

— Shoreline —  
**HOMETOWN**  
  
**CREDIT UNION**



Shoreline is proud to be a local, member-owned, non-profit financial cooperative. Our employees are your friends and neighbors.



We support our community in Manitowoc County. We focus our commitment by volunteerism, giving and sponsorships as part of our philosophy of service.



## 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.

# 2017 ANNUAL REPORT

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Equal Housing Opportunity. Loans, credit cards and debt protection products are subject to credit approval. Membership requirements apply. Federally insured by the NCUA. 1450 (3/18)

ShorelineCU.org

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## OUR CORE VALUES



## SHORELINE CREDIT UNION LOCATIONS

### Two Rivers

3131 Mishicot Rd.

### Manitowoc

4400 Calumet Ave.

920-482-3700

# WHEN WE SAY “HOMETOWN,” WE MEAN IT!

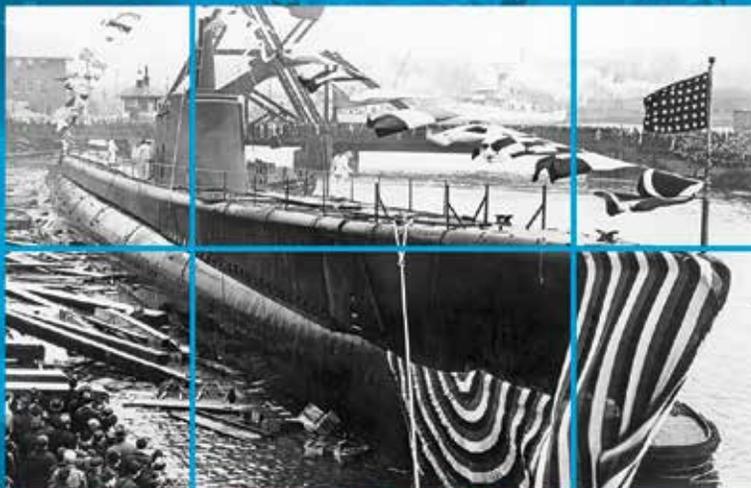
## Truly local. Your “Hometown Choice.”

We continually strive to be better for our members and our Hometown business partners. Shoreline has invested in operating systems, Hometown credit card options and branch facilities that are top notch and on par with our larger, out-of-town competitors. With sophisticated online and mobile banking options, we can save you time and money. **Our employees are your friends and neighbors who offer true Hometown values.**

We are a member-owned, non-profit financial cooperative serving approximately 10,000 members in nine counties — Manitowoc, Sheboygan, Kewaunee, Calumet, Brown, Fond du Lac, Winnebago, Outagamie, and Door, in Wisconsin.

**Our mission has always been our member’s financial success.** We are excited to show you our progress during 2017. Our members are the best people around and we are proud to serve them every day.

*Deeply  
committed to our  
communities  
and our members  
since 1941.*



## 2017 — PROJECT UNIFY

Shoreline decided to upgrade and unify operations in Two Rivers. **We were excited to roll out Project Unify during the summer of 2017.**

- To begin the process, we announced the consolidation of our Memorial Drive branch due to lack of member traffic at that location. The Memorial Drive branch was consolidated with Mishicot Road in an effort to increase efficiency and to allow an investment to revamp the historic branch.
- After spending three years developing our “Hometown” brand that increases our commitment to Manitowoc County, we are excited to announce that Shoreline has invested nearly \$750,000 to revamp the Mishicot Road location. Over 7,500 members visit this branch every month. **The branch, built in 1979, is being completely face-lifted inside and out.** The renovated location will pay tribute to the credit union’s roots as the financial institution of Hamilton Manufacturing Company.
- **Committing to have up-to-date technology, Shoreline has extensively invested in new member-facing technologies.** Our technology has the same convenient features of larger, out-of-town financial institutions. This includes the ability to deposit checks from a mobile device and the introduction of convenient services, such as Apple Pay®, by using your debit or credit card through Digital Wallet on your mobile device.\*
- We have invested in an online account opening feature that allows even more access to the hometown benefits of Shoreline Credit Union — even if a member is unable to visit a branch. **New accounts and loans can be opened without visiting a branch by using easy-to-use mobile and desktop platforms.**

\* Apple Pay® is a registered trademark of Apple, Inc.



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BUILDING SHIPS FOR VICTORY

HOMETOWN



# 2017 — COMMUNITY SUPPORT

**At Shoreline Credit Union, we step up and enthusiastically support our community.** As a truly local credit union, we increased our commitment to Manitowoc County by continuing to volunteer, sit on charitable boards and participate in business organizations.

