

## President's Report

Another year has passed, how quickly time has flown by! 2019 was a very busy but successful year for the credit union, we were able to say hello to many existing members as Salt Lake hosted the JAACL National Convention, we capped off our 75<sup>th</sup> Anniversary and enjoyed a good year of member and loan growth.

Two critical areas for the credit union to continue to be sustainable is member growth and loan growth. Without new members we become stagnant and miss the opportunity to serve a new generation and without loans the credit union is limited in its ability to offer new products and services.

We are fortunate to have a loyal membership that appreciates the personal relationship we can offer along with the products that we continue to try to improve and expand. We recognize and are very thankful to you our member/owners for continuing to support your credit union.

The credit union ended 2019 with some great financial statistics and met almost all of our goals for the year. Our capital ratio measures how much of a savings account we have for any rainy days that may arise; we ended the year at 12% which is one percent higher than a year ago. Our loan to deposit ratio indicates how good of a loan program we have as well as helps the credit union's income; we ended the year four percent higher than where we were at the end of 2018.

Efficiency ratios were very good compared to our peer group as well. You can feel confident that your credit union runs a lean machine! Staff to member ratios are one of the best in our peer group, we manage more assets per employee, more members, and handle more loans per employee than our peers in our asset group. This is all due to the great staff we have at the credit union! Our staff deeply cares about the well-being of our members and work very hard to make sure your financial needs are taken care of.

My personal thanks to our staff, our volunteers and especially to their families who also sacrifice because of the hard work and hours they put in to make sure your credit union is financially stable, sound and secure. Most importantly my sincere thanks to you, our members for supporting and patronizing your credit union.

Sincerely,

Dean Hirabayashi  
President/CEO

## Supervisory Committee Report

In accordance with Section 10.3.1 of the By-Laws, the Supervisory Committee has conducted monthly Examinations of the credit union's affairs and found everything to be in order for the year ending December 31, 2019. The Supervisory Committee has retained the services of Dickson & Co. Inc, CPA to conduct the annual examination of the credit union's financial operations.

### ***The Supervisory Committee***

*Maya Chow - Chairperson*

*Dot Richeda - Committee Member*

*Karen Okawa - Committee Member*

*Katherine Seo - Committee Member*

## Board of Directors

Larry Grant . . . . . Chairman  
Nate Imamura . . . . . Vice - Chair  
Kristine Yamada . . . . . Secretary  
Charlie Brown . . . . . Director  
Terry Nagata . . . . . Director

## Supervisory Committee

Maya Chow . . . . . Chairman  
Dorothy Richeda . . . . . Committee Member  
Karen Okawa . . . . . Committee Member  
Katherine Seo . . . . . Committee Member

## Office Staff

Dean Hirabayashi . . . . . President/CEO  
Terri Nakashima . . . . . V.P. Operations  
Celeste Fredrickson . . . . . Business Dev. Officer  
Ron Mano . . . . . Accountant  
SunJung Jung . . . . . Accountant  
Davis Hong . . . . . Loan Officer  
Hope Tokunaga . . . . . Member Services Rep

# STATEMENT OF CONDITION

DECEMBER 2019



## ***77 Years of Dedicated Service***

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Salt Lake City, Utah 84152

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Toll Free 1-800-544-8828  
Email: [jaclcu@jaclcu.com](mailto:jaclcu@jaclcu.com)  
Web Site: [www.jaclcu.com](http://www.jaclcu.com)

## Chairman's Report

Okagesamade - Thanks To Your Noble Shadow

Lately I have been pondering the phrase, "Okagesamade." Japanese use this phrase to express their gratitude for the help and support they have received from others. It means "In your shadow, I am good," or "I am what I am thanks to you." Often it is used between individuals as an expression of gratitude for help given. In a larger sense, it expresses a sense of interconnection of a community. The success of a community or an organization is due to those who have gone before and because all current members of the community.

The National JAACL Credit Union had a very successful year in 2019. I wish to say "Okagesamade" to you, our member-owners, for choosing and trusting the National JAACL Credit Union for your financial needs.

I also say, "Okagesamade" to our devoted staff. They all contributed greatly to our successful year. Without a doubt, our staff are a key asset at National JAACL Credit Union. Their talent and dedication to serving our members is the backbone of our success.

I also take this opportunity to say, "Okagesamade" to my fellow board members for their dedicated service, commitment, and passion. Our success is due in large part because of their efforts.

Finally, I say, "Okagesamade" to the founders and previous staff and board members of the credit union. In founding the credit union 77 years ago, they embraced the credit union concept of "members helping members." They added to the core principles of credit unions three Japanese values that can be traced to the teachings we learned at the feet of our parents. These are: Okagesamade, Gaman and Ganbaru.

**1. Okagesamade.** I am what I am because of you. Show respect for those who came before you and helped you to get where you are. Our credit union is what it is today because of our founders.

