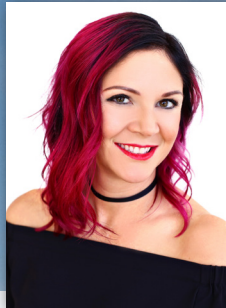


# IMPACT REPORT



2018



DelRae Geinert  
CHAIR



Ray Kopp  
VICE-CHAIR



Jim Anderson  
SECRETARY/TREASURER

## BOARD OF DIRECTORS



Joanne Lautenschlager  
DIRECTOR



Jeff Stremick  
DIRECTOR



Jeri Novak  
DIRECTOR



Jerry Hatlestad  
DIRECTOR

# CONTENTS

## **03 A MESSAGE FROM OUR CEO AND BOARD CHAIR**

## **04 WHO WE ARE**

## **05 BEST FOR OUR MEMBERS**

06 More Free, Less Fees

08 Member Engagement

09 Celebrating 20,000 Members

10 I Saved a Member!

11 Rewarding Our Members

12 Member Purchases Made Possible

13 Getting Our Members Home

14 Growing Local Business

15 Finance Anywhere

## **16 BEST FOR OUR EMPLOYEES**

17 What Our Employees Are Saying

18 Town & Country Impact Award

## **20 BEST FOR OUR COMMUNITY**

21 Habitat for Humanity

22 Charitable Giving & Corporate Sponsorships

23 Nonprofit Accounts

24 Educating Our Future

## **25 AWARDS & RECOGNITION**

## **26 FINANCIALS**



## GROUNDING BY OUR MISSION



To Positively Impact those we serve — this is our mission and reason for existing. It's the yardstick against which we measure each of our decisions.

In 2018 we accomplished many initiatives that made a Positive Impact on our three main constituencies: Our Members, Our Employees and Our Communities. These included:

- Eliminating over 20 fees
- Significantly improving our consumer loan pricing
- Significantly improving our CD rates
- Enhancing employee benefits
- Investing in a Charitable Donation Account,
- Adding a new branch
- Implementing Instant Issuance of Debit Cards

As a result of these changes and many more, we're very pleased that we have been able to provide an enhanced experience and greater value to you, our Member-owner. We want you to rest assured there is no better financial institution for your needs than Town & Country Credit Union.



We had a very successful year financially. Loan growth was 15%, and deposit growth exceeded 6%. Organic membership growth was the strongest of any credit union in North Dakota at 1,439. All of these are signs of a healthy, vibrant and growing organization in which you, our Member-owners, reward Town & Country with their business.

It is our honor and privilege to serve you. Thank you for your patronage and for recommending Town & Country to your family, friends and colleagues. We look forward to serving you and making 2019 a prosperous year.

**DelRae Geinert, Board Chair**

**Jeremiah Kossen, President/CEO**



## WHO WE ARE

We firmly believe that our mission is about more than just finances. It's about making a Positive Impact on those we serve — our members, our employees and our communities. A strong focus on being the best we can be for each of those groups has been the foundation for all our goals this year, and you'll see this report broken down into those three sections:

- BEST FOR OUR MEMBERS
- BEST FOR OUR EMPLOYEES
- BEST FOR OUR COMMUNITIES

As we approached our 80th year, we felt it was important to re-imagine our mission into this new over-arching statement on Positive Impact and solidify our vision statement and organizational values, as well. Our vision statement is not just our vision for the future of our credit union, but also what we strive to provide every day.

## MISSION

TO POSITIVELY  
IMPACT  
THOSE WE  
**SERVE.**

## VISION

BEST SERVICE.  
MEANINGFUL  
**VALUE.**  
CONTINUAL  
GROWTH.

## VALUES

DO THE RIGHT THING.

---

OPERATE WITH **INTEGRITY.**

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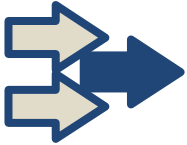
KEEP IT SIMPLE. | FIND A WAY  
TO SAY **YES.**

---

**MAKE A DIFFERENCE.**

## BEST FOR OUR MEMBERS

2018 was a year of growth, change and improvements. With a new President/CEO came a new perspective on the financial services Town & Country offers.



We intensified our focus on providing meaningful value to members and worked hard to simplify our products and services to make them easier than ever to access and understand.