- **We volunteer.** Our employees give generously of their time and resources. We help out in Junior Achievement, Kiwanis International, Rotary International, Jaycees, the Chamber of Commerce, Two Rivers Business Association and the Salvation Army. Shoreline's "Street Team" participates in many community events to promote our hometown credit union and help those in need.
- **We give.** Shoreline provided tens of thousands of dollars in financial support during 2017 through charitable donations to help maintain the health of our communities. We gave generously to many different organizations, including Spirit of the Rivers and the Salvation Army. It's part of our philosophy of service to our hometown community.
- **We sponsor.** At Shoreline, we sponsored more community events in 2017 than ever before! We were a presenting sponsor for Kites Over Lake Michigan. We also participated in major sponsorships for the Kiwanis Car Show, Kiwanis Fish Derby, Salvation Army, Miracle League, Manitowoc Maritime Museum's Subfest and Two Rivers Main Street events like the Cool City Car Show, Ethnic Fest and the Hometown Christmas Parade.

We'll help out even more at community events in 2018. We are happy to live and work in such a great place on the Lakeshore. Join us for fun in our community! **Be sure to tell your friends to join Manitowoc County's Hometown Credit Union!**

# DO YOU HAVE A HELOC IN YOUR FUTURE?

Buy what you need or consolidate your debt with the flexible Home Equity Line of Credit!

- Competitive interest rates\*
- No application fees
- For a limited time, no closing costs!
- Approval for additional financing
- Apply once and your approval can be used to qualify for a 1st year above par\*\*
- Minimum payment during 1st year generally 1% or 1/4% of principal balance, whichever is greater.
- 24 months to amortize (interest period after 24th month ends)
- Cash advances may be available. See Member Services for application, fees and restrictions on cash advances for further details.



**Shoreline CREDIT UNION**

Approved to Act and equalize low your Shoreline Member's Lender today!



Member since 1978. Member FDIC. Equal Housing Lender. Member of the NCUA. \*See Member Services for details. \*\*See Member Services for details. \*\*See Member Services for details.



## A founding sponsor - Kites Over Lake Michigan.

September 2-3, 2017  
Neshotahs Beach, Two Rivers



**Tomas Salinas**  
"The King of Credit" — "El Rey de Crédito"  
920-482-3725

### Before applying for a loan, see me first!

¡Antes de solicitar un préstamo, verme a mí primero!



**Shoreline CREDIT UNION**

Equal Housing Opportunity. Loans subject to credit approval. Federally insured by the NCUA. 1271.81175

# 2017 — OUR EMPLOYEES WORK AND PLAY TOGETHER

At Shoreline Credit Union, we strive to provide our employees with a fun, engaging place to work that promotes both happiness and passion. **Our culture fosters core values that include service, respect, teamwork, honesty and integrity.**

- **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 good service to individual members. When we fill a position at Shoreline, we seek people who embody a team-based, helpful attitude!
- **Our management and staff work closely together to make sure that Shoreline is a fun place to work** — one that provides the best financial services 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 help out at Shoreline-sponsored community events.
- **We are implementing increased education and training** programs for our staff in 2018 to continue to improve our ability to provide our members with the best, most consistent experience possible.
- **Shoreline Credit Union prides itself on being a family-friendly organization** of motivated, community-minded people. Our commitment to our mission statement benefits employees and most importantly — our members!



When Shoreline employees get together for training or a social event, there's always plenty to eat. Training is very important to improve member experience and we enjoy each other as we learn.

# 2017 — OUR LENDERS GIVE GREAT HOMETOWN SERVICE

At Shoreline Credit Union, our lenders are here to help you manage your money better by consolidating debt and lowering your payments. **Tell your friends and family to join Shoreline, we can help them improve their cash flow.**

- **We help our members improve their financial situation.** Our up-to-date mobile and online banking allows Shoreline members to easily apply for a car loan or a mortgage right from the comfort of their home.
- **Not only do our lenders offer low auto loan rates, but we also offer up to 100% financing on any vehicle built from 1908 to 2018.** Our lenders offer inexpensive debt protection products that help protect our members from unforeseen disasters such as a loss of job, a totaled car or death.
- **Our expert lenders** leverage their talents to find the best financing solutions so you can purchase the home of your dreams or the car, boat or camper you've always wanted.
- **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.



Tomas Salinas provides great hometown service to help our members with their financial needs. Stop by and talk to Tomas if you need a loan. He strives to find the best solution for you!

