



MEET THE CANDIDATES

As a member of Affinity Credit Union, you have a voice in who serves on your Board of Directors.

This year, the Board of Directors has THREE (3) open positions. We encourage you to read the biographies of the THREE (3) nominees and vote for the candidates you feel will best serve the members of Affinity Credit Union.

JEANNETTE BROWN



Jeannette Brown works as an Accountant for The Vroman Group CPA. She is the Chair of The Commission of Latino Affairs for the state of Iowa, as well as the Director of FALO (Friends/Amigos/Les Amis/Os Amigos), which supports and assists the educational and cultural activities and initiatives of the Iowa Commission & Office of Latino Affairs.

Jeannette's passion is to be involved with the public. She would love the opportunity to give back by lending her skills to Affinity Credit Union.

Jeannette has been a member of Affinity for 2 years and resides in Clive.

JESSICA SCOTT, CPA (INCUMBENT)



Jessica Scott is a Certified Public Accountant with over six years of experience in both the public and private industries. Currently employed as an Accounting Manager at Kemin Industries in Des Moines, Jessica specializes in accounting and financial reporting and regularly attends conferences and training sessions in order to stay up to date with the newest accounting guidelines and industry trends.

She is a member of the American Institute of Certified Public Accountants, the Iowa Society of CPAs, a Centennial Volleyball Academy Club Coach, an Animal Rescue League of Iowa volunteer, and a current Affinity Credit Union board member.

Jessica would like to continue adding value to the Board through her accounting knowledge and experience, but most importantly, to continue to serve and act in the best interest of the members of Affinity. She values teamwork, integrity, and discipline in the workplace and while serving on boards and committees.

Outside of the office, you will find Jessica spending time with family and friends, playing and coaching volleyball, out on one of the many Des Moines area bike paths, or training for her next marathon.

JOHN STONE



John Stone retired from banking in 2006 as a Vice President in charge of Consumer Lending and a Commercial Loan Officer. He would bring extensive knowledge of lending to Affinity.

As Vice President, John developed and implemented all consumer products. Home Equity Lines of Credit, auto loans, unsecured loans, indirect loans and others. John was responsible for training, lending policies, compliance issues and overall quality of portfolios.

John served on the National Consumer Lending and Iowa Board for savings and loans. He also taught lending for a semester at the American Institute of Business (AIB). For several years, John was a presenter and instructor at national lending conferences.

Since John's retirement, he and his wife Tonya have traveled extensively. John has worked as a part-time, Police Officer and is presently Treasurer for the Blue Knights, a benevolent organization. John loves spending time with his 9 children and soon-to-be 27 grandchildren. John's hobbies are working in the garden with his wife, riding his motorcycle on trips, working on cars with his sons, and woodworking/cabinet making.

John believes he will bring extensive knowledge of lending policies and procedures, training, quality review steps and overall organizational skills. He is looking forward to assisting Affinity Credit Union and its members in anyway asked of him.

As a not-for-profit cooperative, Affinity is owned by YOU, our members, with a volunteer Board of Directors who oversee the operations...not a highly paid outside group of stockholders. This unique philosophy is what sets your credit union apart from other financial institutions.

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The staff at Affinity has gone above and beyond in making our choice to transfer all our loans to them a success. They were extremely helpful in answering all the questions we had and their interest rates were half of what we paid at our other financial institution. Thank you for reassuring our choice to use Affinity for our loan needs was the right one.

—SYANNE C. —

BOARD OF DIRECTORS

As a not-for-profit cooperative, Affinity is owned by you, our members, with a volunteer Board of Directors who oversee the operations...not a highly paid outside group of stockholders. This unique philosophy is what sets your credit union apart from other financial institutions.

Each Director is elected to serve a three-year term.

Once a part of the Board, you're a voice for Affinity's membership and tasked with helping set the direction for the future growth of the credit union. You have an opportunity to make a difference, which is a very powerful thing. In addition, the Board of Directors take on multiple responsibilities such as overseeing Affinity's policies, monitoring Affinity's strategic plan and ensuring Affinity operates in the best interest of its membership.

DAVID BUSCH
CHAIRMAN

CARA HARRIS
VICE CHAIRMAN

LEE ROY PORTER
TREASURER

MARJORIE RAMSEY
SECRETARY

ANDREW ROBY

JAMES MARTENS

CINIDI SUMMERS

JESSICA SCOTT
DIRECTOR

YOUR CREDIT UNION'S CHAIRMAN

DAVID BUSCH
CHAIRMAN OF THE BOARD OF DIRECTORS

Welcome to the 70th Annual Meeting of your Affinity Credit Union. This meeting is just one of the opportunities for you to have a voice in the direction of your credit union. You, our member/owners, are the reason Affinity Credit Union exists.

As I'm writing this we are in the midst of a pandemic. Something none of us wanted but we are all learning to negotiate this new era in our own ways. The same goes for Affinity and my one-word description of this past year is "Agility". The board and management begin each year with goals and expectations and a plan to achieve them, but 2019/20 seems to be an ongoing exercise in adapting and being agile. The board is fortunate to have a seasoned management team that is very transparent and has a plan for every situation.

