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17

# 3 RIVERS®

ANNUAL REPORT



“ Helping  
people  
*understand*  
**money**  
**matters**  
*every day.* ”





**Don Cates**

President & CEO of 3Rivers Federal Credit Union

## A MESSAGE FROM THE President & CEO

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It is my great pleasure to report on our credit union's accomplishments in 2017 and what to look forward to in 2018.

The past year was another successful one on many fronts—both financially and in terms of our capacity to give back to our members and communities. **3Rivers grew by \$89M to \$970M**, making our credit union the largest financial institution—bank or credit union—headquartered in Fort Wayne with investments in Northeast Indiana. **We saw market-leading loan growth of 13%** and achieved record-high volumes in consumer loans, mortgage loans, and member business loans. 3Rivers owns and services almost **\$1.1B in loans for our 73,600 members**. Our loan and deposit growth led to strong earnings performance, **boosting our membership's equity by 14% to \$137M**, and it provided exceptional financial strength.

ClearFuture Financial, our investment and trust resource center, also had a record year, and **we now manage over \$165M of members' investments**.

This performance was accompanied by record giveback as well. **3Rivers gave \$385K in community support, and the 3Rivers Credit Union Foundation gave an additional \$164K**. Additionally, our employees gave of their time in thousands of volunteer hours and dollars, including **\$64K to the United Way Campaign**. The Indiana Association of United Ways recognized 3Rivers as a Company of the Year. **Our membership shared in the giveback, which totaled \$1.3M. This included \$862K through our 1% cash back loan program, and members earned another \$453K through credit card rewards**.

Along with our Mission and our Brand, Culture is one of three pillars at 3Rivers. We want our culture to provide a great workplace for our team to succeed so they can help our members understand money matters every day. Once again, we were recognized with the Award for Workplace Excellence from Peter Barron Stark as one of the top workplaces for employee satisfaction in the country. We strive to provide a work environment that will draw top talent, and that has led to over 700 applicants wishing to work at 3Rivers in 2017. Having talented and engaged team members provides for a better member experience. Our 2017 Net Promoter Score (how we measure member satisfaction) was the highest we have ever reached, as we continue to build our market-leading community brand.

While we are proud of our accomplishments in 2017, we are even more excited for 2018. We have introduced CardValet, allowing our members to control and monitor their debit and credit card use. In early 2018, we introduced Credit Sense, a service that will allow our members to see and monitor their credit score and more through their account online. We will also continue to improve our mobile banking app, including introducing business mobile access. Our growth has led to opening a new branch in Kendallville this spring. We want to understand and help our members meet their financial goals, whether they include paying for education, buying their first home, or planning for a secure retirement.

We are proud to remain a vibrant, community-impacting financial institution for you, our loyal and supportive membership.

*Thank you for your continued trust in 3Rivers.*



# Introduction

**Change, while sometimes uncomfortable, is inevitable and necessary. It often requires putting additional time and effort into our work, digging deep within ourselves to discover what we are capable of, and coming together to discuss, debate, and decide how we can turn thoughts and goals into strategy and action.**

Despite potential growing pains, the process of change undoubtedly brings with it new growth, new opportunity, and a newfound understanding of who we are and why we're here. This period of transformation is the core of what 2017 presented us with—or rather, what we presented ourselves with—here at 3Rivers.

Our credit union has long been a trustworthy and respected financial institution in our region, and we have prided ourselves on our many accomplishments for the past 83 years—from our products and services, to our culture and community recognition, to the impact we have on our employees and our members. However, we recognize how easy it is to become complacent with our processes and our successes.

Though we're constantly evolving, we decided to do more than simply shake off the dust and make sure each area of our operation was up to modern standards. Instead, we revisited each and every facet—internally and externally—to determine how we could go about making everything we do better, fresher, and more valuable for our team, our members, and our community. We began thoroughly examining each area to determine how we could evolve, not simply with the times, but ahead of the times.

