



CBI Federal  
Credit Union

ANNUAL  
REPORT  
2018

PROVIDING THE BEST  
VALUE



VEHICLE LOANS



MORTGAGES



CONVENIENCE



# CBI Federal Credit Union



## Annual Meeting March 13, 2019

### **Agenda:**

**4:15 p.m.** Registration

<b>4:30 p.m.</b>	Welcome and Introduction to 55 <sup>th</sup> Annual Meeting	Dave Lacey
	Call to Order and Read Notice of Annual Meeting	Dave Lacey
	Determination of Quorum is Present - Secretary of the Board	Richard Poirier
	Approval of the Minutes of CBI FCU's 54th Annual Meeting	

### **Reports to the Membership:**

Chair of the Board of Directors	Dave Lacey
Manager's Report	Michele Timpe
Treasurer's Report	Robert Doty
Chair of the Credit Committee	Ray Moen
Chair of the Supervisory Committee	Christopher Patti
Unfinished Business	
New Business	
Report of the Nominating Committee	
Call for Additional Nominations from the Floor	
Election of Directors	
Service Recognition	
Member Questions	
Door Prize Drawing— Illinois & Texas	
Motion for Adjournment	

# **CBI Federal Credit Union**

**2018 / 2019**

**Providing the Best Value**

## **Board of Directors**

**Dave Lacey**  
President

**Gerald Pettit**  
Vice President

**Robert Doty**  
Treasurer

**Richard Poirier**  
Secretary

**Jeff Garrison**  
Director

**Thomas Mullen**  
Director

**Nancy Nelson**  
Director

**Patricia Rice**  
Director

**Eugene Sheeren**  
Director

## **Executive Committee**

**Dave Lacey**  
**Richard Poirier**  
**Robert Doty**

## **Supervisory Committee**

**Christopher Patti, Chairperson**

Scott Harmon  
Jong T. Hwang  
Robert Latzke  
Douglas Miller

## **Credit Committee**

**Ray Moen, Chairperson**

Dan Carroll  
Rae Jensen  
Deanna Young  
Monique Antos

## **Credit Union Employees**

**Michele Timpe**  
Manager

**Fran Parkison**  
Assistant Manager

**Monique Antos**  
Loan Officer

**Kathleen Wilkinson**  
Member Service Rep

**MINUTES OF THE 2018 (54th) ANNUAL MEETING  
OF THE CBI FEDERAL CREDIT UNION**

The 2018 54th Annual Meeting of the CBI Federal Credit Union was held on March 14, 2018 in the Illinois Conference Room at the office of CB&I in Plainfield, Illinois, and via video link with members attending from the Woodlands, TX Office. President Dave Lacey chaired the meeting and Fran Parkison was the acting Secretary. Monique Antos supervised the recording of the attendance at the meeting.

The meeting was called to order at 4:45 p.m. by the Chair, who read to the assembled members the Notice of the Annual Meeting (a copy is attached to these minutes) which was posted on the bulletin boards throughout CB&I's Plainfield office as well as CB&I Woodlands, TX office. This notice was also mentioned in our quarterly newsletter that was mailed to all members. Michele Timpe reported to the Chair that a quorum was present. It was moved by Doug Miller, and seconded by Annette Foreman, to accept the minutes of the 2016 Annual Meeting. This motion was approved unanimously by the members.

Dave Lacey gave the **Director's Report** and stated that CBI Federal Credit Union continues to be a well-run and financially sound institution. The Board of Directors are volunteers as well as members with a vested interest in both the financial success of the Credit Union as well as the well-being of fellow members. This past year we experienced growth in membership, loans and achieved a record 65% loans to assets ratio. Our net worth ratio increased to 9.11% and we are appropriately capitalized for the future. Since financially we had a good year, we declared a special year-end bonus dividend of 0.15% on December 31, 2017.

As we look toward the coming year, we will continue stewardship initiatives in training, exploring McDermott / CBI growth opportunities, product and service surveys, and security assessments. The CBI Federal Credit Union has consistently upheld its commitment to our members and continues to be a viable and healthy financial cooperative. On a motion by Dick Poirier and seconded by Bret Schriver, the Director's Report was unanimously approved by the members.

Robert Doty presented the **Treasurer's Report**. The report included a summary of the Balance Sheet and Income Statements as of December 31, 2017. Total assets increased slightly from \$19.72M at the end of 2016 to \$19.74M as of 12/31/17. Savings and Share Draft accounts were down by \$329K and Member IRA Certificates and Term Share Certificates were up about \$186K for a net reduction of \$143K in member's accounts. Net Loans increased in 2017 by almost \$533K. Our Real Estate Loans saw a net increase of \$681K and regular loans decreased by \$148K. Visa balances increased by \$77K. On the Income Statement, Total Income for 2017 was up \$108K, Operating Expenses were up \$23K and the Provision for Loan Loss increased by \$19K. Net income for 2017 was up \$57K to \$118K (for 2017).

Our membership increased by 30 over the prior year. Non-performing loan charge-offs totaling \$44.6K were made in 2017, primarily due to Signature Loans and Automobile loans. The goal for Loans-to-Assets Ratio is to be over 60% and we achieved 64.7%, which was higher than 2016 due primarily to our increased First Mortgage Loan portfolio. During 2017, our dividend rate remained at 0.20%. Current interest rates in the market-place are expected to increase during 2018. On the motion of Jeff Rinehart, and seconded by Eugene Sheeren, the Treasurer's Report was unanimously approved by the members.

Michele Timpe presented the **Manager's Report** by thanking Robert Doty for his 15 years of service to our credit union since he retired in the early part of 2017. The credit union is going through changes in technology and is working on ways to communicate more securely through different channels. We recognized that our members are top priority and look for ways to give them a better experience. The credit union continues to put more details on the website to communicate to the membership concerning upcoming promotions and news. We look forward to the future of 2018 by bringing them more opportunities to do business with us. On the motion by Thomas Mullen, and seconded by Glenn Riley, the Manager's Report was unanimously approved by the members.

