



IRFCU

IRFCU

59th ANNUAL MEETING

March 7, 2020

IRFCU is committed to the financial betterment and stability of our members and our community by providing financial education, services, and products that fit their lifestyles and needs.

AGENDA

Welcome/Pledge of Allegiance.....Lori Allen Unger, President

Invocation.....Ralph E. Blowers

DINNER

Call to Order.....Lori Allen Unger

REPORTS

President's Report.....Lori Allen Unger

Chief Executive Officers Report.....Thomas P. Mitchell

Unfinished Business

New Business

Report of the Nominating Committee.....MaryLou Sorenson, Delores Hurd

Election of Officers and Committees

Remarks

DOOR PRIZES

ADJOURNMENT

FIFTY-NINTH ANNUAL REPORT OF IRFCU

Federally Chartered June 13, 1961

Federal Charter No. 14425

Member of the CrossState Credit Union Association, National Association of Federally-Insured Credit Unions, and Credit Union National Association.

All Officers and Representatives are bonded with CUMIS Insurance Society, Inc., of Madison, WI, a Credit Union Discovery Bond with One Hundred (100%) percent coverage.

Charter supervised and examined by the National Credit Union Administration, Washington, D.C.

Checking Account with Citizens and Northern Bank of Athens, PA. Each Member Account is insured up to \$250,000.00. IRA Accounts are insured up to \$250,000.00

CHARTER MEMBERS

Charles A. Gemberling

Eugene R. Bradley

Donald J. Elder

Emanuel N. Brewer

Joseph J. Fedorsak

Frank K. Stranger

Robert N. Bouton

Robert E. Pross



CEO, YEAR IN REVIEW

Our commitment to improving the financial literacy of today's youth has led to the opening of two additional student branches. We are proud to report that Athens and Waverly in school branches are flourishing in their first year. Last year, we gave 27 financial literacy presentations to our local schools, hosted our first in school Mad City Money Reality Fair, and participated in 11 community events where financial literacy was the main topic.

Providing quality service, information, and education to our members and community doesn't happen without having a highly educated staff. Last year your staff attended 5 large conferences. A few of the topics included Bank Secrecy Act, Lending, Member Experience, Youth Members, Cybersecurity, Product Development and Compliance. Furthermore, the staff completed 277 hours of online professional development classwork.

Spending this time with our members and community gives us the opportunity to gain real insight into their needs and wants. It became quickly apparent that our current core processor was not providing the value and products that we needed. Our search, which spanned the nation, began for a new processor that aligned with our goals and commitment to our members.

Early in 2019 we signed into a partnership with CU*Answers, a CUSO (Credit Union Service Organization) and a Cooperative that provides a core that meet our needs not only today but for the next century. Just like us, CU*Answers is built by members, owned by members, and directed by leaders elected from the membership. Elected leaders (CU CEO's) allow credit union interest to be a priority in the decision-making process of the business. As a member-owned cooperative, profit is not the leading mission. The business model supports, "we charge because we have to, not because we can." This is the complete opposite business model that our current and long time provider has as a publicly traded corporation serving the demands of shareholders and profit over people.

Some of the top features members asked for; Remote Deposit Capture, Online Loan Application, Robust Mobile App, 24/7 Debit Card Phone Support and Person to Person Payments to name a few.

I am excited that we will be able to offer all of those features and more in just a few short months. This upgrade marks the start of a new era of IRFCU providing industry leading products and services. Technology is a never ending evolution and this upgrade positions us to pace it.

I appreciate all of your support and patience as we make these upgrades. I am confident that your experience with the "new" IRFCU will be a positive one. No matter where the path of life takes you, IRFCU will be there.

Thomas P. Mitchell, CEO

COMING SOON-NEW FEATURES

Enhanced Web and Mobile Capabilities

Online Loan Application

Text Banking

Debit Card Controls

Remote Capture Deposit

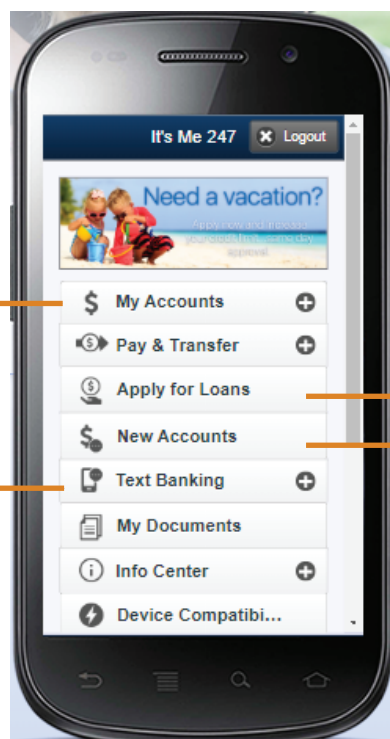
Person-to-Person Payments

24/7 Debit Card Support Services

Electronic Signature Capabilities

View your accounts, including cleared checks and more!

