



Park Side Credit Union's 57th Annual Meeting

Thursday, January 20, 2022 at 8:30 am

Board of Directors:

Carl Thomas, Chairman
Rick Flink, Vice Chairman
Terry Thorpe, Secretary/Treasurer
Daria Perez, Director
David Sutherland, Director
Ron Jarosch, Director
Dick Green, Director
Rich Pedersen, Director
Diana Lamers, Director
Tracy Brink, Associate Director
Doug Gilbertson, Associate Director

Supervisory Committee:

Roxie Peterson, Chairperson
Lynda Sundberg, Secretary
Jeannette Feltus, Committee Member
Jerry Ren, Committee Member

We like to say - - - - - > **YES.**

Flathead Valley: 406.862.2652 | Missoula: 406.728.4475 | parksidfcu.com



Flathead Valley
1300 Baker Ave
Whitefish, MT 59937



Missoula
2300 Great Northern Ave
Missoula, MT 59808

Park Side Credit Union
Annual Meeting Agenda

Thursday, January 20, 2022 at 8:30 am

Opening of Meeting:

Open_____

Close_____

- I. Call to order
- II. Minutes of January 21, 2021 Annual Meeting
- III. Reports
- IV. CFO Financial Summary
- V. Open Forum for Questions and Answers
- VI. Election Results
- VII. Closing
- VIII. Adjournment

Park Side Financial Credit Union
56th Annual Business Meeting
January 21, 2021
Minutes

Board Members Present: Carl Thomas, Rick Flink, Terry Thorpe, Dick Green, Dave Sutherland, Daria Perez, Ron Jarosch, Rich Pedersen & Diana Lamers

Board Members Absent:

Associate Board Members Present: Tracy Brink

Associate Board Members Absent:

Supervisory Members Present: Roxie Petersen, Lynda Sundberg

Supervisory members Absent: Jeannette Feltus

President/CEO: Jeremy Presta

Call To Order

Chairman Carl Thomas called the 56th Annual Meeting of the Park Side Credit Union to order at 8:32 a.m. on January 21, 2021 and welcomed all present. The chairman announced that a quorum was present and the business meeting could continue. Many of the annual meeting attendees were attending the meeting virtually.

Chairman Thomas introduced himself and each of the Board and Supervisory Committee members.

Chairman Thomas reminded members that reports by the Chairman, Secretary/Treasurer, and Supervisory Committee, along with an Income Statement and Balance Sheet Comparison were attached to the Agenda for review.

Chairman Thomas asked if there were any additions, corrections, or deletions to the Minutes of the 55th Annual Meeting. Hearing no additions or corrections, Roxie Petersen motioned to accept the Minutes as presented, Rick Flink seconded, and the motion was approved by the members present.

Chief Financial Officer Troy Brackey was asked by Chairman Thomas to present the Financial Summary to the members. Terry Thorpe asked what happens to net income at year end? Troy answered that net income at year end goes into the capital reserve for the following year.

There was no old or new business to be presented or discussed.

Chairman Thomas then opened the meeting to questions and comments from the membership. No questions or comments were presented.

Next item was election of directors whose terms were expiring. Incumbents Terry Thorpe, Dick Green, Richard Pedersen were unopposed and will serve another three year term. Diana Lamers, also unopposed, will serve the remaining 2 years of the term to which she was appointed by the Board.

Chairman Thomas called for a motion to adjourn. The motion to adjourn the meeting was made by Lynda Sundberg and seconded by Dave Sutherland. The motion carried. The meeting adjourned at 8:45 a.m.

Respectfully submitted
Terry G. Thorpe, Sec/Treas.

January 20, 2022

REPORT OF THE CHAIRMAN

Park Side Credit Union had another great, but challenging year in 2021 and we are excited to see what 2022 holds for the credit union, our communities and members. As mentioned, we had another successful year with growth across the board and more importantly, Park Side continues to be a safe, secure and a financially strong Credit Union.

The Board of Directors and Management are pleased with the opportunities we have for continued growth and community involvement in both the Missoula and Flathead markets.

We appreciate our members continued support and thank you for your membership. These past two years have definitely been challenging, but our staff has maintained their commitment to serving you and exceeding your needs.

Each year we welcome new employees and volunteers and thank them for their continued loyalty and commitment to serving our membership and for the continued growth of our credit union.

I want to recognize the considerable amount of volunteer hours that are given by staff, the Supervisory Committee and our Directors. This is what makes our credit union truly great. Thank you.

Again, thank you for placing your trust and confidence in Park Side Credit Union. We look forward to another rewarding year for our membership.

Chairman

Carl Thomas

January 20, 2022

Report of the Secretary/Treasurer

Dear Members:

During 2021, Park Side Credit Union (PSCU) exhibited very strong growth exceeding budget and surprising the Board, Management, and staff. As of December 31, 2021 the Balance Sheet increased to \$381.4M, a 20.7% increase over the previous year. This growth occurred even during the continuing COVID-19 pandemic. Operational changes caused by the pandemic and implemented in 2020, have largely been continued. Even though PSCU branches are open, members have been using online banking to a greater extent. Thanks to the adaptability of management and staff, total loans saw an annualized growth of 11.84% and at year end the loan portfolio was at \$278M. The year-end balance sheet is producing solid financial results, allowing PSCU to start year 2022 with well-funded liquidity position, a healthy loan portfolio, market competitive interest rates, and no debt. The Board, management, and staff are looking forward to a more economic steady 2022.