The **Credit Committee Report** was presented by Ray Moen, who reported that the committee consists of Deanna Young, Dan Carroll, Rae Jensen, Monique Antos and Ray Moen, as Chairman.

During 2017, the committee approved 213 new loan applications requesting more than \$2.9M, which was an increase of 4% from the \$2.84M approved in 2016. We continue to see new and used automobile loans to be one of our most popular programs. We currently have 453 VISA card accounts on file which have also been reviewed by the Committee. In 2017, 5 new First Mortgage Loans were completed for more than \$1.2M, and 43 new Instant Advance Loans were written for \$36K.

The Committee encourages fellow members to consider the Credit Union for their borrowing needs, especially with our 1.0% Cash Back on vehicle loans and other special loan programs. Ray also thanked Credit Committee members Dan Carroll, Deanna Young, Rae Jensen, and Monique for their time. On a motion by Glenn Riley, seconded by Pat Sheeren, the Credit Committee report was unanimously approved by the members.

The **Supervisory Committee Report** was presented by Doug Miller. The committee consists of Robert Latzke, Tyler Schofield, Christopher Patti, JT Hwang, and Doug Miller (Chairman). During 2017, Dennis J. Wagner, an independent Credit Union Consultant, was selected to perform the Annual Supervisory Committee Audit as required by NCUA rules. Dennis has performed the Agreed upon Procedures Audit and the Bank Secrecy Act (BSA) audits for previous years which resulted in our selecting a different period from the NCUA period to get a better comparison on data. We decided to have Dennis audit from October 2016 – June 30, 2017. There were no material concerns.

During the past 12 months, our committee conducted various audits throughout the year such as: surprise cash count on teller drawers; review on-going file maintenance report of member's accounts on shares, loans, address changes, etc.; bank reconciliations along with general ledger activity for allowance for loan loss and negative shares and dormant accounts followed all the way through to escheatment. No significant exceptions were noted in our various audits. On a motion by Ryan Gaines, and seconded by Nancy Nelson, the Supervisory Committee report was unanimously approved by the members.

Copies of all the reports, Agenda of the Annual Meeting, and the attendance list are attached to these minutes.

**Unfinished Business:**

Dave Lacey asked if there were any questions and further discussion was held to respond to various topics. The updated website was reviewed live, and members were encouraged to visit the site and view all of our products, services and to see any special loan promotions, offered throughout the year. Additionally, it was emphasized members should review the quarterly newsletter to catch up on the latest developments. Color pie-charts showing the breakdown of our Loan Portfolio, Shares/Deposits and the Distribution of Income and Expenses were presented. The following questions also arose:

- What states does our membership reside in? (Majority is Texas, Illinois and Louisiana).
- Do we foresee a Texas Branch Office? (Preference is to have one, and this continues to be evaluated, cost and space is an issue, but the outcome of the McDermott/CBI merger will be the primary decision maker.)
- Do we offer Shared Branching and what capabilities do the members have? Yes, there are nearly 5,000 service centers in all 50 states and some international like Guam. Members can locate those credit unions that participate in the CO-OP network by visiting our website to see what locations are in the area. At a shared branch, you have the ability to make deposits, withdraw or transfer funds, make loan payments or account inquiries.

Questions regarding the merger of CB&I/McDermott were presented:

- Where is McDermott located? (Houston is headquarters, best to visit McDermott's website for full international locations.)
- Do the McDermott employees already belong to a local credit union? (Yes, via available community CU's, but not a Select Employee Group (SEG) like CBI FCU. As we learn more post-merger, we will be evaluating the need to update our Field of Membership document.)
- Can McDermott employees join us? (Yes, but we have to confirm our field of membership language with the NCUA.)
- Would we have to change the name of the credit union? (CBI FCU is a separate entity, from CB&I, so CU name and business will continue to run as-is. Longer term plans, can only be evaluated post-merger.)

It was communicated to the members in attendance that as soon as the acquisition completes in May 2018, additional information can be shared as developments occur and we learn more. Until then, it is business as usual. The Board and CBI FCU Manager plan on contacting McDermott's senior management team and human resources leads to discuss plans.

**New Business:**

The President then called for nominations for the election of three directors. Thomas Mullen of the Nominating Committee gave the report. The Nominating Committee for this year's Annual Meeting of Members consists of Dave Lacey, Thomas Mullen, and Andrew Gould. The Committee nominated the following persons to be Directors of the Credit Union for a three-year term to March 2019: Jerry Pettit, Nancy Nelson and, Patricia Rice who volunteered to fulfill the directorship held by Andrew Gould who has elected to retire.. These three nominated persons were contacted and have volunteered to serve the members of the Credit Union. Thomas Mullen called for any additional nominations from the floor and there were none.

A motion was made by Jeff Garrison, and seconded by Joseph Fess, to unanimously elect these three nominated members. On behalf of the Credit Union Directors, Committees, Staff



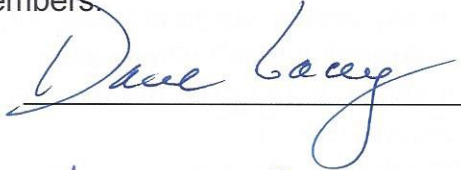
and members, Dave Lacey thanked and presented plaques to the following retiring directors for their years of service to the CB&I Federal Credit Union.

- Andrew Gould      3 years as Board Member and Security Officer
- Dennis Bass      16 years on the Credit Committee

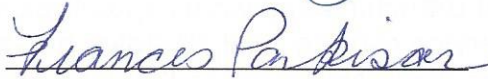
A drawing for six \$50 door prizes was held. Winners were: (IL) Hector Garcia, Randy Eberly, Chirag Shah, (TX) Blair Davis, Felipe Godinez and Ryan Gaines.

There being no further business to come before the meeting, the meeting was adjourned at 5:16 p.m., on a motion by Katie Wilkinson, and seconded by Jerry Pettit. This motion was unanimously approved by the members.

