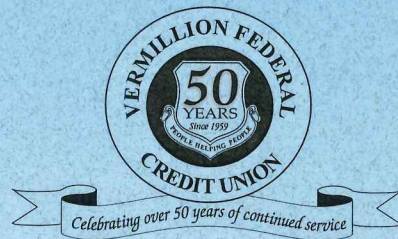


# *Vermillion* FEDERAL CREDIT UNION



## *2018 Report 59th Annual Meeting*

*Wednesday, April 10, 2019*



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The mission of Vermillion Federal Credit Union,  
through member ownership and involvement,  
is to provide financial services in a professional and responsive  
manner, reflecting the credit union philosophy,  
“People Helping People”.

## BOARD OF DIRECTORS

President	Cathi Powell	Term Expires 2021 Volunteer since 1996
Vice President	Phil Terwilliger	Term Expires 2021* Volunteer since 2018
Treasurer	David Moen	Term Expires 2020 Volunteer since 2013
Secretary	Ruth Bremer	Term Expires 2020 Volunteer since 1999
Compliance/Security	Patty Larsen	Term Expires 2020 Volunteer since 2016
Marketing/Operations	Karen Davies	Term Expires 2019* Volunteer since 2018
Personnel Director	Aaron Fader	Term Expires 2019* Volunteer since 2006

## SUPERVISORY COMMITTEE

Chair	Deb Larson	Volunteer since 1995
Member	Kevin Loftus	Volunteer since 2009
Member	Teresa Chasing Hawk	Volunteer since 2015

\* Term Expires

## Minutes of the 58th Annual Meeting

The 58th Annual Meeting of the Vermillion Federal Credit Union was held Wednesday, April 12, 2018 at the Credit Union.

President Powell called the meeting to order at 4:03 pm with 18 members in attendance and 1 guest. She asked if everyone had read the minutes of last year's annual meeting and called for any additions or corrections to those minutes. Ruth Bremer made a motion to dispense with reading the minutes aloud and accept them as written. 2<sup>nd</sup> by Rod Tieman. Motion carried.

David Moen was unable to attend but had provided the Treasurer's Report. Janet Mount read his report. Moen reported during 2017 the credit union's assets grew by approximately 1.25% from \$16.81 to \$17.02 million. During the 6 year period from December 2011 to December 2017, the credit union has experienced a 10.8% growth in assets from \$12.09 to \$17.02 million. At year-end, there were 1,074 loans out with an outstanding loan balance of \$9.094 million. That represents a 9.5% growth in the outstanding loan balance in the past year. The average loan balance was \$8,467. Approximately 44.3% of the membership has a loan. Dividend expenses should be \$27,384.34 instead of \$21,384.34 resulting in a net profit of \$80,475.76. Membership grew from 2,376 to 2,422 a 1.94% increase. For the eighth year in a row, a bonus patronage dividend on savings and interest rebate were paid to the members in 2017. After these patronage dividends were paid, the net income for the year was \$98,596. In summary, Moen commented that the credit union continues to do very well. Motion to approve the Treasurer's Report was made by Rod Tieman and 2<sup>nd</sup> by Aaron Fader. There was no discussion, motion carried.

Supervisory Report was given by Deb Larson. Kevin Loftus and Teresa Chasing Hawk were not present. She noted the committee meets 6 times per year. She has been on the committee since 1995, Loftus has been on since 2009, and volunteer Teresa Chasing Hawk since January 2015. Larson stated Supervisory committee would report any finding from auditors or any concerns that the committee has to the Board of Directors. She mentioned that a list of some the things the committee reviews at their meetings are written in the annual meeting book. She meets with the NCUA examiner and reports any findings back to the rest of the committee. There was nothing significant to report from her meeting with NCUA. She asked if there were questions, there were none. Motion to approve the Supervisory Committee Report was made by Rod Tieman, 2<sup>nd</sup> by Jeanette Williams. There was no discussion, motion carried.

Loan Report was given by Loan Officer, Jamie Neitzke. Neitzke covered the loan officer report and referenced the charts available in the Annual Meeting Report booklet. She mentioned that we had increased the number of loans written from 2016 to 2017. The board offered the July loan special, Christmas holiday loans, and loan skips. The members really like that option. We continue our relationship with CU Mortgage Direct. Neitzke talked about the new indirect lending program we have with one dealer, but she

hopes to add another one this year. Through indirect lending, we have approved 34 applications for a total of over \$320,000 that we probably would not have gotten without the program. Neitzke continues to stay busy in the community by volunteering for different things. Motion to approve the loan report was made by Rod Tieman, 2<sup>nd</sup> by Ruth Bremer. There was no discussion, motion carried.

Cathi Powell gave the President's Report. She commented that each month when the Board meets, there are discussions on how best to maintain the financial stability of the credit union while meeting the member's needs and giving them the best pricing for financial services. Powell talked about the memberships we have with different organizations and the training that was received in 2017 because of those relationships. She mentioned that we still share branch with Services Center in Yankton, and have surcharge fee ATM access at some machines in Sioux Falls. Powell mentioned our loan specials, the extra ATM cash given at the Holidays, as well as the patronage dividend that was paid, the new TCR and that 2018 will bring business/commercial lending. Motion to approve made by Patty Larsen, 2<sup>nd</sup> by Rod Tieman. There was no discussion, motion carried.

President Powell called for the CEO's Report. Mount said her annual report was in the meeting booklet but there were a few updates to pass along. Mount said that Remote Deposit Capture (RDC) is working nicely. Our members are using it often. She commented that in 2017 the credit union had to foreclose on its first mortgage that was not paid, and that it was a learning process. We are also starting a rewards program, where members can earn points for using our everyday services. We started an immediate issue program with our debit cards, which will alleviate the wait for your card to arrive. She is looking forward to increasing our loan portfolio because of our new relationship with Pactola for business loans. There were no questions. Motion to approve was made by Rod Tieman, 2<sup>nd</sup> by Aaron Fader. There was no further discussion, motion carried.

