

**SCOTT  
CREDIT  
UNION**

**80**  
YEARS  
OF SERVICE  
1943-2023

**2022 ANNUAL MEETING REPORT**



*80 Years With You*

## CHAIRMAN'S MESSAGE

**Together** with my fellow volunteer Board of Directors, our goal is to provide guidance in the best interests of the credit union's members and their community—and to show that Scott Credit Union is With You. Many things have changed over the course of the credit union's 80-year history, but its commitment to serving its members, no matter where they are in life's journey, remains the same.

I'm pleased to announce that 2022 was another successful year. Our organization experienced growth, and our net income was above budget. We're also excited to have added two additional branches in Breese and Trenton, IL, to our network through our acquisition of Tempo Bank.

Scott Credit Union's Mission Statement is "Members. Value. Community." Aligned with this mission, the Board of Directors, management, and staff are dedicated to serving you, our members, all while continuing to strengthen the credit union's fiscal health, providing convenient products and services, and giving back to the community.

We shared our success by providing active members a Bonus Dividend on shares and a loan interest rebate to our borrowers, paying out approximately \$1,000,000 into share accounts. Over the past 15 years, the bonus dividends and loan interest rebates we've provided to members have totaled more than \$15 million—a clear demonstration of how Scott Credit Union is committed to being With You.

Our success also allowed us to support the community, donating just over \$153,000 to a variety of charitable causes, community events, and civic organizations. Additionally, we're proud to report that employees volunteered over 860 hours by representing SCU in community parades, hands-on rebuild projects, Fall Festivals, KMOV Surprise Squad events, and more.

A few of the charitable efforts supported in 2022 included: Big Brothers Big Sisters of Southwestern Illinois, Gateway YMCA, Madison County Child Advocacy Center, and Songs4Soldiers.

Additionally, some of our larger civic partnerships included the sponsorship of a tiny house with the Veteran's Community Fund which is determined to eradicate veteran homelessness; partnering with the Urban League on the Urban Expo which benefits underprivileged children as they prepare for back to school; and partnering with KMOV and other local organizations to fund and build a playground at the Herbert Hoover Boys and Girls Club in St. Louis City.

In addition to our financial contributions, Scott Credit Union also provided financial literacy both online and in person. Some of the organizations included: Financial Family Feud at the Urban Expo to nine campuses of Gateway YMCA, as well as the Madison County Center for Educational Opportunities, Nu Chi Foundation, SAFB teens and Redbird Rookies at Busch Stadium.

Members of Scott Credit Union, we thank you for your continued support as we anticipate further success in the years to

come. We look forward to continuing our mission and using this success to show our members and the communities where we live and work that we have been and will continue to be With You wherever you are in life's journey.

**Lawrence Haffner**  
*Chairman*  
*Board of Directors*



# PRESIDENT'S LETTER

## 80 Years With You

From our humble beginning with 27 charter members to proudly serving over 152,000 members. After 80 years, we may look quite different on the surface, but our commitment to providing our members with a great value, and helping you reach your financial goals remains the same today. 2022 was a year of expanding our footprint, increasing our charitable giving, sharing our profits with you, our members, and continuing to serve our members to better their financial futures.

We acquired Tempo Bank in June 2022, expanding our branch network into Clinton County and increasing our total footprint to 25 branches. The acquisition was part of our strategic growth plan, which includes adding branches to better assist members in Illinois.

We were proud to continue the tradition of providing a bonus dividend and loan interest rebate; in 2022, we gave approximately \$1 million to members.

SCU joined the CO-OP Shared Network of ATMS and now our members have access to over 30,000 surcharge-free ATMs. Locations include popular places where members shop such as 7-Eleven, Costco and Dunkin' Donuts.

One of the core principles of credit unions is commitment to community. To show our communities that we're With You, we contributed financial donations (\$153,000) and volunteered time (860 hours) to a variety of civic efforts and charitable causes. Over the past 15 years, we've donated over \$3.9 million, and employees have volunteered nearly 25,000 hours to causes in both Illinois and Missouri.

We continue to be financially strong and have seen growth in deposits and assets. We finished 2022 with capital at \$151.8 million, which is 8.66% of assets. This is above the 7.00% regulatory standard that is considered well-capitalized. Our net earnings for 2022 were \$8.6 million. Our assets as the end of 2022 were at \$1.75 billion. Membership in 2022 increased 2.07% from 2021 to 152,284 members.

The credit union also had the honor of being named one of Forbes Best-in-State Credit Unions for the third time in four years. Credit union members rated us highly in Forbes' 2022 survey based on their overall satisfaction. The survey also measured trust, terms and conditions, branch services, digital services, and financial advice.

