



Indiana Heartland
FEDERAL CREDIT UNION

**Welcome to
IHFCU's
88th Annual Meeting**

November 17, 2020



Indiana Heartland

FEDERAL CREDIT UNION

Agenda of 88th Annual Meeting

Tuesday, November 17, 2020, 7 p.m. Zoom Meeting

Welcome and Call to order: Buffey Hedrick

Determination of Quorum: Amber White

**Introduction of Staff, Board Members, and Supervisory Committee
volunteers:** Buffey Hedrick

Officers Report: Buffey Hedrick

Approval of the 87th Annual Meeting Minutes: Buffey Hedrick

Financial Reports: Buffey Hedrick

Loan Officers Report: Buffey Hedrick

Supervisory Committee Report: Buffey Hedrick

CEO report: Buffey Hedrick

Adjournment of Meeting: Buffey Hedrick



Indiana Heartland

FEDERAL CREDIT UNION

November 17, 2020

OFFICERS REPORT

Karen Windsor
Steve Carter
Buffey Hedrick

Chairman
Vice Chairman
Secretary/Treasurer

Directors

Steve Carter	2017-2020
Dave Trine	2017-2020
Tony McFarland (term will expire in 2022)	2019-2020
Jody Ellis	2018-2021
Scott McIlrath	2018-2021
Karen Windsor	2019-2022
Buffey Hedrick	2006-

Supervisory Committee

Jody Ellis	2017-2020
Barbara Ellis	2019-2022
Nicholas Smith-McCombs	2019-2022

Officers

Buffey Hedrick, CEO/Manager
Amber White, V.P. of Operations

Marketing/Compliance

Mary James, Marketing & Compliance Specialist

Member Service Representatives

Shelley Preston, MSR & Collection Specialist
Heather Catron, MSR & Office Coordinator
Allison Cox, MSR & Title Clerk
Hannah Carden, MSR



Indiana Heartland

FEDERAL CREDIT UNION

87th Annual Meeting

May 9, 2019

The 87th Annual Meeting of the Board of Directors of Indiana Heartland Federal Credit Union was held on Thursday, May 9th, 2019 at the Moe's River Room in Kokomo, Indiana.

Buffey called the meeting to order at 7:17 p.m. with 123 attendee's. Dinner was catered by: Fried Chicken – Kroger, Pulled Pork – Hawg Heaven, Cheese Potatoes, Corn, and Meat Balls – Buffey Hedrick, Cole Slaw – KFC, Tortilla Chips – Rural King, Salsa and Vegetable Tray – Sams Club, Tea and Lemonade – McAlister's, Cupcakes – Indulgence Bakery. Servers included Staci and Ariana Swears, Sydney McIlrath, and Jessica Cox. Buffey thanked them all for their help.

She proceeded to introduce her staff Amber White, Mary James, Shelley Preston, Heather Catron, Stacy Koon, Samantha Taylor and Allison Cox. She thanked them for their hard work and dedication to her and the members of the credit union. She stated the staff prides their selves on member service. Buffey stated she believes our customer service is a huge part of the reason for our rapid growth in membership and we are not open chartered. Buffey asked the membership to spread the word to their families.

Buffey introduced the Board of Directors Steve Carter, Dave Trine, Karen Windsor, Scott McIlrath, and Jodi Ellis. Buffey and the staff thanked the board for volunteering and their support for us and the members this past year. Buffey thanked her family and the members for their continued help and support. Buffey informed the membership we very recently lost one of our Board Member, John Davis, he passed away the week prior. Buffey presented his wife, Marcheta, with a plaque honoring John for his 18 years of service on the Board of Directors.

Buffey asked the membership to take a moment of silence for all the members we have lost this past year. She drew the 50/50 winning ticket in the amount of \$200 and the winner was Jon Lanham. The other \$200 half will be donated to the We Care Fund. Buffey asked for a motion to accept the Annual Meeting minutes from May 2, 2018. John Meyers motion to accept the minutes. John Jordan seconded, motion carried unanimously.

