

COMMITTED TO  
BEING YOUR  
TRUSTED  
FINANCIAL  
PARTNER THAT  
EMPOWERS  
YOU & YOUR FAMILY  
TO LIVE A  
BETTER LIFE

ANNUAL  
**2021**  
REPORT



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2021 Highlights

# 92<sup>ND</sup> ANNUAL MEETING OF CONSUMERS CREDIT UNION

**March 9, 2022**

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**Great Wolf Lodge**

1700 Nations Drive

Gurnee, IL 60031

**Agenda:**

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- Welcome
- Mr. Scott Drabicki, Chairperson of the Board
- Call to Order
- Determination of a Quorum
- Report of the Registration Committee
- Reading and Approval of Agenda
- Approval of Minutes of 91st Annual Meeting
- Report to the Members
- Report of the Nomination, Supervisory,  
and Finance Committees
- Election of Board of Directors
- Unfinished Business
- New Business
  - A.
  - B.
- Adjournment

# PRESENT & 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:

- 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 – *Chairperson*
- John Fiore – *Vice Chairperson*
- Denise Charts – *Secretary*
- Frank C. Soyka – *Treasurer*
- Ann Campanella
- Spiro Giotis
- Demar Harris
- Bob Hubberts
- John R. Janezic
- Spiridoula (Litza) Mavrothalasitis
- Benjamin Olson
- Joseph M. Rajcevich
- Kenneth Robinson

## ASSOCIATE BOARD MEMBER:

- Michael Wogelius

## EMERITUS BOARD MEMBERS:

- Shawn Clisham
- James A. Mahnich, Sr

## COMMITTEE MEMBERS:

- Leslee Johnson
- Michael Raysakis
- David Weisman

## NOMINATION COMMITTEE:

- James A. Mahnich, Sr.  
*Committee Chairperson*
- John Fiore
- Spiro Giotis
- Leslee Johnson
- Kenneth Robinson

## BOARD CANDIDATES *(as approved by the Nomination Committee):*

- George Abraham (Applicant)
- Derek Christopher (Applicant)
- Francine (Frankie) Masi (Applicant)
- Lucille (Lucy) Rios (Applicant)
- Saba Shibberu (Applicant)
- Frank Soyka (Incumbent)
- Lionel Sweeny, Jr. (Applicant)
- Michael Wogelius (Applicant)



# CHAIRPERSON & CEO REPORT

**H**ere at Consumers Credit Union (CCU), your membership and living up to the trust you continue to place in us is, and will always be, at the heart of everything we do. Whether you've been with CCU for decades or are a new member, our goal is that you choose to bank with us because you can always bank on us to be there for you. As CCU continues to grow, it's important to reinforce that our commitment to living our mission of being a trusted financial partner that empowers you to live a better life remains unwavering.

Over the past year, we continued to focus on making good on our promise to put purpose and people before profits and renewed our resolve to stay focused on what matters most to us – you.

## Building up to better serve you

By successfully integrating all Andigo Credit Union products, services, and systems in September 2021, CCU made history by completing the largest merger of two credit unions the state of Illinois has ever seen. The combined organization is now the fifth largest credit union in the state, with more than 191,000 members and over \$2.9 billion in assets. We appreciate your support and patience throughout this monumental undertaking. With the merger now complete, we're intensifying our efforts to unlock and unleash the full value and benefits our combined organization has to offer.

## Taking action to better meet your needs

Your input continues to guide the future of CCU. From your feedback, we keep expanding our online and mobile banking capabilities. We added the popular Zelle® payment service, debit & credit card controls, a Rewards Checking tracker, domestic wire transfer options, faster access to credit card payment options and statements, and a 24/7 live chat function.

Many families continue to be affected financially by the pandemic, and CCU has made it a priority to be a trusted resource for assistance. We provided payment relief on \$50 million in loan balances and partnered with our members to modify over \$21 million in loans. At a time when budgets continue to be stretched, CCU refinanced nearly 4,500 vehicle loans in 2021 to save millions of dollars for members who had loans at other financial institutions. Also, we provided nearly \$270 million in home financing to help members purchase their dream homes or refinance their current homes.

Through our trusted partner GreenPath Financial Wellness, members used services like budgeting and savings assistance, debt management and home buying guidance, and educational resources to develop financial wellness plans tailored to their unique day-to-day needs.

Consumers Financial Group, CCU's investment and financial management team, continued to be an invaluable resource for members. Through one-on-one virtual meetings and complimentary online workshops, our experienced financial professionals helped members focus on planning for and achieving their longer-term financial goals.

## Growing with an eye toward the future

Despite ongoing uncertainty due to the pandemic, we continued to experience tremendous growth in 2021. We grew our membership by over 8% ending the year with more than 191,000 members. This metric, combined with growth in loans, shares, and overall assets, means your credit union is stronger than ever. We have never been more committed and better positioned to offer the very best in financial services, the latest technologies, and the exceptional personal service you expect and deserve.

We would like to thank our Board of Directors, staff, and most importantly, you our members, for your continued trust and support. We look forward to serving you in 2022 and beyond.



