



# What we did last year

ANNUAL  
REPORT 2023



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# 94th ANNUAL MEETING

**MARCH 13, 2024**

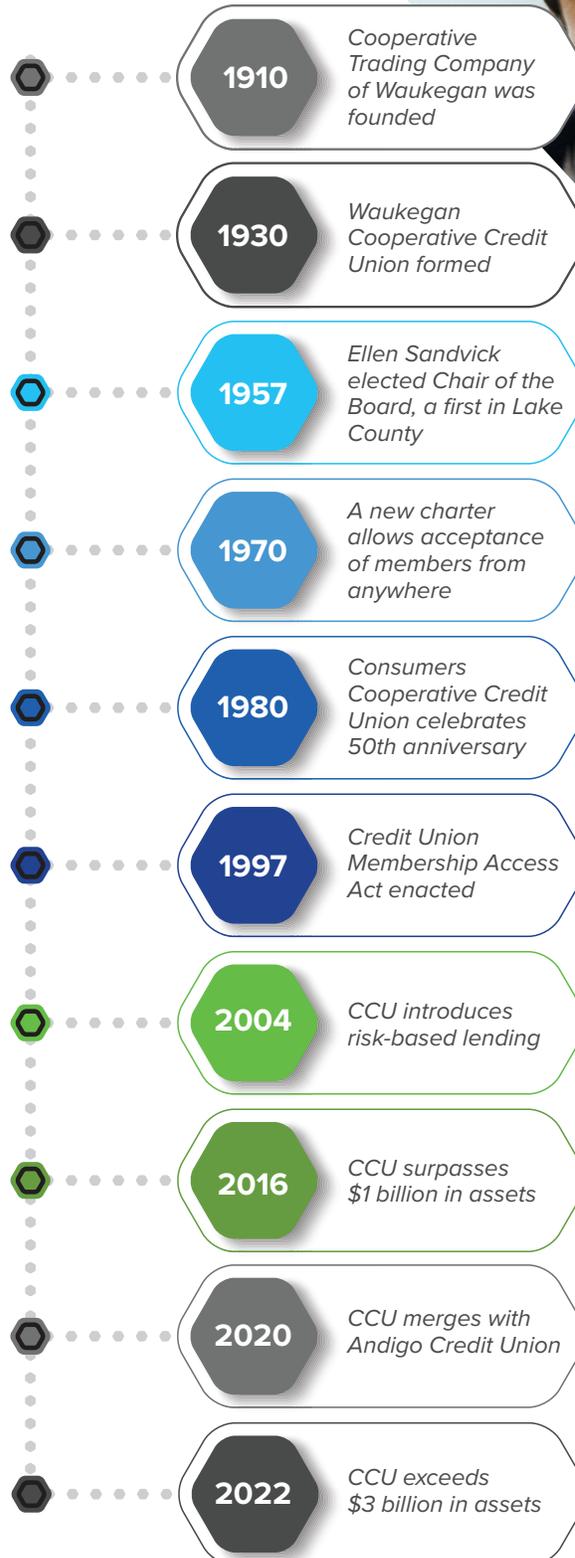
Great Wolf Lodge  
1700 Nations Drive  
Gurnee, IL 60031

**Agenda:**

- Welcome
- Mr. Scott Drabicki, Chairman of the Board
- Call to Order
- Determination of a Quorum
- Report of the Registration Committee
- Approval of Agenda
- Approval of Minutes of the 93rd Annual Meeting
- Report to the Members
- Report of the Nomination Committee
- Election of Board of Directors
- Supervisory and Finance Committee reports
- Unfinished Business
- New Business
  - A. By Law Amendment - Consumers Name Change
  - B. By Law Amendment - Number of Board Meetings
  - C. By Law Amendment - Filling Board Vacancies
  - D. By Law Amendment - CEO Succession
- Adjournment