President Powell called for any old business, there was not any. Powell called for any new business, there was not any. Powell introduced the candidates for Board of Directors: Cathi Powell and Lisa Terwilliger. There were no further nominations. Powell three times asked if there were any nominations from the floor. There were none. Aaron Fader called for nominations to cease and to approve the slate of candidates, 2<sup>nd</sup> Ruth Bremer. Motion carried. The elections were unanimous.

With no further discussion President Powell called for a motion to adjourn the meeting at 4:22 p.m. Motion made by Rod Tieman, 2<sup>nd</sup> Patty Larsen. Motion carried.

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Cathi Powell, President

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Ruth Bremer, Secretary

In attendance:

Ruth Bremer  
Cathi Powell  
Aaron Fader  
Carolyn Iverson  
Mara Davidson  
Patty Larsen  
Deb Larson  
Kathy Lynch  
Hazen Bye

Jeanette Williams  
Rod Tieman  
Kevin Brady  
Karen Davies  
Alexis Beckwith  
Jamie Neitzke  
Julie Becker  
Janet Mount  
Jack Powell

Guest: Melvin Walz

## Treasurer's Report

On January 1, 2018 our asset size was \$17.022 million and at year end our assets were \$17.703 million. In 2018 membership grew from 2422 to 2536. Loan demand also increased. Loans grew from a total of 1074 outstanding at the end of 2017 with an outstanding balance of \$9,093,823 to 1151 loans outstanding with a balance of \$10,055,462. This represents a 10.6% growth in the outstanding loan balance during the past year. The average loan balance was \$8,736. Approximately 45% of the membership has a loan.

Delinquency is monitored daily by the staff and monthly by the board of directors. In this industry, charge offs are a part of how we function and we are positioned to absorb those losses. In 2018 there was \$17,056.54 in loans charged off, with recoveries of \$2,270. Net loss on loans was \$14,787.

The PCA (Prompt Corrective Action) ratio shows the balance of regular reserves plus undivided earnings divided by total assets. The beginning of the year ratio was 12.07% and the end of the year 12.02%. Our business plan is for this ratio to be between 11% and 13%. The significance of this figure is to show the stability and efficiency of the credit union. If this ratio is low it means that the credit union is not working as efficiently as it should be and conditions need to be altered to improve the financial condition. If this ratio is too high it means that too much money is being reserved. The higher the ratio the better position the credit union is in to do things like increase share rates, add services or upgrade services already in place. This capital ratio remains well above the 7% minimum standard set by the National Credit Union Administration.

At the end of 2018, the credit union changed from personal and sick leave to PTO. Employees were paid out for sick leave which totaled about \$19,000. Patronage dividends and interest rate rebates were declared and paid again in December for a total of \$19,532. After these were paid the net profit for the year was \$73,533. With the extra December expenses it shows a slightly lower than normal percentage on our return on assets (ROA). Future projections show the credit union continuing to be successful.

	Dec 2014	Dec 2015	Dec 2016	Dec 2017	Dec 2018	Business Plan:	Peers: June 2018
Assets	\$15,920,518	\$16,671,083	\$16,811,837	\$17,022,294	\$17,703,741		
Loan/Shares	43.84%	51.40%	56.88%	61.82%	65.41%		58.60%
Delinquency	0.33%	0.20%	0.95%	0.23%	0.02%	<1.5%	1.06%
Accounts	2281	2290	2376	2422	2536	To increase	
PCA ratio	11.31%	11.25%	11.63%	12.07%	12.02%	11 to 13%	12.75%
Capital/assets	11.28%	11.18%	11.57%	11.90%	11.84%	>10%	12.76%
Income	\$62,532	\$74,963	\$80,472	\$98,596	\$73,533	No sharp increase or decline	
Return on Assets	0.40%	0.46%	0.50%	0.58%	0.42%		0.42%

Respectfully submitted,

David Moen, Treasurer

**Vermillion Federal Credit Union  
Balance Sheet  
12/31/2018**

**Assets**

**Current Period**

Loans to Members	\$	10,055,462.36
Allowance for Loan Losses	\$	(31,929.52)
<b>Total Loans to Members</b>	<b>\$</b>	<b>10,023,532.84</b>
Accrued Income	\$	46,829.98
Cash and Cash Equivalents	\$	471,331.99
Prepaid Accounts	\$	12,743.68
Investments	\$	6,322,120.61
NCUSIF	\$	147,134.54
Land	\$	44,466.76
Building	\$	544,710.52
Equipment	\$	90,870.21
Accrued Income		
<b>Total Assets:</b>	<b>\$</b>	<b>17,703,741.13</b>

**Liabilities and Equity**

**Liabilities**

Accounts Payable	\$	16,963.29
Other Obligations (CPA, backup withholding, prop tax)	\$	12,113.16
Accrued Employee Benefits	\$	146,304.01
Draft Processing Exceptions	\$	(25,348.19)
Shared Branching Settlement	\$	14,585.48
Sub Total	\$	164,617.75

Dividends Payable	\$	36,758.59
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**Total Liabilities:** \$ 201,376.34

**Equity**

Shares	\$	9,184,608.39
Share Drafts	\$	4,654,581.42
Total Certificates	\$	1,534,937.20

**Member Deposits:** \$ 15,374,127.01

**Reserves**

FMV of Investments		
Regular Reserves	\$	132,922.71
Undivided Earnings	\$	1,995,315.07

**Total Liabilities and Equity:** \$ 17,703,741.13



**Vermillion Federal Credit Union  
Annual Income Statement  
2018**

**Income**

Loan Interest Income	\$	493,249.74
Investment Income	\$	96,108.55
Fees and Charges	\$	150,001.21
Misc Fee Income	\$	199,927.35

