VISION STATEMENT
Helping you live your BEST life!

MISSION STATEMENT
To create member loyalty by providing products, services and guidance that enable our members, staff and communities to prosper.

Agenda
1. Roll Call
2. Introduction
3. Minutes of the 2019 Annual Meeting
4. Chair’s Report
5. Management Report
6. Supervisory Committee Report
7. Elections
8. Old Business
9. New Business
10. Adjournment

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03 Minutes of the 88th Annual Meeting
04 Message from the President
05 Supervisory Committee Annual Report
07 Altra Milestones
09 Community Engagement
11 2020 Board Nominees
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The annual meeting of the Membership for Altra Federal Credit Union was held at the Altra Operations Center in Onalaska, Wisconsin on February 28, 2019. The meeting was called to order at 6:00 p.m. by Board Vice Chair John Nemec. Secretary Don Lee recorded the minutes.

Vice Chair Nemec asked for a count of members present. Hearing that a quorum was in attendance, he declared this a legal meeting.

Vice Chair Nemec introduced Attorney John Stuber and appointed him Parliamentarian.

Vice Chair Nemec introduced the Board of Directors. Those present were: Don Lee, Mike Goryl, John Nemec, Mark Ward and Jill Bernstein. Frank Gillette, Crystal Seiler and Terri Brennan were excused. Also introduced were Jack Peplinski, CEO and Steve Koenen, President.

As the minutes of the 87th Annual Meeting were printed and included in the meeting agenda, Vice Chair Nemec asked if there are any corrections, additions, or deletions. Upon hearing none, the minutes stood approved as printed.

The Chair’s report was delivered by Vice Chair Nemec. The Chair’s report commented on Altra’s favorable 2018 operating results. Those included various growth metrics pertaining to membership, loans and deposits. Also included in the comments were Capital/Assets ratio, Online Banking usage, Altra Financial Advisors, Green Path, Altra Awards, Board Retirees and new locations. The report was accepted as presented.

The report from Management was presented by Chief Executive Officer Jack Peplinski and President Steve Koenen. Jack’s report commented on operating results, new locations and the value Altra returns to its members. He recognized the employee award recipients from 2018 and thanked all Management and Staff for their efforts over the past year. Steve’s report commented on the new locations in Rochester, MN and Tyler, TX. He commented on the financial plans and objectives for 2019. The report included growth projections for assets, membership, loans and deposits along with comments on loan to share and Altra Financial Advisors. Looking at 2019, he commented on Brand Awareness efforts, Ease of Use strategies, Data Analytics, Community Involvement, Robotics, ATM Upgrades, Phone System enhancements and Talent Management. The Management report was accepted as presented.

The report of the Supervisory Committee was presented by Don Lee, Board Secretary, and accepted.

The report of the Nominating Committee was presented by Mike Goryl. The nominating and voting procedures were then explained by Mike Goryl.

Hearing that there were no nominations from the floor, it was moved and seconded that nominations be closed and the Secretary be instructed to cast a unanimous ballot for Terri Brennan, Frank Gillette, and Donald Lee for 3-year terms.

Old business: None

New business: Attendee thanked Board/Management for interest rate increase on checking accounts.

It was moved and seconded that the meeting be adjourned at 6:45 p.m.

Motion carried.

Video was played highlighting the staff’s efforts on the first ever Altra Gives Back Day.

Door prizes were given out and light refreshments were served following the meeting.

Respectfully submitted,

Donald M. Lee | Secretary
This past year was a good one for the credit union. It was another year of outstanding economic performance, driven by solid business fundamentals. We grew Assets to almost $1.7 billion, made more than $1.1 billion in new loans, and generated net income of $20 million. Our membership grew to over 110,000. We also held grand openings of our new offices in Rochester, MN and Tyler, TX. Moreover, we did all this while managing costs, maintaining appropriate lending standards, and increasing the overall strength of the credit union.

Our work in the communities we serve is so important to us. We donated more than $1.1 million to local community organizations. For the first time, we were selected for the Dora Maxwell Social Responsibility Community Service Award for Altra Gives Back Day. In addition, we received a first place Desjardin award for adult financial literacy efforts; plus, a second place Desjardin award for our youth efforts.

Another first is our Great Place to Work Certification. It is the most definitive ‘Employer-of-Choice’ recognition that organizations aspire to achieve. The Certification is recognized world over by employees and employers alike and is considered the ‘Gold Standard’ in identifying and recognizing Great Workplace Cultures.

