

2020 ANNUAL REPORT



**Supporting
Our Members in
Unprecedented Times**

 **MarketUSA**
Federal Credit Union

Financial Solutions For Life

Federally Insured by NCUA

Report to the Membership

To say 2020 was a challenging year would be an understatement. However, despite a global pandemic that impacted nearly every aspect of our organization, we continued to help our members achieve their financial goals. We are proud to have quickly transitioned most of our workforce in 2020 to be able to work from home to ensure consistent member service and business continuity. Throughout the year, we were able to serve our members, most of whom are essential employees in the grocery industry, without any interruption. Even amidst some of the most unimaginable business conditions ever encountered, we continued to provide superior member service while helping to keep our members, staff, and branch locations safe and secure.

Staying Connected While Apart

Never was our commitment to members more apparent than at the onset of COVID-19. We adapted swiftly, implementing new ways to help our members handle all their financial needs effectively and efficiently through several initiatives:

- Offered an Emergency Assistance Loan, available for up to \$1,000.
- Allowed members to exceed the maximum of two loan skip-a-pays per year, also permitting consecutive skips.
- Share certificates redeemed without penalty.
- Members able to request fee waivers.
- Reminded members of our online FlexPay program, allowing them to change their loan term and lower their payment.
- Created a self-service guide for our members, educating them on ways to conduct business from the safety of their homes and how to adapt to other digital offerings such as mobile wallets and depositing cash at ATMs.
- Reached out to members not enrolled in digital banking to explain how they could safely bank from home and helped them to sign up.
- Sent a survey to members for their feedback on how the pandemic affected them and contacted those who wanted us to follow up.
- Implemented call back request forms so that members could avoid long hold times when call volume skyrocketed early in the pandemic, then later launched call back selection feature with our new phone system.
- Upgraded data connections for all of our locations.
- Cautioned members about various COVID-19 fraud schemes.

Obstacles and Opportunity

Despite the negative impact on our economy over the past year, rapid deposit growth helped push Market USA from \$89.7 million to over \$104.1 million in member deposits, while assets grew from \$114.3 to \$129.4 million by year-end 2020. However, in the same period, loans decreased from \$83 million to \$81.3 million as member demand for loans diminished.

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. In 2020, 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, an exam was conducted by the National Credit Union Administration (NCUA). This governmental body provides oversight for all US federally chartered credit unions.

Rising Above

Along with the challenges that 2020 presented, this year also brought many accomplishments to celebrate. Some highlights include:

- Implemented a new phone system to better serve members – providing a callback option rather than waiting on hold during busy times and enabled staff working from home to assist members.
- IVR PIN selection & card activation. Members can activate their debit card through their mobile device and choose their PIN. (Previously, they had to activate a card at an ATM, and a computer-generated PIN was sent to them.)
- Remodeled the Hyattsville branch and added a full-service ATM.
- Offered qualified first-time homebuyers \$5,000 to assist with purchasing their first home – in 2021, the amount increased to \$7,500.
- Implemented ClickSwitch. Members can conveniently switch their direct deposits and automatic payments to their new Market USA checking account.
- Upgraded Skip-a-Pay (can now pay with credit/debit card, and service is device optimized).
- Implemented Hospital Accident Insurance and Recuperative Care Insurance.
- Certified as a Great Place to work for the 2nd consecutive year.

Moving Forward Together

Not only has this past year made us stronger, but it has also made us more focused on delivering value to our members. We are continually evaluating ways to improve our products and services and are planning the following for 2021:

- Enhancements to Online/Mobile Banking
 - ACH Transfer (transfer to/from external accounts)
 - Basic Debit Card Management (turn card on/off through digital banking)
- Biometric Authentication (caller authentication via the mobile app)
- Video Chat within our App
- Round Up Savings
- Instant Issue for Debit Cards
- Financial Education Portal
- Create In-House Educational Videos
- Emailed Teller Line Receipts

We will continue to take the lessons learned from 2020 to move Market USA forward and continue to increase our digital services. Thank you for trusting us with your financial journey – especially during these unprecedented times.

Board of Directors & Management Team

The Supervisory Committee attends all Credit Union Board meetings and regularly participates in the Credit Union Oversight Committee meetings. They report monthly on their activities, including reviewing and monitoring the Credit Union's internal controls and their effectiveness; ensuring that updated policies and procedures are presented and approved; and making recommendations to the Board for improvements to the internal controls, policies, and procedures.

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.

Jodie Sullivan

Supervisory Committee Chairperson

STATEMENTS OF FINANCIAL CONDITION

Balances As Of December 31

ASSETS	2020	2019
Unsecured Loans	8,688,465	9,624,647
Mortgage/Home Equity Loans	13,998,509	14,490,387
New and Used Vehicle Loans	55,508,496	53,634,281
All Other Loans	3,141,733	5,298,384
TOTAL LOANS	\$81,337,203	\$83,047,699
Allowance for Loan Losses	(1,847,406)	(1,837,218)
NET LOANS TO MEMBERS	\$79,489,797	\$81,210,481
Cash & Investments	43,067,900	26,241,331
Accrued Interest Receivable	293,805	288,132
Land & Building	2,773,826	2,897,801
Other Fixed Assets	511,438	461,329
Other Assets	3,343,439	3,225,912
TOTAL ASSETS	\$129,480,205	\$114,324,986

