

Bank on Something Better!

Town and Country Credit Union's
73rd Annual Membership Meeting

Tuesday, January 31, 2012

St. Boniface New Parish Center, Westphalia Iowa

Making Dreams
Come True One
Member At
A Time...



town & country
CREDIT UNION

1024 5th St., Harlan, IA 51537

712-755-3881 • 877-455-3015 • www.towncountrycu.com

73rd Annual Meeting

Tuesday, January 31st, 2012

Dinner 6:30 P.M. Meeting 7 P.M.

Call Meeting to Order
(Rich Hastert)

Prayer for Complete Life

Roll Call of Directors and Committee Members
(Rich Hastert)

Minutes of 2010 Annual Meeting
(Christine Petersen)

Nominating Committee Report
(Bob Bogler)

Candidate Comments
(Richard Hastert, Cindy North, Dan Schwery)

Election of Directors
(Bob Bogler)

Chairman of the Board of Directors' Report
(Rich Hastert)

Chief Executive Officer's Report
(Denny Siemers)

Supervisory Committee Report
(Kirk Petersen)

Credit Committee Report
(Christine Petersen)

Recognition of Special Guests and Members
(Rich Hastert)

Other Business
(Rich Hastert)

Announcement of Election Results
(Bob Bogler)

Presentation of Grand Prize Winner

Adjournment

Prayer For Complete Life

Dear Lord,

Grant Me Today Through
Thy Goodness and Mercy.
Vision, Courage, and Zeal,
to Build Thy Kingdom Great.

In Justice and Charity,
and in Loyalty to Good Things,
So that Thy Kingdom May
Flourish the More,

And

That Thy Children Everywhere May Be
Blessed Now and Always.

Amen

Town and Country Credit Union Organizational Chart

Board of Directors

Rich Hastert, Chairman, Chief Financial Officer
Cindy North, Vice Chairman, ALCO Committee
Jan Blum, Business and ALCO Committee, Credit Committee
Bob Seivert, Audit Committee
Bob Bogler, Credit and Business Loan Committee
Dan Schwery Audit Committee
Christine Petersen, Secretary, Education Committee, Credit Committee and Nominating Committee
Paul Schmidt, Credit Committee, ALCO Committee and Business Loan Committee and Nominating Committee
Kirk Petersen President, Audit Committee Chairman and Nominating Committee

Chief Executive Officer

Denny Siemers

Chief Operations Officer

Lorrie Kohl

Member Services Specialists

Kathy Schafer • Denise Wiig • Kristi Wegner
Matt Gubbels • Desirae Baratta

Office Location and Hours:

1024 5th Street PO Box 310, Harlan, IA 51537

Phone: 712-755-3881 / 877-455-3015 / Fax: 712-755-5536 / www.towncountrycu.com

New Hours: Monday- Friday Lobby Hours: 8:30 am – 4:30 pm.

Drive-up: 7:30 am to 5:00 pm / Sat., 8:30 am-Noon

Services:

Member Services

- Savings - Certificate
- Share Savings
- Term Share Certificates
- Christmas Club
- Kirby Kangaroo Club ages 1-12
- CU Succeed Club ages 13-21

Checking and Related Services

- Personal Share Draft Checking
- Debit Cards - ATM Cards
- Direct Deposit
- Automatic Transfers and Payments
- Automatic Transfer for Overdrafts
- Internet Banking
- On line check viewing

Credit and Loan Services

- Personal Secured Loans
- New and Used Vehicles
- Boat, Motor and Trailers
- Recreational Vehicles
- Snowmobiles and Motorcycles
- Unsecured Loans
- Student Loans

- Master Card Credit Cards

- Real Estate Loans
- Home Equity Loans
- Home Equity Line of Credit Loans
- Share and Certificate Secured Loans
- Credit Life and Credit Disability Insurance- Extended Warranties
- Mechanical Breakdown Insurance
- GAP (Guaranteed Asset Protection) Insurance
- Convenient Loan Repayment Options
- Payroll Deduction
- Automatic Payment from TCCU Account
- Rate reductions for auto pay and account relationships.

