



Shoreline HOMETOWN



CREDIT UNION

2018 ANNUAL REPORT

HOMETOWN VALUES. HOMETOWN REWARDS.

ShorelineCU.org

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OUR CORE VALUES





HOMETOWN VALUES. HOMETOWN REWARDS.

These simple words encompass the true mission of Shoreline Hometown Credit Union.

We love to support our small businesses and our beautiful lakeshore community. We do this by making our members' financial success our goal and **encouraging members to shop and support local hometown businesses.**

Banking at Shoreline is even more convenient! We have entered into a Shared Branching agreement that gives you access to 5,600 branches and 30,000+ surcharge-free ATMs accross the U.S. So even if you are far from home, you can conduct transactions just as you would here in Manitowoc or Two Rivers!

Shoreline puts money back into our community and businesses. Since the start of our Hometown Program in 2018, we have issued well over \$10,000 in Hometown Gift Certificates. These are rewards returned to you — our valued members! Look for even more rewards in 2019.

We are a member-owned, non-profit financial cooperative serving approximately 9,000 members in nine counties — Manitowoc, Sheboygan, Kewaunee, Calumet, Brown, Fond du Lac, Winnebago, Outagamie, and Door, in Wisconsin.

Your convenience continues to be front of mind. Exciting things happened in 2018. It was a pivotal year for all of us. With our updated facilities and convenient features, we are on a roll for 2019!



PROJECT UNIFY— DONE!

We finally did it! Shoreline Hometown Credit Union held a ribbon-cutting ceremony in Spring 2018 with The Chamber of Manitowoc County as well as other city and county officials to celebrate a major renovation to our Mishicot Road location in Two Rivers.

The branch, originally built in 1979, was updated in a theme that pays homage to Hamilton Manufacturing Company and the past history of Shoreline Hometown Credit Union.

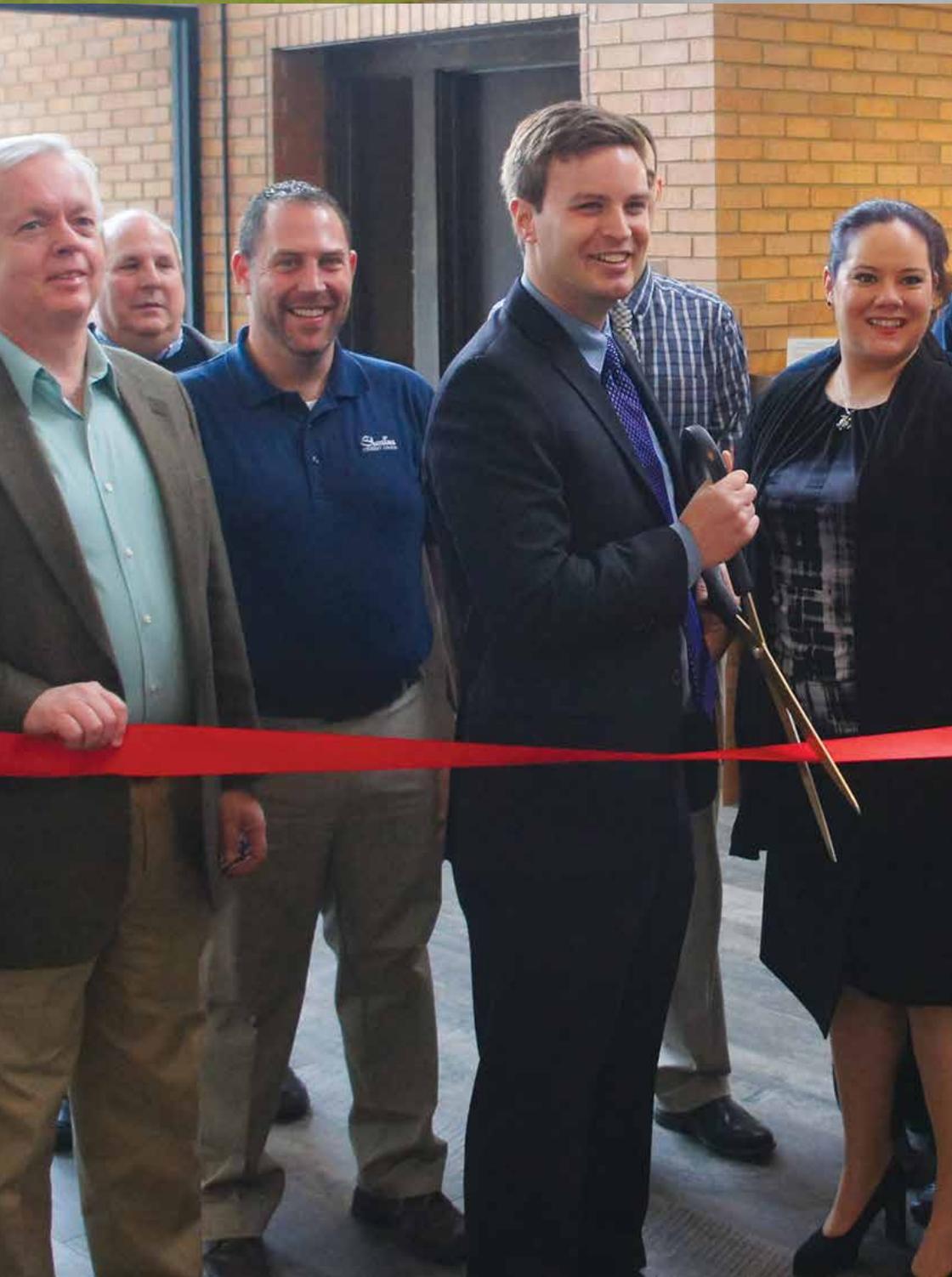
Working with Keller, Inc. and many local contractors, the branch design reflects the industrial heritage of Shoreline when it began as Hamilton Employees Credit Union in 1941. The color scheme, the flooring, and other finishing touches in the new branch are dedicated to the hard-working men and women of our community.