The Board and staff review and update policies on an ongoing basis, including recommended quarterly updates from our policy management provider. Supervisory Committee meeting minutes are reviewed by the Board on a quarterly basis.

To improve efficiency, and maintain the credit union in a safe and sound condition:

PSCU's financials were audited by a third-party CPA firm and that the opinion issued was unmodified and dated 03/29/2021.

Staff spent 2021 continuing to encourage the use of our online and mobile banking platforms, which allowed PSCU to continue operations and exhibit strong growth during the pandemic. In addition, PSCU branches remained open for member use.

Our Board and staff continue to review PSCU programs, policies and procedures to ensure they are correct and meet the philosophy of PSCU, and continually review our products and services to ensure they meet our members' needs.

In Missoula the new downtown branch opened in 2021.

In 2021, the Board and management updated the strategic planning process that will guide us over the coming years.

The Board of Directors are very appreciative and thankful for the efforts and contributions of the employees of PSCU for the amazing growth and success we achieved in 2021 and want to thank our members for your continued trust and membership.

Respectfully submitted:

Terry Thorpe, Secretary/Treasurer

Supervisory Annual Report 2021

The function of the Supervisory Committee is to ensure PSCU is following the policies approved by the Board of Directors and their own internal procedures.

The committee members are Lynda Sundberg, Jeannette Feltus, Jerry Ren and myself. I would like to thank them for their time and efforts

We have started working with Park Side's new Internal Auditor and we will hold monthly meetings with her and the minutes of these meetings will be included in the Board packets. As of January, the committee will oversee the loan reviews performed by the Internal Auditor and will continue with cash and branch reviews quarterly.

JCCS (Independent 3rd party Internal Auditor) holds quarterly meetings with management and the Supervisory Committee to discuss their findings and go over any recommendations they may have, if any. We hold quarterly meetings after their review to discuss what was presented and the minutes of these meetings are included in the Board packet.

Wipfli (perform annual accounting audit) found the financial statements supported the financial position of PSCU in accordance with accounting principles in the United States.

PSCU had another successful year. Thank you to the staff and management.

Roxanne Peterson,

Supervisory Committee Chair



Statement of Condition As of December 31st

	<u>2021</u>	<u>2020</u>	<u>YoY Growth</u>
<u>ASSETS</u>			
Cash and cash equivalents	\$35,873,572	\$25,973,687	\$9,899,885
Total Investments	45,085,978	\$18,244,178	\$26,841,800
Loans to Members	279,196,352	\$249,632,663	\$29,563,689
Allowance for Loan Losses	(734,086)	(788,467)	\$54,381
Fixed Assets (Net)	10,864,815	\$12,558,927	-\$1,694,112
Other Assets	11,170,049	\$10,391,003	\$779,046
Total Assets	<u><u>\$381,456,680</u></u>	<u><u>\$316,011,991</u></u>	<u><u>\$65,444,689</u></u>
<u>LIABILITIES & EQUITY</u>			
Member's Shares and Certificates of Deposit	\$350,496,204	\$280,380,784	\$70,115,420
Notes Payable	0	\$7,000,277	-\$7,000,277
Other Liabilities	1,498,504	\$1,173,588	\$324,917
Member's Equity	29,461,972	\$27,457,343	\$2,004,629
Total Liabilities & Equity	<u><u>\$381,456,680</u></u>	<u><u>\$316,011,991</u></u>	<u><u>\$65,444,689</u></u>

Notes for the Balance Sheet:

The credit union recognized above market expectations for deposit growth in 2021, an increase of, \$70m, or 25%. Those funds, then, were allocated to growth in our loan and investment portfolios, a total of \$56.4m, or 80% of deposits were put into interest earning positions. Additionally, deposit growth funds also allowed the credit to paydown it's debt positions, of which, all, \$7m with the FHLB of Des Moines was paid off during 2021. As the credit union prepares for the 2022 calendar year, we are well positioned with appropriate liquidity funding to meet our members lending needs. Looking forward to a succesful 2022.



Income Statement
Year-To-Date - December 31st

Interest Income	2021	2020	YoY Growth
Interest on Loans	\$11,412,868	\$10,884,854	\$528,014
Interest from Investments	\$270,674	\$212,299	\$58,375
Total Interest Income	\$11,683,542	\$11,097,153	\$586,389
Interest Expense			
Dividends	\$1,095,528	\$1,454,837	(\$359,309)
Interest on Borrowed Money	\$210,777	\$173,403	\$37,374
Total Interest Expense	\$1,306,305	\$1,628,240	(\$321,935)
Net Interest Income	\$10,377,237	\$9,468,913	\$908,324
Provision for Loan Loss	(\$39,898)	(\$334,461)	\$294,563
Net Interest Income after Provision	\$10,337,339	\$9,134,452	\$1,202,887
Other Income:	\$4,435,855	\$3,625,875	\$809,980
Operating Expense:	(\$12,486,917)	(\$11,639,651)	(\$847,266)
Net Income	\$2,286,276	\$1,120,676	\$1,165,600

Notes for the Income Statement:

The income statement for 2021 performed above economic expectations, the local economies produced strong long demand, of which led to interest income growing close to, \$600k over prior year, and along with growth, the loan portfolio was healthy, and saved the credit union over, \$290k in loan loss provisioning expenses compared to prior year. During the course of 2021,, the credit union also recognized one-time accounting gains from our corporate credit union partner, MCCU, in the amount of, \$387k, those one-time gains were recoveries from the 2008/09 financial crisis, and recorded in our other income section.