

**39th ANNUAL MEETING**



# **2011 ANNUAL REPORT**

**MEETING:**

**FRIDAY, MARCH 2, 2012  
AT 6:00PM**

**2440 E RAND ROAD  
ARLINGTON HEIGHT IL 60004**



## **39th Annual Meeting**

March 2, 2012

METRO Federal Credit Union  
2440 E Rand Road  
Arlington Heights, Illinois

### **Meeting Agenda**

Call to Order—6:00 P.M.

Approval of Minutes of 38th Annual Meeting Held  
March 4, 2011

Chairman's Report— Sue E. Gwinnup

President's Report — Richard A. Marra

Supervisory Committee Report — Bob Doran

Election of Directors (Acclamation Vote)

Old Business

New Business

Adjournment



## **Minutes of the 38th Annual Meeting Held March 4, 2011**

The 38th Annual Meeting was called to order by Chairman David Schultz at 6:15pm in the meeting facilities of the Rob Roy Clubhouse 505 E. Camp McDonald Road, Prospect Heights, Illinois.

### **Approval of Minutes**

Gil Wilson initiated a motion to approve the minutes of the 37th Annual Meeting as presented. Kevin Gwinnup seconded this motion which was voted without discussion and approved by unanimous vote.

### **Chairman's Report**

David Schultz welcomed attending members to the 38th Annual Meeting Dinner and described METRO's financial results during 2010. In particular, David reiterated that METRO itself performed well generating a \$130,000 net profit from operations. METRO's much lower nominal \$5,000 Net Income for 2010 reflects the burden of over \$125,000 in extraordinary assessments resulting from the liquidation of Members United Corporate Credit Union and NCUA insurance fund stabilization charges. Looking forward, David confirmed that METRO will focus on rebuilding its capital reserves in 2011.



## **President's Lending Report**

Dick Marra highlighted METRO's loan portfolio trends reporting that METRO funded \$3 Million in new loans for 2010 which reflects a \$2 Million reduction in total loans outstanding. Dick also discussed deteriorating credit conditions during 2010 which were evident as average delinquency rates rose to nearly 2.0% while average loan yield remained unchanged at 6.7%.

## **Supervisory Committee Report**

Bob Doran summarized the results of the 2010 Supervisory Audit conducted by Desmond & Ahern, CPAs. 2010 audit results confirmed that METRO continued to operate on a sound basis emphasizing safety and financial control.

Kevin Gwinnup initiated and Ann Kavanaugh seconded a motion to accept the 2010 Financial and Supervisory Committee Reports as presented. This motion, which was voted without discussion, was unanimously approved.

## **Election Results**

Dick Marra confirmed that since only two candidates applied for two Director's positions available in 2011, only a voice vote confirming their election was required. Marge Loesch initiated and Kevin Gwinnup seconded a motion to elect the announced candidates. This motion was accepted by acclamation; Susan Gwinnup and Edward Geiss were certified for three year terms beginning in 2011.



### **Old Business**

No old business was introduced for discussion.

### **New Business**

No new business was introduced for discussion.

### **Adjournment**

David Schultz polled members regarding any additional business for discussion; none was introduced.

Marge Loesch initiated a motion to adjourn the meeting which was seconded by Lisa Kruzel. This motion was accepted by voice vote. David Schultz adjourned the meeting at 6:35 pm.

Respectfully submitted,

*Sue Gwinny* Secretary

Certified as correct,

*David Schultz* Chairman



## **Chairman's Report**

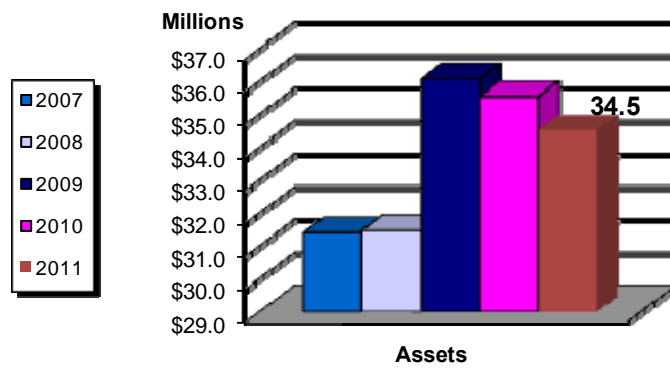
### **Susan Gwinnup**

METRO's operating results in 2011 were stable with little change from the previous year. While industry wide competition for shrinking levels of consumer business was intense, METRO's financial position remained secure. For the entire year, aggregate deposits fell approximately 2.50% while loans outstanding grew 9.0%. METRO's nominal \$5,000 net profit was achieved notwithstanding over \$200,000 in extraordinary loan losses and regulatory assessments.

