



ANNUAL REPORT

— 2019 —

Jefferson Financial 
FEDERAL CREDIT UNION

Welcome to the 53rd Annual Meeting

The world has faced many uncertainties over recent months, but one thing is certain – Jefferson Financial Federal Credit Union is sound and on its continued path of exponential growth. Its remarkable journey is one of strength and stability. Of forward-thinking visionaries and member-focused innovation. Values which will continue to take the Credit Union farther, to the forefront of an institution of example. We honor our rich history and humble beginnings which are the roots for future success. And we're going there... together.



BOARD OF DIRECTORS

Susan Bloom

Chairwoman

George Horne

Vice-Chairman

Floyd Grayson

Treasurer

Nathan Winesberry

Secretary

Sharon Wegner

Director

Lloyd Clark

Director

Barbara Duplantis

Director

Feliciano Mendoza, Jr.

Director

Natasha Richardson

Director



MINUTES OF THE 52ND ANNUAL MEETING

The meeting was called to order by Board Chairwoman Bloom at The Four Columns, 3711 Westbank Expressway, Harvey, on the 13th day of April 2019, at 10:04 a.m.

It was confirmed that there was a Quorum present.

Minutes

Moved by Nathan Winesberry, seconded by Sharon Wegner, the board unanimously approved to dispense with the reading of the April 2018 Annual Meeting minutes and to accept as presented the Annual Meeting booklet. As there were no nominations received, the three board members up for re-election will remain on the board.

CEO's Report

CEO Mark Rosa presented the Board Chair's report and stated that Jefferson Financial Federal Credit Union had a great year, informing members that Jefferson Financial is the second largest credit union in the state and is working hard to get to the number one spot. Rosa further explained that *total loans and total capital for 2018 exceeded the previous year. He went on to mention that Jefferson Financial is staying competitive.*

Supervisory Committee Report

Tony Filos, Supervisory Committee Chairman, presented the Supervisory Committee Report as printed in the 2018 Annual Report booklet. Filos stated that the Credit Union engaged the services of Carr, Riggs & Ingram, who performed an opinion audit on the financial books and records.

An opinion audit is the highest auditing standard available, and the Credit Union is not required to have an audit of this level. The CPA firm reported an "unqualified" or "clean" opinion, the highest result possible.

After reporting no irregularities, Filos introduced new supervisory committee members, Natasha Haynes and Craig Melancon, to the Credit Union members.

Staff Recognition

The Board of Directors' Annual Longevity Awards were presented to the following employees:

Steve Smith, Administration – 5 Years | Brittany Mealey, Branch Manager – 5 years | Nancy Manix, Collector – 5 years | Regina Hofmann, Call Center Representative II – 5 years | Kevin Crowl, Core Systems Administrator – 5 years | Dawn Howell, Collector – 5 years | Glenda Montreuil, Member Service Representative – 10 years | Joseph Carey, Loan Officer – 10 years | Sheila Orgeron, Member Service Representative – 10 years | Zach Vandergriff, Loan Officer – 10 years | Renee Olivier, Member Service Representative – 10 years | Kristin Morrison, Chief Operations Officer – 10 years | Travis Nyguen, Accounting Manager – 10 years | Jim Knoth, Branch Manager Event Coordinator – 10 years | Amie Gros, Member Service Representative II – 10 years | Cheri Castellon, Mortgage Manager – 10 years | Kelly Waltz, Loan Officer – 10 years | Tricia LeMoine, Member Service Representative – 15 years | Lauren Murphy, Internal Auditor – 30 years | Trina Shano, Consumer Loan Manager – 30 years | Guizell Rosales, Senior Loan Officer – 30 years

Unfinished Business

Board Chair Susan Bloom called for any unfinished business. There was none.

New Business

Board Chair Susan Bloom called for any new business. There was none.

Door Prizes

Door prizes were awarded, and a 50/50 cash drawing for Children's Hospital was conducted.

Election Results

There were no nominations, The three board members up for re-election, Barbara Duplantis, Floyd Grayson and George Horne, will all remain on the board.

Open Discussion

None.

Adjournment

Board Chair Susan Bloom called for any further questions from the floor. Moved by George Horne and seconded by Feliciano Mendoza, the board approved to adjourn the meeting at 10:38 a.m.



BOARD CHAIRWOMAN & CEO REPORT

Welcome to the annual membership meeting of Jefferson Financial Federal Credit Union. Last year, I reported that “Nothing has slowed down at Jefferson Financial.” For 2019, our operations took a breather.

We continue to operate in an industry that is rapidly changing, largely due to people’s habits, significantly influenced by technology.

JEFFERSON FINANCIAL HIGHLIGHTS

	2019	2018	2017
Number of Employees:	191	190	190
Total Loans:	\$560,548,365	\$619,814,486	\$546,554,383
Total Shares:	\$732,316,652	\$689,529,025	\$735,196,635
Total Assets:	\$882,183,061	\$963,180,884	\$888,869,561
Total Capital:	\$88,777,394	\$87,208,272	\$79,278,311

Your Credit Union’s capital is strong, provided by a healthy net income each year. Investments in infrastructure and technology have not only served the membership, but also positioned us to grow into the future, a necessary component to succeed. We were the third largest credit union in Louisiana at the end of 2019.



