

## MEMBERSHIP COMMITTEE REPORT

There were 738 new members accepted into our field of membership at Landmark Credit Union in 2016. 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, 2015 was 10,206. With each member having one vote under the credit union by-laws, the total number of votes outstanding as of December 31, 2015 was 10,206.

MEMBERSHIP COMMITTEE  
Judy Anderson, 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.

2016 was an excellent year in terms of lending activity. While total number of applications approved decreased slightly from 2015, our approval rate was still above 80%, and the total dollar balance increased by over \$900,000. This continues to show the commitment to serving our members credit needs. The total number of new loans was 3,144 for 2016 compared to 3,249 in 2015.

2016 was a tough year for delinquency and charge off dollars, with \$277,899 being charged off in 2016 compared to \$206,609 in 2015. This accounts for most of the losses occurred by the credit union. We have a full time collection officer that has helped as we recovered over \$63,000 on the 2016 charge offs compared to only \$43,000 in the previous year. Limiting charge offs and delinquent loans enhances the safety and soundness of the credit union and allows us to make more loans for the benefit of our members.

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  
Steve Handley, Chairman  
Richard Carroll  
Jennifer Dixson  
Anita Longest  
Randy White

## LOAN ACTIVITY

	2015	2016
<b>LOANS</b>		
Total Applications	3,764	3,794
Applications Approved	3,249	3,144
Total Dollars of Loans Approved	17,997,797	17,191,763
Total Number Of Loans on Book - Dec. 31	3,758	3,571
Total Dollars of All Loans - Dec. 31	27,690,146	28,625,242
<b>VISA</b>		
Outstanding VISA Balance - Dec. 31	1,428,607	1,425,284
Number of Cards Outstanding - Dec. 31	2,181	2,101
<b>CHARGE OFFS/RECOVERIES</b>		
Charge Offs	206,609	277,899
Recoveries	43,751	63,326
Net Charge Offs	162,858	214,573



A M E R I C A ' S  
C R E D I T  
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		

Your Community



Credit Union

LANDMARK

Your Credit Union

2016

ANNUAL  
REPORT

# TREASURER'S REPORT

## 2016 COMPARATIVE FINANCIAL STATEMENT

Landmark Credit Union and its members have suffered through another year of over regulatory burden. With there being no separation in the CFPB rule making authority between large banks and your local credit union, it has made it very difficult to operate and keep up with the compliance. While the efforts of CUNA and league affiliates keep pushing for regulatory relief there has been none. Unfortunately you the member have paid the price in higher fees and not as many added services being offered as in the past.

While the above statement is true, Landmark continued to show why it is the trusted credit union in the local community. With membership growth of 738 new members for 2016 and asset growth of over 2.5 million compared to 2015 we are truly the local credit union of choice. While other credit unions have limited the amount of money they pay dividends on or stopped paying dividends, Landmark paid over \$335,000 in dividends in 2016. We have done all of this while maintaining a capitalization rate of near 10%, well above the state mandate of 7%.

While we have talked about regulatory burden, let us not forget the presidential election that had the economy on a virtual lockdown for 2016. The benefit of this lockdown is that the Federal Reserve could not raise rates because of the drastic turmoil it would have caused in the markets. With the election over and markets on the rise, so will be interest rates. This is great news for investors, but sad news for those needing to borrow money. The benefit is that we are starting at historic low rates so it will take time to get rates back up to prerecession time.

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, 2016 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 20th year overall.

The supervisory committee is responsible for an annual internal compliance review which was done by the League Service Corporation on December 15, 2016. 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  
Mandale Palmer, Chairman  
Dwight Lucas  
Carl Robertson

	2015	2016
<b>ASSETS</b>		
MEMBER LOANS.....	29,118,753	30,050,526
ALLOWANCE FOR LOAN LOSSES.....	-344,775	-292,591
CASH AND INVESTMENTS.....	48,216,577	50,372,670
OFFICE AND EQUIPMENT.....	789,736	874,573
NCUA SHARE INSURANCE DEPOSIT.....	699,422	720,670
OTHER ASSETS.....	989,367	253,337
<b>TOTAL ASSETS.....</b>	<b>79,469,080</b>	<b>81,979,185</b>
<b>LIABILITIES AND CAPITAL</b>		
MEMBER SHARES.....	70,687,507	72,816,601
ACCOUNTS PAYABLE.....	782,360	994,405
RESERVES AND UNDIVIDED EARNINGS.....	7,999,213	8,168,179
<b>TOTAL LIABILITIES AND CAPITAL.....</b>	<b>79,469,080</b>	<b>81,979,185</b>
<b>INCOME</b>		
INCOME FROM LOANS.....	1,808,932	1,700,933
INCOME FROM INVESTMENTS.....	460,241	551,721
OTHER INCOME.....	957,253	992,261
<b>TOTAL INCOME.....</b>	<b>3,226,426</b>	<b>3,244,915</b>
<b>EXPENSES</b>		
EMPLOYEE COMPENSATION AND BENEFITS.....	1,161,150	1,207,598
TRAVEL AND CONFERENCE.....	42,378	58,971
EDUCATION AND PROMOTION.....	78,600	56,601
OFFICE OPERATIONS AND OCCUPANCY.....	514,779	538,736
LOAN SERVICING EXPENSE.....	412,717	453,627
MEMBER INSURANCE.....	-5,920	-1,500
NCUA DEPOSIT INSURANCE PREMIUM.....	23,895	21,248
EXAM AND SUPERVISORY FEES.....	16,500	28,396
PROFESSIONAL AND OUTSIDE FEES.....	191,356	197,319
MISCELLANEOUS EXPENSES.....	-13,443	1,491
<b>TOTAL EXPENSES.....</b>	<b>2,422,012</b>	<b>2,562,487</b>
NON-OPERATING EXPENSE (INCOME).....	0	0
PROVISION FOR LOAN LOSSES.....	75,000	163,700
DIVIDENDS.....	332,402	335,157
<b>TOTAL EXPENSES.....</b>	<b>2,829,414</b>	<b>3,061,344</b>
<b>NET INCOME (BEFORE EXTRAORDINARY EXPENSES).....</b>	<b>397,012</b>	<b>183,571</b>
EXTRAORDINARY NON-OPERATING EXPENSE.....	0	-14,605
<b>NET INCOME (AFTER EXTRAORDINARY EXPENSES).....</b>	<b>397,012</b>	<b>168,966</b>