Altra’s brand is strong. We have the number one Mortgage Loan Market Share in La Crosse County and the number one Auto Loan Market Share in La Crosse County and Winona, MN. We were also voted the Best Financial Institution in La Crosse County and recognized as one of the top five financial institutions in Tyler, TX for mortgage, real estate loans, and personal loans.

We are very committed to new technologies which ensure our products and services are safe and easy to use. Our business innovation team has grown and our new innovation lab is up and running, giving us a dedicated space to test new technologies. We have also expanded availability of our Smart ATM called “SAM-e” that enables our members to deposit checks, make loan payments, transfer funds, check balances and more 24/7. Our focus for 2020 will be to look for more innovations that improve our efficiency and member experience.

Because of you, our member/owners, we continue to grow. I would like to thank you for allowing Altra to help you live your best life!

Best regards,

Steve Koenen | President/CEO
The Supervisory Committee is responsible for maintaining oversight of the Credit Union's management and financial records to ensure that the Credit Union's financial condition is fairly presented.

To meet this responsibility, the Supervisory Committee ensures that a regular independent financial audit of the institution's financial statements is performed. The certified public accounting firm of CliftonLarsonAllen LLP performed the audit for 2019. They have performed our audit for the past several years, and for 2019 we will be receiving an unmodified opinion, similar to previous years.

The Supervisory Committee also oversees the internal audit function. The internal audit function is an independent appraisal activity established by the Board of Directors to conduct reviews of operations and procedures and to report findings and recommendations to management and to the Board of Directors via the Supervisory Committee.

Frank Gillette | Chair Supervisory Committee
Outstanding Economic Performance

- Grew assets to over $1.7 billion
- More than $1.1 billion in new loans originated
- Net income of $20 million
- Return on Assets (ROA) of 1.23%
- Capital Ratio of 11.44%
- Grew membership to over 110,000, a 6.4% growth rate
- Average Services per member of 5.41
- Grew total deposits to $1.38 billion
- Net Promoter Score 86.3%

#1 auto lender in La Crosse and Winona markets

Record mortgage loans originated of $517 million

- SAM-e expansion
- First Virtual Employee – Debit card balancing automation
- New INNOVATION LAB
Altra’s Community Hero Award is a way to acknowledge employee efforts. The award is given out annually and recognizes an individual whose volunteer service to others embraces Altra’s sense of helping community members live their best lives. This award honors an employee who possesses a selfless dedication to the betterment of others and the betterment of the communities Altra serves. This year’s recipient was Megan Weibel who tirelessly volunteers for Junior Achievement, Children’s Miracle Network, Great Rivers United Way, committees at her church, and supports sports her son is involved in.
Altra Employees Make a Difference

Altra strives to make an impact in the communities we serve by focusing on three key areas: financial literacy, community development and cultural enrichment. To achieve this commitment, Altra supports and encourages employee volunteerism. In 2019, employees volunteered over 4,540 hours in the community.

In October, we held our second annual Altra Gives Back Day. For one day, 390 employees volunteered over 1,500 hours at 35 different organizations. The Dora Maxwell Social Responsibility Community Service Award recognizes a credit union or chapter/multiple credit union group for its social responsibility and charitable project's that support its community. Altra won the League award for the inaugural Altra Gives Back Day initiative.

Annual Giving Campaigns

As part of Credit Unions for Kids, Altra fundraises for Children’s Miracle Network Hospitals each year as part of our CMN Month Campaign in February. Last year, employees raised over $12,900. In addition to CMN Month, Altra employees are involved in the Miracle Open Golf Classic held the first Tuesday of August for the past thirty-four years. Each year they help plan the tournament with other Credit Union employees from the Seven Rivers Chapter, as well as representing Altra by volunteering or golfing at the event.

Throughout the summer, Altra employees helped set the pace for the Great Rivers United Way as part of the Pacesetter Campaign. In addition to participating in A Day of Caring, employees participated in a variety of events during the month-long fundraiser. In 2019, Altra held the second annual tasting event that included food and beverages from local restaurants, breweries and wineries.

Every November, Altra gives each employee $50 to make an impact in someone’s life who really needs it called their Pay It Forward Initiative. $22,500 was distributed in our communities in various ways such as the purchasing a tank of gas for a stranger, helping a family in need purchase a holiday meal or teaming up with co-workers to pay down student lunch debt.