**Gross Income** **\$ 939,286.85**

**Expenses**

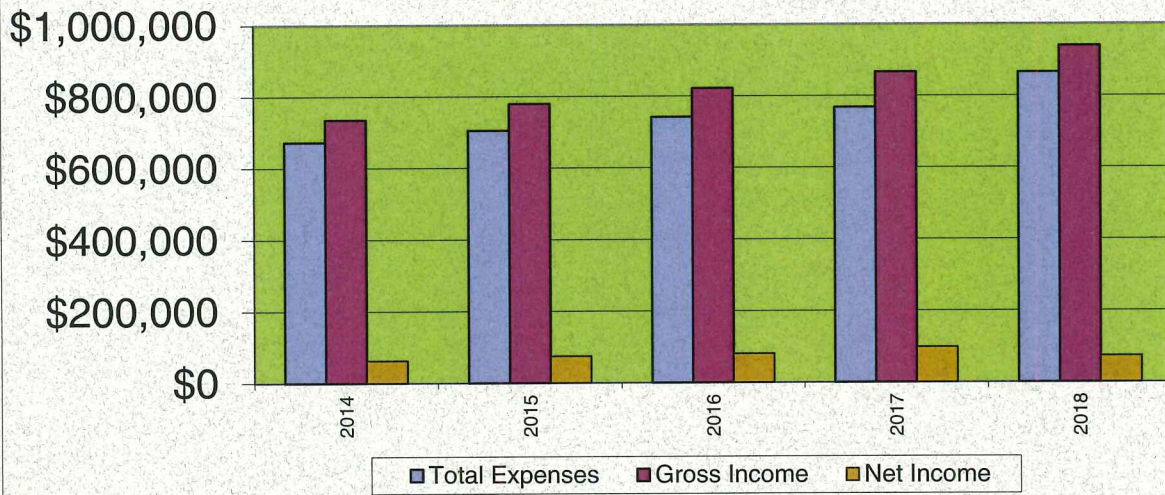
Total Operating Expenses	\$	824,862.86
Dividend Expenses	\$	40,890.87

