

MEMBERSHIP COMMITTEE REPORT

In 2018, 933 new members were accepted into our field of membership. Landmark Credit Union continues to be committed to providing affordable, high-quality financial services in a friendly, professional, and personal environment, while remaining loyal to the communities we serve. Landmark's total membership as of December 31, 2018 was 10,488. With each member having one vote under the credit union by-laws, the total number of votes outstanding as of December 31, 2018 was 10,488.

MEMBERSHIP COMMITTEE
Briteney Herbold, Chairperson

CREDIT COMMITTEE REPORT

The primary purpose of the credit committee is to review all lending activity of the credit union. Our goal is to ensure that our loan policies are being followed and that loan decisions are being made in a manner that is both fair to our members and consistent with the safety and soundness of the credit union. In addition, the credit committee reviews delinquent loans on a monthly basis and makes recommendations for action to the board of directors.

In 2018, the total number of applications received was 2,824, of which 2,317 were approved. The number of loans on the books at year-end was 3,138, totaling \$26,045,117. The number of Visa credit card accounts on the books at year-end was 1,058 billed cards, totaling \$1,449,640. The total loan and Visa portfolio balance at year-end was \$27,494,757, decreasing by \$1,467,159 during 2018.

In 2018, we enhanced collection efforts while continuing to work with our members to make arrangements on past due loans. Total charged off loans and Visa credit card accounts was \$239,962; an increase of \$92,654 from 2017, a majority of which resulted from one real estate foreclosure. We were able to recover \$50,080, reducing total net charge offs to \$189,883 for 2018. We continue to work to limit the amount of charge offs and delinquent loans to enhance the safety and soundness of the credit union.

We appreciate the opportunity to serve you and we welcome any suggestions that you may have to improve the lending operations of the credit union.

CREDIT COMMITTEE
Fred Thornsbrough - Chairman
Anna Melecosky - Secretary
Jeri Wilson

LOAN ACTIVITY

LOANS	2017	2018
Total Applications	3,452	2,824
Applications Approved	2,845	2,317
Total Dollars of Loans Approved	14,685,868	13,095,721
Total Number Of Loans on Book - Dec. 31	3,363	3,138
Total Dollars of All Loans - Dec. 31	27,433,368	26,045,117

VISA	2017	2018
Outstanding VISA Balance - Dec. 31	1,528,548	1,449,640
Number of Cards Outstanding - Dec. 31	2,110	2,078

CHARGE OFFS/RECOVERIES

Charge Offs	147,308	239,962
Recoveries	34,961	50,080
Net Charge Offs	112,347	189,883



A M E R I C A ' S
C R E D I T
U N I O N S TM

*Where people are
worth more than money.™*

LANDMARK CREDIT UNION

506 West Fairchild
Danville, IL 61832
217-442-9005

176 Eastgate Court
Danville, IL 61834
217-442-5690

220 South State St.
Westville, IL 61883
217-267-7060

1-800-533-5615

www.landmarkcreditunion.com

OFFICE HOURS:

	Drive-Up All Branches	Lobby Fairchild	Lobby Eastgate/Westville
Monday	7:30-5:30	8:00-5:00	9:00-5:00
Tuesday	7:30-5:30	8:00-5:00	9:00-5:00
Wednesday	10:00-5:30	Noon-5:00	Noon-5:00
Thursday	7:30-5:30	8:00-5:00	9:00-5:00
Friday	7:30-5:30	7:30-5:30	9:00-5:00
Saturday	8:00-Noon only Fairchild and Westville		

Your Community



Your Credit Union

**2018
ANNUAL
REPORT**

TREASURER'S REPORT

Landmark Credit Union continues to be committed to providing affordable, high-quality financial services in a friendly, professional, and personal environment, while remaining loyal to the communities we serve.

