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ANNUAL



REPORT

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# 91<sup>st</sup> Annual Meeting of Consumers Credit Union

**March 10, 2021**

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**Great Wolf Lodge**  
1700 Nations Drive  
Gurnee, IL 60031

## **Agenda:**

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- *Welcome*
- *Mr. John R. Janezic, Chairman of the Board*
- *Call to Order*
- *Determination of a Quorum*
- *Report of the Registration Committee*
- *Reading and Approval of Agenda*
- *Approval of Minutes of 90th Annual Meeting*
- *Report to the Members*
- *Report of the Nominating, Supervisory, and Loan Review Committees*
- *Election of Board of Directors*
- *Unfinished Business*
- *New Business*
  - A. *Bylaw Amendment: Field of Membership*
  - B. *Bylaw Amendment: Executive and Supervisory Committee Changes*
- *Adjournment*

# Present and Former Leaders



**SEAN RATHJEN**  
CEO  
2004-Present



**WILLIAM REIDEL**  
President  
1979-2004



**ANTON KERZIC, JR.**  
President  
1970-1978



**ANTHONY PIERCE**  
President  
1956-1970



**LEO SAARI**  
President  
1930-1956

## Chairpersons:

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- John R. Janezic (2008-Present)
- George Harro (1977-1979)
- Ellen (Sandvick) Nantz (1958-1965)
- James A. Mahnich, Sr. (2002-2008)
- Ernest W. Wooldridge (1975-1976)
- Russ Alford (1948-1957)
- Raymond W. DeWeerth (1979-2002)
- Helen Dragunas (1966-1974)
- Jack Liukku (1930-1947)

## Board Members:

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- John R. Janezic - *Chairman*
- Scott Drabicki - *Vice Chairman*
- Ann Simms - *Treasurer*
- Denise Charts - *Secretary*
- Michael D. Annes
- Ann Campanella
- John Fiore
- Spiro Giotis
- Bob Hubberts
- Spiridoula (Litza) Mavrothalasitis
- Benjamin Olson
- Joseph M. Rajcevich
- Frank C. Soyka

## Associate Board Members:

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- Shawn Clisham
- James A. Mahnich, Sr

## Committee Members:

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- Demar Harris
- Leslee Johnson
- Michael Raysakis
- Kenneth Robinson
- Dr. John R. Schwab

## Nominating Committee:

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- James A. Mahnich, Sr.  
*Committee Chairman*
- John Fiore
- Leslee Johnson
- Kenneth Robinson

## Board Candidates (as approved by the Nominating Committee):

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- Douglas Baer (Applicant)
- Spiro Giotis (Incumbent)
- Bob Hubberts (Incumbent)
- Demar Harris (Applicant)
- Sudesh Kannan (Applicant)
- Spiridoula (Litza) Mavrothalasitis (Incumbent)
- Roshan Patel (Applicant)
- Jennifer Ramirez (Applicant)
- Adam Smith (Applicant)
- Dr. Scott Thompson (Applicant)
- David Weisman (Applicant)
- Michael Wogelius (Applicant)



*John R. Janezic*

**JOHN R. JANEZIC**  
Chairman of the Board



*Sean M. Rathjen*

**SEAN M. RATHJEN**  
CEO

# Chairman & CEO Report

**T**wo thousand twenty was certainly a year like no other. Our members faced both personal and financial challenges due to the global COVID-19 pandemic and we were proud to be a trusted resource. While the health and well-being of both members and employees remained our top priority, we understood that our members needed our services more than even before. We were quick to adapt service channels and business operations, while implementing assistance programs to help members during the crisis. Additionally, our merger with Andigo Credit Union was official, which strengthened our resources to better serve the combined membership. We met the challenges of the year head-on, kept our focus on serving our members, and ended the year with record growth.

## Serving Members

Our commitment to living our mission as a trusted financial partner that empowers members to live better lives is unwavering, and we stayed true to this in many ways during the year:

- To be available when members needed us most, we extended both our drive-up service and phone support by an additional two hours each day when branch access was restricted.
- We introduced a low-interest

rate loan program for those in need of emergency funds. Additionally through loan payment relief programs we saved members \$6.25 million and provided additional payment relief on \$85 million in loan balances.