In the spirit of the holiday season, employees stepped up to adopt local individuals and families in need. Altra realizes that by providing clothing, every day necessities and simple gifts to those who are experiencing adverse circumstances can make a positive impact on one’s life that can be paid forward in the future. Employees could participate on any level they chose including a monetary donation, shopping, wrapping or delivering gifts.

Furthermore, employees may choose to participate in Friday Jeans Days each week. In 2019, employees contributed over $22,406 in Jeans Day funds which were distributed to over 40 organizations in Altra’s local and national markets.
Financial Education

Altra is a leader in the communities we serve for financial education provided to members and non-members. Through all of Altra’s efforts, 8,950 children were impacted from Kindergarten to High School.

In the past year, Altra provided more adult financial education than ever before. While we continue to focus on identity theft and fraud, we added an educational session that is dedicated to helping parents raise children to be knowledgeable about money. Altra also wanted to help older adults by having sessions dedicated to Social Security benefits and retirement strategies. Through these efforts, we reached over 1,300 adults. Lastly, the Altra Foundation provided $14,000 in scholarships to our youth members.

Financial literacy is more important than ever. The majority of American households do not have adequate savings to cope with a minor emergency. Consumers are asked to make decisions about how much to save for retirement and how to invest, and the result is the majority of Americans do not have adequate retirement savings. Total student loan debt reached $1.36 trillion in 2017, up from $530 billion a decade earlier, and it is the largest share of non-housing debt. At the same time, an overwhelming majority of 13-21 year olds say their parents have not actively taught them how to manage money and fewer than 25% of students have taken a personal financial literacy class in school.

To create a brighter future, the Altra Foundation provides financial literacy materials for classrooms in our communities through the Banzai Financial Literacy program; in 2017 more than 2,000 students completed the program. The Foundation provides grants for teacher education and other educational initiatives through school districts and Junior Achievement, and works with school districts to implement financial literacy as a graduation requirement. The Foundation also provides scholarships to Altra youth members; to date, it has awarded 148 scholarships for a total of $74,000.

To learn more or to donate, visit www.altra.org/about-us/altra-foundation.
Mike Goryl joined the Altra Board of Directors in 2013 and serves as the Board Treasurer. He is currently a Territory Collection Leader for Trane where he leads a large team responsible for managing credit, collections, and mitigating risk within the Trane Commercial Systems portfolio. He has been employed by Trane since 2000 holding various positions within the Order to Cash Group. Goryl earned a Bachelor’s Degrees in Finance and Psychology from the University of Wisconsin – La Crosse. Goryl is also active in his local community. He currently serves as the President of the Holmen Youth Baseball Association and volunteers his time with St. Elizabeth Ann Seton Parish in Holmen. Goryl resides in Holmen, WI, with his wife and three children, ages 13, 11, and 7 years old.

Mark Ward joined the Altra Board of Directors in 1993. He is presently a member of the Business Transformation Team for Trane’s Commercial HVAC business tasked with deploying a new ERP system to all manufacturing and sales office locations throughout North America. Prior to his current role, he was Accounting Site Leader for Ingersoll Rand and held Controller positions for Trane’s La Crosse Manufacturing Business Unit and Trane’s Parts Business Unit. He has been employed by Trane since 1980. Ward is a CPA and has a BBA in Accounting from the University of Wisconsin – Eau Claire. He enjoys boating during the summer and downhill skiing during the winter. Ward has two children, four grandchildren, and resides with his wife in Holmen, WI.

John Nemec was first elected to the Altra Board of Directors in 1990 and currently serves as Vice Chair of the Board. He previously served as Chair of the Board and Chair of the Supervisory Committee. Nemec is retired from Mayo Clinic Health System in La Crosse, WI, where he worked for 33 years. Prior to joining Mayo Health System, Nemec worked at Trane Company in La Crosse, WI, in corporate and international accounting. He has an MBA from the University of Wisconsin – La Crosse and a BS in Accounting from the University of Minnesota. Nemec enjoys hiking, boating, fishing, and traditional archery. He has four children and resides with his wife in La Crescent, MN.
Board Members

