

## MEMBERSHIP COMMITTEE REPORT

There were 783 new members accepted into our field of membership at Landmark Credit Union in 2017. This number of new members shows Landmark Credit Unions commitment to providing affordable, high-quality financial services in a friendly, professional, and personal environment while remaining loyal to the communities we serve. Landmark's total membership as of December 31, 2017 was 10,528. With each member having one vote under the credit union by-laws, the total number of votes outstanding as of December 31, 2017 was 10,528.

MEMBERSHIP COMMITTEE  
Briteney Herbold, Chairperson

## CREDIT COMMITTEE REPORT

The primary purpose of the credit committee is to review all lending activity of the credit union. Our goal is to ensure that our loan policies are being followed and that loan decisions are being made in a manner that is both fair to our members and consistent with the safety and soundness of the credit union. In addition, the credit committee reviews delinquent loans on a monthly basis and makes recommendations for action to the board of directors.

2017 was a stagnant year in lending. Our total number of applications received totaled 3,452 and we approved 2,845. The total number of loans on our books is 3,363 and total \$27,433,368. The Visa portfolio shows 2,110 cards billed and a total dollar amount of \$1,528,548. These two total \$28,961,916. While these numbers are about the same as last year the average dollar amount of total loans increased from 2016 to 2017 by \$468,458.

2017 showed much improvement in our collection efforts and working with the member to make arrangements as we charged off a total of \$147,308, this is over \$130,000 less than 2016. We also recovered \$34,961 which made our net charge offs at \$112,347 for 2017. Continuing to limit the amount of charge offs and delinquent loans enhances the safety and soundness of the credit union.

We appreciate the opportunity to serve you and we welcome any suggestions that you may have to improve the lending operations of the credit union.

CREDIT COMMITTEE  
Richard Carroll - Chairman  
Alisa Lamm  
Molly Miller  
Anita Longest  
Randy White

## LOAN ACTIVITY

LOANS	2016	2017
Total Applications	3,794	3,452
Applications Approved	3,144	2,845
Total Dollars of Loans Approved	17,191,763	14,685,868
Total Number Of Loans on Book - Dec. 31	3,571	3,363
Total Dollars of All Loans - Dec. 31	28,625,242	27,433,368

### VISA

Outstanding VISA Balance - Dec. 31	1,425,284	1,528,548
Number of Cards Outstanding - Dec. 31	2,101	2,110

### CHARGE OFFS/RECOVERIES

Charge Offs	277,899	147,308
Recoveries	63,326	34,961
Net Charge Offs	214,573	112,347



A M E R I C A ' S  
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U N I O N S <sup>TM</sup>

*Where people are  
worth more than money.™*

## LANDMARK CREDIT UNION

506 West Fairchild  
Danville, IL 61832  
217-442-9005

176 Eastgate Court  
Danville, IL 61834  
217-442-5690

220 South State St.  
Westville, IL 61883  
217-267-7060

1-800-533-5615

[www.landmarkcreditunion.com](http://www.landmarkcreditunion.com)

## OFFICE HOURS:

	Drive-Up	Lobby	Lobby
	All Branches	Fairchild	Eastgate/Westville
Monday	7:30-5:30	8:00-5:00	9:00-5:00
Tuesday	7:30-5:30	8:00-5:00	9:00-5:00
Wednesday	10:00-5:30	Noon-5:00	Noon-5:00
Thursday	7:30-5:30	8:00-5:00	9:00-5:00
Friday	7:30-5:30	7:30-5:30	9:00-5:00
Saturday	8:00-Noon only Fairchild and Westville		

Your Community



Your Credit Union

# 2017 ANNUAL REPORT

## TREASURER'S REPORT

Landmark Credit Union is committed to providing affordable, high-quality financial services in a friendly, professional, and personal environment while remaining loyal to the communities we serve.

The above statement is truly what Landmark is all about. This shows in our current financial statement as assets grew by 1.9 million in 2017, and our membership grew by 783 members, and our capital ratio was at 10.20% at the end of December 2017. This is well above the mandatory 7% requirement.

Your credit union also has experienced some growing pains and new regulatory requirements must be put in process. Your board and management team is working hard with the regulators to get these in place, and these will not affect you the member. With our growth we have went through a new addition and remodel of the main office and I am very happy with the way it turned out. Thanks to the cooperation of Board and Staff we have a facility that will last us into the future and gives us room to grow. While the above put some financial burden on the credit union, we still were able to pay \$346,763 in dividends in 2017. We also held a grand reopening event that we combined with our member appreciation and were able to give around \$25,000 in prizes. We thank the membership for their patience as the remodel was done in several phases, and quite often was a little noisy and dusty.