Small Business Services

- Small Business and Corporate Share Draft Checking
- Share and Certificate Share Savings
- Business Loans
- Lines of Credit

- Short term Notes
- Business Master Card and Debit Cards

Educational Services

- Financial Calculators
- Money Management
- Insurance Products
- Financial Education Center
- Online Services
- Mr. G Consumer Counseling

Membership Services

- 1-877-455-3015 Toll Free Phone Number
- Visa Gift Cards
- Notary Public
- Wire Transfers
- Cashier's Checks
- Auto and Recreational Vehicle Values
- Reconciliation Service
- Automatic Deposits
- Drive up Window
- Night Depository
- Internet Banking
- Scholarship Opportunities

- Federal Deposit Insurance by National Credit Union Administration (NCUA)

Members Financial Services

- Call Toll Free (866) 512-6109
- Log on to our website www.towncountrycu.com
- Brokerage Services Center
- Auto Insurance
- Homeowners Insurance
- Term Life Insurance
- Accident Insurance
- Whole Life Insurance
- Variable Annuities
- Fixed Annuities
- Long-term Care Insurance
- Variable Universal Life Insurance
- Credit Life Protection for Loans
- Credit Disability Protection for Loans
- Mutual Funds
- Folio Investing

Board of Directors



Rich Hastert



Cindy North



Jan Blum



Bob Seivert



Bob Bogler



Dan Schwery



Christine Petersen



Paul Schmidt



Kirk Petersen

Minutes from the TCCU 72nd Annual Meeting

January 25, 2011

A prayer was led by Father John Dorton before dinner.

The 72nd annual meeting of Town and Country Credit Union was called to order at 7:20 p.m. by Chairman Richard Hastert at the St Boniface Parish Center in Westphalia, Iowa on the 25th day of January, 2011.

Chairman Richard Hastert thanked Irwin Locker and Catering for catering the delicious meal. Approximately 140 members attended the meeting.

Motion to made to suspend reading last years minutes. Motion made by Dan Schaben and 2nd by Dave Sternberg. Motion carried.

Chairperson Dan Schwery of the nominating committee reported the terms of Bob Bogler, Bob Seivert and Jan Blum expired. The nominees for a 3 year term are Bob Bogler, Bob Seivert and Christine Petersen. Members were asked three times for nominee from the floor. After the third request for nominations, Harold Schwery motion to cease nomination. Seconded by Ken Hall. Motion carried. Ray Chipman motioned for unanimous ballot. Seconded by Maggie Hatcher Motion carried.

Dan Schwery announced the new board members, Bob Bogler, Bob Seivert and Christine Petersen whose term will run 3 year years until 2014.

Rich Hastert gave the Chairman of the Board Report. He thanked our members for their loyalty and continual feedback on how we can meet their current and future needs. He thanked our volunteer board of directors who have been visionary, committed to the credit union movement and dedicated to providing the best products and services to our members. Last but not least, he thanked our great staff who understands what it means to provide member needs and exceed expectations 100% of the time.

Denny Siemers gave the Chief Executive Officers Report. He talked about expectations. At Town and Country Credit Union you can expect: Knowledgeable employees who will act as your trusted advisor, partnering with you in making the best financial decision possible – both for today and for the future. Employees who quickly and accurately resolve any situations. Our rates to be competitive. While you may find a better rate elsewhere – we can guarantee that we will only provide you with advice that is best for you. We will proactively reach out to you to ensure your financial success. Confidentiality, accuracy, and reliability. Your financial information is very personal and our priority is to consistently provide you with a safe and secure banking experience. Denny also talked about the current debit and credit card scam going on nationwide and for everyone to carefully watch for billing transactions on an on going basis.

Supervisory Committee Report. Motion from Ken Hall to suspend the reading of the supervisory committee report. Seconded by Terry Schulte. Motion carried

Credit Committee Report. Motion from Doug DeWees to suspend the reading of the Credit Committee report. Seconded by Laura Arkfeld. Motion carried.