- We worked with members to collectively save them over \$7.3 million by refinancing their auto loans from other financial institutions that charge higher rates.
- To make it easy and less worrisome for members to access their savings, we waived early withdrawal penalties on Certificates of Deposit (CDs).
- We provided over \$340 million in home financing to help our members purchase their dream homes or refinance their current homes to secure lower interest rates and lower monthly payments.
- We upgraded the online and mobile banking system to make remote account services easier to use, while improving functionality and increasing account security.
- We updated six branches to improve the member experience with additional service options and improved technology.

## Growth

Despite the pandemic and all that came with it, we had phenomenal growth

in 2020. In June, our historic merger with Andigo Credit Union added \$912 million in assets, \$99 million in capital and 37,632 new members, making us the 5th largest Credit Union in Illinois. Though the merger propelled growth to incredible levels, the Credit Union's performance without the merger was equally impressive. We grew our membership by 42% (12% without the merger) ending the year with over 176,000 members. We achieved loan growth of 60% (9.5% without the merger), share growth of 104% (26% without the merger) and asset growth of 96% (31% without the merger). This financial stability and strong growth allowed us to expand our team during uncertain times, while many employers were reducing staff. Consumers Credit Union proudly employs over 500 employees.

## Onward

Your Credit Union is stronger than ever, and we are confident in the year ahead despite continued challenges caused by the pandemic. We are committed to offering the very best in financial services, the latest technologies, and the exceptional personal service our members expect and deserve. We would like to thank our Board of Directors, staff, and most importantly, you our members, for the continued trust and support.

Thank you for an outstanding year. We look forward to serving you in 2021.

# Supervisory Committee Report

## Supervisory Committee:

- Joseph Rajcevich – Chairman
- Michael Annes
- Ann Campanella
- Spiro Giotis
- Bob Hubberts
- James Mahnich
- Spiridoula (Litza) Mavrothalasitis

The Supervisory Committee met monthly to monitor and review Credit Union operations. Our external auditors, WIPFLi, LLP (WIPFLi) conducted the Annual Verification of Share and Loan Accounts as of September 30, 2020, and the Annual Audit of our Financial Statements (Audit) for the year ended September 30, 2020. It is WIPFLi's opinion that the financial statements present fairly, in all material respects, the financial position of Consumers Cooperative Credit Union (CCU) at September 30, 2020, and the results of its operations and its cash flows for the year then ended are in conformity with Generally Accepted Accounting Principles in the United States. The results of this audit were reviewed at the December, 2020 Board of Directors meeting, with each Director receiving a copy of these reports.

In 2020, WIPFLi also conducted limited scope audits of our 401(k) Plan and Trust and Defined Benefit Plans as of December 31, 2019 to comply with the annual reporting obligation under the Employee Retirement Income Security Act of 1974 (ERISA). These audits were provided to the Supervisory Committee. WIPFLi stated that the form and content of the information included in the 2019 financial statements and schedules, other than that derived from the information certified by the trustee (CUNA Mutual), have been audited and are presented in compliance with the Department of Labor's Rules and Regulations for Reporting and Disclosure under ERISA.

WIPLFi also conducted a Bank Secrecy Act (BSA) examination in 2020.

BKD, LLP conducted an Information Technology Internal Controls audit in 2020.

In 2019, CCU was examined by the NCUA and the Illinois Department of Professional and Financial Regulation, in preparation for the June 1, 2020, merger of Consumers Cooperative Credit Union and Andigo Credit Union.

In 2020, Crowe LLP conducted audits of the ACH and wire transfer functions.

