

Supervisory Committee Report

The Supervisory Committee is a group of volunteers selected from the credit union membership. One of the main responsibilities of the Supervisory committee is to ensure that the financial statements fairly represent the Credit Union's financial condition. Other responsibilities are to see that the practices and procedures of management and the Board of Directors safeguard the members' assets, respond to member complaints, and supervise all external audits.

The chair of the Supervisory Committee routinely attends Board meetings and other committee meetings as needed to ensure that the Board of Directors plans and policies are in your best interest and that they protect the safety and soundness of the Credit Union.

In 2019, the Supervisory Committee engaged the public accounting firm Wipfli, LLP to perform an audit of the financial records and statements. That audit was completed as of June 30, 2019. The opinion letter accompanying the audit report presented to the Supervisory Committee noted that the financial statements as of June 30, 2019 and 2018 fairly represented the financial position of the credit union, and did not identify any areas of material concern.



Respectfully submitted,
Steve Garland, *Chairman*

Management



Thor Dolan
President/CEO



Brian Mann
*Executive Vice-President/
Chief Financial Officer*



Dan Hoffmann
IT Director



Lynette Lopez
Lending Director



Becky Springer
Retail Director

Board of Directors

Dave Thurwanger
Chairman

Steve Elsik

Douglas Lindgren
Vice-Chair

Dana Crowley

Kristin Cardinali

Richard Ott
Treasurer

Adam Ferguson
Secretary

Supervisory Committee

Steve Garland
Chairman

Tom Bohler

John Linderoth

2020 Annual Report

Celebrating 85 Years!



Sycamore Branch

508 W. State Street, Sycamore, IL 60178

DeKalb Branch

1500 Barber Greene Road, DeKalb, IL 60115

Plano Branch

6 W. Main Street, Plano, IL 60545

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A Message from the

Chairman & President

Welcome to Annual Meeting of the Members—Celebrating 85 years!

Dear Members,

Welcome to the 2020 Annual Meeting of the members. This year marks the 85th anniversary of Illinois Community Credit Union's service to our members and communities. We are so glad to have you here celebrating this milestone with us. It is a tremendous story of perseverance and strength in the face of adversity considering our beginnings during the Great Depression. Community leaders looking out for the people of Sycamore and the surrounding areas displayed tremendous foresight and we honor their vision by remaining strong and continuing to serve the financial needs of those who need it most.

We are very pleased to report that your credit union continued to grow its mission of financial advocacy and ended the year with assets of nearly \$100 million and outstanding loans of \$82.5 million. Total loans grew by \$8.5 million year-over-year. Total deposit growth also kept pace, ending the year up by \$6.9 million. Throughout the year, we brought in over a thousand new members to share in the credit union experience of lower loan rates, lower service charges and higher dividends. Our results are proof that you, our members, find tremendous value in your credit union. These results are a credit to our passionate workforce who are dedicated to the service and financial well-being of our members.

Last year we reported on a dispute between the general contractor and building designer of our Sycamore branch. We are pleased to report that a settlement was reached and that ICCU was able to recover a sizeable portion of the disputed amounts, and that recovery will be reflected in the 2020 financials.

In 2019, we evaluated key vendor relationships and made some difficult but financially healthy decisions that will positively impact our operations in 2020 and beyond. We will eliminate the KASASA branded rewards checking accounts by March and will upgrade our core operating system in the fourth quarter. Additionally, we will upgrade the services of our credit and debit cards that will require new cards to be issued in early September for usage to start on October 1. These changes, once implemented, are anticipated to save us approximately \$140 thousand per year.

On behalf of the Board of Directors, Supervisory Committee, Management and Staff of Illinois Community Credit Union, thank you for the opportunity to continue serving you.