Enroll in e-alerts and receive notices regarding account balances, deposits, withdrawals, or when a payment is due.



Easy application

Purchase a new certificate or open a new share (savings) account

FIFTY-EIGHTH ANNUAL MEETING MINUTES

May 4, 2019

With the aid of member registration at the door, it was determined that 50 Members were present and this being a quorum, the 58th Annual Meeting of Ingersoll-Rand Federal Credit Union was opened by President Lori Unger.

Ralph Blowers, Ingersoll-Rand FCU Board of Director gave the invocation.

The minutes of the 58th Annual Meeting were printed in the brochure. A motion was made by Bryon Morningstar, seconded by Arthur Markle to dispense with the reading of the minutes. Motion carried. President Lori Unger thanked the employees and volunteers for their service. Lori Unger then introduced CEO Thomas Mitchell.

Thomas Mitchell thanked everyone for coming. Thomas then went on to say:

"Everything good and great begins at the edge of our cognitive comfort zone-having an incredible board and staff that is willing to push the collective thought process forward was paramount in our years success. Thanks to them we have been able to forge new, interesting and valuable relationships. Thanks to them we are able to both fortify and build upon the foundation put down in the years before us. Thanks to them Irfcu will remain a value to the members and communities we serve.

As we were collaborating about tonight and highlighting some topics of discussion that would be a valuable take away the same subject kept coming up, and honestly I kept avoiding it. You see I was focused on keeping the subjects positive-motivating maybe even inspirational. But after reading an article just this afternoon I decided I had to bring it up.

Scams- It happens to some of us, probably some of us in this room. I remember when I was a kid and taking a trip to NYC my grandmother sewed a secret pocket on the inside of my pants. That way the pick pockets couldn't get my money.

Today the crooks are smarter-they are using a combination of psychology and technology preying on our fears and emotions in places we are most vulnerable like sitting at home on the couch! Online-In-person-Phone-E-mail I could give a hundred examples from the last year alone- but the one I read about today this one really takes the creative cake.

These cons are mailing- Large Suitcases that are secured with combination locks. Attached to the suit case is a note saying to wire \$40,000 to this account to get the combination and don't try to open the case without the combination because the half a million dollars inside will be destroyed if you do. Reportedly, in just 2 days people have sent these cons over \$100,000.00. When the combination isn't received and the people realize they have been duped many don't and won't contact the authorities because they are ashamed of their mistake.

Please don't fall victim to these scams. If it sounds too good to be true it is. If you have any doubt that something is not legit, ask for help, call us, call the authorities, we are here to keep you safe. Be diligent. See something say something. Question everything. Please don't give up your hard earned money. Information about money is as valuable as money itself.

And what better place to pass on that information than our local schools?!

I am so happy because joining us tonight are representatives from our Student Branches who are being overseen by Business Development Manager Brittany Raymond and Financial Literacy Instructor Heather Cron.

The students from the three schools were introduced. They are as follows:

Representing the Sayre High School Student Branch

- 1 Shannon Phillips
- 2 William Crossett
- 3 Josh Arnold
- 4 Ethan Rae

Representing the Waverly High School Student Branch

- 1 Abby Bonning
- 2 Jake Sackett

Representing Stacks Athens High School Student Branch

- 1 Josh Beers
- 2 Josh Tigue
- 3 Aaron Smith
- 4 Mathew Gulyas
- 5 Reba Greeno

Thank You! And CONGRATULATIONS on an amazing year! Their hard work and dedication make these programs a success. A few weeks ago Reba came in my office and asked if she could speak tonight. Please welcome Reba Greeno from Stacks.”

Special Guest Reba Greeno representing the Athens Student Branch “Stacks” spoke to the membership about the new Student Branch located in the Athens High School old school store. She explained how the student credit union is a fully operational credit union within the school. Reba said that “STACKS has been very useful to everyone who has taken the opportunity to utilize the branch and has been seen as a positive addition to our school. The teachers have come to love STACKS and use it whenever and however possible, whether it is for personal use or to educate their students. Not only do we educate students, we are helping them get a jump start on their financial future, one deposit at a time.”

Thomas introduced Special Guest Travis Barnes: Travis is the author of “Results Fitness” “52 Amazing Journeys” “Journey Fitness” along with numerous articles, publications and features For CBS, Prevention, Shape and Women’s Health to highlight a few. Globally sought after presenter- speaking, educating, and motivating from Pennsylvania to Portugal and every place in between. He spoke about health and fitness and how your health affects every aspect of your life including your financial wellness.

