

## MINUTES OF 68th ANNUAL MEETING

May 14, 2019

Sixty members and guest attended the 68th Annual Meeting of Fortress Federal Credit Union, which was held at The Garden House at Matter Park, Marion IN. Steve Malone offered the invocation before the meal was served.

Chairman Mittan called the business session to order at 5:40 p.m. Mrs. Lisa Blades confirmed that a quorum was present. Chairman Mittan presented the minutes of the 2018 meeting, reports of the committee chairs and the Statement of Financial Condition and Income and Expense. Norm Blum made a motion that was seconded by Carol Fisher and approved to accept the reports as presented.

Norm Blum stood up and thanked the board and the staff for their hard work to get the credit union at a positive bottom line.

Director Carol Fisher gave the report of the Nomination Committee that had selected Kevin Pearson, Dennis Shields and Carol Fisher to fill the vacancies on the Board of Directors. No nominations had been received from the membership when the election by mail was announced. It is noted that Joel Clark was also running for a position on the Board of Directors. Mr. Clarks name was unintentionally left off the list of nominees. Norm Blum made a motion that was seconded by Natalie Pruitt and approved to accept the nominations by acclamation, and Secretary Blades was instructed to cast a unanimous ballot for those nominated.

It is noted that there were 2 World War II Veterans at our meeting. Barney Emerson and Joseph Williams.

The following awards were presented:

Natalie Pruitt 20 year pin/gift certificate, Angie Kirk- Perfect Balancing 3 Years, Chuck Winegardner perfect attendance award/gift certificate.

The attendance drawing was held next. The lucky winners were: Linda Pennington, Debbie Addison, Marcia Atkinson, Lloyd Owens, Wanda Pratt, Robert Winters, and Shirley weaver.

Mr. Mittan extended thanks to all the staff for all of their hard work putting the meeting together.

The meeting adjourned at 6:15 p.m.

Respectfully submitted

,Lisa Blades - Paul Mittan  
Secretary - Chairman

## BOARD OF DIRECTORS REPORT

The Board of Directors worked to guide, improve and strengthen your credit union's performance in 2019.

Duties performed by the board included:

- Adoption and evaluation of the 2019 budget
- Reviewed and updated all policies necessary for the continued operation of the credit union.
- Reviewed the report of the federal examiner and reviewed his report to ensure we are in compliance with all regulations and following his recommendations.
- Approved money market rates on a monthly basis and dividend rates quarterly.
- Reviewed, authorized and approved expenses
- Approved training for volunteers and office staff

The board remains dedicated to providing the guidance necessary to allow the credit union to grow and improve. We make every effort to ensure that the credit union remains strong and secure.

The board thanks all of the office staff and the volunteers for their hard work and the loyal members for their continued support that makes this credit union successful.

**PAUL F. MITTAN - Chairman**

## PRESIDENT'S REPORT

The year 2019 was a stellar year for Fortress. ONCE AGAIN WE HAVE A POSITIVE BOTTOM LINE! This could not have happened without the hard work and dedication of our staff and Board of Directors. We have continued to grow and add new members. We must continue to grow our In-Direct lending program along with our In-house lending. We are still looking very closely at all of the expenses to save money wherever we can. In 2020 we will have a change to our debit card program. Advancing us in technology and saving at least 40% of the cost that we currently are experiencing. We are going to introduce CARD @ ONCE. You will be able to get a debit card produced right at the credit union! Please watch for word on this. New debit cards will come in the mail in June 2020.!(and they did)

In 2019 we showed more income and less expenses. Our Net Worth remains at above 17%, making us a "fat little grape" in the credit union world where 7% Net Worth is considered fine! Our Allowance for Loan Losses continues to decline. We still have more to do.

As we look forward to 2020, there is still so much to be done. We have to continue to look at expenses and ways to cut those and we must look at how this credit union can run even more efficiently.

I would like to thank the Board of Directors who volunteer their time to make this Credit Union the best it can possibly be. I would also like to thank the staff that remains dedicated to the credit union and its members. Fortress Federal Credit Union is the best Credit Union in Grant County. Remember to tell your family, friends, and neighbors about our services.

**Lisa A Blades - President / CEO**

## BIOGRAPHIES OF THE NOMINEES FOR THE BOARD OF DIRECTORS MAIL ANNUAL MEETING SEPTEMBER 2020

**Clark, Joel:** Following his service in the US Air Force, Mr. Clark began work at General Finance where he had experience in both lending and collections. When working at TCE us used this experience as a volunteer at the credit union on the Credit Committee. Upon the closing of TCE he worked at IWU where he was able to obtain both a Bachelor and Masters degree before his retirement. Mr. Clark is now the Supervisory Committee Chairman and on the Board at Fortress. He is the Associate pastor at Back Creek Friends Church and a committee member of Main Street Fairmount.

**Pearson, Kevin:** Kevin was born and raised in Marion IN. He graduated from MHS in 1975 and has an Under-Graduate degree from the University of Indianapolis and a Masters Degree from Ball State University. Kevin is married with 2 children Keith and Leah. Kevin also has 6 grandchildren. Kevin is the owner and operator of Pearson Printing Company. Pearson Printing is a family business that has been in operation for almost 90 years. Kevin taught and coached at the high school level for 17 years before taking over the family business in 1996.

