

2021 Annual Report



ICCU's 86th Annual Meeting



Service • Support • Solutions™



A Message from the

Chairman & President

Welcome to Annual Meeting of the Members—Celebrating 86 years!

Dear Members,

2020 was a year like no other. A worldwide pandemic (Covid-19) took hold early in the year. With this, local and national economies experienced record-breaking hospitalizations, deaths, massive unemployment, furloughs and business failures that are too many to mention.

We clearly could not predict the events that took place in early 2020, but we have been preparing for similar situations by stress testing our balance sheets and conducting operational efficiency testing in the event of any major interruption. While we did not anticipate the need to close our lobbies, we were well prepared to continue serving our members with drive through availability, home banking, mobile banking and eBranch services.

We made several strategic moves in 2020 to help improve both financial performance and operational efficiency to position us to better serve you in the future. Among these decisions was to discontinue our relationship with the KASASA rewards checking program which proved too costly with limited benefits to most members. We expect to launch a new relationship rewards program by 2022. We added the surcharge-free Allpoint ATM network that provides you with worldwide access to your money when you need it.

Late in the year we completed several time-intensive projects including:

- A core processing conversion that implemented new home and mobile banking platforms.
- Credit and Debit card processing conversions that included reissuing new cards featuring the very popular “tap to pay” technology.

Consumer loan demand diminished throughout the year, however, real estate lending set record volumes as we served members with more than \$17 million in mortgage loans. This accounted for nearly half of all loans originated during the year.

With all the challenges presented to us in 2020, we are pleased to report that your credit union continued to grow, ending the year with improved Net Income to \$463,096 and Assets to \$106 million. As noted in the Report of the Treasurer, we remain financially strong while continuing to grow deposits, loans and net worth.

With the very trying times of 2020, we are so very proud of our staff for their continued effort to professionally serve our members while balancing the trials of the pandemic in their personal lives.

On behalf of the Board of Directors, Supervisory Committee, Management and Staff of Illinois Community Credit Union, we thank you for the opportunity to serve you. We remain committed to serving you and our communities now and in the future.

Sincerely,



Dave Thurwanger
Chairman of the Board



Thor Dolan
President/CEO

Income Statement

	For the Year Ending 2019	For the Year Ending 2020
INCOME		
Interest on Loans	\$3,940,765	\$4,039,574
Interest on Investments	\$106,580	\$75,982
Other Income	\$1,609,461	\$1,586,308
Total Income	\$5,656,806	\$5,701,864
EXPENSES		
Compensation	\$2,073,042	\$2,087,821
Operating Expenses	\$1,993,333	\$2,035,011
Occupancy Expenses	\$279,326	\$276,442
Total Expenses	\$4,345,701	\$4,399,274
Provision for Loan Loss	\$180,000	\$180,000
Dividends Paid	\$848,583	\$759,537
Non-Operating (Income)/Expense	\$40,908	(\$100,043)
NET INCOME	\$241,614	\$463,096

Balance Sheet

	For the Year Ending 2019	For the Year Ending 2020
Loans	\$82,506,351	\$86,060,112
Allowance for Loan Loss	(\$426,219)	(\$378,602)
NET LOANS	\$82,080,132	\$85,681,510
Cash & Investments	\$6,229,915	\$10,260,752
Fixed Assets	\$3,754,028	\$3,542,444
Other Assets	\$6,597,666	\$6,592,304
TOTAL ASSETS	\$98,661,741	\$106,077,011
LIABILITIES, RESERVES & UNDIVIDED EARNINGS		
Current Liabilities	\$2,460,556	\$3,234,852
Total Member Deposits	\$84,203,413	\$90,352,571
Reserves & Undivided Earnings	\$11,997,772	\$12,489,588
TOTAL LIABILITIES, RESERVES & UNDIVIDED EARNINGS	\$98,661,741	\$106,077,011

Credit Manager's Report

The Credit Manager reports that 1,349 loans were granted for \$36,221,929 an increase of \$2,859,400 from 2019. We reviewed over 4,000 loan requests throughout the year.

ICCU ended the year with a loan portfolio balance of \$86,032,900 up \$3,526,549 from the prior year.

Lynette Lopez, Credit Manager



Membership Manager's Report

ICCU welcomed 870 new members in 2020. ICCU ended the year with 10,587 active members (up from 10,521 at the end of 2019).

Matt Esquivel, Retail Director



2020 Treasurer's Report

Total Assets finished the year at \$106,077,011, a \$7.4 million increase from the prior year. Total Deposits increased by \$6.1 million, and Total Reserves & Undivided Earnings increased by \$492 thousand. Outstanding Loan balances increased by \$3.55 million, as ICCU originated over \$36 million in loans during the year, while charged-off loans slightly increased by \$6 thousand.

ICCU reported Net Income of \$463,096, an improvement of \$221 thousand over 2019's Total Net Income of \$241,614. Excluding a one-time recover of \$100 thousand in 2020 related to the construction of the Sycamore Facility, earnings improved by \$121 thousand year-over-year.

Loan Interest Income increased by nearly \$99 thousand over the prior year as we continue to grow our loan balances. The yield on the loan portfolio, at 4.53 % declined from the 5.06% recorded for 2019. This is the result of lower market interest rates during 2020, as the Federal Reserve Bank drastically cut interest rates to shore up the economy during the early days of the Covid-19 pandemic and members took advantage of historically low mortgage rates. Investment Income declined by \$30 thousand, even while Cash and Investments increased by \$4 million, due to the near-zero interest rate markets experienced since the beginning of the pandemic. Meanwhile, Dividends Paid decreased by \$89 thousand, as a substantial portion of our member deposits were in fixed-rate Share Certificates. As our loan portfolio grew during 2019, we were required to add \$180 thousand to fund our loan loss reserves.

Non-Interest related income was down \$23 thousand year-over-year. As consumer spending slowed significantly during the early days of the pandemic, and the federal government provided stimulus payments to much of the citizenry, income from NSF fees declined.

Operating Expenses increased slightly year over year. This increase was planned, and overall Operating Expenses were within budget.

ICCU's Capital Ratio finished the year at 11.77%, a 0.39 percentage point decrease from the 2019 ratio of 12.16%, 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.

Rich Ott, Treasurer



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 2020, 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, 2020. The opinion letter accompanying the audit report presented to the Supervisory Committee noted that the financial statements as of June 30, 2020 and 2019 fairly represented the financial position of the credit union, and did not identify any areas of material concern.

Steve Garland, Chairman



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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Management



Thor Dolan
President/CEO



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



Adam Ferguson
Vice President of Operations



Lynette Lopez
Lending Director



Matt Esquivel
Retail Director



Dan Hoffmann
IT Director

Board of Directors

Dave Thurwanger
Chairman

Steve Elsik

Douglas Lindgren
Vice-Chair

Dana Crowley

Richard Ott
Treasurer

Kristin Cardinali

Supervisory Committee

Steve Garland
Chairman

Tom Bohler

John Linderoth