

CLARK COUNTY CREDIT UNION

HELPING
OUR
MEMBERS
REALIZE THEIR
FINANCIAL
GOALS AND
DREAMS

ANNUAL REPORT 2020
REPORT TO THE SEVENTIETH ANNUAL MEETING

69th Annual Meeting Minutes

April 16, 2020

The 69th Annual Meeting of Clark County Credit Union was called to order at 5:30 p.m., April 16, 2020 via WebEx and Telephone Conference by Chairman Eric Jorgenson.

Chairman Jorgenson asked if a quorum was present and was advised that fifteen members constitute a quorum and that a quorum was present.

Chairman Jorgenson introduced all Board members and Audit Committee members present. Alise Haney was not present.

Nominating committee member Ted Olivas announced that incumbents Eric Jorgenson, Debbie Conway, Doug Spring and Ed Zagalo were elected to two-year terms on the board by acclamation since they ran unopposed in this year's election.

A motion was made and seconded that the reading of the minutes be waived since they were included in the written Annual Report. Motion carried.

A motion was made and seconded to accept the Annual Meeting Minute from 2019. Motion carried.

A motion was made and seconded to accept the officials' reports as written in the Annual Report. Motion carried.

Chairman Jorgenson expressed his feelings of optimism for the Credit Union's Future.

CEO and President of Clark County Credit Union, Mr. Kershaw, presented 2019 year in review for the Credit Union and the Credit Union's future about COVID-19.

The meeting was adjourned at 5:40p.m.

Eric Jorgenson, Chairman

Doug Spring, Secretary

70th Annual Meeting Agenda

April 15, 2021

Meeting Convenes at 5:30 pm

Call to order by Eric Jorgenson, Board Chairman

**Introduction of Board and Committee Members
and Honored Guests**

Ascertainment that a quorum is present

Reading and approval of the minutes of the last meeting

Report of Directors

Report of the President

Report of the Credit Committee

Audit Committee Report

Unfinished Business

**Results of the
annual election**

New Business

Open Forum

Adjournment

My husband and I are relocating to Henderson and wanted to open a bank account in the area. We are very impressed with this credit union. They are very helpful and put at ease in the process. Special mention and kudos to Jessica, assistant manager, Alisha and Robert. Also to Wendy. You won't be disappointed in this credit union. Looking forward to doing business with them with all our needs. Thanks.

Jim and Teresa G.
-Yelp

President's Message

We all experienced a year that was unlike any other during 2020. It was filled with many ups and downs. For Clark County Credit Union, our goal is always to help our members and this year that was manifested in a variety of ways – skipped payments, waived fees, and open branches so we were available when you needed us during this challenging time.

We saw many members respond to the pandemic by being cautious, saving stimulus checks and money from paychecks when they could. In part because of uncertainty surrounding the pandemic and also limited opportunities to spend, we saw a significant increase in deposits at the credit union. While this does show up on our balance sheet as a decrease in net worth, we appreciate our members building a safety net for possible future financial difficulties. We aren't out of this pandemic just yet!

The credit union's board of directors and management team also saved during this time in preparation for loans that could potentially go unpaid. Thankfully, we haven't had to use those saved funds, but we are prepared for the worst-case scenario. The combination of our decrease in net worth because of our increased balance sheet and setting funds aside to protect the credit union from losses required us to decrease our bonus dividend for 2020. I am happy that even through these difficult times we were still able to return \$1.5 million in cash back to our members, for a grand total of \$68 million given in Bonus Dividends since 2001.

Our goal is to make it easy to do business with Clark County Credit Union. We will continuously look at our processes and your experiences with CCCU to make it easy to get a loan, open a new account and make other important financial decisions. Thank you to our members who complete our transactional survey; we read each response, and your feedback helps us improve our products, services and member support.

Finally, I want you to know that Clark County Credit Union is made up of a team of dedicated professionals who are invested in your future and want to help you meet your financial goals and dreams. We strive day in and out to be good stewards of your money. Our team works hard to keep expenses under control so that we can offer great value to you, our member-owners. That comes in the form of new services, lower loan rates, credit and debit card rewards, and other updates that add value to your life. We are excited to see what 2021 brings to each one of us!