**Total Expenses** **\$ 865,753.73**

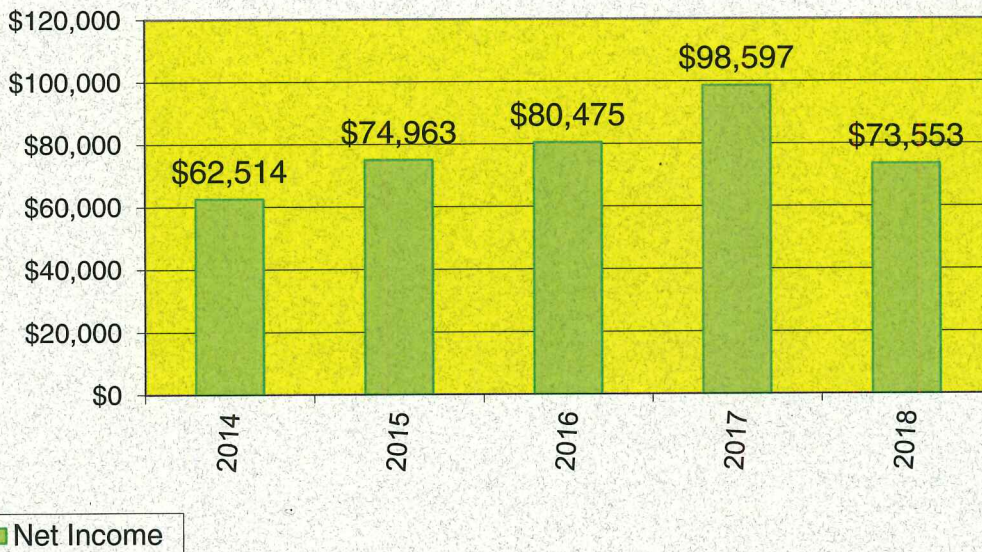
**Net Income** **\$ 73,533.12**

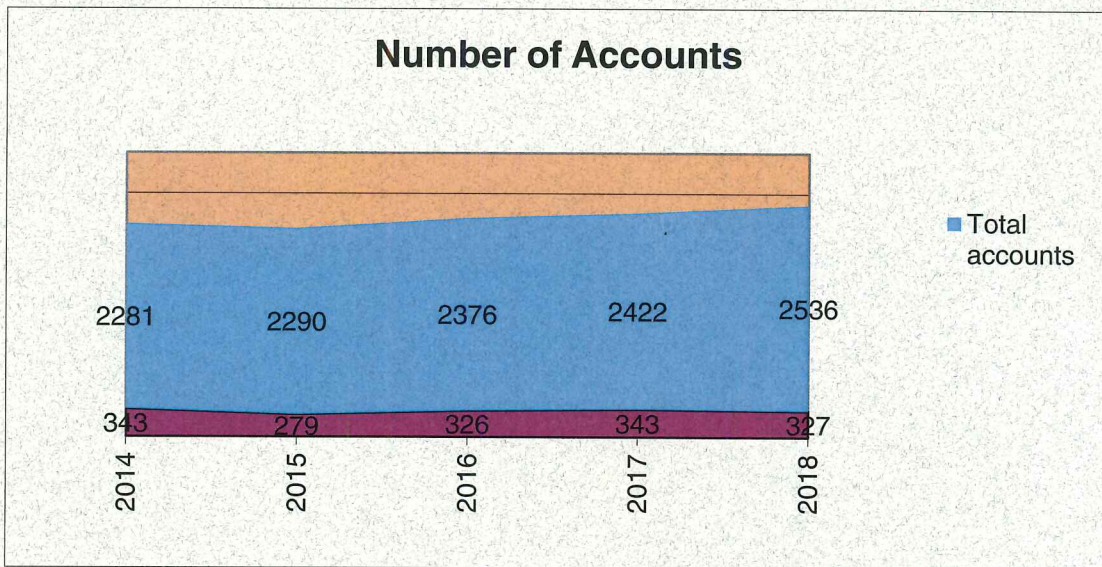
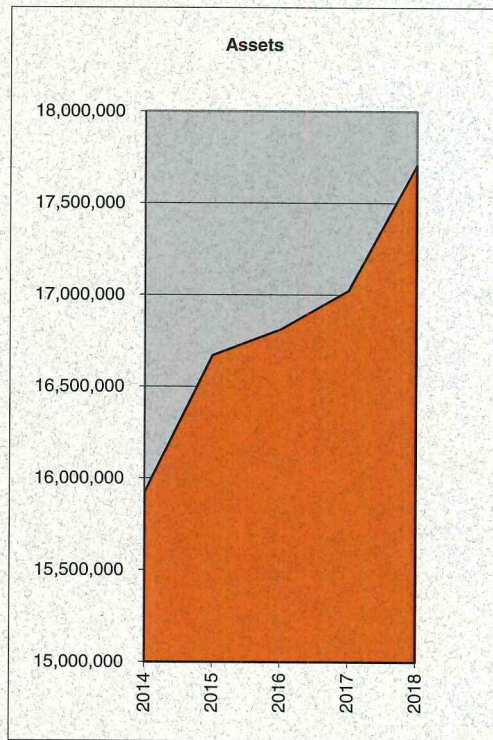
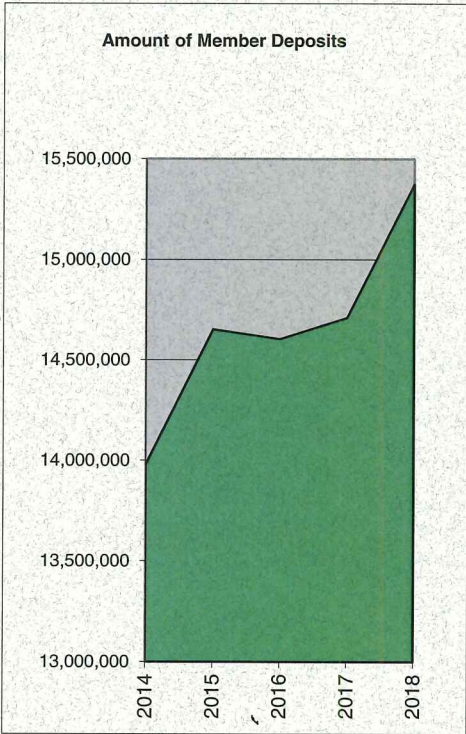
<b>12-31-2018      Members = 2,536</b>
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## Income, Expense, Profit

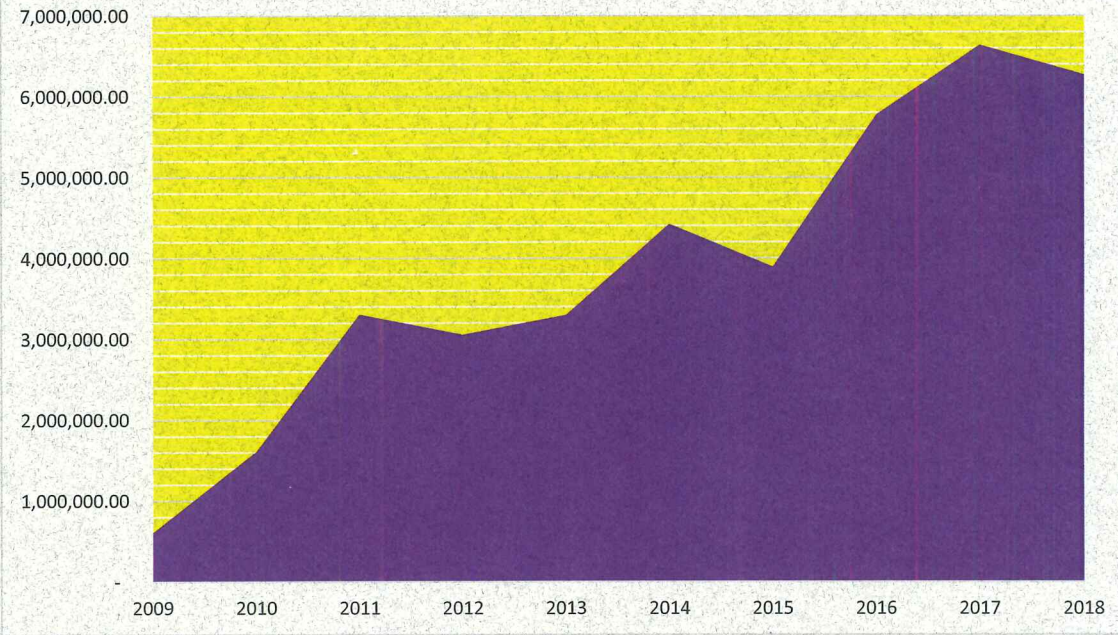


## Income





### CD Investments



### Loans, Investments, Assets, Deposits



## Supervisory Committee Report

The duty of the Supervisory Committee is to act as an independent auditor. The committee is made up of three individuals. On the committee is Kevin Loftus who has volunteered since June 2009, Teresa Chasing Hawk who has volunteered beginning in February 2015, and I have been on since 1995.

Members having concerns in regard to their account balances may direct comments to the Supervisory Committee for review and action. The committee then reports to the Board of Directors. The Board of Directors keeps the Supervisory Committee informed on action taken.

The Supervisory Committee met for 6 regular monthly meetings during 2018, including once with NCUA and once with the CPA firm. A partial list of agendas for meetings included:

- Verifying member account balances (including staff and volunteers)
- Count cash
- Review loan files
- Verifying dividends paid
- Verifying credit union balances with statements
- Analysis of paid ahead loan reports
- Verifying fixed assets for proper reporting
- Verifying delinquency or charged-off accounts to assure regulation compliance

In September the National Credit Union Association (NCUA) was at the credit union to perform their annual exam for the period ending June 2018. Allan Reinders did not have any significant items of concern for Vermillion Federal Credit Union.

In January 2019 the CPA firm of Quam and Berglin performed their onsite portion of the audit as of the end of year 2018. It was an unmodified opinion audit performed to GAAP standards. There were no significant findings. The firm was also here on December 31, 2018 to count cash.