**2. Gaman.** Enduring the seemingly unbearable with patience and dignity. Through the lean years, the credit union (members, staff, and board) have endured the hard times without quitting or waiting for a bailout. We just toughened up or used gaman to get through the hard times.

**3. Ganbaru.** To do one's best. This Japanese term is closely related to gaman, relating to persistence and tenacity. Where it differs is that ganbaru also encapsulates the ideals of doggedness and hard work. In practice, it can even mean doing more than one's best. We are still here today because we have "ganbaru'ed".

My fellow member-owners, with the continued success of National JAACL Credit Union, we can offer beneficial financial products and services that enhance your life. In

## NATIONAL JAACL CREDIT UNION

### BALANCE SHEET

at December 31, 2019 and 2018

	<u>2019</u>	<u>2018</u>
<b>ASSETS:</b>		
Cash on Hand . . . . .	\$ 1,765,914	\$ 927,364
Investments . . . . .	9,593,100	13,056,416
Loans . . . . .	17,488,670	16,660,516
Allowance for Loan Losses . . . . .	(117,652)	(103,392)
Accrued Income . . . . .	100,919	157,191
Land, Credit Union Building . . . . .	1,090,672	1,121,254
Other Fixed Assets . . . . .	18,107	9,142
Other Assets . . . . .	<u>78,846</u>	<u>91,789</u>
<b>TOTAL ASSETS . . . . .</b>	<b><u>\$30,018,576</u></b>	<b><u>\$31,920,280</u></b>
<b>LIABILITIES:</b>		
Share Savings of our Members . . . . .	\$12,322,431	\$12,384,157
IRA Accounts . . . . .	779,072	853,499
Certificates . . . . .	6,728,074	6,269,659
Money Market Accounts . . . . .	6,407,442	6,824,033
Accrued Interest Payable . . . . .	3,233	3,728
Other Payables . . . . .	<u>186,140</u>	<u>2,142,309</u>
<b>TOTAL LIABILITIES . . . . .</b>	<b><u>\$26,426,392</u></b>	<b><u>\$28,477,385</u></b>
<b>MEMBER EQUITY:</b>		
Regular Reserve . . . . .	\$ 1,609,873	\$ 1,118,715
Undivided Earnings . . . . .	<u>1,982,311</u>	<u>2,324,180</u>
<b>TOTAL EQUITY . . . . .</b>	<b><u>\$ 3,592,184</u></b>	<b><u>\$ 3,442,895</u></b>
<b>TOTAL LIABILITIES &amp; MEMBER EQUITY . . . . .</b>	<b><u>\$30,018,576</u></b>	<b><u>\$31,920,280</u></b>

closing, I'd like to express my confidence in the leadership of National JAACL Credit Union, the guidance of our esteemed board of directors, the commitment of our dedicated staff, and the support and loyalty of our members. We are extremely optimistic about the future because National JAACL Credit Union is well positioned to face the challenges and seize the opportunities that are presented in 2020.

Larry Grant  
Board Chair

## NATIONAL JAACL CREDIT UNION

### STATEMENT OF INCOME AND EXPENSES

for year ended December 31, 2019 and 2018

	<u>2019</u>	<u>2018</u>
<b>EARNINGS:</b>		
Interest on Loans to Members . . . . .	\$869,340	\$747,882
Interest on Investments . . . . .	250,773	220,635
Other Income . . . . .	<u>111,916</u>	<u>129,945</u>
<b>TOTAL EARNINGS . . . . .</b>	<b><u>\$1,232,029</u></b>	<b><u>\$1,098,462</u></b>
<b>EXPENSES:</b>		
Salaries & Employee Benefits . . . . .	\$367,064	\$328,982
Occupancy . . . . .	78,364	71,075
Operations . . . . .	407,875	481,185
Insurance . . . . .	26,325	25,768
Provision for Loan Losses . . . . .	42,000	50,844
Miscellaneous . . . . .	<u>75,005</u>	<u>4,516</u>
<b>TOTAL EXPENSES . . . . .</b>	<b><u>\$ 996,633</u></b>	<b><u>\$ 962,370</u></b>
<b>NET EARNINGS FROM OPERATIONS . . . . .</b>	<b>\$ 235,396</b>	<b>\$ 136,092</b>
<b>DIVIDEND &amp; INTEREST . . . . .</b>	<b>\$(86,107)</b>	<b>\$(68,204)</b>
<b>EARNINGS AFTER DIVIDEND &amp; INTEREST . . . . .</b>	<b><u>\$ 149,289</u></b>	<b><u>\$ 67,888</u></b>

#### DISTRIBUTION OF NET EARNINGS

	<u>2019</u>	<u>2018</u>
Regular Reserves	\$ 0	\$ 17,187
Accumulated other comprehensive Income	0	0
Undivided Earnings	<u>\$149,289</u>	<u>\$ 50,701</u>
	\$149,289	\$ 67,888