In addition to internal changes, our membership approved two bylaw amendments:

1. Lowering the par value of a share (the minimum deposit required to open an account) from \$50 to \$5.
2. Changing the geographical make-up of our Board of Directors allowing for two at-large directors to live anywhere within our membership area.



We've also been surveying our members to gain insight on the services we provide and the products we offer. We're pleased to report that our surveys have shown that 97% of members would recommend Town & Country to their friends and family! This tells us that we are on the right track in providing our members with what they want and need.



## MORE FREE, LESS FEES

Simplification and improving the member experience is a priority. We want it to be easy for our members to manage their money while avoiding unnecessary expenses. With that goal in mind, we introduced several improvements throughout 2018.

### **IMPLEMENTED FEE REDUCTIONS**

Cut 22 fees from our rate and charge schedule.

### **DECREASED CONSUMER LOAN RATES**

From auto loans to home equity loans, we decreased the rates on our loans from year-end 2017 into 2018.

### **INCREASED ATM / DEBIT CARD LIMITS**

Gave members more control of their money by increasing the:

1. Daily ATM cash withdrawal limit from \$200 to \$1,000
2. Daily Debit Card Point of Sale Limit from \$500 to \$2,000

### **IMPROVED CONSUMER LOAN PRICING STRUCTURE**

Previously, members paid a 1% rate increase if they did not have automatic payments from a Town & Country checking account. We now offer a .25% rate decrease if members have automatic payment from a Town & Country checking account.

### **LAUNCHED INSTANT ISSUE DEBIT CARDS**

Members can walk in to five of our locations and have a debit card printed in 15 minutes or less, giving them immediate access to their money.

### **SIMPLIFIED OUR REFER-A-FRIEND PROGRAM**

Previously, members who referred a new member to the credit union would receive a \$25 gift card if the new member opened an active checking account. We now reward our members with a \$25 gift card for any member they refer who joins the credit union with no requirements.

### **OPENED OUR 6TH FARGO LOCATION**

Fargo-area members now have access to six locations with the addition of an office in the Eagle Run neighborhood of West Fargo.

### **IMPROVED AND SIMPLIFIED OUR VISA® CREDIT CARDS**

We removed the higher rate and annual fee option that was on our Visa® credit cards. Now all Classic Cards have a fixed rate of 10.9% APR\* and our Platinum Cards have a fixed rate of 9.9% APR\*. We also decreased the monthly minimum payment from 4% to 1.5%, making the payments more affordable each month.

### **DECREASED THE PAR VALUE OF A SHARE**

With a membership vote, it was decided to decrease the par value of a share (the initial deposit required to open an account) from \$50 to \$5. This change provides members greater flexibility with their money.

\*APR=Annual Percentage Rate





## MEMBER ENGAGEMENT

Throughout the year, we held special events to educate, celebrate and show appreciation for our members.

### EDUCATION

- First-Time Homebuyer Classes
- Home Buying 101 Class
- Agri-Marketing Workshops
- Managing Your Finances Workshop
- Medicare Education Sessions
- \$MRTZ Financial Literacy Seminars for High School Students
- College Financial Planning Workshop
- Financial Counseling Services

### APPRECIATION

- Annual Meetings
- Club 55 Picnic
- Town & Country Day at the FM RedHawks
- Real Estate Socials
- Holiday Open House & Santa Party
- Summer Picnics

### CELEBRATION

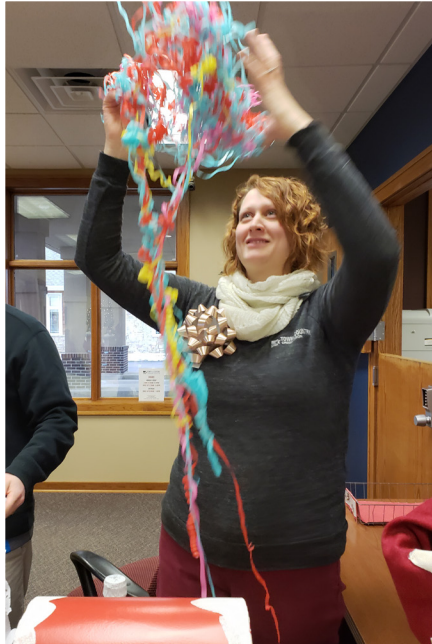
- Youth Day
- Zoo Day
- Eagle Run Grand Opening



# CELEBRATING 20,000 MEMBERS

We celebrated reaching 20,000 members in December by surprising employees with a party in a box.