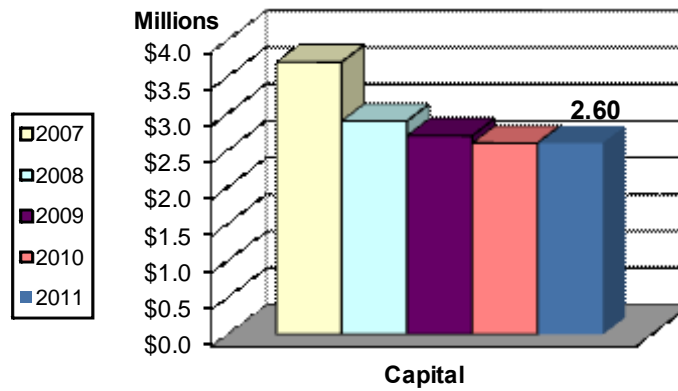
While we anticipate that regulatory assessments and extraordinary loan charges will remain elevated for several more years, we will continue to provide the lending resources our members rely on to achieve their financial goals. Along with continuing attention to serving our members, METRO will continue to concentrate on maintaining and increasing its capital reserves during 2012.



## CHANGE IN ASSETS



## CHANGE IN CAPITAL





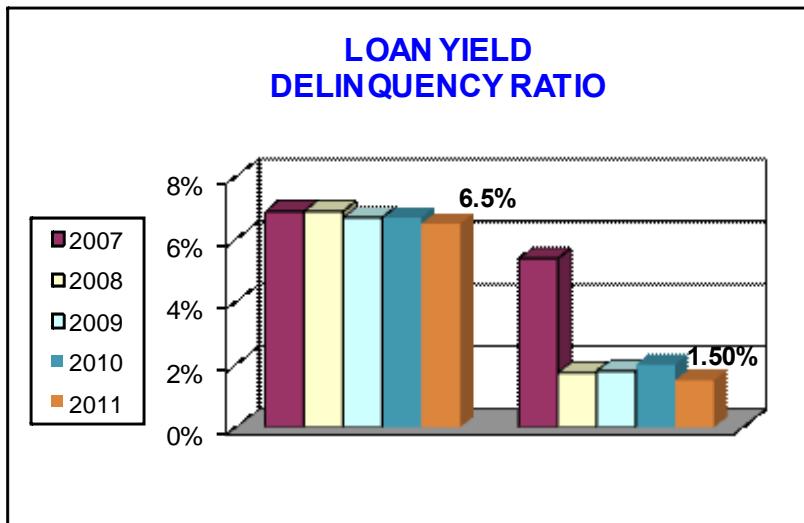
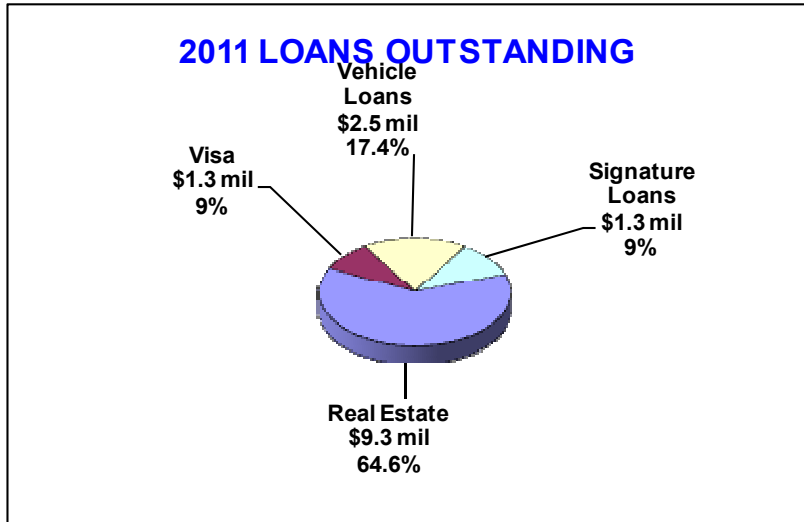
## President's Report

### Richard Marra

METRO's lending business demonstrated a moderate improvement during 2011. New loans written nearly doubled from 2010 with \$5.2 Million in new credit approved during the year and total loans outstanding increasing approximately 9% to \$15.7 Million. Lending performance was mixed with average delinquency rates falling below 1.50% but aggregate yield (income) on loans shrinking to 6.50%.