During 2020, CCU's Internal Audit function and CCU's Compliance function provided internal audit coverage and compliance review coverage. Management executes a risk-rated Internal Audit Plan and a separate Compliance Review Plan each year. The Internal Audit team conducted the required annual internal audits. Additionally, Internal Audit reviewed several areas throughout the organization, such as credit cards, loans, authentication, insider loans and shares, system access, check endorsements, threat monitoring, suspense accounts, accounts payable, ATMs, ACH, payroll, and wire transfers. The Compliance team separately reviewed policies and procedures for compliance in several areas of the Credit Union such as new accounts, prepaid cards, branch signage, deposit and loan products, and funds availability. These reports are reviewed by the Supervisory Committee of the Board of Directors.

## FINANCIAL CONDITION

<b>ASSETS</b>	<b>2020</b>	<b>2019</b>	<b>Difference</b>
Cash and Equivalents	\$ 126,137,473	\$ 70,566,741	\$ 55,570,732
Loans to Members	1,636,788,479	1,022,159,079	614,629,400
Investments	725,170,971	175,035,621	550,135,350
Fixed Assets, net	41,111,993	29,815,765	11,296,228
Other Assets	87,470,084	35,023,782	52,446,302
<b>Total Assets</b>	<b>\$2,616,679,000</b>	<b>\$1,332,600,988</b>	<b>\$1,284,078,012</b>
<b>LIABILITIES AND MEMBERS' EQUITY</b>			
Current Liabilities	\$ 27,317,790	\$ 14,997,493	\$ 12,320,297
Total Borrowed Funds	131,497,932	113,815,114	17,682,818
Members' Shares and Certificates	2,234,223,582	1,095,150,428	1,139,073,154
Total Reserves and Net Income	223,639,696	108,637,953	115,001,743
<b>Total Liabilities and Members' Equity</b>	<b>\$2,616,679,000</b>	<b>\$1,332,600,988</b>	<b>\$1,284,078,012</b>
<b>TOTAL MEMBERS</b>	<b>176,322</b>	<b>124,499</b>	<b>51,823</b>

## OPERATING STATEMENT

<b>INTEREST INCOME</b>	<b>2020</b>	<b>2019</b>	<b>Difference</b>
Interest on Loans	\$ 73,070,325	\$ 53,649,587	\$ 19,420,738
Interest on Investments	4,728,905	7,253,672	(2,524,767)
<b>Total Interest Income</b>	<b>\$ 77,799,230</b>	<b>\$ 60,903,259</b>	<b>\$ 16,895,971</b>
<b>INTEREST EXPENSE</b>			
Member Dividends	\$ 9,298,767	\$ 8,783,463	\$ 515,304
Borrowed Funds	3,473,121	5,854,073	(2,380,952)
<b>Total Interest Expense</b>	<b>\$ 12,771,888</b>	<b>\$ 14,637,536</b>	<b>\$ (1,865,648)</b>
<b>Net Interest Income</b>	<b>65,027,342</b>	<b>46,265,723</b>	<b>18,761,619</b>
<b>Provision for Loan Loss</b>	<b>8,726,065</b>	<b>4,942,848</b>	<b>3,783,217</b>
<b>Net Interest Income After Provision</b>	<b>\$ 56,301,277</b>	<b>\$ 41,322,875</b>	<b>\$ 14,978,402</b>
<b>OTHER INCOME</b>			
Service Charges and Other Fees	\$ 30,051,309	\$ 22,581,529	\$ 7,469,780
Other Operating Income	4,829,723	3,153,617	1,676,106
<b>Total Other Operating Income</b>	<b>\$ 34,881,032</b>	<b>\$ 25,735,147</b>	<b>\$ 9,145,886</b>
<b>OPERATING EXPENSES</b>			
Salaries and Benefits	\$ 38,980,117	\$ 29,961,481	\$ 9,018,636
Office Occupancy	3,903,527	2,430,217	1,473,310
Office Operations	10,369,158	6,516,585	3,852,573
Professional Services	7,740,268	5,610,671	2,129,597
Meetings, Travel, Conference	140,751	348,357	(207,606)
Marketing	1,634,661	858,193	776,468
Loan Servicing	11,202,008	10,096,126	1,105,882
Miscellaneous Operating Expense	3,613,896	2,733,278	880,618
<b>Total Operating Expenses</b>	<b>\$ 77,584,386</b>	<b>\$ 58,554,907</b>	<b>\$ 19,029,479</b>
Loss (Gain) on Investments/Loans/Assets	(550,401)	(5,600)	(544,801)
Other Re-Owned (OREO)	9,180	(32,081)	41,261
<b>Total Other Income/Expense</b>	<b>\$ (541,221)</b>	<b>\$ (37,681)</b>	<b>\$ (503,540)</b>
<b>Net Income</b>	<b>\$ 14,139,144</b>	<b>\$ 8,540,795</b>	<b>\$ 5,598,349</b>

