

ANNUAL
REPORT



Whitefish
CREDIT UNION

• 2017 •



THE ADVENTURE IS DIFFERENT,
OUR SPIRIT IS THE SAME.



PRESIDENT'S REPORT



"Locally we donated
tens of thousands of
dollars towards regional
non-profits, food banks,
and philanthropic
organizations."

Whitefish Credit Union Members,

I am pleased to report that 2017 marked a successful and productive year for Whitefish Credit Union. We surpassed many of our goals, and we continued to promote a thriving community through philanthropic initiatives and returning exceptional value to our members. Our credit union accomplished this while remaining well capitalized to safeguard your deposits and to provide a foundation from which to build a successful financial cooperative.

Our financial strength helped us achieve our mission of making your wellbeing a priority. I am proud to report that last year we returned a substantial savings to our membership compared to local and national credit unions. Our 2017 average dividend paid to members placed us within the top 5% of all credit unions in the country, and compared as a percent of our annual income,

our member give-back was the highest of all credit unions in the State of Montana. We also placed in the top 10% nationally for our return to borrowers with one of the lowest average yields on loans. These impressive rankings validate our resolve in providing substantive value for your Whitefish Credit Union membership.

Creating value also means investing for the future. I am proud to report that Whitefish Credit Union made a substantial investment in Columbia Falls by breaking ground on a new facility to serve our members. Opening mid-2018, the Columbia Falls Branch will relocate to a central location and feature additional drive-up teller lanes, enhanced technology, and an improved design to serve this growing market. We also made additional improvements in our infrastructure and security to enhance the safety of your deposits and personal information.

Whitefish Credit Union prides itself on being an active and engaged member of Northwest Montana. Locally we donated tens of thousands of dollars towards regional non-profits, food banks, and philanthropic organizations. We initiated clothing drives for at-risk youth, supported local sports teams, and supplied firewood to needy families. Whitefish Credit Union employees collectively donated enough blood with the American Red Cross of Kalispell to help over 350 individuals, in addition to volunteering countless hours with hundreds of organizations throughout the past year. We give back to our community, not to receive recognition, but because we choose to define ourselves through our ability to serve others.

On behalf of the over 150 dedicated employees throughout our organization, thank you for making Whitefish Credit Union the largest and most successful financial cooperative in our state. We will continue to serve you, and our community, as we look towards fulfilling our motto – Whitefish Credit Union, we belong to you!

With gratitude,

James Kenyon

President / Chief Executive Officer



"We take our responsibility seriously, and we are always working to build a better tomorrow for our members."

CHAIRMAN'S REPORT

One of the primary reasons Whitefish Credit Union began operations was to provide a secure and responsible financial institution for our community to save and borrow. On behalf of the Board of Directors, I am proud to report that these principals have continued to hold firm as we concluded our 83rd year of service to our membership.

The Board oversees the strategic direction and policies of the Credit Union as duly elected representatives of the members. Our fiduciary responsibility includes the oversight of necessary financial controls and the management of the Chief Executive Officer to ensure an efficient institution. We take our responsibility seriously, and we are always working to build a better tomorrow for our members.

In accordance with state law, which requires the Board to meet at least once each month, the Board held 12 regular meetings and several special meetings during 2017. At Board meetings, we review all loans made, changes in investment portfolios, and the budget, which includes income and expenses. Additionally, the Board is informed of any suspicious activity reports generated during the month, reviews interest rates, and makes appropriate recommendations to remain competitive and provide value to the membership.

Our volunteer Board is composed of professionals from a diverse field of industries. They reflect the broader community we serve through bringing their own experiences and values to collectively make the best decisions for our Credit Union. Board members are elected by a vote of the members of the Credit Union, and serve three-year terms.

In both June and December 2017, the Board declared a dividend of 0.94% and 1.08%, respectively. These two declared dividend rates produced an annual yield of 1.00%. Whitefish Credit Union members received over \$12.4 million in dividends in 2017, with most of this money staying here in Northwest Montana, helping our local economy. This dividend represents the largest return paid to our members since 2010.

The Credit Union ended 2017 with a net worth ratio of 12.64% and total assets of \$142 billion. Our asset size, combined with nearly 55,000 members, continues to make us the largest credit union in Montana.

It has been my pleasure to serve as Chairman of the Board this past year. Our Board is a very conscientious, dedicated, and optimistic group of individuals, each of whom brings his or her own special background, knowledge, and individual strengths to Whitefish Credit Union.

Lyle Phillips
Chairman of the Board



SUPERVISORY REPORT

“Your current Supervisory Committee, five volunteer members elected by you, is very diverse representing both small business and corporate sectors.”

Your Supervisory Committee is charged with the significant responsibility of oversight of the management function and the Board to ensure the safety and soundness of your assets. To accomplish this, we oversee the internal audit department and retain numerous external auditors. As to external audits, we have supervised engagements in the areas of financial statements, commercial loans, IT computer security, payroll, employee retirement plan, and ALM (asset/liability management) validation. In addition, we have monthly meetings and attend Board, Loan Committee and other important meetings.

At our monthly meetings, we review the Credit Union's current financial statements and ratios, loan reports, IT reports, internal /external audit reports, state/federal examiner reports, and discuss important developments at the Credit Union.

During the year, our Internal Audit Department coordinated and performed numerous audits to make sure adequate internal controls were in place. These audits included surprise cash counts and security audits at our branch offices, loan audits, regulatory compliance audits, and insider account audits, to name just a few. Although David Zimmerman is still part of our Internal Audit Department, unfortunately at the end of December Jennifer Hescher, our other Internal Auditor, resigned from the Credit Union.

We engaged the national public accounting firm of Moss Adams, LLP to perform our annual financial audit and our annual verification of member accounts for the year ending December 31, 2017. These auditors issued an "unqualified opinion" in their Report of Independent Auditors, which means they concluded that the Credit Union's financial statements, as presented by management, in all material

respects fairly represent the financial position, results of operations, and cash flows of the Credit Union according to generally accepted accounting principles.

