



PYRAMID

FEDERAL CREDIT UNION

ANNUAL REPORT 2019



Improve your financial life!

CHAIRMAN'S REPORT

Aron Meyer, Chairman, Pyramid FCU Board of Directors

In 2019, Pyramid FCU had another good year of growth. Our deposits increased 6% and our loans increased 2.5%. During this time, Pyramid continued to show its financial strength by growing our assets while remaining well capitalized. We believe what sets us apart is making you, our members, the top priority.

We continue to roll out new features to our online and mobile banking applications in an ongoing effort to make doing business with us more convenient than ever. We hope you are taking advantage of these new technologies.

It is important to remind you that we are a financial cooperative. Pyramid FCU is owned by every one of our 17,197 members, not just the ones with large deposits or loans. As you give us more of your financial business, we are able to give back to you in the form of lower loan rates, higher savings rates, and better products with lower fees. Please recommend us to your friends and family so they can enjoy these great benefits as well.

Thank you for allowing me to be your Board Chairman.



2019-2020

BOARD OF DIRECTORS

Aron Meyer, Chairman

Caleb Tennenbaum, Vice Chairman

Arnie Aros, Secretary/Treasurer

Pamela Maloney

Dana Rawlings

Cecilia Valdez

Larry Youdelman

SUPERVISORY COMMITTEE

Dave Deschamp, Chairman

John Spangler, Secretary

Dana Rawlings

Bernie Houser

TREASURER'S REPORT

Arnie Aros, Secretary/Treasurer

2019 was another good year for Pyramid FCU as our local economy continued to remain strong. While we continue to work through a slower economy in Southern Arizona, we are seeing property values increase somewhat.

During 2019, we added 2,297 new members and our net overall membership increased by 595 members bringing our total membership to 17,197.

Our assets grew from \$160,219,979 to \$170,358,949.

Our loans grew from \$127,650,738 to \$130,790,764.

Our net income was \$1,376,681.

Dividends for 2019 were distributed as follows:

Regular Shares	\$ 27,599
IRAs	\$ 46,961
Certificates	\$ 341,125
Money Market	\$ 129,806

Distribution of 2019 income was as follows:

Dividends	\$ 541,457
Expenses	\$ 8,493,363
Reserves	\$ 1,376,681

SUPERVISORY COMMITTEE REPORT

Dave Deschamps, Chairman

The Supervisory Committee oversees the management of the credit union to make sure that the staff is following policies and procedures. The Pyramid Federal Credit Union Supervisory Committee is comprised of credit union members who volunteer their time once a month to meet and work for the membership. The committee has an agenda that reviews the Board of Directors meetings, collection activities, loan files, new and closed accounts, cash audits, dividends, statement of accounts, and dormant accounts. In 2019, the CPA firm of Clifton Larson Allen completed our annual financial statement audit with no major findings.

Committee members are: Chairman Dave Deschamps, Dana Rawlings, John Spangler, and Bernie Houser. Any Pyramid FCU member can be on the Supervisory Committee. We are looking for new volunteers. If you are interested, you can call Ray Lancaster and leave a message. This committee will continue to support the credit union and encourage all members to bring in new accounts. We are looking forward to another great year!

17,197

+3.6%

Total Members

\$170.4

+6.3%

Total Deposits (Millions)

\$130.8

+2.5%

Total Loans (Millions)

STATEMENTS OF FINANCIAL CONDITION

December 31, 2019 & 2018

(Federally insured by NCUA)

ASSETS	12/31/2019	12/31/2018
FIRST MORTGAGE LOANS	\$ 45,022,263	\$ 39,002,571
SECOND MORTGAGE LOANS	2,155,142	1,134,376
HOME EQUITY LOANS	4,738,303	5,509,488
AUTO LOANS	63,423,404	67,837,353
VISA CREDIT CARD	8,588,309	7,354,573
UNSECURED LOANS	5,123,584	5,110,359
SHARE SECURED LOANS	360,114	306,585
GOVERNMENT GUARANTEED LOANS	241,807	-
ALL OTHER LOANS	713,969	887,645
PREPAID: HELOCS & AUTO INDIRECT	441,019	534,699
MERGER LOAN VALUATIONS	(17,150)	(27,011)
TOTAL MEMBER LOANS	130,790,764	127,650,638
ALLOWANCE FOR LOAN & ODP LOSSES	(979,630)	(885,664)
NET MEMBER LOANS	129,811,134	126,764,974
CASH AND EQUIVALENTS	9,109,771	5,692,503
INVESTMENTS	22,242,362	18,228,318
PREMISES AND EQUIPMENT, NET	3,623,387	3,116,119
OTHER ASSETS	5,572,295	6,418,064
TOTAL ASSETS	\$ 170,358,949	\$ 160,219,978