A major highlight is a mural tribute to Shoreline and Hamilton.

The Hamilton Wood Type Museum provided access to their large historical collection to help an artist create the colorful montage displayed on the wall in the waiting area of the branch. A new dramatic metal-cut logo sign was also installed outside the building in two locations.

“We are proud to continue to invest in our community,” says Nathan Grossenbach, CEO of Shoreline Hometown Credit Union. “We are thriving in Manitowoc County and we felt that it was time to revisit our Hometown roots and provide the best branch experience in town. We are happy with the results.”

Grossenbach went on to say, “We appreciate the patience our members exhibited during this construction project. Our employees did a phenomenal job setting up shop and working in the temporary location, while providing hometown service with a smile.”



WE DO WELL, BY DOING GOOD.

A philosophy of service. Shoreline Hometown Credit Union has continued to increase its support in our community year-after-year. It's been a team effort, with many of our employees sitting on boards for the Salvation Army, Kiwanis of Manitowoc, Noon Rotary and the TRBA — just to name a few.

We sponsored even more community events in 2018! We were the presenting sponsor for Kites Over Lake Michigan, Cars & Guitars, and the Kiwanis Car and Motorcycle Show. Major sponsorships include Kiwanis Fish Derby, Salvation Army, Miracle League, Adopt-A- Highway, Manitowoc Maritime Museum's Subfest, Felician Village Car Show and Two Rivers Main Street events such as the Cool City Car Show, Ethnic Fest and the Hometown Christmas Parade.

- Shoreline also created marketing materials including flyers, banners, signage, forms, postcards, posters, photography, sponsorship letters and registration materials — all in full color — to nonprofits who require marketing assistance for their events or every day needs.
- We sponsor radio advertising for numerous Shoreline-sponsored community events, including scriptwriting and commercial production radio spots in Manitowoc and Green Bay.
- Shoreline donated \$16,000 to Two Rivers Youth Sports.
- Shoreline employees enthusiastically step up to volunteer at all events. It's part of our hometown heritage.
- Shoreline produced car show calendars for both the Cool City and Kiwanis car shows that highlighted classic vehicles and motorcycles from previous years. Advertising was sold in the calendars to help raise extra money for the Kiwanis event.
- Over the past five years, Shoreline Hometown Credit Union has sold Season Pass Pins and matched the first \$5,000 dollars of donations. This has been a very successful fundraising effort for the Salvation Army of Manitowoc netting nearly \$13,000 in donations and matching funds this year.
- Local Two Rivers high school grads, Jacob Shillcox, Abby Novachek and Bryce Laurin were each awarded a \$500 Travis Glandt Hometown Scholarship from Shoreline Credit Union.