Those of us within 3Rivers frequently find ourselves opportunity — whether in our offices or around town — to share our story and explain

exactly what it is that sets us apart from every other financial institution in the region. While it's simple to point out the quality of our products, services, technology, and facilities, this doesn't truly embrace what makes us different. Banks and credit unions around the globe could easily acquire those components, after all.

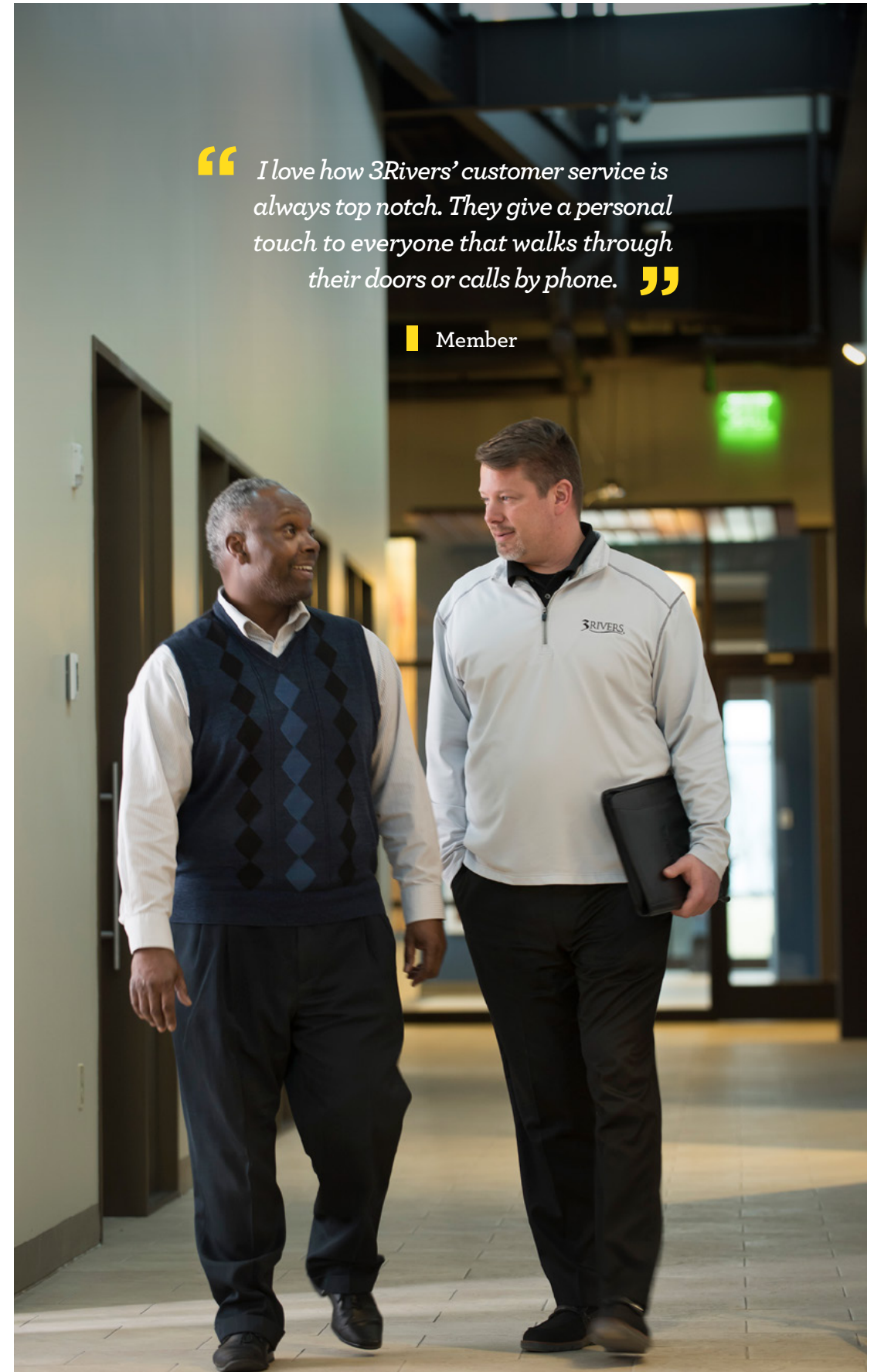
So, what is it that sets 3Rivers apart? **We believe it's our commitment to giving back to our people—our community, our members, and our employees.** Not in simply providing the financial support, tools, and benefits they need to get by, but going the extra mile to ensure that we're there with them, every step of the way. We don't simply provide checks for community sponsorships and grants; our team takes part in the events and initiatives those dollars are supporting. We don't simply approve or deny our members for the products and services they request; we make sure they understand their best options and how to make the most of them. We don't simply assume our employees are content with the benefits we offer; we hear them out and constantly work to customize our options to fit their health and wellness needs. **We refuse to settle for average.**

