

80TH Annual Meeting Agenda

March 20, 2018

Call to Order	Susan Willis
Quorum Declaration	Barbara Humphrey
Introduction	Susan Willis
2017 Annual Meeting Minutes	Susan Willis
Chairman's Report	Susan Willis
President's Report	Mike Lantrip
Committee Reports	
a. Credit Committee	Barbara Humphrey
b. Supervisory Committee	Kyle Harfst
Unfinished Business	Susan Willis
New Business	Susan Willis
- Election of Directors	
Adjournment	Susan Willis

Mission Statement

We're working for you.

Vision Statement

To be the primary provider of financial services, building a lifetime partnership with all current and future members.

SIU Credit Union - March 21, 2017 Minutes

79th Annual Membership Meeting

March 21, 2017

395 N. Giant City Road, Carbondale IL

I. Call to order

The 79th Annual Membership Meeting of SIU Credit Union was held at SIU Credit Union East Branch, 395 N. Giant City Road, Carbondale, IL on March 21, 2017. The meeting was called to order at 5:15 pm by Susan Willis, Interim Chairman of the Board. 45 members were present.

II. Quorum Determination

In the absence of Secretary, Barb Humphrey, Treasurer, Ken Burnett reported to the Interim Chairman that a legal quorum of members was present (45 members). Number of members outstanding at the record date of the annual meeting was 37,506 and the number of members represented at the annual meeting was 27,835. At this determination, the Interim Chairman declared the meeting open for business.

III. Introduction of Board of Directors by Chairman, Susan Dallas-Willis

All board of directors present raised their hand as their name was called.

IV. Approval and signing of the minutes from March 15, 2016

The minutes of the previous Annual Membership Meeting held on March 15, 2016, were distributed in print form. Motion was made by Richard Parrish, seconded by Ken Burnett to approve the minutes as presented. Vote was taken and the motion carried to accept the minutes as presented.

V. Director's Report

Interim Chairman, Susan Willis reviewed the Director's Report. SIU Credit Union has gone through a lot of changes in 2016. In April, former President/CEO, Dennis Schaefer retired. Bill Capie served as Interim President/CEO as Mike Lantrip was in succession training and then took lead as President/CEO in August of 2016. We have expanded our membership to include 13 more counties. Even with the many changes, SIU Credit Union has not changed its mission. We are here to serve our members and in 2017, we will continue to live by, "We're Working for You." The Director's Report was distributed in print form.

VI. Reading and Approval of the Committee Reports

The Supervisory Report and Credit Report were distributed to the membership in print form. Presentations of each report were made to the membership by the Interim Chairman of the Board and the Chairs of the Supervisory and Credit Committees. Keith McDannel made a motion to accept the reports with a second by Stacy Callahan. All were in favor of accepting the reports.

SIU Credit Union - Minutes (continued)

VII. President's Report

Susan Willis introduced Mike Lantrip, President/CEO of SIU Credit Union. Mike Lantrip welcomed all to the 79th Annual Membership Meeting. Mike reviewed the items in the President's report. All members received this in print form. We received approval from the Illinois Department of Financial and Professional Regulation to add thirteen additional counties to the field of membership in October. In March, we completed the merger of Menard Credit Union in Chester, IL. Voted as the Best Credit Union in *The Southern Illinoisan* Readers' Choice Awards (the third year in a row). Introduced Apple Pay, Android Pay, and Samsung Pay along with deploying new EMV Chip Debit and Credit Cards to enhance member security. In order to provide the best service and accessibility to our membership, we added a new drive-up ATM location across the street from our Metropolis Branch. In 2016, we continued to give back to the community. Our employees donated over \$5,000 to our Jeans Because We Care fund, a record amount. These proceeds directly benefited the Perry County Humane Society and Night's Shield Children's Shelter. Mike emphasized how thankful he is to the staff at SIU Credit Union. Mike thanked the Board and Committee members for their continued trust and support.