Your management and Board continue to do an excellent job operating the Credit Union in a profitable and progressive manner. To better understand their respective jobs, once a quarter we invite a member from senior management or the Board to our meeting. The Supervisory Committee is appreciative of its working relationship with management and the Board and the hard work and dedication they provide on your behalf.

Your current Supervisory Committee, five volunteer members elected by you, is very diverse representing both small business and corporate sectors. Our committee includes an attorney,

CPA, two investment advisors, and an IT/computer executive, and all work very hard on your behalf. In the past year, we had two long standing members of our committee, Myra Appel and Mike Barnes, resign due to other commitments. We appreciate their years of service. We have since added Mike Rossi, C.P.A. and Suzanne Davis, both of whom you will meet at the annual meeting. We all appreciate the opportunity to serve you and look forward to continuing to do so this year.

If you ever have any questions or concerns, we encourage you to contact any of us at any time.

Michael Viscomi
Supervisory Committee Chair



WHERE FUTURES **GROW**

Our spirit drives our curiosity and nurtures an overwhelming thirst for discovery. We know our greatest days are always ahead of us.



COMMUNITY IMPACT & LOCAL EVENTS

Being a positive force in our community is at the heart of our mission. As a member-owned, and not-for-profit financial institution, we believe in spending time giving back to the communities we serve. From the volunteer work of our team, to the sponsorship of many local non-profit organizations, our work as a credit union goes far beyond our branch doors. Fostering strong and healthy communities is an important credit union role, and one that benefits everyone in Northwest Montana. Here are a few ways we gave back in 2017.

PENGUIN PLUNGE

Whitefish Credit Union team members were "freezin' for a reason" during the Whitefish Winter Carnival. The team braved the icy waters of Whitefish Lake to raise funds for Special Olympics Montana.



C-FALLS GROUNDBREAKING

We broke ground on the new Columbia Falls branch. The new facility, opening mid-2018, will feature additional drive-up teller lanes and more space to serve the growing Columbia Falls market.



JUNIOR BOARD OF DIRECTORS

Our Junior Board of Directors' community service project helped chronically hungry students in the Flathead Valley. The Junior Board members set up donation bins in each of our branches to collect items, which were given to local food banks.



NW MONTANA FAIR

Our members saved \$16,441 through our discounted tickets to the fair. We also provided fair-goers with a convenient location to relax, recharge their mobile devices, and learn more about products and services from Whitefish Credit Union.



HIGH SCHOOL SPIRIT DEBIT CARD DONATIONS

Through our High School Spirit Debit Card campaign, we raised more than \$10,000 in donations for our local high schools. These funds support athletic and extracurricular activities at each of the local high schools in our market.



SALUTE TO FIRST RESPONDERS

We showed our gratitude to the firefighters and first responders who protected Northwest Montana against the summer wildfires.

