

Annual Report

2015



We always have your best
interest at heart!





78th Annual Meeting

Tuesday, April 19, 2016

5:00 p.m. Pledge of Allegiance.

MEETING AGENDA

1. Call to Order.
2. Determine Quorum and Majority Requirements.
3. Introduction of Directors and Senior Management.
4. Approve Minutes of the 77th Annual Meeting.
5. Report of the Chair of the Board.
6. Report of the Supervisory Committee.
7. Report of the Credit Committee.
8. Report of the Membership Committee.
9. Report of the President/CEO.
10. Report of Bylaw Amendments.
11. Report of the Nominating Committee.
12. Report of the Proxy Votes.
13. Elect Directors.
14. New Business.
15. Member Inquiries/Suggestions.
16. Adjournment.

THE DIRECTORS

Rich Durante
James Fabrie
Kevin Leman

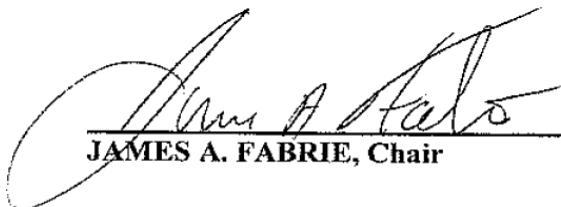
Jim March
Bertine Nixon
Stephen Park

R. Lee Piekarz
Pat Price
Shirley Solberg

Door prizes will be drawn immediately following the meeting. Employees, Directors & Directors' Spouses will not be eligible.

GREAT LAKES CREDIT UNION
77th ANNUAL MEETING
April 21, 2015

1. The 77th Annual Meeting of the Members was held at Great Lakes Credit Union, North Chicago on Tuesday, April 21, 2015. Fifty one (51) members were in attendance.
2. The meeting was called to order by James Fabrie, Chair, at 5:00 p.m.
3. Bertine Nixon, Secretary, declared that a quorum was present and that 46,209 of 58,557 or 78.9% of the outstanding members were represented either in person or by proxy. The Chair declared that it was a legal meeting.
4. Motion was made and seconded to dispense with the reading of the minutes of the previous Annual Meeting. Carried.
5. Jim Fabrie presented his Report as the Chair.
6. The following reports were presented:
 - A. Supervisory Committee Report – James March
 - B. Credit Committee Report – Stephen Park
 - C. Membership Committee Report – Bertine Nixon
 - D. President/CEO Report – Vikki KaiserMotion was made and seconded to accept all reports as printed and discussed. Carried.
7. The Chair reported amendments made to the Bylaws during 2014. A motion was made and seconded to dispense with the reading of the Bylaw amendments and to approve the Bylaw amendments made in 2014. Carried.
8. R. Lee Piekarz, Nominating Committee Chair, presented a slate of nominees for Directors for three-year terms. The nominees were James Fabrie, James March and Shirley Solberg.
9. Bertine Nixon, Secretary, reported that 46,209 proxies would be voted for each nominee that was presented by the Nominating Committee.
10. Motion was made and seconded to instruct the Secretary to cast a unanimous ballot for the slate of nominees. Carried.
11. James Fabrie asked if there was any new business or comments from the floor. Attachment 1.
12. Patti Smith, Senior Vice President of Brand, Marketing, Sales & Business Development for the Illinois Credit Union System presented Vikki Kaiser with the Louise Herring Award for Philosophy in Action (first place), the Desjardins Youth Financial Literacy Award (first place), and the Dora Maxwell Social Responsibility Award (second place).
13. A motion was seconded and carried to adjourn the meeting at 5:44 p.m.
14. A drawing was held for meeting attendees. There was \$750 in cash prizes awarded to members – one \$100, three \$50 and 25 \$20.



JAMES A. FABRIE, Chair



BERTINE A. NIXON, Secretary

Q: Is a fee assessed when a GLCU member uses an ATM at a shared branch?