# WHO WE ARE

## CCU TIMELINE



# WHO WE ARE

## PRESENT & FORMER LEADERS

### Board Chairs

- Scott Drabicki (2021-Present)
- John R. Janezic (2008-2021)
- James A. Mahnich, Sr. (2002-2008)
- Raymond W. DeWeerth (1979-2002)
- George Harro (1977-1979)
- Ernest W. Wooldridge (1975-1976)
- Helen Dragunas (1966-1974)
- Ellen (Sandvick) Nantz (1958-1965)
- Russ Alford (1948-1957)
- Jack Liukku (1930-1947)

### Board Members

- Scott Drabicki – *Chairman*
- John Fiore – *Vice Chairman*
- Denise Charts – *Secretary*
- Frank C. Soyka – *Treasurer*
- Spiro Giotis
- Demar Harris
- Bob Hubberts
- John R. Janezic
- Francine (Frankie) Masi
- Spiridoula (Litza) Mavrothalasitis
- Kenneth Robinson
- Saba Shibberu
- George Abraham

### Associate Board Members

- Derek Christopher
- James A. Mahnich, Sr.
- Miten Champaneri
- Kenya Tassin

### Committee Members

- James Roche
- Tricia Strong

### Nomination Committee

- James A. Mahnich, Sr. Committee Chairman
- John Fiore
- James Roche
- Kenneth Robinson

### Board Candidates (as approved by the Nomination Committee)

- George Abraham (Incumbent)
- William J. Attea (Applicant)
- Abir Bandyopadhyay (Applicant)
- Miten Champaneri (Applicant)
- Spiro Giotis (Incumbent)
- Demar Harris (Incumbent)
- Robert Hubberts (Incumbent)
- Gregory Hultman (Applicant)
- Renee Lottes (Applicant)
- Spiridoula (Litza) Mavrothalasitis (Incumbent)
- Richard J. Miller (Applicant)
- Kumail Razvi (Applicant)



**LEO SAARI**  
President  
1930-1956



**ANTHONY PIERCE**  
President  
1956-1970



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



**WILLIAM REIDEL**  
President  
1979-2004



**SEAN RATHJEN**  
CEO  
2004-Present

# WHO WE ARE

## CHAIRMAN & CEO REPORT

**As another year comes to a close, we have an opportunity to reflect with gratitude and look forward with optimism.**

I'm especially thankful for our members' loyalty, and the tireless efforts of our employees to serve you. And I know that accomplishments on many fronts this year have us ready for what comes next.

One of my great joys is talking to our members, who reach out to me for a host of reasons. They might commend a particular CCU employee, offer a suggestion, ask for assistance, and, most importantly, let me know when we've fallen short of their expectations. This feedback, along with more formal measurements of member satisfaction, helps direct our efforts to make improvements. In 2023, we made things better for our members, both in visible ways and behind the scenes. We've outlined some of our **important 2023 accomplishments on page 8**.

**“*All of us have your interests truly and genuinely at heart.*”**

This year our members were consistent in saying one thing: It's hard to manage your finances in an economy with high interest rates and increasing costs. It turns out this is the time when CCU employees shine brightest, providing expert advice and access to products with great rates and lower fees. All of us have your interests truly and genuinely at heart.

It was particularly gratifying to be formally recognized as a Great Place to Work, a coveted distinction based primarily on employee feedback. We know that supporting our people inspires them to support you in turn. You can find our latest job openings at [myconsumers.org/careers](https://myconsumers.org/careers).

We also support with pride the communities where you live and work, with significant donations to improve mental health service for children and needed aid for local veterans, as well as dozens of other organizations and events.

We describe ourselves as “The People in Your Corner.” And we mean it. If you have suggestions for how we can serve you better, we'd love to hear from you.



*Sean M. Rathjen*

SEAN M. RATHJEN  
CEO



*Scott Drabicki*

SCOTT DRABICKI  
Chairman of the Board

# WHAT WE DID

## SUPERVISORY COMMITTEE REPORT

### **The Supervisory Committee meets regularly 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, 2023, and the Annual Audit of our Financial Statements (Audit) for the year ended September 30, 2023. It is WIPFLi's opinion that the financial statements present fairly, in all material respects, the financial position of Consumers Credit Union (CCU) at September 30, 2023, 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 2023 Board of Directors meeting, with each Director receiving a copy of these reports.

