



Serving our members since 1954

Our mission is to provide courteous, friendly and quality financial services to our membership at fair and favorable rates and terms, while maintaining the long-term financial stability of the credit union.



7020 Brookville Road
Indianapolis, IN 46239

2507 Progress Parkway
Shelbyville, IN 46176
www.harvesterfcu.org

2019 ANNUAL REPORT



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Agenda for the 66th Annual Meeting of the Members of Harvester Financial Credit Union

Welcome
Ascertain Quorum
Nominating Committee Report
Presentation of Last Meeting Minutes
Board of Directors’ Report
Treasurer’s Report
Supervisory Committee Report
President’s Report
Old Business
New Business
Election Results
Door Prize Drawings
Adjourn for Lunch

**MINUTES OF THE 65th
ANNUAL MEETING
April 27, 2019**

The 65th HFCU Annual Meeting was called to order at 11:30 am by Chairman Jerry R. Walters at the LaQuinta Hotel on Victory Drive, Indianapolis, IN.

It was determined that a quorum was present.

Chairman Walters appointed Debbie Everman as Recording Secretary.

Chairman Walters appointed Bryan Fluke as a Parliamentarian.

Chairman Walters asked for a motion to adopt the agenda as printed, with the right of the Chair to make changes deemed appropriate in order to expedite the meeting. It was moved by Fred Everman and seconded by Steve Krug. **The motion carried.**

Chairman Walters requested a motion to approve the 2018 minutes as printed in the Annual Report. It was moved by Owen Rexroat and seconded by Charlie Campbell. **The motion carried.**

Chairman Walters announced the unopposed re-election of the Board of Directors and Supervisory Committee:

Rod Cannon	(3-year term, Board)
Owen Rexroat	(3-year term, Board)
Charlie Campbell	(3-year term, Supervisory Committee)

Chairman Walters requested a motion for the Secretary to cast a unanimous ballot for the nominees and to approve the terms of elected officials. It was moved by Steve Krug and seconded by Jason Ford. **The motion carried.**

Chairman Walters introduced the members of the Retiree's Committee as follows:

Debbie Everman (Chairman)
Bud Whorton (Liaison)
Norma Fendley
Steve Krug

The following reports were presented:

Board of Director's Report – Jerry R. Walters
Supervisory Committee Report – Charlie Campbell

Treasurer's Report – Rod Cannon
President's Report – Bryan Fluke

Chairman Walters welcomed everyone to the 65th anniversary of the Harvester Financial Credit Union. He started by telling everyone that the credit union board meetings will be moved to the third Tuesday of the month so the board members can also attend the retiree meeting when they are able.

Chairman Walters informed the attendees the date for next year's Annual Meeting will be on April 18, 2020.

Chairman Walters announced that the credit union is moving its Shelbyville location. Currently, Shelbyville account for 30-40% of the credit union's business and we hope to grow that considerably. Also, a new company is expected to hire 500 people over the next two years, and it will be located near the new branch.

Chairman Walters told attendees that the credit union is always looking for another credit union to merge with to strengthen Harvester's numbers.

Chairman Walters introduced President Bryan Fluke.

President Fluke informed attendees that you can now use Alexa voice commands to access your bill pay.

President Fluke updated attendees on the status of online loan and membership applications. You can now apply for loans and memberships from start to finish without ever coming into a branch.

President Fluke reminded attendees that the credit union has the lowest loan rates in town and for people to refer their friends and family members to the credit union.

Old Business: None

New Business:

With no further business, Chairman Walters introduced President Bryan Fluke.

Door Prizes:

Chairman Walters thanked the sponsors for their donations.