Buffey explained Karen Windsor and John Davis's Board Positions expired. She explained their terms are for 3 years. Karen Windsor and John Davis are running unopposed and were reinstated by acclamation. Scott McIlrath explained due to John Davis passing, IHFCU would be accepting applications and encouraged anyone who is interested in being a part of the Board of Directors to apply for the position. Buffey informed the membership this year we welcomed a new volunteer on the Supervisory Committee, Barbara Ellis.

The financial statements were reviewed from the packets. Buffey asked for a motion to accept the Financials. John Meyers motion to accept the financials. Erica Huffman seconded, motion carried unanimously. Buffey stated we are growing fast. We were at 16.7 M in Assets and at the end of 2017 we were at 18.9 M in Assets at end of 2018. We are currently at 19.9 M in Assets. The membership has grown by 483 new member accounts. This is extremely good for a small credit union. The credit union is looking for new charter groups. Buffey informed the membership of some new services we hope to offer very soon: Mobile Deposit and E-Signature. Buffey informed the membership of two new Credit Union locations coming to Kokomo. One being Solidarity Community FCU in the Dixon Plaza and the other Finance Center FCU on Dixon and Boulevard. Buffey thanked the members again for the support and word of mouth.

Buffey touched base on how the credit union has been able to get members to reaffirm on their debts after a bankruptcy. She let the membership know the staff is here for them and have their best interest at heart. She stated we all do our best to help those members in need; however, the credit union is governed by the NCUA with regulations and guidelines.

Buffey stated the credit union was able to give back to the members last year with a Bonus Dividend of .50% and an Interest Rebate of 1%. When the credit union is blessed with a good amount of income, the board of directors has voted to give back to the membership. She stated in order to qualify for the Interest Rebate your loan must not be delinquent 30 days during a 12 month period. Buffey stated IHFCU wants to give back to its owners.

The credit union offers two \$500 Scholarships every year. This year's recipients were Grace Guerrre and Nicholas Jozwiak. Congratulations!

Buffey asked the membership if there was any new business. None noted. Buffey again thanked the membership for their continued loyalty and support. She stated if they had any questions or concerns to please set up an appointment or call.

Door prizes disbursed.

Meeting adjourned at 8:26 p.m.

Karen Windsor, Chairman

Date

Buffey Hedrick, Treasurer

Date

Balance Sheet

for year ending December 31, 2019

Assets

Loans to members	\$18,923,047.58
Visa Credit cards	\$356,351.11
Allowance for loan losses	-\$223,047.76
Net Loans	\$19,056,350.93
Cash on hand	\$240,402.67
Investments:	
Alloya Corporate FCU	\$980,298.69
All other Investments	\$350,000.00
NCUSIF funds	\$171,524.86
Building	\$1,005,073.70
Furniture & Equipment	\$51,216.25
All Other Assets	\$124,038.09
<u>Total Assets</u>	<u>\$21,978,905.19</u>

Liabilities

Notes Payable	\$0.00
Accounts Payable	\$50,228.27
All Other Liabilities	\$30,903.04
Total Liabilities	\$81,131.31

Equity

Member Shares	\$7,455,365.19
Non-Member Shares	\$2,090,835.97
Share Drafts	\$2,427,014.27
Share Certificates	\$7,311,479.26
Other Share Accounts	\$549,103.33
Total Shares	\$19,833,798.02
Regular Reserves	\$48,917.47
Undivided Earnings	\$1,770,416.31
Net Income (loss)	\$244,642.08
Total Equity	\$2,063,975.86

<u>Total Liabilities & Equity</u>	<u>\$21,978,905.19</u>
--	-------------------------------

INCOME STATEMENT
FOR YEAR ENDING DECEMBER 31, 2019

Income:

Interest from loans	\$1,092,205.20
Investment income	6,472.82
Other income	712,437.48
Total Income	<u>\$1,811,115.50</u>

Expenses

Employee compensation	\$417,887.39	
Employee Benefits	62,345.60	
Travel & conference	16,031.58	
Association dues	8,947.03	
Office occupancy expense	76,953.41	
Office operation expense	358,915.96	
Education & promotion	118,362.34	
Loan services	21,911.19	
Professional services	15,724.91	
Federal operation fee	4,935.64	
Misc. operation expense	9,758.29	
Interest on borrowed money	375.57	
	Sub-total	\$1,112,148.91
Dividends paid & PLL	\$454,324.51	
Total Expenses	<u>\$1,566,473.42</u>	
Net Income YTD	<u>\$244,642.08</u>	