	2007	2008	2009	2010	2011
Loans Outstanding (Millions)	\$17.9	\$16.4	\$16.4	\$14.4	\$15.7
Net Loan Yield (Interest Earned)	6.9%	6.9%	6.7%	6.7%	6.5%
Delinquency Ratio	5.4%	1.7%	1.8%	2.0%	1.5%







## **Supervisory Committee Report**

### **Bob Doran**

METRO's most recent Supervisory Committee Audit has confirmed that METRO continues to place a high priority on safety and control. During 2011, the Supervisory Committee engaged the Firm of Desmond and Ahern to conduct its annual examination. Based on their CPA review and its own assessments, the Supervisory Committee concludes that:

- ▶ **METRO's financial condition remains healthy and sound.**
  
- ▶ **METRO's financial statements and records accurately represent members accounts and the credit union's financial position.**
  
- ▶ **Management policies and procedures are adequate to provide a superior level of security for member assets.**

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**METRO FEDERAL CREDIT UNION  
STATEMENT OF CONDITION  
DECEMBER 2011**

<b>ASSETS</b>	
<b>LOANS TO MEMBERS</b>	<b>16,711,798</b>
<b>INVESTMENTS</b>	<b>14,525,920</b>
<b>OTHER ASSETS</b>	<b>4,283,819</b>
<b>TOTAL ASSETS</b>	<b><u>34,521,537</u></b>
<b>LIABILITIES</b>	
<b>LIABILITIES</b>	<b>1,234,703</b>
<b>MEMBERS EQUITY &amp; RESERVES</b>	
<b>MEMBER SHARES</b>	<b>30,653,040</b>
<b>RESERVES</b>	<b>2,633,794</b>
<b>TOTAL RESERVES</b>	<b><u>33,286,834</u></b>
 <b>LIABILITIES, MEMBERS EQUITY &amp; RESERVES</b>	 <b><u>34,521,537</u></b>

**STATEMENT OF INCOME  
DECEMBER 2011**

<b>INCOME</b>	
 <b>INCOME FROM LOANS</b>	 <b>966,472</b>
<b>INVESTMENT INCOME</b>	<b>410,889</b>
<b>FEES AND CHARGES</b>	<b>224,857</b>
<b>MISCELLANEOUS INCOME</b>	<b>8,536</b>
<b>TOTAL INCOME</b>	<b><u>1,610,754</u></b>
<b>EXPENSES</b>	
 <b>EMPLOYEE COMPENSATION AND BENEFITS</b>	 <b>666,286</b>
<b>PROFESSIONAL AND OUTSIDE SERVICES</b>	<b>234,787</b>
<b>OFFICE OCCUPANCY EXPENSES</b>	<b>291,231</b>
<b>OTHER OPERATING EXPENSE</b>	<b>24,273</b>
<b>TOTAL OPERATING EXPENSES</b>	<b><u>1,216,577</u></b>
<b>DIVIDENDS ON SHARE DEPOSITS</b>	<b>68,708</b>
<b>NCUA ASSESSMENTS</b>	<b>89,104</b>
<b>PROVISION FOR LOAN LOSSES</b>	<b>241,633</b>
<b>TOTAL EXPENSES</b>	<b><u>1,606,022</u></b>
 <b>NET INCOME (LOSS) AFTER DIVIDENDS</b>	 <b><u>4,732</u></b>



## **DIRECTORS**

<b>Board Chairman</b>	<b>Sue Gwinnup</b>
<b>Vice-Chairman</b>	<b>Roger Mueller</b>
<b>Treasurer</b>	<b>Dean Stewart</b>
<b>Secretary</b>	<b>Donna Wilson</b>
<b>Director</b>	<b>Ed Geiss</b>
<b>Director</b>	<b>Ted Loesch</b>
<b>Director</b>	<b>Larry DeLegge</b>

## **SUPERVISORY COMMITTEE**

<b>Chairman</b>	<b>Bob Doran</b>
<b>Member</b>	<b>Brad Grossman</b>
<b>Member</b>	<b>Steve Lane</b>
<b>Member</b>	<b>Merilee McCracken</b>
<b>Member</b>	<b>Lynda Neuner</b>

## **MANAGEMENT**

<b>President</b>	<b>Richard Marra</b>
<b>Vice-President</b>	<b>Salvatore Fragale</b>
<b>Operations Officer</b>	<b>Danielle Gross</b>
<b>Loan Officer</b>	<b>Kasey Smith</b>

**METRO FEDERAL CREDIT UNION**  
**2440 E. Rand Road**  
**Arlington Heights, Illinois 60004**

**Main (847) 670-0456**  
**Fax (847) 670-0401**  
**[www.mcu.org](http://www.mcu.org)**