

Annual Meeting Report 2019



Northern Indiana
Federal Credit Union

Agenda

**Northern Indiana Federal Credit Union
85th Annual Membership Meeting
December 2, 2020**

1. Call the Meeting to Order
2. Determination of a Quorum
3. Introduction of the Board of Directors
4. Reading/Approval of the 84th Annual Meeting Minutes (2019)
5. Chairwoman's/President's Report
6. Supervisory Committee Report
7. Consolidated Financials
8. Report of the Nominating Committee
9. Introduction of the Candidates
10. Election by Acclimation
11. Announcements/Questions
12. Door Prizes/Drawings
13. Adjournment

Annual Member Meeting Minutes

April 4, 2019

Chairwoman, Beverly Jackson called the Annual Membership Meeting to order at 6:56 p.m. at the Avalon Banquet Hall.

Chairwoman, Beverly Jackson determined that a quorum has been established and welcomed the members.

Chairwoman, Beverly Jackson then proceeded to welcome everybody and then introduced the current Board of Directors and Supervisory Committee.

A motion was made by Vern Beck and seconded by Judy Peterson to approve the Minutes of the previous Annual meeting. The motion passed.

Chairwoman, Beverly Jackson introduced Christine Biasi, President, who then provided an overview of the status of the Credit Union.

The Nominating Committee gave their report and introduced candidates Beverly Jackson and Angie Dandurand. Both were elected to Northern Indiana Federal Credit Union's Board of Directors.

Chairwoman, Beverly Jackson made some announcements and opened the meeting up to the members for any questions or comments.

At 7:10 p.m. a motion was made by Jeff Chidester and seconded by Judy Peterson to adjourn the 2019 Annual Membership Meeting. The motion passed.

Report of the Chairwoman & President

On behalf of our dedicated staff and volunteer board, it is both an honor and privilege to present the 2019 Annual Report for Northern Indiana Federal Credit Union (NIFEDCU).

The Board of Directors is elected from the membership of the credit union and has a fiduciary responsibility to ensure the safety and soundness of the organization. The Board is comprised of volunteers from a wide variety of backgrounds and work experience. The Board's role is to oversee the management of the credit union and collectively set strategic objectives. The President & CEO manages the day to day operations and works with the Board on the strategic direction.

At the end of 2019, NIFEDCU had almost 5,000 members and \$34M in assets. The Credit Union's net-worth/capital ratio, which is a measure of liquidity and underlying strength, has grown to 8.15%. More importantly, Credit Unions with a capital ratio of 7% or higher are considered "well capitalized" (highest designation) by the National Credit Union Administration. Therefore, we are pleased to report that NIFEDCU remains financially strong and operationally sound.

A few of our financial highlights include net-worth growth of 4.74% and 22% consumer (vehicle, watercraft, unsecured loans) loan growth. Although the overall loan portfolio was down at year-end, it is due to the outsourcing of our VISA Credit Card program. NIFEDCU partnered with Elan Financial Services to provide members with both VISA and American Express credit card options that also include cash-back incentives and industry-leading rewards.

As NIFEDCU continues to grow both the consumer and mortgage portfolios, we are committed to mitigating loan loss by adhering to our time-tested, underwriting standards. In fact, the Credit Union's delinquency and charge-off ratios are just .11% and .23% compared to our industry peers at 1.09% and .47%, respectfully.

In 2019, the Board and Management Team also participated in strategic planning facilitated by Callahan & Associates - the industry leader in providing in-depth credit union analysis and strategic consulting. At the end of the planning session three key themes emerged – technology, value proposition and member engagement. All three have been incorporated into our 2020 strategic objectives.

In 2020, NIFEDCU will prioritize and implement new technology including a new core processing system. We will develop our value proposition - our story - our brand, so that we can connect with our members in a meaningful way and that most importantly, differentiates us from the financial institutions down the street. This includes member focus groups that we hope and encourage our members to participate! Finally, we will prioritize member engagement by improving and enhancing the membership experience.

The credit union succeeds only through the success of all members, and we believe NIFEDCU is a valuable benefit that lasts a lifetime. Remember to "share the benefit" with family and friends!