The ACH audit was done in August 2018 by the compliance firm Vantage Point Solutions. There were no significant findings.

A Bank Secrecy/Anti-Money laundering audit was conducted in October 2018 by the Compliance Officer from the Credit Union Association Amy Kleinschmidt. A copy of the final report was given to the supervisory committee, NCUA and the CPA firm. There is always a need to stay up-to-date on laws and regulations concerning bank secrecy and anti-money laundering. The credit union is doing everything necessary to fulfill those obligations.

The annual SAFE audit was done by the Supervisory Committee in December.

Overall, Vermillion Federal Credit Union is doing well. The financial statements show a strong financial position with continuing strong, safe and sound practices.

Respectfully submitted,

Deborah Larson  
Supervisory Chair

## Loan Officer Report

In the year 2018, Vermillion Federal Credit Union experienced an increase in our amount of loans written. We wrote 642 new loans for a total of \$6.5 million as compared to 616 new loans for \$5.7 million in 2017. This increase was mostly due to more used vehicle loans and second mortgage loans. Of total loans outstanding at year-end our largest loan category by dollar amount was used vehicles with just over \$3.7 million. We also experienced some more loan growth in 2018 with \$807,000 more outstanding in loans at the end of the year compared to 2017.

Some of this loan growth can be attributed to the increase in our indirect lending with a local dealership. We doubled the number and amount of vehicle loans we granted through the indirect program from 2017 to 2018. We hope to add another dealership to the indirect program in 2019.

The Board of Directors approved the holiday loan and holiday loan skip program in November, December and January again this year. We had 81 members do a new holiday loan and 96 members took advantage of the holiday loan skip. We utilized a new piece of our software to make the members loans reflect the holiday loan skip this year. It was much easier and quicker for the members and me to use.

We are also continuing our relationship with CU Mortgage Direct. In 2018 we were able to participate in mortgage loans of almost \$1.6 million for our members. This program with CU Mortgage Direct allows the Credit Union to earn some interest for our members that are financing their mortgage with CU Mortgage Direct. It is a great program for both the Credit Union and our members.

I have continued my volunteer role on the board for the local chapter of Junior Achievement and as a Junior Girl Scout troop leader. Junior Achievement offers programs in the classrooms of our community schools teaching kids about financial literacy, entrepreneurship, and work readiness. I was able to teach a 2<sup>nd</sup> grade class about what makes up our community and how money moves through the community. It is very rewarding to work with these kids in our community.

Overall, it is a great to see our members utilizing our loan services. We will work to ensure that this trend continues in the years to come.

Respectfully submitted,

Jamie Neitzke  
Loan Officer

Vermillion Federal Credit Union  
 Loan Officer Report  
 January 1, 2018 through December 31, 2018

2018 YEAR TO DATE			2017 YTD	
APPROVED			APPROVED	
#	TYPE	\$	#	\$
<u>LOANS</u>	<u>OF LOANS</u>	<u>IN LOANS</u>	<u>LOANS</u>	<u>IN LOANS</u>
191	SIGNATURE	\$ 499,363.43	156	\$ 391,333.12
205	USED VEHICLE	\$ 2,401,522.97	197	\$ 2,041,061.86
28	NEW VEHICLE	\$ 797,344.60	26	\$ 796,256.20
8	SHARE SECURED	\$ 87,291.64	8	\$ 68,080.00
38	RECREATIONAL	\$ 434,268.87	43	\$ 450,854.00
5	OVERDRAFT	\$ 1,250.00	14	\$ 6,430.00
112	HOLIDAY/CHRISTMAS	\$ 177,828.80	124	\$ 180,344.00
10	FIRST MORTGAGES	\$ 1,262,500.00	12	\$ 1,342,745.00
13	SECOND MORTGAGES	\$ 449,277.00	8	\$ 157,125.00
4	REAL ESTATE - COMMERICAL	\$ 141,540.00	1	\$ 40,000.00
5	BUSINESS - NON-REAL ESTATE	\$ 125,090.00	7	\$ 181,401.00
5	MOBILE HOME	\$ 106,480.00	2	\$ 31,179.00
18	CREDIT CARDS	\$ 29,250.00	18	\$ 18,300.00
=====				
642	Subtotal	\$ 6,513,007.31	616	\$ 5,705,109.18
	Student Loans			
642	Grand Total	\$ 6,513,007.31	616	\$ 5,705,109.18

