

2013 ANNUAL REPORT



**1953 - 2013**

*Celebrating 60 Years*

# Message from the Chairperson & CEO

## A Milestone Year

Market USA proudly celebrated our 60th anniversary in 2013, a significant milestone for the Credit Union. From our start back in 1953 as Giant Food Department Stores FCU, through years of expanding membership and corresponding name changes, to the \$96 million, 18,000-member-strong institution we are today, we have built a solid record of serving our members' financial needs.

The 60th anniversary was marked with a successful "60 Days of Celebration" event featuring special savings opportunities for members and a just-for-fun trivia contest in which we invited members to test their knowledge of our founding year. We're glad that so many members took advantage of our celebration offers and shared in marking this milestone.

Looking at our financial performance in our 60th year, we saw a continuation of the building and strengthening that we've experienced in the recent past. Our loan volume increased, expenses were reduced and the number of financial products per member rose. Members who take advantage of our products and services benefit not only themselves, but strengthen our entire member-owned financial cooperative. In 2013, we saw a dip in membership, primarily among low-use members, which eliminates extra costs associated with these nonproductive accounts. We are happy to see members taking advantage of all that the Credit Union offers. In 2014 and beyond, we will continue efforts to show members how doing all of their banking with us benefits them.

## Product & Service Achievements

Our overall theme for 2013 was convenience, and the list of the year's accomplishments show many ways we made banking faster, easier and much more convenient. Highlights include:

- The introduction of Mobile Banking and, later in the year, the addition of an added convenience, Mobile Check Deposit. Members can manage their accounts 24/7 from their smartphone or tablet, as well as deposit checks without coming to a branch through our Mobile Banking app.
- Implementation of a wider range of home loans, including FHA, VA and reverse mortgages, due to the addition of a new partner, Credit Union Mortgage Association.
- Better service and convenience for credit card users due to the debut of a new credit card site and easier access to Visa data through Internet Banking.
- Enhancements to our website and Internet Banking to improve the functionality and usefulness of these services.

- A friendlier and simpler membership application for those looking to join Market USA.
- Member feedback is very important to us. In 2013 we implemented additional ways for members to communicate their views, including comment boxes in branches, online member polls and a new address for text or email feedback (feedback@marketusafcu.com).
- Financial education and assistance, integral elements of our core mission, were the focus of two 2013 events: We held credit seminars with one-on-one member follow-up, and we contracted with Consumer Credit Counseling Service to provide free, confidential services to members, replacing a previous financial counseling partner.

## 2014 and Beyond

As we enter our seventh decade, we have the same deep commitment to "Financial Solutions For Life" that our members have come to expect since our founding in 1953. In the coming year, many of our plans focus on improving member convenience through our electronic services.

Market USA membership will be convenient from the start, with the introduction of the ability to open a membership online. Bill Pay will be added to our Mobile Banking app during the year, making 24/7 banking even easier. The implementation of e-signatures will make applying for a loan and other banking tasks much easier, right from the convenience of a member's own computer or handheld device.

Getting a car loan will be simpler and more hassle-free than ever with preapproved auto drafts. Once members are approved, they will receive a check to take to the dealer. In addition, we are working on changing credit card vendors in order to offer card holders more options. Introduction of our secure credit card will follow.

Rounding out the year's agenda is the debut of additional mortgage options, more website enhancements and prepaid cards.

As we look back at 2013 – and our entire 60-year history – we are so grateful for the talent and hard work of our Board, Supervisory Committee and other volunteers; the efforts of our wonderful staff; and the loyalty of our members. We look forward to many more years of providing first-rate financial solutions.

**Robert D Evans**  
Chairperson

**Laura Tacker Hassan**  
President and CEO

## Supervisory Committee Report

The Supervisory Committee, appointed by the Board of Directors, is charged with the responsibility of overseeing Market USA's management and financial records to ensure the institution's financial condition is fairly presented. The Supervisory Committee also works to strengthen the financial internal controls and to protect the assets of the Credit Union.

An integral part of ensuring the fair presentation of financial condition is the execution of the annual independent audit. This year we appointed the firm of CliftonLarsonAllen LLP to fulfill that responsibility. We are pleased to report their audit resulted in an unmodified opinion.

In addition, each year an exam is conducted by the National Credit Union Administration (NCUA). The governmental body provides oversight for all US federally chartered credit unions.

The Supervisory Committee attends all Credit Union Board meetings to ensure that updated policies and procedures are presented and approved. In addition, the Supervisory Committee participates regularly in the Credit Union Oversight Committee meetings.

Our goal, through these activities, is to provide the Credit Union membership with independent assurance that the Credit Union Board and staff are meeting their fiduciary responsibilities.