Sponsors were:

Allied Solutions - Gap insurance, Property insurer, Bond, and AD&D coverage provider

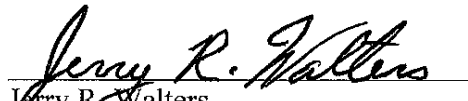
Door Prize Winners:

\$50 cash	Diane Atkins
\$50 cash	Jim Collier
\$25 Darden Gift Card	Norma Fendley
\$25 Target Gift Card	Carol Cannon
\$25 Fandango Gift Card	Joy Cooper
\$15 Starbucks Gift Card	Carol Adams
\$15 Starbucks Gift Card	Mary Christenson
\$25 Red Lobster Gift Card	Gary Wilson
Crew Carwash Choose Two Book	Tim Cooper
Crew Carwash Choose Two Book	Carl Delph

There being no further business, a motion to adjourn the meeting at 11:55 a.m. was made by Owen Rexroat and seconded by Mike Metcalf. **The motion carried.**



Debbie Everman
Recording Secretary



Jerry R. Walters
Chairman



Board of Directors

Jerry R. Walters, Chairman
Bud Whorton, Vice Chairman
Al Hairston, Secretary
Rod Cannon, Treasurer
Steve Bennett, Director
Owen "Rex" Rexroat, Director
Mike Metcalf, Director

Supervisory Committee

Charlie Campbell, Chairman
Carl Delph, Member
Deidra Dunagin, Member

Management Team

Bryan C. Fluke, CEO
Jason Ford, President
Elizabeth Olson, Vice President Operations
Michelle Mason, Main Branch Manager
Barbara Kilgore, Human Resources Manager
Sherry Wood, Shelbyville Branch Manager
Mary Stephens, Assistant Branch Manager

Board of Director's Report

I am honored to welcome all of you to our 66th Annual Meeting. As Chairman of the Board of Directors, I can again report to you that we have had another profitable year. Your credit union leadership has done a superior job of directing and managing the organization. Our current CEO, Bryan Fluke has announced his retirement and Jason Ford has been selected to replace him at the end of the year.

This past year we were able to move our Shelbyville branch to a better location. It's positioned on the east side of Shelbyville to take advantage of the tremendous growth experienced on this side of town. We hope to later expand our field of membership to those living in Rush and Decatur counties.

I'm excited to announce that we have launched two programs to help you build your savings account balances. Our Easy Saver Roundup Program automatically rounds up each of your point of sale transactions to the nearest whole dollar amount. The rounded-up amounts are then automatically deposited into your designated savings account. Additionally, we have made it easier to take advantage of our "Save to Win" program that helps you build savings while giving you a chance at winning prizes ranging from \$25 to \$5,000 each month. You can now set up automatic transfers of funds to this special certificate.

Our members now have access to a financial adviser from West Point Financial Group. This will allow them to ask questions and invest their money with a trusted adviser. We continue to look for ways to reduce fraud and this past year we implemented the ability for you to now instantly freeze and unfreeze your debit cards right from your phones. Additionally, if you lose your debit card, we can get you a new one immediately at one of our branches.

We continue to be involved in our communities. We again supported the Hydrocephalus Association and sponsored a fundraiser for "Best Buddies," which creates opportunities for people with intellectual and developmental disabilities. We support charities like these because we believe it is our responsibility to give back to the communities that support us.

In closing, I want to first thank the membership. Without you, there is no Harvester Financial CU. I also want to thank the volunteers and staff for their continued support over the years. As your Board, we want you to know that we will continue to work hard on your behalf. We do this to make sure that Harvester Financial CU can continue to be your trusted place to do business. Please remember that we want to continue serving the financial needs of you, your family and your friends for many years to come.

Jerry R. Walters
Chairman, Board of Directors

Treasurer's Report

2019 ended as another very successful year financially for Harvester Financial Credit Union. We continued this past year growing assets over 5% and our loan portfolio by 2% resulting in a 58% loan to share ratio. This enables us to continue to invest in future technologies to ensure we stay current with the ever-evolving digital technologies. We continue to be good stewards of the Credit Union's finances by monitoring expenses and looking for new ways to increase income.

The Credit Union reported a Net Income of \$128,272 for 2019 and finished the year with over \$55 million in Assets. We now have an equity position of over \$5.2 million in Reserves.

The Federal Reserve stopped raising interest rates in 2018 and reduced them three times during 2019. They have indicated they will pause them for 2020. Harvester Financial Credit Union continues to invest wisely not taking on any excess risk to achieve a higher rate of return. It continues to invest in government agency securities and other federally insured investments. This is an important strategy to protect the stability of the Credit Union. At the end of 2019, the average life of our investment portfolio has gradually increased to now over 2 years in length. This strategy continues to position the Credit Union well if interest rates would decline.