Terri Brennan
Chair
Board Member since 2008

Frank Gillette
Chair of the Supervisory Committee
Board Member since 2002

Donald Lee
Secretary
Board Member since 2001

Jill Bernstein
Board Member since 1988

Tanner Holst
Board Member since 2019

Jamie Schloegel
Associate Board Member
since 2020
EXECUTIVE TEAM

Steve Koenen
President/CEO

Mary Isaacs
Executive VP, CFO

Kevin Strangman
Executive VP, Administration

Mike Nickel
Senior VP, Lending

Dan Schwaab
Senior VP, Retail Operations
# 2019 Financial Summary

## Balance Sheet

<table>
<thead>
<tr>
<th>Assets</th>
<th>2019</th>
<th>2018</th>
</tr>
</thead>
<tbody>
<tr>
<td>Cash</td>
<td>$12,802,292</td>
<td>$12,701,837</td>
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<tr>
<td>Investments</td>
<td>$84,698,591</td>
<td>$66,479,241</td>
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<tr>
<td>Loans (Net)</td>
<td>$1,456,959,371</td>
<td>$1,337,866,349</td>
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<tr>
<td>Fixed Assets (Net)</td>
<td>$54,226,627</td>
<td>$52,791,465</td>
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<tr>
<td>Other Assets</td>
<td>$59,300,267</td>
<td>$44,588,748</td>
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<tr>
<td><strong>TOTAL ASSETS</strong></td>
<td><strong>$1,667,987,148</strong></td>
<td><strong>$1,514,427,640</strong></td>
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</table>

<table>
<thead>
<tr>
<th>Liabilities and Members’ Equity</th>
<th></th>
<th></th>
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</thead>
<tbody>
<tr>
<td>Savings Accounts and Other Deposits</td>
<td>$1,376,917,002</td>
<td>$1,240,236,409</td>
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<tr>
<td>Borrowed Funds</td>
<td>$88,662,958</td>
<td>$92,360,032</td>
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<tr>
<td>Other Liabilities</td>
<td>$11,537,383</td>
<td>$11,145,385</td>
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<tr>
<td>Members’ Equity</td>
<td>$190,869,805</td>
<td>$170,685,814</td>
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<tr>
<td><strong>TOTAL LIABILITIES AND MEMBERS’ EQUITY</strong></td>
<td><strong>$1,667,987,148</strong></td>
<td><strong>$1,514,427,640</strong></td>
</tr>
</tbody>
</table>

## Income Statement

<table>
<thead>
<tr>
<th>Income Statement</th>
<th>2019</th>
<th>2018</th>
</tr>
</thead>
<tbody>
<tr>
<td>Interest on Loans</td>
<td>$62,695,431</td>
<td>$53,740,244</td>
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<tr>
<td>Income on Investments</td>
<td>$4,242,584</td>
<td>$2,532,588</td>
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<tr>
<td>NCUA Share Insurance Distribution</td>
<td>$152,158</td>
<td>$690,782</td>
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<tr>
<td>Service Revenue</td>
<td>$6,475,682</td>
<td>$5,613,130</td>
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<tr>
<td>Other Revenue</td>
<td>$21,072,607</td>
<td>$17,642,115</td>
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<tr>
<td><strong>TOTAL INCOME</strong></td>
<td><strong>$94,638,462</strong></td>
<td><strong>$80,218,859</strong></td>
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</table>

<table>
<thead>
<tr>
<th></th>
<th>2019</th>
<th>2018</th>
</tr>
</thead>
<tbody>
<tr>
<td>Dividends and Interest</td>
<td>$16,875,119</td>
<td>$12,342,669</td>
</tr>
<tr>
<td>Non-Interest Expense</td>
<td>$51,781,606</td>
<td>$47,089,237</td>
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<tr>
<td>Provision for Loan Losses</td>
<td>$6,018,258</td>
<td>$4,092,323</td>
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<td><strong>TOTAL EXPENSE</strong></td>
<td><strong>$74,674,983</strong></td>
<td><strong>$63,514,229</strong></td>
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<tr>
<td><strong>NET INCOME</strong></td>
<td><strong>$19,963,479</strong></td>
<td><strong>$16,704,630</strong></td>
</tr>
</tbody>
</table>

## Graphs

**Total Assets (in millions):**
- 2015: 1,142.2
- 2016: 1,254.2
- 2017: 1,386.3
- 2018: 1,514.4
- 2019: 1,657.9

**Total Net Income (in millions):**
- 2015: 10.1
- 2016: 13.2
- 2017: 14.1
- 2018: 16.7
- 2019: 20.0

(All data is unaudited)