## LOAN SUMMARY

### Loan Review Committee:

- Frank Soyka - Committee Chairman
- Demar Harris
- Michael Raysakis

LOAN TYPE	2020 Number	2020 Amount	2019 Number	2019 Amount
New Auto	3,343	\$ 106,653,120	3,797	\$ 115,119,847
Used Auto	13,128	293,290,888	8,042	163,589,866
Motorcycle	421	3,806,676	354	3,307,434
Personal Watercraft, Snowmobiles, ATVs	141	4,170,781	100	2,328,950
Other Secured	810	9,222,241	1,115	11,413,114
Savings (includes Share and CD Secured)	128	4,057,228	147	1,282,032
Signature and Cosigner	1,415	10,563,705	1,737	9,379,068
Home Equity Loans	35	1,210,800	128	4,620,650
Home Equity Lines of Credit (HELOC)	441	13,683,195	366	14,437,526
First Mortgages	1,436	301,428,365	668	125,422,960
Commercial Loan	52	41,288,185	47	28,198,794
<b>Total</b>	<b>21,350</b>	<b>\$ 789,375,185</b>	<b>16,501</b>	<b>\$ 479,100,242</b>

### LOAN RECAP

Rewrites and Extensions	600	\$ 10,178,907	343	\$ 4,981,685
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## HISTORICAL DATA

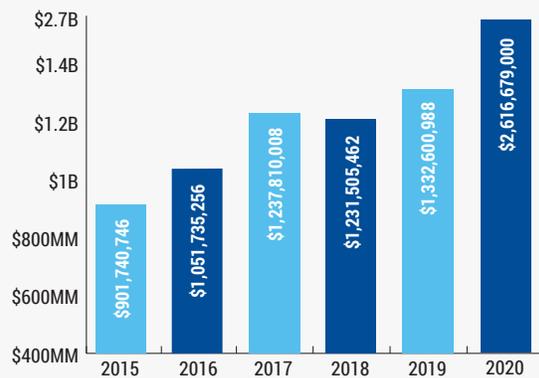
### DEPOSIT BALANCES



### SERVICED LOANS



### ASSETS



### MEMBERS



# 2020 Highlights



**We merged with Andigo Credit Union** on June 1, 2020, making us the 5th largest Credit Union in Illinois.



**We upgraded our online and mobile banking platform** to provide members an enhanced online and mobile experience. The new platform provides a simpler overall experience with greater account controls, increased security, easier navigation and quicker access to popular functions.



**Branch updates.** We updated our Gurnee, Northbrook, North Waukegan, Round Lake Beach and Volo branches to improve the member experience through additional service options and better technology.



**Continued improvement.** Our voice of the member survey tool provided excellent insights to improve our products and service levels. Since deploying this valuable feedback tool in 2018, we've more than doubled our service rating, reaching an all new high in 2020.



**Giving back.** Over 25 local and national organizations, and the people they serve, benefited from more than \$110,000 in donations from Consumers Credit Union.



**Continued accolades.** Consumers Credit Union was recognized again as a Best-in-State Credit Union by Forbes, and our Rewards Checking Account as the best online high-yield checking account by WalletHub, NerdWallet and Investopedia.





**CONSUMERS**  
CREDIT UNION

[myconsumers.org](http://myconsumers.org)