A: The owner of the ATM determines if a fee is assessed. Therefore, GLCU members are encouraged to use our 81 new surcharge-free ATMs conveniently located in area CVS, Costco and Kroger stores.

Chair's Report to the Membership:

Time sure does fly by when you are busy and welcoming new members!

In 2015, GLCU merged with three credit unions in the area, McHenry County Federal Credit Union, in McHenry County, Bell West Community Credit Union in Oak Lawn and last but not least Phone-Co Credit Union in Chicago. We welcomed 10,069 new members from our three mergers.

We also added branches in 2015. In addition to the 10 branches we already had at the beginning of 2015, we now have branches in Crystal Lake, Woodstock, Oak Lawn and downtown Chicago on the corner of W. Randolph St. and Franklin St. Plus, we added over 80 free ATMs across the region - I hope you are enjoying this added convenience!

We enhanced our Bill Pay product in 2015 to make it more user friendly, and we are launching iPay this year for added member convenience.

As always, we will continue to enhance all of our products and services to bring you the best possible financial options for your future success and prosperity.

We continued our youth financial education outreach conducting our Mad City Money Program at 24 schools and interacting with 3,176 students. We also awarded 6 academic scholarships to members at all stages of further education.

In 2015, GLCU expanded support to the local communities by sponsoring numerous community events including hosting the Annual Giving Dinner in North Chicago; Child Safety Fairs at the Antioch and Bolingbrook branches; Shred Days at the Country Club Hills, Round Lake Beach & Waukegan branches; and raising \$5,000 for the Children's Miracle Network and an additional \$5,000 for a local animal shelter, On Angels' Wings.

In addition, through its Board of Directors, GLCU donated \$39,000 in support of 13 organizations located within the communities of our branches throughout Lake, McHenry, Cook, DuPage, and Will counties.

GLCU takes great pride in its many philanthropic initiatives to help build up the communities in which its members live.

Now, to the numbers and financial results: GLCU ended the year with \$719 million in assets, \$493 million in loan balances, 71,902 members and a net worth ratio of 9.64 percent.

We also saw a 30 percent increase in member business loans in 2015, and consumer loan applications increased by 107 percent or \$54 million.

The First Mortgage Department completed \$97 million in loans in 2015 as well, indicating that members are still taking advantage of the historically low mortgage loan rates. We also generated \$35 million in new home equity volume.

Deposits were up by \$79 million in 2015, with \$67 million through mergers and \$12 million representing organic growth. Net Income for the year was \$1.28 million. Net Worth grew by \$6 million during the year, thanks to improvement in earnings and capital added through mergers. Total Operating Expenses were up by \$2.4 million in 2015, primarily as a result of merger related expenses. We wrapped up a challenging year with solid results, poised for another successful year in 2016.

Finally, GLCU received The Desjardins Youth Financial Literacy Award, and we placed second in the state Dora Maxwell Social Responsibility Award.

As GLCU moves forward into 2016, we continue to be committed to providing the most innovative, convenient products and services to our members, in keeping our products and services as affordable as possible, as well as giving back to the community.

Thank you.

A handwritten signature in cursive script, appearing to read "James A. Fabrie".

James Fabrie
Chairman

Great Lakes Credit Union 2015 Bylaw Amendments

ARTICLE I – NAME AND LOCATION

The name of this corporation shall be GREAT LAKES Credit Union. It shall be located in the City of ~~NORTH CHICAGO~~ Bannockburn, County of Lake, in the State of Illinois.

ARTICLE III – MEMBERSHIP

Section 1.

The following Select Employee Groups were added to GLCU's Bylaws:

*The International Union United Automobile, Aircraft & Agricultural Implement Workers of America-
UAW Local 558*

*IUE Local 1199 (International Union of electronic, Electrical, Salaried, Machine & Furniture Workers,
A.F.L.-C.I.O.), Cicero, IL;*

*Any employee or person retired from AT&T or its affiliated subsidiaries, any employee of The Belt
Railway Company of Chicago and any family member related by blood or marriage.*

Also, employees and their family members of these select employee groups may join:

American Association of Law Libraries American Dental Association

American Egg Board

Arnold Heating, Cooling & Sheet Metal Avenues to Independence

Bedford Park District

Bedford Park Library District

BerMar Mortgage

Beta Star Corp.

