

President's Letter

Dear Members,

By partnering with local dealerships, IECU was able to offer quicker loan approvals for our members who could close their loan right at the dealership. This attributed to our loan growth of 10%. Our staff invested many hours in preparing for our February 1, 2018 system conversion. We are able to update a number of our processes and are excited to roll out the numerous enhancements our system offers throughout 2018, such as ApplePay, Card Valet and debit card swipe at our teller line.

In 2017 our Board of Directors approved welcoming students and alumni of schools within Sangamon and Menard Counties. This expansion allows us to reach even more members of our community with the educator focused products and services of IECU.

The remodel at our Central office gives our member service area a more welcoming feel and provides the personal touch of allowing our staff to serve you side by side over a cup of coffee, or in a more private office setting. This new concept has been met with rave reviews by both our staff and our members.

On behalf of the Board of Directors and staff of IECU, thank you for your membership!

Jody Dabrowski
Chief Executive Officer

2018 Annual Meeting Order of Business

- Determination of Quorum
- Reading and Approval of the Minutes of the Last Meeting
- Report of the Chairman
- Report of the President
- Report of the Credit Committee
- Report of the Supervisory Committee
- Report of the Membership Committee
- Report of any Amendments to the Bylaws Adopted by the Board
- Unfinished Business
- New Business

Leadership

2017-2018 Board of Directors:

Shelia Boozer
Richard Bowen, Jr.
Richard Hadfield
Cinda Klickna
Jim Korte
John Meyer
Daryl Morrison
Frank Simpson
Tiffany Williams

Officers:

Jody Dabrowski, *President & CEO*
Paul Gaumer, *Chief Operations Officer*



2017 Annual Report

Illinois Educators Credit Union

Financial Intelligence for Life

Central Office
1420 S. 8th Street
Springfield, IL 62703

(217) 528-2642
800-697-7728
IECUMember.org

West Office
1124 Centre West Drive
Springfield, IL 62704

Statement of Financial Condition

	<u>December 31, 2016</u>	<u>December 31, 2017</u>
ASSETS		
Loans to Members	36,571,914	40,231,780
Reserve for Loan Losses	(351,323)	(396,662)
Cash	3,090,274	1,627,594
Investments	12,111,390	13,022,240
Furniture & Equipment	227,341	210,683
Buildings & Land	100,000	820,016
Accrued Income	105,454	111,996
Prepaid Expenses	122,686	142,578
Deposit: NCUSIF	462,590	488,792
Other Assets	101,685	661,358
TOTAL ASSETS	\$53,208,406	\$56,920,375
LIABILITIES		
Accounts Payable	163,433	188,276
Accrued Dividends	1,804	2,172
TOTAL LIABILITIES	\$165,247	\$190,448
SHARES		
Shares	27,392,720	28,653,932
Share Drafts	8,214,013	7,925,461
Money Market	5,243,169	4,732,030
Certificates	7,050,644	9,932,079
TOTAL SHARES	\$47,900,546	\$51,243,502
NET WORTH		
Regular Reserve	1,329,372	1,329,372
Undivided Earnings	3,813,241	4,157,053
TOTAL NET WORTH	\$5,142,613	\$5,486,425
TOTAL LIABILITIES, SHARES, AND NET WORTH	\$53,208,406	\$56,920,375

2017 Strategic Financial Goals

	Actual 2016	Goal for 2017	Actual 2017
Membership Growth	-4.71%	1.50%	1.32%
Asset Growth	2.73%	3.00%	6.98%
Loan Growth	1.47%	3.00%	10.01%
Loan to Share	76.35%	78.00%	78.51%
Return on Assets	0.64%	0.70%	0.75%
Net Worth	9.53%	9.80%	9.64%

Report of the Budget Committee

Net income for 2017 of \$415,609 was a record year for IECU, exceeding last year's net income of \$335,436. We attribute our record year to savings found within our compensation and benefits, the reduction of loan losses and a gain recognized on the sale of a long held investment.

IECU continued its tradition of giving back to our educators through quarterly grants equating to \$12,000 in 2017, as well as various sponsorships and donations.

Report of the Credit Manager

The Credit Manager has the responsibility of general supervision of all loans and lines of credit to members. During 2017 there were 1,341 loans disbursed in the amount of \$19,390,703.

Outstanding Loans as of December 31, 2017:

Consumer Loans	\$36,344,690
Visa Accounts	\$2,255,390
Home Equity Loans	\$1,631,700
TOTAL	\$40,231,780

Report of the Membership Committee

The Membership Committee has the responsibility of acting upon all applications for membership and submitting a report of its actions at each Board of Directors meeting.

During 2017, 722 new accounts were opened resulting in a net gain of 91 memberships for the year. The number of active members stands at 6,999 as of December 31. This net gain in membership can be attributed to the success of the Member Direct Financing program with local dealerships. IECU continues to offer membership and benefits to educators statewide, with the addition of students and alumni within Sangamon and Menard County schools in 2017 as well. This expansion will ensure long term success by reaching a younger audience with lifetime membership opportunities.

Report of the Supervisory Committee

The main responsibilities of the Supervisory Committee are to see that the Credit Union is being operated in a sound financial manner, and to ensure an annual CPA Audit is conducted by an outside auditor. The Supervisory Committee meets at least once a quarter in order to carry out its duties and responsibilities, including reporting to the full Board at the regular monthly meetings.

For 2017, the independent CPA firm of Lively, Mathias, Hooper & Noblet performed the external audit. Auditors from this firm conducted the audit for the year ending September 30, 2017, and their findings have been presented to the Supervisory Committee. IECU maintained a strong balance sheet for 2017, and will continue to monitor performance and make improvements for the benefit of the members.