

2015 Annual Report

Meritrust
CREDIT UNION

4315

Meritrust
CREDIT UNIONSM

2015 Annual Report



Chairman's Report | Rick Dodds

To Our Members:

Our mission is to improve the lives of our members and the communities we serve. Every day, we take that responsibility very seriously. Our mission goes beyond providing exceptional service in our branches or when you call the contact center, or making sure you have the right product or service to meet your financial needs. It's about helping our members reach their financial goals and making an impact in our communities. We know your auto loan is the car that gets to you work so you can provide for your family, and your home loan is the house in which you will raise your family and create lasting memories. We are grateful to be a trusted part of our members' milestones.

We are also proud to be a trusted partner in serving our communities. This year, with the help of our members' participation in the Holiday Skip-a-Pay program, Meritrust donated over \$20,000 of goods and services to local charities nominated by our employees. We called it "Making the Holidays Meri." We share in this year's annual report a touching letter from an individual whose life was impacted by the giving, as well as highlights from other ways we positively impact our communities.

I want to thank our 83,000 member-owners for your partnership in the Meritrust financial cooperative and for another exceptional year. We are honored to serve you and your financial needs and look forward to serving you in 2016.

Fun in the Sun for Our New North Wichita Branch

Meritrust celebrated the opening of our new Lakeside branch in North Wichita with a summer party on Saturday, July 18. More than 1,000 people attended the grand opening celebration, complete with a cookout, bouncy houses, snow cones, face painting for the kids, giveaways and free gifts with account openings.



EMAW! Purple Power Play

Meritrust was the presenting sponsor of the 2015 Purple Power Play in Manhattan. Purple Power Play weekend kicks off Kansas State University's football season with bands, vendors, food and family fun.

A Party for the Planet to Celebrate Earth Day

Thousands of students joined Meritrust on April 23 to celebrate our earth at the Sedgwick County Zoo's Party for the Planet. Students came from schools all over our area to learn from experts offering interactive booths, animal encounters, fun games and educational lessons. Meritrust was proud to sponsor and plan this event, helping share a love of our earth with tomorrow's leaders.



Students Learn About Money Management at Financial Bootcamps

Budgeting with M&Ms is fun! Meritrust hosted 283 students at our free financial bootcamps this past summer. These day camps feature lessons on saving, budgeting, goal-setting and planning, with some outdoor fun along the way.

Meritrust Financial Counseling Program Empowers Members

As a membership benefit, members who need money management assistance can meet with our certified financial counselors at no cost to develop a customized plan, giving them the tools needed to gain financial confidence. More than 500 members visited with our financial counseling team resulting in 800 appointments.



**500 MEMBERS
IMPACTED**



**800 FINANCIAL
COUNSELING
APPOINTMENTS**



Four Members Receive Meritrust 2015-2016 Scholarships

Each winner received a \$1,000 scholarship to be applied to his or her 2015-2016 school year. Four scholarships are awarded, with one scholarship each going to a student attending Wichita State University, University of Kansas and Kansas State University, as well as a general scholarship for all other accredited post-secondary schools in Kansas.



Gandace Diemart (Derby)
Wichita State University



Caleb Oeding (Wichita)
Kansas State University



Dallas Knapp (Towanda)
University of Kansas



Christina Ornelas (Wichita)
Washburn University

Payment Technology



Goodbye, Strip. Hello, Chip

It's security made simple. Meritrust's cardholders now can enjoy the peace of mind that comes with having a chip-enabled credit or debit card. When making a payment at chip-enabled terminals, the chip card creates a unique code for each transaction, helping reduce the risk of fraudulent charges.



Mobile Payments

Ready. Set. Pay. Apple Pay launched for Meritrust cardholders in 2015. With Apple Pay, everyday purchases with a Meritrust debit card or VISA credit card are made even easier. Apple Pay allows its users with compatible devices to pay with Touch ID using a Near Field Communications antenna.

New Meritrust ATM Locations Across Kansas



Meritrust was proud to add the convenience 54 new ATM locations for our members.

ATM locations were added in Abilene, Andover, Baldwin City, Burton, Derby, Emporia, Eudora, Goddard, Haysville, Hutchinson, Junction City, Lawrence, Maize, Manhattan, McPherson, Newton, Salina, Topeka, Valley Center and Wichita. We're there for you, even on the go! For convenience while you're on the move, utilize the ATM finder on our mobile app and mobile website. Perfect for those trips down the yellow brick road.