**Shields, Dennis:** Dennis was born and raised in Marion IN. He went to IN Business College, where he met his wife Sally. Dennis worked at RCA/Thomson for 15 years. Dennis retired from General Aluminum in 2009. He has 2 children, 5 grandchildren and 2 great grandchildren. Dennis' hobbies include hunting and fishing. Dennis is an Associate Member of the FOP, he is also a member of the American Legion. Dennis attends First Friends Church were he serves on the Board of the Little Friends Daycare. He is also on the Ministry and Oversight Committee.

**Nominating Committee members: Paul Mittan, Lisa Blades and Carol Fisher**

## SUPERVISORY COMMITTEE

As in several previous years Shull & Company were retained to perform the Supervisory Audit along with the ACH and Risk Assessment audits. These audits verify that all required policies and procedures are in place and being followed. Experience has shown us that both the governmental examiners and private auditors have a particular niche that they focus on. In that regard a recommendation to the Board of Directors that in 2020 a new company be used. We feel that a change may result in recommendations that will increase our ability to insure everything is being done to follow and establish policies that allow the Credit Union to retain our excellent ratings.

The Supervisory Committee joins with the Board of Directors at their meetings and training sessions to be better able to address any issues that could fall into our realm of responsibility. Some of the regular audits that we perform is to do a random check of loans, eligibility of new members, and confirmation of closed accounts. There are regular checks of cash drawers, ATM balances, and vault contents. We are proud to say that there are no significant errors found during the past year.

We want to thank President Lisa Blades, the Board of Directors, and the entire staff of the Credit Union for their hard work and standards that gave the various audits and examinations the exceptional results we have had.

Donna Knight and Shelby Gretz are the other members of the Supervisory Committee.

**Joel Clark - CHAIRMAN**

## STATEMENT OF FINANCIAL CONDITION

December 31, 2019

### ASSETS

Cash	263,247.45
Loans	11,007,360.59
Allowance for Loan Losses	(191,385.61)
Members United Corp CU	1,051,498.08
Corporate Certificates	.00
Government Agencies	.00
Other Financial Institutions	2,730,000.00
NCUSIF Capital Deposit	130,333.33
Other Assets	1,239,689.73
<b>Total Assets</b>	<b>16,230,743.57</b>

### LIABILITIES AND EQUITY

Members' Shares	13,231,370.57
Accounts Payable/Other Liab.	27,578.43
Regular Reserves	961,839.34
Reserves for Contingencies	0
Undivided Earnings	2,009,955.23
Unrealized Gains/Losses	0
<b>Total Liabilities and Equity</b>	<b>16,230,743.57</b>

### STATEMENT OF INCOME/EXPENSE

Income from Loans	739,335.67
Income from Investments	89,999.33
Operating Income	154,630.76
Other Income	105,782.34
Gain (Loss) on Investments BOLI	9,379.75
<b>Total Income</b>	<b>1,099,127.85</b>

### EXPENSES

Compensation	236,439.35
Benefits	114,023.20
Travel and Conferences	11,460.35
Association Dues	9,166.66
Office Occupancy Expense.	68,277.31
Office Oper.Exp. (Incls Cash O/S)	110,159.82
Education and Advertising	25,395.86
Loan Servicing	75,337.64
Prof. / Outside Services	139,469.96

Operating Fee (Examination)	4,337.56
Miscellaneous Operating Expense	5,997.05
Annual Meeting Expense	1,269.46
<b>Total Operating Expenses</b>	<b>796,860.45</b>
Dividends to Members	107,663.88
Provision for Loan Losses	73,028.56
Interest on Borrowed Money	8.90
<b>NET INCOME</b>	<b>121,566.06</b>

## 2019 OFFICIAL FAMILY

### BOARD OF DIRECTORS

Chairman	Paul F. Mittan
Vice Chairman	Hugh Burnett
Treasurer/Secretary	Lisa A. Blades
Assistant Treasurer	Carol A. Fisher
Director	Kevin Pearson
Director	Dennis Shields
Director	Shelby Gretz
Director	Joel Clark

### SUPERVISORY COMMITTEE

Chairman	Joel Clark
Member	Donna Knight
Member	Shelby Gretz

### INVESTMENT COMMITTEE

Paul Mittan, Lisa Blades, and Doris Phillips

### ALM COMMITTEE

Lisa Blades, Paul Mittan, and Doris Phillips

### MARKETING COMMITTEE

Doris Phillips and Lisa Blades

### OFFICE STAFF

President/CEO	Lisa A Blades
Vice President	Doris Phillips
Chief Operations Officer	Natalie Pruitt
Collections Officer	Chuck Winegardner
Head Teller/Loan Clerk	Angie Kirk
MSR	Rita Malone
MSR/Part Time	Troy Purvis

### MISSION STATEMENT

**To provide quality financial services to the members in a friendly and professional manner.**

*Fortress  
Federal  
Credit  
Union*

*69th Annual  
Meeting*

*Mailed to members  
September 2020*