

 Gateway Metro Federal
CREDIT UNION
Since 1935



MAKING A *Difference*

CHAIRPERSON'S REPORT

April 2018

We concluded 2017 with many great advances in fulfilling the needs of our members. Reflected in the 2017 financial statement were moves by your credit union to add members and deliver convenience to our owners. At the end of December 2017, Gateway Metro Federal ended with loan growth of 4.71% for the year, annual deposit growth was just over 3.00% and assets grew in 2017 just shy of 3.25%. Products and Services, Convenience, Community and Growth are the four keys Gateway Metro Federal strives to deliver to the members and the people of the St. Louis region. The Board of Directors, Supervisory Committee and credit union employees thank you for your confidence in moving your credit union forward in this highly competitive financial landscape.

Services

In 2017, the credit union began the process of issuing chipped debit cards. An anticipated product used to assist in fraud reduction for card-present, point-of-sale transactions. The enhanced features of the new Gateway Metro Federal debit card not only allow for additional security measures on the card for in-store retail purchases, but also at ATMs accepting chipped cards, such as our own ATMs. The process of card issuance began June 2017 and is based on the month when cards are set to expire. Our plan is to have all new chip cards in our member's wallets by May 2018 providing an added level of security.

Products

This past year, the credit union invested in coin machines at five of our eight branch locations. Not only is this an added benefit for our members, but non-members are able to use the machines at a low cost. This product was suggested during a member survey in 2017. As a member-owned organization, your requests were heard and the credit union responded.

Convenience

Opportunities to expand our existing branch network are continually reviewed. In 2017, such an opportunity presented itself in the West County area. Gateway Metro Federal added a branch location vacated by a bank located in the Twin Oaks/Valley Park area. The Village of Twin Oaks is expanding their presence in the West County area with a new government center and a \$53 million dollar redevelopment of an old Schnucks center. The redevelopment entails build out of a mixed use property for residential and business use. Our new location, at 840 Meramec Station Road, is in the heart of this development and located just off highway 141 and Big Bend. The new branch offers a convenient location with drive-ups, an ATM, a coin machine and safe deposit boxes.

Community

As reported at last year's Annual Meeting, Gateway Metro Federal, applied for a field of membership expansion in 2016. The National Credit Union Administration (NCUA), our regulator, granted the expansion in April 2017. Gateway Metro Federal can not only serve the City of St. Louis, St. Louis County and St. Charles County, but we can also serve the residents and business entities in Jefferson County, Missouri and the Illinois counties of St. Clair, Madison and Monroe. This expansion is just a small part of the larger St. Louis Metropolitan Area upon which plans are currently being developed to build our brand recognition in the Illinois county of St. Clair and communities within.

In 2017, credit union staff, with support of credit union vendors, helped raise \$5,500 for three local charities in the St. Louis region. The three adopted organizations were, Angels' Arms (foster care group focused on keeping sibling groups together) www.angelsarms.org, the Women's Safe House (support services and shelter for abused women as well as their children) www.twsh.org and the Epilepsy Foundation (support services for patients that have seizures) www.efmk.org. All three organizations were selected by employees who had been impacted by the work these organizations do in our community. We appreciate the opportunity to provide support to those who work tirelessly every day with individuals in need of physical and emotional support.

Your credit union continues to work for you, your families and your neighbors. Our purpose is to help people reach their financial potential but also their human potential. 2017 was an exciting, eventful year and we look forward to serving you in 2018.

Thank you,
Bob Doescher
Chairman



Gateway Metro staff presenting check to The Women's Safe House

MAKING A *Difference*

YOUR CREDIT UNION

Assets

Cash	2,698,255
Cash on Deposit	5,173,794
Loans to Members	123,049,676
Allowance for Loans	(1,137,909)
Investments	39,371,706
Fixed Assets	3,190,520
Other Assets	5,933,742
Total Assets	\$178,279,784

Liabilities

Member General Shares	48,749,535
Certificate Shares	29,766,432
Money Market Shares	39,454,629
Other Shares, Including IRAs	45,093,603
Liabilities, Including Payables	527,530

Member Equity

Regular Reserve	7,618,182
Undivided Earnings	7,069,873
Total Shares, Liabilities, and Equity ...	\$178,279,784

Balance Sheet Comparison

	Loans to Members	Total Shares
2017	\$123,049,676	\$163,064,199
2016	\$117,517,045	\$158,295,929
2015	\$114,490,917	\$152,714,253
2014	\$127,129,622	\$148,906,556
2013	\$123,279,760	\$155,881,960

BY THE NUMBERS

Income

Interest from Loans	4,983,006
Income from Investments	770,915
Other Income	2,815,340