The Board understands that the key to growth is in constantly evaluating our product offerings and making changes when appropriate. To that end, The Board continues to invest in products and services that will maximize loans, shares, and income. We continued to help members borrow sensibly, save smarter, and invest wisely with our offering of products and services coupled with industry-leading rates.

It has been my pleasure to serve as your Treasurer at the Credit Union. As such, I will continue to work with our Management Team to ensure the Credit Union is operating in the most efficient manner and to protect the long-term interest of our members and the organization.

Rod Cannon
Treasurer, Board of Directors

Supervisory Committee Report

The Supervisory Committee is elected by the members of the credit union to monitor the accounting, auditing and financial reporting practices of the credit union in accordance with National Credit Union Administration (NCUA) guidelines and generally accepted accounting principles (GAAP).

Management of Harvester Financial Credit Union is responsible for the preparation, integrity and objectivity of the financial statements and other financial information in this report. They are also responsible for establishing and maintaining a system of internal controls that provide reasonable assurance as to the reliability of the financial records. The system is tested and evaluated regularly by the independent auditors in connection with their annual audit of the financial statements.

We employed the certified public accounting firm of Whiting & Company, to perform an audit of certain standard agreed upon procedures for the year ending December 31, 2019.

After our review of the financial statements and the findings of Whiting & Company, our general conclusion is that the financial statements referred to in this report present accurately the financial position of Harvester Financial Credit Union as of December 31, 2019.

I would also like to take this opportunity to thank the management, staff and the Board of Directors for all they do for the members of Harvester Financial Credit Union. And thank you, the members, for your continued support, trust, and business.

Charlie R. Campbell
Chairman, Supervisory Committee

Harvester Financial Credit Union
Statement of Financial Condition
For the Year Ended December 31, 2019

Assets:

Cash and Cash Equivalents:	
Non-Interest Bearing	\$724,982
Interest Bearing	
Investments, Net	\$20,716,164
Loans to Members, Net of Allowance for Loan Losses	\$28,984,949
Foreclosed and Repossessed Assets	\$0
Property and Equipment	\$1,814,306
NCUSIF Deposit	\$488,509
Other Assets	<u>\$2,304,921</u>
Total Assets	<u>\$55,033,832</u>

Liabilities and Members Equity:

Members' Share and Savings Accounts	\$49,651,605
Dividend and Interest Payable	\$2,811
Accounts Payable and Other Liabilities	<u>\$171,078</u>
Total Liabilities	<u>\$49,825,494</u>
Members' Equity, Substantially Restricted	
Appropriated Regular Reserve	\$2,752,677
Undivided Earnings	\$2,264,649
Equity Acquired Merger	\$62,740
Net Income	<u>\$128,272</u>
Total Members' Equity	<u>\$5,208,338</u>
Total Liabilities and Equity	<u>\$55,033,832</u>

Harvester Financial Credit Union
Statement of Income and Expense
For the Year Ended December 31, 2019

Interest Income:

Loans Receivable	\$1,559,277
Investment Securities	<u>\$510,526</u>
Total Interest Income	<u>\$2,069,803</u>

Interest Expense:

Members' Shares and Savings Accounts	\$213,714
Borrowed Funds	<u>\$0</u>
Total Interest Expense	<u>\$213,714</u>

Net Interest Income **\$1,856,089**

Provision for Loan Losses	<u>(\$119,077)</u>
Net Interest Income after Provision for Loan Losses	<u>\$1,737,011</u>

Non-Interest Income:

Net Gain (Loss) on Sale of Fixed Assets/Investments	\$20,655
Fees for Member Services	\$352,408
Other Income	<u>\$500,222</u>
Total Non-Interest Income	<u>\$873,285</u>

Non-Interest Expense:

Compensation and Benefits	\$1,170,773
Travel and Conference	\$69,892
Occupancy	\$134,956
Office Operations	\$526,358
Loan Servicing Expenses	\$162,179
Professional and Outside Services	\$247,600
Education and Promotions	\$113,745
Dues	\$19,166
Operating Fees	\$9,398
Miscellaneous Operating Expenses	<u>\$27,957</u>
Total Non-Interest Expense	<u>\$2,482,024</u>