In short, what sets 3Rivers apart is our commitment to giving back to improve lives — in our branches and across the region. Knowing that giving back is one of our biggest differentiators, we challenged ourselves in 2017 to make it the our foundation. Over the course of the year, our team came together to take immediate action, set goals into motion, and embrace the idea that change is challenging, change is necessary, and change is good.

**Community support, financial wellness, and employee wellbeing are three key components of our credit union,** and they are the areas in which we challenged ourselves to evolve and change for the better in 2017. Here's a look at what the year had in store for us.

**“** *I love how 3Rivers' customer service is always top notch. They give a personal touch to everyone that walks through their doors or calls by phone.* **”**

**Member**







# SUPPORTING OUR Community

3Rivers has always made an effort to go beyond simply supporting community events and sponsorships with our dollars. We take the time to discover how we can provide even more value to the organizations requesting our support. Whether it was through volunteering our time, holding donation drives, or incorporating our giveback mindset into our campaigns and initiatives, 2017 was full of opportunities to show our community how committed we are to their causes.



“ *Junior Achievement is such a fantastic program that educates kids at a young age in financial literacy. That’s a very important part of 3Rivers, and it’s great that I can make a difference in the younger community.* ”

■ Harrison Team Member



## COMMUNITY FOUNDATION

**Our Foundation’s mission is to enhance the lives of people in the communities we serve through the support of three key initiatives: financial literacy, education, and health and wellness.** We’re proud to support these organizations, which many 3Rivers members and employees have a connection to and benefit from throughout the year.

In 2017, our Foundation granted **\$164,000** to a diverse group of 35 local non-profit organizations, including:

- Amani Family Services (formerly Crime Victim Care of Allen County)
- Anthony Wayne Council Boy Scouts of America
- Blue Jacket, Inc.
- Boys & Girls Clubs of Fort Wayne
- Cancer Services of Allen County dba Cancer Services of Northeast Indiana
- Caring About People, Inc.
- CASS Housing
- Community Transportation Network (CTN)
- Down Syndrome Association of Northeast Indiana (DSANI)
- East Allen Family Resource Center, Inc. dba LEARN Resource Center
- Fort Wayne Ballet, Inc.
- Fort Wayne Civic Theatre
- Fort Wayne Dance Collective
- Fort Wayne Museum of Art
- Fort Wayne Park Foundation
- Fort Wayne Philharmonic
- Fort Wayne Youtheatre
- FWCS Study Connection
- Healthier Moms & Babies
- HearCare Connection, Inc.
- Hoosiers Feeding the Hungry
- Lutheran Social Services of Indiana, Inc.
- Matthew 25, Inc.
- McMillen Health
- Mustard Seed Furniture Bank of Fort Wayne
- SCAN, Inc.
- Start Fort Wayne, Inc.
- Teach Our Children Fund Inc. dba Fort Wayne Center for Learning
- The Brandon Foundation
- The Learning Community
- Triple Threat Performing Arts Academy
- Turnstone Center for Children and Adults with Disabilities, Inc.
- Visually Impaired Preschool Services (VIPS Indiana)
- Wells Community Boys & Girls Club





“ The giveback mindset is the single most attractive characteristic of 3Rivers to me as an employee, a member, and a resident of our service area. ”

Northland Team Member

## SUPPORTING OUR COMMUNITY



### SCHOLARSHIP CONTEST

Over the past decade, we've given away more than \$100,000 in college scholarships. In 2017, our Scholarship Committee selected ten students to receive \$1,000 scholarships and randomly selected four applicants to receive \$500 scholarships, totaling \$12,000.