Dave Lacey, Chairman

A handwritten signature in blue ink that reads "Dave Lacey". The signature is written over a horizontal line.

Fran Parkison, Acting Secretary

A handwritten signature in blue ink that reads "Frances Parkison". The signature is written over a horizontal line.

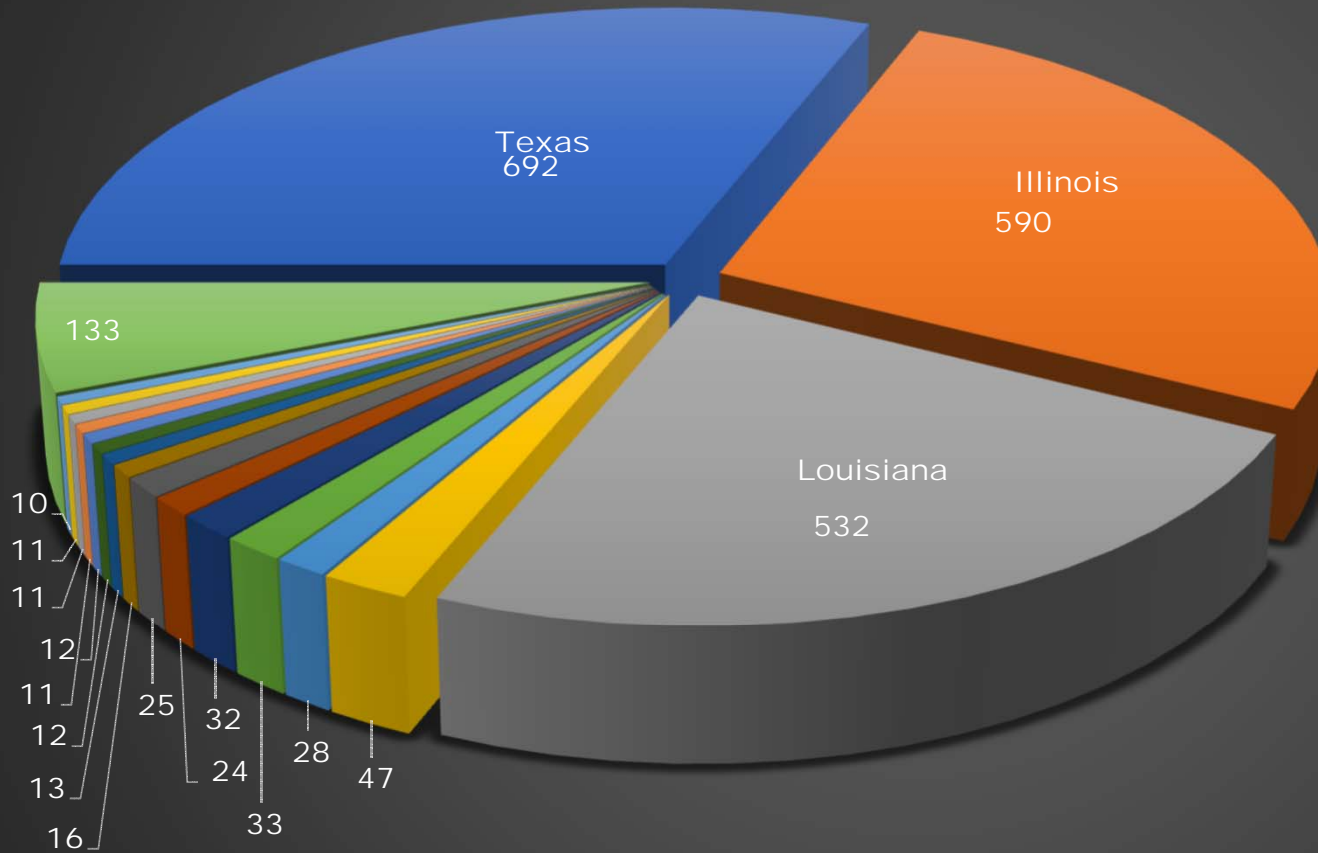
# Membership Location



**Credit Union membership resides in 17 US States out of 50 outlining that TEXAS, ILLINOIS AND LOUISIANA is where we have a high concentration of membership. We have 10 other accounts in other countries.**



## Member Locations



### No. of Accts BY STATE

- Texas = 692
- Illinois = 590
- Louisiana = 532
- California = 47
- Georgia = 28
- Florida = 33
- Alabama = 32
- Pennsylvania = 24
- N. Carolina = 25
- Ohio = 16
- S. Carolina = 13
- Minnesota = 12
- New Jersey = 12
- Indiana = 11
- Michigan = 11
- Oregon = 11
- Arizona = 10
- States / Countries < 10 Accts



