

**WE'RE AT OUR BEST  
TOGETHER**



 **Valley  
COMMUNITIES**  
CREDIT UNION  
.....Where Membership Matters

**86TH ANNUAL MEETING**  
TUESDAY, AUGUST 24, 2021

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# OUR VISION STATEMENT

TO BECOME OUR MEMBERS’  
PRIMARY FINANCIAL INSTITUTION



## AGENDA

1. Meeting Called To Order
2. Minutes of 2020 Annual Meeting
3. Chairperson's Report & Honoring 50 Year Members
4. Nominating Committee/Election of Directors
5. Treasurer's Report/Financial Statements
6. President's Report & Scholarship Committee's Report
7. Loan Report
8. Audit Committee's Report
9. Old Business/Communications
10. New Business
11. Adjournment

## OUR MISSION

### STATEMENT

Building  
*LIFELONG RELATIONSHIPS*  
one member at a time;  
providing sound  
*FINANCIAL PRODUCTS*  
*AND SERVICES*





# VALLEY COMMUNITIES CREDIT UNION HISTORY

Valley Communities Credit Union started as *Mosinee Paper Credit Union*, chartered by the State of Wisconsin on April 11, 1935 to serve the employees of Mosinee Paper Corporation and their families. Operating from the punch house at the Paper Mill, volunteer directors would use paper scraps to maintain records.



**MOSINEE PAPER CREDIT UNION, 1935**

After steady growth in the 1970's, the credit union relocated to 201 Main Street, Mosinee and expanded its charter to those living or working in the city of Mosinee. Soon, the surrounding townships were included.



**201 MAIN STREET, MOSINEE**

In the 1980's the area served expanded to include Marathon County. In 1985 the Credit Union relocated to 1105 Western Avenue in Mosinee, which is still the location of the Mosinee VCCU branch.



**1105 WESTERN AVE, MOSINEE**

The credit union merged with Murray Employees Credit Union (Wausau) and Co-Ci Credit Union (Stevens Point) in 1987. The charter expanded to include Portage County. In 1996, Dairymen's Credit Union (Junction City) joined VCCU, adding Wood County to the charter area.



**2940 CHURCH STREET  
STEVENS POINT**



In 1998 the name of the credit union was changed to Valley Communities Credit Union, reflecting what we are and who we serve – multiple offices in the Wisconsin Valley, proudly serving all those who live and work here.

In 2006 Thorogood Credit Union (Marshfield) joined VCCU.



**2011 SOUTH CENTRAL AVENUE  
MARSHFIELD**

In 2007 Port Credit Union (Port Edwards and Wisconsin Rapids) followed, adding Adams County to the charter area.

In August, 2013, a new office was opened in Kronenwetter. And most recently, Worzalla Publishing Employees Credit Union came on board in 2018.



**2290 COUNTY ROAD X  
KRONENWETTER**



**440 8TH STREET SOUTH  
WISCONSIN RAPIDS**

**Today, VCCU's current charter area includes all persons who live, work, or own property in Adams, Clark, Juneau, Lincoln, Marathon, Portage, Shawano, Waupaca, Waushara or Wood counties.**



# OUR OFFICES AND LOCATIONS

At the  
*HEART*  
of the  
*COMMUNITIES*  
we serve



**KRONENWETTER**  
2290 County Road X  
715-359-0050



**MARSHFIELD**  
2011 South Central Avenue  
715-384-2867



**MOSINEE**  
1105 Western Avenue  
715-693-3400



**STEVENS POINT**  
2940 Church Street  
715-341-4543



**WISCONSIN RAPIDS**  
440 8th Street South  
715-424-4400



**CORPORATE OFFICE**  
975 Indianhead Drive, Mosinee  
715-693-5770



# 2020 ANNUAL MEETING MINUTES

*The 85th Annual Meeting of Valley Communities Credit Union was called to order on the 28th day of August 2020 at 6:00 P.M. by Gary Engebretson.*

**PRIOR MEETING MINUTES:** The minutes of the 2019 meeting had been handed out to members as they entered. A question was asked if there were any additions or corrections to the minutes. Being none, a motion was made and second to approve the minutes as presented. *Action on motion: Carried.*

**ATTENDANCE:** A quorum of 70 adults in attendance. This constitutes a legal meeting.

**CHAIRPERSON'S REPORT:** The Chairpersons Report was presented by Engebretson. Chairman Engebretson introduced the Board of Directors and the Audit Committee. A motion was made to approve the Chairpersons report and seconded to accept the report. *Action on motion: Carried.*

**HONORING FIFTY YEAR MEMBERS:** Chairperson Engebretson reported 38 members have been members for 50 continuous years. A gift had been previously sent to them. See attached list for names.