### REALIZING THE VISION AND GIVING MORE

In 2017, we continued our tradition of giving back—to our community and to our team—during our all-employee meetings days by incorporating community giving and personal development into our Realizing the Vision (RTV) sessions. One day is dedicated as an all-employee volunteer day and the other an education day that allows team members to choose in what aspects they wish to learn and grow. In addition, we've kicked off those meetings with donation drives for a local non-profit organization.

During our 2017 all-employee volunteer day, which fell on Presidents Day, **more than 200 of our team members volunteered at over 20 area non-profits**, including:

- ACSPCA
- Community Harvest Food Bank
- Junior Achievement
- Mad Anthony's Children's Hope House
- The Fort Wayne Ballet
- East Wayne Street Center
- Black Pine Animal Sanctuary
- Fort Wayne Children's Zoo
- H.O.P.E. for Animals
- The Fort Wayne Pet Food Pantry
- Fort Wayne Youtheatre
- The American Society for Suicide Prevention
- The Whitley County Human Society
- Science Central
- Kendallville Food Pantry
- Kendallville Chamber of Commerce
- Erin's House for Grieving Children
- Camp Red Cedar
- Summit Equestrian Center



## SUPPORTING OUR COMMUNITY



### EVENTS & SPONSORSHIPS

In 2017, we sponsored and participated in dozens of local community events, including festivals, arts performances, local sporting events, charity walks, fundraising dinners, educational seminars, and more. In most cases, our team members were on the ground alongside other event-goers or cheering participants on from the sidelines.

Some of our favorite weekends were spent decorating piggy banks and playing Jenga with kids at the Middle Waves Music Festival, walking to raise awareness and funds for the American Society for Suicide Prevention, and participating in the Lifeline Planking Challenge.

We also sponsored fundraising events for The American Heart Association, Erin's House for Grieving Children, the Fort Wayne Urban League, Grand Lake Hospice in St. Marys, Ohio, and many others.

We're big fans of local sports and continued our sponsorships with the Fort Wayne Komets, TinCaps, and Mad Ants throughout the year.

Additionally, we supported many performing arts organizations, including the Fort Wayne Ballet, Unity Performing Arts Foundation, and the Fort Wayne Civic Theatre.

In the midst of these many events, we hosted two free community shred days in an effort to help our community cut down on identity theft, as well as two Red Cross blood drives, two Francine's Friends Mobile Mammography stops, a host of donation drives, and multiple financial education seminars.



“ I'm proud that 3Rivers encourages us to get out and experience what kind of impact we, as small groups, can have on local organizations. It opens doors for us personally, as individuals who want to do more outside of 3Rivers. ”

Northland Team Member

Perhaps one of the most memorable events to take place in 2017 was the opening of our newest East State Village branch — which we celebrated along with over 700 of our newest neighbors — at our East State Village Block Party in September.

### VOLUNTEERISM

We strongly believe that, while donating our treasure can have a major impact in our community, the donation of our time is equally valuable. We encourage our team members to get involved in the community — granting two full paid volunteer days per year, countless opportunities to volunteer at 3Rivers-sponsored community events and ongoing initiatives, and the chance to participate in our annual all-employee volunteer day.

**Over 200 of our team members logged over 3,250 volunteer hours** at many organizations in our community in 2017.

Throughout the year, we volunteered our time teaching Junior Achievement classes, staffing the phones for WFWA PBS39 pledge drives, participating in the United Way's Day of Caring, and so much more.

We're proud of our many employees, who, after a full day of work, travel to participate on boards and committees, mentor children, tend to animals, contribute to community clean ups and renovation projects, coordinate fundraising events, and more.





