

Supervisory Committee Report

The Supervisory Committee is responsible for assuring that Expree's financial records are in order and that internal controls are in place to protect the assets of the credit union and its members. The Supervisory Committee fulfills this responsibility by making sure that an annual audit is conducted and by verifying that internal controls are tested regularly. Expree's annual audit for fiscal year ending December 31, 2019, was conducted by the auditing firm of Schmidt and Associates, Inc. Results of the audit, when published will be made available to members upon request. Members who serve on the Supervisory Committee are appointed by the Board of Directors. Besides managing the annual audit, the Supervisory Committee has a regular meeting schedule where it engages in a variety of tasks. These additional duties fall under three broad categories:

- Oversee all areas of Expree's financial performance
- Monitor Board activities
- Report audit findings

Minutes of the Supervisory Committee's monthly meetings and activities are compiled and presented to senior management, the external audit firm and to the Board of Directors. We thank the Staff and Management of Expree, and the Board of Directors, for their cooperation and assistance during the past year.

Respectfully submitted,

Karen Dulaney, Chair
Jeff Doane, Secretary
Scott McKenzie
Jerry Graves
Stephanie Turner
Tom Rogers

The logo for Expree Credit Union features the word "expree" in a white, lowercase, cursive font, with "CREDIT UNION" in a white, uppercase, sans-serif font below it. The logo is set against a dark green, rounded rectangular background.

2019 Annual Report

1.833.4.expree | expree.org

Federally Insured by NCUA
NMLS# 401159



Chair's Message

At Expree, it's the people and communities we serve that matter most. From our members and employees to our neighbors and community partners we are committed to hand crafting solutions for all your financial needs. It's who we are – a trusted financial partner with a rich history, deep roots, and personal connection to our community.

2019 was a year defined by growth, development, a new name and brand. It was a year in which we pushed against the possibilities by expanding our reach through strategic partnerships and new offerings. We grew our membership while ensuring that we continued to satisfy and provide both the value and service you expect.

Spirited Banking

Everything we do revolves around this simple statement. Our top priority has, and will continue to be, the financial well-being of our members, opposed to maximizing profits for shareholders. It is that distinction that separates credit unions from our for-profit financial counterparts.

We take an interest in your financial success. We want to know your name and share genuine solutions to help you reach your financial goals. We have compassion when you are facing challenges. And we hope that no matter what brought you to us, you know that we hear you.

Moving forward, our focus remains on you, our member owners. No matter where you are. No matter how you connect with us. At Expree, you come first. Why? Because we deeply care about the members who have made it all possible. On behalf of the Expree board of directors, management team, and staff we sincerely thank you for your membership.



Paul F. Royce
Board Chair

Statement of Expree's Financial Condition

As of December 31, 2019 (unaudited)

Assets

| | |
|---------------------------|--------------|
| Net Loans | \$57,647,481 |
| Investments | \$15,139,122 |
| Cash | \$4,441,694 |
| Building | \$1,091,149 |
| Land & Improvements | \$8,939 |
| Net Furniture & Equipment | \$175,294 |
| Other Assets | \$808,964 |

Total Assets **\$81,243,097**

Liabilities

| | |
|--------------------|--------------|
| Regular Shares | \$20,501,379 |
| Money Market | \$3,377,865 |
| Share Certificates | \$39,803,274 |
| Share Drafts | \$6,873,070 |
| Club Accounts | \$69,809 |
| Other Liabilities | \$2,313,509 |

Total Liabilities **\$72,938,906**

Equity

| | |
|--|-------------|
| Regular Reserves | \$2,339,657 |
| Undivided Earnings | \$6,026,024 |
| Unrealized Gains (losses) on available-for-sale securities | \$50,400 |

Total Equity **\$8,304,191**

Total Liabilities & Equity **\$81,243,097**

Statement of Expree's Activities

As of December 31, 2019 (unaudited)

Income

| | |
|-------------------------|-------------|
| Interest on Loans | \$3,418,235 |
| Interest on Investments | \$403,526 |

Total Interest Income **\$3,821,761**

Interest Expense

| | |
|-----------------------------|-----------|
| Dividends on Regular Shares | \$31,507 |
| Dividends on Money Market | \$13,663 |
| Dividends on Certificates | \$797,965 |
| Dividends on Club Accounts | \$197 |
| Interest Expense | \$60,456 |

Total Interest Expense **\$903,788**

Operating Expense

| | |
|---------------------------|-------------|
| Employee Compensation | \$1,728,054 |
| Other Operation Expenses | \$1,076,890 |
| Card Expenses | \$866,433 |
| Data Processing | \$332,605 |
| Office Operations Expense | \$322,480 |
| Provision for Loan Losses | \$121,985 |
| Total Operating Expenses | \$4,448,447 |

| | |
|----------------------|-------------|
| Fee & Other Income | \$1,564,322 |
| Non-Operating Income | \$143,601 |

Net Income **\$177,449**