**NOMINATING COMMITTEE/ELECTION OF DIRECTORS:** A motion was made and seconded to affirm board candidates Engebretson and Jakusz to a 3 year term. *Actions on motions: Carried.*

**TREASURER'S REPORT:** Hladovcak gave the Treasurer's Report. A motion was made and seconded to accept the report. *Action on motion: Carried.*

**PRESIDENT'S REPORT:** Hladovcak gave the Presidents Report. A motion was made and seconded to accept the report. *Action on motion: Carried.*

**LOAN REPORT:** Hladovcak gave the Loan Report. A motion was made and seconded to accept the report. *Action on motion: Carried.*

**AUDIT COMMITTEE'S REPORT:** Bennett gave the Audit Committee's Report. Three exams are given: State Exam, CPA Firm, and Audit Committee. A motion was made and seconded to accept the report. *Action on motion: Carried.*

The Audit Committee is appointed by the Board of Directors. No management employee of VCCU serves on the committee. The committee reports to the Board of Directors.

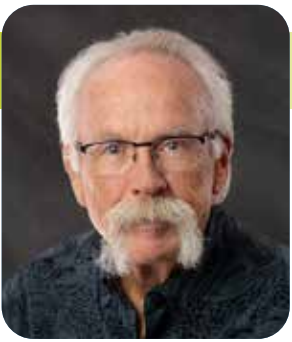
**QUESTIONS:** There were no communications, old business or new business.

**PRIZES:** VCCU staff gave out prizes, 78 Adult, 2 Children. All in attendance received 2 VCCU bags and a \$20.00 Chamber voucher.

*Engebretson adjourned the meeting at 6:28 pm. A motion was made and seconded to adjourn the meeting. Action on motion: Carried.*



# CHAIRPERSON'S REPORT



**Gary Engebretson**  
Board of Directors  
Chairperson

Coming off of a challenging year where change was constant, we continue to look towards a bright future as we strive for better ways to serve you. When the credit union originated over 86 years ago, we had a simple philosophy, people helping people. Some of you may remember the black and white image of a person under

a Credit Union labeled umbrella warding off hard times, sickness, and financial distress. Although a lot has changed over those 86 years, our roots and philosophy remain the same. In one of its simplest terms, those who have money to deposit and save, help those who want to borrow. We, as your credit union, help facilitate those transactions for you. Please remember and be proud of the financial cooperative that you are an owner.



There are so many ways we can all help people and contribute to the success of not only the credit union, but our local communities as well. As you choose how you are going to spend your hard-earned money, be encouraged to support your local, hometown businesses. By doing this, we can all be a part of supporting and enhancing our vibrant communities. Also, please spread the word. Share stories with your friends and family about the ways the Credit Union has helped you, encourage others to come see us so we can get to know them and help them too.

Due to the positive feedback, and still having some concern regarding larger groups, similar to last year, we have chosen to not have a gathering at the end of the meeting for a meal.

However, in support of our community businesses, upon exiting the meeting, every attendee will receive a \$20.00 Mosinee Chamber gift check. These checks can be used at any of the locations listed on the flyer in the envelope. Please have lunch on us at your convenience or use it to purchase something at any of the businesses listed.

The board's role is to provide the oversight for the credit union. We work hard each year to review and set policies, approve the credit union's budget, and plan strategically for the future. The dedicated staff, then work hard to accomplish goals and perform the day-to-day operations to serve our member/owners.

We are very appreciative of all of our members, directors, volunteers, and employees. We will continue to work hard to keep our organization financially sound. You can be confident we will do our best to make decisions with the best interest of the membership in mind.

## HONORING 50 YEAR MEMBERS

We would like to recognize the members who have hit the 50-year mark of being a member. We salute them for their continued support and loyalty and would like to thank each of them.