*Scott Drabicki*  
**SCOTT DRABICKI**  
Chairperson of the Board



*Sean M. Rathjen*  
**SEAN M. RATHJEN**  
CEO

# SUPERVISORY COMMITTEE REPORT

**T**he 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, 2021, and the annual audit of our financial statements (Audit) for the year ended September 30, 2021. 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, 2021, 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, 2021 Board of Directors meeting, with each Director receiving a copy of these reports.

In 2021, WIPFLi also conducted limited scope audits of our 401(k) Plan and Trust and Defined Benefit Plans as of December 31, 2020 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 2020 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 2021.

BKD, LLP conducted an information technology general controls audit in 2021.

In 2021, CCU was examined by the NCUA and the Illinois Department of Financial & Professional Regulation.

During 2021, 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, insider loans and shares, system access, mobile deposit, threat monitoring, ACH, wire transfers, collections, and loan servicing. The Compliance team separately reviewed policies and procedures for compliance in several areas of the credit union such as new accounts, mobile deposit, ACH, branch signage, deposit and loan products, and wire transfers. These reports are reviewed by the Supervisory Committee of the Board of Directors.

## Supervisory Committee:

- Kenneth Robinson – *Chairperson*
- Denise Charts – *Recording Secretary*
- Shawn Clisham
- Joseph Rajceovich
- David Weisman
- Michael Wogelius



## FINANCIAL CONDITION

ASSETS	2021	2020	Difference
Cash and Equivalents	\$ 148,183,304	\$ 126,137,473	\$ 22,045,831
Loans to Members	1,734,821,709	1,636,788,479	98,033,230
Investments	927,442,288	725,170,971	202,271,317
Fixed Assets, net	36,446,611	41,111,993	(4,665,383)
Other Assets	99,851,401	87,470,084	12,381,317
<b>Total Assets</b>	<b>\$2,946,745,312</b>	<b>\$2,616,679,000</b>	<b>\$ 330,066,312</b>
<b>LIABILITIES AND MEMBERS' EQUITY</b>			
Current Liabilities	\$ 29,657,220	\$ 27,317,790	\$ 2,339,430
Total Borrowed Funds	118,387,622	131,497,932	(13,110,310)
Members' Shares and Certificates	2,551,107,057	2,234,223,582	316,883,475
Total Reserves and Net Income	247,593,414	223,639,696	23,953,718
<b>Total Liabilities and Members' Equity</b>	<b>\$2,946,745,312</b>	<b>\$2,616,679,000</b>	<b>\$ 330,066,312</b>
<b>TOTAL MEMBERS</b>	<b>191,063</b>	<b>176,322</b>	<b>14,741</b>

## OPERATING STATEMENT

INTEREST INCOME	2021	2020	Difference
Interest on Loans	\$ 83,298,318	\$ 73,070,325	\$ 10,227,994
Interest on Investments	6,565,745	4,728,905	1,836,840
<b>Total Interest Income</b>	<b>\$ 89,864,064</b>	<b>\$ 77,799,230</b>	<b>\$ 12,064,834</b>
<b>INTEREST EXPENSE</b>			
Member Dividends	\$ 8,863,489	\$ 9,298,767	\$ (435,278)
Borrowed Funds	3,209,645	3,473,121	(263,476)
<b>Total Interest Expense</b>	<b>\$ 12,073,134</b>	<b>\$ 12,771,888</b>	<b>\$ (698,755)</b>
<b>Net Interest Income</b>	<b>77,790,930</b>	<b>65,027,342</b>	<b>12,763,588</b>
<b>Provision for Loan Loss</b>	<b>5,965,925</b>	<b>8,726,065</b>	<b>(2,760,140)</b>
<b>Net Interest Income After Provision</b>	<b>\$ 71,825,006</b>	<b>\$ 56,301,277</b>	<b>\$ 15,523,729</b>
<b>OTHER INCOME</b>			
Service Charges and Other Fees	\$ 11,542,902	\$ 10,213,659	\$ 1,329,243
Other Operating Income	31,191,513	24,667,374	6,524,139
<b>Total Other Operating Income</b>	<b>\$ 42,734,415</b>	<b>\$ 34,881,033</b>	<b>\$ 7,853,382</b>
<b>OPERATING EXPENSES</b>			
Salaries and Benefits	\$ 43,927,688	\$ 38,980,117	\$ 4,947,570
Office Occupancy	4,727,282	3,903,527	823,754
Office Operations	16,654,227	12,592,289	4,061,938
Professional Services	12,618,523	7,740,268	4,878,255
Meetings, Travel, Conference	113,084	140,751	(27,667)
Marketing	727,417	1,634,661	(907,244)
Loan Servicing	15,703,358	11,202,008	4,501,349
Miscellaneous Operating Expense	1,813,183	1,390,765	422,418
<b>Total Operating Expenses</b>	<b>\$ 96,268,762</b>	<b>\$ 77,584,387</b>	<b>\$ 18,700,375</b>
Loss (Gain) on Investments/Loans/Assets	(20,091)	(550,401)	530,310
Other Re-Owned (OREO)	0	9,180	(9,180)
<b>Total Other Income/Expense</b>	<b>\$ (20,091)</b>	<b>\$ (541,221)</b>	<b>\$ 521,130</b>
<b>Net Income</b>	<b>\$ 18,294,749</b>	<b>\$ 14,139,144</b>	<b>\$ 4,155,605</b>