Being true to our mission as a Credit Union, your Board of Directors meets monthly to review loan and deposit rates to bring these products to you, our members, in the most competitive way possible. Our rates and products consistently are ahead of our peer credit unions. We continue to serve the unbanked, under-banked and under-served, designing products and services to meet their needs.

Some other accomplishments and highlights of your Credit Union, Board and Staff in 2019 were:

- Received the highest rating possible on the annual Certified Public Accountant (CPA) Audit.
- Board and Supervisory Committee members completed mandated training requirements.
- We continue involvement in the community and with our largest sponsor groups – Jefferson Parish Public Schools System and Ochsner Health Systems. We belong to all of the Chambers of Commerce in areas where we have offices.

In conclusion, I would like to thank the membership for the unwavering support and confidence. It is our goal to be your financial service provider for life. Our resilience in this still rocky economic market is a testament to the Credit Union's management team, volunteer Board of Directors, Supervisory Committee and the will and desires to offer our members the best and latest products available in the financial arena.

Sincerely,

Susan Bloom
Chairwoman

Mark Rosa
Chief Executive Officer



SUPERVISORY COMMITTEE REPORT

The Supervisory Committee of Jefferson Financial Federal Credit Union acts on behalf of the membership by monitoring all Credit Union financial operations and activities.


The Supervisory Committee is comprised of three members appointed by the Board of Directors. The committee provides the membership with an independent appraisal of the safety and soundness of Jefferson Financial's operations and activities. It does so in compliance with the Federal Credit Union Act and Jefferson Financial's bylaws.

The Committee reviews all audit reports and meets regularly to discuss audit results; Internal Audit recommendations for strengthening internal controls; and the status of management's action on all prior Internal Audit recommendations. The Supervisory Committee ensures that the financial statements of Jefferson Financial provide a fair and accurate representation of its financial condition and that management establishes and maintains sound internal controls to protect the assets of the Credit Union.

The Supervisory Committee employs the independent accounting firm of Postlethwaite & Netterville (P&N) to conduct a comprehensive audit of the Credit Union's year-end financial statements. Jefferson Financial once again received a clean opinion for the 2019 Financial Statements, which appear in this Annual Report.

Throughout the year, the committee reviews and responds in writing to letters and emails it receives from the membership. Both the membership and the management of Jefferson Financial benefit from this open communication because members' individual concerns and comments are personally addressed helping to ensure that Jefferson Financial maintains the highest level of service to its members.

The National Credit Union Administration (NCUA), the regulatory agency for all federally chartered credit unions also performs periodic examinations.



Based on the results of the Annual Report of Independent Auditors and the Examination Report of the NCUA, it is the opinion of the Supervisory Committee that Jefferson Financial Federal Credit Union continues to be financially strong and well managed, with sound policies and programs.

The committee appreciates your continued confidence in our oversight role. The support and cooperation of the Board of Directors, Management and Employees that have assisted us in the performance of our duties is greatly appreciated.

Tony Filos

Chairman

Craig Melancon

Natasha Richardson

2019 FINANCIALS

Balance Sheet

Assets	12.31.2019	12.31.2018
Cash	\$47,096,411	\$23,854,093
Investments	193,347,829	242,624,163
Loans (Net)	560,548,365	619,814,486
Property & Equipment (Net)	36,828,831	37,589,288
NCUSIF Deposit	6,734,473	6,423,323
Other Assets	37,627,153	32,875,531
Total Assets	\$882,183,061	\$963,180,884
Liabilities & Members' Equity	12.31.2019	12.31.2018
Accrued Expense & Other Liabilities	\$60,435,602	\$191,480,559
Total Shares	732,316,652	689,529,025
Other Comprehensive Income	653,413	(5,036,973)
Total Capitals	88,777,394	87,208,272
Total Liabilities & Members' Equity	\$882,183,061	\$963,180,884

(Unaudited)

Income Statement

Income	12.31.2019	12.31.2018
Loan Interest Income	\$31,376,885	\$30,613,767
Investment Income	7,947,466	8,317,102
Fee Income	5,687,862	6,370,212
Other Income	4,583,050	6,590,577
Total Income	\$49,595,263	\$51,891,657
Expense	12.31.2019	12.31.2018
Operating Expense	\$33,947,318	\$34,237,650
Provision for Loan Loss	3,052,766	3,666,183
Dividend Expense	11,901,697	9,516,293
Total Expense	\$48,901,781	\$47,420,126
Gain/(Loss) On Sale	\$407,932	\$2,477,789
Non-Operating Income	\$1,305,486	\$939,531
Net Income	\$2,406,900	\$7,888,850

(Unaudited)



JeffersonFinancial.org | 800.259.2471

Federally insured by NCUA.