- |                    |                    |                      |
|--------------------|--------------------|----------------------|
| Julie Aumann       | Carrie Cherney     | Loren Leverance      |
| Georgine Bapat     | Patricia Coulthard | Angelina Maliszewski |
| Dolores Baur       | Michael Eichsteadt | Bryan Peterson       |
| Randolph Berkholtz | Robert Enerson     | Richard Pryga        |
| Gary Boehm         | Greg Fochs         | Delno Stewart        |
| Patsy D. Bretl     | Mary Fochs         | Mardell Streich      |
|                    | Gladys Giacalone   | Kenneth Swatloski    |
|                    | Charles Grabow     | Richard Triplat      |
|                    | Edward Grabow      | Bart Unertl          |
|                    | Duane J. Kruzitski | James Weslaski       |



# FINANCIAL STATEMENTS

## DECEMBER 31, 2019 & 2020



### BALANCE SHEET (UNAUDITED)

ASSETS	2020	2019
Cash On Hand & On Deposit	\$ 45,717,978	17,641,515
Investments	32,661,140	31,708,375
Loans - Net	121,905,114	125,453,614
Land & Office Buildings - Net	3,302,871	3,390,107
Office Furniture I Fixtures	205,956	258,450
NCUA Insurance Capitalization	1,665,544	1,446,959
Other Assets	502,590	612,643
<b>TOTAL ASSETS</b>	<b>\$ 205,961,193</b>	<b>180,511,663</b>

### LIABILITIES & MEMBER EQUITY

Shares	\$ 143,090,949	127,566,229
Share Drafts	35,486,478	26,699,228
Other Liabilities	1,863,399	1,692,079
Accrued Dividends Payable	661	738
<b>TOTAL LIABILITIES</b>	<b>\$ 180,441,487</b>	<b>155,958,274</b>

### MEMBER EQUITY

Regular Reserve	\$ 4,208,377	4,208,377
Undivided Earnings	21,120,663	20,153,278
Accumulated Unrealized Investment Gain	144	1,210
Equity Acquired in Merger	190,524	190,524
<b>TOTAL MEMBER EQUITY</b>	<b>\$ 25,519,706</b>	<b>24,553,389</b>

<b>TOTAL LIABILITIES &amp; MEMBER EQUITY</b>	<b>\$ 205,961,193</b>	<b>180,511,663</b>
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### STATEMENT OF INCOME AND EXPENSE (UNAUDITED)

INCOME	2020	2019
Loan Interest Income	\$ 5,849,199	5,976,930
Investment Income	635,285	999,581
<b>TOTAL INTEREST INCOME</b>	<b>\$ 6,484,484</b>	<b>6,976,511</b>

<b>DIVIDENDS &amp; INTEREST EXPENSE</b>	<b>\$ 668,133</b>	<b>992,117</b>
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<b>NET INTEREST MARGIN BEFORE PROVISION</b>	<b>\$ 5,816,351</b>	<b>5,984,394</b>
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Provision For Loan Loss	\$ 103,200	166,841
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<b>NET MARGIN AFTER PROVISION</b>	<b>\$ 5,713,151</b>	<b>5,817,553</b>
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<b>TOTAL NON-INTEREST INCOME</b>	<b>\$ 1,134,866</b>	<b>1,048,786</b>
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### NON-INTEREST EXPENSE

Salaries & Benefits	\$ 3,544,277	3,016,170
Office Operations	427,037	405,473
Office Occupancy	355,162	368,197
Outside Services	1,195,729	1,149,562
Other Expenses	358,428	379,707

<b>TOTAL NON-INTEREST EXPENSE</b>	<b>\$ 5,880,633</b>	<b>5,319,109</b>
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<b>NET INCOME</b>	<b>\$ 967,384</b>	<b>1,547,230</b>
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## PRESIDENT'S REPORT



**Kelly Hladovcak**  
President/CEO

Wow, what a year! Who could have imagined what the past year and a half could have been like? Everyone has had to adapt to unimaginable change, some having to deal with more change than others. Imagine yourself as a parent of young children whose school or daycare suddenly closed, and you were

forced to make crucial decisions very quickly. Imagine your place of work was considered non-essential and was forced to close. Imagine if you or a loved one fell ill and were forced to deal with everything that comes along with illness. The list could go on and on to describe the unpredictable things that happened. Our lives as we once knew it, will likely never be the same again.

I would like you to ask yourself this: How did you react, what have you learned, and how did you adapt to the change so you can be better in the long run? I hope as you reflect on a somewhat turbulent past, you can also see signs of a bright future. I hope you have found some clarity in defining the things that are really important to you.