We are the fastest growing credit union in North Dakota, based on year over year organic membership growth according to NCUA call report data as of September 30, 2018.





## I SAVED A MEMBER!

Our members know that we offer some of the BEST savings and loan rates in the area. Oftentimes, we have helped our members save THOUSANDS of dollars just by reviewing their current loans from other financial institutions and refinancing at Town & Country.

Here is just ONE example of how one of our lenders saved a member.

A member was purchasing a vehicle from a dealer who was going to charge him 19% interest to finance the vehicle. Fortunately, the member reached out to Becky, our Stanley Branch Manager, who was able to offer him a rate of 5.04%, saving him \$18,543 in interest over the life of the loan!



# REWARDING OUR MEMBERS

On top of the interest earned from savings and CDs, members can earn cash back with our free Star Rewards Checking Account. Here's what we paid out to our members this past year, along with the % increase over what was paid in 2017.



**\$1,777,996**

CD Interest Paid



Members earned 3% interest on up to \$20,000 in their checking accounts, or chose 3% cash back on purchases up to \$7 each month, AND received ATM refunds up to \$25 each month.

**\$182,679**

Dividends Paid



**\$186,966**

Cash Back



**\$103,351**

ATM Fee Refunds





## MEMBER PURCHASES MADE POSSIBLE



739 Mortgages



105 Home Equity Lines of Credit



398,329 Visa® Card Charges



1,969 Car Loans





## MAKING HOME HAPPEN

Our team of mortgage professionals go above and beyond in providing our members with the best mortgage experience. We offer a variety of loan programs allowing our members to get the right loan to fit their unique situation. And with our Low Rate Guarantee, our members can purchase their home with confidence, knowing that they are getting the best rate in the market.



We helped members purchase a total of 478 Homes

### THE FIRST

Minot Resilient  
Homebuyer  
Loan

110

FHA Homes

68

VA Homes

279

First-Time  
Homebuyers

15

USDA/Rural  
Homes



## GROWING LOCAL BUSINESS

We believe having a lender you can trust is at the heart of all great business relationships. Our commercial and ag lenders are here to help you take your business or ag operation to the next level. With full service products including deposit accounts, business credit cards, and lending for operations or growth projects large and small, we're proud to say that we've helped support new business and farming families in our area.

**210** New Businesses Joined Town & Country in 2018



Town & Country Insurance Agency, owned by Town & Country Credit Union, is an independent insurance agency offering farm, crop, personal, health and commercial insurance options to the general public. They have agents in the Minot and Fargo areas who can help you compare prices and benefits and determine the best policies for you.



## FINANCE ANYWHERE

We prioritize making it easy to access and manage your money — wherever you are. That's why we offer a free mobile app and online account access through our website.

### TCCU ONLINE

6,936

Total Users

12,449

eStatement  
Users

7,503

Bills Paid Digitally with  
Mobile Picture Pay and  
Online Bill Pay

## TOWN & COUNTRY CU MOBILE APP STATS



4,855

Active App Users

2,245



Pay a Friend Transfers/Payments

22,486

Remote Checks Deposited

81,079

Transfers

2,531

Active Money Manager Users



## BEST FOR OUR EMPLOYEES

Being the best for our employees means offering a valuable package of compensation and benefits, building a strong company culture, and rewarding them for living out our values each day. Our company culture is built on an attitude of teamwork – we support each other and support our members; so we can all reach our goals.



### COMPENSATION AND BENEFITS:

We continually reevaluate our salary levels to ensure we remain competitive, and this year we conducted a comprehensive review of our benefits. We added Short Term Disability to our suite of benefits which include: Health, Dental, Vision, Long Term Disability, Life Insurance, 401(k) plan, Vacation, Sick Leave, Holidays and the opportunity to earn an annual bonus.



### PROFESSIONAL DEVELOPMENT:

As our credit union continues to grow, we want our employees to grow with us. In 2018, we prioritized training by hiring our first Organizational Development Manager to lead our training efforts.