In 2023, WIPFLi also conducted limited scope audits of our 401(k) Plan and Trust and Defined Benefit Plans as of December 31, 2022, 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 2022 financial statements and schedules, other than that derived from the information certified by the trustee (TruStage), have been audited and are presented in compliance with the Department of Labor's Rules and Regulations for Reporting and Disclosure under ERISA.

### **Supervisory Committee**

- Kenneth Robinson, *Committee Chairman*
- Frankie Masi
- Denise Charts, *Recording Secretary*
- Derek Christopher
- Miten Champaneri
- Tricia Strong
- Kenya Tassin

WIPFLi also conducted a Bank Secrecy Act (BSA) examination in 2023 .

FORVIS, LLP conducted an Information Technology general controls audit in 2023.

In 2023, CCU was examined by the National Credit Union Administration (NCUA).

During 2023, 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 for the year and a separate Compliance Review Plan for the year. The Internal Audit team conducted the required annual internal audits. Additionally, Internal Audit reviewed several areas throughout the organization, such as loans, deposits, insider loans and shares, system access, mobile deposit, Zelle, ACH, wire transfers, real-time payments, fixed assets, credit card operations, and collections. The Compliance team separately reviewed policies and procedures for compliance in several areas of the credit union such as business and retail new accounts, credit reporting, red flags, ACH, branch signage, consumer lending, and residential mortgages. The Supervisory Committee of the Board of Directors reviewed these reports.

# WHAT WE DID

## FINANCIAL CONDITION

ASSETS	2023	2022	Difference
Cash & Equivalents	\$222,602,269	\$194,464,495	\$28,137,774
Loans to Members	2,526,358,720	2,229,150,774	297,207,946
Investments	637,315,631	501,046,789	136,268,842
Fixed Assets, Net	60,243,962	46,103,509	14,140,453
Other Assets	79,110,241	77,679,287	1,430,954
<b>Total Assets</b>	<b>\$3,525,630,823</b>	<b>\$3,048,444,854</b>	<b>\$477,185,969</b>
<b>LIABILITIES &amp; MEMBERS' EQUITY</b>			
Current Liabilities	\$50,142,104	\$45,745,264	\$4,396,840
Total Borrowed Funds	446,714,129	137,974,966	308,739,163
Members' Shares & Certificates	2,781,359,182	2,662,138,423	119,220,759
Total Reserves & Net Income	247,415,407	202,586,200	44,829,207
<b>Total Liabilities &amp; Members' Equity</b>	<b>\$3,525,630,823</b>	<b>\$3,048,444,854</b>	<b>\$477,185,969</b>
<b>TOTAL MEMBERS</b>	<b>222,367</b>	<b>201,861</b>	<b>20,506</b>