VIII. Unfinished Business

None

IX. New Business

The Interim Chairman announced the first order of new business being the election of Directors for 2017. The Interim Chairman called for the report from the Nominating Committee. The report read as follows: the Nominating Committee placed in nomination for election as Directors of SIU Credit Union for 2017, the names of Bill Capie, Ken Burnett and Susan Willis. The Interim Chairman asked for any nominations from the floor three consecutive times. Richard Parrish made a motion to close the nominations and Keith McDannel seconded this motion. Richard Parrish made a motion to elect those placed in nomination. Stacy Callahan seconded the motion to elect Bill Capie, Ken Burnett and Susan Willis. There was a vote of acclimation by all.

X. Adjournment

The Interim Chairman asked for questions, comments, or observations from the floor and encouraged discussion on all phases of SIU CU's operation. She thanked the staff for their hard work and dedication. With no further business to conduct, Namdar Mogharreban made a motion to adjourn, and Rob Dueker seconded to adjourn the meeting at 5:27 pm.

2017 Chairman & President's Report

We're working for you...it's not just our mission statement or an empty slogan. As we celebrate our 80th anniversary, it has been the commitment we show to our members, staff, and local communities. As your president and chief executive officer, it is a privilege to report that 2017 was another strong financial year for SIU Credit Union and that we continued to work for all of southern Illinois.

Here are just a few of the highlights of 2017:

- As a not-for-profit, member-owned financial cooperative, providing financial benefits to our members is of utmost importance. Per our 2017 CUNA Membership Benefits Report, it is estimated that SIU Credit Union provided \$4,451,229 in direct financial benefits to its' members during the 12 months ending in September 2017.
- Fulfilling our promise to provide credit to the membership, we loaned out 8,342 loans worth over \$80.5 million at year-end, a 7.1% growth in loans over the prior year. Whether it was for home purchase or refinance, student loans, auto loans or business loans, SIUCU continues to serve its expanding membership.
- Assets grew \$8.7 million (2.7%) to over \$331 million. Members continued to trust us with their deposits, which grew by 2.4%.
- Installation of our new Core technologies and software upgrade has started, with a completion date set for summer 2018.
- Voted as the Best Credit Union in *The Southern Illinoisan* Readers' Choice Awards (the fourth year in a row!)
- Introduced Person-to-Person (P2P) payments to our product mix, making it quick and easy to transfer money from your existing debit account to almost anybody else's.
- Implemented Instant Issue Debit Cards for members, allowing for members to have immediate access to their accounts after completing the sign up.
- Enhanced the search functionality on our website with the addition of SilverCloud technologies. Members now have a more streamlined path to answering common questions online, which reduces the amount of call center traffic and shortens wait times.

Giving Back

In 2017, we continued to give back to the communities where we work and live. Our employees donated nearly \$7,000 to our Jeans Because We Care fund, another record amount. These proceeds directly benefited the Gum Drops, NFP and This Able Veteran charities.

We co-sponsored the annual Sack Hunger series with WSIL-TV3 which helped 22 local food pantries across southern Illinois, averaging 2000 items per area football game to be split up between two food pantries. (one food pantry per town represented). WSIL reported that 2017 was their best year yet.

We deepened our commitment to providing financial education at local schools. Over 2,200 students at 24 schools are now getting a free education in how to manage their money with Banzai, a national award-winning financial literacy program sponsored by SIU Credit Union.

Moving Forward

2018 will bring substantial changes to SIU Credit Union and our day-to-day operations. We're implementing a major software upgrade which will help us serve our members more efficiently and effectively. We look forward to bringing you new products and services to deepen member engagement in our fast-paced financial environment. Look for improvements to our website as well, making it more functional in our mobile-based society.

More communication and opportunities to become engaged in credit union advocacy will be forthcoming. Local member-owned credit unions know their members better than Washington and we want to keep it that way.

I'd like to express gratitude to our volunteer Board of Directors and Committee members for their vision, leadership and commitment to serving our members. As members, you elect these individuals to represent your best interests, and they continue to fulfill this important duty for your financial cooperative. We are equally appreciative of the expertise and commitment of our talented Credit Union employees and thank them for their diligence and hard work this past year.