### COMMUNITY INVOLVEMENT:

We support our employees in giving back by offering up to three days paid time off for employees to volunteer with 501(c)(3) organizations through our Volunteer Time Away program. We also reward our employees with additional paid time off through our PowerPack program if they hit community involvement milestones.

**757**

Total Hours of Training

**179**

Hours of Paid Volunteer Time Away

**512**

Hours of Bonus Time Off Awarded  
for Community Involvement

## WHAT OUR EMPLOYEES ARE SAYING

“I love the family oriented work environment and the opportunity to regularly be involved in the community.

- Jill Lohnes, Executive Mortgage Officer

“I love working at TCCU because I have access to competitive products, the freedom to make decisions, and the advantage of local decision making, all while working a flexible schedule.

- Jake Klobuchar, VP, Business Lending

“Being a part of our larger mission of helping our members and investing in our communities really makes your work take on more meaning. Plus, the great benefits make it easy to support your family and balance your work and personal life.

- Chelsea Gleich, Marketing Specialist



## TOWN & COUNTRY IMPACT AWARD

In 2018, we introduced an employee recognition program to celebrate those who have embraced the mission, vision and values of Town & Country.

KEVIN FITZ

EASTERN AWARD WINNER



Kevin Fitz makes a Positive Impact through supporting the business community in the Fargo area. As Vice President Commercial Lending in our 52nd Avenue location, Kevin works with business owners to not only provide the products and services they need, but to also provide guidance on how to improve their company's financial health, gain efficiencies and save money.

"It's about building relationships over time, helping business owners succeed and making sure they're getting the best products possible with low fees and good rates," said Kevin.

Kevin believes in putting 100% into his member relationships and will go above and beyond to put a deal together that meets the needs of the member and makes sense for the credit union. His positivity about the culture at Town & Country is obvious. "This is a super place to call home. I hope to retire from here," said Kevin.

While Kevin invests most of his free time into his family's activities, he's also a member of the Fargo West Rotary Club, the Heartland Independent Provider Network and the West Fargo Exchange Club. As a result of winning the Impact Award, Town & Country donated \$500 to a charity of his choice. Naturally, Kevin turned to his family to help him make this decision. His family suggested great causes, but it was his 16-year-old daughter Eva's argument that sealed the deal for Cat's Cradle Shelter, a cat rescue and adoption organization in Fargo.



LORI MCGOWAN  
WESTERN AWARD WINNER



If you've walked into our Minot office, it's likely you've been greeted by Lori McGowan. A credit union employee for 19 years, Lori is a well-known, friendly face in the lobby who loves getting to know our members and is willing to pitch in where needed.

Always humble, "I was shocked and honored when I found out I won the Impact Award," said Lori. Positivity is one of the remarkable qualities about Lori, so it's not surprising that making a Positive Impact comes naturally for her. "If you put yourself in a good mood from the start, everything goes so much more smoothly," she said. "I believe in always having a Plan B, because then it's easier to change course when things don't go the way you thought they would."

Lori is also a committed volunteer who has invested countless hours with the local Christ Lutheran Church Soup Kitchen serving lunch there weekly for the last four years. "I am passionate about the soup kitchen because that is the only meal some of the people get all day, so it truly makes a huge difference in their lives," she said. "One of the things I love about Town & Country is that we are committed to giving back to the community while allowing employees to volunteer."

In addition to winning the award, Town & Country made a donation of \$500 to a charity of Lori's choice. Of course, she chose her beloved soup kitchen.

## BEST FOR OUR COMMUNITY

We know that our impact can expand beyond our members and our employees into the communities where they live, work and play. We offer our support in a few different ways:

- Employee volunteerism
- Charitable giving and corporate sponsorships
- Nonprofit account offerings
- Financial literacy education

Giving back is as much a part of our culture as providing great service. Find out more about how we gave back this year on the following pages.





## HABITAT FOR HUMANITY

This summer, we participated in a day-long Habitat for Humanity build in both Fargo and Minot. Employees put on work gloves and picked up nail guns to build walls, hang drywall and more.

Prior to the build day, we also sponsored studs through the Minot Habitat for Humanity Stud-a-thon which allowed our team to paint the studs with inspiring messages. The studs were then used in the unfinished garage and will hopefully bring cheer to the new homeowners for years to come.