During the business meeting the following motions were acted upon: A motion to accept the officer’s reports was made by Arthur Markle, seconded by Omer Crouteau, and approved by the membership. A motion to not exceed 5% of income for education of the membership was made by Kim Babcock, seconded by Frank Swingle, and approved by the membership. A motion to pay the Annual Meeting expenses was made by Colleen Zurn, seconded by Heather Cron, and approved by the membership.

Lori Hurd conducted elections for the Board of Directors. Ralph Blowers, Donald Ammerman, and Marylou Sorensen, Nominating Committee, reported that Lori Unger was up for reelection to the Board of Directors. Having no other nominations one vote was cast for Lori Unger by Marylou Sorenson and Lori Unger was elected for the Board of Directors. There was one position open for the Credit Committee. Having no other nominations one vote was cast by Marylou Sorenson for Gerald Laninger and Gerald Laninger was elected for the Credit Committee.

Door prizes were awarded. There being no further business, a motion was made by Colleen Zurn, seconded by Mary Mitchell to adjourn the meeting. Motion carried.

Respectfully submitted,
Christine M. Leary, Acting Secretary

PRESIDENT’S REPORT

Welcome to the IRFCU Annual meeting. It’s hard to believe it’s been a year already!

We have more new faces on the IRFCU team. I hope you’ve all given the new member service representatives, Julie Trudeau and Adrielle Elsbree, a warm welcome.

Last year I told you all how excited I was to see what the future had in store for IRFCU. I can attest that it has been an exciting year! Your team at IRFCU are working so diligently to create an even better credit union for all of you, the members, the owners.

As you are all aware, the credit union is going through a significant system upgrade that will be released on May 1, 2020. The work that the entire staff has put in is impressive to say the least, and it’s all in an effort to make IRFCU the best credit union it can be.

It’s been an amazing year watching all the pieces come together and I’m even more excited for what’s to come in the remaining months of 2020.

Thank you,
Lori Allen Unger, Board President

TREASURER'S REPORT Key Financial Points for 2019

IRFCU finished the year ending 2019 with an increase in assets from the prior year.

1. Total deposits increased \$531,240.
2. Total loans increased \$2,278,497 to \$22,855,293.
3. Investments decreased \$2,040,541. As investments continue to have a much lower yield than loans, we continue to work hard to increase our loan portfolio with quality.
4. Total income increased by \$289,722 to \$2,830,522.
5. Operating expenses increased by \$84,436 to \$2,364,517.
6. Dividend expenses increased by \$86,974 to \$241,719
7. After paying \$2815 in interest refund to eligible loan borrowers with payments up-to-date, and paying operating expenses, \$218,985 was added to undivided earnings.
8. The capital to assets ratio was 20.78%, an increase from 20.50%.
9. Total assets increased \$757,668 to \$58,981,633.

BALANCE SHEET December 31, 2019

ASSETS	\$ AMOUNT	LIABILITIES & EQUITY	AMOUNT
Loans (Regular)	20,344,636	Accounts Payable	4,512
VISA Credit Cards	611,556	MasterCard Chargeback in Process	(1,217)
PHEAA(Teams) Loans	257,453	Dividends Payable	25,508
Student Choice Loans	1,641,648	Other Liabilities	645,051
Allowance for Loan Losses/OP Losses	(241,314)	Shares (Regular)	33,099,940
Cash in Bank	1,158,894	Shares (Certificates)	3,792,413
Investment Accounts	33,732,805	Shares (IRA's)	9,391,263
Accrued Income-CD Investments	32,456	Mortgage Escrow	8,764
Accrued Income-Loans	53,399	Regular Reserve	609,049
Prepaid and Deferred Expenses	420,495	Undivided Earnings	12,003,117
Land	100,000	Gain/Loss Investments	49,761
Building (Less Depreciation)	193,759	Unrealized Gain/Loss Pension (FAS 158)	(646,527)
Furniture and Fixtures (Less Depreciation)	106,598		
Loans Held for Sale	86,989		
Assets Held for Sale	6,200		
NCUSIF Insurance Fund	476,059		
TOTAL ASSETS:	\$58,981,633	TOTAL LIABILITIES & EQUITY	\$58,981,633

INCOME STATEMENT For the 12- Months Ending 12/31/2019

OPERATING INCOME	\$ AMOUNT	OPERATING EXPENSES	\$ AMOUNT
Interest on Loans and VISA Accounts	1,411,996	Compensation	747,249
(Less Interest Refund)	(2,815)	Employee Benefits	409,345
Income from Investments	833,670	Travel and Conference	32,514
Fees and Charges	334,887	Association Dues	10,324
Other Operating Income	252,785	Office Occupancy	119,213
		Office Operations	437,399
		Educational & Promotional	65,105
		Loan Servicing	80,395
		Professional and Outside Services	387,753
		Provision for Loan Loses	52,704
		Federal Supervision and Examination	15,689
		Cash Over and Short	172
		Annual Meeting	4,875
		Miscellaneous Operating	1,780
		TOTAL OPERATING EXPENSES	\$2,364,517
Gain (Loss) - Disposition of Assets	5,300		
Dividends	241,719		
NET INCOME	\$218,985		

