



**WHERE YOUR FINANCIAL  
FUTURE IS THE POINT.**

**2018 ANNUAL REPORT**

**SouthPoint**<sup>®</sup>  
Financial Credit Union

# Report of the Supervisory Committee

The role of the Supervisory Committee is important and similar to the role of internal auditors, which is to protect the interests of SouthPoint Financial Credit Union members. The committee members assume this responsibility by ensuring a quality system of checks and balances is maintained. The committee is appointed by the Board of Directors. Current committee members are Tammy Helget and Mike Krueger.

The Supervisory Committee acts as a guardian of the credit union by ensuring operations are conducted in accordance with governing rules and regulations and assets are properly administered. The committee retained the services of a professional outside Certified Public Accountant firm, CliftonLarsonAllen LLP, to perform a comprehensive annual audit and received a “clean opinion.” Additionally, the National Credit Union Administration/State of Minnesota Department of Commerce will conduct a thorough examination of the credit union’s operations also approximately every 12 to 24 months.

Based on the Supervisory Committee’s interaction with the Board of Directors, Executive Management, and Internal Auditors, it is the opinion of the Supervisory Committee that SouthPoint Financial Credit Union is conducting its affairs in a fiscally safe manner and the financial statements presented in the annual report fairly represent the condition of SouthPoint Financial Credit Union at year end 2018.

Tammy Helget and Mike Krueger - Supervisory Committee

## Message



2018 came and went as fast as the years before it, and with those 12 months came growth and excitement for SouthPoint Financial Credit Union. Throughout it we continued to maintain our financial strength while keeping our “doing the right things for the right reason” philosophy front and center.

- Some of 2018’s highlights include:
- Expanding to 19 counties with the additions of Wright and Scott counties.
  - Approving a seventh location in Waconia.
  - Launching SouthPoint Home Mortgage, a new division to SouthPoint Financial Credit Union.
  - Our membership growth continues on an upward trend, and I’m proud to report that as of year-end 2018, we exceeded 21,500 members.
  - Total loans and deposits both surpassed \$278 million, an increase of \$20 million for loans and \$18 million for savings.
  - Total capital now exceeds \$46 million, which provides us the financial security for you, our member owners.

We are proud of these results but know they would not be accomplished without the service and skill of our employees and their contributions to the communities we serve. In 2018 we participated in CU Forward Day in which employees participated in projects throughout the day in Sleepy Eye, Springfield, New Ulm, St. Peter, North Mankato/Mankato and Hutchinson. We also raised more than \$16,000 for CU4Kids Chain of Hearts campaign, which we couldn’t have done without donations from you, our member owners.

As we move further into 2019, we’re excited to keep bringing you service that will continue to meet and exceed your needs. It is because of your loyalty and commitment, along with credit union staff, that we are able to be as successful as we are. Thank you for being a member/owner of SouthPoint Financial Credit Union.

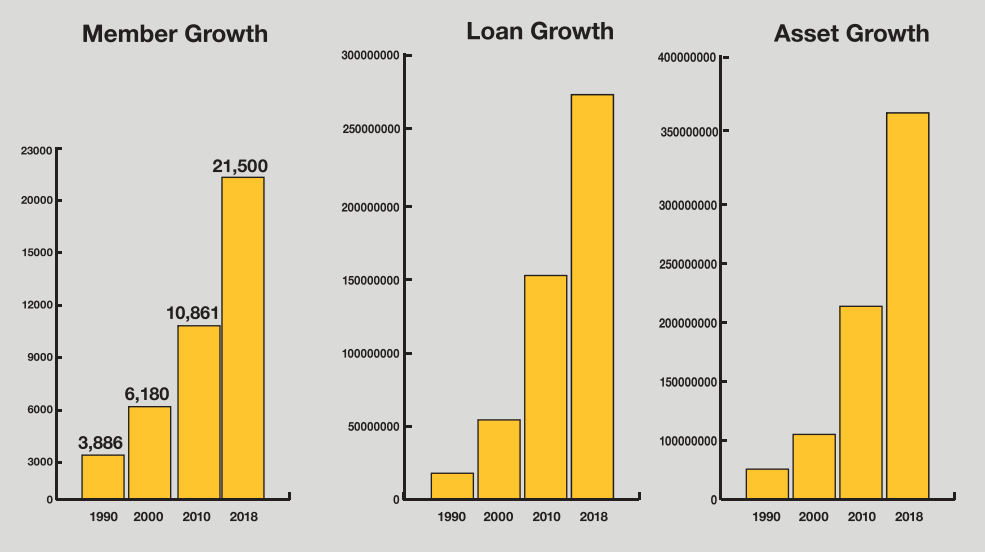


Membership growth is a key component to the financial success of SouthPoint and you, the member owners, of SouthPoint.

We have made substantial investment to our newest branches in North Mankato and Hutchinson while maintaining a strong financial position for our credit union.