Net Income (Loss): **\$128,272**

CEO's Report

It seems like yesterday that I assumed my role as Chief Executive Officer at Harvester Financial Credit Union, but in reality it's been over five years ago. As I reflect back on my time here, I'm amazed at our long list of accomplishments. Upon my arrival in 2015, we had just replaced our core processor, the platform in which we conduct all of our financial transactions. Building on this new core processor replacement, we then rolled out our smartphone app which allows you to access your accounts, transfer funds, deposit checks and pay bills any time of the day without the need to step inside a branch. You can connect to all of these services on your smartphones, tablets or home computers.

We then updated our website, highlighting our products, services and rates, all accessible online. Included with the new website was the ability to submit your loan applications, have funds electronically transferred and purchase your dream vehicle with ease never needing to step inside a branch.

Additionally, we rolled out the new EMV chip credit and debit cards, reducing fraud and continuing to offer you the best rates, implemented instant issue debit cards so new members can immediately start using their new checking account, replaced all of our office computer systems which are now running Windows 10 and finally moved into a new branch in Shelbyville, located in front of Walmart. These major accomplishments and investments over the last five years have positioned us for a prosperous future.

This past year we have been able to grow both in assets and loans. I'm excited to report that we achieved an almost 5% growth in assets and over 2% growth in new loans. We also deepened the number of products and services that you utilize with us. As I continue to mention each year, although it's important to make a profit it's more important that we offer you the lowest possible lending rates and highest deposit rates while still investing in our future with new technologies. We continue to have the lowest consumer lending rates within Central Indiana and hope that you will take advantage of them in fulfilling your financial dreams.

Finally, I am announcing my retirement which will happen at the end of this year. The Board has selected Jason Ford to be your next Chief Executive Officer. He is a very talented, energetic young man who is ready to lead this credit union. As your neighborhood Credit Union, I ask that you share with your family and friends your experiences with us. The most effective form of marketing is shared personal experiences.

Thank you for your continued patronage of Harvester Financial Credit Union. I would also like to thank our volunteers, management team and employees for their continued dedication to our financial cooperative.

Bryan Fluke
Chief Executive Officer
bryan@harvesterfcu.org

MEMBERSHIP SERVICES

SAVINGS SERVICES

Regular Share Savings Accounts
Funds Manager Accounts (Money Market)
Special Savings Accounts
Vacation Club Accounts
Christmas Club Accounts
Kids Club Savings Accounts

CHECKING SERVICES

Share Draft Accounts
Overdraft Protection (Line of Credit)
Overdraft Transfer
Courtesy Pay Overdraft Service

INVESTMENT SERVICES

Term Share Accounts (Certificates)
Individual Retirement Accounts (Traditional, Roth, and Educational)
Savings Bonds
Health Savings Accounts (HSA)

CREDIT SERVICES

New and Used Auto, Motorcycle, RV, Boat and other Secured Loans
Signature Loans
Mortgage and Home Equity Loans
Classic, Gold and Platinum VISA™ Credit Cards

ELECTRONIC SERVICES

Direct Deposit
Payroll Deduction
Pre-authorized Automatic Payments
MASTERCARD Debit Card/ATM Card
SYBIL – 24-Hour Voice Response (Automated Teller)
Online Banking 24-Hour Online Access with FREE Electronic Bill Pay
Mobile Banking 24-Hour Online Access with FREE Electronic Bill Pay
Mobile Deposit
Visa™ Online
E-Statements

OTHER SERVICES

Notary Service	Money Orders
NADA Car Book Prices	CO-OP Shared Branches
Telephone Transfers	MasterCard™ Gift Cards
Wire Transfers	Visa™ Payroll Checking Account card
Auto Extended Warranty	Identity Theft Recovery Services
Guaranteed Asset Protection (GAP)	

Harvester Financial Credit Union Staff

Bryan C. Fluke, Chief Executive Officer
Jason Ford, CCUE, NCCO/President
Elizabeth Olson, Vice President Operations
Barbara Kilgore, Human Resources Manager

