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ANNUAL REPORT

2023

The page features several decorative geometric elements: a horizontal red line above the title, a vertical grey bar on the left, a vertical grey bar on the right, a grey grid pattern in the bottom right corner, and a horizontal grey bar below the title. At the bottom, there is a red bar on the left and a grey bar on the right, with a small "■ ■" icon and a horizontal line between them.

Agenda

Call to Order

Cindi Summers, Board Chair

Determination of Quorum

Cindi Summers, Board Chair

Reading of the Chair Report

Cindi Summers, Board Chair

Farewell to CEO Jim Dean

Cindi Summers, Board Chair

Wealth Management Services Partnership

Kristin Evans, First Community Trust

Reading of CEO Report

Jeremy Smith, CEO

75 Years of Affinity: A Look Back

Video

Recognition of Scholarship Recipients

Jeremy Smith, CEO

Reading of the 2023 Annual Meeting Minutes

Terry Jones, Board Secretary

Acceptance of Committee Reports

Cindi Summers, Board Chair

Unfinished Business

Cindi Summers, Board Chair

New Business

Cindi Summers, Board Chair

2023 National Credit Union of the Year

James Reasoner, Board Member

Special Recognition of Volunteer Service

Jeremy Smith, CEO

Introduction of Board Nominees

Christian Quijano, Board Vice Chair

Adjournment

Cindi Summers, Board Chair

Prize giveaway following adjournment.

Contents

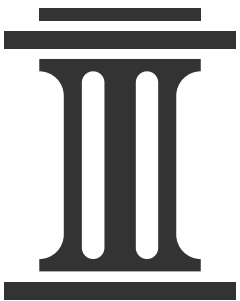
Chair Report
CEO Message
Farewell to Jim Dean
Scholarship Recipients
Financials

Credit/Audit Committee Reports
2023 Highlights
Marge Ramsey Remembrance
Board of Directors
Community Impact

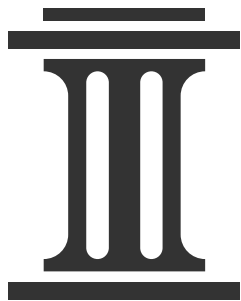
Vision/Mission

BUILDING BETTER LIVES

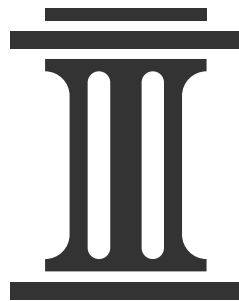
Brand Promises



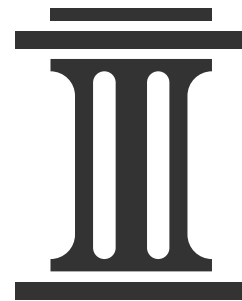
**It Starts With
Employees**



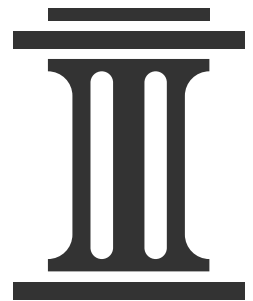
**Work in the
Members' Best
Interest**



**Simplify the
Members' Life**



**Enrich Our
Communities**



**Provide
Solutions to
Help Our
Members
Achieve
Financial
Success**

Chair Report

Welcome to the 2024 Affinity Credit Union annual meeting! While each year I've served on this board has meant so much to me, this past year in particular will hold a special place in my heart.

Last year, I promised we would continue to hold the bar high, and we have done just that. Our small but mighty not-for-profit credit union continues to keep its foot on the gas of excellence. While I could cite a dozen or more changes and accomplishments that the amazing team behind the scenes is accomplishing, here are a few major events I'd like to recognize from the past year.

- The National Association of Federally-Insured Credit Unions named Affinity Credit Union "Credit Union of the Year," an excellence and achievement industry award. If you haven't already, visit the website www.bestcreditunionever.com for more information.
- We were a finalist for a Luminaries award from Credit Union Times, cited for the incredible and thoughtful ways we are serving our community and driving the credit union industry forward.
- Jim Dean, our beloved CEO of the past five years, retired after more than 30 years in the industry. Jim is a servant leader who insistently evolved our organization and positioned us to be an even stronger and more valued community partner than ever before. Jim's inspiration and accomplishments will carry on for many years to come.
- Jeremy Smith, a Des Moines native and Drake University graduate, moved from Vice President of Lending to become our new CEO, after a national search conducted by the Board of Directors. Many of our members already know and trust Jeremy, and he shares Jim Dean's passion for making our credit union the best it can be.
- Our long-time board member of 25 years, Marge Ramsey, passed away last fall. Marge was a passionate community leader, advocate, and mentor who will be truly missed.