Every year there are fewer credit unions in Iowa due to mergers and other factors. Seventy years is another major milestone for Affinity. A little look back to 1950...

- The Korean War begins when North Korea invaded South Korea in June
- Diner's Club issues the first credit cards
- How Much things cost in 1950 -
 - Yearly Inflation Rate - 1.09%
 - Average Cost of new house - \$8,450.00
 - Average wages per year - \$3,210.00
 - Cost of a gallon of Gas - 18 cents
 - Average Cost of a new car - \$1,510.00
 - Black and White Television - \$249.95

I'm grateful that Affinity's founding fathers saw the need and had the foresight to create an institution and is still viable and strong 70 years later.

Navigating 2019/20 is a great example of the resiliency of the board, management and staff. Our commitment to excellent service for our members remains the same. Affinity employees take pride in providing members with professional guidance regarding loans, products and services.

A few other items of note:

- Affinity Credit Union is sound, strong and continuing to adapt.
- Affinity Credit Union is involved in the community.
 - Over \$20,000 donated to Puppy Jake Foundation as part of our golf outing and holiday fundraiser.
 - \$13,000 donated to local charities as part of our "12 Days of Giving" campaign.
 - \$10,000 to the Food Bank of Iowa
 - Over 12,000 to sponsorships, causes and events such as the Latino Heritage Festival, California Wildfire Relief and Affinity's scholarship program
- Pandemic
 - Major changes in how we interact with members trying to keep everyone as safe as possible while still offering excellent service.
 - Temporary suspension of fees and charges.
 - First "virtual" state exam.
 - "Zoom" board meetings.
- A special thank you to directors Andy Roby and Jenelle Patterson and associate directors Christopher Hay and Jesus Escobedo for their service on the board. We wish them well as they move on.

Finally, I would like to sincerely thank my fellow board members for their voluntary service and dedication, the management and staff for making Affinity Credit Union the best choice for your finances, and lastly, but not least, you the members for your continued loyalty and support.

YOUR CREDIT UNION'S CEO

“ I would like to take this time to express my gratitude to you, our members, for your continued support and trust in Affinity Credit Union, and for choosing us as your lifetime financial partner.

JIM DEAN
CHIEF EXECUTIVE OFFICER

This is a very unusual year for our 2019 annual report, with the 70th annual meeting being delayed until August. Arriving late in 2018, my first months with Affinity were spent assessing all aspects of what we were doing and identifying where we stood out and where improvements could be made. At our planning session in December 2018, we reduced our mission statement to three words. Building Better Lives. We established many goals, not only financial but in many other areas as well.

Financially, our assets increased to more than \$122 million and net income exceeded \$1.1 million. Much of our internal focus has been on improving credit quality and reviewing our processes to make a better member experience. To reduce the wait times at our Hoffman location, cash recyclers were ordered in late 2019 and deployed in early 2020. The credit union has also received an unqualified opinion for our 2019 year-end audit. Management and our board of directors are committed to building on the history of the credit union to keep it relevant and viable in the years ahead.

Staff training was identified as a need during my early assessments, but the busy nature of our operation made it difficult to block time for consistent training. This led to our decision to open at 10:00 a.m. on Wednesday in order to provide 60-90 minutes of training for the entire staff each week. We expanded on that commitment by creating a full-time staff trainer position. In July, Ana Luong was promoted to serve in that role.

To measure member feedback, both mailed and electronic member surveys were sent to large segments of our membership. There was a strong level of participation and overall our members gave Affinity very high marks. While all areas were rated well, our telephone service was identified as needing improvement. We have invested in system upgrades and training to increase member satisfaction through all delivery channels.

Focusing on our community and strengthening our relationship with Local 310 and Firestone were high priorities in 2019. We participated in many activities and helped several local non-profit organizations throughout the year. Collaborating with Food Bank of Iowa, we sponsored a student food pantry at Des Moines North High School along with lending support to the food bank in other ways throughout the year. Puppy Jake Foundation was our sponsored cause for our 25th Affinity golf tournament. Despite the event being rained out, we raised \$17,000 for PJF. There were many other local organizations who were part of our second annual 12 days of Giving.

We entered 2020 with great optimism about the future. The onset of COVID-19 has altered our plans in many ways. As with all businesses and individuals, our resiliency continues to be tested. Despite this hopefully once in a lifetime pandemic, we're changing how we deliver service but not our commitment to serve you.