**Steve Marks**  
Supervisory Committee Chairperson

## STATEMENTS OF FINANCIAL CONDITION

Balances As Of December 31

ASSETS	2013	2012
Unsecured Loans	7,441,719	7,213,202
Mortgage/Home Equity Loans	12,443,080	12,549,511
New and Used Vehicle Loans	16,542,380	15,167,170
Other Secured Loans	459,014	310,770
<b>TOTAL LOANS</b>	<b>36,886,193</b>	<b>35,240,653</b>
Allowance for Loan Losses	(669,617)	(687,117)
<b>NET LOANS TO MEMBERS</b>	<b>\$36,216,576</b>	<b>\$34,553,536</b>
Cash & Investments	52,314,807	56,717,794
Accrued Interest Receivable	172,137	160,325
Land & Building	3,414,698	3,493,913
Other Fixed Assets	205,501	335,417
Other Assets	1,371,514	3,576,859
<b>TOTAL ASSETS</b>	<b>\$93,695,233</b>	<b>\$98,837,844</b>

### LIABILITIES & EQUITY

Accounts Payable/Accrued Expenses	883,860	913,360
Members' Accounts	75,396,658	80,150,211
Reserves and Undivided Earnings	17,414,715	17,774,273
<b>TOTAL LIABILITIES &amp; EQUITY</b>	<b>\$93,695,233</b>	<b>\$98,837,844</b>

## STATEMENTS OF OPERATIONS

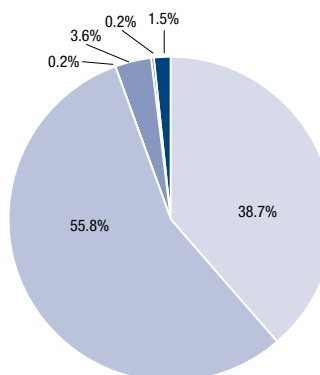
Balances As Of December 31

	2013	2012
Interest on Loans	2,116,508	2,182,723
Interest on Investments	483,896	434,407
Other Income	3,395,100	3,323,620
<b>TOTAL REVENUE</b>	<b>5,995,504</b>	<b>5,940,750</b>
Operating Expenses	4,950,493	5,159,702
Provision for Loan Losses	307,662	249,602
Gain/(Loss) on Disposition of Assets	(5,702)	0
Dividends Paid to Members	273,532	368,764

### ADDITIONS TO RESERVES

<b>&amp; UNDIVIDED EARNINGS</b>	<b>\$458,115</b>	<b>\$162,682</b>
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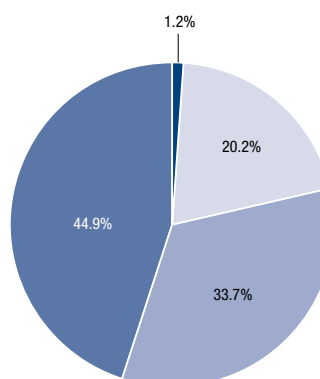
### ASSET COMPOSITION



As of December 31, 2013

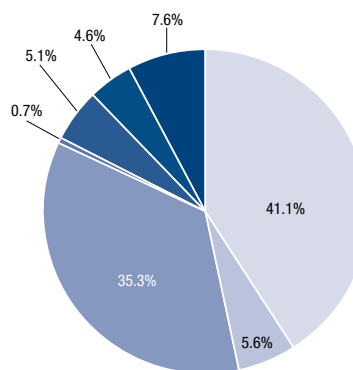
- Other Assets
- Other Fixed Assets
- Land & Building
- Accrued Income Receivable
- Cash & Investments
- Net Loans

### LOAN PORTFOLIO



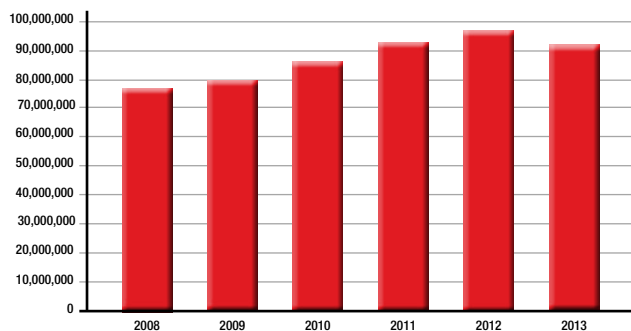
- Other Secured Loans
- New & Used Vehicles
- Mortgage/Home Equity
- Unsecured

### DISTRIBUTION OF 2013 REVENUES

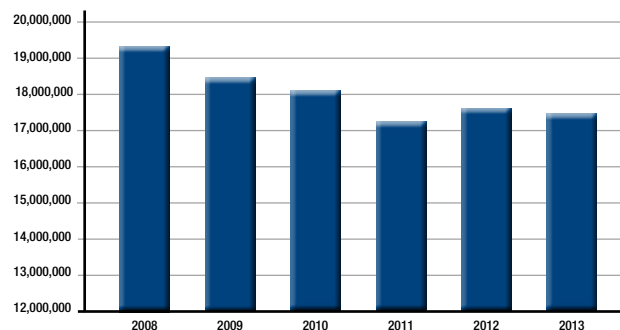


- Undivided Earnings
- Dividend
- Net Charge-Offs
- Other Expenses
- Office Operations
- Office Occupancy
- Personnel

### Total Assets



### Reserves & Undivided Earnings



## Board of Directors



**Robert D. Evans**  
Chairperson



**Robert Watts**  
Vice Chairperson



**Ricky Barnes**  
Treasurer



**Becki Havard**  
Secretary



**Robin Anderson**



**Gary Boozer**



**Jeff Jones**



**Ward Kraemer**



**John Latham**

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## Supervisory Committee



**Steve Marks**  
Chairperson



**Scott Latchaw**



**Tom Reed**



**Millicent Rice**



**Laura Tacker Hassan**  
President and CEO

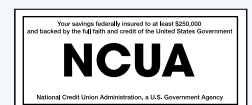


*Financial Solutions For Life*

Member Service Center

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[www.marketusafcu.com](http://www.marketusafcu.com)



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By NCUA