Thousands of dollars were pledged in 2018 as cash donations, advertising, scholarships and volunteers. As a truly local, hometown financial institution, we are proud to support our community.

LAUGHTER IS A BIG PART OF OUR CULTURE.

When our employees get together for training and social occasions, there usually is a lot of laughter. **A fun work environment bonds our team, helps creativity, and strengthens relationships.**

- **As a home-grown credit union, Shoreline prides itself on recruiting, hiring and developing great people.** We look for employees who have the passion to work for a local institution whose hometown origins are rooted in community service. We strive to provide great service to individual members. When we fill a position at Shoreline, we seek people who embody a team-based, helpful attitude and a sense of humor!
- **Having fun makes people happier and helps them enjoy their jobs** — when our employees are happy, they are better able to provide the best financial service for our members. We schedule regular employee gatherings for training or fun, collaborative, team-building activities. Many of our employees socialize outside of work and volunteer at Shoreline-sponsored community events.
- **Employee education and leadership training programs are fun as well as informative.** Shoreline prides itself in training and developing servant leaders to create a culture that benefits both employees and members. We work with our staff to improve our ability to provide our members with the best, most consistent experience possible.
- **Shoreline Hometown Credit Union prides itself on being a family-friendly organization** of motivated, community-minded people. We do well by doing good for our employees, our members, and our hometown community!



Training and team-building exercises are an important part of the Shoreline employee experience. Fun and fellowship are what we do best. We work hard, play hard and laugh a lot!

MEMBER TESTIMONIALS — TELL GREAT STORIES!

This past year, we have received dozens of kudos from our members about their experiences at Shoreline. Our lenders have helped our members manage their money better by consolidating debt and lowering payments. **Tell your friends and family about the Shoreline Hometown experience — and help them improve their financial situation.**

Here are just a few great testimonials we received this year:

“

...Everyone has been very friendly and there is truly a **hometown feel** when we are there. I would highly recommend Shoreline Credit Union to anyone looking for a change.

— Erin

Shoreline Credit Union is Federally Insured by NCUA.

“

I have been with Shoreline Credit Union since 1983, shortly after I got my first full time job out of high school. I have always had great experiences with Shoreline as they always make you feel like family. I have had several car loans with Shoreline along with checking and savings accounts. I would **highly recommend** them to anyone as they always have their members best interest in mind when making financial decisions.

— Nadine

“

As a local business, we have appreciated the shop local hometown rewards program offered by Shoreline. Offering these rewards has helped boost our business with an influx of patrons utilizing their rewards bucks at the Lighthouse Inn. Not only have we seen return patronage, but also new guests coming in to explore our offerings on the lakeshore. Happy to partner with another local business to support our community.

— Lighthouse Inn, Two Rivers

Shoreline Credit Union is Federally Insured by NCUA.

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...Tomas Salinas and Shoreline Hometown Credit Union came through for me with flying colors. I got great service beyond my expectations. Thanks again Tomas. And thank you Shoreline Credit Union! - Chuck

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UNAUDITED STATEMENT OF FINANCIAL CONDITION

For the years ending December 31, 2017 and December 31, 2018

ASSET	12/31/17	12/31/18
Member Consumer Loans	\$33,849,551	\$30,473,442
Member Real Estate Loans	26,223,749	26,406,209
Member Business Loans	4,619,301	3,513,188
Allowance for Loan & Lease Losses	(326,542)	(269,488)
Cash & Equivalents	3,282,782	3,720,936
Investments	22,103,880	21,542,887
NCUA Insurance Fund	805,889	821,090
Fixed Assets	3,989,876	4,598,498
Other Assets	2,231,925	1,292,610
Total Assets	\$96,780,411	\$92,099,372