Big Brother & Big Sisters of Metropolitan Chicago Byram Healthcare

Chuck Driver's Two

CMP Surgical Center

Consolidated Container Co.

Consumer Credit Counseling

Crown Cork & Seal

Dependable Nursing

DeVry University

Digby's Detective Agency

EHC Corp.

Equip for Equality

First Financial Insurance Services, Inc.

GIA Publications

Gerald's Service

W.R. Grace Co.

The Heartland Institute

International Brotherhood of Electrical Workers (I.B.E.W. Local 21)

International Union of Electronic, Electrical,

Salaried, Machine & Furniture Workers (IUE Local 1199) (A.F.L.C.I.O.)

International Union of United Automobile, Aircraft & Agricultural Workers (Local 558)

Kane Graphical

Landmark Engineering Corporation

Life Services Network

Mapletree Childcare Learning Center

National Office of Program Development Nonprofit Financial Center

Orbis (National Consolidation Services)

Pate Company

Plastiform, Inc.
Pneumatic Scale Corp.
Real Estate Education Co.
Regal Health & Rehab Center
Regency At Home Healthcare Services Riverside Manufacturing Co.
Roberts Park Fire Protection
Roscoe Company
Service Employees International Union (S.E.I.U. Local 4)
L.J. Sheridan Co.
Sherwood Conservatory of Music
Smile Success Dental Centre
Stein & Co.
Superior Mailing Services
Superior Manufacturing
Taylor Business Institute
TEC Air
Transparent Container Co.
Tri-State Auto Auction of Chicago
Village of Bedford Park
Wakenight & Associates, P.C. Winnetka Community House
Atwood School District 125, Alsip, IL
The former McHenry County Federal Credit Union
Any employee or retiree of the SBC Global Networks or affiliates of the SBC Global Networks;
AT&T or affiliates of AT&T;
The former Phone Co. Credit Union;
MCI Telecommunications Corporation, Chicago, IL;
U.S. Cellular (United States Cellular), Chicago, IL; and
IBEW Local 1220 Radio and Television Broadcast Engineers, Chicago, IL

The following Select Employee Groups were removed from GLCU's Bylaws:

~~Institute of Real Estate Management, Chicago, IL~~
~~South Cook Intermediate Service Center 4 (formerly ESC #7)~~
~~South Metropolitan Association~~
~~Vindee, Inc.~~
~~Olympic Village Apartments, Chicago Heights, IL~~
~~E-Com Dispatch Center, Homewood, IL~~
~~Hair Café Salon, Country Club Hills, IL~~
~~Culinary Enterprises Inc., Naperville, IL~~
~~DuPage Precision Products, Naperville, IL~~
~~Truxes Company, Naperville, IL~~
~~H.J. Pokorny, Inc., Naperville, IL~~
~~Davis Automotive Services~~
~~Resources Information Management Systems, Inc.~~
~~Little Friends, Inc.~~
~~Versatile Card Technology, Inc., Chicago, IL~~
~~University Subscription Service~~
~~Unique Embossing Services, Inc.~~
~~Unique Mailing Services, Inc.~~
~~JDK Enterprises, Ltd., Glen Ellyn, IL~~
~~May & Speh, Inc., Downers Grove, IL~~
~~Inlech Consultants, Inc., Downers Grove, IL~~
~~Mulay Plastics, Addison, IL~~
~~ABB Raymond, Lisle, IL~~