2015 Making the Holidays Meri

Thanks to our members' participation in the Holiday Skip-A-Pay program and our employee nominations, Meritrust had the opportunity to donate to local and national charitable organizations. Meritrust was honored to support the organizations our teammates are passionate about through non-monetary supply donations.

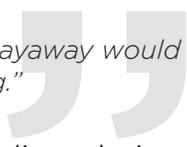
Throughout the months of November and December, \$19,000 in supplies were donated to 26 organizations across Kansas. Throughout this initiative, we partnered with organizations to bring holiday joy to those in need, including a partnership with One Spark to pay off holiday layaways at a local retailer. One of the most touching stories came to us from a widow whose husband of more than two decades had unexpectedly passed away.



"He left me with 4 children ages 17 to 5 years old. We had no life insurance and that meant things were going to be tight from this point on, because I did not make as much as my husband.

I put clothes on layaway for my children, and knew that I would not be able to pick them up. That is when a young lady from One Spark called and said they had paid off our layaway. I could not believe it and rushed to the store to make sure this was not a joke. When I arrived to the store layaway department, it looked like there was a party going on and a lady in a tutu and Santa hat told me this was real. I started to cry and shake so much I thought I was going to pass out. I think she had her daughters with her, they were so nice.

I do have to say thank you to you guys because without you, my layaway would have gone back, and my kids would have had nothing."



Thank you to our members and Team Meritrust for the opportunity to touch lives during the holiday season and beyond.

Meritrust Selected as Wichita Metro Chamber Over the Years Honoree



Meritrust was honored to receive the Wichita Metro Chamber's 2015 Over the Years award. This honor recognizes businesses and institutions with longstanding commitments as good corporate citizens and major contributors to the community's economic well-being, leadership and innovation.



Team Meritrust Brings the Happy Tent to Tour de Cure

Team Spirit AeroSystems and Team Meritrust partnered to raise funds and awareness for the American Diabetes Association at Tour de Cure Wichita 2015. Meritrust teammates helped with registration, cheered on riders as they came through the finish line, visited with the attendees at the Meritrust booth and kept riders motivated at the "Happy Tent." Riders on the route received refreshments, water and a dose of out-of-this world happiness .



Sundown Salute – Supporting the Junction City Community

Meritrust helped bring the largest Independence Day celebration in Kansas to Junction City. This free event saluted American heroes and included many family activities such as a 10K and 5K run, Stunt Dogs Challenge, Annual Mud Bog Fundraiser and various bands and performances.



Cupcakes for Fort Riley Soldiers

Meritrust is honored to provide birthday cupcakes and cheer to soldiers at Fort Riley every month. It's a small way to say thank you to our service men and women.



Dashing for Heart Health Awareness

In 2015, Meritrust sponsored the inaugural Red Dress Dash in Wichita. The dash was a free event for the community, featuring women and men "dashing" the myths of heart disease and stroke. Dashers were encouraged to wear their favorite red dress or stop by Meritrust's Diva Tent to pick out a red dress or red piece, and then dash to help the American Heart Association raise awareness of the leading cause of death for women and men.



Lucky Duck at the Duck Dash

Meritrust was proud to sponsor the Little Apple Duck Dash, held at Tuttle Creek Pond in Manhattan. Community members were invited to visit the local Meritrust branch to adopt a duck, with adoption fees benefiting the Boys and Girls Club.



Sponsoring Programs to Support Region's Entrepreneurs

Meritrust is proud to support Wichita State University's Center for Entrepreneurship and its resources supporting business owners and entrepreneurs in the region. In fall 2015, Meritrust returned as sponsor for the university's Business Booster Series. Meritrust's support of the workshop series stems from a \$225,000 donation in fall 2013 to cover three years of entrepreneurship programs at Wichita State.



Habitat for Humanity Women's Build in Lawrence

The women of Meritrust's Lawrence team joined together to help build a home for a family in need. We're proud to help build a brighter future for those in our community.



Rocking the Block in Lawrence to Kick Cancer

An event celebrating and benefiting cancer survivors, one of Meritrust's own teammates shared his story of survival in front of hundreds of attendees. It was an exciting evening of live music, food and drinks, with all proceeds staying local to support technology for detection and treatment services for cancer patients.

The Meritrust Core Values

Meritrust asked employees which core value stands out in their day-to-day work in serving members and each other. Here are a few of their responses.



