

2020 ANNUAL REPORT



Hoosier Hills
CREDIT UNION



Chair of the Board Alan Cummings

2020 was a year that did not go as planned. It was a year that taught many of us to be flexible, to think one step ahead, and to find opportunity in crisis. Throughout the COVID-19 pandemic, we were able to demonstrate what makes credit unions so unique and attractive simply by staying true to our core values and mission of "People Helping People" by being a source of stability when it was needed most. Despite a difficult year, we were able to

overcome challenges new to all of us.

Newly appointed CEO Travis Markley finished his first year successfully with impressive asset and capital growth. Our total assets grew to surpass the 700 million threshold demonstrating the strength of our credit union despite economic volatility. A new, five-year strategic plan was developed with a long-range focus on our mission, culture, growth, and risk management.

We were able to meet the demands of our members during the pandemic through innovation and implementation of a Member Relief Package, which included numerous fee waivers, deferred and flexible loan payments, and a low-rate signature loan designed to help members with their immediate needs.

We also implemented new services such as Virtual Account Opening and improved Online and Mobile Banking, as well as an enhanced Financial Wellness program. Our Virtual Account Opening (VAO) process helped new members join HHCU and current members open new accounts while our lobbies were closed due to COVID-19. Despite all the changes and challenges of 2020, our member satisfaction scores increased throughout the year.

Board of Directors



Alan Cummings
Chair



Keith Wilkinson
Vice Chair



Jay Brown
Secretary



Leo Meadows
Treasurer



Bryan Johnson
Director



Sally Gogel Fischer
Director



Jennie Edwards
Director

Supervisory Committee



Janie Craig Chenault
Chair



Chad Helming
Secretary



April Glenn
Member



Tara Jenkins
Member



Don Brandt
Member

Other significant accomplishments in 2020 include:

- Our Mortgage Department had a record year in 2020, helping our members with \$100,263,822 in new mortgage loans.
- We are now assisting students at 14 high schools with their college expenses through our expanded scholarship program.
- HHCU added new members throughout the year as we continue to provide the financial services individuals and families need while their local and regional banks closed.
- Major renovations were completed at our Jasper and Mitchell Service Centers.
- Construction began on our new Ellettsville Service Center.

Board/Supervisory Committee Elections

Board of Directors

- Keith Wilkinson was elected to serve another three-year term.
- Sally Gogel Fischer was elected to serve a three-year term after filling a vacant seat in January 2020.

Supervisory Committee

- April Glenn was elected to serve another three-year term.
- Tara Jenkins was elected to serve another three-year term.
- Chad Helming was elected to serve a three-year term after filling a vacant seat in January 2020.

Agenda May 19, 2021

Call to Order: 6:00 p.m.

Call for Quorum

Minutes of the 86th Annual Meeting
Introduction of Volunteers

Reports:

Chair: Alan Cummings

Treasurer: Leo Meadows

Supervisory

Committee: Janie Craig Chenault

President: Travis Markley

Election Results

Volunteer Years of Service

Unfinished Business

Adjournment of Business Meeting

Financial Statements

Assets

	2020	2019
Cash and due from banks	\$6,368,922	\$5,425,595
Interest bearing deposits with other financial institutions	\$49,918,110	\$22,082,400
Certificates of deposit with other financial institutions	\$3,225,000	\$2,483,000
Mortgage-backed securities investments	\$54,083,626	\$47,400,057
Loans to members	\$574,290,124	\$511,207,875
Allowance for loan losses	-\$3,943,067	-\$3,027,611
Accrued interest receivable	\$2,330,692	\$2,384,762
Premises and equipment, net	\$12,868,306	\$12,120,851
NCUA share deposit insurance	\$3,654,967	\$3,151,586
Prepaid expenses and other assets	\$6,803,251	\$6,100,389
Total Assets	\$709,599,931	\$609,328,906

Liabilities and Equity

	2020	2019
Notes payable	\$106,372,113	\$101,216,121
Accrued expenses and other liabilities	\$1,725,562	\$1,924,653
Total deposits	\$537,659,868	\$447,859,917
Total equity	\$63,842,387	\$58,328,215
Total Liabilities and Equity	\$709,599,931	\$609,328,906

Income Statement

	2020	2019
Interest income	\$26,531,970	\$25,922,236
Interest expense	\$4,500,876	\$5,915,393
Net interest income	\$22,031,094	\$20,006,843
Provision for possible loan losses	\$1,942,132	\$57,448
Net interest income after provision	\$20,088,962	\$19,949,395
Other income	\$5,707,656	\$5,332,113
Operating expenses	\$21,734,641	\$21,016,235
Net income after NCUA Expense	\$4,061,978	\$4,265,274



Treasurer's Report Leo Meadows

Hoosier Hills Credit Union's assets grew to \$709,599,931 as of December 31, 2020. This represents \$100.3 million in growth, or 16.5% growth for the year.

Loans increased by \$63.1 million to \$574.3 million, a 12.3% increase over 2019. Deposits increased by 20.1% to \$537.7 million, \$89.8 million above year-end 2019.

Our total regulatory capital at year's end was \$62,390,193, and our regulatory net worth percentage was 8.8%. This compares favorably to the 7.0% required for well-capitalized credit unions.



Supervisory Committee Report Janie Craig Chenault

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 2020. 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.

Bedford
630 Lincoln Ave.
3311 Michael Ave.
812.279.6644

Mitchell
Hwy 37 South
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 County
419 N. Main St.
812.362.7705

Tell City
923 Payne St.
812.547.7805