There is one other reason this year holds a special place in my heart and that's because it is my last year serving as Chair & voting board member. I know many of you are aware of my "Affinity Credit Union story" (a/k/a my "310 Credit Union story") dating back to when my husband Alan and I lived in the Oak Park neighborhood, living paycheck-to-paycheck trying to start a family, and the support the credit union gave us over the years. I'm so grateful to have been able to give back in the form of volunteerism to this board and in service to all of you. It means the world to me that you trusted me to be your voice.

In closing, Affinity's mission of Building Better Lives is more alive than ever. Our mission continues to inspire the Affinity team and volunteer directors, and the valued support of our members helps to fuel that passion every day.

Thank you for your confidence in Affinity Credit Union.

CINDI SUMMERS



CEO Message

75 years, 32,104 members, 14 counties, 2 names, 1 guiding principle: Building Better Lives. What started as a lifeline in the form of a lunch box carried around the factory floor has now grown into a thriving financial institution serving over 13,000 members in 14 local counties. Like the world around us, Affinity Credit Union will continue to evolve with the changing times, and I am excited to lead us through this evolution.

Let me tell you a little about myself for those who may have missed my introductory newsletter. I was born and raised in the Des Moines area, grew up in Altoona, and attended Southeast Polk High School. From there, I attended Drake University, where I played football and earned my degree in entrepreneurial management. I have held various positions in the lending, risk, and compliance space, and before coming to Affinity, I worked for a sister company of the Iowa Credit Union League. My time with the league fostered my appreciation and love for credit unions and the impact credit unions have on the greater community. That led me to Affinity two years ago, where I accepted the role of Vice President of Lending.

I am profoundly grateful to the Board of Directors for their trust in me to lead this esteemed institution. I also want to take a moment to express my heartfelt appreciation to Jim Dean for his exceptional leadership over the past five years. Under his guidance, Affinity has not only weathered economic challenges but emerged stronger, a testament to his dedication and vision. It was his leadership that led us to win the 2023 NAFCU Credit Union of the Year award. We wish him the best as he embarks on a new chapter.

The blue-collar roots from which the original 310 Credit Union was created still shape much of what we do today, which is why I am excited about the future of Affinity. The agriculture industry supported my grandparents on both sides. One farmed locally in Des Moines, and the others ran the feedmill at their local co-op in southeast Iowa. My grandparents worked hard to support their families and provide them with resources for a better life. This theme rings true for our members, as well.

Our members work hard for their money, and we are here to help them do more with what they earn so they can live the lives they want. I am committed to preserving these values and using them as a foundation for our future growth.

JEREMY SMITH



Farewell to Jim Dean, Retired CEO



Affinity Credit Union CEO: 2018 - 2023

As Jim Dean bids farewell after five transformative years at Affinity Credit Union, his legacy stands as a testament to visionary leadership and unwavering dedication.

Under his guidance, Affinity has not only thrived but has evolved into a beacon of financial empowerment and community support. Jim's impact will resonate for years to come, shaping the very essence of Affinity Credit Union and leaving a lasting imprint on all who have had the privilege to work alongside him.

Farewell, Jim, and thank you for your invaluable contributions.