Holly T.

Member Support Manager



“**Passion**. I believe in the people-helping-people philosophy, and I think it begins with each and every one of us helping our teammates to best support our members. I bring enthusiasm and energy to work with me, and I strive to emotionally connect with my team each day.”

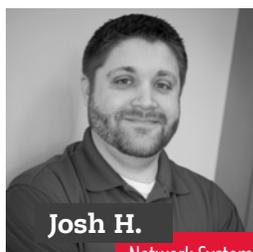


Vicki G. A.

Branch Coordinator



“**Integrity**. It is always a solid foundation.”

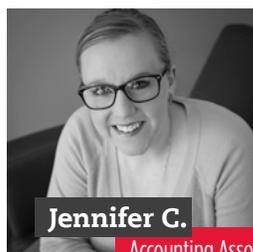


Josh H.

Network Systems Associate



“**Safe and secure** is very important to me. It weighs on nearly every action and decision we make in IT.”

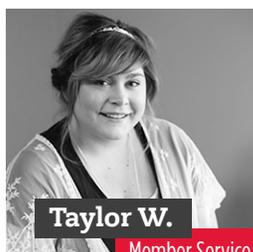


Jennifer C.

Accounting Associate



“I have the **courage** to express my opinion when I see the opportunity to improve the process in a way that could better serve our members. I express **leadership** by looking for ways to better myself and learn all I can to be the best in my position. Finally, without all of the Accounting department using **teamwork**, we would not be able to function the way we do!”

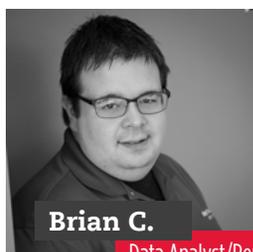


Taylor W.

Member Service Associate



“I believe **passion** is the most important for my job. If I’m not enthusiastic, the members may feel like this is just ‘business’. I think it’s more than that. I think if I can be passionate about the work that I do, members will feel more comfortable around me – which is what I want! I love when members open up to me and we can talk like real people.”



Brian C.

Data Analyst/Report Writer



“We’ve been talking a lot about **leadership** lately, but I feel **teamwork** is also very important. IT is involved with the majority of the projects here at the credit union and being a good team player is key to our success. We need to be open to suggestions, help out our direct co-workers and be able to work alongside many different departments to solve an issue or figure out what’s best for the members.”

Appointed by the Board of Directors, your Supervisory Committee met throughout the year with Meritrust Credit Union management to ensure the effectiveness of internal controls, adherence to established policies and procedures, compliance with regulatory requirements and propriety of financial accounting and reporting.

A comprehensive 2015 year-end audit was completed by the Certified Public Accounting firm of Orth, Chakler, Murnane and Company. Meritrust received many positive comments from our auditors and examiners regarding our financial record-keeping and management and received an unqualified opinion on the propriety of our financial statements.

Consolidated Financial Statements

Statement of Financial Condition

Assets	2014	2015
Loans to Members, Net of Allowance For Loan Losses	\$817,762,874	\$968,154,017
Investment Securities	22,814,569	20,172,805
Interest Bearing Deposits in Financial Institutions	51,690,193	60,626,643
Fixed Assets, Net of Depreciation	27,797,850	27,665,823
Other Assets	30,148,912	32,877,735
TOTAL ASSETS	\$950,214,398	\$1,109,497,023

Liabilities and Equity

Savings Accounts/Total Member Equity	\$796,519,213	\$945,713,781
Other Liabilities	53,154,894	56,456,976
Owner's Equity	100,540,291	107,326,266
TOTAL LIABILITIES	\$950,214,398	\$1,109,497,023

STATEMENT OF INCOME

Interest Income

Interest on Loans		
Interest on Investments	\$45,532,847	\$44,486,305
	958,716	856,985

Interest Expense

Dividends on Deposits	\$6,689,106	\$6,980,179
Interest on Notes Payable	1,433,652	1,481,411
NET INTEREST INCOME BEFORE OPERATIONS	38,368,805	36,881,700