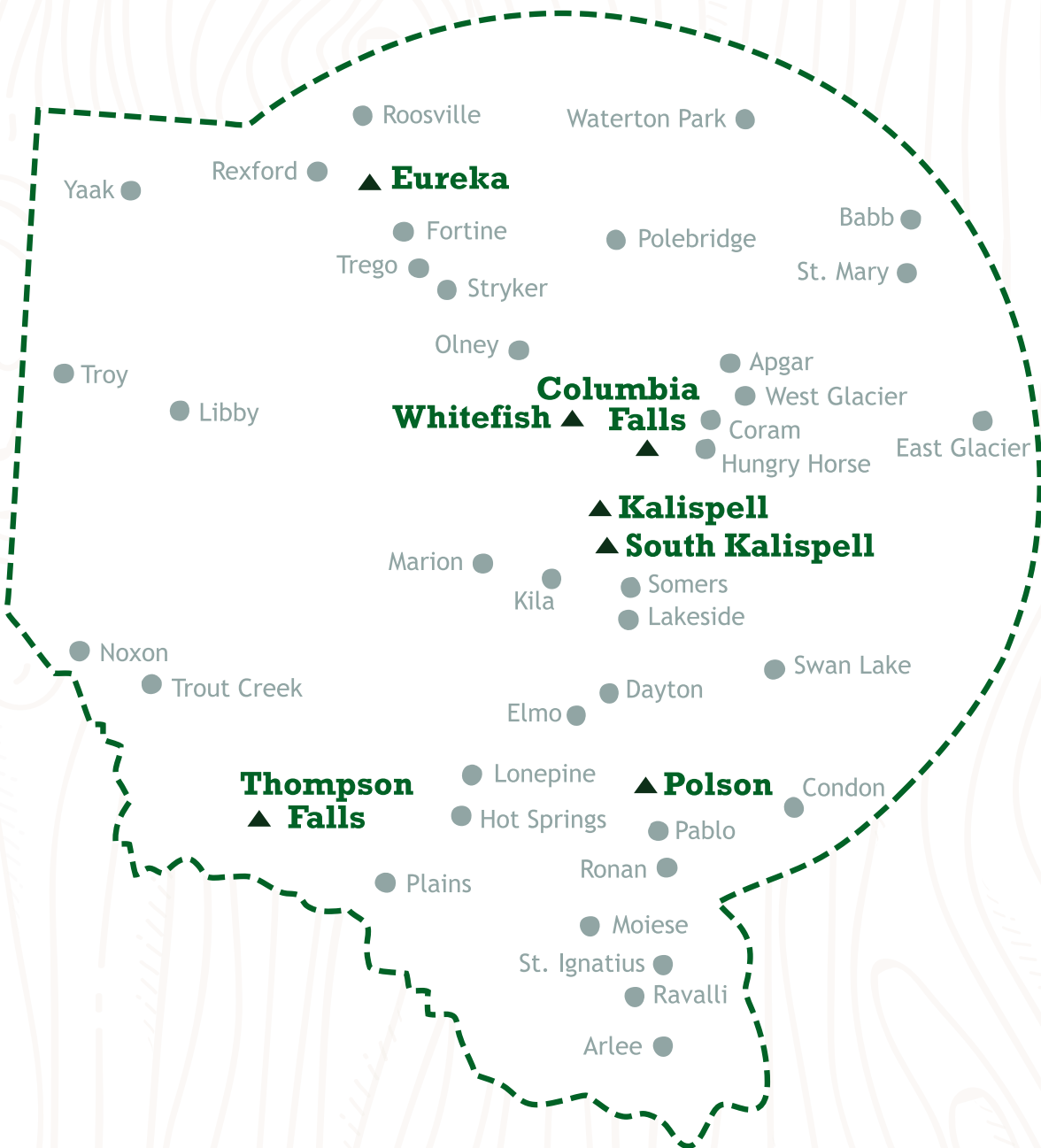


HAPPY HOLIDAYS CAMPAIGN

With branches fully decorated to show our holiday spirit, we shared some holiday cheer throughout the community.



OUR FIELD OF MEMBERSHIP



If you live in the four northwest counties of Montana - Flathead, Lake, Lincoln, or Sanders - or if you reside within 50 air miles of Whitefish, you are qualified for membership in Montana's largest Credit Union.

LENDING FOR EVERY PART OF LIFE

Since 1934, Whitefish Credit Union has been a sound and trusted financial institution in Northwest Montana. When we first opened our doors, our goal was to create a solid foundation on which our friends and neighbors could build their dreams. That often meant lending to new or young families so they could purchase their first home. Today, we continue that credit union tradition of neighbors helping neighbors for our thousands of members across the four northwest counties of Montana. Whether it's helping them get that new vehicle to safely bring the kids to school, or providing custom borrowing options to improve their home with a home equity line of credit, Whitefish Credit Union is a trusted financial partner. We also offer members more financial tools and services than ever before, letting them focus on the things in their lives that really matter.



COMMERCIAL LENDING

Come In

WE'RE

OPEN

\$35.1M
GROSS LOAN PRODUCTION

OVER 8.25%
NET PORTFOLIO GROWTH
FROM 2016

Helping you achieve your dreams means more than just a loan for your car or home, it also means helping you grow your business. Whether it is the purchase of a building, machinery, or consolidating your business debt, our team of experienced commercial lenders can give you expert advice to help your business thrive. In 2017, we helped hundreds of business in our community realize their dreams with a commercial loan from Whitefish Credit Union.

\$107.2M

HOME LOANS

609 TOTAL LOANS FUNDED • PRIMARY
52 TOTAL LOANS FUNDED • SECONDARY

\$19.1M

JUMBO LOANS

21 TOTAL LOANS FUNDED • PRIMARY
5 TOTAL LOANS FUNDED • SECONDARY

\$18.5M

INVESTMENT LOANS

97 TOTAL LOANS FUNDED
PROPERTIES & UNDEVELOPED
REAL ESTATE

\$13.8M

**HOME EQUITY
LINES OF CREDIT**

166 TOTAL LOANS FUNDED

\$5.9M

CONSTRUCTION & LAND LOANS

24 TOTAL LOANS FUNDED

\$5.1M

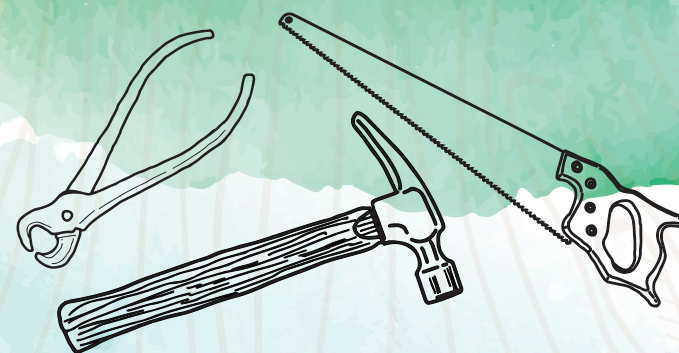
CONDOMINIUM LOANS

34 TOTAL LOANS FUNDED

REAL ESTATE LENDING

Whether buying their first house, making the move to a new one, or improving their current home, Whitefish Credit Union helped more than 1,000 members and their families turn dreams into reality in 2017 with a real estate loan.

Our simple loan process, no lender origination fees, and no private mortgage insurance provide true value for a credit union membership. We also help first time home buyers by requiring as little as a 5% down.



Find your passion, on or off the road. Over the summer we helped our members do just that by putting extra cash in their pockets. With low vehicle loan rates, and no payments for 120 days, we helped over 1,000 members save money so they could put it towards their next adventure.