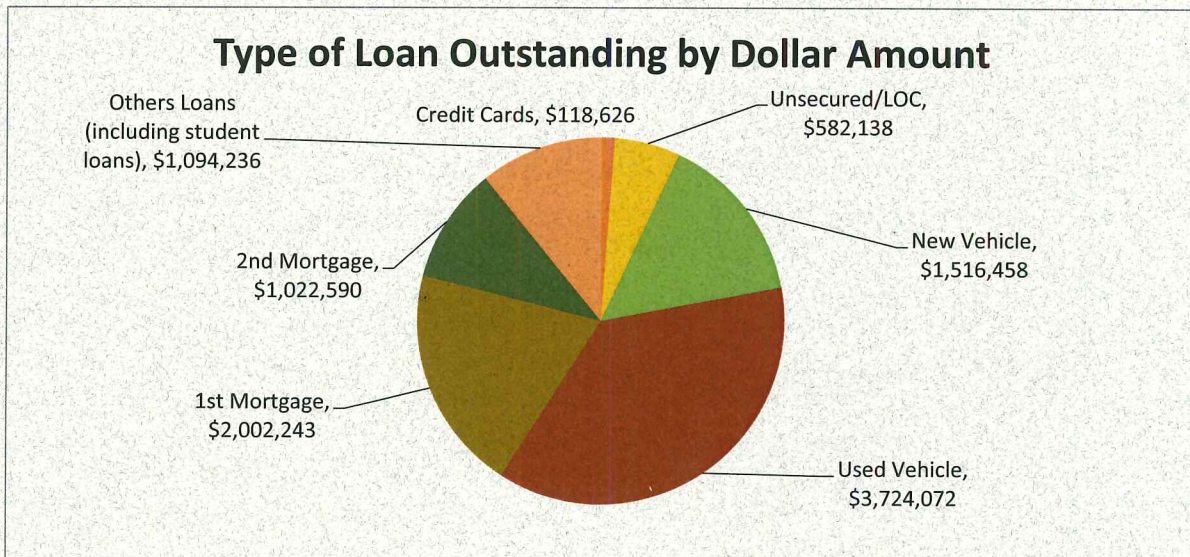
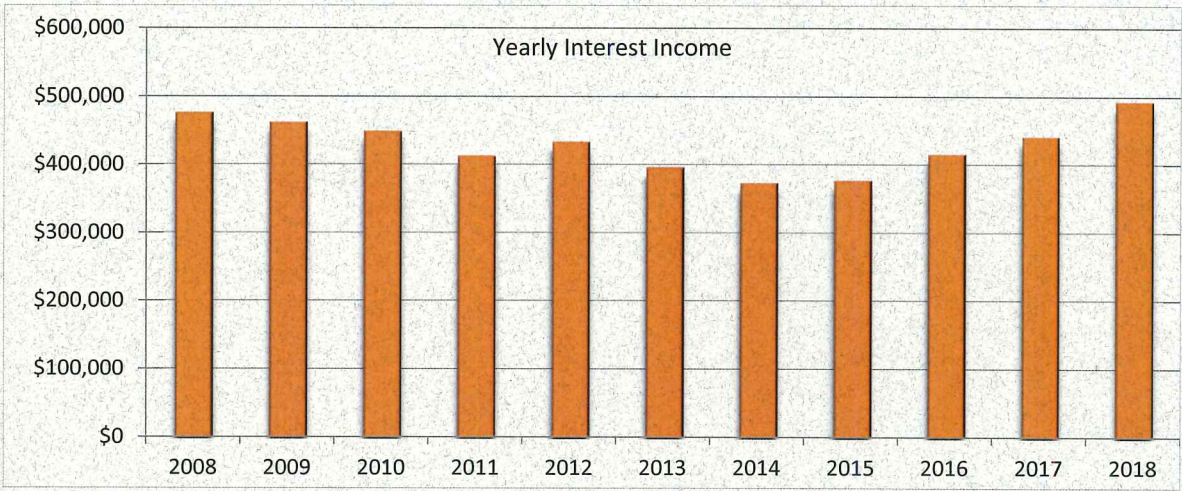
155	TURNDOWNS	
18	EXTENTIONS	
40	LOAN MODIFICATIONS	
10	PARTICIPATION MORTGAGES	\$1,599,384.60
9	PARTICIPATION MTGS REPAYED	\$1,487,568.60
41	INDIRECT LOANS	\$694,363.20
10	LOANS WRITTEN OFF	\$17,056.54
5	LOANS RECOVERED	\$2,270.00

642	Written in 2018	\$6,513,007.31
616	Written in 2017	\$5,705,109.18
629	Written in 2016	\$4,800,376.72
569	Written in 2015	\$5,393,896.88
529	Written in 2014	\$4,237,358.56
519	Written in 2013	\$2,820,327.21
478	Written in 2012	\$3,572,833.98

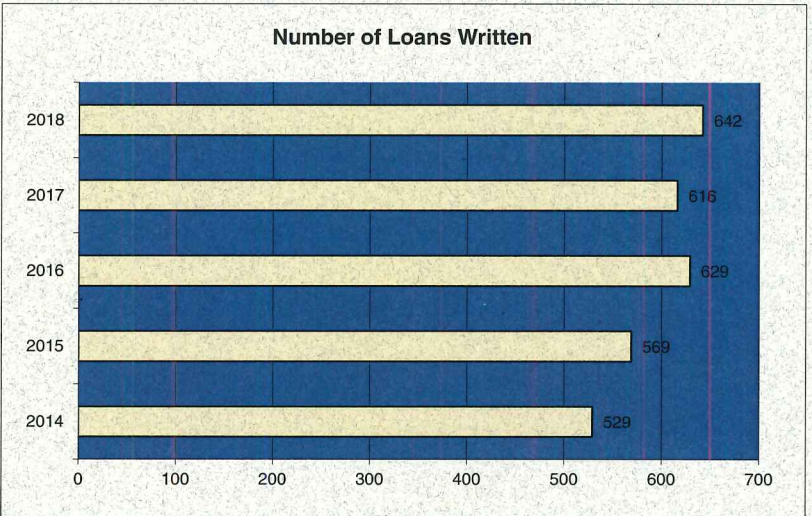
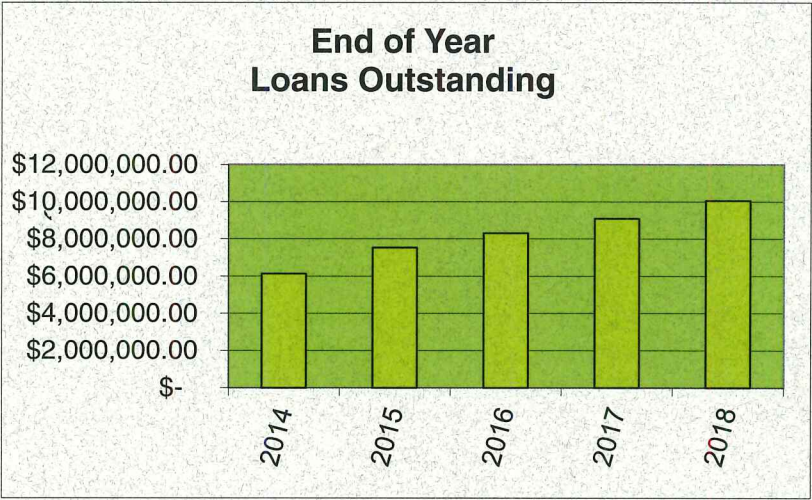
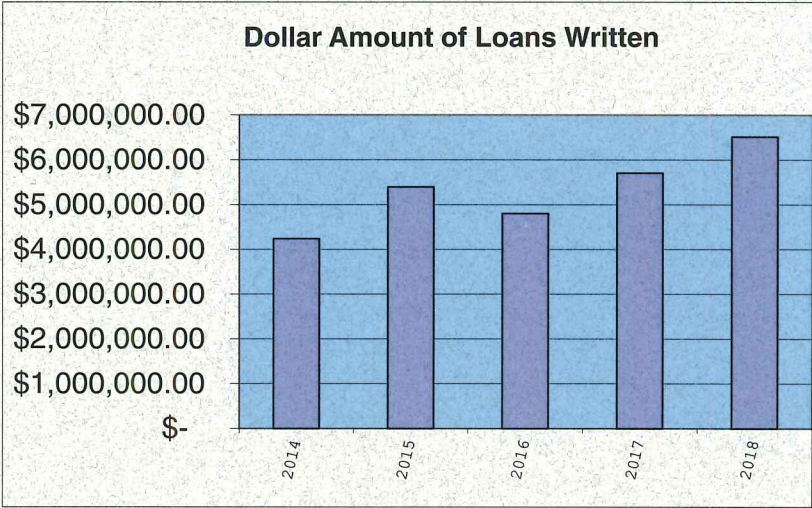
(Does not include student loans)