CBI FEDERAL CREDIT UNION  
13717 S. Route 30, Unit 157  
Plainfield, IL 60544

Charter Number 15848

**Financial and Statistical Report**

**12/31/2018**

**12/31/2017**

**BALANCE SHEET**

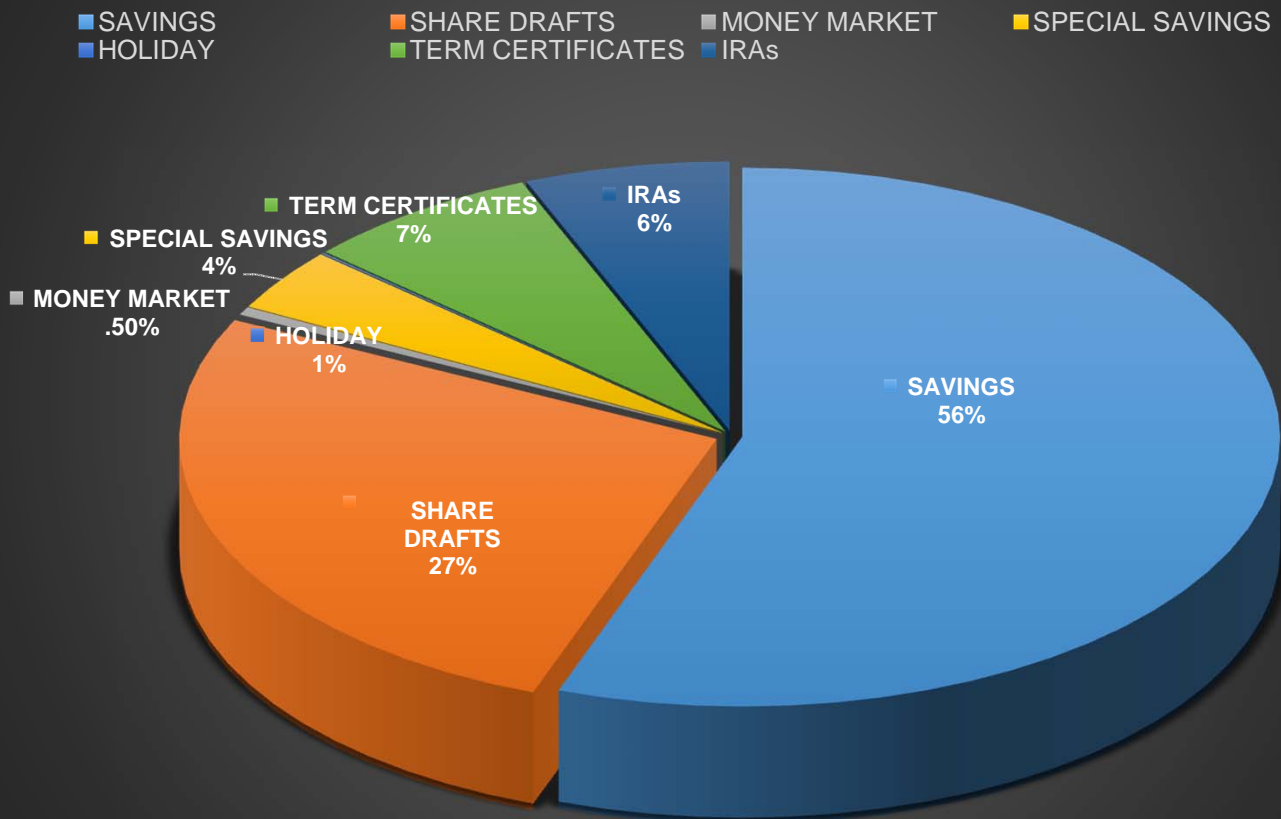
**Assets**

Regular Loans	5,272,588	6,987,585
First Mortgage Loans	4,654,616	4,572,533
Home Equity Loans	147,792	231,728
VISA Balances	864,242	980,183
<b>Total Loans</b>	<b>10,939,238</b>	<b>12,772,029</b>
Less: Allowance for Loan Losses	(70,623)	(73,996)
<b>Net Loans</b>	<b>10,868,615</b>	<b>12,698,033</b>
Cash	285,407	272,421
Federal Agency Securities / U.S. Gov't Obligations	600,000	800,000
Alloya Corporate F.C.U. Deposit	1,409,465	669,156
Alloya Corp. Certificates of Deposit	0	0
Certificates of Deposits at Banks & CUs	4,320,131	4,348,131
Money Market Accounts at Banks & CUs	815,557	513,138
VISA Clearing Fund	36,781	41,739
NCUSIF Capital Deposit	177,302	177,169
<b>Net Investments</b>	<b>7,359,236</b>	<b>6,549,333</b>
Furniture, Equip. and Office Space (net of depreciation)	0	1,402
All Other Assets (prepaids and accruals)	129,546	221,961
<b>Total Assets</b>	<b>18,642,804</b>	<b>19,743,150</b>

