

Maps Credit Union

Annual Report 2015–2016



Financial and Operations Report



Joe Phillippay

*By Joe Phillippay, Chair, Board of Directors,
and Mark Zook, Maps President and CEO*



Mark Zook

Dear Members,

The figures rise, the income grows, and the number of the lives we touch increases every year.

By every measure, Maps grew into a bigger, stronger institution in the fiscal year that ended on June 30, 2016:

- Our total loan volume grew to \$433 million, 18% higher than the prior year
- Our home loans totaled \$39 million, a year-over-year increase of 17%
- Our assets reached \$594 million, up 11.62%
- Our membership flourished; we now have more than 52,000 members

Our growth enabled our staff of 215 to serve you better online, over the phone, or in person at one of our nine full-service or campus branches. It also helped us update and broaden our service by opening a new branch in Silverton, remodeling the McNary branch, and clearing a corner in Stayton to make way for a new branch.

We also expanded our mortgage department, hosted financial planning workshops, opened a new Maps Investments office in Corvallis, and made accounts more secure by moving from VISA to MasterCard, which features the more secure technology of EMV chips.

Our work didn't go unnoticed. For the eighth year in a row, Maps was named the Best Credit

Union in the Statesman Journal's annual Best of the Mid-Valley contest. We also gained several hundred new Facebook and Twitter "likes" and followers.

Those of you who use your Maps Free Community Checking accounts can be proud, too. You raised a record \$68,000 for the Maps Community Foundation by earning a penny for it every time you swiped your debit card!

With that income, as well as donations, the foundation gave:

- 12,000 in college scholarships to high school students
- \$7,000 in grants to public school teachers
- More than \$50,000 to community groups and charities

We're proud of Maps and amazed at what we've done since a group of educators pooled their savings to start the credit union back in 1935.

We're honored and humbled that you trust us, and pledge that we'll continue to do what's needed to help you navigate life.

Thanks for choosing Maps!

Financial Summary

(Dollars shown in thousands)

2016

2015

Income Statement

For the Fiscal Year Ended June 30, 2016, and 2015

Income

| | | |
|-----------------------|----------|----------|
| Loan/Investment/Other | \$28,863 | \$27,846 |
|-----------------------|----------|----------|

Expenses

| | | |
|-------------------------------|----------|----------|
| Operating Expenses | \$22,192 | \$21,767 |
| Dividend and Interest Expense | 673 | 750 |
| Provision for Loan Losses | 566 | 742 |

Non-Operating

| | | |
|--|-------|------|
| Gain (Loss) on Sale of Assets, net | (91) | 6 |
| Gain (Loss) on Sale of Securities, net | (372) | 0 |
| Non-controlling Interest | 0 | (11) |

Net Income

| | | |
|--|----------------|----------------|
| | \$4,970 | \$4,582 |
|--|----------------|----------------|

Financial Summary

As of June 30, 2016, and 2015

Assets

| | | |
|----------------------|-----------|-----------|
| Loans (Net) | \$434,379 | \$366,549 |
| Cash and Equivalents | 77,840 | 41,997 |
| Investments | 42,289 | 81,666 |
| Accrued Income | 1,115 | 1,077 |
| Fixed Assets (Net) | 21,474 | 20,620 |
| NCUSIF Deposit | 4,836 | 4,432 |
| Other Assets | 12,151 | 15,923 |

Total Assets

| | | |
|--|------------------|------------------|
| | \$594,084 | \$532,264 |
|--|------------------|------------------|

Liabilities and Equity

| | | |
|--|---------|---------|
| Accrued Expenses and Other Liabilities | \$9,267 | \$9,407 |
| Borrowed Funds | 0 | 0 |
| Members' Shares and Savings Accounts | 538,463 | 481,838 |
| Members' Equity | 46,354 | 41,019 |

Total Liabilities and Equity

| | | |
|--|------------------|------------------|
| | \$594,084 | \$532,264 |
|--|------------------|------------------|

Orth, Chakler, Murnane and Company, CPAs, audited the consolidated financial statements of the credit union as of June 30, 2016, using generally accepted accounting standards. The firm rendered the opinion that the financial statements presented fairly, in all respects, the consolidated financial position of Maps Credit Union for the year ended June 30, 2016.

Supervisory Committee Report

*By Derrick Angelus,
Chair, Supervisory
Committee*



Maps' Supervisory Committee is looking out for you.

All five of us have been appointed by the board of directors to make sure the credit union complies with all regulations and operates in the best interest of all members. We also supervise the scheduling and reporting of the work of on-staff internal auditors, and make sure Maps abides and complies with:

- Oregon Revised Statutes
- Oregon Administrative Rules
- NCUA regulations
- Generally accepted accounting principles

We're also mandated by the state to make sure:

- An outside financial audit is performed annually
- Member accounts are verified

This year we hired the CPA firm of Orth, Chakler, Murnane and Company to review Maps' financial statements as of June 30, 2016, applying generally accepted auditing standards.

The firm rendered an Unqualified Opinion, meaning the statements fairly represented the financial position of the credit union as of the audit date and included the required disclosures of significant accounting policies.

The annual report you hold in your hand features a summary of the financial statements outlining Maps' assets, liabilities, and capital reserves.

Working with management, external auditors, and the internal auditor, we on the Supervisory Committee pledge to continue to do our best to ensure the safety and soundness of the credit union. We are honored to do so.

**Supervisory Committee
2015-2016**

Derrick Angelus, Chair

Senior Accountant, Kuenzi & Company, LLC

Jason Wise, Vice-Chair

Accounting Major

Anna Mahony, Member

Instructor, Western Oregon University

Jeff Pommerenck, Member

CPA

Brad Tedrow, Member

Grant Coordinator,
Chemeketa Community College

**Maps Service Agency, Inc.
Board of Directors
2015-2016**

Tom Marks, Chair

Broker, Berkshire Hathaway Home Services

Gordon Sawser, Vice Chair

Retired Controller & Chief Financial Officer,
Ross Brothers and Co.

Peyton Lieuallen, Director

Owner, Lieuallen Enterprises, and
Retired ESD Superintendent and Judge

Craig Smith, Director

Retired Chief Financial Officer,
Chemeketa Community College

Travis Young, Director

Account Manager, Batory Foods

Rich Goward, Director

CFO, Willamette Valley Vineyards

Daniel C. Penn, Director

Retired Chief Executive Officer, Maps Credit Union

**Maps Credit Union
Board of Directors
2015-2016**

Joe Phillippay, Chair

Retired Insurance Executive

Gordon Sawser, Vice Chair

Retired Controller & Chief Financial Officer,
Ross Brothers and Co.

Jeff Antrican, Director

Vice President of System Sales, UTC Fire & Security

Judy Beebe, Director

Adjunct Instructor, Western Oregon University

Phil Frey, Director

Retired Director of Auxiliary Services,
Chemeketa Community College

Tom Marks, Director

Broker, Berkshire Hathaway Home Services

Brant Wolf, Director

Executive Vice President,
Oregon Telecommunications Association

*Mark Zook, Credit Manager, Secretary, & Treasurer
President & Chief Executive Officer, Maps CU*



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