## OPERATING STATEMENT

INTEREST INCOME	2023	2022	Difference
Interest on Loans	\$141,256,875	\$106,339,011	\$34,917,864
Investment Income	47,933,195	24,701,857	23,231,337
<b>Total Interest Income</b>	<b>\$189,190,070</b>	<b>\$131,040,868</b>	<b>\$58,149,201</b>
<b>INTEREST EXPENSE</b>			
Dividend Expense	\$40,318,511	\$13,806,752	\$26,511,759
Borrowed Funds	41,742,573	14,945,912	26,796,661
<b>Total Interest Expense</b>	<b>\$82,061,085</b>	<b>\$28,752,664</b>	<b>\$53,308,421</b>
Net Interest Income	107,128,985	102,288,205	4,840,780
Provision For Loan Loss	19,531,559	6,871,427	12,660,132
<b>Net Interest Income After Provision</b>	<b>\$87,597,426</b>	<b>\$95,416,777</b>	<b>\$(7,819,352)</b>
<b>OTHER INCOME</b>			
Service Charge & Other Fees	\$13,814,590	\$12,737,620	\$1,076,970
Other Operating Income	29,078,755	28,453,189	625,567
<b>Total Other Operating Income</b>	<b>\$42,893,345</b>	<b>\$41,190,809</b>	<b>\$1,702,536</b>
<b>OPERATING EXPENSES</b>			
Salaries & Benefits	\$40,553,334	\$50,492,601	\$(9,939,267)
Office Occupancy	4,693,994	7,719,072	(3,025,077)
Office Operations	17,102,416	16,151,105	951,311
Professional Services	11,622,694	9,941,759	1,680,935
Meetings, Travel, Conferences	413,784	278,317	135,468
Marketing	3,055,657	1,020,497	2,035,160
Loan Servicing	25,350,774	19,057,280	6,293,494
Miscellaneous Operating Expenses	3,361,798	3,665,940	(304,142)
<b>Total Operating Expenses</b>	<b>\$106,154,450</b>	<b>\$108,326,570</b>	<b>\$(2,172,119)</b>
Loss (Gain) on Investments/Loans/Assets	459,717	444,773	14,944
Other Re-Owned (OREO)	148,296	37,379	110,916
<b>Total Other Income/Expense</b>	<b>\$608,012</b>	<b>\$482,152</b>	<b>\$125,861</b>
<b>Net Income</b>	<b>\$23,728,308</b>	<b>\$27,798,865</b>	<b>\$(4,070,557)</b>

# WHAT WE DID

## FINANCIAL CONDITION

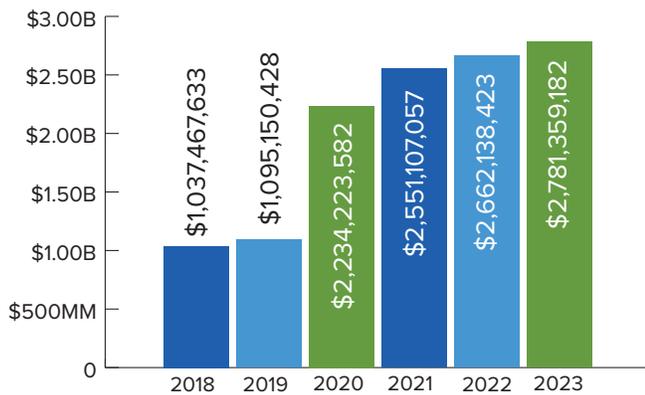
LOAN TYPE	2023 NUMBER	2023 AMOUNT	2022 NUMBER	2022 AMOUNT
New Auto	4,648	\$188,688,602	5,051	\$211,942,906
Used Auto	21,473	\$602,917,612	23,272	\$620,423,184
Motorcycle	262	\$3,209,962	350	\$4,417,332
Personal Watercraft, Snowmobiles, ATVs	62	\$1,992,301	103	\$3,772,372
Other Secured	1,393	\$22,783,450	1,260	\$20,043,077
Savings (includes Share and CD Secured)	141	\$3,432,906	136	\$2,284,357
Signature and Cosigner	1,608	\$14,076,304	1,934	\$15,872,750
Home Equity Loans	290	\$14,345,500	84	\$3,736,600
Home Equity Lines of Credit (HELOC)	322	\$11,583,400	220	\$8,168,767
First Mortgages	152	\$42,182,117	811	\$173,680,717
Commercial Loans	39	\$60,360,990	40	\$56,277,884
<b>Total</b>	<b>30,390</b>	<b>\$965,573,144</b>	<b>33,261</b>	<b>\$1,120,619,945</b>