We continued our efforts to build a more equitable and inclusive workplace, one that reflects our diverse members. From the language we use in our policies to how we honor cultural celebrations internally and externally – we are a work in progress. Our Diversity, Equity and Inclusion Council is hard at work making suggestions that lead to positive changes within our credit union.

We were honored to again be named a Top Workplace in the St. Louis region by the St. Louis Post-Dispatch in its annual rankings. This is a tremendous honor that is due to the hard work and contributions of every SCU employee. By upholding our service excellence and living our mission

of Members. Value. Community., we were able to support one another and be recognized.

Many things have changed over the course of 80 years, but our commitment to serving our members no matter where they are in life's journey remains the same.

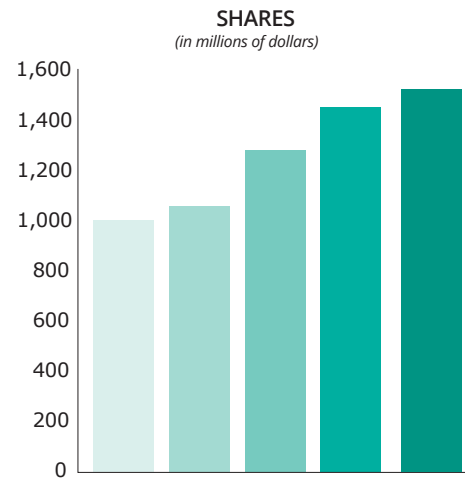
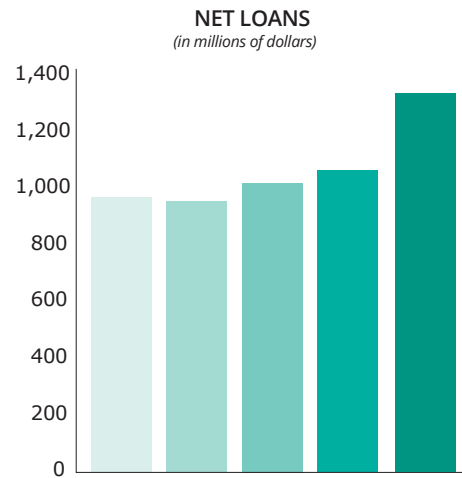
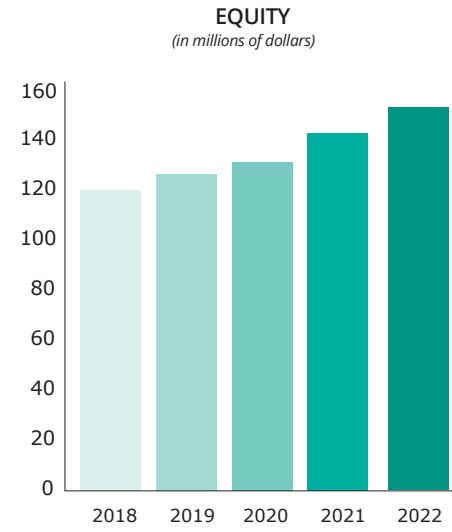
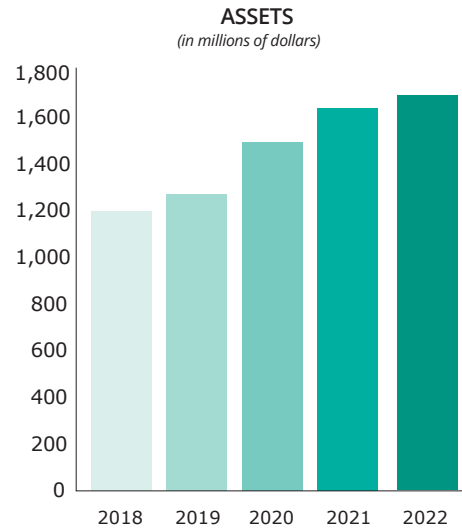
We were With You when we began and will be With You every step of the way.

Thank you.

**Frank M. Padak**  
President & CEO



# FIVE-YEAR PERFORMANCE



	2022	2021	2020	2019	2018
<b>Total Assets</b>	\$1,751,826,315	\$1,647,347,103	\$1,455,808,260	\$1,268,134,426	\$1,219,604,280
<b>Total Shares</b>	\$1,557,613,786	\$1,482,255,291	\$1,280,764,292	\$1,085,495,611	\$1,007,247,705
<b>Total Members</b>	152,284	149,197	144,174	144,353	142,796
<b>Dividends Paid</b>	\$5,945,016	\$5,797,938	\$7,787,548	\$8,538,583	\$5,628,145
<b>Loans, Net</b>	\$1,344,844,944	\$1,109,004,931	\$1,031,460,610	\$976,632,254	\$987,700,537
<b>Number of Loans Granted</b>	23,889	21,338	21,447	20,226	24,338
<b>Amount of Loans Granted</b>	\$784,394,668	\$675,139,044	\$627,590,334	\$487,167,943	\$522,402,644
<b>Number of Loans</b>	80,478	76,498	78,398	81,687	85,349
<b>Gross Income</b>	\$85,019,568	\$73,300,247	\$69,267,730	\$68,599,112	\$64,529,425
<b>Net Interest Margin</b>	\$45,870,776	\$44,237,627	\$30,805,819	\$30,862,281	\$30,531,797
<b>Net Income</b>	\$8,623,402	\$7,683,502	\$4,504,230	\$8,331,540	\$11,761,698