~~Edward George Company, Alsip, IL~~
~~Promac, Inc., Elgin, IL~~
~~American Benefit Administrative Services, Chicago, IL~~
~~Assurance Technologies, Inc., West Chicago, IL~~
~~Butera Finer Foods, Elgin, IL~~
~~Joe B. Foods, Inc., Elgin, IL~~
~~Lord Label and Manufacturing Company, Skokie, IL~~
~~Steve's Equipment Service, Inc., West Chicago, IL & Gary, IN~~
~~Cost Care, Huntington Beach, Ca~~
~~Joslyn Corporation, Chicago, IL~~
~~American Osteopathic Association, Chicago, IL~~
~~St. Rita High School, Chicago, IL~~
~~Frankel & Company, Chicago, IL~~
~~Mark Shale,~~
~~Rodman & Renshaw, Inc.~~
~~PHH Homequity, Oak Brook, IL~~
~~Dearborn Financial Publishing, Inc.~~
~~J.L. Clark, Downers Grove, IL~~
~~Plastiform Industries, Wheaton, IL~~
~~Builders Plumbing and Heating Supply Company, Addison, IL~~
~~Sommer and Maca, Chicago, IL~~
~~Nike Securities, Lisle, IL~~
~~Boockford and Company, Oakbrook, IL~~
~~Helios Container Systems, Inc., Bloomingdale, IL~~
~~Barrett Varnish Company, Cicero, IL~~
~~Esselte Meto, Morris Plains, NJ~~
~~William Zinsser & Associates, Chicago, IL~~
~~Bolingbrook Lincoln Mercury, Bolingbrook, IL~~
~~Everpure, Inc., Westmont, IL~~
~~JK Pontiac, Downers Grove, IL~~
~~DuPage Oakbrook Message Center, Hinsdale, IL~~
~~Pace Motor Sports, Lombard, IL~~
~~Chicago Child Care Society, Chicago, IL~~
~~Parkway HealthCare Center, Wheaton, IL~~
~~Lesman Instrument Company, Elmhurst, IL~~
~~Amerihome Mortgage, Rosemont, IL~~
~~121 Marketing Resources, Inc., Wheaton, IL~~
~~L.A. Fasterners, Inc., Lyon, IL~~
~~Mazur Corporation, Indian Head Park, IL~~
~~AdminaStar Federal, Chicago, IL~~
~~Camp Flooring & Concrete Coatings, Inc., Hickory Hills, IL~~

and

Any person who works or resides in Lake County, IL; any person who works, resides, *worships or attends school* in McHenry County, IL; any person who works or resides in Kenosha County, WI, or in the following area (located within Cook & Will County, IL) bounded by: East: The Indiana State Line, North: Illinois Route 6, West: Illinois Route 45, South: Will County Line and persons who live or work in the Community bounded on the south by Will-DuPage County Line, and that portion of the City of Naperville that is south of the Will-DuPage County Line, on the east by Route 53, on the North by Route 38, Roosevelt Road, and on the west by the Elgin, Joliet and Eastern Railroad Tracks, the eastern edge of Fermi Lab, from Route 38 to Route 56, Butterfield Road, west along Route 56 to Eola Road, then south to Route 34, Ogden Avenue, and from there directly south to the Will-DuPage County line. Anyone living or working in the counties of DuPage, Kane, Kendall, Will and west of Route 83 in the county of Cook. *Anyone living or working in the communities within the following boundaries in Cook County, IL:*

East of Route 83, South of Ogden Avenue (Route 34), West of S. Cicero Avenue (Route 50), and north of 159th Street (Route 6); anyone who lives or works in the Villages of Oak Lawn, Burbank, Willow Springs, Hickory Hills, Evergreen Park, Bridgeview, Chicago Ridge or Westchester, IL; and any Domestic Partner or unmarried members who are not related by blood or by law, pursuant to parameters and guidelines set forth by a Board Resolution;

ARTICLE V – DIRECTORS

Section 2.

- g. The Supervisory Committee shall consist of ~~four~~ *three* or more Directors or members of Great Lakes Credit Union who are not Directors and shall be chaired by the Chair of the Supervisory Committee, who shall be a director. Members of the Supervisory Committee shall not be members of the Credit Committee or Officers of Great Lakes Credit Union.