COMPARATIVE STATEMENT

Statement of Conditions as of December 31

ASSETS	2017	2018	2019
Loans to Members	19,043,633	20,576,797	22,855,293
Less: Allow. Loan Losses/ OP Losses	-164,803	-282,075	-241,314
Cash on Hand	1,256,524	1,034,937	1,158,894
Other Assets	409,962	343,239	706,137
Other Investments	35,950,074	35,773,347	33,732,805
Building	215,136	211,836	193,759
Land	100,000	100,000	100,000
NCUSIF Insurance Fund	463,367	465,855	476,059
TOTAL ASSETS	\$57,273,893	\$58,223,966	\$58,981,633

TOTAL LIABILITIES & EQUITY	2017	2018	2019
Accounts Payable	1,529	18,247	4,512
Dividends Payable	15,337	18,289	25,508
Shares	31,584,411	31,653,023	33,099,940
Shares Certificates	3,055,804	4,159,521	3,792,413
IRA Accounts	10,331,421	9,948,596	9,391,263
Regular Reserve	609,049	609,049	609,049
Undivided Earnings	11,679,856	11,784,132	12,003,117
Other Liabilities	(3,515)	33,110	55,831
TOTAL LIABILITIES & EQUITY	\$57,273,892	\$58,223,966	\$58,981,633

SUPERVISORY COMMITTEE REPORT

An independent audit was made for the year 2018 by Certified Public Accountants from the Pennsylvania Credit Union Association. PCUA also audited the Bank Secrecy Act and ACH transactions as required by NCUA. This audit disclosed that the books of the Treasurer are in order and in balance. Board of director and committee meetings are held and proper minutes are maintained as in accordance to the by-laws and charter of the credit union.

Ralph E. Blowers, Chairperson
MaryLou Sorenson
Dolores B. Hurd

CREDIT COMMITTEE AND LOAN OFFICER'S REPORT

LOANS APPROVED IN 2019	
NUMBER	943
AMOUNT	\$11,214,954.98
LOANS APPROVED SINCE EST.	
NUMBER	78,632
AMOUNT	\$365,411,321.16

Gerald H. Laninger, Director
Donald R. Ammerman
Clarence D. Frisbie

OFFICERS, COMMITTEES, STAFF

BOARD OF DIRECTORS	
Lori A. Unger	President
Jeffrey L. Patterson	Vice-President
John G. Dugan	Secretary-Treasurer
Ralph E. Blowers	Director
Gerald H. Laninger	Director

CREDIT COMMITTEE	
Gerald H. Laninger	Chairperson
Donald R. Ammerman	Member
Clarence D. Frisbie	Member

OFFICE STAFF	
Thomas P. Mitchell	CEO
Christine M. Leary	Operations Manager
Kim M. Babcock	Financial Officer
Jeffrey R. Ackley	Chief Financial Analyst/ VP Lending
Brittany A. Raymond	Business Development Manager
Gerald D. Keir	Consumer Loan Officer
Paulette E. Orlandi	Consumer Loan Officer
Colleen M. Zurn	Collections/Insurance
Janet M. Teeter	Mortgage Loan Officer
Marleta L. Morningstar	Consumer Loan Officer
Heather L. Cron	Financial Literacy Advocate
Terri L. Sisson	Member Representative
Sue A. Wayman	Member Representative
Christina L. Stillman	Member Representative
Madison N. Campbell	Member Representative
Adrielle Elsbree	Member Representative
Julie Trudeau	Member Representative
Taylor McDuffee	College Intern

SUPERVISORY COMMITTEE	
Ralph E. Blowers	Chairperson
MaryLou Sorenson	Member
Dolores B. Hurd	Member
Christopher S. Bradley, Esq.	Member

MEMBERSHIP OFFICER	
Doris F. Smith	

SAYRE INTERNS
Shannon Phillips
William Crossett
Ethan Ray
Liam Barry
Nicholas Schrader
Linsey Palumbo

ATHENS INTERNS
Rebecca Greeno
Joshua Beers
Madison Derrig
Carter Renninger
Connor Brown
Ashtyn Moody

WAVERLY INTERNS
Abigail Bonning
Abigail Bodine
Rachel Shambo

INGERSOLL-RAND FCU RETIREES
Eugene Bradley
Barbara Bennett
Mildred Urda
Robin Brown
Susan Luchaco
George Novak

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