Dividends & Interest Paid to Members

General Shares	63,308
Certificate Shares	660,261
Money Market Shares	122,267
Other Shares, Including IRAs	94,588

Operating Expenses

Employee Compensation & Benefits	2,945,530
Office Operations	2,139,038
Marketing	100,158
Loan Servicing	277,217
Professional Services	772,493
Provision for Loan Losses	1,059,288
Other Operating Expenses	99,653
Net Income	\$235,460

Total Equity

\$14,688,055
\$14,227,883
\$15,681,324
\$15,519,204
\$14,776,317

Total Assets

\$178,279,784
\$172,998,757
\$168,921,842
\$167,026,756
\$173,268,603



SUPERVISORY REPORT

April 2018

Innovation in Member Service, Bank Secrecy Act, Information Technology and Regulatory Oversight all touch the daily duties of your supervisory committee. It is no longer just cash counts and reviewing of member information. Gateway Metro Federal Credit Union (GMFCU) has always been progressive, offering members the latest services and products. As services and products have improved to be more convenient and accessible, so have our internal controls.

The Supervisory Committee utilizes an Internal Auditor, a full time, on-staff individual, to ensure compliance with established policies and procedures set forth by the Board of Directors. The Internal Auditor actively works with our outside auditor to review, improve and implement existing and new internal controls. We meet monthly with the Internal Auditor and Vice President of Finance to review internal audits performed, discuss Suspicious Activity Reports and to receive education on items ranging from the latest fraud occurring in the financial industry to new products and services to be offered and what controls and procedures should be established.

Along with the work of the Internal Auditor, GMFCU also has an outside audit performed. The Supervisory Committee has once again engaged Cummings, Ristau & Associates, P.C., a multi-state accounting firm based in St. Louis, to perform this year's annual audit. GMFCU received an unqualified audit opinion in 2017.

The National Credit Union Administration (NCUA) performed their annual risk focused examination as of September 2017. The NCUA focused on several areas including Mortgage loans, consumer loans, investments, balance sheet concentrations and information/cyber security. Per NCUA, "GMFCU is fundamentally sound ...", "GMFCU is stable and capable of withstanding business fluctuations" and finally, "Overall risk management practices are satisfactory relative to the credit union's size, complexity and risk profile".

Not only does GMFCU carry the \$250,000 federal deposit insurance for members' deposits, it consistently utilizes strong internal controls to protect members' financial interests. Rest assured that your loans and deposits are safe at your credit union.

Respectfully Submitted,
Robert Erbs
Supervisory Committee Chairperson





Volunteer Board & Committee Members

Board of Directors

- Bob Doescher..... Chairperson
- Connie Wepfer..... Vice Chairperson
- Mark Leahy..... Treasurer
- David Schmid..... Secretary
- Ricardo Zamora..... Director
- Ray Morrison..... Director
- Brad Pulaski..... Director
- Dale Smith..... Director
- Carolyn Tochtrop..... Director

Supervisory Committee

- Robert Erbs..... Chairperson
- Randall Hargraves
- Doug Simms

Board Advisory Committee

- Doug Simms..... Chairperson
- Amanda Sidney
- Michael Gullledge
- Clayton Kuhn
- Erin Leahy

IT Steering Committee

- Randall Hargraves..... Chairperson
- Ricardo Zamora

MISSION STATEMENT

“Helping People Realize Their Financial Potential”

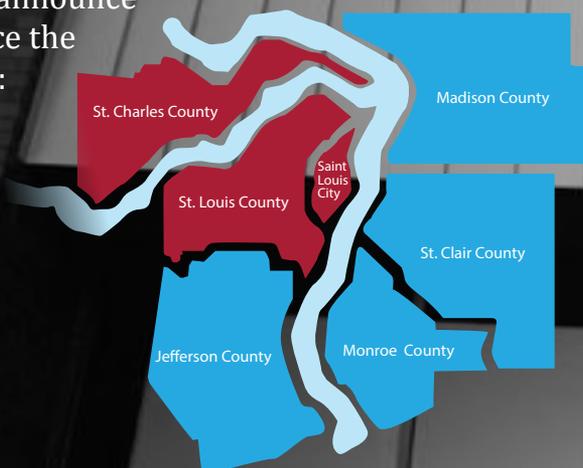
Gateway Metro Federal Credit Union is a member-owned, not-for-profit credit union dedicated to providing each member with quality financial services and products that are competitive and innovative. We will provide friendly, efficient, and exemplary service. We are here because of you and for you.



WE'VE EXPANDED OUR SERVICES FOUR NEW COUNTIES!

We are pleased to announce that we now service the following counties:

Madison County
St. Clair County
Monroe County
Jefferson County



314-621-4575 | 800-621-4828
www.gmcu.org
NMLS #: 410276 | MILO# 614116