## LOAN SUMMARY

LOAN TYPE	2021 Number	2021 Amount	2020 Number	2020 Amount
New Auto	2,902	\$ 99,361,316	3,343	\$ 106,653,120
Used Auto	17,190	412,676,250	13,128	293,290,888
Motorcycle	312	3,349,730	421	3,806,676
Personal Watercraft, Snowmobiles, ATVs	162	4,853,682	141	4,170,781
Other Secured	951	13,174,407	810	9,222,241
Savings (includes Share and CD Secured)	124	1,643,754	128	4,057,228
Signature and Cosigner	1,470	11,196,727	1,415	10,563,705
Home Equity Loans	27	946,200	35	1,210,800
Home Equity Lines of Credit (HELOC)	263	15,187,757	441	13,683,195
First Mortgages	2,879	369,571,285	1,436	301,428,365
Commercial Loan	58	55,188,340	52	41,288,185
<b>Total</b>	<b>26,338</b>	<b>\$ 987,149,448</b>	<b>21,350</b>	<b>\$ 789,375,185</b>

### LOAN RECAP

Rewrites and Extensions	701	\$ 23,091,116	600	\$ 10,178,907
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## HISTORICAL DATA

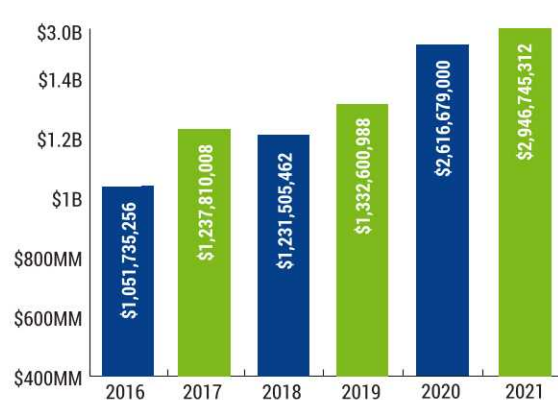
### DEPOSIT BALANCES



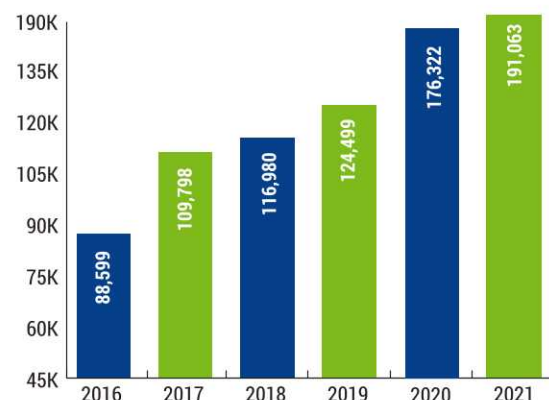
### SERVICED LOANS



### ASSETS



### MEMBERS



### Finance Committee:

• Frank Soyka – *Chairperson* • Demar Harris • Bob Hubberts • John Janezic • Michael Raysakis

# HIGHLIGHTS

## 2021



**A year for the record books!** Consumers Credit Union made history by successfully completing the largest integration of two credit unions that the state of Illinois has ever seen. In ending 2021 with more than 191,000 members and over \$2.9 billion in assets, we're proud to be the fifth largest credit union in the state.

**Enhanced branch experience.** We've continued to make our 12 full-service branches even more member-focused and efficient. This has included remodeling certain locations, adding extra drive through lanes, and upgrading and adding ATMs and Interactive Teller Machines (ITMs).



**New, more convenient digital banking services.** Based on ongoing member feedback and suggestions through our member survey tool, we continue to expand CCU's online and mobile banking capabilities – which now include Zelle®, debit & credit card controls, Rewards Checking tracker, domestic wire transfer requests, faster access to credit card payment options & statements and 24/7 live chat.

**Ongoing commitment to our communities.** CCU continued to demonstrate our ongoing commitment to the future leaders of America by awarding 21 scholarships to high school seniors, for a grand total of \$50,000! In addition, over 25 local and national organizations and the people they serve have benefited from over \$100,000 in donations from CCU.



**Honored and humbled by recognition and accolades.** We're proud that for the fourth year in a row, CCU has been recognized as one of the Forbes Best-In-State Credit Unions. And we're incredibly honored that MyBankTracker just recognized CCU as one of the top three credit unions in the nation. Not to mention our Rewards Checking Account has been acknowledged by WalletHub, NerdWallet, Investopedia and CNBC.

[illegible]

BE TRANSPARENT  
KEEP IT SIMPLE  
BE HELPFUL  
ACT WITH  
INTEGRITY



BE POSITIVE  
EMBRACE INCLUSION  
& DIVERSITY