**GROWTH IN NET INCOME
(Before Dividends)**

December 31, 1933	\$100.78
December 31, 1938	\$1,162.67
December 31, 1943	\$1,266.12
December 31, 1953	\$4,179.97
December 31, 1958	\$7,205.20
December 31, 1963	\$8,243.13
December 31, 1968	\$5,446.91
December 31, 1973	\$14,683.47
December 31, 1978	\$31,106.63
December 31, 1988	\$95,209.80
December 31, 1998	\$185,860.61
December 31, 2008	\$524,051.17
December 31, 2010	\$597,095.14
December 31, 2011	\$641,556.54
December 31, 2012	\$663,090.91
December 31, 2014	\$725,459.17
December 31, 2015	\$958,692.03
December 31, 2016	\$988,447.90
December 31, 2017	\$1,289,258.26
December 31, 2018	\$1,733,825.71
December 31, 2019	\$1,811,115.50

SHARES BALANCES

December 31, 1984	\$902,710.81
December 31, 1985	\$980,846.14
December 31, 1986	\$1,260,133.42
December 31, 1988	\$1,583,052.83
December 31, 1989	\$1,658,412.11
December 31, 1998	\$2,010,518.31
December 31, 2003	\$1,844,518.21
December 31, 2004	\$2,698,158.41
December 31, 2005	\$3,528,871.30
December 31, 2006	\$3,833,662.70
December 31, 2008	\$4,229,105.07
December 31, 2009	\$4,249,196.13
December 31, 2010	\$4,617,959.73
December 31, 2011	\$5,510,597.33
December 31, 2012	\$5,697,890.63
December 31, 2013	\$6,228,523.40
December 31, 2014	\$8,294,385.05
December 31, 2015	\$10,075,003.58
December 31, 2016	\$13,230,042.95
December 31, 2017	\$15,092,647.42
December 31, 2018	\$17,034,999.68
December 31, 2019	\$19,833,798.02



Indiana Heartland

FEDERAL CREDIT UNION

LOAN OFFICER'S REPORT

For year ending December 31, 2019

The loan officers for the Indiana Heartland Federal Credit Union are: Buffey Hedrick and Amber White. A credit committee was established consisting of four members to assist in approving loan exceptions: Buffey Hedrick, Amber White, Dave Trine and Steve Carter.

This year there were **810 loans approved** by the loan officers and 275 denials. Denials were for the following reasons:

*Total debt ratio to high; Employment too short; Poor payment history with us; Bankruptcy;
No qualified co-signer; Poor Beacon Score
Poor credit history; judgments/collections*

The total dollars loaned in 2019 was \$9,356,281 up from previous year by \$1.339m. which includes 4 new mortgages. Denials are up from last year due to stricter guidelines; however, we were able to find the opportunity to give current members a loan regardless of their credit history but on the premise of their account status.

Loan application are accepted daily and approved daily on an as needed basis. As walk-ins are accepted, it is appreciated if an appointment is set up to insure the proper attention he or she deserves. We have implemented electronic signatures to accommodate and meet the challenges imposed by Covid19 for loan closings.

Dear Members, Since you are very important to us, we try to work with you even in the worst of situations. We will work with you the best we can. If you are having financial difficulties, please confer with us as soon as possible to defer any possible credit problems and excess fees that could be applied. Bankruptcies from your fellow members cost you money in lower savings rates and higher loan rates. Please help us keep these rates favorable. If you are contemplating filing bankruptcy, come see us and let us help you out by reaffirming your loan with us or see if there is anything that we can do to help you so you don't have to file. Many times we can tell you information your attorney may not know or disclose on how we can help you keep your collateral & not cause a loss to the owners of the credit union. If a loss is caused to the credit union then this prevents membership for you in the future. Being able to continue your membership with Indiana Heartland FCU could be very beneficial to you in the future when you may need loan services no other financial institution will provide. Cordially yours, Buffey