We're proud of our past, prepared for the future and We're Working for You!

A handwritten signature in black ink, appearing to read "Mike Lantrip".

Mike Lantrip,
President/CEO

A handwritten signature in black ink, appearing to read "Susan Willis".

Susan Willis,
Chairman

Credit Committee Report

The volunteer Credit Committee meets monthly to review all disbursed and denied loan requests for members and individual loans for employees, committee and board members. They regularly review audit reports and make recommendations to the Board of Directors about approval of loan policy changes. Our goal is always to approve policy changes which benefit our members as well as keep the credit union safe and sound.

The mortgage department delivered another strong year processing and closing over \$12 million in-house and secondary market mortgage loans.

Our indirect dealer program disbursed over \$36.9 million dollars in new and used vehicle loans for our members.

Our lending department processed over \$134 million in loans during 2017, with a total outstanding of \$231,639,887 net loans. This is an increase of \$15.5 million in loans from the previous year.

On behalf of all of the Credit Committee members, thank you for allowing us to serve you and your lending needs in 2017.



Barbara Humphrey, Chairman

Committee Members: Kenneth Burnett, Stacy Callahan, Carolin Harvey, Barbara Humphrey, Deb Nelson, Chris Sievers, Lisa Winthrop.

Supervisory Committee Report

The Supervisory Committee, a volunteer committee comprised of SIU Credit Union members, is appointed by the Board of Directors. The Committee is responsible for ensuring the soundness of credit union operations, the safety of the members' deposits, the fairness and legality of credit union policies, and compliance with applicable state and federal regulations.

The Federal Credit Union Act identifies two major activities that must be fulfilled by the committee to meet its responsibilities.

First, the Committee must take or cause to be made an annual audit. The Committee selected an accounting firm with proven knowledge of credit union operations - Stephen Lang & Associates, LLC. The Committee then works with the Board and management to address any areas of concern identified by the audit.

Second, the Committee must verify members' accounts with the credit union's records at least once every two years. That verification was done as part of the annual audit by the independent accounting firm.

It is the opinion of this Committee that SIU Credit Union's records management is satisfactory, that the policies and procedures set by the Board of Directors and management are being followed, and that the enclosed financial statements fairly represent SIU CU's audited financial position and results of operations for the year ended December 31, 2017.

On behalf of myself and the other members of the Supervisory Committee, it has been our pleasure to serve you.

A handwritten signature in black ink, appearing to read "Kyle Harfst".

Kyle Harfst, Chairman

Committee Members: Shirley Castle, Kyle Harfst, Mark Krones, Richard Parrish, Mark Peterson

Balance Sheet as of December 31, 2017

Assets	2016	2017
Cash	\$8,321,382	\$9,022,307
Interest Bearing Deposits in		
Other Institutions	\$19,796,000	\$24,410,732
Investments Avail. For Sale	\$62,343,368	\$49,854,571
Loans Held for Sale	\$371,725	\$104,500
Loans to Members		
(Net Allowances)	\$214,039,275	\$229,258,587
Accrued Interest Receivable	\$886,951	\$694,309
Premises and Equipment,		
Less Depreciation	\$5,836,118	\$6,510,222
Federal Home Loan Bank Stock	\$177,300	\$177,300
Share Insurance Fund Deposit	\$2,809,834	\$3,007,301
Other Assets	<u>\$7,671,740</u>	<u>\$7,974,723</u>
Total Assets	<u>\$322,253,693</u>	<u>\$331,014,552</u>
Liabilities and Member's Equity		
Member Savings	\$290,157,808	\$297,246,478
Accounts Payable	\$2,504,130	\$2,687,762
Accrued Expenses & Other		
Liabilities	\$875,947	\$915,872
Accrued Interest Payable	<u>\$120</u>	<u>\$120</u>
Total Liabilities	<u>\$293,538,005</u>	<u>\$300,850,231</u>
Regular Reserve	\$3,275,893	\$3,774,062
Undivided Earnings	\$25,659,619	\$26,816,702
Unrealized Gains on Investments		
Available for Sale	<u>\$(219,824)</u>	<u>\$(426,443)</u>
Total Member's Equity	<u>\$28,715,688</u>	<u>\$30,164,321</u>
Total Liabilities & Equity	<u>\$322,253,693</u>	<u>\$331,014,552</u>