1,045
NEW LOANS
DURING PROMOTIONAL PERIOD

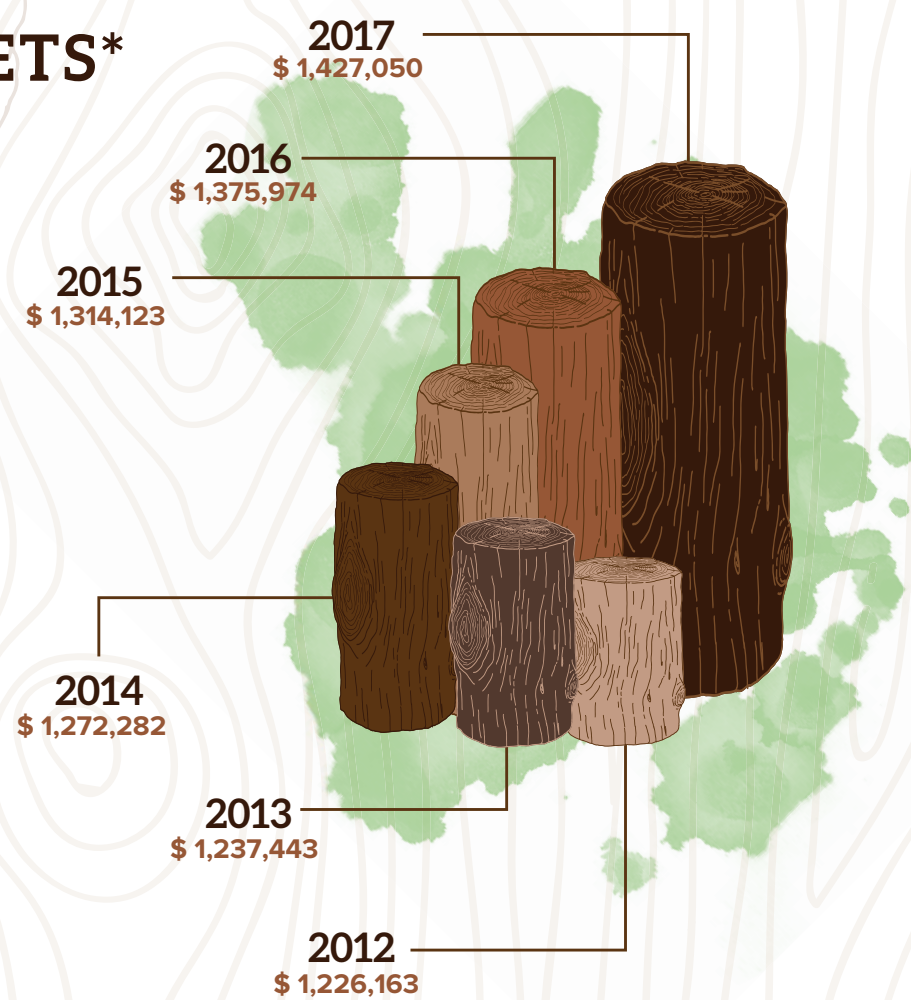
**FUNDED
\$12.7
MILLION**
IN VEHICLE LOANS

**OVER
\$927K**
IN DEFERRED PAYMENTS

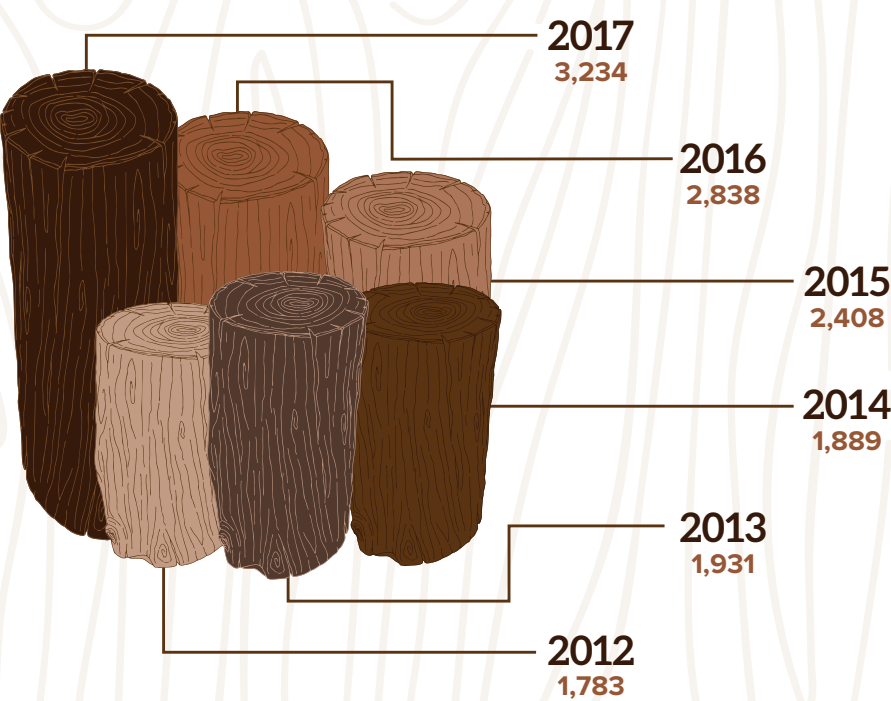


TOTAL ASSETS*

(in thousands)