Both branches show strong membership growth. We continue to fulfill our mission of “people helping people” while delivering financial services to you, the member owners of SouthPoint. Thank you for your continued support.

Gordon Osmonson, Board Chairman



# Financial Statement

## Balance Sheet

**2017****2018**

### Assets

Total Loans to Members	\$258,198,832	\$278,763,640
Cash and Dues	\$26,052,378	\$30,672,643
Investments	\$27,670,501	\$17,208,141
Other Assets	\$22,270,664	\$26,199,095
<b>Total Assets</b>	<b>\$334,192,375</b>	<b>\$352,843,518</b>

### Liabilities/Savings Equity

Other Liabilities	\$29,125,002	\$26,992,648
Share Accounts	\$142,920,598	\$134,700,213
IRAs	\$8,657,300	\$7,806,077
Money Market Certificates	\$47,337,502	\$71,471,091
Share Draft Checking	\$60,507,428	\$64,329,860
2nd Market Shares-FHLB	\$530,938	\$692,461
Total Acct. Payable/Savings	\$289,078,768	\$305,992,349

### Reserves

Statutory Reserves	\$3,200,000	\$3,200,000
Undivided Earnings	\$42,035,299	\$43,796,657
Acquired Equity	\$14,909	\$14,909
Accum. Unrealized Gains/ Loss of AFS Securities	(\$136,602)	(\$160,397)
Total Reserves	\$45,113,607	\$46,851,169
<b>Total Savings/Liabilities/Reserves</b>	<b>\$334,192,375</b>	<b>\$352,843,518</b>

## Income Statement

**2017****2018**

### Gross Income

Interest Earned on Loans & Investments	\$11,126,119	\$12,317,939
Miscellaneous Income	\$3,093,777	\$4,178,172
Total Gross Income	\$14,219,895	\$16,496,111

### Allocation of Income

Operating Expenses	\$11,150,221	\$12,352,328
Dividends & Interest Exp	\$1,373,731	\$1,902,344
Total Non-Op Income/Loss	\$393,390	\$480,081
Total Expenses	\$12,917,342	\$14,734,753

### Net Income

**\$1,302,553****\$1,761,358**

# Products & Services

## Accounts

- Savings
- Checking
- Certificate of Deposit & IRAs
- Money Market Savings
- Holiday Club Savings
- Youth Savings
- Health Savings Account

## Account Services

- Direct Deposit
- Debit Card

## Ag Loans

- Operating Loans
- Real Estate Loans
- Residential Rental
- Comm. Building Loans
- Mach/Equip/UCC Loans

## Home & Personal Loans

- Home Equity Loans
- Home Equity Lines of Credit
- Home Loans
- Rapid Refi
- Visa Credit Cards
- Member Loans
- Share Savings Secured Loans
- Ready Reserve Loans

## Vehicle Loans

- New & Used Auto Loans
- Recreational Sports Vehicle
- RV/Boat Loans

## Product Protection

- Overdraft Protection
- Credit Life & Disability Insurance
- GAP
- Mechanical Repair Coverage

## Business Services

- Savings
- Checking
- Lines of Credit
- Visa Credit Card
- Online Bill Pay
- Sweeps from Business Money
- Market and/or Business
- Savings Accounts
- Notary Public Services
- Online Banking
- eStatements
- ACH Origination
- Merchant Remote Deposit
- Capture
- Merchant Card Services
- Wire Transfers
- Health Savings Account
- SouthPoint @ Work
- LoanPay Xpress

## eServices

- eStatements
- Web Chat
- Loan Application
- Membership Application
- Mobile Banking
- Text Banking
- Mobile App
- Mobile Deposit
- Online Banking
- Online Bill Pay
- eAlerts
- eNotices
- Online Check Ordering
- ClickSwitch
- Money Management
- CardValet
- Purchase Rewards
- VideoConnect

## SouthPoint Divisions



POINTING YOU TO THE NEXT STAGE.\*



POINTING THE WAY HOME.

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# Board of Directors

Gordon Osmonson - Chair  
Mike Helget - Secretary  
Jeff Ibberson  
Mark Bruggeman

Matt Lux - Vice Chair  
Bob Weiss  
Scott Surprenant

# Supervisory Committee

Tammy Helget - Chair

Mike Krueger

# Management Team

Dick Nesvold ..... CEO  
Patti Gohl..... VP of Operations  
Jay Gostonczik ..... VP of Retail Services  
Troy Diedrich .....VP of Marketing & Development  
Bradley Haynes ..... Sales Manager  
Joel Heitner .....Retail Sales & Service Manager  
Jenny Mude..... Mortgage Lending Manager  
Carissa Rodewald .....Regional Service Manager  
Lori Wolkow ..... Regional Service Manager  
Wendy Salonek ..... Operations Manager  
Missy Haugen .....Operations Support Manager  
Mike Losleben ..... Operations Controller  
Jeff Anderson ..... Consumer Lending Manager  
Kristine Helget .....Business Service Manager  
Tammy Steffl.....Retail Operations Manager