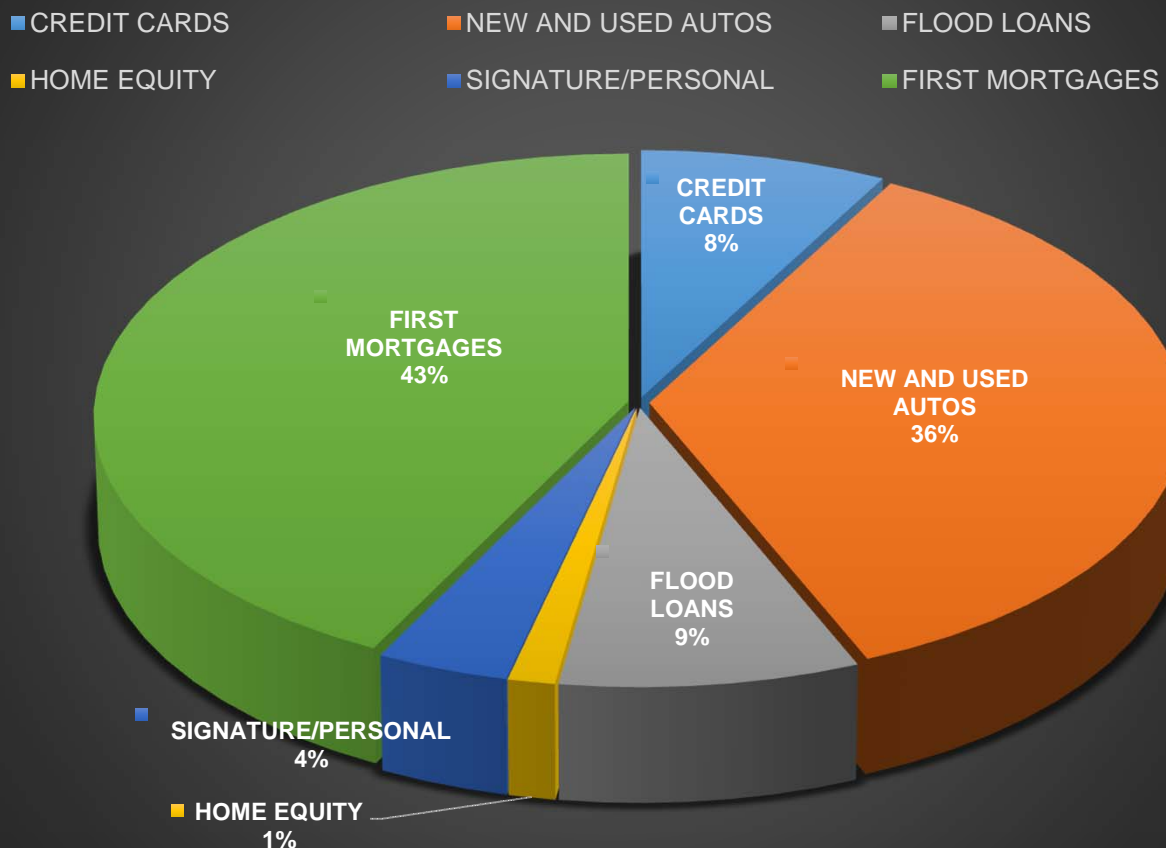
**Liabilities and Equity**

Accounts Payable & Disputes Pending	12,451	12,441
VISA Payments in Process	0	0
Dividends Payable	0	0
Taxes Payable	10	29
Accrued Expenses	16,283	18,242
ATM in Transit or Drafts in Process	42,613	42,991
<b>Total Liabilities</b>	<b>71,357</b>	<b>73,703</b>
Members' Savings	9,941,220	11,061,919
Holiday Club Savings	14,397	15,707
Money Market Accounts (new in '18)	82,656	0
Share Draft Accounts	4,480,063	4,427,156
Term Share Certificates	1,205,598	1,093,427
Individual Retirement Accounts	1,036,325	1,271,786
<b>Total Shares</b>	<b>16,760,259</b>	<b>17,869,995</b>
Regular Reserve	500,000	500,000
Undivided Earnings	1,311,188	1,299,452
<b>Total Liabilities and Equity</b>	<b>18,642,804</b>	<b>19,743,150</b>

## Shares/Deposits as of December 2018



## Loan Portfolio as of December 2018





CBI FEDERAL CREDIT UNION  
13717 S. Route 30, Unit 157  
Plainfield, IL 60544

Charter Number 15848

**Financial and Statistical Report**

**12/31/2018**

**12/31/2017**

**STATEMENT OF INCOME**

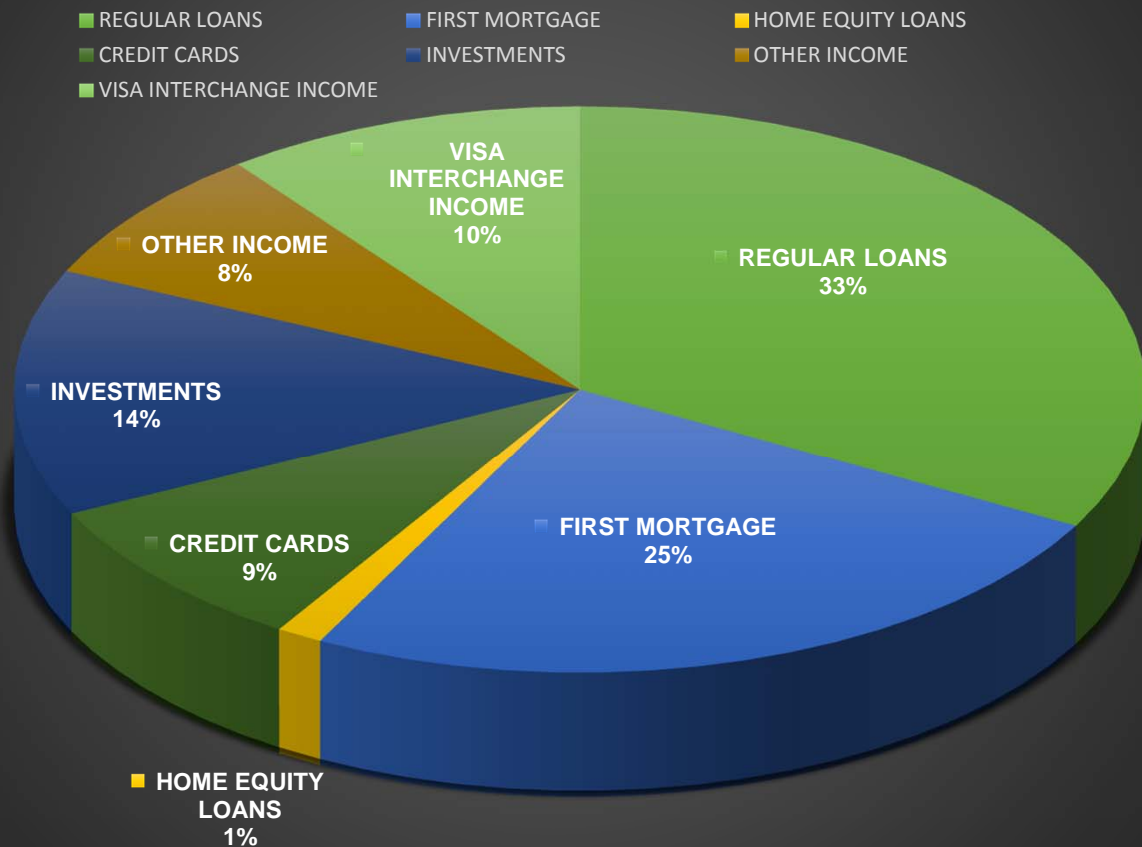
**Income**

Interest from Regular Loans	259,949	299,984
Interest from First Mortgage Loans	193,298	166,353
Interest from Home Equity Loans	10,440	12,729
Interest from VISA	69,529	65,154
<b>Total Income From Loans</b>	<b>533,216</b>	<b>544,220</b>
Interest from Investments	111,240	91,080
<b>Total Interest Income</b>	<b>644,456</b>	<b>635,300</b>
VISA Interchange Income (Debit & Credit Cards)	81,449	80,859
Other Income (Fees and FML Referral Income)	45,912	49,963
Gain on Investments (or Loss)	0	0
Other Non-Operating Gain (or Loss) [received \$13.9K from NCUA]	15,273	26
<b>Total Income</b>	<b>787,090</b>	<b>766,148</b>