Matt Kershaw, President/CEO

Chairman's Letter

To our valued member/owners –

As your elected chairman, I am honored to be a part of this year's 70th anniversary celebrations. As volunteers at one of Nevada's oldest operating credit unions, the Board of Directors and Audit Committee are dedicated to serving the members of Clark County Credit Union. Together, our goal is to help the people in our community have access to financial services that will help them reach their financial goals and dreams.

Looking forward to 2021, our goal is to continue enhancing our digital offerings and improve our services. If 2020 has shown us anything, it's that we have the resources to provide personalized service to our members outside of the branch as well as inside. We will rely equally on personal service and technology to continue to build on these relationships with our members. In addition to strengthening the credit union, this will keep us competitive in an ever-changing environment.

With tenacity, we start 2021 ready to conquer any challenge or opportunity to come. Slated for this year, we look forward to adding Zelle as our electronic person to person options. We are also currently testing a video banking solution, which allows our staff to provide lending and account opening resources remotely.

Our success will come from anticipating and embracing change. As your Board of Directors, your elected officials, we look forward to working for you as we head into the future. Happy 70th anniversary and cheers to 2021!

Sincerely,

Eric Jorgenson

Eric Jorgenson, Chairman of the Board



BANKING WITH A BONUS



I gave 5 stars because that's the max I could give but Travis Santos deserves 10 stars ... He was awesome from start to finish, he was very understanding, patient and informative and extremely nice. I was applying for a new membership and had a little hiccup but "WE"... fixed and got through it TOGETHER he made sure of that. He is a Great Agent and customer representative.. the world's needs more of him. THANK YOU I'M now part of the CCCU family thanks to Travis.

Amber P.
-Yelp

To Jackie: I wanted to thank you from the bottom of my heart for all you did for me. Your patience and kindness helped me through a very difficult time – you are an angel. I can't find the words to thank you enough for being so nice to me.

Ms. Cozza
- Kudos Letter

Audit/Supervisory Committee Report

As your Audit Committee, we are committed to ensuring our Members that the operations of the Clark County Credit Union remain sound and comply with the state/federal laws and the bylaws of the Credit Union.

BKD CPAs & Advisors conducted the audit of Clark County Credit Union for the calendar year ending December 31, 2020. The firm's audit findings are provided as an Annual Report that is printed separately from this document.

We want to thank the Credit Union's staff and the Board of Directors for their continued efforts throughout 2020.

Steve McLean
Chairman of the Supervisory Committee

Credit Committee Report

For the calendar year reported, loans by collateral type were as follows:

| | 2018 | 2019 | 2020 |
|--------------------------|--------------------------|--------------------------|--------------------------|
| Auto New | \$ 35,386,874.923 | \$ 42,612,273.24 | \$ 45,386,297.00 |
| Auto Used | \$ 217,172,820.11 | \$ 216,432,145.86 | \$ 210,194,639.00 |
| Share Secured | \$ 697,95 4.52 | \$ 635,258.62 | \$ 863,149.00 |
| Signature | \$ 5,052,489.25 | \$ 6,160,706.58 | \$ 5,499,771.00 |
| Overdraft | \$ 1,015,976.93 | \$ 1,068,032.59 | \$ 809,424.00 |
| Visa | \$ 17,973,702.44 | \$ 17,987,366.11 | \$ 15,535,484.00 |
| Land | \$ 4,824,822.16 | \$ 5,302,769.00 | \$ 3,421,039.00 |
| Mortgages | \$ 165,535,451.01 | \$ 185,575,723.26 | \$ 153,137,105.00 |
| Home Construction | \$ 5,113,594.31 | \$ 4,014,120.90 | \$ 5,655,781.00 |
| Commercial Loans | \$ 13,874,667.00 | \$ 13,902,302.67 | \$ 18,941,591.00 |
| Commercial RE | \$ 75,088,246.17 | \$ 93,378,774.64 | \$ 133,867,922.00 |
| Commercial Participation | \$ 10,187,634.21 | \$ 8,954,038.73 | \$ 4,554,615.00 |
| Total | \$ 551,926,233.08 | \$ 596,023,512.20 | \$ 597,866,813.99 |

Matt Kershaw
President/CEO

2020 ANNUAL REPORT

Independent Auditor’s Report on Consolidated Financial Statements and Supplementary Information

We have audited the accompanying consolidated financial statements of Clark County Credit Union and its subsidiary, which comprise the consolidated statements of financial condition as of December 31, 2020 and 2019, and the related consolidated statements of income, comprehensive income, changes in members’ equity and cash flows for the years then ended, and the related notes to the consolidated financial statements.