# Giving Back



Most of our giveback initiatives have been in the works for a while now, but 2017 is the year we decided to take it one step further—combining our community giving with our holiday marketing initiative.

While we've become known as the credit union that gives 1% cash back to our members on their loans, we wanted to give back to the community, too. At the same time, we wanted to offer a way in which our members could understand that they do have a say in how their financial institution does business. With this in mind, we decided to launch our "Give Back" holiday initiative. **During the holiday season, members still received 1% cash back on each loan, but on top of that, they were able to choose one of three local non-profits**—H.O.P.E. for Animals, Visiting Nurse, or Camp Red Cedar—to receive a **\$50 donation**. Donations on behalf of our members in St. Marys, Ohio, were made to Grand Lake Hospice.

Over the course of this initiative and beyond, we have received consistent feedback from our community that our efforts were appreciated and made a difference. **With the help of our members and our community, we were able to present the organizations with over \$60,000 total in donations.**

*"In the fast-paced financial world, 3Rivers remains committed to the community they serve. The spirit of volunteerism, philanthropy, and dedication displayed by this organization is exemplary and is a model for other agencies to follow. With a philosophy of 'People Helping People,' 3Rivers continues to set an excellent example for the rest of the community by modeling what it means to 'Live United.'"*

**Kristi Crisp**

VP of Marketing & Communications  
at The United Way of Allen County



*"Without help from gracious supporters like 3Rivers Federal Credit Union, our life-saving efforts would not be possible. Since we opened our doors in 2010, we have provided over 70,000 free or low-cost spay/neuter surgeries, over 130,000 free or low-cost vaccines and our clinic has supported over 20 animal shelters and rescues in Indiana, Michigan, and Ohio—all because of financial support from conscientious businesses like 3Rivers Federal Credit Union and caring individuals who understand the importance of our work."*

**Allison Miller**

Executive Director at H.O.P.E. for Animals



## WE'RE JUST GETTING STARTED

It's no secret that 3Rivers has always been committed to giving back to our community. But in 2017, by deepening our relationships with our community partners, getting our team more involved through volunteerism and education with area organizations, and tying our "giveback" mindset into our messaging, we believe the message that we're here for our community is clearer and stronger than ever before.



## MAKING AN IMPACT THROUGH Financial Wellness

In 2017, we further strengthened our longstanding focus on increasing the quality and quantity of financial wellness opportunities—through conversations, resources, and follow-ups—for our members and our community.

### WE'RE ADVOCATES FOR OUR MEMBERS' FINANCIAL HEALTH

3Rivers has always been a financial institution that wants the best for our members. Our appreciation of financial wellness is nothing new. For decades, we've encouraged our team members to dig deeper and have those sometimes tough conversations with the people we serve. We believe financial wellness should come into play with every member and every interaction, across the board.

Sometimes getting to the root of someone's personal finance challenges in order to improve their financial health requires asking some challenging questions. Sometimes it sets them in a much different direction than they originally planned. Sometimes it requires constant attention and revision. This is not always easy—for the member or our team—but if positive change is the end goal, we recognize it may not come without some hard work and dedication.

**Our goal in improving our community's financial health is to become the place they trust for helping them go through those changes.** We want them to know that we won't simply sign them up for a product without first considering whether it's the appropriate option for their current situation and goals. Members should come to expect that we'll take the time to walk them through every step of a process or decision to ensure they have a full understanding of how it works and why. We want them to trust that, if we're unable to approve them for what they're seeking, we're not turning them away. Rather, we're opening a door to determine how we can work together to get them what they hope for down the road, with fervent effort on both our parts.

In 2017, there were a number of conversations, development sessions, and coaching opportunities to help our team and members grow more confident in having productive discussions around financial health and in utilizing the many tools and resources we provide to supplement those conversations. We're excited to continue the momentum we've built around Financial Wellness in 2017, and we already see the difference our efforts make on our members' and community's overall financial health.