49

EMPLOYEES INVOLVED



104

HOURS DONATED



Unity Mortgage, owned by Town & Country Credit Union, gives smaller financial institutions which do not have mortgage departments the ability to offer mortgages to their members by using Unity's mortgage officers and processing team. By leveraging our extensive knowledge in this industry through Unity Mortgage, we're able to help more people than ever before achieve homeownership.





## CHARITABLE GIVING & CORPORATE SPONSORSHIPS

We are committed to supporting and enhancing the places in which we and our members live and work. In 2018, we contributed over \$137,097 to countless causes, fundraisers and events, including, but not limited to:

1. Sanford Children's Hospital
2. Roosevelt Park Zoo Habitat for a New Century Campaign
3. Stanley High School Scoreboard
4. Des Lacs-Burlington High School Scoreboard
5. The Salvation Army
6. The Great North Pole, Fargo
7. Trinity Health Cancer Rehab Center/ Tough Enough to Wear Pink
8. Great Plains Food Bank
9. Kenmare Ambulance Service
10. Magic City Discovery Center



## NONPROFIT ACCOUNTS

We're committed to helping organizations fulfill their missions while providing value and saving them time and money. In designing our new Nonprofit Accounts, open to 501(c)(3) organizations and cooperatives, we conducted focus groups with nonprofit leaders to find out what they wanted from a financial institution.



### BENEFITS FOR NONPROFITS INCLUDE:



Don't chase after board members! We collect signatures electronically so forms can be securely signed online via email.



Apply for up to 40 hours of Town & Country employee volunteer time to be used throughout the year.



Receive free available meeting space in Town & Country training and board rooms.



Earn an above-market rate in a Nonprofit Money Market Savings account with no minimum balance requirements.

## EDUCATING OUR FUTURE

Basic money management is fairly simple in abstract — don't spend more than you make. But, when you put it in practice it can get much more complicated. That's why we're committed to offering financial literacy education at all ages, from elementary school to adults.

We offer financial literacy education to youth in a few different ways:

- Sponsoring Banzai! online education for middle and high school students
- Hosting \$MRTZ — a one-day financial literacy seminar for high school seniors in Fargo and Minot
- Classroom presentations and branch visits starting in kindergarten

For adults looking for additional information or guidance, we offer free, no-judgment financial counseling for all Town & Country members, as well as group classes throughout the year on various topics.



**1,571**

Students Reached

**9**

Town & Country Employees Certified  
as Credit Union Financial Counselors

**\$26,690**

Donated/Invested in  
Financial Literacy Causes



# AWARDS & RECOGNITION

Our greatest accomplishment is being able to make a positive impact on our members' lives. However, we also know it's important to make sure that we're keeping up with national and regional best practices and excelling in our industry.



**5 STAR** SUPERIOR RATING FROM BAUER FINANCIAL

**5 STAR** SAFE AND SOUND RATING FROM BANKRATE

**1<sup>ST</sup> PLACE** CUAD MARKETING & COMMUNICATIONS AWARD

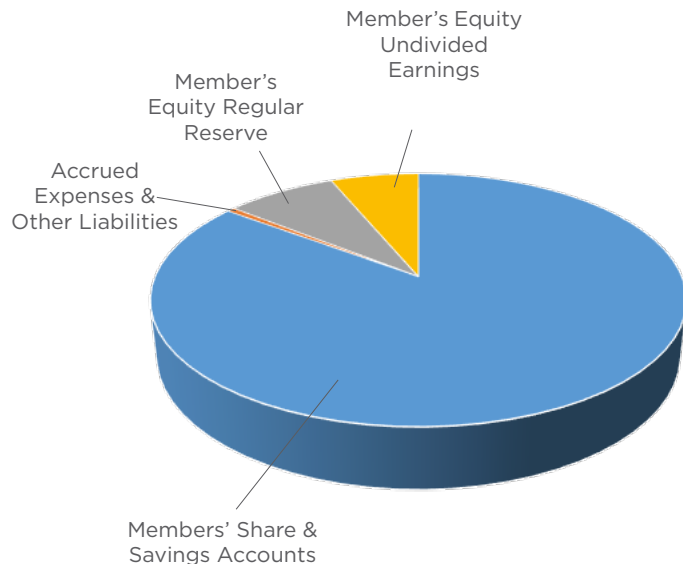
**1<sup>ST</sup> PLACE** CUAD DESJARDINS YOUTH FINANCIAL EDUCATION AWARD