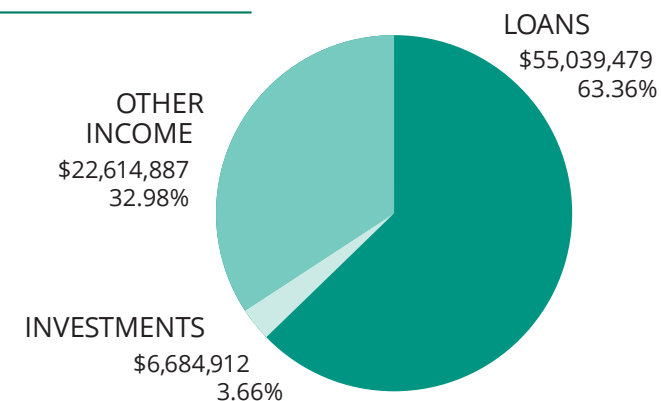
# BALANCE SHEET

ASSETS	2022	2021
<b>Cash and cash equivalents</b>	\$20,867	\$18,474
<b>Investments</b>		
Equity securities	1,816	1,908
Available-for-sale	159,749	159,882
Held-to-maturity	25,199	5,430
Other	66,678	244,597
Federal Home Loan Bank (FHLB) stock	2,751	9,207
Loans held-for-sale	898	4,485
Loans receivable, net of allowance for loan losses	1,346,463	1,109,005
Accrued interest receivable	4,151	2,974
Premises and equipment, net	35,252	36,006
National Credit Union Share Insurance Fund deposit	14,867	13,686
Assets acquired in liquidation	276	-
Goodwill	8,271	-
Right of use assets	4,423	-
Other assets	60,166	41,693
<b>Total Assets</b>	<b>\$1,751,826</b>	<b>\$1,647,347</b>

LIABILITIES AND MEMBERS' EQUITY	2022	2021
<b>Liabilities</b>		
Share and savings accounts	\$1,557,614	\$1,482,255
Borrowed funds	35,000	-
Interest payable	577	404
Lease liabilities	4,423	-
Accrued expenses and other liabilities	22,325	23,667
<b>Total liabilities</b>	<b>1,619,939</b>	<b>1,506,326</b>

COMMITMENTS AND CONTINGENT LIABILITIES	2022	2021
<b>Members' Equity</b>		
Undivided earnings	147,792	139,169
Accumulated other comprehensive loss	(19,908)	(2,151)
Equity acquired from acquisitions	4,003	4,003
Total members' equity	131,887	141,021
<b>Total Liabilities and Members' Equity</b>	<b>\$1,751,826</b>	<b>\$1,647,347</b>

## 2022 SOURCES OF INCOME

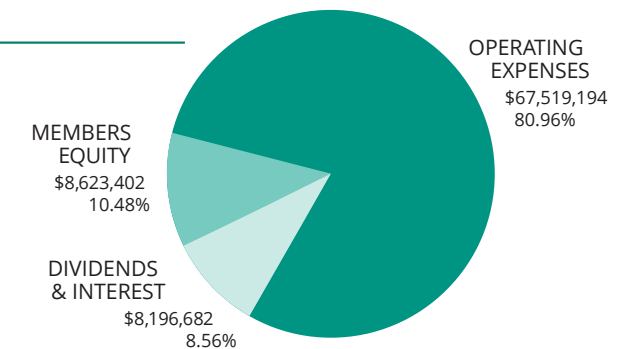


# INCOME STATEMENT

Interest Income	2022	2021
Interest on loans receivable	\$55,039	\$46,447
Interest on investments	6,685	2,680
Interest income	61,724	49,127
<b>Interest Expense</b>		
Dividends on share and savings accounts	5,945	5,798
Interest on borrowed funds	2,252	476
Interest expense	8,197	6,274
<b>Net Interest Income</b>	53,528	42,853
<b>Provision for Loan Losses</b>	7,657	(1,384)
<b>Net Interest Income After Provision for Loan Losses</b>	45,871	44,237
<b>Non-Interest Income</b>		
Service charges	10,559	10,232
Card income	10,308	9,907
Other non-interest income	1,771	1,453
Commission income	754	939
Equity securities profits, net	-	427
Non-interest income	23,392	24,173
<b>Total Net Income</b>	69,263	68,410

