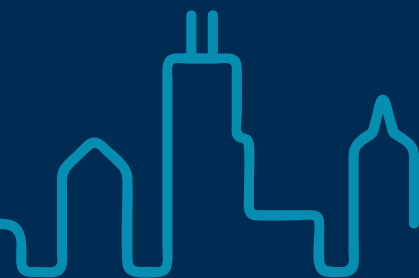


GREAT Moments



ANNUAL REPORT
2018 - 2019

GREAT LAKES
credit union





81st Annual Meeting

Tuesday, April 16, 2019

5:00 p.m. Pledge of Allegiance.

MEETING AGENDA

1. Call to Order.
2. Determine Quorum and Majority Requirements.
3. Introduction of Directors and Executive Leadership Team.
4. Approve Minutes of the 80th Annual Meeting.
5. Report of the Chair of the Board.
6. Report of the Supervisory Committee.
7. Report of the Credit Committee.
8. Report of the Membership Committee.
9. Report of the President/CEO.
10. Report of Bylaw Amendments.
11. Report of the Nominating Committee.
12. Report of the Proxy Votes.
13. Elect Directors.
14. New Business.
15. Member Inquiries/Suggestions.
16. Adjournment.*


*Door prizes will be drawn immediately following the meeting. Employees and Directors will not be eligible.

GREAT LAKES CREDIT UNION
80th ANNUAL MEETING
April 17, 2018

1. The 80th Annual Meeting of the Members was held at the Greenbelt Cultural Center, North Chicago on Tuesday, April 17, 2018. Sixty two (62) members were in attendance.
2. The meeting was called to order by James Fabrie, Chair, at 5:05 p.m.
3. Shirley Solberg, Secretary, declared that a quorum was present and that 70,470 of 86,155 or 81.8% of the outstanding members were represented either in person or by proxy. The Chair declared that it was a legal meeting.
4. Motion was made and seconded to dispense with the reading of the minutes of the previous Annual Meeting. Carried.
5. Jim Fabrie presented his Report as the Chair.
6. The following reports were presented:
 - A. Supervisory Committee Report – James March
 - B. Credit Committee Report – Pat Price
 - C. Membership Committee Report – Bertine Nixon
 - D. Interim President Report – Kamil SakiciMotion was made and seconded to accept all reports as printed and discussed. Carried.
7. The Chair reported amendments made to the Bylaws during 2017. A motion was made and seconded to dispense with the reading of the Bylaw amendments and to approve the Bylaw amendments made in 2017. Carried.
8. Kevin Leman, Nominating Committee Chair, presented a slate of nominees for Directors for three-year terms. The nominees were Cathy Corbi, James Fabrie and James March.
9. Shirley Solberg, Secretary, reported that 70,470 proxies would be voted for each nominee that was presented by the Nominating Committee.
10. Motion was made and seconded to instruct the Secretary to cast a unanimous ballot for the slate of nominees. Carried.
11. James Fabrie asked if there was any new business or comments from the floor. There was none.
12. A motion was seconded and carried to adjourn the meeting at 5:45 p.m.
13. A drawing was held for meeting attendees, and \$1,600 in cash prizes was awarded to members – 20 \$80 awards in honor of the 80th anniversary of Great Lakes Credit Union.



JAMES A. FABRIE, Chair



SHIRLEY SOLBERG, Secretary

Great Lakes Credit Union 2018 Bylaw Amendments

ARTICLE III – MEMBERSHIP

Section 1.

The following Select Employee Groups were removed from GLCU's Bylaws:

~~The Latin School of Chicago
Publications International, LTD., Lincolnwood, IL
ITW Paslode, Lincolnshire & Vernon Hills, IL
Illinois Association of Ophthalmology and their employees
Katten, Muchin & Zavis (Now known as Katten, Muchin & Rosenman LLP)
Hewitt Associates
Draper and Kramer, Inc., Chicago, IL
Metalex, Libertyville, IL
Goodwill Southeastern Wisconsin, Milwaukee, IL
Mayer, Brown, Rowe & Maw, LLP, Chicago, IL
Braeside Displays, Antioch, IL
Atkore International, Harvey, IL;
Dopaco, Inc., St. Charles, IL
Bison Gear & Engineering Corp., Downers Grove, IL
Coleman Safety & Security Products, Inc., Downers Grove,
Marshall, Gerstein, Borun, LLP, Chicago, IL
MCT – Marketing Card Technology, LLC, Darien, IL
ECHO Cooperative
Arnold Heating, Cooling & Sheet Metal
Avenues to Independence
Big Brother & Big Sisters of Metropolitan Chicago
Consolidated Container Co.
Equip for Equality
GIA Publications
W.R. Grace Co.
Landmark Engineering Corporation
Orbis (National Consolidation Services)
Regal Health & Rehab Center
Stein & Co.
Superior Mailing Services
TEC Air
Tri State Auto Auction of Chicago
Winnetka Community House
Iron Workers Local #1, Forest Park, IL
Positive Connections Bus Company~~

In addition, the following field of membership expansion was approved:

