



Northern Indiana
Federal Credit Union

Better banking. Brighter futures.

**Annual Meeting
Report
2018**

Agenda

1. Call the Meeting to Order
2. Determination of a Quorum
3. Introduction of the Board of Directors & Supervisory Committee
4. Reading/Approval of the 83rd Annual Meeting Minutes (2018)
5. Chairman/President's Report
6. Supervisory Committee
7. Consolidated Financials
8. Report of the Nominating Committee
9. Introduction of the Candidates
10. Election by Acclimation
11. Announcements
12. Door Prizes/Drawings
13. Adjournment

83rd Annual Membership Meeting

Chairwoman Beverly Jackson called the 2018 Annual meeting to order at 12:37 pm at the Ironworkers Local 395 Union Hall on April 21, 2018.

After review it was determined that a quorum was present to conduct the meeting

Chairwoman Beverly Jackson introduced the current Board of Directors and members of the Supervisory Committee.

The minutes for the 2017 Annual Meeting were distributed. A Motion by Jeff Chidester and seconded by Deborah Boyd to approve the minutes as submitted. Motion passed.

Chairwoman Beverly Jackson then turned the meeting over to President CEO Christine Biasi who provided a detailed report to the members regarding the status and financial condition of the Credit Union.

Chairwoman Beverly Jackson also added numerous facts to support the strength of the Credit Union in her report to the members.

The Nominating Committee gave its report and introduced the eligible candidates. Denna Adkins filed her candidacy in a timely manner for the Board of Directors along with Judy Peterson and Tom Anunson. Since no other candidates filed for the position of Board of Directors a motion by Vern Beck seconded by Willie Jackson to elect the candidates by acclamation. Motion passed.

Chairwoman Beverly Jackson made a few announcements and opened up to the membership for comments and questions. A question was asked about what the Credit Union can do to attract more members to attend the annual meeting. CEO Christine Biasi made a commitment to the members to do a better job promoting the Annual Meeting in the future. Credit Union Trivia was conducted with the members.

At 1:00pm a motion by Jeff Chidester seconded by Vern Beck to adjourn the 2018 Annual meeting. Motion passed.

Chairman & CEO Report

On behalf of our dedicated staff and volunteer board, it is both an honor and privilege to present the 2018 Annual Report for Northern Indiana Federal Credit Union (NIFEDCU).

The board 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 of Directors of Northern Indiana Federal Credit Union 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.

Since 1935, Northern Indiana Federal Credit Union has been providing financial services solely for its membership! Whether it's a safe haven for deposits or loans provided for a major purchase or a safety net during economic hardship, the Credit Union has served an important role in our members lives. After allowing for reserves and operational expenses, all earnings from NIFEDCU return to its members in the form of lower fees and better rates. The Credit Union also reinvests its earnings in developing additional products, services and technology.

Today, NIFEDCU has almost 5,000 members and \$34.5M in assets. We are pleased to report that in 2018, the Credit Union's performance was exceptional. The Credit Union reflected loan growth of 12.41% and net worth growth of 5.51% - remarkable in comparison to our peer group at 5.93% and 4.41%, respectfully. In addition, our deposits increased by 1.27% and our assets by 1.64%. Most importantly, our capital ratio, a measure of our liquidity and an indicator of our underlying strength, reached 7.68%. Credit Unions with a capital ratio of 7% or higher are considered "well capitalized" (highest designation) by the National Credit Union Administration.

There were many other bright spots in 2018, including mortgage loan growth of 37% and the launch of a partnership program with local auto dealerships that resulted in 29% growth in new and used auto lending. More importantly, NIFEDCU outperformed its peer group in reducing both delinquency and charge-offs.

Operationally, the Credit Union streamlined operations and member services to ensure that we have the ability to focus on building member relationships. This process included the creation of a new Electronic Services Coordinator role that allowed us to combine various ACH, Draft, Debit Card & Online banking tasks under the responsibility of one individual. Restructuring will also provide a framework for an improved quality control process.

NIFEDCU also simplified our products, services, fees and rate structures, which are highlighted in our new Membership Guide. In addition, the Credit Union also initiated formal direct marketing to our existing members that focused on both mortgage lending and automobile refinances. The response to both was better than anticipated and our aim is to provide ongoing direct communication in the future.

Lastly, NIFEDCU implemented a 3rd party due diligence program that allows for the centralization of key vendor contracts and their financial documents.

