

# 2019 ANNUAL REPORT



## Chair of the Board Jennie Edwards

2019 was a period of tremendous growth for Hoosier Hills Credit Union. We achieved record net income and returned the highest dividends ever to our members. HHCU's overall economic impact on the areas we serve reached \$215 million. This includes the loans we originated in our communities, salaries and benefits for HHCU staff, taxes that were paid, and supplies purchased locally. It is clear Hoosier Hills Credit Union plays a major role in the financial health of our communities.

One of our most significant initiatives was the search for a new CEO. The Credit Union Board of Directors conducted a nationwide search to replace retiring CEO George McNichols after 35 years of service. The extensive search resulted in hiring HHCU's Chief Information Officer Travis Markley to lead Hoosier Hills into the future. Markley assumed the CEO position January 1, 2020.

We also celebrated the Credit Union's 50th anniversary in many ways throughout the year. One of the most memorable was our \$50 for 50 program, where we gave \$50 in cash to 50 randomly selected individuals throughout our communities.

Our Mortgage Department launched two new products, which we call Greater Option Loans, designed to make home loans available to a broader number of members with low fees and competitive rates.

Other 2019 product and service initiatives included:

- Increasing debit card daily purchase limits from \$1,500 to \$3,000
- Introducing Text Alerts for potential fraudulent card transactions
- Launching member experience improvements such as automated Debit Card PINs and offering more documents with eSignature capabilities so members can complete documents at home if they choose.
- Hosting financial webinars to provide learning opportunities from home.

Other substantial projects were launched, but not completed in 2019. Our Mitchell and Jasper Service Centers are undergoing comprehensive renovations to better serve our members. Additionally, we began a partnership with Q2 to provide a large-scale technology upgrade that will bring improvements to our personal and commercial Online and Mobile Banking capabilities. These projects are all scheduled to be completed by the end of second quarter 2020.

Hoosier Hills Credit Union was also proud to host special visitors in 2019, U.S. Rep. Trey Hollingsworth and National Credit Union Administration (NCUA) Board Member Todd Harper. Both were very interested in knowing specifically what HHCU is doing to help members be financially well. These meetings provided an excellent exchange of information, making our national leaders more aware of member needs in our service areas, which were expanded in 2019 by the addition of five counties in northern Kentucky: Union, Henderson, Daviess, Hancock and Henderson.

## New Board and Supervisory Committee Members

Bryan Johnson was elected to continue as a member of the Board for two years, filling the remainder of his term after having been appointed to the Board in January 2019. Sally Gogel Fischer was appointed after William "Bill" Miller retired. Fischer's term began January 1, 2020. Her initial elected term will be for one year. Current Directors Alan Cummings, Jennie Edwards and Leo Meadows were each elected to serve another three-year term on the Board of Directors.

For the Supervisory Committee, Janie Craig Chenault was elected to serve a three-year term. Janie was first appointed in June 2018. Tara Jenkins was elected to fill the one year remaining on her existing seat. Chad Helming of Jasper was appointed as a new member, effective January 1, 2020, to fill an open seat. He was elected to complete the remaining one year of the term for this seat on the Committee.

## Board of Directors



**Jennie Edwards**  
Chair



**Alan Cummings**  
Vice Chair



**Keith Wilkinson**  
Secretary



**Jay Brown**  
Treasurer



**Leo Meadows**  
Director

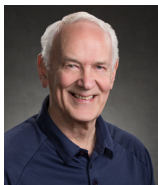


**Bryan Johnson**  
Director



**Sally Gogel Fischer**  
Director

## Supervisory Committee



**Don Brandt**  
Chair



**Janie Craig Chenault**  
Secretary



**April Glenn**  
Member



**Tara Jenkins**  
Member



**Chad Helming**  
Member

## Agenda May 13, 2020

(via teleconference)

**Call to Order:** 6:01 p.m.

**Call for Quorum**

**Minutes of the 85th Annual Meeting**

**Reports:**

**Chair:** Jennie Edwards

**Treasurer:** Jay Brown

**Supervisory**

**Committee:** Don Brandt

**President:** Travis Markley

**Election Results**

**Volunteer Years of Service**

**Unfinished Business**

**Adjournment of Business Meeting**

## Financial Statements

Assets	2019	2018
Cash and due from banks	\$5,425,595	\$4,866,882
Interest bearing deposits with other financial institutions	\$22,082,400	\$13,222,688
Certificates of deposit with other financial institutions	\$2,483,000	\$2,731,000
Mortgage-backed securities investments	\$47,400,057	\$50,922,402
Loans to members	\$511,509,615	\$464,164,666
Allowance for loan losses	-\$3,027,611	-\$4,088,707
Accrued interest receivable	\$2,384,762	\$2,230,941
Premises and equipment, net	\$12,120,851	\$11,433,846
NCUA share deposit insurance	\$3,151,586	\$2,963,215
Prepaid expenses and other assets	\$5,798,651	\$5,753,878
<b>Total Assets</b>	<b>\$609,328,906</b>	<b>\$554,200,811</b>

Liabilities & Equity	2019	2018
Notes payable	\$100,483,855	\$88,982,542
Accrued expenses and other liabilities	\$4,257,955	\$2,819,187
Total Deposits	\$446,258,881	\$408,336,141
Total Equity	\$58,328,215	\$54,062,941
<b>Total Liabilities and Equity</b>	<b>\$609,328,906</b>	<b>\$554,200,811</b>

Income Statement	2019	2018
Interest income	\$25,922,236	\$22,735,059
Interest expense	\$5,915,393	\$4,228,640
Net interest income	\$20,006,843	\$18,506,419
Provision for possible loan losses	\$105,889	\$375,085
Net interest income after provision	\$19,900,954	\$18,131,334
Other income	\$5,353,589	\$5,405,773
Operating expenses	20,989,269	\$19,452,747
<b>Net Income after NCUA Expense</b>	<b>\$4,265,274</b>	<b>\$4,084,360</b>

**Bedford**  
630 Lincoln Ave.  
3311 Michael Ave.  
812.279.6644

**Mitchell**  
45 Teke Burton Dr.  
812.849.6006

**Paoli**  
960 N. Gospel St.  
812.723.4700

**Jasper**  
3010 Newton St.  
812.481.2282

**French Lick**  
8487 W. College St.  
812.936.7800

**Spencer Co.**  
419 N. Main St.  
812.362.7705

**Tell City**  
923 Payne St.  
812.547.7805

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### Treasurer's Report Jay Brown

Hoosier Hills Credit Union's assets grew to \$609,328,906 as of December 31, 2019. This represents \$55.1 million, or 9.9%, growth for the year.

Loans increased by \$47.3 million, a 10.8% increase over 2018. Deposits increased by 9.2%, or \$37.9 million.

Our total capital at year's end was \$58,328,215, and our capital-to-assets ratio was 9.6%. This compares favorably to the 7.0% required for well-capitalized credit unions.

We are pleased to report that Hoosier Hills Credit Union is financially very strong.



### Supervisory Committee Report Don Brandt

The Supervisory Committee is

responsible for choosing the firm that handles the annual audit of the Credit Union's records. BKD, a large regional CPA firm, conducted the audit for 2019.

We are pleased to report that our auditors found the Credit Union's financial statements to be in conformity with generally accepted accounting principles.

Committee members are also responsible for numerous cash counts that were conducted at all Credit Union locations and for verifying Credit Union Investments, new members' accounts and closed accounts. We found all aspects to be in order.