Thank you for your continued loyalty, and sustained support for the credit union.

Respectfully submitted,

Beverly Jackson
Chairwoman of the Board

Christine Biasi
President & CEO

Supervisory Committee Report

The Supervisory Committee is appointed by the Board of Directors of Northern Indiana Federal Credit Union (NIFEDCU) and operates under the rules and regulations of the Federal Credit Union Act.

The Supervisory Committee, composed of a chairperson and three committee members, is a standing Committee of the Board established to assist the Board in fulfilling its statutory and fiduciary responsibilities.

The role of the Supervisory Committee is to assist the Board of Directors in fulfilling its oversight responsibilities for (1) the integrity of the Credit Union's financial statements; (2) the Credit Union's compliance with legal and regulatory requirements; (3) the independent auditor's qualifications and independence; and (4) the performance of the Credit Union's internal audit function and independent auditors.

To that end, the Supervisory Committee contracted with Homer, Wilson & Company, LTD to conduct the Credit Union's 2019 annual financial statement audit. Results of the audit indicate that the financial statements present fairly the results of the operations and financial position for the period. The Supervisory Committee is proud to report that there were no material weaknesses to report.

Respectfully submitted,

Supervisory Committee
Dena Adkins, Chairman



HOMER, WILSON & COMPANY, LTD.
CERTIFIED PUBLIC ACCOUNTANTS
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Phone: 219.836.4930 • Fax: 219.836.4960

INDEPENDENT AUDITOR'S REPORT

To the Board of Directors Northern Indiana Federal Credit Union

Introductory

We have audited the accompanying financial statements of Northern Indiana Federal Credit Union, which comprise the statements of financial condition as of September 30, 2019 and 2018, and the related statements of income, changes in members' equity, and cash flows for the years then ended, and the related notes to the financial statements.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in the United States of America; this includes the design, implementation and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express an opinion on these financial statements based on our audits. We conducted our audits in accordance with auditing standards generally accepted in the United States of America. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial condition of Northern Indiana Federal Credit Union at September 30, 2019 and 2018, and the results of its operations and its cash flows for the years then ended in accordance with accounting principles generally accepted in the United States of America.

Homer, Wilson & Co.