LIABILITIES & EQUITY

Accounts Payable/Accrued Expenses	1,148,591	1,115,795
Members' Accounts	104,167,920	89,771,950
Reserves and Undivided Earnings	24,163,694	23,437,241
TOTAL LIABILITIES & EQUITY	\$129,480,205	\$114,324,986

STATEMENTS OF INCOME

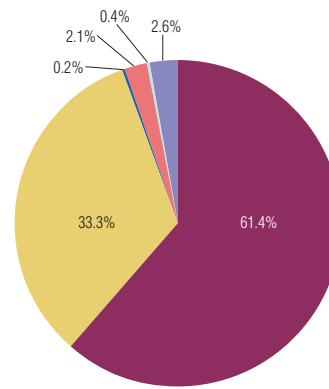
Balances As Of December 31

	2020	2019
Interest on Loans	5,161,569	5,562,768
Interest on Investments	198,104	464,813
Other Income	3,226,672	3,947,099
TOTAL REVENUE	\$8,586,345	\$9,974,680
Operating Expenses	6,379,871	6,693,903
Provision for Loan Losses	1,045,533	1,629,655
Gain/(Loss) on Disposition of Assets	0	19,535
Dividends Paid to Members	493,745	551,058

ADDITIONS TO RESERVES

& UNDIVIDED EARNINGS	\$667,196	\$1,119,599
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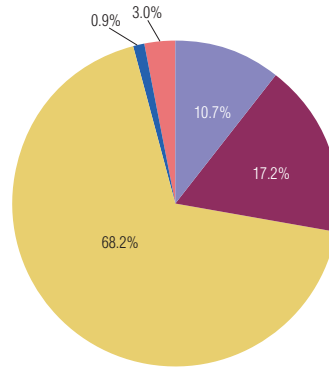
ASSET COMPOSITION



As of December 31, 2020

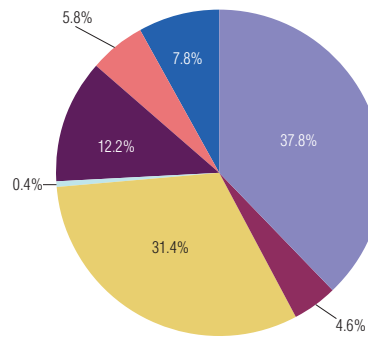
- Net Loans
- Cash & Investments
- Accrued Income Receivable
- Land & Building
- Other Fixed Assets
- Other Assets

LOAN PORTFOLIO



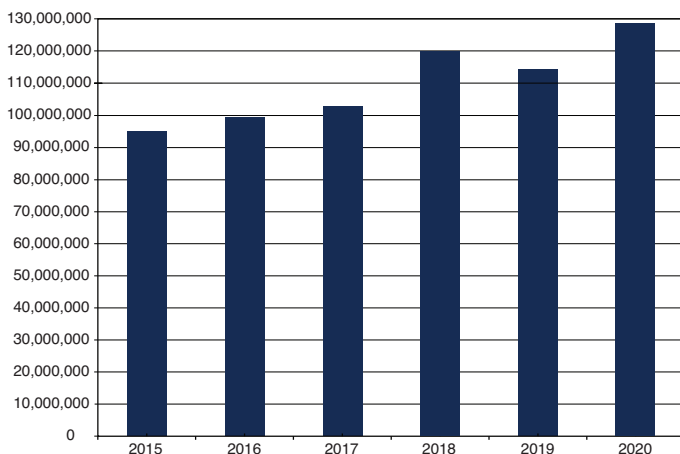
- Unsecured
- Mortgage/Home Equity
- New & Used Vehicles
- Other Loans
- Loan Participations

DISTRIBUTION OF 2020 REVENUES

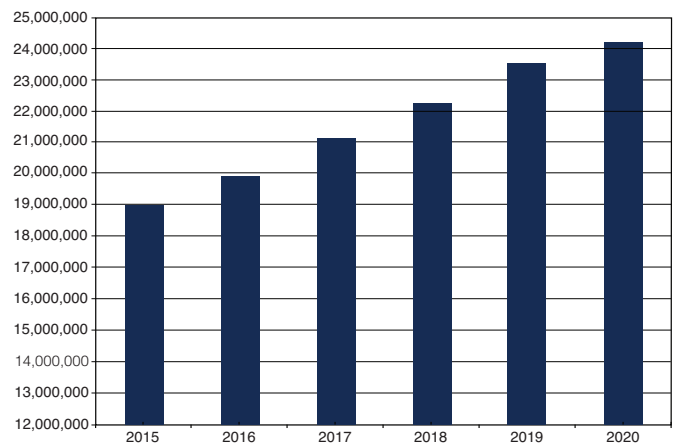


- Personnel
- Office Occupancy
- Office Operations
- Other Expense
- Net Charge-Offs
- Dividend
- Undivided Earnings

Total Assets



Reserves & Undivided Earnings



Note: The financial statements presented in this annual report are for informational purposes only. Copies of the completed audited financial statements will be made available per member request.

Board of Directors



Robert Watts
Chair



Robin Anderson
Vice Chair



Chris Caldwell
Treasurer



Becki Havard
Secretary



Gary Boozer



Laura Hassan



John Latham



Dianne Leonard



Kitty Lewis



Bob Reichard



Bill Stubbs

Supervisory Committee



Jodie Sullivan
Chair



Gregory Bibbs



Millicent Rice



Bill Stubbs

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