Report created by: *Buffey Y Hedrick, CEO*



Indiana Heartland

FEDERAL CREDIT UNION

Supervisors Committee Report

For year ending December 31, 2019

Members of the Indiana Heartland Federal Credit Union Supervisory committee consists of: Jody Ellis, Nicholas Smith-McCombs and Barbara Ellis appointed by the Board of Directors. ***We are looking for a few people who would love to be part of the credit union and join the supervisory committee team.*** Qualifications are to be a member and passionate about making sure the credit union is servicing the members in every capacity. We welcomed 394 new members to the IHFCU family.

The annual audit was performed by Cardinal CPA Group specialized in credit union audits for fiscal year ending September 30, 2019 financial data. NCUA requires federal credit union to perform account verifications every two (2) years sent out to all members via email or USPS. The next verification will be performed for quarter ending September 30, 2021. Supervisory committee received no discrepancies or issues with IHFCU member account verifications.

The supervisory committee responsibilities include the following:

- Selecting CPA firm to perform the annual external audit
- Insuring that internal audits are performed on the MSR drawers, vault, and loans in a timely manner throughout the year
- Closed accounts were verified and letters sent out monthly, no members identified any discrepancies with their account.
- Updating the Board of Directors on any improvements needed to insure stability

The supervisory committee findings on internal audits:

- All random loans reviewed were performed without discrepancies
- 2 cash audits of MSR drawers and vault performed without balancing issues

On behalf of Supervisory Committee I want to thank the staff and the board of directors for their dedication to protecting member assets and operating with integrity and sound business practices. *Jody Ellis, Supervisory Committee Chair*



Indiana Heartland

FEDERAL CREDIT UNION

To Summarize 2019

Measure	IHFCU	Peer
• New member growth	8.0%	-.66%
• Loan Growth	10.63%	3.47%
• Asset Growth	16.03%	2.49%
• Net worth Growth	13.45%	4.75%
• Loan to Share Ratio	97.00%	62.00%
• Return on Assets	1.19%	.55%
	2018	2019
• Total Assets	18.95m	21.99m
• Total Loans	17.44m	19.29m
• Total Member Shares	17.05m	19.85m
• Net Worth	9.59%	9.38%
• Return On Assets	1.34%	1.19%
• Operating Exp/Income	62.35%	61.39%

2019 Community Involvement:

- **Event Sponsorships**
 - Samaritan Caregivers Chocolate Celebration
 - Bona Vista Greatest Spectacle In Tasting
 - Bona Vista Disability Awareness Basketball Game
 - Kingdom Come Festival Sponsor
 - Haynes Apperson
 - City of First Adventure Park
 - Howard County 4H
 - HESP Walk-A-Thon
 - Fire Department Golf Outing
 - Kokomo Shrine Club
 - UAW Veterans Golf Tournament
 - Military Foundation Softball Game
 - Shuck Strong Golf Outing
 - Tyler's Triumphs Ride of Hope
 - Greentown Lions Club Christmas Display
- **Local School Involvement**
 - Western High School Band Sponsor
 - Kokomo High School Football Sponsor
 - Howard Elementary Walk-A-Thon
 - Kokomo CEO Program
- **SEG Involvement**
 - St. Vincent Golf Outing
 - St. Joan of Arc Catholic Church Funfest
 - St. Vincent Running the Shore 5K
 - St. Patrick Catholic Church Oktoberfest
 - Breast Cancer Awareness Donation to St. Vincent's Women Center
 - Howard County Employee Christmas Party
- **Community Outreach**
 - First Responder 9/11 Lunch Delivery
 - We Care Trim-A-Tree Participant
 - United Way Pledge
- **Lobby Collection Box**
 - Urban Outreach Buddy Bags
 - School Supply Drive
 - Hat, Coat, and Glove Drive

Over \$21,000 given back to the Howard County community in 2019.



Indiana Heartland
FEDERAL CREDIT UNION

**Thank you for
attending and being a
member of
Indiana Heartland FCU!**

Questions?

Please send email to:

contactus@indianaheartland.org