As an organization, we have also had to navigate through quite a bit of change, we have spent a good amount of time defining and discussing what is really important to us. The answer is **very** simple and clear: Our members and our employees. We are fully aware that you, our members, have many options when it comes to places that provide financial services, and you have chosen us. We do not take that for granted, and we will continue to work hard to earn your business and your trust.

We are also fully aware we are fortunate to have talented, dedicated employees who work hard every day so they can serve you, and we do not take that for granted either. We are very appreciative.

To expand a little further on what is important to our members, we can see that finances can often be a struggle.

In fact, there are many articles and books written on the topic. We want to take a much more active role in being a resource to help our members improve their financial health and wellbeing. A formal program is in the development stage, and you can look forward to seeing more information about our VCCU Financial Health Checkup that will provide you with some great tools to help you succeed.

As we navigate through change with you, you can be assured you can count on us to be a trusted partner and resource for your financial needs.

On behalf of our dedicated staff, directors, and volunteers, thank you for your continued support. We all look forward to serving you and helping you achieve your financial goals.

### NEW VCCU OFFICERS

We welcomed several new faces to the VCCU family in 2021, including 2 new officers.



**Adam Dykman** came on board as our new Chief Operating Officer. Adam has been in the financial industry for 20 years, serving as a financial advisor, a manager, vice president, and senior vice president; at Associated Bank, First Merit Bank and Connexus Credit Union.



**Jeffrey Horne** filled the role of Chief Financial Officer. He has been in the financial industry for over 25 years, starting out as an accountant and working his way to Chief Financial Officer. During his time in the financial industry, Jeffrey has served on committees at the Federal Home Loan Bank of Chicago, Corporate Central Credit Union, and held several officer positions at the Wisconsin Chapter of the Financial Managers Society.

## SCHOLARSHIP COMMITTEE'S REPORT

Valley Communities Credit Union is happy to support higher education by awarding 5 scholarships. Students of any age who plan on attending a higher education institution were encouraged to apply. This year we received 38 applications. One received a \$1,000 scholarship and four received \$500 scholarships. The credit union would like to express our thanks to the scholarship committee for their time devoted to giving each applicant equal considerations. The scholarships winners are listed below. We commend all who applied and wish them much success in their endeavors!



Lindsay Brandenburg  
Emily Carlson  
Victoria Hasenohrl  
Morgyn Haumschild  
Emily Napiwocki

## LOAN REPORT

During 2020, VCCU wrote 2,069 loans to members totaling \$59,147,831. With normal loan payback, the change in our net loans decreased \$3,548,500 which resulted in a 2.83% overall decrease. At the end of 2020, we had an outstanding loan portfolio of \$121,905,114. We take great pride in our loan quality, and our delinquency compares favorably to others.

## AUDIT COMMITTEE'S REPORT

Risk Management and the Audit Committee oversee those operations are conducted in accordance with credit union governing rules and regulations, internal control's structure and that assets are properly administered. Unfortunately, due to COVID restrictions, the Audit Committee was unable to meet in person. Monthly reports on department activities and audits are submitted for Board review.

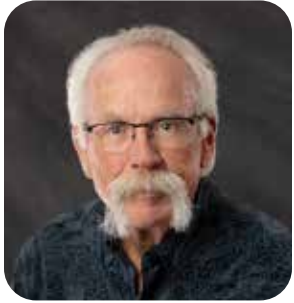
The committee has normally, and did again in 2020, retain the services of an independent, national Certified Public Accounting firm, to perform an annual financial statement audit in conformance with agreed upon procedures and NCUA regulations. Hawkins Ash, LLP performed the annual audit as of December 31, 2020. Based on reports and information received, Valley Communities Community Credit Union's financial operations and system of internal controls remain very sound.

At nearly the same time, the State of Wisconsin, Office of Credit Unions performed an examination of the credit union as of September 30, 2020, in accordance with standard procedures of this agency. (December reports are submitted to NCUA in January, thus 3rd quarter was available at time of examination) Once again, based on the reports, VCCU has satisfactory financial performance that consistently provides for safe and sound operations, and historical trends and projections for key performance measures are generally positive.

At least once every two years, accounts, or statement of accounts and other account records of the members shall be verified against the records of the credit union. This will be accomplished utilizing the December 31, 2021 statement cycle. Thank You in advance for your cooperation.

Risk Management appreciates your continued confidence in our oversight role. The support and cooperation of the Board of Directors, management, and employees have assisted us in the performance of our duties and is greatly appreciated.