LIABILITIES AND EQUITY

Member Shares	\$39,794,029	\$39,949,854
Member Share Drafts	14,602,082	14,795,426
Member MMF Shares	11,598,403	11,318,284
Member IRA Shares	2,304,034	4,466,879
Member Savings Certificates	11,494,808	11,333,645
Member Health Savings Accounts	718,053	693,155
Notes Payable and Interest Payable	6,739,015	—
Current Liabilities	219,576	259,023
Regular Reserves	2,300,000	2,300,000
Undivided Earnings*	7,058,375	7,175,460
Unrealized Gain/Loss on Investments	(47,964)	(192,354)
Total Liabilities and Equity	\$96,780,411	\$92,099,372

*Prior Period Adjustment in undivided earnings is related to property tax accrual

	12/31/17	12/31/18	Peer 9/30/18
Delinquency	0.67%	0.44%	0.62%
Loans/Shares	80.35%	73.42%	78.78%
Loans/Assets	66.84%	65.81%	68.21%
Dividend/Share	.29%	.38%	.25%
Fee Income %	11.26%	10.38%	11.73%

UNAUDITED STATEMENT OF INCOME AND EXPENSE

For the years ending December 31, 2017 and December 31, 2018

INTEREST INCOME	12/31/17	12/31/18
Loan Interest Income	\$2,845,630	\$2,817,524
Investment Interest Income	391,150	534,242
Total Interest Income	3,236,780	3,351,766

INTEREST EXPENSE		
Dividends Paid to Members	235,207	316,572
Interest Paid on Borrowings & Non-Member Deposits	19,323	38,938
Total Interest Expense	254,530	355,510
Provision for Loan Losses	118,727	206,031
Net Interest Income After Provision for Loan Losses	2,863,523	2,790,255

NON-INTEREST INCOME/(EXPENSE)		
Service Charges & Fees	513,049	479,556
Other Non-Interest Income (Expense)	650,413	787,577
Net Non-Interest Income	1,163,462	1,267,133

OPERATING EXPENSE		
Staffing & Support	1,933,085	1,824,090
Building Occupancy & Operations	1,322,220	1,411,558
Loan Serving	377,634	299,693
Professional & Advertising	315,182	394,242
Other	7,852	10,688
Total Non-Interest Expense	3,955,973	3,940,272
Net Income	\$71,012	\$117,087

BOARD OF DIRECTORS

Gretchen Bauknecht-Pech - Chairperson
Ryan Kauth - Vice Chair
Colleen Inman - Secretary

Chad Schwoerer - Treasurer
Julie Vogel - Board Member

LEADERSHIP TEAM

Nathan Grossenbach - Chief Executive Officer/President
Steve Haensgen - Chief Financial Officer
Kal Kerlin - Chief Lending Officer

Sara Hablewitz - Compliance Officer
Steve Kanter - Vice-President, Hometown Experience & Branding
Damien Mohorne - Human Resources Manager
Lisa Sment - Market Manager

STAFF

Bruce Arneman
Brad Bartels
Karen Bauknecht
Brandon Behm
Kyle Bryntesen
Rhonda Buechner
Kelly Culver
Kay Fencil
Tyler Freitag
Amy Her
Nicole Hurlbert
Stephanie Kakes
Bevin Koch
Cody Lassila

Christine Miller
Crystal Miller
Linda Mumpy
Sal Piazza
Denece Poff
Don Rivest
Tomas Salinas
Virginia Sippel
Andrea Schmitt
Laura Svatek
Desiree Szydel
Jessica Trombley
Ever Yang
Sheng Yang



SHORELINE CREDIT UNION LOCATIONS

Two Rivers

3131 Mishicot Rd.

Manitowoc

4400 Calumet Ave.

920-482-3700

Copyright 2019 Shoreline Credit Union.
This information in this Annual Report is accurate as of December 31, 2018



Mission Statement

Our mission is to help our members achieve financial success. We achieve this by providing members with a safe place to save and borrow at reasonable rates. We excel at this by remaining committed to employing an honest, knowledgeable staff whose focus is on one member at a time.



Equal Housing Opportunity. Loans, credit cards and debt protection products are subject to credit approval. Membership requirements apply. Federally insured by the NCUA. 1661 (3/19)