BALANCE SHEET

ASSETS

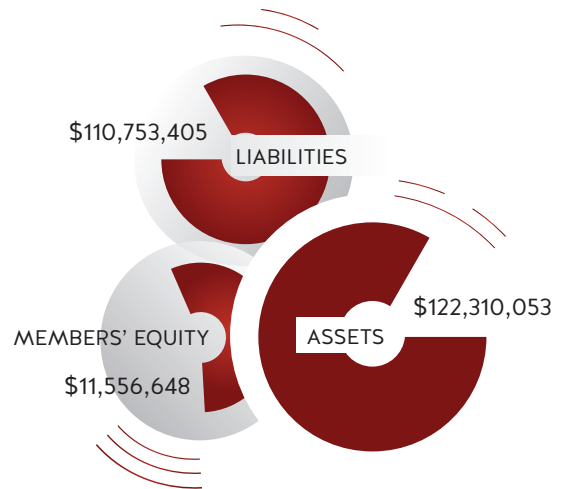
CASH/CASH EQUIVALENTS	\$18,473,000
INTEREST BEARING DEPOSITS IN FINANCIAL INSTITUTIONS	\$1,996,021
AVAILABLE FOR SALE INVESTMENTS	\$993,677
RESTRICTED INVESTMENTS	\$1,025,655
LOANS TO MEMBERS, NET OF ALLOWANCE FOR LOAN LOSS	\$94,851,140
ACCRUED INTEREST RECEIVABLE	\$260,990
PROPERTY/EQUIPMENT	\$3,038,074
NCUSIF DEPOSIT	\$1,118,093
OTHER ASSETS	\$553,403
TOTAL ASSETS	\$122,310,053

LIABILITIES

MEMBERS' SHARES/SAVINGS ACCOUNTS	\$108,122,381
ACCRUED EXPENSES/OTHER LIABILITIES	\$2,539,611
INTEREST PAYABLE	\$91,413
TOTAL LIABILITIES	\$110,753,405

MEMBERS' EQUITY

REGULAR RESERVES	\$5,269,727
UNDIVIDED EARNINGS	\$6,000,995
MEMBERS' EQUITY, SUBSTANTIALLY RESTRICTED	\$292,249
ACCUMULATED OTHER COMPREHENSIVE LOSS	(\$6,323)
TOTAL MEMBERS' EQUITY	\$11,556,648
TOTAL LIABILITIES/MEMBERS' EQUITY	\$122,310,053



INCOME STATEMENT

INTEREST INCOME	\$6,083,356
INTEREST EXPENSE	\$1,035,357
PROVISION FOR LOAN LOSSES	\$1,356,354
NON-INTEREST INCOME	\$3,478,538
NON-INTEREST EXPENSE	\$6,004,362
NET INCOME	\$1,165,821

YOUR CREDIT UNION'S TREASURER

LEE ROY PORTER
TREASURER OF THE BOARD OF DIRECTORS

We were able to exceed many of the goals for the credit union, demonstrating our employees take pride in helping you, our members, save money by getting you into the right product or service.

Among the highlights and key accomplishments in 2019:

- › Total assets increased \$7,628,843, 6.7%
- › Member savings grew to \$98,173,381, an increase of 16.6%
- › Total revenue was \$9,561,894
- › 6.5% of total revenue was returned to the members in the form of dividends and interest
- › Net worth to assets remains strong at 9.45%

YOUR CREDIT UNION'S 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 2019, there were a total of 1,182 loans granted to members totaling \$29,354,856. This is attributed to a number of factors which include our staff refinancing members' credit card debt, our competitive interest rates and our Board of Directors ensuring we have sound credit policies.

We launched two new home equity products in 2019:

1. A home equity line of credit with an introductory rate of 2.49% for 6 months and a payment of 1% of the balance owed. Members have been very receptive of this new product using it for home improvements, dream vacations among many other things.
2. Our home equity loan has been very popular in refinancing existing 1st mortgages. Due to our low settlement fees and low interest rates, members have saved themselves thousands of dollars by refinancing their loan over to Affinity.

Our ever popular "Beat Your Rate" program was a tremendous success for 2019. Affinity Credit Union will beat your current rate by at least 1% if you qualify for the loan. On top of that, we will give you up to 90 days no payments.

Remember to check with Affinity Credit Union first when you're in the market for an auto, boat, mortgage or line of credit - 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:

Marjorie Ramsey, Lee Roy Porter & Cindi Summers

I'm so tired of the big corporate banks that only see you as a number. The staff at Affinity made me feel at home and treated me like family the first time I went in. There'll be no looking back for me...my money has found a new home.

—DAVID K. —

YOUR CREDIT UNION'S AUDIT COMMITTEE

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

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 PolicyWorks LLC. who conducted an audit of the Bank Secrecy Act, an audit of both the loan and deposit laws, regulations and operations. 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:

Andrew Roby, Jim Martens & Jessica Scott

At Affinity, our mission is to “build better lives”,
but what does that mean?

As a credit union, our not-for-profit model allows us to truly focus on the best interest of our members and community, by offering lower loan rates, greater deposit yields and less fees than you'll find at the megabanks. We also give back to our community, donating over \$50,000 to local charities and causes just over the last year.

YOUR CREDIT UNION IN THE COMMUNITY

MISSION: BUILDING BETTER LIVES

BRAND PROMISE:

WORK IN YOUR BEST INTEREST

SIMPLIFY YOUR LIFE

PROVIDE SOLUTIONS TO HELP YOU ACHIEVE FINANCIAL SUCCESS

ENRICH OUR COMMUNITIES