2016 DIRECTOR NOMINEES

- Rich Durante – President/Managing Broker, D&R Property Management and Realty. Director since 2015. Supervisory Committee Member. Currently serving unexpired portion of a three-year term expiring April 2016.
- Bertine A. “Bunny” Nixon – Ret. Technical Director, Military Medical Support Office, Great Lakes. Director since 1991. Board Secretary; Executive Committee Member; Membership Committee Chair and Credit Committee Member. Currently serving a three-year term expiring April 2016.
- Patrice Price – President, The Price Group, Inc. Director since 2013. Board Treasurer; Executive Committee Member; Credit Committee Chair. Currently serving a three-year term expiring April 2016.

Great Lakes Credit Union

Balance Sheets

December 31, 2015 and 2014

	2015	2014
Assets		
Cash and due from financial institutions	\$ 61,874,193	\$ 58,819,489
Interest bearing deposits in other financial institutions	3,589,400	1,692,279
Total cash and cash equivalents	65,463,593	60,511,768
Interest bearing time deposits in other financial institutions	13,447,808	3,266,909
Securities available-for-sale	94,039,606	119,566,755
FHLB stock	2,754,300	2,754,300
Loans held for sale	1,432,949	774,344
Loans to members, net	485,600,864	403,816,609
Accrued interest receivable	1,903,399	2,027,801
Premises and equipment, net	28,705,209	25,564,559
Land held for sale	554,823	554,823
Share insurance deposit	5,967,205	5,410,116
Servicing rights	428,600	478,402
Real estate owned	892,976	1,177,754
Corporate owned life insurance	7,974,029	7,746,911
Intangible assets	1,895,189	1,170,452
Other assets	8,566,605	5,002,787
	\$ 719,627,155	\$ 639,824,290
Liabilities and Members' Equity		
Members' shares	\$ 626,481,196	\$ 547,592,780
Borrowings	9,500,000	20,100,000
Investments - traded but not settled	6,000,000	2,000,000
Accrued interest payable and other liabilities	8,263,852	7,656,841
Total liabilities	650,245,048	577,349,621
Commitments and contingencies (Note 12)		
Members' equity		
Regular reserve-restricted	13,144,303	11,634,459
Undivided earnings	56,230,881	50,942,278
Accumulated other comprehensive income (loss)	6,923	(102,068)
Total members' equity	69,382,107	62,474,669
	\$ 719,627,155	\$ 639,824,290

Great Lakes Credit Union

Statements of Income

Years December 31, 2015 and 2014

	2015	2014
Interest and dividend income		
Loans	\$ 21,012,768	\$ 20,244,426
Securities	1,394,996	1,642,296
Balances with other financial institutions	234,261	160,613
Total interest and dividend income	22,642,025	22,047,335
Interest expense		
Members' shares	2,095,990	2,345,423
Borrowed funds	288,789	244,120
Total interest expense	2,384,779	2,589,543
Net interest income	20,257,246	19,457,792
Provision for loan losses	1,779,130	2,701,995
Net interest income after provision for loan loss	18,478,116	16,755,797
Non-interest income		
Service fees	3,990,237	3,801,514
Credit card and ATM card income	3,411,731	3,156,090
Gain on the sale of loans	1,251,631	2,001,971
Gain on the sale of securities	225,694	195,284
Gain from bargain purchase (merger)	113,470	-
Other	1,504,957	1,016,647
Total non-interest income	10,497,720	10,171,506
Non-interest expense		
Salaries and employee benefits	15,068,601	14,442,633
Occupancy and operations	7,712,929	6,256,885
Loan collection and REO	492,669	572,899
Credit card and ATM card	1,024,600	1,248,854
Depreciation	2,228,240	1,762,358
Advertising	411,972	471,648
Professional and outside services	271,423	303,368
Other	481,683	254,029
Total non-interest expense	27,692,117	25,312,674
Net income	\$ 1,283,719	\$ 1,614,629