... and any person who lives or works in the communities within the following boundaries in Northern Cook County: south of Lake Cook Road in Cook County, east of Route 83, west of I-94/90, and north of Route 64 (North Avenue); including all municipal corporations that the geographical boundary lines traverse excluding portions of the city of Chicago outside this geographical area; and any person who lives or works in the communities within the following boundaries in Southern Cook County: south of I-55 in Cook County, east of Cicero Avenue (Route 50), west of Lake Michigan, west of the Indiana State Line, and north of Route 6; including all municipal corporations that the geographical boundary lines traverse excluding portions of the city of Chicago outside this geographical area;

2019 DIRECTOR NOMINEES

- Bertine Nixon – Ret. Technical Director, Military Medical Support Office, Great Lakes. Membership Committee Chair. Executive Committee Member, Board Secretary, and Credit Committee Member. Director since 1991. Currently serving a three-year term expiring April 2019.
- Patrice Price – President, The Price Group, and President of Multi Print and Digital, a national print distribution company. Vice Chair/Executive Committee Chair, Credit Committee Member. Joined GLCU’s Board through a merger with Hawthorne CU in 2013. Currently serving a three-year term expiring April 2019.
- David S. Goles – Partner, Swanson, Martin & Bell, LLP. Supervisory Committee Member since 2017 and Director since 2018. Currently serving the unexpired portion of a three-year term expiring April 2019.

GREAT LAKES CREDIT UNION
BALANCE SHEETS
December 31, 2018 and 2017

	<u>2018</u>	<u>2017</u>
ASSETS		
Cash and due from financial institutions	\$ 35,559,121	\$ 39,522,612
Interest bearing deposits in other financial institutions	<u>2,320,097</u>	<u>1,200,979</u>
Total cash and cash equivalents	37,879,218	40,723,591
Interest bearing time deposits in other financial institutions	11,425,000	10,411,000
Securities available-for-sale	108,080,608	90,380,242
Federal Home Loan Bank stock	5,000,662	2,863,623
Loans held for sale	901,790	572,400
Loans to members, net of allowance of \$6,582,781 and \$6,717,723 as of December 31, 2018 and 2017, respectively	640,091,376	591,558,335
Accrued interest receivable	2,591,591	2,239,862
Premises and equipment, net	25,003,009	26,960,046
Land held for sale	427,693	554,823
Share insurance deposit	6,388,665	6,356,521
Servicing rights	430,262	541,808
Real estate owned	242,184	309,111
Corporate owned life insurance	11,735,501	11,447,983
Intangible assets	847,237	1,178,667
Other assets	<u>9,469,644</u>	<u>10,626,465</u>
	<u>\$ 860,514,440</u>	<u>\$ 796,724,477</u>
LIABILITIES AND MEMBERS' EQUITY		
Members' shares	\$ 667,109,080	\$ 651,417,429
Borrowings	111,125,818	63,636,068
Accrued interest payable and other liabilities	<u>9,120,142</u>	<u>9,024,370</u>
Total liabilities	787,355,040	724,077,867
Members' equity:		
Undivided earnings	73,929,837	73,238,115
Accumulated other comprehensive (loss) income	<u>(770,437)</u>	<u>(591,505)</u>
Total members' equity	<u>73,159,400</u>	<u>72,646,610</u>
	<u>\$ 860,514,440</u>	<u>\$ 796,724,477</u>

GREAT LAKES CREDIT UNION
STATEMENTS OF INCOME
Years Ended December 31, 2018 and 2017

	<u>2018</u>	<u>2017</u>
Interest and dividend income		
Loans	\$ 27,786,702	\$ 26,080,190
Securities	2,024,349	1,353,983
Other financial institutions	<u>968,960</u>	<u>605,881</u>
Total interest income	30,780,011	28,040,054
Interest expense:		
Members' shares	3,664,597	2,764,210
Borrowed funds	<u>1,896,793</u>	<u>1,095,454</u>
Total interest expense	<u>5,561,390</u>	<u>3,859,664</u>
Net interest income	25,218,621	24,180,390
Provision for loan losses	<u>5,518,886</u>	<u>5,165,572</u>
Net interest income after provision for loan losses	19,699,735	19,014,818
Non-interest income:		
Service fees	5,210,323	5,334,094
Credit card and ATM card income	3,962,625	3,797,576
Gain on the sale of loans	833,432	1,732,538
Gain on the sale of securities	-	1,977
Gain on sale of Visa stock	-	1,178,155
Other	<u>2,608,542</u>	<u>1,943,090</u>
Total non-interest income	12,614,922	13,987,430
Non-interest expense:		
Salaries and employee benefits	16,389,415	17,133,632
Occupancy and operations	8,846,718	8,078,457
Loan collection and real estate owned	360,034	308,309
Credit card and ATM card	1,274,419	1,635,769
Depreciation	2,972,154	2,328,152
Advertising	539,340	376,803
Professional and outside services	514,038	493,025
Other	<u>726,817</u>	<u>462,755</u>
Total non-interest expense	<u>31,622,935</u>	<u>30,816,902</u>
Net income	<u>\$ 691,722</u>	<u>\$ 2,185,346</u>