Management’s Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these consolidated financial statements in accordance with accounting principles generally accepted in the United States of America; this includes the design, implementation and maintenance of internal control relevant to the preparation and fair presentation of consolidated financial statements that are free from material misstatement, whether due to fraud or error.

Auditor’s Responsibility

Our responsibility is to express an opinion on these consolidated financial statements based on our audits. We conducted our audits in accordance with auditing standards generally accepted in the United States of America. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the consolidated financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the consolidated financial statements. The procedures selected depend on the auditor’s judgment, including the assessment of the risks of material

misstatement of the consolidated financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity’s preparation and fair presentation of the consolidated financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity’s internal control.

Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the consolidated financial statements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

In our opinion, the consolidated financial statements referred to above present fairly, in all material respects, the financial position of Clark County Credit Union and its subsidiary as of December 31, 2020 and 2019, and the results of their operations and their cash flows for the years then ended in accordance with accounting principles generally accepted in the United States of America.

BKD, LLP

Indianapolis, Indiana
MARCH 30, 2021

Clark County Credit Union Consolidated Statement of Financial Condition

As of December 31, 2020 and 2019

| Assets | 2020 | 2019 |
|---|------------------|----------------|
| Cash and cash equivalents | \$ 198,911,705 | \$ 66,404,701 |
| Investments | | |
| Securities available for sale | 175,146,630 | 149,341,290 |
| Other | 1,573,981 | 1,443,263 |
| Federal Home Loan Bank (FHLB) stock | 3,470,500 | 3,139,400 |
| Loans to members, net of allowance of \$8,985,587 and \$5,621,056 | 588,502,385 | 590,402,456 |
| Loans held for sale | 2,412,900 | 9,490,036 |
| Accrued interest receivable | 1,867,387 | 1,978,972 |
| Premises and equipment | 15,731,966 | 13,591,680 |
| Share insurance deposits | 9,667,895 | 8,852,122 |
| Other assets | 15,555,277 | 15,572,416 |
| | | |
| Total assets | \$ 1,012,840,626 | \$ 860,216,336 |
| Liabilities and Member’s Equity | | |
| Liabilities | | |
| Members’ share accounts | \$ 877,852,897 | \$ 714,697,860 |
| FHLB advances | 5,000,000 | 27,200,000 |
| Accrued expenses and other liabilities | 9,247,754 | 12,074,153 |
| | | |
| Total liabilities | 892,100,651 | 753,972,013 |
| | | |
| Members’ Equity | | |
| Regular reserve | 81,667,754 | 60,145,452 |
| Undivided earnings | 29,960,634 | 43,137,257 |
| Accumulated other comprehensive income | 9,111,587 | 2,961,614 |
| | | |
| Total members’ equity | 120,739,975 | 106,244,323 |
| | | |
| Total liabilities and members’ equity | \$ 1,012,840,626 | \$ 860,216,336 |

Clark County Credit Union Consolidated Statement of Income

Years Ended December 31, 2020 and 2019

| | 2020 | 2019 |
|--|---------------|---------------|
| Interest Income | | |
| Loans to members | \$ 29,631,335 | \$ 30,411,423 |
| Investments and interest bearing accounts | 4,366,789 | 4,890,358 |
| Total interest income | 33,998,124 | 35,301,781 |
| Interest Expense | | |
| Members' share accounts | 3,725,903 | 6,122,576 |
| Borrowings | 211,253 | 596,351 |
| Total interest expense | 3,937,156 | 6,718,927 |
| Net Interest Income | 30,060,968 | 28,582,854 |
| Provision for Loan Losses | 5,274,538 | 2,153,482 |
| Net Interest Income After Provision for Loan Losses | 24,786,430 | 26,429,372 |
| Noninterest Income | | |
| Service charges and fees | 1,796,293 | 2,181,400 |
| Interchange income | 3,963,152 | 4,212,097 |
| Other income | 3,611,541 | 4,232,159 |
| Gain on sale of loans | 2,564,683 | 636,839 |
| Total noninterest income | 11,935,669 | 11,262,495 |
| Noninterest Expense | | |
| Compensation and benefits | 15,028,665 | 14,947,108 |
| Office operations | 11,276,649 | 10,839,628 |
| Office occupancy | 1,290,279 | 1,327,887 |
| Other expenses | 780,827 | 879,299 |
| Total noninterest expense | 28,376,420 | 27,993,922 |
| Net Income | \$ 8,345,679 | \$ 9,697,945 |



A Community Effort in 2020

The CCCU Cares committee was not deterred by the pandemic in 2020 and continued with its mission to support those in need throughout the Southern Nevada community. The committee is made up of CCCU employees who volunteer their time to find ways for employees to provide support for local non-profit organizations. For 2020, health and safety concerns influenced the organizations selected and manners of support that were provided.