Certified Public Accountants

Munster, Indiana
December 31, 2019

2019-2018 Financial Results

Consolidated Statement of Financial Condition

As of December 31, 2019 and 2018

ASSETS

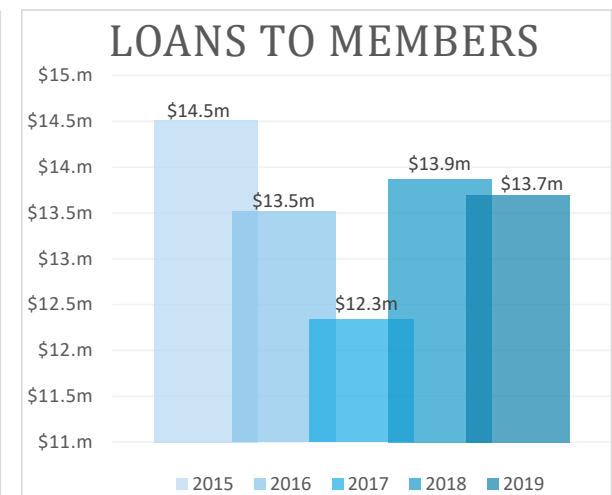
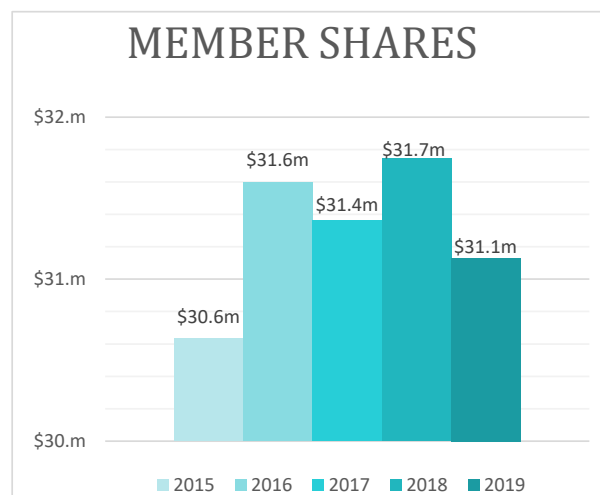
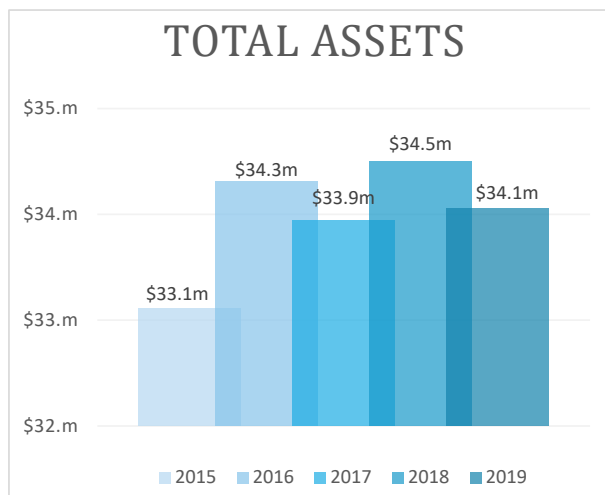
	2019		2018	
Cash/Investments	\$	19,255,513	\$	19,573,112
Loans	\$	13,696,328	\$	13,865,475
Land and Building	\$	585,391	\$	565,931
Other Assets	\$	471,303	\$	579,968
Loan Loss Reserves	\$	48,728	\$	(87,212)
TOTAL ASSETS	\$	34,057,263	\$	34,497,274

MEMBER SHARES & LIABILITIES

	2019		2018	
Shares	\$	31,131,692	\$	31,798,804
Dividends Payable	\$	13	\$	12
Accounts/Notes Payable	\$	146,834	\$	45,543
TOTAL LIABILITIES	\$	31,278,539	\$	31,844,359

MEMBERS' EQUITY

	2019		2018	
Regular Reserves	\$	1,198,044	\$	1,198,044
Undivided Earnings	\$	1,580,680	\$	1,454,871
TOTAL MEMBER EQUITY	\$	2,778,724	\$	2,652,915
TOTAL LIABILITIES AND MEMBER EQUITY	\$	34,057,263	\$	34,497,274



2019-2018 Financial Results *continued*

Consolidated Statements of Income

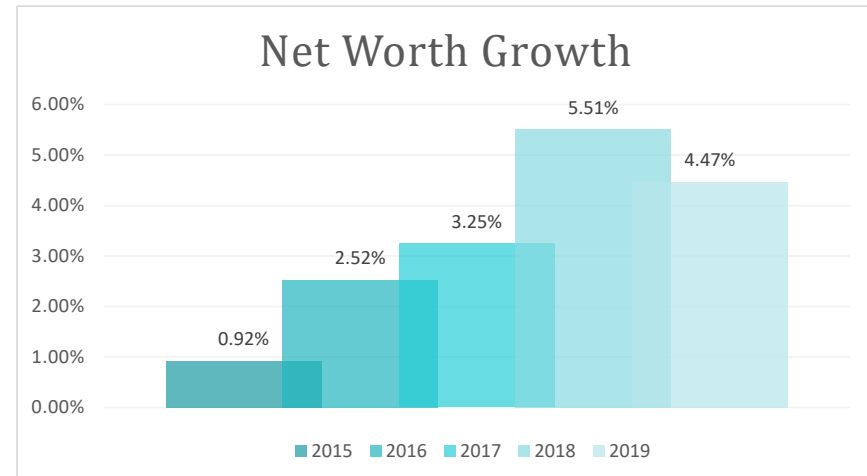
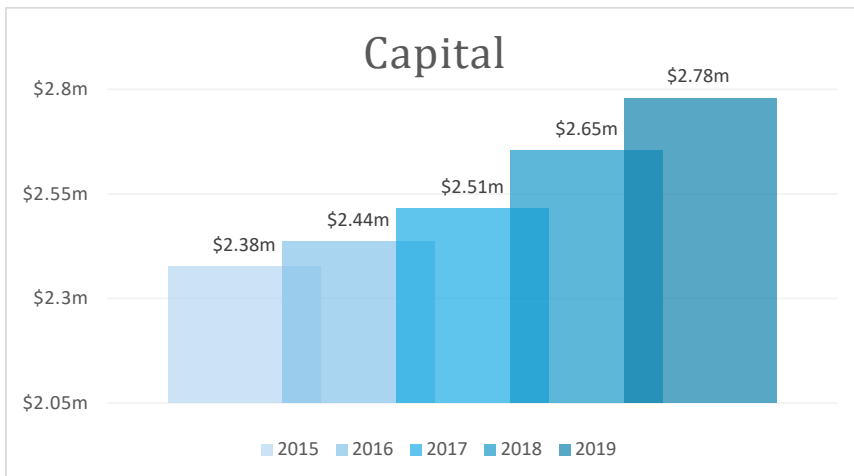
As of December 31, 2019 and 2018