Ed Goeser Memorial Scholarship Award drawing was won by Nella Sievert. (\$196.00 raised) (donated back)

Motion to adjourn was made by Les Blum and seconded by Harold Schwery. Motion carried.

Meeting adjourned at 7:55 p.m..

Christine Petersen, Secretary

Richard Hastert, Chairman

Vision for the future

Make members feel important and respond to their changing needs.

Insure an environment of:

Trust • Cooperation • Open Communication • Teamwork • Mutual Respect

Deliver a broad range of innovative, high-quality products and services.

Attract and retain the highest quality employees through:

Best salary and benefits • High-quality training • Supportive environment where diversity is valued.

Play a vital role in enriching the community. Maintain unquestionable financial security.

In our never ending search for improvement and quest for excellence, we strive in every interaction with our members to EXCEED EXPECTATIONS.



Chairman of the Board Report

What a difference a year can make! After an economically trying time for all financial institutions, we experienced a very good 2011.

We are happy to report that our audit firm, Petersen and Associates has given Town and Country Credit Union a clean report. We grew our net worth 12.19% and return on assets at the end of July 2011 was tops in the State of Iowa.

Our membership is showing signs of recovery as well. We have seen an increase in loan demand, and loan delinquencies are slowly declining. Members are in a better position to make their loan payments than they have been since 2007 but we still have a long ways to go with the economy.

The reserves we had to set aside for delinquent loans nationwide show signs of decreasing and it is our hope that we can use these resources to keep fees low and provide competitive rates for loans and savings.

We are excited about some new and upcoming service enhancements to make TCCU more convenient to all our members. We recently started taking steps to image all of our loan documents and financial records.

Most importantly, our new building at 1515 Chatburn Avenue will increase our image into the community. You will have the ability to access your account information via the telephone, to pay your bills online, and we will have our own ATM machine located at our new building site.

We continue to research additional convenient services, as our goal is to make it easy to have your primary account at TCCU - no matter where you live.

Many consumer polls indicate people have a lack of trust with our banking competitors. We want to express gratitude for the trust you've placed in TCCU, your continued use of our services, your faithfulness to the credit union "not-for-profit" cause and recommending us to your family, friends and co-workers. It is this strong relationship that we value most, and our on-going feedback we get consistently indicate you appreciate the benefits of membership at TCCU.

We know TCCU is—and will continue to be—the trusted resource you rely on to meet your financial needs for many generations to come. Together with our great employees and our board of directors, we want to thank you for being a member of Town and Country Credit Union.

Richard Hastert
Chairman of the Board



Supervisory Committee Report

Your Supervisory Committee consists of three Town and Country Credit Union board members. The committee members are Dan Schwery, Robert Seivert and myself Kirk Petersen. The Committee's obligations include ensuring that TCCU operates within the regulations that are used to govern our credit union.

In compliance with the Federal Credit Union Act and TCCU's bylaws, the Supervisory Committee ensures that the financial condition of the credit union is accurately and fairly presented in its financial statements and that management protects and safeguards TCCU's assets by instituting and maintaining sound internal controls.

To accomplish its oversight and fiduciary responsibilities, the Supervisory Committee is assisted by the independent accounting firm of Petersen and Associates out of Omaha, Nebraska, which performs semi-annual independent financial audits of the credit union. This independent financial audit is separate from the annual examinations performed by the National Credit Union Administration (NCUA), the regulatory agency for all credit unions and the State of Iowa, Division of Credit Unions. Both entities evaluate the credit union's financial condition, safety and soundness.

The Supervisory Committee is pleased to announce that, as the result of the 2011 examination, TCCU continues to be financially strong and well managed, with sound policies and programs.

Kirk Petersen
Chairman

Chief Executive Officer's Report



As I look back over the national economic challenges of the past three years, I am pleased that we have been able to successfully maintain our position as not only a safe and sound financial institution but also the preferred choice by you, our members.