### MEMBER IMPACT

Our employees—both member-facing and back office—have shared some powerful stories about the impact these Financial Wellness conversations can have. Here are a few of our favorites!

**“** *I was having a conversation with a member about a bonus they received and what they planned to do with it. They are a single income family with no kids, own their home, and have little debt.*

**As we were talking, I asked how they would grade themselves financially.** *They graded themselves a “B.” This seemed odd to me because I know they follow a tight spending plan and save for retirement.*

**I asked, “Why a B?”** *They said they didn't have any extra life insurance. I asked if they have life insurance through work and they did—in fact more than enough to cover any bills, should the unthinkable happen. Plus, they would have something left for family members.*

**Through our discussion, they realized they did not need more life insurance and that they were probably in a better place than they thought.** *It would be more beneficial for them to keep a good amount of their bonus in an emergency fund instead.* **”**

Team Member

**“** *I love how they treat you like family; they're always looking out for you and your family's interests and what they can do to help every step of the way—not like others who just want to sell you a product. That says a lot about their service and commitment to their members!* **”**

Member





# Employee Culture

At 3Rivers, we know that healthy, happy, and educated employees who feel valued and recognized for their work will not only be committed to the company, but wholly dedicated to our members and community, too. **Our care for team members doesn't stop with a paycheck and insurance.** We constantly strive to learn about what they need to keep their physical and emotional health in the best possible shape, and we do our best to deliver. By that same token, our training and development doesn't end at after employee orientation and training. We offer a multitude of learning opportunities throughout the year.

## HEALTH & WELLNESS

Our Northland campus boasts an on-site workout facility, outdoor walking path, and healthy vending options, but that is just a small part of what's available to our team members on a regular basis.

In 2017, we offered our employees the opportunity to take advantage of free, on-site wellness screenings as well as group and one-on-one wellness coaching sessions, including a focused "Stop Diabetes" multi-session class. We also tested standing desks office workspace, which many team members decided to make a permanent fixture in their space.

In addition, team members were encouraged to take part in quarterly wellness challenges, such as getting enough sleep eating a variety of fruits and vegetables, walking 40,000 steps per week and practicing meditation.

To make staying healthy even more fun, 3Rivers offered our team the opportunity to take part in various 5K walks and runs and other community fitness events—like Fort4Fitness and the Lifeline Planking Challenge—throughout the year.



Team members watching the eclipse, August 21, 2017.







# Training & Development

All employees—regardless of tenure or title—have the opportunity to take part in a myriad of training and development opportunities, including seminars, conferences, personal coaching, and more.

## 3TALKS

In our offices, we host regular “3Talks”—sessions in which a subject matter expert presents on a topic related to their expertise. These sessions are open to all team members. Some of 2017’s topics included “Social Security for Boomers,” “IRS’ Most Wanted: A Dive into Tax Fraud,” “Examination Process and Results,” and “Financial Wellness Scenarios.”

## EDUCATION DAY

At our 2017 all-employee education day—held on Columbus Day at Emmanuel Community Church—team members were able to attend courses on a variety of topics, such as from “Conflict Survival,” “Productive and Successful Meetings,” “Leading into the Future,” “Loan Loss and Recovery,” “The Art of Negotiation,” “Savvy Social Security Planning” and more. The goal of our annual Education Day course selection is to strike a balance that allow our employees an opportunity to grow in both their current professional roles and their own personal development.

## TEAM BUILDING

Aside from the more tangible benefits and development opportunities we offered in 2017, our team continued to grow in our support of one another on a voluntary level. We celebrated countless team member accomplishments through awards, virtual “high-fives”, announcements via our company intranet, and occasional after-hours gatherings.

Our team was also there in times of hardship, continuing to raise donations for our Angel Fund, which exists to assist team members financially in times of need.

We continued to encourage our branches and resource centers to make time for team building opportunities in order to strengthen their own bonds, and to spend some quality “time with the troops”—taking a few hours per month to sit with another team or team member to better understand and appreciate their role in the credit union.