Scholarship Recipients



MCKAYLA WOOD
SAYDEL HIGH SCHOOL

- 4.1 GPA
- Vice President for Saydel National Honor Society
- Speech All-State Participant
- Girl Scout Silver Award
- Recipient of Red Cord

School: Iowa State University
Expected Major: Environmental Science



VICTORY IBAAKEE
NORTH HIGH SCHOOL

- 4.3 GPA
- Honor Roll 2020-2024
- Secretary for National Honor Society
- Speech and Debate Team Captain
- Played Viola in Orchestra for 9 Years

School: Iowa State University
Expected Major: Business



ANDY CHEN
LINCOLN HIGH SCHOOL

- 4.46 GPA
- AP Scholar with Distinction 2023
- President's List at DMACC 2023
- Honor Roll 2020-2024
- All Academic Team at UW-Platteville Math Competition

School: Undecided
Expected Major: Computer Science

Scholarship Recipients



SHANEE SAIDU

DES MOINES CENTRAL CAMPUS

- 3.97 GPA
- National Honor Society Member 2021-2024
- East High School Tennis Co-Captain 2021-2024
- East High School Girls Cross Country Captain 2023
- Central Campus Ambassador 2022-2024

School: Iowa State University
Expected Major: Public Relations



MAYA BERGSTROM

CARLISLE HIGH SCHOOL

- 4.48 GPA
- National Honor Society 2022-2024
- President of Best Buddies, Carlisle Chapter
- Seal of Biliteracy in Spanish
- Member of Cross Country and Track Teams

School: University of Nebraska-Omaha
Expected Major: Pre-Med

CONGRATULATIONS

Warren A. Morrow Memorial Scholarship Recipients



MALIA WHISLER
SAYDEL HIGH SCHOOL

- National Honor Society Historian
- Finished 480+ Volunteer Hours
- Recipient of the Ambassador National Community Service Award
- The first 7th grader to be a part of Saydel's Color Guard 2018-2023

School: Grand View University
Expected Major: Undecided



TYLER DANITZ
DES MOINES AREA COMMUNITY COLLEGE



IOWA CREDIT UNION

FOUNDATION

Financial Report



	2023	2022
Assets		
CASH/CASH EQUIVALENTS	\$14,981,525	\$14,916,443
INTEREST BEARING DEPOSITS IN FINANCIAL INSTITUTIONS	-	\$498,750
AVAILABLE FOR SALE INVESTMENTS	\$20,719,578	\$18,060,060
EQUITY SECURITIES	\$581,101	\$606,418
RESTRICTED INVESTMENTS	\$603,400	\$683,100
LOANS TO MEMBERS, NET OF ALLOWANCE FOR LOAN LOSS	\$98,752,907	\$103,876,561
ACCRUED INTEREST RECEIVABLE	\$388,607	\$313,397
PROPERTY/EQUIPMENT	\$3,020,047	\$3,081,578
NCUSIF DEPOSIT	\$1,277,882	\$1,197,572
OTHER ASSETS	\$1,874,449	\$1,454,133
TOTAL ASSETS	\$142,199,496	\$144,688,012
Liabilities		
MEMBERS' SHARES/SAVINGS ACCOUNTS	\$124,498,347	\$128,058,107
ACCRUED EXPENSES/OTHER LIABILITIES	\$2,969,370	\$3,178,822
BORROWINGS	-	-
INTEREST PAYABLE	\$112,009	\$67,259
TOTAL LIABILITIES	\$127,579,726	\$131,304,188
Members Equity		
REGULAR RESERVES	\$5,470,834	\$5,470,834
UNDIVIDED EARNINGS	\$10,515,515	\$9,621,143
MEMBERS' EQUITY, SUBSTANTIALLY RESTRICTED	\$292,249	\$292,249
ACCUMULATED OTHER, COMPREHENSIVE LOSS	(\$1,658,828)	(\$2,000,402)
TOTAL MEMBERS' EQUITY	\$14,619,770	\$13,383,824
TOTAL LIABILITIES/MEMBERS' EQUITY	\$142,199,496	\$144,688,012

<u>INCOME STATEMENT</u>	2023	2022
INTEREST INCOME	\$6,651,201	\$5,279,523
INTEREST EXPENSE	\$1,086,329	\$349,821
PROVISION FOR LOAN LOSSES	\$211,446	\$303,980
NON-INTEREST INCOME	\$3,235,317	\$2,904,313
NON-INTEREST EXPENSE	\$7,166,846	\$6,221,052
NET INCOME	\$1,421,897	\$1,308,983



Credit Committee

Your Credit Committee is responsible for ensuring Affinity Credit Union's sound credit policies are maintained and loans are processed in an efficient manner. Most loans to members are granted by Financial Services Officers in the loan department. The Credit Committee, however, meets to process applications for persons in difficult or unusual borrowing situations.