Dedicated to Providing Exceptional Service, running the credit union is an undertaking that takes the collective effort of a focused and skilled team of professionals. We could not have achieved a successful 2011 without our team of outstanding employees who deliver exceptional service to our members each and every day. Not only do I wish to thank this team, but I wish to thank our members as well for your loyalty to TCCU.

While the general economic and interest rate environment have been challenging for all of us, we have been able to sustain competitive rates on deposits and loans while focusing much attention on helping members survive and prosper during these times. It is also important to know that during this time of uncertainty, we never stopped investing in the future. In the coming year, we will continue to expand on opportunities for our members. Here are some of the projects that we are working on to further enhance your member experience. First and foremost is our new building. Not only will this new facility allow us room to expand, it will give our members much more privacy and room to grow. We will continue to offer better rates and fewer fees as a valuable benefit of TCCU membership. In addition, we are adding new opportunities to reward our members with better rates on more products and benefits for being active participants in the cooperative nature of the credit union. The more you use the credit union services the more value you will get from the credit union. We are bringing our advocacy tools to the forefront. We are here to help you meet your financial goals. This year, we are introducing programs that will help assess your financial needs, explore options and offer you the best products and services for you and your family. We are tailoring “green” processes that continue to help us become better stewards of the environment. These include using more paperless services and rewarding members for helping to reduce environmental waste. We are enhancing our communication. Our goal is to provide you with the information you want, when you want. We have an ongoing effort to provide you with consistent information across all credit union channels—whether you visit us online, at our new office in Harlan or call us on the phone. We remain community focused. As a local not for profit, we are loyal to the membership which we serve. We will continue to explore and pursue opportunities that promote a strong thriving credit union for a long time to come. TCCU is well-positioned for a tremendous future. We are proud of all our achievements and recognize the impact our loyal members have on our success.

Denny Siemers,
Chief Executive Officer

Credit Committee Report



The Credit Committee has the role of guiding the credit union by providing the membership with quality loan products at competitive prices, maintaining a level of competence and understanding the credit union loan policy; ensuring compliance with all applicable laws and regulations. We have appointed Denny and Lorrie to approve or disapprove loans to a certain limit. Beyond these limits, credit committee approval is needed. We review all loans made on a monthly basis.

For the year ending 2011, we had \$10,604,801 in loans compared to \$11,029,667 in loans at the end of 2010. Our Master Card Credit Card accounts increased to 228 from 216. Credit card loan balance was \$280,995.00 compared to \$234,377.47. Active checking accounts increased to 641 compared to 620 last year. Average loan balances increased to \$11,515.63 from \$10,810.92. The credit union loan delinquency rate decreased to 0.20% compared to 3.06% last year.

Each year our loan department becomes more streamlined with an emphasis on providing loans rapidly and accurately. We continue to seek out ways to save the credit union time and money as we enter 2012.

We'd like to thank all the members who supported our credit union by securing loans with us this year. In addition, we can all applaud the performance and efforts of our staff in helping make the future of our credit union more secure.

