

STAFF & VOLUNTEERS



| NAME | POSITION, YEARS OF SERVICE |
|-------------------|--|
| Ric Stallman | Board Chairperson, 21 years |
| Dave Smith | Board Vice Chairperson, 19 years |
| Terry Weigel | Treasurer, 12 years |
| Denise Hafenbrack | Board of Directors, 32 years |
| Leslie O'Neill | Board of Directors, 8 years |
| Julie Hugo | Board of Directors, 10 years |
| Linda Bergen | Board of Directors, 10 years |
| Arv Hille | Supervisory Committee Chairperson, 16 years |
| Amity Branham | Supervisory Committee Member, 7 years |
| John Gush | Supervisory Committee Member, 6 years |
| Penni Bean | Supervisory Committee Member, 3 years |
| Jerry Hill | Honorary Member, Supervisory Committee, 20 years |
| Doug McCallum | Honorary Member, Supervisory Committee, 35 years |
| Brady Howe | President/CEO, 18 years |
| Sally Woodcock | VP of Ideas and Innovations, 15 years |
| Ronna Idzenga | Director of Development, 1 year |
| Wendy Russell | Director of Finance, 1 year |
| Chantelle Castle | Director of Member Services, 0.5 years |
| Sarah Buck | Member Experience Manager, 1 year |
| Steven Wilsey | IT Manager, 0.5 years |
| Vickie Valieant | Branch Manager-Milwaukie, 3 years |
| Leigh Byrne | Financial Service Specialist, 7 years |
| Sue Rupp | Financial Service Specialist, 6 years |
| Danny Delong | Financial Service Specialist, 0.5 years |
| Jeannie Norton | Branch Manager-Lewiston, 21 years |
| Mayree Gustin | Financial Service Specialist, 19 years |
| Marla Jacobus | Financial Service Specialist, 4 years |
| Jessica Ongstad | Financial Service Specialist, 1 year |
| Kathy Robinson | Financial Service Specialist, 1 year |



2019 ANNUAL REPORT



PRESIDENT/CHAIRMAN'S REPORT



There's a banking revolution underway. Being a member of a credit union means taking part in a movement towards a different way of banking – one that puts people ahead of profits.

Cutting Edge Federal Credit Union was started in 1953 when ten volunteers believed a credit union would benefit the employees of Chipper Chain. We've grown steadily ever since, but have always kept the focus on service to our members and communities.

Because of our cooperative operating structure, we don't have to make huge profits that go directly into the pockets of a few shareholders. Instead, we redistribute any profits made by offering you higher dividend rates and lower loan rates, as well as significantly lower fees that benefit the entire membership. "Not-for-profit means you profit!"

If you love your credit union, please share it with the people you care about most. Sharing and growing the credit union not only helps the people you care about do better financially – we all win through better rates and fewer fees, and more for our local economy. When you refer your eligible family members and coworkers to the credit union, you're strengthening our financial cooperative to be able to offer more.

We had another successful year serving you, our valued membership. At the end of 2019, we had 4,129 members and total assets of just over \$44 million. Thank you for your continued confidence in your credit union to best serve your needs!

2019 brought a lot of changes to our Cutting Edge family. After 39 years serving others in the Credit Union Movement, our VP of Ideas & Innovations, Sally Woodcock, announced her intent to retire. Sally officially retired this summer 2020, and we wish her well in her retirement!

We would also like to take a moment to recognize the devastating loss of our Board Vice Chairperson and longtime friend, Dave Smith. Dave's thoughtful direction and unwavering support of Cutting Edge is sorely missed.

The Cutting Edge Board of Directors, management and staff are here to serve you, our members and owners.

Respectfully Submitted,

Brady Howe,
President/CEO

Ric Stallman,
Board Chairman



SUPERVISORY COMMITTEE REPORT

The 2019 Supervisory Committee Members were Amity Branham, John Gush, Penni Bean and Arv Hille, Chairperson.

Appointed by Cutting Edge Federal Credit Union Board of Directors, this Committee is charged with the responsibility of overseeing the audit of the Credit Union and its employees to ensure compliance with practices, policies and procedures to safeguard our members' assets.

The Supervisory Committee retained the services of Brad Billiet and Hauser, Jones & Sas to perform our independent audits of certain agreed upon procedures to insure our records are accurate and to help insure the continued safety and soundness of our Credit Union. We are pleased to report that the Credit Union is operationally sound.

With Gratitude,

Arv Hille,
Supervisory Chairperson

NOMINATING COMMITTEE REPORT

Each year, the Board of Directors appoints a Nominating Committee whose responsibility is to ensure qualified candidates are nominated to fill vacancies.

This year, the terms of three Directors has expired: Leslie O'Neill, Terry Weigel, Linda Bergen. The Nominating Committee has nominated the following individuals for the Board of Directors:

Leslie O'Neill
Terry Weigel
Linda Bergen

No additional nominations were recommended by the Nominating Committee. Therefore, Leslie O'Neill , Terry Weigel, and Linda Bergen have been declared elected by acclamation to each serve a two-year term for 2020-2022.

In cooperation,

Julie Hugo, Nominating
Committee Chair
Denise Hafenbrack
Ric Stallman

INCOME / EXPENSE

| | 2018 | 2019 |
|---------------------------------|------------------|------------------|
| Interest on Loans | 1,682,834 | 1,770,137 |
| Investment Income | 182,597 | 186,177 |
| Other Income | 769,030 | 759,390 |
| Gain or Loss on Investments | - | - |
| Total Income | 2,634,460 | 2,715,704 |
| Dividends | 98,143 | 136,434 |
| Compensation / Benefits | 865,683 | 1,038,137 |
| Travel / Conference | 38,632 | 65,000 |
| Office Occupancy | 105,768 | 99,457 |
| Office Operations | 256,948 | 268,584 |
| Education / Promotion | 90,980 | 63,168 |
| Loan Servicing | 190,373 | 109,329 |
| Professional Services | 434,458 | 410,022 |
| Provision for Loan Loss | 271,442 | 171,384 |
| Member Insurance | - | - |
| Operating Fees | 11,141 | 12,055 |
| Miscellaneous Expenses | 32,142 | 32,418 |
| Gain on Sale of Assets | - | - |
| NCUSIF Stabilization Expense | - | - |
| Total Operating Expenses | 2,395,711 | 2,405,987 |
| NET INCOME | 238,749 | 309,718 |

FINANCIAL CONDITION

| | 2018 | 2019 |
|-----------------------------------|-------------------|-------------------|
| Total Loans | 34,035,154 | 33,181,663 |
| Loan Loss Allowance | (188,050) | (184,813) |
| Investments | 9,646,192 | 9,312,603 |
| Cash | 381,579 | 352,913 |
| Other Assets | 1,494,590 | 1,862,377 |
| Total Assets | 45,369,466 | 44,524,744 |
| Liabilities | 1,128,866 | 921,290 |
| Total Shares | 39,205,329 | 38,153,498 |
| Reserves | 415,636 | 415,636 |
| Undivided Earnings | 4,619,635 | 5,034,320 |
| Total Liabilities / Equity | 45,369,466 | 44,524,744 |
| Membership | 4,172 | 4,129 |