In 2023, 1,571 loans were granted to members totaling more than \$27 million. This is attributed to a number of factors which include our members refinancing debt, our competitive interest rates, and our board of directors ensuring we have sound credit policies.

Remember to check with Affinity Credit Union for all your lending needs - you'll be glad you did! The Credit Committee would like to commend the staff for their dedication and service to our membership.

CREDIT COMMITTEE MEMBERS

Terry Jones, Cara Harris, Isabelle Hanson

Audit Committee

The summarized financial statement information included in this annual report was prepared by Affinity Credit Union's management team. The Audit Committee monitors the accounting system on behalf of you, members of Affinity.

As part of its duties, the Committee engages the independent accounting firm, CliftonLarsenAllen LLP, to conduct an annual audit of the credit union and provide an opinion of the financial statements as a whole. A copy of the report is available for review by interested members upon request.

We retained the services of ViClarity, who conducted an audit of the Bank Secrecy Act. Recommendations were made and subsequently corrected by the credit union.

It is the Committee's opinion, the credit union's daily practices remain in compliance with the credit union's policies, state and federal regulations and acceptable accounting procedures.

AUDIT COMMITTEE MEMBERS

Aaron Olson, Lee Roy Porter, James Reasoner

2023 Highlights

- Named National Credit Union of the Year by NAFCU*
- Dropped overdraft and NSF fees from \$15 to \$10
- Over \$27 Million in new loans funded
- Affinity staff volunteered over 186 hours in the community
- Served 13,596 members in 2023
- Loan delinquencies as % of loans outstanding were 0.51%
- Member deposits came in at \$124,498,347



APRIL BETZER

“ Affinity has been my choice of financial institutions for years. They genuinely care about my financial well-being and have innovative products that help me with my savings goals. And, their staff are always helpful and do what they can to help! ”



NICK RICE

“ Affinity offers excellent rates on auto loans and top-notch customer service. I have been a lifelong customer and am beyond satisfied with their services. ”



CYNTHIA PORTILLO

“ I have been a member for over 15 years. Even now that I live out of state I cannot find it in me to go elsewhere. The times when I would walk in for assistance, the representatives were always welcoming. The website is easy to use, and the phone representatives are always warm and helpful. ”



DAVID TIDBALL

“ We have been members of Affinity Credit Union since 1968, and we have never had any problems with anything that we needed the service of our Credit Union. We have bought many cars and have gone through the Credit Union and have never had any problems with that whenever I needed. They're there for me and I can't imagine going to anywhere else. ”



MARIQUITA ULRICH

“ I have loved working with this credit union. They have had awesome rates too for auto loans, personal loans and even credit cards. I actually switched to being a member because they were so helpful and always beat my old credit unions rates! 10 out of 10 recommend banking here! They have been so helpful! ”

***all credit unions <500 million in assets**

In Memory of Marge Ramsey

August 19, 1941 - August 7, 2023



Board secretary 1997-2022
Recognition of 25 years of volunteer service

Marge Ramsey made Des Moines greater by lending her time and talents to many organizations over her lifetime.

Included on that lengthy list is Affinity Credit Union, where Marge served as Board Secretary for the entirety of her 25 years of volunteer service.

Board of Directors



Cindi Summers
Board Chair



Christian Quijano
Board Vice Chair



Lee Roy Porter
Board Member



Terry Jones
Board Secretary



Aaron Olson
Board Member



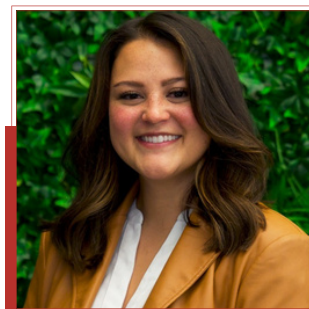
Cara Harris
Board Treasurer



James Reasoner
Board Member
*incumbent seeking
re-election*



Bill Downing
Board Member



Isabelle Hanson
Board Member

Community



We believe serving our members also means serving the communities in which they live and work. We have invested generously in dozens of local schools and organizations, contributing both volunteer time and financial support.

**2023 Donations totaling nearly \$100,000!
Over 186 hours spent volunteering!**





AFFINITY

CREDIT UNION