**1<sup>ST</sup> PLACE** MINOT DAILY NEWS READER'S CHOICE AWARDS BEST CREDIT UNION

**2<sup>ND</sup> PLACE** MINOT DAILY NEWS READER'S CHOICE AWARDS BEST MORTGAGE COMPANY



# CONSOLIDATED BALANCE SHEET



Assets	2018	2017
Cash and Due from Banks	\$10,923,188	\$17,833,507
Federal Funds Sold	25,143,388	42,000,000
Cash & Cash Equivalents	\$36,066,576	\$59,833,507
Interest Bearing Deposits with Other Financial Institutions	\$940,329	\$946,856
Trading Assets	194,884	0
Restricted investments	496,500	467,700
Receivables:		
Loans, net	374,347,758	324,501,043
Loans held for sale	4,859,343	4,551,399
Accrued interest	3,708,338	3,166,829
Foreclosed assets	-	910,000
Property and equipment, net	13,449,970	14,017,708
NCUSIF deposit	3,184,197	3,037,968
Prepaid expenses and other assets	2,080,733	2,244,504
<b>Total Assets</b>	<b>\$439,328,628</b>	<b>\$413,677,514</b>
Liabilities		
Members' Share & Savings Accounts	\$374,167,226	\$351,711,712
Accrued expenses & Other Liabilities	2,416,155	2,544,227
<b>Total Liabilities</b>	<b>\$376,583,381</b>	<b>\$354,255,939</b>
Members' Equity		
Regular Reserve	\$34,890,193	\$34,890,193
Undivided Earnings	27,855,054	24,531,382
<b>Total Members' Equity</b>	<b>\$62,745,247</b>	<b>\$59,421,575</b>
<b>Total Liabilities &amp; Member's Equity</b>	<b>\$439,328,628</b>	<b>\$413,677,514</b>

# CONSOLIDATED STATEMENT OF OPERATIONS

Interest Income	<b>2018</b>	<b>2017</b>
Loans	\$17,155,691	\$15,596,678
Investment Income	446,372	378,971
Total Interest Income	\$17,602,063	\$15,975,649
Interest Expense		
On Members' Share Accounts	\$2,149,694	\$1,568,433
Borrowed Funds	\$7,863	\$2
Total Interest Expense	\$2,157,557	\$1,568,435
Net Interest Income before Provision for Loan Losses	\$15,444,506	\$14,407,214
Reduction of loan losses	(217,000)	
Net Interest Income after Provision for Loan Losses	\$15,227,506	\$14,407,214
<b>Non-Interest Income</b>	<b>\$8,582,696</b>	<b>\$8,395,109</b>
Non-Interest Expenses		
Salaries & Employee Benefits	\$13,815,095	\$12,788,400
Travel and conference expense	247,546	281,453
Occupancy & Equipment	948,935	817,375
Office Operations	2,296,444	1,886,295
Educational & Promotional	593,130	681,423
Loan Services	607,314	628,130
Professional & Outside Services	286,030	439,270
Depreciation	1,160,450	1,233,627
Other Operating Expenses	965,586	1,030,777
Total Non-Interest Expenses	<b>\$20,920,530</b>	<b>\$19,786,750</b>
<b>Net Income</b>	<b>\$3,323,672</b>	<b>\$3,015,573</b>



## CONSOLIDATED STATEMENTS OF MEMBERS' EQUITY

	Regular Reserve	Undivided Profits	Total
Balance, January 1, 2016	\$32,655,579	\$23,750,423	\$56,406,002
Net Income		3,015,573	3,015,573
Transfer	2,234,614	(2,234,614)	0
Balance, December 31, 2017	\$34,890,193	\$24,531,382	\$59,421,575
Net Income		3,323,672	3,323,672
Balance, December 31, 2018	\$34,890,193	\$27,855,054	\$62,745,247



[www.townandcountry.org](http://www.townandcountry.org)

