV Loans
- Overdraft Protection – Line of Credit
- Pay Advance Line of Credit – New Higher Limits!

### TECHNOLOGY:

- Mobile Banking and Mobile Deposit
- Home Banking CU Online
- Internet Home Page—Responsive Technology!
- Free CU Online Bill Payer
- Toll Free Electronic Teller "ET"
- Deposit Taking ATM's\*\*
- Text Banking & Alerts
- Electronic Statement Delivery
- Person-2-Person Payments
- Apple Pay, Google Pay, Samsung Pay
- ATM/Point of Sale/MasterCard Debit
- Account Aggregation & Budgeting w/ Money Management

### INSURANCE:

- Credit Disability Insurance
- Credit Life Insurance
- TruStage Insurance Products
- Guaranteed Asset Protection (GAP)
- Mechanical Breakdown Protection (MBP)

### OTHER:

- Lifetime & Family Membership
- Money Gram & Express Pay
- VISA Travel Money\*\*
- VISA Gift Cards\*\*
- Discount Movie Tickets\*\*
- Drive Through Window\*\*\*
- Safe Deposit Boxes\*
- Free Notary Service\*\*
- CUNA Brokerage Services
- FICO Credit Score Availability



### National Service Locations

<b>Main Office</b> P.O. Box 8145 Boise, ID 83707 (208) 385-5200	<b>Orlando Branch</b> 3305 Lake Breeze Dr. Orlando, FL 32808 (407) 292-2006	<b>Wells Satellite Office</b> 205 Spencer Drive Wells, ME 04090 (207) 646-4989	<b>Phoenix Branch</b> 4961 W. Bell Road, Ste. B6 Glendale, AZ 85308 (602) 978-9408
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<b>Dallas / Fort Worth Branch</b> 1327 Brown Trail Bedford, TX 76022 (817) 285-8292	<b>Los Angeles Branch</b> 341 E. Imperial Hwy. Fullerton, CA 92835 (714) 738-4681	<b>Meridian Branch Office</b> 3335 E. Overland Road Meridian, ID 83646 (208) 385-5200
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Over 5,000 Shared Branches  
**CREDIT UNION SERVICE CENTERS.**  
The Member-Friendly Financial Network

Nearly 30,000 ATMs