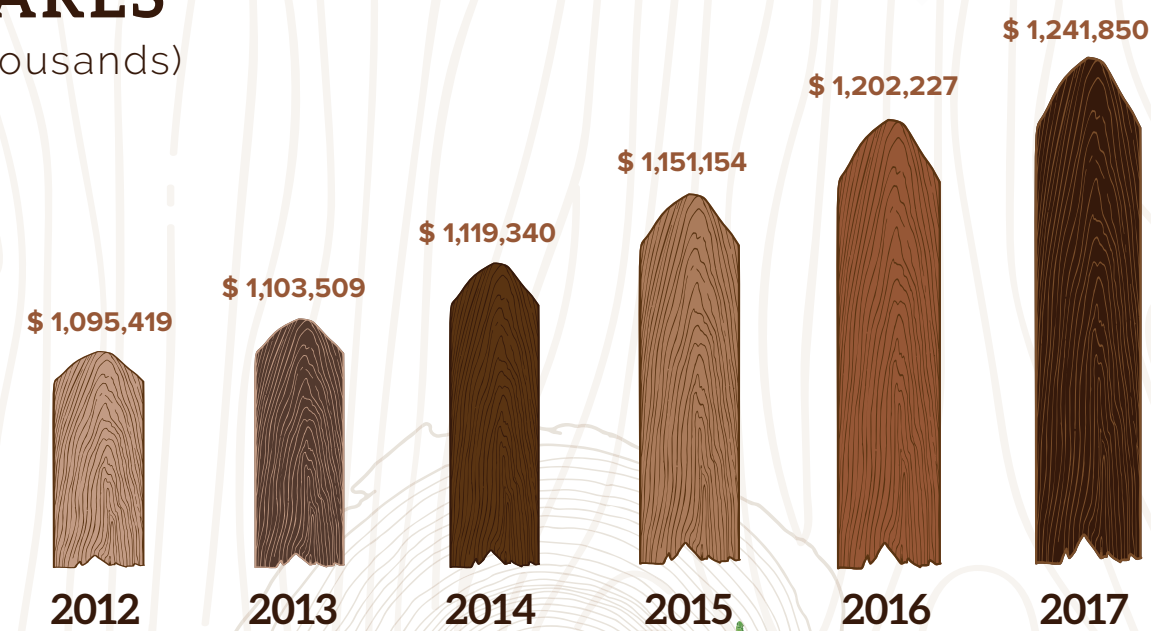


NUMBER OF LOANS MADE



SHARES*

(in thousands)



LOANS AT YEAR-END*

(in thousands)



*From audited financial statement

BALANCE SHEET

As of December 31, 2017 & 2016

| Assets | Notes | 2017 | 2016 |
|---|-------|------------------|------------------|
| Cash and cash equivalents | | \$ 37,185,442 | \$ 51,804,709 |
| Securities available for sale, at fair value | | 520,571,572 | 544,154,759 |
| Loans, net | 1 | 810,401,282 | 734,997,884 |
| Federal Home Loan Bank stock | | 1,781,600 | 1,739,800 |
| National Credit Union Share Insurance Fund (NCUSIF) deposit | | 11,411,691 | 11,133,734 |
| Other real estate owned, net | 2 | 8,059,260 | 10,082,882 |
| Property and equipment, net | | 15,648,337 | 15,035,794 |
| Accrued interest receivable | | 4,855,747 | 4,528,508 |
| Other assets | | 17,135,217 | 2,495,660 |
| Total Assets | | \$ 1,427,050,148 | \$ 1,375,973,730 |
| | | | |
| Liabilities and Members' Equity | | | |
| Members' Shares | | \$ 1,241,849,865 | \$ 1,202,227,222 |
| Federal Home Loan Bank advances | | 3,258,974 | 4,070,641 |
| Other liabilities | | 5,077,135 | 3,856,895 |
| Total Liabilities | | 1,250,185,974 | 1,210,154,758 |
| | | | |
| Regular reserve, substantially restricted | | 20,351,361 | 20,351,361 |
| Undivided earnings | | 160,040,428 | 148,501,922 |
| Accumulated other comprehensive loss | | (3,527,615) | (3,034,311) |
| Total Members' Equity | | 176,864,174 | 165,818,972 |
| | | | |
| Total Liabilities and Members' Equity | | \$ 1,427,050,148 | \$ 1,375,973,730 |

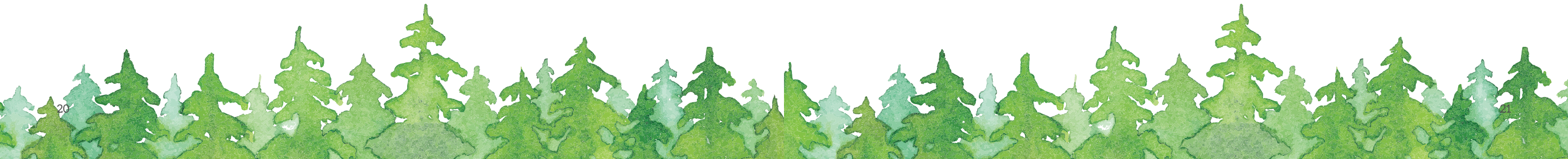
1 Net of allowance for loan losses of \$3,607,612 and \$5,244,136 for 2017 and 2016, respectively

2 Net of valuation allowance of \$836,325 and \$602,865 for 2017 and 2016, respectively

INCOME STATEMENT

As of December 31, 2017 & 2016

| | 2017 | 2016 |
|---|---------------|---------------|
| Interest Income | | |
| Loans receivable | 30,072,757 | \$ 27,014,593 |
| Investments | 11,546,407 | 9,826,598 |
| Deposits with financial institutions | 360,072 | 437,710 |
| Total Interest Income | 41,979,236 | 37,278,901 |
| | | |
| Interest And Dividend Expense | | |
| Members' Shares | 12,420,167 | 8,129,379 |
| Federal Home Loan Bank advances | 194,316 | 235,795 |
| Total Interest and Divident Expense | 12,614,483 | 8,365,174 |
| | | |
| Net Interest Income | 29,364,753 | 28,913,727 |
| Recapture of loan losses | (1,585,356) | (1,016,913) |
| Net Interest Income After Recapture of Loan Losses | 30,950,109 | 29,930,640 |
| | | |
| Noninterest Income | | |
| Member service fees | 646,713 | 523,028 |
| Net gains on sales of securities available for sale | 133,149 | 57,685 |
| Other income | 531,542 | 819,034 |
| Total Noninterest Income | 1,311,404 | 1,399,747 |
| | | |
| Noninterest Expenses | | |
| Salaries and benefits | 12,869,063 | 10,348,638 |
| Equipment and occupancy | 2,279,789 | 1,955,492 |
| Professional and legal fees | 449,969 | 1,051,324 |
| Marketing | 728,855 | 892,492 |
| Loan expense | 163,654 | 247,247 |
| Software and data processing | 1,039,226 | 728,223 |
| Other real estate owned, net | 971,626 | 1,793,091 |
| Other expense | 2,220,825 | 1,970,692 |
| Total Noninterest Expenses | 20,723,007 | 18,987,199 |
| | | |
| Net Income | \$ 11,538,506 | \$ 12,343,188 |