# AUDITED STATEMENT OF FINANCIAL CONDITION

For the years ending December 31, 2016 and December 31, 2017

<b>ASSET</b>	<b>12/31/16</b>	<b>12/31/17</b>
Member Consumer Loans	\$38,048,426	\$33,849,551
Member Real Estate Loans	25,331,461	26,223,749
Member Business Loans	5,198,471	4,619,301
Allowance for Loan & Lease Losses	(300,066)	(326,542)
Cash & Equivalents	3,125,575	3,282,782
Investments	12,459,608	22,103,880
NCUA Insurance Fund	791,511	805,889
Fixed Assets	4,530,789	3,989,876
Other Assets	618,309	2,231,925
<b>Total Assets</b>	<b>\$89,804,084</b>	<b>\$96,780,411</b>

## LIABILITIES AND EQUITY

Member Shares	\$39,388,460	\$39,794,029
Member Share Drafts	14,985,976	14,602,082
Member MMF Shares	11,150,608	11,598,403
Member IRA Shares	1,092,339	2,304,034
Member Savings Certificates	13,044,925	11,494,808
Member Health Savings Accounts	678,774	718,053
Notes Payable and Interest Payable	—	6,739,015
Current Liabilities	153,937	219,576
Regular Reserves	2,300,000	2,300,000
Undivided Earnings*	7,019,904	7,058,375
Other Comprehensive Income	—	—
Unrealized Gain/Loss on Investments*	5,839	(47,964)
<b>Total Liabilities and Equity</b>	<b>\$89,804,084</b>	<b>\$96,780,411</b>

	<b>12/31/16</b>	<b>12/31/17</b>	<b>Peer 9/30/17</b>
*Prior Period Adjustment is undivided earnings related to property tax accrual			
Number of Members	10,150	10,011	N/A
Delinquency	0.73%	0.67%	0.77%
Loans/Shares	86.65%	80.35%	79.28%
Loans/Assets	76.62%	66.84%	69.07%

# AUDITED STATEMENT OF INCOME AND EXPENSE

For the years ending December 31, 2016 and December 31, 2017

<b>INTEREST INCOME</b>	<b>12/31/16</b>	<b>12/31/17</b>
Loan Interest Income	\$3,102,156	\$2,845,630
Investment Interest Income	209,750	391,150
<b>Total Interest Income</b>	<b>3,311,906</b>	<b>3,236,780</b>
<b>INTEREST EXPENSE</b>		
Dividends Paid to Members	177,044	235,207
Interest Paid on Borrowings & Non-Member Deposits	732	19,323
<b>Total Interest Expense</b>	<b>177,776</b>	<b>254,530</b>
Provision for Loan Losses	18,004	118,727
<b>Net Interest Income After Provision for Loan Losses</b>	<b>3,116,126</b>	<b>2,863,523</b>
<b>NON-INTEREST INCOME/(EXPENSE)</b>		
Service Charges & Fees	502,476	513,049
Other Non-Interest Income (Expense)	417,286	650,413
De-conversion (Expense)	(175,000)	—
<b>Net Non-Interest Income</b>	<b>744,762</b>	<b>1,163,462</b>
<b>OPERATING EXPENSE</b>		
Staffing & Support	1,796,486	1,933,085
Building Occupancy & Operations	1,264,217	1,322,220
Loan Serving	470,831	377,634
Professional & Advertising	221,492	315,182
Other	22,631	7,852
<b>Total Non-Interest Expense</b>	<b>3,775,657</b>	<b>3,955,973</b>
<b>Net Income</b>	<b>\$85,231</b>	<b>\$71,012</b>

# BOARD OF DIRECTORS

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

Chad Schwoerer - Treasurer  
Maurice Jones - Board Member (term ends 2/18)  
Julie Vogel - Board Member (term begins 2/18)

# EXECUTIVE TEAM

Nathan Grossenbach - Chief Executive Officer/Chief Financial Officer  
Keith Lyons - Chief Operations Officer  
Kal Kerlin - Chief Lending Officer

# STAFF

Bruce Arneman  
Karen Bauknecht  
Kyle Bryntesen  
Rhonda Buechner  
Diane Bullock  
Therese Dodge  
Tanya Elbe  
Kay Fencil  
Tyler Freitag  
Sara Hablewitz  
Steve Haensgen  
Lisa Hower  
Stephanie Kakes  
Steve Kanter

Kayla Lallensack  
Damien Mohorne  
Linda Mumpy  
Sal Piazza  
Denece Poff  
Don Rivest  
Tomas Salinas  
Danielle Sisel  
Stephanie Sisel  
Lisa Sment  
Desiree Szydel  
Taya Tome  
Jessica Trombley  
Ever Yang  
Sheng Yang