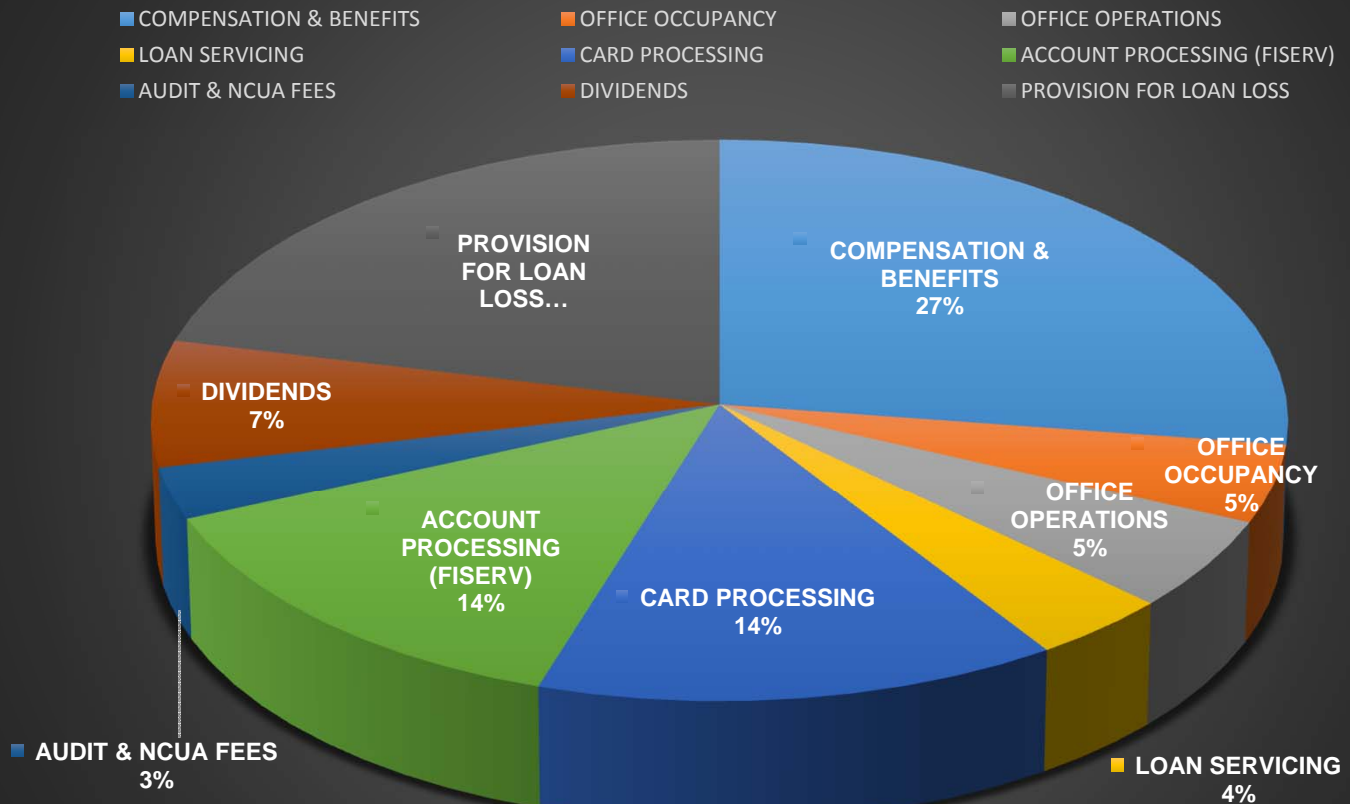
**Expenses**

Employee Compensation	184,140	176,974
Employee Benefits	27,209	24,145
Association Dues (ICUL)	11,979	11,563
Office Occupancy	34,967	33,417
Office Operations	40,464	44,419
Loan Servicing + FML Costs	29,159	26,085
Card Processing Expenses (CSCU/FIS, LSC/ICUL)	109,260	111,604
Account Processing Services (Fiserv, FSCC, CO-OP)	105,035	110,890
Audit and NCUA Examination Fees	11,267	7,660
Miscellaneous (incl. Fraud Losses of 0 in '18 & 3,882 in '17)	417	4,532
<b>Total Operating Expenses</b>	<b>553,897</b>	<b>551,289</b>
Provision for Loan Losses	165,000	41,000
Interest Paid on Borrowed Money	1	0
<b>Total Expenses Before Dividends</b>	<b>718,898</b>	<b>592,289</b>
Dividends Paid (Dec. Bonus Div. of 0.10% in '18 & 0.20% in '17)	56,456	55,274
<b>Total Expenses</b>	<b>775,354</b>	<b>647,563</b>
<b>Regular Net Income</b> (before Extraordinary Expenses)	<b>11,736</b>	<b>118,585</b>
NCUA Corporate Stabilization Plan (2009-13 = -\$121K)	0	0
NCUA Assessment for NCUSIF (none was required)	0	0
<b>Reported Net Income</b> (after NCUA Assessments)	<b>11,736</b>	<b>118,585</b>

# DISTRIBUTION OF INCOME



# Distribution of Expenses





# **VISA BALANCE TRANSFER SPECIAL!**

**Looking for a better way to  
balance your budget?**



**February 1, 2019 – April 30, 2019**

**Transfer your balance and SAVE!**

**It's quick and easy to save on interest  
and possibly pay down your balance faster.  
Take advantage of our LOW RATE OF  
2.99% APR for 12 months!**