Loans written since origination	\$93,137,833.03
Loans charged off since origination	\$339,233.38
Recoveries since origination	\$94,206.13
Net charge offs since origination	\$245,027.25

Delinquent on 12/31/18	\$84,219.00
Current on 12/31/18	\$9,971,243.00







## President's Report

2019 is the 59th annual meeting of Vermillion Federal Credit Union. The charter was granted 60 years ago on April 29, 1959 by the Department of Health Education and Welfare, Social Security Administration. It was granted to SUSU (State University of South Dakota) and had its office in Julian Hall on campus. The first annual meeting was on February 2, 1960. At that time there were 56 members and had suffered only a small loss of \$34.34 since it opened. Through a series of expansions and mergers today we have 2536 members, assets of nearly \$18 million and a net income of over \$75,000. Growth doesn't happen over night. It takes volunteers on the Board of Directors and the Supervisory Committee to oversee the direction of the credit union. It takes the staff working together with the volunteers to assure success. That is exactly what has happened over the past 60 years.

One of the primary jobs of the Board of Directors is to set the rates and fees while balancing member needs with the financial stability of the credit union. Rates are reviewed monthly and can be adjusted as needed.

The year 2018 saw some changes and some planning for 2019. Our student loan portfolio was sold to NelNet. It didn't have any effect on the borrower other than where they made their payments. The administrative costs of having the program was more than the interest income. Commercial lending training was finished, and we are currently working on our first two commercial loan applications. Our software provider was moved from Services Center FCU in Yankton, SD to CUNorthwest in the state of Washington. We still have shared branching with Services Center members, and surcharge free ATM access to their machines, we just do not get our software from them anymore.

Memberships include: the National Association of Federal Credit Union (NAFCU) and to the Credit Union Association of the Dakotas (CUAD), the Upper Midwest Clearing Automated House Association (UMACHA), Vermillion Chamber of Commerce, WH Over Museum, Federal Home Loan Bank, CU Mortgage Direct, Alloya Corporate FCU, and Corporate Central FCU. These associations allow training and other opportunities on both a state and national level.

The credit union supports Junior Achievement (JA) with not only monetary donations, but Jamie is on their Board of Directors and Janet and Jamie volunteer to teach second graders JA's curriculum. One of the main areas of focus for JA is financial literacy which fits nicely into what we do as a credit union. Among the many other donations they include Heartland Humane Society, Vermillion Fire Department, United Way, the Vermillion Food Pantry, Vermillion Area Dance Association and the Vermillion Area Arts Council.

Offered in July (Christmas in July), November, December 2018 and January 2019 was the holiday loan program giving members the opportunity to get a loan at a reduced rate for up to one year. The proceeds can be used for those extra expenses that seem to pop up through the year. Also offered for November-December and January was

the opportunity to skip a payment and free up some cash for other things.

We made the holidays a bit brighter this year again with extra money in the ATM machines the week before Christmas. Instead of getting a \$20 bill, you may have gotten a \$50 bill when your cash was disbursed to you. SURPRISE AND HAPPY HOLIDAYS to those lucky enough to get a little extra money. Then if you got one, you could bring it into the credit union and if you allowed us to take your picture and post on Facebook, we would give you an extra \$20.

Since 2010 VFCU has been able to give back to the members in the form of an extra dividend and an interest rebate. A bonus dividend was paid on savings/CD's (25%) and an interest rebate (4%) was paid to qualifying members in the form of a deposit to their savings account. It is a very small way we can say thanks for being a member and that we are here to help you succeed. While not guaranteed annually, in 2018 it was again possible because of our financial stability.

Even though the credit union has existed for 60 years, the Board of Directors, the Supervisory Committee and the staff think this is just the beginning. Thanks to each of them and thank you to our members, who are the reason we spend the money, time and energy to offer to them a choice in financial services to help them meet their financial goals. With everyone working together we are confident the Vermillion Federal Credit Union will be able to succeed and meet the needs of our members far into the future.

Respectfully submitted,

Cathi Powell  
President, Board of Directors

## CEO Report

Looking back on the year 2018 again makes me wonder where time goes, and wonder why it goes so quickly? It was another great year at Vermillion Federal Credit Union. We were busy everyday meeting our member's needs. Our objective is to help all of our member to reach their goals. Members have to do the heavy lifting, but we want to help wherever we can. Our website and social media, such as Facebook, have changed the way the word about credit unions spread, but it still comes down to members sharing our message. Membership has grown here and in credit unions nationwide. We are grateful for being a part of our member's journey.