In 2018, total assets increased by \$2,469,814 to \$86,196,103; total member share balances increased by \$793,974 to \$76,458,415; total loan decreased by \$1,467,159 to \$27,494,757; net income was \$306,951 and the capital ratio was 10.23% at year-end, exceeding the 7% regulatory minimum to be considered a well-capitalized credit union. Total dividends paid on member share accounts totaled \$349,990.

As a result of the growth in asset size the credit union has experienced over the past several years, many new internal processes and procedures have been and are continuing to be implemented by the board of directors and management to ensure Landmark Credit Union continues to grow and remain a safe, sound and thriving institution for many years to come.

Jerry W. Harper, Jr.
President/Treasurer

SUPERVISORY COMMITTEE REPORT

The primary function of the supervisory committee is to review and audit operational policies and procedures in order to preserve the safety and soundness of the credit union. The committee is responsible to ensure that our records are accurate, our assets are secure, and that we comply with all credit union laws and regulations.

Under the direction of the supervisory committee, an independent financial audit was completed as of September 30, 2018 by AJ Underwood and Associates. The audit was conducted in accordance with generally accepted accounting principles and confirmed the financial soundness of the credit union. On a monthly basis, the supervisory committee reviews multiple internal controls and compliance reports. In addition, the independent rating agency, Bauer Financial, Inc., awarded Landmark Credit Union with a 5-Star Rating.

The supervisory committee is pleased to report that your credit union continues to operate in a safe and sound manner, complying with all state and federal laws, maintaining adequate reserves, and providing member services in accordance with our credit union mission.

SUPERVISORY COMMITTEE
Carl Robertson - Chairman
Gerald Block - Secretary
Steve Handley

2018 COMPARATIVE FINANCIAL STATEMENT

ASSETS

	2017	2018
MEMBER LOANS.....	28,961,916	27,494,757
ALLOWANCE FOR LOAN LOSSES	-274,373	-330,055
CASH AND INVESTMENTS.....	53,187,264	55,343,028
OFFICE AND EQUIPMENT.....	858,229	2,630,236
NCUA SHARE INSURANCE DEPOSIT	768,811	775,737
OTHER ASSETS.....	224,443	282,400
TOTAL ASSETS	83,726,290	86,196,103

LIABILITIES AND CAPITAL

MEMBER SHARES	75,664,441	76,458,415
ACCOUNTS PAYABLE	-474,158	915,703
RESERVES AND UNDIVIDED EARNINGS	8,536,007	8,821,985
TOTAL LIABILITIES AND CAPITAL.....	83,726,290	86,196,103

INCOME

INCOME FROM LOANS.....	1,604,257	1,533,608
INCOME FROM INVESTMENTS	690,269	1,026,519
OTHER INCOME.....	1,121,114	1,144,514
TOTAL INCOME	3,415,640	3,704,641

OPERATING EXPENSE

EMPLOYEE COMPENSATION AND BENEFITS.....	1,188,847	1,194,448
TRAVEL AND CONFERENCE	58,107	36,845
EDUCATION AND PROMOTION.....	62,849	54,754
OFFICE OPERATIONS AND OCCUPANCY	566,309	688,891
LOAN SERVICING EXPENSE	466,068	519,348
MEMBER INSURANCE.....	0	0
NCUA DEPOSIT INSURANCE PREMIUM.....	48,141	6,926
EXAM AND SUPERVISORY FEES.....	54,200	47,400
PROFESSIONAL AND OUTSIDE FEES.....	115,850	219,382
MISCELLANEOUS EXPENSES.....	56,370	34,929
TOTAL EXPENSES	2,616,741	2,802,922

NON-OPERATING EXPENSE (INCOME).....	0	0
PROVISION FOR LOAN LOSSES	93,757	245,564
DIVIDENDS	346,763	348,990
TOTAL EXPENSES	3,057,261	3,397,476

NET INCOME (BEFORE EXTRAORDINARY EXPENSES).....	358,379	307,164
EXTRAORDINARY NON-OPERATING EXPENSE	-47,370	-214
NET INCOME (AFTER EXTRAORDINARY EXPENSES).....	311,009	306,951