INCOME

		2019		2018
Investment Income	\$	401,067	\$	339,182
Interest Income (Loans)	\$	649,066	\$	657,368
Fee Income	\$	540,996	\$	432,093
TOTAL INCOME	\$	1,591,129	\$	1,428,643

EXPENSE

		2019		2018
Operating Expense	\$	1,447,361	\$	1,298,061
Reserve for Loan Loss	\$	(4,343)	\$	(25,036)
Dividend Expense	\$	22,302	\$	17,146
TOTAL EXPENSE	\$	1,465,320	\$	1,290,171
NET INCOME	\$	125,809	\$	138,472



Nominating Committee Report

The Board of Directors of Northern Indiana has four (4) open seats this year; each open seat serves a three-year term. While two (2) of the open seats will remain unfilled, the Committee has received and approved candidate applications from two (2) incumbent Board Members seeking re-election. Therefore, the Nominating Committee has placed the following individuals in nomination for the 2020 election:

Vern Beck & Jeff Chidester

Candidate Information

Vernon Beck

Vern is currently the Vice Chairman of the Board of Directors for Northern Indiana Federal Credit Union. He has been on the Board for 6 years and been a member of NIFEDCU for 41 years.

Vern is an employee of NIPSCO. With over 42 years with the company, Vern has held numerous leadership positions with USW Local 12775, He currently serves 1,500 NPSCO employees as Union President.

Mr. Beck is a Board of Director/Member with the following organizations:

Indiana State AFL-CIO
Save the Dunes
Indiana Ballet Theater (IBT)
Valparaiso Ivy Tech Energy Technology Advisor Committee

Vern also holds the following professional certifications and degrees:

- American Society of Quality – Certified Quality Improvement Associate
- American College of Sports Medicine – Certified Exercise Physiologist
- Bachelor degree in Westbrook University's College of Science

Vern's key priorities as a Board of Director are ensuring that NIFEDCU meets its strategic and financial goals.

Jeffery L. Chidester

Jeff has served on the Board of Directors for Northern Indiana Federal Credit Union for 18 years. He currently serves as the Secretary of the Board. Jeff has a member of NIFEDCU since 2000.

Jeff recently retired from Local 395 Iron Workers after 40 years, where he served as the Financial Secretary Treasurer for 24 years, which included servicing as the Chairman of the Board of Trustees for Local 395's Health and Welfare Plan and Annuity Plan. He was also Local 395's Representative on the Mid American Pension Plan and Chairman of the Pension's Investment/Finance Committee.

Jeff is also the current Porter County Democratic Chairman and Indiana 1st Congressional District Democratic Chairman.

Jeff's many positions included extensive work with balance sheets, investments, loans on properties and the day-to-day operation of multi-million dollar funds/accounts scrutinized by numerous governmental agencies and the International Unions they represented.

As a NIFEDCU Board of Director, Jeff is committed to representing all members of the Credit Union. He will work to expand the membership base and work with management and staff to provide the best services to each and every member.