# Awards & Recognition



We're proud to have been nominated for and received several awards throughout 2017. These include:

**Crystal Performance Award** — Awarded by Raddon for achieving a top ten ranking among credit unions nationally, as measured by the Raddon Performance Index.

**Outstanding Philanthropic Corporation of the Year** — Awarded by the Association of Fundraising Professionals Northeast Indiana Chapter; nominated by The United Way of Allen County, after team members pledged more than \$100,000 in contributions and matches during our 2017 United Way campaign.

**Peter Barron Stark Workplace Excellence Award** — Awarded following the outstanding results of our annual all-employee opinion survey.

**Indiana Credit Union League (ICUL) Best Practices Award** — Awarded for Ongoing and Specialized Training and Development. The Best Practices award highlights projects and initiatives that benefit the membership while allowing other credit unions to learn more about them and potentially adapt them for their own use.

**Dora Maxwell Award Honorable Mention** — The ICUL's Dora Maxwell Social Responsibility Recognition Program was established to encourage credit union and chapter involvement in community projects and activities. 3Rivers' submission detailed our President's Day Give Back Volunteer initiative.

**United Ways of Indiana's Company of the Year Award** — Awarded by the Indiana Association of United Ways at the 2017 State Leaders Conference.

# Growth & Momentum

We experienced a great deal of growth and momentum—a result of embracing change—in 2017.

**Our new East State Village branch opened its doors early in the year.** The new location, which is located in an area previously underserved in financial services, is a full-service branch with three drive-thru lanes. It quickly became one of our highest-rated branches online and is consistently bustling with members.

**Our technology also underwent several updates to improve function and security during the year.** Several project teams were formed late in the year to plan future updates to our technology, many of which include features that our members and our community have requested.

In addition, we revisited and made improvements to many internal processes to provide more value to our membership. Several project teams were formed to put changes and updates into motion.

**Early in the year, it was announced that we'd be opening our new Kendallville location,** and by the end of the year, the Kendallville community was buzzing with excitement as ground was broken for the new building.

We're excited for the many changes that took place in 2017 that have helped to position 3Rivers for future growth—in 2018 and beyond.





## Balance Sheet (in millions)

ASSETS	2017	2016
Cash and Investments	\$205.2	\$203.9
Loans to Members <small>(net of allowance for loan losses)</small>	\$707.9	\$623.9
Other Assets	\$56.8	\$53.5
<b>Total Assets</b>	<b>\$969.9</b>	<b>\$881.3</b>

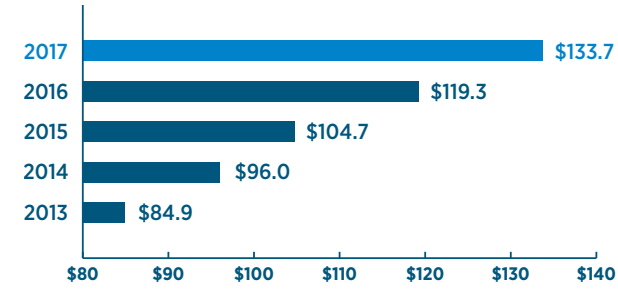
LIABILITIES & MEMBERS' EQUITY	2017	2016
Shares; Savings, Drafts & Certificates	\$713.7	\$670.9
Other Liabilities	\$118.6	\$90.5
Members' Equity	\$137.6	\$119.9
<b>Total Liabilities &amp; Members' Equity</b>	<b>\$969.9</b>	<b>\$881.3</b>

## Income Statement (in millions)

	2017	2016
Interest Income from Loans & Investments	\$36.5	\$32.2
Dividend/Interest Expense for Member Accounts & Borrowed Funds	(\$3.2)	(\$2.5)
Net Interest Income	\$33.3	\$29.7
Loan Loss Provision	(\$2.9)	(\$1.9)
Other Income	\$22.3	\$22.6
Operating Expense	(\$38.3)	(\$35.9)
<b>Net Income</b>	<b>\$14.4</b>	<b>\$14.5</b>