Sincerely,



Dave Thurwanger
Chairman of the Board



Thor Dolan
President/CEO

Income Statement

	For the Year Ending 2018	For the Year Ending 2019
INCOME		
Interest on Loans	\$3,396,899	\$3,940,765
Interest on Investments	\$175,879	\$106,580
Other Income	\$1,504,005	\$1,609,461
Total Income	\$5,076,783	\$5,656,806
EXPENSES		
Compensation	\$1,992,136	\$2,073,042
Operating Expenses	\$1,928,412	\$1,993,333
Occupancy Expenses	\$271,989	\$279,326
Total Expenses	\$4,192,537	\$4,345,701
Provision for Loan Loss	\$161,000	\$180,000
Dividends Paid	\$613,952	\$848,583
Non-Operating (Income)/Expense	\$275,641	\$40,908
NET INCOME	(\$166,347)	\$241,614

Balance Sheet

	For the Year Ending 2018	For the Year Ending 2019
Loans	\$73,947,621	\$82,506,351
Allowance for Loan Loss	(\$466,153)	(\$426,219)
NET LOANS	\$73,481,468	\$82,080,132
Cash & Investments	\$8,146,149	\$6,229,915
Fixed Assets	\$3,943,250	\$3,754,028
Other Assets	\$6,076,002	\$6,597,666
TOTAL ASSETS	\$91,646,869	\$98,661,741
LIABILITIES, RESERVES & UNDIVIDED EARNINGS		
Current Liabilities	\$2,645,558	\$2,460,556
Total Member Deposits	\$77,284,355	\$84,203,413
Reserves & Undivided Earnings	\$11,716,956	\$11,997,772
TOTAL LIABILITIES, RESERVES & UNDIVIDED EARNINGS	\$91,646,869	\$98,661,741

Credit Manager's Report

The Credit Manager reports that 2,050 loans were granted for \$33,362,529 an increase of \$3,501,610 from 2018. We processed 5,299 loan requests, an increase of 334 over 2018.

ICCU ended the year with a loan portfolio balance of \$82,506,351 up \$8,558,729 from the prior year.

Respectfully submitted,
Lynette Lopez, *Credit Manager*



Membership Manager's Report

ICCU welcomed 1,226 new members to our family in 2019. 742 members opened their accounts in branch while 484 came through our indirect lending program. ICCU ended the year with 10,521 members.

Respectfully Submitted,
Becky Springer, *Retail Director*



2019 Treasurer's Report

Total Assets finished the year at \$98,661,741, a \$7 million increase from the prior year. Total Deposits increased by \$6.9 million, and Total Reserves & Undivided Earnings increased by \$281 thousand. Outstanding Loan balances increased by \$8.5 million, as ICCU originated just over \$33 million in loans during the year, while charged-off loans were down \$73 thousand.

ICCU reported Net Income of \$241,614, an improvement of \$408 thousand over 2018's reported net loss. Excluding a one-time payment of \$258 thousand in 2018 related to the construction of the Sycamore Facility, earnings improved by \$150 thousand year-over-year.

Loan Interest Income increased by nearly \$543 thousand over the prior year as we continue to grow our loan balances. The yield on the loan portfolio, at 5.06% improved from the 4.84% recorded for 2018. This improvement is the result of higher market interest rates during 2019, along with originating more loans to members with moderate credit. Investment Income declined by \$69 thousand as the proceeds from maturing investments were used to fund the substantial loan growth during the year. Meanwhile, Dividends Paid increased by \$243 thousand, as we offered certificate specials with higher rates to attract deposits to keep pace with our loan growth. As our loan portfolio grew during 2019, we were required to add \$180 thousand to fund our loan loss reserves.

ICCU's Capital Ratio finished the year at 12.16%, a 0.62 percentage point decrease from the 2018 ratio of 12.78%, but still significantly above the 7% level that our regulatory agency considers to be "well capitalized." This strong capital position has allowed ICCU to invest in the infrastructure needed to provide improved services and facilities to meet the needs of our members while still remaining financially stable.

Overall, ICCU is in excellent financial shape, and positioned well to serve our members today and into the future.

Respectfully submitted,
Rich Ott, *Treasurer*