In 2019, Northern Indiana Federal Credit Union's top priorities are to deepen relationships with members and enhance products and services to better meet their needs. Providing an exceptional member experience is fundamental to the credit union's progress, but also helps retain long-tenured members with enhanced loyalty and satisfaction.

To further refine and improve the member experience, NIFEDCU will launch remote deposit; refresh the website; improve facilities including building repairs and branch renovations; launch a formal scholarship program; and offer free tickets to a limited number of White Sox games.

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 and remind them why Northern Indiana Federal Credit Union is better!

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

Respectfully submitted,

Beverly Jackson
Chairman of the Board

Christine Biasi
President & CEO



2017-2018 Financial Results

Consolidated Statement of Financial Condition

As of December 31, 2018 and 2017

ASSETS

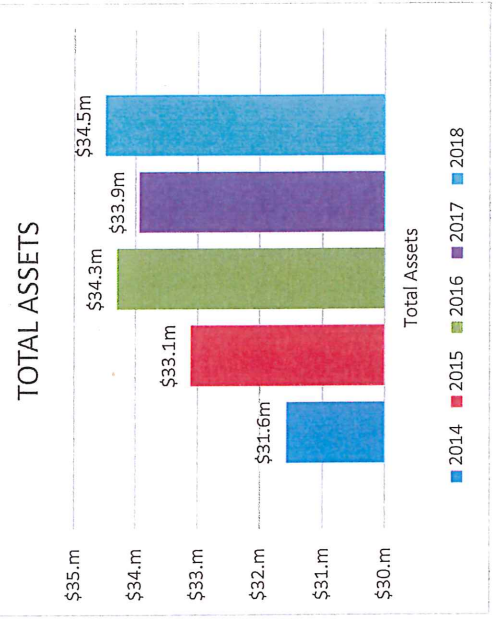
	2018	2017
Cash/Investments	\$ 19,573,112	\$ 20,701,675
Loans	\$ 13,865,475	\$ 12,332,964
Land and Building	\$ 565,931	\$ 577,979
Other Assets	\$ 579,968	\$ 468,506
Loan Loss Reserves	\$ (87,212)	\$ (141,737)
TOTAL ASSETS	\$ 34,497,274	\$ 33,939,387

MEMBER SHARES & LIABILITIES

	2018	2017
Shares	\$ 31,798,804	\$ 31,364,064
Dividends Payable	\$ 12	\$ 15
Accounts/Notes Payable	\$ 45,543	\$ 60,865
TOTAL LIABILITIES	\$ 31,844,359	\$ 31,424,944

MEMBERS' EQUITY

	2018	2017
Regular Reserves	\$ 1,198,044	\$ 1,198,044
Undivided Earnings	\$ 1,454,871	\$ 1,316,399
TOTAL MEMBER EQUITY	\$ 2,652,915	\$ 2,514,443
TOTAL LIABILITIES AND MEMBER EQUITY	\$ 34,497,274	\$ 33,939,387

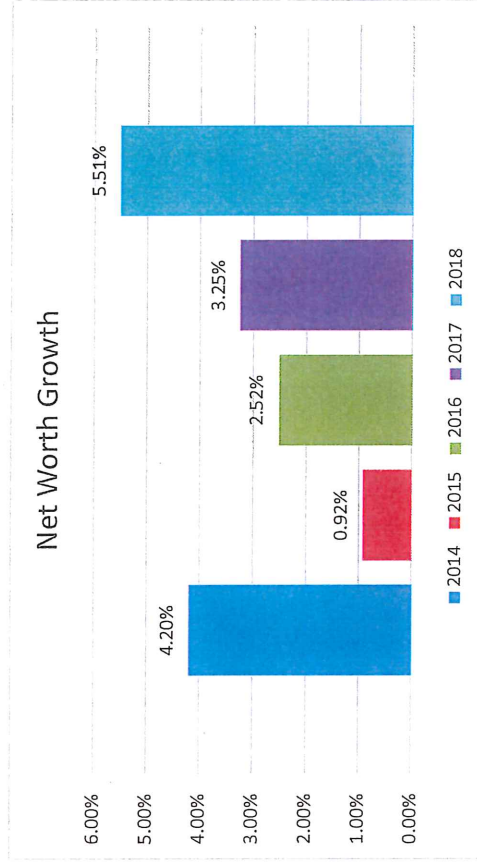
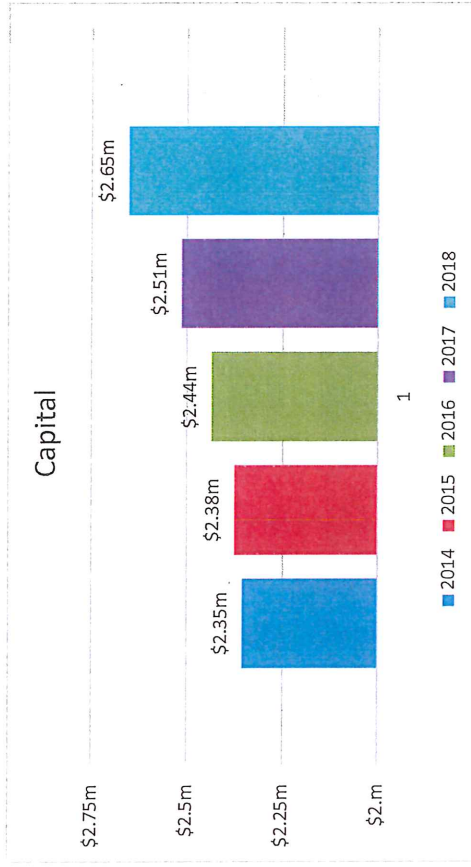