NCUA FINANCIAL PERFORMANCE REPORT

Peer group comparison as of and for the year ended December 31, 2017 & December 31, 2016

| | WCU 2017 | Peer Group 2017 | WCU 2016 | Peer Group 2016 |
|---|-------------|--------------------|-------------|--------------------|
| Return on Average Assets | 0.82% | 0.75% | 0.92% | 0.73% |
| Gross Income / Average Assets | 3.08% | 4.92% | 2.87% | 4.80% |
| Cost of Funds / Average Assets | 0.90% | 0.52% | 0.62% | 0.48% |
| Net Margin / Average Assets | 2.18% | 4.40% | 2.25% | 4.32% |
| Operating Expenses / Average Assets | 1.47% | 3.26% | 1.41% | 3.26% |
| Operating Expenses / Gross Income | 47.86% | 65.56% | 49.03% | 67.18% |
| Net Operating Expenses / Average Assets | 1.43% | 2.55% | 1.37% | 2.54% |
| Loan / Share | 65.55% | 85.26% | 61.57% | 81.93% |
| Borrowers / Members | 17.00% | 59.52% | 14.77% | 58.40% |
| Members / Full-Time Employees | 360.53 | 384.49 | 386.26 | 386.90 |
| Average Shares / Member | \$ 22,587 | \$ 12,086 | \$ 21,465 | \$ 12,155 |
| Average Loan Balance | \$ 87,088 | \$ 18,020 | \$ 89,456 | \$ 17,686 |
| Loan Growth (Annual Rate) | 9.97% | 11.61% | 16.70% | 11.84% |
| Asset Growth (Annual Rate) | 3.71% | 7.59% | 4.71% | 8.21% |

Source: NCUA

UNBEATABLE DIVIDENDS

NO MINIMUM BALANCE OR TERM

With an industry-leading rate and no penalty for early withdrawal, our share account outperformed nearly all money market, certificate of deposit, and savings accounts at other financial institutions.



National rates are calculated based on a simple average of rates paid (uses annual percentage yield) by all insured depository institutions and branches for which data are available. Data used to calculate the national rates are gathered by RateWatch. 1.00% Annual Percentage Yield (APY) paid on savings account balances effective from 1/1/2017 - 12/31/2017

LEADERSHIP TEAM



JAMES A. KENYON
President & Chief Executive Officer

Prior to assuming his current role as President and Chief Executive Officer for Whitefish Credit Union, Jim served for 16 years at Missoula Federal Credit Union in Missoula, Mont. He has resided in Montana for most of his adult life and is a graduate of the University of Montana with a bachelor of science in business management. A strong advocate for community service, Mr. Kenyon currently serves on the Board of Directors for the National Association of Federally-Insured Credit Unions (NAFCU). He has also served locally on the Whitefish Community Foundation board and was Co-Chairman for the North Valley Food Bank Fundraising Committee.



COLLEEN MURPHY
Senior VP of Operations

Colleen grew up in western Washington and moved to Montana in 1989, where she began work in the Credit Union movement that same year. She has an operational background in the teller area, branch management, consumer and real estate lending, credit and debit card departments, collections, and commercial credit committee. Ms. Murphy is a 2005 graduate of Western CUNA Management School. She joined Whitefish Credit Union in July of 2015 after serving nearly 26 years with Missoula Federal Credit Union.



MICHAEL BLUBAUGH
Senior VP & Chief Financial Officer

Mike, an Ohio native, received his bachelor of science in business administration in accounting from Franklin University in Columbus, Ohio. He was subsequently licensed as a Certified Public Accountant while employed as a small business specialist with Deloitte Touche. Mr. Blubaugh has served in senior management roles for over 30 years across a variety of industries, including more than 20 years in the financial services industry. It was then that he earned a graduate degree in banking from the University of Colorado. He also holds certifications as a Credit Union Enterprise Risk Management Expert and Certified Credit Union Investments Professional. Mr. Blubaugh is active in the community and currently serves on the board for Habitat for Humanity of Flathead Valley.



STEVEN L. MOSS
Senior VP & Chief Credit Officer

Steven is a native of Peekskill, N.Y. He graduated from Carroll College in Helena, Mont., with a bachelor of science in accounting in 1994. While attending college, he began working for Mountain West Bank, NA. That career, lasting roughly 18 years, was focused primarily on commercial lending and it brought him to the Flathead Valley in 2002. Mr. Moss has been with Whitefish Credit Union since 2011, and prior to being named the Chief Credit Officer in early 2015, he was the Commercial Lending Manager for four years. Mr. Moss is a 2002 graduate of the Pacific Coast Banking School and has been involved with various local non-profit organizations, most notably the Humane Society of Northwest Montana.



PAUL L. IVERSEN
Senior VP Consumer Lending

Paul attended Mesa College, Colorado State University, and the University of Colorado. He has received a diploma from the Colorado Graduate School of Banking, the University of Colorado, and in May 2011 he received a Certified Chief Executive designation from the Credit Union Executive Society, capping off a three-year program with Wharton University, Cornell University, and Darden School of Business. Mr. Iversen previously worked for Pacific Finance, Ford Motor Credit Company, First National Bank-North, U.S. Bank, and Intra-West Bank in Colorado, before moving to Whitefish. Mr. Iversen joined the Whitefish Credit Union staff in August of 1986.



STEPHEN W. HAUGEN
Senior VP & Chief Information Officer

Steve is a native Montanan, born in Missoula and raised in Libby, Mont. After graduating from Libby Senior High, he studied mechanical engineering and computer science at the University of Idaho. Having bounced between Moscow, Boise, Portland, and finally Seattle, Mr. Haugen took a position at Microsoft Corporation in 1994, providing technical support for Windows and Windows NT. In 1996 he transferred to Microsoft's MSN division to build and manage the IT systems for the then-start-up website Expedia.com. After eight years of designing, building and managing what still rank as some of the most sophisticated and complex high volume transactional systems in the world, Mr. Haugen retired from Expedia, Inc. and joined Whitefish Credit Union.