The core value of the committee is, "If you see a need, take the lead," and 2020 was filled with many chances to take action. Below is the 2020 list of our committee's projects:

- Read to 34 classes during Nevada Reading Week in partnership with Spread the Word Nevada and Keller Elementary School.
- Sponsored the virtual 'Runnin' for the House 5k' to support Ronald McDonald House Charities with 33 employee participants.
- Provided 5 local students a Smart Start Scholarship with each receiving \$1000 towards higher education.
- Donated \$10,000 to Project 150's homeless youth for food support, in addition to hosting a boxed cereal drive where employees collected over 100 boxes for the organization.
- Collected 6,684 school supplies for Keller E.S. and Antonello E.S. for in-need students during an employee and member school supply drive.
- 11 employees volunteered their time to clean-up an historic Westside neighborhood through the United Ways Annual Day of Caring.
- Provided 50 hygiene kits to homeless veterans through the Nevin Lawson Foundation
- Sponsored the Ronald McDonald House Charity event- 'Home: Where Our Story Begins' with a \$10,000 donation.
- Gave a \$37,500 grant to Lutheran Social Services.
- Employees donated over 155 pajamas to children and families of Olive Crest.
- Distributed \$9,000 during the Happy Bonus Days event to six non-profits: Candlelighters of SNV, Ronald McDonald Charities, Juvenile Diabetes Research Foundation, Three Square, and Down Syndrome Organization of Nevada.



I want to express extreme gratitude for Ryan in service. I recently had fraud on my account and Ryan helped me every step of the way from start to finish and followed up to ensure all was well. Ryan made him feel comfortable and secure. I was ready to break up with CCCU but Ryan's support has solidified my trust in CCCU.

Frederick L. – Kudos Call



2020 Highlights

- Gave back \$3.6 million as a Bonus Dividend to members.
- Launched a new innovative online and mobile banking system for members.
- Joined the Co-Op network to provide members access to over 30,000 surcharge-free ATMs across the nation.
- Added bereavement leave for all full-time employees.
- Re-launched our Smart Start Scholarship program to award 5 college students with a \$1,000 scholarship for higher education.
- Expanded service into Laughlin with our first ATM installation at the Clark County Regional Government Center in Laughlin, Nevada.
- Continued our tradition of honoring nurses during Nurses Week with daily prizes and a grand prize \$1,000 gift card to a local nurse and \$500 to a nursing student.
- Moved our Shadow Lane Branch to a new location on Rancho and Charleston, which now provides both front-office and back-office services to our members.
- CEO Matt Kershaw was named as the 2020 Advocate of the Year by the California and Nevada Credit Union League.
- Introduced a new member satisfaction survey that goes out weekly.
- We were recognized as a top performing financial educator by Banzai, our free financial education program, due to our high engagement from our members.
- Best of Las Vegas named Clark County Credit Union one of the top three credit unions in Las Vegas.
- Bonus Checking was launched with unique account benefits and financial protections.
- The credit union was honored as a finalist for the 2020 Community Spark Awards by Social Assurance.
- In response to our members impacted by the pandemic, CCCU waived a total of 2,852 loan payments for a total of \$4,275,805.35.

Board of Directors

Eric Jorgenson, Chair
 Debbie Conway, Vice Chair
 Doug Spring, Secretary-Treasurer
 Alise Haney
 Ted Olivas
 Michael Schramm
 Ed Zagalo

Audit Committee

Marc Joseph, Chair
 Spencer Luth
 Sabrina Mercadante
 Curtis Myles
 Steve McLean

Senior Management

Matt Kershaw, President/CEO
 Patricia Ochal, CFO
 Josh Haldeman, CLO
 Shannon Hiller, CMO
 Fred Howard, CTO
 Dave Upham, COO