**DON'T HAVE A CREDIT UNION VISA!**

**APPLY TODAY BY VISITING OUR  
WEBSITE: [WWW.CBIFCU.ORG](http://WWW.CBIFCU.ORG)**

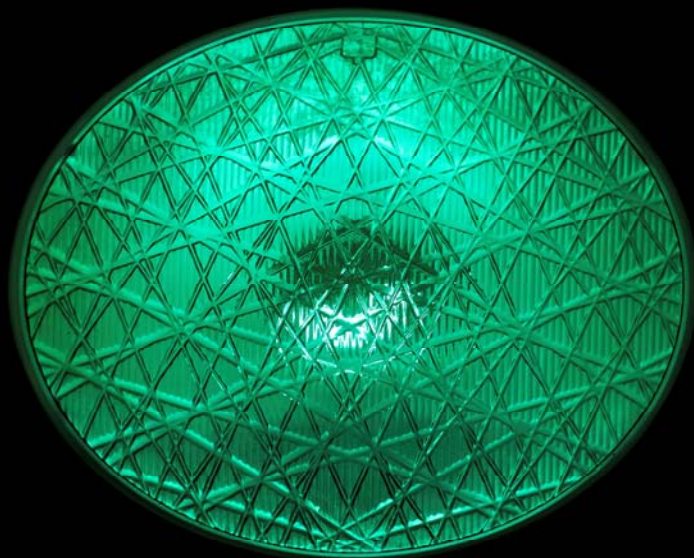


CBI FEDERAL CREDIT UNION  
13717 S. Route 30, Unit 157  
Plainfield, IL 60544

Charter Number 15848

## **Financial and Statistical Report**

	<b>12/31/2018</b>	<b>12/31/2017</b>
Amount Transferred To Regular Reserve	0	0
Net Income Transferred To Undivided Earnings	11,736	118,585
Number of Members at Year-End	1,933	2,091
Dollar Amount of Loans Made During the Year	2,054,506	3,927,684
Number of Net New Loans Made During the Year	114	234
Dollar Amount of Loans Made Since Organization	78,608,542	76,554,036
Number of Loans Made Since Organization	12,525	12,411
Dollar Amount of Delinquent Loans at Year-End	307,344	522,522
Loan Amounts Charged-Off	189,661	44,571
Recoveries on Loans Charged-Off	2,170	4,436
Home Equity Lines of Credit	707,700	707,700
Number of Active Home Equity Loans	7	7
VISA Lines of Credit	4,923,874	4,752,220
Number of VISA Credit Cards on File	805	780
Number of Active Classic Cards	253	267
Number of Active Platinum Cards	178	186
Loans / Shares Ratio	65.27%	71.47%
Loans / Assets Ratio	58.68%	64.69%
Total Investments / Assets Ratio	39.47%	33.17%
Total Reserves + ALL / Assets Ratio	10.09%	9.49%
Total Reserves + ALL / Total Loans	17.20%	14.67%
Delinquent Loans / Total Loans	2.81%	4.09%
Return on Average Assets (ROA)	0.06%	0.60%
NCUA Net Worth / Assets Ratio (Capital Ratio)	9.72%	9.11%
Regular Net Income Percent of Total Income (before NCUA Assessments)	1.49%	15.48%



**GET THE  
GREEN LIGHT  
ON AN AUTO  
LOAN  
GREAT RATES!**



# Products and Services

## Savings Made Easy

**Basic Share Account** - \$25.00 membership is your gateway to all of our services. This account offers you the convenience of Direct Deposit which automatically deposit funds from your paycheck into other accounts you designate.

**Holiday Club Account and Special Account**— These are a perfect way to save for anything you want or need and is setup each month automatically! Our Holiday Account is your chance to put money into a separate account that will automatically transfer into the account you designate for November 1, 2019.

## A Checking Account With a Difference

**VISA Debit Cards or Bill Pay** - Enjoy ultimate convenience with our different types of checking accounts. Save money with no minimum balance or monthly service charge. A FREE VISA CuCheck Card is available for easy account access.

## Investments

- **Money Market Account** - You work hard, your money should too. With our money market account, you can stash away money for a rainy day or save for a big purchase.
- **Share Certificates- (TSC)** - lets you earn a higher interest rate if you don't need your money for a specific amount of time.
- **Traditional & ROTH IRA Certificates and Savings Accounts**— provide tax breaks for retirement savings.

## Loans and VISA

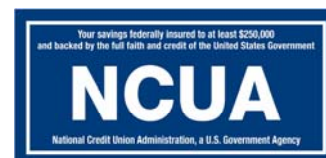
- **New and Used Vehicles**
- **Boat and RV Loans**
- **Personal Loans/Signature**
- **Share Secured**
- **New and Used Motorcycles**
- **VISA Credit Card with full 1%Cash back**
- **VISA Credit Card**
- **Share Secured VISA Credit Card**
- **First Mortgages**

## Electronic Service

- **Virtual Branch (Home Banking)**
- **Audio Response (Telephone access)**
- **ACH Transfers**
- **Sprig (Mobile Check Deposit)**
- **E-Statements**
- **Bill Pay**

## Other Member Service Highlights

- **Shared Branching**— If you can't make it to our credit union branch, you'll be able to complete most transactions at a different credit union.
- **Automated Internal Transfers**
- **Wire Transfers** - Domestic & International
- **Notary Services** – FREE
- **Quarterly Newsletter**