Statements of Income & Expense

	2016	2017
Interest on Loans	\$8,685,688	\$9,206,325
Interest on Investments	<u>\$1,231,515</u>	<u>\$1,438,351</u>
Total Interest Income	\$9,917,203	\$10,644,676
Dividends & Interest on Member Deposits	<u>\$1,352,425</u>	<u>\$1,325,719</u>
Net Interest Income	\$8,564,778	\$9,318,957
Provision for Loan Losses	<u>\$1,560,406</u>	<u>\$2,160,565</u>
Net Interest Income After Provisions for Loan Loss	<u>\$7,004,372</u>	<u>\$7,158,392</u>
Other Income	<u>\$6,083,073</u>	<u>\$6,106,570</u>
Compensation & Benefits	\$5,145,403	\$5,404,271
Office Operations	\$2,362,138	\$2,353,987
Office Occupancy	\$704,995	\$699,723
Other	<u>\$2,764,743</u>	<u>\$3,180,257</u>
Operating Expenses	<u>\$10,977,279</u>	<u>\$11,638,238</u>
Net Operating Income	\$2,110,166	\$1,626,724
Non-operating Gains/Losses	<u>\$24,258</u>	<u>\$28,528</u>
NET INCOME	\$2,134,424	\$1,655,252

Statement of Members' Equity

Beginning Balance	\$26,776,803	\$28,715,688
Net Income	\$2,134,424	\$1,655,252
Net Change in Credit Union Merger	\$22,637	\$0
Net Change in Unrealized Losses on Investments Available for Sale	<u>\$(218,176)</u>	<u>\$(206,619)</u>
ENDING BALANCE	\$28,715,688	\$30,164,321

Independent Auditor's Report

February 8, 2018

To the Board of Directors and Supervisory Committee
of SIU Credit Union

We have audited, in accordance with auditing standards generally accepted in the United States of America, the balance sheets of SIU Credit Union as of December 31, 2016 and 2017, and the related statements of income and comprehensive income, changes in members' equity and cash flows (not presented herein), for the years then ended. In our report dated February 8, 2018, we expressed an unqualified opinion on those financial statements.

In our opinion, the information set forth in the accompanying condensed financial statements, when read in conjunction with the financial statements from which it has been derived, is fairly stated in all material respects in relation thereto.

Stephen Lang & Associates, LLC
Certified Public Accountants
St. Louis, Missouri

Board of Directors

Susan Willis, Chairman
Keith McDannel, Vice Chair
Barbara Humphrey, Secretary
Kenneth Burnett, Treasurer

William Capie
Kyle Harfst
Thomas Lindquist
Deb Nelson
Richard Parrish
Mark Peterson

Credit Union Officers

Mike Lantrip, President & CEO
Sandy Taylor, Vice President of Finance
Stacy Callahan, Vice President of Lending
Erica Pankey, Vice President of Operations
Kim Babington, Vice President of Business Development
Tracy Frischkorn Ingersoll, Vice President of Human Resources
Brian Maurizio, Vice President of Information Technology
Mark Dynis, Vice President of Marketing

Branch Managers

Eric Burd, Carbondale West Branch Manager
Amber Hannahs, Carbondale East Branch Manager
Kyle Goss, Marion Branch Manager
Cassie Graves, Metropolis Branch Manager
Trish Jennings, Energy Branch Manager
Brenda Cook, Harrisburg Branch Manager
Cheryl Stewart, Call Center Manager

2017 Nominations for the Board of Directors

Term expiring March 2018

Thomas Lindquist
Keith McDannel
Richard Parrish

Term expiring March 2019

Kyle Harfst
Barbara Humphrey
Deb Nelson
Mark Peterson

Term expiring March 2020

Kenneth Burnett
William Capie
Susan Willis

Contact Us

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