2017-2018 Financial Results *continued*

Consolidated Statements of Income

As of December 31, 2018 and 2017

	2018	2017
INCOME		
Investment Income	\$ 339,182	\$ 278,039
Interest Income (Loans)	\$ 657,368	\$ 682,286
Fee Income	\$ 432,093	\$ 355,324
TOTAL INCOME	\$ 1,428,643	\$ 1,315,648
EXPENSE		
Operating Expense	\$ 1,298,061	\$ 1,207,348
Reserve for Loan Loss	\$ (25,036)	\$ 11,113
Dividend Expense	\$ 17,146	\$ 17,980
TOTAL EXPENSE	\$ 1,290,171	\$ 1,236,441
NET INCOME	\$ 138,472	\$ 79,207



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 2018 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

Angie Dandurand, Chairman

Cindy Stueber, Member

Robert Burns, Member



HOMER, WILSON & COMPANY, LTD.

CERTIFIED PUBLIC ACCOUNTANTS

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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, 2018 and 2017, 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, 2018 and 2017, 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
January 28, 2019

Nominating Committee Report

The Board of Directors of Northern Indiana has two (2) open seats this year; each open seat serves a three-year term. The Committee has received a candidate application from one incumbent Board Member seeking re-election and one member for the second open seat. The Board has approved both applications and therefore, the nominating committee has placed the following individuals in nomination for the 2018 election:

Beverly Jackson
Angie Dandurand

Candidate Information

Beverly A. Jackson is currently retired after working for the Northern Indiana Public Service Company. She held the position of Supervisor of the Time Keeping Department and Construction Operations. Beverly has served on Northern Indiana F.C.U.'s Board of Directors since 2002 and is currently the Chairman. Beverly has held all positions on the Board including Vice Chairman, Treasurer and Secretary.

Mrs. Jackson is the former President of the Barrington Ridge Homeowners Association and is the Vice Chairman of the Northwest Indiana Empowerment committee. She received her Bachelor of Science Degree in Organization Leadership and Management from St. Joseph Calumet College and has Associate Degrees in Supervision and Labor Relations; Human Resources from Purdue University. She was also the recipient of the Leadership Award in her graduating class from St. Joseph College.

If elected to the Board of Directors Beverly will work together with the other elected Board Members to establish policies in keeping with the philosophy of the Credit Union. She will continue to govern the Credit Union and perform in an advisory capacity for its Members and the President.

Angie Dandurand is currently retired after working in the financial services industry for over 25 years (hospitality prior). Angie has held management positions in both banks and credit unions. She spent the last 15 years in the Credit Union sector and has extensive experience in management, operations, core processing and auditing. Angie has participated and graduated from many industry specific education programs and was also selected by her former CEO to be a member of the President's Forum – a professional organization dedicating to finding, developing & sharing better management methods.

Angie currently serves as the Chairman of the Supervisor Committee for Northern Indiana Federal Credit Union and plans to continue her leadership role on the committee.

If elected to the Board of Directors, Angie is committed to the integrity and the financial soundness of the credit union. She is guided by the credit union philosophy of "people helping people" and will ensure that the Credit Union is committed to providing products and services that are in the best interest of the membership.