Landmark Credit Union, since 1935 continues to show why it is the trusted and truly local credit union in the community. Since my tenure in 2012 we have grown in assets by \$22,392,730. While the Feds promised and did raise rates slightly a couple times this year, our growth pattern is still very promising, but lending remained stagnant. We will look at and must grow loans in order to stay up with these continued growth patterns. I want to thank you the members and to let you know it is my pleasure to serve the membership. We look forward to an exciting 2018.

RANDY L. WHITE  
PRESIDENT/TREASURER

## SUPERVISORY COMMITTEE REPORT

The primary function of the supervisory committee is to review operational procedures in order to preserve the safety and soundness of the credit union. The committee is responsible to make sure that our records are accurate, our assets are secure, and that we comply with all credit union laws and regulations.

Under the direction of the supervisory committee, an audit was completed as of September 30, 2017 by Adam Underwood, CPA. The audit was conducted in accordance with generally accepted accounting principles and confirmed the financial soundness of the credit union. In addition, the independent rating agency, Bauer Financial, Inc., rewarded Landmark Credit Union with a 5-Star Rating and its 21st year overall.

The supervisory committee is responsible for an annual internal compliance review which was done by the League Service Corporation on December 20th, 2017. Monthly cash drawer and vault audits were also completed and reported to the supervisory committee.

In conclusion, the supervisory committee is pleased to report that your credit union continues to operate in a safe and sound manner, complying with all state and federal laws, maintaining adequate reserves, and providing member services in accordance with our credit union mission.

SUPERVISORY COMMITTEE  
Carl Robertson, Chairman  
Dwight Lucas  
Steve Handley

## 2017 COMPARATIVE FINANCIAL STATEMENT

<u>ASSETS</u>	2016	2017
MEMBER LOANS.....	30,050,526	28,961,916
ALLOWANCE FOR LOAN LOSSES .....	-292,591	-274,373
CASH AND INVESTMENTS.....	50,372,670	53,187,264
OFFICE AND EQUIPMENT.....	874,573	858,229
NCUA SHARE INSURANCE DEPOSIT .....	720,670	768,811
OTHER ASSETS .....	253,337	224,443
<b>TOTAL ASSETS .....</b>	<b>81,979,185</b>	<b>83,726,290</b>
 <u>LIABILITIES AND CAPITAL</u>		
MEMBER SHARES .....	72,816,601	75,664,441
ACCOUNTS PAYABLE .....	994,405	-474,158
RESERVES AND UNDIVIDED EARNINGS.....	8,168,179	8,536,007
<b>TOTAL LIABILITIES AND CAPITAL.....</b>	<b>81,979,185</b>	<b>83,726,290</b>
 <u>INCOME</u>		
INCOME FROM LOANS.....	1,700,933	1,604,257
INCOME FROM INVESTMENTS .....	551,721	690,269
OTHER INCOME.....	992,261	1,121,114
<b>TOTAL INCOME .....</b>	<b>3,244,915</b>	<b>3,415,640</b>
 <u>EXPENSES</u>		
EMPLOYEE COMPENSATION AND BENEFITS.....	1,207,598	1,188,847
TRAVEL AND CONFERENCE .....	58,971	58,107
EDUCATION AND PROMOTION.....	56,601	62,849
OFFICE OPERATIONS AND OCCUPANCY .....	538,736	566,309
LOAN SERVICING EXPENSE .....	453,627	466,068
MEMBER INSURANCE.....	-1,500	0
NCUA DEPOSIT INSURANCE PREMIUM.....	21,248	48,141
EXAM AND SUPERVISORY FEES.....	28,396	54,200
PROFESSIONAL AND OUTSIDE FEES.....	197,319	115,850
MISCELLANEOUS EXPENSES .....	1,491	56,371
<b>TOTAL EXPENSES .....</b>	<b>2,562,487</b>	<b>2,616,742</b>
NON-OPERATING EXPENSE (INCOME).....	0	0
PROVISION FOR LOAN LOSSES .....	163,700	93,758
DIVIDENDS .....	335,157	346,763
<b>TOTAL EXPENSES .....</b>	<b>3,061,344</b>	<b>3,057,263</b>
<b>NET INCOME (BEFORE EXTRAORDINARY EXPENSES).....</b>	<b>183,571</b>	<b>358,377</b>
EXTRAORDINARY NON-OPERATING EXPENSE .....	-14,605	-47,369
<b>NET INCOME (AFTER EXTRAORDINARY EXPENSES).....</b>	<b>168,966</b>	<b>311,008</b>