BOARD OF DIRECTORS



LYLE PHILLIPS
Chairman of the Board

A Whitefish native, Mr. Phillips retired as Manager of Human Resources for Columbia Falls Aluminum Company after 42 years of service. Mr. Phillips has served on the Credit Union Board for 30 years, and is currently Board Chairman. Mr. Phillips is also the past Board Chairman of North Valley Hospital Foundation, past member of the Board of Directors of Flathead Business and Industry Association, and past Chairman of the Business and Educational Council at FVCC. He has served as a past member of the Board of Directors of Montana West Economic Development (MWED), eventually becoming the President and CEO of both MWED and Flathead County Economic Development Authority. Mr. Phillips has also served as a member and Chairman of the Whitefish School Board, and at the state level as a member of the State Workforce Investment Board. Mr. Phillips was Chairman of the Job Service Employers Committee, a graduate of Leadership Flathead class of '95, served as a member of the Community Advisory Council to the Board of Directors of Kalispell Regional Hospital, and served as a Whitefish volunteer fireman. He is a lifelong member of Christ Lutheran Church, serving on the church council as a member and President, and also chairing other committees within the church.



TOM CULLEN
Vice Chairman of the Board

Born and raised in Great Falls, Mont., Mr. Cullen graduated from the University of Montana in 1982 with a bachelor of science degree in business administration. He was employed in public accounting from 1984 to 1988. From 1993 to 1999 he was employed by Winter Sports, Inc. Since 1999, he has been employed as the Financial Controller for Iron Horse.



CHARLENE LYTLE RYGG
Secretary / Treasurer

A Whitefish native, Ms. Rygg graduated from Whitefish High School in 1965, attending college at Montana State University, Kinman Business University, and Flathead Valley Community College. While raising her children, Ms. Rygg spent many years as a community and church volunteer and is currently active in P.E.O., a philanthropic educational organization. Ms. Rygg became involved in real estate in 1974 and was an owner of a family business, Sterling Title Services, for 23 years.



FRANK BARNES

Mr. Barnes was born and raised in Whitefish, graduating from Whitefish High School in 1978. He attended Montana Tech and received degrees in petroleum engineering and business administration finance. He is currently the owner of Westside Gas and Grocery in Whitefish. He recently gained certification in Enterprise Risk Management from the Credit Union National Association. Mr. Barnes serves on the E.A. Hinderman Scholarship Committee, the Jean Carter Foundation Board, and the Whitefish Credit Union ALCO Committee and Member Business Lending Committee.



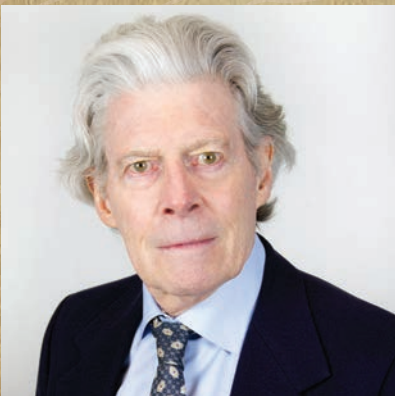
SUE BROWN

Born in Dickinson, ND, Ms. Brown holds a bachelor's degree from Eastern Montana College and a Master's Degree from the University of Montana. Ms. Brown retired after 40 years of teaching at Flathead High School in June of 2017. During her career, Ms. Brown chaired the English Department and received a number of honors, including – Montana Forensics Educators Hall of Fame, Montana Reading Council Teacher of the Year, Lifetime Achievement Award in Education at Flathead High School, and the NW Montana Reading Council Lifetime Achievement Award.



JOHN SNYDER

Mr. Snyder is a retired professor of business from Colorado State University (CSU). A Montana native, he received his bachelor of science and master of science in applied economics from Montana State University. He then worked for the Montana state legislature for three years before returning to school for his doctorate in economics. Most of Mr. Snyder's academic career was at CSU's College of Business. In the 80's, John served on the Supervisory Committee at Norlarco Credit Union.



LEO TRACY

Mr. Tracy was born in Florida, received a bachelor of arts in economics from Bowdoin College in Brunswick, Maine, and received a Juris Doctor degree from Boston College Law School. He served as a Captain in the U.S. Marine Corps, including a year in Vietnam. Mr. Tracy is licensed to practice law in Montana and Massachusetts, and has been a practicing attorney in Whitefish since 1975. He is a former Whitefish City Attorney, former member of the Whitefish Board of Adjustments, former President and founding member of Whitefish Hockey, Inc., former trustee on the Whitefish School Board, former member of the Board of Directors of North Valley Music School, and former member of the Glacier Symphony Orchestra, in which he played violin.

SUPERVISORY COMMITTEE



MICHAEL VISCOMI
Committee Chair

Mr. Viscomi moved to Whitefish from West Palm Beach, Fla., in 1998. He graduated from the University of Florida Law School in 1982 and has handled civil cases as an active trial attorney ever since. Michael practices law in Whitefish as a partner in the law firm of Viscomi, Gersh, Simpson & Joos, PLLP. Mr. Viscomi is a Board Certified Civil Trial Advocate by the National Board of Trial Advocacy and a member of the Montana Trial Lawyers Association. Additionally, Mr. Viscomi has been actively handling civil cases as a professional mediator and arbitrator for the past 18 years and is a full member of the Montana Mediation Association.



SUSAN NAIVE

Ms. Naive is the owner of Swift Creek Capital in Bigfork, Mont. She has been in the investment business for 30 years. She has a master's degree in management and a bachelor of science in psychology. Susan is a board member of the Bigfork Center for the Performing Arts and has been involved with the Bigfork Chamber of Commerce and the Glacier Symphony and Chorale. She also participated in the 1995 class of Leadership Flathead.