# SHARED BRANCH LOCATIONS

## 757 N. ELDRIDGE



2

### Peoples Trust FCU

1805 Eldridge Pkwy  
Houston, TX 77077

(713) 428-3200

<http://www.peoplestrustfcu.org>

18

### Chevron FCU

1980 Post Oak Blvd Ste R2D  
Houston, TX 77056

(832) 390-3085

<http://www.chevronfcu.org>

22

### Texas Bay Area CU

18320 W Airport Blvd Ste 100  
Richmond, TX 77407

(713) 852-6724

<http://www.tbacu.org>

6

### MemberSource CU

10100 Richmond Ave  
Houston, TX 77042

(713) 627-4000

<http://www.membersourcecu.org>

13

### Greater Texas FCU

5305 Bingle Rd  
Houston, TX 77092

(713) 895-8659

<http://www.gtfcu.org>



# SHARED BRANCH LOCATIONS

## 8900 FAIRBANKS N. HOUSTON ROAD



### SPCO CU

12755 N Houston Rosslyn Rd  
Houston, TX 77086  
(713) 455-8586  
<http://www.spcocu.org>



### Greater Texas FCU

5305 Bingle Rd  
Houston, TX 77092  
(713) 895-8659  
<http://www.gtfcu.org>



### Houston Metropolitan FCU

608 E Tidwell St  
Houston, TX 77022  
(713) 699-0795  
<http://www.hmefcu.org>



### Energy Capital CU

18540 Northwest Fwy  
Houston, TX 77065  
(832) 604-4848

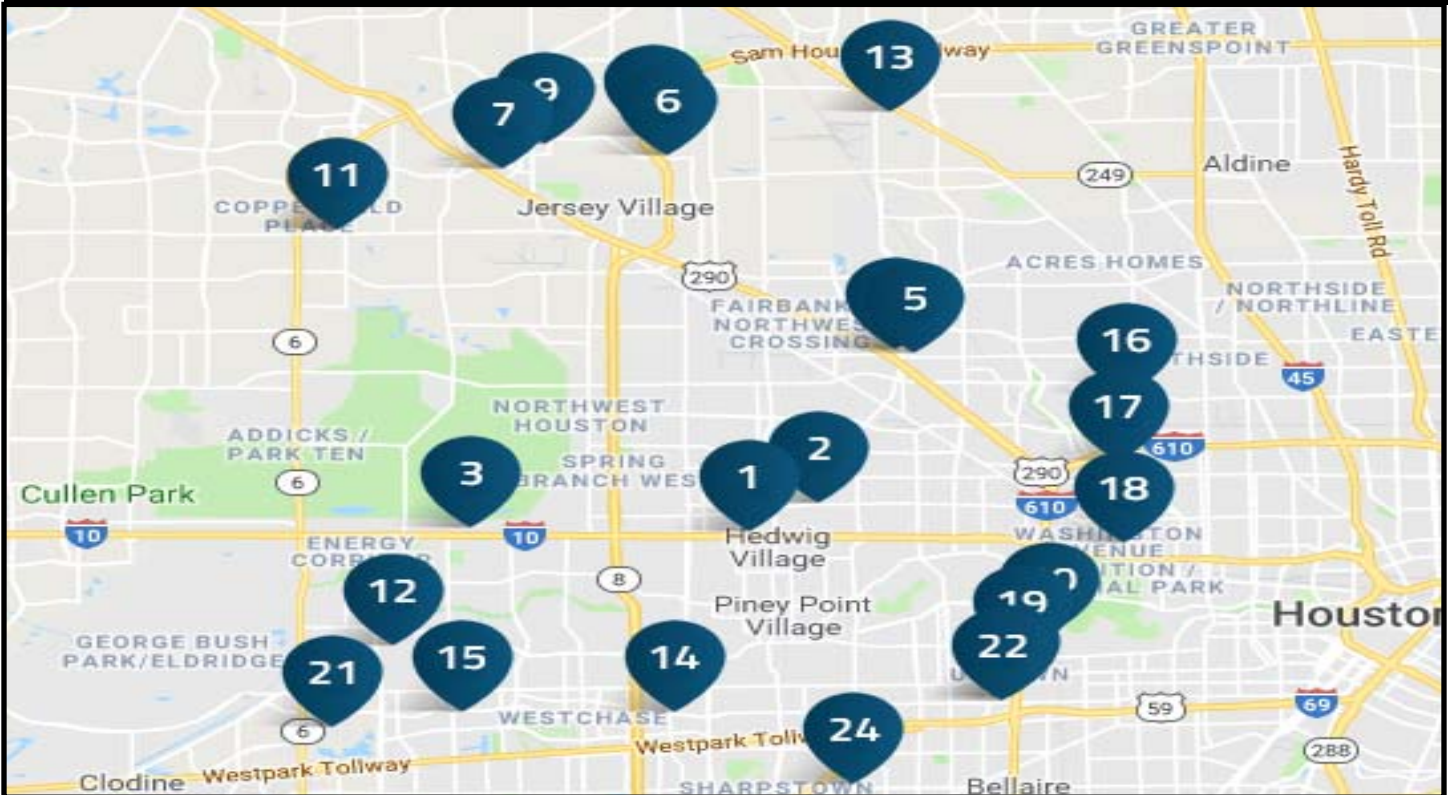


### First Community CU

9100 Westview  
Houston, TX 77055  
(281) 856-5300  
<http://www.fccu.org>

# SHARED BRANCH LOCATIONS

## 4424 SAM HOUSTON PARKWAY NORTH



1

### First Community CU

9710 Katy Fwy  
Houston, TX 77055  
(281) 856-5300  
<http://www.fccu.org>

5

### Greater Texas FCU

5305 Bingle Rd  
Houston, TX 77092  
(713) 895-8659  
<http://www.gtfcu.org>

13

### SPCO CU

12755 N Houston Rosslyn Rd  
Houston, TX 77086  
(713) 455-8586  
<http://www.spcocu.org>

3

### Peoples Trust FCU

150 N Dairy Ashford Ste E 0172  
Houston, TX 77079  
(713) 428-3200  
<http://www.peoplestrustfcu.org>

14

### MemberSource CU

10100 Richmond Ave  
Houston, TX 77042  
(713) 627-4000  
<http://www.membersourcecu.org>

18

### Houston Highway CU

8120 Washington Ave  
Houston, TX 77007  
(713) 864-4438  
<http://www.houstonhighwaycu.com>

# **PROVIDING THE BEST VALUE!**

**CBI Federal Credit Union**

**13717 S. Route 30**

**Unit 157**

**Plainfield, IL 60544**

**(800) 699-5417**



**[www.cbifcu.org](http://www.cbifcu.org)**