Non-Interest Expense	2022	2021
Compensation and employee benefits	28,326	26,213
Operations	16,399	20,353
Occupancy	4,512	4,002
Loan servicing	4,270	3,710
Professional and outside services	3,850	2,487
Education and promotion	2,506	2,608
Other gains and losses, net	676	1,200
Equity securities losses, net	97	-
Loss on disposition of premises and equipment, net	4	137
Loss on disposition of assets acquired in liquidation, net	-	17
Non-interest expense	60,639	60,727
<b>Net Income</b>	\$8,623	\$7,683

## 2022 DISTRIBUTION OF INCOME



# LEADERSHIP AND LOCATIONS

## BOARD OF DIRECTORS

**Lawrence Haffner**  
*Chairman*

**Sarah Holdener**  
*Vice Chairman*

**Michele Gehlbach**  
*Secretary*

**Frank Padak**  
*Treasurer*

**Jacob Curtis**

**Jessica Haugen**

**Joy Hayward**

**Deborah Lane**

**Christopher Sobrino**

## ASSOCIATE DIRECTORS

**Lucrecia Cordon-Springer**

**Lajuan Miller**

**Angela Stewart**

## EMERITUS DIRECTOR

**William "Pete" Hostetter**

## SENIOR MANAGEMENT

**Frank Padak,**  
*President &  
Chief Executive Officer*

**Scott Seidl,**  
*Executive Vice President*

**David Bressler,**  
*Chief Lending Officer*

**Joanne Hernandez,**  
*Chief Operating Officer*

**Carla Lambrecht,**  
*Chief Information Officer*

**Scott Peters,**  
*Chief Financial Officer*

**Val Rhoden-Kimbrough,**  
*Chief Human Resources  
Officer*

**Michelle Wazlawek,**  
*Chief Marketing Officer*

**James Cochran,**  
*Vice President of  
Consumer Lending*

**Mark Dietrich,**  
*Vice President of  
Retail Operations*

**Ryan Goodwin,**  
*Vice President of  
Business Solutions*

**Mandy Mayer,**  
*Vice President of  
Mortgage Lending*

**Deanna O'Neill,**  
*Vice President of  
Human Resources*

**Michael Prophete,**  
*Vice President of  
Operations*

**Teresa White,**  
*Vice President of  
Accounting*

**Home Office**  
101 Credit Union Way  
Edwardsville, IL 62025

**Affton**  
9100 Gravois Road  
St. Louis, MO 63123

**Ballpark Village**  
6 Cardinal Way  
Suite 130  
St. Louis, MO 63102

**Breese**  
301 N. 4th Street  
Breese, IL 62230

**Chicago**  
Jesse Brown  
VA Branch  
820 S. Damen Ave.  
Suite 1408  
Chicago, IL 60612

**Collinsville**  
1100 Belt Line Road  
Collinsville, IL 62234

**Columbia**  
1000 Eleven South  
Columbia, IL 62236

**Crestwood**  
9792 Watson Road  
St. Louis, MO 63126

**East Belleville**  
2020 N. Belt East  
Belleville, IL 62221

**Edwardsville**  
1067 S. State Route 157  
Edwardsville, IL 62025

**Evergreen Park**  
9059 S. Kedzie  
Evergreen Park, IL 60805

**Fairview Heights**  
555 Lincoln Highway  
Fairview Heights, IL 62208

**Ferguson**  
10797 New Halls Ferry Road  
St. Louis, MO 63136

**Highland**  
12455 State Route 143  
Highland, IL 62249

**Ladue**  
8866 Ladue Road  
St. Louis, MO 63124

**Lebanon**  
107 E. Schuetz Street  
Lebanon, IL 62254

**Mascoutah**  
1248 W. Main Street  
Mascoutah, IL 62258

**Midlothian**  
14740 S. Cicero Ave.  
Midlothian, IL 60445

**O'Fallon**  
712 W. Highway 50  
O'Fallon, IL 62269

**Scott AFB**  
302 W. Winters Street  
Scott AFB, IL 62225

**Trenton Branch**  
28 W. Broadway  
Trenton, IL 62293

**Troy**  
501 Edwardsville Road  
Troy, IL 62294

**Waterloo**  
1019 N. Illinois Street  
Waterloo, IL 62298

**West Belleville**  
4807 W. Main Street  
Belleville, IL 62226

**Wood River**  
570 Wesley Drive  
Wood River, IL 62095

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

Member Contact Center:  
(618) 345-1000 or (800) 888-4SCU (4728)

*Scott Credit Union is an Equal Opportunity Employer.*



Federally Insured by NCUA