# BOARD OF DIRECTORS



**Gary Engebretson**  
*Chairperson*  
*Term expires 2023*



**Lisa Jakusz**  
*Vice Chair*  
*Term expires 2023*



**Harold Matis**  
*Treasurer*  
*Term expires 2021*



**Jon Anderson**  
*Secretary*  
*Term expires 2021*



**Paul Davis**  
*Term expires 2022*



**James Krzmarcik**  
*Term expires 2022*



**Mike Walters**  
*Term expires 2021*



**Kris Lehman**  
*Board Liaison*

# AUDIT COMMITTEE

Debra Johnson, Chair  
Steven Cisewski  
Shirley Clark

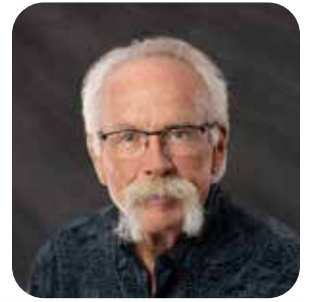
# NOMINATING COMMITTEE



**Lisa Jakusz**  
*Chair*



**Paul Davis**



**Gary Engebretson**





# ADMINISTRATIVE STAFF



**Kelly Hladovcak**  
*President/CEO*



**Jeff Horne**  
*Vice President/CFO*



**Adam Dykman**  
*Vice President/COO*



**Angela Dinkins**  
*Vice President/CLO*



**Sherry Berry**  
*Branch Manager*  
*Wis. Rapids*



**Leann Duehlmeier**  
*Branch Manager*  
*Stevens Point*



**Becky Gresham**  
*Branch Manager*  
*Mosinee*



**Jodi Griepentrog**  
*Branch Manager*  
*Marshfield*



**Mark Bennett**  
*Corporate Risk Manager*



**Erick Clements**  
*System Administrator*



**Nicole Krautkramer**  
*Human Resources Specialist*



**Melissa Kolbeck**  
*Lending Support Manager*



**Samuel Massey**  
*Compliance Specialist*



**Mandy Powers**  
*AVP of Lending*



**Cathy Stichman**  
*Accounting Supervisor*



**Terry Thompson**  
*Marketing Specialist*

## *We believe in community.*

We're here to help you with all the important things in your life, with:

- Fast, local loan decisions for auto, home, personal and business loans
- Checking & savings accounts to fit your needs, including free rewards checking
- Online and mobile banking
- Unmatched service

Call us or visit [www.valleycommunities.org](http://www.valleycommunities.org) to discover why we say *Membership Matters!*

OFFICES LOCATED IN THE HEART OF YOUR COMMUNITY:

Kronenwetter — Marshfield — Mosinee — Stevens Point — Wisconsin Rapids

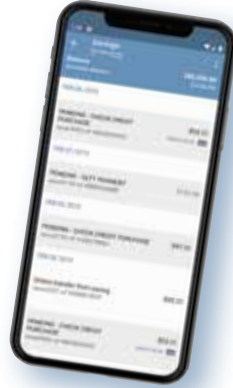


**Valley COMMUNITIES**  
CREDIT UNION  
.....Where Membership Matters



# ***Access & control your account anywhere!***

Use the camera on your smartphone to scan the QR Code to easily download our apps, anywhere!\*



\* Visit [www.valleycommunities.org](http://www.valleycommunities.org) for app disclosures.



## **SERVING YOU IN YOUR COMMUNITY AT ONE OF THESE FIVE CONVENIENT LOCATIONS!**

### **Kronenwetter**

2290 County Rd. X, Suite C  
Kronenwetter, WI 54455  
(715) 359-0050

### **Marshfield**

2011 S. Central Avenue  
Marshfield, WI 54449  
(715) 384-2867

### **Mosinee**

1105 Western Avenue  
Mosinee, WI 54455  
(715) 693-3400

### **Stevens Point**

2940 Church Street  
Stevens Point, WI 54481  
(715) 341-4543

### **Wisconsin Rapids**

440 8th Street South  
Wisconsin Rapids, WI 54494  
(715) 424-4400

### **Corporate Office**

975 Indianhead Drive  
Mosinee, WI 54455  
(715) 693-5770

### **FOLLOW US!**



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[@valleycommunitiescreditunion](https://instagram.com/valleycommunitiescreditunion)



Insured by NCUA