### LOAN RECAP

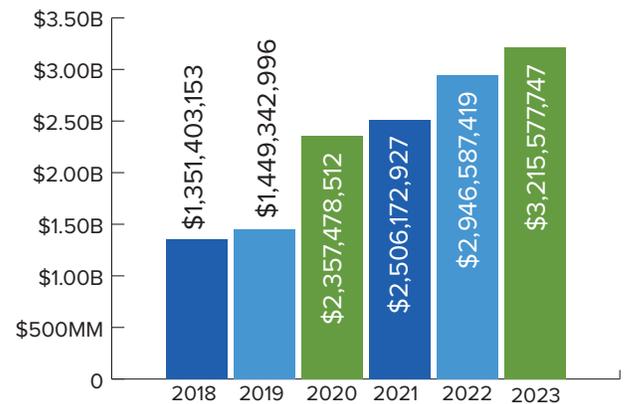
Extensions	386	\$8,456,266	745	\$16,601,668
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## OPERATING STATEMENT

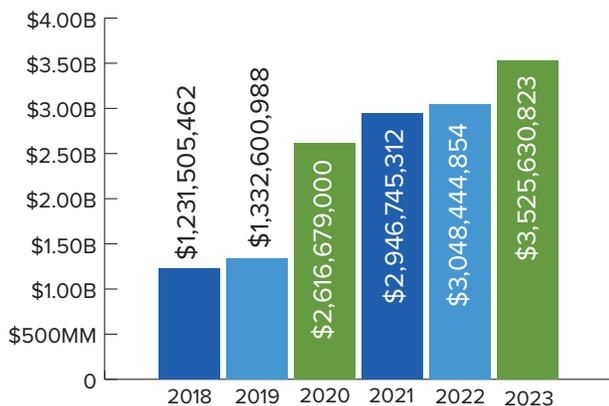
### DEPOSIT BALANCES



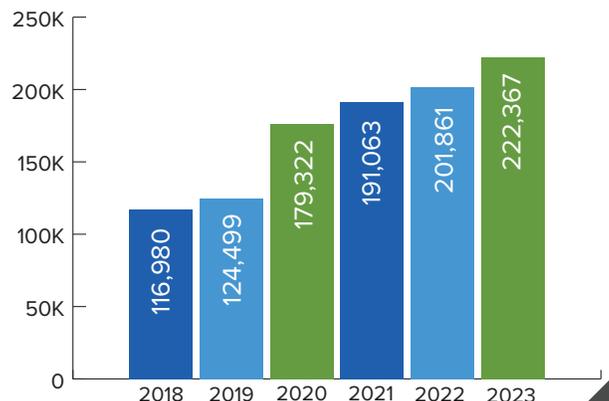
### SERVICED LOANS



### ASSETS



### MEMBERS



# WHY WE DO WHAT WE DO

## HIGHLIGHTS

- **Introduced CCU as “The People In Your Corner”** through a comprehensive marketing campaign
- **Sold Gurnee Administration Building** and Exited Schaumburg Offices
- **Opened new Arlington Heights Branch**; Completed Extensive Remodel of Waukegan Branch
- **Fully deployed ITMs** with video tellers throughout the branch network. 66% of everyday member transactions are through ITMs
- Our vendor management efforts resulted in **\$15 Million in life-of-contract savings**
- **New Advanced Consent program** allows members 65 and older to designate a safe and trusted contact
- **Launched our new apprenticeship program** with College of Lake County
- **Joined the Real Time Payments network**, enabling immediate funds transfer to/from participating entities
- Received the coveted **Great Place To Work designation**, based largely on employee feedback
- **Installed the Creatio CRM platform**, consolidating member data from many systems and improving member service
- Greatly improved the experience for members applying for a mortgage by **moving to the Encompass system**
- Added **Jumio fraud mitigation** for new accounts
- **Increased deposit flows** by accepting new deposits from public entities
- Enhanced call center staffing and **greatly improved speed-to-answer times**
- **Improved the digital experience**, with the ability to customize your digital banking display; made direct deposit and external accounts setup easier; launched digital issuance of credit and debit cards







# THE PEOPLE IN YOUR CORNER

 **CONSUMERS**  
CREDIT UNION  
The people in your corner.