Indianapolis Office

Michelle Mason, Branch Manager

Loan Department

Brian Sherrill, CCUFC/Loan Officer
Laura Mooneyhan, Loan Processor/IRA Coordinator
Teresa Ervin, Collections Officer

Accounting Department

Ladonna Jackson, Accounting Supervisor
Nikki Hubbell, Accounting
Paula Quinn, Card Services

Member Service Department

CJ Hiatt, Member Service Team Lead
Minyon Bollen, Member Service Representative
Paula Fancher, Member Service Representative

Marketing Department

Audra Williams, Marketing Coordinator

Shelbyville Office

Sherry Wood, Branch Manager
Mary Stephens, CCUFC/Assistant Branch Manager/Loan Officer

Member Service Department

Joyce Bradshaw, Member Service Team Lead
Carol Fowler, Member Service Representative
Cortney Galbraith, Member Service Representative
Sarah Raison, Member Service Representative



Special thanks to the following committees:

Retiree Committee

Debbie Everman, Chairman
Virgil Whorton
Norma Fendley
Steve Krug

Nominating Committee

James Estep, Chairman
Lewie Branscum
John Hagberg

IT Steering Committee

Bud Whorton, Chairman
Mike Metcalf
Charlie Campbell
Bryan Fluke
Jason Ford
Deidra Dunagin

Security Officer

Mike Metcalf

Asset Liability Management Committee

Rod Cannon, Chairman
Bryan Fluke
Al Hairston
Steve Bennett
David Smith, President, Baxter Capital Management

OFFICE INFORMATION

INDIANAPOLIS OFFICE

Located at: 7020 Brookville Road, Indianapolis, IN 46239

Main Office Hours:

Monday and Tuesday	8:00 a.m. – 5:00 p.m.
Wednesday	9:00 a.m. – 5:00 p.m.
Thursday	8:00 a.m. – 5:00 p.m.
Friday	8:00 a.m. – 5:30 p.m.

Phone: 317.352.0455 Fax 317.351.2351
800.326.2279

SHELBYVILLE OFFICE

Located at: 1220 Miller Avenue, Shelbyville, IN 46176

Branch Office Hours:


Monday and Tuesday	8:30 a.m. – 5:00 p.m.
Wednesday	9:00 a.m. – 5:00 p.m.
Thursday	8:30 a.m. – 5:00 p.m.
Friday	8:30 a.m. – 6:30 p.m.


Phone: 317.392.0811 Fax 317.392.0870
800.366.5725

SYBIL 24 – HOUR AUTOMATED TELLER
317.351.2352 or 800.471.6663

Visit our website often at: www.harvesterfcu.org



Connect with us on Facebook  at: <https://www.facebook.com/harvesterfcu>

And follow us on Twitter  at: www.twitter.com/harvesterfcu for special offers and promotions.

Additional Branches

You can access your account at any of our offices (see the prior page) or at any Credit Union CO-OP Shared Branches.

Shared branching offers convenient stand-alone locations to meet your needs. There are several hundred locations in our primary market throughout Indiana and Illinois, and almost 5,000 nationwide, available for your convenience. For additional information and locations, please visit us online at www.harvesterfcu.org. Click on Contact Us, select Locations/Hours and then click the CO-OP Shared Branch link.



Holiday Schedule

In observance of Federal holidays, the credit union is scheduled to be closed on the following dates for the year after the Annual Meeting:

Memorial Day	Monday, May 25, 2020
Independence Day	Friday, July 3, 2020
Labor Day	Monday, September 7, 2020
Columbus Day	Monday, October 12, 2020
Veterans Day	Wednesday, November 11, 2020
Thanksgiving Day	Thursday, November 26, 2020
Christmas Eve	Wednesday, December 24, 2020 (Close noon)
Christmas	Friday, December 25, 2020
New Year's Day	Friday, January 1, 2021
Martin Luther King Day	Monday, January 18, 2021
President's Day	Monday, February 15, 2021

*Thank you again for your continued support of
Harvester Financial Credit Union.*



**66 years of service
1954 to 2020**