LIABILITIES & MEMBERS' EQUITY		
LIABILITIES	\$ 867,023	\$ 774,813
SHARE DRAFTS	26,385,040	24,529,784
REGULAR SHARES	54,271,645	51,401,317
MONEY MARKET SHARES	42,427,304	37,257,960
IRA SHARES	6,640,326	6,722,400
CERTIFICATES	22,514,906	23,604,492
TOTAL SHARES & CERTIFICATES	152,239,221	143,515,953
REGULAR RESERVES	2,389,629	2,389,629
UNDIVIDED EARNINGS	8,041,500	6,428,618
EQUITY FROM MERGERS	4,778,231	4,778,231
UNREALIZED GAIN/LOSS - INVESTMENTS	66,664	(80,148)
UNINSURED SECONDARY CAPITAL	600,000	800,000
NET INCOME YEAR TO DATE	1,376,681	1,612,882
TOTAL MEMBERS' EQUITY	17,252,705	15,929,212
TOTAL LIABILITIES & MEMBERS' EQUITY	\$ 170,358,949	\$ 160,219,978

We certify, to the best of our knowledge and belief, this statement and the related statements are true and correct and presents fairly the financial position and the results of operations for the periods covered.

PRESIDENT'S REPORT

Ray Lancaster, President/CEO

It has been another good year for Pyramid Federal Credit Union and we have a lot of exciting changes taking place. In November of 2019, we celebrated our 90th anniversary as the oldest credit union in the state of Arizona. Within the last year, we have focused on improving our services and adding benefits for our members, including:

- ▲ Upgrades to our Online Banking systems and improvements to branch communications, including our expanded Contact Center.
- ▲ We upgraded ATMs at each branch location to enable them to accept deposits.
- ▲ We remain part of the largest no-surcharge ATM networks (CO-OP and Allpoint), which offer more than 85,000 fee-free ATMs around the country for your use. I encourage you to check our website for updates before traveling and find those locations near where you going in case you need to access your account. You can also access these network locators directly from your mobile device. We continue to try to make more access available to you and your account wherever you may be.
- ▲ Finally, we continue to improve and enhance our low-cost alternative to refinance your mortgage through our FASTRACK program. During 2019, we closed a record number of mortgages in this program. For one low fee, you can refinance your mortgage for a shorter time period and get it paid off before you retire. This program will work for you even if you only have 5-10 years remaining on your mortgage.

In 2019, we awarded five scholarships to our graduating senior high school members and we have awarded fourteen more in 2020. We began our Munday Curd Scholarship program in 2005 to help our young members pursue their educational goals, and have awarded 58 \$1,000 scholarships since its inception. In addition, in partnership with Empire High School in the Vail School District, we have awarded more than \$95,000 in college scholarships.

In 2020, we will be adding more online services and finding better and more efficient ways to serve our members through our Contact Center.

As a financial cooperative, when members use us more for our services, we are able to give back more to our members in the form of lower loan rates. During 2020, we will be asking for more of your business at Pyramid. If we can ever be of assistance in helping you to manage your financial life, I hope you will think of us first.

I would like to thank all of our volunteers and employees for all of their efforts throughout the year which made 2019 one of our best years ever. Please let us know how we can be of better service to you. Thank you for being a member.

We appreciate your loyalty and your confidence in Pyramid Federal Credit Union.

OUR MISSION

Helping Members Improve Their
Financial Lives

OUR VISION

Be known as the Credit Union that
cares about our members'
financial well-being
and about our community

GUIDING PRINCIPLES

- ▲ We will employ good business practices to ensure the financial strength of the credit union
- ▲ We will treat everyone with dignity and respect
- ▲ We will promote the value of the credit union as a cooperative and encourage participation
- ▲ We will promote an environment of teamwork among all staff members
- ▲ We will be positive and forward-thinking and work to improve everything we do

MUNDAY CURD

SCHOLARSHIP



2020 SCHOLARSHIP RECIPIENTS



Adelys L.

Tucson High Magnet School
University of Arizona



Antonio P.

Marana High School
University of Arizona



Ariana T.

Cienega High School
Pima Community College



Celeste B.

University High School
University of Arizona



Dallin P.

Cienega High School
Brigham Young University



Dylan S.

Cienega High School
University of Arizona



Garrett P.

St. Augustine High School
Arizona State University



Jonathan H.

Empire High School
University of Arizona



Mackenzie G.

Empire High School
University of Arizona



McKei B.

Cienega High School
Utah State University



Meghan A.

Empire High School
Pima Community College



Miranda K.

Andrada Polytechnic High School
Grand Canyon University



Paige M.

Empire High School
Boise State University



Roque M.

Sahuarita High School
Northern Arizona University



To honor the legacy of the credit union's first manager, Pyramid began offering the ***Munday Curd Scholarship*** for deserving young members in **2005**.

Offered each year, the scholarship is open to graduating high school seniors to further their educational goals. ***Congratulations to all the 2020 recipients!***

COMMITMENT TO COMMUNITY

We understand that Pyramid Federal Credit Union is only as strong as the members and communities we serve. In 2019, Pyramid strengthened our commitment by partnering with schools, charities, and organizations that make our community a great place to live and work.

Improve your financial life!

Pyramid Federal Credit Union

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