SUZANNE DAVIS
Secretary

Ms. Davis is a Clemson University Alumni who attended graduate school in Economics at both Louisiana State University and the University of South Carolina. She maintains her Project Management Professional certification and has served locally as a CIO and both locally and nationally as an IT Director and Project Manager. Suzanne currently owns a small I.T. Consulting Company, Tiger Tech LLC, runs The Montana Cryptocurrency Club, LLC and is a Training Coordinator for Foster Parent training at Child Bridge as well as being a licensed foster home.



MIKE ROSSI
CPA

From 2005-2012, Mr. Rossi served as the executive vice president and chief financial officer at NexBank Capital, Inc. where he managed a consolidated financial services and banking organization with over 125 employees. Mr. Rossi was directly responsible for all aspects of accounting, finance, human resources, compliance, risk management, bank operations, business strategy, and IT, and served on several boards of directors and as the corporate secretary for all entities. Mr. Rossi and his family moved to Whitefish in 2012, and he currently serves as a part time CFO for two companies. Mr. Rossi is a CPA, licensed in both Texas and Montana. He holds a BBA and an MPA in Accounting, both from the University of Texas at Austin.



REX HARRIS

A life-long resident of the state, Mr. Harris was born in Roundup and grew up in Havre, Mont. In 1987, he went into the securities business with Edward Jones after graduating from Whitman College in Walla Walla, Wash. In 1991, he started his own firm, Harris Financial Services, Inc. in Whitefish and incorporated the business in 2001. More than 30 years later, Rex continues to help people make wise financial decisions.

“We belong to you.”

SUMMARY OF THE 82ND ANNUAL MEETING

HELD APRIL 15, 2017, 10:00 A.M. AT GROUSE MOUNTAIN LODGE, WHITEFISH, MT

President James Kenyon welcomed the membership to the 82nd Annual Meeting of the Whitefish Credit Union at 10:00 a.m. in the Continental Divide Room, at Grouse Mountain Lodge. Supervisory Committee Member, Rex Harris was called on to determine a quorum was at hand with 208 members in attendance.

Mr. Kenyon began the meeting by reviewing the Agenda of the 82nd Annual Report, with the Summary Minutes from the April 23, 2016 meeting printed inside the Annual Report, to be approved later in this meeting.

Mr. Kenyon introduced Chairman Lyle Phillips from the Board of Directors. Mr. Phillips called the 82nd Annual Meeting to order and referred to the Summary Minutes inserted in the 2016 Annual Report, noting they are an abridged version of the full meeting minutes. Phillips called for the membership to approve the April 23rd, 2016 Annual Meeting Minutes. After a first and second, the 2016 minutes were unanimously approved by the membership.

Mr. Phillips reported on the Board of Director activities for 2016, expanding on their many responsibilities and duties the Board oversee in the Credit Union's day to day business. Chairman Phillips called on Susan Naïve from the Supervisory Committee to provide their annual report. Naive reported on the activities of their committee for 2016. She reported that their committee reports that the Whitefish Credit Union is a strong financial institution.

Chief Financial Officer, Michael Blubaugh was called on to give the fiscal condition of the Credit Union for 2016. Mr. Blubaugh reviewed the graphs, charts and financial information reporting on all aspects of the financial welfare and security of the Whitefish Credit Union. He proclaimed that the Credit Union continues to grow and is a safe and sound credit union.

CEO/President, Jim Kenyon was called on by Chairman Phillips to give the Presidents Report. Mr. Kenyon announced that construction will begin within the next couple of months on Whitefish Credit Union's new Columbia Falls office. Kenyon introduced the Junior Board of Directors, and reviewed the donations to local charities for 2016. Mr. Kenyon reported on a survey completed by 14% of WCU membership, that gave insight to what WCU members want from their Whitefish Credit Union. Mr. Kenyon reported consumer, real estate loan growth and commercial lending continue to be top priority and that the Lending Portfolio grew 40% in 2016.

Chief Information Officer, Steve Haugen was called on to report on the security that keeps accounts safe from cybercrime and what members can do to keep their information safe.

The floor was open to questions from the audience. There were many questions, which included student loans and scholarships offered by the credit union, how to shorten the appraisal process time, yearly pocket planners changing the calendar year, and a campaign to use local builders to work on the construction in Columbia Falls. All questions were answered by Mr. Kenyon to the satisfaction of the membership.

With all "old business" having been addressed and no "new business" for discussion, Chairman Phillips called on Tom Cullen, Chairman of the Nominating Committee to announce the nominations for the Supervisory Committee. Michael Viscomi, Susan Naïve and Mike Rossi, (replacing Myra Appel) were unanimously elected to represent the Supervisory Committee for two year terms.

Mr. Cullen announced Lyle Phillips, Sue Brown and John Snyder were the nominees running for the Board of Directors. By unanimous vote Lyle Phillips, Sue Brown, and John Snyder were re-elected to serve 3 year terms.

Chairman Phillips called for a motion to confirm all actions taken in 2016 by the Whitefish Credit Union, Volunteer Committees, Management and Employees, all actions were passed unanimously by the membership.

Cash drawings were given out throughout the meeting, with a grand prize given away at the close of the meeting. One Employee's name was drawn for day off.

Chairman Phillips thanked the members for attending the 82nd Annual Meeting and for their continued support of the Whitefish Credit Union. A motion was made and seconded from the floor, meeting was adjourned at 11:39 a.m.

Respectfully Submitted,

Charlene Lytle Rygg

Secretary / Treasurer

NOTES

This image shows a single sheet of white paper with horizontal ruling lines. The lines are evenly spaced and run across the width of the page. There are no margins, text, or other markings on the paper.

NCUA This credit union is federally insured by the National Credit Union Administration.