Paul Schmidt
Credit Committee Chairman

Town and Country Credit Union

Statement of Financial Condition

	<u>12/31/2010</u>	<u>12/31/2011</u>
ASSETS:		
DEBENTURE & TMGFS	\$500,000.00	\$650,000.00
CURRENT ASSETS		
PARTICIPATION LOANS	\$508,178.00	\$354,620.52
LOANS	\$10,411,037.13	\$10,080,192.86
MASTERCARD	\$272,950.00	\$288,665.46
ALLOWANCE FOR LOAN LOSSES	(\$200,823.45)	(\$82,458.49)
CASH	\$183,453.42	\$244,118.41
TOTAL CURRENT ASSETS	\$11,674,795.51	\$11,535,138.76
INVESTMENTS		
LEAGUE CORPORATE CENTRAL IOWA	\$416,490.79	\$548,187.32
CORPORATE CENTRAL	\$0.00	\$66,666.66
UNITED MEMBERS	\$100.00	\$0.00
DEPOSIT ACCOUNTS	\$0.00	\$0.00
TOTAL INVESTMENTS	\$416,590.79	\$614,853.98
TOTAL OTHER ASSETS	\$135,475.37	\$149,080.43
TOTAL FIXED ASSETS	\$256,776.24	\$530,017.99
TOTAL ASSETS	\$12,483,637.91	\$12,829,091.16
LIABILITIES & CAPITAL		
TOTAL ACCOUNTS PAYABLE	\$193,577.38	\$43,620.19
TOTAL ACCOUNTS PAYABLE SHARES OR DEPOSITS		
REGULAR SHARES	\$2,686,546.36	\$2,637,131.76
SHARE DRAFT DEPOSITS	\$1,122,853.82	\$1,131,081.79
CERTIFICATES	\$6,828,596.65	\$6,938,514.06
DAILY INTEREST	\$108,206.34	\$194,673.57
PAYROLL	\$2,782.99	\$1,590.56
CMF	\$4,034.10	\$5,688.81
CLUB SAVINGS	\$219,693.34	\$230,998.60
PUBLIC FUNDS	\$95,685.11	\$82,452.75
TOTAL SHARES OR DEPOSITS	\$11,068,398.71	\$11,222,131.90
RESERVES		
REGULAR RESERVES	\$357,088.19	\$357,088.19
SPECIAL CONTINGENT FUND	\$0.00	\$0.00
RETAINED EARNING	\$851,157.12	\$1,004,651.28
TOTAL RESERVES	\$1,208,245.31	\$1,361,739.47
NET INCOME	\$153,494.16	\$201,599.60
TOTAL LIABILITIES & CAPITAL	\$12,483,637.91	\$12,829,091.16

TCCU CASH STATEMENT OF INCOME AND EXPENSES

	<u>12/31/2010</u>	<u>12/31/2011</u>
INCOME		
INTEREST INCOME	\$759,781.13	\$757,007.12
INVESTMENT INCOME	\$57,519.13	\$44,105.62
FEES AND CHARGES INCOME	\$218,383.70	\$194,288.76
INSURANCE INCOME	\$13,145.39	\$13,380.14
RENT INCOME	\$11,550.00	\$11,300.00
NON OPERATING INCOME	0.00	\$75,950.34
MISCELLANEOUS INCOME	\$1,894.72	\$2,266.26
GROSS INCOME	\$1,062,274.07	\$1,098,298.24
EXPENSES		
TOTAL EXPENSES	\$908,779.91	\$896,698.64

TCCU MASTERCARD DEBIT CARD SERVICES

	<u>12/31/10</u>	<u>12/31/11</u>
GROSS INCOME	\$51,808.23	\$59,983.20
TOTAL EXPENSES	\$27,893.26	\$31,797.23
NET INCOME	\$23,914.97	\$28,185.97
TOTAL NUMBER OF DEBIT CARD	437	468

TCCU MASTERCARD CREDIT CARD SERVICE

	<u>12/31/10</u>	<u>12/31/11</u>
GROSS INCOME	\$31,389.59	\$34,342.63
TOTAL EXPENSES	\$14,983.92	\$13,361.73
NET INCOME	\$16,405.67	\$20,980.90
TOTAL NUMBER OF CREDIT CARDS	217	228

TCCU STATISTICAL LOAN INFORMATION

	<u>12/31/2010</u>	<u>12/31/2011</u>
AMOUNT OF LOANS FOR YEAR	\$4,059,732.31	\$4,043,819.31
AMOUNT OF LOANS SINCE STARTUP	\$71,822,795.22	\$74,030,370.74
TOTAL NUMBER OF LOANS FOR THE YEAR	677	720

TCCU CHECKING SERVICES

	<u>12/31/2010</u>	<u>12/31/11</u>
GROSS INCOME	\$163,870.87	\$132,954.42
TOTAL EXPENSES	\$10,455.98	\$9,448.83
NET INCOME	\$153,414.89	\$123,505.59
TOTAL NUMBER OF CHECKING ACCOUNTS	620	641



town & country
CREDIT UNION



1024 5th St., Harlan, IA 51537

712-755-3881 • 877-455-3015 • www.towncountrycu.com