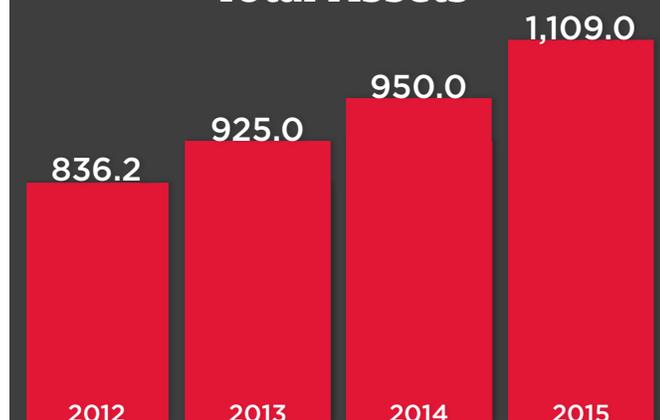
Provision For Loan Losses	\$8,032,275	\$9,191,803
Operating Expenses	34,129,205	36,990,083
TOTAL OPERATING EXPENSES	\$42,161,480	\$46,181,886

Other Operating Income	\$13,132,920	\$14,871,459
Non-Operating Gain (Loss)	341,895	1,675,775
NET INCOME	\$8,998,350	\$7,247,048

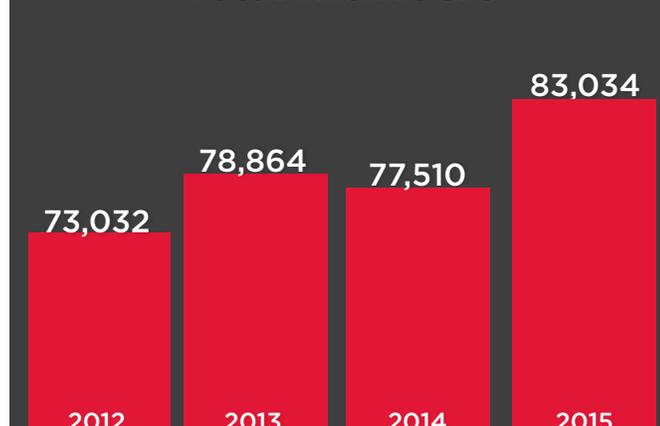
STATEMENT OF CHANGES IN EQUITY

Reserves		
Regular Reserves	17,430,129	17,430,129
Undivided Earnings	83,110,162	89,896,137
TOTAL EQUITY	\$100,540,291	\$107,326,266

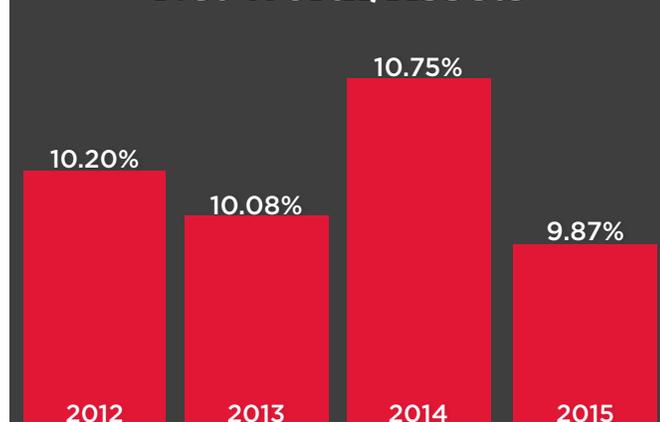
Total Assets



Total Members



Net Worth/Assets



2015 Board of Directors



Rick Dodds
Chairman



Duane Van Camp
Vice Chairman



Dr. Marci Johnson
Secretary/Treasurer



Steve Dunn
Director



Ken Greteman
Director

Officers of Meritrust



James Nastars
President/CEO



Wade Bruendl
*SVP CIO/Strategy
& Development*



Karen Callaway
VP of Risk Management



Brian Davidson
SVP/CLO



Randy Doerksen
VP of Finance/CFO



Kim Rowley
VP of Retail Operations



Jamie Taulbee
*VP of Marketing/Corporate
Communications*



Evan Wilson
VP of Corporate Engagement

Supervisory Committee

Jody Maupin
Chairman

Brian Middleton
Committee Member

Harold Peterson
Committee Member

Asset Liability Management Committee

Randy Doerksen
Chairman

Hector Cortez
Committee Member

Rick Dodds
Committee Member

James Nastars
Committee Member

Wade Bruendl
Committee Member

Brian Davidson
Committee Member



EQUAL HOUSING
LENDER

Meritrust Credit Union
8710 East 32nd Street North
Wichita, KS 67226

Federally insured by NCUA.



CREDIT UNIONSM