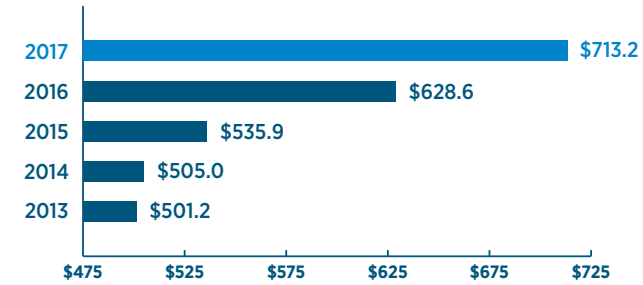
## Net Worth

(in millions)



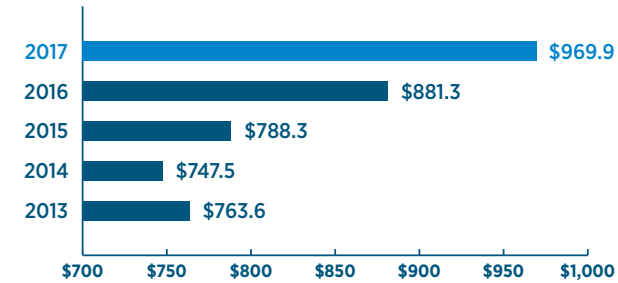
## Gross Loans Outstanding

(in millions)



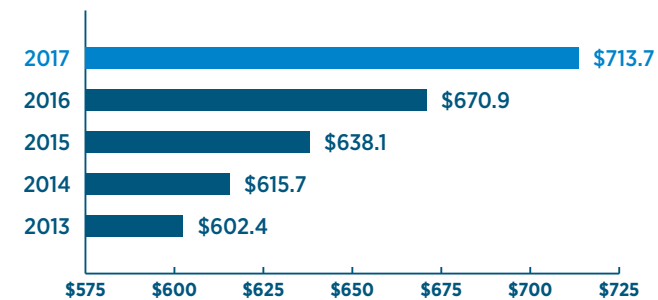
## Total Assets

(in millions)



## Member Shares

(in millions)



## Net Worth Ratio

2017  
**13.78%**

2016  
**13.53%**

2015  
**13.29%**

2014  
**12.84%**

2013  
**11.12%**





“ Not only has 3Rivers aided me with banking needs, they have been an integral part of growing my network. They have made it very easy for my business to continue investing in the downtown community. I am grateful to be a part of the 3Rivers community and look forward to our future ventures. ”

**Chris Garrison**  
Co-owner at Becky's Die Cutting, Inc.

# Supervisory Committee

The Supervisory Committee is appointed by the Board of Directors in accordance with the Federal Credit Union Act. The Committee independently evaluates the soundness of our operations and activities, ensuring that management implements sound internal controls and maintains practices and procedures that adhere to generally accepted accounting principles. In doing so, they carry out the following primary responsibilities:

- compliance with regulations, policies, and procedures
- safeguarding of assets
- protection of members' funds and interests
- reliability of financial records

The Committee meets regularly to review and discuss internal controls as well as auditing matters. To assist with these responsibilities, the Committee retains the services of several independent accounting firms to perform annual financial audits, analysis of operational practices, adherence to regulations, and information technology general controls. During 2017, audits were performed by GBQ Partners, LLC; BKD, LLP; and others.

Based on the results of these external audits, as well as an examination conducted by the National Credit Union Administration (NCUA), we conclude that 3Rivers is a financially healthy credit union and is being operated safely and soundly while providing quality member service.

# Board of Directors

- Chairman** ..... Don Greer
- Vice Chairman** ..... Brent Spindler
- Secretary** ..... Duane Dunkin
- Treasurer** ..... Mark Kern
- Director** ..... Clifford Clarke
- Director** ..... Ken Gerke
- Director** ..... Steve Hinton
- Director Emeritus** ..... Jerry Spindler
- Director Emeritus** ..... Steve Singer
- Associate Director** ..... Britny Berndt
- Associate Director** ..... Terrill Vieth



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