We take social responsibility very seriously. Not only does the credit union support organizations monetarily but also by volunteering with multiple groups and helping at events. We are fortunate to live in such a great community, and want to be an active part of it.

Andy Kronaizl left VFCU in March 2018 to move to Minneapolis. He is a branch manager at a credit union there, and from what I hear he is having great experiences at the credit union and enjoys the activity associated with being in a big city. In April or May we were notified that one of the commercials (Living the Dream) that we ran on Midco won a bronze medal at the National Telly Awards competition. You can see it and all of our video commercials on our website. In October Geoffrey Gray-Lobe joined the staff of Vermillion Federal Credit Union. Geoffrey has taken on many of the jobs that Andy did, and as Andy learned and Geoffrey is learning now, the job includes whatever else comes up. Decorating for Christmas comes to mind.

The day after Thanksgiving we started the Christmas decorations. The tree goes up in the Board room, then the rest comes out too. Among the other items that were out was a Christmas village, penguins, snow people, snowflakes, and a festive Christmas table. Members are invited to walk through our winter wonderland, and grab a piece of candy while they are there. There are many signs of the holiday throughout the building. A special thanks to Margaret Miller for making a quilt for us to display in the lobby at Christmas, it is beautiful. We are always grateful for Josette Lindahl's beautiful quilts that she provides us with other times during the year. They add something special to the décor.

In 2018, we introduced a program called temp to perm for debit card users. In the past you would have to wait around 7 days for your debit card to arrive. With this new program, we can hand you a temporary card that you can use immediately (well, the next morning) until the one with your name on it arrives. It works great, not only for new members but also if your card is lost or stolen. This option just became available on the market last year and we were one of the first to sign up. As a member of VFCU myself, I know that I use my card nearly every day and would be lost without it.

VFCU sponsored a sprint car in 2018. Our logo looks fantastic on the top of that car. Everyone likes a race car! Thanks to Barry Banks and Black Bear Racing for advertising for the credit union. He is even gracious enough to bring the car over to the front lawn once and a while. Now that gets attention from everyone passing by! It's great advertising.

Our free 2018 movie was in August. It was the Great Outdoors with John Candy and Dan Aykryod. What a great family movie. I still find myself shaking my head and saying "big bear" once in a while. We plan to have another free movie night or two in 2019. It's hard to choose from all the great movies available, so if you have a favorite one let us know and we'll check on getting it on the big screen.

The CUTalk feature was discontinued in 2018. This allowed you to get information on the phone through an automated system. You could do many of the things that you can do online or with the mobile app, by following the voice prompts. However, technology advances was making this very expensive to keep up due to not many people using it. Those who had used it were notified in advance, and understood why it had to be discontinued.

To show our members our appreciation for their membership once a year, in October, we celebrate International Credit Union Day. Typically we serve hamburgers and hot dogs. When the grill arrives, the food is served. Inside we had games such as Plinko and pop the balloon giving you a chance to win a prize. No cost to anyone. The community is welcome to come and find out what a credit union is. The winds blew horribly that day, which made setting and keeping the tent up interesting, but no one was blown over and the temperature wasn't bad so we are grateful for that.

You may not have noticed yet, but we are now offering reward points for just using your credit union services. For example, each month every time you use your debit card you may get a point. If you have a loan, you get a point, a termshare (CD) you get a point. Those points add up and you can use them for various rewards. There are promotional items you can redeem them for, such as a blanket or power bank. At the platinum level one of the options is to exchange points for a bonus rate on a CD, or a discount on a loan. The more times you use our services the faster your points add up. The best part may be that it doesn't cost you anything! You can find your reward points through online banking or simply by asking us. The point levels and examples of some prizes are on our website.

New to the Board since April 2018 is Karen Davies. Leslie Buryanek did not seek re-election. Also, due to an unexpected conflicting schedule, Lisa Terwilliger was unable to continue on the Board of Directors. However, her husband Philip Terwilliger accepted the Board of Directors appointment for him to take her spot. Welcome and thank you to both of them and thank you to our other Board of Directors volunteers and our Supervisory Committee volunteers. Without volunteers we cannot function.

I've said it before and will keep saying it. Thank you to all our members for being a member of Vermillion Federal Credit Union. Thank you to the volunteers and staff for making your credit union such a great place to be a part of. Together we will continue to live up to our commitment of serving our members. As it says on the first page of this booklet - The mission of Vermillion Federal Credit Union through member ownership and involvement is to provide financial services in a professional and responsive manner, reflecting the credit union philosophy "People Helping People". This quest will remain our priority in the things we do for the many, many years ahead.

Respectfully Submitted,

Janet Mount

## BOARD OF DIRECTORS CANDIDATES

**Karen Davies** is an Instructor in the Accounting and Finance Division at the University of South Dakota Beacom School of Business. She teaches undergraduate and graduate accounting classes, including Principles, Managerial and Governmental and Not-for-Profit. She has been on the VFCU board since 2018.

**Aaron Fader** is an American History teacher at Vermillion Middle School. Aaron has been on the Board since 2006. Aaron enjoys working with other board members and staff in making decisions that benefit the credit union members. He would like to continue helping the credit union grow and succeed by continuing his role as director.

**Phil Terwilliger** is the Deputy State's Attorney for Clay County, SD- a position he has held for the last 6+ years. He is married to Lisa Terwilliger, Clay County Register of Deeds, and is the father of Maggie (9) and Frederick (6). He currently volunteers on the boards of Vermillion Federal Credit Union, Vermillion Area Dance Organization (VADO), and may soon serve on the SESDAC board.

Phil is Chair of the Clay County Democrats. He enjoys spending time with his family more than anything else. He also enjoys working outdoors, cooking, running, sports, and fixing things. Phil and his family have been loyal VFCU members ever since moving to Vermillion in 2005. They have even starred in a VFCU commercial! Phil firmly believes in the credit union model and particularly in Vermillion Federal Credit Union's wonderful employees. He will work to maintain and expand its excellence in the coming years.